

Integrated Report



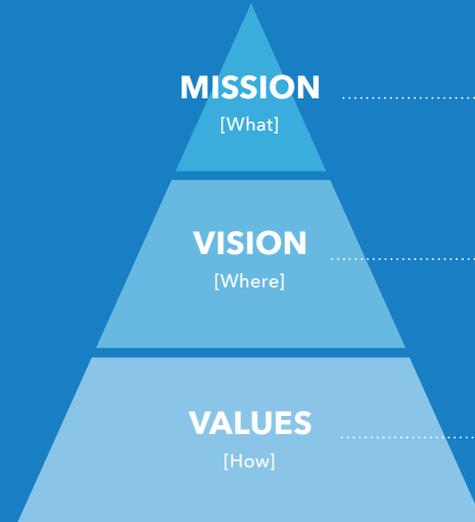
## Introduction

# 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



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

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

#### Act with integrity

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

#### Be a challenger

We build a future full of opportunities and creativity.

#### Demonstrate agility

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

#### Pursue innovation

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

#### Embrace altruism

We care for others and prosper together.

With an open and inclusive spirit, act with integrity, be a challenger, demonstrate agility, pursue innovation, and embrace altruism to realize sustainable value creation

For more information, please visit the new "Ad & Video Library" on our website.

▶ <https://www.sanyo-trading.co.jp/eng/company/media-library/>



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## Editorial Policy

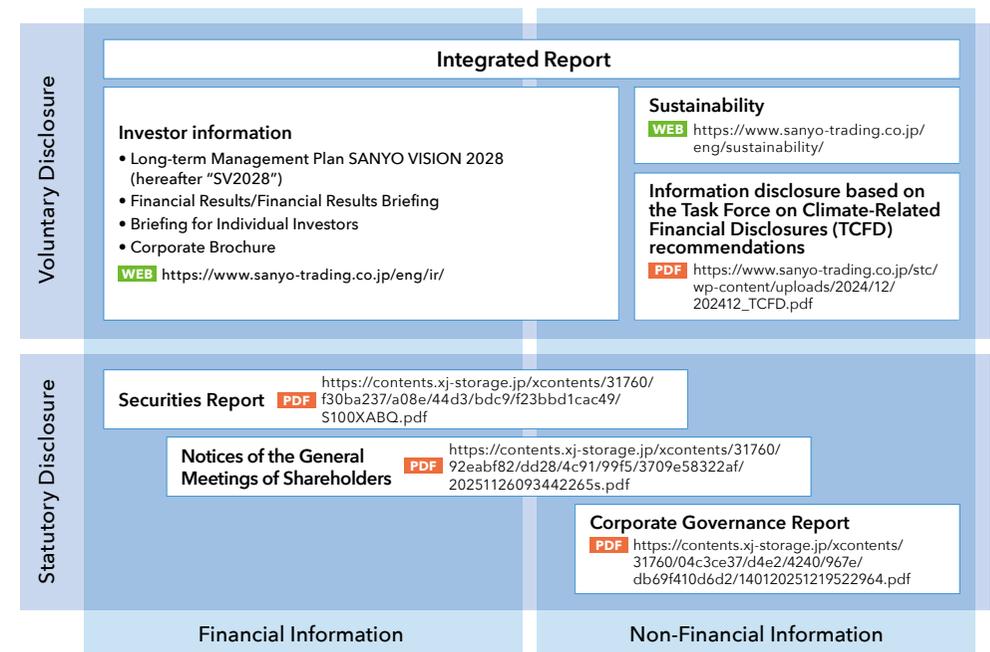
We have published this Integrated Report as a communication tool to convey Sanyo Trading Group's business activities and unique initiatives aimed at value creation to a wide range of stakeholders. The primary focus of this publication is to deepen understanding among readers worldwide of our business model, our approach to achieving value enhancement, and the management foundation that supports these efforts. Going forward, we will continue to ensure that this report serves as an effective communication tool for shareholders, investors, and all stakeholders, while enhancing the quality of disclosure and contributing to the enhancement of our corporate value.

**Reporting Scope:** Sanyo Trading Co., Ltd. ("the Company") and Sanyo Trading Group companies ("the Sanyo Trading Group")

**Period Covered:** October 1, 2024 to September 30, 2025

(Please note that this report includes information regarding the results of activities outside the reporting period.)

## Information Disclosure System



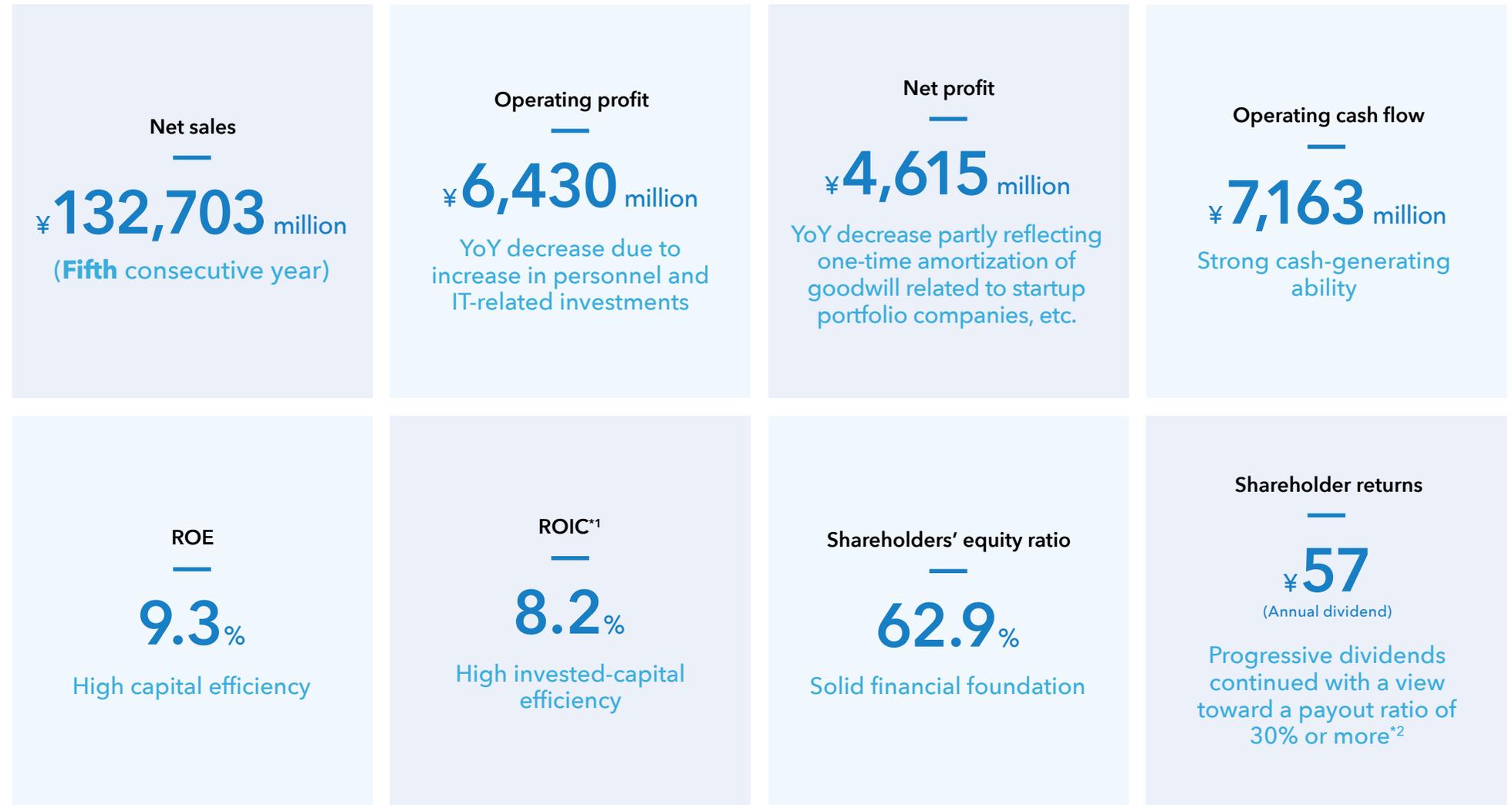
### Cautionary Note Regarding Forward-Looking Statements

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.

## At a Glance

(Fiscal year ended September 30, 2025)

### Financial Information



\*1 Operating profit after tax / Invested capital at the end of the period (= Interest-bearing debt + Shareholders' equity)

\*2 SANYO VISION 2028 period

## At a Glance

(Fiscal year ended September 30, 2025)

## Non-Financial Information



\*3 As some male employees take childcare leave in the year following their child's birth, the timing of leave may span fiscal years, resulting in fluctuations in the percentage of employees taking childcare leave between fiscal years.

# History of Sanyo Trading

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. Today, Sanyo Trading is growing rapidly, thanks to an open and inclusive organizational culture based on our founder's precept.



Eiichi Tamaki, Founding President

- People** "A trading company is defined by its people, and education is our lifeblood."
- Trust** "Trust is what it takes to succeed in business."
- Reputation** "Don't do anything that lowers our reputation."

## 2012

### Stock Exchange Listing

In 2012, we were listed on the Tokyo Stock Exchange. Since then, our proactive approach to M&A and overseas expansion has also proved successful, enabling the Company to achieve significant growth. Our open and inclusive organizational culture, consistently passed down since our founding, serves as the backbone that supports our development.

## Around 2000

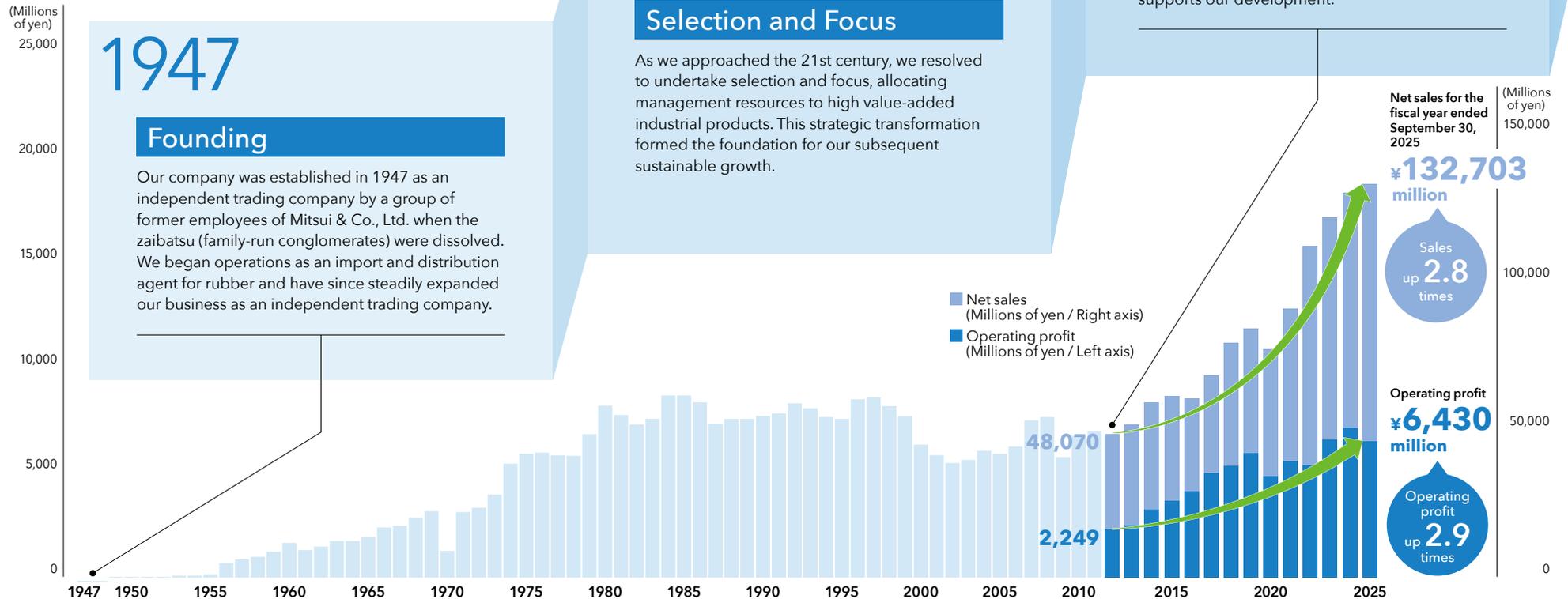
### Selection and Focus

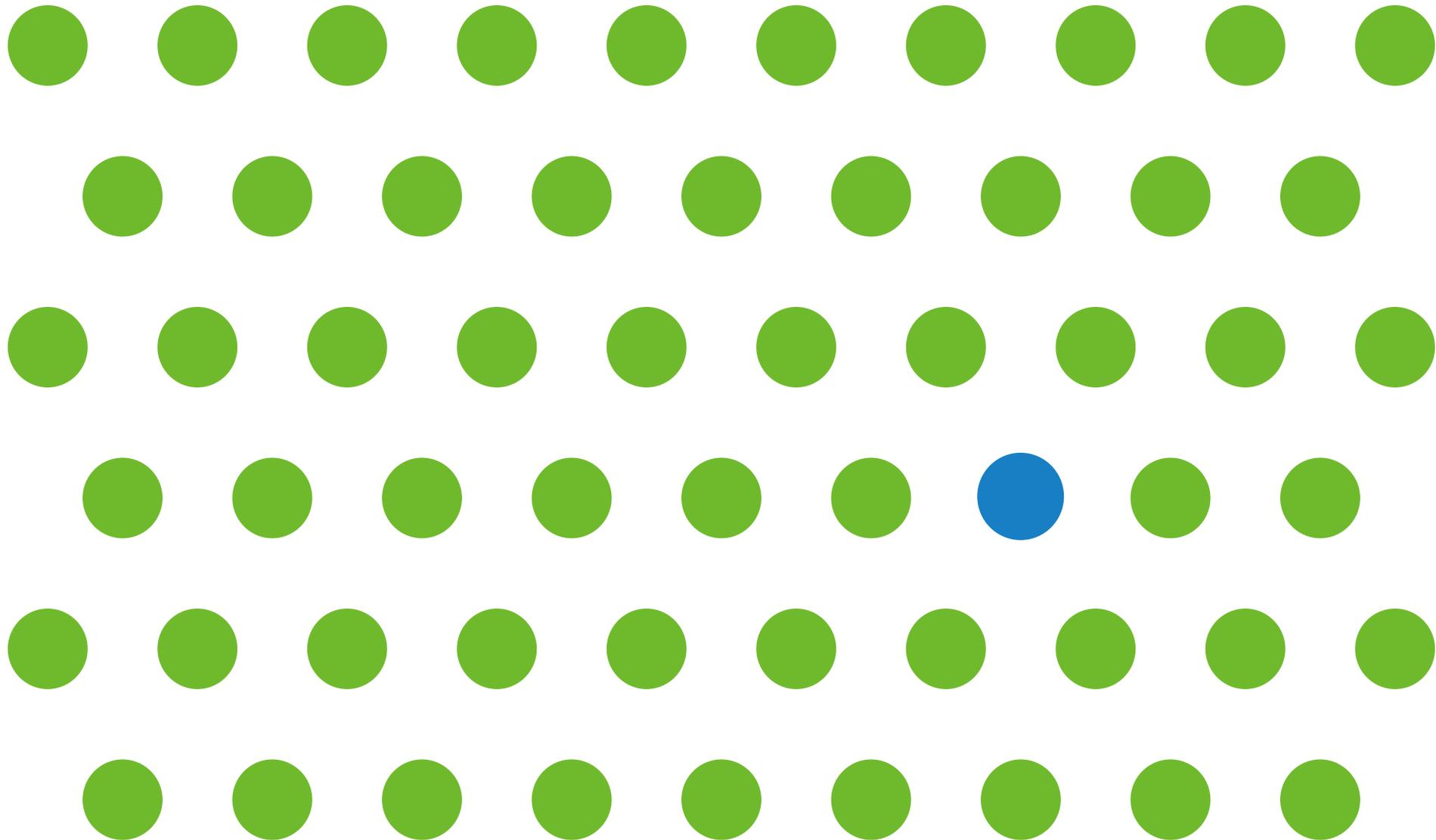
As we approached the 21st century, we resolved to undertake selection and focus, allocating management resources to high value-added industrial products. This strategic transformation formed the foundation for our subsequent sustainable growth.

## 1947

### Founding

Our company was established in 1947 as an independent trading company by a group of former employees of Mitsui & Co., Ltd. when the zaibatsu (family-run conglomerates) were dissolved. We began operations as an import and distribution agent for rubber and have since steadily expanded our business as an independent trading company.





**Part 1** Uniqueness: Value Creation Story

**07**.....Value Creation Model

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Investment Management's Fund  
Manager and a Director of  
Sanyo Trading

# Value Creation Model

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.”

## What Makes Sanyo Trading Unique

### A People Company

Employee growth equals company growth. Our select team of self-motivated human resources are provided with the tools needed to demonstrate their full potential in creating our end-to-end value.

### Partnership Model

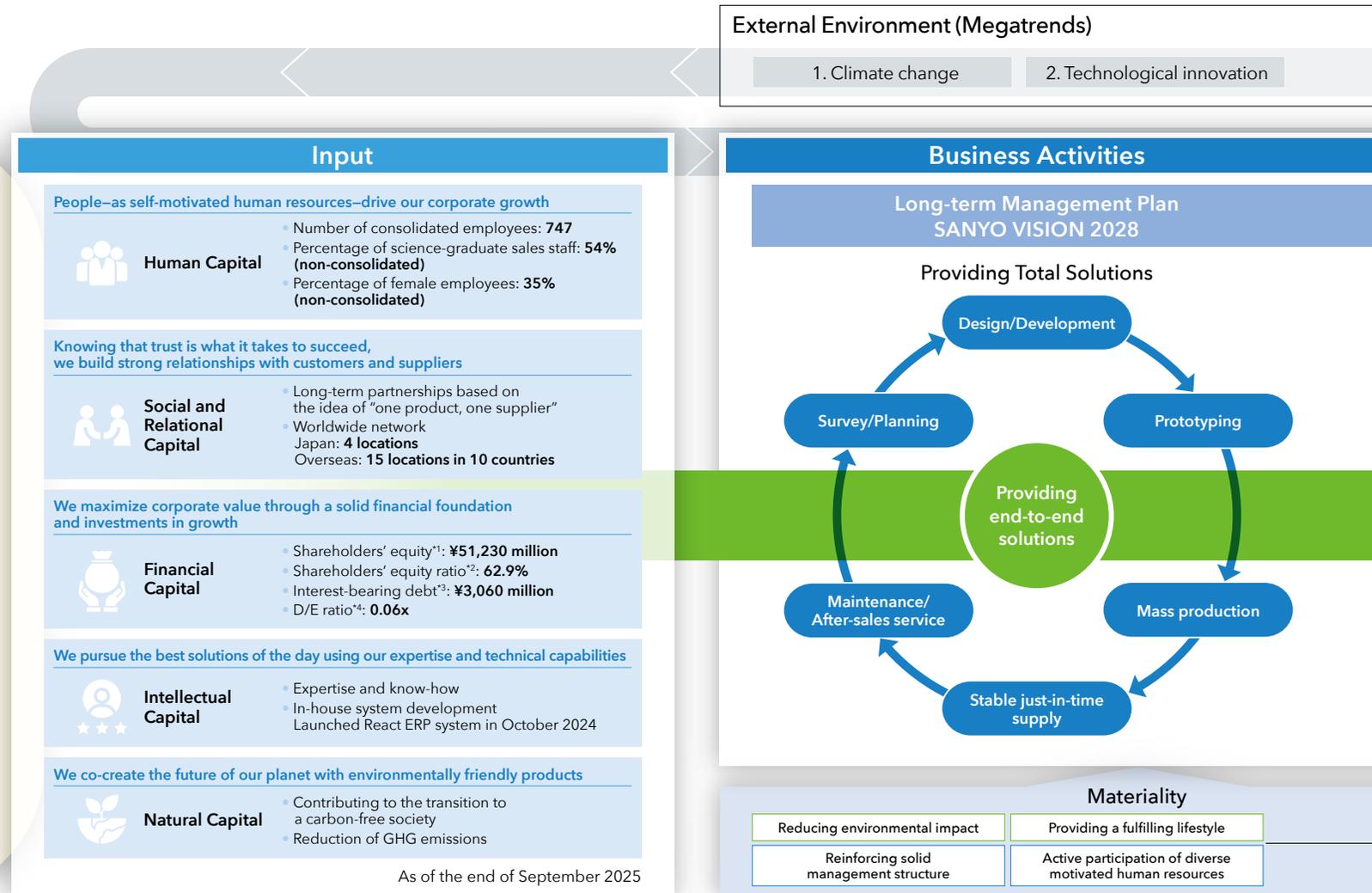
Dedicated to the principle of one product, one supplier, we build long-term strategic partnerships with our suppliers. This sets us apart and enables us to deliver the best solutions to our customers.

### Good Work

We never do anything to lower our reputation and know that trust is what it takes to succeed. We aim not only to make a profit, but to also do good work that contributes to the betterment of society.

### High-Value-Added Products

We specialize in top niche products high in both comparative advantage and differentiated value. Leveraging our expertise and technical capabilities, we achieve high profitability.

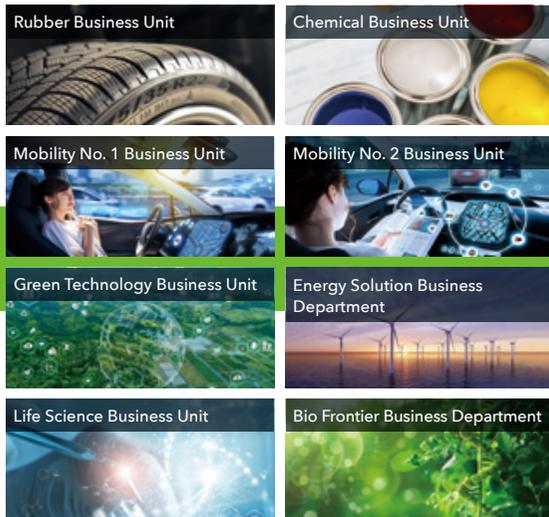


\*1 Net assets - Stock acquisition rights - Non-controlling interest \*2 Shareholder's equity / Total assets at the end of the period \*3 Short-term debt + Long-term debt \*4 Interest-bearing debt (excluding lease obligations) / Shareholders' equity

3. Low birthrate and aging population      4. Globalization

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

Eight Business Units and Departments



Resolving social issues through business

Strengthening the business base that supports sustainable growth

Customers

Four Focus Markets

Fine Chemicals

Contributing to the development of industry and greater environmental friendliness with functional raw materials

Industrial Products

Driving the evolution of the mobility industry with goods and solutions

Sustainability

Co-creating a sustainable society with renewable energy

Life Science

Helping to improve quality of life through food and medicine

Output

- Construction
- Bridges and other structures
- Automobiles
- Smartphones
- Daily necessities, cosmetics
- Food products
- Power generation
- Biotechnology

Outcome

As of the fiscal year ended September 30, 2025

Financial Value

- Operating profit (operating profit ratio): **¥6,430 million (4.8%)**
- Profit attributable to owners of the parent: **¥4,615 million**
- Operating cash flow: **¥7,163 million**
- ROE: **9.3%**
- ROIC<sup>\*5</sup>: **8.2%**
- Total dividends (payout ratio): **¥1,642 million (35.6%)**

Non-Financial Value

- Greenhouse gas (GHG) emissions; 5,299 (t-CO<sub>2</sub>)  
GHG emissions targets  
Scope 1 & 2:  
Net-zero GHG emissions by 2050  
Halve GHG net emissions by 2030 (compared with September 2022)  
Scope 3: Began calculation for some categories. We will expand the scope of calculation going forward.
- Environmentally friendly products: 34 products



\*5 Operating profit after tax / Invested capital at the end of the period (= Interest-bearing debt + Shareholders' equity)

## What Makes Sanyo Trading Unique

Sanyo Trading maintains business relationships spanning multiple decades. This is a testament to what makes Sanyo Trading truly one-of-a-kind, and our distinctive partnership model is the key.

### A People Company

We nurture an open and inclusive corporate culture based on the belief that employee growth equals company growth. Our small but select team of self-motivated human resources are provided with the tools needed to demonstrate their full potential in the provision of Sanyo Trading's end-to-end solutions.

### Partnership Model

We build long-term strategic partnerships with our suppliers based on the principle of one product, one supplier. In addition to setting us apart from our competitors, this enables us to provide the best solutions for our customers.

## What Makes Sanyo Trading Unique

### Good Work

We embody the teachings of our predecessors: "Don't do anything that lowers our reputation" and "Trust is what it takes to succeed in business." We aim not only to make a profit, but to also do good work that contributes to the success of our customers and the betterment of society.

### High-Value-Added Products

We specialize in top niche products high in both comparative advantage and differentiated value. We achieve high profit margins by providing solutions to our customers while leveraging our advanced expertise and technical capabilities.

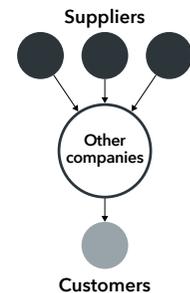
### Sanyo Trading

We emphasize building long-term strategic partnerships based on the principle of one product, one supplier. On the other hand, we are not tied to any particular affiliate in terms of sales partners, and are able to do business with any and all customers, a distinct strength of an independent trading company.



### Other Companies

For affiliated trading companies, dual and triple sourcing, in which suppliers are determined on a case-by-case basis by comparing pricing conditions, is common. However, this limits transaction scopes due to affiliation restrictions on who products can be sold to.



## What Makes Sanyo Trading Unique

### A People Company

#### Strong Sales Engineering Capabilities in Action

Sanyo Trading believes that the true value of technology lies in its ability to solve customer problems, and we focus on identifying latent customer needs and working closely with our partner manufacturers to deliver optimum solutions.

I was once seconded to a business partner's North American sales division, and practically every day we would brainstorm together with the product development team to solve various challenges. Utilizing this experience, I continue to work together with our business partners, from product development to mass production, with the aim of creating competitive technical solutions and products.



**Kyosuke Chaki**

Group Leader, Group 1, Sales No. 1 Department,  
Mobility No. 2 Business Unit

### Partnership Model

#### Strategic Partnerships

Based on Sanyo Trading's "one product, one supplier" principle, the Rubber Business Unit has built strong partnerships over the years with major suppliers Arlanxeo and Dow Toray. Our efforts in market development, application development, and stable supply have enabled us to deliver speed and optimal product solutions no other company can match, and our track record continues to grow steadily.

Further, on the logistics side, we have established a stable and swift supply system by building up our product stocks and supply chains in Japan and other Asian countries.



**Yusuke Murase**

Group Leader, Group 1, Rubber No. 1 Department,  
Rubber Business Unit

### Good Work

#### Working to Be More Environmentally Friendly

From the time I was hired, I have always sought the best solutions in my work related to marine surveys. In recent years, we have delivered deep water riser pipes and underwater robots (ROVs) to the *Chikyu* deep-sea scientific drilling vessel for the development of technologies to mine rare-earth mud in the waters off Minamitorishima Island.

My predecessors took up the challenge of developing Japan's marine resources and sought the best solutions. My mission is to carry on their work and ensure the results are passed on to our customers and the next generation of my colleagues.



**Yuka Masaki**

Marine Development Team, Sales Department  
Cosmos Shoji Co., Ltd.

### High-Value-Added Products

#### Top Niche, High Value-Added Products

Our Chemical Business Unit specializes in high-performance, high-value-added areas rather than commodity products. We are expanding our business centering on high-performance additives for UV applications; PFAS-free and similar environmentally friendly products; and sustainable, naturally derived products.

We are also focusing on the field of electronic materials, and are developing a sophisticated technical solution-based business through collaborations with domestic and overseas partners. Through these initiatives that leverage our high level of expertise and technical knowledge, we have built a stable and highly profitable business foundation.



