

(English Translation)

Note: We provide this translation for your reference and convenience only, and without any warranty as to its accuracy or completeness. In the event that a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.

(Securities Code: 6113)

June 6, 2024

(Date of commencement of electronic provision measures: June 5, 2024)

To our shareholders:

Takaaki Yamanashi
Representative Director, President
AMADA CO., LTD.
200, Ishida, Isehara-shi, Kanagawa, Japan

Notice of Convocation of the 86th Ordinary General Meeting of Shareholders

This is to inform you that the 86th Ordinary General Meeting of Shareholders of AMADA CO., LTD. will be held as follows.

In convening this General Meeting of Shareholders, AMADA CO., LTD. has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures as the “Notice of Convocation of the 86th Ordinary General Meeting of Shareholders” and “Others Matters Subject to the Electronic Provision Measures (Matters Omitted from Documents to be Delivered)” on its website linked below.

AMADA CO., LTD. website

Japanese: https://www.amada.co.jp/ja/ir/stock_info/meeting/

English: https://www.amada.co.jp/en/ir/stock_info/meeting/

In addition to the website shown above, AMADA CO., LTD. also has posted this information on the website of Tokyo Stock Exchange (TSE). To view the information, please access the TSE website linked below, input either “Amada” in “Issue name (company name)” or its securities code “6113” in “Code,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

The TSE website (Listed Company Search):

Japanese: <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

English: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

As a shareholder may exercise his or her voting rights by either of the following manners instead of attending the meeting, please exercise your voting rights, upon examination of the referential statements for the General Meeting of Shareholders herein, not later than 5:15 p.m. on Wednesday, June 26, 2024.

[Exercise of voting rights by mail]

Please send back the enclosed voting ballot to AMADA CO., LTD., with due entries thereon indicating assent or dissent with respect to each agenda so that such voting ballot reaches AMADA CO., LTD. by the above deadline.

[Exercise of voting rights via the Internet]

Please exercise your voting rights via the Internet, with due entries thereon indicating assent or dissent with respect to each agenda, by the above deadline.

1. Date: Thursday, June 27, 2024 at 10:00 a.m.
2. Place: At the head office of AMADA CO., LTD. located at 350, Ishida, Isehara-shi, Kanagawa (AMADA Hall at AMADA FORUM)
3. Agenda:
 - Matters to be Reported: (1) Report on the Business Report, the Consolidated Financial Statements, and Reports by the Accounting Auditor and the Audit & Supervisory Board regarding the Results of the Audit of the Consolidated Financial Statements for the 86th Fiscal Term (from April 1, 2023 through March 31, 2024)
 - (2) Report on the Non-consolidated Financial Statements for the 86th Fiscal Term (from April 1, 2023 through March 31, 2024)

Matters to be Resolved:

- | | |
|--------------|---|
| First Item: | Distribution of retained earnings |
| Second Item: | Election of nine (9) Directors |
| Third Item: | Election of one (1) Audit & Supervisory Board Member |
| Fourth Item: | Election of one (1) Alternate Audit & Supervisory Board Member |
| Fifth Item: | Determination of the amount and details of stock compensation, etc. for Directors |

- Of the matters subject to the electronic provision measures, “Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements and “Non-consolidated Statement of Changes in Equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are not provided in the paper copy to be sent to shareholders who have made a request for the delivery of such copy in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation. Accordingly, the paper copy constitutes only part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their respective audit reports.
- Any amendments to the matters subject to the electronic provision measures will be posted on the respective websites where the matters are posted.

Information on Exercising Voting Rights

(1) Exercising voting rights by proxy

If you are unable to attend the General Meeting of Shareholders in person, you may appoint another shareholder (one person) who has voting rights as your proxy to attend the meeting. Please note that a document certifying the power of proxy must be submitted for such attendance.

(2) If you exercise your voting rights redundantly via mail and the Internet, the votes cast via the Internet shall be treated as valid.

(3) If you exercise your voting rights multiple times via the Internet, only the last vote cast shall be treated as valid.

(4) Also, if you exercise voting rights redundantly by using a PC and a smart phone, only the last vote cast shall be treated as valid.

(5) If you exercise your voting rights via mail and indicate neither your assent nor dissent with respect to each agenda in the voting ballot, your vote will be treated as assent.

Items of Business and References

First Item: Distribution of retained earnings

For the current dividends, the management proposes to pay the annual dividend of 60 yen per share, to pay a year-end dividend of 35 yen per share for the fiscal term, having already paid 25 yen per share as an interim dividend.

Matters concerning the year-end cash dividend:

(1) Kind of property:

Monetary distribution

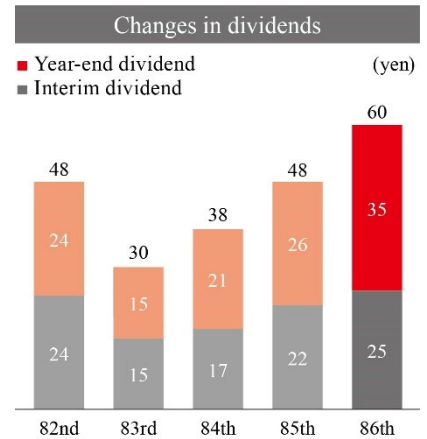
(2) Matters concerning the allocation of properties to be distributed to shareholders and the total amounts thereof:

JPY35 per common share

JPY11,702,614,035 in total

(3) Effective date of distribution of retained earnings:

June 28, 2024



Second Item:**Election of nine (9) Directors**

As the term of office for all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders, the election of nine (9) Directors is proposed.

The candidates for the Directors are as follows. The selection of candidates for the Directors follows deliberation at a voluntary Nomination Committee meeting.

Candidate Ref No.	Name	Board meeting attendance rate	Current position and responsibility in the Company
1	Tsutomu Isobe Re-election	90% (9/10 meetings)	Representative Director, Chairman
2	Takaaki Yamanashi Re-election	100% (10/10 meetings)	Representative Director, President
3	Masahiko Tadokoro Re-election	100% (10/10 meetings)	Director, Senior Executive Officer, Senior Executive General Manager of Engineering Sales & Service HQ
4	Koji Yamamoto Re-election	100% (10/10 meetings)	Director, Senior Executive Officer, Senior Executive General Manager of Global Business Strategic Promotion HQ, PJ Manager of Group & Global Strategy PJ
5	Kazuhiko Miwa Re-election	100% (10/10 meetings)	Director, Executive Officer, Executive General Manager of Financial Div., in charge of Legal Affairs
6	Hiroyuki Sasa Re-election Outside Independent	100% (8/8 meetings)	Outside Director
7	Toshitake Chino Re-election Outside Independent	100% (10/10 meetings)	Outside Director
8	Hidekazu Miyoshi Re-election Outside Independent	100% (10/10 meetings)	Outside Director
9	Harumi Kobe Re-election Outside Independent	100% (10/10 meetings)	Outside Director

(Notes)

1. The attendance ratio of Mr. Hiroyuki Sasa at the Board of Directors meetings applies only to those held after his appointment on June 28, 2023.
2. In addition to the number of Board of Directors meetings attended listed above, there was one written resolution deemed to have been adopted by the Board of Directors pursuant to Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.



Candidate Ref No.

1

**Tsutomu
Isobe**

Date of Birth
May 19, 1961
(63 years old)

**No. of Shares of AMADA
CO., LTD. Held (shares)** 61,000 shares

Re-election

**Board Meeting Attendance
Rate** 90%
(9/10 meetings)

Profile, position and responsibility

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

Important concurrent positions

- Representative Director, Chairman, AMADA MACHINERY CO., LTD.
- Representative Director, Chairman, AMADA PRESS SYSTEM CO., LTD.

Reasons for nomination as a candidate for Director

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 nominated Mr. Isobe as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

2

Takaaki
Yamanashi

Date of Birth
December 9, 1963
(60 years old)

No. of Shares of AMADA
CO., LTD. Held (shares) 21,000 shares

Re-election

Board Meeting Attendance
Rate 100%
(10/10 meetings)

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

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 a person responsible for our overseas subsidiary specialized 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 nominated Mr. Yamanashi as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

3

**Masahiko
Tadokoro**

Date of Birth
February 26, 1962
(62 years old)

**No. of Shares of AMADA
CO., LTD. Held (shares)** 8,000 shares

Re-election

**Board Meeting Attendance
Rate** 100%
(10/10 meetings)

Profile, position and responsibility

April 1982	Joined Amada Metreco Co., Ltd. (later merged to become the current Company)	April 2016	Representative Director, President, AMADA MACHINERY CO., LTD.
April 2003	President, AMADA MACHINERY AMERICA, INC.	April 2021	Executive Officer, the Company Representative Director, President, AMADA MACHINERY CO., LTD.
June 2006	Director, Executive Vice President of AMADA MACHINERY CO., LTD.	June 2022	Director, Senior Executive Officer, Senior Executive General Manager of Sheet Metal Sales Business & Service HQ, the Company
April 2007	Representative Director, President, AMADA MACHINERY CO., LTD.	April 2023	Director, AMADA MACHINERY CO., LTD. Director, Senior Executive Officer, Senior Executive General Manager of Engineering Sales & Service HQ, the Company (incumbent)
April 2014	Corporate Officer, AMADA MACHINERY CO., LTD. President, AMADA MACHINERY EUROPE GmbH.		
October 2015	Director, Executive Vice President, AMADA MACHINERY CO., LTD.		

Reasons for nomination as a candidate for Director

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 operating cutting and grinding business, 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 nominated Mr. Tadokoro as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

4

Koji
Yamamoto

Date of Birth

January 29, 1961
(63 years old)

No. of Shares of AMADA
CO., LTD. Held (shares)

17,000 shares

Re-election

Board Meeting Attendance
Rate

100%
(10/10 meetings)

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Koji Yamamoto is appropriately performing his duties as the Senior Executive General Manager managing 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 Company Group's overseas business, as well as serving as the representative of overseas subsidiaries. Based on these factors, we have nominated Mr. Yamamoto as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

5

Kazuhiko
Miwa

Date of Birth

March 10, 1963
(61 years old)

No. of Shares of AMADA
CO., LTD. Held (shares)

18,000 shares

Re-election

Board Meeting Attendance
Rate

100%
(10/10 meetings)

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Kazuhiko Miwa is appropriately performing his duties as the Executive General Manager managing 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 nominated Mr. Miwa as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

6**Hiroyuki
Sasa**

Number of Years in Office

1 year

Date of Birth

September 14, 1955
(68 years old)No. of Shares of AMADA
CO., LTD. Held (shares)

0 shares

Re-election

Outside

Independent

Board Meeting Attendance
Rate100%
(8/8 meetings)**Profile, position and responsibility**

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

Important concurrent positions

- Outside Director, Kyosan Electric Manufacturing Co., Ltd.
- Outside Director, Kanematsu Corporation

Reasons for nomination as a candidate for Outside Director and the outline of expected roles

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 manufacturing business. From that perspective, he is overseeing business execution appropriately as Outside Director of the Company, such as by actively expressing his opinions at the Board of Directors meetings. As a 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 nominated Mr. Sasa as a candidate for Outside Director, expecting that he will appropriately perform his duties as Outside Director of the Company based on his experience and knowledge.



Candidate Ref No.

7

Toshitake
Chino

Number of Years in Office 10 years

Date of Birth
October 17, 1946
(77 years old)No. of Shares of AMADA
CO., LTD. Held (shares) 0 shares

Re-election Outside Independent

Board Meeting Attendance
Rate 100%
(10/10 meetings)

Profile, position and responsibility

April 1971	Joined Nikkan Kogyo Shimbun Ltd.	April 2011	Specially-appointed Professor, The University of Electro-Communications
April 1995	General Manager of Economics Department, Editing Bureau, Nikkan Kogyo Shimbun Ltd.	June 2014	Outside Director, the Company (incumbent)
June 2002	Director, Nikkan Kogyo Shimbun Ltd.	April 2017	Director, Social Welfare Organization Saiseikai Imperial Gift Foundation, Inc. (incumbent)
June 2003	President and Representative Director, Nikkan Kogyo Shimbun Ltd.	April 2023	Visiting Professor, The University of Electro-Communications (incumbent)
November 2010	Senior Advisor, Nikkan Kogyo Shimbun Ltd.		
March 2011	Retired as Senior Advisor, Nikkan Kogyo Shimbun Ltd.		

Reasons for nomination as a candidate for Outside Director and the outline of expected roles

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 Nikkan Kogyo Shimbun Ltd. From that perspective, he is overseeing business execution appropriately as Outside 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 nominated Mr. Chino as a candidate for Outside Director, expecting that he will appropriately perform his duties as Outside Director of the Company based on his experience and knowledge.



Candidate Ref No.

8

Hidekazu
Miyoshi

Number of Years in Office

9 years

Date of Birth
July 17, 1950
(73 years old)No. of Shares of AMADA
CO., LTD. Held (shares)

9,033 shares

Re-election

Outside

Independent

Board Meeting Attendance
Rate100%
(10/10 meetings)

Profile, position and responsibility

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

Important concurrent positions

- Chairman, Miyoshi & Miyoshi (Patent Office)
- Representative Director, Miyoshi Industrial Property Rights Research Center K.K.

Reasons for nomination as a candidate for Outside Director and the outline of expected roles

Mr. Hidekazu Miyoshi has expertise in intellectual property rights, which he acquired through many years of service as a patent attorney, and experience as a business manager of a patent office. From that perspective, he is overseeing business execution appropriately as Outside Director of the Company, such as by actively expressing his opinions at the Board of Directors meetings. As a member of both the Nomination Committee and the Compensation Committee, he attends meetings of these committees, where he gives timely and appropriate opinions. Therefore, we have nominated Mr. Miyoshi as a candidate for Outside Director, expecting that he will appropriately perform his duties as Outside Director of the Company based on his experience and knowledge.



Candidate Ref No.

9

Harumi
Kobe

Number of Years in Office

2 years

Date of Birth
April 6, 1962
(62 years old)

No. of Shares of AMADA
CO., LTD. Held (shares)

0 shares

Re-election

Outside

Independent

Board Meeting Attendance
Rate

100%
(10/10 meetings)

Profile, position and responsibility

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

Important concurrent positions

- Adviser, Aioi Nissay Dowa Insurance Co., Ltd.
- Outside Director (Audit and Supervisory Committee), Raysum Co., Ltd.

