

Quest for Next

Sanyo Trading

SANYO TRADING CO., LTD.

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Corporate Brand

Quest for Next

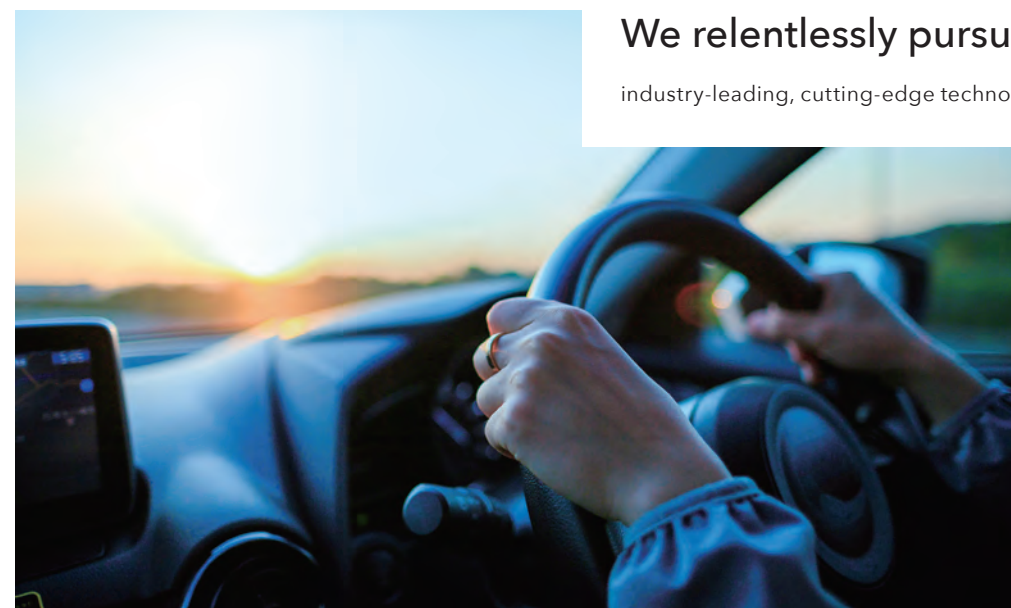
At Sanyo Trading, we don't just sell merchandise.

We only do business in which we can add value and make a difference.

Instead of being a box mover, providing materials, products, and solutions most relevant to your enterprise needs is our commitment.

Trust is what it takes to succeed in business.

That's why we listen to you and deliver the best solutions for the success of your business flexibly and timely—and in the belief that, by doing so, we're bringing a brighter future to people around the world.



We relentlessly pursue
industry-leading, cutting-edge technologies.

We embrace change

to evolve our business to keep everyone healthy and happy.



We rise to the challenge

of leveraging our strengths to pursue our unique and proven business models.

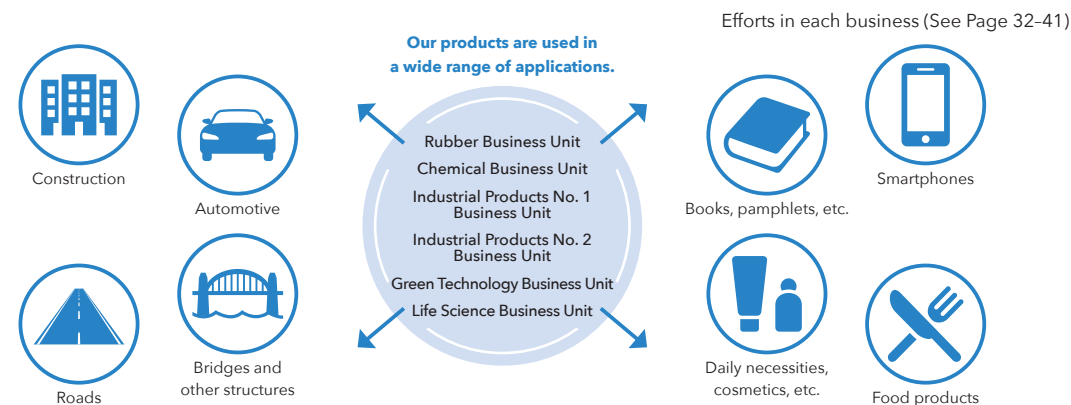


We offer fresh new ideas

for achieving a sustainable society and keeping the earth clean and green.

1

A specialized trading company with expertise in niche-top, high-value-added products rather than highly competitive, thin-profit, general-purpose products.



2

Providing highly specialized total solutions rather than simply selling the products we purchase

From surveying and planning to maintenance and after-sales service, our personnel with technical sales capabilities provide comprehensive services while staying close to our customers.

Close to half
of our employees
have a background
in science



3

Building long-term partnerships with a strong relationship of trust based on our policy of "one product, one supplier"

"One product, one supplier"

means that, in principle, one supplier per product is handled to avoid supplier conflicts. This principle has built a long-standing and deep relationship of trust with our suppliers and has given birth to our differentiation from other companies.



As Sanyo Trading celebrates the 75th anniversary of its founding in May 2022 and the final year of its long-term management plan, VISION 2023, in October 2022, we reviewed the three pillars of Sanyo Trading as we aim to become a 100-year company.

Renewal of Our Corporate Identity (CI)

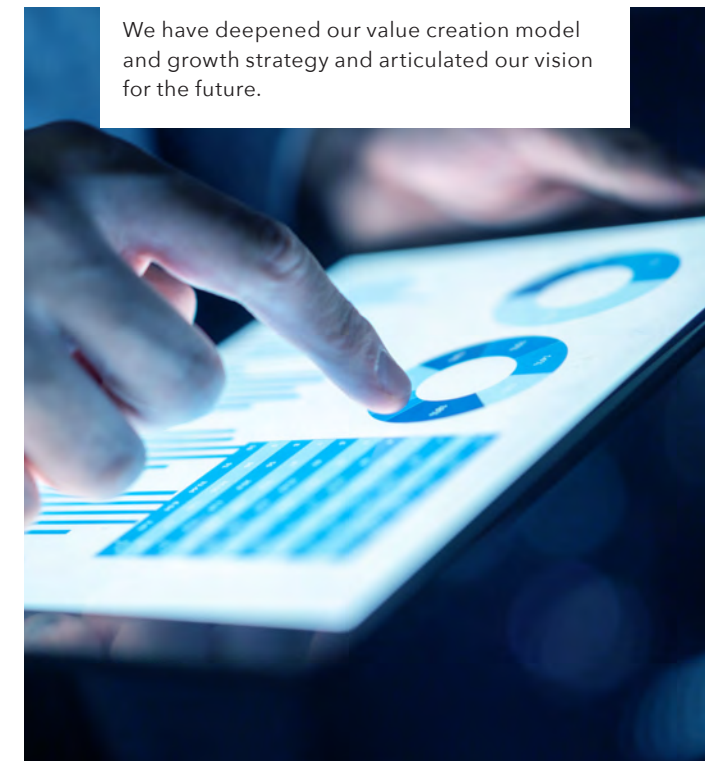
We have established a new slogan, a source of growth compatible with our predecessors' lessons.



See Page 9 for more details.

Deepening Our Value Creation Model and Growth Strategy

We have deepened our value creation model and growth strategy and articulated our vision for the future.

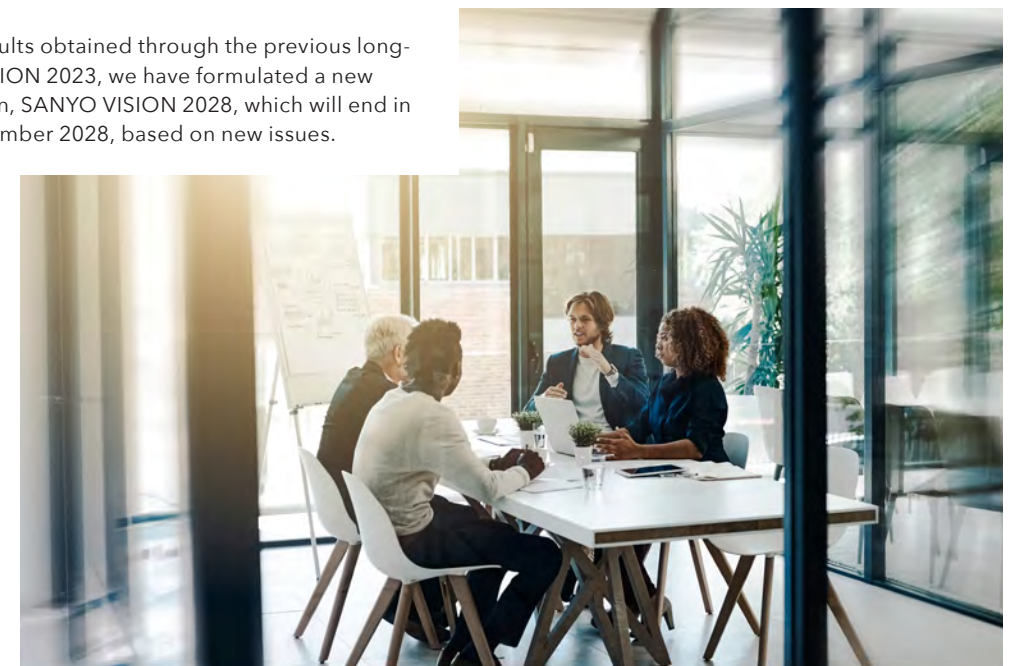


See Page 18 for more details.

Formulation of the New Long-term Management Plan SANYO VISION 2028

While succeeding in the results obtained through the previous long-term management plan, VISION 2023, we have formulated a new long-term management plan, SANYO VISION 2028, which will end in the fiscal year ending September 2028, based on new issues.

See Page 24-27 for more details.



Origin of Value Creation


Learning from Our Predecessors

What are the characteristics of Sanyo Trading that have been consistently maintained since the Company was founded?

The development of our Company up to the present day is based on the lessons learned from our predecessors.

Founding

When the Mitsui zaibatsu (family-run conglomerate) was ordered to dissolve after the war, Sanyo Trading Co., Ltd. was established in 1947 by former employees of the Kobe branch of Mitsui & Co., Ltd. Eiichi Tamaki, the president of the Company, had a wealth of experience in the trading company business, and his career and strong desire attracted many connections. The business began when he qualified as a rubber import agent from the Public Corporation for Ironworks Trade and started distributing rubber on behalf of the corporation. While maintaining the dignity of an industrial group, the Company had no capital ties. As an entity independent of corporate groups, the Company fostered a free and open culture that encourages its employees to fulfill their potential and pursues its own path.




Eiichi Tamaki, Founding President

Trust is what it takes to succeed in business

Business crisis saved by "trust"

The outbreak of the Korean War in 1950 generated a particular demand for procurement, but the market crashed the following year, in 1951. Sanyo Trading, which mainly exported the three new products of the era (rubber, leather, and oils and fats), faced the biggest crisis since its establishment. Tamaki, the president at the time, responded to this situation by persistently negotiating with the central bank for a loan, which was eventually approved, thus avoiding the worst-case scenario. This event made the founder realize that "trust" is the life-line of business.



1947

Chemicals Business
Began agency agreement with Rohm & Haas

1949

Rubber Business
Began importing synthetic rubber from Polysar

1950

Green Technology Business
Began importing and selling pellet machines from CPM*
* California Pellet Mill

1952

1954

1955

1956

1957

Commitment to services


Selling the service, not just goods

1952

In 1952, the Company signed a sole agency agreement in Japan with Canadian Polysar Limited a leading supplier of synthetic rubber, ahead of competing major trading companies. In signing the contract, Polysar Rubber Corporation made hiring an engineer an essential condition, which led Sanyo Trading to hire engineers and salespeople actively.

Engineers employed at the time brought synthetic rubber to rubber shoe processors and offered their services to teach processing techniques. The beach sandals developed due to this development were so much in the limelight that they were temporarily in short supply.

Selling "service" and "things" is still relevant to today's business.



Unwavering and enterprising spirit

Gradual and steady instead of radical

In 1957, Tamaki, the president at the time, stated in a New Year's greeting, "I feel that the efforts of the past ten years, blessed by the quiet wave, have finally borne fruit. We will not miss this opportunity to solidify our foundation and create an unshakable foothold for the next stage of development. I want to nurture a business that has roots even amid the constant rise and fall of business."

Despite having achieved a certain degree of success amid management crises and the hiring of engineers, which was unthinkable when the Company was first founded, the Company declared an unwavering and enterprising approach to solidifying its foundations and establishing a foothold for the next stage of development.


Tamaki's ideas of not being influenced by the times and quality of quantity are also very much evidenced in today's management.

Seek quality over quantity

The pursuit of quality sets us apart from our peers

The late 1970s were headwind years for the trading company industry. At the same time that the industry was under the brunt of harsh criticism due to the Lockheed bribery scandals and other factors, the oil shock triggered a decline in commercial profit margins. The trend toward cost-cutting by manufacturers via a shift away from trading companies was spreading, creating a situation in which the industry was getting boxed in from all sides. While many trading companies were engaged in mass purchasing and mass sales, we adopted a thoroughgoing system of our unwavering and enterprising spirit. We always handle an excellent balance of high-value-added and long-lived products.

This policy has been successful, and we have been able to increase our business performance despite the headwind of the business environment, leading to the idea of quality over quantity.



1957

Established a Development Section (currently the Life Science Business Unit) within the Chemical Business Unit
Began importing and selling color tone calculation equipment from Applied Color Systems Inc.

1971

1973

1975

1979

Industrial Products Business
Began business with GST* for car seat leather
* Garden State Tanning

Deciding on the merchandise

Thinking beyond the sale

1971

In 1971, the Nixon Shock severely damaged the world economy. Although the trading industry was no exception and was affected by this, the merchandise we provided, such as rubber and agricultural chemicals, are indispensable to our daily lives and social infrastructure and resulted in growth in our business performance. As part of our business expansion, the Company entered into the import/export of general merchandise and other businesses. Still, it failed to position itself in the industry, leading to significant losses.

The event made us keenly aware that "the selection of our business partners and industries is the basis of business."



1947 to 1954: Founding

- Established in Kobe in May 1947
- Established industry position in synthetic rubber imports/exports
- Started sales of agrochemicals

1955 to 1964: Business diversification

- Became a Group company
- Established the Sanyo Corporate of America (SOCA) and began overseas sales
- Started sales of feed equipment, agricultural and marine products

1965 to 1996: Establishment of a Group structure

- Scientific Instruments Business Unit separated from the Chemical Business Unit
- Realization of scale expansion during the collapse of the bubble economy (strengthening profitability of core businesses)
- Strengthening of internal management system, expanded overseas bases

Learning from Our Predecessors

Selection and concentration

At the time, the Company was involved in the rubber and chemical businesses and trading in primary commodities such as foreign wheat and cultured shrimp. In response to this situation, in 1997, President Machida withdrew from primary products, stating that "primary products are only market products, so there is little certainty of profit."

The primary products-related business had high profit margins, which was a significant reform that hurt business performance. However, the Industrial Products Division, which was part of the Chemical Business Unit at the time, achieved substantial growth with increased sales, mainly of automotive interior components, and covered the primary product sales. Machida's decision to select and concentrate the business led to a recovery in the Company's performance, which had been declining.



[1997]

1986

1996 1997

2008

2011 2012

2021 2022

2023

[1986]

Healthy growth not dependent on the economic boom

From 1986 to 1991, the so-called "bubble economy" period was ushered in, and with its collapse, the Heisei recession period began. Amid the recession, many trading companies turned to the money management technique "zaitech" in an attempt to break out of their situation. Even in this environment, the Company chose to maintain the "unwavering" spirit that had guided us since our founding and allowed us to grow our business soundly. While many trading companies were saddled with bad debts due to "zaitech," and some went bankrupt, we took the high road as a trading company to strengthen the profitability of our core products and nurture the seeds of new businesses. We strengthened and streamlined our business foundation to prepare for the next era.



1997 to 2011: Selection and concentration

- Decisive restructuring of business, withdrawal from agricultural and marine products businesses
- Transition to a Business Unit structure

Listed on the Tokyo Stock Exchange

2012: Listed on the Second Section of the Tokyo Stock Exchange
2013: Listed on the First Section of the Tokyo Stock Exchange
2022: Transitioned to a specified stock on the Prime Market



[2012]

Corporate brand renewal

Formulation of the new Long-term Management Plan SANYO VISION 2028

[2023]

Learning from the COVID-19 pandemic –The importance of integrity and trust

The Company's long-standing relationships of trust with its suppliers and customers were put to good use during the supply crunch in the wake of the COVID-19 pandemic.

The trust that we have built up allows us to fulfill our responsibilities to the best of our ability in the midst of global turmoil, such as prioritizing the supply of merchandise to us and responding flexibly to unavoidable price increases.

[2021]

Life Science Business Unit established
Provided merchandise and services related to daily life with a focus on food and medical care

[2008]

Success from the "unwavering" philosophy

In 2008, the collapse of the American investment bank Lehman Brothers triggered a global economic crisis, the 2008 financial crisis. This event had a major impact on the Japanese economy, causing a string of corporate failures and losses for listed companies.

On the other hand, since the Company's core business was the provision of rubber used in machinery, livestock feed, industrial products, and other merchandise that are highly necessary to society, a certain amount of demand existed even during the recession, and the Company overcame these difficulties without suffering significant losses.

As a result of our past studies and careful selection of merchandise based on what we have learned and what is needed in the world, we have not suffered any severe damage even during the global recession, which made us realize once again the greatness of the "unwavering" philosophy.



2012 to 2021: Onto the next stage

- Listed on the First Section of the Tokyo Stock Exchange
- Accelerated globalization (India, Mexico, Indonesia, Singapore)
- M&A promotion
- Full-scale launch of environmentally friendly business
- Reinforcement of internal organizational structure

2022 and onward: From the present to the future

- Moved to the Tokyo Stock Exchange Prime Market
- 75th anniversary of the foundation

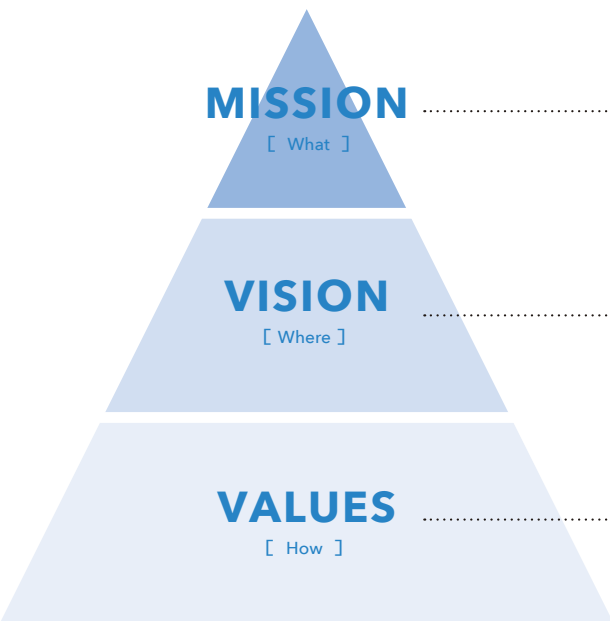
New MVV — Corporate Philosophy

Basing Ourselves on the Learning of Our Predecessors

In formulating our new long-term management plan, SANYO VISION 2028, we first set forth our “VISION” for 2028. The newly formulated VISION incorporates the same sentiment as our predecessor’s motto: “Don’t do anything that lowers our reputation.” With our predecessor’s philosophy in our DNA, passed down from our founding to the present, we have grown as a unique, sophisticated, and

one-step-ahead trading company that stands out from the rest of the world, based on the accumulation of “good work.” We will continue to strive to realize our VISION as we accumulate more “good work” than ever before, and we will continue to look one step ahead in our quest for the BEST solutions for our customers and a better future for the earth.

Challenging ourselves for the BEST solution



We foster an open, down-to-earth, and entrepreneurial corporate culture that drives our collective efforts to deliver the best solutions flexibly and timely so that we can help achieve the sustainable development of the global community and fulfill employees’ aspirations for well-being

Deliver tangible solutions to social issues to make the world a better place for everyone

Act with integrity

We observe laws, regulations, and professional ethics in everything we do.

Be a challenger

We build a future full of opportunities and creativity.

Demonstrate agility

We make the right decisions at the right time and act on them effectively.

Pursue innovation

We stay abreast of social and economic changes and seize opportunities for growth and success.

We have placed various thoughts and feelings into the new logo to make it a banner for the realization of our VISION.



In pursuit of the best solutions for a better future

The logo’s dynamic and lively form denotes our foresight and entrepreneurship, as well as our resolve to pursue innovation.

Its sky blue color signifies a bright future with the green dot in the letter “i” representing a human face and the global environment.

This corporate logo symbolizes Sanyo Trading’s commitment to bringing a better future to the earth and all of you, true to our Vision of

“delivering tangible solutions to social issues to make the world a better place for everyone.”

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Editorial Policy

We publish the Integrated Report as an essential tool to help a wide range of stakeholders understand the Sanyo Trading Group’s business activities and distinctive approaches to value creation. In the “Learning From Our Predecessors” section of this report, we look back at our history and the strengths we have developed from our history, and explain our strategies by business unit and our efforts toward sustainability, along with the long-term management plan SANYO VISION 2028 newly formulated in November 2023, to tell the story of value creation over the medium to long term. The Sanyo Trading Group will continue to use the Corporate Report as a tool for dialogue with all stakeholders, including shareholders and investors, to enhance disclosure and improve corporate value.

Reporting Scope

Sanyo Trading Co., Ltd. (“the Company”) and Sanyo Trading Group companies (“the Sanyo Trading Group”)

Period Covered

October 1, 2022, to September 30, 2023
(Please note that this report includes information regarding the results of activities outside the reporting period.)

Regarding Forward-Looking Statements

Forward-looking statements in this report are based on forecasts made by the Company in light of information available at the time of writing and involve several risks and uncertainties. Actual business results may differ substantially from the forward-looking statements and forecasts in this report. In no event shall the Sanyo Trading Group be liable for any loss or damage arising from using the information in this Corporate Report. The Sanyo Trading Group is under no obligation to update or publicly announce any projections or forward-looking statements contained in this Corporate Report.

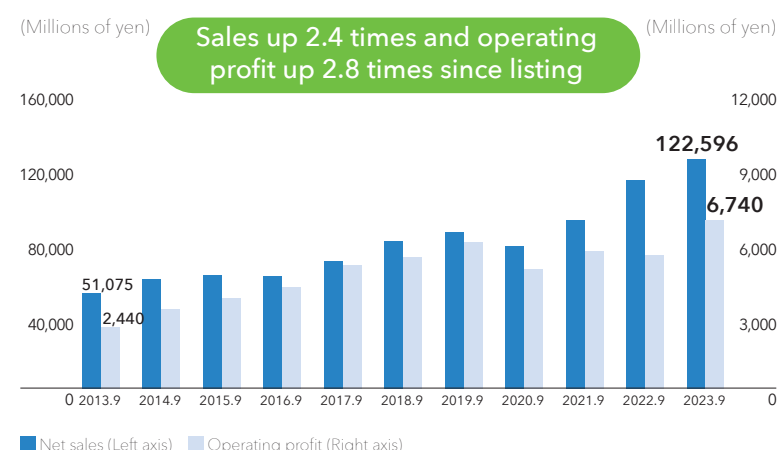
Sanyo Trading's Strengths

- Specialization in niche, high-value-added merchandise, rather than thinly marketed, general-purpose products
- Provision of total solutions by leveraging a high level of expertise and technical capabilities
- Building long-term partnerships based on the idea of "one product, one supplier"

1 Strong Growth

Each of our businesses, particularly our automotive-related businesses, has grown in response to the demands of the times. In the 2010s, the Company expanded its presence in India, Mexico, Indonesia, and Singapore, further increasing its presence in overseas markets. In addition, from the perspective of establishing an optimal organizational structure, we are promoting M&A in our four focus markets (see Page 20) and have achieved sustained earnings growth since listing through a strategic approach from both a global and Group synergy perspective.

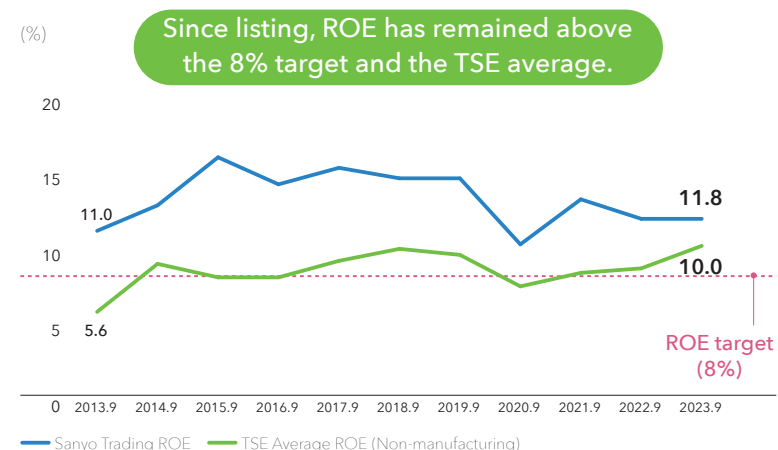
Net sales and operating profit since listing (October 2012)



2 High Profitability

Specializing in high-value-added merchandise in niche industries, we have continued to provide solutions to our customers by leveraging our advanced expertise and technical capabilities. Specialization in high-value-added merchandise that are not general-purpose products with thin margins leads to low leverage and high profit margins, and providing solutions that leverage advanced expertise and technical capabilities contributes to establishing a business model with high total asset turnover. As a result, our ROE has been above the TSE average and the ROE target (8%) since listing.

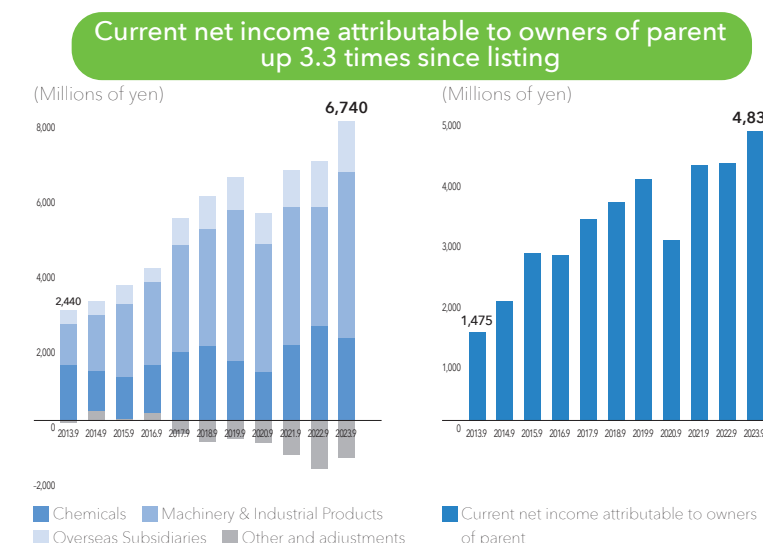
ROE since listing (comparison of Sanyo Trading and the TSE average)



3 Well-balanced Revenue Base

We are currently developing three segments. The Chemicals Segment has been performing stably in the raw materials business, which supports our overall performance. The Machinery & Industrial Products Segment is the segment driving the Company's growth, primarily in the industrial products business. In addition, the overseas subsidiary business has continued to grow due to the acceleration of global expansion since the Company was listed on the stock exchange. We aim to achieve further growth by strengthening and diversifying our earnings base in each segment.

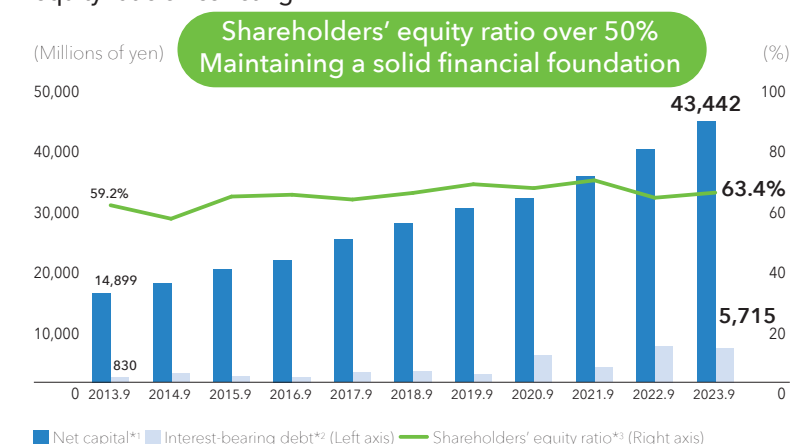
Changes in operating profit and current net income attributable to owners of the parent by segment since listing



4 Solid Financial Foundation

We have built a solid financial foundation based on our past earnings growth, capital efficiency, and sustained growth. This stable financial foundation has enabled us to build a just-in-time and stable supply system for merchandise and to secure inventory, which has contributed to improving our service quality. In addition, the Company can now make appropriate and flexible investments in M&A, new product development, overseas base maintenance, and human capital investment, thereby improving our responsiveness as a company.

