



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.

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Highlights



A commitment to creating new value by working together with its customers to shape the future of manufacturing

Since our founding in 1946, the AMADA Group has continuously created and risen to challenges as a manufacturer of metalworking machinery and supported global manufacturing. With “Growing Together with Our Customers” as the first and foremost of our management philosophies, we have established a direct sales and service system in which we handle everything from product sales to maintenance and other services for our customers. This not only allows us to quickly resolve issues faced by customers but also to utilize the requests we receive in the development of new products and services, leading to future solutions. This accumulation of solutions and capabilities is the source of the AMADA Group’s strength.

Today’s world has no shortage of issues to tackle, including worsening environmental problems such as climate change, and a declining workforce due to low birthrates and aging societies. The AMADA Group has formulated its Long-term Vision 2030 in order to help resolve these social issues through the evolution of its customers’ manufacturing. Specifically, we will support our customers’ manufacturing from all aspects, including the use of digital transformation

(DX) and AI technologies, promotion of automation, development of products that contribute to the reduction of environmental impact, and supporting processing for next-generation technologies in areas such as EVs, semiconductors, and medicine.

We are also working to further improve our technical and engineering capabilities through the AMADA GLOBAL INNOVATION CENTER (AGIC), a place for co-creating future processing technologies with our customers, and the newly opened AMADA Technical Education Center (ATEC), a human resource development center. Furthermore, we are laying the groundwork for further growth by reorganizing the Group to maximize the strength of our core laser technology.

The AMADA Group will continue to create unprecedented value in this world by working together with its customers to shape the future of manufacturing.

Tsutomu Isobe
Representative Director, Chairman

Takaaki Yamanashi
Representative Director, President

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Environmental Value

Provided by the AMADA Group

Amid growing global environmental awareness, achieving carbon neutrality is a challenge that companies must overcome. The AMADA Group is committed to creating environmental value through manufacturing based on our Management Philosophy to take good care of people and the earth's environment.

HIGHLIGHT

Fiber laser machines

A brand-new dimension of ultra-high-speed, high-precision machining

Key issue for the environment

Reducing CO₂ emissions

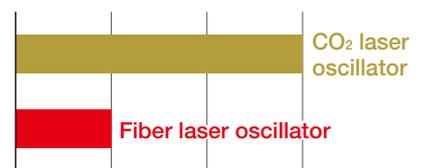
Products for sale



Power consumption (vs. CO₂ laser oscillators)

Approx. **1/3**

Power consumption comparison



Fiber laser oscillators have extremely high energy efficiency, about three times that of CO₂ laser oscillators, enabling significantly reduced power consumption.

Environment

Fiber laser machines are representative of AMADA's mainstay Sheet Metal Division. These machines cut metal sheets at high speed with high precision.



Desired outcome

CO₂ emissions for products

50% reduction

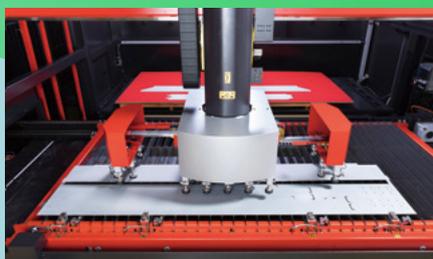
(vs. fiscal 2013)

CO₂ emission reporting function



This function enables measurement of CO₂ emissions on a per-part basis, the creation of reports, and file output.

Automation solutions



Automation of parts disassembly and sorting makes it possible to achieve highly efficient, long-term continuous operation.

ntal Value

Customer Value

Provided by the AMADA Group

In addition to the shortage of labor due to low birthrates and aging societies, passing on accumulated skills and techniques has become a pressing issue.

AMADA has developed a unique direct sales and service system and has grown together with its customers by addressing the social issues of each era. We listen directly to our customers and provide solutions that boast high productivity and less skill required to help increase customer value.

Issues faced by customers

Aging societies and labor shortage in developed countries

Innovations in digital technology

HIGHLIGHT

Fiber laser welding system

Digitization of accumulated skills and techniques

Welding is usually a difficult process that requires well-honed techniques. However, our system combining a fiber laser with robotics enables high-precision, high-quality processing. In addition, automation thanks to robotics and AI-powered automatic program correction enables easier and more stable machining with much greater usability.



Labor productivity

Approx. **3–6x**

No-hassle efficiency boost for all operators



The AMNC 4ie machine control system

Facial recognition



Can switch numerical control (NC) settings to suit the operator, such as language and screen display.

Startup inspection guidance



Guidance video enables a wider range of operators to follow startup inspection procedures. Manages and shares inspection history.

Customer



Desired outcome

Supporting manufacturing sites around the world with the four “E”s

Easy

(Can be used by anyone)

Efficiency

(Can be used anywhere)

Environmental

(Environmentally friendly)

Evolution

(Growing Together with Our Customers)

Setup navigation



No matter the operator, machine setup can proceed in a uniform fashion, contributing to reliable and speedy manufacturing.

AI-powered automatic program correction



During the AI-powered automatic program correction process, other tasks can be performed, thus improving work efficiency.

Value

Social Value

Provided by the AMADA Group

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.

Issues for manufacturing industries

Reducing Running Costs

Reducing Environmental Impact

Experienced Worker Shortages

Improving Productivity

Global Needs

Stable Supply

Automation

Our newest fiber laser machines cut energy consumption by one-third
Technology that boosts production efficiency

Our manufacturing DX solutions enable total factory visualization, leading to optimized, efficient manufacturing

Our AI-powered NC units reduce setup time and save power by preventing idling

Our latest machinery and underlying technologies



- Easy
- Efficiency
- Environmental
- Evolution

Accumulated expertise
Infusing AI with our insights and experiences

Value provided by the AMADA Group → Value together with

We support diverse talent in manufacturing sites.
Automatic operator identification through facial recognition launches operation screens tailored to the operator

We provide total solutions by fusing process integration with automation systems

Our bolstered global supply system enables a flexible, just-in-time delivery system

Social Value



provided
our customers

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

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

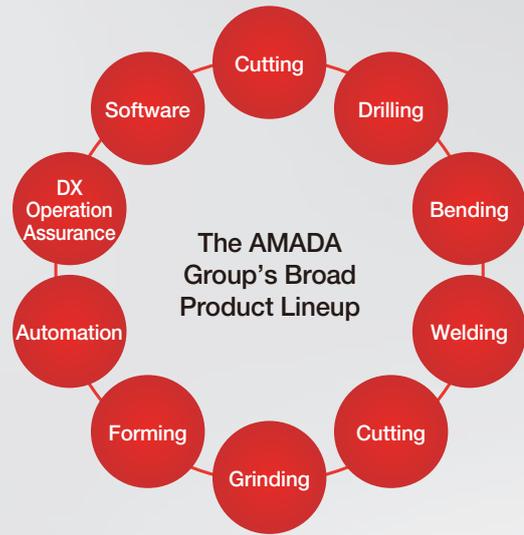
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Introduction At a Glance

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 cutting, drilling, and grinding of metal blocks.



Fiber laser marker

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



Laser welding system

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



Pulse cutting band saw machine

Digital profile grinder

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. We offer a global production and supply system and total solutions from development to after-sales services.

- Cutting
- Drilling
- Grinding



Progressive stamping press automation system

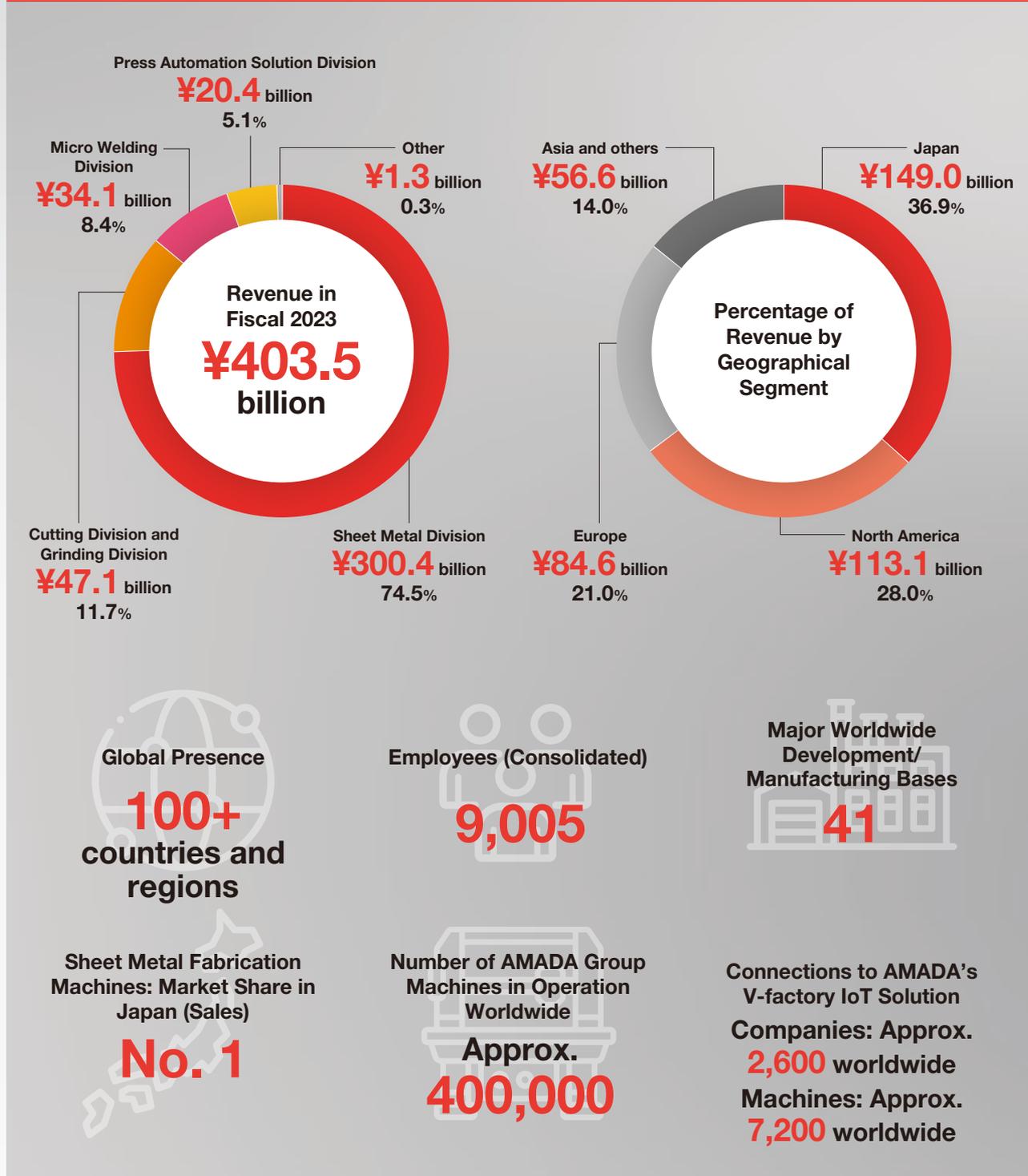
Press Automation Solution Division

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, 2024

**Cutting-Edge Laser Technology**

We have maintained high growth in laser technologies, where demand has been increasing in recent years. We offer a lineup with a wide range of laser wavelengths and output, including our fiber laser machines equipped with a laser oscillator developed in-house. 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.

Steady progress toward becoming a one-of-a-kind global manufacturer of metalworking machinery supporting manufacturing around the world

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. In fiscal 2023, the first year of our Medium-term Business Plan 2025, we made steady progress toward becoming a one-of-a-kind global manufacturer of metalworking machinery.

In February 2023, we opened the AMADA GLOBAL INNOVATION CENTER (AGIC), a key facility advancing efforts embodied by our slogan in Medium-term Business Plan 2025, “FUTURE TECHNOLOGIES with AMADA.” AGIC serves in two roles. One is as a solution center for AMADA to present its latest technologies, using actual machines and models represented down to the internal structures, so that customers can see not only what we can do but also why we can do it, deepening their understanding of AMADA’s products. The other role is to serve as a place for co-creation, where the seeds provided by the AMADA Group are watered by the needs of our customers and the challenges they face to create new processing technologies alongside them. The opening of AGIC marks the start of a new structure for the AMADA Group to evolve its processing technology proposals, embodying our Management Philosophy of “Growing Together with Our Customers.”

Beyond this, we have implemented two further actions to become a one-of-a-kind global manufacturer of metalworking machinery.

One is the release of a number of new products equipped with the AMNC 4ie NC unit, which features improved functionality and productivity addressing customer needs, as well as improved operability based on the four “E”s: Easy, Efficiency, Environmental, and Evolution. These are the pride of our product lineup in that they also contribute to our customers’ sustainability activities, and they have features that are uniquely AMADA.

The other is the absorption via merger of consolidated subsidiary AMADA WELD TECH CO., LTD. in April 2024 as part of a laser/welding business initiative, one element of the growth strategies in our Long-term Vision 2030 announced in May 2022. AMADA WELD TECH has long cultivated expertise in micro welding technology and applications, including the development and sale of the world’s first laser welder. By combining AMADA’s laser control technology, automation, and NC control technology, we have been able to create new added value. We have also established a system to expand sales in the growing fields of medical care, e-Mobility, and semiconductors using laser welding technology.

In the AMADA Group’s Long-term Vision 2030, we aim to achieve revenue of ¥500 billion and return on equity (ROE) of 10% in fiscal 2030. In the first year of Medium-term Business Plan 2025, in which we were working to achieve these goals, I believe that we have taken the first step toward becoming a one-of-a-kind global manufacturer of metalworking machinery.



Introduction

Message from the President

Review of Fiscal 2023 and Outlook for Fiscal 2024 (Achievements and Issues)

The business environment in fiscal 2023 remained uncertain due to such factors as ongoing global inflation and rapid interest rate hikes in Western countries, as well as geopolitical risks such as prolonged military aggression by Russia against Ukraine and tensions in the Middle East. Against this backdrop, capital investment in the manufacturing sector became more active due to supply chain restructuring triggered by geopolitical risks and other factors. Furthermore, as measures to address labor shortages, rising energy prices, and environmental considerations, demand has remained strong for power-saving, automated, high-productivity products and other offerings, leading to increased orders for the AMADA Group. Revenue, operating profit, and profit attributable to owners of parent reached record highs for the second consecutive fiscal year, thanks to the normalization of material procurement and production activities, which had been an issue in fiscal 2022, and the processing of order backlogs. Aided by a tailwind from foreign exchange rates, AMADA achieved its revenue target of ¥400 billion.

Region by region, the economy in China showed no signs of recovery, and there was a notable period of challenges especially in the ASEAN region, which is

highly dependent on China. However, in Japan and other regions, capital investment in energy-saving and laborsaving measures continued in the manufacturing industry in general, and revenue grew steadily. On the other hand, there were challenges, more specifically delays in switching to new product models due to a focus on eliminating existing product backlogs. Although we received many orders and had the potential to further increase revenue, we focused on ensuring that existing products were fully sold before switching to new product models. This resulted in lower-than-expected sales of new products and somewhat weak profit margins.

As in fiscal 2023, we expect to achieve record-high profits for the third consecutive fiscal year in fiscal 2024, thanks to the high level of order backlogs and demand for new products, as well as continued capital investment in energy-saving and laborsaving measures in the manufacturing industry in general. Furthermore, in the second half of the year, we expect to complete the switch to new product models, which was an issue in fiscal 2023, and fully capture the benefits of improved selling prices and cost reductions, thereby improving our profit margins toward the ROE target of 8%.

In the first quarter of fiscal 2024, both revenue and profits declined in the domestic and Asian markets on the back of strong performance in the fourth quarter of fiscal 2023. In the domestic market, government subsidies, which had been supporting demand, resumed in earnest in the second quarter, and orders received grew steadily. In markets across Asia, China is on a recovery track compared to fiscal 2023, but whether the ASEAN region can get back on its feet is a matter of concern. Still, our view is that the extremely active markets within North America, including Mexico and Canada, will help propel the Group overall to fully achieve our earnings forecast.

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

In May 2022, the AMADA Group announced Long-term Vision 2030, and in May 2023 it formulated Medium-term Business Plan 2025. As management goals toward achievement of the former, the latter establishes a revenue



target of ¥400 billion and ROE of 8% or more for fiscal 2025. In fiscal 2023, the first year of the plan, we achieved revenue of ¥403.5 billion, operating profit of ¥56.5 billion, and ROE of 7.9%. Converted at the exchange rate of ¥125 to the U.S. dollar set in the medium-term business plan, revenue was approximately ¥380 billion, and though there are issues on the profit side, we appear to be off to a fairly strong start.

Under Medium-term Business Plan 2025, we aim to achieve the target figures in the short term while nurturing businesses that will play a key role in our medium- to long-term growth strategy. In the short term, we are working on three key measures: co-creation of technology at AGIC, increase the share taken by new products, and enhancement of after-sales services.

Under the co-creation of technology at AGIC, we have improved the efficiency of sales activities compared to the previous AMADA Solution Center. When comparing fiscal 2018, when performance peaked before the COVID-19 pandemic, to fiscal 2023, the closing rate improved from 31% to 47%, and the total value of contracts increased from ¥31.5 billion to ¥42.6 billion. The unit price per contract also improved from ¥37 million to ¥51 million. Patronage is also strong for our Innovation LABO, a forum for co-creation where AMADA works alongside customers to verify their manufacturing processes and help them tackle new processing technologies, and for Innovation SITE, our messaging hub to help customers deepen their understanding of new technologies and try them out. These facilities are helping to generate new processing technologies.

At Innovation LABO, we have been using actual equipment to examine together with customers their aspirations and challenges, such as how to reduce weight and improve precision, as they consider productivity improvements and fundamental manufacturing reforms, and then analyze the data. By analyzing the data from this, we are helping them find a pathway to transform manufacturing. By process, welding projects accounted for 70% of the total, and about 80% of the processing verification content was manufacturing improvement, including method reform. To give a specific example, in sheet metal processes, metal sheets are cut, bent, and joined together like origami, but this process of joining has been quite

challenging to automate and is still done manually in the field. This has led to many requests for automated welding technology using robots. Thanks to AGIC allowing us more opportunities to experience firsthand the challenges our customers face, I feel that the past fiscal year was one in which we were able to expand new business possibilities, such as what we can propose as potential seeds of a solution and what we can co-create with our customers.

Within the measure of increase the share taken by new products, along with the opening of AGIC, we announced a number of new products, all equipped with the AMNC 4ie NC unit under a new operation system, as described at the beginning of this report. For our existing devices, we will release a series of new products representative of the best of machine solutions, aimed at increasing customers' profits by pursuing productivity improvements, automation, and operation with less skill required in response to Japan's low birthrate and aging society, while also pursuing greater environmental performance.

In the enhancement of after-sales services, which generates more than 30% of our revenue, we will improve our business model to ensure stable earnings that are more resilient against economic fluctuations. The AMADA Group will pursue sustainable improvement of profitability by doing business in the areas of customer support system, production technology support business, retrofitting business, factory automation, and cloud business to support customers' production through global direct sales and direct services.

- **Customer support system: Restructuring the direct service system to streamline service in remote areas and overseas through DX to strengthen the provision capability of various information.**
- **Production technology support business: Expanding solution businesses by delivering new processing technologies and new functions.**
- **Retrofitting business: Utilizing DX to advance proposals for already delivered products, proposals for improvement of software infrastructure, etc.**
- **Factory automation: Accelerating DX in manufacturing at customers' factories through visualization of production and inter-process transfer robots, etc.**

Introduction

Message from the President

- **Cloud business:** Advancing the V-factory solution, which connects various machines, molds, and software in a factory to an IoT support center for utilization analysis and monitoring, and building a digital twin service that provides proposals for optimizing operation in a virtual factory.

To Achieve Our Long-term Vision 2030

In Medium-term Business Plan 2025, we are working toward the expansion of new domains with laser technology, creation of new businesses, and global strategies as long-term growth strategies to achieve our Long-term Vision 2030 over the medium to long term.

Under the expansion of new domains with laser technology, as of April 2024, we have acquired consolidated subsidiary AMADA WELD TECH through an absorption merger. This merger has equipped us with a broad lineup of laser wavelengths and outputs, blue lasers, green lasers, direct diode lasers, and fiber lasers. This allows us to offer a wide range of processing and welding technologies for the manufacturing of parts and products of sizes ranging from the micro to the large scale, as well as of various shapes and materials. Specifically, the promising new growth areas where we are seeking to gain entry through this laser technology are e-Mobility, semiconductors, and medical.

The creation of new businesses is an operational reform that we have been working on in conjunction with the launch of Medium-term Business Plan 2025. The AMADA Group is a metalworking machinery manufacturer with a variety of solutions for sheet metal, cutting, grinding, and even presses and springs, but until now each Group company has dealt with each of these individually. In fiscal 2023, we began seamless proposal activities among the Group to 63,000 customers in Japan, and various successful examples have emerged. From fiscal 2024 onward, we will promote this initiative and expand it on a global scale.

Under global strategies, we have been introducing a new production system after reflecting on lead-time delays during the pandemic. The concept of the new system is to reduce overhead costs, which have increased due to the diversification of product

specifications as customer needs become more sophisticated. To achieve this, we have implemented a new production management system, AMADA Production Environment Transformation (APEX), which aims to significantly improve efficiency by utilizing DX.

In the APEX system, an integrated bill of materials (BOM) that links the E-BOM for engineering information, the M-BOM for manufacturing information, and the S-BOM for service parts information was newly constructed to enable centralized management of technical information and visualization of information sharing. This enables rapid manufacturing arrangement based on engineering information and the automatic generation of 3D parts lists for maintenance that can be used in the after-sales service business. In addition, the AMADA Supplier Portal Site was launched to share production plans and progress updates with suppliers, and a new Serial Portal was created for field workers, which consolidates sales, manufacturing, and quality information by machine serial number, allowing them to check various information in real time from a tablet PC.

By horizontally deploying these manufacturing DX and IoT-driven production methods globally, we will strengthen our long-standing supply chain management strategy based on local production for local consumption, reduce in-house man-hours, shorten delivery lead times, enhance cost competitiveness, and optimize inventories by reducing order backlogs. This will help to improve profit margins for the entire Group.

Initiatives for Sustainability

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. Furthermore, we established the Sustainability Department in April 2024 to accelerate the Group's sustainability efforts.

With regard to the environment, in addition to obtaining Science Based Targets initiative (SBT) certification and joining the RE100 initiative, we will be working on a project for Groupwide compliance with the

EU Corporate Sustainability Reporting Directive (CSRD), which came into force in January 2023, starting with local subsidiaries in Europe.

In the area of human resource education, we completed construction of the AMADA Technical Education Center (ATEC) in September 2024. Here, we will strive to instill fundamental product skills and knowledge appropriate to AMADA employees, aiming to achieve our “all-hands engineering” approach. In addition, we will work to improve engineering sales capabilities and provide engineer education. In particular, our engineer education programs not only cover new products but also those already found at our customers’ worksites. We have developed these programs to provide a deep understanding of the traditional techniques used in AMADA’s products that have been long-beloved by our customers. By enhancing our employees’ engineering capabilities, we will continue our efforts to have convincing and reliable offerings that put customers at ease when they choose AMADA products.

Strengthening Corporate Governance

The AMADA Group is actively working to strengthen its corporate governance. Discussions at the Board of Directors’ meetings have been invigorated, including candid opinions, suggestions, and proposals offered by both internal and external directors. We on the executive side have been actively working on the plan–do–check–act (PDCA) cycle, taking these discussions seriously and reflecting them in our business operations. We have also reformed the officer remuneration system based on discussions by the Compensation Committee, including the introduction of performance-linked stock-based compensation, for which shares of the Company’s stock are delivered in accordance with position and the degree of achievement of performance targets.

The AMADA Group will continue to focus on separating execution and supervision functions, and will further strengthen its corporate governance and risk management systems by making the Group structure more robust, making decision-making processes more visible, and addressing cybersecurity.



Becoming a One-of-a-Kind Global Manufacturer of Metalworking Machinery

I believe that industry cannot advance without advancement in manufacturing. The AMADA Group aims to become a one-of-a-kind global manufacturer of metalworking machinery, providing products that support manufacturing sites and plants in all sectors.

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%. In addition, we will increase the purchase of treasury shares from ¥40 billion to ¥60 billion over the next three years and pursue a virtuous cycle of increasing inventory efficiency, reducing order backlogs, and optimizing inventories so that the cash generated can be used for investments for future growth.