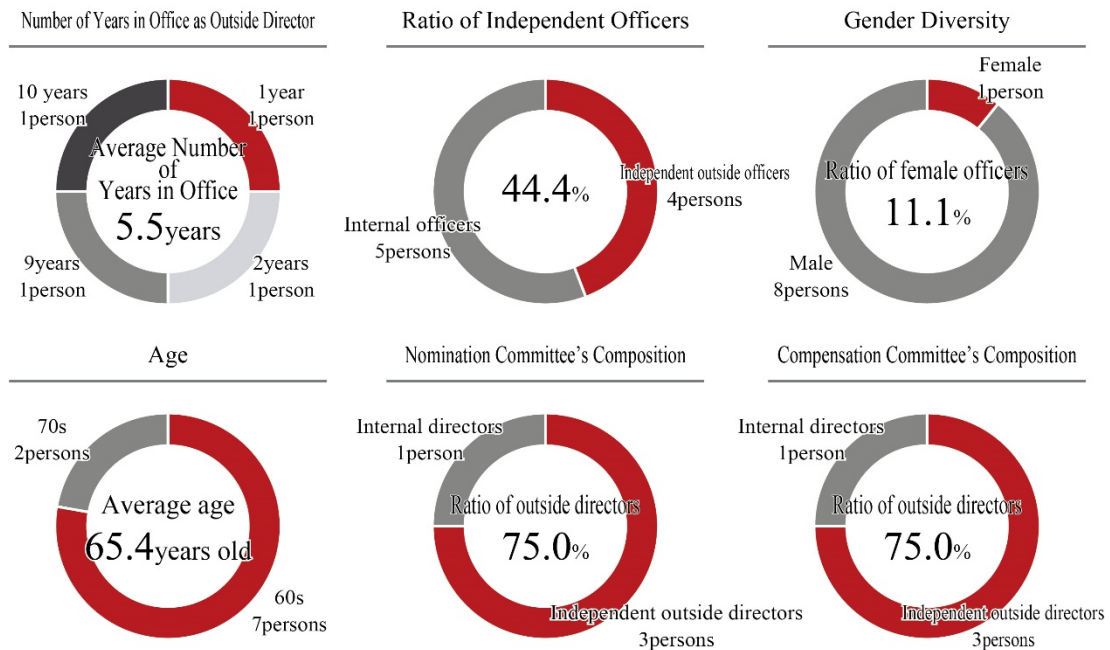
Reasons for nomination as a candidate for Outside Director and the outline of expected roles

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 Outside Director of the Company, such as by actively expressing her opinions at the Board of Directors meetings. Therefore, we have nominated Ms. Kobe as a candidate for Outside Director, expecting that she will appropriately perform her duties as Outside Director of the Company based on her experience and knowledge.

(Notes)

1. There are no special interests between each of Messrs. Tsutomu Isobe, Takaaki Yamanashi, Masahiko Tadokoro, Koji Yamamoto, Kazuhiko Miwa, Hiroyuki Sasa, Toshitake Chino and Ms. Harumi Kobe and the Company.
2. The Company Group has transactions, such as payment of compensation for patent applications, etc. and various research services related to intellectual property rights, with Miyoshi & Miyoshi, where Mr. Hidekazu Miyoshi serves as Chairman, and with the affiliated companies thereof, where Mr. Miyoshi serves as the Representative Director; however, the transaction amounts were small, and only constituted less than 1% of the consolidated revenue of the Company. They were also approximately 2% of sales of Miyoshi & Miyoshi and the affiliated companies thereof.
3. Messrs. Hiroyuki Sasa, Toshitake Chino, Hidekazu Miyoshi and Ms. Harumi Kobe are candidates for Outside Director.
4. According to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company and each of Messrs. Hiroyuki Sasa, Toshitake Chino, Hidekazu Miyoshi and Ms. Harumi Kobe have entered into an agreement to limit the liability pursuant to Article 423, Paragraph 1 of the said Act to the minimum liability stipulated in Article 425, Paragraph 1 of the said Act. On condition that this proposal is approved as proposed at the Ordinary General Meeting of Shareholders, the Company plans to renew the said agreement with the four Directors.
5. The Company has entered into a directors and officers liability insurance contract, including all Directors as insured parties. This contract will cover damages if Directors who are insured parties are found liable to pay compensation for damages resulting from their duties. If each candidate is appointed and assumes office, they will become insured parties of this insurance contract, and the Company plans to renew it with the same details during their terms of office.
6. Messrs. Hiroyuki Sasa, Toshitake Chino, Hidekazu Miyoshi and Ms. Harumi Kobe are Independent Officers under the regulation of Tokyo Stock Exchange, Inc. and four of them, if reelected, will continue to serve as Independent Officers.
7. Age of each candidate is as of the conclusion of this General Meeting of Shareholders.

(Reference) Corporate Governance Highlights



※ The Corporate Governance Highlights show the figures when this proposal is approved and adopted.

Third Item**Election of one (1) Audit & Supervisory Board Member**

As Mr. Akira Takenouchi, an Audit & Supervisory Board Member, will resign at the conclusion of this General Meeting of Shareholders, the election of one (1) Audit & Supervisory Board Member as his alternate is proposed.

Further, the term of office of the Audit & Supervisory Board Member elected as an alternate shall expire when the term of office of the retiring Audit & Supervisory Board Member would have otherwise expired as prescribed in the Company's Articles of Incorporation.

With respect to this item of business, the consent of the Audit & Supervisory Board has been obtained.

The candidate for Audit & Supervisory Board Member is as follows:

Name	Audit & Supervisory Board meeting attendance rate	Board meeting attendance rate	Current position in the Company
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Akiko Mochizuki

New election

Outside

Independent

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Akiko Mochizuki

Number of Years in Office —

Date of Birth
November 3, 1966
(57 years old)

No. of Shares of AMADA
CO., LTD. Held (shares) 0 shares

Audit & Supervisory Board
Meeting Attendance Rate —

New
appointment

Outside

Independent

Board Meeting Attendance
Rate —

Profile and position

April 1990	Joined Mitsubishi Corporation	April 2012	Court adjudicator, Tokyo Family Court (incumbent)
April 2000	Registered as lawyer (current)		
	Joined Miyakawa Law Office	March 2022	Joined Athena Law Office and works as lawyer (incumbent)
December 2011	Established Mochizuki Law Office	June 2023	Independent Outside Director (Audit and Supervisory Committee Member), e'grand Co., Ltd. (incumbent)

Important concurrent positions

- Works as lawyer at Athena Law Office

Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member

Ms. Akiko Mochizuki is a lawyer who has broad experience and expertise. In addition, she possesses in-depth insight from the perspective of human rights protection, such as by having been dedicated to public-interest activities. Therefore, although Ms. Mochizuki has never been directly involved in the management of a company, we have nominated her as a candidate for Outside 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.

(Notes)

1. There are no special interests between Ms. Akiko Mochizuki and the Company.
2. Ms. Akiko Mochizuki is a candidate for Outside Audit & Supervisory Board Member.
3. If Ms. Akiko Mochizuki is appointed and assumes the office of Outside Audit & Supervisory Board Member, the Company will, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Ms. Mochizuki to limit her liability for damages, as prescribed in Article 423, Paragraph 1 of the same Act, to the minimum liability amount as prescribed in Article 425, Paragraph 1 of the same Act.
4. The Company has entered into a directors and officers liability insurance contract, including all Audit & Supervisory Board Members as insured parties. This contract will cover damages if Audit & Supervisory Board Members who are insured parties are found liable to pay compensation for damages resulting from their duties. If Ms. Akiko Mochizuki is appointed and assumes office, she will become the insured party of this insurance contract and the Company plans to renew it with the same details during her term of office.
5. Ms. Akiko Mochizuki will be notified as an Independent Officer under the regulation of Tokyo Stock Exchange, Inc., if Ms. Mochizuki is appointed and assumes the office of Outside Audit & Supervisory Board Member.
6. Age of the candidate is as of the conclusion of this General Meeting of Shareholders.

Fourth Item

Election of one (1) Alternate Audit & Supervisory Board Member

To prepare for the case where the number of Audit & Supervisory Board Members of the Company falls short of such number as is required by law or regulation, the election of one (1) Alternate Audit & Supervisory Board Member is proposed.

The assumption of office as Alternate Audit & Supervisory Board Member by Mr. Makoto Murata, the candidate, is subject to the condition that there be a deficiency in the number of Audit & Supervisory Board Members required by law or regulation. His term of office shall expire when the term of office of the retiring Audit & Supervisory Board Member would have otherwise expired. This resolution shall be effective until the opening of the next Ordinary General Meeting of Shareholders.

With respect to this item of business, the consent of the Audit & Supervisory Board has been obtained.

The candidate for Alternate Audit & Supervisory Board Member is as follows:

Makoto Murata	Date of Birth August 17, 1947 (76 years old)	No. of Shares of AMADA CO., LTD. Held (shares)	0 shares
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Outside
Independent

Profile and position

October 1975	Assistant of Faculty of Electro-Communications, The University of Electro-Communications	April 2001	Professor of Faculty of Electro-Communications, The University of Electro-Communications
May 1989	Lecturer of Faculty of Electro-Communications, The University of Electro-Communications	March 2012	Retired from The University of Electro-Communications
April 1991	Associate Professor of Faculty of Electro-Communications, The University of Electro-Communications	April 2012	Emeritus Professor, The University of Electro-Communications (incumbent)

Reasons for nomination as a candidate for Alternate Outside Audit & Supervisory Board Member

Mr. Makoto Murata, who has many years of experience serving as a professor at The University of Electro-Communications, possesses in-depth and particular knowledge of mechanical engineering and sophisticated insight as an educator. Therefore, although Mr. Murata has never been directly involved in the management of a company, we have nominated him as a candidate for Alternate Outside Audit & Supervisory Board Member, having determined that he is an appropriate candidate capable of providing beneficial advice to the Company's audit system based on his experience and knowledge.

(Notes)

- There are no special interests between Mr. Makoto Murata and the Company.
- Mr. Makoto Murata is a fill-in candidate for Outside Audit & Supervisory Board Member.
- If Mr. Makoto Murata assumes the office of Outside Audit & Supervisory Board Member, the Company will, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Mr. Murata to limit his liability for damages, as prescribed in Article 423, Paragraph 1 of the same Act, to the minimum liability amount as prescribed in Article 425, Paragraph 1 of the same Act.
- The Company has entered into a directors and officers liability insurance contract, including all Audit & Supervisory Board Members as insured parties. This contract will cover damages if Audit & Supervisory Board Members who are insured parties are found liable to pay compensation for damages resulting from their duties. If Mr. Makoto Murata assumes office of Outside Audit & Supervisory Board Member, he will become the insured party of this insurance contract.
- Mr. Makoto Murata will be notified as an Independent Officer under the regulation of Tokyo Stock Exchange, Inc., if Mr. Murata assumes the office of Outside Audit & Supervisory Board Member.
- Age of the candidate is as of the conclusion of this General Meeting of Shareholders.

1. Reason for the proposal and reason why the proposed compensation is appropriate

The Company hereby requests the approval of shareholders concerning the introduction of a performance-linked stock compensation plan (hereinafter referred to the “Plan”) as compensation, etc. for Directors of the Company (excluding Outside Directors; hereinafter the same shall apply in this proposal) under which the Company’s shares will be delivered to Directors in accordance with their positions and the degree of achievement of performance targets, etc. The purpose of this proposal is to pay the stock compensation to Directors separately from the amount of monetary compensation for Directors (within 468 million yen per year, including within 50 million yen per year for Outside Directors) approved at the 81st Ordinary General Meeting of Shareholders held on June 26, 2019.

The purpose of the introduction of the Plan 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. Meanwhile, the Company has revised the decision-making policy concerning the details of compensation, etc. for each individual Director of the Company at the Board of Directors meeting held on May 14, 2024 subject to the approval of this proposal. The outline of the policy is as provided from page 22 to page 23 of the referential statements for the General Meeting of Shareholders. The Company believes that this proposal is necessary and reasonable to grant each individual Director with compensation, etc. that is in line with the said policy and that the details of such compensation, etc. is appropriate. Furthermore, the Company’s Compensation Committee also judged the details of the compensation, etc. to be appropriate in light of the purpose of introduction of the Plan and the fairness of the calculation of the amount of compensation, etc. under the Plan, taking also into account other factors, such as the introduction of this stock compensation, etc. will not dilute the ownership of existing shareholders as the Company’s shares will be acquired from the stock market.

The number of Directors eligible for the Plan will be five (5) if Second Item “Election of nine (9) Directors” is approved and adopted as proposed.

2. Amount and details of compensation, etc. under the Plan, etc.

(1) Outline of the plan

The Plan is a stock compensation plan under which a delivery and payment (hereinafter referred to the “Delivery, etc.”) of shares of the Company and an amount of cash equivalent to the conversion value of the shares of the Company into cash (hereinafter referred to the “Company’s Shares, etc.”) will be made through a trust in accordance with their positions and the degree of achievement of performance targets, etc.

The Company’s shares are acquired through a trust using the compensation amount of Directors contributed by the Company as the source of funds for each fiscal year covered by the Company’s Medium-term Business Plan (hereinafter referred to the “Target Period”; however, the initial Target Period of the Plan shall be two (2) fiscal years from the fiscal year ending March 31, 2025, which is the remaining period of the current Medium-term Business Plan, to the fiscal year ending March 31, 2026).

