

(Translation)

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Corporate Governance Report

Last Update: August 21, 2026

Amada Co., Ltd.

Takaaki Yamanashi,

Representative Director, President

Contact: IR Section, RHQ Management Department

Securities Code: 6113

<https://www.amada.co.jp/>

The corporate governance of Amada Co., Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

At the Company, we believe that sound corporate activities based upon high ethical standards and fairness make a crucial part of our business philosophy, and thus we shall endeavor to strengthen corporate governance according to the principles stated below, ensuring the 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

The Company shall establish the Corporate Governance Guidelines, resolved by the Board of Directors, for the purpose of achieving sustainable growth and improving the Company’s long-term corporate value so that the Company’s shares are held on a long-term basis by its shareholders.

[Reference] Corporate Governance Guidelines

<https://www.amada.co.jp/ja/ir/cg/> (Japanese)

<https://www.amada.co.jp/en/ir/cg/> (English)

The following terms in the subsequent description are defined as:

- Management: Executive Directors
- Senior Management Executives: Directors in a managerial position
- Officers: Directors and Audit & Supervisory Board Members

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

[Supplemental Principle 4-8-2. Effectiveness of Independent External Directors]

We have four independent external directors, each of whom is responsible for supervising the execution of business operations from an independent standpoint and provides useful opinions and suggestions at Board meetings as appropriate. An independent external director also chairs the Nomination & Compensation Committee, which is a voluntary advisory body, and leads committee activities. In addition, we provide independent external directors with opportunities to communicate with management whenever necessary in order to ensure that they work closely with each other. Therefore, we do not believe that electing a head of independent external directors is necessary.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1-4. Cross-Shareholdings]

1. Policies regarding cross-shareholdings

The number of shares of other companies that the Company holds shall be kept to the minimum necessary, and the Board of Directors shall annually assess whether or not to hold individual cross-shareholdings, closely examining whether the benefits and risks from each holding cover the Company's cost of capital. Any cross-held shares, except for those that are deemed rational to continue to be held as a result of such assessment, will be sold.

2. Policies regarding the exercise of voting rights associated with cross-held shares

The Company will vote for an agenda that it considers will contribute to increasing the value of shares it holds, whereas it will vote against if it believes that such agenda may damage the value of shares, after examining the business policies and strategies of the companies invested in.

[Principle 1-7. Related Party Transactions]

The Company stipulates in the regulations of the Board of Directors that any conflicts of interest transactions between the Company and any of its officers or major shareholders (who hold 10% or more of the total voting rights in their own name or another person's name) shall individually be reported to and obtain prior approval from the Board of Directors. Upon the execution of such a transaction that has been approved by the Board of Directors, the results shall be reported to the Board of Directors, setting up a system that enables monitoring to ensure that such transactions cause no damage to the Company's interests and its shareholders' common interests. Additionally, the performance of such transactions is disclosed in a timely and appropriate manner according to the related laws and regulations.

[Supplementary Principle 2-4-1. Ensuring Diversity, Including Active Participation of Women]

1. Ensuring diversity

Moving forward in line with our management philosophy that seeks to "develop human resources who pursue creative and challenging activities," we are making a group-wide effort to improve our personnel as well as education and training systems so that our most vital resource, our employees, will continue to be the driving force behind innovation and reach their fullest potential. We are also working to ensure diversity in our workforce that keeps operations running since diversity is crucial to growth in the global market.

2. Progress on ensuring diversity

Looking ahead to future changes in the work environment, we see greater participation of women in the workforce as a vital issue we need to zero in on. As of the end of March 2026, women made up 3.4% of managers at Amada and its three major subsidiaries in Japan. In ensuring diversity in our workforce, we place a high priority on seeing women promoted to leadership positions. We continue to provide training for female management candidates and their supervisors, as well as young and mid-career employees, that is tailored to their rank and experience. As a result of these efforts to support the advancement of women in the workplace, the number of female managers remained at 19 in the fiscal year ended March 31, 2026,

accounting for only 11.87% of all regular full-time employees (on a non-consolidated basis); however, our ongoing efforts to hire more women have been effective. In fact, women accounted for 26.4% of all new graduates who joined our company as regular full-time employees in April 2026. We will continue to focus on hiring and training female employees and strive to increase the percentage of women in management positions with an eye to improving diversity in the workplace.

On the other hand, we have a large number of foreign nationals in managerial positions at our overseas subsidiaries, and we aim to keep it that way. In addition, we promote mid-career hires to management positions based on their abilities without discrimination or distinction of any kind. We are currently hiring mid-career employees on an ongoing basis in order to secure excellent human resources, and we plan to maintain the percentage of mid-career employees who are promoted to managerial positions at the current level.

3. Policies on developing human resources and improving work environments to ensure diversity as well as the implementation status thereof

Our Group's human resources development policy is designed to help a diverse range of employees develop the skills needed to create their own career paths. We provide employees with education and training opportunities appropriate for their career stages in order to facilitate capacity building and growth. We employ a systematic way of recruiting, training, and assigning employees with a focus on developing a pool of talented executive management candidates, including women, globally competent individuals, and technical experts in cutting-edge and specialized fields.

In order to become an organization with a diverse range of employees that can reach their full potential and take on the challenge of creating value, we are implementing measures in line with our policy of creating a rewarding workplace in which each and every employee of the Group can feel comfortable in their jobs and find their work fulfilling. We will create a safe and healthy working environment for our employees, both mentally and physically, and strengthen the foundation for long-term job security. In addition, we will support a variety of work arrangements that suit the environment and circumstances of our employees, and reform our personnel system to provide for appropriate evaluations of work performance as well as compensation based on said evaluations, all with an aim of improving job satisfaction.

As concrete measures to improve the working environment, we encouraged all employees to take paid leave and male employees to take parental leave in the previous Medium-term Business Plan. In encouraging the use of paid leave, we have promoted the hourly paid leave system and individual planned paid leave in which employees apply in advance to take a certain number of paid leave days every half year. We also used a paid leave dashboard to provide supervisors with visibility into the leave-taking status of their subordinates. As a result, the paid leave utilization rate for the fiscal year ended March 31, 2026 was 82.2% (on a non-consolidated basis plus the three major Group companies in Japan). We are also working to raise awareness among eligible male employees about our parental leave programs, while making it mandatory for their supervisors to encourage the eligible employees to utilize the programs. In addition, in order to ensure a smooth return to work, we use an interview sheet for parental leave return support so that both parent employees have a clear understanding of the process from leave to return to work, their specific roles, and the details of their duties. As a result of these initiatives, the percentage of male employees who took parental leave was 86.7% in the fiscal year ended March 31, 2026 (on a non-consolidated basis plus the three major Group companies in Japan).

[Principle 2-6. Roles of Corporate Pension Funds as Asset Owners]

Corporate pension funds are managed by Corporate Pension fund of Amada in the Company. Decision-making on asset management for the pension fund, such as selection of asset managers and investment funds, is carried out by Board of Delegates based upon consultation with the Asset Management Committee by taking external advisors' opinions into consideration. All the asset managers of the pension fund have accepted the Stewardship Code, and hold an investment management briefing on a quarterly basis and conduct qualitative and quantitative evaluation on investment. The pension fund has qualified personnel assigned to the secretariat and works to enhance their qualifications by sending them to external seminars, etc. The pension fund implements thorough compliance training and enforces a management structure that avoids a conflict of interest between the Company and beneficiaries.

[Principle 3-1. Full Disclosure (i)]

The Company's website presents its management philosophy and the code of conduct comprised of 10 articles that all officers and employees of the Company and its group companies must comply with upon conducting business activities without exception. Aiming to achieve sustained growth and enhance our corporate value, the Company and its group companies also formulated the Medium-term Business Plan 2030 for the period from fiscal 2026 to fiscal 2030, which was announced in May 2026. An overview of the plan has been made available on the Company's website.

