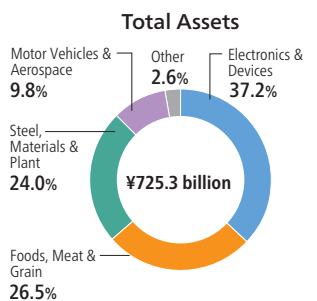
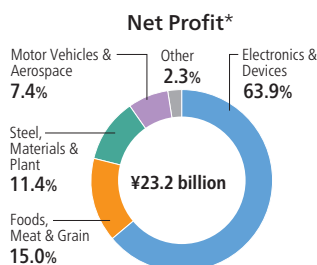
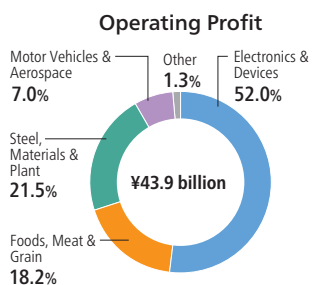
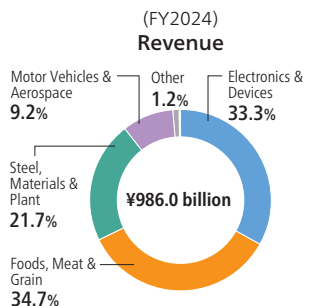
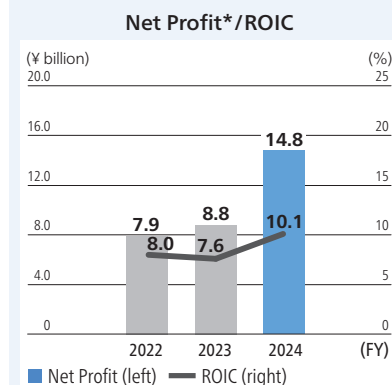
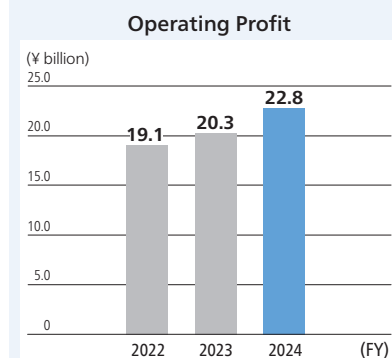
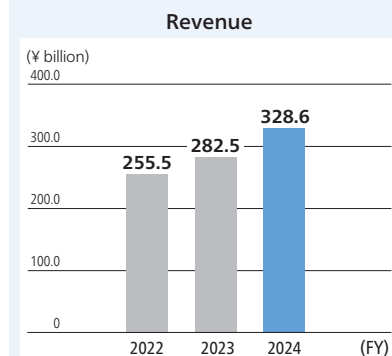


Business Segments

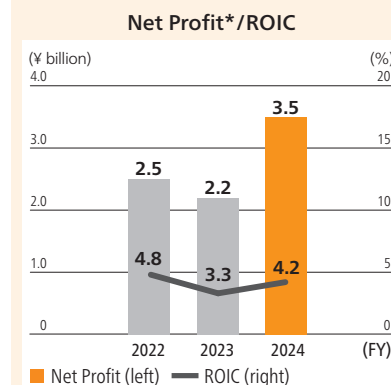
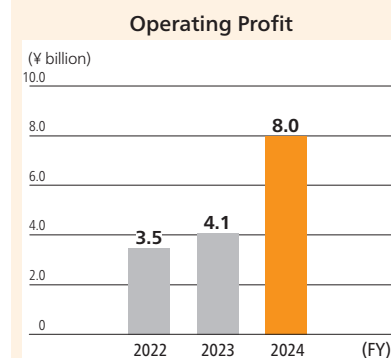
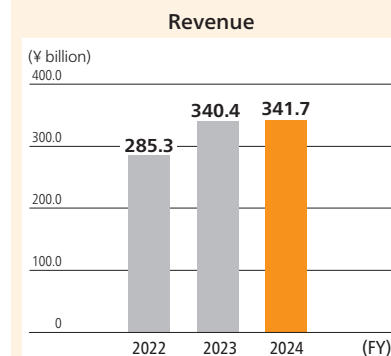
Note: The newly established ICT Solution segment for the fiscal year ending March 31, 2025 corresponds to the ICT Solutions business included in the Electronics & Devices segment through the fiscal year ending March 31, 2024.



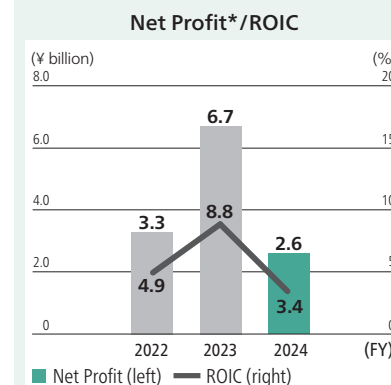
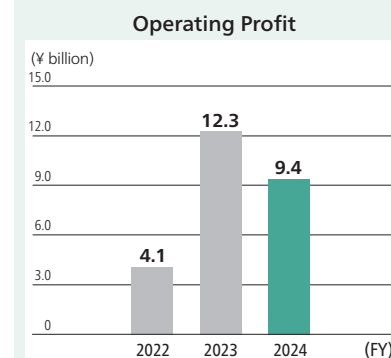
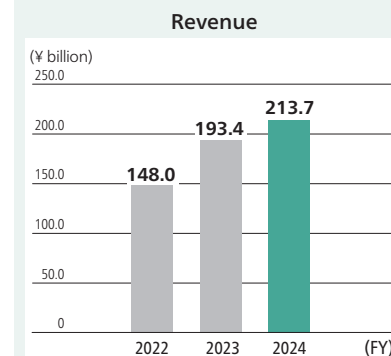
Electronics & Devices



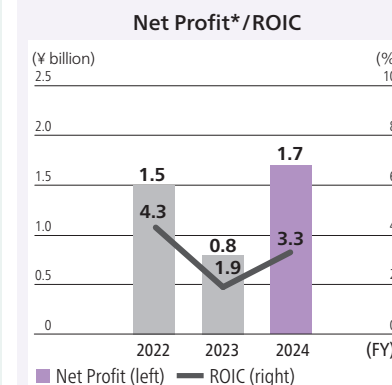
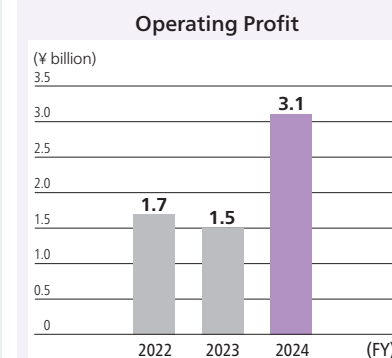
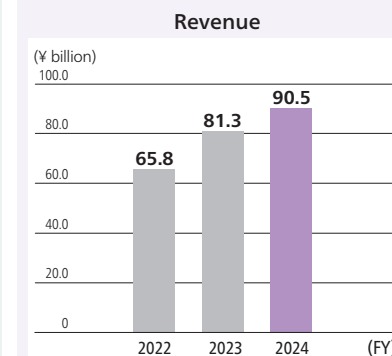
Foods, Meat & Grain



Steel, Materials & Plant



Motor Vehicles & Aerospace



* Profit for the year attributable to owners of the Parent

ICT Solution



Akira Watanabe

Executive Officer,
COO ICT Solution

Kanematsu Electronics Ltd. (KEL) is taking the lead in building IT infrastructure and developing an ICT-based (Information Communication Technology-based) security business by leveraging the strengths of a multi-vendor. Moreover, through system consulting on our corporate information system, we provide one-stop services ranging from design and construction to implementation, maintenance, and operation.