Changes in equity, interest-bearing debt, and the shareholders' equity ratio since listing



*1 Net assets—Stock acquisition rights—Noncontrolling interest.

*2 Short-term debt + Long-term debt

*3 Net capital / Total assets at the end of the period

Becoming a unique and accomplished trading company at the forefront of the industry by anticipating changes in society and challenging ourselves for the BEST solutions following our open, down-to-earth, and entrepreneurial corporate culture

Masanobu Shintani
President & CEO



Net Sales and Profits Both Hit Record Highs in the fiscal year ended September 2023

In the fiscal year ended September 2023, net sales and profits increased by double-digit percentages over the previous year, reaching a new record high. This was because the supply shortage of semiconductors was resolved earlier than expected, and the production volume of Japanese automakers, with whom our business is closely related, remained strong. The impact of foreign exchange rates, especially the weak yen, did not significantly impact our business performance. This is because we have built good relationships with our customers, enabling us to negotiate prices in response to market fluctuations, and due to our ability to secure profits at our overseas bases. Overall, we believe that favorable business conditions, our systems that respond to changes in the external environment, and

strong relationships of trust with our business partners and our customers were major factors in our record-high sales and profits. In addition, M&A activities, which we have been stepping up in recent years, have steadily contributed to profits. Overall, the fiscal year ended September 2023 was a year in which we achieved growth.

On the other hand, our targets of a consolidated ordinary income of ¥7.5 billion and an ROE of 15% outlined in the long-term management plan VISION 2023, which ended in the fiscal year ended September 2023, were not achieved. Various factors, including the spread of the COVID-19 pandemic, have made it difficult to achieve this goal. We take these results seriously and will apply them to future corporate growth. In particular, we have built a solid financial foundation with a shareholders' equity ratio of more than 60%. We will achieve our next numerical targets through growth

Our thoughts on the company logo

Sanyo Trading

In response to our environment, the logo's dynamic and lively form denotes our foresight and entrepreneurship, as well as our resolve to pursue innovation.

Its sky blue color signifies a bright future with the green dot in the letter "i" representing a human face and the global environment.

This corporate logo symbolizes Sanyo Trading's commitment to bringing a better future to the earth and all of you, true to our Vision of "delivering tangible solutions to social issues to make the world a better place for everyone."

investments that make the most of this ratio. In our new long-term management plan, SANYO VISION 2028, we will learn from our previous challenges, implement more appropriate strategies and measures, and aim for further growth while responding flexibly and quickly to changing circumstances.

New Mission, Vision, and Values Established as Our New Cause

The year 2023 marked ten years since the Company was listed on the First Section of the Tokyo Stock Exchange and was the year we moved on to a new stage of growth. Looking back over the past ten years, we have been fortunate to grow net sales and profit by approximately 2.5 times. We have also expanded our business domain by developing new business units and new businesses. Our steady growth over the past ten years can be attributed to our first president, Eiichi Tamaki, saying, "Don't do anything that lowers our reputation," and his consistent approach and strategy of "being a solution provider, not a trading company." However, with the market environment and other factors surrounding the Company changing more rapidly than ever, it has become difficult to be certain that we will be able to continue to grow using the same methods for the next ten years.

Therefore, we have renewed the company logo and revised our Mission, Vision, and Values to take on new challenges with intention along these lines while leveraging our past successes and consistent philosophy (see Page 8). The major difference is that we have now clearly stated our Vision, which is based on the management philosophy and approach that we have followed from our founding to the present day, in a language that is easier to understand.

We believe that the reason for our Company to exist, or our Mission, is to create value through contributions to society, not just to the Company. When individual social contributions come together, they can have a greater impact and bring about meaningful change to society as a whole. The resulting benefits can be plowed back into new social contributions. We believe that the meaning of our existence is to contribute to society in a way that cannot be achieved by one person alone, that is, to accumulate "good work" on a sustained basis. The Vision, "Deliver tangible solutions to social issues to make the world a better place for everyone," was established to capture this concept of social contribution. By combining the original management philosophies in our Mission and our Values of "act with integrity," "be a challenger," "demonstrate agility," and "pursue innovation," we have conveyed our original philosophy in an easy-to-understand manner and expressed the guidelines we will pursue in the future.

SANYO VISION 2028, a New Long-term Management Plan to Accelerate Growth from Both Qualitative and Quantitative Perspectives

In the fiscal year ended September 2023, we formulated our new long-term management plan SANYO VISION 2028 as a guideline for continued growth. In formulating the plan, we were conscious of the need to respond to radical environmental changes and balance quantitative and qualitative aspects.

First, regarding our response to radical environmental changes, I feel that we are currently at a once-in-a-century turning point in many respects, as society has been touting

as of late. In a way, there is a sense that a great revolution is taking place, like the Industrial Revolution, which kept producing advancements while no one knew the right answer. The automotive industry is also undergoing a transformation regarding fuels, with a marked change in demand. Political and environmental backgrounds greatly influence the supply-demand balance for fuels. In recent years, new factors such as the birth of new fuel demand for the shift to EVs and the increasing demand for hydrogen fuel as an environmentally friendly fuel are also compounding the situation, making the future outlook strenuous. In formulating SANYO VISION 2028, we interviewed each business unit for detailed business forecasts for the next five years to create a management plan that can constantly reconcile the status of our business with the world's changing circumstances. By making firm progress in this reconciliation, we hope to respond to changes in business conditions and achieve corporate growth through contributions to society.

Regarding the compatibility of quantitative and qualitative aspects, as mentioned earlier, we believe that the Company's reason for existing is to contribute to society. In particular, for our Company, since we do not sell our products, it is important how each person who provides services, in other words, our employees as "people," contributes to

society. Thinking in terms of providing services through people, we have two philosophies: "We do not chase temporary gains but continue to do business that leads to the next step, thereby meeting the needs of our customers" and "We make proposals and show optimal solutions to issues that our customers are unaware of." Through these two philosophies, we are committed to the daily provision of services as a solution provider. To operate as a Company and grow over the long term, we need the qualitative elements of being a solution provider and the quantitative elements of budgeting and financing. Therefore, in the new long-term management plan SANYO VISION 2028, we have set forth the focal points of "Strengthening the earnings base" in the quantitative aspect and "Corporate management" in the qualitative aspect. While these plans follow the basic ideas of the previous long-term management plan VISION 2023, the content of SANYO VISION 2028 was finalized after nearly a year of internal discussions from the plan's framework to the formulation of specific measures, with feedback sought from all employees in the final stage. As a result, SANYO VISION 2028 has become a management plan in which the quantitative aspect, which is our responsibility as a corporate entity, and the qualitative aspect, which is our reason to exist in contributing to

society, permeate the entire organization as a shared Vision that every employee is expected to undertake proactively and with conviction.

Responsibilities as a Corporate Entity, "Strengthening the Earnings Base"

To "strengthen the earnings base", SANYO VISION 2028 set forth four measures: "Growth of existing businesses," "Developing new businesses," "Strengthening consolidated management structure," and "Advancing investment projects."

Since our business is mainly B to B, we believe it is important to thoroughly understand the needs of our customers for their current and future business development up to three or five years in the future and to continue to provide added value to meet those demands. The most important factor in accurately understanding needs is the relationship with the customer. By utilizing a hybrid market orientation and our traditional strength of product orientation, we will focus on the "growth of existing businesses" that form the foundation of our relationships with our customers.

Concerning the second item, "Developing new businesses," we will focus on two main initiatives. The first is to promote a group of projects defined as potential core businesses that the Company as a whole should focus on in the future in light of megatrends and future market growth potential (see Page 20). From the 28 potential core businesses currently listed, we intend to select ten of the most promising businesses as diamond core businesses and proceed with them while providing intensive support from management. Another is the use of the Business Development Department, which was established three years ago. The Business Development Department was established to address complex issues that cut across business units and new businesses with a market orientation. So far, the Business Development Department has commercialized new businesses such as the automotive benchmarking business and high-quality recycled plastics utilizing ocean-bound plastic (OBP) (see Page 22-23). During SANYO VISION 2028, we will further focus on these initiatives to develop new businesses.

The third is "Strengthening consolidated management structure." Our overseas bases are not independent as bases but work closely with our domestic offices to handle the commercial products of each Business Unit across the board. Although progress has been made in making overseas bases more visible when compared to our domestic



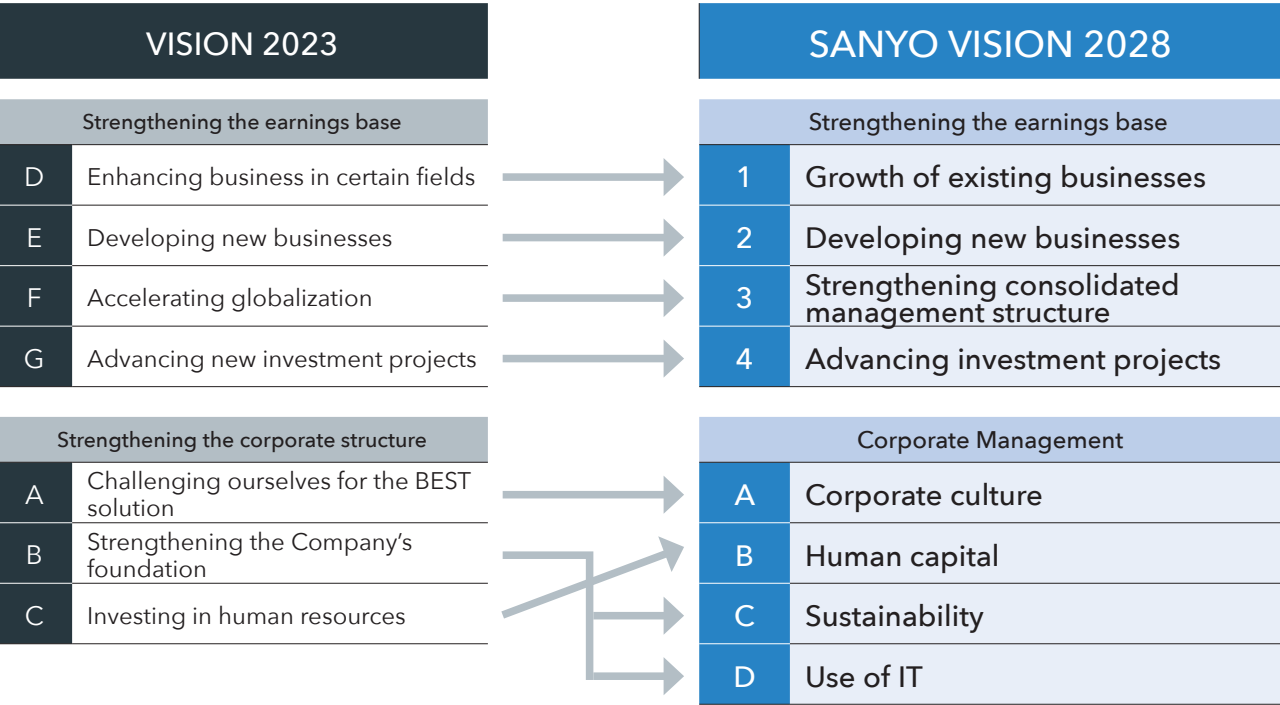
offices, we can see that we must further strengthen our communication with the overseas bases. Governance must be improved to achieve strengthened communications. Specifically, we intend to prioritize efforts to increase the number of contacts, including frequent reciprocal visits and ongoing remote meetings. We will further strengthen cooperation with overseas bases and Group companies. Especially in acquired Group companies, it is important to understand their corporate culture and characteristics. This will strengthen the Group's unity as "One Sanyo" and promote organizational collaboration.

Finally, there is "Advancing investment projects." We have positioned 2024 as a year of new beginnings and will face the challenge of achieving further growth. For this reason, we will adopt a policy of aggressively pursuing necessary upfront investments when looking five or ten years into the future. In line with this policy, we will specifically strengthen "Advancing investment projects," including promoting potential core businesses, investment in human resources, investment in startup companies, and DX investment. DX is a relevant megatrend in particular, with Cosmo Computing System, Inc. acquired in 2022, as a cornerstone, we will adopt a policy of aggressive investment in both offensive IT utilization, such as utilization as part of services and inventory management, including e-commerce sites, and defensive IT utilization, such as digitalization of internal operations.

"Corporate Management" to Strengthen Social Contribution

Concerning "Corporate management," an additional focal point in SANYO VISION 2028, we have established four measures to strengthen our function as a social contribution group: Corporate culture, Human capital, Sustainability, and

Evolving for SANYO VISION 2028



Message from the CEO

Use of IT. We are forecasting ¥6.0 billion in operating profit for the fiscal year ending September 2024 compared to ¥6.7 billion in operating profit for the fiscal year ended September 2023, an outcome of our plans to invest aggressively in “Corporate management.”

As for the corporate culture that forms the basis of our corporate activities, the establishment of the new Mission, Vision, and Values, as mentioned above, holds a significant meaning, but we will also further refine the open and inclusive spirit that we value as part of our corporate culture. I believe that the employees who do the business are the main actors in a company. As a part of the management, I will form an open and inclusive culture by providing a stage where employees can feel satisfaction and growth and a place where they can be entrusted with various tasks without being restricted by age or other factors. In this open and inclusive culture, we believe that the kind of people we seek are self-motivated individuals who are always ready to take on challenges and openly provide optimal solutions in a sincere manner. In other words, people act voluntarily, not for themselves but for others, society, and the people around them. By further deepening this culture, we hope to channel this culture into a unique strength of our Company that is difficult to imitate. To this end, we have made cultivating this culture one of the measures in this management plan.

As well as the self-motivated human resources required for this free and open approach, we believe that strengthening our human capital, where the services of each salesperson are value-added, is essential for our company. Under SANYO VISION 2028, we will focus our efforts on

fundamental improvements to our training system. We are also working on quantitative improvements, such as strengthening our recruitment strategy. The launch of the Sanyo Academy as part of our human capital strengthening measures is incredibly significant in improving the quality of our employees (see Page 52).

Strengthening human capital requires a multifaceted view of various factors, including training, systems, and how personnel are assigned and evaluated. The Sanyo Academy was formulated after considering these factors.

For example, we focused on clarifying training objectives and established a system to provide appropriate training unique to our Company for each level of employee. Specifically, we have defined the stages of employees and provide training for each level. New employees are in the thorough knowledge absorption stage. After employees gain a certain level of experience, they are in the self-establishment stage. Employees that move on to the management level are in the management or deepened specialization stages. Finally, those who lead operations are in the executive management stage. The thorough knowledge absorption and self-establishment stages establish the ideal employee and allow for self-realization by providing employees with training at subsequent levels and other supplementary training, such as overseas language training. This system has allowed us to clarify the training objectives, which had been an issue. The challenge moving forward will be to operationalize this system. To achieve operationalization, we feel it is necessary for each employee to understand the background behind the change to a

hierarchy-based training program and the purpose of training, self-realization, and to promote the new training system to be meaningful. Regarding individual employees, we plan to incorporate executive training as part of the Sanyo Academy starting the fiscal year ending September 2024.

As I have mentioned, we intend to focus more on the qualitative aspect of increasing our contribution to society, or in other words, on non-financial areas, by working on improving the corporate structure through the establishment of a new Mission, Vision, and Values, strengthening our human capital, and other measures in SANYO VISION 2028. We also perceive our response to sustainability as a megatrend. We intend to contribute to a sustainable society by prioritizing sustainability in SANYO VISION 2028. As one of our specific initiatives, we have established sustainability as one of our four focus markets, where high market growth is expected in which we are focused on (see Page 20). We are actively handling and expanding sales of products with low environmental impact, renewable energy, and other similar measures. At the same time, we will also promote management visualization by proactively disclosing non-financial information, including information disclosure based on TCFD recommendations and the publication of this Integrated Report.

Future Business Conditions and Business Risks

In light of the shift, as mentioned above, to EVs, hydrogen fuel, and other recent technological innovations and rapid changes related to climate change, the future outlook is uncertain, and the world is changing so rapidly that it is only in retrospect that we realize that the world is continuing to change. This rapid change can be seen as a risk, but on the other hand, we see it as an opportunity to create new business opportunities for trading companies that do not have non-current assets, such as products or factories. In the automotive industry, which is our main business domain, the shift to EVs could be a business risk for products for gasoline and diesel vehicles. Still, from the perspective of “handling automotive products,” it is a business opportunity where new needs may be created, such as products for EVs. Rather than taking risks from radical changes in the world, we will feed our sustainable growth by demonstrating flexibility and responsiveness.

This flexibility required a good eye for preparation and readiness in advance. In this sense, we have been making

extra efforts in this preparation and discernment, as stated in SANYO VISION 2028 as the “Developing new businesses” and “Advancing investment projects” (see Page 22). We will continue to respond to radical changes in the world by comprehensively leveraging our flexibility as a business model, lessons we have developed from our predecessors and founding, and our strengths. In addition, as stated as a measure of SANYO VISION 2028, we will aim for sustainable growth even in a world where it is difficult to foresee the future by aggressively and promptly investing in businesses that we deem worthy of investment in light of future market expansion potential and megatrends.

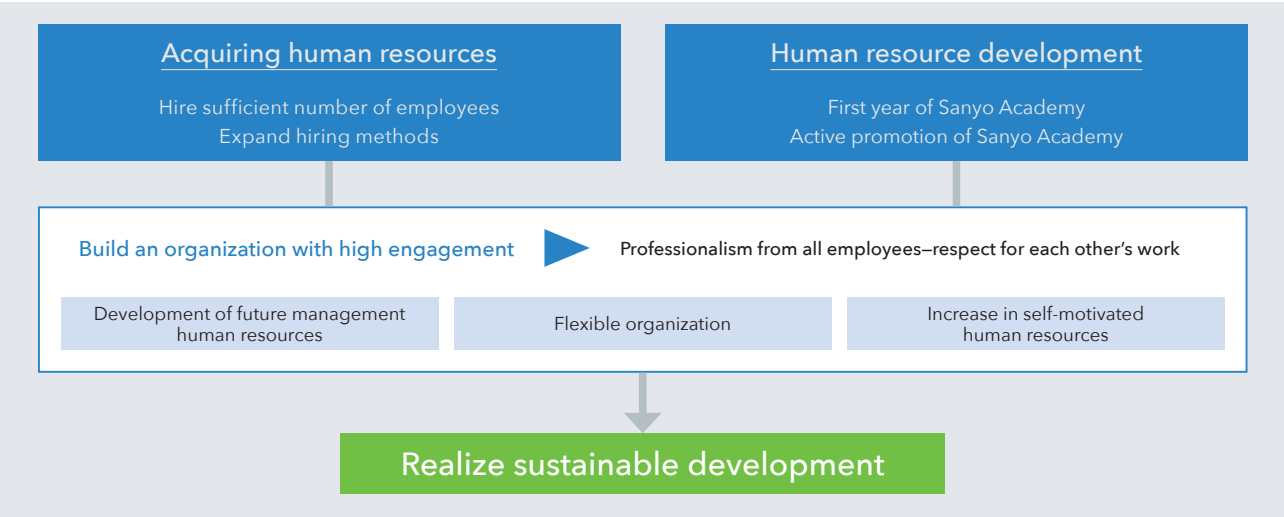
To Our Shareholders and Investors

Since our shareholders have provided us with funds, we must use them effectively. Effective utilization means fulfilling our vision of “making the world a better place for everyone,” in other words, contributing to society, which is our responsibility as a company. By fulfilling this responsibility, we will work to effectively use the funds provided to us and ultimately return even more to our shareholders. In addition, the fiscal year ended September 2023, the final year of our previous long-term management plan, VISION 2023, was incredibly meaningful for us. At this turning point, net sales and profits reached record highs, with net sales and ordinary income growing by approximately 2.5 times over the past ten years. This is the result of our steady growth as a company. To look at it another way, our Company can steadily grow and produce results. We will continue to inherit our strengths as a company, make further improvements where needed, such as strengthening our human capital, and steadily achieve the newly announced SANYO VISION 2028 to enhance our corporate value further.

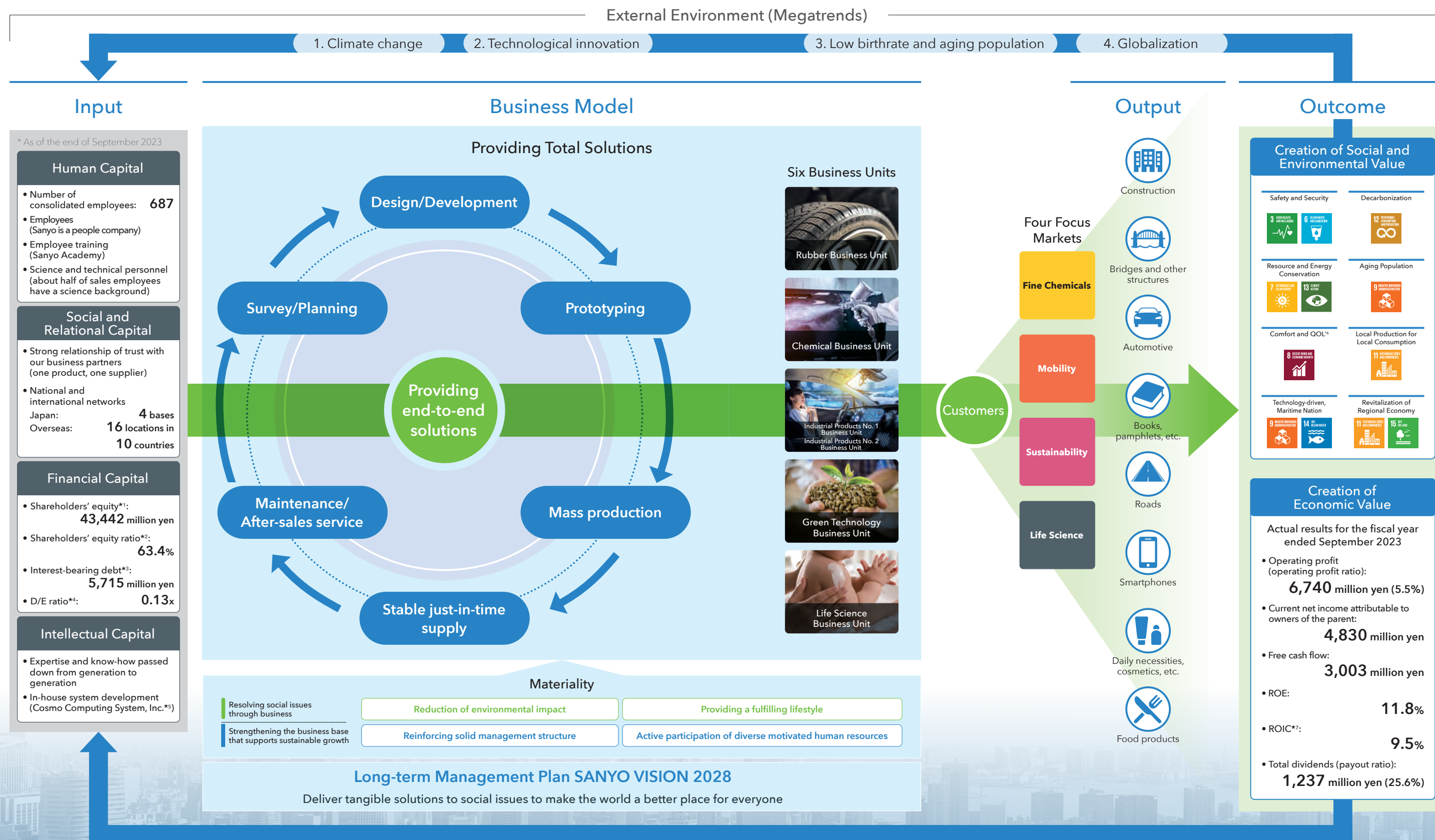
Masanobu Shintani
President & CEO



Human Capital under SANYO VISION 2028



Sanyo Trading creates social and economic value by providing total solutions that leverage capital to its four focus markets. By maximizing outcomes by implementing our business model, we will realize our VISION to "Deliver tangible solutions to social issues to make the world a better place for everyone."



*1 Net assets - Stock acquisition rights - Noncontrolling interest *2 Net capital / Total assets at the end of the period
*3 Short-term debt + Long-term debt *4 Interest-bearing debt (excluding lease obligations) / Shareholders' equity

*5 Became a Group company in October 2022 *6 Quality of Life
*7 Operating profit after tax / Invested capital at the end of the period (= interest-bearing debt + Shareholders' equity)

● Four Focus Markets

The markets in which we can leverage our strengths and where future market expansion is expected are our “Four Focus Markets,” where niche, high-value-added products can be expected. Considering future growth potential, we will emphasize these market areas among the top niche high-value-added commercial products in our business domain.

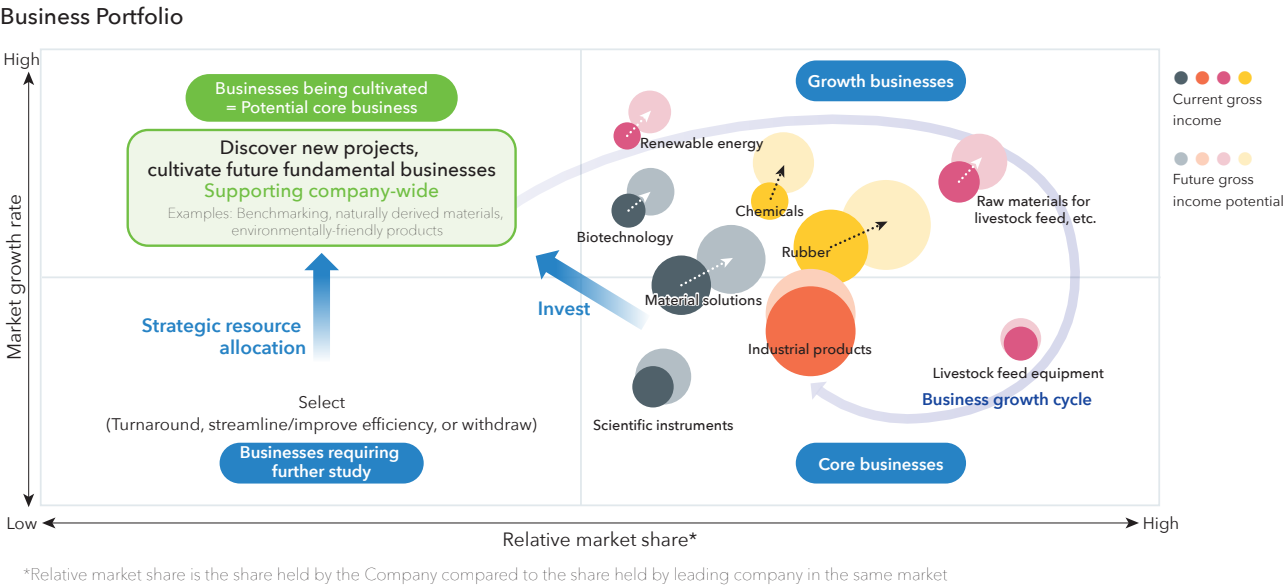
Market	Fields	Objective	Division
Fine Chemicals	Synthetic rubber, paints, ink, coatings, electrical materials	We will contribute to the development of the materials field by providing a stable supply of functional materials, raw materials, new naturally derived materials, and other fine chemicals that complement technology and feature environmental performance.	Rubber Business Unit Chemical Business Unit
Mobility	All types of mobility	We will be an early provider of value-added transportation products and services designed for the industrial structure in 2030 and beyond.	Industrial Products No. 1 Business Unit Industrial Products No. 2 Business Unit
Sustainability	Renewable energy (biomass, geothermal, marine) Livestock feed	We will contribute to a sustainable society by providing woody biomass and geothermal and marine resources in the renewable energy field and delivering safe and higher quality feed in the livestock field.	Green Technology Business Unit
Life Science	Food additives, cosmetics, home health care, scientific instruments, biotechnology, etc.	We will provide various products and services, particularly on food and medical care, to help improve quality of life in new lifestyles and the super-aged society.	Life Science Business Unit

An organization under the direct control of the Company president that transcends Business Unit boundaries and prioritizes the development of promising businesses that are large in scale

New Business Development Department
(Creating next-generation businesses across divisions)

● Our Business Portfolio Based on Our Four Focus Markets

Based on market growth rates and relative market share, we have included the businesses in which we operate in the following business portfolios. By investing the resources gained from the core businesses and those invested in businesses under consideration to discover and nurture businesses that could become future earnings pillars in the four focus markets, we are developing them into new growth businesses and core businesses.