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

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

We developed the first stand-alone laser machine in Japan, the LASMAC-644. 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 AP-60, 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

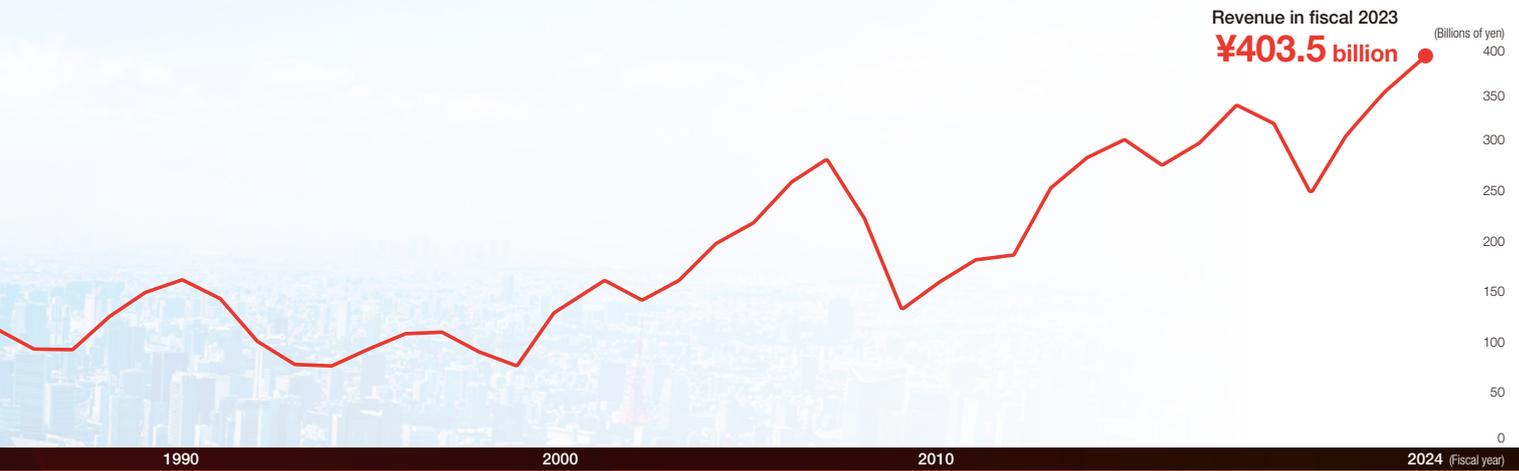
1971 The D500 series is awarded the Japan Electrical Manufacturers' Association Award at the Innovative & Inventive Design Excellence Awards (IDEA)*1.

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 Shimbu, Ltd. to promote and advance the design of Japanese industrial products.

*2. Best 10 New Products Award: Award by the Nikkan Kogyo Shimbu, Ltd.



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. By having our own oscillators, AMADA became able to handle everything in-house, including cost, delivery, and after-sales services.

- 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

2024 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)
Formulates Medium-term Business Plan 2025
- 2024** Acquires AMADA WELD TECH CO., LTD. through an absorption merger
Opens the AMADA Technical Education Center (ATEC)



AGIC exterior

Co-creation for the future

Medium-term Business 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.
- 2012** 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.
The REGIUS-3015AJe fiber laser machine with NC unit is awarded the EuroBLECH 2022 MM Award.
- 2023** The LC-VALSTER-6225AJ + AS6225 fiber laser machine for steel frames and materials received the Best Brand of Japan Award at IDEA.
- 2024** The EGB-e series of servo bending machines is awarded the Best 10 New Products Award.
The EGB-1303ATCe servo bending machine is awarded the Minister of Economy, Trade and Industry’s 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.

The AMADA Group's Future Vision

Since our founding, we have supported manufacturing around the world by working closely with our customers under the slogan “Growing Together with Our Customers” as the first and foremost of our management philosophies. In today’s world, our customers face a variety of social issues at their sites, including environmental problems such as climate change and a declining workforce. Our mission is to support global manufacturing by continuously creating and rising to these challenges.

Environmental Changes and Historical Context

Addressing growing uncertainty and the need to resolve social issues through business activities

- (1) Intensifying global competitive environment in terms of technology, cost, and speed
- (2) Importance of investment decisions with foresight toward growth areas
- (3) Growing need for environmental, social, and governance (ESG) management as a social responsibility
- (4) Sustainment and growth as a 100-year company, shareholder returns

Medium-term Management Plan
Task 321

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

Thoroughly strengthening our management foundation and securing earnings through new products and activities

Next medium-term business plan (2026 and beyond)

Four Basic Strategic Policies

1 Full commitment to achieving revenue of ¥400 billion and improving profitability

(1) Expanding new product share and improving profit margins
Products for improving productivity, environmental products, AI control

(2) Enhancing after-sales services
V-factory, factory automation

(3) Utilizing AGIC
Resolving today’s issues and building tomorrow’s future
Creating new value, expanding new industries, improving activity efficiency

2 Begin activities for our long-term growth strategy

(1) Expanding new domains with laser technology
R&D of applied laser technology (including through M&A)

(2) Global market growth strategy
Expanding new markets, supply strategies, Group synergies

3 Capital policies (Strategic investment/shareholder return)

(1) Cash allocation
Shifting 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 investments for the future

(2) Shareholder return policy
Maintaining and reviewing a sustainable total return ratio

4 ESG management/reinforcing systems

(1) Environmental
Reducing CO₂ emissions
• Products for sale
• Internal business sites and plants

(2) Social
• Developing human resource capability
• Promoting diversity
• Creating a rewarding workplace

(3) Governance
• Creating diversity on the Board of Directors
• Strengthening the Board of Directors’ functions
• Revising the officer remuneration system
• Ensuring thorough compliance
• Strengthening risk management

Long-term Vision 2030

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

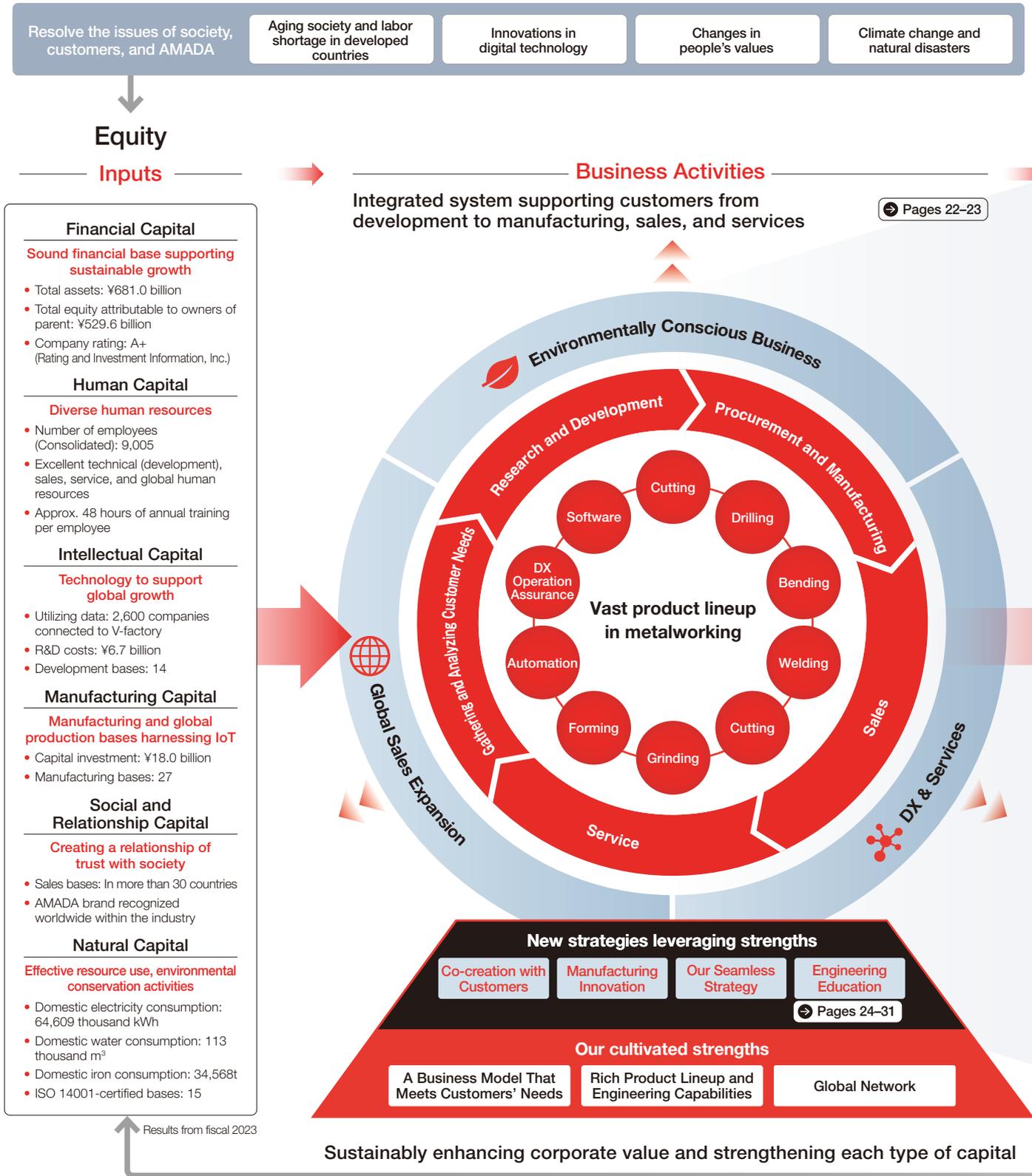
Long-term Management Goals

- 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



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 new NC operation system units
- Eco-products
- Manufacturing DX solutions



Financial Capital

- Consolidated revenue: ¥403.5 billion
- Consolidated operating profit: ¥56.5 billion
- Ratio of equity attributable to owners of parent: 77.8%
- Dividend payout ratio: 50.4%

Human Capital

- Turnover rate (nonconsolidated): 2.6%
- Rate of female new graduates hired: 32.6%
- Paid leave acquisition rate (in Japan): 74.3%

Intellectual Capital

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

Manufacturing Capital

- Improved labor productivity
- Average overtime hours: 13/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%
- Skill course (AMADA SCHOOL) graduates: Approx. 100,000
- Cumulative AMADA foundation grants: Approx. ¥4 billion

Natural Capital

- AMADA Eco-Products share of sales: 87%
- Reduction rate of product CO₂ emissions: vs. fiscal 2013: 58.4%
- Reduction rate of business site CO₂ emissions: vs. fiscal 2013: 73.4%
- Promotion of our "office in the forest" plant greening activities

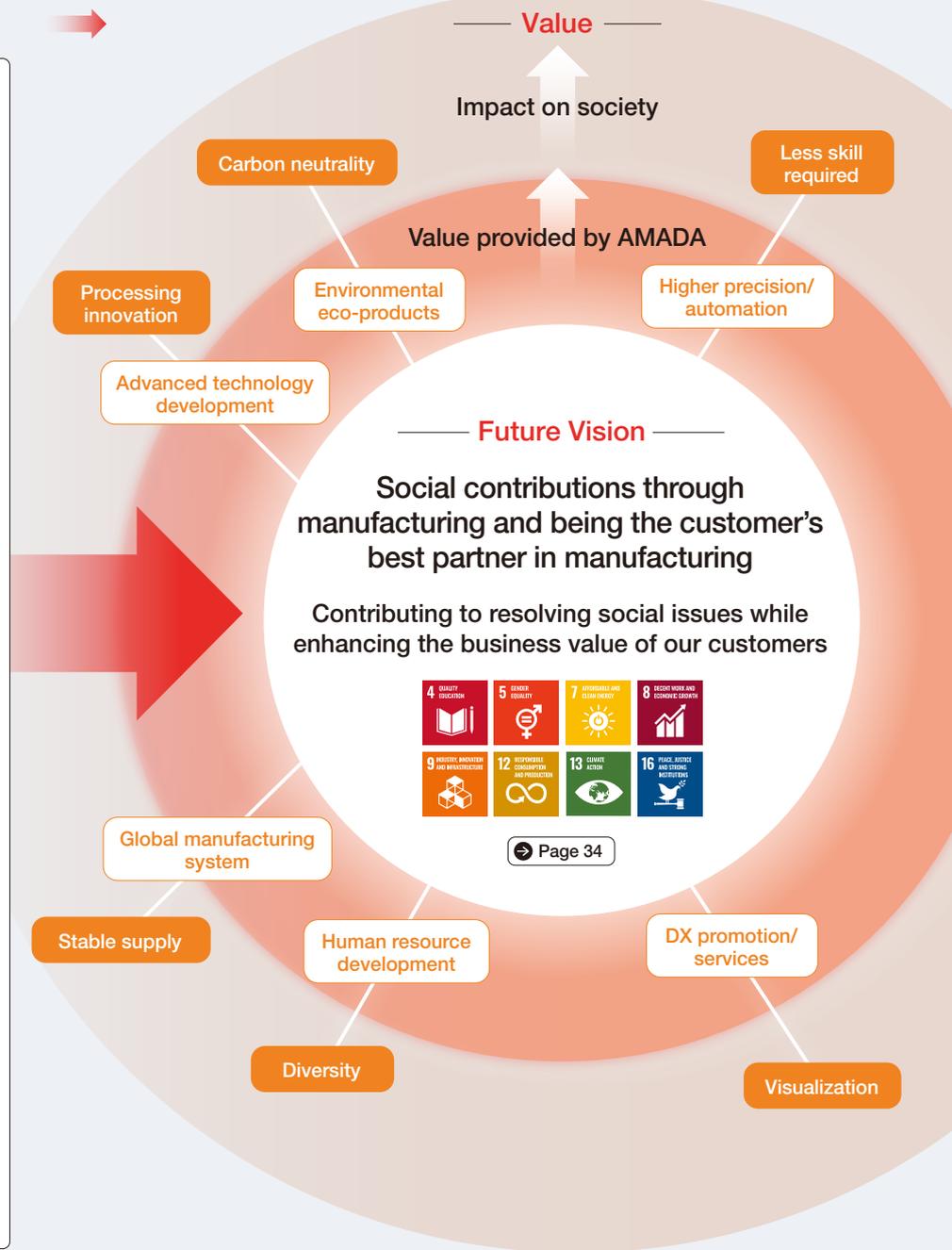
The AMADA Group's Services

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



Results from fiscal 2023

Value Provided to Customers and Society



Guarantee of proposals and operations in all processes

The AMADA Group's Business Model

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 direct service model, providing product sales, maintenance, and other services directly to customers.

Foundation supporting



Issues surrounding our customers



Research and Development

Cutting-edge technology research and development utilizing needs captured through direct sales and service

In our processes, we bring customers' diverse needs and issues to the surface. We also work with our partner companies to develop technologies matching their needs with our higher quality. In order to provide differentiated processing technologies to our customers, we currently develop products in a way rooted in regional characteristics and our customers' production activities, at 14 development bases in Japan and overseas. Furthermore, at the product planning, development, and procurement stages, we set clear goals for their environmental performance and conduct evaluations at each step of development in order to launch products with industry-leading environmental performance.



↑ Direct cooperation ↓



Co-creation

Generating new value for society through the co-creation of new manufacturing

Innovation LABO is equipped with state-of-the-art equipment, allowing customers to personally verify processes alongside our engineering staff. By working directly with research and development sites, we create a virtuous cycle of new processing technologies and new product development that leverages expertise and knowledge.



New strategies leveraging AMADA's unique business model and strengths

Co-creation with Customers

➔ Pages 24-25

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.

the value chain

Product Lineup and Engineering Capabilities

Global Network

A Monozukuri (Manufacturing) Company



Manufacturing



Sales



Service



A manufacturing system supporting prompt delivery and stable operation at our customers' plants

To ensure the stable operation of machines at our customers' plants, we are rigorous in our quality control more than anything else. We maintain regulations and, at the Quality Dojo, we provide training so that each worker can practice highly capable manufacturing. By diversifying our production bases across Japan, Europe, Asia, and North America, we have created a flexible production system. This also allows us to respond to supply chain disruptions caused by geopolitical risks and risks arising from currency exchange rates, among other factors. In addition, we utilize IoT in our own manufacturing, supporting plants overall and each individual worker with digital technology to ensure efficient and employee-friendly manufacturing.



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 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 to customers leveraging our extensive customer contacts and brand strength in the industry.



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.

Our Seamless Strategy

Pages 28–29

Manufacturing Innovation

Pages 26–27

Engineering Education

Pages 30–31

The AMADA Group's Business Model and Strengths

 **Research and Development**

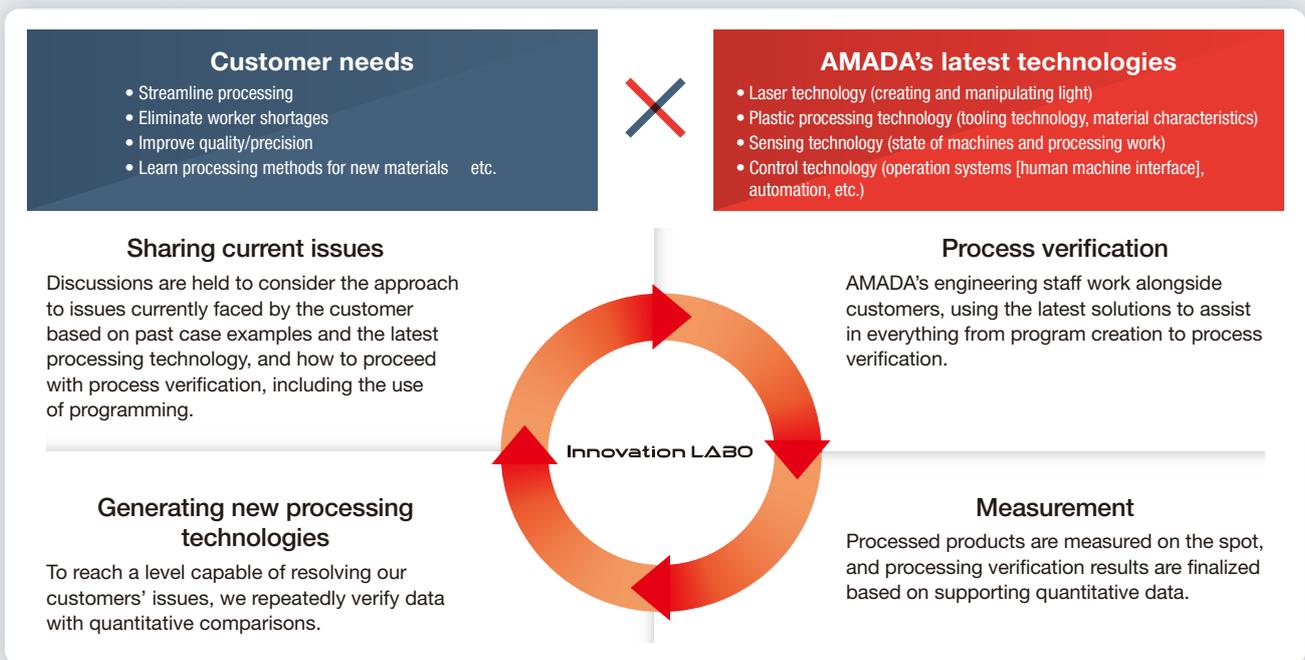
 **Co-creation**

Creation of new processing technologies based on customer needs and AMADA's technologies

The AMADA Group is working together with its customers to resolve the manufacturing challenges they face. In 2023, AMADA opened the AMADA GLOBAL INNOVATION CENTER (AGIC) as a “place for co-creating the future of metalworking.” 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.”

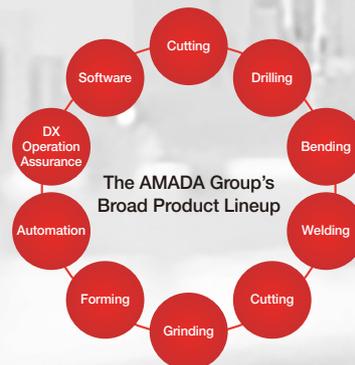
Through Innovation LABO, a facility on AGIC’s premises, we work alongside customers to verify their processes and tackle the challenge of future processing

technologies. By combining the needs of our customers with AMADA’s latest technologies, we can create new processing technologies that have never been seen before, and by building a system that allows direct feedback to development and manufacturing sites, we can achieve a virtuous cycle of new product development that leverages our expertise and knowledge. This virtuous circle business model powered by resolving customer issues has helped us to successfully grow our businesses further.



Research and development for a co-creation cycle

Founded in the wide range of processing technologies that AMADA has built up over the years, we share issues with our customers, and engineers work with each other through repeated discussions to verify processing and accumulate supporting data. Verification results and resulting data clarify new issues that need to be resolved, and the cycle of addressing these issues one by one is repeated to resolve challenges our customers are facing.



Number of patents held
Approx. **1,300**

R&D costs
¥6.7 billion

Number of new patent applications
Approx. **100** per year

Message

Tackling the challenge of innovative manufacturing alongside our customers: Problem-solving with technological capabilities and co-creation

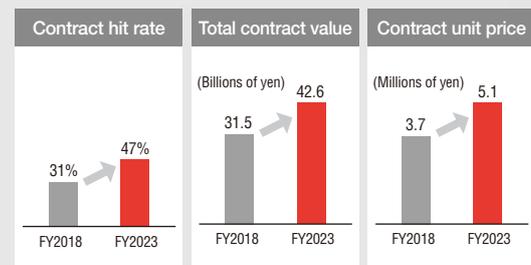
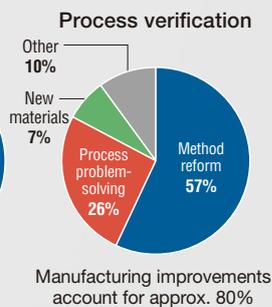
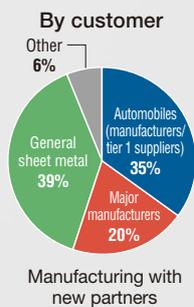
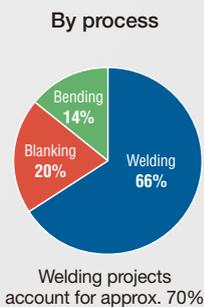
The AMADA Group has established a distinctive business model of direct sales and direct service since its foundation, and has contributed to resolving social issues by helping customers solve their problems through AMADA's processing technologies. AGIC is an extremely important facility as the first step along the path to further refining this direct sales and direct service model and taking on the challenge of new manufacturing through co-creation with customers. By sharing issues with our customers, and through repeated discussions and data verification, we are able to directly respond to more essential issues that our customers have and solve them.

Kazuhiro Kishimoto
Executive General Manager
Innovation Center



Specifically, at our customers' manufacturing sites, there are many issues in the welding process that are influenced by preceding processes. This has led to many requests to resolve issues such as these. One of our focus areas is problem-solving and automation in the welding process.

In addition, we now receive many requests and consultations regarding new materials from automotive-related manufacturers and major manufacturers with whom we had previously had little contact. We will accelerate co-creation with our customers to establish new manufacturing and strengthen the competitiveness of the Japanese manufacturing industry.



GLOBAL INNOVATION CENTER

Comprehensive proposal facilities

- 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
- ECO:** Proposing improvements to customers' factories through the ultimate energy-saving, hands-on experience

The AMADA GLOBAL INNOVATION CENTER (AGIC) was newly established in 2023 as a space for innovation within AMADA's headquarters, based on the concept of a "place for co-creating the future of metalworking." AGIC is designed to embody our desire to generate value for society through the co-creation of new manufacturing alongside AMADA.

Within AGIC's facilities, Innovation LABO is an area where we take on the challenge of future processing technologies together with our customers, and is a facility where our customers can personally verify processes alongside our engineering staff. All 10 rooms are equipped with machines and the latest inspection equipment for thorough manufacturing process verification and problem-solving.



Featuring the latest machines

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



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

Various inspection equipment such as the latest coordinate measuring machines and non-destructive testers are always available to meet the needs of each application. Precise verification of required quality can be performed on the spot.

The AMADA Group's Business Model and Strengths



Manufacturing system aimed at human- and environmentally friendly next-generation manufacturing

Enhancing production capacity through DX-driven manufacturing innovations

The AMADA Group quickly captures customer needs and integrates management, development, and manufacturing to achieve early release after product development. To ensure the stable operation of machines at our customers' plants, we are rigorous in our quality control more than anything else.

Among them, the Fujinomiya Works in Shizuoka Prefecture, our mother base for development and manufacturing in the AMADA Group, is striving to provide leading-edge manufacturing that is both human- and environmentally friendly. As part of our global production efforts, laser oscillators and core modules, which are key elements for ensuring quality, are supplied from our core plants in Japan to maintain uniform quality throughout the world. At the same time, each production base is committed to local production for local consumption, and peripheral equipment and control systems are locally designed to meet the needs and procurement environment of each region. We also engage in aggressive global procurement to achieve competitive manufacturing costs.

