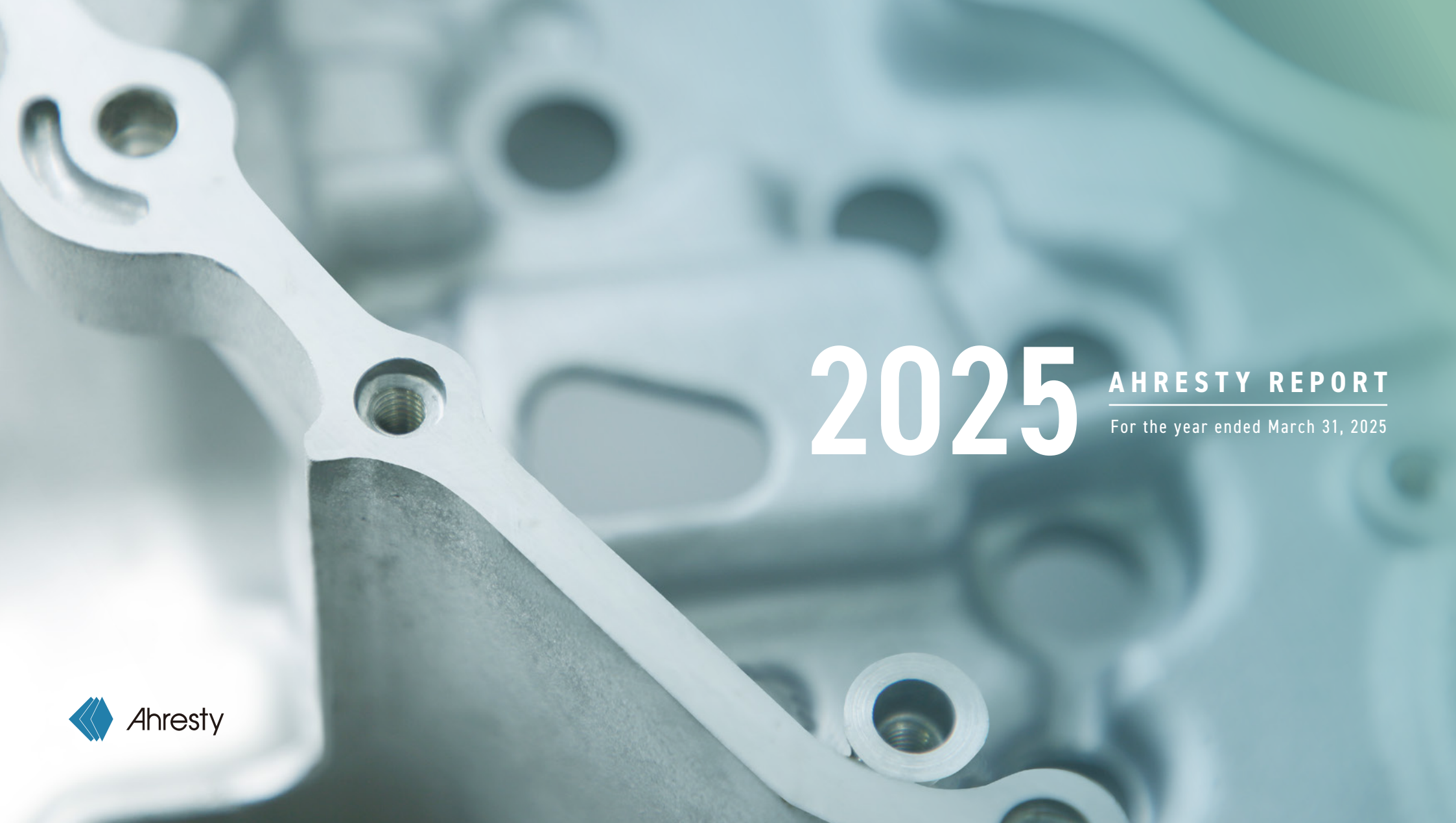


2025 AHRESTY REPORT

For the year ended March 31, 2025

Ahresty

Our Company Name

The Sentiments Embodied by Our Name

Our corporate name of “AHRESTY” is a phonetic representation of the letters R, S, T standing for: Research, Service, Technology. Research means continuous development and research into new technologies, markets and sales approach. Service means careful, satisfying service rendered through warm personal interaction. Technology means the technology to produce hardware and software which are truly useful and beneficial to society.

Research, Service and Technology as defined above should not be treated separately. For example, true research requires proper technology and the desire to provide service to society. The three concepts have intricate links between each other in which they depend on each other and become refined and improved through interaction.

We have incorporated the sum total of Research, Service and Technology (abbreviation “RST”) into our corporate philosophy and have named our company “Ahresty Corporation”.

Our mission is to pursue and integrate Research, Service, and Technology, and we believe that our raison d'etre is to make a large contribution to the progress and welfare of society through our various products and services.

Corporate Philosophy

Mission Purpose

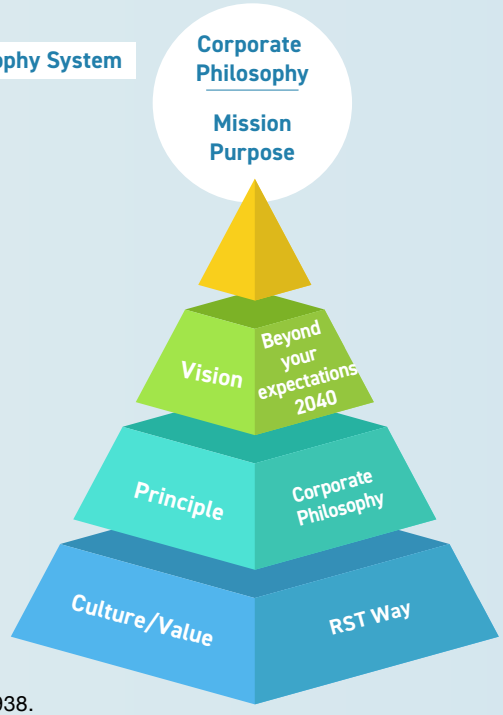
Research
Service
Technology

We aim to create an affluent society by pursuing and integrating each of these areas.

Principle

Let us take pride in our work, respect theory and experimentation, value originality and invention and offer superior products and service to our customers

Philosophy System



Five criteria for action – The RST Way Culture/Value

The RST Way is the basis of each employee's way of thinking and action to realize the Corporate Philosophy, and "conscientious," "proactive," "speedy," "learning," and "challenge" are keywords that represent the values and beliefs that Ahresty has cultivated since its founding in 1938.

Conscientious

We earnestly and sincerely make efforts for our customers and all stakeholders. We strive to understand diverse opinions, thoughts and values, listening to them with open minds.

Proactive

We are self-driven and enthusiastically strive for success. Each of us takes the initiative so that our actions lead to significant improvements.

Speedy

We act quickly, sensing changes in social needs and the global market. We consistently strive to enhance and reform our work methods and our technologies.

Learning

We constantly evolve to reach our goals.
We advance ourselves by having inquiring minds to achieve expectations.

Challenge

We work unflinchingly on aggressive targets to achieve them.
We consistently challenge ourselves through theories and experiments without fear of failure, respecting originality and invention.

Contents

INTRODUCTION

02 Our Company Name/ Corporate Philosophy

04 Contents/Editorial Policy

01 TOP MESSAGE

05 Top Message

02 CORPORATE VALUE

11 At a Glance FY2024

12 Automotive Industry and Ahresty's History

14 Business Model and Features

16 Circular Economy

18 Ahresty's Strengths

19 Global Network

20 Value Creation Process

03 VISION

23 Medium-to-Long-Term Vision

04 GROWTH STRATEGY

28 Business Strategy

39 Financial Strategy

42 Human Resources Strategy

47 Financial Highlights

49 Non-Financial Highlights

51 External Recognition

05 SUSTAINABILITY

53 Sustainability Roadmap

54 Social Issues Addressed by Ahresty

55 Environment

65 Social

71 Governance

78 Roundtable Discussion on Corporate Governance

06 DATA

83 Key Financial, Human Resources, and Environmental Data for the 10-Year Period

86 Corporate Information

Operation guide

How to use the tab key Click to go to the first page of each chapter.

Go to Contents

INTRODUCTION TOP MESSAGE CORPORATE VALUE VISION GROWTH STRATEGIES SUSTAINABILITY DATA

▸ P.000
…Go to the relevant page in this booklet.

Link icon
…Jump to an external site or other link.

Editorial Policy

The Ahresty Report is intended to help shareholders, investors, and other stakeholders understand Ahresty's initiatives to achieve sustainable growth and enhance its corporate value by providing them with an integrated presentation of Ahresty's financial information, including management strategies, and non-financial information, including environmental, social, and governance (ESG) information. This report was compiled with reference to the "International Integrated Reporting Framework," which is recommended by the IFRS Foundation, and the "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0," which was prepared by the Ministry of Economy, Trade and Industry.

Period Covered

Fiscal year 2024 (April 1, 2024 - March 31, 2025)
* Some of the information includes disclosure items and business activities that began in and after April 2025.

Scope of Coverage

Ahresty Corporation and the Ahresty Group

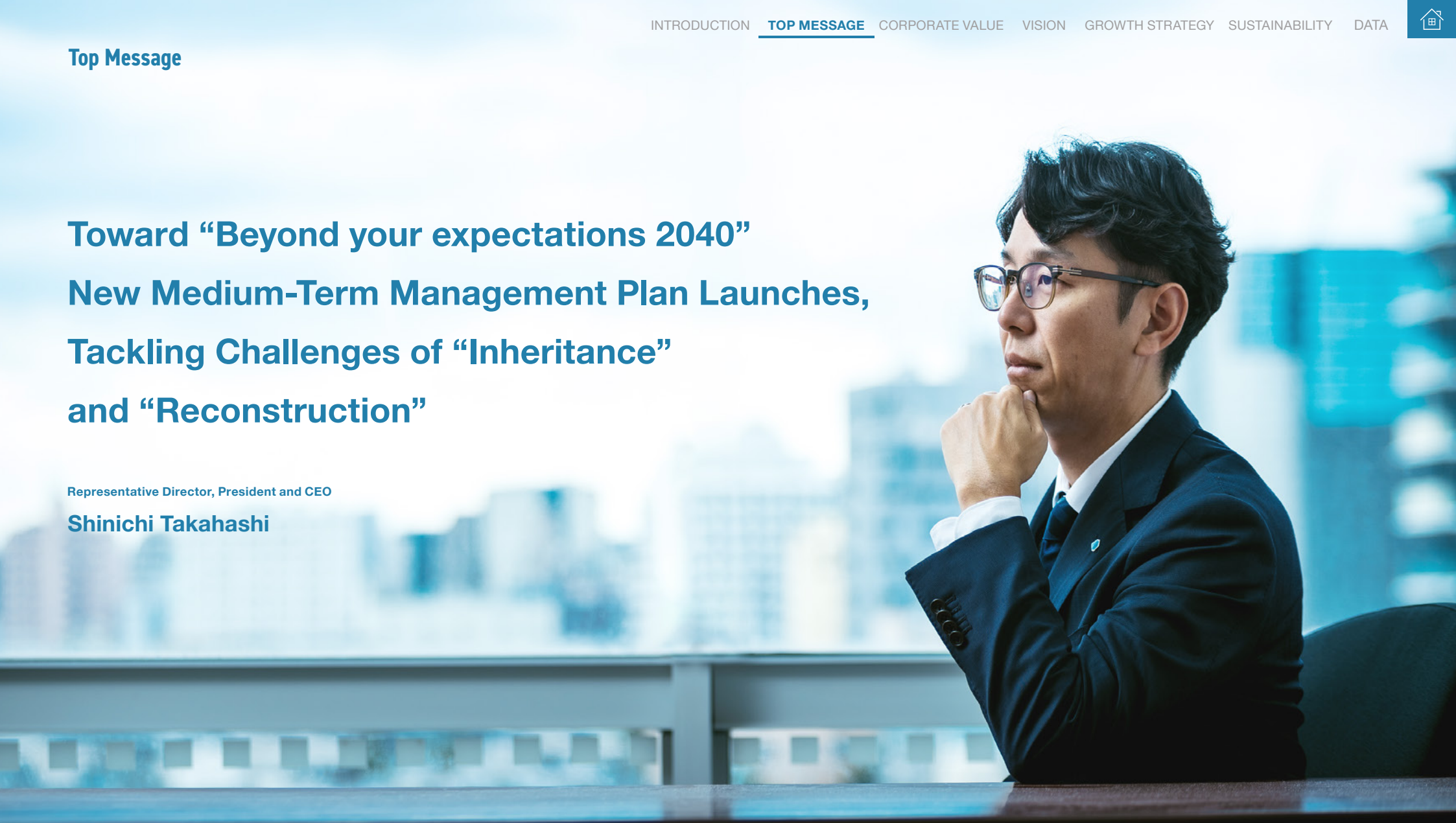
Cautionary Statement Regarding Future Outlook

This report contains Ahresty's plans for the future and forecasts and projections regarding its performance. Please note that actual results may differ from our projections due to changes in various factors.

Top Message

Toward “Beyond your expectations 2040” New Medium-Term Management Plan Launches, Tackling Challenges of “Inheritance” and “Reconstruction”

Representative Director, President and CEO
Shinichi Takahashi



Top Message

Q1

Please review and summarize the results for FY2024 and the 22-24 Medium-Term Management Plan.

Revenue and profits increased, but targets not achieved
Focused on restructuring plan for U.S. plant

In FY2024, net sales increased 4.6 billion yen and operating income increased 1.0 billion yen; however, both net sales and operating income fell short of the Medium-Term Management Plan targets for FY2024. In Japan, profitability improved significantly at the Tokai Plant as a result of the implementation of a profit reform project focusing on priority products. On the other hand, productivity at the U.S. plant deteriorated markedly from the second quarter onward due to a deteriorating human resource retention rate, soaring wages, and a series of problems, including breakdowns of infrastructure and production equipment. Delivery delays also occurred, leading us to record impairment losses and implement financial support to resolve its negative equity position. The restructuring plan to return the U.S. plant to profitability as soon as possible is progressing smoothly, as a result of the injection of excellent human resources from Japan for a speedy profit recovery and thorough the monitoring of progress at the head office, and we expect the U.S. plant to return to profitability in the full fiscal year of 2025. We apologize to our shareholders for the concern and inconvenience caused by our continued inability to secure a profit.

Implementing cost structure reforms and receiving commendations from major clients for high-quality products

In our cost structure reforms, we have focused on “MONOZUKURI and costs” since the 16-18 Medium-Term Management Plan and have been advancing the introduction and operation of a new cost system. The subsequent three-year period from FY2019 to FY2021 marked a major turning point due to the spread of COVID-19. We have implemented structural reforms that not only focus on the cost of products but also on the break-even point, and initiated a reform of the cost structure of our entire group. Subsequently from FY2022 to FY2024, we pursued the cost of individual products and the profitability of our plants. We have implemented painful measures, such as plant closures and voluntary retirement programs. However, this three-year period has also seen significant results, including cost structure reforms based on the profitability of individual products and reductions in defective items.

The previous Medium-Term Management Plan ended without its targets being achieved; however, operating profit in particular showed a significant trend of improvement and has regained its recovery momentum, except in the United States. Furthermore, in terms of production technology, we have achieved a significant reduction in development lead time. For PHEV components made in China, we achieved a record-short lead time of 90 days from order confirmation to mass production start (a 42% reduction compared to FY2021). In addition, we have received awards for quality excellence and best performance from major domestic and overseas customers. The fact that each of our global production sites received awards and that the high quality of our products was recognized is a great opportunity for us to win more orders in the future.

Top Message

Q2

Based on the 2040 Vision and our Goal, please share the top management's perspective and business strategy.

Exploring technologies to reduce weight and exceed stakeholder expectations

The 2040 Vision is "Beyond your expectations 2040." Not meeting expectations, but exceeding expectations. We must exceed our customers' expectations in every aspect, including technology, quality, and development lead time. The first goal, "We brighten our planet's future with our lightweight technology," signifies that reducing the weight of automotive parts can help lower environmental impact. The electrification of automobiles has increased vehicle weight, making weight reduction a direct necessity for electrification. Furthermore, 97% of the raw materials used in our products are recycled aluminum. As a business model aimed at creating a future recycling-oriented society, this represents an environmentally conscious resource. Of course, this can also contribute to carbon neutrality in reducing CO_2 emissions.

The next goal, "Ensure your satisfaction with Ahresty," is that we believe that the understanding and support of our stakeholders is essential for the long-term stable management of the company. To achieve this, we must not only earn our customers' recognition of our quality and technology but also ensure that our shareholders and investors truly appreciate our corporate value. It is also crucial that Ahresty is loved by our employees and their families.

The last goal is "Develop pioneering technology through continuous research." Manufacturing is all about technology. Just as our proprietary NI method has significantly expanded the application range of die casting, particularly for suspension components, by producing products with exceptional mechanical properties, we will continue our technological exploration to develop unique technology capable of expanding the demand for aluminum die casting in response to the accelerating trend toward electrification.

2024 Vision ▸ P.23

To continue sustainable growth toward achieving the 2040 Vision and our Goal, we need milestones that are also based on numerical targets. The milestone for backcasting the 2040 Vision is the "10-year Business Plan."

10-year Business Plan ▸ P.24

Q3

Can you share your specific initiatives for growth based on the three strategies of "business," "finance," and "human resources"?

Focusing on regional differences and demographics in business strategy Changes in products and customers due to electrification are key.

The biggest theme in our business strategy is to shift to a product and customer portfolio that is in line with the changes being brought by a major transformation in the automotive industry. The product portfolio of our die casting business is dominated by components for internal combustion engines (ICEs). As engines are replaced by motors due to electrification, the products supplied will change, including the need for new die-cast parts. Our customer portfolio may include leading EV companies like Tesla of the United States and BYD of China, in addition to existing major automakers. Alternatively, new game-changers may emerge from other industries. Furthermore, as the supplier structure in the automotive industry shifts from the traditional vertically integrated model to a horizontally integrated one, the value and technologies demanded of our company may also change.

The future growth potential of the automotive industry will be largely determined by regional and demographic trends. In terms of GDP and population growth, India is the market with the highest growth potential today. The North American region, which maintains a high population level, also has a robust economy. On the other hand, in China, where the economy is slowing, we will compete with high-value-added products rather than engage in a price war. Despite Japan's declining birthrate, aging population, and shrinking population, our primary customers are Japanese companies, and most new product development occurs within Japan. Therefore, Japan will remain a key region for us, as it has always been.

Top Message

We see the current growth of HEVs and PHEVs as a transitional step on the way to BEVs. Since HEVs and PHEVs are equipped with parts for both ICEs and electric vehicles, the longer this transitional period is, the greater the number of parts that we will manufacture. We will accelerate growth by balancing quality, stable production, and cost while keeping a close eye on regional trends and anticipating changes.

Business Strategy ▸ P.28

Financial strategy to achieve a PBR of at least 1 and ROE of 9%

Our PBR is still below 1x, despite a recent upward trend, and our analysis indicates that this is mainly due to uncertainty and a pessimistic view of our future profitability. First, we will promote a financial strategy with the goal of achieving a PBR of more than 1 and ROE of 9%. To achieve our goal, we plan to invest 140 billion yen over eight years starting in FY2023 as growth capital, including investments in research and development and production facilities. Under our business strategy, we will strive to restore net income for the current period while simultaneously conducting flexible, rebalanced investments based on performance conditions and investment needs.

Additionally, regarding shareholder returns, our basic policy is to maintain a dividend payout ratio of 35% or higher based on consolidated business results. To clarify our stable dividend policy, we have added dividend on equity (DOE) as a new metric starting in FY2025 while maintaining our existing fundamental approach. We will create an environment in which shareholders can invest with as much peace of mind as possible.

Financial Strategy ▸ P.39

Enhancing planned human resources development and diversity Creating an environment where employees can work with peace of mind for a long time

Our human resources strategy has three pillars. The first is systematic and strategic human resources development according to the human resources roadmap. In Japan, where the junior baby boomers are approaching retirement age, and in India, where the market is expected to expand in the future, a shortage of workers and management personnel is predicted. We are systematically advancing the development of next-generation management candidates as a key initiative, registering talent with the goal of promoting them to management positions several years later. The second is "engagement reform." Based on our Corporate Philosophy starting with “Let us take pride in our work,” we are promoting work-life balance and health and productivity management to create a workplace environment where talented individuals can thrive long-term. The third is to promote "D&I reform." While the manufacturing industry remains male-dominated, workplaces where physical differences or age gaps pose barriers—such as for women or older workers—cannot achieve sustainability. We will establish systems and environments enabling diverse talent to thrive, including improving work sites through automation and mechanical devices.

Human Resources Strategy ▸ P.42

Top Message

Q4

The new 25-27 Medium-Term Management Plan is now underway. Please share your enthusiasm, including how this differs from previous Medium-Term Management Plans.

Enhancing profitability through smart MONOZUKURI Promoting global talent pooling

In the 25-27 Medium-Term Management Plan, under the concept “Reinvest Ahresty—Reinventing Ahresty for the future—,” we have set forth the goals of sincere MONOZUKURI that exceeds expectations and profitable MONOZUKURI with "inheritance" and "reconstruction" as keywords. We have established “Pursue SMART MONOZUKURI” as a focus item. This means not only achieving highly productive MONOZUKURI but also thoroughly examining how to increase profits and reduce costs. We want to instill in our employees with a keen awareness of the importance of profitability. However, focusing on profitability requires quality and stable production as fundamental prerequisites. To achieve this, human resources development is particularly key. Therefore, we have newly established “Enhance training programs for MONOZUKURI human resources (specialists)” as a focus item. While ensuring the rapid deployment of MONOZUKURI human resources in each country, we will also cultivate specialist human resources. Rather than pursuing individual optimization, we will aim for overall optimization by globally pooling talent—from Japan to other countries, from China to India, and from Mexico to the United States.

Medium-to-Long-Term Vision | Medium-Term Management ▸ P.25

CO_2 emissions reduction targets achieved ahead of schedule Energy-saving activities that lead to profitability

From a carbon neutral perspective, the goal is “Energy conservation activities with a greater focus on profits.” We promote (1) stopping CO_2 emissions, (2) replacing existing energy with energy with less CO_2 emissions, and (3) reducing CO_2-emitting energy use. Our CO_2 emissions (Scopes 1 and 2) for FY2024 decreased by 35% (compared to FY2013), achieving the target. The installation of solar power generation systems has been completed at all domestic sites where it was feasible. Furthermore, the transition from heavy oil and kerosene to gas and electricity as energy sources for smelting furnaces is progressing. Additionally, each business site is implementing energy-saving measures to reduce costs, and the resulting savings will be invested to generate profits.

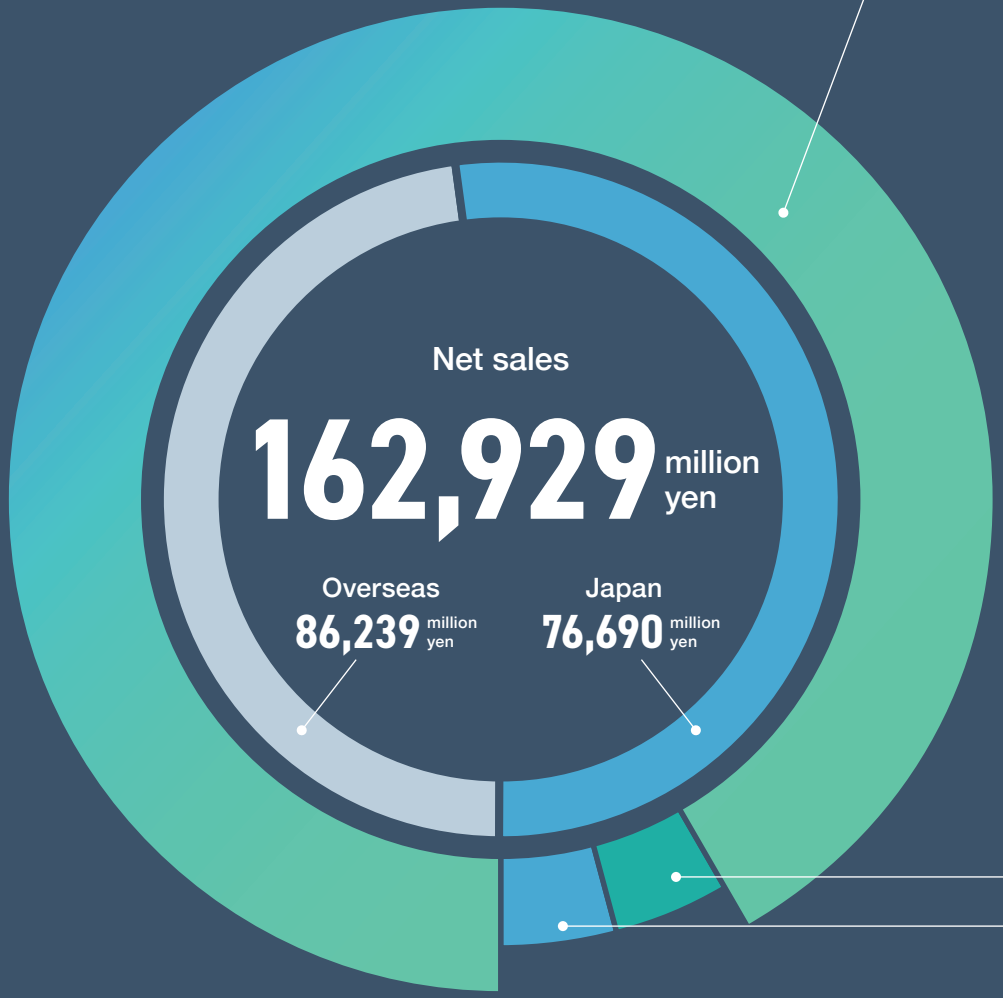
Environment | Toward Carbon Neutrality ▸ P.55

For FY2027, the final year of the Medium-Term Management Plan, we have set targets of 7.0% ROE and 6 billion yen in operating profit. We will focus on generating profits efficiently to improve ROE as we pursue our business activities. Our first challenge is to achieve profitability at our U.S. plant in FY2025, and we will make group-wide efforts to achieve this. We will strive to enhance corporate value in order to earn the trust of our shareholders and other stakeholders. We sincerely ask for your continued support.

02

CORPORATE VALUE

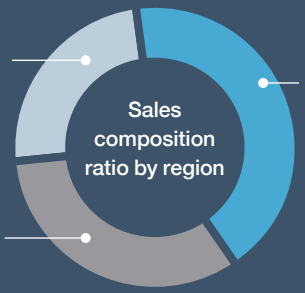
At a Glance FY2024



Die Casting Business

Manufacturing and selling die cast products primarily for automotive applications, die casting molds, and peripheral equipment for die casting production. ▸ P.28

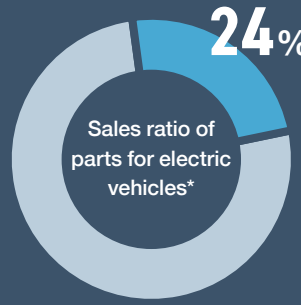
92.6% | **150,829** million yen



Asia
36,534 million yen
(24.2%)

Japan
64,591 million yen
(42.8%)

North America
49,704 million yen
(33.0%)



* Electric vehicles: EVs, HEVs, PHEVs and FCVs

Number of automotive parts produced annually *Except MOVAFLOR

Approx. **35,910,000**
(Previous year: approx. 37,290,000)

Number of die cast machines owned over **200** units

Including **4,000t** machine

Proprietary Products Business (MOVAFLOR)

Manufacturing and selling of free access floors (raised floor system for architectural use) ▸ P.37

3.0% | **4,886** million yen

Aluminum Business

Manufacturing and selling of secondary aluminum alloy ingots for die casting and casting applications ▸ P.35

4.4% | **7,212** million yen

Automotive Industry and Ahresty's History

Looking back on the history of the automotive industry, we introduce the journey of Ahresty.

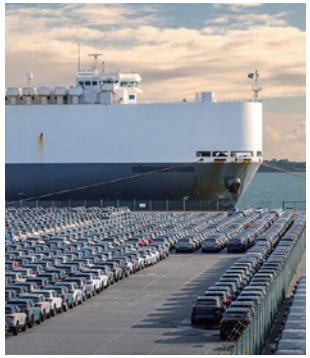
History of the Automotive Industry

The advent of motorization in Japan From trucks to passenger cars

From manufacturing trucks using prewar production equipment, the industry moved to passenger cars as they became popular, following in the footsteps of Ford and GM. The automotive industry experienced rapid growth, primarily in the domestic market, with production rising from approximately 500,000 units in the 1960s to surpassing 5 million units in the 1970s.

The 1970s energy crises draw attention to energy-saving performance Automobile exports to the U.S. expand

In response to the decline in demand caused by the two energy crises, companies promoted the development of energy- and resource-saving technologies. Japan converted from heavy industry to advanced assembly industry. Domestic automakers dominated the U.S. market with compact cars that offered fuel efficiency and light weight.



Japan's automotive industry becomes the world leader Japan-U.S. auto friction becomes an international problem

The international competitiveness of Japanese cars in terms of quality and cost increased, and by 1980, Japan's automobile production volume was the highest in the world. However, Japan-U.S. auto friction the following year in 1981 and the strong yen resulting from the Plaza Accord in 1985 made the export-oriented business model difficult.

Local production overseas accelerates and automakers expand their global footprint

Since the 1990s, automakers have shifted their production bases not only to the U.S. but also to Asia. At the same time, Tier 1 suppliers and other related companies have also accelerated local production overseas. In addition, environmental considerations have led to demands for further weight reduction of the car body.

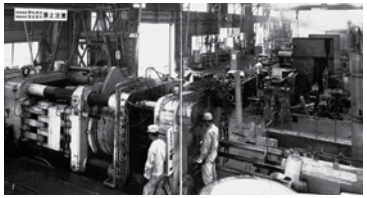
With growing interest in the environment and sustainability, the commercialization of EVs becomes fully established

Cars emit a lot of CO_2, making the change from gasoline cars to electric vehicles (EVs) inevitable in pursuit of a decarbonized society. Meanwhile, considering the need to extend driving range, weight reduction is also essential for the widespread adoption of EVs. As a result, expectations for aluminum die casting are increasing.

— 1960 1970 1980 1990 2000 2020 —

Ahresty's History

Founder :
Aiji Takahashi
1897-1976



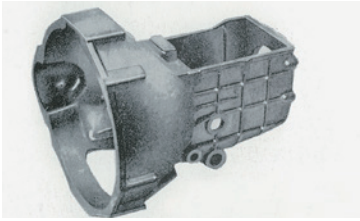
Installation of a 1,600-ton large die casting machine at the Hamamatsu Plant to manufacture transmission cases, cylinder blocks, etc.

—1938

Shimura Aluminum Co., Ltd., Ahresty's predecessor, founded in Itabashi, Tokyo. Started manufacturing aluminum alloy ingots, die cast products and aluminum sand mold castings.

—1943

Fuso Light Alloys Co., Ltd. (now Ahresty Corporation) established.



Transmission case first cast by the 1,000-ton die casting machine installed at the Sakashita Plant; product weight: 6 kg

MOVAFLOR, first raised floor system in Japan.