[Reference] Management Philosophy

<https://www.amada.co.jp/ja/corporate/philosophy/> (Japanese)

<https://www.amada.co.jp/en/corporate/philosophy/> (English)

[Reference] Code of Conduct

<https://www.amada.co.jp/ja/corporate/conduct/> (Japanese)

<https://www.amada.co.jp/en/corporate/conduct/> (English)

[Reference] Medium-term Business Plan 2030

https://ssl4.eir-parts.net/doc/6113/ir_material_for_fiscal_ym14/203554/00.pdf (Japanese)

https://ssl4.eir-parts.net/doc/6113/ir_material_for_fiscal_ym25/203560/00.pdf (English)

[Principle 3-1. Full Disclosure (ii)]

Please refer to the preceding paragraph "1-1. Basic Views" in this report for the basic view and basic policy of the Company's corporate governance.

[Principle 3-1. Full Disclosure (iii)]**1. Policies for determining compensation**

The compensation of the Company's directors consists of "basic compensation," which is fixed compensation, "bonuses" that fluctuate according to the level of performance achieved in each financial period, and "stock compensation" that varies according to the degree of achievement of the target for the performance indicators over the medium to long term. As for basic compensation, the amount to be paid to individual directors is determined based on the Company's predetermined compensation standard amounts according to their job positions and responsibilities, within the range of the total amount set by resolution of a General Meeting of Shareholders.

Bonuses are treated as a short-term incentive and linked to the profit attributable to owners of parent (hereinafter referred to as "profit") achieved in each financial period, which is important as a management indicator and serves as a dividend resource, valuing the perspective of shareholders. Specifically, the total amount of bonuses to be paid to the Company's directors is determined by taking the number of eligible directors and the growth rate of dividends into account, with the upper limit set at the amount obtained by multiplying the profit for each fiscal year by one-fiftieth (1/50) of the dividend payout ratio (%). Allocations of bonuses to individual directors are determined at a Board of Directors meeting according to their job positions and responsibilities, subject to an increase or decrease by a certain percentage depending on their achievements.

The purpose of the performance-linked stock compensation, positioned as a medium- to long-term incentive, is to increase the awareness among directors of the need to help improve the Company's medium- to long-term corporate value, and also to further enhance the awareness of sharing interests with shareholders by promoting ownership of the Company's shares. This is a plan under which evaluation is conducted for the fiscal years covered by the Medium-term Business Plan of the Company (hereinafter referred to the "Target Period") based on the degree of achievement of the target for the performance indicators, etc. for each fiscal year during the Target Period, and then shares are delivered to directors after the end of the Target Period. Specifically, as a right to receive the delivery of shares, directors (excluding external directors) are granted points each fiscal year in accordance with their positions. The number of points to be granted shall be variable between 0% and 200% depending on the degree of achievement of the target for performance indicators, etc. After that, one (1) share of the Company will be delivered to directors for one (1) point. The performance indicators shall be set based on the management indicators, etc. set forth in the Medium-term Business Plan of the Company, and 1. revenue, 2. operating profit, 3. ROE, etc. shall be used. If a director is found to have committed serious wrongdoing or violated laws and regulations, the Company may forfeit the points granted to the director (malus) or demand the return of the amount of

money equivalent to the Company's shares, etc. delivered to the director (clawback). Please refer to the annual securities report posted on the Company's website for the details of the "Policies for determining remuneration for individual directors" (Japanese only).

[Reference] Annual securities report (Japanese only)

<https://www.amada.co.jp/ja/ir/document/securities/>

2. Procedures for determining compensation

Basic compensation, bonuses, and stock compensation shall be approved at a Board of Directors meeting through deliberation by the voluntary Compensation Committee after the Human Resources Department determines how to allocate the total compensation within the upper limit set by resolution of a General Meeting of Shareholders.

[Principle 3-1. Full Disclosure (iv)]

1. Policies for selecting candidate officers

In nominating director candidates, the Company respects the policy of nominating candidates who can fulfill the duties and responsibilities of a director and satisfy the management role as a director entrusted to them by shareholders, and who have rich experience and deep insights in management. As for nominating candidates for directors who are audit & supervisory committee members, the Company follows the principle of nominating a person as a candidate after comprehensively considering their qualities such as their expertise in finance and accounting, and diverse knowledge of corporate management, together with a high level of independence.

2. Procedures for selecting candidate officers

Candidates for directors are determined by the Board of Directors after deliberation by the voluntary Nomination & Compensation Committee. For directors (excluding directors who are audit & supervisory committee members), the representative director prepares a draft of candidates for directors, which is decided by the Board of Directors. For directors who are audit & supervisory committee members, the representative director recommends candidates to the Audit & Supervisory Committee, and decisions are made at a Board meeting after obtaining the consent of the Audit & Supervisory Committee, or the Audit & Supervisory Committee recommends candidates to the Board of Directors, and decisions are made at a Board meeting.

3. Policies and procedures in the dismissal of officers

As for the dismissal of officers, the Company shall adopt a resolution at a Board of Directors meeting through deliberation by the voluntary Nomination & Compensation Committee regarding submission of a proposal on dismissal of an officer to the General Meeting of Shareholders when it is determined that such officer is deemed no longer to possess the qualification set forth in 1. Above, or when such officer has neglected his/her duties, causing a significant impairment of corporate value, or when such officer has violated relevant laws and regulations and the Articles of Incorporation, or when it has become difficult for such officer to continue to perform his/her duties for health reasons.

[Principle 3-1. Full Disclosure (v)]

The Company discloses personal histories of all candidates for officers and reasons for electing each individual in the notice of convocation of the General Meeting of Shareholders. When dismissing an officer, reasons for dismissal of such officer will be disclosed in the notice of convocation of the General Meeting of Shareholders. Please refer to the Company's website where the notice of convocation of the General Meeting of Shareholders is made available.

[Reference] Notice of convocation of the most recent General Meeting of Shareholders

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

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

[Supplementary Principle 3-1-3. Full Disclosure]

1. Sustainability initiatives

The Group positions sustainability-related issues as the foundation for value creation to achieve its Long-term Vision. Under the Medium-term Business Plan 2030, which starts in fiscal 2026, we will continue to promote efforts to address these issues in a systematic and strategic manner across the Group. As part of these efforts, we reassessed our materiality (material issues) in fiscal 2025. Based on regulatory trends in Japan and overseas regarding disclosure of sustainability information, we adopted procedures in accordance with SSBJ standards and reassessed the materiality in terms of both environmental and social impacts and financial risks and opportunities. As a result, we identified 11 material issues across five areas. For each identified material issue, we have clarified our desired outcomes, formulated an action plan to achieve these goals, and established KPIs and targets to monitor and manage progress. As part of the formulation of the Medium-term Business Plan, the Board of Directors discussed the reassessment of materiality, including the assessment of the importance of risks and opportunities and the approach to indicators and targets. Under the supervision of the Board of Directors, the Group will regularly monitor the progress of these initiatives through a framework centered on the Sustainability Committee and report such progress to the Board of Directors to ensure appropriate oversight and advancement. See our website for more information, including our sustainability initiatives.

[Reference] Website (page related to sustainability)

<https://www.amada.co.jp/ja/sustainability/> (Japanese)

<https://www.amada.co.jp/en/sustainability/> (English)

[Reference] Annual securities report (Japanese only)

<https://www.amada.co.jp/ja/ir/document/securities/>

[Reference] Integrated Report

<https://www.amada.co.jp/ja/ir/document/annual/> (Japanese)

<https://www.amada.co.jp/en/ir/document/annual/> (English)

2. Investment in human capital

Moving forward in line with our management philosophy that seeks to “develop human resources who pursue creative and challenging activities,” we are placing utmost priority on improving our personnel as well as education and training systems so that our most vital resource, our employees, will continue to be the driving force behind innovation and reach their fullest potential. In the previous Medium-term Business Plan, under the slogan "Future Technologies with AMADA," we aimed to provide technology solutions to customer and social issues such as decarbonization, labor shortages, and skill transfer through technology. To achieve this goal, we have defined key items as "developing human resources," "promoting diversity," and "creating a rewarding workplace" and have strategically invested in human resources.

3. Investment in intellectual property

Our group is actively investing in intellectual property. We always hold more than 1,400 patent rights in order to stay ahead of the competition in the global market, and at the same time, we file more than 100 new applications every year, making us one of the top patent applicants in the metalworking machinery industry, in which we operate. We use intellectual property rights to protect our brand, designs, and the technologies born from our research and development efforts while building and utilizing our patent portfolio to provide support from the aspect of intellectual property in promoting and expanding the six business units, which lie at the heart of our group's growth strategy.

