

Sanyo Trading

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Quest for Next

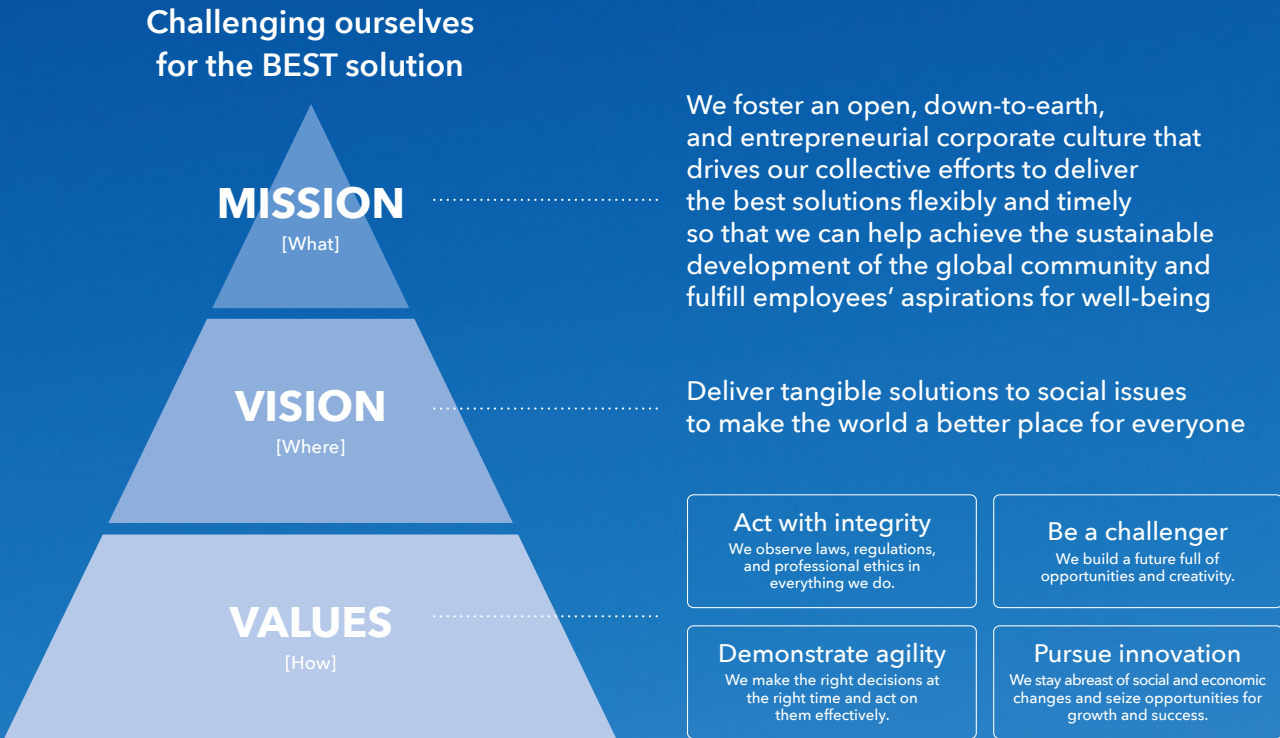


Deliver tangible solutions to social issues to make the world a better place for everyone

Corporate Brand

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.

Corporate Philosophy



- People** "The trading company is people company,"
"it's all about education."
- Trust** "Trust is what it takes to succeed in business."
- Reputation** "Don't do anything that lowers our reputation."

Foundation of our corporate philosophy

These principles were included in the 1975 handbook prepared for our sales staff by Eiichi Tamaki, the first president of Sanyo Trading. It implies that becoming intimately familiar with markets and merchandise provides us with the basis for keeping business running smoothly with customers and earning their trust, which in turn drives the growth of the company. This belief is reflected in "an inclusive, down-to-earth, and entrepreneurial corporate culture" and "our collective efforts to deliver the best solutions," as described in our Mission, and has been upheld by all of us at Sanyo Trading for decades.



Eiichi Tamaki, Founding President

Advance Value Creation, and Continue Seeking the Best Solutions for the Future

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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. Our main focus in publishing this Integrated Report is to enable readers in Japan and elsewhere to better understand our unique business model, our process for realizing long-term improvement of corporate value centered on SANYO VISION 2028, and the management foundation underpinning these. The Sanyo Trading Group will continue to use the Integrated Report as a tool for dialogue with all stakeholders, including shareholders and investors, to help enhance disclosure and improve corporate value.

Reporting Scope

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

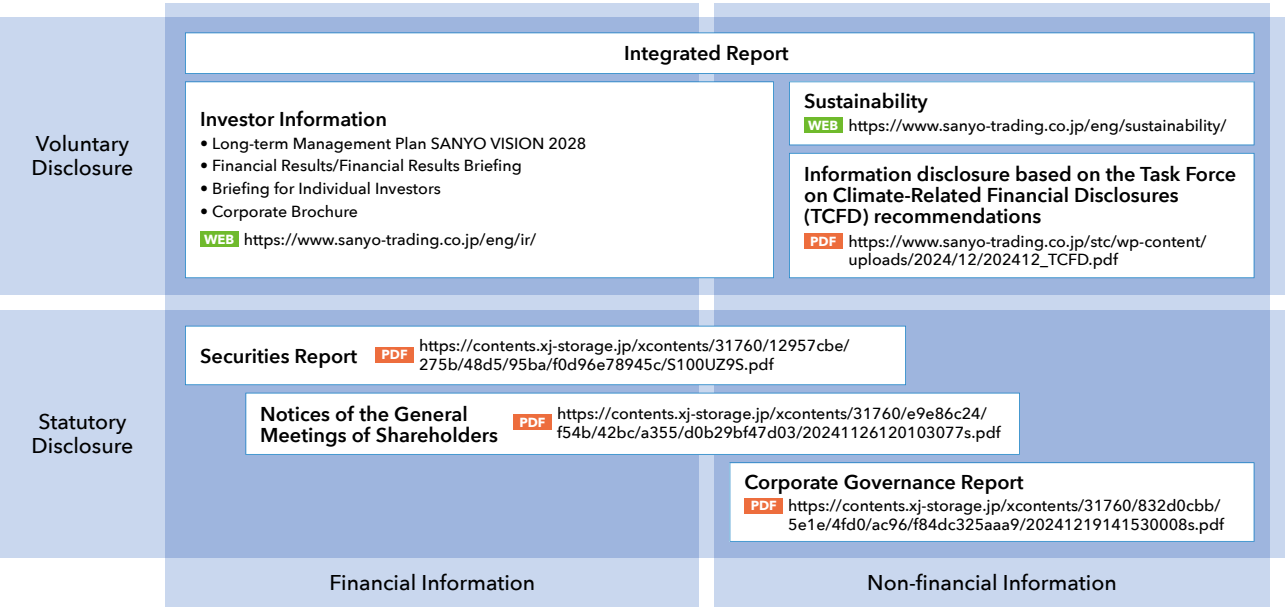
Period Covered

October 1, 2023 to September 30, 2024
(Please note that this report includes information regarding the results of activities outside the reporting period.)

Cautionary Note 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.

Information Disclosure System



Sanyo Trading Now and Going Forward
At a Glance

(Fiscal year ended September 30, 2024)



*1 Operating profit after tax / Invested capital at the end of the period
(= interest-bearing debt + Shareholders' equity)
*2 SANYO VISION 2028 period

*3 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

Message from the CEO



Masanobu Shintani
President & CEO

Becoming a unique and accomplished trading company under our open and inclusive corporate culture—Increasing our corporate value and the value of our human resources

Further Solidifying Our Corporate Culture to Achieve SANYO VISION 2028

The fiscal year ended September 30, 2024 was the first year of our long-term management plan SANYO VISION 2028 ("SV2028"). Today, one year into this five-year plan, we recognize anew that the Mission, Vision, and Values (MVV) formulated at the inception of SV2028 are a key foundation for achieving our goals.

Of particular note, our Mission heralds our unique open and inclusive corporate culture, which is distinctly different from one that is simply free and uncontrolled. Each employee exercising their creativity, taking action, and making dreams and ideas a reality not for the benefit of themselves but rather that of their company, their company's business partners, and society—that is what we mean when we say "open and inclusive." This is the "stage" on which we produce performances that impress

our customers and society, the stage on which "stories of excellence" are born and on which we can realize our Vision to "Deliver tangible solutions to social issues to make the world a better place for everyone"—this is what I believe. Accordingly, SV2028 is also a five-year plan to further refine this open and inclusive corporate culture, a competitive advantage that is difficult for other companies to imitate. We will establish a system to take our employees' own proposals and commercialize them, as much as possible from the bottom up, and actively support them in this endeavor.

Our corporate culture is further embodied in the four Values that we devised together with all of our employees.

The first is "Act with integrity." Trust, once lost, is extraordinarily difficult to regain. We comply with laws and regulations and ensure that we act with integrity toward our stakeholders and society.

The second is "Be a challenger." You cannot grow if you are afraid to fail and content yourself with small successes. We boldly take on new challenges without fear of failure and, in the event we do fail, we make constructive use of what we've learned so that we will achieve success in the end.

The third is "Demonstrate agility." In the past, trading companies competed on economies of scale, but today we have entered an age where it is the economy of speed that is the decisive factor. "Time is money" is at the core of our management philosophy, and it is key that we act quickly and without hesitation on decisions we make.

The fourth is "Pursue innovation." For a company, to simply maintain the status quo is to fall into decline. The kind of innovation that keeps a company ahead of its competitors and produces results comes from practicing the first three Values—acting with integrity, being a challenger, and demonstrating agility.

Our MVV embodies the corporate culture that has been passed down from generation to generation since our founding in 1947. We will further solidify this culture and pass it on to the future.

A Smooth First Year in Our 5-Year Plan, with Record Profits Achieved

The first year of SV2028 progressed generally as planned. At the beginning of the fiscal year, we had forecasted a decrease in profits in light of our strategic upfront investments, but ultimately, we achieved record profits and accomplished our targets for five items excluding P/B ratio. Our P/B ratio improved from the previous fiscal year and reached 1x during the period, but fell short as of the end of the fiscal year. Through further dialogue with

investors and other measures, we will achieve a stable P/B ratio of over 1x.

Looking at the figures by segment, all three of the Chemicals Segment, Machinery & Industrial Products Segment, and Overseas Subsidiaries Segment saw increases in both sales and profits. The profit margin of the Chemicals Segment improved as a result of such factors as increased sales of high value-added products, and the Machinery & Industrial Products Segment's sales were solid due to the strong production by Japanese automakers. Meanwhile, the launch of new businesses and foreign exchange gains contributed to the results of the Overseas Subsidiaries Segment.

In addition, each of the key measures for strengthening the earnings base and corporate management, two points of focus under SV2028, is progressing smoothly. In strengthening the earnings base, we are steadily sowing the seeds for the growth of existing businesses and for developing new businesses. With regard to corporate management, we are promoting human capital initiatives and IT utilization. Particularly as concerns IT utilization, we jointly developed the React mission critical system with Group company Cosmo Computing System, Inc. over a period of one year and began operation in October 2024, centralizing sales management, inventory management, financial affairs, and accounting for the entire Group. We believe that with these moves we have taken the first step toward solidifying our business foundation.

Although overall we were able to make a good start in the first year, SV2028 is ultimately a five-year plan. We will not allow ourselves to be satisfied with our progress so far and will continue to achieve growth in the plan's second year and beyond.

	Target (Fiscal year ending September 30, 2028)	Result (Fiscal year ended September 30, 2024)	Evaluation
ROE	10-12%	11.4%	✓
Operating profit	9.0 billion yen	6.8 billion yen ⇒ 7.0 billion yen (upward-revised target)	✓
Operating profit ratio	5.1%	5.5%	✓
Operating cash flow	Cash surplus	5.4 billion yen (cash surplus)	✓
Shareholder's equity ratio	50% or more	63.3%	✓
P/B ratio	More than 1x	0.89 (As of September 30, 2023) ⇒ 0.92 (As of September 30, 2024)	Improved but not achieved

Deepening Existing Businesses and Developing New Businesses with an Eye on the Prospects of Our Four Focus Markets

We specialize in four focus markets that enable us to leverage our accumulated strengths and where future growth is expected: (1) fine chemicals, (2) industrial products, (3) sustainability, and (4) life science.

In the fine chemicals market, our core market since our founding, we are focusing on expanding sales of new functional materials, raw materials, and, in particular, new naturally-derived materials which are environmentally friendly. We are also expanding our handling of EV automobile-related materials, and in the fiscal year ended September 30, 2024, demand for spherical alumina, a heat-dissipating material for EV batteries, expanded.

Turning to industrial products, in this market we handle automobile interior components, and industrial products have supported our results as a growth industry since our listing in 2012. Our unique strength in this area is our ability to work with all Japanese automakers. In addition, with an eye to the changes taking place in the industrial structure—namely, the shift to EVs—we are deepening our automotive benchmarking business and creating new business areas such as an EV maintenance business, evolving our operations from “product sales” to “service sales.”

With regard to the sustainability market, we aim to be

a niche leader in the renewable energy sector, specializing in providing equipment for such fields as wood biomass power generation, wind power generation, geothermal power generation, marine resources, and livestock. Our successes in the field of woody biomass power generation are of particular note. In addition to importing to Japan more than 40 wood pellet-burning wood gasifier CHP units from Burkhardt, a company based in Mühlhausen, Germany; in May 2024, we established Yokote Yuzawa Forest Cycle Co., Ltd. together with three companies in the Tohoku region. This large-scale project, now underway, aims to build a resource recycling system for local production for local consumption.

In the life science market, we provide lifestyle-related products and services, with a focus on food and medical care, helping to improve the quality of people’s lives. The field of food additives is a particular strength for us, and we are moving forward with the handling of new products that contribute to food loss reduction by preserving food quality. We are also responding to the growing need for home health care with our handling of oxygen concentrators.

Along with our pursuit and deepening of each of our four focus markets as discussed above, we will further strengthen our efforts in the areas of new business development, global expansion, expansion of environment-friendly products, acceleration of climate change initiatives, and new investment projects.

Four Focus Markets

Market	Fields	Objective
Fine Chemicals	Synthetic rubbers, 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.
Industrial Products	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.
Sustainability	Renewable energy (biomass, geothermal, marine), livestock feed	We will contribute to a sustainable society by providing woody biomass and geothermal power along with marine resources in the renewable energy field, and by delivering safe and higher quality feed in the livestock field.
Life Science	Food additives, cosmetics, home health care, scientific instruments, biotechnology, etc.	We will provide various products and services, with a particular focus on food and medical care, to help improve quality of life in new lifestyles and the super-aged society.



Embodying the Idea That Sanyo Is a People Company—Strengthening Our Human Capital Investment

As a company that does not manufacture its own products, we believe it is the human resources who add value to our products who are the real stars, and that their growth means the growth of Sanyo. In order to embody the idea that Sanyo is a people company, we will be further strengthening our investment in our human capital.

As part of this, in the fiscal year ended September 30, 2024, we launched the Sanyo Academy, a framework for human resource development and career development support. Defining our ideal human resources as self-motivated people who can be challengers and provide the BEST solution while acting with integrity, we aid the growth of every one of our employees and support them in improving their business development and management skills. As a result, the average age of our management-level employees has decreased, and we have made steady progress in promoting younger employees and developing next-generation management personnel.

Further, under what we call the Sanyo Work Style, we are working to create an environment in which a diverse workforce can openly and inclusively demonstrate their capabilities under their own self-discipline. Specific examples of our efforts to create a comfortable work environment include promoting a more balanced work style utilizing remote work and staggered working hours, as well as the introduction of “casual everyday” and a hot desking system. We are also focusing on promoting the use of male childcare leave by utilizing a system that provides bonuses to the remaining employees in a workplace when a colleague takes childcare leave.

Sustainability Initiatives that Look to the Future

We view sustainability initiatives as an important management issue for Sanyo Trading. In April 2022, we established a Sustainability Committee to promote such efforts. Starting with calculating greenhouse gas emissions, we have expanded the scope of our calculations to include not only Scope 1 and 2 within the

Company but also Scope 3 covering some upstream categories of the supply chain. We believe that by establishing a greenhouse gas calculation system within the Group to serve as a basis for addressing climate change and determining actual emissions, we have clarified where we stand today. Going forward, we will expand the scope of calculation to include the downstream supply chain and plot a concrete path toward achieving the Group’s greenhouse gas reduction targets.

As a business-related initiative, we are also focusing on resolving social issues through business as stated in our materiality (material issues for management). The number of environment-friendly products and quality-of-life-related products we handle, one of our KPIs, is currently 37 and steadily increasing.

Promoting Information Disclosure to Stakeholders—Improving the Liquidity of Our Stock and Its Visibility

Building good relationships with our stakeholders, especially our investors, is an eternal theme for Sanyo Trading. Market valuation is reflected in share price, but with a quantitative target of a P/B ratio greater than 1x, there should be no situation in which our market capitalization is less than our net worth. We are confident that if we properly disclose our business and structure and investors understand the growth potential, profitability, and stability of our business model, it will lead to an appropriate valuation of the Company.

As part of this, we will change our reportable segments beginning in the first quarter of the fiscal year ending September 30, 2025. These segments, previously consisting of a mix of product and geographic points, will be reorganized to be in line with our four focus markets. This change will clarify business content and strategies based on the relevant business environment as well as market and customer trends, and will enable optimal allocation of management resources along with the timely and appropriate management of performance and progress. Further, with this change we will aim to provide clearer disclosure to investors.

Going forward, we will continue to further promote disclosure to the capital markets. Through constant dialogue with institutional and individual investors as well as by thoroughly sharing information ranging from the implementation status of growth strategies to policies concerning the strategic allocation of management resources, we will strive to increase the liquidity and visibility of our stock. I humbly ask for your continued support in our endeavors.

Part 1: Value Creation Story

Realizing value creation through a business model that leverages strengths nurtured over decades

Part 1: Value Creation Story

Part 2: Growth Strategies

Part 3: Management Foundation

For 77 years since our founding in 1947, we have successfully contributed to the development of industries and improvement of people's lives throughout the world, based on our down-to-earth and entrepreneurial corporate culture. What has supported our company's development until today, and what have we inherited from our predecessors? Here, we explain the origins of our company's value creation, including our integrated business model that leverages strengths nurtured over decades, and our capital management.

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Slogan

Quest for Next

In pursuit of the best solutions for a better future

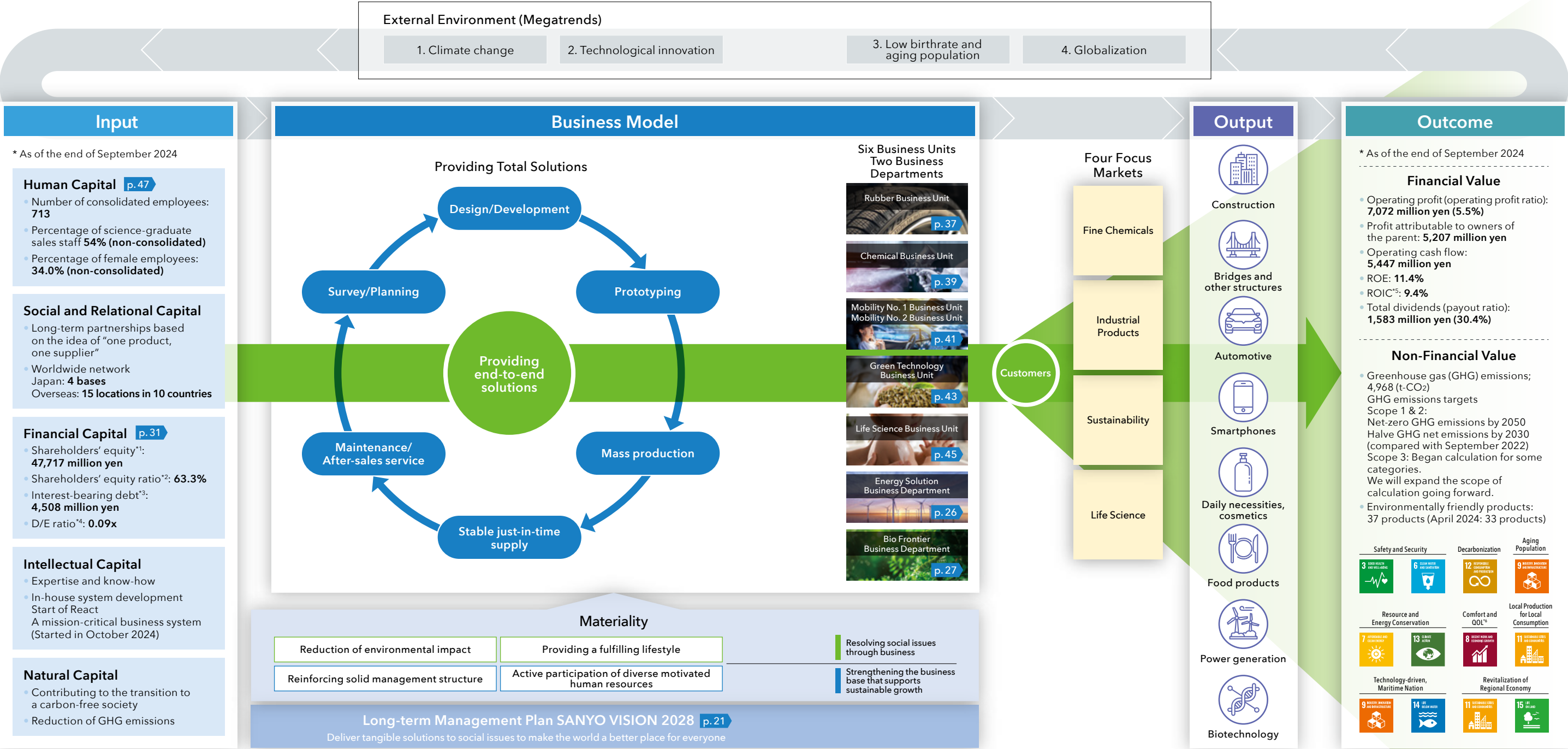
MISSION

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

VISION

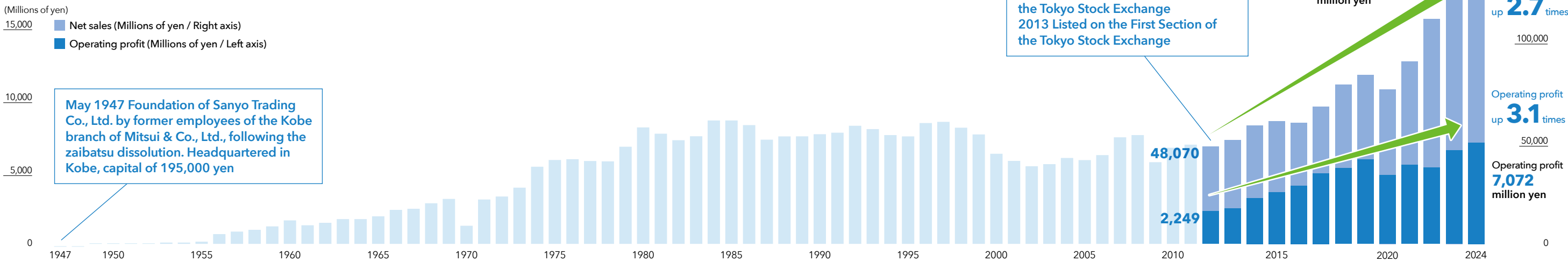
Deliver tangible solutions to social issues to make the world a better place for everyone

Sanyo Trading creates financial and non-financial value by providing total solutions that leverage capital to its four focus markets. By striving to maximize 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."



