

INTEGRATED REPORT
2025

Sustained Growth through Value Creation

Linking the aspirations of our founder, Fusajiro Kanematsu, to the Future

1889
Founding

Survived the Great Depression primarily through Australian trade.
Expanded to the United States.

Founding purpose

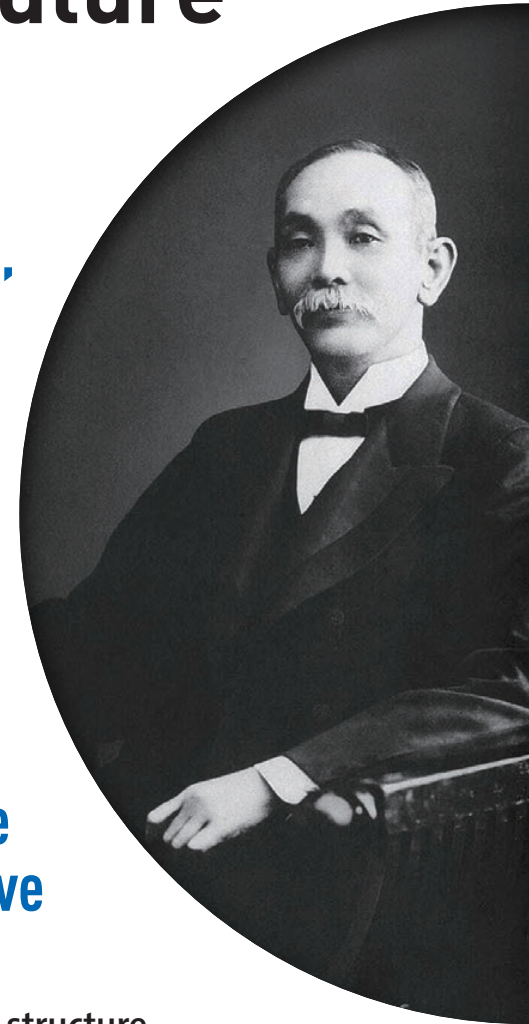
“Let us sow and nurture the seeds of global prosperity”

Since its founding, Kanematsu’s fundamental values have encompassed the pursuit of economic growth through the creation of social value, with an emphasis on contributing to society and securing the well-being of all. Furthermore, we believe that we generate profit largely through a combination of diligence and passion for our work, and we conduct our business as a unified Group, acting with integrity in accordance with the rules of the organization as well as with a spirit of love for the Company and respect for people that applies to both internal and external relationships.

Our mission is to simultaneously pursue sustainable social, environmental, and economic values based on the 100% non-resource business portfolio we have built over the years.

We aim to continue to be the first choice for many of our customers and business partners by responding promptly and appropriately to change while creating new businesses as a trading company that is building a sustainable society for the present and the future.

Guided by this corporate philosophy, we will continue to aggressively challenge ourselves to create new businesses and achieve sustainable growth and returns while fulfilling our responsibilities to society and contributing to a better future.



1960s-1980s

Diversification and regional expansion
as a trading company

1967 Merged with The Gosho Company to form Kanematsu-Gosho, Ltd.

Establishment of the
foundation for the five
current segments

1990s-2000s

Large-scale business selection and concentration to strengthen management structure.
Improvement and strengthening of the financial base.

1990 Company name changed to Kanematsu Corporation

Groupwide Aggressive Management

2013

Medium-Term Management Plan — Jump to next stage leading to the future — Resumed dividend payments

2014-2017

125TH ANNIVERSARY Medium-Term Vision **VISION-130** Enhanced governance structure M&A and business succession in highly specialized fields Completed disposal of commercial real estate holdings

2018-2023

130TH ANNIVERSARY Medium-Term Vision **future 135** Sustainable growth with a stable revenue base Expanded scale and added value through effective business investment Quality improvement DX Promotion GX Promotion Strengthened human capital management Innovation investment

2024

135TH ANNIVERSARY Medium-Term Management Plan **“integration 1.0”**

Kanematsu's Mission Kanematsu's mission is to enhance the efficiency and sustainability of the supply chain.

Through its long history as a trading company, Kanematsu has cultivated an understanding of the supply chain and the Group's intangible assets

2025

Kanematsu's Envisioned Goal

(post- "integration 1.0")

2027

A solutions provider leading the transformation of efficient and sustainable supply chains



Editorial Policy

On the Publication of the Kanematsu Integrated Report 2025

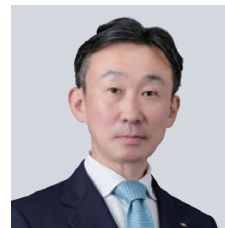
The *Kanematsu Integrated Report 2025* was created for the purpose of presenting our current status and roadmap toward our goal of becoming a “solutions provider leading the transformation of efficient and sustainable supply chains” after “integration 1.0,” our Medium-Term Management Plan, launched in April 2024. In compiling this report, we have focused on 1. summarizing our first year under “integration 1.0” and 2. detailing our upcoming steps toward becoming a solutions provider.

Regarding our first year under “integration 1.0,” this report introduces specific initiatives geared toward the promotion of Groupwide management and the expansion of value propositions, two of the basic policies supporting the realization of the envisioned goal. We also identified the Group’s strengths, characteristics, and challenges.

As we look forward to the next steps we will take toward becoming a solutions provider, we present the story of our growth, describing ways in which we will create synergies through Groupwide management.

In preparing this report, we referenced various relevant guidelines and responses to surveys regarding previous reports, with cooperation from departments across the Company and discussion at the Board of Directors to ensure a proper editing process and the appropriateness of the report’s content.

The Kanematsu Group will continue to use its Integrated Report as a tool for dialogue with shareholders, investors, and other stakeholders, working to enhance disclosure and increase enterprise value.



Taro Unno

Director, Executive Officer
Chief Officer, Finance,
Accounting, Business Accounting

Editorial Policy

The content of the Kanematsu Group’s integrated reports is based on an integrated reporting approach that references the International Integrated Reporting Framework of the IFRS Foundation, the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry, and ISO 26000. We hope that the report will help readers deepen their understanding of the Kanematsu Group.



Forward-Looking Statements

This integrated report contains statements regarding the Kanematsu Group’s plans, strategies, and expectations for future performance. Such statements are inherently subject to risk and uncertainty. Actual results could diverge materially from the Group’s projections due to changes in the economic and market environment surrounding the Group’s business areas, such as exchange rate fluctuation.

Scope of Report

Published:	September 2025
Period covered:	April 1, 2024 to March 31, 2025 (fiscal 2025) (Includes some information about events outside the period covered)
Scope of coverage:	Kanematsu Corporation and the Kanematsu Group
Accounting standards:	IFRS Accounting standards: International Financial Reporting Standards (IFRS)
Group company abbreviations:	Kanematsu Electronics Ltd. (KEL) Kanematsu Sustech Corporation (KSU) Kanematsu Communications Ltd. (KCS)

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Value Creation Process

Input



Human resources who challenge themselves to create new businesses

- Number of consolidated employees: 8,644
- Average annual training hours: Approx. 22 hours per person
- Total training hours: Approx. 19,019 hours
- Diverse human resource hiring rate (women and foreign nationals): 34.7%
- Engagement score: 62%



- Deep and broad product and industry expertise
- New business creation know-how
- Risk management



Partnerships

- Robust customer base (includes relationships with business partners spanning several decades)
- Business partners: Over 20,000 companies
- Relationships with various stakeholders

Financial capital Invested capital and growth investment

- Shareholders' equity: ¥113.2 billion
- Interest-bearing debt: ¥120.3 billion
- Growth investment: approx. ¥147.4 billion (Implemented after future135)

Manufactured capital Business locations

- Domestic: 5, Overseas: 33
- Group companies: 135

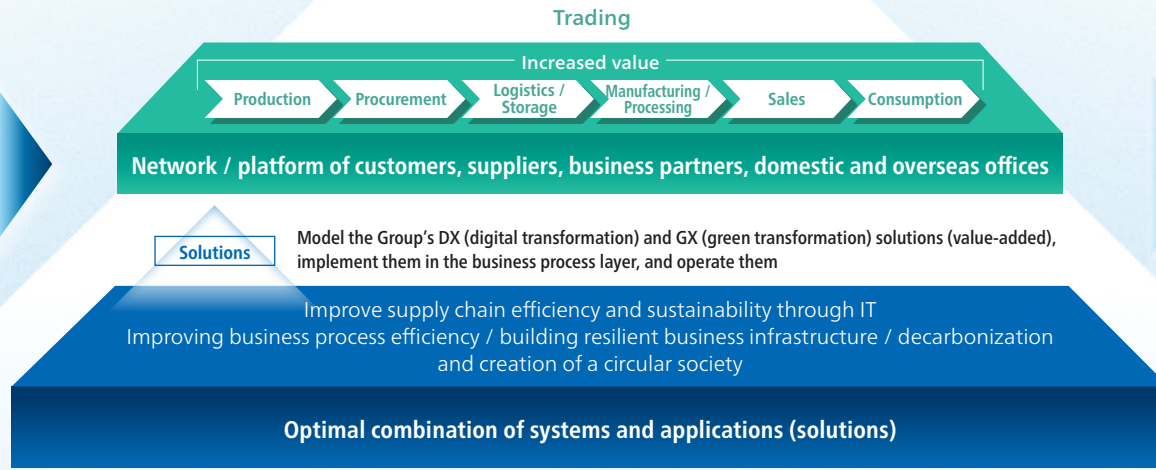
Natural capital

- Contributions to the environment and its development in all communities involved in our business
- Contributions to a low-carbon society

Business model/Output

Medium-term management plan

integration 1.0



Outcomes

Envisioned goals for after "integration 1.0"



Discovering needs, delivering optimal solutions

Supply chain transformation/creation



Through value propositions in these three areas, Kanematsu addresses both the current and future needs of the economy and society.

Groupwide Management

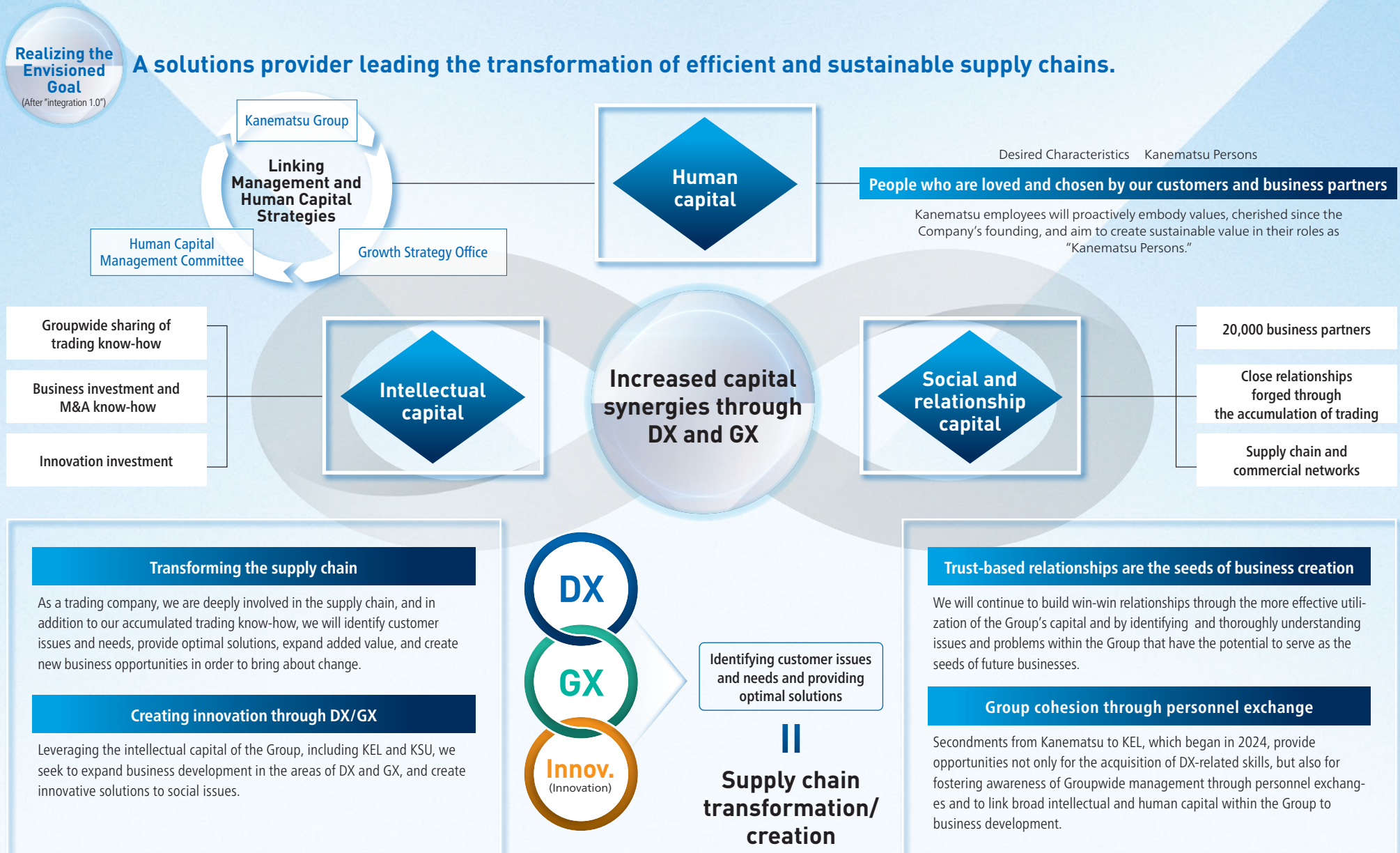


Examples of Kanematsu's impact on society

- Leading the cybersecurity industry
https://www.kanematsu.co.jp/en/press/release/20240729_release_2
- Agriculture and food GX aimed at a decarbonized society
https://www.kanematsu.co.jp/en/press/release/20240729_release_3
- Building a sustainable meat supply chain
https://www.kanematsu.co.jp/en/press/release/20240415_2_release
- Building an Ecosystem Connecting Japan and Low-Earth Orbit
https://www.kanematsu.co.jp/en/press/release/20250206_release

Three Highly Unique Intangible Assets: Human Capital, Intellectual Capital, and Social and Relationship Capital

The Kanematsu Group, after implementing its Medium-Term Management Plan, "integration 1.0," has formulated its vision: to become a solutions provider leading the transformation of efficient and sustainable supply chains. Three highly distinctive intangible assets are also defined as the drivers of value creation across a wide range of businesses. While leveraging these assets within our unique business model, we will continue to grow toward the realization of our vision.



Special Feature

First-Year Progress under "integration 1.0"

Current Position Relative to the Envisioned Goal



Materiality

- Building a Sustainable Supply Chain
- Decarbonization Initiatives
- Mutual Development with Local Communities
- Creating an Environment That Enables Diverse Work Styles
- Enhancement of Governance and Compliance



Results

Net profit: ¥23.2 billion — Gap: ¥11.8 billion

Net profit: ¥27.5 billion — Gap: ¥7.5 billion

Achievement of the Medium-Term Plan

Realizing the Envisioned Goal

- Enhancing systems to drive value creation
 - Expansion of the Growth Strategy Office
 - Enhancement of DX/GX solution composition contact points
- Groupwide initiatives to create cutting-edge technologies and business models
- A system that converts tacit knowledge into explicit knowledge
- Developing expert human resources and visualizing human capital
- Promoting the use of AI and digital technologies

Envisioned Goal

A solutions provider leading the transformation of efficient and sustainable supply chains

Financial targets

ROE	Approx. 16%-18%
ROIC	Over 8%
Net D/E ratio	Approx. 1.0

Net profit ¥35.0 billion

Special Feature 1

Basic Policy

Promotion of Groupwide management

Monitoring point set forth in the strategic target

Related Materiality

- Sales initiatives driven by the Growth Strategy Office



Kanematsu's Envisioned Goal: after "integration 1.0"

Cross-divisional activities are becoming more active, with the Growth Strategy Office serving as the hub.

New business creation through Group synergies

Growth Strategy Office

- Meetings held twice a month with the president in attendance
- Conducts surveys and meetings regarding Group resources

The Growth Strategy Office promotes Groupwide management across the entire organization, regardless of the framework of individual Group companies or segments. The Kanematsu Group has become increasingly aware of the importance of utilizing and encouraging collaboration with the Growth Strategy Office among business divisions that are increasingly take the lead in initiating projects, a role traditionally filled by said office. Reflecting this activity, Group companies have approached approximately 130 major business partners in fiscal 2025.

Initiative examples

PATTERN 1 Unifying Group companies in different business areas

Cooperation between multiple segments

Comprehensive new factory construction proposals for our business partners

Consolidate products from Group companies and make comprehensive proposals for new factories to business partners involved in trading with the Foods segment.

- Kanematsu KGK Corp.: Machinery, production equipment
- Kanematsu Petroleum Corporation: Liquefied petroleum gas
- KSU: Surveillance cameras, ground improvement
- KEL: Information and network security

PATTERN 2 Proposing ways of adding value in existing businesses and creating new businesses

Kanematsu Ventures Inc.
(Information gathering and innovation exploration)

Investment in robotics

Investments in the emerging field of robotics
Utilize Group resources to commercialize technology while seeking potential customers and development partners.

PATTERN 3 Facilitating collaboration between Group companies and overseas subsidiaries

Kanematsu overseas offices

Overseas expansion of Group companies

KEL × Kanematsu Europe PLC: Continue server-related orders in the UK
KSU × Kanematsu Vietnam Co. Ltd.: Launch exposure testing of anti-corrosion and anti-termite treated building materials in Vietnam

Special Feature 1

Since February 2025, the Growth Strategy Office has welcomed four seconded employees from the following companies: Kanematsu Electronics Ltd., Kanematsu Communications Ltd., Kanematsu Sustech Corporation, and Kanematsu KGK Corp. Together with these four employees, we held a roundtable discussion, giving each participant, all of whom have different backgrounds, the opportunity to share their thoughts on the effects of the secondment, as well as their goals for the future and any issues they face.



The Growth Strategy Office Roundtable Discussion **Aiming to be a Groupwide solutions provider**

Ryoji Tatsuyama
Kanematsu Electronics Ltd.

Kensuke Watai
Kanematsu Communications Ltd.

Kazuhiro Matsuura
(Facilitator)
Office Manager

Emi Hirata
Team Leader
Business Development Team

Akimasa Kumano
Sub-leader
Business Development Team

Masafumi Toyama
Kanematsu Sustech Corporation

Takayuki Sato
Kanematsu KGK Corp.

Q1 What were your thoughts when you first heard you were being seconded?

Tatsuyama: I knew synergy to be something that could only be created through actual interaction, so I saw this as a great opportunity to deepen our mutual understanding and establish elements of our corporate culture and DNA that cannot be expressed quantitatively.

Q2 Has your secondment brought about any change in such areas as cross-selling and synergy creation?

Watai: Our network has expanded significantly. Connections have been formed between Group companies, creating an environment conducive to casual consultation, and we now have access to a vastly greater number of business partners than before.

Sato: Through my secondment, I've gained a deeper understanding of individual companies. In some cases, sharing the information I've gained within the Company and acting as an intermediary has led to new inquiries, and in other cases, accompanying Kanematsu's business partners on proposals has led to winning orders.

Q3 What challenges do you face when promoting cross-selling?

Toyama: Having the right mindset is crucial, as each employee has varying levels of motivation. Therefore, I believe that one of the main roles of our office is to provide opportunities for interviews and briefings with each department.

Watai: Another challenge we face is establishing connections between our office and the corporate departments of our business partners. Ideally, we hope to create mechanisms that promote cross-selling—such as chatbots and introductory videos—to make the proposal of solutions to the issues business partners are facing smoother and otherwise meet their needs while lessening the load on our sales representatives.

Kumano: While it may be challenging to determine how much time to dedicate to efforts that yield less immediate results, I believe the mindset of "strengthening the company" is crucial. Moreover, this mindset helps to reinforce the Company's DNA. It is my hope that we will continue to build relationships across the Group and increase opportunities for mutual understanding.

Q4 What goals do you have for the future?

Sato: We aim to create a framework that allows for active Groupwide collaboration, combining the proposal capabilities of each company to become a trading company capable of broadly addressing diverse needs.

Toyama: Precisely because the Kanematsu Group handles such a wide range of products, we aim to become a solutions provider capable of covering all aspects of our business partner's operations—including security, mobile solutions, and equipment—through the Group.

Tatsuyama: We aim to broaden individual perspectives and skills, creating entirely new ventures alongside our clients. Even in recent years, IT has reshaped business models, driving change and transformation. We, too, will move beyond mere problem-solving, innovating with a broad vision and contributing to society through this new value.

Hirata: Our mission is to further empower the Kanematsu Group through the creation of Group synergies and to leverage the Group's strengths to create new businesses. While welcoming seconded employees has strengthened our overall cohesion, I feel that our office isn't recognized by the sales team. We aim to foster a culture where dialogue increases and as many employees as possible contribute to strengthening the Kanematsu Group. Ultimately, the ideal is for each sales department and Group company to be able to independently utilize the Group's assets for their own business operations and collaborate with each other on innovation, even without the Growth Strategy Office.

Special Feature 2

Basic Policy Expansion of Value Propositions

Monitoring point set forth in the strategic target

Related Materiality

- Expanding solutions that transform the supply chain



Kanematsu's Envisioned Goal: after "integration 1.0"

More solutions are being provided to enhance supply chain efficiency, decarbonization, and circularity.

Expansion of Value Propositions Centered on DX, GX, and Innovation



To enhance the value we deliver to our customers, we have identified three key focus areas—DX, GX, and Innovation—to address the needs of the economy and society, both now and in the future. Efforts are advancing in each field, with activity accelerating particularly in the field of GX in FY2025.



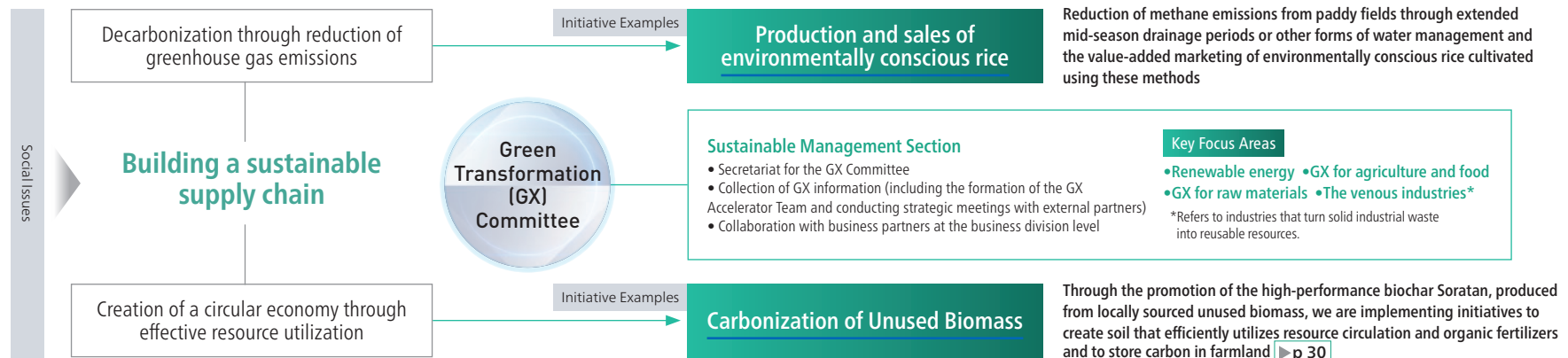
DX: Streamlining Supply Chains with DX and ICT

- Helicopters • Gas delivery • Forage and Dairy Products • Coffee • Beef • Legal affairs
- Establishment of a new company for building a new core system and promoting DX, etc.



Exploration and implementation of advanced technology and business models

- Space • Mobility • Materials GX • Agriculture GX, etc.



Special Feature 3

Basic Policy

Strengthening Organizational Capabilities/ Strengthening Human Capital/Enhancement of Management Functions

Monitoring point set forth in the strategic target

Related Materiality

- Growing number of employees embodying the new mindset and behavioral patterns, or engaging in cross-divisional projects



Kanematsu's Envisioned Goal: after "integration 1.0"

Increased number of employees embodying the mindset and behavioral patterns required of new Kanematsu Persons

Creating an environment that enhances functionality and stimulates communication

We aim to provide optimal solutions by consolidating the knowledge of individual divisions, creating forms of explicit knowledge including documents and manuals, thereby promoting unfettered, cross-divisional collaboration on a Groupwide basis.

Strengthening Core Organizations

Expansion of the Growth Strategy Office ▶ p 7

Strengthening Regional Partnerships

Consolidation of the Osaka Branch ▶ p 69

Strengthening the Collaboration with KEL

Secondment to KEL ▶ p 65

Fostering Group Cohesion

The Kanematsu Group Sports Festival ▶ p 69

Alignment of Strategies

Human Capital Management Committee ▶ p 24

Providing Space for Taking on Challenges and Collaborative Creation

Hitotsubu Club

Transforming the Corporate Culture and Work Environment

TANEMATSU ▶ p 68

Health Promotion

Health and Productivity ▶ p 71

Activities and Significance of the Hitotsubu Club

The Hitotsubu ("One Seed") Club was launched in July 2022 with the mission of fostering a corporate culture at Kanematsu that continuously challenges its employees and supports business creation. As of March 31, 2025, we have held 26 events, inviting business partners and those within the Company who embrace taking on new challenges to speak to join. Group work sessions are also a key feature designed to encourage ambition among participants. Beginning in fiscal 2025, participation eligibility has been extended to all Kanematsu Group companies. A total of 354 participants took part in this year's 10-session event, 123 of whom were from Group companies. We feel it has



Hitotsubu Club Secretariat Office (From left)

Kelly Emone

Foods Department No. 1
Processed Agricultural
Products Section

Masaki Takahashi

Specialty Steel Foreign
Trade Department
Section No.1 Chief

Takashi Fujihara

Corporate Planning Department
Corporate Planning Section

truly become a platform that fosters exchange across departments and companies. Going forward, we will continue to support proposal generation and project advancement as we pursue the creation of new businesses beyond our Group.

VOICE

Lessons from My Secondment to Spiber Inc.

Spiber Inc. (hereafter Spiber) creates "Brewed Protein™," a protein material with limitless potential. To maximize synergies with the Kanematsu Group's assets, it is imperative that every member of the Kanematsu Group is open to



Kentaro Oguri

Currently on secondment to Spiber Inc.

engaging with Spiber's philosophy, able resonate with it wholeheartedly, and ready to collaborate on a Groupwide basis. Struggling with the lack of connection between the company and the Group after being seconded, I pitched the idea that interactions within the Hitotsubu Club could help raise awareness about Spiber. Through lectures and workshops given by Spiber employees, participants' interest grew. After the club's event, inquiries from participants poured in, giving us a sense that we were on to something. Building on this momentum, we will pursue challenges beyond the confines of the Group to lay the groundwork for future benefits.

Materiality

The Key Issues and Our Activities

The Kanematsu Group's five materialities are based on Kanematsu's Corporate Principle, importance to management, and stakeholder expectations while also reflecting the global increase in awareness of the importance of sustainability and ESG management as well as such major trends as the shift toward decarbonization. The three key issues linked by the circle in the illustration are issues to address through business activities, while the two below the circle are key to nurturing the management base supporting said business activities.

Kanematsu's Envisioned Goal **A solutions provider leading the transformation of efficient and sustainable supply chains**



Building a Sustainable Supply Chain

We will respect the environment and human rights, communicate with diverse actors in society, and realize stable and sustainable procurement, supply, distribution, and services together with our partners and customers.



Decarbonization Initiatives

Aiming to achieve net zero greenhouse gas emissions, we will promote our clean fuel and renewable energy business to contribute to the mitigation of global warming.



Mutual Development with Local Communities

Through our global operations, we will support the lives of people around the globe, work on improving social infrastructure, and contribute to the sustainable growth and development of local communities.



Creating an Environment That Enables Diverse Work Styles

We will create a work environment that encourages each individual to leverage his or her unique talents and qualities, supporting diverse work styles. Furthermore, we will improve training programs to develop managers capable of creating and expanding businesses.








Enhancement of Governance and Compliance

We will maintain a robust supervisory system to prevent accidents and fraud and aim for sustainable growth through the transparent disclosure of information to stakeholders.



Materiality

Progress on Key Issues

Materiality	Six basic policies of "integration 1.0"						Risks	Opportunities
	Promotion of Groupwide management	Expansion of value propositions	Strengthening organizational capabilities	Strengthening human capital	Enhancement of management functions	Maximizing shareholder value		
 <p>Building a Sustainable Supply Chain</p>	◎	◎					<ul style="list-style-type: none"> •Business continuity risk in existing business models due to inadequate response •Decreased competitiveness and trust due to delay in addressing human rights issues in the supply chain •Unbalanced food supply and demand due to global population growth 	<ul style="list-style-type: none"> •Growing demand for sustainable and environmentally friendly products, creation of new markets and services •Strengthening supply chain resilience, gaining customer trust, and creating new businesses by addressing sustainability and human rights issues •Food demand expansion and diversification due to population growth
 <p>Decarbonization Initiatives</p>	○	◎					<ul style="list-style-type: none"> •Decline in sales of related products due to reduced demand for fossil fuels •Increased burden of carbon pricing and carbon border taxes •Factory damage and supply chain disruptions caused by intensifying extreme weather events •Shifts in food-producing regions due to rising average temperatures 	<ul style="list-style-type: none"> •Introduction of new products and services alongside the development and adoption of new technologies, such as those involving decarbonization and resource circulation (the circular economy) •Increase in new GX-conscious applications and products •Creation of new supply chains through the development of production regions
 <p>Mutual Development with Local Communities</p>	◎	○					<ul style="list-style-type: none"> •Regulatory changes and business continuity risks arising from legal or political changes •Decline in shareholder trust due to deficiencies in social infrastructure or services provided •Business continuity risks due to human rights issues and insufficient engagement in business regions 	<ul style="list-style-type: none"> •New business creation based on initiatives to solve social issues •Building relationships of trust and stabilizing businesses through operations aligned with the needs of local communities
 <p>Creating an Environment That Enables Diverse Work Styles</p>			◎	◎	○	◎	<ul style="list-style-type: none"> •Declines in efficiency and productivity due to delays in creating suitable work environments •Loss of talent and business opportunities due to inadequate initiatives to create suitable work environments 	<ul style="list-style-type: none"> •Reinforcing competitiveness and establishing a foundation for stable growth through diversity-oriented management •Sustainable enhancement of enterprise value and the creation of new value and innovation
 <p>Enhancement of Governance and Compliance</p>			○	○	◎	◎	<ul style="list-style-type: none"> •Business continuity risks due to internal control dysfunction •Decline in enterprise value due to legal violations 	<ul style="list-style-type: none"> •Clarification of decision-making processes through the creation of a robust governance system •Enhancing enterprise value through highly value through highly transparent disclosure •Strengthening relationships with stakeholders

Materiality

Key Initiatives

- Building a Sustainable Supply Chain
- Decarbonization Initiatives
- Mutual Development with Local Communities
- Creating an Environment that Enables Diverse Work Styles
- Enhancement of Governance and Compliance

Materiality	Division	Notable initiatives (Fiscal 2025)
	ICT Solution	Established the Nippon Cyber Security Fund 1 Investment Limited Partnership (NCSF), Japan's first fund investing exclusively in cybersecurity companies
	Foods	Kanematsu Agritech Co., Ltd. launched plastic-free and reduced-plastic coated fertilizers
	Foods	Sales volume of Uruguayan beef raised in a rich natural environment increased (up 117% year on year)
	Foods	The Hokkaido Sardine Fishing Improvement Project, a joint initiative by Kanematsu in collaboration with Ikeshita Sangyo, Hamahei Gyogyo, UMITO Partners Inc., and Farmstead Inc., received the 2024 Good Design Award (brand design by Farmstead Inc.)
	Steel, Materials & Plant	KSU's Tohoku Plant introduced an on-site Power Purchase Agreement (PPA), switching approximately 14% of its electricity consumption to renewable energy.
	Steel, Materials & Plant	Signed a memorandum of understanding with Ireland's GridBeyond Limited for the promotion and adoption of demand response in Japan ▶p 30
	Steel, Materials & Plant and Foods, Meat & Grain	Entered a partnership agreement with Green Carbon, Inc. to reduce rice paddy methane emissions and promote environmentally friendly rice (sales volume : approximately 300 tons)
	Steel, Materials & Plant and Foods, Meat & Grain	KG Agri Products, Inc., commenced trial implementation of the high-performance biochar "Soratan" in the United States in collaboration with agri-tech startup TOWING Co., Ltd. to expand its adoption. ▶p 30
	Steel, Materials & Plant	Kanematsu Sustech Corporation's "Eco Wood Pile" Buildings constructed: 4,694 (cumulative total: 52,678) Material used: 26,509m ³ (cumulative total: 271,231m ³), Avoided CO ₂ emissions : 15,260 t-CO ₂
	Steel, Materials & Plant	Signed a memorandum of understanding with Indonesian food manufacturer Cimory Group to promote GX
	Steel, Materials & Plant	Tokyo Head Office obtained ISCC PLUS certification for sustainable products
	Motor Vehicles & Aerospace	The initiative to utilize Oita Airport as a hub for space shuttle operations received the Selection Committee Special Award at the 7th Japan Open Innovation Prize hosted by the Cabinet Office. Awarded organizations: Japan Airlines Co., Ltd., Kanematsu, Oita Prefecture, MUFG Bank, Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd., Sierra Space Corporation, and Space Port Japan Association. ▶p 57
	Motor Vehicles & Aerospace	EVAR, Korea's No. 1 EV charger manufacturer by sales volume, signed a memorandum of understanding to develop EV charging infrastructure and commenced sales.
	Companywide	Conducted follow-up investigations on human rights due diligence ▶p 59
	Companywide	Osaka Branch relocated; 14 Group companies based in Osaka, including Kanematsu, consolidated operations ▶p 69
	Companywide	Launched the culture design project "TANEMATSU" (Workshops: 13 sessions, total participants: 328 people) ▶p 68
	Companywide	Recognized for the first time in 2025 as one of the "White 500," following five consecutive years of recognition under the "KENKO Investment for Health" program. ▶pp 24, 71
	Companywide	Recognized for its initiatives in human capital management and disclosure, the Company received the Human Capital Management Excellence 2024 (Silver) designation. ▶p 24
	Companywide	Nominating Committee and Compensation Committee: Each comprise four members, of which three, including the committee chair, are independent outside directors ▶pp 34, 36, 72, 74
	Companywide	Percentage of independent outside directors: 43% (three of seven directors)
	Companywide	Announced a policy to reduce strategic shareholdings, achieving ¥11.9 billion in reductions against a target of ¥10.0 billion (8.9% of total consolidated capital achieved against a target ratio of 10%) ▶p 21

NCSF Founding Press Conference

NCSF is Japan's first fund dedicated to investing in cybersecurity, established primarily by WERU INVESTMENT Co. Ltd., Kanematsu, KEL, and Global Security Experts Inc. Its primary purpose is to revitalize Japan's cybersecurity industry and protect the nation from increasingly sophisticated and complex cyberattacks.




Livestock Farming in Uruguay

In Uruguay, livestock farming is carried out in harmony with the natural environment. Cattle are raised under conditions that allocate vast grazing land—equivalent to two soccer fields per animal—ensuring a natural and healthy growth. Demand for our signature premium lean beef continues to grow, and we remain committed to ensuring stable supply and further enhancing brand recognition.



Roof-Mounted Solar Panels

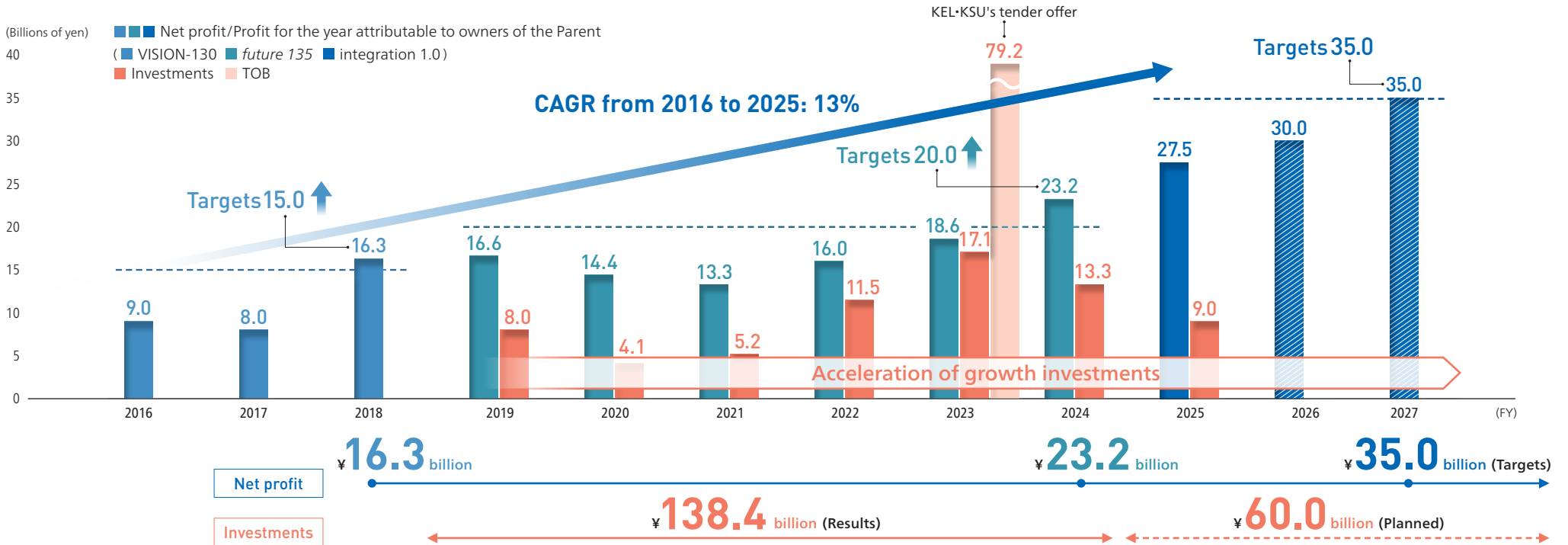
Since July 2024, KSU's Tohoku Plant has been procuring electricity under a corporate power purchase agreement (PPA), a scheme that enables long-term renewable energy supply through direct contracts with power generators. Through this initiative, we aim to contribute to Japan's 2050 carbon neutrality goal.