**Takanori Fujii**

Group Leader, Group 1 and Group 4,  
Chemicals Department, Chemical Business Unit

## What Makes Sanyo Trading Unique

### Taking on New Challenges to Bring Hope to Society

Sanyo Trading supports Mitsuhiro Iwamoto, an athlete who is blind. Iwamoto shares our values of “Be a challenger” and “Act with integrity,” and embodies our corporate philosophy and ESG practices.



**Mitsuhiro Iwamoto** Mental Toughness Trainer and Ocean Adventurer Who Is Blind

Profile: Born December 27, 1966 in Amakusa City, Kumamoto Prefecture. After losing his sight at the age of 16, he switched his thinking from “why I can’t” to “how I can,” and ever since has been a challenger who has forged his own path. In 2019, he accomplished the world’s first successful non-stop Pacific Ocean crossing in a yacht with Douglas Smith. Currently, he provides lectures and training for companies and organizations in Japan and abroad on the themes of building organizations that are resilient to adversity, cultivating an unbreakable spirit, and action-oriented thinking. Leveraging an ability cultivated through his experiences in extreme environments to see things others cannot “precisely because [he] cannot see,” he continues to unlock the potential of people and organizations.

Under the slogan “One Sanyo,” Sanyo Trading is a company where all employees work together to achieve sustainable growth. One of its values is “Be a challenger.” To challenge is to confront difficulties, transcend limits, and open up new possibilities. Mitsuhiro Iwamoto, an athlete who is blind, shares this philosophy, and Sanyo Trading has supported him in his endeavors since the beginning of 2024.

At the Miyakojima Triathlon in April 2024, Sanyo Trading employees came to support Iwamoto by cheering him from the roadside and providing icing. Under a blazing sun and in sweltering heat, Iwamoto stated with a smile on his face, “I will reach the goal with all of you!” emblemizing the strength to overcome adversity. Toward the end of the race, Iwamoto suffered a leg injury, but despite this managed to cross the finish line with just 40 seconds remaining before the end of the time limit, serving as an inspiration and model of courage to all. In subsequent motivational speeches given at our head office, Group companies, and overseas locations, Iwamoto has taught us much about the power of empathy and a positive attitude. His words and uplifting life story have increased employee engagement and further instilled the spirit of being a challenger as a part of our corporate culture.

Iwamoto is already moving on to tackling his next challenge. In the spring of 2027, he will attempt the world’s first solo yacht crossing of the Pacific Ocean as a person who is blind. The voyage from San Diego on the west coast of the United States to his hometown of Amakusa is extremely dangerous and challenging, but Iwamoto, saying, “I may not have sight but I do have courage,” is imbued with a powerful will and the belief in human potential.

Sanyo Trading is supporting this challenge as the sole sponsor in the spirit of “One Sanyo.” Iwamoto’s activities have also attracted attention internationally. At the World Economic Forum in 2026, he delivered the following message to the world: “Limits are not something that others set for you. Whether to overcome them is your own choice.”

Sanyo Trading’s support of Mr. Iwamoto is not mere advertising. It serves the purpose of value creation within the context of the “S” (Society) of our ESG activities, and is an initiative that embodies our corporate philosophy. The spirit of not being afraid to take on challenges and transcending limits to create the future is deeply connected to our sustainable growth strategy. Inspired by his courage and passion, we too will continue to overcome obstacles and grow together as a company that brings hope to society.

## What Makes Sanyo Trading Unique

### Student Creativity Meets Sanyo Trading's Corporate Philosophy

Sanyo Trading sponsors the Student Manzai Comedy King Championship organized by Nikkei Inc., helping to develop the skills of the next generation as well as creating social value.

Sanyo Trading sponsored the 1st Nikkei Student Manzai Comedy King Championship held by Nikkei Inc. in August 2025. This competition is a highly unique project. University students create a comedic performance in the traditional Japanese manzai style (similar to Western comedy duos) on themes submitted by sponsor companies and are evaluated by a panel of professional judges, competing on their ability to be creative and express themselves. From among applicants from all over Japan, nine student duos were selected to participate in the championship, and representatives from Sanyo Trading were there to witness the competition.

The theme Sanyo Trading chose was "Quest," based on the "Quest for Next" slogan that encapsulates our vision of seeking the best solutions for a better future for people and this planet. In manzai, the *boke*, or funny man, questions the norms of everyday life, while the *tsukkomi*, or straight man, clarifies things and draws out an answer from an unexpected angle.

The humor comes from the exchange between the two performers. The structure is thus actually a process of discovery, moving from question to answer. At a meeting held prior to the competition, the students who had been assigned our theme engaged in a serious discussion of how to reflect the theme of "Quest" in their comedy acts, showing inspiring commitment and dedication.

The first champions to win the Sanyo Trading Prize were the Nihon University duo Miracle ST Keikaku. Their hilarious manzai performance took a look at a not-too-distant future in which social inconveniences are solved using VR, voice assistants, and other cutting-edge technologies. Miracle ST Keikaku participated in meetings at the Sanyo Trading head office until just before the competition to polish their performance, emblemizing the energy of a young generation ready to take on new challenges. At the championship held at Theatre Mercury Shinjuku, they received the most applause and laughter from the audience.



Nihon University comedy duo  
**Miracle ST Keikaku**

The head of the judging panel, Tokidoki Iwashi, who is the *tsukkomi* performer in the manzai duo Niboshi Iwashi, commented, "Both members are unique, and their performance is the kind you want to keep watching." Sociologist Fumiaki Senuma also praised their performance, saying, "They deftly transformed timely subjects such as voice assistants and VR into comedy."

This initiative represents more than just the sponsorship of an event. As value creation under the scope of the "S" (Society) of Sanyo Trading's ESG activities, supporting the development of the next generation and the discovery of diverse abilities is directly related to the realization of a sustainable society. In addition, working with students broadens the perspectives of our employees and promotes the evolution of our corporate

culture, thereby enhancing the quality of our human capital. Comedy and business share many points in common. The ability to formulate a plan for a manzai performance, the communication skills to move the hearts of audience members, the grit that is honed on stage, and the adaptability to learn from one's mistakes and use this knowledge in the next performance—these same skills are essential for an employee working in a trading company taking on the challenges of a changing world.

In the spirit of "Quest for Next," Sanyo Trading, together with the members of a young generation equipped with flexible minds and a readiness for new challenges, will continue to provide the best solutions to customers and pursue both sustainable growth and social value.

## Message from the CEO



# Sanyo Trading

**Masanobu Shintani**  
President & CEO

## Tackling change with an open, inclusive organizational culture and altruism to achieve SANYO VISION 2028

### Q.1 What are Sanyo Trading's strengths?

I believe that the essence of our competitiveness and the core of our uniqueness lies in our open and inclusive organizational culture. Naturally, this is not a free and uncontrolled situation. Freedom in our company is based on self-discipline and a spirit of altruism, and our self-motivated employees have a history of tackling a range of business by thinking and acting proactively. In SV2028, announced in 2023 to share these strengths anew with the entire Group, we formulated our company's values: integrity, challenge, agility, innovation, to which we added

altruism. This is because the difference between "free, uncontrolled" and "open, inclusive" becomes clearer in the presence of a spirit of altruism.

Furthermore, as a trading company, the speed of changes in our business environment is accelerating at a hitherto unseen pace, in fact, change has itself become the norm. In such circumstances, I believe that the key to sustainable value creation lies in flexible and rapid decision-making capabilities, and response based on integrity and a spirit of altruism.

### Q.2 What are your thoughts on the partnership model that you position as your business model?

During the period immediately after the founding of our company, we began to import and sell synthetic rubbers, for which there was still no manufacturing equipment in Japan. We did not just explain the characteristics of our products, but also proposed solutions to problems, including processing methods, and managed inventory to support customers in their value creation. Against this backdrop, we formed close relationships with strong and competitive partners who collaborated with us occasionally to develop products to meet customers' requests, leveraging these

## Message from the CEO

partnerships to boost customer satisfaction. This is how we came to settle upon one supplier for each product, adopting a proposal-sales approach that we call our partnership model. Although this model can make it difficult to produce profit in the short term, we know that working closely with our partners and customers to the end, and building trusting relationships, leads to profit in the long term. I believe that the driving force behind this is our value of integrity, which nurtures trusting relationships between people.

### Q.3 Please tell us about the progress of SV2028 and your strategy for future growth.

SV2028 sets out KPIs such as operating profit and ROE, and currently we are running to plan, proceeding on-track towards our goals. However, PBR has stayed below one for the past five years, and we are aware that this is a serious concern. Our 80th fiscal year, which began in October, is the mid-point for SV2028. We position it as a pivotal year for achieving our various targets, and are determined to accelerate our growth strategies.

We will continue to strengthen this strategy, which is comprised of two angles—growth of existing businesses and development of new businesses. Based on our awareness that PBR is affected by the low growth expectation of the overall market, we revised our business segment labels into four markets incorporating Japan and overseas starting from the fiscal year ending September 30, 2025. We also boosted dialog with our investors and shareholders, with feedback indicating that the changes have made it much easier to understand our business.

Regarding existing businesses, in the Fine Chemicals segment, while rubber and other chemicals have provided a stable pillar of the business since our founding, going forward, we will focus more on environmentally conscious products and raw materials for EV batteries. In the Industrial Products segment, we sell vehicle interior components to all of Japan's automakers. Based on this track record, we are now focusing on solutions for EVs, including EV battery maintenance and sales of related equipment under the brand EverBlüe Drive, from the perspective of shifting from selling products to selling services. Although growth of the EV market has slowed globally, it will improve in the medium to long term, and we therefore intend to hone next-era

strength in this field now. The Sustainability segment relates to renewable energy, which despite currently being a niche market, is expected to grow in the medium to long term due to global needs for resolving social issues. Consequently, we aim to become the number one trading company in this field. In the woody biomass business, for example, we handle German-made geothermal equipment, sales of which are continuing to grow each year. We are also currently engaged in a biomass power generation project with Tohoku Electric Power. Meanwhile, the offshore wind power business is a national policy for Japan, and we therefore anticipate more inquiries in this field going forward. Life Science is a market field that contributes to enhancing people's quality of life (QOL), with a wide range of products including medical equipment, bioanalytical devices, pharmaceutical raw materials and intermediates, along with food and nutrition-related raw materials. Going forward, we intend to tackle service-oriented sales including contract-based analysis business.

In terms of new businesses, we are implementing two approaches. One is to foster new revenue markets leveraging the products, customer base, and networks of our existing businesses to develop new pillars for growth.

	Target (Fiscal year ending September 30, 2028)	Result (Fiscal year ended September 30, 2024)	Result (Fiscal year ended September 30, 2025)	Evaluation
ROE	10-12%	11.4%	9.3%	In progress
Operating profit	¥9.0 billion	¥7.0 billion (upward-revised target)	¥6.4 billion	In progress
Operating profit ratio	5.1%	5.5%	4.8%	In progress
Operating cash flow	Cash surplus	¥5.4 billion (cash surplus)	¥7.1 billion (cash surplus)	Achieved
Shareholders' equity ratio	50% or more	63.3%	62.9%	Achieved
P/B ratio	More than 1x	0.92	0.91	In progress

## Message from the CEO

The other involves potential core businesses, with hidden potential to become future business pillars. As of October 2025, we are advancing approximately 30 projects in such new or growing business fields. We are constantly monitoring their progress, conscious of pacing our investment towards realizing profitability.

For M&As, our policy is to focus on the potential for synergy with existing businesses or for overseas expansion, carefully selecting projects, and proactively advancing them by leveraging our financial foundation, which is a strength of Sanyo Trading. Singapore company EMAS, which we acquired in October, operates a maintenance business in the automotive after-sales market, and I am certain we will produce significant synergy towards development of solutions we are focused on, and our expansion in Asian markets.

### Q.4 With your advancing global expansion, bolstering Group governance is a necessity. How are you tackling this matter?

We will steadily and globally increase the number of our Group companies, currently totaling 11, through business expansion including M&As. Consequently, we are discussing the form of our Group governance and mechanisms to ensure it is more practical and effective.

The foundation of this is React, an ERP developed over two years by Cosmo Computing System, Inc., that began operation in October 2024. We are now working on its introduction to all Group companies over the next four to five years, starting with the centralized management of financial information. We intend to leverage it for business operations, including all risk and customer management, as well as Group company PMIs.

### Q.5 What recent initiatives have you undertaken to enhance corporate value through sustainability management?

The pursuit of sustainability management matches precisely with the form of our company, as we have pursued win-win relationships with our customers, partners, and all other stakeholders, and the spirit of altruism lies at its core.

Specific initiatives from a business perspective include renewable energy-related materials and products, which I mentioned earlier, environmentally conscious products, and QOL-related products, which are seeing significant growth. Regarding our response to the TCFD recommendations, we expanded disclosure of greenhouse gas emissions as far as Scope 3, and have set reduction targets.

### ● 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.

## Message from the CEO

### Q.6 Tell us about the state of your human capital investment.

The capital that produces value for Sanyo Trading, which does not manufacture things, is simply the self-motivated human resources who autonomously create business opportunities, and the trust relationships that they develop with our stakeholders. Also, I believe my greatest mission as a manager is unifying the growth of employees with that of the Company. Consequently, we positioned human capital investment as a key measure in SV2028, and are advancing our Sanyo Growth Style initiative, incorporating recruitment, evaluation, placement, education and training, to create an environment where self-motivated human resources can fully exercise their respective capabilities.

Within this initiative, Sanyo Academy plays a central role as a structure facilitating human resource development and education that supports employees' acquisition of knowledge and skills.

Here, employees undertake training split into four categories according to the year they joined the Company. The Academy also focuses on the development of management executives and the next generation of managers through courses providing experiences of the work of the president and supporting roles. In addition, general managers in their 50s are currently taking training and looking 10 years ahead to develop SANYO VISION 2033. This is because we believe that asking what kind of company we want Sanyo Trading to become provides a critical grounding for executive management. From the perspective of nurturing global talent who will be responsible for our global strategy, we are increasing overseas language training and opportunities for exchange of human resources with overseas Group companies, with a focus on younger employees.

Furthermore, over the past few years, we have expanded our employee share-ownership system to Group companies, 20% funded by the Company, to foster a sense of unity as a global company. We plan for this to apply to companies added to the Group in the future, intending to

further boost Group employee motivation through both training and remuneration.

Also, we are advancing the establishment of what we call Sanyo Work Style. This enables employees to perform at their best, not limited by location, by promoting the creation of environments our employees can fully exercise their capabilities as they work hard each day. Specifically, it includes the introduction of systems such as remote working, staggered work hours, a smart casual dress code, and hot desking, to promote healthy and varied work styles. As a part of these efforts, in April 2025, we established a large free space at our head office to enable the promotion of communication that transcends departments, through lunchtime activities, in-house events, and the like.

### Q.7 Do you have a message for all of your stakeholders?

At Sanyo Trading, we are positioning dialog with all stakeholders at the center of our management to realize sustainable value creation. I believe that dialog not only increases transparency of the Company, it also helps to build relationships of trust, and is a driving force for creating the future together.

In recent years, as one aspect of this, we have continued boosting dialog with shareholders and investors. In Japan, we have held investor briefings and actively participated in IR fairs. Our briefings for individual investors have given us opportunities to talk directly with many people around the country, whereby we could share with them about our current status and challenges, as well as our outlook for the future. Also, since 2023, we have staged roadshows targeting overseas institutional investors, as we strive to promote understanding from a global perspective.

But our value creation is not limited to shareholders and investors, it also results from the cooperation of our employees, business partners, and local communities. The efforts and growth of each individual employee are the



source of the Company's competitiveness, and their earnest approach to resolving customers' issues leads to trust and continued business. Furthermore, our strong partnerships with suppliers is crucial for ensuring stable supply and high quality. We are also conscious that coexistence with local communities is an important responsibility for the realization of a sustainable society.

Going forward, we will continue to value the importance of dialog with all of our stakeholders, and through our ongoing initiatives, we will contribute to the creation of a brighter future.

## Dialog Between Kamakura Investment Management's Fund Manager and a Director of Sanyo Trading



**Kazuhito Igarashi**

Head of Asset Management & Fund Manager  
Kamakura Investment Management Co., Ltd.

**Yoshimi Namba**

Director & Executive Officer  
In charge of Business Divisions,  
General Manager of  
Corporate Planning Department

**Kamakura Investment Management carefully selects companies for investment based on its philosophy of long-term investment aimed at achieving both economic wealth and social value. This dialog discusses the background to Sanyo Trading's selection for investment, with focus on the company's ESG management initiatives and non-financial value, as well as its sustainable growth potential.**

### 1. Investment Target Selection Standards

**Namba** Thank you for your time today. It's wonderful that you chose to make your head office in a century-old Japanese home set amidst Kamakura's lush greenery rather than in central Tokyo. It gives a deep impression of the uniqueness of Kamakura Investment Management. To begin, please explain the evaluation standards which

Kamakura Investment Management uses to select investment targets.

**Igarashi** Certainly. When considering investment candidates, we believe good companies to be those that derive revenue from the resolution of society's issues through their main line of business, and that strive for sustainable growth. We can define this as companies that combine business feasibility and social impact.

**Namba** Business feasibility can be evaluated with financial indicators and the like, but surely it is difficult to assess such a broad concept as social impact?

**Igarashi** As you say, it's a difficult matter to assess quantitatively. Based on our investment experience to date, we measure three factors: distinctive, social, and sustainable value. Distinctive value refers to uniqueness and creativity. We assess these qualities in terms of people, coexistence, and technological excellence, to discover companies with undoubtable appeal and outstanding character.

**Namba** People equate to human capital, coexistence to social capital, and technological excellence to intellectual and manufactured capital, which shows how you set your axes based on integrated thinking from the outset.

**Igarashi** We believe that distinctive value is the source for the creation of social value that resolves social issues and contributes to society. Also, we judge sustainable value by considering both social value and business feasibility.

**Namba** It's an honor to have been selected by a company with such comprehensive axes of evaluation. What led to your investment in our company?

**Igarashi** When Sanyo Trading listed on the stock exchange in 2012, I took particular note of its uniqueness and high profitability. Since then, I have been impressed by your company's revenue growth over many years. Also, I have been able to confirm the company's strength in creating diverse social value, and making proposals of products and solutions adapted to customers' needs, in essential fields.

### 2. The Corporate Image We Aspire to: A Spirit of Public Interest Capitalism, Our Reputation, and Good Work

**Namba** As you mention, our entire business provides benefit to people's lifestyles, industry, and the global environment. Sanyo Trading has defined four material issues to advance its sustainability strategy, and is pursuing the sustainable value you describe, in fact, both social value and business feasibility. For example, through our policies to further strengthen and expand sustainability-related business, including local production for local consumption, decarbonization, and resource conservation, we aim for companywide profit in this segment to exceed 30% in the future.

**Igarashi** When I speak to younger employees at Sanyo Trading, all say they want to create a company that the world considers necessary, and they want to perform work that pleases customers. It gives me the impression that the Vision "Deliver tangible solutions to social issues to make the world a better place for everyone" is deeply ingrained.

**Namba** When I explain our business, I often refer to "the spirit of public interest capitalism." This signifies not merely trading goods from one place to another, but instead, avoiding products that cause environmental destruction or used in warfare, encapsulated in the motto "We will never pursue profit at the expense of our corporate dignity and reputation."

**Igarashi** That makes sense. It expresses the approach of a spirit of public interest capitalism and corporate reputation leads to each employee performing good work.

**Namba** "Reputation" is one of the precepts in the wisdom left by our founder.

## Dialog Between Kamakura Investment Management's Fund Manager and a Director of Sanyo Trading

Two others are the “people-centric management” and the “credibility-driven management.” They are touted by many trading companies, but our resolve to not lower our reputation is strong. We take pride in these noble words, and they form the core of Sanyo Trading's DNA. The admonition “Don't do anything that lowers our reputation” underpins our belief in good work and also sends a message to be alert for reputational risks. On the business front line, it's easy to be distracted by immediate profit, but we conduct ethics training whenever possible and issue employees with written guidance to ensure that, in cases that conflict with our reputation, they think back to the wisdom of our founder.

### 3. Our Three Strengths, High Profitability, and the Significance of Our Listing

**Igarashi** Through interviews and data, I've been able to ascertain the strength of Sanyo Trading as a business founded upon abundant social impact and robust materials and products, which underpins your solid profitability.



**Namba** In regards to materials and products, we avoid handling generic products, instead specializing in “niche-leader” high added-value industrial products. In the past, we had sluggish results through trading in commodities, and based on this experience, we decided to focus on high added-value business through selection and concentration, changing direction from “volume and value” to “quality and ratio.”

**Igarashi** Also, you have a policy of “one product, one supplier.” When I research trading companies, naturally I check their line card, which shows that most companies use multiple suppliers. But Sanyo Trading is the complete opposite.

**Namba** Investors ask if this is a handicap, but I explain that the advantage or disadvantage is determined by whom we partner with. Consequently, for products in any field, we choose to work with the optimal partner in each industry. In addition, because we are not affiliated with a business group, we have infinite potential customers.

**Igarashi** Hearing this gives me the impression of a determination to partner with suppliers to share a common destiny. Because of your thorough knowledge of your products, when customers run into trouble, they contact you first, which leads to high revenue. In fact, these three parties of your business chain grow in unison.

**Namba** It truly is a case of shared destiny. Under our partnership model, we take a long-term strategic approach to dealing with suppliers, which enables us to create high added-value services, including customized products, which is another of our strengths. Also, we regularly recalibrate

our portfolio, and through asset recycling, we allocate resources to growth fields, whereby we achieve sustained growth.

**Igarashi** What was the significance of your listing on the stock exchange in 2012 following the selection and concentration that you mentioned earlier?

**Namba** Both before and after the IPO, we have maintained a high shareholder's equity ratio, and conducted M&As. So, procuring funds from the capital market was not the aim of the IPO. Our true intention was to enhance our level of management and to strengthen transparency and governance. In order to dispel the complacency that lingered from before our listing, the management team at the time introduced external perspectives and pressure to bolster internal discipline and control.

### 4. Talent Development and the 3Rs

**Igarashi** I also sense a uniqueness in how you develop the talent that puts your strengths and uniqueness into action, as well as in your organization's culture. You don't have the atmosphere of an independent retailer, unlike many trading companies. Your employees often tell me that, while the Company sets overall goals, they have freedom to set their own processes, and that the structure allows for ready discussion when they face obstacles. I have heard that your company believes in growth stimulation through “3Rs” (Responsibility, Recognition, and Remuneration), and it seems that you reflect this in your human resource strategy, thereby continuing to boost labor productivity. Numerous specific examples



provided by your employees assure me that this system is functioning, which also helped in our decision to invest.

**Namba** I'm grateful that you have grasped our essence. The 3Rs is not an official in-house term, it's a term I created to help explain our company's human resources strategy. Given the right circumstances, self-motivated human resources will make an effort and will grow. I believe it is the duty of management to provide such opportunities for employees. At Sanyo Trading, we enhance the unity of the diversity of individuals within our organization, and increase discretionary power, producing both a sense of responsibility and of job satisfaction. We evaluate employee accomplishments fairly, and reflect this in their remuneration. Providing the circumstances for such self-fulfillment boosts the engagement of highly motivated talent, which leads to greater added-value in our service.

**Igarashi** Many young people hope that by working for a company they can do what they can't achieve alone, but you are actually providing them with the opportunity to do that.

## Dialog Between Kamakura Investment Management's Fund Manager and a Director of Sanyo Trading

**Namba** That's correct. This is the reason for the Sanyo Academy, which is designed for employees at all levels, from new hires to future leaders.

**Igarashi** It's encouraging that you include future potential leaders.

**Namba** This sort of investment is something that isn't possible in companies comprised of job-hoppers. For the past three years, we've had a zero turnover rate for new graduate recruits, and I think the results of our employee job satisfaction survey have been relatively high. When I reflect on what made me who I am today, while training programs and e-learning were helpful, I strongly believe I was shaped by on-the-job training, and in particular through critical situations. It's simply not possible in the classroom. This is why I encourage young people to not rely on desk study, but to actively get out and encounter different ways of thinking.

### 5. Issues: P/B Ratio Below 1.0; Handling the Competition for Talent Acquisition

**Igarashi** Next, I'd like to discuss issues faced by management. From the investor's perspective, when P/B ratio falls below one, it can indicate that the market undervalues the Company.

**Namba** We are certainly not satisfied with our current P/B ratio. We have maintained high profitability, stability, and growth, but I think the lack of familiarity with our company is an issue. Consequently, three years ago, we shifted gears in our IR activities. We have implemented measures

to boost brand recognition by appealing directly to high-potential targets and by accurately conveying the reality of our management through dialog with the market. If we continue this, I believe the valuation of our company will grow of its own accord.

**Igarashi** There is growing market concern about your recent decline in profitability.

**Namba** If we hope to improve profitability, it's a matter of fractions—if we reduce the denominator, it's possible to achieve. But there's a tradeoff between quality and volume. In phases of market share expansion, management sometimes deliberately prioritizes volume while sacrificing profit margins. The management process involves balancing such conflicting priorities. We currently position ourselves in an "offense" stage, prioritizing investment to boost our position and secure talent. I hope we can make optimal decisions while keeping an eye on achieving the ideal balance.

**Igarashi** We are positive about your market share expansion through M&As and other means, but some market players were critical of actions such as your 2022 acquisition of Cosmo Computing System Inc., since, not being a profit center, it increased fixed costs and reduced profitability.

**Namba** Some people certainly questioned whether it was reasonable for a company of our scale to bring IT functions in-house. But there is no doubt that application of IT will play an extremely important role in ensuring competitiveness for trading companies going forward, and we debated

whether it was appropriate to simply outsource this. Our strategy to boost sales which included reform of ERP and development of e-commerce has produced results, and I therefore believe it was a worthwhile strategic investment for us.

**Igarashi** When companies make large-scale investments, people sometimes criticize it as gambling with the company's future, which always makes one question its wisdom (laughs). In this regard, I believe that your Board of Directors is functioning soundly.

**Namba** As a trading company, we naturally take risks, but we must never gamble with the company's money. Our external directors participate in our Investment and Loan Committee and management strategy meetings, and we have processes for ascertaining the end state of investments, while separating good risks from bad. This is intentionally designed to ensure we don't take chances in growth investment.

**Igarashi** What is the situation with talent acquisition, which you have positioned as an investment priority?

**Namba** There is fierce competition to secure talent in Japan, so we are expanding our recruitment of women and foreign nationals. We consider talent acquisition an investment. While a high retention rate helps to reduce recruitment costs, investment in people, including training, takes time to produce results. How investors view this time span, and how quickly we can recoup this are issues for us.

### 6. Kamakura Investment Management's Message to Investors

**Namba** Finally, what message would you give to our readers from your perspective as an investor?

**Igarashi** There are two main points I wish to make. Firstly, I want them to realize that the growth of Sanyo Trading will help to reduce environmental impact while supporting processes that enhance amenity in people's lives and in wider society. Secondly, I want to tell both shareholders and investors that Kamakura Investment Management is "a company that invests in 300-year companies over a 100-year timeframe." I am certain that people will gain significant returns by sharing in Sanyo Trading's long-term perspective.

