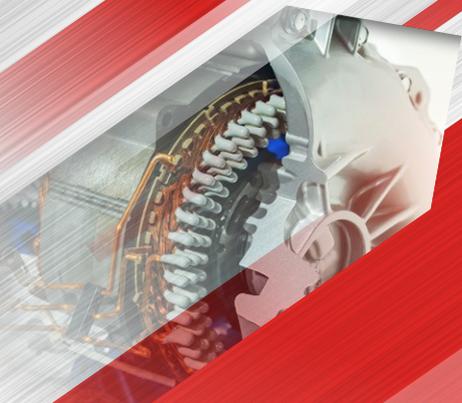
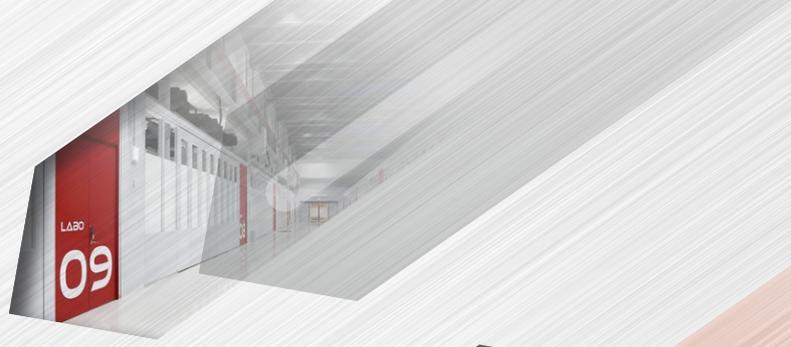




AMADA Group

Integrated Report 2025



FUTURE TECHNOLOGIES with AMADA

*Growing Together with
Our Customers*



FUTURE TECHNOLOGIES

with AMADA

Create better future for social desire.

Our Management Philosophy

Growing Together with Our Customers

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

Contribute to the international community through our business

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

Develop human resources who pursue creative and challenging activities

Rather than being content with the present situation, we are constantly in search of new and better ideas to put into action in order to improve and enhance our business activities. This is the AMADA Group's basic philosophy of human resources development, and we believe that AMADA's unique corporate culture will be further developed by continuing to practice this philosophy.

Conduct sound corporate activities based on high ethics and fairness

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

Take good care of people and the earth's environment

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

CONTENTS

Introduction

- 1 Our Management Philosophy
Message from the Representative Directors
- 2 Value Provided to Society
- 4 The Four "E"s for Resolving Social Issues
- 10 AMADA's Growth Trajectory
- 11 AMADA at a Glance

Value Creation Story

- 12 The Value Creation Process
- 14 Message from the President
- 20 Management Issues for 2030
- 22 Long-term Vision 2030
- 24 Medium-term Business Plan 2025
- 32 Global Expansion Strategy "AMADA ONE"



A commitment to creating new value by working together with our 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 part of our management philosophy, 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 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

Business Strategy

Business Overview

- 34 Sheet Metal Division
- 35 Micro Welding Division
- 36 Cutting Division and Grinding Division
- 37 Press Automation Solution Division
- 38 The AMADA Group’s Business Model

Foundations for Value Creation

46 The AMADA Group’s Sustainability

Environment

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

Society

- 56 The AMADA Group’s Human Capital Strategy
- 61 Initiatives for Human Rights
- 62 Stakeholder Engagement

Governance

- 64 Corporate Governance
- 72 Messages from External Directors
- 74 Officers
- 76 Internal Control System
- 78 Financial and Non-Financial Summary
- 80 Financial Review
- 81 Corporate Information

Value Provided to Society

Supporting society
to pioneer the future.

AMADA helps to create value that pioneers the future by harnessing its advanced processing technologies and field capabilities at the forefront of e-Mobility, medical, semiconductors, and other elements of social infrastructure, as well as all kinds of products in daily life.

With cutting-edge processing technologies and *monozukuri* (manufacturing) capabilities deeply rooted in the field, we support the world's industrial base.

The solutions we provide go much further than just the supply of products. In cutting-edge fields such as e-Mobility, medical, and semiconductors, we make contributions in areas where society faces challenges, such as promoting environmentally conscious business, improving the quality of medical care, and strengthening information infrastructure.

AMADA responds to the diverse challenges faced by customers and those in the field with advanced processing technologies and flexible response capabilities that reflect feedback from field professionals.

At AMADA, we help to bring about a sustainable future through manufacturing.

e-Mobility

We provide high-precision and lightweight processing technology for electric vehicle parts such as batteries and motors. By improving energy efficiency and safety, we are helping to bring about a self-driving society and to reduce environmental impact.



Telecommunications





Medical

We supply diagnostic equipment housings and treatment device parts with high-quality, high-precision processing technology. We support the spread of highly reliable medical equipment by meeting diverse medical needs through high-mix, small-lot production.



Infrastructure



Sustainable Solutions

Semiconductors

We provide high-precision processing technology for cutting and marking silicon wafers in each semiconductor manufacturing process, with a focus on laser marking systems.



Civil Engineering

The Four “E”s for Resolving Social Issues

Four “E”s for deriving new manufacturing solutions

Passing on accumulated skills, rising energy prices, reaching carbon neutrality, and building a flexible production system to meet diversifying needs.

The global manufacturing industry is now facing extremely complex challenges such as these, all at once. These are structural social problems that cannot be overcome just by improving manufacturing sites. Companies must be able to support those in the field and drive change.

Facing this reality head-on, AMADA has set forth its core values as the four “E”s: Easy, Efficiency, Environmental, and Evolution. These “E”s do not stand alone, but complement each other to create both social and economic value.

What embodies our four “E”s the most is the product line consisting of machines equipped with the AMNC 4ie control unit. With an intuitive operation guide and highly visible UI, stable machining is possible even for inexperienced operators.

This unit has also received high marks for its environmental friendliness. For example, AMADA’s laser machines, for which we are perhaps best-known, use a fiber laser oscillator that is three times more energy efficient than conventional CO₂ laser oscillators, contributing to a significant reduction in power consumption. In addition, we continue to demonstrate our value as a partner to customers seeking decarbonized management through features such as eco-friendly operating modes.

Furthermore, the AMADA GLOBAL INNOVATION CENTER (AGIC), a facility for co-creation with customers located in AMADA’s headquarters, attracts several thousand companies each year. The center’s activities embody the evolution of technology through product prototyping and proposals for improvements in processing methods. Alongside our customers, we will co-create the future of metalworking and support the world’s manufacturing industry.



Social issues we work to resolve



Diversity

In manufacturing, there is a need to create workplace environments in which diverse human resources can play an active role regardless of age, gender, or nationality. Complex work and highly siloed processes are factors creating disparities in opportunities.



Improving labor productivity

As Japan's birthrate declines and its society ages, maintaining a highly efficient production system with a limited workforce has become a challenge for society as a whole. Siloing and inefficient processes in the workplace are hindering sustainable growth.



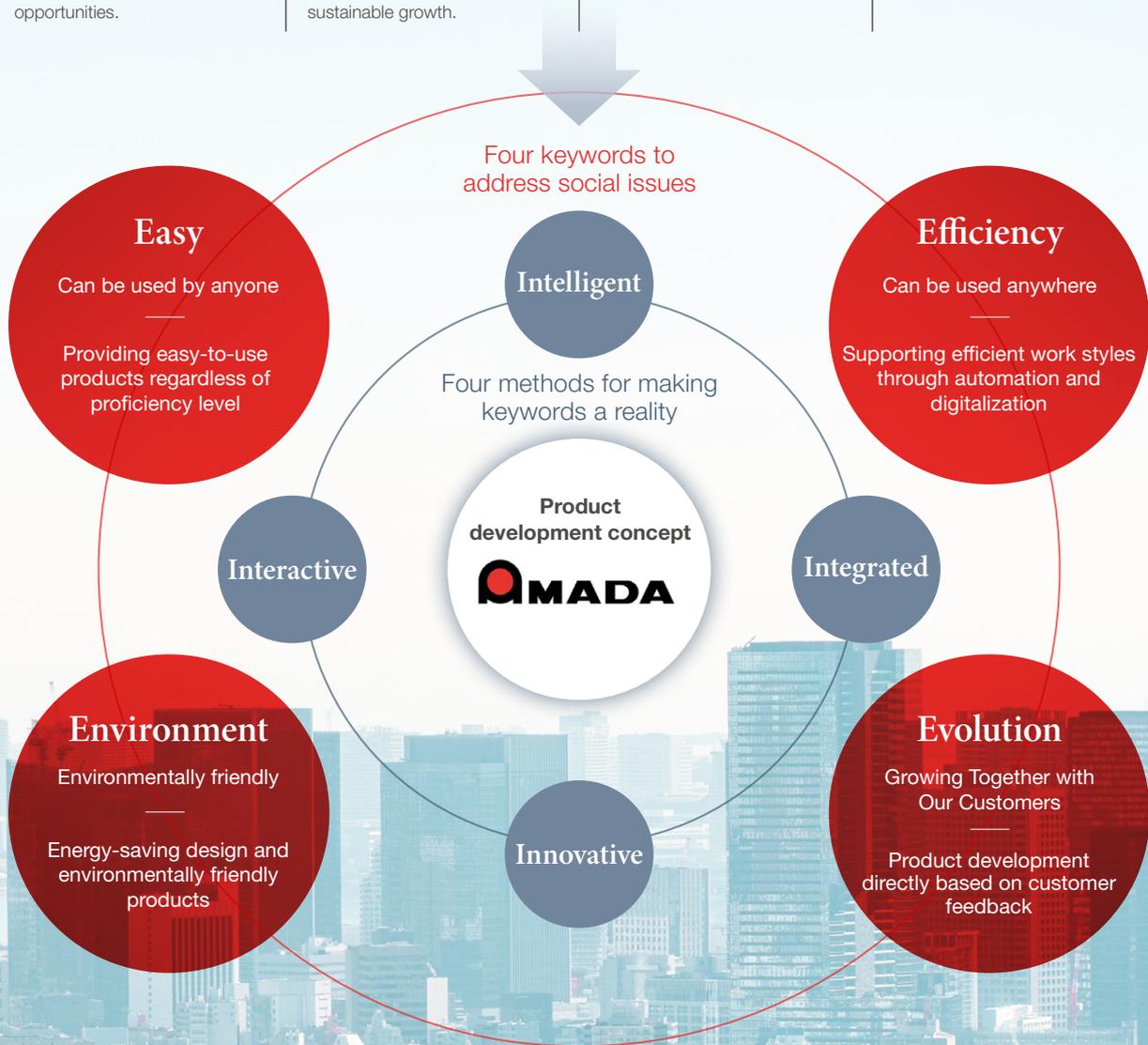
Addressing climate change

Reducing CO₂ emissions and optimizing energy use are pressing issues in all industries, including manufacturing. To curb global warming, there is a strong need to reduce environmental impact from machining and processing.



Growing technological innovation

As global competition intensifies, companies must rapidly adapt to new technologies and respond flexibly to change. At the same time, the inability to keep up with evolving customer needs in the field has emerged as a structural challenge.



The Four “E”s for Resolving Social Issues

Easy

— Can Be Used by Anyone

Operability is the first requirement for our technologies.

As the population ages and the shortage of skilled workers becomes more profound, there is a growing need for machines that can be operated intuitively by anyone. AMADA is committed to ensuring that its products can be used by anyone, achieving high-precision machining more easily and bringing new peace of mind and speed to the workplace.

Problems to be solved

- Aging of skilled workers and lack of new human resources
- Demands for multi-skilling and rapid learning (increased training costs)
- Increased workplace workload for high-mix, small-lot production and short delivery times

Digitalization of processing expertise that requires skilled techniques, enabling processing by even inexperienced operators



Servo bending machines
EGB-e series

Intuitive operation and automatic functions help operators bend sheet metal at precise angles.



Digital profile grinder
DPG-150

Digitalizes measurement work in the grinding process for precision parts, which had conventionally been done by eye. This enables processing that does not depend on the operator's proficiency level.

Intuitive operation and peace of mind

Designed so that even inexperienced operators can perform key operations by themselves. This reduces reliance on work manuals, significantly reducing the workplace training burden.

Uniform and high-quality finish

Automatic measuring functions and correction processing eliminate variations caused by differences in workmanship. This reduces the incidence of quality problems and rework, improving delivery speed.

Retention and active roles for new human resources

Standardization of complex operations has helped newcomers rapidly contribute to business and increased retention rates, according to feedback. A diverse workforce also energizes all those in the field.

Efficiency —Can Be Used Anywhere

Whether it is one hour or one process, efficiency innovations transform the front lines.

Today, production sites are required to achieve high results under all kinds of constraints. AMADA supports smart factory operations by dramatically increasing customers' production efficiency through automation of processing machines and optimization of the entire production line.

Problems to be solved

- Shortage of labor and long setup times in factories
- Requirement for both productivity and quality at manufacturing sites
- Pressure to improve facility utilization rates and efficiency

Support for efficient production through software and IoT-enabled manufacturing DX



**Manufacturing DX solution
LIVLOTS**

Software for centralized management of both offices and manufacturing sites by visualizing all processes in manufacturing, including ordering, estimating, production planning, and progress management. This solution supports manufacturing without waste.



**DX operation assurance / IoT solutions
V-factory**

Various data regarding machines and software in a factory are connected via IoT, which in turn are connected to AMADA's support center to determine equipment operation status and predict signs of issues in real time. This keeps factory operation from stopping and ensures stable production.

Factories that stay on target with total workplace visualization

Work priorities can be identified by connecting and consolidating data from offices and manufacturing sites. This provides total support for customer factories.

Access to real-time utilization data

Users can also access the machine's production performance and utilization rates, and check for any problems in production or utilization. It also shows the amount of materials and energy used by each machine, helping to reduce waste in production.

Preventing problems and ensuring stable operation

Machine health is diagnosed and preventive maintenance is performed remotely. This offers swift failure recovery through remote support in the event of an unexpected outage. We also help to improve productivity through data-driven proposals for operational improvements.

The Four “E”s for Resolving Social Issues

Environment

—Environmentally Friendly

Minimize energy. Maximize value.

Decarbonization actions required of the manufacturing industry are not just environmental measures; they are important enough to be a management issue on their own. AMADA is contributing to the future of sustainable manufacturing by working on resource efficiency, equipment service lives, and minimized emissions, including energy conservation of processing machines.

Problems to be solved

- Obligation of the manufacturing industry to reduce CO₂ emissions (enhanced actions in Scope 1, Scope 2, and Scope 3)
- Cost pressure due to rising energy prices
- Acceleration of green procurement and carbon footprint disclosure

We harness cutting-edge technology in our lineup of machines with low environmental impact, reducing CO₂ and bringing about a decarbonized society



Fiber laser machines
REGIUS-AJe series

This highly efficient fiber laser, compared with conventional CO₂ lasers, both saves energy and achieves high-speed processing, leading the way in sustainable manufacturing.



Digital electric servo-drive stamping presses
SDE-III GORIKI series

Electric servo control replaces the conventional hydraulic control, significantly reducing energy consumption and CO₂ emissions. These stamping presses are also environmentally friendly, with power consumption visualized on the eco-monitor screen.

Reducing both operating costs and environmental impact

Each machine is equipped with technology for reducing environmental impact, cutting power consumption and CO₂ emissions and eliminating use of industrial oil. Laser machines use a fiber laser to triple efficiency, and servo-drive stamping presses use electric servo control to minimize standby power, simultaneously reducing operating costs and CO₂ emissions.

Visualizing energy use

Utilization data and material consumption, as well as power consumption, are captured for individual machines in real time. This identifies areas to save energy throughout the manufacturing site and helps improve energy efficiency through operational improvements.

Visualizing environmental value

Display of greenhouse gas reduction effects from energy-efficient operation allows for visualizing the environmental value of the entire supply chain.

Evolution

—Growing Together with Our Customers

Introduction

Value Creation Story

Business Strategy

Foundations for Value Creation

Evolving technology from dialogue.

Through direct sales and direct service, AMADA creates technologies combining customers' needs with AMADA's seeds. We are exploring next-generation manufacturing and working on innovations that can contribute to social issues.

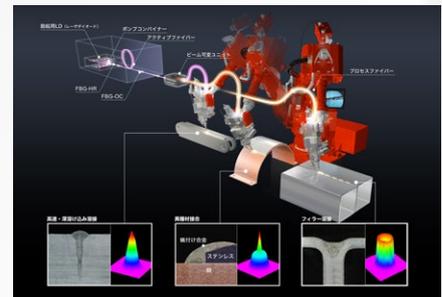
Problems to be solved

- Diversification and sophistication of needs at processing sites (different materials, complex shapes, labor saving)
- Acceleration of technological innovation in the market
- Emerging essential need for product development and technical support through co-creation with customers

Driving next-generation manufacturing with innovative laser welding

AMADA has developed a unique laser beam profile control technology to meet the increasingly sophisticated and diverse welding needs of sheet metal fabrication sites. The beam diameter and shape can be freely changed to accommodate a variety of applications, such as joining parts with gaps, high-quality piping welding, and spot welding without damaging the design surface. Processes previously requiring accumulated skills are now automated and require less skill, dramatically improving labor productivity.

The FLW-ENSISe series of laser welding robot systems incorporating these technologies received the Technology Award (Main Award) and the Welding Notable Invention Award at the 2023 Japan Welding Engineering Society Awards. This system, which combines an in-house-developed fiber laser oscillator, processing head, and NC control, enhances the ability to handle high-mix, small-lot production and dimensional errors through AI-based automatic compensation and nine-axis coordinated driveshaft operation. It contributes to the next generation of manufacturing by increasing field productivity three to six times compared with conventional systems.



Technology evolving together with our customers

We listen to customer feedback directly through our direct sales and direct service approach, reflecting feedback swiftly in our development and manufacturing. We develop products in a way rooted in regional characteristics and our customers' production activities.

Intellectual property and quality cultivated worldwide

AMADA holds more than 1,000 patents at any given time in Japan and overseas. We actively invest in intellectual property, filing more than 100 new patent applications per year, to secure a competitive advantage in the global market.

AMADA's Growth Trajectory

1946: Our founding

AMADA's founder, Isamu Amada, went into business as a machine repairer, using a lathe left over from a munitions factory after the war. He would go on to establish AMADA Works (now AMADA). Starting from a small team in a factory, the participation of Isamu Amada's brother-in-law, Ryuharu Emori (who would later become AMADA's Chairman), firmly established control of both management and technology.

1960s and 1970s: Business expansion through direct sales

In 1960, we began using the demonstration car tactic of loading a machine on a truck and driving it to a customer's location, establishing a field-based sales style. In 1971, we established a joint development company in Seattle, Washington in the United States, and developed the NC turret punch press (NCT). Known affectionately as "tarepan," it was a technological innovation that transformed the very fundamental concepts of sheet metal fabrication.

1980s: Pioneering laser technology

We announced the LASMAC-644 laser machine. This innovation, following the NCT, marked the beginning of AMADA's history of laser development, becoming the foundation for our current pursuit of speed, quality, and energy conservation.

2000s: Deepening in-house development

In 2007, we established a new factory dedicated to laser production at Fujinomiya Works. In 2010, AMADA became the first Japanese manufacturer to develop a fiber laser oscillator, which was installed on the newly announced FOL-3015AJ laser machine. While many Japanese companies procure oscillators from U.S. manufacturers, AMADA has increased its competitiveness in terms of cost, delivery time, and after-sales service by developing its own oscillators.

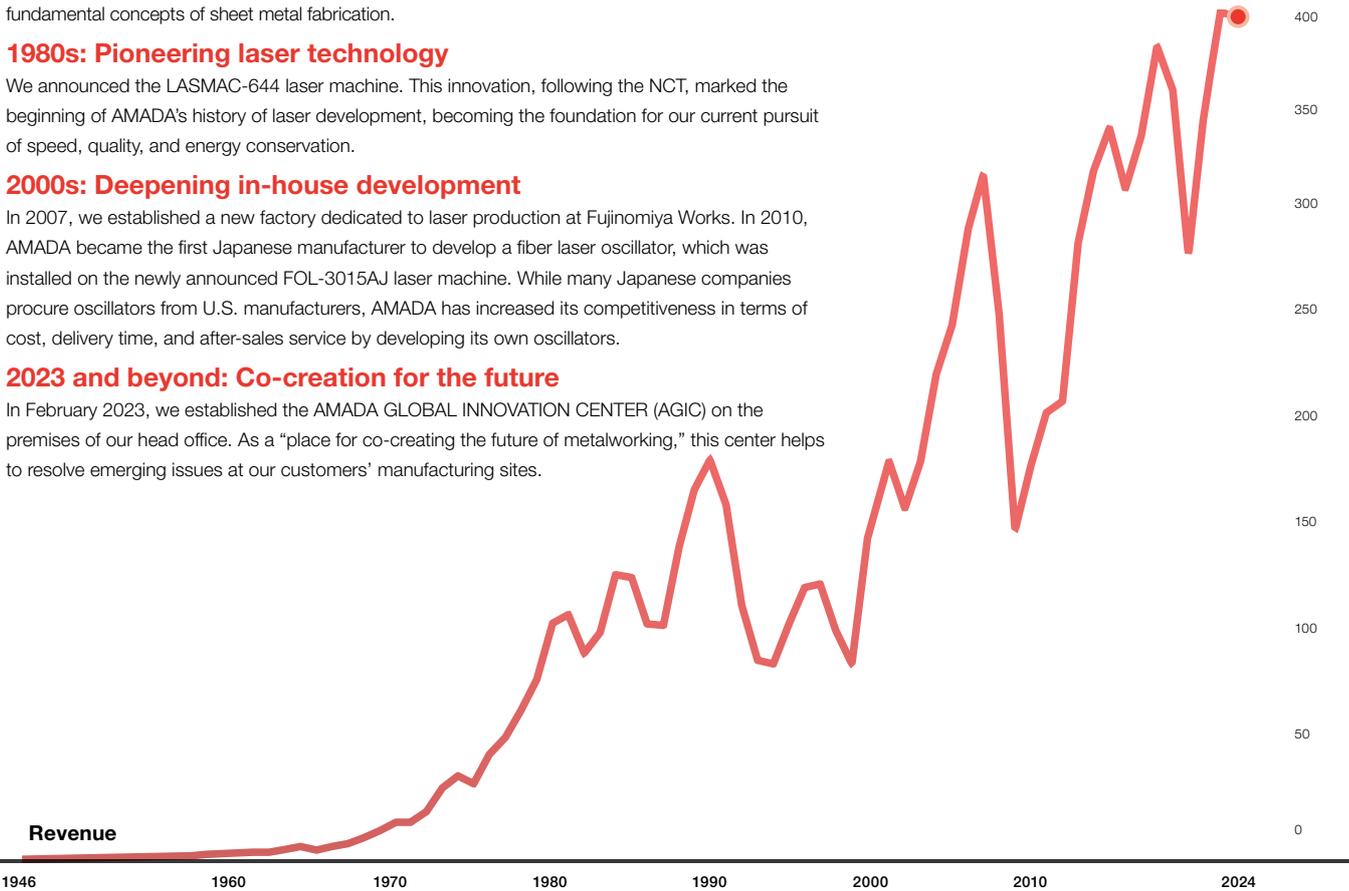
2023 and beyond: Co-creation for the future

In February 2023, we established the AMADA GLOBAL INNOVATION CENTER (AGIC) on the premises of our head office. As a "place for co-creating the future of metalworking," this center helps to resolve emerging issues at our customers' manufacturing sites.

Revenue in fiscal 2024

¥396.6 billion

(Billions of yen)



Revenue

Laser/welding

2007: Establishes the Development Center and the laser factory at Fujinomiya Works. Integrated development and manufacturing simultaneously strengthen R&D capabilities and mass production systems.

2010: Develops its own fiber laser oscillator. As a machine manufacturer, AMADA becomes the first in the world to develop oscillators in-house and establish a vertically integrated model.

2013: Acquires Miyachi Technos Corp. (as a consolidated subsidiary). Expands business domain by incorporating the micro welding field.

2014: Develops the ENSIS technology. AMADA's unique variable beam shape technology enables high-mix, small-lot production with less skills required.

2024: Acquires AMADA WELD TECH CO., LTD. through an absorption merger. Fusing the two companies' technologies results in full-scale reinforcement of the laser/welding business.

2024: Opens a Welding Technical Center in Italy. Accelerates international expansion by strengthening co-creation and technical support with European customers.

After-sales service

2009: Opens the Parts Center at Fujinomiya Works, establishing the Total Operation Support System. Establishes a customer support system for after product sales and strengthens long-term operational assurance.

2016: Announces the V-factory project. Develops IoT-based remote support system for digitalizing the service business.

2024: Opens the AMADA Technical Education Center (ATEC). Develops next-generation engineers who contribute to customers' manufacturing sites, turning AMADA's after-sales service capability into a competitive advantage.

Automation system AI use and advanced technology

2018: Acquires all shares of Orimec Corporation (now Amada Press System America Inc.). Strengthens provision of automation solutions by combining stamping presses and automated line systems.

2020: Acquires LKI Käldman Ltd. (establishing a European base). Brings AMADA's automation systems to the global stage and strengthens the supply chain.

2023: Develops AMNC 4ie. This new generation of NC units addresses social and environmental issues and achieves a sustainable production system.

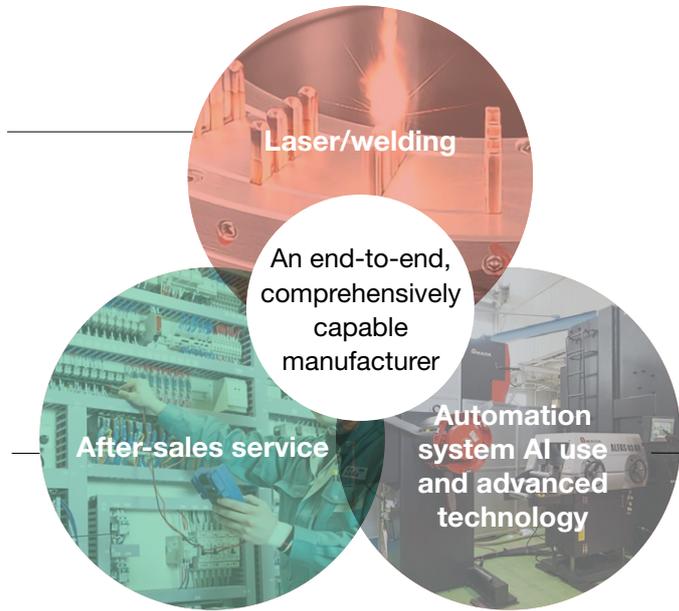
2023: Announces LIVLOTS and AMTES. These propose a next-generation factory model, enhancing inter-process collaboration with manufacturing DX solutions and autonomous transport robots.

AMADA at a Glance

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

Fiber lasers and our proprietary beam control technology enable speed, precision, and energy conservation. This strengthens the ability to handle complex and diverse materials and shapes, centered on fabrication machines equipped with our oscillator developed in-house. We are pioneering the future of sheet metal fabrication.

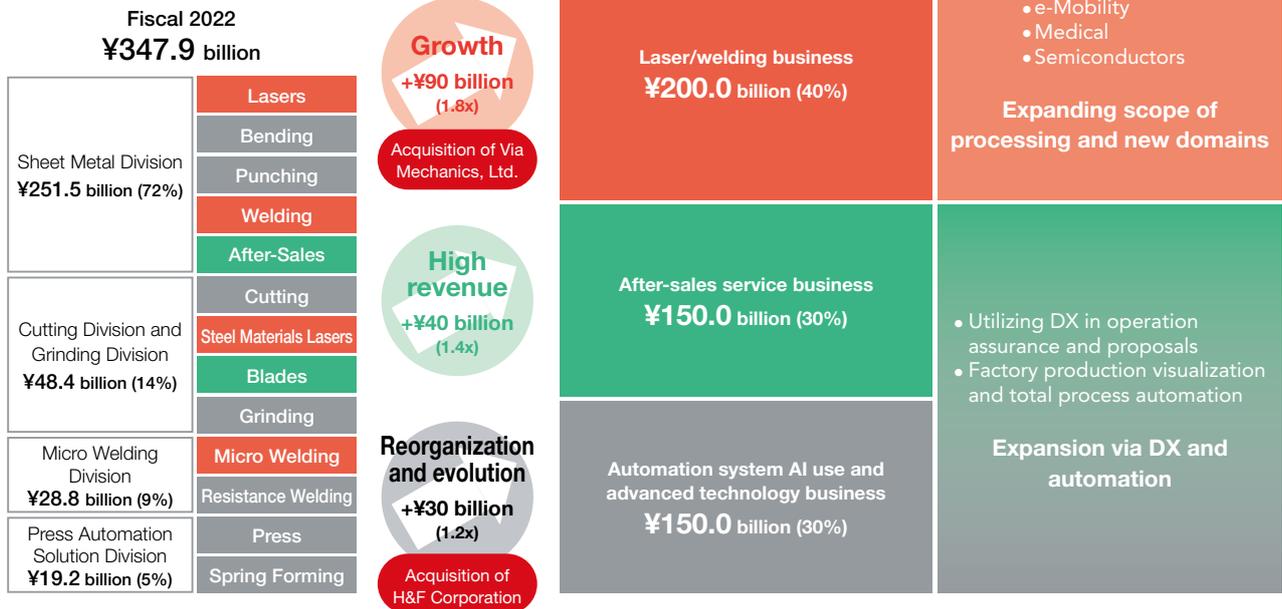
Our remote support system enables quick maintenance response and preventive maintenance from bases across Japan. IoT-based remote diagnosis and operation monitoring support stable operation. We also provide support for increased productivity and reliability, including parts supply and educational support.



