

May 8, 2025

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Notice Regarding Reduction of Cross-Shareholdings

Kanematsu Corporation (hereinafter the “Company”) hereby announces that, as disclosed in the Consolidated Financial Statements dated June 28, 2024 (Japanese version only; for the English version, please refer to the IR release titled “Policy on Reduction of Cross-Shareholdings” dated June 28, 2024), the Company has set a target under its medium-term management plan “integration 1.0” to reduce its cross-shareholdings by approximately ¥10.0 billion by the end of March 2027, the final year of the plan, with the aim of reducing the ratio of such shareholdings* to total consolidated net assets to 10% or less as of that date.

*Note: The total carrying amount of investment securities held for purposes other than pure investment purposes, as disclosed in the Consolidated Financial Statements (Japanese version only), excludes shares held for innovation investment purposes (8 stocks, totaling ¥5,768 million as of the end of March 2025) and investments in overseas strategic business partners, such as PT. CISARUA MOUNTAIN DAIRY TBK (¥4,624 million as of the end of March 2025).

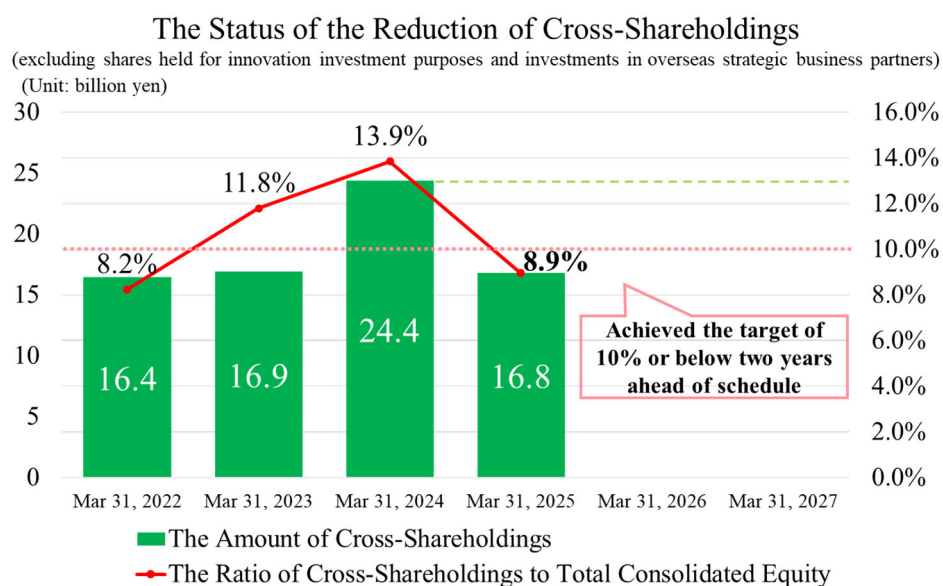
In the fiscal year ended March 2025, the Company sold a portion of its cross-shareholdings as outlined below, thereby achieving the above target ahead of schedule.

Going forward, the Company will continue to assess the economic rationale and strategic significance of each holding and make comprehensive decisions regarding the retention of cross-shareholdings.

	As of March 31, 2024	Sale (Reduction)	As of March 31, 2025
The Amount of Cross-Shareholdings Recorded on the Balance Sheet*	24,377 million yen	11,883 million yen	16,820 million yen
Total Consolidated Equity	176,000 million yen	-	188,128 million yen
The Ratio of Cross-Shareholdings to Total Consolidated Equity	13.9%	-	8.9%

Supplementary Information

1. The balance sheet amount as of March 31, 2025, reflects the increase due to factors such as fluctuations in stock prices.
2. The Company does not hold any shares classified as “deemed holdings.”
3. The Company Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Since the shares are classified as “financial assets measured at fair value through other comprehensive income,” there is no recognition of gains from the sale of investment securities in the consolidated financial statements. Therefore, the impact on profit attributable to owners of the Parent for the fiscal year ended March 2025 is minimal.



Reference

The amount to be recorded under the total investment securities held for purposes other than pure investment purposes in the Consolidated Financial Statements (Japanese version only) is as follows:

	As of March 31, 2024	As of March 31, 2025	Increase/Decrease
Number of Stocks	97 stocks	91 stocks	(6) stocks
Amount of Cross-Shareholdings Recorded on the Balance Sheet (a)	35,557 million yen	27,214 million yen	(8,343) million yen
Total Consolidated Equity	176,000 million yen	188,128 million yen	12,128 million yen
Ratio of Cross-Shareholdings to Total Consolidated Equity	20.2%	14.5%	(5.7) %
Shares Held for Innovation Investment Purposes (b)	5,913 million yen	5,768 million yen	
Investments in Overseas Strategic Business Partners (c)	5,265 million yen	4,624 million yen	
Cross-Shareholdings = (a) – (b) – (c)	24,377 million yen	16,820 million yen	

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.