—1961

Stock listed on the Second Section of the Tokyo Stock Exchange.

—1962

Launched MOVAFLOR, first raised floor system in Japan.

Adoption of Japan's first fully automated launder system for transferring molten aluminum to the casting machine (at the Higashimatsuyama Plant)

The world's first mass production of aluminum die-cast monocoque frames for scooters was launched.

—1983

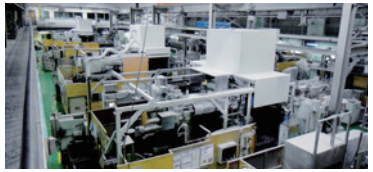
Corporate Philosophy codified.

—1988

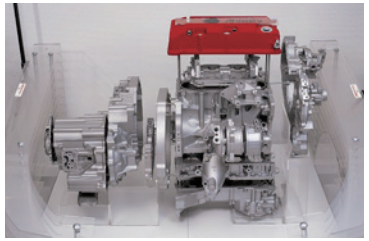
Company name changed from Fuso Light Alloys Co., Ltd. to Ahresty Corporation.

—1996

Mass production of alternator brackets for automobiles by the NI (New Injection) method (Ahresty's proprietary casting method) started.



NI casting machine



Assembled product

—1999

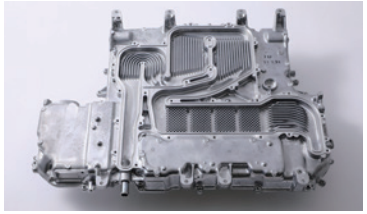
Awarded in NADCA International Die-Casting Awards.

—2003

Received the Minister of Economy, Trade and Industry Award in the 20th Materials Process Technology Commendation.

—2004

Started RST Gakuen (academy) aimed at early development of engineers.



Parts for electric vehicles

Engine block

—2006

Technical Center opened in Toyohashi, Aichi.

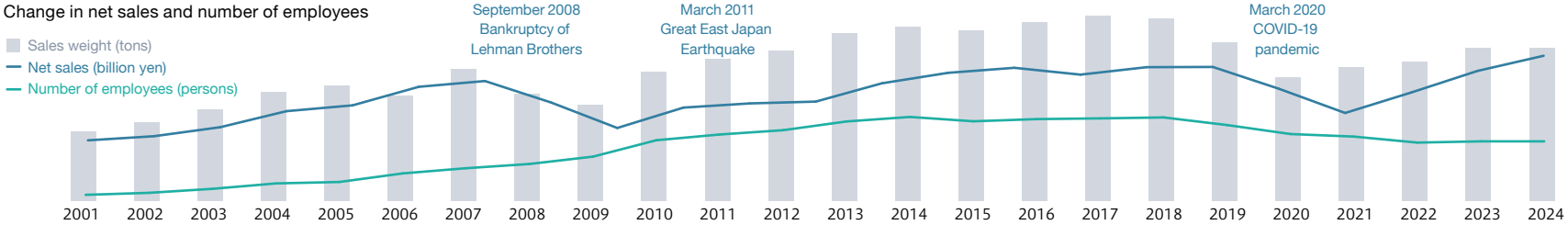
—2014

Listing of the shares changed from the Second Section to the First Section of the Tokyo Stock Exchange.

—2022

Change in listing of the shares to Prime Market of the Tokyo Stock Exchange.

Change in net sales and number of employees



FY2024

Sales weight
157,291 tons

Net sales
162.9 billion yen

Number of employees
5,259 persons

Business Model and Features

Global production technology that further advances MONOZUKURI

As automotive electrification advances and demand for weight reduction to improve energy efficiency and fuel economy grows, aluminum die casting is expected to see increasing demand worldwide.

Ahresty standardizes its production system by benchmarking plants excelling in quality, productivity, and maintenance.

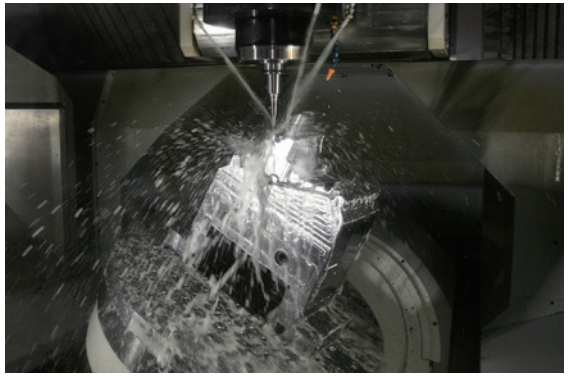
Through an integrated system spanning design, mold fabrication, ingot production, casting, quality control, and machining, it has achieved global consistent quality production.

Design

We swiftly provide proposals and development tailored to our customers' needs. We design molds for various products that meet our customers' quality requirements by utilizing CAE technologies, including thermal analysis, solidification analysis, fluidity analysis, and stress analysis.

Mold fabrication

We manufacture our own molds, the most critical jigs in die casting and the heart of production. With mold production sites and manufacturing divisions in Japan, Thailand, and Mexico, we work in close collaboration with our design divisions and die casting production sites to shorten lead times and strengthen and accumulate mold technology.



Ingot production

With industry-leading equipment, including chemical analysis instruments and molten metal purification systems, along with expertise in raw materials, we produce approximately 40 types of ingots primarily for die casting. We can propose materials tailored to specific applications, including strength and resistance.

Machining

Each site possesses its own machining centers, enabling seamless production. We consistently handle both casting and machining processes, while enhancing productivity through equipment inspection and maintenance, as well as tooling and cutting tool management. This approach reduces inventory and shortens production cycles.

Quality control

We conduct quality assessments and analyses during the development stage to improve quality, and perform various quality inspections at each process stage in accordance with the Group's unified quality standards.

Evaluation and analysis using various testers

We evaluate the mechanical properties of castings using various testers, including tensile testers, impact testers, and fatigue testers. We also conduct observation and analysis using electron microscopes, which helps us identify the causes of various phenomena and leads to quality improvements.

Development and introduction of automated visual inspection equipment

For product visual inspection, we have independently developed automated visual inspection equipment and introduced it on our mass production lines.

Casting

We possess over 200 die casting machines, including large-scale machines with a clamping force of 4,000 tons. We specialize in manufacturing large, complex-shaped products and meet demand for difficult-to-make parts for electric vehicles. By understanding and managing key factors, such as casting pressure, pressure rise time, and speed, we manufacture products under optimal manufacturing conditions.

Shipping and delivery

Examples of products

(Automotive parts, free access floors, etc.)

Contribution to creating a recycling-oriented society

Aluminum is a valuable resource that can be recycled and reused over and over again.

Ahresty manufactures die-cast products from recycled ingots made from aluminum scrap.

These products are used in the market as automotive and construction-related components.

When their product life ends, they are recycled again at recycling plants, reborn as new raw materials.

Ahresty plays a key part in this aluminum recycling cycle.

Aluminum recycling process that can be repeated over and over

01 Collection of scrap

We collect scrap from various aluminum products that are no longer needed. The primary items include automotive components, such as engine blocks and suspension components, building materials like aluminum sashes, and aluminum beverage cans.

02 Melting

Recovered aluminum scrap is fed into the smelting furnace and melted into a liquid state. During this process, the alloy composition is adjusted to meet each customer's intended use. We manufacture approximately 50 different types of aluminum alloys.

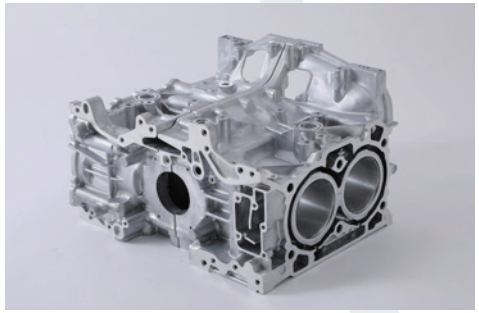
07 Use of products

The finished die-cast products become automotive components and building materials. They are then incorporated into automobiles and buildings, reaching end users and remaining in use until the end of their product life cycle.

The Kumagaya Plant plays a role in the process of regenerating aluminum materials extracted from aluminum cans and sashes, and automobile parts scrap collected nationwide into new raw materials. Utilizing Ahresty's analytical equipment and expertise, the Plant produces aluminum alloy ingots under strict quality control. Reborn as alloy ingots for die casting, foundry casting, light pressure casting, and more, they are used by a wide range of customers.

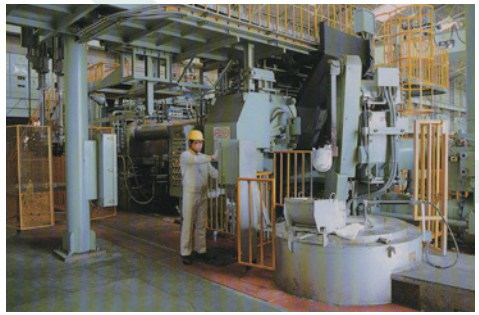
Business Strategy | Aluminum Business ▸ P.35

06 Various products



Recycled die-cast products include products related to motor vehicles (including motorcycles), construction materials and a wide variety of other items.

05 Die casting



In the die casting process, molten aluminum alloy is injected into a mold at high speed and high pressure. It is then rapidly cooled and solidified to produce the shape and quality required by each customer.

04 Melting in the die casting process

At a die casting plant, secondary alloy ingots suited for the intended purpose are received and fed into the melting furnace to be melted. During this process, waste materials, including pouring gates and test castings, are also melted, enabling resource recycling within the plant.

03 Ingot casting

Molten aluminum alloy is poured into molds, cooled, and solidified into ingots. Ingots produced this way from scrap are called secondary alloys or recycled ingots. At Ahresty, they are manufactured at the Kumagaya Plant.

Ahresty's Strengths

Representative Director,
Senior Managing Executive Officer
Chief of Quality Assurance Command

Naoyuki Kaneta

Ahresty specializes in manufacturing large, complex-shaped aluminum die-cast products, establishing an integrated production system from mold design to casting, machining, and quality control. We earn high praise from customers worldwide by meeting their regional needs while maintaining stable quality and delivery management through unified global group standards. We will continue to earn the trust of our customers through our sincere approach to MONOZUKURI.

Ahresty's MONOZUKURI that supports stable quality and delivery, earning customer trust

Business Model and Features ▸ P.14
External Recognition ▸ P.51

01

Global Production System and One-Print Multi-Location

In addition to seven sites in Japan, Ahresty operates six overseas sites across five countries: the United States, Mexico, China, India, and Thailand. Each production site shares know-how on productivity and quality, and maintains a coordinated system for manufacturing and equipment storage. This enables all die casting plants to produce and supply products of consistent quality from a single drawing. The system also allows flexible responses to long-term regional market forecasts and fluctuations in order volumes.

02

Proprietary OPCC (Optimal Process Condition Control) technology

Ahresty collects and analyzes various data using sensing technologies, and pursues optimal manufacturing conditions through statistical quality control. OPCC activities are implemented across all plants to enhance productivity and improve quality, aiming to provide superior quality products and attentive service.

03

Responding to demand for large and complex-shaped, difficult to make parts for electric vehicles

The “eAxle” or “X in 1” installed in electric vehicles is large and has a complex shape and structure. Leveraging expertise cultivated in the production of our core products—engines and transmissions—we are expanding our order intake by meeting the demand for difficult to produce parts for electric vehicles.

04

Contributing to speedy automotive development by shortening lead times

To launch new vehicle models in a timely manner to meet diversifying needs, the vehicle development period is becoming shorter each year. We are reducing development lead times by optimizing production conditions through robot motion program simulations and CAE analysis, and by shortening and streamlining work processes through the development of automated visual inspection systems, etc.

05

Technologies to contribute to reducing vehicle body weight and brightening our planet’s future

We have technologies that contribute to brightening our planet’s future, including the joining technology to optimally combine aluminum die castings and dissimilar materials to meet weight and strength requirements, and the laser heat treatment technology to reduce CO_2 emissions in the heat treatment process by 90%.

Global Network

Manufacturing Sites R&D Centers Offices

Hefei Ahresty Casting Co., Ltd.
Die Casting, Machining, Part Assembling, Raised Floor Production
ISO 14001 / ISO 45001 / IATF 16949

Guangzhou Ahresty Casting Co., Ltd.
Die Casting, Machining, Part Assembling
ISO 14001 / ISO 45001 / IATF 16949

Thai Ahresty Die Co.,Ltd.
Die Casting Dies
ISO 9001

Thai Ahresty Engineering Co., Ltd.
Design of Die Castings, Die Casting Dies and 3D Modeling

Ahresty India Private Limited
Die Casting, Machining, Part Assembling
ISO 14001 / ISO 45001 / IATF 16949

Ahresty Wilmington Corporation
Die Casting, Machining, Part Assembling
ISO 14001 / IATF 16949

Ahresty Mexicana,S.A. de C.V.
Die Casting, Machining, Part Assembling, Die Casting Dies
ISO 14001 / ISO 45001 / IATF 16949

Ahresty Corporation Head Office and Technical Center
Product Design, Research and Development
ISO 14001 / ISO 9001
(Die Casting Products·Raised Floor)

Tokyo Head Office
ISO 14001 / ISO 9001
(Die Casting Products·Raised Floor)

Tokai Plant
Die Casting, Machining, Part Assembling
ISO 14001 / IATF 16949

Kumagaya Plant
Aluminum Alloy Ingots Production
ISO 14001 / ISO 9001

Ahresty Tochigi Corporation
Die Casting, Machining, Machining of Raised Floor, Part Assembling
ISO 14001 / IATF 16949

Ahresty Kumamoto Corporation
Die Casting, Machining, Part Assembling
ISO 14001 / IATF 16949

Ahresty Yamagata Corporation
Die Casting, Machining, Part Assembling
ISO 14001 / IATF 16949

Ahresty Die Mold Hamamatsu Corporation
Die Casting Dies ISO 14001 / ISO 9001

Ahresty Techno Service Corporation
Manufacture and Sales of Peripheral Equipment for Die Cast Production
ISO 14001 / ISO 9001

Ahresty Inclusive Service Corporation
Personnel and labor related office work

Value Creation Process

Social issues

Environment & sustainability

- Implementing carbon neutrality initiatives
- Realizing a resource-recycling society
- Adapting to environmental regulations

Industrial structural change and technological innovation

- Responding to CASE*
- Changes in component composition accompanied by electrification and automated driving
- Promoting smart factories and digitalization

Human resources and workforce challenges

- Skill transfer and labor shortage issues
- Utilizing diverse human resources
- Work style reform and working environment improvement

INPUT

Financial capital
Solid financial foundation and growth investments

Manufacturing capital
Operating at 13 locations in 6 countries, with over 200 die casting machines

Intellectual capital
Know-how and proprietary technology accumulated since our founding

Natural capital
Reducing environmental impact

Human capital
Number of employees (consolidated) 5,259

Social and relational capital
Strong relationships of trust with stakeholders both domestically and internationally

Business and business models

Three Strategies

Financial strategy
Financial Strategy ▸ P.39

Business strategy
Business Strategy ▸ P.28

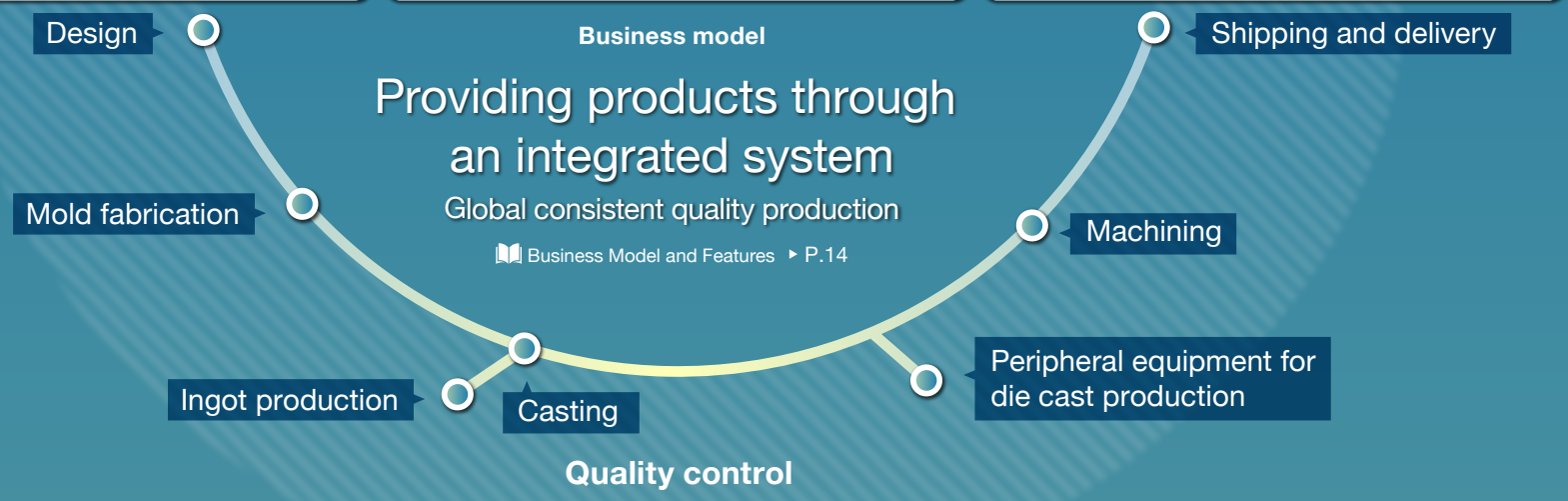
Human resources strategy
Human Resources Strategy ▸ P.42

Business model

Providing products through an integrated system

Global consistent quality production

Business Model and Features ▸ P.14



OUTPUT

Product lineup

Aluminum Business

Business Strategy | Aluminum Business ▸ P.35

- Aluminum alloy ingots

Die Casting Business

Business Strategy | Die Casting Business ▸ P.28

- Large parts requiring high precision, such as engines and transmissions
- eAxle, electric components, such as cases for motors, batteries, inverters, etc.
- Suspension and body components
- Peripheral equipment for die cast production
- Molds for die cast production

Proprietary Products Business (MOVAFLOR)

Business Strategy | Proprietary Products Business (MOVAFLOR) ▸ P.37

- Raised floor systems

Goal

25-27 Medium-Term Management Plan

Medium-Term Management Plan ▸ P.25

Net sales	170 billion yen
Operating income	6 billion yen
Operating income margin	3.5%
ROE	7.0%
Sales ratio of electric vehicle components	FY30 55%
CO_2 emissions reduction (vs. FY2013)	△41%

10-year Business Plan

10-year Business Plan ▸ P.24

Net sales	180 billion yen
Operating income	8.1 billion yen
Operating income margin	4.5%
ROE	9.0%
Sales ratio of electric vehicle components	55%
CO_2 emissions reduction (vs. FY2013)	△50%

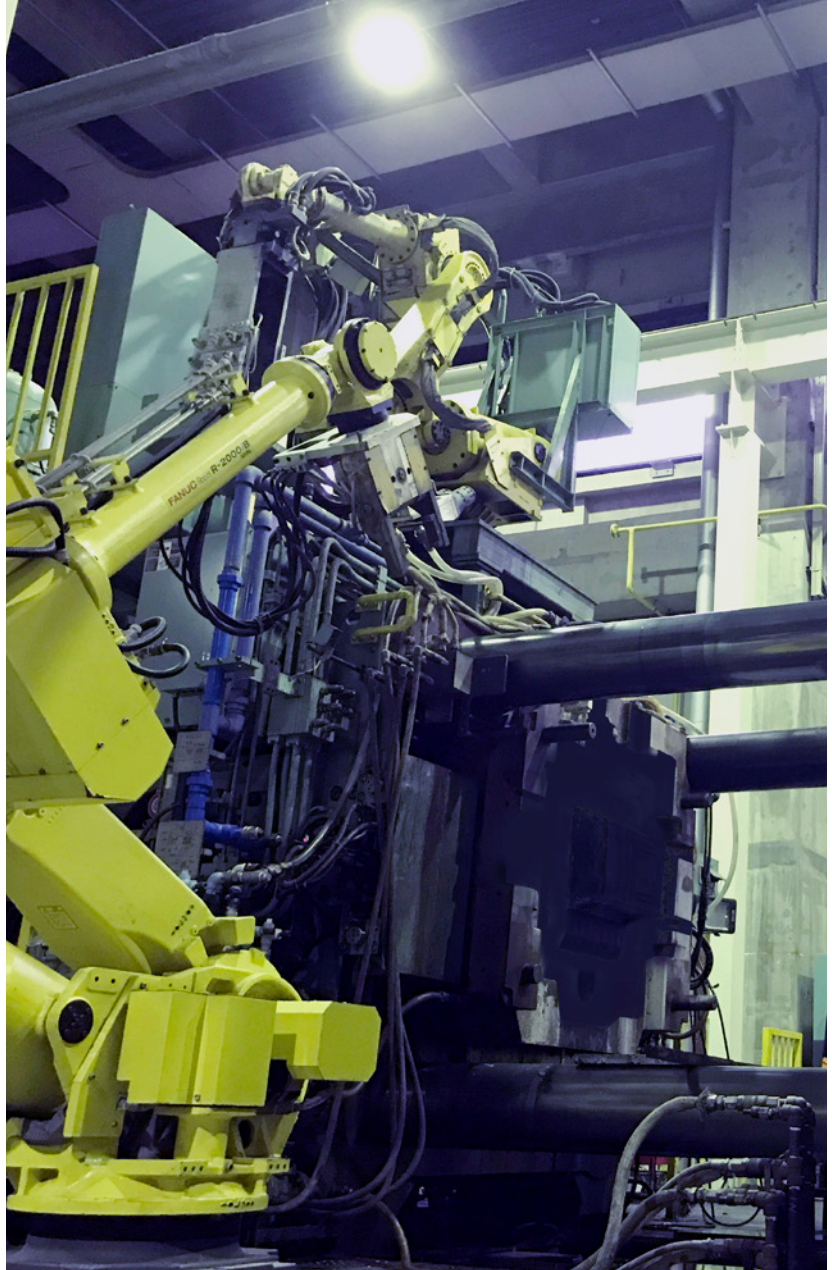
2040 Vision

2040 Vision ▸ P.23

Beyond your expectations 2040

- We brighten our planet's future with our lightweight technology.
- Ensure your satisfaction with Ahresty.
- Develop pioneering technology through continuous research.

* CASE : A term coined from the initial letters of Connected, Autonomous / Automated, Shared, and Electric. It refers to the core concept that will guide future new automobile development.



03

VISION

Medium-to-Long-Term Vision | 2040 Vision

Goes “Beyond your Expectations” toward the 100th Anniversary

Ahresty will celebrate its 100th anniversary in 2038. To continue to develop and grow beyond the 100th year, we have established the “2040 Vision” to show the direction in which the Ahresty Group should take toward the year 2040, and formulated the “10-year Business Plan” as a long-term management plan based on the Vision. The automotive industry is now undergoing dramatic change. Various changes are progressing rapidly, such as carbon neutrality, electrification of powertrains, and the role of automobiles as mobility. Taking these changes in the external environment as a chance for transformation, the Ahresty Group, whose key business is the automobile-related Die Casting Business, will advance initiatives according to the 2040 Vision and the 10-year Business Plan.

2040 Vision

Beyond your expectations

2040

Brighten our planet’s future with our lightweight technology

Converting automotive components to aluminum die castings enables weight reduction and is expected to reduce environmental impact. By expanding the adoption of aluminum die casting beyond traditional powertrain components to include electric system components and body structure parts, we can address the need for vehicle weight reduction to improve fuel and energy efficiency, reduce CO_2 emissions, and contribute to initiatives to improve the future global environment, including environmental conservation activities and the formation of a recycling-oriented society.

Ensure your satisfaction with Ahresty

To achieve sustainable growth, the understanding and support of all our stakeholders is essential. We strive to earn recognition from our customers for our quality and technology, deliver tangible corporate value to our shareholders and investors, and foster engagement and diversity so that Ahresty is loved by our employees and their families.

Develop pioneering technology through continuous research

Proactively respond to market changes and customer needs by strengthening our technological development capabilities. We will continue to explore pioneering technologies in the fields of manufacturing methods, engineering, and materials that contribute to future business, while also creating new demand. Furthermore, we are taking on the challenge of developing carbon-neutral die casting technology that aims to achieve net-zero CO_2 emissions during product manufacturing.

Medium-to-Long-Term Vision | 10-year Business Plan

Strategic Perspectives and Planning Process for the 10-year Business Plan

The "10-year Business Plan" is Ahresty's long-term business strategy with a target year of 2030 as a milestone to realize its 2040 Vision and Our Goal. Backcasting from the risks and opportunities due to changes in society in 2040, such as the electrification of automobiles, carbon neutrality, and the decline in the working-age population, the strategic perspectives, KPIs, and related SDGs materiality items were examined and formulated based on Ahresty's strengths, corporate philosophy, solutions and contributions to long-term social issues, etc.

STEP 1 Identification of risks and opportunities due to changes in society in 2040

STEP 2 Prioritization
Ahresty's strengths, corporate philosophy, solutions and contributions to long-term social issues, etc.

Backcasting

STEP 3 Consideration / validation of KPIs set as (qualitative and quantitative) targets for 2030

STEP 4 Discussion on / development of measures by the working group

STEP 5 Approval by the Board of Directors

2040 Vision	10-year Business Plan		Main relevant SDGs
	Strategy viewpoint	FY2030 target	
Beyond your expectations 2040	Enhancing earnings strength and financial structure	Net sales 180 billion yen	7, 13
		Operating income margin 4.5%	
	Carbon neutrality	Reduction of CO_2 emissions in Scopes 1 and 2 CO_2 -50% (compared to FY2013)	
We brighten our planet's future with our lightweight technology	Shift in the business portfolio	Sales ratio of electric vehicle components 55%	13
Ensure your satisfaction with Ahresty	Enhancing customer satisfaction	Earning the highest grade in important customer evaluations	5, 8
	Improving diversity	Diversification of executive managers	
		Ratio of female employees in Japan 20% or more	
		Ratio of female managers in Japan 10% or more	
	Improving employee engagement	Positive evaluation for employee satisfaction (engagement index) 80% or more	
Develop pioneering technology through continuous research	Reinforcing technology base for weight reduction, carbon neutrality, and enhancement of competitiveness	Shortening development lead time	7, 9, 13
		Developing advanced and innovative technology	
		Challenge to carbon neutral die casting	

10-year Business Plan

2030

Financial targets (Four pillars of the financial strategy)

ROE (Long-term target)
9%

Capital investment
Approx. ¥140 billion
(including investment in dies)

Capital policy Equity ratio
40% or more

Return to shareholders Dividend payout ratio
35% or more

Medium-to-Long-Term Vision | Medium-Term Management

Reinvent Ahresty

~Reinventing Ahresty for the future~

"Inheritance" and "Reconstruction" of MONOZUKURI (Manufacturing) at Ahresty.

"Inheritance"

Sincere MONOZUKURI to respond to the trust of our customers and go "beyond your expectations" by providing them with high-quality products and stable delivery

"Reconstruction

Shifting our approach to revenues, costs, and manufacturing to MONOZUKURI that generates profits

Target Values for FY2027 and FY2030

In response to changes in the market environment, we have revised our FY2030 target values to optimize the allocation ofmanagement resources and achieve sustainable growth.
Adhering to the ROE target of 9%, we aim to achieve a PBR of 1x by implementing our financial strategy.

	FY2024 results	FY2025 plan	FY2027 target value	FY2030 target value	Previous target value
Net sales (billion yen)	162.9	161.2	170	180	180
Operating income (billion yen)	3.3	3.6	6	8.1	10.8
Operating margin	2.1%	2.2%	3.5%	4.5%	6%
ROE	△5.6%	4.4%	7.0%	9.0%	9.0%
Sales ratio of electric vehicles	FY27 42%*	FY28 45%	FY30 55%	55%	55%
CO_2 emissions (vs. FY2013)	△35%	△33%	△41%	△50%	△50%

* As of May, 2025

FY2030 ROE target level

Net profit to sales	3 %or more
×	
Total assets turnover	1.20 or more
×	
Financial leverage	2.50 times or less

FY25-27

Medium-Term Management Plan

Medium-to-Long-Term Vision | Medium-Term Management

Focus items of FY25-27 Medium-Term Management Plan

10-year Business Plan Strategic perspectives	Focus items of FY25-27 Medium-Term Management Plan	Changes from FY22-24 Medium-Term Management Plan	
Enhancement of earnings strength and financial structure	Pursue Smart MONOZUKURI	Strengthened	Improved productivity → Profitable MONOZUKURI
	Supply competitive dies globally	Continued	Promote activities to reduce die costs
Carbon neutral	Save money through energy conservation and accelerate CO_2 reduction activities	Strengthened	Energy conservation activities with a greater focus on profits
Shifting the business portfolio	Optimize the die casting business portfolio with a view to 2030	Continued	Steady shift to electrification
Enhancement of customer satisfaction	Maintain the system to earn top ratings from customers	Continued	Further reinforce trust by ensuring high quality and stable delivery
Diversity (Improving diversity)	Create a company where people are happy to work Enhance human resources for MONOZUKURI	Continued	Promote a workplace where anyone can work with peace of mind
Strengthening employee engagement		New	Enhance training programs for MONOZUKURI human resources (specialists) who can play an active role globally
Reinforcement of technological foundations for weight reduction, carbon neutrality, and enhanced competitiveness	Shorten development lead time Take on the challenge of achieving carbon neutral die casting (CNDC)	Continued	Achieve further reduction through technological innovation From concept to introduction phase

Achieving smart (clever, efficient, quick, and excellent) MONOZUKURI

Shifting the MONOZUKURI approach to focus on making good products in a way that generates profits.

Business Strategy | Die Casting Business
Realizing smart MONOZUKURI ▸ P.33

Income growth : Increase total value added

Increase added value through MONOZUKURI

Increase added value by improving the productivity of existing equipment and increasing production capacity.

Increase the value of work and reduce working hours.

Increase work efficiency through DX and improve work quality by reviewing work content and roles, thereby achieving the same output in fewer working hours.

Cost reduction : Reduce total working hours

04

GROWTH STRATEGY

Business Strategy | Die Casting Business

Executive Officer
Chief of Sales Command

Kenichiro Mine

In response to the rapid changes in the automotive industry and the uncertain outlook for the North American market, we will flexibly and proactively reassess our sales strategy and respond swiftly. In the rapidly growing Indian market, we will strengthen our integrated manufacturing and sales structure, leverage Japanese quality as our competitive edge to meet local needs, and aim for further growth.