A History of Evolving Value Creation

Since our founding in 1947, we have firmly expanded our business territory, with 4 Japanese and 15 overseas offices. Now, over a decade has passed since we first listed on the stock exchange, in 2012. In 2023, Sanyo Trading formulated its Long-term Management Plan SANYO VISION 2028 and renewed its corporate brand, to realize sustainable growth by further strengthening our consolidated management structure.



Founding to 1964

Rubber & chemical-centered business diversification.
Establishment of growth foundation.

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. Our 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. Later, the Company boosted its results by entering into successive agency agreements with overseas manufacturers. While maintaining the dignity of the former 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.



1965 to 1996

Establishment of group structure and global development.
Expansion of profitability.

In the 1960s, with growth in its business scope, the Company relocated its head office to the newly built Sanyo Trading Building in Kanda Nishiki-cho, Chiyoda-ku, Tokyo. Thereafter, we founded group companies in a wide range of fields, continuing to grow globally, while establishing offices worldwide. In the late 1980s, Japan entered a long period of recession after the collapse of its economic bubble. While many trading companies pursued mass purchasing and mass sales, Sanyo Trading did not jump on the bandwagon, rather, we continued to grow through sound business, and overcame the economic adversities without acquiring bad debt. This is undoubtedly the result of the unwavering spirit we have maintained since our foundation.



1997 to 2011

Choosing to focus on core businesses.
Expansion of competitiveness.

Approaching the 21st century, the Company withdrew from the primary products business. In 1997, President Machida judged that "primary products are only market products, so there is little certainty of profit," and decided to withdraw from that business. Withdrawal from the business, with its large profit margin, was a major reform accompanied by hardship, but the Company achieved growth with the Industrial Products Division as a core business, handling such high added-value and highly functional products as automotive interior components, thereby supporting the Company's results. Machida's decision to pursue business selection and concentration built a strong basis for the Company's growth, leading to our current focus on strengthening of the business foundation, and rationalization, in preparedness for the next era.



2012 onward

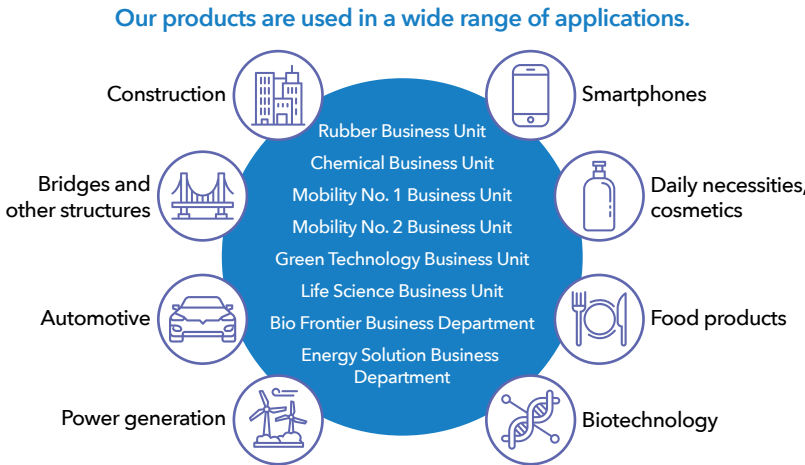
Globalization and acceleration of M&As.
Aiming for a new stage.

In 2012, the Company was listed on the second section of the Tokyo Stock Exchange, and then on the first section in 2013. With our proactive implementation of M&As with quality companies, Sanyo Trading advanced rapidly. Presently, we focus on the four markets of Fine Chemicals, Industrial Products, Sustainability, and Life Science, striving to work closely with customers through an integrated business model, from development, and mass production, through to quality management. The open, down-to-earth, and entrepreneurial corporate culture we have nurtured throughout our history is a driving force for our development and growth. Moving forward, Sanyo Trading will continue to pursue delivery of BEST solutions to contribute to the resolution of social issues, to make the world a better place for everyone.



Since its founding in 1947, Sanyo Trading has fostered its unique strengths while adapting flexibly to changes in international society and the economic environment over time. Our strengths, cultivated through overcoming difficulties faced on numerous occasions, were passed down to us by our predecessors, and have been maintained to this day.

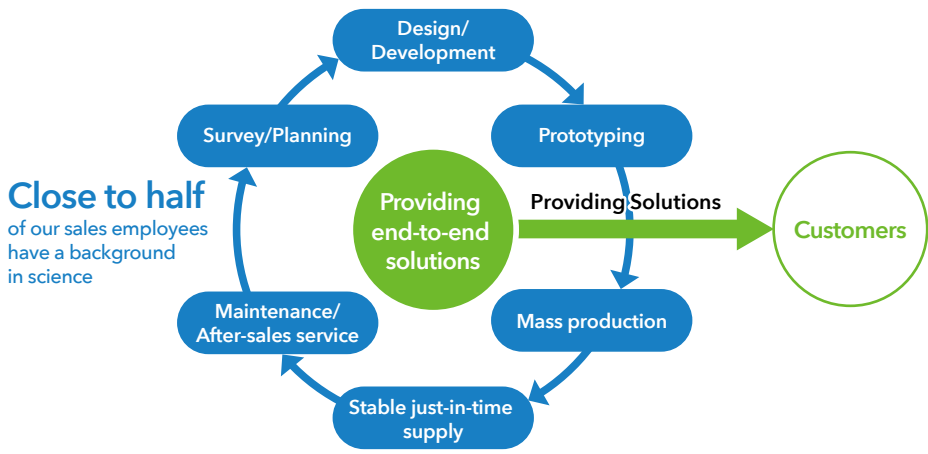
Specializing in niche-top, high-value-added products



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. Instead of being a box mover, providing materials, products, and solutions most relevant to your enterprise needs is our commitment. Specialization in high-value-added merchandise that are not general-purpose products with thin margins leads to low leverage and high profit margins. As a result, since our listing, ROE has remained at a high level, exceeding the TSE average.



Providing highly specialized total solutions



Approximately half of our sales staff are science graduates. From surveying and planning to maintenance and after-sales service, our personnel with technical sales capabilities provide highly specialized total solutions while staying close to our customers. As an independent trading company, with a sales network and information gathering capabilities unconstrained by affiliation, our highly specialized sales staff possessing extensive technical knowledge collaborate with suppliers from the upstream stages, including planning and development, to provide products optimally customized in alignment with our customers' needs.



Building long-term partnerships based on the idea of "one product, one supplier"



To avoid conflicts between suppliers, we adhere to the principle of having one supplier per product. Over a period of forty to fifty years, this principle has built deep relationships of trust with our suppliers and, by maintaining good business, has given birth to our differentiation from other companies. 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. By building these long-term partnerships, we have established a unique position that differs from other companies.



Part 2:
Growth Strategies

By executing strategies that contribute to enhanced corporate value, we realize the strengthening of our earnings base and corporate management.



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In 2023, we formulated our Long-term Management Plan SANYO VISION 2028. In the plan, we set forth eight priority measures as a compass for achieving innovation and growth over the next five years, also with the 100th anniversary of our founding in sight. Here, we explain our strategies for enhanced corporate value, and present case studies of specific initiatives aimed at strengthening our earnings base and improving corporate management.

With the agile, flexible, and weighted allocation of management resources, we are making steady progress on our long-term management plan, SANYO VISION 2028.

On November 30, 2022, a five-member task force headed by the president began discussions on the topic of “What makes Sanyo Trading unique and different from other trading companies?” Roughly one year later, in November 2023, SANYO VISION 2028 (“SV2028”), a five-year long-term management plan for the Company, was formulated. Each month, more members were added to the discussions until they grew to become a company-wide forum, making it possible for every employee to take ownership of the management plan.

SV2028 encapsulates our vision for the future of the Company as expressed in the phrase “Deliver tangible solutions to social issues to make the world a better place for everyone.” This vision is based on the precepts of our founder—namely, that “A trading company is its people, and education its life,” “Trust is the lifeblood of the trader,” and “Do nothing to harm our reputation.” At the same time, however, it is also a condensation of the thoughts and beliefs of all the employees involved in its conception.

Our strengths, now and in the future, consist of five elements: professional personnel with advanced expertise, commercial rights and strategic partnerships

backed by strong relationships of trust, a sound financial foundation, a domestic and international network, and an open and inclusive corporate culture. Positioning the above as our core competencies, we will continue to maintain and consolidate them. Together with this, we will achieve SV2028 by accumulating “good jobs” one by one and driving growth via the axes of the organic growth of existing businesses and the realization of new businesses and bolt-on investments, from the perspectives of both product orientation and market orientation.

The business environment is becoming more and more uncertain due to such factors as the situation in the Middle East and Ukraine; the trend toward the world becoming divided into blocs as symbolized by the decoupling of the United States and China in a reversal of globalization; and market volatility, including exchange rates, interest rates, stock prices, and the prices of resources. We view these factors, however, as opportunities, and while further enhancing our resilience, we will continue to move forward as a company that delivers tangible solutions to social issues to make the world a better place for everyone.

Our Vision for 2028



Progress Toward Financial Targets

In the fiscal year ended September 30, 2024, the first year of our long-term management plan, we achieved record financial results in all P/L categories, from the top to the bottom line. With an ROE of 11.4%, operating profit of ¥7 billion, operating profit ratio of 5.5%, operating cash flow of ¥5.4 billion, and shareholders' equity ratio of 63.3%, we have made a very good start toward achieving the financial targets set in SV2028.

Our P/B ratio was 0.92x at the end of the period, falling short of our target of more than 1x, but in addition

to organic growth in our existing businesses, the seeds of new businesses that we have sown, including investments, have begun steadily contributing to earnings. Going forward, we will promote growth through a two-fold approach of existing and new businesses, as well as the constant reorganization and improvement of the quality of our business portfolio. At the same time, we will aim to achieve a stable P/B ratio of over 1x while maintaining a balance between investment in growth and shareholder returns.

	Target (Fiscal year ending September 30, 2028)	Result (Fiscal year ended September 30, 2024)	Evaluation
ROE	10-12%	11.4%	✓
Operating profit	9.0 billion yen	6.8 billion yen → 7.0 billion yen (upward-revised target)	✓
Operating profit ratio	5.1%	5.5%	✓
Operating cash flow	Cash surplus	5.4 billion yen (cash surplus)	✓
Shareholders' equity ratio	50% or more	63.3%	✓
P/B ratio	More than 1x	0.89x → 0.92x (As of September 30, 2023) (As of September 30, 2024)	Improved but not achieved

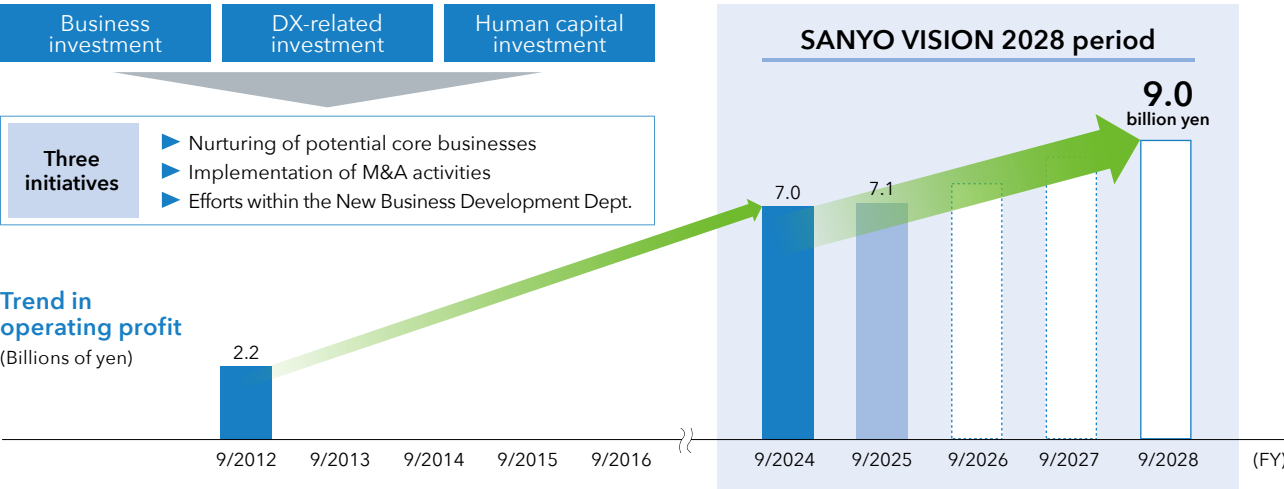
Priority Measures under SANYO VISION 2028

Strengthening the earnings base		Corporate Management	
	Targets		Targets
1 Growth of Existing Businesses	Realization of growth through hybrid approach combining product orientation and market orientation	A Corporate Culture	Elevation of positive corporate culture into an inimitable competitive advantage to pass on to next generation
2 Developing New Businesses	Investment in new businesses and nurturing of potential core businesses	B Human Capital	Putting into practice measures embodying the idea that Sanyo is a people company
3 Strengthening Consolidated Management Structure	Further development of global business division system and expansion of overseas sites	C Sustainability	Provision of value to stakeholders through improvement of ESG management and disclosure
4 Advancing Investment Projects	Rapid, flexible advancement of bolt-on investment in new businesses based on basic policies	D Use of IT	Promotion of “offensive” and “defensive” DX by moving system development in-house

Growth Strategy for the Fiscal Year Ending September 30, 2028

We are focused on implementing appropriate regional strategies from a global perspective. In the middle of increasing industrial reorganization as well as consolidation between companies and enterprises, we will steadily identify those businesses that we should grow.

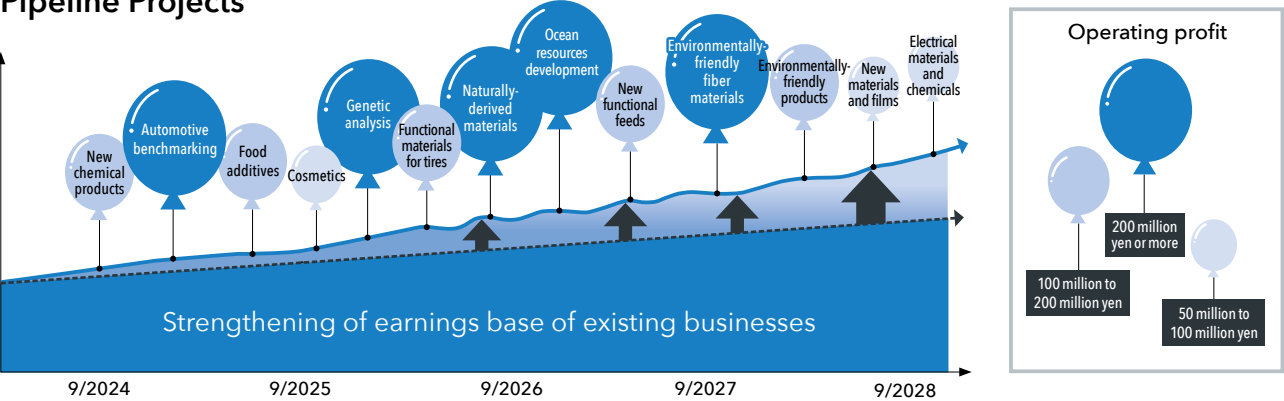
To achieve our operating profit target of ¥9 billion for FY2028, we will strategically allocate growth investments across three areas: business-related, DX-related, and human capital-related. We will achieve the target figures of SV2028 by positioning the monetization of potential core businesses, the implementation of M&A activities, and efforts within the New Business Development Department as our “three initiatives;” and through the agile, flexible, and weighted allocation of management resources.



Monetizing Potential Core Businesses

In order to achieve sustainable growth, it is essential that we develop new business projects in addition to the organic growth of existing businesses. We are making company-wide efforts to discover and explore potential core businesses that have the potential to become future business pillars. Further, to monetize these businesses, we are implementing the strategic allocation of resources as well as progress monitoring using the PDCA cycle. We are also actively working to improve the metabolism of our businesses through such means as shifting and adjusting projects on an annual basis.

Pipeline Projects



Business investment basic policy

Balance sheet	Utilization of borrowed capital with an shareholders' equity ratio of 50% or more and DE ratio of less than 0.5x as yardsticks
Pre-condition	Focus on 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 capital gains
Operatorship	Take operatorship of businesses by adopting a buy & hold stance and determining the direction for progress ourselves

For our M&A activities, we have clearly stated and thoroughly communicated within the company our basic policy of engaging in buy and hold business investments rather than buy and sell speculation while maintaining financial discipline, making effective use of leverage, and pipelining projects that emphasize business synergies, overseas expansion, and growth potential. Then, exercising great care, we choose only those projects that align with this philosophy and execute well-grounded, bolt-on investments. Even after closing, our involvement in management goes beyond that of a shareholder. Ours is a hands-on style, and we take operatorship and determine the direction for progress ourselves to realize growth.

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

Business investment	Carefully select M&As 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.

During the SV2028 period, our basic stance on capital allocation is to strike a balance between growth investments and shareholder returns, and we expect to invest a total of ¥20 billion to ¥30 billion across business investments, including M&A activities; DX-related investments; and human capital investments. Of these growth investments, we plan to invest the largest amount of money in new businesses, maintaining a balance between projects that will quickly contribute to earnings and those that will serve as a long-term earnings base.

The Story of Our Past Performance and Growth up to 2028

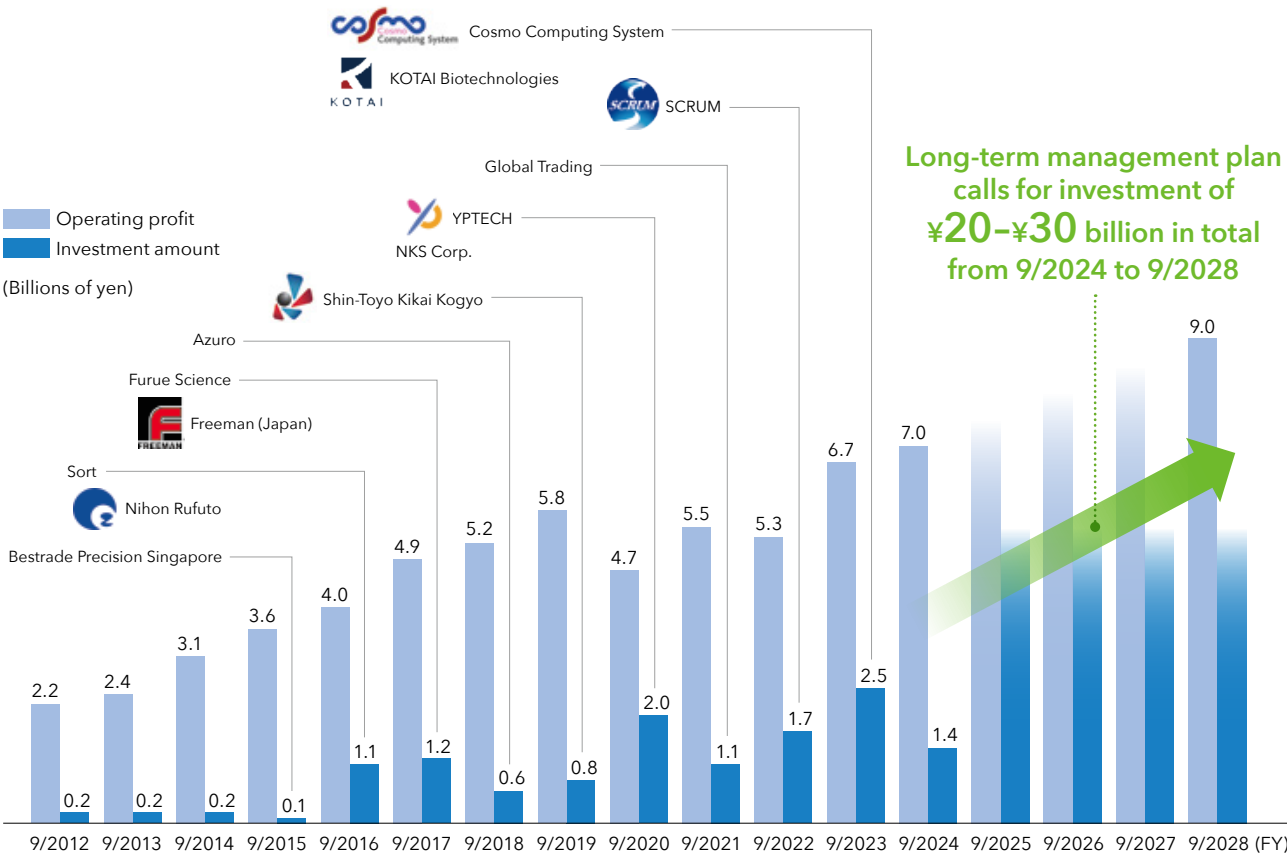
Based on our business investment basic policy, we engage in M&A activities around once or twice a year in fields that have affinity with our four focus markets and which are expected to see significant growth. The companies that we have brought into our Group through these activities make steady contributions to our profits. In order to commit to the creation of a sustainable and happy society through our renewable energy development business as well as our biotechnology

business, which we expect to grow in the future, we established the Bio Frontier Business Department and the Energy Solution Business Department in April 2024 to strengthen the consolidated management structure of the entire Group. Going forward, we will continue to strengthen our consolidated business foundation and commit to growth on a global basis by making aggressive bolt-on investments in fields where significant growth is expected.

Major investments made in M&A activities to date and changes in operating profit* and investment amount

Growth investment policy for the next five years

Business investment	DX-related investment	Human capital investment
Focus on business synergy, overseas expansion, and growth potential	Increase efficiency, deliver high-added value, and win new business opportunities	Recruitment, education, and training to promote the idea of Sanyo as a people company



* Calculated based on cash flow in investment activities (total value of acquisition of tangible and intangible fixed assets / investment securities / subsidiary shares due to consolidation scope changes, conditional acquisition price for subsidiary shares, acquisition of affiliated company shares, and investments/loans to affiliated companies)

Initiatives at **Cosmos Shoji Co., Ltd.**



With a mission of contributing to the creation of a happy and sustainable society through the development of renewable energy, Cosmos Shoji strives to provide prompt and optimal solutions by pursuing cutting-edge, high-quality products and technologies as a frontrunner in the development of natural resources and energy. In the fiscal year ended September 30, 2024, we established the Energy Solution Business Department as part of the Sanyo Trading Group's efforts to strengthen its consolidated management structure, marking a fresh start for Cosmos Shoji as a driver of the Group's growth. As a result, Cosmos Shoji achieved sales and operating profit which were record highs in our 35-year history. Going forward, Cosmos Shoji will continue to contribute to the development of renewable energy by providing total solutions to customers that take advantage of its expertise in handling a wide variety of equipment and machinery. Positioning ocean resources development, offshore wind power, and on- and offshore drilling as three key areas of focus, example

solutions Cosmos Shoji provides include the development of deep-sea resource production technologies connected to national projects; and fixed-bottom and floating offshore wind power, a field which has been the focus of market attention in recent years.



