

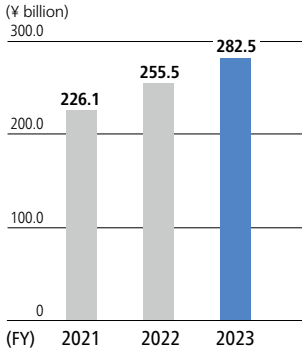
Electronics & Devices



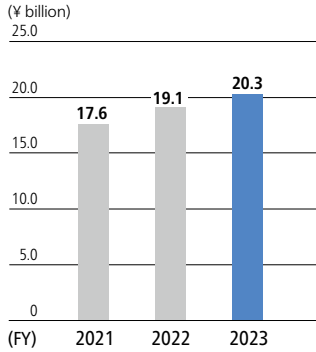
- Semiconductor Equipment
- Electronic Components and Materials
- Industrial Electronics
- Semiconductors & Devices
- ICT Solutions
- Mobile
- CCTV Systems
- Data, AI, and SaaS

Main Business

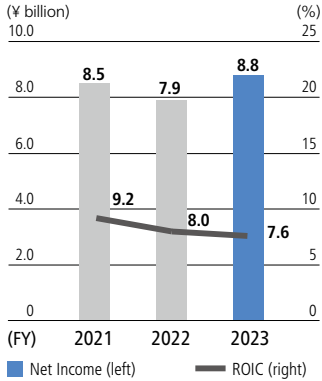
Revenue



Operating Profit

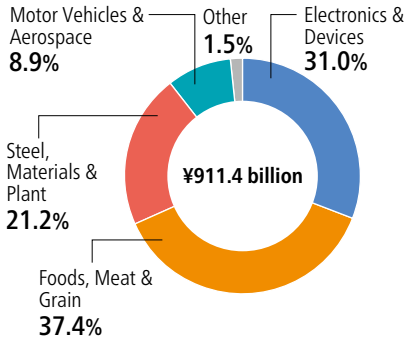


Net Income*/ROIC

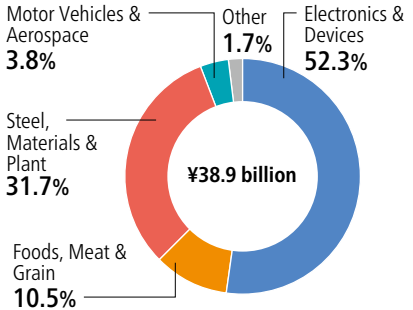


(FY2023)

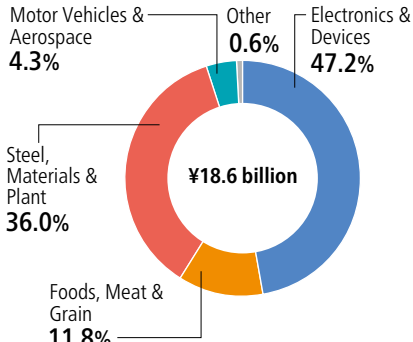
Revenue



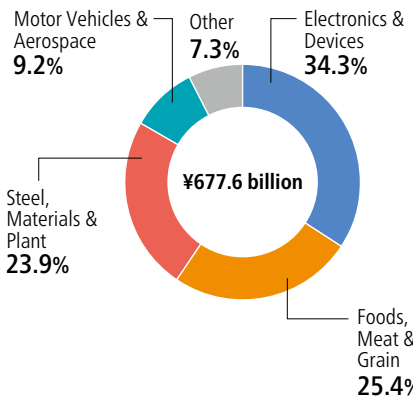
Operating Income



Net Income*



Total Assets



Foods, Meat & Grain



Foods

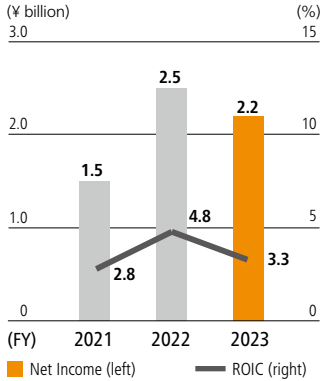
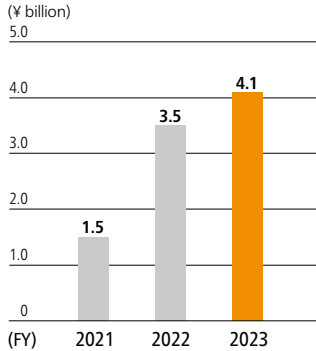
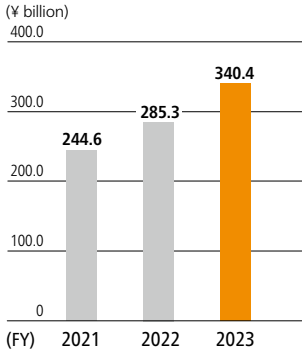
- Foods (Agricultural Products, Marine Products, Beverages, Liquor)
- Cooked and Processed Foods
- Processed Agricultural Products

Meat Products

- Meat Product Ingredients (Beef, Pork, Poultry, etc.)
- Processed Meat Products

Grain, Oilseeds & Feedstuff

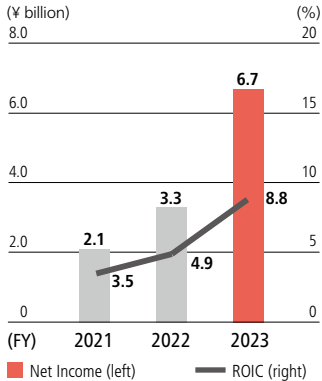
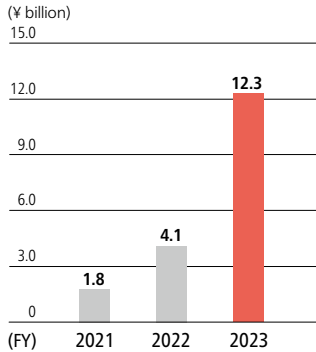
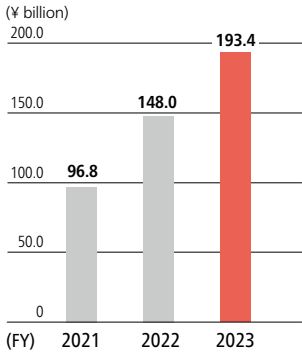
- Grain, Food Soybeans, Oilseeds
- Feedstuff Materials, Mixed Feedstuff



Steel, Materials & Plant



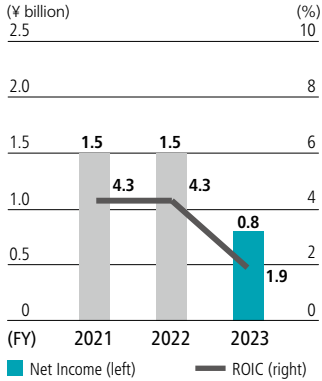
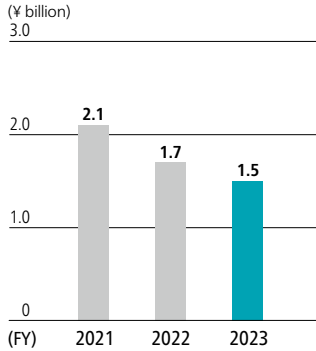
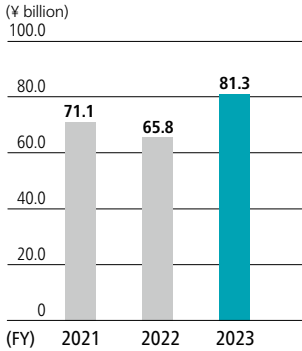
- Steel
- Steel Tubing
- Chemicals
- Energy
- Plant & Ships
- Machine Tools & Industrial Machinery



Motor Vehicles & Aerospace



- Motor Vehicles and Parts
- Aerospace



* Profit for the year attributable to owners of the Parent

Electronics & Devices

Semiconductor Equipment, Electronic Components and Materials, Industrial Electronics, Semiconductors & Devices, ICT Solutions, Mobile, CCTV Systems, Data, AI, SaaS



Masahiro Harada
Managing Executive Officer
COO Electronics & Devices

The Electronics & Devices segment handles a value chain spanning ICT solutions, mobile, and electronics-related materials parts, devices and equipment, providing unique added value across a wide range of fields. Using our solid technological prowess and wealth of know-how in electronics, we are advancing new initiatives in the IoT and AI fields and offering new value to contribute to society.