In recent years, the manufacturing industry in Japan has been facing a serious shortage of labor due to a declining workforce caused by low birthrates and an aging society.

In addition, there have been shortages in the supply of some components due to growing geopolitical risks, as well as ever-increasing demands for production efficiency in response to shorter delivery deadlines.

In order to respond to social issues such as these, we will first establish a new production system by centralizing information management at our Fujinomiya Works in Japan, which will then be deployed globally to improve productivity at each manufacturing site and to achieve global procurement of materials.

In addition to our existing efforts, manufacturing innovations utilizing DX have enabled us to further improve productivity, increase overall factory efficiency, and strengthen collaboration with suppliers.

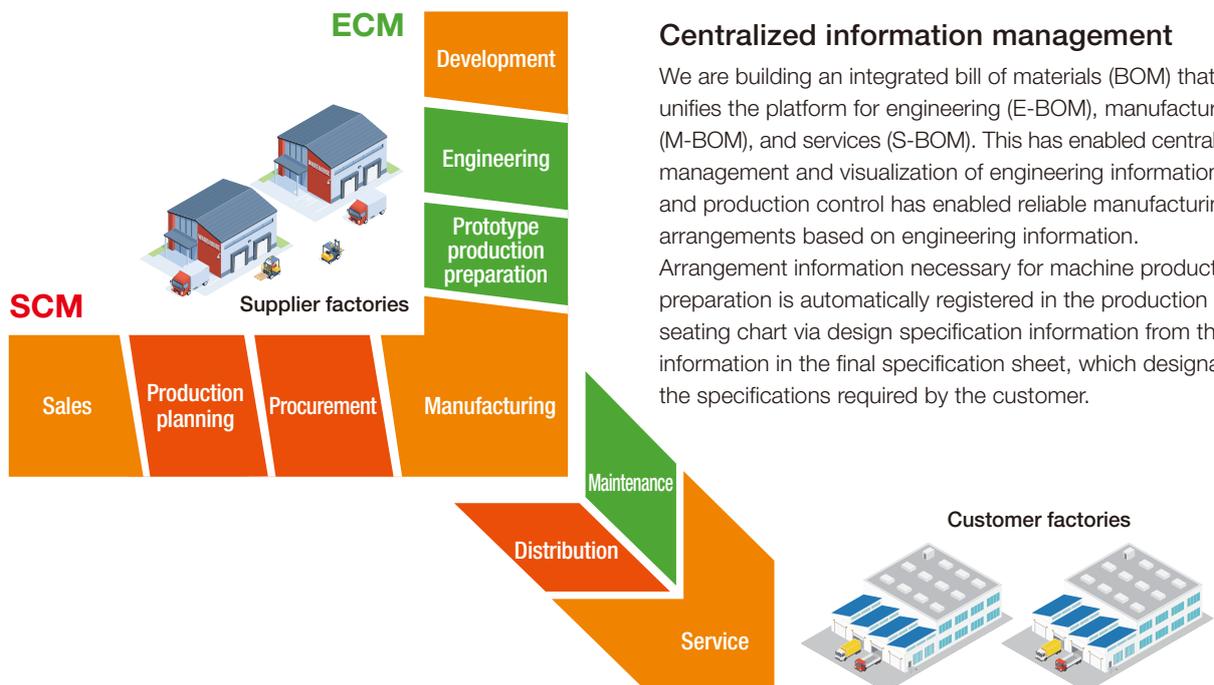


New, DX-driven production methods and system

APEX

The Fujinomiya Works has initiated DX-driven innovations in two core areas. The first is supply chain management (SCM), linking production information for all processes from sales to production planning, procurement, and manufacturing, and the second is engineering chain management (ECM), linking engineering information for all processes from development to manufacturing and services.

The new production management system, AMADA Production Environment Transformation (APEX), will realize significant efficiency improvements in response to high production loads and inflating indirect operations due to diversified specifications.



Centralized information management

We are building an integrated bill of materials (BOM) that unifies the platform for engineering (E-BOM), manufacturing (M-BOM), and services (S-BOM). This has enabled centralized management and visualization of engineering information, and production control has enabled reliable manufacturing arrangements based on engineering information. Arrangement information necessary for machine production preparation is automatically registered in the production seating chart via design specification information from the information in the final specification sheet, which designates the specifications required by the customer.

Production system resilient to fluctuation

AMADA's production system is based on a stall booth production method in which assembly is performed in different booths. Each stall booth is a mini-factory, serviced by central piping and equipped with necessary tools. Parts required for assembly are supplied in just-in-time format through kits distributed to each booth.

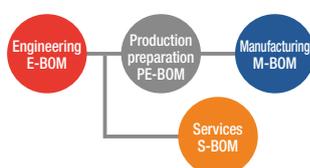
Now, we have newly adopted the booth-line method for the production of our mainstay fiber laser machines. This method subdivides processes into one-day units by equalizing assembly processes and entrusting each process

to specialized workers. Repeating standardized work processes facilitates improvement in work proficiency, resulting in a reduction in lead time of approximately 20%.

In addition, a new Supplier Portal Site has been established to strengthen cooperation with suppliers. AMADA's production management system allows us to share production plans, order information, and inventory information with suppliers in real time, further strengthening SCM collaboration.

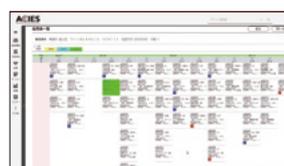
Integrated BOM

Centrally managing and visualizing engineering information on a single platform



New seating system

Reliable manufacturing arrangements and schedule planning through information linkage



New production method

Further evolution of the stall booth production method through combined use of the booth-line method



Supplier Portal Site

Real-time sharing of information from AMADA's production system



The AMADA Group's Business Model and Strengths



Sales

Rich product lineup meeting customer needs

The AMADA Group offers a broad lineup of metalworking machinery. 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.

Message

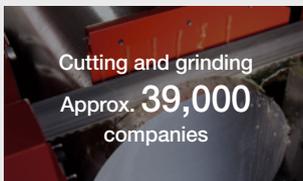
Seamless solution businesses for new growth markets

The AMADA Group offers a broad lineup of processing machines necessary for metalworking, including sheet metal fabrication, micro welding, cutting, grinding, pressing, and spring forming, and provides solution businesses for new growth markets through organized activities. In order to propose solutions of interest to existing AMADA Group customers as soon as possible, we have established AMADA DX Management Solutions (ADMS) as a new support function serving as a pillar for DX in sales and services. ADMS makes it possible to make optimal proposals based on data for each customer and acquire information in real time, creating new business opportunities

through the analysis of marketing data. In addition, we will build a mechanism to analyze the needs of approximately 80,000 metalworking manufacturers in Japan, including those in new markets, through marketing automation. For the approximately 63,000 customers who “know AMADA,” we will seamlessly connect the contact lines for each business company by leveraging our accumulated experience in direct sales and direct service. By doing so, we will broaden the scope of our proposals to our customers and help them resolve issues and develop new businesses, thereby strengthening their bonds with AMADA and driving growth.

Yoshiro Umeda

Corporate Officer, Senior Executive
General Manager of New Business
Promotion Division, Project Manager of
Sales Reformation Project



Customers using AMADA Group products
Approx. **63,000** companies in Japan

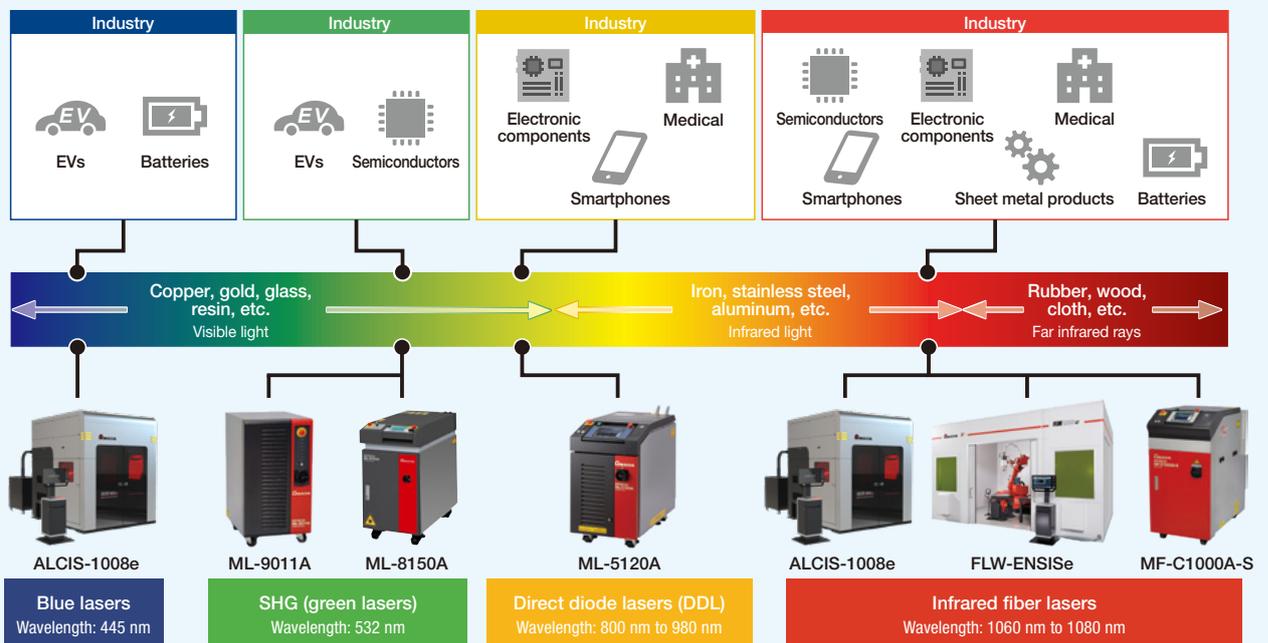


Utilizing synergies from Group integration to facilitate further innovation and challenges

In April 2024, AMADA acquired AMADA WELD TECH CO., LTD., an entity within the Micro Welding Division, to strengthen its laser and welding business. AMADA WELD TECH has long cultivated expertise in micro welding technology and applications, including the development and sale of the world's first laser welder. By combining AMADA's laser control technology, automation, and NC control technology, we have been able to create new added value, and are expanding in the growing fields of

medical, e-Mobility, and semiconductors using laser welding technology. This integration has equipped us with a broad lineup of laser wavelengths and outputs, blue lasers, green lasers, direct diode lasers, and fiber lasers. This allows us to offer a wide range of processing and welding technologies for the manufacturing of parts and products of sizes ranging from the micro to the large scale, as well as of various shapes and materials.

AMADA's welding technology for controlling light

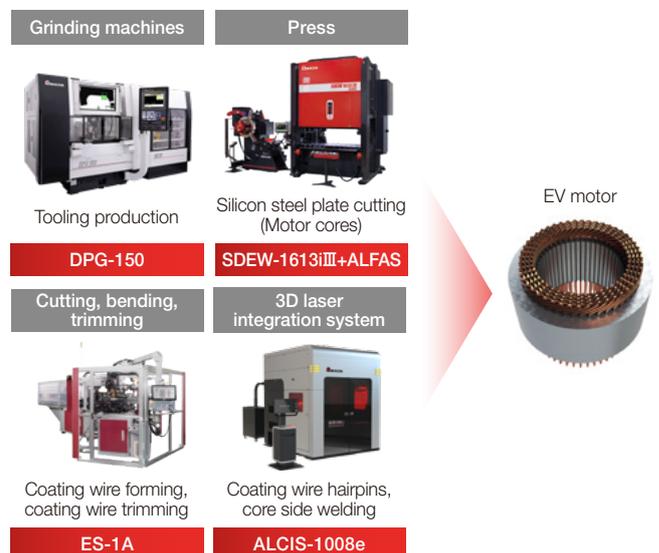


HIGHLIGHT

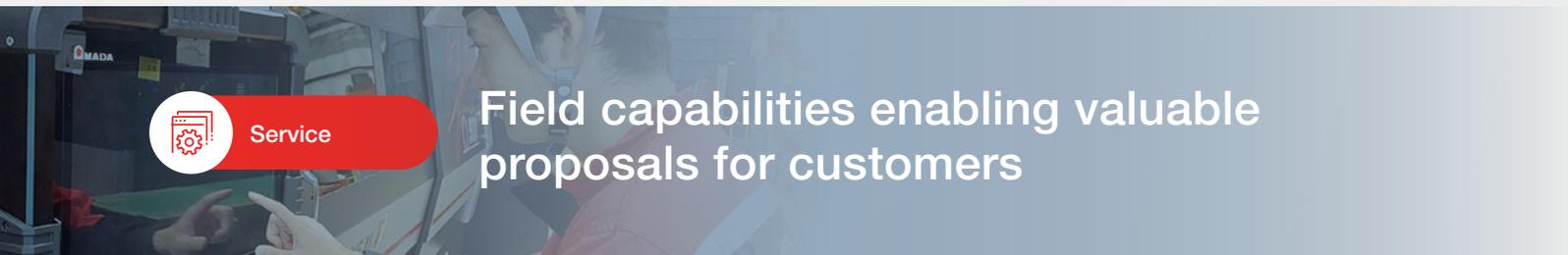
The AMADA Group has traditionally pursued a sales strategy that focuses on products from individual Group companies. Now, we are strengthening our proposal strategy for metalworking that transcends the boundaries of each business to meet the needs and challenges of our customers.

For example, the e-Mobility market, which promises significant growth, requires complex processing of EV batteries and other electrical components. Here, we have created Group-integrated proposals that transcend the boundaries of processing with progressive stamping press automation systems and our multi-wire forming machines. In this way, we are expanding into new domains by replacing conventional production methods, such as processing components for EV motor cores.

Group-integrated proposals



The AMADA Group's Business Model and Strengths



Field capabilities enabling valuable proposals for customers

Engineer education for consistent support of our customers into the future

Message

New initiatives for cultivating next-generation engineers and transforming workstyles

As competition for skilled engineers increases, AMADA has led the way in adopting IT and promoting DX to improve workflows and build expertise. This year, as part of our “all-hands engineering” concept, we opened the AMADA Technical Education Center (ATEC), where we have launched efforts to cultivate the next generation of engineers. The center’s programs focus on teaching problem-solving skills along with advanced automation, robotics technologies, and foundational knowledge. To be an engineer in our direct sales and direct service model, a source of our strength, requires not only engineering skills but also communication skills. With approximately 200 machine models in the market, both old and new, training and supporting young engineers are crucial to maintaining our strengths. For the education side, ATEC provides training to boost the skills of

individual engineers, while on the support side, it provides on-site support using IoT founded in the V-factory concept, where we connect directly with customers. AMADA's next-generation engineers will continue to grow together with our customers, a key element of our management philosophies, by supporting machine operation, processing, and improvement activities, staying close to our customers around the world. We train and assess 1,700 service engineers across 36 countries using a standardized curriculum to ensure high-quality service worldwide. At ATEC, up-and-coming engineers learn improvement processes beginning with how to find issues in the field, and they are provided with comprehensive education on solution tooling, the latest software, machine tuning, and operational training to resolve our customers’ challenges.



Masaki Fukuda
Senior Corporate Officer
Senior Executive General Manager of
Engineering Service HQ

Enhancing expertise

As products become more sophisticated and complex, it is becoming increasingly difficult for engineers to acquire the necessary expertise. This calls for ongoing education and up-to-date engineering information.

Enhancing customer service skills

In addition to engineering knowledge, customer service skills and communication skills are also important. Especially in customer support, problem-solving and complaint handling skills are required.

Supporting diversity in human resources

Considering the expansion of the global market and that our employees work in a multicultural environment, educational programs are needed to support human resources with diverse backgrounds.

Supporting DX

With the increasing adoption of digital tools and online platforms for training, it is important to cultivate human resources with appropriate digital literacy. Effective methods of conducting remote training are also required.

ATEC

- Automation and robotics education using 45 different models (old and new) of machines and fundamental learning in five simulator rooms to acquire specialized skills
- Cultivating human resources capable of solving problems, acquiring production technology expertise, and proposing improvements by designing training areas as customers' virtual factories
- Implementing a curriculum for global unification of education to provide high-quality service anywhere in the world
- We have prepared online courses in 800 diverse fields for both new and experienced professionals, providing an environment that enables learning anytime, anywhere. Also, we are strengthening IoT, DX, and AI human resources through in-house training to improve our corporate competitiveness and growth potential.

Use cases of enhancing after-sales services with ATEC

Customer support system

Using DX to restructure our direct service system

Expanding service efficiency and proposal capabilities for both overseas and remote areas by utilizing data to assess on-site conditions accurately

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

Factory automation

Increasing production capacity with automation equipment and software

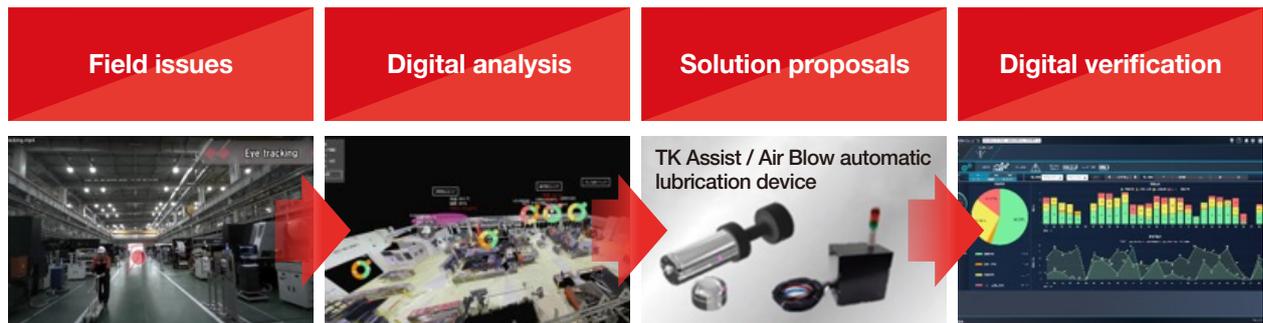
Proposing a system to cover all processes, visualizing production status with the LIVLOTS manufacturing DX solution

Cloud business

Supporting customer activities with cloud computing

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

Improvement processes learned at ATEC



At ATEC, employees learn improvement processes beginning with how to find issues in the field, and from there they digitalize factories. We provide engineering

solutions that combine solution tooling, the latest software, machine tuning services, and operational training to resolve our customers' challenges.

HIGHLIGHT

Skills Dojo



Participants receive education on the proper handling of tools and jigs and learn safety knowledge through a hazard experience corner.

Fundamentals Classroom

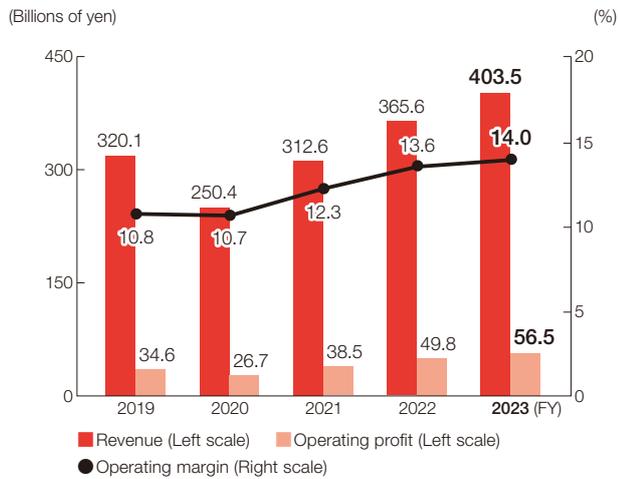


Here, students learn the basics of pneumatics, hydraulics, and electricity, and use circuit diagrams with simulators and equipment cross-sectional models to learn operating principles.

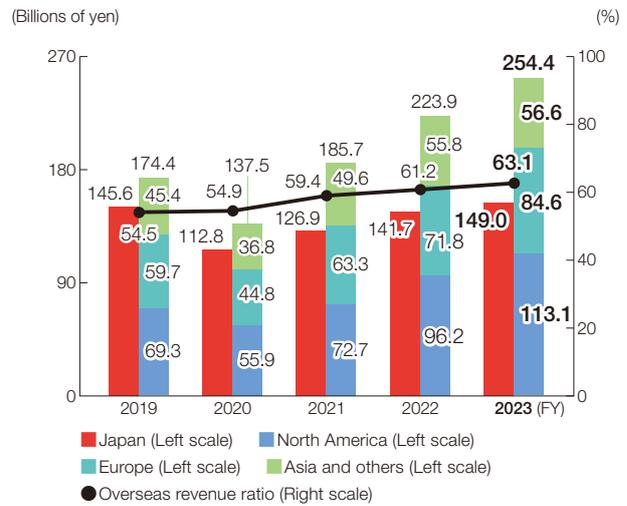
Value Creation Story

Financial and Non-Financial Highlights

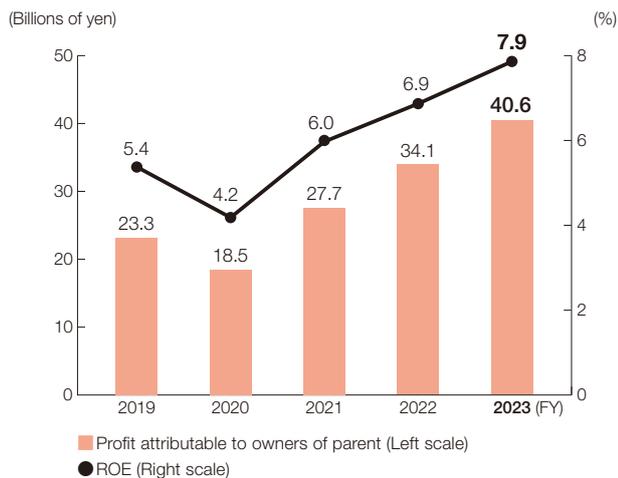
Revenue / Operating Profit / Operating Margin



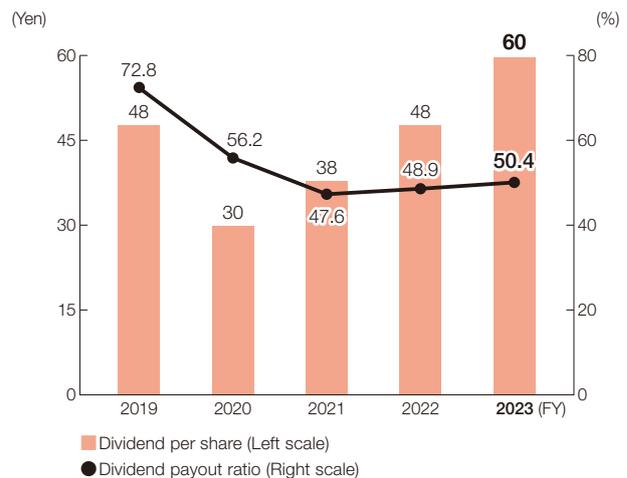
Revenue by Region / Overseas Revenue / Overseas Revenue Ratio



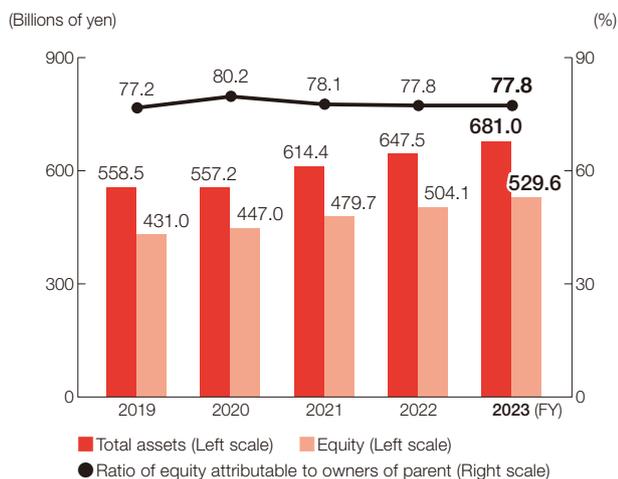
Profit Attributable to Owners of Parent / ROE



