

(English Translation)

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(Securities Code: 6113)

June 4, 2021

To our shareholders:

Tsutomu Isobe

President Executive Officer

AMADA CO., LTD.

200, Ishida, Isehara-shi, Kanagawa, Japan

Notice of Convocation of the 83rd Ordinary General Meeting of Shareholders

This is to inform you that the 83rd 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 24, 2021 (Thursday).

[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 25, 2021 (Friday) 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 Forum 246)

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 83rd Fiscal Term (from April 1, 2020 through March 31, 2021)
 - (2) Report on the Non-consolidated Financial Statements for the 83rd Fiscal Term (from April 1, 2020 through March 31, 2021)

Matters to be Resolved:

- | | |
|--------------|--|
| First Item: | Distribution of retained earnings |
| Second Item: | Election of eight (8) Directors |
| Third Item: | Election of one (1) Audit & Supervisory Board Member |
| 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 maintaining retained earnings 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 30 yen per share, as initially forecasted, to pay a year-end dividend of 15 yen per share for the Fiscal Term, having already paid 15 yen per share as an interim dividend.

Matters concerning the year-end cash dividend:

(1) Kind of property:

Monetary distribution

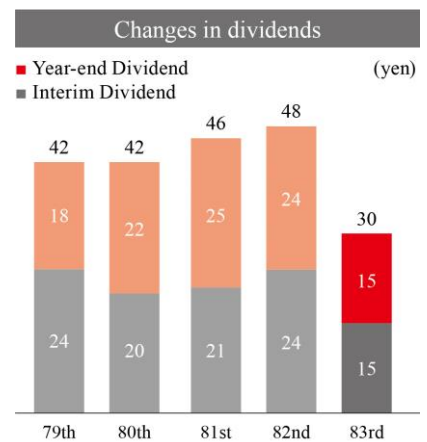
(2) Matters concerning the allocation of properties to be distributed to shareholders and the total amounts there of:

JPY15 per common share

JPY5,214,943,065 in total

(3) Effective date of distribution of retained earnings:

June 28, 2021



Note: The interim dividend for the 79th Term includes a commemorative dividend of 6 yen for the 70th anniversary.

Second Item:**Election of eight (8) Directors**

As the term of office for all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders, the election of eight (8) Directors is proposed.

The candidates for the Directors are as follows:

Candidate Ref No.	Name		Board meeting attendance rate	Current position and responsibility in the Company
1	Tsutomu Isobe	Re- election	100% (7/7 meetings)	Representative Director, President Corporate Officer
2	Toshinori Kurihara	Re- election	100% (7/7 meetings)-	Director, Senior Executive Officer In charge of Sheet Metal Sales HQ
3	Kazuhiko Miwa	Re- election	100% (7/7 meetings)	Director, Executive Officer Executive General Manager of Financial Div.
4	Takaaki Yamanashi	New election	-	Executive Officer In charge of Sheet Metal Technology Development HQ, Production HQ.
5	Mitsuo Okamoto	Re- election	100% (7/7 meetings)	Director, Executive Advisor
6	Michiyoshi Mazuka	Re- election	Outside Independent	100% (7/7 meetings) Outside Director
7	Toshitake Chino	Re- election	Outside Independent	100% (7/7 meetings) Outside Director
8	Hidekazu Miyoshi	Re- election	Outside Independent	100% (7/7 meetings) Outside Director



Candidate Ref No.

1

Tsutomu
Isobe

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

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

Re-election

Board meeting attendance rate 100%
(7/7 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; Representative Director, President of AMADA CO., LTD. (merged to become the current Company)
April 2000	Joined the Company upon the merger		
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; Representative Director, President of AMADA CO., LTD. (merged to become the current Company)
June 2009	Director, Corporate Officer Senior Executive General Manager of Corporate Planning HQ	April 2020	Representative Director, President Corporate Officer (incumbent)
June 2010	Director, Managing Director Senior Executive General Manager of Corporate Management HQ		
April 2013	Director, Senior Managing Director Senior Executive General Manager of Corporate Management HQ; Senior Executive General Manager of Financial HQ		

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

**Toshinori
Kurihara**

Date of Birth

December 2, 1956
(64 years old)

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

3,000 shares

Re-election

Board meeting attendance rate

100%
(7/7 meetings)

Profile, position and responsibility

November 1982	Joined the Company	April 2016	Corporate Officer of the Company
April 2003	President of Europe HQ (France)		President of AMADA GmbH
January 2007	President of AMADA ITALIA S.r.l.		Corporate Officer of AMADA
April 2010	General Manager of Overseas Tooling Business Promotion Dept., Overseas Business Div. of Overseas Business HQ of the Company	April 2018	President of AMADA MACHINE TOOLS EUROPE GmbH
April 2011	Representative Director, President of AMADA TOOL PRECISION CO., LTD.	April 2020	Corporate Officer of the Company
June 2012	Corporate Officer of the Company		President of AMADA GmbH
	Representative Director, President of AMADA TOOL PRECISION CO., LTD.	April 2021	Director,
April 2013	Corporate Officer of AMADA MACHINE TOOLS CO., LTD.		Senior Executive Officer
	President of AMADA MACHINE TOOLD AMERICA, INC.		Senior Executive General Manager of Sheet Metal Sales HQ
October 2015	Executive Officer and Senior Executive General Manager of Overseas Business HQ of AMADA MACHINE TOOLS CO., LTD.		Director,
	President of AMADA GmbH		Senior Executive Officer
	President of AMADA MACHINE TOOLS AMERICA, INC.		In charge of Sheet Metal Sales HQ (incumbent)
	President of AMADA MACHINE TOOLS EUROPE GmbH		

Reasons for nomination as a candidate for Director

Mr. Toshinori Kurihara is appropriately performing his duties as an officer responsible for overseeing the sales division of the Company's core Sheet Metal Business. He also has in-depth knowledge of global business activities, 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. Kurihara 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

**Kazuhiko
Miwa**

Date of Birth

March 10, 1963
(58 years old)

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

16,000 shares

Re-election

Board meeting attendance rate

100%
(7/7 meetings)

Profile, position and responsibility

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

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. 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.

4

Takaaki
Yamanashi

Date of Birth

December 9, 1963
(57 years old)

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

4,600 shares

New
election

Board meeting attendance rate

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Profile, position and responsibility

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

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 technology 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.

5

Mitsuo
Okamoto

Date of Birth
June 13, 1943
(78 years old)

No. of Shares of AMADA
CO., LTD. Held (shares) 119,338 shares

Re-election

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

Profile, position and responsibility

August 1972	Joined the Company	April 2000	Representative Director, President of this company
April 1978	Transferred to Sonoike Mfg. Co., Ltd. (later merged to become the current Company)	June 2003	Representative Director, President of the Company
October 1988	General Manager of Odawara Plant of this company	June 2009	Representative Director, President, CEO of the Company
June 1997	Director of this company	April 2015	Chairman of the Board, CEO
June 1999	Managing Director of this company	April 2020	Director, Executive Advisor (incumbent)

Important concurrent positions

- 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. (France)

Reasons for nomination as a candidate for Director

Mr. Mitsuo Okamoto is overseeing business execution appropriately as the Director and Executive Advisor of the Company. He also has in-depth management knowledge and strong leadership, and has led the Company to grow as the CEO over a long period of time. Based on these factors, we have nominated Mr. Okamoto 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, by providing advice to the Company's management from a broad perspective.