4. Disclosure on climate change

Recognizing that addressing climate change is one of the important management issues facing our group, in April 2022, our group expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, based on the TCFD framework, we disclose information on the assessment of the impact of climate-change-related risks and opportunities on our operations (scenario analysis). We also clarified our governance system, including the reporting lines to the Board of Directors, and established a management system for environmental issues, including climate change. At the same time, we formulated a medium- to long-term plan for the environment covering up to 2030 and are making company-wide efforts to achieve the targets set for performance indicators. In November 2022, the Group obtained official validation from the Science Based Targets initiative (SBTi) for

its Science Based Targets (SBT). We also joined the Renewable Energy 100 (RE100) in August 2023 and the Green Transformation League (GX League) in April 2024. See our website for more information about our group's climate change initiatives.

[Reference] Integrated Report

<https://www.amada.co.jp/ja/ir/document/annual/> (Japanese)

<https://www.amada.co.jp/en/ir/document/annual/> (English)

[Reference] Environmental Report

<https://www.amada.co.jp/ja/sustainability/report/> (Japanese)

https://www.amada.co.jp/en/sustainability/amadagroup_sustainability/forest-in-office/ (English)

[Supplemental Principle 4-1-1. Roles and Responsibilities of the Board of Directors (1)]

The Board of Directors shall make decisions on important matters associated with management of the Company as stipulated in the regulations of the Board of Directors, as well as such matters that are specified in laws and regulations and the Articles of Incorporation. The Board of Directors shall also be regarded as a body to supervise business execution. The Company also operates decision-making bodies as entities to execute business plans such as the Executive Management Meeting, thus enriching the deliberation of crucial matters on business strategy. Further, the Company has set the segregation of duties rules and the standards of authority and responsibilities, in order to define the scope of duties for the management and each business unit.

[Principle 4-9. Independence Standards and Qualification for Independent External Directors]

In electing external directors, candidates are expected to have a high level of expertise and rich experience that enable them to provide straightforward and constructive opinions and supervision of the Company's management. They are also required to meet the independence requirements listed by the Tokyo Stock Exchange. The Company set the independence standards for external directors at the Board meeting, the details of which are available on the Company's website.

[Reference] Independence Standards for External Directors

<https://www.amada.co.jp/ja/ir/cg/cg/> (Japanese)

<https://www.amada.co.jp/en/ir/cg/cg/> (English)

[Supplementary Principle 4-10-1. Use of Optional Approach]

The Group has established the Nomination & Compensation Committee as a voluntary advisory body to the Board of Directors in order to obtain advice and recommendations from external directors based on their knowledge and impartial standpoint as well as to enhance the independence, objectivity, and accountability of the Board of Directors. The committee, the majority of which consists of independent external directors, is chaired by an independent external director to ensure its independence and objectivity. The Nomination & Compensation Committee deliberates on the appointment and dismissal of directors, executive succession plans and the policies and specifics of remuneration and other compensation received by directors and key employees, and provides advice and recommendations to the Board of Directors. The Board of Directors makes decisions with full consideration to the advice and recommendations of the Nomination & Compensation Committee.

[Supplemental Principle 4-11-1. Preconditions for Effectiveness of Board of Directors]

The Board of Directors will strive for proper, swift and fair decision-making and supervision of businesses to achieve sustainable growth and improve medium- to long-term corporate value. It is also the Company's basic policy that the Board consists of internal directors who hold professional expertise and knowledge that they can leverage for business management, research and development, production, sales and services from a global perspective as a whole regardless of gender or nationality, and external directors who can provide opinions and raise questions from a professional and independent standpoint, in order for the Board to make appropriate and flexible decisions on the Company's business activities and supervise their execution. The Board of Directors limits the number of directors to 9 in the Articles of Incorporation, which is currently

comprised of 7 directors including 4 external directors who are independent officers. External directors Masakazu Aoki and Hiroyuki Sasa have managerial experience at other companies. The Company will consider appointing officers based on the recognition that diverse views can contribute to business progress, global expansion and proper supervision and monitoring. Please refer to the skill matrix for the current officers in the notice of convocation of the General Meeting of Shareholders. Please refer to the description in [Principle 3-1 (iv)] for the policies and procedures for electing the Board members.

[Supplemental Principle 4-11-2. Preconditions for Effectiveness of Board of Directors/Audit & Supervisory Committee]

If the Company's directors concurrently hold positions at other listed companies, they shall seek to keep their duties associated with such positions within a reasonable limit so that such duties do not hinder them in fulfilling their responsibilities at the Company. The Company discloses any important concurrent positions including those of each director at other listed companies in a business report and a notice of convocation of the General Meeting of Shareholders.

[Supplemental Principle 4-11-3. Preconditions for Effectiveness of Board of Directors]

1. Evaluation purpose

The Company believes that sound corporate activities based on high ethical standards and fairness are extremely important and is working to enhance corporate governance based on ensuring transparency and thorough legal compliance in all aspects of management and operations, and it has established corporate governance guidelines with the aim of realizing the best possible corporate governance.

Pursuant to Article 19 of these Guidelines, we analyze and evaluate the effectiveness of the Board of Directors each fiscal year and strive for continuous improvement.

2. Evaluation method

During the fiscal year under review, we conducted a questionnaire-based survey of all Directors and Audit & Supervisory Board Members regarding the activities of the Board of Directors and its advisory committees, the Nomination Committee and the Compensation Committee during the fiscal year under review. To ensure objectivity in the evaluation of the Board of Directors and further improve the effectiveness of corporate governance, we engaged an external organization, as in the previous fiscal year. In designing the questionnaire, we utilized the knowledge of an outside organization and received a report from the outside organization analyzing the results of the questionnaire.

[Composition of the Questionnaire]

- (1) Composition and operation of the Board of Directors
- (2) Management strategy and business strategy
- (3) Corporate ethics and risk management
- (4) Management evaluation and compensation
- (5) Dialogue with shareholders and other stakeholders
- (6) Efforts to address last year's issues

Based on the report of the external organization, deliberations were held at the Council composed of External Directors and External Audit & Supervisory Board Members on June 18, 2026 and the Board of Directors meeting on August 6, 2026.

3. Outline of evaluation results

(1) Overall assessment:

The results of the questionnaire showed that the Company's Board of Directors was highly evaluated for the following points: the Board shares a commitment to free and vigorous discussion, External Directors participate in discussions in a constructive and proactive manner, and the Board discusses multifaceted topics, including non-financial information.

Although some improvements were observed regarding the issues identified in the previous fiscal year (deliberation on invested projects, discussions on human capital, enhancement of group governance, etc.), these initiatives were evaluated as still being ongoing. Going forward, in light of the transition to a company with an Audit & Supervisory Committee, the Company will further strengthen the supervisory function over executive management and engage in effective discussions on important issues to enhance corporate value over the medium to long term.

(2) Future issues for further enhancing effectiveness:

We identified the following as key future issues to ensure the effective enhancement of the supervisory function, which is the purpose of transitioning to a company with an Audit & Supervisory Committee.

1) Engage in frank and in-depth discussions at the Board of Directors meetings regarding progress on medium- to long-term strategies and specific policies in order to enhance the effectiveness of the supervisory function.

2) As the Board of Directors, continuously monitor the status of initiatives undertaken by executive management regarding risk management and steadily oversee their effectiveness.

3) Review the information provided to the Board of Directors and reassess and reorganize ongoing support measures to ensure that each officer can fully fulfill his or her role, thereby enhancing the quality of execution and supervision.

4) Encourage executive management to formulate plans for the development of senior management personnel and succession planning, which serve as the foundation for enhancing corporate value, and steadily oversee the progress of such plans as the Board of Directors.

[Supplemental Principle 4-14-2. Training for Directors]

The Company will provide directors, including external officers, with opportunities to visit major Company locations, such as business sites and factories, and will hold briefing sessions and business workshops to support their acquisition of knowledge about the Company. The Company will also utilize external training programs to enable directors to acquire the basic knowledge necessary to perform their duties and support them in deepening their understanding of their roles and responsibilities as directors by covering the associated costs.