Offshore wind power

Initiatives at **YPTECH Co., Ltd.**



As a functional feed ingredients and feed additives trading company, since its establishment in 1984, YPTECH has steadily built up a track record of contributing to the profitability of livestock and dairy farming through the provision of animal-, people-, and environment-friendly products. Having earned the trust of many customers, YPTECH celebrated its 40th anniversary in 2024. Since joining the Sanyo Trading Group in 2019, YPTECH has steadily improved its business results by adding products to its lineup that it could not handle before, strengthening its product and organizational capabilities, and expanding the range of its proposals. YPTECH will continue to take on the challenge of creating the future of livestock farming and supporting Japan's food supply; and aim to be a company that creates lasting growth for the livestock and dairy industries, as well as happiness and value for its employees. As part of this, in September 2024 and with the cooperation of a local subsidiary of Sanyo Trading, YPTECH launched a

business exporting products to Vietnam, its first export business. Going forward, YPTECH will strive to be a partner that can contribute to solving issues together with its customers by providing innovative new products that accurately meet market needs, while at the same time listening directly to the voices of customers in the field, both in Japan and overseas.



Cattle, pigs, chickens, and other livestock farming

Initiatives at **SCRUM Inc.**



Under its motto of “Bringing valuable solutions from around the world to your lab,” SCRUM has provided contract services and engaged in the import and sale of high-value-added, cutting-edge equipment, instruments, and reagents in the life science, healthcare, and chemical fields since its establishment in 1996. SCRUM’s company name, derived from the rugby formation, embodies its desire to form a scrum with the people and organizations around it, collaborate, and contribute, and SCRUM currently works with more than 30 business partners in 11 nations around the world. With curiosity and inquisitiveness, SCRUM boldly takes on new business challenges and works daily to create a better future together with its partners. In February 2022, SCRUM became a member of the Sanyo Trading Group, and in the fiscal year ended September 30, 2024, the Bio Frontier Business Department, consisting of SCRUM and KOTAI Biotechnologies, was launched as part of the Group’s efforts to strengthen its consolidated

management structure. SCRUM aims to grow as a company through the expansion of its biotechnology business, which is expected to become a full-fledged industry and a huge new market, with a focus on sales of bioresearch support equipment and reagents.



A next-generation sequencer (NGS) for genetic analysis

Initiatives at **KOTAI Biotechnologies Inc.**



KOTAI Biotechnologies was established in 2016 as a venture company based on the results of research at the Osaka University Immunology Frontier Research Center. As one of Japan’s leading research centers in immunological bioinformatics and information and structural analysis, KOTAI Biotechnologies takes pride in its world-leading technologies and expertise. KOTAI Biotechnologies is currently engaging in research and development in collaboration with pharmaceutical companies, other business corporations, and faculty from many national research institutes and universities who recognize the value of the company’s technologies. In July 2023, KOTAI Biotechnologies became a member of the Sanyo Trading Group, and in the fiscal year ended September 30, 2024, KOTAI Biotechnologies made a new start as a member of the Bio Frontier Business Department together with SCRUM. Leveraging its strengths in biopharmaceutical drug discovery support and genetic analysis-related services, KOTAI Biotechnologies will develop its competencies in the fields which comprise the

technological core of the two companies—namely, genetic analysis and protein function analysis—while seeking to expand into different types of support services to add to and expand its service portfolio. In July 2024, KOTAI Biotechnologies relocated its headquarters to Minoh City, Osaka. Going forward, KOTAI Biotechnologies aims to further expand its business.



Provision of services related to genetic analysis

Initiatives at **Cosmo Computing System, Inc.**



As one of the full-fledged DX initiatives set forth in SANYO VISION 2028, we started operation of the new React core system in October 2024 in collaboration with Cosmo Computing Systems. This system is scheduled to be sequentially introduced at Group companies in Japan as a mission-critical business system for sales management,

inventory management, financial affairs, accounting, and other operations, and will lead to further reinforcement of the Group’s structure. Since the development of this system is in-house, we will be able to flexibly improve it according to our needs, reduce maintenance costs, and adapt it to accommodate future DX.

Initiatives in the New Business Development Department

The New Business Development Department focuses on the development of new ventures with the goal of planting the seeds of future businesses across a 5- to 10-year time span. Through such means as collaboration and investment in startup companies, the department

engages in co-creation with partners to produce new value in our focus markets. The department is strengthening our foundation for future growth while leveraging synergies with existing businesses.

Examples Initiative

Innovative material development solutions: Polymerize Pte. Ltd.

We have invested in Polymerize Pte. Ltd., which provides an AI-powered materials informatics (“MI”) platform, and have entered into an agency agreement to begin sales in Japan and overseas. MI is a technology that uses machine learning and other information sciences to improve the efficiency of organic, inorganic, and other materials development. Amid the need to adapt to technological innovation and human resource shortages, expectations for the use of MI are growing ever higher.



Examples Initiative

World’s first drug to regenerate teeth: Toregem BioPharma Co., Ltd.

Toregem BioPharma Co., Ltd., founded as a venture company by Kyoto University, is developing the world’s first tooth regeneration treatment using an antibody drug. This regenerative medicine is expected to be a revolutionary technology. Promoting the regeneration of one’s own teeth, it has the potential to address not only congenital anodontia (a genetic disorder which results in the absence of some or all of a person’s teeth), for which there is currently no fundamental treatment, but acquired tooth loss as well. Phase I clinical trials began in October 2024.



We will maintain our ROE, one of the highest in the industry, and achieve a stable P/B ratio of over 1x through dialogue with the capital markets and long-term stable profit returns.

Management Conscious of Cost of Capital and Stock Prices

Our ROE remains one of the highest in the industry. The business model that makes this possible can be expressed in terms of ROE as follows: stable financial foundation × asset-light business model × high profit margins from providing high value-added materials and services = high ROE.

Under SANYO VISION 2028 ("SV2028"), our ROE target is 10-12%. To achieve this goal, we will push to raise our ROE through the strategies outlined below, and achieve a stable P/B ratio of over 1x through dialogue with the capital markets and appropriate shareholder returns.

Net profit to net sales ratio:

Organic growth of existing businesses, monetization of new businesses, and promotion of investment projects

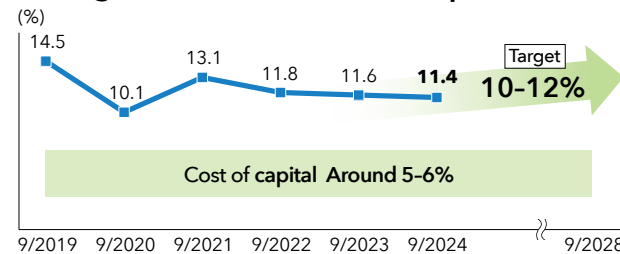
Asset turnover ratio:

Asset-light business promotion, management and thorough improvement of the cash conversion cycle (CCC) at the business division level

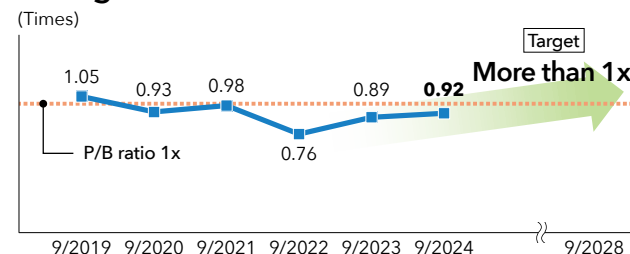
Financial leverage:

Maintain financial stability and utilize borrowed capital to invest in growth

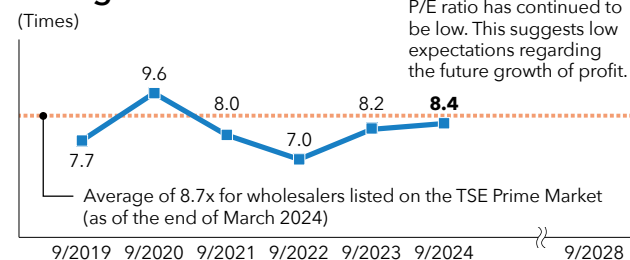
Changes in ROE and cost of capital



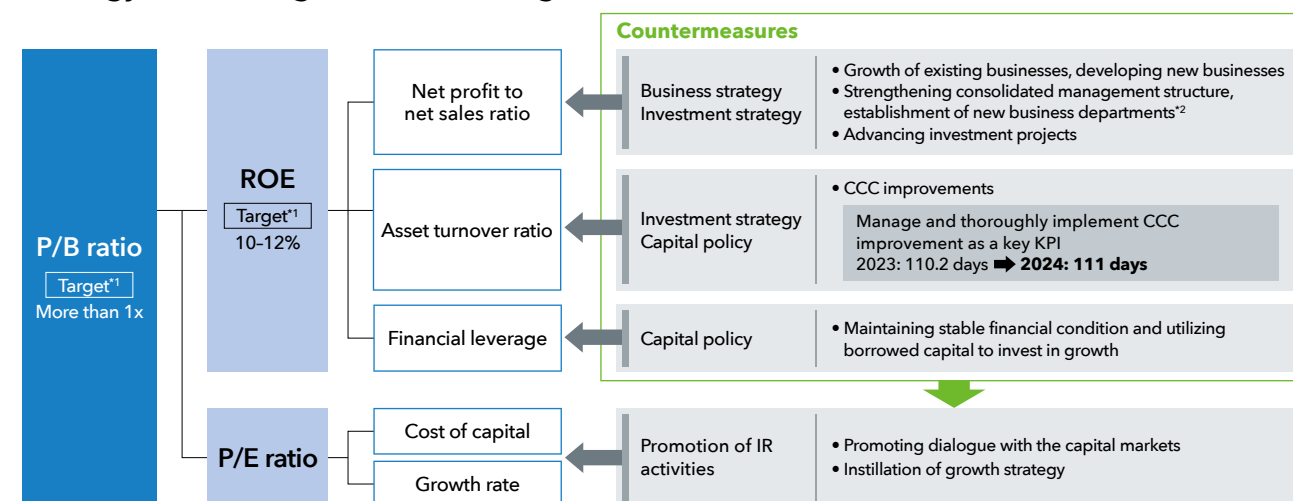
Changes in P/B ratio



Changes in P/E ratio



Strategy for meeting the P/B ratio target



*1 The targets are for the fiscal ending September 30, 2028 set in SANYO VISION 2028

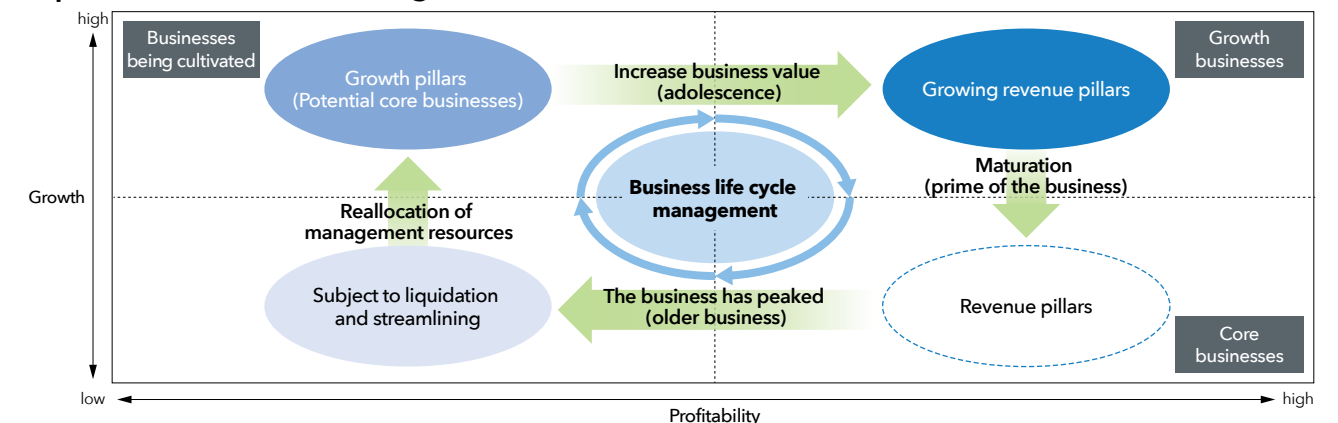
*2 Establishment of Bio Frontier Business Department and Energy Solution Business Department in April 2024.

Portfolio Management and Resource Allocation

We continuously monitor and rearrange our business portfolio, including periodic reviews of all executed investments at management strategy meetings. In particular, in FY2024, we reorganized 8 out of 28 potential core businesses, businesses which we are focusing on nurturing and for which we allocate funds and human resources on a weighted basis as company-wide projects. In the reorganization process, we

examine the timeline to monetization for each business, strategically mixing parameters such as region, business domain, and product domain, while scoring such factors as the certainty of monetization, quantitative scale, and significance of qualitative initiatives. We will continue to improve the quality of our business portfolio through regular monitoring to distribute resources on a weighted basis to the areas in which we are strongest.

Optimal allocation of management resources



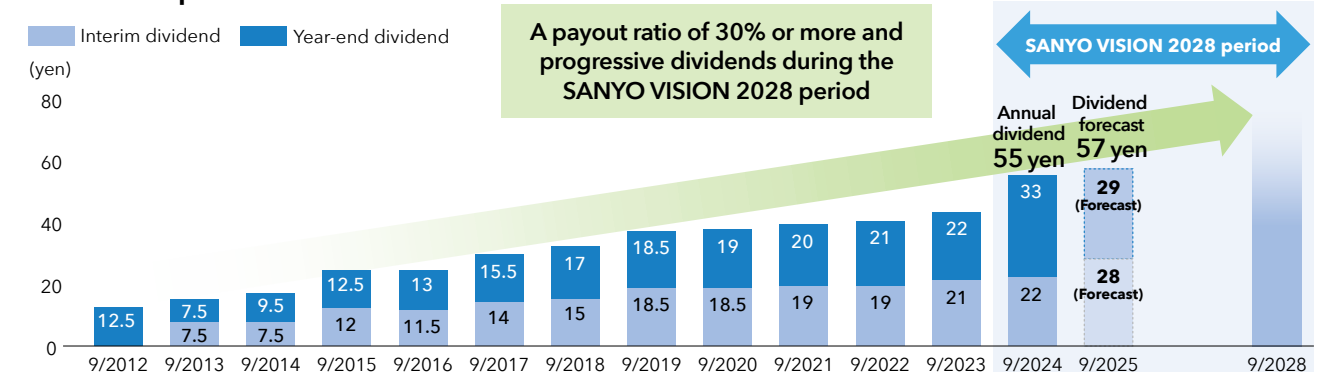
Shareholder Returns

The Company will continue to steadily improve its ability to generate cash through organic growth of existing businesses and the nurturing of new businesses, thereby enhancing both investment in growth and shareholder returns.

The Company positions the return of earnings to shareholders as one of management's highest priorities, with a fundamental policy of increasing dividends and maintaining a stable dividend on an ongoing basis while

also considering its consolidated financial results and financial standing. Under this fundamental policy, the Company will continue to pay a progressive dividend with a target payout ratio of 30% or higher during the period of the SV2028. The Company will realize long-term, stable returns to its shareholders while achieving stable earnings growth by further strengthening its management structure with the aim of the continuous expansion of corporate value.

Dividends per share



In the first fiscal year of SANYO VISION 2028, we achieved record sales and profit. From the second fiscal year on, we will keep aiming to boost earnings, strengthen our financial foundation, and implement balanced growth investment and shareholder returns.

Business Performance for the Fiscal Year Ended September 30, 2024 and Outlook for the Next Fiscal Year

The Group has been striving to bolster its consolidated management structure by reinforcing its revenue base, improving its business structure, and pursuing and deepening higher value-added businesses along with SANYO VISION 2028 (hereinafter, SV2028), the long-term management plan it announced in November 2023. It has also been making ongoing efforts to strengthen the existing businesses, develop new businesses, accelerate the global expansion further, and promote new investments.

In the fiscal year ended September 30, 2024, the first fiscal year of SV2028, we achieved a record high operating profit of ¥7,072 million (up 8.4% year on year), a promising start towards our goal for the fiscal year ending September 30, 2028 to achieve operating profit of ¥9,000 million. Net sales were ¥129,263 million (up 7.2% year on year), ordinary profit was ¥7,905

million (up 11.5% year on year), and profit attributable to owners of the parent was ¥5,207 million (up 8. 8% year on year).

EPS was ¥180.88 (up ¥14.45 year on year), ROE was 11.4% (down 0.2% year on year), in line with our goal of 10 – 12%.

In the fiscal year ending September 30, 2025, the second fiscal year of SV2028, despite uncertainties in the business environment, we anticipate net sales of ¥132,000 million, exceeding the record set in the previous period. Operating profit is expected to reach ¥7,100 million, on par with the previous period, supported by contributions from wood biomass-related income and expanded sales of offshore wind equipment, despite the impact of ending distributor agreements for bio-related equipment and discontinuing the handling of genuine leather for car seats.

Consolidated Results in Fiscal Year Ended September 30, 2024

	FYE September 30, 2023	FYE September 30, 2024		
	Full fiscal year	Full fiscal year		
	Result	Revised plan (announced on May 9, 2024)	Result	Year on year
(Million yen)				
Net sales	120,525	126,000	129,263	+7.2%
Gross profit (Gross profit ratio)	20,105 (16.7%)		22,229 (17.2%)	+10.6%
Selling, general and administrative expenses	13,578		15,156	+11.6%
Operating profit (Operating profit ratio)	6,527 (5.4%)	6,800 (5.4%)	7,072 (5.5%)	+8.4%
Ordinary profit (Ordinary profit ratio)	7,090 (5.9%)	7,500 (6.0%)	7,905 (6.1%)	+11.5%
Profit attributable to owners of parent	4,785	4,900	5,207	+8.8%
EPS (yen)	166.43	170.22	180.88	—

* Starting from the fiscal year ended September 30, 2024, annual average rates are used as exchange rates for conversion (before this change: exchange rates as of the last day of each fiscal year). To reflect the change, the results for the fiscal year ended September 2023 have been revised retroactively.

Basic Approach to Financial Strategies and Discipline

Our priority is ensuring liquidity while maintaining the soundness of, and improving, our balance sheet. In pursuit of the former, we will promote business and financial management where the utmost consideration is given to ensuring liquidity, through liquidity of accounts receivable and inventory optimization, while adopting cash conversion cycle (CCC) as a business unit management KPI, and implementing management focused on capital efficiency.

In addition, as the operating profit-based consolidated/non-consolidated ratio reached approximately 2:1 in the fiscal year ended September 30, 2024, we are accelerating optimal cash management for

the entire consolidated Group for efficient and unified execution of absorption of Group company surplus funds and supply of funds to each company.

In terms of our financial foundation, our policy is to undertake balance sheet management to maintain shareholders’ equity ratio of 50% or more, and a debt to equity (D/E) ratio of less than 0.5x.

Shareholders’ equity ratio

50% or more

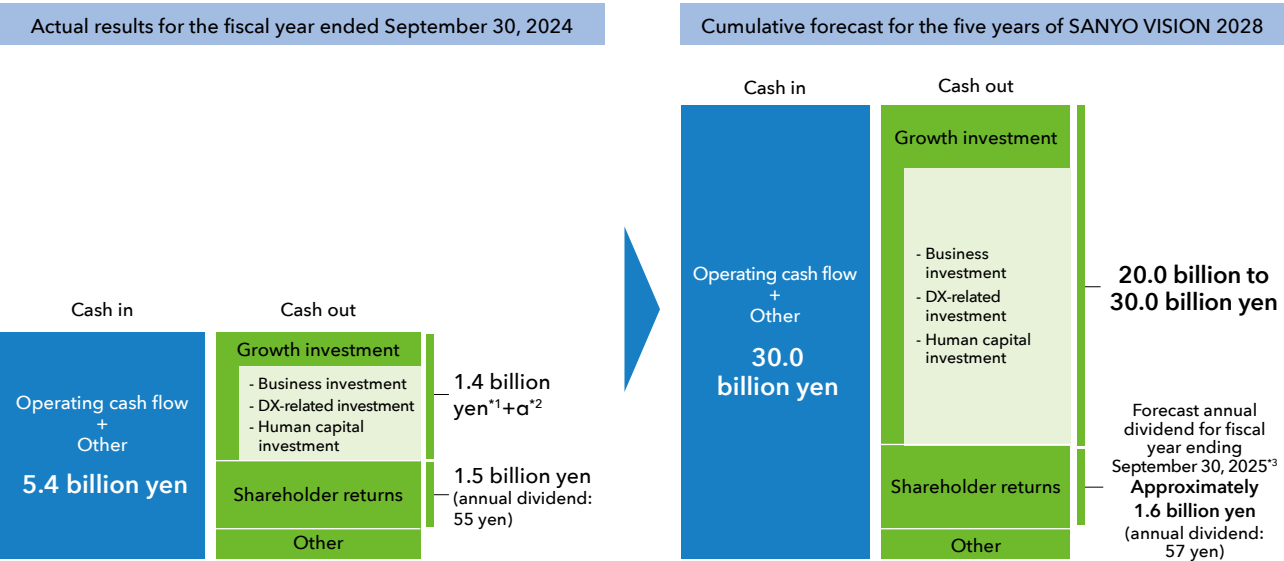
D/E ratio

Less than 0.5x

Approach to Cash Allocation

We forecast cumulative cash generation of ¥30 billion for the five years of SV2028, based on the steady accumulation of operating cash flow. We plan to use these resources to maintain and expand existing businesses, and to allocate ¥20–30 billion to investment in business, DX, and human capital towards realization of a stronger growth trajectory. As stated above, we will implement shareholder returns based on progressive

dividends, aiming for a payout ratio of 30% or more, giving consideration to consolidated results and financial circumstances. We will continue to leverage financial capacity, which is our strength, as we recognize that there is a high margin for agile financial leverage. Based on this, our policy is to implement cash allocation aimed at achieving both sustainable growth and distribution.



*1 Calculated based on cash flow in investment activities (total value of acquisition of tangible and intangible fixed assets, investment securities, subsidiary shares due to consolidation scope changes, conditional acquisition price for subsidiary shares, acquisition of affiliated company shares, and investments/loans to affiliated companies)

*2 Specific amounts of investments other than *1 are not disclosed

*3 We will continue to pay progressive dividends during the SANYO VISION 2028 period with a payout ratio of 30% or more. Details can be found on page 30.