Candidate Ref No.

6

**Michiyoshi
Mazuka**

Number of years in office 5 years

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

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

Re-election Outside Independent

Board meeting attendance rate 100%
(7/7 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.

Reasons for sufficient independence as an Outside Director

1. Mr. Michiyoshi Mazuka and all of his family members (including family members within the second degree of kinship, the same shall apply hereinafter) have never received any economic benefits, such as the Company group's (the Company and its affiliated companies, the same shall apply hereinafter) remuneration, consideration for services or transactions, stock options, etc., in the past.
2. Mr. Michiyoshi Mazuka and all of his family members have never assumed any executive roles (including non-business executors) at the Company group in the past.
3. There are transactions between our Company Group and Fujitsu Limited and its consolidated subsidiaries where Mr. Michiyoshi Mazuka previously served as Chairman and Representative Director; however, the transactions amount to less than 1% of the consolidated revenue of both companies.
4. Fujitsu Limited is not a shareholder of the Company.



Candidate Ref No.

7

Toshitake
Chino

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

Number of years in office 7 years

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

Re-election Outside Independent

Board meeting attendance rate 100%
(7/7 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.

Reasons for sufficient independence as an Outside Director

1. Mr. Toshitake Chino and all of his family members (including family members within the second degree of kinship, the same shall apply hereinafter) have never received any economic benefits, such as the Company group's (the Company and its affiliated companies, the same shall apply hereinafter) remuneration, consideration for services or transactions, stock options, etc., in the past.
2. Mr. Toshitake Chino and all of his family members have never assumed any executive roles (including non-business executors) at the Company group in the past.
3. The Company group has transactions, such as payment of advertisement fees, with Nikkan Kogyo Shimbun Co., Ltd., where Toshitake Chino formerly served as president; however, the transaction amounts were small, and only constituted less than 1% of its sales or the Company's consolidated revenue.
4. Mr. Toshitake Chino retired as Senior Advisor of Nikkan Kogyo Shimbun Ltd. more than five (5) years ago.
5. Nikkan Kogyo Shimbun Ltd. is not a shareholder of the Company.



Candidate Ref No.

8

Hidekazu
Miyoshi

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

Number of years in office 6 years 3months

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

Re-election Outside Independent

Board meeting attendance rate 100%
(7/7 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.

Reasons for sufficient independence as an Outside Director

1. Mr. Hidekazu Miyoshi and all of his family members (including family members within the second degree of kinship, the same shall apply hereinafter) have never received any economic benefits, such as the Company group's (the Company and its affiliated companies, the same shall apply hereinafter) remuneration, consideration for services or transactions, stock options, etc., in the past.
2. Mr. Hidekazu Miyoshi and all of his family members have never assumed any executive roles (including non-business executors) at the Company group in the past.
3. 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.
4. Miyoshi & Miyoshi and the affiliated companies thereof are not shareholders of the Company.

(Notes)

1. There are no special interests between each of Messrs. Tsutomu Isobe, Toshinori Kurihara, Kazuhiko Miwa, Takaaki Yamanashi, Mitsuo Okamoto, Michiyoshi Mazuka and Toshitake Chino and the Company.
2. Messrs. Michiyoshi Mazuka, Toshitake Chino and Hidekazu Miyoshi are candidates for Outside Director.
3. 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 their reelection is approved, the Company plans to renew the agreements with them.
4. 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.
5. Messrs. Michiyoshi Mazuka, Toshitake Chino and Hidekazu Miyoshi are Independent Officers under the regulation of Tokyo Stock Exchange, Inc. and they, if reelected, will continue to serve as Independent Officers.
6. Fujitsu Limited, where candidate for Outside Director Mr. Michiyoshi Mazuka served as Director until June 2016, received a cease and desist order and surcharge payment order from the Fair Trade Commission in July 2016, after being found to have violated the Antimonopoly Act in regard to transactions related to equipment for electric power security communication ordered by Tokyo Electric Power Company. In addition, in February 2017, the Fair Trade Commission also recognized that Fujitsu Limited had violated the Antimonopoly Act in regard to transactions related to apparatuses for hybrid optical communication and transmission path ordered by CHUBU Electric Power Co., Inc. In this case, Fujitsu Limited applied to the Fair Trade Commission for the application of the surcharge exemption system, and as this application was approved and as well as for other reasons, Fujitsu Limited received neither a cease and desist order nor a surcharge payment order.
Furthermore, the above administrative penalties and recognition of violations refer to business activities during the period when Mr. Mazuka was in office as a Director, but he had no direct involvement in either case, and adequately fulfilled his responsibilities, including enhancing initiatives relating to compliance with laws and regulations and endeavoring to prevent reoccurrence after these cases were recognized.
7. Age of each candidate is as of the conclusion of this General Meeting of Shareholders.

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

As the term of office for Mr. Seiji Nishiura will expire at the conclusion of this General Meeting of Shareholders, the election of one (1) Audit & Supervisory Board Member is proposed.

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

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

Name				Audit & Supervisory Board meeting attendance rate	Board meeting attendance rate	Current position
Seiji Nishiura				100% (8/8 meetings)	100% (7/7 meetings)	Outside Audit & Supervisory Board Member



Seiji Nishiura

Date of Birth
October 7, 1952
(68 years old)

Re-election

Outside

Independent

Number of years in office 4 years

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

Audit & Supervisory Board meeting attendance rate 100%
(8/8 meetings)

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

Profile and position

April 1971	Joined Fukuoka Regional Taxation Bureau	July 2013	Resigned as District Director of this office
July 2003	Special Examiner of First Large Enterprise Examination Dept. of Osaka Regional Taxation Bureau	August 2013	Registered as a tax accountant (current)
July 2008	Chief Examiner of Third Large Enterprise Examination Dept. of Tokyo Regional Taxation Bureau	August 2013	Head of Nishiura Tax Accountant Office (incumbent)
July 2012	District Director of Kamakura Tax Office	June 2017	Outside Audit & Supervisory Board Member (incumbent)

Important concurrent positions

- Head, Nishiura Tax Accountant Office

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

Mr. Seiji Nishiura, who served as district director of tax offices, etc., is well-versed in corporate taxation as a tax accountant and possesses high-level professional expertise in finance and accounting. Therefore, although Mr. Nishiura has never been directly involved in the management of a company, we have nominated him as a candidate for 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.

