

(English Translation)

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(Securities Code: 6113)

June 5, 2019

To our shareholders:

Tsutomu Isobe

President (Representative Director)

AMADA HOLDINGS CO., LTD.

200, Ishida, Isehara-shi, Kanagawa, Japan

Notice of Convocation of the 81st Ordinary General Meeting of Shareholders

This is to inform you that the 81st Ordinary General Meeting of Shareholders of AMADA HOLDINGS CO., LTD. will be held as follows.

As shareholder who is unable to attend the meeting may exercise his or her voting rights by either of the following manners, please exercise your voting rights, upon examination of the enclosed referential statements, not later than 5:15 p.m. on June 25, 2019 (Tuesday).

[Exercise of voting rights by mail]

Please send back the enclosed voting ballot to AMADA HOLDINGS CO., LTD., with due entries thereon indicating assent or dissent with respect to each agenda so that such voting ballot reaches AMADA HOLDINGS 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 26, 2019 (Wednesday) at 10:00 a.m.
2. Place: At the head office of AMADA HOLDINGS CO., LTD. located at 200, 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 81st Fiscal Term (from April 1, 2018 through March 31, 2019)
 - (2) Report on the Non-consolidated Financial Statements for the 81st Fiscal Term (from April 1, 2018 through March 31, 2019)

Matters to be Resolved:

- First Item: Distribution of retained earnings
- Second Item: Election of eight (8) Directors
- Third Item: Election of two (2) Audit & Supervisory Board Members
- Fourth Item: Election of one (1) Alternate Audit & Supervisory Board Member
- Fifth Item: Payment of bonuses to Directors
- Sixth Item: Revision to the amount of Directors' remuneration

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.

* 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.amadaholdings.co.jp/ir/> ; English: <https://www.amadaholdings.co.jp/en/ir/>) 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.

* 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 “IR Information” page (Japanese: <https://www.amadaholdings.co.jp/ir/> ; English: <https://www.amadaholdings.co.jp/en/ir/>) of the website of AMADA HOLDINGS CO., LTD.

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 distribution of retained earnings.

Pursuant to the above policy, for the current dividends, the management proposes to pay the annual dividend of 46 yen per share, an increase of 4 yen from the previous term, to pay a year-end dividend of 25 yen per share for the Fiscal Term, having already paid 21 yen as an interim dividend.

Matters concerning the year-end cash dividend:

(1) Kind of property:

Monetary distribution

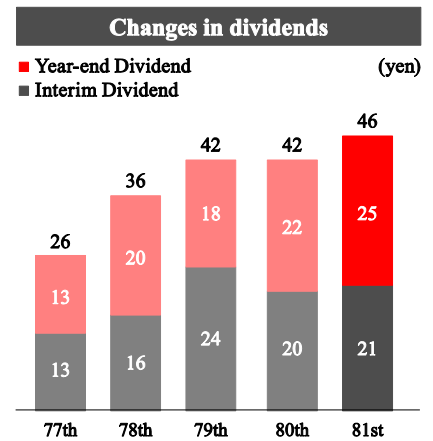
(2) Matters concerning the allocation of properties to be distributed to shareholders and the total amounts thereof:

JPY25 per common share

JPY8,915,290,150 in total

(3) Effective date of distribution of retained earnings:

June 27, 2019



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 or position in other companies, etc.
1	Mitsuo Okamoto	Re- election		100% (9/9 meetings)	Chairman of the Board & CEO
2	Tsutomu Isobe	Re- election		100% (9/9 meetings)	President President and Representative Director, AMADA CO., LTD.
3	Kotaro Shibata	Re- election		100% (9/9 meetings)	Senior Managing Director Assistant to President
4	Hidekazu Kudo	Re- election		100% (9/9 meetings)	Director Executive General Manager of Financial Div.
5	Kazuhiko Miwa	Re- election		100% (7/7 meetings)	Director Executive General Manager of Corporate Management Div.
6	Michiyoshi Mazuka	Re- election	Outside Independent	100% (9/9 meetings)	Outside Director
7	Toshitake Chino	Re- election	Outside Independent	100% (9/9 meetings)	Outside Director
8	Hidekazu Miyoshi	Re- election	Outside Independent	100% (9/9 meetings)	Outside Director

Note: The attendance ratio of Mr. Kazuhiko Miwa at the Board of Directors meetings applies only to those held after his appointment on June 27, 2018.

