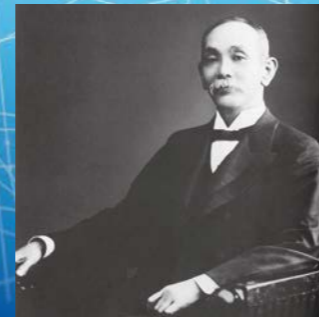


The Kanematsu Group's Origins

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

Working toward our long-term vision



CSV-oriented management*

Human capital management

*CSV: Creating shared value

DX

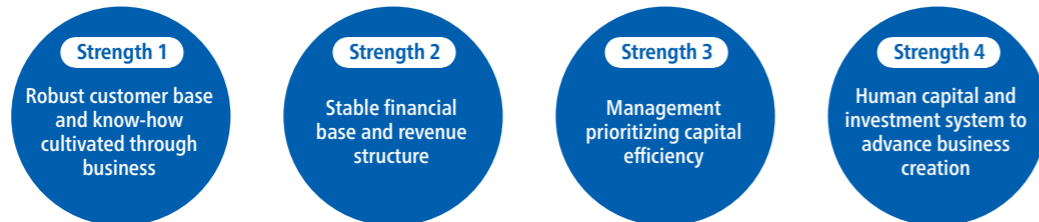
GX

Innovation

Sources of Strength

- Longstanding networks with customers, suppliers, and business partners
- Insight and business opportunities provided by the robust customer base
- Stable financial base: Low net D/E ratio
- Stable earnings structure: Earnings base and business portfolio that are resistant to changes in commodities and financial markets
- Core heritage of Kanematsu passed down from our founder: Acting based on the founder's aspirations and guidance against thinking that any kind of business practice is acceptable as long as it is profitable
- Risk management and investment management expertise supporting solid and stable business

The Strengths We Have Built



Main Business Opportunities

Expanding opportunities for business investment and M&A due to market structure changes

Electronics & Devices	Market expansion due to 5G
Foods, Meat & Grain	Asian market expansion, consumer taste diversification
Steel, Materials & Plant	Changes in energy markets
Motor Vehicles & Aerospace	Next-generation mobility market expansion

Main Business Risks

Slowing growth in trade businesses due to peaking of domestic markets

Electronics & Devices	Shortage of digital talent
Foods, Meat & Grain	Growing risks to stable procurement, growing demand for human rights protection in the supply chain
Steel, Materials & Plant	Tightening regulations due to decarbonization
Motor Vehicles & Aerospace	Rapid industrial structure changes, logistics disruption

External Environment

Economic growth in emerging economies	Paris Agreement SDGs	GX	DX	Global population boom	Low birth rate and graying in Japan	Pandemic
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Priority Initiatives

Sustainable growth in fundamental businesses and expansion of the revenue base through business investment

future 135

Response to technical innovation

Establishment of management infrastructure for achieving sustainable growth

The Kanematsu Group's History

In the 2000s, we focused on shrinking interest-bearing debt and improving our financial position to achieve stability. Having done so, under the *future 135* medium-term vision established 2018, we have aimed at becoming a unique trading company, pushing toward new heights.

1889–1950s Founding	1960s–1980s Development into a general trading company	1990s–2000s Restructuring	2013– Aggressive management
Guided by Kanematsu's founder, a pioneer in trade between Japan and Australia, Kanematsu weathered financial panics and built a solid foundation. Eventually, the Company expanded to the United States and other countries.	Kanematsu grows larger, diversifying functions as a trading company and expanding geographically.	Following the expansion and collapse of Japan's economic bubble and the Asian Financial Crisis, Kanematsu carried out decisive business selection and concentration aimed at reinforcing its management framework. The Company also worked to improve and strengthen its financial base.	Shift toward aggressive management through M&A in highly specialized fields and business expansion

Solving Social Problems

Kanematsu expanded its international trading beyond Australia, opening overseas branches and building a foundation for the development of trade with Japan.

In step with Japan's rapid economic growth, Kanematsu proactively developed third-country trading as well as importing and exporting between companies in Japan and overseas. At the same time, the Group promoted infrastructure development in developing countries.

Responding to the rapid uptake of IT throughout society, Kanematsu advanced business development in line with the needs of the digital age, entering the mobile business and reinforcing information and communication technology (ICT) functions.

Kanematsu focused on developing products and services that take into account sustainability in such areas as food resources and the environment. The Group worked to create new, high-value-added business models, with an eye to responding to such technological innovation as AI and IoT.