Four Focus Markets

Markets	Areas
Fine Chemicals	Realizing carbon neutrality through environmentally friendly raw materials
Industrial Products	Contributing to a safe and comfortable mobility society by providing advanced technology
Sustainability	Promoting food safety and renewable energy in consideration of Earth's future
Life Science	Improving people's health and quality of life and realization of an environmentally responsive society

Industrial Products, Sustainability

In the industrial products market, we are seeking potential not only in automotive interior components, but also in EV-related and autonomous driving fields. In the sustainability market, we are expanding our renewable energy-related business.



Industrial Products

Recently, in the mobility market, Japanese automakers are being forced to respond to global and diverse issues, such as the growth of EV, autonomous driving technology, environmental regulation, digitalization, expansion into new markets, and sustainability initiatives. Amidst such market environment changes, we are maintaining and expanding our foundational business of interior components, as well as shifting to allocate more human resources and time to cultivation of new products and technologies.

With the expansion of EV, we established Japan's first disassembled EV exhibition center in Mizunami City, Gifu Prefecture, displaying around 20 disassembled EVs from around the world, and their components, and are developing a business selling detailed parts data. Also, we are moving into high-performance diagnostic and maintenance equipment for batteries, which are indispensable for EVs. In addressing environmental regulation and sustainability, we are developing 100% recyclable surface materials in cooperation with manufacturers, and are expanding sales to not only

Japanese, but also to European automakers.

We bear in mind our aspiration to "Deliver tangible solutions to social issues to make the world a better place for everyone," rapidly reacting to market changes while expanding sales of new products and technologies.

Sustainability

In the sustainability market, we are mainly focusing on renewable energy-related businesses (biomass, thermal energy, marine and offshore wind power) as well as livestock feed-related businesses. In the biomass field, we established Yokote Yuzawa Forest Cycle Co., Ltd., which is expected to begin operation in 2026, and also founded Kita no Mori Green Energy Co., Ltd., taking over the business of Hokkaido Biomass Energy Inc. We expect these businesses to make a significant contribution to earnings in the future. We are also making new inroads into food loss-related initiatives, planning gradual market introduction from 2025 of product stickers made from natural materials that use advanced technology to preserve freshness. In the livestock feed-related business, with the advancement of pellets made from compost, the decision was made to introduce power generation in Japan using biomass from sawmill chips, and we are working on future expansion of sales.

Also, in April 2024, we founded the Energy Solution Business Department, with Group company Cosmos Shoji Co., Ltd. under its authority. We will continue to contribute in the renewable energy field, which is forecast to see great advancements going forward, both in Japan and worldwide.

Fine Chemicals

Expanded development of the fine chemicals business, leveraging high-level expertise, and strengthening handling of sustainable products promoting our global strategy.



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, centered on the rubber and chemicals businesses. In the process of developing our business in each market, we have always maintained our expertise, through the changing times and in keeping with market expansion, introducing highly functional products from overseas into the Japanese market and striving to ensure stable supply, whereby we

have gained a strong reputation and trust with our customers. Presently we are in the process of further leveraging our high level of expertise to expand our business into the more high-end (high added-value) market. In overseas business development, we have gradually expanded into the United States of America, China, ASEAN countries, India, and Mexico together with Japanese manufacturers. From an early stage, we assigned highly specialized expatriates and staff, to create a structure that offers customers the same service overseas as in Japan. Presently, we are in the process of constructing a global strategy. In terms of products, we are focusing on the shift to local production for local consumption and, on a global level, working towards expanding the scope of naturally derived and environmentally compatible products that we handle, in order to respond to the increasing demand for sustainable products worldwide.

Life Science

Providing the BEST solutions through raw materials, scientific instruments, and services in the life science market to contribute to improving people's health and quality of life.



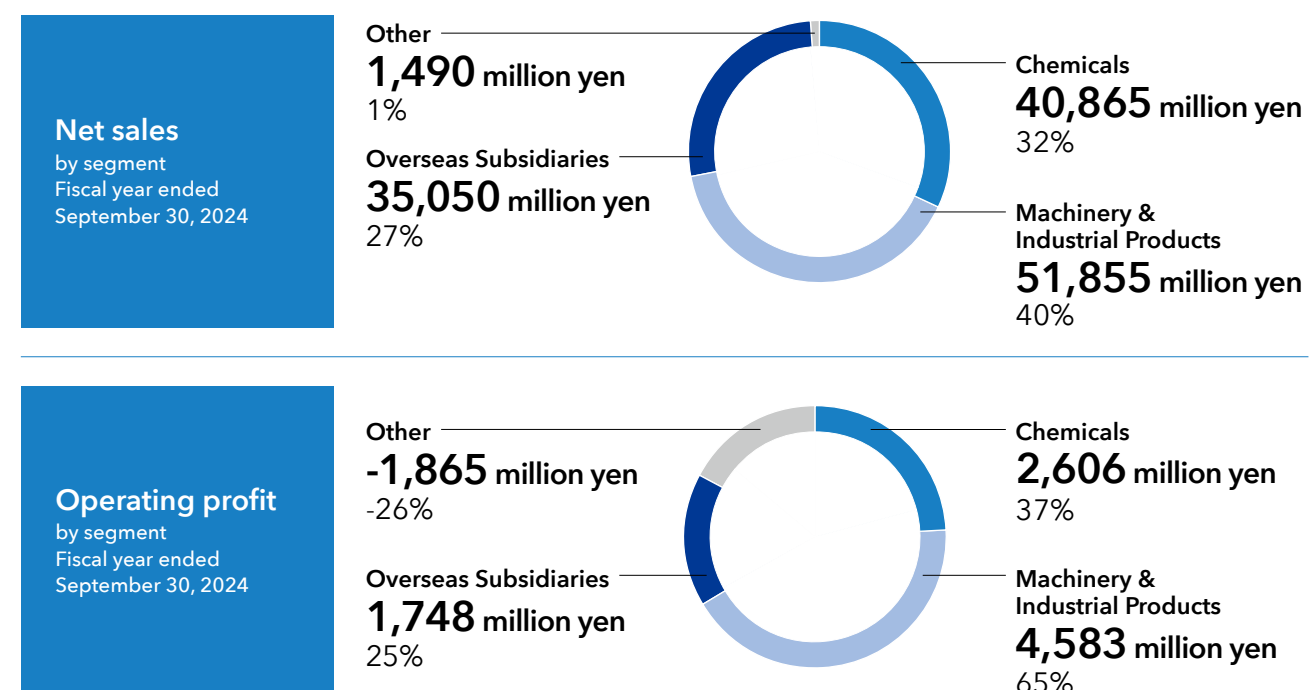
Recently, there has been growing need for the life sciences field to respond to rapidly advancing technological innovations, and social issues accompanying aging and the declining birthrate. Our company continues to focus on our areas of specialization, namely food additives, functional raw

materials, and scientific instruments, maximizing leverage of our expertise and global network, working closely with each customer to provide optimal solutions to meet the expectations of society and the market. In April 2024, we established the Bio Frontier Business Department, with the aim of creating a biotechnology business. We are further strengthening the capabilities of genetic and protein function analysis technologies of SCRUM Inc. and KOTAI Biotechnologies, Inc. in an effort to provide various support services. Also, since October 2024, we incorporated YPTECH Co., Ltd. into our life science business field, providing safe and secure functional feed and feed additives in the livestock and dairy industries to contribute to the creation of a sustainable and sound society.

Strengthening the earnings base

Growth of Existing Businesses

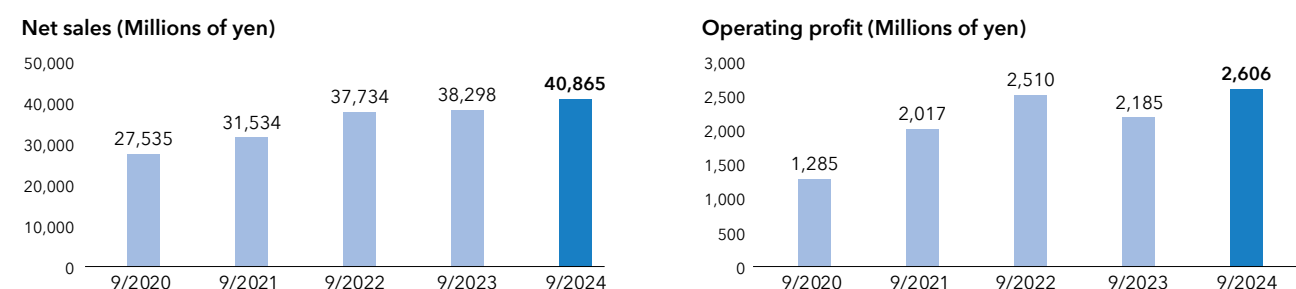
The Company consists of product segments based on six Business Units and two Business Departments, with three reportable segments: the Chemicals Segment, Machinery & Industrial Products Segment, and Overseas Subsidiaries Segment. Our overseas subsidiaries are independent management units that determine the allocation of management resources and assess performance separately for each group company.



Chemicals Segment

We contribute to the development of the materials field by providing a stable supply of functional materials, environmentally friendly materials, and other fine chemicals to a wide range of industries. We also provide various lifestyle-related products and services, particularly in food and medical care, to help improve quality of life.

Business Units - Affiliated Group Companies



*Absorption merger of Chem-Inter Corporation effective from October 1, 2024.

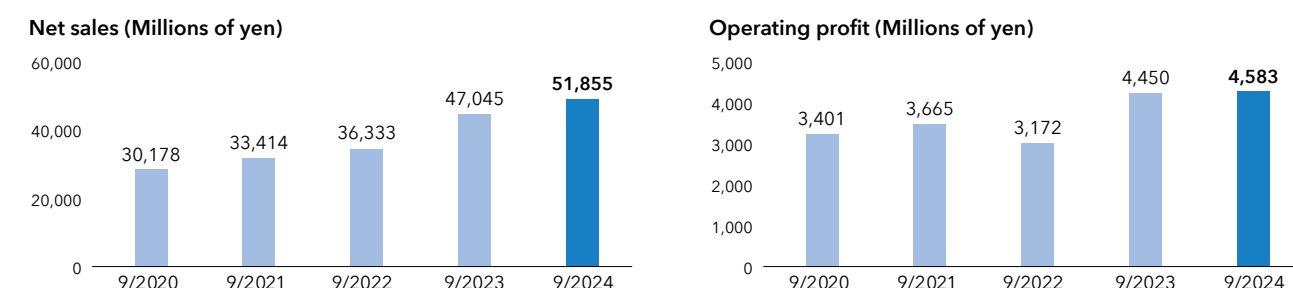
Machinery & Industrial Products Segment

We are an early provider of value-added products and services in automobile-related fields, including transportation. We also provide woody biomass and marine resource development solutions in the renewable energy field, and strive to improve the safety and quality of feed in the livestock field.

Business Units - Affiliated Group Companies



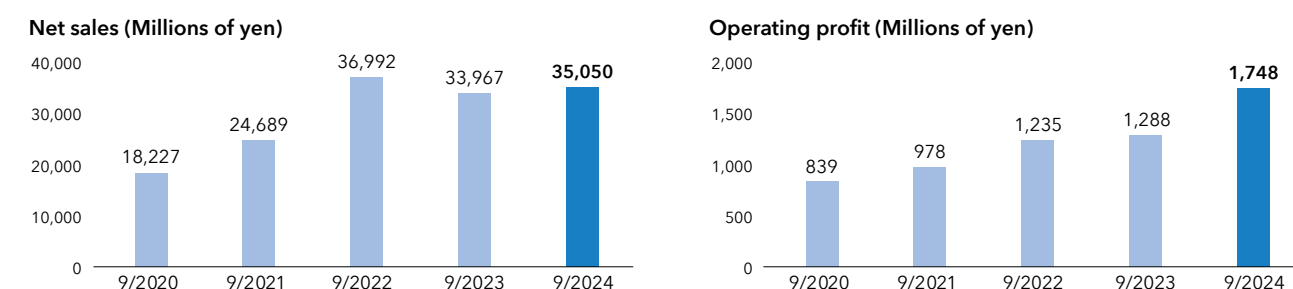
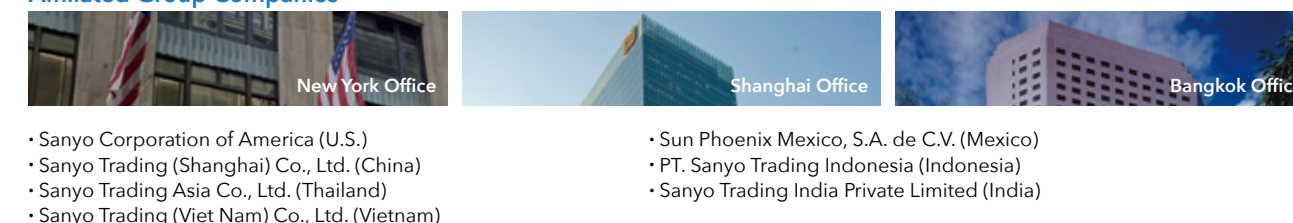
*From April 2024, Cosmos Shoji Co., Ltd. operates as the Energy Solution Business Department, while SCRUM Inc. and KOTAI Biotechnologies, Inc. operate as the Bio Frontier Business Department.



Overseas Subsidiaries Segment

We have a total of 15 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.

Affiliated Group Companies



*Fiscal year ended September 30, 2024: Annual average rates have been used as exchange rates for conversion (before this change: exchange rates as of the last day of each fiscal year). To reflect the change, the results of the fiscal year ended September 30, 2023 have been revised retroactively.



Global deployment of core rubber products, next-generation sustainable products, and functional additives

Yasushi Komiya

Senior Executive Officer,
General Manager of Rubber
Business Unit



The Rubber Business Unit currently has 34 sales staff, slightly less than one-third of whom are stationed in seven countries around the world. Under our previous Long-term Management Plan, Vision 2023, we expanded sales of core synthetic rubber products globally. In the five years from 2019, the business unit's overseas sales doubled, and the ratio of Japanese to overseas sales reached 60:40. Under the current Long-term Management Plan, SANYO VISION 2028, we set a policy of focusing on functional core rubber products, including EPDM manufactured by ARLANXEO*, silicones from Dow Chemical (Dow Toray Co., Ltd. in Japan), and fluorine rubber from Sichuan Dowhon New Materials Co., Ltd., as well as next-generation sustainable products, and functional additives for rubber. This business unit, which

handles many imported products, has been concerned about the yen's prolonged depreciation, but sales in the fiscal year ended September 30, 2024 saw double-digit growth as a result of expanded sales of EPDM and fluorine rubber in Japan and overseas, expansion of special clay from US company KaMin in the fields of tires and ceramics, and increased exports to Europe, North America and China of spherical alumina as heat dissipation agent. We will further advance our global expansion of sustainable products for use in rubber, including investment projects, with growth in epoxidized natural rubber, plant-derived carbon, additives, silica, oil, etc. towards our goal of realizing SANYO VISION 2028.

As a further challenge, there are concerns about a decline in overseas performance due to the decrease in the market share for Japanese automobiles. However, in China, the promotion of business based on local production and consumption, along with increased exports of products made by Sichuan Dowhon New Materials and other first-class suppliers, as well as the expansion of exports of epoxidized natural rubber and rubber additives in Thailand, will help to minimize the impact.

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

Opportunities

- Growing applications for weatherproofing, heat dissipation, and lightweight rubber in the automobile-related sector, which accounts for approximately half of the demand for synthetic rubber, with the advance of EVs. 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

Example Initiatives

- Focus on sales expansion for next-generation functional synthetic rubber and functional additives
- Boost the distributor function of ARLANXEO, the world's leading supplier of synthetic rubber, for Japan and Japanese enterprises overseas.

Risks

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

Countermeasures

- Focus on sales of high value-added/functional synthetic rubber and indirect materials, which are little affected by the weak yen
- Expand export business of overseas offices in China and Thailand

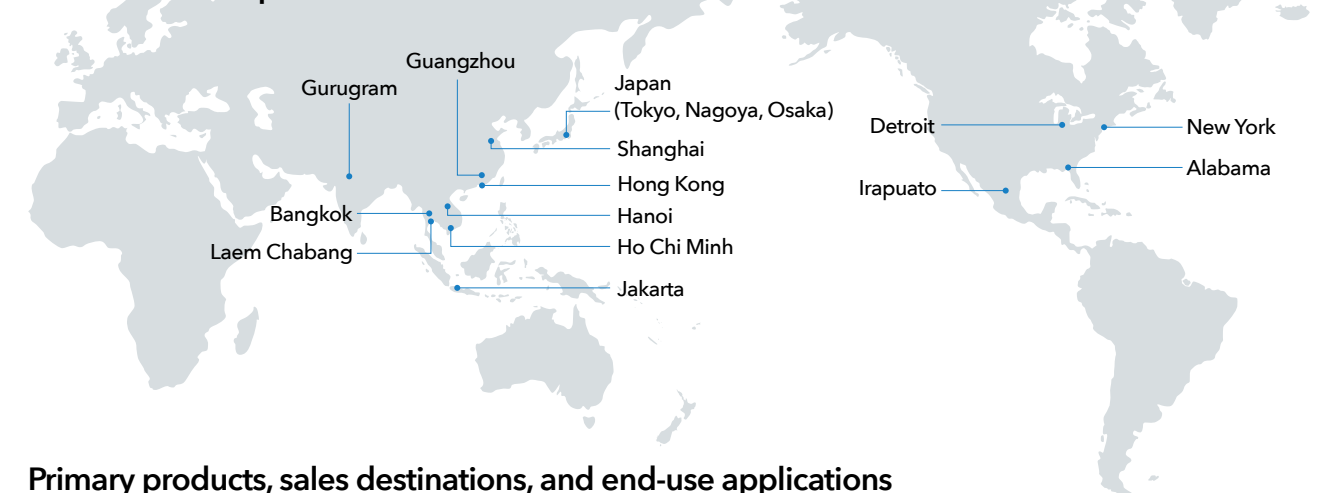
Strengths

- The Company handles a wide range of rubber products, with ARLANXEO and Dow Toray Co., Ltd. as its major suppliers
- We provide the same products and services without regional differentiation through close cooperation between Japan and overseas bases

Growth Strategy

- Focus on sales of next-generation functional synthetic rubber (EPDM, HNBR, silicone, fluorine rubber) and natural/mineral indirect materials
- In terms of expanding development products, assign dedicated sales staff and promote investment projects

Business Development

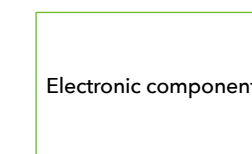
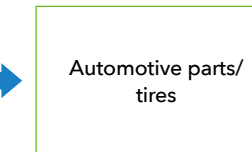
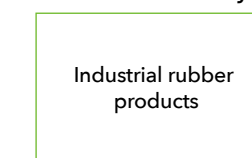


Primary products, sales destinations, and end-use applications

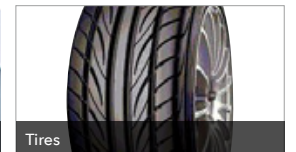
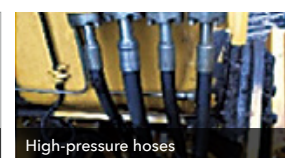
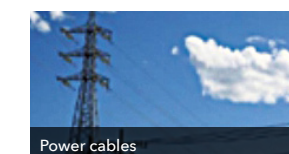
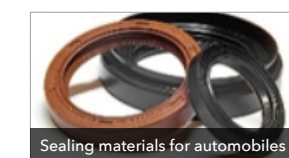
Products Handled



Customer Industry



End Use

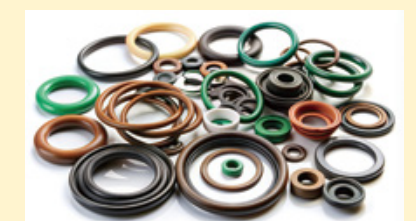


In Focus

Boosting Initiatives in the Rubber Field and Silicone with Dow Toray Industries, the World's Largest Silicone Manufacturer

We began handling products manufactured by Dow Toray in 1967, and were designated as a distributor for the company's new product, XIAMETER, in 2011. In 2019, we became the authorized distributor for silicone rubber in Japan, and currently stock and sell over 160 of their product lines.

We are also focusing on sales support, for example, through listings on our comprehensive product database CHEMBASE, and by establishing a technical service hotline. We have also recently launched a new online silicone rubber search engine. Using this website allows customers to select products that suit their needs from the wide range of silicone rubber products available, which we hope will offer significantly greater convenience.



Examples of products made using silicone



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

Hideki Ohata

Executive Officer,
General Manager of
Chemical Business Unit



The Chemical Business Unit has many chemistry and pharmacy graduates, and its strength lies in sales capability leveraging their knowledge. We also have built an organizational structure that manages by market rather than region. In the fiscal year ended September 30, 2024, we leveraged our strengths and this structure to bolster the range of products we handle, producing results by expanding our large product lineup to act as a pillar for the business unit. In addition, we also began work on improving work efficiency within the business unit, and through optimization of order receipt and supply, and paper usage minimization, we have transformed our work

environment, and remote working is now possible five days a week. These changes to the work environment gave staff more free time, and as ideas for further optimization have emerged, it has led to stronger organizational capabilities.

In line with our business strategy, continuing from the fiscal year ended September 30, 2023, we are shifting our resources from the mature markets for inks, paints, coatings, resins, plastics, and adhesives, to high-end markets represented by electrical materials, motors, batteries, and sensors, striving to make these grow into the core products for our business unit. At the same time, our policy is to boost handling of environmentally friendly products in addition to chemical raw materials, chiefly in Thailand, Vietnam, Indonesia and other Asian countries, in response to the growing awareness of supply chain management in recent years. A further shift in our business towards environmentally friendly products will contribute to the realization of a sustainable society and lead to greater sales for our business unit.