Messages from Directors in Charge of Each Business Unit



Kenichi Shindo
Director
In charge of Business Divisions

■ Fine Chemicals
■ Life Science

Fine Chemicals

We have been involved in the fine chemical market since our founding in 1947, and it can be said to be one of our mainstream businesses. Two Business Units, the Rubber Business Unit and the Chemical Business Unit, have developed businesses in their respective markets. As we have expanded our business into various markets, we have always maintained a high level of expertise in the fine chemical market, regardless of changing times and markets, and have earned a reputation for introducing excellent overseas products to the domestic market. As in other markets, China's presence is increasing in the fine chemical market, while the rise of ASEAN countries and India is also remarkable. As an extension of this global market trend, major Japanese companies are beginning to build global strategies centered on the Asian region, believing that the center of fine chemical manufacturing will shift from Europe and the United States to Asia. We have already established bases in key areas in Asia, staffed them with highly specialized personnel, and are preparing to expand the activities of our fine chemical business overseas. In addition, to responding to the recent global trend toward sustainability, we will strengthen our handling of environmentally-friendly products, such as new materials of natural origin.

Life Science

Sanyo Trading provides various products and services related to people's daily lives through our life science business to improve people's quality of life (QOL). We mainly deal in food additives, cosmetics, home health care, and scientific instruments, enhancing the quality of people's lives in various fields.

We have highly specialized staff in each field to provide services that offer the best solutions, meaning we are more than just simple vendors. In recent years, the life science field has been incorporating AI, leading to dizzying changes in the market. As we advance, we will continue meeting the market's expectations by leveraging our expertise and global network to grasp new market trends and provide accurate solutions quickly. In addition, the Company is focusing on the biotechnology business as one of our future core businesses. To expand this business, we have added SCRUM Inc. in 2022 and KOTAI Biotechnologies, Inc. in 2023 to our roster of Group companies. Through the activities of these two companies, we will work to support medical researchers and drug discovery, contributing to the development of biotechnology in the coming super-aged society.



Mitsuyasu Hirasawa
Director
In charge of Business Divisions

■ Mobility
■ Sustainability

Mobility

In the mobility market, in which the Industrial Products Business Units No. 1 and No. 2 are deeply involved, technological innovations such as EVs, automated driving, and MaaS are rapidly advancing, as it is said that this is a “once-in-a-century period of change.” To respond to this radical market trend, we will first strengthen our relationship with our existing suppliers, especially for interior components, which are the foundation of our business, and contribute to the development of our customers, including Japanese automakers. In addition, in proposing existing suppliers' commercial products, it is necessary to offer something extra due to intensified competition with other companies. To survive and move forward in this competition, the Business Units will make every effort to allocate resources to secure new supplier products that respond to megatrends.

In addition, while market trends are changing rapidly, we intend to maintain our sales approach of “staying close to the issues and problems of the world and the problems of our customers, using our unique network to search for and provide the best solutions.” To continue providing solutions to our customers' short- and long-term problems and social issues they are aware of, we will strengthen cooperation between the New Business Development Department's people in charge of mobility field and the Business Units and increase our efforts in interviewing our customers, among other efforts.

Sustainability

In the sustainability market, we focus primarily on businesses related to renewable energy (biomass, geothermal, and marine) and livestock feed. In the renewable energy-related business, we are focusing on expanding sales of a special film that achieves a cooling effect using sunlight, which is being developed by Sol-Cold in Israel. This special film is currently attracting attention as a significant contributor to global warming countermeasures and reduction of electricity consumption, with future tasks set on mass-producing this film. For this reason, we are working on selecting partners and addressing issues in terms of equipment as our first move toward mass production.

In the livestock feed-related business, we have already completed the commercialization of equipment for promoting the pelletization of compost and biomass power generation using lumber chips. As such, we are focusing on expanding sales, as in the case of the special film described above. In particular, the pelletizing of compost and biomass power generation derived from lumber chips requires steady network building and customer understanding due to the nature of the business. We will respond to these needs by leveraging our strong sales capabilities.

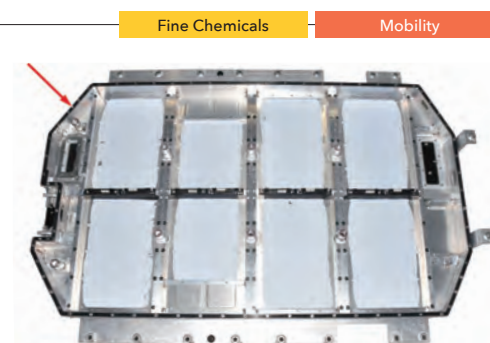
As in the Industrial Products Business Units No. 1 and No. 2, we will strengthen cooperation between the people in charge of sustainability field in the New Business Development Department and the Business Unit, as well as brush up the respective fields of expertise of Group companies related to the sustainability market, such as Cosmos Shoji Co., Ltd. and YPTECH Co., Ltd.

To cope with changes in the environment and trends surrounding the business, we are promoting the aforementioned business portfolio strategy. Below are examples of initiatives focused on continuing the Company's further growth.

01 Responding to the Rapid EV Shift

Sales Expansion of EPDM

Ethylene propylene diene terpolymer (EPDM) is a commercial rubber product with excellent weather resistance. It is widely used in automotive exterior parts such as weather strips, transmission belts, and mechanical parts such as water system hoses and muffler hangers. With this in mind, while demand for this product has always been stable, it can also be used in EVs as a rubber around batteries and as anti-vibration rubber. We are striving to market this product aggressively since continued demand is expected.



EPDM seal for EV batteries
Source: Caresoft database Iceberg



Sales Expansion of Spherical Alumina

Spherical alumina is a commercial material with higher filling and dispersibility than any other inorganic filler with high thermal conductivity. Demand is increasing mainly for use as heat-dissipating materials around EV batteries and in high-speed communications and is expected to continue growing.

In the future, we will promote further sales expansion to existing customers and horizontal expansion to new customers.

Sanyo Solution Gallery (Mizunami Exhibition Hall)

Many of our customers are in the research/investigation phase in response to the radical shift to EVs. In March 2022, we opened an exhibition hall in Mizunami City (Gifu Prefecture) as part of our benchmarking business, mainly to exhibit EV parts and disassembled EV vehicle frames. Since its opening, the exhibition has been well received by more than 5,000 visitors from automobile, parts, and materials manufacturing companies.

In addition, a traveling exhibition was held in Ota City (Gunma Prefecture) in October 2023. At the traveling exhibition, we exhibited parts in addition to giving lectures on the differences in parts composition between EVs and gasoline-powered vehicles and on safety, cruising range, and infrastructure issues that need to be addressed for EVs to become widely used.

In the future, we will continue to deepen our automotive benchmarking business by expanding the scale of exhibitions, creating new business areas such as an EV maintenance business, and pioneering our way from "product sales" to "service sales."



02 Strengthening of Biotechnology-related Businesses

Life Science

KOTAL as a Group Company and SCRUM's Business Progress

In recent years, biotechnology-related fields are expected to lead to full-scale industrialization and substantial new markets. Sanyo Trading entered this field in earnest in February 2022 after taking SCRUM Inc. ("SCRUM") in as a Group company and promoting it as a business to be nurtured. In July 2023, KOTAL Biotechnologies, Inc. ("KOTAL") became a Group company to establish a firm position in this field and develop it into a growing business. KOTAL has a proven track record in cutting-edge research and bio-drug discovery support projects with national research institutes, universities, and pharmaceutical companies based on its unique interdisciplinary solutions that combine state-of-the-art research equipment with expertise in immunology, AI, and molecular structure. We are also developing cutting-edge services related to genetic analysis, including single-cell analysis and spatial gene expression analysis. In addition to the sales of SCRUM's bioresearch support equipment and reagents, we aim to grow our biotechnology-related business by offering a wide range of proposals, from contract genetic analysis services to drug discovery research support through KOTAL.



Scrum biotechnology research support equipment and reagents

03 Development of Commercial Products for a Sustainable Society

Fine Chemicals

Sustainability

Life Science



#tide ocean material®

It is estimated that 80% of ocean plastic litter is derived from ocean-bound plastic (OBP*), which is recognized as an environmental concern. We have concluded a license agreement with Tide Ocean SA (Switzerland), the world's first company to upcycle 100% of OBP and offer high-quality recycled plastic "#tide" products. In Japan, this material has been used as a raw material for apparel, secondary materials (hangers), and stationery and is now being considered for use in cosmetics containers. This commercial material is expected to be developed for a wide range of applications.

* Plastics disposed of on land within 50 km from the coast without proper waste treatment and management. If left, rainfall causes land-based plastic waste to run into rivers, drainage channels, and the ocean, resulting in marine plastic waste and environmental pollution.

Epoxidized Natural Rubber

Epoxidized natural rubber is a modified natural rubber prepared to impart properties such as gas permeability and oil resistance while retaining the excellent mechanical properties and film-forming ability of natural rubber. Since epoxidized natural rubber can decompose in nature, it has a low environmental impact, and demand for "vegan leather" applications made entirely from natural materials is expected to increase. In response to this growing demand, we have set a goal of doubling our sales scale over the next five years and will actively expand sales as one of our environmentally-friendly products.



Largest geothermal power plant in Japan:
Hatchobaru Geothermal Power Plant
(Oita Prefecture)

Renewable Energy Initiatives (Geothermal Power)

Geothermal power generation is a clean energy source that is highly effective in reducing CO₂ emissions, and recently, the government has been encouraging the expansion of its installed capacity. Cosmos Shoji Co., Ltd. one of our Group companies, mainly sells and rents drilling equipment for geothermal power generation, contributing to the expansion of the renewable energy field. Cosmos Shoji Co., Ltd. expects five to six new drillings every year and is expected to maintain its high market share.

In light of the market environment that is expected to change more and more, such as the shift of domestic synthetic rubber manufacturers to next-generation materials and the shift to EVs for automobiles, we have formulated a new long-term management plan, SANYO VISION 2028 to achieve sustainable growth and increase corporate value, while continuing the results achieved under our previous long-term management plan, VISION 2023.

● Review of the Previous Long-term Management Plan VISION 2023

Basic Strategies	Seven Strategies	Achievements	Ongoing Challenges
Strengthening the corporate structure	A	Challenging ourselves for the BEST solution	• The management mission and basic principles became instilled in employees.
	B	Strengthening the Company's foundation	• We developed organizations that will serve as the foundations for growth (New Business Development Dept., Strategic Logistics Dept., Human Resources & General Affairs Dept., Corporate Planning Dept.). • We acquired Cosmo Computing System, Inc., to strengthen inhouse IT function.
	C	Investing in human resources	• We invested in next-generation human resources, developing human resources internally and also hiring mid-career professionals who can hit the ground running
Strengthening the earnings base	D	Enhancing business in certain fields	• Levering our strengths, we further developed high-value-added businesses, focusing on four core markets.
	E	Developing new businesses	• Business divisions: Identified products related to new businesses based on a product orientation approach and expanded sales. • New Business Development Dept.: Pursued projects that have synergies with us based on a market-in approach.
	F	Accelerating globalization	• We pursued overseas expansion focusing on Asia and the Americas
	G	Advancing new investment projects	• We made bolt-on investments in businesses in which synergy with existing businesses can be expected such as YP Tech and Scrum

Under the previous long-term management plan, VISION 2023, we achieved results in new business development and global business expansion. However, we recognize that investment in human capital, both in quality and quantity, and the promotion of digital transformation (DX) are ongoing

challenges. Based on these experiences, the new long-term management plan SANYO VISION 2028 aims to achieve continuous growth in business areas. At the same time, the Company will further deepen ESG management and focus more on human resource development.

● Our Vision for 2028

Sanyo Trading's Vision	Deliver tangible solutions to social issues to make the world a better place for everyone Our predecessor's lesson: Don't do anything that lowers our reputation
Our Value Proposition	<div>Job to solve problems</div> <div>Job that makes a positive impact on society</div> <div>Job that caters to customers and is appreciated</div> <div>Job where we can inspire children to dream</div> <div>Building a track record of excellence that addresses:</div> <div>Safety and Security</div> <div>Comfort and QOL</div> <div>Decarbonization</div> <div>Local Production for Local Consumption</div> <div>Resource and Energy Conservation</div> <div>Technology-driven, Maritime Nation</div> <div>Aging Population</div> <div>Revitalization of Regional Economy</div>
Our Business Foundation	<div>Organic growth of existing businesses</div> × <div>Fruition of new businesses</div> <div>Human resources</div> <div>Merchandise and commercial rights</div> <div>Open and inclusive</div> <div>Financial foundation</div> <div>Global network</div>

● Financial Targets

Creation of shareholder value (FY2028/9 Targets)		Growth and financial discipline (FY2028/9 Targets)	
ROE	10-12%	Growth	Operating cash flow Cash surplus
Operating profit	9.0 billion yen		Investment 20.0 billion to 30.0 billion yen (Cumulative for 2023-2028) (business investment, DX investment, human capital investment, etc.)
Shareholder returns	<ul style="list-style-type: none">Based on continuous dividend increases and stable dividends, taking into account consolidated performance and financial condition.Acquisition of own stock will be carried out in a flexible and agile manner, comprehensively considering stock prices and demand for funds for growth investments.	Profitability	Operating profit ratio 5.1%
		Stability	Shareholders' equity ratio 50% or more
PBR		More than 1	

The financial targets in SANYO VISION 2028 are based on "creation of shareholder value" and "growth and financial discipline."

The Company aims to achieve an operating profit of 9.0 billion yen, which is stated in the "creation of shareholder value" section, by strengthening the earnings base of existing businesses and developing new merchandise

as the core. The shareholders' equity ratio outlined in "growth and financial discipline" is 50% or more, but the current shareholders' equity ratio is over 60%. Our policy is to return capital to new investments while aggressively utilizing leverage to optimize our capital structure and effectively use funds for growth.

What we Aim For with the New Long-term Management Plan SANYO VISION 2028



Yoshimi Namba

Executive Officer and Corporate Planning Department, Manager

Looking back at the previous long-term management plan, VISION 2023, on the quantitative side, the growth rate of overseas bases exceeded the target of 10%, strongly driving growth, and both net sales and operating profit reached record highs. At the same time, the Company also made progress in embedding the plan for the next generation by enhancing potential core businesses and new investment pipeline projects. On the qualitative side, steady results were seen in the penetration of our management philosophy, strengthening of corporate functions, and deepening of ESG management.

SANYO VISION 2028, a new long-term management plan, was formulated after about a year of company-wide discussions as a compass for achieving change and growth over the next five years. It follows the basic principles of VISION 2023 while also taking a bird's-eye view of the upcoming 100th anniversary of the Company's founding.

The most time-consuming part of the formulation

process was defining and verbalizing the "vision" we aim for. What makes Sanyo Trading unique and different from other trading companies? Based on our predecessor's lesson, "Don't do anything that lowers our reputation," we have condensed our vision for 2028 into the words, "Deliver tangible solutions to social issues to make the world a better place for everyone."

Our strengths, now and in the future, can be summarized in five areas: highly professional personnel with expertise, commercial rights and high-value-added products backed by strong relationships of trust, a sound financial foundation, a network of domestic and overseas bases, and an open and inclusive corporate culture. By maintaining and strengthening the above, we will achieve our vision by accumulating "good jobs" one by one to drive growth through organic growth of existing businesses and the realization of new businesses and bolt-on investments, using the two-fold approach of product orientation and market orientation. Our specific plans are summarized in the eight priority measures of SANYO VISION 2028.

Although the external environment is becoming increasingly uncertain, we see change as a business opportunity. By implementing our eight priority measures, we will further enhance our resilience and realize our vision to "Deliver tangible solutions to social issues to make the world a better place for everyone."

Priority Measures and Background of the New Long-term Management Plan

SANYO VISION 2028

The new long-term management plan, SANYO VISION 2028, evolves and expands on the basic principles of the previous plan, VISION 2023. As a compass for our continued growth and our goal of becoming a 100-year company, we have set forth eight priority measures to achieve sustainable growth based on megatrends.

Strengthening the earnings base

The following four measures will be implemented to realize the VISION.

1

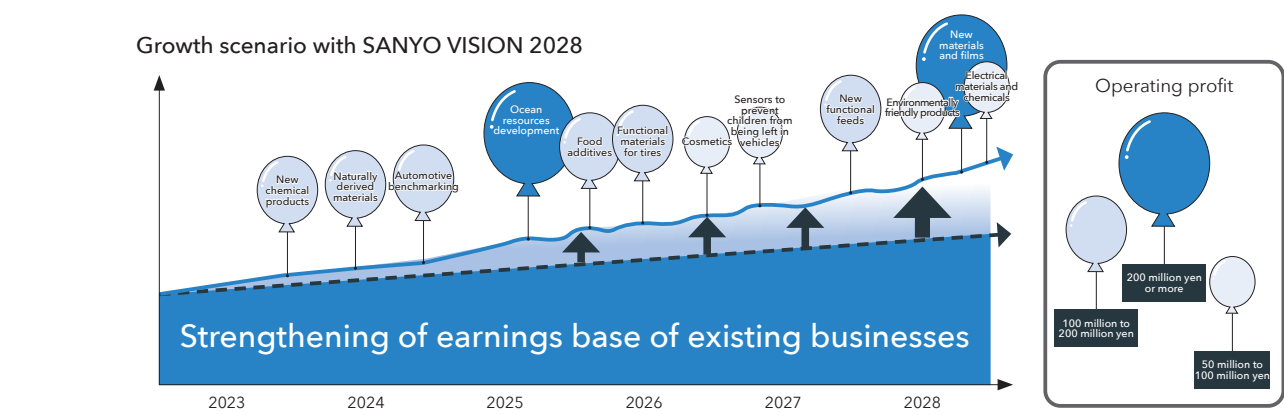
Growth of Existing Businesses

We will use a two-pronged market orientation strategy in addition to our traditional strength of product orientation to increase our competitiveness in our four focus markets. In the future, we will expand our business domain from selling products to selling services to further strengthen the provision of added value. In addition, we will build a solid business foundation in an increasingly competitive market by responding quickly to rapid market changes and megatrends and maintaining a leading position at all times.

2

Developing New Businesses

For us to continue to grow, it is essential that we pursue both growth in our existing businesses and the development of new businesses. To focus on bringing potential core businesses to fruition, we are promoting commercialization through strategic resource allocation and the PDCA cycle. In addition, the New Business Development Department is working to launch new businesses from a market orientation perspective, looking five to ten years into the future.



3

Strengthening Consolidated Management Structure

We will further deepen our global business division system to accommodate Group expansion. We will promote overseas expansion, respond flexibly and effectively to regional market needs, and strengthen our business base. At the same time, we will strengthen the functions of the Consolidated Management Promotion Department and enhance the sense of unity as "One Sanyo" Group-wide. This will enable faster and more flexible management decisions and sustainable growth Group-wide.



At the meeting of heads of overseas bases



4

Advancing Investment Projects

Advancing investment projects is a pillar of our growth strategy, along with developing new businesses. We will proactively consider excellent deals that meet our business investment framework policy and execute them with agility and flexibility.

Business investment basic policy

Balance sheet	Utilization of borrowed capital with a shareholders' equity ratio of 50% or more and DE ratio of less than 0.5% as yardsticks
Pre-condition	Importance is attached to business synergy, overseas expansion, and growth potential
Long-term holding	Make investments for growth but do not engage in the buying & selling of assets or speculative investment to realize a capital gain
Operatorship	Take operatorship of businesses by adopting a Buy & Hold stance and determining the direction for progress ourselves

Planning to make growth investments totaling 20 to 30 billion yen over 5 years

Business investment	Carefully select business investment deals that match our basic policy and proceed rapidly, flexibly, and proactively.
DX-related investment	Make Digital Transformation (DX)-related investments to increase efficiency, deliver high-added value and win new business opportunities
Human capital investment	Make human capital investment in areas such as recruitment, education, and training to promote the idea of Sanyo as a people company

Corporate Management

The following four measures will be implemented to strengthen the management foundation.

A

Corporate Culture

Corporate culture is the emotional support for employees working for the Sanyo Trading Group and is essential in fostering "One Sanyo." With our sights set on becoming a 100-year company, we will pass on the good corporate culture inherited from our predecessors to the next generation while elevating it to a level that is difficult to imitate. We aim to be known as the "Sanyo Trading that is open and inclusive" among the companies listed on the Tokyo Stock Exchange Prime.

See Page 4-7 for more details.

B

Human Capital

Our employees are the driving force behind Sanyo as a people company. We will implement various measures that will enable self-motivated human resources to grow and take active and exciting actions in sympathy with our MIS-SION: Deliver the best solutions flexibly and timely so we can help achieve the sustainable development of the global community and fulfill employees' aspirations for well-being. We will provide opportunities and a stage for our employees to play a leading role in the Company by promoting the fulfillment of both the "quantity of human resources" and "quality of human resources."

See Page 52 for more details.

C

Sustainability

Sustainability is the most critical factor in strengthening the corporate base. We will continue to promote the deepening of ESG management to respond to our expanding business. We will also focus on appropriate disclosure to provide holistic value to our stakeholders.

See Page 42-47 for more details.

Climate change initiatives

Disclosure of non-financial information

D

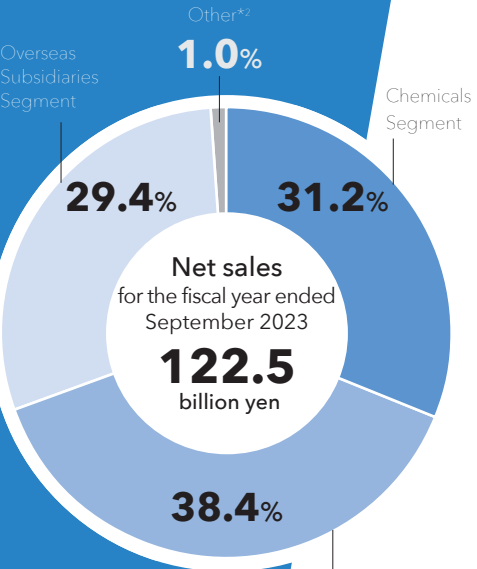
Use of IT

In the fiscal year ended September 2023, Cosmo Computing System, Inc. was made a Group company, and a system was established to bring system development in-house. Through these efforts, we will promote DX on both the offensive (adding more value to the business in response to digitization) and defensive (improving efficiency through digitization of business operations) sides of the business.

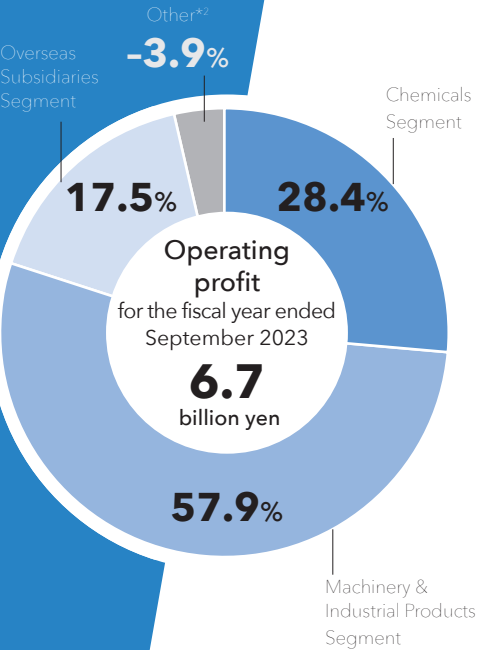
Sanyo Trading's Strategy
Business Overview

The Company consists of product segments based on Business Units, while overseas subsidiaries determine the allocation of management resources and assess performance separately for each independent management unit, which are the Group companies. Therefore, the Company has three reportable segments: the Chemicals Segment, Machinery & Industrial Products Segment, and Overseas Subsidiaries Segment.

Sales Composition Ratio*1



Operating Profit Composition Ratio*1

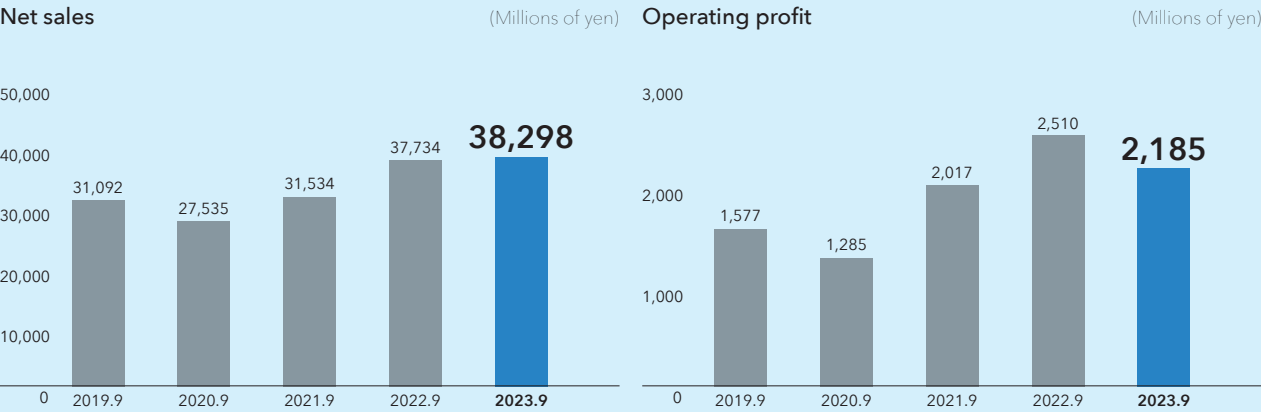


Chemicals Segment

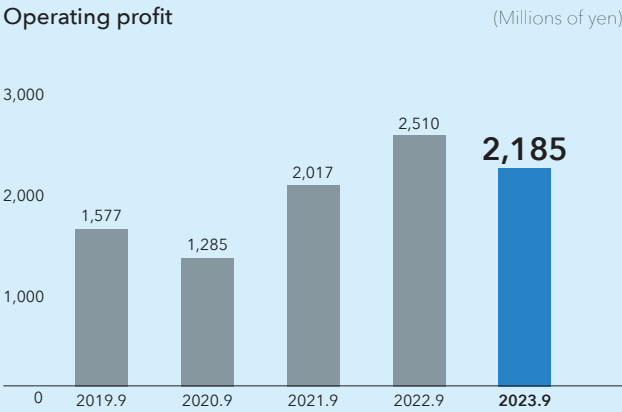
Although net sales increased from the previous year due to higher sales unit prices, sales expansion of strategic products in rubber-related products, and sales expansion of newly handled products in chemicals-related products, operating income was affected by soaring purchase prices due to the weak yen.



Net sales



Operating profit

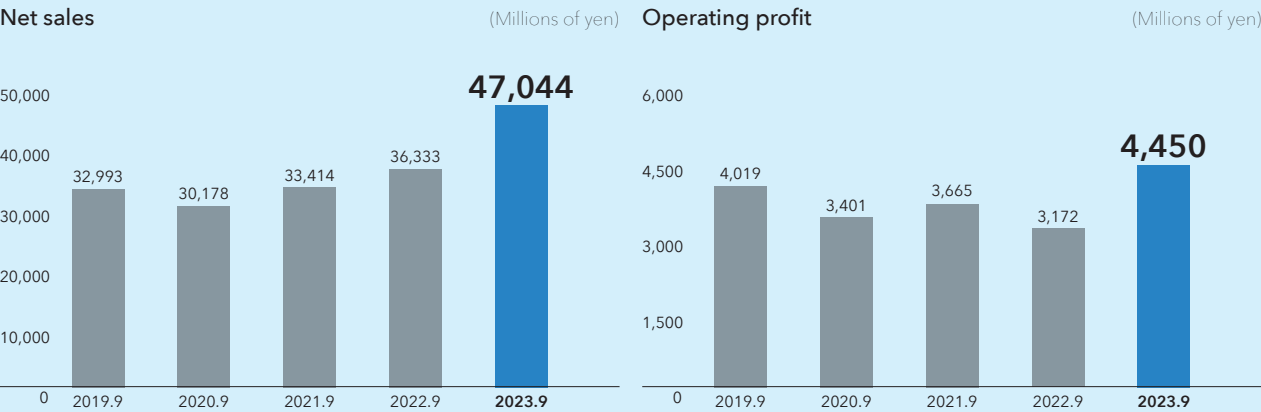


Machinery & Industrial Products Segment

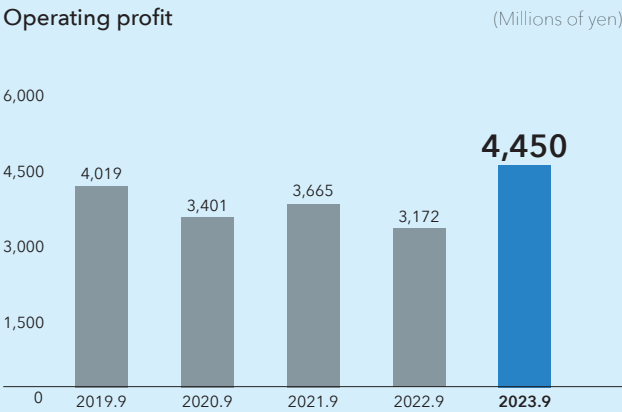
Automobile interior components performed well throughout the year as production by Japanese automakers recovered. Group companies also contributed to profits, and in particular, M&A activities carried out in the past contributed to steady profit growth.



