[Translation]

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Corporate Governance Report

YUASA CO., LTD.

Last updated: June 30, 2026

YUASA CO., LTD.
Hideaki Murayama
Representative Director, President & CEO
Contact: General Affairs Division +81-3-6369-1255
Securities identification code: 8074
https://www.yuasa.co.jp (in Japanese)

The corporate governance of YUASA CO., LTD. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

The Company believes that, as a social entity, a company aims to maximize corporate value, return profits to society, and continue to operate in the long term by maintaining and expanding a multi-faceted and positive relationship between management (Directors) who are entrusted by many shareholders and various stakeholders, including shareholders who delegated responsibility to management, employees, suppliers, sales partners, and financial institutions.

In order to achieve this goal, management (Directors) makes various decisions and chooses strategies on a daily basis, while making efficient use of limited management resources in a constantly changing business environment. The Company believes that establishing a clear governance system is essential in order to gain the full trust of stakeholders regarding the processes and results of these activities. In other words, the Company recognizes that it must introduce appropriate systems and operate them based on strict rules in order to ensure transparency, fairness and impartiality, and to fulfill its responsibility to provide appropriate and timely explanations.

There are various possible specific measures for establishing a governance system, such as the desired form of organizational design and the selection of internal systems, and the Company believes the selection and application of these measures in practice should be decided by each company independently, although they are influenced by the management environment at the time, the culture and traditions fostered by each company, the nature of its business, and other factors.

Based on the above approach, the Company maintains a company structure with an Audit & Supervisory Board. With the enactment of the Companies Act and the Financial Instruments and Exchange Act, etc., the development of laws related to corporate management has progressed, and by appropriately responding to the intent of these laws, the Company believes that an effective governance system has been established under the current system.

The Company believes that all of its stakeholders, including shareholders, employees, suppliers, customers, and financial institutions, with whom it has relationships in various ways in carrying out its corporate activities, are of equal importance to the Company. The Company respects the various rights of shareholders, who hold the equity, including the right to vote on the election of officers and the determination of remuneration at the general meeting of shareholders, which is its highest decision-making body, to the greatest extent possible and in an equal manner. Meanwhile, the Company also recognizes it as an important management issue to ensure that employees who spend a large part of their lives in relation to the Company, including their families, are appropriately rewarded for their abilities and experience to enable them to design a plan for the future to a certain level, and that friendly relationships with the business partners, including suppliers, sales partners, and financial institutions are established to enable mutual coexistence and mutual prosperity. Based on this recognition, the Company is implementing the following specific measures to establish a governance system.

With the aim of strengthening the functions of the Board of Directors as a decision-making body and a supervisory body for business execution, the Company has introduced an Executive Officer System, and it is working to optimize the number of Directors, while ensuring that at least one third of all Directors are Outside Directors, in order to strengthen the supervisory functions of the Board of Directors, and to accelerate business execution and clarify responsibilities, thereby strengthening the execution structure. On the other hand, the Audit & Supervisory Board that serves as the supervising body is comprised of a total of four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members. Each Audit & Supervisory Board Member attends important meetings, such as the Board of Directors meetings, and conducts strict audits on the business execution of Directors from an independent perspective as they contribute to the strengthening and enhancement of the governance system.

The Company has also concluded an audit contract with the audit corporation elected at the general meeting of shareholders, and it obtains proper audits and appropriate advice on accounting issues as needed.

The Company is a large conglomerate comprised of 43 affiliated companies, including 35 consolidated subsidiaries and 1 equity method affiliates as of the date of updating this report. However, centered on the Company, the Group maintains close cooperation and strives for disciplined company management that improves the value of the overall corporate group based on the policies of the Company’s governance system.

[Reasons for Non-compliance With the Principles of Japan’s Corporate Governance Code]

The Company complies with all principles described in Japan’s Corporate Governance Code revised in June 2021.

[Disclosure Based on the Principles of Japan’s Corporate Governance Code] Update

[Principle 1.4 Shares Held as Cross-Shareholdings]

Regarding the exercise of voting rights related to cross-shareholdings, through dialogue with the target companies by the departments in charge of transactions and verification by the Company's Finance Department, etc., the Company judges each proposal by comprehensively considering whether the content of the proposal prevents the impairment of shareholder value and leads to appropriate decision-making that contributes to the enhancement of corporate value over the medium to long term, and whether it contributes to the enhancement of the corporate value of the Company Group, and exercises all voting rights appropriately. With respect to the policy-held shares held by the Company, for all issues, once a year, the Finance Department checks with the transaction controlling departments the status of transaction amounts and transaction contents, and at the Board of Directors, the Company verifies, for each individual issue, the reasonableness based on the significance of holding and capital cost, etc., in accordance with its “Guidelines for Investment in Securities.” As a result of the verification, the Company sells shares for which it determines that the rationale for holding them is no longer recognized and has adopted a policy to reduce the number of shares held. In order to protect the common interests of shareholders, the Company stipulates in the Board of Directors Regulations that transactions between related parties require approval by the Board of Directors, and ensures that this is known and thoroughly implemented. The ratio of cross shareholdings to consolidated net assets as of March 31, 2026 was 11.5%.

[Principle 1.7 Related Party Transactions]

In order to protect the common interests of shareholders, the Company has stipulated under the Board of Directors Rules that any transactions between related parties shall require the approval of the Board of Directors, and thoroughly communicated it. When obtaining approval of such transactions at Board of Directors meetings, the Board checks the appropriateness of the transaction details and economic rationality, such as whether they are equivalent to general transaction terms, and when a transaction that has been approved by the Board of Directors is executed, the status of the transaction is reported to the Board of Directors on a case-by-case basis, creating a system that allows monitoring to ensure that concerns are not raised about harming the interests of the Company or the common interests of shareholders. In addition, with regard to ongoing transactions, the Board of Directors discloses important facts related to the relevant transactions once a year, obtains prior approval, and reports on the transactions after the fact. Also, a written survey (questionnaire) on transactions between related parties is conducted at the end of each fiscal year for all Directors and Audit & Supervisory Board Members to confirm and verify the details of the transactions.

[Translation]

[Principle 2.4 Ensuring Diversity in the Promotion to Core Human Resources]

The Company actively appoints individuals to management positions who possess excellent character, insight, ability, and abundant experience, as well as a high sense of ethics, regardless of gender, age, or race, and strives for the sustainable growth of the Company.

The Company promotes the appointment of employees to management positions regardless of whether they were hired as new graduates or mid-career, and maintains a ratio of mid-career hires in management positions that is roughly equivalent to the ratio of mid-career hires in the workforce (as of the end of March 2026, the ratio of mid-career hires among directly employed full-time employees was 36.6%, and the ratio of mid-career hires to management positions was also roughly the same at 32.7%). The appointment of management personnel is conducted fairly, regardless of whether they were hired as new graduates or mid-career. Going forward, based on this policy, we will continue to promote the appointment of mid-career hires to management positions, using the ratio of mid-career hires in the workforce as a benchmark for the ratio of mid-career hires in management positions.

Regarding the appointment of women, we set targets for the end of March 2026 of a "6.0% ratio of women in management track positions," a "12.0% ratio of women hired for management track positions," and a "3.0% ratio of women in management positions." As of the end of March 2026, women accounted for 41.8% of the Company's directly employed regular employees, with a "7.1% ratio of women in management track positions," a "13.8% ratio of women hired for management track positions," and a "2.2% ratio of women in management positions." We will continue to promote the development of female managers, expand educational training, encourage the transition from general positions to management track positions and subsequent appointment to management, and improve the environment through reviews of job categories and the creation of new systems.

The Company positions overseas business as one of its most important strategies for growth. However, as the majority of our current business is domestic and most of our business partners and customers are based in Japan, the number of foreign employees currently in our workforce is limited. For this reason, we have not set specific targets for the appointment of foreign nationals to management positions at this time, but we will continue to promote diversity in line with our business strategy while engaging in discussions and considerations regarding their appointment to management positions.

For details on our human resource development policy and internal environment improvement policy for ensuring diversity, as well as their implementation status, please refer to the "Integrated Report 2025" (https://www.yuasa.co.jp/ir/annual-report/2025/).

[Principle 2.6 Functioning as Asset Owner of Corporate Pension Funds]

The Company has introduced a corporate-type defined contribution pension plan (Life Plan System) to support the stable asset formation of employees, and does not have a corporate pension plan. We also provide support for asset formation through life plan training for employees.

[Principle 3.1 Enhancement of Information Disclosure]

On our website, we publish information such as our basic management policy, management strategy, and sustainability promotion efforts through our corporate philosophy and top management messages. In addition, we disclose information such as our basic management policy, business overview, and management indicators in the "YUASA REPORT," which is issued at the time of the second-quarter and fiscal year-end financial results, and send it to all shareholders.

(1) Objectives of the Company (philosophy and management vision)

Our corporate philosophy is based on "Integrity and Trust," "Enterprise and Creativity," and "Respect for Humanity." With harmony with the global environment as our core principle, we emphasize mutually beneficial relationships in any country or region in the world, and through our corporate activities, we contribute to the creation of a more human-centered and prosperous society. For details, please visit our website (https://www.yuasa.co.jp/corporate/philosophy/).

Under these circumstances, we have formulated the long-term vision "YUASA vision 370," looking ahead to our 370th anniversary in 2036, and the medium-term management plan "Reborn 2031," covering the five-year period from April 2026 to March 2031.

For details, please visit our website (https://www.yuasa.co.jp/corporate/management/).

[Translation]

(2) Basic views on corporate governance

Our basic approach and policy regarding corporate governance are as described in "1. Basic Approach" under "Basic Approach to Corporate Governance and Capital Structure, Corporate Attributes, and Other Basic Information" in this report. The reasons for adopting our current corporate governance system are as described in "3. Reasons for Adopting the Current Corporate Governance System" under "Status of Corporate Management Organization and Other Corporate Governance Systems Regarding Management Decision-making, Execution, and Supervision" in this report.

(3) Policies and procedures of the board of directors in determining the remuneration of directors

Remuneration for Directors (excluding Outside Directors) consists of monetary remuneration and share awards. Monetary remuneration consists of basic remuneration, which is a fixed amount based on the officer's position, and bonuses, the amount of which fluctuates based on annual consolidated performance and growth rates. Share awards are granted based on a performance-linked share award system, in which the number of shares granted fluctuates according to the officer's position and the degree of achievement of the medium-term management plan.

Remuneration for Outside Directors consists solely of basic remuneration, as it is necessary to ensure their independence to appropriately perform their management supervisory functions.

In determining Director remuneration, the Board of Directors consults with the Governance Advisory Committee, which is composed of all Independent Outside Directors, all Independent Outside Audit & Supervisory Board Members, and one Internal Director selected by the Board of Directors, and makes decisions based on the committee's report, within the scope of the remuneration amounts resolved at the 139th Ordinary General Meeting of Shareholders held on June 22, 2018, the 142nd Ordinary General Meeting of Shareholders held on June 24, 2021, and the 147th Ordinary General Meeting of Shareholders held on June 25, 2026 (annual monetary remuneration for Directors of up to 380 million yen (of which up to 50 million yen is for Outside Directors), and share awards linked to the degree of achievement of the medium-term management plan (180 million yen multiplied by the Applicable Period (consecutive fiscal years corresponding to the medium-term management plan))).

Individual remuneration for Directors for the period from July 2026 to June 2027 was resolved at the Board of Directors meeting held on June 25, 2026, following the report from the Governance Advisory Committee held on June 19, 2026.

