

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	7 members - Presiding officer: Chairman of the Board of Directors - Standing directors: 3 - Outside directors: 3	4 members - Committee chair: Outside director - Chairman of the Board of Directors - Outside directors: 2	4 members - Committee chair: Outside director - President & CEO - Outside directors: 2	14 members - Presiding officer: President & CEO - Chairman of the Board of Directors - Executive officers: 12
	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	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. 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.	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.	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.	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. 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.
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



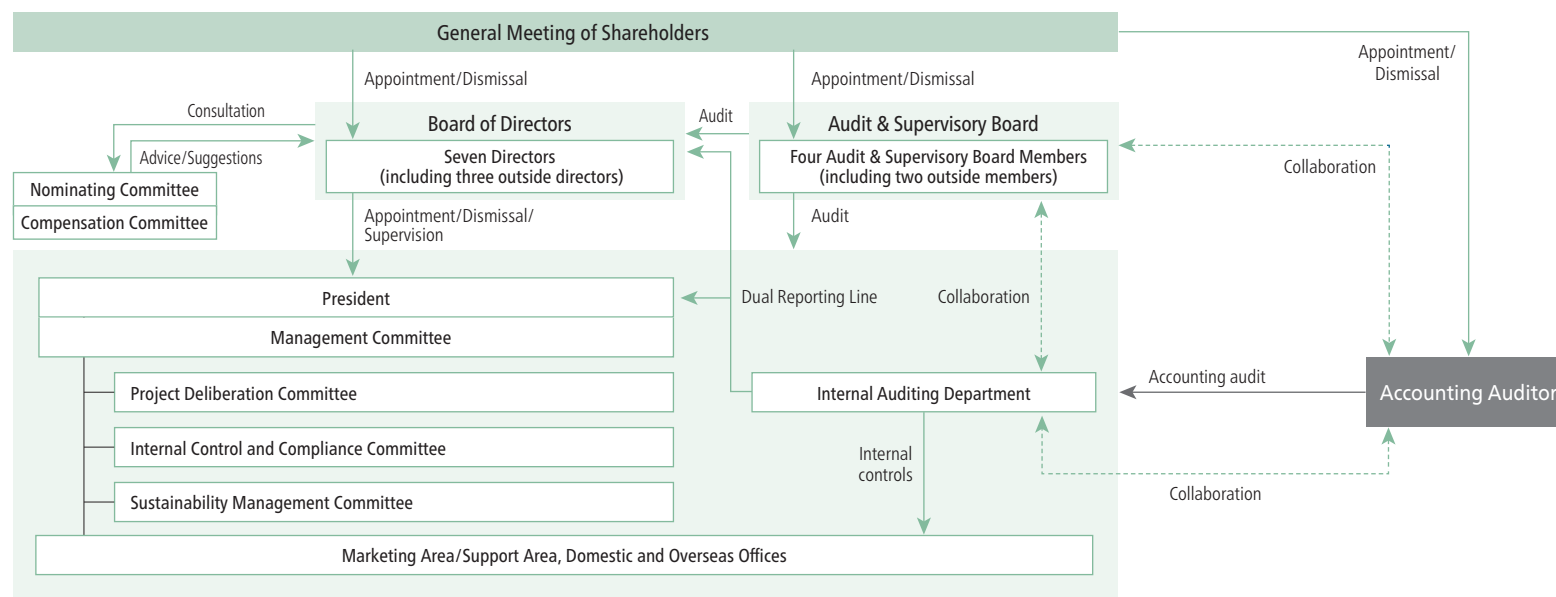
Body	Audit & Supervisory Board	Project Deliberation Committee	Internal Control and Compliance Committee	Sustainability Management Committee
Composition	4 members - Presiding officer: Standing Audit & Supervisory Board member - Standing Audit & Supervisory Board member: 1 - Outside Audit & Supervisory Board members: 2 	3 members - Presiding officer: Chief Officer of Risk Management - Executive officers: 2 (chief officers of finance and accounting and corporate planning) 	5 members - Committee chair: Chairman of the Board of Directors - Committee vice-chair: President & CEO - Executive officers: 3 	8 members - 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	Kanematsu uses the audit & supervisory board system. The Audit & Supervisory Board and its members act independently to audit directors' performance of their duties. 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.	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.	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. 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.
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					◎	Notes: 1. Areas in which individuals possess expertise and experience are marked with "○," while areas in which they are particularly expected to contribute are marked with "◎." 2. Taro Unno and Kazuo Kondo were elected as Directors at the June 27, 2025, General Meeting of Shareholders. 3. 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.				
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		○			◎					

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.