1889
Fusajiro Kanematsu Shoten of Australian Trading founded by Fusajiro Kanematsu in Kobe

1890
Branch opened in Sydney. Direct importing of Australian wool began

1918
Company name changed to Kanematsu Shoten Company

1935
Kanematsu Wool Research Institute established (now KANEYO Co., Ltd.)

1936
Branches opened in New York and Seattle

1943
Company name changed to Kanematsu Corporation

1951
Overseas affiliate established in New York, the first overseas office established by a Japanese trading company after World War II

1967
Merged with the Goshu Company to form Kanematsu-Goshu, Ltd.

1973
Listed on the first section of the Tokyo Stock Exchange

1968
Kanematsu Denshi Service Ltd. established (now Kanematsu Electronics Ltd.)

1972
Kanematsu Semiconductor Corporation established (now Kanematsu Futuretech Solutions Corporation)

1974
Kanematsu Computer Systems Ltd. established (now Kanematsu Communications Ltd.)

1989
100th anniversary of the Company's founding

1990
Company name changed to Kanematsu Corporation

1989
Kanematsu Electronics Ltd. listed on the first section of the Tokyo Stock Exchange

1993
Kanematsu Computer Systems Ltd. began mobile phone sales (now Kanematsu Communications Ltd.)

1995
Kanematsu Sekiyu Hanbai Corp. established (now Kanematsu Petroleum Corp.)

1999
Carried out large-scale business selection and concentration

2005
Kanematsu Electronics Ltd. became a subsidiary

1991
Kanematsu Electronics Ltd. listed on the first section of the Tokyo Stock Exchange

1993
Kanematsu Computer Systems Ltd. began mobile phone sales (now Kanematsu Communications Ltd.)

1995
Kanematsu Sekiyu Hanbai Corp. established (now Kanematsu Petroleum Corp.)

1999
Carried out large-scale business selection and concentration

2005
Kanematsu Electronics Ltd. became a subsidiary

Acquired a majority stake in Shintoa Corp. (100% stake acquired in 2010)

2012
Acquired North American steel tubing company Benoit Machine LLC (now Benoit Premium Threading, LLC)

2013
Resumed dividend payments

2014
Expanded the executive officer system
Established business investment standards
Acquired a majority stake in Kanematsu-NNK Corp. (now Kanematsu Sustech Corporation)

2015
Completed disposal of commercial real estate holdings

2016
Carried out an absorption-type merger with Diamondtelecom, Inc. aimed at expanding the mobile business
Issued first series of straight corporate bonds (return to the straight bond market)

2017
Took over JVCKENWOOD Corporation's cartridge printer business (now G-Printec, Inc.)

2018
Formed the Technologies and Business Collaboration Team to advance innovation investment
Established Kanematsu Ventures Inc.

2019
130th anniversary of the Company's founding
Formed strategic partnership with France-based Dawex Systems, entering the data business

2021
Revised and determined five issues of high materiality
Took over Seiko Epson Corporation's IC test handler business (now NS Technologies Inc.)

2022
Received A- rating from Japan Credit Rating Agency, Ltd. (JCR)

2023
Made tender offers for Kanematsu Electronics Ltd. and Kanematsu Sustech Corporation, turning them into wholly owned subsidiaries

1954
Kanematsu Hiryo Co., Ltd established (now Kanematsu Agritec Co., Ltd.)

1959
Kanematsu Yuso Co., Ltd. established

1960
Kanematsu Sekiyu Gasu Corp. established (now Kanematsu Petroleum Corp.)

1967
Acquired a controlling interest in Fine Kuroda Services Corp., renaming it Kanematsu Goshu Machine Tool Sales Corp. (now Kanematsu KGK Corp.)

1985
Kanematsu Aerospace Corp. established

1919
Donation and endowment to what has grown into the Kobe University Research Institute for Economics and Business Administration (Kanematsu Memorial Hall)

1927
Construction and endowment of the Hitotsubashi University Kanematsu Auditorium

1929
Endowment of construction funds for the Sydney Hospital Kanematsu Memorial Institute of Pathology

Major examples of social contribution and management oriented around creating shared value

April 2013–March 2016
— Jump to next stage leading to the future—

- Took a positive stance to enable rapid progress and to establish a solid growth track in preparation for the 125th anniversary.
- Development of VISION-130 coinciding with the resumption of dividends

