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Press Release

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Announcement of Medium-Term Vision *future 135*

Kanematsu Corporation (the “Company”) hereby announces future 135, the six-year medium-term vision ending 2024 when the Company celebrates the 135th anniversary of its founding.

The Company achieved the targets in VISION-130, the previous five-year medium-term vision set in May 2014, one year ahead of schedule in the previous fiscal year ended March 2018. Bearing the Company’s future growth path in mind, this has led to the next six-year medium-term vision future 135.

◆ **Summary of VISION-130**

In VISION-130, the Company set “sustainability of financial soundness” and “expansion of revenue base” as the management objectives, with the fiscal year ending March 2019 as the final year.

The Company has achieved the earnings target of consolidated net income of 15 billion yen one year ahead of the schedule in the fiscal year ended March 2018, and ROE as the efficiency target has also reached 15%. Shareholders’ equity has steadily increased toward the target level, despite the adverse effects of decrease in stock prices and the appreciation of the yen in the second half of the fiscal year, and the net D/E ratio is also at the level of 0.5.

As a basic concept for shareholder returns, which is the stable and continuous payment of cash dividends with a consolidated payout ratio of 25% as the goal, the Company has continued to pay stable dividends since the fiscal year ended March 2014. In the fiscal year ended March 2018, the Company plans to pay an annual dividend of 48 yen.

	Targets in VISION-130	Results in the fiscal year ended March 2018
Consolidated net income	15 billion yen	16.3 billion yen
ROE	12.0%	15.1%
Shareholders’ equity	More than 120 billion yen	116.0 billion yen
Net D/E ratio	Less than 1.0	0.5
Consolidated payout ratio	25% as a goal	24.8%

(Note) Consolidated net income is Profit attributable to owners of the parent.

◆ Overview of *future 135*

《Essentials》

- Continue to extend the strong businesses of the Kanematsu Group and achieve sustainable growth in business areas with a stable earnings base. Aim to achieve consolidated net income of 25 billion yen by pursuing the expansion of the revenue base and the enhancement of added value through effective business investments.
- Focusing on capital efficiency based on the stability of the earnings and financial structures, setting the payout ratio (total return ratio) at 25% - 30%.
- The period will be six years from the fiscal year ending March 2019 to the fiscal year ending March 2024.

《Quantitative targets (Final year: the fiscal year ending March 2024)》

Consolidated net income	25 billion yen
ROE	13% - 15%
Total return ratio	25% - 30%

《Priority initiatives》

- Sustainable growth in fundamental businesses and the expansion of the revenue base through business investments
 - Achieve sustainable growth by maintaining a stable revenue structure.
 - Carry out business investments while achieving a balance between capital and risk assets, based on the stable financial structure.
 - Promote business investments in areas of strength in the two strategies focused on the “revenue base expansion” and the “value added”.
- Response to technical innovation
 - Promote and expand new businesses with advanced technology (IoT, AI, etc.) (“innovation investment”).
- Establishment of management infrastructure for achieving sustainable growth
 - Build a framework for global strategy.
 - Cultivate management human resources.
 - Improve employee satisfaction (ES).

*The Company will carry out individual initiatives and aim for numerical targets based on an operational plan for a single fiscal year in tune with the speed of changes in the environment surrounding the Company and intends to revisit the direction three years later at the halfway point based on the progress of business investments, etc.

*Note on earnings forecasts

Earnings forecasts and other forward-looking statements contained in this material are projections based on information available to the Company on the date of the announcement of this material and reasonable assumptions. Accordingly, please note that the actual results may differ significantly from the forward-looking statements in this material due to various factors.