Reasons for sufficient independence as an Outside Audit & Supervisory Board Member

1. Mr. Seiji Nishiura and all of his family members (including family members within the second degree of kinship, the same shall apply hereinafter) have never received any economic benefits, such as the Company group's (the Company and its affiliated companies, the same shall apply hereinafter) remuneration, consideration for services or transactions, stock options, etc., in the past.
2. Mr. Seiji Nishiura and all of his family members have never assumed any executive roles (including non-business executors) at the Company group in the past.
3. The Company group does not have transaction relationships with Nishiura Tax Accountant Office, where Mr. Seiji Nishiura currently serves as Head.
4. Nishiura Tax Accountant Office is not a shareholder of the Company.

(Notes)

1. There are no special interests between Mr. Seiji Nishiura and the Company.
2. Mr. Seiji Nishiura is a candidate for Outside Audit & Supervisory Board Member.
3. According to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company and Mr. Seiji Nishiura 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 his reelection is approved, the Company plans to renew the agreement with him.
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. Seiji Nishiura is appointed and assumes office, he will become the insured party of this insurance contract, and the Company plans to renew it with the same details during his term of office.
5. Mr. Seiji Nishiura is an Independent Officer under the regulation of Tokyo Stock Exchange, Inc. and he, if reelected, will continue to serve as an Independent Officer.
6. Age 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	No. of Shares of AMADA	
	August 17, 1947 (73 years old)	CO., LTD. Held (shares)	0 shares

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

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.

Reasons for sufficient independence as an Outside Audit & Supervisory Board Member

1. Mr. Makoto Murata and all of his family members (including family members within the second degree of kinship, the same shall apply hereinafter) have never received any economic benefits, such as the Company group's (the Company and its affiliated companies, the same shall apply hereinafter) remuneration, consideration for services or transactions, or stock options, in the past.
2. Mr. Makoto Murata and all of his family members have never assumed any executive roles (including non-business executors) of the Company group in the past.

(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) 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, 2020 to March 31, 2021)

1. Matters Concerning the State of the Company Group

(1) Business Progress and Results

◆ Overview

During the fiscal year under review, the global economy experienced a general slump in capital investment as economic activity stagnated throughout the world and corporate earnings deteriorated rapidly due to the spread of COVID-19. However, in the second half of the fiscal year, many regions began to recover due to measures including a gradual easing of lockdowns, widespread use of vaccines, and sustained fiscal and monetary policies in various countries.

Under this business environment, the Company Group has been pursuing an aggressive management strategy with an eye on changes in the post-COVID-19 world, including the expansion of the product lineup centered on lasers and bending, the promotion of automation, and the strengthening of the after-sales business through V-factory, an IoT solution for customers, in addition to the strengthening of its revenue structure through cost reductions and restructuring of business bases.

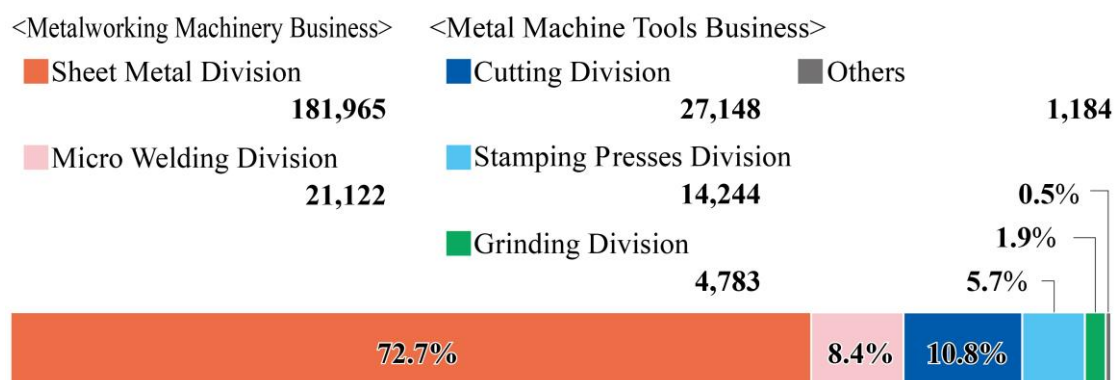
Regarding operating results for the fiscal year under review, revenue was 250,448 million yen (down 21.8% YoY). Revenue in Japan was 112,848 million yen (down 22.5% YoY) and overseas revenue was 137,599 million yen (down 21.1% YoY).

Regarding profit and loss, despite cost reductions and the recording of gains on sales of non-current assets, operating profit was 26,705 million yen (down 23.0% YoY), as it was significantly affected by the decline in revenue, and profit attributable to owners of parent was 18,564 million yen (down 20.6% YoY).

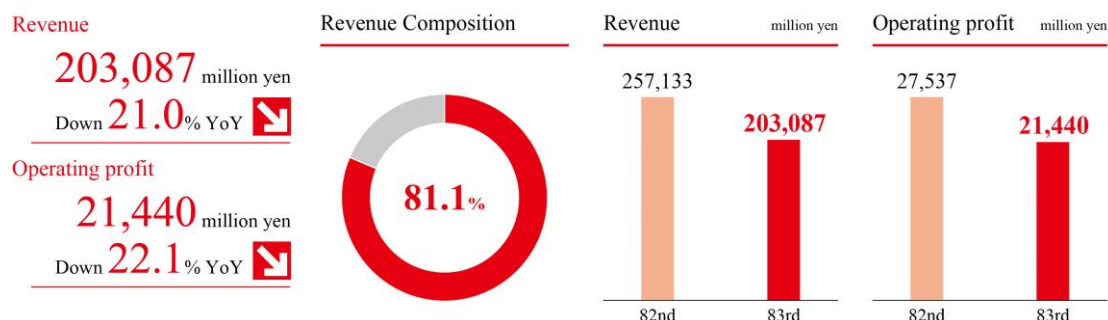
Revenue	Operating Profit	Profit Attributable to Owners of Parent
250,448 million yen down 21.8% YoY 	26,705 million yen down 23.0% YoY 	18,564 million yen down 20.6% YoY 
The average exchange rate during the period		
USD	106.⁰⁶ yen	EUR 123.⁷⁰ yen

- ◆ 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 203,087 million yen (down 21.0% YoY) and operating profit was 21,440 million yen (down 22.1% YoY).

<Sheet Metal Division>

Japan: The Japanese economy showed signs of recovery, with the capital goods shipment index bottoming out in the first quarter; however, it remains below the level before the spread of COVID-19. In the fourth quarter, GDP also turned negative again against the backdrop of factors including the second declaration of a state of emergency, and the severe situation continued. Against this backdrop, although demand for 5G-related products such as switchboards, control panels and server racks remained strong, sales of other products was sluggish. As a result, revenue was 79,923 million yen (down 20.4% YoY).

North America: Although the U.S. economy slowed down sharply in the first quarter, it has continued to recover since the second quarter due to the government's large-scale fiscal policies and monetary easing measures. Under these circumstances, the Company also experienced a decrease in sales due to the impact of restraint in capital investment caused by the spread of COVID-19, but this was a small decrease compared to other regions. Demand for medical equipment-related, outdoor-related, and logistics-related applications was steady, especially in relation to 5G-related investments and COVID-19, and combined with the successful online sales activities, revenue was 44,581 million yen (down 17.4% YoY).