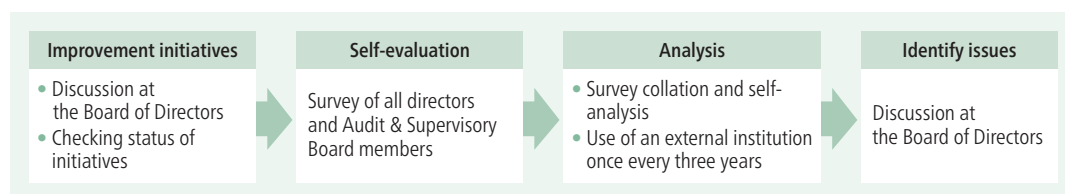
Notice of the 131th Ordinary General Meeting of Shareholders p. 15 https://www.kanematsu.co.jp/en/ir/shareholder_stock/shareholder_general

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	- 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	- 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	- Conducted individual investor meetings - Discussed recent trends in investor demands
Knowledge and Training Necessary for Board Members	Provided training for officers on the circular economy and cybersecurity
Other/Overall	- 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.

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Director and Audit & Supervisory Board Member Compensation System

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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					- 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 or above		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 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%		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
		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 - 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											
		Compensation Committee 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	Audit & Supervisory Board Members
Basic Compensation	Basic Compensation
Outside directors are paid only monthly compensation and are not paid performance-linked 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.

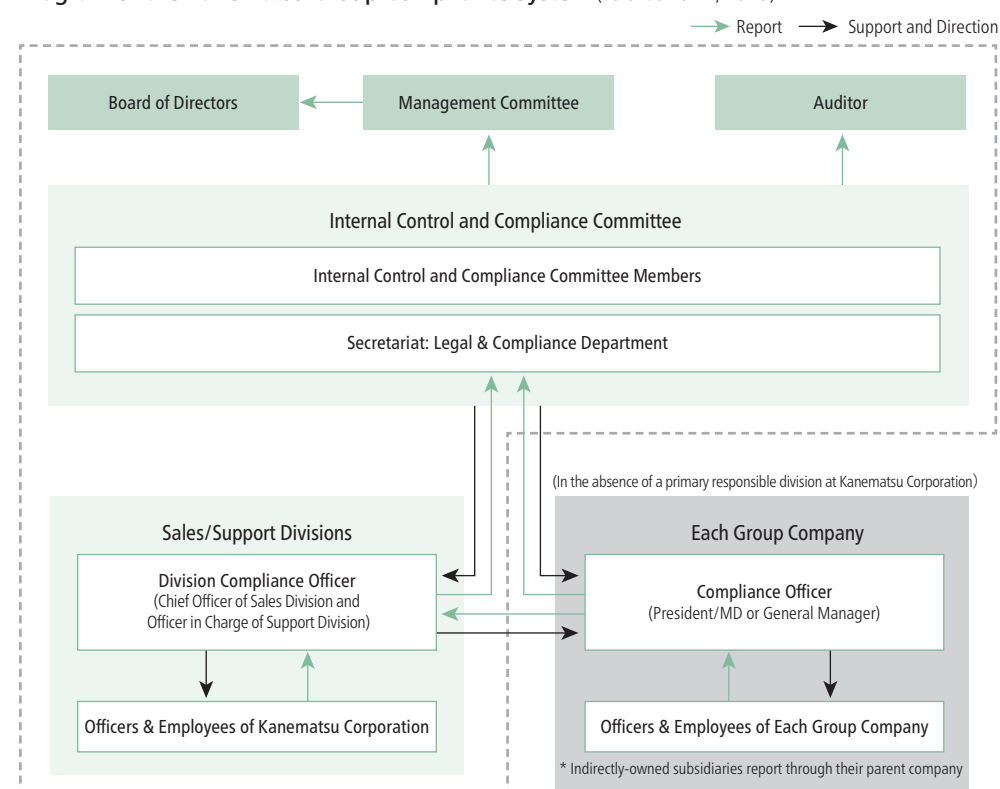
When a compliance matter occurs within the Group, it is promptly reported to the Internal Control and Compliance Committee, which provides opinions and directions regarding the matter as necessary. The compliance officer of the division or Group company where the matter occurred then takes corrective 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)



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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