Candidate
Ref No.

1

Mitsuo Okamoto

Date of Birth
June 13, 1943 (76 years old)

Re-
election



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

119,338 shares

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

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

Important concurrent positions

- Chairman and Representative Director, AMADA MACHINE TOOLS CO., LTD.
- Chairman and Representative Director, AMADA MIYACHI CO., LTD.
- Chairman and Representative Director, AMADA ORII CO., LTD.
- Chairman and Director, AMADA EUROPE S.A.
- Chairman and Representative Director, The Amada Foundation

Reasons for nomination as a candidate for Director

Mr. Mitsuo Okamoto is making overall management decisions and overseeing business execution appropriately as the Chairman of the Board and CEO of the Company. He also has in-depth management knowledge and strong leadership, and has led the Company to grow 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.

Candidate
Ref No.

2

Tsutomu Isobe

Date of Birth
May 19, 1961 (58 years old)

Re-
election



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

61,000 shares

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

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

Important concurrent positions

- President and Representative Director, AMADA CO., LTD.

Reasons for nomination as a candidate for Director

Mr. Tsutomu Isobe is making overall management decisions and overseeing business execution appropriately as the 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 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.

3

Kotaro Shibata

Date of Birth

January 7, 1953 (66 years old)

Re-
election



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

25,000 shares

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

January 1980	Joined the Company	April 2013	Managing Director
October 2001	General Manager of Punching Business Dept.	April 2015	managing Sales
June 2009	Corporate Officer	April 2017	Vice President and Director of AMADA CO., LTD.
June 2010	Executive General Manager of Sales Management Div.	June 2017	President and Representative Director of AMADA CO., LTD.
	Director and Corporate Officer	June 2017	Senior Managing Director, the Company
	Deputy Senior Executive General Manager of Sales Management HQ	April 2018	Senior Managing Director Senior Corporate Officer
June 2012	Director and Managing Director		Assistant to President Chairman and President, AMADA (CHINA) CO., LTD.
	Deputy Senior Executive General Manager of Engineering Business HQ	April 2019	Senior Managing Director Assistant to President (incumbent)

Reasons for nomination as a candidate for Director

Mr. Kotaro Shibata is appropriately performing his duties as an assistant to the President. In addition to his long years of experience supervising the sales division, he has broad knowledge and experience as represented by his development of markets in Asia, such as in China and the ASEAN region. Based on these factors, we have nominated Mr. Shibata 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

Hidekazu Kudo

Date of Birth
March 18, 1964 (55 years old)

Re-
election



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

10,000 shares

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

June 1988	Joined Sony Corporation	October 2013	Vice President (CFO) of Sony Korea Corporation
April 2007	Executive General Manager of Entertainment & Media Planning Administration Dept., Management Planning Div. of this company	November 2015	Joined the Company Deputy Senior Executive General Manager of Financial HQ
May 2008	AMEA Region CFO of Sony Electronics Asia Pacific Pte Ltd.	April 2016	Corporate Officer Senior Executive General Manager of Financial HQ
		June 2017	Director Senior Executive General Manager of Financial HQ
		April 2018	Director Executive General Manager of Financial Div. (incumbent)

Reasons for nomination as a candidate for Director

Mr. Hidekazu Kudo is appropriately performing his duties as an Executive General Manager managing the finance and accounting of the Company. His long years of engagement with administrative divisions include the position of CFO of an overseas subsidiary at his previous post, giving him broad knowledge regarding global corporate management. Based on these factors, we have nominated Mr. Kudo as a candidate for Director, having determined that he is an appropriate candidate capable of contributing to sustainable growth of the Company's corporate value.

Candidate
Ref No.

5

Kazuhiko Miwa

Date of Birth
March 10, 1963 (56 years old)

Re-
election



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

10,000 shares

Participation in meetings of
the Board of Directors

100% (7/7 meetings)

* Applies only to the
Board of Directors
meetings held after his
appointment on June 27,
2018.