[Principle 5-1. Policy for Constructive Dialogue with Shareholders]

The Company will actively enter into constructive dialogue with shareholders and investors with the aim of sustaining growth and boosting medium- to long-term corporate value. It will strive to further create value by reflecting their opinions and issues presented at such dialogue on the operations to improve our business. We also provide quarterly results briefings and individual interviews and answer the enquiries from individual investors as required in order for them to deepen their understanding of business conditions, details of the business and strategies of the Company. Upon receiving a request for information disclosure, the Company shall try to do so in a timely, equitable and active manner conforming to the “Disclosure Policy.” Policies regarding the system and initiative to promote active dialogue with shareholders are as below:

1. The president oversees overall dialogue with shareholders and investors and monitors such dialogue to ensure that constructive dialogue is achieved. The IR section takes proactive measures through various initiatives, including the General Meeting of Shareholders, to facilitate constructive dialogue.
2. Opinions and issues identified through dialogue with shareholders and investors are appropriately compiled, fed back to management, and communicated and shared internally so that they can be reflected in management execution and business improvements.
3. The IR section works with related departments, including corporate planning, finance and public relations, as well as Group companies, to facilitate smooth and reasonable dialogue with shareholders and investors.
4. The Company will strive to enhance information disclosure by holding briefing sessions when it releases quarterly results and medium-term business plans, making explanatory material available on its website, sending out a shareholder newsletter and offering tours of the facilities such as factories and exhibition halls. In addition, financial presentation materials for individual investors, environmental reports, integrated reports, and ESG data books have also been made available on the Company’s website.
5. To prevent leakage of financial information and ensure fairness, the Company establishes a silent period from 10 days prior to the end of the fiscal period until the announcement date of financial results. During this period, the Company refrains from commenting on financial results or conducting individual

interviews. There are also internal rules and bylaws for officers on management of insider information created to handle such information.

[Dialogue with Shareholders]

We engage in dialogue with shareholders and investors on an ongoing basis. Updates are provided in our integrated report.

[Reference] Integrated Report

<https://www.amada.co.jp/ja/ir/document/annual/> (Japanese)

<https://www.amada.co.jp/en/ir/document/annual/> (English)

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Description	Disclosure of Efforts (Update)
Disclosure in English	Yes
Update Date	May 14, 2026

Explanation

We have defined revenue, operating profit, and ROE, a capital profitability indicator, as key management indicators in the Medium-term Business Plan 2030. We have set an ROE of 10% or more as our target in light of the current cost of shareholders' equity and the feasibility of achieving this target and will implement growth strategies and shareholder return measures to achieve this target. While steadily implementing measures to achieve the above-mentioned Medium-term Business Plan, we will enhance information disclosure on progress made and promote dialogue with shareholders and investors to realize a fair market value as we work toward maintaining a P/B ratio of 1.0x or more.

[Reference] Medium-term Business Plan 2030

https://ssl4.eir-parts.net/doc/6113/ir_material_for_fiscal_ym14/203554/00.pdf (Japanese)

https://ssl4.eir-parts.net/doc/6113/ir_material_for_fiscal_ym14/203554/00.pdf (English)

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned (Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust accounts)	67,033,870	21.58
Custody Bank of Japan, Ltd. (Trust Account)	34,552,100	11.12
STATE STREET BANK AND TRUST COMPANY 505001	10,528,077	3.39
THE AMADA FOUNDATION	9,936,500	3.20
The Nomura Trust and Banking Co., Ltd. (Trust accounts)	7,909,100	2.55
Goldman Sachs Securities Co., Ltd. BNYM	6,426,300	2.07
Nippon Life Insurance Company	5,894,975	1.90
Custody Bank of Japan, Ltd. (Trust Account 4)	5,807,500	1.87
JP MORGAN CHASE BANK 385781	4,455,990	1.43
JPMorgan Securities Japan Co., Ltd.	4,079,209	1.31
Controlling Shareholder (except for Parent Company)	—	
Parent Company	None	

Supplementary Explanation

1. The status of major shareholders is as of March 31, 2026. The Company holds 6,760,000 shares of treasury stock, but is excluded from the status of major shareholders shown above. The treasury stock does not include the Company shares held by the Board Incentive Plan (BIP) Trust.

2. According to the Report of Possession of Large Volume (including the Change Report) made available for public inspection, during the fiscal year under review, the following companies held the Company's shares as shown below. However, as the Company is unable to confirm the actual number of shares held by such companies as of March 31, 2026, they are not included in the status of major shareholders shown above. The details of the Report of Possession of Large Volume are as follows.

Holder: Sumitomo Mitsui Trust Asset Management Co., Ltd.
Address: 1-1-1 Shibakoen, Minato-ku, Tokyo
Effective date of reporting duty: March 31, 2026
Number of shares held (thousand shares): 31,149
Shareholding ratio (%): 9.81

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime
Fiscal Year-End	March
Type of Business	Machinery
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	9
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Company Chairman (excluding cases where Chairman also serves as President)
Number of Directors	7
Election of External Directors	Appointed
Number of External Directors	4
Number of Independent Directors	4

External Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masakazu Aoki	From another company											
Hiroyuki Sasa	From another company											
Yoshiko Fujii	From another company											
Akiko Mochizuki	From another company											

* Categories for "Relationship with the Company"

- * "○" when the director presently falls or has recently fallen under the category; "□" when the director fell under the category in the past
- * "●" when a close relative of the director presently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiary
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as officers
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company External directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Members himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Other

External Directors' Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Masakazu Aoki		○	While there are business transactions between the Company's group and Hitachi, Ltd., where Mr. Masakazu Aoki previously served as Representative Executive Officer, Executive Vice President, the transaction amounts are minimal—less than 0.1% of either party's consolidated revenue. Therefore, the Company believes these relationships do not compromise his independence.	Mr. Masakazu Aoki has extensive knowledge of technology and development in the manufacturing industry and insight as a manager of a global company, having served as Representative Executive Officer, Executive Vice President of Hitachi, Ltd. Therefore, we believe that Mr. Aoki is capable of appropriately performing his duties as External Director of the Company by providing beneficial advice to the Company's management based on his experience and knowledge. In addition, since Mr. Aoki meets the independence standards set forth by the Tokyo Stock Exchange as well as our Independence Standards for External Officers, we determined that he is unlikely to have any conflict of interest with general shareholders and appointed him as an independent officer.
Hiroyuki Sasa	○	○	—	Having served as President of Olympus Corporation, Mr. Hiroyuki Sasa possesses insights as a manager of a global company as well as extensive knowledge of technology and development in the manufacturing industry. Therefore, we believe that Mr. Sasa is capable of appropriately performing his duties as External Director of the Company by providing beneficial advice to the Company's management system and audit system based on his experience and knowledge. In addition, since Mr. Sasa meets the independence standards set forth by the Tokyo Stock Exchange as well as our Independence Standards for External Officers, we determined that he is unlikely to have any conflict of interest with general shareholders and appointed him as an independent officer.
Yoshiko Fujii		○	—	Ms. Yoshiko Fujii has advanced expertise and broad knowledge in corporate finance and business management, having held important positions and served as an Executive

				Officer in the finance and corporate planning departments at ORIX Corporation, as well as having served as CFO and Executive Officer at multiple companies. Therefore, we believe that Ms. Fujii is capable of appropriately performing her duties as External Director of the Company by providing beneficial advice to the Company's management based on her experience and knowledge. In addition, since Ms. Fujii meets the independence standards set forth by the Tokyo Stock Exchange as well as our Independence Standards for External Officers, we determined that she is unlikely to have any conflict of interest with general shareholders and appointed her as an independent officer.
Akiko Mochizuki	○	○	—	Ms. Akiko Mochizuki has a wealth of experience and expertise as a lawyer, and also possesses in-depth insight from the perspective of human rights protection, such as by having been dedicated to public-interest activities as well as other activities. Therefore, although Ms. Mochizuki has never been directly involved in corporate management, we believe that she is an appropriate person who can provide valuable advice on the Company's audit structure based on her experience and knowledge. In addition, since Ms. Mochizuki meets the independence standards set forth by the Tokyo Stock Exchange as well as our Independence Standards for External Officers, we determined that she is unlikely to have any conflict of interest with general shareholders and appointed her as an independent officer.

