



Integrated Report
2023



FUTURE TECHNOLOGIES with AMADA
*Growing Together with
Our Customers*

FUTURE TECHNOLOGIES with AMADA

Create better future for social desire.

Our Management Philosophy

Growing Together with Our Customers

Our company has been sharing this philosophy as a starting point for all of our business activities since its formation. We believe that the creation and provision of new value based on customers' perspectives will strengthen the relationship of mutual trust between our customers and the AMADA Group, and become a source of mutual development.

Contribute to the international community through our business

Our company recognizes that contributing to "manufacturing" conducted by our customers throughout the world leads to the development not only of local communities, but also the international community as a whole, and we conduct our business activities with the aim of providing the highest quality of solutions in each market around the world by optimally distributing our Group's management resources.

Develop human resources who pursue creative and challenging activities

Rather than being content with the present situation, we are constantly in search of new and better ideas to put into action in order to improve and enhance our business activities.

This is the AMADA Group's basic philosophy of human resources development, and we believe that AMADA's unique corporate culture will be further developed by continuing to practice this philosophy.

Conduct sound corporate activities based on high ethics and fairness

We promote transparency and we comply with regulations in the AMADA Group's management and in all aspects of its business activities, and strive to further enhance its corporate value while conducting sound activities.

Take good care of people and the earth's environment

By treating the AMADA Group's stakeholders (such as shareholders, customers, business partners, employees and local residents) and the global environment with respect, we strive to continue to be a good company for both people and the earth.

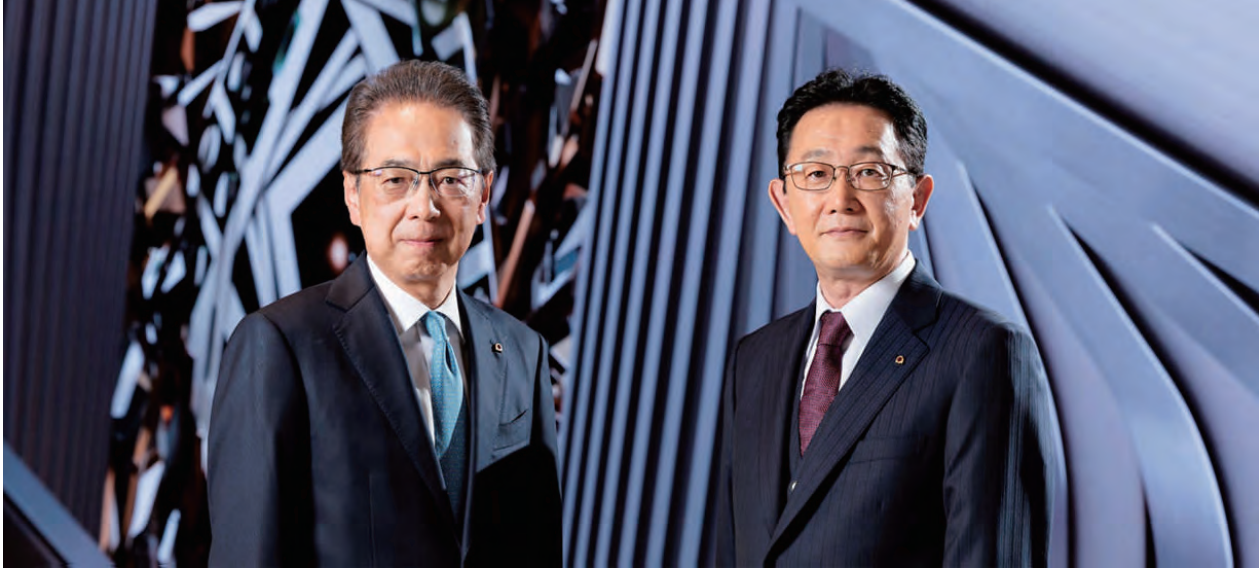
CONTENTS

Introduction

- 01 Our Management Philosophy
Message from the
Representative Directors
- 02 At a Glance
- 04 History of Challenge for
Customer Transformation
- 06 Message from the President

Value Creation Story

- 12 The Value Creation Process
- 14 The AMADA Group's Strengths
- 16 The AMADA Group's Business Flow
- 18 Special Feature: AMADA GLOBAL
INNOVATION CENTER (AGIC)
- 22 Creating New Value by Resolving
Society's (Customers') Issues
- 24 Financial and Non-Financial Highlights



Going Back to the Basics of Our Principle of “Growing Together with Our Customers” and Supporting Manufacturing with a Technology-Driven Approach

As of April 1, 2023, we, the AMADA Group, started a new management structure led by Mr. Tsutomu Isobe as Representative Director and Chairman and Mr. Takaaki Yamanashi as Representative Director and President. Under this new structure, we will continue to further reinforce and improve our management base, to achieve sustainable growth and enhance the corporate value of the AMADA Group.

Since our founding in 1946, we have continuously created and risen to challenges as a manufacturing company and have grown together with our customers in the metal processing industry.

“Growing Together with Our Customers,” one of our most important corporate philosophies, is a mindset instilled into each and every employee and has remained unchanged since our establishment.

We keep abreast of changes in the world, address social issues and needs, and work together with our customers to build manufacturing strategies looking forward, thereby contributing to the development of the industry and the improvement of people’s lives in society. This continuous communication and interaction with our customers is one of our greatest strengths.

Our society is now undergoing unprecedented changes. As the world is facing serious challenges, such as global uncertainty, geopolitical risks, climate change, and the significant decline in working-age populations among industrialized nations, there is a growing expectation for

businesses to help resolve these problems.

To meet such expectations, we will go back to the basics of our principle, “Growing Together with Our Customers” and face the challenges of our customers with the collective strength of the AMADA Group.

As a machinery manufacturer, we will also strengthen our focus on technology and explore the future of manufacturing with our customers around the world, with an open-technology approach. By doing so, we will support global manufacturing, thus fulfilling our mission.

To help our customers manufacture their products with the highest efficiency and precision even in challenging environments, we will strive to address issues from all aspects. These include the use of digital transformation (DX) and AI technologies, the promotion of automation, the development of products that contribute to the reduction of environmental impact, and the reform of machining processes to respond to new materials and technologies.

We, the AMADA Group will continue to take on the challenge of creating new value by working together with our customers to shape the future of manufacturing.

Tsutomu Isobe

Representative Director, Chairman

Takaaki Yamanashi

Representative Director, President

Business Strategy

- 26 Long-term Vision 2030
- 28 Medium-term Business Plan 2025 (Fiscal 2023 to Fiscal 2025)

Businesses of the AMADA Group

- 34 Sheet Metal Division
- 36 Cutting Division and Grinding Division
- 38 Micro Welding Division
- 40 Press Automation Solution Division

Foundations for Value Creation

- 42 Sustainability-Related Initiatives

Environment

- 44 Building Connections through Ecological Manufacturing
- 46 Climate Change-Related Disclosure in Accordance with the TCFD Recommendations

Society

- 50 Developing and Training Human Resources
- 52 Promoting Diversity and Creating a Rewarding Workplace
- 54 Stakeholder Engagement

Governance

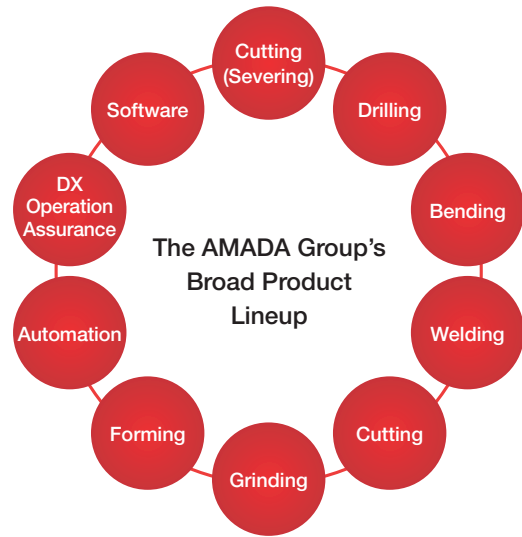
- 56 Dialogue with External Directors
- 58 Corporate Governance
- 64 Internal Control System
- 66 Officers
- 68 Financial Review
- 69 Corporate Profile / Investor Information

Introduction At a Glance

A global manufacturer of metalworking machinery supporting manufacturing around the world through technologies such as automation and DX


The AMADA Group is a comprehensive manufacturer that develops, manufactures, sells, and services machines for fabricating metal sheets and blocks that are used in the metal products found all around us.

The Group supports people's lives through machines that enable the cutting, punching, bending, welding, and forming of metal sheets, and the drilling, cutting, and grinding of metal blocks.



Sheet Metal Division


This division is responsible for all processes in sheet metal fabrication: Cutting, drilling, bending, and welding. Sheet metal processing is high-mix, low-volume production manufacturing, and its customers cover a wide variety of industries. In order to meet the diverse needs of our customers, we not only offer an extensive lineup of machines but also software, IoT services, and other optimal solutions that support the operation of their plants overall.

- Cutting
 - Drilling
 - Bending
 - Welding
- 



Cutting Division and Grinding Division

These divisions support various industries with a wide range of processing, from the Cutting Division that cuts and processes enormous steel materials and steel frames used in structures such as skyscrapers and bridges to the Grinding Division that grinds and processes precise and miniature metal parts for medical equipment and other applications. In addition to conventional cutting machines and steel frame fabrication machines, the AMADA Group is building further new businesses with fiber laser machines, a specialty of the AMADA Group.


- Cutting
 - Drilling
 - Grinding
- 



Micro Welding Division

This division supports the manufacture of high-precision parts for cutting-edge, high-tech equipment such as electrical parts and secondary batteries for automobiles, digital home appliances, and medical equipment.

We offer an integrated system from design to manufacturing and services, founded in our lineup of laser equipment for welding, surface modification, micro cutting, peeling, and printing of metals and resins; our resistance welding equipment for precision welding of metals; and automation systems using these equipment.

- Welding
 - Laser marking
- 



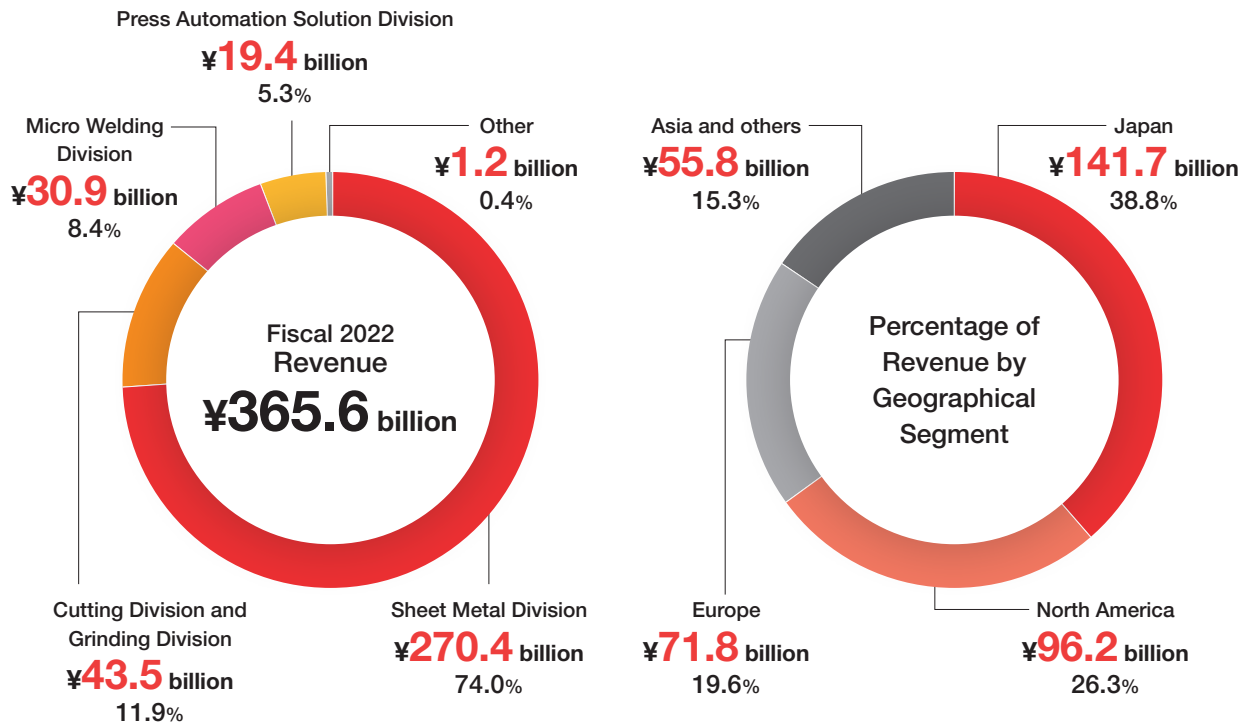
Press Automation Solution Division

In this division, our strength lies in our one-step proposals for automation systems with stamping press machines and peripheral equipment, as well as our spring forming machines featuring the best technology in the industry. This division is responsible for the development, manufacturing, sales, and service of machines and equipment that make metal parts for products essential to daily life, such as automobiles, housing equipment, stationery, home appliances, electrical parts, semiconductors, precision equipment, and medical equipment and instruments.

- Forming
- 

Information by Division and Geographical Segment

As of March 31, 2023



Global presence
100+ countries and regions

Employees (Consolidated)
8,958

Worldwide Development/
Manufacturing Bases
35 bases

Sheet Metal Fabrication
Machines: Market Share
in Japan (Sales)
No. 1 (Approx. 70%)

Number of Group Machines
in Operation Worldwide
Approx. 400,000

Connections to AMADA's
V-factory IoT Solution
Companies:
Approx. **2,200** worldwide
Machines:
Approx. **6,000** worldwide

Cutting-Edge Laser Technology

We have maintained high growth in laser technologies, where demand has been increasing in recent years. Our fiber laser machines are equipped with a laser oscillator developed in-house, capable of complex processing at high speed, high quality, and high precision while still achieving energy savings.

These machines have attracted attention in a wide range of markets, including the aerospace and medical fields.

IoT Systems: Keeping Our Customers' Factories Running

Our proprietary IoT system, V-factory, visualizes customers' operation, production, maintenance, and utilization status. Furthermore, by connecting the customer's machines with AMADA, we assist in machine operation by providing preventive maintenance proposals, early recovery support, operational improvement proposals, and more.

Introduction

History of Challenge for Customer Transformation

The AMADA Group has always supported the manufacturing of society and its customers as a global manufacturer of metalworking machinery.

We believe that the principle of “Growing Together with Our Customers,” which is found in our Management Philosophy and has not changed since the foundation of AMADA, is particularly important and is ingrained in the mindset of each employee. Another corporate philosophy that has remained unchanged is “a *monozukuri* (manufacturing) company.” Through manufacturing, we will continue to grow as we strive to make an even greater contribution to our customers and to society through innovation and challenges.

Revenue

1946 1950

1960

1970

1980

1940s and 1950s

AMADA's story begins with a single lathe

Isamu Amada, the founder of AMADA, opened a small privately owned machine repair shop as Amada Works (now AMADA) using a lathe left over from a burnt-out munitions factory after the war.

His solo machine repair work expanded to include three and then four employees. It was then that his brother-in-law, Ryuharu Emori (who would become AMADA's Chairman), joined the business, enhancing both management and technology.

- 1946** Inaugurates enterprise in Takadaminamimachi, Toshima-ku, Tokyo
- 1955** AMADA develops its first vertical band saw (contour machine)
- 1956** Makes first appearance in an exhibition



Founded with a single fire-charred lathe



Japan's first contour machine, the O-16

1960s and 1970s

Business expansion through direct sales
Creating markets from customer needs
Overseas expansion and M&A

In 1960, we were the first in the industry to adopt the demonstration car tactic of loading a machine on a truck and driving it to a customer's location, which was very well received by customers.

In 1971, we established a joint development company in Seattle, Washington in the United States, and developed the NC turret punch press (NCT). This revolutionized the industry so much as to make the abbreviated term “*tarepan*” commonplace in Japan, creating a new market.

- 1960** Launches direct sales through demonstration cars
- 1971** Establishes the technology development subsidiary U.S. AMADA LTD. in Seattle, Washington
- 1971** Develops the LYLA-555 NCT1 turret punch press



Demonstration cars bringing our expertise to the customer's front door



The LYLA-555 NCT1 turret punch press

1980s and 1990s

Commercializes laser markers building the foundation of today's laser technology

AMADA was the first company in Japan to commercialize a stand-alone laser machine, the LASMAC-644, developed jointly with U.S. subsidiary AMADA Engineering & Service (AESI). This commercialization of a sheet metal fabrication machine was a technological innovation on par with the NCT in 1971.

It laid the foundation for today's laser technology and marked the beginning of AMADA's history of laser development technology as it consistently tackles the challenges of speed, quality, and energy conservation.

- 1980** Announces the first stand-alone laser machine, the LASMAC-644
- 1996** Announces the AP60, a pioneering programmable device network system in the sheet metal industry
- 1998** Isehara Works gains ISO 14001 certification



Private exhibition for the 10th anniversary of U.S. AMADA



Japan's first stand-alone laser machine, the LASMAC-644

AMADA's History of Technology Development

- 1971** The D500 series is awarded the Japan Electrical Manufacturers' Association Award at the Innovative & Inventive Design Excellence Awards (IDEA)*1.

- 1983** The LC-667 is awarded Honorable Mention at IDEA.
- 1992** The APELIO II-357V is awarded the Minister of International Trade and Industry's Award at IDEA.

*1 Innovative & Inventive Design Excellence Awards: Established in 1970 by the Nikkan Kogyo Shimibun, Ltd. to promote and advance the design of Japanese industrial products.

*2 The Best 10 New Products: A system established in 1958 by the Nikkan Kogyo Shimibun, Ltd. to encourage the development of excellent new products and to contribute to technological advancement of Japanese industry.



2000s and 2010s

Sells the first fiber laser machines as a machinery manufacturer

In 2007, we completed a dedicated laser factory in our current Fujinomiya Works. In 2010, we were the first machinery manufacturer to develop a fiber laser oscillator, announcing the FOL-3015AJ, a fabrication machine equipped with the oscillator.

Japanese companies had largely been procuring oscillators from U.S. manufacturers, who held the majority of the global market share. However, by having our own oscillators, we had become able to handle everything in-house, including cost, delivery, and after-sales service.

- 2004** Announces the Virtual Prototype Simulation System (VPSS)
- 2007** Establishes the Development Center and the laser factory at Fujinomiya Works
- 2010** Develops a fiber laser oscillator, launched the FOL-3015AJ equipped with the oscillator
Announces AMADA Group Environmental Declaration
- 2015** Announces the V-factory project, an IoT solution for customers



Processing copper (highly reflective material) with a fiber laser machine

2023 and beyond

Transformation and challenge ahead of our 80th anniversary, and of becoming a 100-year company thereafter

In February 2023, we opened the AMADA GLOBAL INNOVATION CENTER (AGIC) within our head office in Isehara City, Kanagawa.

As a “place for co-creating the future of metalworking,” this center helps to resolve issues at our customers’ manufacturing sites.

With our brand message of “FUTURE TECHNOLOGIES with AMADA,” we are consistently pursuing transformation and challenge.

- 2022** Formulates Long-term Vision 2030
- 2023** Opens the AMADA GLOBAL INNOVATION CENTER (AGIC)
- 2023** Formulates Medium-term Business Plan 2025



AGIC exterior

Co-creation for the future

Medium-term Management Plan

Revenue **¥400 billion**

Operating margin **16%**

ROE **8% or more**

Group synergies

Expanding new domains

- 2005** The EMZ-3510NT is awarded the Minister of Economy, Trade and Industry's Award at IDEA.
- 2009** The LC-C1NT series is awarded the Minister of Economy, Trade and Industry's Award at IDEA.
- 2011** The FOL-3015AJ is awarded the Masuda Award in The Best 10 New Products*2.
- 2013** The EG-6013AR is awarded the Minister of Economy, Trade and Industry's Award at IDEA. The FOL-3015AJ and the ACIES series are awarded the 2013 Minister of the Environment Award for Global Warming Prevention Activity.
- 2014** The ENSIS-3015AJ is awarded the EuroBLECH 2014 MM Award*3.
- 2018** The VENTIS-3015AJ is awarded the EuroBLECH 2018 MM Award.
- 2019** The EML-AJ series is awarded the Minister of Economy, Trade and Industry's Award at IDEA. The ENSIS-AJ series is awarded the 2018 Kanagawa Global Environment Award.
- 2021** The REGIUS-3015AJ is awarded the Minister of Economy, Trade and Industry's Award at IDEA.

- 2022** The DPG-150 digital profile grinder is awarded the Minister of Economy, Trade and Industry's Award at IDEA.
- 2022** The REGIUS-3015AJe fiber laser machine with a numerical control (NC) unit is awarded the EuroBLECH 2022 MM Award.
- 2023** The LC-VALSTER-6225AJ + AS6225 fiber laser machine for steel frames and materials is awarded the Machine Design received the Best Brand of Japan Award at IDEA.



*3 MM Award: MM MaschinenMarkt, Germany's most prestigious manufacturing trade magazine, presents the MM Award to advanced and innovative products exhibited in the metalworking industry.

Striving to become a one-of-a-kind, global manufacturer of metalworking machinery supporting manufacturing around the world, embodying the concept of “Growing Together with Our Customers”

Takaaki Yamanashi

Representative Director, President

I would like to start by expressing my heartfelt thanks to our customers, shareholders, business partners, and all other stakeholders for their continued support of the AMADA Group. My name is Takaaki Yamanashi, and in April 2023 I was bestowed the honor of becoming AMADA's representative director and president. Since joining the Company in 1987, my journey with AMADA has been consistently in the technology field. In 2014, I was assigned to an overseas subsidiary in Germany as head of that organization, where I had a great deal of varied experiences as a corporate manager. Although it was only three and a half years, I feel that my experiences enabled me to grow immensely as a person.

AMADA is a global manufacturer of metalworking machinery supporting manufacturing around the world. I believe it is important that the Group delivers solutions incorporating our message in the products our customers are provided. These solutions are new ways we propose to resolve issues in areas such as automation in the face of global labor shortages, as well as the social issues of the environment and energy. Product lineups incorporating these elements will be the driving force behind the growth of our Group. I feel I am tasked with bolstering this driving force, having toiled in the technology field and having seen the world through the eyes of our overseas subsidiaries.

My vision for the future is to make the AMADA Group a one-of-a-kind manufacturer. Although business

expansion can be achieved through M&A, I believe that we should always be asking ourselves what the best policy is for the growth of our businesses, and only after profound consideration should we decide on which way to proceed. We are a company listed on the Tokyo Stock Exchange Prime Market, and growth in business scale is undoubtedly a mission that we entrust to top management. However, I believe that it is of the utmost importance for our corporate management, as a comprehensive manufacturer, to remain constantly focused on the solutions axis. The strength of our Group is that we have a global network of customers to whom we sell products that we ourselves have researched and developed, products for which we ourselves provide after-sales service. Once, AMADA was synonymous with sales. The fact that we could transform our reputation and become synonymous with engineering was due to the fact that our Group has been engaged in direct sales and service since its inception. The AMADA Group's first and foremost of its management philosophies is “Growing Together with Our Customers.” Direct sales and direct service allow us to deliver the Group's message to our customers, while at the same time allowing us to hear directly from our customers. This is a great advantage for the Group in creating products, as it helps us to develop products that resolve various issues faced by customers. This is the sort of one-of-a-kind manufacturer that we seek to become as a Group.



Review of Fiscal 2022 and Outlook for Fiscal 2023 (Achievements and Issues)

The business environment in fiscal 2022 (ended March 31, 2023) presented concerns of an economic slowdown due to declines in capital investment sentiment driven by future uncertainty, including the effects of continuously rising energy prices and material shortages due to disruptions in supply chains. Despite this, capital investment demand for productivity improvement and automation remained firm amid supply chain restructuring to mitigate geopolitical risks as well as the need to address social issues. As a result, we received a record-high number of orders. This led to record revenue, but fiscal 2022 was also a year where many issues emerged.

One factor in the increase in orders was that many customers decided to make upfront investments amid global challenges in procuring goods. The AMADA Group continued to face difficulties in procuring parts and materials, mainly due to disruptions in the supply chain. Some deliveries, mainly semiconductors and other electronic components, took more than a year, forcing us to postpone our own product deliveries. Many customers, aware of this situation, placed advance orders with our Group. Although orders and sales should

normally be equal, we were forced to drag out lead times due to difficulties in procuring parts and materials, which caused great customer inconvenience and extreme frustration. This adversity became an opportunity for our Group to come together, united by a strong will to deliver our products to our customers at all costs. This drove a manual review of our previous global supply chain, revealing a variety of issues. By resolving each issue one by one, we somehow managed to cover the orders we had received, leading to record profits. This action helped us to build a strong global production system for the entire Group, allowing us to successfully overcome the crisis we faced in fiscal 2022.

Now, in fiscal 2023, we continue to receive steady orders from customers. In fiscal 2022, there were many advance orders from customers in the first quarter, resulting in a year-on-year drop in orders received in the same period of fiscal 2023. However, compared to the years before fiscal 2022, we are seeing orders maintained at an extremely high level. In addition, the procurement situation is showing some relief for electronic components, especially semiconductors, after a challenging fiscal 2022, allowing the Group's lead times to become normalized.

Furthermore, in February 2023 we opened the AMADA GLOBAL INNOVATION CENTER (AGIC), where 80% of the Group's commercial products have been replaced by new products. New products are beginning to make up a great deal of orders for fiscal 2023. The appeal of these new products is no doubt also behind the strong order activity. We are confident that our strong global production system and new products will work in tandem to steadily increase sales in fiscal 2023.

Long-term Vision 2030 and Medium-term Business Plan 2025

In May 2022, the AMADA Group announced its Long-term Vision 2030, depicting its future corporate vision for itself based on three growth strategies centered on the environment, DX, and globalization, its long-term management goals, and its fiscal 2030 targets of ¥500 billion in revenue and 10% return on equity (ROE). In May



2023, AMADA formulated its Medium-term Business Plan 2025, based on the slogan “FUTURE TECHNOLOGIES with AMADA” and the management philosophy of “Growing Together with Our Customers.” It expresses our commitment to resolving our customers’ problems and society’s challenges with new technologies. Furthermore, as management goals toward achievement of Long-term Vision 2030, the plan establishes a revenue target of ¥400 billion and ROE of 8% or more for fiscal 2025.

Although the previous medium-term management plan, Task 321, encountered various problems that emerged as a result of the COVID-19 pandemic, we feel that we were able to steadily sow the seeds for future growth and have been responding well. The seeds sown in the previous medium-term business plan included the popularization of our environmentally friendly eco-products to replace CO₂ lasers with fiber lasers, boosting the ratio of automation, and stabilizing revenue and increasing the revenue ratio for our service side. Although we have struggled with our management goals, we have made steady progress in laying the groundwork for the Group’s transformation and challenges in its drive to become a 100-year company. Medium-term Business Plan 2025, which will further solidify these achievements and launch activities to achieve our long-term goals, fills in a critical three-year period for achieving Long-term Vision 2030.

In formulating the aforementioned plan for 2025, we looked into separating the plan into two sections: Short term and medium to long term. Here, short-term measures are those aimed at achieving the management goals of ¥400 billion in revenue and ROE of 8% or more in fiscal 2025. The main measures will be to expand market share and improve profitability by introducing new products, strengthen the after-sales service business, and utilize AGIC’s Innovation LABO and Innovation SITE facilities.

With respect to expanding market share and improving profitability by introducing new products, along with the opening of AGIC in February 2023, we now exhibit 90 different models, and 85% of them are new products that offer enhanced customer value in terms of both machines and software. For these new products,

development, procurement, and manufacturing were integrated at the development stage in the pursuit of cost efficiencies. These measures will continue after market launch, with AMADA working as one to boost revenue and profitability in order to achieve its management goals.

With respect to strengthening the after-sales service business, we will expand our conventional services to also provide various types of informative content that support customer production, such as new DX-driven processing technologies and new product functions, and where we help customers with DX. By doing this, we will ensure stable earnings that are not affected by economic fluctuations.

AGIC is a Group facility with important core functions to realize the slogan of the current medium-term business plan, “FUTURE TECHNOLOGIES with AMADA.” At AGIC, we aim to create new processing technologies together with our customers by watering the technological seeds provided by our Group with the needs and challenges they face. In addition, by using field equipment and mock-ups to explain new technologies in detail as far as the internal structures, we will help visitors go beyond the usual sales pitch of what our equipment can do, focusing instead on why it has those capabilities. AGIC also includes our new Innovation LABO, a forum for co-creation where AMADA staff work alongside customers to verify their manufacturing processes and help them tackle new processing technologies. Another AGIC facility, Innovation SITE, is our messaging hub to help customers deepen their understanding of new technologies and try them out. Each facility is enjoying strong customer patronage.

Using these initiatives as growth drivers, the AMADA Group will work as one to carry out actions to achieve its management goals of ¥400 billion in revenue and ROE of 8% or more in fiscal 2025.

To Achieve Our Long-term Vision 2030

Within Medium-term Business Plan 2025, the medium- to long-term section refers to the long-term growth strategy to achieve Long-term Vision 2030. Quite a few initiatives

Introduction

Message from the President

have yet to be finalized and announced with regard to this strategy, so let me provide one example. As we announced in our Medium-term Business Plan 2025, we are striving to expand new business domains through laser technology.

The AMADA Group possesses a number of highly competitive core technologies and has pioneered the market with products that utilize these core technologies. We were one of the first to adopt laser technology for metal cutting. In this area, we have accumulated technological capabilities in sheet metal processing by commercializing machines that use high-power oscillators to process thick plates, large processing machines for the steel industry, and fiber laser welders. This accumulation of technology has given us entirely unique differentiating technology, inimitable by our competitors. In addition to utilizing these assets to expand existing businesses, we will seek to enter new fields where we can expect higher growth rates than in our existing businesses. Specifically, the areas where we are seeking to gain entry through laser technology are e-Mobility, semiconductors, and medical. Laser processing is expected to replace a number of conventional processing technologies used in these fields. In the near future, when these technologies are updated, we believe that the laser technology our Group has developed will be sufficient to gain a foothold. During the three years covered by Medium-term Business Plan 2025, we will not only conduct technological research and development but also survey barriers to entry into new fields and formulate solutions to eliminate these barriers.

There are many more such fields that the Group is entering through its core technologies. We look forward to officially sharing these with you at the appropriate time.

Other actions that must be taken in terms of our long-term growth strategy include expansion in markets outside Japan. As of today, approximately 40% of our Group's revenue by region originates in Japan, with the remaining 60% overseas. In Japan, we already hold a significant market share. Therefore, if we are to achieve revenue of ¥500 billion in fiscal 2030, we must expand our business in markets outside Japan, where there is

greater room for growth. During the three years of our Medium-term Business Plan 2025, we will build a foundation to capitalize on this room for growth outside Japan. Our key phrase in this global market expansion strategy is "local production for local consumption." Based on this, we will strengthen our supply chain management (SCM) strategy, creating a just-in-time delivery system, and achieving a global standard quality, cost competitiveness, and appropriate inventory levels. Here, we will strengthen our system in each region by enhancing facilities, primarily by strengthening automation systems in existing plants, and by building new production plants.

Initiatives for Sustainability

Since its foundation in 1946, the AMADA Group has carried on its unchanged philosophy of growing together with its customers and employees, contributing to the international community, and conducting sound corporate activities while treating the global environment with respect.

In Medium-term Business Plan 2025, as part of our initiatives toward sustainability, we have allocated ¥10 billion for environment-related investment to reduce CO₂ emissions, and have further allocated ¥10 billion for investment in the education of human resources. In respect to the environment and reducing CO₂ emissions, we acquired certification for the Science Based Targets (SBT), initiatives for the setting and fulfillment of emission reduction targets for offices and factories. Furthermore, we became the first in the machine tool industry in Japan to join the RE100 initiative, which aims to use 100% renewable energy for the electricity required for business activities. We are also working to install solar power generation systems and replace lighting with energy-saving LED equipment at our business sites. As for our products, we are improving the oscillation efficiency of fiber lasers and reducing setup time and improving productivity with new numerical control (NC) units equipped with AI.