**Namba** Your words will greatly encourage me in facing day-to-day challenges. Thank you again for your time today.





**Part 2** Initiatives to Accelerate Growth

**21**.....Management Strategy

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SANYO VISION 2028

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Potential Core Businesses:  
Employee Roundtable Discussion  
Overseas Policies

**31**.....Human Capital

**34**.....Financial Strategy

# Management Strategy

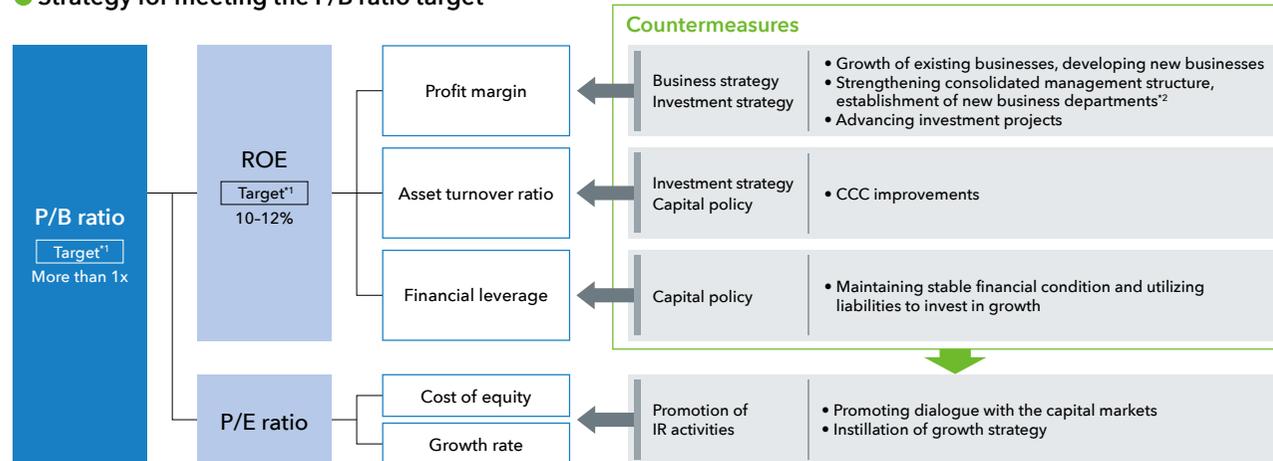
We will maintain our high ROE and achieve a stable P/B ratio of over 1x through dialogue with the capital markets and long-term stable profit returns.

## Management Conscious of Cost of Capital and Share Price

At Sanyo Trading, we are increasing our leverage of growth investment, including M&As, to an appropriate level, aiming to achieve ROE of 10-12%, as stated in SV2028. This is based on our strengths: stable financial foundation, asset-light business model, and high profit margins from providing high value-added materials and services. Through this, we will stably produce revenue that exceeds equity costs.

At the same time, we will promote management that is conscious of our share price to achieve and maintain a stable P/B ratio of over 1x, through highly transparent disclosure, proactive dialog with the capital market, and implementation of even more appropriate shareholder returns.

### ● 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

### Net profit to net sales ratio:

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

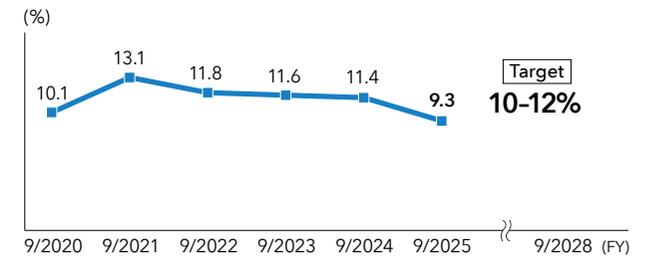
### Total assets turnover ratio:

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

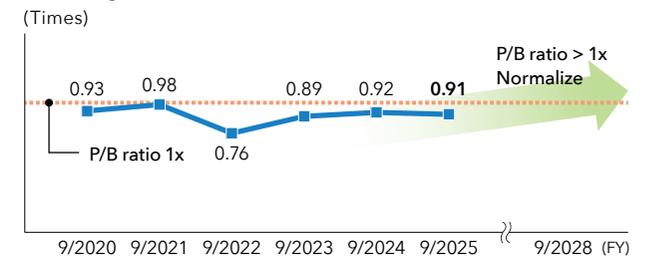
### Financial leverage:

Maintain financial stability and utilize liabilities to invest in growth

### ● Changes in ROE



### ● Changes in P/B ratio



### ● Changes in P/E ratio



## Management Strategy

### Business Portfolio Restructuring Through Resource Allocation

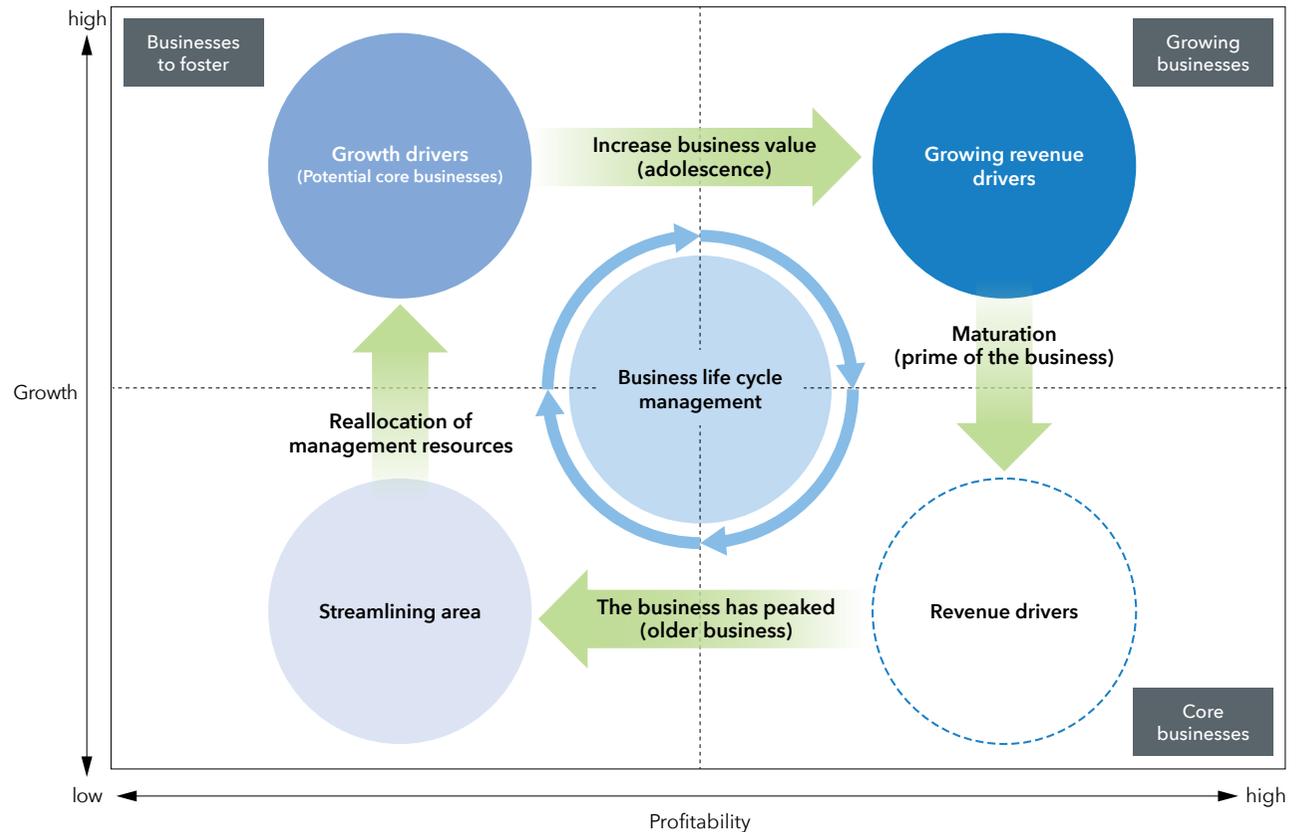
Sanyo Trading regularly reviews all executed investment projects at management strategy meetings, and conducts ongoing monitoring and restructuring of its business portfolio. At our regular business portfolio meetings, we evaluate the two axes of growth and profitability across all business divisions and departments. We categorize this into four quadrants (businesses to foster, growing businesses, core businesses, and fields subject to streamlining) whereby we implement a cycle of portfolio rejuvenation.

In particular, we strategically prioritize the allocation of funds and human resources for projects company-wide. We regularly evaluate the prospects for strategic substitution of potential core businesses focused on producing results, as part of our ceaseless efforts at portfolio restructuring. When substituting, we carefully examine the timeline to monetization for each project, strategically combining parameters such as region, business field, and product field. We comprehensively evaluate the certainty of achieving profit, the quantitative scale, and qualitative significance of the initiatives. Through focused investment of management resources in selected promising projects, we are driving the early profitability of pioneering projects with a strong degree of upfront investment.

In addition, from this fiscal year, we incorporated projects originating at our overseas bases into our potential core as we further evolve portfolio management on a consolidated global basis.

Going forward, we will implement thorough graded resource allocation into strong fields through regular monitoring, and continue to enhance the quality of our business portfolio.

#### ● Optimal allocation of management resources



# Long-term Management Plan SANYO VISION 2028

**We will achieve the SANYO VISION 2028 targets through graded allocation of management resources to strategic fields and rejuvenation of our business portfolio.**

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, “SV2028,” a five-year long-term management plan for the Company, was formulated and announced. We undertook a process whereby, 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 crystallizes the thoughts of all employees into our Vision, expressed as “Deliver tangible solutions to social issues to make the world a better place for everyone.” This

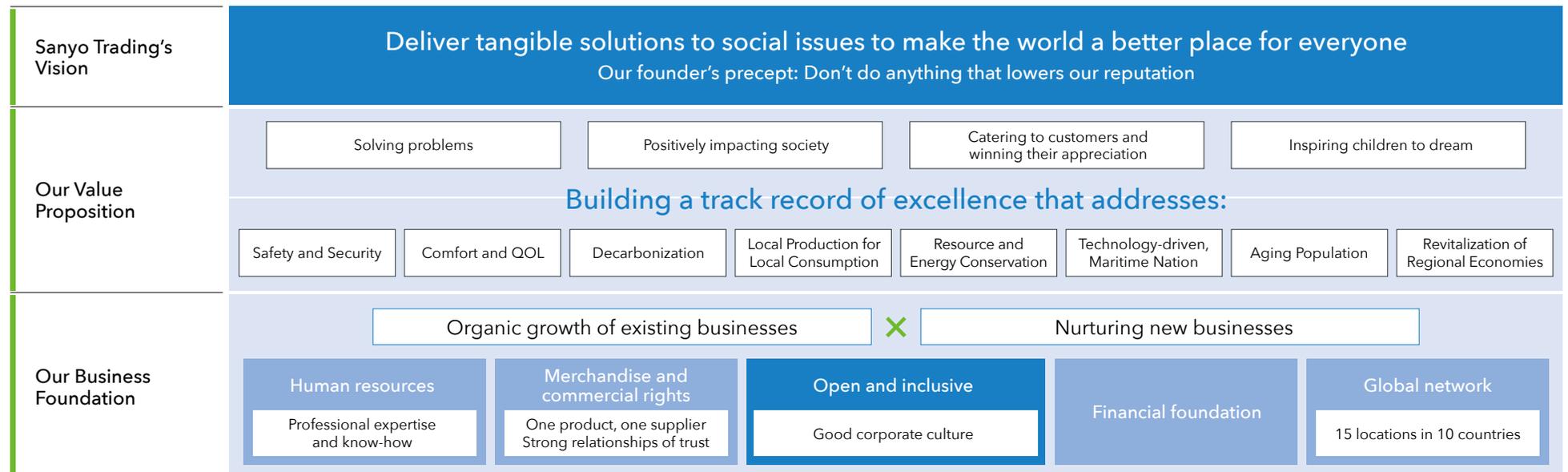
vision is based on our founder’s precepts—namely, that “A trading company is defined by its people, and education is our lifeblood,” “Trust is what it takes to succeed in business,” and “Don’t do anything that lowers our reputation.”

Our strengths have not changed from the past, now, and into the future, consist of five elements: professional personnel with advanced expertise, commercial rights and strategic partnerships backed by strong relationships of trust, a robust financial foundation, a domestic and international network, and an open and inclusive corporate culture. We will continue to strengthen these as our core competencies. Together with this, we will achieve SV2028 by accumulating good work 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.

With the manifesting geopolitical risks and the division of the world into blocs, and high volatility of exchange rates, interest rates, stock prices, and resource prices, uncertainty in the business environment is growing. But our company considers these changes as opportunities, and while further strengthening our resilience, we are advancing towards becoming a company that will “Deliver tangible solutions to social issues to make the world a better place for everyone.”

## ● Our Vision for 2028



## Long-term Management Plan SANYO VISION 2028

### Progress Toward Financial Targets

In the fiscal year ending September 30, 2025, the second year of our Long-term Management Plan, we maintained the positive momentum of the previous fiscal year towards the financial goals of SV2028. We achieved ROE of 9.3%, operating profit of 6.4 billion yen, an operating profit ratio of 4.8%, and operating cash flow of 7.1 billion yen, putting us in the black, and a shareholder's equity ratio of 62.9%. Although our operating profit ratio was approximately 0.7% lower than the previous year, this was mainly due to investment in DX and human resources, which we recorded as upfront expenses. In regards to control of sales, general, and administrative expenses, we are already advancing improved work efficiency company wide.

Our P/B ratio was 0.91x 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. In the fiscal year ending September 30, 2026, the mid-point of SV2028, we will further accelerate growth through our 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, 2025)	Evaluation
ROE	10-12%	9.3%	In progress
Operating profit	¥9.0 billion	¥6.4 billion	In progress
Operating profit ratio	5.1%	4.8%	In progress
Operating cash flow	Cash surplus	¥7.1 billion (cash surplus)	Achieved
Shareholders' equity ratio	50% or more	62.9%	Achieved
P/B ratio	More than 1x	0.91x	In progress

### ● Priority measures under SANYO VISION 2028

#### Strengthening the earnings base

	Targets
1 Growth of Existing Businesses	Realization of growth through hybrid approach combining product orientation and market orientation
2 Developing New Businesses	Investment in new businesses and nurturing of potential core businesses
3 Strengthening Consolidated Management Structure	Further development of global business division system and expansion of overseas sites
4 Advancing Investment Projects	Rapid, flexible advancement of bolt-on investment in new businesses based on basic policies

#### Corporate management

	Targets
A Corporate Culture	Elevation of positive corporate culture into an inimitable competitive advantage to pass on to next generation
B Human Capital	Putting into practice measures embodying the idea that Sanyo is a people company
C Sustainability	Provision of value to stakeholders through improvement of ESG management and disclosure
D Use of IT	Promotion of "offensive" and "defensive" DX by moving system development in-house

## Growth Strategy

We aim to achieve an operating profit of 9 billion yen in the fiscal year ending September 30, 2028 through organic growth of existing businesses, generating results from potential core businesses, promoting M&As, and venture investments.

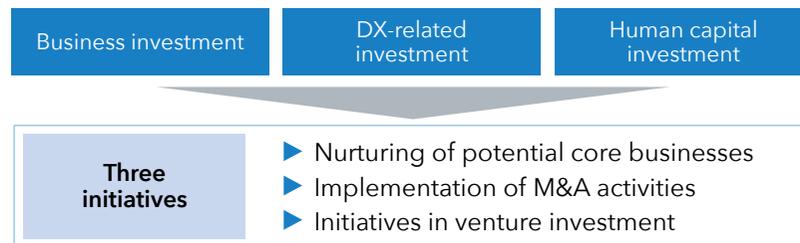
### Looking Back on the Fiscal Year Ended September 30, 2025

The fiscal year ended September 30, 2025, the second year of SV2028, was another year of economic uncertainty. The global economy experienced capital market fluctuations due to US trade and tariff policies, and monetary policy changes in other countries, in addition to rising tensions in Ukraine and the Middle East, and other growing geopolitical risks.

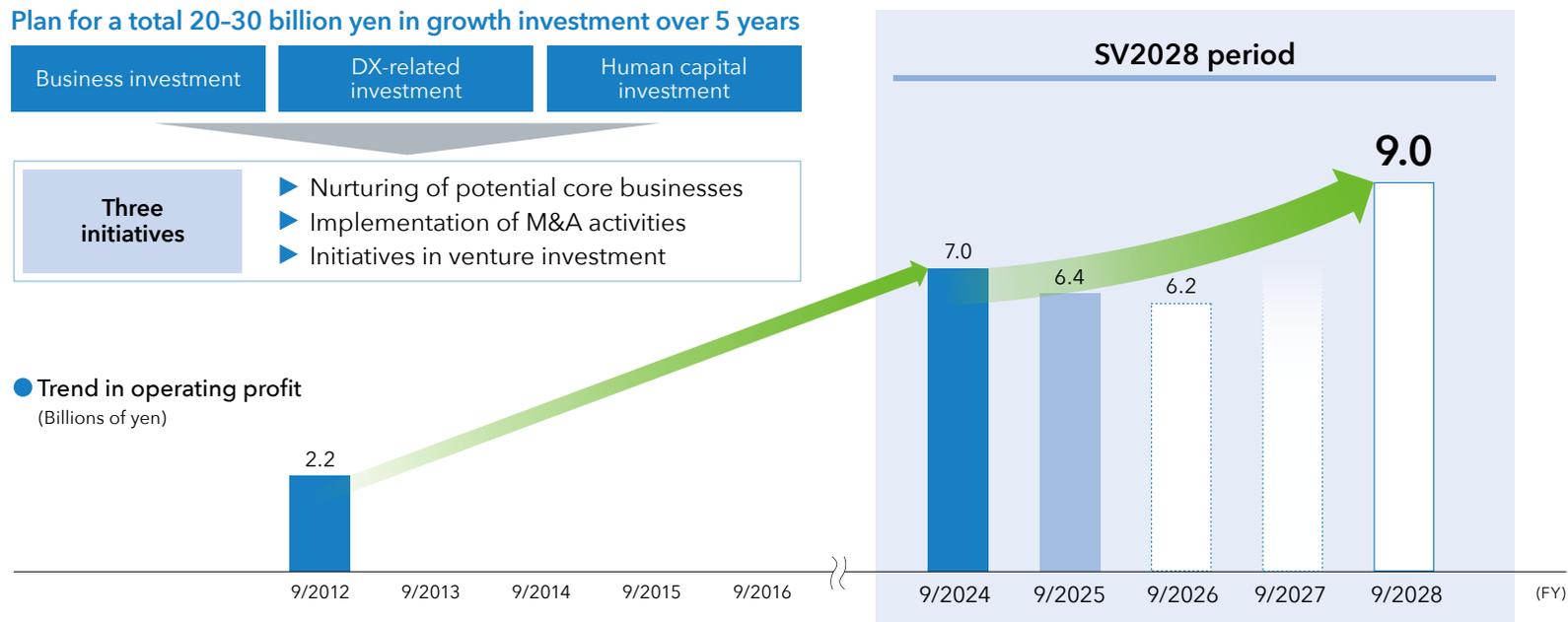
In this business environment, our policy from a global perspective is to reliably implement strategies appropriate to each region. With the advancement of industrial restructuring, along with inter-company and inter-business consolidation, we will ensure that our focus remains on businesses with growth potential. We conducted strategic growth investment in the three areas of businesses, DX, and human resources, and plan to continue such growth investment, aimed at achieving the SV2028 quantitative target of 9 billion yen operating profit in the fiscal year ending September 30, 2028.

In the fiscal year ended September 30, 2025, we continued to promote “strengthening the earnings base” and “corporate management,” key measures of SV2028, while pursuing high added-value businesses. In addition to growing existing businesses, we continue to engage in new business development, acceleration of global expansion, and “bolt-on” style investment in new businesses. Looking ahead, we will maintain agility and flexibility, while enhancing our consolidated global management structure, as we work to achieve the targets of SV2028.

#### Plan for a total 20-30 billion yen in growth investment over 5 years



● Trend in operating profit (Billions of yen)



## Growth Strategy

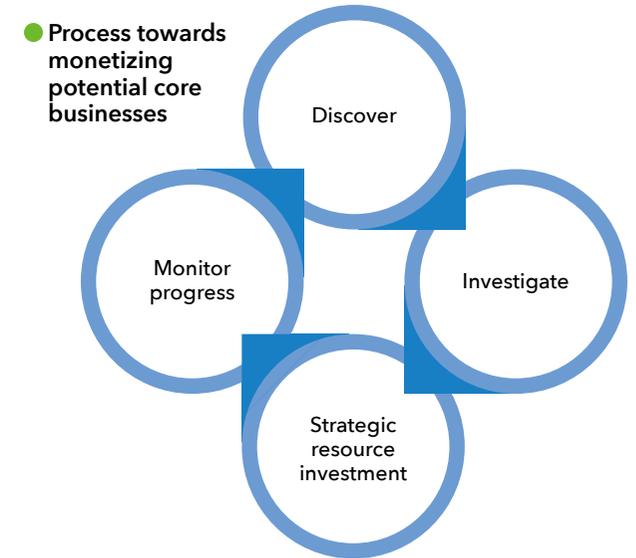
### M&As and Our Business Investment Basic Policy

Sanyo Trading has clearly stated and thoroughly promulgated our basic policy of engaging in buy-and-hold business investments rather than buy-and-sell speculation, making effective use of our leverage while maintaining financial discipline. Based on this policy, we conduct “bolt-on” style M&As by carefully selecting projects that pass prerequisite conditions such as business synergy, and potential for overseas deployment and growth. After closing a deal, we do not merely participate in management as a shareholder, but take a hands-on approach, executing business as an operator to achieve growth.

Business investment basic policy	
Balance sheet	Utilization of borrowed capital with an <b>shareholders' equity ratio of 50% or more</b> and <b>D/E ratio of less than 0.5x</b> as yardsticks
Pre-condition	Focus on <b>business synergy, overseas expansion, and growth potential</b>
Long-term holding	Make investments for growth but <b>do not engage in the buying &amp; selling of assets or speculative investment expecting capital gains</b>
Operatorship	<b>Take operatorship of businesses</b> by adopting a buy & hold stance and determining the direction for progress ourselves

### Monetizing Potential Core Businesses

Pioneering new business projects and organic growth of existing business are essential for the realization of sustained growth. Company-wide, we are working to discover and investigate potential core businesses with hidden potential to become future pillars of the business. We are also strategically investing resources to monetize new businesses, while monitoring our progress through a PDCA cycle. In addition, we are driving business rejuvenation each year, including the replacement of projects.



### ● Potential core businesses by segment

#### Fine Chemicals

- Naturally derived raw materials
- Next-generation substitute functional materials
- Electrical materials and chemicals

#### Industrial Products

- **EV maintenance equipment**
- **High-frequency coaxial cable**
- **Environmentally friendly fiber materials**



#### Sustainability

- **Offshore wind power-related equipment**
- **New materials and films**
- Carbon-neutral related



#### Life Science

- Cosmetic-related
- Agricultural-related
- Protein-analysis/Bioinformatics

Bold: Priority businesses

## Growth Strategy

### Potential Core Businesses Employee Roundtable Discussion

## Quest for Next: Taking on the Challenge of Identifying Potential Core Businesses to Create Future Value— A Group of Sanyo Trading's Challengers Discuss the Best Solutions for a Sustainable Future



#### Takashi Aoki

Mobility No. 2 Business Unit  
(In charge of QUARTECH,  
Industrial Products)

#### Yuriko Kimura

Life Science Business Unit  
(In charge of nanomaterials,  
Life Science)

#### Ryota Yogi

Chemical Business Unit  
(In charge of advanced  
markets, Fine Chemicals)

#### Shuheï Fukumoto

Green Technology Business Unit  
(In charge of woody biomass,  
Sustainability)

### A Two-Track Strategy for Building Growth on a Stable Foundation

Under SANYO VISION 2028 ("SV2028"), Sanyo Trading has set forth a two-track strategy to achieve sustainable growth by cultivating potential core businesses into future growth drivers while building on the stable earnings base of its existing businesses. In a special roundtable discussion, we asked four staff members in charge of potential core businesses to share their insights on their current status and challenges under the spirit of our "Quest for Next" slogan.

#### What are the strengths and competitive advantages of the potential core business you oversee?

**Fukumoto** The woody biomass business I am involved in is contributing to a decarbonized society by converting thinned wood and forest residue from woodlands into heat and electricity. In this field, we sell equipment that handles the entire process of converting logs into fuel pellets, as well as compact gasifier cogeneration equipment that uses wood pellets as fuel. The strengths of this business is that we can provide total engineering for factory lines, and we also offer after-sales services, including maintenance, which is led by Group company Sanyo Machinery.

**Yogi** The Chemical Business Unit focuses on electronic materials for advanced markets. To be specific, sealing materials, semiconductor-related materials, motors, and batteries. Although still small in scale, these business areas have significant potential for future growth, and we are

## Growth Strategy

aiming for sustainable growth by further solidifying our core businesses, such as additives sales, while leveraging value-added products as a key strength.

**Kimura** The Life Science Business Unit is also focusing on the high-end market and recently acquired exclusive sales rights for a Korean carbon nanotube supplier to Japanese companies. Carbon nanotubes are used as electrode materials for lithium-ion batteries, with demand expected to grow steadily. In particular, EVs not only emit no CO<sub>2</sub> and exhaust gases during operation, but also contribute to improving people's quality of life by reducing the risk of respiratory illnesses, making CNTs a material that supports both sustainability and well-being. We are seeking to accelerate sales by combining the unique manufacturing technology of this start-up company with Sanyo Trading's global sales network.

**Aoki** I am in charge of the next-generation circular material QUARTECH®, which is also focused on the mobility market. Conventional real and synthetic leathers

used in automobiles are composite materials that are difficult to recycle, but QUARTECH® is made of a single material that primarily consists of recycled polyester, making it highly recyclable itself. Having made it my mission to create a sustainable future through the power of materials, I am also promoting QUARTECH® in markets outside of Japan. **Yogi** Our business opportunities are also increasing with regard to increased demand for environmental friendliness. Taking into account trends that are leading in Europe and the United States, such as PFAS-free materials and low-temperature curing products aimed at reducing CO<sub>2</sub> emissions, we propose material solutions that contribute to energy conservation and improved efficiency of electronic devices by leveraging the expertise of our overseas suppliers.

### What challenges have you faced in your business, and how have you addressed them?

**Fukumoto** With regard to woody biomass,

**Takashi Aoki** (joined in 2019)  
Mobility No. 2 Business Unit  
(In charge of QUARTECH, Industrial Products)

Currently promoting QUARTECH®, a next-generation circular material, in Europe. In addition to the automotive market, has begun taking on new challenges in other industries such as the apparel market. While prioritizing the needs of partners based on the Sanyo Trading spirit of "Embrace altruism," has made it his mission to create a sustainable future through the power of materials.

**Yuriko Kimura** (joined in 2017)

Life Science Business Unit  
(In charge of nanomaterials, Life Science)

Acquired exclusive distribution rights for Sanyo Trading for a carbon nanotube electrode material for lithium-ion batteries. Aims to achieve rapid growth of this business, contributing to technological innovation in the EV field and improvements in quality of life. Working closely with Korean colleagues and leveraging our agility as a trading company, she is driving the business forward through enthusiastic, constructive dialogue.



specifically gasification combined heat and power generation, it has been a challenge to get a German wood gasifier with CHP unit running in Japan, and we are engaging in steady, hands-on efforts to identify the causes of the operational issues one by one through actual operation of this equipment. In addition, as this was a new collaboration with the manufacturer, we have built up a relationship of trust by visiting the company many times to further enhance our technical understanding. Ultimately, I believe that the expertise and trust we have cultivated as the exclusive distributor of their pelletizer machinery for over 65 years were the key factors in their decision to do business with us. It has involved a lot of responsibility and pressure, but it has also been a great experience that has increased my desire to take on challenges.

**Yogi** Technical understanding serves as a basis for a relationship of trust, and is also essential in advanced markets. When it comes to electronic materials-related products, even in the earliest stages of

interacting with potential customers, being able to make proposals firmly rooted in solid technical understanding is important because it ties directly into the performance of the final product. Therefore, in addition to building up the technical knowledge of our staff through in-house product briefings, we strengthen our cooperation with suppliers and customers by holding regular three-party meetings. We also engage former employees of manufacturers as technical consultants to enhance our ability to provide expert advice, and we focus on developing human resources capable of making technical proposals through manufacturer-led new product briefings. **Kimura** While it has been four years since we started the CNT business, we had faced challenges in meeting customer needs with our CNT offerings, and as a result, we have decided to significantly expand our lineup. Through this process, we built a relationship with a Korean carbon nanotube supplier, and I believe that having team members from Korea, together with the agility



## Growth Strategy

unique to Sanyo Trading, helped make this strategic shift a success.

**Aoki** There are certainly many situations we face that require quick decision-making and execution. In the QUARTECH business, in addition to the automotive market, we have begun taking on the challenge of entering different industries, such as the apparel and interior decoration markets, because of QUARTECH's ability to deliver genuine leather-like designs. With the Sanyo Trading philosophy of "the BEST solution" in mind, we continue to communicate with our stakeholders while prioritizing their needs and wants.