Remuneration levels are set for each role and responsibility of the officers by conducting objective benchmarking with reference to survey data from external specialized institutions. In addition, to ensure that officer remuneration serves as a sound incentive for improving corporate value over the medium to long term, we will review the performance-linked ratio, the composition ratio of share awards, and evaluation indicators as necessary.

<Remuneration for Directors (excluding Outside Directors)>

As monetary remuneration, we provide basic remuneration, which is a fixed amount based on the officer's position, and bonuses, the amount of which fluctuates based on the degree of achievement of annual consolidated ordinary profit and the growth rate from the previous year. For Directors in charge of specific divisions, the situation of their respective divisions is also taken into consideration as a variable factor for bonuses.

As share awards, we have introduced a share award system in which the number of shares granted fluctuates according to the position and the degree of achievement of the medium-term management plan, replacing the conventional stock option system.

<Remuneration for Outside Directors and Audit & Supervisory Board Members>

Only basic remuneration, a fixed amount of monetary remuneration, shall be paid.

(4) Policies and procedures in the appointment and dismissal of Directors and Audit & Supervisory Board Members

Regarding the selection of candidates, the Board of Directors deliberates and decides based on common criteria such as character, insight, strategic elements, and awareness of reform and execution ability regarding issues. For Executive Directors, performance in their previous assigned duties and management ability are considered;

for Non-Executive Directors, expertise and management experience are considered; and for Audit & Supervisory Board Members, appropriate experience, ability, and necessary knowledge of finance, accounting, and law are considered. In addition, at least one person with sufficient knowledge of finance and accounting is appointed. Furthermore, if it is recognized that a Director or other executive officer is not fully performing their functions, the Board of Directors shall consult the Governance Advisory Committee, and after obtaining the committee's report, submit the matter to the Board of Directors. If it is determined that the dismissal of a Director is necessary, the matter will be submitted to the General Meeting of Shareholders.

(5) Explanation on reasons for election and nomination of individual candidates for Directors

Since the 137th Ordinary General Meeting of Shareholders, we have included the reasons for the nomination of all Directors and Audit & Supervisory Board Members in the Reference Documents for the General Meeting of Shareholders. In addition, since the 142nd Ordinary General Meeting of Shareholders, we have included a skills matrix showing the areas of professional expertise particularly expected of Director candidates. When nominating Outside Directors and Outside Audit & Supervisory Board Members, we disclose the scale of transactions between the Company and its Group companies and the candidates' concurrent positions to provide shareholders with information for judging independence.

[Supplementary Principles 3.1.3 Initiatives on Sustainability]

The YUASA Group is promoting sustainability management to further evolve the management foundation that has been passed down for over 360 years. We recognize initiatives for sustainability, including ESG, as important management issues, and we will enhance effectiveness across the Group by linking them with our long-term vision, "YUASA vision 370," and our medium-term management plan, "Reborn 2031."We will enhance effectiveness across the Group.

(1) Policies related to sustainability

The YUASA Group has established a Sustainability Promotion Committee as an advisory body to the Board of Directors to promote management that contributes to sustainability. The committee meets at least twice a year to deliberate on risks, opportunities, and impacts related to sustainability in general, including climate change, and to examine response policies for risk reduction.

Although there are a wide variety of themes and items related to sustainability, the YUASA Group has identified material issues (materiality) based on their importance from the perspectives of the YUASA Group and its stakeholders, with our materiality declaration of "Harmony with the global environment, business activities for service with good products, and management that respects humanity" as a universal theme. In May 2026, we conducted a re-evaluation of our materiality in light of the launch of our new medium-term management plan and recent changes in the social environment. We strive to comply with various policies, such as our Environmental Policy and Human Rights Policy, which serve as guidelines for taking concrete actions on environmental (E), social (S), and governance (G) issues, and we will execute action plans formulated based on our materiality.

(2) Governance and promotion system

<Harmony with the Global Environment>

The YUASA Group strives for harmony with the global environment, aiming for carbon neutrality across the entire YUASA Group, and is committed to disclosing information on its emissions (Note). Furthermore, we value mutually beneficial relationships with our business partners, and we will strive to address climate change, reduce environmental impact across the entire supply chain, and promote climate change responses through our business.

(Note) The scope of business subject to carbon neutrality includes direct CO2 emissions from YUASA and our Group companies, as well as indirect CO2 emissions associated with the generation of energy used by each company.

<Business Activities Based on 'Serving Society with Quality Products'>

Based on the spirit of 'serving society with quality products' that has continued since our founding, the YUASA Group conducts fair, sound, and sincere business transactions. Through the trading of various products and services, we promote the creation of a safe, secure, and prosperous society together with our stakeholders.

[Translation]

<Management Respecting Human Dignity>

The YUASA Group views employees as human resources, or capital, and considers them essential capital for enhancing corporate value. We treat diverse perspectives as a source of innovation, and by 'maximizing individual capabilities' and 'creating synergy between individual strength and organizational strength,' we will achieve both job satisfaction and ease of work. By enhancing employee engagement, we will realize a transformation into a corporate culture where challenge and co-creation are the norm, and achieve sustainable growth.

For information on the YUASA Group's sustainability promotion structure and the status of our initiatives regarding materiality, etc., please visit our website (https://www.yuasa.co.jp/sustainability/).

[Supplementary Principle 4.1.1 Scope of Matters Delegated to Management]

Matters to be decided by the Board of Directors, the Management Committee, or through the ringi (approval) process are determined based on the degree of importance, with detailed and specific divisions of authority and responsibility defined, and are decided through resolutions of the Board of Directors, approvals by the Management Committee, and ringi approvals. In addition, the duties and authorities of business execution officers and department heads, as well as the segregation of duties, are clarified in internal regulations, and we have established a system that is constantly reviewed in response to organizational changes and other factors. The Board of Directors is operated based on the 'Board of Directors Regulations' and, as an organ for making decisions on important business execution and supervising the execution of duties by directors, holds meetings in principle once a month, with extraordinary meetings of the Board of Directors held as necessary.

[Principle 4.9 Independence Standards and Qualifications for Independent Outside Directors]

With the aim of enhancing objectivity in management decision-making and further improving management soundness and transparency, the Company, in appointing Outside Directors, uses the judgment elements (independence standards) for cases where there is a risk of conflict of interest with general shareholders as stipulated in the "Guidelines Concerning Listing Management, etc." of the Tokyo Stock Exchange, in addition to the requirements under the Companies Act, as the independence criteria for Independent Outside Directors. Furthermore, in selecting candidates for Independent Outside Director, the Company uses as selection criteria the ability to provide advice from the perspective of promoting sustainable growth and enhancing corporate value over the medium to long term based on their own expertise regarding management policy and management improvement, and the ability to supervise management through the appointment and dismissal of senior management and other important decision-making by the Board of Directors. In addition,

The Company has established internal regulations for officers stating that "in reappointing Outside Officers, those who have reached a total term of office of 12 years shall not be candidates" in consideration of independence, and that "Outside Officers shall, in principle, hold concurrent positions at up to four listed companies, including the Company, to ensure the time necessary for the execution of their duties."

[Principle 4.10.1 Independence Standards and Qualifications for Independent Outside Directors]

The Company has appointed four Independent Outside Directors, and the ratio of Outside Directors to all Directors is one-third or more, and the Company has established a system where Directors and the Board of Directors can receive advice on important matters from Independent Outside Directors as appropriate. In addition, each Independent Outside Director expresses active opinions and provides advice as necessary at Board of Directors meetings by leveraging their abundant management experience, and appropriate resolutions on important matters are made.

Furthermore, for the purpose of strengthening governance, the Company has established the "Governance Advisory Committee" under the Board of Directors as a voluntary advisory body composed mainly of Independent Officers, with an Independent Outside Director serving as the chairperson. The Governance Advisory Committee is composed of all Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, as well as one Internal Director selected by the Board of Directors, and deliberates on the following matters and reports to the Board of Directors.

(1) Matters related to appointment and dismissal of Directors

(2) Matters related to remuneration for Directors

(3) Matters concerning the analysis and evaluation of the effectiveness of the Board of Directors as a whole and other governance-related proposals

In the fiscal year ended March 31, 2026, the committee met seven times and reported to the Board of Directors on the following matters.

- Determination of individual basic remuneration and bonuses for Directors
- Conclusion of directors and officers liability insurance
- Revision of internal regulations for officers
- Matters to be submitted to the 147th Ordinary General Meeting of Shareholders

※Some of the proposals to be submitted to the 147th Ordinary General Meeting of Shareholders, which are subject to deliberation by the Governance Advisory Committee, were deliberated at the Governance Advisory Committee held in the fiscal year ending March 31, 2027, and reported to the Board of Directors.

The members of the Governance Advisory Committee as of the update date are as follows.

Independent Outside Director Miki Mitsunari (Chairperson)

Independent Outside Director Yoshiro Hirai

Independent Outside Director Yukiko Machida

Independent Outside Director Hiroyuki Nose

Independent Outside Audit & Supervisory Board Member Mitsuhiro Honda

Independent Outside Audit & Supervisory Board Member Chinami Kajo

Director, Supervisory Manager of Management Administration Nobuyoshi Suzuki

In addition, Miki Mitsunari has been selected as the Lead Independent Outside Director through mutual election by the independent outside directors. The Lead In-dependent Outside Director, as necessary, consolidates the opinions of other independent outside directors and communicates these opinions to the Board of Directors and the Audit & Supervisory Board to discuss appropriate responses.

All independent officers, including outside Audit & Supervisory Board Members registered as independent officers with the Tokyo Stock Exchange, serve as members of the Governance Advisory Committee. By ensuring that independent outside directors constitute a majority and that an independent outside director serves as the chairperson, we have established an environment that fosters active discussion as a committee independent of the management team.

Furthermore, we hold regular meetings consisting solely of independent outside directors and independent outside Audit & Supervisory Board Members, striving to exchange opinions and share information based on an independent standpoint.

[Supplementary Principle 4.11 Initiatives for Ensuring Effectiveness]

(1) Policy regarding the balance, diversity, and size of knowledge, experience, and capabilities of the Board of Directors as a whole

The Board of Directors has set the number of directors at 10 or fewer in the Articles of Incorporation from the perspective of maximizing the effectiveness and efficiency of the Board's functions and promoting its revitalization. In addition, when appointing our directors, we use criteria that include excellent character, insight, capability, and abundant experience, as well as high ethical standards, regardless of gender, race, job history, or age. Since the 142nd Ordinary General Meeting of Shareholders held on June 24, 2021, we have published a skills matrix identifying the areas of professional expertise particularly expected of director candidates. At the 147th Ordinary General Meeting of Shareholders held on June 25, 2026, we elected 10 directors, including 4 outside directors (of whom 2 are female outside directors), to maintain management transparency and soundness and to ensure the company's sustainable growth and the enhancement of corporate value over the medium to long term. Fur-thermore, outside directors account for at least one-third of all directors, and 2 of them have been appointed based on their management experience at other listed companies. Regarding Audit & Supervisory Board Members, we deliberate and decide based on whether they possess appropriate experience, capabilities, and necessary knowledge of finance, accounting, and law, and we ensure that at least one person with sufficient knowledge of finance and accounting is appointed.

(2) Disclosure of concurrent positions held by Directors and other officers at other listed companies

The status of important concurrent positions held by Directors and Audit & Supervisory Board Members is disclosed in the Independent Officer Notification, the Reference Documents for the General Meeting of Shareholders, and this report, etc. We also confirm that these positions are within a range that does not hinder the time and effort required to fulfill their roles and responsibilities as officers of the Company.