The Trajectory of Our Medium-Term Management Plan

Under our medium-term vision VISION-130, we set forth the goals of maintaining financial soundness and expanding the earnings base, achieving our net profit target of ¥15 billion one year ahead of schedule. Under the subsequent medium-term vision *future 135*, we focused on two key strategies—expanding scale and acquiring added value within a stable earnings base—and exceeded the revised net profit target of ¥20 billion.

Net Profit and Investments



VISION-130 Fiscal 2015–Fiscal 2018	<i>future 135</i> Fiscal 2019–Fiscal 2024	integration 1.0 Fiscal 2025–Fiscal 2027
<p>Under VISION-130, formulated in 2014, we set the management objective of achieving net profit of ¥15 billion, with maintaining financial soundness and expanding the earnings base as the two main pillars of the plan. As a result, we achieved net profit of ¥16.3 billion—exceeding the initial target—one year ahead of schedule, and successfully transitioned to the next medium-term vision.</p>	<p>Under <i>future 135</i>, formulated in 2018, we established two strategic pillars—expansion of scale and acquisition of added value—to further strengthen our stable earnings base. Upon completing the first three-year period, we reassessed the direction of our vision in light of changes in the external environment, including the outbreak of COVID-19. We then revised our targets, setting a new benchmark of achieving net profit of ¥20 billion for the fiscal year.</p> <p>To achieve this, we made Kanematsu Electronics Ltd. and Kanematsu Sustech Corporation wholly owned subsidiaries and executed innovation investments in companies with advanced technologies and unique business models. These initiatives laid the foundation for the next stage of growth while enabling us to achieve all revised quantitative targets.</p>	<p>Under “integration 1.0,” formulated in 2024, we articulated Kanematsu’s medium- to long-term vision using a backcasting approach and established six basic policies. We remain committed to steadily implementing various initiatives to achieve further growth in net profit through strategic investments while further strengthening our capabilities as a solutions provider.</p>

Medium-Term Management Plan

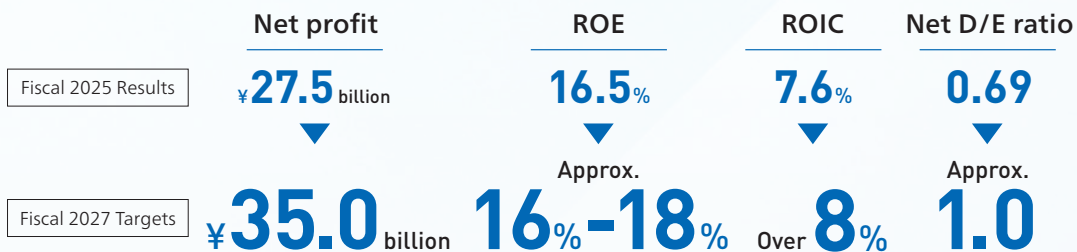
Overview of Medium-Term Management Plan "integration 1.0"

The targets of this plan are positioned three years into the future, backcast from Kanematsu's medium- to long-term envisioned goals. Covering the three-year period from the fiscal year ended March 31, 2025, to the fiscal year ending March 31, 2027, the new medium-term management plan is named "integration 1.0," reflecting our commitment to further promoting integrated management across the Kanematsu Group.

Financial Targets

(Fiscal 2027, Final Year)

We aim to achieve the following four goals by simultaneously promoting initiatives to realize Kanematsu's vision and maintaining and expanding a stable financial foundation.



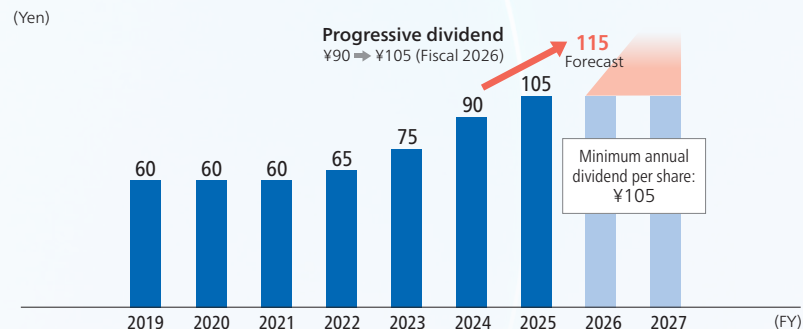
Shareholder Returns Policy

- Under the "integration 1.0" medium-term management plan, the minimum annual dividend has been raised from the initial ¥90 per share to ¥105 per share, with progressive dividends planned for the period. (Effective from fiscal 2026 onward)
- The policy is to increase dividends in line with net profit growth, with a target total return ratio of 30% to 35%.

Initiatives for Progressive Dividends

Minimum annual dividend from ¥90 to ¥105 per share (Fiscal 2026)

Target total return ratio: 30%-35%.



First-Year Investment Performance

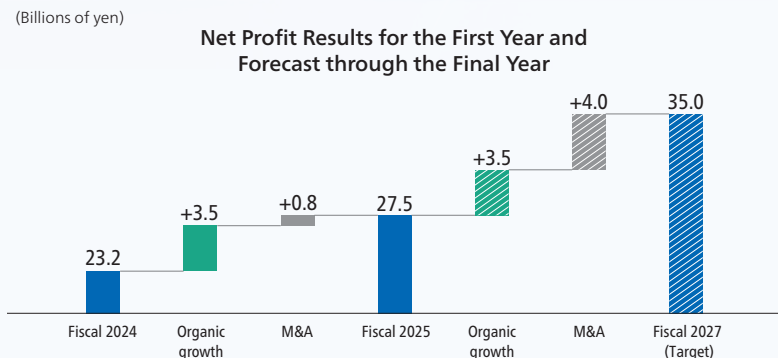
During the first year of the current medium-term plan, we executed approximately **¥9.0 billion** in new investments.

	Fiscal 2025 Investment Performance	Three-Year Cumulative Plan
DX-Related Investments (focusing on ICT solutions)	Approx. ¥0.8 billion	¥40.0 billion
Businesses with Strengths (including GX)	Approx. ¥8.2 billion	¥20.0 billion
Total	Approx. ¥9.0 billion	¥60.0 billion

Major Investment Projects (Investment in Group Companies) * In Order of Execution	Description
Nippon Cyber Security Fund 1 Investment Limited Partnership (Kanematsu, KEL)	Cybersecurity industry-specific fund
CCD CO., LTD. (KCS)	Sales of mobile communication devices such as mobile phones
P.R.A. Co., Ltd. (Kanematsu PWS)	Development, design, and manufacturing of plasma power supplies and equipment required for semiconductor and liquid crystal manufacturing
J REP Corporation (Kanematsu Futuretech Solutions Corporation)	Sales of electronic components such as power semiconductors, equipment, and industrial products
Uruguayan beef suppliers (Kanematsu)	Supply of Uruguayan beef
Zeroichi Corp. (Kanematsu Granks Corp.)	Provides DX solutions
SAITAMA YAEI Industry Co., Ltd. (KSU)	Development, design, manufacturing, and sales of ground improvement machinery and equipment
Getech Automation Pte Ltd (Kanematsu)	Manufacturing, sales, and maintenance services for printed circuit board-related equipment and automation equipment
Others: 6 items	—

* Investments in Electronics and Materials Corporation Ltd., announced in the press release on March 27, 2025, were executed in the fiscal year ending March 2026.

Path to the Net Profit Target



Medium-Term Management Plan

Initiatives towards realizing the envisioned goal

The Board and management are committed to maximizing shareholder value. Enhancing market valuation by reducing the cost of capital and improving the expected earnings growth rate.

01 Improve Capital Profitability and Efficiency

- Increase profitability by prioritizing investment in ICT solutions business with high ROIC.
- Maintain and elevate ROE to between 16% and 18%, surpassing industry benchmarks.
- Maintain financial soundness with a targeted net D/E ratio of approximately 1.0, while pursuing efficiency through optimal leverage levels.

02 Minimize Capital Costs

- A business portfolio of 100% non-resources with minimal volatility.
- Prioritize the five key materiality issues to achieve capital cost reduction and mitigate the ESG discount.

03 Enhance Expected Earnings Growth Rate

- Increase revenue through organic growth and M&A in the ICT solutions business, along with expansion into other segments.
- Generate revenue by offering new value proposition and solutions to the supply chain.
- Elevate the value of intangible assets through cultivation of human capital, leading to enhanced organizational productivity and performance.



Basic policies

Established six basic policies toward achieving the envisioned goal. Strategic goals for monitoring were also established.



Promotion of Groupwide management

Providing solutions to the Group's network of over 20,000 customers and suppliers



Expansion of value propositions

Offering optimal solutions that are deeply rooted in supply chains and enhancing value propositions



Strengthening organizational capabilities

Developing and expanding the ecosystem for collaborative creation
Achieving new value creation through organizational transformation



Strengthening human capital

Nurturing human capital as the source of value creation



Enhancement of management functions

Strengthening management functions to achieve sustainable growth



Maximizing shareholder value

Acting on our commitment to enhancing shareholder value over the medium to long term

Message from the President & CEO



MESSAGE

FROM THE PRESIDENT & CEO

The Group's Path to Becoming a Solutions Provider

President & CEO

A handwritten signature in black ink, appearing to read 'Y. Miyabe', written in a cursive style.

Yoshiya Miyabe

Message from the President & CEO

Carrying Our Pioneering Spirit forward into the Future

“Returning to our fundamentals” is a concept that I have used as a compass to chart a course toward sustainable growth since taking office as President & CEO in 2021. However, rather than return to the ways of the past, my focus has been on revitalizing Kanematsu’s founding spirit within today’s context. Integrity, innovation and passion remain at the heart of our Corporate Principle, “Let us sow and nurture the seeds of global prosperity,” which was bestowed upon us by our founder and, through the pursuit of trade, continues to shape our decisions and actions, providing unwavering direction regardless of changing times and environments.

A few years ago, there was a growing sentiment among our employees that the Company needed a purpose. Concerns arose that the founding purpose established in 1889 might not necessarily resonate in the contemporary internal environments. Furthermore, there was a desire for a unifying guide for employees in today’s era of diversifying work styles and increasing individualism. Over approximately two years of careful consideration, which included conducting surveys, interviews, and discussions with everyone from junior employees to executives, a strong conviction emerged — the founding purpose had taken root as a core value within each and every employee.

Subsequently, this initiative evolved into a Companywide project aimed at fostering a corporate culture in which individuals and organizations can enjoy constant evolution as existing businesses are renewed and new businesses created one after another. This culminated in the launch of the TANEMATSU [▶ p 68](#) project.

A group of mid-career and junior employees voluntarily took the initiative to launch this project. They reinterpreted our founding principles within a modern context and redefined our future-oriented Mission, Vision, and Values. Each employee approaches everyday challenges with the curiosity and sincerity of an explorer, and I feel confident that these values are being reliably passed on to the next generation.

Reexamining our founding purpose, we have become more keenly aware of how this purpose encompasses environmental, social, and economic perspectives, connecting directly to contemporary sustainability-oriented management. Adeptly addressing social issues is an area in which we excel. For example, sustainability in the face of stemming from extreme weather events and heightened geopolitical risks is



A briefing session for individual investors

one key social issue that we face. Contributing to the resolution of such social issues is our mission and the very essence of our work. By diversifying production bases, advancing smart agriculture, modernizing defense equipment procurement, and exploring and implementing cutting-edge technologies in the fields of aerospace and cybersecurity, we will continue forging ahead to further expand a world that creates future value rooted in social value.

Deepening the Intangible Assets Supporting Kanematsu’s Competitiveness

The Company’s competitive edge stems from its human resources, the vital information gained daily from its business partners, and the strong relationships it has built over many years of working with those partners. In other words, it lies in three intangible assets: human capital, intellectual capital, and social and relationship capital. Based on these intangible assets, we prioritize transparency and public benefit, with our founding spirit as a core value, and develop our business through the creation of social value. Since our founding, we have accumulated business expertise (tacit knowledge) over many years by developing diverse businesses worldwide. Over our 136-year journey, we have weathered difficult times and undergone major corporate transformations, yet we have steadily achieved recovery. Moving forward, deepening these intangible assets represents a crucial growth strategy that will underpin the Group’s sustainable growth.

When discussing the future of the Group, **human capital** is of particular importance. Centered around the Human Capital Management Committee, established in April 2024, [▶ p 25](#), we are advancing the construction of our human capital portfolio through the visualization of skills and the promotion of a talent management system via DX. These efforts support the development and enhancement of human resources that will sustain our mid- to long-term growth. Currently, 60% of Group employees belong to the ICT Solution Division or Electronics & Devices Division, which are involved in IT-related fields and boast a high concentration of IT-literate personnel. However, the Group is actively working to enhance the IT literacy of all employees through training programs and the systematic development of DX professionals. We are also promoting personnel exchanges between Group companies, such as Kanematsu Electronics Ltd. (KEL) and Kanematsu Communications Ltd. (KCS), looking to cultivate human resources with diverse experience and skills. By deepening these human capital assets, we will achieve our evolution into “a solutions provider leading the transformation of efficient and sustainable supply chains” — the vision we have set forth as our goal following the completion of “integration 1.0,” our medium-term management plan.

Message from the President & CEO

Kanematsu operates across a wide range of industries, along the way accumulating **intellectual capital** in the form of knowledge, experience, and business expertise. Strengthening organizational capabilities, one of the basic policies of “integration 1.0,” involves consolidating such tacit knowledge as accumulated customer needs and success stories from the sales field and elevating it into explicit knowledge that can be shared across departments under the Growth Strategy Office. This enables rapid problem-solving and new business development. This year also saw the establishment of Kanematsu Seed Port, Ltd., with which we will build a knowledge management foundation utilizing IT on a Groupwide basis.



The 30th Anniversary Commemorative Ceremony for Morinaga Aloe Yogurt

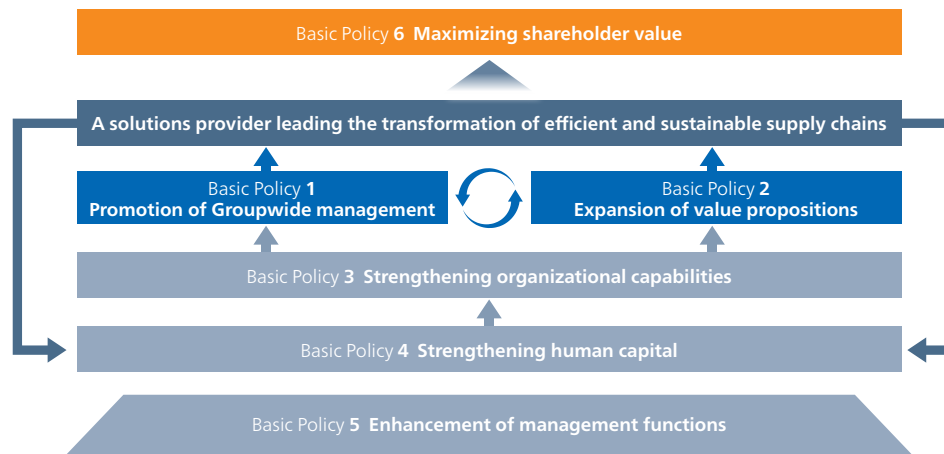
Furthermore, the Group’s **social and relationship capital** is structured in such a way that trust arises from mutually beneficial relationships, leading to the expansion of networks. Although we are living in an era that demands efficiency, we are committed to meeting face-to-face. Doing so helps us understand others’ desires and true intentions as revealed by expressions and actions. Furthermore, this approach drives the sharing of challenges and the creation of new business opportunities, fostering genuine connections. Cross-divisional collaboration is on the rise, particularly with the ICT Solution Division, which specializes in assisting other divisions in resolving their issues. In addition, we have placed great value on our investments in academic fields that contribute to economic development, particularly in commerce, since our founding. We view our contributions to universities, such as offering business know-how courses and supporting research in economics and management, to be crucial assets for fostering globally-minded human capital and generating new business opportunities through networking. These connections with society embody the public-spirited ethos inherent in our founding purpose and represent another facet of our social and relationship capital.

First-Year Results of “integration1.0”

For the fiscal year ended March 2025, net profit reached ¥27.5 billion, achieving the first-year target and setting a new record high. We believe we have solidified our foundation and taken a solid step toward the final-year target of ¥35 billion.

Under “integration 1.0,” six basic policies drive both “**promotion of Groupwide management**” and “expansion of value propositions.” In terms of the promotion of Groupwide management, the establishment of the Growth Strategy Office has accelerated initiatives that leverage extensive resources across the entire Group, including human capital, expertise, and networks with business partners. This has resulted in concrete cross-selling opportunities and new solutions utilizing cross-divisional expertise.

Six basic policies and structures of “integration 1.0”



DX is increasingly becoming a challenge across all industries, and the establishment of an independent ICT Solution Division in April 2024 has enabled us to engage in cross-divisional collaboration and given rise to new business models. For example, defense-related business projects for Japan’s Ministry of Defense can require not only procuring hardware such as aircraft fuselages and components but also building ground-based training systems. To facilitate such projects, the Motor Vehicle & Aerospace Division and the ICT Solution Division collaborate. Kanematsu is also strengthening Groupwide collaboration in terms of human resources. In addition to seconding Kanematsu employees to KEL starting in 2024, In 2025 we will begin welcoming employees seconded from Group companies to the Growth Strategy Office starting in 2025 [▶p7](#) with an eye to creating forums for discussion across the entire Group that will, in turn, foster new business creation. Furthermore, gathering the division heads in a single office makes interdepartmental communications naturally swifter and more frequent. This deepening of cross-divisional collaboration fosters an expectation

Message from the President & CEO

that new business opportunities will emerge.

With regard to **the expansion of our value proposition**, as we aim to become a solutions provider leading the transformation of efficient and sustainable supply chains, we are enhancing the deep field knowledge and expertise we have cultivated through trading, along with the various DX, GX, and innovation initiatives developed under our previous medium-term vision, *future 135*. Regarding DX, we established Kanematsu Seed Port, Ltd., a Group company dedicated to advancing the Group's DX initiatives [▶ p 26](#) and undertook an associated upgrade of core systems. Beginning with the upgrading of the Group's core systems, we will establish a foundation for Groupwide data-driven management leveraging AI. Looking ahead, we aim to cultivate such management into a core organizational capability within the Group's IT domain and pursue plans to explore external sales of DX solutions.

The GX Committee, the Sustainable Business Section, and the GX Accelerator team, which operates on a Groupwide basis, collaborate to create and advance new environmental businesses. These businesses find ways to bring together GX initiatives that contribute to decarbonization and resource circulation with our existing operations.

In the realm of innovation, we are promoting collaboration and open innovation with external startups and venture capital firms, with efforts centered around [Kanematsu Ventures in Silicon Valley](#). Furthermore, by integrating Kanematsu Ventures into the Growth Strategy Office, we are accelerating the commercialization of projects that previously would have been relegated to the exploratory phase indefinitely. We are strategically focusing on key areas—healthcare, agri-tech and food tech, aerospace, and robotics—to drive innovation implementation.

Key Issues for the Second Half

Under “integration1.0,” we have earmarked ¥40 billion of the ¥60 billion in growth investment for DX-related initiatives centered on ICT. We have teamed up with KEL to evaluate the DX investment projects the funding will go to. To date, we have been directing investment toward developing human resources who will advance digital transformation, but as of yet cannot claim to have secured a sufficient number of engineers. Therefore, we are also considering M&A. We plan to proceed cautiously with this review, focusing primarily on projects in the pipeline and carefully assessing potential synergies.

On the other hand, locally driven **global strategies** remain both a challenge and an area with room for growth. At present, domestic sales account for the highest proportion of our overall sales and it is essential that we look toward increasing the contributions of overseas sales to secure further growth. We are exploring ways to expand existing overseas businesses as well as striving to discover new opportunities, with efforts including pursuing growth in our steel tubing business in the U.S., printer business in Canada, industrial machinery business in Poland, and aircraft components business in Ireland and the U.S as well as considering M&A to increase scale and add new capabilities. Also, the Kanematsu Group positions the overseas expansion of its Group companies—which have traditionally focused on domestic business—as a key pillar of future growth. With Group boundaries and hierarchical cultures now being dismantled, we aim to pool the collective wisdom of the Group and establish operating companies worldwide to expand our business globally.



Commitment to the Future and Resolve for New Challenges

Kanematsu aims to become a true solutions provider that creates new business models for the future and addresses social issues. To achieve this, we are accelerating efforts to foster an environment that values innovation across the entire Group, cultivating a corporate culture in which every employee is encouraged to boldly take on challenges.

To reiterate, our greatest strength lies in identifying social issues with sensitivity and engaging with supply chains. In this era of rapid change, sustainability is the paramount challenge, and we consider it our duty to contribute to making it a reality. The Kanematsu Group will continue to evolve as an enterprise dedicated to solving contemporary social issues.

Message from the CFO



Maximizing Shareholder Value

Taro Unno

Director, Executive Officer
Chief Officer, Finance, Accounting, and
Business Accounting

Financial Targets of “integration 1.0”

In the fiscal year ended March 31, 2025, the first year of our new three-year management plan “integration 1.0,” consolidated net profit attributable to owners of the parent increased 18% year-on-year, rising ¥4.3 billion to ¥27.5 billion. This marks the fourth consecutive year of profit growth and the third consecutive year of record-high profits. Despite the economic slowdown caused by the COVID-19 pandemic during 2020–2021, the Company has maintained a stable upward trend in profits.

The forecast for consolidated net profit for the fiscal year ending March 2026 is ¥30 billion, with a target of ¥35 billion for the fiscal year ending March 2027, the final year of “integration 1.0.” Meanwhile, our financial targets remain on track, with expected efficiency indicators of a

return on equity (ROE) of 16%–18% and a return on invested capital (ROIC) of 8%, and a net D/E ratio of 1.0 times as a safety indicator.

Maximizing Shareholder Value

Under “integration 1.0,” we remain committed to maximizing shareholder value over the medium to long term, focusing on three priority initiatives: improving capital profitability and efficiency, minimizing capital costs, and enhancing the expected earnings growth rate.

To improve capital profitability and efficiency, we will maintain and strengthen a high ROE through focused investment in highly efficient DX-related businesses (actual ROE for fiscal 2025: 16.5%). (Figure 1.)

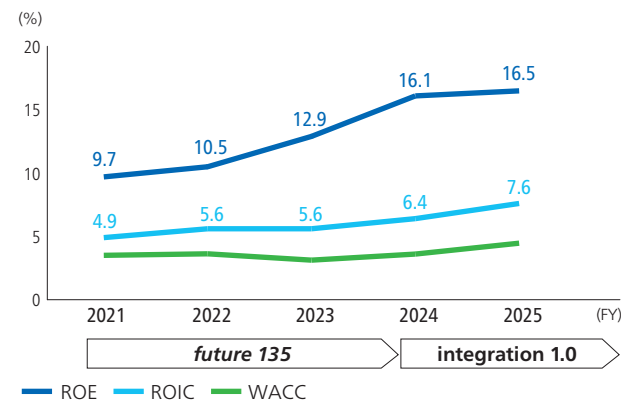
Our business structure is based on a 100% non-re-

source portfolio that is relatively insulated from fluctuations in mineral resource prices. This stability reduces the need for excessive risk buffers. Accordingly, we have set the appropriate leverage level with a debt-to-equity ratio target at approximately 1:1. Using an ROIC target of 8% or higher as a benchmark for business investments, we aim to achieve ROE of 16% or more through 1:1 debt-to-equity leverage.

To minimize capital costs, we will maintain a stable beta value and reduce capital costs by leveraging domestic businesses, including ICT and Mobile, as stable revenue sources supported by our 100% non-resource business portfolio. We will also enhance performance predictability through proactive disclosure and active investor relations. In addition, we aim to expand our base of individual shareholders in response to the reduction in shareholdings by financial institutions, as will be discussed later.

Although we began tracking ROIC as an operational and management indicator under our previous medium-term vision, *future 135*, under “integration 1.0” we are further elevating its importance across the organiza-

Figure 1. ROE/ROIC/WACC



Message from the CFO

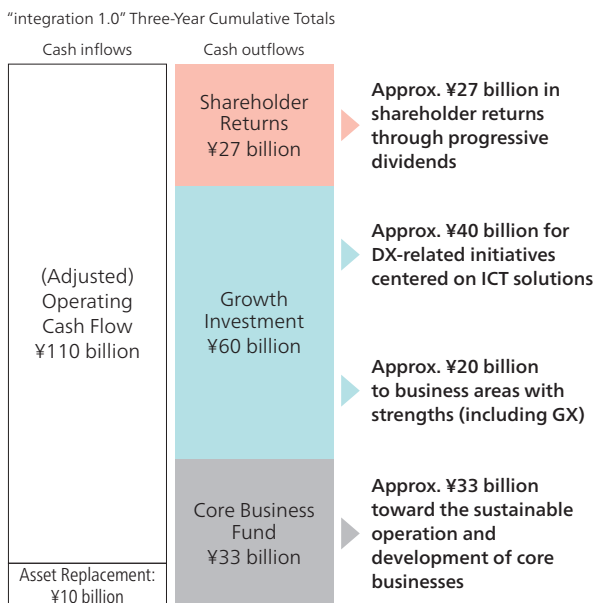
tion. To achieve ROIC exceeding the weighted average cost of capital (WACC), we have set a target of 8% or higher under “integration 1.0” (actual ROIC for fiscal 2025: 7.6%). We will strengthen ROIC-based management through the regular monitoring of each business.

While aiming to maintain and improve ROIC, we also place importance on continuously optimizing our business portfolio and pursue synergies. In addition to quantitative criteria, we have advanced businesses reviews from the perspective of identifying the best owner.

Cash Flow Allocation

Further growth investments and shareholder returns will be funded by operating cash flow generated from both stable core businesses and growth businesses, as well as cash inflows from asset replacement. We anticipate

Figure 2. Cash Flow Allocation Plan



generating ¥110 billion in operating cash flow over the three years ending March 2027. Combined with ¥10 billion in cash inflows from asset replacements, this will create ¥120 billion in cash. Half of this amount, ¥60 billion, will be allocated to growth investments, with ¥40 billion focused primarily on high-return DX-related businesses. In addition, we anticipate using ¥33 billion to support for the sustainable operation and development of our core businesses, and plan to allocate ¥27 billion to a progressive dividend fund for shareholder returns. (Figure 2.)

Although only approximately ¥15 billion, or 25%, of the ¥60 billion growth investment budget was executed or committed in the plan’s first fiscal year ended March 2025, asset replacement generated approximately ¥15 billion in cash inflows—exceeding the initial ¥10 billion projection—primarily through the accelerated sale of strategically held shares, a topic discussed later. In addition, dividends of ¥8 billion were paid out as shareholder returns.

In the first year of the plan, while operating cash flow generation and asset monetization progressed smoothly, investment cash flow execution lagged slightly behind schedule, reaching only about one-quarter rather than the expected one-third, of the plan target. Ensuring steady execution of investment cash flow will be a key challenge from the second year onward.

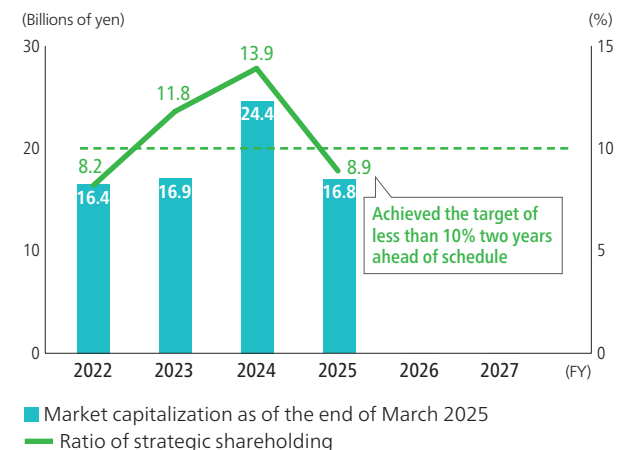
Strategic Shareholding Reduction Policy

As part of our efforts to improve capital profitability and efficiency, we had decided to reduce strategic shareholdings by approximately ¥10 billion through the liquidation of listed shareholdings by March 31, 2027, the final year of the plan. In the fiscal year ended March 2025, we sold approximately ¥12 billion of these strategic shareholdings and conducted a secondary offering of Company shares held by financial institutions. As a result, we achieved the target ahead of schedule, reducing the ratio of strategic holdings to planned consolidated capital from 13.9% at

the end of the previous fiscal year to 8.9%. (Figure 3.)

With nearly all shares previously held by financial institutions sold, the potential downward pressure on the stock price due to the elimination of cross-shareholdings has been resolved. At the same time, we recognize the need to further align our management approach with capital market expectations.

Figure 3. Status of Strategic Shareholding Reduction



Note 1: Excludes shares held for innovation investment purposes and investments in overseas strategic business partners.
 Note 2: Excludes shares held for innovation investment purposes (eight issues totaling ¥5,768 million as of March 31, 2025) and investments in overseas strategic business partners such as PT. CISARUA MOUNTAIN DAIRY TBK (¥4,624 million as of March 31, 2025) from the “Total amount recorded on the balance sheet” under “Investment shares held for purposes other than pure investment” in the financial statements.

Total Shareholder Return and Shareholder Return Policy

By the fiscal year ended March 2025, our stock price reached an all-time high, and our five-year total shareholder return (TSR) stood at 262.7% as of March 31, 2025,

Message from the CFO

surpassing the dividend-inclusive TOPIX Total Return Index of 213.4%. (Figure 4.) The price-to-book ratio (PBR) was 1.2 times, while the price-to-earnings ratio (PER) declined to 7.7 times from 9.3 times in the previous year. We recognize that enhancing the expected earnings growth rate, a key initiative for increasing shareholder value, remains a work in progress, reflecting primarily the progress of growth investments during the first year of the plan. We will aim to improve our valuation multiples through the steady execution of pipeline investment projects.

Regarding our shareholder return policy, we fundamentally believe in distributing profits based on performance while maintaining appropriate internal reserves for growth investments. Since the resumption of dividend payments in fiscal 2013, we have adhered to a policy of providing stable and continuous dividends. Even

when profits declined due to the impact of the COVID-19 pandemic, we maintained or increased dividends without reductions.

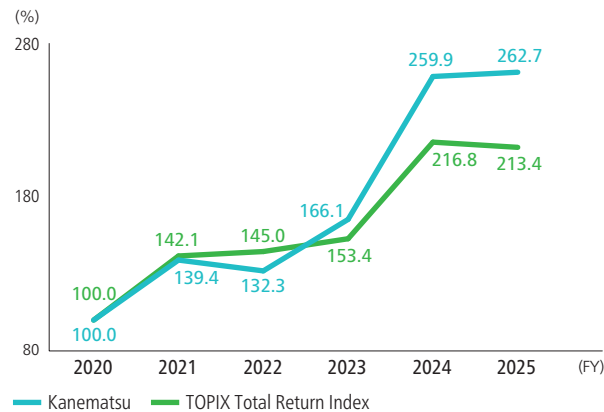
Building on this basic policy, under “integration 1.0” we established a minimum annual dividend of ¥90 per share—matching the dividend paid for the fiscal year ended March 2024—and adopted a progressive dividend policy. The annual dividend for the fiscal year ended March 2025 was set at ¥105 to reflect increased profits. With this ¥105 dividend as the baseline, we plan to raise the dividend by a further ¥10 to ¥115 for the fiscal year ending March 2026. (Figure 5.)

We aim to continue meeting investor expectations by maintaining a consolidated dividend payout ratio of 30%–35%, balancing growth investments with increasing dividends in line with profit growth.

Dialogue with Investors

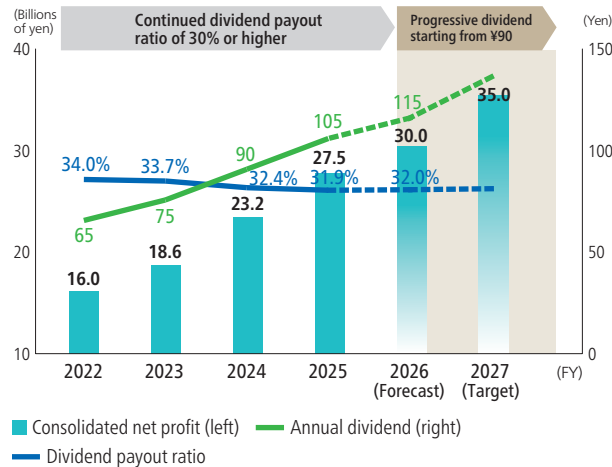
We believe that disseminating information to investors and providing multifaceted analyses and opinions from an investors’ perspectives through constructive and continuous communications are essential for the Company’s growth and remain a top priority. Feedback received from investors is reported to and discussed by the Board of Directors and reflected in our management strategies, supporting medium- to long-term growth and enhancement of enterprise value. We look forward to your continued support.

Figure 4. Total shareholder returns



Note: The values above represents fiscal year-end total shareholder returns relative to the values as of March 31, 2020, which is set at 100

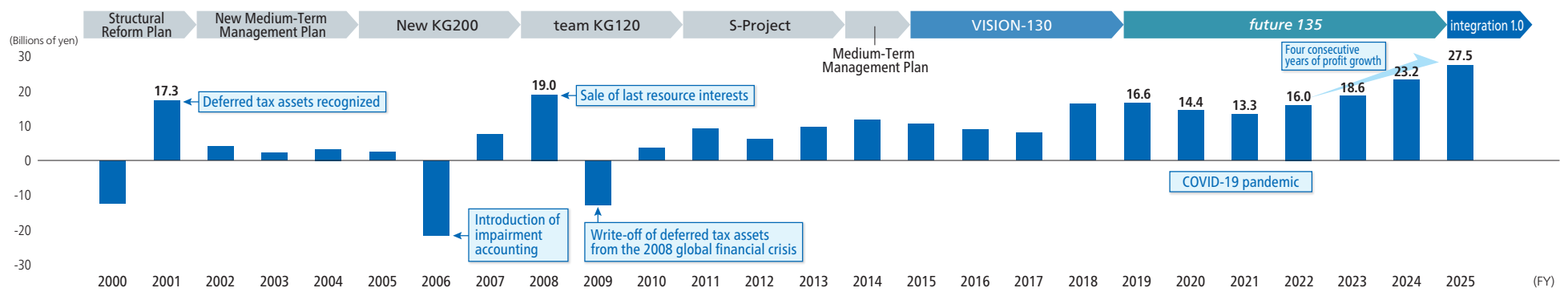
Figure 5. Consolidated net profit and dividend payout ratio



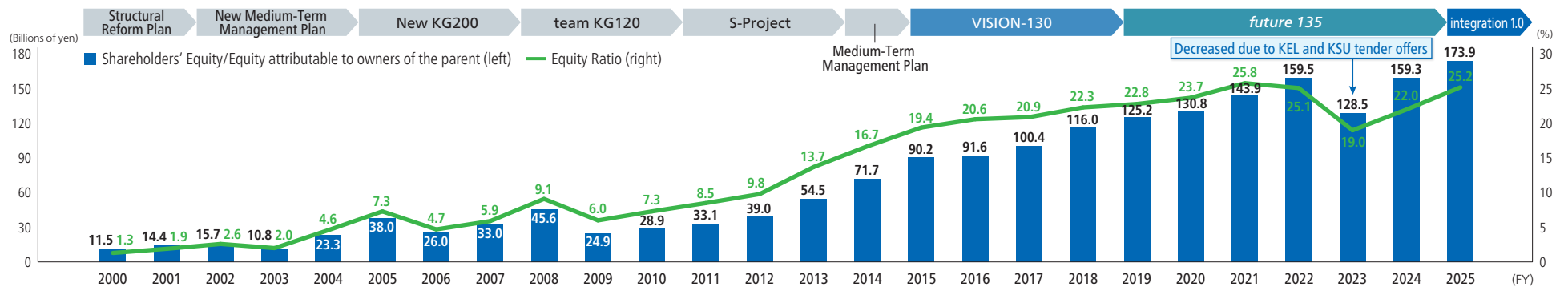
Message from the CFO

Profit Attributable to Owners of the Parent

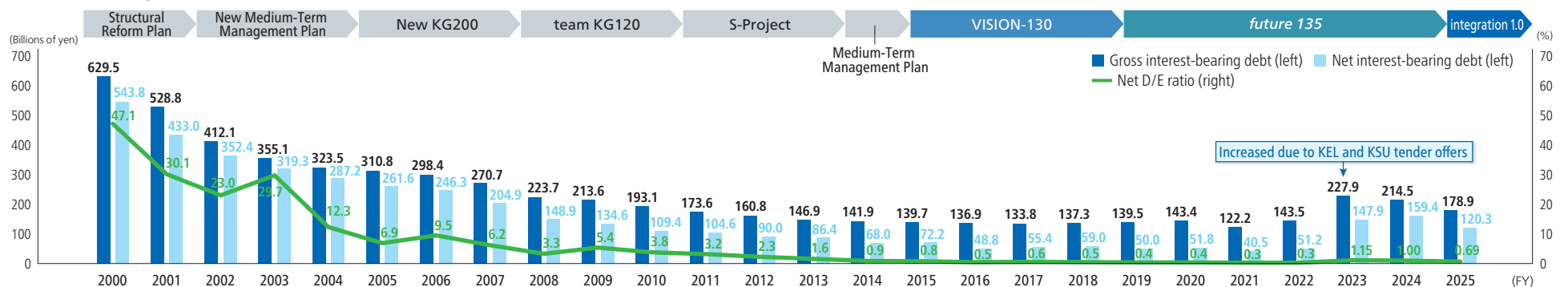
Note: JGAAP for the year ended March 2014 and earlier and IFRS for the year ended March 2015 and after



Equity and Equity Ratio



Interest-Bearing Debt and Net D/E Ratio



Message from the Chief Officer of Human Resources



Mutual Trust Builds Businesses

Hiroshi Yamashina

Senior Executive Officer,
Chief Officer, Human Resources

In my late twenties, I was stationed in France, working on the supply of electronic circuit board products. The delivered products frequently had defects, and each time a problem occurred, I would make the 400-kilometer trip to our business partner's factory alone, conducting re-inspections and repairs from morning to night. Our business partner's purchasing manager was particularly strict. Every time a defect was reported, he would call and demand someone to "come fix it immediately." Harsh reprimands usually awaited me and I would apologize profusely. Even so, running away was not an option. I had no choice but to face him with sincerity, no matter how uncomfortable it was.