(1) Those eligible for the Plan	<ul style="list-style-type: none"> • Directors of the Company (excluding Outside Directors)
(2) Maximum amount of money contributed by the Company to a trust	<ul style="list-style-type: none"> • 150 million yen multiplied by the number of years in the Target Period • 300 million yen in total for two fiscal years for the initial Target Period
(3) Maximum number of the Company's shares for the Delivery, etc. to Directors	<ul style="list-style-type: none"> • The number of shares equivalent to the number of the points calculated by multiplying 200,000 points by the number of years in the Target Period (equivalent to 200,000 shares, given one share of the Company is delivered for one point) • The maximum number of the total points to be granted to Directors for two fiscal years for the initial Target Period is 400,000 points in total (the maximum number of shares in total is 400,000 shares)
(4) Method of acquisition of the Company's shares	<ul style="list-style-type: none"> • This introduction will not dilute the ownership of existing shareholders as the Company's shares will be acquired from the stock market • The number of shares equivalent to the number of points per fiscal year mentioned above (200,000 shares) is approximately 0.06% of the total number of issued shares of the Company (as of March 31, 2024, excluding treasury shares).
(5) Details of conditions of performance achievement	<ul style="list-style-type: none"> • Evaluation shall be conducted based on the management indicators, etc. set forth in the Medium-term Business Plan of the Company, and this shall be variable between 0% and 200% depending on the degree of achievement of the target for the management indicators (1. revenue, 2. operating profit, and 3. ROE for the initial Target Period), etc. for each fiscal year during the Target Period of the relevant Medium-term Business Plan.
(6) Timing of the Delivery, etc. of the Company's Shares etc. to Directors	<ul style="list-style-type: none"> • In principle, after the end of the Target Period

(2) Maximum amount, etc. of money contributed by the Company

To acquire the Company's shares for the Delivery, etc. to Directors, the Company contributes the amount of money up to the amount calculated by multiplying 150 million yen by the number of years in the Target Period (300 million yen for two (2) fiscal years for the initial Target Period) as a compensation, etc. to Directors for each Target Period, and establish a trust (hereinafter referred to the "Trust") for the period corresponding to the Target Period with Directors who satisfy the beneficiary requirements as the beneficiaries. The Trust collectively purchases the Company's shares from the stock market using the entrusted money as the source of funds as instructed by the trust administrator. The Company grants points to Directors during the Target Period and makes the Delivery, etc. of the Company's Shares, etc. through the Trust in the number equivalent to the number of points granted at a predetermined set time.

Upon expiry of a trust period of the Trust, the Company may continue the Trust by amending the trust agreement and contributing additional trust fund. In such a case, the Company shall set a new Target Period with the number of years corresponding to the Medium-term Business Plan at that time, and extend the trust period of the Trust for such period. For each extended trust period of the Trust, the Company will make an additional contribution within a range of the amount calculated by multiplying 150 million yen by the number of years in the new Target Period. However, in the case of making such an additional contribution, if there are the Company's shares (excluding the Company's shares equivalent to points granted to Directors for which the Delivery, etc. has not been completed) and cash remaining in the trust property (hereinafter referred to the "Remaining Shares and Cash") as of the last day of the trust period prior to the extension, the total amount of the Remaining Shares and Cash and the money to be additionally contributed by the Company shall be within the amount calculated by multiplying 150 million yen by the number of years in the relevant Target Period. Such extension of the trust period may continue to occur.

(3) Method of calculating the number of the Company's Shares, etc. for the Delivery, etc. to Directors and the maximum number thereof

The number of the Company's Shares, etc. and its amount for the Delivery, etc. to Directors under the Plan are determined based on the number of points granted at a certain point of time of each fiscal year in accordance with their positions of Directors and degree of achievement of performance targets, etc.

The maximum number of points to be granted to Directors shall be 200,000 points per fiscal year. The degree of achievement of performance targets shall be evaluated based on the management indicators, etc. set forth in the Medium-term Business Plan of the Company, and shall be decided between 0% and 200% depending on the degree of achievement of the target for the management indicators (1. revenue, 2. operating profit, and 3. ROE for the initial Target Period), etc. for each fiscal year during the Target Period of the relevant Medium-term Business Plan. After that, one (1) share of the Company will be delivered for one (1) point (fraction less than one (1) point shall be omitted.) However, if a Director retires during the trust period, the number of shares for the Delivery, etc. will be calculated in accordance with the accumulated points as of the time.

If the Company conducts a stock split, stock consolidation, etc. of the Company's shares during the trust period, the maximum numbers of points and shares to be granted will be adjusted in accordance with the split ratio, consolidation ratio, etc.

(4) The method and timing of the Delivery, etc. of the Company's Shares, etc. to Directors

Directors who have satisfied the beneficiary requirements, in principle, after the end of the Target Period, shall receive the delivery of the Company's shares corresponding to a certain proportion of accumulated points from the Trust by following the designated beneficiary-determining procedures, while the Company's shares equivalent to the remaining points are converted into cash within the Trust, and the Directors shall receive money equivalent to the proceeds from cash conversion from the Trust.

Directors who retired during the Target Period shall receive the Delivery, etc. of the Company's Shares, etc. from the Trust calculated in accordance with the accumulated points up to that point, immediately after the retirement.

(5) Clawback provisions, etc.

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).

(6) Voting rights for the Company's shares in the Trust

Voting rights for the Company's shares in the Trust shall not be exercised so as to ensure the neutrality of the management.

(7) Other matters concerning the Plan

Other matters concerning the Plan shall be determined by the Board of Directors of the Company.

[Reference]

Outline of the “decision-making policy concerning the details of compensation, etc. for each individual Director”

(Resolved at the Board of Directors meeting on May 14, 2024)

<Basic policy>

The Company’s basic policy is to set the compensation system for Directors and the decision-making process thereof that (1) can fully function as an incentive for the sustainable enhancement of corporate value toward the achievement of the Long-term Vision, and (2) are fair and transparent so that the Company can fulfill the accountability for stakeholders including shareholders.

Based on this basic policy, the Board of Directors of the Company, at its meeting held on May 24, 2024, resolved to revise the Company’s “decision-making policy concerning the details of compensation, etc. for each individual Director” as follows.

The Company has established a voluntary Compensation Committee chaired by an Outside Director as an advisory body to the Board of Directors. When revising the decision-making policy concerning the details of compensation, etc. for each individual Director, the Board of Directors resolved the revised decision-making policy in consultation with the Compensation Committee on the draft of the policy prepared by the Human Resources Division, respecting the content of the report of the Committee.

<Compensation level>

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

<Composition of compensation >

Compensation for Directors shall be structured in a way where it fully functions as an incentive for the sustainable enhancement of corporate value toward the achievement of the Long-term Vision and Medium-term Business Plan. Specifically, compensation for Directors (excluding Outside Directors) shall consist of (1) basic compensation as fixed compensation, (2) bonuses as a performance-linked compensation, and (3) stock compensation as a performance-linked compensation. The performance-linked compensation (bonuses) is designed so that the ratio of performance-linked compensation (bonuses) to total compensation for Directors increases in accordance with the improvement of the Company’s business performance. Meanwhile, the performance-linked compensation (stock compensation) is designed so that the ratio of performance-linked compensation (stock compensation) to total compensation for Directors increases in accordance with the positions.

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

1) Basic compensation

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

2) Performance-linked compensation (bonuses)

The performance-linked bonuses, positioned as short-term incentives, shall be cash compensation reflecting performance indicators, and shall be paid at a set time each year. The performance indicator for the compensation shall be profit attributable to owners of parent for a single fiscal year (hereinafter referred to the “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 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.

3) Performance-linked compensation (stock compensation)

The purpose of the performance-linked stock compensation, positioned as a medium- to long-term incentive, is to increase the awareness among Directors toward contributing to improving the Company's medium- to long-term corporate value, and also to further enhance the awareness of sharing interests with shareholders by promoting the ownership of the Company's shares. This is a plan under which evaluation is conducted for the fiscal years covered by the Medium-term Business Plan of the Company (hereinafter referred to the "Target Period") based on the degree of achievement of the target for the performance indicators, etc. for each fiscal year during the Target period, and then shares are delivered to Directors after the end of the Target Period (the performance-linked stock compensation plan (Board Incentive Plan (BIP) Trust*) will be introduced subject to the condition that the proposal is approved and adopted at the 86th Ordinary General Meeting of Shareholders to be held on June 27, 2024). Specifically, as a right to receive the delivery of shares, Directors (excluding Outside Directors) are granted points each fiscal year in accordance with their positions. The number of points to be granted shall be variable between 0% and 200% depending on the degree of achievement of the target for performance indicators, etc. After that, one (1) share of the Company will be delivered to Directors for one (1) point. The performance indicators shall be set based on the management indicators, etc. set forth in the Medium-term Business Plan of the Company. For the initial Target Period, 1. revenue, 2. operating profit, and 3. 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).

(*) The Board Incentive Plan (BIP) Trust is an incentive plan for officers established with reference to the Performance Share Plan and Restricted Stock Plan in the United States.

<Compensation determination process >

The Board of Directors shall have the authority to determine the amount of compensation, etc. for each individual director of the Company or the method of calculation thereof, and determine the details within the range of the total amount of compensation resolved at a General Meeting of Shareholders in consultation with the voluntary Compensation Committee chaired by an Outside Director, respecting the content of the report of the Committee. The amount of monetary compensation for the Company's Directors was resolved at the 81st Ordinary General Meeting of Shareholders held on June 26, 2019 to be within 468 million yen per year (including within 50 million yen per year for Outside Directors) (the number of Directors as of the close of this Ordinary General Meeting of Shareholders was eight, including three Outside Directors). The amount of stock compensation for the Company's Directors shall be (1) the amount calculated by multiplying 150 million yen 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), subject to the condition that the introduction of the performance-linked stock compensation plan is approved and adopted at the 86th Ordinary General Meeting of Shareholders to be held on June 27, 2024.

[Reference]

Skill Matrix of Directors and Audit & Supervisory Board Members

If the Second Item, Election of Nine (9) Directors, and the Third Item, Election of One (1) Audit & Supervisory Board Members, are approved as proposed, the composition of the Board of Directors and expertise and experience of each Director and Audit & Supervisory Board Member will be as follows.

	Name		Gender	Expertise, 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	○			○	○	
	Kazuhiro Miwa		Male	○	○	○			
	Hiroyuki Sasa	Outside Independent	Male	○		○	○	○	○
	Toshitake Chino	Outside Independent	Male	○		○			
	Hidekazu Miyoshi	Outside Independent	Male	○		○			○
	Harumi Kobe	Outside Independent	Female			○	○		
Audit & Supervisory	Kotaro Shibata		Male	○			○	○	
	Takashi Fujimoto		Male		○		○		
	Seiji Nishiura	Outside Independent	Male		○				
	Akiko Mochizuki	Outside Independent	Female			○			

[Reference]

Independence Standards for Outside Officers

(Enacted on December 18, 2015)

Amada Co., Ltd. (hereinafter referred to as “the Company”) shall set independence standards as below for the purpose of defining standards of independence and consider outside directors and outside audit and supervisory board members (hereinafter referred to as “outside officers”) as having sufficient independence from the Company if an outside officer meets all of the below criteria.

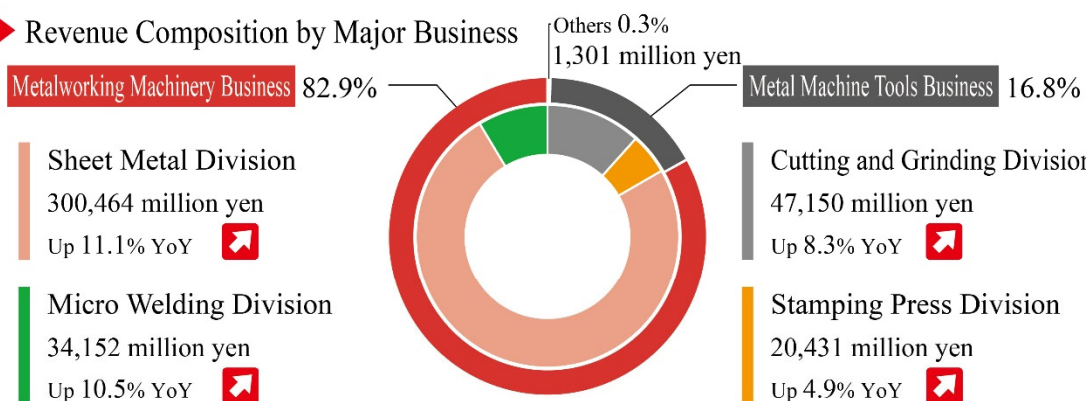
1. Those who have not fallen under either of the below cases in the past 5 years:
 - i. A person who is a director, audit and supervisory board member, executive or employee of a major shareholder (those who hold shares carrying 10% or more of the total voting rights) of the Company;
 - ii. A person who is a director, audit and supervisory board member, executive or employee of a company, one of whose main shareholders is the Company.
2. Those who have not worked for any of the major lenders to the Company and its affiliates (hereinafter referred to as “the Company Group”) in the past 5 years.
3. Those who have not worked for a lead underwriter of the Company in the past 5 years.
4. Those who have not been a director, audit and supervisory board member, executive or employee of a company that is a major business counterparty of the Company Group or to whom the Company Group is a major business counterparty in the past 5 years.
5. Those who have not been a representative partner, staff member, partner or employee of an accounting auditor of the Company Group in the past 5 years.
6. Those who have not been a certified public accountant, certified public tax accountant, attorney-at-law or other consultant who receives a large amount of money or other property other than the officer remuneration from the Company Group in each of the past 5 years.
7. Those who are not and were not a director (excluding outside directors), audit and supervisory board member (excluding outside audit and supervisory board members) or employee of the Company Group.
8. Those who are not a director, audit and supervisory board member, executive or employee of a company, its parent company or its subsidiary with whom the Company Group mutually delegates officers.
9. Those who have not been a director, audit and supervisory board member, executive or employee of a company with whom the Company cross holds shares within the past 5 years.
10. Those who do not have a conflict of interest when performing their duties as an outside officer, or have an interest that may affect the decisions they make.
11. Those who are not a spouse or relative within the second degree of kinship of a person who falls under any of the following:
 - i. A person who is in a position of director, audit and supervisory board member or executive of the Company Group or higher;
 - ii. A person who has been in a position of director, audit and supervisory board member or executive of the Company Group or higher in any of the past 5 years;
 - iii. A person who is restricted to take a position mentioned in the other items
12. Those who do not have any other reason that would interfere with performing duties as an outside officer in terms of their independence.