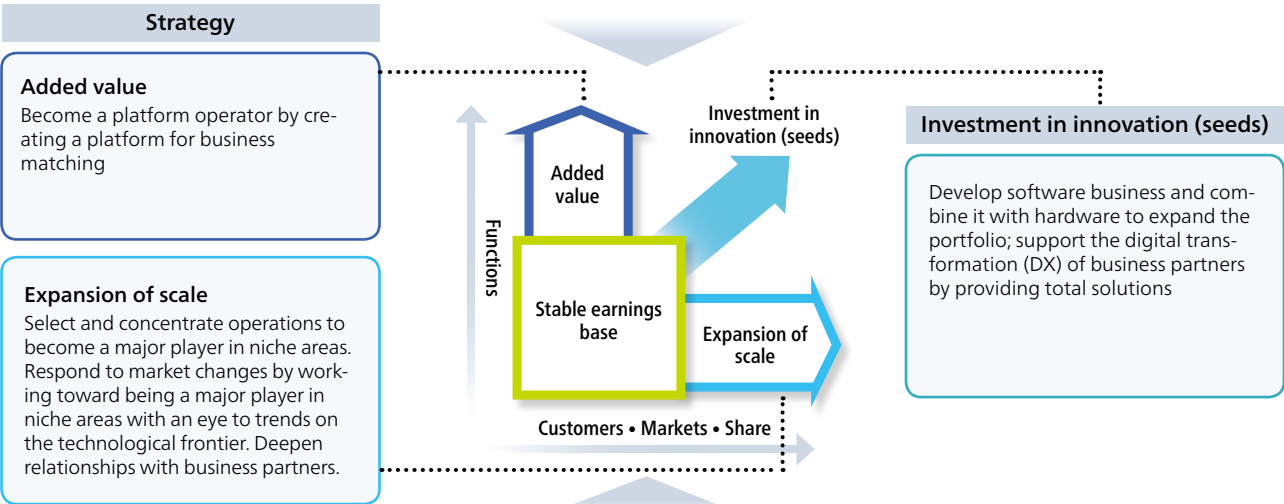
Key SDGs

The Electronics & Devices segment employs constantly evolving digital technologies to engage in new business, helping to build foundations for industry and technological innovation. The segment is also contributing to efforts to combat climate change by expanding businesses related to next-generation batteries, including lithium-ion batteries and solid-state batteries. By supporting the use of IT and DX in traditional industries, we hope to build organic partnerships, increase the overall efficiency and added value of industry, and help achieve the SDGs.



Medium- to Long-Term Market Outlook

The market is expanding and changing extremely quickly. The keys to success will be selection and concentration and being keenly alert to advanced technologies

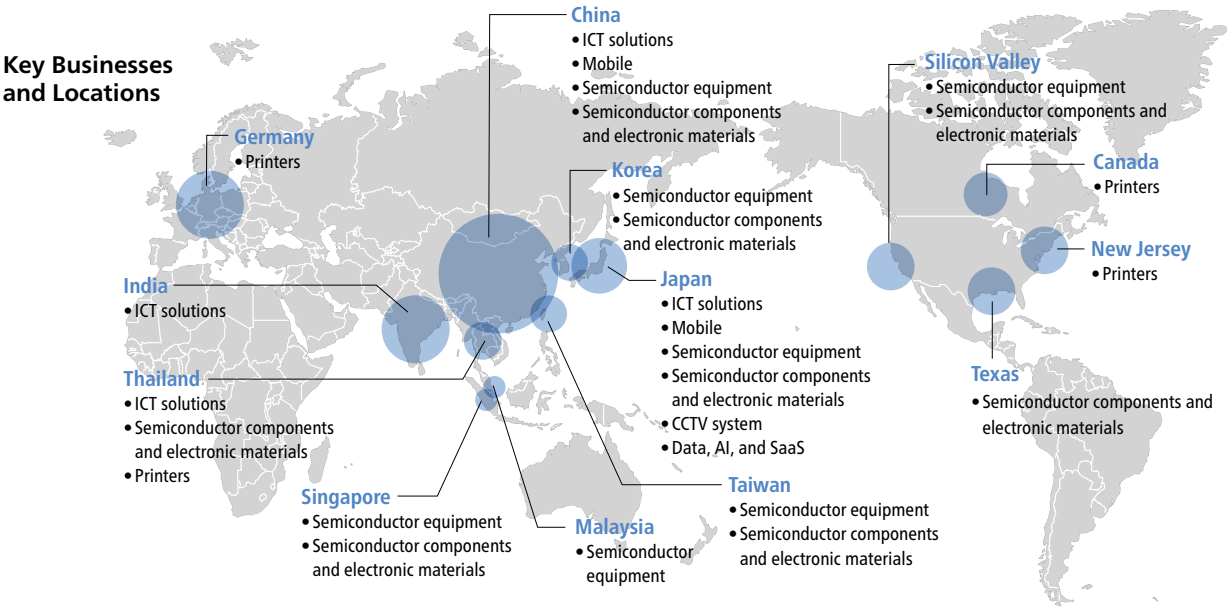


Drivers of Strategy and Innovation (Key Capital)	
Intellectual capital	50 years of accumulated expertise in the Electronics & Devices business
Human capital	Expert human resources with practical experience in the production and sale of electronics and devices and the ability to create and manage businesses
Social and relationship capital	Trust and longstanding relationships with business partners maintained by expert human resources

Progress toward the Medium-Term Vision: Main Initiatives in Fiscal 2023

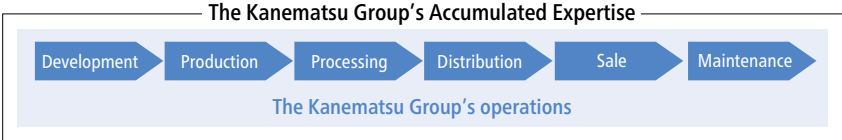
In the ICT solutions business, we acquired shares in an infrastructure and systems development contractor, making it consolidated subsidiary. Further business expansion is expected in the public and educational sectors. We also acquired additional shares in GLOBAL SECURITY EXPERTS Inc., which operates wide-ranging businesses in the information security field, strengthening our ability to meet growing security demand. In the mobile business, we advanced efforts to acquire a primary distributor of telecommunications operators based in the Kansai area as well as secondary distributors across Japan as subsidiaries and worked to improve operational efficiency at

the individual store level. In the semiconductor component and equipment businesses, we acquired a Singapore-based depaneler manufacturer, while in the electronic devices and materials businesses we acquired a Canada-based manufacturer of passport photo printing systems. Through such business investment across the segment's business fields, we advanced the expansion of scale and acquisition of added value—priority initiatives of the *future135* medium-term vision. In fiscal 2023, the final year of the medium-term vision, we will continue to advance the priority initiatives toward the achievement of the vision's targets.



The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of the electronics and devices industry, leveraging a multilateral, multifaceted business creation perspective.



Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none">Entrenchment of remote workThe creation and expansion of related technology and service markets driven by the adoption of AI, IoT, robotics, and 5GAccelerating DX and GX initiatives at companies in Japan	<ul style="list-style-type: none">Provide solutions and services in such areas as VDI and connectivity to reinforce the earnings base of the ICT solutions and mobile businessesProvide new value to expand opportunities for profit by offering related solutions in the ICT solutions and mobile businesses as well as related products in the semiconductor component and equipment businesses and the electronic devices and materials businessesPromote M&A and innovation investment in solutions providers, including startups, and expand profit through synergies with existing businesses
Risks	Countermeasures
<ul style="list-style-type: none">Increasing sophistication and complexity of information security, shortage of specialized professionals, and tightening regulationsIndustry reorganization, the impact of core technologies, and technological innovationSupply chain interruptions due to changing international conditions or geopolitical risks	<ul style="list-style-type: none">Acquire and expand solutions platforms based on capital alliances and partnerships with companies in and outside Japan that have specialized technologiesExpand scale by acquiring companies and businesses and acquire and develop new products and solutions through innovation investmentOptimize supply chains by expanding the functions of overseas locations and diversify the portfolio using advanced technologies

Longstanding Relationships A Word from Our Business Partner

JAPAN PURE CHEMICAL is a chemical product manufacturer engaged in the development, manufacture and sale of noble metal plating chemicals for electronic components and semiconductors. Our business with the Kanematsu Group goes back more than 30 years—more than half of our 53-year history. Over the years, as the manufacturing of electronic components rapidly shifted first from Japan to Taiwan and then from Taiwan to mainland China, the Kanematsu Group leveraged its customer network to provide us with immense support in marketing our

products overseas. Personnel exchange, including sending our engineers to the Kanematsu Group's overseas locations and receiving staff dispatched from the Kanematsu Group, helped us enhance customer satisfaction. In cutting-edge electronics manufacturing, the importance thereby connecting directly with customers, and of building personal networks, is a constant. Going forward, we will combine our strengths as manufacturer with the Kanematsu Group's network strengths to aim for synergistic growth.



Tomoyuki Kojima
Representative Director and President
JAPAN PURE CHEMICAL CO., LTD.

Foods, Meat & Grain
Foods

Foods (Agricultural Products, Marine Products, Beverages, Liquor), Cooked and Processed Foods, Processed Agricultural Products



Koichi Nishimura
Executive Officer,
COO Foods

Committed to safe, secure food, this division applies a manufacturer's perspective to maintain an integrated supply system spanning raw material procurement through finished product processing.
With a broad lineup that includes agricultural products, marine products, coffee, alcoholic and non-alcoholic beverages, and cooked foods, the Foods Division meets diverse market needs.

Key SDGs

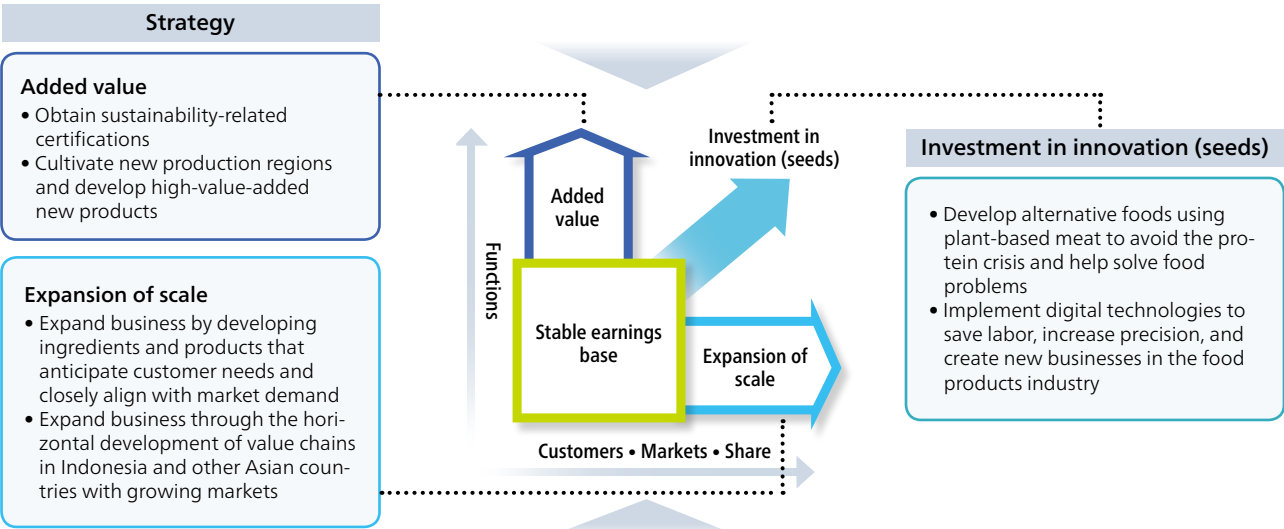
The Foods division seeks to secure stable food sources and contribute to local communities by promoting business in environmentally friendly and sustainable agricultural and marine products, such as Rainforest Alliance-certified coffee and MSC/ASC-certified* marine products. Furthermore, by developing alternative foods, we are working to secure new sources of protein and thereby improve access to nutrition while reducing the environmental burden and other negative impacts of processed food products. Through these efforts, we are contributing to sustainability.

* MSC: Marine Stewardship Council; ASC: Aquaculture Stewardship Council



Medium- to Long-Term Market Outlook

Consumer needs are diversifying alongside changes in lifestyles and values. The key to success will be a market-oriented approach.



Drivers of Strategy and Innovation (Key Capital)

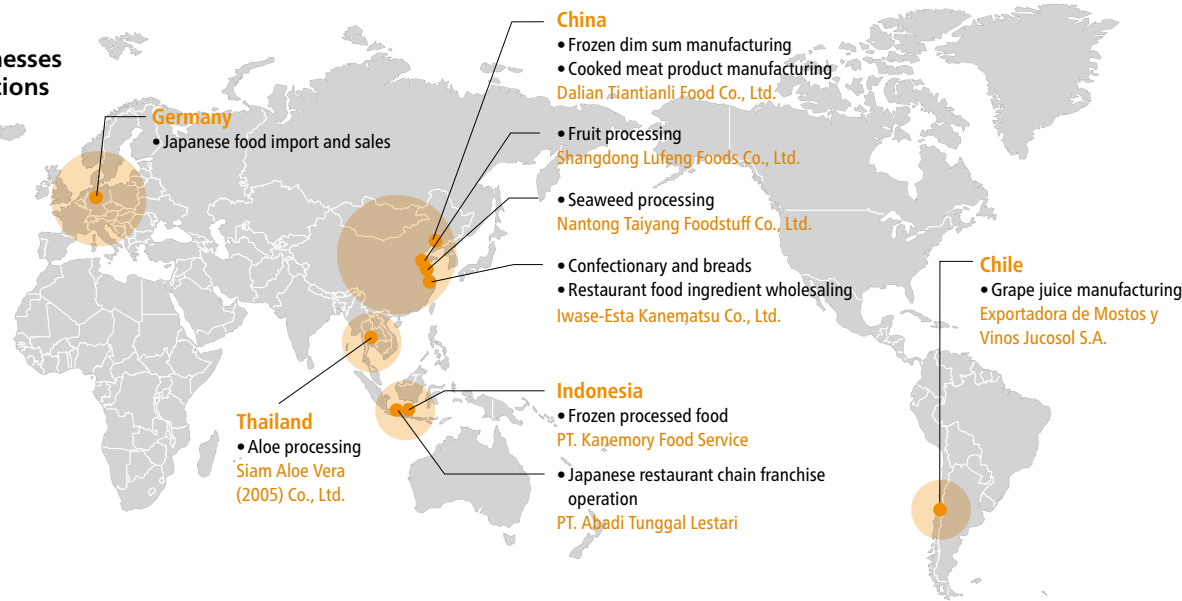
Intellectual capital	Expertise in food product distribution, manufacturing, sales, and quality control
Human capital	Expert human resources with practical experience in food product processing and distribution and the ability to create and manage businesses
Social and relationship capital	Longstanding, deep, positive relationships of trust with business partners in Japan and overseas

Progress toward the Medium-Term Vision: Main Initiatives in Fiscal 2023

The Foods Division works with suppliers around the world via investment, exclusive contracts, and facility loan agreements to strengthen its ability to procure high-quality raw materials overseas. To ensure the level of quality that consumers in Japan expect, we reinforce production and quality control systems, which are overseen by specialists, working to secure a stable supply of safe, reliable food. To meet demand for food prepared at home and ready-made meals, we work with food product manufacturers in Japan and overseas to strengthen the development of products for retail markets, including frozen foods, alcoholic beverages, and coffee. Recently, in response to supply concerns arising from the Russian invasion of Ukraine as well as rising import costs due to global inflation and the depreciation of the

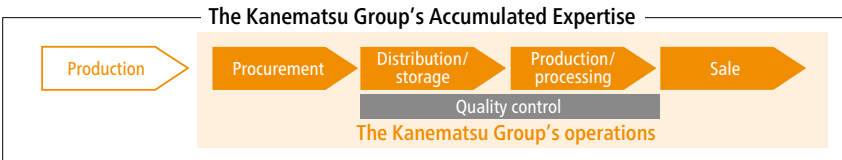
yen, we have been developing alternative production regions that offer price advantages and a stable supply of various imported raw materials.
In addition, in response to growing awareness of sustainability among consumers, we accelerated sales of sustainable raw materials in such categories as coffee and marine products.
In Asian markets, we are working with Indonesian general food product manufacturer PT. Cisarua Mountain Dairy Tbk (Cimory), in which we have invested as a strategic business partner, not only collaborating in food products, but also advancing initiatives that leverage the Group's comprehensive strengths in such areas as DX and GX.

