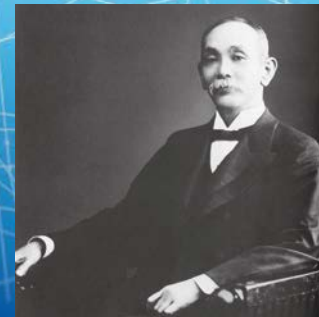


The Kanematsu Group's Origins

The aspiration of founder Fusajiro Kanematsu lives on today as the core heritage of Kanematsu.

In 1889, Fusajiro Kanematsu founded Kanematsu. Over the 134 years since its beginnings as an importer of wool from Australia, the Company has expanded into diverse fields spanning fibers to steel, machinery, food, energy, and electronics, growing into a general trading company. Kanematsu has flexibly adapted to changes in international society and the economic environment over the decades, overcoming numerous obstacles and transforming itself. While the Group continues to change and evolve, the entrepreneurial spirit valued by our founder and his aspiration to contribute to international society live on in the Kanematsu Group today.



Fusajiro Kanematsu
1845–1913

The Sayings of Fusajiro Kanematsu <https://www.kanematsu.co.jp/en/company/history/roots.html>

Corporate Principle

“Let us sow and nurture the seeds of global prosperity”

“Sow a seed now,” and take action to benefit people around the globe, bade our founder, Fusajiro Kanematsu, setting a standard of public duty that we at Kanematsu continue to uphold through a commitment to ethical business principles and corporate responsibility.

The beliefs and philosophies that inspired Fusajiro Kanematsu in the late nineteenth century Meiji period, a time when Japan was striving to build a national economy, were encapsulated in the document *Our Beliefs: Kanematsu's Guiding Principles* in 1967, on the occasion of our merger with The Goshō Company.

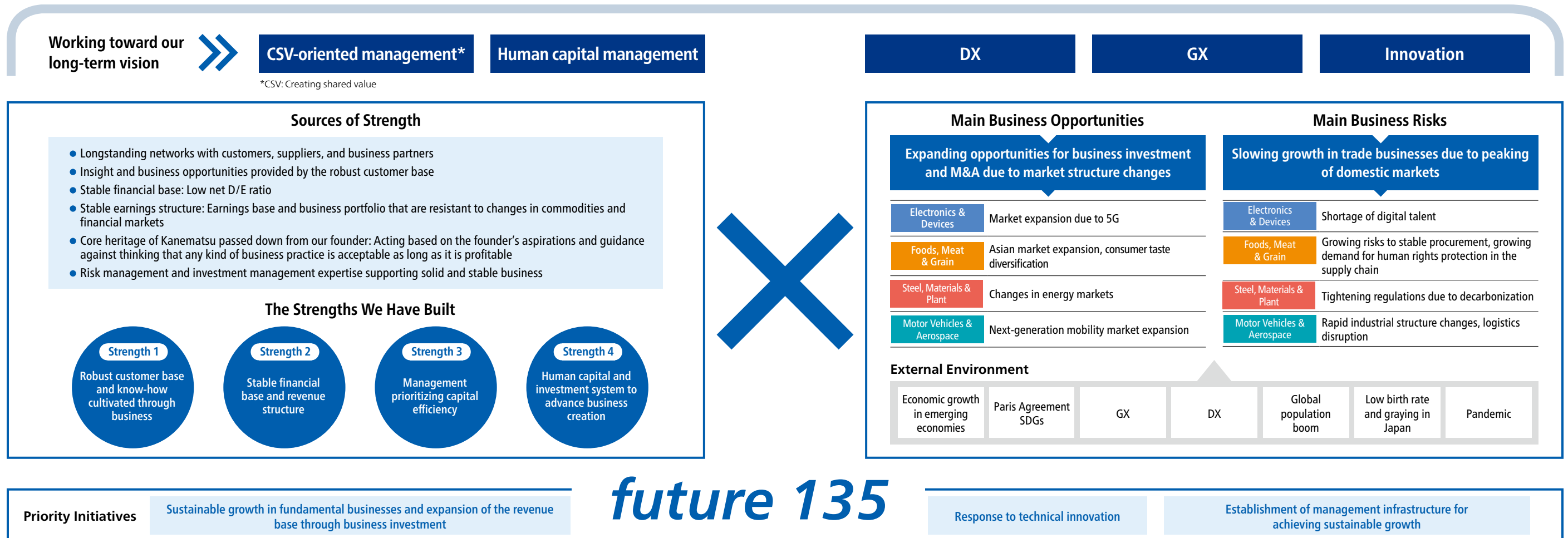
Our Beliefs: Kanematsu's Guiding Principles

