

(English Translation)

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(Securities Code: 6113)

June 3, 2022

To our shareholders:

Tsutomu Isobe
Representative Director, President
AMADA CO., LTD.
200, Ishida, Isehara-shi, Kanagawa, Japan

Notice of Convocation of the 84th Ordinary General Meeting of Shareholders

This is to inform you that the 84th Ordinary General Meeting of Shareholders of AMADA CO., LTD. will be held as follows.

As a shareholder may exercise his or her voting rights by either of the following manners instead of attending the meeting, please exercise your voting rights, upon examination of the enclosed referential statements, not later than 5:15 p.m. on June 27, 2022 (Monday).

[Exercise of voting rights by mail]

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

[Exercise of voting rights via the Internet]

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

1. Date: June 28, 2022 (Tuesday) at 10:00 a.m.
2. Place: At the head office of AMADA CO., LTD. located at 350, Ishida, Isehara-shi, Kanagawa (246 Hall at AMADA FORUM)

3. Agenda:

- Matters to be Reported: (1) Report on the Business Report, the Consolidated Financial Statements, and Reports by the Independent Auditors and the Audit & Supervisory Board regarding the Results of the Audit of the Consolidated Financial Statements for the 84th Fiscal Term (from April 1, 2021 through March 31, 2022)
- (2) Report on the Non-consolidated Financial Statements for the 84th Fiscal Term (from April 1, 2021 through March 31, 2022)

Matters to be Resolved:

- | | |
|--------------|--|
| First Item: | Distribution of retained earnings |
| Second Item: | Partial amendments to the Articles of Incorporation |
| Third Item: | Election of nine (9) Directors |
| Fourth Item: | Election of one (1) Alternate Audit & Supervisory Board Member |

Notice regarding countermeasures against COVID-19

There has been growing concerns over the spread of COVID-19. Accordingly, shareholders are asked to refrain from visiting the venue on the day of the meeting wherever possible, and urged to exercise their voting rights in advance by mail or via the Internet as much as possible, from the standpoint of preventing the spread of the infection. Shareholders who intend to attend the meeting in person are asked to confirm the status of the infection spread as well as their own health conditions on the day of the meeting, and to take necessary precautions to prevent infection, such as by wearing face masks, when attending the meeting. Please also be advised that necessary measures to prevent infection such as body temperature check may be taken at the meeting venue. We thank you in advance for your understanding and cooperation.

- * Of documents that should be provided when sending this Notice of Convocation, “Notes to the Non-consolidated Financial Statements” and “Notes to the Consolidated Financial Statements” are posted on our website (Japanese: <https://www.amada.co.jp/>; English: <https://www.amada.co.jp/en/>) in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation, and not included in the documents sent together with this Notice of Convocation. Those “Notes to the Non-consolidated Financial Statements” and “Notes to the Consolidated Financial Statements” are part of the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Audit & Supervisory Board Members for the preparation of their audit report and by the Accounting Auditor for the preparation of its audit report.
- * “Notes to the Non-consolidated Financial Statements” and “Notes to the Consolidated Financial Statements” have been revised to the Western calendar in order to unify the statements in this Notice of Convocation.
- * Any amendments to the referential statements for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements will be posted on the website of AMADA CO., LTD. (Japanese: <https://www.amada.co.jp/>; English: <https://www.amada.co.jp/en/>)

Information on Exercising Voting Rights

(1) Exercising voting rights by proxy

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

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

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

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

Items of Business and References

First Item: Distribution of retained earnings

The Company's shareholder return policy is to properly distribute profits to shareholders on a continuous basis while securing funds in preparation for future business expansion, targeting a payout ratio of approximately 50% for the stable distribution of retained earnings.

Pursuant to this policy, for the current dividends, the management proposes to pay the annual dividend of 38 yen per share, as initially forecasted, to pay a year-end dividend of 21 yen per share for the Fiscal Term, having already paid 17 yen per share as an interim dividend.

Matters concerning the year-end cash dividend:

(1) Kind of property:

Monetary distribution

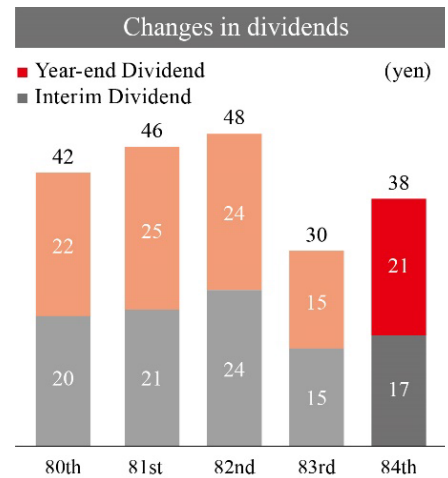
(2) Matters concerning the allocation of properties to be distributed to shareholders and the total amounts there of:

JPY21 per common share

JPY7,300,858,110 in total

(3) Effective date of distribution of retained earnings:

June 29, 2022



Second Item:**Partial amendments to the Articles of Incorporation****1. Reasons for amendments**

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="229 362 796 488"><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u></p> <p data-bbox="229 517 796 1070"><u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="373 1077 651 1111"><Newly established></p> <p data-bbox="373 1756 651 1789"><Newly established></p>	<p data-bbox="1011 362 1150 396"><Deleted></p> <p data-bbox="798 1077 1342 1111"><u>(Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="798 1122 1359 1352"><u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p data-bbox="798 1364 1359 1733">2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="911 1756 1251 1789"><u>Supplementary provisions</u></p> <p data-bbox="798 1800 1359 1982">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the</u></p>

Articles of Incorporation before the amendments and the establishment of proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).

2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation before the amendments shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.
3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.

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

The term of office for all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. To enhance the diversity of the Board of Directors and strengthen the corporate governance system, the Company proposes to increase the number of Outside Directors by one (1) and to elect nine (9) Directors.

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

Candidate Ref No.	Name	Board meeting attendance rate	Current position and responsibility in the Company	Nomination Committee	Compensation Committee
1	Tsutomu Isobe Re-election	100% (8/8 meetings)	Representative Director, President	Member	Member
2	Takaaki Yamanashi Re-election	100% (7/7 meetings)-	Director, Senior Executive Officer, Senior Executive General Manager of Sheet Metal Technology Development & Production HQ	-	-
3	Masahiko Tadokoro New election	-	Senior Executive Officer, Senior Executive General Manager of Sheet Metal Sales Business & Service HQ	-	-
4	Koji Yamamoto New election	-	Executive Officer, Executive General Manager of Corporate Management Div., Executive Supervisor of China & ASEAN region	-	-
5	Kazuhiko Miwa Re-election	100% (8/8 meetings)	Director, Executive Officer, Executive General Manager of Financial Div., in charge of Legal Affairs	-	-
6	Michiyoshi Mazuka Re-election Outside Independent	100% (8/8 meetings)	Outside Director	Chairman	Member
7	Toshitake Chino Re-election Outside Independent	100% (8/8 meetings)	Outside Director	Member	Chairman
8	Hidekazu Miyoshi Re-election Outside Independent	100% (8/8 meetings)	Outside Director	Member	Member
9	Harumi Kobe New election Outside Independent	-	-	-	-

Notes:

1. The attendance ratio of Mr. Takaaki Yamanashi at the Board of Directors meetings applies only to those held after his appointment on June 25, 2021.
2. In addition to the number of Board of Directors meetings attended listed above, there was one written resolution deemed to have been adopted by the Board of Directors pursuant to Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.



Candidate Ref No.

1

**Tsutomu
Isobe**

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

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

Re-election

Board meeting attendance rate 100%
(8/8 meetings)

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Tsutomu Isobe is making overall management decisions and overseeing business execution appropriately as the Representative Director, President of the Company. He also has in-depth knowledge in corporate management, which he acquired through many years of service in control divisions, as well as management skills as the Representative Director, President. Based on these factors, we have nominated Mr. Isobe as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

2

Takaaki
Yamanashi

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

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

Re-election

Board meeting attendance rate 100%
(7/7 meetings)

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Takaaki Yamanashi is appropriately performing his duties as the person responsible for overseeing the Company's sheet metal development division and production division. He also has broad experience and knowledge of sheet metal processing technology, acquired through his experience as a person responsible for our overseas subsidiary specialized in technology development, as well as his involvement in the development of sheet-metal processing technology and product development with a focus on laser technology for many years. Based on these factors, we have nominated Mr. Yamanashi as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

3

**Masahiko
Tadokoro**

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

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

**New
election**

Board meeting attendance rate -

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Masahiko Tadokoro is appropriately performing his duties as a senior executive general manager responsible for overseeing the sales and services division of the Company's core Sheet Metal Business. As president of a subsidiary operating cutting and grinding business, he has been appropriately performing his duties in overall management decision-making and supervision of business execution. He also has in-depth knowledge regarding global corporate management, having served as the representative of overseas subsidiaries. Based on these factors, we have nominated Mr. Tadokoro as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

4

Koji
Yamamoto

Date of Birth
January 29, 1961
(61 years old)

No. of Shares of AMADA
CO., LTD. Held (shares) 17,000 shares

New
election

Board meeting attendance rate -

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Koji Yamamoto is appropriately performing his duties as the Executive General Manager managing the Company's corporate management division and division managing the China and ASEAN business. He also has broad experience and in-depth knowledge of global corporate management, which he acquired through many years of service in promoting the Company group's overseas business, as well as serving as the representative of overseas subsidiaries. Based on these factors, we have nominated Mr. Yamamoto as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

5

Kazuhiko
Miwa

Date of Birth
March 10, 1963
(59 years old)

No. of Shares of AMADA
CO., LTD. Held (shares) 18,000 shares

Re-election

Board meeting attendance rate 100%
(8/8 meetings)

Profile, position and responsibility

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

Reasons for nomination as a candidate for Director

Mr. Kazuhiko Miwa is appropriately performing his duties as the Executive General Manager managing the Company's finance division and legal affairs. He was responsible for control divisions, and engaged in operations related to international finance at his previous post, giving him broad experience and knowledge regarding global corporate management, and finance and accounting. Based on these factors, we have nominated Mr. Miwa as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.