Embracing the transformation of the CASE era: New growth areas opened by electrification and weight reduction

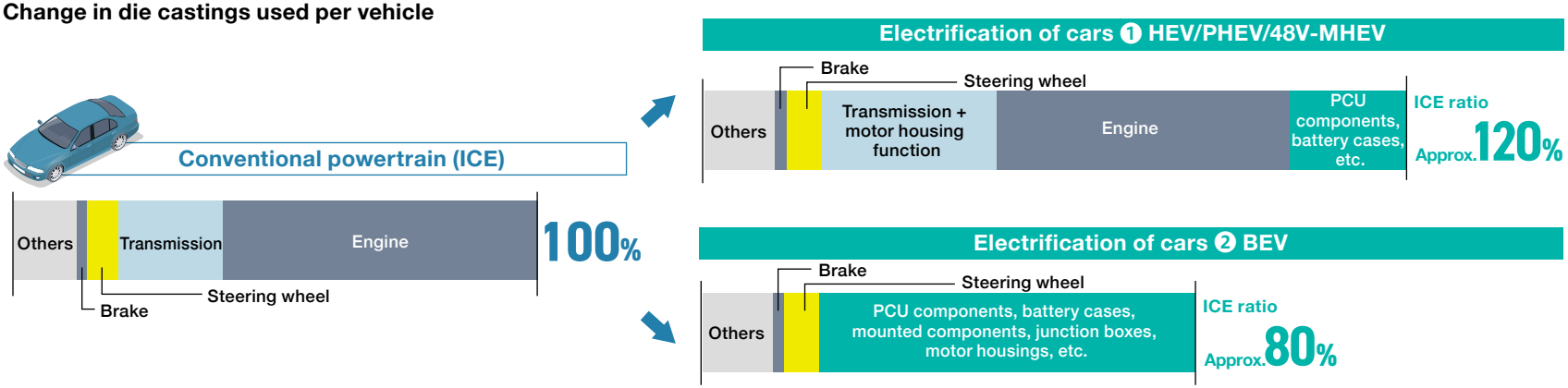
Changes in the business environment brought by progress in CASE and electrification

The automotive industry is undergoing a once-in-a-century transformation, with CASE* accelerating due to national industrial policies, fuel efficiency regulations, and shifts in mobility across the world. In particular, electrification—essential for reducing CO_2 emissions as a response to worsening global warming—is having a significant vimpact on our business. Major countries are advancing legislation for carbon neutrality by 2050, and automakers' shift toward BEVs, HEVs, and PHEVs are accelerating. Demand for HEVs and PHEVs continues to be robust, and these vehicle types are expected to drive growth during the transition period.

New demand driven by electrification and weight reduction

For HEVs and PHEVs, the addition of parts for electric motors to conventional internal combustion engine (ICE) parts increases the amount of die castings used per vehicle by approximately 120% compared to ICE vehicles. On the other hand, BEVs eliminate the need for internal combustion engine parts, reducing the amount of die castings used per vehicle to approximately 80% of that in ICE vehicles. However, growing demand for weight reduction is creating new demand for die castings. In addition, 97% of our products utilize secondary alloys derived from aluminum scrap, contributing to reduced CO_2 emissions and lower environmental impact. We expect that demand for die-cast products will expand through 2030 alongside increasing automotive demand, with growth anticipated through increased orders for components for electric vehicles. Furthermore, we will actively pursue the creation of demand in new fields, such as suspension and body components, aiming for sustainable growth.

Change in die castings used per vehicle



* CASE : A term coined from the initial letters of Connected, Autonomous / Automated, Shared, and Electric. It refers to the core concept that will guide future new automobile development.

Business Strategy | Die Casting Business

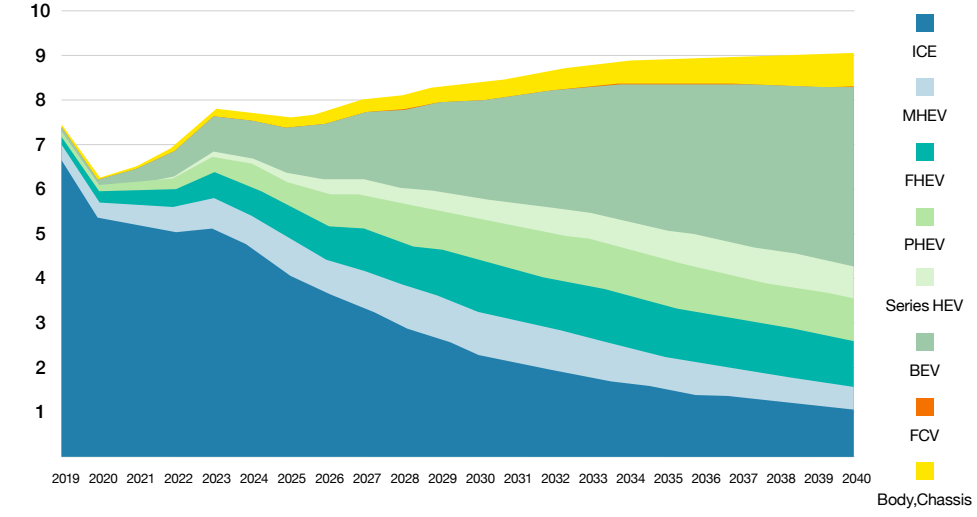
Automotive market and die casting demand forecast

We anticipate that demand for die-cast products in the global automotive market will continue to grow steadily in proportion to the increase in automobile production volume, and that the electrification of powertrains will also advance primarily through BEVs. Meanwhile, changes in production volume forecasts for China and North America—the two major BEV markets—indicate a slowdown in the pace of BEV conversion through 2030, with PHEVs and HEVs on the rise. Ahresty will continue to pursue orders primarily for electric vehicle components while monitoring market changes, and will advance various measures with the goal of increasing the sales ratio of electric vehicle components to 55% by FY2030.

What Ahresty defines as an electric vehicle
HEV・PHEV・BEV・FCV

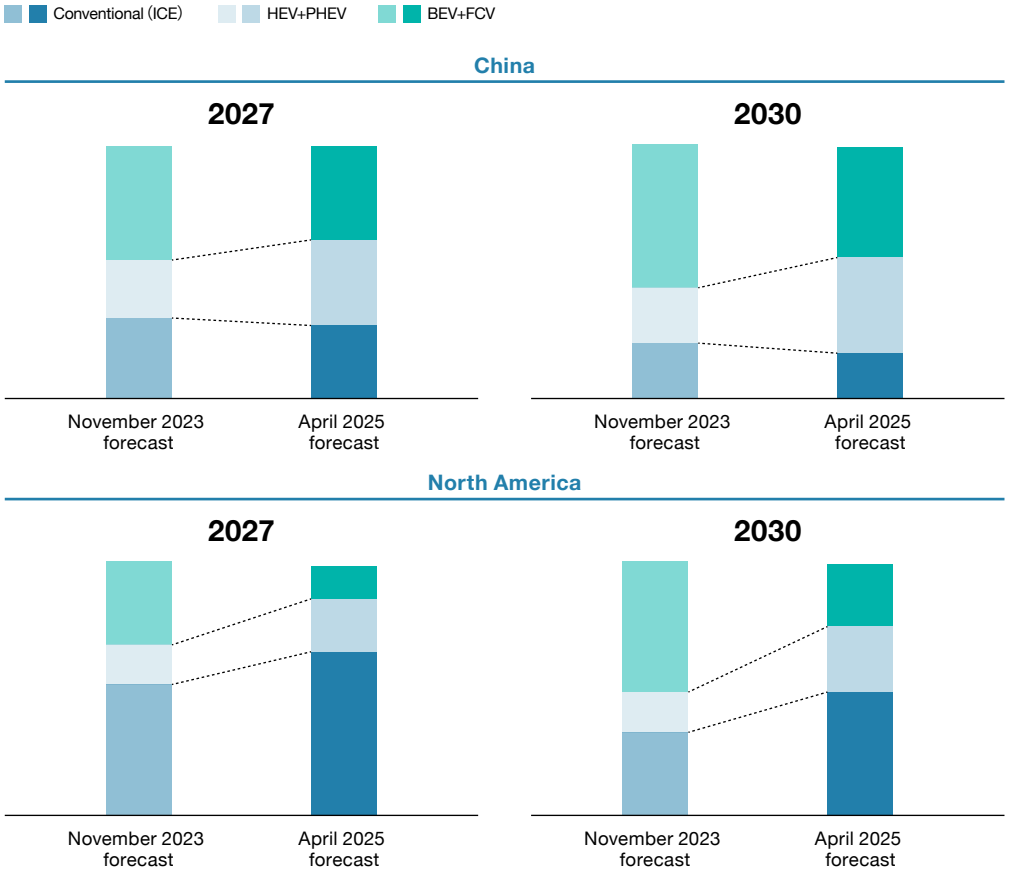
Global automobile die casting demand forecast as of April 2025

(million tons)



* Compiled by Ahresty based on S&P Global data for April 2025

Changes in production volume forecasts for the two major BEV markets

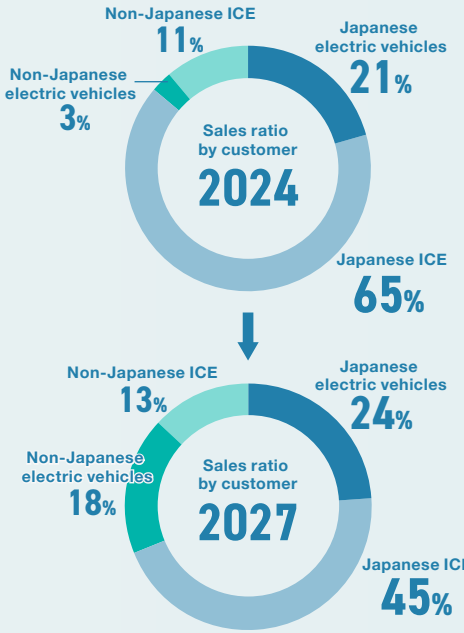


Business Strategy | Die Casting Business

Optimizing regional strategies and customer portfolios in line with market conditions

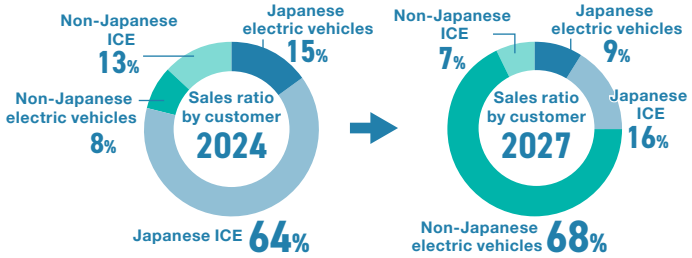
We classify our operation regions into the "growth driver," "stabilization," and "recovery" regions in line with market conditions to implement optimal order strategies. In Mexico and China, in particular, where the proportion of non-Japanese customers is increasing, we are flexibly adapting to the changing customer mix by enhancing our global quality and supply systems.

Global sales ratio by customer



Recovery region | China

Demand for BEVs is weakening, and engine development for PHEVs and REEVs is currently progressing.



- **Growth driver regions**
  Invest management resources to expand sales and income
- **Stabilization regions**
  Maintain/enhance business foundations to secure stable sales and income
- **Recovery regions**
  Secure sales by leveraging high productivity and quality and recover income by re-establishing the optimal business scale

Growth driver region | India

Market expansion is highly expected.

Stabilization region | Japan

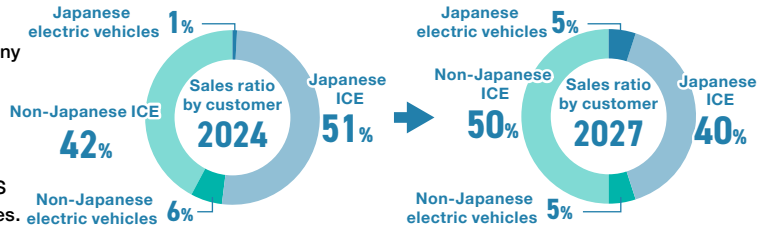
The overall market sees a slight decline. While the proportion of electric vehicles increases, there is uncertainty due to US administration policies.

Stabilization region | the U.S.

There are concerns about an economic downturn due to the U.S. administration's policies. Moves to promote local procurement within the region are active.

Growth driver region | Mexico

Seen as a growth driver region with many inquiries driven by local procurement within the USMCA* area, but there is uncertainty due to US administration policies.



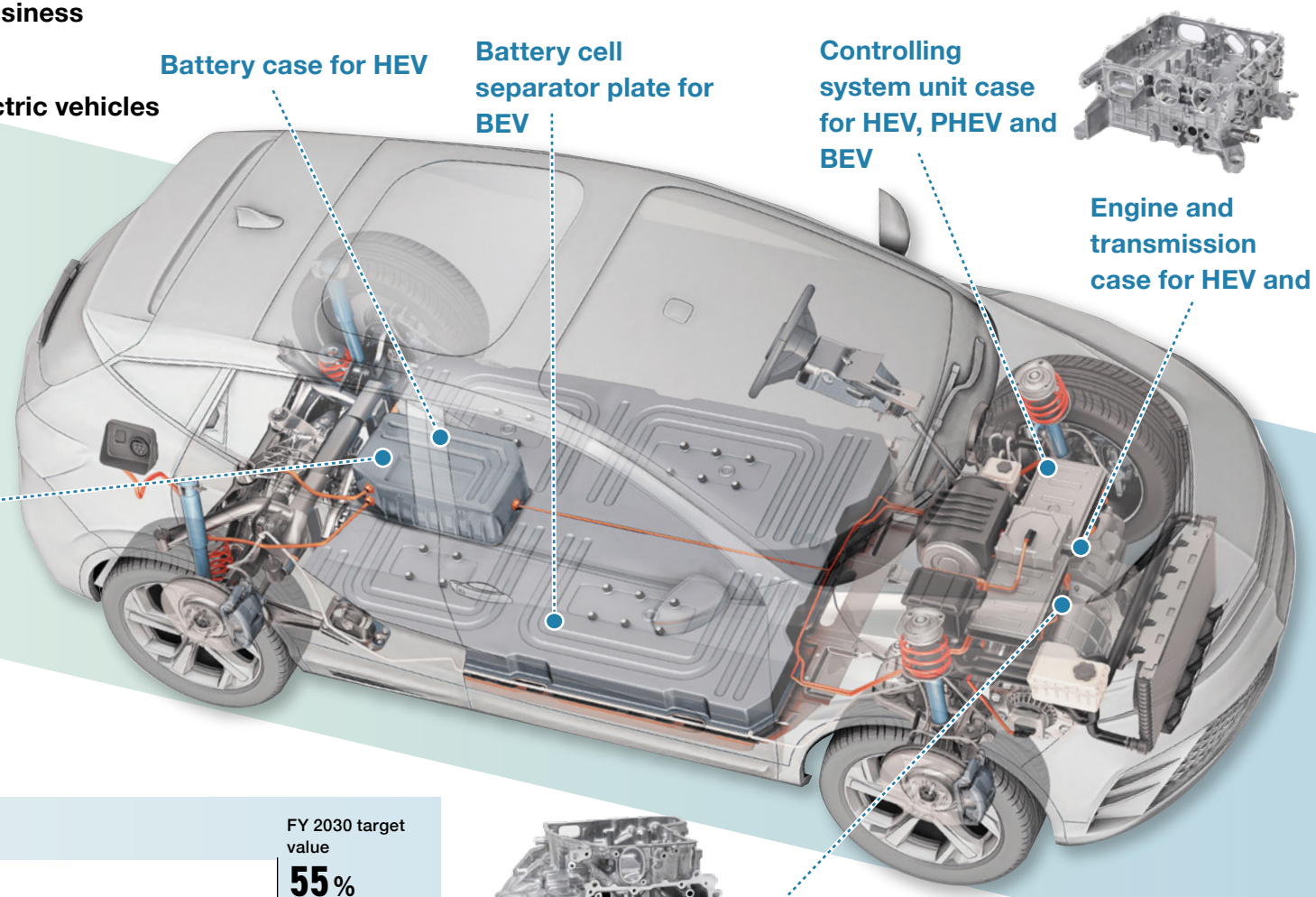
* United States-Mexico-Canada Agreement

Business Strategy | Die Casting Business

Increasing orders for parts for electric vehicles

Representative example of orders received for parts for electric vehicles

Ratio of electric vehicle parts in net sales is increasing as planned, with orders for key parts being received evenly for HEV, PHEV and BEV.



10-year Business Plan | OUTPUT

FY 2024 Sales ratio of electric vehicle components

24%

FY 2025 target value **30%**

FY 2030 target value **55%**

Business Strategy | Die Casting Business

Executive Officer
Chief of Manufacturing Command
Yasutaka Oshima

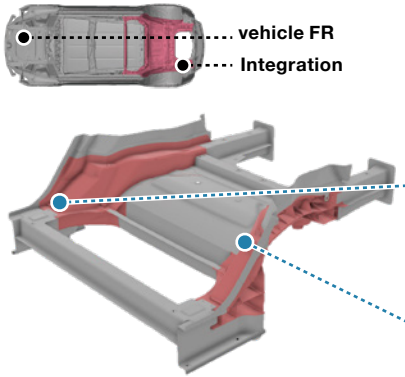
Ahresty is committed to developing advanced technologies that meet the need for vehicle weight reduction through the adoption of aluminum die casting for vehicle body parts. In joint development with Tier 1 manufacturers, we aim to introduce our unique joining technology in addition to the utilization of CAE technology, striving to create further added value. By vigorously promoting the development of innovative technologies that create new value, we contribute to the future mobility society.

Technology development to meet the need for weight reduction

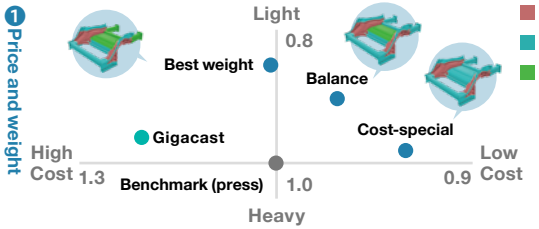
Vehicles are increasingly becoming heavier due to the expansion of safety features and the electrification of powertrains. Ahresty is advancing technology development to meet the weight reduction need of various car manufacturers. In terms of the adoption of aluminum die casting for vehicle body components, Ahresty focuses on multi-material bodies.

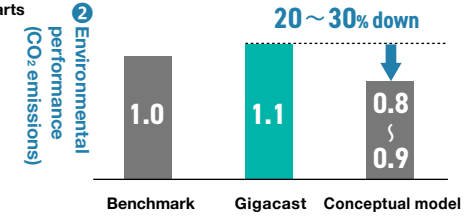
Multi-material bodies

By combining Ahresty's die-casting technology with G-TEKT Corporation's extensive expertise in vehicle body components and press technology, we develop structurally optimized multi-material, integrated body components and propose them to car manufacturers. We offer three variations for the combination of iron and aluminum presses to meet customer needs in terms of price and weight.



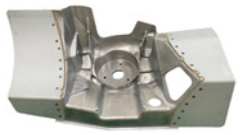
Point 01 Structure considering body performance	**Optimized product shape through structural analysis** **Collision safety performance**：equivalent to benchmark **Weight**：Light in weight **Rigidity performance**：improved compared to benchmark (Rigidity ratio increased by 15%)
Point 02 Partial heat treatment of SPR joint	**Laser heat treatment only on the joints** ・Unique irradiation pattern for quicker and uniform heating ・Ensured repeatability through feedback control using measured temperature ・T7 heat treatment Heat Treatment Cost: -75% / CO_2 Emissions: -90%
Point 03 Die-cast thin wall molding	**The world's fastest high vacuum die-cast production technology** **Recycle-based, highly ductile materials (Self-developed alloy AHF03)**





SWAD (Spot Weld Able Diecast)

Ahresty's proprietary "SWAD" technology is a method for directly spot-welding steel plates and die casts together. This method eliminates rivet bonding using relay steel plates, which was necessary when joining die-cast parts to steel plate bodies, and enables direct welding on existing spot-welding lines. With this technology, die casting can be easily applied to vehicle bodies, enabling weight reduction through the adoption of multi-material bodies. It meets the demand of car manufacturers for weight reduction, and a significant cost advantage can also be expected because additional capital investment for rivet bonding is unnecessary. We will continue to develop technologies for application to vehicle bodies, aiming for Ahresty's die casts to be widely adopted in vehicle bodies.



【Patent registered】
- Existing spot-welding equipment can be used to join steel plates and aluminum die castings
- No need for dedicated equipment such as SPR (self piece rivet) or capital investment

Business Strategy | Die Casting Business

Executive Officer, Deputy Chief of Manufacturing Command and President,
Ahresty Tochigi Corporation

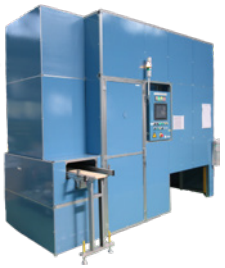
Hirofumi Kondo

Ahresty aims to enhance the quality of individual work and build a production system that achieves maximum results with minimal input. By leveraging AI and accumulated data and know-how to advance production preparation and preventive maintenance, we perform optimal process design in both quality assurance and production efficiency. Furthermore, by digitizing and automating simple tasks and hazardous tasks to increase operational efficiency and safety, we aim for a MONOZUKURI that allows all employees to feel their own contribution.

Realizing smart MONOZUKURI

To improve profitability, Ahresty is shifting its focus from activities centered on increasing production volume and productivity as KPIs to reducing loss costs, and we will promote initiatives to “make good products in a way that generates profits.” Furthermore, by utilizing digital technology to improve work efficiency and advance labor saving, we are striving to achieve smart (clever, efficient, quick, and excellent) MONOZUKURI.
Adopting “Total value added / Total work hours = VAPH (Value Added Per Person’s Hour)” as a new KPI, we aim to achieve our operating margin target.

Development of an automatic appearance inspection device

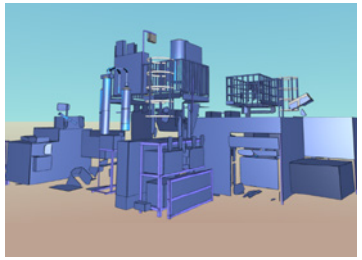


We have developed an automatic appearance inspection device within the Group and have started introducing it into mass production lines. By automating the appearance inspection process, variations in judgment caused by differences in skills and experience can be avoided, achieving labor saving.

Shifting resources to data analysis by using BI tools

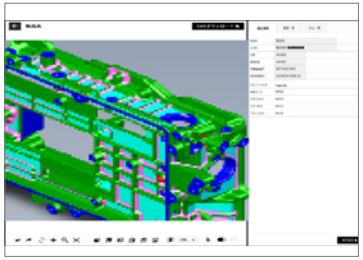
By utilizing BI tools to aggregate various data, such as downtime losses and defect losses that occur on the production line, man-hours can be significantly reduced. We can then allocate resources to analysis of causes, and planning and implementation of measures, which will help accelerate improvement.

Production line simulation



We design production processes in a virtual space by creating 3D models of production lines and plant layouts. This contributes to eliminating bottleneck processes, maximizing the use of existing equipment capacity, and optimizing the flows of people and goods, leading to the creation of efficient production processes without stagnation.

Improving the efficiency of product quotations using 3D model data



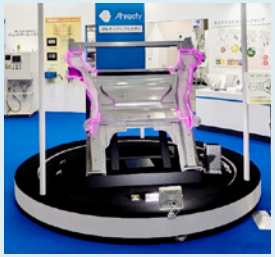
As lead times for automobile development continue to shorten, swift responses are also required for submitting estimates. We broke down the estimation process into smaller steps using 3D model data and automated routine operations so that estimation work can be carried out efficiently and quickly.

2024 News

Multi-material body concept model exhibited at Japan Die Casting Exposition

Proposing a multi-material body that is lighter, lower cost, and more environmentally friendly than Gigacast or steel press

Ahresty participated in the 2024 Japan Die Casting Exposition (held November 14-16, 2024) and displayed a rear underbody concept model using multi-material technology that it is jointly developing with G-TEKT Corporation.
Attracting many visitors, our light, low-cost, and environmentally friendly multi-material body parts were well-received.



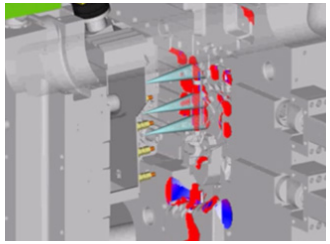
Starting mass production of BYD plug-in hybrid vehicle components within 90 days of order receipt

Development lead time for newly ordered parts shortened by 42% (compared to FY2021)

Ahresty received an order for engine blocks to be installed in plug-in hybrid vehicles of BYD, China, from its primary supplier and started mass production 90 days after the order receipt. In response to the demand of car manufacturers and to help them launch new model vehicles in a timely manner to meet diversifying needs, we are working to shorten development lead time by utilizing digital technologies to reduce and streamline work hours.

Examples of the initiatives to shorten development lead time

- Shortening time for shop floor operations by employing simulations
- Establishing good product conditions by CAE analysis
- Visualization of the status of equipment use
- Development of an automatic appearance inspection device



Simulation of the process of applying mold-release agent

Ahresty India Second Plant completed

Sales volume around double the level of FY2023 is expected for FY2025.

Ahresty India's second plant, newly constructed to respond to new and increased orders for parts for electric vehicles, was completed as planned, and the new production line started operation for mass production in June.

Building area	:	23,828m²
Of which expanded area	:	Second plant (newly built) 8,256 m²
Completion	:	December 2024
Additional equipment	:	2 large die casting machines
Products to be manufactured	:	E-Axle* parts for BEVs, etc. (scheduled)

* Electric drive unit

Business Strategy | Aluminum Business

Environmentally friendly aluminum in numbers!

Aluminum is a valuable resource, which can be recycled and reused over and over again. It is also an environmentally friendly resource as it generates little CO_2 emissions during recycling.
Our Kumagaya Plant uses aluminum scrap as the main raw material to produce aluminum alloy ingots for die casting, casting, light press, etc., which are used by a wide range of customers.

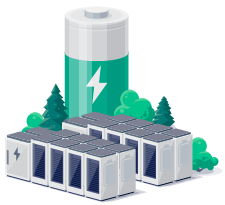
Circular Economy ▸ P.16

1/3

Specific gravity: Compared to iron

If the weight of iron of the same size is 1, aluminum weighs only 1/3 of that. Therefore, products made of aluminum are light, and using it in auto parts leads to weight reduction and energy saving.

3%



Energy consumption during recycling

Recycling aluminum requires only 3% of the energy required to produce new aluminum ingots.

1/30

CO_2 emissions during recycling

The CO_2 emitted when recycling aluminum is only 1/30 of that emitted when producing new aluminum ingots.

97%

Rate of recycled materials used

Recycled materials are used for 97% of Ahresty's die-cast products.

100%

Rate of recycled materials used in ADC12 production

The recycled ingot ADC12, which Ahresty produces and uses most frequently, is made from 100% recycled materials.

24,632 t

Volume of scrap collected (FY2024 result)

The Ahresty Kumagaya Plant collects aluminum cans, sashes, and automobile scrap from all over the country and uses them as raw materials for the alloy ingots it manufactures.

24,156 t

Aluminum alloy ingot production volume (FY2024 result)

The Ahresty Kumagaya Plant uses raw materials such as aluminum scrap and additives to manufacture and sell alloy ingots tailored to customer applications, using its unique compounding technology.

Business Strategy | Aluminum Business

Development of alloy ingots with less CO_2 emissions

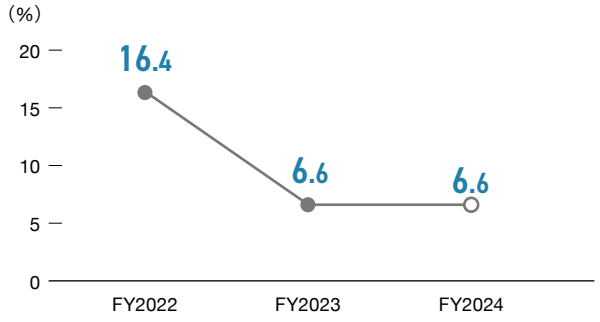
The Ahresty Group is working to reduce CO_2 emissions in each of the Scope 1, 2, and 3 areas. In the production of aluminum alloy ingots, which are used as raw materials, especially in Scope 3 Category 1 (purchased goods and services), we are reducing the use of high-carbon new ingots, which are associated with a large amount of CO_2 emissions, and promoting efforts to increase the ratio of recycled materials used. Additionally, starting from FY2025, also from the perspective of Scope 1: fuel, we have been working to further reduce CO_2 emissions by shifting the energy source we use from recycled heavy oil to gas.

Ahresty develops and manufactures aluminum alloys that meet product characteristics and customer needs by conducting in-house component analysis and utilizing its unique compounding technology based on its accumulated data and know-how. In manufacturing various alloys, we are promoting the development and production of “alloy ingots with less CO_2 emissions” by replacing new ingots with recycled materials through the advancement of compounding technology.

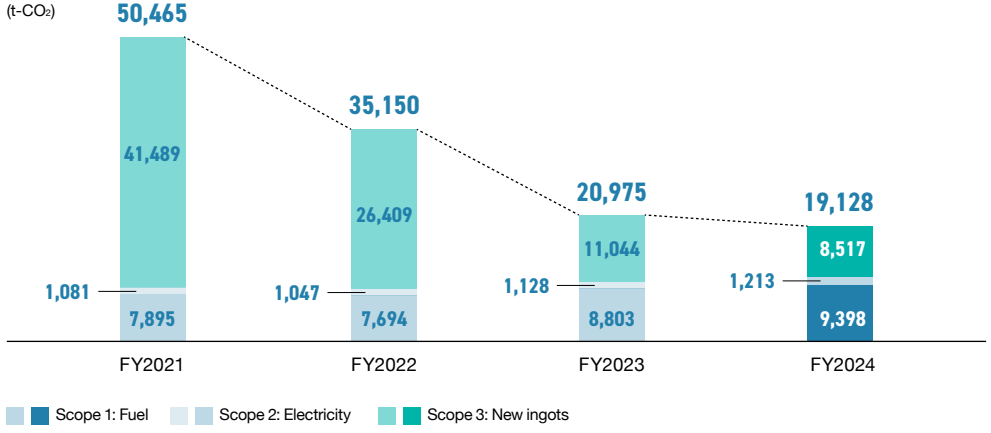
Environment | Toward Carbon Neutrality ▸ P.55

Energy conversion from recycled heavy oil to gas

Rate of high-carbon new ingots used

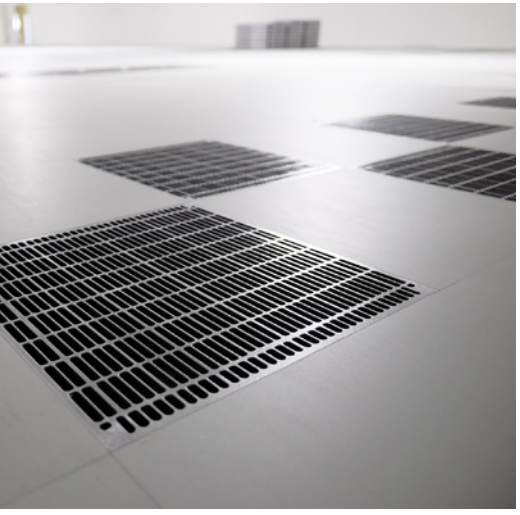
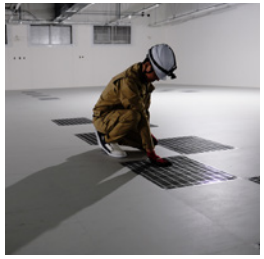
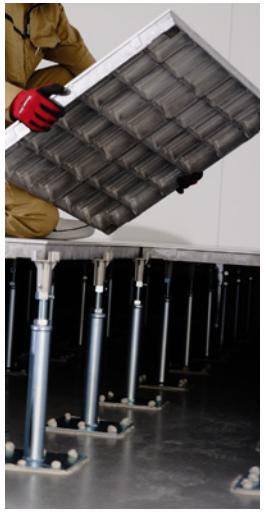


CO_2 emissions during aluminum alloy ingot production



Business Strategy | Proprietary Products Business (MOVAFLOR)

MOVAFLOR, the raised floor system created by Ahresty

Ahresty developed MOVAFLOR, the first aluminum die-cast raised floor system* in Japan. Aluminum die-cast floor panels are superior to concrete or steel panels in terms of performance, management, and environmental impact. Since its launch in 1962, Ahresty has continued its research and evolution for over half a century. Ahresty's MOVAFLOR has been applied to, and well accepted by, many commercial sectors, including clean rooms controlling microscopic data, computer rooms requiring high speed and large capacity data processing, and increasingly networked office environments.