Our solutions automate transfer, setup, and even processing condition optimization, enabling labor savings. AI-powered software is utilized to achieve both quality and efficiency. By converting factories into smart factories, we are innovating field capabilities.

Toward greater business expansion

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



Global Presence

100+
countries and regions

Employees (Consolidated)

8,997

Major Worldwide Development/
Manufacturing Bases

47

Sheet Metal Fabrication Machines:
Market Share in Japan (Sales)

No.1

Number of AMADA Group
Machines in Operation Worldwide

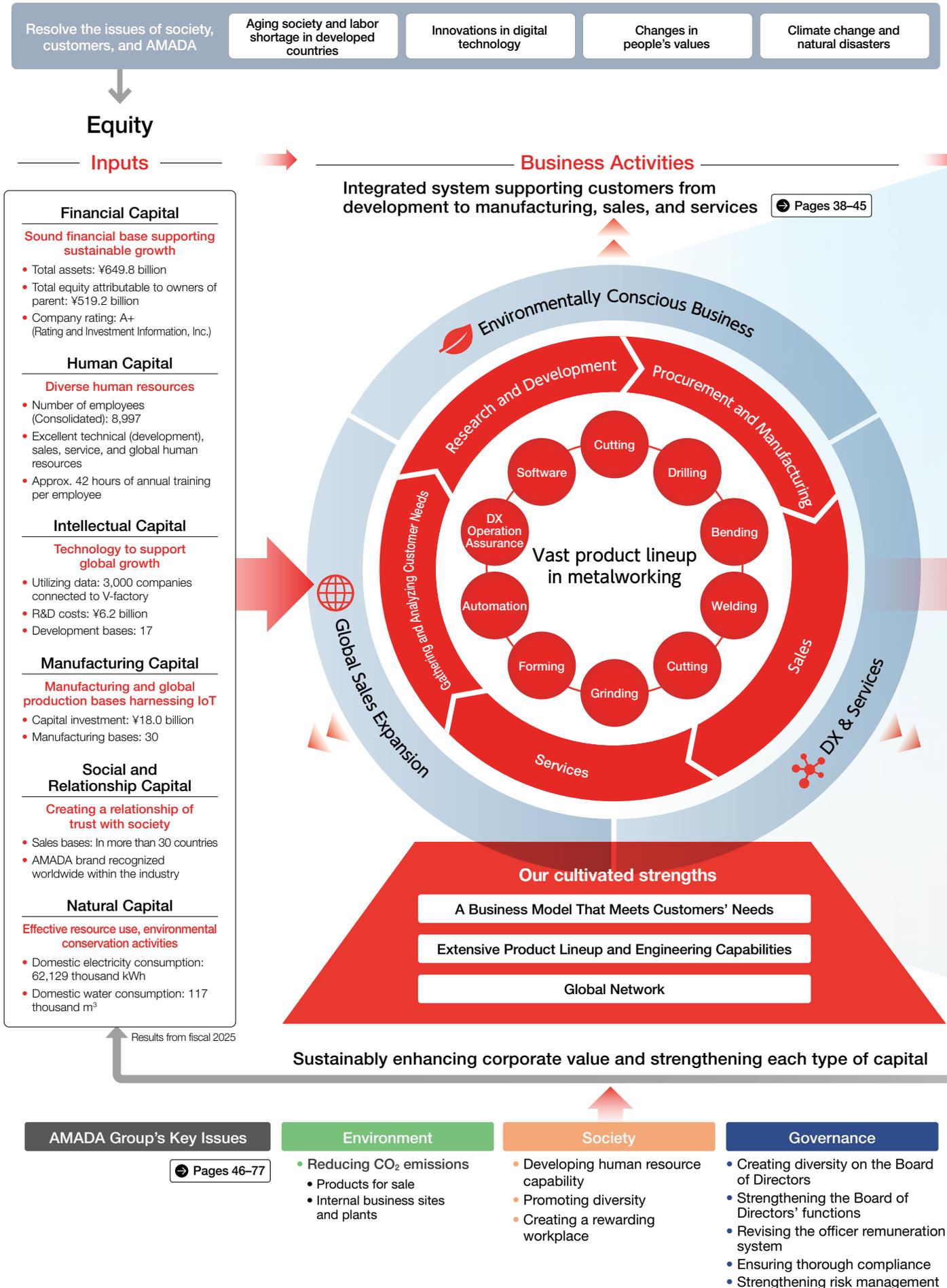
Approx. 400,000

Connections to AMADA's V-factory
IoT Solution

Companies: Approx. 3,000 worldwide
Machines: Approx. 8,500 worldwide

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



The AMADA Group's Services

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



Financial Capital

- Consolidated revenue: ¥396.6 billion
- Consolidated operating profit: ¥49.0 billion
- Ratio of equity attributable to owners of parent: 79.9%
- Dividend payout ratio: 62.8%

Human Capital

- Turnover rate (nonconsolidated): 3.3%
- Rate of female new graduates hired: 27.6%
- Paid leave acquisition rate (in Japan): 77.1%

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 grants by the AMADA Foundation: Approx. ¥4.3 billion

Natural Capital

- AMADA Eco-Products share of sales: 87%
- Reduction rate of product CO₂ emissions: vs. fiscal 2013: 69.1%
- Reduction rate of business site CO₂ emissions: vs. fiscal 2013: 75.7%
- Promotion of our "office in the forest" plant greening activities

Results from fiscal 2025

Value Provided to Customers and Society

Value

Impact on society

Value provided by AMADA

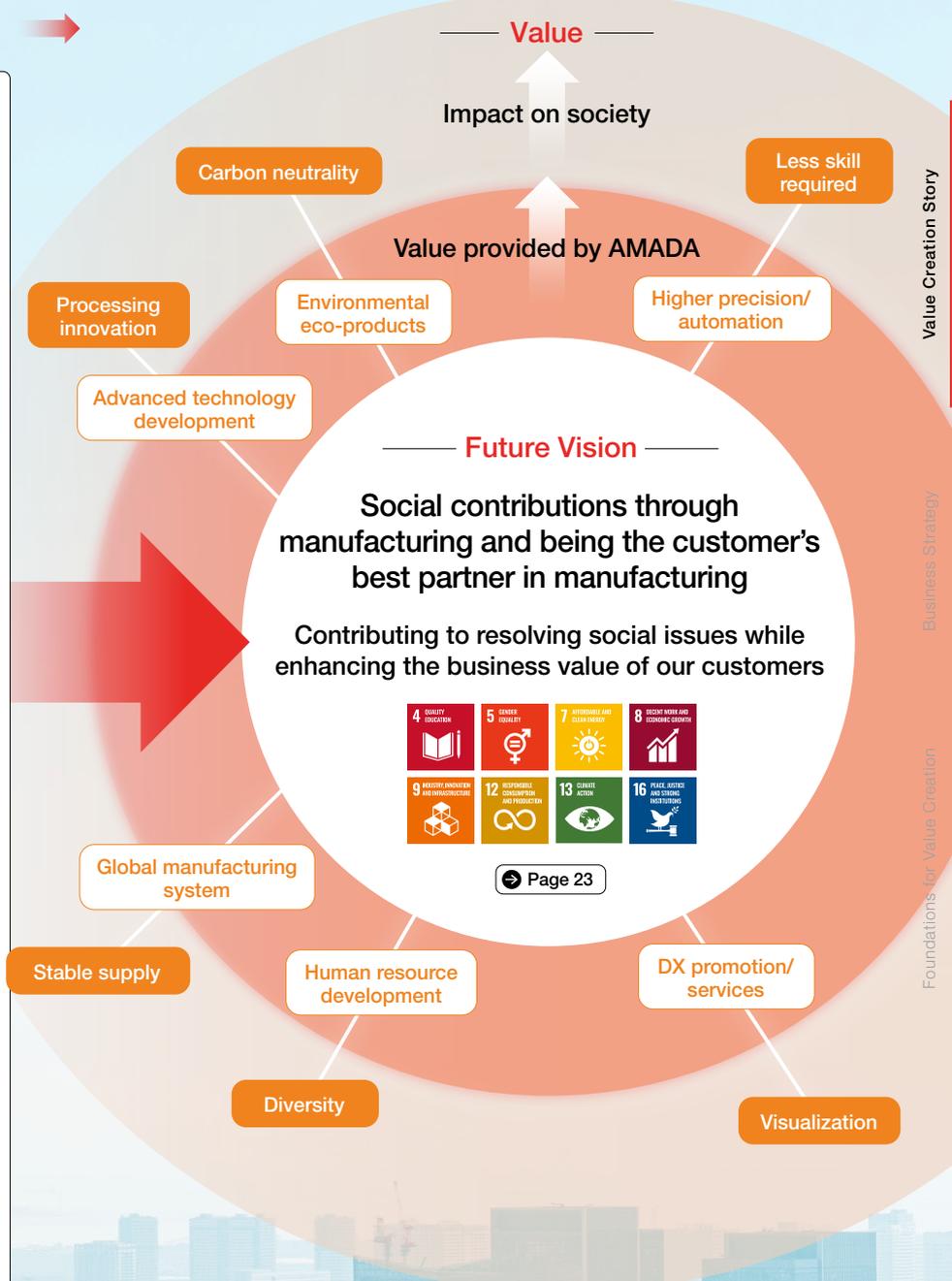
Future Vision

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

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



Page 23



Message from the President

Gaining the trust of society as our customers' partner, we will maximize corporate value and contribute to the sustainability of the global environment, economy, and society.

Takaaki Yamanashi

Representative Director, President

To safeguard *monozukuri*

At the crossroads of Japanese industry

Japan's manufacturing industry stands at a major crossroads. If the fire of *monozukuri* (manufacturing with the heart of artisanship) is extinguished, Japan itself could go into decline. This is the sense of crisis I hold deeply in my heart each day. Though generative AI and digital transformation (DX) are evolving production systems, challenges such as environmentally conscious business and human resource shortages are becoming more profound. Japanese manufacturing is at our very foundation as a country, and the industry's survival directly affects the country's sustainability.

The business environment during the period from fiscal 2024 to the end of the first half of fiscal 2025 has been rife with uncertainties, including geopolitical risks in Ukraine and the Middle East, and the tariff policies of the Trump administration in the United States. In the United States, manufacturing is returning to the domestic market, while in Europe, Italy and Spain are performing well while the German auto industry is stagnant. Meanwhile, China's manufacturing industry is expanding thanks to government support, and their EVs in particular are dominating the global market with their affordability.

While these turbulent waves of change are a test for Japanese manufacturing, AMADA sees them as the perfect stage to fulfill its mission. We have developed a

direct sales and direct service approach that is rarely found elsewhere in the world. In the early days following our founding, we traveled across Japan with small machines loaded on trucks, going directly to our customers' sites for product demonstrations and sales. Listening to customer feedback, making improvements, and building up their trust—these are the elements that make up AMADA's DNA. This DNA has been passed on to all of our bases, including those outside Japan, and remains an irreplaceable source of competitiveness and differentiation.

That is why we are committed to creating products that are superior to our competitors in terms of quality, functionality, and reliability, and to meeting social challenges through energy and labor savings. We will continue to support industry and society by delivering creative solutions directly to our customers. That is my unwavering commitment.

Unwavering foundation even amid headwinds

Looking into fiscal 2025

For fiscal 2024, the second year of our Medium-term Business Plan 2025, consolidated revenue was ¥396.6 billion (down 1.7% from the previous fiscal year) and operating profit was ¥49.0 billion (down 13.2%). Despite solid orders received, we were unable to fully translate these into profits due to a combination of declining revenues, lower capacity utilization due to production adjustments, regulatory compliance in



Value Creation Story

Message from the President

Europe, and fees related to M&A.

Still, orders received remained high at ¥372.8 billion. Demand stayed strong due to a return of manufacturing to the United States and the expansion of infrastructure investment in Asia, as well as the positive effects of new product launches. These are indications of the strength of our business foundation and confirm that our credibility has not been shaken in the face of headwinds.

In the first quarter of fiscal 2025, both revenue and profits declined due to trade stagnation caused by high U.S. tariffs, restrained investment, and prolonged geopolitical risks. However, order-taking activities are progressing steadily, and orders received in the first half of the fiscal year were up year on year, securing record highs. These accumulated orders will help propel the Company back onto a growth trajectory.

As for the full-year outlook, we will secure revenue in the ¥400 billion range by addressing the growing need to improve productivity and promoting the introduction and adoption of new products. As we will discuss in more detail in a later section, the benefits from

consolidating H&F Corporation and Via Mechanics, Ltd. will also contribute to future growth.

AMADA will prepare for the next stage of growth without letting short-term headwinds weaken the foundations of its business. It is our responsibility to flexibly overcome our harsh environment and take on the challenges of the future.

No growth without ambition

Toward an exciting future

The AMADA Group has set its sights on gaining the trust of society as our customers' partner by 2030, and is working to advance environmentally conscious business, DX, and expansion of its global presence as its three priority areas.

In Medium-term Business Plan 2025, the first stage of this ambition, we aim to achieve revenue of ¥400 billion and operating profit of ¥64 billion.

As I help to move this plan forward, I see management strategy as planning today's dinner versus thinking about tomorrow's.

Today's dinner is the solid revenue growth of existing businesses. We will pave the way for our new product line, revamped from AMADA Global Innovation Center (AGIC)-oriented efforts, to permeate the market, expanding our market share and improving profitability.

Then, using that buildup, tomorrow's dinner will represent our next stage of growth. AMADA will enter new growth fields such as e-Mobility, semiconductors, and medical by applying the laser and welding technologies that we have cultivated over the years.

Symbolic of this are the two major M&A deals we struck in 2025. The first acquired company, H&F, was brought in for its full lineup of stamping presses—from small to ultra-large—to establish a system that enables us to tackle proposals to automobile manufacturers and Tier 1 suppliers head-on. It is rare for a manufacturer to have a full lineup of products worldwide, and this was a necessary choice to build a



competitive advantage.

Via Mechanics, on the other hand, opens the door to the growing market of semiconductors. In particular, back-end semiconductor manufacturing processes have a strong affinity with Via Mechanics' laser technology, offering the potential to create new revenue streams. Without ambition, companies will shrink. That is why we decided to take on these two M&A deals.

In the 80 years since its founding, AMADA has constantly transformed and challenged itself, each time building on its growth. We will continue to move forward without fear of change, while solidifying our earnings base.

Establish a solid revenue base in the immediate term

¥400 billion in revenue and three priority measures

In addition to the challenges of the future previously mentioned, it is also essential to ensure a solid revenue base for our operations in the immediate term. For fiscal 2025, we have set the achievement of ¥400 billion in revenue as an absolute requirement, and will pursue three priority measures to achieve this goal and improve profitability.

The first measure is to increase the market share of new products and improve profit margins. We will ensure that demand is captured through the market penetration of new and differentiated products. In February 2023, we renewed approximately 80% of our mainstay sheet metal machines with new products. AMADA will bring to market products with differentiated new functions, focusing on mid-range to high-end laser machines—areas of AMADA's strengths—to contribute to greater productivity for our customers. This will further enhance our earning power.

The second measure is to expand after-sales service. We will further develop our recurring revenues, which are less susceptible to economic fluctuations.

After-sales service revenue for fiscal 2024 increased 5.3% from the previous fiscal year, to ¥96.6 billion. Our V-factory platform that connects customers' production sites has steadily expanded since its launch in 2018, with the number of connected units now within reach of the initial target of 10,000. After-sales service is a stable source of revenue that is not easily affected by economic fluctuations, and we will continue our efforts to meet our customers' confidence and trust in us through meticulous support.

The third measure is further utilization of AGIC. With this facility, we will increase the speed of co-creation and demonstration testing. Under the slogan "FUTURE TECHNOLOGIES with AMADA," AGIC is a core base for the verification of next-generation processing technologies, the co-creation of new products, and the creation of new businesses. Together with our customers, we envision the future of manufacturing and create technologies and products to realize this vision.

Through these three priority measures, we will not only achieve short-term numerical targets but also ensure profitability and further solidify the foundation for AMADA's sustainable growth.

Change as power

Long-term growth strategy through expansion into new domains, including via M&A, and global market growth

It is essential for sustainable growth to make strategic moves for the future while securing revenues in the immediate term. The AMADA Group will pursue its growth strategy by expanding into new areas, including via M&A, and growth in global markets to realize its Long-term Vision 2030.

We believe that the integration with H&F will generate synergies for the entire Group, such as

Message from the President

applying AMADA's laser processing and welding and other accumulated processing technologies to automobile manufacturers and Tier 1 suppliers.

As for Via Mechanics, we will harness AMADA's core technologies such as lasers and automation, as well as a flexible global production and supply system, creating synergies between the two companies to establish a new standard in the semiconductor industry.

These also link with growing our global presence and practicing DX, and will form the core of AMADA's next growth strategy rather than exist solely as acquisitions. On the other hand, in terms of our global presence, the ORSUS-3015AJe fiber laser machine and the SRB-1003 press brake were launched in markets outside Japan in May 2025. Even with their differentiating features, they are competitively priced thanks to our streamlined design and global procurement. On the procurement side, we will build an agile production system with earnest procurement of parts from India, combined with procurement of steel from China. Though China is certainly a competitive threat, it is also a resource supplier. Rather than rigidly defining China as solely a threat, we will proactively incorporate the elements we can utilize—a dynamic action that also supports AMADA's competitiveness.

Then, we come to DX. AMADA is promoting DX from two perspectives: one for customers and the other for internal use. For customers, we will provide solutions for total factory optimization, while for internal use, we will build a framework to upgrade data-driven sales and service activities and introduce systems that further improve productivity and significantly increase efficiency at our manufacturing bases, thereby increasing the speed and precision of overall management.

By taking on these challenges, AMADA will further enhance its presence in the global market. We will share the results of our efforts with our customers, shareholders, and investors, and work together to build sustainable growth.

Sustainability:
An integral part of our business activities

Four perspectives

I believe that sustainability is fundamental to fulfilling our responsibility to future generations as a manufacturing company. To realize our long-term vision, we have set ESG management and the reinforcement of our organizational structure as a basic strategic policy in our medium-term business plan. AMADA aims to promote ESG activities linked to its business activities as a unified Group, and is developing a global promotion system to take Group action cross-functionally.

First, in the area of the environment, our efforts to deploy energy-saving and high-efficiency AMADA Eco-Products have reduced product CO₂ emissions by 69.1% in fiscal 2024 compared to fiscal 2013. At our internal business sites, we are also promoting the introduction of renewable energy and energy conservation, and have achieved a 75.7% reduction at these sites compared to the fiscal 2013 level. Through these efforts, we will strive to realize a decarbonized society not only through our own activities but also through our entire supply chain.

Meanwhile, laws and regulations on sustainability, including environmental and human rights, are being strengthened worldwide, and several standards—such as CSRD and CSDDD in the EU and SSBJ in Japan—are being introduced over time. We see this as an opportunity not only to respond appropriately to these changes but also to go beyond legal compliance to solidify society's trust in us and enhance our corporate value. To this end, we will establish a framework and also increase the quality and speed of information disclosure.

Human resource development is another key to sustainable growth. The AMADA Technical Education Center (ATEC) serves as our base for building

capabilities among technical human resources, sending young engineers overseas for greater opportunity to cultivate a global perspective. In addition, securing next-generation leaders is a shared issue worldwide, and we are focusing on their development. The ability to produce results comes from passion and tenacity, and we believe that the true value of AMADA's human capital management lies in how we draw out this energy and transform it into organizational strength.

The final perspective is co-creation with customers. Labor shortages, passing on skills, improving productivity, and reducing environmental impact—these are the wide-ranging challenges facing field professionals. AMADA will not merely provide machines but will also deliver solutions with a close, intimate understanding of the field, from total factory automation and visualization to support for Science Based Targets (SBT) certification for small and medium-sized enterprises.

Sharing our accomplishments together

Our commitment to stakeholders

The AMADA Group expects to generate approximately ¥150 billion in operating cash flow over the three years of its Medium-term Business Plan 2025. Of the more than ¥300 billion in surplus funds, including cash on hand, approximately ¥120 billion will be used for strategic investments, approximately ¥100 billion for working capital, and between ¥100 to ¥120 billion for shareholder returns. In the two years of fiscal 2023 and 2024 alone, we have invested in new product development, improvements at AGIC and ATEC, and two major M&As. Going forward, we will continue to maximize corporate value by emphasizing both investment in growth and shareholder returns.

As for our capital policies, we will continue to maintain stable dividends, based on a consolidated dividend payout ratio of 50% and a dividend on equity



(DOE) ratio of 3–4%. Furthermore, by combining flexible share buybacks, we will increase capital efficiency and further enhance returns to shareholders.

Here again, I would like to thank all of our stakeholders who have supported us over the years. AMADA has been able to grow thanks to the support of you all—our customers, shareholders, investors, business partners, and local communities.

With our unique business model of direct sales and direct service, we have brought innovation to industries and lifestyles around the world. We will continue to take on challenges and share our achievements with you, our stakeholders, to achieve sustainable growth. It is AMADA's responsibility and my unwavering commitment to carry this through.

Management Issues for 2030

The external environment around our business is changing at an unprecedented pace. We believe that while these changes increase uncertainty, they also present new growth opportunities. We are taking actions to appropriately address these changes and build value that can be shared with society. Overcoming complex and increasingly diverse management challenges, the AMADA Group will continue to strive as a *monozukuri* (manufacturing) company achieving sustainable global growth toward 2030.

Megatrends

Changes in demographic trends and social structure

Acceleration of technological innovation and DX

Geopolitical risks and realignment of economic spheres

Transition to a decarbonized society

Changes in social values

Risks  /Opportunities 	
Manufacturing	<ul style="list-style-type: none">  Acceleration of creating smart factories  Destabilization of procurement due to supply chain disruptions  Risk of suspended operations due to natural disasters
Sales	<ul style="list-style-type: none">  Diversifying customer needs  Strengthened customer touchpoints through enhanced digital channels  Obsolescence of technologies due to innovation
Environment	<ul style="list-style-type: none">  Increase in demand for energy-saving products from the transition to a decarbonized society  Creation of new markets from heightened environmental awareness  Risk of regulatory action and suspended trading due to delayed decarbonization efforts
Society	<ul style="list-style-type: none">  Labor shortages, skills transfer issues, and rising costs driving growth in demand for automation, greater utilization rates, and reduced skill requirements  Shortage of expert human resources due to increasing sophistication and complexity of products  Intensifying global competitive environment
Governance	<ul style="list-style-type: none">  Gaining trust in capital markets through transparent disclosure  Risk of lost corporate credibility due to compliance violations  Information leaks and business system outages caused by cyberattacks or computer virus infections

Our goals

- Establishing a flexible supply system with global production bases
- Harnessing DX to build an efficient and resilient supply chain and engineering chain

- Providing seamless solutions for metalworking
- Creating new processing technologies and enhancing competitiveness through co-creation with customers
- Applying laser technology to new markets and growth industries

- Developing machines with high energy-saving performance
- Supporting decarbonization at customers' factories with products in environmental categories such as decarbonization, organic solvent-free, and dust-free solutions
- Reducing CO₂ emissions through the introduction of renewable energy and improvements in production efficiency

- Developing automation equipment, machines with reduced skill requirements, and software
- Proposing optimized factory utilization using DX
- Restructuring our direct service system with IoT
- Enhancing engineer education systems and facilities
- Recruiting and cultivating global human resources

- Improving the Board of Directors' effectiveness evaluation
- Establishing a compensation system linked to medium- to long-term goals
- Strengthening internal controls for the prevention, early detection, and correction of legal violations
- Enhancing employee literacy through compliance and security education
- Reinforcing information security risk mitigation systems

It is essential that we restrain the impact of economic fluctuations and transform into a management foundation that realizes global and sustainable growth.

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

Gaining the trust of society as our customers' partner

We will create an environment that mitigates social issues and offer solutions based on customer-oriented needs.



Long-term Vision 2030

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 part of our management philosophy. In today’s world, our customers face a variety of social issues at their sites, including environmental problems such as climate change and a shrinking 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) Continuity and growth as a 100-year company, shareholder returns

Previous medium-term business plan

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)

Global market growth strategy

Maintaining and reviewing a sustainable total return ratio

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

Expanding new markets, supply strategies, Group synergies

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

Goals of Long-term Vision 2030

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

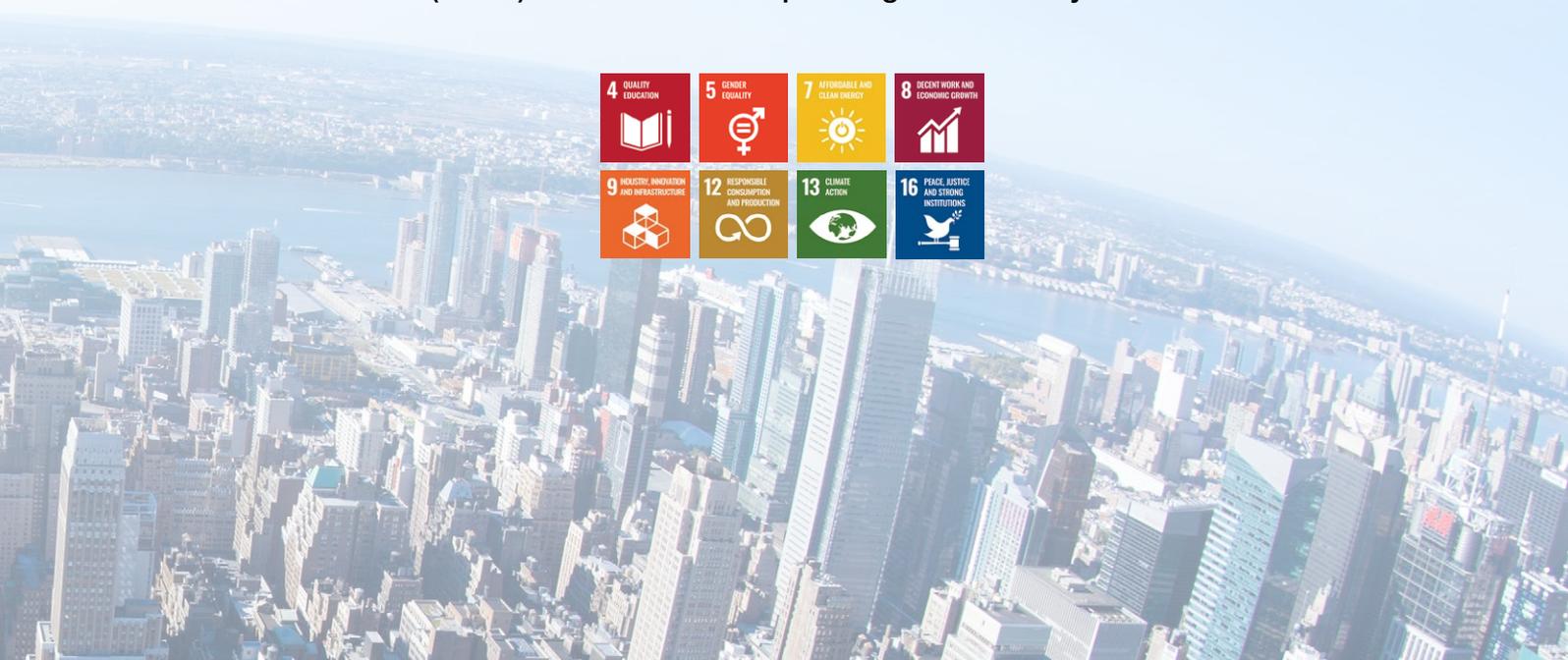
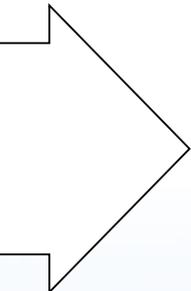
Restrain the impact of economic fluctuations and transform into a management foundation that realizes global and sustainable growth

Gaining the trust of society as our customers’ partner

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

Long-term Management Vision Goals

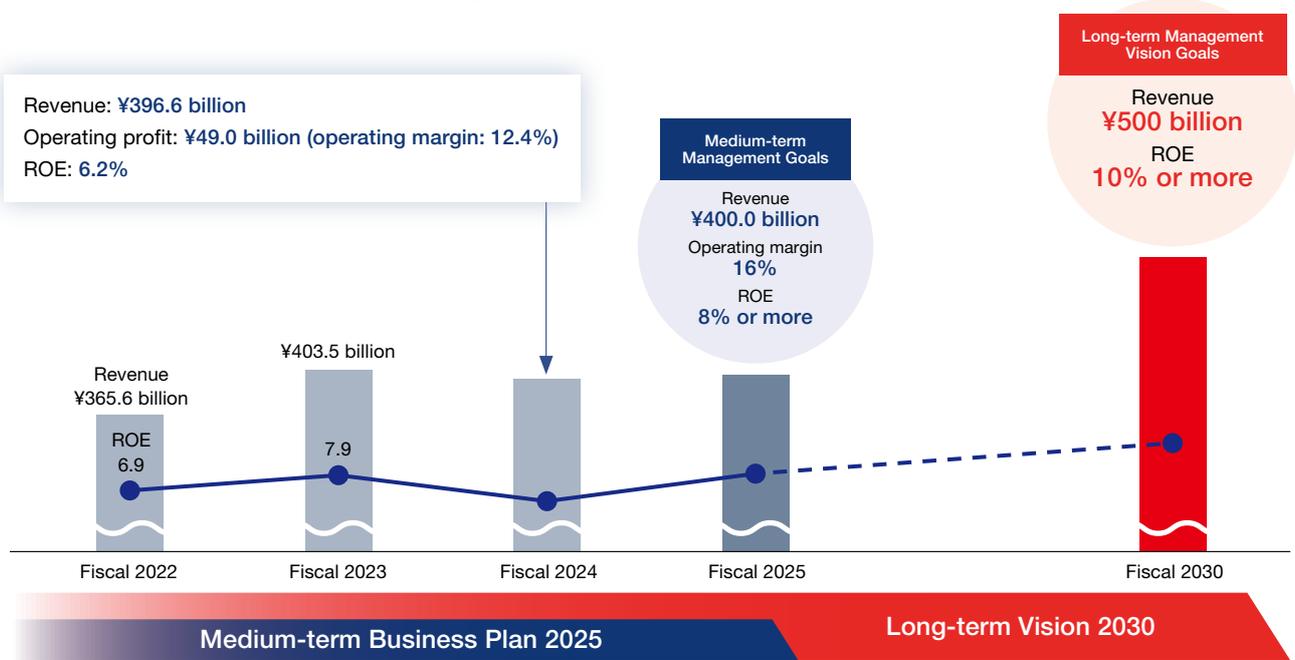
- Revenue: **¥500 billion** (Fiscal 2030 target)
- ROE: **Stably maintain above 10%** (Fiscal 2030 target)
- Strengthen initiatives with an awareness of the Sustainable Development Goals (SDGs) and refine the corporate governance system



Value Creation Story

Medium-term Business Plan 2025

The AMADA Group has established Medium-term Business Plan 2025 as a specific action plan for sustainable growth and the enhancement of corporate value. In this plan, our management goals are ¥400 billion in consolidated revenue, 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 at the AMADA GLOBAL INNOVATION CENTER (AGIC), which opened in February 2023.