Candidate Ref No.

6

Michiyoshi
Mazuka

Number of years in office 6 years

Date of Birth
October 17, 1943
(78 years old)

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

Re-election Outside Independent

Board meeting attendance rate 100%
(8/8 meetings)

Profile, position and responsibility

April 1968	Joined Fujitsu FACOM Co., Ltd.	June 2014	Senior Executive Advisor and Director of this company
April 1971	Joined Fujitsu Limited		
June 2001	Director of Fujitsu Limited	June 2015	Outside Director of NIPPON CONCRETE INDUSTRIES CO., LTD. (incumbent)
June 2008	Chairman and Representative Director of this company		
September 2009	Chairman, President and Representative Director of this company	June 2016	Senior Executive Advisor of Fujitsu Limited
		June 2016	Outside Director of the Company (incumbent)
October 2009	Member of the Executive Nomination Committee and Compensation Committee of this company	April 2018	Senior Advisor of Fujitsu Limited
		June 2018	Outside Director of TSUKISHIMA KIKAI CO., LTD. (incumbent)
April 2010	Chairman and Representative Director of this company	June 2019	Retired as Senior Advisor of Fujitsu Limited
June 2012	Chairman and Director of this company		

Important concurrent positions

- Outside Director, NIPPON CONCRETE INDUSTRIES CO., LTD.
- Outside Director, TSUKISHIMA KIKAI CO., LTD.

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

Mr. Michiyoshi Mazuka, who held management posts at a global company and also served as a member of various advisory committees, possesses not only expertise as a business manager but also deep insight on corporate governance. From that perspective, he is overseeing business execution appropriately as Outside Director of the Company, such as by actively expressing his opinions at the Board of Directors meetings. As Chairman of the Nomination Committee and a member of the Compensation Committee, he attends meetings of these committees, where he gives timely and appropriate opinions. Therefore, we have nominated Mr. Mazuka as a candidate for Outside Director, expecting that he will appropriately perform his duties as Outside Director of the Company based on his experience and knowledge.



Candidate Ref No.

7

Toshitake
Chino

Number of years in office 8 years

Date of Birth
October 17, 1946
(75 years old)

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

Re-election Outside Independent

Board meeting attendance rate 100%
(8/8 meetings)

Profile, position and responsibility

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

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

Mr. Toshitake Chino has expertise as company manager and insight into the industrial society acquired from his experience working as the editor and later president at Nikkan Kogyo Shimbun Ltd. From that perspective, he is overseeing business execution appropriately as Outside Director of the Company, such as by actively expressing his opinions at the Board of Directors meetings. As Chairman of the Compensation Committee and a member of the Nomination Committee, he attends meetings of these committees, where he gives timely and appropriate opinions. Therefore, we have nominated Mr. Chino as a candidate for Outside Director, expecting that he will appropriately perform his duties as Outside Director of the Company based on his experience and knowledge.



Candidate Ref No.

8

Hidekazu
Miyoshi

Number of years in office 7 years 3 months

Date of Birth
July 17, 1950
(71 years old)

No. of Shares of AMADA
CO., LTD. Held (shares) 9,033 shares

Re-election Outside Independent

Board meeting attendance rate 100%
(8/8 meetings)

Profile, position and responsibility

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

Important concurrent positions

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

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

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



Candidate Ref No.

9

Harumi
Kobe

Number of years in office -

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

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

New
election

Outside

Independent

Board meeting attendance rate -

Profile, position and responsibility

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

Important concurrent positions

- Adviser, Aioi Nissay Dowa Insurance Co., Ltd.

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

Ms. Harumi Kobe has broad experience and a high level of expertise in Japan and abroad, which she acquired through many years of service at the Ministry of Finance, holding various important positions including serving as the first female Regional Commissioner of the Hiroshima Regional Taxation Bureau. Therefore, we have nominated Ms. Kobe as a candidate for Outside Director, expecting that she will appropriately perform her duties as Outside Director of the Company, such as by providing beneficial opinion and advice from new perspective, based on her experience and knowledge.

(Notes)

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

Fourth Item

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

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

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

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

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

Makoto Murata	Date of Birth August 17, 1947 (74 years old)	No. of Shares of AMADA CO., LTD. Held (shares)	0 shares
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Outside

Independent

Profile and position

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

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

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

(Notes)

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

(Reference) Skill Matrix of Directors and Audit & Supervisory Board Members

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

	Name		Expertise, Experience					
			Corporate Management	Finance Accounting	Legal Affairs Risk Management Compliance	Global	Sales Marketing	R&D Manufacturing
Directors	Tsutomu Isobe		○	○	○	○		
	Takaaki Yamanashi		○			○		○
	Masahiko Tadokoro		○			○	○	
	Koji Yamamoto		○			○	○	
	Kazuhiko Miwa		○	○	○			
	Michiyoshi Mazuka	Outside Independent	○		○	○	○	○
	Toshitake Chino	Outside Independent	○		○			
	Hidekazu Miyoshi	Outside Independent	○		○			○
	Harumi Kobe	Outside Independent			○	○		
Audit & Supervisory Board Members	Takaya Shigeta		○	○				
	Kotaro Shibata		○			○	○	
	Akira Takenouchi	Outside Independent			○			
	Seiji Nishiura	Outside Independent		○				

(Reference) Independence Standards for Outside Officers

AMADA CO., LTD.

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

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

Enacted on December 18, 2015

(Appendix)

Business Report
(April 1, 2021 to March 31, 2022)

1. Matters Concerning the State of the Company Group

(1) Business Progress and Results

◆ Overview

During the fiscal year under review, the global economy showed a recovery mainly in developed countries due to progress in COVID-19 vaccinations, combined with the effects of government fiscal policies and monetary easing measures by central banks. Capital investment also improved significantly. Economic growth showed signs of slowdown toward the end of the fiscal year, however, as the economic impact of the emergence of new COVID-19 variants and problems with supply constraints on parts and materials, and geopolitical risks such as Russia's invasion of Ukraine became apparent.

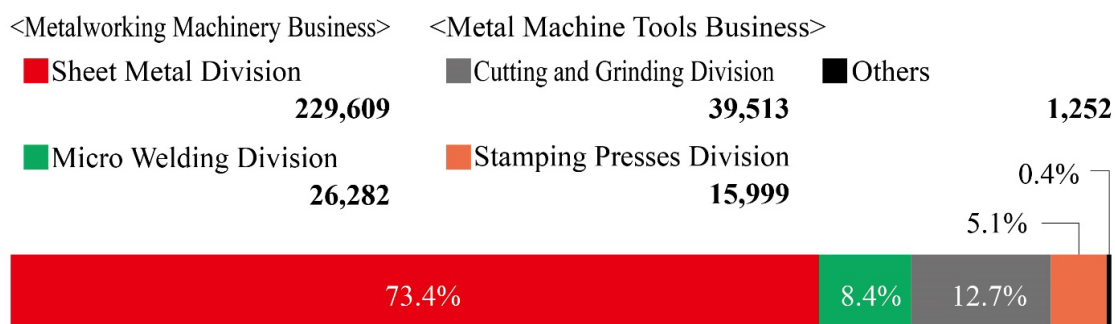
Under this business environment, regarding the Company Group's operating results for the fiscal year under review, revenue was 312,658 million yen (up 24.8% YoY). Revenue in Japan was 126,954 million yen (up 12.5% YoY) and overseas revenue was 185,704 million yen (up 35.0% YoY).

Operating profit was 38,538 million yen (up 44.3% YoY), due to increased revenue, capacity utilization effect, increased sales profit resulting from improved selling prices, effort to curb costs related to sales, which we are continuing from the previous fiscal year, and the weaker yen, despite the impact of soaring parts and material prices, and profit attributable to owners of parent was 27,769 million yen (up 49.6% YoY).

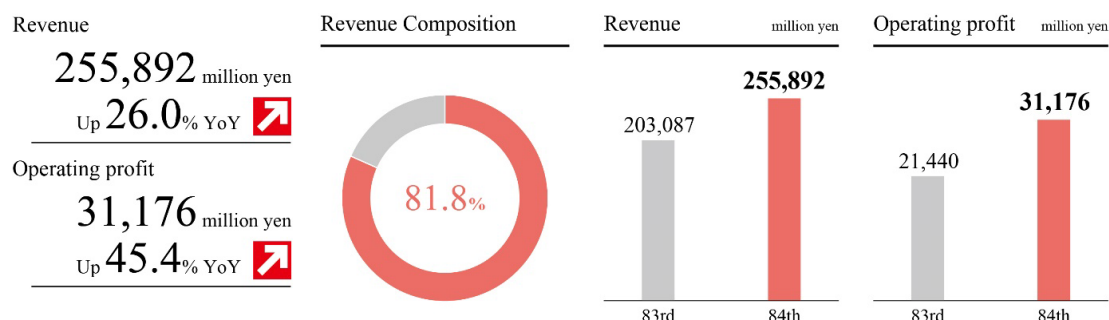
Revenue	Operating Profit	Profit Attributable to Owners of Parent
312,658 million yen	38,538 million yen	27,769 million yen
Up 24.8% YoY 	Up 44.3% YoY 	Up 49.6% YoY 
The average exchange rate during the period	USD 112. ³⁸ yen	EUR 130. ⁵⁶ yen

◆ Operational Overview by Major Business
Revenue by major business is as indicated below.