[Audit & Supervisory Committee]

Committee Composition and Attributes of Chairperson

	Audit & Supervisory Committee
All Committee Members	3
Full-time Members	1
Internal Directors	1
External Directors	2
Chairperson	External Director

Directors and Employees Assigned to Support the Audit & Supervisory Committee	Yes
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Matters concerning the independence of such directors and employees from executive directors

1. The Audit & Supervisory Committee Office is established to support the duties of the Audit & Supervisory Committee of the Company and full-time employees are assigned.
2. The head of the Audit & Supervisory Committee Office and employees belonging to the Audit & Supervisory Committee Office shall perform their duties under the direction and instructions of the Audit & Supervisory Committee regarding duties supporting the Audit & Supervisory Committee and shall not receive instructions from executive directors who are not Audit & Supervisory Committee members. In addition, the consent of the Audit & Supervisory Committee must be obtained regarding personnel transfers and performance evaluations of employees belonging to the Audit & Supervisory Committee Office.
3. The Audit & Supervisory Committee Office prepares, keeps and maintains minutes.

Cooperation among Audit & Supervisory Committee, the Accounting Auditor and Internal Audit Department

The Internal Audit Department formulates policies and plans for internal audits, obtains prior approval from the Audit & Supervisory Committee, conducts internal audits in cooperation with audits performed by the accounting auditor based on instructions from the Audit & Supervisory Committee, and reports the audit results to the Audit & Supervisory Committee. In addition, the status of the operation of the internal control system, including the results of internal audits, is regularly reported at meetings of the Audit & Supervisory Committee and the Internal Control and Risk Management Committee, and information is shared with the accounting auditor.

In addition, the Audit & Supervisory Committee holds regular meetings with the representative director to facilitate mutual communication. Matters relating to the Audit & Supervisory Committee are stipulated in the Audit & Supervisory Committee rules.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination & Compensation Committee	-
All Committee Members	3	-
Full-time Members	1	-
Internal Directors	1	-
External Directors	2	-
External Experts	0	-
Other	0	-
Chairperson	External Director	-

Supplementary Explanation

The Nomination & Compensation Committee is chaired by an independent external director and comprises the chairman and representative director and two independent external directors who possess corporate management experience, making a total of three members. The Committee is a voluntary advisory body established with the purpose of utilizing the knowledge and advice of external directors, as well as further enhancing the independence, objectivity, and accountability of the Board of Directors. The Committee mainly deliberates on the appointment and dismissal of directors and other officers, as well as the policies and specifics of remuneration and other compensation received by directors and other officers, and provides advice and recommendations to the Board of Directors.

[Independent Directors/Audit & Supervisory Committee Members]

Number of Independent Directors/Audit & Supervisory Committee Members	4
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Matters relating to Independent Directors/Audit & Supervisory Committee Members

Please refer to the preceding [Principle 4-9. Independence Standards and Qualification for Independent External Directors] under [Disclosure Based on the Principles of the Corporate Governance Code] for matters relating to the independent officer.

[Incentives]

Incentive Policies for Directors	Introduction of Performance-linked Compensation
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Supplementary Explanation

The Company's performance-linked compensation consists of "bonuses" that fluctuate according to the level of performance achieved each financial year, and "stock compensation" that varies according to the

level of performance achieved over the medium to long term. For details of matters relating to performance-linked compensation, please refer to the section “Policies for determining compensation.”

Recipients of Stock Options	
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Supplementary Explanation

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[Director Compensation]

Disclosure of Individual Directors' Compensation	Selected Directors
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Supplementary Explanation

■ Amount of compensation for directors and Audit & Supervisory Board members for the fiscal year ended March 31, 2026

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 (External)	440 (48)	237 (48)	171 (-)	31 (-)	10 (5)
Audit & Supervisory Board Members (External)	41 (14)	41 (14)	-	-	4 (2)
Total	481	278	171	31	14 (7)

* The Company pays bonuses to directors (excluding external directors) as performance-linked compensation.

* Non-monetary compensation, etc. is based on performance-linked stock compensation (Board Incentive Plan (BIP) Trust system).

* Those who receive 100 million yen or more as their total compensation etc. are disclosed individually in the Company's annual securities report.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

1. Matters relating to determining compensation amounts and calculation methods

The Company has established a voluntary Compensation Committee chaired by an external director as an advisory body to the Board of Directors. When revising the policy for determining the details of individual director compensation, etc., the draft policy prepared by the Human Resources Department was referred to the Compensation Committee, and the Board of Directors approved it at its meeting held on May 14, 2026, while respecting the Committee's recommendations.

<Basic policy>

The Company's basic policy is that compensation for directors (i) should function effectively as an incentive to continuously enhance corporate value for the realization of the Long-term Vision and (ii) should be based on a transparent and fair compensation system and decision-making process to ensure accountability to shareholders and other stakeholders.

<Compensation level>

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

<Composition of compensation >

Compensation for directors shall be structured in a way where it fully functions as an incentive for the sustainable enhancement of corporate value toward the achievement of the Long-term Vision and Medium-term Business Plan. Specifically, compensation for directors (excluding external directors and directors who are Audit & Supervisory Committee members; the same shall apply hereinafter) shall consist of (1) basic compensation as fixed compensation, (2) bonuses as performance-linked compensation, and (3) stock compensation as performance-linked compensation. The performance-linked compensation (bonuses) is designed so that the ratio of performance-linked compensation (bonuses) to total compensation for Directors increases in accordance with the improvement of the Company's business performance. Meanwhile, performance-linked compensation (stock compensation) is designed so that the ratio of stock compensation to total compensation for Directors increases according to their positions.

Furthermore, in consideration of their independent position from business execution, compensation for external directors, who perform supervisory functions, and directors who are Audit & Supervisory Committee members shall consist solely of basic compensation.

1) Basic compensation

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

2) Performance-linked compensation (bonuses)

The performance-linked bonuses, positioned as short-term incentives, shall be cash compensation reflecting performance indicators, and shall be paid at a set time each year. The performance indicator for compensation shall be profit attributable to owners of the 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, up to the amount calculated by multiplying Profit for each fiscal year by 1/50 of the dividend payout ratio (%), taking into account the number of eligible recipients and the dividend growth rate. Individual allocations shall be determined according to positions and responsibilities, and the amount shall then be adjusted within a certain range based on performance results.

3) Performance-linked compensation (stock compensation)

The performance-linked stock compensation (Board Incentive Plan (BIP) Trust System*) is positioned as a medium- to long-term incentive and aims to motivate directors and corporate officers (excluding directors who are Audit & Supervisory Committee members, external directors, and non-residents of Japan; hereinafter collectively referred to as "Directors, etc.") to contribute to enhancing the Company's medium- to long-term corporate value and further strengthen their shared interests with shareholders by encouraging ownership of the Company's shares. The plan covers the fiscal years included in the Company's Medium-term Business Plan (hereinafter referred to as the "eligible period"), and shares are delivered to directors after the end of the eligible period following evaluation of the achievement levels of performance indicator targets, etc., for each fiscal year during the eligible period.

Specifically, each fiscal year, Directors, etc. are granted points according to their positions as rights to receive stock delivery, and the number of points is adjusted within a range of 0% to 200% depending on the achievement of performance indicator targets, after which one share of the Company's stock is delivered for each point. The performance indicators shall be set based on the management indicators and shareholder value indicators, etc., set forth in the Company's Medium-term Business Plan. For the initial eligible period after the revision of this system, (i) revenue, (ii) operating profit, and (iii) return on equity (ROE), etc., shall be used.

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

(*) Board Incentive Plan (BIP) Trust is an incentive plan for officers based on a performance-linked stock compensation (Performance Share) plan and a restricted stock compensation (Restricted Stock) plan used in the United States.