Progress in the Four Basic Strategic Policies

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

Past initiatives and results

- 1** In response to challenges faced by our customers, such as labor shortages caused by declining birthrates, we launched the AMNC 4ie, a new numerical control (NC) operation system unit that can be used more easily by anyone. In addition, we are strengthening our after-sales services, including V-factory, which provides support such as the visualization of machine utilization. Going forward, we will continue to deliver solutions to our customers' social and environmental challenges.
- 2** We announced two M&A deals with the goal of expanding business and capturing new markets. We will promote the expansion of the press business by co-creating synergies with H&F Corporation, which has strengths in large and ultra-large stamping presses. In addition, the integration with Via Mechanics, Ltd., a leading manufacturer of circuit board drilling machines, will drive our full-scale entry into the semiconductor industry.
- 3** In accordance with our shareholder return policy, we decided to pay a dividend of ¥62 per share, up ¥2 year on year, with a dividend payout ratio of 62.8%. In fiscal 2024, the Company continued buying back its shares from the previous fiscal year, purchasing a total of ¥20 billion in treasury stock.
- 4** On the environmental side, we are making progress as expected by making our products more energy efficient and introducing solar power generation. 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.

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

Amid the drastically changing environment surrounding the manufacturing industry, the AMADA Group has positioned structural transformation to improve the quality of earnings as essential for stable growth. Based on this policy, we are moving toward a stable and highly profitable business model through measures such as updating our mainstay products, strengthening our service system, and fully developing automation and DX proposals.

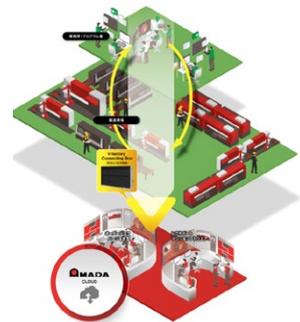
New product strategy to improve profitability

Updating the product lineup and enhancing added value are key pillars of improving profitability. In February 2023, we introduced new models for about 80% of our mainstay sheet metal products, evolving their specifications to offer more multifaceted value, such as improved productivity and processing accuracy, as well as energy savings. In addition, we have won great acclaim for strategic new product launches at major domestic and international trade shows. For example, at JIMTOF (Japan), EuroBLECH (Europe), and FABTECH (North America) in 2024, we exhibited the REGIUS-3015AJe, a 26-kW high-power fiber laser machine. The product was well received by customers, leading to improved product competitiveness and brand recognition.

In addition, we have expanded our rollout of automation solutions. We have strengthened our efforts to support the entire factory, not just by automating single processes, but by using autonomous transport robots that bridge processes and software that consolidates information within the factory to visualize and share manufacturing progress.

Stabilization of service revenue

Another pillar is the expansion of the after-sales service business. To build a business structure that is resilient to economic fluctuations, we strengthened our earnings base in the maintenance and customer support areas. In fiscal 2024, service-related sales in the Sheet Metal Division reached a record high of ¥96.6 billion, accounting for 32.4% of the division's total sales. In particular, the introduction of digitally connected services such as V-factory has progressed, and the number of machines in operation has grown to approximately 8,500. Rising stable revenue from parts sales and maintenance contracts supported our business performance. We will continue to develop value-added services and strengthen our customer touchpoints, aiming for a profit structure that is less susceptible to economic fluctuations.



Achievements and challenges

In fiscal 2023, the first year of the plan, we achieved our revenue target of ¥400 billion ahead of schedule, partly due to a tailwind in the market. However, in fiscal 2024 the external environment stagnated somewhat, and the gulf between our achievements and the target profit margin of 16% remains wide. Further cost

improvement and value-added creation will be necessary to maintain high profitability in the uncertain global economy. AMADA will accelerate the improvement of profitability during fiscal 2025, the final year of the plan, by both shifting to high-value-added products and expanding service revenue.

2 Begin activities for our long-term growth strategy (laser technology, new market cultivation, M&A, etc.)

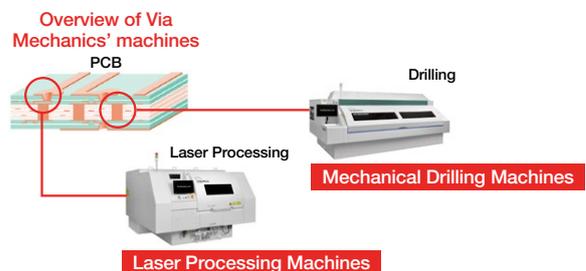
Another pillar of Medium-term Business Plan 2025 is planting seeds for future sustainable growth and taking on challenges in new fields. AMADA's Long-term Vision 2030 aims to achieve revenue of ¥500 billion by 2030. To reach this goal, it is essential to deepen existing businesses and expand into growth markets such as e-Mobility, semiconductors, and medical. Under this direction, we have launched specific initiatives.

Expanding the application of laser technology

Lasers are AMADA's core technology and an important driving force in cultivating new markets. In the semiconductor field, we are entering the market by taking advantage of advanced laser application technologies for micro processing and marking. In April 2025, AMADA announced the acquisition of Via Mechanics, which has a strong global market share in micro hole drilling machines for semiconductor package substrates. Combining Via Mechanics' substrate hole-drilling technology with AMADA's laser technology, we aim to provide comprehensive solutions covering the entire semiconductor substrate manufacturing process. In the e-Mobility field, we are also working to create

new solutions such as welding and laser applications that contribute to higher motor efficiency.

Expanding into growth markets through the acquisition of Via Mechanics



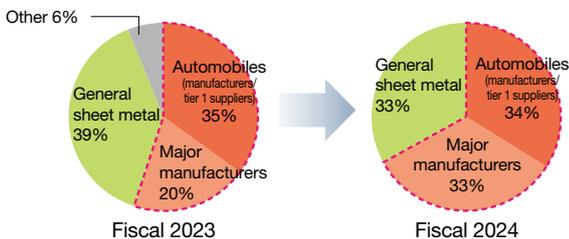
Value Creation Story

Medium-term Business Plan 2025

Cultivating new markets and utilizing AGIC

To accelerate the cultivation of new markets in Japan and overseas, we established AGIC on the premises of our head office in February 2023. In the two years since its opening, the facility has attracted a total of approximately 8,300 companies and 18,000 visitors, leading to new co-created solutions. The center's Innovation LABO provides an environment where customers can bring in their own drawings and materials and conduct private demonstration tests using the latest machines. Since its establishment, several joint verification projects with automobile manufacturers and tier 1 suppliers have been launched. Of the companies taking part, approximately two-thirds are automobile-related or major manufacturers. These activities have also led to the establishment of relationships with manufacturers of finished products, with whom we have had little contact in the past.

Breakdown of LABO customers (by company type)



Expanding business domains with M&A

AMADA positions M&A as a means to promote its long-term growth strategy by rapidly acquiring presence in new markets, technologies, and contact points with customers that it would not otherwise reach on its own. In January 2025, we announced the acquisition of H&F, a manufacturer of large and ultra-large stamping presses. By augmenting our conventional medium and small presses with H&F's large press technology and customer base, we are now able to offer direct proposals to automobile manufacturers and tier 1 customers.

In addition, we acquired Via Mechanics to gain a foothold in the fast-growing semiconductor field. We will combine this with our own processing technology and service system to differentiate ourselves and increase profits. These developments have moved our ambition to enter growth areas as set forth in the Medium-term Business Plan from the conceptual phase to the execution phase.



Achievements and challenges

Our long-term growth strategy has steadily gained momentum, and we have secured a foundation for entering growth areas such as e-Mobility and semiconductors through large-scale M&A. In addition, a framework for co-creation with customers, as seen in Innovation LABO, is also being put in place. On the other hand, in order to maximize the contribution of acquisitions to revenue and profit, it is essential to integrate the customer

base and develop new products. In the semiconductor field, it will be essential to provide unique value by combining the strengths of both companies, and we must ensure we differentiate ourselves from competitors. These efforts are important steps toward achieving Long-term Vision 2030, and AMADA will ensure a firm path to growth through both steady post-merger integration and aggressive technology investment.

3 Capital policies (cash allocation, shareholder return policy, etc.)

In Medium-term Business Plan 2025, we clearly established a balance between investment in growth and shareholder returns. Cash generated over the three-year period is allocated in a balanced manner to investment in growth and shareholder returns, and is executed in a systematic manner.

Dividends and share buybacks

The annual dividend for fiscal 2022 was ¥48 per share. Once the plan began, this was increased to ¥60 per share for fiscal 2023 and ¥62 per share for fiscal 2024. The Company's target is to maintain a dividend payout ratio of approximately 50% and a dividend on equity (DOE) ratio of 3% to 4%, with actual results of 50.4% in fiscal 2023 and 62.8% in fiscal 2024, maintaining high levels. We have carried out our stable shareholder return policy by increasing dividends even during periods of declining profits.

In addition, we have actively conducted share buybacks. Based on the ¥40 to ¥60 billion limit set in the Medium-term Business Plan, we purchased ¥20 billion in both fiscal 2023 and fiscal 2024, bringing our total return ratio to 124.6% for fiscal 2024. In fiscal 2025, we plan to continue flexible share buybacks, establishing a maximum purchase of ¥20 billion.

Executing growth investments

Operating cash flow generated over the three-year period is expected to be approximately ¥150 billion, including ¥100 to ¥120 billion in allocations for strategic investments.

In fiscal 2023 and fiscal 2024, investments to accelerate growth were made ahead of schedule, including new product development, reinforcement of technology and human resource foundations through AGIC and AMADA Technical Education Center (ATEC), and large-scale M&A. A total of approximately ¥90 billion was invested in these.

In the areas of supply system, IT/DX, and human resource development, we are moving forward with a focus on alignment with market trends and internal resources. The resulting final investment amount is expected to be within the planned range of ¥120 billion.

Achievements and challenges

While continuing to return profits to shareholders through both dividend increases and share buybacks, we have yielded certain results in strategic capital allocation. As for growth investments, including large-scale M&A, it is important to visualize their medium- to long-term

contributions to earnings and business synergies. Going forward, we will strengthen monitoring of the benefits of our investments, revising our strategy as necessary, while continuing to pursue capital policies that will contribute to the enhancement of corporate value.

4 ESG management/reinforcing systems

AMADA's Management Philosophy is to "conduct sound corporate activities based on high ethics and fairness" and to "take good care of people and the earth's environment."

In our Medium-term Business Plan 2025, we have positioned the promotion of environmental, social, and governance (ESG) initiatives and the strengthening of our management foundation as one of our key policies, and we have set specific numerical targets for our efforts.

Environmental

Toward our Long-term Vision for 2030, we have made climate change response a pillar of our management, targeting a 50% reduction in CO₂ emissions from products (at customers' plants) by fiscal 2025 compared to fiscal 2013, and a 70% reduction at business sites and plants compared to fiscal 2013.

In fiscal 2024, we achieved 69.1% for products and 75.7% for business sites and plants, both exceeding targets. This is the result of introducing new energy-efficient products, implementing renewable energy at our plants, and continuously improving facilities. To maintain momentum in reduction effects, we will continue to increase our ratio of renewable energy and support suppliers, and also strengthen external communication about our environmentally conscious business as an opportunity to create value.

Social

Strengthening human capital is the foundation for medium- to long-term growth. In 2024, ATEC, a facility to cultivate the next generation of engineers, was newly established within the Isehara Works to provide practical training aimed at further strengthening engineering capabilities. Training hours per employee totaled 41.7 hours, exceeding the target of 40 hours.

In terms of diversity, the number of female managers



increased to 17 in fiscal 2024 (from 15 in the previous fiscal year), compared to a target of 24 in fiscal 2025. The ratio of women among new graduates hired was 27.6%, exceeding the target of 25%. The paid leave acquisition rate was 77.1%, compared to a target of 80%, and the male childcare leave acquisition rate was 82.5%, exceeding the target of 70%, with both showing improvement. On the other hand, the ratio of female managers remains low, and encouraging their further promotion is an issue.

Governance

The Board of Directors maintains a structure in which four of the nine members are independent outside directors, including one female director and one female Audit & Supervisory Board member. In fiscal 2023, we introduced a performance-linked stock-based remuneration plan, and in fiscal 2024 we added a medium- to long-term incentive plan. These systems are designed to encourage executives to achieve the targets of the Medium-term Business Plan and increase corporate value. In addition, the Nomination and Compensation committees were established directly under the Board of Directors, and risk management and compliance systems were strengthened. We are working to ensure management transparency and improve supervisory functions.



Achievements and challenges

With regard to ESG management and reinforcing systems, we achieved or exceeded our plans on many of our numerical targets. On the environmental side, CO₂ reduction targets were achieved ahead of schedule, and on the social side, we have delivered results in terms of paternity leave and improvement in the ratio of female new graduates. On the governance side, progress was also made in ensuring diversity and reforming the

compensation system.

At the same time, increasing the ratio of female managers, improving employee engagement, and ensuring thorough governance, including at overseas Group companies, are ongoing issues. AMADA will continue to incorporate ESG into its management decisions to enhance both corporate value and social responsibility.

Medium-term Business Plan 2025

Capital management to support growth

Strategic cash allocation

AMADA expects to generate around ¥150 billion in operating cash flow over the three-year period from fiscal 2023 to fiscal 2025. The basic policy in our cash allocation strategy is to circulate this abundant resource in a balanced manner between strategic investments and shareholder returns in roughly equal amounts. Of these, we place the greatest emphasis on strategic investments that will lead to the next stage of growth. In this area, we expect investment around ¥116 billion in the Medium-term Business Plan. In addition to strengthening the development and production capacity of machines themselves, we are also accelerating investment in highly profitable areas such as automated cells, software, and environmentally friendly products, as well as in IT and DX infrastructure to support a strong customer base. These efforts have boosted not only machine sales but also subsequent recurring revenue such as molds and maintenance contracts, contributing to the efficiency of operating cash flow. In addition, another pillar of our growth strategy is external growth through M&A. In January 2025, we

announced the acquisition of H&F, expanding our large stamping press lineup by combining our press automation solutions business with H&F's products, technologies, and customer base. This is expected to greatly elevate our ability to support EVs and other automotive-related markets, and cost competitiveness is also expected to be strengthened through synergies in production technology and parts procurement between the two companies. In April 2025, AMADA announced the acquisition of Via Mechanics, which has strengths in processing machines for semiconductor substrates. Via Mechanics boasts world-class technology in the fields of high-precision drilling and laser drilling machines. Complementing our laser processing and automation technologies, this new acquisition is expected to expand our business in the semiconductor-related market in earnest and accelerate global expansion through mutual utilization of sales networks. Integrating machines, services, and technologies in each of these two M&As is expected to result in not only increased sales

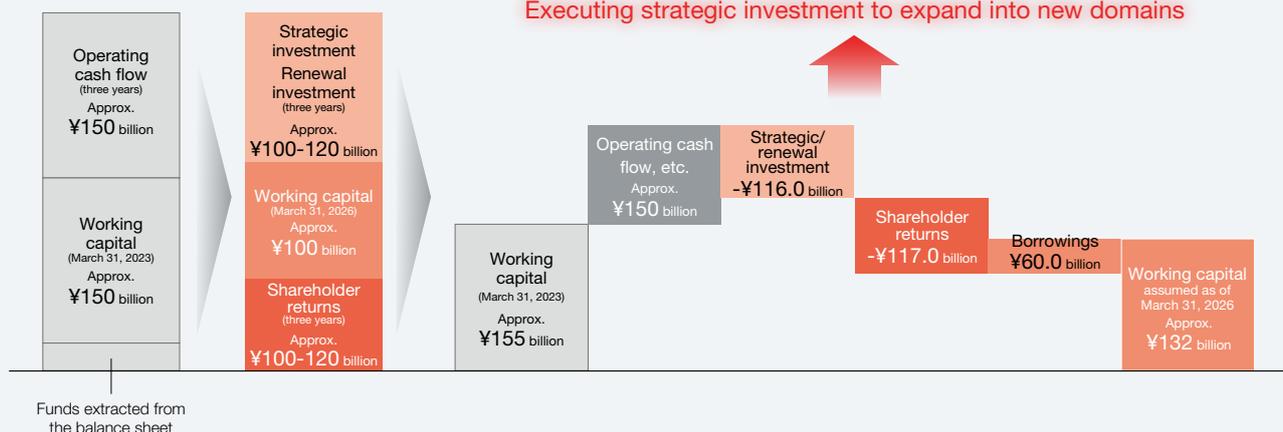
Investment plan progress

	Medium-term Business Plan 2025 targets	Progress (including fiscal 2025 forecast)	
Research and development/ M&A Approx. ¥50–60 billion	Research and development: Building new processing technologies and providing products with strong soft aspects/environmental friendliness Synergy development: Strengthening the Group's market and manufacturing strategies M&A: Accelerating new business expansion	Executed M&A for expanding business/ cultivating new markets, invested R&D funds	Fiscal 2023–2025 Approx. ¥92 billion
Supply system Approx. ¥20–30 billion	Asian supply strategy (including global procurement) North American supply strategy (strengthening automation systems)	Enhanced automated plants	Fiscal 2023–2025 Approx. ¥10 billion
IT/DX Approx. ¥10 billion	Global customer relationship management construction, security investment, manufacturing and supply coordination system construction (CRM)	Reformed sales/service DX built a new production system	Fiscal 2023–2025 Approx. ¥6 billion
Human resource investment Approx. ¥10 billion	Technical education centers, reskilling, DX/global human resource development	Opened AGIC	Fiscal 2023–2025 Approx. ¥6 billion
Environmental investment Approx. ¥10 billion	Environmental investments in business sites and manufacturing, improving manufacturing efficiency	Environmental eco-strategy	Fiscal 2023–2025 Approx. ¥2 billion
Total Approx. ¥100–120 billion	Fiscal 2023 results–Fiscal 2025 forecast	Total	Approx. ¥116 billion

Medium-term Business Plan period:

Announced figures

Three-year total (fiscal 2023–2025)



but also effective synergies, such as improved unit prices through cross-selling and cost reductions through establishing common component use. In addition to operating cash flow, we are also making appropriate use of borrowings to fund these acquisitions to the extent that they do not impair our financial

soundness, while carefully monitoring the medium- to long-term capital return potential. AMADA views cash as fuel for creating the future rather than capital for defensive purposes, and will practice selection and concentration of businesses and capture opportunities for discontinuous growth.

Shareholder returns driving TSR maximization

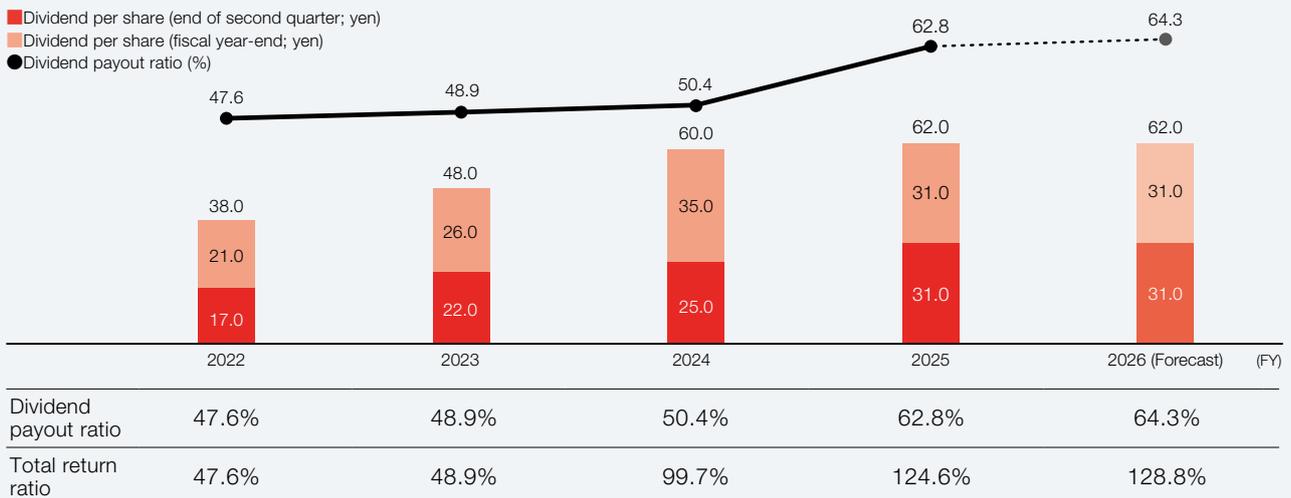
While placing particular emphasis on the stability of shareholder returns and capital efficiency for the sustainable expansion of total shareholder return (TSR), AMADA is developing a performance-linked stock-based compensation mechanism to align the interests of management and shareholders. First, with regard to dividends, we adhered to our policy of maintaining a consolidated dividend payout ratio of 50% and paid out ¥62 per share in fiscal 2024. This resulted in a dividend payout ratio of 62.8% and DOE of 3.9%. As for fiscal 2025, we plan to pay a stable dividend of ¥62, and will continue to build solid trust by providing returns to our shareholders. We regard share buybacks as a means of boosting capital efficiency indicators such as earnings per share (EPS) and ROE, and we flexibly repurchase shares while monitoring each fiscal year's operating cash flow and market conditions. In fiscal 2024, we set another ¥20 billion budget for share buybacks. In principle, the acquired shares are cancelled, supporting TSR both in terms of

shareholder value and capital efficiency through curtailing the number of issued shares. In addition, we have introduced a performance-linked stock-based compensation system as of fiscal 2024, establishing a mechanism to deliver shares to directors in proportion to the achievement of medium- to long-term business performance. Specifically, revenue, operating profit, and ROE are used as evaluation indicators, and the number of shares paid as compensation is adjusted from 0% to 200% depending on the level of achievement. This further aligns the interests of management and shareholders, and these mechanisms are driving TSR's continued growth. In fact, our capital policies to date have led to performance beyond the market average, and we have steadily increased returns to shareholders. We will continue to deepen our shareholder value-linked capital policies while ensuring financial soundness and sharing growth with our diverse stakeholders.