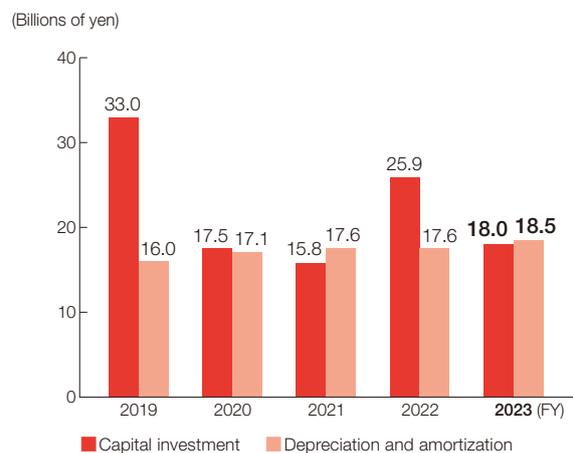
Dividend per Share / Dividend Payout Ratio



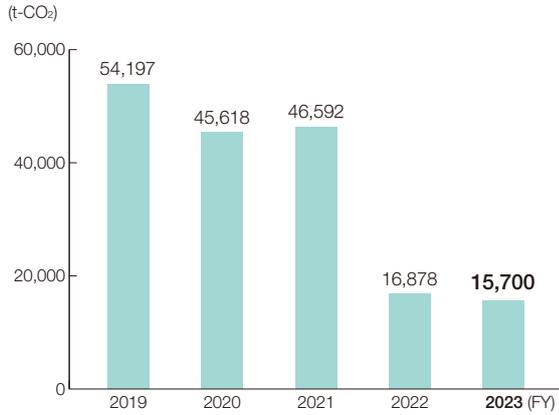
Total Assets / Equity / Ratio of Equity Attributable to Owners of Parent



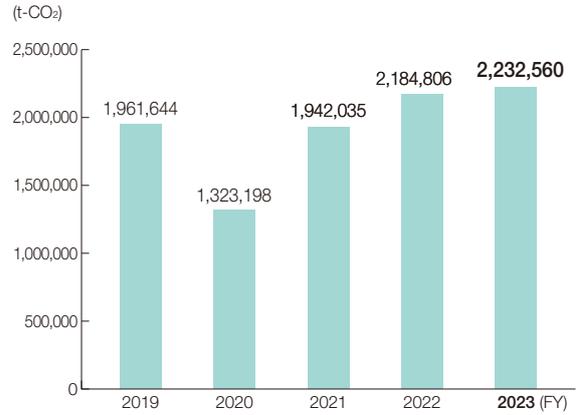
Capital Investment / Depreciation and Amortization



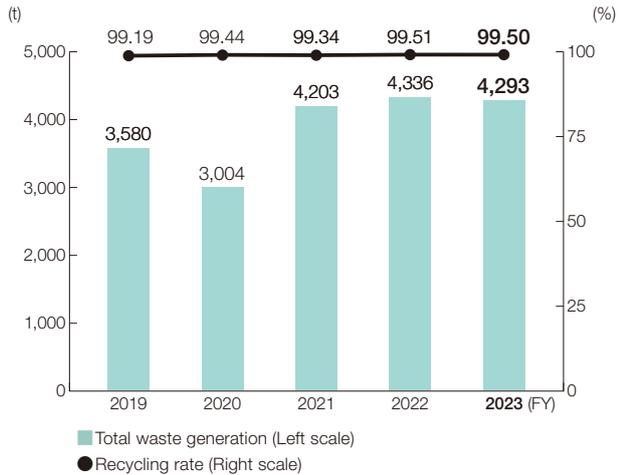
CO₂ Emissions (Scope 1 and Scope 2)



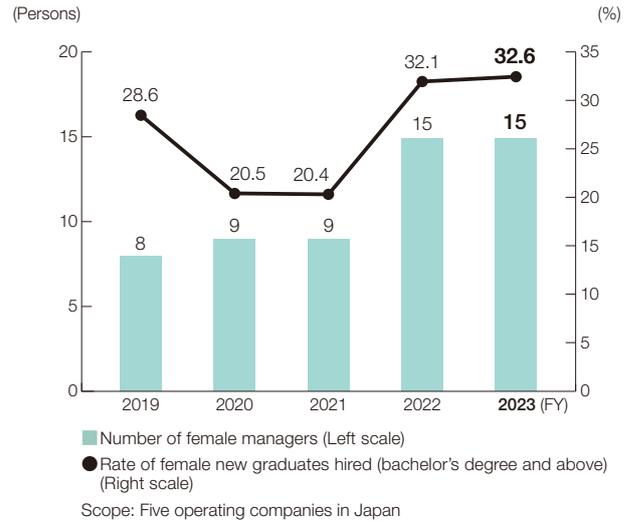
CO₂ Emissions (Scope 3)



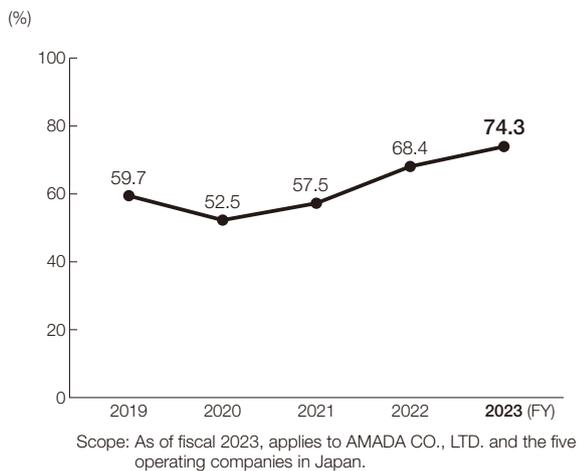
Total Waste Generation / Recycling Rate (Japan)



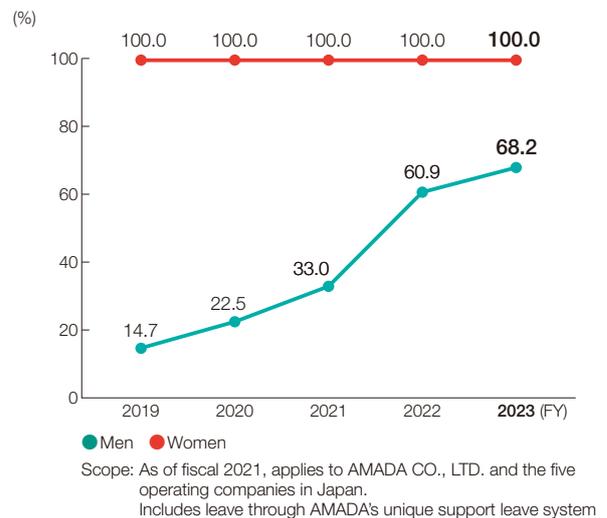
Number of Female Managers / Rate of Female New Graduates Hired



Paid Leave Acquisition Rate



Childcare Leave Acquisition Rate



Business Strategy

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.

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 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.

Strategies and Transformation Priority Themes for the Long Term

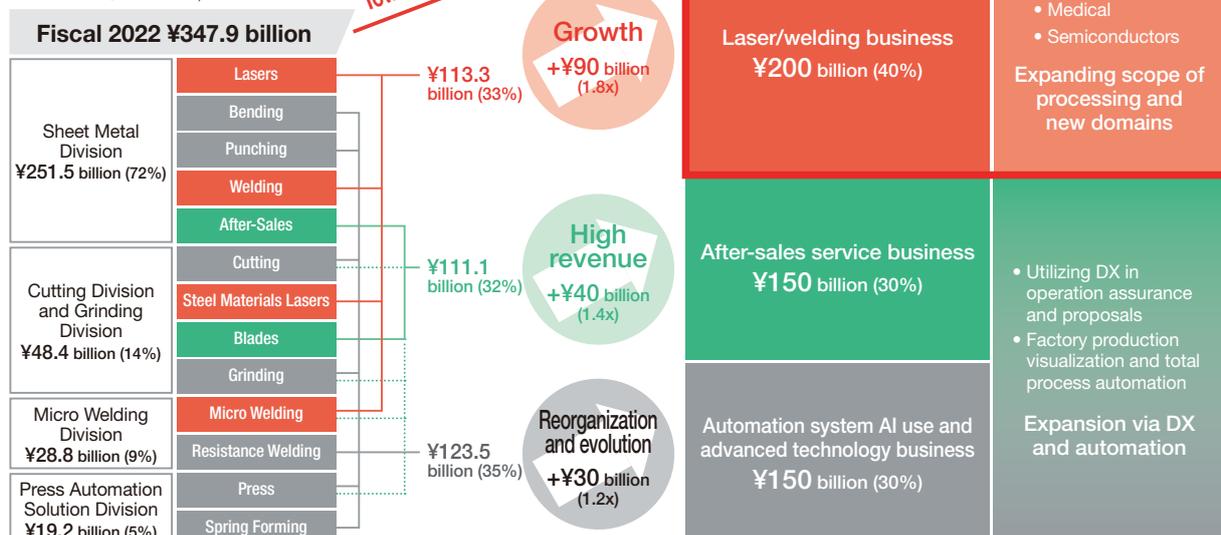
Hybrid strategy of enhancing strengths and expanding new domains

- (1) Structural and portfolio reforms to strengthen our management foundation
- (2) Investment for growth (environment, DX, globalization) for the next generation
- (3) Strengthen human resource development, social contributions, governance, and environment to support growth
- (4) Management and earning capability reforms and capital policies commensurate with a Prime Market company



Illustration of Business Portfolio

(Exchange rates used for conversion during the medium-term business plan period: US\$1 = ¥125; €1 = ¥130)



Medium-term Business Plan

The AMADA Group's current 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 an operating 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.

Progress in the Four Basic Strategic Policies of the Medium-term Business Plan

1 Full commitment to achieving revenue of ¥400 billion and improving profitability

Revenue in fiscal 2023 hit a record high of ¥403.5 billion, beating our target. On the other hand, the operating margin, which is used as an indicator of profitability, fell below our target level at 14.0%. This was due to delays in switching from conventional products to new higher value-added products introduced to solve customers' issues, resulting in a delay in improving profitability. From fiscal 2024, in addition to the ongoing switchover to new products, the number of companies introducing V-factory, which supports visualization of machine operation, and our fee-based IoT support maintenance service, is growing steadily due to the strengthening of after-sales services. With the steady growth that has followed, we expect to see an increase in profit through expansion of the profitable after-sales service business. In addition, we will harness cost advantages in global procurement through newly purchasing raw materials from India, taking actions to further improve profitability.

2 Begin activities for our long-term growth strategy

In April 2024, the AMADA Group absorbed AMADA WELD TECH CO., LTD., which mainly handles micro welding, via merger in order to ensure the development of new domains centered on the laser/welding business. This is one element of our growth strategies in Long-term Vision 2030, which includes the consolidation of the AMADA Group's laser technologies. By combining the technologies of both companies, we will expand our existing business and take on the challenge of laser processing in new fields, while speedily strengthening our development capabilities. In addition, to expand our presence in global markets, we will introduce global strategic machines tailored to market characteristics and expand local production.

3 Capital policies (Strategic investment/shareholder return)

In accordance with our shareholder return policy, we have paid an annual dividend of ¥60 per share for fiscal 2023. This represents a dividend payout ratio of 50.4%, and a dividend increase of ¥12 year on year. In addition, we have carried out purchase of ¥20 billion worth of treasury shares, furthermore announcing a new treasury stock purchase once again totaling ¥20 billion for fiscal 2024. We will continue to strengthen our management foundation for expansion into new domains, enhance our supply system, and make strategic investments for growth, while carrying out shareholder returns with an eye to maintaining stable dividends and improving ROE.

4 ESG management/reinforcing systems

With regard to the environment, we are working to reduce CO₂ emissions by promoting greater energy efficiency in products, switching to LEDs at business sites, and installing solar power generation equipment. Our results in fiscal 2023 include product CO₂ emissions reduced by 58.4% (versus fiscal 2013), and business site and plant CO₂ emissions were reduced by 73.4% (versus fiscal 2013), showing a growing reduction rate versus our fiscal 2022 performance and exceeding the targets of the medium-term business plan. Socially, promoting women to management positions is an area of particular priority, and we will work to strengthen our recruitment of women, including mid-career hires, and improve the educational environment for female leadership candidates. As for governance, we introduced a stock-based compensation program for directors (excluding outside directors) that is linked to the targets in our medium-term business plan.

Business Strategy

Global Strategy

With the growth of our overseas business as a key theme of our medium-term business plan, we challenge further expansion and explore new field by integrating the Group's synergy and technologies with the market and customer engagement activities we have created in each of our business entities.



Koji Yamamoto
Director, Senior Executive Officer

The AMADA Group's overall strategy in the global market is to maximize Groupwide synergies in order to expand our market share.

In our **mainstay Sheet Metal Division**, competition is intensifying in certain fields, but we are differentiating ourselves with the comprehensive proposal capabilities only found at the AMADA Group, including efficiency in all manufacturing processes and processing technologies. Specifically, our strength lies in our ability to provide optimal solutions for final products in each of the technical fields of lasers, bending, and welding, based on comprehensive technical elements such as fabrication programs, automation, and tooling and material conditions. In addition to establishing systems for mass production, we will also propose automation for flexible processing. In the Sheet Metal Division in particular, we help our customers create value by utilizing similar data from the past for small-lot production and new prototypes to create products faster and more accurately. As a partner in manufacturing, AMADA's philosophy has been to "grow together with our customers" and to "give form to things that do not yet exist by creative spirit for future technologies" since our founding. Specific actions in the current medium-term business plan include tackling the establishment of processing methods supporting new products and new materials in this time of rapid change, and pursuing new technologies that contribute to environmentally friendly and highly efficient manufacturing. We are also proposing new products that harness digital technologies to visualize production and management on a global basis. Furthermore, we plan to expand into new fields by combining the experience and technology of the entire Group.

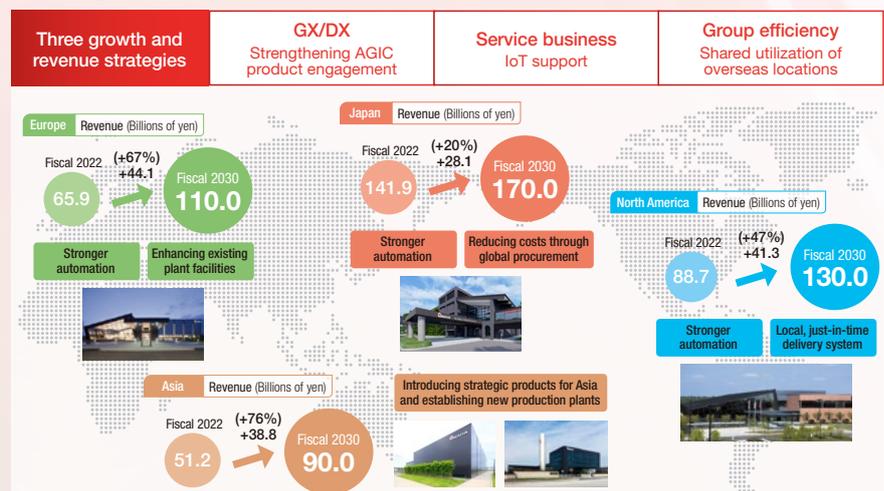
As for our **activities by region**, the North American market continues to show stable growth, with steady sales growth in the United States, Canada, and Mexico, including energy and IT-related industry areas. On the other hand, the European market presents challenges due to varying cultures and competition in each country within the region, but our local subsidiaries in each country and our European headquarters are working together to achieve growth through market strategies matching the region and industry. As an example, market expansion is underway in Northern Europe, the Iberian Peninsula, and Eastern Europe. The Group is moving forward with new structures and strategies across its businesses, including expansion in Eastern Europe and proposals for all processes, including the welding process. In the Asian

market, although the entry of competing manufacturers in China is an issue, we are differentiating ourselves through comprehensive activities ranging from proposals in all processes to digital operation support, including new products and IoT-based service strategies. In contrast to our share in the Japanese market, there is still room to grow for our Group products in various overseas markets. While overseas sales already contribute 63% of our consolidated revenue, further growth in overseas markets and the cultivation of new markets will be important activities ahead for us.

In terms of **overseas business performance**, the Sheet Metal Division has sustained double-digit growth for three consecutive years, and further growth is expected through integration with the Micro Welding Division. The Press Automation Solution Division is also performing well, and is particularly highly regarded for its unprecedented processing technology that utilizes servo-drive stamping presses. The Cutting Division and Grinding Division are also expected to grow in overseas markets. With respect to our precision grinding business in particular, we are working to further expand in overseas markets as digitalization and automation progress toward stable micro-precision machining demand.

The **AMADA Group's business synergies** mean that we offer optimal solutions for all metalworking processes to our more than 134,000 customers and markets. Meanwhile, internally, by integrating the markets and structures in each region that have been established by each of our Group businesses, we aim to improve efficiency, propose comprehensive solutions using our technical centers, and expand into new fields to grow markets and secure profits. In Europe, the establishment of a new Welding Technical Center (WTC) in Italy and the Group's expansion strategy into the Eastern European market are already underway. These initiatives are spread to various regions as we continue to pursue global growth.

Global growth strategies



North America



Mike Guerin

CEO
AMADA North America, Inc.

In April 2024, AMADA North America migrated its new enterprise risk management (ERM), enterprise resource planning (ERP), customer relationship management (CRM), and sales/service management systems to a comprehensive cloud solution system to address current challenges and prepare for the future. We will accelerate the efficiency and integration of our overall operations and focus on strategic alliances with major business partners and the advancement of seamless AMADA ONE activities to grow our market share and strengthen our brand image.

The year 2024 is a U.S. presidential election year, which tends to be a time prone to economic instability as well as heightened geopolitical risk. Although financial markets remain volatile, inflation has begun to ease and interest rates are expected to fall. In the absence of any unforeseen geopolitical upheavals, financial markets will move toward stability and 2025 is expected to be a solid year. AMADA North America will advance solutions such as the new EGB-e series of environmentally friendly bending machines. In addition, even with machines from other countries that are less expensive and equipped with high-power fiber lasers, AMADA's unique direct sales and direct service combined with innovative technological capabilities will help us to further bolster our market competitiveness.

Europe



Alan Parrott

CEO
European Headquarters

To meet the specific needs of the European market, we are shifting to new-generation, made-in-Japan core technologies and promoting automation with a local shift to robotics and peripheral equipment. We are particularly focused on the rapid growth of welding robotic systems and bending machines. We have also established a new service company, AMADA Service Europe, to provide a high level of service to all of our customers in Europe, regardless of the region.

In addition, we have advanced our efforts in the environmental field by opening carbon-neutral technical centers in Denmark and Sweden, following AMADA AUTOMATION EUROPE, which is the first AMADA Group manufacturing base to achieve carbon neutrality. Going forward, we believe that we should be a strong partner that can provide one-stop solutions to our customers to address social issues such as aging workforces and insufficient skills among the next generation of workers. To this end, we will pursue synergies and strengthen collaboration among the 24 AMADA companies in Europe. In particular, we will provide seamless products and services to customers in new markets such as e-Mobility by taking full advantage of the potential of the AMADA Group.

Asia



Tadashi Yokoyama

Corporate Officer
Executive General Manager of
Global Business Development
Division

The Asian region, as defined by the AMADA Group, includes China, the ASEAN region, Oceania, India, and the Middle East, with 12 local subsidiaries scattered throughout the region in the mainstay Sheet Metal Division alone. In this environment, we share best practices from the business activities of each local subsidiary, and are making efforts to improve the efficiency and quality of our sales and engineering activities in order to achieve our business plan. In addition, to increase product sales for the entire Group, we are expanding opportunities for collaboration by using our own technical centers to connect products, holding joint sales events, and jointly presenting at public exhibitions.

The AMADA Group has room to further expand its business performance in the Asian region, but to do so, it is necessary to formulate and deploy sales and engineering strategies suited to each region with a bird's-eye view of each. Strategic planning, which had been carried out by each local subsidiary, has been revamped, with the head office assuming responsibility for this new structure. The entire Asian region is managed in four blocks, with block managers appointed by the head office. Each block manager communicates daily with local subsidiaries to provide prompt support. I look forward to our growth in the medium to long term as we build up a track record of activities under this structure.

Business Overview

Sheet Metal Division



Masahiko Tadokoro
 Director, Senior Executive Officer
 AMADA CO., LTD.

Business Overview

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 7,200 connected machines across 2,600 companies in Japan and overseas to keep our customers' processes running.

Review of Fiscal 2023: Achievements and Issues

Fiscal 2023 was the first year for both our new medium-term business plan and AGIC, our new facility enabling advanced proposals. In its first year, AGIC enjoyed smooth operation as a "place for co-creating the future of metalworking," receiving 10,000 visitors from Japan and abroad. In particular, our new Innovation LABO facility has shown great promise as a new initiative, working toward process innovation and resolution of processing issues in response to a wide range of customer challenges.

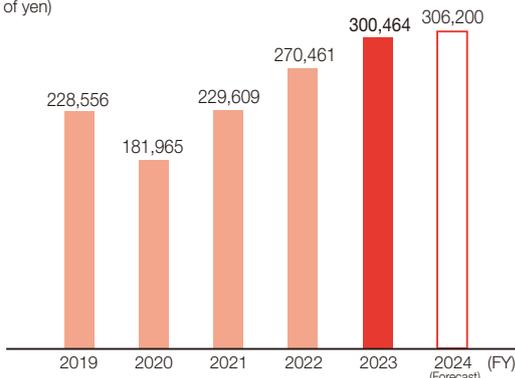
In the business environment, prices remained high and procurement costs increased, and multiple geopolitical risks

became apparent, which led to an economic slowdown. Despite this environment, by region, investment in construction equipment-related activities was strong in Japan due to rising demand for building distribution warehouses and other construction projects. With support from government subsidies as well, our revenue reached ¥105,393 million. In North America and Europe, demand for automation products continued amid labor shortages, leading to significant year-on-year revenue growth in both regions. In Asia, although there were differences by country and region, overall performance trended well. Overall revenue for the Sheet Metal Division in fiscal 2023 increased 11.1% year on year to ¥300,464 million.

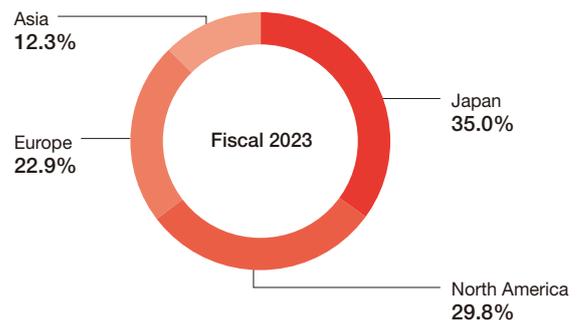
Specific Strategies for Fiscal 2024

We have established AMADA DX Management Solutions (ADMS), a further evolution of AMADA's unique business model of direct sales and direct service into data-based digital sales and services. By accelerating internal and external DX and creating new business opportunities through the analysis of marketing data, we aim to resolve social issues faced by the manufacturing industry and provide even more superior products and services. Furthermore, we will take on the challenge of entering new sectors and markets through a seamless Groupwide integration strategy and sequentially expand our environmental product lineup to meet the needs for a decarbonized society in the manufacturing industry. In addition, to reach unprecedented speed in solving our customers' problems, we have opened the AMADA Technical Education Center (ATEC), a new employee training facility that will strengthen our engineering capabilities. In the laser and welding business, we have absorbed AMADA WELD TECH CO., LTD. via merger, and intend to expand our business through synergies gained from this merger in development, manufacturing, sales, and service.

Revenue Trends
 (Millions of yen)



Percentage of Revenue by Geographical Segment



Products



VENTIS-3015AJe



ALCIS-1008e



EGB-1303ARse



AMADA Group
environmental product initiatives

Business SWOT Analysis

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 our customers' decarbonization management through expansion of sales of AMADA 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

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

Basic Policy and Specific Measures for Fiscal 2024

Basic policy

- Expanding sales of new products
- Cultivating new markets and expanding sales
- Advancing environmental business
- Utilizing the new ADMS marketing solutions

Quantitative/qualitative targets

- Greater sales composition of new products by switching from conventional products
- Global rollout of seamless Group integration strategy
- Expansion of business into new domains such as e-Mobility, medical, and semiconductors by strengthening the welding business
- Commercialization in environmental categories such as decarbonization, organic solvent-free, and dust-free products to support customers' decarbonization management

Initiatives in Medium-term Business Plan 2025 Capturing Opportunities and Issues

Immediate initiatives

- Proactive deployment of the seamless Group integration strategy
- Maximum AGIC utilization and expansion of LABO success cases
- Evolution of direct sales and direct service with ADMS

Medium- to long-term initiatives

- Acquisition of new customers and creation of new markets
- After-sales sales strategy that does not depend on customers with existing AMADA products
- Supporting environmental management by helping customers to create decarbonized factories
- Deployment of ADMS to all Group companies

Business Overview

Micro Welding Division



Toshiyasu Tsujioka
 Corporate Officer
 Senior Executive General Manager
 Micro Weld Sales HQ
 AMADA CO., LTD.