With respect to educating human resources, we will

improve our engineering sales capabilities through the AMADA Technical Education Center (ATEC), to be completed in 2024. Furthermore, we are working to cultivate global human resources through reskilling and an overseas study program. I especially encourage you to keep your eye on our human resource education at ATEC. The days of simply selling a product have long passed. Furthermore, our customers have now seen their top management transition to the second and even third generations since their founding. We have steered the AMADA Group to position itself as a manufacturer with convincing and reliable offerings that put customers at ease when they choose our products. We achieved this thanks to employees capable in engineering sales, educated at ATEC, and who provide product and technical information via AGIC. Going forward, we will continue our efforts to convey the appeal of AMADA's products from the dual aspects of technology and people. To this end, we have also embarked on a fundamental review of our workforce distribution, raising salaries to industry-leading levels as a motivational initiative toward further corporate growth.

Strengthening Corporate Governance

At the AMADA Group, we believe that sound corporate activities based on high ethical standards are essential to our survival as an enterprise, and thus we have sought to strengthen our corporate governance and boost the effectiveness of the Board of Directors. With our recently appointed female external director, discussions at the Board of Directors' meetings have been invigorated, with candid opinions, suggestions, and proposals offered by both internal and external directors. We on the executive side have actively reflected the results of these discussions in our business operations, establishing a plan-do-check-act (PDCA) cycle.

To give an example, we have improved our operations, including those of our subsidiaries outside Japan, with the advice of our external directors in order to introduce a higher level of information security. Looking ahead, the AMADA Group will continue to focus



on creating a more robust organizational structure, making decision-making processes more visible, and separating execution and supervision functions to further strengthen corporate governance.

Eighty Years of Transformation and Challenges at AMADA

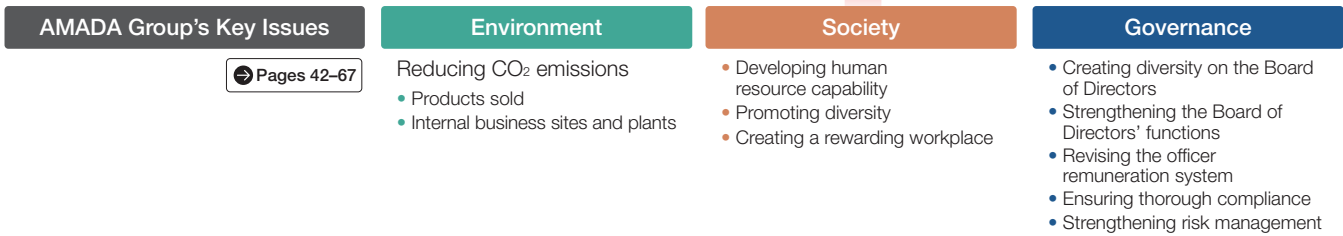
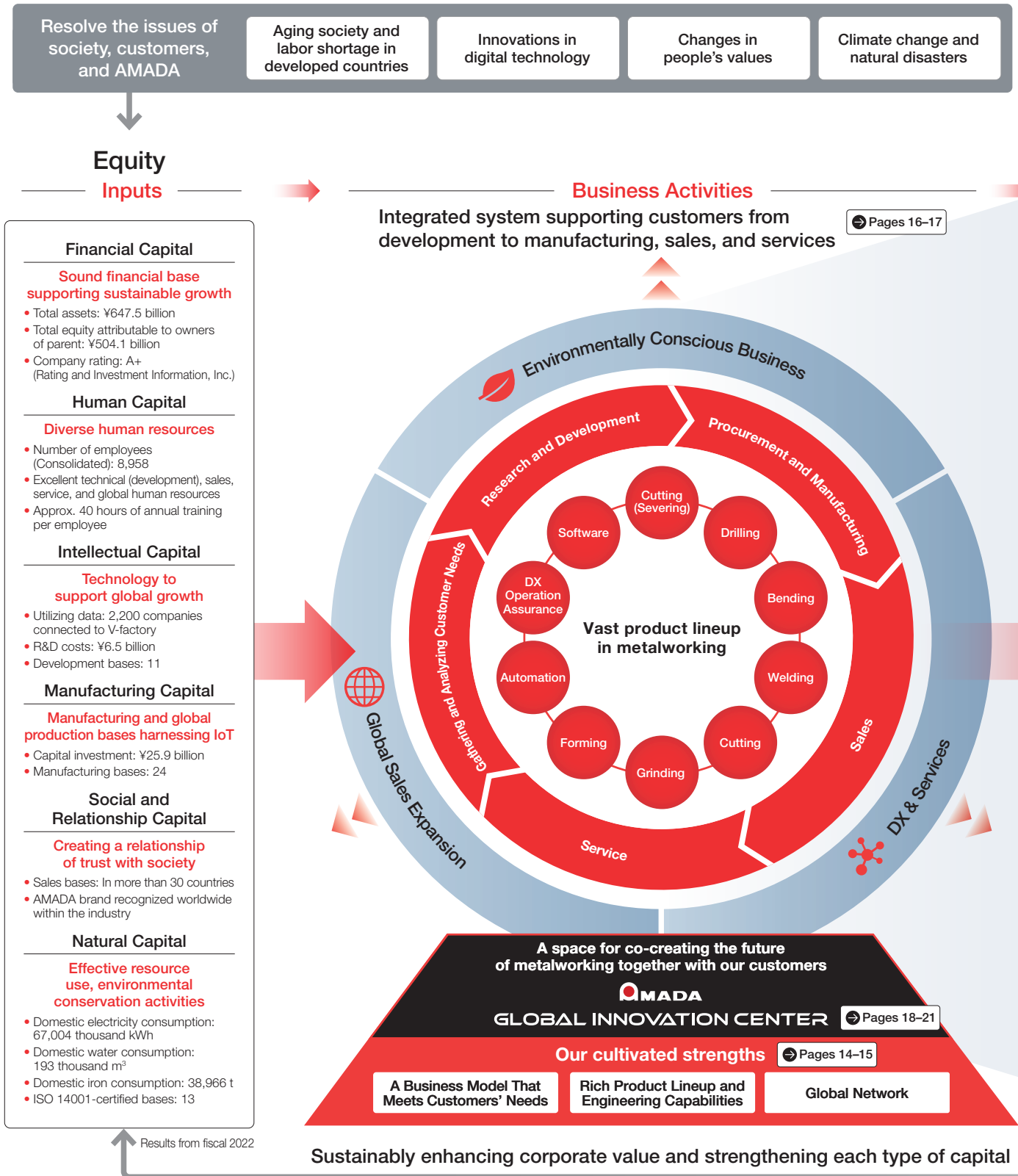
The AMADA Group will celebrate the 80th anniversary of its founding in 2026. We will steadily march forward with innovation and challenges toward our long-term vision for the year 2030 via the short-term and medium- to long-term measures of Medium-term Business Plan 2025.

With regard to shareholder returns, there is no change in our policy of determining the annual dividend amount within a 3% to 4% dividend on equity (DOE) ratio, with a target consolidated dividend payout ratio of 50%. The Group aims to return profits to shareholders not only through dividends but also by increasing its share price by improving ROE and price-to-book ratio (PBR), metrics that have recently gained a great deal of attention.

As we move forward, we thank all of our stakeholders for their continued support of AMADA.

Value Creation Story

The Value Creation Process



Proposing Creative Goods and Services

Outputs/Outcomes

The AMADA Group's Products

- Machines for process integration
- Automation systems
- Augmented reality (AR)/AI-powered/AI-powered new NC operation system units
- Eco-products
- Manufacturing DX solutions



The AMADA Group's Services

- DX operation assurance
- IoT support
- Manufacturing DX solutions
- Processing technology proposals



Financial Capital

- Consolidated revenue: ¥365.6 billion
- Consolidated operating profit: ¥49.8 billion
- Ratio of equity attributable to owners of parent: 77.8%
- Dividend payout ratio: 48.9%

Human Capital

- Turnover rate (Nonconsolidated): 2.9%
- Rate of female new graduates hired: 32.1%
- Percentage of female managers (operating companies in Japan): 2.2%
- Paid leave acquisition rate (in Japan): 68.4%

Intellectual Capital

- Number of patents acquired: Approx. 1,300
- Number of new patent applications: More than 100 per year

Manufacturing Capital

- Improved labor productivity
- Average overtime hours: 14/month

Social and Relationship Capital

- Sales results: Over 400,000 units in more than 100 countries and regions
- Sheet metal market share in Japan: Approx. 70%
- Number of AMADA SCHOOL graduates: Approx. 100,000
- Cumulative grants by the AMADA Foundation: ¥4 billion

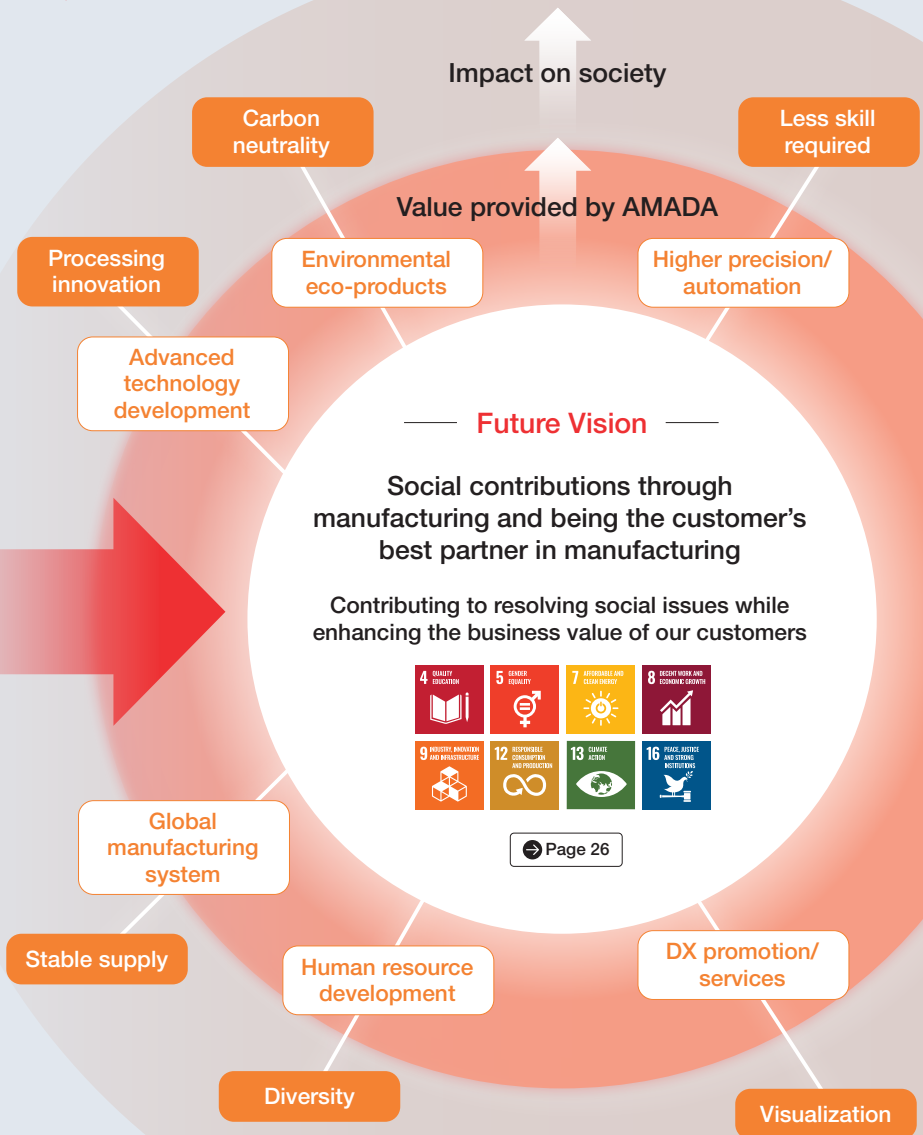
Natural Capital

- AMADA Eco-Products share of sales: 87%
- Reduction rate of product CO₂ emissions: vs. fiscal 2013: 56.7%
- Reduction rate of business site CO₂ emissions: vs. fiscal 2013: 71.5%
- Promotion of our "office in the forest" plant greening activities

Results from fiscal 2022

Value Provided to Customers and Society

Value



Guarantee of proposals and operations in all processes

Manufacturing and environmental friendliness with maximum efficiency

The AMADA Group's Strengths

Utilizing its advanced technological and problem-solving capabilities, the AMADA Group supports its global customers' manufacturing and rich lifestyles created for people by this manufacturing. To this end, we have established a one-stop system for development, manufacturing, sales, and service.



A Business Model That Meets Customers' Needs

The AMADA Group is engaged in all aspects of business for its lineup of offerings, including machines, molds, software, and automation systems. The Group uses this alongside a service structure that includes development, manufacturing, sales, and IoT in a range of metalworking domains to support manufacturing by customers around the world. Soon after its foundation, the Company established its distinctive business model of direct sales and direct service. By directly listening to and resolving customers' problems, the AMADA Group has accumulated a great deal of expertise. Furthermore, by building a system that allows direct feedback from customers to our development and manufacturing sites, customer needs and AMADA's seeds are combined to create new processing technologies.

This virtuous circle business model powered by resolving customer issues has helped us to successfully grow our businesses further.



Rich Product Lineup and Engineering Capabilities

The AMADA Group offers a broad lineup of fabrication machines for metalworking. The high level of engineering capabilities cultivated in addressing the diverse and sophisticated needs of our customers with these machines propels businesses that are at the core of our growth strategy.

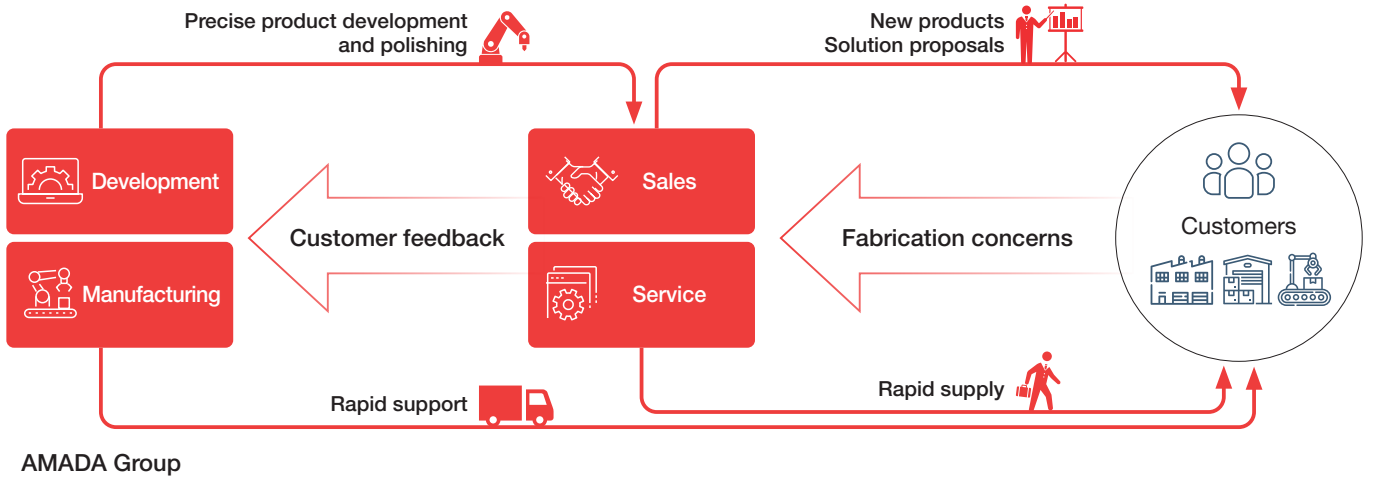
We offer solutions optimized for individual customers not only through fabrication machines but also thanks to automation systems and software, including for production management and program creation. Furthermore, we support customer production with a full range of after-sales services, such as operation assurance utilizing DX and processing technology proposals.

In addition, to strengthen our engineering capabilities, we are expanding our capacity for enhancing and cultivating human resource capabilities, including investment in the new AMADA Technical Education Center (ATEC).



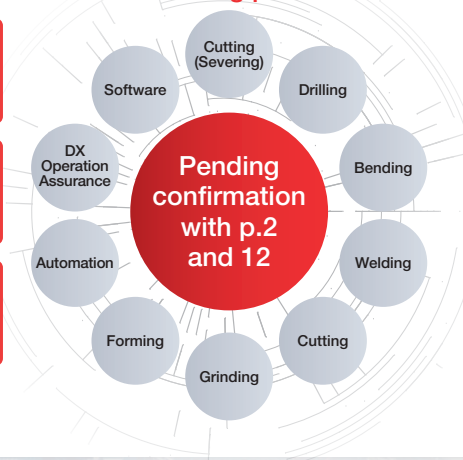
Global Network

In order to contribute to the manufacturing of customers around the world, the AMADA Group has been building a global system from its early stages, and currently has approximately 400,000 machines in operation in more than 100 countries and regions. Japan accounts for approximately 40% of our consolidated revenue, with the remainder divided almost equally among North America, Europe, and Asia, creating a well-balanced composition. AMADA also has manufacturing and sales locations around the world, including the major regions such as Japan, North America, Europe, and Asia. In essence, we have established a local production system to supply products more rapidly and with less risk. Furthermore, by building sales systems locally, we tailor our sales activities to the needs and characteristics of each region. Going forward, we will pivot toward a unique AMADA business model centered on AMADA GLOBAL INNOVATION CENTER (AGIC) and establish a system that can produce products that meet the needs of each region.



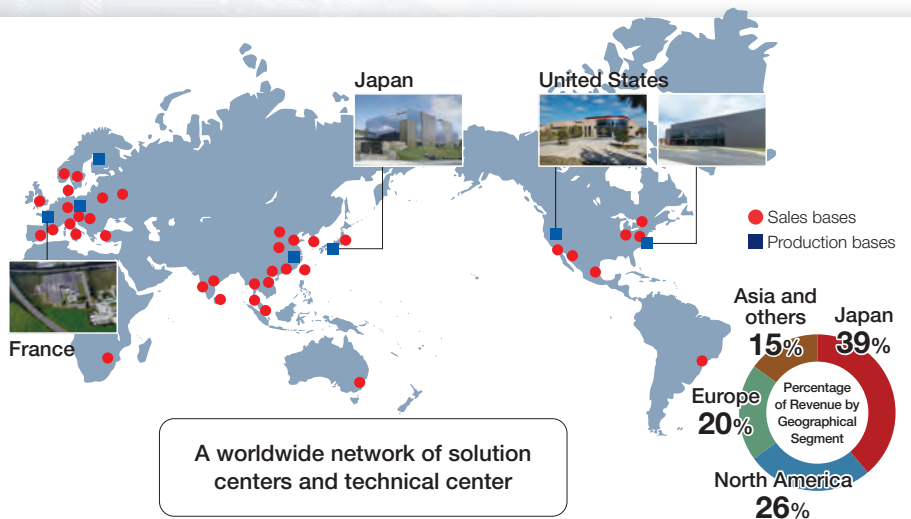
Covering all metalworking processes

- Number of patents **Approx. 1,300**
- R&D costs **¥6.5 billion**
- Number of new patent applications **More than 100 per year**



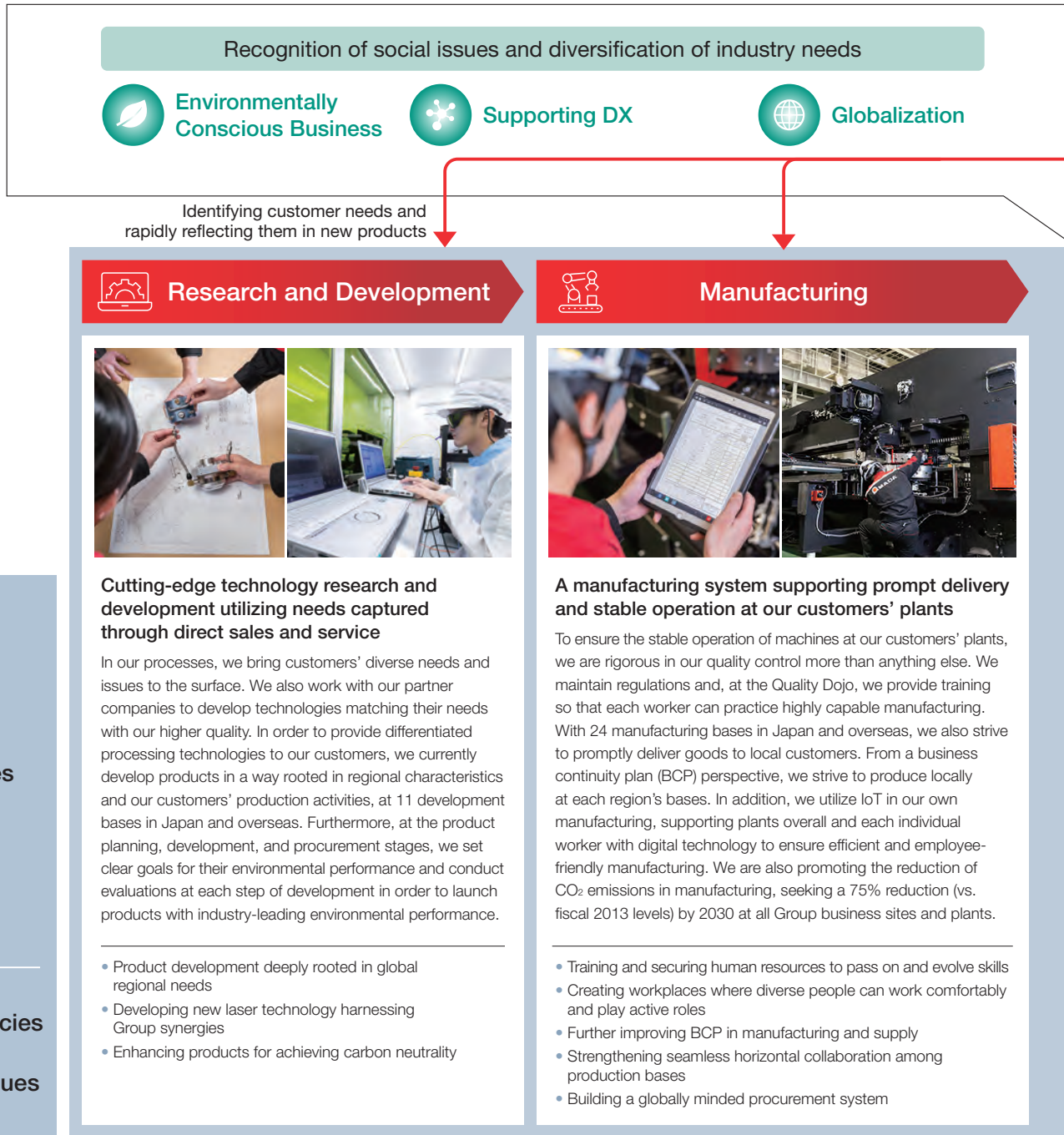
The AMADA Group maintains more than 1,000 patents at any given time in Japan and overseas. We actively invest in intellectual property, filing more than 100 new patent applications per year, to secure a competitive advantage in the global market. Intellectual property rights secure the technologies and brands we have generated through research and development and we strengthen checks and balances against potential competitors through the formation of a portfolio. With this system, we support the laser, automation, and service businesses, core businesses for the AMADA Group's growth strategy.

- ISO 9001-certified sites **25**
- Global presence **More than 100 countries and regions**
- Major domestic/overseas manufacturing bases **24 bases**
- Major domestic/overseas development bases **11 bases**



The AMADA Group's Business Flow

The AMADA Group is one of the few manufacturers in the world that provides not only fabrication machines but also software to control these machines, plus automation equipment and molds and dies in a range of metalworking fields. Since our foundation, we have established a direct sales and service model, providing product sales, maintenance, and other services directly to customers.



Through speedy responses and supply that only an integrated system can provide, we are able to boost the efficiency of our customers' production systems. We also identify their true needs and issues through direct customer dialogue and provide more tailored solutions by directly incorporating the diversification of industry needs into our R&D efforts.

Issues faced by customers

Aging society and labor shortage in developed countries

Innovations in digital technology

Changes in people's values

Climate change and natural disasters

(etc.)



Sales



Sales activities directly communicating with customers and seeking solutions together

Through our industry-pioneering direct sales and service, we identify our customers' true needs and issues. Using our abundant expertise in fabrication, we make optimal proposals based on our differentiated technical capabilities and testing through process verification. In addition, we will expand opportunities for direct contact with customers and enhance the quality of our proposals through digital technology to rapidly resolve issues. Using our global sales network across more than 30 countries, we provide solutions directly to customers leveraging our extensive customer contacts and brand strength in the industry.

- Hybrid sales activities utilizing real and digital channels
- Direct marketing using local offices around the world
- Human resource development to enhance engineering capability on the sales side



Service



A global-scale support system keeping our customers' businesses running

Delivery is not the end of the process for metalworking machinery; they need continuous support, including maintenance and supply of consumables, molds, and software. The AMADA Group has received high praise for its engineering service system, which includes a 24-hour parts center in Japan, a worldwide service network, and remote support via IoT, to ensure that customers' manufacturing operations stay running. This strong reliability has led to a ratio of after-sales business to revenue of more than 30%, which is an extremely high level in the industry.

- Consulting proposals for customer facility utilization harnessing AMADA's V-factory IoT solution
- Accelerating DX of after-sales services, expanding IoT support
- Cultivating service engineers who can be successful globally

the value chain

Product Lineup and Engineering Capabilities

Global Network

A *Monozukuri* (Manufacturing) Company

GLOBAL INNOVATION CENTER

A space for co-creating the future of metalworking together with our customers

The AMADA GLOBAL INNOVATION CENTER (AGIC) is a new facility that infuses new concepts with AMADA's expertise in exhibition-based sales. AGIC is unique in that its main focus is not on "what we can do" with the AMADA Group's machines and technologies, but on "why we can do it."

Since its foundation, AMADA has been known for its unique exhibitions and demonstrations as a comprehensive manufacturer for metalworking. These activities began in 1960, when we would generate buzz by loading our machines into demonstration cars, selling via on-the-spot demonstrations of those machines.

The AMADA Machine Tool Plaza represents the first generation of exhibition facilities. From 1978 to 1991, this facility was the hub for exhibitions of machines designed for the era of mass production. The Machine Tool Plaza was a groundbreaking facility,

offering a restaurant on the premises next to the exhibition hall to facilitate business meetings over a meal before the exhibits faded from their memories. In the 10 years after it opened, it attracted throngs of crowds, more than 600,000 visitors in total.

The second generation came in the form of the AMADA Solution Center, which was active from 1992 to 2021. After the collapse of the bubble economy, mass production began to show its limits, and the facility responded to the demands of the times by pursuing increased productivity while promoting automation and cost reduction. Today, we present our third generation of exhibition facilities and a complete overhaul of our approach with AGIC. Amid a drastically changing business environment, our new approach goes beyond conventional facilities and takes the viewpoint that just presenting general-use products is not meaningful. At AGIC, demonstration discloses our Group's elemental technologies, presenting information in great detail to explain even the underlying technical aspects.

Evolution into the Global Innovation Center

Generation 0
From Oct. 1946

- **Loading machines on trucks, demonstrated on the customer's premises**
- Growing Together with Our Customers
- Private exhibitions at the Tokyo International Trade Fair



Generation 1
From May 1978 to 1991

- **Opened AMADA Machine Tool Plaza**
- A 30th-anniversary project
- Exhibitions for group visitors
- Exhibition sales
- Mass production/sale



Mass production

Generation 2
From 1992 to 2021

- **AMADA Solution Center opened**
- A 45th-anniversary project
- Engineering proposals
- "Personal & Presentation" method, added value, process verification
- High-mix, small-lot/variable production
- System solutions integrating individual components



Productivity

Costs

Automation

Generation 3
From Feb. 2023

AMADA GLOBAL INNOVATION CENTER



A space for co-creating the future of metalworking together with our customers Social Innovation

- LABO:** Verifying customers' manufacturing and tackling the challenge of future processing technologies
- SITE:** Customers enjoy hands-on experiences of today's cutting-edge technology that offers the value they expect
- Green:** Proposing improvements to customers' factories through the ultimate energy-saving, hands-on experience



Less skill required

Streamlining Remote operation

Environment Eco

Evolution Innovation

Growing Together with Our Customers

Innovation LABO

Verifying customers' manufacturing and tackling the challenge of future processing technologies



A forum for tackling new processing technologies

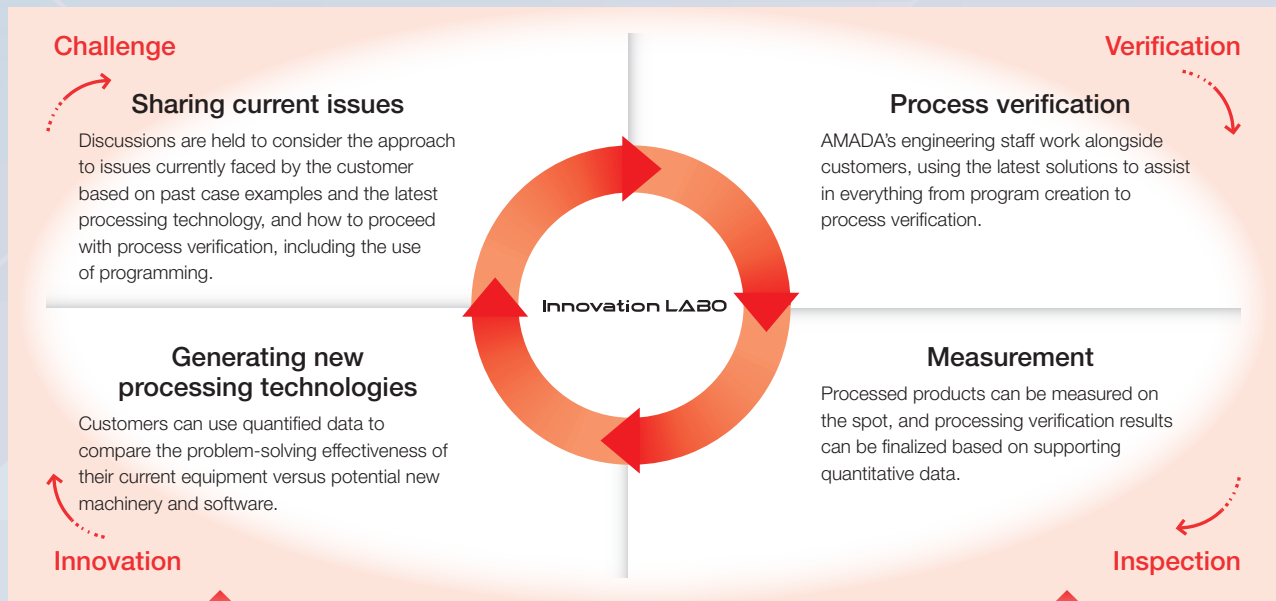
This is a customer-dedicated space made up of nine laboratory rooms ("LABOs") equipped with the latest software and machinery, and a measurement room equipped with state-of-the-art inspection equipment.

Each LABO room is staffed with AMADA engineering staff who have extensive knowledge and experience in processing technologies and equipment. These rooms serve as a forum for tackling new processing technologies. We work with customers to

examine their issues, from programming to processing verification, how to boost profit, and factory layouts.

In the measurement room, the accuracy and strength of processed products can be measured and even quantitatively verified, satisfying growing evaluation requirements that clients have for processing companies.

By capturing customer needs in processing and resolving their issues, we will generate seeds that will drive the expansion of our existing businesses.



Featuring the latest machines

Each LABO room is equipped with a variety of state-of-the-art machines for blanking, bending, and welding.



Bulletproof security

Each room is partitioned, with ID systems installed at each door, allowing customers to engage in process verification with peace of mind.



Full range of inspection equipment

Testing employs 15 different application-specific advanced inspection devices that are permanently provided at the site. From thick plates to welding, precise verification of required quality can be performed on the spot.