Initiatives to enhance corporate value



Shareholder returns



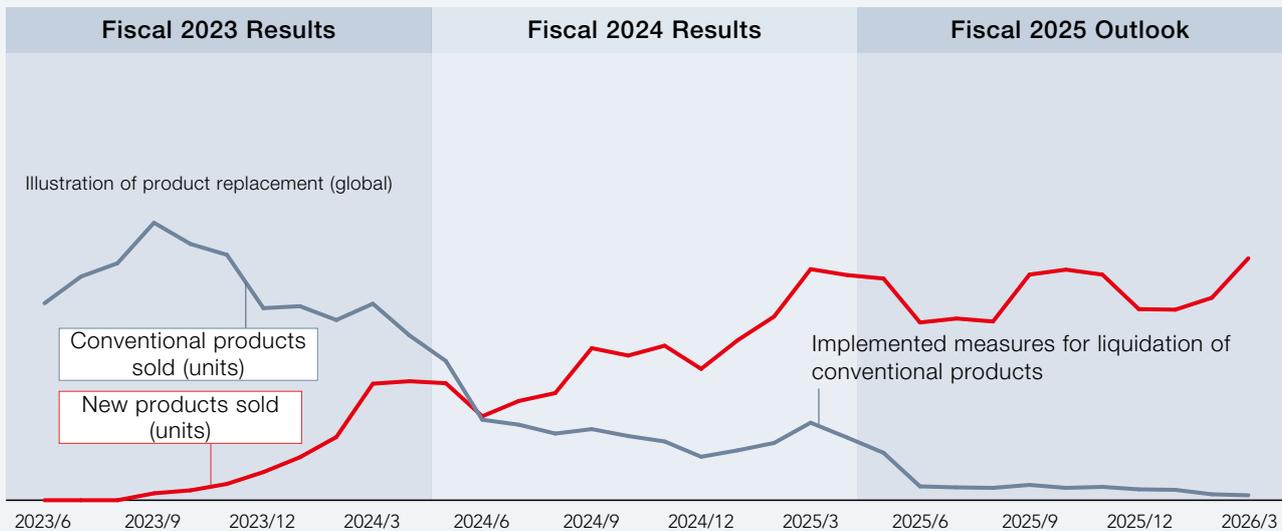
Medium-term Business Plan 2025

■ Initiatives to achieve the goals of the Medium-term Business Plan

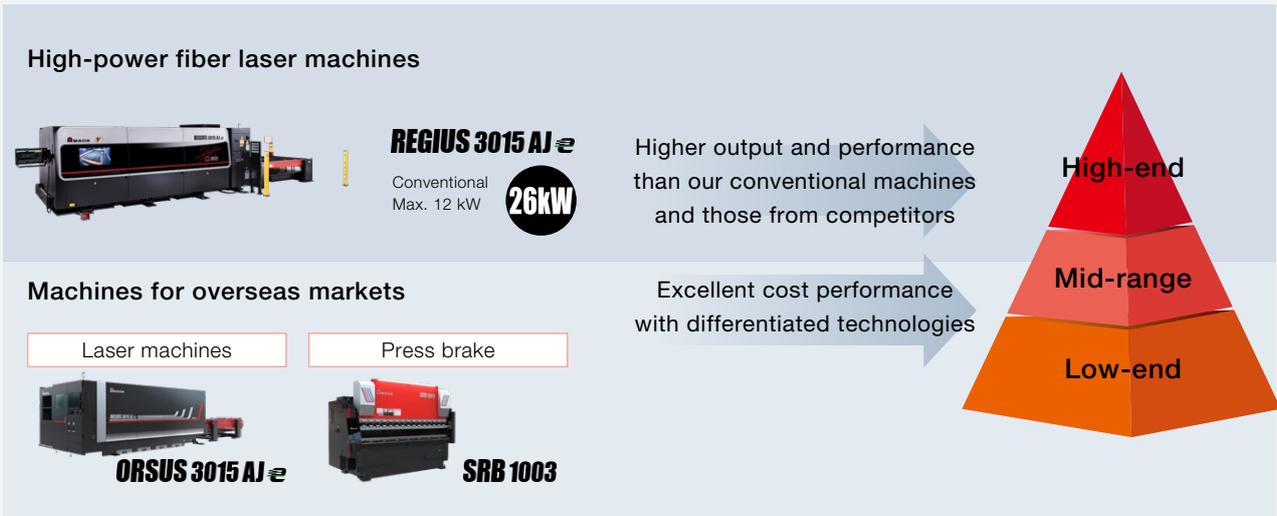
State and growth potential of cash generation capacity

Although revenue and profits declined in fiscal 2024 due to a slowdown in the global market, the cash-generating mechanism itself has become more resilient. Gross profit margins remained mostly unchanged due to selling price revisions and the effect of yen depreciation, minimizing the downward pressure on profits. Orders received also remained at a high level. This resilience has been underpinned by a three-pronged approach: **(1) increasing the proportion of high-value-added solutions through product transitions, (2) expanding service revenue by strengthening after-sales support systems, and (3) optimizing costs and cash efficiency by restructuring the global supply system.** First, with respect to the switch to new product sales in (1), fiscal 2024 was a year of full-scale inventory adjustment and liquidation of conventional products, and the Companywide shift to new products progressed. Looking at global sales volume, while conventional models accounted for the majority of units sold through fiscal 2023, the sales composition of new products reached a major turning point in fiscal 2024 and is expected to be dominated by new products into fiscal 2025. Meanwhile, profitability was partially affected in fiscal 2024 due to inventory adjustments and temporary price reductions resulting from liquidation measures. However, since our lineup of new products is largely composed of high-value-added solutions, which contain strong potential to reverse our course toward recovering profitability, we expect profitability to improve in fiscal 2025 due to increased new product sales. In addition, we have introduced high-power fiber laser machines, which are high-value-added products targeting the high-end market, and machines for overseas markets that are equipped with AMADA's differentiated technologies while keeping prices low. We aim to increase

market share as well as volume. Next, for the after-sales service field mentioned in (2), it comprises more than 30% of our revenue within the Sheet Metal Division, helping to ensure stable earnings. This is due to the steady buildup of demand for consumables and maintenance as machine runtimes extend post-delivery and annual maintenance agreements become more prevalent. In addition, with the penetration of IoT solutions centered on V-factory, a system is being established to monitor machine utilization status in real time, and new service models such as preventive maintenance and online support are expanding. Furthermore, in October 2024 ATEC was established to further strengthen our engineering capabilities. This enables both faster response times and quality improvement, and as a result, contributes to the creation of repeat sales opportunities and the improvement of brand trust. These efforts maximize LTV throughout the product life cycle and contribute to stable cash generation with little seasonal fluctuation. Furthermore, the restructuring of the global supply system in (3) supports the evolution of more structural cash generation efficiency. In fiscal 2024, we began activities to procure parts from India, taking actions to reduce the cost ratio by cutting procurement costs. In North America and Europe, a flexible production system is being established using simulations to determine the most effective production volume and location at each local base compared to exporting finished machines from Japan, for an optimal production structure. With the increased decentralization of production bases, we expect to be able to shorten lead times and respond more flexibly to orders going forward. In particular, we expect that a production system that can respond immediately to regional demand will simultaneously reduce opportunity losses and improve supply stability. These



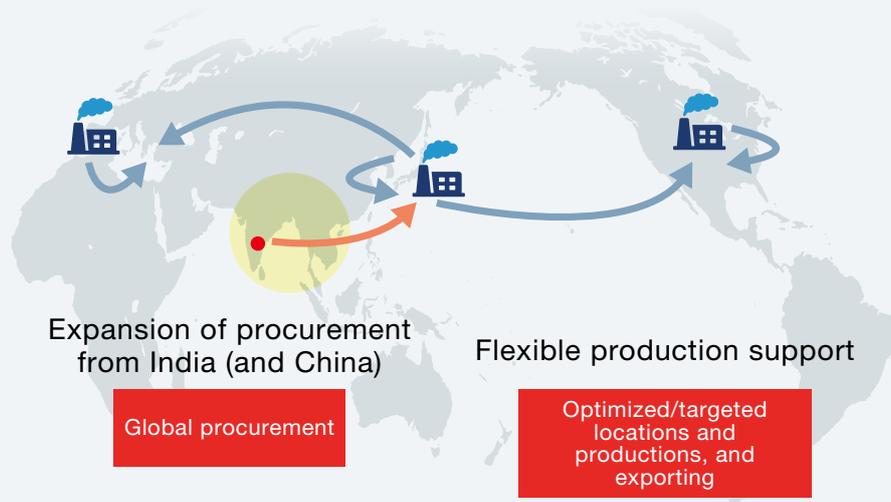
Note: To provide an easily understood illustration of sales over time, the monthly sales volume is shown as a three-month moving average.



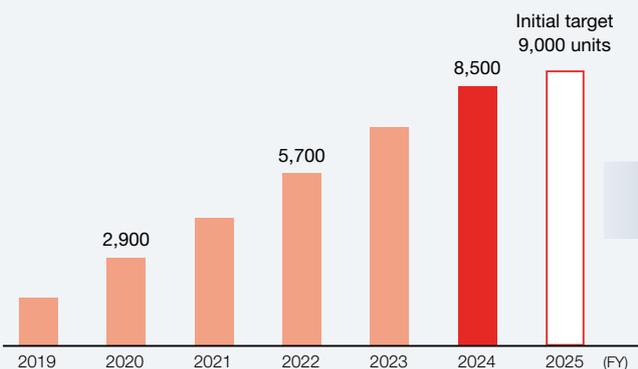
mechanisms are currently being established in stages, and we expect that the resilience of the supply system as a whole will increase over the medium term.

Thus, the three pillars of shifting to new products, building up after-sales services, and optimizing the global supply network

have a synergistic effect, forming a solid cash-generating foundation that is less susceptible to the external environment. From fiscal 2025 onward, we will build on this foundation by investing in growth to further enhance our corporate value.



Units connected to V-factory



Customer support

Customer support for machine utilization
Head office technical staff analyzes machine and software status remotely to support customers' machine utilization

Production technology support

Enhancing productivity through technology support
Providing monthly operation data analysis reports to customers to support improvement activities

Retrofitting business

Retrofitting IoT and equipment to delivered machines
Visualizing utilization of legacy machines and proposing additional equipment using utilization data

Value Creation Story

Global Expansion Strategy “AMADA ONE”

To be a real comprehensive “MONOZUKURI” partner through INTEGRATED technologies and the SYNERGY of the AMADA Group’s Extensive Experience

Koji Yamamoto

Director, Senior Executive Officer

In fiscal 2025, the final year of the Medium-term Business Plan, we are coming to a point where the world’s long-standing norms of free trade are no longer absolute, and where the future has become difficult to predict. In such an uncertain environment, we must accurately capture changes and steadily implement measures available to us in a timely manner. Moreover, the manufacturing industry faces common challenges with regard to environmental compliance and labor shortages.

Therefore, digitalization and automation are the keys to overcoming these challenges, and our proposals will continue to pursue the highest level of managed efficiency and stable precision to manufacturing customers worldwide. AMADA aims to remain a chosen partner by continuously providing comprehensive technologies and



products that address these challenges, leveraging the Group’s overall experience and synergy to make broad proposals in new fields and across various industries. Armed with our strategies and innovative technologies, we have overcome several economic crises in the past, including the bursting of Japan’s bubble economy, the global financial crisis, and the pandemic.

“AMADA ONE,” our growth strategy, embodies our desire to expand our business and establish a competitive advantage as a truly comprehensive manufacturer offering solutions across all processes. We will continue to move forward with global sales expansion by accurately and speedily responding to social changes and customer needs, and taking the necessary measures.

Developing overseas presence based on comprehensive sheet metal capabilities

Overseas expansion of the Sheet Metal Division has propelled revenue significantly beyond our target of ¥195 billion in the first year of the Medium-term Business Plan, however in fiscal 2024, excluding the effect of foreign exchange rates, the business declined slightly by about 4%. Now, in fiscal 2025, all AMADA Group entities operating overseas, including the Sheet Metal Division, are working to achieve the Medium-term Business Plan.

In the sheet metal market environment, since around 2015 when laser machine oscillators shifted from CO₂ to fiber, Chinese manufacturers have also entered the market, starting with expansion in the Chinese market. That accomplished, they began rapid expansion of exports from around the latter half of 2020, leading to even more intensified international price competition and, further, to structural changes occurring worldwide. AMADA will execute the following strategies in this environment.

1. Global launch of new products equipped with the control device “AMNC 4ie” that enables AI utilization and DX

Fiscal 2025 is a decisive year for AMADA’s full-scale launch of new products globally and promotion of the real benefits of digitalization and flexible automation in the market with all DX- and AI-related products.

2. Provide a wide range of strategic products to meet customer needs

In addition to new high-end products, we will also re-develop products in the “middle-high-end” range, where automation and digital functions are added to mid-level specifications. We aim to differentiate through value-added proposals rather than simple price competition.

3. Expansion of automation and IoT support and strengthening of engineering capabilities

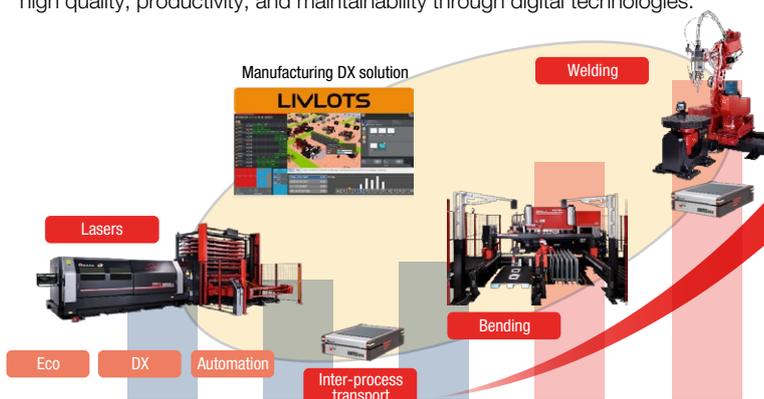
The demand for fully automated AMADA products is high not only in Europe, the U.S., and Japan but also throughout Asia. Therefore, AMADA has begun manufacturing automated products in China in cooperation with local partners as well as in other Asian markets. Furthermore, aiming to keep machines running, we will strengthen engineering capabilities on data analyses through AMADA IoT support, visualization-based management, and engineering resource development in coordination with headquarters.

4. Further expansion of fields into new markets and industries

In North America, our focus regions are the eastern United States, western Canada, and southern Mexico; in Asia, India and

AMADA pursues value for customers and society in times of uncertainty

Integrating lasers, bending, welding with software, and much more, we optimize the entire factory through the automation of not only each cell but also each operation, including inter-process transfers, thereby achieving high quality, productivity, and maintainability through digital technologies.



Overseas ratio of
66%
or more
by 2030

Full-scale launch of AMNC 4ie-equipped products

- Thorough differentiation from competitors, with cutting-edge technology (DX, flexible full process automation)
- Strengthening of brands and proposals recognized for their value by customers

Strengthening automation and engineering capabilities

- Collaborating with our education center, ATEC, to strengthen engineering capabilities in new products, automation, software, and processing technologies

the Middle East; and in Europe, eastern and northern Europe. We will strengthen comprehensive proposals including both

products and services to expand our regional presence and new industry development.

Group global growth strategy

Synergy activities across the entire Group are also important for the expansion of overseas business. Last year, we organized the Group Global Strategy Promotion Project at the headquarters, through which the heads of the four divisions and our regional headquarters (RHQ) have been working together to identify priority issues, formulate strategies, and advance each region's specific implementation and progress management.

1. Synergy of operations at international exhibitions and technical centers

At large overseas exhibitions such as FABTECH in North America, EuroBLECH in Germany and MWCS in China, and also at AMADA's own technical centers around the world, through synergy activities by our four main divisions—Sheet Metal, Press Automation, Welding, and Cutting—we work together to make comprehensive Group-wide proposals. In particular, our solutions combining sheet metal and micro welding for battery-related applications showcased at EuroBLECH and solutions combining sheet metal and stamping for data center-related applications displayed at FABTECH have received high praise, resulting in new differentiation through Group collaboration.

2. Comprehensive proposals for all processes through product integration

The Welding Technical Center has been newly established in Italy to unlock comprehensive technical proposals for sheet metal welding and micro welding. By holding comprehensive processing seminars for customers in existing markets, and strengthening activity collaborations with new mindsets, we have greatly contributed to acquiring new projects, and by spreading these activities around the world, we are enabling comprehensive proposals available to AMADA that other companies cannot offer.

3. Greater efficiency through integration of overseas facilities' sharing and management operations

From the perspective of profitability improvement, we are

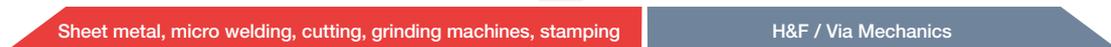
promoting initiatives to commonly utilize assets such as technical centers, offices, and parts centers across the Group. In addition to ASEAN and China, where we have been promoting activities for some time, facilities have already been combined in Hong Kong and Taiwan. In Italy, the U.S., the U.K., and eastern Europe, collaboration among our sheet metal, cutting, and welding divisions not only reduces expenses but also leads to the early realization of new projects, information sharing, and strengthening of management systems. Through these activities, we expect to achieve cost savings on the order of several hundred million yen each year.

In fiscal 2025, we will continue to balance proactive sales expansion and protective profitability improvement, while also building a foundation in terms of management and strategy, including strengthening governance, in preparation for the establishment of a global structure in the future. Until now, each business has been striving to achieve the world's highest standards in their respective fields of expertise. Going forward, we will integrate regional Group business operations with centralized management functions to establish a unified global strategy and organizational framework aligned with the headquarters. Furthermore, we will further strengthen our efforts in new areas such as e-Mobility, semiconductors, and the medical field, as outlined in the Medium-term Business Plan. Through proposals for the medical field utilizing micro welding, stamping and precise spring forming, as well as synergies with H&F and Via Mechanics, we will enhance our ability to make solutions for the expanding semiconductor and EV fields, aiming to accelerate growth. Even amid a challenging global economy, we will work to solve our customers' issues by refining our strategies in each region and developing new products and advanced service systems.

Challenge and Exploration in New Fields under the "AMADA ONE" Strategy

- Aiming for world-highest processing technology and innovation in all divisions
- Offering real full-process solutions as a group that no other company can match
- Strengthening proposals for digital and automation technologies
- Expanding in new industrial fields and overseas regions for each product

Proposing total solutions with AMADA's comprehensive capabilities to enhance efficiency



Business Overview
Sheet metal

Business overview and basic policy

The Sheet Metal Division accounts for 75% of consolidated revenue and is an area where we hold top-class market share on a global level. Going forward, we will expand and enhance our laser and welding business, a promising area for growth, while bolstering IoT support that places the highest priority on customers' facility utilization, and strengthening our environmental business amid a rise in ESG management.



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

Market environment and situation analysis

In the manufacturing environment, the industry faces increasingly severe issues, including labor shortages, soaring labor costs, and raw material price hikes due to the weak yen, which are becoming management issues of great attention for customers. To resolve these issues, we are enhancing our DX-driven automation solutions and continuing to develop products that are friendly to people and the environment.

In addition, decarbonization management, which has emerged from ESG management, is an urgent issue that has engulfed small and medium-sized manufacturing companies. We are working to help these manufacturers acquire SBT certification and to expand our product lineup to improve factory environments. There is also a need to strengthen online promotion as the world shifts to an era requiring swift business decisions and information filtering.

Major achievements and challenges in fiscal 2024

Fiscal 2024 marked our second year after opening AGIC, a facility for proposing new products to customers. To achieve market penetration of our new products, we strengthened sales of automation solutions and manufacturing DX solutions based on the expansion of our laser and welding business. However, a wave of commoditization, mainly spurred by products made in emerging countries, caused sluggish growth for some of our products; still, we developed products capable of competing with these on a global basis. At the same time, we took actions to expand our business by establishing a system in which all employees act with a global perspective.

Growth strategies (short and long term) / Specific strategies for fiscal 2025

In addition to direct sales and direct service to existing customers, where we maintain our conventional emphasis on dialogue with customers, we will strengthen inside sales, focusing on approaches to new customers as a market growth strategy. Moreover, as AGIC enters its third year of operation, our concepts and knowledge will be deployed to solution centers and technical centers in Japan and around the world to further expand the sheet metal business. In fiscal 2026, when we celebrate our 80th anniversary, we will hold special events to express our gratitude to our customers. In addition, we will further strengthen the Groupwide seamless strategy that we have been promoting for some time, and aim to capture new markets.

Business environment analysis

Business strengths

- Top domestic market share and top level of overseas market share
- Product lineup that covers all sheet metal fabrication processes and inter-process connections
- 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

Business challenges

- Proposal of the next mainstay products incorporating new technologies
- Transformation into a company not susceptible to macroeconomic changes
- Building a corporate structure that is not affected by public subsidies

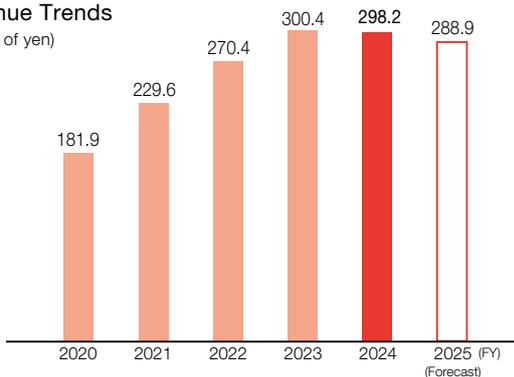
Opportunities

- 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

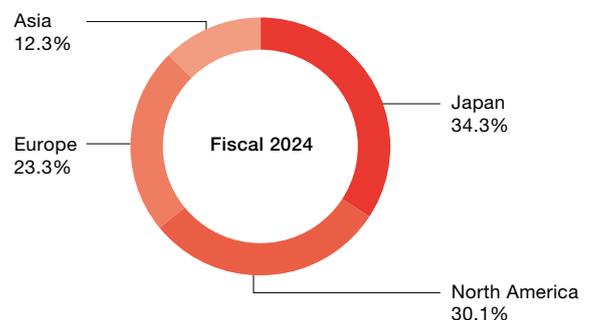
Risks

- Adapting to reduced steel production associated with the transition to a decarbonized society
- Adapting to shifts from steel to diverse materials for making products
- Adapting to commoditization as a result of enhanced technological strength of low-cost manufacturers and their expansion into the high-end market
- Global economic slowdown from concerns over Trump administration tariffs
- Increased geopolitical risk and development of trade blocs

Revenue Trends
(Billions of yen)



Percentage of Revenue by Geographical Segment



Business Overview

Micro welding

Business overview and basic policy

We will expand factory automation systems incorporating our proprietary technologies and strengthen our appeal in the e-Mobility, GX (green transformation/ decarbonization), digital infrastructure (semiconductors, electronic components), and medical (medical components) markets, which are expected to grow in the future. We also propose seamless manufacturing in Japan and overseas, encompassing everything from sheet metal to micro welding, cutting, grinding, and stamping, and aim to achieve our revenue target of ¥29.9 billion, including revenue from overseas.



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

Market environment and situation analysis

Growing geopolitical risk and political instability have also slowed the expansion of the global economy. In addition to this, the spread of battery electric vehicles (BEVs) has lost its initial momentum, putting the brakes on related investments. Since BEVs are one of the priority targets of the Micro Welding Division, this had a negative impact on the performance of its business. However, even under such circumstances, there have been cases where we have successfully provided battery welding machines designed for BEVs in consumer energy storage systems. Similar results can be expected in other target markets, and demand for switching to energy-saving models and for automation and efficiency improvement to address labor shortages remains high. We believe that our business has the products and technologies to overcome the current situation.

Major achievements and challenges in fiscal 2024

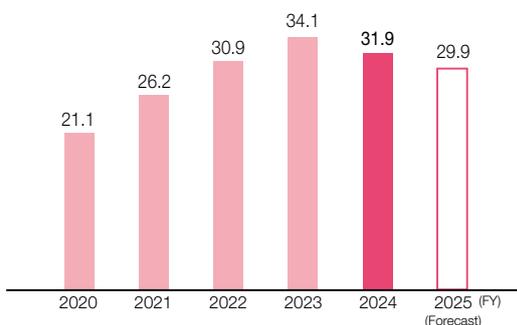
As for our results in fiscal 2024, sales of the MM-L400A laser weld monitor and system products were favorable both in Japan and overseas, and our seamless manufacturing proposals have been bearing fruit. In addition to the automotive industry, where demand for the MM-L400A has been high, there was an increase in medical components, where high unit cost and quality are important. There were also cases of laser products being introduced into the sheet metal industry. On the other hand, as we advanced seamless Group activities, the issue of insufficient resource sharing in sales activities and product development was revealed, and we are working to integrate core systems and bases to improve efficiency and strengthen collaboration.

Growth strategies (short and long term) / Specific strategies for fiscal 2025

The three pillars of our growth strategy are a focused approach to target markets, pitching new energy-saving models, and cultivating new markets through seamless manufacturing proposals. In addition to e-Mobility, where there is already high demand, we will exhibit laser cutting systems for medical parts at AGIC to strengthen our appeal in the medical field, and will also propose energy-saving laser thermal processing systems suitable for manufacturing semiconductors and electronic parts for digital infrastructure, where demand is growing with the spread of AI. In addition, a system for utilizing the knowledge, expertise, and sales network of the AMADA Group is now in place, and we will use this as a foothold to cultivate new markets.

Revenue Trends

(Billions of yen)



Business environment analysis

Business 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
- The AMADA Group's sales network (new market cultivation)

Business challenges

- Product development speed
- Resource sharing and efficiency on a global scale

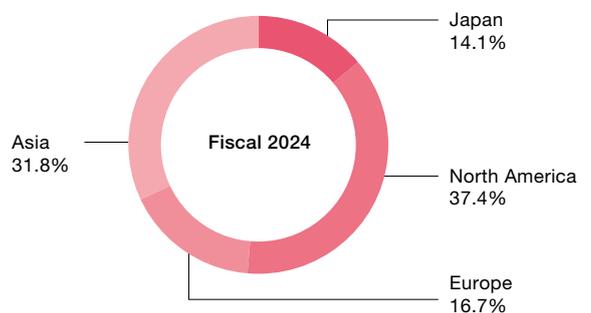
Opportunities

- Solid demand for micro welding and fabrication in e-Mobility, especially for motors, inverters, electrical components, and sensors
- Expansion of the micro welding and processing market due to growing demand for machines with high energy-saving performance, driven by the shift toward GX
- Growing demand for micro welding and fabrication in next-generation renewable energy fields such as fuel cells and perovskite solar cells
- 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

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 and supply chain disruptions caused by geopolitical risks and U.S. tariff policies

Percentage of Revenue by Geographical Segment



Business Overview

Cutting and grinding

Business overview and basic policy

The Cutting Division will strengthen product development by integrating machines and blades, taking advantage of our ownership of the only framework in the industry for developing, manufacturing, and selling both structural steel machines that cut and drill steel frames, as well as blades for cutting steel material.

In the Grinding Division, we will make stronger pitches for our products and automation solutions that utilize digital technology in order to expand sales.



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

Market environment and situation analysis

The continued uncertainty arising from U.S. tariff policy has stagnated the automobile, semiconductor, and processing industries, both in Japan and around the world. Particularly in Japan, we expect the external environment to remain challenging as the construction industry related to the cutting business remains stagnant due to inflation, rising interest rates, and the cancellation or postponement of major projects. Meanwhile, the need for automation to save labor due to labor shortages grows year by year, including integrated systems automating steel frame processes and grinding machines equipped with automatic measurement and compensation functions.

Major achievements and challenges in fiscal 2024

In the Cutting Division, as part of seamless Group activities, we switched some overseas regions to direct sales in cooperation with local agents, establishing a sales and support system capable of rapid action. We also worked to develop automation products meeting local needs in various countries outside Japan.

In the Grinding Division, we worked to develop labor-saving products and automation solutions to solve customers' issues. Outside Japan, our achievements have been tied to our efforts to cultivate agents.

However, due to the slump in the automotive and semiconductor markets and a more circumspect attitude toward U.S. policy trends, revenue declined 3.1% year on year in the cutting business and 2.1% in the grinding business.

Growth strategies (short and long term) / Specific strategies for fiscal 2025

In fiscal 2024, each of our businesses faced difficult conditions, with both revenue and profits down year on year. In fiscal 2025, we expect to once again face a severe situation due to a decrease in order backlogs, a slump in core markets, soaring material costs, and rising transportation costs. In this environment, we will leverage synergies among Group companies to make sales proposals that address customer priorities such as automation, energy conservation, high productivity, and improvement of the working environment. We also intend to accelerate the development of new products and services that immediately address the diverse needs of industry, seeking to provide further solutions in this area.

Business environment analysis

Business strengths

- Solid sales structure utilizing domestic and international sales and service networks
- Top global market share of band saw machines
- The only company in the world offering integrated development, manufacturing, sales, and service of band saw machines and blades
- Utilizing AGIC to solve customer issues
- Top market share of profile grinders
- Utilizing the Toki Technical Center to solve customer issues

Business challenges

- Strengthening of domestic and overseas production and supply systems
- Systematizing our sales structure
- Enhancement of next-generation nurturing
- Promoting product development that meets regional needs around the world

Opportunities

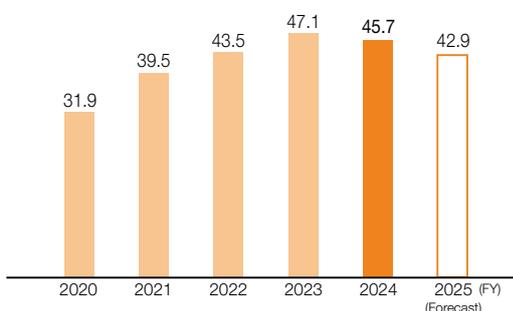
- Increase in need for automation and labor-saving, as well as operational improvement, due to changes in the manufacturing industry environment
- Increase in demand for products that have high environmental performance, high productivity, labor-saving ability, and automation due to an increase in the Company's awareness of the SDGs
- Increase in demand for rebuilds and upgrades due to aging urban infrastructure
- Increase in demand for machines used for punch & die and tools for grinding due to the developing shift to e-Mobility and 5G, as well as growth in AI demand

Risks

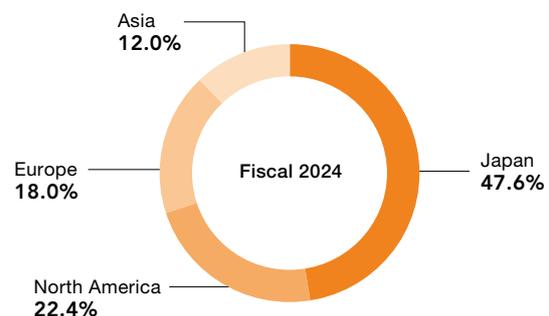
- Long-term changes in the steel industry toward carbon neutrality
- Adverse effects of geopolitical factors on the economy or on specific industries
- Economic recession and reduced capital investment due to depreciation of the yen and acceleration of inflation

Revenue Trends

(Billions of yen)



Percentage of Revenue by Geographical Segment



Business Overview
Press automation solutions

Business overview and basic policy

With our Groupwide goal to provide optimal press systems on a global basis, we will grow sales of integrated control products for stamping presses and their peripheral equipment, as well as line systems that combine presses and articulated robots, and strengthen our product lineup together with our new Group member H&F. In our overseas business, we will expand sales in North America and strengthen our sales structure in India along with China and ASEAN.