Operating Results Highlights

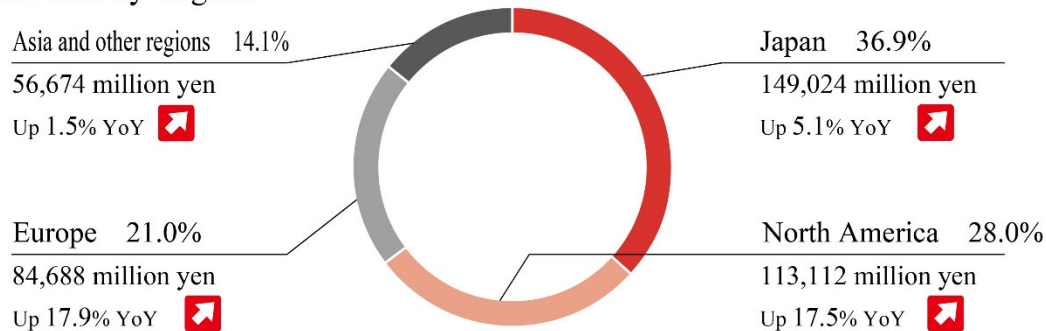
Operating Results Highlights (86th)

Revenue	Operating Profit	Profit Attributable to Owners of Parent
403,500 million yen	56,507 million yen	40,638 million yen
Up 10.3% YoY 	Up 13.3% YoY 	Up 19.0% YoY 

▶ Revenue Composition by Major Business



▶ Revenue by Region



Average exchange rate during the period [USD] 144.⁶² yen [EUR] 156.⁷⁹ yen

(Appendix)

Business Report
(April 1, 2023 to March 31, 2024)

1. Matters Concerning the State of the Company Group

(1) Business Progress and Results

◆ Overview

During the fiscal year under review, the environment surrounding the Company Group remained uncertain due mainly to the ongoing global inflation, sharp interest-rate hikes in the United States and Europe, as well as to geopolitical risks such as Russia's prolonged military invasion of Ukraine and growing tension in the Middle East. However, factors such as increased geopolitical and geoeconomic risks led to a rise in the momentum of supply chain reconfiguration, spurring demand for capital investment. As a result, demand remained robust for capital investment in the Company Group's energy-saving, automation, and productivity-enhancing products as measures to respond to manpower shortages, higher energy prices, and increasing environmental consciousness.

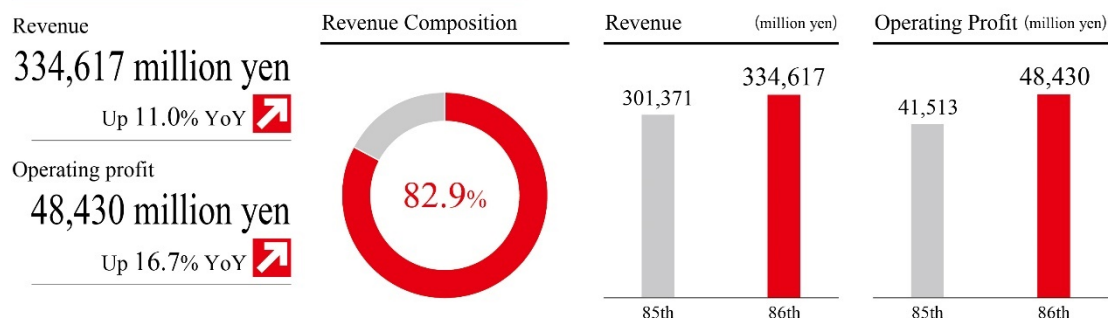
Under such an environment, the Company Group's operating results for the fiscal year under review reported revenue of 403,500 million yen (up 10.3% YoY), thanks to progress in clearing order backlog backed by the normalization of material procurement and production activities. Revenue in Japan was 149,024 million yen (up 5.1% YoY) and overseas revenue was 254,476 million yen (up 13.6% YoY).

Operating profit was 56,507 million yen (up 13.3% YoY) due to reduced manufacturing cost and improved selling prices, as well as to the weaker yen, despite being affected by the continued rise in material costs and increased labor costs associated with a pay raise, and profit attributable to owners of parent was 40,638 million yen (up 19.0% YoY).

As a result, the Company Group reported record highs in all revenue, operating profit, and profit attributable to owners of parent for the second consecutive fiscal year.

◆ Operational Overview by Major Business

Metalworking Machinery Business



In the Metalworking Machinery Business, revenue was 334,617 million yen (up 11.0% YoY) and operating profit was 48,430 million yen (up 16.7% YoY).

<Sheet Metal Division>

In the Sheet Metal Division, revenue was 300,464 million yen (up 11.1% YoY). Overview by region is as follows.

Japan: Due to increased expenses resulting from a surge in material prices and higher wages, the investment of many small and medium-sized enterprises tended to be limited to replacement, mainly in labor-saving processes. Under this circumstance, capital investment related to precision sheet metal, including electronic equipment, remained sluggish. However, capital investment in construction equipment such as a sash and elevator remained strong, supported by greater construction demand for distribution warehouses and others. As a result, revenue increased to 105,393 million yen (up 3.9% YoY), partly boosted by government subsidies.

North America: Although a rate cut had been postponed because of persistent inflation in the United States, the economic conditions remained solid mainly in public investment. In addition, on the back of manpower shortages, demand for products that contribute to automation continued. In Canada, despite the continued tightening monetary policy due to sticky inflation, energy- and agriculture-related capital investment remained robust. As a result, revenue was 89,409 million yen (up 16.5% YoY).

Europe: In the European economy, although tightening policy continued and the manufacturing sector in the Eurozone continued to be at a standstill, there was a sign of bottoming out in demand for capital investment. Demand remained robust in such countries as the U.K. and France, where capital investment remained stable, Italy, where capital investment for automation accelerated, and Eastern European countries, where major projects contributed to revenue. As a result, revenue was 68,855 million yen (up 20.5% YoY).

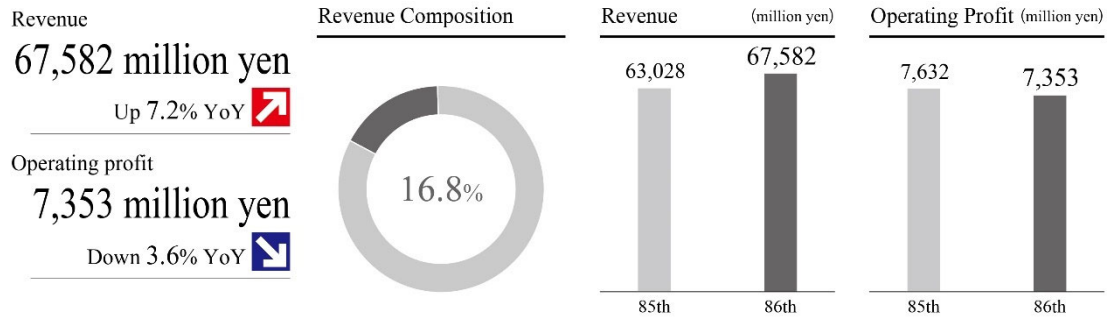
Asia and other regions: Mixed conditions were observed by country and region. In spite of pickups in some regions, there was no sign of recovery in the Chinese economy, and thus difficult conditions continued mainly in ASEAN countries, a region highly dependent on exports to China. Amid these circumstances, demand remained solid in Oceania, where government subsidies promoted a return to domestic manufacturing, and Taiwan, where demand grew in an elevator and switchboard. As a result, revenue was 36,805 million yen (up 4.8% YoY).

<Micro Welding Division>

In the Micro Welding Division, revenue was 34,152 million yen (up 10.5% YoY). In Japan, demand remained robust for electrical parts for automobiles, electronic components, and others.

Overseas, demand increased for the aerospace-related field in the United States and for the automotive battery-related field in Korea. Demand remained firm in India as well, supported by a boost in demand for the electrical parts for automobiles and others.

Metal Machine Tools Business



In the Metal Machine Tools Business, revenue was 67,582 million yen (up 7.2% YoY) and operating profit was 7,353 million yen (down 3.6% YoY).

<Cutting and Grinding Division>

In the Cutting and Grinding Division, revenue was 47,150 million yen (up 8.3% YoY). The housing and construction-related field remained weak, weighed by higher inflation and rising interest rates around the world. However, needs for automation to save labor persisted in various countries reflecting manpower shortages. In Japan, demand related to construction equipment increased and digital profile grinder contributed to revenue.

<Stamping Press Division>

In the Stamping Press Division, revenue was 20,431 million yen (up 4.9% YoY). In Japan, many customers held off their capital investments in the automobile field partly impacted by reconsideration of plans shifting to electric vehicles (EVs). Overseas, although economic outlook remained uncertain due to elevated interest rates and inflation, the EV-related field remained strong in China.

◆ Operational Overview by Region

Revenue by region increased by 5.1% in Japan and by 13.6% overseas. The overseas sales ratio was 63.1% compared to 61.2% in the previous fiscal year.

For the details of the status of revenue by major region, please see operating results highlights on page 26.

(2) Capital Investment

During the fiscal year under review, the total amount of capital investment made by the Company Group was 18,048 million yen.

Of this amount, the Company Group invested 13,029 million yen in property, plant and equipment. In addition, expenditure for acquiring software for sale and software for internal use and other intangible assets was 5,018 million yen.

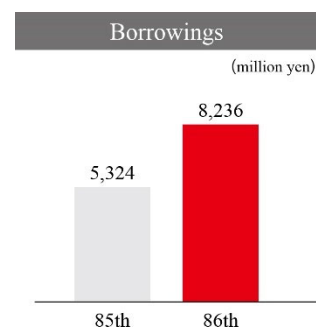
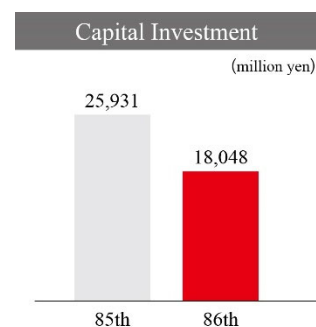
Key capital investments were as follows.

1. Establishment of an employee education and training facility at Isehara Works
2. Expansion of an automation equipment plant in a subsidiary in Northern Europe
3. Development of VPSS 4ie, software for creating machining program

(3) Fund Procurement

During the fiscal year under review, the necessary funds were mainly allocated from own funds, but some consolidated subsidiaries raised the necessary funds by borrowing from financial institutions.

As a result, borrowings outstanding at the end of the fiscal year under review increased by 2,911 million yen from the end of the previous fiscal year to 8,236 million yen.



(4) Challenges to face

Along with the Long-term Vision 2030 as its vision for 2030, the Company Group formulated the Medium-term Business Plan 2025, which covers three years from fiscal 2023 to 2025, as a specific action plan toward sustainable growth and corporate value enhancement. The Company Group has been striving to achieve the Plan as a group-wide effort.

1) Overview of the Medium-term Business Plan 2025

i) Key management indicators and cash allocation

Key management indicators		Cash allocation	
Revenue	400.0 billion yen	Strategic investment	100.0 to 120.0 billion yen
Operating profit	64.0 billion yen (operating profit margin: 16%)	Working capital	100.0 billion yen
ROE	8% or more	Shareholder returns	100.0 to 120.0 billion yen

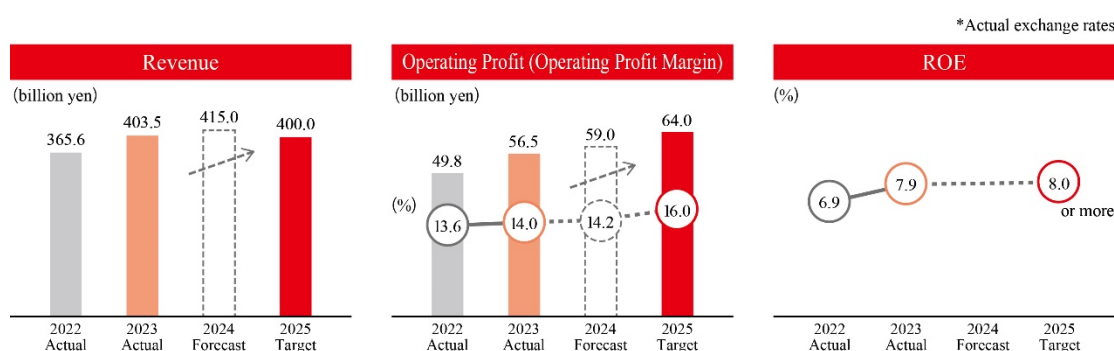
ii) Basic strategic policies

- ◆ Certain achievement of 400 billion yen in revenue and improvement of profitability
- ◆ Starting of activities for long-term growth strategy
- ◆ Implement capital policy (shareholder returns)
- ◆ ESG management and structure reinforcement

2) Progress of the Medium-term Business Plan 2025

i) Key management indicators

As for operating results for fiscal 2023, revenue increased 10.3% YoY to 403.5 billion yen, which was generally favorable for the first year of the Medium-term Business Plan 2025. However, operating profit growth fell below the expected rate, up only 13.3% YoY to 56.5 billion yen (operating profit margin: 14.0%), which made the further enhancement of profit margins a challenge for us. While ROE of 7.9% was in line with our expectations, we will continue to work on improving capital efficiency to achieve the target.



ii) Basic strategic policies

◆ Certain achievement of 400 billion yen in revenue and improvement of profitability

The sales of new products with higher profit margins than existing products fell short of the expected level and we saw a delay in profitability improvement because switching to new products required a longer period than expected. Starting from fiscal 2024, the order backlog of new products is anticipated to further decrease, which is expected to lead to profitability improvement. As for the enhancement of after-sales service, the Company Group focused on penetrating V-factory, a service to support the visualization of machine status in customers' facilities, and successfully acquired a greater number of connected user companies. The number of companies that adopted IoT support, a paid maintenance service using IoT, also favorably increased. Given this situation, the Company Group expects a revenue increase in the service businesses, which is more profitable than other businesses. With the progress of sales activities utilizing a visitor attraction facility, Amada Global Innovation Center (AGIC) opened in February 2023, the Company Group expects cost saving thanks to a further increase in sales efficiency and effects resulting from increases in unit prices of orders received.