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

Example Initiatives

- Expand product sales by leveraging specialized knowledge to proactively propose business opportunities to suppliers
- Proactive deployment of talented young human resources in overseas markets
- Proactive expansion of products focused on the Asia region

Risks

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

Countermeasures

- Introduce alternative products not subject to environmental regulation
- Shift towards environmentally friendly products
- Monitor the next technological trends for existing markets

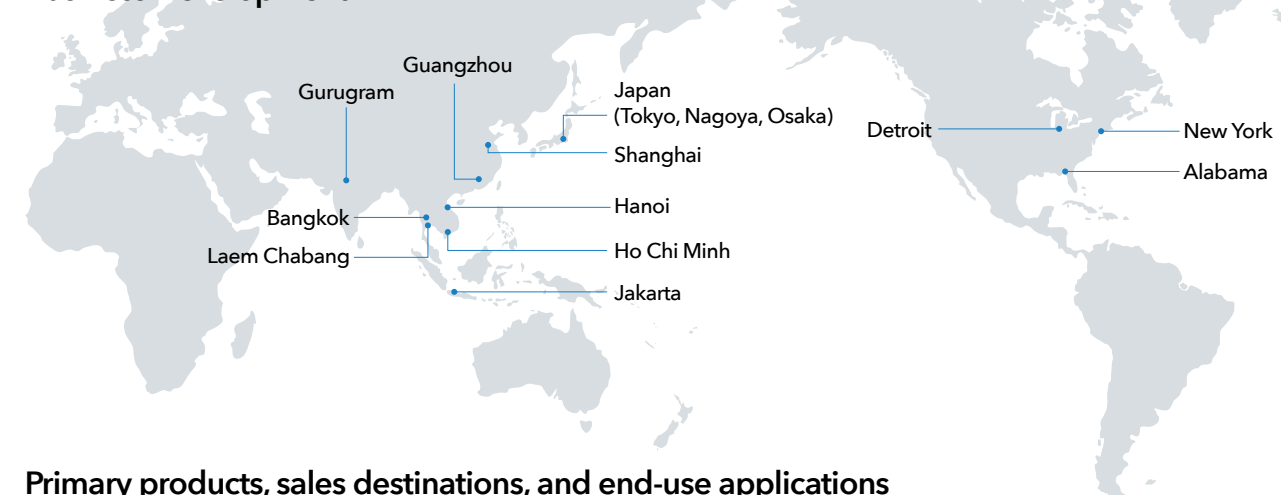
Strengths

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

Growth Strategy

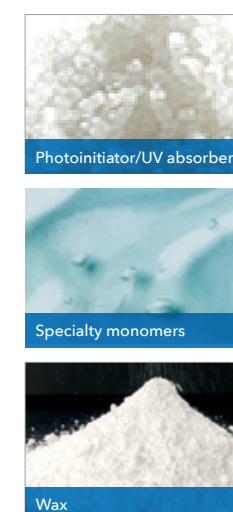
- Continue expanding the sales of existing products
- Capital investment in high-end markets
- Implement M&As aimed at expansion into growth fields

Business Development

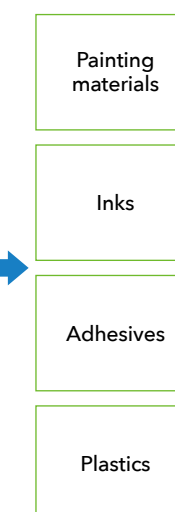


Primary products, sales destinations, and end-use applications

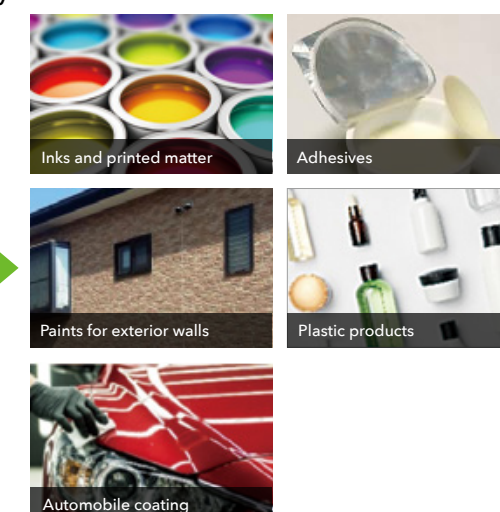
Products Handled



Customer Industry



End Use



In Focus

Expand Large-Scale Projects for the Future, e.g., Projects with Gross Profit of Over 100 Million Yen, and Boost Results through Business Transfers

We will expand large-scale projects (projects with gross profit of over 100 million yen) in the medium- to long-term and further develop projects already in progress. Through our dealings over many years, we have built trusting relationships with our suppliers, who appreciate our business unit's technical sales capabilities and high-level expertise. Based on these strengths and this trust, we will further focus also on expansion through transfer of existing business by clearly differentiating ourselves as a distributor. We will realize projects for silicon nitride, demand for which is expected to grow for use in power semiconductor substrates and in components for EVs, are focusing on projects for all-solid-state batteries, and will realize further business transfer from current overseas suppliers.



Chemical products



Expanding business areas into next-generation commercial fields, domestically and internationally, through benchmarking business and more

Rintaro Harada

Executive Officer,
General Manager of Mobility
No.1 Business Unit



Our unit changed its name in October 2024 from the Industrial Products Business Unit to the Mobility Business Unit, and will continue to focus on businesses that contribute to all forms of mobility throughout the world. In the fiscal year ended September 30, 2024, Japanese automakers recovered from production cuts caused by the COVID-19 pandemic and semiconductor shortages, whereby we achieved better results than initially planned. The Mobility No. 1 Business Unit, grew its main line of business, vehicle interior heating management products, as well as electronic control products, while the Mobility No. 2 Business Unit expanded sales of its main product line, Leggett & Platt components, which contributed to achieving our plans. In terms of new business, we are also advancing development and sales expansion of Caresoft products such as Iceberg, which

Akira Watanabe

Executive Officer,
General Manager of Mobility
No.2 Business Unit



uses the latest vehicle disassembly and analysis information as benchmark data, and Digital Twins, which provides highly accurate 3D CAD/CAE models, as well as EV maintenance equipment.

In the mobility field, we are approaching a major turning point, with the expansion of EVs, autonomous driving, and more. In response, by restructuring our specialized new business organization and appointing dedicated staff for new product development, we aim to drive the expansion of products and services that will deliver significant profits in the field of entirely new next-generation products.

Going forward, we will further expand our portfolio in the field of next-generation products, including our gradually growing international services, to advance our global expansion.

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

Example Initiatives

- EV development: promote the EV maintenance equipment business and spread of EV buses
- CASE progress: various sensors used in advanced technology
- Global offices: develop independent new business exploration at each of our offices in China, America, and Thailand

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

Countermeasures

- Approach the non-Japanese automobile industry in China, USA, and Europe
- Form a new business exploration team to cultivate a wider scope of the mobility field

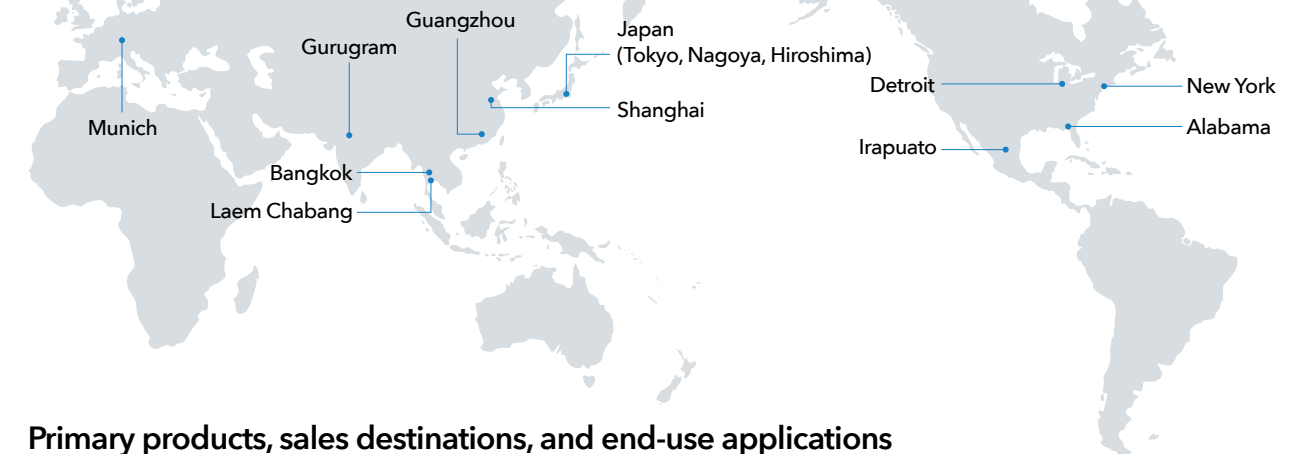
Strengths

- We provide an integrated service from sales, development and design, and quality assurance through to just-in-time delivery
- As an independent trading company, we have established business relationships with all Japanese automakers

Growth Strategy

- Find new business partners and expand new product fields
- Leverage the overseas office network to strengthen global relationships with Japanese automakers

Business Development



Primary products, sales destinations, and end-use applications

Products Handled



Customer Industry



End Use

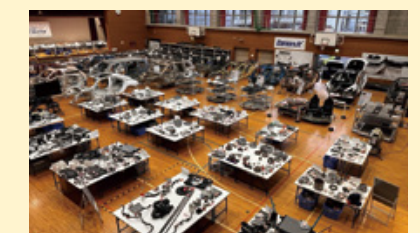


In Focus

Expansion of Overseas Business and Development of an Exhibition Space in Japan

From 2024, our Alabama (U.S.) office saw an increase in demand for automotive industrial materials due to continued strong sales of new vehicles by Japanese automakers. We expect the office, which began full-scale operations in July 2023, to expand our business domain in the future in response to this trend of increasing demand for materials in the automotive industry. In September 2023, we established Sanyo Trading Europe, in Munich, and are focusing on expanding product sales in the European region.

We established an exhibition hall in Mizunami City, Gifu Prefecture, Japan, that displays disassembled vehicles and components, with a focus on EVs, and is attracting many visitors from auto-related businesses. The hall received extensive media coverage, which has helped to raise awareness of Sanyo Trading.



Sanyo Solution Gallery
(Mizunami Exhibition Hall)



Providing green solutions for a sustainable future with reliable technical and strong sales capabilities

Kenichiro Mohara

Executive Officer,
General Manager of Green
Technology Business Unit



The fiscal year ended September 30, 2024 saw strong results for both our Powder Processing Group and Biomass Group, and it was also a year with many developments. In the powders segment, we saw a recovery in orders for feed ingredient processing equipment, especially pellet mills made by CPM, the world's leading manufacturer, from feed makers, who had been abstaining from capital investment, whereby we doubled delivery of machinery and equipment from the previous fiscal year. Micro-materials equipment made by ALFRA, which we have newly undertaken, is gaining attention as a system that contributes to streamlining at feed mills facing labor

shortages, and there are high expectations for its future expansion and adoption. In the biomass segment, we received two orders for the complete set of equipment for biomass power plants mainly using Burkhardt GmbH wood pellet gasifier cogeneration equipment, which has been a focus of ours (Sanyo Model power generation systems & wood pellet manufacturing plant). We also founded Kita no Mori Green Energy Co., Ltd. in Shimokawa Town, Hokkaido, Japan, taking over the feed-in tariff (FIT) power generation business (formerly Hokkaido Biomass Energy Co., Ltd.) operating in Shimokawa Town, whereby we achieved fully fledged entry into the FIT power generation sector.

Japan's MIDORI Strategy for Sustainable Food Systems has goals of realizing a sustainable society, revitalizing agricultural, forestry and fishing communities, and growth of the biomass industry, and we expect further acceleration of SDG- and environment-related developments both in Japan and abroad. Going forward, our business unit will continue to provide solutions aimed at the realization of a sustainable society.

Opportunities

- Expanded use and distribution range for domestic resources including fertilizer components such as compost and sludge (pellet production needs)
- Japan's policy of maximizing introduction of domestically produced renewable energy (36-38% by 2030)

Example Initiatives

- Investment in wood biomass power generation company Yokote Yuzawa Forest Cycle Co., Ltd., which aims to build a local resource circulation system, and O&M initiatives

Risks

- Business environment for Japanese animal feed manufacturers (labor saving and improved work efficiency are urgent issues)
- Ensuring the stability of fuel procurement and sustainability in the wood biomass power generation business

Countermeasures

- Expanded sales of ALFRA micro-materials equipment, to help labor saving and rationalization in measuring procedures at feed mills, which face labor shortages

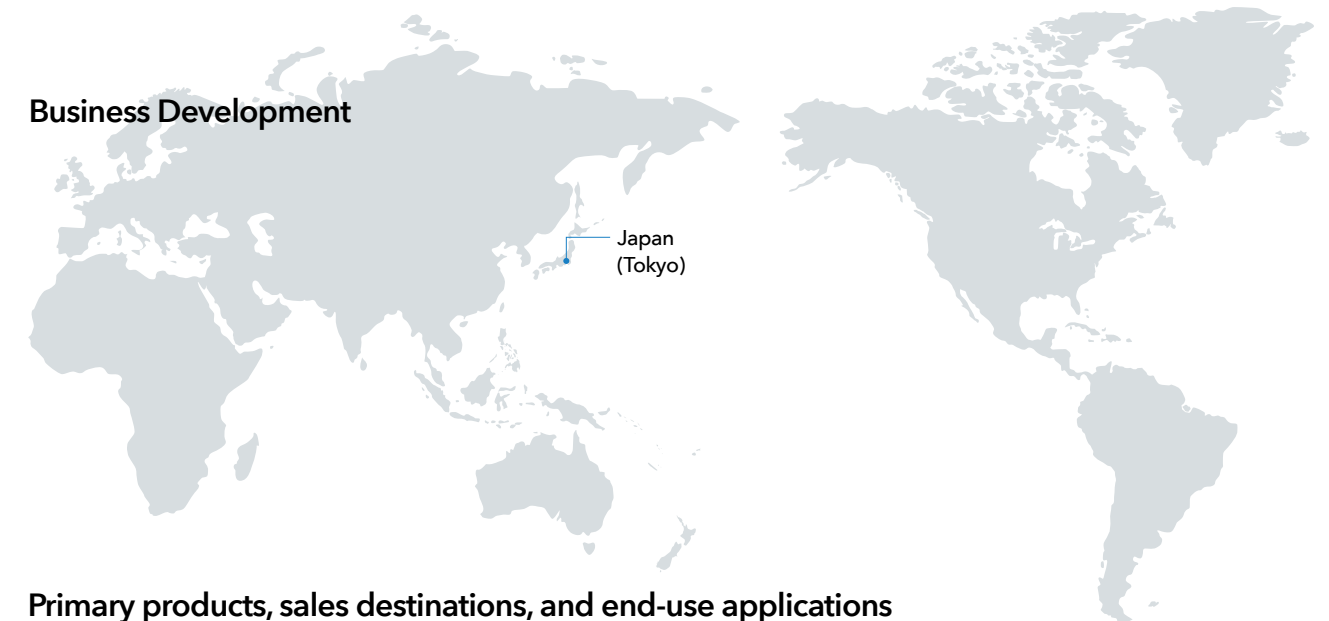
Strengths

- Sales with technical capabilities and a post-installation support structure
- The ability to provide total solutions from plant design and construction to after-sales service

Growth Strategy

- Expand business fields into new segments that can become the next business pillar after feed processing equipment and wood biomass power generation

Business Development



Primary products, sales destinations, and end-use applications

Products Handled



Customer Industry

Powder group

Feed and fertilizer

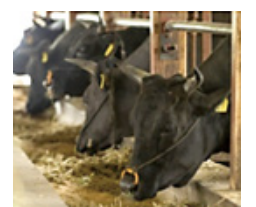
Food, industrial
products, etc.

Biomass group

Local governments and
forestry cooperatives

Private companies
(forestry, electric power
companies, power
generators, etc.)

End Use



In Focus

Introduction of Wood Chip Gasifier Cogeneration Equipment in the Japanese Market

Wood biomass power generation utilizes previously unused timber from forest thinning for fuel, leading to effective use of forest resources, decarbonization, local energy production and consumption, and revitalization of local economies. Our business unit began handling wood pellet gasifier cogeneration equipment in 2014, and has installed 40 systems in Japan to date. Now, the equipment we are starting to offer uses wood chips, which simplifies operations compared with the production and processing of wood pellets, enabling supply of thermoelectric energy. The installation of this equipment provides solutions for business operators who had abandoned the idea of biomass power generation due to the difficulty of acquiring wood pellets.



Gasification units



Providing raw materials and scientific equipment that contribute to industrial development, with the aim of improving people's health and quality of life and realizing an environmentally responsive society

Koji Taguchi

Senior Executive Officer,
General Manager of Life
Science Business Unit



The Life Science Business Unit comprises the Material Solution Department and the Scientific Instruments Department. In the fiscal year ended September 30, 2024, the Material Solution Department saw growth in electronic materials, which it has long focused on, particularly in heat-dissipation materials. Furthermore, it saw growth in its core surfactants business, with strong sales and profit. Our business unit is advancing expansion not only in the Japanese market but also by leveraging overseas offices, including film, electronic

materials, dyes, personal and health care, and agricultural-related business, as well as new ventures. We are also proactively focusing on new business development, promoting industry-academia collaboration and development of next-generation products. Meanwhile, the Scientific Instruments Department struggled with rising purchase prices, the weak yen, and rising sale prices. However, even faced with this tough environment, it succeeded in digital marketing and application proposal sales optimized to market characteristics, and demand is recovering from research facilities and private companies that recognize the advantages of the products we handle. In addition, our group company Nihon Rufuto Co., Ltd. plans to sell new oxygen concentrators in 2025. Under this plan, the equipment design will be renewed, focusing on ease of use, to produce products that customers can operate with greater peace of mind.

Opportunities

- Environmental awareness, including recycling, is increasing substantially on a global level
- Japanese Automotive Standards Organization (JASO) reformed some of its standards

Example Initiatives

- Sale of recycled resins, such as Ocean Bound Plastic (OBP), and films made from recycled resins
- Expanded sales of combined cyclic corrosion testers tailored to new JASO standards

Risks

- The protectionist "America First" policy touted by the new U.S. president
- Changes in demand for raw materials and measuring equipment due to changes in end-user demand

Countermeasures

- Handle highly functional materials with superior quality and functionality
- Handle a broad line-up, with products tailored for the future
- Promote industry-academia collaboration for product development

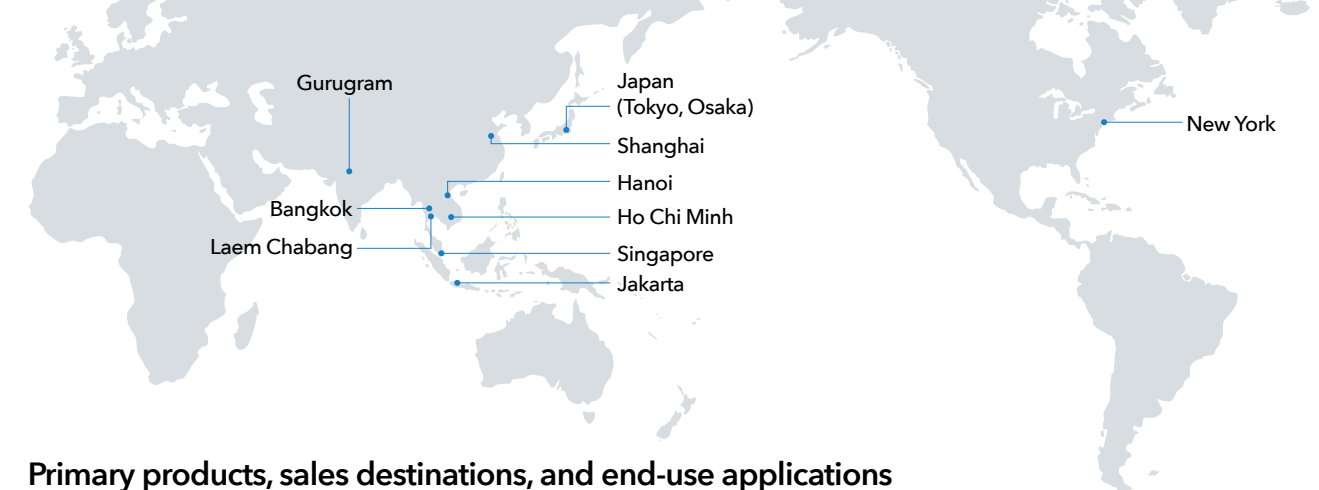
Strengths

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

Growth Strategy

- Deeper investigation into local needs as part of our localization strategy
- Thoroughly market-oriented approach
- Provision of value in resolving issues by leveraging our expertise

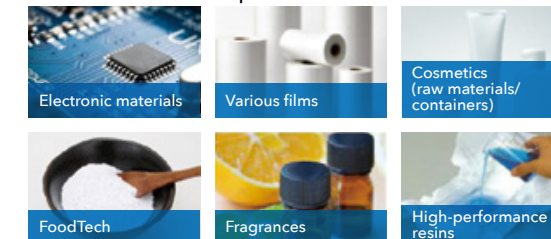
Business Development



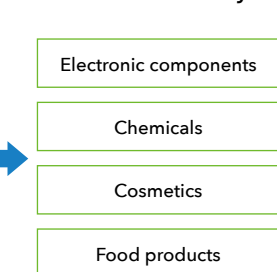
Primary products, sales destinations, and end-use applications

Products Handled

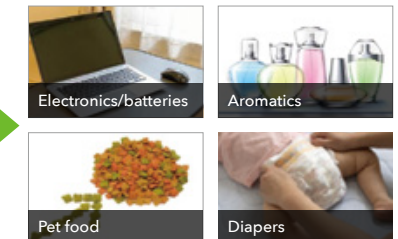
Material Solutions Department



Customer Industry



End Use



Scientific Instruments Department



In Focus Initiatives Addressing Global Environmental Issues

Japan Meteorological Agency (JMA) works with the World Meteorological Organization (WMO) with a Global Climate Observing System on the island of Minamitorishima and elsewhere to measure density of greenhouse gases (GHG) in the atmosphere. The Scientific Instruments Department received an order from JMA for a large-scale GHG measuring system. Sanyo Technos, a group company, provided technical support, installing equipment in three locations, including Minamitorishima. Also, another research institution is using PICARRO gas analysis equipment, handled by our company, for research into atmospheric and water cycles for climate change countermeasures and for reducing GHG emissions originating in the agriculture and livestock industries. Our business unit is thereby providing support for Japan's environment policies through scientific equipment.