Comparison of floor panel materials

Panel element composition materials		Aluminum		Inorganic		Steel			
		Aluminum die-cast		Concrete		Hollow steel		Solid steel (Inorganic core)	
Performance	Strength (Static load resistance)	◎	Good	◎	Good	◎	Good	◎	Good
	Strength (Rolling road performance)	◎	Good	○	Good	△	Inferior	△	Inferior
	Nonflammability, flame retardancy	◎	Nonflammable material	◎	Nonflammable material	◎	Nonflammable material	◎	Nonflammable material
Daily management	Maintenance (Opening/ closing panels)	◎	Lightweight and good	△	Panel weight is about twice that of aluminum.	○	Panel weight is about 1.5 times that of aluminum.	△	Panel weight is about twice that of aluminum.
	Opening processing	◎	Good cutting workability	△	Inferior to aluminum	△	Inferior to aluminum	△	Inferior to aluminum
Environmental consideration	Recycling	◎	Made from a single material, so good recyclability	△	Made from multiple materials, so dismantling, etc. is necessary	◎	Made from a single material, so good recyclability	△	Made from multiple materials, so dismantling, etc. is necessary
	Load on the building structure	◎	Lightweight and good	△	Weight is about twice that of aluminum.	△	Weight is about 1.5 times that of aluminum.	△	Weight is about twice that of aluminum.

Ahresty's Strengths

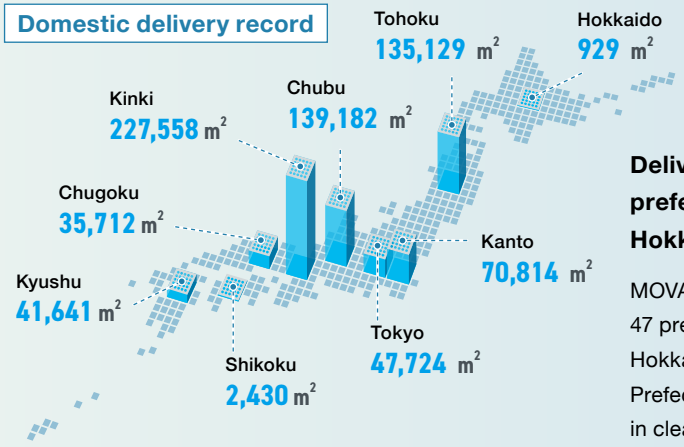
- **High quality** : Utilizing the know-how accumulated over many years, we manufacture products with excellent strength and safety, with the same quality as that for manufacturing automotive parts.
- **Integrated production** : Everything from casting and processing to sales and installation is performed in-house.
- **Extensive product lineup** : We offer a wide range of products to suit various applications, including clean rooms, computer rooms, air conditioning, and high-strength types suitable for installing heavy equipment and for passageways.

* Raised floor system : Double-layered flooring system that accommodates wiring and air conditioning equipment in the underfloor space

Business Strategy | Proprietary Products Business (MOVAFLOR)

Domestic delivery record and initiatives for the global market

Domestic delivery record



* 500m² or more / case (April 2013 - March 2025)

Delivered to all 47 prefectures of Japan from Hokkaido to Okinawa

MOVAFLOR is delivered to all 47 prefectures of Japan, from Hokkaido to Okinawa Prefecture, and is widely used in clean rooms, computer centers, plants, offices, etc.

Global market strategies

Growth driver region | the U.S.

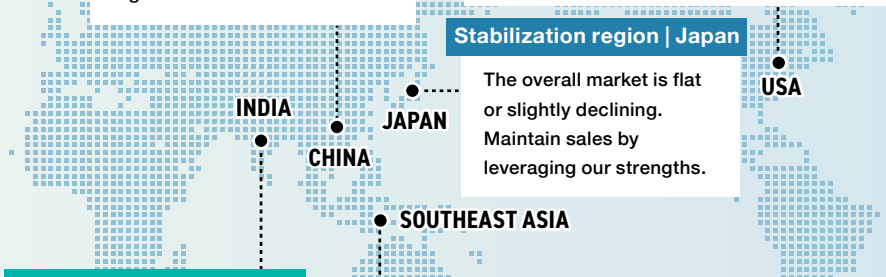
Domestic production in the U.S. is expected to grow significantly in the market due to the CHIPS Act (a law to strengthen the U.S. semiconductor industry). So, establish sales channels to expand sales in the market.

Stabilization region | China

Avoid excessive price competition but aim to secure high-value-added orders.

Stabilization region | Japan

The overall market is flat or slightly declining. Maintain sales by leveraging our strengths.



Growth driver region | India

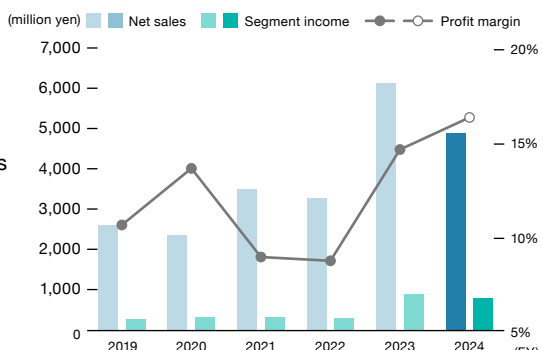
With an eye on full-scale growth from 2030 and beyond, establish sales channels to be prepared for market expansion.

Stabilization region | Southeast Asia

The overall market is flat or slightly increasing. Avoid excessive price competition but aim to secure high-value-added orders.

16.2% Highest-ever profit margin recorded

In FY2024, the Proprietary Proprietary Products Business (MOVAFLOR) achieved results exceeding the plan despite a decrease in net sales from the previous fiscal year due to a decrease in large-order deliveries to semiconductor-related companies during the period. Segment profit remained high as in the previous fiscal year, and the profit margin reached a record high.



Expanding sales channels overseas and increasing sales

In the Proprietary Products Business, we have positioned clean rooms in semiconductor manufacturing plants as our primary market and are strategically expanding the business. Globally, seeing the U.S. and India as growth driver regions, we aim to establish sales channels in both countries and thereby expand overseas sales.

Financial strategy

Executive Officer, Deputy Chief of General Administrative Command and General Manager, Management Planning Department

Atsushi Shimizu

As we find ourselves in a period of large transformation of the automotive industry, we must maintain a healthy balance sheet amidst dynamic industry trends while seeking new growth opportunities. As stock market reforms progress, we also intend to ensure solid returns to shareholders.
Ahresty has formulated a financial strategy, clarifying our basic guidelines regarding profits, balance sheets, cash allocation, and shareholder returns.

Strategy to achieve the management targets

The Ahresty Group has launched its 10-year Business Plan, a longterm management plan toward fiscal 2030, and has been promoting the 2224 Medium-Term Management Plan as the first action plan of the 10-year Business Plan. Under the 10-year Business Plan, in response to changes in the external environment, such as the acceleration of electrification of automobiles and moves toward carbon neutrality, we set "shifting the business portfolio to predominantly parts for electric vehicles," "establishing low-cost, highly productive MONOZUKURI," and "reducing CO_2 emissions in production," as the pillars of our strategy. Based on these pillars, we are making efforts to secure net sales, improve productivity, and enhance earnings strength by shifting from parts for combustion engines to parts for electric vehicles.
The automobile industry, the customer of the Group's major products, is undergoing a grand transformation. In response to the electrification of automobiles, which has been progressing faster than expected, the Ahresty Group has been working to increase orders for parts for electric vehicles, expand business to vehicle body parts using aluminum for weight reduction, and start or expand businesses with companies with an advantage in parts for electric vehicles both inside and outside Japan. We see the acceleration of electrification as a big chance for the growth of the Group as it will lead to the expansion of demand for die-cast products and an increase in opportunities to acquire new customers. Meanwhile, the automobile industry is in a very fluid situation with uncertainties such as the difference in speed of the shift to electric vehicles and the emergence of new automobile manufacturers. The Group adopts a business model whereby we receive orders for products for which net sales will be recorded three years later and make advance investments for production equipment for such products. Now, in the period of a grand transformation with many variable factors in the industry, we believe it is important to have a robust balance sheet that enables us to stably receive orders and make investments even if an unexpected change occurs.
We will promote the 10-year Business Plan to achieve a shift to predominantly parts for electric vehicles, and thereby improve our profitability as soon as possible. By promoting operations based on the "Four Pillar Financial Strategies", we aim to improve the price book value ratio.

2040 Vision and 10-year Business Plan

Beyond your expectations 2040

FY 2030 target values

Net sales **180** billion yen | Operating income **8.1** billion yen | Operating margin **4.5**%

Business strategies

Shifting the business portfolio to predominantly parts for electric vehicles・Establishing low-cost, highly productive MONOZUKURI ・Reducing CO_2 emissions in production

Financial strategies

ROE
Improve medium- to long-term capital efficiency by achieving a return on equity (ROE) higher than the capital cost

Capital investment
Continue growth investment to capture demand for weight reduction and electrification, develop new customers for parts for electric vehicles, and promote man-power/labor saving

Capital policy
Maintain a sound financial structure to continue flexible order-taking and growth investment

Return to shareholders
Provide returns to shareholders based on consolidated business results

Human resources trategies

Creating workplaces where people are happy to work ・Promoting diversity・Human resources development according to the human resources roadmap

Financial strategy

Four Pillar Financial Strategies (FY2023 to FY2030)

With the four-pillar financial operation, aim to achieve a PBR of 1

ROE (Long-term target) **9%**

- Recover net sales and sales weight by implementing an electrification strategy, and increase profits by reducing costs and improving productivity
- Pursue an optimal financial leverage that enables the achievement of both a sound balance sheet and the ROE target

Capital policy Equity ratio **40% or more**

- Maintain an equity ratio that ensures resilience against fluid market trends, such as regional differences in speed of electrification and the emergence of new automobile manufacturers in the automobile market
- Pursue an optimal financial leverage that enables the achievement of both a sound balance sheet and the ROE target

Capital investment Approx. ¥**140** billion (including investment in dies)

- Create an operating cash flow as the source for implementing growth investment for a shift in business structure
- Implement investment for manpower saving in view of the decrease in labor force and the rise in labor costs in the future
- At the same time, strengthen investment discipline, such as the criteria for selecting order/investment programs, and improve investment efficiency by making effective use of idle equipment, etc.

Return to shareholders Dividend payout ratio **35% or more**

- Create stable profits to ensure a 35% or higher dividend payout ratio
- Flexibly purchase treasury shares in view of the conditions of the business environment, capital accumulation, investment, stock prices, etc.

* Based on our estimates (as of May 2023)

Cost of capital and ROE

Aiming to realize management that is conscious of the cost of capital and stock price, Ahresty focuses on enhancing corporate value over the medium to long term by achieving an ROE that exceeds the cost of capital. Toward achieving the financial strategy target of 9% ROE, we use an ROE Tree to break down ROE into easier-to-manage monitoring indicators. By incorporating them into specific actions on site, we aim to improve profitability and capital efficiency.

Ahresty's cost of capital and ROE target

Cost of capital **8.8%** < ROE target **9%** *

FY2030 ROE target level

Net profit to sales **3%or more** × Total assets turnover **1.20 or more** × Financial leverage **2.50 times or less**

Actions to improve ROE

ROA $\frac{\text{Net income}}{\text{Total assets}}$

Financial leverage $\frac{\text{Total assets}}{\text{Equity capital}}$

Net sales

- Shifting the business portfolio to predominantly parts for electric vehicles
- Expanding customer portfolio, expanding components

Profitability

Operating income margin, cost and SG&A ratio

- Selling price control (price negotiations)
- Improving productivity, manpower saving and automation
- Expense control (cost reduction efforts)
- Strengthen profitability of mandated projects

Asset efficiency

Inventory turnover fixed asset turnover

- Improving capital investment efficiency
- Improving equipment operating cycles
- Shortening development lead time
- Inventory reduction

Return policy

- Purchase/cancellation of treasury shares
- Maintaining dividend payout ratio

Controlling financial leverage

- Managing interest-bearing debt

* Calculated based on CAPM theory Cost of capital = β×(Rm−Rf)+Rf
β: Beta (sensitivity of our stock price to TOPIX and other market indices) Rm: Expected rate of return (risk premium) Rf: Risk-free rate (calculated based on 10-year governmentbond yield)

Financial strategy

Cash Allocation (FY2023 to FY2030)

In view of the business environment of the Group and the characteristics of the Group's businesses, our basic capital and shareholder return policy is to properly return profits to shareholders while making growth investment for electrification and maintaining a sound financial structure. To this end, we have provided shareholders returns based on consolidated business results.
The basic capital and shareholder return policy of providing appropriate returns while bolstering the financial structure and management base for business development in the medium and long terms, we strive to improve the corporate value of the Company.

Creating cash through business growth

Creating cash

Operating cash flow

160 billion yen

- Increasing the sales ratio of electric vehicle components
- Increasing profits by reducing costs and improving productivity

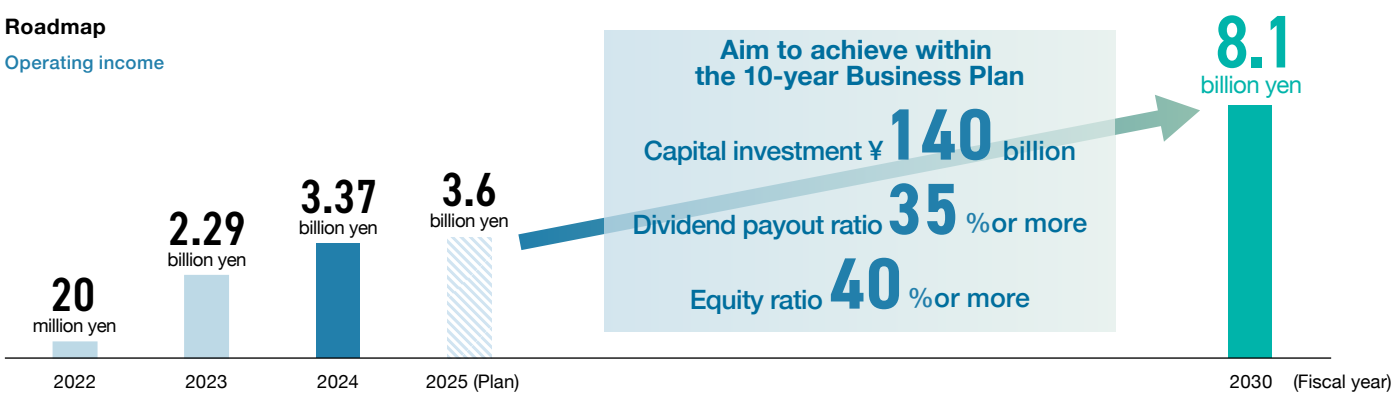
Cash allocation targets

Business investment	Return to shareholders	Reduction in net interest-bearing debts
Capital investment for growth	Returns to shareholders based on consolidated business results (dividends, share buybacks)	
140 billion yen	**18** billion yen	**2** billion yen

Flexibly rebalance the allocation in view of the performance condition and investment needs

Roadmap

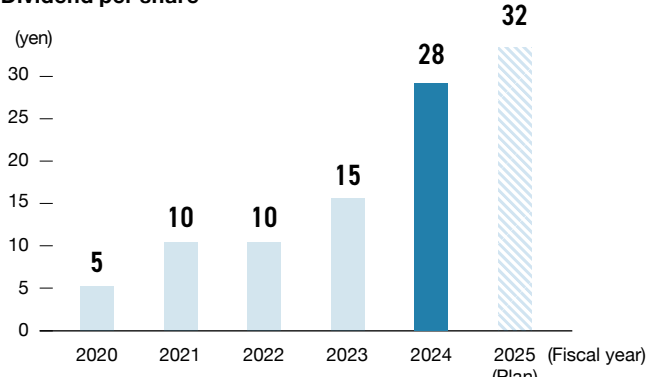
Operating income



Return to shareholders

Ahresty views the continuing increase of corporate value as the most important return to shareholders. Our basic policy on dividends is to provide appropriate returns within a scope that does not impair the soundness of our financial structure for business development in the medium and long terms. We pay dividends, taking into consideration the amount of investment necessary for medium- and long-term growth, the payout ratio, and consolidated results. Our target dividend payout ratio based on consolidated results is set to be 35% or more. Furthermore, starting in FY2025, to further clarify our commitment to stable dividends, we have decided to introduce a dividend on equity (DOE) of 1.5% as the minimum dividend amount in addition to a dividend payout ratio. For FY2025, we will continue to make Group-wide efforts to improve profitability through raising production efficiency and cost cutting, thereby enhancing our financial structure and maintaining stable dividend payments.

Dividend per share



Human Resources Strategy | Three pillars of the human resources strategy

Director and Managing Executive Officer, Chief of General Administrative Command

Hideki Nariya

Since its founding, Ahresty has placed importance on "developing human resources" that underpin our MONOZUKURI. Under the Medium-Term Management Plan starting in FY2025, we will strengthen human resources development, which is essential for "inheritance" and "reconstruction." In addition to systematic development according to the human resources roadmap and creating a culture that encourages taking on challenges, we will also work to strengthen our manufacturing human resources in response to the issues facing our domestic and overseas operation sites, thereby accelerating our human capital management.

Human capital management / Human resources strategy

As indicated by the fact that Ahresty's Corporate Philosophy begins with "Let us take pride in our work," we believe that human resources are the driving force behind the evolution and growth of the Ahresty Group. We are promoting various measures with the aim of being a company in which employees respect each other's values and take pride in their work regardless of nationality, age, and gender, and of strengthening corporate competitiveness by making the most of our diverse human resources and maximizing their individual abilities, thereby increasing productivity and competitiveness.

Three pillars of the human resources strategy

01 Human resources development

- Systematic and strategic human resources development according to the human resources roadmap
- Development of education systems (globally same quality, enhancement of MONOZUKURI foundation)
- Enhancing Human Resource Capabilities in Manufacturing

Human Resources Strategy | Human resources development ▸ P.43

02 Engagement reform

- Achieving a good work-life balance, and health and productivity management
- Enhancing career support systems
- Realization of ergonomics, elimination of industrial accidents
- Fostering a fulfilling work environment

Social ▸ P.65

03 D&I reform

- Promoting diversity of management (diversification of executive managers)
- Promoting recruitment of new female graduates and expansion of job fields for women. Proactive development of female managerial personnel
- Providing opportunities for people with disabilities to play active roles (operation of a special subsidiary company)

Human Resources Strategy | D&I reform ▸ P.45

Management targets

Corporate Philosophy

2040 Vision

Ensure your satisfaction with Ahresty

Human Resources Strategy | Human resources development

Systematic and strategic human resources development according to the human resources roadmap

In order to secure human resources and promote career development of each individual in light of the medium- to long-term business strategies and business environment, Ahresty is developing a "human resources roadmap" framework to identify talent needs necessary for future business expansion, clarify the requirements and candidates, and enable their systematic development. Setting "developing candidates for next-generation managers" as one of the human resources themes, we register candidate individuals and systematically train them with the goal of promoting them to managerial positions within a few years.

Group in Japan FY2024 results

Managerial positions that have successors **86.9%**

Percentage of individuals registered on the human resources roadmap who have been promoted to managerial positions **91.0%**

STEP 01
Determine the theme of human resources for prioritized development

STEP 02
Define "desired human resources"

STEP 03
Determine required competencies of "desired human resources"

STEP 04
Select candidates

STEP 05
Systematic development
Training, OJT, assignment

Examples of human resources themes：
Candidates for next-generation General Managers, candidates for next-generation managers, production engineers capable of realizing the same production/quality globally

Development of education systems

To develop human resources that will support Ahresty's growth, we have established a structure for strategic recruitment and development of human resources, as well as education systems. We have established RST Gakuen, which offers courses that allow employees to systematically learn about MONOZUKURI, providing the same level of education globally at all of our sites. In recent years, to respond to new educational needs at production sites, we have established courses on the basics of statistics and multivariate analysis. We are also focusing on strengthening our digital infrastructure and training leaders in data analysis through such measures as holding Global Kaizen Meetings, where engineers from all bases gather together to solve problems through the presentation of case studies and discussions; training G/E Trainers, who have the abilities necessary to analyze the current situation, find concrete solutions to problems, and offer guidance and instruction to their subordinates; holding IoT workshops for engineers; and sending personnel to external data science training sessions.

Global RST Learning

It is is an educational system that enables all Ahresty Group employees to undergo the same level of educational training globally, allowing us to pass on the manufacturing expertise that we have accumulated since our founding.
We recommend training through which employees experience the importance of standards.

Global Kaizen Meeting

Aiming to enhance technical capabilities and standards across all sites, engineers from each location gather to present case studies and engage in group discussions. Through collaborative exploration of improvement opportunities, continuous initiatives are developed for future advancement.

G/E Trainer Development

Improvement in manufacturing quality and productivity is achieved through a steady and continuous process of kaizen (improvement).
Leaders in manufacturing processes are trained as G/E Trainers, gaining the ability to analyze current conditions, identify concrete solutions to problems, and provide guidance and instruction to team members.

Human Resources Strategy | Human resources development

Initiatives to enhance human resources that support "SMART MONOZUKURI"

In the 25-27 Medium-Term Management Plan, Ahresty has set "Enhance human resources for MONOZUKURI" as a key measure toward achieving "SMART MONOZUKURI." In Japan, where the birthrate is declining and the population is aging, the working-age population is expected to decline, while the U.S. faces persistently high employment mobility, and India is required to strengthen its personnel structure to match its growing market. Each region confronts distinct challenge.
To respond to this situation, Ahresty utilizes job-specific human resources roadmaps to promote strategic development of human resources, focusing on skilled positions. In addition to enhancing the training structure, we have built a system to make our on-site personnel immediately deployable. Furthermore, we are implementing "CAPDo Activities based on MONOZUKURI Capability Assessment" to drive improvement by measuring the levels of individuals and plants. We aim to enhance both the quality and speed of manufacturing by balancing the visualization of on-site capabilities with continuous improvement.

25-27 Medium-Term Management Plan human resources strategy to "enhance human resources for MONOZUKURI"

Regional human resource issues	Key measures
Japan Declining working-age population Expanding the role of overseas human resources	**Implementing job-specific human resources roadmaps** Strategically developing skilled workers with an eye toward the future
The U.S. High employment mobility	**Strengthening training for on-site personnel** Building a system to develop immediately deployable personnel
India Strengthening personnel structure in line with growing market	**CAPDo based on MONOZUKURI capability assessment** Promoting improvement by measuring the levels of not only individuals but also of each plant.

Making on-site personnel immediately deployable

Human resources development at the India site Four trainees undergoing training in Japan

Four trainees have arrived in Japan to begin training at the Tokai Plant with the aim of developing on-site supervisors for the casting and processing departments at our Indian site and improving MONOZUKURI capabilities. In addition to worker education, the training includes lectures on SQDC (safety, quality, delivery time, and cost) and a program to help counterpersons move up to supervisory roles, aiming to strengthen both on-site capabilities and management skills.

Human Resources Strategy | D&I reform

Supporting the participation of women

Ahresty believes that when people of different nationalities, ages, and genders play active roles, diverse perspectives and values can be utilized and various innovations can be promoted. In Japan, efforts are underway to expand workplaces and job fields where women can actively contribute, particularly in manufacturing sites traditionally dominated by male workers. Strategic recruitment of new graduates is being implemented to gradually increase the ratio of female employees. At the same time, initiatives to strengthen the development of future female managers are being actively promoted.

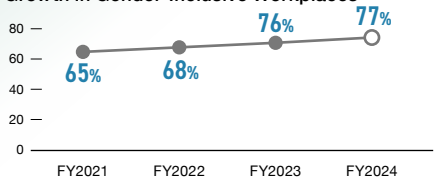
Steps to support the participation of women

01 Increase workplaces and work fields

Jobs that only men are in charge of
- Ergonomics analysis
- Work environment improvement
- Gender-free education

Assigned regardless of gender

Growth in Gender-Inclusive Workplaces

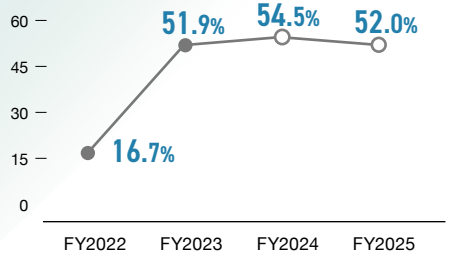


02 Increase the ratio of female employees

Women highly motivated to work
- Active recruitment of competent human resources
- Active assignment to expanded workplaces where women are active

Increased women active in the workplace

Percentage of female new graduates hired

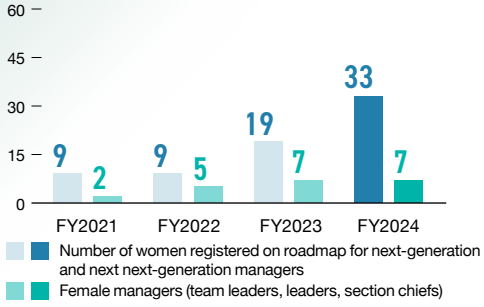


03 Develop female leaders

Women with high management abilities
- Enhancing communication for action reform
- Training (knowledge and experience in work)

Increased female leaders

Number of women registered on roadmap and number of women in supervisory positions



10-year Business Plan | OUTPUT

FY2024 Ratio of female employees (Group in Japan)

15.6%

FY2030 target 20% or more

FY2024 Ratio of female managers (Group in Japan)

2.5%

FY2030 target 10% or more

Eruboshi* (Three-Star) Certification

Initiatives to promote diversity

In 2023, Ahresty established the "D&I Community" as a forum for communication between female employees and the company, and the first members (12 female employees from our operation sites in Japan) have completed their activities. At the Community, members explored career development challenges and solutions from a female perspective, and the results led to ideas for measures, such as revisions to work-style systems and launch of internal diversity activities. Other initiatives included the introduction of diversity content into job level-based training programs, implementation of unconscious bias training, and working to improve the workplace environment and achieve work-life balance.

【D&I Community | OUTPUT】

Personnel systems

Revision of the course system, introduction of relocation allowance

Diversity activities

Setting the theme for 2024 Diversity Enhancement Month "Unconscious bias"

Evaluation

Incorporating "Guidelines for Supervisors on Appropriate Evaluation" into evaluator training

Work styles

Expanding teleworking

* Eruboshi is the certification for companies promoting women's advancement, issued by Japan's Ministry of Health, Labour and Welfare.

Human Resources Strategy | D&I reform

Diversification of Executive Managers

Looking ahead to the maturation of the Japanese automobile market, the declining birthrate and aging population in Japan, the globalization of our customers, and the expansion of our sales and employee ratio outside of Japan, limiting the scope of talent management for executive management personnel to Japanese nationals alone means that the potential of non-Japanese human resources is not fully utilized. Based on the recognition that in order to achieve future growth mainly in markets outside of Japan, it is necessary to make maximum use of the Group's human resources, including those of non-Japanese business sites, Ahresty is promoting "diversity in management" and is building a system that enables human resources of diverse nationalities, as well as women, to play active roles as executive managers.

PHASE 01	PHASE 02	PHASE 03
2022 - 2024	2025 - 2027	2028 - 2030
Localization of overseas site managers	Diversification of head office functional departments	Diversification of management execution

01 Strengthening governance and management structure
- Creating a system to share management philosophy, Group targets, and Group strategies directly with overseas staff
- Re-examination of governance of affiliated companies

02 Establishing a system to enable identification of candidate human resources at all times

03 Training system for candidate human resources
Bringing awareness from a local to a global perspective

04 Strengthening English language education in Head Office departments

PHASE 01 | Case Study on the Localization of Overseas Site Managers

Julio Cesar Doctoriarena Torres appointed President of Ahresty Mexicana, S.A. de C.V. (Ahresty Mexicana)

Julio Cesar Doctoriarena Torres

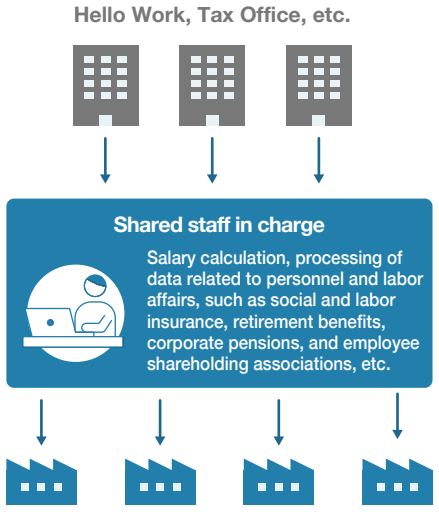
Ahresty Mexicana, S.A. de C.V.
President, Mexican certified public accountant

Career history

December2009	Joined Ahresty Mexicana's Accounting and Finance Department
May 2012	General Manager of Administration Department
May 2015	Director in charge of Administration Department
May 2020	Director and Vice President
June 2024	Director and President

Creating Opportunities for Persons with Disabilities

On October 1, 2020, Ahresty established Ahresty Inclusive Service Corporation to promote the recruitment and training of employees with disabilities and create workplaces in which diverse human resources work together. Ahresty Inclusive Service Corporation was certified as a special subsidiary company under the Act to Facilitate the Employment of Persons with Disabilities on June 14, 2021. With the aim of improving the efficiency of administrative work within the Group, personnel and labor affairs, such as salary calculation, social and labor insurance, and retirement benefits, were consolidated, enabling the employment of people with disabilities for PC clerical work by taking advantage of the work breakdown and standardization know-how as a manufacturing company.



Measures to create an environment where people are happy to work

- Job-based employment system, regular employee recruitment system, teleworking
- Clarification and standardization of operations using work standards
- Individual chat support, every morning meetings, communication

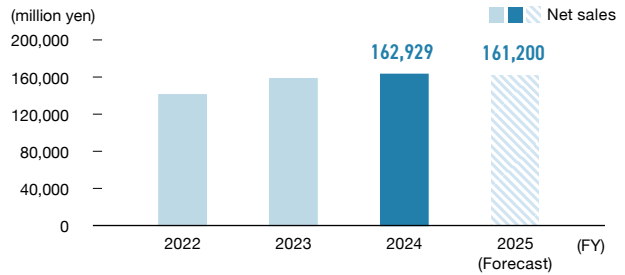
Ahresty Inclusive Service Corporation

Established / October 2020 (Certified as a special subsidiary in June 2021)
Employees / 14 (3 seconded employees and 11 employees with disabilities, including 2 regular employees)
Business activities / Personnel and labor affairs
Capital / 20 million yen (100% by Ahresty Corporation)
Certified as an excellent enterprise under the Monisu Certification Program

Financial Highlights

Net sales

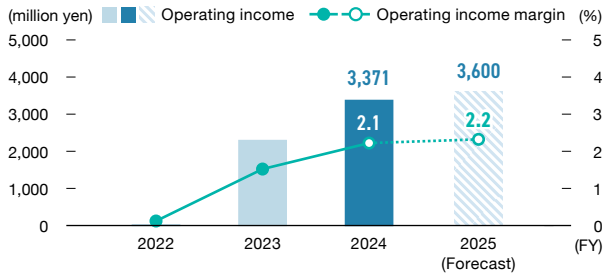
162,929 million yen



Although sales volume decreased by 1.5% compared to the previous fiscal year due to sluggish sales at some major customers, net sales increased due to the impact of the weak yen and other factors.