◆ Starting of activities for long-term growth strategy

Based on a strategy to expand into new areas through the application of laser technology, the Company merged with AMADA WELD TECH CO., LTD., a former consolidated subsidiary mainly handling laser micro welding, through an absorption-type merger in April 2024 to integrate the laser business so that the Company Group can combine its resources to accelerate its actions. As for global market expansion, the Company Group has been introducing global strategic products tailored to the characteristics of markets around the world one after another, while further reducing costs by expanding local production and procuring globally. To achieve the Long-term Vision, while strategic investments of about 100.0 billion yen to 120.0 billion yen are planned over three years, the actual investment in the first year was around 18.0 billion yen. The Company Group intends to continue utilizing its funds in a strategy to expand into new areas in the above-mentioned laser and welding business, among other things, in the years ahead.

◆ Implement capital policy (shareholder returns)

Based on our shareholder return policy, the Company proposed annual dividend of 60 yen per share for fiscal 2023, up 12 yen from the previous fiscal year, and purchased treasury shares of about 20.0 billion yen in total during fiscal 2023. The Company has already announced that it plans annual dividend of 62 yen per share and an additional purchase of treasury shares of up to 20.0 billion yen in total during fiscal 2024. Going forward, we will implement shareholder returns with the continuation of stable dividend payments and ROE improvement in mind.

◆ ESG management and structure reinforcement

The following are progress toward non-financial targets during fiscal 2023. As for environment, we have been working on reducing CO₂ emissions in our business activities by, for example, promoting the installment of LED lighting and solar-power generating equipment at business offices. For governance, we have decided to present a proposal for introducing a stock compensation plan linked to the Medium-term Business Plan for Directors (excluding Outside Directors) at this General Meeting of Shareholders. As for social factors, the promotion of women to management positions has become an issue. In addition to strengthening the recruitment of women, including mid-career hiring, we will promote early talent development through constantly implementing an education curriculum such as training for female leader candidates.

Indicators		FY2022 Actual	FY2023 Actual	FY2025 Target	FY2030 Target
Environment	Product CO ₂ reduction	57.5% reduction (from 2013)	56.3% reduction (estimate) (from 2013)	50% reduction (from 2013)	50% reduction (from 2013)
	Reduction of CO ₂ emissions from offices and plants	71.5% reduction (from 2013)	74.3% reduction (estimate) (from 2013)	70% reduction (from 2013)	75% reduction (from 2013)
Society	Education and training hours per person	37.6 hours (Group in Japan)	47.7 hours (Group in Japan)	40 hours (Group in Japan)	45 hours (Group in Japan)
	Number of female managers	15 (Group in Japan)	15 (Group in Japan)	24 (Group in Japan)	40 (Group in Japan)
	Ratio of female new graduate hired	32.1% (Group in Japan)	32.6% (Group in Japan)	25% (Group in Japan)	25% (Group in Japan)
	Rate of paid leave acquisition	68.4% (the Company)	74.3% (Group in Japan)	80% (Group in Japan)	100% (Group in Japan)
	Rate of childcare leave acquisition Male/Female	60.9%/100% (Group in Japan)	68.2%/100% (Group in Japan)	70%/100% (Group in Japan)	100%/100% (Group in Japan)
Governance	Securing the diversity of the Board of Directors	Outside directors: 4/9 Female director: 1	Outside directors: 4/9 Female director: 1 Female Audit & Supervisory Board member: 1 (to be appointed) Planning to introduce a stock compensation plan linked to the Medium-term Business Plan in fiscal 2024	Improvement of diversity	Maintenance and improvement
	Reconsideration of officer remuneration and systems	—	—	Introduction of a medium- to long-term incentive plan	Strengthening of responsibility structures

Note: “Group in Japan” in the above table represent the Company Group’s five main companies, namely the Company, AMADA MACHINERY CO., LTD., AMADA WELD TECH CO., LTD. (merged into the Company and dissolved effective on April 1, 2024), AMADA PRESS SYSTEM CO., LTD., and AMADA TOOL CO., LTD.

(Reference) Overview of the Long-term Vision 2030

The Company Group’s vision for 2030

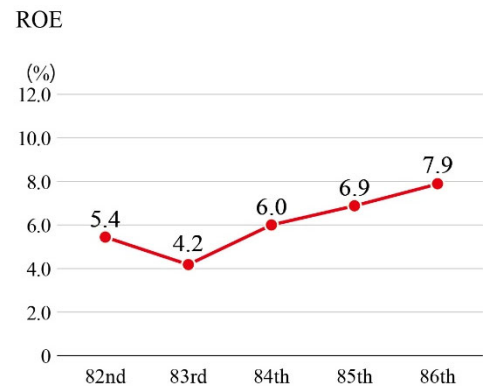
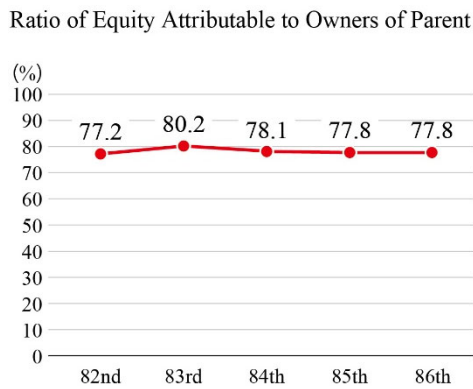
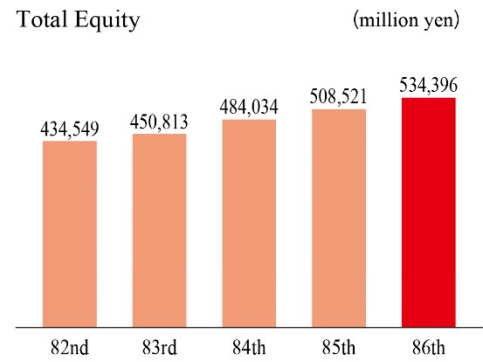
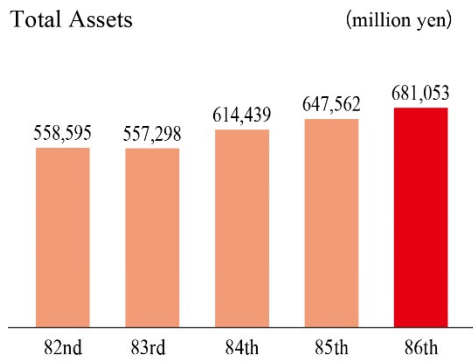
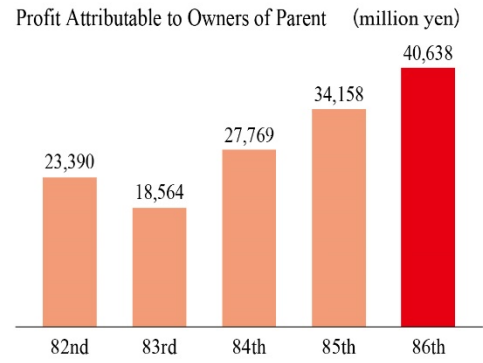
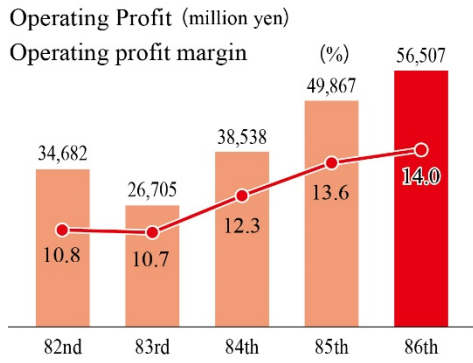
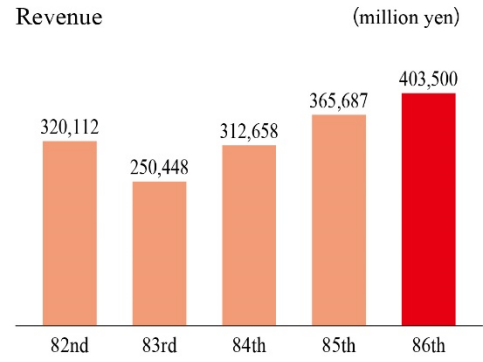
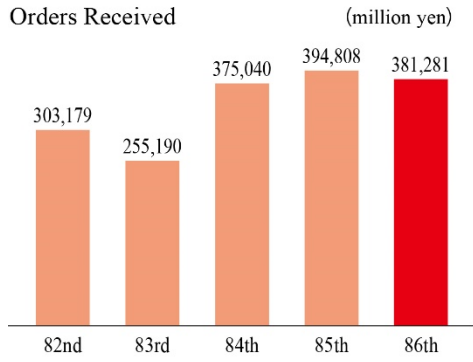
- Adapting to diverse social changes and transforming into a solid management structure
- Gaining trust of society as customer’s partner

Long-term Management Goals			
Revenue 500 billion yen	ROE Stably maintain above 10%	Strengthen initiatives with an awareness of SDGs	Refine a corporate governance system

(5) Changes in Operating Results and Financial Position

Fiscal year		82nd	83rd	84th	85th	86th (current term)
Classification		(From April 1, 2019 to March 31, 2020)	(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)	(From April 1, 2022 to March 31, 2023)	(From April 1, 2023 to March 31, 2024)
Orders received	Millions of yen	303,179	255,190	375,040	394,808	381,281
Revenue	Millions of yen	320,112	250,448	312,658	365,687	403,500
Operating profit	Millions of yen	34,682	26,705	38,538	49,867	56,507
Operating profit margin	%	10.8	10.7	12.3	13.6	14.0
Profit attributable to owners of parent	Millions of yen	23,390	18,564	27,769	34,158	40,638
Basic earnings per share	Yen	65.91	53.40	79.88	98.25	118.95
Total assets	Millions of yen	558,595	557,298	614,439	647,562	681,053
Total equity	Millions of yen	434,549	450,813	484,034	508,521	534,396
Owners' equity per share	Yen	1,239.96	1,285.95	1,380.05	1,450.07	1,584.10
Ratio of equity attributable to owners of parent	%	77.2	80.2	78.1	77.8	77.8
Ratio of profit to equity attributable to owners of parent (ROE)	%	5.4	4.2	6.0	6.9	7.9

Note: Basic earnings per share and owners' equity per share were calculated based on the average total number of issued shares during each fiscal year and the total number of issued shares as of the end of each fiscal year (both excluding treasury shares).



(6) Major Subsidiaries (as of March 31, 2024)

1) Major Subsidiaries

Company Name	Location	Capital	Percentage of Voting Rights Held	Major Activities
AMADA MACHINERY CO., LTD.	Isehara-shi, Kanagawa	Million yen 400	100.00	Development, manufacture and sale of metal cutting and machine tools
AMADA WELD TECH CO., LTD.	Isehara-shi, Kanagawa	Million yen 1,606	100.00	Development, manufacture and sale of precise laser equipment and resistance welding equipment
AMADA PRESS SYSTEM CO., LTD.	Isehara-shi, Kanagawa	Million yen 1,491	100.00	Development, manufacture and sale of stamping press machines and press processing automation equipment
AMADA AUTOMATION SYSTEMS CO., LTD.	Isehara-shi, Kanagawa	Million yen 80	100.00	Manufacture of peripheral equipment of sheet metal processing products
AMADA TOOL CO., LTD.	Isehara-shi, Kanagawa	Million yen 400	100.00	Development, manufacture and sale of punches and dies
AMADA NORTH AMERICA, INC.	U.S.	Thousand USD 148,450	100.00	Management control of North American subsidiaries (holding company)
AMADA AMERICA, INC.	U.S.	Thousand USD 59,000	* 100.00	Sale of sheet metal processing products in North American markets Manufacture of sheet metal processing products
AMADA MACHINERY AMERICA, INC.	U.S.	Thousand USD 4,220	* 100.00	Sale of metal cutting machines and machine tools in North America
AMADA MARVEL, INC.	U.S.	USD 30	100.00	Development and manufacture of cutting machines
AMADA CANADA LTD.	Canada	Thousand CAD 3,000	100.00	Sale of sheet metal processing products in Canada
AMADA de MEXICO, S. de R.L. de C.V.	Mexico	Thousand peso 9,494	* 100.00	Sale of sheet metal processing products in Mexico
AMADA UNITED KINGDOM LTD.	U.K.	Thousand pounds 2,606	100.00	Sale of sheet metal processing products in U.K.
AMADA GmbH	Germany	Thousand euros 6,474	* 100.00	Sale of sheet metal processing products in Germany
AMADA MACHINERY EUROPE GmbH	Germany	Thousand euros 6,000	* 100.00	Sale of metal cutting machines and machine tools in Europe
AMADA EUROPE S.A.	France	Thousand euros 28,491	100.00	Manufacture of sheet metal processing products
AMADA S.A.	France	Thousand euros 8,677	* 100.00	Sale of sheet metal processing products in France
AMADA ITALIA S.r.l.	Italy	Thousand euros 21,136	* 100.00	Sale of sheet metal processing products in Italy
AMADA AUSTRIA GmbH	Austria	Thousand euros 16,206	100.00	Manufacture of band saw blades, dies
AMADA SCANDINAVIA AB	Sweden	Thousand kronor 500	* 100.00	Sale of sheet metal processing products in Northern Europe
AMADA Automation Europe Ltd.	Finland	Thousand euros 50	100.00	Sale of peripheral equipment of sheet metal processing products
AMADA SP. Z O. O.	Poland	Thousand zloty 20,000	* 100.00	Sale of sheet metal processing products in Poland
AMADA (CHINA) CO., LTD.	China	Million yen 3,000	100.00	Management of local subsidiaries in China Sale of sheet metal processing products in China

Company Name	Location	Capital	Percentage of Voting Rights Held	Major Activities
AMADA LIANYUNGANG MACHINERY CO., LTD.	China	Million yen 796	* 100.00	Manufacture of band saw blades
AMADA LIANYUNGANG MACHINE TOOL CO., LTD.	China	Thousand USD 5,880	* 100.00	Manufacture of band saw blades
AMADA TAIWAN INC.	Taiwan	Thousand NT dollars 82,670	* 75.00	Sale of sheet metal processing products in Taiwan
AMADA KOREA CO., LTD.	Korea	Million won 22,200	100.00	Sale of sheet metal processing products in Korea
AMADA (THAILAND) CO., LTD.	Thailand	Thousand bahts 476,000	* 100.00	Sale of sheet metal processing products in Thailand
AMADA SINGAPORE PTE LTD.	Singapore	Thousand SGD 400	* 100.00	Sale of sheet metal processing products in Singapore
AMADA (MALAYSIA) SDN. BHD.	Malaysia	Thousand ringgits 1,000	* 100.00	Sale of sheet metal processing products in Malaysia
AMADA VIETNAM CO., LTD.	Vietnam	Million dong 8,967	100.00	Sale of sheet metal processing products in Vietnam
AMADA (INDIA) PVT. LTD.	India	Thousand rupees 87,210	100.00	Sale of sheet metal processing products in India
PT. AMADA MACHINERY INDONESIA	Indonesia	Million rupiah 13,500	* 100.00	Sale of sheet metal processing products in Indonesia
AMADA OCEANIA PTY LTD.	Australia	Thousand AUD 6,450	100.00	Sale of sheet metal processing products in Oceania
AMADA DO BRASIL LTDA.	Brazil	Thousand reals 35,600	100.00	Sale of sheet metal processing products in Brazil
AMADA MIDDLE EAST FZCO	U.A.E.	Thousand dirham 5,000	80.0	Sale of sheet metal processing products in U.A.E.