Innovation SITE

Customers enjoy hands-on experiences of today's cutting-edge technology offering the value they expect



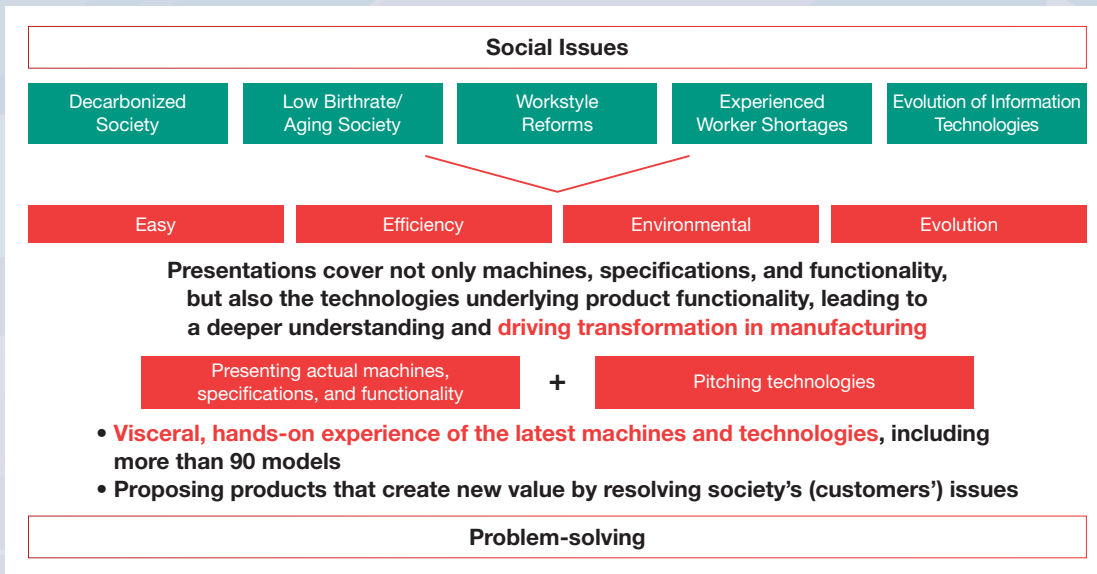
From “What” to “Why” (Solutions)

Instead of the conventional individual machine exhibitions, each zone has a technology pitch corner based on the approach of shifting from what we can do to why we can do it. AMADA staff show off the technologies underlying product functionality, leading to a deeper understanding and driving transformation in manufacturing.

Of the site's more than 90 models on exhibit, 85% of these are the latest iterations. Each is divided into zones for fiber laser machines, welding machines, punching machines, combination machines, bending machines, cutting machines, and presses (including spring forming machines).

AMADA's new products adopt the fundamental concept we call “4ie.” This refers to the use of innovation to evolve from the third generation to the fourth generation. The four “E”s that follow are: Easy (can be used by anyone), Efficiency (can be used anywhere), Environmental (environmentally friendly), and Evolution (Growing Together with Our Customers). With these, we support manufacturing sites around the world.

In the laser zone, the latest fiber laser machine lineup and automation equipment are installed. Here, customers can gain a visceral, hands-on experience of our laser and automation technologies that resolve customer issues.



More than 90 of the latest AMADA machines



Engineering FIELD

Hands-on experience of solutions
resolving customers' frontline
and management issues



Supporting digital transformation at customers' factories (Visualization)

Customers can directly experience digital solutions that comprehensively manage, monitor, and optimize their factories.

Our new manufacturing DX solution, LIVLOTS
Our evolved CAD/CAM solution, VPSS 4ie, and NC unit, AMNC 4ie

- Real-time information sharing between offices, program rooms, and field sites plus numerous operator support functions increase production efficiency.
- Our CAD/CAM system digitizes processing expertise for all processes.

Numerous energy-saving products

- Optimizing machine power consumption with features such as idling prevention
- Visualizing environmental impact of production processes with the latest NC and software

V-factory: Evolved operation assurance for no machine downtime

- IoT-powered machine health diagnostics prevent machine failures at customer factories.
- AMADA's IoT support staff provide immediate remote diagnosis in the event of trouble.
- AMADA provides meticulous support to fix the root of the problem by utilizing a range of data collected from customers' machines, combined with AMADA's accumulated expertise.



Visualization of machine utilization

AMADA's latest environmentally friendly plants (Eco)

AGIC introduces energy-saving products and software that can monitor the environmental impact of an entire factory. In addition, the AGIC building is designed to be a state-of-the-art environmentally friendly facility, reducing CO₂ emissions by half. Visitors have the opportunity to experience AMADA's environmentally friendly plant models.

**Generates 241 MWh of power per year
(11% of total consumption)**
Reduces CO₂ emissions by 700 tons/year (50%)

Experiencing AMADA's new environmentally friendly equipment

- AI-based human recognition systems optimally adjust lighting and air conditioning.
- Systems monitor the environmental impact of all of AGIC.
- Creating energy from solar power facilities



Status of each machine displayed in real time




Solar power facilities for energy creation

Creating New Value by Resolving Society's (Customers') Issues

Since its formation, AMADA's Management Philosophy of "Growing Together with Our Customers" has been the starting point for all of its business activities.

By creating and providing new value from a customer-centric viewpoint, we will help to resolve social issues via our customers and therefore contribute to the creation of prosperity and happiness.





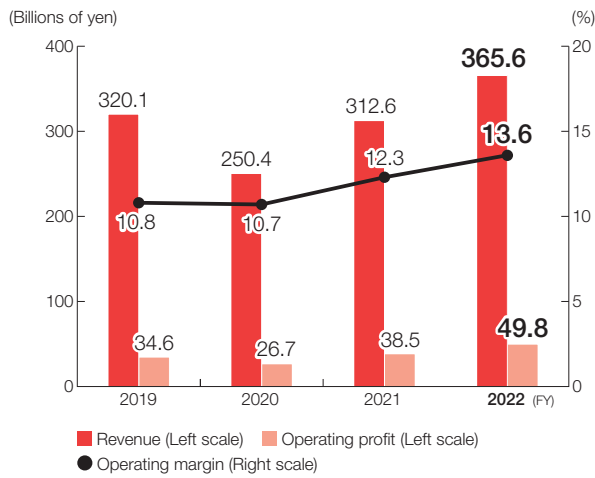
Contributing to resolving social issues while enhancing the business value of our customers

provided together
our customers

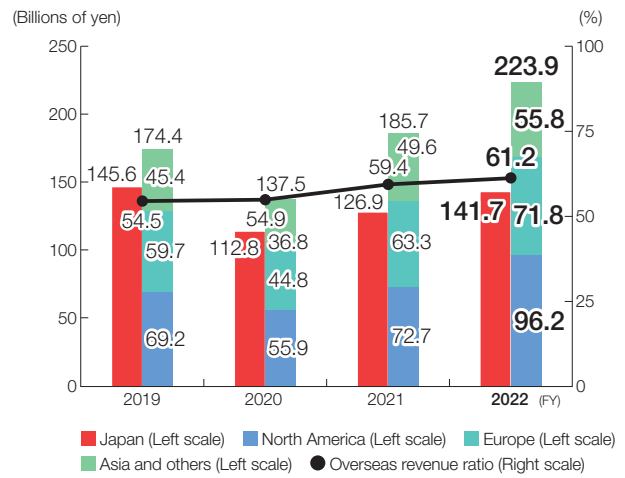
Contributing to greater quality of all kinds of everyday products and structures

Financial and Non-Financial Highlights

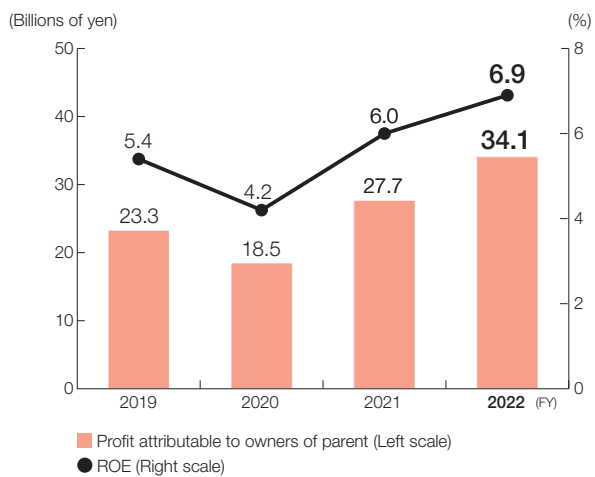
Revenue / Operating Profit / Operating Margin



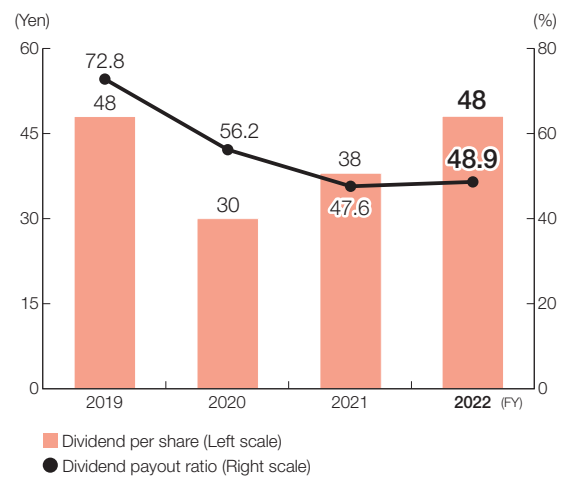
Revenue by Region / Overseas Revenue / Overseas Revenue Ratio



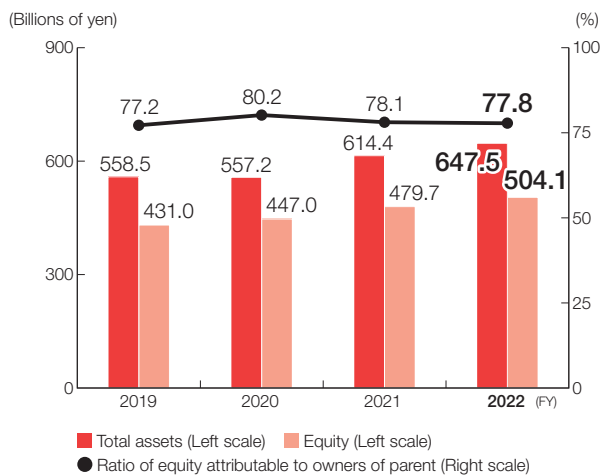
Profit Attributable to Owners of Parent / ROE



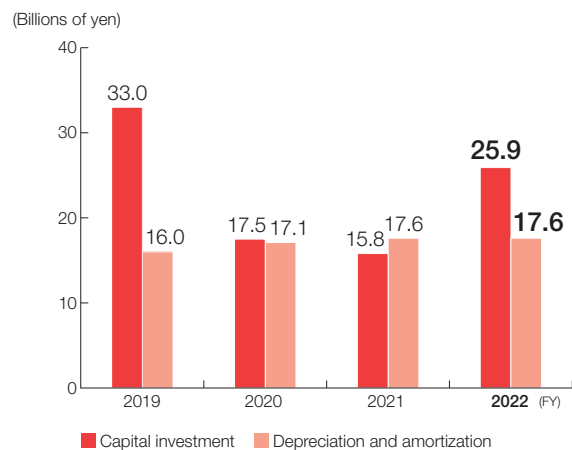
Dividend per Share / Dividend Payout Ratio



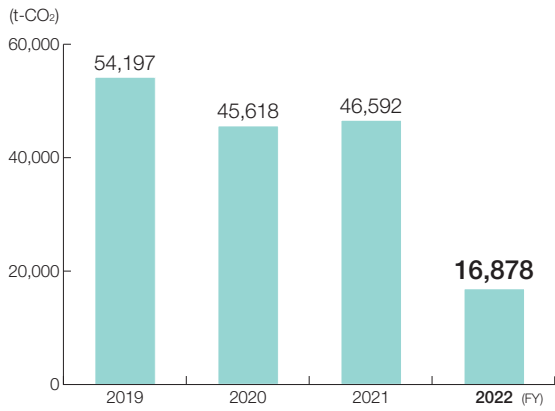
Total Assets / Equity / Ratio of Equity Attributable to Owners of Parent



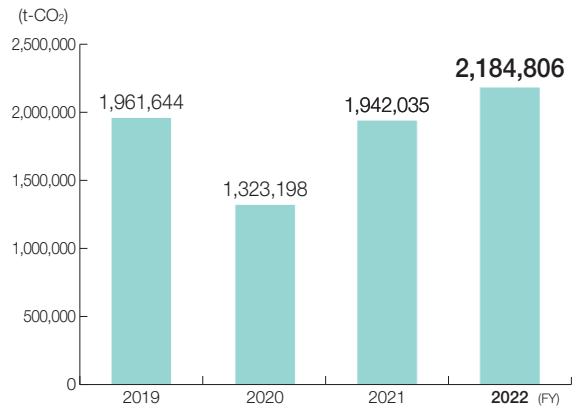
Capital Investment / Depreciation and Amortization



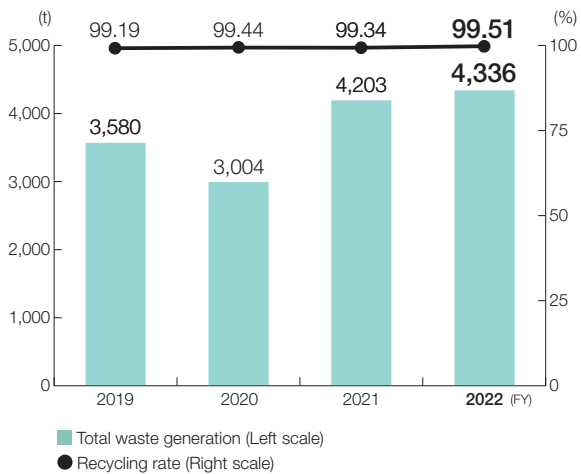
CO₂ Emissions (Scope 1 and Scope 2)



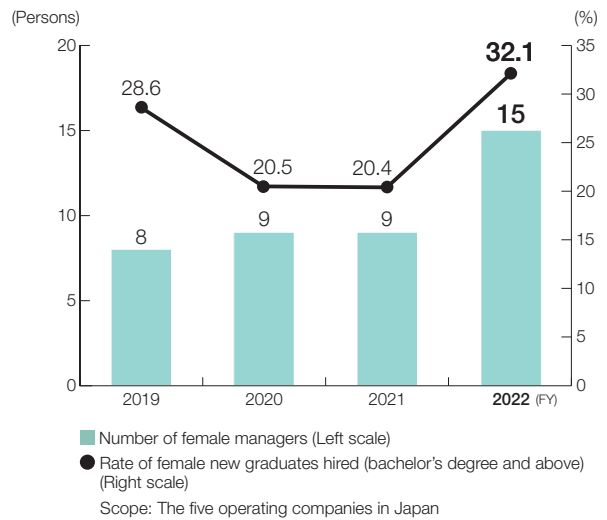
CO₂ Emissions (Scope 3)



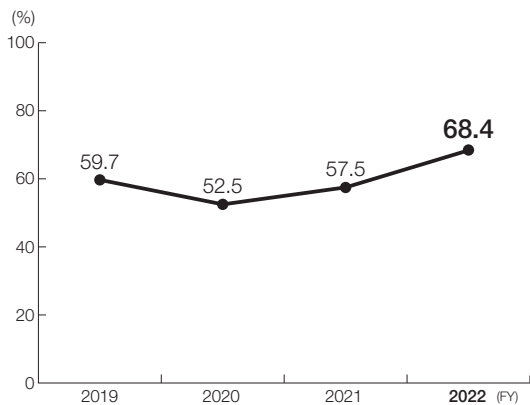
Total Waste Generation and Recycling Rate (Japan)



Number of Female Managers/ Rate of Female New Graduates Hired

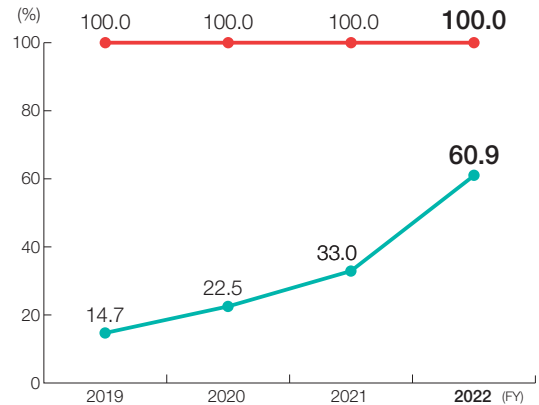


Paid Leave Acquisition Rate



Scope: AMADA CO., LTD.

Childcare Leave Acquisition Rate



● Men ● Women

Scope: As of fiscal 2021, applies to AMADA CO., LTD. and the five operating companies in Japan. Includes leave through AMADA's unique support leave system

Long-term Vision 2030

The AMADA Group has formulated Long-term Vision 2030 as its vision for the year 2030. The Group is committed to making fundamental changes to its management foundation to achieve sustainable global growth, taking into account industry megatrends and anticipated risks and opportunities. Based on our three growth strategy elements—the environment, DX, and globalization—we will strengthen our structure to withstand cyclical economic fluctuations and provide value based on customer-oriented needs. By doing this, we aim to earn society’s trust as a partner in manufacturing.

Overview of Long-term Vision 2030

Our Management Philosophy

1. Growing Together with Our Customers
2. Contribute to the international community through our business
3. Develop human resources who pursue creative and challenging activities
4. Conduct sound corporate activities based on high ethics and fairness
5. Take good care of people and the earth’s environment

Co-creation for the future

Social contributions through manufacturing and being the customer’s best partner in manufacturing

Long-term Vision 2030

Adapting to diverse social changes and transforming into a solid management system

Restrain the impact of economic fluctuations and transform into a management foundation that realizes global and sustainable growth

Gaining trust of society as customer’s partner

Creating an environment that mitigates social issues and offering solutions based on customer-oriented needs

Long-term Management Goals

- Revenue: **¥500 billion** (Fiscal 2030 target)
- ROE: **Stably maintain above 10%** (Fiscal 2030 target)
- Strengthen initiatives with an awareness of the Sustainable Development Goals (SDGs) and refine the corporate governance system

Toward achieving Long-term Vision 2030, we have identified Growth Strategy, Improve Capital Efficiency, and Promote ESG Initiatives as our three priority items.

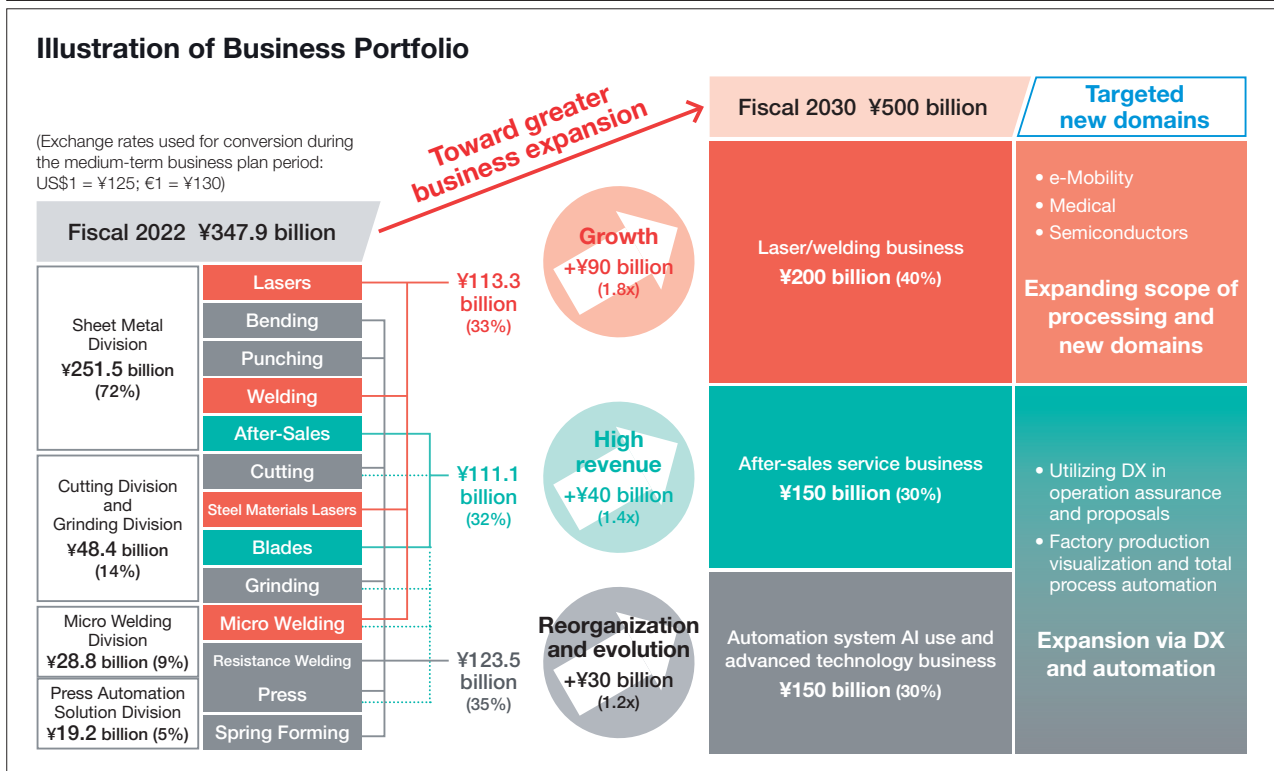
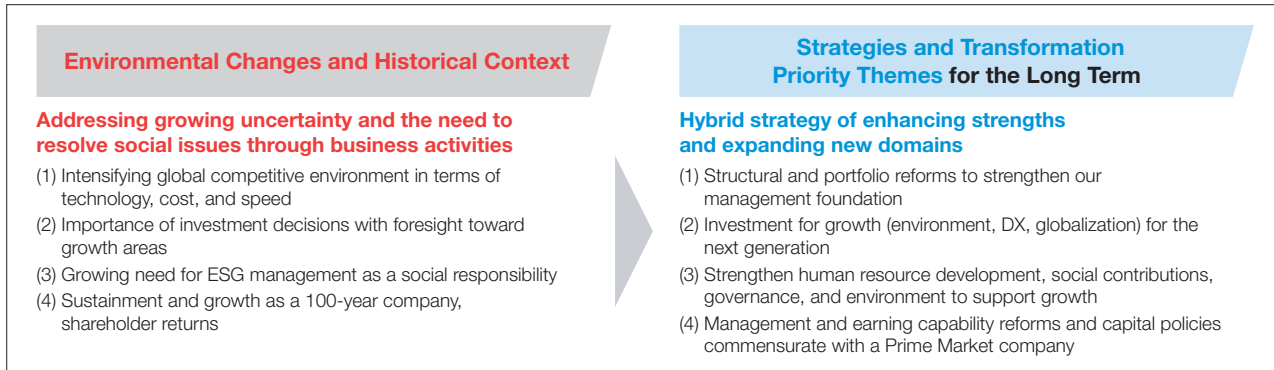
First, in our Growth Strategy, we aim to achieve sustainable growth by developing products and services that are consistent with transformed production methods and environmental considerations. In addition, under Improve Capital Efficiency, we will strengthen the structural reforms that have been underway since 2020, improve our financial position, and implement an effective capital policy toward the transformation of our management foundation. Furthermore, with respect to Promote ESG Initiatives, we will emphasize contributions to resolving social issues and enhance corporate value while strengthening our governance structure.

While traditional numerical targets have been emphasized in past medium-term business plans, the world today has grown in its awareness of environmental issues, and our awareness has grown along with it. This has led to greater attention to the goals of the SDGs and of a decarbonized society. Therefore, in addition to these traditional targets, the AMADA Group has set Promote ESG Initiatives as an important effort to embody its vision of achieving both sustainable growth and social contribution. We will also shift to human capital management, create new businesses, and review our business portfolio to dynamically adapt to social changes. Through these efforts, we aim to achieve our Long-term Vision 2030 and further enhance our corporate value.

Policies for Achieving Long-term Vision 2030

In our long-term strategy toward 2030, we aim to achieve revenue of ¥500 billion and ROE of 10% or more. A key theme in this strategy toward long-term transformation is the capture of new markets and industries with new technological development. The current three-year period serves as a time of preparation for our next growth stage, where we will thoroughly strengthen our management foundation and secure earnings through new products and activities.

As a corporation, AMADA must respond to a variety of factors, including intensifying global competition, investment in growth areas, social responsibility for environmental, social, and governance (ESG) management, business expansion, and shareholder returns. These have been compiled into the key themes of our Medium-term Business Plan 2025, and will be connected to our growth strategy going forward.



Medium-term Business Plan 2025 (Fiscal 2023 to Fiscal 2025)

The AMADA Group's new Medium-term Business Plan 2025 adopts the slogan of "FUTURE TECHNOLOGIES with AMADA," with transformation ultimately driven by the AMADA GLOBAL INNOVATION CENTER (AGIC), which opened in February 2023. In this plan, our management goals are ¥400 billion in consolidated revenue, ¥64 billion in operating profit (for a profit margin of 16%), and ROE of 8% or more. These will be achieved through four basic strategic policies founded in our business strategy, where we will create a cyclical system for evolving processing technology proposals through co-creation with our customers.

The launch of our Medium-term Business Plan 2025 coincides with the grand opening of AGIC, which will aid the plan's focus in introducing numerous new products of value to our customers. Of the 90 models on exhibit at AGIC, we have replaced 85% with the latest iterations, expanding our lineup through new products that demonstrate the following values to help customers innovate their businesses and, in turn, resolve social issues.

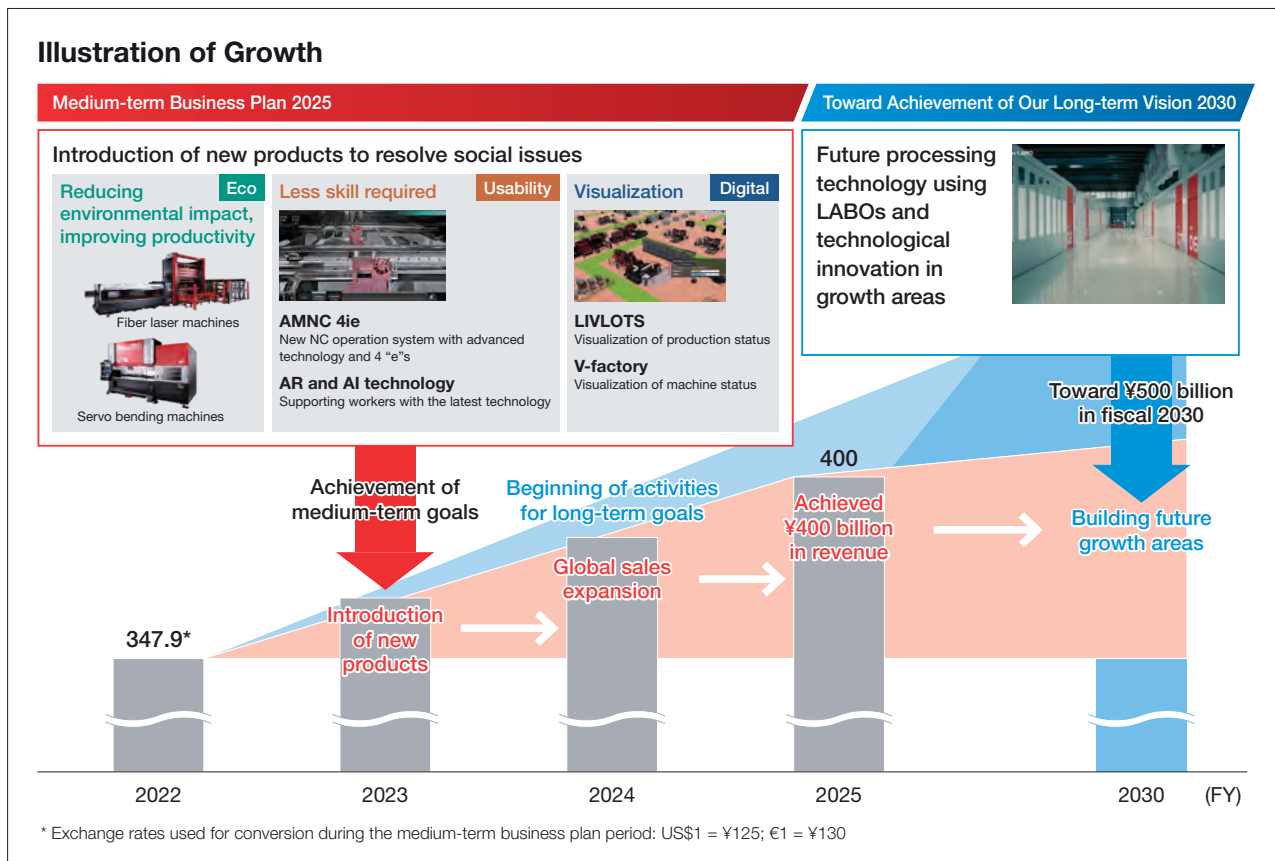
- (1) Improved environmental performance through reduced environmental impact and improved productivity
- (2) Operability requiring less skill through our new AMNC 4ie NC operation system, powered by advanced AR and AI technology
- (3) Driving process innovation at customer factories through the LIVLOTS and V-factory manufacturing DX solutions that connect the office to the production floor to visualize production status and machine conditions

The customer value in these new functions will be communicated through AGIC, and by connecting with technical centers in Japan and around the world, we will convey the attractiveness of our new products to the world and ensure achievement of our goals.

We will also explore future processing technologies and expand our business into new domains and processing of new materials through processing technologies that we create together with our customers, thereby leading to sustainable growth toward becoming a 100-year company.

Four Basic Strategic Policies

- 1 Full commitment to achieving revenue of ¥400 billion and improving profitability
- 2 Begin activities for our long-term growth strategy ▶ Page 30
- 3 Capital policies (Strategic investment/shareholder return) ▶ Pages 31–32
- 4 ESG management/reinforcing systems ▶ Page 32



Basic
Strategic
Policy

1

Full Commitment to Achieving Revenue of ¥400 Billion and Improving Profitability

1 Expanding New Product Share and Improving Profit Margins

Our new lineup of products, evolved with the approach of being people-friendly, usable by all, and environmentally friendly, are notable for (1) significant improvements in productivity and environmental benefits, including new fiber laser machines, (2) automation of all processes, and (3) simple machine operation with the new AMNC 4ie NC operation system. These are major differentiated values that address the productivity improvement issues that our customers are facing, as well as the social issues of labor shortages and the environment. We aim to expand our market share by introducing new products and to accelerate our efforts to realize a sustainable society.

Meanwhile, to improve profitability, we will continue to focus on reducing costs through integrated development, procurement, and manufacturing at the development stage of our new products, even after market launch.



2 Enhancing After-Sales Services

One of AMADA's strengths is its after-sales services, thanks to its resilience against economic fluctuations and resulting stable earnings.

Our work to enhance our after-sales service business will

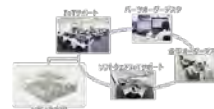
focus on our five main offerings supporting customer production, with the aim of achieving sustainable profitability growth.

Enhancing After-Sales Services to Support Customer Production

Customer support system

Using DX to restructure our direct service system

Improving service efficiency and proposal capabilities, including for overseas and remote areas, by properly ascertaining on-site conditions through data utilization



Production technology support business

Enhancing productivity through technology support

Using processing technology proposals to expand new products and manufacturing solution businesses



Retrofitting business

Cultivating new markets in Japan and overseas with mechatronics and added safety features to existing machines



Easy NC
Maintenance guaranteed
IoT
Safety devices

Factory automation

Increasing production capacity with automation equipment and software

Proposing a system to cover all processes, visualizing production status with the LIVLOTS manufacturing DX solution

LIVLOTS
Live Monitoring IoT Production System

Cloud business

Supporting customer activities with cloud computing

Creating virtual factories with a digital twin service (factory operation optimization proposals)



V-factory
Digital twin

3 Utilizing AGIC to Resolve Today's Issues and Build Tomorrow's Future ▶ Pages 18-21

As a space for co-creating the future of metalworking with our customers, AGIC allows us to create opportunities for growth and expansion, such as new market expansion and the spread of new product benefits. By connecting online with AMADA's technical

centers overseas and bringing the technology pitching tools exhibited at AGIC to the rest of the world, we will enhance the skills of local sales representatives and expand our global market, using this as a new sales tool to efficiently increase sales.