Net sales



Operating profit

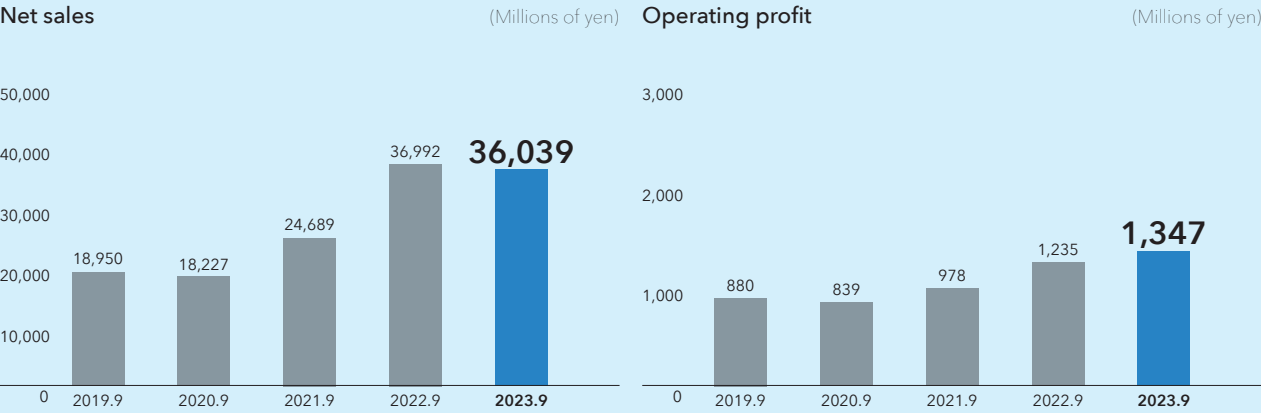


Overseas Subsidiaries Segment

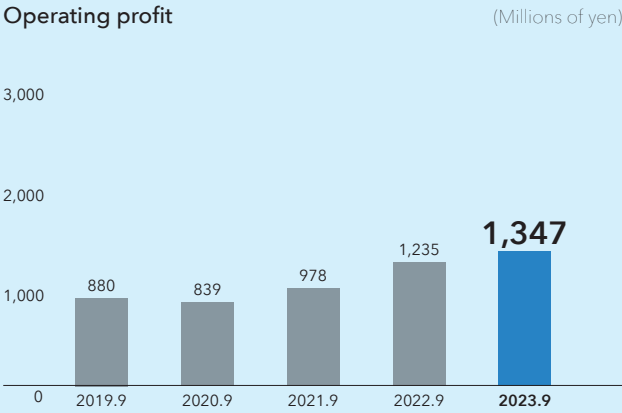
Although sales decreased from the previous year, the growth rate of overseas bases (sales), our quantitative target of the previous long-term management plan, was 12.9%, exceeding the target of 10%. Profits increased due to a recovery in the U.S. and a weaker yen.



Net sales



Operating profit



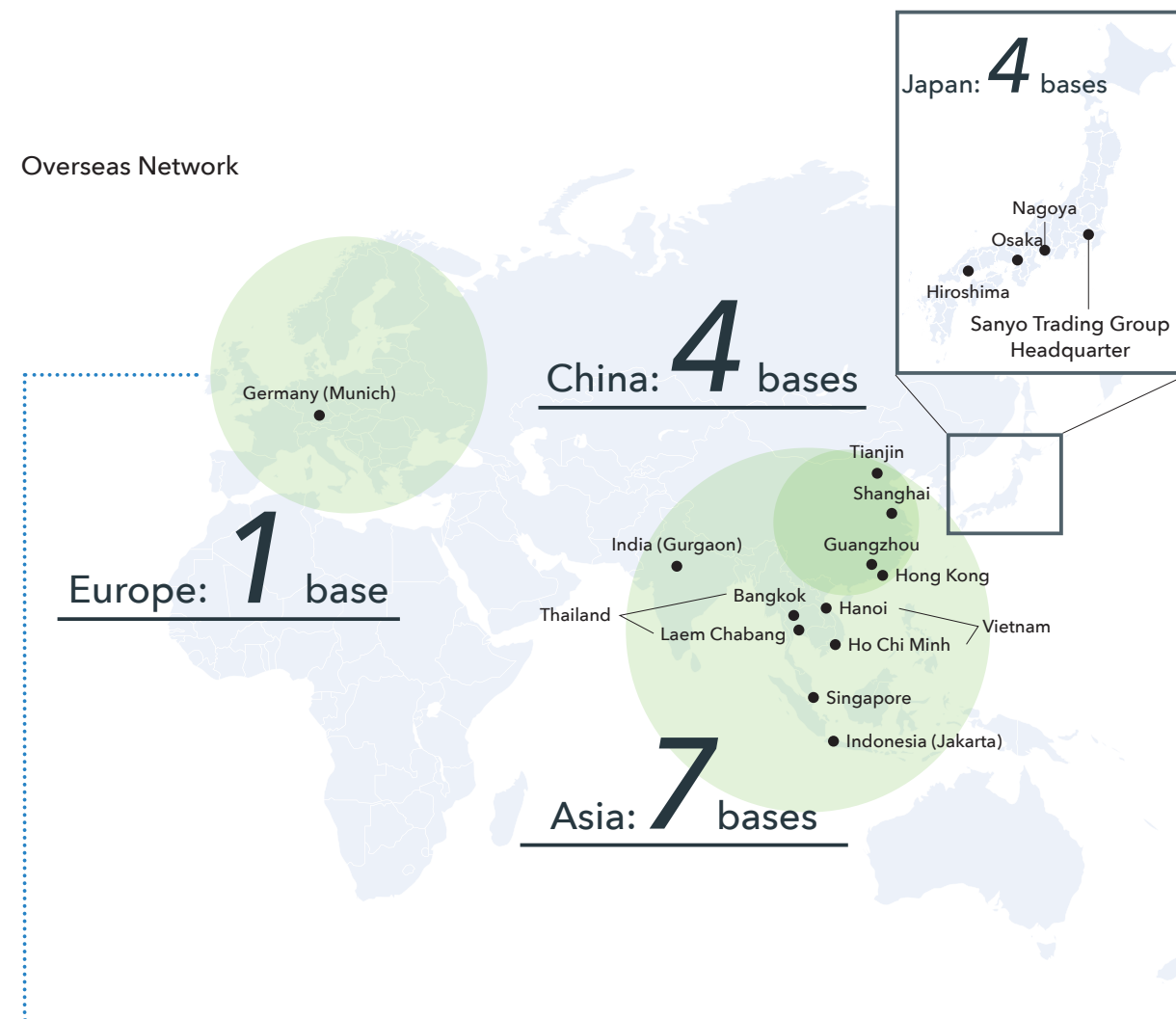
*1 Composition ratios are calculated based on sales to external customers and segment income (loss) before consolidation adjustments.

*2 "Other" is a business segment not included in the reportable segments. It includes the information system and real estate leasing businesses. Cosmo Computing System, Inc. is included in "Other."

Business Overview—Sanyo Trading's Overseas Operations

In the Overseas Subsidiaries Segment, we have a total of 16 bases, mainly in North America and Asia, including China. By aggressively expanding into regions where growth is expected and developing strategies that fit the local market, we provide Japanese-quality services to our customers, especially Japanese manufacturers.

Overseas Network



Expansion into the European Region

In September 2023, we established a new subsidiary in Munich, Germany, which began operations in November. This strategic development aimed to expand business in Europe, strengthen local response in existing businesses, and develop new businesses through intelligence-gathering functions. We already have many customers and business partners in Germany, and we will provide even higher value-added services, including customer service, without time differences. Munich is the center of the automotive industry in Europe and is located in Bavaria, which accounts for about 30% of Germany's GDP. It is not just known for its automotive industry but also as a hub for IT companies and startups. From a market orientation perspective, we plan to strengthen our activities in new markets, such as environmentally friendly businesses.

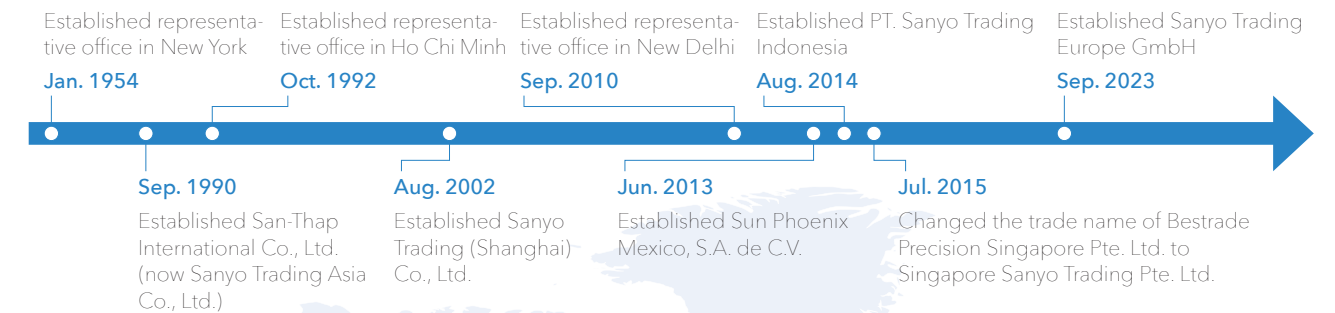


Entrance to Sanyo Trading Europe GmbH

Opening ceremony



History of Our Overseas Network



China

Main bases

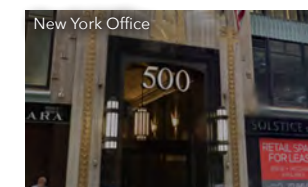


China subsidiary
Sanyo Trading (Shanghai) Co., Ltd.



North America

Main bases



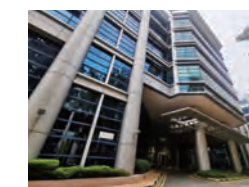
U.S. subsidiary
Sanyo Corporation of America



Mexico subsidiary
Sun Phoenix Mexico, S.A. de C.V.

Asia

Main bases



Singapore subsidiary
Singapore Sanyo Trading Pte. Ltd.



Thailand subsidiary
Sanyo Trading Asia Co., Ltd.



Vietnam subsidiary
Sanyo Trading (Viet Nam) Co., Ltd.



India subsidiary
Sanyo Trading India Private Limited



Indonesia subsidiary
PT. Sanyo Trading Indonesia

Chemicals Segment

Rubber Business Unit

The Rubber Business Unit is a core rubber industry supplier, importer, and exporter in Japan and overseas. The unit is focusing on expanding sales of next-generation materials to become a major distributor of synthetic rubber and auxiliary materials.



Yasushi Komiya

Executive Officer and Rubber Business Unit, General Manager

Responding to next-generation demand like a shift to EVs and secondary materials while addressing urgent issues like the weak yen

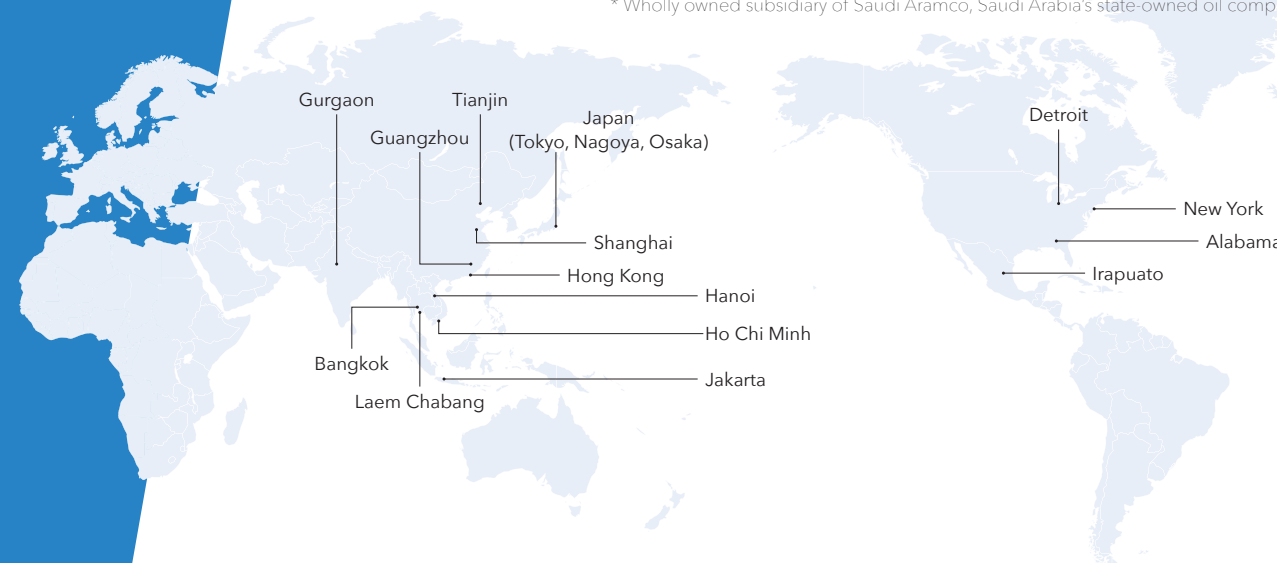
As a summary of VISION 2023, we expanded our core synthetic rubber products, next-generation products, functional products, and auxiliary materials for tires in Japan, horizontally expanded our business to Japanese-affiliated transplants in Asia, and expanded sales of next-generation products in the U.S. and Mexico. However, the Company was forced to fall short of its plan for the fiscal year ended September 2023 due to the impact of the weak yen and customers' production cutbacks. In particular, the percentage of imported products handled increased as a result of our focus on merchandise that is expected to expand into next-generation applications, as we tripled the handling volume of EPDM manufactured by ARLANXEO*, which has the world's largest synthetic rubber manufacturing capacity, doubled the stock sales volume of silicones manufactured by Dow Chemical (Dow Toray Co., Ltd. in Japan), the world's largest silicone manufacturer in the rubber field, and rapidly expanded the handling volume of fluorine rubber compounds manufactured by China-based Sichuan Dowhon New Materials Co., Ltd. Therefore, we will immediately address the issue of soaring purchase prices due to the weak yen as a material issue.

The Rubber Business Unit's domestic sales ratio as of the fiscal year ended September 2023 is 55:45 (synthetic rubber: subsidiary materials), but this ratio is expected to shift to 50:50 due to new demand, such as the use of epoxidized natural rubber in vegan leather applications and the expansion of KaMin's functional clays for tire and ceramic applications. Accordingly, we will continue to develop new investment projects in anticipation of increased demand for secondary materials.

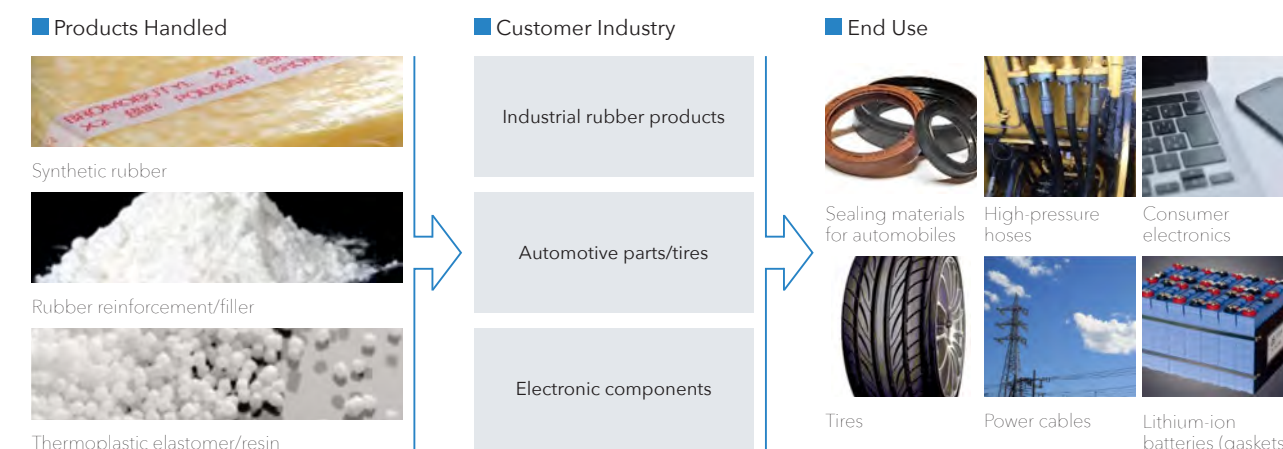
In addition to addressing these issues, we will work to minimize the impact of the expected decline in the market share of Japanese-affiliated automobiles resulting from the rapid shift to EVs, which is expected to have a significant impact over the medium to long term.

* Wholly owned subsidiary of Saudi Aramco, Saudi Arabia's state-owned oil company

Geographic areas



Primary products, sales destinations, and end-use applications



Strengths

- The Company handles a wide range of rubber products with ARLANXEO*, the world's largest producer of synthetic rubber, as a major supplier
- We provide the same products and services as in Japan through close cooperation between Japan and overseas bases
- We provide a stable supply to customers by leveraging a solid financial base. *Wholly owned subsidiary of Saudi Aramco, Saudi Arabia's state-owned oil company

Opportunities

- Automobiles, which account for half of the demand for synthetic rubber, are moving to EVs, and applications for weatherproofing, heat dissipation, and lightweight rubber are growing. Increased demand for high-value-added and next-generation materials
- Restructuring of domestic synthetic rubber manufacturers due to aging manufacturing facilities and shift to next-generation materials

Risks

- Continued rise in purchase prices due to the weak yen
- Declining share of Japanese automobiles in the global market due to the shift to EVs

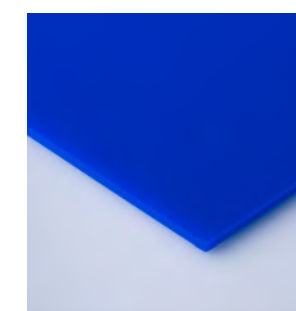
Future Strategies for Growth

Strengthen overseas development	● Expand the scale of handling major overseas merchandise to meet the demand for synthetic rubber from Japanese and overseas Japanese companies
Expand sales of next-generation merchandise	● Expand sales of environmentally friendly epoxidized natural rubber and other naturally derived functional materials
Respond to the shift to EVs in automobiles	● With the shift to EVs, the functions required for end-use components have changed, which means we must provide materials that respond to the trends of the times

TOPICS

Expanding the handling of silicones in the rubber industry by Dow Toray Industries, the world's largest silicone manufacturer

Since we began selling Dow Toray's commodity silicone rubber in stock in 2009, we have gradually increased the number of products we handle and deepened our relationship with the company. We have established an SDS (Safety Data Sheet) download function along with a list of Dow Toray products in CHEMBASE, our Group's comprehensive product database, and responded to technical inquiries from this page, thereby improving customer convenience about Dow Toray products. In addition, we have assigned Rubber Business Unit personnel to each of our bases, including those overseas, to ensure that we are able to respond promptly to inquiries from customers regarding silicone rubber, as well as to ensure proper inventory control and transportation management. These comprehensive evaluations enabled us to double our Dow Toray silicone rubber inventory sales volume.



Dow Toray silicone rubber

Chemicals Segment

Chemical Business Unit

By building close and strong relationships of trust with several dozen overseas chemical manufacturers, we are able to sell a diverse range of high-performance products and provide a high level of technical services.



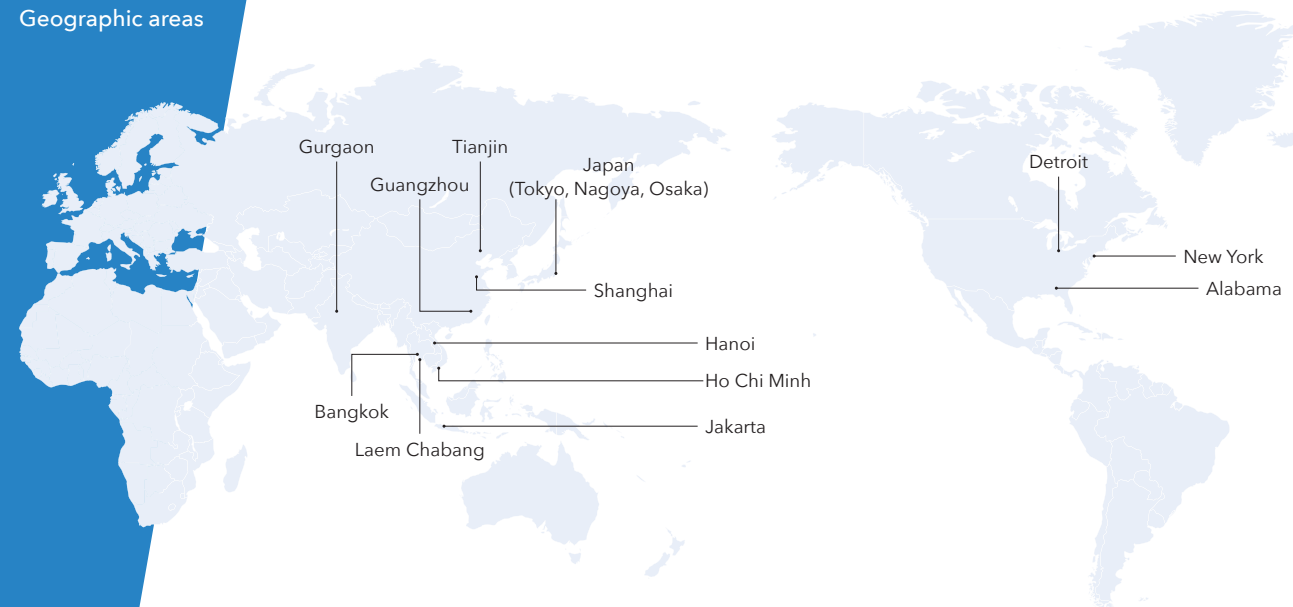
Hideki Ohata

Chemical Business Unit,
General Manager

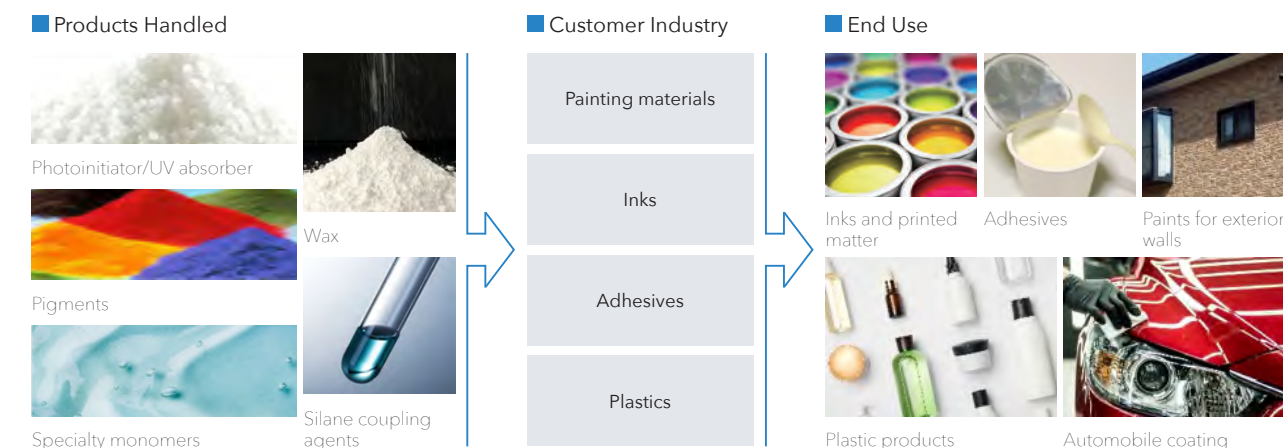
Shifting to new demand by leveraging each salesperson's high level of knowledge and the organizational strength of the Business Unit

During the VISION 2023 period, the Business Unit, in which more than 60% of employees have chemical or pharmaceutical backgrounds, successfully expanded its product lineup and launched a large-scale product lineup that has become a pillar of the Business Unit by leveraging its sales force and organizational structure that manages markets, not regions, based on the knowledge of its employees. In particular, in this Business Unit, where organizational strength is a strong point, we were able to increase the number of sales department members by five in the fiscal year ended September 2023, to a total of 24, which we feel will be a significant driving force for future expansion of the Business Unit. As a specific strategy for the business, the Business Unit will shift its focus from inks, paints, coatings, resins, plastics, and adhesives, where no significant growth in market size is expected, to the high-end market represented by electric materials, motors, batteries, and sensors, thereby shifting the focus of the Business Unit's core products. At the same time, to respond to the growing awareness of supply chain management in recent years, we intend to strengthen our handling of environmentally friendly products while handling chemical raw materials mainly in Thailand, Vietnam, Indonesia, and other Asian countries. In the fiscal year ended September 2023, we acquired ISCC PLUS certification (International Sustainability Carbon Certification), which will further promote the shift of products we handle to environmentally-friendly products. We intend to take advantage of this positive trend to expand, contribute to realizing a sustainable society, and develop as a Business Unit.

Geographic areas



Primary products, sales destinations, and end-use applications



Strengths

- Numerous products handled, mainly functional products for paints, inks, adhesives, coatings, and plastics
- Expertise and technical sales skills of technical sales department staff handling high-value-added products
- Ability to develop new commercial products, including environmentally friendly products

Opportunities

- Demand for raw materials for UV, a core commercial product, is expected to grow
- Stable domestic demand with overseas demand is expected to grow in the future
- Accelerating sales in all markets, including Asia

Risks

- Impact of new environmental regulations on the products we handle
- Changes in demand resulting from market trends

Future Strategies for Growth

- | | |
|--|--|
| Expansions into the Asia region | ● Strengthen handling of environmentally-friendly products in upstream raw materials (commodity chemicals) |
| Strengthen handling of environmentally-friendly products | ● Promote a shift from petrochemical-based products to environmentally friendly products |
| Focus on the high-end market | ● Capture demand in growth markets such as raw materials for displays and semiconductors |

TOPICS

Expansion of AlzChem and Evonik products through business transfer

Following a business transfer, we began handling AlzChem's silicon nitride powder. Silicon nitride is highly effective in preventing electrical corrosion and is a product for which demand is expected to increase for use in EV vehicle components and power semiconductor substrates. In addition, a similar transfer of business has also enabled us to expand sales of Evonik's products, allowing us to focus more on the silane coupling agent business in the future. These results are based on the trust we have built over many years of business relationships with our suppliers due to their evaluation of our technical sales and high expertise.



Products using AlzChem silicon nitride powder

Machinery & Industrial Products Segment

Industrial Products No. 1 and No. 2 Business Unit

We develop, import, and sell high-value-added and highly functional automotive interior components. We handle a wide range of products that increase the added value of automobiles.