Notes:

1. The percentages marked with an asterisk (*) include investments by subsidiaries.
2. AMADA WELD TECH CO., LTD. was merged into the Company and dissolved effective on April 1, 2024.

2) Specified wholly-owned subsidiary
Not applicable.

(7) Main Businesses (As of March 31, 2024)

The Company Group is engaged primarily in the development, manufacture, sale, and service of metalworking machines and metal machines, as well as other businesses incidental to these. It also operates other businesses such as the real estate leasing business.

Main business items by business and division are as follows.

1) Metalworking Machinery Business

Division		Main business items
Sheet Metal Division	Machines	Laser machines, NC turret punch presses, punch and laser combination machines, press brakes, bending robots, shearing, sheet-metal processing system lines
	Software, FA equipment	Factory automation (FA) computers and software
	Services	Repair, maintenance, inspection
	Consumables	Various dies for punch presses, press brakes and other equipment
Micro Welding Division		Precise Laser equipment and resistance welder equipment Repair, maintenance, inspection

2) Metal Machine Tools Business

Cutting and Grinding Division	Metal-cutting bandsaws, structural steel cutting machines, drill presses, metal-cutting blades, Grinders Repair, maintenance, inspection
Stamping Press Division	Press machines, press processing automation equipment Repair, maintenance, inspection

3) Other

Real estate leasing such as shopping centers, etc.

(8) Main Business Offices and Plants (As of March 31, 2024)

1) The Company

Office, Branches, Plants	Location
Head Office	Isehara-shi, Kanagawa
Branches	Tohoku Branch (Tomiya-shi, Miyagi)
	Kita Kanto Branch (Takasaki-shi, Gunma)
	Minami Kanto Branch (Isehara-shi, Kanagawa)
	Chubu Branch (Ichinomiya-shi, Aichi)
	Kansai Branch (Higashiosaka-shi, Osaka)
	Seibu Branch (Onojyou-shi, Fukuoka)
Plants and others	Fujinomiya Works (Fujinomiya-shi, Shizuoka)
	Toki Works (Toki-shi, Gifu)

2) Major Subsidiaries

Please refer to “(6) Major Subsidiaries” above.

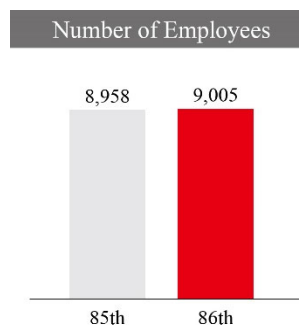
(9) Employees (As of March 31, 2024)

1) The Company Group

Number of employees	Change from the end of previous fiscal year
9,005	Up 47

2) The Company

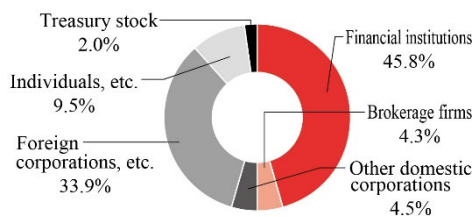
Number of employees	Change from the end of previous fiscal year
2,649	Up 99
Average age	Average service years
43.7	17.9



2. Shares of the Company (As of March 31, 2024)

- (1) Total Number of Shares Authorized 550,000,000
 (2) Total Number of Shares Issued 341,115,217
 (including 6,754,816 treasury shares)
 (3) Total Number of Shareholders 48,568

Distribution of Shareholdership by Type of Shareholder



(4) Major Shareholders

Name of shareholder	Number of shares owned	Ratio of shareholding (*)
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust accounts)	69,289	20.72
Custody Bank of Japan, Ltd. (Trust accounts)	47,471	14.20
MSIP CLIENT SECURITITES	11,571	3.46
The AMADA FOUNDATION	9,936	2.97
SSBTC CLIENT OMNIBUS ACCOUNT	6,138	1.84
JAPAN POST INSURANCE Co., Ltd.	6,077	1.82
Nippon Life Insurance Company	5,894	1.76
STATE STREET BANK AND TRUST COMPANY 505001	5,787	1.73
THE BANK OF NEW YORK MELLON 140044	5,208	1.56
JP MORGAN CHASE BANK 385781	4,604	1.38

(*) The number of treasury shares (6,754,816 shares) is excluded from the calculation of the shareholding ratio.

- (5) Other Important Matters Concerning Shares
 Not applicable.

3. Share Subscription Rights

Not applicable.

4. Directors and Audit & Supervisory Board Members

(1) Name of Directors and Audit & Supervisory Board Members (As of March 31, 2024)

Title	Name	Responsibility, principal occupation (Major concurrent positions)
Representative Director, Chairman	Tsutomu Isobe	Representative Director, Chairman, AMADA MACHINERY CO., LTD. Representative Director, Chairman, AMADA WELD TECH CO., LTD. Representative Director, Chairman, AMADA PRESS SYSTEM CO., LTD.
Representative Director, President	Takaaki Yamanashi	
Director, Senior Executive Officer	Masahiko Tadokoro	Senior Executive General Manager of Engineering Sales & Service HQ
Director, Senior Executive Officer	Koji Yamamoto	Senior Executive General Manager of Corporate Management & Finance HQ, in charge of Overseas Business
Director, Executive Officer	Kazuhiko Miwa	Executive General Manager of Financial Div., in charge of Legal Affairs
Outside Director	Hiroyuki Sasa	(Outside Director, Kyosan Electric Manufacturing Co., Ltd.) (Outside Director, Kanematsu Corporation)
Outside Director	Toshitake Chino	
Outside Director	Hidekazu Miyoshi	Patent attorney (Chairman, Miyoshi & Miyoshi (Patent Office)) (Representative Director, Miyoshi Industrial Property Rights Research Center K.K.)
Outside Director	Harumi Kobe	(Adviser, Aioi Nissay Dowa Insurance Co., Ltd.) (Outside Director (Audit and Supervisory Committee), Raysum Co., Ltd.)
Full-time Audit & Supervisory Board Member	Kotaro Shibata	
Full-time Audit & Supervisory Board Member	Takashi Fujimoto	
Outside Audit & Supervisory Board Member	Akira Takenouchi	Lawyer (Makoto Tsuji Law Office)
Outside Audit & Supervisory Board Member	Seiji Nishiura	Tax accountant (Head, Seiji Nishiura Tax Accountant Office)

Notes:

- Mr. Hiroyuki Sasa was newly elected as Director and Mr. Takashi Fujimoto was newly elected as Audit & Supervisory Board Member at the 85th Ordinary General Meeting of Shareholders held on June 28, 2023 and assumed their office.
- Director Michiyoshi Mazuka and Audit & Supervisory Board Member Takaya Shigeta retired at the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 28, 2023 due to the expiration of their terms of office.
- Audit & Supervisory Board Member Takashi Fujimoto not only served in positions in charge of control divisions at a consolidated subsidiary, but also was involved in operations related to international finance at previous post, and he has in-depth knowledge in finance and accounting.
- Messrs. Hiroyuki Sasa, Toshitake Chino and Hidekazu Miyoshi and Ms. Harumi Kobe are Outside Directors as prescribed in Article 2, Item 15 of the Companies Act. Also, the Company has notified Tokyo Stock Exchange, Inc. that the Company has designated Messrs. Sasa, Chino and Miyoshi and Ms. Kobe as Independent Officers as prescribed in the regulations of the Exchange.
- Messrs. Akira Takenouchi and Seiji Nishiura are both Outside Audit & Supervisory Board Members as prescribed in Article 2, Item 16 of the Companies Act. Also, the Company has notified Tokyo Stock Exchange, Inc. that the Company has designated Messrs. Takenouchi and Nishiura as Independent Officers as prescribed in the regulations of the Exchange.
- AMADA WELD TECH CO., LTD. was merged into the Company and dissolved effective on April 1, 2024.

(2) Outline of Agreements for Limitation of Liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Outside Directors and Outside Audit & Supervisory Board Members to limit their liability for damages, as prescribed in Article 423, Paragraph 1 of the same Act. Liability limits based on this Agreement shall be the minimum liability stipulated in Article 425, Paragraph 1 of the same Act.

(3) Outline of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insured parties covered by such insurance contracts are directors, audit and supervisory board members, executives of the Company and its subsidiaries, and the insured parties do not bear insurance premiums. The outline of the contents of the insurance contract is that the insurance company compensates for damages that may arise as a result of an insured party bearing responsibility for the execution of his or her duties or receiving a claim for bearing such responsibility. However, measures are taken so that the properness of the performance of duties by officers is not impaired by excluding the damages of officers themselves who engaged in bribery or other criminal acts or intentionally committed illegal acts from the scope of compensation.

(4) Compensation, etc. for Directors and Audit & Supervisory Board Members for the current fiscal year

1) Matters related to the decision-making policy concerning the details of compensation, etc. for each individual Director

i) Overview of the details of the decision-making policy

The Company has established the following policy for determining the details of compensation, etc. (hereinafter referred to as “Decision-making Policy”) for each individual director.

A. Basic policy

The Company’s basic policy is to set the compensation system for Directors and Audit & Supervisory Board Members with a consciousness of the shareholder’s perspective so that it can fully function as an incentive for the sustainable enhancement of corporate value, and to determine the compensation of individual Directors at an appropriate level based on their positions and responsibilities. Specifically, compensation for Directors shall consist of basic compensation as fixed compensation and performance-linked compensation, etc. Compensation for Outside Directors, who are responsible for supervisory functions, shall solely consist of basic compensation in consideration of their independence from business execution.

B. Policy for determining the amount of basic compensation, etc. for each individual (including policy for determining the timing or conditions for granting compensation, etc.)

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

C. Policy for determining the details of performance-linked compensation, etc. and the calculating method of the amount or number thereof (including the policy for determining the timing or conditions for granting compensation, etc.)

Performance-linked compensation, etc. shall be cash compensation reflecting performance indicators, with bonuses positioned as short-term incentives, and shall be paid at a set time each year. The index for the compensation shall be profit attributable to owners of parent for a single fiscal year (hereinafter referred to as “Profit”) since, in addition to its importance as a management indicator, it is also a source of dividends and therefore reflects the perspective of shareholders. Specifically, the total amount to be paid

shall be determined by taking into account the number of employees eligible for payment and the growth rate of dividends, up to the amount calculated by multiplying 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 positions and responsibilities.

D. Policy for determining the ratio of the amount of basic compensation and the amount of performance-linked compensation, etc., to the amount of compensation, etc., for each individual Director

Under the current compensation system for Directors, the ratio of performance-linked bonuses is not fixed at a certain level, but is designed so that the ratio of performance-linked bonuses to total compensation for Directors increases in accordance with the improvement of the Company's business performance. For this reason, the Company shall not establish a policy for determining the ratio of performance-linked compensation to total compensation for Directors.

E. Matters related to the decision concerning the details of compensation, etc. for each individual Director

The Board of Directors has the authority to determine the amount of compensation, etc. for the Company's Directors and the method of calculation thereof, within the scope of the total amount of compensation resolved at the General Meeting of Shareholders, after deliberation by the voluntary Compensation Committee chaired by an Outside Director.

ii) Method of determining the Decision-making Policy concerning the details of compensation, etc. for each individual Director

In order to establish a compensation system that fully functions as an incentive for the sustainable enhancement of corporate value, is conscious of the shareholders' perspective, and takes into account the medium- to long-term management policy, the Decision-making Policy was determined in consultation with the voluntary Compensation Committee on the draft of the Decision-making Policy for the details of compensation, etc. for each individual Director prepared by the Human Resources Division. The Decision-making Policy was then resolved at the Board of Directors meeting held on February 10, 2021, respecting the content of the report of the Committee.

iii) Reasons why the Board of Directors determined that the details of compensation, etc. for each individual Director regarding the current fiscal year are in line with the Decision-making Policy

In determining the details of compensation, etc. for each individual Director, the voluntary Compensation Committee deliberates on the draft from various perspectives, including consistency with the Decision-making Policy, and the Board of Directors generally respects the report of the Committee. Accordingly, the Board of Directors believes that the details of compensation, etc. for each individual Director is in line with the Decision-making Policy.

2) Matters concerning the resolution of compensation, etc. for Directors and Audit & Supervisory Board Members by resolution of the General Meeting of Shareholders

The amount of monetary compensation for the Company's Directors was resolved at the 81st Ordinary General Meeting of Shareholders held on June 26, 2019 to be within 468 million yen per year (including within 50 million yen per year for Outside Directors). The number of Directors as of the close of this Ordinary General Meeting of Shareholders was eight, including three Outside Directors.

The amount of monetary compensation for the Company's Audit & Supervisory Board Members was resolved at the 48th Ordinary General Meeting of Shareholders held on June 27, 1986 to be within 4 million yen per month. The number of Audit & Supervisory Board Members as of the close of this Ordinary General Meeting of Shareholders was three.

3) Total Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members

Category of officers	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers
		Basic compensation	Performance-linked compensation	Non-monetary compensation, etc.	
Directors (Outside)	439 (37)	219 (37)	220 (-)	-	10 (5)
Audit & Supervisory Board Members (Outside)	41 (13)	41 (13)	-	-	4 (2)
Total	480	260	220	-	14 (7)

Note: Bonuses are paid to Directors as performance-linked compensation. The performance indicator selected as the basis for the calculation of the bonus is Profit for a single fiscal year, and the trend of Profit including for the current fiscal year is as described in “1. (5) Changes in Operating Results and Financial Position.”

