



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**

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





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	•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	•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

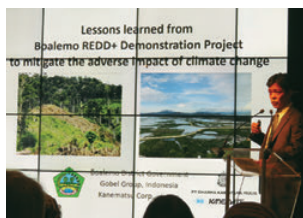
(t-CO₂)



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.

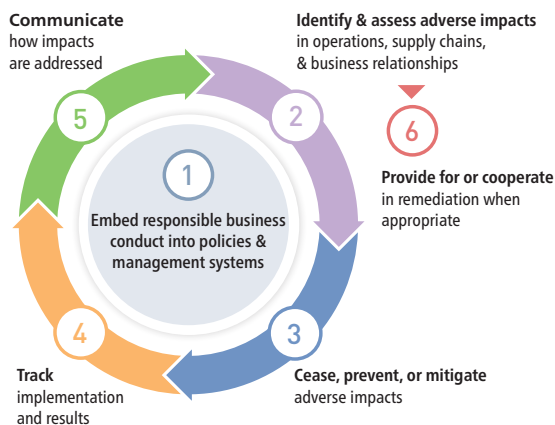
To this end, the Company considers it essential to appropriately identify and implement risk-based due diligence to address potential adverse impacts on human rights, the environment, and society that may arise from its own operations, supply chain, and other business relationships. Accordingly, in March 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

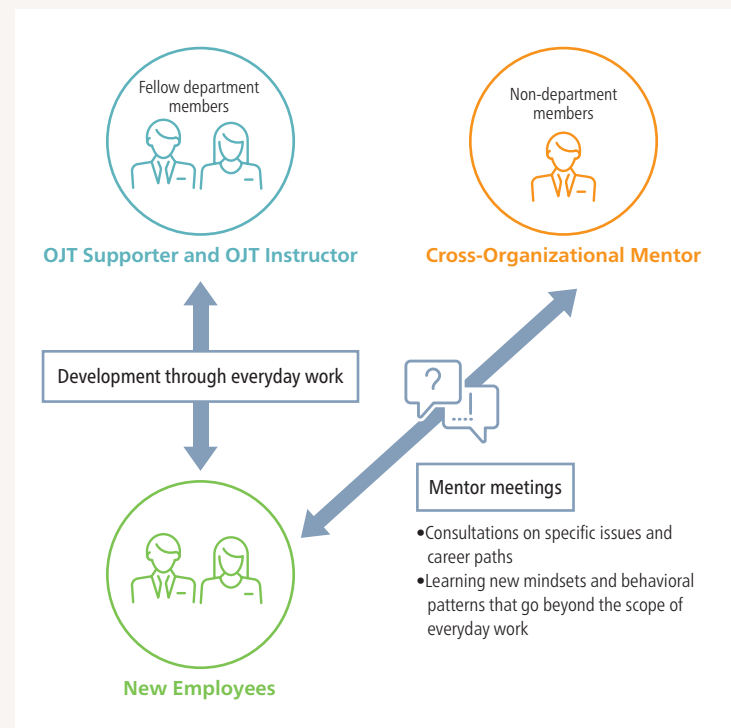
The key points emphasized in the feedback for the interim and final presentations of the internship were whether the business proposals were based on needs that contribute to solving social issues, and whether the participants demonstrated a genuine desire to bring those businesses to fruition. In providing 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 a 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	¥108.96 million; ¥120,000 per full-time employee* (Cost of Kanematsu University: ¥64.90 million; ¥130,000 per participant) * Calculated based on full-time equivalent (FTE number of employees); does not include employees on leave, re-hired retirees, or temporary employees
Training Hours	Total training hours: 19,019; 22 hours per full-time employee (Kanematsu University training hours: 16,448 total, 33 hours per participant)



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)

Foods Department No. 1,
Beverage and Liquor Section

Targeting specialty roasters,
my department operates an
e-commerce site handling
green coffee beans. Previously,

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.

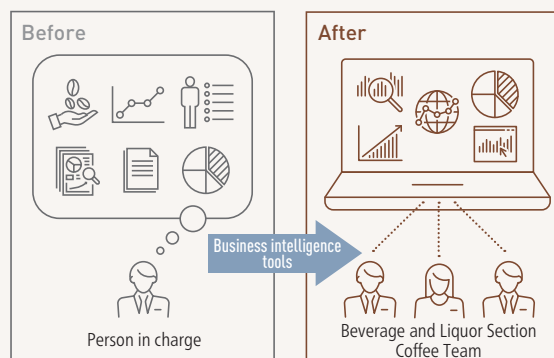


Masayoshi Saito (right)

General Manager,
Foods Department No. 1

The Beverage and Liquor Section,
which has operated the COFFEE
NETWORK green coffee bean retail
site for independent roasters since

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

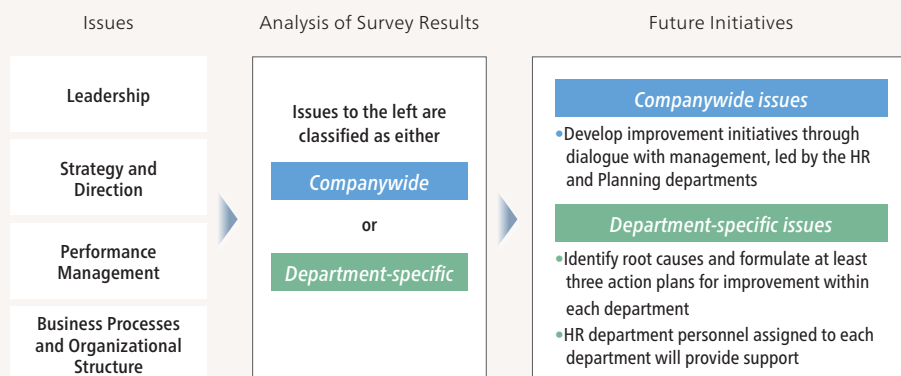
2. Maximizing Performance through Enhanced Engagement

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)



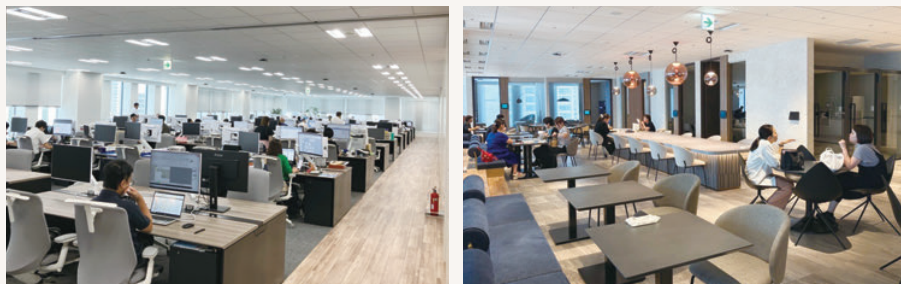
<https://www.kanematsu.co.jp/en/company/mvv>



Creating an Environment That Enables Diverse Work Styles

Relocation of the Osaka Branch

In July 2024, Kanematsu relocated its Osaka Branch Office to the Urbanet 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.



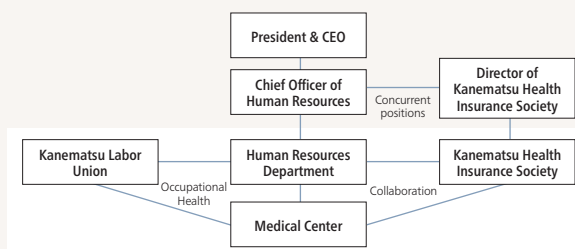
Kanematsu Health & Productivity Management Declaration

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!