Operating income / Operating income margin

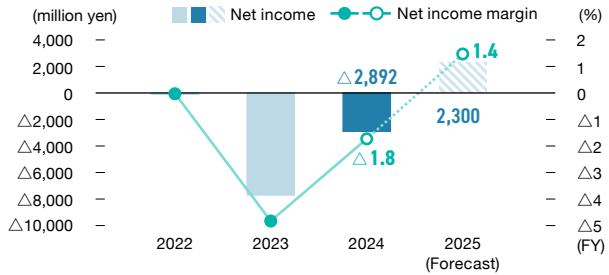
3,371 million yen / **2.1** %



In addition to the effects of fixed cost reduction through optimization of personnel and price adjustment activities mainly in Japan and China, productivity improvement also contributed to a significant improvement in earnings in the second half. This resulted in an increase in profit for the full year.

Net income / Net income margin

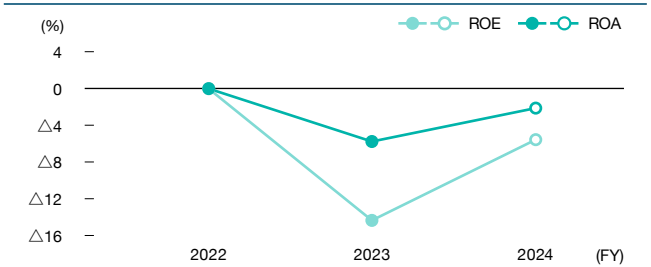
△2,892 million yen / **△1.8** %



Net loss was recorded due to impairment loss recorded for a U.S. plant.

Return on equity(ROE) / Return on assets(ROA)

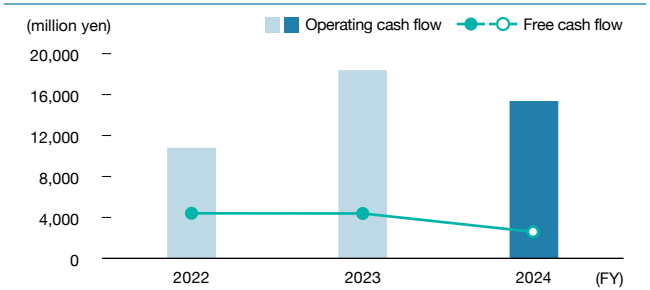
△5.6 % / **△2.2** %



Net loss was recorded, resulting in negative ROE and negative ROA.

Operating cash flow / Free cash flow*1

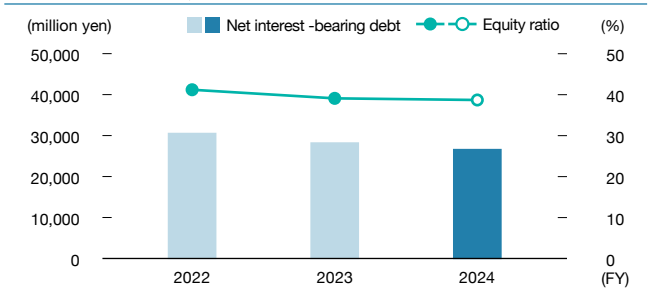
15,308 million yen / **2,419** million yen



While operating cash flow decreased compared to the previous fiscal year due to special retirement payments associated with personnel optimization, growth investment was continued in preparation for a future increase in orders, resulting in a decrease in free cash flow compared to the previous fiscal year.

Net interest -bearing debt*2 / Equity ratio

26,596 million yen / **38.7** %



Net interest-bearing debt decreased by 1.4 billion yen from the previous year due to the reduction of interest-bearing debt while maintaining cash and deposits on hand at a high level, and the equity ratio remained about the same level as the previous fiscal year.

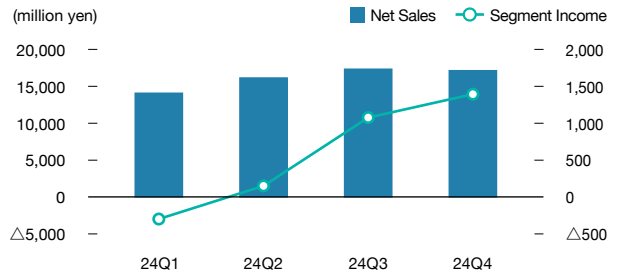
*1 Free cash Flow = Cash Flows from operating activities – Cash Flows from investing activities

*2 Net interest-bearing debt = Interest-bearing debt - Cash and deposits

Financial Highlights

Die Casting Business (Japan) Net Sales / Segment Income - Quarterly Trend

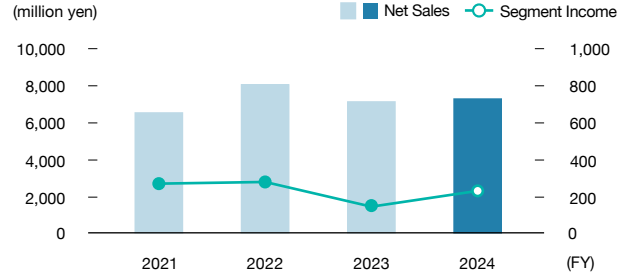
(Full-year) **64,591** million yen / **2,320** million yen



Despite a decrease in the volume of orders received year on year, earnings improved in 2H thanks partly to the effects of reducing manufacturing costs through personnel optimization and price adjustment activities, resulting in increases in both sales and profit on a full-year basis.

Aluminum Business Net Sales / Segment Income

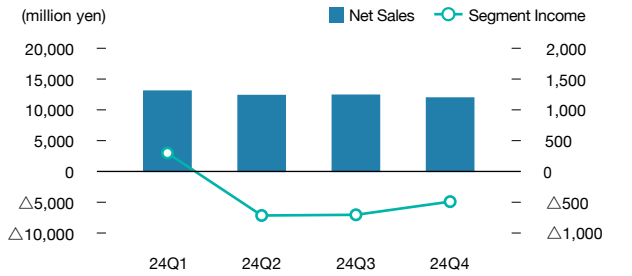
7,212 million yen / **226** million yen



Despite a 9.8% decrease in sales weight for the full year, both sales and profit increased partly due to a rise in the unit selling price and a recovery in sales weight from 2H. Profits were secured above the planned levels.

Die Casting Business (North America) Net Sales / Segment Income - Quarterly Trend

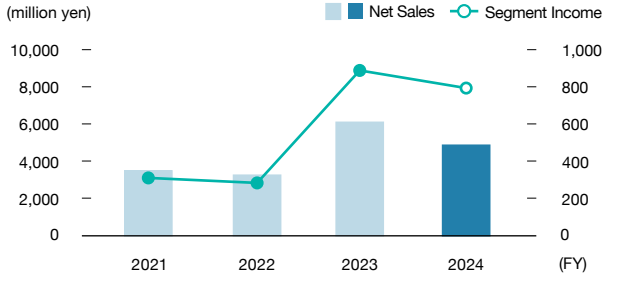
(Full-year) **49,704** million yen / **△1,617** million yen



The Mexico Plant continued to achieve solid profits. Although losses at the US plant have been shrinking through the 4Q, the impact of rising manufacturing costs continues, and a reconstruction plan is currently being implemented to return to profitability as soon as possible.

Proprietary Products Business (MOVAFLOR) Net Sales / Segment Income

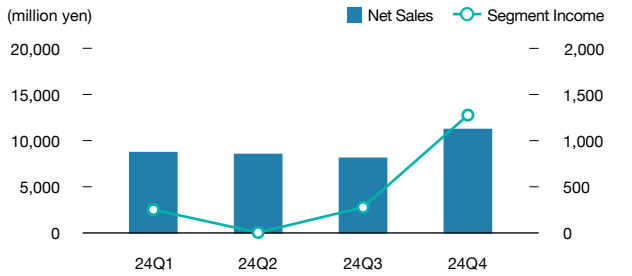
4,886 million yen / **796** million yen



Net sales decreased year on year due to a decrease in large-order deliveries to semiconductor-related companies during the period, but they exceeded the planned level. Profit remained high as in the previous fiscal year, and the profit margin reached a record high.

Die Casting Business (Asia) Net Sales / Segment Income - Quarterly Trend

(Full-year) **36,534** million yen / **1,810** million yen



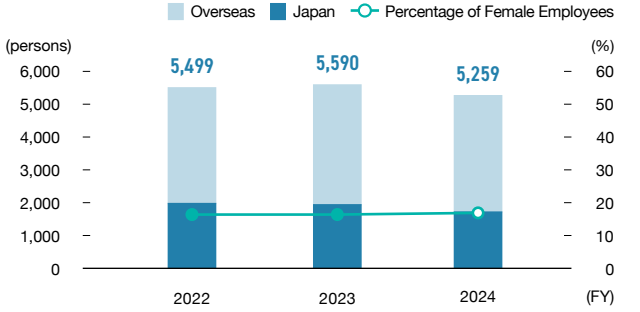
At China plants, orders increased in 4Q due to the start of mass production of products for Chinese customers. Profits increased due to reduction of fixed costs through personnel optimization, as well as reduction in depreciation expenses resulting from the impairment losses recorded in the previous fiscal year. The India Plant also turned profitable in 2H due to improved productivity.

Non-Financial Highlights

Employee Overview

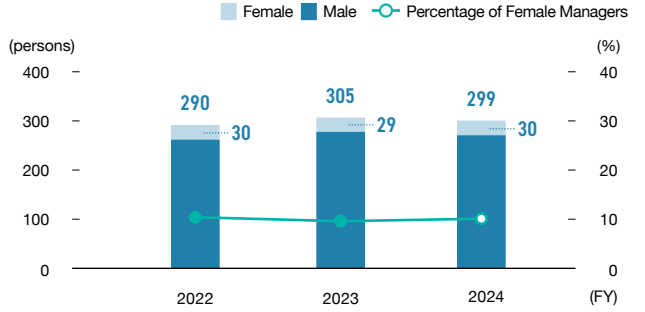
Consolidated Number of Employees (Japan · Overseas) / Percentage of Female Employees

5,259 persons / **17.9** %



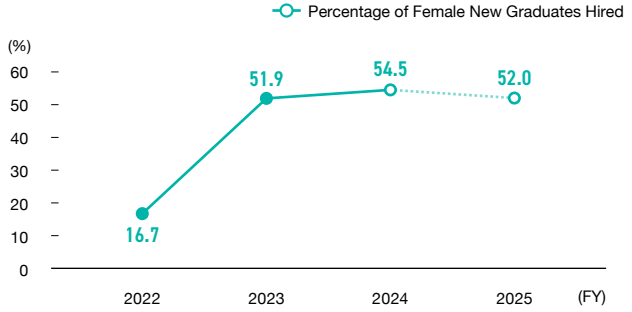
Total Managers (Consolidated) / Percentage of Female Managers

299 persons / **10.0** %



Percentage of Female New Graduates Hired (Group in Japan)

54.5 %



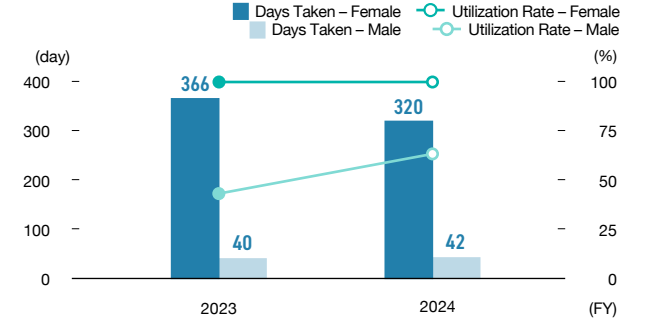
Average Age / Average Years of Service (Non-Consolidated)

43 years / **19** years and **2** months

Fiscal Year	Average Age	Average Years of Service
2022	43 years and 6 months	18 years and 2 months
2023	43 years and 6 months	18 years and 8 months
2024	43 years	19 years and 2 months

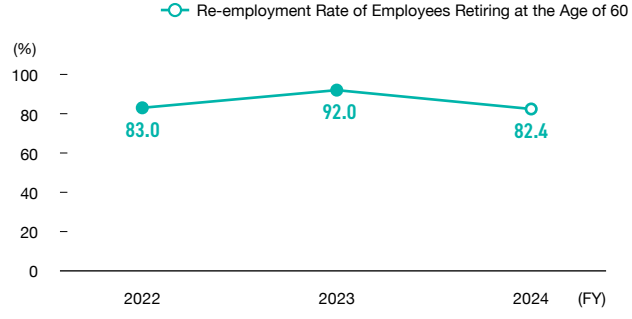
Parental Leave – Days Taken & Utilization Rate (Group in Japan)

Female **320** days Male **42** days / Female **100.0** % Male **63.6** %



Re-employment Rate of Employees Retiring at the Age of 60 (Non-Consolidated)

82.4 %

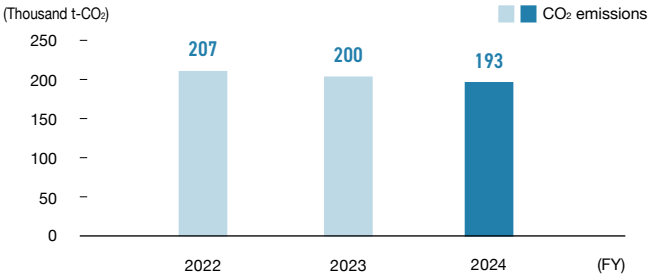


Non-Financial Highlights

Environment・Occupational Health and Safety

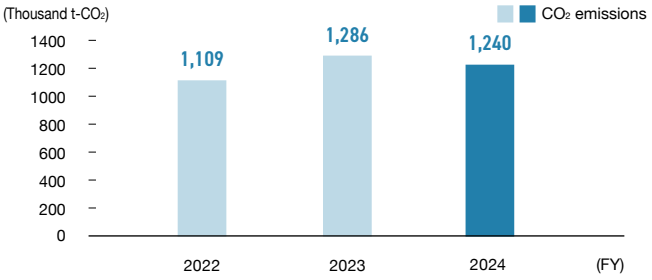
CO_2 emissions(Scope1,2)

193 thousand t-CO_2



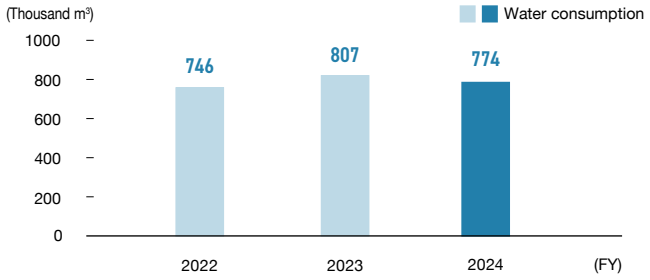
CO_2 emissions(Scope3)

1,240 thousand t-CO_2



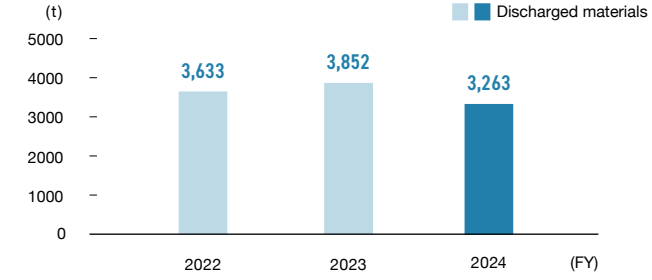
Water consumption

774 thousand m^3



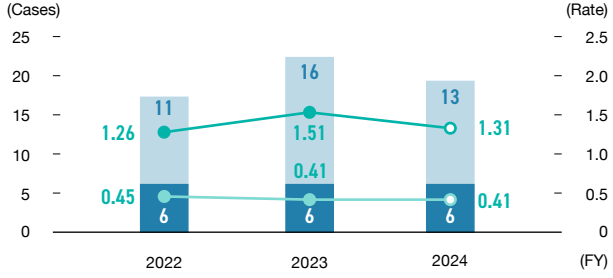
Discharged materials

3,263 t



Industrial accidents

Number of accidents involving lost working time **6**/ Number of accidents not involving lost working time **13**/ Rate of accidents involving and not involving lost working time **1.31**/ Rate of accidents involving lost working time **0.41**



- Number of accidents involving lost working time
- Number of accidents not involving lost working time
- Rate of accidents involving and not involving lost working time
- Rate of accidents involving lost working time

* The number of work-related accidents and fatalities includes incidents involving contracted construction workers on our premises.

External Recognition

Awards from Customers

FY 2023 Quality Excellence Award
Aisin (China) Investment Co., Ltd.
FY 2023 Gold Award Quality Performance
FY 2024 Gold Award Quality Performance
DENSO International America, Inc.
JATCO Business Partner Award 2023 Regional Special Award
JATCO Ltd.
JATCO Business Partner Award 2024 Best Performance Award
JATCO Mexico, S.A. de C.V.
Certificate of appreciation for quality control activities (parts section)
Toyota Motor Corporation
Overall Performance for the year 2024-25
Maruti Suzuki India Limited
AWARD FOR EXCELLENCE IN DELIVERY AND QUALITY
Honda Development & Manufacturing of America, LLC
Cost Competitiveness Excellence Award
SUBARU CORPORATION
Certificate of Excellence for target accomplishment in "Delivery, Quality & Cost"
Honda Cars India Ltd.

Safety and Health Excellence Awards/ Safety and Health Excellence Award (Hiroaki Katano) MOVAFLOR / Clean room installation (Nagano Prefecture)
Nagano Office, Tokyo Branch, Shimizu Corporation

Technology-related awards

Tokai Technology Prize
Tokai Branch, Japan Foundry Engineering Society
"Improving the accuracy of casting defect prediction in aluminum die casting using casting CAE"
Tomoko Tanaka, Ahresty Corporation
Iwata Encouragement Award
Tokai Branch, Japan Foundry Engineering Society
Dedication to advancing the science and technology of casting and contribution to the development of casting within the Tokai Branch
Yuka Tsuiki, Ahresty Corporation
The 46th Takahashi Memorial Award
Japan Aluminum Alloy Refiners Association
Having been involved in the production of aluminum alloy primary and secondary ingots for many years, contributing to technological advancement
Takariki Kaizuka, Ahresty Corporation
Die and Mold Technology Paper Award
The Japan Society for Die and Mould Technology
The Die and Mould Technology Promotion Foundation
"Development of a laser heat treatment technology for SPR joints of aluminum die casting that reduces CO_2 emissions to one-tenth"
Ahresty Corporation; Isao Akuzawa, Shunzo Aoyama, Yoshiteru Kondo, Nobuyuki Sakai
Director of the Bureau of Industrial and Labor Affairs Award
Director of the Bureau of Industrial and Labor Affairs, Tokyo
"Die casting/cold chamber die casting operations"
Jun Hosouchi, Ahresty Corporation
Achievement Award
Tokai Branch, Japan Foundry Engineering Society
"Study on improving the strength and reliability of aluminum alloy die castings"
Kiyomi Sakai, Ahresty Corporation
Onoda Prize
Japan Die Casting Association
"Development of Spot Weld Able Diecast (SWAD) technology for spot-welding steel plates"
Ahresty Corporation; Atsushi Tateishi, Isao Akuzawa, Yoshiteru Kondo, Shunzo Aoyama, Nobuyuki Sakai
Technology Award
Japan Foundry Engineering Society
"Development of a punch fracture test for evaluating the ductility of aluminum alloy die castings"
Yusuke Tomita and Shunzo Aoyama, Ahresty Corporation, Masakazu Kobayashi, professor, Toyohashi University of Technology

Other awards

"Shakutte GO!!" The 29th Karakuri Kaizen Exhibition 2024, Aichi Prefecture Governor's Award
Karakuri Kaizen Technology Promotion Category
Ahresty Corporation

ESG-related certifications

· Environment

Received a "B" score in the CDP 2024 climate change questionnaire
Ahresty Corporation

Hamamatsu City Carbon Neutral Achievement Business Operator Certified as a 2-star company
Ahresty Techno Service Corporation

· Diversity

Certified as a three-star company (Eruboshi Certification) by the Minister of Health, Labour and Welfare based on the Act on Promotion of Women's Participation and Advancement in the Workplace
Ahresty Corporation

Certified as an excellent enterprise under the Monisu Certification Program, which certifies small and medium-sized enterprises excelling in the employment of persons with disabilities
Ahresty Inclusive Service Corporation

· Health and productivity management

Certified as an excellent health company (Silver certification) 2025
Ahresty Corporation / Five years in a row

Certified as Health & Productivity Management Outstanding Organization 2025 (large enterprise category)
Ahresty Corporation / Four years in a row

· Human rights and labor

Certified as a Company with Good Labour Practices (GLP)
Thai Ahresty Die

Received Bronze Award in the Zero Accident Campaign 2024
Thai Ahresty Die

05

SUSTAINABILITY

Sustainability Roadmap

... Actions toward carbon neutrality

Reduction of CO_2 emissions in Scopes 1 and 2

Environment ▸ P.55

... Improving employee engagement

Positive evaluation for employee satisfaction (engagement index)

Social ▸ P.65

... Contribution to mitigating climate change through our product sales*2

Sales ratio of electric vehicle components

Business Strategy | Die Casting Business ▸ P.28

... Promoting diversity

Acquisition of Eruboshi certification, ratio of female employees (in Japan), ratio of female managers (in Japan)

Human Resources Strategy | D&I reform ▸ P.45

2021

- Establishment of Diversity and Inclusion Promotion Office

2024

- Reducing CO_2 emissions in Scopes 1 and 2 ▲29%(vs.FY 2013)
- Employee satisfaction positive response rate more than 55%
- Obtaining "Eruboshi" Certification*1

2025

- Sales ratio of electric vehicle components 30%

2030

- Challenge to carbon neutral die casting
- Reducing CO_2 emissions in Scopes 1 and 2 ▲50%(vs.FY 2013)
- Sales ratio of electric vehicle components 55%
- Employee satisfaction positive response rate more than 80%
- Diversification of General Managers and Executive Officers
  - Ratio of female employees (in Japan) 20%or over
  - Ratio of female managers (in Japan) 10%or over

2050

- Reducing CO_2 emissions in Scopes 1 and 2
- Challenge to carbon neutrality

*1 A program to certify companies that meet certain criteria based on the Act on Promotion of Women's Participation and Advancement in the Workplace and that are excellent in promoting empowerment of women.

*2 By increasing supplies of aluminum die-cast products, which are lighter than iron, the energy consumption efficiency of vehicles can be improved, contributing to the reduction of CO_2 emissions.

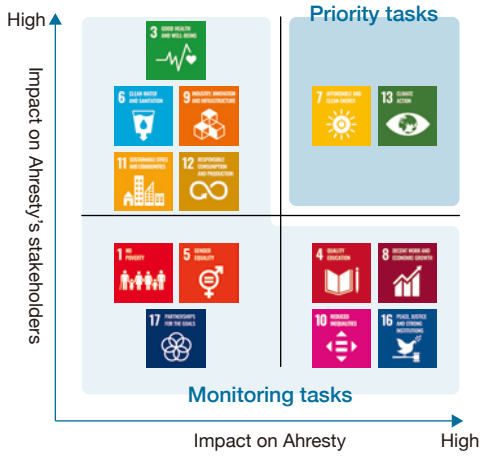
Social Issues Ahresty addresses

[Priority tasks]

[Monitoring tasks]

Ahresty' s priority tasks are to achieve Goals 13 (mitigating climate change) and 7 (energy) of the Sustainable Development Goals (SDGs), the common goals of the international community decided at the UN Sustainable Development Summit, that it is hoped will contribute significantly to solving social issues and that are also closely related to manufacturing aluminum die castings, Ahresty' s main business. We are working to "improve the energy consumption efficiency of vehicles by providing aluminum die-cast products" for Goal 13. Aiming to contribute to electrification and reducing the weight of vehicles, we set 55% sales ratio of electric vehicles components as the target for FY2030. Toward carbon neutrality, we are working to "reduce the use of fossil fuels by improving energy efficiency, etc." for Goal 7, and aiming to reduce CO_2 emissions in Scopes 1 and 2 by 50% (compared to FY2013). Monitoring tasks such as promotion of diversity, realization of a good work-life balance, improvement of employee satisfaction, etc. are issues that need to be addressed and we conduct activities to achieve the goals in the framework of the 10-year business plan and medium-term manage-ment plan. We will contribute to solving social issues through our business activities, aiming to enhance trust of our stakeholders and for the sustainable growth.

Materiality Matrix for SDGs



Priority tasks	Monitoring tasks
Issues selected as having a big impact on Ahresty and Ahresty's stakeholders to be addressed as priority goals	Issues to be promoted in daily work operations

Sustainability promotion system

* Responsible department: department or office of Ahresty Corporation that supervises the entire group regarding a specific operation (function) for which it is responsible

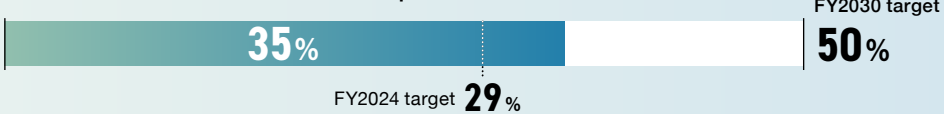
Environment | Toward Carbon Neutrality

Environmental Policy

1. We are well aware that our activities of development, production, sales, and disposal are related to and influence the global environment, and we establish our environmental purpose, goal, and implementation plan, revise them as necessary, and constantly strive for improvement in our environmental conservation activities.
2. We observe environmental regulations, rules, and agreements of national and local governments, stakeholders etc., and establish our own standards to the extent they are technically and economically feasible, and strive for further environmental preservation.
3. We give special priority to the following aspects and make efforts to protect the environment and prevent pollution.
   1) We thoroughly manage and constantly improve the facilities and processes related to air pollution and water contamination.
   2) We maintain a 100% recycle rate in regard to waste materials.
   3) We promote the reduction of the total amount of waste materials, the expansion of aluminum recycling business, and contribute to recycling-oriented society.
   4) We work to prevent global warming, focusing on reducing CO_2 emissions through the use of renewable energy and improvement of energy efficiency with the aim of achieving carbon neutrality.
   5) We aim to develop and design environmentally friendly products and commodities.
4. We stimulate awareness for environmental issues among our employees with respect to environmental protection by constantly providing training and internally communicating the policy.
5. As a good corporate citizen, we enhance a harmonious relationship with society by striving toward environmental conservation of the local community.

10-year Business Plan | OUTPUT

FY2024 Reduction of CO_2 emissions in Scopes 1 and 2



FY2024 CO_2 emissions 193 thousand t-CO_2【FY2013 (base value) 301 thousand t-CO_2】

Carbon Neutrality Roadmap

Aiming to reduce CO_2 emissions by 50% by 2030 (compared to FY2013) and also achieve carbon neutrality by 2050, Ahresty is promoting CO_2 emissions reduction activities and measures based on the three pillars of “stop,” “convert,” and “reduce” CO_2 emissions.

Measures and target values

	Item		Subject / plant	Measure description	Target value		
To stop CO_2 emissions	Scope1	Fuel Gas	Melting	Reducing CO_2 emissions from fossil fuels through molten metal purchases	50% reduction by FY2030	80% reduction by FY2040	Aiming for carbon neutrality by FY2050
	Scope2	Electricity	Common infrastructure	Reducing electricity consumption through solar power generation (self-installed)			
To switch from existing energy sources to energy sources that generate less CO_2	Scope1	Fuel Gas	Melting: Fossil fuel	Reducing CO_2 emissions by switching from heavy oil to city gas or natural gas (LNG) * Including use of waste heat after switch to gas			
To reduce the use of CO_2-emitting energy	Scope1	Fuel Gas	Melting and heat treatment: Fossil fuel	Improving fuel efficiency through productivity improvement			
				Improving fuel efficiency by switching from reverberatory furnaces to tower furnaces (high-efficiency furnaces)			
	Scope2	Electricity	Casting	Reducing compressor electricity consumption through air blower conversion and undiluted solution spraying			
				Reducing electricity consumption by decreasing defect rates and improving productivity in foundry production sites			
			Each business site	Reducing CO_2 emissions through each business site's individual initiatives and other daily environmental activities			
Others	Scope2	Electricity	All sites	Reducing CO_2 emissions through contracts for renewable energy electricity and the purchase of renewable energy certificates * Including offsets for gas and other fuels			
				Reducing CO_2 emissions by each country and electric power company			
			Each business site	Implementing energy visualization Utilizing granular energy consumption data to identify operational anomalies in each process and equipment, as well as energy-saving effects			

Environment | Toward Carbon Neutrality

Initiative examples

Stop CO_2 emissions

Solar power systems installed at all feasible Japanese sites

* Further installation potential under review

【FY2024 installation sites】
Head Office/Technical Center, Ahresty Techno Service and Ahresty Kumamoto

Convert to energy with less CO_2 emissions

Energy source transitions during melting processes.

From heavy oil to city gas (LNG) — approx. 29% reduction in heat-based CO_2 emissions／conversion completed at Tokai Plant No.2 furnace in August 2023

From kerosene to natural gas — approx. 26% reduction／conversion completed at Ahresty Kumamoto in August 2024

From natural gas to electricity — aiming for future green power／electric melting furnace introduced at Ahresty Wilmington in October 2024

Reduce consumption of CO_2-emitting energy

Set targets and implement measures at each site.

Application of a small amount of mold-release agent
Cut electricity consumption by reducing the time for application and air blowing

Efficient operation of compressors
Reduce electricity consumption by reviewing operating hours and improving air leaks

Reduction of remelting weight
Reduced Scope 1 CO_2 emissions in the melting process by correcting non-conformities, reducing the furnace cleaning frequency, and improving production plans.

Improving efficiency of casting machine operation
Consolidated production from underutilized casting machines to other casting machines

Maintaining carbon neutrality at the Head Office and an affiliate from FY2022

In addition to the aforementioned initiatives, CO_2 emissions from fuel and electricity use at the Head Office and an affiliate were virtually reduced through the purchase of J-Credits and Non-Fossil Certificates.

Ahresty Techno Service was certified as a “Two-Star Carbon Neutral Achievement Business” by Hamamatsu City in February 2025.

浜松市カーボンニュートラル達成事業者
認 定 証
株式会社
アーレスティテクノサービス 殿
認定番号 第 12 号
認 定 日 令和7年1月14日
認定期間 令和13年3月31日
貴社を「浜松市カーボンニュートラル達成事業者2つ星」として認定します
令和7年2月4日
浜松市長 中野 祐介

Environment | Disclosure Based on TCFD Recommendations

The Ahresty Group has endorsed the TCFD* recommendations on March, 2023, and will work to enhance disclosure from the perspectives of "Governance," "Strategy," "Risk Management," and "Metrics and Targets."