### What do you see as the key characteristics of a corporate culture that encourages employees to take on challenges?

**Fukumoto** I strongly feel that the challenge of developing potential core businesses is supported by Sanyo Trading's corporate culture. I don't feel much of a barrier between myself and my supervisor, and there is an atmosphere that makes it possible to share even

difficult issues without hesitation, so when a problem arises, we can deal with it quickly, which I see as a real strength.

**Yogi** In the Chemical Business Unit as well, when I say I would like to try something, I am encouraged to do so and given opportunities to take on new themes, which makes me feel the openness of our culture.

**Kimura** It is important for team members to speak their minds without reservation as we work toward the same purpose and goal. I believe that the enthusiastic exchange of opinions leads to constructive dialogue and better outcomes.

**Aoki** To take on the challenge of entering the manufacturing industry despite being a trading company, we continuously engage with people both inside and outside the Company and maintain strong partnerships. In the spirit of our new value, "Embrace altruism," I believe it is important that we act while prioritizing the needs of our partners.

**Fukumoto** Listening to Mr. Aoki, I was reminded that our goals also include contributing to the expansion of renewable energy, which is a challenging social issue,

### Ryota Yogi (joined in 2018)

Chemical Business Unit  
(In charge of advanced markets, Fine Chemicals)

Focuses on electronic materials for advanced markets and aims for sustainable growth with high value-added products. Proposes solutions leveraging the expertise of overseas suppliers, such as PFAS-free and low-temperature curing products. Driven by a passion to shape the future through materials, he is strengthening collaboration with former manufacturing professionals and enhancing his technical proposal capabilities.

### Shuhei Fukumoto (joined in 2018)

Green Technology Business Unit  
(In charge of woody biomass, Sustainability)

Is contributing to decarbonization through Sanyo Trading's woody biomass business using thinned wood. In addition to engaging in equipment sales, is able to provide customers with total end-to-end engineering and maintenance solutions. Is pursuing both business growth and solutions to social issues by leveraging Sanyo Trading's more than 65 years of accumulated expertise and its open and inclusive corporate culture that enables the rapid sharing and resolution of issues.



and being recognized as a company that brings happiness to all of our stakeholders. I believe that our contributions to society will, in turn, increase our corporate value.

### What is your commitment and vision for the future development of your business?

**Aoki** Sanyo Trading is a trading company, yet we are able to create new materials that impress others, thanks to the ideas of our partner companies and the passion of our team members. As I imagine the Company continuing to grow and taking on more manufacturing functions, I find that the greatest motivation for me comes from the process of building a business from scratch.

**Kimura** The purpose of our carbon nanotube business is not merely to pursue profit, but also to make a significant contribution to technological innovation in the field of EVs, creating positive change in society. Empowered by this sense of purpose, I am determined to take it from a developing business to a growing one as soon as possible. I believe that enthusiasm can be a source of energy for creating

future value, and I will be working together with my team toward this goal.

**Yogi** We, too, are strongly committed to supporting the sustainable development of society by leveraging our global procurement capabilities and technical expertise in chemical raw materials to provide material solutions that contribute to energy conservation and the efficiency of electronic devices. This work is highly rewarding, and with an enthusiasm for "driving the future through materials," we will continue to advance short-, medium-, and long-term development projects.

**Fukumoto** We also aim to sincerely and directly address social issues through our biomass business. In today's world, contributing to the resolution of social issues is a major pathway for business growth. While continuing to expand our factories and power plants across various regions, we will aim to contribute to society and grow our business, driven by our desire to build relationships of trust with the people we meet and to make them happy while growing ourselves.



## Growth Strategy

### We will implement proactive, locally driven overseas expansion.

#### Overseas Policies

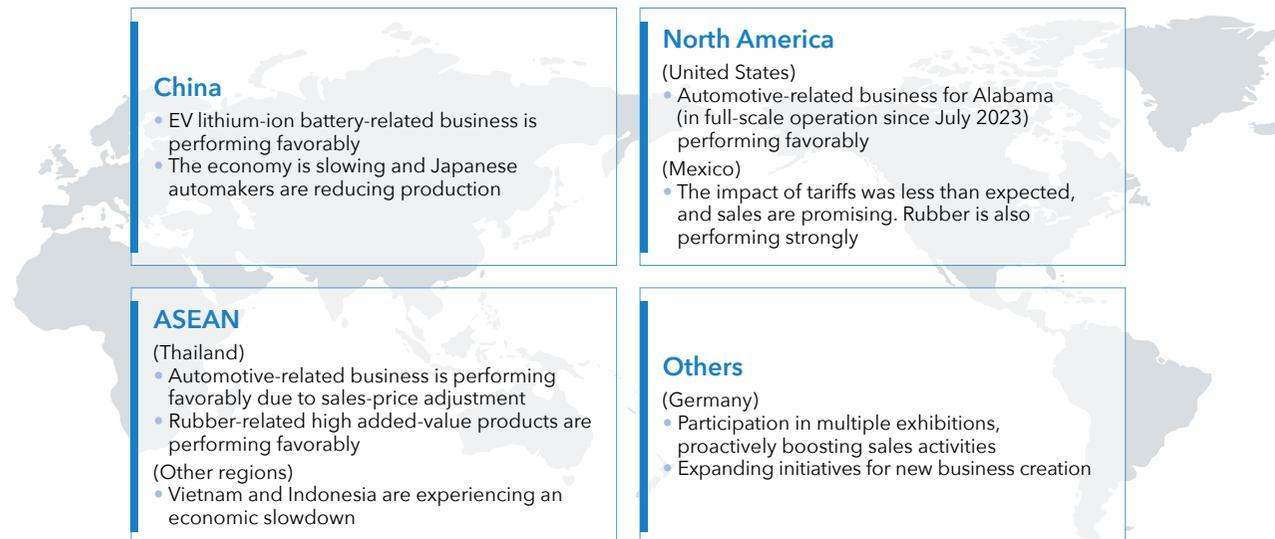
Sanyo Trading has established a Director in charge of Overseas Promotion, based on its belief that the main frontier for growth lies in overseas markets, and is proactively driving business abroad.

In our efforts towards overseas expansion, each business unit and business department has adopted a bolt-on pivoting strategy—nurturing “heartland” businesses to act as a core axis in their respective segments while gradually expanding peripheral businesses. The vectors of this expansion are decided based on an approach of balancing geographical enlargement and value chain extension.

In addition to the conventional product-out-driven overseas business promotion lead by head office, since last year, we have globally deployed a locally driven business pioneering approach. In this, our bases in Asia, Europe and the Americas uncover and pioneer local businesses from a market-in perspective, with support from the top. Already, 22 locally originating projects have been proposed, and of these, six projects in six countries have been identified as potential core businesses for the entire company.

Going forward, we will continue to boost these locally driven efforts. Furthermore, in the mega-markets of the United States, China, and India, rather than trying to extract business opportunities with an “eyedropper,” we are using a “sponge” approach to dynamically drive expansion.

#### ● Business overview by region



#### Message

#### Expanding Business Globally from China, Starting with Sensors

We are collaborating with start-up companies in China and Japan, advancing the pioneering of new business leveraging sensors. Using the rapid pace of change in the Chinese market as a strength, we are first building a business model in China, with a strategy to expand this to ASEAN, Japan, and Europe.

For this project, we sought local market perspectives to launch locally originating initiatives for business development and proposal. In the automotive field, we are advancing proposals to multiple customers leveraging the network we have built, and are currently in the process of evaluation and deliberation towards commercialization. We also feel a definite sense of progress locally.

Applications for these sensors are not limited to the automotive field, with potential existing in healthcare and other fields. One strength of Sanyo Trading Group, which links technology with the market, is its unique ability to make value proposals that transcend industry, not restricted to specific markets or applications.

These initiatives are supported by the relationships of trust that we have fostered with suppliers over many years. We do not settle for short-term business opportunities, instead building long-term partnerships with an eye on the future, which enables us to nurture business together with startup companies. The starting point is our local bases, which have a more intimate understanding of the market. I believe that this process of advancing value creation in coordination with our headquarters will be an important driving force that supports future growth overseas.



**Cai Guosheng**

Manager, Mobility Business Development Department  
Sanyo Trading (Shanghai) Co., Ltd.

# Human Capital

## The driving force behind our growth: self-motivated human resources who proactively learn, act, and create value



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

### ● Message from the Executive Officer in charge of human resources

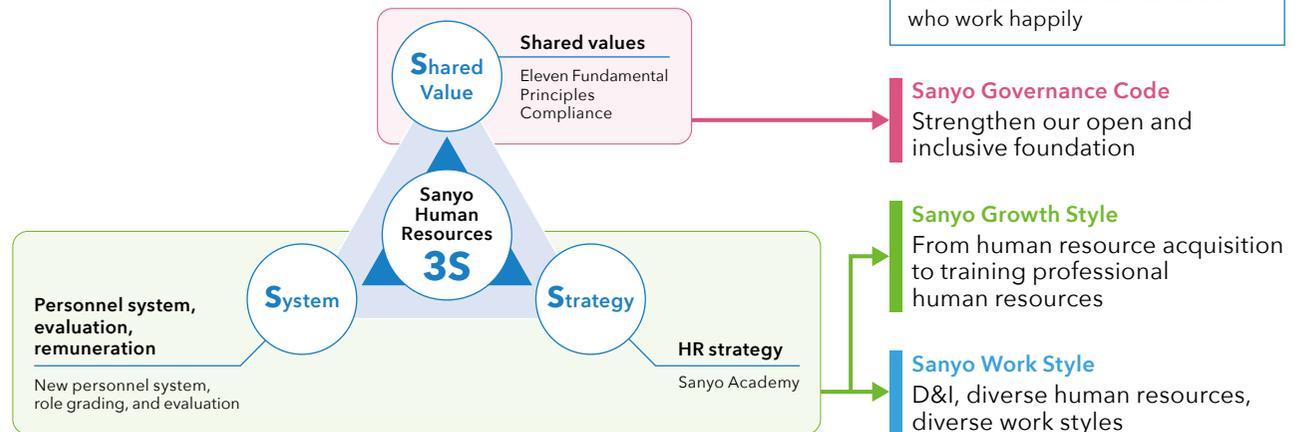
The greatest strength of Sanyo Trading is our people. Highly professional human resources proposing the optimal solutions to customers have driven our growth.

In order to achieve the targets of SV2028, we need self-motivated human resources who acquire even greater expertise and take on the challenge to create value themselves. We believe that our human capital is the driving force behind the Company's growth, and this is why we focus on providing opportunities and an environment where employees find their work fulfilling and can grow and achieve their best.

1) Sanyo Growth Style is a talent development

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

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



framework that provides training and job rotation to provide challenges and learning. By linking this to our growth strategy, we aim to develop talent capable of creating new businesses and driving our overseas expansion. 2) Sanyo Work Style creates an environment where our diverse talent can design their own sustainable ways of working. 3) Sanyo Governance Code is strengthening our organization to foster an unparalleled and inimitable culture of openness and inclusivity. We are building an organization that encourages employees to take on challenges and values learning from failure, and promotes open communication across hierarchies and divisions.

In addition to employees, we regard our directors as important human capital and have renewed our directors'

skill matrix. We have visualized skills directly linked to our growth strategy—including new business development, M&A, IT/DX, globalization and ESG—and confirmed that the current Board of Directors is appropriately structured. Directors are not only decision-makers in management but also embodiments of our corporate culture. Their experience, insights, and values influence the entire organization, and play a key role in driving the Company's growth. Going forward, we will strategically design the composition of the Board of Directors by linking the skills matrix to our succession planning, including the development of management talent capable of responding to future business environment.

## Human Capital

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

We believe that the growth of employees along their career path leads to growth of the Company. Sanyo Growth Style is designed to resolve challenges in both the quantity and quality of human resources through the framework of (1) recruitment, evaluation, placement and (2) human resource development and training, accelerating the cultivation of self-motivated human resources.

#### Securing top talent and our HR systems

We have participated in employment events for foreign students, and hired foreign nationals over the past two consecutive years. We also revamped our internship program, introducing content such as research into issues faced by trading companies, to enable interns to better understand our business. As a result, participating students showed a stronger interest in applying to the Company.

In the fourth year since the reform of our personnel evaluation system, we have worked to further improve and enhance it by incorporating employee feedback. We also implement job rotations designed as challenging assignments to develop management talent.

#### Sanyo Academy

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

Sanyo Academy is a training program designed to nurture self-motivated human resources. We are constantly striving to brush up the training content and to link it to other measures to develop human resources who will contribute to our businesses.

With regard to new business creation, the hands-on training program SUNBOW Project has already delivered

early results, with several business plans approved. Furthermore, nurturing talent to lead our overseas businesses is also an important theme. We conducted joint training for locally hired national staff from our Thailand and Vietnam offices. As a result, we confirmed positive outcomes, including not only the acquisition of knowledge and skills but also more active communication across countries and regions. Going forward, we will continue such initiatives while reviewing and refining both the content and delivery methods.

We are also placing a strong focus on developing next-generation management talent. We conduct training programs for general managers in which participants engage in in-depth discussions, from their own perspectives, on initiatives needed for the Company’s future and its desired long-term vision, and formulate a future medium-term management plan.

#### Employee engagement

To succeed in a changing market environment, it is essential for employees and the Company to maintain a relationship in which they mutually choose one another. We regularly conduct an engagement survey to visualize organizational issues and to grasp differences between the awareness of employees and the Company. The results this fiscal year showed that overall satisfaction remained flat, while the item related to “Work (assigned duties)” improved. We believe that this was attributable to greater operational efficiency following the introduction of our new ERP.

- |                          |  |
|--------------------------|--|
| <b>Survey categories</b> | <ol style="list-style-type: none"> <li>1. Management’s goals and direction</li> <li>2. Immediate supervisors</li> <li>3. Work (duties)</li> <li>4. Communication in the workplace</li> <li>5. Skill building</li> <li>6. Work environment and benefits</li> <li>7. Personnel system, etc.</li> </ol> |
|--------------------------|--|

Overall evaluation	FY2023	FY2024	FY2025
When taking all factors into account, I am satisfied with being an employee of Sanyo Trading	69%	74%	73%

\*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).

### 2) Sanyo Governance Code Earning the Trust of Our Customers

Sanyo Governance Code is a comprehensive measure to strengthen our corporate foundation, including CSR, governance/compliance, and acquisition of certifications.

An open and inclusive corporate culture is one of our key strengths, but it must be supported by high ethical standards grounded in integrity and self-discipline. To ensure that these standards are firmly embedded throughout the organization, we regularly update employees’ knowledge and awareness.

At Sanyo Trading, we use a compliance handbook and self-discipline check sheet, and have also established a compliance-strengthening month, held twice a year. During

## Human Capital

these months, those in charge of compliance and its promotion in each department serve as instructors, conducting training sessions and group discussions on topics such as compliance-related laws and regulations, and harassment. Everyone approaches compliance matters with a strong sense of ownership.

In September 2024, we formulated the Sanyo Trading Group Human Rights Policy, reaffirming our commitment to respecting the human rights of all people involved in our business. Furthermore, we endorsed and became a signatory to the United Nations Global Compact (UNGC) and undertake corporate activities responsibly, in accordance with international standards. In recent years, we have seen an increase in requests from our customers to complete CSR and human rights surveys, and we are formulating rules to ensure prompt and high-quality responses. We are also considering using AI to improve response efficiency and accuracy.



Submitted Communication on Progress (COP) (July 31, 2025)

### 3) Sanyo Work Style Creating an Environment That Supports “Challenging Ourselves for the BEST Solution”

Sanyo Work Style provides an environment and systems that enable employees to work energetically and thrive. Through a range of measures that support diverse talent and diverse working styles, we are fostering an environment in which new ideas and co-creation can emerge.

In April 2025, we significantly increased the floor space at our headquarters, creating open space which anybody is free

to use. We launched an employee project team to incorporate employee perspectives and ideas, installing a drink corner, and an event space “Sanyo trio,” along with a work-focus area. Together with the implementation of hot desking in the office, the space serves as a hub for communication that transcends departments and hierarchies, fostering innovation through ideas generated from spontaneous interactions. In addition, by utilizing flexible working hours and telework systems, we aim to strike a balance between individual tasks and team collaboration, enhance flexibility in when and where employees work, and maximize employee autonomy and productivity. These measures support diverse working styles for employees, while establishing an environment that allows them to continue to build their careers as self-motivated human resources and deliver results.

The promotion of diversity and inclusion (D&I) is an important management issue that is crucial to sustained growth of the Company. We have established a D&I Promotion Committee that proposes systems and measures from the bottom-up to enable diverse human resources to continue to work without interrupting their career. Additionally, we created a D&I awards system to recognize the achievements of our leaders. By awarding managers who serve as role models, we raise awareness across the organization. In August 2025, we held our second D&I Week, with the theme “Diversity Makes Us Stronger.” On this occasion, our management released a Diversity Declaration, and we held events such as a simulated menstrual pain experience session and a panel discussion with employees who had taken parental leave. We introduced an incentive program, proposed by the committee, to encourage employees to take childcare leave, and it is already delivering tangible results. The number of male employees taking childcare leave increased from one in 2021 to nine in 2025, representing a take-up rate of 69.2%.

Going forward, we will continue to develop measures and foster a culture to support the ongoing activities of

diverse employees through a range of work styles. In this way, we will establish an environment where the effort of each employee leads to growth of our company.

#### Promoting Health and Productivity Management

At Sanyo Trading, we believe that the physical and mental health of each employee is the source that enables them to maintain high motivation, create new value, and contribute to fulfilling people’s lives. We formulated and implemented our Sanyo Trading Declaration of Health and Productivity Management based on this belief. As part of this initiative, we have appointed an occupational physician in mental health along with a general physician. In addition to health consultations, we implement improvement measures while exchanging opinions on workplace environment and hygiene-related issues.

The management team regards employee health as a key management issue and takes proactive actions and communicates actively to prevent overwork and maintain employee well-being. As a result, in 2025, we were recognized for the second consecutive year under Japan’s Certified Health & Productivity Management Outstanding Organizations Recognition Program.

#### ● Sanyo Trading Health and Productivity Management Declaration

Enhancing the workplace environment	Sanyo Trading will continue to provide a safe and secure work environment where our employees can work healthily and energetically.
Promoting health awareness	Sanyo Trading supports a wide range of health initiatives to raise employee awareness of physical and mental health.
Responsibility toward the future	Sanyo Trading will continue to maintain and improve the health of employees, enhancing the productivity of the organization, and thereby achieving sustainable business growth.

## Financial Strategy

In the second fiscal year of SV2028, ended September 30, 2025, our performance rivaled that of the first fiscal year, when we achieved record sales and profits.

From the third fiscal year forward, we will aim to maintain a sound financial base and realize balanced investment that leads to steady growth as well as shareholder returns.



**Ryuichi Otani**

Director & Executive Officer  
In charge of Administration Divisions

### Business Performance for the Fiscal Year Ended September 30, 2025 and Outlook for the Next Fiscal Year

In line with SV2028, the long-term management plan announced in November 2023, the Group has been reinforcing its revenue base, improving its business structure, and pursuing and deepening high-value-added businesses.

We have also been making ongoing efforts to strengthen existing businesses, develop new businesses, and accelerate global expansion, solidifying our consolidated management structure.

For the fiscal year ended September 30, 2025 (the 79th

#### ● Consolidated results in fiscal year ended September 30, 2025

(Millions of yen)	FYE September 30, 2024	FYE September 30, 2025		
	Full fiscal year	Full fiscal year		
	Result	Initial forecast	Result	Year on year
Net sales	129,263	132,000	132,703	+2.7%
Gross profit (Gross profit ratio)	22,229 (17.2%)		22,564 (17.0%)	+1.5%
Selling, general and administrative expenses	15,156		16,133	+6.4%
Operating profit (Operating profit ratio)	7,072 (5.5%)	7,100 (5.4%)	6,430 (4.8%)	-9.1%
Ordinary profit (Ordinary profit ratio)	7,905 (6.1%)	7,500 (5.7%)	6,879 (5.2%)	-13.0%
Profit attributable to owners of parent	5,207	4,900	4,615	-11.4%
EPS (Yen)	180.88	170.11	160.23	–

fiscal year), the second fiscal year of the plan, operating profit was 6,430 million yen (down 9.1% year on year), net sales were 132,703 million yen (up 2.7%), ordinary profit was 6,879 million yen (down 13.0%), and profit attributable to owners of parent was 4,615 million yen (down 11.4%). EPS was 160.23 yen (down 20.65 yen) and ROE was 9.3% (down 2.1%), in line with our goal of 10–12%.

For the fiscal year ending September 30, 2026 (the 80th fiscal year), the third year of the plan, given the uncertain economic environment, we forecast a decrease in both sales and profits, with net sales of 130,000 million yen and operating profit of 6,200 million yen.

### Basic Approach to Financial Strategies and Discipline

The Group's first priority in its business and financial operations is to secure liquidity as well as to maintain and improve the soundness of its balance sheet.

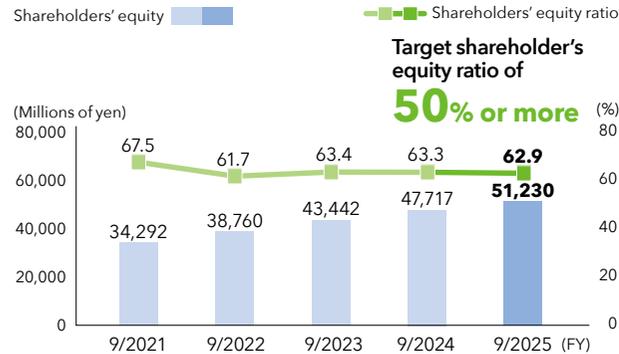
From the perspective of the former, we give maximum consideration to securing liquidity through liquidation of accounts receivable and optimization of inventories, and we practice capital efficiency-conscious management through means such as employing the cash conversion cycle (CCC) as one of the management indicators of our Business Units.

With the consolidated/non-consolidated ratio for the

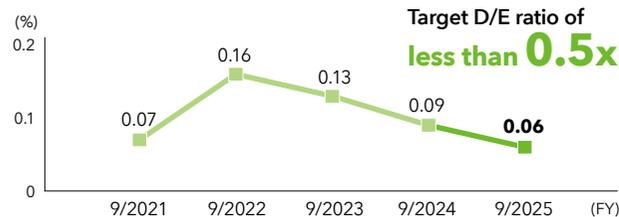
## Financial Strategy

fiscal year ended September 30, 2025 exceeding 2:1, we are accelerating optimal cash management for the entire consolidated Group in order to efficiently and centrally absorb and invest surplus funds of Group companies and supply funds to each company. To this end, in the fiscal year ended September 30, 2024, we introduced some functions of the React ERP system early to enable monitoring of the cash balance of Group companies in Japan at the head office. Following the release of React for non-consolidated accounts in the fiscal year ended September 30, 2025, we began operating React at three domestic Group companies

### Shareholders' equity / shareholders' equity ratio



### D/E ratio



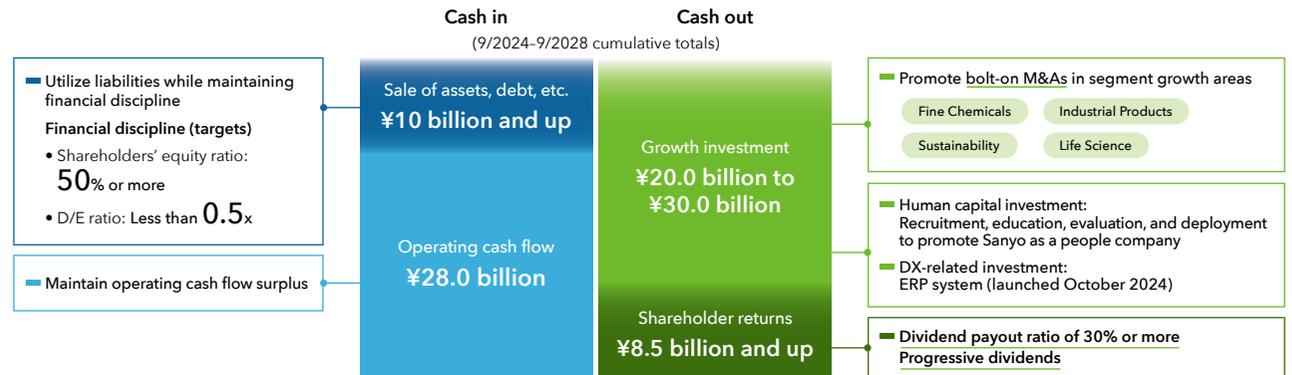
at the beginning of the fiscal year ending September 30, 2026, and we will continue working to implement this system for accounts and improve financial efficiency on a consolidated Group basis.

With regard to the optimization of inventory management, a major theme of the fiscal year ended September 30, 2025, the head office and Administration Divisions established

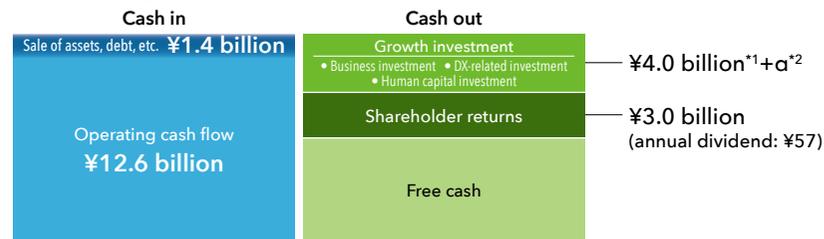
management standard targets and a system to monitor inventories deposited in external warehouses, which has resulted in more appropriate inventory management.

On the other hand, with regard to financial soundness, we will continue to manage our balance sheet based on a shareholders' equity ratio of at least 50% and a D/E ratio of less than 0.5x.

### Cumulative forecast for the five years of SANYO VISION 2028



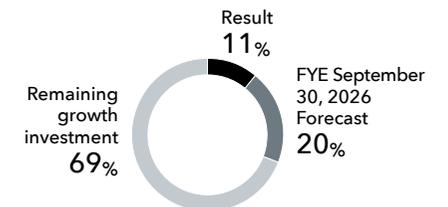
### Actual results for the fiscal years ended September 30, 2024 and 2025 (two-year period)



\*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.

### Growth investment progress during SV2028 period



## Financial Strategy

### Cash Allocation Policy

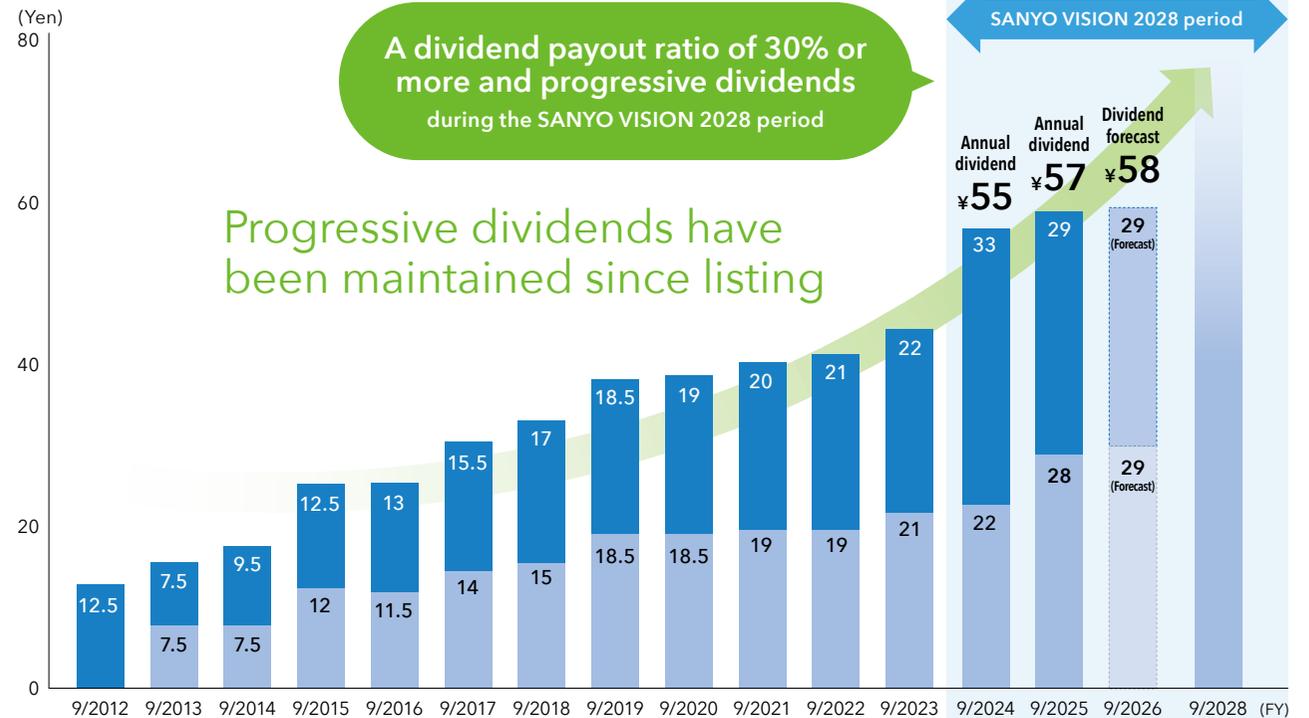
The Group expects to generate a cumulative cash inflow of 30 billion yen for the five years of SV2028, based on the steady accumulation of operating cash flow. With these funds, we intend to achieve further business growth by allocating 20-30 billion yen over the five-year period not only to maintain and expand existing businesses, but also to invest in such areas as new businesses, DX, and human capital.