Several months passed, and one evening when the defective product incidents had finally begun to subside, the purchasing manager invited me over to his place, where he had prepared a home-cooked meal and wine. It

was only then, sitting with him at the table, his expression calm, that I felt I could finally relax in his presence. "I've been tough on you, but I appreciate your attitude. You've faced everything head-on, never shying away. I look forward to continuing our business relationship with Kanematsu." Hearing these words, I felt my struggles had been rewarded, and my heart swelled. Since then, our relationship has transcended mere business partnership, evolving into a bond of mutual trust and understanding. This experience is essentially the core of who I am today. In a corner of that French factory, I learned firsthand the importance of maintaining integrity for our business partner and that business is built on relationships of trust between people.

By nurturing human connections—mutually investing time and passion toward shared goals and building trust—businesses can create value beyond mere transactions.

This philosophy represents a universal value passed down within the Kanematsu Group since its founding. The Kanematsu Group regards human capital as its most important asset and the driving force behind creating new businesses and value. Securing and developing Kanematsu Persons who are loved and chosen by our customers and business partners and building an organization in which each employee's capabilities is maximized, forms the core of the Company's human capital management. The overarching aim of this approach is to achieve the sustainable enhancement of enterprise value.

Under "integration1.0," our medium-term management plan, we have defined our vision as becoming a "solutions provider leading the transformation of efficient and sustainable supply chains." To cultivate human resources capable of designing optimal solutions rooted in in-depth field knowledge and delivering the best solutions to our business partners, we have established various key themes and human capital KPIs. To accelerate the implementation of initiatives by aligning business strategy with human capital strategy, we have established the Human Capital Management Committee. This committee is engaged in ongoing discussions aimed at strengthening human capital and building an organization that maximizes the abilities of each and every employee.

Furthermore, we remain committed to promoting well-being management in order to create a workplace environment in which employees can work in good physical and mental health. Our efforts have been recognized, earning us selection for the Human Capital Management Excellence 2024 (Silver) award and certification as one of the "White 500" in the Large Enterprise Category of the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program.

As "Kanematsu Persons," we will continue to cherish our connections with our business partners, build trust and empathy, enrich people's lives, and provide solutions that positively impact society as a whole, thereby creating sustainable value.

Message from the Chief Officer of Human Resources

Human Capital Development Policy

<https://www.kanematsu.co.jp/en/sustainability/social/training>

Work Environment Policy

<https://www.kanematsu.co.jp/en/sustainability/social/employee>

▼ Human Capital Management Committee

The Human Capital Management Committee, established in April 2024, continues its efforts to align management and human capital strategies and strengthen human capital, the cornerstone of value creation.

During the fiscal year ended March 2025, our first year of operation, a total of 14 Human Capital Management Committee meetings were held, comprising 13 regular sessions and one extraordinary session. Discussions focused on such topics as revisions to the system to promote engagement among senior employees and strategic manager assignments to overseas bases, advancing the establishment of the committee’s foundation.

Going forward, the Committee will continue to meet at least once a month for the purposes of deliberating on and reviewing the concept of a “Kanematsu Person” to support the creation of new value, optimizing the Groupwide human capital portfolio based on its management strategy, and deliberating on the formulation of a human capital investment program.

Committee members

4 members, 2 co-opted members



▼ Basic Policy on Human Capital

(Policy)

Sustainably increase enterprise value by securing and developing human resources (“Kanematsu Persons”) to be the source of new value creation and by creating an organization in which human resources are able to fully demonstrate their abilities.

Overview

A “Kanematsu Person” is someone who is loved and chosen by our customers and business partners. Each of us proactively embodies the following values that have been cherished since the Company’s founding, and, as “Kanematsu Persons,” we aim to create sustainable value.

Kanematsu’s Values

- A sense of purpose and responsibility for solving issues faced by customers, business partners, and society
- Imagination, ingenuity, and ambition to sow new seeds
- Sincerity in valuing mutual prosperity with customers and business partners
- Team spirit to work toward common goals with enthusiasm

▼ Human Resources Strategy

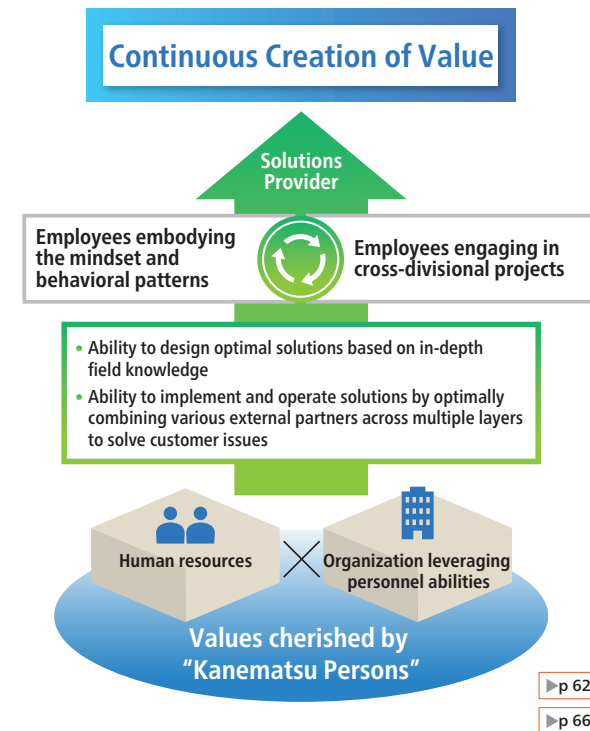
(Policy)

Secure and develop human resources who can play an active role in securing our envisioned goal (Solutions Provider) and create an internal environment that allows our human resources to fully demonstrate their abilities.

Overview

In our medium-term management plan, “integration 1.0,” the Company has set forth its envisioned goal for Kanematsu: to become “a solutions provider leading the transformation of efficient and sustainable supply chains.” To become a solutions provider, one must have two major skills: 1. the ability to design optimal solutions based on in-depth field knowledge, and 2. the ability to implement and operate solutions by optimally combining the resources of various external partners across multiple layers to solve customer issues.

We believe that by implementing initiatives based on the Human Capital Development Policy and the Work Environment Policy described on pp. 62-71, we will increase the number of employees embodying the mindset and behavioral patterns as well as engaging in cross-divisional projects—the monitoring indicators specified in “integration 1.0” our medium-term management plan.



▶ p 62

▶ p 66

Message from the Digital Transformation Committee Chair



Driving Supply Chain Transformation through Flexible and Actionable DX Promotion

Akihiko Fujita

Senior Executive Officer
Digital Transformation Committee Chair

In “integration 1.0,” our medium-term management plan launched in April 2024, DX (digital transformation) has been positioned as one of our key areas of focus. As a trading company with a global presence, the Company is driving DX throughout the organization by fully utilizing the diverse industry expertise it has cultivated, trusted relationships with partners, and the abundant resources and specialization of its Group companies. Through Groupwide collaboration, we provide optimal solutions to the complex and diverse challenges faced by our customer companies, aiming to transform the entire supply chain. To achieve this, we are strengthening our DX promotion framework by focusing on the three pillars of training, budget, and practice.

In terms of training, in fiscal 2026, we will launch a new Groupwide DX training program that will focus on

developing each employee’s ability to identify and solve on-site issues, so that they can become drivers of transformation. We will invite external experts to design and conduct the courses and provide a practical curriculum structure with a step-by-step educational program, which will cover everything from basic knowledge to extracting and proposing improvements to workplace issues—and will also regularly incorporate their feedback and opinions. By having DX training participants plan and formulate new DX projects within their respective operational departments, we will accelerate DX throughout the Company. Furthermore, members of Kanematsu Seed Port, Ltd., which was established in April 2025, will also support development through collaboration with the current business division in promoting the development of DX projects.

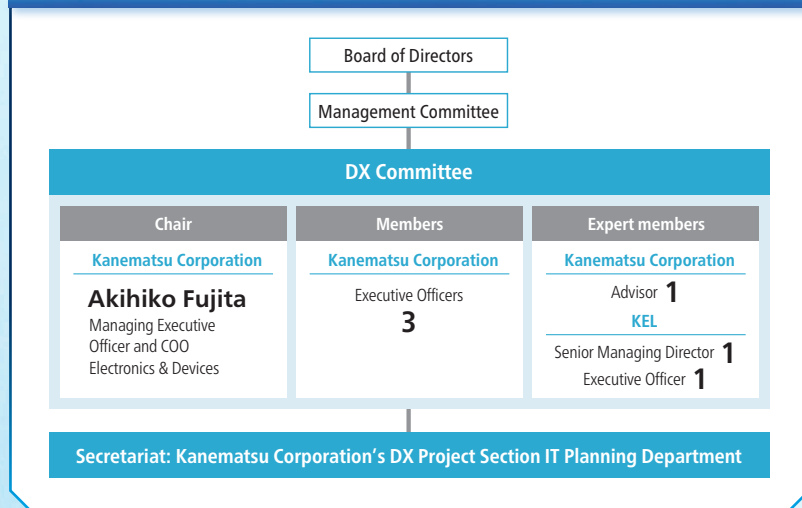
In terms of budget, we have established a DX investment category and execution standards applicable across the Company, separate from the typical departmental and project budgets, creating an environment that encourages new initiatives without hindering the efforts of employees. By significantly reducing financial barriers, multiple field-originated proof-of-concept (PoC) projects and new business creations have been launched without placing excessive burdens on Group companies or sites. This is also fostering a corporate culture where employees are encouraged to take on challenges without fear of failure.

In terms of practice, we are promoting a two-tiered approach consisting of the “DX Dojo,” where diverse operational challenges and ideas submitted from field sites and Group companies can be openly discussed and refined across roles and departments, and the DX Committee that evaluates whether to proceed with proof-of-concept initiatives matured in the DX Dojo. This structure enables us to quickly gather and refine front-line insights and challenges, while members of the IT Planning Department’s DX Promotion Section act as advisors to further shape ideas into practical applications and develop them into PoC projects for technical validation. We have also established the DX Committee Chair Award this fiscal year as a new initiative to encourage frontline employees to actively engage in DX activities on top of their regular duties. By awarding effective DX promotion measures, we provide opportunities to identify issues within our own departments and encourage those on the front lines to take on even greater challenges.

Through mutual reinforcement of efforts in training, budgeting, and practice, we are advancing DX initiatives, enhancing employee and customer engagement, and reinforcing our position as a digital trading company. Going forward, we will continue to work toward further transformation in collaboration with our employees and customers through flexible and effective DX promotion.

Message from the Digital Transformation Committee Chair

DX Promotional Framework



DX Strategy Overview

With the DX Committee at the core, the Company continuously executes a cycle of training, budgeting, and practice to accelerate digital transformation across the entire Group, thereby promoting the creation of a sustainable and competitive organization.

The DX Committee is responsible for deliberating and approving all DX-related investments for the Group, making investment decisions on such DX initiatives as data utilization, selecting SaaS solutions, and formulating strategies for their rollout to Group companies. In addition, it deliberates on DX projects throughout the Kanematsu Group and plays a leading role in horizontally deploying successful examples. Furthermore, by establishing a system to reward teams and employees who have implemented outstanding DX initiatives alongside their regular duties, we are working to further stimulate Companywide DX activities and expand their impact across the organization.

DX Training

Training grounded in practical experience to cultivate "DX core talent" who will drive DX throughout the Kanematsu Group

Target number of participants for fiscal 2026	Participants for fiscal 2025
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60 **34**

DX Project

Steadily drive DX reforms by implementing an autonomous cycle that incorporates business analysis approaches.

Fiscal 2025 Results		
Number of initiatives	PoC Implementations	Actual implementations

34 **8** **4**

Utilization of Generative AI

Promoting multiple DX projects by leveraging Kanematsu GPT, a generative AI platform developed exclusively for the Kanematsu Group with a focus on security.

- Streamlining and improving the quality of machine translation, as well as simplifying the acquisition of technical knowledge, through the use of technical term lists and generative AI.
- Verifying the classification and reading accuracy of shipping documents using generative AI

Message from the Digital Transformation Committee Chair

Status of Initiatives

Core System Renewal Project “hibiki”

Currently, the Company is undertaking a core system renewal project dubbed hibiki (Harmonized Integrated Bridging System for Innovative Kanematsu Infrastructure). This project aims to establish a data-driven management foundation that enables faster decision-making and optimal allocation of management resources, as well as to accelerate DX of the Kanematsu Group.



More than a system upgrade; hibiki is being advanced based on the fundamental concept of harmony between system providers and users. The architecture separates stable core systems and strategic functions, and we have adopted Oracle Cloud ERP, a SaaS-based ERP system, to promote business process innovation using cutting-edge technologies. We are actively engaging in DX initiatives by incorporating a “Fit to Standard” approach, aiming to standardize and streamline operations.

Furthermore, we are working to achieve seamless collaboration with external partners via end-to-end business processes, and to improve operational quality and speed by utilizing AI agents. By leveraging the SaaS platform, processes such as database design—previously performed manually—have now been automated through AI. Looking ahead, we envision an era in which AI autonomously develops systems conceptualized by business and IT divisions. This will significantly transform the role of IT departments, with greater expectation for contributions to business design.

Anticipating such a future, hibiki is committed to driving transformation through the use of AI while nurturing human capital capable of providing appropriate AI input and accurately assessing its output—as required by Oracle Cloud ERP. Through these efforts, we aim to achieve sustainable growth and further enhance corporate value for the Kanematsu Group.

Import Management Application “KG Smart Book”

To improve supply chain information management and operational efficiency in our import business, we are promoting the digitization of shipping and contract management. In the past, manual management resulted in the decentralization of information and transcription errors, creating a significant operational burden. In response, we developed KG Smart Book, a proprietary application using the Oracle APEX, AI application platform. This system can interface with both core systems and external services, striking a balance between usability and practicality.



The introduction of this system aims to increase accuracy by database management of information, reduce operational hours, and minimize transcription errors. Additionally, the system contributes to the reduction of human error through automatic tracking, API integration, and utilization of digital forms.

Looking ahead, we will further expand the scope of this system, promote operational standardization, and pursue group-wide optimization. We will continue building a framework that can flexibly adapt to changes in international logistics and strive to create greater service value.

Helicopter Component e-Commerce Site “KG HeliX”

The Aerospace Department has developed KG HeliX, an e-commerce (EC) platform aimed at streamlining helicopter component sales operations. Previously, customer quotation requests and order information were managed on separate ledgers, resulting in complicated workflows and significant time spent on customer response.



With the introduction of KG HeliX, we have achieved centralized information management and automated the quotation and order processes. This has reduced the workload for frontline staff and enabled us to provide customers with the necessary information in real time.

Going forward, we will work to further expand KG HeliX’s user base of and utilize the time gained through improved operational efficiency to create new added value and drive business growth.

Message from the Green Transformation Committee Chair



Transforming Our Supply Chain to Coexist with the Earth

Hiroshi Yamashina

Senior Executive Officer
Green Transformation Committee Chair

In “integration 1.0,” its medium-term management plan launched in April 2024, the Company sets forth its goal of becoming a “a solutions provider leading the transformation of efficient and sustainable supply chains” and promotes GX as one of its key measures. Three years have passed since the establishment of the Green Transformation (GX) Committee, which aims to build businesses that contribute to GX, and GX-related businesses continue to make steady progress.

Achieving GX in food and agriculture operations is an area of particular focus, and we are leveraging our strengths in the food supply chain to collaborate with farmers, fertilizer manufacturers, animal feedstuff manufacturers, meat packers, food manufacturers, retailers, and restaurant companies to develop various GX proj-

ects. For example, we are striving to mitigate methane gas emissions from rice cultivation, creating carbon credits based on this, and improving soil carbon storage and production efficiency through the use of high-performance biochar and biodegradable polymer materials. Through such initiatives, we helping to combat climate change and build a sustainable food production system. These initiatives are being promoted by the Sustainable Business Section, which serves as the secretariat for the committee, and the GX Accelerator Team, which is composed of volunteer employees from across the Kanematsu Group, in collaboration with external partners and business partners.

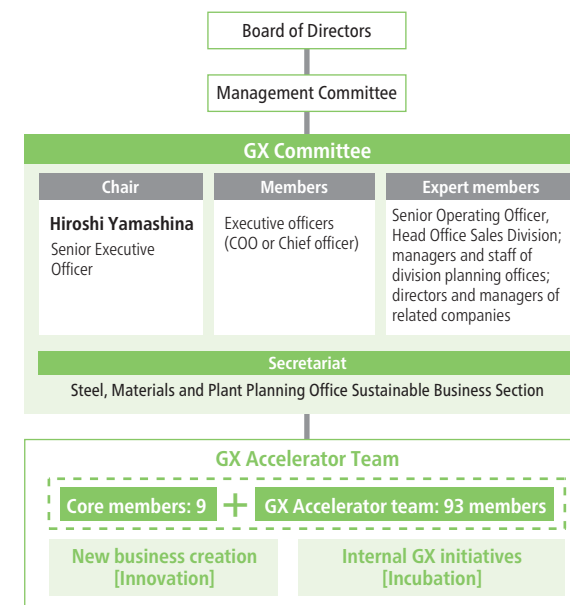
In addition, the number of investment and business partnership projects in other focus areas, such as renew-

able energy, GX for raw materials, and the venous business,* is steadily increasing, and we expect further expansion in the future.

How the environment is perceived is changing on a global scale, with some areas experiencing a backlash against decarbonization and GX initiatives. However, we view this situation as an opportunity to create new value and business models. GX is more than decarbonization and climate change measures. As a general trading company, we aim to become a leader in transforming supply chains to coexist with the earth by rallying the collective strengths of the Group and leading collaboration between industries and companies. Going forward, we will continue to achieve long-term growth by engaging not only our business partners but society as a whole.

* Refers to industries that turn solid industrial waste into reusable resources

GX Promotion Framework



Message from the Green Transformation Committee Chair

Status of Initiatives

Investment in Green & AgriTech startup TOWING Co., Ltd. —Solving social issues with high-performance biochar “Soratan” —

In March 2025, Kanematsu subscribed to a third-party allocation of new shares by TOWING Co., Ltd. and acquired shares in the company.

TOWING develops, manufactures, and sells the high-performance biochar Soratan in addition to providing related technical services. It also promotes comprehensive initiatives that contribute to solving social issues, such as launching the world’s first project utilizing a business model patent related to reserve sales and creation in the carbon credit field.

Since signing a partnership agreement in July 2024, Kanematsu and TOWING have been working on joint projects in Japan, the United States, Brazil, and Southeast Asia. In this joint venture, we are analyzing and evaluating the effects of using Soratan in terms of improvements in food yield and quality as well as carbon storage and soil properties, while also verifying the potential for promoting regenerative agriculture that contributes to biodiversity conservation. We plan to transition to a broader demonstration phase on the basis of certain results. Looking ahead, we will help establish a sustainable food production and procurement system and promote the reduction of greenhouse gas emissions across the entire supply chain through actions centered on carbon offsets utilizing Soratan.

Through this investment, Kanematsu will further strengthen its mutual cooperation with TOWING and promote efforts to further advance climate change measures and build a sustainable food supply chain.



Promoting Decarbonization with Biodiesel Fuel for Domestic Vessels

Kanematsu Petroleum Corporation has been conducting mixed combustion tests of “B5A heavy oil,” which is a mixture of heavy oil and 5% biodiesel using its own fuel supply ship at Nagoya Port since November 2022. We have gradually increased the biofuel blend ratio and conducted mixed combustion tests up to a maximum of 24%.

In March 2025, we also refueled an asphalt carrier in Tokyo Port with the same B5A heavy oil using the ship-to-ship method (a method of refueling by connecting a refueling hose from a fuel supply ship to the receiving ship).

Switching to biodiesel is an effective means of reducing CO₂ emissions that does not require large capital expenditures. The Kanematsu Group aims to contribute to the long-term decarbonization of fuel by expanding its supply network to not only ship operators but also factories, construction sites, bus operators, and other users.



Collaboration with Grid Beyond

—Promoting the transition to renewable energy through “demand response” —

Kanematsu has entered a business partnership with Grid Beyond, the Japanese subsidiary of an Irish energy IT solutions provider, to promote “demand response” in Japan, an initiative that adjusts the balance between electricity supply and demand and promotes the transition to renewable energy.

Grid Beyond is a company that aggregates efficient electricity trading through demand response, utilizing cutting-edge technologies that include proprietary AI and robots, and has over 10 years of experience in electricity load control. Going forward, we will promote the use of demand response to the Kanematsu Group and our business partners, with the aim of realizing a sustainable society.

Message from the Sustainability Management Committee the Chair



Strategic Sustainability

Kazuo Kondo

Director, Executive Officer

What Sustainability Means to Me

My first encounter with the concept of “sustainability” was over 30 years ago during my college days in the Faculty of Agriculture, in the context of sustainable agricultural development. At that time, changes in domestic and international markets—such as a shortage of agricultural workers in Japan due to population decline and aging, and an expected expansion of the global agricultural market due to population growth overseas—led the government to revise its basic agricultural policy. The new policy emphasized efficient and stable management, aligning prices with market evaluations and promoting exports, signaling a shift from focusing solely on domestic needs to long-term sustainable development.

My initial understanding of sustainability was shaped by Japan’s declining food self-sufficiency and the liberal-

ization of beef and orange imports under the Uruguay Round of GATT (1986–1994). At that time, Japan’s agricultural and livestock industries were widely considered strong, making it difficult to view “sustainability” positively, as the term implied struggling for survival amid dire circumstances. However, the 1987 United Nations report *Our Common Future* highlighted sustainable development as meeting the needs of the present generation without compromising the ability of future generations to meet theirs. Although I only learned this concept much later, the idea of balancing environmental and the economic objectives, rather than seeing them in conflict, was particularly compelling.

Since then, sustainability has become linked to corporate social responsibility (CSR), which gained momentum in the 1990s, and ESG, which originated in investment

practices, providing a framework to reconcile social and environmental concerns with economic growth. The adoption of the 17 UN Sustainable Development Goals (SDGs) in 2015 set a target for achieving a sustainable world by 2030. With 2025 marking the 10th anniversary of their adoption, only five years remain to reach these goals. This raises a key question: what path should the Company pursue, and what legacy will it leave over the next five years and beyond?

Sustainability the Kanematsu Way

Kanematsu’s sustainability initiatives began with the establishment of the Environmental Issues Committee in 2006, followed by the Corporate Social Responsibility (CSR) Committee in 2008. Comprised primarily of support divisions, the CSR Committee emphasized a strong sense of “responsibility” and “management.” In 2020, it was reorganized into the Sustainability Management Committee, which continues to oversee our sustainability efforts today.

At that time, I served as the Company’s secretary-general and was involved in establishing the new committee. I remember struggling to design a system that would promote sustainability from a strategic perspective. A distinctive feature of the current sustainability management system is that executive officers from all seven business areas serve as committee members, while the general managers overseeing each sales division participate as expert members. The involvement of these business area leaders helps foster a sustainability-oriented mindset that is closely aligned with the Company’s operations and interests. Furthermore, with the committee chaired by the planning executive responsible for formulating the Group’s basic management strategy and allocating management resources, the system ensures that the entire Group works collaboratively to advance sustainability without bias toward any particular business area, and the key matters can be communicated directly with the Board of Directors.

Message from the Chair of the Sustainability Management Committee

Supply Chain Sustainability is the Responsibility of Trading Companies

Appointing planning executive as committee chair also strengthens alignment with management strategy. Under "integration 1.0," the medium-term management plan launched in the fiscal year ended March 31, 2025, we set a goal of becoming a solutions provider leading the transformation of efficient and sustainable supply chains over the next five years. We view DX as representing efficiency, and GX and sustainability as representing sustainability. By leveraging these tools to deliver new added value (solutions) to the supply chain, we aim to collaborate with our business partners to secure revenue sources and improve expected profit growth by making the supply chain itself more sustainable.

In addition, the Company's portfolio, consisting entirely of non-resource businesses with low volatility, contributes to a reduction in capital costs. Together, these factors form a strategy to enhance market valuation, including an increase in PER. As a company rooted in the trading business, much of our strength lies in the information we gather daily from our business partners. Our strategy is to sharpen this advantage further, building a lasting competitive edge, which we view as a core responsibility of a trading company. I believe that sustainability can be achieved only through strategic planning, enabling everyone to share the same vision.

The Kanematsu Group's ESG Score

As a result of a three-year plan launched in 2022 to improve our FTSE Russell score, we achieved our target and in 2024 and were included in the FTSE Blossom Japan Index, one of the domestic ESG indices adopted by the GPIF.

	2020	2021	2022	2023	2024
FTSE Russell	1.4	1.4	2.8	2.9	3.4
S&P Global CSA Score	14	27	32	41	45
MSCI	BB	BB	BBB	A	A
CDP (Climate Change)	-	-	B	B	B

Key Issues Discussed by the Sustainability Management Committee (FY2025)

- Disclosure of sustainability initiatives, including human rights, biodiversity, climate change (CDP)
- Reporting and analysis of greenhouse gas emissions for the fiscal year ended March 2024
- Review of progress on initiatives contributing to greenhouse gas emissions reduction
- Compliance with the European Sustainability Disclosure Directive (CSRD)

Sustainability Promotion Framework



(As of June 27, 2025)

Message from the Chairman of the Board of Directors



The Role of the Board of Directors in Increasing Enterprise Value

Kaoru Tanigawa

Chairman and Representative Director

Sustainable Governance Framework

The Board of Directors is responsible for establishing corporate governance systems and continuously monitoring their effectiveness—an ongoing effort that strengthens management capabilities. To enhance agility, the Board has delegated business execution authority to the Management Committee, thereby enabling more responsive and transparent operations while ensuring the Board itself can function efficiently and engage in deeper discussions. In addition, to formal monthly meetings, the Board also convenes monthly supplementary sessions. These serves as forums for open discussions on enhancing enterprise value, incorporating management challenges as well as perspectives shared by investors. They also provide opportunities to gain valuable insights and input from outside directors. Increasingly, initiatives such as embedding the Corporate Philosophy and the strengthening

investor relations and shareholder relations have been initiated and advanced in response to suggestions from outside directors.

Priority Issues for the Board of Directors

Deliberations on how the Company can best leverage its intangible assets—particularly in areas of competitive advantage—are essential for formulating medium- to long-term strategies. Securing human capital capable of managing social capital, such as communication and networks, is especially important given the Company's business model, which relies on deep engagement with customers' supply chains. The Board places significant emphasis on human capital, enhancing system development and improving the working environment through various initiatives, while continuously monitoring its effectiveness. Furthermore, outside directors have identi-

fied the further development of intellectual capital as a key agenda item. Recognizing that global strategy remains an ongoing challenge, the Board intends to continue discussions on establishing mechanisms to enhance operational agility.

Strengthening Internal Controls and Monitoring

The Board of Directors monitors and receives reports on the implementation, evaluation, and execution of internal controls across the Company, including its Group companies. Effectiveness is further verified through regular internal audit reports, and input from outside directors—through questions and advice—and these assessments actively used to enhance these controls. In previous fiscal years, the Board has discussed the role of the management department and the nature of internal controls within new systems, considering the ongoing development and evolution of the Company's core systems over the medium to long term. These discussions have confirmed both progress and the underlying approach. Furthermore, the monitoring methodology itself is continuously reviewed and refined to create systems that are efficient and easy to understand.

Further Enhancement of Enterprise Value

The Board of Directors believes it must support the realization of management's vision and growth strategy by making appropriate judgments from both offensive and defensive perspectives. We rigorously monitor the effectiveness of each function and implement improvements aligned with the times and prevailing business conditions, ensuring that our organizational structure remains consistently effective. We also recognize that an independent Board enhances judgment and creativity by maintaining a constructive tension with management. The Kanematsu Group will continue to strengthen the effectiveness of the Board and the quality of its discussions to achieve sustainable growth and create enterprise value.

We appreciate your continued support and look forward to the Kanematsu Group's ongoing growth.

Message from the Nominating Committee Chair



Harmony without Conformity Building a Strong Board of Directors through Discussion and Agreement

Kazuhiro Tanaka

Outside Director

Discussions Held by the Nominating Committee in the Fiscal Year Ended March 31, 2025

As a company with an Audit & Supervisory Board, Kanematsu maintains a Nominating Committee that serves as an advisory body to the Board of Directors. Reporting to the Board of Directors, the committee is responsible for deliberating on the appointment of and succession plans for directors and other executives, including top management.

The Nominating Committee is charged with maintaining neutrality and transparency in its provision of reasonable and effective recommendations to the Board of Directors. Accordingly, the Company's Nominating Committee currently consists of three outside directors, one of whom serves as chair, and one standing director (the Chairman of the Board of Directors).

The Nominating Committee of fiscal 2025 held four

meetings between November 2024 and March 2025 (all with 100% attendance) at which it discussed and reviewed three main agenda items: the Composition of the Board of Directors, the Selection Criteria for Director Candidates, and Specific Selections of Director Candidates. The committee then submitted its recommendations to the Board of Directors.

Regarding the Composition of the Board of Directors, between November and December 2024, we reviewed the following points in consultation with the Board of Directors: (1) the roles and functions of standing directors on the Board of Directors and (2) the ratio of standing to outside directors. From a starting point of four standing directors—a chairman, a president, and directors in charge of corporate planning and finance—we contemplated several different configurations, taking into consideration the propriety of the functions delegated to standing

directors on the Board of Directors in terms of supervision and decision making. Subsequently, we concluded that the optimal structure would continue to include the four standing directors: the President & CEO as serving as the head of execution; the Chairman serving as the head of governance; and the directors of Corporate Planning and Finance, who together are responsible for consolidating information across the entire Company. In view of this, we discussed the ratio of standing to outside directors, taking into consideration the nature of the Company's business, the qualities expected of outside directors (keen insights into society and a wealth of knowledge and experience in their respective fields), and the diversity required of the Board of Directors. After careful consideration, we concluded that the ratio of 4 standing to 3 outside directors would remain desirable.

I discuss Selection Criteria for Director Candidates, which have undergone some revisions in the fiscal year ending March 31, 2026, in a separate section below. Here, however, I wish to address the third agenda item, Specific Selections of Director Candidates. From January to March of 2025, the Nominating Committee held two formal meetings and several informal meetings to choose candidates and submitted its recommendations to the Board of Directors. New directors were subsequently appointed to both the Corporate Planning and Finance departments. These changes were made with the aim of fostering growth within the Company's senior management while maintaining and strengthening the functions of the Board of Directors, taking into full consideration the overall skills matrix of the executives concerned. The new candidates were selected from a pool of candidates under consideration by the Nominating Committee and in accordance with the revised Selection Criteria for Director Candidates. The two candidates selected were chosen based on their backgrounds, abilities, personalities, and previous evaluations. The ultimate decision was reached following interviews of both candidates conducted by all members of the Nominating Committee.

Message from the Nominating Committee Chair

Revision of Selection Criteria for Director Candidates

Regarding the Selection Criteria for Director Candidates, in discussions held among the members of the Board of Directors during the fiscal year ended March 31, 2025, it was decided that in addition to the existing criteria, it would be desirable to include the qualities and attitudes expected of members of Kanematsu's Board of Directors. After sharing and summarizing the desired qualities and attitudes in the course of unfiltered discussion among the directors, the Nominating Committee further reviewed said criteria and issued the following revised Selection Criteria for Director Candidates.

"Candidates should be individuals who excel in terms of personality, insight, and execution, possess the extensive experience, a high level of insight, and advanced expertise appropriate for a director of the Company and who are able to actively contribute to the fulfillment of their responsibilities while maintaining harmony without conformity."

"Actively contribute to the fulfillment of their responsi-

bilities while maintaining harmony without conformity," is the newly added section.

"Harmony without conformity" is taken from Confucius' words in the Analects: "The noble man is harmonious without conforming, while the petty man conforms without being harmonious." Kanematsu's directors value harmony among themselves and focus on constructive discussions while never agreeing blindly with others and speaking frankly when they feel they have something to express. However, rather than simply speaking one's mind, it is important to speak and commit with responsibility and determination, keeping in mind the roles required of standing and outside directors. Our aim is to ensure that the Board of Directors functions effectively, thereby enabling the Company to continue to exist and grow in a healthy and dynamic manner over the long term.

The Board of Directors has long valued a culture of "harmony without conformity," and I am proud to say that in recent years, this has been embodied in frank and con-

structive discussions. This is a culture that I would like to see further nurtured and established. "Harmony without conformity" also serves as a concrete example of the qualities described in the relatively broad expression "to excel in terms of personality, insight, and execution" from the perspective of what is necessary for the Board of Directors to function effectively as a corporate body.

Of course, the selection of directors cannot be based on personality alone. That is why we also seek "extensive experience, a high level of insight, and advanced expertise." However, no matter how outstanding a candidate's experience, knowledge, and expertise may be, they must also be capable of leveraging them in a way that "actively contributes to the fulfillment of their responsibilities." Only then can experience, knowledge, and expertise truly be put to good use.

The added phrases, "Harmony without conformity," and "actively contribute to the fulfillment of responsibilities," embody the above intentions and significance.

Board of Directors Selection Process

Date held	Meeting body	Content of discussion
July 2024	Extra Session of the Board of Directors	Composition of the Board of Directors
October 2024	Extra Session of the Board of Directors	Distance between the Board of Directors and Execution
November 2024	Nominating Committee	Composition of the Board of Directors
December 2024	Nominating Committee	Composition of the Board of Directors and Functions of Standing and Outside Directors
December 2024	Extra Session of the Board of Directors	Composition of the Board of Directors, Functions of Standing Directors, and Selection Criteria for Director Candidates
January 2025	Nominating Committee	Confirmation of Selection Criteria for Director Candidates and Deliberation of Director Candidates
March 2025	Nominating Committee	Confirmation of Director Candidates
March 2025	Board of Directors	Appointment of Directors and Executive Officers, and the Division of Duties among Directors and Executive Officers

Message from the Compensation Committee Chair



Looking back on the First Year of the Compensation System for the Next Stage

Yuko Tahara
Outside Director

The Launch of a New Compensation System

The role of the Compensation Committee is to review the compensation system to ensure it serves as a sound and appropriate incentive in accordance with its regulations, supporting the Company's sustainable growth and enhancement of corporate value. The Compensation Committee meets twice a year in principle to deliberate and report on individual compensation plans for directors and executive officers based on consultations from the Board of Directors.

Effective April 1, 2024, we revised our compensation system in alignment with "integration 1.0," the new medium-term management plan launched that month. Some revisions are based on the "Key Points and Examples Considering the Investor's Point of View in Regard to Management Conscious of Cost of Capital and Stock Price," released by the Tokyo Stock Exchange in February 2024.

The specific revisions were designed to increase the total amount of performance-linked compensation based on business performance, thereby providing an incentive for the achievement of short-term

performance targets. The compensation system has also been linked to shareholder value by incorporating the current target of ¥35 billion in net profit, which has been set in the medium-term management plan as an indicator. The three components of compensation remain unchanged: fixed monthly compensation, performance-linked monetary compensation, and performance-linked stock compensation. However, the adjustment of the fixed portion of monthly compensation based on the previous year's performance has been abolished, and the ratio of variable compensation to the total compensation has been increased.

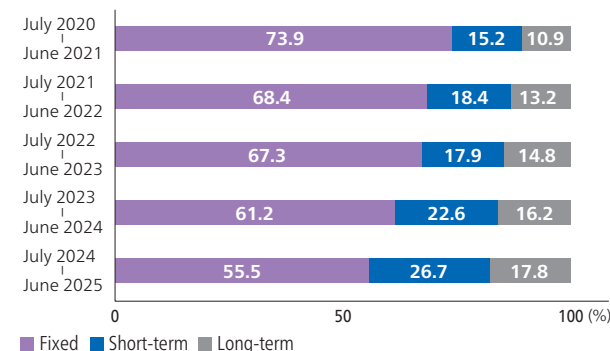
To this end, we are strengthening directors' commitment to increasing enterprise value over the medium to long term.

Looking back on the First Year of "integration 1.0"

Profit attributable to owners of the parent for the fiscal year ended March 31, 2025, rose ¥4,251 million (18.3%) year on year to ¥27,469 million, marking a solid start. The revised executive compensation

system is based on consolidated net profit of approximately ¥32.5 billion with the fixed ratio comprising 50% of the total, short-term ratio 30%, and medium-to long-term ratio 20%. Under the previous system, compensation for executive directors based on the performance for the fiscal year under review would have been 64% fixed, 16% short-term, and 20% long-term. Under the revised system, however, it will stand at 56% fixed, 27% short-term, and 18% long-term, moving closer to a structure that contributes to enhancing enterprise value.

Proportion of Each Type of Compensation for Executive Directors



Initiatives for Sustainable and Progressive Enhancement of Enterprise Value

In terms of incentives to increase enterprise value, it is essential, as indicated by the Corporate Governance Code, to continue to increase the connection between the compensation system and medium- and long-term business performance. With an eye toward achieving a variable ratio of 50% fixed to 50% variable, we will continue to increase the connection between the system and business performance. Furthermore, the Company is actively pursuing human capital management, sustainability, DX, and GX. We also believe it is necessary to consider ESG indicators and other factors in executive compensation.

We will make every effort to create a compensation system that will serve as an engine for the further acceleration of the Company's growth and increase its enterprise value, while prioritizing transparency and objectivity.