Governance

a) Describe the board's oversight of climate-related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities.

The Ahresty Group identifies climate-related risks and opportunities, analyzes their impacts, and compiles countermeasures at the Sustainability Meeting. Important matters discussed at the Sustainability Meeting are escalated for deliberation and reported at the Executive Committee Meeting, which role is to deliberate or receive reports on important matters related to business management. The Board of Directors Meeting receives regular reports on the content of the Executive Committee Meetings and supervises sustainability initiatives, including the status of responses to TCFD recommendations.

Meeting structure and its role in the sustainability promotion system

Sustainability promotion system ▸ P.54

Board of Directors Meeting

- Approves the medium-term management plan and 3-year management policy
- Regularly receives reports from management and supervises sustainability initiatives, including the status of response to TCFD recommendations
- Oversees management's response to risks which have a significant impact on the company's management, including climate change risk

Executive Committee Meeting

- Deliberates the medium-term management plan, 3-year management policy (including the setting of key performance indicators and targets) and the risk management plan
- Deliberates, makes decisions, or receives reports on important matters related to the Group's sustainability, such as sustainabilityrelated risks and opportunities; activity guidelines and plans; and external communication and disclosure, including those regarding TCFD recommendations

Sustainability Meeting

- Collects information on the social environment, laws and regulations, and trends in peer companies' responses relating to sustainability
- Identifies sustainability-related risks and opportunities, analyzes their impacts, compiles countermeasures, and reports the results at the Executive Committee Meeting
- Communicates and disseminates the decisions to responsible departments, as well as other relevant divisions, departments, and working groups in order to be reflected in the business plan and activities

Risk Management Secretariat

- Incorporates the sustainability-related risks analyzed and identified by the Sustainability Meeting Secretariat into the risk management plan, and formulates an action plan for risk avoidance and reduction in cooperation with the department responsible for each identified risk.
- Formulates a risk management plan, manages its implementation status, and reports to the Executive Committee Meeting and the Board of Directors Meeting

Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

The Ahresty Group has created an environmental roadmap and a sustainability roadmap and is working to improve them because the risks related to environmental issues can affect its business activities over a long period of time. In fiscal 2025-2027 which is the period of the medium-term management plan, and looking ahead to fiscal 2030 which is the target year of the 10-year business plan, we examined physical risks such as extreme weather brought about by climate change, and transition risks such as the introduction of new government policies and regulations, and changes in market needs.Risks and opportunities identified are reflected in the Group's strategy.

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

To identify risks and opportunities due to climate change, and in disclosing the impact on its financial plans and the countermeasures to be taken, the Ahresty Group extracts risks and opportunities for fiscal 2030, using the 1.5 to 2°C and 4°C climate warming scenarios published by IEA or IPCC*.

* TCFD : Task Force on Climate-related Financial Disclosures
* IEA : Net Zero Emissions by 2050 Scenario, Sustainable Development Scenario ／ IPCC : RCP2.6, RCP8.5

Environment | Disclosure Based on TCFD Recommendations

Range of the strategy

The criteria for impact assessment were revised in FY2023 in light of the performance levels.

Impact	Large	Medium	Small
Criteria before revision	Impact on profit 100 million yen or more	Impact on profit 30 million yen or more and less than 100 million yen	Impact on profit Less than 30 million yen
Revised criteria	Impact on profit 500 million yen or more	Impact on profit 100 million yen or more and less than 500 million yen	Impact on profit Less than 100 million yen

			Contents	Impact on business and financial results: 2°C or lower scenario	Impact on business and financial results: 4°C scenario	Our response policy
Risks	Transition risks	Policy / regulation	Increase in procurement costs due to introduction of carbon tax, etc.	Large	Small	• Promote measures to reduce CO_2 emissions (introduction of solar power generation, energy conversion, energy conservation activities, purchase of renewable energy) in the challenge to achieving carbon neutrality in 2050 • R&D of carbon neutral die casting (CNDC*) • Collect information on trends in environmental regulations and CO_2 emissions reduction policies, and swiftly reflect the results in business strategies based on impact analysis
		Technology development	Increased costs of carbon offsets (CCUS, carbon credits, CO_2 capture, conversion and storage technologies)	Medium	Small	
		Market trend	Decrease in market size due to materials other than aluminum replacing steel	Medium	Medium	• Ensure the competitiveness of aluminum die-cast products by developing and proposing demand creation technologies that focus on superiority in LCA (low CO_2 emissions, recyclability) and the characteristics (light weight, flexibility in shape, rigidity) of aluminum die-cast products
			Increase in procurement costs due to soaring aluminum prices	Medium	Small	• Mitigate the impact by devising procurement strategies and negotiating with customers to shorten the time lag in reflecting aluminum market prices to selling prices
			Decrease in sales of existing products due to the electrification of vehicles	Large	Small	• Increase orders for parts for electric vehicles (strengthen sales to OEMs, Tier 1 companies, and non Japanese companies that are leading the way in electrification, and formulate and promote order strategies for each region in view of different trends in environmental regulations and the shift to electrification) • Increase orders for vehicle body parts (promote the development of joining technology for dissimilar materials and seek cooperation with companies that have a competitive edge in the production of vehicle body parts) • Strengthen profitability in non-automobile fields (MOVAFLOOR products)
		Market evaluation	Decrease in the acquisition of new customers or suspension of business, etc. (decrease in orders received) due to lack of response to climate change and environmental issues, or lack of disclosure of such activities	Large	Medium	• Multifaceted initiatives (CO_2 reduction, vehicle weight reduction, CNDC development) ongoing as companywide key strategic items in the 10-year business plan and medium-term 3-year policy • Proactive disclosure and external communication on efforts to reduce CO_2 emissions, the importance of activities as part of business strategies, targets and results, etc. • Foster trust and earn high credit by strengthening engagement with stakeholders • Collect information on trends in environmental regulations and CO_2 emissions reduction policies, and swiftly reflect the results based on impact analysis in business strategies for each region
			Delays in responding to environmental issues damaging the reputation of stakeholders, discouraging customers from purchasing, making it difficult to raise funds from investors, and affecting investors' ESG investment decisions.	Small	Small	
	Physical risks	Acute	Damage to production sites and suspension of their operations due to natural disasters, and delays in procurement due to logistics paralysis	Small	Small	• Strengthen BCP • Secure emergency power supply (secure emergency power sources and utilize in-house power generation equipment)
		Chronic	Decrease in working hours and uptime rate due to preventive measures against prevailing infectious diseases	Large	Large	• Flexibly establish a crisis center • Prepare infectious disease response manuals, etc., implement infection prevention measures, and mitigate the impact on operations, based on the experience gained in responding to COVID19
Opportunities		Resource efficiency	Growing need for recycled ingots reflecting the need to reduce CO_2 emissions (Reduce the amount of new ingots used and expand the use of recycled materials. Possibility of meeting the needs through the evolution of compounding technology at the Kumagaya Plant) Increasing demand for recycled materials	Large	Small	• Explore compounding and melting technologies • Propose the use of aluminum ingots using recycled materials
		Energy source	Decrease in renewable energy procurement costs due to the development of new policies and systems related to renewable energy	Medium	Small	• Promote measures to reduce CO_2 emissions (introduction of solar power generation, energy conversion, energy conservation activities, purchase of renewable energy) in the challenge to achieving carbon neutrality in 2050, and accumulate knowledge relating to the use of renewable energy • Collect information on renewable energy procurement routes and the introduction of relevant new policies and systems
		Product/Service	Increase in sales of climate change mitigation and adaptation products	Medium	Small	• Ensure the competitiveness of aluminum die-cast products by developing and proposing demand creation technologies that focus on the superiority of LCA (low CO_2 emissions, recyclability) and the characteristics (light weight, flexibility in shape, rigidity) of aluminum die-cast products • R&D of CNDC
			Sales increase due to increase in orders for ZEV products including EVs and FCVs (e.g. motor cases, E-Axle housings)	Large	Medium	• Earn a good track record in receiving orders for electric vehicle parts and secure medium- to longterm competitiveness (expansion of customer base, improvement in competence of sales personnel, enhancement of price (manufacturing cost) competitiveness) • Steadily receive orders for target products through the alignment of manufacturing plant strategies and sales department strategies
		Market	Increase in the proportion of aluminum die-cast products in automobile parts due to the need for weight reduction (replacement of steel with aluminum)	Medium	Medium	• Increase orders for vehicle body parts (targetting of customers to be ranked up as a supplier for BEV parts that require further weight reduction, and collect information on trends in large die castings such as giga presses and changes in the supply chain)

* CNDC = Carbon Neutral Die Casting

Environment | Disclosure Based on TCFD Recommendations

Risk Management

a) Describe the organization's processes for identifying and assessing climate-related risks.

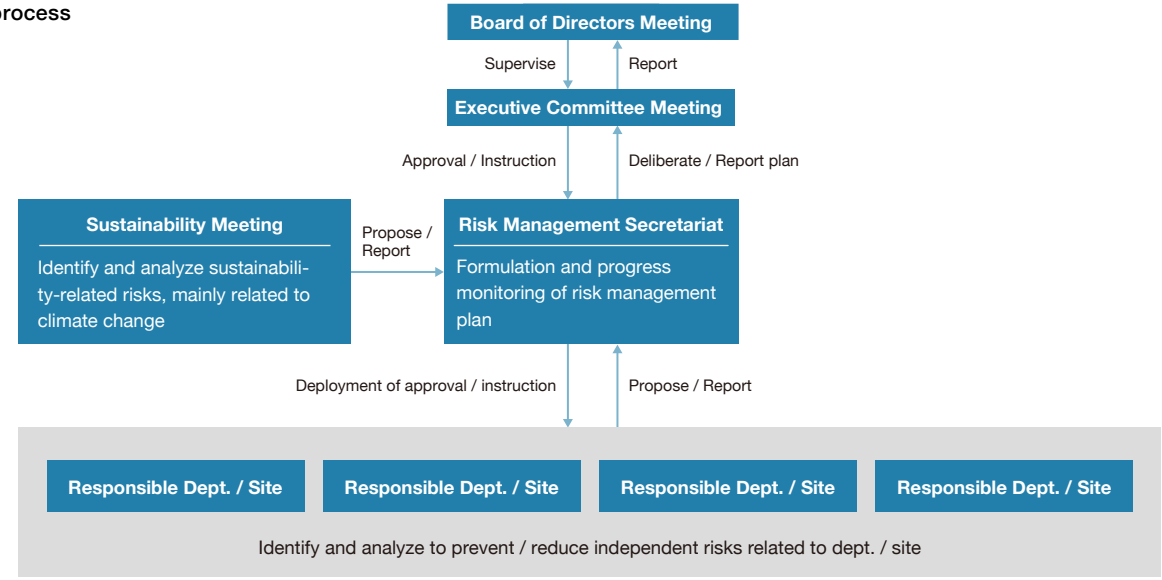
b) Describe the organization's processes for managing climaterelated risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Ahresty identifies climate-related risks and analyzes their impact at the Sustainability Meeting.
Risks that have been analyzed to have a large impact are integrated with other company-wide risks and are subject to evaluation and management by the Risk Management Secretariat.

Risk Management ▸ P.77

Risk management process



Risk management process	Function	Responsible party
(1) Risk identification /analysis	Identify risks that may affect Ahresty's management. Analyze the possibility of such risks becoming manifest and impact in the event of manifestation.	Sustainability Meeting
(2) Risk assessment	Assess risks based on the results of the risk analysis. (Identify the risks that need to be addressed by risk management plans.)	Risk Management Secretariat
(3) Formulation of risk management plans	For risks assessed to be subject to risk management plans, set goals and activity plans and receive approval at the Executive Committee Meeting.	Risk Management Secretariat
(4) Promotion of risk avoidance/reduction activities	Promote activities to avoid/reduce identified risks based on risk management plans.	Department responsible for the risk / Relevant sites
(5) Monitoring/management/reporting of risk management activities	Monitor the progress status of risk management plans. Report the activity results once a year at the Executive Committee Meeting and the Board of Directors Meeting.	Risk Management Secretariat

Environment | Disclosure Based on TCFD Recommendations

Metrics and Targets

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

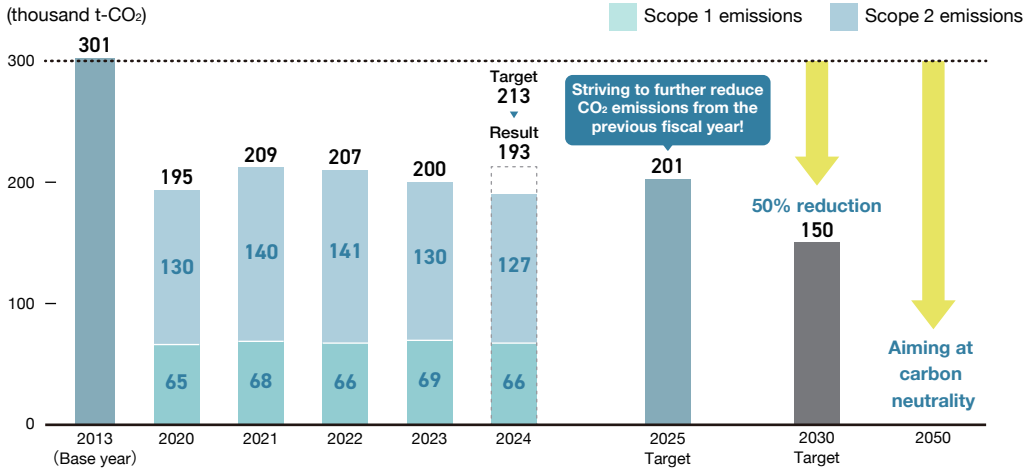
The Ahresty Group has set reduction targets for CO_2 emissions, which account for more than 90% of its GHG emissions. Using Scope 1 and 2 CO_2 emissions as metrics, we are working to reduce CO_2 emissions.
The calculation of Scope 3 CO_2 emissions for FY2024 has been completed. As for Category 11 (use of sold products), which emits the most CO_2, we are working to reduce the emissions with targets set, such as increasing the sales ratio of parts for electric vehicles in the 10-year Business Plan. Scope 3 CO_2 emissions decreased compared to the previous fiscal year, and for Category 11, the increase in emissions was mitigated due to the higher proportion of weight from parts for electric vehicles. CO_2 emission intensity per sales weight improved by about 1.1% compared to the previous fiscal year.
The increased installation of our products in electric vehicles will contribute to reducing CO_2 emissions from automobiles. We will continue to help enhance the energy efficiency of automobiles and reduce CO_2 emissions by expanding the supply of aluminum die-cast products, which are lighter than steel.

10-year Business Plan and Medium-Term Management Plan ▸ P.24

- CO_2 emissions reduction per weight against gasoline (ICE) vehicles HEV: Approx. 54%, PHEV: Approx. 60%, BEV: Approx. 70%
- A 10% increase in the weight ratio of parts for electric vehicles will result in a reduction of approximately 31,500 t-CO_2 (equivalent to 2.5% of the entire Scope 3 emissions).

* CO_2 emissions (Scopes 1, 2, 3): Calculated based on the guidelines listed in the reference source and the ratio of sales weight by power source in FY2022
* Intensity improvement rate: (Sales weight) × (CO_2 emission factor per kg (lifetime)) calculated by power source, then summed; comparison limited to four-wheel vehicles only

CO_2 emissions (Scope 1 and 2)



Promote activities based on three pillars
1. Stop CO_2 emissions
2. Convert to energy with less CO_2 emissions
3. Reduce consumption of CO_2-emitting energy

Continue energy conservation activities and implement effective items from new innovative technologies

* Scope of aggregation: All domestic manufacturing sites (8 locations) + Head Office/Technical Center, Tokyo Head Office, all overseas manufacturing sites (7 locations)
Reference source: Scope1：Emission factors were applied according to each energy type, based on the *List of Calculation Methods and Emission Factors under the Calculation, Reporting and Publication System* by the Ministry of the Environment.
Scope2：Market-based: Factors published by each electric power company were used. As the market-based approach has become mainstream in recent years and offers higher accuracy, disclosure has been based on this method since FY2024.
Location-based: Factors were applied based on actual performance for each country and fiscal year. (Reference: FY2024 Scope 2 location-based emissions: 144 thousand t-CO_2)

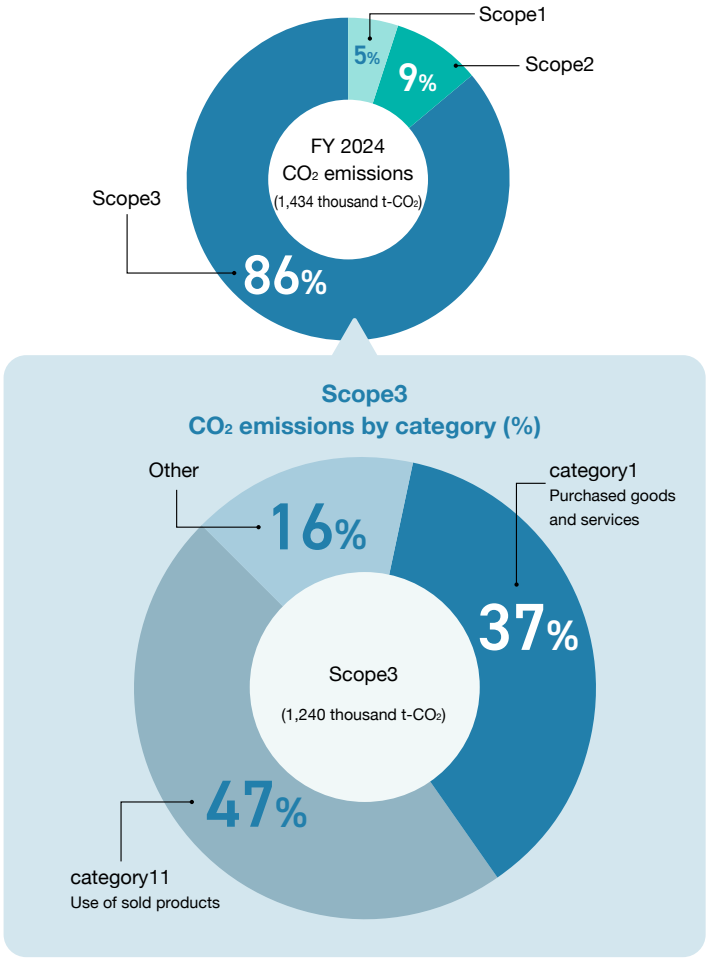
Environment | Disclosure Based on TCFD Recommendations

CO_2 emissions (Scope 3)

FY2024 calculation results

category		Emissions (thousand t-CO_2)
category1	Purchased goods and services	461
category2	Capital goods	53
category3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	28
category4	Upstream transportation and distribution	9
category5	Waste generated in operations	0.1
category6	Business travel	0.6
category7	Employee commuting	2
category8	Upstream leased assets	–
category9	Downstream transportation and distribution	–
category10	Processing of sold products	97
category11	Use of sold products	583
category12	End-of-life treatment of sold products	1
category13	Downstream leased assets	–
category14	Franchises	–
category15	Investments	1
	Scope 3 total	1,240

CO_2 emissions by Scope (%)



* Reference source: Scope 3: Calculation based on the "*Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain*" by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

Participation in the GX League Basic Concept

Ahresty has endorsed the GX (Green Transformation) League Basic Concept announced by the Ministry of Economy, Trade and Industry in January 2023, and has participated in the GX League since its full-scale operation start in April 2023. We have recognized "reducing the use of fossil fuels by improving energy efficiency, etc." as one of the important issues to be addressed. Setting a CO_2 emissions reduction target, we are promoting activities to achieve the target within the framework of the 10-year Business Plan and MediumTerm Management Plan. Our efforts to achieve the target by 2030 and to take on the challenge of achieving carbon neutrality by 2050 are consistent with the purpose of the GX League Basic Concept. By contributing to the realization of a decarbonized society with initiatives through the GX League and other frameworks, we aim to improve our corporate value and realize a sustainable society.

GX League Dashboard
(inside the GX League Japanese website)
https://dashboard.gx-league.go.jp/company/7011201010490/

Environment | Raising Environmental Awareness

Ahresty Green Convention

The Ahresty Green Convention is a forum for sharing improvement initiatives across a wide range of environmental fields, conducted under the Environmental Policy. Presentations on many environmental performance improvement initiatives, such as CO_2 emissions reduction, waste reduction, and water usage reduction, are made by our global sites. Additionally, starting with the 22nd Convention, excellence awards selected by votes from attendees and participants were introduced and presented to winners. We will roll out effective initiatives to other business sites, and conduct activities across the entire group to reduce environmental impact and strive for environmental conservation in local communities.

22nd Ahresty Green Convention Improvement Case Examples

Business site	Theme name	Award
Tokai Plant	Activities to reduce electricity consumption at processing facilities at the Mitsuya Plant	
Kumagaya Plant	CO_2 emission reduction activities in FY2024	
Ahresty Die Mold Hamamatsu Corporation	Reduction of CO_2 emissions by reducing unmanned operation hours	
Ahresty Tochigi Corporation	Reduction of power consumption at foundries (e.g., reduction of wasteful standby power consumption and air loss)	
Ahresty Kumamoto Corporation	Reduction of CO_2 emissions by reducing paper consumption in the Inspection Group of the Processing Section	Bronze Award for Excellence
Ahresty Yamagata Corporation	Improvement of air conditioning in the 1st processing building	Silver Award for Excellence
Ahresty Techno Service Corporation	Reduction of plastic waste, such as packaging materials and plastic pallets	
Head Office and Technical Center	CO_2 reduction activities (solar power generation, LED conversion, etc.)	
Tokyo Head Office	Environmental activities at Tokyo Head Office (introduction of educational content on CN initiatives, etc.)	
Ahresty Wilmington	CO_2 emissions reduction projects (installation of electric melting furnaces, repair of air leaks, etc.)	
Ahresty Mexicana	Reduction of electric energy consumption in cooling tower 2	
Guangzhou Ahresty	Improvement of air compressor power savings	Bronze Award for Excellence
Hefei Ahresty	Promotion of CO_2 emissions reduction activities (e.g., reporting 7 case examples of improvements, such as shutting down equipment to match production volume)	Gold Award for Excellence
Ahresty India	Elimination of coolant waste	
Thai Ahresty Die	CO_2 emissions reduction activities (compressor maintenance/inspection, air leakage reduction, etc.)	

Ahresty eco License

Ahresty has established the Ahresty eco License, a unique internal examination system, to improve its employees' awareness of the environment. Over 80% of the employees have passed the examination to date, and they undertake their daily business activities with a higher level of environmental awareness.

Communication with the Local Communities

Ahresty is actively involved in activities to protect the natural environment based on employees' view that they want to contribute to environmental protection outside of work.

Activity examples

- Lake Hamana clean-up campaign
- Volunteer activities in Iwaya Ryokuchi
- Meeting for appreciating the nature of the Arakawa River and Kumagaya
- Clean-up of the Flower Road and Adopt-a-River activities
- Tenryu River clean-up campaign
- "Welcome turtles" clean-up campaign
- 530 (zero waste) campaign in Kumagaya Industrial Park, etc.

Satoyama volunteer activities in Iwaya Ryokuchi

Members from the Tokai Plant and Technical Center of Ahresty voluntarily participate in local satoyama volunteer activities in Iwaya Ryokuchi, engaging in forest management. Together with their family members and local volunteers, they enjoy working together weeding, maintaining the bamboo groves (which included digging for bamboo shoots), and pruning the branches of Japanese oak trees.

Environment | Environmental targets and results in FY2024

Environmental category	Medium-term target	FY2024 target	FY2024 results	Evaluation*	FY2025 target
Atmosphere, water quality, noise, etc.	Prevent environmental problems, such as atmospheric pollution, water contamination and noise pollution.	Eliminate non-conforming external leaks and complaints.	There was one non-conforming external leak/complaint. Corrective action was taken.	1	Eliminate non-conforming external leaks and complaints.
Waste materials	Reduce the total amount of waste materials.	Each site sets its own intensity reduction target, based on the best performance year between FY2022 and FY2023.	The target was achieved at 11 of the 14 targeted business sites. (The die casting production plants as a whole achieved a 12% reduction from the FY2023 level, exceeding the target of a 10% reduction from the FY2023 level.)	4	● Tokai Plant: Set an intensity reduction target of 20% or more compared to FY2024. (Reduce waste oil disposal volume by 30% compared to FY2024.) ● U.S. Plant: Set an intensity reduction target of 5% or more compared to FY2024. (Reduce dross disposal volume by 25% compared to FY2024.) ● Other business sites: Set an intensity reduction target of 1% or more compared to FY2024. (For foundries, set a target so that they can aim to improve their ranks based on their current rank evaluation results.) As common measures, each business site should incorporate the applicable items below into their activity plans: (1) Consider converting waste into valuable resources by selecting waste disposal contractors and ensuring thorough waste separation. (2) Reduce logistics-related waste through reuse and material substitution. (3) Examine and promote reuse in various processes. (4) Reduce waste oil through on-site processing. (5) Reduce waste by decreasing the moisture content of sludge. (6) Develop measures based on analysis of FY2024 results.
Saving energy and natural resources	Reduce the total amount of CO_2 emissions to counter global warming.	CO_2 emissions intensity reduction rate: 29% reduction from FY2013 * Positioned as priority activities for pursuing our environmental roadmap and policy	Target was achieved with a 35% reduction compared to FY2013.	5	CO_2 emissions intensity reduction rate: 33% reduction from FY2013 (Set an internal reduction target exceeding that of the previous fiscal year to promote CO_2 emissions reduction.) * Positioned as priority activities for pursuing our policy
	Reduce the consumption of water used in processes.	Each site sets its own intensity reduction target, based on the best performance year between FY2022 and FY2023.	The target was achieved at three of the 10 targeted business sites. (The die casting production plants as a whole achieved a 1% reduction from the FY2023 level, equivalent to the target.)	3	● U.S. Plant: Set an intensity reduction target of 4% or more compared to FY2024. Incorporate the following items into the activity plan: (1) Visualize water consumption. (2) Eliminate leaks of casting cooling water. (3) Eliminate water leaks from buried piping. ● Ahresty India: Set an intensity reduction target of 4% or more compared to FY2024. Incorporate the following items into the activity plan: (1) Visualize water consumption breakdown. (2) Maintain and improve cooling tower efficiency. (3) Ensure appropriate water consumption through dye penetrant testing. ● Other business sites: Set an intensity reduction target of 1% or more compared to FY2024. (For foundries, set a target so that they can aim to improve their ranks based on their current rank evaluation results.) As common measures, each business site should incorporate the applicable items below into their activity plans: (1) Conduct water leak checks across all utilities to improve the situation. (2) Casting: Circulate cooling water (including that for jet cooling systems). (3) Machining: Reuse cutting water and cleaning water.
Other	Promote social contribution activities.	Set a target for the number of times each business site should organize social contribution activities related to the environment. * Social contribution activities related to the environment refer to community clean-ups, preservation of Satoyama, socio-ecological production landscapes, and other activities	The target was achieved at all business sites.	5	Set a target for the number of times each business site should organize social contribution activities related to the environment. * Social contribution activities related to the environment refer to community clean-ups, preservation of Satoyama, and other such activities.

* Target achievement level: 1 (not achieved) < 5 (achieved)

Environment | Material Flows (Sites in Japan)

INPUT (consumption)

Electricity
116,257Mwh

Fuels (heavy oil, kerosene, etc.)
11,458kl

Aluminum alloy ingots
129,739t

Gas
4,113thousand m³

Groundwater
127,890m³

Clean water
89,424m³

Chemical materials (materials subject to internal reporting)
6,650kg

Aluminum resources
24,156t

Cost calculation period: From April 1, 2024 to March 31, 2025 (Unit: thousand yen)

Environmental conservation costs

Categories	Initiative examples	Costs	
		Investments	Expenses
Pollution prevention costs	Installation, management and updating of wastewater treatment equipment, maintenance and management of waste gas treatment and dust collection equipment, and noise control measures	24,857	47,151
Global environmental conservation costs	Energy (electricity and heavy oil) saving activities, installation of energy saving equipment, greening of the plant environment, and monitoring of electric power consumption	398,332	39,919
Resource recycling costs	Recycling of water, treatment (separation and disposal) of waste, and use of recycled oil	20,350	487,149
	Sales of valuable materials (The amount of income is entered in the costs column.)	0	158,338
Subtotal		443,539	574,219
Upstream and downstream costs	Purchasing of green materials	0	35,169
Management activity costs	Company-wide or site Environmental Committee, internal auditing, measuring of the levels of smoke, dioxin, exhaust gas and noise, internal education and training, and maintenance of ISO14001 certification	0	20,402
Research and development costs	Research and development of environmental impact reduction technology, etc.	0	0
Social activities costs	Holding of plant tours, community clean-up activities, community communication activities, volunteer activities, and NPO donations	0	205
Environmental damage countermeasure costs	Pollution load charges	0	2,183
Subtotal		0	57,959
Income total			158,338
Total		443,539	473,841

* Investments: Expenditure on items recorded as fixed assets, such as equipment
* Expenses: Other expenditure

OUTPUT (production and emissions)

Product production volume
70,396t

Aluminum alloy ingots Production volume [Kumagaya Plant]
24,156t

CO_2
82,263t-CO_2

Discharged water
71,302m³

Waste (recycling)
1,299t

Waste (final disposal)
88t

Die production volume (including components)
72

* Data from sites in Japan
* For the CO_2 emission factor for electricity in Scope 2, information on market-based factors is used.

Social | Enhancing Engagement and Promoting Health and Productivity Management

Improving employee engagement

To be a company that ensures the satisfaction of its employees, we prioritize items together with employees at each operation site based on employee surveys and stress checks. We then establish a positive evaluation for employee satisfaction (engagement index) using the positive response rate for the top three prioritized items as a comprehensive numerical indicator. We are working to improve these evaluation results at all domestic and overseas operation sites.

[Initiative examples]

- Reducing workload using ergonomics and improving heat stress conditions
- Eliminating industrial accidents

Occupational Health and Safety ▸ P.66

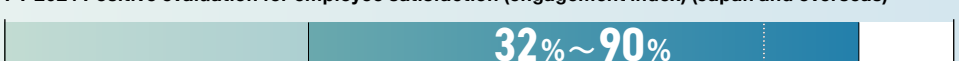
- Enhancing career support systems
- Improving workplace culture
- Sharing management information
- Improving psychological safety

Enhancement of career support system

We register each employee's past career history, strengths andweaknesses, and future aspirations in the human resources database, and, based on this information, provide more opportunities for employees to think about their careers voluntarily through interviews with their supervisors. We aim to draw out their latent abilities, promote the placement of the right persons in the right departments, and encourage them to take on challenges while constantly broadening their work perspectives.

10-year Business Plan | OUTPUT

FY 2024 Positive evaluation for employee satisfaction (engagement index) (Japan and overseas)



FY2030 target **80%** or more

* The indexes vary because each operation site has different priorities and response items, and thus the evaluation results differ.