With respect to M&As of business corporations, we will conduct appropriate corporate value assessment through prior due diligence, while the Business Divisions and Administration Divisions will work together to appropriately identify and steadily increase the value of assets and businesses post-acquisition.

With regard to shareholder returns, we will return profits to shareholders based on a progressive dividend payout ratio of 30% or more, taking into consideration consolidated business performance and financial position. While continuing to leverage the financial capacity which is one of our strengths, 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.

### Dividends per share

Interim dividend    Year-end dividend





**Part 3** Business Portfolio

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**41**.....Rubber Business Unit

**43**.....Chemical Business Unit

**45**.....Mobility No. 1 Business Unit /  
Mobility No. 2 Business Unit

**47**.....Green Technology Business Unit

**49**.....Energy Solution Business Department

**51**.....Life Science Business Unit

**53**.....Bio Frontier Business Department

**55**.....Domestic Group Companies

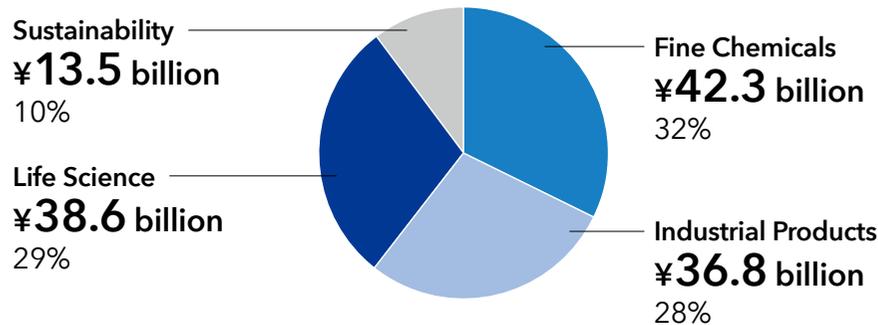
## Business Overview

We changed our reportable segments beginning in the first quarter of the fiscal year ended September 30, 2025, to enhance market disclosure, optimize the allocation of management resources, and strengthen performance monitoring.

### Overview of Financial Results for the Fiscal Year Ended September 30, 2025

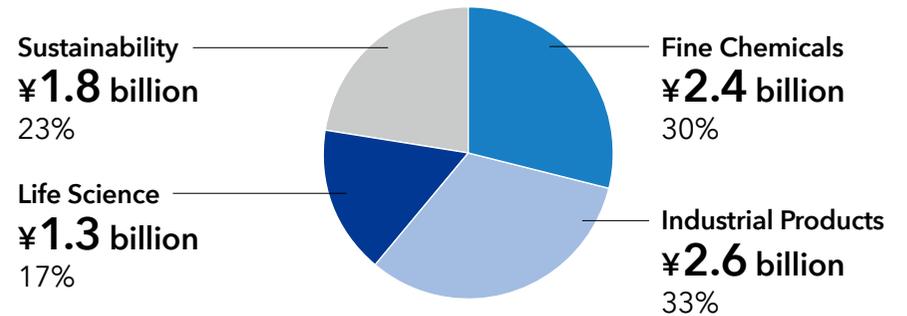
Net sales: **¥132.7 billion**  
**2.7% increase** year-on-year

Our net sales were 132,703 million yen, which was a 2.7% increase compared with the previous consolidated fiscal year. By segment, for Fine Chemicals and Industrial Products, we were able to maintain outcomes roughly the same as the previous consolidated fiscal year. In Sustainability, a large-scale woody biomass-related project and the marine development field, including marine survey equipment-related business, helped to drive growth. Also, in Life Science, material solution-related core products performed well.



Operating profit: **¥6.4 billion**  
**9.1% decrease** year-on-year

Our operating profit was 6,430 million yen, which was a 9.1% decrease compared with the previous consolidated fiscal year. Existing business grew in all segments, with gross profit increasing 1.5% compared with the previous fiscal year. Meanwhile, as a result of an increase of 6.4% year on year in selling, general and administrative expenses due to upfront investments in human capital forming the foundation of SV2028, as well as the launch of an ERP, React, operating profit declined compared with the previous fiscal year. Going forward, we will continue to appropriately assess cost-effectiveness and pursue more efficient allocation of management resources.



\*Net sales by segment and operating profit ratio are calculated based on pre-consolidation adjustment figures. Due to the omission of "others," the total is not 100%.

## Business Overview

### Overview by Segment

#### Fine Chemicals

Net sales: ¥ **42.3** billion 0.9% decrease year-on-year

Operating profit: ¥ **2.4** billion 11.1% decrease year-on-year

**Making full use of high-level expertise, striving to expand the business on a global scale while bolstering our handling of sustainable materials and products**



**Yasushi Komiya**

Senior Executive Officer  
General Manager of Rubber Business Unit

Since our founding in 1947, the fine chemical market has been our mainstream business, centered on rubber and chemicals. We make full use of our high-level expertise, endeavoring to

introduce highly functional products from overseas into the Japanese market and to ensure stable supply, whereby we have gained a strong reputation and trust with our customers. In line with the overseas expansion of Japanese manufacturers, we have steadily expanded our business in the U.S., China, ASEAN countries, India, and Mexico, quickly establishing systems to be able to provide customers with the same services that we offer in Japan. Most recently, we have expanded the scale of sales of our core materials and products in Japan and overseas, while accelerating our development of sustainable products imported from leading overseas suppliers. We are striving to expand the Fine Chemicals business on a global scale.

#### Industrial Products

Net sales: ¥ **36.8** billion 0.3% decrease year-on-year

Operating profit: ¥ **2.6** billion 20.6% decrease year-on-year

**Expanding into EV-related businesses, overseas aftermarket markets, and circular material development, in addition to automotive interior materials**



**Yoshimi Namba**

Director & Executive Officer  
In charge of Business Divisions, General  
Manager of Corporate Planning Department

As the automotive market enters a once-in-a-century transformation, we are advancing the development of a range of new businesses based on the belief that times of transformation create the greatest

opportunities. For example, we operate one of Japan's largest exhibition centers in Japan displaying disassembled EVs, in Mizunami City, Gifu Prefecture, and offer an EV benchmarking service. We also began to develop and sell high-performance diagnostic and maintenance equipment for batteries, which are indispensable for EVs. In addition, we developed the world's first 100% recyclable fiber material QUARTECH® and are advancing negotiations for mass supply to multiple car manufacturers. By creating businesses that anticipate changes in the external environment, we are realizing our corporate vision to "Deliver tangible solutions to social issues to make the world a better place for everyone."

## Business Overview

### Overview by Segment

#### Sustainability

Net sales: ¥ **13.5** billion **38.4%** increase year-on-year

Operating profit: ¥ **1.8** billion **56.5%** increase year-on-year

**Contributing to the realization of a sustainable society with diverse products and services that support development of the livestock industry and promotion of the use of renewable energy**



**Mitsuyasu Hirasawa**

Director & Executive Officer  
In charge of Business Divisions

In the powders-related equipment segment, we focus on expanding sales of livestock feed pellet manufacturing equipment to the compost field. Meanwhile, in the woody biomass field, we

will work to ensure the successful launch of Yokote Yuzawa Forest Cycle Co., Ltd., which is expected to begin operation in mid-2026, and the stable operation of Kita no Mori Green Energy Co., Ltd., launched in 2025, in addition to proactive efforts to expand woody biomass power generation in other regions. We will also focus on expanding sales of the world's most advanced special film that uses solar energy for cooling.

In the fields of geothermal excavation and offshore wind power, we contribute to the development of Japan's renewable energy sector through the supply of advanced European equipment. Additionally, we are considering entry into the marine survey field.

#### Life Science

Net sales: ¥ **38.6** billion **0.9%** increase year-on-year

Operating profit: ¥ **1.3** billion **21.4%** decrease year-on-year

**Expanding the life science business in multiple fields, striving to create value through global collaboration**



**Koji Taguchi**

Senior Executive Officer  
General Manager of Life Science  
Business Unit

Our Life Science Business Unit and Bio Frontier Business Department are striving to resolve social issues in their respective fields. The Life Science Business Unit is expanding business globally in a wide

range of fields including the manufacturing, agriculture, livestock, and nursing industries. We provide scientific devices and equipment together with raw materials and services to meet customer needs.

Meanwhile, the Bio Frontier Business Department is driving cutting-edge and applied research in the biotechnology field and provide solutions based on high-level expertise. Each of our Group companies is leveraging their unique strengths, deepening collaboration with overseas partners to contribute to the realization of a sustainable and abundant society, and striving to create new value with a view to the next generation.

## Rubber Business Unit



### Accelerating global development of our core rubber products and next-generation sustainable products to help solve social issues

The Rubber Business Unit has handled synthetic and silicone rubbers imported from Europe and North America since the early days of the Company, and today, more than 70 years later, these remain mainstay businesses for our business unit. We continue to grow steadily with Arlanxeo, the world's largest synthetic rubber manufacturer, and Dow Chemical (Dow Toray Co., Ltd. in Japan), the world's No. 1 supplier of silicones, as our major suppliers. Especially since the mid-2010s, we have expanded sales centering on the Asian region, with overseas sales accounting for more than 40% of our total sales, becoming a major growth engine for the business unit.

On the other hand, materials primarily derived from synthetic rubbers have also

seen increased diversity of products and expanded sales, and now account for nearly half of the business unit's total sales. These mainly include specialty clays made by KaMin of the U.S. that improve tire air impermeability; spherical alumina, which has excellent thermal conductivity and is seeing growth in applications for EV batteries; and environmentally friendly plasticizers that do not contain endocrine-disrupting chemicals.

As a new area of focus, we are developing and expanding sales of products that contribute to the realization of a sustainable society. For example, we are expanding sales of PFAS-free fluoroelastomers from Sichuan Dowhon New Materials, China's largest manufacturer.

We are also focusing on developing markets for natural materials such as epoxidized natural rubber from Thailand and plant-derived carbon from the U.S., along with expanding sales of non-halogen flame retardants from J.M. Huber Corporation of the U.S.

About 30% of the Rubber Business Unit's sales staff are stationed outside Japan in seven countries and have been engaging in expanding exports, mainly to overseas Japanese enterprise customers. Currently, we are leveraging this network to develop new overseas business, and have begun cultivating quality suppliers and products in many regions, including China, India, Thailand, and Mexico.

#### 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 acceleration of automotive electrification. 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
- Strengthen role as distributor for Arlanxeo, the world's leading supplier of synthetic rubbers, targeting domestic and overseas Japanese enterprises

#### 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



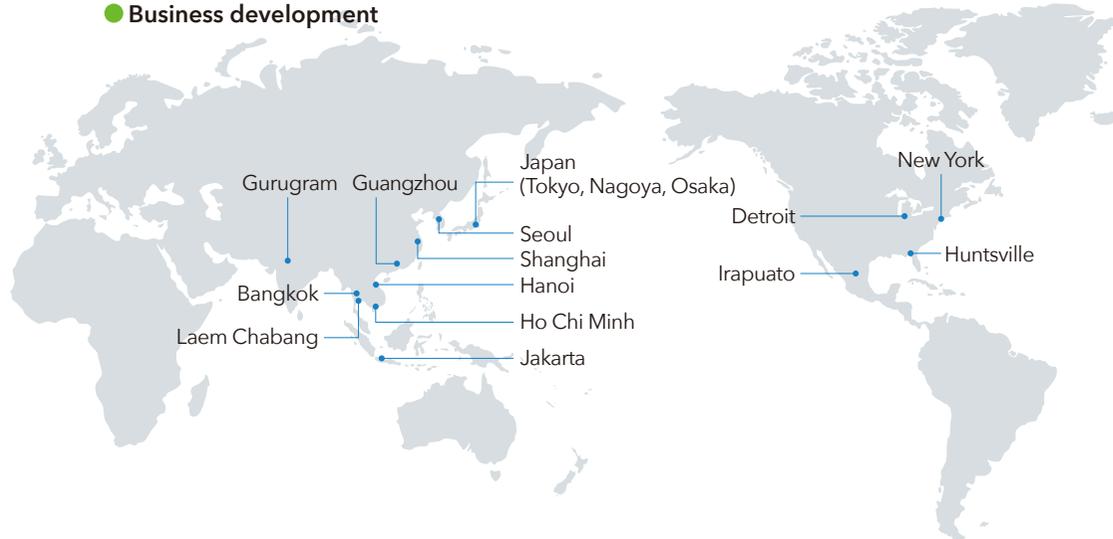
#### Growth Strategy

- 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

**Yasushi Komiya**  
Senior Executive Officer,  
General Manager of  
Rubber Business Unit

## Rubber Business Unit

### ● Business development



### ● Primary products, sales destinations, and end-use applications



## Focus

### Strengthening Our Handling of Silicone Rubbers from Dow Toray Co., Ltd. and PFAS-Free Fluoroelastomers from China's Sichuan Dowhon New Materials

The Rubber Business Unit is strengthening its handling of silicone rubbers from Dow Toray Co., Ltd., the world's largest silicone manufacturer, and PFAS-free fluoroelastomers from Sichuan Dowhon New Materials, China's largest fluoroelastomer and pre-compound manufacturer.

Since 1967, when the Rubber Business Unit began handling products from then Toray Silicone Co., Ltd., it has continually sold silicone rubbers from what is now Dow Toray in and outside Japan. In 2019, we received authorized distributor certification from the company, and expanded the number of inventory items handled. In 2022, we were appointed as an advanced authorized distributor, and as the leading distributor in the silicone rubber field, we are responsible for further expansion of sales and the stable supply of more than 160 stocked products.

To replace the 3M Japan fluoroelastomers which the Rubber Business Unit has handled since 1972, we selected fluoroelastomers from Sichuan Dowhon New Materials, which do not contain environmentally hazardous PFAS. We became the company's authorized distributor for domestic and overseas Japanese enterprises, and started handling their products in early 2021. We have

appointed a dedicated sales representative to serve as the core of our sales force, and we are building our track record to achieve our goal of a 10% market share in Japan during the SV2028 period.

In addition to posting information on these products in CHEMBASE, a searchable database of rubber and chemical products handled by the Company, we established a new silicone rubber search website in 2024 for the products in the wide-ranging portfolio of Dow Toray. The site has made it easier to select the silicone product number that best suits customer needs, and to respond to inquiries and sample requests from customers. We believe that effective use of these tools will greatly contribute to improving convenience for our customers and for attracting prospective customers.



The silicone rubber search website

## Chemical Business Unit



**Hideki Ohata**  
Executive Officer,  
General Manager of  
Chemical Business Unit

### Differentiating ourselves as a trading company through technical sales and charting a course for further growth by creating new demand

The Chemical Business Unit has a large number of employees with technical backgrounds in chemistry and pharmaceuticals, and sales capabilities leveraging their knowledge of these fields is one of our major strengths. In addition, we have established an organizational structure managed by market, not by region.

In the fiscal year ended September 30, 2025 (the 79th fiscal year), we were unable to achieve the anticipated results due to cooling demand for paints and inks—our main domestic markets—as well as the expansion of inexpensive Chinese products.

On the other hand, although gradually, we are seeing results in new areas, such as

environmentally friendly products and high-end markets related to electrical materials, motors, batteries, and sensors.

Overseas, the launch of new businesses, particularly in Southeast Asia, led to a significant increase in business performance. Demand in this region is booming, and we expect this trend to continue for the foreseeable future.

In addition, we are actively pursuing productivity improvements within the business unit, particularly in the area of ordering and receiving, in pursuit of thorough labor savings. This has resulted in a virtuous cycle in which employees have more time to spare as a result of more

efficient operations, and are able to take advantage of this time to generate ideas for further improvements.

In terms of business strategy, in the 80th fiscal year, we established a new group dedicated to the development of environmentally friendly products. We also launched a new team focused on developing and expanding sales in high-end markets. In these new fields, we aim to achieve steady business growth and develop future core products for the business unit.

Of course, in our existing businesses, we will also work to raise profits by introducing new products to achieve the goals of SV2028.

#### 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

#### 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

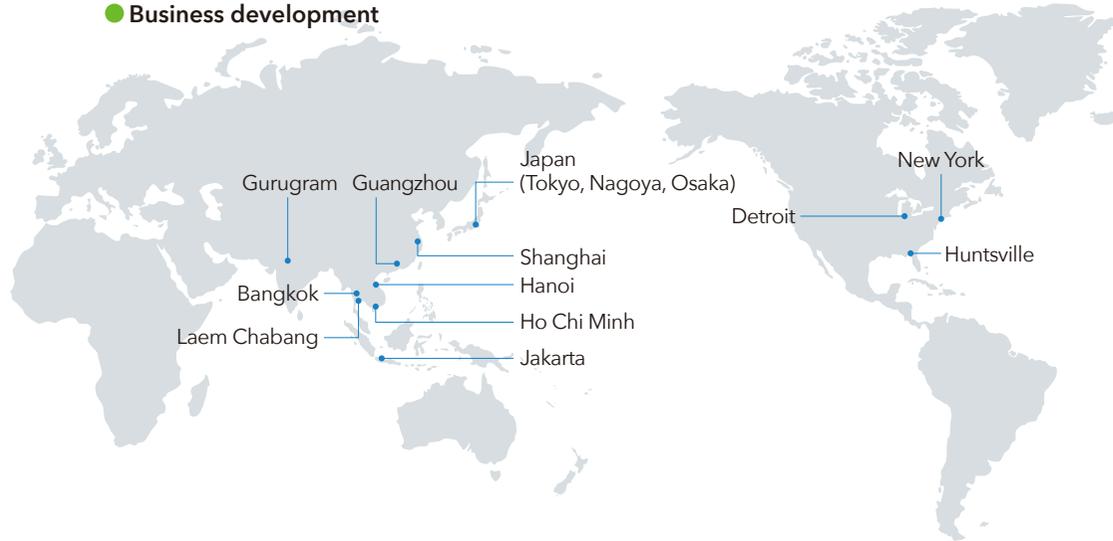


#### Growth Strategy

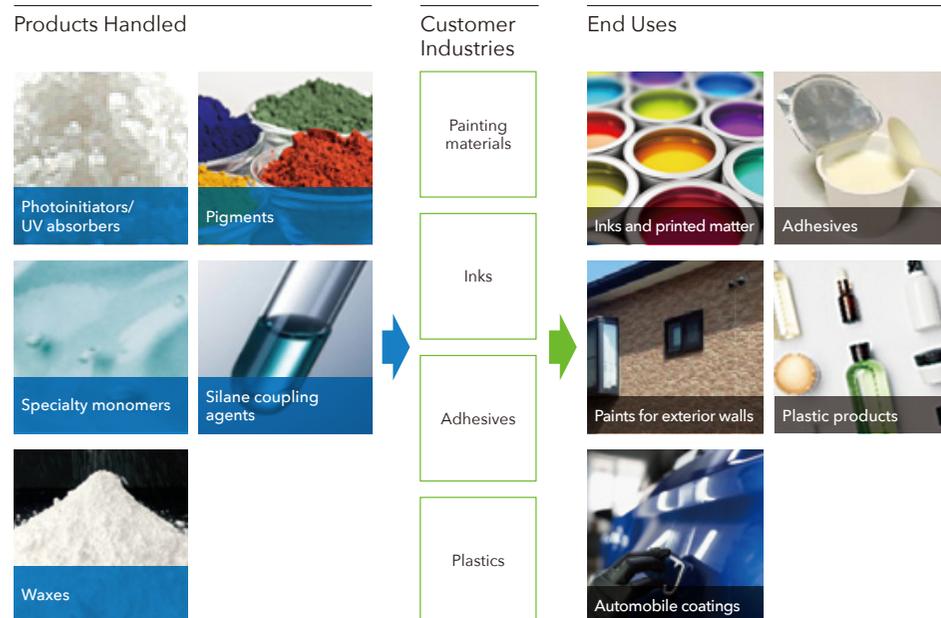
- Continue expanding the sales of existing products
- Capital investment in high-end markets
- Implement M&As aimed at expansion into growth fields

## Chemical Business Unit

### ● Business development



### ● Primary products, sales destinations, and end-use applications



## Focus

### Expanding Our Product Lineup and Achieving Medium-to Long-Term Business Growth Through M&As and Business Transfers as Well as Environmentally Friendly Products

The Chemical Business Unit's current main markets are paints, inks, and adhesives. These all have one thing in common: they are applied to a substrate. In these markets, the business unit has a significant track record, mainly in the sale of additives.

However, all of these markets are mature industries and are not ones in which we can expect dramatic expansion. In order for the business unit to chart a further growth trajectory, it is essential that we expand into new markets.

As one of our targets, we are focusing on developing and expanding sales in high-end markets as represented by electrical materials, motors, batteries, and sensors. By entering these new fields, we will increase our handling of high value-added products.

Further, in our existing markets, alongside conventional additives, we also intend to expand our offerings to include higher grade products, especially environmentally friendly products with reduced environmental impact. We will continue to expand our product portfolio with a view to contributing to a sustainable society.

In addition to such organic growth, we will aggressively pursue growth

through M&As and business transfers that can generate synergies with existing businesses. With these M&As and business transfers, we aim to expand the number of large-scale projects with gross profit exceeding 100 million yen.

Looking overseas, while seeking to expand in existing markets, particularly in Asia, we will pursue rapid growth through M&As and business transfers expected to generate synergies similar to our strategy in Japan.

Thus the Chemical Business Unit will achieve ongoing business expansion through M&As and business transfers, in addition to entering high-end markets and expanding environmentally friendly products.



Chemical raw materials for electrical materials

## Mobility No. 1 Business Unit

## Mobility No. 2 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



## Expanding our business areas into next-generation fields, both domestically and internationally, including benchmarking, EVs, and environmental friendliness

Our business unit changed its name from the Industrial Products Business Unit to the Mobility Business Unit in October 2024. Going forward, we will continue to contribute to the development of the global mobility society through our businesses.

Our results for the fiscal year ended September 30, 2025 exceeded the initial plan thanks to the growth not only of our domestic business units but also of our overseas businesses in the ASEAN and North American regions.

In the Mobility No. 1 Business Unit, in addition to our main business of interior components, we focused on expanding sales of products in niche fields manufactured by Totoku Inc. The Mobility No. 2 Business Unit contributed to the

achievement of the plan through expanded sales of Leggett & Platt components, which serve as core products for us.

With regard to new businesses, in addition to expanding sales of EV buses, we are developing and expanding sales of maintenance equipment such as EV battery testers as well as Caresoft products, including Iceberg, which uses information obtained through the disassembly and analysis of the latest vehicle models as benchmark data; and Digital Twin, which provides highly accurate 3D CAD/CAE models.

We are also developing environmentally friendly surface materials as recyclable next-generation sustainable materials, and will offer them as circular materials that can be deployed in a variety

of fields, including apparel and interior design in addition to mobility.

The world of mobility is now at a major turning point, as EVs and automated driving become available for practical use. Against this backdrop, our business units will expand products and services that can generate significant profits in the field of next-generation products by restructuring the organization dedicated to new business and assigning dedicated personnel to the development of new products. Further, we will accelerate our global expansion by broadening the range of next-generation product fields handled in our overseas services, which are seeing gradual 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, Thailand, Mexico, and India

### Strengths

- We provide end-to-end solutions 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

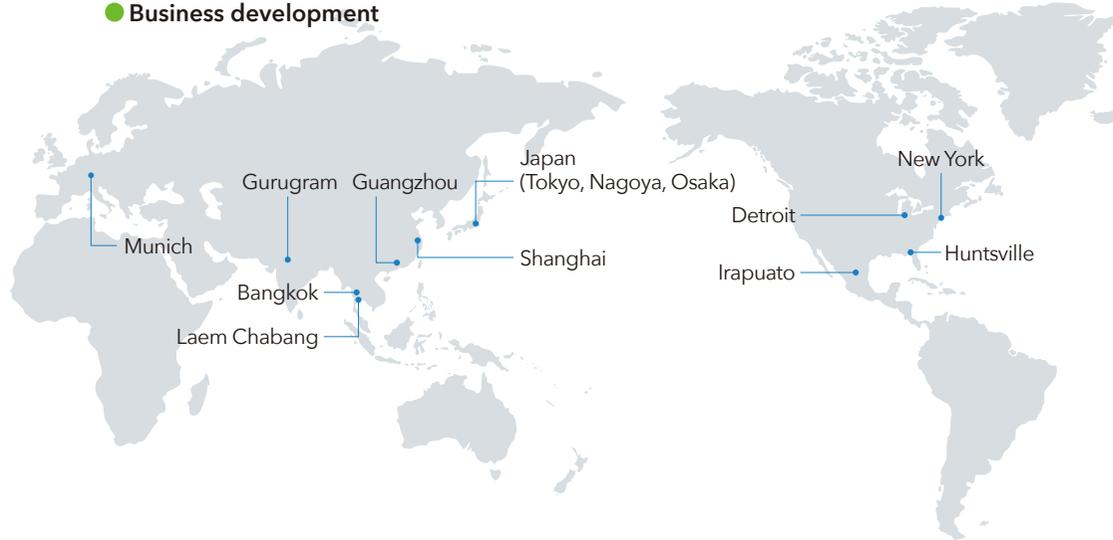


### Growth Strategy

- Find new business partners and expand new product fields
- Leverage the overseas office network to strengthen global relationships with Japanese automakers
- Advance into the automotive aftermarket field and expand from the middle of the value chain to downstream

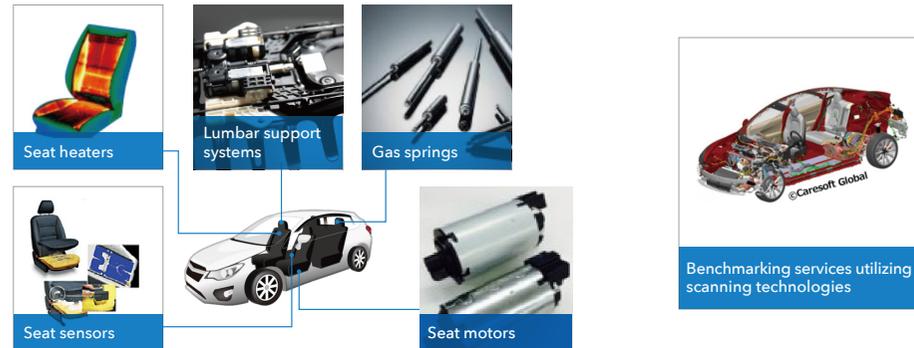
## Mobility No. 1 Business Unit Mobility No. 2 Business Unit

### ● Business development

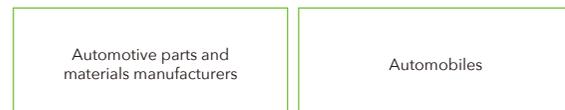


### ● Primary products, sales destinations, and end-use applications

#### Products Handled



#### Customer Industries



#### End Uses



## Focus

### Acquisition of Singaporean EMAS as a Subsidiary to Accelerate Horizontal Overseas Expansion and Our Entry Into the Automotive Aftermarket

In October 2025, the Company acquired all shares of Singaporean distribution company EMAS Supplies & Services Pte Ltd, making it a subsidiary. EMAS is a Singaporean trading company specializing in the supply of automotive air conditioning-related components for the automotive aftermarket. With more than 30 years of experience in Singapore, EMAS supplies products to more than 50 countries around the world, mainly in the Middle East and Southeast Asia, on the strength of its deep expertise and extensive procurement network. With this acquisition, we have diversified our value chain by expanding our existing business domain, which has focused on interior components for new vehicles, into the automotive aftermarket, which is expected to grow with the increase in the

number of automobiles owned. In addition, we will accelerate the horizontal overseas expansion of the mobility business by utilizing EMAS's sales network. This will promote the strengthening of our consolidated management structure, one of the key measures of SV2028.