Revenue Composition by Major Business (million yen)



Metalworking Machinery Business



In the Metalworking Machinery Business, revenue was 255,892 million yen (up 26.0% YoY) and operating profit was 31,176 million yen (up 45.4% YoY).

<Sheet Metal Division>

In the Sheet Metal Division, revenue was 229,609 million yen (up 26.2% YoY). Overview by region is as follows.

Japan: In the Japanese economy, business conditions in the manufacturing sector have shown a recovery trend as business activities have continued to normalize due to the recovery of foreign demand and other factors. Machinery orders are on a par with levels before the spread of COVID-19. The Company also received a boost from government subsidies such as those to support capital investment by small and medium-sized enterprises. Orders expanded in a variety of industries, including general machinery, such as semiconductor manufacturing equipment and industrial machinery, as well as OA/computer equipment and telecommunications equipment for 5G deployment, and medical equipment. In this order environment, revenue was 88,994 million yen (up 11.4% YoY), as a result of lower production capacity utilization rates due to supply constraints, as well as orders with relatively long delivery times that took advantage of government subsidies.

North America: The U.S. economy expanded to pre-pandemic levels, buoyed by the government's fiscal policies and monetary easing measures in the first half of the fiscal year as well as progress in COVID-19 vaccinations, and capital investment was also generally firm. The Company also benefited from growing demand for automated products as companies' willingness to make capital investment increased, and revenue was 59,450 million yen (up 33.4% YoY).

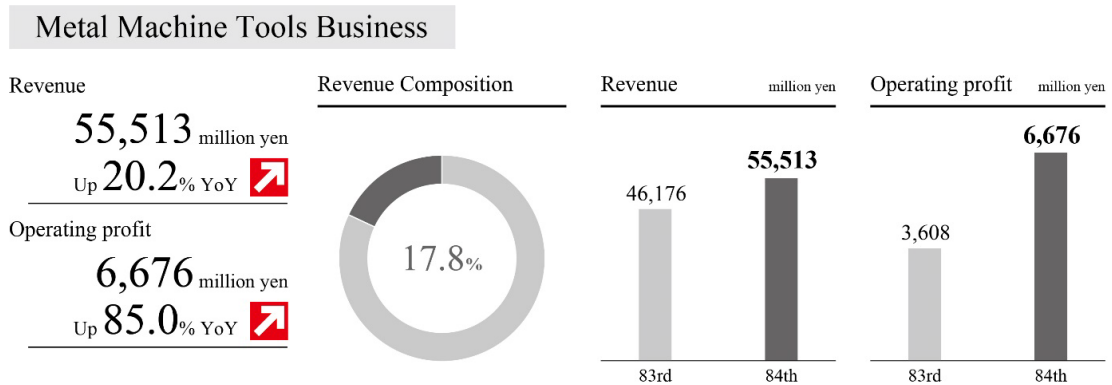
Europe: In the European economy, there was a recovery in the GDP of each country amid progress in COVID-19 vaccinations. In this environment, demand was driven by a range of products, including hydrogen energy-related products, EV charging stations, semiconductor manufacturing equipment, medical equipment, and agricultural machinery-related products, and the Company also experienced a significant increase in revenue in each of its major markets, including the U.K., France, Italy, and Germany. As a result, revenue was 50,704 million yen (up 46.1% YoY).

Asia and other regions: China, the largest market in Asia, was quick to recover from the COVID-19 pandemic and saw an increase in demand for EV/new power generation and medical equipment-related applications. However, the increase in revenue was slight due to the impact of the lockdown caused by new COVID-19 variants in the second half of the fiscal year, among other factors. In India, after the easing of the lockdown, sales related to transportation equipment such as EVs and general machinery such as machine covers were strong. In South Korea, exports were strong on the back of expanding demand for semiconductors and other products worldwide, which led to a substantial increase in sales, particularly for semiconductor production equipment and

electronic equipment. In the ASEAN region, sales of electronic components and semiconductor manufacturing equipment-related products expanded amid Malaysia's government-led efforts to attract foreign manufacturers in the electrical and electronics industries and other sectors. As a result, overall revenue for Asia and other regions was 30,460 million yen (up 33.8% YoY).

<Micro Welding Division>

In the Micro Welding Division, revenue was 26,282 million yen (up 24.4% YoY). Revenue increased in all regions, particularly in South Korea and China, where strong sales of lithium-ion batteries-related products, a mainstay product, contributed to the increase. In North America and Europe, sales for medical equipment-related applications were strong.



In the Metal Machine Tools Business, revenue was 55,513 million yen (up 20.2% YoY) and operating profit was 6,676 million yen (up 85.0% YoY).

<Cutting and Grinding Division>

In the Cutting and Grinding Division, revenue was 39,513 million yen (up 23.7% YoY). In Japan, although sales of automotive-related products remained sluggish, sales of cutting machines for construction and machine tools expanded. In overseas, sales were strong for construction-related products in North America.

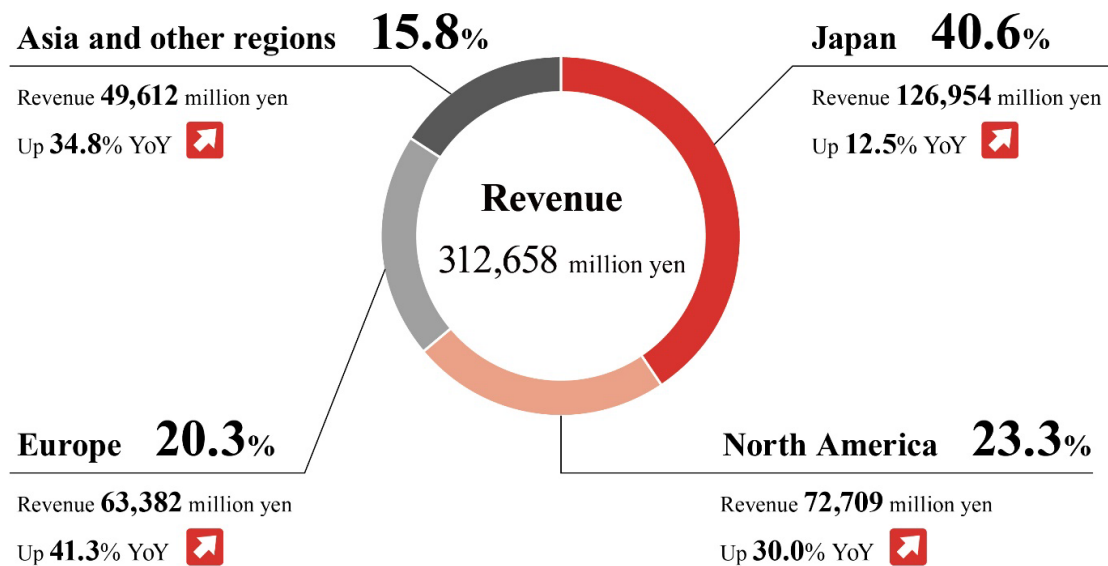
<Stamping Presses Division>

In the Stamping Presses Division, revenue was 15,999 million yen (up 12.3% YoY). In Japan, there was a sense of stagnation in customers' willingness to make capital investment, due to decrease and adjustments to automotive production stemming from supply constraints on semiconductors and other products in the mainstay automotive-related industry. However, revenue increased due to strong sales to home appliances such as environmental equipment.

◆Operational Overview by Region

Revenue by region increased by 12.5% in Japan and by 35.0% overseas. The overseas sales ratio was 59.4% compared to 54.9% in the previous fiscal year.

Status of revenue by major region is as follows.



(2) Capital Investment

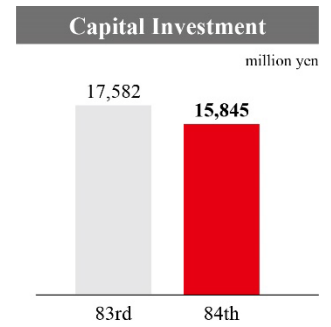
During the fiscal year under review, the Company group invested 12,688 million yen in property, plant and equipment.

In addition, expenditure for acquiring software for internal use and other intangible assets was 3,157 million yen.

Key capital investments were as follows.

1. Renovation of exhibition facility, etc. at Isehara Works.
2. Enhancement of blade production facilities in Japan, Europe and China.
3. Digital Transformation in Service Business

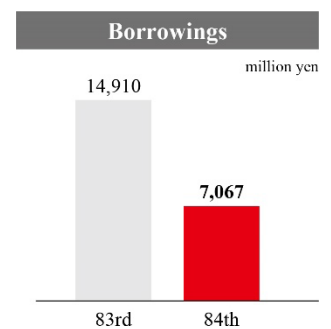
The combined total of capital investment in property, plant and equipment and expenses for intangible assets was 15,845 million yen.



(3) Fund Procurement

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

As a result, borrowings outstanding at the end of the fiscal year under review decreased by 7,843 million yen from the end of the previous fiscal year to 7,067 million yen.