Message from the Audit & Supervisory Board Members



Going Beyond Supervision and Monitoring, Contributing to Increased Corporate Value through Operational Audits

Yoshio Tajima

Audit & Supervisory Board member (Presiding Chairman)

Yoichiro Muramatsu

Audit & Supervisory Board member



Role of the Audit & Supervisory Board

As a legally independent body entrusted by shareholders, Kanematsu's Audit & Supervisory Board is tasked with overseeing management from a perspective separate from that of business execution and promoting corrective measures as necessary, thereby ensuring that the quality of the corporate governance system is maintained at a consistently high level.

Beyond maximizing shareholder value, our goal is to ensure the Company realizes its founding purpose, "Let us sow and nurture the seeds of global prosperity," or in more modern terms, "Let us create and operate businesses that promote social happiness and public welfare," through sustainable growth.

Since April 2024, the Company has been working on a three-year medium-term management plan, "integration 1.0," aiming for further corporate growth and actively promote the resolution of issues in the business environment surrounding the Group. The Audit & Supervisory Board also believes in the importance of monitoring the execution of

plans and creating an environment that promotes prompt and decisive decision making in order to achieve the goals we have communicated to stakeholders. We recognize that fulfilling this role is a key priority and are actively working on it.

Functions of the Audit & Supervisory Board

The Audit & Supervisory Board consists of four auditors, including two full-time auditors with experience as directors of affiliated companies in Japan and overseas, and two outside auditors who are experts in law and accounting. This diversity ensures the board is equipped to perform its monitoring and corrective functions in a balanced manner.

Throughout the year, full-time auditors attend important meetings, including those of the Board of Directors, the Management Committee, and the Project Deliberation Committee, as well as those of such key committees as the Internal Control and Compliance Committee, the Sustainability Management Committee, and the Human Capital Management Committee. At these meetings, they

express their opinions to ensure transparent and fair decision making within the Company and to foster an environment that enables prompt and decisive decision making. Outside auditors ask questions and furnish comments and advice based on their specialized knowledge, and experience as auditors at other companies, and the Audit & Supervisory Board discusses a wide range of topics related to the overall corporate activities of the Group.

Preventing a Disconnect between Management and the Front Lines

One of the things that the Audit & Supervisory Board pays particular attention to is ensuring that there is no disconnect between management and those on the front lines. Full-time auditors conduct individual interviews with directors, executive officers, department managers, and presidents of major Group companies in Japan and overseas over 70 times a year. Not only do we review documents and conduct interviews, we work to ensure discussions with man-

Message from the Audit & Supervisory Board Members

agement on significant risks for each business. As auditors operate independently from management, they are often more open to insights regarding the real issues on the ground and are able to impartially weigh honest opinions that employees may find difficult to express directly to management.

Issues related to governance identified through operational audits are shared with external auditors. We hold regular and ad hoc meetings with representatives of the Board of Directors to share findings and make recommendations. Furthermore, in fiscal 2025, we held two meetings with outside directors to discuss various management issues. In all our activities, we pride ourselves on helping directors gain an understanding of the situation and opinions of those on the front lines.

Contribute to Improving the Quality of Board Discussions

We also strive to contribute to improving the quality of discussion at the Board of Directors.

Ten years have passed since the establishment of the Corporate Governance Code, which has brought with it changes in how board meetings are conducted. With an increasing number of outside directors, meeting agendas have shifted from formal approvals to substantive discussions on management issues. In the past, we refrained from speaking at board meetings except in cases where the issues at hand were unreasonable or logically flawed. Recently, however, we have become more proactive in contributing, leveraging our understanding of on-site conditions and specialized expertise to help facilitate anticipatory decision making.

About the Board of Directors

Recently, substantive discussions have increased at board meetings, with outside directors also offering various opinions and raising issues, all of which are thoroughly addressed by the chairman and president. Issues of particular importance or such corporate governance matters

as the composition of the Board of Directors and criteria for appointing director candidates, are discussed at length by the directors and auditors at extra sessions held off-site after Board meetings. The themes of these extra sessions are truly diverse. For example, in one such session regarding “The Board of Directors’ Involvement in Medium-Term Business Plans,” discussions were held exploring various perspectives on the role of the Board of Directors, including monitoring methods used, communications with shareholders and investors, and measures to promote understanding of medium-term management plan policies. Other topics under discussion included basic approaches and goals related to climate change and policy-held shares, leading to specific measures being implemented. Inspired by the auditors’ desire to further foster a culture that values free and constructive discussions and exchanges of opinions, the criteria for appointing director candidates were amended to include “harmony without conformity, and actively contribute to the fulfillment of their duties.”

Going forward, we expect that the Board of Directors will engage in further in-depth discussions on voting standards and the opinions of institutional investors, including the Company’s management policies and strategies, as well as differences from other companies.

I believe that such constructive and deep dialogue will clarify the direction of the Company.

Future Outlook

Traditionally, Audit & Supervisory Board members and Audit & Supervisory Boards have enforced a policy of strict monitoring and supervision of management by maintaining strict independence from business execution. However, the Board of Directors and the Audit & Supervisory Board are currently composed of a diverse group of independent outside directors and auditors, and, as mentioned above, they maintain sound supervisory functions through active exchanges of opinions. Therefore, we do not feel it is necessary to place particular emphasis on monitoring and supervision. The Audit & Supervisory

Board, together with the management team, believes it is important to achieve sustainable growth and create long-term enterprise value for various stakeholders through their respective roles. At the Board of Directors meetings and various other meetings and committees, we strive to create an environment that facilitates prompt and decisive decision making while ensuring transparency and fairness by actively expressing our opinions based on our knowledge and issues identified through operational audits.

As the importance of ESG and sustainability increases in promoting business, we will continue to work to ensure that these issues are fully recognized at the forefront of each Group company through operational audits and cooperation with the Group’s auditors.

In “integration 1.0,” we are aiming to expand the value we offer by promoting DX and GX on a Groupwide basis. In the fiscal year ended March 31, 2025, an operational audit confirmed that the concept of Groupwide management is not limited to Kanematsu’s departments, but has spread widely to Group companies, giving us a strong sense that the Kanematsu Group is being revitalized through the promotion of the current medium-term management plan. On the other hand, we recognize that there are still challenges in promoting efficiency across the entire Group, such as the independent introduction of business efficiency software by each Group company.

We believe that we have a role to play in assessing the innovative convenience made possible by advances in such new fields as AI, as well as the potential risks inherent therein, which is why interviews focused on the use of AI are part of our operational audits. In addition, the Audit & Supervisory Board believes that it should strive to improve the efficiency of audits by using AI to save time that could be used to focus on matters related to management decision making. Although AI is still limited to certain areas, we will continue to contribute to the sound and sustainable development of our group by quickly responding to new growth opportunities and risks involving AI and other technologies.

Governance Roundtable Discussion



Yuko Tahara
Outside Director

Kazuhiro Tanaka
Outside Director

Hiroyuki Sasa
Outside Director

DIALOGUE

Kanematsu's Evolution and Hopes for the Future

A roundtable discussion was held among three outside directors who, drawing on their expertise and experience, shared their thoughts on governance, the changes and challenges the Board of Directors face, and the future of the Kanematsu Group from an independent, outside perspective.

Yuko Tahara
Outside Director



Kazuhiro Tanaka
Outside Director



Hiroyuki Sasa
Outside Director

What is your impression of the culture and functions, and changes within the Board of Directors?

Sasa

Since my appointment as an outside director in 2022, I have found Board discussions to be very clear and steadfast in the best possible sense. What I appreciate most is the clear indication of support or opposition within each deliberative section. The review process is transparent, arguments are well-defined, and all necessary factors for judgment are covered, which instills confidence. This can be attributed to the progress made in delegating authority. In 2022, the Rules on Delegation of Authority were revised, significantly transfer-

ring business execution authority to the Management Committee. This has led to more efficient Board operations and deeper discussions, while also dramatically increasing the speed of management decisions.

Tanaka

When I first took this position in 2020, I felt there was a tendency to discuss management solely in terms of numbers, perhaps due to the lingering effects of a previous focus on selection and specialization. Since then, as discussions have progressed on the current medium-term management plan, "integration 1.0," we've been able to articulate our value creation story and our vision for the future. Over time, I have felt

a gradual increase in such strategic discussions. This evolution stems not only from the Board of Directors' input but also from a shift in mindset among the executives actually formulating strategy. I believe this shift—which began with the executive team approaching the Board with a proactive stance toward the Group's future—led to a tangible improvement in the quality of discussions at Board meetings. In that sense, in addition to the "steadfastness" Mr. Sasa mentioned I feel there is also what might be called a "driving force." There is a conscious effort to sincerely engage with discussions and opinions raised in meetings and consistently translate them into improvements.

Governance Roundtable Discussion

DIALOGUE

Tahara

I am the Company's longest serving outside director, having assumed the position in 2019. As such, I have observed significant changes. Initially, the Board of Directors focused solely on deliberating the agenda items. However, currently, discussions go beyond the agenda items raised and delve deeply into the medium- to long-term growth of the Kanematsu Group. In addition, extra sessions are held to discuss important topics and issues. These discussions also serve as a bridge between management and operations, providing a vital means of exchanging opinions and deepening understanding as we move toward decisions on important matters. Furthermore, executive officers now present thoroughly vetted and well-defined agenda items to the Board of Directors. Alongside this evolution, the atmosphere within the Board itself has changed significantly.

Tanaka

While diversity among the Board of Directors is expected, what truly matters outside of attributes as gender or expertise is a fundamental diversity of thought. To avoid focusing solely on increasing value for specific stakeholders, we believe the sounder approach is to value diversity in corporate philosophies and management perspectives on what a company should be and, within that diversity, to explore what we should aim for.

Tahara

In terms of the composition of the Board of Directors, we will implement a skills matrix to identify the skills and individuals needed to complement the existing team, and then discuss our options accordingly. Using this as a baseline, I believe we are able to appropriately discuss the kind of individuals we are seeking in order to adapt to a rapidly changing society.

Tanaka

I feel the same way. Standing directors are selected from the key management areas of finance, which handles financial resources, and planning, which oversees strategy. These decisions are based on how well they serve as "information hubs." I

believe this makes it possible to discuss what kind of individuals are needed to adapt to a rapidly changing society.

What are your thoughts on "integration 1.0"?

Tahara

As the name "integration 1.0" suggests, the Group's integration through unified management is progressing day by day. The previously hierarchical organization is steadily transforming, with strengthening human capital and organizational functions as its pillars. Furthermore, 2024 was a year of great excitement, marked not only by the establishment of the Human Capital Committee, but also by such initiatives as the culture design project TANEMATSU, the Hitotsubu Club community that promotes such challenges as generating and advancing new business ideas, and the first major sports festival in a decade. There were also a number of times when the determination among our employees and the Group to take on challenges and embrace change as one united force was palpable.

Tanaka

The fundamental significance of "integration 1.0" is that it encompasses capabilities. The next step requires deepening discussions to clarify the Company's true strengths and determine how to turn them into "winning" capabilities. Six basic policies have been established, but I believe discussion is needed to develop these into a cohesive narrative—using each as a valuable building block to create a more three-dimensional story.

Sasa

When I assumed my current position, *future 135*—the medium-term vision at the time—included a globalization theme. However, "integration 1.0" deliberately omitted that wording, which I remember appreciating. This is because I felt that there were other more pressing matters to attend to. Globalization involves more than just placing functions abroad; it must be driven by the business itself. The next step will be to



establish an organizational structure that can effectively manage the business. I believe that this will also be the next theme. The matrixing of functions across the entire Group, including overseas operations, is another issue I would like to discuss. Looking at the Company's internal control framework and the actual activities of the Internal Auditing Department, they are very well established. On the other hand, I feel there is a slight lack of horizontal connections between corporate departments, including within Group companies. Resources should be shared across the Group to enhance capabilities and accelerate management speed and efficiency. Within that context, I believe it is crucial to effectively instill our Corporate Principle throughout the entire Group, including overseas operations. As I experienced at my previous employer, Olympus Corporation, this is truly a difficult task. The mobility of human capital is increasing domestically, and the importance of instilling the Corporate Principle is growing ever greater as a way to unify the Group. Therefore, as top management, it's crucial to continue engaging with the entire Group.

Tahara

That is the role played by the TANEMATSU project I mentioned earlier.

Tanaka

In August of this year, TANEMATSU is set to announce its Mission and Values as reinterpreted for the modern era to

Governance Roundtable Discussion

DIALOGUE

strengthen the permeation of Kanematsu's founding purpose. To my knowledge, there are not many action guidelines or management philosophies that have been so thoroughly articulated and taken to heart. We expect this grounded approach to serve as the glue that binds the Group together in its integrated management going forward.

What are your thoughts on communication and governance?

Sasa

Communication between the Company's directors and outside directors is smooth, and I feel that there are opportunities for discussion and interaction. It is also important to maintain a sense of distance and clear boundaries from a supervisory standpoint regarding business execution. Therefore, I feel that the current level of communication and information sharing is just right.

Tanaka

I wholeheartedly agree. That said, having seen and heard about the difficulties encountered and hard work on the part of those carrying out the work, I also feel like I, personally, want to support them and talk to them more. It would be great to hear firsthand from our employees about their honest thoughts and feelings each day—what they think about the Company and their own work, and how they hope to be rewarded by the Company.



Tahara

I occasionally discuss human capital with members of the Human Resources Department. I'm always impressed by how the information shared, opinions exchanged, and brainstorming sessions during those discussions inevitably take shape and evolve into tangible changes later on.

Also, from the perspective of collaboration with each committee, necessary reports are provided at the appropriate times. When deeper discussion is needed, direct conversations with the executive team are held, or supplementary sessions convened. Discussions are never left unresolved; they are consistently addressed to drive improvement and evolve.

Sasa

Indeed, the fact that Board meetings consistently include discussions and proposals for improvements based on the medium-term management plan's monitoring items and that opinions from outside directors are also reflected, gives me a sense of reassurance that the cycle is functioning well. I have always wondered what condition a board of directors must be in to be considered functional, and what steps should be taken to enhance its management capabilities. Beyond the level of discussion and decision-making processes, I believe we must ultimately delve deeply into what Kanematsu as a company aims to achieve, idealizes for itself, and what kind of Board of Directors the executive leadership seeks to establish.

Tanaka

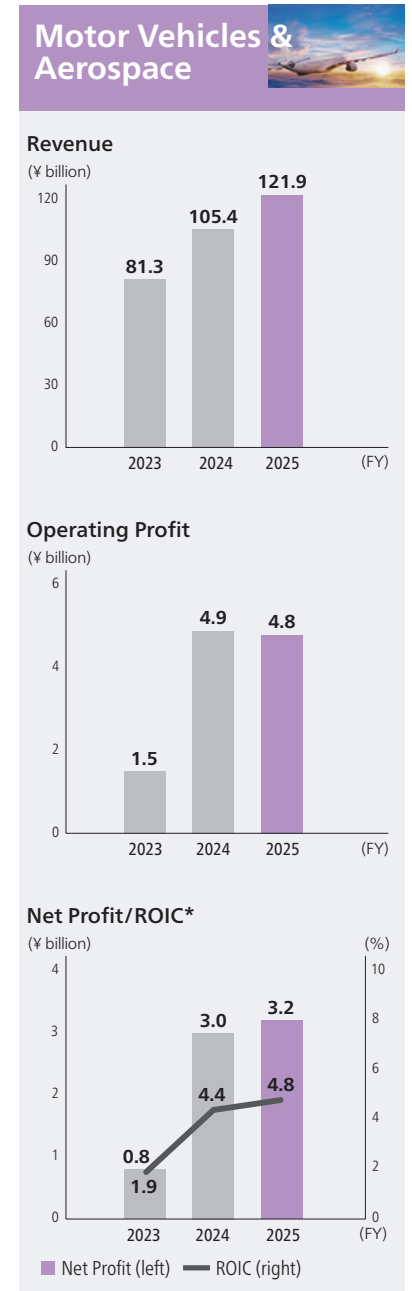
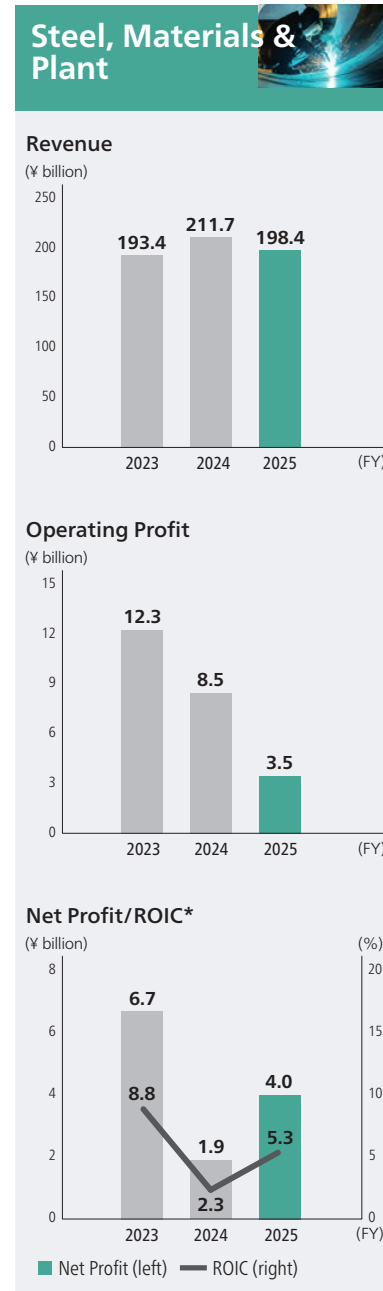
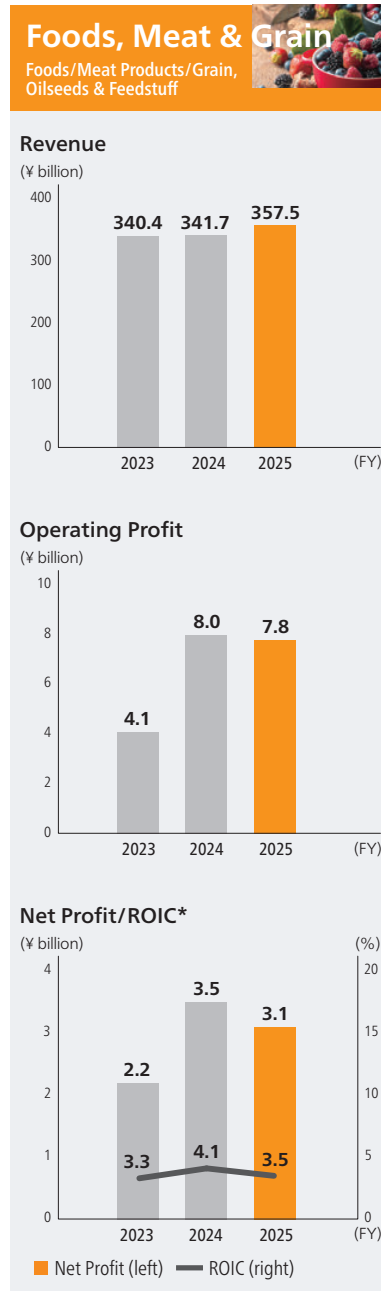
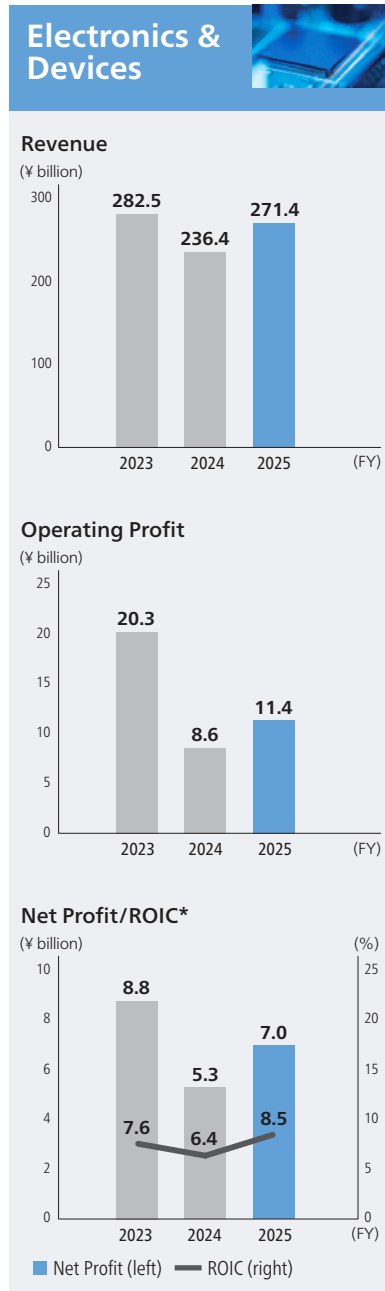
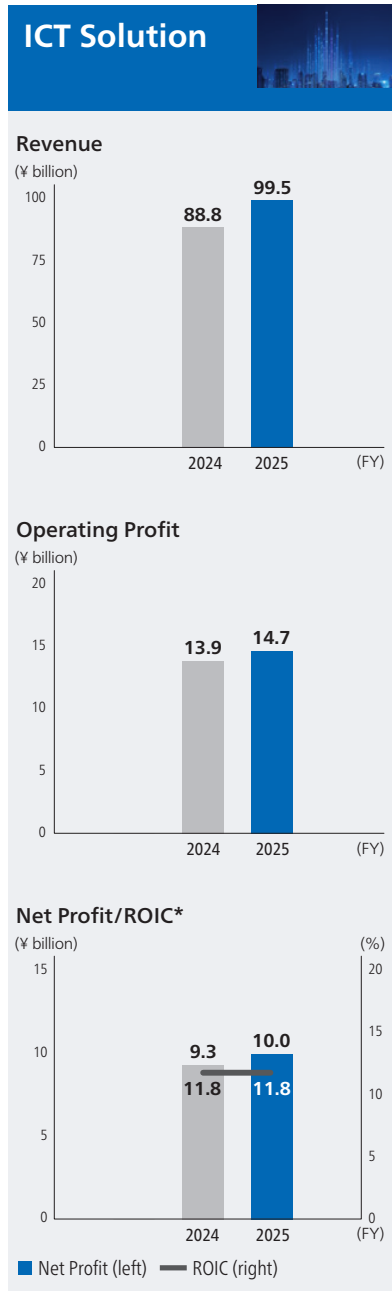
I would say the Board of Directors serves the function of ensuring that management does everything it should do and refrains from doing anything it should not. Those responsible for execution often lose sight of the bigger picture—whether they're getting bogged down in details or what their true purpose really is, namely, to offer opinions from a removed perspective on whether the Company is properly contributing to society as a public institution, beyond mere profit and loss considerations. I approach my role with the conviction that the Board's persistent guidance—particularly the objective insights from outside directors—is what drives the executive team's thinking forward, and that this guidance must help the executives accomplish what they need to do. Therefore, we must also discuss the necessity and nature of the medium-term management plan itself going forward. When a medium-term management plan is established, there is a tendency to become overly fixated on measuring its degree of achievement.

Sasa

Yes, that's true. Medium-term management plans are created as a way to unify the Company by establishing a clear direction—essentially, to provide a set of benchmarks for monitoring progress. I believe Kanematsu is now ready to discuss how to enhance its management capabilities. Therefore, when creating a medium-term management plan, I believe we should take a backcasting approach from a long-term perspective, such as a decade. The Company has yet to announce a long-term vision, having only discussed its envisioned goal as a desired state following the current medium-term management plan. As the pace of business accelerates and the expansion of the Company's intangible assets progresses, I intend to continue emphasizing the necessity of uniting the entire Group to aspire toward a common goal. This will enable us to leverage these assets and further enhance our enterprise value.

Business Segments

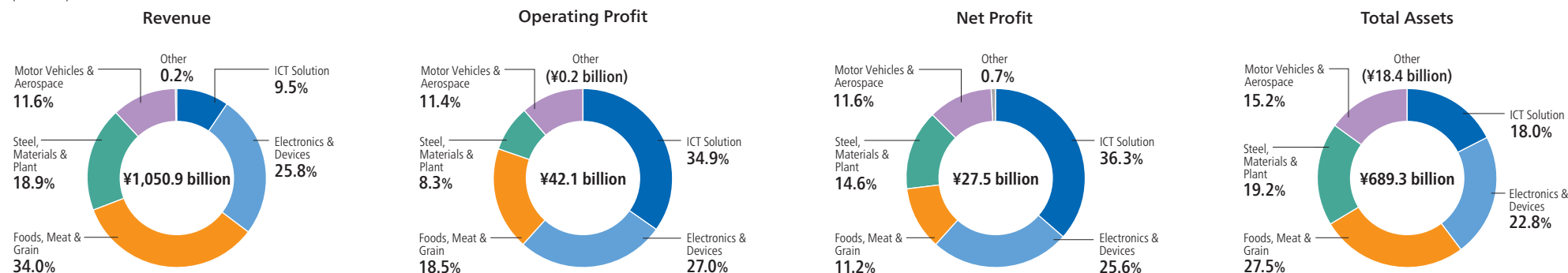
Note: Changes in the composition of segments were implemented in the fiscal year ended March 2025. For the purposes of comparison, full-year post-audit results for the fiscal year ended March 2024 have been restated to reflect the current segments. For the fiscal year ended March 2023, the ICT Solution segment is included in the Electronics & Devices segment.


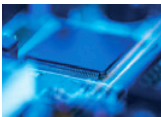





* Profit for the year attributable to owners of the Parent ROIC for the fiscal year ended March 2024 is calculated using the balance of invested capital at the end of the fiscal year as a result of the changes in segment classification.

Business Segments

(FY2025)



Segment	Fiscal 2025 Results	
ICT Solution		<p>Revenue increased ¥10,713 million year on year to ¥99,528 million, driven by a firm performance in security-related projects as well as network and storage-related projects primarily for the manufacturing industry. Operating profit rose ¥745 million to ¥14,679 million. Despite higher expenses, including those related to personnel and office renovation, profit attributable to owners of the Parent increased ¥634 million to ¥9,970 million, driven by steady performance in security-related and network and storage-related projects primarily for the manufacturing sector.</p>
Electronics & Devices		<p>Revenue increased ¥34,988 million year on year to ¥271,373 million, driven by higher sales in the mobile business and the semiconductor parts and manufacturing equipment businesses. Operating profit rose ¥2,780 million to ¥11,395 million, mainly due to higher earnings in the mobile business. Profit attributable to owners of the Parent increased ¥1,713 million to ¥7,031 million. Profit attributable to owners of the Parent performed well compared with the previous fiscal year, which saw high upfront costs related to store restructuring. Contributing factors included the increase in company-operated stores, the expansion of sales channels, higher unit sales, and growth in the corporate business segment. The semiconductor components business slowed year on year, while the semiconductor manufacturing equipment business remained robust, partly due to the effects of M&A. In contrast, the electronic devices and materials business underperformed relative to the previous fiscal year, mainly due to a recognized impairment loss on goodwill.</p>
Foods, Meat & Grain		<p>Revenue increased ¥15,840 million year on year to ¥357,536 million due to higher sales in the meat products and food businesses. However, operating profit fell ¥126 million to ¥7,842 million mainly due to lower earnings in the meat products business. Profit attributable to owners of the Parent was ¥3,063 million, a decrease of only ¥417 million. Retail transactions and sales of beverage ingredients remained firm. The meat products business was sluggish, affected by rising costs due to soaring overseas market prices and depreciation of the yen, as well as generally sluggish domestic market conditions. The grain, oilseeds & feedstuff business, including soybean sales, maintained steady performance.</p>
Steel, Materials & Plant		<p>Revenue decreased ¥13,335 million year on year to ¥198,408 million due to decreased sales in the steel tubing and energy businesses. Operating profit fell ¥4,926 million to ¥3,524 million due to weaker profits in the steel tubing and energy businesses. Profit attributable to owners of the Parent increased ¥2,088 million to ¥4,015 million. Despite a slowdown in North American steel tubing transactions, profit attributable to owners of the Parent increased, as impairment losses were recorded on fixed assets of investments accounted for using the equity method. Due to sluggish demand, the energy business underperformed compared to the previous fiscal year.</p>
Motor Vehicles & Aerospace		<p>Revenue increased ¥16,529 million year on year to ¥121,912 million, due to expansion in revenue from the aerospace business and others. However, operating profit fell ¥50 million to ¥4,802 million mainly due to reduced earnings in the motor vehicles and parts business and the machine tools and industrial machinery business. Profit attributable to owners of the Parent increased ¥233 million to ¥3,184 million due to strong transactions related to aerospace and defense.</p>
Other		<p>Revenue rose ¥208 million year on year to ¥2,177 million. Loss from operating activities was ¥206 million, a deterioration of ¥230 million. Loss attributable to owners of the parent was ¥27 million, a deterioration of ¥204 million.</p>

ICT Solution



Future Steps toward Becoming a Solutions Provider

The ICT Solution segment leverages its accumulated expertise and cutting-edge digital technologies to deliver efficient and sustainable next-generation ICT solutions. In addition, we collaborate with our clients and partners to develop new business models and foster strategic partnerships. Furthermore, we are committed to expanding high-quality ICT solutions overseas to the same standard as in Japan, and supporting companies in their overseas expansion and global initiatives.

Akira Watanabe

Executive Officer,
COO ICT Solution



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

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, operation, and maintenance.

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



Key Initiatives for the Fiscal Year Ended March 31, 2025

We are shifting our business model toward recurring services^{*1} unique to the Group, such as KEL Custom Cloud and KEL Managed Service (KMS), to stabilize revenue and maximize customer lifetime value (LTV). In April 2024,

we established Japan's first cybersecurity-focused fund in collaboration with Global Security Experts Co., Ltd. Several leading cybersecurity companies have joined this fund, which is enhancing its hub function to promote collaboration

within the industry. Furthermore, in November 2024, we expanded our SOC (Security Operations Center)^{*2} offerings and added the advanced security services of SentinelOne, Inc. in the United States to our lineup.

*1 A service model that delivers ongoing value rather than a one-time basis.

*2 A system that monitors, analyzes, and responds to corporate and organizational information security issues on a 24-hour basis.

ICT Solution

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

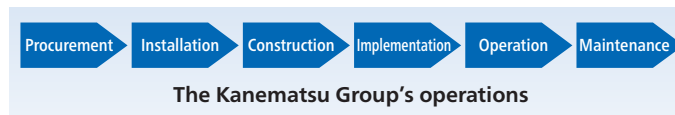
- Strengthen sales capabilities in booming business areas centered on the semiconductor industry
- Expand the "as a Service"-centered lineup of managed services
- Expand sales of hybrid cloud, a combination of on-premise and cloud services
- Provide a global seamless platform for companies seeking to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

ZEN-NOH (National Federation of Agricultural Cooperative Associations) supports the agricultural operations and livelihoods of farmers, promotes the revitalization of agriculture and local communities, and aims to provide consumers with a stable supply of safe and reliable agricultural and livestock products. Guided by our motto, we will continue striving to become an indispensable organization while "connecting food and agriculture to the future."

To ensure ZEN-NOH continues to fulfill its role in the future, improving business efficiency through the implementation of a DX strategy is vital. The Kanematsu Group is working as a partner to help achieve this goal.

Recently, we have received ongoing support in establishing a comprehensive and efficient cybersecurity system, as well as in assessing countermeasures to address increasingly sophisticated and diverse cyberattacks.

We look forward to Kanematsu's continued involvement across all of ZEN-NOH's businesses and hope to further strengthen our collaboration, enhancing the sustainability of the food and agriculture value chain.



Tadataka Yasuda
Senior Executive Vice President
(Retired on July 31, 2025)
ZEN-NOH (National Federation of
Agricultural Cooperative Associations)

Partner's Voice

A Word from Our Business Partner

Sony Honda Mobility Inc. is a joint venture mobility technology company established in 2022 by Sony Group Corporation and Honda Motor Co., Ltd. Its purpose is to move people with the joy of new mobility through the pursuit of innovation.

When it was established, the Kanematsu Group proposed a wide range of services and provided extensive support to ensure a smooth start for our business. In particular, it quickly prepared the network environment for our domestic bases, established network connectivity between each location, and operated a secure corporate infrastructure.

Relying on this reliable corporate infrastructure, we will continue to develop products and services to realize our vision of a "new mobility experience."

Going forward, we will pursue innovation in mobility by leveraging the diverse solutions offered by the Kanematsu Group and strengthening our collaboration.



Yasuhide Mizuno
Representative Director,
Chairman and CEO
Sony Honda Mobility Inc.

Electronics & Devices



Future Steps toward Becoming a Solutions Provider

The Electronics & Devices segment is dedicated to advancing industry, addressing social challenges, and enhancing people's lives through the use of advanced technologies. We strive to streamline the supply chain and deliver greater value to our customers by integrating cutting-edge device technology with innovative digital solutions. We will continue to embrace new challenges to help realize a sustainable and resilient society, with a strong emphasis on environmental, social, and governance (ESG) priorities.

Akihiko Fujita

Senior Executive Officer
COO Electronics & Devices Division



Mobile Stores; Corporate Mobile Solutions; Semiconductor Components (e.g., power semiconductors); Semiconductor Equipment (e.g., inspection equipment); Industrial Electronics (e.g., label printers); Electronic Components and Materials (e.g., wafers, electronic chemicals); DX Solutions (e.g., inventory management systems)

Kanematsu has long been expanding its value chain—from materials to electronics components, devices, and equipment for mobile, data, AI, and SaaS applications—while delivering distinctive added value across a wide range of fields. We will continue to help shape and advance the digital society by creating unprecedented value through reliable technologies supported by our extensive electronics expertise.

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



Key Initiatives for the Fiscal Year Ended March 31, 2025

In the mobile business, due to store reorganization, measures to improve profitability, and nationwide expansion of the store network, performance recovered significantly and ROIC increased. In addition to strengthening our stable earnings base in the store-based business, we expanded solutions for corporate clients.

In the semiconductor parts and manufacturing equipment business, we enhanced our value proposition in the semiconductor field through the

acquisition of P.R.A Co., Ltd., which strengthened our capabilities in peripheral equipment for semiconductor production, and J REP Corporation., which reinforced our expertise in high-demand power semiconductors.

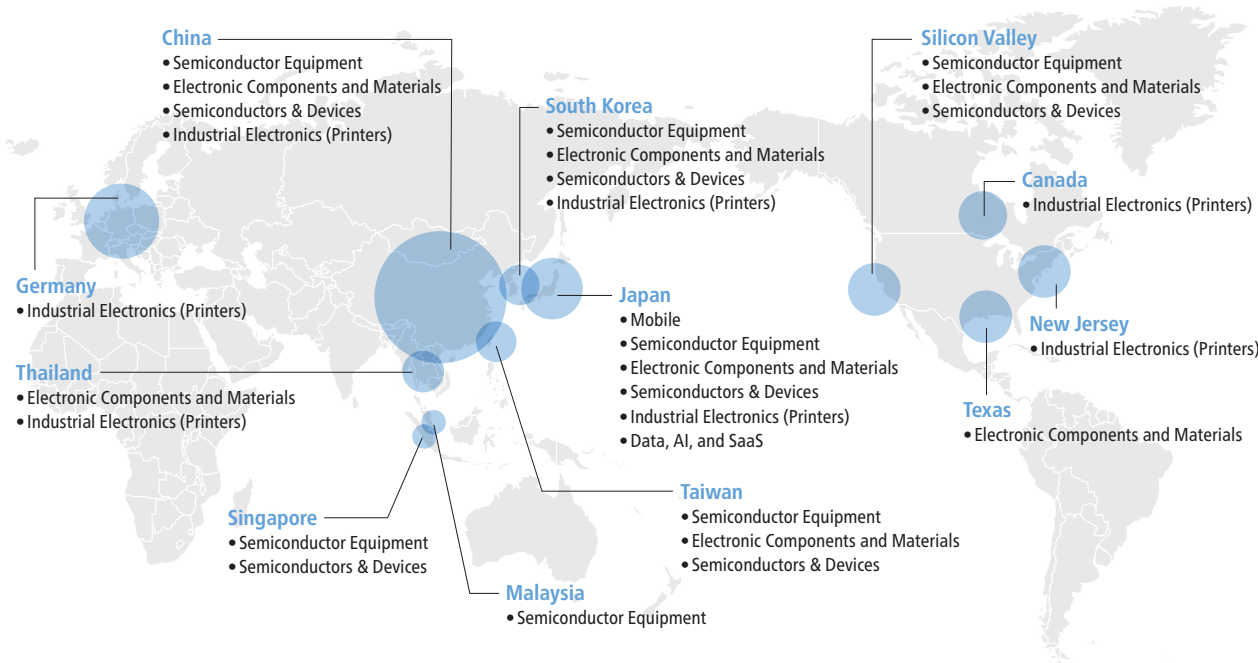
In electronic devices and materials, we expanded sales and the lineup of semiconductor-related products, launched new label printer products produced by VALLOY Inc. in South Korea and Primera Technology, Inc. in the U.S. in the domestic market, and reinforced our sales structure through

collaboration with partner companies.

In the data, AI, and SaaS-related business, we introduced the KG K2 touch panel ticket vending machine, and our inventory management system, "KG ZAICO," has been adopted by over 100 companies, including Sumitomo Metal Mining Co., Ltd., Mitsubishi Motors Corporation, and Nippon Seiko Co., Ltd. We continue to develop and provide new solutions supporting corporate digital transformation.

Electronics & Devices

Key Businesses and Locations

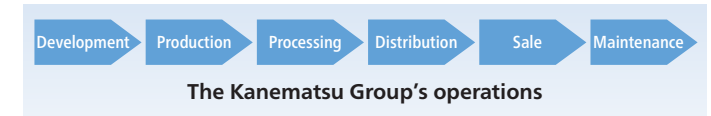


Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
Risks	Countermeasures
<ul style="list-style-type: none"> • 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 	<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 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
 Director, Senior Officer,
 General Manager of the Electronics &
 Precision Products Division, in charge
 of the Control and Imaging Products
 business and the Semiconductor
 Manufacturing Devices Promotion
 Section
 SINFONIA TECHNOLOGY CO., LTD.