Further, we will accelerate the expansion of sales of environmentally friendly products in the European market through Sanyo Trading Europe, established in Munich in 2023. At the same time, we will aggressively develop business partners among non-Japanese enterprises.



The welcome ceremony at EMAS

## Green Technology Business Unit



### Providing green solutions that contribute to a sustainable society with our extensive track record and solid technical capabilities

The Green Technology Business Unit consists of two groups: the Powder Processing Group, which provides feed ingredient processing equipment to livestock feed manufacturers, and the Biomass Group, which develops woody biomass power generation equipment that utilizes unused domestic wood.

In the fiscal year ended September 30, 2025, the Powder Processing Group posted strong results, significantly exceeding those of the previous fiscal year. This was thanks to strong shipments of pellet mills, dryers, and coolers, the main equipment the Group handles, as major feed makers continued to rationalize their plants and expand their facilities.

Meanwhile, the Biomass Group also made a significant contribution to the business unit's performance by recording sales of a complete set of equipment for a woody biomass power generation plant (wood pellet production plant + wood gasifier CHP unit = the Sanyo Model) in Oyama Town, Sunto District, Shizuoka Prefecture, which was ordered in the previous fiscal year, and 11 wood chip gasification combined heat and power (CHP) systems under construction in Yokote City and Yuzawa City, Akita Prefecture scheduled to start operations in October 2026. In addition, Kitanomori Green Energy Co., Ltd. of Shimokawa Town, Hokkaido, which became our first full-scale feed-in

tariff (FIT) business after we took it over in the previous fiscal year, resumed its biomass power generation business. This business is meeting the high expectations of the local community and is contributing to the region's circular economy.

As global interest in climate change issues and the SDGs grows, the need to address carbon neutrality and a recycling-oriented society is urgent. The Green Technology Business Unit will continue to provide solutions that contribute to a sustainable society by making full use of its technological capabilities and the track record it has built.

#### 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

#### 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

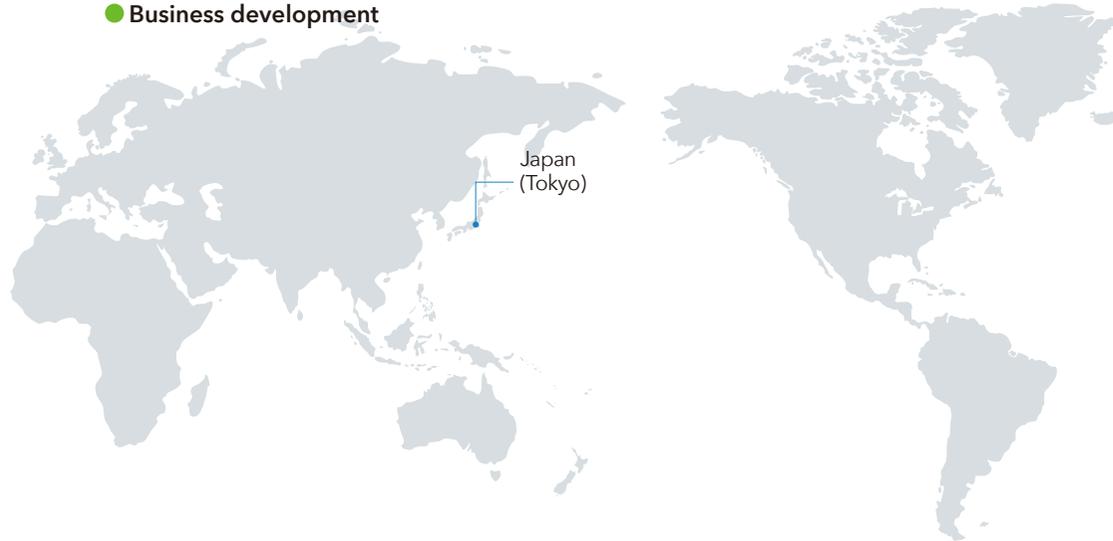
#### Kenichiro Mohara

Executive Officer,  
General Manager of  
Green Technology  
Business Unit



## Green Technology Business Unit

### ● Business development



### ● Primary products, sales destinations, and end-use applications



## Focus

### Contributing to the H-UCG Project in Mikasa City, Hokkaido with the Delivery of Japan's First Burkhardt Wood Chip Gasification Combined Heat and Power Unit

An underground coal gasification (UCG) project is being promoted in Mikasa City, Hokkaido to make effective use of unused energy. Further, a hybrid-underground coal gasification (H-UCG) project is now underway in the city to produce clean hydrogen that makes use of coal as well as woody biomass, resources which are both abundant in the region.

The CO<sub>2</sub> emitted during hydrogen production will be reburied in abandoned coal mine sites underground and will also be utilized for agriculture and other purposes, with the goal of net zero CO<sub>2</sub> emissions for the project overall. This project aims to revitalize the region through local production of energy for local consumption as well as the creation of new industries and jobs by utilizing local resources.

For the H-UCG demonstration test conducted in October 2025, the Green Technology Business Unit delivered the first Burkhardt wood chip gasification combined heat and power unit in Japan and participated in the demonstration test of gasification technology using coal and wood biomass. During the demonstration period, the gasification unit produced a steady supply of gas using wood chips from Hokkaido, proving the high reliability of the system.

Wood chip gasification systems are currently being considered for introduction at multiple sites, and are expected to become the mainstream woody biomass power generation system in the future.



The demonstration test plant



The Burkhardt wood chip gasification combined heat and power unit

## Energy Solution Business Department



### Takeharu Terada

Executive Officer and General Manager of Energy Solution Business Department, Sanyo Trading Co., Ltd. President and Representative Director, Cosmos Shoji Co., Ltd.

## Contributing to the creation of a happy and sustainable society through the development of renewable energy

The Energy Solution Business Department, under the umbrella of Group company Cosmos Shoji Co., Ltd., has pursued cutting-edge, high-quality products and technologies as a frontrunner in the development of natural resources and energy. Leveraging our strength in handling a wide variety of equipment, we have been able to promptly provide optimal total solutions and have recorded record-high performance for two consecutive fiscal years since the transition to the current structure in April 2024.

In the fiscal year ended September 30, 2025, we received orders for large-scale onshore drilling rigs for oil and gas development as well as carbon dioxide capture and storage (CCS) and carbon dioxide capture, utilization, and storage

(CCUS). This is something which has been our dream since the founding of Cosmos Shoji.

In the field of offshore wind power development, we also advanced proposals for a wide variety of equipment used during construction, with a view to receiving orders and recording sales in the next fiscal year and beyond.

In the field of offshore development, we have delivered riser pipes for use at great depths and underwater remotely operated vehicles (ROVs) for the development of rare-earth mud mining technology in the waters of Minamitorishima Island, contributing to a national project for the development of deep-sea resource production technology.

In the field of offshore wind power

generation, which is attracting attention as the most important market in the renewable energy field, we provide equipment used in the construction of both fixed-bottom and floating turbines. In the field of marine research, we are working on developing our capabilities with a focus on underwater surveys and with a view to owning our own ROVs. In the field of geothermal development, we are focusing on material and equipment solutions suitable for use with closed-loop geothermal, which is attracting attention as the next generation of geothermal power generation systems.

As a frontrunner in the development of natural resources and energy, we will continue to provide the best solutions for the realization of a sustainable society.

### Opportunities

- Environmentally conscious renewable energy initiatives
- Realization of "closed-loop" next-generation geothermal power generation systems
- Expanding sales of drilling rig system with an eye on CCS/CCUS



### Example Initiatives

- Provision of equipment and materials for the development of fixed-bottom offshore wind power generation
- New proposals utilizing our extensive supply chain
- Rig deployment for a major energy development company

### Strengths

- Provision of total solutions leveraging our strength in handling a wide variety of equipment
- Sales engineering capabilities powered by technical expertise and highly knowledgeable technical sales staff



### Growth Strategy

- Provide equipment for offshore wind power generation, an important market for renewable energy
- Begin selling services for offshore wind and marine surveys through ROV rental
- M&As to further enhance total solution capabilities

## Energy Solution Business Department

### ● Business development



### ● Primary products, sales destinations, and end-use applications

#### Products Handled



#### Customer Industries

- Oil and gas development companies
- Geothermal development companies
- Construction companies
- Power generation companies

#### End Uses



## Focus

### Contributing to Carbon Neutrality Through the Installation of Drilling Rigs Used for Oil and Gas Development as Well as CCS/CCUS Operations

In 2025, Cosmos Shoji Co., Ltd. received an order from an energy development company for two complete drilling rig systems used for oil and gas development as well as carbon dioxide capture and storage (CCS) and carbon dioxide capture, utilization, and storage (CCUS) operations. This is something that has been a long-held dream of Cosmos Shoji since its establishment. We had long been unable to break the stronghold of other companies in this field, but after some seven years of persistent sales efforts, the customer made the decision to adopt state-of-the-art equipment from Germany-based Bentec GmbH Drilling & Oilfield Systems. With a history spanning more than 125 years, Bentec has a worldwide presence in the manufacture, sales, service, and engineering of rigs and drilling equipment. Going forward, we intend to make a full-scale entry into the Japanese market and further increase our visibility and recognition.

Our relationship with Bentec began in 2013. Bentec recognizes our technical sales capabilities and high level of expertise, and we have established a good relationship of trust with the company as their distributor.

Our mutual pursuit of cutting-edge, high-quality products and technologies and the provision of optimal solutions resulted in this order.

Japan's purely domestic energy resources are limited, and against this backdrop, we are contributing to oil and gas production and development as well as the recovery of iodine, a byproduct of natural gas extraction, through the provision of drilling rigs. Further, drilling rigs are indispensable equipment for CCS and CCUS, which are expected to be introduced and widely used to achieve carbon neutrality by 2050.

We will continue to contribute to solving social issues by providing a wide range of solutions that support resource development and the promotion of carbon neutrality.



A Bentec rig

## Life Science Business Unit

### Providing materials, equipment, and services that contribute to industrial development and technological innovation through proposal-based sales and industry-academia collaboration

Developing businesses both in Japan and overseas, the Life Science Business Unit consists of the Material Solutions Department and the Scientific Instruments Department, as well as four Group companies and overseas offices. Overall, the business unit's performance for the fiscal year ended September 30, 2025 was solid.

In the Material Solutions Department, the core businesses of surfactants and heat dissipation materials continued to perform well. We invested in Korbon, a Korean single-walled carbon nanotube (CNT) manufacturer, with the aim of expanding business in the next-generation high-performance EV battery market. We are positioning single-walled CNTs as a new core

product alongside the multi-walled CNTs manufactured by Kumho that we already handle, and will work to expand sales. In August, we opened a branch in Korea to further expand our electrical materials and lithium-ion battery (LiB)-related businesses. We are also working to build a foundation for sustainable growth by focusing on the development of next-generation products and the creation of new businesses through industry-academia collaboration.

In the Scientific Instruments Department, despite a challenging environment of exchange rate fluctuations and rising purchase prices, sales of corrosion resistance testers, weather resisting test equipment, dispersion evaluation equipment, gas

analyzers, and lubricant analysis systems for equipment maintenance remained strong, thanks to successful efforts to reinforce digital marketing and application-focused sales. Orders from research institutes, government offices, and private companies are also increasing. We will continue to contribute to technological innovation by providing evaluation equipment and analyzers that support Japan's cutting-edge technologies.

In addition, Group company Nihon Rufuto Co., Ltd. launched a new model of oxygen concentrator with a renewed design and operability for ease of use, which has been highly evaluated by customers.

#### 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 Plastics (OBP), and films made from recycled resins
- Expanded sales of combined cyclic corrosion resistance testers tailored to new JASO standards

#### 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

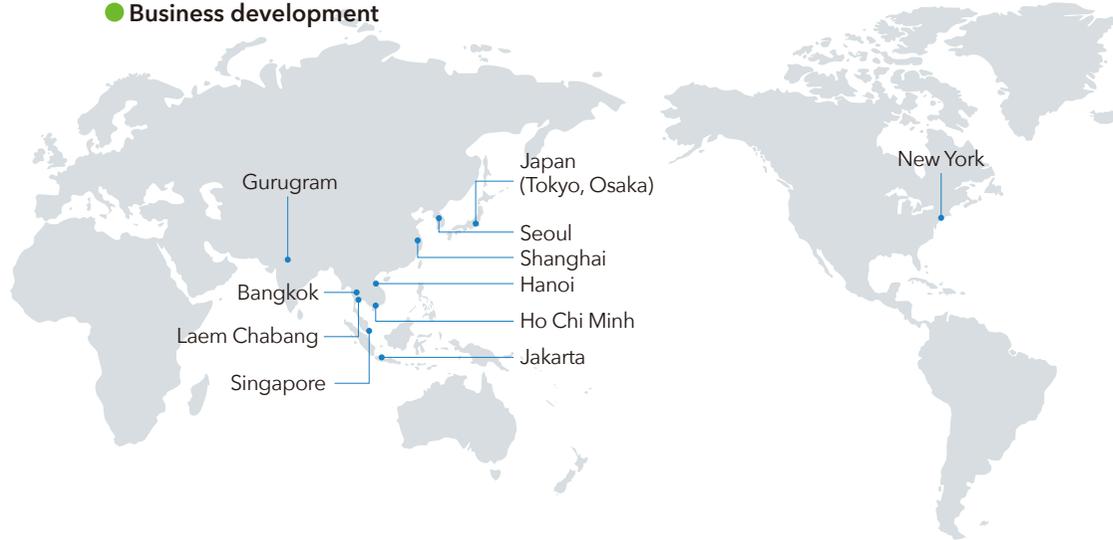
- Deeper investigation into local needs as part of our localization strategy
- Thoroughly market-oriented approach
- Provision of value in resolving issues by leveraging our expertise



**Koji Taguchi**  
Senior Executive Officer,  
General Manager of  
Life Science  
Business Unit

## Life Science Business Unit

### ● Business development



### ● Primary products, sales destinations, and end-use applications



## Focus

### Supporting the Future of Livestock and Dairy Farming, Our Life Science Business Has Built a Track Record of Trust and Proven Results

Based on our philosophy of creating the future of livestock farming and supporting Japan's food supply, the Life Science Business Unit supplies functional feed ingredients and feed additives across Japan through Group company YPTECH Co., Ltd. Since its establishment in 1984, YPTECH has steadily built up trust, a strong track record, and proven results by providing products that are considerate of animals, people, and the environment, and by helping to improve the profitability of livestock and dairy farming.

The year 2025 marks a major milestone for the company. HMBi (isopropyl ester of 2-hydroxy-4-(methylthio) butanoic acid), for which we had previously filed an application with the Ministry of Agriculture, Forestry and Fisheries, was designated as a new feed additive in March, and was launched in the Japanese market under the product name MetaSmart (developed by Adisseo of France). To commemorate this event and celebrate the launch, Adisseo and researchers from Europe and the U.S. were asked to hold seminars in four cities across Japan. More than 500 dairy and beef cattle producers were invited to the event to deepen their understanding of the product. MetaSmart helps maintain the health of dairy and beef cattle and improve milk production, milk quality, and reproductive performance, and by making it widely available to producers,

we will contribute to the development of a sustainable livestock industry in Japan.

In addition, in November, we welcomed to our Group Kyushu Mitaka, a company that has developed its business rooted in the local community of Kumamoto for many years. Going forward, we will leverage the respective strengths of YPTECH and Kyushu Mitaka to create synergies and achieve further growth. By responding to local needs and providing more attentive services, we will also contribute to the development of the Japanese domestic livestock industry as a whole. In addition, we will actively work on animal waste management, heat control, environmental impact reduction, and animal welfare to achieve sustainable livestock production.



九州ミタカ

Kyushu Mitaka is a subsidiary of YPTECH Co., Ltd.

## Bio Frontier Business Department



**Kenji Nishimoto**  
General Manager of  
Bio Frontier Business  
Department

### Developing a wide range of businesses based on sales of research support equipment and the provision of contract analysis services with a focus on the biotechnology field

Striving to create synergistic businesses in the biotechnology field, the Bio Frontier Business Department oversees Scrum Inc., which sells research support equipment, and Kotai Biotechnologies, Inc., which provides research support services. Currently, there are two staff members in the business department, 59 employees at Scrum, and 25 employees at Kotai. We sell state-of-the-art research equipment and provide contract analysis services as well as collaborative research services.

Scrum offers a variety of equipment, including products related to genomics,

proteomics, and chemical organic synthesis, as well as peptide synthesis services. Furthermore, per a strategy set out by the business department, Scrum is working to rapidly promote the usage of single-cell analysis reagents, biomarker discovery systems, and spatial proteomics analyzers, which are indispensable for the latest research. Utilizing its network, Scrum constantly evaluates market and technological trends and strives to provide state-of-the-art equipment. The Company is also focusing on chemical organic synthesis-related products, which have a

broad market and are expected to grow steadily, to improve its sales baseline.

Meanwhile, Kotai Biotechnologies engages in contract services such as single-cell analysis, spatial gene expression analysis, proteome analysis, bioinformatics data analysis, and collaborative research such as vaccine research and development. Going forward, Kotai will continue to focus on providing services to researchers at the cutting edge of drug discovery, pathology, and diagnostics, while actively promoting data analysis and collaborative research in its forte field of bioinformatics.

#### Opportunities

- Increased demand for contract services and reagent sales due to the increasing adoption of single-cell analysis
- Growing widespread use of research approaches that comprehensively and simultaneously analyze all components of an organism (DNA, RNA, proteins, metabolites, etc.)



#### Example Initiatives

- In single-cell contract analysis services, focus on proposing analysis services that go beyond providing test results
- Commencement of handling of new spatial proteomics analyzers and biomarker discovery systems

#### Strengths

- Ability to both sell genomics-related and proteomics-related equipment and provide contract analysis services
- Possession of significant expertise and influence in the biotech field, including a track record of working with key opinion leaders and possession of academic connections

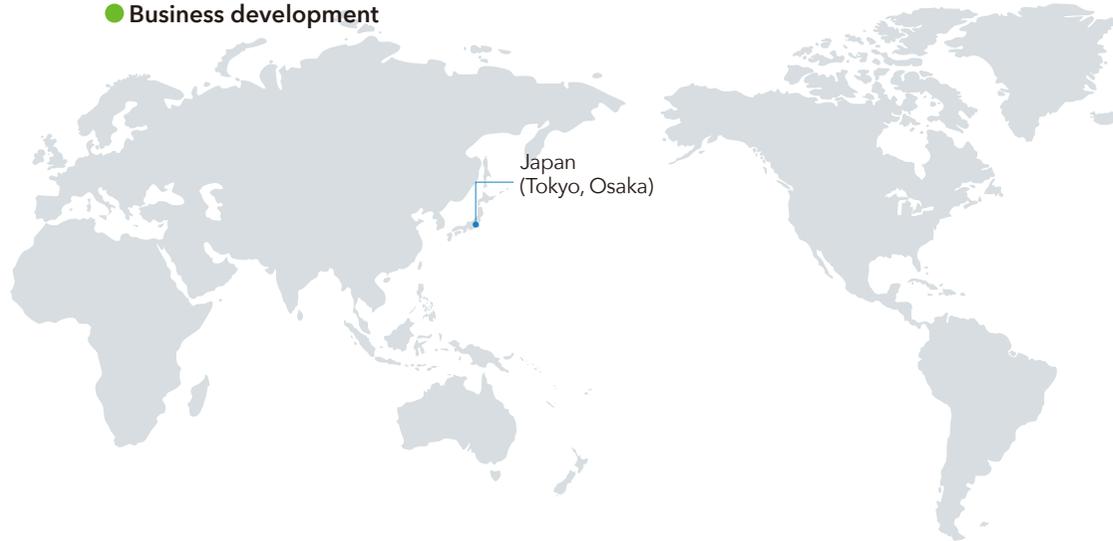


#### Growth Strategy

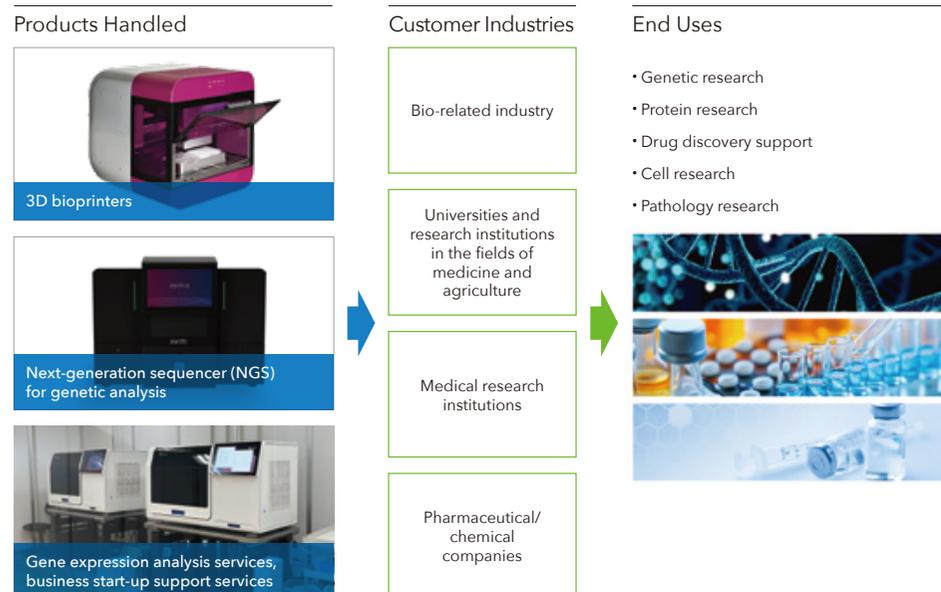
- Evaluation of the latest market and technological trends in biotech, a field experiencing spectacular technological innovation, and provide cutting-edge equipment and services
- Promotion of business investment in and M&As of companies with unique technologies and markets

## Bio Frontier Business Department

### ● Business development



### ● Primary products, sales destinations, and end-use applications



## Focus

### Strengthening Our Sales of Highly Sensitive Biomarker Discovery Products That Lead to Clinical Applications

A biomarker is a biological indicator that reflects the condition inside the body and serves as a sign that tells us about changes in the body as numbers and data. Biomarkers include those used in clinical practice to make diagnoses and measure treatment efficacy, those used in drug discovery to predict efficacy and evaluate safety and toxicity, and those used in basic research to elucidate disease mechanisms and determine causes.

Biomarkers are of especially great significance in clinical practice. This is because while the earlier a disease is treated, the more likely that treatment is to be effective, symptoms often do not appear in the earliest stages of an illness, and in such cases, decisions must be made using biomarkers that reflect the condition inside the body. However, because changes in biomarkers are small in such early stages, it is also important to select biomarkers that will properly reflect the disease and to develop highly sensitive instruments and technologies that can detect small biomarker changes.

Scrum Inc. handles several biomarker-related instruments in its

research equipment lineup. Of particular interest among these is the ARGO HT System, an ultra-sensitive, multiplex immunoassay platform from Alamar Biosciences of the United States that can detect multiple biomarkers simultaneously. It can, for example, measure protein biomarkers contained in body fluid samples such as plasma and serum with the industry's highest level of sensitivity, and is expected to contribute to the discovery of previously unknown candidate biomarkers and the development of new measurement systems through the combination of appropriate biomarkers.



Alamar Biosciences' ARGO HT System

# Domestic Group Companies

## Track Record and the Story of Our 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

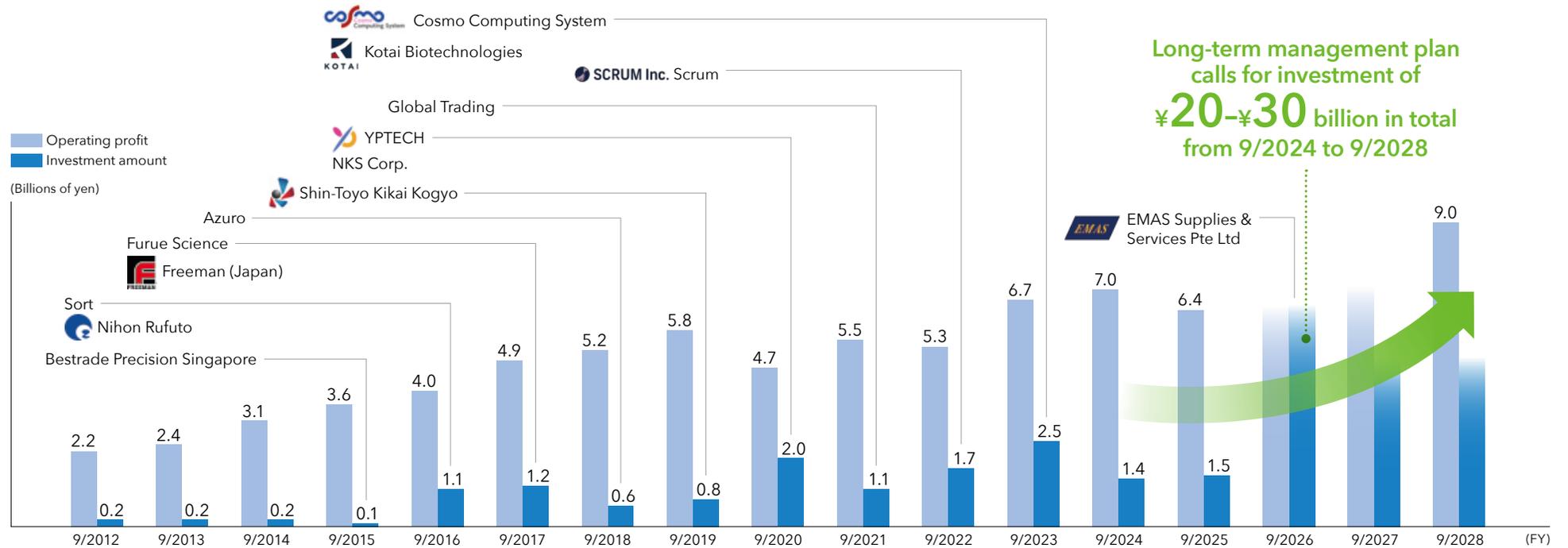
expected to see significant growth. The companies that we have brought into our Group through these activities make steady contributions to our profits. In order to commit to the creation of a sustainable and happy society through our renewable energy development business as well as our biotechnology 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, training, and other related initiatives 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).

## Domestic Group Companies

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



Cosmos Shoji is a frontrunner in the development of natural resources and energy. Under the umbrella of the Energy Solution Business Department, which does business in the sustainability segment, we pursue cutting-edge, high-quality products and technologies, and promptly provide optimal solutions. Cosmos Shoji has achieved increases in income and profits for five consecutive fiscal years and repeatedly recorded new highs in both sales and operating profit. Rooted in our existing businesses, we are constantly working on new initiatives. Going forward, Cosmos Shoji will continue to position offshore resources development, offshore wind power, and on- and offshore drilling as three key areas of focus. Cosmos Shoji will contribute to the development of renewable energy by providing total solutions to customers leveraging our strength in handling a wide variety of equipment, such as the development of deep-sea resource production technologies that contribute to national projects; and fixed-bottom and floating



Chikyū deep-sea scientific drilling vessel

offshore wind power, seen as a key renewable energy market.