Systems (KEL Zero Trust Security Solutions / Infrastructure Solutions / Network Solutions / DX Promotion Solutions / Global Solutions), Services and Support (KEL Custom Cloud / KEL Managed Services)

Key SDGs

Through its business activities, the ICT Solution division aims to develop social infrastructure that implements cutting-edge technologies, while at the same time reducing its environmental impact through the use of cloud computing and services, and promoting the development of digital human resources and work style reforms. The division will also contribute to the realization of a sustainable society by sharing knowledge we have accumulated in-house through working with our customers and partners.



Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals

Drivers of Strategy and Innovation (Key Capital)

Intellectual capital	Solid technical capabilities accumulated over many years and the ability to respond as an unbiased provider of multi-vendor solutions
Human capital	Human resources with expertise in digital services that combines dynamic adaptability and flexibility in project management
Social and relationship capital	Diverse and excellent customer base centered around enterprise companies



- Providing solutions, such as IT infrastructure development and security measures, to the booming ICT market with the aim of realizing a sustainable supply chain through digitalization.
- Cross-selling to the 20,000-strong wide range of customers and business partners that do business with the Kanematsu Group
- Contributing to the realization of a decarbonized society by reducing environmental impact through the provision of cutting-edge technologies
- Pursuing GX and technology collaboration with the Group's various segments, which boast knowledge covering a wide range of industries
- Developing and implementing security solutions that bring together cutting-edge technology and customer needs through the formation of a broad community via a security fund, and contributing to the construction of a robust social infrastructure
- Enhancing intercompany collaboration by combining the market demand and technology acumen of KEL with the in-house investment knowledge of Kanematsu and its global security experts

Supply Chain
Transformation / Creation

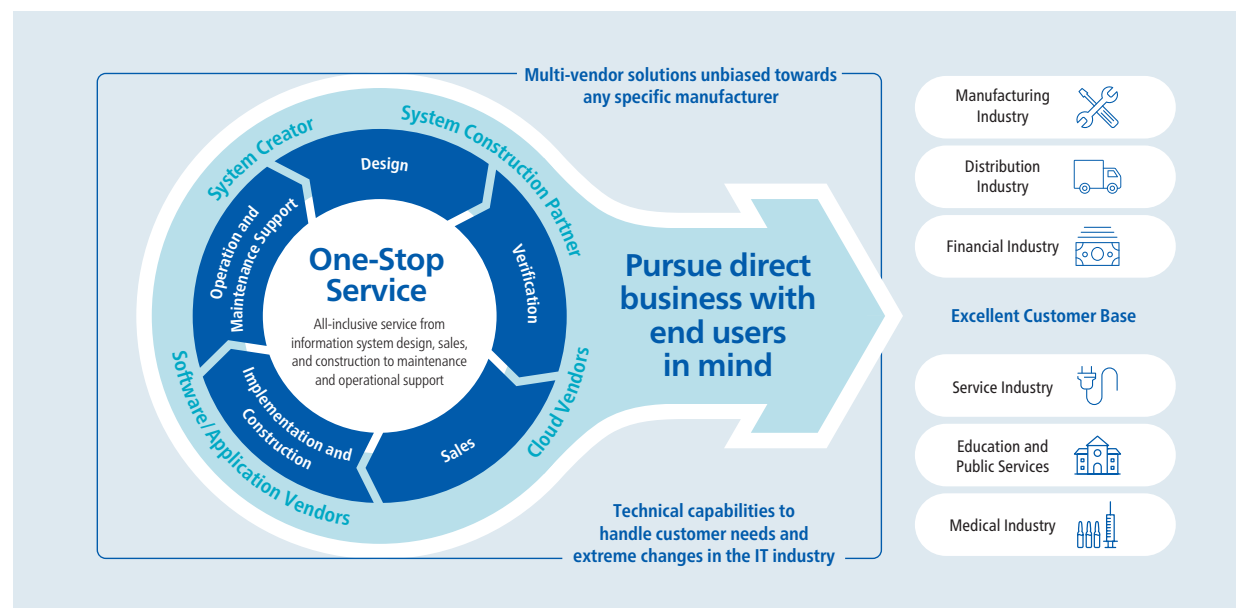
Key Initiatives for the Fiscal Year Ended March 31, 2024

In the ICT market, the willingness of companies to invest in DX-related projects in order to expand their businesses or to automate and streamline their operations to compensate for labor shortages continues to grow. In addition to our infrastructure development business, which is based on technological capabilities we have cultivated over the years; this segment also focuses on the solutions

business to support our clients' IT strategies and efforts to address issues. Furthermore, security measures are becoming increasingly important in the face of a sharp increase in ransomware and other sophisticated and diversified cyberattacks. Therefore, we are expanding our unique "as a Service" business, as well as security solutions aligned with the era of zero-trust networks, to achieve

revenue growth. We have also enhanced our system to meet the security-related demands of the market by entering into a new capital and business tie-up with Broadband Security, Inc.

Business Model



Business Environment

Opportunities

- Growth in ICT investment across a wide range of industries, driven by technological advances and the spread of digitization
- Increased demand for platforms due to the evolution of the use of on-premise and cloud computing and the convergence of services
- Increased global activity in client businesses

Risks

- Rapid changes in technological trends and the obsolescence of existing platforms due to the evolution of digital technology
- Increased competition to retain engineers due to a chronic shortage of IT personnel
- Increased security risks, such as ever-more sophisticated cyberattacks and data leaks

Action Plan

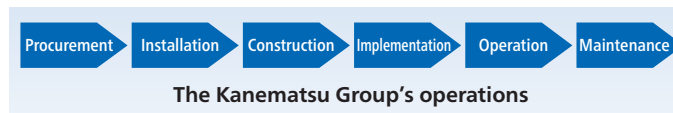
- Strengthen sales capabilities in booming business areas centered on the semiconductor industry
- Expand the "as a Service"-centered lineup of managed services
- Expand sales of hybrid cloud, a combination of on-premise and cloud services
- Provide a global seamless platform for companies seeking to expand and promote their global operations

Countermeasures

- Enhance digital human resource development and education systems to promote continuous improvement of engineers' skills
- Secure resources and expand our service lineup by building alliances with external partners, such as capital and business alliances
- Promote gathering of the latest cybersecurity information and service development, as well as the training of security engineers and the expansion of solution provision

The Kanematsu Group's Accumulated Expertise

We cover the wide-ranging value chains of the ICT solutions industry, leveraging a multilateral, multi-faceted business creation perspective.



Partner's Voice

A Word from Our Business Partner

With an extensive history, the JVCKENWOOD Group has evolved and today operates in three business fields. We have done business with the Kanematsu Group for about 50 years in each of those business fields. The Kanematsu Group has offered tremendous support for the reforms we have undertaken and the advanced technology it is able to offer helped us to build virtual environments and security environments for our IT infrastructure when we took on the challenge of entering new fields.