Health and productivity management

Based on the belief that the health of employees and their families is essential for the sustainable growth of Ahresty, we position the promotion and maintenance of employee health as one of our important management tasks, and have introduced "health and productivity management".*1 Ahresty has received the "Silver Certification for Excellent Health Company" from the Tokyo Federation of Health Insurance Societies for five consecutive years, and has also been certified for four consecutive years as a "2025 Certified Health & Productivity Management Organization (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry and the Japan Health Council.

External Recognition ▸ P.51

健康優良企業
認定 健康第1613号(4)

2025 健康経営優良法人
KENKO Investment for Health
大規模法人部門

[Initiative examples]

1. Maintenance and improvement of health
- Encouraging employees to receive medical consultation after health checkups
- Promoting improvement of lifestyle habits
- Preventing health problems due to long working hours

2. Creating a comfortable workplace environment
- Supporting employees in balancing medical treatment and work
- Ensuring proper working hours
- Preventing passive smoking

3. Mental health care
- Encouraging employees to receive stress checks
- Providing health consultation for employees under high stress
- Enhancing the consultation system (introducing EAP)

Ahresty Group companies in Japan	FY2024 results
Percentage of employees receiving health checkups	**100%** (excluding employees on leave)
Health and productivity management evaluation (deviation)*2	**55.5** (Average deviation in the same industry (nonferrous metals): 52.2)

*1 Health and Productivity Management is a registered trademark of Nonprofit Organization Kenkokeiei.
*2 Health and Productivity Management Evaluation is based on the certification results of the Certified Health & Productivity Management Organization Recognition Program, conducted by the Japan Health Council. The score represents the deviation value among certified large enterprises.

Social | Occupational Health and Safety

Ahresty Safety Principles

“Follow the rules together, protects everyone”

Occupational Health and Safety Policy

Top Management’s Commitment

Top management will establish an occupational health and safety management system to develop and maintain a workplace environment where all workers at the Ahresty Group can work without risk to health and safety. Top management will also organize a safety and health committee at each site, which reflects any feedback from the workers to the systems to promote continual improvement.

Our Common Principles of Action

Each and every one of us will take the following actions based on Ahresty Safety Principles of “Follow the rules together, protects everyone”.

- Safety is always our top priority.
- We will proactively greet and call out to others to create good communication for the safety of all workers.
- We will comply with Ahresty Safety and Health rules.

Our Declaration

Ahresty Group aims to achieve zero injuries and accidents by implementing the following.

1. We will promote activities to achieve occupational safety and health targets to realize a healthy and safe workplace.
2. We will comply with occupational health and safety legal requirements and requirements of our suppliers.
3. We will implement occupational safety and health activities with participation of all employees, such as risk assessment, education, training, HHK and KY activities.
4. We will thoroughly implement the 5S principles and strive to create a safe, healthy workplace and a workplace free of fires and explosions.

Elimination of industrial accidents and injuries

At Ahresty, we conduct our production activities with safety as the top priority. Under our new Safety Principles “Follow the rules together, protects everyone,” launched in April 2025, we conduct industrial safety and health and fire prevention activities and make group-wide efforts to achieve zero accidents.

Industrial health and safety and fire prevention activities

[Initiative examples]

- Safety experience education
- Basic fire and accident prevention education
- HHK activities
- Mutual safety and health patrol
- 5S activities
- Strict compliance with safety and health rules
- Thorough compliance with laws and regulations
- Safety and health awareness month activities
- RA for non-routine operations and operations forwhich RA has not been performed

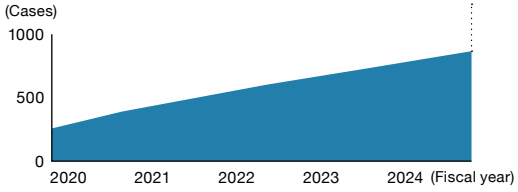
From FY2025 to FY2027, we will promote medium- to long-term activities aimed at fostering a safety culture for the future and developing safety-conscious individuals by implementing the company-wide initiatives of (1) developing safety-conscious individuals, (2) hosting safety workplace conventions, and (3) performing awareness-raising activities, in addition to our core activities.

Forklift blind spot experience education

Workplace improvement based on ergonomics

Ahresty improves work environments based on ergonomics to reduce physically demanding tasks. As of the end of March 2025, a total of 863 improvements have been made to reduce heavy lifting and awkward postures, using automation and Karakuri mechanisms. These efforts promote safer, more comfortable workplaces where people of all genders and ages can thrive, while also enhancing productivity.

Cases for improvements related to heavy materials and unergonomic postures 863cases



A mechanical device that utilizes the principle of leverage to reduce the weight borne by the operator to approximately one-tenth (“Shakutte GO!!” presented the Aichi Governor's Award at the Karakuri Kaizen® Kufu Exhibition)

	FY2024 results
Number of industrial accidents(involving lost working time/not involving lost working time)	6/13
Number of work-related fatalities	0

Non-Financial Highlights | Industrial Accidents ▸ P.50

Social | Flexible Company Systems Supporting Work-Life Balance

Enhancement of company systems

Ahresty is developing a workplace environment and systems to realize an optimum “work-life balance,” a state in which work and life are balanced and both have a positive impact on each other. We are creating an environment where employees can easily take maternity and childcare leave to enable them to play an active role in various stages of their children’ s lives. To create an environment where childcare and work can be balanced, we have introduced a reduced-hour work system that can be utilized until the child graduates from junior high school, a paid time-off system and other systems. We have also introduced flexible work arrangements, such as flex time, telework (remote work), and caregiver leave to expand flexible working options. From FY2022 to FY2024, we advanced the introduction of employee-friendly company systems across our group companies, aiming to achieve the same level as Ahresty Corporation.

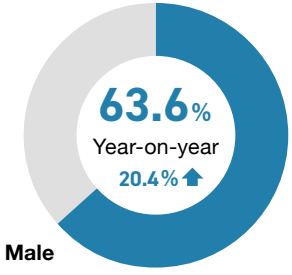
Main Programs Implemented

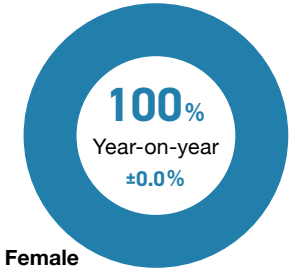
		Ahresty	Ahresty Tochigi Corporation	Ahresty Kumamoto Corporation	Ahresty Yamagata Corporation	Ahresty Techno Service Corporation	Ahresty Die Mold Hamamatsu Corporation
Flexible Working Options	Telework system (up to 3 days per week in principle)	○	○	○	○	○	○
	Flextime system	○	○	○	○	○	○
	Paid leave (full-day or half-day)	●	●	●	●	●	●
	Hourly paid leave	●	●	●	●	●	—
	Marriage leave	●	●	●	●	●	●
	Menstrual leave	●	●	●	●	●	●
	Volunteer leave	●	●	●	●	●	●
	Accumulated leave	●	●	●	●	●	●
	Special leave for personal illness (paid)	●	●	●	●	●	●
	Birthday leave (paid)	●	●	●	●	—	●
	Long-service leave (paid)	●	●	●	—	●	●
	Course system (location-restricted course)	●	—	—	—	—	—
Childbirth & Childcare	Childcare leave for nursing a sick child (unpaid)	●	●	●	●	●	●
	Shortened working hours for childcare	●	●	●	●	●	●
	Spouse childbirth leave (paid)	●	●	●	●	●	●
	Paternity leave at childbirth (postnatal leave for fathers)	●	●	●	●	●	●
Caregiving	Shortened working hours for nursing care	●	●	●	●	●	●

* ●Implemented ○Implemented in certain parties and divisions. — Not set

FY2024 Work-life balance data (Group in Japan)

Percentage of employees taking childcare leave





Number of Employees Using Shortened Working Hours for Childcare **55** persons

Male **2** persons/Female **53** persons

Reemployment Rate After Retirement at Age 60* **82.4**%

Average Overtime Hours* **11** hours **25** minutes

Work-Life Balance Score (based on stress check) **B**

* Data from single entity

Social | Respect for Human Rights

Ahresty Group Human Rights Policy

The Ahresty Group aims to realize a prosperous society by pursuing and promoting the integration of Research, Service, Technology. Therefore, we believe it is our responsibility to respect the human rights of all people involved in our business, and hereby establish as our policy to respect human rights the Ahresty Group Human Rights Policy (hereinafter "Policy") based on the Guiding Principles on Business and Human Rights by the United Nations Human Rights Council.
All business activities of the Ahresty Group will be subject to compliance with this Policy.

1. Scope
This Policy applies to all directors and employees, temporary staff (hereinafter "Employees & Staff") working at the Ahresty Group. Also all of our business partners including suppliers are expected to understand and support this Policy.

2. Compliance with codes, laws and regulations
We support and respect international human rights codes including the International Bill of Human Rights and The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
We will comply with the laws and regulations of the countries or regions where we conduct business, and in the event that there is a conflict between the laws and regulations of a country or region and internationally accepted human rights codes, we will strive to respect internationally accepted human rights codes to the extent permissible under the laws and regulations of such country or region.

3. Responsibility to respect human rights
We will fulfill our responsibility to respect human rights, by not violating the human rights of people who are affected by our business activities, and by taking appropriate corrective actions in the event our business activities negatively affect human rights.
Also in the event a related party within our supply chain is negatively affecting human rights, we will affirmatively encourage such party to respect human rights.
By conducting human rights due diligence which is an activity to identify, avoid, and mitigate negative effects on human rights, we strive to take appropriate remediation and corrective actions in the event it becomes clear that human rights are being negatively affected or such negative situation is being aggravated,
We will educate our Employees & Staff so that they can get familiarized with this Policy.
Also we will disclose our activities regarding respect for human rights and continue dialogue and consultation with our related stakeholders.

Promotion system

For human rights-related activities, the details of our initiatives are checked and reported at the Sustainability Meeting, which is chaired by the Chief Sustainability Officer.

Sustainability promotion system ▸ P.54

Initiative examples

Based on the Guiding Principles on Business and Human Rights by the United Nations Human Rights Council, we have initiated human rights due diligence that follows a series of processes to assess, prevent, mitigate, monitor, and disclose information on the negative impacts of Ahresty's business activities on human rights, including its supply chain. In assessing the negative human rights impacts, we determine the themes to focus on by evaluating the impact of each risk in terms of severity and likelihood of occurrence, based on an overall picture of manifest or potential human rights-related risks.
In FY2024, we focus on four key themes: excessive and unfair working hours, discrimination and harassment, child labor and forced labor,and the rights of foreign workers.
Regarding excessive and unfair working hours, we defined the scope of activities for FY2024 as domestic locations. In coordination with company-wide risk management activities, we conducted various activities, including monitoring of working hours and training for managers and supervisors. Regarding discrimination and harassment, we have defined the scope of activities as the entire Group, and implemented continuous education through internal training, e-learning and other methods, shared cases noted at the Compliance Committee, and accumulate expertise in initial response and appropriate handling when incidents occur. We

Social | Respect for Human Rights

explicitly state in the Ahresty Group Code of Conduct that we do not tolerate any form of discrimination or harassment. We prioritize and continue efforts to reduce the number of harassment incidents and prevent them from occurring within the Group. Regarding child labor and forced labor, our company policy is not to tolerate the procurement of materials produced through child labor or forced labor.

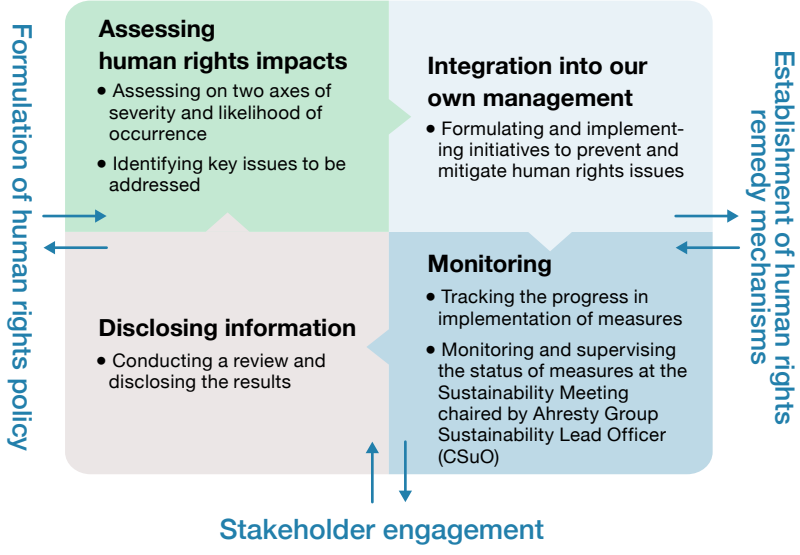
This policy has been thoroughly communicated internally and was also communicated to domestic suppliers and contractors in FY2024. Additionally, within the company, we identify materials considered risky and the locations where they are procured, and we verify that there are no issues with the suppliers of these materials. Regarding the rights of foreign workers, we conducted a current status survey to confirm the employment conditions at plants with a high number of foreign workers, the management status of residence permits and work permits, employment and recruitment methods, and the status of legal compliance. In FY2025, we will continue activities related to these themes, including addressing newly identified challenges and expanding the scope of our efforts.

Establishment of a reporting desk

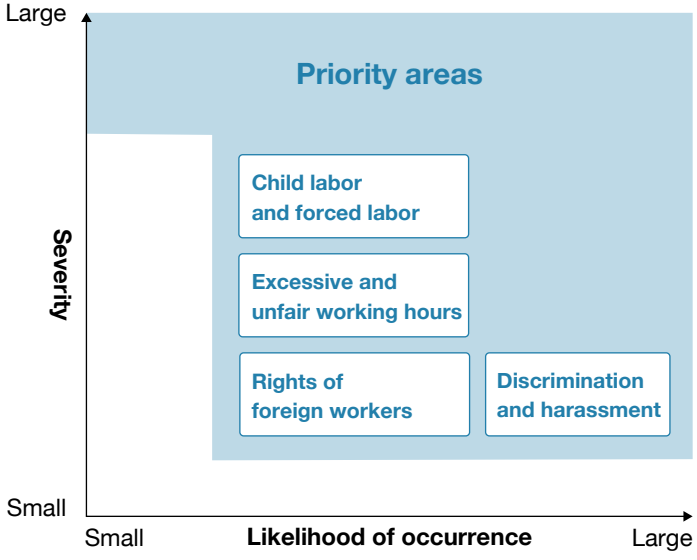
We have established a reporting desk as one of the measures to prevent and mitigate adverse impacts on human rights arising from our business activities. Those who become aware of a compliance violation or suspect a potential violation, such as harassment or other human rights violation, may report or consult with the reporting desk within the Ahresty Group or externally (law firm) either in person, by telephone, e-mail or mail, or other means. We strictly protect the anonymity of those who report or consult and safeguard the confidentiality of reports and consultations, as well as prohibit any disadvantageous treatment or retaliatory measures against them and ensure their protection. The reporting desk is available not only to Ahresty Group employees but also to our suppliers and contractors. We have established internal regulations to ensure the reporting system functions smoothly and appropriately.

In FY2024, we conducted online briefings for our primary domestic suppliers and subcontractors to reaffirm awareness of our reporting desk.

Human rights due diligence



Human rights impact assessment result



Social | Supply Chain Management

Ahresty Basic Procurement Policy

The Ahresty Group aims to enhance corporate value and realize a sustainable society by conducting responsible procurement activities and promoting the optimization of procurement.

[Providing fair and equitable opportunities]
We provide open, fair, and equitable opportunities for participation regardless of nationality, company size, or transaction history.
In selecting suppliers and contractors, we comprehensively consider not only quality, price, delivery time, supply stability, technical capabilities, and management reliability but also their efforts to fulfill social responsibilities, such as respect for human rights and consideration for the environment.

[Compliance with laws, regulations, and social norms]
We conduct procurement activities in compliance with laws and regulations, as well social norms, both in Japan and overseas. In addition, we properly and strictly manage mutual confidential information obtained through transactions. We maintain healthy and transparent relationships with all of our business partners. We will not offer or accept any entertainment or gift-giving that violates social norms.

[Building trust and mutual development]
We aim to build mutual trust with our business partners and develop relationships that enable us to grow together as partners.

[Social responsibilities]
We promote initiatives in various areas, such as product safety, quality assurance, respect for human rights, compliance, and consideration for the environment. We also expect our business partners to understand and support these activities.

Establishment of the Supplier and Contractor Sustainability Guidelines

In fiscal 2024, we established the “Ahresty Supplier and Contractor Sustainability Guidelines,” which compile the expectations that Ahresty has of our suppliers and contractors. We hold briefings for our suppliers and contractors to share our initiatives, the background of the guidelines, and our expectations.
Toward its goal of realizing a prosperous society, Ahresty aims to fulfill its corporate social responsibilities and achieve sustainable growth together with its suppliers and contractors.

Ahresty Supplier and Contractor Sustainability Guidelines

Compliance

(1) Compliance with Laws and Regulations
(2) Compliance with Competition Laws
(3) Anti-corruption
(4) Management and Protection of Confidential Information
(5) Export Transaction Control
(6) Responsible Sourcing of Minerals and Raw Materials
(7) Protection of Intellectual Property
(8) Elimination of Counterfeit Parts
(9) Establishment of Reporting and Consultation Channels

Safety and Quality

(1) Providing Products and Services that Meet Customer Needs
(2) Providing Appropriate Information About Products and Services
(3) Ensuring the Safety and Quality of Products and Services
(4) Management of Chemical Substances

Human Rights and Labor

(1) Respect for Human Rights and Elimination of Discrimination
(2) Prohibition of Child Labor
(3) Prohibition of Forced Labor
(4) Wages
(5) Working Hours
(6) Dialogue and Consultation with Employees
(7) Safe and Healthy Working Environment

Environment

(1) Environmental Management
(2) Reducing Greenhouse Gas Emissions
(3) Prevention of Air, Water, Soil, and Other Environmental Pollution
(4) Resource Conservation and Waste Reduction
(5) Conservation of Biodiversity
(6) Other

Disclosure of Information to Stakeholders

Contributing to Local Communities

Ahresty Supplier and Contractor Sustainability Guidelines (full text)

https://www.ahresty.co.jp/en/sustainability/supply_chain

Governance | Corporate Governance System

Corporate Governance

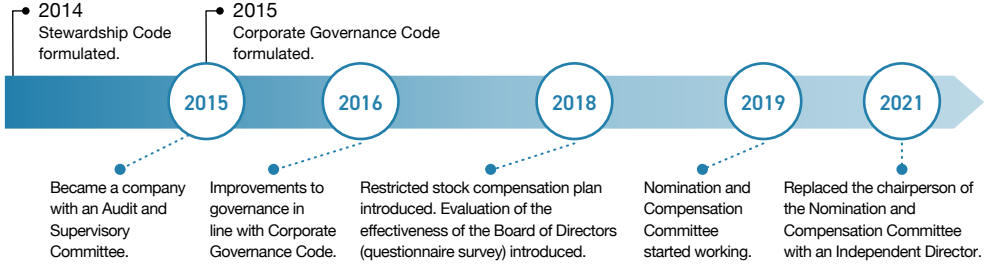
Ahresty believes that the basic policies of corporate governance should be to clarify its management responsibilities and accountability to all its shareholders and other stakeholders and to establish a management system capable of making decisions promptly with a high level of transparency. Ahresty also focuses its efforts on improving its internal control and risk management systems, and establishing a management system capable of supervising the business activities of the entire Group. Since it became a company with an audit and supervisory committee in 2015, Ahresty has implemented various initiatives to enhance its corporate governance, including setting up the Nomination and Compensation Committee in 2019 to discuss the appointment/dismissal of directors, their remuneration, and requirements for director candidates, and replacing the chairperson of the Committee with an Independent Director in 2021.

Corporate governance system

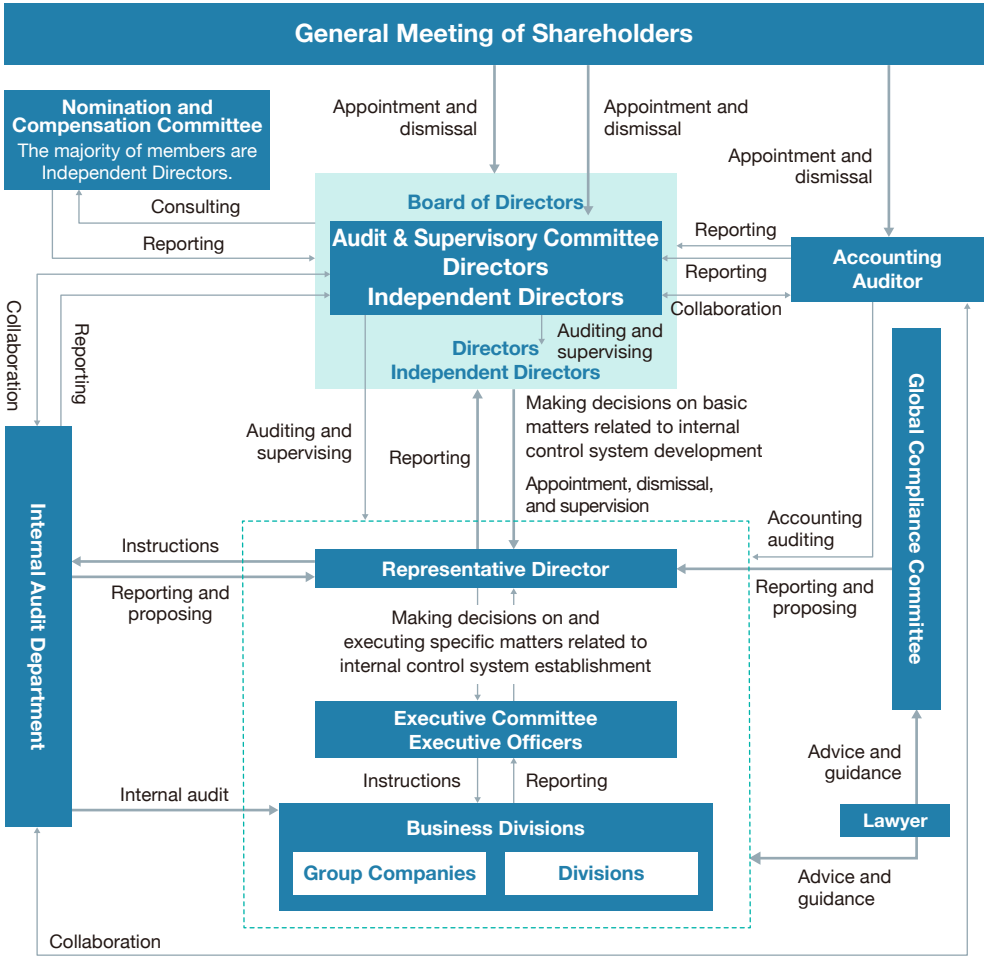
Board of Directors (10 directors)		Nomination and Compensation Committee (7 members)	
Directors (excluding directors who are members of theAudit and Supervisory Committee)	5 (including 1 Independent Director)	Inside Directors	2
Directors who are members of theAudit and Supervisory Committee	5 (including 4 Independent Directors)	Independent Directors	5

* With a resolution at the Board of Directors meeting held on March 22, 2021, an Independent Director was appointed as the chairperson of the committee.

History of corporate governance reforms



Corporate governance system chart



Governance | Ensuring Board Effectiveness

Evaluation of the effectiveness of the Board of Directors

Toward sustainable growth and medium- to long-term improvement of corporate value, Ahresty evaluates the effectiveness of the Board of Directors in order to verify whether the Board of Directors is appropriately fulfilling the functions expected of it and enhance it.

Evaluation process

Ahresty evaluates the effectiveness of all Directors, including those who are members of the Audit and Supervisory Committee, in the form of a questionnaire. Evaluation items are reviewed based on issues requested by external stakeholders, opinions from Independent Directors and other factors.

Summary of evaluation items

The items of the effectiveness evaluation consist of the following major items.

Evaluation items for the Board of Directors

(1)	Composition and operation of the Board of Directors
1	Member composition based on diversity, knowledge, abilities and experience
2	Frequency and time allocation
3	Appropriate agenda items
4	Lively and effective operations
5	Preliminary preparation and review time
6	Education of Directors
(2)	**Management and business strategies**
1	Provision of information necessary for deliberation
2	Deliberation time
3	Monitoring and revision of management and business strategies
(3)	**Risk and crisis management**
1	Timely reporting and handling of risks
(4)	**Corporate ethics**
1	Monitoring and supervision of conduct code and ethics code
2	Confirmation of reporting system for corporate ethics violations

(5)	Performance monitoring
1	Adequacy of performance monitoring indicators
2	Access to external company evaluations
3	Validity of performance monitoring indicators
(6)	**Management evaluation and compensation**
1	Adequacy of annual goals
	(1) Management and business strategies
	(2) Goals and vision
	(3) Corporate culture
2	Analysis, evaluation and disclosure of effectiveness evaluation results
3	Formulation, administration and supervision of succession planning
(7)	**Dialog with stakeholders**
1	Incorporation of dialog with shareholders
2	Response to negative votes at General Meeting of Shareholders
3	Supervision and involvement of disclosed information
4	Stakeholder interests

Governance | Ensuring Board Effectiveness

Addressing issues identified in the evaluation results

The following corrective measures have been planned and implemented to address issues identified in the effectiveness evaluation.

(1) Composition and operation of the Board of Directors

We deliberated on new Director candidates with an eye toward diversity of Directors and expansion of the skill matrix of the Board of Directors. At the General Meeting of Shareholders held in June 2024, one Independent Director (Director who is not a member of the Audit and Supervisory Committee) with management experience was appointed, as requested by institutional investors. Furthermore, we have made arrangements for new Directors to promptly participate in the management of the company by developing an orientation program for candidates for Independent Directors and by making it mandatory for candidates for Directors who are promoted from within the company to take prescribed training courses.

(2) Strengthening provision of information on business environment,etc.

As a means of strengthening the system for the Independent Directors to regularly monitor whether management and business strategies are responding to changes in the business environment surrounding Ahresty, we have created opportunities to regularly provide them with information from each Command.

(3) Strengthening incorporation of external opinions

As a forum for feeding back opinions of shareholders, institutional investors and other stakeholders to management, we have increased opportunities for regular reporting to and discussion with them.

Major topics on the agenda of the Board of Directors meetings

Theme	Major topics
Management strategies and management plans	Progress in Medium-Term Management Plan
	Discussion on changes in the business environment and strategies, and formulation of measures
	Progress in financial strategy
	Formulation of capital policy
	Status of engagement and diversity activities
	Status of sustainability activities
IR	Feedback from investors after the financial results announcement
	Results of dialogue with investors
Financial results, internal control	Financial statements
	Appropriation of surplus, dividend policy
	Report on internal control evaluation and internal audit
Governance	Risk management plan and implementation status
	Report on compliance activities
	Evaluation of the effectiveness of the Board of Directors
Remuneration	Remuneration for Directors and Executive Officers
	KPIs for restricted stock compensation and vesting rate
Other	Personnel-related matters
	Monthly revenue, productivity, and quality status
	Report on cross-shareholdings

Executive remuneration under the restricted stock compensation plan

In fiscal 2018, Ahresty introduced a restricted stock compensation plan in the remuneration system for executives to further promote shared value between directors and stakeholders, to establish greater linkage with medium- to long-term performance goals, and to provide executives with an incentive to continuously improve the corporate value of Ahresty. Starting in FY2025, CO_2 emissions have been added to our performance indicators as a new non-financial indicator to help promote ESG management, one of our priority tasks.

Basic design of the restricted stock compensation plan

Tenure-based type	Performance-linked type
Long-term incentive	Medium-term incentive
Compensation linked to medium- to long-term performance improvement and corporate value enhancement	Compensation linked to the Medium-Term Management Plan and based on the degree of achievement of the targets of the Medium-Term Management Plan. <Key performance indicators> • Sales weight • Operating income margin • Return on equity (ROE) • CO_2 emissions

Governance | Ensuring Board Effectiveness

Skill matrix of directors

Ahresty has introduced a skill matrix to ensure that the knowledge, experience, and abilities of Directors are appropriate. In 2023, we updated the skill matrix so that the skill requirements would match more closely the needs of the times.

Required knowledge, experience, and abilities	Expected image
Manufacturing / Quality /Technology development	Responding to rapid electrification
	Contributing to world-class manufacturing
Sales / Marketing	Responding to overseas market expansion
Finance / Accounting / Capital policy	Strengthening the Group's profitability and financial base
Legal affairs / Risk management	Advancing management for appropriate risk management
Global (international experience)	Carrying out management corresponding to the expansion of overseas business
Human resources / ESG	Responding to sustainability management

Skill matrix of Directors

Current position	Name	Full-time	Responsibility / Expertise	Manufacturing/ Quality /Technology development	Sales / Marketing	Finance / Accounting / Capital policy	Legal affairs / Risk management	Global (international experience)	Human resources / ESG
Chairman and Director	Arata Takahashi	○	Chairperson of the Board of Directors	●	●	●	○	●	○
President and Representative Director	Shinichi Takahashi	○	Chief Executive Officer	●		●	○	●	●
Representative Director	Naoyuki Kaneta	○	Chief of Quality Assurance Command	○	●				
Director	Hideki Nariya	○	Chief of General Administrative Command			●	●	○	●
	Takamitsu Sakamaki		Business Executive	●		●	●	●	○
Director who is a member of the Audit and Supervisory Committee	Kazuyuki Sakai	○	Director (Audit & Supervisory Committee member)	○	○		●	●	●
	Shuhei Shiozawa		Chairperson of Nomination and Compensation CommitteePh.D.(Economics) Certified Public Accountant,Examiner			●		○	●
	Akiyoshi Mori		Lawyer				●		
	Kimiko Terai		Ph.D. in Economics, Special Committee Member of the Government Tax Commission			●			●
	Toshihiro Matsuba		Business Executive	●	●			●	

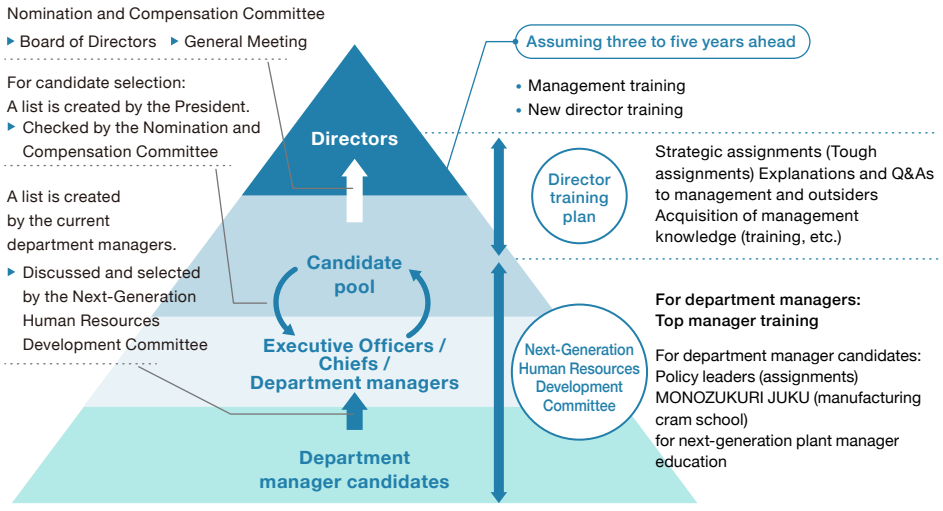
The criteria for the use of the symbols ● and ○ are as follows: A ● symbol represents cases where the Director's skills indicated are based on experience as general manager of a relevant division, general manager of a plant or any position above that in Manufacturing Command (manufacturing), Sales Command (sales and marketing), or General Administrative Command (finance, accounting, capital policy, legal and risk management, and human resources and ESG), and that those skills held by the Director have been maintained at a high-level and are relevant today. The ● symbol also represents cases where the Director's skills relate to Global (international experience) based on the experience of working overseas for the Company. A ○ symbol represents cases where the Director's skills are based on the experience of working in a relevant division or plant, or the experience as general manager of a relevant division, general manager of a plant or any position above that, but where those experiences relate to cases of a short tenure or of a long time having passed since the time of his/her tenure, and where the Director has not built up or updated these skills to have sufficient relevance today. The ○ symbol also represents cases of Global (international experience) where the Director has experience of working overseas at other companies. When assigning these symbols for outside Directors, their expertise, qualifications, experience, and other factors commensurate with these criteria are taken into consideration.