Foods



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

Future Steps toward Becoming a Solutions Provider

The Foods segment promotes collaboration with a wide range of partners around the world, including manufacturers, retailers, and restaurants, to build innovative and sustainable supply chains by leveraging the IT technologies and merchandise of the Kanematsu Group, as well as the advanced technologies of startups.

Koichi Nishimura

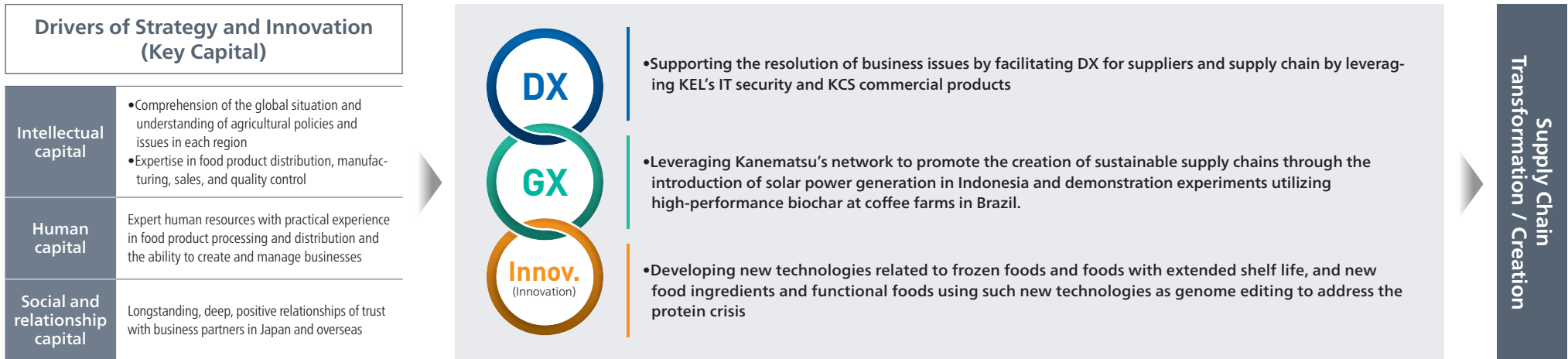
Executive Officer,
COO Foods



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.

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



Key Initiatives for the Fiscal Year Ended March 31, 2025

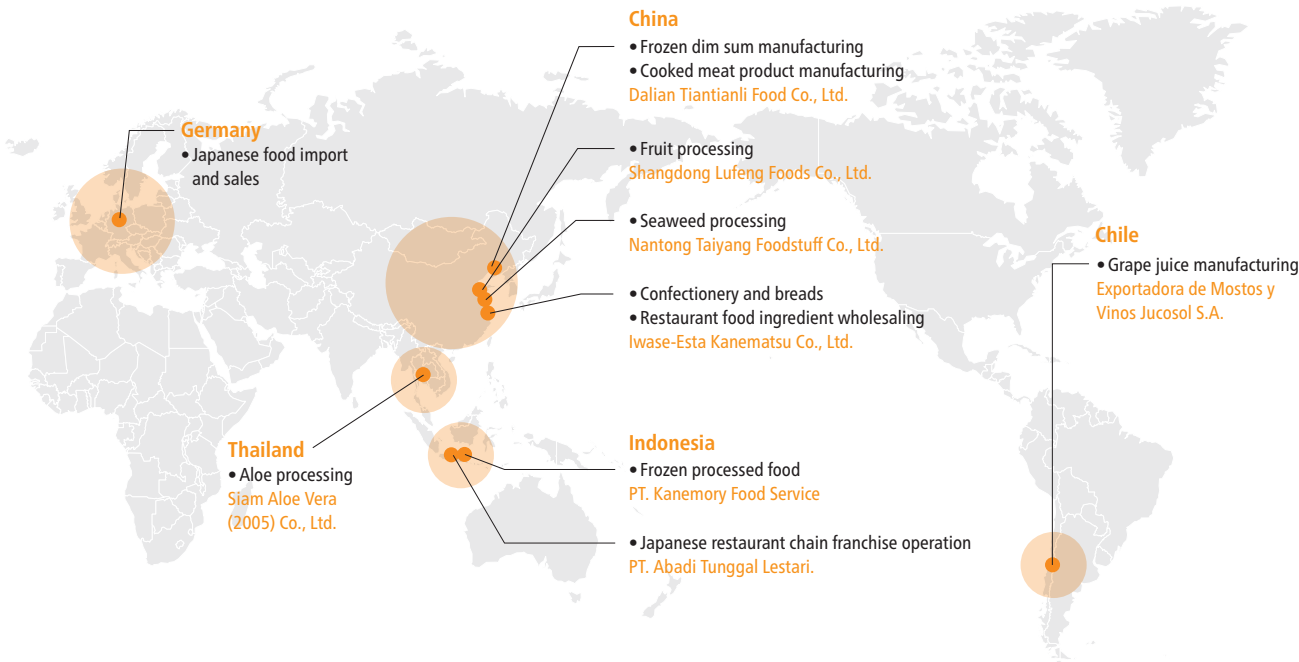
The Foods Division worked with suppliers around the world via investments, exclusive contracts, and facility loan agreements to strengthen its ability to consistently procure high-quality raw materials. To ensure the level of quality that consumers in Japan expect, the division employed specialists in manufacturing and quality control who ensured a safe and reliable supply. To meet demand for

food products for home preparation and ready-made meals, we worked with manufacturers in Japan and overseas to strengthen the development of such products for retail markets. Furthermore, we placed emphasis on maintaining the sustainability of our supply chains. In Indonesia, we signed a memorandum of understanding with our long-term strategic business partner, the Cimory Group,

to promote GX, and promoted the introduction of renewable energy. In addition, we strengthened local sales capabilities through the development of customized products for the restaurant and retail industries. In Brazil, we are discussing collaborations with coffee bean suppliers in conducting demonstration experiments on the use of high-performance biochar.

Foods

Key Businesses and Locations

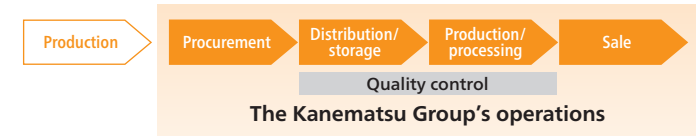


Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
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 events • Health hazards for consumers due to the contamination of food products • Global population growth and food resource depletion 	<ul style="list-style-type: none"> • Hedge risks by diversifying supply sources; promote new cultivation techniques utilizing new technologies such as for soil water retention and soil improvement. • 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

My journey with aloe began in 1994 when we took on the challenge of cultivating this crop, then unknown to us, for the Japanese market. Through our steadfast partnership with Kanematsu and collaboration with local farmers, we nurtured the aloe business into a major regional industry, contributing to stable employment and local development.

In December 2024, we marked the 30th anniversary of the first launch of products incorporating our company's raw materials. This was celebrated with a commemorative ceremony held February 2025 with Kanematsu's President Miyabe and over 200 participating farmers in attendance. In June 2024, to ensure our customers of our human rights due diligence efforts, we participated in a human rights impact assessment in which our labor practices were verified through in-person review of our company's working conditions. As a result, our company's labor environment and employee relations received high praise.

Moving forward, our company will continue to tackle various social issues alongside Kanematsu, delivering the value of Thailand's sun-kissed, fresh aloe to the world.



Kachin Komneyawanich
Siam Aloe Vera(2005) Co., Ltd.
Vice President

Meat Products



Meat (poultry, beef, pork, lamb, etc.) & Processed Meat Products

Future Steps toward Becoming a Solutions Provider

The Kanematsu Group is committed to transforming the livestock value chain by leveraging our advanced IT capabilities and our extensive expertise in collaborating with startups. By sharing these strengths with our investees and partner companies, we help raise industry standards and drive innovation.

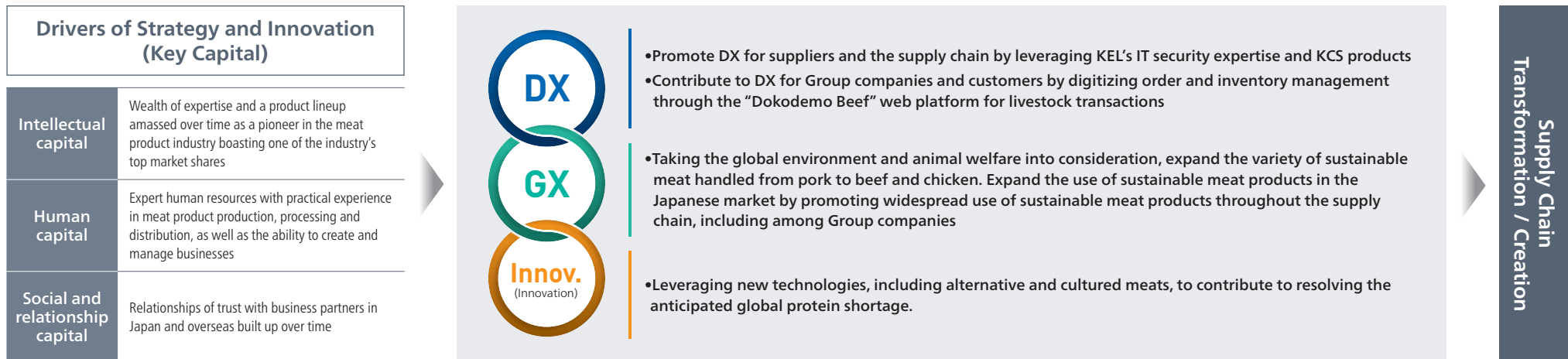
Toru Hashimoto

Executive Officer,
COO Meat Products



Capitalizing on our long-standing experience as an industry leader in the meat products sector, we have established robust value chains that span from securing raw material sources to processing and sales. Through these integrated efforts, we consistently deliver safe, reliable, and high value-added products tailored to our customers' needs, thereby ensuring a stable and sustainable supply of food resources worldwide.

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



Key Initiatives for the Fiscal Year Ended March 31, 2025

As a leading company in the livestock industry, we are working to establish a stable supply system for safe, secure, and high value-added raw materials and products that meet customer needs, while also strengthening our value chain functions.

Given the prevailing instability in international affairs, such as the war in Ukraine and tariff disputes, we have reinforced the diversification of our supply

sources to ensure stable and sustainable procurement of livestock resources, expanding our efforts especially in South America.

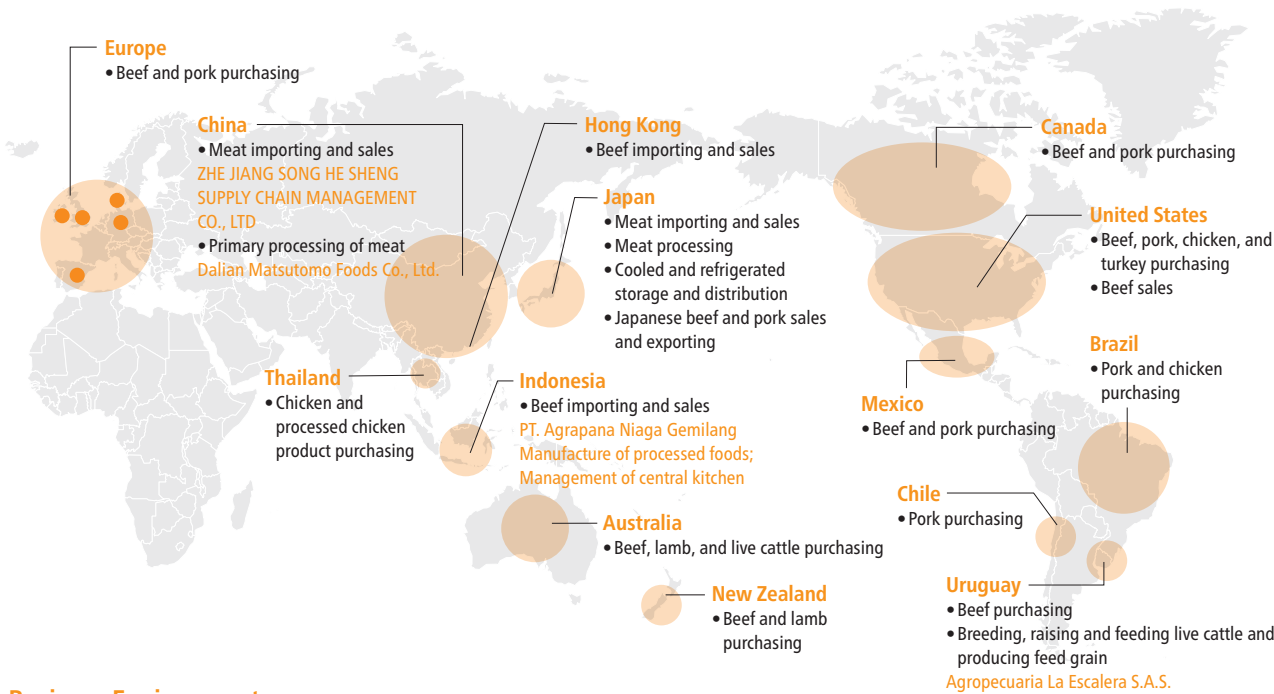
In the area of GX, we reached an agreement with Danish Crown A/S, Europe's largest pork supplier, to support the promotion of sustainable pork products in the Japanese market. This initiative reflects our commitment to offering products that place strong emphasis on environmental considerations

and animal welfare.

In the area of DX, we advanced the digitization of transactions by shifting from traditional analog practices to a web-based platform, aiming to enhance industry-wide efficiency and reliability.

Meat Products

Key Businesses and Locations

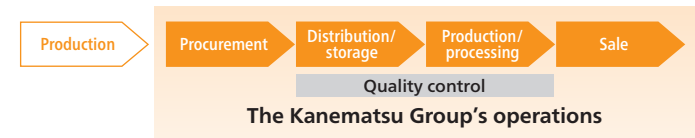


Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none"> • Promoting the import of livestock products by leveraging tariff reductions established through various trade agreements • 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"> • Strengthening raw material procurement capabilities by diversifying production regions, dispersing suppliers, and expanding collaboration with existing suppliers • Expanding into overseas markets • Entering the alternative meat 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

Since 2017, we have had the privilege of being business partners with Kanematsu Corporation. Kanematsu's visits to Uruguay and to our operations began even before the country was authorized to export to the Japanese market. From the very beginning, it was clear that their mission was to build a solid foundation for long-term value creation—one that could endure and grow across generations.

Uruguay is a country of just 3.5 million people, yet thanks to its natural advantages, it produces food for more than 40 million. It does so within a framework of legal stability and a strong commitment to the preservation and sustainable use of its natural resources—making it a unique place in the world.

Our products serve a broad global demand in a world increasingly concerned with food supply and moreover food security. From grass-fed to grain-finished beef, British Breeds exclusive, free of hormones and growth promoters (banned by law), to lamb and grain production (cereals and oilseeds), our partnership with Kanematsu is built on a solid foundation to foster prosperity through the trusted supply of safe food to nourish the world.

Our partnership with Kanematsu aims to build a long-term foundation for the reliable supply of food—whether for everyday consumption or to celebrate special moments through an exceptional eating experience.



Eduardo Urgal
Agropecuaria La Escalera S.A.S. CEO
Frigorifico San Jacinto Nirea S.A. CEO

Grain, Oilseeds & Feedstuff



Future Steps toward Becoming a Solutions Provider

As food supply stability becomes ever more critical amidst climate change and political uncertainty, the Kanematsu Group aims to leverage its expertise in DX and GX to further enhance and transform existing supply chains. We are committed to becoming a leader in sustainable value creation by delivering solutions to all stakeholders, from producers to consumers.

Jun Nakajima

Executive Officer
COO Grain, Oilseeds & Feedstuff



Rice, Wheat, Buckwheat, Food Soybeans, Pulses and Peas, Oilseeds, Flour Products, Coarse Grains, Oats, Feedstuff Materials, Mixed Feedstuff

The Grain, Oilseeds & Feedstuff Division stably procures grains, oilseeds, and production materials essential for food production around the world, fulfilling the diverse requirements of food product manufacturers in Japan and Asia.

With the significant increase in global demand for protein due to population growth, the demand for staple grains, proteins, and feed ingredients is expanding worldwide. Amid mounting risks from climate change and geopolitical factors, we remain dedicated to delivering a consistent and stable supply of high-quality, environmentally friendly raw materials. Furthermore, we continue to enhance the quality of people's lives through our pet-related businesses.

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



Key Initiatives for the Fiscal Year Ended March 31, 2025

In the rice business, demand for MA rice, SBS rice, and private imports outside the government quota increased due to domestic shortages, further expanding our share of the imported rice market.

In the wheat business, our flour supply to a North American Japanese-style ramen noodle-making company, in which we have invested, continued to grow steadily. Together with higher utilization rates at our two existing plants, this contributed to expanding our market share in North America.

In the food soybean and oilseeds business, we maintained a top-class import record for the Japanese market by leveraging our supply network of owned and partner sorting plants in North America. We also launched pilot projects focused on production efficiency and sustainability, employing environmentally friendly technologies such as high-performance biochar and soil water retention materials.

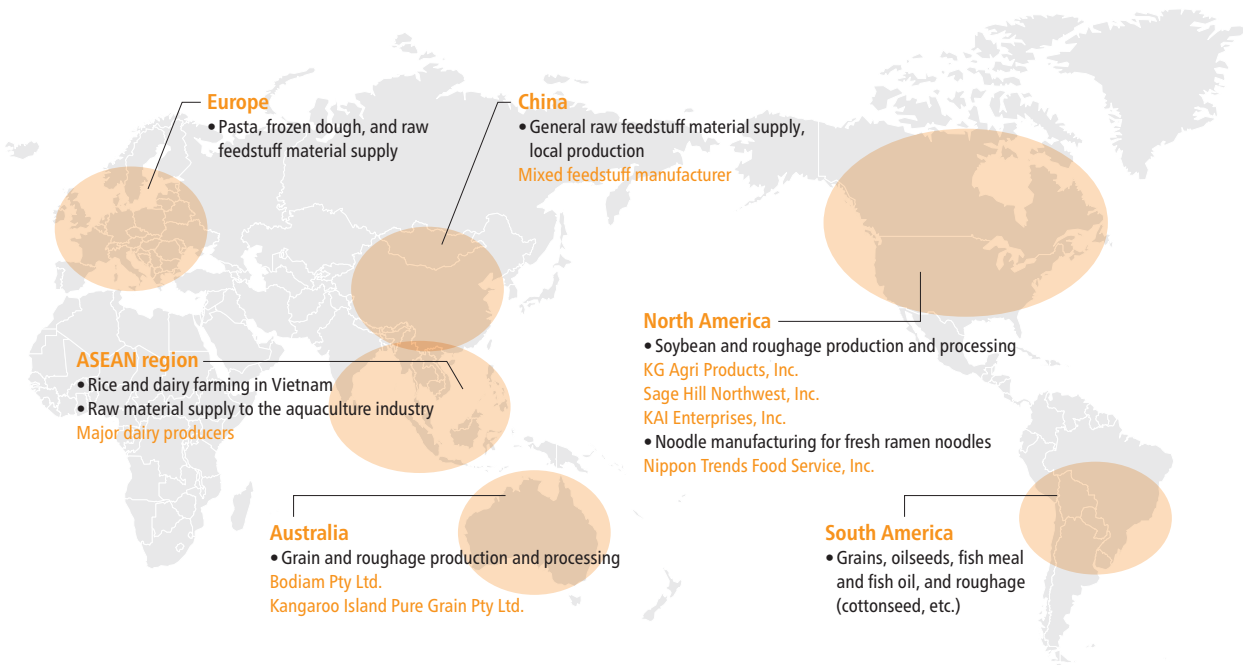
In the domestic feed business, despite facing a challenging environment

due to geopolitical risks and a weaker yen, we ensured a stable supply to the livestock, aquaculture, and dairy industries by diversifying our trading routes.

In our overseas feed business, performance was generally robust. While our aquaculture-related operations remained strong due to progress in marine resource conservation, our feed sales to the Chinese livestock market faced some challenges, but the overall business remained steady.

Grain, Oilseeds & Feedstuff

Key Businesses and Locations

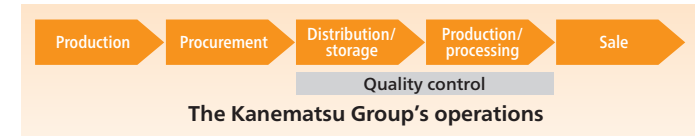


Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none"> Increasing incidence of extreme weather events Growing global demand Growing demand for quality Increased demand related to SDGs/DX/GX/new technologies 	<ul style="list-style-type: none"> Achieve visualization, enhanced customer service, and improved productivity through DX in container logistics Contribute to increased productivity of major grains and higher incomes for producers through the introduction of DX and GX Improve sustainability and productivity by introducing new environmentally friendly technologies, such as high-performance biochar and soil water retention materials
Risks	Countermeasures
<ul style="list-style-type: none"> Market volatility risk associated with conflicts and tariff friction Supply risks stemming from disruptions in container logistics caused by abnormal weather and geopolitical risks Quality risks 	<ul style="list-style-type: none"> Pilot introduction of a container logistics tracking system Development of a traceability system utilizing DX and the promotion of the J-Credit creation project Continuation of domestic and international demonstration trials and sales promotion

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 Our Business Partner

It has been almost two years since we began our partnership with Kanematsu Group, a relationship that has played a vital role in introducing Taiwan's premium short-grain rice to the Japanese market.

Our collaboration goes far beyond sales, it represents a shared commitment to quality, transparency, and innovation. With Kanematsu's deep understanding of consumer needs and market dynamics, and Taiwan Premium Rice's dedication to precision farming and varietal purity, we have built a reliable and transparent supply chain that ensures consistent excellence.

Together, we always strive to ensure that every grain meets the high expectations of international markets. We are supplying premium purely Tainan No. 11, Taiwan's leading variety, as well as Taitung No. 30, for the Japanese market. Both known for their excellent taste and texture.

We truly believe that our partnership with Kanematsu Group will continue to grow stronger and stronger, and we look forward to achieving even greater success together.



Chien-Chang Chen, Roy
Taiwan Premium Rice Enterprise Ltd.
Chief Operating Officer (CEO)

Steel, Materials & Plant



Steel, Steel Tubing, Chemicals, Energy, Plant & Ships, Geotech & Wood Processing, Visual Solutions

Future Steps toward Becoming a Solutions Provider

The Steel, Materials & Plant segment has been involved in building the foundations of daily life for many years, focusing on businesses related to materials and infrastructure, such as steel, chemicals, energy, and plants and ships. In the fiscal year ended March 31, 2023, we established the Sustainable Business Section that strives to create businesses that contribute to the global environment. We will continue to pursue business practices that are friendly to the earth, our business partners, and the Kanematsu Group.

Shigenobu Makita

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 visual solutions. Across a wide variety of operations, highly specialized staff uphold Kanematsu's commitment to supplying and developing high value added and environmentally friendly products.

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
- Visualizing sales activities, improving operational efficiency, and promoting collaboration within departments by utilizing sales force automation (SFA) systems.
- 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
- Strengthening and promoting a carbon insetting system, which is a key strategy for agricultural and food GX, by participating in the high-performance biochar business.
- 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, 2025

In the chemicals business, in addition to our existing areas of focus, including functional chemicals, life sciences, and healthcare, we are striving to develop businesses that utilize new technologies related to plastic recycling and artificial structural proteins.

In the iron and steel business, growing demand for specialty steel

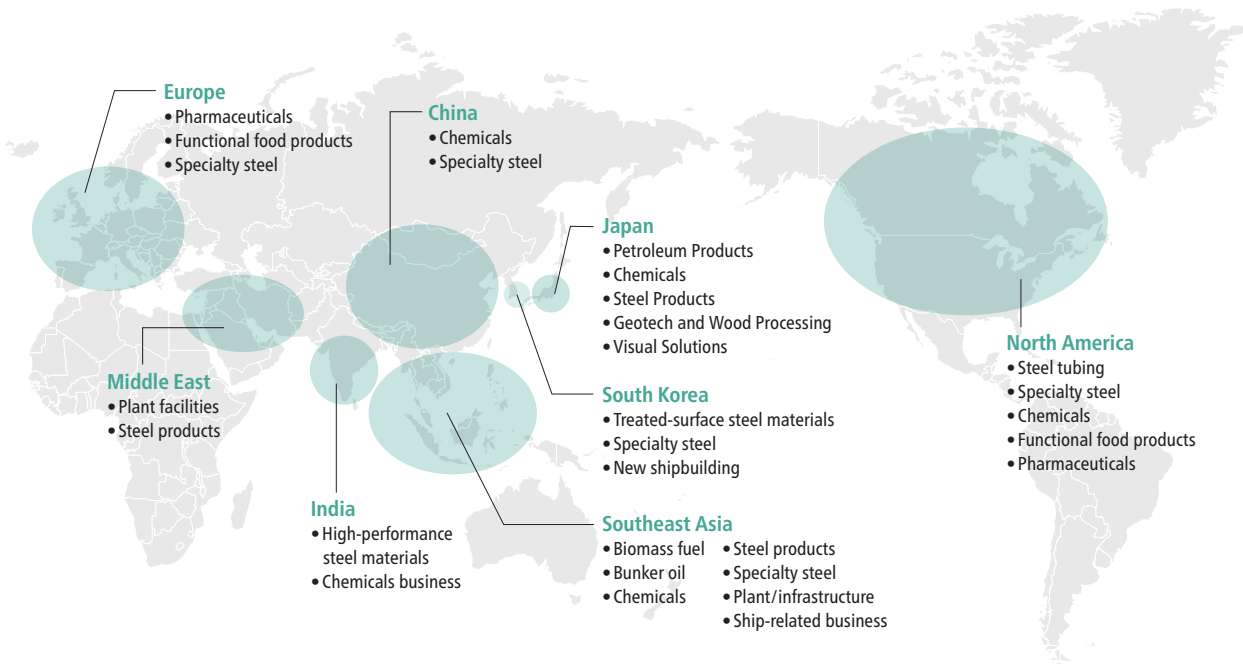
products for environmental applications such as flue gas desulfurization equipment, air conditioning equipment, electric vehicles, and hydrogen and ammonia production equipment has led to an expansion in the scope of our business beyond conventional building materials and automotive applications. We are also increasing the scope of our product range from conventional

general-purpose stainless steel to include such high value-added products as titanium, nickel, and high-alloy steel.

In the steel tubing business, we are focused on products that address environmental issues, such as developing threaded steel tubing for use in underground CO₂ injection at a partner company in North America.

Steel, Materials & Plant

Key Businesses and Locations



Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
Risks	Countermeasures
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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

In line with its founder's goal of bringing the culture of incense to the world, Nippon Kodo Group creates fragrances with an adventurous spirit while placing importance on emotional value and spiritual connections. Our business relationship with Kanematsu began approximately 60 years ago, at a time when securing raw materials was a challenge. Kanematsu was able to secure and import the raw materials we needed from Southeast Asia and our partnership grew from there. Over the years, Kanematsu has provided us with services ranging from local research to raw material procurement, thereby supporting our establishment of factories overseas and speeding our expansion into overseas markets. Our trust in Kanematsu has grown to the point where we consider it our go-to partner in times of need.

Today we are seeing a shift in values, and there is growing demand both domestically and internationally for emotional fulfillment and spiritual richness rather than material wealth. Together with Kanematsu, a company with strengths in trading and research, we will continue to meet global needs and change the world through the power of fragrance.



Masayoshi Konaka
President
NIPPON KODO HOLDINGS CORP.

Motor Vehicles & Aerospace



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



Future Steps toward Becoming a Solutions Provider

In the Motor Vehicles & Aerospace segment, along with rapid technological innovation, the complexity of the business environment is increasing, giving rise to concerns about security and demands for security measures. Based on the Company's many years of experience in the fields of aerospace defense and motor vehicles, as well as its deep relationships with customers, we will contribute to society through the creation of next-generation mobility businesses that are environmentally friendly, safe, and comfortable, by providing services that incorporate the latest knowledge of the Kanematsu Group, which includes Kanematsu Ventures.

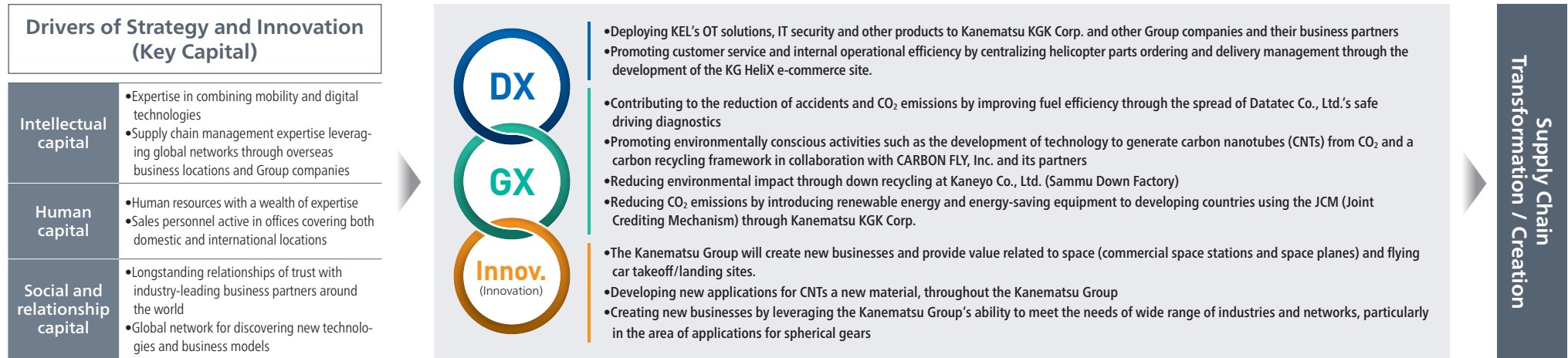
Ryoichi Kidokoro

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.

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



Key Initiatives for the Fiscal Year Ended March 31, 2025

In the aircraft and aerospace defense businesses, transactions increased, reflecting heightened geopolitical risks. The Company's proposals for next-generation primary training aircraft and ground training equipment were adopted, contributing to significant progress in the year, including opportunities to provide the latest comprehensive training systems that contribute to improving aerospace defense capabilities.

In the private business sector, we are collaborating with our capital and business partners, UK-based Skyports and U.S.-based Sierra Space, to promote services using Advanced Air Mobility and are working to expand our network toward the use of a commercial space station in low-Earth orbit.

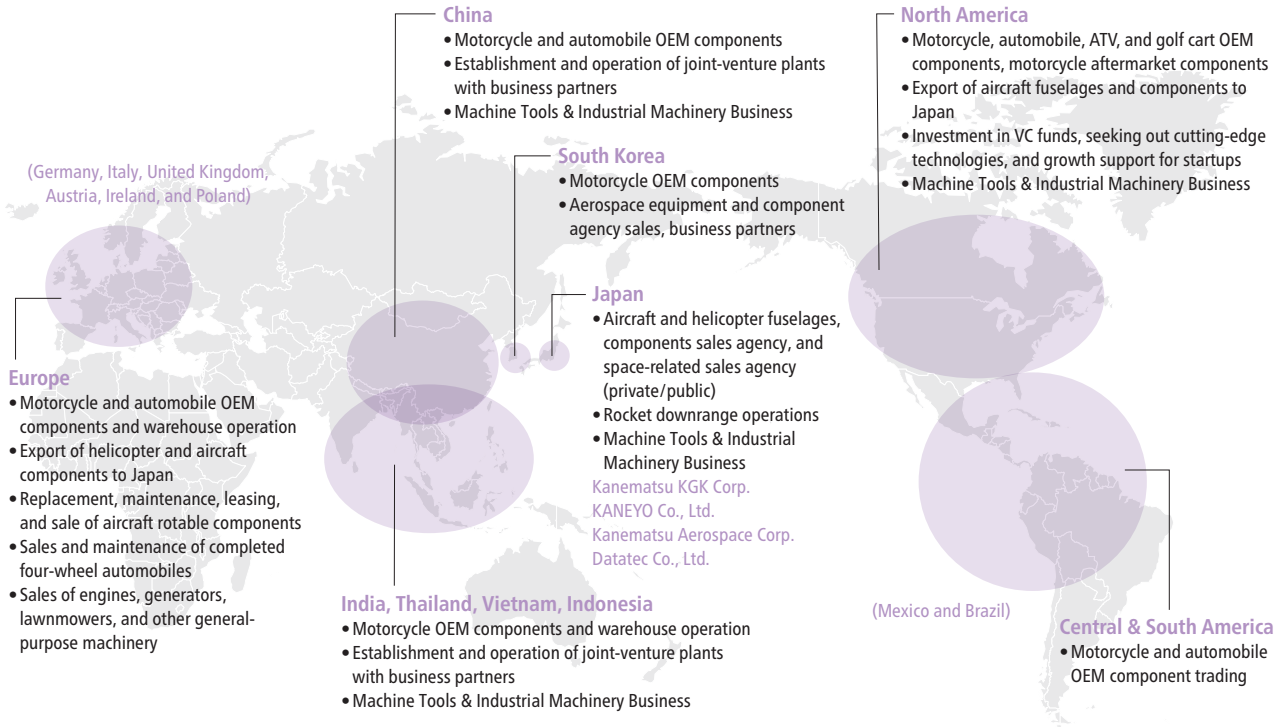
The motorcycle and automobile business remained steady despite continued difficult market conditions. We are also taking on new business

opportunities, such as signing a memorandum of understanding with South Korea's EVAR to expand sales of EV chargers in Japan and the global market.

We also accelerated business development at Kanematsu KG and OT Solutions, utilizing new technologies and startup information provided by Kanematsu Ventures and WERU INVESTMENT Co., Ltd. while promoting collaboration within the Group.

Motor Vehicles & Aerospace

Key Businesses and Locations

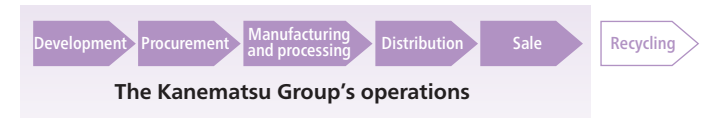


Business Environment

Opportunities	Action Plan
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

Sierra Space is a leading commercial space-tech company that is building a platform in space to benefit life on Earth. Kanematsu Corporation is one of our investors in Sierra Space's Series B founding round, and a valued business partner not just to maximize our visibility to Japan space market through trading but to realize our space ecosystem through promotion of Dream Chaser landing to Oita airport, Japan, that could be used as a potential landing site in Asia pacific region.

I believe knowledge and passion in Kanematsu Corporation will catalyze Sierra Space to extend the robust commercial economy that will benefit people across the globe.



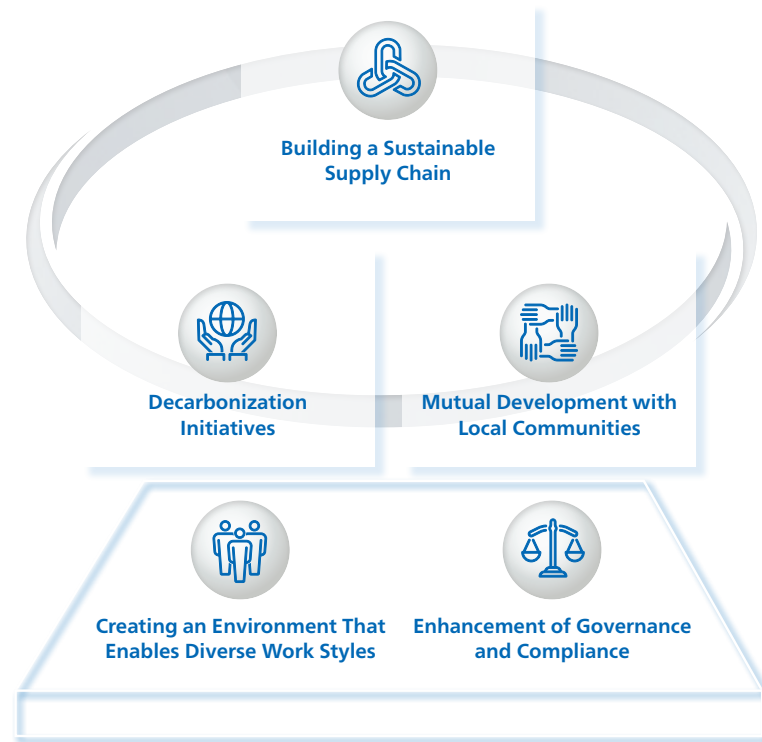
John Wagner
Sierra Space Corporation
Strategy and Growth
Vice President



Business Foundation

The Kanematsu Group's five key issues, which constitute our business foundation, are described below, along with specific initiatives.

- P59 **Respect for Human Rights**
- P60 **Climate Change Countermeasures**
- P61 **Supply Chain Management**
- P62 **Human Capital Development Policy**
- P66 **Work Environment Policy**
- P72 **Corporate Governance**





Mutual Development with Local Communities

Respect for Human Rights

Addressing Human Rights Issues

In February 2023, the Company established the Kanematsu Group’s Human Rights Policy and conducted the identification and assessment of potential adverse human rights impacts as part of its human rights due diligence process, which forms the foundation of its efforts to respect human rights in business. The energy and food businesses were selected for investigation based on the prevalence of general human rights issues in each sector and their relevance to the Company’s operations. Potential human rights issues were then prioritized accordingly. As the next step—preventing and mitigating human rights impacts—a self-assessment survey was developed to identify human rights issues. The survey was distributed to 25 suppliers across both sectors, with responses received from 19 companies. The results confirmed a generally high level of engagement with human rights issues. While significant human rights challenges are largely being addressed, some responses from suppliers in the food sector indicated the need for further verification. Consequently, a follow-up investigation was conducted to assess the current situation.