Business Overview

In April 2024, AMADA acquired AMADA WELD TECH CO., LTD., marking a new start for its Micro Welding Division. This revitalized organization carries on AMADA WELD TECH's previous business lines, manufacturing and selling 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, and systems for automating each of these. 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. Our strengths are advanced technological development capabilities that open up new welding possibilities, as well as our 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.

Review of Fiscal 2023: Achievements and Issues

In fiscal 2023, revenue increased in Japan, North America, and Europe as a result of greater demand from the automotive industry for batteries installed in cars and EV components, as well as greater demand for storage batteries for home and industrial use, and for lithium-ion batteries for tools. In North America, revenue grew significantly in particular, up 45.3% year on year, capturing demand related to batteries installed in cars.

In Asia and other regions, however, revenue decreased by 10.7% year on year due to the economic slowdown in China and the impact of over-investment in the automotive industry until

the previous fiscal year, although demand for batteries for electric motorcycles was captured in India.

Overall revenue for the Micro Welding Division in fiscal 2023 increased 10.5% year on year to ¥34,152 million.

Specific Strategies for Fiscal 2024

Market Trends in Fiscal 2023 and Business Plan for Fiscal 2024

In our business plan for fiscal 2024, we set a target of ¥37,400 million in revenue, a year-on-year increase of 9.7%. Although a backslide after last year's large capital investment has become apparent, new investment is expected in AI devices and displays, and capital investment related to e-Mobility and decarbonization is still strong. In addition, future capital investment is also expected for semiconductors, a component now ubiquitous in all kinds of end products. By ensuring that we can meet those demands, we will achieve our full-year target for fiscal 2024.

1: Focus on pitches to target markets

We will strengthen our pitches to target markets by focusing on system products that can solve manufacturing issues such as labor saving, high efficiency, and establishment of welding quality control technology.

2: Focus on product and technology development preparing for the future

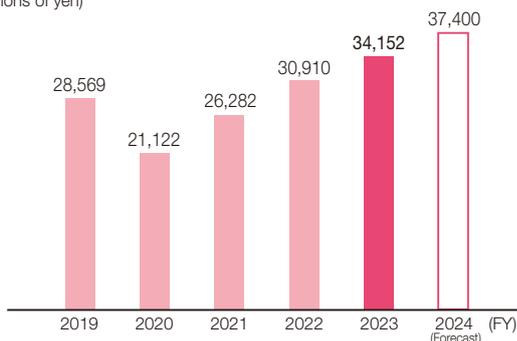
We will establish new products and technologies centered on welding abnormality detection and determination technologies that integrate AI and next-generation resistance welding power sources.

3: Cultivate new markets by pitching AMADA's total solutions

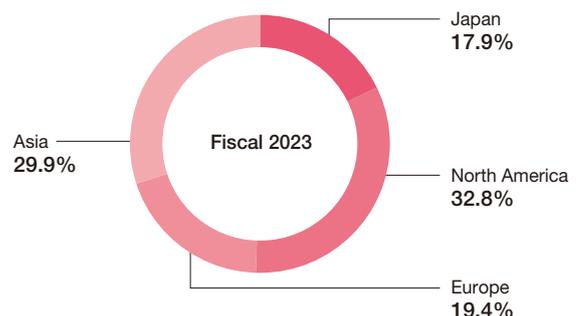
With AGIC as the origin point, we will cultivate new markets by pitching seamless manufacturing that encompasses everything from sheet metal to micro welding, cutting, grinding, and pressing.

Revenue Trends

(Millions of yen)



Percentage of Revenue by Geographical Segment



Products



MS-LW1500



MM-L400A



MM-400B



MD-A10000A



Compacting system

Business SWOT Analysis

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 processing market due to the increase in demand for products with high energy-saving performance, with the move toward a decarbonized society
- Expansion of needs for micro welding and processing technology due to the proliferation of AI devices and increased semiconductor production
- Expansion of needs for micro welding and processing technology in the development of medical devices
- 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
- Customized product development that meets customer needs
- Total proposal capability encompassing the industry's leading welding technology expertise, equipment automation, and quality control technology

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
- Soaring raw material costs due to geopolitical risks

Weaknesses (Issues)

- Maintaining development speed of products with high energy-saving performance in the move toward a decarbonized society
- Limited conversion from prototypes to mass production

Basic Policy and Specific Measures for Fiscal 2024

Basic policy

- Make total solution proposals and pitch to target markets

Quantitative/qualitative targets

- Revenue target of ¥37,400 million, a year-on-year increase of 9.7%
- Pitch laser and welding technologies to markets such as e-Mobility, AI devices, semiconductors, as well as decarbonization and medical markets

Initiatives in Medium-term Business Plan 2025 Capturing Opportunities and Issues

Immediate initiatives

- Focus on pitches to target markets
- Focus on product and technology development preparing for the future
- Cultivate new markets by pitching AMADA's total solutions
- Promote DX and improve operational efficiency in sales divisions

Medium- to long-term initiatives

- Promote green transformation (GX) through the market launch of next-generation resistance welding power sources, etc.
- Streamline and improve profit at manufacturing divisions
- Focus on proposing global solutions and creating Group synergies

Business Overview

Cutting Division and Grinding Division



Yasuhiro Kawashita
President, Representative Director
AMADA MACHINERY CO., LTD.

Business Overview

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 services, 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.

Review of Fiscal 2023: Achievements and Issues

Though supply constraints caused by the supply chain disruptions in fiscal 2022 have subsided, the environment still remains challenging for manufacturing. In response, we introduced higher value-added products, and all businesses were able to maintain year-on-year revenue growth, but earnings remained in a difficult situation.

More recently, there was also a slowdown in fiscal 2023 due to stagnation in the automotive industry and semiconductor instability, and we are closely monitoring future developments.

Revenue for the Cutting Division was relatively steady at ¥40,176 million, up 9.1% year on year, due in part to a buildup of a strong order backlog. While domestic revenue grew by a significant double-digit percentage over the previous fiscal year, the construction slump in China and inventory adjustments in the ASEAN region led to sluggish performance. Overall, overseas revenue increased by only 6%.

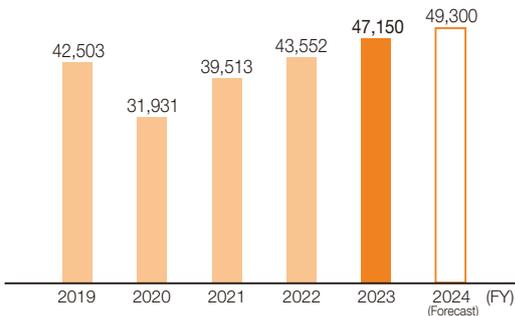
In the Grinding Division, overall revenue was ¥6,974 million. As in the Cutting Division, domestic sales increased by double digits compared to the previous fiscal year, but overseas sales were sluggish in the major market of Europe, resulting in an overall revenue increase of 3.8% compared to the previous fiscal year.

Specific Strategies for Fiscal 2024

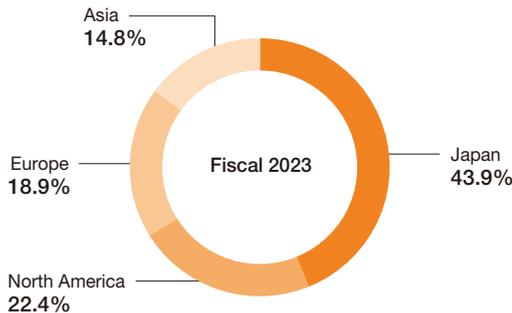
In fiscal 2023, we achieved strong performance by converting our extensive order backlog into revenue. However, orders received were down more than 20% from the previous fiscal year, a natural backslide after a post-pandemic resurgence in orders during fiscal 2022. We are also strongly aware that profitability, in particular, needs to be further improved due to the expected continued rise in raw material costs and transportation costs.

In this environment, we will go back to the basics of “Growing Together with Our Customers” and provide products and services that meet the diverse needs of our customers through the effective use of AGIC and activities as a seamless AMADA Group.

Revenue Trends
(Millions of yen)



Percentage of Revenue by Geographical Segment



Products



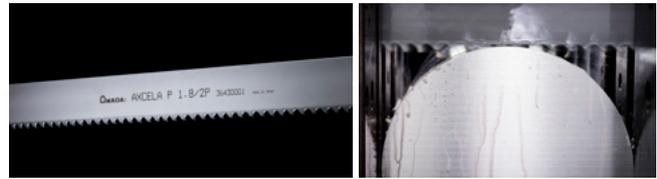
PCSAW-430AX II



HK-1000W



DPG-150



AXCELA P

Business SWOT Analysis

Opportunities

Metal Cutting Business:

- Increase in need for automation and operational improvement due to changes in the manufacturing industry environment
- Increase in demand for products that have high environmental performance, high productivity, labor-saving ability, and automation due to an increase in the company's awareness of the SDGs
- Increase in demand for rebuilds and upgrades due to aging urban infrastructure

Grinding Business:

- Increase in need for automation and operational improvement due to changes in the manufacturing industry environment
- Increase in demand for machines used for punch & die and tools for grinding due to the developing shift to e-Mobility and 5G

Strengths

Metal Cutting Business:

- Top global market share of cutting band saw machines
- 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

Grinding Business:

- Top market share of profile grinders
- Value sharing and product development that meets customers' needs

Threats (Risks)

Metal Cutting Business:

- 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

Grinding Business:

- 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)

Metal Cutting Business:

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

Grinding Business:

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

Basic Policy and Specific Measures for Fiscal 2024

Cutting Division:

Basic policy

- Reach No. 1 in the machine/blade industry

Quantitative/qualitative targets

- Expansion of market share through new product introduction
- Establishment of an efficient sales structure: Improved efficiency of sales and service activities through the integration of direct sales and distribution
- Strengthening overseas business: Planning and execution of strategic themes by product and region

Grinding Division:

Basic policy

- Business expansion through horizontal deployment of digital grinding machines and promotion of automation

Quantitative/qualitative targets

- Strengthen sales of digital profile grinders
- Strengthen commercialization activities toward horizontal deployment of digital grinding machines
- Expand sales of automation products

Initiatives in Medium-term Business Plan 2025 Capturing Opportunities and Issues

Cutting Division:

Immediate initiatives

- Expansion of market share through new product introduction
- Improvement of profitability through streamlined sales channels
- Smart factory solutions with steel frame line automation and integration systems
- Strengthening overseas business by executing strategic themes by region

Medium- to long-term initiatives

- Strengthen products for the steel frame market
- Improved machine productivity (improved cutting performance/automation/labor saving), reduced environmental impact (energy saving), IoT compatibility

Grinding Division:

Immediate initiatives

- Differentiate with digital profile grinders
- Accelerate horizontal deployment of digital profile grinders
- Expand sales of automation and process integration products

Medium- to long-term initiatives

- Improve earnings and expand market share in strategic overseas regions

Business Overview

Press Automation Solution Division



Kimio Horie

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

Business Overview

In addition to its mainstay small and medium-sized press machines, AMADA PRESS SYSTEM handles high-quality products such as coil feed press 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.

Additionally, 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.

Review of Fiscal 2023: Achievements and Issues

In fiscal 2023, the Press Automation Solution Division, with AMADA PRESS SYSTEM at its core, faced a challenging business environment as the automotive industry, a major source of customers, grappled with certification fraud issues and the

slowdown in the shift to EVs. Under such circumstances, we have been working to further integrate our organization and promote sales of integrated control products for stamping presses and their peripheral equipment, as well as line systems that combine presses and articulated robots. In addition, our work to tackle the challenge of cultivating new markets and the synergistic effect of press machines and their peripheral equipment contributed to firm demand for renewal contributing to automation and productivity improvement. As a result, revenue increased by 4.9% year on year to ¥20,431 million.

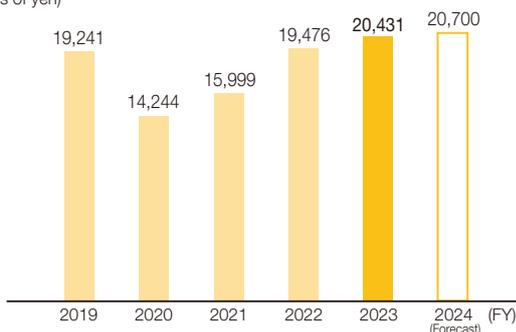
Specific Strategies for Fiscal 2024

Under our Groupwide policy of aiming to be a company that can provide optimal press systems on a global basis, we are expanding and upgrading the Isehara-Suzukawa Works to increase its production capacity. With this, we aim to carry out 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 continue our efforts from the previous fiscal year and further develop our service network in North America and strengthen our business foundation in China and the ASEAN region, where future growth is expected.

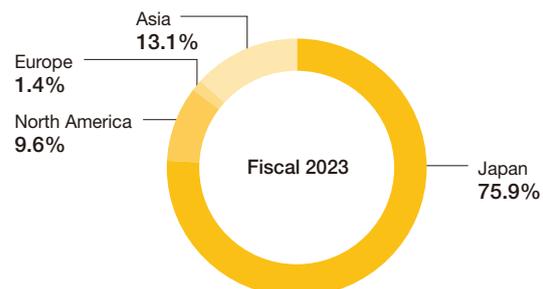
Toward the achievement of Medium-term Business Plan 2025, we will continue to focus on the development of new technologies and products that will revolutionize our customers' production activities. At the same time, we will strive to increase orders and revenue by proposing and providing one-stop solutions that cover all processes from product development to after-sales services, and by discovering demand for equipment and developing new customers in Japan and overseas.

Revenue Trends

(Millions of yen)



Percentage of Revenue by Geographical Segment



Products



ES-1A



SDEW-8010i III GORIKI & LCC-03KR5



LM-16A



LCC-04HF5

Business SWOT Analysis

Opportunities

- Increase in demand for safety, 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
- Development and one-stop proposals 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
- Supporting 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

Basic Policy and Specific Measures for Fiscal 2024

Basic policy

- Expand sales by strengthening cooperation within the AMADA Group
- Expand sales by utilizing AGIC and exhibitions
- Cultivate EV-related markets and expand sales
- Expand service businesses
- Develop machines for eco-friendliness, automation, and EVs

Quantitative/qualitative targets

- 15% expansion of market share through automation and eco-friendly proposals
- 25% overseas sales ratio
- Streamline production at the Isehara-Suzukawa Works (10–20% assembly time reduction)

Initiatives in Medium-term Business Plan 2025 Capturing Opportunities and Issues

Immediate initiatives

- Improve automation rates for stamping press machines and peripheral equipment
- Expand and upgrade the Isehara-Suzukawa Works to increase production capacity and streamline production
- Enhance service businesses

Medium- to long-term initiatives

- Expand sales for systems that can immediately address the automation needs of the industrial world
- Propose processing with seamless AMADA Group integration
- Strengthen overseas expansion through cooperation within the AMADA Group
- Proactively expand into the EV market
- Use DX to improve production efficiency and capability

Basic Policy

The AMADA Group's Management Philosophy of "Growing Together with Our Customers," "contribute to the international community through our business," "develop human resources who pursue creative and challenging activities," "conduct sound corporate activities based on high ethics and fairness," and "take good care of people and the earth's environment" help to shape all our corporate activities. These concepts form the basis of our Basic Policy on Sustainability. In order to carry out this policy, we have set key issues and targets in the areas of the environment, society, and governance, and will advance initiatives to both build a sustainable society and enhance corporate value.

With regard to the environment, we recognize that addressing climate change is an urgent issue, and have set targets for reducing CO₂ emissions throughout the product life cycle and at our own business sites, and are focusing on reducing our environmental impact. As for society, we respect the human rights of all stakeholders, and are working to develop human resource capabilities and create an environment in which diverse human resources can demonstrate their abilities in order to advance our growth strategy. With regard to governance, we are strengthening our management foundation for transparency and fairness by ensuring thorough compliance and strengthening risk management.

Basic Policy on Sustainability

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

1. Addressing environmental issues through business activities

We contribute to realize a society that is mindful of people and the global environment by reducing CO₂ emissions, promoting reduction and reuse of waste, and protecting the global environment including biodiversity in all the courses of business operations, as well as, providing environmentally friendly products and services through our business activities.

2. Human rights initiatives

We respect the human rights of all stakeholders, including the socially vulnerable, regardless of individual attributes such as gender or nationality. We promote fostering work environments that enable employees to thrive and feel fulfilled, while ensuring their safety and well-being.

3. Human resources development

Employees are crucial management resources for driving innovation. We engage in developing human resources that excel creativity and tackle challenges by enhancing personnel systems and educational training systems which enable employees to reach their full potential.

4. Engagement and contribution to local communities

We play an active role in revitalizing local communities and creating an enriched living environment through our business and social contribution activities, such as cultural events, in the areas we operate.

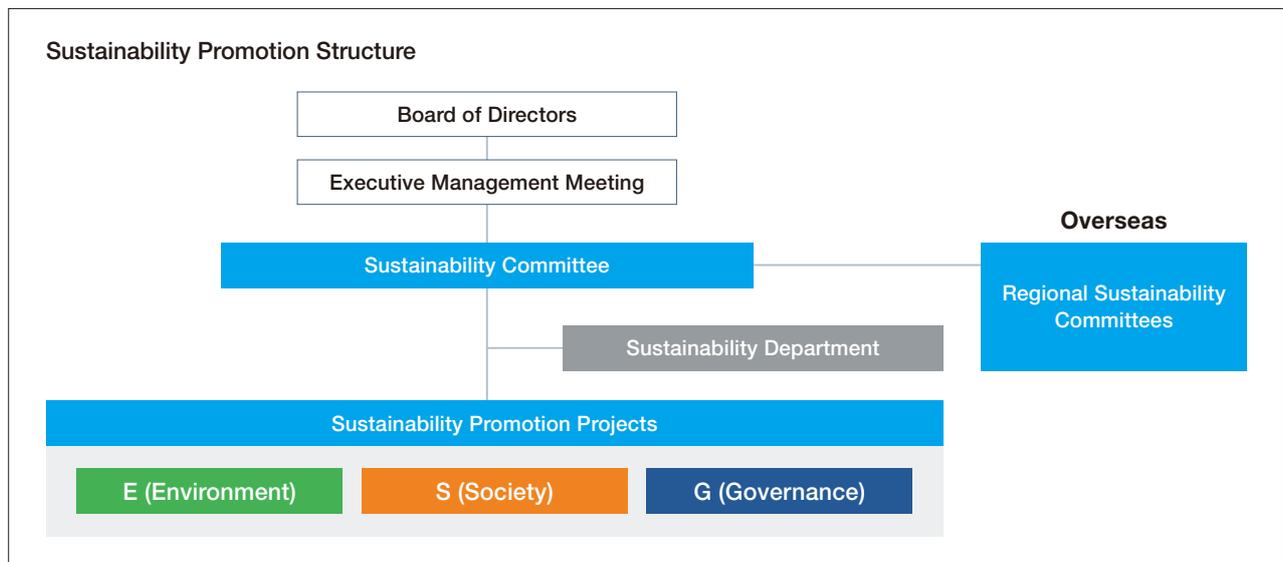
5. Securing trust from society

We ensure strict compliance with all laws and regulations and are committed to conducting our business activities with integrity and fairness. This includes practicing fair competition, providing high-quality products, and ensuring appropriate disclosure of product and corporate information. At the same time, we commit to strengthen our business management foundation to achieve a level of business operations that earns strong trust from society.

Sustainability Promotion System

We have established a structure to advance groupwide efforts to address a wide range of ESG issues. In April 2024, the Sustainability Department was newly established to plan and promote activities across the group. The Sustainability Committee, chaired by the President, has also been established to make decisions on important sustainability-related issues and to set groupwide targets and manage progress toward their achievement. Promotion projects have been established under the committee, organizing initiatives led by the departments in

charge of each ESG theme. While aiming for consistency in group activities, it is also important to accurately understand the laws and regulations, cultures, and unique challenges of each country and respond flexibly and effectively. To this end, we have established a the Regional Sustainability Committee in each region, which systematically disseminate groupwide policies and respond to issues, and strengthen cooperation within the region to appropriately address specific issues.



In order to accelerate global efforts, a subcommittee meeting on ESG promotion was held upon the AMADA Global Meeting attended by representatives of overseas subsidiaries. After the President delivered a message on the direction, policies, and structure for sustainability management, participants shared issues and initiative status in the areas of the environment, society, and governance, as well as future targets and activity plans. Regional representatives also shared the status of their efforts, exchanged opinions on the initiatives, and worked to align understanding.



Message

Becoming the company of choice

The AMADA Group has a wide range of stakeholders in Japan and overseas, and their expectations and demands are becoming increasingly diverse. In order to adapt to these changes, it is important that the entire group align to work together to address ESG issues. In addition to making consistent efforts to achieve the goals, we will also put effort into activities that empower each employee to recognize the importance of sustainability and engage in mindful actions. We will pursue unique solutions to social challenges and build trust with our stakeholders, becoming the company of choice.



Kei Kimizu
General Manager
Sustainability Department

Key Issues and Initiatives

The AMADA Group sets the promotion of ESG initiatives as one of the priorities to realize Long-term Vision 2030. To achieve this goal, we have identified key issues to be prioritized based on our Basic Policy on Sustainability, within the framework of ESG. These key issues correspond to the United Nations SDGs, and we believe that achieving our targets will also contribute to achieving these SDGs.

When identifying the issues, we highlighted the issues that are most relevant to our business environment and to each of our stakeholders. We then had internal discussions on these issues from the perspective of the impact on both our business and our stakeholders, and identified the ones with the highest priority.

We have set ESG management and the reinforcement of the organizational structure as the basic strategic policy in the Medium-term Business Plan 2025. To carry out this policy, we have established quantitative and qualitative indicators to address the key sustainability issues and set the targets to achieve in the medium term (fiscal 2025) and long term (fiscal 2030). When these were set we reviewed our key issues and initiatives to realize our growth strategy and increase sustainable corporate value.

The progress toward the goals for fiscal year 2023 is as follows.

In terms of the environment, we have taken actions to reduce CO₂ emissions by starting sales of fabrication machines

equipped with NC devices that have a CO₂ emissions monitoring function and installing LED lighting and solar power generation equipment at business sites.

With regard to society, as a result of our efforts to create the environment that helps employees balance work and child-rearing, we have received Kurumin certification by the Ministry of Health, Labour and Welfare as a company that supports child-rearing.

With regard to the issues of strengthening education training and appointing female managers, steady progress has been made through the ongoing execution of training programs that includes the Overseas Business Study Program to cultivate global human resources and trainings for female leadership candidates.

As for governance, we have strengthened corporate governance through initiatives such as introducing a stock-based compensation program for directors (excluding outside directors) that is linked to our medium-term business plan and appointing a female external Audit & Supervisory Board member. In addition, we have established the Cybersecurity Committee to take prompt and effective countermeasures against security risks, as well as to further enhance our awareness of cybersecurity and our ability to respond to such risks.

Looking ahead, we will continue to pursue sustainable growth and commit to be the group that consistently contributes to society through the provision of high-quality products and services.