(4) Challenges to face

◆ Basic policy of company management

Based on five Management Philosophies, “Growing Together with Our Customers,” “Contribute to the international community through our business,” “Develop human resources who pursue creative and challenging activities,” “Conduct sound corporate activities based on high ethics and fairness,” and “Take good care of people and the earth environment,” the Company group will respond promptly and accurately to changes in market conditions and rapid diversifying needs of our customers. Through strategic and effective use of management resources in and out of the Company, it will also provide optimal solutions to each of its business fields including metalworking machinery and metal machine tools, as well as related software, information network system and technical services, aiming for promotion of long-term growth, creation of a socially-contributing company and sustainable enhancement of corporate value.

◆ Medium- to long-term company management strategy and challenges to face

There is increased uncertainty in the external environment due to the rapidly changing global situation caused by the spread of COVID-19, which still has no end in sight, as well as the invasion of Ukraine by Russia.

In the metalworking industry, which is the Company group’s main customer, earnings have begun to be affected by soaring energy prices and increased material procurement costs. Going forward, demand for energy-saving, labor-saving, and efficiency improvement solutions to solve the issues surrounding manufacturing is expected to grow further in the future. In addition, business styles are also undergoing major changes, with increasing prevalence of remote sales activities as well as diversification of the needs of customers according to regional characteristics. At the same time, there has been an increased focus on various issues related to sustainability, including contributions to the realization of a decarbonized society.

Under these circumstances, the Group will aggressively implement the following measures.

1) Execution of growth strategy

- Expansion of laser business based on the development of innovative technologies
- Promotion of automation business by utilizing robot and software technologies
- Promotion of proposals to improve productivity and service provision that leverages IoT through the use of V-factory
- Construction of a sales model that combines real (existing facilities) and virtual (web)
- Development of a locally completed system that meets regional needs in European and North American markets
- Investment in new businesses and formation of alliances based on the search of advanced technologies

2) Establishment of robust profit structure

- Pursuing quality, cost, and delivery time by the manufacturing innovation which integrates manufacturing and development
- Realizing human-friendly as well as environmentally-friendly, cutting-edge manufacturing through IoT manufacturing reform
- Enhancing quality of service based on AI analysis; streamlining of service activities using IT

- 3) Enhancement of corporate value through improving the capital productivity
- Expansion of investment in aspects such as human resources and technology developments to strengthen the management base
 - Reduction of lead-time through local production and optimization of inventory assets by enhancing regional supply chain management structures
 - Consolidation and sale of non-core assets, including idle real estate
 - Reduction of cross-shareholdings
- 4) Proactive SDG and ESG initiatives
- Practice of ESG management that contributes to the establishment of a sustainable society and enhancing corporate value
 - Product planning and promotion of production systems that reduce environmental impact and contribute to the realization of a decarbonized society
 - Promotion of diversification of work styles and establishment of a personnel system for promoting the advancement of women
 - Implementation of social contribution activities in a wide range of areas, such as local communities, culture, education, and sports
 - Promotion of risk management and enhancement of corporate governance structure

The Company group will strive to further enhance its corporate value and aim to establish its position as the leading manufacturer of metalworking machines by steadily promoting and implementing the initiatives described above.

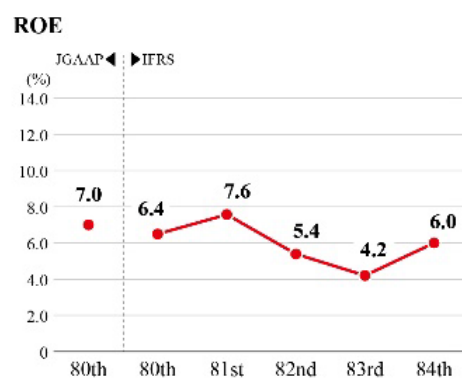
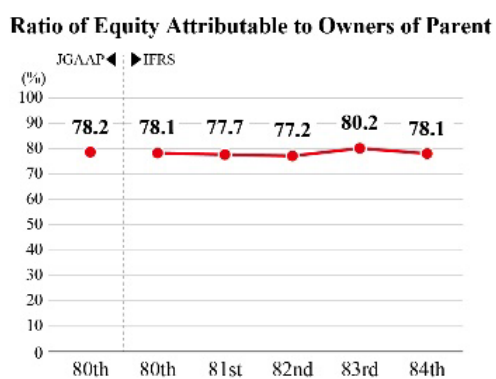
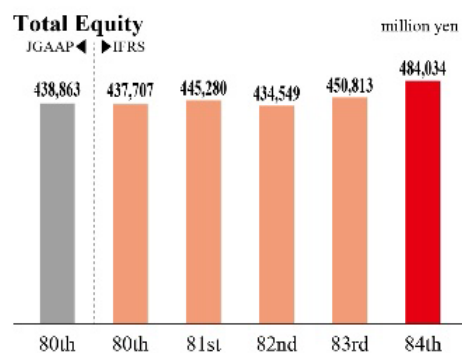
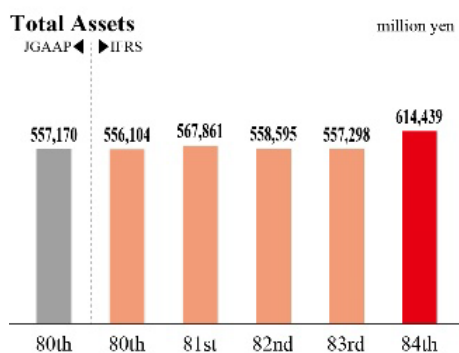
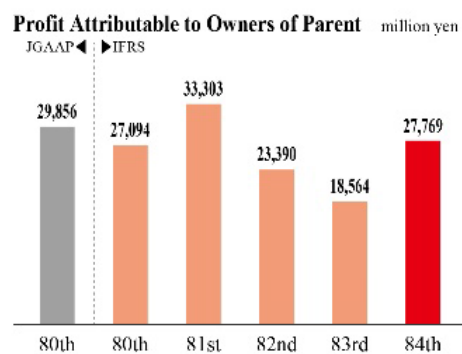
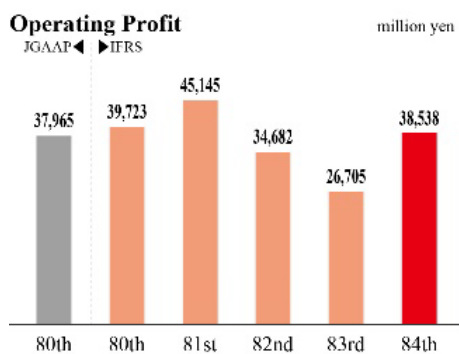
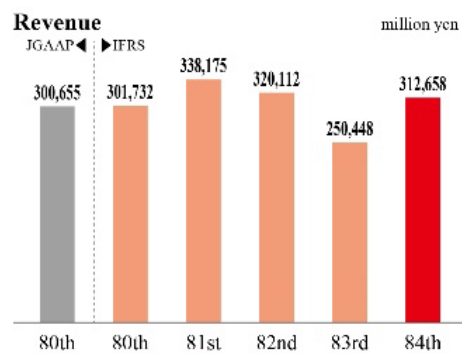
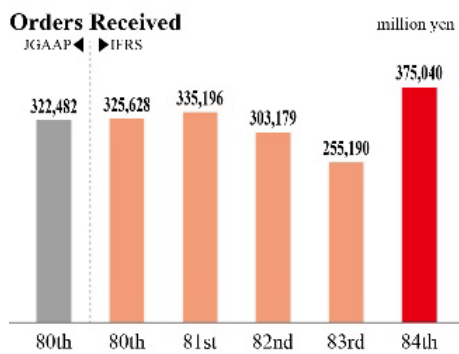
(5) Changes in Operating Results and Financial Position

		J-GAAP	IFRS				
Fiscal year		80th	80th	81st	82nd	83rd	84th (current term)
Classification		(From April 1, 2017 to March 31, 2018)	(From April 1, 2017 to March 31, 2018)	(From April 1, 2018 to March 31, 2019)	(From April 1, 2019 to March 31, 2020)	(From April 1, 2020 to March 31, 2021)	(From April 1, 2021 to March 31, 2022)
Orders received	Million yen	322,482	325,628	335,196	303,179	255,190	375,040
Revenue	Million yen	300,655	301,732	338,175	320,112	250,448	312,658
Operating profit	Million yen	37,965	39,723	45,145	34,682	26,705	38,538
Profit attributable to owners of parent	Million yen	29,856	27,094	33,303	23,390	18,564	27,769
Basic earnings per share	Yen	81.62	74.07	91.50	65.91	53.40	79.88
Total assets	Million yen	557,170	556,104	567,861	558,595	557,298	614,439
Total equity	Million yen	438,863	437,707	445,280	434,549	450,813	484,034
Owners' equity per share	Yen	1,190.97	1,186.66	1,237.85	1,239.96	1,285.95	1,380.05
Ratio of equity attributable to owners of parent	%	78.2	78.1	77.7	77.2	80.2	78.1
Ratio of profit to equity attributable to owners of parent (ROE)	%	7.0	6.4	7.6	5.4	4.2	6.0

Notes: 1. IFRS have been adopted in the preparation of consolidated financial statements from the 81st fiscal year. For reference purposes, IFRS-compliant figures for the 80th fiscal year have also been included.

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

3. In the 82nd fiscal year, the Company finalized a provisional accounting treatment related to business combinations. Accordingly, the financial figures for the 81st fiscal year have been revised.