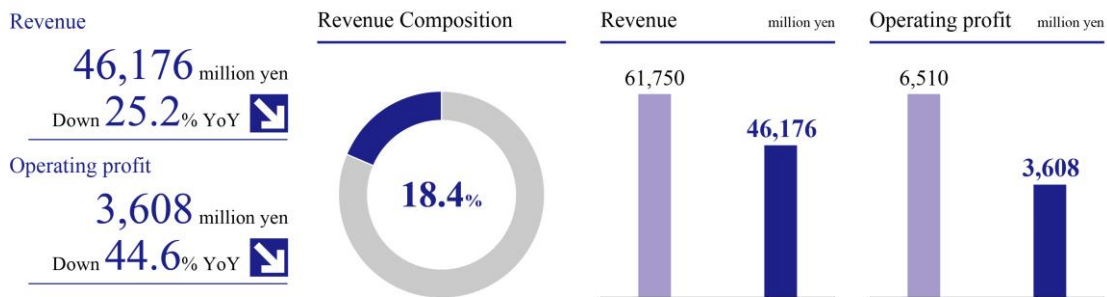
Europe: The European economy began to recover in the second quarter; however, factors including the lockdown in response to the renewed spread of COVID-19 since early autumn have put the brakes on the recovery. Under such circumstances, the demand environment for the Company also improved in the second quarter for medical equipment and construction-related applications; but in other industries, there were signs of restraint in capital investment. Among the major markets, although there were signs of recovery in the U.K., sales declined mainly in Germany, France and Italy. As a result, revenue was 34,700 million yen (down 26.1% YoY).

Asia and other regions: The Chinese economy began to recover ahead of other regions, and as exports were strong due to supply substitution, capital investment in the manufacturing industry was strong, especially in medical, electronic and communication equipment. Although sales for the 5G-related industry such as communication equipment for base stations, switchboards and control panels were strong, the Company experienced a slight decrease in sales due to sluggish sales in other industries. Meanwhile, other Asian and emerging economies also showed signs of recovery in many countries from the second half of the fiscal year; however, the ASEAN region generally continued to face difficult conditions. While the Company also saw a return to capital investment in South Korea, India, and other countries toward the end of the fiscal year, revenue fell sharply in countries including Thailand and Vietnam. As a result, overall revenue for Asia and other regions was 22,759 million yen (down 16.5% YoY).

<Micro Welding Division>

In China, where the economy recovered ahead of other regions, sales of batteries for EVs and other products were strong, and in Japan, demand was seen for EV- and 5G-related products. However, overall sales decreased due to the impact of restrained new capital investment in the first half of the fiscal year in industries related to automotive parts such as electrical components, which are our main customers.

■ Metal Machine Tools Business ■



In the Metal Machine Tools Business, revenue was 46,176 million yen (down 25.2% YoY) and operating profit was 3,608 million yen (down 44.6% YoY).

<Cutting Division>

With the exception of China, where government support measures stimulated investment in infrastructure and where demand was seen for products such as masks related to countermeasures against COVID-19, revenue declined in all regions. Particularly in Japan, sales declined significantly due to a contraction in the operating rate of steel manufacturers, as production in the automotive-related industry, our main customers, and crude steel output were generally weak. In North America as well, although there were some signs of recovery in the fourth quarter mainly for steel manufacturers, overall sales in the fiscal year under review were sluggish, impacted largely by the stagnation of new capital investment.

<Stamping Presses Division>

In Japan, the automotive-related industry, our main customers, saw a return in production volume toward the end of the fiscal year; however, there was still a trend of restraint and extension of delivery times for large-scale capital investment, resulting in a significant drop in sales of large automatic machinery and a decrease in revenue.

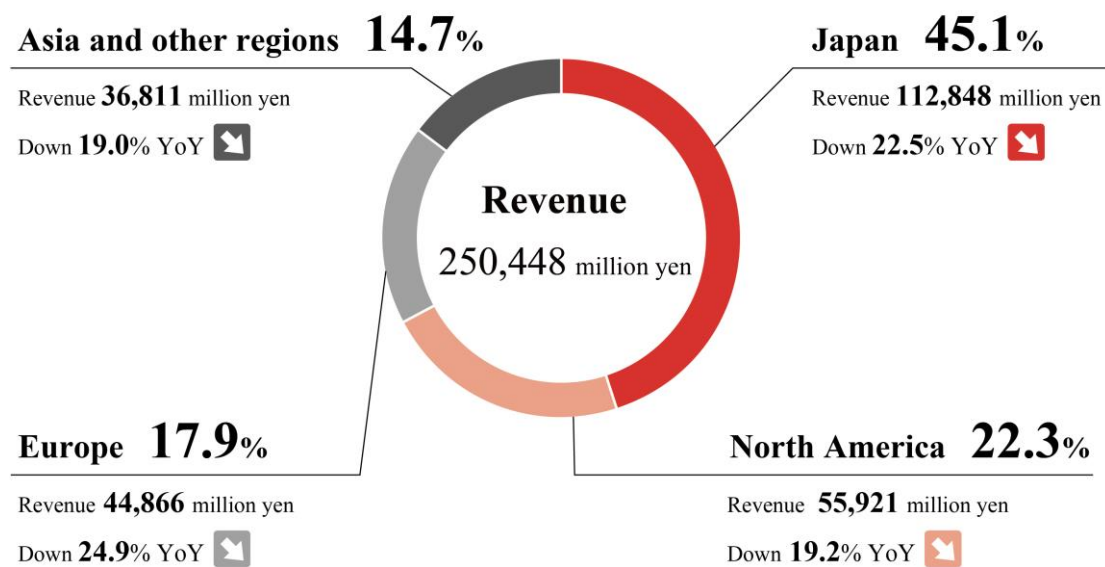
<Grinding Division>

In Japan, although there was a return in demand for some products such as those related to EVs, the overall trend of restraint in capital investment led to a significant drop in revenue of mainstay profile grinders for the die and tool industry, which is a key industry. In the fourth quarter, although sales increased in Europe and the U.S., where there were signs of recovery in capital investment, this was not sufficient enough to offset the decline in revenue of the entire division as weak sales continued in China and ASEAN countries.

◆Operational Overview by Region

Revenue by region decreased by 22.5% in Japan and by 21.1% overseas. The overseas sales ratio was 54.9% compared to 54.5% in the previous fiscal year.

Status of operation by major region is as follows.



(2) Capital Investment

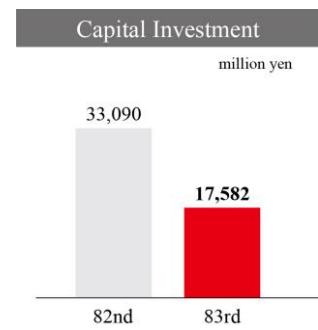
During the fiscal year under review, the Company group invested 14,331 million yen in property, plant and equipment.