Rintaro Harada

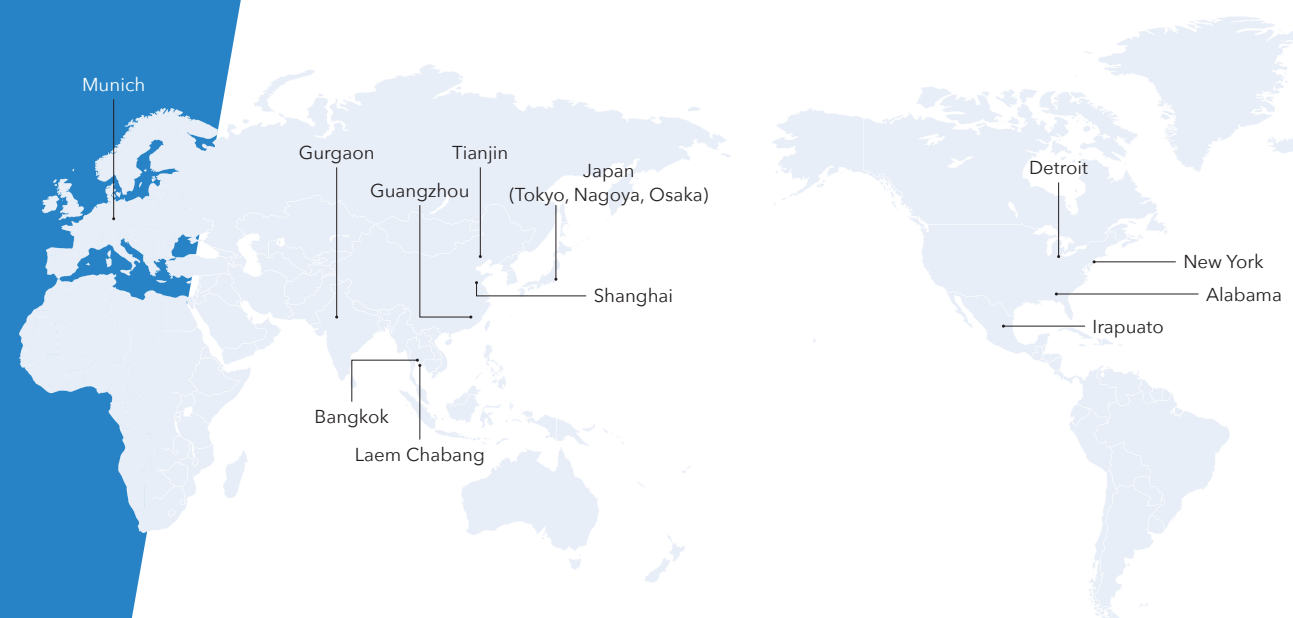
Industrial Products No.1
Business Unit,
General Manager



Akira Watanabe

Industrial Products No.2
Business Unit,
General Manager

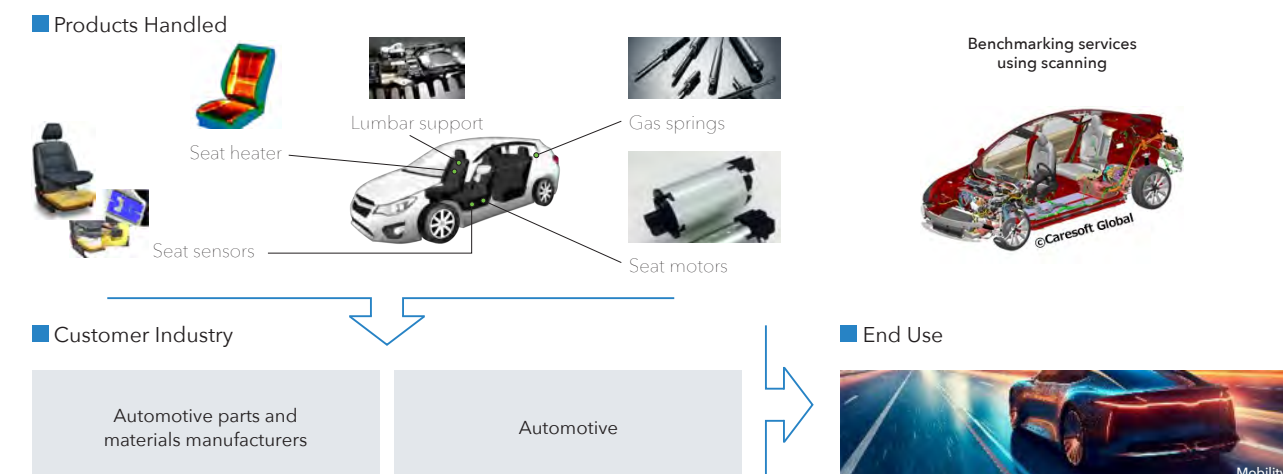
Geographic areas



Expanding business areas into next-generation commercial fields, domestically and internationally, by extending the results of benchmarking business and more

In the fiscal year ended September 2023, we recovered our performance from the fiscal year ended September 2022, when we suffered from a trend of production cutbacks due to the COVID-19 pandemic and semiconductor shortages, significantly outperforming our plans. Specifically, the Industrial Products No. 1 Business Unit was able to expand sales of TOTOKU's products in niche areas in addition to its main business areas, and the Industrial Products No. 2 Business Unit was able to expand sales of Leggett & Platt's main products, which contributed to achieving our plans. In new business, sales of Caresoft products such as Iceburg, which uses the latest vehicle disassembly and analysis information as benchmark data, and Digital Twin, which provides highly accurate 3D CAD/CAE models, grew steadily. Sales also grew for sensors to prevent children from being left in vehicles on buses used to transport children to and from nursery school, as these devices have become mandatory. On the other hand, the mobility field, the product area handled by this Business Unit, is approaching a significant turning point, typified by the shift to EVs and automated driving. In response to this turning point, we will aim to expand our products and services to generate large profits in the entirely new next-generation product field by restructuring the organization dedicated to new business and allocating personnel dedicated to developing new commercial products. In the future, we intend to expand our global operations by broadening the scope of our next-generation products and services, which are gradually expanding overseas.

Primary products, sales destinations, and end-use applications



Strengths

- We are developing an integrated business model from sales, development, and design to quality assurance
- Just-in-time delivery of overseas commercial products customized to Japanese quality following manufacturers' requests
- As an independent trading company, we have established business relationships with all Japanese automakers

Opportunities

- Technology innovations such as EVs, automated driving, MaaS, and others
- Change in demand for automotive parts with progress in CASE
- Build businesses unique to global locations

Risks

- Declining market share of Japanese automakers in the global market, especially in China, due to a rapid shift to EVs
- Increasing commoditization of existing commercial products

Future Strategies for Growth

- Support the shift to EVs** ● Development of interior components and sensors that will be in increasing demand with the shift to EVs
- New business initiatives** ● Promote new businesses, including sales of "services," and secure new suppliers in response to megatrends
- Further strengthening of existing businesses** ● Further strengthen relationships with existing suppliers, particularly for interior components, which is our business base, and improve our ability to make proposals to customers

TOPICS

Overseas Business Development

In our Alabama (U.S.) office, the demand for automotive industrial materials has been increasing since April 2023, amid the easing shortage of semiconductors, parts, and workers from the COVID-19 pandemic. To this end, Japanese automakers' new car sales have continued a V-shaped recovery from 2022 figures. Although this office was opened in January 2021 and is a small base, we expect to expand our business domain in the future in response to this trend of increasing demand for automotive industry materials. In addition, a global sales vehicle production system was fully launched in November 2023 at the Laem Chabang (Thailand) office, where transactions for vehicles sold in Thailand began in May 2023. The Business Unit will continue to promote overseas business development.



Above: Laem Chabang Office
Left: Alabama Office

Green Technology Business Unit

Green Technology Business Unit will introduce to Japan outstanding overseas technologies, such as powdered food, feed, and fertilizer and woody biomass granulators, and promote food safety and renewable energy in Japan.



Kenichiro Mohara

Green Technology Business Unit, General Manager

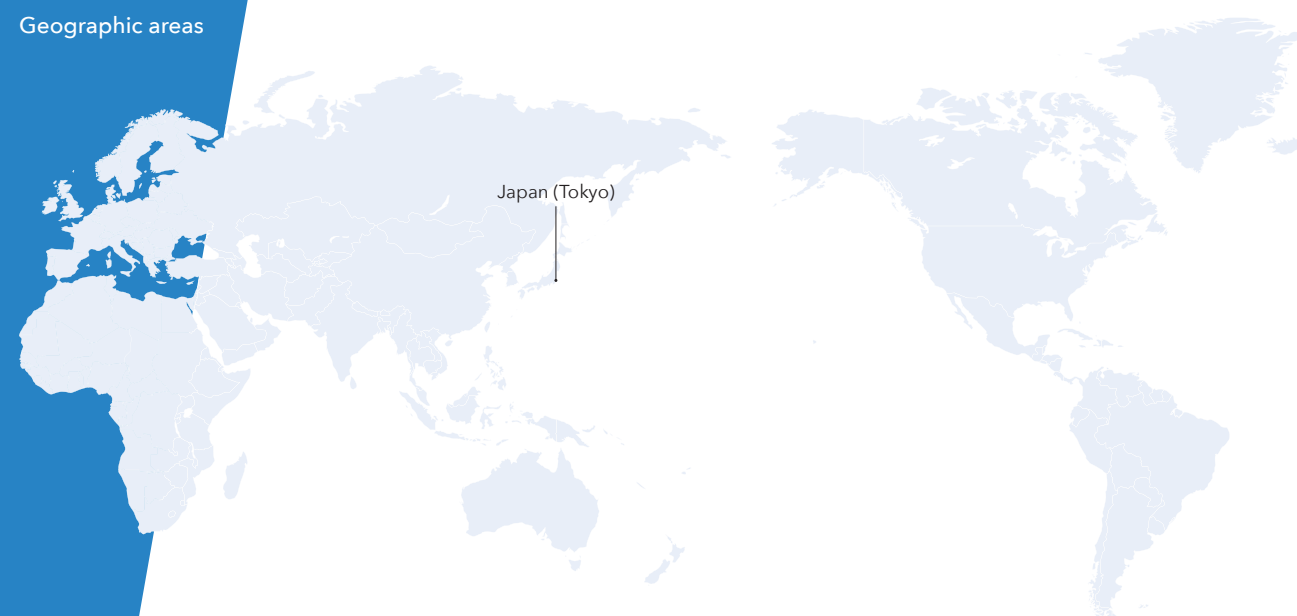
Striving to expand sales of new products and strengthen proposal capabilities while maintaining a high sales level of sales force to adapt to the changing market environment

The Business Unit's results for the fiscal year ended September 2023 were harsh due to major feed customers significantly cutting back on capital expenditures and failing to win orders for large projects in the woody biomass field. On the other hand, we were able to maintain a market share of over 90% for CPM's pellet mills for the livestock and formula feed markets, even amid difficult business conditions, which is a testament to the high reliability of the equipment we handle and the continued support for the quality of service provided by our sales and maintenance staff. In addition, the expansion of new business applications from wood pellet production using logs as raw material to wood pellet production using lumber shavings, which led to further sales expansions of CPM's pellet mills, was also a positive factor despite the poor performance.

As for the market environment in the future, feed mills are expected to become larger and larger as the consolidation and elimination of main customer mills progresses. In the future, we will promote product development and proposals that match these large-scale factory-oriented needs. Specifically, to respond to the desire for larger-scale plants, we will strengthen our operations, which range from equipment design for livestock and compound feed to engineering. Simultaneously, we will respond to the growing social awareness of sustainability by expanding sales of thermal barrier cooling film*, which is expected to save cooling energy from electricity.

* In October 2022, the Company entered into an investment and business alliance with SOLCOLD LTD., which researches and develops coating films based on a cooling effect using sunlight.

Geographic areas



Primary products, sales destinations, and end-use applications



Strengths

- CPM's pellet mill for feed, which boasts an overwhelming market share
- The ability to provide total solutions from equipment sales, plant design, and construction to after-sales service
- Group companies in the highly profitable sustainability area

Opportunities

- Significant capital investment in feed mills in conjunction with consolidation and rationalization of main customer mills
- Growing demand for renewable energy due to increasing public awareness of sustainability

Risks

- Delays in delivery due to parts shortages, etc.
- State-by-state policy changes in renewable energy promotion measures

Future Strategies for Growth

- | | |
|---|---|
| <p>Capture large capital investments</p> | <ul style="list-style-type: none"> ● Capitalize on positioning to capture capital investment demand ● Strengthen operations that extend into equipment design and engineering for livestock and formula feed |
| <p>Developing new businesses</p> | <ul style="list-style-type: none"> ● Expand application from wood pellet production using logs as raw materials to wood pellet production using lumber shavings ● Expand sales of compost pelletizing equipment for effective utilization of livestock excrement as fertilizer and reduction of soaring chemical fertilizer usage |

TOPICS

Initiatives for wood waste pelletizing equipment and compost pelletizing equipment

CPM's pellet mills, which have one of the largest market shares in Japan for feed pellets, are expanding the areas where they can be manufactured. Lumber shaving pellets are one of these, attracting attention along with the recent increase in demand for wood building materials in Japan because they enable effective use of lumber waste generated during the processing of wood building materials. It is also attracting attention from an environmental standpoint as an eco-fuel because it can be substituted for fossil fuels, and we began handling the product in the fiscal year ended September 2023. Another notable CPM pellet mill is their compost pellet production facility. Compost pellets, which is a way of properly composting livestock waste and returning it to farmland, are expected to contribute to sustainable agriculture in Japan by curbing greenhouse gas emissions from livestock waste disposal and reducing the use of chemical fertilizers, the prices of which have soared dramatically in recent years. The Business Unit will continue to explore the possibility of commercialization while handling these products that contribute to society and the environment.



CPM pellet mill

Chemicals Segment Machinery & Industrial Products Segment

Life Science Business Unit

The objective of the Life Science Business Unit is to improve people's health and quality of life (QOL) and realize an environmentally responsive society. The unit handles materials and scientific instruments that contribute to industrial development and provides total solutions tailored to customer needs.



Koji Taguchi

Executive Officer and
Life Science Business Unit,
General Manager

Aiming for growth as a Business Unit through the promotion of biotechnology-related businesses and global expansion

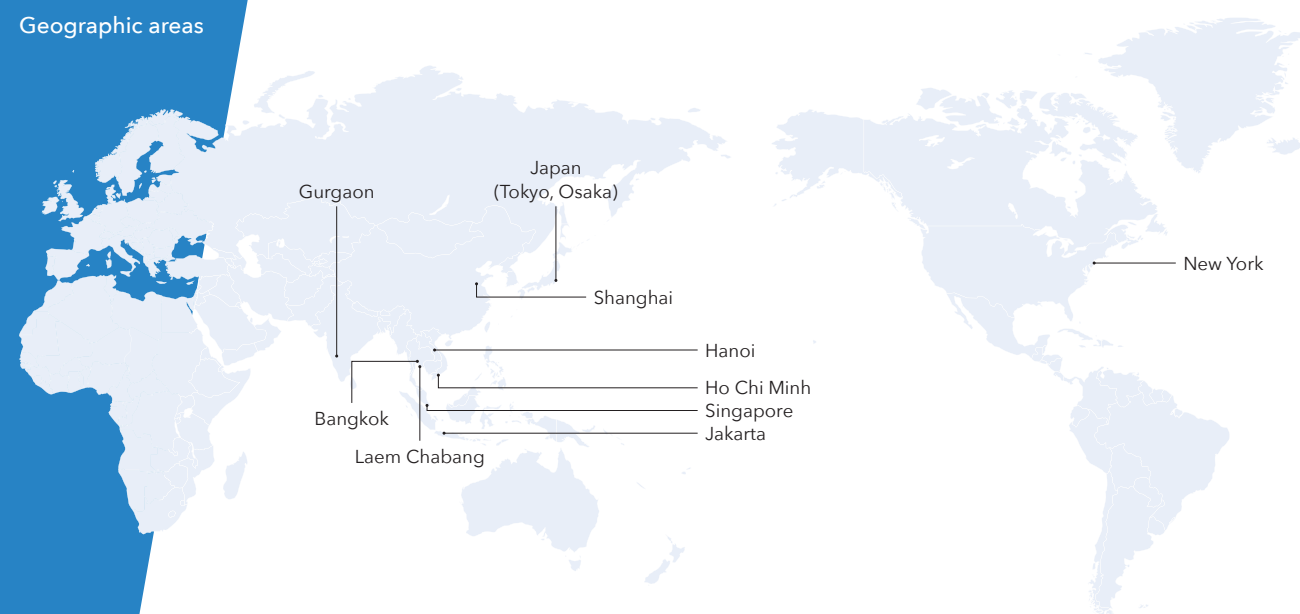
This Business Unit, established in 2021, has been striving to deepen its related fields to contribute to improving people's health and quality of life and realizing an environmentally responsive society by providing materials and scientific instruments that contribute to the development of a wide range of industrial fields, including healthcare, food, chemicals, and the environment.

In the fiscal year ended September 2023, we saw steady growth in particle dispersion evaluation systems and other scientific instruments, as well as growth in the battery and electrical materials-related business, which we have been developing as a new business for several years, and our M&A moves for the biotechnology-related business of Scrum Inc. and KOTAI Biotechnologies becoming pillars of our business, all leading to a year in which the businesses that we have planted seeds for have blossomed.

We are also seeing growth in global business development, as in the past, many of our business activities were one-way, originating from Japan and destined for Japan. In recent years, we have seen an increase in business transactions utilizing overseas bases in the film business, electronic materials business, and dyes business, and the volume of super absorbent resin handled in the personal care-related business in North America has grown significantly compared to five years ago.

Since we are still in our infancy as a Business Unit, we intend to grow by proactively strengthening cooperation with Group companies and overseas bases and further investing in new projects in Japan and overseas. This will improve people's health and quality of life and contribute to realizing an environmentally friendly society.

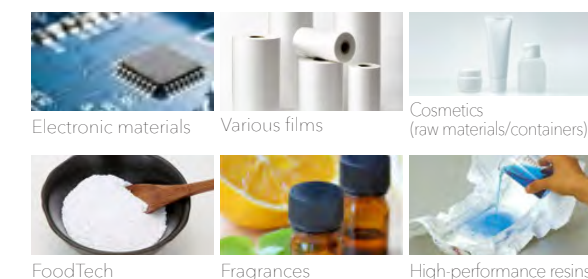
Geographic areas



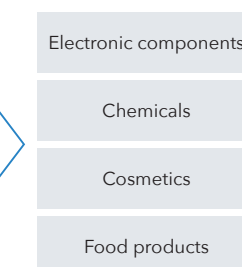
Primary products, sales destinations, and end-use applications

Material Solutions Department

Products Handled



Customer Industry



End Use

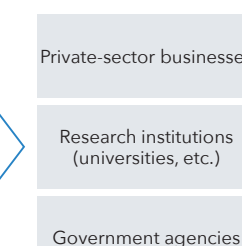


Scientific Instruments Department

Products Handled



Customer Industry



End Use



Strengths

- Development of business in collaboration with each base on a global business foundation
- Human resources with expertise and professional knowledge at domestic Group bases and a team that drives the business
- Handling of materials and scientific instruments supporting advanced technologies in the life science field

Opportunities

- Increased awareness of health due to the aging population, increased awareness of quality of life, and increased demand for pets
- Realization of the "Nation of Science and Technology" as the first pillar of the Japanese government's growth strategy and global efforts toward decarbonization, such as the Paris Agreement
- Market expansion in the electronic materials area

Risks

- Improved quality of Chinese-made products in the Chinese market and their increase in the market share
- Changes in demand for raw materials and measuring equipment due to changes in end-user demand

Future Strategies for Growth

Sales enhancement	● Further strengthen digital marketing consulting
Strengthen biotechnology-related businesses	● Expand our business domain by utilizing services lines of the biotechnology-related businesses of Scrum Inc. and KOTAI Biotechnologies, Inc.
Promotion of industry-academia collaboration	● Promote product development in collaboration with universities and various research institutions ● Expand collaborative business between Business Units and overseas subsidiaries

TOPICS

Digital marketing initiatives

The Scientific Instruments Department of the Life Science Business Unit focuses on digital marketing. The department aims to acquire and nurture more leads by promoting optimal marketing tailored mainly to the characteristics of our products and markets. In particular, they have been holding several webinars for the automotive industry on corrosion testing, wettability evaluation, material identification, and particle dispersion, one of our digital marketing focuses, with steady results.

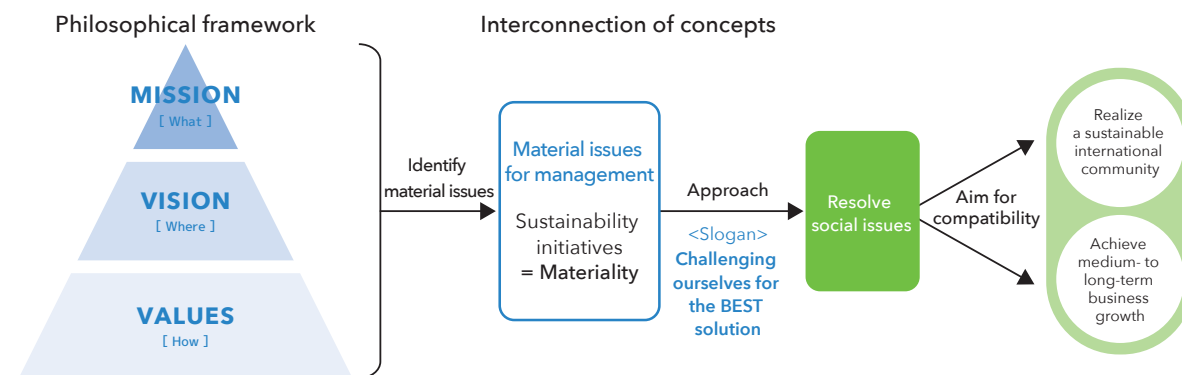


At the webinar

We regard sustainability initiatives as a material issue and aim to resolve social problems by challenging ourselves for the BEST solution to realize both a sustainable global society and medium- to long-term corporate growth. Under the Sustainability Committee established in April 2022, we will accelerate our efforts to address material issues.

Basic Sustainability Policy

At Sanyo Trading, we have set our Management Mission, "We foster an open, down-to-earth, and entrepreneurial corporate culture that drives our collective efforts to deliver the best solutions flexibly and timely so that we can help achieve the sustainable development of the global community and fulfill employees' aspirations for well-being." Sanyo Trading's vision is to "Deliver tangible solutions to social issues to make the world a better place for everyone." In promoting this mission and vision, the Sanyo Trading Group has positioned sustainability initiatives as a material management issue. We will work to solve social problems such as reducing environmental impact, aiming to build a sustainable international society and achieve medium- to long-term corporate growth.



Message from the Sustainability Committee Chair

Based on the two goals of realizing our new vision, to "Deliver tangible solutions to social issues to make the world a better place for everyone" and solving social issues through "Challenging ourselves for the BEST solution," we have positioned sustainability as a material management issue and are implementing a variety of measures.



Toshiaki Mizusawa
Managing Director
Chair of the Sustainability
Committee

We have identified two material issues and enhancing our efforts in: "resolving social issues through business" with the themes of "reducing environmental impact" and "providing a fulfilling lifestyle" and "strengthening the business base that supports sustainable growth" with the themes of "building a resilient management structure" and "empowering highly motivated and diverse human resources."

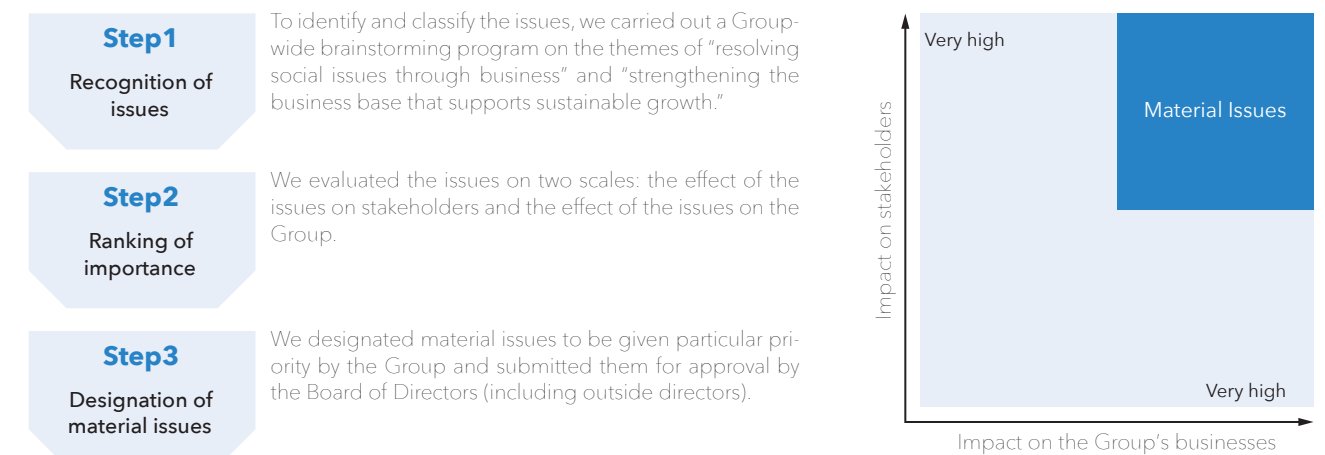
In the fiscal year ended September 2023, we expanded sales of environmentally-friendly chemicals manufactured using renewable raw materials, introduced high-quality plastics produced from waste plastics, and sold detection sensors to prevent accidents involving children being left in cars. These efforts contributed to "resolving social issues through business." On the other hand, working through digitalization by incorporating Cosmo Computing System, Inc. as a Group company, promoting health management, and developing an environment that enables diverse work styles such as remote work and staggered working hours have contributed to "strengthening the business base that supports sustainable growth." Overall, we have a certain level of results in our materiality initiatives.

We will continue to enhance information disclosure based on TCFD recommendations and further improve the working environment through the Sanyo Academy (see Page 52) and Sanyo Work Style (see Page 53), and by developing our materiality initiatives, we aim to achieve both the realization of a sustainable global society and medium- to long-term corporate growth.

Designating Sanyo Trading's Materiality

In July 2022, we designated our materiality (material issues for management) with a view to achieving sustainable corporate value increase through our businesses. While

progressing steadily with materiality-related initiatives, we will make appropriate revisions in response to social trends and other factors.

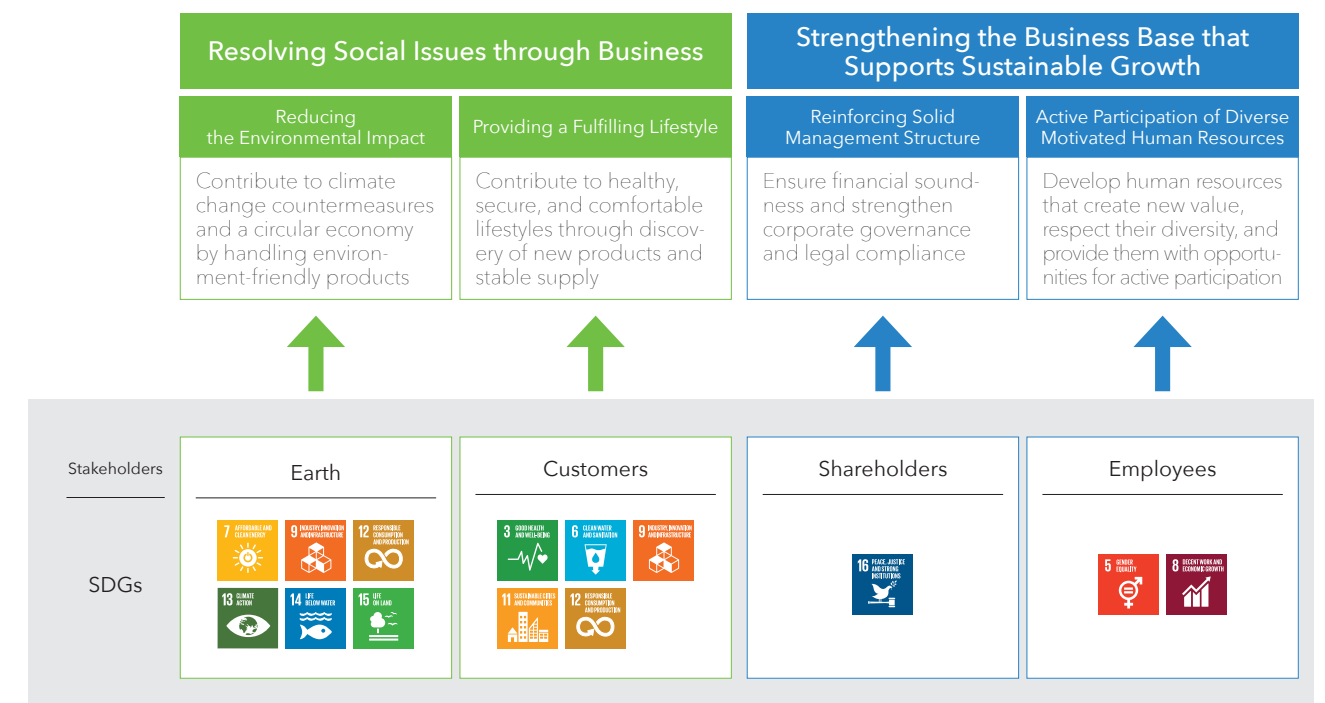


Sanyo Trading's Materiality

As shown in the figure below, we have identified material issues to meet the expectations of our various stakeholders and contribute to the "sustainable development of the international community," as stated in our mission.

To address the Sustainable Development Goals (SDGs), we are promoting corporate activities by linking the SDGs

to materiality, and through our business activities, we will work on "reducing the environmental impact" and "providing a fulfilling lifestyle." In addition, as a management base to support our business activities, we are "reinforcing solid management structure" and "active participation of diverse motivated human resources."