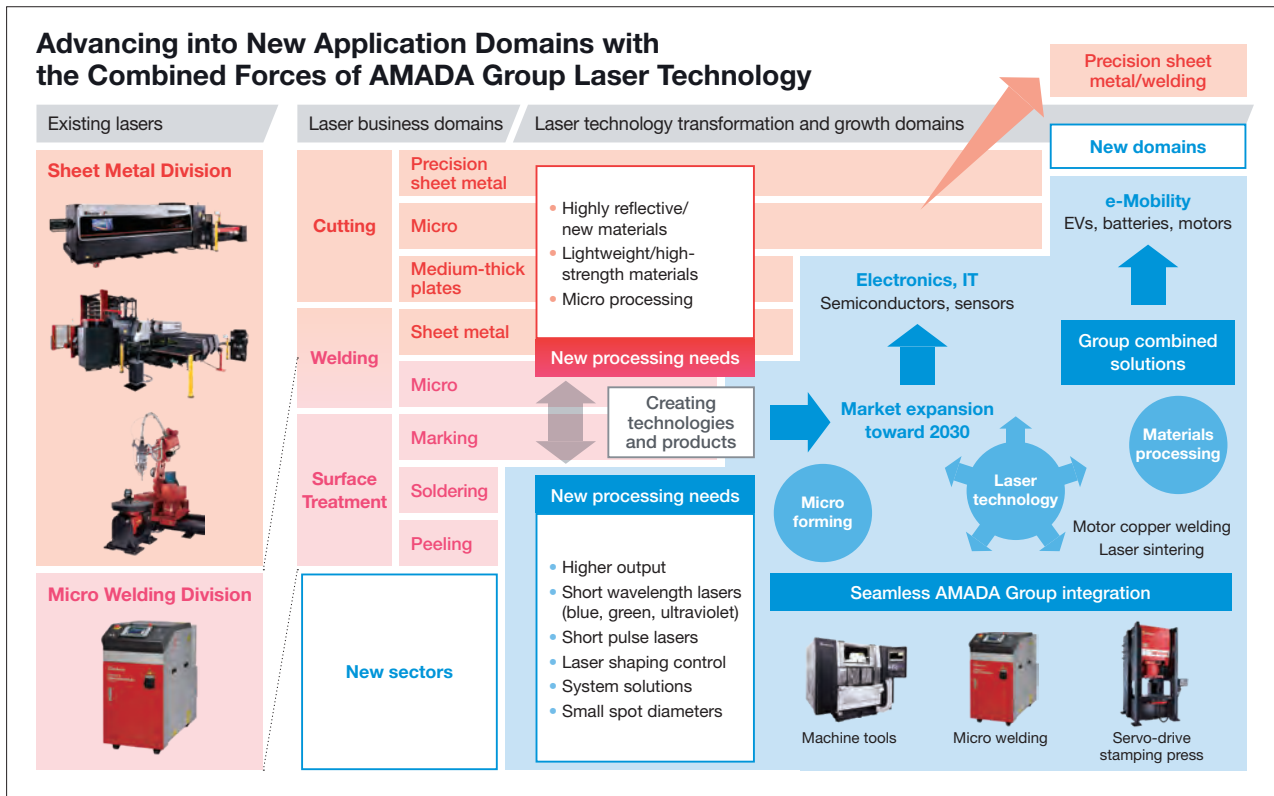
Begin Activities for Our Long-term Growth Strategy

1 Expanding New Domains with Laser Technology

AMADA was an early adopter of laser technology for metal cutting. Affiliate AMADA WELD TECH CO., LTD. was the first company in Japan to put the yttrium aluminum garnet laser to practical use in its welding machines.

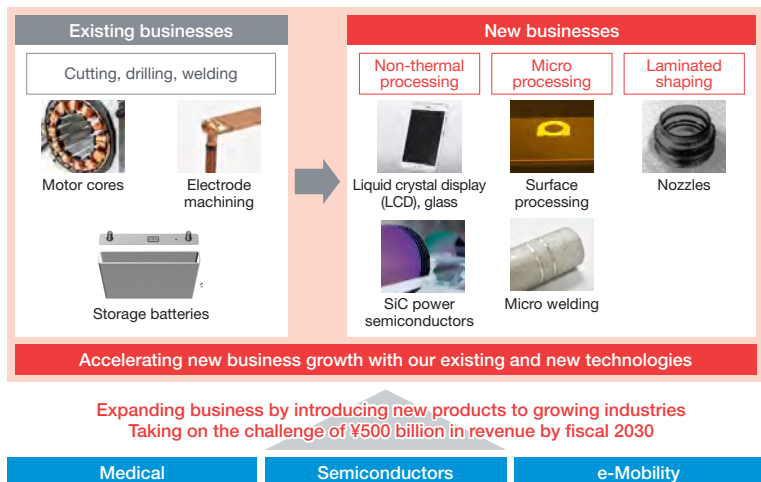
We have accumulated technological capabilities and experience through laser development in sheet metal processing by commercializing machines that use high-power oscillators to process thick plates, large processing machines for the steel industry, and fiber laser welders.

Going forward, our growth strategy focuses on harnessing our assets in laser technology to fully leverage synergies between the technologies, sales, and experience of AMADA Group companies. With this, we will expand into the e-Mobility market and develop new processing technologies such as light-based non-thermal processing, micro processing, surface treatment, and laminated shaping, and seek to enter new industries. We will also pursue R&D and technological evolution in the medical field outside of material processing.



Future Laser Evolution

Laser processing, as a method for use in differentiated and superior machinery, is impossible to achieve unless three technologies are in place: The technology of the oscillator that produces light for the laser, the technology of the machine that corrects the light and matches it to the workpiece, and the processing technology that optimizes the processing of the workpiece. Over many years of history, AMADA has introduced laser products through continuous and aggressive research and development over the years in oscillators, machines, and processing technology. This accumulation of technologies has resulted in unique, differentiated technological capabilities that are challenging to imitate. We will utilize these assets to expand our existing businesses and take on the challenge of laser processing in new fields.

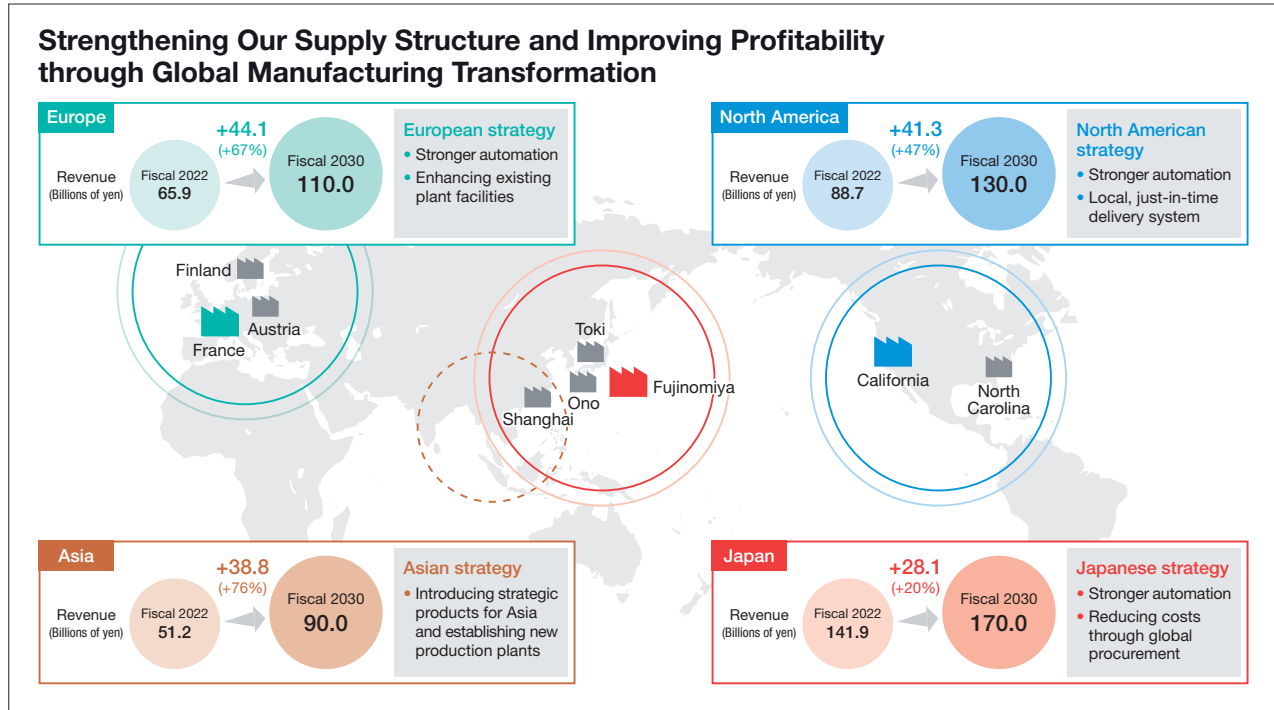


2 Global Market Growth Strategy

Globally, 40% of the AMADA Group's sales come from Japan, while the remaining 60% are earned overseas. Since continued high growth potential overseas is expected, expanding overseas sales is a key strategy for us. Our Long-term Vision 2030 predicts that the aforementioned ratio will reach 35:65 by its target year, showing the necessity of immediate preparations to strengthen our supply to areas outside Japan.

We plan to strengthen manufacturing bases in the regions of

Japan, Europe, and North America, and to build new production plants in Asia. Our aim is to build a flexible SCM system that can adapt to various social conditions expected in the future by determining the best location for production, such as of parts produced at all factories and of products manufactured in Japan for export, and to establish a foundation for global supply.



3 Basic Strategic Policy

Capital Policies (Strategic Investment/Shareholder Return)

Shift from investment centered on expansion of production capacity to balanced investment that includes soft aspects (including DX, R&D, the environment, and human resources), increasing future growth investment

Research and development/ M&A Approx. ¥50–60 billion	R&D: Building new processing technologies and providing products with strong soft aspects/environmental friendliness Synergy development: Strengthening the Group's market and manufacturing strategies M&A: Accelerating new business expansion
Supply system Approx. ¥20–30 billion	Asian supply strategy (including global procurement) North American supply strategy (strengthening automation systems)
IT/DX Approx. ¥10 billion	Global customer relationship management construction, security investment, manufacturing and supply coordination system construction
Human resource investment Approx. ¥10 billion	Technical education centers, reskilling, DX/global human resource development
Environmental investment Approx. ¥10 billion	Environmental investments in business sites and manufacturing, improving manufacturing efficiency
Total Approx. ¥100–120 billion	Medium-term Business Plan 2025

Total investments under Medium-term Business Plan 2025 will be roughly between ¥100 billion and ¥120 billion. In the past, our business has focused on the cycle of developing, manufacturing, and selling products, but we intend to shift to balanced investments that include soft aspects, such as DX, research and development, the environment, and human resources, as we boost our future growth investments.

It is particularly urgent that we bolster our management foundation so that it is not affected by social changes. We will take strategic action to develop a stable supply system by reorganizing manufacturing and procurement, as well as by developing human resources who can play an active role in the global environment, while taking specific measures in the short and medium term.

Cash Allocation and Shareholder Return Policy

Cash flows from operating activities (operating cash flow) will be allocated to strategic investments, with priority given to future growth and strengthening of the management foundation. After securing the necessary working capital (liquidity to withstand

contingencies), we intend to use surplus funds for shareholder returns to further improve ROE. For fiscal 2023, we plan to pay an annual dividend of ¥50 per share in accordance with the shareholder return policy in the medium-term business plan.

Cash Flow Prioritization: Allocate to Strategic Investments, with Surplus Funds Allocated for Shareholder Returns

Three-year total
(Fiscal 2023–2025)



	Fiscal 2019 (Results)	Fiscal 2020 (Results)	Fiscal 2021 (Results)	Fiscal 2022 (Results)	Fiscal 2023–2025 (Medium-term business plan period)
Consolidated dividend payout ratio (dividend amount)	72.8% (¥48)	56.2% (¥30)	47.6% (¥38)	48.9% (¥48)	50% (Target)
DOE	—	—	—	—	Around 3–4%
Share buybacks (expected amount)	¥10 billion	—	—	—	¥40–60 billion
Total return ratio	115.6%	56.2%	47.6%	48.9%	—



ESG Management/Reinforcing Systems

The realization of growth strategies and the sustainable improvement of corporate value are the primary goals of corporate management, and are the specific reasons why medium-term business plans are established. It is a foregone conclusion that corporate management must also fulfill social responsibilities. Accordingly, ESG management, which indicates a company's

commitment to social responsibility, has become an important approach to showing corporate value.

The AMADA Group will continue to promote ESG management to achieve medium- and long-term quantitative and qualitative targets by setting key themes and indicators for the environment, society, and governance.

* Please see page 43 for our numerical ESG management targets.

<p>Environment</p>	<p>Reducing CO₂ emissions</p> <ul style="list-style-type: none"> Products sold Internal business sites and plants 	<ul style="list-style-type: none"> Installation of solar power generation facilities, switching to LED lighting at business sites Nov. 2022: Acquired SBT certification Scope 1, 2, and 3 Improved oscillation efficiency of fiber lasers Reduced setup times and improved productivity with new AI-powered NC units 	
<p>Society</p>	<ul style="list-style-type: none"> Developing human resource capability Promoting diversity Creating a rewarding workplace 	<ul style="list-style-type: none"> Strengthening education of expert human resources in line with growth strategies (advanced technology, DX, global, etc.) Creating an environment where women can demonstrate their abilities and strengthening leader development Flexible work arrangements and appropriate evaluation and salary systems 	
<p>Governance</p>	<ul style="list-style-type: none"> Creating diversity on the Board of Directors Strengthening the Board of Directors' functions Revising the officer remuneration system Ensuring thorough compliance Strengthening risk management 	<ul style="list-style-type: none"> Ensuring sustainable growth through diverse perspectives and values Improving effectiveness through discussion and monitoring of medium- and long-term issues Compensation system that contributes to achieving medium- and long-term goals and increasing corporate value Fostering compliance awareness by revising and disseminating our Corporate Code of Conduct Reinforcing information security risk mitigation according to the progress of growth strategies 	

TOPICS

Our Seamless Strategy

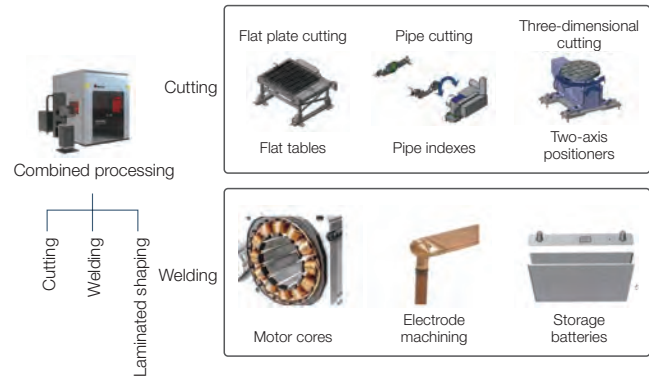
In our long-term strategy toward 2030, the AMADA Group aims to achieve revenue of ¥500 billion and ROE of 10% or more. To realize this goal, we are working to expand into new domains by harnessing laser technology and to strengthen our seamless strategy in order to maximize the benefits from enhanced intra-Group collaboration.

1 Expanding into New Domains by Harnessing Laser Technology

In today's rapidly changing social environment, customers' needs are also diversifying. This requires dynamic adaptation, especially in terms of productivity improvement, cost reduction, and quality improvement.

To address this, the AMADA Group has developed the ALCIS-1008e, a new 3D laser integration system bringing together different laser processing technologies. This system enables various laser processes such as cutting, welding, and laminated shaping in a single machine. Equipped with two laser oscillators, a blue laser and a fiber laser, it can handle precise, high-quality processing of highly reflective materials such as copper, for which demand is expected to grow. This laser system harnesses our many years of new technologies and experiences in laser development, unlocking new manufacturing potential in not only sheet metal processing but also new fields of application.

The New ALCIS-1008e 3D Laser Integration System

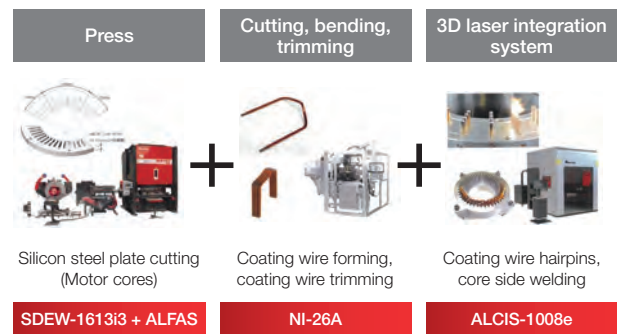


2 Wide Range of Processing Domains and New Markets

The AMADA Group has traditionally pursued a sales strategy that focuses on products from individual Group companies. Now, we are strengthening our proposal strategy for seamless metalworking that transcends the boundaries of each business to meet the needs and challenges of our customers.

To expand into new domains, we are replacing conventional production methods. For example, the e-Mobility market, which promises significant growth, requires complex processing of EV batteries and other electrical components. Here, we are utilizing automation systems for progressive stamping press production and our multi-wire forming machine to enable seamless processing of components for EV motor cores.

Proposing Seamless Group Integration



3 A Total Metalworking Partner

The AMADA Group offers a wide range of products from micro welding to sheet metal welding, serving approximately 80,000 client companies in the Japanese market alone.

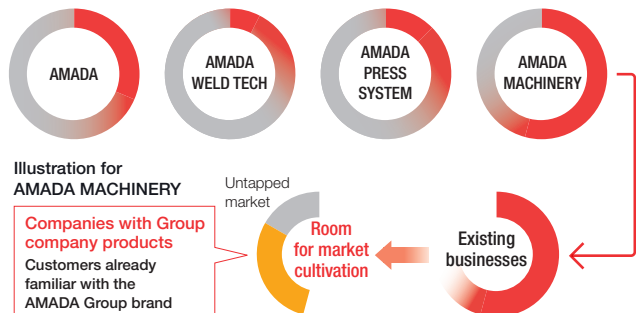
We have launched the Group Seamless Committee as a project to further strengthen our Groupwide, organized approach to the wide range of customers with whom we have grown together.

We will harness the collective strength of the AMADA Group to resolve customer issues, with the aim of raising awareness of the Group as a whole, sharing information obtained in the course of daily activities in a timely manner, and ultimately expanding the range of sales proposals to our customers Groupwide.

AMADA Group Customers in Japan

Metalworking manufacturers
Approx.
80,000 companies

Illustration of companies with Group company products



Maximize Group utilization of delivered resources

Sheet Metal Division

Message from the General Manager

With our position as a leading company in the global market, contribute to the improvement of our customers' productivity and the realization of a sustainable environment and society

Masahiko Tadokoro

Director, Senior Executive Officer
AMADA CO., LTD.



Business Overview and Competitive Advantages

The Sheet Metal Division handles a core business that accounts for approximately 70% of consolidated revenue, an area where we hold top-class market share on a global level. For some time, AMADA has been providing one-stop solutions to a range of industrial fields on the strength of its integrated direct sales and service system, helping customers to improve their productivity and reduce the environmental impact of their production processes. These solutions include, for example, the fiber laser machines we developed based on outstanding laser control technology. These machines have many advantages over conventional CO₂ lasers, including lower running costs, high-speed processing, and high productivity, and they have a strong presence as a core product in our lineup. AMADA is also focusing on DX initiatives. The V-factory service, centered on our AMADA IoT Support Center, provides DX operation assurance for 6,000 connected machines across 2,200 companies in Japan and overseas to keep our customers' processes running.

Business Results in Fiscal 2022

The business environment in fiscal 2022 was characterized by a mix of high and low notes. While demand for fiber laser machines and automation products followed an upward trend on the back of the manufacturing industry's strong appetite for capital investment, global delays in material procurement constrained our production activities,

resulting in longer delivery times and a backlog of orders.

By region, revenue in Japan increased by 13.9% year on year, supported by government subsidies in addition to growing demand for products that contribute to labor savings. Revenue in North America increased significantly amid rising demand for capital investment in the United States and neighboring countries, while revenue in Europe, Asia, and other regions also rose year on year due to the continued favorable business environment. Overall revenue for the Sheet Metal Division in fiscal 2022 increased 17.8% year on year to ¥270,461 million.

Basic Policy and Specific Measures for Fiscal 2023

In the Sheet Metal Division, from the end of fiscal 2022 into fiscal 2023, AMADA has been launching a number of groundbreaking products and systems that will transform corporate production activities and further solidify our business growth trajectory. These include machines equipped with the AMNC 4ie NC unit, which addresses our customers' environmental challenges, and the LIVLOTS manufacturing DX solution, which enables optimized and efficient production activities. We will work toward global development of our seamless Group integration strategy, strengthening our welding business, expanding business into new fields and new domains such as e-Mobility and medical, and thereby maximizing the economic and social value created by the Sheet Metal Division.

Opportunities

- Growing need for digital management of manufacturing sites due to labor shortages and rising labor costs
- Increase in demand for energy-saving products (especially fiber lasers) from transition to a decarbonized society
- Shift in needs to energy-saving and high-productivity products in conjunction with soaring energy prices

Strengths

- Top domestic market share and top level of overseas market share
- Product lineup that covers all sheet metal fabrication processes
- Proposals with solutions that leverage the extensive processing expertise as a leading company in the sheet metal industry
- Contribution to the realization of a decarbonized society through expansion of sales of eco products, which produce fewer CO₂ emissions than conventional products
- Strong relationships of trust with customers, and product development based on real, unfiltered customer feedback
- Customer base that does not rely on specific industries

Threats (Risks)

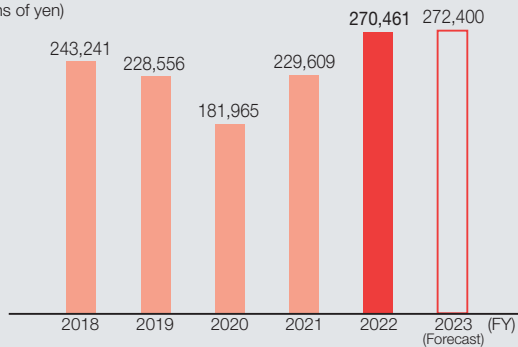
- Adapting to reduced steel production associated with the transition to a decarbonized society
- Adapting to shifts from steel to diverse materials for making products
- Change in construction methods (switch to 3D printers instead of machining, etc.)
- Adapting to competition as a result of enhanced technological strength of low-cost manufacturers and their expansion into the high-end market
- Global economic slowdown due to growing global inflation
- Increased geopolitical risk and development of trade blocs
- Expansion of financial instability

Weaknesses (Issues)

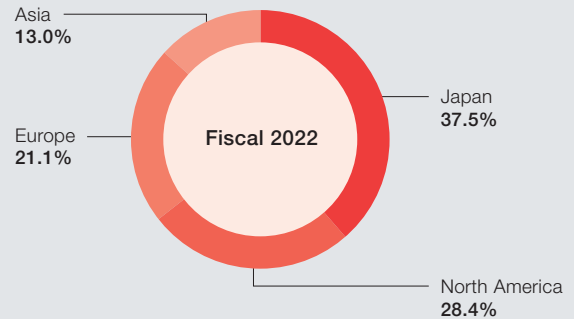
- Proactive promotion of product development deeply rooted in global regional needs (Asia and Europe)
- Proposal of the next mainstay products incorporating new technologies
- Transformation into a company not susceptible to macroeconomic changes

Revenue Trends

(Millions of yen)



Percentage of Revenue by Geographical Segment



Initiatives in Medium-term Business Plan 2025

Within our Sheet Metal Division, we are pursuing four strategies in accordance with the basic policies of Medium-term Business Plan 2025: (1) A seamless Group integration strategy; (2) an event strategy founded on AGIC activities, (3) accelerating and maximizing growth of after-sales business, and (4) strengthening and expanding our business in the ASEAN region.

With regard to our seamless Group integration strategy, we will provide new solutions in growth areas such as e-Mobility by combining the technologies and expertise of each Group company, including with regard to laser technology. When utilizing the AMADA GLOBAL INNOVATION CENTER (AGIC), we will take on the challenge of pitching new products

and creating new value by taking advantage of both the LABO and SITE facilities of this center. In AMADA's after-sales business, we will further enhance our integrated system, an area of strength, including DX-driven after-sales service and production technology support. This will further expand our service business, which currently accounts for approximately 30% of division sales. With respect to strengthening our business in the ASEAN region, we intend to further strengthen our global business through a variety of initiatives, including the establishment of an even more stable supply system, the achievement of a global standard quality, and proactive action for automation.

Growth Strategies to Achieve Medium-term Business Plan Goals

	Initiatives	Fiscal 2023 Targets	Desired State in Fiscal 2025
Priority Sales Measures	<ul style="list-style-type: none"> Seamless Group integration strategy Event strategy founded on AGIC activities Accelerating and maximizing growth of after-sales business Strengthening and expanding our business in the ASEAN region 	<ul style="list-style-type: none"> Global rollout of seamless Group integration strategy Maximize AGIC utilization and generate LABO success cases DX-driven restructuring of the direct service system and global rollout of the operation assurance strategy 	<ul style="list-style-type: none"> Acquisition of new customers and creation of new markets After-sales sales strategy that does not depend on customers with existing AMADA products (Achievement of sheet metal factory automation) Strengthening and expanding our business in the ASEAN region
Entering New Domains	<ul style="list-style-type: none"> Advancing environmental business Cultivating new markets and expanding sales 	<ul style="list-style-type: none"> Launch of SBT certification support services to encourage customers' decarbonization management Strengthening and expansion of fiber laser (cutting and welding) businesses 	<ul style="list-style-type: none"> Supporting environmental management by helping customers to create decarbonized factories Creation of an IoT platform for after-sales service using DX, improving environments and supporting production technology Cultivating new markets and expanding sales (e-Mobility, medical, etc.) centered on fiber laser (cutting and welding) businesses

TOPICS

Supporting Customers' Decarbonization Management

Global warming has led to a worldwide effort to bring about a decarbonized society. In recent years, the manufacturing industry, and especially its major players, has been rapidly moving toward decarbonizing not only manufacturers' own operations but also across the entire supply chain. AMADA has already contributed to decarbonization at its customers by providing energy-saving machines with a focus on fiber lasers. Furthermore, we have launched an environmental business for SMEs. As the first step we have developed an SBT certification support service for SMEs, the first of its kind in the machine tool industry, to support the decarbonization management of SMEs that are our suppliers.



Cutting Division and Grinding Division

Message from the General Manager

Targeting a stronger business base by leveraging our world-leading market share to develop and expand sales of automation systems and environmentally friendly equipment

Yasuhiro Kawashita

Representative Director and President
AMADA MACHINERY CO., LTD.



Business Overview and Competitive Advantages

AMADA MACHINERY drives the advancement of the AMADA Group by providing high-quality products and services in a range of industrial fields, including construction and machinery, through its dual focus of the cutting and grinding business.

Cutting is the founding business of the AMADA Group, which started with one lathe, fire-charred from the bombings of World War II. In the nearly 80 years since then, this business has maintained steady growth, as we developed the mainstay products of machines for cutting and processing steel materials for construction and civil engineering and machinery, and blades (band saw blades) for cutting steel materials. We are the only comprehensive manufacturer in the world of both machines and blades. Our global production and supply system and total solutions, which encompass everything from development to after-sales service, have earned us an outstanding reputation and trust from our customers.

A grinder is a machine tool that uses a rotating grinding stone to process metal or ceramic materials. While there are many different types of grinders in existence, AMADA MACHINERY's business focuses on profile grinders and surface grinders. Of these, AMADA MACHINERY maintains a leading position competing for the top share of global profile grinders.

Business Results in Fiscal 2022

In Japan, sales of products for semiconductors and electronic components increased in the Grinding Division thanks to the successful

launch of new products. However, overall sales decreased slightly in Japan due to longer delivery times for parts in the Cutting Division. Outside Japan, sales of cutting machines were particularly strong in North America, resulting in a significant year-on-year increase of more than 20%. This resulted in overall revenue for the Cutting Division and Grinding Division in fiscal 2022 rising 10.2% year on year to ¥43,552 million. Note that AMADA's core product and representative product of the Cutting Division and Grinding Division, the cutting band saw machine, once again maintained the largest global market share in fiscal 2022.

Basic Policy and Specific Measures for Fiscal 2023

We expect the business environment in fiscal 2023 to remain challenging for the Cutting Division and Grinding Division due to limitations from disruptions in the supply chain, the weakening of the yen, inflation, and suppressed capital investment in the manufacturing sector. In this environment, AMADA MACHINERY will focus on implementing effective sales and product strategies, and will also work to create Group synergies by utilizing the management assets of AMADA Group companies, such as the Sheet Metal Division's fiber laser technology. We also intend to accelerate the development of new products and services that immediately address the diverse needs of industry, seeking to provide solutions to improve environments and achieve automation at customers' factories.

Opportunities

- Increase in need for automation and operational improvement due to changes in the manufacturing industry environment
- Increase in demand for machines used for mold & die and tools for grinding due to the developing shift to e-Mobility and 5G
- Increase in demand for products that have high environmental performance, high productivity, laborsaving ability, and automation due to an increase in the Company's awareness of the SDGs
- Expanding range of applications for our manufacturing machines due to legal reform and the tightening of laws and regulations
- Increase in demand for rebuilds and upgrades due to aging urban infrastructure

Strengths

- Top global market share of cutting band saw machines
- Top market share of profile grinders
- The only company in the world offering integrated development, manufacturing, sales, and service of band saw machines and blades
- Value sharing and product development that meets customers' needs
- Cultivating a new base by introducing products that combine fiber laser technologies with the steel frame and steel materials market

Threats (Risks)

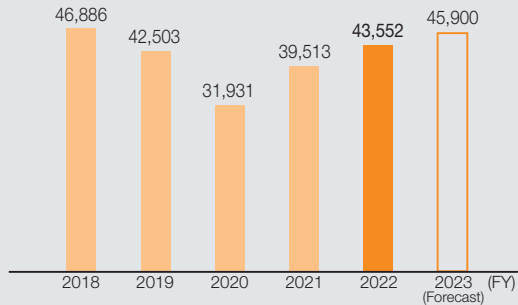
- Long-term changes in the steel industry toward carbon neutrality
- Adverse effects of geopolitical factors on the economy or on specific industries
- Economic recession and reduced capital investment due to depreciation of the yen and acceleration of inflation

Weaknesses (Issues)

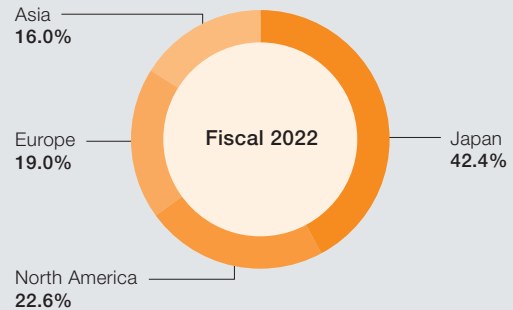
- Strengthening of domestic and overseas production and supply systems
- Enhancement of next-generation nurturing

Revenue Trends

(Millions of yen)



Percentage of Revenue by Geographical Segment



Initiatives in Medium-term Business Plan 2025

The Cutting Division and Grinding Division's business environment is in a period of great change, with growing needs for automation in the manufacturing industry, expanding demand for mold, die, and tool grinding machines in line with the development of e-Mobility and 5G, and demands for high environmental friendliness and high productivity as companies accelerate their response to the SDGs. In these circumstances, AMADA MACHINERY is engaged in a range of initiatives to further strengthen its business foundation in the interest of achieving goals defined by Medium-term Business Plan 2025. As part of our sales growth strategy, we will focus on encouraging the replacement of existing AMADA machines in Japan and cross-selling between machines and blades, while actively

proposing solutions and improving sales efficiency by making full use of DX. In terms of product strategy, we will strive to develop new products centered on automation systems and bring them to market as soon as possible. Meanwhile, we will expand our lineup of environmentally friendly machines that contribute to reducing the environmental impact of and saving energy in our customers' production activities. Furthermore, we will expand our business by allocating management resources to a wide range of measures, such as promoting product value by utilizing the AMADA GLOBAL INNOVATION CENTER (AGIC), building a system for close collaboration with customers, and expanding sales of blades in overseas markets.