In addition, expenditure for acquiring software for internal use and other intangible assets was 3,250 million yen.

Key capital investments were as follows.

1. Increase in production capacity and updated equipment at Fujinomiya Works.
2. Construction of a production plant for sheet metal products at Toki Works.
3. Facility renovation at Isehara Works

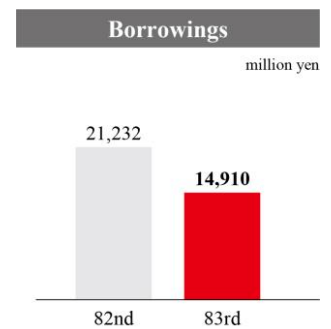
The combined total of capital investment in property, plant and equipment and expenses for intangible assets was 17,582 million yen.



(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 6,322 million yen from the end of the previous fiscal year to 14,910 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

With respect to the future external environment, economic activities in many countries are expected to be restricted due to the global spread of COVID-19, and trends in capital investment are also expected to remain unpredictable. On the other hand, in some regions such as the U.S., expectations for economic recovery are gradually emerging along with the progress in vaccination, and a new normal is being formed in the business world with an eye on the post-COVID-19 world.

Meanwhile, in the metalworking industry, which is the Company group’s main customer, demand for labor-saving, energy-saving, and efficiency improvement solutions to solve the issues surrounding manufacturing is expected to grow further in the future. In addition, the needs of customers are expected to become increasingly fragmented according to regional characteristics, and changes in business styles, such as sales methods using the Internet and the penetration of remote service provision, are expected to develop gradually.

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, cutting-edge manufacturing through IoT manufacturing reform
- Enhancing quality and efficiency of services through preventative and predictive maintenance utilizing big data analysis

- 3) Enhancement of corporate value through improving the capital productivity
- Reduction of lead-time through local production and optimization of inventory assets by building 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
- Product planning and promotion of production systems that reduce environmental impact.
 - Implementation of social contribution activities in a wide range of areas, such as local communities, culture, education, and sports
 - Enhancement of risk management and corporate governance structure
 - Promotion of diversification of work styles and establishment of a personnel system for promoting the advancement of women

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.

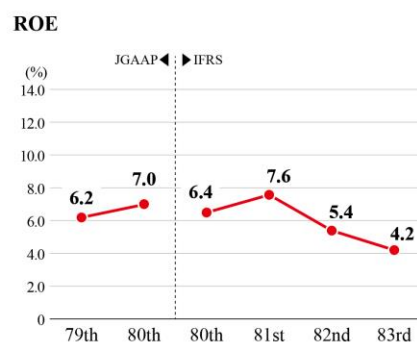
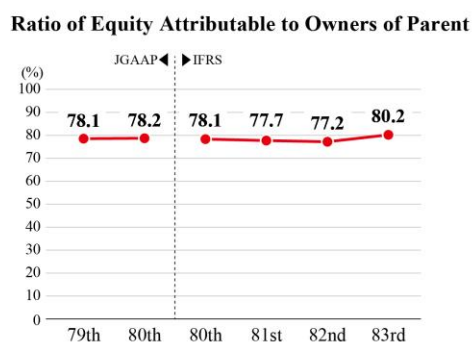
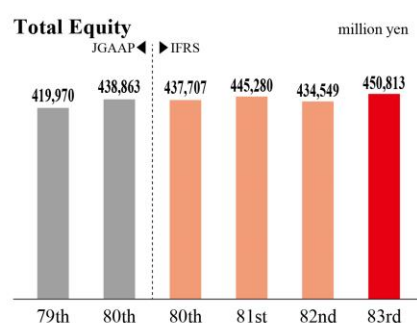
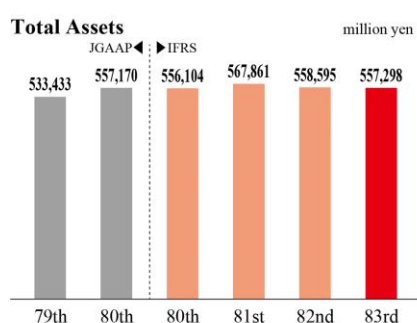
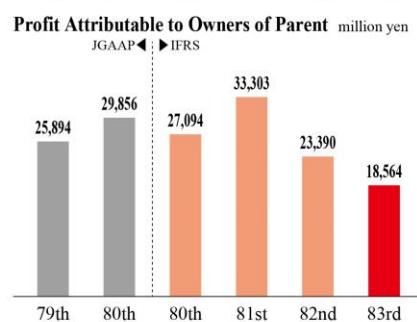
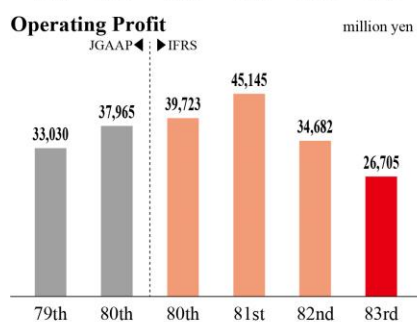
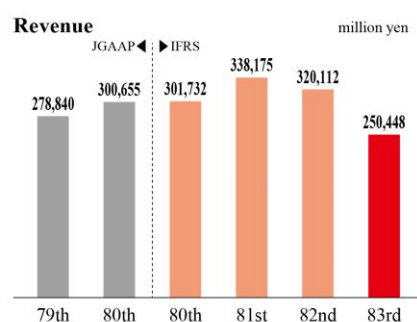
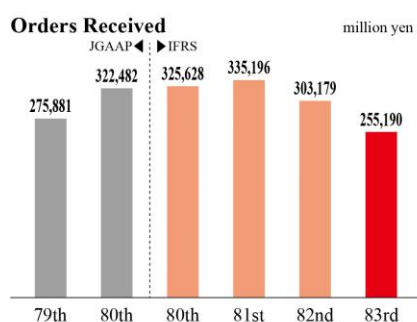
(5) Changes in Operating Results and Financial Position

		J-GAAP		IFRS			
Classification	Fiscal year	79th (From April 1, 2016 to March 31, 2017)	80th (From April 1, 2017 to March 31, 2018)	80th (From April 1, 2017 to March 31, 2018)	81st (From April 1, 2018 to March 31, 2019)	82nd (From April 1, 2019 to March 31, 2020)	83rd (current term) (From April 1, 2020 to March 31, 2021)
Orders received	Million yen	275,881	322,482	325,628	335,196	303,179	255,190
Revenue	Million yen	278,840	300,655	301,732	338,175	320,112	250,448
Operating profit	Million yen	33,030	37,965	39,723	45,145	34,682	26,705
Profit attributable to owners of parent	Million yen	25,894	29,856	27,094	33,303	23,390	18,564
Basic earnings per share	Yen	70.85	81.62	74.07	91.50	65.91	53.40
Total assets	Million yen	533,433	557,170	556,104	567,861	558,595	557,298
Total equity	Million yen	419,970	438,863	437,707	445,280	434,549	450,813
Owners' equity per share	Yen	1,139.87	1,190.97	1,186.66	1,237.85	1,239.96	1,285.95
Ratio of equity attributable to owners of parent	%	78.1	78.2	78.1	77.7	77.2	80.2
Ratio of profit to equity attributable to owners of parent (ROE)	%	6.2	7.0	6.4	7.6	5.4	4.2