(6) Major Subsidiaries (as of March 31, 2022)

1) Major Subsidiaries

Company Name	Location	Capital	Percentage of Voting Rights Held	Major Activities
AMADA MACHINERY CO., LTD.	Isehara-shi, Kanagawa	Million yen 400	100.00	Development, manufacture and sale of metal cutting and machine tools
AMADA WELD TECH CO., LTD.	Isehara-shi, Kanagawa	Million yen 1,606	100.00	Development, manufacture and sale of precise laser equipment and resistance welding equipment
AMADA PRESS SYSTEM CO., LTD.	Isehara-shi, Kanagawa	Million yen 1,491	100.00	Development, manufacture and sale of stamping press machines and press processing automation equipment
AMADA AUTOMATION SYSTEMS CO., LTD.	Isehara-shi, Kanagawa	Million yen 80	100.00	Manufacture of peripheral equipment of sheet metal processing products
AMADA TOOL CO., LTD.	Isehara-shi, Kanagawa	Million yen 400	100.00	Development, manufacture and sale of punches and dies
AMADA AI INNOVATION LABORATORY Inc.	Isehara-shi, Kanagawa	Million yen 10	100.00	Research and study on new businesses and technologies
AMADA NORTH AMERICA, INC.	U.S.	Thousand USD 148,450	100.00	Management control of North American subsidiaries (holding company)
AMADA AMERICA, INC.	U.S.	Thousand USD 59,000	* 100.00	Sale of sheet metal processing products in North American markets Manufacture of sheet metal processing products
AMADA MACHINERY AMERICA, INC.	U.S.	Thousand USD 4,220	* 100.00	Sale of metal cutting machines and machine tools in North America
AMADA MARVEL, INC.	U.S.	USD 30	100.00	Development and manufacture of cutting machines
AMADA CANADA LTD.	Canada	Thousand CAD 3,000	100.00	Sale of sheet metal processing products in Canada
AMADA de MEXICO, S. de R.L. de C.V.	Mexico	Thousand peso 9,494	* 100.00	Sale of sheet metal processing products in Mexico
AMADA UNITED KINGDOM LTD.	U.K.	Thousand pounds 2,606	100.00	Sale of sheet metal processing products in U.K.
AMADA GmbH	Germany	Thousand euros 6,474	* 100.00	Sale of sheet metal processing products in Germany
AMADA MACHINERY EUROPE GmbH	Germany	Thousand euros 6,000	* 100.00	Sale of metal cutting machines and machine tools in Europe
AMADA EUROPE S.A.	France	Thousand euros 28,491	100.00	Management of local subsidiaries in Europe Manufacture of sheet metal processing products
AMADA S.A.	France	Thousand euros 8,677	* 100.00	Sale of sheet metal processing products in France
AMADA ITALIA S.r.l.	Italy	Thousand euros 21,136	* 100.00	Sale of sheet metal processing products in Italy
AMADA AUSTRIA GmbH	Austria	Thousand euros 16,206	100.00	Manufacture of band saw blades, dies
AMADA SCANDINAVIA AB	Sweden	Thousand kronor 500	* 100.00	Sale of sheet metal processing products in Northern Europe
AMADA Automation Europe Ltd.	Finland	Thousand euros 50	100.00	Development and manufacture of peripheral equipment of sheet metal processing products
AMADA SP. Z O. O.	Poland	Thousand zloty 20,000	* 100.00	Sale of sheet metal processing products in Poland
AMADA (CHINA) CO., LTD.	China	Million yen 3,000	100.00	Management of local subsidiaries in China Sale of sheet metal processing products in China

Company Name	Location	Capital	Percentage of Voting Rights Held	Major Activities
AMADA LIANYUNGANG MACHINERY CO., LTD.	China	Million yen 796	* 100.00	Manufacture of band saw blades
AMADA LIANYUNGANG MACHINE TOOL CO., LTD.	China	Thousand USD 5,880	* 100.00	Manufacture of band saw blades
AMADA TAIWAN INC.	Taiwan	Thousand NT dollars 82,670	* 75.00	Sale of sheet metal processing products in Taiwan
AMADA KOREA CO., LTD.	Korea	Million won 22,200	100.00	Sale of sheet metal processing products in Korea
AMADA ASIA PACIFIC CO., LTD.	Thailand	Thousand bahts 550,850	* 100.00	Management of local subsidiaries in ASEAN countries
AMADA (THAILAND) CO., LTD.	Thailand	Thousand bahts 476,000	* 100.00	Sale of sheet metal processing products in Thailand
AMADA SINGAPORE PTE LTD.	Singapore	Thousand SGD 400	* 100.00	Sale of sheet metal processing products in Singapore
AMADA (MALAYSIA) SDN. BHD.	Malaysia	Thousand ringgits 1,000	* 100.00	Sale of sheet metal processing products in Malaysia
AMADA VIETNAM CO., LTD.	Vietnam	Million dong 8,967	100.00	Sale of sheet metal processing products in Vietnam
AMADA (INDIA) PVT. LTD.	India	Thousand rupees 87,210	100.00	Sale of sheet metal processing products in India
PT. AMADA MACHINERY INDONESIA	Indonesia	Million rupiah 13,500	* 100.00	Sale of sheet metal processing products in Indonesia
AMADA OCEANIA PTY LTD.	Australia	Thousand AUD 6,450	100.00	Sale of sheet metal processing products in Oceania
AMADA DO BRASIL LTDA.	Brazil	Thousand reais 35,600	100.00	Sale of sheet metal processing products in Brazil
AMADA MIDDLE EAST FZCO	U.A.E.	Thousand dirham 5,000	80.0	Sale of sheet metal processing products in U.A.E.

The percentages marked with an asterisk (*) include investments by subsidiaries.

- 2) Specified wholly-owned subsidiary
Not applicable.

(7) Main Businesses (As of March 31, 2022)

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

Main business items by business and division are as follows.

1) Metalworking Machinery Business

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

2) Metal Machine Tools Business

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

3) Other

Real estate leasing such as shopping centers, etc.

(8) Main Business Offices and Plants (As of March 31, 2022)

1) Domestic

Head Office, core functions	Isehara Works of the Company Group (Kanagawa)	
Development and manufacturing bases	AMADA CO., LTD. (Fujinomiya Works) (Shizuoka) (*1) AMADA CO., LTD. (Toki Works) (Gifu) (*2) AMADA MACHINERY CO., LTD. (Ono Plant) (Hyogo) AMADA WELD TECH CO., LTD. (Noda Works) (Chiba) AMADA PRESS SYSTEM CO., LTD. (Isehara Works) (Kanagawa) AMADA AUTOMATION SYSTEMS CO., LTD. (Fukushima Plant) (Fukushima) AMADA TOOL CO., LTD. (Isehara Plant) (Kanagawa), Toki Plant (Gifu)	
Sales and service bases	Sheet-metal, micro welding	AMADA CO., LTD. Solution Center (Kanagawa) AMADA CO., LTD. Fujinomiya Technical Center (Shizuoka) AMADA CO., LTD. Kansai Technical Center (Osaka) AMADA CO., LTD. sales bases (6 branches, 21 sales offices) AMADA CO., LTD. service bases (47 service centers) AMADA WELD TECH CO., LTD. sales bases (6 sales offices)
	Cutting, grinding, stamping presses	AMADA MACHINERY CO., LTD. Cutting machines sales and service bases (21 sales offices, 39 service centers) AMADA MACHINERY CO., LTD. Grinding machines sales and service bases (15 sales offices, 16 service centers) AMADA PRESS SYSTEM CO., LTD. Stamping presses sales and service bases (20 sales offices, 35 service centers) AMADA PRESS SYSTEM CO., LTD. Stamping press peripheral equipment sales and service bases (15 sales offices)

(*1) In addition to development and production bases, parts centers (bases for providing parts) are also included.

(*2) In addition to development and production bases, Technical Centers (sales and service bases) are also included.

2) Overseas

Regional headquarters	North America	AMADA NORTH AMERICA, INC. (U.S.)
	Europe	AMADA EUROPE S.A. (France)
	Asia	AMADA (CHINA) CO., LTD. (China) AMADA ASIA PACIFIC CO., LTD. (Thailand)
Sales and service bases	North America	AMADA AMERICA, INC (U.S.) AMADA MACHINERY AMERICA, INC. (U.S.) AMADA CANADA LTD. (Canada) AMADA de MEXICO, S. de R.L. de C.V. (Mexico)
	Europe	AMADA UNITED KINGDOM LTD. (U.K.) AMADA GmbH (Germany) AMADA MACHINERY EUROPE GmbH (Germany) AMADA S.A. (France) AMADA ITALIA S.r.l. (Italy) AMADA SP. Z O. O. (Poland) AMADA SCANDINAVIA AB (Sweden)
	Asia	AMADA (CHINA) CO., LTD. (China) AMADA TAIWAN INC. (Taiwan) AMADA KOREA CO., LTD. (Korea) AMADA SINGAPORE (1989) PTE LTD. (Singapore) AMADA (THAILAND) CO., LTD. (Thailand) AMADA (MALAYSIA) SDN. BHD. (Malaysia) AMADA VIETNAM CO., LTD. (Vietnam) AMADA (INDIA) PVT. LTD. (India) PT. AMADA MACHINERY INDONESIA (Indonesia)
	Other regions	AMADA OCEANIA PTY LTD. (Australia) AMADA DO BRASIL LTDA. (Brazil) AMADA MIDDLE EAST FZCO (U.A.E.)
Manufacturing bases	North America	AMADA AMERICA, INC. Brea Factory (U.S.) AMADA AMERICA, INC. High Point Factory (U.S.) AMADA TOOL AMERICA, INC. (U.S.) AMADA MARVEL, INC. (U.S.)
	Europe	AMADA EUROPE S.A. Industrial site in Charleville-Mézières, etc. (France) AMADA AUSTRIA GmbH (Austria) AMADA Automation Europe Ltd. (Finland)
	Asia	AMADA LIANYUNGANG MACHINERY CO., LTD. (China) AMADA LIANYUNGANG MACHINE TOOL CO., LTD. (China)