(3) Disclosure of the results of analysis and evaluation regarding the effectiveness of the Board of Directors as a whole

In the fiscal year ended March 31, 2026, the Board of Directors met 14 times, and important matters related to business execution were appropriately decided or reported without missing timely opportunities. The attendance rate of each Director at Board of Directors meetings was favorable, and decisions were made after appropriate discussions. In addition, Outside Officers provide advice and recommendations as appropriate, based on their abundant experience and specialized knowledge. Each Director and Audit & Supervisory Board Member conducts a self-evaluation of the status of their execution of duties, and verifies whether the Board of Directors is functioning effectively using a questionnaire. They also verify the appropriateness of operational methods, procedures, and submission criteria, report the summary to the Board of Directors, and strive to improve the operation of the Board of Directors. For the fiscal year ended March 31, 2026, we also conducted a questionnaire (self-evaluation) for all Directors and Audit & Supervisory Board Members and reported the results to the Governance Advisory Committee. The Company judges that active exchanges of opinions regarding the Company's governance and the improvement of corporate value are being conducted at the Governance Advisory Committee and other forums. We recognize the need to continue sharing our current understanding and to continuously improve the effectiveness of the Board of Directors through the identification of issues. Based on the questionnaire results, we received a report on the analysis and evaluation results regarding the operation of the Board of Directors from the Governance Advisory Committee. With the aim of ensuring management transparency and further strengthening corporate governance, we continue to revise the "Matters for Resolution and Submission Criteria for the Board of Directors." Furthermore, we hold meetings consisting solely of Independent Officers, as well as in-terviews and hearings between Independent Officers and Internal Directors, to facilitate information exchange and shared understanding based on an independent and objective standpoint. The Company has notified the Tokyo Stock Exchange of all Outside Directors and Outside Audit & Supervisory Board Members as Independent Officers. In addition, we conducted a questionnaire in April 2026, and we will continue to make improvements aimed at more functional Board of Directors operations.

[Supplemental Principle 4.14.2 Provision of Training for Directors and Audit & Supervisory Board Members and Disclosure of Such Policies]

The Company continuously provides necessary opportunities, arranges for, and supports the expenses for all Directors and Audit & Supervisory Board Members, including Outside Directors and Outside Audit & Supervisory Board Members, to acquire knowledge regarding business, accounting, finance, legal affairs, and or-ganization, etc., necessary to fulfill their roles and responsibilities, such as by holding seminars by external lecturers. In addition, newly appointed officers strive to acquire knowledge regarding corporate legal affairs, etc., by attending external seminars.

Principle 5.1 Policy for Constructive Dialogue With Shareholders

For the sustainable growth of the Company and the enhancement of corporate value over the medium to long term, the Company promotes constructive dialogue with shareholders, clearly explains our management policy in an easy-to-understand manner, and strives to gain the understanding of our shareholders.

(1) Designation of Management or Directors to Oversee Dialogue in General

Dialogue with shareholders in general is overseen by the officer in charge of the Corporate Management Division. Through various initiatives, including financial results briefings by the Representative Director, we strive to respond proactively to realize constructive dialogue with stakeholders.

(2) Coordination among internal departments to support dialogue

The departments within the Corporate Management Division actively coordinate with each other to share IR information and knowledge, discuss the direction of IR activities, and prepare disclosure materials.

(3) Enhancement of investor briefings and IR activities

As a means of dialogue other than individual meetings, we hold financial results briefings for analysts and institutional investors, in principle, twice a year. In addition, we will continue to engage in proactive IR activities by providing opportunities for small meetings with institutional investors as appropriate and participating in briefings for individual investors.

(4) Feedback of shareholder opinions to the company

Opinions obtained through dialogue with shareholders are aggregated as appropriate and fed back to management and relevant departments to ensure information is disseminated and shared.

(5) Management of insider information during dialogue

We have established and manage regulations concerning the management of insider information (Regulations on Prevention of Insider Trading and Information Security Policy Regulations). Furthermore, the Corporate Management Division, which serves as the point of contact, is fully aware of insider information and fair disclosure rules when engaging in dialogue with shareholders and handles such matters accordingly.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update **Update**	June 19, 2026

Explanation of Actions **Update**

For an overview of our actions to implement management that is conscious of the cost of capital and stock price, please refer to the materials at the end of this report.
Actions to implement management that is conscious of the cost of capital and stock price were explained at the "Financial Results Briefing for the Fiscal Year Ended March 31, 2026," and the details are posted on our website (https://www.yuasa.co.jp/ir/library/financial-report/).

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders] Update

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd.	2,615,747	12.31
Yuasa Charcoal Association Shareholding Association	998,010	4.69
The Nomura Trust and Banking Co., Ltd.	931,422	4.38
BNYM AS AGT/CLTS10PERCENT	861,270	4.05
Custody Bank of Japan, Ltd.	797,600	3.75
Hikari Tsushin, Inc. Investment Business Limited Liability Partnership	780,600	3.67
Eastern Yuasa Yamazumi Shareholding Association	655,349	3.08
Western Yuasa Yamazumi Shareholding Association	627,951	2.95
Yuasa Trading Employee Shareholding Association	537,442	2.52
STATE STREET BANK AND TRUST COMPANY 505223	536,324	2.52

Controlling Shareholder (except for Parent)	—
Parent (Listed Stock Market)	None

Supplementary Explanation Update

1.The summary of shareholders is based on the shareholder register as of March 31, 2026.

2.In addition to the above, the Company holds 857,230 treasury shares (ownership ratio to the total number of issued shares is 3.87%). Of the 2,658 thousand shares held by The Master Trust Bank of Japan, Ltd., 188,747 shares are held due to the introduction of the Officer Remuneration BIP Trust.

3.Although the change report made available for public inspection on June 17, 2026, states that Fidelity Management & Research Company LLC and two other joint holders owned the following shares as of April 15, 2025, they are not included in the above summary of shareholders because the Company cannot confirm the actual number of shares held as of the end of the current fiscal year.

Large-scale holder: Fidelity Management & Research Company LLC and two other joint holders

Number of share certificates, etc. held: 2,119,035 shares

Holding ratio of share certificates, etc.: 9.59%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Wholesale Trade
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions With Controlling Shareholder

—

5. Special Circumstances Which May Have Material Impact on Corporate Governance

—

[Translation]

II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors Update	Chairman (excluding cases where the Chairman also serves as President)
Number of Directors Update	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Officers Designated From Among Outside Directors	4

Outside Directors' Relationship With the Company (1) Update

Name	Attribute	Relationship With the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoshiro Hirai	From another company								○			
Miki Mitsunari	From another company								○			
Yukiko Machida	From another company											
Hiroyuki Nose	From another company											

* Categories for "Relationship With the Company"

* "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
b. Non-executive director or executive of the parent of the Company
c. Executive of a fellow subsidiary of the Company
d. Party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., and f.) (the director himself/herself only)
i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
k. Other

Outside Directors' Relationship With the Company (2) Update

Name	Appointment as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yoshiro Hirai	○	Mr. Yoshiro Hirai served as Representative Director and President of ITOKI CORPORATION, with which the Company has a business relationship.	Mr. Yoshiro Hirai has been engaged in the management of ITOKI CORPORATION for many years, and has a wealth of experience and a high level of insight as a business executive. Due to these qualities, the Company decided that he can be expected to take on a supervisory and advisory function from an independent and objective standpoint. The Company pays fees for participating in seminars, etc. hosted by OpenWorking Inc., but the amount of such fees is less than 1.5 million yen per year, which is not a large enough amount to cause financial dependence on the Company for OpenWorking Inc. Moreover, OpenWorking Inc. does not fall under the category of "major business partner." Based on the above, the Company regards him as independent, as there is no risk of conflict of interest with general shareholders, and has designated him as an independent officer.

Name	Appointment as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Miki Mitsunari	○	Ms. Mitsunari serves as President of FINEV Inc., with which the Company has entered into a consulting agreement to seek advice on the Company's and the Group's ESG and SDG policies, as well as the establishment of systems and information disclosure.	Ms. Miki Mitsunari has been engaged in consulting work for corporate sustainability, has a high level of insight as a director of a public institution, and has been engaged in the management of her own consulting company. Due to these qualities, the Company decided that she can be expected to take on a supervisory and advisory function from an independent and objective standpoint. The Company has entered into a consulting agreement with FINEV, Inc., of which she is President, to seek advice on the Group's policies, system development, and information disclosure related to the promotion of sustainability. However, the contract amount is less than 10 million yen per year, which is not a large enough amount to cause financial dependence on the Company for FINEV, Inc., and does not fall under the category of "large amount of money or other property." Based on the above, the Company regards her as independent. In addition, the Company and the Company's Group have transactions with YAMADA HOLDINGS CO., LTD. and its consolidated subsidiaries concerning the sale and purchase of electric machinery and devices, but the amount of these transactions is less than 1% of the Company's consolidated net sales for the fiscal year ended March 31, 2026 and less than 1% of YAMADA HOLDINGS CO., LTD.'s consolidated net sales for the fiscal year ended March 31, 2026. Moreover, YAMADA HOLDINGS CO., LTD. does not fall under the category of "major business partner," and the terms and conditions of the transactions are the same as those of other businesses that have no relationship with the Company. Based on the above, the Company regards her as independent, as there is no risk of conflict of interest with general shareholders, and has designated her as an independent officer.

[Translation]

Name	Appointment as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yukiko Machida	○	—	Ms. Yukiko Machida is a licensed attorney-at-law with a high level of discernment particularly in the field of labor law affairs, and has conducted numerous activities including writing books and delivering speeches on women's social engagement and harassment. Ms. Yukiko Machida also has experience as an outside officer at a listed company. Based on such experience, she can be expected to offer advice and recommendations to help the Company ensure the legality and appropriateness of decisions made by its Board of Directors and to offer advice and recommendations regarding the Company's human resource and labor issues, and, therefore, the Company elected her as a candidate for Outside Director. The Company has concluded a consulting agreement with another partner of Law Office of Itsumi & Machida, to which she belongs, to seek advice on the Company's human resource and labor issues. However, the contract amount was less than ¥1.5 million per year, and the total contract amount concluded with the partner and Ms. Yukiko Machida in past legal cases did not exceed ¥4 million per year, which is not a large enough amount to cause financial dependence on the Company for Law Office of Itsumi & Machida. She has no special relationship with the Company or the Group.Based on the above, the Company has determined that there is no risk of a conflict of interest with general shareholders, and that she has independence, and has therefore designated her as an Independent Officer.

[Translation]

Name	Appointment as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Hiroyuki Nose	○		Mr. Hiroyuki Nose has been engaged in the management of Sapporo Breweries Limited and Sapporo Holdings Limited for many years, and has a wealth of experience and a high level of insight as a business executive. Due to these qualities, the Company decided that he can be expected to take on a supervisory and advisory function from an independent and objective standpoint. No special relationship exists between the Company and the Company's Group on the one hand and Mr. Hiroyuki Nose and entities where he holds concurrent positions on the other hand. Based on the above, the Company has determined that there is no risk of conflict of interest with general shareholders, and that he possesses independence, and has designated him as an independent officer.