(4) Matters Concerning Outside Officers

1) Important concurrent positions held in other organizations and relationships between those organizations and the Company

Category	Name	Name of other organizations	Positions held in other organizations	Relationships between those organizations and the Company
Director	Hiroyuki Sasa	Kyosan Electric Manufacturing Co., Ltd.	Outside Director	There is no special relationship.
		Kanematsu Corporation	Outside Director	There is no special relationship.
	Toshitake Chino	-	-	-
	Hidekazu Miyoshi	Miyoshi & Miyoshi (Patent Office)	Chairman	The Company has transaction relationships with the companies. (Note)
		Miyoshi Industrial Property Rights Research Center K.K.	Representative Director	
	Harumi Kobe	Aioi Nissay Dowa Insurance Co., Ltd.	Adviser	There is no special relationship.
Raysum Co., Ltd.		Outside Director (Audit and Supervisory Committee)	There is no special relationship.	
Audit & Supervisory Board Member	Akira Takenouchi	Makoto Tsuji Law Office	Lawyer	There is no special relationship.
	Seiji Nishiura	Seiji Nishiura Tax Accountant Office	Head	There is no special relationship.

Note: The Company Group has transactions, such as payment of compensation for patent applications, etc. and various research services related to intellectual property rights, with Miyoshi & Miyoshi (Patent Office), where Director Mr. Hidekazu Miyoshi serves as Chairman, and with Miyoshi Industrial Property Rights Research Center K.K., where Mr. Miyoshi serves as the Representative Director; however, the transaction amounts were small, and only constituted less than 1% of the consolidated revenue of the Company. They were also approximately 2% of sales of Miyoshi & Miyoshi and the affiliated companies thereof.

2) Major activities during the current fiscal year

Category	Name	Major activities
Director	Hiroyuki Sasa	Attended all 8 Board of Directors meetings held during the current fiscal year after his appointment on June 28, 2023 and expressed his opinions based on his expertise and experience as former business manager at a global company. As the Chairman of the Nomination Committee, he also leads the operation of the committee with fairness and high transparency. In addition, as a member of the Compensation Committee, he has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals based on his knowledge.
	Toshitake Chino	Attended all 10 Board of Directors meetings held during the current fiscal year and expressed his opinions based on his expertise and experience as former editor and business manager at a newspaper company. As the Chairman of the Compensation Committee, he also leads the operation of the committee with fairness and high transparency. In addition, as a member of the Nomination Committee, he has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals based on his knowledge.
	Hidekazu Miyoshi	Attended all 10 Board of Directors meetings held during the current fiscal year and expressed his opinions based on his expertise and experience as a manager of a patent office and patent attorney. In addition, as a member of the Nomination Committee and Compensation Committee, he has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals based on his knowledge.
	Harumi Kobe	Attended all 10 Board of Directors meetings held during the current fiscal year. She has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals from a new perspective, based on her expertise and experience as a former bureaucrat.
Audit & Supervisory Board Member	Akira Takenouchi	Attended all 10 Board of Directors meetings and all 11 Audit & Supervisory Board meetings held during the fiscal year, and expressed his opinions from his professional viewpoint as a lawyer. In addition, conducted audits of business offices and reported to the Audit & Supervisory Board in accordance with audit policies determined by the Audit & Supervisory Board.
	Seiji Nishiura	Attended all 10 Board of Directors meetings and all 11 Audit & Supervisory Board meetings held during the fiscal year, and expressed his opinions from his professional viewpoint as a certified tax accountant. In addition, conducted audits of business offices and reported to the Audit & Supervisory Board in accordance with audit policies determined by the Audit & Supervisory Board.

Note: In addition to the number of Board of Directors meetings attended listed above, there was one written resolution deemed to have been adopted by the Board of Directors pursuant to Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.

5. Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation and Other Property Benefits to the Accounting Auditor for the Current Fiscal Year

1) Compensation for audit activities under Article 2, Paragraph 1 of the Certified Public Accountants Act

123 million yen

2) Total amount of cash and other property benefits to be paid by the Company and its subsidiaries

170 million yen

Notes:

1. The Audit & Supervisory Board has given consent under Article 399, Paragraph 1 of the Companies Act for compensation and other property benefits to the Accounting Auditor after reviewing changes in audit hours by audit item and amounts of compensation for audits as well as audit plans and performance in past years, and examining the adequacy of the audit hours and estimated amount of compensation for the current fiscal year.
2. Since the audit agreement concluded between the Company and the Accounting Auditor does not distinguish between compensation for audits performed under the Companies Act and audits performed under the Financial Instruments and Exchange Act, the amount of compensation for audits stated in 1) above are the total of these amounts.
3. Important overseas consolidated subsidiaries of the Company were audited by the audit firms other than the Accounting Auditor of the Company.

(3) Policy on Determining Dismissal, or Non-reappointment of Accounting Auditor

The Audit & Supervisory Board will determine the content of a proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders if it judges that there are issues with the competence, independence, or reliability as an accounting auditor.

In addition, if any of the reasons provided for in Article 340, Paragraph 1 of the Companies Act is found to apply to the Accounting Auditor, the Audit & Supervisory Board will dismiss the Accounting Auditor based on the unanimous agreement of the Audit & Supervisory Board Members. In such case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report the dismissal and the reasons therefor at the first General Meeting of Shareholders convened after the dismissal.

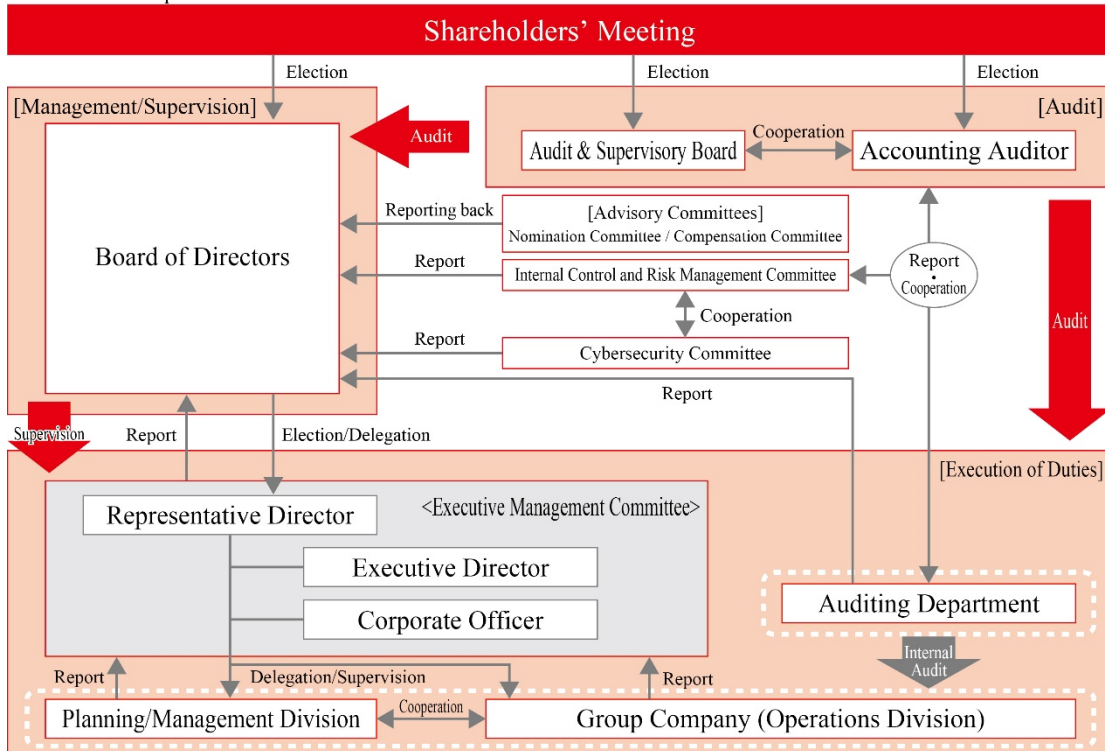
6. Corporate Governance Structure

Basic Approach and Structure for Corporate Governance

Sound corporate activities based upon high ethical standards and fairness is a crucial part of our business; therefore, we will endeavor to strengthen corporate governance according to the principles stated below to ensure 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

■ Chart of Corporate Governance Structure



7. Frameworks for proper operations and the management of frameworks

(1) Frameworks for proper operations

Regarding the development of frameworks to ensure proper operations, the Company has determined the following basic policies resolved by the Board of Directors.

1) Framework for compliance with laws, ordinances and the Articles of Incorporation in execution of duties by Directors and employees of the Company and the subsidiaries (hereinafter referred to as the “Company Group”)

Our Directors shall determine a basic policy for compliance (observance of laws, ordinances, internal rules, etc.) for the Company Group, to develop organizations and rules for its realization, and promote a compliance system by integrating activities of the Group companies. Furthermore, compliance education will be conducted, and the procedure to follow in the event of a violation shall be clarified and disseminated throughout the Group companies. The Auditing Department shall conduct internal audits of the Company Group on development and operation of the compliance system.

In order to secure the reliability of financial reporting, an internal control reporting system shall be developed for effective and efficient operations and evaluation.

i) Norms shared in the Company Group

The “Amada Group Management Philosophy” and the “Amada Group Corporate Code of Conduct” shall be defined to ensure constant awareness of the need to comply with laws, ordinances and the Articles of Incorporation in our businesses, and they shall be thoroughly disseminated and supervised.

ii) Internal Control and Risk Management Committee

The Committee shall maintain and improve the internal control systems and develop the compliance framework.

2) Framework for retention and management of information regarding our Directors’ execution of duties

The minutes of important meetings, such as General Meeting of Shareholders, Board of Directors meetings and Expert Committee meetings, and other information concerning the execution of Directors’ duties shall be properly retained and managed and made available for browsing by Directors and Audit & Supervisory Board Members as needed in compliance with laws, ordinances, internal regulations and rules.

3) Rules and other systems for management of Company Group’s risk of loss

i) The Basic Rules on Risk Management stipulate basic matters related to risk management, to prevent the Company Group from incurring losses or to minimize losses should they occur. The Internal Control and Risk Management Committee shall centrally manage the Company Group’s risks and promote organization-wide risk management. In addition, to ensure that information on matters such as fraud or compliance violations is reported without omission, rules on investigation, clarification and communication networks regarding fraud and risk information shall be defined and thoroughly disseminated in the Group companies.

ii) For individual risk management, responses to various risks are handled by relevant Expert Committees, as well as Risk Management Subcommittee established as subordinate

- organizations of the Internal Control and Risk Management Committee, and the department in charge of risk.
- iii) In the event of a major incident, accident, natural disaster, or other emergency that is deemed to require a company-wide response, an emergency task force shall be established to take swift action on crisis management.
 - iv) The Auditing Department shall conduct internal audits of the Company Group on development and operation of the risk management framework.
- 4) Framework for ensuring the efficiency of the execution of duties by Company Group's Directors
- i) The Board of Directors shall determine and supervise the execution of duties concerning matters prescribed by laws, ordinances and the Articles of Incorporation and the important management matters based on the Regulations of the Board of Directors.
 - ii) In order to expedite a decision making process by selected members of the Board of Directors and enhance the performance by separating the executive body, a corporate officer system is adopted. The President shall instruct and convey the policies and decisions resolved by the Board of Directors, and Corporate Officers shall report on the progress in their execution of duties to the Board of Directors, President and Audit & Supervisory Members upon individual requests.
 - iii) The Executive Management Committee and Expert Committees shall discuss the important matters to be proposed to the Board of Directors in advance, support the decision making of the Board, and deliberate on the matters delegated by the Board.
- 5) Framework for reporting system on execution of duties by Directors, etc. of the Company Group and systems for proper execution of businesses
- i) The Company Group shall establish the "Amada Group Management Philosophy," "Amada Group Corporate Code of Conduct," etc. as the basic principles of the Group as a whole.
 - ii) The Company Group shall, based on the Regulations of the Board of Directors, seek approval or report to the Board of Directors on the important management matters, including the matters of subsidiaries, regularly receive reports on the business plan, etc. from the subsidiaries, and confirm the appropriateness of subsidiaries' operations.
 - iii) Regarding the management of the Group companies, a department and the person in charge shall be clarified to secure proper operation pursuant to the provisions of the "Rules on Administrative Authorities of Affiliates in Japan" and "Operations Management Rules for Overseas Affiliates."
 - iv) The Auditing Department shall conduct audits on the performance of business, compliance framework, etc. of departments and the Group companies, monitor and provide advice and recommendations for improvements, and report the result to the Board of Directors, President, Audit & Supervisory Board Members, and the Internal Control and Risk Management Committee.
- 6) Matters concerning i) employees assisting the Audit & Supervisory Board Members, ii) independence of the said employee from Directors, and iii) effectiveness of instruction on the said employee

- i) When the Audit & Supervisory Board Members seek an employee as their assistant, such employee shall be assigned to ensure effective performance of their duties. Selection of the said employee shall be determined upon consultation between the Representative Director and the Audit & Supervisory Board Members.
 - ii) When the above employee is assigned to assist the Audit & Supervisory Board Members in their duties, any appointment or transfer of the said employee shall require the consent of the Members and their opinions shall be fully considered in the personnel evaluation of the employee.
 - iii) The Audit & Supervisory Board shall have a secretariat established, and it shall prepare, retain and manage the minutes.
- 7) Framework for reporting systems to the Audit & Supervisory Board Members by Directors and employees of the Company Group, including a ban on unfavorable treatment on whistleblowers
- i) Directors, Corporate Officers and employees (hereinafter referred to as the “Corporate Officers and employees”) shall immediately report to the Audit & Supervisory Board Members when there is any event that has a significant impact on the Company Group, or when there is a possibility of such event. Furthermore, Corporate Officers and employees shall report and provide the necessary information as requested by the Members.
 - ii) The framework shall ensure that a Corporate Officer or employee who has reported an event to the Audit & Supervisory Board Members will not be treated unfavorably on the grounds of that report.
- 8) Matters concerning procedure for advance payment or reimbursement of costs incurred in the course of performing duties by Audit & Supervisory Board Members and policies on processing of costs or debts incurred by other duties of Members.
- The cost that the Audit & Supervisory Board Members require to perform their duties shall be budgeted according to the Audit Plan of the Members in advance and any emergency or ad hoc spending required in the course of audit, including an investigation, shall be prepaid or reimbursed.
- 9) Other frameworks for ensuring effective audit by the Audit & Supervisory Board Members
- i) The Audit & Supervisory Board may use the services of lawyers, certified public accountants, consultants or other outside advisors at their own discretion when deemed necessary for the audit.
 - ii) The Audit & Supervisory Board Members shall receive an explanation about the content of the accounting audit conducted by Accounting Auditor and promote exchange of information.