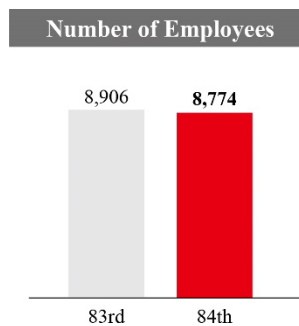
(9) Employees (As of March 31, 2022)

1) The Company Group

Number of employees	Change from the end of previous fiscal year
8,774	Down 132

2) The Company

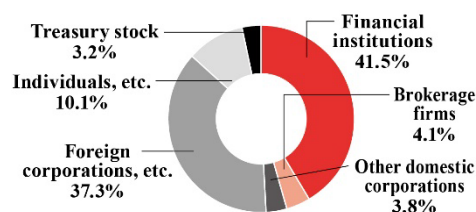
Number of employees	Change from the end of previous fiscal year
2,554	Down 122
Average age	Average service years
43.2	17.6



2. Shares of the Company (As of March 31, 2022)

- (1) Total Number of Shares Authorized 550,000,000
(2) Total Number of Shares Issued 359,115,217
(including 11,455,307 treasury shares)
(3) Total Number of Shareholders 43,066

Distribution of shareholding by type of shareholder



(4) Major Shareholders

Name of shareholder	Number of shares owned	Ratio of shareholding (*)
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust accounts)	69,813	20.08
Custody Bank of Japan, Ltd. (Trust accounts)	32,965	9.48
The AMADA FOUNDATION	9,936	2.86
THE BANK OF NEW YORK MELLON 140044	7,906	2.27
JAPAN POST INSURANCE Co., Ltd.	7,389	2.13
BNYM AS AGT/CLTS NON TREATY JASDEC	6,208	1.79
Nippon Life Insurance Company	5,894	1.70
SMBC Nikko Securities Inc.	5,257	1.51
STATE STREET BANK AND TRUST COMPANY 505001	5,157	1.48
Custody Bank of Japan, Ltd. (Security investment trust accounts)	4,707	1.35

(*) The number of treasury shares (11,455,307 shares) is excluded from the calculation of the shareholding ratio.

(5) Other Important Matters Concerning Shares

Not applicable.

3. Share Subscription Rights

Not applicable.

4. Directors and Audit & Supervisory Board Members

(1) Name of Directors and Audit & Supervisory Board Members (As of March 31, 2022)

Title	Name	Responsibility, principal occupation (Major concurrent positions)
Representative Director, President Corporate Officer	Tsutomu Isobe	
Director, Senior Executive Officer	Toshinori Kurihara	In charge of Sheet Metal Sales HQ
Director, Executive Officer	Kazuhiko Miwa	Executive General Manager of Financial Div.
Director, Executive Officer	Takaaki Yamanashi	In charge of Sheet Metal Technology Development HQ, Production HQ.
Director, Executive Advisor	Mitsuo Okamoto	(Chairman of the Board of AMADA MACHINERY CO., LTD.) (Chairman of the Board of AMADA WELD TECH CO., LTD.) (Chairman of the Board of AMADA PRESS SYSTEM CO., LTD.) (Chairman and Director, AMADA EUROPE S.A.)
Outside Director	Michiyoshi Mazuka	(Outside Director of NIPPON CONCRETE INDUSTRIES CO., LTD.) (Outside Director of TSUKISHIMA KIKAI CO., LTD.)
Outside Director	Toshitake Chino	
Outside Director	Hidekazu Miyoshi	Patent attorney (Chairman, Miyoshi & Miyoshi, Patent Office) (Representative Director, Miyoshi Industrial Property Rights Research Center Co., Ltd.)
Full-time Audit & Supervisory Board Member	Takaya Shigeta	
Full-time Audit & Supervisory Board Member	Kotaro Shibata	
Outside Audit & Supervisory Board Member	Akira Takenouchi	Lawyer (Makoto Tsuji Law Office)
Outside Audit & Supervisory Board Member	Seiji Nishiura	Tax accountant (Head, Seiji Nishiura Tax Accountant Office)

Notes:

1. Mr. Takaaki Yamanashi was newly elected as Director at the 83rd Ordinary General Meeting of Shareholders held on June 25, 2021 and assumed office.
2. Director Yukihiro Fukui retired at the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 25, 2021 due to the expiration of his term of office.
3. Mr. Takaya Shigeta, a Full-time Audit & Supervisory Board Member, not only has many years of experience in our Company's Finance Division, but has also served as Director and General Manager of Finance Department and he has in-depth knowledge in finance and accounting.
4. Messrs. Michiyoshi Mazuka, Toshitake Chino and Hidekazu Miyoshi are Outside Directors as prescribed in Article 2, Item 15 of the Companies Act. Also, the Company has notified Tokyo Stock Exchange, Inc. that the Company has designated Messrs. Mazuka, Chino and Miyoshi as Independent Officers as prescribed in the regulations of the Exchange.
5. Messrs. Akira Takenouchi and Seiji Nishiura are both Outside Audit & Supervisory Board Members as prescribed in Article 2, Item 16 of the Companies Act. Also, the Company has notified Tokyo Stock Exchange, Inc. that the Company has designated Messrs. Takenouchi and Nishiura as Independent Officers as prescribed in the regulations of the Exchange.

(2) Outline of Agreements for Limitation of Liability

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

(3) Outline of Directors and Officers Liability Insurance Contract

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

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

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

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

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

A. Basic policy

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

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

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

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

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

therefore reflects the perspective of shareholders. Specifically, the total amount to be paid shall be determined by taking into account the number of employees eligible for payment and the growth rate of dividends, up to the amount calculated by multiplying Profit of each business year by a rate of 1/50 of the dividend payout ratio (%), and the amount shall be calculated by increasing or decreasing a certain percentage of the amount according to the performance results, with individual allocations determined according to positions and responsibilities.

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

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

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

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

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

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

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

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

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

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

The amount of monetary compensation for the Company's Audit & Supervisory Board

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

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

Category of officers	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers
		Basic compensation	Performance-linked compensation	Non-monetary compensation, etc.	
Directors (Outside)	387 (24)	187 (24)	200 (—)	—	9 (3)
Audit & Supervisory Board Members (Outside)	41 (12)	41 (12)	—	—	4 (2)
Total	428	228	200	—	13 (5)

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

(4) Matters Concerning Outside Officers

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

Category	Name	Name of other organizations	Positions held in other organizations	Relationships between those organizations and the Company
Director	Michiyoshi Mazuka	NIPPON CONCRETE INDUSTRIES CO., LTD.	Outside Director	There is no special relationship.
		TSUKISHIMA KIKAI CO., LTD.	Outside Director	There is no special relationship.
	Toshitake Chino	—	—	—
	Hidekazu Miyoshi	Miyoshi & Miyoshi (Patent Office)	Chairman	The Company has transaction relationships with the companies. (Note)
Miyoshi Industrial Property Rights Research Center K.K.		Representative Director		
Audit & Supervisory Board Member	Akira Takenouchi	Makoto Tsuji Law Office	—	There is no special relationship.
	Seiji Nishiura	Seiji Nishiura Tax Accountant Office	Head	There is no special relationship.

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

2) Major activities during the current business year

Category	Name	Major activities
Director	Michiyoshi Mazuka	Attended all 8 Board of Directors meetings held during the current fiscal year and expressed his opinions based on his professional expertise as former business manager at a global company as well as experience of serving as a member of various advisory committees related to corporate governance. As the Chairman of the Nomination Committee, he also leads the operation of the committee with fairness and high transparency. In addition, as a member of the Compensation Committee, he has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals based on his knowledge.
	Toshitake Chino	Attended all 8 Board of Directors meetings held during the current fiscal year and expressed his opinions based on his expertise and experience as former editor and business manager at a newspaper company. As the Chairman of the Compensation Committee, he also leads the operation of the committee with fairness and high transparency. In addition, as a member of the Nomination Committee, he has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals based on his knowledge.
	Hidekazu Miyoshi	Attended all 8 Board of Directors meetings held during the current fiscal year and expressed his opinions based on his expertise and experience as a manager of a patent office and patent attorney. In addition, as a member of the Nomination Committee and Compensation Committee, he has appropriately fulfilled the role expected of an Outside Director by providing opinions and proposals based on his knowledge.
Audit & Supervisory Board Member	Akira Takenouchi	Attended all 8 Board of Directors meetings and all 9 Audit & Supervisory Board meetings held during the fiscal year, and expressed his opinions from his professional viewpoint as a lawyer. In addition, conducted audits of business offices and reported to the Audit & Supervisory Board in accordance with audit policies determined by the Audit & Supervisory Board.
	Seiji Nishiura	Attended all 8 Board of Directors meetings and all 9 Audit & Supervisory Board meetings held during the fiscal year, and expressed his opinions from his professional viewpoint as a certified tax accountant. In addition, conducted audits of business offices and reported to the Audit & Supervisory Board in accordance with audit policies determined by the Audit & Supervisory Board.