Establishment of Voluntary Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established

Voluntary Committee’s Name, Composition, and Chairperson’s Attributes

	Committee Equivalent to Nominating Committee	Committee Equivalent to Remuneration Committee
Committee’s Name	Governance Advisory Committee	Governance Advisory Committee
Total Committee Members	7	7
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	4	4
Outside Experts	0	0
Other	2	2
Chairperson	Outside Director	Outside Director

Supplementary Explanation Update

The Company established the "Governance Advisory Committee" on July 12, 2019, as an advisory body to the Board of Directors for the purpose of further strengthening governance. This committee is composed of one internal director selected by the Board of Directors and all independent outside directors and independent outside audit & supervisory board members, and the chairperson is selected by mutual election among the members who are independent outside directors. In the fiscal year ended March 31, 2026, it was held 7 times. The Governance Advisory Committee deliberates on the following matters and reports its findings to the Board of Directors.

(1) Matters concerning the appointment and dismissal of Directors

(2) Matters concerning the remuneration, etc. of Directors

(3) Matters concerning the analysis and evaluation of the effectiveness of the Board of Directors as a whole, as well as other governance-related proposals

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	4

Cooperation Among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Division

Each Audit & Supervisory Board Member and the accounting auditor hold audit meetings as necessary to exchange information on audits, and each Audit & Supervisory Board Member works closely with the accounting auditor to enhance auditing practices and conduct audits efficiently by accompanying the accounting auditor on its visits. The Internal Auditing Office, which is under direct control of the Representative Director and President, is in charge of internal audit operations, and it conducts audits of each internal division according to the internal audit plan to ensure proper business execution. The results are reported to the Audit & Supervisory Board approximately once a month in the form of an internal audit report, and discussions are held between the parties concerned as necessary.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Officers Designated From Among Outside Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members' Relationship With the Company (1)

Name	Attribute	Relationship With the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Mitsuhiro Honda	Certified public tax accountant													
Chinami Kajo	Attorney at law													

* Categories for "Relationship With the Company"

* "○" when the Audit & Supervisory Board member presently falls or has recently fallen under the category; "△" when the Audit & Supervisory Board member fell under the category in the past

1. "●" when a close relative of the Audit & Supervisory Board member presently falls or has recently fallen under the category; and "▲" when a close relative of the Audit & Supervisory Board member fell under the category in the pasta.

B) Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiaryb.
C) Non-executive director or accounting advisor of the Company or its subsidiaryc.
D) Non-executive director or executive of the parent of the Companyd. Audit & Supervisory Board Member of the parent of the Companye.
E) Executive of a fellow subsidiary of the Companyf.
F) Party whose major client or supplier is the Company or an executive thereofg.
G) Major client or supplier of the Company or an executive thereofh.
H) Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as an Audit & Supervisory Board memberi.
I) Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)j.
J) Executive of a client or supplier of the Company (which does not correspond to any of f., g., and h.) (the Audit & Supervisory Board member himself/herself only)k.
K) Executive of a corporation to which outside officers are mutually appointed (the Audit & Supervisory Board member himself/herself only)l.
L) Executive of a corporation that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)m.
M) Other

Outside Audit & Supervisory Board Members' Relationship With the Company (2) **Update**

Name	Appointment as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mitsuhiro Honda	○	—	Mr. Mitsuhiro Honda is a tax specialist with many years of experience at the National Tax Agency and as a graduate school professor. The Company has nominated him in the expectation that he will express objective audit opinions from an independent and neutral standpoint by utilizing his wide range of knowledge. He also has sufficient knowledge of taxation and accounting, which he has cultivated over many years, and therefore, the Company decided that he is able to appropriately monitor corporate accounting and taxation from an independent perspective, emphasize the stability and soundness of corporate management at Board of Directors meetings, etc., perform audits from a strictly neutral standpoint from a broad and long-term perspective that differs from insiders, and have a keen checking function on the management team. He has no special relationship with the Company or the Group. Based on the above, the Company has determined that there is no risk of a conflict of interest with general shareholders, and she has the ability to conduct audits from a strictly neutral standpoint and to act as a keen checking function on the management team, and has therefore designated her as an Independent Officer.

Name	Appointment as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Chinami Kajo	○	—	Ms. Chinami Kajo has the ability to emphasize the stability and soundness of corporate management at Board of Directors meetings, etc. from a fair and neutral standpoint as an attorney, to take a broad and long-term perspective that differs from insiders, to maintain independence, and to consider the interests of general shareholders and the Group. She has no special relationship with the Company or the Group. Based on the above, the Company has determined that there is no risk of a conflict of interest with general shareholders, and she has the ability to conduct audits from a strictly neutral standpoint and to act as a keen checking function on the management team, and has therefore designated her as an Independent Officer.

[Independent Officers]

Number of Independent Officers	6

Matters Relating to Independent Officers

The Company designates all Outside Directors and Audit & Supervisory Board Members who meet the qualifications for Independent Officers as Independent Officers.[Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked remuneration / Share options

Supplementary Explanation

As described in [Director Remuneration].

Recipients of Share Options	Inside Directors / Other

Supplementary Explanation

At the 139th Ordinary General Meeting of Shareholders held on June 22, 2018, the introduction of a new share awards plan was approved and passed with the aim of further clarifying the linkage between the remuneration for Directors and other officers and the Company's stock value, and to raise awareness of their contribution to improving the Company's performance and increasing its corporate value over the medium to long term. With the introduction of this plan, the remuneration framework for share awards-type stock options was abolished, and no new stock options are being granted to Directors and other officers.

[Translation]

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No individual disclosure

Supplementary Explanation

The respective number of persons, types of remuneration and total amount of remuneration for Directors, Outside Directors, Audit & Supervisory Board Members, and Outside Audit & Supervisory Board Members are disclosed in the Business Report as well as in the Securities Report.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof Update	Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

1. Policy

The Company's remuneration for officers shall be determined based on the following policy.

(1) The remuneration system shall be based on the roles and responsibilities of each officer to ensure transparency and fairness.

(2) The remuneration for officers who execute business shall be a system that enhances motivation for performance improvement and contributes to the enhancement of corporate value over the medium to long term. In addition to fixed remuneration, performance-linked remuneration shall be provided to share interests with stakeholders.

(3) The remuneration system and levels shall be determined by the Board of Directors based on the report of the Governance Advisory Committee to ensure objectivity and rationality. The Governance Advisory Committee shall be composed of one internal director selected by the Board of Directors and all independent outside directors and independent outside audit & supervisory board members, and the chairperson shall be selected by mutual election among the committee members who are independent outside directors.

(4) The remuneration system and levels shall be reviewed based on economic conditions, the Company's performance, and the levels of other companies.

Based on these policies, the remuneration for officers shall be determined by the Board of Directors within the scope of the remuneration amounts for officers resolved at the 139th Ordinary General Meeting of Shareholders held on June 22, 2018, the 142nd Ordinary General Meeting of Shareholders held on June 24, 2021, and the 147th Ordinary General Meeting of Shareholders held on June 25, 2026 (annual monetary remuneration for Directors of up to 380 million yen (of which up to 50 million yen is for Outside Directors)). In addition, as share awards, the amount shall be within the amount obtained by multiplying 180 million yen by the applicable period (consecutive fiscal years corresponding to the medium-term management plan). Monetary remuneration for Audit & Supervisory Board Members shall be determined through discussions among Audit & Supervisory Board Members within the range of an annual amount of 80 million yen. Remuneration for officers other than Outside Directors and Audit & Supervisory Board Members shall consist of basic remuneration and performance-linked remuneration (bonus, share awards). Since Outside Directors and Audit & Supervisory Board Members need to ensure independence to appropriately perform their functions of supervising management and auditing, respectively, their remuneration shall consist only of basic remuneration.

Remuneration levels shall be set for each role and responsibility of officers by conducting objective benchmarking with reference to survey data from external specialized institutions. In addition, the performance-linked ratio and evaluation indicators shall be reviewed as necessary so that officer remuneration serves as a sound incentive for enhancing corporate value over the medium to long term.

2. Approach to remuneration, etc.

(1) Remuneration for Directors

Remuneration for Directors (excluding Outside Directors) consists of basic remuneration and performance-linked remuneration (bonus and share awards). Outside Directors are paid only basic remuneration.

①Basic remuneration

Monetary remuneration paid as a fixed amount based on position.

②Performance-linked remuneration

Performance-linked remuneration consists of bonuses and performance-linked share awards.

・Bonuses are monetary remuneration with amounts that fluctuate based on the previous fiscal year's consolidated performance and individual performance, etc.

・Performance-linked share awards consist of a "fixed portion" granted as points each fiscal year and a "performance-linked portion" granted based on the degree of achievement of performance targets in the final fiscal year of the medium-term management plan, and are delivered upon retirement (1 point = 1 share). 50% of these awards are delivered in Company shares, and the remaining 50% are paid in cash equivalent to the amount of the liquidated shares to be used for tax payments such as income tax.

Please refer to the attached table for the "Performance Evaluation Indicators," "Relationship between each evaluation indicator and performance-linked coefficient (method for determining the amount of performance-linked share awards)," "Ratio of remuneration by type for each Director position," and "Performance-linked coefficient for performance-linked remuneration evaluating the fiscal year ended March 31, 2026, which is the final fiscal year of the medium-term management plan 'Growing Together 2026'."

(2) Remuneration for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members is set at a level and structure commensurate with their duties and responsibilities, while considering their independence. It is determined through discussions among all Audit & Supervisory Board Members, based on whether they are full-time or part-time, and is paid only as a fixed amount of monetary remuneration as basic remuneration.

3. Policy on determining the conditions for granting remuneration

In determining the amount of remuneration for Directors, to ensure fairness and objectivity, the Governance Advisory Committee deliberates and reports to the Board of Directors, and the Board of Directors makes the final decision based on the content of the Governance Advisory Committee's report. Furthermore, by resolution of the Board of Directors held on May 14, 2021, the Board of Directors determines the individual remuneration, etc., of Directors to ensure further fairness, objectivity, and transparency in the decision-making process for Director remuneration.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

Members of the administrative bureau provide the Outside Directors with an explanation of the agenda for the meeting of the Board of Directors before the date when the meeting is held each month. The full-time Audit & Supervisory Board Member, who participates in the Corporate Management Committee meetings and other key meetings, also provides the Outside Audit & Supervisory Board Members with an explanation of the agenda for the meeting of the Board of Directors before the meeting is held each month. In principle, the meeting of the Audit & Supervisory Board is also held on the day of the meeting of the Board of Directors to discuss the agenda again. The Company has assigned one member of staff to the Audit & Supervisory Board and works to strengthen the auditing system to make it more effective.

[Translation]

[Status of Persons Who Have Retired From a Position Such as Representative Director and President]

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company

Name	Title/Position	Responsibilities	Working Form and Conditions(Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement From Position Such as President	Term of Office
—	—	—	—	—	—

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company	0

Other Matters

At a meeting of the Board of Directors held on November 1, 2019, the Company resolved to abolish the advisor system, which had been a treatment measure after retirement from the Board of Directors, as of November 1, 2019, in order to improve the transparency and effectiveness of management and to further strengthen corporate governance. As a result, after retiring from the Board of Directors, the Directors shall, in principle, retire from the Company.

[Translation]

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) Update

The Company has established the following bodies and corporate governance structure.
(Board of Directors)
Chaired by Hiroyuki Tamura, Representative Director and Chairman, the Board of Directors is the body making decisions related to important business execution and monitoring business execution of Directors. The Company holds meetings of the Board of Directors consisting of 10 Directors once a month, in principle, as well as other extraordinary meetings as necessary. In order to further strengthen corporate governance and ensure management transparency, the Company designated four Outside Directors and two Outside Audit & Supervisory Board Members as Independent Officers. In addition, four Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) attend the Board of Directors meetings, where they express their opinions as appropriate and survey the execution of the roles as Directors.