PICARRO gas analysis equipment

A group of energized and self-motivated human resources who contribute to the growth of the company



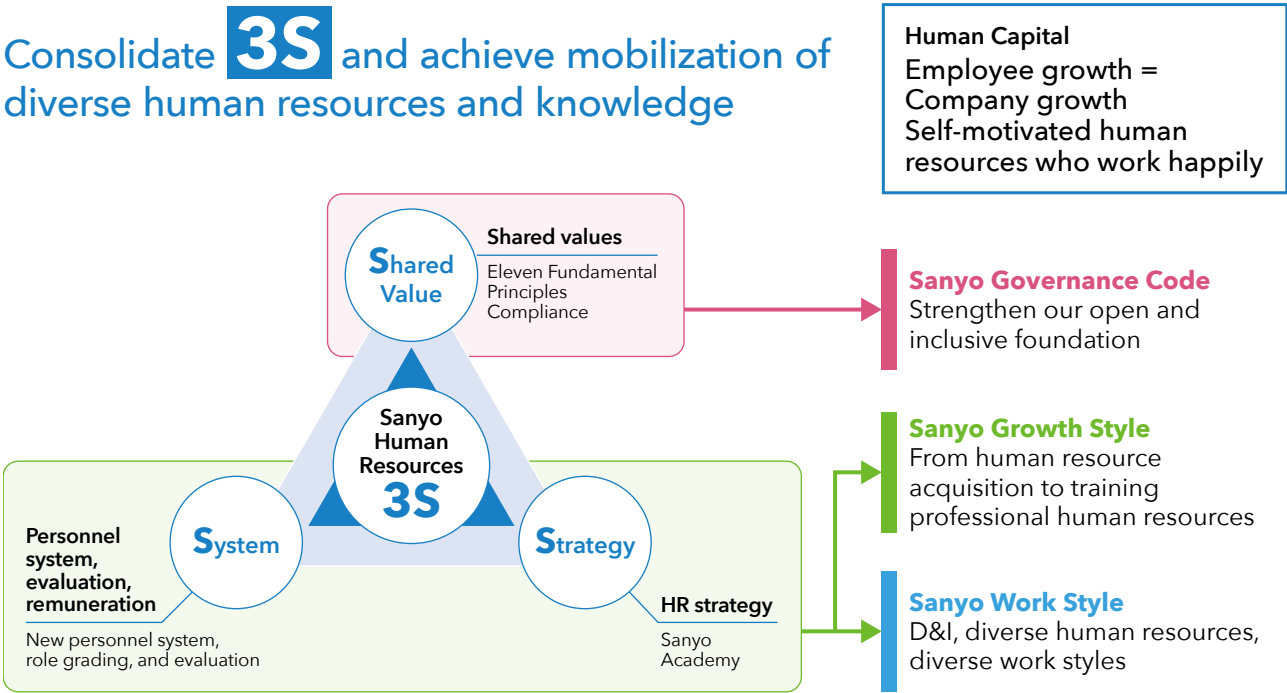
Kumiko Wada
Executive Officer,
General Manager of Human
Resources & General Affairs
Department

Human capital is set as a priority policy in SANYO VISION 2028 (hereinafter, SV2028). We believe that when each employee develops into a self-motivated human resource, we can provide the best solutions to our customers, which also leads to social contribution through our business. At the time of launching SV2028, we formulated Sanyo 3S, which broadly views human resources issues as the “human resource quality” × “human resource quantity.” 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 developed Sanyo Growth Style, the Sanyo Governance Code, and Sanyo Work Style based on Sanyo 3S to accelerate the development of an organization of highly engaged employees, and to improve our open and inclusive corporate culture.

When the career plan vector of employees matches the Company’s growth strategy vector, the Company is sure to achieve growth. To this end, we have in place structures and systems to support employees, helping them to remain active with us long-term in peace of mind, including human resource training programs and opportunities for career development, and by realizing diverse work styles for diverse human resources. We are also strengthening the Company’s foundation, creating a company where employees are proud to belong, and aim for growth both of our people and organization, to be appreciated by all stakeholders.

Human resource key strategy = Enhancement of Sanyo human resource 3S

Consolidate **3S** and achieve mobilization of diverse human resources and knowledge



1) Sanyo Growth Style (recruitment–self-motivated human resources)

Sanyo Growth Style deals with the two challenges of human resource quantity and quality, based on the belief that the growth of employees through their career path leads to growth of the Company, through two major frames of reference: (1) recruitment/evaluation/placement and (2) human resource development/training, by implementing various measures to accelerate the creation of self-motivated human resources.

Recruitment strategy, securing the best human resources

Our recruitment policy is to increase our chances of acquiring human resources through initiatives such as the creation of career pages incorporating various media and content to attract graduates and the recruitment of mid-career professionals based on referrals. In addition, we are actively working to recruit women for career-track positions as well as foreign nationals. Regarding placement, we use job rotation with challenging assignments, with the aim of nurturing managerial human resources.

Sanyo Academy –Realizing the belief that “Growth of employees is growth of the Company”–

Sanyo Academy is a human resources development and education system for encouraging employees to master new knowledge and skills that will help the Company achieve its management targets. We especially focus on nurturing talent for overseas operations, business development, management and next-generation



Pre-management training

management. To develop talent for overseas operations, we have strengthened overseas language training and pre-transfer training, primarily for young employees, to develop human resources who will drive the overseas expansion set forth in our management plan. To nurture talent for business development, we launched the SUNBOW Project, through which participants learn how to identify business seeds and develop them into fully-fledged businesses, in an effort to improve our capacity to develop business as an organization. Finally, we are putting effort into nurturing the managers and next-generation management candidates who are crucial for our growth as a company and the development of human resources, thereby strategically nurturing self-motivated human resources, who will drive the creation of corporate value. In addition, we have introduced an “optional training” system that allows individual employees to participate freely in external training according to their own sense of issues that need addressing or career plans, with the aim of actively supporting the self-improvement of employees. With Sanyo Growth Style, we will link the growth of the Company to the growth of our employees’ career paths through these initiatives.



SUNBOW Project training

2) Sanyo Governance Code

Sanyo Governance Code refers to overall measures to build and strengthen the Company's corporate foundation, including CSR, governance compliance, and acquisition of certifications. An open and inclusive corporate culture, which the Company has nurtured since its founding, is essential for the advancement of high added-value business. We believe that true openness and inclusivity is built through common sense and self-discipline. Our employees therefore hone high ethical standards, regularly brushing up their knowledge and awareness through our compliance handbook and self-

discipline check-sheet, to prevent the erosion of openness and inclusivity, and to raise standards to a level that is difficult to imitate. In addition, we have established a human rights policy to ensure we respect human rights and treat all stakeholders, including employees, fairly and equitably in our business activities. Furthermore, we support and are a signatory to the United Nations Global Compact (UNGC).



Signed in May 2024

3) Sanyo Work Style

Sanyo Work Style refers to overall measures that support diverse work styles for diverse human resources. Through staggered work hours and remote working, we have enhanced the degree of freedom in work hours and location. By combining remote and office work, employees can create their own balanced work style and structure, which we can expect to improve productivity. Working remotely, individuals can concentrate on document preparation and data collection, while, in the office, they can collaborate with colleagues, meet with customers, and so on, creating as many work styles as there are employees. By reconsidering the habit of sitting at the same desk every day and instead sitting in different locations, we aim to create new perspectives and foster communication. Our "Refresh Room" aims to facilitate first-time conversation between colleagues, and to increase opportunities for conversations that sometimes lead to innovation, boosting the sense of fortuity and stimulation when coming to the office. Furthermore, D&I* is an important challenge for the Company to maintain its growth, particularly as we pursue business diversification and globalization. This is especially important given the current environment, which includes issues such as a shrinking workforce and talent mobility. It is essential that we create a workplace where diverse individuals respect one another's values and can demonstrate their capabilities to the utmost. The D&I Promotion Committee, consisting of employees who apply or are nominated, conducts activities to deepen employees' awareness,

recognition, and understanding of D&I. Committee members plan and deliberate systems and measures necessary for promoting D&I and propose these directly to management at the D&I Promotion Forum. One of the Committee's adopted proposals is a system that provides bonuses to the remaining employees in a workplace when a colleague takes childcare leave. D&I Promotion Week, in August 2024, was an in-house event organized and managed by the Committee to help people to recognize unconscious bias and to raise awareness of diversity. We will continue to develop measures to support the ongoing activities of diverse employees through diverse work styles.

*Diversity & Inclusion



New office concept

Employee Engagement

The suitable and positive tension between employees and a company, in a relationship where they chose and are chosen by one another, is essential for success in the changing market environment. In order to visualize the gaps between employees and the Company, as well as organizational issues, we regularly conduct an engagement survey, with questions divided into seven categories. Compared with last year's survey, we have seen improvement in all survey categories, and a significant improvement in "5. Skill building" in particular. Sanyo Academy, has provided a structure and opportunities for all employees to continue to learn autonomously, regardless of occupation or rank. We believe these survey results indicate a successful match between the vectors of employee requests for skill building and policies implemented by the Company.

Survey categories		
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.		

	FY2023	FY2024
Overall evaluation When taking all factors into account, I am satisfied with being an employee of Sanyo Trading	69%	74%

*Indicates the proportion (%) of ratings of 4 or 5 in a five-level evaluation (5: Strongly agree; 4: Agree; 3: Neither; 2: Disagree; 1: Strongly disagree).

Promoting Health and Productivity Management

We formulated the Sanyo Trading Health and Productivity Management Declaration to promote health and productivity management, to maintain and improve the emotional and physical well-being of every employee so that they can work happily. Our health and productivity management organizational structure is centered on the Health and Productivity Management Promotion Committee, a sub-committee of the Sustainability

Committee, which holds regular meetings. The committee identifies issues in workplace environment safety and hygiene, and implements reform measures in consultation with industrial physicians. In addition to physicians, the Company also commissions psychiatrists to help maintain not only the physical but also the emotional health of employees. The management team regards employee health as a management issue, acting and communicating proactively for the prevention of overwork and to maintain employee health. Consequently, we have seen steady results from these efforts, and were able to gain recognition under Japan's 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program.



Certified in March 2024

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, we have introduced a volunteer participation support system to realize each employee's desire to contribute to society, stimulating internal communication and fostering diversity awareness. 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. We also have a volunteer leave system, and provide information on volunteer activities every month to make it easier for employees to participate.



Experiences shared on our portal site

Employee Roundtable Discussion

“Sanyo Is a People Company” Is Our Aim,
but What Does That Mean?



Kasumi Ogasawara
Tokyo No. 1 Department
Mobility No. 2 Business Unit

Ena Matsuzaki
Human Resources
Management Group
Human Resources &
General Affairs Department

Hiroki Morita
Group 1, Scientific
Instruments Department
Life Science Business Unit

Koki Osawa
Powder Processing Group
Green Technology
Business Unit

A Group of Energized and Self-Motivated Human Resources Who Contribute to the Growth of the Company

A Corporate Culture That Supports Employee Initiative

Osawa One area that I feel defines Sanyo Trading is that it fully supports its employees' initiative. Looking at my own organization, the Green Technology Business Unit has built strong relationships of trust with customers over many years of doing business with them. And because of this trust, we are often asked by our customers to take part in their in-house training sessions to discuss things like industry trends and manufacturing equipment. In most companies, typically such tasks would be handled by someone in a managerial position, but in the Green Technology Business Unit, we value employee initiative over rank or job description. Just the other day, we received such a request from a client and because it was something I really wanted to do, I was chosen to give the lecture. I find that doing this kind of teaching helps me to improve my own knowledge, so I make it a point to actively volunteer.

Matsuzaki In my first year after being hired fresh out of

university, I became one of the people in charge of recruiting, so immediately after joining the Company I felt nothing but anxiety. Wanting to get rid of this fear, I looked into human resource development systems and found that Sanyo Academy, one of our company's unique initiatives, offers a training system that lets employees choose the programs they want to take. Thanks to this system, I was able to receive training to help me become better at employment interviews. I've been able to do my job with confidence ever since.

Morita Speaking of training, the training that I received in New York this year was a valuable experience for me. The main points of the program were language acquisition and visits to business partners. Unfortunately, I did not have any business partners in the U.S., so I thought to myself, could I visit some American automakers to expand into my main target market of the automotive industry? Figuring the Mobility Business Unit might have some channels, I consulted with them and got the OK from one of their resident employees almost immediately. In addition to being able to meet and talk

with people from three automakers, following along with local staff deepened my understanding of the work they do. It really impressed on me that at Sanyo Trading, boxes like “business unit” are irrelevant and you can put your ideas into action if you just take the initiative.

Ogasawara I also feel that there are no barriers between business units. The range of Caresoft products handled by our mobility business is not limited to automobile manufacturers—it also extends to parts suppliers, and material manufacturers, among others, so my department is working to expand the clientele to whom we sell Caresoft data. And when we acquire a new customer, it is not uncommon for that customer to already be doing business with another business unit in the Company. When this happens, we contact the relevant business unit about the customer so that we can make things go more smoothly, and they are always so willing to share their information with us. It makes me realize again and again what a great environment the Company has created.

A Deep-Rooted Corporate Culture of Caring

Ogasawara Another thing I love about Sanyo Trading is that the management is really open and friendly, and they really care about their members. The general manager of the Mobility Business Unit is always going around checking on each member, asking them, “How are you doing? Not having any problems, are you?” And when someone does have something they need help with, he works together with them to think up a solution and put it into action. The group leader and the leader in operational positions are all like this—they are always friendly and easy to work with, so if I have a problem, I know I don't have to hold it in and can consult with them straight away. Someday when I am in charge of my own members, I intend to create the same kind of environment.

Morita I feel like this attitude of valuing connections with colleagues is a deep-rooted part of the culture of the entire Company. I know someone there who has been with the Company longer than me who really embodies this for me. He used to work in the Life Science Business Unit and handled the same products I do now, so I like to go to him for advice. Whenever I do, despite the fact that I'm not one of his direct subordinates, he will make the time to listen and talk with me for an hour or two or however long it takes. But he never tells me what to do. I'm sure in some companies that would be the case, but not here. He just listens and says things like, “So what you're thinking is this” or, “What do you want to do next?” to help me get my thoughts in order so I can find my way

and come up with my own answer.

Osawa I have also sought advice from the general manager of another business unit, and just like with you, instead of saying, “Just do this,” he just said, “Well, you could also do it this way.” Everyone has their own way of giving advice, of course, but a deep-rooted part of our company's culture is respecting the individual who is asking for advice and allowing everyone to think and take action for themselves. I think this is a truly amazing aspect of Sanyo Trading.

Sanyo Trading's Unique Culture Is Rewarding

Morita It is exactly this culture which makes working here so rewarding. Sanyo Trading got its start working with raw materials like rubber and chemicals, and this business has grown by building deep relationships of trust with customers over many years. The Scientific Instruments Department, meanwhile, is relatively new, so our first order of business is finding customers. Hearing about this, I imagine the first thing that comes to mind is the difficulty of developing a new business, but what I find rewarding about it is that even a third-year employee like myself can tell my boss what I want to do and he will create an environment that lets me take the lead and challenge myself. I find it extremely interesting to be able to grow the business by thinking for myself and implementing the PDCA cycle. I believe that this kind of environment also helps to foster the kind of self-motivated human resources the company desires.

Ogasawara What I try to do as an operations staff member is to always challenge myself to make improvements in order to increase the efficiency of everyone's operations, including sales. For example, our Caresoft business is still new, so there's a constant stream of tasks that come up that we have no experience with. I find it really rewarding being able to contribute to the improvement of operational efficiency by thinking about what's involved in each of these tasks and working with related departments in a variety of different ways to resolve them.

Matsuzaki What I find rewarding is that even young people are entrusted with tasks and can work as the “face” of the company. I first experienced this in my first year here. When I planned a program to introduce Sanyo Trading on a YouTube channel run by an employment agency and proposed it to my boss, he said, “Okay, let's do it!” It made me very happy that even the ideas of a first-year employee like myself were seriously considered and evaluated fairly. It was also really rewarding when I got to represent Sanyo Trading on YouTube and share what makes this company so special. When you speak at

Employee Roundtable Discussion

“Sanyo Is a People Company” Is Our Aim, but What Does That Mean?

a company information session, potential applicants look at you as the face of your company. I am conscious that every gesture and word I use directly affects their impression of the company, and I work hard to speak in a way that is cheerful, energetic, and that conveys Sanyo Trading’s appeal accurately and fully.

Osawa Seeing everyone with their own goals and being motivated to take the initiative, I can really tell that people are steadily growing to become the kind of self-motivated human resources that Sanyo Trading wants. I am now in my fifth year, and compared to my first two years, I think I have grown more into becoming a self-motivated person. Looking back to when I first got my start in sales, I mostly only took action after a customer asked for something. Now, however, I more often take the initiative to think things through myself and make my own proposals. For example, when a machine or system I handle works well for one customer, I’ll actively propose the same to another customer who is dealing with a similar issue. And when that customer adopts my proposal and thanks me after it solves their problem much like the first customer, it gives me a sense of satisfaction and further motivates me.

Morita I don’t feel I’ve made those kinds of self-motivated proposals yet. But in the future I want to be the kind of senior member who junior members look up to, so right now I am working to get better and better at my job and create more time to do the things I want to do.



Hiroki Morita (Joined in 2022)
Group 1, Scientific Instruments Department
Life Science Business Unit
Engages in the sale of scientific and analytical instruments required by development departments, mainly in the private sector. Previously primarily procured products from overseas manufacturers, but is now focusing on developing and expanding sales of useful products, both domestically and internationally, that meet customer needs.



Ena Matsuzaki (Joined in 2023)
Human Resources Management Group
Human Resources & General Affairs Department
Responsible for recruiting new graduates and mid-career workers. Engages in all recruiting-related activities, including interviewing applicants, company information sessions, and internships. Has taken the lead from planning to implementation in measures to increase the Company’s visibility aimed at students.

Ogasawara I also don’t feel like I am able to make proposals proactively enough to be called self-motivated, but I am in a really stimulating environment where there are so many people around me who are working on building new businesses. I’m going to make the most of this environment, strive to make proposals that look to the future, and challenge myself to make further operational improvements that will make everyone’s jobs even easier.

Matsuzaki I have two goals to push me to become a self-motivated person. The first is to increase Sanyo Trading’s visibility. It is a very easy company to work for and has good benefits, but university students who are looking for their first job after graduating don’t know this. From a recruitment perspective, our current name recognition is a bottleneck to getting good people and is something I would like to resolve. The other goal I have is to become the kind of recruiter prospective employees see and say, “I want to work at the same company she does.” Going forward, I will be taking a variety of steps to achieve these goals.

Goals as a Self-Motivated Person in the Next Decade

Morita My aim for myself as a self-motivated person is to provide products that meet customer needs, regardless of whether we currently carry them or not. Since the Scientific Instruments Department targets the field of research and development, the biggest factor in achieving growth for us will be to always look ahead to the future and develop a system that can quickly provide the equipment our customers need. Every member of the department understands that if we are even the slightest bit negligent in doing so, it will put the future of our business in danger. Based on this line of thinking, in 2024 we began working to identify products that will be the future of a certain industry and introduce them to

our customers. The goal I am focusing on now is to get this new product business off the ground while also finding the next generation of products in other fields as well to contribute to the growth of the business unit and the company.

Matsuzaki I do know what I want to work on next once I have achieved my goals as a recruiter—to make a career change into sales. I want to take advantage of the internal open recruitment system to gain new skills in a different environment, take on the challenge of a new job in sales, and through these efforts contribute to the company’s growth. In addition, one of our value propositions is jobs where we can inspire children to dream. I really believe in this vision, so much so that by the time I have my own children someday, my goal is to have a job whose value is easy to understand even for a child, perhaps in a field like sustainability.

Ogasawara My goal for the future, as I mentioned earlier, is to make good use of the stimulating environment I’m in now to grow into a person who challenges themselves to make improvements, and to do work that I find rewarding. One of the reasons I decided to join Sanyo Trading was because of the systems it has that make it possible to work here and grow over the long term. I am sure that times will continue to change, but I believe the company will keep up with and adapt to these developments, and continue to maintain systems that



Koki Osawa (Joined in 2020)
Powder Processing Group
Green Technology Business Unit
Engages in sales activities to import and sell the products of industrial machinery manufacturers, mainly from the U.S. and the Netherlands, to Japanese companies. In total charge of all relevant activities, from the delivery of machines and the determination of production line specifications including control systems, to the observation of line startups and after-sales care.



Kasumi Ogasawara (Joined in 2022)
Tokyo No. 1 Department
Mobility No. 2 Business Unit
Responsible for sales management of automotive-related benchmark data of U.S.-based Caresoft, one of the Company’s potential core businesses. Additionally involved in the ordering and receiving of automobile interior materials and high-performance parts, transportation arrangements, inventory control, and accounting processes.

will allow for a fulfilling work-life balance. And within this context, I want to continue to work for many years in a job that I can tell my family about with pride and that I find rewarding.

Osawa The Green Technology Business Unit has a long history and has established core businesses and products, but new trends are always emerging in the industries we target. That’s why it’s necessary for us, as well, to maintain the strengths of our core businesses and products while also quickly identifying the next trend and establishing a system that can handle new businesses and products. I’m not at the point where I can just say “I’ll find a new business that will be our mainstay in five years,” but I have already begun taking an approach that looks to the next generation so I can experience the joy of establishing a new business that is ahead of the trends of the times. My current goals are to build up my accomplishments over the next five years so that I can promote our products with confidence, and to further build trust with our customers so they’ll say, “We know this product is good if Sanyo Trading says it’s good,” and, “If Osawa’s recommending it, then this is what we should go with.” Let’s all work to embody the idea that Sanyo is a people company by making the most of this environment, achieving the goals we aim for as a group of energized and self-motivated human resources, and contributing to the growth of the company.

As a member of society, we will enhance our sustainability initiatives to realize our aspiration to “Deliver tangible solutions to social issues to make the world a better place for everyone.”



Kenichi Shindo
Trustee
Chair of the Sustainability Committee

Message from the Sustainability Committee Chair

In April 2022, Sanyo Trading established the Sustainability Committee and formulated its Basic Sustainability Policy. The same year, we expressed our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and have since been proactively striving to disclose our non-financial information. During the fiscal year ended September 30, 2024, we endeavored to calculate our greenhouse gas (GHG) emissions, and responded to the questions of the Carbon Disclosure Project (CDP).

In our business activities, we aggregated data in-house on environment-friendly products and quality-of-life-related products, and are endeavoring to visualize our progress. In the fiscal year ended September 30, 2024, we had significant progress in projects leading to the reduction of environmental impact, such as woody biomass-related projects (Green Technology Business Unit) and offshore wind power-related projects (Cosmos Shoji).

Regarding our human rights policy, in September 2024, we established the Human Rights Committee as a sub-organization of the Sustainability Committee, and formulated the Sanyo Trading Group Human Rights Policy. We advanced Sanyo Work Style as a human capital initiative, and are continuing to enhance the Sanyo Academy.