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

5. Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

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

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

114 million yen

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

164 million yen

Notes:

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

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

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

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

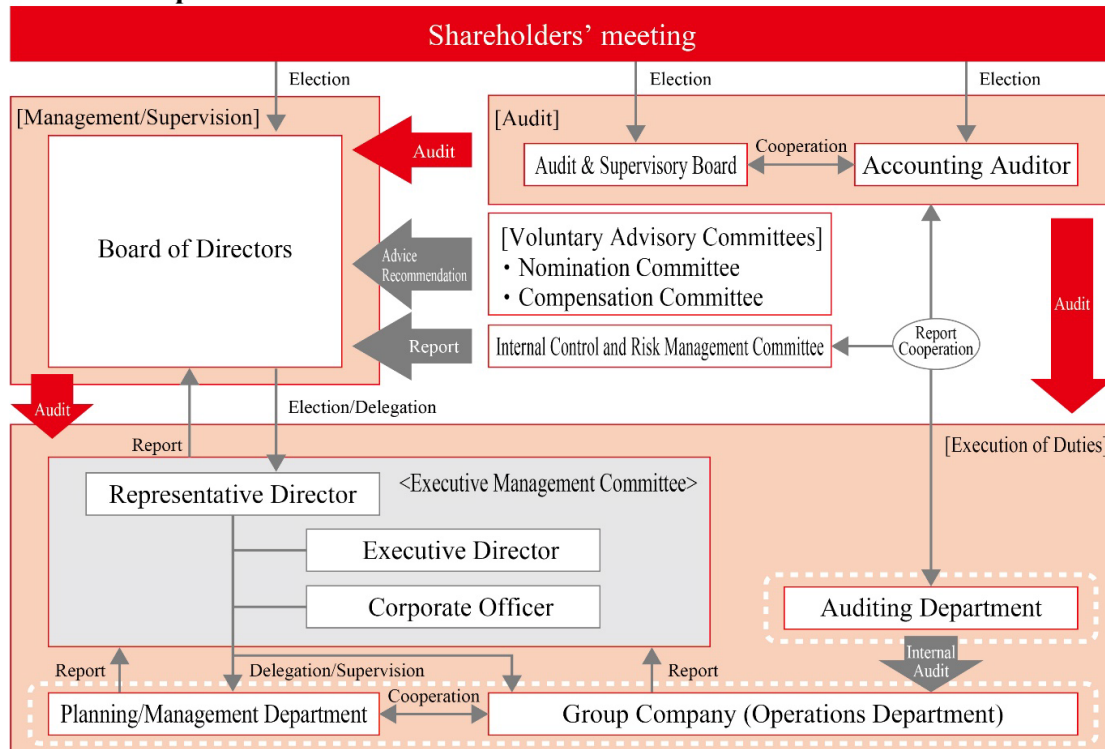
6. Corporate Governance Structure

Basic Approach and Structure for Corporate Governance

Sound corporate activities based upon high ethical standards and fairness is a crucial part of our business; therefore, we will endeavor to strengthen corporate governance according to the principles stated below to ensure transparency and compliance across our management and operations as our fundamental objective:

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

Chart of Corporate Governance Structure



7. Frameworks for proper operations and the management of frameworks

(1) Frameworks for proper operations

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

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

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

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

i) Norms shared in the Company Group

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

ii) Internal Control and Risk Management Committee

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

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

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

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

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

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

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

- i) When the Audit & Supervisory Board Members seek an employee as their assistant, such employee shall be assigned to ensure effective performance of their duties. Selection of the said employee shall be determined upon consultation between the Representative Director and the Audit & Supervisory Board Members.
 - ii) When the above employee is assigned to assist the Audit & Supervisory Board Members in their duties, any appointment or transfer of the said employee shall require the consent of the Members and their opinions shall be fully considered in the personnel evaluation of the employee.
 - iii) The Audit & Supervisory Board shall have a secretariat established, and it shall prepare, retain and manage the minutes.

- 7) Framework for reporting systems to the Audit & Supervisory Board Members by Directors and employees of the Company Group, including a ban on unfavorable treatment on whistleblowers
 - i) Directors, Corporate Officers and employees (referred to as the “Corporate Officers and employees” hereinafter) shall immediately report to the Audit & Supervisory Board Members when there is any event that has a significant impact on the Company Group, or when there is a possibility of such event. Furthermore, Corporate Officers and employees shall report and provide the necessary information as requested by the Members.
 - ii) The framework shall ensure that a Corporate Officer or employee who has reported an event to the Audit & Supervisory Board Members will not be treated unfavorably on the grounds of that report.

- 8) Matters concerning procedure for advance payment or reimbursement of costs incurred in the course of performing duties by Audit & Supervisory Board Members and policies on processing of costs or debts incurred by other duties of Members

The cost that the Audit & Supervisory Board Members require to perform their duties shall be budgeted according to the Audit Plan of the Members in advance and any emergency or ad hoc spending required in the course of audit, including an investigation, shall be prepaid or reimbursed.

- 9) Other frameworks for ensuring effective audit by the Audit & Supervisory Board Members
 - i) The Audit & Supervisory Board may use the services of lawyers, certified public accountants, consultants or other outside advisors at their own discretion when deemed necessary for the audit.
 - ii) The Audit & Supervisory Board Members shall receive an explanation about the content of the accounting audit conducted by Accounting Auditor and promote exchange of information.

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

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

 - 1) Measures related to compliance

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

2) Measures related to execution of duties by Directors

The Company resolves important matters and supervises the execution of duties by Directors at the Board of Directors meetings. In the business year under review, the Board of Directors meetings were held eight times. There was also one written resolution deemed to have been adopted by the Board of Directors. In addition, the Nomination Committee and the Compensation Committee, which is composed of a majority of Outside Directors and is chaired by an Outside Director, serves as an advisory body to the Board of Directors. Meetings are held as needed, and deliberations are conducted by making use of the knowledge and advice of Outside Directors, as part of efforts to ensure the independence and objectivity of the Board of Directors. In addition, three Outside Directors attend the Board of Directors meetings and other important meetings to offer their apt and candid opinions and are committed to monitoring and supervising the management.

3) Measures related to risk management

The Basic Rules on Risk Management stipulate basic matters related to risk management, to prevent the Company Group from incurring losses or to minimize losses should they occur, and the Company Group strives for risk management by considering countermeasures from normal times. The Internal Control and Risk Management Committee centrally manage the Company Group’s risks and promote organization-wide risk management. Individual risks are managed and controlled by Expert Committees, such as the Health and Safety Committee, Export Control Center, and Amada Group Environmental Ecology Promotion Committee. In addition, the Risk Management Subcommittee, which is a subordinate organization of the Internal Control and Risk Management Committee, determined policies relating to important risks at the Group level, such as those pertaining to personnel, property, money, and information, and takes countermeasures. Moreover, in the event of an emergency, the Company establishes an emergency task force to take swift action on crisis management.

4) Measures related to management of Group companies

The Group companies are managed pursuant to the “Rules on Administrative

Authorities of Affiliates in Japan” and “Operations Management Rules for Overseas Affiliates” to improve operational efficiency and optimization. A department in charge of each Group company actively performs the role of guiding management.

The Auditing Department checks the progress of development and operations of the internal control systems of Group companies, is committed to early detection of any issues and prevention of occurrence of losses, and provides recommendations and guidance on improvements.

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

The Audit & Supervisory Board Members attended the Board of Directors meetings and other important meetings, and received reports on the results of internal audits of the Company Group conducted by the Auditing Department. In addition, they have worked to ensure the efficiency of audits by conducting on-site audit of important business bases including subsidiaries, browsing approval and other important documents, exchanging opinions with the Representative Director, receiving reports from Directors and employees and conducting interviews on their operations.

Regarding the relation with Accounting Auditor, while monitoring independence and appropriateness of audits, reports on the Audit Plan were accepted, quarterly review and year-end audit results were reported, opinions were exchanged, and there was a consultation on enhancement of effectiveness and efficiency of audits.

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

Consolidated Statement of Financial Position

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

Item	Current fiscal year (As of March 31, 2022)	(Reference) Previous fiscal year (As of March 31, 2021)	Item	Current fiscal year (As of March 31, 2022)	(Reference) Previous fiscal year (As of March 31, 2021)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and cash equivalents	106,791	75,868	Trade and other payables	58,828	42,009
Trade and other receivables	123,468	115,534	Borrowings	4,822	11,220
Inventories	101,885	81,765	Income taxes payable	9,120	2,034
Other financial assets	23,388	25,679	Other financial liabilities	4,172	3,014
Other current assets	8,598	8,161	Provisions	2,076	1,755
Total current assets	364,132	307,009	Other current liabilities	32,635	25,085
Non-current assets			Total current liabilities	111,655	85,118
Property, plant and equipment	164,429	160,270	Non-current liabilities		
Goodwill	6,251	6,067	Borrowings	2,244	3,690
Intangible assets	11,900	13,532	Other financial liabilities	9,712	10,127
Investments accounted for using equity method	487	420	Retirement benefit liability	3,025	3,072
Other financial assets	52,834	54,766	Provisions	7	6
Deferred tax assets	5,343	6,124	Deferred tax liabilities	503	1,116
Other non-current assets	9,059	9,106	Other non-current liabilities	3,255	3,352
Total non-current assets	250,307	250,288	Total non-current liabilities	18,749	21,367
Total Assets	614,439	557,298	Total Liabilities	130,405	106,485
			(Equity)		
			Share capital	54,768	54,768
			Capital surplus	143,883	143,883
			Retained earnings	269,067	252,315
			Treasury shares	(12,095)	(12,092)
			Other components of equity	24,164	8,202
			Total equity attributable to owners of parent	479,788	447,077
			Non-controlling interests	4,246	3,735
			Total Equity	484,034	450,813
			Total Liabilities and Equity	614,439	557,298