(Audit & Supervisory Board)
The Audit & Supervisory Board of the Company is chaired by full-time Audit & Supervisory Board Member Takeshi Maeda and is comprised of two full-time Audit & Supervisory Board Members and two part-time Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members). Based on the auditing policies and plans established in the Audit & Supervisory Board, Audit & Supervisory Board Members attend the Board of Directors meetings and other important meetings, view important decision-making documents, visit each business site, and survey subsidiaries in order to conduct audits related to execution of duties of Directors and internal controls.

(Corporate Management Committee)
The Corporate Management Committee is the highest deliberative and advisory body for business execution of the Company and the Group, and is chaired by Representative Director, President and CEO Hideaki Murayama, with all Directors other than Outside Directors, all Senior Executive Officers, and two full-time Audit & Supervisory Board Members as members. Meetings are held once every two weeks and are attended by the regular members as well as Executive Officers of the relevant divisions as necessary, and in addition to discussing proposals to be submitted to the Board of Directors, the meeting confirms, evaluates, and gives direction to the status of business execution across the entire Group.

(Marketing Strategy Meeting)
The Marketing Strategy Meeting, the members of which consist of Directors, Senior Executive Officers, Executive Officers, Regional Officers, Operating Officers, Chief General Managers, and General Managers of Management Administration, is held once a month. The Meeting is aimed to thoroughly communicate the intent and targets of specific product and regional strategies for business execution determined by top management, and to give instructions and orders concerning strategies and policies and report business results, focusing on details of monthly business execution status, and it is contributing to the establishment of an efficient business execution system. Full-time Audit & Supervisory Board Members attend the meetings as observers.

(Ethics and Compliance Committee)
The Ethics and Compliance Committee is under direct control of Representative Director and President, and its chairperson is appointed and delegated by the President and CEO from among the Directors. The Ethics and Compliance Committee utilizes in-house training to boost its effectiveness and monitors the compliance status along with the Internal Auditing Office. It has formed an ethics and compliance system that spans across the Group. When a Director or employee is found to have violated or potentially violated a law, the Articles of Incorporation, or other regulations, the Ethics and Compliance Committee investigates the matter, implements measures to prevent recurrence, and reports important cases to the Board of Directors through the Representative Director and President.

(Risk Monitoring Committee)
The Risk Monitoring Committee is established as an independent headquarters organization under the direction of the Representative Director and President. This committee centrally collects and visualizes risks from a company-wide perspective and monitors the response status of identified material risks. In addition, the committee has a system in place to report these material risks and their response status to the Board of Directors through the Representative Director and President, and aims to build and operate an effective risk management system through systematic and planned risk optimization.

(Export Administration Committee)
In order to improve compliance related to overseas transactions and exports in particular, the Export Administration Committee established the Safe Export Management Guidelines as internal standards related to compliance of export laws and regulations. This committee conducts educational and monitoring activities for the relevant departments.

(Internal Control Committee)
The Internal Control Committee establishes company-wide internal controls, internal controls over settlement and financial reporting processes and operational processes, and general controls over IT and internal controls over business processes, respectively, to ensure the reliability of financial reporting, identify risks that may cause false statements and take effective measures to reduce the occurrence of such risks for those that are of high importance.

(Environmental and Resilience Committee)
The Environmental and Resilience Committee is in charge of matters related to the promotion of efforts to maintain and improve the global environment and business continuity through the business activities of the Company's and the Group's officers and employees, and is responsible for the following tasks.
(1)Planning, revision, implementation, and maintenance of environmental policy and business continuity policy
(2)Maintenance of manuals and educational materials
(3)Promotion and implementation of education and training
(4)Providing guidance to affiliated companies, etc.

(Governance Advisory Committee)
Based on a resolution at the Board of Directors meeting held on July 12, 2019, the Company has established the Governance Advisory Committee as an advisory body to the Board of Directors for the purpose of improving the fairness, transparency, and objectivity of procedures concerning important matters to be resolved by the Board of Directors and to further strengthen governance. The Governance Advisory Committee is composed of all the independent Outside Directors and independent Outside Audit & Supervisory Board Members as well as one internal director selected by the Board of Directors. The committee deliberates on the following matters and reports to the Board of Directors.
(1)Matters related to appointment and dismissal of Directors
(2)Matters related to remuneration for Directors
(3)Matters related to analysis and evaluation on the effectiveness of the overall Board of Directors and other proposals related to governanceThe following are the members of the Governance Advisory Committee as of the date of updating this report.
lows. Independent Outside Director Miki Mitsunari (Chairperson)
Independent Outside Director Yoshiro Hirai
Independent Outside Director Yukiko Machida
Independent Outside Director Hiroyuki Nose
Independent Outside Audit & Supervisory Board Member Mitsuhiro Honda
Independent Outside Audit & Supervisory Board Member Chinami Kajo
Director in charge of Management Administration Nobuyoshi Suzuki

In addition, Miki Mitsunari was appointed as the lead independent Outside Director through a vote among the independent Outside Directors. After collecting the views of the other independent Outside Directors as necessary, the lead independent Outside Director informs the Board of Directors and the Audit & Supervisory Board of the opinions of the independent Outside Directors and discusses the response.

(Sustainability Promotion Committee)
In order to achieve sustainable growth for the Group and enhance its corporate value over the medium to long term, the Company has established the Sustainability Promotion Committee to report sustainability-related policies and action plans to the Board of Directors and promote management that contributes to sustainability, including important ESG issues. The Sustainability Promotion Committee is composed of at least three members nominated by the Company's Board of Directors. The committee deliberates on the following matters and reports to the Board of Directors.
(1)Identification of key sustainability issues for the Group from a medium- to long-term perspective, study for resolution of issues, and design of future vision
(2)Establishment, revision, and abolition of basic policy, rules, and procedures, etc. for the implementation of (1)

(3)Matter the Sustainability Promotion Committee deems necessary related to the Group's sustainability management
(4)Matters for consultation from the Board of DirectorsThe following are the members of the Sustainability Promotion Committee as of the date of updating this report.
Nobuyoshi Suzuki, Director in charge of Management Administration (Chairperson)
Mamoru Hamayasu, General Manager of Industrial Market Headquarters
Maresuke Takeo, General Manager of Living Environment Market Headquarters
Takaomi Omura, General Manager of Construction Market Headquarters
Miki Mitsunari, Independent Outside Director
Yoshiro Hirai, Independent Outside Director
Yukiko Machida, Independent Outside Director

3.Reasons for Adoption of Current Corporate Governance System Update

The Company has adopted the Audit & Supervisory Board Member system as an organization to audit the execution of duties by Directors, and the Executive Officer system as a system to promote separation of oversight and execution. As of the date of updating this report, the Company's management structure consists of 10 Directors (including four (4) Outside Directors), four (4) Audit & Supervisory Board Members (including two (2) Outside Audit & Supervisory Board Members), three (3) Senior Executive Officers and 18 Executive Officers (excluding Executive Officers who concurrently serve as Directors). The Board of Directors holds regular meetings once a month and extraordinary meetings as necessary. The internal Directors, who are well versed in the Company's internal operations, conduct flexible decision-making on important management decisions in a specialized and wide-ranging business environment, and the Board of Directors fulfills its responsibilities, including its oversight function, etc. Meanwhile, the four (4) Audit & Supervisory Board Members who make up the Audit & Supervisory Board attend meetings of the Board of Directors and other important meetings, listen to reports from Directors and others, inspect important documents, and conduct rigorous audits of the execution of duties by Directors, collaborate with the Internal Auditing Office through regular reports, closely exchange information with the Accounting Auditor, verify the legality, appropriateness, and efficiency of the status of business execution of the Company, including affiliated companies, as well as the maintenance and operation of internal control systems, and verify their consistency and soundness through cooperation with the Ethics and Compliance Committee and the Internal Control Committee. In addition, two (2) Outside Audit & Supervisory Board Members provide accurate opinions on overall management from an objective and neutral standpoint from outside the Company, and the Company believes that the management oversight function has been secured. Further, the Company has appointed four (4) independent Outside Directors and strives to further improve management transparency and strengthen the management oversight function. The Company has also concluded an audit contract with the accounting auditor elected at the general meeting of shareholders, and it obtains proper audits and appropriate advice on accounting issues as needed. Also, in July 2019, the Company established the Governance Advisory Committee chaired by an independent Outside Director as an optional advisory body beneath the Board of Directors with members that mainly consist of independent officers for the purpose of further strengthening governance.In light of the above, the Company believes that the current system for oversight of business execution by the Board of Directors and the system for monitoring and information disclosure by the Audit & Supervisory Board are functioning effectively, and that the current system is functioning as a check on management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1.Measures to Energize General Shareholders Meetings and Facilitate Smooth Exercise of Voting Rights Update

	Supplementary Explanation
Early Notification of General Shareholders Meeting	The 147th Ordinary General Meeting of Shareholders was held on June 25, 2026. The convocation notice for said meeting was sent out on June 4, 2026 six days earlier than the statutory deadline, and it was posted on the Company's website and the "Tokyo Stock Exchange Listed Company Search" information service via TDnet on May 28, prior to sending out the notice.In addition, the Company is focusing on making the "Notice of Convocation" easier for shareholders to understand by using color and including graphs (Japanese version only).
Allowing Electronic or Magnetic Exercise of Voting Rights	Starting with the 140th Ordinary General Meeting of Shareholders, the Company has made it possible to exercise voting rights electronically via the Internet, etc.

Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	In addition to making it possible to exercise voting rights electronically via the Internet, etc., from the 140th Ordinary General Meeting of Shareholders, the Company is participating in the “Electronic Voting Platform” operated by ICJ Inc. to improve the environment for institutional investors to exercise their voting rights.
Providing Convocation Notice in English (Translated Fully or Partially)	An English translation of the convocation notice has been prepared starting with the 137th Ordinary General Meeting of Shareholders. The English translation of the convocation notice of the 147th Ordinary General Meeting of Shareholders was posted on the Company’s website and on the “Tokyo Stock Exchange Listed Company Search” information service via TDnet on June 4, 2026, the date the convocation notice was sent out.
Other	The Company has traditionally positioned the General Meeting of Shareholders as one of the most important IR activities. The Company considers it an opportunity to gain the understanding of many shareholders by explaining the significance and results of various activities conducted by management (Directors), who are entrusted by shareholders with the responsibility for management practices, with the aim of increasing corporate value, and by explaining the Company’s vision for future development. The Company’s website introduces the Group and discloses corporate information related to the Group, including data related to financial results, convocation notices, and other materials related to General Meetings of Shareholders as appropriate, thereby helping shareholders and investors to deepen their understanding of the Group.