<Compensation determination process >

The Board of Directors shall have the authority to determine the amount of compensation, etc. for each individual director of the Company or the method of calculation thereof, and determine the details within the range of the total amount of compensation resolved at a General Meeting of Shareholders in consultation with the voluntary Compensation Committee chaired by an external director, respecting the content of the report of the Committee. The amount of monetary compensation for directors who are not Audit & Supervisory Committee members was resolved at the 88th Ordinary General Meeting of Shareholders held on June 26, 2026, to be up to 570 million yen per year (including up to 90 million yen per year for external directors). (The number of directors who are not Audit & Supervisory Committee members at the conclusion of the said Ordinary General Meeting of Shareholders was four, including two external directors.) In addition, the amount of stock compensation for directors (excluding external directors and directors who are Audit & Supervisory Committee members) shall be: (1) an amount calculated by multiplying 400 million yen by the number of years in the eligible period (the upper limit of cash contributed by the Company), and (2) 400,000 points (the upper limit of points corresponding to the number of shares of the Company to be granted by the Company per fiscal year). (The number of directors who are not Audit & Supervisory Committee members at the conclusion of the said Ordinary General Meeting of Shareholders was four, including two external directors.)

2. Reasons why the Board of Directors has determined that the compensation of individual directors for the current financial year is in line with the decision-making policy

In determining the details of individual director compensation, the voluntary Compensation Committee deliberates on draft proposals from various perspectives, including consistency with the decision-making policy, and therefore, the Board of Directors basically respects the deliberation of the committee and considers it to be in line with the decision-making policy.

3. Compensation, etc. of directors who are Audit & Supervisory Committee members

For directors who are Audit & Supervisory Committee members, only basic compensation is paid, which is a fixed monthly compensation in cash. The amount to be paid to each individual director who is Audit & Supervisory Committee member is subject to discussion at the Audit & Supervisory Committee within the scope of the total amount of remuneration resolved by the General Meeting of Shareholders. The 88th Ordinary General Meeting of Shareholders held on June 26, 2026, resolved that the amount of monetary compensation for directors who are Audit & Supervisory Committee members should not exceed 140 million yen per annum. At the conclusion of the said Ordinary General Meeting of Shareholders, the number of directors who are Audit & Supervisory Committee members was three.

[Supporting System for External Directors]

Currently, there is no section or person assigned to assist external directors; however, information is communicated by full-time directors and employees as necessary. In addition, in order to activate discussions at the Board of Directors meetings, the Company holds briefing sessions for external officers prior to Board of Directors meetings. Furthermore, the Company also provides preliminary information required for deliberations at Board of Directors meetings, such as holding a briefing session on our business for external directors on an irregular basis.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

- i. Overview of corporate governance system

The Company adopts a Company with an Audit & Supervisory Committee structure, and in addition to the Board of Directors and the Audit & Supervisory Committee, the Executive Management Meeting is positioned as an advisory body on important issues related to business execution. The Company has also adopted the corporate officer system to clarify the separation of executive and supervisory bodies and to enhance the flexibility of business execution.

- a. Board of Directors

The Board of Directors is chaired by the chairman and representative director and consists of four directors

(excluding directors who are Audit & Supervisory Committee members) and three directors who are Audit & Supervisory Committee members, for a total of seven members. Of the seven directors, four, the majority, are independent external directors. The Board of Directors makes decisions on matters stipulated by laws and regulations and other important matters related to general management, and is positioned as an entity that oversees the execution of business operations. The Board of Directors meets as necessary to make prompt and flexible management decisions. Please refer to the annual securities report for the status of activities of the Board of Directors.

b. Audit & Supervisory Committee

The Audit & Supervisory Committee is chaired by an independent external director and comprises one director who is a full-time Audit & Supervisory Committee member and two independent external directors, making a total of three members. It audits the execution of directors' duties and monitors and verifies the establishment and operation of internal control systems.

c. Nomination & Compensation Committee

The Nomination & Compensation Committee is chaired by an independent external director and comprises the chairman and representative director and two independent external directors who possess corporate management experience, making a total of three members. The Committee is a voluntary advisory body established with the purpose of utilizing the knowledge and advice of external directors, as well as further enhancing the independence, objectivity, and accountability of the Board of Directors. The Committee mainly deliberates on the appointment and dismissal of directors and other officers, as well as the policies and specifics of remuneration and other compensation received by directors and other officers, and provides advice and recommendations to the Board of Directors.

d. Executive Management Meeting

The Executive Management Meeting is chaired by the chairman and representative director and comprises executive directors as well as corporate officers of the Company and its principal subsidiaries, or persons in equivalent positions. It is convened as appropriate to further enhance the functions of the Board of Directors and improve management efficiency. At the meeting, important matters related to business execution are deliberated, and focused topics are discussed in depth.

e. Internal Control and Risk Management Committee

The Internal Control and Risk Management Committee is chaired by the president and representative director and comprises heads of business divisions. The Internal Control and Risk Management Committee promotes risk management and compliance with the aim of maintaining and improving the internal control system and avoiding risks including legal violations, etc. The Board of Directors supervises the status of operation of the internal control system.

f. Accounting Auditor

Matters relating to the Accounting Auditor: The Company has entered into an audit agreement with Deloitte Touche Tohmatsu LLC. The certified public accountants who performed the audit for the fiscal year under review were Masato Shoji and Daisuke Igarashi, both of whom belong to the aforementioned firm. Together with certified public accountants and other professional staff assisting with the audit, they formed an audit team and expressed their opinions on the financial statements, etc., from an independent standpoint as external auditors.

ii. Outline of the limited liability agreement

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with non-executive directors, etc. to limit their liability for damages as provided in Article 423, Paragraph 1 of the same Act, and the maximum amount of liability under the agreement is the minimum amount of liability provided in Article 425, Paragraph 1 of the same Act.

iii. System for directors who are Audit & Supervisory Committee members to understand the process of making important decisions and the status of business execution

Directors and employees of the Company and its subsidiaries shall promptly and accurately respond when directors who are Audit & Supervisory Committee members request to inspect approval documents or other important documents related to business execution in order to understand the process of important decision-

making and the status of business execution, or request explanations regarding business operations and the status of assets. Directors who are Audit & Supervisory Committee members are permitted to attend important meetings other than Board of Directors meetings.

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with an Audit & Supervisory Committee. Its Board of Directors consists of seven directors, including four independent external directors, in order to further reinforce corporate governance. In addition, as a basic policy, the Company aims to have a majority of external directors in order to strengthen management decision-making and supervisory functions from an outside perspective. Furthermore, the corporate officer system was introduced, aiming at speeding up the decision-making process and defining operational segregation. The Audit & Supervisory Committee consists of three directors who are Audit & Supervisory Committee members, two of whom are independent external directors with specialized knowledge.

By a resolution passed at the General Meeting of Shareholders held on June 26, 2026, the Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. By transitioning to a company with an Audit & Supervisory Committee, the Company will enhance multifaceted discussions on management policies and strategies at the Board of Directors, while enabling management to make timely decisions that accurately capture investment opportunities and execute disciplined growth strategies, thereby strengthening its earning power to prevail in global competition. At the same time, the Company will further strengthen its supervisory function by having Audit & Supervisory Committee members participate in decision-making as members of the Board of Directors, and enhance the effectiveness of audits through close cooperation with the Internal Audit Department.

The Company has decided to adopt this corporate governance system based on the judgment that steady implementation of these initiatives is the best way to achieve sustainable growth and maximize corporate value.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of Shareholder Meeting	Notices are sent out 2 to 3 weeks prior to the date of the General Meeting of Shareholders.
Allowing Electronic Exercise of Voting Rights	Such type of voting has been allowed continuously since the Ordinary General Meeting of Shareholders associated with the period ended in March 2009.
Participation in Electronic Voting Platform	We have been participating in the ICJ platform continuously since the Ordinary General Meeting of Shareholders associated with the period ended in March 2009.
Providing Convocation Notice in English	The full text of the convocation notice is being translated into English.
Other	We implement the following: • Enhancement of the visual appeal of the convocation notice through the use of color • Improvement in convenience of exercising voting rights (introduction of "Smart Exercise") • Visualization of shareholders' meetings • Posting of convocation notices (Japanese, English) on the Tokyo Stock Exchange website and the Company's website.