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, 2021)

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 PRECISION CO., LTD.	Isehara-shi, Kanagawa	Million yen 400	100.00	Manufacture 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 5,000	* 100.00	Sale of sheet metal processing products in Poland
AMADA OOO	Russia	Thousand rubles 7,300	* 100.00	Sale of sheet metal processing products in Russia
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 8,500	100.00	Sale of sheet metal processing products in Vietnam
AMADA (INDIA) PVT. LTD.	India	Thousand rupees 87,210	100.00	Sale of sheet metal processing products in India
PT. AMADA MACHINERY INDONESIA	Indonesia	Million rupiah 13,500	* 100.00	Sale of sheet metal processing products in Indonesia
AMADA OCEANIA PTY LTD.	Australia	Thousand AUD 6,450	100.00	Sale of sheet metal processing products in Oceania
AMADA DO BRASIL LTDA.	Brazil	Thousand reals 35,600	100.00	Sale of sheet metal processing products in Brazil
AMADA MIDDLE EAST FZCO	U.A.E.	Thousand dirham 5,000	80.0	Sale of sheet metal processing products in U.A.E.

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

- 2) Specified wholly-owned subsidiary
Not applicable.

(7) Main Businesses (As of March 31, 2021)

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

3) Other

Real estate leasing such as shopping centers, etc.

(8) Main Business Offices and Plants (As of March 31, 2021)

1) Domestic

Head Office, core functions	Isehara Works of the Company Group (Kanagawa)	
Development and manufacturing bases	AMADA CO., LTD. (Fujinomiya Works) (Shizuoka) (*1), Toki Works (Gifu) AMADA MACHINERY 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 PRECISION CO., LTD., (Isehara Plant) (Kanagawa), Toki Plant (Gifu)	
Sales and service bases	Sheet-metal, micro welding	AMADA CO., LTD. Solution Center (Kanagawa) (*3) 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, stamping presses, grinding	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.
 (*3) This includes the East Japan Technical Center.

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 OOO (Russia) 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)

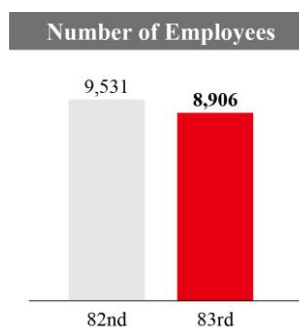
(9) Employees (As of March 31, 2021)

1) The Company Group

Number of employees	Change from the end of previous fiscal year
8,906	Down 625

2) The Company

Number of employees	Change from the end of previous fiscal year
2,676	Up 2,419
Average age	Average service years
43.2	18.7

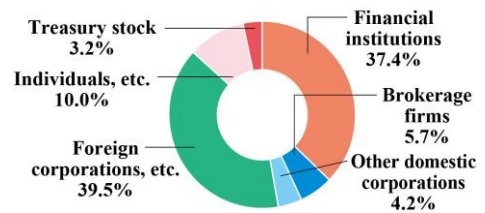


(Note) The number of employees of the Company increased by 2,419 compared to the end of the previous fiscal year due to the Company's absorption-type merger with the former AMADA CO., LTD., a wholly owned subsidiary, on April 1, 2020.

2. Shares of the Company (As of March 31, 2021)

- (1) Total Number of Shares Authorized 550,000,000
 (2) Total Number of Shares Issued 359,115,217
 (including 11,452,346 treasury shares)
 (3) Total Number of Shareholders 39,586

Distribution of shareholdship 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)	45,514	13.09
Custody Bank of Japan, Ltd. (Trust accounts)	26,620	7.66
The AMADA FOUNDATION	9,936	2.86
SMBC Nikko Securities Inc.	8,062	2.32
STANDARD LIFE ASSURANCE LIMITED-PENSION FUNDS	7,889	2.27
Nippon Life Insurance Company	5,894	1.70
THE BANK OF NEW YORK 133972	5,556	1.60
SSBTC CLIENT OMNIBUS ACCOUNT	5,133	1.48
THE BANK OF NEW YORK MELLON 140044	5,064	1.46
STATE STREET BANK WEST CLIENT-TREATY 505234	5,037	1.45

(*) The number of treasury shares (11,452,346 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, 2021)

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, Senior Executive Officer	Yukihiro Fukui	In charge of Production HQ
Director, Executive Officer	Kazuhiko Miwa	In charge of Corporate Management 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 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, Nishiura Tax Accountant Office)

Notes:

1. 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.
2. 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.
3. 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) 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)	374 (24)	192 (24)	182 (—)	—	8 (3)
Audit & Supervisory Board Members (Outside)	43 (12)	43 (12)	—	—	4 (2)
Total	417	235	182	—	12 (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	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	<p>Attended all 7 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.</p> <p>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.</p>
	Toshitake Chino	<p>Attended all 7 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.</p> <p>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.</p>
	Hidekazu Miyoshi	<p>Attended all 7 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.</p> <p>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.</p>
Audit & Supervisory Board Member	Akira Takenouchi	<p>Attended all 7 Board of Directors meetings and all 8 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.</p>
	Seiji Nishiura	<p>Attended all 7 Board of Directors meetings and all 8 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.</p>

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

115 million yen

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

166 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.