[Translation]

2. IR Activities

	Supplementary Explanation	Explanation by Representative
Holding Regular Investor Briefings for Individual Investors	The Company holds financial results briefings for analysts and institutional investors twice a year (held via the Internet) in a format in which individual investors can also participate. Going forward, the Company will continue to strive for more proactive IR activities.	Yes
Holding Regular Investor Briefings for Analysts and Institutional Investors	The Company regularly holds earnings results briefings for analysts and institutional investors twice a year. At these briefings, the President and the Executive Officer in charge of the Management Administration Division explain details of the financial results, progress of the medium-term management plan, and the latest topics related to the Group, followed by a question-and-answer session with many analysts and fund managers in attendance.	Yes
Posting IR Materials on Website	The Company's website (URL https://www.yuasa.co.jp) contains IR materials such as a corporate profile, financial results related materials (consolidated financial results, quarterly consolidated financial results, etc.), materials related to the General Meeting of Shareholders (notice of convocation, business report, reference documents, notice of resolutions, etc.), securities reports, quarterly reports, YUASA REPORT, FACT BOOK, Integrated Report, etc., as well as reports related to corporate governance. By accessing the website, you can obtain information about the Company and the Group.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established the IR & Sustainability Promotion Office within the General Affairs Division, appointed General Manager of IR & Sustainability Promotion Office as the person responsible for IR, and assigned staff in charge of IR.	

[Translation]

3. Measures to Ensure Due Respect for Stakeholders Update

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	In "Ethics Policy" and "Code of Conduct," the Company stipulates that it respects the positions of stakeholders, such as maintaining healthy, normal, and transparent relationships with business partners, government, and other related organizations, providing safe and useful products and services that take into consideration environmental issues and environmental conservation, communicating with shareholders and society at large, as well as disclosing corporate information in a timely and appropriate manner, and properly managing and protecting information, including personal information. The Company promotes the sustainability management in order to further advance its management foundation passed down over 350 years. Specifically, the Company strives to carry out the Action Plan formulated based on materiality, which are important issues for maintaining sustainable growth, and to comply with the "Transaction Policy," "Human Rights Policy," and "Diversity Policy," which were formulated as policies for specific actions in the areas of Environment (E), Social (S), and Governance (G).
Implementation of Environmental Activities, CSR Activities, etc.	The Group utilizes ISO 14001, which involves continuous improvement activities through the PDCA cycle, and is working to improve the environmental performance of the Group as a whole through organizational activities and reducing the environmental impact of the products and services. The Company obtained ISO 14001 multi-certification in November 2010, and the Group as a whole is working together to carry out environmental management activities. As part of the efforts to protect the global environment through its business activities, the Company is promoting the JCM (Joint Crediting Mechanism), proposals that contribute to global warming countermeasures on a global scale through the diffusion of superior low-carbon technologies to developing countries. The Company's track record includes the delivery of energy-saving equipment to factories in Thailand and Vietnam, as well as solar power generation equipment to a Japanese-affiliated factory in Mexico. Regarding social contribution activities, the Company supports the activities of two professional golfers with the aim of promoting sports by supporting young athletes who will lead the future. In addition, the Company continues to contribute to the preservation of biodiversity through the "YUASA Forest Project," an environmental conservation initiative to restore mangrove forests in the state of Kudah, Malaysia. The Group as a whole will continue to focus on environmental conservation, contribution to local communities, and promotion of green business activities in order to solve social issues. The Sustainability Promotion Committee meets twice a year as an advisory body to the Board of Directors to report and deliberate on the status of efforts toward carbon neutrality and various risk reduction policies.

	Supplementary Explanation
Formulation of Policies for Information Provision to Stakeholders	Based on the above, the Company proactively discloses information about the Group to shareholders, investors, and the general public on its website, fully explains the Company's management policies to shareholders in attendance at the General Meeting of Shareholders, and communicates with employees by holding regular labor-management council meetings and additionally, the management team visits each business location to hold meetings to provide information, answer questions, and otherwise communicate with employees. In addition, with regard to business relationships, the Company has organized a friendship social group with members representing both suppliers and customers, which provides information and gathers needs, while also working to maintain and enhance close relationships by having top management visit and interview them as appropriate.
Other	(Health and productivity initiatives) The Company believes that in health and productivity management, maintaining and promoting the safety and mental and physical health of employees is very important for each and every employee to maximize his or her individual skills. The Company has established the Health Management Declaration in order to realize the sustainable enhancement of corporate value. [YUASA TRADING "Health Management Declaration"] 1. The Company will realize a safe, healthy, and comfortable work environment for all employees. 2. The Company and the health insurance association will mutually cooperate and work to maintain and promote the physical and mental health of employees. 3. The Company proactively supports each employee in taking responsibility for his or her own health and taking the initiative in maintaining and improving their physical and mental health. As a system to promote this declaration, the Supervisory Manager of Management Administration (Representative Director and Senior Managing Director) is appointed as the person in charge of employee health management. The status of measures and initiatives promoted jointly by the Human Resources Division and the health insurance association are reported to important management meetings (attended by operating officers and site managers and above). In recognition of these efforts, the Company was recognized as a "Certified Health & Productivity Management Outstanding Organization" in FY2026. This recognition marks the 8th time that the Company has been recognized as a "Certified Health & Productivity Management Outstanding Organization" since FY2019. (Regarding response to the Act on Advancement of Measures to Support Raising Next-Generation Children) As a company that supports childcare, the Company received certification from the Minister of Health, Labour and Welfare (Kurumin certification) in 2019 , 2022 and 2025. We will continue to take initiatives to create an environment in which every employee can balance a fulfilling work and family life and work with peace of mind, so that all employees can fully demonstrate their abilities.

[Translation]

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

Basic Views on Internal Control System Update

The internal control system is positioned as one of the important systems to establish corporate governance as a means to ensure the reliability and effectiveness of accountability of management (Directors), who are entrusted with management responsibility, to many stakeholders including shareholders, general investors, employees, and business partners regarding the significance and results of their management policies and strategies to enhance corporate value.

The Company has established a system that ensures that the intentions of management plans and various measures to achieve objectives are communicated to all levels of the organization without excess or deficiency, that they are implemented in accordance with the rules, and that the results are confirmed and evaluated by management as they are and disclosed to the public with sufficient confidence.

In recent years, there have been frequent cases of excessive pursuit of efficiency as one of the criteria for judging corporate value, which has become an important organizational principle, resulting in violations of laws and regulations and illegal activities, and the Company believes that it is essential to learn from these valuable lessons and establish an effective internal control system that is suited to the Company's actual situation.

Basic Policy for the Internal Control System

The Company's Board of Directors has resolved the following basic policy for the internal control system. In addition to ensuring the appropriateness of business operations based on this basic policy, the Company will continue to review the current status and make ongoing improvements with the aim of establishing and operating an even more effective internal control system.

(1) Framework ensuring that execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

(i) The Group shall enact a corporate philosophy, ethics policy, and code of conduct. The Representative Director and President shall prioritize the execution of these policies. By repeatedly expressing this mindset to Directors and employees, the Company shall ensure that laws and regulations and compliance to corporate ethics become a foundation for all company activities.

(ii) The Company shall establish an Ethics and Compliance Committee that is under the direct control of the Representative Director and President. The chair of this committee shall be selected by the Representative Director and President from among the Directors. The Ethics and Compliance Committee shall utilize in-house training to boost its effectiveness and monitors the compliance status along with the Internal Auditing Office. It shall form an ethics and compliance system that spans across the Group.

(iii) A permanent hotline shall be established to promptly consult with or report directly to the Ethics and Compliance Committee, the attorney in charge at the corporate law firm, or an Audit & Supervisory Board Member if Directors or employees of the company violate or may have violated laws and regulations, the Articles of Incorporation, or other regulations. This system also ensures that persons who issue such reports will not receive disadvantageous treatment for this reason. After receiving a consultation or report, the Ethics and Compliance Committee shall investigate the matter, implements measures to prevent recurrence, and reports important cases to the Board of Directors through the Representative Director and President.

(iv) The code of conduct declares the severance of any relationship with anti-social forces. Furthermore, the Company shall standardize the management of information through manuals and in-house training in order to eliminate and eradicate anti-social forces. External approaches shall be managed in the Ethics and Compliance Committee. The Company also shall participate in the Tokyo Metropolitan Police Organized Crime Prevention Association (Tokubouren) and strive to gather information and preempt transactions with anti-social forces.

(v) In the event of any violation of laws, the Articles of Incorporation, or various regulations, the Personnel Committee shall deliberate and decide on the disciplinary action to be taken.

(vi) In order to prepare accurate and reliable financial reports, the Company shall establish a basic policy for internal control over financial reporting, promote the development and operation of such control within the Group, prepare appropriate financial reports, evaluate their effectiveness, have them audited by an accounting auditor, and with their approval, submit an "Internal Control Report" to the competent authorities and make it available for public inspection.

(2) Framework for storing and managing information related to execution of duties by Directors

The Company shall designate a Director in charge of the Management Administration Division as the person responsible for the company-wide storage and management of information related to the execution of duties by Directors, and shall record and store information related to the execution of duties in documents or electromagnetic media in accordance with the Document Management Rules prepared by the said Director. Directors and Audit & Supervisory Board Members shall have access to these documents, etc. as necessary in accordance with the Document Management Rules.

(3) Policy and framework for managing risks of loss

(i) The Group has appointed the Director in charge of the Management Administration Division as the Risk Management Supervisory Manager and has established a system to swiftly and appropriately transmit information and respond to emergencies for each expected risk.

(ii) The Risk Management Supervisory Manager presides over the Ethics and Compliance Committee, under which staff members are assigned according to risk categories to comprehensively and cross-sectionally manage risks by identifying various risks arising from the Group's business activities, collecting information, formulating preventive measures, and educating the public in accordance with relevant internal rules, regulations, and notices.

(iii) In order to improve compliance related to overseas transactions and exports in particular, the Export Administration Committee established the Safe Export Management Guidelines as internal standards related to compliance of export laws and regulations. This committee is responsible for raising awareness and monitoring activities.

(iv) The Risk Management Supervisory Manager shall report the status of risk management to the Board of Directors as necessary.

(v) Assuming the occurrence of an incident that could cause significant damage to the Group, such as a large-scale disaster or the outbreak of a new virus infection, the Company shall formulate a business continuity plan (BCP), strive to minimize business interruptions, and establish a business continuity management system.

(4) Framework ensuring the efficiency of execution of duties by Directors

(i) The Board of Directors shall clarify the organizational structure of the Company, the duties under its jurisdiction, and the authority and responsibilities of its duties, in order to ensure the systematic and efficient management of business operations.

(ii) The Board of Directors shall formulate a medium-term management plan for a period of three years, and based on said plan, formulate a consolidated budget outline every six months for each fiscal year, and determine performance budgets for each market segment headquarters, business division, business unit, and consolidated subsidiary.

(iii) Directors in charge of each division and subsidiary shall determine an efficient business execution system, including specific measures to be implemented by each division and subsidiary and the delegation of authority.

(iv) The Company shall establish a Corporate Management Committee and a Marketing Strategy Meeting to deliberate on proposals to be submitted to the Board of Directors and the formulation of important corporate policies and targets, as well as to communicate instructions and orders concerning strategies and policies and to report on business performance.

(v) An IT-based business management and performance management system shall be established, and monthly, quarterly, and full-year performance management data shall be promptly reported to the Board of Directors.

(vi) The Board of Directors shall evaluate the results every month, have the Director, Executive Officer, etc. in charge analyze the factors behind the discrepancy between the budget and actual results, implement improvement measures to eliminate or reduce factors that hinder efficiency, and revise targets as necessary.

In addition, the Director in charge of each division shall improve the efficient business execution system, including specific measures to be implemented by each division and delegation of authority, as necessary.

(5) Framework ensuring the proper business operation of the Group

(i) Under the supervision of each market segment headquarters, business division and business unit in charge of each subsidiary, the Company shall manage the subsidiary in accordance with the Affiliated Companies Management Regulations while respecting the autonomy of the subsidiary, and require the subsidiary to seek approval from or report to the Company on matters that exceed certain standards for approval and reporting.