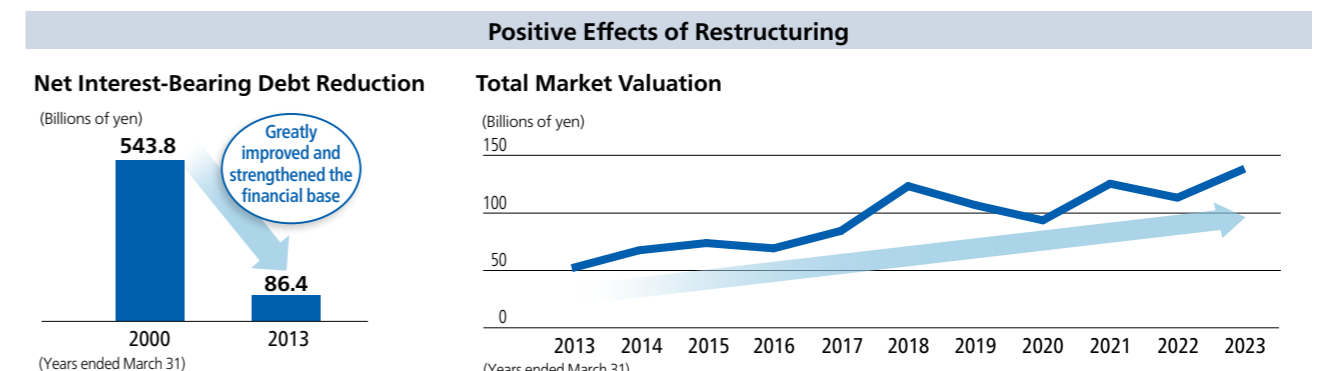
April 2014 – March 2019
“VISION-130”

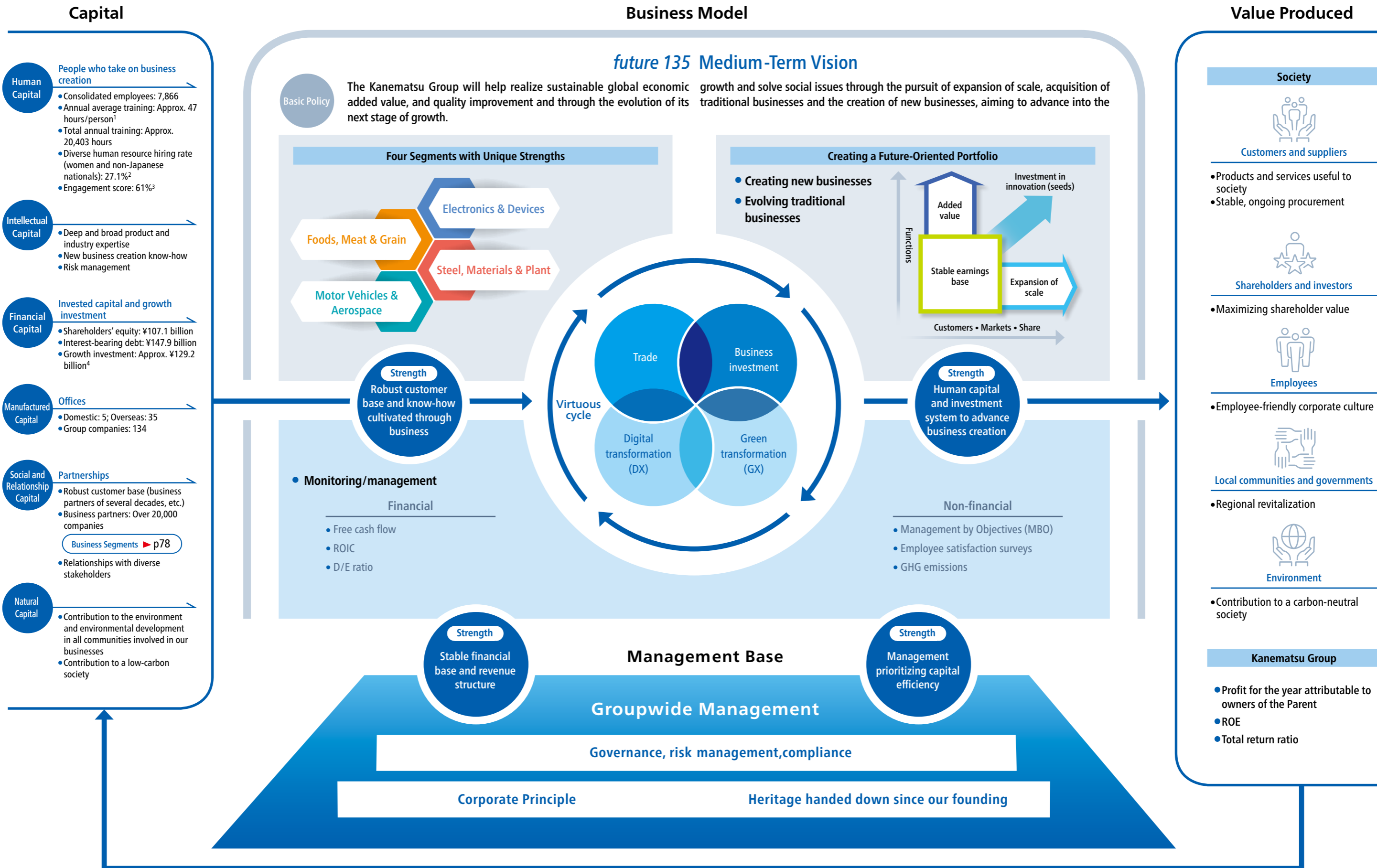
- Approaching the 130th anniversary of the founding of Kanematsu, we returned to our beginnings as a trading company and to our Corporate Principle. Our management objective was to “expand the earnings base” through coexistence and mutual development with our business partners based on the long history of our trading business.
- We aimed to increase our enterprise value by furthering our business in areas of expertise and investing in new challenges to create new businesses.
- We achieved the goals of the five-year plan in four years and moved on to *future 135*.