2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation/publication of the Disclosure Policy	When disclosing important pieces of information such as decision matters, events, and information related to the financial results that affect investment decisions, the Company complies with the timely disclosure rules determined by the Financial Instruments and Exchange Act and the provisions of the Tokyo Stock Exchange. In addition, we strive to have active disclosure of information that does not apply to the timely disclosure rules when we deem such disclosure to be important. The details are available for viewing at the below website: https://www.amada.co.jp/ja/ir/disclosure_policy/ (Japanese) https://www.amada.co.jp/en/ir/disclosure_policy/ (English)	
Regular Briefing Sessions for Individual Investors	Details of the briefing sessions held in the past for individual investors are available on our IR website. https://www.amada.co.jp/ja/ir/document/individual/	None
Regular Investor Briefings for Analysts and Institutional Investors	We hold financial results briefings for analysts and institutional investors upon the release of full-year and quarterly results. The chairman and representative director, president and representative director, and general manager of the Finance Division provide explanations of business results and conduct Q&A sessions, as well as holding business briefings and facility tours as appropriate. Furthermore, we participate in small meetings for institutional investors hosted by securities analysts and	Yes

	conferences for overseas investors hosted by brokerage firms. For major domestic and overseas institutional investors, we provide regular opportunities to explain management strategies and initiatives related to corporate governance through individual interviews and small meetings, and engage in constructive dialogue.	
Posting of IR Materials on Website	The following website provides access to summary reports of financial results, materials disclosed through the stock exchange, annual securities reports, financial results presentation materials, integrated reports, etc. https://www.amada.co.jp/ja/ir/ (Japanese) https://www.amada.co.jp/en/ir/ (English)	
Establishment of Department and/or Manager in Charge of IR	Department in charge of IR: The IR Section, RHQ Administration Department has been established within the Corporate Finance Division and is operated by designated personnel.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Our basic idea is presented in the management philosophy and corporate code of conduct, both of which are available on our website.
Implementation of Environmental Activities, CSR Activities etc.	Under the Amada Group Environmental Declaration, the Company aims to have management that ensures societal and corporate sustainability by further promoting active environmental activities. In order to contribute to the development of the metal processing industry, the Company has established and supports the activities of a vocational training center to improve engineering skills, in addition to carrying out various other CSR activities. The details are published on the below website: https://www.amada.co.jp/ja/sustainability/ (Japanese) https://www.amada.co.jp/en/sustainability/ (English)

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

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 Internal Audit 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 Meetings of Shareholders, Board of Directors meetings, and specialized committee meetings, as well as other information concerning the execution of Directors’ duties, shall be properly retained and managed in accordance with laws and regulations and internal rules and regulations, and maintained in a state where they can be inspected by Directors as necessary.

- 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 Internal Audit 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 communicate the policies and decisions of the Board of Directors to corporate officers, and corporate officers shall report the status of business execution to the Board of Directors, the president, and the Audit & Supervisory Committee as requested by each of them.

iii) The Executive Management Meeting and Expert Committees shall discuss the important matters to be proposed to the Board of Directors in advance, and support the decision making of 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 Internal Audit Department shall conduct audits of the status of business execution and compliance systems, etc., of each department and the Group companies, monitor such activities, provide advice and recommendations for improvement, and report the results to the Board of Directors, the president, the Audit & Supervisory Committee, and the Internal Control and Risk Management Committee.

6) Matters concerning (i) employees assisting the Audit & Supervisory Committee, (ii) the independence of such employees from directors, and (iii) ensuring the effectiveness of instructions given to such employees

i) The Audit & Supervisory Committee Office is established to support the duties of the Audit & Supervisory Committee of the Company and full-time employees are assigned.

ii) The head of the Audit & Supervisory Committee Office and employees belonging to the Audit & Supervisory Committee Office shall perform their duties under the direction and order of the Audit & Supervisory Committee and shall not receive the direction and order of an executive director who is not an Audit & Supervisory Committee member. In addition, the consent of the Audit & Supervisory Committee must be obtained regarding personnel transfers and performance evaluations of employees belonging to the Audit & Supervisory Committee Office.

iii) The Audit & Supervisory Committee Office prepares, keeps and maintains minutes.

7) Framework for reporting systems to the Audit & Supervisory Committee 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 Committee 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 Audit & Supervisory Committee.

ii) The framework shall ensure that corporate officers or employees who make reports to the Audit & Supervisory Committee are not treated unfavorably on the grounds of making such reports.

8) Matters concerning procedures for advance payment or reimbursement of expenses incurred in the performance of duties by the Audit & Supervisory Committee and policies for handling expenses or obligations incurred in connection with such duties

Costs required by the Audit & Supervisory Committee for the performance of its duties shall be budgeted in advance in accordance with the Committee’s audit plan, and expenses incurred urgently or temporarily for audit purposes, including investigations, shall be prepaid or reimbursed.

9) Other frameworks for ensuring effective audit by the Audit & Supervisory Committee

i) The Audit & Supervisory Committee may, at its own discretion, engage lawyers, certified public

accountants, consultants, or other external advisors when deemed necessary for conducting audits.
ii) The Audit & Supervisory Committee shall receive explanations from the accounting auditor regarding the content of accounting audits and promote the exchange of information.
iii) The Audit & Supervisory Committee may instruct the Internal Audit Department to conduct investigations and submit reports.

Please refer to [Diagram 1] “Corporate Governance Structure (diagram)”

2. Basic Views on Eliminating Anti-Social Forces

The Amada Group states in its code of conduct that “we do not and will not have any connection with antisocial forces or organizations, which threaten the order and safety of civil societies, and deal with unreasonable demands with a resolute attitude and without making compromises,” and ensures that all its employees are aware of this statement.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation	
—	

2. Other Matters Concerning to Corporate Governance System

A summary of the internal structure for timely disclosure of the Company's information is as below:

At the Company and each of its Group companies, the person responsible for information handling and the department responsible for information disclosure identify, manage, and control important decisions, facts that have occurred, and financial results information through the president and representative director, relevant directors, or responsible persons. They determine whether such matters require disclosure based on the timely disclosure rules and IR perspectives, and, if applicable, make timely disclosures without delay. Decisions and financial results information are disclosed after approval by the Board of Directors, while facts that have occurred are disclosed promptly after their occurrence.

Information disclosed shall be made available on the Company's website as IR information as soon as possible after the timely disclosure.

Please refer to [Diagram 2] "Diagram of internal structure for timely disclosure of the Company's information"