	Key Issues	Initiatives	SDG Target Contributions
E Environment	<p>Reducing CO₂ emissions</p> <ul style="list-style-type: none"> • Products for sale • 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 time and improved productivity with new AI-powered NC units 	
S Society	<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 Governance	<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 	

* Group companies in Japan: AMADA, AMADA MACHINERY, AMADA WELD TECH (merged with AMADA on April 1, 2024), AMADA PRESS SYSTEM, and AMADA TOOL

External Evaluations

FTSE Blossom Japan Index



FTSE Blossom Japan Index

FTSE Russell confirms that AMADA CO., LTD. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

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MSCI ESG Select Leaders Index

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

THE INCLUSION OF AMADA CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF AMADA CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index



Morningstar Japan ex-REIT Gender Diversity Tilt Index

Since April 2023, AMADA has been a member of this index, developed by Morningstar to recognize companies with outstanding gender diversity initiatives.

iSTOXX® MUTB Japan Platinum Career 150 Index



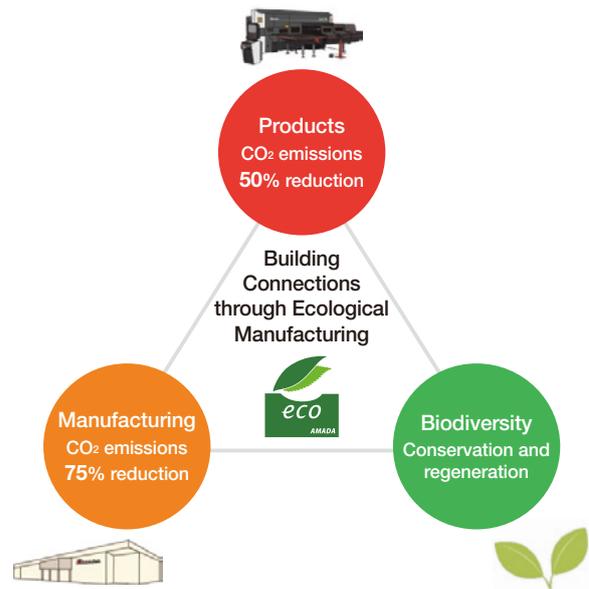
Member 2023/2024
Platinum Career Index

Indicators	Fiscal 2023 Results	Fiscal 2025 Targets	Fiscal 2030 Targets
Reduction of product CO ₂ emissions	58.4% reduction vs. fiscal 2013	50% reduction vs. fiscal 2013	50% reduction vs. fiscal 2013
Reduction of business site CO ₂ emissions	73.4% reduction vs. fiscal 2013	70% reduction vs. fiscal 2013	75% reduction vs. fiscal 2013
Education and training hours per employee	47.7 hours (Group companies in Japan*)	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	32.6% (Group companies in Japan)	25% (Group companies in Japan)	25% (Group companies in Japan)
Paid leave acquisition rate	74.3% (Group companies in Japan)	80% (Group companies in Japan)	100% (Group companies in Japan)
Childcare leave acquisition rate (men/women)	68.2%/100% (Group companies in Japan)	70%/100% (Group companies in Japan)	100%/100% (Group companies in Japan)
Ensuring diversity on the Board of Directors	Independent external directors: 4 of 9 Female directors: 1	Increase in diversity	Maintenance/Increase
Review of directors' remuneration system	Introduced stock-based compensation linked to our medium- and long-term goals	Introduction of medium- to long-term incentive plan	Reinforcement of management structure

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 priority 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 products with reduced environmental impact that use cutting-edge technology to address customer issues and social challenges. 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% (vs. common products in fiscal 2013), and an electric servo bending machine featuring driveshafts that do not require oil, as well as products that reduce skill requirements and support automation. 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, certified AMADA Eco-Products account for 87% of sales value and 63% of units sold (data from fiscal 2023), with these ratios increasing year by year.



EGB-e series of electric servo bending machines

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 preindustrial 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 established the Environmental and Ecological Promotion Committee and plan to invest a total of ¥10 billion (by fiscal 2025) in the environment, with resolute action underway to achieve this target.

In terms of CO₂ emissions from business sites and plants (Scope 1 and Scope 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 toward its systematic introduction by expanding the scope of renewable energy use beyond the previous limited area in Japan and overseas.



AMADA AUTOMATION EUROPE LTD.'s new coating line, now featuring biogas

Utilizing 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%. Also since 2009, AMADA AUTOMATION EUROPE, our manufacturing base for automation equipment located in Finland, has been using biomass for heating. In addition, as of fiscal 2023, this organization has switched 100% of electricity used to renewable energy sources, and at the same time has introduced biogas as a heat source for the drying furnace on the new coating line. These initiatives are expected to make AMADA AUTOMATION EUROPE the first of the AMADA Group's manufacturing bases to achieve carbon neutrality. As of fiscal 2023, our overall rate of introducing renewable energy outside Japan has increased to 14%, with approximately 5,700 MWh of power generation.

Solar panels have been installed in phases at our business sites and plants in Japan, as part of our efforts to introduce renewable energy. In fiscal 2023, solar panels will be installed at two new sites, AMADA PRESS SYSTEM's Isehara-Suzukawa Works and Orii Seiki's Tottori Plant, bringing the total to seven sites. In addition, since fiscal

2022, we have been procuring 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 use 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 67%, 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, as of fiscal 2022, has raised its fiscal 2030 CO₂ emission reduction target from 50% (vs. fiscal 2013 levels) to 75%. In addition, we have joined RE100, an international environmental initiative, in fiscal 2023 with the aim of achieving 100% renewable energy use for business activity at all of our sites by fiscal 2040. Through RE100, we will continue to make various policy proposals to promote the spread of renewable energy.

3. Implementing a Range of Actions to Conserve Biodiversity

The AMADA Group has been carrying out various initiatives tailored to each of its sites for the conservation and regeneration of biodiversity as part of its Environmental Policy since 2010.

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.

In March 2024, the Noda Works also received a letter of appreciation from the Tone Canal Council, operated by the Ministry of Land, Infrastructure, Transport and Tourism. This letter was in recognition of the site's contributions to the ecosystem preservation through its employees' annual participation since 2015 in a council for the conservation and restoration of the waterfront environment around the Tone Canal and its long-standing activities to remove *Sicyos angulatus* ("bur cucumber"), a designated invasive alien plant.

In 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations, as well as its LEAP Approach assessment tool. The AMADA Group assessed the

potential for its business activities to impact biodiversity using IBAT*¹, a biodiversity assessment tool, and surveyed a 50-km radius around its main production sites (17 sites across the world)

to determine the proximity of these sites to areas inhabited by endangered species on the IUCN*² Red List of Threatened Species. We also evaluated protected marine and land-based areas as defined by The World Database on Protected Areas and Key Biodiversity Areas that are important for conservation. We will continue to work on this issue by establishing priority locations.

In addition, the Fujinomiya Works is working on a forest management plan in cooperation with the local government and administration to make the region an area of natural symbiosis, aiming to obtain forest certification by the Sustainable Green Ecosystem Council (SGEC) and international registration of our efforts as other effective area-based conservation measures (OECMs) to achieve the 30by30 targets. We will continue to implement green infrastructure that fulfills natural functions at our other business sites and plants to conserve and regenerate biodiversity.

*1. IBAT: Integrated Biodiversity Assessment Tool

*2. IUCN: International Union for Conservation of Nature and Natural Resources



Fujinomiya Works: AMADA forest

Endangered Species (Data by Region)	Japan	United States	Europe	China	Total
CR: Critically Endangered	38	30	28	37	133
EN: Endangered	197	80	56	84	417
VU: Vulnerable	368	135	175	133	811
Total	603	245	259	254	1,361

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

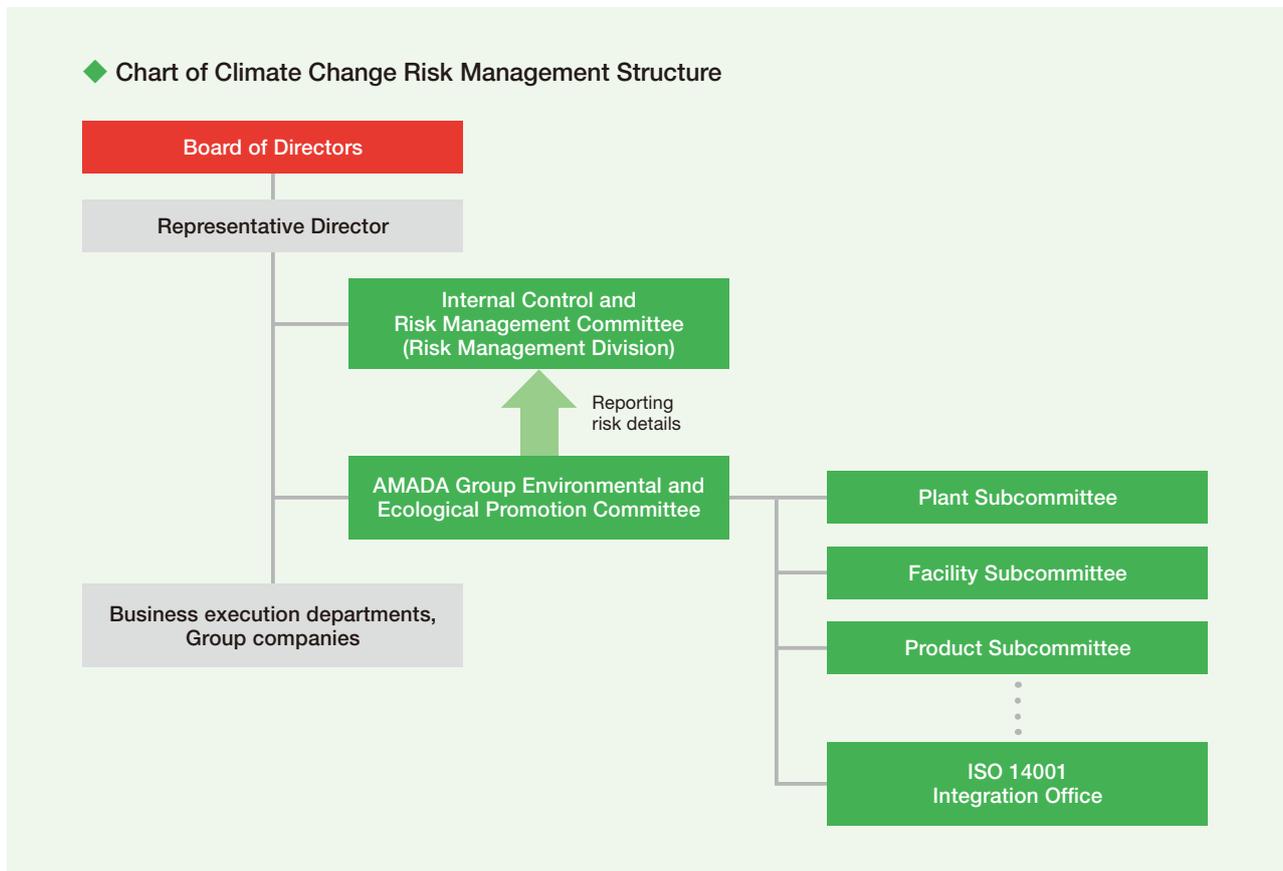
The Group's response to environmental issues, including climate change, is carried out by the AMADA Group Environmental and Ecological Promotion Committee, which is chaired by the representative director.

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.

◆ Chart of Climate Change Risk Management Structure



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.

The AMADA Group considers the 2°C scenario to be the main scenario in terms of future feasibility. Of the following risks and opportunities, the AMADA Group believes that the opportunities of 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 the most impactful to its business 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 SBTi 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 is stopped/decreased 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.

Risk magnitude is indicated as follows: "🔴" for ¥1 billion or more, "🟡" for ¥100 million to ¥1 billion, and "🟢" for less than ¥100 million.

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

◆ 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	14,796t-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 on other environmental action plans.

For actual CO₂ emissions for Scope 1, Scope 2, and Scope 3, please refer to the ESG Data page on the AMADA corporate website.

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

Priority Issues	Fiscal 2030 Targets	Fiscal 2023 Targets	Fiscal 2023 Results
(1) Realizing a decarbonized society	<ul style="list-style-type: none"> CO₂ emissions for all products: -50% (Scope 3 Category 11)* * Base value (fiscal 2013): 811,635t-CO₂ (Domestic: 336,011t-CO₂, overseas: 475,624t-CO₂) 	<ul style="list-style-type: none"> CO₂ emissions for all products: -41.7% (vs. fiscal 2013) 	<ul style="list-style-type: none"> CO₂ emissions for all products: -58.4% (337,570t-CO₂) [Achieved] [Domestic] -52.6% (159,108t-CO₂) [Overseas] -62.5% (178,462t-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): 59,185t-CO₂ Scope 1 and Scope 2 Energy intensity per revenue 29.6t-CO₂/billion yen 	<ul style="list-style-type: none"> CO₂ emissions at all business sites and plants: -58.3% (vs. fiscal 2013) (Scope 1 and Scope 2) 	<ul style="list-style-type: none"> CO₂ emissions at all business sites and plants: -73.4% (15,770 t-CO₂) [Achieved] [Domestic] -90.3% (3,620t-CO₂) [Overseas] -44.8% (12,150t-CO₂) Scope 1 and Scope 2 Energy intensity per revenue 39.1t-CO₂/billion yen
(2) Realizing a recycling-oriented society	Effectively Using Resources <ul style="list-style-type: none"> Total amount of all waste¹: -10% (vs. fiscal 2019) * Base value (fiscal 2019): 6,251t (Domestic: 3,735t, overseas: 2,516t) Landfill volume of all waste: -10% (vs. fiscal 2019) * Base value (fiscal 2019): 30.2t (Japan) Zero emission rate² of 0.73% or less (Japan) * Base value (fiscal 2019): 0.81% Total water consumption: -10% (vs. fiscal 2019) * Base value (fiscal 2019): 427.5 thousand m³ (Domestic: 265.3 thousand m³, overseas: 162.2 thousand m³) 	<ul style="list-style-type: none"> Total amount of all waste: -3.6% (vs. fiscal 2019) Landfill volume of all waste: -3.6% (vs. fiscal 2019) Zero emission rate: 0.781% or less (Japan) Total water consumption: -3.6% (vs. fiscal 2019) 	<ul style="list-style-type: none"> Total amount of waste: +12.7% (7,047t) [In progress] [Domestic] +14.9% (4,293t) [Overseas] +9.4% (2,754t) Landfill volume of all waste: [Domestic] -28.5% (21.6t) [Achieved] Zero emission rate (vs. fiscal 2019): 0.50% (Domestic) [Achieved] Total water consumption (vs. fiscal 2019): -42.0% (247.9 thousand m³) [Achieved] [Domestic] -57.5% (112.8 thousand m³) [Overseas] -16.7% (135.1 thousand m³)
	Appropriately Managing and Reducing Regulated Chemical Substances (Japan) <ul style="list-style-type: none"> Hazardous chemical substances: -10% (Fujinomiya: vs. fiscal 2019) * Base value (fiscal 2019): 36,395 kg Elimination of equipment using mercury (fluorescent lamps) 	<ul style="list-style-type: none"> Hazardous chemical substances: -3.6% (vs. fiscal 2019) 	<ul style="list-style-type: none"> Hazardous chemical substances (vs. fiscal 2019): -13.4% (4,890 kg) [Achieved]
(4) Biodiversity	Conserving and Regenerating Biodiversity by Capturing Nature-Related Risks and Opportunities (Japan) <ul style="list-style-type: none"> Fiscal 2030: Forest management plan (Fujinomiya) and green infrastructure introduction (each business site and plant) 	<ul style="list-style-type: none"> Forest management plan initiatives (Fujinomiya Works) 	<ul style="list-style-type: none"> Ongoing forest management plan initiatives (Fujinomiya Works)

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

3. Green infrastructure: Efforts to promote sustainable and attractive national and regional development by utilizing the diverse functions of the natural environment in both hard and soft aspects, such as social capital development and land use

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 SBTi 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 preindustrial levels (Well Below 2°C) or within 1.5°C. The Group's targets based on the SBT (for Scope 1 and Scope 2) meet the requirements of the scenario to keep the temperature increase below 1.5°C.

- ◆ The target for Scope 1 and Scope 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).

Our results in fiscal 2023 were -70.9% (15,770t-CO₂) versus fiscal 2019 for Scope 1 and Scope 2 and +14.3% (2,108,491t-CO₂) versus fiscal 2019 for Scope 3 (Category 1 and Category 11).



The AMADA Group's Human Capital Strategy

One principle in the AMADA Group's Management Philosophy, "Growing Together with Our Customers," has been shared across the Group as the starting point of our business activities since our founding. As a global manufacturer of metalworking machinery, we have grown based on our belief that supporting and contributing to our customers—manufacturing companies around the world—is what leads to the development of society.

Under the slogan of "FUTURE TECHNOLOGIES with AMADA," our medium-term business plan aims for further growth by taking on the challenge of creating new value together with our customers. The irreplaceable driving force behind this is human resources.

In order to build an environment where diverse human resources can maximize their potential and continue to take on the challenge of creating value, we have designated developing human resource capability, promoting diversity, and creating a rewarding workplace as particularly important issues for our strategic human capital investment.

Achieving "FUTURE TECHNOLOGIES with AMADA"



Message

For many years, AMADA has created new technologies and new manufacturing from the needs and seeds of its customers through direct sales and direct service and dialogue with these customers. Looking ahead, we believe it will be important to cultivate the ability to independently and 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.

At AMADA, we define this as "developing human resources who pursue creative and challenging activities," and have made this a pillar of our human resource development for many years.

We also believe that in order to respond to the rapid social changes of recent years, it is important to create a work environment where individuals with diverse values, backgrounds, and circumstances can grow and play an active role independently.

In our medium-term business plan, we have established the development of laser and other technologies, DX promotion, and strengthening of global business as our growth strategies. To achieve this, we are particularly focused on the development of global human resources and young to mid-career employees.

In addition to this, we have identified developing human resource capability, promoting diversity, and creating a rewarding workplace as important issues, under which we are taking various actions toward specific goals.

Developing human resource capability is intended to develop the capabilities of diverse human resources and support autonomous career development, promoting diversity is intended to create a fulfilling workplace where employees can be comfortable and fulfilled in their work, and creating a rewarding workplace is intended to build environments where employees can work with safety and in good physical and mental health. These internal environment improvement policies are all to lay stronger foundations for employees to enjoy longer careers with us with peace of mind.

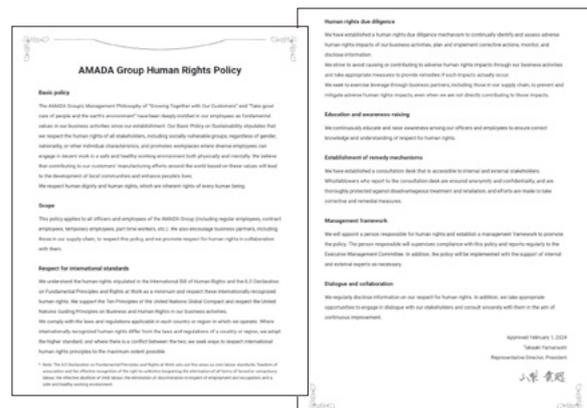


Shinichi Takano

Corporate Officer
Executive General Manager of
Human Resources Department

Initiatives for Human Rights

In February 2024, the AMADA Group announced its new Human Rights Policy that outlines the responsibility of all officers and employees engaged by the Group to respect human rights. This policy declares that we will prevent, mitigate, and remedy human rights violations in all corporate activities with a firm understanding of international norms concerning human rights, and in accordance with the principles in our Management Philosophy—"Growing Together with Our Customers" and "Take good care of people and the earth's environment"—with our principles for human rights initiatives in the Basic Policy on Sustainability, and with our internal environmental improvement policies.



Please visit the website below for more details on our Human Rights Policy.
https://www.amada.co.jp/en/sustainability/social/human_rights/

Key Issue

Developing and Training Human Resources



Basic Policy

The basic philosophy for human resource development at the AMADA Group is to develop human resources who pursue creative and challenging activities.

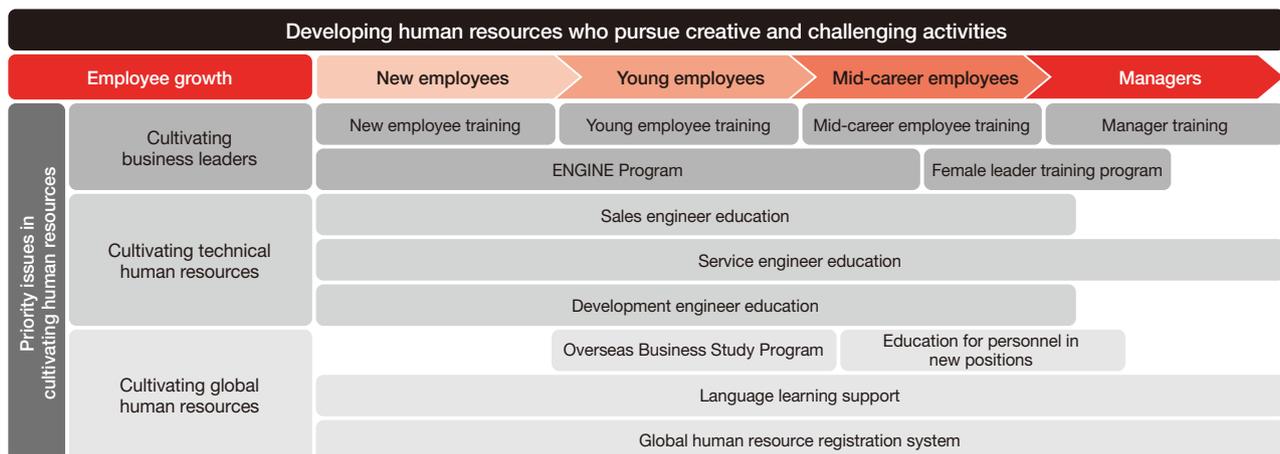
Based on our human resource development policy of developing the capabilities of diverse human resources and supporting autonomous career development, we provide job rotation based on employees' career aspirations, as well as education and training based on employees' career stages, seeking to accelerate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

Targets and Achievements

As part of our efforts to develop the capabilities of diverse human resources, we are focused on the development of global human resources and young to mid-career employees. Education and training hours per employee totaled 47.7 hours in fiscal 2023 due to the expansion of programs related to global human resources and increased training opportunities to improve the knowledge and skills necessary for business leaders. We will continue to establish systems for skill development to promote the steady growth of our employees, and aim to be a company where these human resources can play an active role over the long term.

Indicator	Fiscal 2023 Result	Fiscal 2025 Target
Education and training hours per employee	47.7 hours (Group companies in Japan)	40 hours (Group companies in Japan)

Education and Training System



Cultivating Business Leaders

In addition to providing step-by-step and continuous education to the next generation of human resources, from new hires to young and mid-career workers, we also provide a selective leader training program and early provision of management experiences to enable them to demonstrate leadership from multiple perspectives.

Once new employees have joined us, they undergo six months of training in product knowledge and business skills, after which they enter the systematized ENGINE Program training as we cultivate next-generation human resources. We encourage career development as well as skill acquisition through the brother/sister system, career interviews, and off-the-job training by job title and type, as well as through training and other programs appropriate to the growth stages of young and mid-career workers.

Cultivating Technical Human Resources

AMADA places focus on cultivating technical human resources for supporting our direct sales and direct service structure. In 2024, as part of our "all-hands engineering" concept, we opened the AMADA

Technical Education Center (ATEC). In addition to automation and robotics technology and education in the fundamentals, education at this center will emphasize developing problem-solving skills, cultivating not only technology but also communication skills to raise the level of engineering capabilities.

Cultivating Global Human Resources

Cultivating and assigning human resources who can play an active role in the world has become an important issue, and we therefore 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. We have also established a number of programs, such as the language learning support program, to help employees acquire the skills required for overseas operations, and are continuously developing human resources to support the global growth of the AMADA Group.



**Interview with an Overseas Business Study Program Trainee
(AMADA overseas management administration employee, female, dispatched to AMADA AMERICA, INC.)**

In the United States, I have been learning about the one-year management cycle, from developing a profit plan to managing progress and addressing issues. By working directly with a local subsidiary and learning about the flow of people, goods, and money and its management system, I engage in my training program each and every day with the goal of understanding the actual situation at the local subsidiary and the differences in its position versus at the head office. Eventually, I also want to build the capability of proposing solutions to problems and formulating strategies from multiple perspectives.



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 values.

Specifically, we are focusing on supporting the active engagement of women and persons with disabilities, and addressing sexual minorities.

Diversity

In order to promote diversity, we believe that it is important for each employee to have both an understanding and a tangible sense of the diversity of values, as well as for us to create a system that allows diverse human resources to play an active role, and we provide education and disseminate information

based on this belief. In particular, we encourage managers overseeing employees with diverse values to learn and practice awareness and behavior through case studies that focus on the subject of unconscious bias.

Promoting Women's Active Engagement

Recognizing the importance of appointing more female managers, we are focusing on cultivating both female leaders and a population of empowered female employees who will eventually become 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. We will continue to provide training and other educational curricula for female leadership candidates and strengthen recruitment of women, including mid-career hires, in order to cultivate and promote them at an early stage.



Female leader training

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. 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, 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.



An employee with disabilities at the Fujinomiya Works

Initiatives for Elderly Employees

The AMADA Group provides an environment in which highly motivated employees can choose their work style in accordance with their career plans and lifestyles, including their life circumstances and values, so that they can continue to play active roles after retirement age.

In addition to developing a variety of diverse and flexible work styles, such as working fewer days, working fewer hours, and working side jobs, we are also working to increase motivation to work even after retirement through a proposal system that makes use of the technologies and skills they have cultivated over the years.