We at Cosmos Shoji are committed to our mission of contributing to the creation of a happy and sustainable society through the development of renewable energy.

### Initiatives at YPTECH Co., Ltd.



Since its establishment in 1984, YPTECH has developed businesses as an importer of functional feed ingredients and feed additives with animal-, people-, and environment-friendly as our motto. We have built up trust by not only selling products, but also by working closely with producers, thinking together with them to solve problems, and producing results. We have earned the trust of numerous customers by proposing the most suitable products for individual livestock farmers and by contributing to improving the profitability of livestock and dairy farming. Celebrating our 40th anniversary in 2024, we are building on the progress we have achieved to date and are accelerating the pace at which we take on new challenges.

The livestock and dairy industry faces many challenges, including declining profitability, a shortage of successors, heat problems, and disease risk. YPTECH provides innovative products and services to solve these issues, and as a company creating the future of livestock farming and supporting Japan's food supply, we aim for the sustainable development of the industry, the happiness of our employees, and the creation of value for society. We will not



Cattle, pigs, chickens, and other livestock farming

stop moving forward and will continue to take on the challenge of protecting Japan's food supply and creating a sustainable society while adapting to a changing environment.

### Initiatives at Scrum Inc.



With "Bringing valuable solutions from around the world to your lab" as its slogan, Scrum has engaged in contract services and the import and sale of cutting-edge equipment, instruments, and reagents that support research in the life science, healthcare, and chemical fields since our establishment in 1996. Scrum's company name, derived from the rugby formation, embodies our desire to form a scrum with the people and organizations around us, collaborate, and contribute, and we currently work with more than 30 business partners in 11 nations around the world. With curiosity and inquisitiveness, we boldly take on new business challenges and work daily to create a better future.

In February 2022, Scrum became a member of the Sanyo Trading Group. Since the fiscal year ended September 30, 2024, as



A next-generation sequencer (NGS) for genetic analysis

part of efforts to strengthen the consolidated management structure of the Group, Scrum has been a member of the Bio Frontier Business Department along with Kotai Biotechnologies Inc. Our business is centered on the sale of biotechnology research support equipment and reagents, and we are aiming to achieve further corporate growth through additional business expansion.

### Initiatives at Kotai Biotechnologies Inc.



Kotai Biotechnologies was established in 2016 as a biotechnology company based on the results of research at the Osaka University Immunology Frontier Research Center. With our strengths in advanced bioinformatics and protein structure prediction technology, we provide world-leading contract services, including single-cell, spatial gene expression, and proteome analysis. Our technological capabilities are highly regarded, and we engage in joint research with many national research institutes and pharmaceutical companies.

We joined the Sanyo Trading Group in July 2023. Today, we constitute the Bio Frontier Business Department and support the Group's bio business domain together with Scrum Inc. In July 2024, we relocated our head office to Minoh City, Osaka Prefecture. Expanded experimental facilities approximately three times the size



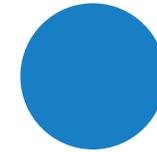
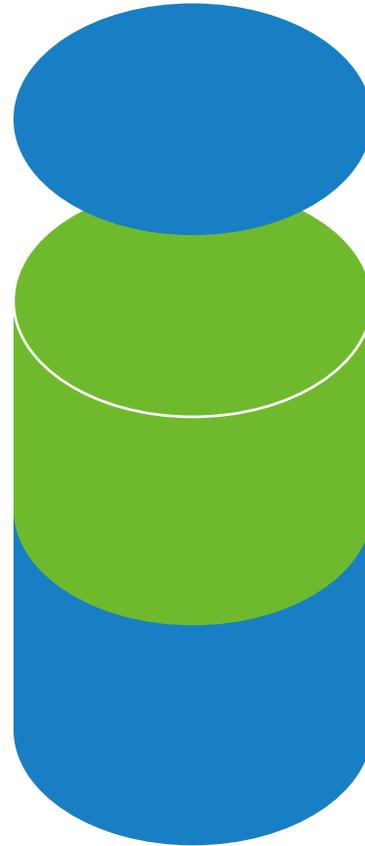
Provision of services related to genetic analysis

of the former location provide us with the flexibility to introduce new services and respond to future increases in demand. We will continue to aim for further growth while enhancing our service portfolio as a foundation supporting researchers in Japan.

### Initiatives at Cosmo Computing System, Inc.



As one of the full-fledged DX initiatives set forth in SV2028, we started operation of the new React ERP system in October 2024, and installed it at three Group companies in Japan in October 2025. We have also added budget and performance management capabilities to this system, making it possible to engage in budget and performance management across the entire Group. We plan to introduce this system at additional Group companies in and outside Japan in the future. This will lead to greater operational efficiency, the centralization of information, and the strengthening of management systems throughout the Group. In addition, since the development of this system is done in-house, we will be able to flexibly improve it according to our needs, support the rapid implementation of DX, and reduce maintenance costs.



**Part 4** Management Foundation

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## Message from an Outside Director

### Message from an Outside Director

## Creating an upward spiral of personal and corporate growth



**Mitsuo Ogawa**  
Outside Director

Simply put, Sanyo Trading's defining characteristic is its role as an engineering trading company. This is reflected in 54% of our sales staff having a background in science or engineering. Even at the Board of Directors, we discuss business viability from a technological perspective, making frequent use of technical terminology. However, if we were merely a product-oriented trading company that did not venture outside our comfort zone of technical expertise, we would not have retained the loyalty of suppliers and customers for more than 80 years.

Our values are rooted in the two core themes of being "open and inclusive" and providing the "best solutions," and these act as catalysts that power the Company's unique organizational systems. I believe that our ability to always provide customers with the best products and services flows from these two values.

The phrase "open and inclusive" is often heard at Sanyo Trading. The most surprising thing for me since I became an outside director three years ago was to see young employees still in their early thirties proposing their own business plans at Board of Directors meetings. They are able to give confident presentations where they ask for the responsibility to carry out their plans. The Board members do

not give these proposals an easy ride just because they come from young staff; rather, they fire off difficult questions and queries, and demand detailed explanations. In this way, young employees take the initiative in coming up with a rapid succession of business ideas, and the Company provides a budget for the best plans and makes a positive attempt to turn them into businesses. This is the organizational culture at Sanyo Trading, where the championing of an open and inclusive mindset is a feature of the Company.

The SUNBOW Project is a practical training program designed to refine the skills of young human resources and drive forward business proposals. Under this project launched two years ago, young employees can volunteer to create their own business plan while receiving one-on-one guidance from an external consultant. The final step is to give a presentation in front of the President. The Company immediately provides a budget for good ideas and the young employee who made the proposal is appointed leader to implement the business. Two projects have already been approved at management meetings and are starting to operate as new businesses.

Similarly to "open and inclusive," the phrase "best solutions" is also often used during work. Providing the best solutions means coming up with the optimal proposals for customers in an ever-changing business environment. It also means revealing latent customer issues and taking the lead in proposing and implementing solutions to them. Since solutions are proposed to issues that not even the customer has noticed yet, staff must have high observational skills, as well as good product judgment and a strong ability to construct hypotheses.

We have many organizational systems for promoting the best solutions, but perhaps the most unique is the Africa Research Group. Volunteers among young employees are dispatched to Africa for a certain period of time, where they can observe first-hand a different country, market, and way of living. They can then use this research to make a proposal to the Company about what kind of business can be developed there. Sanyo Trading does not yet have any branches in Africa. However, the continent holds great potential as a huge future growth market, and being posted to an unfamiliar place, living there, and exploring different

business opportunities is sure to be an exciting experience for young employees. After returning to Japan, staff will be able to leverage this experience to help them propose the best solutions to existing customers. Of course, if an employee comes up with an outstanding business idea for the African market, then the Company may turn it into an actual business like in the SUNBOW Project.

The key to human capital management is to align the vision and business strategy of the Company with the career and challenge vectors of the people who work there. If done correctly, the growth of human resources will lead naturally to the achievement of the corporate management strategy. The goal of the Company is to achieve the SV2028 long-term management plan and growth in the ten years beyond this. It is our young employees who will play a central role in accomplishing these targets. This is why developing human resources is an integral part of our growth strategy.

But what issues do we face when developing talent? I believe that the core framework of a human resource strategy should be a virtuous cycle composed of recruitment, education, and evaluation. Recruitment, education, and evaluation follow from each other in a connected cycle, like a rope that spirals upward. Employees who improve their skills in the educational systems described earlier are highly valued, which increases their motivation and leads to even better results. Outstanding workers from outside the Company who observe how this works will be drawn to our corporate systems and culture, leading them to join Sanyo Trading and further increasing our pool of talent. Implementing such a virtuous cycle will be an important task going forward. Creating a corporate culture that attracts talent will give us an unrivaled recruitment strategy, even as Japan faces serious labor shortages.

I believe that we can do this. Our retention rate for newly graduated recruits is 100% (zero newly graduated employees who were recruited in the last three years have left the Company). As we develop employees who can lead the businesses of the future, they will generate the new businesses that will accelerate the growth of Sanyo Trading. Creating this upward spiral of both personal and corporate growth is a challenge that has only just begun.

## Sustainability

### Message from the Sustainability Committee Chair

**As a member of society, we will deepen our commitment to sustainability and realize our vision to “Deliver tangible solutions to social issues to make the world a better place for everyone.”**



In April 2022, Sanyo Trading established the Sustainability Committee and formulated its Basic Sustainability Policy. In December of the same year, the Company announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in response to the requirements of the Corporate Governance Code of the Tokyo Stock Exchange. Since then, we have been proactive in disclosing non-financial information.

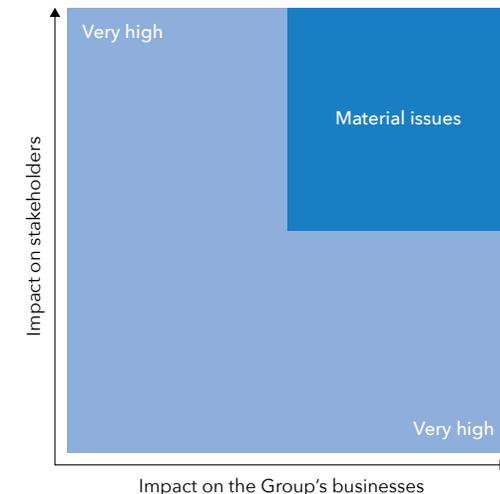
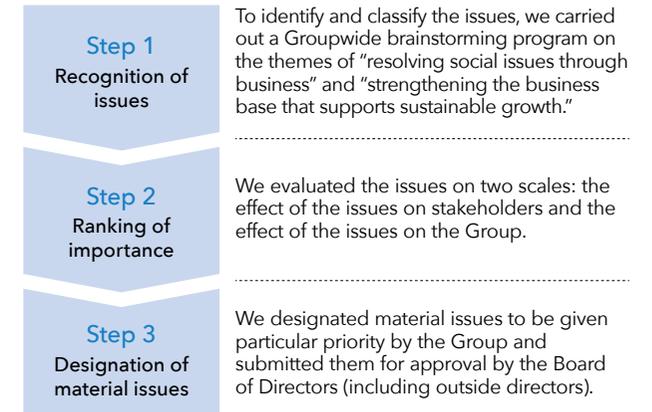
We have responded to the Carbon Disclosure Project (CDP) for three consecutive years and been scored accordingly. In addition, we have expanded the scope (Scope 1-3) for our greenhouse gas emissions calculations.

In our business activities, we continue to consolidate data on environmentally friendly and quality-of-life-related products within the Company so that we may visualize our progress. In the fiscal year ended September 30, 2025, the progress of our renewable energy businesses in such areas as woody biomass power generation and offshore wind power generation was remarkable. We are also working on the development of new products to prevent food loss.

As for human capital initiatives, we continue to work on the evolution of Sanyo Work Style and the expansion of Sanyo Academy. In addition, the Human Rights Committee, which was established in September 2024, has started its activities as planned.

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

### ● Process of designating Sanyo Trading’s materiality



### Basic Sustainability Policy

At Sanyo Trading, we have the following as 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 on-time 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.

## Sustainability

### 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."

We are promoting corporate activities that are linked to the Sustainable Development Goals (SDGs) and our material issues in order to realize the vision set forth in SV2028. The Group is committed to providing new value to all stakeholders through the two pillars of "resolving social

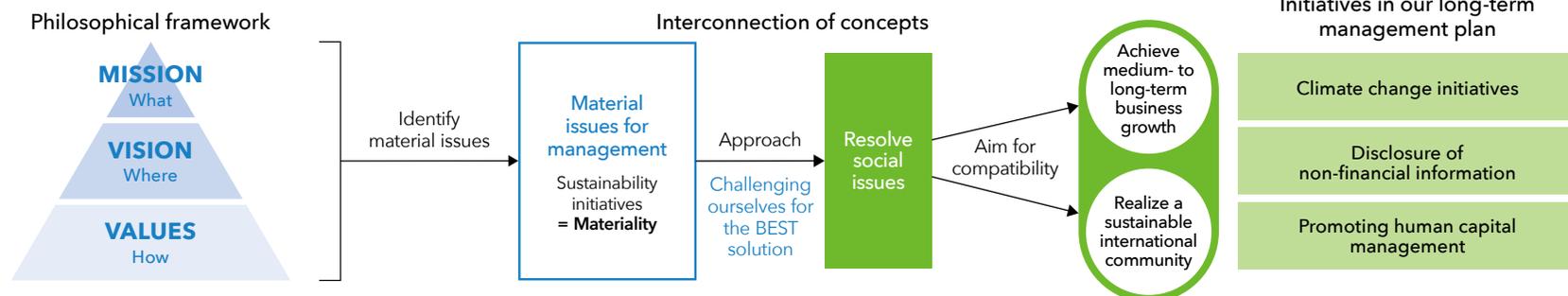
issues through business" and "strengthening the business base that supports sustainable growth."

### Materiality-Based Initiatives in Our Long-Term Management Plan

SV2028 positions the response to sustainability as one of our priority policies. Our Business Divisions and Administration Divisions work closely together to place reducing our

environmental impact and providing a fulfilling lifestyle at the heart of our business activities, while also reinforcing the basis of sustainable growth by reinforcing our solid management structure with the active participation of diverse motivated human resources. Above all, through our business, we contribute to the response to climate change, expanding our disclosure of non-financial information, striving to promote human capital management, and achieving a virtuous cycle of increasing corporate value while resolving social issues.

	Resolving Social Issues Through Business		Strengthening the Business Base That Supports Sustainable Growth	
	Reducing 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 environmentally 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
Stakeholders	Earth		Shareholders	Employees
SDGs				
KPI	<ul style="list-style-type: none"> <li>Number of environmentally friendly products handled</li> <li>Amount of greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>Number of quality-of-life-related products</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of independent outside directors</li> <li>Number of compliance cases raised</li> <li>Shareholders' equity ratio</li> </ul>	<ul style="list-style-type: none"> <li>Turnover rate</li> <li>Percentage of female managers</li> <li>Training spending</li> </ul>



## Sustainability

### Disclosure Based on TCFD Recommendations

#### Basic approach to climate change

Climate change is one of the most critical challenges facing our world, 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 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

The basic management policy on climate change and related business activities as well as corporate policies and strategies are planned, drafted, and presented by the Sustainability Committee, which was established in April 2022 and which is under the president's direct control.

The president appoints the Sustainability Committee chairperson, who in turn 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.

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.

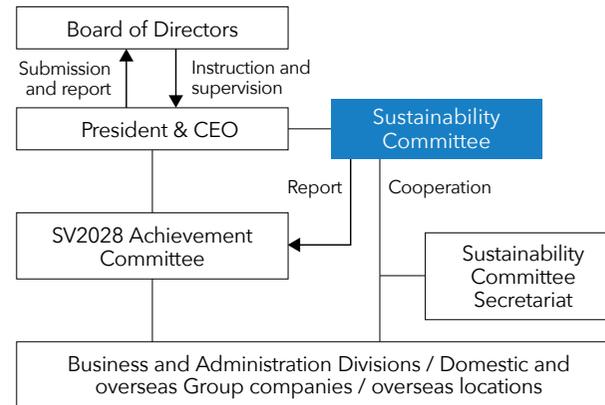
The Sustainability Committee Chair reports to the Board of Directors at least once a year on the policies and results of activities approved by the Sustainability Committee. In addition, material issues are brought up for discussion at Board of Directors meetings.

The activities of the Sustainability Committee are

reported to the SV2028 Achievement Committee, which meets monthly, as appropriate, and the members of the SV2028 Achievement Committee 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.

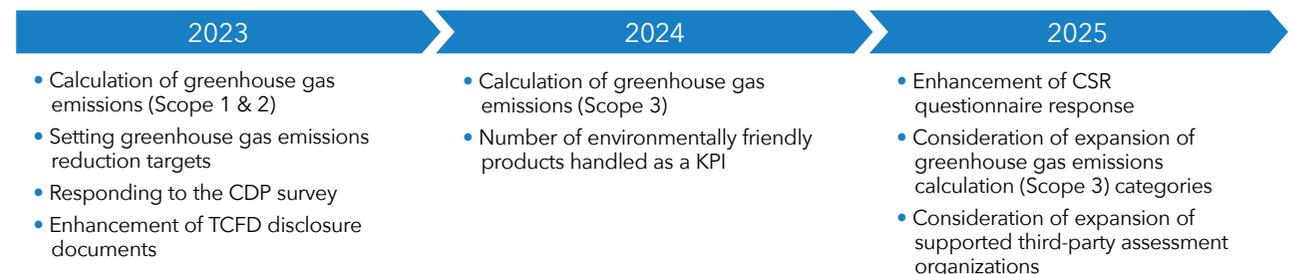
#### Sustainability promotion structure



#### Sustainability Committee

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

#### Climate change agenda items for Sustainability Committee meetings



## Sustainability

### 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 scenarios presented at right 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 businesses in the event of significant changes to the business environment resulting from 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><b>International Energy Agency (IEA)</b></p> <p><b>Net Zero Emissions by 2050 Scenario (NZE)</b></p> <ul style="list-style-type: none"> <li>• Backcast scenario based on global net-zero achievement in 2050</li> </ul> <p><b>Sustainable Development Scenario (SDS)</b></p> <ul style="list-style-type: none"> <li>• Sustainable growth scenario to achieve carbon neutrality by 2070 to achieve the goals of the Paris Agreement and the SDGs</li> </ul>
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><b>Intergovernmental Panel on Climate Change (IPCC)</b></p> <p>RCP 8.5</p>

## Corporate Governance

### Basic Approach to Corporate Governance

Believing that realizing our Management Mission is key to meeting the expectations of all stakeholders, Sanyo Trading works earnestly to strengthen internal controls. The Internal Audit Section evaluates compliance adherence and the status of risk management from an impartial perspective. Further, five of the nine members of the Board of Directors are independent outside directors, ensuring the fairness and neutrality of management.

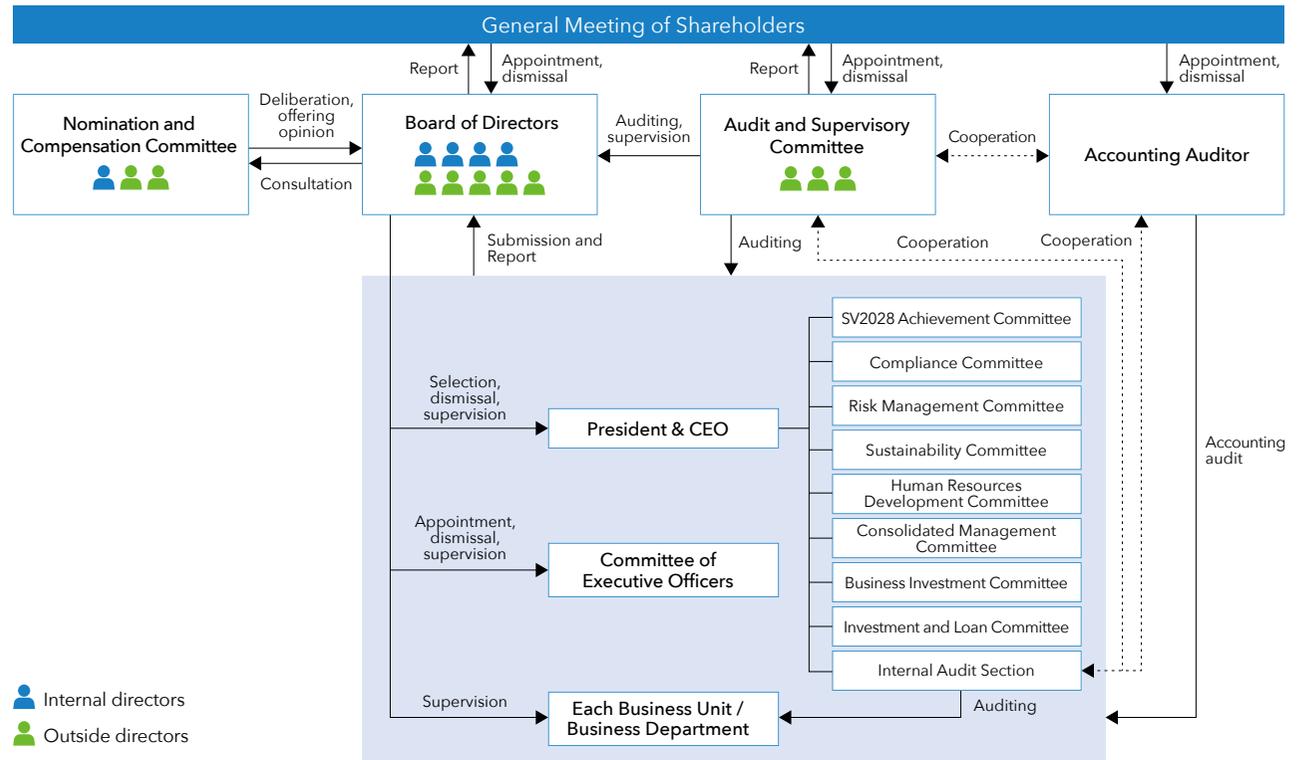
### Appointment and Dismissal of Directors

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.

### Corporate governance structure



### Major governance bodies

Name	Overview	No. of meetings (Fiscal year ended September 2025)
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).	14
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
SV2028 Achievement Committee	Shares information and strives to improve day-to-day business execution in the respective areas of responsibility.	12

## Corporate Governance

### ● Skills matrix

Name		Corporate management	Global	M&A / business investment	New business development	Human capital	IT/DX	Sustainability	Financial accounting / finance	Internal control / compliance
Masanobu Shintani		◎	◎	◎	◎	○	○	○	○	◎
Mitsuyasu Hirasawa		○	◎	○	◎	○				○
Ryuichi Otani		○	○	◎			◎	◎	◎	○
Yoshimi Namba		◎	◎	◎	◎		◎		○	◎
Hirotaaka Sugihara	Outside	◎	◎	◎	◎	○	○			
Mitsuo Ogawa	Outside	○	○	◎		◎		◎		
Narumi Sakuma	Audit and Supervisory Committee Member Outside		○					○		◎
Asako Hasegawa	Audit and Supervisory Committee Member Outside			◎					◎	◎
Kuniaki Kobayashi	Audit and Supervisory Committee Member Outside		○	○						◎

This skill matrix represents a comprehensive evaluation of the skills possessed by each director and Audit and Supervisory Committee member based on such factors as his or her background, areas of expertise, and professional experience. The “◎” mark indicates skills in which this person has an abundance of experience, while the “○” mark indicates skills in which this person possesses extensive expertise.

### Reasons for selecting skill matrix items

#### ● Corporate management

The realization of SV2028 necessitates responding quickly to rapid market changes and megatrends while at the same time promoting a two-pronged strategy that is both product- and market-oriented, new business development, and strategic resource allocation from a Group-wide perspective. In addition, engaging in dialogue with shareholders requires in-depth knowledge, abundant experience, and an extensive track record as relates to corporate management.

#### ● Global

Cross-cultural understanding and international business experience are essential for the realization of a sustainable international society. Skills that are international in nature are important to implement management from a global perspective and support success in international markets.

#### ● M&A / business investment

In order to maintain and improve our competitiveness and strengthen our earnings base, it is necessary to promote M&As, one of the three initiatives of our growth strategy, and promote business investment with an awareness of business synergies, overseas expansion, and growth potential. This in turn requires expertise and practical experience relating to M&As and business investment.

#### ● New business development

Expertise and practical experience in new business development is necessary to seize new market opportunities and create innovative businesses with the aim of bringing potential core businesses to fruition. Skills in overseeing new business development and decision-making are critical to maintaining and improving our competitiveness.

#### ● Human capital

We regard people as the driving force of corporate growth and believe our Sanyo 3S policy enables us to provide the best solutions to our customers. The realization of this requires knowledge and experience in human capital management.

#### ● IT/DX

Expertise and practical experience in both “offense” and “defense” as represented by such fields as IT/DX strategies and information security are required to leverage rapidly evolving digital technologies and promote productivity improvement as well as the creation of new business models.

## Corporate Governance

- **Sustainability**

We aim to achieve both the realization of a sustainable global society and medium- to long-term corporate growth by resolving social issues through our businesses and by strengthening the business base that supports our sustainable growth. The realization of these in turn requires expertise and practical experience in sustainability.

- **Financial accounting / finance**

The realization of SV2028 as well as management that is conscious of the cost of equity and stock price requires expertise and practical experience relating to the financial accounting and finance skills involved in building a strong and sound financial base as well as achieving balanced growth investments and shareholder returns.

- **Internal control / compliance**

Maintaining corporate credibility, operational efficiency and effectiveness, and maximizing shareholder value while ensuring management safety requires expertise and practical experience in the appropriate operation and management of systems equipped with monitoring and checks and balances, risk assessment and management, and legal and compliance matters for compliance with corporate ethics and social norms.

## 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, 2025)**

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)	220,919	128,700	80,100	12,119	6
Directors (Audit and Supervisory Committee members) (excluding outside directors)	16,800	16,800	–	–	1
Outside corporate officers	28,800	28,800	–	–	4

## Corporate Governance

### 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 Committee members) every February with comprehensive consideration of the position, degree of contribution, and business performance (consolidated ordinary profit) of 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 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 ¥400 million (to include an annual total of no more than ¥20 million for outside directors)

Note: As resolved at the 79th Ordinary General Meeting of Shareholders, held on December 18, 2025.

Restricted stock compensation plan  
Annual total of no more than ¥20 million

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 79th meeting and four at the 76th.

### 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 (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, 2025, 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. It also recognized that the foundation for the operation of the Board of Directors has been strengthened, with notable improvements observed in three areas: "diversity of composition," "timing of information provision," and "securing deliberation time." Further, evaluations of monitored areas such as executive compensation and internal controls rose, confirming that the supervisor function of the Board of Directors has improved to a degree.

Regarding the deepening of discussions of the long-term management plan, a challenge raised in the previous year, a degree of improvement was noted due to the establishment of regular progress reports and discussion opportunities. Meanwhile, challenges were identified in governance areas such as the depth of strategic discussions, participation in CEO succession planning, and the information provision system for outside directors, and we ensured these were shared with the Board of Directors.

## Corporate Governance

Going forward, we will continue to work on enhancing the effectiveness of the Board of Directors, pursue deeper strategic discussions, and seek to enhance our corporate value over the medium to long term.

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	<ul style="list-style-type: none"> <li>• Composition of the Board of Directors</li> <li>• Operation of the Board of Directors</li> <li>• Deliberation by the Board of Directors</li> <li>• Monitoring function of the Board of Directors</li> <li>• Performance of outside directors (including Audit and Supervisory Committee members)</li> <li>• Support structure for directors (including Audit and Supervisory Committee members)</li> <li>• Training</li> <li>• Dialog with shareholders (investors)</li> <li>• Initiatives of individuals</li> </ul>

### Plan for Successor to the Chief Executive Officer, Etc.

As of the present time, we have not established specific plans regarding the successor to the Chief Executive Officer. However, we are systematically conducting executive seminars for directors and executive officers with the aim of developing and selecting candidates. We are designing effective programs to help successors acquire the appropriate expertise, problem-solving skills, and judgment across diverse fields such as emotional intelligence, legal affairs, finance, and sustainability.