Key Businesses and Locations



The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of the food industry, leveraging a multilateral, multifaceted business creation perspective.



Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none">Demographic graying of consumers and rising health awarenessPersonnel shortages and rising staffing costs in the food products industryGrowing food demand and shift from focus on quantity toward quality in Asia	<ul style="list-style-type: none">Develop production sites for fresh agricultural products that are safe and reliableDevelop and commercialize delicious and easy to prepare processed food products targeted to specific markets around the worldLeverage DX to save labor in sorting and processing and improve qualityExpand mechanisms for providing safe, reliable food at Japanese standards and grow businesses in local production for local consumption
Risks	Countermeasures
<ul style="list-style-type: none">Damage to agricultural products under cultivation or operational disruptions of processing and manufacturing facilities or logistics attributable to global warming or extreme weather eventsHealth hazards for consumers due to the contamination of food productsGlobal population growth and food resource depletion	<ul style="list-style-type: none">Hedge risks by working with production sites distributed around the world; secure water resources and promote cultivationReinforce food safety management systems based on ISO 22000 and FSSC 22000Trade in agricultural and marine products that are certified as sustainable by third parties and promote the use of renewable products

Longstanding Relationships A Word from Our Business Partner

The partnership formed in 2012 between Cimory and Kanematsu, which resulted in the establishment of PT. Kanemory Food Service, has been a mutually beneficial venture. Kanematsu has been able to expand its reach in the Indonesian market while Cimory has capitalized on Kanematsu's expertise to improve its food processing capabilities. We are thrilled to have developed a strong partnership over the years.
Kanematsu's recent acquisition of shares in Cimory is a strategic move that aims to fortify the Indonesian food value chain, enter the

general food wholesale business by tapping into Cimory's marketing channels, and offer support to Japanese food companies and retailers intending to penetrate the Indonesian market. The success of this partnership highlights the value of collaboration and emphasizes the benefits of sharing expertise and resources in creating value for the end customer. We continue to look forward to working together for many years to come, building on the strengths of our partnership to achieve even greater success.



Bambang Sutantio
Group Founder & President
Commissioner
PT. Cisarua Mountain Dairy Tbk
(Cimory)

Foods, Meat & Grain
Meat Products

Meat Product Ingredients (Beef, Pork, Poultry, etc.), Processed Meat Products



Toru Hashimoto
Executive Officer,
COO Meat Products

Leveraging our accumulated know-how as an industry leader in the meat products business, we build meat product value chains, from securing raw ingredient sources to processing and sales, to provide a stable supply of safe, reliable, high-value-added products that meet customer needs.

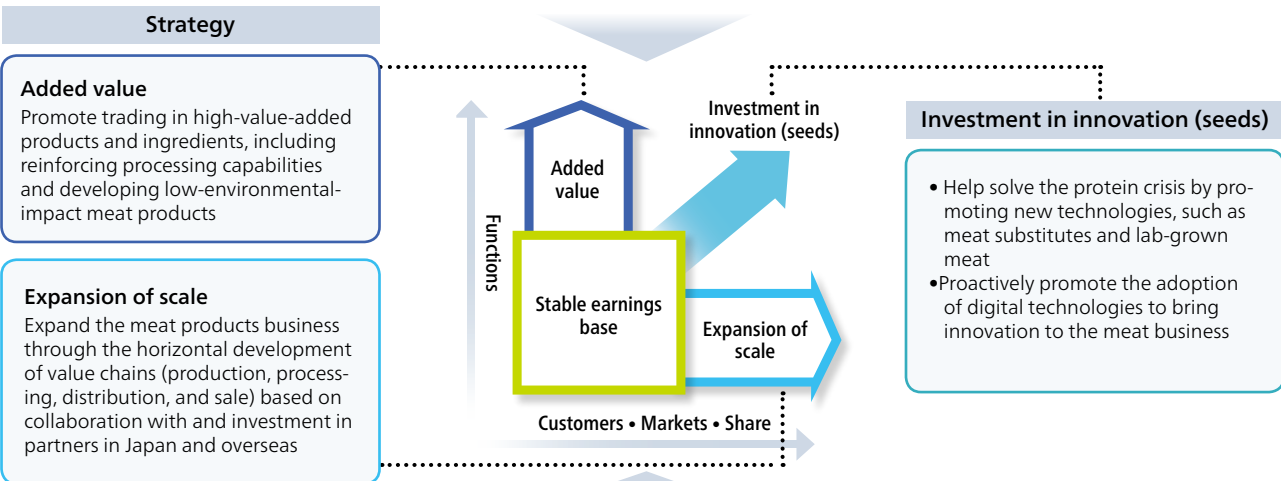
Key SDGs

The Meat Products division promotes business in animal products produced with low environmental impact, such as Uruguayan beef; develops new producing regions and suppliers; and proactively engages in business using new food technologies, such as those for meat substitutes, to help secure sustainable food sources.



Medium- to Long-Term Market Outlook

Markets in Japan are mature, while markets in other parts of Asia are growing. The key to success will be maintaining and deepening relationships of trust with our business partners in Japan and overseas.



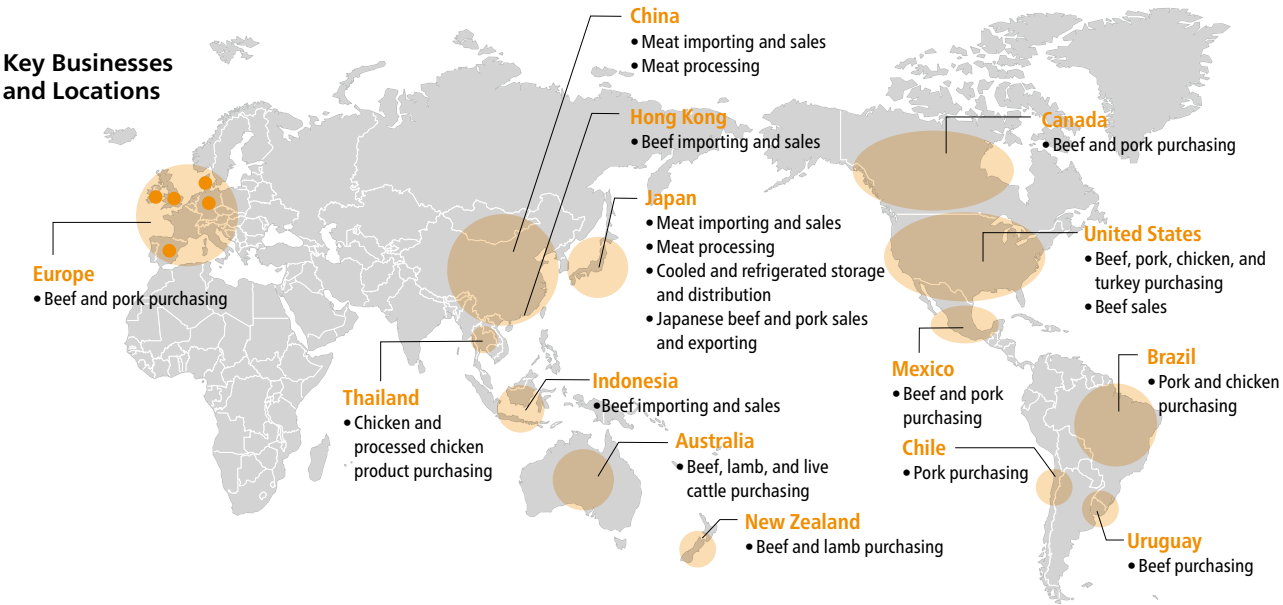
Progress toward the Medium-Term Vision: Main Initiatives in Fiscal 2023

We continue to build value chains to establish stable a supply of safe, reliable, high-quality products that meet customer needs. In upstream areas, we worked to develop new producing regions and suppliers to address concerns related to supply-related risks due to the Russian invasion of Ukraine and rising prices in major producing regions. We also worked to reinforce relationships with existing suppliers through business tie-ups and investment, continuing to build a stable supply structure for meat product ingredients. Furthermore, in Japan, China, and Indonesia, we expanded our value

chain by investing in and establishing joint ventures with food service companies.