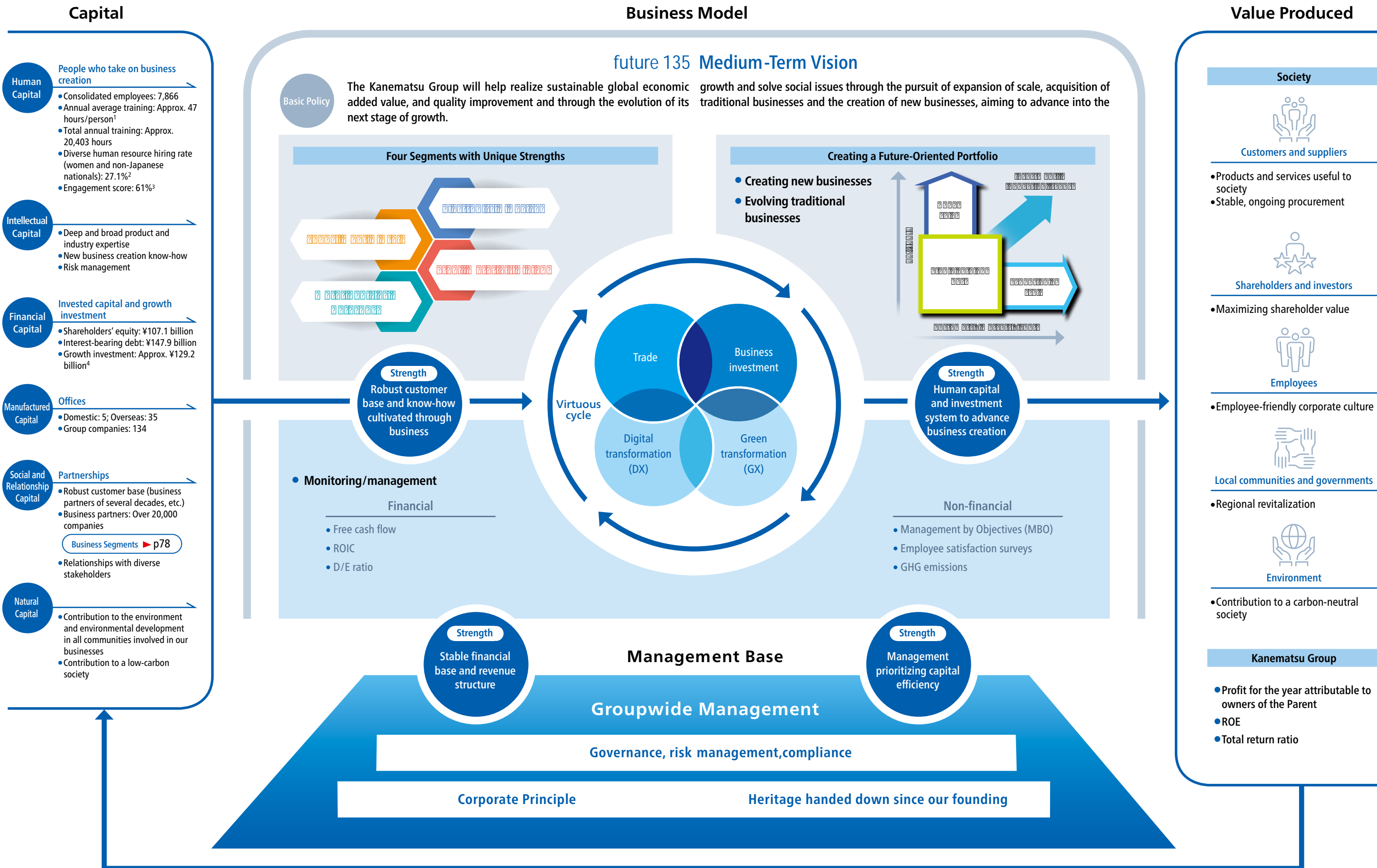
1. Reflecting the pioneering spirit of our predecessors, we believe that fairness and justice should guide our business dealings and the wise use of creative imagination and ingenuity will bring prosperity.
2. Our purpose as a Company is not only to build a sound and flourishing business, but to fulfill our responsibilities as a corporate citizen, contributing to society and the security and well-being of all.
3. As members of a corporation, we act not as individuals but as representatives of that organization and as such we are bound by Company rules and attendant loyalties and must work together with a spirit of cooperation while cultivating mutual understanding and respect for fellow members.