### 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 equity 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

## Corporate Governance

of its risk management system by specifying the divisions responsible for different types of risks and managing risks exhaustively and comprehensively. The Board of Directors 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. The 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.

## 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 business continuity planning 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 business continuity plan 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 investor relations) 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 ended 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, 2025)



## 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 President of Sanyo Corporation of America
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
December	2024	Director & Executive Officer, In charge of Business Divisions and Administration Divisions
October	2025	Director & Executive Officer, In charge of Business Divisions (present post)

## Corporate Officers

(As of December 19, 2025)

### Directors

#### 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 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 State of 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., Ltd. (based in State of New York, 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 Hiroataka 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, Audit and Supervisory Committee Members

#### 7 Narumi Sakuma

Outside Director (Independent Officer)  
Audit and Supervisory Committee Member

April	1986	Joined Mitsubishi Corporation
August	2006	Senior Manager, Natural Lawson, Inc.
November	2007	Manager, Corporate Strategy Station, Lawson, Inc.
December	2011	General Manager, Administration Office, Lawson (China) Holdings, Inc.
December	2013	Manager, Internal Audit Dept., Mitsubishi Corporation
September	2015	Manager, Living Essentials Group CEO Office, Mitsubishi Corporation
April	2017	Senior Manager, Corporate Strategy Office, Lawson, Inc.
September	2019	Senior Manager, Internal Audit Management Dept., Lawson, Inc.
July	2021	Full-Time Audit and Supervisory Board Member, Lawson Entertainment, Inc.
June	2025	Director, Kenko Corporation (present post)
December	2025	Outside Director (Audit and Supervisory Committee Member) of the Company (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	Outside 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 Law Firm
September	2013	Joined Yamada, Goya & Suzuki Law Firm (present post)
June	2014	Outside Director (Audit and Supervisory Committee Member) of Kanematsu Sustech Corporation (present post)
December	2021	Outside 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  
In charge of Business Divisions, 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

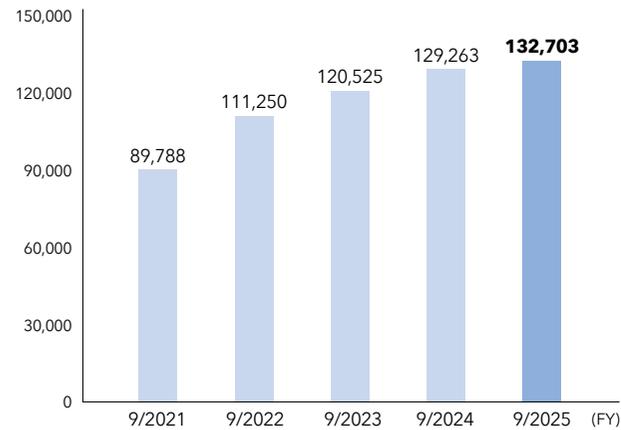
#### Takeharu Terada

Executive Officer  
General Manager of Energy Solution Business Department

## Financial and Non-Financial Highlights

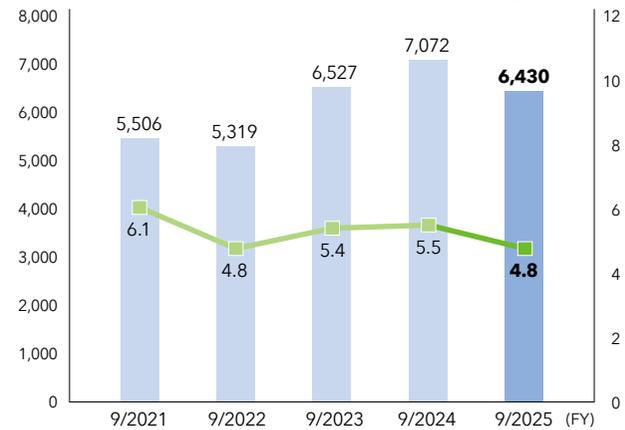
### Net sales

(Millions of yen)



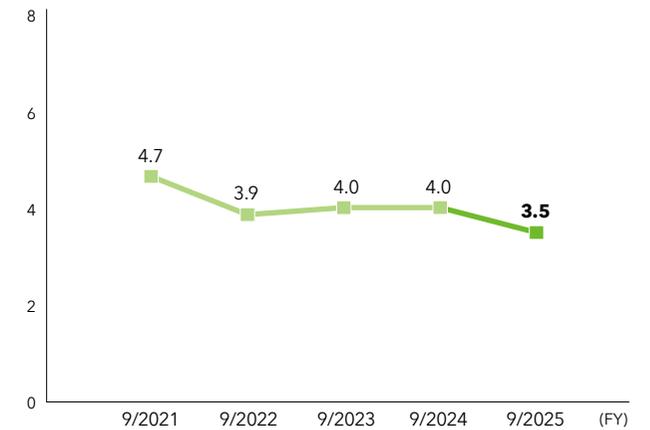
### Operating profit / Operating profit ratio

(Millions of yen) Operating profit



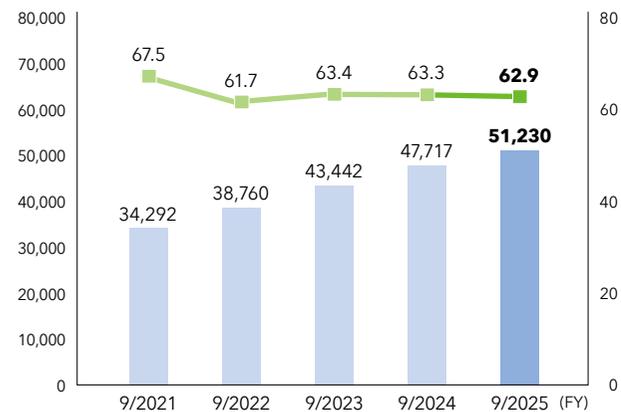
### Net profit ratio

(%)



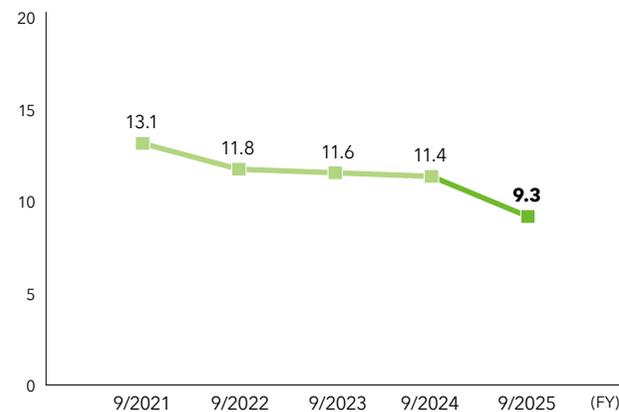
### Shareholders' equity / Shareholders' equity ratio

(Millions of yen) Shareholders' equity



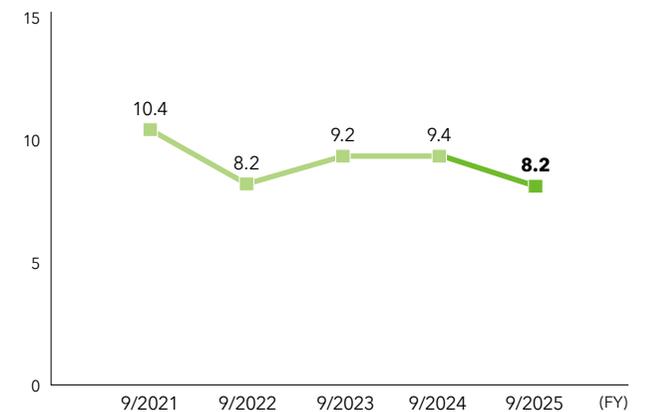
### ROE

(%)



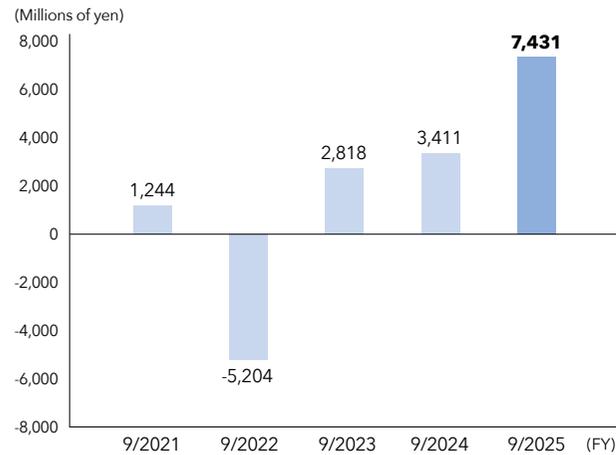
### ROIC

(%)

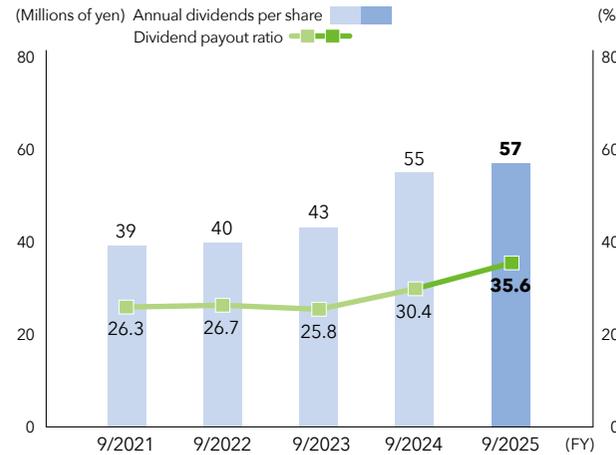


## Financial and Non-Financial Highlights

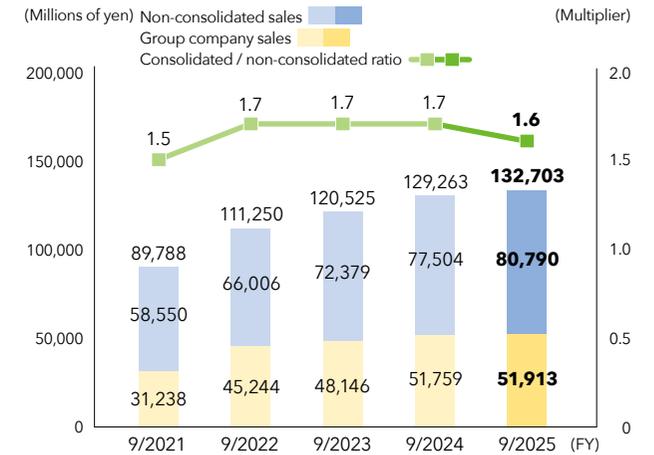
### Free cash flows



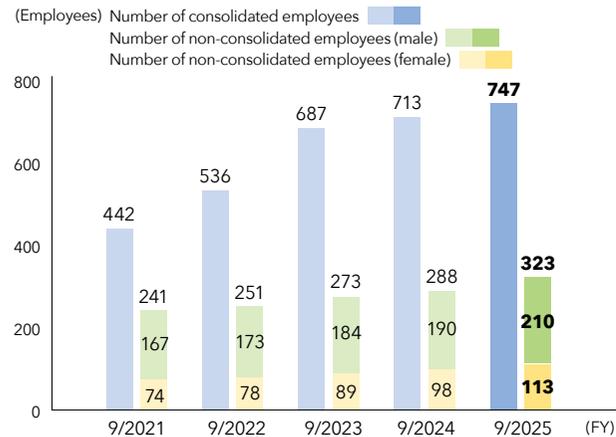
### Annual dividends per share / Dividend payout ratio



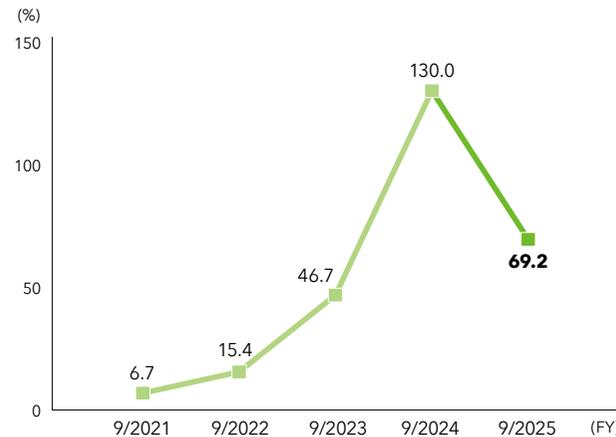
### Consolidated / non-consolidated sales and ratio



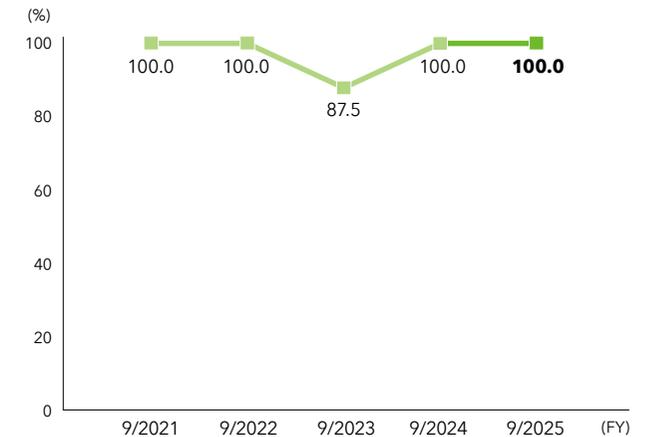
### Number of (consolidated) employees / Number of (non-consolidated) employees



### Percentage of men utilizing childcare leave\* (non-consolidated)



### Retention rate of new graduate employees (non-consolidated)



\* 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 × 100

## Eleven-Year Financial Summary

Sanyo Trading Co., Ltd. and Consolidated Subsidiaries (FY9/2015 to FY9/2025)

	9/2015	9/2016	9/2017	9/2018	9/2019	9/2020	9/2021	9/2022	9/2023	9/2024	9/2025
<b>Operating results (Millions of yen)</b>											
Net sales	60,672	59,908	67,738	78,450	83,230	76,087	89,788	111,250	120,525	129,263	132,703
Gross profit	9,450	10,017	12,264	13,410	14,883	14,206	15,510	17,144	20,105	22,229	22,564
Selling, general and administrative expenses	5,844	5,964	7,325	8,147	9,011	9,414	10,003	11,825	13,578	15,156	16,133
Operating profit	3,606	4,052	4,938	5,263	5,871	4,791	5,506	5,319	6,527	7,072	6,430
Ordinary profit	4,110	4,274	5,270	5,575	6,075	5,271	6,190	6,299	7,090	7,905	6,879
Profit attributable to owners of parent	2,794	2,757	3,351	3,635	4,018	3,013	4,256	4,296	4,785	5,207	4,615
<b>Financial position (Millions of yen)*1</b>											
Total assets	30,285	32,455	38,987	41,606	43,731	47,230	50,834	62,859	68,537	75,390	81,496
Interest-bearing debt	1,084	845	1,655	1,906	1,309	4,529	2,432	6,070	5,715	4,508	3,060
Net interest-bearing debt	(2,120)	(2,866)	(979)	(562)	(3,239)	(5,889)	(6,231)	190	(1,316)	(3,499)	(8,836)
Net assets	19,394	20,954	24,600	26,756	29,343	31,038	34,725	39,212	43,890	47,809	51,321
<b>Cash flows (Millions of yen)</b>											
Cash flows from operating activities	909	2,997	178	1,583	5,088	6,186	2,253	(3,395)	5,734	5,447	7,163
Cash flows from investing activities	(196)	(1,201)	(1,359)	(408)	(1,057)	(2,189)	(1,009)	(1,809)	(2,915)	(2,035)	267
Free cash flows	712	1,795	(1,180)	1,175	4,030	3,997	1,244	(5,204)	2,818	3,411	7,431
Cash flows from financing activities	(1,047)	(1,220)	(15)	(1,297)	(1,957)	1,834	(3,301)	1,864	(1,767)	(2,794)	(3,206)
Cash and cash equivalents, end of year	3,201	3,712	2,601	2,468	4,548	10,418	8,663	5,718	6,900	7,367	11,726
<b>Per share information (Yen)*2</b>											
EPS	97.68	96.39	117.10	126.99	140.36	105.22	148.52	149.67	166.43	180.88	160.23
BPS	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	1,778.21
Annual dividends	24.5	24.5	29.5	32.0	37.0	37.5	39.0	40.0	43.0	55.0	57.00

\*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.

## Eleven-Year Financial Summary

Sanyo Trading Co., Ltd. and Consolidated Subsidiaries (FY9/2015 to FY9/2025)

	9/2015	9/2016	9/2017	9/2018	9/2019	9/2020	9/2021	9/2022	9/2023	9/2024	9/2025
<b>Financial indicators</b>											
Gross profit ratio	15.6%	16.7%	18.1%	17.1%	17.9%	18.7%	17.3%	15.4%	16.7%	17.2%	17.0%
Operating profit to net sales ratio	5.9%	6.8%	7.3%	6.7%	7.1%	6.3%	6.1%	4.8%	5.4%	5.5%	4.8%
Ordinary profit to net sales ratio	6.8%	7.1%	7.8%	7.1%	7.3%	6.9%	6.9%	5.7%	5.9%	6.1%	5.2%
Net profit to net sales ratio	4.6%	4.6%	4.9%	4.6%	4.8%	4.0%	4.7%	3.9%	4.0%	4.0%	3.5%
ROA	13.6%	13.6%	14.8%	13.9%	14.2%	11.6%	12.6%	11.1%	10.8%	11.0%	8.8%
ROE	15.9%	14.1%	15.2%	14.5%	14.5%	10.1%	13.1%	11.8%	11.6%	11.4%	9.3%
Shareholders' equity ratio	62.1%	62.7%	61.1%	63.5%	66.2%	64.9%	67.5%	61.7%	63.4%	63.3%	62.9%
D/E ratio (Multiplier)	0.06	0.04	0.07	0.07	0.05	0.15	0.07	0.16	0.13	0.09	0.06
<b>Non-financial indicators / Other information</b>											
Employees (consolidated)	260	295	326	349	368	413	442	536	687	713	747
Employees (non-consolidated)	177	188	193	211	224	234	241	251	273	288	323
Female employees (non-consolidated)	45	50	50	56	59	70	74	78	89	98	113
Percentage of female employees (non-consolidated)	25.4%	26.6%	25.9%	26.5%	26.3%	29.9%	30.7%	31.1%	32.6%	34.0%	35.0%
Percentage of female managers (non-consolidated)	0.0%	0.0%	1.7%	4.4%	4.0%	5.2%	4.7%	3.5%	5.3%	6.5%	8.9%
Percentage of male employees utilizing childcare leave (non-consolidated)* <sup>3</sup>	0.0%	0.0%	0.0%	0.0%	9.1%	10.0%	6.7%	15.4%	46.7%	130.0%	69.2%
Average years of service (non-consolidated)	11.10	10.84	10.74	10.36	10.18	9.92	9.50	9.78	9.44	9.02	8.71
Retention rate of new graduate employees (non-consolidated)* <sup>4</sup>	-	-	67%	85%	96%	100%	100%	100%	88%	100%	100%
Turnover rate (non-consolidated)* <sup>5</sup>	-	-	6.7%	2.4%	4.0%	3.4%	7.1%	5.2%	4.4%	5.4%	3.8%
Number of consolidated Group companies	6	8	10	9	10	12	13	16	19	19	18

\*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

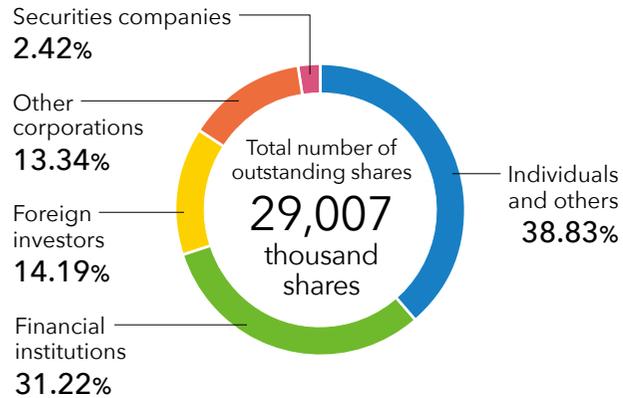
# Stock Information

(As of September 30, 2025)

## Stock Status

Stock Listing	Prime Market of the Tokyo Stock Exchange
Securities Code	3176
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited
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	10,015

## Breakdown of Stocks by Stockholder

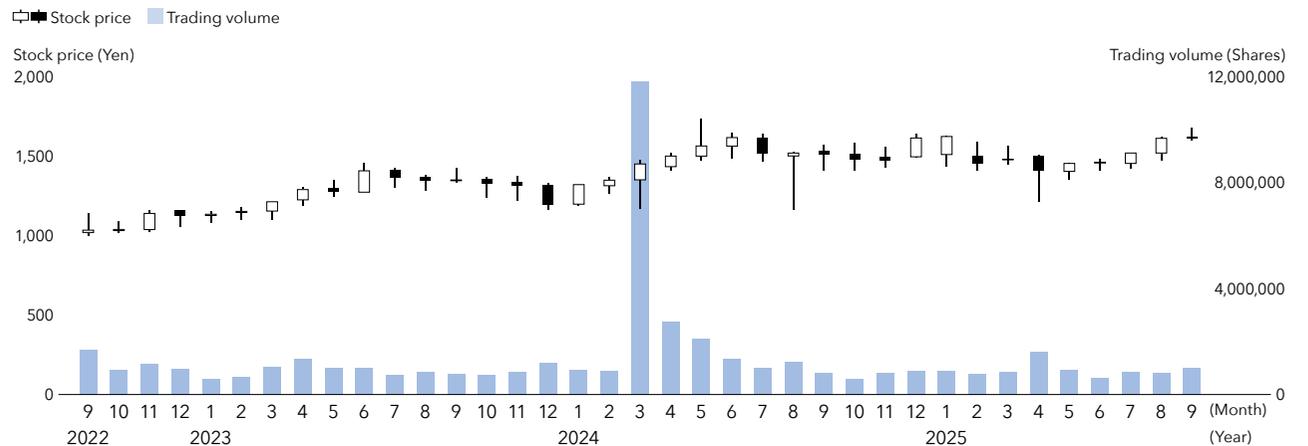


## Major Stockholders

Stockholder	Number of shares held (thousands)	Shareholding ratio (%)*
The Master Trust Bank of Japan, Ltd. (Trust account)	3,251	11.29
Custody Bank of Japan, Ltd. (Trust account)	1,962	6.81
Toagosei Co., Ltd.	1,497	5.20
Susumu Tamaki	985	3.42
MUFG Bank, Ltd.	939	3.26
Meiji Yasuda Life Insurance Company	675	2.34
Sumitomo Mitsui Trust Bank, Limited	569	1.98
Sumitomo Mitsui Banking Corporation	568	1.97
The Nomura Trust and Banking Co., Ltd. (Trust account)	551	1.92
RE FUND 107-CLIENT AC	520	1.81

\* 197,535 shares of treasury stock are not included in the shareholding ratio calculation.

## Stock Price and Trading Volume



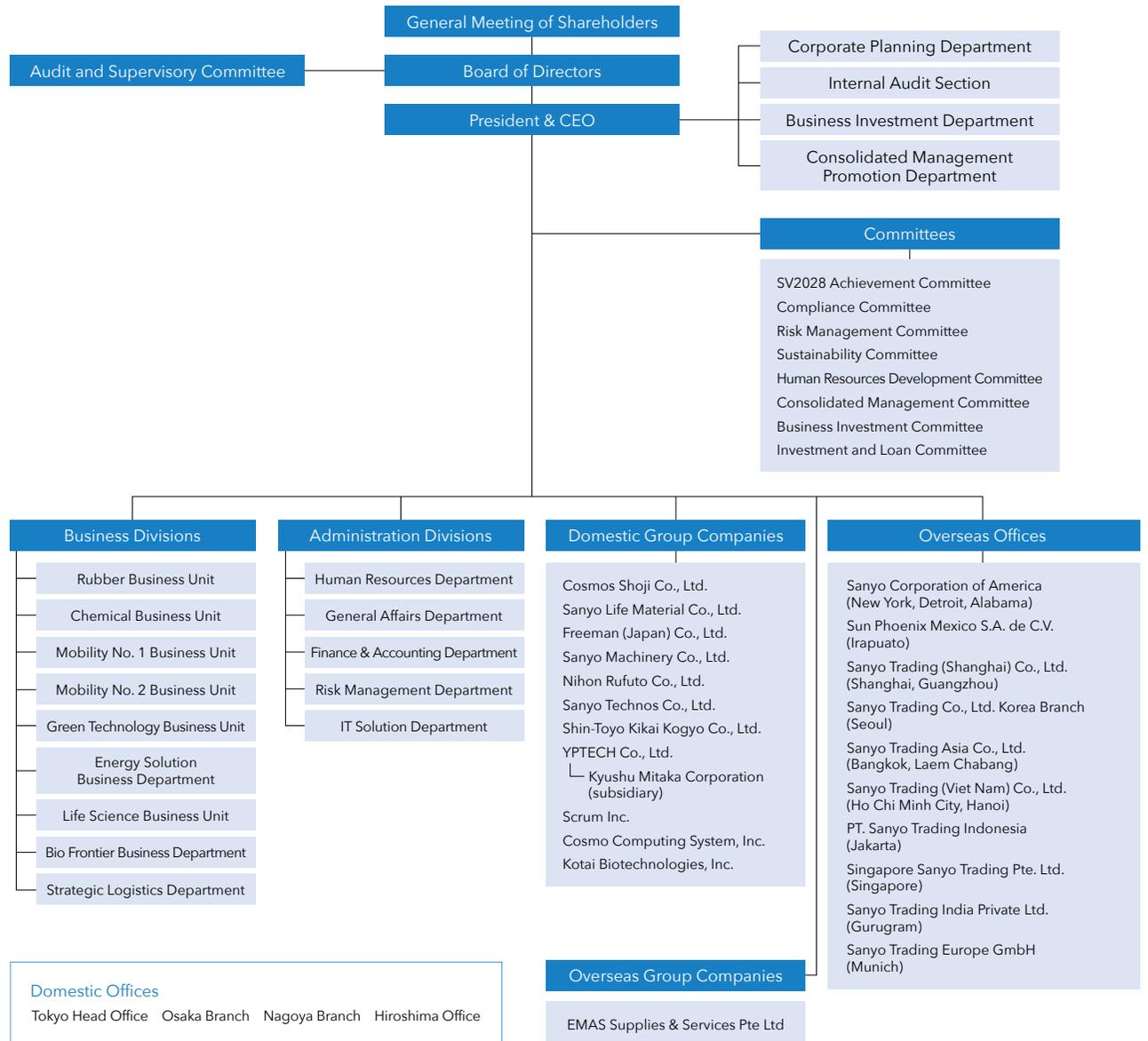
# Corporate Information

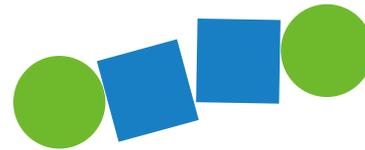
(As of September 30, 2025)

## Corporate Profile

Company Name	Sanyo Trading Co., Ltd.
Date of Establishment	May 28, 1947
Head Office	2-11, Kanda Nishiki-cho, Chiyoda-ku Tokyo, 101-0054 Japan Tel: +81-3-3518-1111
Capital	¥1,006,587,450
Number of Bases	Japan: 4 Overseas: 15 bases in 10 countries
Number of Consolidated Subsidiaries	Japan: 11 Overseas: 7
Employees	Non-consolidated: 323 Consolidated: 747
Fiscal Year	From October 1 to September 30 of the following year
General Meeting of Shareholders	Each year in December

## Organization (As of November 30, 2025)





# *Sanyo Trading*

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