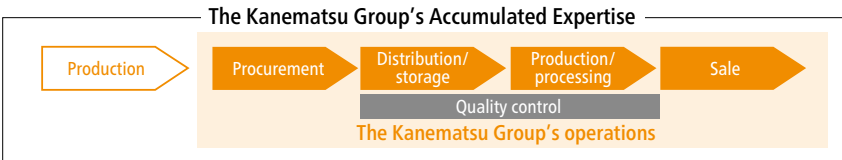
In addition, we advanced DX by leveraging a variety of digital technologies, with efforts including building an online platform for meat product trading and promoting consumer recognition of imported meats through owned media.

Going forward, by developing producing regions, reinforcing the value chain and promoting DX and GX, we aim to lead the meat product industry forward.



The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of the meat products industry, leveraging a multilateral, multifaceted business creation perspective.



Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none">• Expansion of imports due to reduced import tariffs under the TPP11, the EPA with the European Union, and the TAG with the United States• Growing demand for meat products in Asian markets• Growing consumer awareness of safety and reliability issues	<ul style="list-style-type: none">• Advance business investment and M&A to reinforce domestic sales capabilities by strengthening functions within the Meat Products group• Extend business models used in Japan to expand meat product businesses in Asian markets• Step up initiatives undertaken with current suppliers and cultivate new production sites to develop safe, secure, high-value-added products with a stable supply stream
Risks	Countermeasures
<ul style="list-style-type: none">• Supply shortages due to conflicts, pandemics, or animal disease outbreaks• Raw ingredient price fluctuations• Decrease in Japan-bound supply availability due to growth in demand for meat products in other Asian markets• Future protein supply shortages due to global population growth	<ul style="list-style-type: none">• Diversify production sites to better distribute suppliers• Diversify customers and expand processing businesses to mitigate price fluctuation risk• Reinforce procurement capabilities by deepening initiatives with suppliers• Enter the meat substitute market

Longstanding Relationships A Word from Our Business Partner

For more than half a century, the Kanematsu Group has helped us procure meat, the main raw ingredient in our products.

In food product manufacturing, partners who are capable of providing stable supplies of safe raw ingredients are essential. Kanematsu is crucial to our raw material procurement, playing a key role at every stage from finding partners to building relationships of trust.

Global conditions are changing rapidly, and the future is increasingly uncertain. Working with the Kanematsu Group and its wide-ranging global network, we will continue to provide safe and reliable food products in order to contribute to the happiness of our customers via quality foods.



Shigeki Fukushima
Managing Director and General
Manager, Meat Business Department
Marudai Food Co., Ltd.

Foods, Meat & Grain
Grain, Oilseeds & Feedstuff

Grain, Food Soybeans, Oilseeds, Feedstuff Materials, Mixed Feedstuff



Jun Nakajima
Executive Officer
COO Grain, Oilseeds & Feedstuff

The Grain, Oilseeds & Feedstuff Division stably procures the grains and production materials that form the foundation for diverse food production from around the world, providing stable supplies to food product manufacturers in Japan and Asia.

While increases in grain prices have leveled off for the time being, the global population continues to grow, and the increase in the middle-income population, in particular, is driving rapid growth in demand for protein. As such, demand for grain used in protein production is also expected to see continued growth. Amid mounting risks posed by climate change and geopolitical factors, we constantly strive to enhance our ability to provide a stable supply and consistent quality.

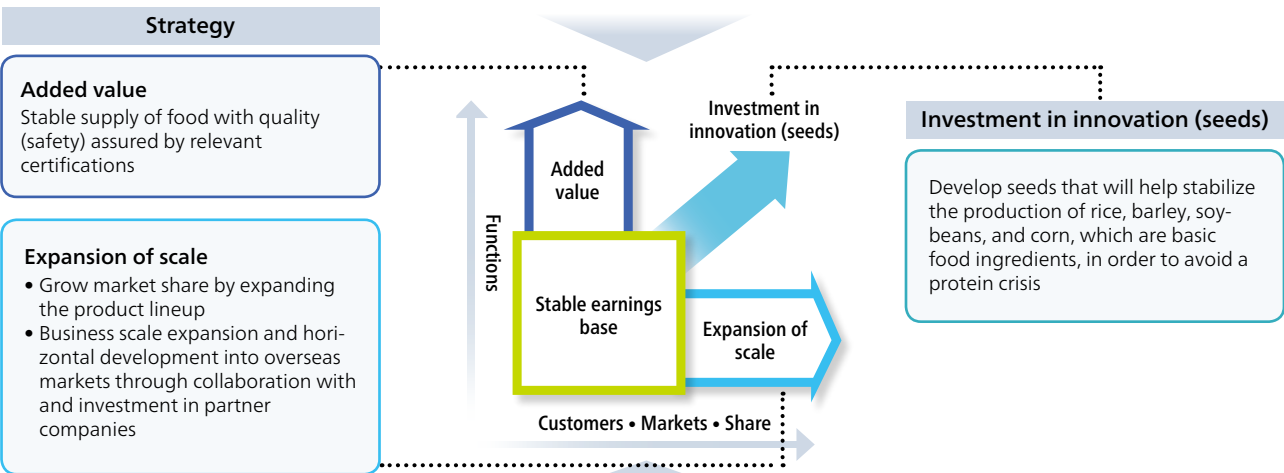
Key SDGs

As climate change advances and demand for food increases, global food production and supply is becoming a more pressing issue. Kanematsu is working to secure food supply based on sustainably managed production in order to support healthy and abundant diets. We also support productivity improvements via the adoption of new technologies.



Medium- to Long-Term Market Outlook

Demand for protein will grow, but supply risks due to extreme weather events and other factors will increase. The key to success will be stabilizing production and quality control.



Drivers of Strategy and Innovation (Key Capital)

Intellectual capital	• Value chain expertise capable of providing a stable supply of oilseeds and staple grains, such as rice, barley, soybeans, and corn, as well as a wide range of related products • Quality control expertise capable of providing a supply of high-quality products from production sites in and outside Japan
Human capital	Human resources with a wealth of expert product knowledge
Manufactured capital	Supply bases in key food production regions worldwide capable of securing a stable food supply
Social and relationship capital	Trust and longstanding relationships with business partners that help ensure stable supply

Progress toward the Medium-Term Vision: Main Initiatives in Fiscal 2023

In the rice business, we have a leading share of Japan's imported rice market and are expanding rice trading overseas, for example, through exports to Southeast Asia and Europe. Aiming to further expand the business, we are also working to reinforce the trading of high-value-added rice, such as no-wash rice and jasmine rice, in Vietnam.