Key Issue

Creating a Rewarding Workplace



Basic Policy

Our Basic Policy on Sustainability calls for creating a rewarding workplace where diverse employees can work with enthusiasm. Under this policy, we will strengthen the foundation to ensure that employees can work with peace of mind over a long period of time, centered around our internal environment improvement policy of creating a fulfilling workplace where employees can be comfortable and fulfilled in their work. Specifically, we will encourage employees to take paid leave, support balancing work and childcare, develop work styles, and properly evaluate and compensate employees for their work.

Initiatives for Use of Paid Leave

In 2023, we newly introduced an hourly paid leave system to help create a flexible work environment. In addition, we encouraged employees to take paid leave in a systematic fashion by, for example, having them apply for a portion of their paid leave in

advance each half year as personal planned paid leave and establishing a paid leave promotion month in each department. As a result, the paid leave acquisition rate was 74.3% (five domestic Group companies), beating the target of 70.0% for fiscal 2023.

Initiatives to Support Balancing Work and Childcare

In our efforts to help both men and women balance work and childcare, we are particularly encouraging male employees to take childcare leave. In 2023, we made it mandatory that superiors of male employees fathering a child encourage those employees to take childcare leave. In addition, we have worked to foster a culture of acceptance by disseminating case studies of male employees who have taken childcare leave in internal newsletters, among other efforts. As a result, the acquisition rate in fiscal 2023 (five domestic Group companies) was 68.2%.

Disseminating Information via the Internal Portal Site

On our internal portal site, special pages were published to encourage the use of paid leave and childcare leave for male employees. This allows employees to easily access information on program details and examples of how to take leave.



Page for encouraging acquisition of paid leave

Page for encouraging male childcare leave

Interview with a male employee who took childcare leave

Creating a Rewarding Workplace (Career Surveys)

We conduct career surveys to provide employees with opportunities to think about their own career development, to reflect on our efforts to develop human resources and create a rewarding workplace, and to understand and improve employee engagement.

The results of the fiscal 2023 survey highlighted that there is a great deal of anxiety about taking on management duties, especially

among younger employees. Based on this, we introduced the Assistant Section Chief position, which allows next-generation leader candidates to experience organizational management at an early stage, and introduced designations according to career stage to help them feel a tangible sense of advancement.

Health and Productivity Management

The AMADA Group has positioned various measures to create an environment in which employees can work in good physical and mental health as a management issue and is advancing initiatives to achieve this.

In June 2023, we issued the Health and Productivity Management Declaration. We have established a health and productivity management promotion system and are working toward collaborative health care with the AMADA Health Insurance Society.

Certified Health & Productivity Management Outstanding Organization

AMADA was recognized as a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) for 2024. The Certified Health & Productivity Management Outstanding Organizations Recognition Program by Japan's Ministry of Economy, Trade and Industry is designed to visualize and verify corporations, including large corporations and small and medium-sized enterprises, that are practicing particularly excellent health management. Through health management, we will continue to promote an environment in which all employees can work with peace of mind and in good physical and mental health.

2024
健康経営優良法人

Major Collaborative Health Care Initiatives

Cancer screening	Conducting cancer screenings for employees with support from our health insurance society, using opportunities such as statutory regular health checkups
Health guidance	Providing health guidance based on the results of regular health checkups and specific health guidance based on specific health examination results Outpatient smoking cessation (World No Tobacco Day event) Conducting smoking cessation outpatient sessions at in-house clinics and prescribing smoking cessation aids to employees wishing to quit smoking
Oral health seminar (National Occupational Health Week event)	Holding oral health seminars at the Isehara Works as a part of the National Occupational Health Week event, jointly sponsored by the Health and Safety Committee and our health insurance society. Holding lectures on dental and oral health by an outside lecturer, where participants learn about proper oral self-care and the need for regular dental checkups
Influenza vaccinations	Administering influenza vaccinations at the Isehara Works and other business sites, with partial vaccination expenses paid for by our health insurance society

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.

Industry Support

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. To resolve 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, the AMADA SCHOOL was established, becoming the first private-sector vocational training school to be accredited by the Ministry of Labour (now the Ministry of Health, Labour and Welfare). We provide 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 sheet metal processing 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.



The AMADA Foundation (for the Promotion of Academia, the Creation of Science and Technology, and the Development of Industry and the Economy)

The AMADA Foundation was established in 1987 by Isamu Amada, the founder of the AMADA Group. It contributes to the promotion of academia, the creation of new science and technology, and the healthy development of Japanese industry and economy by providing grants for research and development and international exchange related to plasticity and laser processing, dissemination of research results, and fees for technical skill tests for the purpose of fostering skilled workers.



Contributing to Local Communities

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

In support of academia and education, we aid the development of next-generation human resources by welcoming company tours and offering outreach lectures by our employees. For example, the Fujinomiya Works in Shizuoka Prefecture dispatches lecturers to roundtable discussions with businesspeople as part of career education at nearby junior high schools.

AMADA AMERICA offers training courses as a cooperative initiative with professional training programs held in California. AMADA INDIA holds sheet metal courses at the Indian Institute of Technology Madras, giving lectures and hands-on machine operation experience to corporate engineers, management staff, and students.

As a community exchange event and social contribution activity, the Ono Plant holds a cherry blossom viewing event (Ono City, Hyogo) to deepen exchanges with local residents. We also sponsor local festivals such as the Isehara Kanko Dokan Festival (Isehara City, Kanagawa) and Nihonmatsu Chrysanthemum Dolls event (Nihonmatsu City, Fukushima).

In addition, we conduct cleanup activities in cooperation with local organizations and blood donation drives at our offices and factories every year, with more than 300 employees cooperating annually.

As part of our sponsorship of sporting activities, we are the official top partner of Shonan Bellmare, a J-League professional soccer team. AMADA AMERICA has established a partnership with Rahal Letterman Lanigan Racing (RLL), a U.S. team that competes in the NTT IndyCar Series, in which we serve as the primary sponsor.



Machine tours in the United States



Educational activities in California, U.S.



Isehara Kanko Dokan Festival



Cherry blossom viewing event held at the Ono Plant



Shonan Bellmare



Indy 500 racecar

Charitable Activities and Donations

Charitable activities and donations are conducted by each AMADA Group company.

AMADA TOOL AMERICA	Donated toys for underprivileged children for Christmas. Welfare organizations distributed the donations to families in deprived areas.
AMADA UNITED KINGDOM	AMADA UNITED KINGDOM employees raised £1,250 in one year for the Cancer Treatment Support Organization.
AMADA INDIA	Machines and software were donated to the Indian Institute of Information Technology, Design and Manufacturing, Jabalpur.

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.

Partnership Building Declaration

The Company will focus on the following items in order to build new partnerships by promoting cooperation, coexistence, and co-prosperity with business partners in the supply chain and with businesses that seek to create value.



Coexistence and Co-prosperity of the Entire Supply Chain and New Cooperation Across Scales and Chains

We will work to add value to the supply chain as a whole by encouraging our direct business partners to work with their business partners beyond them (from "Tier N" to "Tier N+1"), and will aim to build coexistence and co-prosperity with our business partners through collaboration that goes beyond existing business relationships and corporate size. In doing so, from the perspective of business continuity and workstyle reforms in the event of a disaster, etc., we will also promote support such as advice on the introduction of remote working and the formulation of business continuity plans (BCPs) for our business partners.

Individual items

We will improve the speed of information linkage with the supply chain and promote operational efficiency through visualization. (AMADA Supplier Portal Site)

Compliance with the Promotion Standards

1. Pricing methods
2. Cost burden such as type management
3. Terms of payment, such as bills
4. Intellectual property and know-how
5. Negative effects associated with work-style reform

Note: For suppliers classified as subcontractors, we have changed all bill and electronically recorded monetary claim site payments to bank transfers.

Please visit the website below for more details on our Partnership Building Declaration.

<https://www.amada.co.jp/en/sustainability/social/partnership/>

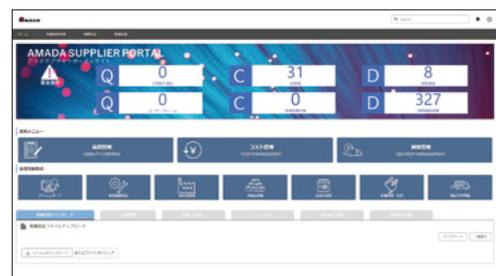
Sustainable Procurement Guideline

The AMADA Group has established the Green Procurement Guideline to advance environmentally friendly manufacturing, and has been working to procure materials with lower environmental load. Going forward, we will advance sustainable procurement activities through the establishment of the Sustainable Procurement Guideline, which includes respect for human rights, such as labor, health and safety, and ethics, as well as contributions to local communities. Together with our suppliers, we will work to build a sustainable society.



AMADA Supplier Portal Site

The AMADA Group has established the AMADA Supplier Portal Site to strengthen cooperation with suppliers. This site allows production plans, order information, and inventory information to be shared from the production management system to suppliers in real time, and technical, quality, and pricing information can also be exchanged in a secure environment. In addition, we plan to link with suppliers' production management software and manufacturing DX solutions to improve the efficiency of indirect operations through bidirectional production progress sharing.



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:

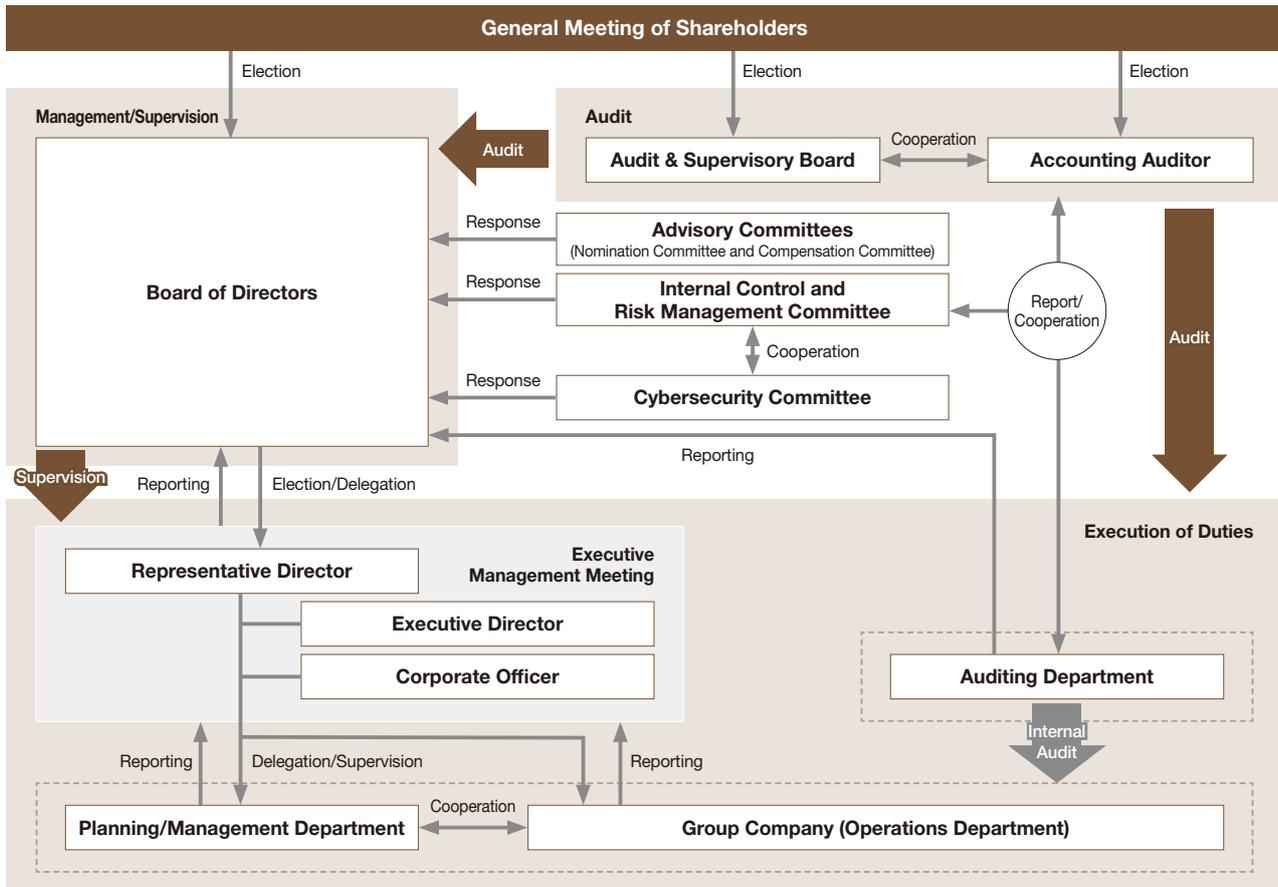
- 1 Strive to protect shareholders' rights and ensure the equitable treatment of all shareholders**
- 2 Strive to appropriately collaborate with stakeholders other than shareholders**
- 3 Strive to ensure proper disclosure and transparency of information**
- 4 Strive to have the Board of Directors appropriately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

◆ Evolution of Our Corporate Governance Structure

We have positioned corporate governance as a key management issue and have been making gradual improvements to our governance system. We will continue to strengthen our governance framework striving to achieve the highest standards of corporate governance.

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 and beyond
Independence Standards for Outside Officers	Not established		Established (December 2015)									
Corporate Governance Guidelines	Not established			Established (June 2016)								
Evaluating the Effectiveness of the Board of Directors	Not implemented				Implemented (from evaluations for fiscal 2016)							
Nomination Committee Compensation Committee	Not established							Established (April 2020)				
Skills Matrix	Not published								Published (December 2021)			
Total directors	7	6	8	7	8					9 (June 2022)		
Of which, independent external directors	0	1	2	3					4 (June 2022)			
Ratio of external directors	—	17%	25%	43%	38%					44%		
Of which, female directors	0									1 (June 2022)		
Performance-linked stock-based remuneration	Not introduced										Introduced (from compensation for fiscal 2024)	
Total Audit & Supervisory Board members	4											
Of which, independent external Audit & Supervisory Board members	2											
Ratio of external Audit & Supervisory Board members	50%											
Of which, female Audit & Supervisory Board members	0										1 (June 2024)	

◆ 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 audits 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 Officers

1. Directors

Tsutomu Isobe	Mr. Tsutomu Isobe is making overall management decisions and overseeing business execution appropriately as the Representative Director, Chairman of the Company. He also has in-depth knowledge in corporate management, which he acquired through many years of service in control divisions. Based on these factors, we have appointed Mr. Isobe as a director, having determined that he is an appropriate resource capable of contributing to sustainable growth of the Company's corporate value.
Takaaki Yamanashi	Mr. Takaaki Yamanashi is making overall management decisions and overseeing business execution appropriately as the Representative Director, President of the Company. He also has broad experience and knowledge of sheet metal processing technology, acquired through his experience as the person responsible for our overseas subsidiary specializing in technology development, as well as his involvement in the development of sheet metal processing technology and product development with a focus on laser technology for many years. Based on these factors, we have appointed Mr. Yamanashi as a director, having determined that he is an appropriate resource capable of contributing to sustainable growth of the Company's corporate value.
Masahiko Tadokoro	Mr. Masahiko Tadokoro is appropriately performing his duties as a senior executive general manager responsible for overseeing the sales and services division of the Company's core Sheet Metal Business. As president of a subsidiary that operates cutting and grinding businesses, he has been appropriately performing his duties in overall management decision-making and supervision of business execution. He also has in-depth knowledge regarding global corporate management, having served as the representative of overseas subsidiaries. Based on these factors, we have appointed Mr. Tadokoro as a director, having determined that he is an appropriate resource capable of contributing to sustainable growth of the Company's corporate value.
Koji Yamamoto	Mr. Koji Yamamoto is appropriately performing his duties as a senior executive general manager overseeing the Company's overseas business. He also has broad experience and in-depth knowledge of global corporate management, which he acquired through many years of service in promoting the Group's overseas business, as well as serving as the representative of overseas subsidiaries. Based on these factors, we have appointed Mr. Yamamoto as a director, having determined that he is an appropriate resource capable of contributing to sustainable growth of the Company's corporate value.
Kazuhiko Miwa	Mr. Kazuhiko Miwa is appropriately performing his duties as an executive general manager overseeing the Company's finance division and legal affairs. He was responsible for control divisions, and engaged in operations related to international finance at his previous post, giving him broad experience and knowledge regarding global corporate management, and finance and accounting. Based on these factors, we have appointed Mr. Miwa as a director, having determined that he is an appropriate resource capable of contributing to sustainable growth of the Company's corporate value.
Hiroyuki Sasa	Mr. Hiroyuki Sasa, who served as Representative Director, President at Olympus Corporation, possesses insight as a business manager of a global corporation as well as broad knowledge of technologies and development in the manufacturing business. 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. 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 a member of both the Nomination Committee and 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. From that perspective, she is overseeing business execution appropriately as an external director of the Company, such as by actively expressing her opinions at the Board of Directors' meetings. 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 based on her experience and knowledge.

2. Audit & Supervisory Board Members

Kotaro Shibata	Mr. Kotaro Shibata has extensive insight and experience in global management, having been a sales department leader for many years and having been in charge of overseas business development in China and the ASEAN region. Therefore, we have appointed him as an Audit & Supervisory Board member, having determined that he is an appropriate candidate capable of providing objective and appropriate auditing.
Takashi Fujimoto	Mr. Takashi Fujimoto has extensive experience and knowledge in finance and accounting, having served as the head of the administrative department of a subsidiary within our Micro Welding Division, as well as being involved in operations related to international finance before joining AMADA. Therefore, we have appointed him as an Audit & Supervisory Board member, having determined that he is an appropriate candidate capable of providing objective and appropriate auditing.
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 reappointed Mr. Nishiura as an external Audit & Supervisory Board member of the Company, expecting that he will continue to appropriately perform his duties, including providing beneficial advice to the Company's audit system, based on his experience and knowledge.
Akiko Mochizuki	Ms. Akiko Mochizuki has a wealth of experience and expertise as an attorney at law, as well as a high level of knowledge from the perspective of human rights protection through her focus on public interest activities. Therefore, though she does not have direct corporate management experience, we have appointed Ms. Mochizuki as an external Audit & Supervisory Board member, having determined that she is an appropriate candidate capable of providing beneficial advice to the Company's audit system, based on her 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	R&D/Manufacturing
Directors	Tsutomu Isobe	Male	○	○	○	○		
	Takaaki Yamanashi	Male	○			○		○
	Masahiko Tadokoro	Male	○			○	○	
	Koji Yamamoto	Male	○			○	○	
	Kazuhiko Miwa	Male	○	○	○			
	Hiroyuki Sasa	Male	○		○	○	○	○
	Toshitake Chino	Male	○		○			
	Hidekazu Miyoshi	Male	○		○			○
Audit & Supervisory Board Members	Harumi Kobe	Female			○	○		
	Kotaro Shibata	Male	○			○	○	
	Takashi Fujimoto	Male		○		○		
	Seiji Nishiura	Male		○				
	Akiko Mochizuki	Female			○			

Participation in Meetings of the Board of Directors and Voluntary Advisory Committees

Name	Title	Memberships	Meeting Attendance in Fiscal 2023			
			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	9/10 meetings	—	4/4 meetings	3/4 meetings
Takaaki Yamanashi	Representative Director, President		10/10 meetings	—	—	—
Masahiko Tadokoro	Director, Senior Executive Officer		10/10 meetings	—	—	—
Koji Yamamoto	Director, Senior Executive Officer		10/10 meetings	—	—	—
Kazuhiko Miwa	Director, Executive Officer		10/10 meetings	—	—	—
Hiroyuki Sasa	External Director	Independent External Director, Chairman of the Nomination Committee, Member of the Compensation Committee	8/8 meetings	—	3/3 meetings	3/3 meetings
Toshitake Chino	External Director	Independent External Director, Chairman of the Compensation Committee, Member of the Nomination Committee	10/10 meetings	—	4/4 meetings	4/4 meetings
Hidekazu Miyoshi	External Director	Independent External Director, Member of the Nomination Committee, Member of the Compensation Committee	10/10 meetings	—	4/4 meetings	4/4 meetings
Harumi Kobe	External Director	Independent External Director	10/10 meetings	—	—	—
Kotaro Shibata	Audit & Supervisory Board Member		10/10 meetings	11/11 meetings	—	—
Takashi Fujimoto	Audit & Supervisory Board Member		8/8 meetings	8/8 meetings	—	—
Seiji Nishiura	External Audit & Supervisory Board Member	Independent External Audit & Supervisory Board Member	10/10 meetings	11/11 meetings	—	—
Akiko Mochizuki	External Audit & Supervisory Board Member	Independent External Audit & Supervisory Board Member	—	—	—	—

Note: Meeting attendance for Hiroyuki Sasa and Takashi Fujimoto is shown after their appointment, since they were elected and assumed office at the 85th Ordinary General Meeting of Shareholders held on June 28, 2023.

Officer Remuneration System

1. 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)	439 (37)	219 (37)	220 (—)	—	10 (5)
Audit & Supervisory Board members (External)	41 (13)	41 (13)	—	—	4 (2)
Total	480	260	220	—	14 (7)

Notes: 1. Bonuses are paid to directors (excluding external directors) as performance-linked remuneration.
2. Calculated based on the pre-revision policy for determining the details of individual director remuneration.

2. Policy for Determining Officer Compensation

Matters relating to determining compensation amounts and calculation methods

The Company's Board of Directors resolved at its meeting on May 14, 2024, to revise the decision-making policy concerning the details of compensation, etc., for each individual director of the Company, and following the introduction of a performance-linked stock compensation system resolved at the 86th Ordinary General Meeting of Shareholders held on June 27, 2024, the policy was revised as follows on the same date. The Company has established a voluntary Compensation Committee chaired by an external director as an advisory body to the Board of Directors. When revising such decision-making policy, the draft decision-making policy prepared by the Human Resource Department is examined by the Compensation Committee, and the Board of Directors adopts a resolution respecting the report of the Compensation Committee.

Basic policy

The Company's basic policy is that the compensation of the Company's directors (i) should fully function as an incentive to continuously increase corporate value toward the realization of the long-term vision and (ii) should be a transparent and fair compensation system and decision-making process to ensure accountability to shareholders and other stakeholders.

Compensation level

The compensation level for directors shall be set at an appropriate level based on their positions and responsibilities and shall be reviewed in a timely and appropriate manner in consideration of changes in the business environment, external survey data, and other factors.

Composition of compensation

Compensation for directors shall be structured in a way where it fully functions as an incentive for the sustainable enhancement of corporate value toward the achievement of the long-term vision and medium-term business plan. Specifically, directors (excluding external directors) shall consist of (1) basic compensation as fixed compensation, (2) bonuses as a

performance-linked compensation, and (3) stock compensation as a performance-linked compensation. The performance-linked compensation (bonuses) is designed so that the ratio of performance-linked compensation (bonuses) to total compensation for directors increases in accordance with the improvement of the Company's business performance. Meanwhile, the performance-linked compensation (stock compensation) is designed so that the ratio of performance-linked compensation (stock compensation) to total compensation for directors increases in accordance with the positions.

Furthermore, compensation for external directors, who are responsible for supervisory functions, shall solely consist of basic compensation in consideration of their independence from business execution.

i) Basic compensation

The basic compensation for directors of the Company shall be monthly fixed compensation in cash, and the amount to be paid to each individual director shall be determined based on standard amount of compensation previously determined in accordance with their position and responsibilities.

ii) Performance-linked compensation (bonuses)

The performance-linked bonuses, positioned as short-term incentives, shall be cash compensation reflecting performance indicators, and shall be paid at a set time each year. The performance indicator for the compensation shall be profit attributable to owners of parent for a single fiscal year (hereinafter referred to as "Profit") since, in addition to its importance as a management indicator, it is also a source of dividends and therefore reflects the perspective of shareholders. Specifically, the total amount to be paid shall be determined by taking into account the number of persons eligible for payment and the growth rate of dividends, up to the amount calculated by multiplying the Profit of each fiscal year by a rate of 1/50 of the dividend payout ratio (%), and the amount shall be calculated by increasing or decreasing a certain percentage of the amount according to the performance results, with individual allocations determined according to the positions and responsibilities.

iii) Performance-linked compensation (stock compensation)

The purpose of the performance-linked stock compensation is to increase the awareness among directors toward contributing to improving the Company's medium- to long-term corporate value, and also to further enhance the awareness of sharing interests with shareholders by promoting the ownership of the Company's shares. This is a plan under which evaluation is conducted for the fiscal years covered by the medium-term business plan of the Company (hereinafter referred to as the "Target Period") based on the degree of achievement of the target for the performance indicators, etc., for each fiscal year during the Target Period, and then shares are delivered to directors after the end of the Target Period (the performance-linked stock compensation plan (Board Incentive Plan (BIP) trust*) was introduced following approval of the proposal at the 86th Ordinary General Meeting of Shareholders held on June 27, 2024.