Corporate Governance Structure

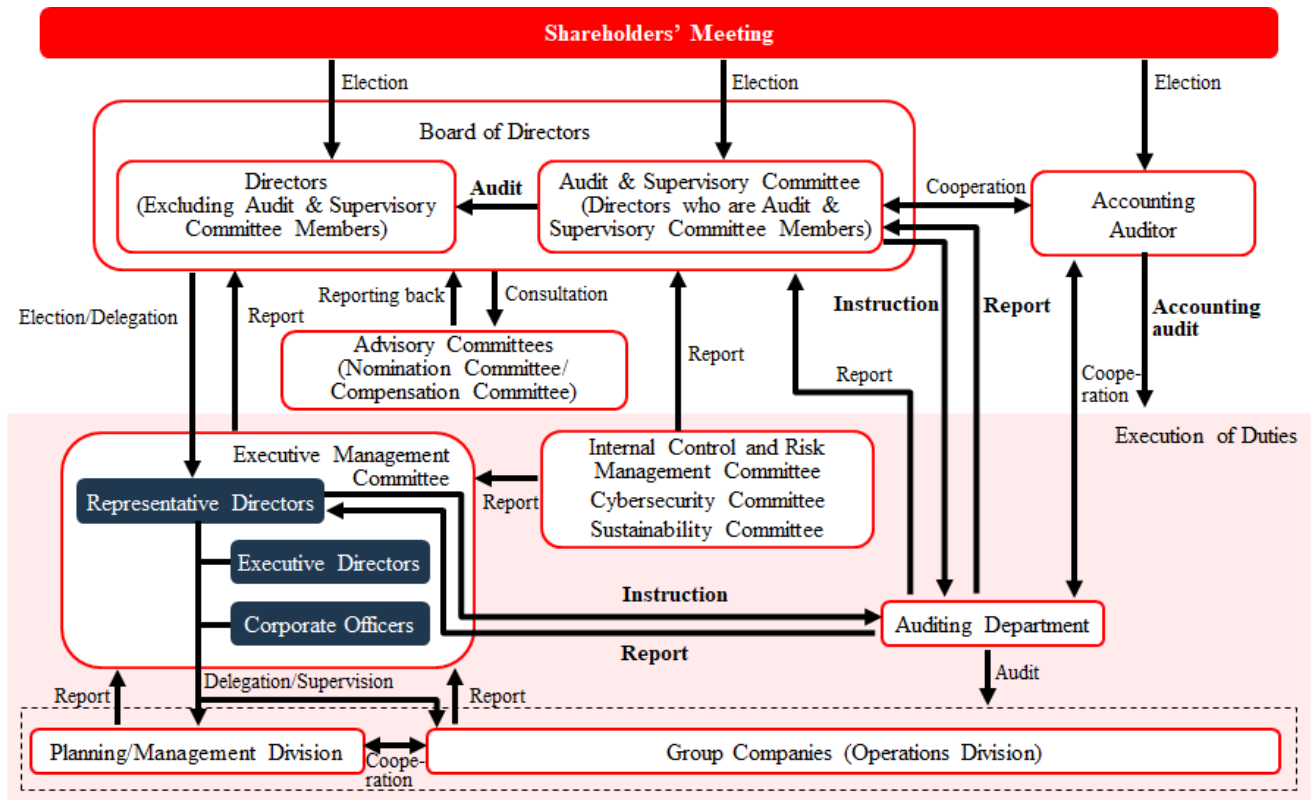
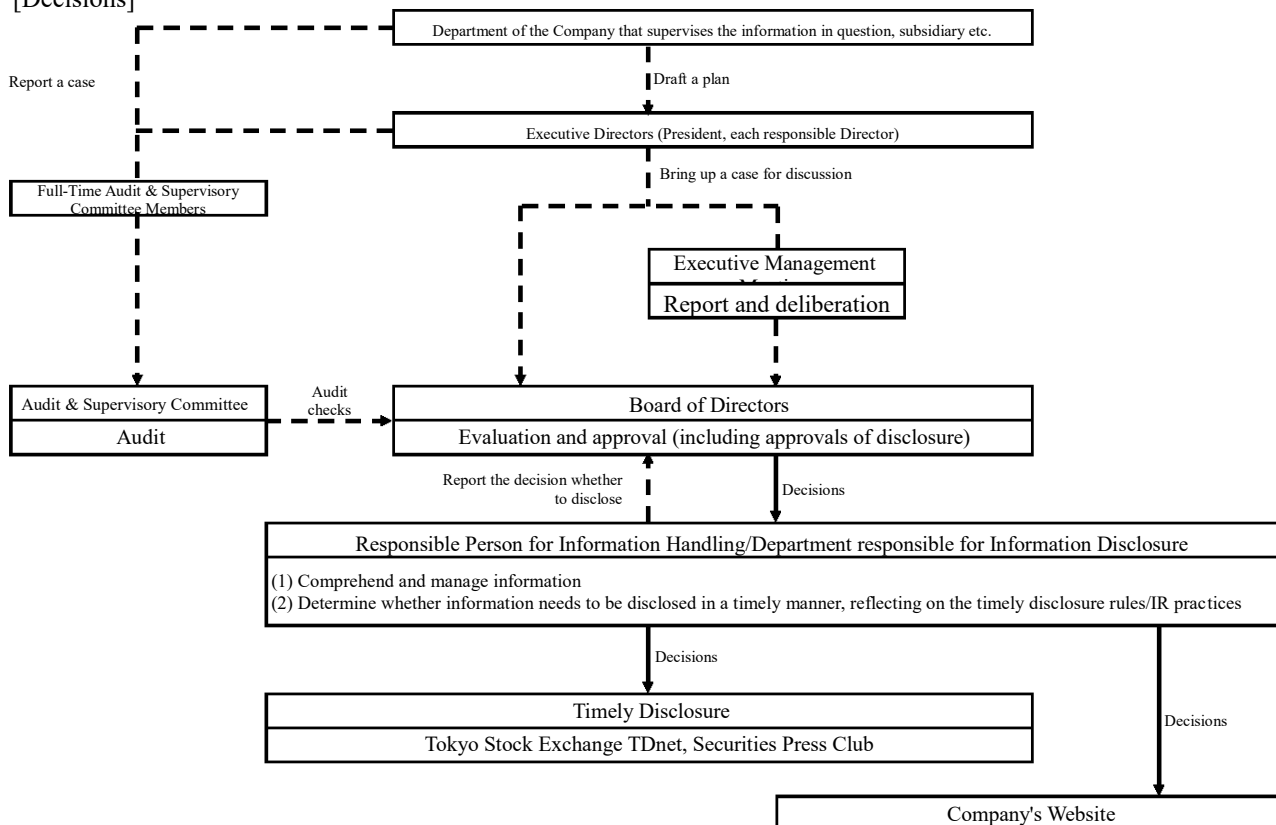


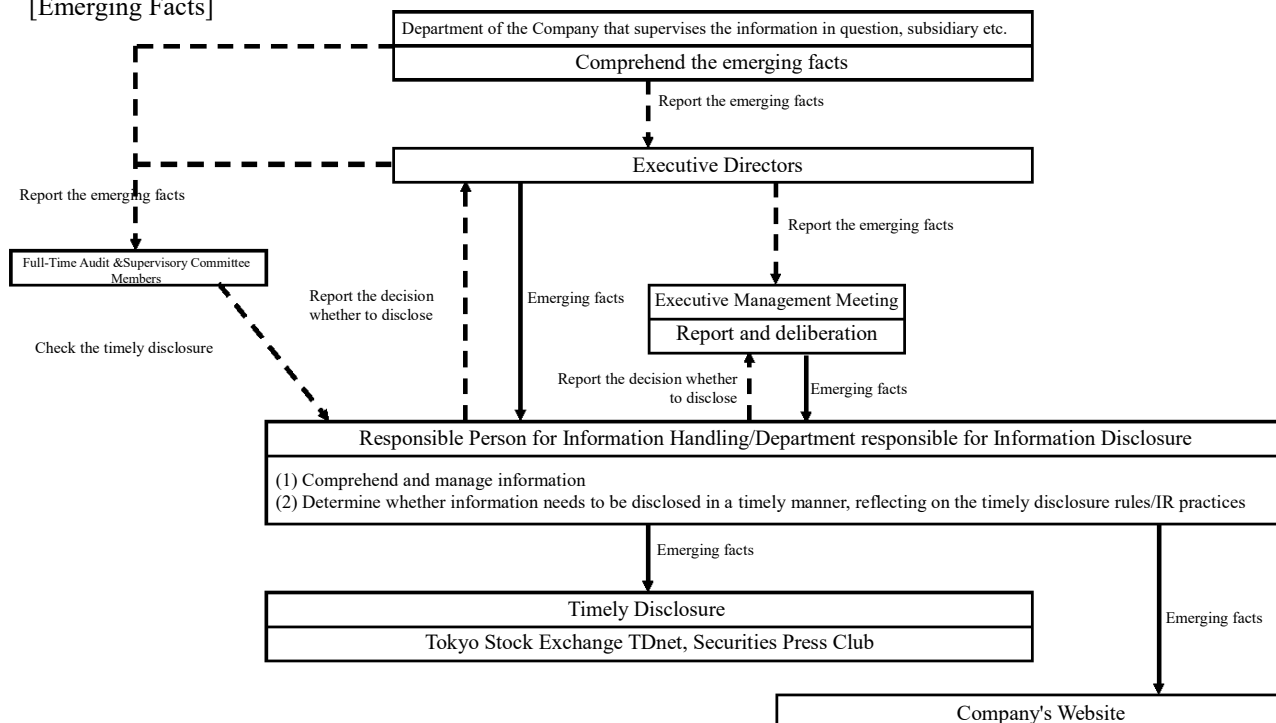
Diagram of Internal Structure for Timely Disclosure of the Company's Information

[Diagram 2]

[Decisions]



[Emerging Facts]



[Information on Financial Results]