Recently, as supply chain risk has become an urgent issue, the Kanematsu Group helped us identify risks related to our IT infrastructure and then to consider and implement measures accordingly at our offices in various countries. The appeal of the Kanematsu Group is their ability to work closely with clients in this way, from the consideration of measures to their implementation, all in a single integrated process.

The Kanematsu Group has also cooperated with us in the restructuring of our business, and we look forward to their continued support not only as a business partner, but also as a strategic partner.



Shoichiro Eguchi

Representative Director of the Board,
President & CEO of JVCKENWOOD
Corporation

Electronics & Devices



Masahiro Harada

Managing Executive Officer
COO Electronics & Devices

Kanematsu has long been expanding its value chain—extending from materials to electronics and components, devices, and equipment for mobile, data, AI, and SaaS applications—and providing unique added value in an extensive range of fields. We will continue to contribute to the creation and development of a digital society by creating unprecedented new value by providing reliable technology backed by abundant electronics-related knowledge.

Mobile; Data, AI, SaaS; Semiconductor Equipment; Electronic Components and Materials; Industrial Electronics (Printers); Semiconductors & Devices

Key SDGs

The Electronics & Devices division, through constantly evolving digital technologies, engages in new businesses and contributes to helping to build the foundations of the industry and technological innovation. We are also assisting climate change initiatives through the expansion of 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 various objectives of the SDGs.



Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals

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



- Expanding our hardware and software portfolio for Beyond 5G (6G)
- Supporting customers and business partners of the Kanematsu Group in their DX promotion by expanding the use of mobile ICT terminals, mobile ICT services, SaaS, and AI
- Promoting the substitution of plastic, synthetic paper, and paper through the sales of labels made from LIMEX Sheet, which contains more than 50% inorganic materials. Reducing the use of petroleum resources, curbing greenhouse gas emissions, and substantially reducing use of water resources
- Establishing and operating a platform for business matching
- Promoting efficiency and reduced labor requirements in customer operations by providing Kanematsu Group companies with products related to DX, cooperative robots, and automated equipment, etc. At the same time, establishing win-win relationships that help clients increase revenues by proposing business tools that leverage data, SaaS, and AI

Supply Chain
Transformation / Creation

Key Initiatives for the Fiscal Year Ended March 31, 2024

In the mobile business, the Group worked to increase the operational efficiency of each outlet as well as to promote the group companies of primary and secondary distributor of telecommunications carriers based in the Kansai area.

In the semiconductor component and equipment business, we acquired

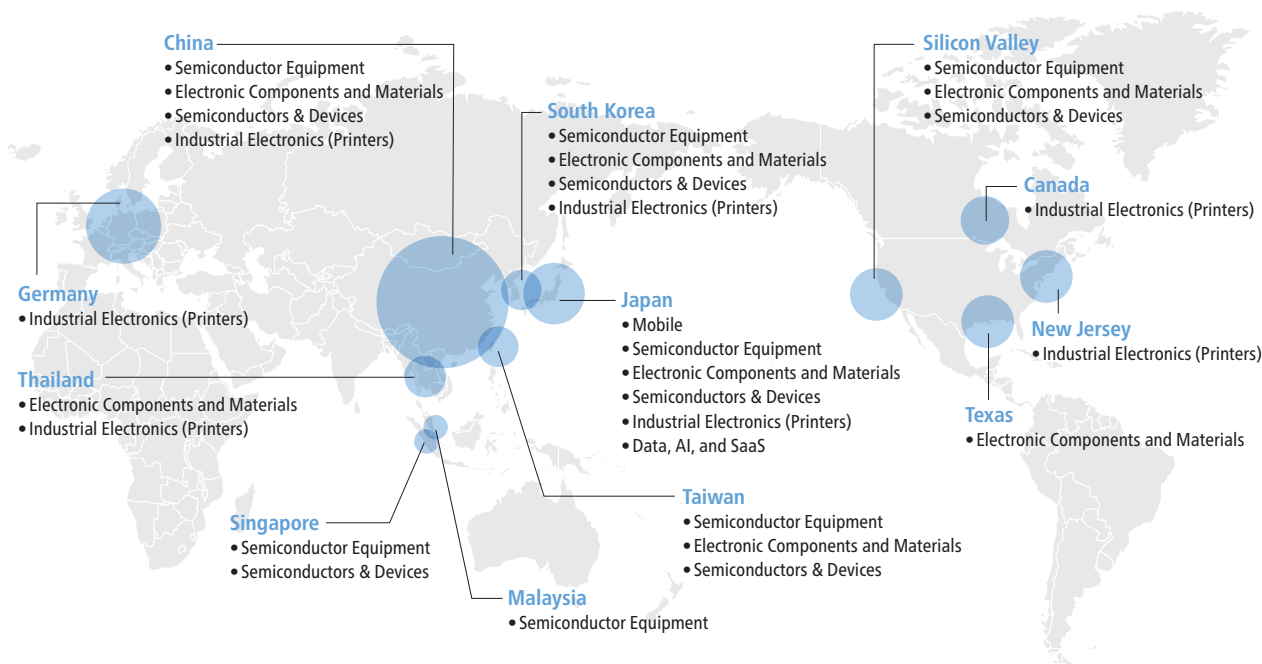
a company that provides support services for semiconductor production equipment.

Continuing from the previous fiscal year, in each of our business fields, we promoted expansion of scale through business investment and the acquisition of

added value, which were the priority initiatives of our *future 135* medium-term vision, and contributed to achieving those goals for the fiscal year ended March 2024, the medium-term vision's final year.

Electronics & Devices

Key Businesses and Locations



Business Environment

Opportunities

- Normalization of remote work, online conferencing, and a paperless work environment
- The creation and expansion of related technology and service markets driven by the adoption of AI, IoT, robotics, and 5G
- Accelerating DX and GX initiatives at companies in Japan

Risks

- Increasing sophistication and complexity of information security, shortage of specialized professionals, and tightening regulations
- Industry reorganization, the impact of core technologies, and technological innovation
- Supply chain interruptions due to changing international conditions or geopolitical risks

Action Plan

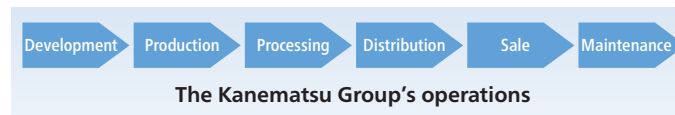
- Expand profit-earning opportunities by providing new value through the handling of related solutions in the mobile business and related products in the semiconductor equipment, electronic components and materials, and industrial electronics (printers) businesses
- Promote M&A and innovation investment in solutions providers, including startups, and expand profit through synergies with existing businesses

Countermeasures

- Acquire and expand solutions platforms based on capital alliances and partnerships with companies in and outside Japan that have specialized technologies
- Expand scale by acquiring companies and businesses and acquire and develop new products and solutions through innovation investment
- Optimize supply chains by expanding the functions of overseas locations and diversify the portfolio using advanced technologies

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.



Partner's Voice

A Word from Our Business Partner

SINFONIA was founded in 1917, with the core of its business comprising electrical control technology. Drawing on this technology, we offer products produced by businesses in 12 diverse fields, ranging from semiconductor transfer equipment to electrical components for space rockets, small motors, electromagnetic clutches, and printers. Our relationship with Kanematsu began around 2000, when we began installing our printers in the photo kiosk terminals of a U.S. manufacturer that prints digital camera photos. From then on, Kanematsu helped engineers with limited English skills, including myself, participate in technical meetings with clients and provided other support for various aspects of our business, enabling the completion of many projects.