April 2018–March 2024
– *future 135* –

**Expansion of Scale
Acquisition of Added Value
Quality Improvement**

- Sustainable growth in fundamental businesses and expansion of the revenue base through business investment
- Response to technical innovation
- Establishment of management infrastructure for achieving sustainable growth



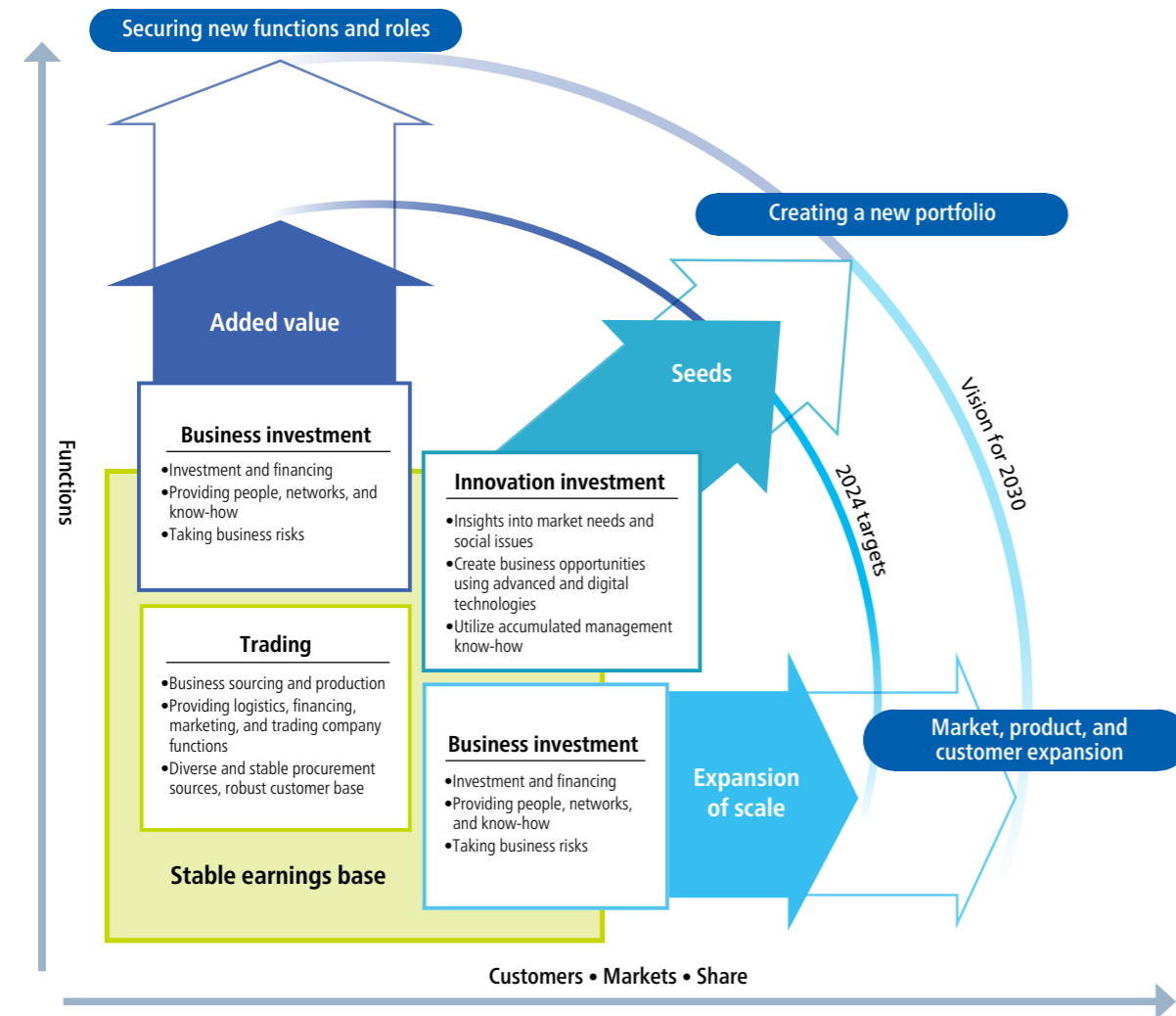


1. Average hours of training for Kanematsu University participants
2. Average over the five years since the launch of *future 135*
3. Figure for fiscal 2022
4. Cumulative new investment in the first five years of *future 135*