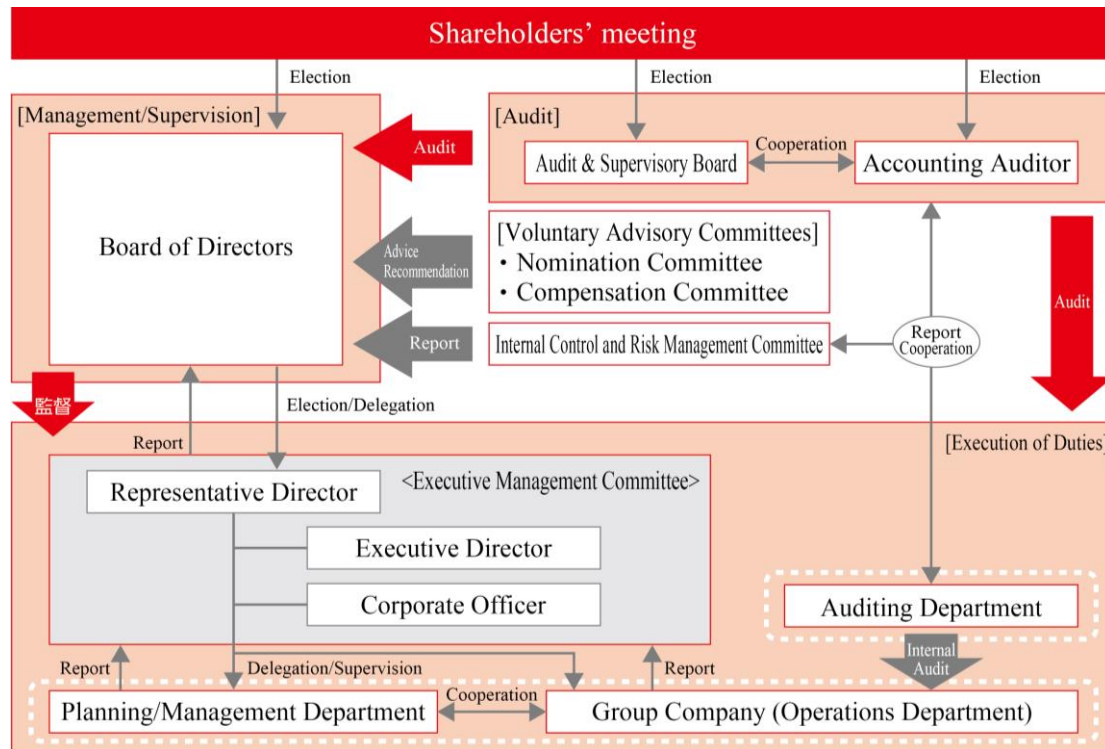
6. Corporate Governance Structure

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, and internal rules) 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. Development and operation of the compliance framework shall be audited by the Auditing Department of the Company Group.

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 Company Group aims to have centralized control of risk information associated with fraud and compliance and reporting of emergency situations without omission. To this end, the Internal Control and Risk Management Committee shall define rules on investigation, clarification and communication networks regarding fraud and risk information, and thoroughly disseminate the rules in the Group companies.

ii) In the event of an emergency situation, our Company shall immediately have the Internal Control and Risk Management Committee Chairman report to the Board of Directors, President, and Audit & Supervisory Members, convene an emergency response meeting to develop a structure for resolving the situation.

iii) For individual risk management, an officer or a head of division in charge of individual

- risks are appointed as the Committee members who will deliberate in the relevant Expert Committees and meeting bodies to manage the various risks.
- iv) The Auditing Department shall conduct internal audits of the Group companies 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" and "Amada Group Corporate Code of Conduct" 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 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.

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, which were held seven times in the business year under review. 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 Company strives to manage risks by preparing in normal times for prevention of risk events that have a significant impact on the management of the Company Group business and minimizing the damage during the risk event. 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 within 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 a major incident or case, the Company establishes an emergency task force to take swift action to manage risks.

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 losses, and provides recommendations and guidance on improvements.

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

The Audit & Supervisory Board Members worked to improve the efficiency of audits by attending the Board of Directors, Executive Management Committee, Internal Control and Risk Management Committee and other important meetings, 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, 2021)	(Reference) Previous fiscal year (As of March 31, 2020)	Item	Current fiscal year (As of March 31, 2021)	(Reference) Previous fiscal year (As of March 31, 2020)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and cash equivalents	75,868	47,167	Trade and other payables	42,009	51,745
Trade and other receivables	115,534	126,058	Borrowings	11,220	16,879
Inventories	81,765	100,495	Income taxes payable	2,034	2,909
Other financial assets	25,679	15,736	Other financial liabilities	3,014	3,086
Other current assets	8,161	9,879	Provisions	1,755	1,712
Total current assets	307,009	299,338	Other current liabilities	25,085	23,470
Non-current assets			Total current liabilities	85,118	99,803
Property, plant and equipment	160,270	154,907	Non-current liabilities		
Goodwill	6,067	5,928	Borrowings	3,690	4,353
Intangible assets	13,532	15,009	Other financial liabilities	10,127	10,125
Investments accounted for using equity method	420	422	Retirement benefit liability	3,072	3,001
Other financial assets	54,766	59,958	Provisions	6	6
Deferred tax assets	6,124	13,496	Deferred tax liabilities	1,116	2,651
Other non-current assets	9,106	9,534	Other non-current liabilities	3,352	4,103
Total non-current assets	250,288	259,256	Total non-current liabilities	21,367	24,242
Total Assets	557,298	558,595	Total Liabilities	106,485	124,045
			(Equity)		
			Share capital	54,768	54,768
			Capital surplus	143,883	143,884
			Retained earnings	252,315	248,515
			Treasury shares	(12,092)	(12,089)
			Other components of equity	8,202	(3,986)
			Total equity attributable to owners of parent	447,077	431,091
			Non-controlling interests	3,735	3,457
			Total Equity	450,813	434,549
			Total Liabilities and Equity	557,298	558,595

(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, 2020 to March 31, 2021)	(Reference) Previous fiscal year (From April 1, 2019 to March 31, 2020)
Revenue	250,448	320,112
Cost of sales	(151,246)	(186,650)
Gross profit	99,201	133,461
Selling, general and administrative expenses	(81,547)	(100,187)
Other income	14,150	2,233
Other expenses	(5,098)	(825)
Operating profit	26,705	34,682
Finance income	2,942	1,494
Finance costs	(864)	(2,717)
Share of profit of investments accounted for using equity method	35	330
Profit before tax	28,818	33,789
Income tax expense	(10,081)	(10,147)
Profit	18,737	23,642
Profit attributable to:		
Owners of parent	18,564	23,390
Non-controlling interests	173	251
Profit	18,737	23,642

(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, 2020 to March 31, 2021)

(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, 2020	54,768	143,884	248,515	(12,089)
Profit	—	—	18,564	—
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	18,564	—
Dividends	—	—	(13,558)	—
Purchase of treasury shares	—	—	—	(3)
Disposal of treasury shares	—	(0)	—	0
Transfer from other components of equity to retained earnings	—	—	(1,205)	—
Total transactions with owners	—	(0)	(14,764)	(3)
Balance at March 31, 2021	54,768	143,883	252,315	(12,092)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Other components of equity					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, 2020	—	2,002	(5,982)	(5)	(3,986)	431,091	3,457	434,549
Profit	—	—	—	—	—	18,564	173	18,737
Other comprehensive income	(1,231)	2,314	9,898	1	10,982	10,982	280	11,262
Comprehensive income	(1,231)	2,314	9,898	1	10,982	29,546	453	30,000
Dividends	—	—	—	—	—	(13,558)	(174)	(13,733)
Purchase of treasury shares	—	—	—	—	—	(3)	—	(3)
Disposal of treasury shares	—	—	—	—	—	0	—	0
Transfer from other components of equity to retained earnings	1,231	(25)	—	—	1,206	0	(0)	—
Total transactions with owners	1,231	(25)	—	—	1,206	(13,561)	(175)	(13,736)
Balance at March 31, 2021	—	4,291	3,915	(4)	8,202	447,077	3,735	450,813