Governance | Training of Directors

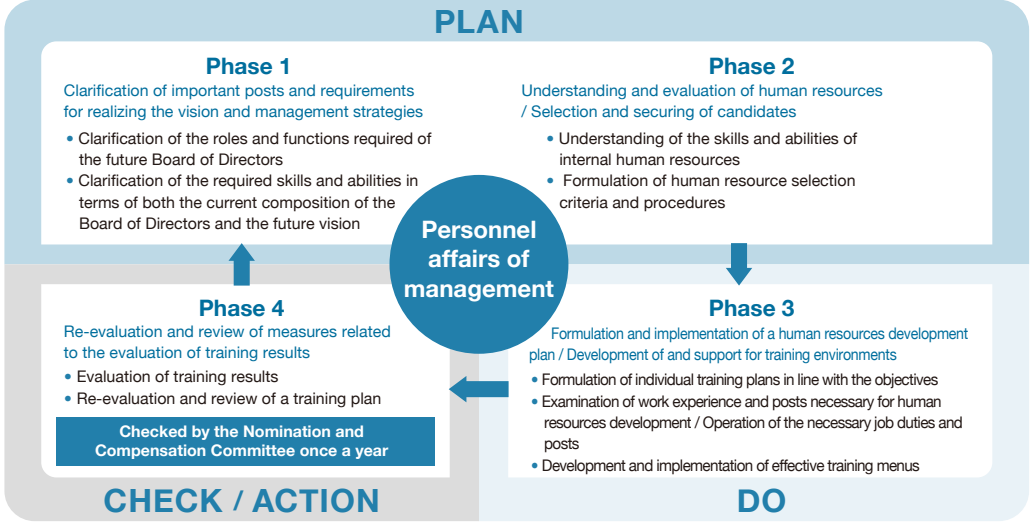
Training of Directors

In human resources development, Ahresty prepares and operates a human resources roadmap that defines requirements, candidates, development goals and plans for the necessary human resources at each level in light of the business environment expected over the medium to long term. In particular, regarding the selection and training of candidates for Department Manager or higher positions, we have adopted a system in which we cultivate their skills as a potential future Director step by step. After stepping them up to the position of a Department Manager, Chief, and Executive Officer, we implement a strategic assignment approach as a measure to train Directors. This is a hands-on human resources development measure that provides opportunities for Director candidates to gain actual experience by assigning them important posts and projects according to their requirements. Once a year, the Nomination and Compensation Committee examines the skill matrix of candidates created based on the evaluation results of strategic assignments to check if a review is necessary. In running the PDCA cycle for the candidate training plan, the number of candidates is narrowed down, their future potential is assessed and whether they can perform as well in their next position as they do now is determined. Directors promoted from within the company are required to undergo governance training at the time of their appointment to improve their understanding of their responsibilities as Directors, as well as other necessary knowledge. In the case of appointment of Independent Directors, objective skills are ascertained through their backgrounds and qualifications, and their suitability and character as Directors are determined through actual communication. In addition, we have established a system to enable new Independent Directors to participate in discussions at Board of Directors meetings and contribute to management as soon as possible after assuming office, including an orientation program in which they are required to tour our main plants and attend lectures to understand the outline and characteristics of our Group' s business, management conditions, organization, major management issues and strategies and other basic information before assuming their positions as Directors.

Approach to training director candidates



Director training process



Governance | Dialogue with Shareholders

Ahresty believes that it is important to have constructive dialogue,and establish and maintain the sound relationship with shareholders and investors (hereinafter referred to as “Shareholder etc.”) for enhancing sustained growth and medium to long-term corporate value. To cultivate a better understanding, the Company shall conduct the timely and appropriate disclosure of financial and nonfinancial information in accordance with laws and regulations, and provide information other than the disclosure based on laws and regulations as well. Furthermore, regarding opinions obtained from the dialogue with Shareholders etc., they shall be fed back to the management, and make effective use of improvement of corporate value.

Status of Dialogue (FY2024)

	No. of times	With whom	Correspondent
Press conferences (quarterly)	4	Analysts Fund managers	Deputy Chief of General Administrative Command (Concurrent Position: General Manager of Management Planning Department)
Financial results briefings	2		President, Directors, Executive Officers and Chiefs of Command
Plant tour	1	Institutional investors Analysts	President, Chief of Manufacturing Command, Deputy Chief of General Administrative Command
Individual meetings/ interviews	44	Institutional investors Analysts Fund managers	President, Deputy Chief of General Administrative Command, Person in charge of IR

Main topics and points of shareholders’ interest

Topic	Details
Overview of financial results	• Factors behind changes in net sales, operating income, etc. • Income status by segment • Financial soundness and balance sheet status
Business strategies and business overview	• Relation between changes in the market environment and growth strategies • Characteristics and strengths of the Company • Status of MONOZUKURI improvement
Financial strategies	• Measures to improve PBR and the capital cost • Approach for return to shareholders • Criteria for determining orders and investment projects
Governance	• Selection process for the skill matrix • Measures for active discussions at meetings of the Board of Directors and the Nomination and Compensation Committee • Evaluation of the effectiveness of the Board of Directors
Sustainability and others	• Actions to address climate change • Status of diversity promotion • Initiatives concerning respect for human rights

Internal feedback and actions taken based on dialogue

Status of internal feedback

	Details	Frequency
Board of Directors	• Status of dialogue with shareholders and investors after release of financial results • Results of annual IR activities and issues addressed	Four times a year Once a year
Management and relevant departments	• Discussing and deciding on IR activities and measures at management meetings • Review of materials for financial results briefings, integrated reports, etc.	As needed

Actions taken based on dialogue

* Including ongoing actions

Requested actions	Details
Optimization of skill matrix fulfillment rate	• Revised the definition of skill fulfillment evaluation for Directors, and optimized composition and diversity of the Board of Directors
Linkage between non-financial indicators and compensation plans	• Added CO_2 emission reduction targets to performance conditions for medium- and long-term incentives for Directors
Clarification of dividend policy	• Adopted DOE as the minimum dividend amount, and clarified dividend policy of stable shareholder returns

Organizing a plant tour

In April 2025, we held a plant tour for institutional investors and analysts. The tour was designed to promote understanding of Ahresty by showing the production system for casting and machining of die-cast products, the status of response to parts for BEVs and other electric vehicles, automation, labor saving and improvement of the work environment at its main plant, and production technology and other initiatives at its Technical Center.

Governance | Strengthening Risk Management, Compliance, and Information Security

Risk management

Ahresty has established a risk management system to avoid risks that may seriously affect its business management and address, promptly and properly in a manner that will not undermine the safety, health or interests of any stakeholder, any risks that materialize. With this system, Ahresty's basic approach to risk management is to protect its management resources and minimize any damage from risks, thereby ensuring continuity of its business management.

Regarding the management system and its operation method for the entire Group, Ahresty has established the Risk Management Regulations, based on which it identifies risks inherent in its business operations in light of the environment and trends both inside and outside the company and analyzes and evaluates them on a regular basis. At the same time, the progress of activities to reduce risks and the status of improvements to the Group's overall risk management system are reviewed at Executive Committee Meetings, and the details are also reported to the Board of Directors.

Identifying and responding to risks

Ahresty selected 15 items as its priority risk management items for fiscal 2024, including "stricter environmental regulations" "strengthening of the information security system," and "regional conflict," and appointed departments to be responsible for each risk item. By clarifying the degree of impact and causes of each risk item if it materializes, Ahresty has been working to enhance prevention, initial response and measures for recovery.

FY2024 risk management items and initiatives to enhance responses (excerpts)

Risk management item	Measures and efforts to ensure business continuity
Disasters (Typhoon, heavy rain)	Formulated guidelines for responses to typhoons and heavy rain and implemented measures against disasters, such as the introduction of emergency communication devices.
Stricter environmental regulations	In terms of climate change risk, we view the stricter environmental regulations as a company-wide risk, and we are strengthening our systems to collect timely and appropriate information and respond to regulatory requirements in a timely manner throughout the Group, including overseas locations.
Regional conflict	We identify signs of risks that may affect the Group on a global basis due to regional conflicts. And we are working to strengthen our system so that if any risks that have a major impact on the Group's production and earnings materialize, relevant departments and sites will work together to promptly consider countermeasures. Regarding countermeasures against U.S. tariffs, we broadly position the tariffs as part of the risks of this category and are examining risk mitigation measures while conducting various case studies.

Compliance

Ahresty considers the trust of its stakeholders to be the starting point in conducting all of its business activities, and it maintains a management philosophy of making constant efforts to raise the Group's corporate value. We have established the "Compliance Principles" and the "Ahresty Group Code of Conduct" as compliance standards to be observed by all employees, including both executives and regular employees. By continuously disseminating them in a timely and appropriate manner, we are working to prevent compliance violations.

In addition, the Group has established an internal reporting system that allows direct reporting to the Management Planning Department or an external lawyer, and it has also formulated the "Guidelines for Handling the Compliance Reporting System" as a system that can be widely used by business partners and contractors. The reports are submitted to the Global Compliance Committee, which then works with each compliance committee to ensure appropriate response.

We will continue to conduct fair and honest business activities while not only observing laws, regulations, and internal rules but also complying with the corporate ethics demanded by society. This includes promoting awareness-raising activities within the Group regarding "customer harassment," which has recently become a social issue.

Information security

The Ahresty Group positions the protection of information assets and stable business continuity as important management tasks and has established the "Information Security Policy" to build a company-wide management framework. As threats to information security become increasingly sophisticated and diverse, the Group is working to strengthen controls and establish a system for prompt response by appointing a company-wide information management officer, setting up an information security committee, and assigning responsible personnel in each organizational unit.

We have also established internal rules for the Group that conform to laws and regulations related to information security and are working to ensure compliance with such rules. We also provide continued education and training to help all employees understand the importance of information security and take appropriate action.

Furthermore, to be prepared for risks of information leakage and business continuity disruption caused by internal fraud, external cyber attacks, etc., we have established a system for prompt response in the event of an incident. When an incident occurs, we strive to take appropriate action and implement measures to prevent recurrence. We will continue efforts to maintain and enhance corporate value and aim to achieve sustainable management through continuous review and improvement of our information security framework.

Roundtable Discussion on Corporate Governance

"Proactive governance" supports Ahresty's growth.

Arata Takahashi
Chairman and Director,
Chairman and Executive Officer
(Chairperson of the Board of Directors)

Takamitsu Sakamaki
Independent Director
Former President, UD Trucks Corporation

Toshihiro Matsuba
Independent Director
(Audit & Supervisory Committee member)
Managing Director and Executive Officer,
Nippon Light Metal Co., Ltd.
Senior Executive Officer,
Nippon Light Metal Holdings Company, Ltd.

A roundtable talk was held by Chairman Takahashi, Director Matsuba, and Director Sakamaki to help all stakeholders, including shareholders, better understand Ahresty's stance and initiatives regarding governance.

Looking back on the past year

Takahashi: Last year, with Director Sakamaki joining us as a new Independent Director who is not a member of the Audit and Supervisory Committee, we actively discussed various topics, including the 3-year Medium-Term Management Plan and the reconstruction of the US plant, with Independent Directors, who provided their opinions from various perspectives. Director Sakamaki accompanied us, visiting each operation location to hold regular briefing sessions, where we received reports from the responsible personnel on the progress of initiatives and the ongoing problems while actually seeing the sites and relevant things. He gave us comments and advice backed by his manufacturing expertise and many years of management experience at a global company. I appreciate that he has shown us the direction that we must take on both the offensive and defensive fronts as Ahresty continues to grow in the global market.

Sakamaki: Having seen the plants both inside and outside Japan, I noticed that Ahresty's site managers are young, and the members supporting them are also young. This allows discussions and exchanges of opinions to take place within the site and between sites. I thought it was a vibrant company. A company develops and grows through the struggle to create something good by incorporating opinions of various people. Different sites cooperate with each other and share

Governance / Roundtable Discussion on Corporate Governance

know-how. Site manager meetings and function-based, cross-organizational meetings are effectively working as mechanisms for improving productivity and boosting profitability across the entire Group. I think this is a strength of Ahresty.

Matsuba: Among the discussions over the past year, the one about the reconstruction plan of the US plant has left a strong impression on me. Talking about profit improvement of a plant in Japan, I myself have experience with the approach of reflecting product-specific profit and loss management in pricing strategies, where everyone works together to improve profitability using the same yardstick. On the other hand, how should we operate as an organization at the US plant, which has a different culture? We first discussed strengthening internal control and management systems. With rapid turnover of personnel, what should we do to motivate the frontline workers to improve profitability? This reminded me that strengthening governance leads to strengthening plant operations.

Regarding the 25-27 Medium-Term Management Plan

Takahashi: Our company will celebrate its 100th anniversary in 2038. To become a company that can continue to grow beyond 100 years, we have established the “2040 Vision,” based on which we are promoting the “10-year Business Plan” as a long-term management plan, along with 3-year Medium-Term Management Plans as its milestones. The 2040 Vision was formulated through repeated discussions within a study team consisting mainly of young and mid-career employees who will lead the company in the future, and ultimately through consultations with management. It is thus a vision decided through a fusion of both bottom-up and top-down approaches. The Medium-Term Management Plan for fiscal years 2025-2027, which was formulated in fiscal 2024, strongly reflects the president’s ideas. As management, we will continue to work hard to achieve these goals. And we ask our independent directors to provide guidance toward this end by sharing your findings, which are invaluable because they come from outside the company, just as you did during our discussions on the 25-27 Medium-Term Management Plan.

Sakamaki: Profitability is essential for a company’s growth. At the same time, I believe competitiveness is also necessary to generate profits. Competitiveness cannot be measured in monetary terms, but striving to manufacture highly competitive products motivates and unites

Governance / Roundtable Discussion on Corporate Governance

the members of the company. In the 25-27 Medium-Term Management Plan, "smart MONOZKURI" is set as one of its pillars. When I visit our sites, I feel that each site is pursuing MONOZUKURI that enhances competitiveness and focuses on profitability.

Matsuba: For us, Independent Directors, it is particularly important to discuss the progress management methods and KPIs to be set regarding the Medium-Term Management Plan, as well as how to recover or change policies if there is a deviation from them.

Roles of Independent Directors and "proactive governance"

Sakamaki: Independent Directors are in a position to monitor whether the Board of Directors is functioning effectively. At the same time, I personally believe that their role is to get involved in the Board of Directors' meetings and broaden discussions. Although we are outsiders, we share the same desire to make the company better. Rather than thinking in terms of differences in standpoints, it is important for both inside and outside directors to look at things from the same perspective, which I believe is what constitutes "proactive governance."

Matsuba: Director Sakamaki has experience as president of a global manufacturing company, so I have learned a lot from watching him give manufacturing-focused comments to get management involved. Discussions at the Board of Directors' meetings are increasingly active, so I am hopeful that the voice of all executives will increase soon.

The role of a Director is to predict the future and lead the company in the right direction for its growth. If I can engage in sometimes passionate and constructive discussions about the direction Ahresty is heading from a variety of perspectives, I believe I will be able to contribute even more to the growth of Ahresty as an Independent Director. If we were to interpret "proactive governance" in a broader sense, it would mean deciding on guidelines for how to promote innovation and sustainable growth.

Takahashi: The basic policies of corporate governance at Ahresty should be to clarify its management responsibilities and accountability to all its stakeholders and to establish a management system capable of making decisions promptly with a high level of transparency, thereby aiming to increase the corporate value of the entire Group. To this end, it is important to clarify the roles of Independent Directors and executive officers and to thoroughly discuss at the Board of Directors' meetings how to allocate limited management resources to maximize returns and how to achieve healthy growth while striking a balance between risk-taking and risk hedging. I would like to discuss with our Independent Directors how to achieve sustainable growth while clarifying and sharing what went well and what did not.

Message from Chair of Board of Directors Meeting

Takahashi: Directors are entrusted by shareholders to manage the company. Therefore, we must manage our business properly in accordance with its essence. I will fulfill my responsibilities as Chair of the Board of Directors Meeting to ensure that the Board of Directors functions as it should. In discussions, we make judgments using criteria based on our own experience. However, staying in the same organization for many years may narrow our perspective. So the opinions of Independent Directors are invaluable. I believe that input from Independent Directors with diverse backgrounds and knowledge is essential for the company to move in a new direction. I hope that our Independent Directors will further deepen their involvement in governance to help strengthen the functions of Ahresty's Board of Directors.

Governance / Introduction of Independent Directors

Independent Director

Takamitsu Sakamaki

Former President, UD Trucks Corporation (Retired on March 31, 2022)

Reason for appointment and expected roles

Takamitsu Sakamaki has proven achievements in automotive quality assurance and powertrain technology as well as extensive experience and knowledge as a manager of an automotive-related company. The Company expects that he will leverage such knowledge to provide advice, etc. from an objective, rational and analytical viewpoint on matters related to manufacturing with a focus on quality and cost awareness, and therefore it has determined that he is qualified to serve as an Independent Director.

Independent Director (Audit and Supervisory Committee member)

Shuhei Shiozawa

Chairperson of Nomination and Compensation Committee

Councilor and Professor, Faculty of Economics, Tokyo International University

Reason for appointment and expected roles

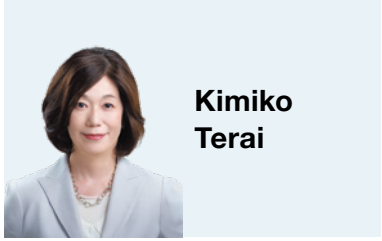
Shuhei Shiozawa is a professor of economics specializing in theoretical economics and financial theory with extensive experience and insight as a university professor of economics and president. The Company expects that he will utilize this knowledge to provide supervision and advice on the execution of duties by Directors from a specialist perspective, particularly on corporate finance and corporate management that emphasizes shareholders' value, and the Company has determined that he is qualified to act as an Independent Director serving as an Audit and Supervisory Committee member.

Akiyoshi Mori

Attorney at law, Mori & Kikuchi Law Office

Reason for appointment and expected roles

Akiyoshi Mori is a certified attorney at law with extensive experience over many years and specialized knowledge concerning corporate legal affairs. The Company expects that he will utilize this knowledge to provide supervision and advice on the execution of duties by Directors from a specialist perspective, particularly in corporate legal affairs, and the Company has determined that he is qualified to act as an Independent Director serving as an Audit and Supervisory Committee member.



Kimiko Terai

Professor, Keio University Faculty of Economics

Reason for appointment and expected roles

Kimiko Terai has deep insight and broad experience as an economist and is an academic expert familiar with the financial sector, including the social security system. The Company expects that she will utilize this knowledge to provide supervision and advice on the execution of duties by Directors from a specialist perspective, particularly on corporate governance, and the Company has determined that she is qualified to act as an Independent Director serving as an Audit and Supervisory Committee member.

Toshihiro Matsuba

Managing Director and Executive Officer, Nippon Light Metal Co., Ltd.
Senior Executive Officer, Nippon Light Metal Holdings Company, Ltd.

Reason for appointment and expected roles

Toshihiro Matsuba has extensive experience and insight as a Director and Executive Officer of a non-ferrous metal company. Therefore, the Company expects that he will utilize this knowledge to supervise and provide advice on the execution of duties by Directors from a specialist perspective, particularly with respect to the reasonableness and appropriateness of decision making of the Board, and the Company has determined that he is qualified to act as an Independent Director serving as an Audit and Supervisory Committee member.

06

DATA

Key Financial, Human Resources and Environmental Data for the 10-year Period

(Million yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Operating results										
Net sales	144,451	136,657	145,167	145,428	120,577	92,973	116,313	140,938	158,254	**162,929**
Operating income	5,385	6,912	4,718	3,228	764	△2,554	△2,422	23	2,291	**3,371**
Operating income margin (%)	3.7	5.1	3.3	2.2	0.6	△2.7	△2.1	0.0	1.4	**2.1**
Recurring income	4,077	6,256	4,436	2,905	406	△2,094	△2,032	94	2,574	**3,044**
Net income attributable to owners of parent	1,963	4,620	3,450	421	△685	△2,843	△5,189	△84	△7,699	**△2,892**
Comprehensive income	△1,310	3,171	3,971	△3,574	△3,175	△1,788	△2,267	3,288	△4,106	**1,029**
Financial condition										
Total assets	139,496	135,044	137,751	128,222	123,054	132,223	131,302	137,069	131,763	**134,094**
Net assets	59,262	62,053	65,439	61,293	57,364	55,631	53,566	56,649	51,617	**51,989**
Interest-bearing debts	42,448	32,804	31,552	30,737	33,695	45,920	42,916	43,519	40,523	**40,143**
Per share information										
Net assets per share (yen)	2,287.83	2,394.58	2,522.55	2,357.98	2,244.49	2,161.08	2,068.69	2,180.28	2,042.86	**2,091.49**
Net income per share (yen)	75.97	178.77	133.40	16.26	△26.77	△111.06	△201.23	△3.26	△300.55	**△116.26**
Dividends per share (yen)	14	20	26	22	8	5	10	10	15	**28**
Financial index										
Equity ratio (%)	42.4	45.8	47.4	47.7	46.5	41.9	40.7	41.2	39.1	**38.7**
Return on equity (%)	3.3	7.6	5.4	0.7	△1.2	△5.0	△9.5	△0.1	△14.3	**△5.6**
Price-earnings ratio (%)*1	9.6	6.4	7.1	38.9	-	-	-	-	-	**-**
Return on assets (%)	1.4	3.4	2.5	0.3	△0.5	△2.2	△3.9	△0.1	△5.7	**△2.2**
D/E ratio	0.7	0.5	0.5	0.5	0.6	0.8	0.8	0.8	0.8	**0.8**
Dividend payout ratio (consolidated) (%)*1	18.4	11.2	19.5	135.3	-	-	-	-	-	**-**
Cash flows										
Cash flows from operating activities	18,062	21,779	16,908	16,018	16,474	7,942	8,259	10,727	18,319	**15,308**
Cash flows from investing activities	△14,648	△12,932	△16,795	△14,150	△17,691	△11,570	△6,083	△6,331	△13,939	**△12,889**
Cash flows from financing activities	△4,372	△9,004	△1,391	△1,392	2,162	11,940	△5,101	△1,534	△5,951	**△1,043**
Free cash flow	3,414	8,847	113	1,868	△1,217	△3,628	2,176	4,396	4,379	**2,419**
Year-end balance of cash and cash equivalents	4,505	4,100	2,630	2,901	3,732	12,249	9,356	12,991	11,594	**13,446**
Capital expenditures and depreciation										
Capital expenditures*2	9,064	7,046	10,962	10,595	13,821	7,497	6,044	6,899	10,908	**11,101**
Depreciation	14,877	13,781	14,899	16,011	14,329	12,901	11,919	12,906	12,797	**11,731**

*1 The Price Earnings Ratio and Dividend Payout Ratio (consolidated) for fiscal years 2019 through 2024 are not shown due to net loss attributable to owners of the parent.

*2 The capital expenditures exclude those for “dies” included in tools, furniture and fixtures.

Key Financial, Human Resources and Environmental Data for the 10-year Period

(Million yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Segment information										
Japan segment die casting										
Net sales	63,583	63,008	66,818	67,988	59,500	45,584	51,746	59,019	62,007	**64,591**
Segment income	2,769	2,519	1,458	871	△444	△2,491	△1,372	250	595	**2,320**
Segment assets	48,372	51,614	54,525	54,834	53,773	55,940	51,717	50,832	54,597	**53,694**
North America segment die casting										
Net sales	45,760	40,854	39,937	39,801	30,633	21,628	28,111	36,995	47,967	**49,704**
Segment income	1,521	2,163	291	123	635	94	△1,096	△676	1,242	**△1,617**
Segment assets	45,272	41,409	38,173	32,954	29,478	29,787	31,064	31,597	32,385	**31,865**
Asia segment die casting										
Net sales	27,594	26,128	30,422	29,971	23,846	19,931	26,488	33,676	35,098	**36,534**
Segment income	573	1,758	2,378	1,841	3	△598	△547	8	△650	**1,810**
Segment assets	40,378	36,995	39,271	37,943	38,291	37,807	42,128	42,163	38,917	**44,323**
Aluminum										
Net sales	4,921	4,402	4,597	4,679	3,993	3,483	6,463	7,975	7,057	**7,212**
Segment income	338	274	213	112	169	33	265	274	141	**226**
Segment assets	2,527	2,773	3,344	3,019	2,388	2,758	4,350	4,085	4,103	**4,049**
Proprietary products										
Net sales	2,590	2,263	3,371	2,976	2,603	2,345	3,503	3,271	6,123	**4,886**
Segment income	212	155	392	314	277	320	312	285	891	**796**
Segment assets	1,797	1,213	1,997	2,194	1,282	1,018	2,573	3,271	2,639	**2,486**
Net sales by region										
Japan	70,723	69,288	74,278	75,196	65,699	51,122	61,423	70,001	74,841	**76,370**
North America	45,827	40,909	40,077	39,916	30,719	21,710	28,195	37,095	48,062	**49,760**
Asia	27,665	26,248	30,520	30,058	23,890	19,955	26,547	33,709	35,214	**36,645**
Other regions	235	212	290	257	268	185	146	132	135	**153**
Percentage of overseas sales (%)*3										
	51.0	49.3	48.8	48.3	45.6	45.0	47.2	50.3	52.7	**53.1**
Sales ratio of electric vehicle components										
	-	-	-	-	7	10	12	19	21	**24**

*3 The percentage of overseas sales is categorized by country or region based on the location of each customer

*4 Figures are after the application of the "Accounting Standard for Revenue Recognition" from fiscal year 2021.

Key Financial, Human Resources and Environmental Data for the 10-year Period

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Human resources and environment data										
Consolidated number of employees (persons)	7,055	7,215	7,268	7,337	6,780	6,124	5,940	5,499	5,590	**5,259**
Percentage of female employees (%)	-	-	-	-	-	-	-	17.4	17.4	**17.9**
Percentage of female managers (%)	-	-	-	-	-	-	-	10.3	9.5	**10.0**
Scope 1,2 CO_2 emissions (thousand t-CO_2)*5	285	264	265	257	224	195	209	207	200	**193**
Scope 3 CO_2 emissions	-	-	-	-	-	-	-	1,109	1,286	**1,240**
category1	-	-	-	-	-	-	-	386	495	**461**
category2	-	-	-	-	-	-	-	38	52	**53**
category3	-	-	-	-	-	-	-	27	29	**28**
category4	-	-	-	-	-	-	-	24	17	**9**
category5	-	-	-	-	-	-	-	0.1	0.1	**0.1**
category6	-	-	-	-	-	-	-	0.7	0.7	**0.6**
category7	-	-	-	-	-	-	-	2	2	**2**
category8	-	-	-	-	-	-	-	-	-	**-**
category9	-	-	-	-	-	-	-	-	-	**-**
category10	-	-	-	-	-	-	-	84	98	**97**
category11	-	-	-	-	-	-	-	541	587	**583**
category12	-	-	-	-	-	-	-	1	1	**1**
category13	-	-	-	-	-	-	-	-	-	**-**
category14	-	-	-	-	-	-	-	-	-	**-**
category15	-	-	-	-	-	-	-	1	1	**1**

*5 Figures from fiscal year 2015 to 2017 do not include those from company cars, cafeterias, and other items with minor impact. Refer to the "Metrics and Targets" in "Disclosure Based on TCFD Recommendations" from page 60 for reference guidelines for calculations.

Corporate Information

Corporate Profile and Business Content

Corporate Profile

Company name	Ahresty Corporation
Capital	6,964 Million
Founded	June 22, 1938
Established	November 2, 1943
Employees	Consolidated: 5,259
	Single Entity : 846

*As of March 31, 2025

Business Content

Manufacturing of Die Castings, Aluminum Alloy Ingots, Free Access Floor Panels and Peripheral Equipment for Die Casting Machine.

Directors

Chairman and Director, Chairman and Executive Officer
Arata Takahashi
Representative Director, President and CEO
Shinichi Takahashi
Representative Director,Senior Managing Executive Officer
Naoyuki Kaneta
Director,Managing Executive Officer
Hideki Nariya
Independent Director
Takamitsu Sakamaki

Director(Audit & Supervisory Committee member)
Kazuyuki Sakai
Independent Director(Audit & Supervisory Committee member)
Shuhei Shiozawa
Independent Director(Audit and Supervisory Committee member)
Akiyoshi Mori
Independent Director(Audit and Supervisory Committee member)
Kimiko Terai
Independent Director(Audit and Supervisory Committee member)
Toshihiro Matsuba

Executive Officers

Executive Officer
Yasutaka Oshima
Executive Officer
Kenichiro Mine
Executive Officer
Atsushi Shimizu
Executive Officer
Hirofumi Kondo

Stock Information

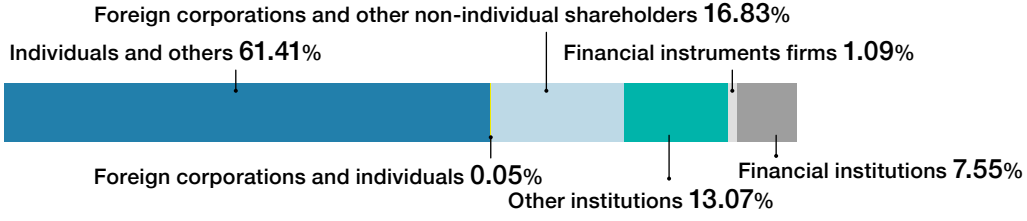
Number of shares and shareholders

Authorized shares: 60,000,000 shares

Shareholders: 11,101

Issued shares: 25,546,717 shares

Distribution by type of shareholder (As of March 31, 2025)



https://www.ahresty.co.jp/en/

Head Office and Technical Center
1-2 Nakabara, Mitsuya-cho,
Toyohashi-shi, Aichi, 441-3114, Japan
TEL. +81-532-65-2170

Tokyo Head Office
Nakanosakaue Sunbright Twin 5F, 2-46-1 Honcho,
Nakano-ku, Tokyo, 164-0012, Japan
TEL. +81-3-6369-8660

Issue: October, 2025