In recent years, the photography business has shrunk due to diminishing demand. Together with Kanematsu, however, we have developed new businesses to replace it and have maintained a lasting relationship up to the present day. We will continue our efforts toward creating new businesses that contribute to the development of society, and we look forward to Kanematsu's continued support and cooperation in the years to come.



Tsutomu Inagaki

Officer
Control and Imaging Products
Business Department
Electronics & Precision Products
Division of SINFONIA TECHNOLOGY
CO., LTD.

Foods



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

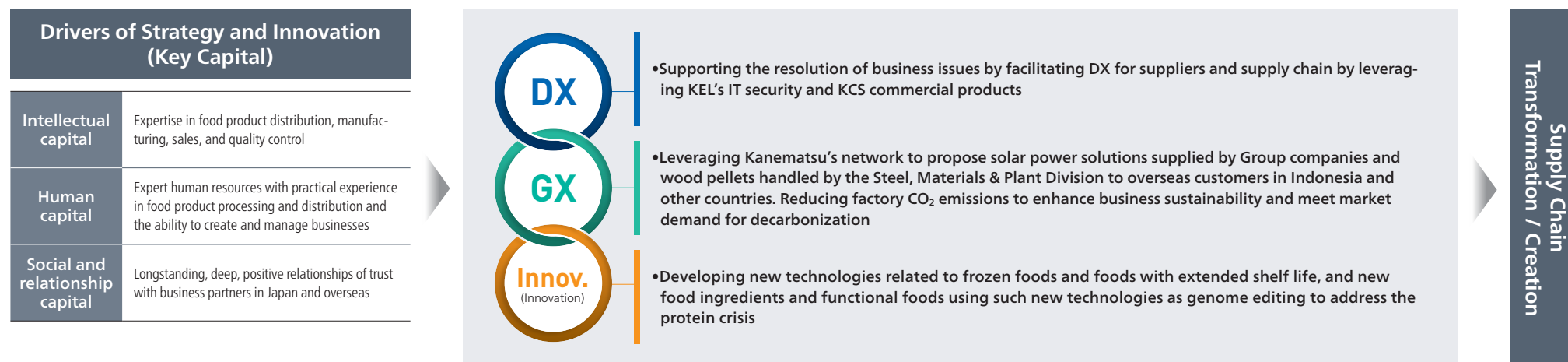
The Foods division seeks to secure stable food sources and contribute to local communities by promoting business related to environmentally friendly and sustainable agricultural and marine products, such as Rainforest Alliance-certified coffee and MSC/ASC-certified* marine products. In response to growing consumer awareness of sustainability, Kanematsu is also contributing to the realization of a sustainable society by working with its business partners to promote greenhouse gas (GHG) reduction initiatives in its supply chain and labor environment improvements based on the Kanematsu Group's Human Rights Policy.

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



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

Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals



Key Initiatives for the Fiscal Year Ended March 31, 2024

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 geopolitical risks and climate change 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.

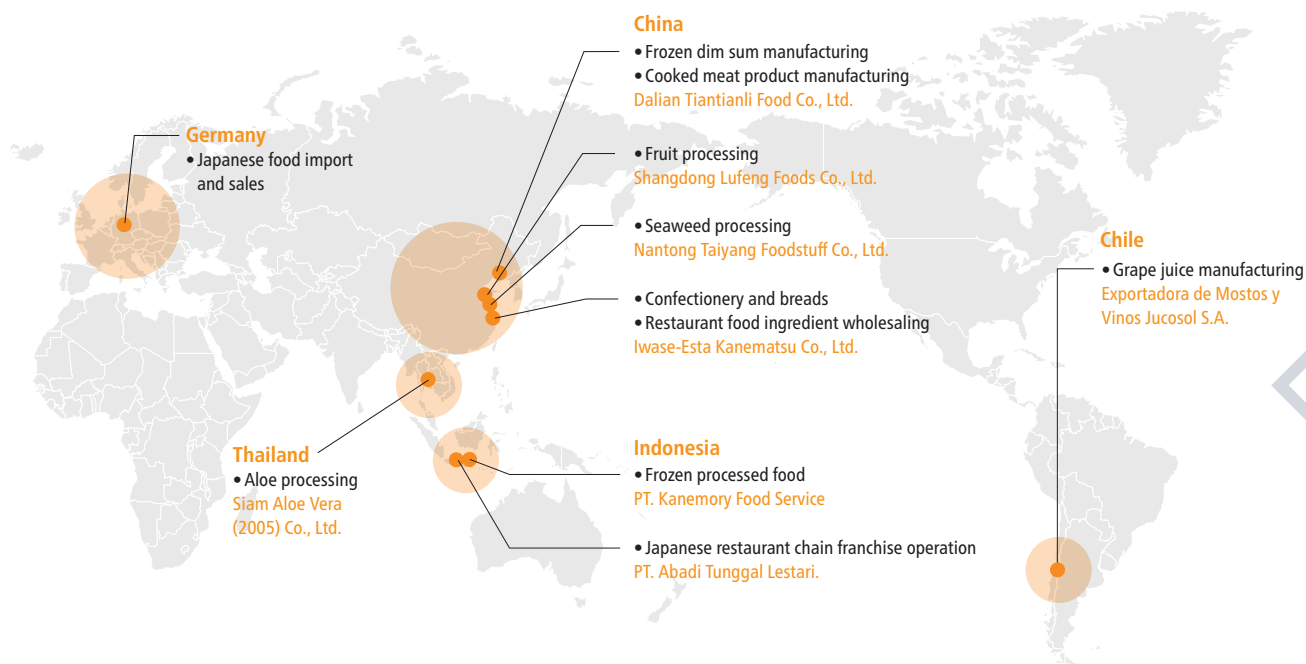
In addition, in response to growing awareness of sustainability among

consumers and to accelerate sales of sustainable raw materials, we conducted the following initiatives in the coffee business: information disclosure based on TCFD recommendations (Climate Change), information disclosure based on TNFD recommendations (Nature Capital and Biodiversity), and human rights due diligence.

In overseas markets, we worked with longtime local partners to enhance the development of new products that meet local needs and promote the development of sales channels.

Foods

Key Businesses and Locations



Business Environment

Opportunities

- Demographic graying of consumers and rising health awareness
- Personnel shortages and rising staffing costs in the food products industry
- Growing food demand and shift from focus on quantity toward quality in Asia

Risks

- Damage to agricultural products under cultivation or operational disruptions of processing and manufacturing facilities or logistics attributable to global warming or extreme weather events
- Health hazards for consumers due to the contamination of food products
- Global population growth and food resource depletion

Action Plan

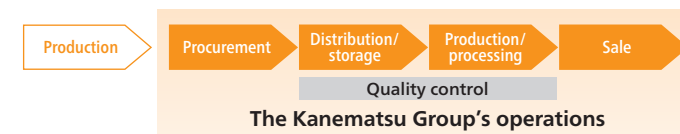
- Develop production sites for fresh agricultural products that are safe and reliable
- Develop and commercialize delicious and easy to prepare processed food products targeted to specific markets around the world
- Leverage DX to save labor in sorting and processing and improve quality
- Expand mechanisms for providing safe, reliable food at Japanese standards and grow businesses in local production for local consumption

Countermeasures

- Hedge risks by working with production sites distributed around the world; secure water resources, leverage new technologies, and promote cultivation
- Reinforce food safety management systems based on ISO 22000 and FSSC 22000
- Trade in agricultural and marine products that are certified as sustainable by third parties and promote the use of renewable products

The Kanematsu Group's Accumulated Expertise

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



Partner's Voice

A Word from Our Business Partner

I first visited Japan in 1978. Establishing a mutually beneficial enterprise with this wonderful country became a dream for me. The partnership between Daterra and Kanematsu, which dates back more than 20 years, was an excellent opportunity to allow Daterra's sustainable and special coffees to be introduced to many wonderful partners.