A typical sesame farm in Paraguay (Harvesting and collection)



A typical sesame farm in Paraguay (Sun-drying after harvest)

Follow-Up Investigation Overview

Countries Covered	Paraguay
Number of Suppliers	One (food sector—sesame)
Survey Methods	1) Email-Based Survey: Conducted surveys via online meetings, email correspondence, and phone calls with suppliers 2) On-Site Survey: Conducted interviews with suppliers, on-site inspections at the factory, and on-site inspections of harvesting and collection operations at the sesame farms

Human Rights Risk Items Subject to Follow-Up Investigation: Child Labor and Forced Labor	Results
Confirmation Item 1 Restrictions on Hazardous Work for Employees under 18 Years of Age	<ul style="list-style-type: none"> •The supplier does not employ children under the age of 18. •The supplier implements measures, such as vaccinations, for employees regardless of age. •Working hours are limited to 45 hours per week and 5 working days per week, with risk management systems in place. •On-site inspections confirmed that no hazardous or harmful work endangering the health or safety of individuals under 18 was conducted.
Confirmation Item 2 Occurrence of Child Labor or Forced Labor at Suppliers	<ul style="list-style-type: none"> •In the region where the supplier operates, children generally attend school, and there is no child labor or forced labor within the supplier’s operations. (Because the yield from cash crops such as sesame directly affects farmer income, it is common practice to hire experienced workers for harvesting and collection.) •No child labor or forced labor was observed at the factory or during harvesting and collection operations at the sesame farms.

In the follow-up investigation, we confirmed that the items initially identified in the desktop assessment as requiring further attention did not present any concerns after additional on-site verification. Through this initiative, we recognized the effectiveness and efficiency of conducting supplementary research and on-site visits. Moving forward, we plan to leverage the identification and assessment of potential adverse human rights impacts when expanding to other products and business ventures. Kanematsu will continue to uphold its responsibility to respect human rights, working closely with our suppliers to ensure the sustainability and resilience of our business.

Human rights <https://www.kanematsu.co.jp/en/sustainability/social/human-rights>



Decarbonization Initiatives

Climate Change Countermeasures

Formulation of New Guidelines

In the fiscal year ended March 31, 2025, Kanematsu achieved its greenhouse gas (GHG) emission targets ahead of schedule, including the 2025 carbon neutrality goal set in 2022, as well as the 2030 and 2050 carbon negative targets of 1,000,000 t-CO₂. Based on this achievement in June 2025, we formulated a new policy and basic approach for climate change countermeasures, along with new GHG indicators and targets.

New Guidelines on Climate Change Countermeasures

1 Policy and Basic Approach:

We will keep annual CO₂ emissions below the current limit of 30,000 t-CO₂. Furthermore, we aim to achieve a level where the credits generated and contributions to CO₂ emission reduction made through our business activities significantly exceed the Group's total CO₂ emissions.

2 New Indicators: CO₂ emissions and reduced CO₂ emissions (newly added)

3 New Targets: CO₂ emissions below 30,000 t-CO₂, and reduced CO₂ emissions of 1,500,000 t-CO₂ by 2050

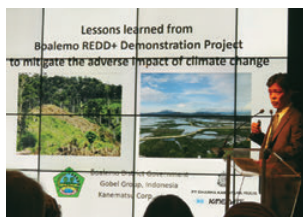
Target Period	Targets		Reduced CO ₂ Emissions Relative to Actual Emissions (b/a)	Total Reduction of CO ₂ Emissions
	(a) CO ₂ Emissions	(b) Reduced CO ₂ Emissions		(b-a)
Fiscal 2026	Below 30,000	800,000	26.7x	△770,000
Fiscal 2031	Below 30,000	1,000,000	33.3x	△970,000
Fiscal 2051	Below 30,000	1,500,000	50.0x	△1,470,000



JCM Project: Chlorine production plant in Saudi Arabia equipped with high-efficiency electrolytic cells



Forest conservation in Indonesia (Reducing GHG emissions by curbing slash-and-burn farming)



Results

Target Period	Number of Target Companies	CO ₂ Emissions			Reduced CO ₂ Emissions* (t-CO ₂)
		Scope1	Scope2	Scope 1&2 Total	
Fiscal 2025	106	8,398	18,530	26,928	1,151,264
Fiscal 2024	100	8,781	17,788	26,569	—
Fiscal 2023	97	9,507	18,814	28,321	
Fiscal 2022	95	9,772	19,725	29,497	

* Calculations of reduced CO₂ emissions began in the fiscal year ended March 2025.

Over time, through a strategy of business selection and concentration, the Company has achieved a business portfolio that excludes operations with a high environmental impact, including thermal power generation and coal-related businesses. The Company has also established a governance framework to manage and oversee all investment projects, the conclusion of significant contracts, and the acquisition of major assets. This framework ensures that engagement in businesses with high environmental impacts is avoided, in alignment with the Group's sustainability principles and material issues. Thanks to many years of managing and controlling environmental impacts, the Group's CO₂ emissions (Scopes 1 & 2) from its business activities remain extremely low relative to the scale of its operations. Therefore, setting further reduction targets based on Science Based Targets (SBTs) is considered neither realistic nor feasible. The Company will maintain the current governance framework to prevent any significant increases in emissions going forward.

In recent years, the Group has actively promoted forest conservation projects, bilateral credit initiatives, and renewable energy-related businesses. Through these activities, the Group strives to generate credits by achieving reductions in CO₂ emissions that significantly exceed its own CO₂ emissions. We believe that contributing to the reduction of global emissions and supporting the world's decarbonization efforts is our role and mission as a trading company that connects supply chains.

Climate Change <https://www.kanematsu.co.jp/en/sustainability/environment/climate>



Building a Sustainable Supply Chain

Supply Chain Management

Strengthening Supply Chain Management

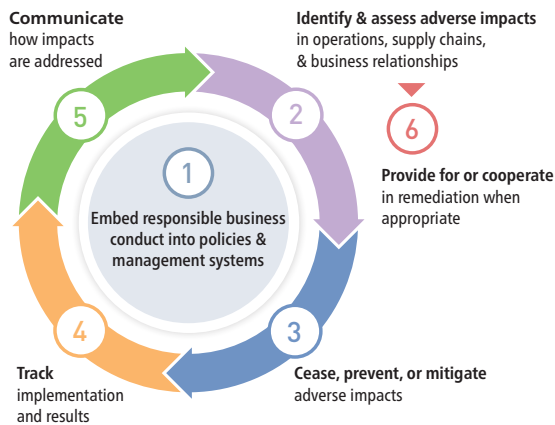
Kanematsu upholds its founding purpose, "Let us sow and nurture the seeds of global prosperity," as its Corporate Principle. Guided by this principle, our mission is to contribute to the development of both the international community and the global economy, as we conduct business not only in Japan but also worldwide. Across our diverse businesses, we recognize that securing stable and sustainable procurement, supply, logistics, and services is one of the Group's key issues.

To this end, the Company considers it essential to appropriately identify and implement risk-based due diligence to address potential adverse impacts on human rights, the environment, and society that may arise from its own operations, supply chain, and other business relationships. Accordingly, in March 2024, we established the Action Policy for Building a Sustainable Supply Chain. We will seek the understanding and cooperation of our suppliers, business partners, and other stakeholders (collectively, "suppliers, etc.") and work together to achieve this goal.

At present, we are enhancing the Company's supply chain management process in line with the practical due diligence steps published by the OECD (Organization for Economic

Cooperation and Development). As part of these efforts, we are placing particular emphasis on building mechanisms to assess risks for suppliers and other stakeholders from perspectives such as human rights, labor conditions, and environmental impact. Going forward, we will continue to develop systems that foster collaboration among both internal and external stakeholders, aiming to realize the sustainable supply chain that the Company strives for.

Due Diligence Process



(OECD Due Diligence Guidance for Responsible Business Conduct)

Action Policy for Building a Sustainable Supply Chain

- 1 Prohibition of forced labor and child labor**
We prohibit labor practices that infringe on human rights, such as forced labor and child labor.
- 2 Prohibition of discrimination and harassment**
We respect human rights and prohibit discrimination and all forms of harassment based on race, skin color, beliefs, religion, nationality, age, gender, origin, physical or mental disability, or other factors.
- 3 Respect for rights to freedom of association and collective bargaining**
We respect basic labor rights, including the right to freedom of association and workers' right to collective bargaining.
- 4 Proper management of working hours and wages**
We manage the working hours of our employees appropriately, including the avoidance of excessive working hours. In addition, we ensure that they are paid at least the minimum wage in accordance with the labor standards of the country in which they are working.
- 5 Maintenance of the working environment**
We regard the maintenance and promotion of employee health as an important management issue, promote health management, and strive to create a safe working environment.
- 6 Impact on local communities**
We give consideration to human rights issues in the communities in which our Group operates and contribute to the sustainable growth and development of local communities.
- 7 Ensuring fair trade and preventing corruption**
We comply with the fair trade and anti-corruption-related laws and regulations of the countries and regions.
- 8 Consideration for the global environment**
In our business activities, we shall give consideration to the impact on biodiversity, environmental pollution, and other environmental issues, and strive to reduce consumption of energy, water, and other resources, as well as emissions of greenhouse gases and waste.
- 9 Safety and security of products and services**
To ensure the safety of the products we handle, we shall comply with relevant laws and regulations and conduct appropriate product safety management.
- 10 Corrective action in cases of non-compliance**
In the event of identified cases of non-compliance with this policy, we request corrective action from the supplier or other relevant party and, where necessary, provide guidance and support to the supplier or other relevant party. If it is deemed difficult to rectify the situation despite the ongoing guidance and support, we will take measures including a potential reconsideration of the business relationship with the supplier or other relevant party.
- 11 Disclosure of information**
We disclose information relating to the above policy in a timely and appropriate manner.



Creating an Environment That Enables Diverse Work Styles

Human Capital Development Policy

Policy and Basic Philosophy <https://www.kanematsu.co.jp/en/sustainability/social/training>

Embodying the values cherished by “Kanematsu Persons” requires the cultivation of such personal qualities as a can-do attitude in any situation, a willingness to take responsibility and see things through to the very end, and the ability to effectively communicate with our business partners and colleagues within the Company.

Furthermore, we foster human resources based on our human capital strategy, emphasizing passion and a vigorous sense of adventure aimed at bringing new businesses to life and revolutionary thinking that transcends existing frameworks, all in pursuit of sustainable value creation.

1. Ability to Design Optimal Solutions That Are Rooted in In-Depth Field Knowledge

Internships

We offer hands-on internships designed to cultivate the ability to design optimal solutions, with the added goal of recruiting human resources who will drive future business growth. Over the course of this five-day program, sales department employees serve as mentors, accompanying participants and providing real-world feedback based on knowledge and experience gained in the field. During their interim and final presentations, members of the Growth Strategy Office, reporting directly to the President, provide feedback on the issues participants tackled from the perspective of new business creation, encouraging high-level thinking. Through internships that empower individuals to think independently, take the initiative, and deliver tangible results, we aim to recruit diverse human resources who will become the source of new value creation.

	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
Participants	Establishing a theme / Group work	Group work	Interim presentation	Group work	Final presentation
Sales mentors	Exchange of Opinions and Feedback (2 hours per day)				
Reviewer	—	—	Presentation feedback	—	Overall feedback

VOICE

Comment from an Internship Participant



Takato Okuni

Motor Vehicles and Parts Department No. 2, Section No. 2

My desire to understand how trading companies approach business creation and tackle societal and on-site challenges led me to participate in this internship when I was a university student. Having thoroughly discussed and refined our business proposal with my fellow team members, I approached the interim presentation with confidence. However, we were met with harsh criticism from the evaluators. With only two days left, uncertainty arose within the team about whether or not to completely overhaul our business proposal from scratch, heightening the tension. However, once we had reflected on the mentor’s experience-based advice and the evaluators’ feedback, we gained new perspectives and made numerous revisions. I’ll never forget the sense of accomplishment when our proposal was ultimately accepted at the final presentation. Through this experience, I learned the importance of in-depth field knowledge in ensuring the ability to accurately identify challenges, as well as the value of approaching problem-solving with a multifaceted perspective.

VOICE

Comment from Sales Mentors



So Wada (left)

Motor Vehicles & Aerospace Planning Office, Advanced Mobility Business Development Section

Koudai Hayashi (right)

Aerospace Department, Section No. 1

We served as mentors to participants in developing new business proposals centered on the theme of helicopters and sustainability. In our feedback, we focused on calling attention to the strengths and unique qualities of their ideas while also encouraging them to consider the feasibility of their concepts. As mentors, we have a duty to provide concrete, practical advice based on our accumulated experience. However, we were also inspired by the efforts of participants who sincerely engaged with tough feedback and continuously generated innovative, flexible ideas without being constrained by existing frameworks. We look forward to seeing them continue to embrace bold challenges without fear of failure, building on the experience gained during their internships to achieve even greater success.

VOICE


Comment from a Reviewer



Emi Hirata

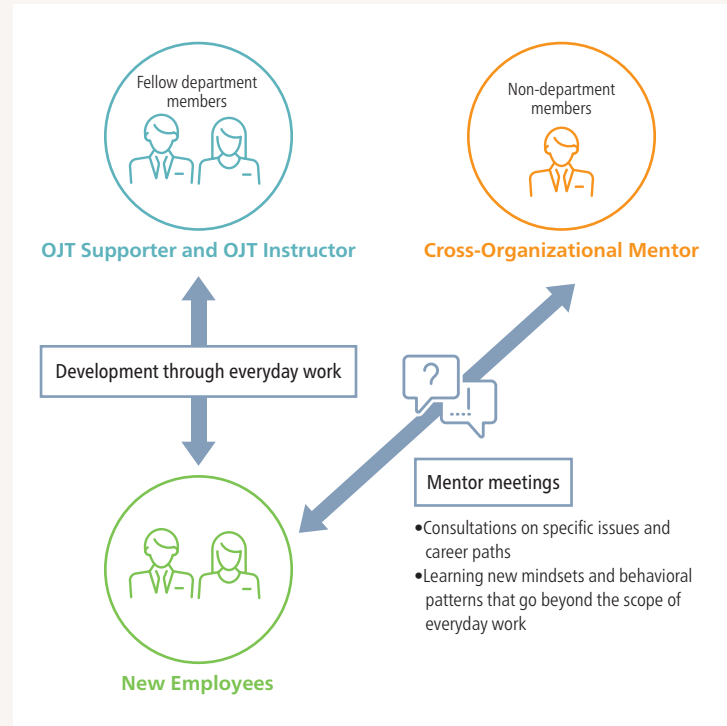
Growth Strategy Office
Business Development Team Leader

The key points emphasized in the feedback for the interim and final presentations of the internship were whether the business proposals were based on needs that contribute to solving social issues, and whether the participants demonstrated a genuine desire to bring those businesses to fruition. In providing feedback, we endeavored to fully understand the background and context of the business proposals presented by the participants, while maintaining a critical view of their future potential across diverse ventures, including trading, investment, and company formation. In the process, we sometimes offered harsh critiques to encourage higher-level thinking. However, the final presentations revealed that participants had sincerely taken our feedback from the interim presentations to heart and worked diligently. We were impressed by their concentration and drive achieved in such a short time frame. I would like to continue my efforts in conveying the significance of trading companies such as ours taking on the challenge of creating new businesses.

 Creating an Environment That Enables Diverse Work Styles

Cross-Organizational Mentoring Program

In addition to our on-the-job training (OJT) system, which cultivates the acquisition of in-depth field knowledge through everyday work, we have introduced the "Nana Mentor*" system to develop human resources capable of providing higher-value-added solutions. Under this program, we carefully listen to our new employees—the program participants—regarding their desired mentor criteria, such as career paths within and outside the Company, or experience with overseas assignments and secondments. Based on these preferences, we match them with mentors from outside their own departments. Mentors and program participants meet multiple times to discuss challenges and career development, creating an environment in which they can engage with new ways of thinking and acting beyond the scope of their daily work. Going forward, we plan to implement this not only for new hires but also for mid-career hires.



VOICE Comment from a Cross-Organizational Mentor

Kouta Ito (left)
Industrial Electronics Department, Section No. 2

Since implementing Activity Based Working, we've maintained an environment that facilitates cross-divisional communication. Even so, I felt that it was not being used to its full potential. When I was approached about becoming a mentor, I readily agreed, eager to support an initiative that would allow me to interact with new employees outside my own department.

During my mentor meeting with Ms. Nakano, I endeavored to create an atmosphere where we could speak openly and on equal footing, avoiding any sense of seniority gap. Regarding the issues she faced, I drew upon my own experience of transferring from Corporate to Sales, to offer advice on communication methods and ways to facilitate smoother workflow. It also provided us both an opportunity to gain more insight on each other's roles and the perspectives of new hires, which proved to be a valuable learning experience. I look forward to seeing how program participants broaden their horizons by learning more about other departments and grow as Kanematsu Persons.

VOICE Comment from an Employee

Ranka Nakano (right)
Risk Management Department, Section No. 2

Seeking opportunities to broaden my network within the Company and develop a macro perspective as a Kanematsu Person, I applied for this program. During my mentor meeting with Mr. Ito, we focused on discussing communication methods in the course of business. In particular, I felt that in my communications with the Sales Department, the level of misunderstandings despite my efforts to provide thorough explanations of what I needed were becoming an issue. He then offered his perspective as a member of the Sales Department: "Before delving into specific details, taking the time to explain the background and intent behind the main points of a request makes it easier for the Sales Department to understand what it is that is being requested." Taking his advice to heart, I have since developed a mutual understanding with the Sales Department and have been able to approach my work more proactively. Mr. Ito continues to offer guidance on various matters, even after the mentoring program ended, and I find it reassuring to have a familiar senior colleague outside my department.



Creating an Environment That Enables Diverse Work Styles

Junior Professionals Overseas Training Program

To cultivate deep knowledge among junior employees in global environments, we have introduced the Junior Professionals Overseas Training Program, as part of the initial training phase. This program provides trainees with opportunities to gain early overseas work experience through practical assignments, emphasizing direct exposure to diverse cultures and values. In addition, by objectively identifying the gap between the local adaptability and specialized skills required of employees seconded overseas, we encourage junior employees' to proactively pursue self-development.

VOICE

Comment from a Junior Professional Overseas Trainee



Akane Shiozawa

Industrial Electronics Department, Section No.1

Taking advantage of the overseas training program, I was assigned as a trainee to Kanematsu GmbH's Düsseldorf headquarters for approximately five months starting in November 2024. I was tasked with identifying printing-related technologies and base materials from Europe suitable to the Japanese market. Under the guidance of local staff, I proactively visited trade shows and agencies, gaining extensive knowledge.

I was particularly impressed by the high level of environmental awareness the local businesses demonstrated, which has largely been brought about by Europe's strict regulations.

Encountering this new set of values was a significant learning

experience and proved to be invaluable. It taught me that different customers hold different values, and through local business interactions, I learned the importance of sourcing while being mindful of our Japanese customers' needs through regular dialogue.

This was a strong reminder of the difficulties involved in creating new trade routes from Europe. It also gave me the opportunity to reflect on the background and values that support current trade flows. While we didn't achieve any major, visible results, I can feel the insights I gained in Europe being put to use in my conversations with customers. I believe the diverse values and experiences I encountered in Europe have enhanced my ability to articulate my thoughts in my own words.

I will continue to embrace new challenges without hesitation and accumulate experience, never forgetting this sense of growth. This shift—where information I once passively took in is now internalized and informs my own sense of responsibility—has been significant. It has allowed me to develop a deep commitment to business as a trading company professional while consciously striving to deliver new added value.

Kanematsu University

Kanematsu University, a reinforced and more systematic version of previous training systems, was launched in July 2019. The university curriculum comprises three categories: general education, interpersonal knowledge and skills, and professional knowledge and skills. It also offers a wide variety of courses that are divided according to content into e-learning and group training programs. The program is designed to provide participants with the fundamentals, such as business manners and foreign languages, as well as specialized knowledge and skills, such as business investment, legal matters, and anger management. We will continuously refine the curriculum in alignment with the management strategy in order to develop the next generation of management professionals.

Kanematsu University <https://www.kanematsu.co.jp/en/sustainability/social/training#sec02>

Monetary and Time Investment in Human Resource Development (Non-Consolidated)

Data for July 1, 2024 to June 30, 2025

Major Initiatives	
Monetary Investment	<p>¥108.96 million; ¥120,000 per full-time employee* (Cost of Kanematsu University: ¥64.90 million; ¥130,000 per participant)</p> <p>* Calculated based on full-time equivalent (FTE number of employees); does not include employees on leave, re-hired retirees, or temporary employees</p>
Training Hours	<p>Total training hours: 19,019; 22 hours per full-time employee (Kanematsu University training hours: 16,448 total, 33 hours per participant)</p>



Creating an Environment That Enables Diverse Work Styles

2. The Capability to Implement and Operate Solutions

Development of DX Human Resources

Kanematsu is promoting DX to work with our business partners and overcome challenges as we strive to shift to businesses that conform to next-generation standards by leveraging digital and automation technologies in our supply chain. We believe the DX human resources that we are looking for require not only digital knowledge but also business knowledge. As such, we not only provide training to

enhance IT literacy but also opportunities to interact with employees of Group companies that specialize in digital technologies. With this initiative, we aim to develop human resources who can promote DX in line with the digitalization progress of our business partners.

VOICE Proactive DX driven by KEL Secondment Program

Ryusei Tomoguchi (center) Targeting specialty roasters, my department operates an e-commerce site handling green coffee beans. Previously, Foods Department No. 1, Beverage and Liquor Section

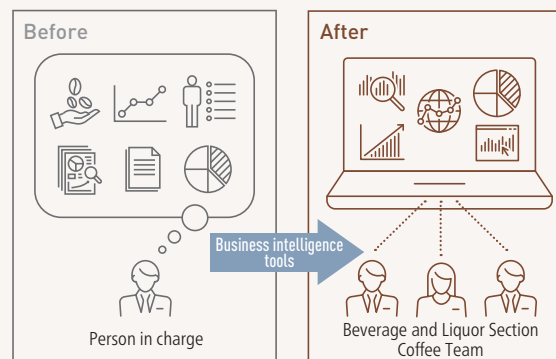
we faced challenges in data analysis and knowledge transfer due to overemphasis on individual expertise in areas such as sales. Last year, I was seconded to KEL, where I was able to learn more in-depth data analysis and DX initiatives from scratch. This experience allowed me to gain new perspectives and connections while also teaching me the importance of “proactive DX”—using data to drive sales growth. After returning to my position, I used a business intelligence tool to create a visualization of 14 years of e-commerce site sales data and external data. This, in turn, enabled the entire team to identify challenges and execute initiatives based on objective analysis.

Moving forward, we will continue to leverage data-driven improvements and maximize the Group’s network to provide our customers with new added value and solutions that go beyond the simple sale of products.



Masayoshi Saito (right) The Beverage and Liquor Section, which has operated the COFFEE NETWORK green coffee bean retail site for independent roasters since General Manager, Foods Department No. 1

2007, faced challenges in managing sales for over 6,000 registered customers. As a result, under Mr. Tomoguchi’s leadership, a business intelligence tool was developed to improve operations and drive further growth. This development enables all relevant parties to visualize multiple data points—such as time, customer, region, and product—for a comprehensive overview. This facilitates the immediate implementation of highly accurate and persuasive sales strategies, paving the way for agile management. I look forward to seeing our department lead the way into new areas by continuing to cultivate DX human resources like Mr. Tomoguchi.



Yoichi Sugimura (left) Manager, DX Unit. System Engineering & Technical Service Bureau Kanematsu Electronics Ltd.

I feel that Kanematsu and KEL have significantly deepened their mutual understanding of each other’s business models, merchandise, and cultures thanks to interactions with our seconded personnel, including Mr. Tomoguchi. I also think that the unique perspectives and ideas characteristic of a trading company have brought new insights and ideas to KEL’s business, leading to increased value for our customers and expanded opportunities for collaboration. We will leverage the insights and relationships gained through this exchange to further deepen Groupwide management and advance our initiatives with even greater commitment.

Creating an Environment That Enables Diverse Work Styles

Work Environment Policy

Policy and Basic Philosophy <https://www.kanematsu.co.jp/en/sustainability/social/employee>

To effectively leverage human resources who excel as solution providers, it is necessary to foster a fulfilling work environment where diverse human resources respect and cooperate with one another and are able to challenge themselves. Using the DE&I approach as a foundation, the Company has established four core values to improve employee engagement: Leverage Individuality, Equality & Respect, Supporting Ambitious Efforts, and Work Style Options—and strives to create an organization that maximizes the abilities of each and every employee.

Core Values for Organizational and Corporate Development Leveraging Human Resources



1. Leveraging Individuality through Diversity, Equity and Inclusion (DE&I)

DE&I Team Initiatives

Kanematsu, led by its DE&I team, promotes a work environment in which diverse values and perspectives are respected, enabling everyone to work more comfortably and fully utilize their abilities. Through Companywide communications and internal events, we strive to foster a sense of ownership and enhance mutual understanding among our employees.

Inspiring Female Talent at Kanematsu's Thriving Female Employees

VOICE Comment from an Overseas Expatriate



Eriko Kikura
Internal Audit Department,
Internal Auditing Section

While working abroad was always something I had envisioned as part of my future career path, my assignment in Germany came as a surprise. I fully embraced this challenge, believing it would push me beyond my limits and lead to personal growth. During my tenure, I was exposed to local culture and diverse values, broadening my horizons. While managing operations in English presented challenges, I cultivated the ability to understand the essence of tasks and communicate them simply by carefully building relationships day by day. The new perspectives and skills I gained through my overseas assignment have been invaluable in my work back home. While working overseas can present challenges, depending on one's stage of life and circumstances, I encourage everyone to try it—you can do it with the support of both the Company and your colleagues.

VOICE Comment from an Employee Seconded to a Domestic Subsidiary



Wakaba Yokoo
Kanematsu Chemicals Corporation
(on secondment)

Having experienced being transferred to the Human Resources Department from the Sales Department, I viewed my secondment to a Group company as a valuable opportunity for growth that would allow me to deepen my understanding of all aspects of HR work. I accepted the position without hesitation. Currently, in addition to HR duties, I handle a wide range of tasks, including operational improvements and HR planning. I find it both satisfying and fulfilling to be able to swiftly move matters along while also working in an environment that allows frequent face-to-face dialogue with employees. This experience reaffirmed for me the importance of efficient operational structures and building authentic relationships through dialogue, giving me a heightened sense of contributing to both my colleagues and the Company. I truly feel that cross-border experience contributes not only to personal career development but also to furthering Groupwide collaboration. Making action a priority is what matters most and is something I aim to apply to my future work and efforts to improve our organization.

VOICE Comment from an Employee on a Long-Term Overseas Assignment



Misaki Morita
Logistics and Insurance Department,
Export and Overseas Section

Although I was apprehensive about my long-term assignment to the U.S. affiliate, I traveled to America with a positive outlook, buoyed by the pride of being entrusted with a major responsibility and the reassuring support of those around me. In the field, I was required not only to demonstrate high expertise in the trade sector but also to serve as a leader guiding both internal and external project teams. Shouldering responsibilities unlike any I had faced before and collaborating with local staff, I came to deeply understand that no job is accomplished alone. Thanks to the persistent support of my Japanese and American superiors, I was able to grow as a person by continuing to take on challenges despite my hesitancy and clumsiness. As my favorite saying goes, "Pressure makes diamonds." I hope future generations will also embrace new challenges and believe in their potential without fearing obstacles.



Creating an Environment That Enables Diverse Work Styles

Mid-Career Recruitment

Kanematsu strives to recruit people with diverse backgrounds from around the world in order to expand into markets, merchandise and customer areas that cannot be reached solely through internal knowledge and experience. For new graduate recruitment, we have set targets for women and foreign students in Japan. We are also expanding our mid-career recruiting program in the hope of acquiring diverse knowledge and experience.

Career Recruitment Initiatives

Onboarding initiatives are being enhanced to ensure the early retention of mid-career hires and to maximize the utilization of their accumulated expertise. Participation in Companywide projects and regular networking events among mid-career hires support the development of internal networks. This enables mid-career hires to contribute as productive members immediately upon joining the Company. Furthermore, through collaboration with diverse members across departmental boundaries, it cultivates multifaceted perspectives and innovative value creation capabilities.



Mid-Career Hiring Results for Fiscal 2025

	Number of mid-career hires
Male	17
Female	1
Total	18
Mid-Career Hiring Rate*	30%

* Rate of mid-career hires among regular employees hired

VOICE

Comment from a Mid-Career Employee



Keita Eifuku

Grain Department,
Pet Business Section
Prior employer: Textile trading company

I joined Kanematsu with the goal of working on a larger-scale business and venturing into new business areas. Currently, I am involved in sourcing pet food products from overseas and managing a free magazine. Leveraging my previous experience in overseas sourcing and apparel marketing, I strive to provide value that exceeds our business partner's expectations.

At Kanematsu, communication about and the exchange of ideas regarding its culture and Corporate Principle take various forms. When joining a project, my background as a mid-career hire was respected as a strength, and I recall how we explored together with other employees the kinds of synergy we could create within the Company. I would like to leverage our internal network going forward and challenge myself to undertake initiatives that expand our business beyond existing frameworks into new dimensions.

VOICE


Comment from a Mid-Career Employee



Mako Miyamatsu

Internal Audit Department,
Internal Auditing Section
Prior employer: Financial institution, IT startup

I decided to join Kanematsu having strongly resonated with its challenge to upgrade internal auditing. Combining a range of skills that include a defensive perspective honed in the financial industry, an ability to move quickly cultivated at a startup, and broad corporate knowledge, I strive to contribute beyond the conventional scope of internal auditing. This includes taking on such diverse tasks as communicating information both internally and externally, including the preparation of securities reports. Within our department, discussions are always conducted on a level playing field, ensuring opinions are not skewed toward specific positions or roles. I firmly believe in combining my own insights with the expertise I am accumulating within the Company to pursue better solutions. Going forward, I aim to embody the TANEMATSU value of "leading with determination" and thereby contributing to the advancement of internal auditing and the further growth of Kanematsu.

 Creating an Environment That Enables Diverse Work Styles

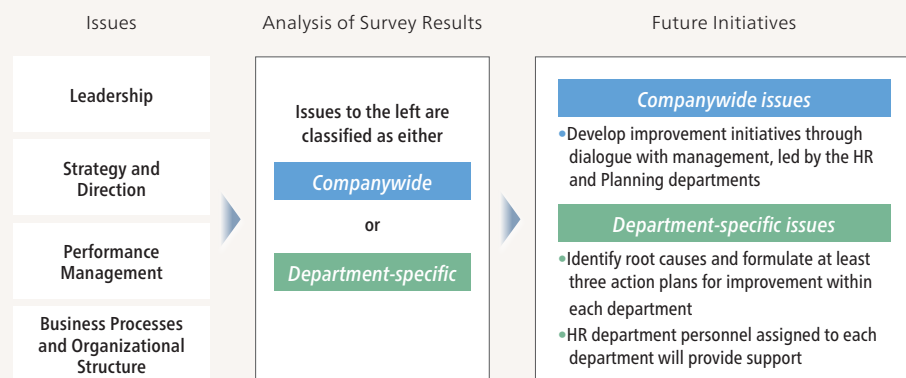
2. Maximizing Performance through Enhanced Engagement

Engagement Survey

As part of Kanematsu’s efforts to improve employee satisfaction, the Company conducts periodic engagement surveys of all its employees. Since the first survey conducted in fiscal 2019, we have maintained a triennial survey schedule, with the most recent survey conducted in July 2024. The strengths and issues raised in each session are as indicated below. We will continue to examine and implement countermeasures, classifying them as either Companywide or department-specific issues, to further enhance engagement.

Category	Fiscal 2019	Fiscal 2022	Fiscal 2025
Engagement Score	56%	62%	62%
Environmental Indicators for Employee Empowerment	51%	63%	60%
Kanematsu’s Strengths	1. Quality and Customer Focus 2. Respect for Individuals 3. Opportunities for Growth	1. Education and Training 2. Respect for Individuals 3. Authority and Discretion	1. Authority and Discretion 2. Respect for Individuals 3. Quality and Customer Focus

Action Plan



TANEMATSU

In December 2023, Kanematsu launched TANEMATSU, an ongoing Companywide project that aims to establish a corporate culture unique to Kanematsu based on the further permeation and reinterpretation of the Company’s founding purpose.

Activities for the Fiscal Year Ended March 31, 2025

We sought to increase touchpoints between employees and the Company’s founding purpose through internal communications and workshops. We also worked to articulate Kanematsu’s identity and envisioned goal, exploring ways to foster a culture in which “challenges are embraced, and new ventures continuously emerge” while preserving our corporate DNA. We focused on creating spaces that allow all participating employees—regardless of department or seniority—to freely and openly discuss Kanematsu’s future without being constrained by title or position.



Activity Results

We have established our “Mission” and “Values,” which serve as guidelines to encourage our employees to update certain behavioral patterns, and our “Dos and Don’ts,” which give specific examples of behaviors and actions suited for the workplace. Moving forward, we will utilize these tools to further foster a culture that embraces challenges.



Values



Dos and Don’ts

Mission, Vision, Values (MVV)
(Announced on August 15, 2025)

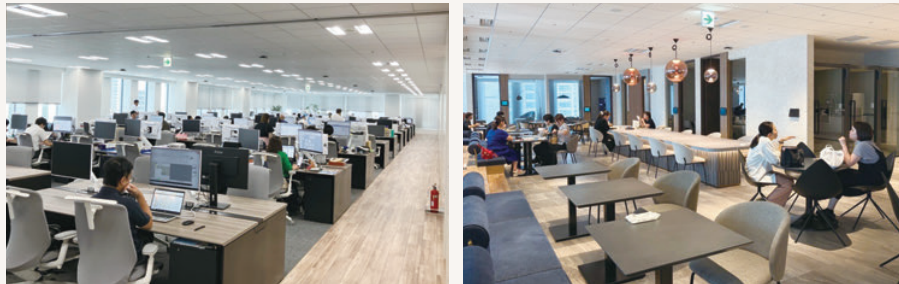
<https://www.kanematsu.co.jp/en/company/mvv>



Creating an Environment That Enables Diverse Work Styles

Relocation of the Osaka Branch

In July 2024, Kanematsu relocated its Osaka Branch Office to the Urbannet Midosuji Building. This new office, constructed on the site of the former location, brings together approximately 500 Group employees from 14 Osaka-based Group companies across three floors. Centered on the concepts of "well-being," "safety," and "sustainability," it fosters Groupwide management and enhances collaboration within an innovative environment leveraging ICT.



VOICE Comment from a Key Relocation Project Person

The new offices were designed with layouts and facilities that promote communication. By creating an open workspace without partitions and equipped with such shared facilities as lounge areas and meeting rooms, we aimed to foster an environment where information exchange and collaboration occur naturally.

In addition, we incorporated state-of-the-art equipment such as facial recognition systems and security cabinets to establish a secure environment in which Group employees can gather with peace of mind.

By creating such an environment, psychological barriers between Group employees are gradually reduced, fostering the emergence of new innovations that transcend corporate boundaries.



Aiko Nakai
General Affairs Department
General Affairs Section

The Kanematsu Group Sports Festival

To commemorate our 135th anniversary, the Kanematsu Group Sports Festival was held at Tokyo Big Sight for the first time in 10 years. This event, initiated by employee suggestions, was planned and organized primarily by a volunteer committee formed by employees from across the Group, and approximately 1,700 employees and their families participated on the day. Through competitions specially designed to foster interaction, participants engaged with each other and offered mutual encouragement. This promoted a sense of unity across corporate and departmental boundaries and further nurtured our corporate culture. As a Groupwide event, the festival provided as a crucial opportunity to significantly strengthen the cohesion of the entire Group. Furthermore, in five regions—Hokkaido, Tohoku, Nagoya, Osaka, and Kyushu—company tours and bowling tournaments were held locally. The events were lauded by participants as being fun for the whole family, helping them see Kanematsu in a whole new light. Through these events, we reaffirmed the appeal and limitless potential of Kanematsu Group's human resources. Moving forward, we will cherish these connections, strengthen our unity, and strive for sustainable growth and the creation of the future.



 Creating an Environment That Enables Diverse Work Styles

3. Diverse Work Styles

Childcare Support Systems

We have multiple systems in place to allow employees to continue working while pregnant or raising children. These include prenatal and postnatal leave, childcare leave, reduced duties and time off for doctor’s visits during pregnancy, time off to care for sick children, a system of shortened work hours and flextime after returning from leave, and a system of providing discounts on babysitting services. After returning from leave, employees are eligible for reduced work hours up to the end of the child’s third year of elementary school and may work reduced hours with no reduction in pay until the child’s third birthday. Many employees take childcare leave, and when they return to work, as a rule, they are placed in the divisions in which they worked before. We also support diverse career paths through a rehiring system for retirees who left the Company because their spouses were temporarily transferred to other locations.

Furthermore, starting in 2022, we launched “Hello Baby” leave, a new childcare leave system that grants employees up to eight weeks of special paid leave within the eight-week period starting the day after their child is born. The maximum legal requirement for providing paternity leave after childbirth in Japan is four weeks, unpaid. By offering paid leave that is up to double that length, we are promoting employees’ active involvement in childcare and fostering a culture in which employees can actively participate professionally regardless of gender.

VOICE Comment from a Childcare Leave User



Yasuhide Ikai
Logistics and Insurance Department,
Import and Domestic Section

As I was unable to be sufficiently involved in childcare when my first child was born, I regretted the burden I placed on my wife’s physical and mental health. Therefore, when my second child was born, I took three months of childcare leave.

Being able to witness my child’s growth firsthand, feeling wonder and joy at their daily progress while also experiencing the challenges of childcare, was very meaningful and made me think very deeply about my family’s future.

With sincere gratitude for Kanematsu’s corporate culture and systems that nurture its people, as well as the understanding and support of my superiors and colleagues, I wish to give back by contributing to creating a comfortable working environment for those around me.