(ii) Directors or Audit & Supervisory Board Members of major subsidiaries shall be dispatched from the Company, and Directors appointed for each subsidiary shall monitor and supervise the execution of duties by Directors of the subsidiary, and Audit & Supervisory Board Members shall audit the operations and financial conditions of the subsidiary.

(iii) The Group Strategy Promotion Division, the Ethics and Compliance Committee, and the Internal Control Committee shall provide guidance and support to group companies in order to enhance the effectiveness of internal control in cooperation with the Directors and competent divisions of the Company.

(iv) The Company shall receive regular reports from its subsidiaries on their operating results, financial conditions, and other important information at Marketing Strategy Meetings, group company financial results reporting meetings, and other meetings.

(6) Matters concerning employees who are requested by Audit & Supervisory Board Members to assist them in their duties, and matters concerning the independence of such employees from Directors

In the event that an Audit & Supervisory Board Member requests the appointment of employees to assist them in their duties, the Directors may, upon consultation with the Audit & Supervisory Board Member, appoint staff to assist them in their duties with respect to the number of employees required and their required qualifications. When such staff is assigned, they shall assist the Audit & Supervisory Board Member in his or her audit duties following the Audit & Supervisory Board Member’s instructions. The Company shall obtain the prior consent of the Audit & Supervisory Board with respect to the transfer and evaluation of such staff.

(7) Framework for Directors and employees to report to Audit & Supervisory Board Members and other frameworks related to reporting to Audit & Supervisory Board Members

(i) Directors and employees shall regularly report on business and financial conditions, etc. at meetings of the Board of Directors, Corporate Management Committee meetings, and other important meetings attended by Audit & Supervisory Board Members.

(ii) The Internal Auditing Office shall regularly report the status of internal audits to the Audit & Supervisory Board Members.

(iii) Directors and employees of the Group shall promptly report to the Audit & Supervisory Board Members about any violation of laws, regulations, the Articles of Incorporation, or other rules, any matter that may cause significant damage to the Group, any important matter concerning risk management, any matter consulted or reported through the hotline, and any other important compliance-related matter, if any such matter arises.

(iv) Directors and employees shall circulate major approval documents to Audit & Supervisory Board Members.

(v) Directors and employees of subsidiaries shall promptly report to the Audit & Supervisory Board Members of subsidiaries about matters requested by the Audit & Supervisory Board Members of subsidiaries in addition to matters required by laws, regulations and rules, and those who receive such reports shall promptly report to the Audit & Supervisory Board Members.

(8) Framework ensuring the effectiveness of auditing by Audit & Supervisory Board Members

(i) Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other important meetings to understand the process of important decision-making by Directors and the status of business execution, and shall also have opportunities to exchange opinions with Representative Directors on a regular basis to ensure an effective audit system.

(ii) Audit & Supervisory Board Members shall work closely with the Internal Auditing Office to complement each other and strengthen the effective auditing system.

(iii) Audit & Supervisory Board Members will closely exchange information with the Audit & Supervisory Board Members of subsidiaries to strengthen the auditing system of the Group as a whole.

(iv) Audit & Supervisory Board Members shall monitor the independence of the Company's accounting auditor, request reports and explanations from the accounting auditor on the content of their audits, and cooperate with the accounting auditor by regularly exchanging information.

(v) When an Audit & Supervisory Board Member requests prepayment or reimbursement of expenses incurred in the performance of his or her duties, the Company shall promptly settle such expenses or liabilities, unless such expenses or liabilities are deemed not necessary for the performance of the Audit & Supervisory Board Member's duties.

The summary of the status of investment management for the fiscal year ended March 31, 2026, is reported as described in the Business Report for the 147th Ordinary General Meeting of Shareholders.

In addition, the Risk Monitoring Committee, which was launched in April 2026, has completed the identification and collection of risk information through interviews conducted by the Risk Monitoring Office with all risk owners. Going forward, the Committee will receive reports on these findings, identify critical company-wide risks, and operate an effective risk management system.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

Basic Views on Eliminating Anti-Social Forces

The officers and employees of the Group believe that the engagement in transactions with or acceptance of the demands of anti-social forces such as organized crime groups and corporate racketeers could damage the relationship of trust with shareholders, business partners, and other stakeholders, which is the basis of corporate management, and could lead to a fatal blow to the management of the Company, as well as impede the activities of various constituent members to maintain social order on a daily basis.

Based on this recognition, top management regularly mentions compliance with laws and regulations and the elimination of relationships with anti-social forces as part of such compliance at meetings of the Board of Directors and other important internal meetings to ensure thorough compliance at company.

Preparation Status

(1) Preparation status of internal rules and regulations

The "YUASA Group Ethics Policy" stipulates that all officers and employees shall comply with laws and regulations, including corporate ethics and social norms, and conduct fair and sound corporate activities, and in the "Code of Conduct," the Company declares a firm stance against anti-social forces and groups that threaten the order and safety of civil society, terrorist organizations and their support organizations.

(2) Status of establishment of a department in charge of response and the person in charge of preventing unreasonable demands

a. In order to ensure efficient collection and centralized management of information related to anti-social forces, the Ethics and Compliance Committee, which reports directly to the Representative Director and President, serves as the department in charge, and the Representative Director and President appoints and delegates the Committee chair from among the Directors.

b. The General Manager of the General Affairs Division, who is a member of the Committee, is appointed as the person in charge of preventing unreasonable demands, and is required to receive necessary training as appropriate.

(3) Status of cooperation with external professional organizations and collection and management of information

a. In addition to establishing a prompt communication and consultation system in the event of an emergency, the Company will communicate on a daily basis with the police departments in charge of organized crime countermeasures in the police stations under its jurisdiction, and the Company is also a member of the Tokubouren (Special Violence Prevention Cooperative Association) organized by companies in its jurisdiction, and the person in charge attends regular meetings and collects and exchanges related information.

b. The General Affairs Division, as the department in charge, collects and manages information on stock offerings by anti-social forces in close cooperation with transfer agents, and has established a system that enables the Company to respond fully in the case of actual stock offerings, including the determination of attributes, with the cooperation of not only transfer agents but also legal counsel and the relevant authorities.

(4) Preparation status of response manual

The Company has prepared a manual for dealing with anti-social forces and has established the following procedures in case of emergency.

a. The General Manager of the General Affairs Division or his or her designee shall be the primary recipient of any approach (in writing or by telephone) from anti-social forces or persons who appear to be anti-social forces, regardless of the nature of the approach. The General Affairs Division manages the switchboard and calls from comprehensive work positions can be recorded immediately.

b. Immediately upon receipt, the General Manager of the General Affairs Division shall report to the Ethics and Compliance Committee, which reports directly to the Representative Director and President, and if an internal investigation into the facts is necessary, the General Manager shall conduct a prompt and detailed investigation, as well as evaluate and review the nature and seriousness of the approach.

c. After contacting or consulting with the relevant authorities and legal counsel, the Company shall firmly reject any unreasonable demands, and in cases involving contractual relationships, the Company shall clarify the relationship between rights and obligations and seek a fair and just resolution.

(5) Implementation status of training activities

In addition to distributing the Ethics and Compliance Manual as a printed document to all officers and employees to ensure that they are fully aware of its purpose, various countermeasures against anti-social forces are explained at internal training sessions held at all levels from new employees to senior managers.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation Update

(1) Source of the Company's corporate value

Based on its corporate philosophy of "Honesty and Trust," "Enterprise and Innovation" and "Regard for the Individual," the Company places importance on mutually beneficial relationships, and has built strong relationships of trust over many years by solving social issues through TSUNAGU Innovation with its business partners in the fields of manufacturing, home building, environment building, and town building, creating new markets, and expanding domestically and overseas. The Company believes that the source of its corporate value is derived from the strong relationships of trust cultivated through such efforts over the years.

(2) Description of basic policy

The Company believes that if a purchase is made for the purpose of acquiring a large number of the Company's shares, or if a purchase proposal involving a transfer of control of the Company is made, the decision as to whether or not to accept the proposal should ultimately be made based on the will of the Company's shareholders as a whole.

The Company also believes that those who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value, maintain relationships of trust with various stakeholders, and make it possible to ensure and continuously enhance the Company's corporate value and the common interests of shareholders over the medium to long term.

Among large-scale purchases of the Company's shares or purchase proposals, there may be those that do not contribute to corporate value or the common interests of shareholders, such as those that effectively force shareholders to sell their shares, those that do not provide sufficient time or information for shareholders to consider the terms of the purchase or for the Company's Board of Directors to propose an alternative proposal, and those that require negotiations with the purchaser to obtain more favorable terms than those offered by the purchaser.

The Company believes that persons or groups that conduct such large-scale purchases, etc. are inappropriate to control decisions on the Company's financial and business policies, and has set it its basic policy regarding the role of persons who control decisions on the Company's financial and business policies to take appropriate measures to protect and enhance the corporate value of the Group and the common interests of shareholders to the extent permitted by law and the Articles of Incorporation.

(3) Initiatives to secure and enhance corporate value and the common interests of shareholders

The Group promotes the medium-term management plan, "Growing Together 2026," covering the three-year period from April 2023 to March 2026, which constitutes the third and final stage of realizing the "YUASA VISION 360," with its sight ahead to the 360th anniversary of the Company's founding in 2026. The Group will promote business reform based on "corporate culture reform," "DX promotion," and "sustainability promotion," develop its existing business network in the fields of manufacturing, home building, environment building, and town building, and carry out business transformation with the "Market Out" approach in both single item businesses and integrated product-service transactions, enhancing its corporate value. Also, through these activities, the Group aims to grow into a "TSUNAGU Service Integrated Shosha Group" that promotes proposal-based business and solves social issues by connecting (TSUNAGU) various things such as people, goods, money, information, data, and technology.

Although the Company has not currently introduced so-called "countermeasures against takeover bids," as a responsibility entrusted to it by shareholders and investors, the Company has established a committee consisting mainly of outside experts and others to closely monitor the status of transactions and changes in the Company's shares, and in the event that a party attempting to acquire a large number of the Company's shares emerges, to evaluate such a takeover bid and negotiate with the acquirer. In the event that the proposed takeover bid does not contribute to the corporate value of the Company and the common interests of its shareholders, the Company will promptly determine whether or not specific countermeasures are necessary and the details of such countermeasures, and establish a system to implement such countermeasures.

(4) Judgment of the Company's Board of Directors with respect to the above initiatives and the reasons thereof

With respect to a purchase for the purpose of acquiring a large number of the Company's shares, the Company recognizes that it is necessary to carefully judge the impact of such purchase or proposed purchase on the Company's corporate value and the common interests of shareholders in light of the business activities and future business plans of the relevant purchaser, past investment activities, etc. However, if specific countermeasures are necessary in light of the above basic policy, the Company shall take necessary and appropriate measures as follows.

a. The measures in question are in accordance with the basic policy above.

b. The measures in question do not harm the common interests of shareholders.

c. The measures in question are not intended to maintain the status of Directors and Other Officers.

2. Other Matters Concerning Corporate Governance System

Overview of Timely Disclosure System

When disclosing corporate information to investors, the Company shall comply with laws, regulations, and internal rules pertaining to the timely disclosure of corporate information, including the Financial Instruments and Exchange Act and securities listing regulations, and shall endeavor to disclose corporate information in a timely and appropriate manner. The Company's internal system for timely disclosure of corporate information is as follows.