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

Consolidated Statement of Profit or Loss

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

Item	Current fiscal year (From April 1, 2021 to March 31, 2022)	(Reference) Previous fiscal year (From April 1, 2020 to March 31, 2021)
Revenue	312,658	250,448
Cost of sales	(179,015)	(151,246)
Gross profit	133,643	99,201
Selling, general and administrative expenses	(94,432)	(81,547)
Other income	1,568	14,150
Other expenses	(2,240)	(5,098)
Operating profit	38,538	26,705
Finance income	3,899	2,942
Finance costs	(2,067)	(864)
Share of profit of investments accounted for using equity method	126	35
Profit before tax	40,496	28,818
Income tax expense	(12,497)	(10,081)
Profit	27,999	18,737
Profit attributable to:		
Owners of parent	27,769	18,564
Non-controlling interests	229	173
Profit	27,999	18,737

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

Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

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

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at April 1, 2021	54,768	143,883	252,315	(12,092)
Profit	—	—	27,769	—
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	27,769	—
Dividends	—	—	(11,125)	—
Purchase of treasury shares	—	—	—	(3)
Disposal of treasury shares	—	0	—	0
Transfer from other components of equity to retained earnings	—	—	107	—
Total transactions with owners	—	0	(11,017)	(3)
Balance at March 31, 2022	54,768	143,883	269,067	(12,095)

	Equity attributable to owners of parent							Non-controlling interests	Total equity
	Other components of equity					Total	Total		
	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total				
Balance at April 1, 2021	—	4,291	3,915	(4)	8,202	447,077	3,735	450,813	
Profit	—	—	—	—	—	27,769	229	27,999	
Other comprehensive income	121	1,796	14,137	14	16,069	16,069	426	16,495	
Comprehensive income	121	1,796	14,137	14	16,069	43,839	655	44,495	
Dividends	—	—	—	—	—	(11,125)	(145)	(11,270)	
Purchase of treasury shares	—	—	—	—	—	(3)	—	(3)	
Disposal of treasury shares	—	—	—	—	—	0	—	0	
Transfer from other components of equity to retained earnings	(121)	13	—	—	(107)	—	—	—	
Total transactions with owners	(121)	13	—	—	(107)	(11,128)	(145)	(11,274)	
Balance at March 31, 2022	—	6,101	18,052	9	24,164	479,788	4,246	484,034	

Balance Sheet

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

Item	Current fiscal year (As of March 31, 2022)	(Reference) Previous fiscal year (As of March 31, 2021)	Item	Current fiscal year (As of March 31, 2022)	(Reference) Previous fiscal year (As of March 31, 2021)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits	44,987	25,270	Notes payable - trade	623	397
Notes receivable - trade	13,645	17,228	Accounts payable - trade	12,332	7,801
Accounts receivable - trade	47,838	36,356	Electronically recorded obligations - operating	17,596	11,636
Securities	19,503	27,599	Lease obligations	68	75
Merchandise and finished goods	17,657	14,928	Accounts payable - other	2,392	1,044
Work in process	5,939	3,157	Accrued expenses	3,298	6,992
Raw materials and supplies	10,874	7,446	Income taxes payable	5,242	383
Advance payments - trade	27	55	Contract liabilities	2,762	2,492
Prepaid expenses	470	342	Deposits received	24,938	19,783
Short-term loans receivable	2,021	2,373	Provision for product warranties	428	294
Accounts receivable - other	7,036	6,488	Provision for bonuses	2,331	1,818
Other	504	502	Provision for directors' bonuses	236	157
Allowance for doubtful accounts	(650)	(886)	Other	310	258
Total current assets	169,855	140,864	Total current liabilities	72,560	53,137
Non-current assets			Non-current liabilities		
Property, plant and equipment			Lease obligations		
Buildings	53,282	47,331	Lease obligations	26	29
Structures	6,017	5,648	Deferred tax liabilities	1,534	527
Machinery and equipment	11,018	12,331	Deferred tax liabilities for land revaluation	477	477
Vehicles	132	137	Provision for retirement benefits	135	139
Tools, furniture and fixtures	2,085	2,010	Provision for loss on business of subsidiaries and associates	12	—
Assets for rent	5,658	5,659	Asset retirement obligations	7	6
Land	32,274	32,262	Long-term guarantee deposited	932	948
Leased assets	36	46	Other	889	1,016
Construction in progress	946	3,002	Total non-current liabilities	4,016	3,145
Total property, plant and equipment	111,452	108,430	Total Liabilities	76,576	56,283
Intangible assets			(Net Assets)		
Goodwill	—	0	Shareholders' equity		
Patent right	1	1	Capital stock	54,768	54,768
Software	7,142	8,478	Capital surplus		
Telephone subscription right	109	109	Legal capital surplus	163,199	163,199
Other	9	12	Other capital surplus	0	—
Total intangible assets	7,263	8,601	Total capital surplus	163,199	163,199
Investments and other assets			Retained earnings		
Investment securities	51,877	53,797	Legal retained earnings	9,126	9,126
Shares of subsidiaries and associates	69,832	69,923	Other retained earnings		
Investments in capital of subsidiaries and associates	20,724	20,748	Reserve for reduction entry of land	408	408
Long-term loans receivable	1,521	1,738	Reserve for reduction entry of depreciable assets	5,607	5,955
Long-term prepaid expenses	298	303	General reserve	111,852	111,852
Prepaid pension costs	4,882	3,636	Retained earnings brought forward	27,155	19,690
Real estate lease investment assets	1,036	1,211	Total retained earnings	154,150	147,033
Other	930	936	Treasury shares	(12,095)	(12,092)
Allowance for doubtful accounts	(637)	(640)	Total shareholders' equity	360,022	352,909
Total investments and other assets	150,466	151,656	Valuation and translation adjustments		
Total non-current assets	269,182	268,689	Valuation difference on available-for-sale securities	11,631	9,552
Total Assets	439,038	409,553	Revaluation reserve for land	(9,191)	(9,191)
			Total valuation and translation adjustments	2,439	360
			Total Net Assets	362,461	353,270
			Total Liabilities and Net Assets	439,038	409,553

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

Statement of Income

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

Item	Current fiscal year (From April 1, 2021 to March 31, 2022)	(Reference) Previous fiscal year (From April 1, 2020 to March 31, 2021)
Net sales	154,208	121,727
Cost of sales	101,869	82,437
Gross profit	52,339	39,290
Selling, general and administrative expenses	36,406	33,572
Operating income	15,932	5,717
Non-operating income	9,921	10,677
Interest income	113	143
Interest on securities	209	253
Dividend income	7,346	7,810
Gain on sales of investment securities	—	29
Commission fee	431	449
Foreign exchange gains	935	719
Other	885	1,272
Non-operating expenses	280	558
Interest expenses	2	1
Loss on valuation of investment securities	—	493
Loss on valuation of derivatives	262	25
Provision for loss on business of subsidiaries and associates	12	—
Other	2	37
Ordinary income	25,573	15,837
Extraordinary income	197	47,108
Gain on sales of non-current assets	6	10,190
Gain on sales of investment securities	—	89
Gain on extinguishment of tie-in shares	—	36,599
Gain on retirement of bond	153	—
Gain on liquidation of subsidiaries and associates	37	—
Government grant income	—	230
Extraordinary losses	1,671	1,612
Loss on retirement of non-current assets	1,665	1,131
Impairment loss	—	167
Loss on sales of investment securities	—	52
Cancellation penalty	—	174
Other	5	87
Income before income taxes	24,100	61,333
Income taxes – current	5,768	1,612
Income taxes – deferred	90	3,726
Total income taxes	5,858	5,338
Profit	18,241	55,994

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

Statement of Changes in Equity (From April 1, 2021 to March 31, 2022) (Millions of yen; amounts less than one million yen are truncated.)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Capital surplus Total	Legal retained earnings	Other retained earnings		
						Reserve for reduction entry of land	Reserve for reduction entry of depreciable assets	General reserve
Balance at April 1, 2021	54,768	163,199	—	163,199	9,126	408	5,955	111,852
Changes of items during period								
Reversal of reserve for reduction entry of depreciable assets	—	—	—	—	—	—	(348)	—
Dividends of surplus	—	—	—	—	—	—	—	—
Profit	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—
Disposal of treasury shares	—	—	0	0	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during period	—	—	0	0	—	—	(348)	—
Balance at March 31, 2022	54,768	163,199	0	163,199	9,126	408	5,607	111,852

	Shareholders' equity				Valuation and translation adjustments			Total net assets
	Retained earnings		Treasury shares	Shareholders' equity Total	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
	Other retained earnings	Retained earnings Total						
Balance at April 1, 2021	19,690	147,033	(12,092)	352,909	9,552	(9,191)	360	353,270
Changes of items during period								
Reversal of reserve for reduction entry of depreciable assets	348	—	—	—	—	—	—	—
Dividends of surplus	(11,125)	(11,125)	—	(11,125)	—	—	—	(11,125)
Profit	18,241	18,241	—	18,241	—	—	—	18,241
Purchase of treasury shares	—	—	(3)	(3)	—	—	—	(3)
Disposal of treasury shares	—	—	0	0	—	—	—	0
Net changes of items other than shareholders' equity	—	—	—	—	2,078	—	2,078	2,078
Total changes of items during period	7,464	7,116	(3)	7,113	2,078	—	2,078	9,191
Balance at March 31, 2022	27,155	154,150	(12,095)	360,022	11,631	(9,191)	2,439	362,461