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

Market environment and situation analysis

In fiscal 2024, the Press Automation Solution Division, with AMADA PRESS SYSTEM at its core, saw signs of a gradual economic recovery, especially for demand in Japan, but raw material prices and transportation costs continued to soar. In addition to the slowdown in the trend toward EVs, there was a widespread trend toward a more circumspect attitude by companies to U.S. policy trends and cautious stance toward capital investments, the business environment remained challenging.

Major achievements and challenges in fiscal 2024

Given the severe external environment, we promoted sales of integrated control products for stamping presses and their peripheral equipment, as well as line systems that combine presses and articulated robots, worked to discover demand for equipment in Japan and overseas, strengthened engineering capabilities, and developed new customers. We have also worked to expand orders and revenue, such as with new stamping press facilities for metal separators for fuel cells to be used in fuel cell vehicles.

However, due to economic uncertainties in Japan and overseas, overall revenue for the Press Automation Solution Division decreased by 3.5% year on year to ¥19.588 billion.

Growth strategies (short and long term) / Specific strategies for fiscal 2025

In addition to automotive-related industries, where our major customers are, we will strengthen sales to customers in the construction and home appliance areas, and aggressively pursue the acquisition of new customers. In addition, as part of our expansion into global markets, we will grow sales in North America, while in Asia we will strengthen our sales structure in the Indian market.

We will further expand sales by strengthening cooperative synergies among the stamping press, peripheral equipment, and spring machine businesses, as well as with the AMADA Group as a whole. In addition, we will promote collaboration with H&F, which joined the Group in May and handles large and ultra-large stamping presses and their peripheral equipment, aiming to create synergistic effects as a corporate group that handles everything from small and medium-sized stamping presses to large and ultra-large stamping presses.

Business environment analysis

Business 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 savings, and enhanced productivity made possible by highly flexible automated systems
- Expansion of processing applications through the development of new processes using stamping press automation systems and spring forming machines

Business challenges

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

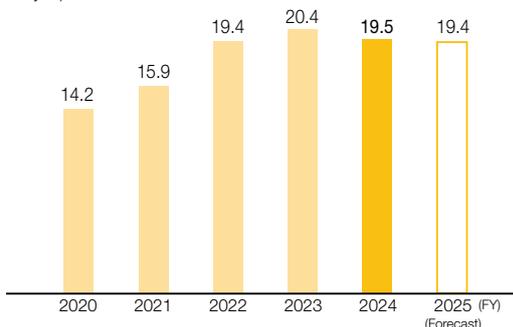
Opportunities

- Increase in demand for safety, automation, and labor-saving 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 offering optimal processing solutions for changes in needs and processing/materials of our customers

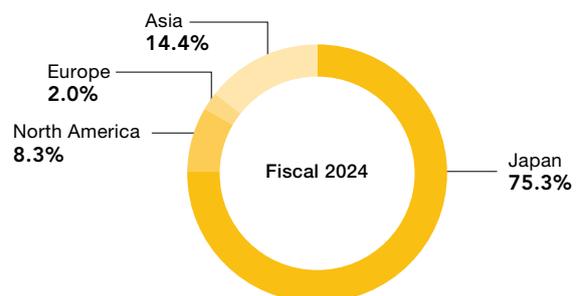
Risks

- Decrease in products made from existing stamping press processing and changing production methods
- Increasing costs of manufacturing our own machines
- Supporting diversifying products
- Global expansion in existing markets

Revenue Trends
 (Billions of yen)



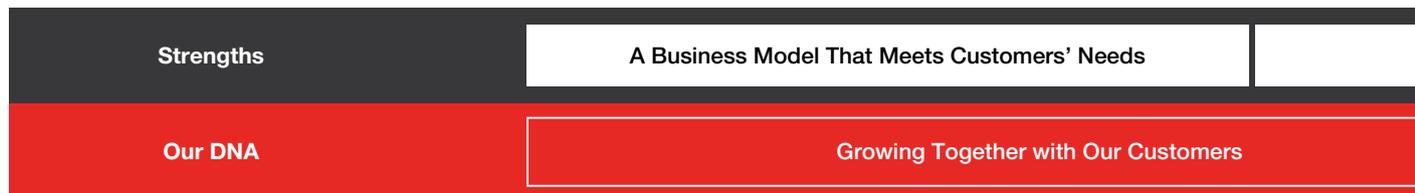
Percentage of Revenue by Geographical Segment



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

We identify the diversifying needs and issues of our customers and develop technologies and products that match their requirements at a higher level of 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 17 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.



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.



DX

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



Services



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

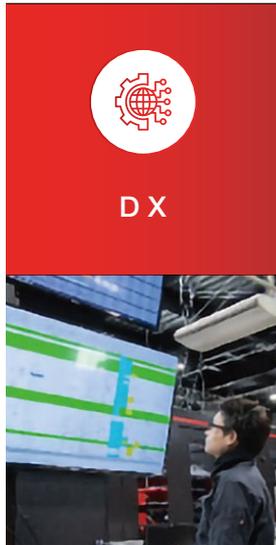
Through our industry-pioneering direct sales and service, we identify our customers' true needs and issues. Using our abundant expertise in fabrication, we make optimal proposals based on our differentiated technical capabilities and testing through process verification. In addition, we will enhance 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 approximately 30%, which is an extremely high level in the industry.

Direct sales and direct service value chain



New dimensions of value through digital transformation

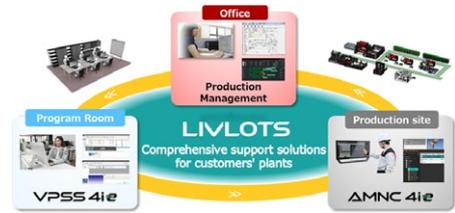
The AMADA Group is working toward digital transformation (DX) both for customers and for internal use. On the customer side, we offer LIVLOTS, a manufacturing DX solution that links information from shop floors, offices, and program rooms, as well as V-factory, which allows for visualization of customers' production status and IoT support functions to ensure machines keep running. In DX for internal use, we are evolving AMADA's unique experience and expertise in direct sales and direct service into data-driven activities to enhance customer support and, at the same time, to make such activities more efficient.

Furthermore, our DX for development and manufacturing includes efforts to improve operational efficiency through digitalization and data integration of operations in each division, and to strengthen engineering chain management (ECM) and supply chain management (SCM). In SCM in particular, we are also strengthening our relationships with suppliers, reflecting on the delay in lead time for delivery to customers due to the COVID-19 pandemic.

Customer DX

LIVLOTS DX solution

This system is designed to realize waste-free production in response to high-mix and variable production. By connecting the customer's offices, program rooms, and shop floors, the system consolidates information necessary for production (details about workers, products, and tasks) and allots the highest priority tasks to the site and each machine. We are continuing to evolve this mechanism as a foundation that supports customers' competitiveness by eliminating the fragmentation of manufacturing sites.



V-factory DX operation assurance solution

This is a system that utilizes IoT to visualize any issues in real time in our customers' factories and realize high-value-added production. The system can share the same information to all employees involved in production, from factory management to operators, leading to quick problem solving. This unlocks the creation of high added value, such as increased productivity, reduced costs, and increased motivation. Data will be used to facilitate transformation into factories that are constantly growing.



In-house DX

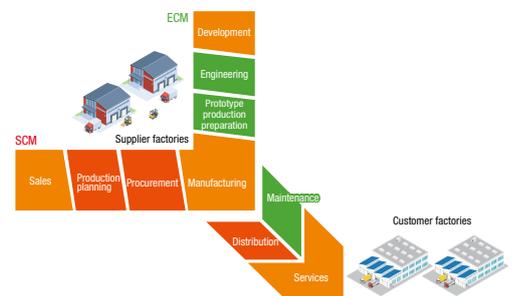
ADMS: DX for sales and service

This DX platform has evolved AMADA's unique direct sales and direct service business processes to become data-driven and digital. We provide optimal solutions quickly by centrally managing the status of equipment installation and machine utilization data for each customer, harnessing this data for proposals and service support. Through integrated analysis of accumulated data, we aim to create new business opportunities and resolve social issues faced by the manufacturing industry, as well as provide even more superior products and services.



APEX: DX for development and manufacturing

We are engaged in DX-driven innovations in two core areas. The first is SCM, linking production information for all processes from sales to production planning, procurement, and manufacturing, and the second is ECM, linking engineering information for all processes from development to manufacturing and services. This new production management system will realize significant efficiency improvements in response to high production loads and increasing indirect operations due to diversified specifications. By increasing our own development and production capabilities, we are strengthening the competitiveness of the solutions we provide to our customers.



Research and Development



The source of our world-leading technological prowess

The AMADA Group develops technologies capable of contributing to problem-solving at a higher quality by identifying the diverse issues faced by its customers. Originating from our 17 development bases in Japan and overseas, we develop products in a way rooted in regional characteristics and our customers' production activities. Furthermore, at the product planning, development, and procurement stages, we set clear goals for the environmental impact of our products and conduct evaluations at each step of development in order to launch products with industry-leading environmental performance. AMADA maintains more than 1,300 patents at any given time in Japan and overseas. We actively invest in intellectual property, filing more than 100 new patent applications per year, to secure a competitive advantage in the global

market. In laser technology, an area of increasing demand, we have developed a variety of oscillators in-house, including fiber lasers, YVO4 lasers, YAG lasers, and direct diode lasers. In addition to processing machines, we have developed AMTES, an autonomous mobile transport engineering system, and manufacturing DX, which visualizes and optimizes production progress, aiding automation and productivity improvement throughout our customers' plants. Going forward, we will further accelerate innovation through the use of AI and DX to improve development process efficiency, enhance green materials and recycling-oriented technologies, and strengthen global R&D collaboration.

Notable strengths and capital

- 1 Global R&D bases** Active in R&D at 17 bases in Japan and overseas
- 2 Intellectual property network** More than 1,300 cumulative patents in Japan and overseas



Outcomes

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

**Metal Forming Technical Grand Prize, Japan
Welding Engineering Society Awards, etc.
10 awards (fiscal 2024)**

Message



Kazuyuki Yamauchi
Executive Officer
Senior Executive
General Manager of
Sheet Metal Technology
Development HQ

In recent years, labor shortages and rising labor costs due to low birthrates and aging societies in developed countries have led to a rapid increase in the need for labor-saving and automation in the manufacturing industry. To meet this challenge, AMADA offers products and solutions focusing on inter-process logistics in addition to the automation of various processing machines. Logistics involves labor-intensive processes that do not lead to added value; therefore, automating this area will allow customers to focus on more knowledge-intensive tasks. The autonomous mobile transport engineering system AMTES was born from this idea. AMTES robots work in conjunction with punching, bending, welding, and other processing machines to transport the needed parts at the needed timing, thereby boosting production efficiency. Furthermore, based on the idea that "you can't improve what you can't see," LIVLOTS visualizes conditions in the factory to help better understand the site and share knowledge for greater labor savings. In sheet metal fabrication, there are still many processes that require human judgment. In the future, we will combine detection by sensing devices, judgment assistance by AI, and work substitution by robots to further reduce labor through automation and provide added value to our customers.



Direct sales and direct service value chain



Co-creation



The source of our world-leading technological prowess

In February 2023, the AMADA Group opened the AMADA GLOBAL INNOVATION CENTER (AGIC) on the premises of our head office as a “place for co-creating the future of metalworking.” Since its opening, the center has been visited by many stakeholders from Japan and abroad, bringing in approximately 8,300 companies and 18,000 visitors in two years. By focusing on “why we can do it” rather than “what we can do” through the machines and technologies of the AMADA Group, we hope to deepen understanding and drive transformation in manufacturing. At Innovation LABO, a facility on AGIC’s premises, we work alongside customers to verify their processes and tackle the challenge of future processing technologies. We create new processing technologies with our customers by watering

the seeds provided by the AMADA Group with the needs of our customers and the challenges they face. The number of requests for Innovation LABO showed an upward trend in fiscal 2024, approximately 2.5 times the previous fiscal year’s level. In addition to existing sheet metal-related fabrication issues and process method reforms, there has been an increasing number of verifications related to new markets for AMADA, such as e-Mobility, semiconductors, and metal additive manufacturing.

Going forward, Innovation LABO will continue to solve problems through co-creation with customers and create new businesses.

Notable strengths and capital

1 AGIC (center for co-creation)

Total floor space of 30,000 m², one of the largest in Japan, with over 90 models of equipment on display (opened in 2023)

2 Unique business model

Achieving direct co-creation through direct sales and direct service



Outcomes

Number of companies and people visiting AGIC:
Approx. 8,300 companies and 18,000 people
(as of May 2025)

Verifications conducted at LABO: 2.5x
(year on year)
LABO new business ratio: 45%

Message

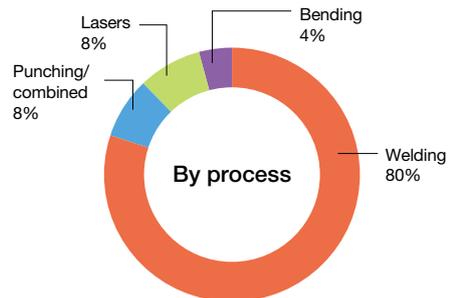


Kazuhiro Kishimoto
Executive General Manager
Innovation Center

With the opening of AGIC, AMADA has also launched the new Innovation LABO initiative. With LABO, we aim to release products in a timely manner that match the functions demanded by customers and the needs of the market.

Specifically by process, 80% of LABO verifications are related to welding. This is because the welding process has the lowest rate of automation among sheet metal processes and is affected by previous processes such as blanking and bending, making it the process with the most challenges at customers’ manufacturing sites. By market, verifications related to our existing business of sheet metal fabrication accounted for 55% of the total.

However, new markets for AMADA such as e-Mobility, semiconductors, and metal additive shaping, as well as new business areas such as new materials and difficult-to-process materials are on the rise at 45%. In our efforts so far, we have been tackling the challenge of future processing technologies by examining our customers’ manufacturing. Going forward, we will continue to contribute to society through new manufacturing under the slogan of “FUTURE TECHNOLOGIES with AMADA.”





Manufacturing

Manufacturing capabilities supporting the world

To ensure the stable operation of machines at its customers' plants, the AMADA Group is rigorous in its quality control more than anything else. Among these efforts, 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, we are committed to determining the best location for production at each production base, 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 from DX are driving further improvements in productivity, increased overall factory efficiency, and stronger collaboration with suppliers.

Notable strengths and capital

- 1 **Global production network** Local production and supply system in 30 locations in Japan and overseas
- 2 **Unique integrated production system** Centralized information management and a production system resistant to fluctuations through DX



Outcomes

Maximum lead time reduction of 80% for mainstay fiber laser machines with introduction of manufacturing DX

Flexible production system

Message

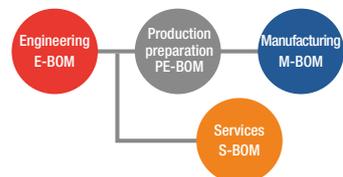


Fujio Kai
Senior Corporate Officer
Senior Executive
General Manager of
Production HQ

At the Fujinomiya Works, our mother plant where we jointly engage in manufacturing and development, we have launched the new APEX production system. This new system can provide centralized management and visualization of technical and manufacturing information that can be used in service operations at the customer's site, in addition to development, manufacturing, and collaboration with major business partners. In addition, to improve the efficiency of overall business activities from both SCM and ECM perspectives, this system will be deployed to production bases in Japan and overseas for real-time information sharing and reinforcing the production system of the entire AMADA Group.

To build a global production system, we are also increasing our procurement capacity outside of Japan, particularly in India, China, and other parts of Asia. We aim to further strengthen our cost competitiveness by increasing the number of options to flexibly address exchange rate fluctuations and by supplying centrally managed common parts to manufacturing bases all over the world at optimal costs. In response to evolving manufacturing environments—including growing geopolitical risks, labor shortages, and U.S. tariff policies—we conduct simulations to determine the most effective production strategy, specifically how much of which products to manufacture at which facilities. This enables us to establish a flexible production system capable of meeting our customers' increasingly sophisticated demands.

Centrally managing and visualizing engineering and manufacturing information on a single platform



Direct sales and direct service value chain



Sales

Solution proposal capability tailored to customers' challenges

The AMADA Group's sales structure is based on a global direct sales network of approximately 240 bases, with customers in more than 100 countries around the world, and is thoroughly committed to providing field-based, problem-solving sales proposals. Based on field interviews and technical verification, our sales representatives in each region provide a one-stop service from problem identification to the proposal of optimal solutions and implementation support. We have significantly enhanced the quality, speed, and management capabilities of our proposals thanks to two core elements: our sales DX platforms such as AMADA DX Management Solutions (ADMS), which has evolved our sales and services to be

based on data, and data-driven sales utilizing customer relationship management (CRM).

We are actively establishing new bases in locations such as Europe and India. We not only sell individual machines but also provide comprehensive solutions such as automation, labor saving, and DX for entire factories. In addition, we have expanded non-face-to-face proposals through online proposal meetings and seminars. Going forward, we will achieve sustainable growth by combining our digital technology and on-site capabilities, and by developing new global markets and cultivating existing customers.

Notable strengths and capital

1	Global direct sales network	More than 240 sales bases and approx. 134,000 existing global customers
2	Proposal-based sales + unique sales DX	Problem solving based on field interviews and technical verification Data-driven proposal accuracy improvement and efficient sales activities



Outcomes

Machines in operation in over 100 countries

More than 400,000 units

Increasing acquisition of new business

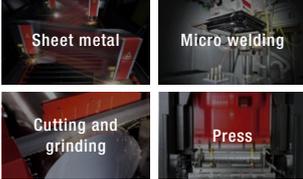
(DX/automation, etc.) projects

Message



Masahiko Tadokoro
Director, Senior Executive Officer
Senior Executive General Manager of Engineering Sales Business & Service HQ

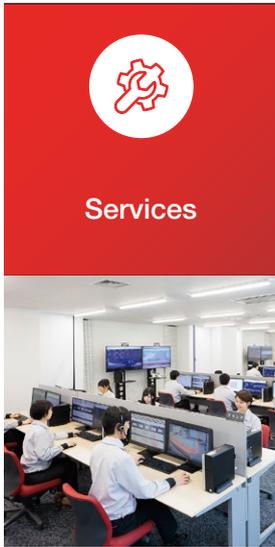
The AMADA Group has approximately 63,000 customers in Japan in the sheet metal fabrication, micro welding, cutting, grinding, and pressing businesses. Since October 2023, we have been sharing customer information between our businesses, strengthening cross-business sales activities, jointly operating exhibitions and events, and integrating online sales. Through these efforts, we will further expand the range of our proposals to our customers. In 2024, we fully launched the AMDS digital platform for sales and services. This platform has integrated functions such as sales support systems, digital proposal tools, and marketing automation tools. This has created a system that allows even inexperienced employees to provide the same quality of customer service without hesitation. It is now possible to make optimal proposals based on data for each customer and to acquire information in real time. In addition, new business opportunities will be created through the analysis of marketing data.



Semiconductors



Medical
EVs/mobility



Services

Total support to keep factories running

The AMADA Group is strengthening its IoT maintenance system with approximately 1,700 service engineers globally and is armed with V-factory, aiming to always keep factories running. This system remotely monitors approximately 9,200 units (as of September 2025) of equipment connected to V-factory worldwide, quickly detecting abnormalities and failure signs, and conducting online diagnoses and preventive maintenance. This has resulted in stable operations and high customer satisfaction. The establishment of the BCP Remote Monitoring Center and the launch of our web-based parts ordering service are speeding up restoration and parts supply in the event of an emergency. Our stable revenue

base has been created thanks to after-sales service, accounting for about 30% of total revenue.

The AMADA Technical Education Center (ATEC), which opened in 2024, provides not only technical education for engineers but also training to improve customer service skills. Participating engineers receive an educational curriculum designed to ensure high quality service, no matter the customer's country. Going forward, we will continue to pursue the industry's highest level of trust and value as a true partner that works alongside our customers on-site, providing even stronger support for DX, operation assurance, and asset life cycle optimization at their factories.

Notable strengths and capital

1	IoT-based maintenance via V-factory	Units connected to V-factory: Approx. 9,200 globally (September 2025)
2	Global service human resources	Approx. 1,700 excellent service engineers in 36 countries



Outcomes

Revenue from services Approx. 30%	Automated response rate to customer inquiries 90%
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Message



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

The service business accounts for approximately 30% of global revenue, and the foundation of this business is the V-factory DX operation assurance solution. Approximately 9,200 units (as of September 2025) have already been connected to V-factory worldwide, mainly new models, for utilization analysis. In addition to our field service, we have remote IoT support contracts for 4,300 units (including 2,500 in Japan), and are steadily expanding revenue in this area. In particular, our IoT-linked maintenance contracts, which were first introduced in Japan, have led to an increase in revenue of ¥1 billion (¥500 million annually) in just two years. Another of AMADA's strengths lies in its direct service organization, comprising over 1,700 members. At ATEC, which we opened in 2024, service engineers not only hone their advanced skills, but we also develop human resources capable of proposing solutions to customers supporting their entire factories. To address the challenge of human resource shortages faced by our customers, we will use system and robot integration and information technologies to solve their problems and achieve sustainable growth through the creation of new businesses.



In a virtual factory reproduced in a production engineering simulation room, engineers are provided with training on how to make proposals to solve customer issues.

The AMADA Group's Sustainability

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" helps 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 (ESG), and will advance initiatives to build a sustainable society as well as to 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 Structure

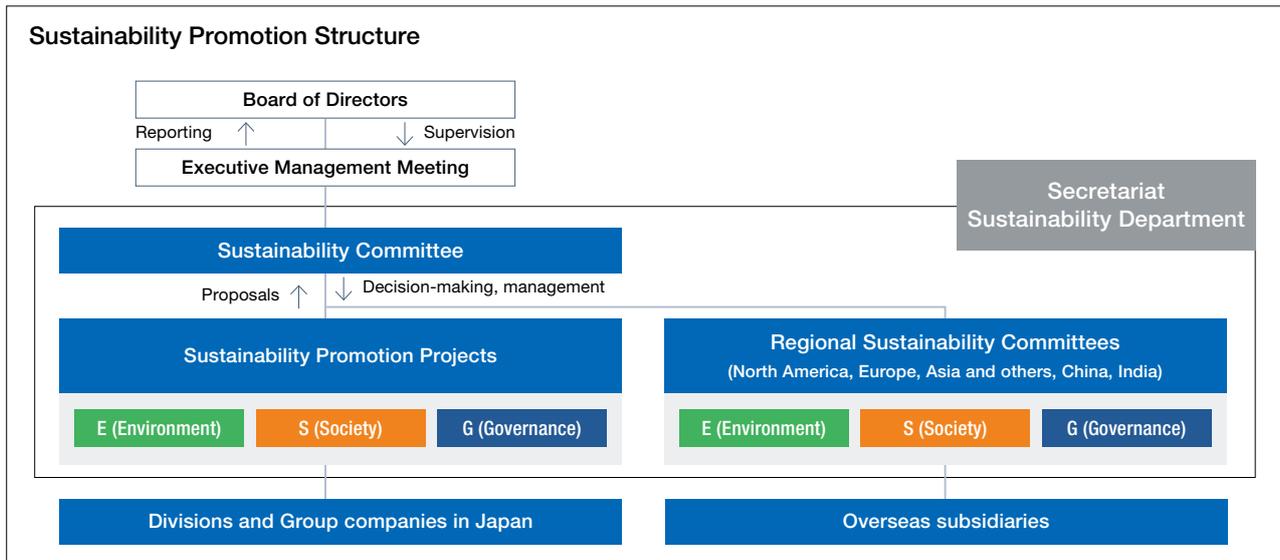
In fiscal 2024, AMADA improved its sustainability promotion structure to enable the entire Group to work together in addressing ESG challenges.

We newly established the Sustainability Committee as the decision-making body for key sustainability policies and action plans. The committee is chaired by the president and consists of officers responsible for business and functional areas. It manages goals and action plan progress. We have launched Sustainability Promotion Projects under the Sustainability Committee, composed of departments and business divisions responsible for each ESG issue. These

projects are responsible for formulating action plans for key issues and planning and promoting initiatives.

As for overseas, we have established a governance framework to ensure consistent global implementation by creating regional sustainability committees to oversee each of the five regions, and by appointing ESG promotion managers to all Group companies outside Japan.

The Board of Directors serves as the body overseeing the implementation of sustainability initiatives, reporting annually on progress and challenges.



To accelerate our global initiatives, we held a Global Sustainability Promotion Meeting to share challenges and future action plans between the Sustainability Promotion Projects and the management teams of our overseas subsidiaries.

The head office also shared a review of the relevant activities and insights into our future direction, and an exchange of opinions took place. Additionally, as an effort to strengthen domestic and international collaboration, initiatives from overseas subsidiaries in countries such as Italy were shared, providing helpful references for activities at each company. Following this meeting, we have been advancing

discussions and deliberations aimed at promoting sustainability in a unified manner across countries and regions.



Message

Becoming the Company of Choice

For the AMADA Group, sustainability is an important driver of medium- to long-term growth, and we are therefore addressing key ESG issues on a global basis. Expectations and demands from stakeholders are becoming increasingly broad and diverse. We believe that capturing these changes and leveraging our accumulated technologies, business models, and networks to address social challenges will lead to sustainable growth.

By constantly pursuing and delivering the unique social value that only AMADA can provide, we will contribute to building a sustainable society and strive to be the company of choice for all our stakeholders.



Kei Kimizu
General Manager,
Sustainability
Department

Foundations for Value Creation

Key Issues and Initiatives

The AMADA Group has formulated its Long-term Vision 2030. Toward this target state for 2030, we have established the promotion of the environment, society, and governance (ESG) as a key initiative for its achievement. Simultaneously, we have set ESG management and the reinforcement of the organizational structure as a basic strategic policy in Medium-term Business Plan 2025. We then highlighted sustainability issues that are most relevant to AMADA’s business environment and to each of our stakeholders. After internal review discussions on these issues from the perspective of the impact on both our business and our stakeholders, we identified the AMADA Group’s key issues. These key issues correspond to the United Nations Sustainable Development Goals (SDGs), and we believe that achieving our targets will also contribute to achieving these SDGs.

We are carrying out initiatives across the Group on each of the ESG themes, aiming to reach targets set over the medium term (fiscal 2025) and long term (fiscal 2030) for key issues and quantitative/qualitative indicators.

The results for fiscal 2024 against the medium-term targets are as follows.

In the area of the environment, our climate change targets through fiscal 2025 include a 70% reduction in CO₂ emissions (Scope 1 and 2) across all business sites and plants, and a 50% reduction in CO₂ emissions (Scope 3 Category 11) for all products (both compared to fiscal 2013). By implementing energy-saving measures, transitioning to renewable energy, improving production efficiency, and expanding sales of products designed to reduce CO₂ emissions, we once again achieved our targets in fiscal 2024 after doing the same in

fiscal 2023.

As for society, based on the AMADA Group’s Management Philosophy and Basic Policy on Sustainability, we have identified the following key themes, set corresponding targets, and are advancing initiatives accordingly: Developing human resource capability, promoting diversity, and creating a rewarding workplace. As for developing human resources, we met our targets by expanding programs for new employee training and development of global human resources, technical human resources, and leaders. For promoting diversity, in recognition of 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. Our efforts to create a rewarding workplace, with a focus on flexible work styles and work-life balance support, resulted in achieving our targets for both the paid leave acquisition rate and male childcare leave acquisition rate.

As for governance, we introduced a stock-based compensation program for internal directors that is linked to our medium-term business plan. Furthermore, the appointment of a female external Audit & Supervisory Board member has enhanced the overall diversity of the Board of Directors.

Meanwhile, countries around the world are increasingly developing legal regulations concerning the disclosure of sustainability information. Therefore, we are reevaluating our key issues with an eye toward compliance with bodies and standards such as the Sustainability Standards Board of Japan (SSBJ) and the European Sustainability Reporting Standards (ESRS).

	Key Issues	Initiatives	SDG Target Contributions
E nvironment	<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 ocial	<ul style="list-style-type: none"> • Developing human resource capability • Promoting diversity • Creating a rewarding workplace 	<ul style="list-style-type: none"> • Strengthening education of expert human resources in line with growth strategies (advanced technology, DX, global, etc.) • Creating an environment where women can demonstrate their abilities and strengthening leader development • Flexible work arrangements and appropriate evaluation and salary systems 	
G overnance	<ul style="list-style-type: none"> • Creating diversity on the Board of Directors • Strengthening the Board of Directors’ functions • Revising the officer remuneration system • Ensuring thorough compliance • Strengthening risk management 	<ul style="list-style-type: none"> • Ensuring sustainable growth through diverse perspectives and values • Improving effectiveness through discussion and monitoring of medium- and long-term issues • Compensation system that contributes to achieving medium- and long-term goals and increasing corporate value • Fostering compliance awareness by revising and disseminating our Corporate Code of Conduct • Reinforcing information security risk mitigation according to the progress of growth strategies 	

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

External Evaluations

FTSE4Good Index Series



FTSE4Good

Since 2024, AMADA has been a member of this index, developed by FTSE Russell reflecting the performance of companies demonstrating strong practices particularly in ESG areas around the world.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that AMADA CO., LTD has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Index



FTSE Blossom Japan Index

Since July 2024, AMADA has been a member of this index, developed by FTSE Russell reflecting the performance of companies demonstrating strong ESG practices in Japan.