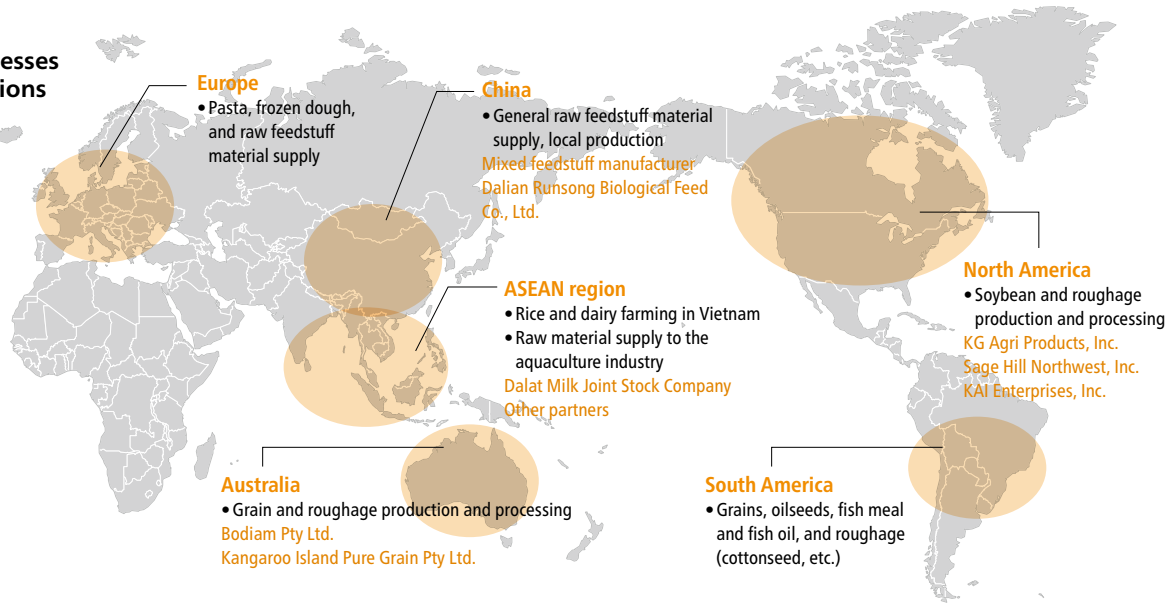
In the food soybean and oilseed business, we are leveraging our diverse supply network comprising a wholly owned sorting plant and partner plants in North America to maintain a leading market share in Japan. We are also working to expand our market share through the provision of even greater added value via initiatives in such areas as seed improvement using genome

editing and AI analysis technology, soy materials for meat substitutes, and soy ingredients certified by the Round Table on Responsible Soy Association (RTRS), which provides certification of sustainable soybean cultivation and social responsibility in the soy sector.

In the domestic feedstuff business, we maintained a stable supply of wide-ranging feedstuff materials from producing regions around the world amidst impacts from the conflict in Ukraine and turmoil in container shipping operations.

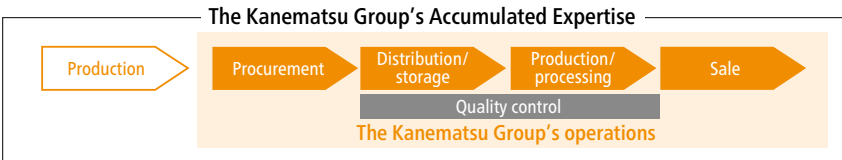
In the overseas feedstuff business, in the area of aquafeed materials, we worked to obtain resource management certification while expanding sales of fish meal and fish oil in Asian markets.

Key Businesses and Locations



The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of the grain industry, leveraging a multilateral, multifaceted business creation perspective.



Business Environment

Opportunities	Action Plan
• Increasing regularity of extreme weather events • Growing global demand • Growing demand for quality • Bringing in new technologies	• Diversify supply regions leveraging our global network • Capture growing demand in China and other Asian markets • Enhance quality at production facilities for mixed feedstuff, fertilizer, soybeans, forage, and other products • Use IoT, genome editing, and other technologies to help increase the productivity of our partner
Risks	Countermeasures
• Price fluctuations • Supply disruptions due to extreme weather events • Quality control	• Enter into hedges via futures markets, such as the Chicago Mercantile Exchange • Secure stable supply by diversifying production sites and suppliers • Enhance quality control through upstream production and sourcing businesses

Longstanding Relationships A Word from Our Business Partner

The Kanematsu Group is a key business partner for us in the procurement of raw materials for our mainstay products.

Agricultural product procurement is impacted by a wide range of factors, from weather to market fluctuations and geopolitical risks. Recently, we have faced an unclear outlook due to supply chain interruptions caused by the COVID-19 pandemic and the Russian invasion of Ukraine, among other factors, and the environment surrounding raw material procurement is growing increasingly challenging.

Under these circumstances, the Kanematsu Group has been working to build a stable supply system that is highly agile and resilient by utilizing its diverse global supply network and its own supply bases while working to incorporate crop varieties suitable for product manufacturing.

I look forward to seeing the Kanematsu Group evolve these functions as it continues to strengthen its relationship of trust with us and carry out stable raw ingredient procurement.



Yuji Sasaki
Director and General Manager,
Purchasing Department
Kikkoman Business Service
Company

Steel, Materials & Plant | Steel, Steel Tubing, Chemicals, Energy, Plant & Ships, Machine Tools & Industrial Machinery



Eiji Kan
Senior Managing Executive Officer,
COO Steel, Materials & Plant

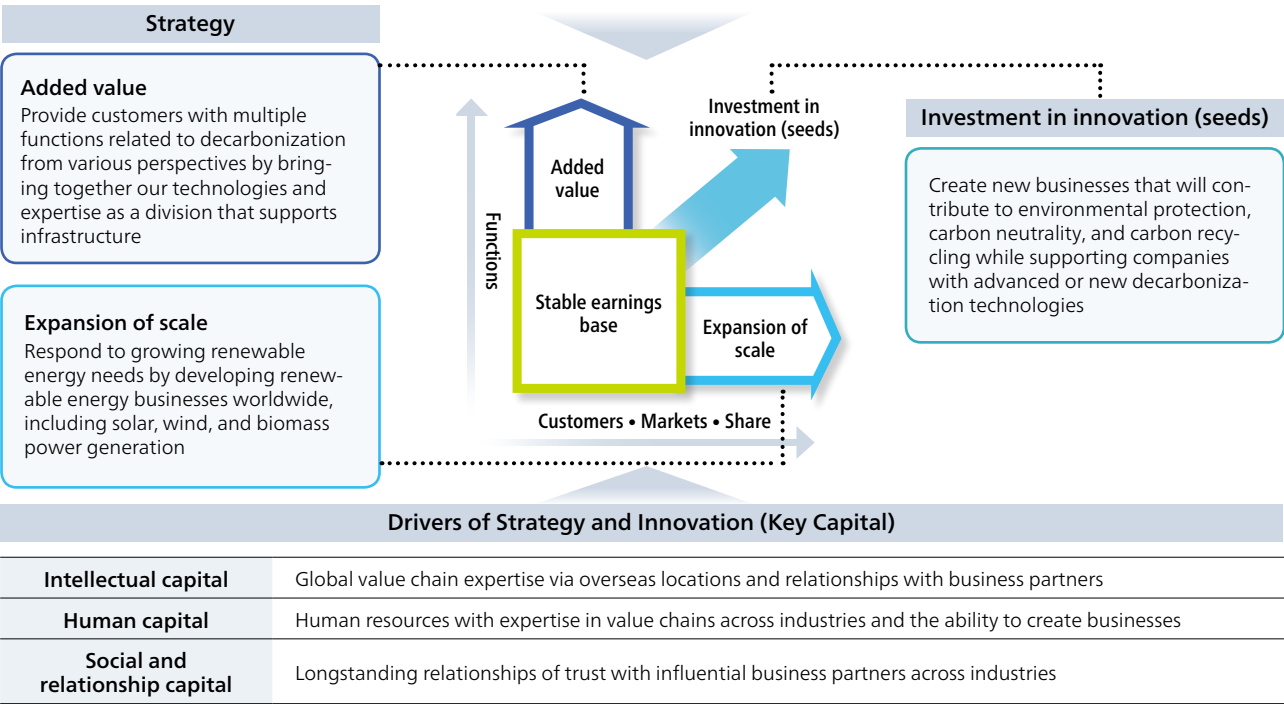
The Steel, Materials & Plant segment covers a full range of iron and steel products, energy solutions, chemicals, industrial plant and infrastructure facilities, and ships. Across a wide variety of operations, highly specialized staff uphold Kanematsu's commitment to supplying and developing high value-added and environmentally friendly products.