Growth Strategies to Achieve Medium-term Business Plan Goals

	Initiatives	Fiscal 2023 Targets	Desired State in Fiscal 2025
Priority Sales Measures	<ul style="list-style-type: none"> Strengthening overseas business Developing and launching new products 	<ul style="list-style-type: none"> Maintain appropriate prices in response to rising material prices Roll out automation solutions Expand blade sales in global markets 	<ul style="list-style-type: none"> Encouraging the replacement of existing AMADA machines in Japan and thoroughly cross-selling between machines and blades Strengthening proposal sales, utilizing DX to streamline sales Expanding overseas sales of automation systems
Entering New Domains	<ul style="list-style-type: none"> Developing new products, establishing product series, achieving rapid market launch 	<ul style="list-style-type: none"> Accelerate new product development Expand the product lineup 	<ul style="list-style-type: none"> Market development of products with low environmental impact

TOPICS

The LC-VALSTER-AJ Series of Fiber Laser Machines for Processing Steel Frames and Materials

The LC-VALSTER-6225AJ + AS6225 fiber laser machine for the steel frames and materials market was awarded the Machine Design Award at the 53rd Innovative & Inventive Design Excellence Awards (IDEA) for 2023. This is the second consecutive year that AMADA has been recognized at IDEA following the recognition of the DPG-150 digital profile grinder in 2022. This year's winning machine utilizes fiber laser technology from the Sheet Metal Division to provide an automated solution to steel frame and steel material processing. It has contributed significantly to improved factory environments by controlling dust and noise during processing, saving energy through fiber laser processing, and reducing workloads through automated material loading.



Micro Welding Division

Message from the General Manager

Pursuing new possibilities for micro welding by using enhanced quality control to cultivate growth markets

Toshiyasu Tsujioka

President and CEO
AMADA WELD TECH CO., LTD.



Business Overview and Competitive Advantages

The Micro Welding Division, part of AMADA WELD TECH, manufactures and sells equipment for welding, surface modification, micro cutting, trimming, and marking of metals and resins using lasers, as well as equipment for precision welding of metals using electrical resistance. This equipment represents the agglomeration of our accumulated technologies and expertise, and has supported the world in the transition from cell phones to smartphones, the spread of next-generation high-speed communications, and the advance of automation and electrification in the automotive industry, contributing to the evolution of industry and society. AMADA WELD TECH's strengths are its advanced technological development capabilities that open up new welding possibilities, as well as its unrivaled and unique welding expertise. Its efforts to provide optimal solutions to customers' production challenges have won high regard both inside and outside the industry, and have resulted in a strong market share in micro welding and processing.

Business Results in Fiscal 2022

AMADA WELD TECH's micro welding equipment is widely used in the manufacture of precision components incorporated into cutting-edge high-tech equipment, such as e-Mobility devices, smartphones, semiconductors, and medical devices. In fiscal 2022, revenue increased in North America, Europe, Asia, and other regions outside Japan as a result of greater demand from the automotive industry for batteries installed in cars, storage batteries for home and industrial use, lithium-ion batteries for

tools, and EV-related components. Meanwhile, revenue decreased slightly in Japan due to a tight supply chain situation. Particularly in North America, revenue grew significantly, up 55.4% year on year, reflecting growth in the medical device market, government incentives for EVs, higher infrastructure investment, and several other factors. Overall revenue for the Micro Welding Division in fiscal 2022 increased 17.6% year on year to ¥30,910 million.

Basic Policy and Specific Measures for Fiscal 2023

In our business plan for fiscal 2023, we set a quantitative target of ¥34.4 billion in revenue, a year-on-year increase of 11.3%. Although the first half of the year was somewhat sluggish due to stagnation in the Chinese market amid prolonged COVID-19 concerns, we expect to achieve our initial target for the full year of fiscal 2023, as demand is expected to recover in the second half of the year. We will continue to accelerate our efforts to enhance quality control and meet the diverse needs of our customers by leveraging our outstanding application technology, an area of particular strength for AMADA. At the same time, we will focus on developing and proposing equipment and devices that will drive automation and labor saving in the welding process, given shrinking workforces and difficulty in securing human resources. Furthermore, to enhance human capital, which is the source of our growth potential, we intend to develop highly skilled and knowledgeable professionals while utilizing the AMADA SCHOOL.

Opportunities

- Expansion of the welding and micro welding and micro processing market in areas such as secondary batteries and motors due to the accelerating shift to the e-Mobility growth market
- Expansion of the micro welding and micro processing market with changes including the reinforcement of networks, the miniaturization of parts, and an increase in functionality of devices due to the arrival of the next-generation high-speed communication era
- Expansion of the micro welding and micro processing market due to the increase in demand for products with high energy-saving performance, with the move toward a decarbonized society
- Shift from single product business to the factory automation system and solution businesses due to increasing customer needs for automation

Strengths

- Top global share of precision resistance welding market
- A global sales and after-sales service network
- Value provision and product development that meets customer needs
- Industry-leading welding technology expertise and solution proposal capabilities

Threats (Risks)

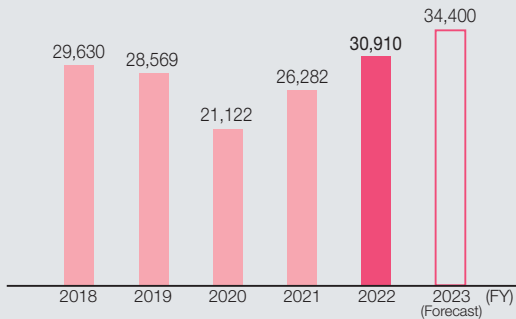
- Adapting to the shrinking micro welding and micro processing markets due to changes in the manufacturing process (manufacturing where welding is not necessary)
- Intensification of competition as a result of enhanced technological strength and entry into the high-end market by low-cost manufacturers

Weaknesses (Issues)

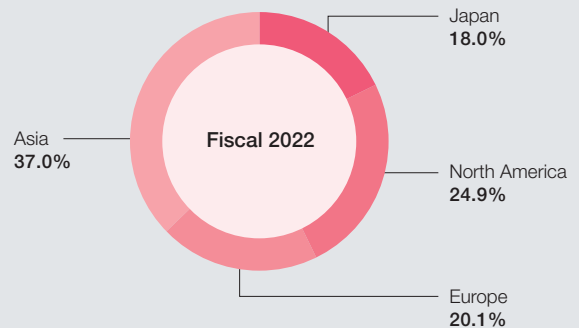
- Proactively promoting the development of products with high energy-saving performance in the move toward a decarbonized society
- Insufficient product development resources

Revenue Trends

(Millions of yen)



Percentage of Revenue by Geographical Segment



Initiatives in Medium-term Business Plan 2025

To achieve the goals of its medium-term business plan, AMADA WELD TECH is focusing particularly on the enhancement of quality control and the strengthening of its automation promotion business.

For quality control, one of our priority sales measures, we will help to improve the quality of our customers' welding processes by, for example, launching a laser monitor that can accurately determine the quality of laser welding. We will also accelerate the supply of system products to markets where future growth is expected, such as the EV core components of e-Axles, batteries, and power semiconductors. On the other hand, to cultivate new domains, we will promote cooperation within the Group and develop energy-saving equipment that can reduce power consumption, in consideration of today's demands for SDGs compliance in our customers'

business activities. As a result, we will help our customers to reduce the environmental burden in their production processes and to utilize resources effectively.

We will also use the AMADA Global Innovation Center (AGIC) as a base to firmly promote the AMADA Group's collective strength to provide total solutions from sheet metal to micro welding, cutting, and grinding. Our plans also include setting ourselves apart from competitors by developing welding equipment not as a single offering but as part of high-value-added systems integrated through the use of AI. As for regional prioritization, we will expand our business in automotive batteries and other products, mainly targeting Europe, where the EV market continues to grow steadily.

Growth Strategies to Achieve Medium-term Business Plan Goals

	Initiatives	Fiscal 2023 Targets	Desired State in Fiscal 2025
Priority Sales Measures	<ul style="list-style-type: none"> Pursuit of quality control (launch of the new MM-L400A laser weld monitor) Focusing sales on growth markets (e-Axles, batteries, power semiconductors, medical) Strengthening automation promotion business 	<ul style="list-style-type: none"> Creating a global sales system framework for the new MM-L400A laser weld monitor Strengthening sales promotion network with overseas Group companies in the Micro Welding Division and other AMADA Group companies Developing specialized equipment system for wire compacting and tab welding for batteries 	<ul style="list-style-type: none"> A leading company in proposing laser solutions through improvement of laser monitoring technology Doubled revenue in growth markets compared to fiscal 2022 Expanded lineup of dedicated automation systems, penetration of dedicated automation systems into growth markets
Entering New Domains	<ul style="list-style-type: none"> Developing products supporting SDGs action Technological partnerships with other AMADA Group divisions 	<ul style="list-style-type: none"> Developing elemental technologies for the development of next-generation resistance welding power sources supply Joint research with other AMADA Group divisions 	<ul style="list-style-type: none"> Spread of next-generation resistance welding power sources supply Release of new products developed in cooperation with other AMADA Group divisions

TOPICS

The MM-L400A Laser Weld Monitor: Technology Designing the Next Generation of Manufacturing

This in-process weld monitor features comparative judgment capabilities. The MM-L400A has a range of applications as a quality control device in laser welding. It expands the scope of measurements beyond those of conventional models to ensure that no welding abnormalities go undetected. MS-Viewer, its dedicated software tool, is intuitive and easy to use, allowing users to find their own solutions to problems, helping them to achieve preventative maintenance. Incorporation of this machine into automated devices enables labor saving and therefore resolves labor shortages. It also leads to high productivity and reliable quality control.



Press Automation Solution Division

Message from the General Manager

Providing one-stop solutions from product development to after-sales service on the strength of our outstanding technological capabilities and stable supply system

Kimio Horie

President, Representative Director
AMADA PRESS SYSTEM CO., LTD.



Business Overview and Competitive Advantages

In addition to its mainstay small and medium-sized press machines, AMADA PRESS SYSTEM handles high-quality products such as press peripheral equipment and spring forming machines. It is responsible for the development, manufacture, sales, and service of machines and equipment that produce metal parts for products indispensable to our daily lives. These products include automobiles, home appliances, electrical components, semiconductors, precision equipment, and medical equipment and instruments.

While its mainstay stamping press machines support energy conservation, process integration, and high-value-added production, its peripheral equipment also supports automation utilizing AMADA's extensive expertise and product lineup. Manufacturers with this degree of one-stop products and solutions are rare, and as part of our efforts to provide system proposals that leverage these strengths, we are rolling out new products that combine stamping press machines and peripheral equipment into a single system.

In addition, we are using our press systems and spring forming machines to actively take on the challenge of developing new products for processing EV components. Here, we offer optimized total solutions on the global stage to meet diversifying customer needs. We will continue to contribute to society as we aim to become an indispensable presence from a management perspective and not simply an equipment manufacturer.

Business Results in Fiscal 2022

In fiscal 2022, the Press Automation Solution Division with AMADA PRESS SYSTEM as its core business, achieved record-high sales, buoyed by a favorable external environment. In Japan, sales of automation products that combine press machines and peripheral equipment to meet the production efficiency needs of client companies remained strong. Overseas, we succeeded in capturing robust capital investment demand in the United States and neighboring countries, and achieved sales growth of more than 30% over the previous fiscal year. Overall sales of the press business increased 21.7% from the previous fiscal year to ¥19,476 million, a year that will provide a significant impetus for further growth in the future.

Basic Policy and Specific Measures for Fiscal 2023

Under our Groupwide policy of aiming to be a company that can provide optimal press systems on a global basis, in fiscal 2023 we aim to achieve a 6% year-on-year increase in revenue through a variety of initiatives, such as growing sales of automation products, cultivating the market for EV component processing, and expanding our presence in the global market. Particularly in overseas businesses, we plan to further develop our service network in North America and strengthen our business foundation in China and the ASEAN region, where future growth is expected.

AMADA PRESS SYSTEM's Press Automation Solution Division will

Opportunities

- Increase in demand for safety, robots, automation, and laborsaving equipment at production sites
- Potential to capture new demand, develop new markets, and expand existing markets through the shift toward decarbonization
- Increase in demand for machines with high energy-saving performance through decarbonization
- Expectation of proposals of optimal processing solutions for changes in customer needs and processing/materials

Strengths

- Differentiation through product development that meets customer needs and high level of service
- Top share of peripheral equipment for stamping press in Japanese market
- Entering medical and semiconductor markets using precision spring forming machines that feature industry-leading technology
- One-step proposals and development of automation systems for stamping press machines and peripheral equipment
- Reduced setup times, labor saving, and enhanced productivity made possible by highly flexible automated systems
- Expansion of processing applications through to the development of new processes using stamping press automation systems and spring forming machines

Threats (Risks)

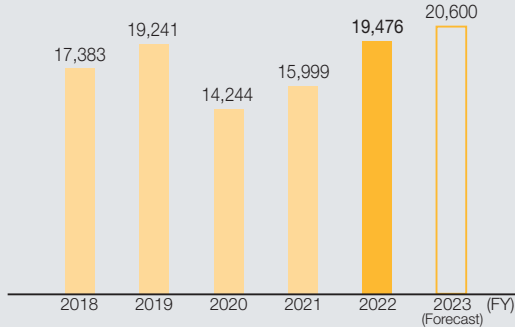
- Decrease in products made from existing stamping press processing and changing production methods
- Increasing costs of manufacturing our own machines
- Expanding the processing range to diversifying product materials
- Global expansion in existing markets

Weaknesses (Issues)

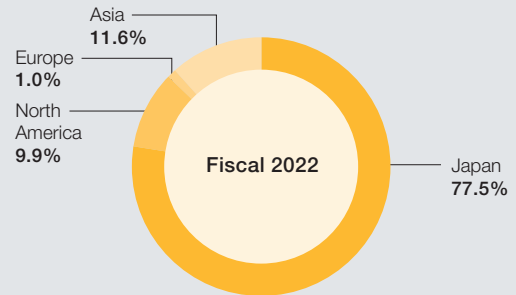
- Proposal of stamping press processing to industries other than the automotive industry
- Further promotion of overseas businesses

Revenue Trends

(Millions of yen)



Percentage of Revenue by Geographical Segment



continue to focus on the development of new technologies and products that will revolutionize its customers' production activities, while contributing to industrial development in Japan and overseas by proposing and providing one-stop solutions that encompass all processes, from product development to after-sales service.

Initiatives in Medium-term Business Plan 2025

In the interest of achieving the goals of the medium-term business plan, we are focusing on expanding sales of synergistic products for presses and peripheral equipment that can immediately address the automation needs of the industrial world. In addition, we are concentrating our management resources on carrying out strategies and measures for business expansion, such as deepening our efforts in the North American

market, where demand is expected to grow, and aggressively expanding into the EV market, where growth is continuing. At the same time, we will utilize the AMADA GLOBAL INNOVATION CENTER (AGIC), which opened in February 2023, as a platform for widely communicating the advantages and potential of AMADA's Press Automation Solution Division to society. Furthermore, in close collaboration with our customers, we will use AGIC to co-create new technologies and systems that will open up the future of the press and spring forming industry.

AMADA PRESS SYSTEM will pursue sustainable growth for its business through effective future investment, as well as by solidifying its supply system through global manufacturing reforms, such as improving production efficiency through DX and increasing production capacity from a medium- to long-term perspective.

Growth Strategies to Achieve Medium-term Business Plan Goals

	Initiatives	Fiscal 2023 Targets	Desired State in Fiscal 2025
Priority Sales Measures	<ul style="list-style-type: none"> Strengthening sales of synergistic system products for presses and peripheral equipment Developing the North American market Expanding into the EV market Utilizing AGIC to expand sales 	<ul style="list-style-type: none"> Utilizing AGIC to expand sales of ALFAS/ARPAS Enhancing of the service structure in North America (enhancing the organizational structure, developing agencies) Cultivating the market for processing EV components across the entire division 	<ul style="list-style-type: none"> Product development of ALFAS/ARPAS and for supporting SDGs action Expansion of sales in the North American market Expansion of sales into the EV component processing market
Entering New Domains	<ul style="list-style-type: none"> Addressing needs for processing EV components 	<ul style="list-style-type: none"> Developing high-precision, high-rigidity press/specialized feeder bottom dead center correction function Addressing battery casing processing needs Developing machines for processing segment conductor coils 	<ul style="list-style-type: none"> Support for flat copper wire coil processing for EVs through AMADA Group collaboration Split motor core stator processing and laser welding support through AMADA Group collaboration

TOPICS

The ES-1A 48-Axis CNC Segment Conductor Coil Processing Machine

The ES-1A is a dedicated processing machine for processing segment conductor coils for xEV motors, capable of processing up to 20 types of shapes without setup changes.

The workpiece is moved through each process (feeding, straightening, trimming, bending, pressing), which the machine handles separately. This newly developed flat copper wire bending system and transfer system enables overlapping multiple processes, resulting in high-speed, high-precision production.



Basic Policy on Sustainability

Based on its Management Philosophy, Environmental Principles and Policy, and the AMADA Group Corporate Code of Conduct, AMADA Group respects dialogue with all stakeholders including customers, business partners, shareholders and investors, employees, and local communities, and strives to play an active role in building a sustainable society while enhancing corporate value.

1

Address environmental issues through business activities

We will treat people and the global environment with respect by reducing CO₂ emissions, promoting reduction and reuse of waste, and protecting the global environment including biodiversity in all processes. We will also provide environmentally friendly products and services through our business activities.

2

Respect human rights

We will respect the human rights of all stakeholders, including the socially vulnerable, regardless of individual attributes such as gender or nationality. We will also promote workplaces where diverse employees can work with enthusiasm and create an environment where they can work safely and in good health, both physically and mentally.

3

Develop human resources

As a source of innovation, employees are important management resources. We will develop human resources who pursue creative and challenging activities by developing a personnel system and an education and training system. These systems will enable employees to reach their full potential.

4

Participate in and contribute to local communities

We will play an active role in revitalizing local communities and creating an enriched living environment through our business activities and social contribution activities. This includes cultural activities in the communities where we operate.

5

Establish trust of society

We will ensure strict compliance with all laws and regulations and engage in honest and fair corporate activities, including fair competition, supply of high-quality products, and appropriate disclosure of product and corporate information, while strengthening our management base so management earns a high-level of trust from society.

AMADA Group and the SDGs



SDGs, agreed upon at the United Nations (UN) Summit, contain 17 goals to change the world into a better place by 2030.

The corporate philosophy of the AMADA Group is to grow together with its customers and employees and contribute to the international community by conducting sound corporate activities. By treating all the people involved in our business and the global environment with respect, we believe that our goals are the same as those set out in the SDGs.

The AMADA Group has established the Basic Policy on Sustainability. Based on this, we have clarified key issues that the AMADA Group should address and initiatives to resolve them. Additionally, the Group also decided on eight SDGs to focus on and contribute to through these activities.

Through these activities, the AMADA Group will play an active role in building a sustainable society, working to achieve the SDGs and increase corporate value.

	AMADA Group's Key Issues	AMADA Group's Initiatives	SDG Target Contributions
E nvironment	Reducing CO₂ emissions <ul style="list-style-type: none"> • Products sold • Internal business sites and plants 	<ul style="list-style-type: none"> • Installation of solar power generation facilities, switching to LED lighting at business sites • Nov. 2022: Acquired SBT certification (Scope 1, 2, and 3) • Improved oscillation efficiency of fiber lasers • Reduced setup times and improved productivity with new AI-powered NC units 	
S ociety	<ul style="list-style-type: none"> • Developing human resource capability • Promoting diversity • Creating a rewarding workplace 	<ul style="list-style-type: none"> • Strengthening education of expert human resources in line with growth strategies (advanced technology, DX, global, etc.) • Creating an environment where women can demonstrate their abilities and strengthening leader development • Flexible work arrangements and appropriate evaluation and salary systems 	
G overnance	<ul style="list-style-type: none"> • Creating diversity on the Board of Directors • Strengthening the Board of Directors' functions • Revising the officer remuneration system • Ensuring thorough compliance • Strengthening risk management 	<ul style="list-style-type: none"> • Ensuring sustainable growth through diverse perspectives and values • Improving effectiveness through discussion and monitoring of medium- and long-term issues • Compensation system that contributes to achieving medium- and long-term goals and increasing corporate value • Fostering compliance awareness by revising and disseminating our Corporate Code of Conduct • Reinforcing information security risk mitigation according to the progress of growth strategies 	

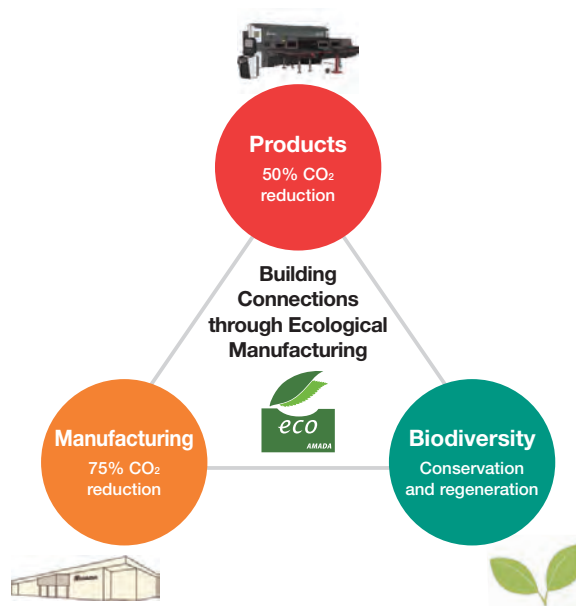
	Indicator	Fiscal 2022	Fiscal 2025	Fiscal 2030
Environment	Reduction of product CO ₂ emissions	811,635 t-CO ₂ (vs. fiscal 2013)	50% reduction	50% reduction (vs. fiscal 2013)
	Reduction of business site CO ₂ emissions	59,185 t-CO ₂ (vs. fiscal 2013)	70% reduction	75% reduction (vs. fiscal 2013)
Society	Education and training hours per employee	33.4 hours (AMADA)	40 hours (Group companies in Japan*)	45 hours (Group companies in Japan)
	Number of female managers	15 (Group companies in Japan)	24 (Group companies in Japan)	40 (Group companies in Japan)
	Rate of female new graduates hired	20.4% (Group companies in Japan)	25% (Group companies in Japan)	25% (Group companies in Japan)
	Paid leave acquisition rate	68.4% (AMADA)	80% (Group companies in Japan)	100% (Group companies in Japan)
	Childcare leave acquisition rate (Men/Women)	60.9%/100% (Group companies in Japan)	70%/100% (Group companies in Japan)	100%/100% (Group companies in Japan)
Governance	Ensuring diversity on the Board of Directors	Independent external directors: 4 of 9 Female directors: 1	Improved diversity	Maintained or improved
	Review of the officer remuneration system	—	Introduced medium- to long-term incentive plan	Stronger responsible executive system

* Group companies in Japan: AMADA, AMADA MACHINERY, AMADA WELD TECH, AMADA PRESS SYSTEM, and AMADA TOOL

Building Connections through Ecological Manufacturing

Our Stance toward Environmental Initiatives

The AMADA Group's environmental initiatives focus on our aim to become an enterprise that uses ecological manufacturing to connect with its customers, society, and the world. Following the Environmental Declaration, set in fiscal 2010 and stating our medium-term targets for fiscal 2020, we have now established AMADA Group 2030 Medium-term Environmental Plan (AMADA GREEN ACTION PLAN 2030), stating our medium-term targets through fiscal 2030. Here, we have made a commitment to action on three important issues: the realization of a decarbonized society, the realization of a recycling-oriented society, and the conservation and regeneration of biodiversity.



1. CO₂ Emission Reduction in Products (at Customers' Factories): 50% Reduction by Fiscal 2030 (vs. Fiscal 2013, Scope 3 Category 11)

Scope 3 emissions (indirect greenhouse gas emissions from activities in the supply chain) account for more than 90% of the AMADA Group's total CO₂ emissions from its business activities, and we consider the reduction of CO₂ emissions during customer use of AMADA-sold products to be particularly important. Therefore, we are promoting the replacement of conventional CO₂ laser machines with fiber laser machines, which reduce energy consumption to roughly one-third of the conventional models. Furthermore, we will develop a number of other AMADA Eco-Products, which realize a higher level of productivity through lower energy consumption and integrated production processes, as we completely renew our product lineup for decarbonization and make strides to reduce the amount of CO₂ our products emit (at customers' factories) by 50% by fiscal 2030 versus fiscal 2013 levels.

In addition, the AMADA GLOBAL INNOVATION CENTER (AGIC), newly opened in February 2023 and entirely revamping our approach to exhibition spaces, features a lineup of environmentally friendly products that use cutting-edge technology to address

customer issues and social challenges. Of the 90 models on display at AGIC, new products have been introduced for 85%. These include machines equipped with the new AMNC 4ie NC unit which includes a CO₂ emissions display. They also include a new fiber laser machine that reduces CO₂ emissions by 65% (versus common products in fiscal 2013), an electric servo bending machine featuring drive shafts that do not require oil, and a multi-level shelf system for lasers that enables automated processing at night. Through these efforts, we will help to bring about a decarbonized society by practicing our environmental philosophy, Building Connections through Ecological Manufacturing. This philosophy guides us to (1) producing eco-friendly machines at eco-friendly business establishments, (2) having our eco-friendly merchandise assist customers to manufacture eco-friendly products, and (3) creating eco-friendly environments at customers' plants. Currently, 37 models are certified as AMADA Eco-Products accounting for 87% of sales value and 61% of units sold, with these ratios increasing year by year. (All data is from fiscal 2022.)

Acquired SBT Certification for Action Against Climate Change

In recent years, environmental issues such as climate change have become increasingly serious around the world. Climate change is now a situation that companies cannot afford to overlook, as it has had a major impact even in Japan, including a number of large-scale natural disasters caused by abnormal weather events. In this environment, AMADA has selected addressing climate change among other environmental issues as an issue of the utmost importance, and we will continue to reform our product strategy and business model across the entire value chain with the aim of achieving carbon neutrality by 2050. Our actions to combat climate change include reducing CO₂ emissions in production processes both in Japan and abroad, introducing energy-efficient processes and equipment, encouraging the introduction of renewable energy, and reducing power consumption through the provision of products and services

using energy-saving technologies. In the future, we will continue to work with our suppliers to reduce CO₂ emissions from purchased products and services, as well as focus on climate change adaptation measures to advance our decarbonization transition strategy.

In April 2022, the AMADA Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Based on these recommendations, we disclose information based on the TCFD framework, including assessments (scenario analysis) of the impact of climate change-related risks and opportunities on our business. In November 2022, our CO₂ emission reduction targets for fiscal 2030 obtained certification from SBT, targets for CO₂ emission reductions based on the Paris Agreement, an international framework for combating global warming.

2. CO₂ Emission Reduction at Business Sites and Plants: 75% by Fiscal 2030 (vs. Fiscal 2013, Scope 1 and Scope 2)

Under the Paris Agreement, the world is accelerating toward decarbonization by 2050, with the long-term goal of limiting the global average temperature increase to 1.5°C above pre-industrial levels. The AMADA Group has set targets for environmental protection in its new medium-term environmental targets through fiscal 2030, including realizing a decarbonized society (reduction of CO₂ emissions), realizing a recycling-oriented society (reduction of landfill waste and water consumption, etc.), management of chemical substances, and conservation and regeneration of biodiversity. In fiscal 2022, we launched the AMADA Group Environmental and Ecological Promotion Committee, shifting our focus from a project-based to an action-based

approach. This committee will work to achieve our goals through management of subcommittees for products, plants, and facilities.

In terms of CO₂ emissions from business sites and plants (Scope 1 and 2), we have been reducing energy consumption through energy-saving measures such as use of power-saving lighting, upgrading to high-efficiency air conditioning equipment, and improving production efficiency in each process. With regard to renewable energy, we are moving forward with efforts to systematically introduce renewable energy and green electricity by expanding the scope of renewable energy use beyond the previous limited area in Japan and overseas.

Membership in RE100 in Support of Natural Energy

The AMADA Group has long been an early adopter of energy from natural sources. Our Solution Center in Haan, Germany, has been using geothermal heat pumps since 2009. This facility covers 80% of the energy needed for air conditioning each year through 52 ground heat exchangers installed 130 meters underground, reducing CO₂ emissions by 40%. In fiscal 2022, the exchangers produced 460 MWh, reducing 138 tons of CO₂. As of fiscal 2022, our overall rate of introducing renewable energy outside Japan is 11%, with approximately 4,200 MWh of power generation.

Solar panels have been installed in phases at five of our Move to the next line business sites and plants in Japan, as part of our efforts to introduce renewable energy. In addition, in fiscal 2022 we procured non-fossil certificates for all electricity used at our sites in Japan, which will be derived from natural renewable energy sources. In effect, this means we have used 100% renewable

energy for the fiscal year domestically.

Thanks to these efforts, the AMADA Group as a whole has achieved a renewable energy introduction rate of 68%, or approximately 71,000 MWh of electricity used from renewable energy. The Group will continue to advance higher-quality renewable energy measures in addition to tireless energy conservation.

According to the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report on climate change, the global average temperature has already increased by 1.1°C. In order to swiftly take concrete actions consistent with the 1.5°C target and realize a decarbonized society, the AMADA Group has raised its fiscal 2030 CO₂ emission reduction target from 50% (versus fiscal 2013 levels) to 75%. In addition, we have joined RE100, an international environmental initiative, with the aim of achieving 100% renewable energy use for business activity at all of our sites by fiscal 2023.



Haan Solution Center



A ground heat exchanger pipe header

3. Implementing a Range of Actions to Conserve Biodiversity

The AMADA Group has been carrying out initiatives for the conservation and regeneration of biodiversity as part of its Environmental Policy since 2010. Biodiversity conservation depends on understanding the status of ecosystems in each region. Since 2015, the AMADA Group has been surveying the biodiversity of each of its business sites in Japan employing the land use assessment tool provided by the Japan Business Initiative for Biodiversity (JBIB), and has been implementing initiatives tailored to each site.

At the Isehara Works, where our head office is located, we aim to create symbiosis with the natural environment of the nearby Tanzawa Mountains as an urban biodiversity initiative. We have confirmed that the Isehara Works is currently home to 32 species of wild birds in nine orders and 21 families. In recognition of these efforts, this location received the Japan Greenery Research and Development Center Chairman's Award in 2016 and the Director-General's Award of the Kanto Bureau of Economy, Trade and Industry for excellent plant greening in 2019.

The Fujinomiya Works, our main production base, has confirmed the existence of more than 1,000 species of plants and animals on the premises through planned maintenance in our "office in the forest" program, which covers 60% of the site. At this location, we are

working to protect rare species, especially plants. The Fujinomiya Works has received not only the Director-General's Award of the Kanto Bureau of Economy, Trade and Industry for excellent plant greening in 2021 but also the award for excellence in the disaster prevention and mitigation category at the 3rd Green Infrastructure Awards for 2022, held by the Ministry of Land, Infrastructure, Transport and Tourism. For fiscal 2023, we are in the process of submitting a forest management plan to Fujinomiya City and plan to work on improving the local forest environment.

In 2022, at the 15th Conference of the Parties (COP15) to the UN Convention on Biological Diversity, it was agreed that at least 30% each of land and sea should be designated as conservation areas worldwide. "Nature positive," which means halting the loss of and restoring natural ecosystems, has become a shared global goal in the area of biodiversity and natural capital. Looking ahead to fiscal 2030, the AMADA Group will stay mindful of nature-related risks and opportunities presented by situations such as these, striving to conserve and regenerate biodiversity by implementing its forest management plan for Fujinomiya and provide green infrastructure at each business site and plant.

Climate Change-Related Disclosure in Accordance with the TCFD Recommendations

The AMADA Group recognizes that addressing climate change is one of the most important management issues for corporate management, and in April 2022 we declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We disclose information based on the TCFD framework, including assessments (scenario analysis) of the impact of climate change-related risks and opportunities on our business.