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

Since March 2022, AMADA has been a member of this index, developed by FTSE Russell reflecting the performance of companies demonstrating strong ESG practices in Japan.

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 Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数

Since June 2023, AMADA has been included in this index developed by Morgan Stanley Capital International (MSCI), which selects companies with outstanding ESG initiatives. AMADA has received an A rating in the MSCI ESG Ratings, which assesses companies around the world that are involved in ESG activities.

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.

S&P/JPX Carbon Efficient Index



AMADA is a member of this index, which was developed by the U.S.-based S&P Dow Jones Indices and the Japan Exchange Group. With the TOPIX as its underlying index, this index weights component stocks with a focus on environmental information disclosure status and carbon efficiency (carbon emissions per unit of revenue).

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.

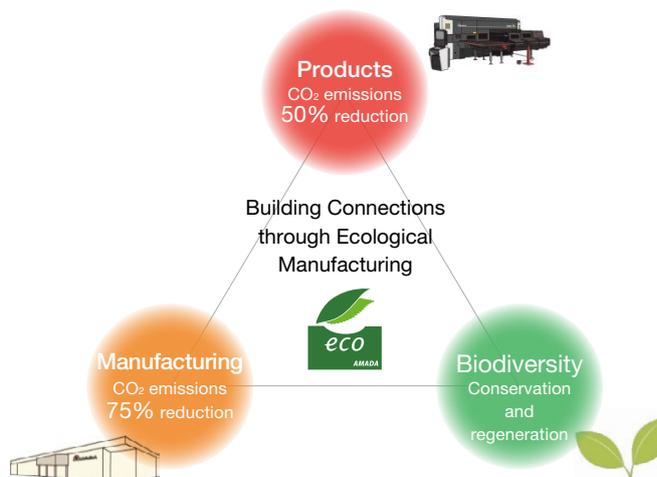
Indicators	Scope	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Targets	Fiscal 2030 Targets
Reduction of product CO ₂ emissions	Consolidated (vs. fiscal 2013)	58.4% reduction	69.1% reduction	50% reduction	50% reduction
Reduction of business site CO ₂ emissions		73.4% reduction	75.7% reduction	70% reduction	75% reduction
Education and training hours per employee	Major Group companies in Japan*	47.7 hours	41.7 hours	40 hours	45 hours
Number of female managers		15	17	24	40
Rate of female new graduates hired		32.6%	27.6%	25%	25%
Paid leave acquisition rate		74.3%	77.1%	80%	100%
Childcare leave acquisition rate (men)		68.2%	82.5%	70%	100%
Childcare leave acquisition rate (women)		100%	100%	100%	100%
Ensuring diversity on the Board of Directors	Consolidated	Independent external directors: 4 of 9 Female directors: 1	Independent external directors: 4 of 9 Female directors: 1 Female Audit & Supervisory Board members: 1	Increase in diversity	Maintenance/Increase
Review of directors' remuneration system	Consolidated	—	Introduced stock-based compensation linked to the medium-term business plan	Introduction of medium- to long-term incentive plan	Reinforcement of management structure

Environment

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 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 ecofriendly 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 62% of units sold (data from fiscal 2024).



AMADA’s electric servo bending machine

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 have made AMADA AUTOMATION EUROPE the first of the AMADA Group's manufacturing bases to achieve carbon neutrality. As of fiscal 2024, our overall rate of introducing renewable energy outside Japan has increased to 18%, with approximately 7,400 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 2024, solar panels were newly installed at the ATEC building of the Isehara Works, bringing the total to seven locations. 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 68%, or approximately 70,000 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 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 IUCN² Red List of Threatened Species. We also evaluated protected marine and land-based areas as



Fujinomiya Works "office in the forest"

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

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

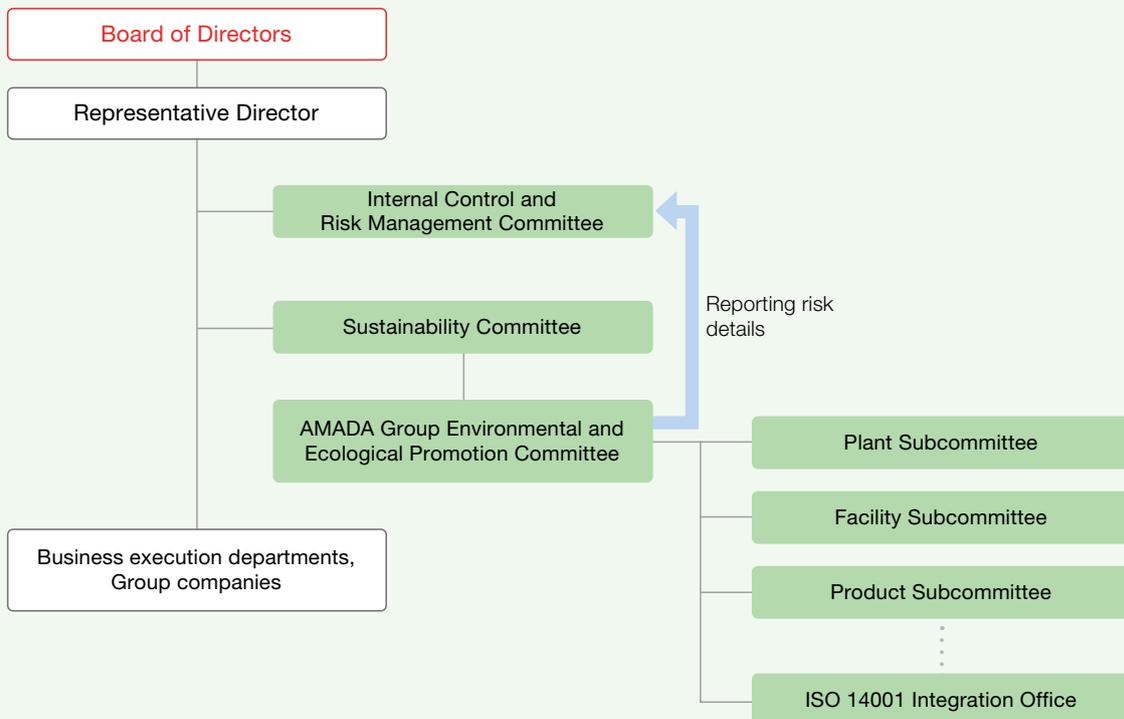
The AMADA Group addresses overall sustainability matters through its Sustainability Committee, which is chaired by the Representative Director, President. Within this framework, responses to environmental issues, including climate change, are implemented by the AMADA Group Environmental and Ecological Promotion Committee under the supervision of the Sustainability Committee.

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 through the Sustainability Committee 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

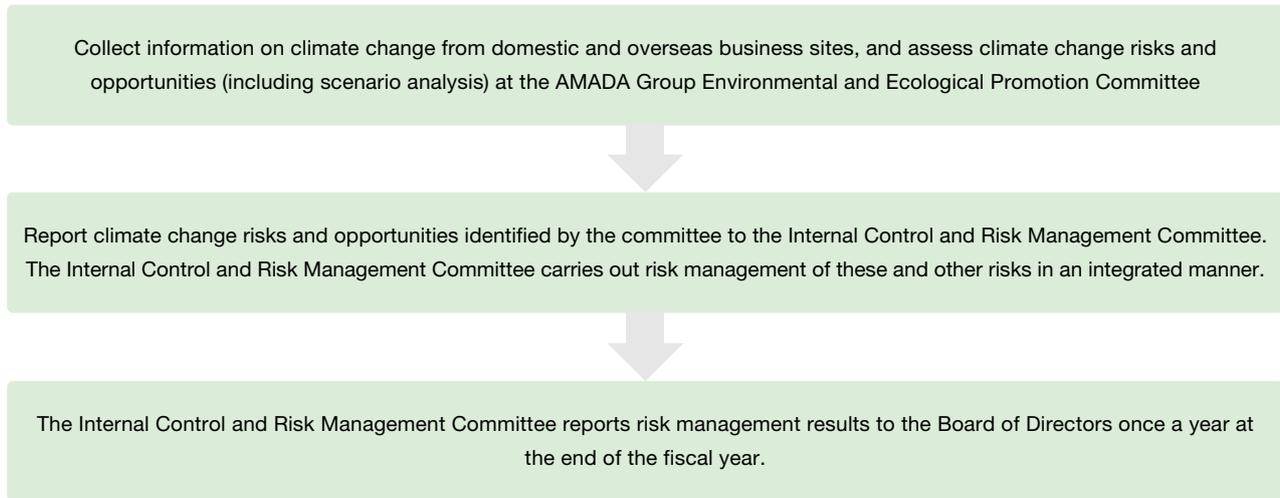
* Assumed CO₂ emissions are 75% less than fiscal 2013 Scope 1 and Scope 2 emissions for all business sites and plants, based on Group targets.

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 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 2024 Targets	Fiscal 2024 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): 811,635 t-CO₂ (Domestic: 336,011t-CO₂, overseas: 475,624t-CO₂) 	<ul style="list-style-type: none"> CO₂ emissions for all products: -45.8% (vs. fiscal 2013) 	<ul style="list-style-type: none"> CO₂ emissions for all products: -69.1% (250,449 t-CO₂) [Achieved] [Domestic] -65.3% (116,664t-CO₂) [Overseas] -71.9% (133,785t-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 (Domestic: 37,163t-CO₂, overseas: 22,022t-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:-64.2% (vs. fiscal 2013) Scope 1 and Scope 2 Scope 1 and Scope 2 Energy intensity per revenue 53.0t-CO₂/billion yen 	<ul style="list-style-type: none"> CO₂ emissions at all business sites and plants: -75.7% (14,378t-CO₂) [Achieved] [Domestic] -91.1% (3,323t-CO₂) [Overseas] -49.8% (11,055t-CO₂) Scope 1 and Scope 2 Energy intensity per revenue 36.2t-CO₂/billion yen
(2) Realizing a recycling-oriented society	<p>Effectively Using Resources</p> <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: -4.5% (vs. fiscal 2019) Landfill volume of all waste: -4.5% (vs. fiscal 2019) Zero emission rate: 0.774% or less (Japan) Total water consumption: -4.5% (vs. fiscal 2019) 	<ul style="list-style-type: none"> Total amount of waste: -3.8% (6,015t) [In progress] [Domestic] +0.5% (3,754t) [Overseas] -10.1% (2,261t) Landfill volume of all waste: [Domestic] -39.1% (18.4t) [Achieved] Zero emission rate (vs. fiscal 2019): 0.49% (Domestic) [Achieved] Total water consumption (vs. fiscal 2019): -42.9% (244.1 thousand m³) [Achieved] [Domestic] -55.7% (117.5 thousand m³) [Overseas] -21.9% (126.6 thousand m³)
(3) Management of chemical substances	<p>Appropriately Managing and Reducing Regulated Chemical Substances (Japan)</p> <ul style="list-style-type: none"> Hazardous chemical substances: -10% (Fujinomiya: 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: -4.5% (vs. fiscal 2019) 	<ul style="list-style-type: none"> Hazardous chemical substances (vs. fiscal 2019): -23.1% (8,416 kg) [Achieved]
(4) Biodiversity	<p>Conserving and Regenerating Biodiversity by Capturing Nature-Related Risks and Opportunities (Japan)</p> <ul style="list-style-type: none"> Fiscal 2030: Forest management plan (Fujinomiya) and green infrastructure³ 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 54,197t-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 1,843,569t-CO₂ base value in fiscal 2019).

Our results in fiscal 2024 were -73.5% (14,378t-CO₂) versus fiscal 2019 for Scope 1 and Scope 2 and -1.2% (1,821,207t-CO₂) versus fiscal 2019 for Scope 3 (Category 1 and Category 11).



Society

The AMADA Group's Human Capital Strategy

The AMADA Group, guided by our Management Philosophy of “Growing Together with Our Customers,” considers people to be our most important asset for enhancing sustainable growth and competitive advantage. Accordingly, we implement a human capital strategy aimed at maximizing employee capabilities. This human capital strategy is closely aligned with the AMADA Group's management policies and vision. Even in an era of significant structural changes in both society and industry, we are committed to creating sustainable corporate value as a one-of-a-kind company supporting global manufacturing.

In our medium-term business plan, we are working to strengthen the skills of our specialists, including laser engineers and DX talent, as well as conduct reskilling initiatives. Furthermore, we are conducting education by job title for young to mid-career employees and fostering the development of next-generation management executives from a global perspective.

Alongside these efforts in Developing and Training Human Resources, we have established two other priority issues—Promoting Diversity and Creating a Rewarding Workplace—to realize an environment where all employees can thrive regardless of diverse values, backgrounds, or circumstances. Based on these, we are advancing these initiatives with specific targets set for each.

Three Priority Measures

Key Issue

(1) Developing and Training Human Resources

Since our founding, 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. Even amid today's rapid technological evolution and industrial transformation, AMADA maintains competitive advantages in field capabilities, technological prowess, and customer-oriented problem-solving strengths.

To further enhance these capabilities, acquiring new knowledge

and skills in such areas as DX and AI is essential, in addition to the traditional passing on of skills. Furthermore, since we operate on a global level, AMADA must respond to rapidly and intensely changing international affairs. Systematically developing business leaders and global human resources while accommodating diverse career aspirations and values forms the foundation for sustainable growth and corporate transformation into the future.

Key Issue

(2) Promoting Diversity

The advancement of globalization, alongside low birthrates and aging societies, makes the active participation of diverse talent increasingly important. We will work to promote our employees regardless of gender, age, nationality, race, sexual orientation, gender identity, or disability. By having human resources with diverse perspectives and

experiences participate in value creation, we aim to foster innovation and improve the quality of decision-making. We are also focusing on gender equality, including setting targets to increase the ratio of female managers.

Key Issue

(3) Creating a Rewarding Workplace

Creating a workplace environment where employees can work with peace of mind and achieve long-term results is a core element of AMADA's management strategy. Through regular engagement surveys, we incorporate employee feedback into management decisions, improving systems and the workplace environment in a way that enhances job satisfaction. Furthermore, we are engaged in health and productivity management initiatives to ensure employees

can maximize their abilities while maintaining good physical and mental health. Our efforts have led to our recognition as a Certified Health & Productivity Management Outstanding Organization for health and productivity management efforts. This directly contributes not only to enhancing employee well-being but also to improving our sustainable productivity and competitiveness as an enterprise.

Message



Shinichi Takano

Corporate Officer
Executive General
Manager of Human
Resources
Department

For AMADA, human capital management is not just how we manage people, but rather the foundation supporting all our corporate activities.

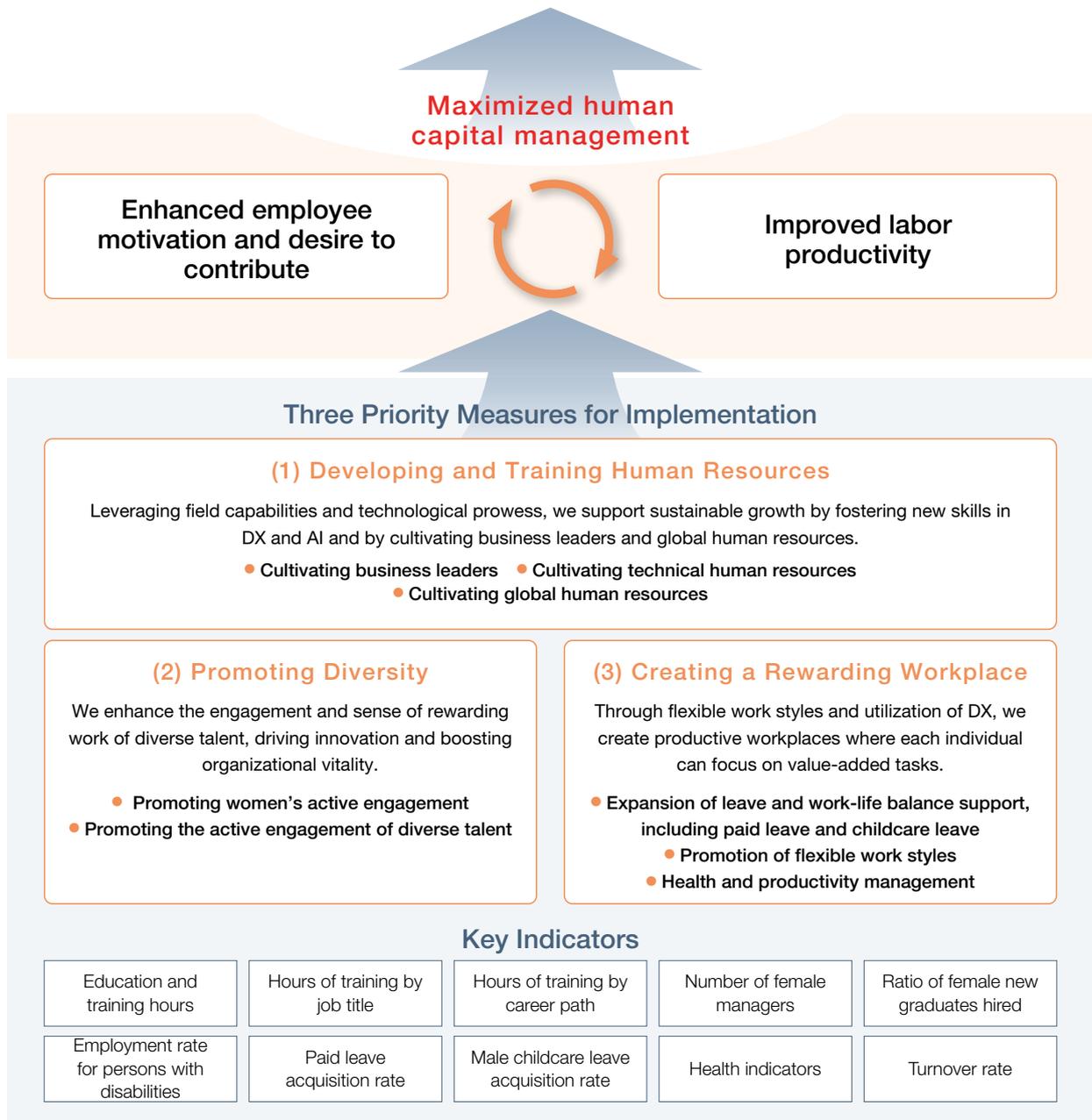
In the rapidly changing manufacturing market, the growth and utilization of human resources form the core of corporate competitiveness. The fabrication machinery provided by AMADA operates in a field demanding high technological prowess, and the personnel who can bring this technology to life directly underpin our competitiveness as an enterprise. In other words, human capital management is the key to accelerating technological innovation.

To differentiate our products and services, it is

especially important that we create innovation, enhance market responsiveness, and foster a corporate culture. We aim for sustainable growth and competitive advantage by making these three the core elements of our overall management strategy. In human capital management, we focus on three key initiatives: Developing and Training Human Resources, Promoting Diversity, and Creating a Rewarding Workplace. These initiatives aim to cultivate our human resources and create an environment where employees can maximize their capabilities.

Under Developing and Training Human Resources, we uphold the principle of developing human resources

FUTURE TECHNOLOGIES with AMADA



who pursue creative and challenging activities. To achieve this, we consider the development of technological prowess, flexibility, and social adaptability to be crucial. Furthermore, to respond to the significant changes facing the manufacturing market, we have positioned digitalization, globalization, diversity promotion, and responding to sustainability as key issues, establishing them as guiding principles for our human resource development.

Within Promoting Diversity and Creating a Rewarding Workplace, we aim to contribute to our overall corporate productivity by creating an environment where employees feel that their work is rewarding and where each individual can maximize their abilities.

Through our efforts on these three key issues, we will generate the following three effects.

- Employees can fully demonstrate their abilities and adapt to changes in society and the technological environment.
- We will foster a corporate culture that serves as a central hub for generating new value and innovation.
- We will cultivate long-term sustainability based on an environment where the entire organization is easy to work in and inclusive of diversity.

These effects combine to create a synergistic impact, contributing to the realization of a uniquely AMADA organization and corporate culture. We believe this will build a strong corporate foundation for the long term, enable us to secure consistent profits even in competitive markets, and achieve sustainable growth.

Human Resources

Key Issue

(1) 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. AMADA has defined its human resource development policy as developing the capabilities of diverse human resources and supporting autonomous career development. Accordingly, we prioritize employees' career aspirations and provide education and training programs based on their career stages to enhance

their capabilities and stimulate their growth.

In addition, we are focused on strengthening the development of business leaders (upper management), global human resources, female leaders, and technical human resources in advanced technology and specialized fields. Through these efforts, we will create an environment in which each employee can maximize their potential and achieve sustainable organizational growth.

Indicators and Achievements

	Fiscal 2024 Results	Fiscal 2025 Targets	Fiscal 2030 Targets
Education and training hours per employee	41.7 hours	40 hours	45.0 hours
Hours of training by job title (new hires)	86,451 hours (52.2% of total education and training hours)		
Hours of training by career path (technical human resources)	55,775 hours (33.7% of total education and training hours)		

The number of education and training hours per employee in fiscal 2024 was 41.7 hours, exceeding our target. This is due to the various measures implemented to develop the capabilities of diverse human resources, especially the expansion of new employee training and development programs for global human resources and leaders. Our Groupwide human resources development infrastructure has been steadily strengthened, further enhancing development

throughout the organization. Future challenges include not only providing quantitative learning opportunities but also promoting qualitative growth through the development of advanced skills and knowledge in specialized areas. By continuing and strengthening these efforts, we aim to deepen our bench of talent who can flexibly adapt to environmental changes, thereby enhancing our corporate value in a sustainable manner.

Main initiatives

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, off-the-job training by job title and type, and other programs appropriate to the growth stages of young and mid-career employees.

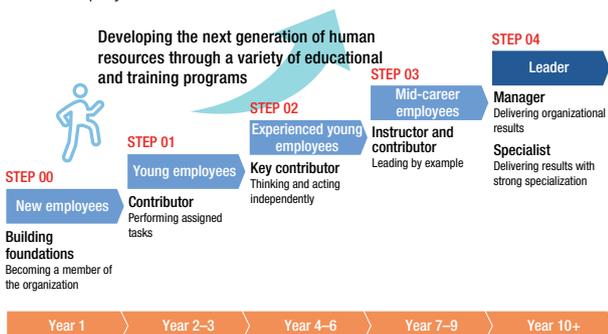
Center (ATEC), which was opened in 2024. We have established a methodical curriculum that emphasizes not only fundamental education in automation systems and robot technology but also the strengthening of problem-solving skills. In addition to technical skills, the program aims to improve communication skills and strengthen overall engineering capabilities.

- Sales engineer education
- Development engineer education
- Service engineer education

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.

- Overseas business study program
- Language learning support program
- Next-generation upper management training program
- Education for personnel in new positions
- Global human resource registration system



Cultivating Technical Human Resources

In order to realize solutions to increasingly sophisticated and diverse customer issues while further enhancing our technological orientation, we are focusing on training engineers at the AMADA Technical Education

Key Issue

(2) Promoting Diversity



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, gender

identity, 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.

Indicators and Achievements

	Fiscal 2024 Results	Fiscal 2025 Targets	Fiscal 2030 Targets
Number of female managers	17	24	40
Ratio of female new graduates hired	27.6%	25%	25%
Employment rate for persons with disabilities	3.3%		

We are engaged in Groupwide D&I promotion measures such as our female leader training program, unconscious bias training, and expansion of the support system for balancing work and family life. We are strengthening our efforts to create a corporate culture that encourages a diverse workforce to take on challenges. In addition to the 15 female managers in fiscal 2023, two new female managers were appointed in

fiscal 2024. Furthermore, we newly established the Assistant Section Chief position in fiscal 2024 with the aim of providing early opportunities to experience management, and a total of 36 men and women, mainly young people, were appointed to this position. We develop potential leaders through both training and practical experience.

Main initiatives

Promoting Women's Active Engagement

In recognition of the low number of female managers, we are focusing on cultivating both female leaders and a population of empowered female employees who will eventually become leaders, with the goal of promoting more women to management. 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. In addition, we are actively considering the introduction of a mentoring system that utilizes personnel from outside the Group. 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 program

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

To enable employees with a wealth of experience and knowledge to remain active even after retirement, we have established a system for employees to propose plans for new businesses and operational improvements that make use of the technologies and skills they have cultivated. We are also working to strengthen our competitiveness by placing employees in positions where they can make the most of their strengths, for example, training junior employees so they can maximize their abilities. Furthermore, we have established a system that allows employees to flexibly choose their work style, such as fewer days, fewer working hours, and a side job system, to suit each individual's career plan and to enhance their job motivation.

Key Issue

(3) Creating a Rewarding Workplace



Basic Policy

Our Basic Policy on Sustainability calls for “fostering work environments that enable employees to thrive and feel fulfilled.” 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 encourage employees to take paid leave, support balancing work and childcare, and promote flexible work styles. Through these efforts, we will create a foundation on which each employee can work with peace of mind over the long term, leading to increased employee motivation and willingness to contribute, as well as higher labor productivity.

Indicators and Achievements

	Fiscal 2024 Results	Fiscal 2025 Targets	Fiscal 2030 Targets
Paid leave acquisition rate	77.1%	80%	100%
Male childcare leave acquisition rate	82.5%	70%	100%

Acquisition rates for both paid leave and male childcare leave have been increasing year by year, and further progress has been made in supporting flexible work styles and balancing work and childcare. Measures such as encouraging use of the flextime system and the hourly paid leave system have improved employees’ work-life balance and productivity. These have resulted in recognition for having established specific goals and action plans to achieve them, and for achieving those goals. In 2025, we received Platinum Kurumin

certification from the Minister of Health, Labour and Welfare as a company that provides a high level of support for child-rearing.

In addition, health management-related indicators are making progress toward achieving their goals, leading to improved employee well-being. Going forward, we will work to entrench and evolve these initiatives, aiming to realize a workplace environment in which all employees can work with peace of mind.

Main initiatives

Initiatives for Use of Paid Leave

To encourage the use of paid leave, we have set up an hourly paid leave system and a personal planned paid leave system in which employees can apply in advance to take a certain number of their paid leave days each half year, and have also provided information on recommended paid leave days and encouraged the use of consecutive holidays as “plus-one leave.” As a result, the paid leave acquisition rate for fiscal 2024 was 77.1% (four domestic Group companies) versus the target of 75.0%.

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 addition to making it mandatory for supervisors to encourage male employees to take childcare leave, information on childcare leave is provided on a regular basis to foster a corporate culture that is more inclusive of male employees taking childcare leave. The acquisition rate in fiscal 2024 (four domestic Group companies) was 82.5%.

For employees returning from childcare leave, we support a smooth return to work by providing a Parenting Leave Return Support Meeting Sheet to assist communication with superiors. Furthermore, we have systems in place to allow employees to continue working while balancing work and childcare depending on their stage of life, such as a flextime system, extension of the reduced working hour system (until the child graduates from elementary school), a unique childcare leave system, and a next-generation development allowance.

Creating a Rewarding Workplace (HR Surveys)

We conduct HR surveys to provide employees with opportunities to think about their own career development, to reflect on our efforts toward the three priority issues, and to understand and improve employee engagement. The results of the fiscal 2024 survey highlighted a great deal of anxiety about autonomous career development among mid-career employees. Therefore, we have created opportunities for mid-career employees to deepen their self-understanding and chart their future career paths through career seminars and interviews with career consultants.

Health and Productivity Management Initiatives

Based on our Health and Productivity Management Declaration, we aim to create an environment in which a diverse range of employees can fully demonstrate their individuality and abilities. As part of this effort, the Representative Director, President and Executive Officer was appointed as the Chief Health Officer to establish a clear structure for responsibility.

We are also promoting a variety of initiatives in close cooperation with the Safety and Health Committee and the AMADA Health Insurance Society with the following goals in order to take health and productivity management one step further.

- Reduction of absenteeism (reducing illness and absences)
- Reduction of presenteeism (limiting reduced performance during poor physical condition)
- Increase of work engagement (increasing enthusiasm and immersion in work)

These efforts for health and productivity management have resulted in once again being recognized as a KENKO Investment for Health Outstanding Organization for 2025.