“CREATING SHARED VALUE”

Who We Are

Reinforcing Groupwide Management





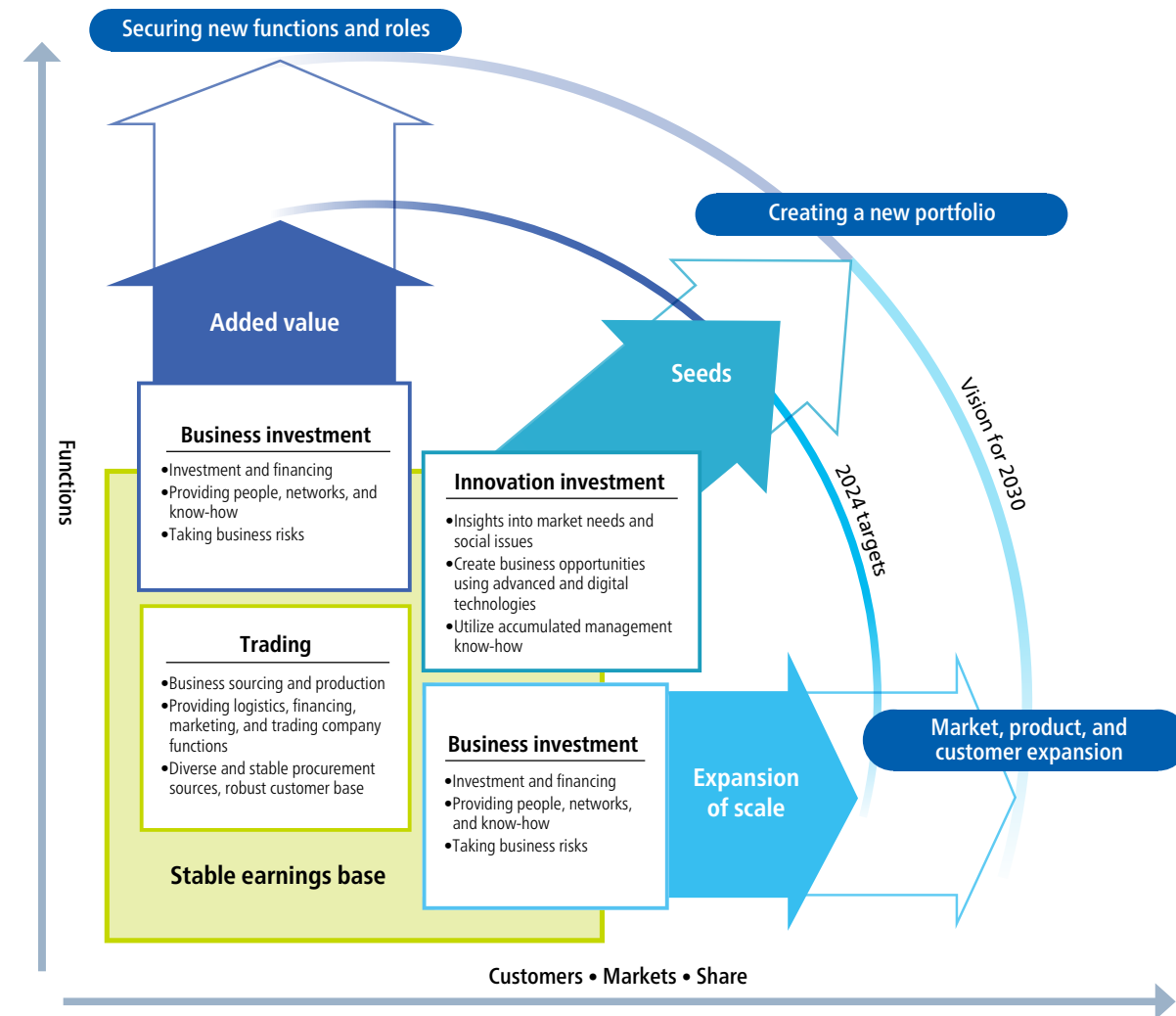
1. Average hours of training for Kanematsu University participants
2. Average over the five years since the launch of future 135
3. Figure for fiscal 2022
4. Cumulative new investment in the first five years of future 135

