

Press release



**KANEMATSU CORPORATION**

## 2022 New Year's Greetings

Happy New Year to everyone at Kanematsu and the Kanematsu Group.

I would like to offer my season's greetings to you.

I am sure that everyone is having a very hard time with their daily lives and work with the restrictions on their activities for the past two years. I hope that we will be able to recover and strengthen our frontline capabilities this year by revitalizing our business activities, especially by stimulating business creation, while continuing to pay close attention to infection prevention.

### **Looking Back on 2021**

I would now like to review the topics related to our company last year and talk about the future direction of the Kanematsu Group.

As you are all aware, in the second half of our medium-term vision, "*future135*," we have set the "promotion of DX" and "investment in business fields that contribute to the SDGs" as two priority measures for the next three years. In conjunction with this, we launched the DX Promotion Committee in July of last year and have been promoting a number of specific DX-related projects. We wish to transform our business model, strengthen our competitiveness, and lead them to new growth in response to the digitization of the world.

Also, to keep up with rapidly advancing technological innovations, we established a new innovation investment system in October of last year. In connection with this, last December, we concluded a comprehensive business partnership agreement with WERU INVESTMENT Co., Ltd., a venture capital firm with strengths in supporting venture companies that possess innovative technologies and business models. The first workshop with WERU was held at Waseda University last December. By combining WERU expertise in advanced technologies with our network in a variety of business fields, we hope to realize innovation investments that are expected to grow significantly in 10 to 20 years.

### **Kanematsu's movement toward sustainability**

Next, as for the company's activities related to sustainability, we established the Sustainability Management Section in the Corporate Planning Department and launched the Sustainability Management Committee in April 2020. Also, in June of last year, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD). In the corporate governance code,

which was also revised in June, companies who choose the prime market are called to enhance the quality and quantity of their climate change disclosures under the recommendation of the TCFD or an equivalent international framework.

The following are two things we are currently working to disclose based on the recommendations of the TCFD.

The first is a scenario analysis of climate change risks and opportunities. Considering the degree of impact by climate change and the magnitude of the impact on our business performance, we decided to analyze and disclose the North American beef business in the Meat Products Division and the steel tubing business in the Steel, Materials and Plant Division in the first year.

The second is the calculation of the Group's greenhouse gas emissions. We would like to become a company that works on net-zero, or carbon neutral, by offsetting the greenhouse gas emissions of the Group with the emission reduction effects of our joint crediting mechanism (JCM) and other programs, ahead of other companies

Also, due to the increasing importance of biodiversity in a sustainable society, we joined the Keidanren Initiative for Biodiversity Conservation in October of last year. We will continue our efforts to conserve biodiversity, such as through our REDD+ forest conservation initiative in Indonesia and the handling of Rainforest Alliance certified coffee.

### **Relocation of Our Headquarters**

Lastly, I would like to touch on the relocation of our headquarters.

We will be starting work in our new offices this year on Monday, November 21. We have added the SDGs and DX to the priority measures for the second half, the three-year period, of our medium-term vision and we would particularly like to create new businesses through cross-divisional business collaborations. In order to create these new businesses, we will adopt the so-called Activity Based Working (ABW), a way of working that allows employees to freely choose where and when to work according to the content and purpose of their work, rather than the current fixed seating arrangement where each department sits in a fixed place every day.

I also feel that diversity is very important in building a strong team that can compete on a global scale. We will continue to focus on D&I and expect to see synergies with ABW. We would like to create an environment that facilitates the generation of a wide variety of ideas and encourages your proactive actions and challenges. Some of you may be feeling anxious about whether you will be able to continue your work with ABW, but please give it a try. I hope that we can find the best way to work within this context.

## **In Conclusion**

As I have said repeatedly since becoming president, the world is changing and evolving rapidly. If we continue to do what we've been doing in the past, we will not be able to keep up with the speed of change and will eventually reach our limits. On the other hand, we have a great asset in the form of our Corporate Principle, which have been handed down from generation to generation for 130 years, and with this DNA, we have been able to cope with and overcome many changes. Together with all of you, I would like to take these changes as an opportunity to take on new challenges in a timely manner.

I had the opportunity to hear a good story at the end of last year, so I would like to share it with you briefly.

As some of you may know, last year, Honda won the annual championship of Formula 1, the pinnacle of automobile racing, for the first time in 30 years. Honda withdrew from Formula 1 last season, but they overtook a Mercedes-Benz and won the race in a dramatic victory in the last lap of the final race. Mr. Masashi Yamamoto, the Managing Director of Honda's F1 team, and I have been friends for a long time through Mr. Fuji, the manager of the motorcycle racing team that we have sponsored for many years, and we play golf together every year in December when the racing season is over. I was fortunate to have the opportunity to play golf with him again at the end of last year and he told me a very valuable story. Red Bull Honda's F1 team consists of 120 staff members on the front stage of the race track. On the other hand, behind the scenes, they have a total of over 2,000 people involved in racing, with around 1,000 people involved in the design of vehicle body and around 1,000 people involved in the engine design. Mr. Yamamoto told me that everyone in this large team supported the races, and if even one of them was missing, they would not have won last year's championship. I feel like I saw the essence of what it means to be the best in the world in this story.

We will continue to be affected by COVID-19 in 2022, but I believe that we will also mobilize the collective strength of the Group to make sure that the measures we have taken up to now are implemented, and we will start by striving to achieve the ultimate goal of *future135*, and then get a head start on achieving significant growth for the future.

In closing, I would like to extend my best wishes for the health and success of everyone in the Kanematsu Group in Japan and around the world, as well as their families who support them.

Thank you.

President Yoshiya Miyabe  
Kanematsu Corporation