Over the years, Kanematsu and its wonderful team have honored us with many visits to our farms and conservation lands in Brazil. Without Kanematsu's efforts as our sole distributor in Japan, our coffees would not have gained so much respect in Japanese market. Kanematsu's focus on coffee made it possible to expand our presence in the market with a breadth of new special and sustainable beans.

We are excited to have developed this strong partnership over the years and to have been able to collaboratively nourish such new dreams as the Tree_Illion Project—a strategic movement to further strengthen the sustainability in the value chain of the best coffees in the world while balancing our effect on the planet's climate.

We happily look forward to working together for many years to come, taking advantage of the strengths of our partnership and achieving even greater success.



Luis Norberto Paschoal

President/Founder
Daterra Atividades Rurais Ltda.

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.

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

Key SDGs

We are contributing to securing sustainable food resources through the development of new production areas, for example, in Uruguay, where beef with a low environmental impact is produced, the pursuit of strategic partnership agreements like that with Danish Crown, which is committed to sustainable meat production, and proactive efforts in new food technology areas like alternative meats.



Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals



Key Initiatives for the Fiscal Year Ended March 31, 2024

As a leading company in the livestock industry, we continue to build value chains to establish a stable supply of safe, reliable, high-quality products that meet customer needs. Constantly working to address concerns and counter risks related to such issues as geopolitics and supply chain fragmentation as well as rising prices in major producing regions, we actively develop new production areas and suppliers. We also work to further reinforce relationships with existing suppliers through business tie-ups and investment, continuing to build a stable supply

structure for meat product ingredients. Furthermore, in China and Indonesia, we expanded our value chain by investing in and establishing joint ventures with food service companies.

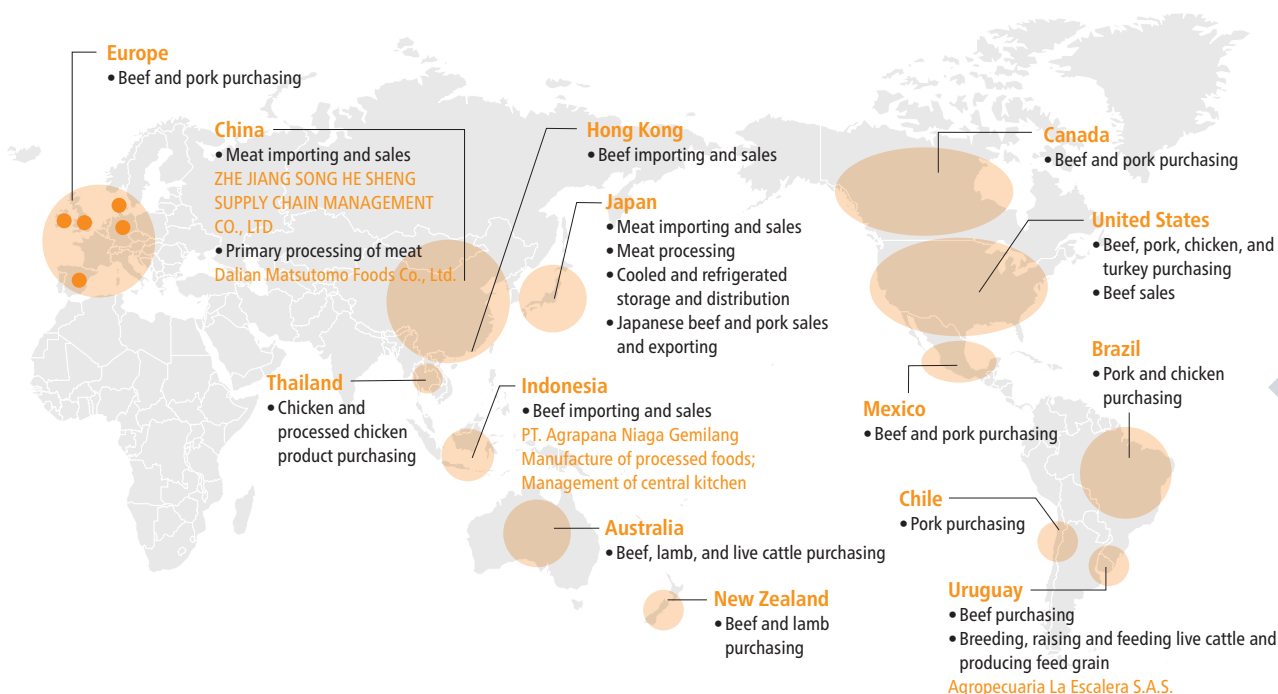
In terms of DX, we have improved business productivity through the use of digital technology, including the creation of a web platform for livestock transactions.

In GX, we worked with our partner in Scandinavia, Danish Crown A/S, to

facilitate the creation of a sustainable meat supply chain with our clients. In the beef business, following information disclosures based on TCFD recommendations (climate change), we have also made information disclosures based on TNFD recommendations (nature capital and biodiversity) thereby establishing a system to respond to the growing sustainability consciousness of consumers in Japan.

Meat Products

Key Businesses and Locations



Business Environment

Opportunities

- Expansion of imports due to reduced import tariffs rates under the TPP11, the European Union's EPA, and the United States' TAG
- Growing demand for meat products in Asian markets
- Growing consumer awareness of safety and reliability issues

Risks

- 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

Action Plan

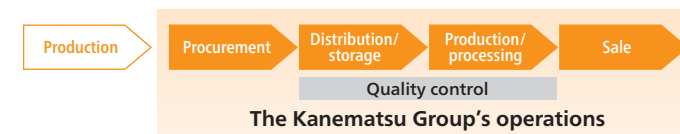
- Advance business investment and M&A to reinforce domestic sales capabilities by strengthening functions within the Meat Products group
- Extend business models used in Japan to expand meat product businesses in Asian markets
- Step up initiatives undertaken with current suppliers and cultivate new production sites to develop safe, secure, high-value-added products with a stable supply stream

Countermeasures

- 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

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.



Partner's Voice

A Word from Our Business Partner

For more than 40 years, Kanematsu and Danish Crown have been doing business together. It's always a privilege to work with Kanematsu, and they play a key role for us in the Japanese market. They have been with us from the beginning and have helped us navigate the Japanese market.

With our new contract on sustainability in February 2024, our relationship is becoming even closer, which will benefit all of us. Kanematsu's commitment to integrating sustainability into their business operations is a testament to the shared vision we hold for a more sustainable future in the food industry. Through this partnership, we will promote the creation of a sustainable meat supply chain together to meet the demands of increasingly sustainability-conscious Japanese consumers.

Together with Kanematsu, we will provide food safety, sustainable products, and quality, which will make our mutual customers happy and satisfied.