Human Resource Development ▶ p50

Business Model and Business Development

Building on the trading businesses it has nurtured over the decades, the Kanematsu Group is advancing business investment aimed at generating added value and scale expansion. At the same time, we are pursuing innovation investment aimed at establishing a future business portfolio. Through these efforts, we are working to increase enterprise value.

Business Model and Vision for the Future



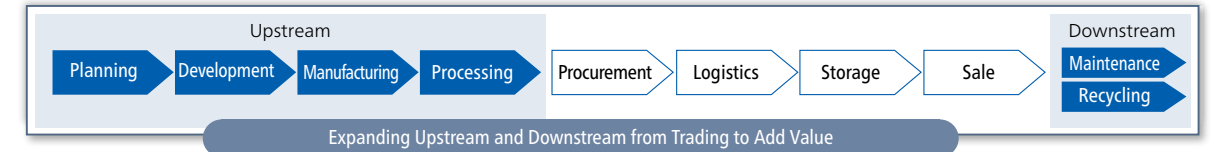
Trading: Stable Revenue Base Backed by Longstanding Networks and Know-How

These are core businesses developed by leveraging our robust customer base and know-how cultivated in traditional agency and trading businesses since our founding while managing businesses directly and indirectly in line with the changing times.



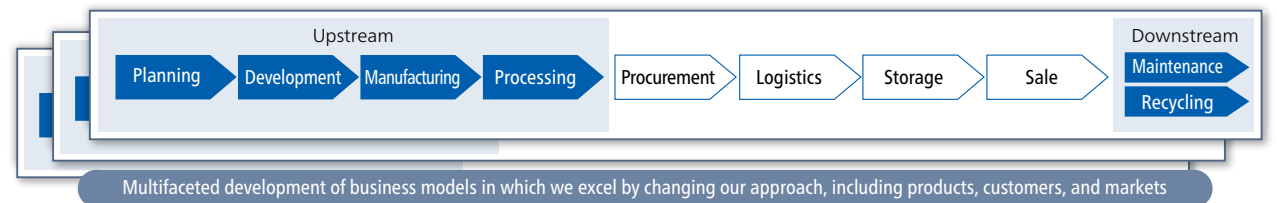
Business Investment to Secure Added Value: Performing Roles Beyond Traditional Trading Company Functions

We will secure new functions and roles in our fields of strength. Going beyond traditional trading company functions, we will expand into upstream areas of the value chain, such as planning, development, manufacturing, and processing, as well as downstream areas, such as maintenance and recycling. By doing so, we will provide added value unique to the Kanematsu Group.