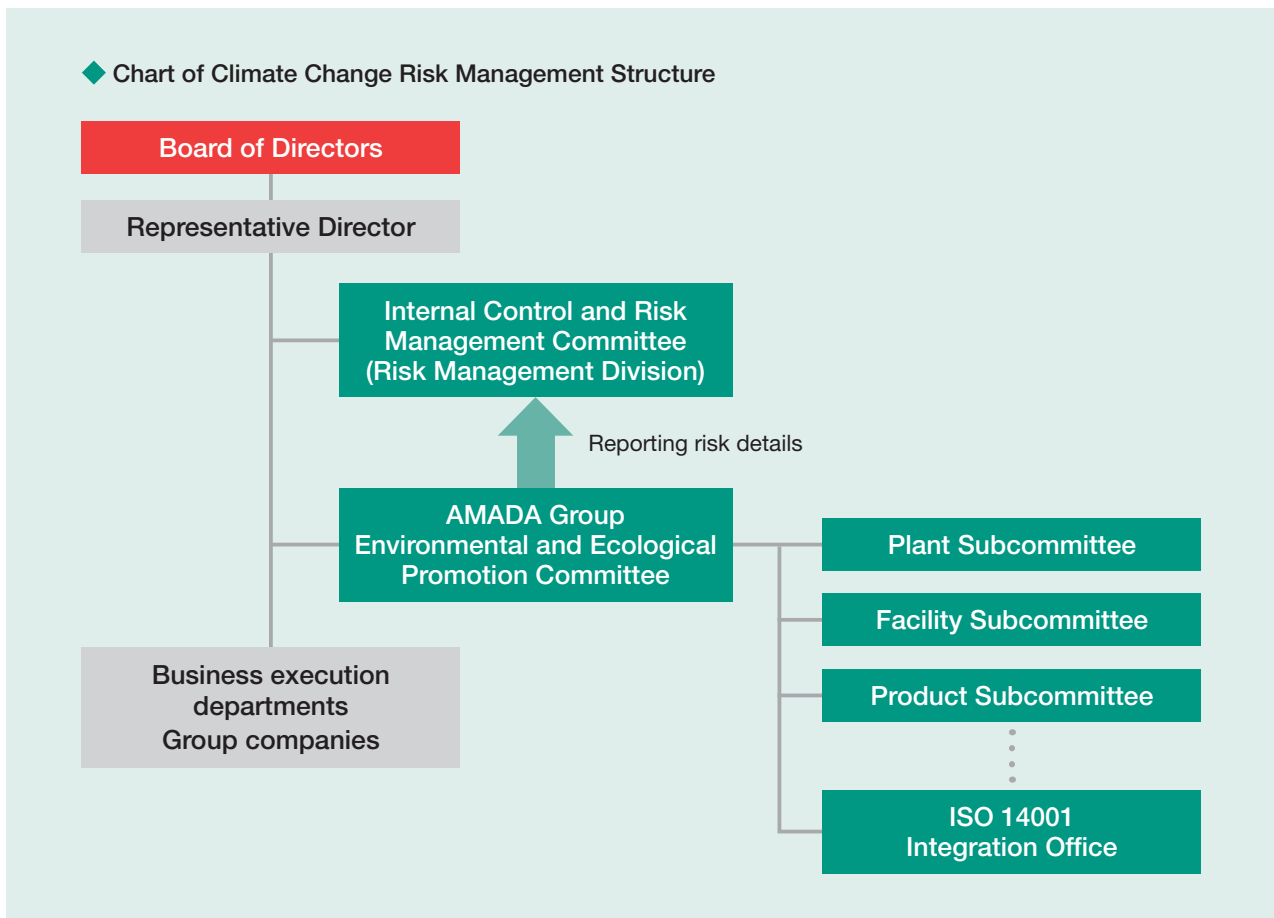
Governance

The Group's response to environmental issues, including climate change, is carried out by the AMADA Group Environmental and Ecological Promotion Committee, which is chaired by the representative director.

The committee has organizations such as the Plant Subcommittee and Facility Subcommittee, which formulate environmental measures for business sites, and the Product Subcommittee, which formulates environmental measures for products. In this way, the committee collects information related to the environment from each of our

business sites in Japan and overseas, formulating environmental measures in each domain and conducting progress management for these.

The AMADA Group Environmental and Ecological Promotion Committee determines environmental risks and opportunities, including with regard to climate change, as well as targets and plans for dealing with these. These risks, opportunities, targets, and plans, as well as the progress within these plans, are regularly reported to the Board of Directors for use in management decision-making.



Strategy

There are two main types of risks and opportunities related to climate change: Transition, such as changes in laws and regulations, technologies, and market product preferences as society moves toward carbon neutrality; and physical, such as the actual increases in average temperatures and the resulting abnormal weather and chronic weather changes. According to this framework of two kinds of risks and opportunities, the AMADA Group has conducted an assessment of the nature of each, their impact on its business activities, and the duration of impact, identifying each risk and

opportunity as listed below. The following also indicates our response and the financial impact for these risks and opportunities. In identifying risks and opportunities, we conduct a multi-scenario analysis to reflect the results.

In its main 2°C scenario, the AMADA Group considers the creation of highly efficient energy-saving AMADA Eco-Products and the product strategy to reform *monozukuri* (manufacturing), such as fiber-optic control technology and automation in the laser business, as important in that they offer opportunities to boost sales.

◆ Major Climate Change-Related Risks and Opportunities

Risks/Opportunities			Business Impact		Magnitude of Future Risk*1		Response to Risks/ Opportunities
Major Category	Sub-Major Category	Minor Category	Period*2	Observations	2°C Scenario	4°C Scenario	
Transition Risks	Policies/regulations	Carbon pricing/emissions trading	Long-term	<ul style="list-style-type: none"> Increasing production costs due to implementation of carbon pricing and emissions trading 			Working to reduce the cost of carbon pricing as a percentage of production by reducing CO ₂ emissions in accordance with the Medium-term Environmental Plan
	Market	Rising energy/raw materials costs	Medium/long-term	<ul style="list-style-type: none"> Rising crude steel prices in response to decarbonization technologies Rising electricity prices due to higher renewable energy levies 			Creating resource-saving products and increasing use of renewable energy
	Reputation	Reputational changes among investors and other stakeholders	Short/medium-term	<ul style="list-style-type: none"> Negative impact on investor reputation, incurred costs for complying with disclosure and reporting requirements in some countries, and impact on financing and recruiting due to insufficient action to address climate change Increasing compliance costs due to stricter ESG disclosure standards 			Addressing international initiatives such as acquiring SBT certification, and disclosing information sufficiently on climate change response through our website, etc.
Opportunities	Products and services	Spread of low-carbon products	Medium/long-term	<ul style="list-style-type: none"> Creation of AMADA Eco-Products (highly efficient, energy-saving products) increasing revenue by resolving <i>monozukuri</i> (manufacturing) issues through fiber-optic control technology and automation in the laser business, as well as labor savings through the IoT and stable utilization 			Creating additional AMADA Eco-Products based on the Medium-term Environmental Plan
Physical Risks	Chronic	Decreased productivity due to water stress	Long-term	<ul style="list-style-type: none"> Incidence of droughts, resulting in increasing production costs due to water restrictions and additional investment to improve systems 			Promoting reduction of water consumption in production
	Acute	Intensification of abnormal weather	Long-term	<ul style="list-style-type: none"> Damage to in-house plants caused by typhoons and other factors, resulting in suspended operations, reduced production, and additional investments to restore facilities Production stoppages/decreases due to supply chain disruptions caused by flooding, etc. 			Taking BCP measures such as installation of in-house power generation equipment and storage batteries

*1 Risks and opportunities are assessed under two scenarios: The 2°C scenario and the 4°C scenario. The 2°C scenario adopts the International Energy Agency (IEA)'s Sustainable Development Scenario (SDS) and the IPCC's Representative Concentration Pathway (RCP) 2.6 scenario as external scenarios. The 4°C scenario, on the other hand, refers to the IEA's Current Policies Scenario (CPS) and the IPCC's RCP8.5 scenario as external scenarios.

*2 Periods indicated are as follows. Short-term: 1 year, Medium-term: 1–3 years, Long-term: 3+ years.

Foundations for Value Creation: Environment

◆ Financial Impact from Climate Change-Related Risks (2°C Scenario)

Under the 2°C scenario, which is expected to have a greater impact on the AMADA Group, the financial impact of climate change-related risks is estimated as follows.

Regarding the risk that a future increase in carbon prices will lead to higher costs, we estimate the costs that would be required to be paid if the carbon price in 2030 were ¥10,000/t-CO₂, adopted based on price assumptions for developed countries in the IEA's SDS.

Indicator	Year for Assumption	Assumed Unit Price	Assumed CO ₂ Emissions*	Expenses
Carbon price	2030	¥10,000/t-CO ₂	14,796 t-CO ₂	¥148 million

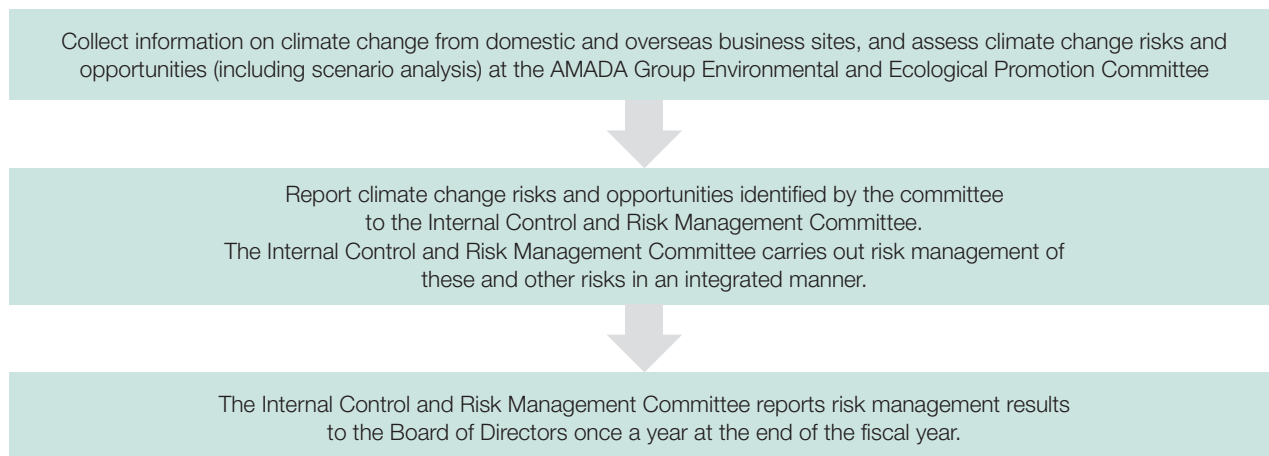
* Assumed CO₂ emissions are 75% less than fiscal 2013 Scope 1 and Scope 2 emissions for all business sites and plants, based on Group targets.

Risk Management

The AMADA Group Environmental and Ecological Promotion Committee is responsible for management and action with regard to climate change risk management. Identified risks and opportunities are reported to the risk management division set up under the Internal Control and Risk Management Committee. The Internal Control and

Risk Management Committee establishes policies on important risks at the Group level related to people, goods, money, information, etc., and manages these and other risks in an integrated manner. Results from risk management activities are reported to the Board of Directors at the end of the fiscal year for use in management decision-making.

◆ Climate Change Risk Management Flow



Indicators and Targets

The AMADA Group has set its Groupwide targets for managing risks and opportunities related to climate change as a 75% reduction of Scope 1 and Scope 2 CO₂ emissions as of 2030 compared with fiscal 2013 and a 50% reduction of Scope 3 Category 11 (Use of sold products) CO₂ emissions as of 2030 compared with fiscal 2013, and we are working to achieve these. Please refer to AMADA

GREEN ACTION PLAN 2030 on the next page for details of other environmental action plans.

For actual CO₂ emissions for Scope 1, Scope 2, and Scope 3, please refer to the AMADA Group ESG Data Book, which is released separately.

◆ AMADA Group 2030 Medium-term Environmental Plan (AMADA GREEN ACTION PLAN 2030)

Priority Issues	Fiscal 2030 Targets	Fiscal 2022 Targets	Fiscal 2022 Results
(1) Realizing a decarbonized society	<ul style="list-style-type: none"> CO₂ emissions for all products: -50% (vs. fiscal 2013)* Scope 3 Category 11 * Base value (fiscal 2013): 811,635 t-CO₂ (Domestic: 336,011 t-CO₂, overseas: 475,624 t-CO₂) 	<ul style="list-style-type: none"> Providing AMADA Eco-Products contributing to decarbonization, resulting in a -26.5% decrease (vs. fiscal 2013) 	<ul style="list-style-type: none"> -57.5% (345,141 t-CO₂) [Achieved] [Domestic] -51.8% (161,961 t-CO₂) [Overseas] -61.5% (183,180 t-CO₂)
	<ul style="list-style-type: none"> CO₂ emissions at all business sites and plants: -75% (vs. fiscal 2013)* Scope 1 and Scope 2 * Base value (fiscal 2013): 59,185 t-CO₂ (Domestic: 37,163 t-CO₂, overseas: 22,022 t-CO₂) 	<ul style="list-style-type: none"> Energy-saving measures (lighting/air conditioning upgrades, production efficiency improvements) resulting in a -52.5% decrease (vs. fiscal 2013) 	<ul style="list-style-type: none"> -71.5% (16,878 t-CO₂) [Achieved] [Domestic] -89.5% (3,892 t-CO₂) [Overseas] -41.0% (12,986 t-CO₂)
(2) Realizing a recycling-oriented society	<p>Effectively Using Resources</p> <ul style="list-style-type: none"> Total amount of all waste*¹: -10% (vs. fiscal 2019) * Base value (fiscal 2019): 6,251 t (Domestic: 3,735 t, overseas: 2,516 t) Landfill volume of all waste: -10% (vs. fiscal 2019) * Base value (fiscal 2019): 30.2 t (Japan) Zero emission rate*² of 0.73% or less (Japan) * Base value (fiscal 2019): 0.81% Total water consumption: -10% (vs. fiscal 2019) * Base value (fiscal 2019): 425.7 thousand m³ (Domestic: 265.3 thousand m³, overseas: 162.2 thousand m³) 	<ul style="list-style-type: none"> Total amount of all waste*¹: -2.7% (vs. fiscal 2019) Landfill volume of all waste: -2.7% (vs. fiscal 2019) Zero emission rate: 0.786% or less (Japan) Total water consumption: -2.7% (vs. fiscal 2019) 	<ul style="list-style-type: none"> Total amount of waste: +7.6% (6,725 t) [In progress] [Domestic] +16.1% (4,336 t) [Overseas] -5.0% (2,389 t) Landfill volume of waste [Domestic] -29.5% (21.3 t) [Achieved] Zero emission rate: 0.49% (Japan) [Achieved] Total water consumption: -23.3% (326.4 thousand m³) [Achieved] [Domestic] -27.3% (193.0 thousand m³) [Overseas] -17.8% (133.4 thousand m³)
(3) Management of chemical substances	<p>Appropriately Managing and Reducing Regulated Chemical Substances (Japan)</p> <ul style="list-style-type: none"> Hazardous chemical substances: -10% (Fujinomiya) * Base value (fiscal 2019): 36,395 kg Elimination of equipment using mercury (fluorescent lamps) 	<ul style="list-style-type: none"> Hazardous chemical substances: -2.7% (vs. fiscal 2019) (Fujinomiya) 	<ul style="list-style-type: none"> Hazardous chemical substances: -5.5% (1,988 kg) (Fujinomiya) [Achieved]
(4) Biodiversity	<p>Conserving and Regenerating Biodiversity by Capturing Nature-Related Risks and Opportunities (Japan)</p> <ul style="list-style-type: none"> Fiscal 2030: Forest plan (Fujinomiya) and green infrastructure (each business site and plant) 	<ul style="list-style-type: none"> Green infrastructure installation (Fujinomiya) 	<ul style="list-style-type: none"> Installed green infrastructure at the Fujinomiya Works (Installed rain gardens capable of collecting rainwater)

*1 Waste base value data from 2019 for some affiliates uses data from fiscal 2020, as these affiliates do not have data for 2019.

*2 Zero emission rate: Weight of landfill waste divided by weight of all discharged waste

The AMADA Group Sets Targets Based on the SBT and Has Received Certification as of November 2022.

The Group has set SBT for greenhouse gas reduction goals based on the Paris Agreement, an international framework for combating global warming. Companies are recognized by the SBT initiative if their individually set greenhouse gas emission reduction targets are deemed to contribute to the international goal of limiting the global temperature increase to less than 2°C above pre-industrial levels (Well Below 2°C) or within 1.5°C. The Group's SBT (for Scope 1 and Scope 2) meets the requirements of the scenario to keep the temperature increase below 1.5°C.

- ◆ The target for Scope 1 and 2 is -46.2% in fiscal 2030 (vs. the 54,197 t-CO₂ base value in fiscal 2019) and the target for Scope 3 (Category 1 and Category 11) is -27.5% in fiscal 2030 (vs. the 1,843,569 t-CO₂ base value in fiscal 2019).



Developing Human Resources Who Pursue Creative and Challenging Activities: The Foundation of Innovation and Global Growth

Based on our Management Philosophy, the AMADA Group Corporate Code of Conduct, and the Basic Policy on Sustainability, the AMADA Group believes that the best approach to human resources is to develop people who pursue creative and challenging activities, create an environment where diverse human resources can maximize their abilities, and continue to take on the challenge of creating value.

In our medium-term business plan, we aim to resolve the

problems of our customers and society with new technologies. To realize this goal, we have set the development of human resources, the promotion of diversity, and the creation of a rewarding workplace as key issues so that each and every employee can maximize their potential. In addition, we have established basic policies on human resource development and improvement of the working environment, and are taking initiatives across the Group to address issues.

Key Issue

Developing and Training Human Resources

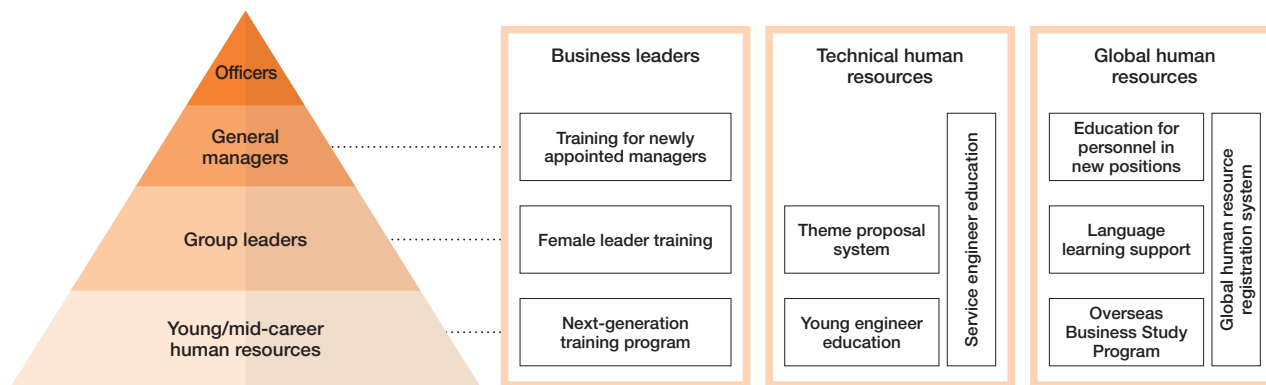


Basic Policy

The basic philosophy for human resource development at the AMADA Group is to cultivate talent who pursue creative and challenging activities. The ability to flexibly respond to changes in the external environment and take on the challenge of creating value, as well as the ability to think and act to resolve problems, are the driving forces behind our growth together with our customers. We also believe that in order to achieve further growth, it is important for diverse human resources to grow and play an active role on their own.

Based on our human resource development policy of developing the capabilities of diverse human resources and supporting autonomous career development, we provide job rotation and education and training based on employees' career aspirations and career stages. In addition, we are working to strengthen the development of business leaders and female leaders, global human resources, and technical human resources in advanced and specialized fields.

Key Issues in Human Resource Development and Education System



Targets and Achievements

Education and training hours per employee totaled 37.6 hours in fiscal 2022 due to the expansion of programs related to global human resources and increased training opportunities for sales and service personnel to improve their product knowledge and skills. Our goal is to increase the number of hours to 40 by fiscal 2025, as we further strengthen the development of business leaders and technical personnel in advanced and specialized fields.

Education and Training Hours per Employee

Fiscal 2022 Results	Fiscal 2025 Target
37.6 hours	40 hours

Note: Applies to the five operating companies in Japan

Cultivating Business Leaders

In order to develop business leaders who will drive the sustainable growth of the AMADA Group, we focus on education and training for young to mid-level employees. Starting with new employee training, a six-month program instilling business and metalworking fundamentals, we encourage employees' development and autonomous career building through multifaceted efforts such as job rotation, education by job title and type, and early provision of opportunities to experience management.

In addition, we provide female leader training for female candidates for managerial positions. This program not only supports the development of management and communication skills but also serves as a place to eliminate anxiety and build awareness about future career advancement.

The ENGINE Program: Fostering the Next Generation of Technology and Business Innovators

The ENGINE Program is a series of systematic training measures to develop the skills of young employees in their first 10 years of employment, designed to foster the next generation of human resources. In the first three years on the job, we use a range of programs to encourage young employees to develop their skills, support their growth, and maintain their motivation. This includes a system in which a senior employee serves as an older brother or sister to support their development, periodic career interviews, and off-the-job training by job title and type.



Cultivating Technical Human Resources

At the AMADA Group, we place particular focus on technical education for the human resources that underpin our characteristic direct sales and service system. In order to facilitate technical proposals at the AMADA GLOBAL INNOVATION CENTER (AGIC), newly opened in 2023, we have strengthened product training for sales representatives assigned there. For service engineers, we are steadily improving their skills through practical training programs using in-house equipment. We provide young engineers with ample opportunities to take on new challenges, including a system that

allows them to propose development themes and a forum for presenting the results of their research. In addition, we have begun to develop specialized human resources to advance DX in the manufacturing and service sectors.

In 2024, we will open the AMADA Technical Education Center (ATEC) for employees to strengthen the development of technical personnel, as part of our efforts to further elevate our technical and proposal capabilities.

Cultivating Global Human Resources

To realize expansion in global markets, one of the growth strategies in our Medium-term Business Plan 2025, an important issue is the development and assignment of human resources who can succeed worldwide. To this end, we have established a global human resource registration system to provide a range of educational and training opportunities to employees who wish to be posted overseas or engage in overseas-related work.

The Overseas Business Study Program, in which young employees learn about business activities and market trends at overseas subsidiaries, is held every year as an opportunity for young

employees to experience global business at an early stage. Meanwhile, we are also planning training programs for mutual understanding in which prospective leaders of overseas subsidiaries will study business strategies and Japanese manufacturing at the head office.

Other systems and training opportunities, such as our language learning support program and fundamental education for global business, have been established to help employees acquire the wide range of knowledge and skills required for overseas operations, and to continuously develop the human resources that will support the global growth of the AMADA Group.

Interview with an Overseas Business Study Program Trainee

AMADA production management employee (age: 20s, male), dispatched to AMADA AMERICA, INC.

I decided to tackle overseas training because I wanted to learn about how different places look at factory operations and approach things differently compared to Japan. I also wanted to develop skills to handle coordination and collaboration between the Japanese head office and local subsidiaries in manufacturing in the future.

In the United States, I am learning about the flow of people, goods, and money throughout the plant, and daily training sessions are geared toward acquiring the ability to identify issues and formulate countermeasures to achieve manufacturing profit targets.





Basic Policy

One element of our Management Philosophy is to take good care of people and the earth's environment. This includes the idea that all officers and employees will work together to create a culture and environment that respects the equality and human rights of all stakeholders, regardless of gender, age, nationality, race, religion, sexual orientation, or disability, and that is inclusive of diverse

Please adjust / fix layout. The same applies to employees working for other companies in the AMADA Group. We have established the promotion of diversity and creation of a rewarding workplace as key issues, and will work to improve internal environments in keeping with our fundamental approach of creating a fulfilling workplace where employees can be comfortable and fulfilled in their work.

Initiatives for Human Rights

The AMADA Group respects the equality and equal rights of all people, is inclusive of diverse values, and aims to create a comfortable work environment for everyone.

In fiscal 2022, as a step toward achieving gender equality, we conducted awareness-raising activities themed on LGBTQ issues. In these activities, we felt it was necessary to ensure that Group teams in Japan which handle human resources and general affairs, as well as managers, were all on the same page, and we therefore invited an outside lecturer to host a study session. We have also established the Guidelines on Sexual Diversity, and have clearly prohibited harassment related to sexual orientation and gender identity in our employment regulations and anti-harassment rules. Training sessions were held to promote understanding of these

newly established guidelines, and we simultaneously made changes to facilities to accommodate requests for gender identity support. We will continue to hold study sessions and exchange opinions on the results of these initiatives.

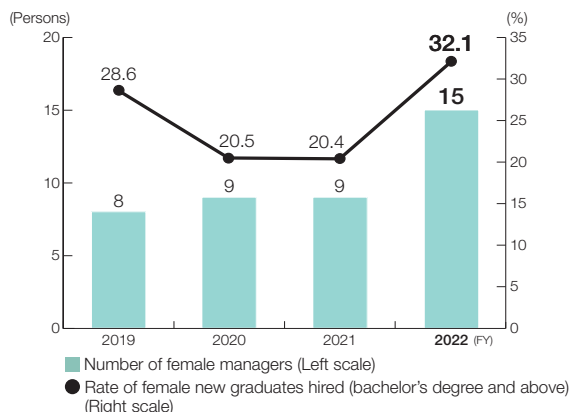
Diversity Training (For New Hires)

We conduct diversity training for new employees to foster awareness from the very beginning of their time with AMADA. In this program, participants have gained a general understanding about diversity, as well as knowledge about the AMADA Group's initiatives, LGBTQ, and diverse workstyles, deepening their understanding of diversity.

Promoting Women's Active Engagement

We are engaged in initiatives under the key theme of creating an environment where women can demonstrate their abilities and developing leaders. To develop female leaders, we provide training for management candidates to improve their awareness and skills as leaders, and we also provide ongoing training for their supervisors to support their development. As a result of our efforts, the number of female managers increased from nine in fiscal 2021 to 15 in fiscal 2022. In addition, we are actively hiring and assigning women to development engineering and service departments, where there have been few female employees in the past, in accordance with the characteristics of the work. As we aim to maintain a 25% ratio of women among new graduates hired, we are working with the future in mind to strengthen the recruitment of women.

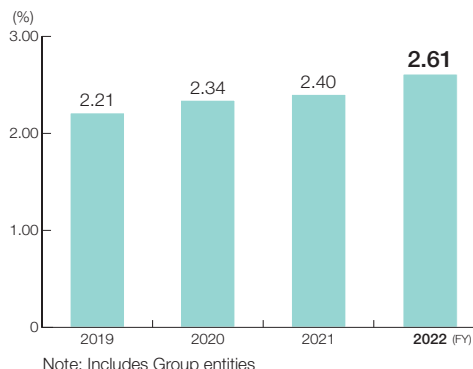
Number of Female Managers/ Rate of Female New Graduates Hired



Employment of Persons with Disabilities

In cooperation with special subsidiary AMADA PLANTECH CO., LTD., we have established the AMADA Group Employment Steering Committee for Employees with Disabilities to expand job opportunities for employees with disabilities. In fiscal 2022, we welcomed persons with mental disabilities to workplace training and tours and provided regular support follow-ups after hiring, linking these to enhanced recruitment activities and working toward proactive hiring. In addition, as an outside activity, we serve as a member of the school management council and provide lecturers for career support training at a special needs school, and actively participate in support for community members with disabilities.

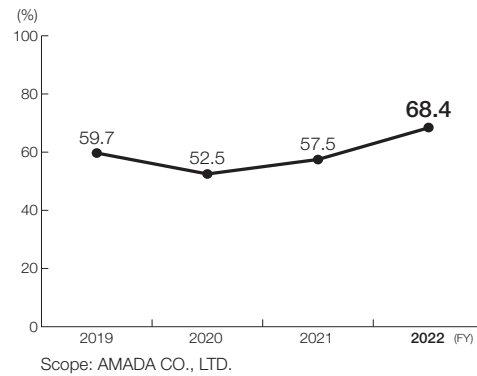
Employment Rate for Persons with Disabilities



Initiatives for Use of Paid Leave

Improving the paid leave acquisition rate has been an issue in the past for the AMADA Group. To address this issue in earnest, we conducted a survey on employee attitudes toward paid leave. This survey revealed that employees feel that use of paid leave is beneficial, but that it is still difficult to actually take leave. To help alleviate this difficulty, we established a paid leave promotion month within each department. As a result of encouraging employees to selectively prioritize their work to ensure that they take paid vacations during these promotion months, the paid leave acquisition rate for AMADA (nonconsolidated) increased from 57.5% in fiscal 2021 to 68.4% in fiscal 2023.

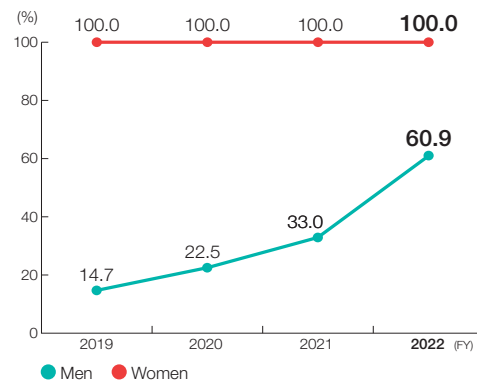
Paid Leave Acquisition Rate



Initiatives to Support Balancing Work and Childcare

In the support for the development of the next generation, we are implementing a range of initiatives to help both men and women balance work and childcare. To encourage male employees to take childcare leave, we have taken a number of measures to help facilitate smooth organizational operation. These include informing eligible employees individually about the childcare leave program, and using training sessions to encourage managers to become "Iku-Bosses," or those who support employees' childcare needs, and to provide specific examples on how to hand off employee work. In addition, we have increased the number of questions on male childcare leave in our employee awareness survey and shared the answers to these questions to foster a culture that is more inclusive of this kind of leave. As a result of these efforts, the percentage of male employees taking childcare leave was 60.9% (among the five Group companies in Japan) in fiscal 2022.

Childcare Leave Acquisition Rate



Major Next-Generation Development Support Measures

- Providing next-generation development allowances to employees with dependents up to the age of 18
- Extending the eligible duration for the shortened working hour system for childcare to cover the period up to a child's graduation from elementary school, exceeding statutory requirements
- Introducing a leave system for attending school observations
- Introducing a unique AMADA support leave system for childcare and a spousal maternity leave system

Kurumin Certification

AMADA CO., LTD. was certified by the Kanagawa Labor Bureau's Employment / Equal Opportunity Division (Office) on August 21, 2023, as a Child-rearing Support Company under Article 13 of the Act on Advancement of Measures to Support Raising Next-Generation Children.



Health and Productivity Management

For some time, the AMADA Group has been implementing a range of measures to create a comfortable environment where employees can work in good physical and mental health. For example, we have added a number of health checkup items beyond the statutory requirements, including cancer screening. We are also working toward collaborative health care in cooperation with the

AMADA Health Insurance Society.

Going forward, we will build on our existing initiatives by positioning the promotion of health and productivity management as an important management issue in the interest of further advancing health and productivity management.

Health and Productivity Management Declaration

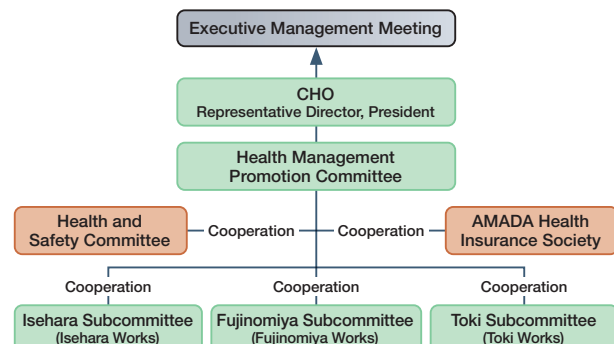
In the interest of AMADA's sustainable evolution and growth and based on our Management Philosophy of developing human resources who pursue creative and challenging activities, we believe it is important to strengthen the foundation for each and every employee to be happy and active, and to be able to work in good physical and mental health over the long term with peace of mind.