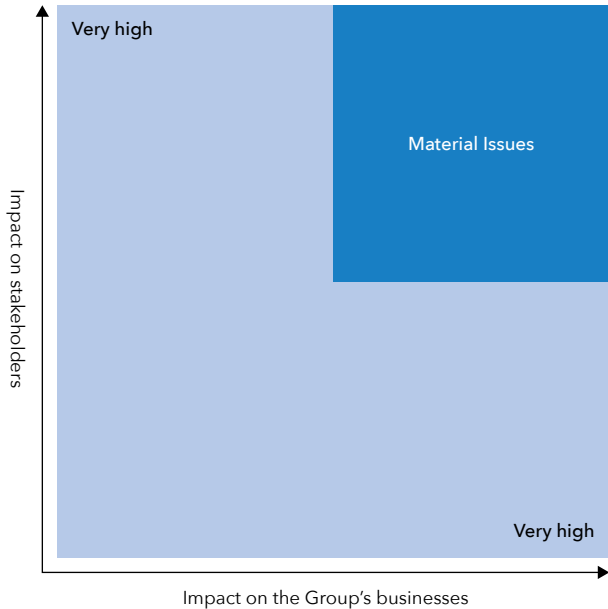
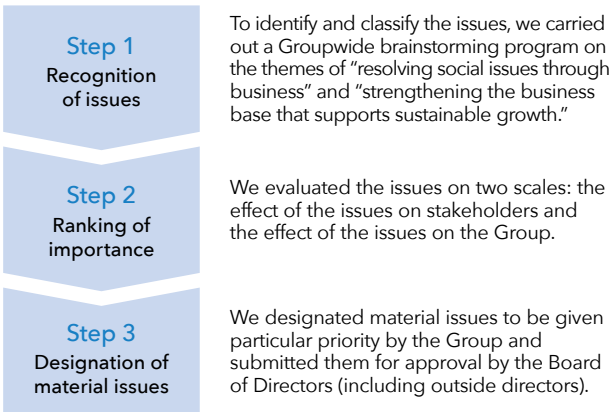
Through these activities, we aim to realize a sustainable international society and achieve medium- to long-term corporate growth.

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.

Process of 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 all stakeholders and contribute to the “sustainable development of the global community.”

In order to achieve our vision set out in SANYO VISION 2028, we are advancing corporate activities linked

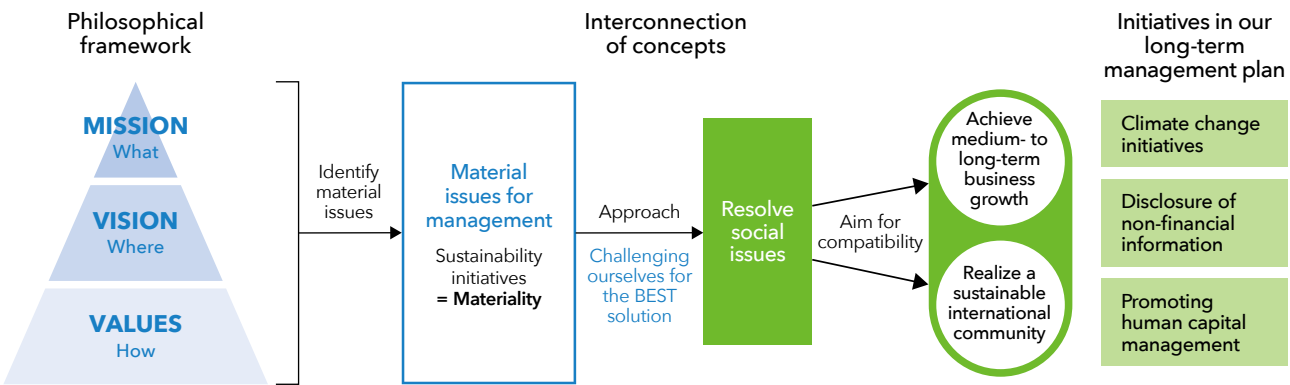
to the Sustainable Development Goals (SDGs) and materiality. Furthermore, we are “resolving social issues through business” and “strengthening the business base that supports sustainable growth” to provide value to all stakeholders that our Group is involved with.

Stakeholders	Resolving Social Issues through Business		Strengthening the Business Base that Supports Sustainable Growth	
	Reducing the Environmental Impact	Providing a Fulfilling Lifestyle	Reinforcing Solid Management Structure	Active Participation of Diverse Motivated Human Resources
	Contribute to climate change countermeasures and a circular economy by handling environment-friendly products	Contribute to healthy, secure, and comfortable lifestyles through discovery of new products and stable supply	Ensure financial soundness and strengthen corporate governance and legal compliance	Develop human resources that create new value, respect their diversity, and provide them with opportunities for active participation
SDGs				
KPI	<ul style="list-style-type: none">Number of environmentally friendly products handledAmount of greenhouse gas emissions	<ul style="list-style-type: none">Number of quality-of-life-related products	<ul style="list-style-type: none">Ratio of independent outside directorsNumber of compliance cases raisedShareholders’ equity ratio	<ul style="list-style-type: none">Turnover ratePercentage of female managersTraining spending

Materiality-based Initiatives in Our Long-term Management Plan

SANYO VISION 2028 positions the response to sustainability as one of our priority policies. Our Business Divisions and Administration Divisions work closely together to place the “reducing environmental impact” and “providing a fulfilling lifestyle” at the heart of our business activities, while also reinforcing the basis of sustainable corporate growth by “reinforcing solid

management structure” with “active participation of diverse motivated human resources.” Above all, through our business, we contribute to the response to climate change, enhancing our disclosure of non-financial information, striving to promote human capital management, and creating a virtuous cycle of increasing corporate value while resolving social issues.



Disclosure based on TCFD Recommendations

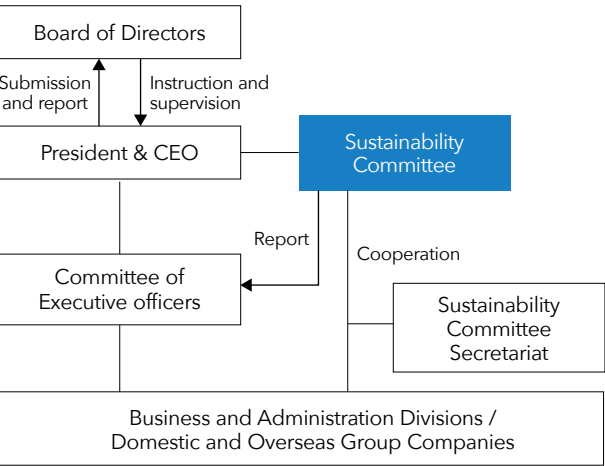
Basic Approach to Climate Change

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.

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, established in April 2022, which is under the president's direct control.

Sustainability Promotion Structure



The president appoints the Sustainability Committee chair, who 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
Trustee (Sustainability Manager)
 - Committee Members
Director (in charge of Administration Divisions), Director (General Manager of the Corporate Planning Department), Senior Executive Officer (in charge of business), Executive Officer (in charge of business), Executive Officer (General Manager of Human Resources & General Affairs Department), General Manager of the Finance & Accounting Department and General Manager of the Consolidated Management Promotion Department

In principle, the Sustainability Committee holds a regular meeting every three months and may also 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	2024
<ul style="list-style-type: none">• Formulation of a basic sustainability policy• Revision of materiality• TCFD initiatives, etc.	<ul style="list-style-type: none">• Calculation of greenhouse gas emissions (Scope 1 & 2)• Setting greenhouse gas emissions reduction targets• Respond to the CDP survey• Enhancement of TCFD disclosure documents	<ul style="list-style-type: none">• Calculation of greenhouse gas emissions (Scope 3)• Number of environmentally friendly products handled as a KPI

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 both reduce our environmental impact and achieve medium- to long-term corporate growth.

Example scenarios

Sanyo Trading uses the following scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) 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	<p>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</p> <p>Compared to the 4 °C scenario, the transition risk is higher while the physical risk is lower.</p>	<p>International Energy Agency (IEA)</p> <p>Net Zero Emissions by 2050 Scenario (NZE)</p> <ul style="list-style-type: none">• 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	<p>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.</p> <p>Compared to the less than 1.5 °C to 2 °C scenario, the transition risk is lower while the physical risk is higher.</p>	<p>Intergovernmental Panel on Climate Change (IPCC)</p> <p>RCP 8.5</p>

Part 3: Management Foundation

Reinforcing a solid governance structure as the foundation for value creation and solving social issues

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A solid management foundation is required for value creation and resolution of social issues through business. We maintain a highly effective governance structure by convening a free and open, yet orderly, Board of Directors. Here, we explain the corporate governance, compliance, and risk management that form the foundation for our value creation and resolution of social issues through business.

What role do outside directors play in Sanyo Trading's efforts to achieve sustainable growth?
We asked our outside directors for their thoughts.

Strengthening our earnings base through the combined knowledge and effort of all employees. Taking Sanyo Trading to a new stage!

Hiroataka Sugihara
Outside Director



In the fiscal year ended September 30, 2024, we achieved our highest ever profit, marking a wonderful first year in SANYO VISION 2028. However, I do not believe external conditions are necessarily favorable for achieving our Long-term Management Plan. The key to achieving our plans is strengthening the earnings base. Constantly optimizing the business portfolio is critical for the growth of existing businesses. I believe that we should continue to boldly pour our management resources into growth fields, such as expansion of initiatives in energy solutions including offshore wind power generation, and selling services in the field of biotechnology. In terms of new business development, we enjoyed the fruit

accompanying the scale of potential core business projects, while we set 20-30 billion yen, a bold total figure, for advancing investment projects, whereby I hope we establish new projects of a scale that will have an impact on operations.

We will apply our philosophy that the happiness of employees leads to growth in corporate value, a unique strong point in our company, and with our open and inclusive corporate culture, I hope we can combine the knowledge and effort of all employees to achieve SANYO VISION 2028. At that point, I believe we will reach a new stage. I will provide my full support towards Sanyo Trading's development.

Further strengthening our open and inclusive corporate culture that leverages our select team of talent

Mitsuo Ogawa
Outside Director



A belief that "united we stand" underpins a trading company's business in the field. The most fundamental challenge for any trading company, including Sanyo Trading, is to gather the best talent and amplify their capabilities. We set forth the "Sanyo Model" in SANYO VISION 2028, with the aim to transform from a company simply selling goods into a company that works closely with customers to deliver the best solutions. Now more than ever, we must recruit and train quality human resources.

We radically reformed our evaluation system, switching from seniority-based to performance-based compensation. We also launched the Sanyo Academy, which provides employees with many opportunities to

gain new skills. Since last year, the executives themselves have been holding self-study sessions with outside directors as lecturers, fostering a mindset change with the principle of "leading by example." Going forward, it is crucial to further bolster our culture to make effective use of human resources. Sanyo Trading has an open and inclusive corporate culture: how can we further promote this to boost our competitiveness? In our open environment, employees are able to make more and more spontaneous proposals. I believe that strengthening this organizational culture must be a core element in "Sanyo Model."

Contributing to mid- to long-term enhancement of Sanyo Trading's corporate value through initiatives aimed at sustainability

Asako Hasegawa
Outside Director / Audit and Supervisory Committee Member



Sanyo Trading regards sustainability initiatives as a material issue, and launched its Sustainability Committee in April 2022. In SANYO VISION 2028, we set forth our aim of realizing a sustainable international community, striving to resolve social issues such as reducing our environmental impact and addressing human rights, alongside our goal for mid- to long-term business growth. In May 2024, we signed the United Nations Global Compact. We developed a Human Rights Policy and established a Human Rights Committee as part of our determined advancement of ESG management.

Addressing sustainability-related social issues is not merely risk-reduction, we consider it provides opportunities that lead to business growth. We are actively promoting environmentally friendly materials,

with products such as epoxidized natural rubber, and plant-derived carbon neat, as well as making effective use of forest resources, handling woody biomass power generation systems, to achieve decarbonization and a recycling-oriented society.

However, I believe there are still many more ways our business can contribute to achieving our aim to bring a brighter future to people around the world, caring for people's happiness, health, and environment. As an Audit and Supervisory Committee Member, I provide objective suggestions to management on the challenge to resolve social issues and achieve growth. By supervising management decisions and risk handling, and enhancing management transparency and soundness, I hope to contribute to enhancing our corporate value.

Aiming for a robust and stable growth strategy through governance that balances offense and defense

Kuniaki Kobayashi
Outside Director / Audit and Supervisory Committee Member



In regards to governance, SANYO VISION 2028 includes the aim to "properly understanding risks and opportunities, establishing and executing strategies through the combination of management supervision and execution." As expressed in this aim, we must not simply avoid risks. Obviously to achieve this aim, it is important to manage risks properly and take what we can from them. In my day-to-day activities as a member of the Audit and Supervisory Committee, I feel that we have a robust governance structure in place, which includes a supervisory function realized through open deliberations at Board of Directors meetings, a Risk Management

Department comprised of many excellent in-house lawyers, an Internal Audit Section, and the Audit and Supervisory Committee. In recent years, Sanyo Trading has steadily increased the scale of its sales, expanded its fields of business, and to a degree, increased the number of Group companies. SANYO VISION 2028 also includes plans for a total of 20-30 billion yen in growth investments, further increasing the importance of governance that keeps watch over the entire Group. Going forward, I will continue to apply myself diligently from the perspective of governance in my effort to contribute to the achievement of our goals.

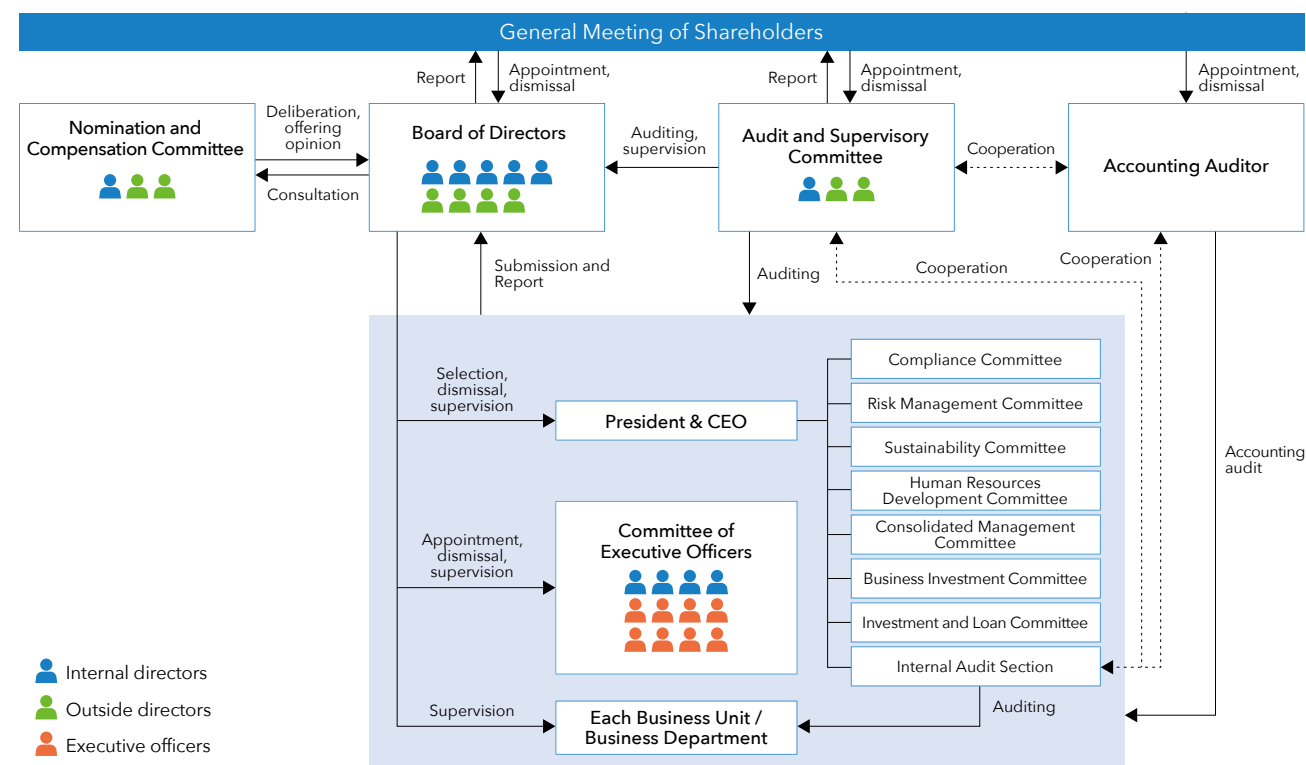
Basic Approach to Corporate Governance

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



Major Governance Bodies

Name	Overview	No. of meetings (Fiscal year ended September 2024)
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 the composition (in terms of diversity, etc.) of 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
Masanobu Shintani			●	●	●		
Mitsuyasu Hirasawa			●		●		
Ryuichi Otani				●	●	●	●
Yoshimi Namba			●		●		●
Hiroataka Sugihara		Outside	●		●		
Mitsuo Ogawa		Outside	●		●		
Hiroshi Shirai	Audit and Supervisory Committee Member		●		●		●
Asako Hasegawa	Audit and Supervisory Committee Member	Outside				●	●
Kuniaki Kobayashi	Audit and Supervisory Committee Member	Outside			●	●	
Kiitsu Sugita	Substitute Audit and Supervisory Committee Member	Outside					●

Reasons for Selecting Skill Matrix Items

- Corporate management

We believe we need knowledge, experience, and abilities in those responsible for domestic and international corporate management and organizational operations who make critical business decisions amid a rapidly changing and uncertain business environment, to promote “strengthening the earnings base” and “corporate management,” which are key measures of SANYO VISION 2028.

- ESG / Sustainability

We believe that knowledge and experience in ESG and sustainability are necessary for us to meet our stakeholders' expectations and to work toward realizing a sustainable society, including addressing climate change issues.

- International experience

The growth of our international business is essential to realize the "sustainable development of the global

community,” which is a part of our Mission. We believe that experience in overseas business management and knowledge of overseas business environments, different cultures, and country risks, including geopolitical risks, is necessary to formulate growth strategies for international business.

- 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.

- 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.

Strengthening the Business Base that Supports Sustainable Growth

Reinforcing Solid Management Structure

(Corporate Governance)

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%			

Total remuneration, etc. (Fiscal year ended September 30, 2024)

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)	231,937	134,250	83,900	13,787	5
Directors (Audit and Supervisory Committee members) (excluding outside directors)	16,200	16,200	–	–	2
Outside corporate officers	27,600	27,600	–	–	4

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, 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 profit 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 most appropriate 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 profit 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 profit) for the current fiscal year. The coefficient for performance-linked remuneration is capped at 150%, and is set at 0% if consolidated ordinary profit 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

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.

Committee members) every February with comprehensive consideration of the position, degree of contribution, and business performance (consolidated ordinary profit) that fiscal year.

• **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.

Evaluating the Effectiveness of Directors

To maintain and improve corporate governance, the Company evaluates the effectiveness of its Board of Directors every year. In the fiscal year ended September 30, 2024, we used an external organization to conduct self-evaluation and analysis, while ensuring anonymity. It confirmed the effectiveness of our Board of Directors continues to be assured. Also, it appraised the composition and operation of our Board of Directors, and the support structure for our directors (including Audit and Supervisory Committee members), as generally having structures in place for important management decision-making and for conducting suitable auditing and supervision. In addition, we were appraised for providing appropriate feedback to the Board of Directors in relation to dialog with shareholders (investors). Meanwhile, suggestions were made for deeper discussion on the progress of SANYO VISION 2028, and for stimulating greater discussion in the Board of Directors. Going forward, we will continue efforts to boost the effectiveness

of the Board of Directors, in pursuit of enhanced medium-to long-term corporate value.

Evaluation targets	9 directors (including 5 outside directors (of those, including 1 Audit and Supervisory Committee member))
Evaluation process	Implementation of an anonymous survey by an external organization Analysis, deliberation, and evaluation at the regular Board of Directors based on the evaluation report
Evaluation items	• Composition of the Board of Directors • Operation of the Board of Directors • Deliberation by the Board of Directors • Monitoring function of the Board of Directors • Performance of outside directors (including Audit and Supervisory Committee members) • Support structure for directors (including Audit and Supervisory Committee members) • Training • Dialog with shareholders (investors) • Initiatives of individuals

Plan for Successor to the Chief Executive Officer, Etc.

At present, we do not have a specific plan regarding the successor to the Chief Executive Officer, but we are conducting multi-level training aimed at developing and selecting future executive candidates. We also conduct

effective planned programs for executives and successors to acquire appropriate knowledge, problem-solving, and judgment skills.

Policy for Director Training

When welcoming new outside directors, we provide opportunities for them to learn about the industries we operate in, our history, business content, management plans, and other essential knowledge. Also, we invite external speakers to conduct in-house training for

directors as appropriate, so they can acquire the knowledge required to perform their role and responsibilities. We also encourage them to join external training programs at the Company's expense.

Cross-shareholding Policy

In order to achieve sustained enhancement of corporate value, when necessary, we engage in cross-shareholding in relevant business partners with whom we have a collaborative relationship, for example, for procuring or providing materials, with overall consideration of maintaining and strengthening stable business relationships and strategies, etc. Regarding shares held by the Company in business partners, we take into consideration the overall picture, examining share

valuation, credit rating, size and trends of transactions, etc., and the capital costs of ownership. We determine the overall rationale for ownership from a medium- to long-term perspective, and report this to the Board of Directors, which verifies the appropriateness of ownership each year.

The exercise of voting rights is based on a composite decision in view of enhancing corporate value for the issuer and compliance.

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 Groupwide. 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.

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 ranked 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.

Communication with Shareholders and Investors

We hold a financial results briefing for institutional investors every six months, which provides an opportunity for dialog with the management team. The Corporate Planning Department (the department in charge of IR) also holds separate IR meetings after the release of quarterly financial results, as well as overseas IR meetings. Overall, we hold over 50 meetings a year for institutional investors and sell-side analysts. Through these activities, we verify our appraisal in capital markets, while also receiving external feedback on disclosure materials. Following repeated in-house discussions, we reflect the findings in our disclosure materials in a timely manner. From the first quarter of the fiscal year ending September 30, 2025, we

revised our reporting segments, and worked for optimal allocation of management resources, appropriate and timely business performance management, and clearer disclosure to capital markets. Going forward, we will continue to incorporate the opinions of all external stakeholders in order to produce clearer briefing materials.

Furthermore, we will share information regarding business progress and new projects in a clear and timely manner through the Company's website and in disclosure documents, also improving our Integrated Report, to further promote constructive dialog with all of our shareholders and investors.

Corporate Officers

(As of December 19, 2024)



Directors

1

Masanobu Shintani

President & CEO

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

Director & Executive Officer, General Manager of Operational Headquarters of the Company

October 2014

Director & Executive Officer, General Manager of Corporate Strategy Department

December 2018

President & CEO (present post)

2

Mitsuyasu Hirasawa

Director & Executive Officer
In charge of Business Divisions

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)

3

Ryuichi Otani

Director & Executive Officer
In charge of Administration Divisions

April 1994

Joined the Company

October 2019

General Manager of Corporate Strategy Department

December 2021

Executive Officer, General Manager of Corporate Strategy Department

October 2022

Executive Officer of the Company

December 2023

Representative Director and CFO of Cosmo Computing System, Inc.

December 2023

Executive Officer, In charge of Administration Divisions of the Company

December 2024

Director & Executive Officer, In charge of Administration Divisions of the Company (present post)

4

Yoshimi Namba

Director & Executive Officer
General Manager of Corporate Planning Department

April 1988

Joined MITSUI & CO., LTD.

August 2001

Chief Operating Officer, PT Bussan Auto Finance (based in Indonesia)

October 2010

Director and Senior Vice President, Penske Automotive Group, Inc. (based in Michigan, U.S.)