Scale Expansion Business Investment: Investing Resources in Areas of Insight and Strength

We will leverage our accumulated insight and know-how to expand our business scale and trading area. We will apply business models in which we excel to different products, customers, and markets, adjusting our approach to expand our market share.



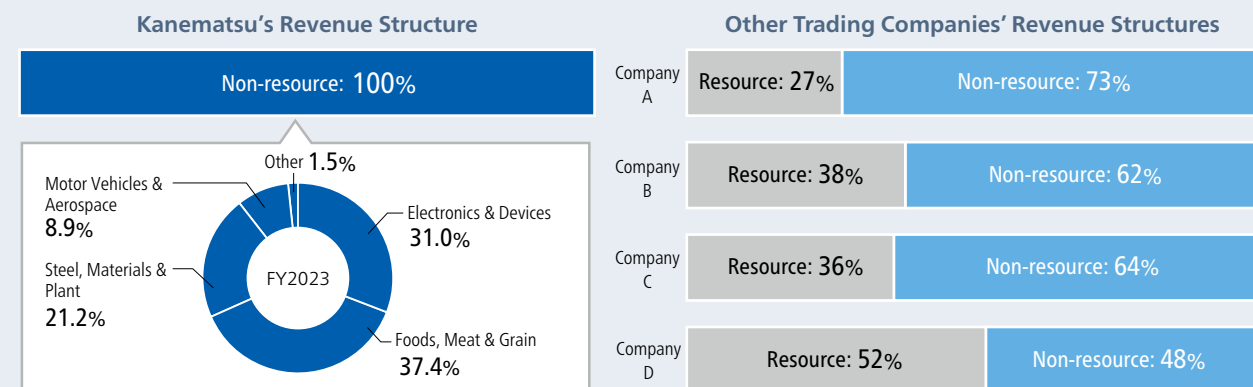
Innovation Investment: Creating Next-Generation Businesses Centered on Advanced Technologies

We will create next-generation core businesses through investment in business models and startups with long-term growth potential centered on advanced technologies in which the Kanematsu Group has strength.

Special Feature: Innovation Investment ▶ p32

Business Composition (Compared with Other Trading Companies)

The Kanematsu Group's businesses are mainly in the Group's areas of strength, where it possesses insight and know-how. We do not invest in businesses that are easily swayed by commodity or financial markets, such as fossil fuels, real estate, or financial businesses, and our stable revenue structure sets us apart from other general trading companies.



Note: Data according to Kanematsu's research

Business Investment Process

Decision-making process



Considerations

Definition of investment purpose and growth strategy	Examination of the business plan	Alignment with investment criteria	Risk analysis	Examination of internal controls	Establishing exit criteria
Consider alignment with future 135 (including sustainability)	Thoroughly examine the soundness of the business plan (including responsiveness)	Examine investment efficiency based on IRR and recovery period using the investee's free cash flow	<ul style="list-style-type: none"> Risk analysis leveraging the expertise of support divisions ESG risk assessment 	Examine the internal controls of investees	Establish practicable exit criteria upon investment

Investment

Monitoring and Asset Replacement

- Review investees at support division monthly information sharing meetings
- Annually evaluate investments both qualitatively (the objective of holding each investment) and quantitatively (related revenue, dividends received, other returns, etc.) to determine if they are worth the cost of capital to Kanematsu
- The support divisions provide sophisticated expertise during PMI after investment, supporting management divisions
- Replace low-efficiency assets and businesses when they meet exit criteria or their strategic purpose in the portfolio has diminished