Balance Sheet

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

Item	Current fiscal year (As of March 31, 2021)	(Reference) Previous fiscal year (As of March 31, 2020)	Item	Current fiscal year (As of March 31, 2021)	(Reference) Previous fiscal year (As of March 31, 2020)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits	25,270	10,542	Notes payable - trade	397	—
Notes receivable - trade	17,228	350	Accounts payable - trade	7,801	1,052
Accounts receivable - trade	36,356	20,174	Electronically recorded obligations - operating	11,636	—
Securities	27,599	10,969	Lease obligations	75	35
Merchandise and finished goods	14,928	3,465	Accounts payable - other	1,044	538
Work in process	3,157	—	Accrued expenses	6,992	2,002
Raw materials and supplies	7,446	5	Income taxes payable	383	449
Advance payments - trade	55	13	Contract liabilities	2,492	—
Prepaid expenses	342	264	Advances received	—	1,143
Short-term loans receivable	2,373	2,228	Deposits received	19,783	57,103
Accounts receivable - other	6,488	3,764	Provision for product warranties	294	174
Other	502	802	Provision for bonuses	1,818	221
Allowance for doubtful accounts	(886)	(656)	Provision for directors' bonuses	157	170
Total current assets	140,864	51,924	Other	258	369
Non-current assets			Total current liabilities	53,137	63,261
Property, plant and equipment			Non-current liabilities		
Buildings	47,331	39,997	Lease obligations	29	20
Structures	5,648	5,167	Deferred tax liabilities	527	—
Machinery and equipment	12,331	6,177	Deferred tax liabilities for land revaluation	477	477
Vehicles	137	0	Provision for retirement benefits	139	845
Tools, furniture and fixtures	2,010	1,761	Provision for loss on business of subsidiaries and associates	—	734
Assets for rent	5,659	5,659	Asset retirement obligations	6	6
Land	32,262	32,434	Long-term guarantee deposited	948	771
Leased assets	46	40	Other	1,016	—
Construction in progress	3,002	7,846	Total non-current liabilities	3,145	2,856
Total property, plant and equipment	108,430	99,085	Total Liabilities	56,283	66,118
Intangible assets			(Net Assets)		
Goodwill	0	22	Shareholders' equity		
Patent right	1	6	Capital stock	54,768	54,768
Software	8,478	8,417	Capital surplus		
Telephone subscription right	109	109	Legal capital surplus	163,199	163,199
Other	12	14	Total capital surplus	163,199	163,199
Total intangible assets	8,601	8,571	Retained earnings		
Investments and other assets			Legal retained earnings	9,126	9,126
Investment securities	53,797	58,935	Other retained earnings		
Shares of subsidiaries and associates	69,923	123,392	Reserve for reduction entry of land	408	408
Investments in capital of subsidiaries and associates	20,748	20,402	Reserve for reduction entry of depreciable assets	5,955	1,168
Long-term loans receivable	1,738	1,861	General reserve	111,852	111,852
Long-term prepaid expenses	303	300	Retained earnings brought forward	19,690	(17,939)
Prepaid pension costs	3,636	—	Total retained earnings	147,033	104,616
Deferred tax assets	—	7,385	Treasury shares	(12,092)	(12,089)
Real estate lease investment assets	1,211	1,378	Total shareholders' equity	352,909	310,494
Other	936	742	Valuation and translation adjustments		
Allowance for doubtful accounts	(640)	(621)	Valuation difference on available-for-sale securities	9,552	5,956
Total investments and other assets	151,656	213,778	Revaluation reserve for land	(9,191)	(9,210)
Total non-current assets	268,689	321,434	Total valuation and translation adjustments	360	(3,253)
Total Assets	409,553	373,359	Total Net Assets	353,270	307,241
			Total Liabilities and Net Assets	409,553	373,359

(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, 2020 to March 31, 2021)	(Reference) Previous fiscal year (From April 1, 2019 to March 31, 2020)
Net sales	121,727	60,002
Cost of sales	82,437	32,863
Gross profit	39,290	27,139
Selling, general and administrative expenses	33,572	23,374
Operating income	5,717	3,765
Non-operating income	10,677	17,490
Interest income	143	167
Interest on securities	253	284
Dividend income	7,810	16,319
Gain on sales of investment securities	29	40
Commission fee	449	28
Foreign exchange gains	719	—
Other	1,272	650
Non-operating expenses	558	1,355
Interest expenses	1	6
Loss on sales of investment securities	—	627
Loss on valuation of investment securities	493	—
Loss on valuation of derivatives	25	27
Foreign exchange losses	—	687
Other	37	6
Ordinary income	15,837	19,900
Extraordinary income	47,108	91
Gain on sales of non-current assets	10,190	0
Gain on sales of investment securities	89	33
Gain on extinguishment of tie-in shares	36,599	—
Government grant income	230	58
Extraordinary losses	1,612	105
Loss on sales of non-current assets	—	2
Loss on retirement of non-current assets	1,131	21
Impairment loss	167	—
Loss on sales of investment securities	52	64
Cancellation penalty	174	4
Other	87	11
Income before income taxes	61,333	19,886
Income taxes – current	1,612	1,574
Income taxes – deferred	3,726	(7)
Total income taxes	5,338	1,567
Profit	55,994	18,319

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

Statement of Changes in Equity (From April 1, 2020 to March 31, 2021) (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, 2020	54,768	163,199	—	163,199	9,126	408	1,168	111,852
Changes of items during period								
Provision of reserve for reduction entry of depreciable assets	—	—	—	—	—	—	5,106	—
Reversal of reserve for reduction entry of depreciable assets	—	—	—	—	—	—	(318)	—
Dividends of surplus	—	—	—	—	—	—	—	—
Profit	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—
Disposal of treasury shares	—	—	(0)	(0)	—	—	—	—
Transfer of negative balance of other capital surplus	—	—	0	0	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during period	—	—	—	—	—	—	4,787	—
Balance at March 31, 2021	54,768	163,199	—	163,199	9,126	408	5,955	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						
	Retained earnings brought forward							
Balance at April 1, 2020	(17,939)	104,616	(12,089)	310,494	5,956	(9,210)	(3,253)	307,241
Changes of items during period								
Provision of reserve for reduction entry of depreciable assets	(5,106)	—	—	—	—	—	—	—
Reversal of reserve for reduction entry of depreciable assets	318	—	—	—	—	—	—	—
Dividends of surplus	(13,558)	(13,558)	—	(13,558)	—	—	—	(13,558)
Profit	55,994	55,994	—	55,994	—	—	—	55,994
Purchase of treasury shares	—	—	(3)	(3)	—	—	—	(3)
Disposal of treasury shares	—	—	0	0	—	—	—	0
Transfer of negative balance of other capital surplus	(0)	(0)	—	—	—	—	—	—
Reversal of revaluation reserve for land	(18)	(18)	—	(18)	—	18	18	—
Net changes of items other than shareholders' equity	—	—	—	—	3,595	—	3,595	3,595
Total changes of items during period	37,630	42,417	(2)	42,414	3,595	18	3,614	46,028
Balance at March 31, 2021	19,690	147,033	(12,092)	352,909	9,552	(9,191)	360	353,270