Key SDGs
The Steel, Materials & Plant segment contributes to environmental sustainability through the promotion of solar power, wind power, biomass fuels, and other sustainable energy as well as the effective use of environmentally friendly materials.



Medium- to Long-Term Market Outlook

As carbon risk grows, green transformation needs are expanding. The key to success will be providing various forms of support for customers' decarbonization efforts.



Progress toward the Medium-Term Vision: Main Initiatives in Fiscal 2023

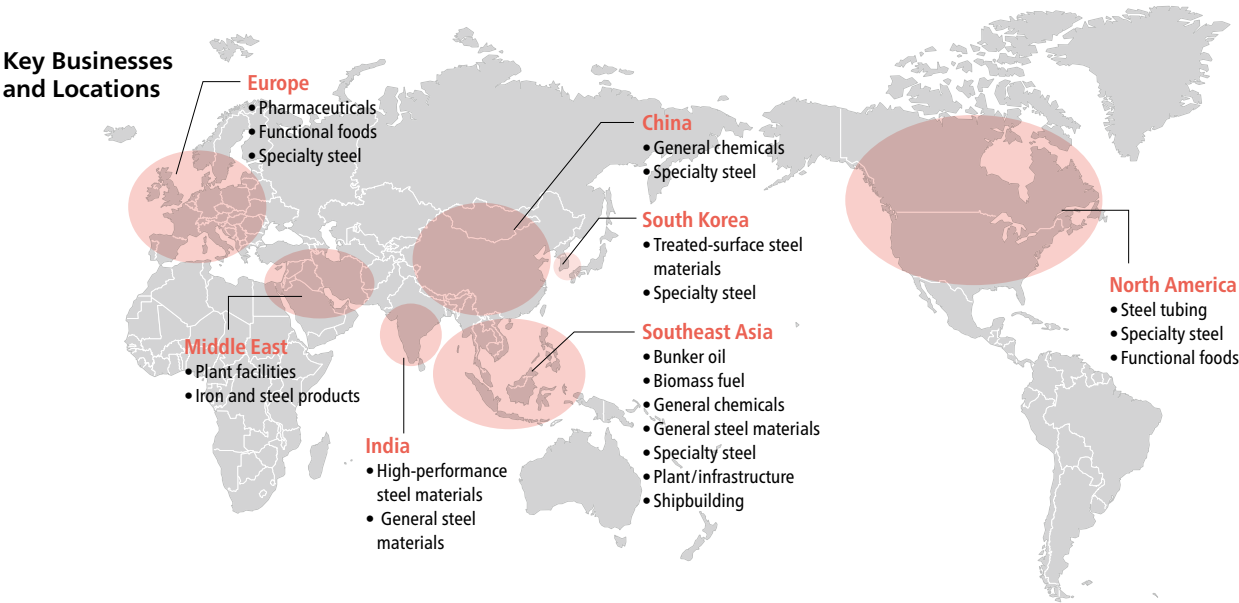
In the chemicals business, in addition to focusing on existing businesses in functional chemicals, life science, and health care, we are proactively working toward business expansion, including investing in new technologies for plastic recycling.

In the iron and steel business, the steel material treatment businesses in which we have invested in South Korea and Vietnam continue to grow steadily and are generating synergies with Group companies engaged in building construction.

In specialty steel, we have greatly expanded into businesses in environmentally conscious fields, such as flue gas desulfurization equipment, air conditioners, electric vehicles, and hydrogen and ammonia production equipment. We have also expanded the range of products we handle from general-purpose stainless steel to include such high-value-added products as high alloy steel, nickel, and titanium.

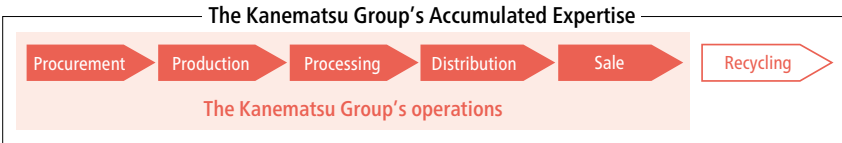
In the steel tubing business, oil drilling demand was firm, reflecting rising global energy demand. At the newly opened technical center of our U.S.-based threading processing subsidiary, we are focusing efforts on environmental response, including the development of threading for steel tubing used in subterranean CO₂ injection.

In the energy business, the biomass fuel business continues to steadily grow, and we are creating frameworks to meet demand for various forms of energy. In the plant and ships business, performance in shipbuilding businesses in South Korea, Taiwan, and elsewhere was strong, reflecting the post-pandemic rise in logistics demand. In addition, we are working to both contribute to the environment and achieve business growth by deepening initiatives related to solar power and domestic wind power generation.



The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of several industries, leveraging a multilateral, multifaceted business creation perspective.



Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none">Changes in the global energy market structure, including declining demand for fossil fuelsGrowing global awareness of environmental problems, as seen in GX efforts and the SDGsDiversifying consumer needs and behavior patterns	<ul style="list-style-type: none">Accelerate initiatives in renewable energy businessesExpand business involving more environmentally friendly high-value-added productsAdvance DX to both strengthen customer relationships and respond to new business environments by raising customer satisfaction
Risks	Countermeasures
<ul style="list-style-type: none">Further changes to market structures and the realization of geopolitical risks due to trade problem intensificationTemporary personnel shortages due to accelerating business investmentChanges to the business environment due to tightening environmental regulations or other factors arising from the international shift toward lower carbon emissions	<ul style="list-style-type: none">Mitigate the risk of trading right advantages being weakened by cultivating new markets, products, and trading partnersExpand business in high-performance products and products made to proprietary standards to reduce risk related to trade problemsProvide education and opportunities for employees to gain experience, mainly through personnel exchanges with affiliated companies in and outside JapanCreate new businesses that contribute to environmental preservation, including CO₂ reduction

Longstanding Relationships | A Word from Our Business Partner

Benoit's key focus is innovative technology and effective manufacturing that allows our customers to progress from market challengers to market leaders. All companies need a vision to achieve success.

Eleven years ago, Kanematsu acquired part ownership in Benoit to establish a complete supply chain for the manufacture and distribution of next generation proprietary thread technology. Kanematsu's provided a vision for Benoit. That vision continues today, with both financial investment and strategic guidance supporting the plan to invest in people, technologies, and manufacturing facilities that cater to the products needed for

both the traditional oil and gas sector and the growing Clean Energy market.

Within the past five years, Benoit's strategic product development plan has added newer, higher performing products designed to meet the needs of emerging drilling activities, a new Research and Development Center, and a new modern manufacturing facility. All these additions have resulted in these new technologies growing to 40% of thread technology sales. Benoit looks forward to expanding on Kanematsu's vision and consolidating our customers' place as market leaders in an continually evolving global market.



Paul Fullerton
President
Benoit Premium Threading, LLC.

Motor Vehicles & Aerospace

Motor Vehicles and Parts, Aerospace



Ryoichi Kidokoro
Senior Executive Officer,
COO Motor Vehicles & Aerospace

The motor vehicles and parts business handles motorcycle and automobile parts as well as complete built up vehicles, while the aerospace business handles aircraft and parts as well as space-related products. These businesses operate on a global scale, leveraging the Group's superb expertise and extensive information resources.