AMADA declares that we will work to improve the health and vitality of our diverse employees so that they can fully demonstrate their individuality and abilities and achieve self-fulfillment.

Takaaki Yamanashi

Representative Director, President, and Chief Health Officer (CHO)

Health and Productivity Management System



Stakeholder Engagement

Based on our Management Philosophy and the AMADA Group Corporate Code of Conduct, the AMADA Group places great importance on dialogue with its stakeholders. Through dialogue, we always consider what we can do as a corporate citizen in addition to contributing through our core business, and strive to build relationships with our stakeholders.

Support for the Sheet Metal Industry

Since our founding, the AMADA Group has placed great importance on dialogue with its customers through direct sales and service. Here, we have built a business model that allows us to grow together with our customers by incorporating customer feedback gained from this dialogue into product development and providing products that meet their needs. The sheet metal industry, which we have built up

as a leading company in this area, is facing a lack of successors and workers due to Japan's declining birthrate and aging population, as well as retirement of veteran workers. In response to these issues, we are taking various initiatives to revitalize the sheet metal industry and build relationships with people (customers) involved in sheet metal.

AMADA SCHOOL (Human Resource Development, Training, and Craftsmanship Techniques)

In 1978, we launched the AMADA SCHOOL, which provides skill development (manufacturing) and support education (personnel development) for employees working at our customers' plants. In addition to education on the fundamentals of sheet metal processing and machine operation, the school provides courses with the goal of supporting human resource development for new employees, administrative staff, and supervisory staff as well as Junior Management College (JMC) courses for those progressing to managerial positions. In addition, since 1989, we have held the Precision Sheet Metal Technology Fair to promote the improvement of sheet metal processing technology and skills.



Sheet Metal Industry Associations (Industry Development and Human Resource Development)

In a variety of ways, we provide support to activities by sheet metal industry associations, which bring together companies involved in the sheet metal processing industry in each region of Japan. These associations have been established to promote the planning, proposal, implementation, and research of activities for the prosperity and global expansion of member companies. To date, 26 such industry associations have been established in Japan. To help improve the skills of all association member companies, train human resources, and promote industry development, AMADA provides assistance through the industry association secretariats and takes such measures as dispatching lecturers for workshops.



Contributing to Local Communities

Each of our business sites engages in various activities as a corporate citizen, aiming to coexist with the local community.

Examples include participating in cleanup activities in cooperation with local organizations, sponsoring and hosting local events, sponsoring sporting events, holding factory tours, and holding seminars for students.

Because we are a B2B organization making products not easily perceived by the general public, many in the local community may not have a firm grasp on what it is we do. In an effort to demystify our corporate image, the Ono Plant (Hyogo Prefecture)

opens to the public every April and holds a cherry blossom viewing event. There is a cherry blossom viewpoint on the premises, where local residents are able to interact with employees' families. The plant also offers tours to local students, accepts interns, and holds seminars, introducing our business and providing career support to students. These interactions not only improve our visibility but also provide important opportunities for dialogue, such as receiving feedback from local residents and discovering new community issues where we may be able to offer our support.

Communication with Our Suppliers

Based on our Management Philosophy and the AMADA Group Corporate Code of Conduct, we work with our suppliers on a daily basis to not only ensure compliance with laws and regulations but also to practice procurement that contributes to further improvement of product quality and environmental friendliness.

Conducting Quality Diagnostics

Once a year, our procurement teams visit suppliers' plants, using supplier evaluation sheets and quality diagnostic checklists to assess whether or not they are appropriate suppliers for us. This assessment focuses on areas such as production capacity, legal compliance, quality, and environmental friendliness. In the interest of strong governance, these assessments are not conducted by any single person. For suppliers that receive a lower rating in the area of quality, we ask them to submit corrective measures, and after implementing these measures, we reassess them in an effort to maintain and improve quality.

Initiatives Alongside Our Suppliers

Zero emissions/Improved transportation efficiency

We strive to build relationships with our suppliers that go beyond the bounds of business transactions and that allow for mutual growth.

For example, in the interest of environmental friendliness and improved transportation efficiency, we have adopted a recyclable return box system for packaging materials used for parts delivery, and use a transportation jig to efficiently transport items with complex-shaped items in fewer trips. From the machine design stage, we consult with suppliers on efficient transportation methods, and collaborate with them on production and other tasks.

Initiatives for protecting human rights

In the mineral procurement process, we strive to procure raw materials that are free from conflict, criminal involvement, and human rights violations. We will continue to promote these initiatives so that appropriate information can be disclosed to our customers and other stakeholders.

Initiatives for Building Relationships with Our Suppliers

We hold briefings to explain our management policies and other matters to representatives of our suppliers as appropriate. These provide important opportunities for us to engage in dialogue, exchanging opinions with our suppliers. To foster the shared awareness that is important to our partnerships, we have restarted social gatherings, briefings, and other interactions as we strive to build good relationships with our partners.

In addition, in promoting cooperation and coexistence with business partners in the supply chain, we have issued a Partnership Building Declaration and have begun working on priority items.

Green Procurement

Not only do we use quality checklists to check for environmental friendliness but we also position "green procurement," procuring materials with low environmental load, as one of our important environmental conservation activities. Our products are not subject to Restriction on Hazardous Substances (RoHS) Directive, which went into effect in July 2006, but we promote the nonuse of RoHS-regulated substances due to the fact that the regulated substances may come in contact with our customers' products that are made with AMADA machines.

Our approach toward green procurement

In order to promote green procurement, the AMADA Group is implementing the following approaches.

- (1) Prioritization of business partners who are active in environmental protection activities
 1. Survey and evaluate the environmental protection activities carried out by our business partners
 2. Request for cooperation based on the evaluation results and dealings with priority business partners
- (2) Procurement of materials with little environmental impact (procurement of items that do not use controlled chemical substances)
 1. Survey and evaluate of the environmental impact of procured materials
 2. Select materials based on evaluation results and prioritize procurement methods
- (3) Compliance with environmental laws

Dialogue with External Directors



Toshitake Chino

External Director
(Chairman of the Compensation Committee)
(Appointed June 2014)

Hiroyuki Sasa

External Director
(Chairman of the Nomination Committee)
(Appointed June 2023)

Greater Contributions to AMADA's Vision in a New Structure

In May 2023, the AMADA Group announced its Medium-term Business Plan 2025 under the slogan of “FUTURE TECHNOLOGIES with AMADA.” This plan targets revenue of ¥400 billion, operating profit of ¥64 billion with an operating margin of 16%, and ROE of 8% or more marking a new step toward achieving Long-term Vision 2030. AMADA also newly welcomes Mr. Hiroyuki Sasa as an external director to strengthen its governance structure to support the realization of its growth strategy. In this dialogue, Mr. Sasa, the Chairman of the Nomination Committee, is joined by AMADA's first external director, Mr. Toshitake Chino, the Chairman of the Compensation Committee, for a candid discussion about deliberations at the Board of Directors toward the formulation of Medium-term Business Plan 2025 and the Group's desired evolutionary path.

AMADA as Seen by the External Directors

Chino: What was your first impression of AMADA?

Sasa: The first moment that moved me was when I first saw the symbolic AMADA FORUM building as I walked from Aiko-Ishida Station on the Odakyu Line. Another thing that I noticed was, after listening to Chairman Isobe and President Yamanashi, I realized that AMADA shares many traits with Olympus Corporation, where I once served as president. Specifically, they had commonalities in business models with a high share of overseas revenue. Their stories led to my surprise and my empathy, and renewed my determination as external director.

Chino: When AMADA launched its external director

system, I was the first to be appointed to the new position. Since then, AMADA has maintained a management structure in which the functions necessary for a machinery manufacturer, namely technology and sales, complement each other. Though it is not a flashy organization, I think AMADA is a strong company that has steadily built up its technological capabilities.

Sasa: Indeed. I would also like to support AMADA using the experience and insights I have gained thus far.

Medium-term Business Plan 2025: A Cornerstone for Action

Chino: With the outbreak of COVID-19 and the emergence

of geopolitical risks such as the Russia–Ukraine conflict, change is now the norm. In light of this context and despite achieving record-high performance in fiscal 2022, discussions regarding Medium-term Business Plan 2025 were not focused solely on the achievement of numerical targets. These discussions also served as a starting point on how to effectively utilize AMADA's own technology, potentiality, and capital and link them to growth. AMADA has continued to grow its business based on its strengths in laser technology, but how will it nurture its growth businesses that follow lasers, and will it continue to keep its laser technology as sharp as it can be? In response to major social changes, I believe that it is important to carefully assess what must be changed and what must not be changed, and to consider how future events will unfold.

Sasa: A long-term vision is the cornerstone of a company's management, often subdivided into three- to five-year periods in the form of a specific medium-term business plan, which is further subdivided into annual plans. Therefore, Medium-term Business Plan 2025 is the cornerstone of everything that makes up AMADA's corporate operations and organization. In this context, if globalization is the goal, it is imperative that the operation, composition, and institutional design of the Board of Directors be in a form commensurate with globalization. Furthermore, given the increasing frequency of unpredictable changes in the business environment, such as the COVID-19 pandemic, it is important for us as external directors to closely monitor the PDCA cycle to ensure that the plan responds quickly to changes like these.

Chino: In particular, we will check how changes in the business environment affect AMADA and adjust the trajectory of its annual plan, while aiming to achieve Long-term Vision 2030. As external directors, you and I should focus on monitoring so that AMADA can make agile course corrections, taking into account issues from the previous medium-term business plan.

Management of the Nomination and Compensation Committees to Achieve Strategies

Sasa: I have been appointed Chairman of the Nomination Committee, where we are beginning discussions on the optimal composition of the Board of Directors to achieve AMADA's Medium-term Business Plan 2025. As we monitor the suitability for achieving AMADA's strategies, I would like to draw up the Board's ideal state and look for ways to bring us closer to that.

Chino: At the Compensation Committee, we have not had any major problems with regard to compensation, since proposals are based on criteria decided from factors such as industry, size, and regulations. On the topic of introducing a medium- to long-term incentive plan, the Compensation Committee will continue to discuss preferable designs for such a system.

Sasa: All the Board members at Olympus were outside directors, with the exception of the CEO and CFO. While we might have added some outsiders with MedTech* company experience, this aimed at building structure and capability to compete with companies overseas. In order for AMADA to be on a par with its international competitors and ultimately achieve Long-term Vision 2030, I think the key is to consider the selection and composition of its Board members to be in line with strategies.

* MedTech: A business combining medical and technology elements

Substantive Action over Number Crunching

Chino: When I first joined the workforce, I believed that the root of the strength of the Japanese economy lay in *monozukuri* (manufacturing), and I went to work for Nikkan Kogyo Shimbun, Ltd. as a reporter and eventually served as its president. Since then, I have continued to support manufacturing at The University of Electro-Communications' Center for Industrial and Governmental Relations. Based on these experiences, I believe that machine manufacturers would do well with the management style that AMADA has cultivated thus far. As a supporter of manufacturing that underpins this kind of management, I myself will be steadfast in questioning all Board members about AMADA's founding spirit of one element of its Management Philosophy, "Growing Together with Our Customers."

Sasa: As I jump into discussions, I intend to play a substantive role, rather than being a number cruncher. Specifically, I will act from the standpoint of how we can support and add value to AMADA's decision-making and business execution at the Board of Directors. I will also lead discussions that go beyond day-to-day tasks and pursue the state AMADA that should aim for. Furthermore, my communication will not be one-way; I will strive to elicit appropriate responses from everyone on the executive side in addition to providing opinions, suggestions, and advice. From these three perspectives, I will contribute to AMADA's Board of Directors and to the achievement of Long-term Vision 2030.

Foundations for Value Creation

Corporate Governance

Basic Policy

At AMADA, we believe that sound corporate activities based upon high ethical standards and fairness make up a crucial part of our business philosophy, and thus we shall endeavor to strengthen

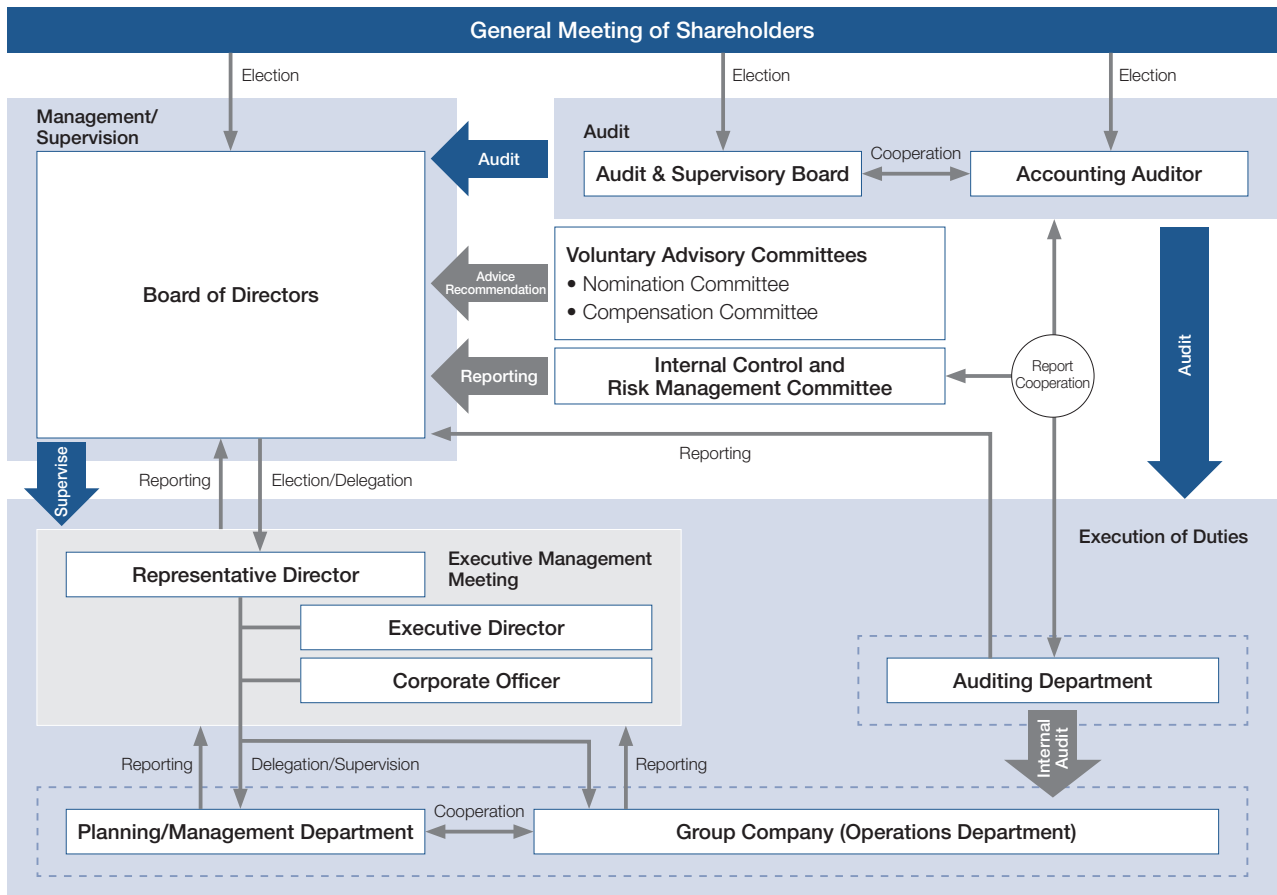
corporate governance according to the principles stated below, ensuring transparency and compliance across our management and operations as our fundamental objective:

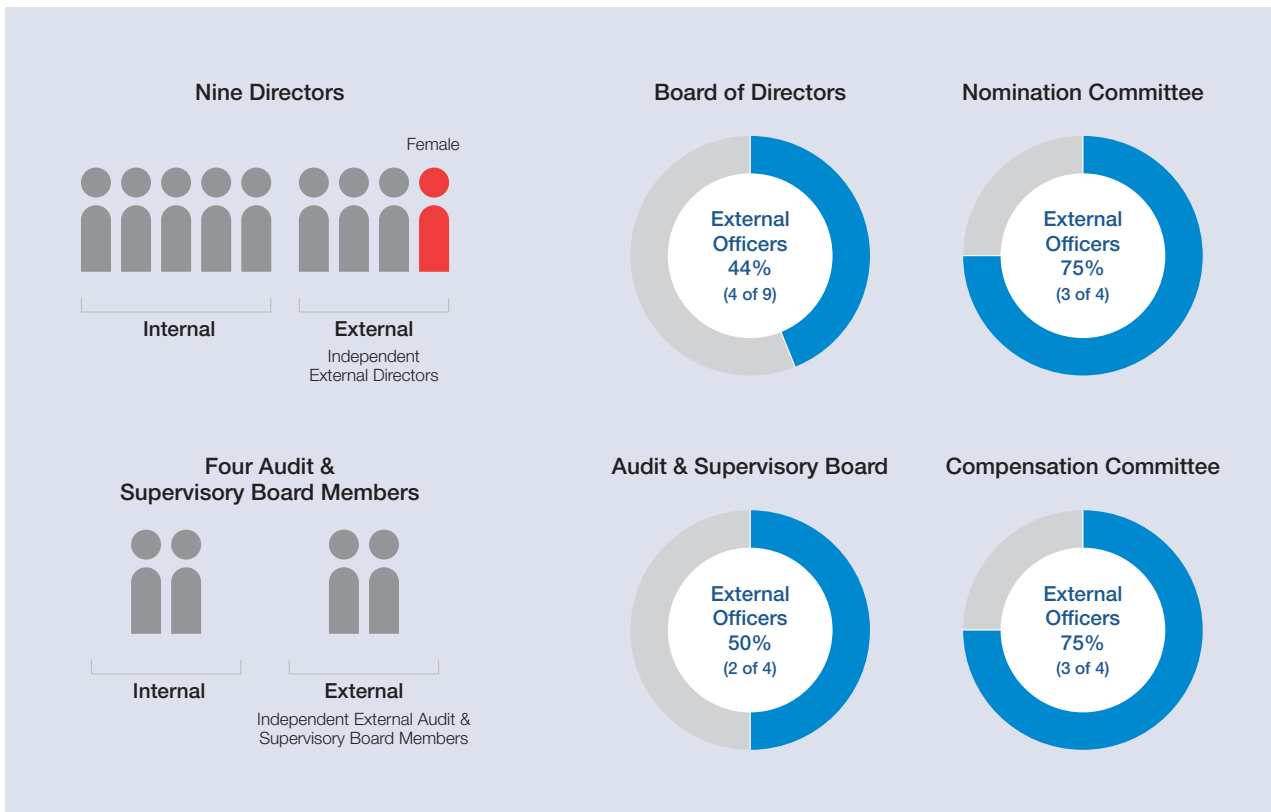
- 1 Strive to protect shareholders' rights and ensure the equitable treatment of all shareholders
- 2 Strive to appropriately collaborate with stakeholders other than shareholders
- 3 Strive to ensure proper disclosure and transparency of information
- 4 Strive to have the Board of Directors appropriately fulfill its roles and responsibilities, reflecting upon fiduciary duty and accountability to the shareholders
- 5 Strive to have constructive dialogue with shareholders

The Company has established the Corporate Governance Guidelines, resolved by the Board of Directors, for the purpose of realizing the best possible corporate governance for achieving sustainable growth of the AMADA Group and improving the

Company's long-term corporate value so that the Company's shares are held on a long-term basis by its shareholders. The Corporate Governance Guidelines can be viewed on the Company's website.

◆ Chart of Corporate Governance Structure





Structure and Institutional Design

1. Board of Directors

The Board of Directors limits the number of directors to a maximum of 10 as stipulated in the Articles of Incorporation. The Board currently comprises nine directors, including four external directors, all of whom are independent officers. The Board of Directors makes decisions on matters stipulated by laws and regulations and other important matters related to general management, and is positioned as an entity that oversees business execution. To fulfill this role, Board meetings are held as required in order to make prompt and flexible management decisions.

Furthermore, to increase the functionality and effectiveness of the Board of Directors, management meetings are held in a timely manner. During these, participants deliberate over important matters related to business execution and time is allotted for discussions on a select set of topics.

2. Audit & Supervisory Board

AMADA has transitioned to a Company with an Audit & Supervisory Board. As stipulated in the Articles of Incorporation, the number of Audit & Supervisory Board members shall be limited to a maximum of four. At least half of the Audit & Supervisory Board members shall be independent external officers with neutrality and independence. Currently, two of the four members of the Audit & Supervisory

Board are independent external officers.

As an organization that is independent from the management, the Audit & Supervisory Board audit the execution of duties by directors, corporate officers, and other employees, internal control systems, accounting, and the like. To ensure the independence and quality of accounting auditors, the Audit & Supervisory Board shall formulate criteria for proper evaluation of the incumbent accounting auditors and regularly confirm whether or not they meet the set criteria.

3. Voluntary Committees

In April 2020, AMADA established the Nomination Committee and the Compensation Committee, both of which are chaired by an independent external director, to serve as voluntary advisory bodies for the Board of Directors with the purpose of utilizing the knowledge and advice of external directors and enhancing the independence, objectivity, and accountability of the Board of Directors. Each committee is composed of four members, with three members—over half of each committee—being independent external directors.

The Nomination Committee deliberates on the appointment and dismissal of directors, and the Compensation Committee deliberates on the policies and specifics of remuneration and other compensation received by directors and key employees. Both committees provide advice and recommendations to the Board of Directors.

Reason for Selection of External Officers

1. Directors

Hiroyuki Sasa	Mr. Hiroyuki Sasa has extensive knowledge of technology and development in the manufacturing industry and insight as a manager of a global company, having served as president and representative director of Olympus Corporation. Therefore, we have appointed Mr. Sasa as an external director, expecting that he will appropriately perform his duties as an external director of the Company based on his experience and knowledge.
Toshitake Chino	Mr. Toshitake Chino has expertise as company manager and insight into the industrial society acquired from his experience working as the editor and later president at the Nikkan Kogyo Shimbun, Ltd. From that perspective, he is overseeing business execution appropriately as an external director of the Company, such as by actively expressing his opinions at the Board of Directors' meetings. As Chairman of the Compensation Committee and a member of the Nomination Committee, he attends meetings of these committees, where he gives timely and appropriate opinions. Therefore, we have appointed Mr. Chino as an external director, expecting that he will appropriately perform his duties as an external director of the Company based on his experience and knowledge.
Hidekazu Miyoshi	Mr. Hidekazu Miyoshi has expertise in intellectual property rights, which he acquired through many years of service as a patent attorney, and experience as a business manager of a patent office. From that perspective, he is overseeing business execution appropriately as an external director of the Company, such as by actively expressing his opinions at the Board of Directors' meetings. As Chairman of the Nomination Committee and a member of the Compensation Committee, he attends meetings of these committees, where he gives timely and appropriate opinions. Therefore, we have appointed Mr. Miyoshi as an external director, expecting that he will appropriately perform his duties as an external director of the Company based on his experience and knowledge.
Harumi Kobe	Ms. Harumi Kobe has broad experience and a high level of expertise in Japan and abroad, which she acquired through many years of service at the Ministry of Finance, holding various important positions including serving as the first female Regional Commissioner of the Hiroshima Regional Taxation Bureau. She has provided appropriate supervision of the execution of duties as an external director of the Company, including providing proactive comments at meetings of the Board of Directors from perspectives gained in the aforementioned positions. Therefore, we have appointed Ms. Kobe as an external director, expecting that she will appropriately perform her duties as an external director of the Company, such as by providing beneficial opinions and advice from a new perspective, based on her experience and knowledge.

2. Audit & Supervisory Board Members

Akira Takenouchi	Mr. Akira Takenouchi is a lawyer familiar with legal affairs, and has broad experience and track record in the legal circle, including his position as President of the Tokyo Bar Association. Therefore, we have appointed Mr. Takenouchi as an external Audit & Supervisory Board member, having determined that he is an appropriate candidate capable of providing beneficial advice to the Company's audit system based on his experience and knowledge.
Seiji Nishiura	Mr. Seiji Nishiura, who served as district director of tax offices, etc., is well-versed in corporate taxation as a tax accountant and possesses high-level professional expertise in finance and accounting. Therefore, we have appointed Mr. Nishiura as an external Audit & Supervisory Board member, having determined that he is an appropriate candidate capable of providing beneficial advice to the Company's audit system based on his experience and knowledge.

Skills Matrix for Directors and Audit & Supervisory Board Members

Our basic policy is that the Board of Directors shall consist of internal directors who have professional expertise and knowledge that they can leverage for business management, research and development, production, sales, and services from a global perspective regardless of gender or nationality, and external

directors who can provide opinions and raise questions from a professional and independent standpoint, so that the Board can perform appropriate and flexible decision-making on the Company's business activities and supervision of their execution.

Name			Expertise and Experience				
			Corporate management	Finance/Accounting	Legal affairs/Risk management/Compliance	Global	Sales/Marketing
Directors	Tsutomu Isobe		○	○	○	○	
	Takaaki Yamanashi		○			○	○
	Masahiko Tadokoro		○			○	
	Koji Yamamoto		○			○	
	Kazuhiko Miwa		○	○	○		
	Hiroyuki Sasa		External	Independent	○	○	○
	Toshitake Chino		External	Independent	○		
	Hidekazu Miyoshi		External	Independent	○		○
Audit & Supervisory Board Members	Harumi Kobe		External	Independent	○	○	
	Kotaro Shibata		○			○	○
	Takashi Fujimoto				○	○	
	Akira Takenouchi		External	Independent	○		
	Seiji Nishiura		External	Independent	○		

Participation in Meetings of the Board of Directors and as Voluntary Advisor

Name	Title	Memberships	Meeting Attendance in Fiscal 2022			
			Board of Directors	Audit & Supervisory Board	Voluntary Advisory Committees	
					Nomination	Compensation
Tsutomu Isobe	Representative Director, Chairman	Chairman of the Board of Directors, Member of the Nomination Committee, Member of the Compensation Committee	8/8 meetings	—	1/1 meeting	2/2 meetings
Takaaki Yamanashi	Representative Director, President		8/8 meetings	—	—	—
Masahiko Tadokoro	Director, Senior Executive Officer		7/7 meetings	—	—	—
Koji Yamamoto	Director, Senior Executive Officer		7/7 meetings	—	—	—
Kazuhiko Miwa	Director, Executive Officer		8/8 meetings	—	—	—
Michiyoshi Mazuka	External Director	Independent External Director, Chairman of the Nomination Committee, Member of the Compensation Committee	7/8 meetings	—	1/1 meeting	2/2 meetings
Toshitake Chino	External Director	Independent External Director, Chairman of the Compensation Committee, Member of the Nomination Committee	8/8 meetings	—	1/1 meeting	2/2 meetings
Hidekazu Miyoshi	External Director	Independent External Director, Member of the Nomination Committee, Member of the Compensation Committee	8/8 meetings	—	1/1 meeting	2/2 meetings
Harumi Kobe	External Director	Independent External Director	7/7 meetings	—	—	—
Takaya Shigeta	Audit & Supervisory Board Member		8/8 meetings	9/9 meetings	—	—
Kotaro Shibata	Audit & Supervisory Board Member		8/8 meetings	9/9 meetings	—	—
Akira Takenouchi	External Audit & Supervisory Board Member	Independent External Audit & Supervisory Board Member	8/8 meetings	9/9 meetings	—	—
Seiji Nishiura	External Audit & Supervisory Board Member	Independent External Audit & Supervisory Board Member	8/8 meetings	9/9 meetings	—	—

Notes: 1. Meeting attendance for Masahiko Tadokoro, Koji Yamamoto, and Harumi Kobe is shown after their appointment, since they were elected and assumed office at the 84th Ordinary General Meeting of Shareholders held on June 28, 2022.

2. Michiyoshi Mazuka and Takaya Shigeta retired from their positions at the end of the 85th Ordinary General Meeting of Shareholders held on June 28, 2023 due to the expiration of their terms of office.

Officer Remuneration System

1. Policy for Determining Officer Remuneration

AMADA has established the following policy for determining the details of individual director remuneration.

a. Basic policy

The Company's basic policy is to determine the remuneration of each director at an appropriate level based on their position and responsibilities, with a remuneration system aware of the shareholder standpoint and designed to function as sufficient incentive to seek the sustainable improvement of corporate value. Specifically, the remuneration of directors shall consist of basic remuneration, which is fixed remuneration, and performance-linked remuneration, etc. External directors, who are responsible for supervisory functions, shall be paid only basic remuneration in consideration of their independent position from the execution of business.

b. Policy on determining individual basic remuneration amount (including policy on determining remuneration timing and conditions)

Basic remuneration for the Company's directors shall be monthly fixed remuneration in cash, and the amount to be paid to each individual director shall be determined based on a predetermined remuneration base amount in accordance with their position and responsibilities.

c. Policy on determining performance-linked remuneration details and amount, as well as method for calculation (including policy on determining remuneration timing and conditions)

Performance-linked remuneration, etc., shall be cash remuneration reflecting a performance indicator, with these bonuses positioned as short-term incentives, and shall be paid at a certain time each year. The indicator used shall be profit attributable to owners of parent (hereinafter referred to as "profit") for a single fiscal year. This is because it is an important management indicator and a source of

dividends, hence it is conscious of management from the shareholder standpoint. Specifically, the total amount to be paid shall be determined by taking into account the number of persons to be paid and the growth rate of dividends, up to a maximum amount calculated by multiplying the profit for the fiscal year in question by 1/50th of the dividend payout ratio. Individual allocation shall be determined based on position and responsibility, and the amount shall be calculated by modifying a certain percentage based on performance.

d. Policy for determination of the ratio of basic remuneration and performance-linked remuneration as a share of individual director remuneration

Under the current director remuneration system, the share of performance-linked bonuses is not fixed at a certain level, but is

designed so that the percentage of performance-linked bonuses in total director remuneration increases as the Company's performance grows. Therefore, the Company shall not establish a policy regarding the determination of the ratio of performance-linked remuneration to the total amount of remuneration for directors.

e. Matters related to determining individual director remuneration details

The Board of Directors shall have the authority to determine the amount of remuneration, etc., of the Company's directors or the method of calculation thereof, within the total amount of remuneration resolved at the General Meeting of Shareholders after deliberation by the voluntary Compensation Committee chaired by an external director.

2. Total Officer Remuneration

Officer category	Total remuneration amount (Millions of yen)	Total remuneration amount by type (Millions of yen)			Number of eligible officers
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (External)	392 (33)	192 (33)	200 (—)	—	11 (4)
Audit & Supervisory Board members (External)	40 (12)	40 (12)	—	—	4 (2)
Total	432	232	200	—	15 (6)

* Bonuses are paid to directors (excluding external directors) as performance-linked remuneration.

Evaluating the Effectiveness of the Board of Directors

In accordance with AMADA's Corporate Governance Guidelines, we conducted an assessment of the effectiveness of the Board of Directors as a whole in fiscal 2022. The following is a summary of the results.

1. Evaluation Method

A questionnaire on the effectiveness of the Board of Directors was distributed to current directors and Audit & Supervisory Board members, including external directors and external Audit & Supervisory Board members. Responses were received from all eligible respondents. The content of the responses was aggregated and analyzed by the secretariat of the Board of Directors.

Subsequently, the Board of Directors used the outside opinions provided by the external directors and external Audit & Supervisory Board members based on the analysis results to analyze and evaluate the effectiveness of the Board of Directors as a whole at a meeting held on August 8, 2023. At this meeting, members also discussed current issues and future initiative policies.

Questionnaire Items

- (1) Composition of the Board of Directors
- (2) Roles and responsibilities of the Board of Directors
- (3) Operation of the Board of Directors
- (4) Effectiveness of the Board of Directors

2. Summary of Evaluation Results

As a result of the aforementioned evaluation, we confirmed that AMADA's Board of Directors is generally functioning appropriately. A summary of these results is as follows.

- (1) The Company's Board of Directors has an appropriate composition in terms of its size and the independence and diversity of independent external directors, and has a system in place to appropriately make important management decisions and supervise business execution.
- (2) An environment within the Board of Directors has been created for its members to freely and openly express their opinions at its meetings, and candid opinions and useful advice are being acquired from external directors. Therefore, the supervisory function of the Board of Directors as a whole is being appropriately maintained.