Mads Stougaard

Senior Vice President, Fresh Meat,
Sales
Danish Crown A/S

Grain, Oilseeds & Feedstuff



Jun Nakajima

Executive Officer
COO Grain, Oilseeds &
Feedstuff

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

The demand for protein has increased significantly as the world's population has grown, and the global demand for feedstuff, the production materials for grains and proteins, which are staple foods, has continued to grow. Amid mounting risks posed by climate change and geopolitical factors, we constantly strive to deliver a stable supply of consistently high-quality environmentally friendly raw materials. Furthermore, we continue to support the enrichment of people's lives through our pet-related businesses.

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

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 the sustainability of the fisheries industry and productivity improvements via the adoption of new technologies.



Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals

Drivers of Strategy and Innovation (Key Capital)	
Intellectual capital	Stable supply network and quality control expertise for major grains, oilseeds, and other raw material ingredients, drawing on synergies with DX-related fields within the Group
Human capital	A group of experts in each product category, bringing together Kanematsu's expertise in DX-related fields
Social and relationship capital	Reliable relationships with business partners backed by years of experience



Supply Chain
Transformation / Creation

Key Initiatives for the Fiscal Year Ended March 31, 2024

In the rice business, our share of the market for imported rice in Japan remained one of the highest, and overseas transactions expanded, including those to Southeast Asia and Europe. We have enhanced our high value-added rice products, for example, launching the handling of wash-free rice, organic rice, and environmentally friendly rice in Vietnam.

In the wheat business, we expanded our overseas business through the acquisition of equity in a major Japanese-style ramen noodle-making company in North America. Going forward, we will increase synergy and contribute to the expansion

of the overseas ramen market together with our investee companies by expanding the breadth of ramen products we handle to include peripheral products.

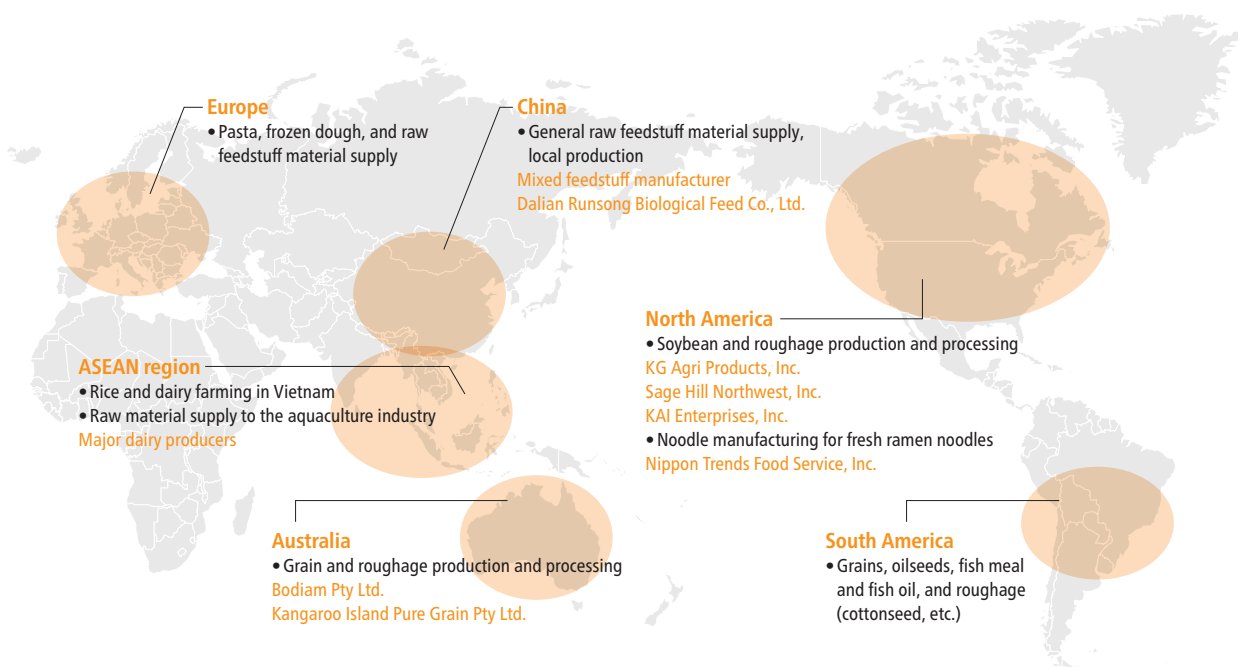
In the food soybeans and oilseeds business, we continued to be one of the top importers in the Japanese market thanks to our supply network in North America, which includes proprietary sorting plants and cooperative plants. We also provided added value through genome editing and AI analysis technologies for seed breeding, the supply of soybeans for use in alternative meat, and RTRS certified soybean seed that guarantees sustainable soybean farming and social responsibility.

The domestic animal feedstuff business faced a challenging environment due to heightened geopolitical risks and the depreciation of the yen. However, we were able to maintain a continuous and stable supply of a full line of feedstuff materials for production use in the livestock, fisheries, and dairy farming sectors.

In the overseas animal feedstuff business, sales expanded mainly in the ASEAN region against the backdrop of increased aquaculture production due to growing awareness of the need to protect marine resources, while sales to swine and dairy farmers in China were sluggish.

Grain, Oilseeds & Feedstuff

Key Businesses and Locations



Business Environment

Opportunities

- Increasing incidence of extreme weather events
- Growing global demand
- Growing demand for quality
- Increased demand related to SDGs/DX/GX/new technologies

Risks

- Price fluctuations
- Supply disruptions due to extreme weather events and geopolitical risks
- Quality control

Action Plan

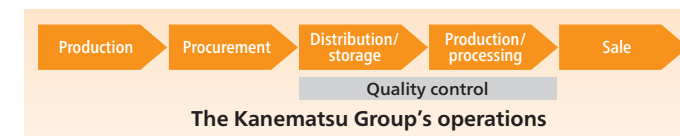
- Diversify supply regions leveraging our global network
- Capture growing demand in Asian and North American markets
- Improve product quality
- Help improve the production efficiency of business partners through IoT technology, genome editing technology, the acquisition of various certifications, etc.

Countermeasures

- 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

The Kanematsu Group's Accumulated Expertise

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



Partner's Voice

A Word from A Business Partner of the Group

The Kanematsu Group has long been one of our major sources of key ingredients, providing authentic ingredients for Japanese ramen in North America. Today, Japanese food in North America includes sushi, ramen, tempura, and teriyaki, and ramen's status has improved dramatically. Among these products, I can see that ramen possesses ample potential for further market expansion, as it is a food that can be eaten by anyone in the world.

There are many wonderful foods in Japan that have yet to gain global recognition. Together with the Kanematsu Group's partner companies, we will continue to endeavor as representatives of Japan and Japanese culture to accelerate the cultivation of the North American market for Japanese food culture. We would like to realize a world where Japanese foods like ramen are available in every home and at every type of restaurant and to spread knowledge of the excellence of Japanese food across North America and around the entire world.



Hideyuki Yamashita

President
Nippon Trends Food Service, Inc.

Steel, Materials & Plant



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, ships, geotech, wood processing, and CCTV systems. Across a wide variety of operations, highly specialized staff uphold Kanematsu's commitment to supplying and developing high value added and environmentally friendly products.

Steel, Steel Tubing, Chemicals, Energy, Plant & Ships, Geotech & Wood Processing, CCTV Systems

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.



Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals

Drivers of Strategy and Innovation (Key Capital)

Intellectual capital	Global value chain expertise via overseas locations and relationships with business partners
Human capital	Human resources with expertise in value chains across industries and the ability to create businesses
Social and relationship capital	Longstanding relationships of trust with influential business partners across industries



- Supporting DX promotion among suppliers and throughout the supply chain by cross-selling KEL's ICT products
- Proposing that Group companies and business partners leverage the Kanematsu Group's customer base to promote corporate Power Purchase Agreements (PPAs) for solar power generation. Contributing to the reduction of utility costs and greenhouse gas emissions at installation sites
- Leveraging the broad network of the Kanematsu Group to promote the use of high-purity biodiesel fuel handled by Kanematsu Petroleum Corporation
- Establishing a plastics recycling business utilizing the enzyme recycling technology of Samsara Eco of Australia. Leveraging the broad network of the Kanematsu Group to establish a supply chain from plastic collection to the manufacturing and supply of recycled resin in Japan and Asia
- Developing applications for Brewed Protein™, a biomass-based structural protein material produced by Spiber Inc. Leveraging various management resources and intangible assets accumulated by the Group

Supply Chain
Transformation / Creation

Key Initiatives for the Fiscal Year Ended March 31, 2024

In the chemicals business, in addition to existing focus businesses, such as functional chemicals, life sciences, and healthcare, we are aggressively pursuing expansion through investments in new technologies related to plastics recycling and engineered structural proteins.

In the iron and steel business, the steel material treatment business in which we have invested in Korea and Vietnam continues to grow, creating synergies with Group companies that are involved in construction properties.

In specialty steel, environment-related businesses, such as those involving

flue gas desulfurization equipment, air conditioning equipment, EVs, and hydrogen and ammonia production equipment, are growing, and the range of products handled is expanding from conventional general-purpose stainless steel to high-value-added products, such as titanium, nickel, and high-alloy steel.

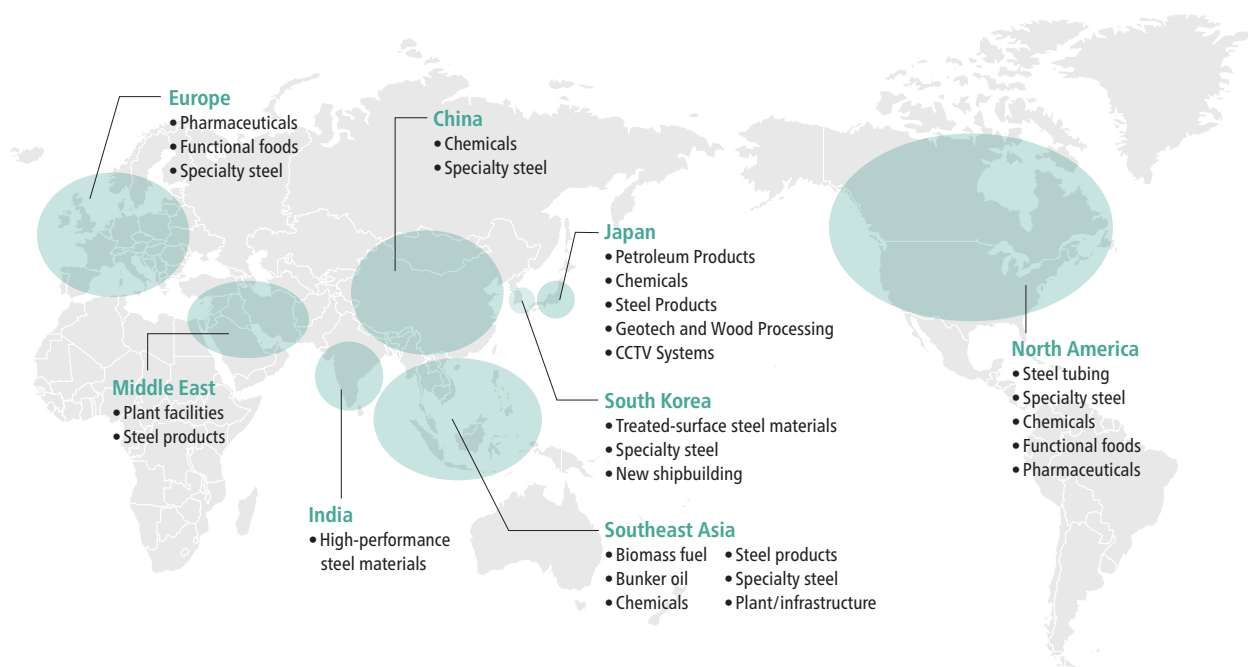
In steel tubing, demand for crude oil drilling remained strong amid rising demand for energy worldwide. The technical center of a Group screw processing company in North America focused on environment-related activities, continued to pursue the development of screws for steel tubing for the underground

injection of CO₂.

In the energy business, biomass fuel has continued to expand steadily, and we are building a system to meet various energy demands.

In the plant and ships business, in addition to the new shipbuilding business, we are simultaneously contributing to the global environment and achieving business growth by deepening our efforts in the solar power generation business and the domestic wind power generation business.

Key Businesses and Locations



Business Environment

Opportunities

- Changes in the global energy market structure, including declining demand for fossil fuels
- Growing global awareness of environmental problems, as seen in GX efforts and the SDGs
- Diversifying consumer needs and behavior patterns

Risks

- Further changes to market structures and the realization of geopolitical risks due to trade problem intensification
- Temporary personnel shortages due to accelerating business investment
- Changes to the business environment due to tightening environmental regulations or other factors arising from the international shift toward lower carbon emissions

Action Plan

- Accelerate initiatives in renewable energy businesses
- Expand business involving more environmentally friendly high-value-added products
- Advance GX to both strengthen customer relationships and respond to changes in the business environment by raising customer satisfaction

Countermeasures

- Mitigate the risk of trading right advantages being weakened by cultivating new markets, products, and trading partners
- Expand business in high-performance products and products made to proprietary standards to reduce risk related to trade problems
- Provide education and opportunities for employees to gain experience, mainly through personnel exchanges with affiliated companies in and outside Japan
- Create new businesses that contribute to environmental preservation, including CO₂ reduction

The Kanematsu Group's Accumulated Expertise

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



Partner's Voice

A Word from Our Business Partner

I often describe Benoit as an "80-year-old start-up" because of the energy and innovation we're building on top of our long, storied history. We're shaping a new future for Benoit, focused on expanding our share of the energy market through innovative products, manufacturing improvements, and a strong, dynamic team.

This year, we launched several new products, including the BEN-HSF-II connection. This standout innovation reduces risks when refracturing old wells, enabling energy producers to increase output without drilling new wells. Benoit is leading this emerging market and contributing to a more sustainable energy future.

Our commitment to operational excellence continues with investments in new equipment and advanced software, resulting in real-time data analysis that drives continuous improvements at our manufacturing facilities.

We've also added new members to our Leadership Team, focused on growth, fostering collaboration, and creating long-term value for our shareholders and employees. Benoit's impressive past and current growth are made possible by the support we receive from Kanematsu. Together, we are positioned to adapt and thrive.



Jacob Heisten

Vice President of Sales & Marketing
Benoit Premium Threading, LLC.