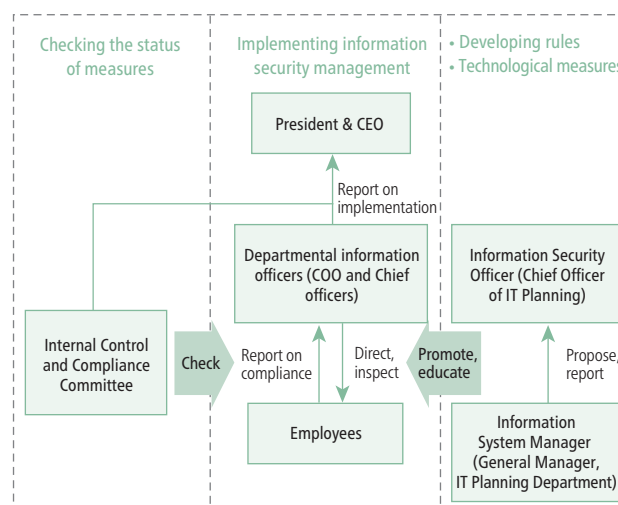
Information Asset Categorization

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



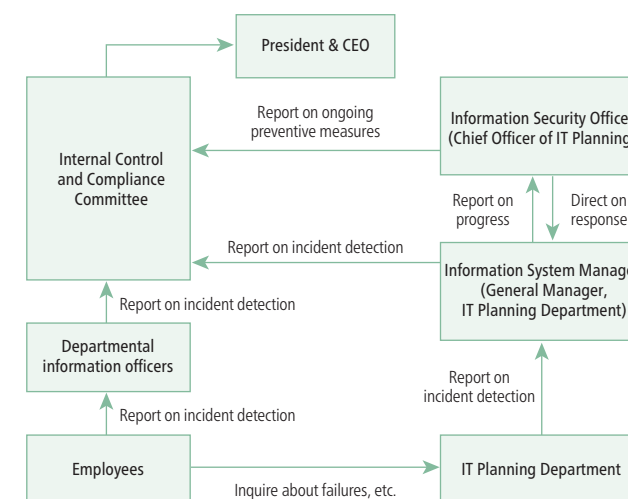
Information Asset Retention

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



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Risk Management System

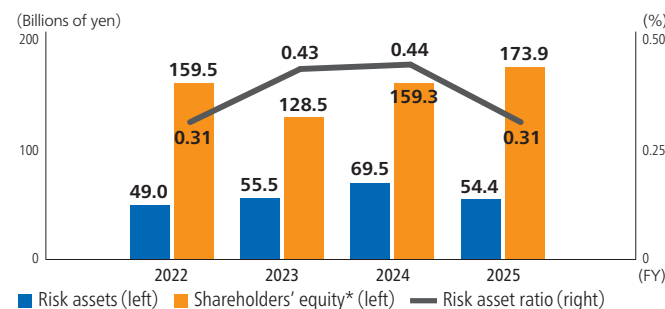
The Kanematsu Group has established an internal approval request system based on the Rules on Delegation of Authority as stipulated in the “Basic Policy on Establishing Internal Control Systems” for making judgments and decisions about business risks. In undertaking various projects and initiatives, 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

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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.

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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

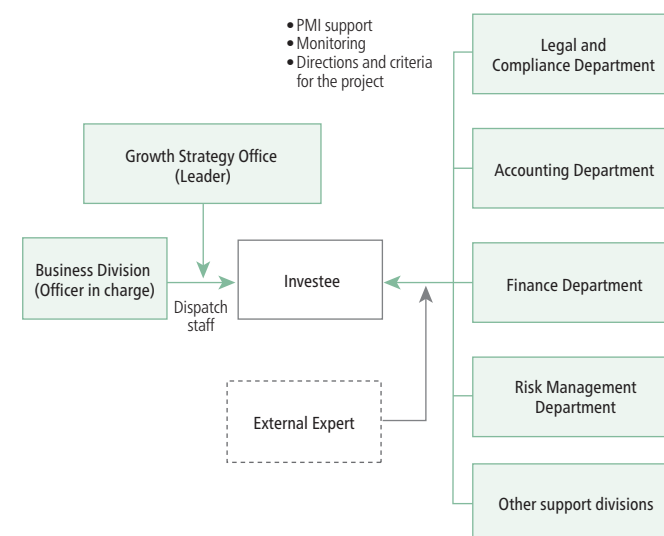
The Kanematsu Group does not pursue investment to secure short-term gains, rather, it does so with the general assumption that investments will be held long-term. After executing an investment, we make full use of the Group's functions to maximize the enterprise value of the investee, increase trading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



Business Investment Process Support System



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.

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