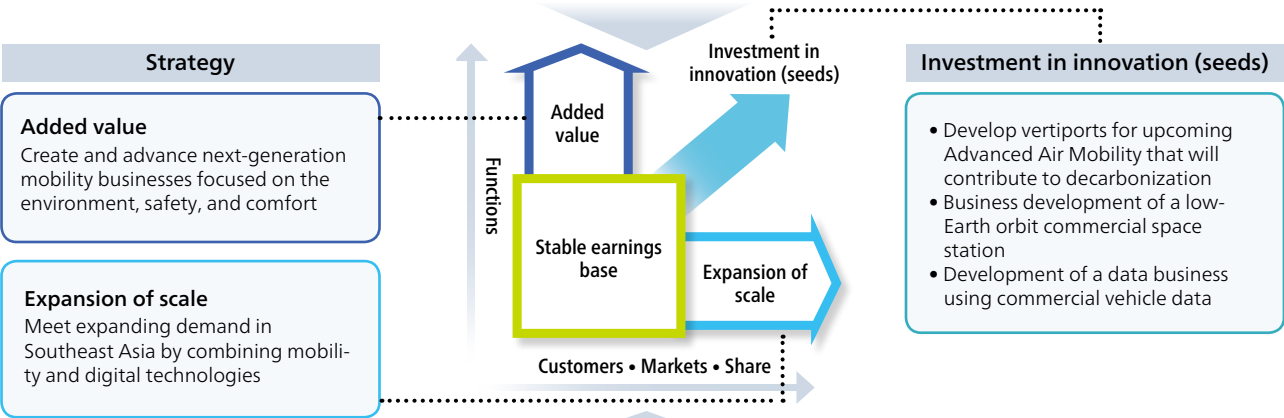
Key SDGs

The Motor Vehicles & Aerospace segment aims to contribute to society by providing safe and pleasant mobility. We aim to build living environments that are environmentally friendly, sustainable, and free of traffic accidents through next-generation mobility.



Medium- to Long-Term Market Outlook

The next-generation mobility and space markets are expected to expand. Market expansion will inevitably entail increased CO₂ emissions, but decarbonization efforts applying technological innovations in such areas as weight reduction and electric vehicles will accelerate, as well. The key to success will be creating mobility businesses focused on the environment, safety, and comfort.



Drivers of Strategy and Innovation (Key Capital)

Intellectual capital	• Expertise in combining mobility and digital technologies • Supply chain management expertise leveraging global networks through overseas business locations and Group companies
Human capital	Human resources with a wealth of expertise
Social and relationship capital	• Longstanding relationships of trust with industry-leading business partners around the world • Global network for discovering new technologies and business models

Progress toward the Medium-Term Vision: Main Initiatives in Fiscal 2023

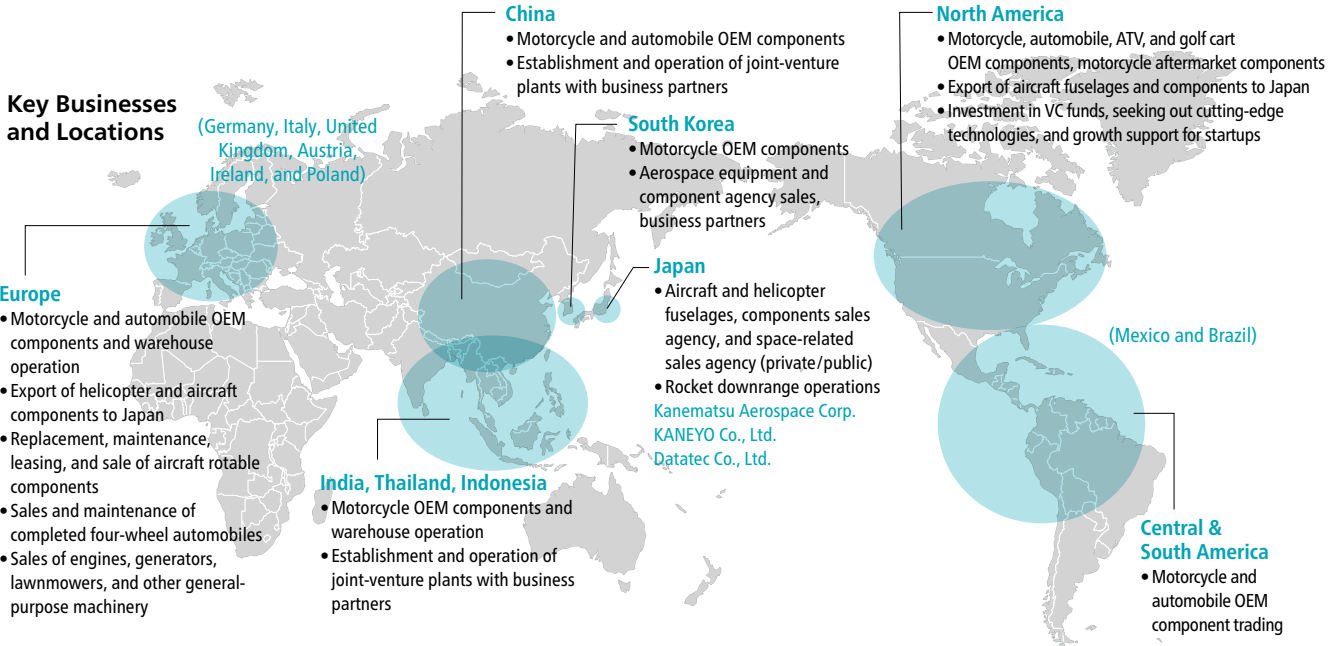
In the aircraft and defense business, transactions increased, reflecting rising geopolitical risks. In the commercial aircraft business, aiming for the social implementation of services using Advanced Air Mobility, we are advancing pilot testing in partnership with the U.K.-based Skyports Limited and with the cooperation of local governments. In the space business, we have partnered with U.S.-based Sierra Space and are working to expand our network toward the use of a commercial space station in low-Earth orbit.

The motorcycle and automobile business was affected by

rising shipping and materials costs, but markets showed steady signs of recovery. We are also taking on new businesses with an eye toward contributing to reducing carbon emissions.

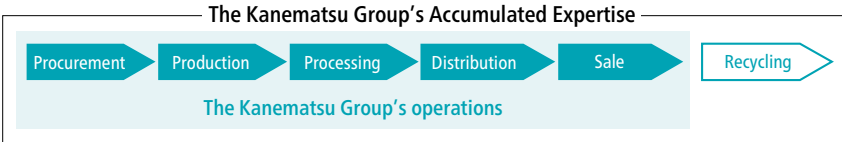
We also accelerated business development through Kanematsu Ventures Inc. and WERU INVESTMENT Co., Ltd., and invested in an emerging carbon nanotube manufacturer.

Focusing on the environment, safety, and comfort, we will create and advance cross-divisional next-generation mobility businesses.



The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of the motor vehicles and aerospace industries, leveraging a multilateral, multifaceted business creation perspective.



Business Environment

Opportunities	Action Plan
• Growing awareness of the environment and safety • Diversification of mobility alongside accelerating technological innovation and DX • Changing ways of thinking about modes of transport in developed countries • Expectations for space development, which is increasingly important in both the defense and commercial spheres	• Leverage data to create new businesses that reduce environmental impact and accidents • Advance partnerships with startups, mainly through our investment base in Silicon Valley, to create new businesses • Work to increase social acceptance and reinforce infrastructure business initiatives in order to realize the widespread use of Advanced Air Mobility • Reinforce the space safety assurance field and create businesses in the low-Earth orbit sector
Risks	Countermeasures
• Logistics disruptions due to international conditions, geopolitical risks, or changes in demand arising from environmental regulations or trade friction • Rapid changes in consumer awareness or industry structure that surpass the frameworks of existing value chains and business models	• Build next-generation business models centered on value creation and reinforce distribution networks • Bring in new technologies and business models through innovation investment and develop businesses in both product and service areas

Longstanding Relationships A Word from Our Business Partner

Our relationship with Kanematsu started in 1983, when we began doing business with major overseas motorcycle manufacturers. Over the four decades since, we have worked together to expand our sales channels, cultivating new customers and making new product proposals. We have also established joint-venture plants in Europe and Asia, with Kanematsu involved in management. Sharing good times and bad, and weathering many changes in the external

environment, from economic downturns to shifts in competitors, we have built a strong partnership. This year, we have decided to jointly invest in a new carbon nanotube manufacturer. We are very pleased to be taking on this new business area together, and we look forward to seeing the Kanematsu Group utilize its wide-ranging sales channels and expertise in support of this new endeavor.



Yoshifumi Fuchigami
Managing Officer
F.C.C. Co., Ltd.