Motor Vehicles & Aerospace



Ryoichi Kidokoro

Managing Executive Officer,
COO Motor Vehicles &
Aerospace

The motor vehicles and parts business, which handles motorcycle and automobile parts as well as complete built up vehicles, the aerospace business, which handles aircraft and parts as well as space-related products, and the machine tools and industrial machinery business operate on a global scale, leveraging the Group's superb expertise and extensive information resources in a wide range of fields.

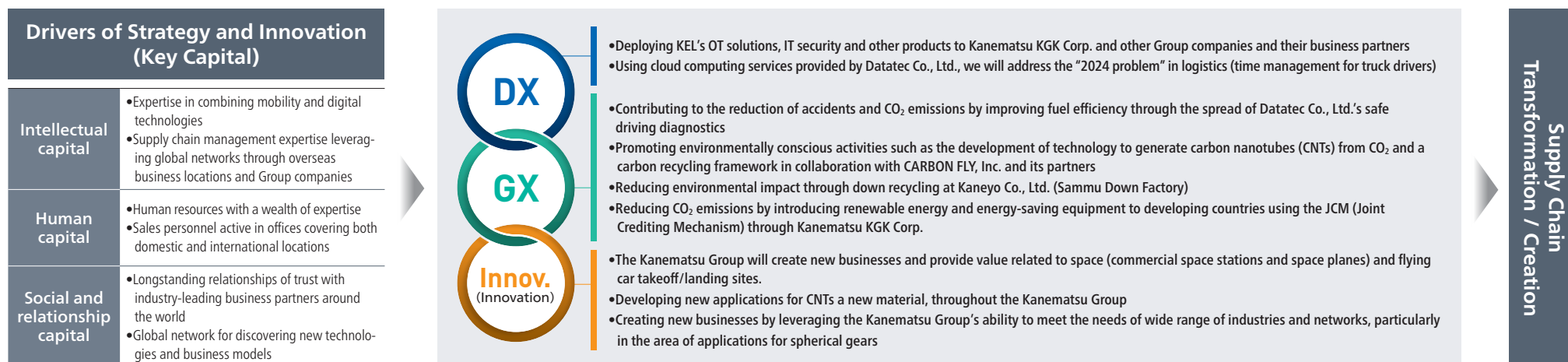
Motor Vehicles and Parts, Aerospace, Machine Tools &
Industrial Machinery

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.



Three Value Propositions Informed by Medium- to Long-Term Outlook and Groupwide Management Goals



Key Initiatives for the Fiscal Year Ended March 31, 2024

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 U.K.-based Skyports Limited and with the cooperation of local governments. In the space business, we have formed a capital and business alliance 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 remained strong as the market recovered. In addition, in the motorcycle parts business, we disclosed information based on TCFD recommendations (climate change). We are also taking on new businesses with an eye toward contributing to a low-carbon society.

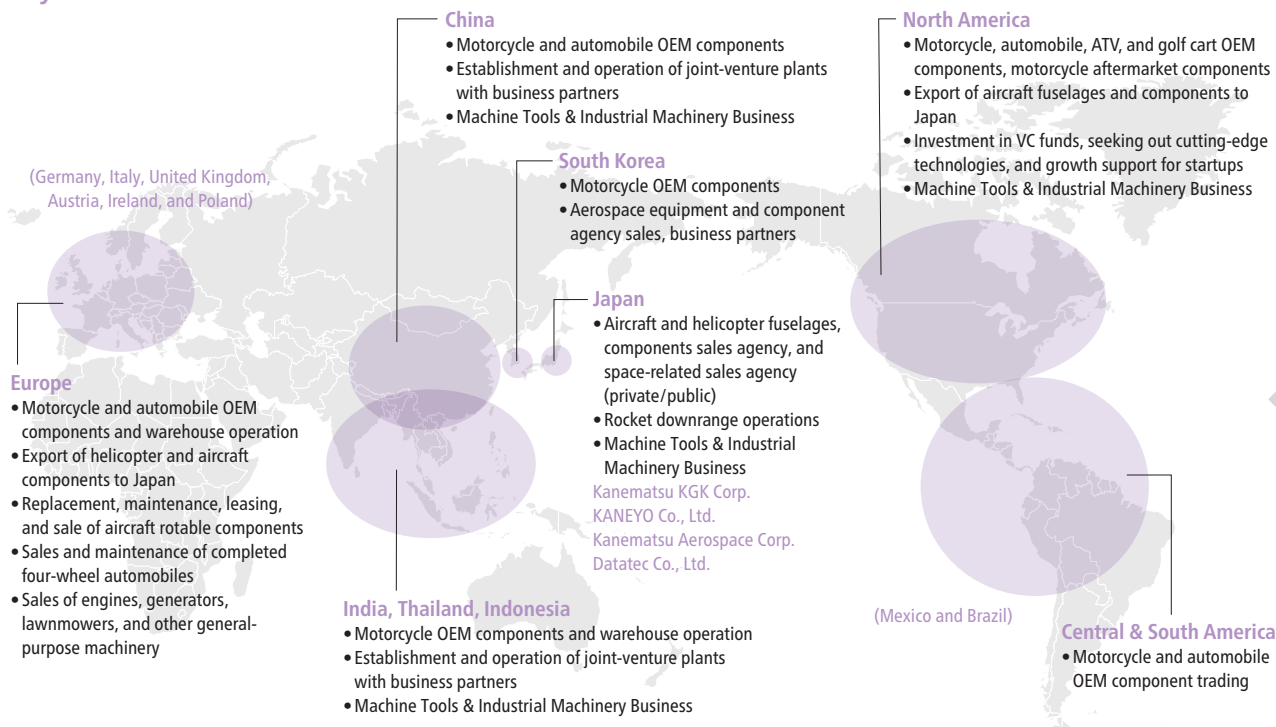
In addition, we accelerated business development through Kanematsu

Ventures Inc. and WERU INVESTMENT Co., Ltd. and are moving forward with data utilization and OT solution businesses.

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

Motor Vehicles & Aerospace

Key Businesses and Locations



Business Environment

Opportunities

- 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

Risks

- 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

Action Plan

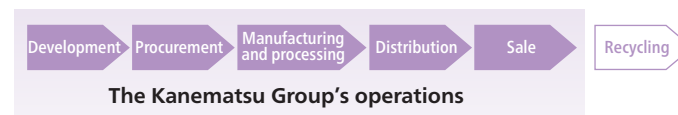
- Leverage data to create new businesses that reduce environmental impact and accidents
- Advance partnerships with startups, mainly through our investment base in Silicon Valley, to create new businesses
- Work to increase social acceptance and reinforce infrastructure business initiatives in order to realize the widespread use of Advanced Air Mobility
- Reinforce the space safety assurance field and create businesses in the low-Earth orbit sector

Countermeasures

- 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

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.



Partner's Voice

A Word from Our Business Partner

Our relationship with the Kanematsu Group began in 1983, when we began doing business with a major overseas motorcycle manufacturer. Over our long history of 40 years, we have worked together to expand our sales channels by cultivating new customers, proposing new products, and so on. We have also shared many hardships and experiences together, such as participating in the establishment and operation of joint venture plants in Europe and Asia, and have strengthened our partnership while withstanding various changes in the external environment, such as recession and the rise of competitors.

In 2022, the two companies jointly invested in an emerging carbon nano-tube manufacturer, and we are pleased to be able to take on the challenge of working together in this new business area. We look forward to Kanematsu Group's wide range of channels and expertise being leveraged for this project as well.



Yoshifumi Fuchigami

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