Work Environment Policy Targets and Achievements (Non-consolidated)

Key Theme	KPI	Fiscal 2025 Result	Fiscal 2027 Target
Leveraging Individuality through DE&I	Percentage of management positions held by women	5.9%	10%*1
	Childcare leave usage rate among eligible men	85.7%	100%
	Percentage of diverse human resources hired (women and foreign nationals)	34.7%*2	Keep at 35% (Four-year average)
Maximizing Performance through Increased Engagement	Engagement score	62.0%	The global average of companies in the top 10%*3
Diverse Work Styles	Annual vacation usage rate	71.2%	75%
	Full flex system usage rate	80.3%	95%
Health & Productivity Management Focused on Employee Well-Being and Employee-Friendly Labor Practices	Proportion of employees undergoing regular medical checkups	99.9%	100%
	Proportion of employees undergoing stress checks	98.3%	100%
	Harassment prevention training participation rate	98.0%	Keep at 100%

1. As of April 2025, the target was revised upward to 10% after exceeding the initial goal of 7%.
 2. The target value is the four-year average starting from the fiscal year ended March 2024 for new graduate hiring. As this is the second year of that period, the average value for the past two years is shown.
 3. Global average calculated across approximately 700 companies (average score of global companies in the top 10% based on financial performance in their respective industries)



Creating an Environment That Enables Diverse Work Styles

4. Promoting Health & Productivity Management Focused on Employee Well-Being and Employee-Friendly Labor Practices

Initiatives for Health & Productivity Management



For the fifth consecutive year since 2021, Kanematsu has been recognized as a Certified Health & Productivity Management Outstanding Organization under the Large Enterprise Category of the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program organized by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Furthermore, in 2025, Kanematsu was also listed in the “White 500,” which honors the top 500 companies practicing particularly outstanding health and productivity management.

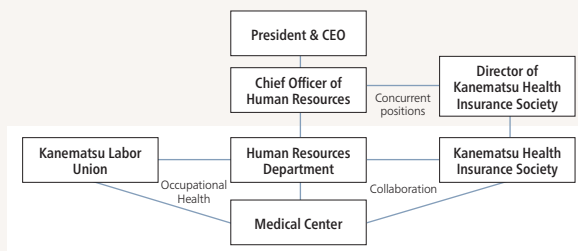
Kanematsu Health & Productivity Management Declaration

Kanematsu believes that maintaining and improving employee health is a crucial management issue for achieving sustainable growth. Accordingly, to advance health & productivity management, we strive to do the following.

- 1. Health management:** We support employees’ individual efforts to proactively maintain and improve their health.
- 2. Environment improvement:** We create workplaces that ensure employees can work without endangering their health and participate fully.
- 3. Ongoing improvement:** We study, implement, confirm effectiveness, and take steps to improve measures related to health management and environmental improvement on an ongoing basis.

Establishment of the Health & Productivity Promotion System

Kanematsu is promoting health & productivity management based on a system comprising the Human Resources Department, the Kanematsu Health Insurance Society, and the Kanematsu Labor Union, with the President & CEO designated as the Health & Productivity Management Promotion Officer.



Monitoring Employee Health

In March 2024, Kanematsu introduced a health management system to centrally manage the results of employee health checkups and stress checks, attendance data, and other health-related information. In collaboration with the Kanematsu Health Insurance Society, we will efficiently promote health management by identifying Companywide health issues and trends, implementing countermeasures, and monitoring the effectiveness of the action taken.

Lifestyle-Related Illness Prevention

We are working toward the prevention and early detection of lifestyle-related illnesses through such measures as increasing the proportion of employees who undergo regular medical checkups and receive specific health guidance. We also promote health awareness and behavioral change among employees through walking events, vegetable intake enhancement month, and anti-smoking events.

Mental Health Measures

To promote the early detection and prevention of mental health problems, we implement annual stress checks for all employees. For employees with high levels of stress, we provide counseling with industrial physicians and conduct group analyses at the organizational level. We also conduct self-care training for all employees and line-care training for managerial employees as part of efforts to raise awareness of the importance of mental health.

Anti-Harassment Measures

Kanematsu strives to create a more comfortable work environment in which harassment is not tolerated by distributing a handbook and conducting ongoing training to ensure that each employee has a proper understanding of the issue. We have also established an internal consultation hotline so that appropriate action can be taken promptly in the event of an issue.

Occupational Health and Safety Committee

We have established the Occupational Health and Safety Committee to protect employee health and foster a cheerful work environment. Operating under the supervision of the General Manager of Health and Safety (the General Manager of the Human Resources Department), the committee comprises industrial physicians, occupational safety managers, occupational health managers, employees recommended by the Company, and employees recommended by the labor union. The committee meets once a month, with labor and management jointly discussing and promoting related measures while receiving advice from industrial physicians.

VOICE Comment from Employees Engaged in a Collaboration Project Between New Business Creation Program and Health Management



Ezumi Tairada (left)
Steel, Materials and Plant Planning Office
Planning & Consolidated Management Section

Junichi Noguchi (right)
cafe the perch (Company cafe)

On a trial basis, we offered health-conscious menu items made with organic ingredients at our company cafeteria for a month. This initiative was intended to raise employee health awareness and as a form of research to gauge demand for commercializing our “organic ingredient supply business.” The initiative was undertaken under “Yorozuya KG,” an internal program that supports employees wishing to take on new ventures, providing them with guidance from planning through execution.

Moving forward, the Company will continue to explore new business opportunities, such as those related to organic ingredients, to support the maintenance and improvement of people’s health and the realization of a sustainable society. We encourage each employee to take on new challenges and will continue to boost the spirits of the entire Company!

Corporate Governance

Our Basic Stance on Corporate Governance

Kanematsu’s founder himself put down the words “Let us sow and nurture the seeds of global prosperity.” The Kanematsu Group recognizes the pioneering spirit fostered by our predecessors along with the wise use of our creative imagination and ingenuity, fulfilling our corporate social responsibilities through sound, flourishing businesses, and adherence to Company rules as key parts of its Corporate Principle. We operate in accordance with this principle and our Code of Conduct, striving to carry out corporate activities to serve our various stakeholders and help realize a sustainable society by providing

socially valuable goods and services.

To this end, Kanematsu endeavors to strengthen corporate governance to increase the transparency of management and create a more equitable, efficient, and sound company. We work to improve corporate governance with the aim of increasing our enterprise value and winning the support of all our stakeholders, including shareholders, customers, business partners, and employees.

Corporate Governance Structure

Role and composition of each body (as of July 2025)



Body	Board of Directors	Nominating Committee	Compensation Committee	Management Committee
Composition	<p>7 members</p> <ul style="list-style-type: none"> Presiding officer: Chairman of the Board of Directors <p> Standing directors: 3 Outside directors: 3 </p>	<p>4 members</p> <ul style="list-style-type: none"> Committee chair: Outside director <p> Chairman of the Board of Directors Outside directors: 2 </p>	<p>4 members</p> <ul style="list-style-type: none"> Committee chair: Outside director <p> President & CEO Outside directors: 2 </p>	<p>14 members</p> <ul style="list-style-type: none"> Presiding officer: President & CEO <p> Chairman of the Board of Directors Executive officers: 12 </p>
	Comprising seven directors and led by the chairman of the Board of Directors. In addition, three of the seven directors are outside directors to promote appropriate decision making and further reinforce the supervision of business execution.	Three of the four members, including the committee chair, are independent outside directors. The committee reinforces the independence, objectivity, and accountability of the Board of Directors.	Three of the four members, including the committee chair, are independent outside directors. The committee reinforces the independence, objectivity, and accountability of the Board of Directors.	Chaired by the President and CEO, the committee has 14 members, comprising the chairman of the Board of Directors and certain executive officers.
Objective, Authority, and Function	<p>The Board of Directors decides on matters required of it as set out in law and Kanematsu’s Articles of Incorporation as well as management policy and other important matters related to business execution. The Board also provides oversight of the business execution of directors and executive officers by taking up important matters referred from the Management Committee and receiving various reports.</p> <p>Decisions regarding the execution of other business operations (mainly matters to be reported as stipulated in the Board of Directors regulations) are delegated to the Management Committee or executive officers in accordance with the rules on administrative authority established by the Board of Directors.</p>	<p>In response to inquiries from the Board of Directors, the Nominating Committee deliberates on such matters as proposals for the General Meeting of Shareholders related to the appointment and dismissal of directors and the necessary policy, rules, and procedures for reaching related resolutions. Based on these deliberations, the committee provides advice and recommendations to the Board of Directors.</p>	<p>In response to inquiries from the Board of Directors, the Compensation Committee deliberates on such matters as policy regarding the setting of compensation levels and types for individual directors and executive officers, the compensation itself, and the necessary policy, rules, and procedures for reaching related resolutions. Based on these deliberations, the committee provides advice and recommendations to the Board of Directors.</p>	<p>The executive officer system has been adopted to improve the flexibility of business execution, speed up management decision making, and further clarify roles and responsibilities through the separation of supervisory and executive functions, with the Management Committee established as an executive body.</p> <p>The Management Committee establishes basic policies for Companywide general business execution in accordance with policies determined by the Board of Directors and provides instruction and guidance on the execution of business.</p>
Meeting Frequency	Regular meetings: Once a month Extraordinary meetings held as needed	Held as needed	Held as needed	Generally twice a month Extraordinary meetings held as needed
Meetings in Fiscal 2025	20	4	2	27

Corporate Governance

Role and composition of each body



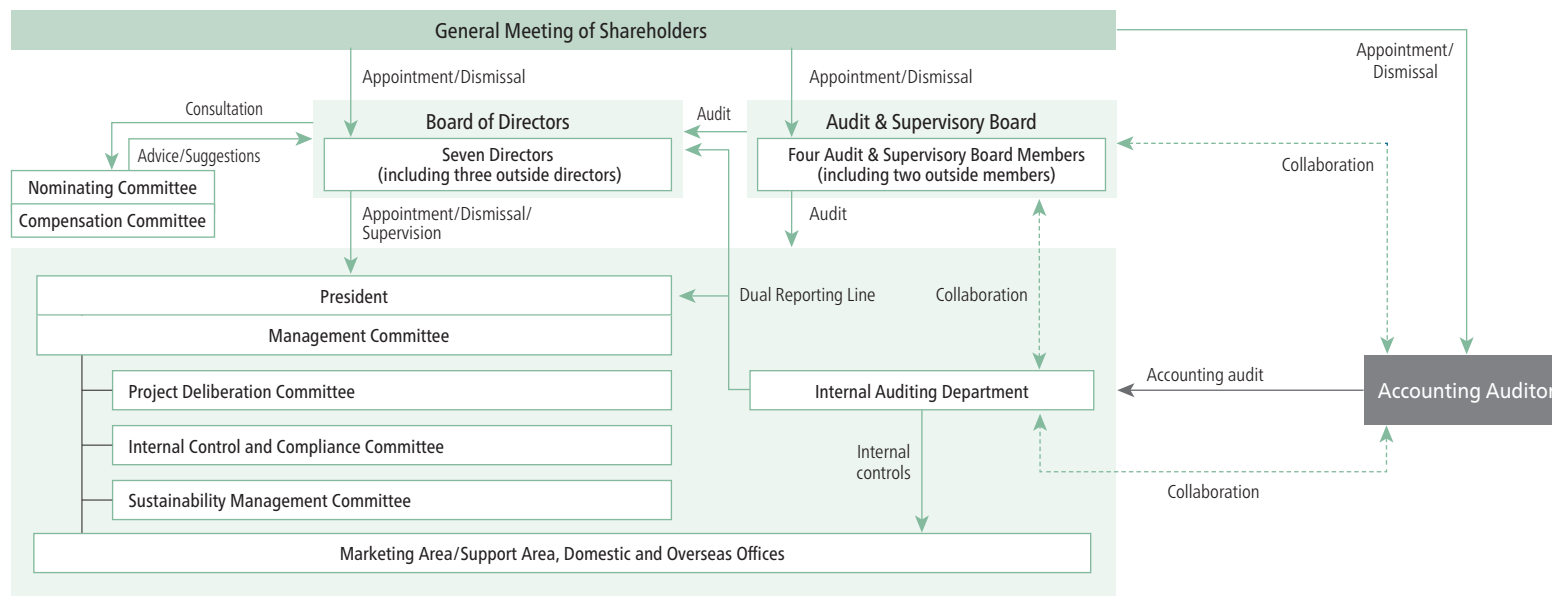
Body	Audit & Supervisory Board	Project Deliberation Committee	Internal Control and Compliance Committee	Sustainability Management Committee
Composition	<p>4 members</p> <ul style="list-style-type: none"> Presiding officer: Standing Audit & Supervisory Board member Standing Audit & Supervisory Board member: 1 Outside Audit & Supervisory Board members: 2 	<p>3 members</p> <ul style="list-style-type: none"> Presiding officer: Chief Officer of Risk Management Executive officers: 2 (chief officers of finance and accounting and corporate planning) 	<p>5 members</p> <ul style="list-style-type: none"> Committee chair: Chairman of the Board of Directors Committee vice-chair: President & CEO Executive officers: 3 	<p>8 members</p> <ul style="list-style-type: none"> Committee chair: Director, Chief Officer of Corporate Planning Executive officers: 7
	Two (half) of the four Audit & Supervisory Board members are outside members in order to increase the transparency of management and create a more equitable, efficient, and sound company.	The committee comprises the chief officers of risk management, finance and accounting, and corporate planning.	The committee has five members, comprising the chairman of the Board of Directors and certain executive officers, including the President & CEO.	The committee comprises seven officers from business divisions (executive officers) and the chief officer of corporate planning (an executive officer), who chairs the committee.
Objective, Authority, and Function	<p>Kanematsu uses the audit & supervisory board system. The Audit & Supervisory Board and its members act independently to audit directors' performance of their duties.</p> <p>The Audit & Supervisory Board works with the Board of Directors to provide part of the Company's auditing function and audits the directors' performance of their duties as an independent body acting on behalf of shareholders.</p>	To speed up the decision making, enhance deliberations, and minimize business risks, prior to resolutions on such important matters as major investments and loans, the Project Deliberation Committee examines and deliberates the matters in question from a Company-wide perspective and provides advice to the respective decision-making bodies or individuals.	As a Companywide internal body, the Internal Control and Compliance Committee comprehensively assesses risks facing the Kanematsu Group, seeks to enhance operational effectiveness and efficiency, and strives to ensure the reliability of Group financial reporting.	<p>Established to help solve increasingly serious social and environmental problems, including climate change, the Sustainability Management Committee deliberates on climate-related risks identified and evaluated by the business divisions. The committee also regularly calculates the Group's CO₂ emissions and discusses changes in emissions and policy for related measures as part of implementing comprehensive risk management.</p> <p>Furthermore, the committee identifies and revises key issues the Company is confronting and deliberates on overall sustainability initiatives, including ensuring respect for human rights and biodiversity, as well as the Company's participation in outside initiatives, such as support for the United Nations Global Compact.</p>
Meeting Frequency	Regular meetings: Once a month Extraordinary meetings held as needed	Generally twice a month Extraordinary meetings held as needed	Generally held twice a year, in April and July	Regular meetings: Once a quarter Extraordinary meetings held as needed
Meetings in Fiscal 2025	13	20	4	5

Corporate Governance

The Evolution of Our Corporate Governance System (as of the end of the General Meeting of Shareholders following each fiscal year-end)

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
System		2014--:Expanded the executive officer system												
Committees		2016--:Established the Nominating Committee and Compensation Committee												
Directors		10	6	7	7	8	8	6	6	6	7	7	7	7
Standing directors		10	5	5	5	5	5	4	4	4	4	4	4	4
Outside directors		0	1	2	2	3	3	2	2	2	3	3	3	3
Outside director ratio		0%	17%	29%	29%	38%	38%	33%	33%	33%	43%	43%	43%	43%
Audit & Supervisory Board Members		4	4	4	4	4	4	4	4	4	4	4	4	4
Outside Audit & Supervisory Board members		3	2	3	3	3	3	3	2	2	2	2	2	2
Nominating Committee	Committee chair				Standing	Standing	Standing	Standing	Standing	Standing	Outside	Outside	Outside	Outside
	Members				4	4	3	3	3	3	4	4	4	4
	(Outside members)				3	3	2	2	2	2	3	3	3	3
Compensation Committee	Committee chair				Standing	Standing	Standing	Standing	Standing	Standing	Outside	Outside	Outside	Outside
	Members				4	4	3	3	3	3	4	4	4	4
	(Outside members)				3	3	2	2	2	2	3	3	3	3

Corporate Governance Structure (as of June 27, 2025)



Corporate Governance

Skill Matrix and Meeting Attendance (Fiscal 2025)

		Professional Background		FY2025 Attendance					Skills Needed for Medium- and Long-term Management Strategy and the Board of Directors									
		Experience as a corporate officer or division chief officer at Kanematsu or as a corporate officer outside the Company	Overseas work experience	Board of Directors	Nominating Committee	Compensation Committee	Audit & Supervisory Board	Management Committee	Medium- to long-term enhancement of corporate value				Business investment		Sustainability, DX			
									Corporate management	Business strategy planning	Human resource management	Governance	Investment decisions	Finance	SDGs (ESG) management thinking	Technology/ DX	Innovation	
Kaoru Tanigawa	Chairman	Chief Officer, Electronics & Devices Division; Chief Officer, Corporate Planning; President; Chairman; Chief Officer, Internal Control (incumbent)	U.S.A. (15 years)	20/20 Presiding officer	4/4			27/27	◎	○	○	◎	○	○	○	○	○	○
Yoshiya Miyabe	President & CEO	Deputy Chief Officer, Electronics & IT Division; Chief Officer, Motor Vehicles & Aerospace Division; President; Chief Officer, Growth Strategy Office (incumbent)	U.S.A. (10 years)	20/20		2/2		27/27 Presiding officer	◎	◎	○	○	◎	○	○	◎	◎	◎
Taro Unno	Director	Director at a Group affiliate (Electronics & Devices)	U.K. (4 years) U.S.A. (3 years)	—				—		○		○	◎	◎				
Kazuo Kondo	Director	Director at a Group affiliate (Electronics & Devices)	U.S.A. (3 years)	—				—		◎		○	◎	○	◎			
Yuko Tahara	Director (outside, independent)	Outside director (incumbent)		20/20	4/4	2/2 Chair			○		◎					◎	◎	
Kazuhiro Tanaka	Director (outside, independent)	Outside director (incumbent)		19/20	4/4 Chair	2/2						◎			◎			
Hiroyuki Sasa	Director (outside, independent)	Outside director (incumbent)	U.S.A. (5 years)	20/20	4/4	2/2			◎	◎	○	◎	◎					○
Yoshio Tajima	Audit & Supervisory Board member	Director at a Group affiliate (Electronics & Devices)	Australia (4 years) U.S.A. (5 years)	20/20				13/13 Presiding officer										◎
Yoichiro Muramatsu	Audit & Supervisory Board Member	Chief Officer, Corporate Planning; Chief Officer, IT Planning	U.S.A. (11 years) Germany (3 years)	15/15				10/10		◎								◎
Yusaku Kurahashi	Audit & Supervisory Board member (outside, independent)	Outside Audit & Supervisory Board member (incumbent)		19/20				13/13										◎
Nobuko Inaba	Audit & Supervisory Board member (outside, independent)	Outside Audit & Supervisory Board member (incumbent)		20/20				13/13	○									◎

Notes:

- Areas in which individuals possess expertise and experience are marked with "○," while areas in which they are particularly expected to contribute are marked with "◎."
- Taro Unno and Kazuo Kondo were elected as Directors at the June 27, 2025, General Meeting of Shareholders.
- Audit & Supervisory Board member Yoichiro Muramatsu was appointed at the June 28, 2024, General Meeting of Shareholders, so the numbers of meetings of the Board of Directors and Audit & Supervisory Board that he was eligible to attend differ from those for the other directors and Audit & Supervisory Board members.

Details regarding the professional background of each director and Audit & Supervisory Board member are available in the Notice of the 131th Ordinary General Meeting of Shareholders.

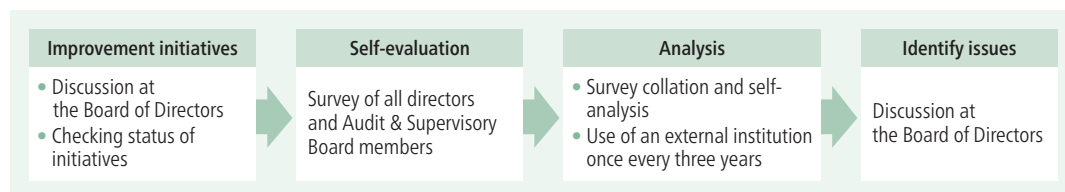
Notice of the 131th Ordinary General Meeting of Shareholders p. 15 https://www.kanematsu.co.jp/en/ir/shareholder_stock/shareholder_general

Corporate Governance

Evaluating the Effectiveness of the Board of Directors

Each year, Kanematsu evaluates and analyzes the effectiveness of its Board of Directors. We first address issues identified in the previous year's evaluation, then confirm the progress of improvement measures during the fiscal year and newly identify issues to be addressed in the following year. In this process, we are committed to continuous improvement through discussion-based monitoring. In the fiscal year ended March 2025, the Board of Directors and its secretariat implemented the measures listed below. We will continue working to resolve issues on an ongoing basis.

Board of Directors Effectiveness Evaluation Process



Results of Initiatives to Address Issues Identified in the Previous Year

Issues	Initiatives in Fiscal 2025
Board of Directors Composition	<ul style="list-style-type: none"> Discussed the roles and functions of standing directors, the ratio of standing to outside directors, and the roles of outside directors Revised the selection criteria for director candidates
Board of Directors Discussions and Operations	<ul style="list-style-type: none"> Reviewed the first year of the medium-term management plan "integration 1.0" Discussed the relationship between the Board of Directors and executive management The Human Capital Management Committee held monthly meetings, reporting results to the Board of Directors
Dialogues and Enhancing Relations with Investors and Shareholders	<ul style="list-style-type: none"> Conducted individual investor meetings Discussed recent trends in investor demands
Knowledge and Training Necessary for Board Members	<ul style="list-style-type: none"> Provided training for officers on the circular economy and cybersecurity
Other/Overall	<ul style="list-style-type: none"> Scheduled meetings between the President & CEO and outside directors Took advantage of opportunities afforded by extra sessions of Board of Directors meetings

Issues to Address Going Forward

- Optimizing the composition of the Board of Directors and enhancing its skill set (including expertise and diversity to achieve the medium-term management plan)
- Reviewing the progress of and identifying issues to be addressed by the "integration 1.0" medium-term management plan
- Aligning the activities of the Human Capital Management Committee with the management strategy
- Proactively holding investor briefings
- Ongoing officer training
- Establishing an idea exchange forum between outside and standing directors

Director and Audit & Supervisory Board Member Compensation

Total Compensation (Fiscal 2025)

	Total Compensation (millions of yen)	Total Compensation by Type (millions of yen)			Number of Individuals Receiving Compensation
		Monetary Compensation		Non-monetary Performance-linked Stock Compensation	
		Basic Compensation	Performance-linked Compensation		
Directors (excluding outside directors)	292	168	82	41	4
Outside Directors	31	31	–	–	3
Audit & Supervisory Board Members (excluding outside members)	60	60	–	–	3
Outside Audit & Supervisory Board Members	19	19	–	–	2
Total	403	279	82	41	12

Notes:

- Annual director compensation as determined by resolution of the General Meeting of Shareholders is capped at ¥450 million (including ¥40 million for outside directors) (Resolution of the 129th Ordinary General Meeting of Shareholders held on June 27, 2023). Annual compensation for Audit & Supervisory Board members is capped at ¥84 million (Resolution of the 121st Ordinary General Meeting of Shareholders held on June 24, 2015).
- The above includes one Audit & Supervisory Board member who retired at the conclusion of the 130th Ordinary General Meeting of Shareholders held on June 28, 2024.
- The above non-monetary compensation amount (¥41 million) is the amount recorded for the fiscal year ended March 31, 2025 as an expense related to performance-linked stock compensation.

Basic Policy

Kanematsu's basic policy for director compensation is to adopt a compensation system that is linked to the interests of shareholders to ensure that the system sufficiently incentivizes the sustainable enhancement of corporate value while also ensuring that the compensation of individual directors is set at levels appropriate to their respective responsibilities. Specifically, compensation for executive directors consists of basic compensation such as fixed compensation, performance-linked compensation, and stock compensation. Compensation for Outside Directors, who provide oversight, consists of only basic compensation that factors in their duties. The performance-linked remuneration system was revised as of April 1, 2024 to strengthen the Board of Directors' commitment to improving enterprise value over the medium to long term and to serve as an incentive for this commitment.

Corporate Governance

Director and Audit & Supervisory Board Member Compensation System

▶ p 36

Executive Directors

Basic Compensation + Performance-linked Compensation + Stock Compensation

- Monthly fixed compensation
- Cash compensation that reflects the performance indicator (profit for the year attributable to owners of the Parent)
 - An amount calculated based on the performance indicator (profit for the year attributable to owners of the Parent) and its value is paid as a bonus once a year
 - Total payment amount: Depending on net profit for the year attributable to owners of the Parent, the lesser of the amount calculated by the following formula or 175 million yen

Profit for the year attributable to owners of the Parent	Less than ¥5.0 billion	¥5.0 billion to less than ¥25.0 billion	¥25.0 billion to less than ¥35.0 billion	¥35.0 billion or above
Performance-linked compensation amount formula	0	Profit for the year attributable to owners of the Parent × 0.25%	Profit for the year attributable to owners of the Parent × 0.30%	Profit for the year attributable to owners of the Parent × 0.35%

- The amounts paid to individual directors are determined by dividing the total payment amount in proportion to points set out for each rank

Rank	Chairman of the Board of Directors, President	Vice President	Director and Senior Managing Executive Officer	Director and Managing Executive Officer	Director and Senior Executive Officer	Director and Executive Officer
Points	1.00	0.74	0.59	0.53	0.45	0.42
Maximum individual payment (thousands of yen)	62,100	46,000	36,700	32,900	28,000	26,100

Note: The specific calculation formula for the above individual payment amount is as follows: Individual payment amount = Total payment amount × The individual's rank-based points ÷ Sum of rank-based points awarded to all directors

Monetary compensation: Annual monetary compensation is capped at ¥450 million for directors (including ¥40 million for outside directors) and ¥84 million for Audit & Supervisory Board members

40%–70% of total compensation	15%–45% of total compensation
Policy and methods for deciding compensation amounts and calculation methods	Board of Directors <ul style="list-style-type: none"> • Decides amounts within the maximum amount of director compensation decided by resolution of the General Meeting of Shareholders • Decides calculation methods and policies for the determination of amount is based on the recommendations of the Compensation Committee

- Stock compensation that reflects the performance indicator (profit for the year attributable to owners of the Parent); the number of shares to be granted is calculated in accordance with the level of achievement of performance targets set forth in the medium-term business plan and other factors, and shares are delivered upon retirement
 - This compensation is also granted to executive officers
 - Compensation is the total of amounts calculated each year during the term of the medium-term business plan (April 1, 2024 to March 31, 2027) (amounts less than ¥1 are rounded up to the nearest yen)
- Stock compensation = Amount of performance-linked stock compensation × The individual's rank-based points ÷ Sum of rank-based points awarded to all directors

Profit for the year attributable to owners of the Parent	Less than ¥5.0 billion	¥5.0 billion to less than ¥25.0 billion	¥25.0 billion to less than ¥35.0 billion	¥35.0 billion to less than ¥50.0 billion	¥50.0 billion or above
Performance-linked stock compensation amount formula	0	Profit for the year attributable to owners of the Parent × 0.18%	Profit for the year attributable to owners of the Parent × 0.20%	Profit for the year attributable to owners of the Parent × 0.22%	¥110 million

- Individual payment formula (for individuals who were directors on the final day of the evaluation period)
Stock issuance points = Stock compensation amount ÷ Per-share book value of Kanematsu stock held by the trust

• Maximum Shares (Stock Issuance Points) Awarded per Fiscal Year

Rank	Chairman of the Board of Directors, President	Vice President	Director and Senior Managing Executive Officer	Director and Managing Executive Officer	Director and Senior Executive Officer	Director and Executive Officer
Maximum shares (stock issuance points)	53,000	39,000	31,000	28,000	23,000	22,000

15%–30% of total compensation	Compensation Committee
	<ul style="list-style-type: none"> • Deliberates on policy for determining the content of compensation for individual directors, the content of compensation, the basic policy necessary to make resolutions on these, rules, and procedures and makes recommendations to the Board of Directors

The Compensation Committee considers the proportion of each type of compensation for executive directors, taking into account compensation levels benchmarked against companies of a similar business scale to the Company or in related industries or with similar business formats; the Board of Directors respects such considerations when determining the details of compensation for each director.

Outside Directors

Basic Compensation

Outside directors are paid only monthly compensation and are not paid performance-linked compensation.

Audit & Supervisory Board Members

Basic Compensation

Audit & Supervisory Board members are paid monthly compensation determined by the Audit & Supervisory Board and are not paid performance-linked compensation.

Corporate Governance

Internal Control

The Kanematsu Group's Internal Control System

To provide systems for ensuring appropriate business operations as stipulated in the Companies Act and the Regulations for Enforcement of the Companies Act, Kanematsu has adopted the "Basic Policy on the Establishment of Internal Control Systems" by resolution of the Board of Directors (established May 1, 2006, last amended April 1, 2024). The Company maintains and operates an internal control system in accordance with this basic policy.

In addition, in line with internal control reporting systems defined in the Financial Instruments and Exchange Law, we have established the "Kanematsu Group's Internal Control Overall Policy". The

Compliance

The Internal Control and Compliance Committee provides support and guidance to ensure that the Group maintains proper compliance. As part of such efforts, the committee has prepared the Kanematsu Group Compliance Handbook, which explains related measures with concrete examples and clearly states that the Group rejects any and all ties with antisocial forces. The Handbook has been made available through the Company intranet to promote thorough awareness. The Handbook also clearly lays out the system of division and Group company compliance officers, rules for reporting compliance matters,* and the hotline systems for directly reporting to and consulting with Internal Control and Compliance Committee members or external counsel.

In addition to the Handbook, we are implementing internal training to promote strict compliance, including the prevention of bribery and corruption. To educate employees about harassment, we have prepared and circulate a Harassment Handbook that features concrete examples, and we highlight examples of harassment as part of our internal compliance training. We also implement management training on handling reports and incidents of bullying and harassment. Through these efforts, we are working to further instill and enhance compliance awareness on an ongoing basis.

Furthermore, at meetings of Group company presidents, which bring together the top management of Kanematsu and its main subsidiaries and affiliates, participants discuss Groupwide issues and share information related to internal control, compliance, and risk management.

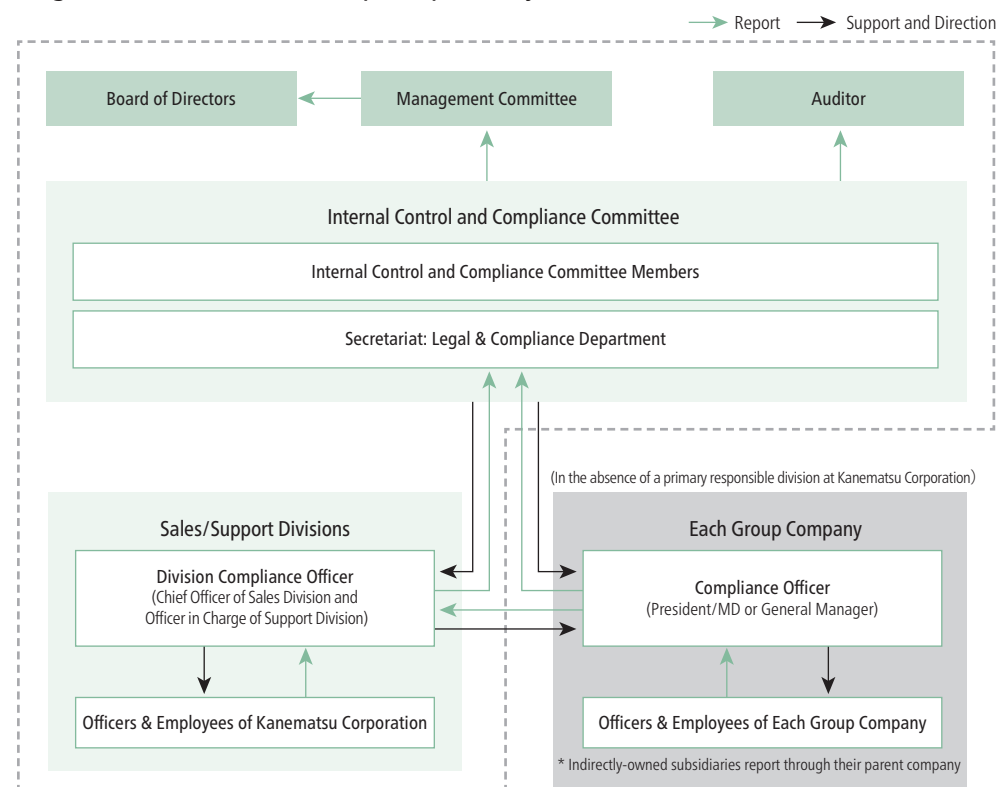
When a compliance matter occurs within the Group, it is promptly reported to the Internal Control and Compliance Committee, which provides opinions and directions regarding the matter as necessary. The compliance officer of the division or Group company where the matter occurred then takes corrective action and implements measures to prevent recurrences, respecting the committee's opinions and directions to the greatest extent possible.

* "Compliance matter" means matters which may damage company property or reputation of Kanematsu Group through violation of laws and regulations, company regulations or general societal norms.

effectiveness of internal control regarding Groupwide governance, settlement of accounts, IT, and operational processes is internally monitored by the companies and divisions that implement such operations as well as by the Legal and Compliance Department, which provides independent assessment.

Furthermore, we have established the Internal Control and Compliance Committee, which is chaired by Chairman Tanigawa, to head the Group's overall internal control. This committee carries out planning, conducts research, and provides recommendations and guidance regarding internal control development, operation, and assessment.

Diagram of the Kanematsu Group Compliance System (as of June 27, 2025)



Corporate Governance

Bribery Prevention Initiatives

The Kanematsu Group Compliance Handbook lays out the Group's prohibitions on bribery and excessive gifts and entertainment for business partners, both in Japan and overseas, with a view to ensuring fair business activities.

1. Prohibition of Bribery

Under the laws of the countries in which the Group operates, the Kanematsu Group's officers and employees are forbidden from engaging in the bribery of public officials or persons in comparable positions (such as officers and employees of JBIC, JETRO, JICA, or foreign state-run companies).

2. Prohibition of Excessive Gifts and Entertainment

The Kanematsu Group prohibits the provision of entertainment, gifts, or other tangible or intangible benefits in excess of reasonable, socially acceptable norms to officers and employees of business partners, whether in Japan or overseas, regardless of whether they are public or quasi-public officials or officers or employees of private companies and regardless of whether such provision is funded by the Company or personally by individuals. In addition, when entertainment or gifts are provided to business partners for legitimate business purposes, such entertainment or gifts must be applied for and approved in advance in accordance with the internal rules established by each Group company.

3. Raising Awareness of Compliance with the Laws of Relevant Countries

The Kanematsu Group takes steps to raise awareness internally of compliance not only with Japan's Unfair Competition Prevention Act, but also with laws under which acts committed by Japanese companies outside the United States or United Kingdom are punishable, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

In fiscal 2025, there were zero violations of policies related to preventing corruption.

Information Management System

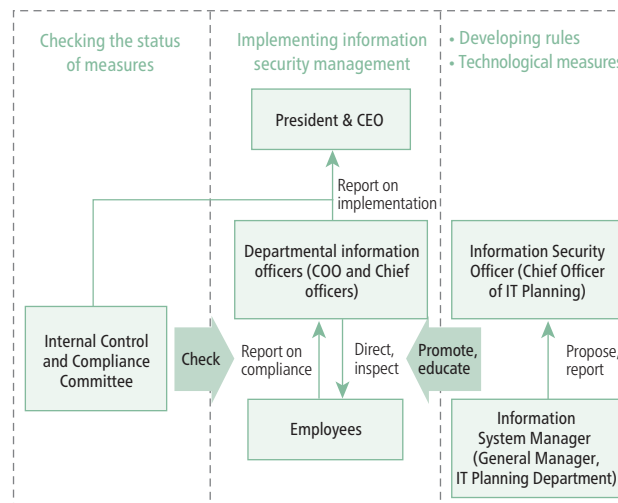
Information Asset Categorization

Under the leadership of departmental information officers (chief officers of business divisions and administrative departments), each organization within Kanematsu organizes the information assets handled in its business operations into three categories of confidentiality (strictly confidential, internal use only, and general). The categorization is reviewed annually to promote awareness among officers and employees.

Information Asset Management

Important information assets categorized as strictly confidential or internal use only, whether recorded on paper, in digital form, or using other analog media, are managed and utilized in accordance with the Information Asset Management Rules, which stipulate procedures for their appropriate handling, as well as detailed regulations for general employees and information system managers that specify procedures and key points to be observed.

Information Security Management System



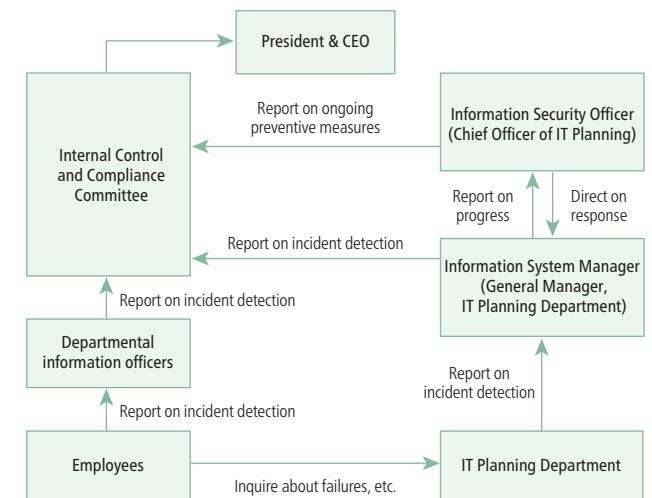
Information Asset Retention

In light of the demand for digitization, detailed rules for document retention have been integrated into the subordinate rules of the Information Asset Management Rules, and data and paper documents are retained for a specified period of time in accordance with relevant laws and regulations.

Incident Response

Because the risk of information leaks cannot be completely eliminated, Kanematsu has designated procedures for handling leaks of important information assets and other such incidents. In the event of such an incident, the Internal Control and Compliance Committee gathers information and works with relevant departments to implement a response.