Disclosure based on TCFD Recommendations

Basic Approach to Climate Change

Climate change is one of the most critical challenges facing global society, and the effects of climate change are having a severe impact on the environment and society as well as on people’s lives and business activities. With the conclusion of the Paris Agreement in 2015, in which the international community will work together to reduce greenhouse gas emissions, expectations for the role of the private sector are increasing. Sanyo Trading has designated addressing climate change as one of the material issues it is addressing under the heading of “reducing environmental impact” and in December 2022 declared its endorsement of the TCFD* recommendations. In accordance with the TCFD recommendations, we

will assess climate change-related risks and opportunities and reflect them in our management strategy and also enhance related information disclosure.

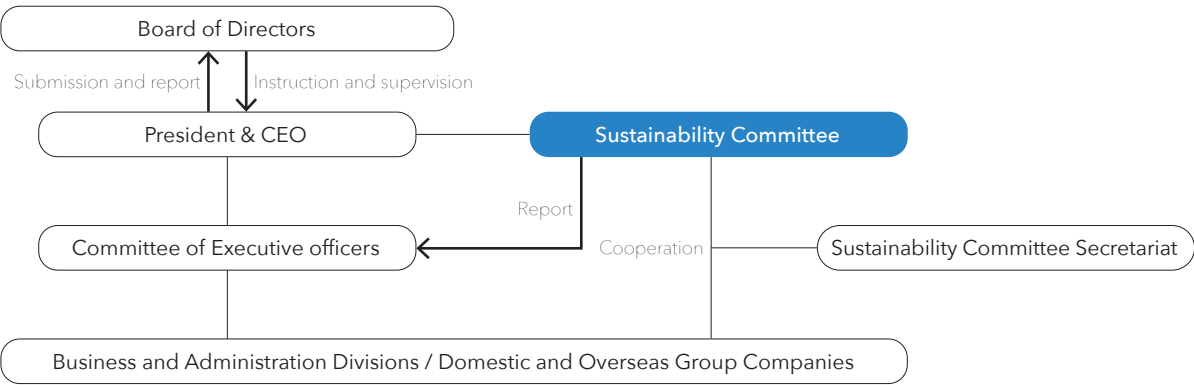


*TCFD: Task Force on Climate-related Financial Disclosures
Established in 2015 by the Financial Stability Board (FSB) at the request of the G20. Its recommendations state that enterprises should assess the financial impact of climate change-related risks and opportunities and then disclose related information on governance, strategy, risk management, and indicators and targets.

Governance

Basic management policy on climate change and related business activities and corporate policies and strategies are planned, drafted, and presented by the Sustainability Committee, which is under the president’s direct control.

Sustainability Promotion Structure



The Sustainability Committee is chaired by the director in charge of sustainability, who is appointed by the president. The Sustainability Committee chairperson appoints members from the Business Divisions, Administration Divisions, and organizations directly under the president, such

as the Corporate Planning Department. If deemed necessary, the committee chairperson may request attendance from Group companies and exchange opinions with outside experts. The chairperson gives final approval to the Sustainability Committee’s discussions.

Sustainability Committee

Committee Chair	Managing Director (in charge of administration and sustainability)
Committee Members	Directors (in charge of Business Units), General Managers of the Corporate Planning Department, Human Resources & General Affairs Department, Finance & Accounting Department, and IT Promotion Department

In principle, the Sustainability Committee holds a regular meeting every three months and may have ad hoc meetings as needed. The committee approves policies and plans for various measures to address sustainability issues, including climate change, and monitors and decides on measures. The Sustainability Committee Secretariat, consisting of members

selected from the Corporate Planning Department and Administration and Business Divisions, is responsible for organizing sustainability-related issues, planning measures, monitoring the implementation of measures, and promoting sustainability activities throughout the Group.

The Sustainability Committee Chair reports to the Board of Directors at least once a year on the policies and results of activities approved by the Sustainability Committee. In addition, material issues are brought up for discussion at Board of Directors meetings.

The activities of the Sustainability Committee are reported to the Committee of Executive Officers, which meets monthly, as appropriate, and the members of the Committee of Executive Officers report their findings at regular meetings

of each Business Unit and office, thereby creating a system shared throughout the Company.

The Board of Directors receives proposals and reports from the Sustainability Committee, provides instructions and supervision, oversees the committee’s activities on climate change, and deliberates and decides on important matters such as management policies and annual budgets that consider sustainability issues, including climate change.

Climate Change Agenda Items for Sustainability Committee Meetings

2022	2023
<ul style="list-style-type: none">Formulation of a basic sustainability policyRevision of materialityTCFD initiatives, etc.	<ul style="list-style-type: none">Calculation of greenhouse gas emissionsSetting greenhouse gas emissions reduction targetsRespond to the CDP surveyEnhancement of TCFD disclosure documents

Strategy

Scenario analysis

We analyze the changes in the external environment caused by climate change and classify the associated factors into “transition risk” and “physical risk.” We then designate and evaluate associated risks and opportunities for the Group’s businesses.

To assess the impact on our businesses, we identify items with a significant impact and undertake a scenario analysis. We identify transition risk under the headings of regulation, technology, markets, and reputation, while physical risk is divided into urgent and chronic risk. Opportunities, meanwhile, are analyzed in terms of products and services and resource efficiency.

By responding to risks related to climate change and strengthening our efforts to address opportunities, we aim to reduce our environmental impact and achieve medium- to long-term corporate growth.

Example scenarios

The following scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) are used to evaluate new business opportunities and business resilience and to analyze the impact on our business when our business environment changes significantly due to climate change.

Classification	Scenario overview	Main example scenarios
Less than 1.5 °C to 2 °C scenario	With the global trend to limit the average temperature increase to less than 1.5 °C to 2 °C, laws and regulations and technological innovations are progressing, and these social changes due to decarbonization will affect our businesses Compared to the 4 °C scenario, the transition risk is higher while the physical risk is lower.	International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE) • Backcast scenario based on global net-zero achievement in 2050 Sustainable Development Scenario (SDS) • Sustainable growth scenario to achieve carbon neutrality by 2070 to achieve the goals of the Paris Agreement and the SDGs
4 °C scenario	Despite implementing the Paris Agreement and other national policies to reduce greenhouse gas emissions, natural disasters caused by climate change will intensify and affect our businesses as the average temperature rises by about 4 °C. Compared to the less than 1.5 °C to 2 °C scenario, the transition risk is lower while the physical risk is higher.	Intergovernmental Panel on Climate Change (IPCC) RCP 8.5

Management Foundation
Resolving Social Issues through Business

Reducing the Environmental Impact

Risks and Opportunities

Classification		Item	Risk	Likelihood of occurrence	Financial impact	Opportunity	Main measures
Less than 1.5 °C to 2 °C scenario (transition risk)	Regulation	Introduction of a carbon tax	• As we transition to a de-carbonized society, we expect to incur additional costs related to GHG emissions and energy usage fees for purchased raw materials and transportation due to the introduction of carbon taxes in various regions worldwide	High	High	• We expect to increase revenues by developing commercial products that can contribute to CO ₂ emission reductions and that do not emit CO ₂	• We have already started handling environmentally-friendly commercial materials, such as alternative raw materials derived from plants and renewable raw materials, and we will promote and strengthen the handling of more environmentally-friendly commercial materials toward 2050.
	Technology	Transition to decarbonized commercial products	• In the medium to long term, we expect a decrease in demand for petroleum-derived materials in product manufacturing, reducing demand for the petroleum-derived commercial products we handle.	Medium	Medium	• In the short term, we expect an increase in demand for the commercial products we handle due to increased demand for petroleum-derived raw materials in manufacturing products due to global economic growth and other factors.	• We will fulfill stable supply to meet demand. • We will promote and strengthen the handling of environmentally-friendly products in line with the shift to low-carbon/decarbonization and beyond over the medium to long term.
	Market	Supplier response to decarbonization	• We expect warehousing and logistics-related costs to rise as suppliers invest capital to respond to decarbonization.	High	Medium	• We expect this to lead to reputable factories as they work to decarbonize their entire supply chain.	• We will work with suppliers to promote low/decarbonization throughout the supply chain, including improving logistics efficiency.
	Reputation	Stakeholder demands for decarbonization efforts	• We expect customers to terminate transactions or reduce the volume of transactions if we fail to take environmental considerations into account.	Low	Medium	• If we are proactive in our efforts to address climate change, we can expect to gain new revenue opportunities from customers concerned about environmental issues and attract talented people concerned about climate change.	• We will proactively disclose information on climate change initiatives to customers, institutional investors, and other stakeholders.
4 °C scenario (physical risk)	More acute risks	Increased risk of wind and flood damage due to more severe disasters	• We anticipate that heavy rains will close roads, in addition to typhoons and other strong winds disrupting transportation and logistics infrastructure, increasing transportation-related costs. • We expect to incur opportunity losses because we will not be able to deliver our products to our customers due to their inability to receive products from operational shutdowns due to disasters. • We expect that frequent disasters will result in higher premiums for accident and disaster insurance.	Medium	Medium to high	• We expect to meet our clients' expectations to strengthen the resilience of their supply chains, which will lead to customer retention and expansion.	• We will ensure stable supply through coordination among distribution bases.

* This is planned to last until 2030.

Risk Management

Climate Change Risk

The Sustainability Committee, whose members are appointed from Business and Administration Divisions and organizations directly under the president, conducts scenario analyses from a long-term perspective according to the characteristics of climate change risks, evaluates and analyzes the level of significance based on the two axes of “likelihood of occurrence” and “financial impact,” and considers regulatory requirements related to climate change to identify and address risks. In addition, the Sustainability Committee reports promptly to the Board of Directors on the progress of risk responses. As such, the Board of Directors directly monitors the committee. Furthermore, the Risk Management Committee, discussed below, also monitors the Sustainability Committee’s response to risks.

Group-wide Risk Management

The Group has established its Risk Management Regulations and operates a risk management system Group-wide. The Board of Directors appoints the director in charge of risk management, and the Risk Management Committee has been established as an organization to oversee risk management for the Group. The committee is chaired by the director in charge of risk management and consists of members appointed from Business and Administration Divisions and organizations directly under the president. In addition, we have established and are implementing action guidelines, communication and initial response systems, and a business continuity plan in the event of an emergency.

Risk Management Committee

The Risk Management Committee meets regularly, in principle once every six months, to review risks across the entire Group and identify environmental risks (including climate change risks), credit risks, and financial risks (among other types of risks) as risks to place importance on. The committee also monitors risks and their management status by receiving risk assessment reports from each department in charge of risk and reports the results to the Board of Directors. Interviews are conducted with representatives of Group companies as part of Group-wide risk management. In addition, the committee periodically reviews risk items to be addressed and their details in response to changes in social conditions and other factors.

Indicators and Targets

We believe our carbon neutrality is as essential as our contribution to society’s carbon neutrality. As a specific policy to contribute to the transition to a decarbonized society, we have established a target to achieve net zero greenhouse gas (GHG) emissions (Scope 1 and 2) by 2050 compared to the fiscal year ended September 2022. In addition, by 2030, we aim to halve GHG emissions (Scope 1 and 2) compared to the fiscal year ended September 2022, as part of the process toward 2050.

We plan to begin calculating emissions for some categories of the entire supply chain in Scope 3 in the fiscal year ended September 2023. We will consider expanding the scope of calculation based on future circumstances.

In setting GHG emission reduction targets, we calculated GHG emissions based on the fiscal year ended September 2022. In the future, we will periodically calculate GHG emissions and promote energy conservation and renewable energy (e.g., use of LEDs, purchase of renewable energy, switching to company vehicles with less environmental impact, etc.) to reduce GHG emissions. In addition, by strongly promoting GHG emission reduction contributions through the provision of commercial products and services, as typified by environmentally-friendly products and woody biomass power generation operations, we aim to realize this goal and contribute to achieving a net-zero society.

Emissions from Our Supply Chain

Our Group supply chain emissions	Year ending September 2022	
	GHG emissions [t-CO ₂]	Percentage of total [%]
Scope1	278	45.4
Scope2	334	54.6
Scope3	–	–
Total	612	100

- Market approach
- GHG emissions are calculated based on the GHG protocol
- Scope 3 is not yet calculated for the year ending September 2022

Reducing Environmental Impact

Expanding Sales of ISCC PLUS Certified Products

The environmentally friendly resin raw materials our business partner Perstorp produces are chemically identical to fossil-based products, but their raw materials are derived from renewable or recyclable sources. This environmentally friendly resin raw material is certified with ISCC PLUS (International Sustainability and Carbon Certification). The ISCC (International Sustainability and Carbon Certification) is an international certification related to sustainability and carbon emissions. The ISCC PLUS certification system manages products to ensure they are made of sustainable raw materials such as biomass raw materials, recycled materials, etc. manufactured using the mass balance method* which are produced in areas outside of the EU and sold globally through supply chains. By obtaining ISCC PLUS certification, Sanyo Trading can now handle ISCC PLUS-certified products around the world, including in areas outside of the EU. In addition, since we can issue a formal sustainability declaration (SD) to certify the amount of GHG emission reductions for each of our business partners, we will expand our supply of ISCC PLUS certified raw materials, not limited to those produced by Perstorp, further supporting our customers in reducing greenhouse gas emissions in their supply chains.

* A management and calculation method that assigns the derivation rate of sustainable raw materials to a final product according to the percentage of biomass-derived or other sustainable raw materials mixed with petroleum- or other fossil fuel-derived unsustainable raw materials in the production of products. This method is drawing attention as an important method of increasing the penetration of renewable resources. In the chemical industry, it has also attracted an increasing amount of attention as an effective way to transition to a circular economy.



Circular Leather: QUARTECH

QUARTECH is a textile product jointly developed by Sanyo Trading, which is knowledgeable in the chemical field from handling a wide range of chemical products domestically and internationally, and Moritsune Co., Ltd., which is knowledgeable in the textile field from many years of dyeing and processing yarn in Hokuriku, one of the leading textile production areas in Japan. Although the product is 100% polyester, it has the texture and functionality of leather. In the future, we aim to recycle fabrics after use and materials generated in the cutting process and develop them into circular materials that can be reused as new QUARTECH and used in a wide range of fields such as apparel, furniture, and auto interiors, as a completely new environmentally-friendly fiber material.



Fabric samples



Scenery of the Hokuriku region: Weaving a new future with local industry

Uchiko Ryuoh Wood Biomass Power Plant Wins Wood Design Award

A collective of five companies, Sanyo Trading, Naito Kogyo, Cypress Sunadaya, Takenaka Corporation, and Nippon Engineering Consultants Co., Ltd., came together to create Uchiko Ryuoh Biomass Energy. This is a leading model for regional cooperation in woody biomass power generation operations. The Uchiko Ryuoh Biomass Power Plant began operation in October 2022 in Uchiko Town, Ehime Prefecture. In 2023, this power plant was recognized and awarded an honorable mention in the Wood Design Award*, which recognizes and awards achievements in wood design. This initiative aims to solve social issues through the use of wood.

We will continue to focus on contributing to the local community and furthering environmentally-friendly initiatives.



* The Wood Design Award is an award system established by the Japan Wood Design Association to recognize products and initiatives that rediscover the qualities and value of wood from the consumer's perspective.



Uchiko Ryuoh Biomass Power Plant

Rice Husk Silica

We have concluded an exclusive agency agreement in Japan with Brisil, an Indian company engaged in developing and producing biomass silica (rice husk silica), to provide highly dispersible biomass silica for tire and rubber compounding to the Japanese market in a timely manner. Biomass silica is an environmentally friendly product made from rice husks, which are agricultural waste. It is expected to reduce CO2 emissions by up to 60%* compared to conventional silica made from sand. Despite being an environmentally friendly product, it has the same performance as conventional products* and can replace conventional products without inconvenience. Another feature of Brisil's proprietary technology is its ability to provide stable quality by reducing variations in final product quality caused by the use of natural raw materials. In addition to rubber applications, we are considering future expansion into paints, coatings, and oral care and cosmetics such as toothpaste.

* Information from Brisil



Left: Silica (final product), Right: Ears of rice and rice husks as raw materials (concept)



Brisil Plant

“LiDAS™” System for Detecting Children Left Behind in Buses

Sanyo Trading is actively promoting automatic detection safety devices to prevent children from being left in vehicles due to human error. As part of this sensor promotion activity, we have introduced sensors to the Japanese market to prevent children from being left in vehicles for passenger cars and buses from IEE (Luxembourg), a specialized sensor manufacturer with a global market share. LiDAS™, a sensor system for buses for detecting children left in the vehicle developed by IEE, was certified as compliant with the “Guidelines for Safety Devices to Support the Prevention of Children from Being Left on School Buses” established by the Ministry of Land, Infrastructure, Transport and Tourism in May 2023. As a result, LiDAS™ is now also included on the list of safety devices that help prevent children from being left in school buses, published by the Children and Families Agency, and is now officially eligible for subsidies for purchasing and installing the safety devices. We are actively promoting the introduction of this child detection system to kindergartens and shuttle buses for nursing care facilities.



A LiDAS™ device installed in a bus

Food Additives and Functional Food Ingredients Initiatives

Through food additives and functional food ingredients, we are strengthening the following initiatives to contribute to providing a fulfilling lifestyle.

- Strengthening the handling of naturally derived functional agents to mask undesirable tastes in functional food ingredients and nutritional supplements in response to increasing health consciousness and demand for foods for older adults.
- Promote sales of functional agents that improve shelf life to help reduce food loss and extend expiration dates.
- Strengthening the handling of alternative proteins to address environmental issues and food shortages, which are global concerns as SDG-related issues.

Through the above efforts, we will continue to contribute to improving people's health and QOL and realizing an environmentally responsive society.



FL Meal, an alternative protein (BSF powder)

Functional Feed Ingredients

YPTECH Co., Ltd., one of Sanyo Trading's subsidiaries, handles the products of Phileo, the animal care division of the Lesaffre Group, the world's largest yeast manufacturer. The active yeast products offered by this company contribute to animal health and nutritional management and supply safe and secure food. Their flagship product, Actisaf (an active yeast), awakens in the rumen of cattle and absorbs oxygen from the rumen, thereby stabilizing anaerobic conditions conducive for microorganisms to survive. This function also increases the activity of fiber-digesting and lactic acid-utilizing bacteria, producing volatile fatty acids (VFA), an essential source of energy for cows, which leads to increased productivity, such as higher milk yield and milk fat.

In addition to food safety, Phileo also considers efforts to address the global environment one of its material issues and has introduced Life Cycle Assessment (LCA). The aforementioned Actisaf is the first LCA product from Phileo. By providing high-performance functional feed ingredients with characteristics like those of Phileo's products, the Sanyo Trading Group will contribute to animal health-conscious livestock production, productivity improvement and feed cost reduction for producers, and safe and abundant food for people.



Functional feed



Phileo (Lesaffre Group), France

Educational Support for High School Students through “Wagyu Koshien”

Sanyo Trading and YPTECH Co., Ltd., one of our Group companies, provided sponsorship and products to help the 6th Wagyu Koshien organized by the Japan Agricultural Cooperative Federation (JA Zen-Noh) to contribute to food safety and security (E: Environment) and education for high school students (S: Society) as part of its ESG activities.

The Wagyu Koshien is a competition in which agricultural high schools with animal husbandry courses present their daily breeding activities and efforts and compete regarding meat quality. The feed additive provided by YPTECH as a donation contributed to improving meat quality, an essential element of the competition. When mixed with the feed, vitamin C is smoothly absorbed in the small intestine and further along the digestive system, promoting the differentiation of fat cells.

In addition, some YPTECH representatives had graduated from agricultural high schools, so they were able to actively provide career counseling to these students. This initiative was a significant contribution to the local community.



At the 6th Wagyu Koshien

Active Participation of Diverse Motivated Human Resources

Message from the General Manager of the Human Resources & General Affairs Department

Since our founding, we have continued our business based on the idea that “People’ are the driving force behind the growth of a company.” Our human resources’ high level of expertise in products and services and their deep trust and ability to interact with our customers are some of our biggest strengths. Amid an ever-challenging business environment, including VUCA*, and changes in the workforce, a breakthrough for the Company’s further growth will come when our employees feel energized to work and continue their work for time to come. We began reviewing our human resources and other systems several years ago. In conjunction with the publication of SANYO VISION 2028, we have renewed our human capital-related initiatives and approach. Once again, we have defined “employees” as the source of the Company’s growth, defined the type of people we are looking for as “self-motivated people who can always take on challenges with integrity and provide the BEST solution,” and clarified that the purpose of our human capital measures is “all about providing the BEST solution to our customers.” The basic approach and philosophy of human resources and organizational development is the Sanyo 3S policy, which broadly views human resources issues as the “quality of human resources” x “quantity of human resources.” Sanyo 3S encompasses (1) Strategy: Approaches to both “human resource quality” through human resource development and career autonomy and “human resource quantity” through career recruitment, including new graduates, referrals, and comeback hires; (2) System: Reform of the personnel system to

shift from a seniority-based system to a fair evaluation and assignment system; and (3) Shared value: Fostering an “open and inclusive” organizational culture that allows for new proposals and challenges regardless of age or position. We fully understand that more than a few employees are perplexed by the transition from the personnel system they have been accustomed to for many years to the new system, but we view it as an essential milestone on the road to new growth. In addition to Sanyo Academy, Sanyo Work Style, and other initiatives, we will continue implementing new systems and rules and reviewing existing systems. We see all of these measures as necessary to create an environment and opportunities for growth, a system that allows diverse human resources to work in various ways. This system will keep them healthy for a long time to come, with measures that will enable the employees to become attached to the company. We will also face the challenges of “quantity” and “quality” in developing next-generation management personnel, an important issue for the future.

Kumiko Wada

Human Resources &
General Affairs Department,
General Manager



* VUCA: A term coined from the first letters of four words: Volatility, Uncertainty, Complexity, and Ambiguity.

Sanyo Academy, a New Human Resources Development Initiative

Based on the idea that “people’ are the driving force behind the growth of a company regardless of the changing trends of the times,” efforts to strengthen human capital will be essential for the Company’s continued growth. Therefore, we positioned 2023, when we announced our new long-term management plan, SANYO VISION 2028, as a turning point for human resource development and launched a new initiative, Sanyo Academy. Sanyo Academy is designed to develop self-motivated human resources who are challengers who act with integrity and aim to find the BEST solution. We will seek these types of human

resources through (1) On-the-job training (OJT) for new graduates in each department, in which OJT leaders and managers are appointed within the assigned departments to work on human resource development, (2) Off-the-job training, including training by rank, selection, and age, and (3) Various programs such as support for qualification acquisition, open recruitment, and career interviews. We have also established the fiscal year ending September 2024 as the inaugural year of Sanyo Academy. We will continue to embody the idea that “Sanyo is a People Company” by establishing and implementing various programs.

Our Human Resource Development Policy and our Ideal Candidate Profile (People we Seek)

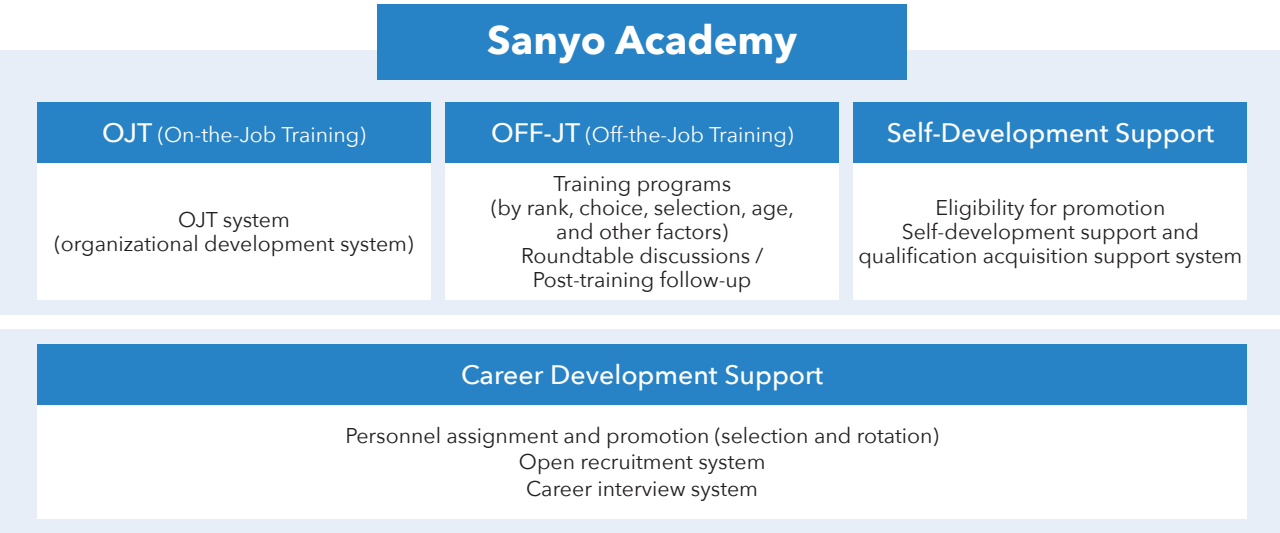
Human Resource Development Policy

Aiming to embody the idea that “Sanyo is a people company,” we will foster employees who are self-motivated and energized to work

Ideal Candidate Profile (People We Seek)

Self-motivated people who can be a challenger and provide the BEST solution while acting with integrity

Sanyo Academy Overview



Sanyo Work Style, a way of working unique to Sanyo Trading

Sanyo Trading has launched the Sanyo Work Style. This new work style will pave the way to energized and lively activities and do-it-yourself vitality as a new work system in response to the shift of the status of COVID-19 from a Category 2 to Category 5 under the Infectious Disease Act, effective May 8, 2023.

Sanyo Work Style is a system that ensures diversity in working hours and choice of work location, with the motto of building an environment unique to Sanyo Trading where

employees can work openly and inclusively while observing moral rules and being fully aware of their self-discipline. In the fiscal year ended September 2023, as the first phase of the initiative, we recommended staggered working hours and remote working twice a week as a general rule, and we plan to establish and implement new systems in the future based on the “open and inclusive” corporate culture that Sanyo Trading has adopted.

D&I Promotion Committee

Sanyo Trading regularly holds D&I Promotion Committee meetings to create a comfortable work environment and framework to foster a corporate culture where diverse human resources can play an active role. With the two goals of “making opinions and proposals for advancing and establishing D&I into systems and rules” and “creating SANYO-style D&I,” we are involved in everything from selecting themes and generating ideas to conducting surveys and examining systems and measures.

For the fiscal year ended September 2023, we proposed two systems and measures to management for approval: an incentive program to encourage employees to take childcare leave and an action plan to improve unconscious bias. We will continue to strengthen these efforts.



Management Foundation
Strengthening the Business Base that Supports Sustainable Growth

Active Participation of Diverse Motivated Human Resources

Promoting Health and Productivity Management

Sanyo Trading is focusing on promoting health management based on human capital in the basic strategy of “corporate management” outlined in SANYO VISION 2028.

- Enhancement of work-life balance for employees and their families and support for employee wellness
- Reinforcement of health management system to avoid the risk of losing orders, based on the fact that in commercial transactions, the establishment of an employee occupational health and safety management system is a standard condition of contracts with our business partners
- Improvement of employee productivity and contribution to corporate performance

Health and Productivity Management Declaration and Health Promotion System

At Sanyo Trading, we believe that the mental and physical health of each employee is important. With employees in good health both physically and mentally and strongly motivated to generate new value, we contribute to providing a fulfilling lifestyle by working to source products and ensure their stable supply. Based on this approach, we issued the Sanyo Trading Health and Productivity Management Declaration in December 2022. This declaration will form the basis for our implementation of health and productivity management initiatives toward strengthening the corporate base.

Sanyo Trading regards health and productivity management as part of ESG's social (S) dimension, which encompasses human resource management. To promote relevant initiatives, we additionally established the Health and Productivity Management Promotion Committee in December 2022 as a subcommittee of the Sustainability Committee. The committee is an organ separate from the pre-existing Health and Safety Committee.

Sanyo Trading Health and Productivity Management Declaration

- **Enhancing the Workplace Environment**
Sanyo Trading will put in place a safe, secure, and healthy workplace environment where employees feel energized in their work.
- **Promoting Health Awareness**
Sanyo Trading will support a wide range of health initiatives to raise employee awareness of physical and mental health.
- **Responsibility Toward the Future**
Sanyo Trading will work to maintain and improve employee health as a way of raising organizational productivity and thereby achieving sustainable business growth.

Board of Directors
↑ Report to

President & CEO Sustainability Committee Health and Productivity Management Promotion Committee

- **Committee composition**
Chairperson: General manager of Human Resources & General Affairs Department
Committee members: Head Office industrial physician, Head Office Nagoya Branch health and safety management officers, Osaka Branch and Hiroshima Office health and safety promotion officers
- **Secretariat:**
Human Resources & General Affairs Department Committee operation
The committee is convened by the chairperson and meets every six months (April and October).
The chairperson reports the items discussed by the Health and Productivity Management Promotion Committee to the Board of Directors through the Sustainability Committee.