(2) Overview of the management of frameworks for proper operations

Based on the above basic policies regarding the development of frameworks, the Company implements the following measures.

1) Measures related to compliance

For the purpose of maintaining and improving the internal control systems and developing the compliance framework, the Internal Control and Risk Management Committee was established, and its meetings are, in principle, regularly held twice a year. In addition, for the purpose of early detection and correction of legal violation and fraud, the whistle-blowing system has been operated, which connects a whistleblower to the Auditing Department and outside contracting companies acting as contact points. To comply with the revised Whistleblower Protection Act, the Company has revised the “Internal Reporting Rules” to stipulate that whistleblowers and persons aiding an investigation are not subject to unfavorable treatment on the grounds of such report. Furthermore, as a measure to promote compliance education and compliance awareness activities, we continued the provision of group education and online education that is available as needed.

2) Measures related to execution of duties by Directors

The Company resolves important matters and supervises the execution of duties by Directors at the Board of Directors meetings. In the fiscal year under review, the Board of Directors meetings were held 10 times. There was also one written resolution deemed to have been adopted by the Board of Directors. In addition, the Nomination Committee and the Compensation Committee, which is composed of a majority of Outside Directors and is chaired by an Outside Director, serves as an advisory body to the Board of Directors. Meetings are held as needed, and deliberations are conducted by making use of the knowledge and advice of Outside Directors, as part of efforts to ensure the independence and objectivity of the Board of Directors. In addition, four Outside Directors including one female Outside Director attended the Board of Directors meetings and other important meetings to offer their apt and candid opinions and are committed to monitoring and supervising the management. During the fiscal year under review, the Board of Directors conducted several deliberations on the formulation of the Medium-term Business Plan announced in May 2023.

3) Measures related to risk management

The Basic Rules on Risk Management stipulate basic matters related to risk management, to prevent the Company Group from incurring losses or to minimize losses should they occur, and the Company Group strives for risk management by considering countermeasures from normal times. The Internal Control and Risk Management Committee centrally manage the Company Group’s risks and promote organization-wide risk management. As for individual risks, the Risk Management Subcommittee, a subordinate organization of the Internal Control and Risk Management Committee, approves the progress of risk management measures. In doing so, the Subcommittee uses the material risk management sheet for managing the important risks at the Group level, such as those pertaining to personnel, property, money, and information. In addition, risks are managed by Expert Committees, including the Cybersecurity Committee, Export Control Center, General Health and Safety Committee, and Health Management Promotion Committee. In particular, to be prepared for security risks, the Cybersecurity Committee prepares, implements, and reports on a risk assessment and countermeasure plan on an ongoing basis as a cyclical process to strengthen group-wide IT governance on a global

scale. At the same time, the Committee also provides education and training programs tailored to employees' different security levels to improve their security literacy. In addition, the Company has established security response teams that also take initiatives in the event of a security incident, namely, PSIRT*, which takes measures relating to the Company's network products, and CSIRT*, which takes measures relating to internal systems, to be prepared all times for security risks.

Moreover, the Company has put in place a system where an emergency task force will be established to take swift action on crisis management in the event of an emergency.

4) Measures related to management of Group companies

The Group companies are managed pursuant to the "Rules on Administrative Authorities of Affiliates in Japan" and "Operations Management Rules for Overseas Affiliates" to improve operational efficiency and optimization. A department in charge of each subsidiary actively performs the role of guiding management. The Auditing Department, as an independent division directly reporting to the President, checks the progress of development and operations of the internal control systems of the Company Group and is committed to early detection of any issues and prevention of occurrence of losses. The Auditing Department provides recommendations and guidance on improvements and monitors the progress. The operation status of these internal control systems is reported directly to the Board of Directors and the Audit & Supervisory Board.

5) Measures related to audit by Audit & Supervisory Board Members

In accordance with audit policies and division of duties, Audit & Supervisory Board Members attended the Board of Directors meetings and other important meetings to audit the operation of the proceedings and the content of resolutions in compliance with the Company's auditing standards for Audit & Supervisory Board Members. At these meetings, they expressed their opinions as necessary. In addition, Full-time Audit & Supervisory Board Members attended important meetings, heard reports on businesses from the Company's Directors and subsidiaries, and inspected important approval documents and contract documents to investigate the status of business operations and assets of the Company and its major subsidiaries. At the same time, Audit & Supervisory Board Members received reports on the status of the execution of duties from the Accounting Auditor and requested explanations as necessary.

The Audit & Supervisory Board have discussed and resolved on matters, such as prior approval for non-assurance services provided by the Accounting Auditor, etc., the audit policies, audit plans, and division of duties for Audit & Supervisory Board Members, as well as the evaluation of the Accounting Auditor, their reappointment/non-reappointment, and draft audit reports. The Board also received reports on the activity status from Full-time Audit & Supervisory Board Members. Furthermore, the Board directly received reports from the Auditing Department and held collaborative meetings with Outside Directors twice a year to exchange information and opinions. The Audit & Supervisory Board meetings were held 11 times during the fiscal year under review.

* PSIRT: a dedicated team that takes measures for security improvement and in the event of a security incident relating to products and services the Company Group offers

* CSIRT: a dedicated team that takes measures for security improvement and in the event of a security incident relating to the Company Group's internal organizations

Amounts and the number of shares shown in this business report are rounded down to the whole number of the unit of presentation.

Consolidated Statement of Financial Position

(Millions of yen; amounts less than one million yen are truncated.)

Item	Current fiscal year (As of March 31, 2024)	(Reference) Previous fiscal year (As of March 31, 2023)	Item	Current fiscal year (As of March 31, 2024)	(Reference) Previous fiscal year (As of March 31, 2023)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and cash equivalents	93,420	98,556	Trade and other payables	63,800	62,972
Trade and other receivables	145,686	130,319	Borrowings	8,236	4,657
Inventories	146,587	134,536	Income taxes payable	8,069	10,595
Other financial assets	32,994	24,937	Other financial liabilities	3,651	3,355
Other current assets	10,621	10,367	Provisions	2,104	1,877
Total current assets	429,309	398,716	Other current liabilities	42,484	37,555
Non-current assets			Total current liabilities	128,346	121,013
Property, plant and equipment	183,700	176,668	Non-current liabilities		
Goodwill	6,781	6,426	Borrowings	—	667
Intangible assets	12,610	11,810	Other financial liabilities	10,945	10,300
Investments accounted for using equity method	919	702	Retirement benefit liability	3,374	3,058
Other financial assets	25,868	32,656	Provisions	8	7
Deferred tax assets	12,388	11,124	Deferred tax liabilities	995	933
Other non-current assets	9,475	9,457	Other non-current liabilities	2,987	3,061
Total non-current assets	251,743	248,846	Total non-current liabilities	18,310	18,028
Total Assets	681,053	647,562	Total Liabilities	146,656	139,041
			(Equity)		
			Share capital	54,768	54,768
			Capital surplus	120,536	143,883
			Retained earnings	311,076	288,300
			Treasury shares	(8,760)	(12,099)
			Other components of equity	52,039	29,273
			Total equity attributable to owners of parent	529,661	504,127
			Non-controlling interests	4,735	4,393
			Total Equity	534,396	508,521
			Total Liabilities and Equity	681,053	647,562

(Note) Figures as of the end of the previous fiscal year are provided for reference purposes only (not audited).

Consolidated Statement of Profit or Loss

(Millions of yen; amounts less than one million yen are truncated.)

Item	Current fiscal year (From April 1, 2023 to March 31, 2024)	(Reference) Previous fiscal year (From April 1, 2022 to March 31, 2023)
Revenue	403,500	365,687
Cost of sales	(228,319)	(206,332)
Gross profit	175,181	159,355
Selling, general and administrative expenses	(119,191)	(109,790)
Other income	1,963	1,369
Other expenses	(1,445)	(1,067)
Operating profit	56,507	49,867
Finance income	5,763	2,894
Finance costs	(4,425)	(3,378)
Share of profit of investments accounted for using equity method	222	225
Profit before tax	58,066	49,608
Income tax expense	(17,238)	(15,177)
Profit	40,828	34,431
Profit attributable to:		
Owners of parent	40,638	34,158
Non-controlling interests	190	272
Profit	40,828	34,431

(Note) Figures for the previous fiscal year are provided for reference purposes only (not audited).

Non-consolidated Balance Sheet

(Millions of yen; amounts less than one million yen are truncated.)

Item	Current fiscal year (As of March 31, 2024)	(Reference) Previous fiscal year (As of March 31, 2023)	Item	Current fiscal year (As of March 31, 2024)	(Reference) Previous fiscal year (As of March 31, 2023)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits	46,071	42,067	Notes payable - trade	557	416
Notes receivable - trade	9,665	10,533	Accounts payable - trade	10,769	13,432
Accounts receivable - trade	50,831	57,335	Electronically recorded obligations - operating	19,825	18,702
Securities	15,299	15,002	Lease obligations	65	67
Merchandise and finished goods	27,422	23,177	Accounts payable - other	2,611	1,386
Work in process	3,156	4,806	Accrued expenses	4,160	3,661
Raw materials and supplies	18,753	17,384	Income taxes payable	3,142	6,239
Advance payments - trade	20	82	Contract liabilities	3,559	3,341
Prepaid expenses	323	331	Deposits received	17,404	18,323
Short-term loans receivable	1,335	1,997	Provision for product warranty	295	245
Accounts receivable - other	5,752	9,141	Provision for bonuses	2,798	2,568
Other	536	515	Provision for directors' bonuses	220	177
Allowance for doubtful accounts	(831)	(1,122)	Other	678	329
Total current assets	178,336	181,253	Total current liabilities	66,088	68,892
Non-current assets			Non-current liabilities		
Property, plant and equipment			Lease obligations		
Buildings	63,010	64,137	Deferred tax liabilities for land revaluation	477	477
Structures	5,733	6,171	Provision for retirement benefits	162	140
Machinery and equipment	8,233	9,656	Asset retirement obligations	8	7
Vehicles	124	125	Long-term guarantee deposited	894	914
Tools, furniture and fixtures	3,258	3,649	Other	635	762
Assets for rent	5,657	5,658	Total non-current liabilities	2,191	2,325
Land	32,286	32,274	Total Liabilities	68,280	71,218
Leased assets	22	32	(Net Assets)		
Construction in progress	4,521	112	Shareholders' equity		
Total property, plant and equipment	122,848	121,817	Capital stock	54,768	54,768
Intangible assets			Capital surplus		
Patent right	3	1	Legal capital surplus	163,199	163,199
Software	8,538	7,190	Other capital surplus	-	0
Telephone subscription right	109	109	Total capital surplus	163,199	163,199
Other	8	11	Retained earnings		
Total intangible assets	8,661	7,313	Legal retained earnings	9,126	9,126
Investments and other assets			Other retained earnings		
Investment securities	24,369	31,385	Reserve for reduction entry of land	408	408
Shares of subsidiaries and associates	69,709	69,709	Reserve for reduction entry of depreciable assets	4,943	5,263
Investments in capital of subsidiaries and associates	20,724	20,724	General reserve	111,852	111,852
Long-term loans receivable	1,081	1,283	Retained earnings brought forward	36,928	44,314
Long-term prepaid expenses	1,151	1,433	Total retained earnings	163,259	170,964
Prepaid pension costs	7,544	6,339	Treasury shares	(8,760)	(12,099)
Deferred tax assets	1,504	1,465	Total shareholders' equity	372,466	376,832
Real estate lease investment assets	651	850	Valuation and translation adjustments		
Other	925	927	Valuation difference on available-for-sale securities	5,315	5,008
Allowance for doubtful accounts	(638)	(637)	Revaluation reserve for land	(9,191)	(9,191)
Total investments and other assets	127,023	133,482	Total valuation and translation adjustments	(3,876)	(4,183)
Total non-current assets	258,533	262,614	Total Net Assets	368,589	372,649
Total Assets	436,870	443,867	Total Liabilities and Net Assets	436,870	443,867

(Note) Figures as of the end of the previous fiscal year are provided for reference purposes only (not audited).

Non-consolidated Statement of Income

(Millions of yen; amounts less than one million yen are truncated.)

Item	Current fiscal year (From April 1, 2023 to March 31, 2024)	(Reference) Previous fiscal year (From April 1, 2022 to March 31, 2023)
Net sales	192,419	183,433
Cost of sales	130,139	120,311
Gross profit	62,280	63,122
Selling, general and administrative expenses	41,682	40,026
Operating income	20,598	23,095
Non-operating income	20,791	18,570
Interest income	240	162
Interest on securities	139	165
Dividend income	17,782	14,900
Gain on sales of investment securities	199	2,135
Commission fee	448	427
Foreign exchange gains	1,154	–
Other	828	779
Non-operating expenses	731	865
Interest expenses	2	2
Loss on sales of investment securities	204	94
Loss on valuation of derivatives	515	394
Foreign exchange losses	–	370
Other	9	3
Ordinary income	40,659	40,801
Extraordinary income	14	–
Gain on sales of non-current assets	0	–
Gain on retirement of bond	13	–
Extraordinary losses	141	678
Loss on retirement of non-current assets	107	494
Loss on valuation of shares of subsidiaries and associates	–	132
Loss on valuation of investment securities	31	51
Other	2	–
Income before income taxes	40,531	40,122
Income taxes – current	7,463	8,439
Income taxes – deferred	(173)	(79)
Total income taxes	7,289	8,359
Profit	33,241	31,763

(Note) Figures for the previous fiscal year are provided for reference purposes only (not audited).