(3) Some progress was made in addressing issues identified in the previous fiscal year such as deepening discussions on the ideal medium- to long-term vision through the formulation of Medium-term Business Plan 2025.

Ongoing monitoring of the achievement of the targets in Medium-term Business Plan 2025, including non-financial ones, was also identified as an issue.

Cross-Shareholdings

The number of shares of other companies that AMADA holds as cross-shareholdings shall be kept to the minimum necessary, and the Board of Directors shall annually assess whether or not to hold individual cross-shareholdings, closely examining whether the benefits and risks from each holding cover the Company's cost of capital. Our policy is to proceed with the sale of any shares not deemed sufficiently significant to hold as a result of these examinations.

Furthermore, in the event that a holder of cross-shareholdings in the Company expresses an intention to sell the Company's shares, the Company shall not prevent sale.

	Fiscal 2021	Fiscal 2022
Number of issues held	7 issues (3 listed / 4 unlisted)	7 issues (3 listed / 4 unlisted)
Carrying value	¥17,733 million	¥10,812 million
Percentage of total assets	2.89%	1.67%

Dialogue with Shareholders and Investors

AMADA actively enters into constructive dialogues with shareholders and investors with the aim of sustaining growth and boosting medium- to long-term corporate value.

1. Major AMADA Group Attendees

Chairman, President, external directors, Group leaders, and Group members engaged in investor relations (IR)

2. Overview of Shareholders and Investors Engaging in Dialogues

In fiscal 2022, a cumulative total of 299 companies, including institutional investors and analysts inside and outside Japan, participated in IR activities such as results briefings and individual interviews

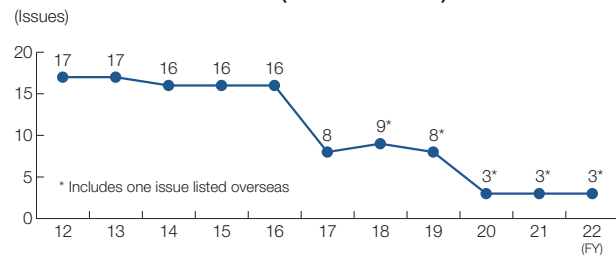
3. Major Dialogue Themes

Growth strategy direction and shareholder return policy in Medium-term Business Plan 2025, growing revenue and profitability, progress in regional strategies, streamlining the balance sheet, efforts to cultivate new markets, etc.

3. Policy for Future Efforts to Improve Effectiveness

Based on the results of this evaluation, AMADA's Board of Directors will work to strengthen oversight of business progress, including monitoring achievement levels in its Medium-term Business Plan 2025.

Number of Issues Held (Listed Stocks)



4. Status of Feedback to Upper Management and the Board of Directors of Information Gained in Dialogue

When dialogues are held at results briefings, individual interviews, or other activities, reports are drafted summarizing dialogue content and the opinions of shareholders and investors, which are shared with AMADA officers and other parties. These reports are also presented to the Board of Directors as part of the IR activity summary each year

5. Feedback-Related Items from Dialogue and Subsequent Events Incorporated into Policies and Activities

Opinions from institutional investors and analysts in Japan and overseas have been reflected in the formulation of Medium-term Business Plan 2025, announced in May 2023. We have also implemented measures to deepen understanding of our initiatives, including holding tour groups of newly established facilities for customers to gather in response to requests for facility tours.

Major activities in fiscal 2022	<ul style="list-style-type: none"> • Ordinary General Meeting of Shareholders: 1 meeting • Results briefings: 4 briefings • "To Our Shareholders and Investors": 2 issues • Integrated Report: 1 issue 	<ul style="list-style-type: none"> • Environmental Report: 1 issue • ESG Data Book: 1 update • IR website: Updated as needed • Responses to inquiries from individual investors: Conducted as needed
---------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Foundations for Value Creation

Internal Control System

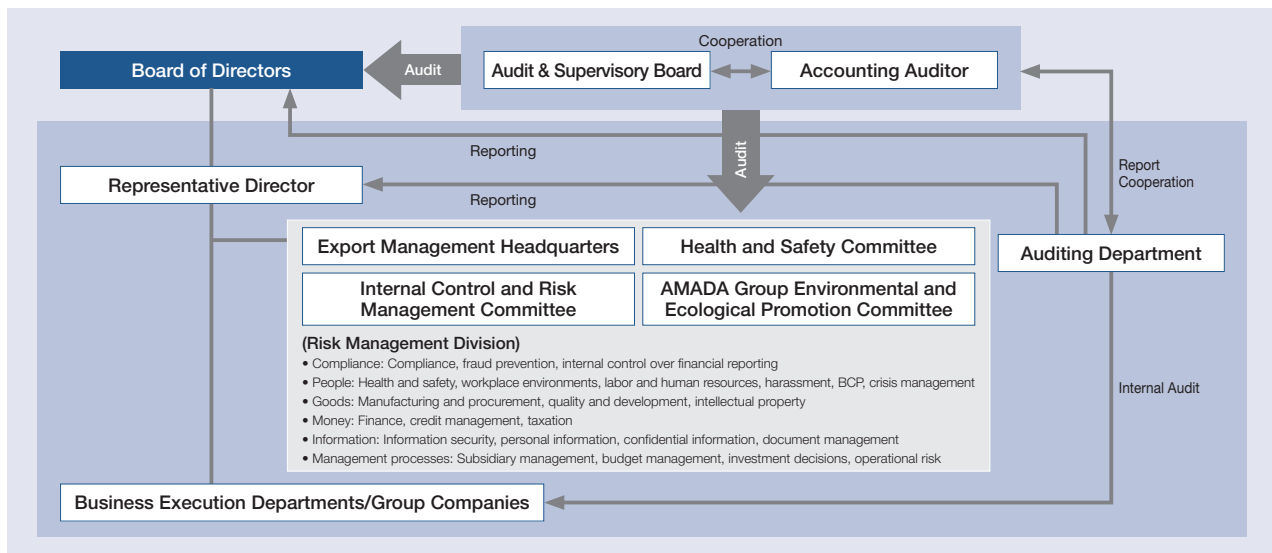
Basic Policy

The AMADA Group has established the AMADA Group Management Philosophy and the AMADA Group Corporate Code of Conduct as common standards for the Group. Furthermore, it has established the Internal Control and Risk Management Committee to ensure that the basic policies of its internal control system are well-known to all employees and to maintain and improve its internal control, compliance, and risk management systems. In addition, we have established an internal control reporting system to ensure the reliability of financial reporting, and carry out effective and efficient operation and evaluation of this system. The Auditing Department conducts internal audits of the Group with respect to the maintenance and operation of these compliance systems and internal controls over financial reporting.

AMADA Group Corporate Code of Conduct

1. Develop Customers' Trust
2. Interact with Local Communities
3. Contribution to the International Community
4. Compliance with Regulations
5. Establishing a Relationship of Mutual Trust with Our Business Partners
6. Sound Relationships with Government and Administrations
7. Response to Antisocial Forces
8. Promotion of Communication with Communities
9. Creation of an Environment in which Employees can Achieve Personal Development and Satisfaction
10. Contribution to Environmental Protection

Chart of Internal Control and Risk Management System

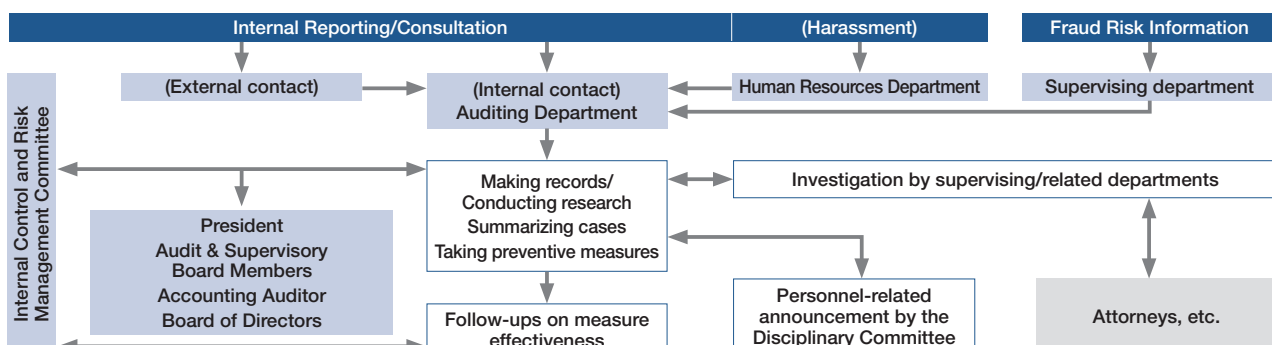


Compliance

In addition to providing training to ensure thorough compliance, the AMADA Group has clarified procedures for responding to instances of compliance violations and disseminated these procedures to each of the Group companies. In addition, for the purpose of early

detection and correction of legal violations and misconduct, we operate an internal reporting system that allows anonymous reporting through the Auditing Department and/or outside contractors. In addition, the Internal Reporting Treatment Rules have

Investigation, Clarification, and Communication Channels for Misconduct and Risk Information



been revised to comply with the revised Whistleblower Protection Act, enacted in June 2022. These rules obligate us to maintain confidentiality with regard to whistleblowers and those who cooperate in investigations, and require that they not be subject to any disadvantageous treatment. To promote compliance education and awareness-raising activities, we continuously provide collective education, as well as online education programs that can be taken at any time.

Risk Management

In order to prevent and minimize any loss, the AMADA Group has established the Basic Risk Management Rules covering the basics of risk management and is striving to manage risks by, among others, examining countermeasures on a regular basis. The Internal Control and Risk Management Committee centrally manages risks the Group is exposed to and implements measures across the organization. Individual risk management is managed and handled by expert committees such as the Export Management Headquarters. In addition to the above, the risk management division set up under the Internal Control and Risk Management Committee has established policies on important risks at the Group level related to people, goods, money, information, etc., and is working to respond to them. Furthermore, in the event of a serious incident, accident, natural disaster, or other emergency that is deemed to require a Companywide response, the Group will establish emergency headquarters, etc., for prompt crisis management.

Summary of Risk Management Activities

The risk management division or the department in charge of risk management reviews risks each fiscal year, reevaluating risk importance based on the size of loss and the frequency of occurrence and drafting a risk map for major risks. We will implement each risk countermeasure after clarifying the scope, targets, and deadlines for addressing major risks, and monitor the implementation status and effectiveness of the countermeasures to make necessary corrections and improvements. The Internal Control and Risk Management Committee centrally manages the identified risk items and the implementation status of their countermeasures as Companywide risk management activities and reports major risk items to the Board of Directors.

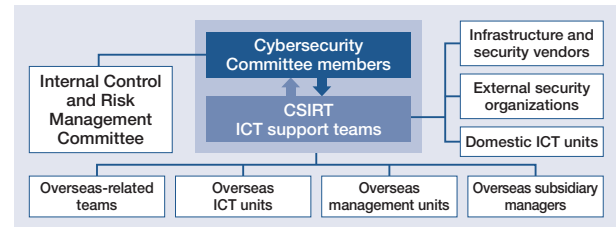
Results of Internal Reporting and Consultation (Number of Cases on a Consolidated Basis)

Fiscal 2022	26
Fiscal 2021	27
Fiscal 2020	26
Fiscal 2019	43

Major Risks and Risk Responses

Information Security

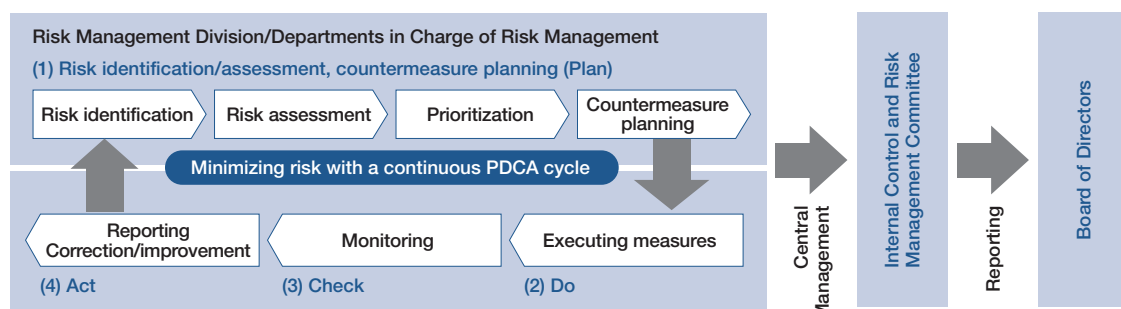
The AMADA Group possesses confidential and personal information required for its business activities and has put in place a strict control system to maintain the confidentiality of such information. In case of illegal access due to a cyberattack or computer virus, however, the Group's business systems may be shut down, confidential and personal information may be leaked outside the Group, and the Group's credibility may be damaged, which could affect the Group's operating results. In addition, the Group has established the Cybersecurity Committee to build and strengthen Groupwide IT governance. In the event of an information security incident, this committee collects information, recovers the affected elements, and prevents recurrence, while providing employee education during times of normalcy.



Material Procurement

The AMADA Group purchases parts and materials from more than one supplier. Purchase prices of these materials may fluctuate depending on changes in prices of raw materials and energy prices, including the price of crude oil. In addition, the supply and demand situation in the industry and conditions of suppliers, as well as natural disasters, may become an obstacle to the stable supply of materials, which is expected to lower our productivity and could affect the Group's operating results. Although it has become difficult to procure semiconductors and other control parts, we are maintaining and expanding our production system through efforts such as substituting products and changing designs.

Summary Chart of Risk Management Activities



Foundations for Value Creation

Officers (As of June 28, 2023)

Directors



Representative Director,
Chairman

Tsutomu Isobe

May 19, 1961

Career Summary

December 1985 Joined Amada Metreco Co., Ltd. (later merged to become the current Company)

April 2000 Joined the Company upon the merger

April 2003 General Manager of Corporate Secretariat Office

June 2007 Director, Executive General Manager of Corporate Planning Div.

June 2009 Director, Corporate Officer, Senior Executive General Manager of Corporate Planning HQ

June 2010 Director, Executive Officer, Senior Executive General Manager of Corporate Management HQ

April 2013 Director, Senior Executive Officer, Senior Executive General Manager of Corporate Management HQ, Senior Executive General Manager of Financial HQ

April 2015 Representative Director, President of the Company
Representative Director, President of AMADA CO., LTD. (merged to become the current Company)

October 2015 Representative Director, President, Senior Executive General Manager of Corporate Management HQ

April 2018 Representative Director, President of the Company
Representative Director, President of AMADA CO., LTD. (merged to become the current Company)

April 2020 Representative Director, President Corporate Officer

April 2022 Representative Director, President

April 2023 Representative Director, Chairman (incumbent)



Representative Director,
President

Takaaki Yamanashi

December 9, 1963

Career Summary

April 1987 Joined the Company

April 2009 General Manager of Blanking Machinery Development Dept. II, Solution Development Div., Development and Manufacturing HQ for Sheetmetal Solution

January 2016 President of AMADA Advanced Technology (Germany)

April 2018 Senior Corporate Officer, Senior Executive General Manager of Blanking Machinery Development HQ of the Company

April 2020 Executive Officer, Executive General Manager of Blanking Machinery Development Div., Laser Technology Development Div.

June 2021 Executive Officer, in charge of Sheet Metal Technology Development HQ, Executive Supervisor of Production HQ

April 2022 Director, Senior Executive Officer, Senior Executive General Manager of Sheet Metal Technology Development & Production HQ

April 2023 Representative Director, President Corporate Officer (incumbent)



Director, Senior Executive Officer

Masahiko Tadokoro

February 26, 1962

Career Summary

April 1982 Joined Amada Metreco Co., Ltd. (later merged to become the current Company)

April 2003 President of AMADA MACHINERY AMERICA, INC.

June 2006 Director, Executive Vice President of AMADA MACHINERY CO., LTD.

April 2007 Representative Director, President of AMADA MACHINERY CO., LTD.

April 2014 Corporate Officer of AMADA MACHINERY CO., LTD.
President of AMADA MACHINERY EUROPE GmbH

October 2015 Director, Executive Vice President of AMADA MACHINERY CO., LTD.

April 2016 Representative Director, President of AMADA MACHINERY CO., LTD.

April 2021 Executive Officer of the Company
Representative Director, President of AMADA MACHINERY CO., LTD.

June 2022 Director, Senior Executive Officer, Senior Executive General Manager of Sheet Metal Sales Business & Service HQ, Director of AMADA MACHINERY CO., LTD.

April 2023 Director, Senior Executive Officer, Senior Executive General Manager of Engineering Sales Business & Service HQ (incumbent)



Director, Senior Executive Officer

Koji Yamamoto

January 29, 1961

Career Summary

April 1984 Joined the Company

April 2006 Executive General Manager of Overseas Business Div.

April 2009 Corporate Officer, Executive General Manager of Sales Planning Div. and Asia & China Div.

April 2010 Corporate Officer, Executive General Manager of Corporate Management Div. of AMADA MACHINERY CO., LTD.

April 2011 Director, Senior Executive General Manager of Corporate Management HQ of AMADA MACHINERY CO., LTD.

April 2013 Corporate Officer, Executive General Manager of Corporate Management Div. of the Company

June 2015 Director, Executive General Manager of Corporate Management Div.

October 2016 Corporate Officer of the Company, President of AMADA ASIA PACIFIC CO., LTD., President of AMADA (THAILAND) CO., LTD.

April 2019 Corporate Officer of the Company, President of AMADA (CHINA) CO., LTD.

June 2022 Executive Officer, Executive General Manager of Corporate Management Div., Executive Supervisor of China & ASEAN region of the Company

April 2023 Director, Senior Executive Officer, Senior Executive General Manager of Corporate Management & Finance HQ (incumbent)



Director, Executive Officer

Kazuhiko Miwa

March 10, 1963

Career Summary

April 1986 Joined Dai-ichi Kangyo Bank (current Mizuho Bank, Ltd.)

February 2004 Councilor of IR Department, Mizuho Financial Group, Inc.

January 2006 Councilor of Overseas Credit Department, Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)

March 2006 Senior Credit Officer of Overseas Credit Department, Mizuho Corporate Bank, Ltd.

November 2011 Deputy General Manager of Marketing Department No. 15, Mizuho Corporate Bank, Ltd.

January 2016 Joined the Company
General Manager of Corporate Planning Dept.

April 2016 General Manager of President Office

April 2018 Corporate Officer, Executive General Manager of Corporate Management Div.

June 2018 Director, Executive General Manager of Corporate Management Div.

April 2020 Director, Executive Officer, Senior Executive General Manager of Corporate Management HQ

April 2021 Director, Executive Officer, Executive General Manager of Financial Div.

April 2022 Director, Executive Officer, Executive General Manager of Financial Div., in charge of Legal Affairs

April 2023 Director, Executive Officer, Executive General Manager of Finance Division (incumbent)

External Directors



External Director

Hiroyuki Sasa

September 14, 1955

Career Summary

April 1982 Joined Olympus Optical Co., Ltd. (current Olympus Corporation)

April 2001 General Manager of Endoscope Business Planning Dept., Olympus Optical Co., Ltd. (current Olympus Corporation)

April 2005 Division Manager of First Development Div., Olympus Medical Systems Corp.

April 2007 Division Manager of Marketing Div., Olympus Medical Systems Corp.

June 2007 Corporate Officer, Olympus Corporation

June 2007 Director, Olympus Medical Systems Corp.

April 2012 Representative Director, President, Corporate Officer, Olympus Corporation

April 2019 Director, Olympus Corporation

June 2020 Outside Director, Kyosan Electric Manufacturing Co., Ltd. (incumbent)

July 2020 Retired as Director, Olympus Corporation

June 2022 Outside Director, Kanematsu Corporation (incumbent)

June 2023 External Director of the Company (incumbent)



External Director

Toshitake Chino

October 17, 1946

Career Summary

April 1971 Joined the Nikkan Kogyo Shimbu, Ltd.

April 1995 General Manager of Economics Department, Editing Bureau of this company

June 2002 Director of this company

June 2003 Representative Director, President of AMADA MACHINERY CO., LTD.

November 2010 Senior Advisor of this company

March 2011 Retired as Senior Advisor of this company

April 2011 Specially appointed Professor of The University of Electro-Communications

June 2014 External Director of the Company (incumbent)

April 2017 Director of Social Welfare Organization Saseikai Imperial Gift Foundation, Inc. (incumbent)

April 2023 Visiting Professor of The University of Electro-Communications (incumbent)



External Director
Hidekazu Miyoshi
July 17, 1950

Career Summary

April 1974	Joined Miyoshi International Patent Office
April 1978	Registered as patent attorney (current)
April 1989	President of Miyoshi & Miyoshi (Patent Office)
August 1999	Representative Director of Miyoshi Industrial Property Rights Research Center K.K. (incumbent)
April 2004	Chairman of Miyoshi & Miyoshi (Patent Office) (incumbent)
April 2015	External Director of the Company (incumbent)



External Director
Harumi Kobe
April 6, 1962

Career Summary

April 1985	Joined Ministry of Finance
July 1991	District Director of Kakegawa Tax Office
May 2000	First Secretary of The Mission of Japan to the European Union (Counselor from January 2002), Embassy of Japan in Belgium
July 2003	Director, Minister's Secretariat (International Organizations Division, International Bureau) of Ministry of Finance
July 2005	Assistant Regional Commissioner of First Taxation Department, Tokyo Regional Taxation Bureau
July 2006	Director of Liquor Tax and Industry Division, Taxation Department, National Tax Agency
July 2008	Director of Large Enterprise Examination Division, Large Enterprise Examination and Criminal Investigation Department, National Tax Agency
October 2009	Director of Customs Clearance Division, Customs and Tariff Bureau, Ministry of Finance
July 2010	Director of Planning Division, Commissioner's Secretariat, National Tax Agency
July 2011	Director of Accounts Division, Commissioner's Secretariat, National Tax Agency
June 2013	Regional Commissioner of Hiroshima Regional Taxation Bureau
July 2014	Deputy Director-General of Customs and Tariff Bureau, Minister's Secretariat, Ministry of Finance
June 2016	Deputy Director-General for Cybersecurity and Information Technology Management, Minister's Secretariat, Ministry of Finance
July 2018	Deputy Director-General of Minister's Secretariat, Minister's Secretariat, Ministry of Finance, Vice President of Policy Research Institute, Ministry of Finance
July 2019	Professor at National Graduate Institute for Policy Studies (Policy Research)
July 2021	Retired from Ministry of Finance
November 2021	Adviser of Aici Nissay Dowa Insurance Co., Ltd. (incumbent)
June 2022	External Director of the Company (incumbent)
June 2023	Outside Director of Raysum Co., Ltd. (incumbent)

Audit & Supervisory Board Members



Audit & Supervisory Board Member
Kotaro Shibata
January 7, 1953

Career Summary

January 1980	Joined the Company
October 2001	Executive General Manager of Punching Business Div.
June 2009	Corporate Officer, Executive General Manager of Sales Control Div.
June 2010	Director, Corporate Officer, Deputy Executive General Manager of Sales Control HQ
June 2012	Director, Executive Officer, Deputy Senior Executive General Manager of Engineering Business HQ
April 2013	Director, Executive Officer, in charge of Sales
April 2015	Director, Executive Vice President of AMADA CO., LTD. (merged to become the current Company)
April 2017	Representative Director, President of AMADA CO., LTD.
June 2017	Senior Managing Director of the Company
April 2018	Senior Managing Director, Senior Corporate Officer, Assistant to the President, President of AMADA (CHINA) CO., LTD.
April 2019	Senior Managing Director, Assistant to the President
April 2020	Audit & Supervisory Board Member (incumbent)



Audit & Supervisory Board Member
Takashi Fujimoto
December 2, 1956

Career Summary

April 1980	Joined The Bank of Tokyo, Ltd. (current MUFG Bank, Ltd.)
October 2001	General Manager of Corporate Dept. No. 2, Shinbashi Branch, The Bank of Tokyo, Ltd.
July 2004	Branch Manager of Amagasaki Branch, The Bank of Tokyo, Ltd.
December 2007	General Manager of Istanbul Representative Office, The Bank of Tokyo, Ltd.
March 2010	Joined MIYACHI CORPORATION (current AMADA WELD TECH CO., LTD.)
July 2010	General Manager of Overseas Management Office, Corporate Planning HQ, MIYACHI CORPORATION
July 2011	General Manager of Corporate Planning Dept., Corporate Planning and Administration HQ, MIYACHI CORPORATION
July 2012	Corporate Officer, Senior Executive General Manager of Corporate Planning and Administration HQ, MIYACHI CORPORATION
April 2014	Director, Corporate Officer, Senior Executive General Manager of Corporate Planning and Administration HQ, AMADA MIYACHI Co., LTD. (current AMADA WELD TECH CO., LTD.)
May 2019	Director, Corporate Officer of AMADA MIYACHI Co., LTD. and Representative Director of AMADA WELD TECH KOREA CO., LTD.
June 2023	Audit & Supervisory Board Member of the Company (incumbent)

External Audit & Supervisory Board Members



External Audit & Supervisory Board Member
Akira Takenouchi
May 26, 1947

Career Summary

April 1979	Registered as an attorney with the Tokyo Bar Association (current) Joined Makoto Tsuji Law Offices (current)
June 2002	Outside Corporate Auditor of Alps Electric Co., Ltd.
June 2005	Retired as Outside Corporate Auditor of Alps Electric Co., Ltd.
April 2011	Chairman of the Tokyo Bar Association Vice Chairman of the Japan Federation of Bar Associations
April 2013	Member of the Supreme Court's Advisory Panel on the Operation of the Lay Judge System
June 2014	External Audit & Supervisory Board Member of the Company (incumbent)



External Audit & Supervisory Board Member
Seiji Nishiura
October 7, 1952

Career Summary

April 1971	Joined the Fukuoka Regional Taxation Bureau
July 2003	Special National Tax Examiner of First Investigation Department, Osaka Regional Taxation Bureau
July 2008	Supervising National Tax Examiner of Third Investigation Department, Tokyo Regional Taxation Bureau
July 2012	District Director of Kamakura Tax Office
July 2013	Retired from the Kamakura Tax Office
August 2013	Registered as a tax accountant (current) Director, Nishura Tax Accountant Office (incumbent)
June 2017	External Audit & Supervisory Board Member of the Company (incumbent)

Financial Review

Earnings

The AMADA business environment during the consolidated fiscal year under review presented concerns of an economic slowdown due to declines in capital investment sentiment driven by future uncertainty, including the effects of continuously rising energy prices and material shortages due to disruptions in supply chains. Despite this, demand for capital investment to boost productivity and automate remained firm amid supply chain restructuring to mitigate geopolitical risks as well as the need to address social issues. In this environment, the Group focused on maintaining and expanding its production system through efforts such as substituting products and changing designs, thereby converting the high level of orders received into sales. As a result, revenue, operating profit, and profit

attributable to owners of parent all reached record highs.

Regarding the consolidated operating results for the fiscal year under review, revenue rose to ¥365,687 million, an increase of 17.0% year on year. Breaking this down, domestic revenue increased 11.7%, to ¥141,769 million, and overseas revenue increased 20.6%, to ¥223,918 million.

For operating profit, profit on sales improved thanks to higher revenue, improved utilization rates, and improved selling prices despite some impact from rising parts and materials prices, and the yen trended weaker on exchange markets. This resulted in operating profit of ¥49,867 million (up 29.4% year on year), and profit attributable to owners of parent of ¥34,158 million (up 23.0%).

Financial Position

Total assets at the end of the consolidated fiscal year under review increased by ¥33,122 million from the end of the previous fiscal year to ¥647,562 million. Current assets increased ¥34,584 million to ¥398,716 million due to a rise in inventories resulting from an increase in raw materials and work in process against the backdrop of longer lead times for parts procurement and an expansion in trade receivables due to higher revenue. Meanwhile, noncurrent assets decreased ¥1,461 million to ¥248,846 million mainly due to redemption of investment securities.

Total liabilities expanded by ¥8,636 million from the end of the previous fiscal year to ¥139,041 million due to a rise in trade and other payables as a result of increased business transactions. Total equity amounted to ¥508,521 million, up ¥24,486 million, due to the accumulation of retained earnings and an increase in foreign currency translation adjustments resulting from the depreciation of the yen. As a result, the ratio of equity attributable to owners of parent decreased 0.3 percentage points, from 78.1% to 77.8%.

Cash Flows

Cash and cash equivalents at the end of the consolidated fiscal year under review amounted to ¥98,556 million, down ¥8,235 million from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥24,949 million, down ¥31,915 million from the previous fiscal year. This decrease mainly reflected an increase in expenditures resulting from a rise in inventories in response to longer delivery times for parts procurement and an increase in income taxes paid resulting from expanded business performance, despite a rise in profit before tax resulting from higher revenue.

Cash flows from investing activities

Net cash used in investing activities totaled ¥13,323 million, an increase of ¥5,401 million compared with the previous fiscal year. The main cause for this was the purchase of property, plant and equipment for capital investment, even though proceeds from redemption of securities and investment securities exceeded the purchase amount of securities.

Cash flows from financing activities

Net cash used in financing activities totaled ¥20,392 million, a decrease of ¥1,916 million compared with the previous fiscal year. The main cause for this was dividends paid.

Corporate Information (As of March 31, 2023)

Corporate Profile

Company Name	AMADA CO., LTD.	Share Capital	¥54,768 million
Head Office	200, Ishida, Isehara-shi, Kanagawa 259-1196, Japan Phone: +81-463-96-1111 URL: https://www.amada.co.jp/en/	Number of Employees (Consolidated)	8,958
Founded	September 10, 1946		

Investor Information

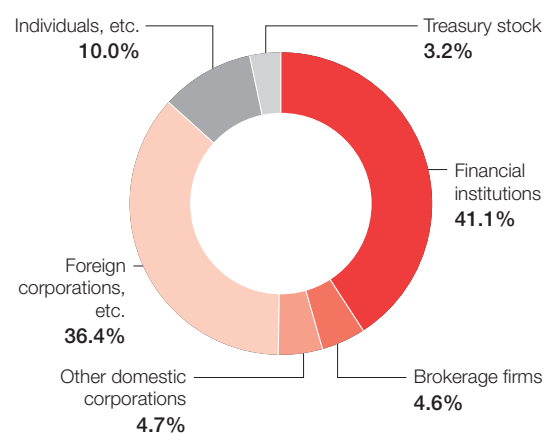
Securities Code	6113	Record Date	Interim dividends: September 30 Year-end dividends: March 31
Fiscal Year-End	March 31	Number of Shares Authorized	550,000,000 shares
Ordinary General Meeting of Shareholders	June	Number of Shares Issued	359,115,217 shares (Including 11,458,462 treasury stock)
Stock Listing	Prime Market of the Tokyo Stock Exchange	Number of Shareholders	49,735
Accounting Auditor	Deloitte Touche Tohmatsu LLC		
Shareholder Register Administrator	Mizuho Trust & Banking Co., Ltd. 1-3-3, Marunouchi, Chiyoda-ku, Tokyo 100-8241, Japan		

Major Shareholders

Shareholder	Shares owned (1,000 shares)	Shareholding ratio* (%)
The Master Trust Bank of Japan, Ltd. (Trust accounts)	68,765	19.78
Custody Bank of Japan, Ltd. (Trust accounts)	40,753	11.72
CGML PB CLIENT ACCOUNT / COLLATERAL	10,130	2.91
The AMADA Foundation	9,936	2.86
THE BANK OF NEW YORK MELLON 140044	7,920	2.28
STATE STREET BANK AND TRUST COMPANY 505001	7,108	2.04
Japan Post Insurance Co., Ltd.	6,409	1.84
SSBTC CLIENT OMNIBUS ACCOUNT	6,260	1.80
Nippon Life Insurance Company	5,894	1.70
SMBC Nikko Securities Inc.	4,992	1.44

Note: Shareholding ratios have been calculated excluding treasury stock (11,458,462 shares).

Distribution of Shares by Shareholder





AMADA CO., LTD.

200, Ishida, Isehara-shi, Kanagawa
259-1196, Japan

PRINTED IN JAPAN

240215