Introducing a Volunteer Participation Support System to Encourage Employees to Contribute to Society

As part of “society” (social contribution and human resources development) components of its ESG activities, Sanyo Trading has introduced a volunteer participation support system to realize each employee's desire to contribute to society, stimulating internal communication and fostering diversity awareness. In an in-house survey on volunteer activities conducted in April 2022, approximately 70% of employees were interested in participating. Still, some said that it was difficult to participate on their days off, that there were not many great opportunities to volunteer, or that they did not know how to get involved. To respond to each employee's high level of willingness to contribute to society, we have decided to make this into a new system. We have introduced a volunteer information service as a way to give employees more opportunities and show them how they can get involved. We have also established a volunteer leave system for those who expressed it would be difficult to participate on their days off. We provide information on volunteer activities every

month to make it easier for employees to participate in volunteer activities.



Portal site established in conjunction with the introduction of the volunteer participation support system

Employee Engagement Survey

Sanyo Trading believes that the relationship between employees and a company, in which employees are chosen and selected, is an essential form of success in a changing market environment. Therefore, to understand the relationship between the two parties, we have decided to conduct an engagement survey every fiscal year beginning in the fiscal year ended September 2023, using the survey items listed on the right as indicators. The survey results are shared with the management team, and improvement measures are considered for material issues as appropriate. We will continue to use engagement surveys to foster a quality corporate culture, aiming to make the Company a great place for employees to work.

Survey item	
1. Management's goals and direction	
2. Immediate supervisors	
3. Work (duties)	
4. Communication in the workplace	
5. Skill building	
6. Work environment and benefits	
7. Personnel system, etc.	



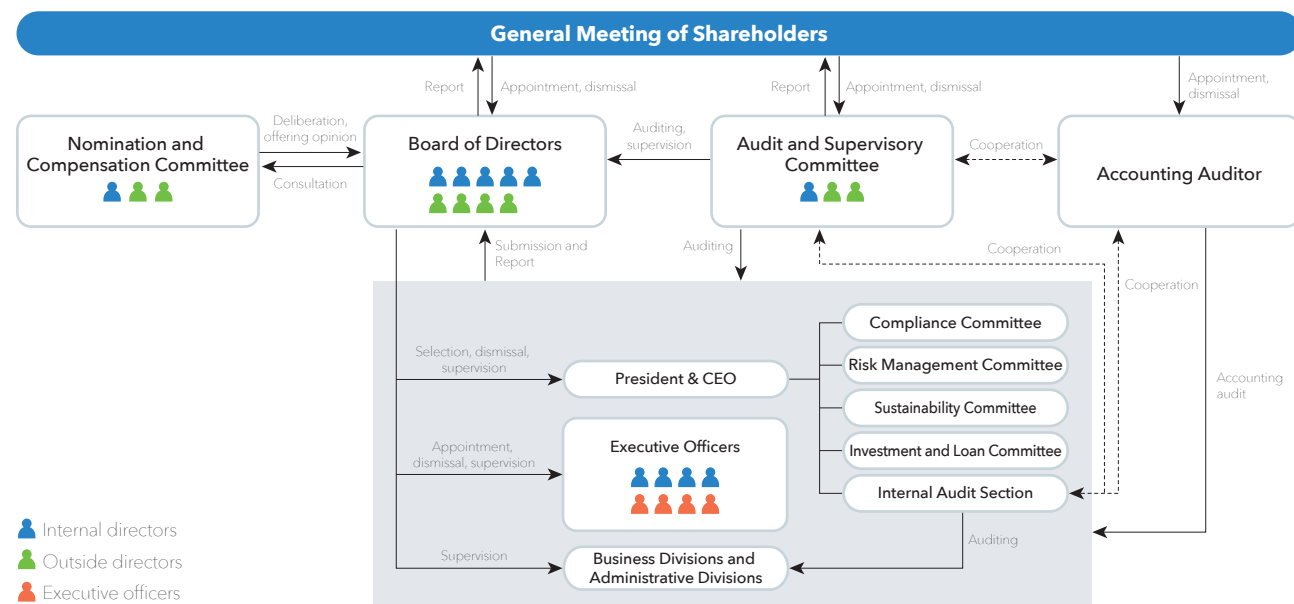
Reinforcing Solid Management Structure (Corporate Governance)

Basic Approach to Corporate Governance

Sanyo Trading has defined its MISSION as “We foster an open, down-to-earth, and entrepreneurial corporate culture that drives our collective efforts to deliver the best solutions flexibly and timely so that we can help achieve the sustainable development of the global community and fulfill employees’ aspirations for well-being.” We believe that fulfilling this MISSION will meet the expectations of all our stakeholders.

To that end, our Credo states: “We comply with laws and regulations and act with integrity,” “We make decisions and act on them quickly and accurately,” and “We understand the trends of the times and anticipate change.” By following these aspects of this Credo, we aim to reinforce our corporate governance system.

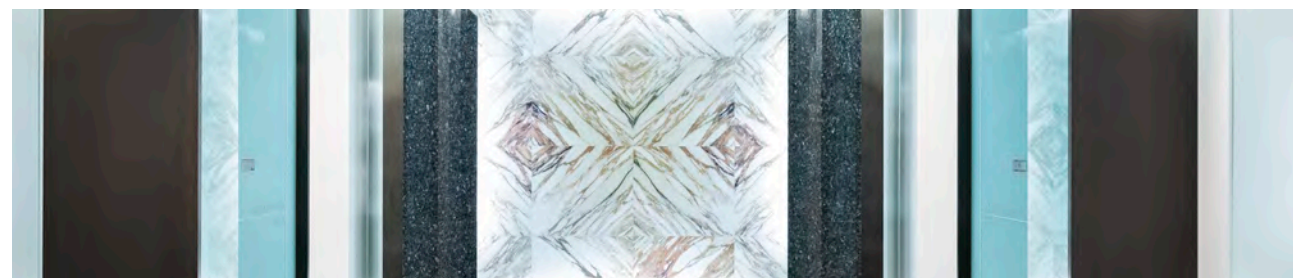
Corporate Governance Structure



● Internal directors
● Outside directors
● Executive officers

Major Governance Bodies

Name	Overview	No. of meetings (Fiscal year ended September 2023)
Board of Directors	Makes decisions on important matters relating to Group management and audits and supervises business execution. The term of office is one year for directors who are not Audit and Supervisory Committee members and two years for those who are Audit and Supervisory Committee members.	14
Audit and Supervisory Committee	Audits and supervises the legal compliance and adequacy of the execution of duties of directors (excluding Audit and Supervisory Committee members).	15
Nomination and Compensation Committee	Works to enhance the independence, objectivity, and accountability of the functions of the Board of Directors with regard to the appointment and dismissal of the President & CEO and directors with special titles, the nomination of director candidates, and the remuneration of directors (excluding Audit and Supervisory Committee members).	1
Committee of Executive Officers	Shares information and strives to improve day-to-day business execution in the respective areas of responsibility.	12



Appointment and Dismissal of Directors

When appointing an executive officer or a director, the President & CEO creates an appointment plan that takes into consideration (in terms of diversity, etc.) the Board of Directors, qualities required of executive officers and directors (e.g., management ability, experience, and expert knowledge) and other factors. The plan is deliberated by the Nomination and Compensation Committee, the majority of whom are independent outside directors. Following the committee's deliberations, the Board of Directors makes a decision on the proposed appointment of an executive officer or director in accordance with the appointment plan.

In the event that an executive officer or a director has committed a potentially dishonest or improper act or is deemed not to be able to perform the responsibilities of his or her role, an investigation is conducted as necessary. Following deliberation by the Nomination and Compensation Committee, the Board of Directors makes a decision on the dismissal of the executive officer or director, or other response.

For remuneration of directors (excluding Audit and Supervisory Committee members) and directors who are Audit and Supervisory members, please refer to Corporate Officer Remuneration on the following page.

Skills Matrix

Name	Corporate management	ESG / Sustainability	International experience	Legal affairs / Risk management	Finance / Accounting	Main reason for appointment
Masanobu Shintani	●	●	●			Mr. Masanobu Shintani has been involved in sales and planning for many years and has abundant experience at overseas offices, including those in North America and Asia. The Company appointed him to play the role of pushing ahead with business and management of the entire Group from a global perspective.
Toshiaki Mizusawa		●	●	●	●	Mr. Toshiaki Mizusawa has gained extensive insight through his practical experience at a financial institution and at overseas offices, and is well versed in internal affairs due to his experience as General Manager of the Credit and Legal Department and General Manager of the Personnel Division of the Company. The Company appointed him to play the role of pushing ahead with business and administration of the entire Group.
Kenichi Shindo	●	●	●			Mr. Kenichi Shindo has been involved in sales for many years and has abundant experience at an overseas office in North America. The Company appointed him to play the role of pushing ahead with business and sales of the entire Group from a global perspective.
Mitsuyasu Hirasawa	●		●			Mr. Mitsuyasu Hirasawa has been involved in sales for many years and has abundant experience at an overseas office in North America and a background in promoting company-wide new business development. The Company appointed him to play the role of pushing ahead with business and sales of the entire Group from a global perspective.
Hirota Sugihara	●		●			Mr. Hirota Sugihara has gained a wealth of experience and knowledge by working at a trading company for many years, and has abundant experience of corporate management and organizational operations as a corporate manager. The Company appointed him upon consideration that he can continue to help improve the corporate value of the Company from an independent standpoint.
Mitsuo Ogawa	●		●			Mr. Mitsuo Ogawa has gained a high level of insight cultivated through human resources and organizational consulting experience for many years, and has abundant experience of corporate management and organizational operations as a corporate manager. The Company appointed him upon consideration that he could continue to help improve the corporate value of the Company from an independent standpoint.
Hiroshi Shirai	●		●		●	Mr. Hiroshi Shirai is well versed in the Company's internal affairs due to his experience as Director, in charge of Administration Divisions. The Company appointed him upon consideration that he can properly carry out the duties as a Director concurrently serving as an Audit and Supervisory Committee Member.
Asako Hasegawa				●	●	Ms. Asako Hasegawa has never been involved directly in corporate management, but she is well-versed in financial accounting and tax affairs as a certified public accountant. The Company appointed her upon consideration that she can continue to properly carry out the duties as an Outside Director, concurrently serving as an Audit and Supervisory Committee Member by supervising and auditing management of the Company based on her insight and experience.
Kuniaki Kobayashi			●	●		Mr. Kuniaki Kobayashi has never been involved directly in corporate management except as an Outside Director, but he is well-versed in corporate legal affairs as a lawyer. The Company appointed him upon consideration that he can continue to properly carry out the duties as an Outside Director, concurrently serving as an Audit and Supervisory Committee Member by supervising and auditing management of the Company based on his insight and experience.
Kiitsu Sugita					●	Mr. Kiitsu Sugita has never been involved directly in corporate management, but he is well versed in tax affairs as a certified public tax accountant. The Company has appointed him upon consideration that he can properly carry out the duties as an Outside Director concurrently serving as an Audit and Supervisory Committee Member by supervising and auditing the management of the Company based on his insight and experience.

Management Foundation

Strengthening the Business Base that Supports Sustainable Growth

Reinforcing Solid Management Structure (Corporate Governance)

Reasons for Selecting Skill Matrix Items

■ Corporate management

To realize our VISION, “Deliver tangible solutions to social issues to make the world a better place for everyone,” we have set “Strengthening the earnings base” and “corporate management” as key measures in our new long-term management plan, SANYO VISION 2028.

In promoting these measures and ensuring the future growth of our Company, we need the knowledge, experience, and abilities of those responsible for domestic and international corporate management and organizational operations who make critical business decisions amid a rapidly changing and uncertain business environment.

For this reason, it is necessary that the Company's directors include persons with top management or equivalent experience within the Group.

■ ESG / Sustainability

Knowledge and experience in ESG and sustainability are necessary for us to meet our stakeholders’ expectations and work toward realizing a sustainable society, including addressing climate change issues.

For this reason, we believe it is necessary that the Company's directors include persons who have knowledge of ESG and sustainability in corporate management.

■ International experience

The growth of our international business is essential to realize the “sustainable development of the international community,”

which is a part of our Mission. To formulate growth strategies for international business, directors of the Company must include persons who know internationality, as we believe that experience in overseas business management and knowledge of overseas business environments, different cultures, and country risks, including geopolitical risks, is necessary.

■ Legal affairs / Risk management

Our broad, global operations involve various risks affecting our performance and financial condition.

To address these risks appropriately, we believe an appropriate governance structure as a foundation for sustainable corporate value enhancement is necessary.

For this reason, we believe it is necessary for the Company's directors to include persons who have knowledge and experience in legal and risk management, as well as solid knowledge and experience in corporate governance, risk management, and compliance.

■ Finance / Accounting

To sustainably increase our corporate value, we believe it is necessary to build a strong financial base, accurately report financial results, and develop a financial strategy that will promote investment in growth and M&A and enhance shareholder returns.

For this reason, it is necessary for directors of the Company to include persons who have knowledge and experience in finance and accounting.

Total remuneration, etc. (Fiscal year ended September 2023)

Position	Total remuneration, etc. (Thousands of yen)	Total of each type of remuneration, etc. (Thousands of yen)			Eligible corporate officers
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee members) (excluding outside directors)	235,000	136,000	83,000	16,000	6
Directors (Audit and Supervisory Committee members) (excluding outside directors)	14,000	14,000	—	—	1
Outside corporate officers	24,000	24,000	—	—	5

Policy for determining remuneration, etc., for each director (excluding Audit and Supervisory Committee members)

The policy for determining remuneration, etc., for each director (excluding Audit and Supervisory Committee members) is decided on at the Board of Directors meeting.

Fixed remuneration (monetary remuneration)

Basic remuneration for directors (excluding Audit and Supervisory Committee members) consists of monthly fixed remuneration, which is the total of the salary as a company representative, supervisor, and/or executive officer. The same amount is paid for each equivalent position. Basic remuneration is determined taking into account remuneration levels at other companies and employee salary levels, among other factors, while also comprehensively considering changes in the economic and social environment, etc.

Performance-linked remuneration

Performance-linked remuneration consists of monetary remuneration that reflects the business performance of the Company, in order to incentivize directors to improve business performance each fiscal year. Consolidated ordinary income is used as the index of business performance, because it is used as a performance target when deciding internal budgets, and is also considered to be the easiest index for understanding the management status of the Group. Performance-linked remuneration is paid as a bonus at the end of each fiscal year and is calculated based on the consolidated ordinary income that fiscal year.

Performance-linked remuneration is calculated by multiplying the base amount of bonus determined for each position by the performance-linked coefficient, which consists of the percentage of achievement against the business target (consolidated ordinary income) for the current fiscal year. The coefficient for performance-linked remuneration is capped at 150%, and is set at 0% if consolidated ordinary income is below a certain threshold.

In addition, the method of reflecting performance evaluation in the remuneration amount is as follows: for the president, 100% of performance-linked remuneration shall reflect company performance; for other directors, 80% of performance-linked remuneration shall reflect company performance and 20% on qualitative evaluation, with the qualitative portion determined by the president.

Non-monetary remuneration

Non-monetary remuneration consists of a restricted stock remuneration plan, which is issued to registered directors (excluding outside directors and Audit and Supervisory Committee members) every February with comprehensive consideration of the position, degree of contribution, and business performance (consolidated ordinary income) that fiscal year.

Remuneration of directors (excluding Audit and Supervisory Committee members)

Total amount of monetary remuneration (fixed remuneration and performance-linked remuneration) for directors (excluding Audit and Supervisory Committee members)
Annual total of no more than 250 million yen (to include an annual total of no more than 20 million yen for outside directors) Note: As resolved at the 73rd Ordinary General Meeting of Shareholders, held on December 19, 2019.
Restricted stock compensation plan Annual total of no more than 20 million yen Note: As resolved at the 76th General Meeting of Shareholders, held on December 22, 2022.

Note: The number of eligible directors (excluding Audit and Supervisory Committee members) at the time of the respective resolutions was six (including one outside director) at the 73rd meeting and four at the 76th.

Reasoning why the Board of Directors deems the content of remuneration, etc., for each individual to be in line with the policy

Given that the Nomination and Compensation Committee reports its conclusions after checking consistency, etc., between the content of remuneration, etc., for each director and the policy for determining remuneration, and that the Board of Directors basically respects the committee's report, the Board of Directors deems the content of remuneration, etc., for individual directors to be in line with the policy.

Remuneration for directors who are also Audit and Supervisory Committee members

Remuneration for directors who are also Audit and Supervisory Committee members
Total of no more than 40 million yen (determined within this range by discussion among directors who are also Audit and Supervisory Committee members) Note: As resolved at the 69th General Meeting of Shareholders, held on December 17, 2015.

Note: The number of eligible directors also serving as Audit and Supervisory Committee members at the time of the resolution was three.

Corporate Officer Remuneration

With regard to remuneration for directors (excluding Audit and Supervisory Committee members), the Company has formulated a remuneration system that closely aligns with the interests of shareholders and effectively incentivizes directors to continuously improve corporate value. The basic policy when determining remuneration for each director is to set remuneration at a level that reflects the responsibilities of the position.

Remuneration for directors (excluding Audit and Supervisory Committee members) consists of fixed remuneration (monetary remuneration) as basic compensation, performance-linked remuneration, and stock compensation as

non-monetary remuneration. Outside directors, who have a supervisory function, are paid only fixed remuneration (monetary remuneration) in light of their duties.

To enhance objectivity and transparency when determining remuneration for directors, the Nomination and Compensation Committee, the majority of whom are outside directors, discusses approaches and the policy for determining remuneration of corporate officers, as well as remuneration levels, after which the Board of Directors determines remuneration based on the advice and suggestions of the committee.

Composition of Corporate Officer Remuneration

President	Fixed remuneration (monetary remuneration)	55%	Performance-linked remuneration	35%	Non-monetary remuneration	10%
Other directors (excluding Audit and Supervisory Committee members)	Fixed remuneration (monetary remuneration)	65%	Performance-linked remuneration	25%	Non-monetary remuneration	10%
Other directors (Audit and Supervisory Committee members) (excluding outside directors)	Fixed remuneration (monetary remuneration)	100%				
Outside directors	Fixed remuneration (monetary remuneration)	100%				

Reinforcing Solid Management Structure (Corporate Governance)

Compliance

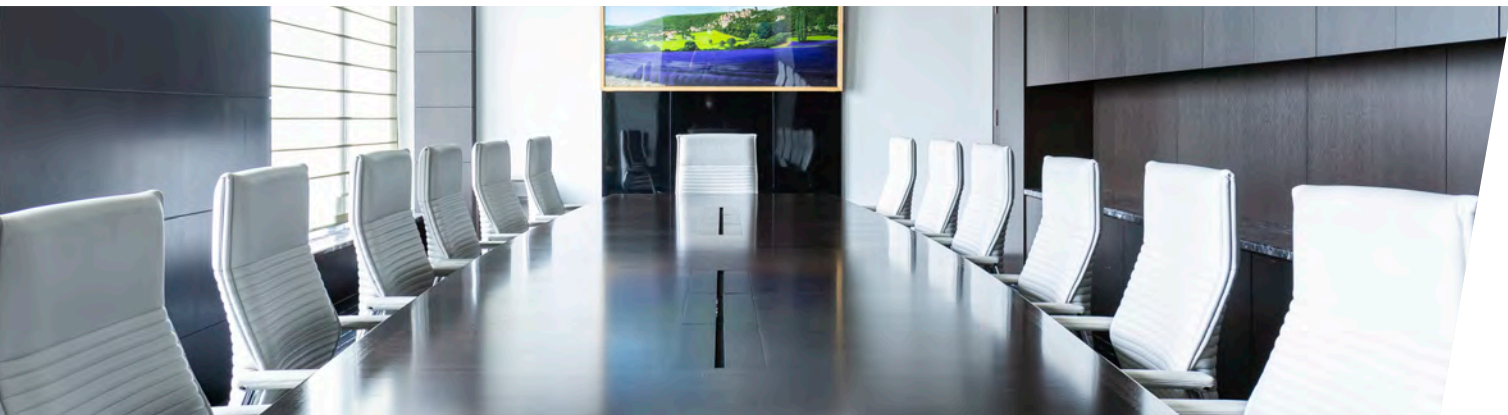
The Company has formulated the Sanyo Trading Group Code of Conduct Manual, which specifies how officers and employees of the Company and its Group companies should act to ensure their actions are in accordance with the Management Mission, and in compliance with laws and regulations as well as the Articles of Incorporation. To ensure the effectiveness of the manual, the president appoints a director in charge of compliance, and the Company has additionally established a Compliance Committee according to its compliance regulations, thus putting in place a system to coordinate legal compliance initiatives Group-wide. The status of activities is reported regularly to the Board of Directors. Group companies make periodic reports to the Board of Directors and relevant supervising division based on the Group Company Management Regulations, Authorization Authority Standards, and other rules. A system is in place by which Group companies are able to

report their status regularly through participation in meetings of the Committee of Executive Officers. In addition, the Company ensures compliance with laws and regulations by having the Company's Board of Directors make decisions on certain matters as stipulated in the regulations. The Internal Audit Section audits the business activities of the Company and Group companies to ensure that they are operated efficiently per laws, regulations, internal rules, and general business practices. It reports its findings to the Board of Directors. The Company has established and continues to operate whistleblower hotlines, whereby acts that violate or risk violating laws and regulations or social norms can be reported internally to the Human Resources & General Affairs Department and externally to a third party (attorney). Internal regulations have been established to protect reporters from receiving unfair treatment.

Risk Management

The Company takes all reasonable steps to identify a variety of risks that arise in business execution by applying consistent standards and implements comprehensive risk management to ensure sound management and maximize shareholder value. Specifically, in accordance with our Risk Management Regulations, the Company ensures the clarity of its risk management system by specifying the divisions responsible for different types of risks and managing risks exhaustively and comprehensively. The president appoints a director in charge of risk management, and the Risk Management Committee has been established so as to comprehensively monitor various risks intrinsic to the Company's operations and risks that the Company should avoid, ensuring business continuity, and promptly responds to changes in the risk landscape. The committee regularly reports to the Board of Directors with risk management overviews,

including countermeasures for when a risk that should be avoided manifests. To appropriately allocate authority and execute duties following business risks, we have established an internal approval and decision-making system based on the "Regulations on Administrative Authority." Investment and Loan Committee deliberates on major investment projects from the perspectives of profitability, strategy, safety, feasibility, compliance, etc., before submitting them to the Board of Directors. It evaluates both qualitative and quantitative risks associated with investments and loans to reduce and avoid such risks. For Group companies, a system to preempt losses has been put in place under the Risk Management Regulations based on interviews with the representative directors of the Group companies and other relevant personnel as required.



Evaluating the Effectiveness of the Board of Directors

The Company conducted a questionnaire survey to assess the effectiveness of the Board of Directors.

As a result of the evaluation, we confirmed that there are no particular problems in the following areas: there is a system in place for making critical management decisions and for auditing and supervising business execution appropriately; the Board of Directors, including outside directors (including Audit and Supervisory Committee members), freely and openly exchange opinions; there are various training opportunities for directors, there is communication among directors, and directors are cooperating with the Audit and Supervisory Committee. To make the Board of Directors more effective in the future, we will

continue to consider and improve efforts to strengthen monitoring of investment targets (businesses) and enhance disclosure information.

Target group	10 Directors (including 4 outside directors (of those, including 2 Audit and Supervisory Committee members))
Method	Anonymous questionnaire Multiple choice questions and free entry
Questionnaire items	(1) Composition of the Board of Directors (2) Operation of the Board of Directors (3) Effectiveness regarding overall management

Supply Chain Management

We import and export niche high-value-added commercial products, including automotive interior components, fine chemicals, and various other materials and raw materials, to North America, Europe, China, Southeast Asia, and other regions.

If extreme weather conditions intensify and supply chains are disrupted in the future, warehousing and international freight charges may increase as shipments are delayed.

Therefore, we have conducted wind and flood damage risk surveys, etc., for external warehouses and sales offices, to which we have outsourced the storage and distribution of commercial products since 2020 and raked each office according to the results of these surveys. For warehouses and bases with a medium to high risk rating, the Business Unit in charge of the warehouse or office has a system to

discuss BCP and emergency preparedness with the relevant Business Unit or Group company in charge of the warehouse or office at normal times. Only companies that have prepared a BCP are permitted to use new warehouses and sales offices after checking the hazard map of the relevant location for risks.

In addition, from 2022, we have introduced SECOM Safety Confirmation SCM, a disaster support service for our warehouses and sales offices, to immediately report the status of damage to our products caused by earthquakes, windstorms, and flooding, as well as the expected return to normal operations. This enables us to grasp the disaster conditions and the expected start date of shipping operations, and we will promptly fulfill our responsibility to supply customers according to each situation.

Declaration of Partnership Building

In December 2023, we announced our "Declaration of Partnership Building," intending to further increase collaboration among our supply chain and stakeholders. The Declaration of Partnership Building is an initiative established in May 2020 by the Conference on Promoting Partnership Building for the Future, whose members include the Chairperson of Keidanren, the President of JCCI, the President of JUTC-RENGO, and relevant ministers, to build a sustainable relationship where large corporations and small and medium-sized enterprises can grow together. This is a declaration in the name of the representative of companies, from the standpoint of the ordering party, to build new partnerships by promoting cooperation and coexistence with business partners in the supply chain and value-creating businesses. We will continue

to deepen our partnerships with suppliers and value-creating businesses in the supply chain and strive for coexistence and co-prosperity throughout the supply chain and mutual value-added enhancement.



Roundtable Discussion with Outside Directors



Kuniaki Kobayashi

Outside Director
Audit and Supervisory
Committee Member

Asako Hasegawa

Outside Director
Audit and Supervisory
Committee Member

Hiroataka Sugihara

Outside Director

Mitsuo Ogawa

Outside Director

Sanyo Trading's Corporate Governance

Kobayashi Even in rapidly changing operating conditions, it is important to maintain the same solid and reliable governance checks as before without being dragged down by this change. However, if internal procedures become overly complex, which impairs the speed of management decisions, it may become difficult to respond to environmental changes, making it difficult to compete. While the emphasis is on agile management decisions, it is essential to ensure that the procedures set up by the Company are followed and that the governance structure is rigorously maintained.

Based on the "bad news first" philosophy, our Board of Directors meetings provide an atmosphere where directors can speak freely and engage in lively discussions. Particularly for complex matters such as new investments and M&A projects, preliminary briefings are held for outside directors to help them understand the situation. The composition of outside directors is also diverse, with members of different origins and attributes. After the appropriateness of matters

pointed out by outside directors is reexamined by the executive members, the Board of Directors is informed of the progress in addressing the issue. This ensures that the Board of Directors makes effective decisions and takes action.

On the other hand, developing auditing personnel is necessary to respond to the increasing complexity of Group governance as the number of overseas bases and Group companies increases. In particular, it would seem necessary to assign dedicated auditors to major Group companies and to increase the staffing of the Internal Audit Section within the Company itself. Such an assignment of auditors will require a policy of establishing an appropriate auditing system and strengthening the governance Group-wide.

Hasegawa We believe that the Company's top management is in charge of the entire Group with strong leadership, and each corporate officer is performing their responsibilities well, resulting in sustainable business growth. Under these business conditions, we assess that the Board of Directors is functioning effectively, focusing on monitoring to support the Company's stable growth and increase in corporate value.

In the past, the top management and directors in charge often answered questions. Recently, however, the executive officers in charge have been more frequently present, adding depth to the discussions. Sanyo Trading's executive management has taken the posture of accepting outside opinions sincerely without rejection, even if they may be painful to

hear as executive members, which is a great strength from the perspective of governance. I believe that the effectiveness of our governance has certainly improved.

We have achieved steady growth based on our strengths: high-value-added products in niche fields, highly specialized human resources, and a solid financial base. While we continue to build on this solid foundation to achieve sustainable growth, the external environment is changing rapidly as we head into an era where past successes are no longer valid. Future prospects are unclear—further requiring new ideas and business models. Decision-making under these circumstances requires a greater sense of mobility and speed than ever before and decisions that are not bound by precedent. Similarly, the governance of the Group will require a more sophisticated, globally competitive structure. We believe that our challenge is to evolve these aspects of our business further to achieve sustainable growth in the future.

Ogawa The Company's governance evolution is closely tied to human capital management. The cornerstone of the Company's growth is the people, and strengthening human capital is a central issue and top priority.

With the implementation of the new long-term management plan, SANYO VISION 2028, the strengthening of human capital must also be considered in conjunction with this plan. We must envision the ideal organization five years



from now and build an optimal human resource portfolio to achieve this goal. The Company is also working on this initiative.

