

KANEMATSU CORPORATION

2021's New Year's Greetings

I would like to extend my best wishes for the new year to all of you at the Kanematsu Group.

Looking Back on 2020

Around the world, the last year was one spent fighting to contain the spread of COVID-19. That effort is yet to let up, and we have seen dramatic changes in our work and everyday lives.

2021: The halfway mark for our medium-term vision

In such an environment, the year 2021 will be a milestone year for the Kanematsu Group.

"future 135," our six-year medium-term vision that runs to the end of March 2024, will reach the halfway mark in March of this year, leaving three years remaining. Although we have been able to generate a certain amount of revenue through investments over the past three years, I do not feel this is still enough. In the next three years, I would like to apply the experience we have built up so far to further boosting our earnings through investments and expansion of our business.

Digital Transformation (DX)

In today's world, it is becoming increasingly impossible to avoid the DX trend. As you all know, our group is already undertaking extensive DX efforts. With the spread of COVID-19, we have incorporated telecommuting into our daily lives and business activities, while refraining from visits to clients' offices. As a result, I believe that we are now experiencing a virtual world — in other words, the evolution of DX.

Although we have been pursuing such DX internally, as represented by our proprietary decisionmaking application system "HIMAWARI," we do need DX to provide added value to our business partners, make our business itself more efficient, and reform our business model. To this end, I want everyone to have a strong sense of DX not as an issue for someone else, but for each of you personally.

We also receive reports on DX measures from each affiliate and division. I would like to work with all of you to implement useful DX initiatives, incorporate new technologies alongside the expertise that we have cultivated within the Group, and build a framework that can further drive and consolidate this shift to digital.

Initiatives addressing diversity, inclusion, and other social issues

This year, we will also continue our efforts to promote D&I and implement reform of working practices.

At the end of last year, we received the Platinum Kurumin certification* (the accreditation from the Minister of Health, Labor and Welfare as a company with excellent childcare support). In addition, we are establishing a efficient working environment by implementing a new telecommuting policy and revising the flextime system to introduce a full-flex system without core hours (still unique to Japanese companies). We will maintain these efforts going forward, working to improve both revenues and employee satisfaction.

With respect to our internal educational environment, Kanematsu University will open a Graduate School in February. The current Kanematsu University program for junior employees is positioned as an undergraduate program, and in the Graduate School, we will put in place an educational system that allows employees to acquire more specialized knowledge and drive the expansion of our business forward.

In addition, 64% of all job offers for this year's spring recruitment in Japan were made to women. For just wide-area positions, the proportion of women was 37%. Meanwhile, the proportion of foreign nationals amongst those receiving job offers has increased to 15%. As part of our efforts to enhance diversity in our operations, I believe that this is one measure that will incorporate a wide range of values into our organization, prioritize pluralism, and build a strong Kanematsu. In April, a highly diverse group of new employees will be assigned to each department. As such, I would like to ask you to raise awareness of D&I (Diversity & Inclusion) in your respective workplaces.

In addition, we will continue to develop initiatives to address social issues such as environmental problems and the SDGs. As you all know, since April last year, we have been making concerted efforts to include the relevance of the SDGs and the contribution we will make to them in the proposals and decisions for important projects. I hope that you will maintain an ongoing awareness of addressing social issues as you build your businesses.

In the first half of the last fiscal year, many sporting events, including the Olympics, were canceled due to the spread of COVID-19, but in the second half, many resumed without spectators.

INAC Kobe Leonessa, the women's soccer team that we sponsor, was no exception. We had many collaborations with INAC Kobe, including their participation in a youth soccer tournament that we held at the beginning of last year, and their distribution of information about our products through social media.

With the Olympic Games scheduled to be held this year and the opening of Japan's first women's professional soccer league scheduled for the fall, we, as a sponsor, will continue to support INAC Kobe and hope for the success of the players and the development of women's soccer.

Named "WE League," standing for Women's Empowerment, the new professional league also embodies the advancement of women's activities in Japan, and it goes without saying that this reflects what we aim to achieve in terms of women's participation. In team sports like soccer, each individual must hone their skills and then come together as a team to produce results. I feel that the same is true for businesspeople.

In Conclusion

There is no doubt that 2021 will be an important year with many dramatic changes, requiring us to remain vigilant. Although we will continue to be affected by COVID-19, the concept of the "new normal" is now firmly established, and the idea that "business will recover once COVID is gone" is no longer tenable. Let us keep our wits about us and use our ingenuity to attain our goals.

Together with our business partners and stakeholders, we will work as one to achieve further growth.

I look forward to working with you all again this year, and to a bright and rewarding year at the company.

President Kaoru Tanigawa Kanematsu Corporation