(1) Department in charge of timely disclosure

a. Information is consolidated and managed by the person responsible for handling information (Director in charge of Management Administration), to whom the Representative Director and President delegates responsibility for the timely disclosure of information.

b. Under the direction of the person responsible for handling information, the Corporate Planning Division, the Group Strategy Promotion Division, the Finance Division, the General Affairs Division, and other responsible divisions take the lead in determining the materiality of information and in considering whether or not timely disclosure is necessary, and hold discussions in accordance with timely disclosure rules. In addition, advice from the Tokyo Stock Exchange Listing Department, accounting auditors, lawyers, etc. is obtained as necessary.

c. Specific procedures for timely disclosure are handled by the General Affairs Division under the direction of the person responsible for handling information.

(2) Internal system for timely disclosure of corporate information

a. Information on resolved decisions

Important decisions are made at regular monthly meetings of the Board of Directors, Corporate Management Committee, etc., and extraordinary meetings of the Board of Directors, etc., are held as necessary to ensure prompt decision-making. Whenever necessary, the Company immediately discloses material facts that have been decided in accordance with the timely disclosure rules of the Tokyo Stock Exchange, and strives to disclose corporate information in a prompt, accurate, and fair manner.

b. Information on material events

In the event of the occurrence of a material event, information is promptly gathered by the head of departments or offices where the event occurred, the representative of the subsidiary, etc., to the person responsible for handling information, and a report is made to the relevant Director. The person responsible for handling information and others will then determine the materiality of the information and consider whether or not timely disclosure is necessary. Whenever necessary, the Company immediately discloses the information in accordance with the timely disclosure rules of the Tokyo Stock Exchange. In addition, advice from the Tokyo Stock Exchange Listing Department, accounting auditors, and lawyers is obtained as necessary in an effort to disclose corporate information in a prompt, accurate, and fair manner.

c. Information on financial results

With regard to information on financial results, the Finance Division is primarily responsible for preparing financial statements. The financial statements are audited by the accounting auditor and the Audit & Supervisory Board, which are then approved at the Board of Directors meeting concerning financial results and disclosed on the same day. Audits by the accounting auditor and the Audit & Supervisory Board are carried out evenly throughout the period, with no bias towards the end of the period, in an effort to disclose corporate information in a prompt, accurate, and fair manner.

d. Other

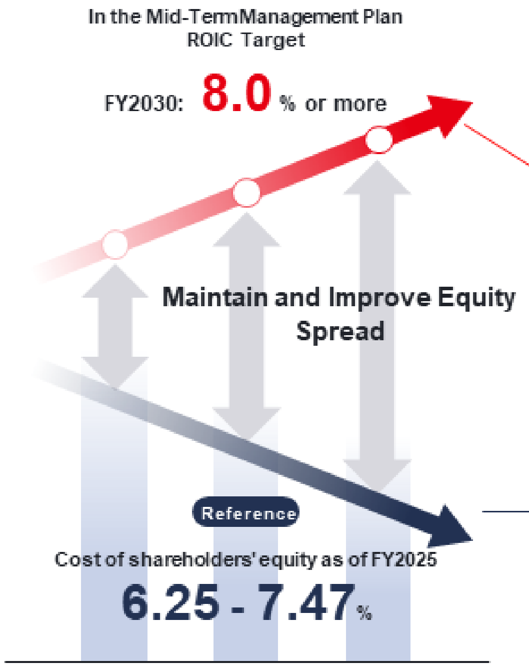
The Company promptly posts corporate information disclosed on the Tokyo Stock Exchang on its website. The Company also posts such information on the Company intranet to ensure that all employees are fully aware of its contents.

[Translation]

Response to Realize Management Conscious of Capital Cost and Stock Price

- From the perspective of constantly being aware of and grasping the efficiency of company-wide invested capital during the active investment phase, we have changed our KPI to **ROIC**.
- Through management-side initiatives such as promoting optimal allocation of management resources and clarifying investment decisions, and through behavioral changes on the front lines that are conscious of pursuing efficiency and the ROIC tree, we aim to maximize corporate value.

Strategic Policy	Through the improvement of ROIC and the reduction of the cost of shareholder capital, **Maintaining and improving a state where the equity spread is positive (ROIC > WACC)**



Initiatives to Improve ROIC

- **Improvement of profitability**
  Strengthening profitability of existing businesses, promoting growth strategies, and reducing fixed costs
- **Improvement of capital efficiency**
  Shortening the cash conversion cycle and reducing cross-shareholdings
  Allocating resources to the business portfolio and effectively utilizing interest-bearing debt
- **Promotion of growth investment**
  Investing in human capital, investing in medium- to long-term growth, improving productivity, and strengthening functions

Initiatives to Reduce Cost of Capital (WACC)

- **Strengthening active dialogue with capital markets and information disclosure**
  Promoting IR (expanding investor meetings, participating in events, etc.) and disclosing various information including sustainability-related information
- **Implementation of stable and continuous shareholder returns**
- **Building creditworthiness by strengthening financial position**

[Translation]

[Performance Indicators]This remuneration system aims to provide incentives to improve medium- to long-term company results and corporate value and share interests with shareholders. The following indicators were used for evaluations in the medium-term management plan “Growing Together 2026” with the fiscal year ending March 31, 2026 as the final year.

Evaluation indicator (standard)	Evaluation weight	Performance-linked coefficient
Consolidated net sales (¥600.0 billon)	1/3	0-2.0
Consolidated ordinary profit (¥20.0 billion)	1/3	0-2.0
Profit attributable to owners of parent (¥13.2 billion)	1/3	0-2.0

Note: The amount of consolidated net sales is before the application of the Accounting Standard for Revenue Recognition.**[Relationship Between Evaluation Indicators and Performance-linked Coefficients (method of determining performance-linked share awards amount)]**

Consolidated net sales(before the application of the Accounting Standard for Revenue Recognition)	Consolidated ordinary profit	Profit attributable to owners of parent	Performance-linked coefficient
¥660.0 billion or more	¥26.0 billion or more	¥17.2 billion or more	2.0 (upper limit)
¥600.0 billion	¥20.0 billion	¥13.2 billion	1.0
¥540.0 billion or less	¥14.0 billion or less	¥9.3 billion or less	0 (lower limit)

[Ratio of remuneration by type for each Director’s position]

Position	Breakdown of remuneration for Directors and other officers			Total
	Basic remuneration	Performance-linked remuneration		
		Annual bonuses	Share awards	
Representative Director	55%	30%	15%	100%
Senior Managing Director	56%	30%	14%	
Managing Director	56%	30%	14%	
Director	57%	30%	13%	

Note: This table represents the model of amounts paid as share awards of performance-linked remuneration assuming the performance-linked coefficient is 1.0, and the above ratios will fluctuate according to changes in the Company’s performance and stock price.

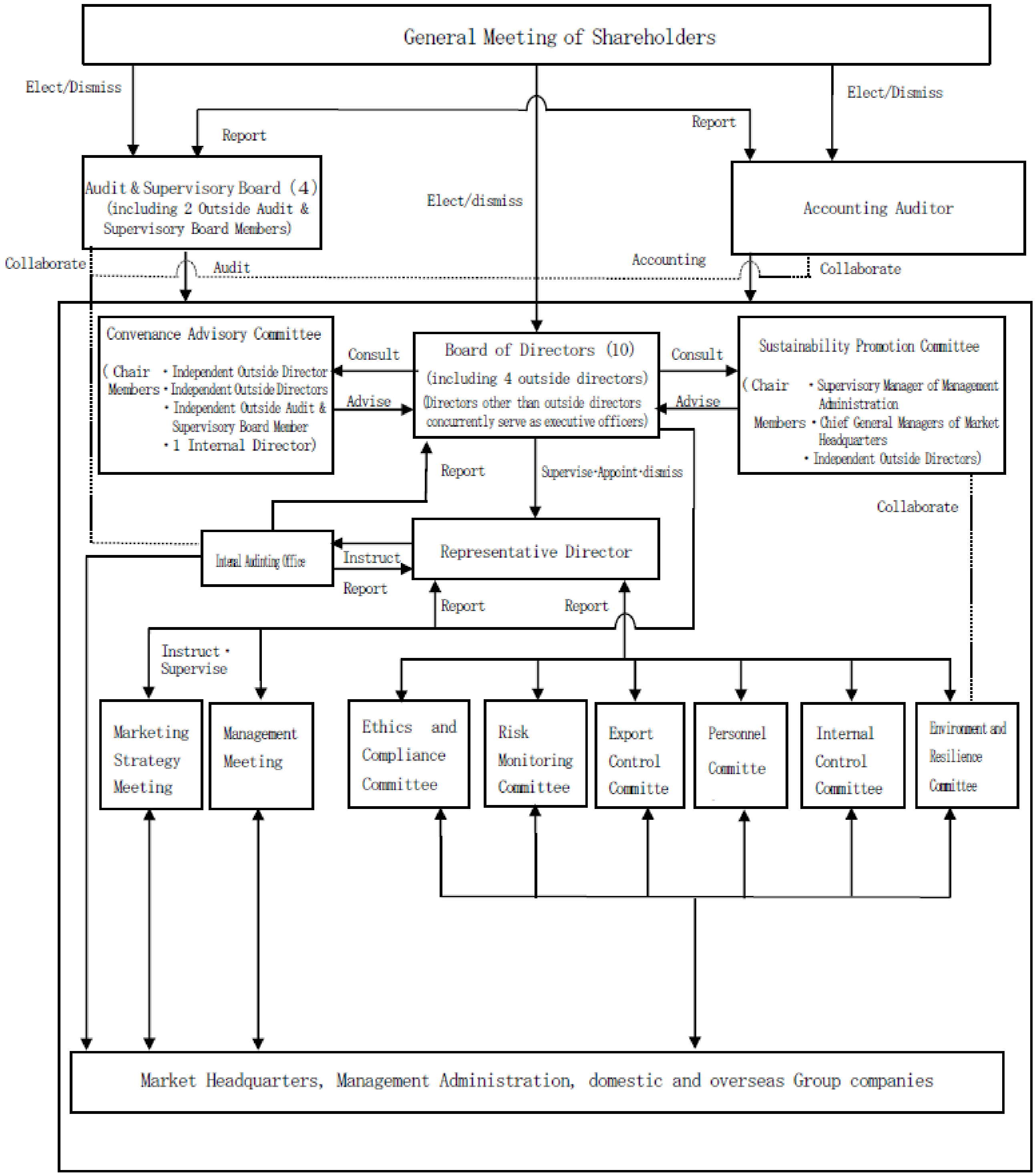
[Performance-linked Coefficient for Performance-linked remuneration for the Fiscal Year Ended March 31, 2023, the Final Year of the medium-term management plan “Growing Together 2026”]

Performance indicators(before the application of the Accounting Standard for Revenue Recognition)	FY2026 results	Evaluation weight	Performance-linked coefficient(actual values)
Consolidated net sales	¥564.1 billion	1/3	0.4
Consolidated ordinary profit	¥17.2 billion	1/3	0.5
Profit attributable to owners of parent	¥12 billion	1/3	0.5

Note: The performance-linked Coefficient for Performance-linked remuneration for the Fiscal Year Ended March 31, 2026, the Final Year of the medium-term management plan “Growing Together 2026,” was 0.4 based on the actual values of the performance indicators.

[Translation]

【Corporate Governance System】



[Translation]

[Overview of Timely Disclosure System (Schematic Diagram)]