We introduced a new system called the Sanyo Academy (see Page 52) as a specific initiative. This is a great challenge for the Company—a reform to its existing human resource development system. Strengthening human capital necessitates aiming for results by combining various mechanisms, including training systems, personnel assignment, evaluation methods, and career development. The Sanyo Academy combines these systems closely linked to SANYO VISION 2028.

A New Long-term Management Plan: SANYO VISION 2028

Ogawa SANYO VISION 2028 is unique. Unlike general business plans, it is not a simple compilation of plans for each business, given the wide range of business fields in which we operate. The unique offerings of SANYO VISION 2028 are extremely valuable.

First, the formulation process for our management plan is with the Company's typical method of creating a common knowledge base. Discussions that initially started with few members gradually involved many personnel. With our business portfolio strategy, the corporate officers and each business unit engaged in outspoken discussions, which led to a thoughtful consideration of the state of the business portfolio. I feel that the plan developed through these accumulations is very sophisticated.

More importantly, SANYO VISION 2028 does not merely indicate the company's future direction but also considers how it can be aligned with every employee's work style and career development. Aligning the Company's direction with that of its employees is in line with the demands of the times, and we hope that our employees will ascertain their direction and path to growth with SANYO VISION 2028.

Sugihara I was also surprised by the formulation process. Mr. Ogawa and I attended individual meetings with President Shintani, management, and each business unit, where we

had detailed and meaningful discussions. Furthermore, I have never seen such an open and transparent process of disclosing the plan's framework to all employees when it is completed, soliciting their opinions, and then announcing them to all employees.

The plan is also unique in having an excellent new Mission, Vision, and Values. First of all, Sanyo Trading's Mission explains, "We foster an open, down-to-earth, and entrepreneurial corporate culture that drives our collective efforts to deliver the best solutions flexibly and timely so that we can help achieve the sustainable development of the global community and fulfill employees' aspirations for well-being." This is the first time I have encountered a Company that has such a clear vision that states the reason for the Company's existence. This is possible because of our superior business model. Our unique business model as a technical trading company, built through years of hard work, still maintains a high profit margin, and is based on our philosophy of pursuing "good work" that contributes to the international community.

The happiness of employees is also clearly shown to be most important, not only in terms of salary and benefits but also in terms of job satisfaction and joy. The belief that providing an environment in which employees can engage in



Roundtable Discussion with Outside Directors

their work with a sense of fulfillment daily will lead to increased shareholder value is an excellent one, and it is the foundation of SANYO VISION 2028.

To achieve our plans, our focus is on strengthening the four revenue bases: the Growth of existing businesses, the Developing new businesses, the Strengthening consolidated management structure, and Advancing investment projects. To this end, it is important for the management not to drop these goals midway, and it is important for employees not to give up until the end—to be willing to accomplish the plan. By not giving up, various kinds of wisdom will spring forth. With any luck, we will combine our wisdom and efforts, persevere, never give up, and achieve our goals.

Hasegawa The previous long-term management plan had several unachievable goals due in part to the COVID-19 pandemic. SANYO VISION 2028 is an improved and evolved version of the plan that reigns all of these plans in. Many employees were involved in the development process of this plan over an extended period, resulting in a business plan that was highly satisfactory to employees.

In SANYO VISION 2028, our vision is to “Deliver tangible solutions to social issues to make the world a better place for everyone.” We believe that this will meet the demand for sustainability from the market and our shareholders and investors.

I believe the Company is tackling the issue head-on by contributing to protecting the environment by providing

commercial products and services, including environmentally friendly products and our woody biomass power generation operation, and by making these businesses profitable to realize its goals and increase its corporate value. I hope to see these efforts continue.

Kobayashi Regarding business portfolio strategy, the Corporate Governance Code also states that effective supervision is required to ensure that implementing strategies regarding the business portfolio contributes to the Company's sustainable growth and that the review of the business portfolio should be explained to shareholders in a logical and easy-to-understand manner. In particular, the involvement and oversight of the Board of Directors is becoming increasingly important. SANYO VISION 2028 indicates a shift from core businesses to growth businesses, and it is important that this transition proceeds smoothly.

On the other hand, adherence to achieving targets may cause difficulties in rapidly changing operating conditions. As Audit and Supervisory Committee members, we must confirm whether the Company is prepared to respond to changes flexibly to avoid unnecessary risks caused by excessive focus on achieving the plan. Flexibility and adaptability in planning are essential in dealing with fluctuating market and industry conditions. In risk management, the appropriate balance must be maintained to ensure a smooth execution of the strategy.

Strengthening Human Capital

Ogawa It was mentioned that realizing the four policies of strengthening the earnings base in SANYO VISION 2028 is the greatest focus for achieving our goals, and I completely agree. In this context, I expect the policies be implemented based on the “Corporate management” theme of “Corporate culture: Elevation of positive corporate culture into an inimitable competitive advantage to pass on to the next generation.”

Recognizing that our strength lies in our open and inclusive corporate culture is especially important. This culture is essential to our growth and a source of competitive advantage based on our unique knowledge and experience.

It is not easy to build an open and inclusive culture, and a culture that accepts and tolerates failure is essential. An open and inclusive culture cannot be sustained without an

attitude of learning from mistakes. It is wonderful that the Company is proactively working to eliminate the barriers between internal and outside directors, create a free discussion climate, and have its corporate officers declare their own open and inclusive values. As this culture permeates the entire organization, it will foster flexible and creative thinking that will be passed on to the next generation.

We are also a company that values Challenging ourselves for the BEST solution. The BEST solution is to find and propose an answer the customer is unaware of, which requires a “discerning eye.” This is another characteristic of the Company that should be formalized into formal knowledge and incorporated into the foundation of human resource development in the future. Our employees will grow by acquiring a “discerning eye.” As they do so, they will contribute to the development of the Company as a whole, creating a virtuous cycle that will create sustainable value as part of our organizational culture.

Kobayashi Many of our employees have high goals and enjoy working for the Company. I find it encouraging to see young employees working with high-reaching goals.

On the other hand, the lack of women managers is an issue. While this needs to be addressed as soon as possible,

simply promoting women because they are women is not a substantial approach. We need substantive diversity, not trait gender differences, and promoting diversity must be done while carefully considering our situation.

Sugihara One of our visions is: “Sanyo is a people company,” and we have a consistent philosophy that the happiness of our employees leads to the growth of the Company, which in turn leads to shareholder profit. To realize President Shintani's words, “A company where employees can work with a smile,” I hope that the Company will provide a rewarding work environment where employees can experience growth and be active in a lively and exciting way. To this end, I expect that the new personnel system and initiative, Sanyo Academy, will provide many opportunities and a stage for our employees in the future.

More than half of our employees are mid-career hires with diverse knowledge. It is wonderful to see the integration of career Sanyo employees and mid-career employees. Also, more than half of our sales employees have a science

background, which is rare among trading companies, which contributes to our technical strength in sales. We are already a company with such a diverse workforce, and I hope that in the future, we will go even further in our efforts to recruit and train talented people regardless of gender or nationality.



Role of Outside Directors

Hasegawa The role of an outside director is to view, question, and uncover risks from a different perspective than the homogeneous viewpoint from within the Company. As a certified public accountant, I have been involved in auditing and accounting for many years. I would like to contribute to improving the Company's corporate value by providing professional advice and reflecting on the knowledge gained from my experience working for a trading company as one of my diverse viewpoints in management decision-making.

I believe that creating an organization in which diverse human resources can play an active role is essential for a company's sustainable growth. The Board of Directors also discusses various ways to further promote diversity management. Even if we look at a single data point of women's participation, the percentage of women in management positions has not gone up, although there are many talented and motivated women in the organization. It is a difficult topic to improve overnight, but I see it as one of my roles as an outside director to prepare a place where more women can play an active role in positions of responsibility.

Ogawa The role of outside directors is to have the “bystander's vantage point,” or to boldly point out, from an objective perspective, issues and ideas that lack an internal perspective or are overlooked in a homogeneous way of thinking, to prevent risks and expand profit-earning opportunities.

The Company is aggressively developing new businesses and business fields and expects to increase the number of Group companies through M&A. With this growth comes the challenges of developing management personnel, among other things. My role will be to work with

the Company to determine what approach to take in developing management personnel.

Kobayashi With my experience as the Company's legal counsel and as a member of the Audit and Supervisory Committee, I hope to contribute to the Company's sustainable growth by preventing fraud and risks through the Board of Directors' supervisory function, focusing on compliance.

At the same time, I recognize the need to understand “good risks” that can feed the future of the Company and allow the Company to learn through failure. With no risk comes no return, and I want to contribute to the organization through constructive recommendations, not just by putting on the brakes.

Sugihara I believe that the role of outside directors is to pursue the sustainable development of the Company and shareholder interests based on objective judgment. If, in the future, any matter that may be questionable from an objective standpoint comes up, we will actively express our opinions.

I have diverse business experience, focusing on investments, M&A, and firm management. I would like to contribute by providing useful advice, especially regarding investments, M&A projects, and strengthening consolidated management, which are important strategies for the Company. I will do my utmost to use my experience and expertise to enhance shareholder value by contributing to the Company's development, its employees' well-being, and its business's growth.



Management Foundation

Corporate Officers

(As of December 21, 2023)



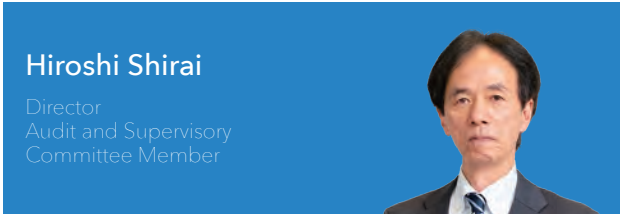
Number of shares held 45,600
Attendance at the Board of Directors meetings 14/14 (100%)

April 1982 Joined the Company
October 2008 General Manager of Tokyo Rubber Business Unit 3
October 2010 General Manager Assistant to Operational Headquarters
January 2012 President of Sanyo Corporation of America
October 2012 Executive Officer of the Company
December 2013 President of Sanyo Corporation of America
Director & Executive Officer, General Manager of Operational Headquarters of the Company
Chairman of SANYO TRADING (SHANGHAI) CO., LTD.
October 2014 Director & Executive Officer, General Manager of Corporate Strategy Department
December 2018 President & CEO (present post)



Number of shares held 7,900
Attendance at the Board of Directors meetings 14/14 (100%)

April 1982 Joined Taiyo-Kobe Bank (present Sumitomo Mitsui Banking Corporation)
May 2012 Joined the Company
April 2013 General Manager of Credit Department
December 2019 Executive Officer supervising Administration Divisions, General Manager of Credit and Legal Department
October 2020 Executive Officer supervising Administration Divisions, General Manager of Personnel Division
December 2020 Director & Executive Officer, In charge of Administration Divisions, General Manager of Personnel Division
October 2022 Director & Executive Officer, In charge of Administration Divisions
December 2022 Managing Director & Executive Officer, in charge of Administration Divisions (present post)



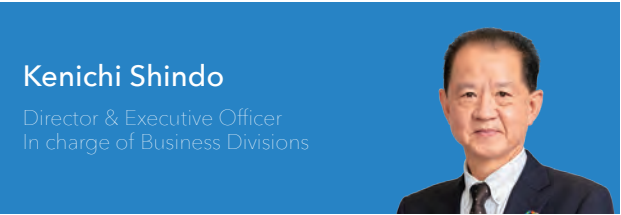
Number of shares held 15,600
Attendance at the Board of Directors meetings 14/14 (100%)
Attendance at Audit and Supervisory Committee meetings - (Newly appointed on December 21, 2023)

April 1982 Joined the Company
October 2006 President of Sanyo Corporation America
April 2009 General Manager of Tokyo Chemical Business Unit 2 of the Company
October 2013 Executive Officer, General Manager of Corporate Planning Department
October 2014 Executive Officer, General Manager of General Affairs Department
October 2015 Executive Officer supervising Administration Divisions
December 2017 Director & Executive Officer in charge of Administration Divisions
October 2022 Director & Executive Officer in charge of Administration Divisions, General Manager of Domestic Subsidiary Coordination Department
December 2022 Director & Executive Officer in charge of Administration Divisions
December 2023 Director (Audit and Supervisory Committee Member) (present post)



Number of shares held 0
Attendance at the Board of Directors meetings 14/14 (100%)
Attendance at Audit and Supervisory Committee meetings 15/15 (100%)

April 1988 Joined Kanematsu Corporation
October 2000 Joined Asahi Audit Corporation (currently KPMG AZSA LLC)
December 2004 Hasegawa CPA Office, Representative (present post)
December 2017 Director (Audit and Supervisory Committee Member) of the Company (present post)



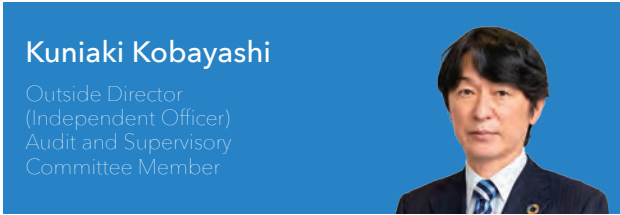
Number of shares held 29,400
Attendance at the Board of Directors meetings 14/14 (100%)

April 1985 Joined the Company
October 2006 General Manager of Machinery & Environmental Business Unit 1
April 2009 General Manager of Machinery & Materials Business Unit
October 2013 Executive Officer, General Manager of Machinery & Materials Business Unit
December 2013 Executive Officer of the Company
President of Sanyo Corporation of America
October 2016 Executive Officer, General Manager of Chemical Business Unit
December 2018 Representative Director and President of Sanyo Machinery Co., Ltd.
December 2019 Director & Executive Officer, In charge of Business Divisions, General Manager of Machinery & Environmental Business Unit
June 2020 Director & Executive Officer, In charge of Business Divisions, General Manager of Machinery & Environmental Business Unit, General Manager of Scientific Instruments Department
October 2021 Director & Executive Officer, In charge of Business Divisions (present post)



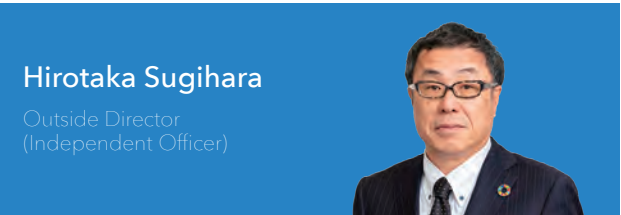
Number of shares held 3,200
Attendance at the Board of Directors meetings 10/10 (100%)
(Newly appointed on December 22, 2022)

April 1989 Joined the Company
October 2012 General Manager of Industrial Products No. 2 Business Unit
October 2014 General Manager of Industrial Products No. 1 Business Unit
October 2015 General Manager of Industrial Products Business Unit
October 2016 Executive Officer, General Manager of Industrial Products Business Unit
October 2020 Executive Officer, General Manager supervising Industrial Products Business Unit, General Manager of New Business Development Department
December 2020 Senior Executive Officer, General Manager supervising Industrial Products Unit, General Manager of New Business Development Department
December 2022 Director & Executive Officer, General Manager of New Business Development Department
October 2023 Director & Executive Officer, In charge of Business Divisions (present post)



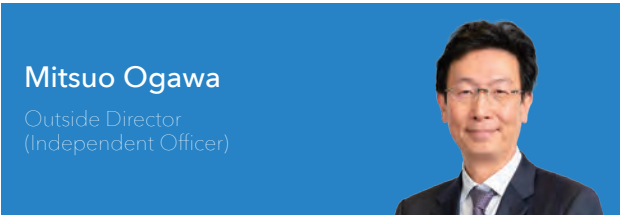
Number of shares held 0
Attendance at the Board of Directors meetings 14/14 (100%)
Attendance at Audit and Supervisory Committee meetings 15/15 (100%)

April 2000 Joined YUASA and HARA
September 2013 Joined Yamada, Goya & Suzuki (present post)
June 2014 Outside Director (Audit and Supervisory Committee Member) of Kanematsu Sustech Corporation
December 2021 Director (Audit and Supervisory Committee Member) of the Company (present post)



Number of shares held 0
Attendance at the Board of Directors meetings 14/14 (100%)

April 1981 Joined ITOCHU Corporation
May 1994 Assistant to CEO for Asia Bloc (based in Hong Kong) of ITOCHU Corporation
April 2004 General Manager of Financial Business Development Department, ITOCHU Corporation
April 2005 Seconded to Orient Corporation (Executive Officer)
July 2007 Acting General Manager of Financial Business Department and General Manager of Financial Retail Promotion Department, ITOCHU Corporation
April 2008 General Manager of Finance, Real Estate, Insurance & Logistics Management Planning Department, ITOCHU Corporation
May 2010 Director (part-time) of POCKETCARD CO., LTD.
April 2012 Assistant CEO for ASEAN & Southwest Asia Bloc in charge of Corporate Planning, ITOCHU Corporation (based in Singapore)
May 2014 Director, Vice President supervising Sales Group, POCKETCARD CO., LTD.
March 2018 Vice President, Executive Officer, General Manager of Planning Headquarters, POCKETCARD CO., LTD.
December 2021 Director of the Company (present post)



Number of shares held 0
Attendance at the Board of Directors meetings 10/10 (100%)
(Newly appointed on December 22, 2022)

April 1987 Joined Nippon Electrical Equipments Co., Ltd. (currently DENSO Corporation)
June 1991 Joined Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)
April 2000 Joined PwC Consulting Co., Ltd.
March 2004 President of Craig Consulting (present post)
December 2022 Director of the Company (present post)

Executive Officers

Masanobu Shintani
President & CEO*

Toshiaki Mizusawa
Executive Officer*
In charge of Administration Divisions

Kenichi Shindo
Executive Officer*
In charge of Business Divisions

Mitsuyasu Hirasawa
Executive Officer*
In charge of Business Divisions

Yasushi Komiya
Executive Officers
General Manager of Rubber Business Unit

Ryuichi Otani
Representative Director and Vice President of Cosmo Computing System, Inc.

Koji Taguchi
Executive Officer
General Manager of Life Science Business Unit

Yoshimi Namba
Executive Officer
General Manager of Corporate Planning Department

(Note) Executive officers marked with an asterisk (*) also serve as directors.

Eleven-year Financial Summary

Sanyo Trading Co., Ltd. and Consolidated Subsidiaries (FY9/2013 to FY9/2023)

	2013.9	2014.9	2015.9	2016.9	2017.9	2018.9	2019.9	2020.9	2021.9	2022.9	2023.9
Operating results (Millions of yen)											
Net sales	51,075	58,618	60,672	59,908	67,738	78,450	83,230	76,087	89,788	111,250	122,596
Gross income	7,671	8,659	9,450	10,017	12,264	13,410	14,883	14,206	15,510	17,144	20,473
Selling costs and administrative expenses	5,230	5,480	5,844	5,964	7,325	8,147	9,011	9,414	10,003	11,825	13,732
Operating profit	2,440	3,178	3,606	4,052	4,938	5,263	5,871	4,791	5,506	5,319	6,740
Ordinary income	2,772	3,516	4,110	4,274	5,270	5,575	6,075	5,271	6,190	6,299	7,149
Income attributable to owners of parent	1,475	1,982	2,794	2,757	3,351	3,635	4,018	3,013	4,256	4,296	4,830
Financial position (Millions of yen)* ¹											
Total assets	25,181	30,051	30,285	32,455	38,987	41,606	43,731	47,230	50,834	62,859	68,537
Interest-bearing debt	830	1,441	1,084	845	1,655	1,906	1,309	4,529	2,432	6,070	5,715
Net interest-bearing debt	(988)	(2,053)	(2,120)	(2,866)	(979)	(562)	(3,239)	(5,889)	(6,231)	190	(1,316)
Net assets	15,338	16,953	19,394	20,954	24,600	26,756	29,343	31,038	34,725	39,212	43,890
Cash flows (Millions of yen)											
Cash flows from operating activities	1,211	2,106	909	2,997	178	1,583	5,088	6,186	2,253	(3,395)	5,917
Cash flows from investing activities	(228)	(385)	(196)	(1,201)	(1,359)	(408)	(1,057)	(2,189)	(1,009)	(1,809)	(2,914)
Free cash flows	982	1,721	712	1,795	(1,180)	1,175	4,030	3,997	1,244	(5,204)	3,003
Cash flows from financing activities	(961)	(82)	(1,047)	(1,220)	(15)	(1,297)	(1,957)	1,834	(3,301)	1,864	(1,867)
Cash and cash equivalents, end of year	1,815	3,490	3,201	3,712	2,601	2,468	4,548	10,418	8,663	5,718	6,900
Per share information (Yen)* ²											
Earnings per share (EPS)	51.60	68.89	97.68	96.39	117.10	126.99	140.36	105.22	148.52	149.67	168.01
Book-value per share (BPS)	513.66	574.44	657.05	711.17	831.87	922.67	1,011.31	1,069.41	1,195.18	1,349.41	1,509.92
Annual dividends	15.00	17.00	24.50	24.50	29.50	32.00	37.00	37.50	39.00	40.00	43.00
Financial indicators											
Gross profit margin ratio	15.0%	14.8%	15.6%	16.7%	18.1%	17.1%	17.9%	18.7%	17.3%	15.4%	16.7%
Operating profit to net sales ratio	4.8%	5.4%	5.9%	6.8%	7.3%	6.7%	7.1%	6.3%	6.1%	4.8%	5.5%
Ordinary income to net sales ratio	5.4%	6.0%	6.8%	7.1%	7.8%	7.1%	7.3%	6.9%	6.9%	5.7%	5.8%
Net income to net sales ratio	2.9%	3.4%	4.6%	4.6%	4.9%	4.6%	4.8%	4.0%	4.7%	3.9%	3.9%
ROA	11.5%	12.7%	13.6%	13.6%	14.8%	13.9%	14.2%	11.6%	12.6%	11.1%	10.9%
ROE	11.0%	12.7%	15.9%	14.1%	15.2%	14.5%	14.5%	10.1%	13.1%	11.8%	11.8%
Shareholders' equity ratio	59.2%	54.7%	62.1%	62.7%	61.1%	63.5%	66.2%	64.9%	67.5%	61.7%	63.4%
D/E ratio (multiplier)	0.06	0.09	0.06	0.04	0.07	0.07	0.05	0.15	0.07	0.16	0.13
Non-financial indicators / Other information											
Employees (consolidated)	252	256	260	295	326	349	368	413	442	536	687
Employees (non-consolidated)	166	164	177	188	193	211	224	234	241	251	273
Women employees (non-consolidated)	42	42	45	50	50	56	59	70	74	78	89
Percentage of women employees (non-consolidated)	25.3%	25.6%	25.4%	26.6%	25.9%	26.5%	26.3%	29.9%	30.7%	31.1%	32.6%
Percentage of women managers (non-consolidated)	0.0%	0.0%	0.0%	0.0%	1.7%	4.4%	4.0%	5.2%	4.7%	3.5%	5.3%
Percentage of men utilizing childcare leave (non-consolidated)* ³	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	10.0%	6.7%	15.4%	33.3%
Average years of service (non-consolidated)	12.56	11.70	11.10	10.84	10.74	10.36	10.18	9.92	9.50	9.78	9.44
Retention rate of new graduate employees (non-consolidated)* ⁴	-	-	-	-	67%	85%	96%	100%	100%	100%	88%
Turnover rate (non-consolidated)* ⁵	-	-	-	-	6.7%	2.4%	4.0%	3.4%	7.1%	5.2%	4.4%
Number of consolidated Group companies	7	7	6	8	10	9	10	12	13	16	19

*1 Interest bearing debt = Short-term debt + Long-term debt (excluding lease obligations)

Net interest bearing debt = Interest-bearing debt - cash and cash equivalents

*2 Per share indicators are calculated taking into consideration the effect of the 2-for-1 stock split conducted on February 1, 2020.

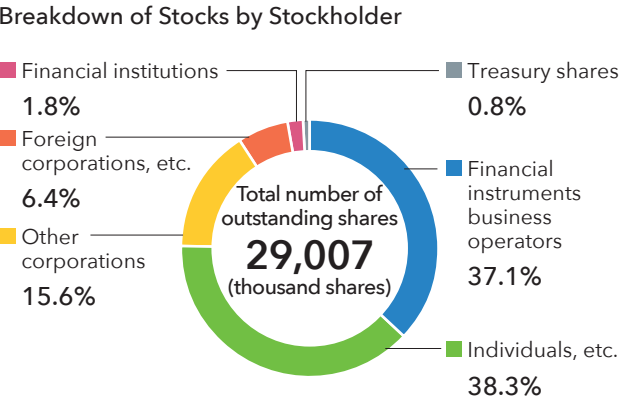
*3 Percentage of men utilizing childcare leave = Number of men (whose partner gave birth) who started childcare leave by the time of the survey (including those who have submitted a request to start childcare leave) / Number of men (whose partner gave birth) in the previous fiscal year to the survey x 100

*4 Retention rate of new graduate employees = percentage of base year new graduate recruits remaining in employment after three years

*5 Turnover rate = number of employees leaving employment in the fiscal year as a percentage of the total number of permanent employees on the first day of the fiscal year

Stock Status

Stock Listing	Prime Market of the Tokyo Stock Exchange
Securities Code	3176
Shareholder Registry Administrator	Tokyo Securities Transfer Agent Co., Ltd.
Total Number of Authorized Shares	40,000,000
Total Number of Outstanding Shares	29,007,708
Number of Shares Per Unit	100
Number of Shareholders	6,015

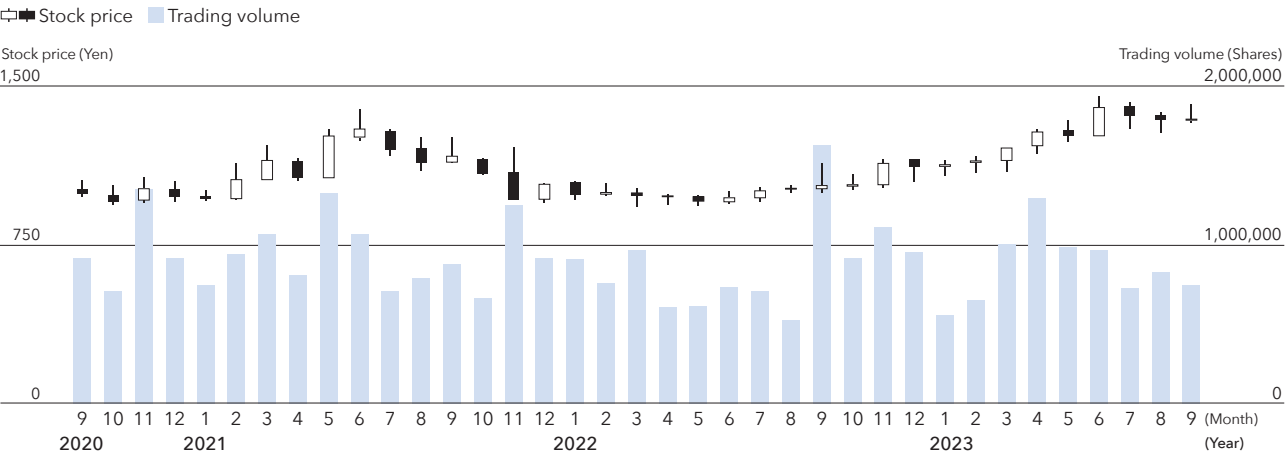


Major Stockholders

	Number of shares held (Thousand shares)	Shareholding ratio (%)*
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,801	9.74
Custody Bank of Japan, Ltd. (Trust Account)	2,533	8.88
Toagosei Co., Ltd.	1,497	5.20
MUFG Bank, Ltd.	1,137	3.95
Sumitomo Mitsui Banking Corporation	1,137	3.95
Sumitomo Mitsui Trust Bank, Limited	1,136	3.95
BOT Lease Co., Ltd.	1,128	3.92
Susumu Tamaki	1,095	3.81
Meiji Yasuda Life Insurance Company	675	2.35
Sanyo Trading Employee Stock Ownership Association	567	1.97
Total	13,706	47.72

* Calculation of shareholding ratio does not include 236,385 treasury shares.

Stock Price



Corporate Overview

Company Name	Sanyo Trading Co., Ltd.	Number of Consolidated Subsidiaries	Japan: 12 Overseas: 7
Established	May 28, 1947	Employees	Non-consolidated: 273 Consolidated: 687
Head Office	2-11, Kanda Nishiki-cho, Chiyoda-ku Tokyo, 101-0054 Japan Tel: +81-3-3518-1111	Fiscal Year	October 1 to September 30 of the following year
Capital	¥1,006,587,450	General Meeting of Shareholders	December of every year
Number of Bases	Japan: 4 Overseas: 16 bases in 10 countries		

Organization (As of November 30, 2023)