Incident Response System



Corporate Governance

Risk Management System

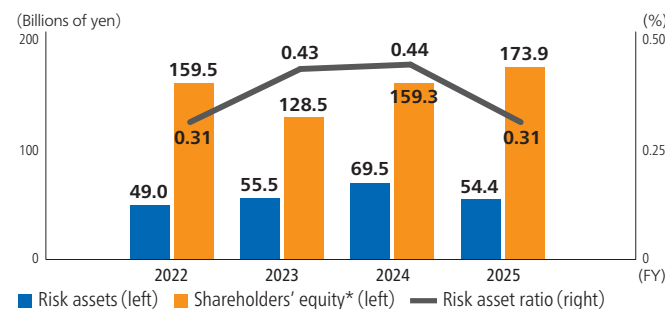
The Kanematsu Group has established an internal approval request system based on the Rules on Delegation of Authority as stipulated in the “Basic Policy on Establishing Internal Control Systems” for making judgments and decisions about business risks. In undertaking various projects and initiatives, each designated department deliberates on the existence, frequency, and impact of risks, as well as countermeasures. For major investments and financing, the Project Deliberation Committee conducts comprehensive assessments from various perspectives to minimize business risks.

In addition, several times a year, top management from across the Group meets to share information regarding the Group’s overall operations, thereby promoting mutual understanding and a shared awareness of corporate governance.

Category	Subcategory
Market Risk	Commodity risk
	Exchange rate risk
	Interest rate risk
	Investment risk
Credit Risk	Business investment risk
	Transactional credit risk
	Country risk
Operational Risk	Legal risk
	Information security risk
	Environmental risk
	Operation risk
	Compliance risk

Financial Statements p 65 https://www.kanematsu.co.jp/en/ir/library/annual_security_report

Risk Assets



* Total equity attributable to owners of the Parent

Leveraging Assets for Growth Investments

Shareholders’ equity, which had temporarily fallen due to a tender offer bid (TOB) for the common shares of a Group company, recovered to pre-TOB levels by the fiscal year ended March 31, 2025, thanks to the accumulation of net profit. The ratio of risk assets stood at 0.31 times, and the net D/E ratio was 0.69 times, ensuring a sufficiently sound financial position. Achieving the quantitative targets set forth in “integration 1.0” and realizing subsequent mid-to-long-term growth requires significant investment in ICT solutions and DX fields, alongside investments in such Company-specific areas as GX and innovation. Kanematsu’s current risk management framework is robust and it intends to accelerate growth through the increased utilization of risk assets.



Naoki Hattori
General Manager, Corporate Planning Section, Corporate Planning Department

Internal Auditing

Status of Internal Audits

Company Internal Audit Overview (Risk-Based Audit / Management Perspective Audit)

The Internal Auditing Department, an independent organization reporting directly to the Chairman and Representative Director, conducts internal audits of the Group for the purpose of verifying the appropriateness, effectiveness, and efficiency of internal control systems related to management activities. This involves not only confirming compliance but also identifying issues from a management perspective and making recommendations for improvement. By following up on these recommendations,

the department aims to contribute to the achievement of management objectives and the enhancement of enterprise value.

When conducting audits, a risk-based approach is adopted based on key issues in the business environment and management strategy through interviews with directors, Audit & Supervisory Board members, and executive officers, and an annual audit plan is formulated and executed.

Corporate Governance

Enhancing Audit Quality by Cultivating Diverse Perspectives and Expertise

The Internal Auditing Department comprises 15 members as of July 2025 (including nine holding relevant professional qualifications such as Certified Internal Auditor (CIA) and U.S. Certified Public Accountant). The department spans a wide age range, with members in their 20s through 60s, and women account for approximately 30%. We actively recruit individuals with diverse backgrounds and are enhancing our human resource portfolio by prioritizing expertise and diversity. Through audits that integrate diverse perspectives and expertise, we contribute to ensuring sound management and transparency.

Those with sales division experience 11(9)^{*1}		Those with corporate division ^{*2} experience 9(6)^{*1}	
Those with experience on overseas assignment 7	Those with experience on secondment to affiliates 7	Those with experience at other companies/industries ^{*3} 4	



* 1 (With more than 10 years experience)

* 2 Excluding auditing departments

* 3 Those with experience in internal auditing, environmental auditing, etc., at other trading companies, manufacturers, financial institutions, or IT firms

Advanced Initiatives

Aiming to realize “integration 1.0,” our medium-term business plan, we are advancing the sophistication of our internal auditing. Building on results of External Quality Assessment conducted in fiscal 2025, we are accelerating our shift toward risk-based and management-oriented auditing.

External Quality Assessment Results

Kanematsu’s auditing system has been evaluated, and the Company has received specific recommendations for further advancement. We are now implementing various initiatives based on these recommendations.

Key Advancement Recommendations and Improvement Proposals

1. Shift to risk-based and management-oriented auditing
2. Enhance collaboration with corporate divisions
3. Strengthening governance and streamlining internal audit through self-assessment
4. Advance and optimize internal auditing via AI and other technologies

Steps toward Advancing Internal Auditing

We aim to not only identify issues but also to contribute to the Group’s sustainable growth and value creation through forward-looking improvement proposals.



Enhancing Governance through Diversity

Kanematsu’s Internal Auditing Department comprises audit professionals, including individuals with backgrounds in various external industries (such as at other trading companies, finance, manufacturing, and IT) and those with experience in diverse internal functional areas (including sales, finance, accounting, credit review, and IT). This combination of broad expertise and practical business acumen enhances the quality of our audits.

We place great importance on providing constructive recommendations that go beyond mere compliance assurance. By leveraging diverse perspectives that transcend backgrounds, generations, and genders, we ensure sound corporate governance and support corporate growth. We will continue to conduct audits that accurately identify changes in the external environment and increasingly complex business and management risks, thereby maximizing corporate value and strengthening bonds of trust with all our stakeholders.



Naoko Goto
Internal Auditing Section Chief,
Internal Auditing Department

Corporate Governance

Business Investment Process

The Kanematsu Group does not pursue investment to secure short-term gains, rather, it does so with the general assumption that investments will be held long-term. After executing an investment, we make full use of the Group's functions to maximize the enterprise value of the investee, increase trading revenue, and improve consolidated earnings.

In addition, in order to grow business revenue and ensure prompt withdrawal from inefficient investments, we conduct thorough periodic reviews and monitor investees, evaluating them both qualitatively (the purpose of holding the investment) and quantitatively (related revenue, dividend income, and other returns, etc.) to determine whether each investment justifies the Company's cost of capital.

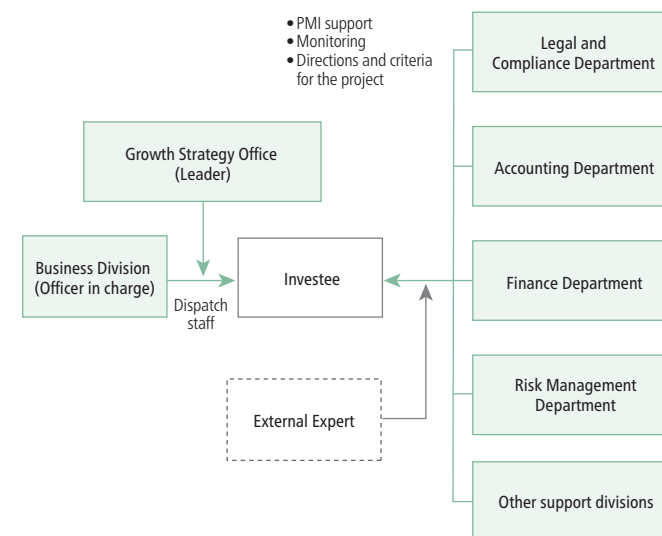
Decision-Making Process



Post-Merger Integration Promotion System

The Kanematsu Group works to enhance its system for ongoing post-merger integration (PMI) to ensure that investees are appropriately managed as members of the Group and maximize their enterprise value. Specifically, the qualitative standards of the investment guidelines applied when making an investment include provisions for clarifying the officer at Kanematsu responsible for PMI and dispatching a representative from Kanematsu who is highly knowledgeable about the investee's business. This is intended to promote close collaboration with Kanematsu's support divisions, which offer sophisticated expertise, and thereby make maximum use of the Company's functions.

Business Investment Process Support System



Monitoring and Asset Replacement

At their monthly information sharing meetings, the support divisions share information about everything from pre-approval investment planning to post-investment monitoring, progress, and items of concern. This information is also reported to members of the Management Committee.

When a problem arises in business implementation following an investment, the support divisions issue directions for improvement to the relevant business divisions and report on related measures and plans to Kanematsu's deliberative bodies as necessary.

Based on monitoring, we advance the replacement of low-efficiency assets and businesses when they meet our exit criteria or their strategic purpose in the portfolio has diminished.

Corporate Officers

(As of June 28, 2025)

Directors and Audit & Supervisory Board Members



Kaoru Tanigawa
Chairman

Shares held: 39,700

1981 Joined Kanematsu-Gosho Ltd.
2015 Director, Senior Managing Executive Officer
2017 President
2021 Chairman (incumbent)



Yuko Tahara
Director (Outside)

Shares held: 0

1998 President and CEO, Basic Inc. (incumbent)
2012 Representative Director, Knowledge Management Lab (incumbent)
2018 Outside Director & Member of the Audit and Supervisory Committee, Sanyo Homes Corporation (incumbent)
2019 Outside Director, Kanematsu Corporation (incumbent)
2021 Professor, School of Professional Education, The Graduate School of Information & Communication (now the Graduate School of Social Design) (incumbent)
2024 Outside Director, Nanto Bank, Ltd. (incumbent)



Yoshio Tajima
Audit & Supervisory Board Member (full-time)

Shares held: 700

1984 Joined Kanematsu-Gosho Ltd.
2014 Director, Kanematsu Communications Ltd.
2016 Managing Director, Kanematsu Communications Ltd.
2017 Director, Managing Executive Officer, Kanematsu Communications Ltd.
2023 Audit & Supervisory Board Member, Kanematsu Corporation (incumbent)



Yoshiya Miyabe
President & CEO

Shares held: 30,200

1983 Joined Kanematsu-Gosho Ltd.
2018 Director, Senior Managing Executive Officer
2021 President (incumbent)



Kazuhiro Tanaka
Director (Outside)

Shares held: 0

2010 Professor, Graduate School of Commerce and Management, Hitotsubashi University
2018 Professor, Graduate School of Business Administration, Hitotsubashi University (incumbent)
2019 Dean, Graduate School of Business Administration and Faculty of Commerce and Management, Hitotsubashi University
2020 Outside Director, Kanematsu Corporation (incumbent)



Yoichiro Muramatsu
Audit & Supervisory Board Member (full-time)

Shares held: 5,756

1988 Joined Kanematsu-Gosho, Ltd.
2015 General Manager, Corporate Planning Department
Director & Member of the Audit and Supervisory Committee (outside), Hokushin Co., Ltd.
2021 Executive Officer, President, Kanematsu GmbH., President, Kanematsu Europe PLC.
2024 Audit & Supervisory Board Member, Kanematsu Corporation (incumbent)



Taro Unno
Director

Shares held: 2,100

1993 Joined Kanematsu Corporation
2017 General Manager, Finance Department
2023 Director and Senior Executive Officer, Kanematsu Communications Ltd.
2025 Director, Executive Officer (incumbent)



Hiroyuki Sasa
Director (Outside)

Shares held: 0

2012 Director, Representative Executive Officer, President, Olympus Corporation
2019 Director, Olympus Corporation
2020 Outside Director, Kyosan Electric Manufacturing Co., Ltd. (incumbent)
2022 Outside Director, Kanematsu Corporation (incumbent)
2023 External Director, AMADA Co., Ltd. (incumbent)



Yusaku Kurahashi
Audit & Supervisory Board Member (Outside)

Shares held: 0

2007 Registered with the Daini Tokyo Bar Association and joined the legal offices of Nakamura, Tsunoda & Matsumoto
2015 Partner of Nakamura, Tsunoda & Matsumoto (incumbent)
2019 Audit & Supervisory Board Member, Kanematsu Corporation (incumbent)
2020 Outside Director (Audit & Supervisory Committee Member), UNITED ARROWS LTD. (incumbent)
2023 Opened Kurahashi Law Office
Representative Partner, Kurahashi Law Office (incumbent)
2024 Independent Audit and Supervisory Board Member, Nissha Co., Ltd. (incumbent)
Outside Audit & Supervisory Board Member, Mitsubishi Logistics Corporation (incumbent)



Kazuo Kondo
Director

Shares held: 2,700

1994 Joined Kanematsu Corporation
2016 Director, Diamond Telecom Inc.
2017 Director and Executive Officer, Kanematsu Communications Ltd.
2019 Manager, Corporate Planning Department
2025 Director, Executive Officer (incumbent)



Nobuko Inaba
Audit & Supervisory Board Member (Outside)

Shares held: 0

2005 President, Inaba C.P.A. Office (incumbent)
2007 Representative Director, Hayabusa Consulting Corporation (incumbent)
2014 Outside Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. (incumbent)
Senior Partner, Hayabusa Accounting Corporation (incumbent)
2019 Outside Corporate Auditor, DeNA Co., Ltd. (incumbent)
2021 Audit & Supervisory Board Member, Kanematsu Corporation (incumbent)
Senior Partner, Yasumori Audit Corporation (incumbent)

1 Ms. Yuko Tahara, Mr. Kazuhiro Tanaka and Mr. Hiroyuki Sasa are outside directors.

2 Mr. Yusaku Kurahashi and Ms. Nobuko Inaba are outside Audit & Supervisory Board members.

3 Ms. Yuko Tahara, Mr. Kazuhiro Tanaka, Mr. Hiroyuki Sasa, Mr. Yusaku Kurahashi, and Ms. Nobuko Inaba are independent officers, as defined by the Tokyo Stock Exchange.

Corporate Officers

Executive Officers



Yoshiya Miyabe
 President & CEO
 Chief Officer, Growth Strategy



Hiroshi Yamashina
 Senior Executive Officer
 Chief Officer, Human Resources, General Affairs
 Green Transformation Committee Chair



Akihiro Fujita
 Senior Executive Officer
 COO Electronics & Devices, Digital Transformation Committee Chair



Shuji Masutani
 Senior Executive Officer
 Chief Officer, Risk Management, Legal and Compliance



Tetsuro Tsutano
 Managing Executive Officer
 President, Kanematsu USA Inc.; General Manager, Chicago Head Office



Ryoichi Kidokoro
 Managing Executive Officer
 COO Motor Vehicles & Aerospace
 General Manager, Osaka Branch; General Manager, Nagoya Branch



Masashi Kanematsu
 Managing Executive Officer
 Chief Officer, IT Planning, Logistics & Insurance



Jun Nakajima
 Executive Officer
 COO Grain, Oilseeds & Feedstuff



Toru Hashimoto
 Executive Officer
 COO Meat Products



Koichi Nishimura
 Executive Officer
 COO Foods



Kaori Kusuda
 Executive Officer
 President, Kanematsu GmbH; President, Kanematsu Europe PLC; General Manager, Milano Office; General Manager, The Representative of Kanematsu GmbH Budapest



Akira Watanabe
 Executive Officer
 COO ICT Solution; President & CEO, Kanematsu Electronics Ltd.



Shigenobu Makita
 Executive Officer
 COO Steel, Materials & Plant



Taro Unno
 Executive Officer
 Chief Officer, Finance, Accounting, Business Accounting



Kazuo Kondo
 Executive Officer
 Chief Officer, Corporate Planning Sustainability Management Committee Chair

Corporate Profile

(As of March 31, 2025)

Corporate Profile

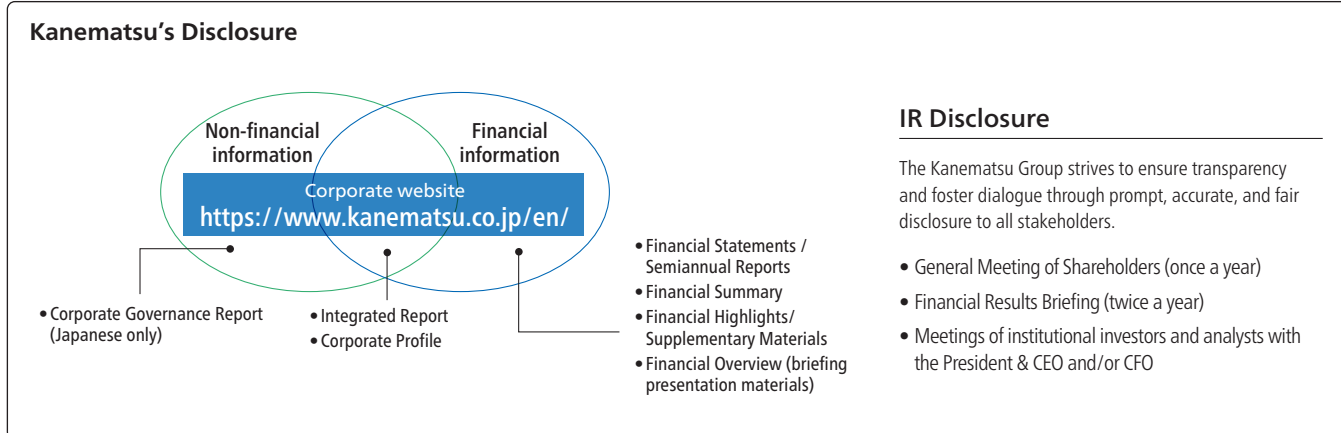
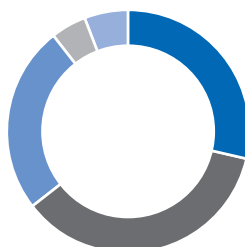
Company Name	KANEMATSU CORPORATION
Established	August 15, 1889
Foundation	March 18, 1918
President & CEO	Yoshiya Miyabe
Head Office	7-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-7017, Japan
Paid-in Capital	¥27,781 million
Fiscal Year	April 1 to March 31
General Meeting of Shareholders	June
Number of Offices	Domestic: Tokyo Head Office, Kobe Head Office and branches 5 Overseas: 33
Number of Employees	821 (Consolidated: 8,644)

Investor Information

Stock Exchange Listings	Tokyo
Stock Code	8020
Transfer Agent for Common Stock	Sumitomo Mitsui Trust Bank, Limited
Shares Authorized	200,000,000
Shares Outstanding	84,500,202 (including 266,620 treasury shares)
Minimum Trading Unit	100
Number of Shareholders	46,245

Composition of Shareholders

Financial institutions	28.62%
Foreign institutions and individuals	35.94%
Individuals and others (including treasury shares)	24.90%
Other corporations	4.95%
Securities firms	5.59%



IR Disclosure

The Kanematsu Group strives to ensure transparency and foster dialogue through prompt, accurate, and fair disclosure to all stakeholders.

- General Meeting of Shareholders (once a year)
- Financial Results Briefing (twice a year)
- Meetings of institutional investors and analysts with the President & CEO and/or CFO

Principal Shareholders

	Number of shares held (thousands)	Percentage of voting rights (%)
The Master Trust Bank of Japan, Ltd. (trust account)	14,490	17.20
Custody Bank of Japan, Ltd. (trust account)	5,743	6.81
STATE STREET BANK AND TRUST COMPANY 505001	3,643	4.32
STATE STREET BANK AND TRUST COMPANY 505223	1,484	1.76
MSIP CLIENT SECURITIES	1,391	1.65
JPMorgan Securities Japan Co., Ltd.	1,327	1.57
STATE STREET BANK WEST CLIENT - TREATY 505234	1,227	1.45
THE BANK OF NEW YORK MELLON 140044	1,206	1.43
JP MORGAN CHASE BANK 385781	1,159	1.37
STATE STREET BANK AND TRUST COMPANY 505103	1,079	1.28

Note: Calculated after deduction of treasury shares (266,620 shares)

Financial and ESG Highlights

(As of March 31)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025
	Millions of yen ¹										Thousands of U.S. dollars ²	
For the year:												
Revenue	¥704,211	¥668,374	¥675,579	¥714,790	¥723,849	¥721,802	¥649,142	¥767,963	¥911,408	¥985,993	¥1,050,936	\$7,028,737
Gross profit	87,880	86,238	100,139	106,371	110,014	110,904	101,515	111,801	130,894	142,557	155,007	1,036,702
Operating profit	23,547	18,772	22,633	26,160	30,349	28,352	23,635	29,347	38,896	43,870	42,051	281,247
Profit before tax	22,373	18,122	17,875	26,043	29,177	26,944	23,580	28,765	35,696	37,241	38,233	255,710
Profit for the year attributable to owners of the Parent ³	10,546	8,959	8,049	16,317	16,605	14,399	13,315	15,986	18,575	23,218	27,469	183,718
Cash flows from operating activities	6,758	33,024	11,852	434	24,698	24,259	36,984	15,382	(296)	35,582	58,329	390,110
Cash flows from investing activities	(6,649)	(4,214)	(14,691)	1,103	(6,575)	(10,215)	(9,927)	(10,547)	(16,684)	(12,423)	1,363	9,119
Free cash flow	109	28,810	(2,839)	1,537	18,123	14,044	27,057	4,835	(16,980)	23,159	59,693	399,229
At year-end:												
Total assets	466,314	443,592	479,717	519,889	549,459	551,671	557,495	634,456	677,588	725,347	689,337	4,610,338
Total equity	119,015	120,706	129,863	147,050	158,698	166,174	180,492	199,282	143,423	176,000	188,128	1,258,215
Total equity attributable to owners of the Parent	90,244	91,599	100,357	116,012	125,246	130,829	143,926	159,484	128,525	159,318	173,942	1,163,340
Net interest-bearing debt	72,155	48,813	55,429	59,045	49,969	51,807	40,520	51,242	147,948	159,425	120,336	804,815
Per share (yen):												
Net profit/Basic earnings attributable to owners of the Parent ³	¥ 125.49 ⁴	¥ 106.46 ⁴	¥ 95.64 ⁴	¥ 193.79 ⁴	¥ 198.22	¥ 172.43	¥ 159.44	¥ 191.42	¥ 222.38	¥ 277.90	¥ 328.95	\$ 2.20
Net assets/Total equity attributable to owners of the Parent	1,072.20 ⁴	1,088.45 ⁴	1,192.21 ⁴	1,377.66 ⁴	1,499.86	1,566.60	1,723.42	1,909.64	1,538.42	1,906.69	2,092.94	14.00
Dividends	4.00	5.00	6.00	48.00 ⁵	60.00	60.00	60.00	65.00	75.00	90.00	105.00	0.70
Financial indicators:												
Return on equity (ROE) (%)	13.0	9.9	8.4	15.1	13.8	11.2	9.7	10.5	12.9	16.1	16.5	
Equity ratio (%)	19.4	20.6	20.9	22.3	22.8	23.7	25.8	25.1	19.0	22.0	25.2	
Net D/E ratio (times)	0.8	0.5	0.6	0.5	0.4	0.4	0.3	0.3	1.15	1.00	0.69	

Financial and ESG Highlights

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ESG (Non-Financial) Data:											
E	CO ₂ emissions (t-CO ₂) ^{6,8}	—	—	—	—	—	29,500	29,497	28,321	26,569	26,928
	Total paper use (sheets) ^{7,9}	6,645,797	6,087,765	6,256,363	5,920,960	5,510,121	4,919,786	3,099,900	2,503,625 ⁹	1,809,950 ⁹	1,143,661
	External disposal of waste (t) ^{7,10}	33.40	31.90	32.70	29.50	35.00	34.43	42.20	36.18	29.46	16.69
	Recycled waste (t) ⁷	—	—	—	—	—	21.93	36.56	30.89	24.28	12.66
	Non-recycled waste (t) ⁷	—	—	—	—	—	12.50	5.64	5.29	5.18	4.03
	Hazardous waste disposal (t) ⁷	—	—	—	—	—	0	0	0	0	0
	Environment-related fines and penalties paid (yen) ⁷	—	—	—	—	—	0	0	0	0	0
	Violations related to water quality/volume ⁷	—	—	—	—	—	0	0	0	0	0
	Total electricity consumption (kWh) ⁶	—	—	—	—	—	—	41,031	42,556	42,843	43,818
S	Employees—consolidated	6,002	5,832	6,727	6,666	6,915	7,182	7,296	7,446	7,866	8,644
	Employees—non-consolidated (women)	813 (253)	816 (259)	835 (273)	842 (282)	765 (263)	775 (266)	795 (284)	788 (293)	798 (299)	821 (297)
	Percentage of women among employees—non-consolidated (%)	31	32	33	33	34	34	36	37	37	36
	Average length of service (years)	15.5	13.8	15.4	15.5	15.0	14.0	13.8	15.0	13.7	12.7
	Three-year job separation rate (%) ¹¹	3.5	4.8	5.2	9.4	10.5	17.1	14.3	—	—	—
	Average overtime worked (hours/month)	8.8	8.1	11.6	12.1	12.5	17.5	18.1	19.6	19.2	18.3
G	Directors (outside directors) ¹²	7(2)	7(2)	8(3)	8(3)	6(2)	6(2)	6(2)	7(3)	7(3)	7(3)
	Audit & Supervisory Board members ¹² (outside Audit & Supervisory Board members)	4(3)	4(3)	4(3)	4(3)	4(3)	4(2)	4(2)	4(2)	4(2)	4(2)

*1. Figures are rounded down to the nearest million yen. Percentages have been rounded off.

*2. The U.S. dollar amounts represent the arithmetical results of translating yen to dollars at the rate of ¥149.52 to U.S. \$1.00, the exchange rate prevailing on March 31, 2025.

*3. Profit for the year attributable to owners of the Parent

*4. Kanematsu executed a share consolidation on October 1, 2017, at a ratio of five common shares to one. The calculation of the above figures assumes that said share consolidation was implemented on April 1, 2014.

*5. Kanematsu executed a share consolidation on October 1, 2017, at a ratio of five common shares to one. The calculation of the above figures assumes that said share consolidation was implemented at the beginning of the fiscal year ended March 31, 2018.

*6. This is the consolidated total for the Kanematsu Group.

*7. The figures above are the totals for Kanematsu's domestic locations on a non-consolidated basis and are subject to change due to changes in office space due to the consolidation of branches or sales offices, etc.

*8. For a breakdown on Kanematsu's Scope 1 and 2 emissions, please refer to p. 60.

*9. For the years ended March 2021 and earlier, paper use was calculated based on sheets of paper (copy paper, envelopes, and business cards) purchased; from the year ended March 2022, it is calculated as sheets of copy paper (with all types converted to A4 equivalent) purchased.

*10. Waste generated from office activities at major locations is included in the calculations.

*11. The percentage of employees hired in the year in question who had left the Group as of three years later (for example, of the 42 employees hired in April 2015, 2 had left the Group as of April 2018, so the rate for the year ended March 31, 2016, is calculated as $(2/42) \times 100$).

*12. As of the conclusion of the General Meeting of Shareholders following each fiscal year-end.

Management's Discussion and Analysis

Business Results

Revenue growth for the fiscal year ended March 31, 2025 was driven primarily by strong sales in the mobile business and a steady performance in the aerospace business, which includes aircraft and defense-related transactions. While the steel tubing business posted a decrease in profits due to sluggish market conditions and the recognition of impairment losses, both the mobile business and the iron and steel business—which had recorded impairment losses in the previous fiscal year—posted higher profits.

Revenue increased ¥64,943 million (6.6%) year on year to ¥1,050,936 million, while gross profit rose by ¥12,450 million (8.7%) to ¥155,007 million. Operating profit decreased ¥1,819 million (4.1%) to ¥42,051 million as a result of impairment losses on goodwill. In contrast, profit before tax rose ¥992 million (2.7%) to ¥38,233 million, primarily due to the absence of impairment losses recognized under the equity method in the previous year. Profit for the year attributable to owners of the Parent increased by ¥4,251 million (18.3%) to ¥27,469 million. Return on equity (ROE) calculated on the basis of total equity attributable to owners of the Parent (shareholders' equity) was 16.5%, and return on invested capital (ROIC)* was 7.6%.

* ROIC = Profit for the year attributable to owners of the Parent / Invested capital (Interest bearing debt + Shareholders' equity)

Segment Information

Results for each business segment are described on p. 42.

Analysis of Financial Status

Total assets at the end of the year under review decreased ¥36,010 million from the end of the previous fiscal year to ¥689,337 million.

Interest-bearing debt decreased ¥35,645 million from the end of the previous fiscal year to ¥178,901 million. Net interest-bearing debt after deducting cash and bank deposits, decreased ¥39,089 million from the end of the previous fiscal year to ¥120,336 million, mainly due to an increase in working capital. Interest-bearing debt does not include lease liabilities.

In terms of equity, total equity attributable to owners of the Parent rose ¥14,624 million from the end of the previous fiscal year to ¥173,942 million, mainly due to the accumulation of profit for the year attributable to owners of the Parent and an increase in other components of equity resulting from the depreciation of the yen and appreciation of the stock market.

As a result, the equity ratio at the end of the fiscal year under review was 25.2%. The net D/E ratio stood at 0.69 times.

Cash Flows

In the year under review, net cash provided by operating activities totaled ¥58,329 million. Net cash provided by investing activities amounted to ¥1,363 million. Net cash used in financing activities amounted to ¥54,658 million. As a result, after the effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents at the end of the fiscal year under review stood at ¥56,779 million, up ¥3,348 million from the end of the previous fiscal year.

Fundraising

The Kanematsu Group carries out fundraising in line with a basic policy of stably procuring funds at low cost as needed to realize the enhancement of shareholder value, one of the tenets of its medium-term management plan, "integration 1.0." The Group raises funds primarily through indirect financing based on good relations with banks, life and non-life insurers, and other financial institutions. We also issue straight corporate bonds as a means of

raising long-term funds and raise funds from the capital market. During the year under review, we issued ¥12 billion in straight corporate bonds, procuring debt through direct financing that accounted for 12% of consolidated interest-bearing debt.

To facilitate capital procurement, Kanematsu receives ratings from Japan Credit Rating Agency, Ltd. (JCR) and Rating and Investment Information, Inc. (R&I). The Group's long-term ratings as of the end of the fiscal year under review improved one notch higher to A (stable) from JCR and maintaining an A- (stable) from R&I.

To secure liquidity on hand, the Group maintains an ample balance of cash and cash equivalents and has established commitment lines with major financial institutions, resulting in a current ratio of 142% for the current fiscal year.

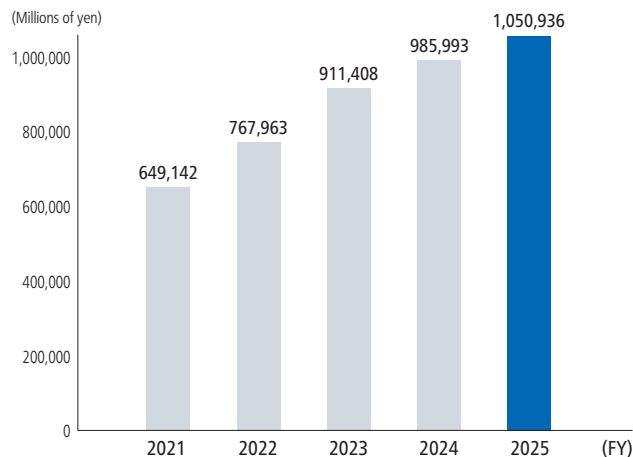
To efficiently procure capital on a consolidated basis, the Group has adopted a cash management system under which fundraising for major domestic subsidiaries and affiliates is concentrated at the Parent Company and proceeds are then allocated in response to capital requirements. At the end of the fiscal period under review, the Company's interest-bearing debt accounted for 74% of the consolidated Group's interest-bearing debt, a reflection of the majority of fund procurement being concentrated at the Parent Company.

As a result of the above fund-raising activities, at the end of the fiscal year under review, gross interest-bearing debt stood at ¥178,901 million, a decrease of ¥35,645 million from the end of the previous fiscal year. Net interest-bearing debt stood at ¥120,336 million, down ¥39,089 million from the end of the previous fiscal year. As a result, the net D/E ratio stood at 0.69.

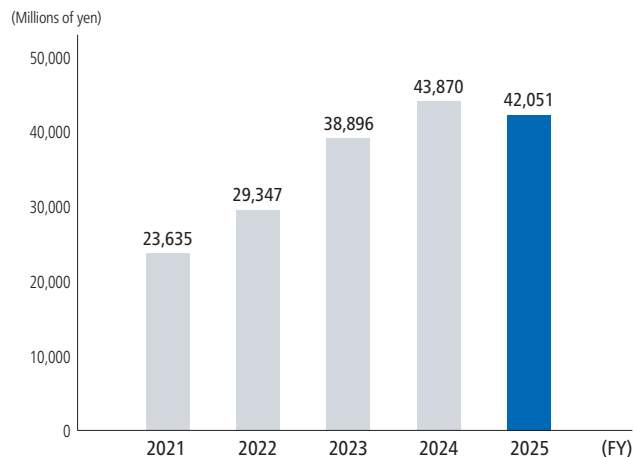
Corporate bonds and long-term borrowings (including the current portion of corporate bonds and long-term borrowings) accounted for 70% of the balance of interest-bearing debt at the end of the fiscal year under review (or 90% on a non-consolidated basis), and we have maintained a stable financing base through financing centered on long-term funds.

Management's Discussion and Analysis

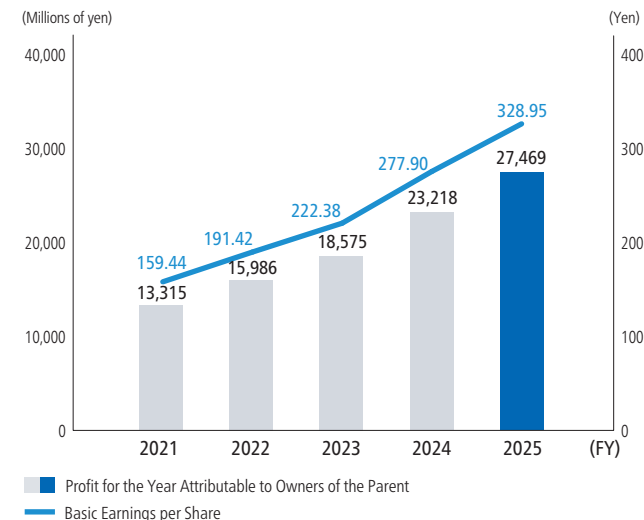
Revenue



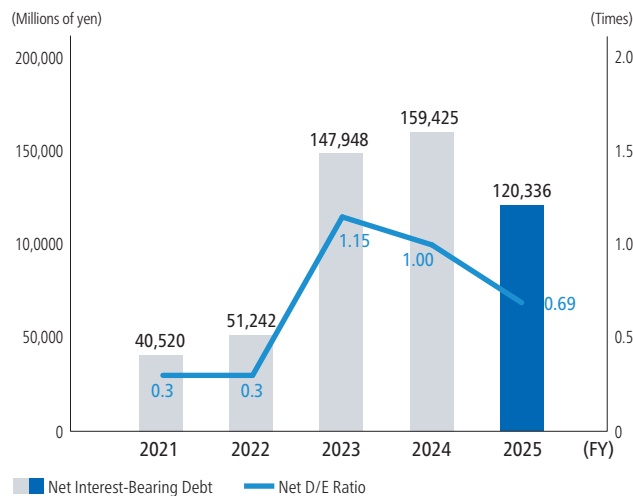
Operating Profit



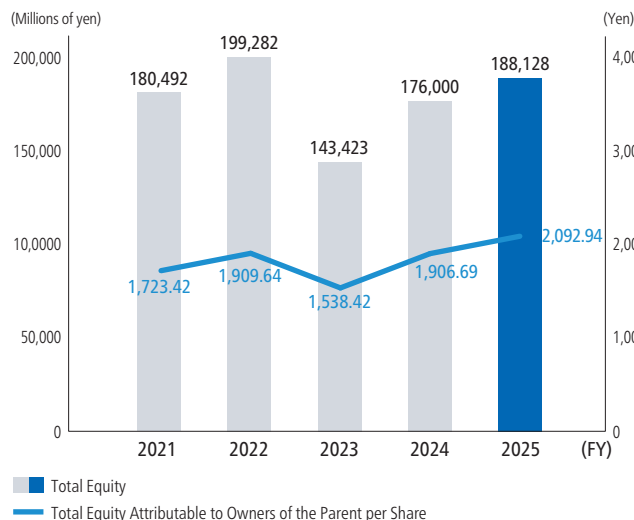
Profit for the Year Attributable to Owners of the Parent / Basic Earnings per Share



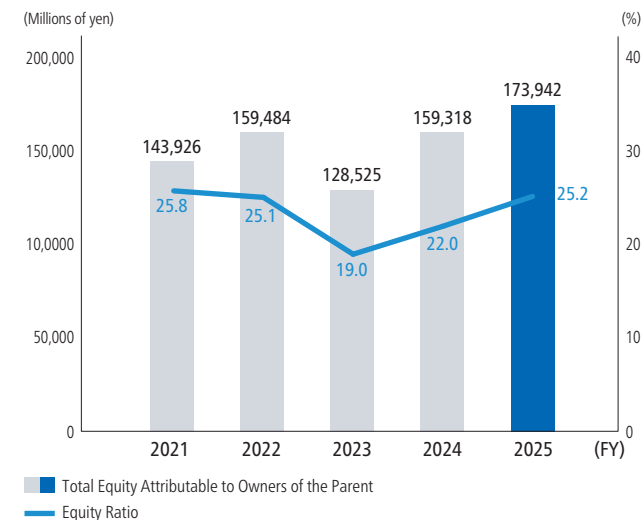
Net Interest-Bearing Debt*1 / Net D/E Ratio*2



Total Equity / Total Equity Attributable to Owners of the Parent per Share



Total Equity Attributable to Owners of the Parent / Equity Ratio



*1 Net interest-bearing debt = Interest-bearing debt - Cash and cash equivalents

*2 Net D/E ratio = Net interest-bearing debt / Total equity attributable to owners of the Parent



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