Specifically, as a right to receive the delivery of shares, directors (excluding external directors) are granted points each fiscal year in accordance with their positions. The number of points to be granted shall be variable between 0% and 200% depending on the degree of achievement of the target for performance indicators, etc. After that, one (1) share of the Company will be delivered to directors for one (1) point. The performance indicators shall be set based on the management indicators, etc., set forth in the medium-term business plan of the Company. For the initial Target Period, revenue, operating profit, and ROE shall be used.

If a director is found to have committed serious wrongdoing or violated laws and regulations, the Company may forfeit the points granted to the director (malus) or demand the return of the amount of money equivalent to the Company's shares, etc., delivered to the director (clawback).

* A Board Incentive Plan (BIP) trust is an incentive plan for officers based on performance-based stock compensation (Performance Share) plans and transfer-restricted stock (Restricted Stock) plans commonly used in the United States.

Compensation determination process

The Board of Directors shall have the authority to determine the amount of compensation, etc., for each individual director of the Company or the method of calculation thereof, and determine the details within the range of the total amount of compensation resolved at a General Meeting of Shareholders in consultation with the voluntary Compensation Committee chaired by an external director, respecting the content of the report of the committee.

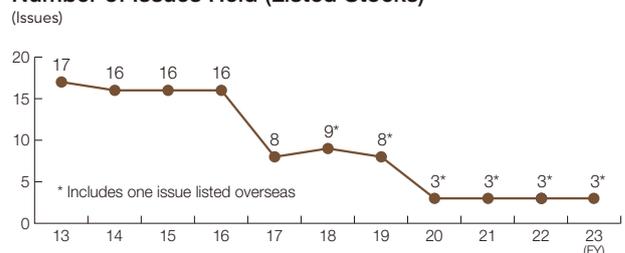
The amount of monetary compensation for the Company's directors was resolved at the 81st Ordinary General Meeting of Shareholders held on June 26, 2019 to be within ¥468 million per year (including within ¥50 million per year for external directors) (the number of directors as of the close of this Ordinary General Meeting of Shareholders was eight, including three external directors). The amount of stock compensation for the Company's directors shall be (1) the amount calculated by multiplying ¥150 million by the number of years in the Target Period (maximum amount of money contributed by the Company); and (2) 200,000 points (maximum number of points (the Company's shares) to be granted by the Company for each fiscal year), based on the performance-linked stock compensation plan that was approved and adopted at the 86th General Meeting of Shareholders held on June 27, 2024. As at the end of the said Ordinary General Meeting of Shareholders, the number of directors was nine (including four external directors).

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.

Number of Issues Held (Listed Stocks)



	Fiscal 2022	Fiscal 2023
Number of issues held	7 issues (3 listed / 4 unlisted)	8 issues (3 listed / 5 unlisted)
Carrying value	¥10,812 million	¥10,835 million
Percentage of total assets	1.67%	1.59%

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 2023. 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, 2024. At this meeting, members also discussed current issues and future initiative policies.

Major 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

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 Respondents

Chairman, President, directors in charge of financial affairs, general managers engaged in financial affairs, section managers and members engaged in investor relations (IR), and external directors.

2. Overview of Shareholders and Investors Engaging in Dialogues

In fiscal 2023, we held IR meetings with a total of 373 companies, including results briefings and individual interviews with institutional investors and analysts inside and outside Japan, and exchanged opinions on ESG in general with a total of 10 companies. We also held Company information sessions for individual investors.

3. Major Dialogue Themes

Progress of the medium-term business plan, including product and regional strategies, growing profitability, strategic investments, streamlining the balance sheet, shareholder returns, ESG and other sustainability activities, etc.

2. Summary of Evaluation Results

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

- (1) The composition of the Company's Board of Directors is mindful of size and securing the independence and diversity of independent external directors, and has a system in place to enable important management decisions and supervise business execution.
- (2) An environment within the Board of Directors has been created for free and open expression of opinions at its meetings, and candid opinions and advice are being acquired from external directors.
- (3) In the previous fiscal year's effectiveness evaluation, monitoring the ongoing achievement of the medium-term business plan, including non-financial information, was shared as an issue, and some progress has been made in providing information and opportunities for discussion.

In addition, enhancing information provision to the Board of Directors and appropriately following up were identified as issues to be addressed in order to ensure that the Board of Directors effectively fulfills its function.

3. Policy for Future Efforts to Improve Effectiveness

Based on the results of this evaluation, the Company's Board of Directors will make further improvements to ensure its effective functioning by providing more information and ensuring appropriate follow-up reporting related to the matters discussed.

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

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 Dialogues and Subsequent Events Incorporated into Policies and Activities

When disclosing information on the progress of the medium-term business plan, we incorporate the opinions of institutional investors, analysts, and others in Japan and overseas. We have also implemented measures to deepen understanding of our initiatives, including holding tour groups of key factories in response to requests for facility tours.

Major activities in fiscal 2023

- Ordinary General Meeting of Shareholders: 1 meeting
- Results briefings: 4 briefings
- "To Our Shareholders and Investors": 2 issues
- Integrated Report: 1 issue
- Facility tours for institutional investors: 1 tour
- Environmental Report: 1 issue
- ESG Data Book: 1 update
- IR website: Updated as needed
- Responses to inquiries from individual investors: Conducted as needed
- Company information sessions for individual investors: 1 session

Shareholder Return

Shareholder Return Policy

- (1) Determining annual dividend amounts within a 3% to 4% dividend on equity (DOE) ratio and targeting a consolidated dividend payout ratio of 50%
- (2) Planning continuous and phased share buybacks in consideration of cash flows and other factors, assuming a limit of ¥40 billion to ¥60 billion in buybacks over a three-year period

Fiscal 2023 Results

Paid dividends of ¥60 per share (first half: ¥25; second half: ¥35)

Year-on-year increase of ¥12

Fiscal 2024 Outlook

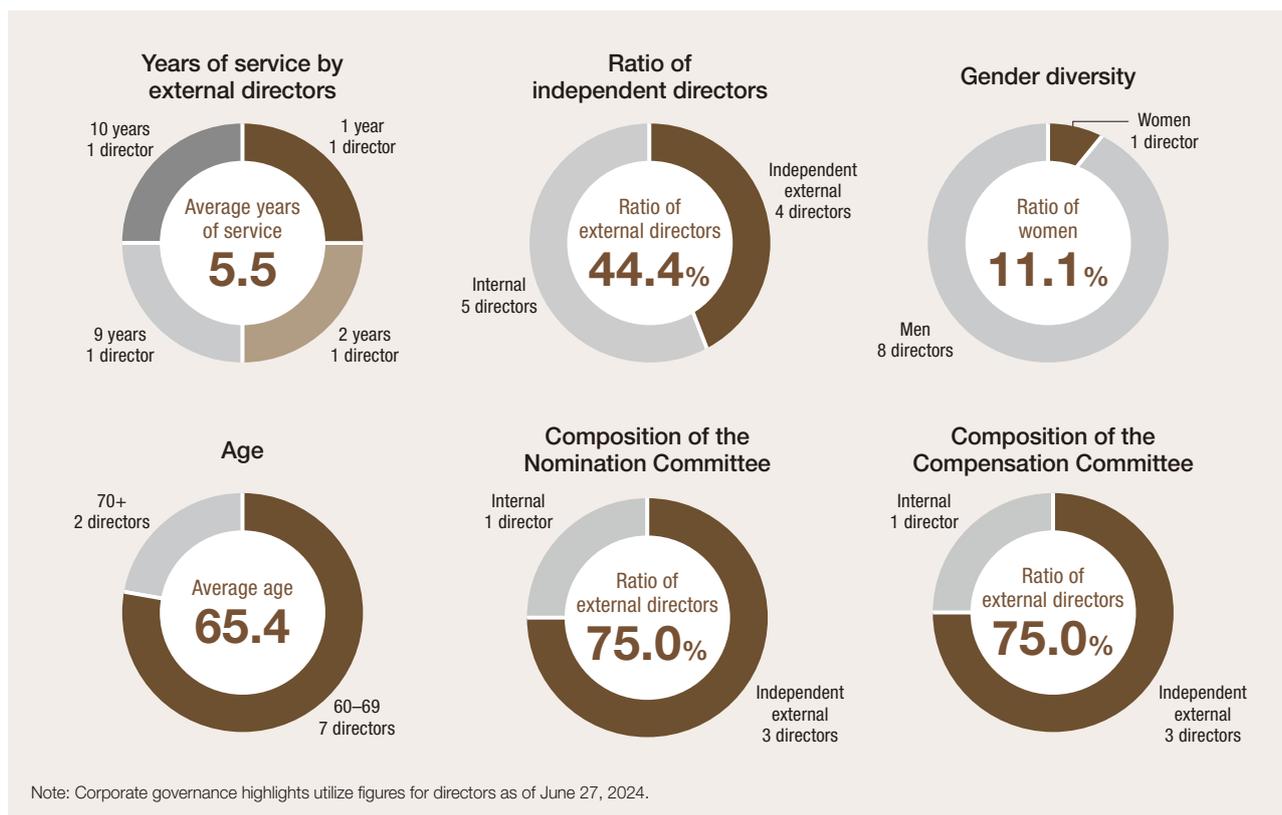
Plan to pay dividends of **¥62** per share and purchase **¥20** billion of our own stock

Year-on-year increase of ¥2

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Plan
Annual dividends paid (dividend payout ratio)	¥48 (48.9%)	¥60 (50.4%)	¥62 (50.6%)
Dividend on equity (DOE) ratio	3.3%	3.8%	3.9%
Purchase of treasury shares	—	¥20.0 billion	¥20.0 billion
Total return ratio	48.9%	99.7%	99.3%

Note: The fiscal 2024 plan is from the plan announced on May 14, 2024.

(Reference) Corporate Governance Highlights



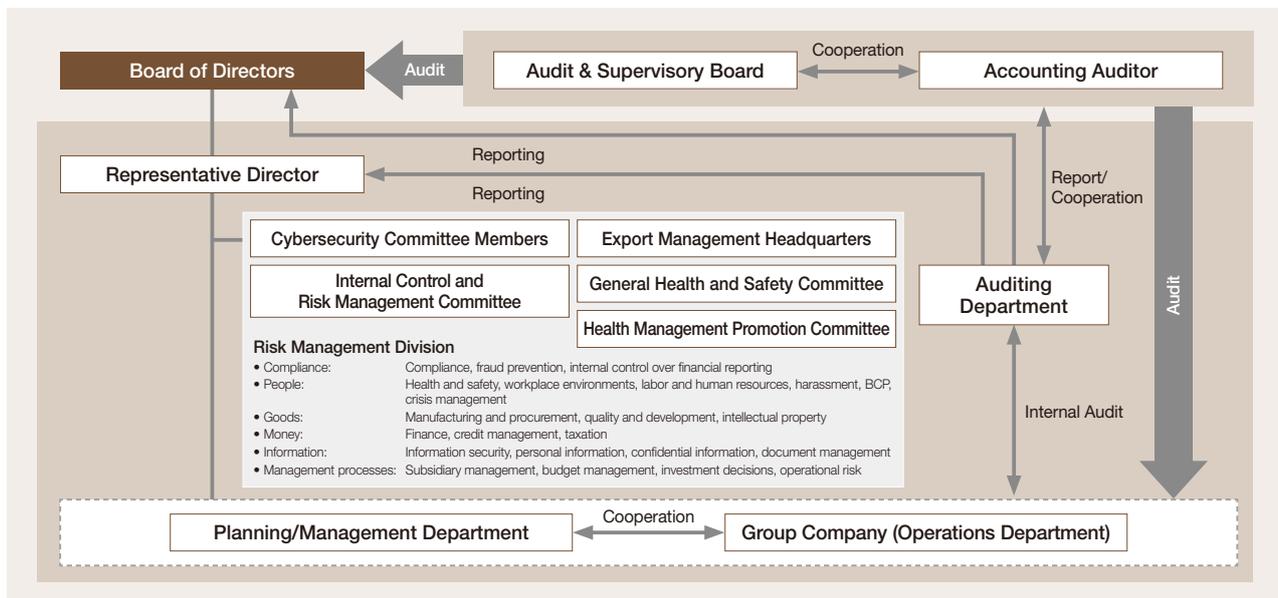
Basic Policy

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

Internal Control System Diagram

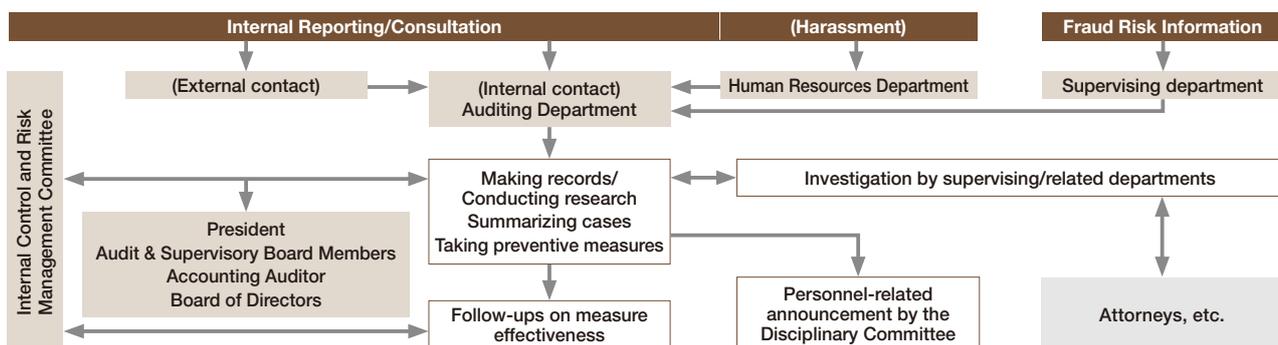


Compliance

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. The Internal Reporting Treatment Rules have been revised to comply with the revised Whistleblower Protection Act. These rules obligate us to maintain confidentiality

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



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. For individual risk management, the Risk Management Division, set up under the Internal Control and Risk Management Committee, approves progress reports of risk countermeasures based on Group-level important risk management sheets for people, goods, money, information, etc. In addition to the above, risk management is being advanced through specialized committees such as the Cybersecurity Committee, the Export Management Headquarters, the General Health and Safety Committee, and the Health Management Promotion Committee.

In the event of an emergency situation, an emergency

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

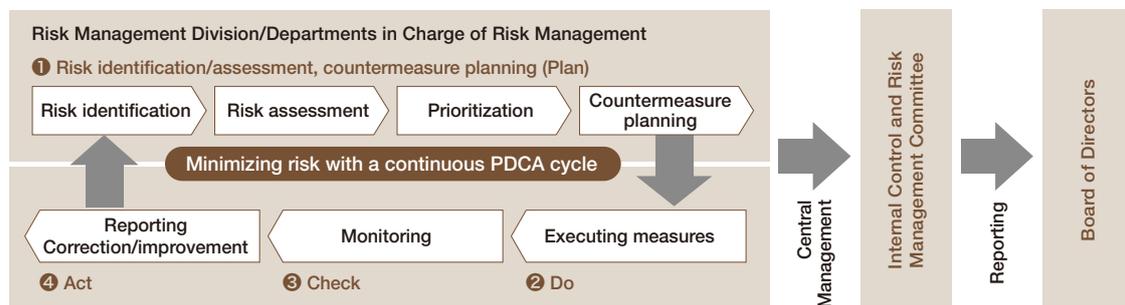
Fiscal 2023	37
Fiscal 2022	26
Fiscal 2021	27
Fiscal 2020	26

headquarters or other appropriate body is established 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.

Summary Chart of Risk Management Activities

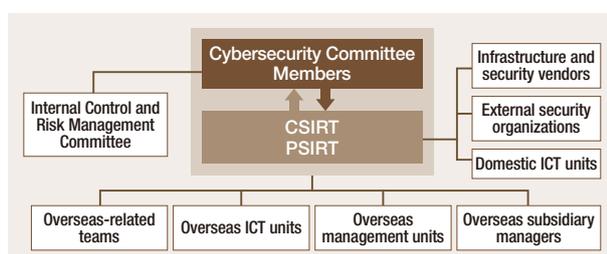


Major Risks and Risk Responses

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 AMADA Group has established the Cybersecurity Committee, which continuously conducts risk assessment, countermeasure

planning, execution, and reporting as a cyclical process to prepare for security risks, strengthen Group and global IT governance, and improve employee security literacy through education and training tailored to their security level. We have also established the Product Security Incident Response Team (PSIRT) to take measures for our network products and the Computer Security Incident Response Team (CSIRT) to take measures for our internal systems as a response organization, including in the event of a security incident, to prepare for such incidents even in normal times.



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.

Directors



Tsutomu Isobe

Representative Director,
Chairman

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)



Takaaki Yamanashi

Representative Director,
President

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)



Masahiko Tadokoro

Director, Senior Executive
Officer

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)



Koji Yamamoto

Director, Senior Executive
Officer

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
 April 2024 Director, Senior Executive Officer, Senior Executive General Manager of Global Strategy Promotion HQ (incumbent)



Kazuhiko Miwa

Director, Executive Officer

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 (incumbent)

External Directors



Hiroyuki Sasa

External Director

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)



Toshitake Chino

External Director

October 17, 1946

Career Summary

April 1971 Joined the Nikkan Kogyo Shimibun, Ltd.
 April 1995 General Manager of Economics Department, Editing Bureau of this company
 June 2002 Director of this company
 June 2003 President and Representative Director of this company
 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 Saiseikai Imperial Gift Foundation, Inc. (incumbent)
 April 2023 Visiting Professor of The University of Electro-Communications (incumbent)



Hidekazu Miyoshi
External Director
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)



Harumi Kobe
External Director
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 Aioli Nissay Dowa Insurance Co., Ltd. (incumbent)
June 2022 External Director of the Company (incumbent)
June 2023 Outside Director (Audit and Supervisory Committee Member) of Raysum Co., Ltd. (incumbent)

Audit & Supervisory Board Members



Kotaro Shibata
Audit & Supervisory Board Member
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)



Takashi Fujimoto
Audit & Supervisory Board Member
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



Seiji Nishiura
External Audit & Supervisory Board Member
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, Nishiura Tax Accountant Office (incumbent)
June 2017 External Audit & Supervisory Board Member of the Company (incumbent)



Akiko Mochizuki
External Audit & Supervisory Board Member
November 3, 1966

Career Summary

April 1990 Joined Mitsubishi Corporation
April 2000 Registered as patent attorney (current), Joined Miyagawa Law Offices
December 2011 Established Mochizuki Law Offices
April 2012 Court Adjudicator, Tokyo Family Court (incumbent)
March 2022 Joined Athena Law Office, Partner (incumbent)
June 2023 Outside Director (Audit Committee Member), e'grand Co., Ltd. (incumbent)
June 2024 External Audit & Supervisory Board Member of the Company (incumbent)

Foundations for Value Creation

Financial Review

Earnings

The AMADA Group's business environment during the consolidated fiscal year under review was uncertain due to the interaction between such factors as ongoing global inflation and rapid interest rate hikes in Western countries, as well as geopolitical risks such as prolonged military aggression by Russia against Ukraine and tensions in the Middle East. Meanwhile, demand for capital investment was stimulated by the restructuring of supply chains in response to geopolitical and geoeconomic risks, and demand for capital investment in the Group's energy-saving, automation, and high-productivity products remained firm in the face of labor shortages, soaring energy prices, and environmental considerations. In addition, as a result of steadily eliminating our backlog of orders received due to the normalization of material procurement and the improvement of product selling prices, together with the impact of foreign exchange rates, revenue,

operating profit, and profit attributable to owners of parent all reached record highs for the second consecutive fiscal year.

Consolidated revenue for the fiscal year under review totaled ¥403,500 million, up 10.3% from the previous fiscal year. As for the breakdown of revenue, domestic revenue increased 5.1% year on year to ¥149,024 million, and overseas revenue increased 13.6% year on year to ¥254,476 million.

As for operating profit, this figure was affected by an ongoing rise in material costs and increasing labor costs due to wage increases, but thanks to factors such as reduced manufacturing costs, improved selling prices, and the depreciation of the yen, operating profit was ¥56,507 million (up 13.3% year on year), and profit attributable to owners of parent was ¥40,638 million (up 19.0%).

Financial Position

Total assets at the end of the consolidated fiscal year under review increased by ¥33,490 million from the end of the previous fiscal year to ¥681,053 million, partially due to exchange rate fluctuations. Current assets increased ¥30,593 million, to ¥429,309 million, mainly due to a rise in inventories and an increase in trade receivables at the end of the period due to the highest revenue ever recorded in the fourth quarter, despite production adjustments from the middle of the period following the normalization of parts procurement. Meanwhile, noncurrent assets increased ¥2,897 million, to ¥251,743 million, mainly due to an increase in property, plant and equipment resulting from capital investment.

Liabilities were also affected by exchange rate fluctuations. Total liabilities expanded by ¥7,615 million from the end of the previous fiscal year, to ¥146,656 million, mainly due to a rise in borrowings. Total equity amounted to ¥534,396 million, up ¥25,875 million, due to a rise in retained earnings and an increase in exchange differences on translation of foreign operations resulting from the depreciation of the yen. As a result, the ratio of equity attributable to owners of parent was unchanged from the end of the previous consolidated fiscal year, at 77.8%.

Cash Flows

Cash and cash equivalents at the end of the consolidated fiscal year under review amounted to ¥93,420 million, down ¥5,135 million from the end of the previous consolidated fiscal year.

Cash flows from operating activities

Net cash provided by operating activities during the consolidated fiscal year under review totaled ¥47,595 million, up ¥22,645 million year on year. Main factors included cash inflows of profit before tax of ¥58,066 million and depreciation and amortization of ¥18,450 million, which offset main outflows of an increase in trade and other receivables of ¥4,063 million, a decrease in trade and other payables of ¥2,961 million, and income taxes paid of ¥21,845 million.

Cash flows from investing activities

Net cash used in investing activities during the consolidated fiscal year under review totaled ¥15,188 million, an increase in cash outflows of ¥1,865 million compared with the previous consolidated fiscal year. This was mainly due to ¥16,046 million spent on purchases of property, plant and equipment and intangible assets.

Cash flows from financing activities

Net cash used in financing activities during the consolidated fiscal year under review totaled ¥38,145 million, an increase in cash outflows of ¥17,753 million year on year. Main factors included ¥17,570 million of dividends paid and ¥20,004 million of payments for purchase of treasury shares.

Corporate Information (As of March 31, 2024)

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)	9,005
Founded	September 10, 1946		

Investor Information

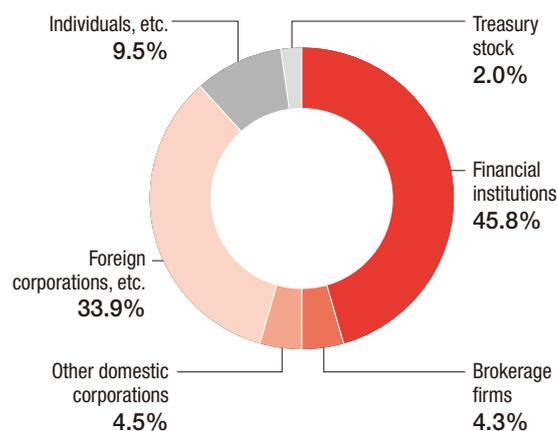
Securities Code	6113	Record Date	Interim dividends: September 30 Year-end dividends: March 31
Fiscal Year-End	March 31	Number of Shares Authorized	550,000,000 shares
Ordinary General Meeting of Shareholders	June	Number of Shares Issued	341,115,217 shares (Including 6,754,816 treasury stock)
Stock Listing	Prime Market of the Tokyo Stock Exchange	Number of Shareholders	48,568
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)	69,289	20.72
Custody Bank of Japan, Ltd. (Trust accounts)	47,471	14.20
MSIP CLIENT SECURITIES	11,571	3.46
The AMADA Foundation	9,936	2.97
SSBTC CLIENT OMNIBUS ACCOUNT	6,138	1.84
Japan Post Insurance Co., Ltd.	6,077	1.82
Nippon Life Insurance Company	5,894	1.76
STATE STREET BANK AND TRUST COMPANY 505001	5,787	1.73
THE BANK OF NEW YORK MELLON 140044	5,208	1.56
JP MORGAN CHASE BANK 385781	4,604	1.38

Note: Shareholding ratios have been calculated excluding treasury stock (6,754,816 shares).

Distribution of Shares by Shareholder





AMADA CO., LTD.

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

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