April 2017

Divisional Operating Officer of Mobility Division, Americas Business Unit, MITSUI & CO., LTD. and Senior Vice President, New York Headquarters, MITSUI & CO. (U.S.A.) INC. (based in New York State, U.S.)

September 2022

Joined the Company

October 2022

General Manager of Corporate Strategy Department

February 2023

General Manager of Corporate Planning Department

December 2023

Executive Officer, General Manager of Corporate Planning Department

December 2024

Director & Executive Officer, General Manager of Corporate Planning Department (present post)

5

Hirotaka Sugihara

Outside Director (Independent Officer)

April 1981

Joined ITOCHU Corporation

May 1994

Assistant to CEO for Asia Bloc (based in Hong Kong) of ITOCHU Corporation

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

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.

December 2021

Outside Director (part-time) of the Company (present post)

6

Mitsuo Ogawa

Outside Director (Independent Officer)

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

Outside Director (part-time) of the Company (present post)

Directors and Audit and Supervisory Committee Members

7

Hiroshi Shirai

Director
Audit and Supervisory Committee Member

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)

8

Asako Hasegawa

Outside Director (Independent Officer)
Audit and Supervisory Committee Member

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)

9

Kuniaki Kobayashi

Outside Director (Independent Officer)
Audit and Supervisory Committee Member

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 (present post)

December 2021

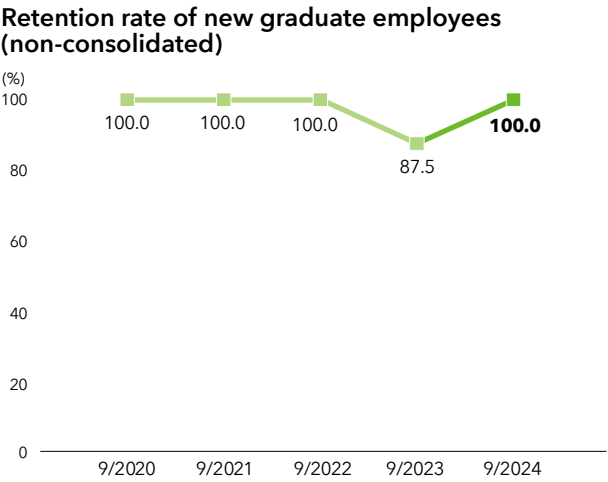
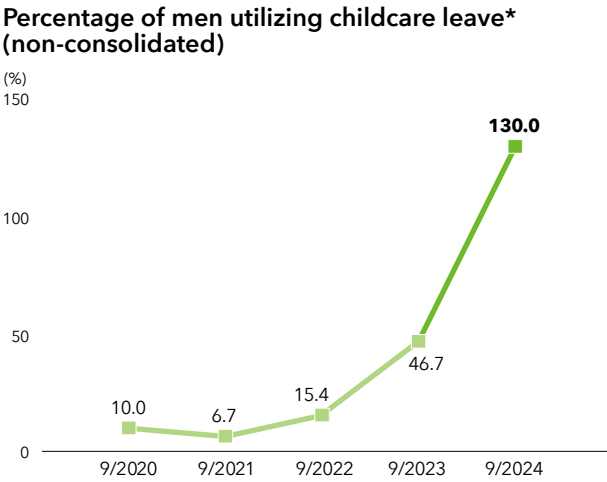
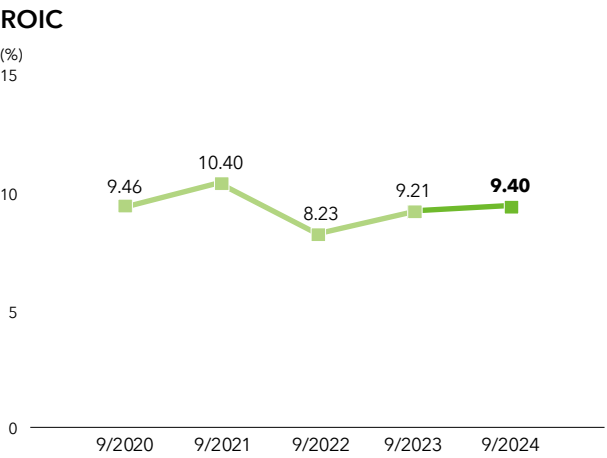
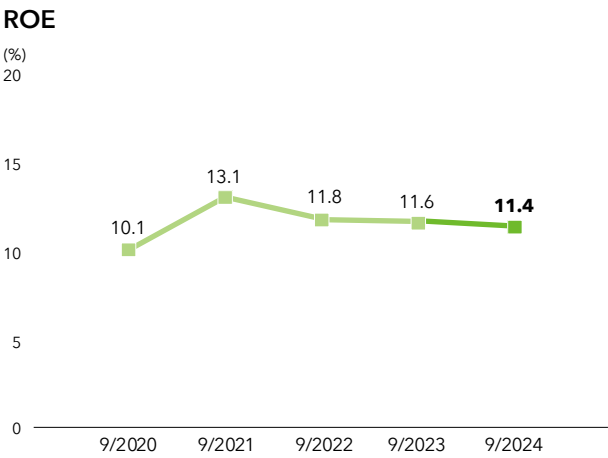
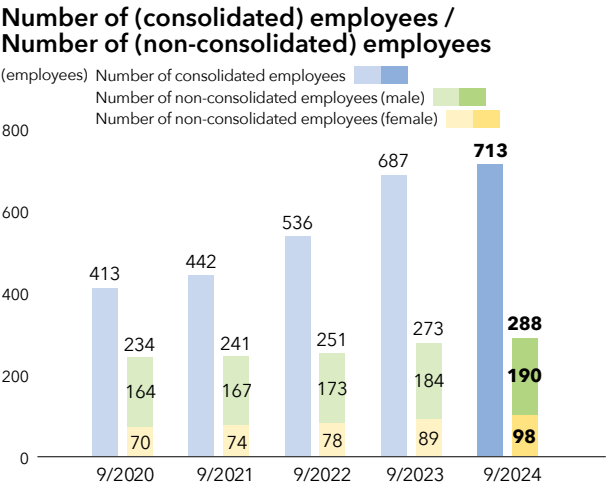
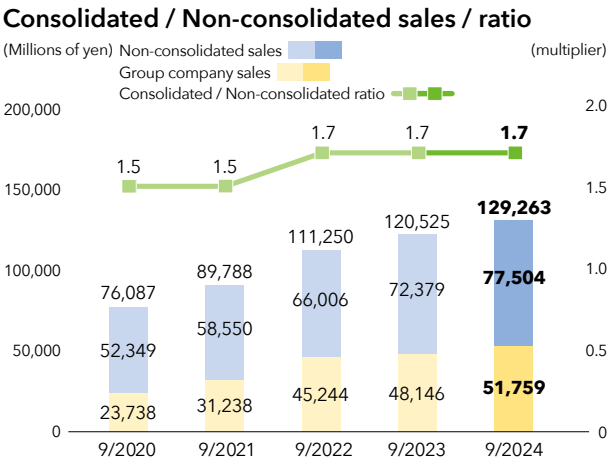
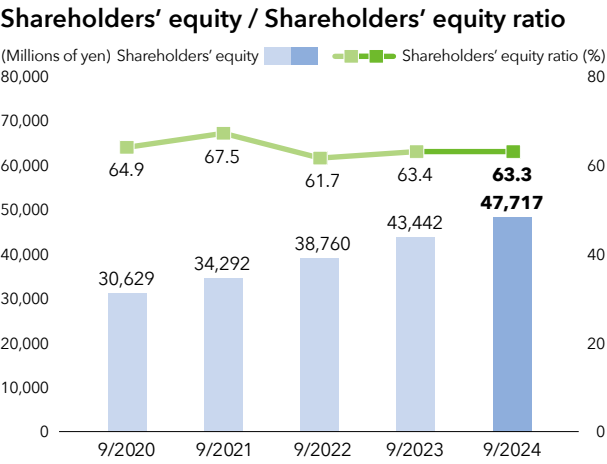
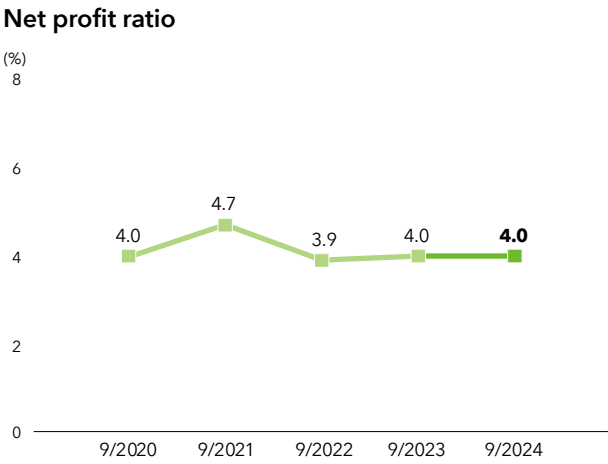
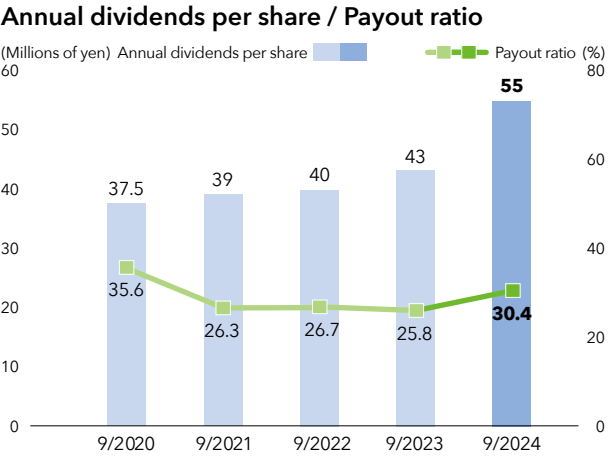
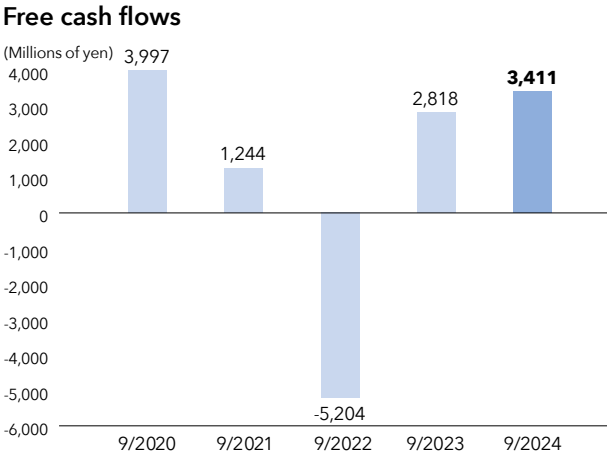
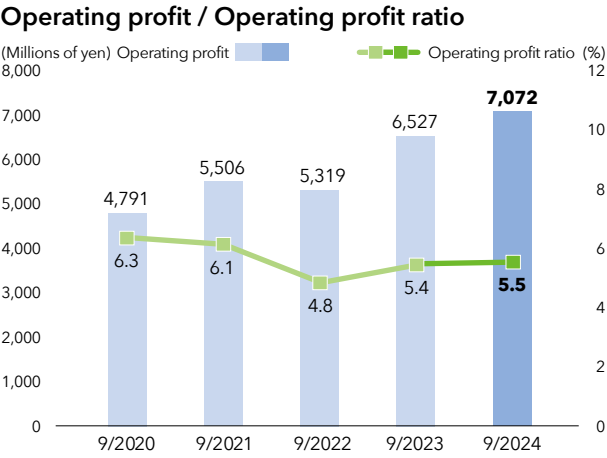
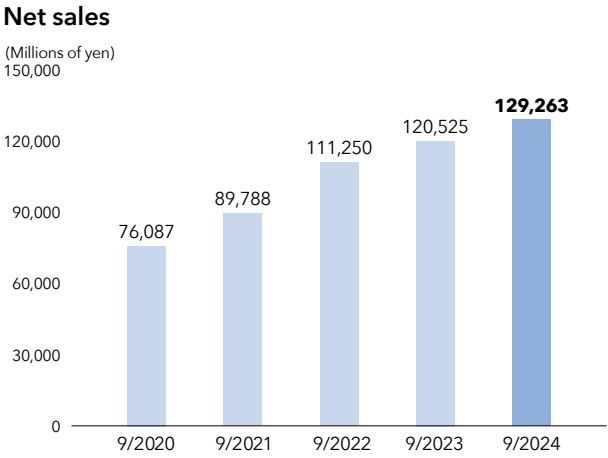
Director (Audit and Supervisory Committee Member) of the Company (present post)

Executive Officers

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

Masanobu Shintani President & CEO*	Mitsuyasu Hirasawa Executive Officer In charge of Business Divisions*	Ryuichi Otani Executive Officer In charge of Administration Divisions*	Yoshimi Namba Executive Officer General Manager of Corporate Planning Department*
Yasushi Komiya Senior Executive Officer General Manager of Rubber Business Unit	Koji Taguchi Senior Executive Officer General Manager of Life Science Business Unit	Rintaro Harada Executive Officer General Manager of Mobility No. 1 Business Unit	Akira Watanabe Executive Officer General Manager of Mobility No. 2 Business Unit
Kenichiro Mohara Executive Officer General Manager of Green Technology Business Unit	Hideki Ohata Executive Officer General Manager of Chemical Business Unit	Kumiko Wada Executive Officer General Manager of Human Resources & General Affairs Department	Takeharu Terada Executive Officer General Manager of Energy Solution Business Department

Financial and Non-Financial Highlights



* 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

Eleven-year Financial Summary

Sanyo Trading Co., Ltd. and Consolidated Subsidiaries (FY9/2014 to FY9/2024)

	9/2014	9/2015	9/2016	9/2017	9/2018	9/2019	9/2020	9/2021	9/2022	9/2023	9/2024
Operating results (Millions of yen)											
Net sales	58,618	60,672	59,908	67,738	78,450	83,230	76,087	89,788	111,250	120,525	129,263
Gross profit	8,659	9,450	10,017	12,264	13,410	14,883	14,206	15,510	17,144	20,105	22,229
Selling, general and administrative expenses	5,480	5,844	5,964	7,325	8,147	9,011	9,414	10,003	11,825	13,578	15,156
Operating profit	3,178	3,606	4,052	4,938	5,263	5,871	4,791	5,506	5,319	6,527	7,072
Ordinary profit	3,516	4,110	4,274	5,270	5,575	6,075	5,271	6,190	6,299	7,090	7,905
Profit attributable to owners of parent	1,982	2,794	2,757	3,351	3,635	4,018	3,013	4,256	4,296	4,785	5,207
Financial position (Millions of yen)*1											
Total assets	30,051	30,285	32,455	38,987	41,606	43,731	47,230	50,834	62,859	68,537	75,390
Interest-bearing debt	1,441	1,084	845	1,655	1,906	1,309	4,529	2,432	6,070	5,715	4,508
Net interest-bearing debt	(2,053)	(2,120)	(2,866)	(979)	(562)	(3,239)	(5,889)	(6,231)	190	(1,316)	(3,499)
Net assets	16,953	19,394	20,954	24,600	26,756	29,343	31,038	34,725	39,212	43,890	47,809
Cash flows (Millions of yen)											
Cash flows from operating activities	2,106	909	2,997	178	1,583	5,088	6,186	2,253	(3,395)	5,734	5,447
Cash flows from investing activities	(385)	(196)	(1,201)	(1,359)	(408)	(1,057)	(2,189)	(1,009)	(1,809)	(2,915)	(2,035)
Free cash flows	1,721	712	1,795	(1,180)	1,175	4,030	3,997	1,244	(5,204)	2,818	3,411
Cash flows from financing activities	(82)	(1,047)	(1,220)	(15)	(1,297)	(1,957)	1,834	(3,301)	1,864	(1,767)	(2,794)
Cash and cash equivalents, end of year	3,490	3,201	3,712	2,601	2,468	4,548	10,418	8,663	5,718	6,900	7,367
Per share information (Yen)*2											
Earnings per share (EPS)	68.89	97.68	96.39	117.10	126.99	140.36	105.22	148.52	149.67	166.43	180.88
Book-value per share (BPS)	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	1,657.16
Annual dividends	17.0	24.5	24.5	29.5	32.0	37.0	37.5	39.0	40.0	43.0	55.0
Financial indicators											
Gross profit margin ratio	14.8%	15.6%	16.7%	18.1%	17.1%	17.9%	18.7%	17.3%	15.4%	16.7%	17.2%
Operating profit to net sales ratio	5.4%	5.9%	6.8%	7.3%	6.7%	7.1%	6.3%	6.1%	4.8%	5.4%	5.5%
Ordinary profit to net sales ratio	6.0%	6.8%	7.1%	7.8%	7.1%	7.3%	6.9%	6.9%	5.7%	5.9%	6.1%
Net profit to net sales ratio	3.4%	4.6%	4.6%	4.9%	4.6%	4.8%	4.0%	4.7%	3.9%	4.0%	4.0%
ROA	12.7%	13.6%	13.6%	14.8%	13.9%	14.2%	11.6%	12.6%	11.1%	10.8%	11.0%
ROE	12.7%	15.9%	14.1%	15.2%	14.5%	14.5%	10.1%	13.1%	11.8%	11.6%	11.4%
Shareholders' equity ratio	54.7%	62.1%	62.7%	61.1%	63.5%	66.2%	64.9%	67.5%	61.7%	63.4%	63.3%
D/E ratio (multiplier)	0.09	0.06	0.04	0.07	0.07	0.05	0.15	0.07	0.16	0.13	0.09
Non-financial indicators / Other information											
Employees (consolidated)	256	260	295	326	349	368	413	442	536	687	713
Employees (non-consolidated)	164	177	188	193	211	224	234	241	251	273	288
Female employees (non-consolidated)	42	45	50	50	56	59	70	74	78	89	98
Percentage of female employees (non-consolidated)	25.6%	25.4%	26.6%	25.9%	26.5%	26.3%	29.9%	30.7%	31.1%	32.6%	34.0%
Percentage of female managers (non-consolidated)	0.0%	0.0%	0.0%	1.7%	4.4%	4.0%	5.2%	4.7%	3.5%	5.3%	6.5%
Percentage of male employees utilizing childcare leave (non-consolidated)*3	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	10.0%	6.7%	15.4%	46.7%	130.0%
Average years of service (non-consolidated)	11.70	11.10	10.84	10.74	10.36	10.18	9.92	9.50	9.78	9.44	9.02
Retention rate of new graduate employees (non-consolidated)*4	-	-	-	67%	85%	96%	100%	100%	100%	88%	100%
Turnover rate (non-consolidated)*5	-	-	-	6.7%	2.4%	4.0%	3.4%	7.1%	5.2%	4.4%	5.4%
Number of consolidated Group companies	7	6	8	10	9	10	12	13	16	19	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 male employees utilizing childcare leave = Number of male employees (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 male employees (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

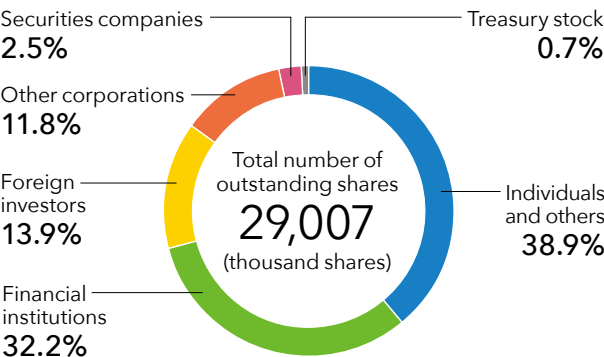
Stock Information

(As of September 30, 2024)

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	9,026

Breakdown of Stocks by Stockholder

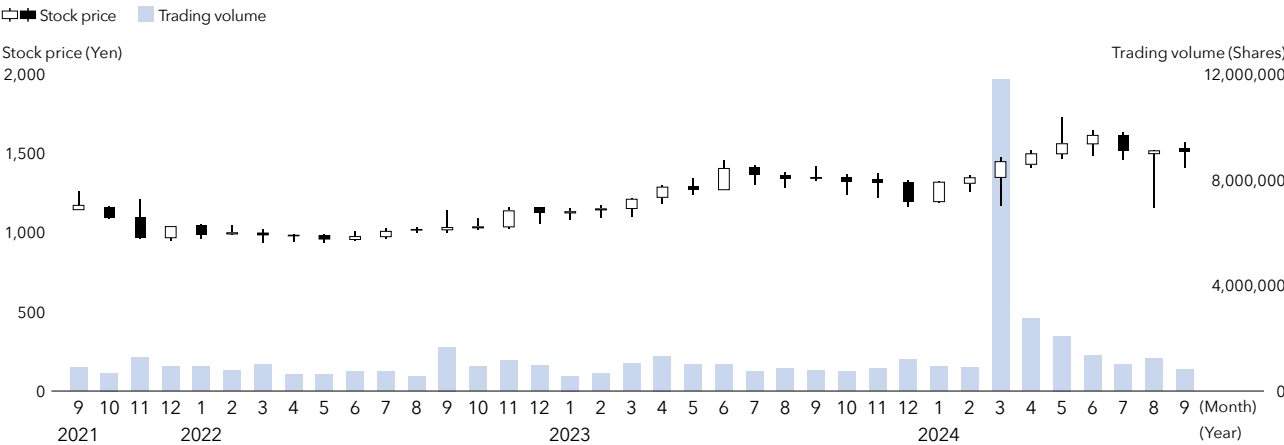


Major Stockholders

Stockholder	Number of shares held (thousands)	Shareholding ratio (%)*
The Master Trust Bank of Japan, Ltd. (Trust account)	3,091	10.73
Custody Bank of Japan, Ltd. (Trust account)	2,138	7.42
Toagosei Co., Ltd.	1,497	5.20
Susumu Tamaki	1,095	3.80
MUFG Bank, Ltd.	939	3.26
Meiji Yasuda Life Insurance Company	675	2.34
Sanyo Trading Employee Stock Ownership Association	630	2.18
Sumitomo Mitsui Banking Corporation	569	1.97
Sumitomo Mitsui Trust Bank, Limited	568	1.97
RE FUND 107-CLIENT AC	544	1.89

* 213,035 shares of treasury stock are not included in the shareholding ratio calculation.

Stock Price and Trading Volume



Corporate Information

(As of September 30, 2024)

Corporate Profile

Company Name	Sanyo Trading Co., Ltd.	Number of Consolidated Subsidiaries	Japan: 12 Overseas: 7
Date of Establishment	May 28, 1947	Employees	Non-consolidated: 288 Consolidated: 713
Head Office	2-11, Kanda Nishiki-cho, Chiyoda-ku Tokyo, 101-0054 Japan Tel: +81-3-3518-1111	Fiscal Year	From October 1 to September 30 of the following year
Capital	¥1,006,587,450	General Meeting of Shareholders	Each year in December
Number of Bases	Japan: 4 Overseas: 15 bases in 10 countries		

Organization (As of November 30, 2024)