Initiatives for Human Rights

Basic Policy

We have formulated the AMADA Group Human Rights Policy, which outlines the responsibility of all officers and employees engaged by the Group to respect human rights. This policy declares that we will prevent, mitigate, or 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.

Conducting Human Rights Due Diligence

Based on the AMADA Group Human Rights Policy, the Group has been involved in human rights due diligence since 2024 in order to identify and assess adverse human rights impacts of its business activities, and to take corrective actions, monitor, and disclose information.

In the first year, and first phase, of our due diligence efforts, we conducted a survey covering the AMADA Group, including AMADA itself, as well as a portion of our supply chain to identify issues related to human rights management.

Human Rights Due Diligence Survey

Survey details	Survey on the status of controls and the occurrence of/response to each human rights issue
Survey method	Document review and interview-based survey
Eligible companies (fiscal 2024)	AMADA and domestic and overseas Group companies (total: 11 companies), domestic suppliers (total: 8 companies)

Going forward, we will develop the following infrastructure to address issues related to human rights management.

- Establishing a promotion framework for human rights due diligence
- Establishing a system for autonomous action regarding human rights by Group companies

- Promoting greater awareness within the Group of the human rights initiatives of the head office

In the medium to long term, we aim to reduce human rights risks by identifying priority issues and upgrading our analysis, evaluation, and improvement processes, while expanding the scope of our survey.

Messages



Tetsunori Matsumoto

Laboratory Processing Technology Department, Processing Technology Development Section

Since joining AMADA, I have been working in a processing engineering position where I propose products and processing methods that solve customers’ problems and develop new technologies and functions. I participated in a one-year overseas business study program to experience what kind of machines and technologies are in demand outside Japan.

At AMADA AMERICA, where the training program was conducted, I was engaged in testing and processing, exhibiting at trade shows, and visiting customers. I also had the opportunity to hear firsthand customer assessments of the machines I was involved in developing. This experience keenly reminded me of the differences in proposal methods and promotions. In the United States, where there is greater fluidity of personnel and it is difficult to pass on skills, user-friendliness is required even more than in Japan. Though

I was able to confirm that we were correct in pursuing the machine concept designed for easy operation by anyone, I also gained new insights, including differences in how the machine is used depending on the skill of the operator. What defines user-friendliness, what are the essential features, and how can we promote them? This was an opportunity for me to reorient myself from a global perspective. I am currently using the insights gained from this experience to determine our next development themes and refine details.

I believe that engineers need a broad perspective and an inquisitive mind toward processing. Going forward, I would like to continue to grow as a generalist who can look at manufacturing from a bird’s-eye view, instead of being limited to my field of responsibility.



Eri Ito

Human Resources Department, Section Chief, Global Human Resources Section

After nine years in the Overseas Sales Support Department, I was transferred to the Global Human Resources Section in 2023. Now, as a section chief, I am responsible for managing employees posted overseas as well as planning and operating training programs and development programs in cooperation with overseas subsidiaries.

After some time in the Human Resources Department, I became an assistant section chief, then section chief. It was when I became assistant section chief that I participated in the female leader training program, which alternates training and assignments over a nine-month period to develop leaders. It offered me a valuable opportunity to reflect on my own strengths and weaknesses and define what it means to be a leader in an organization. One of my major achievements in this training was that I chose the challenge of taking on the Overseas Next-generation Upper Management Training Program, which I had been working

on for some time, and polished its content, resulting in approval and implementation.

Before taking on a management role, I focused on individual goals and growth, but as my position changed and I went through training, my perspective broadened and I became more aware of the importance of the team’s overall results and growth of non-managers. In addition, as a leader, I have been able to engage with upper management to gain a bird’s-eye view of the organization as a whole, and to take on the challenge of identifying and solving problems.

Going forward, I would like to continue to contribute to the Company’s development by considering measures for the growth of people and organizations from a global perspective and implementing initiatives that will enable us to realize the benefits of such measures.

Foundations for Value Creation

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 our customers. In addition to education on sheet metal processing and machine operation, the school provides human resource development courses for new employees, administrative staff, and supervisory staff as well as Junior Management College (JMC) courses for those progressing to managerial positions. Furthermore, 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)

So far, 26 sheet metal industry associations have been established for companies across Japan involved in sheet metal processing in each region for the planning, proposal, implementation, and research of activities for the prosperity and global expansion of member companies, and the development of the industry. To help improve skills, train human resources, and promote industry development, AMADA provides support 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.

•Supporting academia and education

We support the development of next-generation human resources by welcoming company tours and offering outreach lectures by our employees.

At the Fujinomiya Works in Shizuoka Prefecture, we organized a plant tour as part of our contribution to the Summer Vacation Parent and Child Environmental Expedition sponsored by Fujinomiya City. In addition, we dispatch instructors to nearby junior high and high schools to support their career education programs. We also regularly host interns and hold open houses at vocational training schools in the United States, the United Kingdom, and France.

•Social contribution activities

We are sponsoring the Tokai University Hospital Doctor Helicopter Program to contribute to the program's ongoing support and

development. 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.

•Local exchange events

At the Ono Plant in Hyogo Prefecture, we hold 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).

•Sponsoring sports activities

We are the official top partner sponsoring Shonan Bellmare, a J.League professional soccer team. AMADA AMERICA was primary sponsor of Rahal Letterman Lanigan Racing (RLL), a team competing in the IndyCar Series. Takuma Sato was the driver for the Indy 500.



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

AMADA endorses the purpose of the Partnership Building Declaration issued by the Cabinet Office, the Small and Medium Enterprise Agency, and others, and has formulated and published its own 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 Guidelines for environmentally friendly manufacturing, and we are advancing environmental management, including for our suppliers, to provide customers with products that have lower environmental load. We are advancing new sustainable procurement activities through the new Sustainable Procurement Guideline, which includes respect for human rights, such as labor, health and safety, and ethics, as well as contributions to local communities.

Initiatives Alongside Our Suppliers

We view our suppliers not merely as business partners, but as partners in growth, and are working together to enhance environmental friendliness and improve transportation efficiency. We enhance delivery efficiency by utilizing recyclable return boxes and transportation jigs, collaborating on efficient handling methods from the mechanical design stage.

In mineral procurement, we also strive to ensure procurement of raw materials that are free from conflict, criminal involvement, and human rights violations.

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.



Governance

Corporate Governance

Basic Policy

At AMADA, we believe that sound corporate activities based upon high ethical standards and fairness make up a crucial part of our business philosophy, and thus we shall endeavor to strengthen corporate governance according to the principles stated below, ensuring transparency and compliance across our management and operations as our fundamental objective:

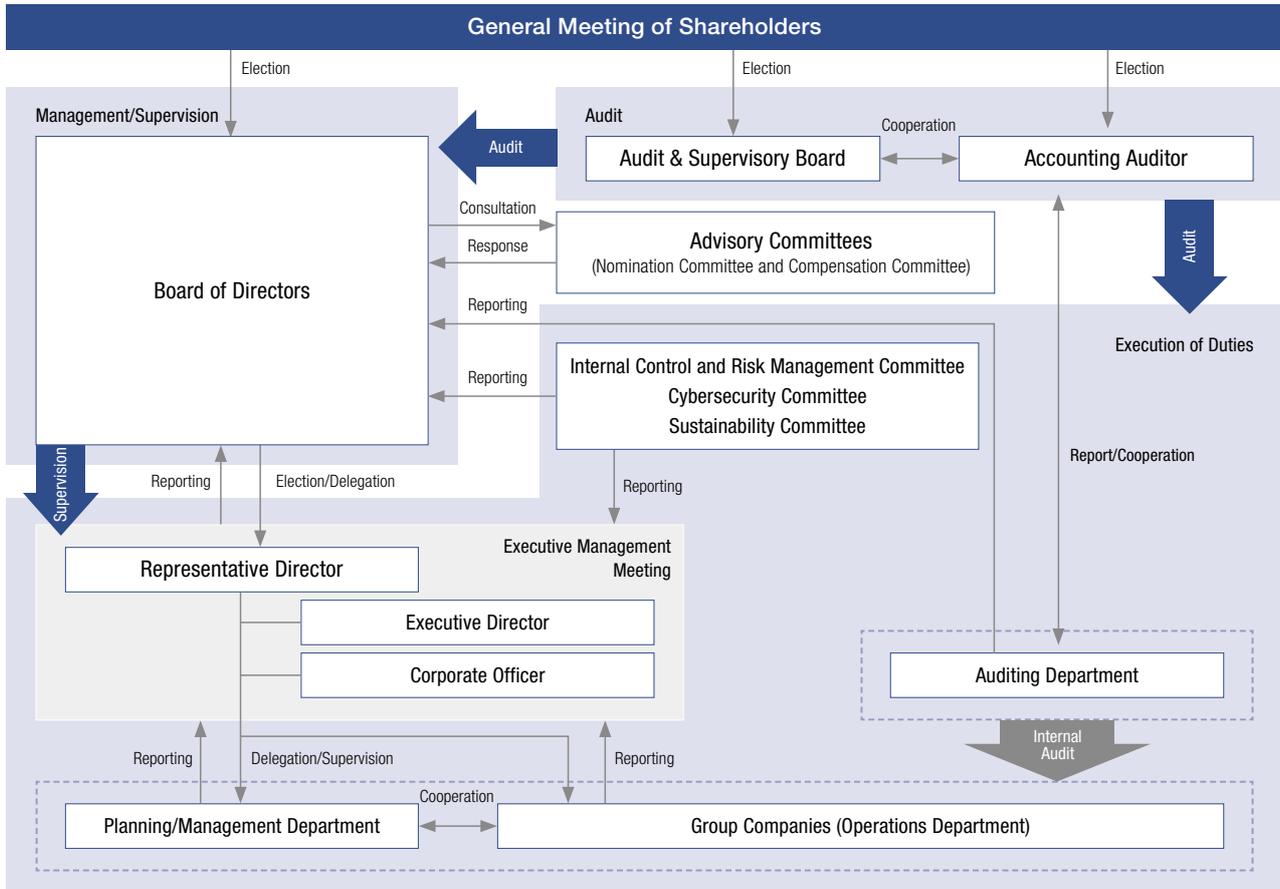
- 1 Strive to protect shareholders' rights and ensure the equitable treatment of all shareholders
- 2 Strive to appropriately collaborate with stakeholders other than shareholders
- 3 Strive to ensure proper disclosure and transparency of information
- 4 Strive to have the Board of Directors appropriately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

● 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 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)								Implementing third-party assurance (evaluation of fiscal 2024)	
Nomination Committee Compensation Committee	Not established						Established (April 2020)						
Skills Matrix	Not published								Published (December 2021)				
Total directors	6	8	7	8							9 (June 2022)		
Of which, independent external directors	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 remuneration 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 independent external directors. 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 five members, with four 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.

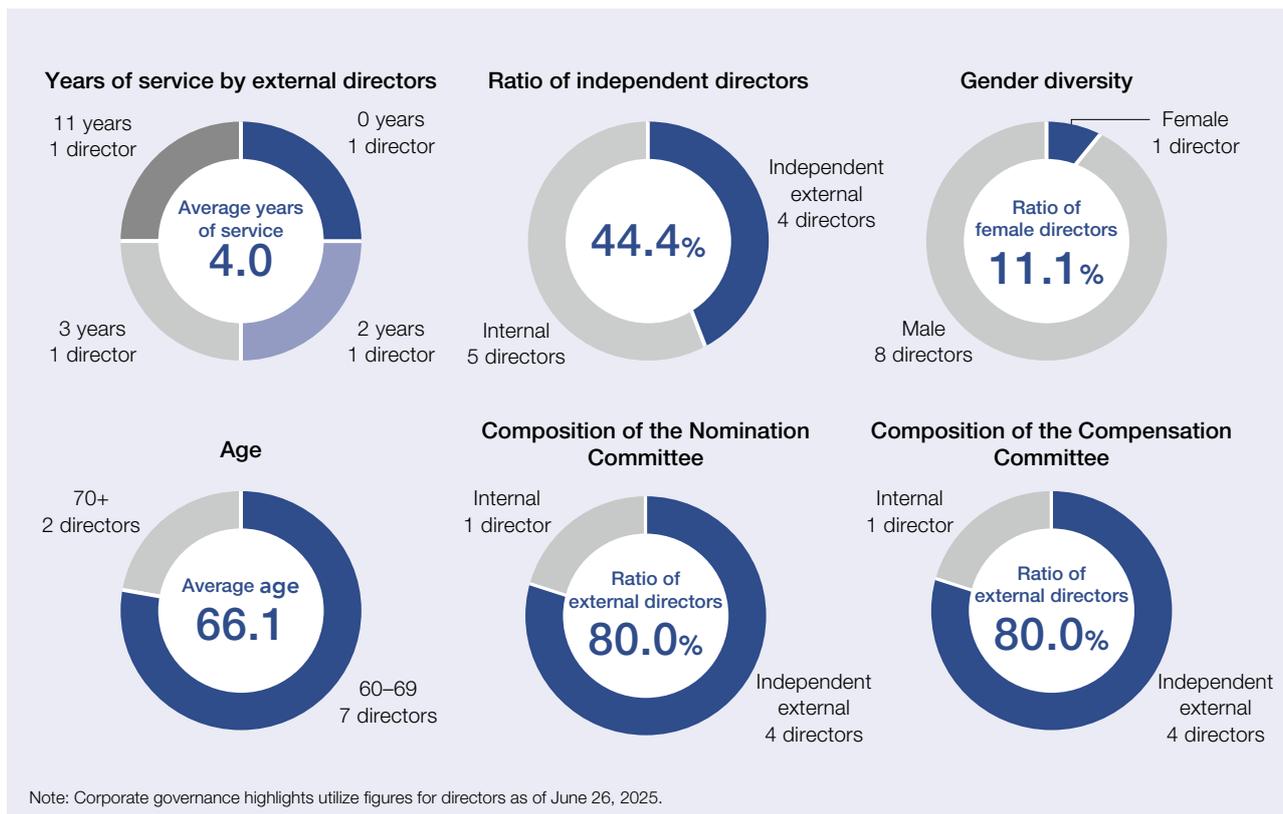
Skills Matrix for Directors and Audit & Supervisory Board Members

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, manufacturing, 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	●	●	●			
	Masakazu Aoki	External Independent Male	●		●	●		●
	Harumi Kobe	External Independent Female			●	●		
	Hiroyuki Sasa	External Independent Male	●		●	●	●	●
	Toshitake Chino	External Independent Male	●		●			
Audit & Supervisory Board Members	Kotaro Shibata	Male	●			●	●	
	Takashi Fujimoto	Male		●		●		
	Seiji Nishiura	External Independent Male		●				
	Akiko Mochizuki	External Independent Female			●			

(Reference) Corporate Governance Highlights



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

Name	Title	Memberships	Meeting Attendance in Fiscal 2024			
			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	12/12	—	4/4	5/5
Takaaki Yamanashi	Representative Director, President		12/12	—	—	—
Masahiko Tadokoro	Director, Senior Executive Officer		12/12	—	—	—
Koji Yamamoto	Director, Senior Executive Officer		12/12	—	—	—
Kazuhiko Miwa	Director, Executive Officer		12/12	—	—	—
Masakazu Aoki	Independent External Director	Member of the Nomination Committee, Member of the Compensation Committee	—	—	—	—
Harumi Kobe	Independent External Director	Member of the Nomination Committee, Member of the Compensation Committee	12/12	—	—	—
Hiroyuki Sasa	Independent External Director	Chairman of the Nomination Committee, Member of the Compensation Committee	12/12	—	4/4	5/5
Toshitake Chino	Independent External Director	Chairman of the Compensation Committee, Member of the Nomination Committee	12/12	—	4/4	5/5
Kotaro Shibata	Audit & Supervisory Board Member		12/12	12/12	—	—
Takashi Fujimoto	Audit & Supervisory Board Member		12/12	12/12	—	—
Seiji Nishiura	Independent External Audit & Supervisory Board Member		12/12	12/12	—	—
Akiko Mochizuki	Independent External Audit & Supervisory Board Member		9/10	9/9	—	—

Notes: 1. Meeting attendance for Akiko Mochizuki is shown after her appointment, since she was elected and assumed office at the 86th Ordinary General Meeting of Shareholders held on June 27, 2024.

2. Masakazu Aoki was appointed to and assumed his position at the 87th Ordinary General Meeting of Shareholders held on June 26, 2025.

3. Harumi Kobe was appointed as a member of the Nomination Committee and the Compensation Committee effective June 26, 2025.

Meeting Body Activities in Fiscal 2024

Board of Directors	<p>Chairman: Tsutomu Isobe (Representative Director, Chairman)</p> <p>Members: Nine directors (five internal, four external)</p> <p>Number of meetings in fiscal 2024: 12</p>	<p>Makes decisions on matters stipulated by laws and regulations and important matters related to general management, and supervises the execution of duties.</p> <p>(Activities in fiscal 2024)</p> <ul style="list-style-type: none"> ● Confirmed progress in Medium-term Business Plan 2025 ● Examined measures concerning strategies for expanding new domains, such as M&A ● Deliberated on progress and action plans in sustainability initiatives
Nomination Committee	<p>Chairman: Hiroyuki Sasa (External Director)</p> <p>Members: Four directors (one internal, three external)</p> <p>Number of meetings in fiscal 2024: Four</p>	<p>Deliberates on the appointment and dismissal of directors and provides advice and recommendations to the Board of Directors.</p> <p>(Activities in fiscal 2024)</p> <ul style="list-style-type: none"> ● Deliberated on the appointment of directors and the skill composition of the Board of Directors ● Deliberated on the appointment of corporate officers
Compensation Committee	<p>Chairman: Toshitake Chino (External Director)</p> <p>Members: Four directors (one internal, three external)</p> <p>Number of meetings in fiscal 2024: Five</p>	<p>Deliberates on the policies and specifics of remuneration and other compensation received by directors and key employees and provides advice and recommendations to the Board of Directors.</p> <p>(Activities in fiscal 2024)</p> <ul style="list-style-type: none"> ● Deliberated on introduction of stock-based remuneration system linked to the medium-term business plan ● Deliberated on basic remuneration, etc., of directors
Audit & Supervisory Board	<p>Chairman: Kotaro Shibata (Audit & Supervisory Board Member)</p> <p>Members: Four Audit & Supervisory Board members (two internal, two external)</p> <p>Number of meetings in fiscal 2024: 12</p>	<p>Monitors corporate governance by understanding the state of management through measures such as examining the status of operations and assets.</p> <p>(Activities in fiscal 2024)</p> <ul style="list-style-type: none"> ● Attended important meetings, inspected important documents, and received reports on business progress ● Consulted and coordinated with the accounting auditor, Auditing Department, and external 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 person 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 person 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 person 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 person 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 person capable of contributing to sustainable growth of the Company's corporate value.
Masakazu Aoki	Mr. Masakazu Aoki, who served as Representative Executive Officer, Executive Vice President at Hitachi, Ltd., possesses insight as a business manager of a global corporation as well as broad knowledge of technologies and development in the manufacturing business. Therefore, we have appointed Mr. Aoki 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.
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.

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.

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)	435 (45)	231 (45)	181 (—)	22 (—)	9 (4)
Audit & Supervisory Board members (External)	41 (12)	41 (12)	—	—	5 (3)
Total	477	273	181	22	14 (7)

Notes: 1. Bonuses are paid to directors (excluding external directors) as performance-linked remuneration.

2. Non-monetary remuneration is based on performance-linked stock-based remuneration (Officers' Remuneration BIP Trust).

2. Policy for Determining Officer Remuneration

Matters Relating to Determining Remuneration 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 remuneration, etc., for each individual director of the Company, and following the introduction of a performance-linked stock remuneration 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 remuneration 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 remuneration system and decision-making process to ensure accountability to shareholders and other stakeholders.

Remuneration Level

The remuneration 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 Remuneration

Remuneration 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, remuneration for directors (excluding external directors) shall consist of (1) basic remuneration as fixed remuneration, (2) bonuses as a performance-linked

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

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

i) Basic remuneration

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

ii) Performance-linked remuneration (bonuses)

The performance-linked bonuses, positioned as short-term incentives, shall be cash remuneration reflecting performance indicators, and shall be paid at a set time each year. The performance indicator for the remuneration 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.

Foundations for Value Creation

iii) Performance-linked remuneration (stock remuneration)
The purpose of the performance-linked stock remuneration (BIP trust*) 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. The plan is based on the fiscal years covered by the Company's medium-term business plan (hereinafter referred to as the "Target Period"), and shares are to be issued to directors after the Target Period once an evaluation has been made of performance indicator achievement levels, among other factors, for each fiscal year.

Specifically, each fiscal year, directors (excluding external directors) are granted points in accordance with their position which serve as rights to receive stock delivery, and the number of points granted is adjusted within a range of 0% to 200% depending on the achievement of performance indicator targets, with one share of the Company issued for each 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 remuneration (Performance Share) plans and transfer-restricted stock (Restricted Stock) plans commonly used in the United States.

Cross-shareholdings

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

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

	Fiscal 2023	Fiscal 2024
Number of issues held	8 issues (3 listed / 5 unlisted)	9 issues (3 listed / 6 unlisted)
Carrying value	¥10,835 million	¥6,572 million
Percentage of total assets	1.59%	1.01%

Evaluating the Effectiveness of the Board of Directors

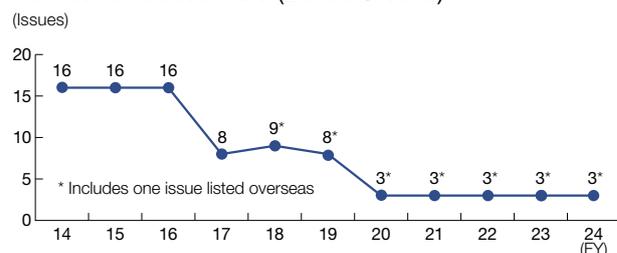
At AMADA, we believe that sound corporate activities based upon high ethical standards and fairness make up a crucial part of our business philosophy, and thus we are endeavoring to strengthen corporate governance, ensuring transparency and compliance across our management and operations as our fundamental objective. With the goal of

Remuneration Determination Process

The Board of Directors shall have the authority to determine the amount of remuneration, 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 remuneration 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 remuneration 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-based remuneration for the Company's directors is defined as (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 remuneration 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).

Number of Issues Held (Listed Stocks)



achieving the highest standards of corporate governance, we have established the Corporate Governance Guidelines.

Based on Article 19 of these guidelines, we analyze and evaluate the effectiveness of the Board of Directors each fiscal year and strive for continuous improvement.

1. Evaluation Method

We conducted a survey targeting all directors and Audit & Supervisory Board members regarding the activities of the Board of Directors and its advisory committees—the Nomination Committee and Compensation Committee—during fiscal 2024.

For fiscal 2024 evaluations, we utilized an external organization to ensure objectivity in the Board of Directors' evaluation and to further enhance the effectiveness of corporate governance. We reviewed the survey items by leveraging insights from the external organization, and also commissioned an external organization to analyze and report on the survey.

Questionnaire structure

- (1) Composition and operation of the Board of Directors
- (2) Management strategy and business strategy
- (3) Corporate ethics and risk management
- (4) Evaluation and remuneration of upper management
- (5) Dialogue with shareholders, etc.

The report from the external organization was used as a basis for deliberations at a meeting of the evaluation council composed of external directors and Audit & Supervisory Board members held on June 20, 2025, which were followed by deliberations at the Board of Directors' meeting held on August 7, 2025.

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

For dialogue with shareholders, the 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 participate.

2. Overview of Shareholders and Investors Engaging in Dialogues

In fiscal 2024, we held IR meetings with a total of 449 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.

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.

Major activities in fiscal 2024

- Ordinary General Meeting of Shareholders: 1 meeting
- Results briefings: 4 briefings
- "To Our Shareholders and Investors": 2 issues
- Integrated Report: 1 issue
- Environmental Report: 1 issue
- ESG Data Book: 1 update
- IR website: Updated as needed
- Company information sessions for individual investors: 3 sessions
- Facility tours for individual investors: 1 tour

2. Summary of Evaluation Results

(1) Summary

AMADA's Board of Directors values free and open discussion, and was highly evaluated for initiatives to enhance its effectiveness—such as providing information in advance and arranging informal opportunities for discussion with upper management to facilitate constructive participation by external directors. It has been confirmed that overall effectiveness is generally being secured.

(2) Future challenges for further evaluation improvement

On the other hand, the need to address the following items to further enhance the effectiveness of the Board of Directors has been recognized.

- i) Establish opportunities to regularly review progress and deliberate on initiatives concerning major invested projects and management issues
- ii) Clarify current challenges and policies on the enhancement of human capital to enhance effectiveness of oversight by the Board of Directors
- iii) Enhance risk management systems, including governance of Group companies

(3) Policy for efforts to improve effectiveness

The Company's Board of Directors will conduct further deliberations and discussions regarding the issues identified by this evaluation and strive to implement improvements aimed at enhancing the Board's effectiveness.

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

Opinions from domestic and international institutional investors, analysts, and others have been reflected when strengthening our governance framework and advancing sustainability initiatives. Through ESG-related dialogue, we introduced the stock-based remuneration system linked to our medium-term business plan. We also accelerated initiatives contributing to sustainable growth, including establishing a dedicated department to advance sustainability and initiating human rights due diligence.

Messages from External Directors



New Appointment

Masakazu Aoki

External Director

Q. How would you like to contribute to AMADA through your experience?

In recent years, companies have been called to meet increasingly complex performance indicators, and management decisions must be based on a comprehensive view of diverse factors. While discerning what should be changed and what should remain unchanged, I intend to support the realization of a growth strategy that leverages AMADA's core competencies. In addition to my long years of experience in the manufacturing industry, I will utilize my perspectives on global management and dialogue with capital markets to help grow AMADA's global business and enhance its corporate value.

Q. What have been your impressions from attending meetings of the Board of Directors?

The Board of Directors addresses a wide variety of business and management issues. I feel that the preliminary explanations provided to help understand the background of issues brought up in these meetings are carefully prepared and that the discussions are appropriate and well developed. On the other hand, I believe that by further focusing and prioritizing the agenda, we can achieve effective and in-depth discussions that directly lead to the improvement of AMADA's corporate value.

Q. What are your expectations for the AMADA Group going forward?

I feel that AMADA's slogan, "FUTURE TECHNOLOGIES with AMADA," is an important message that expresses its attitude toward manufacturing in a simple and concise manner. The Japanese manufacturing industry is facing calls to drive change and evolution. In this environment, I expect AMADA to grow into an enterprise that can contribute to resolving social issues as well as a wide range of industries, by promoting innovative change from a higher perspective based on the spirit of its slogan.



Harumi Kobe

External Director

Q. How would you like to contribute to AMADA through your experience?

I focus on management that draws out the potential of the organization, and managing organizations in a way that enables employees to work with satisfaction and pride, as well as face the next challenge while achieving their goals. From the perspective of corporate management in light of international and economic conditions, I am also conscious of preventing decision-making that is biased toward a homogeneous view and of providing early warnings against overlooking risk factors. As an external director, I will fulfill my responsibilities with integrity and prudence, drawing on my past experience.

Q. What were your impressions from discussions at meetings of the Board of Directors, and what do you think should be emphasized in future management?

In an era of rapid environmental change, it is essential to respond flexibly while protecting what is important. This requires a frank recognition of the facts and a shared sense of the direction to be pursued, with appropriate consistency and flexibility. It is also important to develop human resources capable of addressing challenges. If predeterminism prevents AMADA from correcting its course when necessary, it may lose its earning power. The Board of Directors is committed to deepening discussions from multiple perspectives and working closely with the Audit & Supervisory Board to achieve robust governance.

Q. What are your expectations for the AMADA Group going forward?

Globally, there is rising demand and growing markets for fields in which AMADA excels, such as sheet metal and stamping presses. We believe that keeping abreast of these trends, accurately capturing customer needs, and providing products with a high level of satisfaction will also lead to improved profitability. I hope that AMADA will return to its customer-oriented roots, leverage its inherent strengths, and continue to take advantage of opportunities for further growth.



Hiroyuki Sasa
External Director

Q. How would you like to contribute to AMADA through your experience?

In my previous position, I spent seven years leading a management restructuring following a corporate scandal in 2011. That role included working to rebuild governance, strengthen financial structure, select and focus businesses, and reform the organization. I was engaged in a multifaceted management restructuring, including strengthening internal controls, improving labor productivity, liquidating unprofitable businesses, and developing an organizational structure that can address global competition. Based on my knowledge gained from this experience, I intend to also provide appropriate supervision and advice on overall management at AMADA, contributing to sustainable growth and increased corporate value.