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



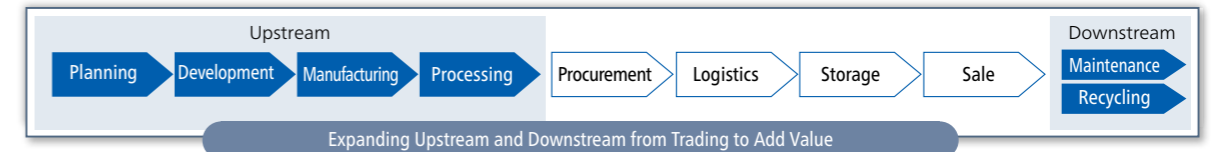
Trading: Stable Revenue Base Backed by Longstanding Networks and Know-How

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.



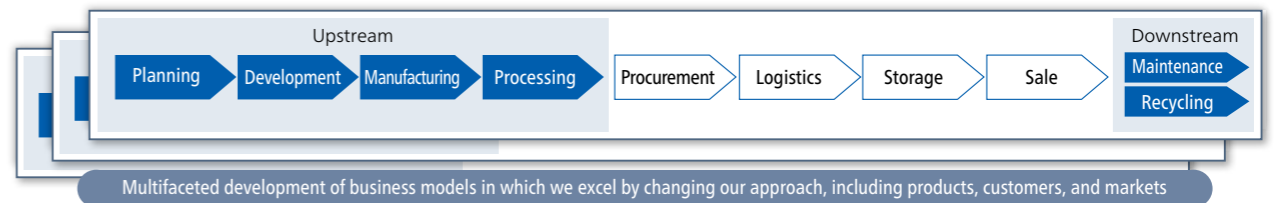
Business Investment to Secure Added Value: Performing Roles Beyond Traditional Trading Company Functions

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.



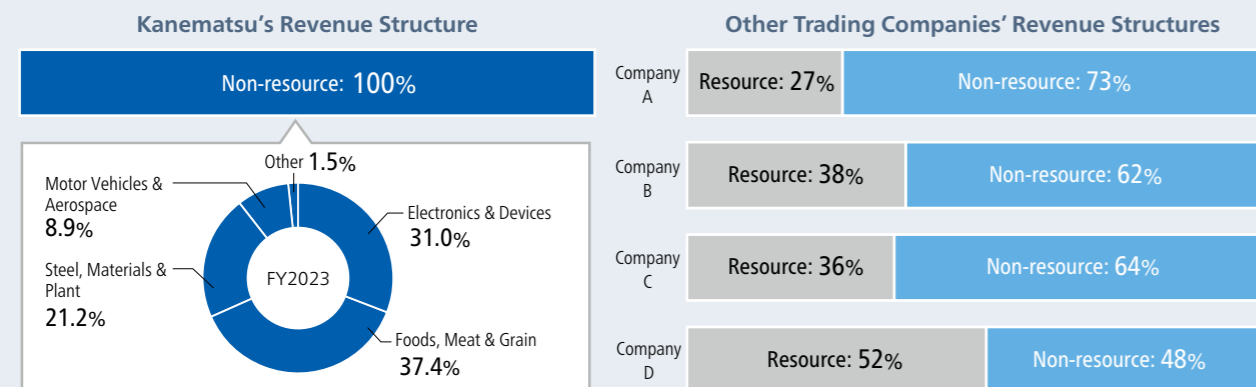
Innovation Investment: Creating Next-Generation Businesses Centered on Advanced Technologies

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