Q. What were your impressions from discussions at meetings of the Board of Directors, and what do you think should be emphasized in future management?

What is important for AMADA is to expand its business by accurately capturing new market changes, accelerating overseas expansion, and taking on the challenge of entering new fields. Though AMADA has already launched M&A and other initiatives, it will be essential for it to build a comprehensive and consistent system to enhance the results of these efforts. With the diversification of customer needs and the advance of overseas business, there are a wide range of issues to be resolved, including the reorganization of business axes and the control of overseas subsidiaries. To strategically address these issues, I believe it is important to further strengthen AMADA's global management structure and to manage the organization in a way that enables flexible response to change.

Q. What are your expectations for the AMADA Group going forward?

AMADA is a company with machine tools and technologies that support manufacturing and play a part in social infrastructure. As the environment changes and customer needs continue to diversify, I expect AMADA to take pride in the meaning of its existence in society, continuing its social contributions through its products and services. I hope that AMADA will continue to capture change and evolve, consistently being a company that sustains growth.



Toshitake Chino
External Director

Q. How would you like to contribute to AMADA through your experience?

I spent many years covering the manufacturing industry as an industry and economics reporter, and later became involved in industry-academia collaboration as a newspaper executive and university professor. Based on my experience of looking at the industrial world through the lens of a journalist and of supporting it as a corporate manager, I hope to contribute to AMADA's sustainable development as an external director. Japan is supported by its manufacturing industry, and as a company that plays a central role in the machinery field, I am confident that AMADA will make a solid contribution to the Japanese economy.

Q. What were your impressions from discussions at meetings of the Board of Directors, and what do you think should be emphasized in future management?

Corporations are facing increasingly diverse and significant risks in their environment; therefore, it is important for management to properly recognize risks and establish a mechanism to navigate them. At the same time, aggressive ambitions are essential for sustainable growth. AMADA acquired Via Mechanics and H&F in fiscal 2025 and has ventured into new areas such as semiconductors and automobiles. As an external director, I intend to appropriately oversee AMADA's approach to seizing growth opportunities while assessing risks, thereby enhancing the effectiveness of its strategies.

Q. What are your expectations for the AMADA Group going forward?

When I worked for a newspaper company, I founded the *100nen Keiei no Kai* (100-Year Management Association) and have studied the principles and behaviors common to companies that have thrived for many years. AMADA, which has been in business for 80 years, must also continue to refine its own reason for being toward the next 100 years. I respect AMADA's steady journey and hope that AMADA will continue to be a company that is trusted by society, based on its philosophy of "Growing Together with Our Customers."

Foundations for Value Creation

Officers (As of June 26, 2025)

Directors



Representative Director,
Chairman
Tsutomu Isobe
May 19, 1961

Career Summary

December 1985 Joined Amada Metreco Co., Ltd. (later merged to become the current Company)
April 2000 Joined the Company upon the merger
April 2003 General Manager of Corporate Secretariat Office
June 2007 Director, Executive General Manager of Corporate Planning Div.
June 2009 Director, Corporate Officer, Senior Executive General Manager of Corporate Planning HQ
June 2010 Director, Executive Officer, Senior Executive General Manager of Corporate Management HQ
April 2013 Director, Senior Executive Officer, Senior Executive General Manager of Corporate Management HQ, Senior Executive General Manager of Financial HQ
April 2015 Representative Director, President of the Company Representative Director, President of AMADA CO., LTD. (merged to become the current Company)
October 2015 Representative Director, President, Senior Executive General Manager of Corporate Management HQ
April 2018 Representative Director, President of the Company Representative Director, President of AMADA CO., LTD. (merged to become the current Company)
April 2020 Representative Director, President Corporate Officer
April 2022 Representative Director, President
April 2023 Representative Director, Chairman (incumbent)



Representative Director,
President
Takaaki Yamanashi
December 9, 1963

Career Summary

April 1987 Joined the Company
April 2009 General Manager of Blanking Machinery Development Dept. II, Solution Development Div., Development and Manufacturing HQ for Sheetmetal Solution
January 2016 President of AMADA Advanced Technology (Germany)
April 2018 Senior Corporate Officer, Senior Executive General Manager of Blanking Machinery Development HQ of the Company
April 2020 Executive Officer, Executive General Manager of Blanking Machinery Development Div., Laser Technology Development Div.
June 2021 Executive Officer, in charge of Sheet Metal Technology Development HQ, Executive Supervisor of Production HQ
April 2022 Director, Senior Executive Officer, Senior Executive General Manager of Sheet Metal Technology Development & Production HQ
April 2023 Representative Director, President Corporate Officer (incumbent)



Director, Senior Executive
Officer
Masahiko Tadokoro
February 26, 1962

Career Summary

April 1982 Joined Amada Metreco Co., Ltd. (later merged to become the current Company)
April 2003 President of AMADA MACHINERY AMERICA, INC.
June 2006 Director, Executive Vice President of AMADA MACHINERY CO., LTD.
April 2007 Representative Director, President of AMADA MACHINERY CO., LTD.
April 2014 Corporate Officer of AMADA MACHINERY CO., LTD. President of AMADA MACHINERY EUROPE GmbH
October 2015 Director, Executive Vice President of AMADA MACHINERY CO., LTD.
April 2016 Representative Director, President of AMADA MACHINERY CO., LTD.
April 2017 Executive Officer of the Company Representative Director, President of AMADA MACHINERY CO., LTD.
June 2022 Director, Senior Executive Officer, Senior Executive General Manager of Sheet Metal Sales Business & Service HQ, Director of AMADA MACHINERY CO., LTD.
April 2023 Director, Senior Executive Officer, Senior Executive General Manager of Engineering Sales Business & Service HQ (incumbent)



Director, Senior Executive
Officer
Koji Yamamoto
January 29, 1961

Career Summary

April 1984 Joined the Company
April 2006 Executive General Manager of Overseas Business Div.
April 2009 Corporate Officer, Executive General Manager of Sales Planning Div. and Asia & China Div.
April 2010 Corporate Officer, Executive General Manager of Corporate Management Div. of AMADA MACHINERY CO., LTD.
April 2011 Director, Senior Executive General Manager of Corporate Management HQ of AMADA MACHINERY CO., LTD.
April 2013 Corporate Officer, Executive General Manager of Corporate Management Div. of the Company
June 2015 Director, Executive General Manager of Corporate Management Div.
October 2016 Corporate Officer of the Company, President of AMADA ASIA PACIFIC CO., LTD., President of AMADA (THAILAND) CO., LTD.
April 2019 Corporate Officer of the Company, President of AMADA (CHINA) CO., LTD.
June 2022 Executive Officer, Executive General Manager of Corporate Management Div., Executive Supervisor of China & ASEAN region of the Company
April 2023 Director, Senior Executive Officer, Senior Executive General Manager of Corporate Management & Finance HQ
April 2024 Director, Senior Executive Officer, Senior Executive General Manager of Global Strategy Promotion HQ (incumbent)



Director, Executive Officer
Kazuhiko Miwa
March 10, 1963

Career Summary

April 1986 Joined Dai-ichi Kangyo Bank (current Mizuho Bank, Ltd.)
February 2004 Councilor of IR Department, Mizuho Financial Group, Inc.
January 2006 Councilor of Overseas Credit Department, Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)
March 2006 Senior Credit Officer of Overseas Credit Department, Mizuho Corporate Bank, Ltd.
November 2011 Deputy General Manager of Marketing Department No. 15, Mizuho Corporate Bank, Ltd.
January 2016 Joined the Company, General Manager of Corporate Planning Dept.
April 2016 General Manager of President Office
April 2018 Corporate Officer, Executive General Manager of Corporate Management Div.
June 2018 Director, Executive General Manager of Corporate Management Div.
April 2020 Director, Executive Officer, Senior Executive General Manager of Corporate Management HQ
April 2021 Director, Executive Officer, Executive General Manager of Financial Div.
April 2022 Director, Executive Officer, Executive General Manager of Financial Div., in charge of Legal Affairs (incumbent)

External Directors



External Director
Masakazu Aoki
June 23, 1954

Career Summary

April 1977 Joined Hitachi, Ltd.
April 1999 Department Manager of Air Compressor Design Department, Industrial Components & Equipment Group, Hitachi, Ltd.
April 2002 Department Manager of Air Compressor Design Department, Air Compressor Systems Division, Hitachi Industrial Equipment Systems Co., Ltd.
June 2009 Board Director, General Manager of Air Compressor Systems Division, Hitachi Industrial Equipment Systems Co., Ltd.
April 2012 President and Director, Hitachi Industrial Equipment Systems Co., Ltd.
October 2014 Executive Officer, Hitachi, Ltd.
April 2016 Senior Executive Officer, Hitachi, Ltd.
April 2017 Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.
Chairman of the Board, Hitachi Industrial Equipment Systems Co., Ltd.
April 2024 Senior Executive Advisor, Hitachi, Ltd.
Director, Hitachi Industrial Equipment Systems Co., Ltd.
Chairman, Hitachi Global Life Solutions, Inc. (incumbent)
June 2025 External Director of the Company (incumbent)



External Director
Harumi Kobe
April 6, 1962

Career Summary

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



External Director
Hiroyuki Sasa
September 14, 1955

Career Summary

- April 1982 Joined Olympus Optical Co., Ltd. (current Olympus Corporation)
- April 2001 General Manager of Endoscope Business Planning Dept., Olympus Optical Co., Ltd. (current Olympus Corporation)
- April 2005 Division Manager of First Development Div., Olympus Medical Systems Corp.
- April 2007 Division Manager of Marketing Div., Olympus Medical Systems Corp.
- June 2007 Corporate Officer, Olympus Corporation
- June 2007 Director, Olympus Medical Systems Corp.
- April 2012 Representative Director, President, Corporate Officer, Olympus Corporation
- April 2019 Director, Olympus Corporation
- June 2020 Outside Director, Kyosan Electric Manufacturing Co., Ltd. (incumbent)
- July 2020 Retired as Director, Olympus Corporation
- June 2022 Outside Director, Kanematsu Corporation (incumbent)
- June 2023 External Director of the Company (incumbent)



External Director
Toshitake Chino
October 17, 1946

Career Summary

- April 1971 Joined the Nikkan Kogyo Shimbum, 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)

Audit & Supervisory Board Members



Audit & Supervisory Board Member
Kotaro Shibata
January 7, 1953

Career Summary

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



Audit & Supervisory Board Member
Takashi Fujimoto
December 2, 1956

Career Summary

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

External Audit & Supervisory Board Members



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

Career Summary

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



External Audit & Supervisory Board Member
Akiko Mochizuki
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)

Internal Control System

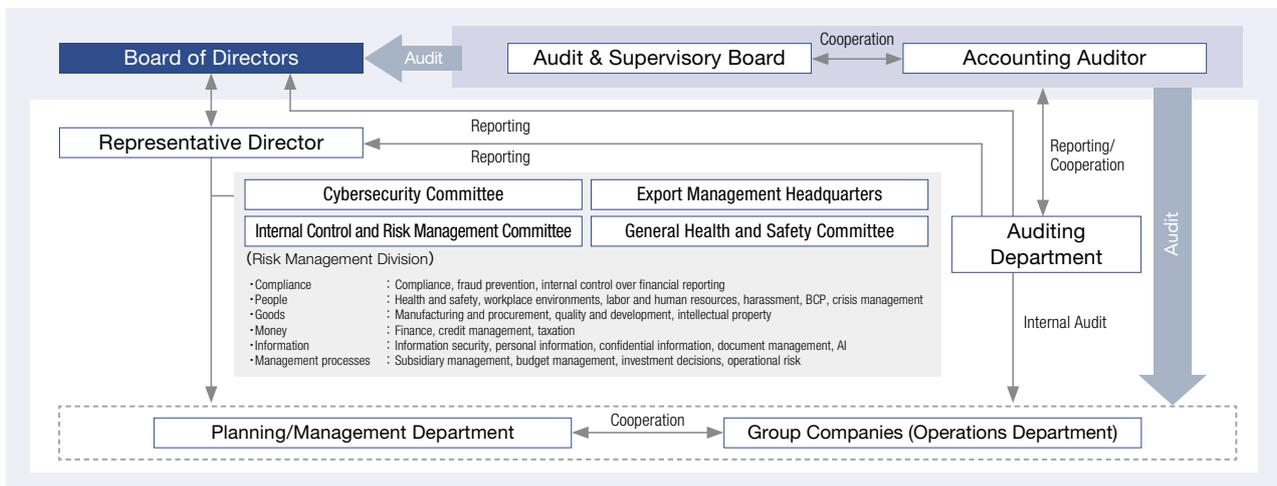
Basic Policy

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

AMADA Group Corporate Code of Conduct

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

Internal Control System Diagram



Compliance

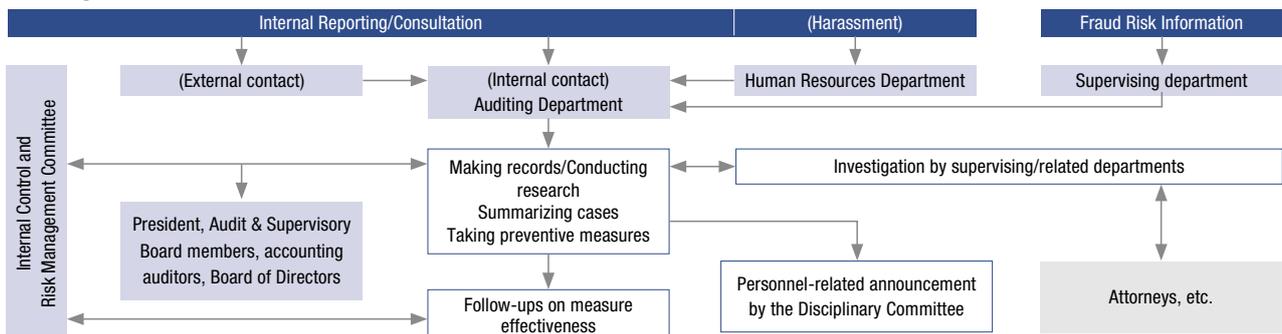
In addition to providing training to ensure thorough compliance, the AMADA Group has clarified procedures for responding to instances of compliance violations and disseminated these procedures to each of the Group companies. In addition, for the purpose of early detection and correction of legal violations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

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

Fiscal 2024	42
Fiscal 2023	37
Fiscal 2022	26
Fiscal 2021	27

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



Risk Management

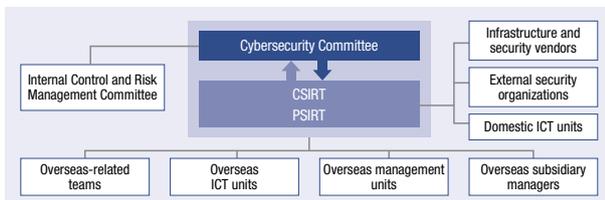
The AMADA Group positions risk management as a key management issue. In order to appropriately recognize and manage all kinds of risks, the Group has established the Basic Risk Management Rules, and is striving to practice risk management through examining countermeasures on a regular basis, among other measures. The risk management division, which is set up under the Internal Control and Risk Management Committee, evaluates the progress of risk countermeasures at the Group level related to people, goods, money, information, and other areas. In addition to the above, risk management is being advanced through specialized committees such as the Cybersecurity Committee, the Export Management Headquarters, and the General Health and Safety Committee.

In the event of an emergency situation, an emergency headquarters or other appropriate body is established for prompt crisis management.

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. Within this framework, the Group has established the Cybersecurity Committee, which is chaired by a representative director and continuously conducts risk assessment, countermeasure planning, execution, and reporting as a cyclical process to prepare for security risks, with oversight by the Board of Directors. 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 in the event of a security incident, to prepare for such incidents even in normal times.



Summary of Risk Management Activities

To minimize risks through an ongoing PDCA cycle, the risk management division reevaluates risk importance each fiscal year based on the size of loss and the frequency of occurrence. 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.

Furthermore, by collaborating with other organizations and leveraging cybersecurity frameworks, we are strengthening Group and global IT governance overall, and improving employee security literacy through education and training tailored to their security level.

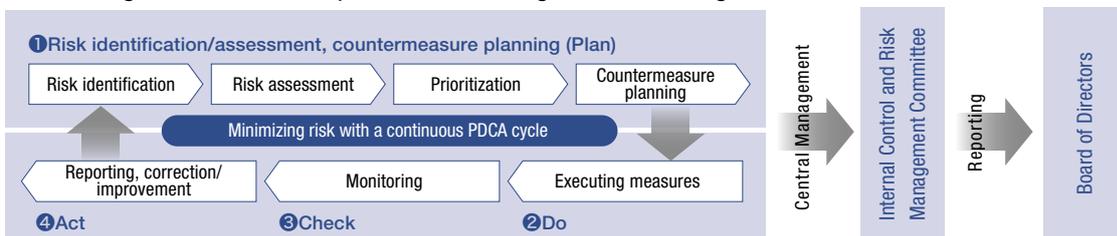
AI Governance

The AMADA Group recognizes that while the use of AI technology can provide new value, it may also present ethical challenges. To address this, we have established usage regulations and guidelines on generative AI and are working toward AI governance. In the event of an AI-related incident, we will utilize the same framework as for cybersecurity incidents to ensure a swift response.

Natural Disasters

The AMADA Group operates business on a global scale via its worldwide production and sales bases. If a natural disaster such as an earthquake or flood inflicts enormous damage on the surrounding regions where the Group operates, and if restoration and reconstruction take significant time, it could affect the Group's operating results. As part of its business continuity plan (BCP) measures, the Group has installed seismic isolators and private power generation facilities in some buildings at the Isehara Works. In addition, the Group is working to diversify the risks involved in production activities and supply by promoting the expansion of its domestic and overseas manufacturing bases.

Risk Management Division/Departments in Charge of Risk Management



Foundations for Value Creation

Financial and Non-Financial Summary (As of March 31, 2025)

Financial Indicators	Fiscal 2016	Fiscal 2017	Fiscal 2018
Revenue (Millions of yen)	—	301,732	338,175
Operating profit (Millions of yen)	—	39,723	45,145
Profit before tax (Millions of yen)	—	40,765	47,742
Profit attributable to owners of parent (Millions of yen)	—	27,094	33,303
Comprehensive income attributable to owners of parent (Millions of yen)	—	29,707	33,080
Equity attributable to owners of parent (Millions of yen)	418,163	434,091	441,431
Total assets (Millions of yen)	533,267	556,104	567,861
Equity attributable to owners of parent per share (Yen)	1,143.61	1,186.66	1,237.85
Basic earnings per share (Yen)	—	74.07	91.50
Diluted earnings per share (Yen)	—	74.06	91.50
Ratio of equity attributable to owners of parent (%)	78.4	78.1	77.7
Ratio of profit to equity attributable to owners of parent (ROE) (%)	—	6.4	7.6
Price-to-earnings ratio (times)	—	17.4	12.0
Cash flows from operating activities (Millions of yen)	—	32,586	39,982
Cash flows from investing activities (Millions of yen)	—	(27,168)	(31,189)
Cash flows from financing activities (Millions of yen)	—	(17,441)	(31,876)
Balance of cash and cash equivalents at end of period (Millions of yen)	91,746	80,464	56,295

Notes: 1. Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

2. Diluted earnings per share have not been presented since fiscal 2019 because there are no potential shares.

Non-Financial Indicators	Scope of data	Fiscal 2020
Environment		
Greenhouse gas emissions (Scope 1 and 2) (t-CO ₂) ¹	Consolidated	45,618
Scope 3 (t-CO ₂)	Consolidated	1,323,198
Total waste generation by domestic Group companies (t)	Group companies in Japan ³	3,004
Total waste generation by major overseas manufacturing bases (t)	Major overseas manufacturing bases ⁴	1,967
Number of AMADA Eco-Products ² sold (Units)	Consolidated	2,400
AMADA Eco-Products share of units sold (%)	Consolidated	51
Society		
Number of employees	Consolidated ⁵	8,906
Ratio of female regular employees (%)	Major Group companies in Japan ⁶	8.1
Ratio of female managers (%)	Major Group companies in Japan ⁷	1.24
Education and training hours for skill improvement per employee	Major Group companies in Japan ⁸	-
Frequency rate of lost-time injuries (%)	Non-consolidated ⁹	0.57
Expenditures for social contribution activities (Thousands of yen)	Major Group companies in Japan ⁶	67,547

1 Seven major AMADA Group manufacturing bases outside Japan (United States: 3 / France: 2 / Australia: 1 / China: 1)

2 All products developed by AMADA are assessed in a variety of categories: energy conservation, resource conservation, recyclable resources, material use restrictions, consideration for the environment at the time of use, rationalization of packaging, and information provision. Among AMADA's low environmental impact products, ones that have improved remarkably over previous models based on these assessments are called Eco-Products.

Please visit the website below for more details. https://www.amada.co.jp/en/sustainability/environment/eco_products/

Note that general fabrication machines are not included in Eco-Products.

3 Among domestic consolidated subsidiaries, 13 companies were included for fiscal 2020, 13 companies for fiscal 2021, 14 companies for fiscal 2022, 14 companies for fiscal 2023, and 13 companies for fiscal 2024.

Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
320,112	250,448	312,658	365,687	403,500	396,670
34,682	26,705	38,538	49,867	56,507	49,076
33,789	28,818	40,496	49,608	58,066	49,157
23,390	18,564	27,769	34,158	40,638	32,386
16,848	29,546	43,839	39,291	63,145	31,709
431,091	447,077	479,788	504,127	529,661	519,212
558,595	557,298	614,439	647,562	681,053	649,891
1,239.96	1,285.95	1,380.05	1,450.07	1,584.10	1,616.19
65.91	53.40	79.88	98.25	118.95	98.72
65.91	—	—	—	—	—
77.2	80.2	78.1	77.8	77.8	79.9
5.4	4.2	6.0	6.9	7.9	6.2
12.9	23.1	13.6	12.6	14.4	14.7
32,455	57,579	56,865	24,949	47,595	46,192
(20,944)	(8,727)	(7,921)	(13,323)	(15,188)	7,851
(18,929)	(22,896)	(22,308)	(20,392)	(38,145)	(42,420)
47,167	75,868	106,791	98,556	93,420	104,841

Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
46,592	16,878	15,770	14,363
1,942,035	2,184,806	2,232,560	1,915,084
4,203	4,336	4,293	3,754
2,517	2,389	2,754	2,261
3,200	3,500	3,900	3,400
56	61	63	62
8,774	8,958	9,005	8,997
8.2	8.9	9.4	10.2
1.37	2.22	2.36	2.79
33.4	37.6	47.7	41.7
0.55	0.89	1.38	0.65
83,103	101,938	105,476	115,547

4 Eligible substances were expanded as of the fiscal 2023 reporting scope. Calculation methods have been partially revised.

5 The number of employees excludes employees seconded from the Group to outside entities and includes employees seconded from outside entities to the Group.

6 Major Group companies in Japan: AMADA, AMADA MACHINERY, AMADA WELD TECH (extinguished as of its merger with AMADA on April 1, 2024), AMADA PRESS SYSTEM, and AMADA TOOL.

7 AMADA TOOL is excluded through fiscal 2021.

8 Non-consolidated through fiscal 2021, and for major Group companies in Japan from fiscal 2022.

9 "Non-consolidated" refers to AMADA CO., LTD.

Financial Review

Earnings

In the AMADA Group's business environment during fiscal 2024, although a recovery trend continued through the end of the year, uncertainty once again began to spread from the start of the calendar year due to concerns over policy changes by the new U.S. administration and heightened geopolitical risks. Regarding the operating results amid this environment for fiscal 2024, revenue fell to ¥396,670 million, a decrease of 1.7% year on year. In Japan, while a gradual economic recovery centered on domestic demand was observed, small and medium-sized enterprises continued to maintain a cautious stance toward investment, resulting in total revenue of ¥144,313 million, down 3.2% year on year. Outside Japan, in addition to the prolonged economic

slowdown in Europe and China, there was a widespread trend toward a more circumspect attitude by companies to U.S. policy trends. As a result, capital investment fell short of expected levels, and revenue totaled ¥252,357 million, down 0.8% year on year.

As for operating profit, this figure was affected by factors such as lower revenue, reduced operating rates due to production adjustments, and increased personnel expenses, despite the positive effect of improved selling prices and the impact of foreign exchange rates. Operating profit was ¥49,076 million, down 13.2% year on year, and profit attributable to owners of parent was ¥32,386 million, down 20.3% year on year.

Financial Position

Total assets as of March 31, 2025, decreased by ¥31,161 million from the end of the previous fiscal year to ¥649,891 million. Current assets decreased by ¥14,798 million to ¥414,511 million due to factors such as a reduction in inventories resulting from production adjustments. Meanwhile, noncurrent assets decreased by ¥16,363 million to ¥235,380 million mainly due to the sale of investment securities. Total liabilities decreased by ¥20,515 million from the end of the previous fiscal year to ¥126,141 million, mainly due to a decrease in trade and other payables, primarily as a result of issuing the Partnership Building Declaration in Japan. Total equity amounted to ¥523,750 million, down ¥10,646 million, due to factors such as a reduction in capital surplus from the cancellation of treasury shares and a decrease in exchange differences on translation of foreign operations resulting from the appreciation of the yen as of the end of the period. As a result, the ratio of equity attributable to owners of parent increased by 2.1 percentage points from 77.8% at the end of the previous consolidated fiscal year to 79.9%.

Cash Flows

Cash and cash equivalents at the end of the consolidated fiscal year under review amounted to ¥104,841 million, up ¥11,420 million from the end of the previous consolidated fiscal year.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥46,192 million, compared with ¥47,595 million provided in the previous fiscal year. This was mainly due to recorded profit before tax, a decrease in inventories, and a shortening of the usance for trade payables.

Cash flows from investing activities

Net cash provided by investing activities totaled ¥7,851 million, compared with ¥15,188 million used in the previous fiscal year. This was mainly due to the sale and redemption of securities.

Cash flows from financing activities

Net cash used in financing activities totaled ¥42,420 million, compared with ¥38,145 million used in the previous fiscal year. This was mainly due to dividends paid and share buybacks.

Corporate Information (As of March 31, 2025)

Corporate Profile

Company Name	AMADA CO., LTD.	Share Capital	¥54,768 million
Head Office	200, Ishida, Isehara-shi, Kanagawa 259-1196, Japan Phone: +81-463-96-1111 URL: https://www.amada.co.jp/en/	Number of Employees (Consolidated)	8,997
Founded	September 10, 1946		

Investor Information

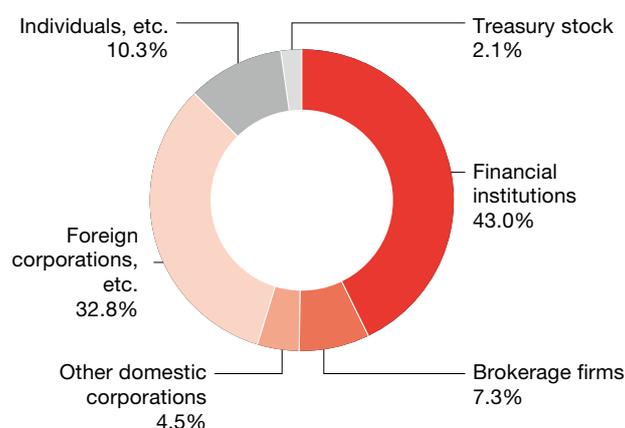
Securities Code	6113	Record Date	Interim dividends: September 30 Year-end dividends: March 31
Fiscal Year-End	March 31	Number of Shares Issued	550,000,000 shares
Ordinary General Meeting of Shareholders	June	Number of Shareholders	328,173,017 shares (Including 6,757,490 shares of treasury stock)
Stock Listing	Prime Market of the Tokyo Stock Exchange	Number of Shareholders	58,911
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)	66,085	20.6
Custody Bank of Japan, Ltd. (Trust accounts)	36,659	11.4
STATE STREET BANK AND TRUST COMPANY 505001	10,580	3.3
The AMADA Foundation	9,936	3.1
Custody Bank of Japan, Ltd. (Trust account 4)	6,342	2.0
Nippon Life Insurance Company	5,894	1.8
THE BANK OF NEW YORK MELLON 140042	5,748	1.8
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	5,438	1.7
JPMorgan Securities Japan Co., Ltd	5,212	1.6
JP MORGAN CHASE BANK 385781	4,488	1.4

* Shareholding ratios have been calculated excluding treasury stock (6,757,490 shares).

Distribution of Shares by Shareholder





AMADA CO., LTD.

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