Profile, position and responsibility in the Company

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

Reasons for nomination as a candidate for Director

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

Candidate
Ref No.

6

Michiyoshi Mazuka

Date of Birth

October 17, 1943 (75 years old)

Re- election	Outside	Independ- ent
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No. of Shares of AMADA
HOLDINGS CO., LTD.
Held (shares)

0 shares

Number of years in office

3 years

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

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

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

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. Therefore, we have nominated Mr. Mazuka as a candidate for Outside Director, having determined that he is an appropriate candidate capable of providing beneficial advice to the management 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 currently serves as Senior Advisor; 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 (72 years old)

Re- election	Outside	Independ ent
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No. of Shares of AMADA
HOLDINGS CO., LTD.
Held (shares)

0 shares

Number of years in office

5 years

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

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

Reasons for nomination as a candidate for Outside Director

Mr. Toshitake Chino has expertise and experience as editor and company manager at Nikkan Kogyo Shimbun Ltd., a general information-management institution in industrial society, with newspapers being its core medium. Therefore, we have nominated Mr. Chino as a candidate for Outside Director, having determined that he is an appropriate candidate capable of providing beneficial advice to the management 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. Transactions have taken place, such as payment of advertisement fees from the Company group, with Nikkan Kogyo Shimbun Ltd., where Mr. Toshitake Chino served as Representative Director and 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 (68 years old)

Re- election	Outside	Independ- ent
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No. of Shares of AMADA
HOLDINGS CO., LTD.
Held (shares)

9,033 shares

Number of years in office
4 years and 3 months

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile, position and responsibility in the Company

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 1989	President of Miyoshi & Miyoshi (Patent Office)	April 2004	Chairman of Miyoshi & Miyoshi (Patent Office) (incumbent)
		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

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. Therefore, we have nominated Mr. Miyoshi as a candidate for Outside Director, having determined that he is an appropriate candidate capable of providing beneficial advice to the Company's management based on his knowledge and experience.

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. Transactions have occurred, such as payment of fees 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. Mitsuo Okamoto, Tsutomu Isobe, Kotaro Shibata, Hidekazu Kudo, Kazuhiko Miwa, 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. 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.
5. 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.
6. Age of each candidate is as of the conclusion of this General Meeting of Shareholders.

Third Item**Election of two (2) Audit & Supervisory Board Members**

As Takaya Shigeta and Akira Takenouchi will resign at the conclusion of this General Meeting of Shareholders, the election of two (2) Audit & Supervisory Board Members is proposed.

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

The candidates for the Audit & Supervisory Board Members are as follows:

Candidate Ref No.	Name		Audit & Supervisory Board meeting attendance rate	Board meeting attendance rate	Current position in the Company
1	Takaya Shigeta	Re-election	100% (8/8 meetings)	100% (9/9 meetings)	Full-time Audit & Supervisory Board Member
2	Akira Takenouchi	Re-election	100% (8/8 meetings)	100% (9/9 meetings)	Outside Audit & Supervisory Board Member

Candidate
Ref No.

1

Takaya Shigeta

Date of Birth

September 26, 1951 (67 years old)

Re-
election



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

28,650 shares

Number of years in office

4 years

Participation in meetings of
the Audit & Supervisory
Board

100% (8/8 meetings)

Participation in meetings of
the Board of Directors

100% (9/9 meetings)

Profile and position in the Company

March 1974	Joined the Company	April 2013	Director and Corporate Officer
April 2006	General Manager of Finance Department		Deputy Senior Executive General Manager of Financial HQ
June 2010	Director and Corporate Officer		Audit & Supervisory Board Member (incumbent)
	General Manager of Finance Department	April 2015	

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

Mr. Takaya Shigeta has held key positions in the finance and accounting divisions of the Company, and has broad professional knowledge concerning corporate finance and accounting. Based on these factors, we have nominated Mr. Shigeta as a candidate for Audit & Supervisory Board Member, having determined that he is capable of carrying out objective and proper audits.

Candidate
Ref. No.

2

Akira Takenouchi

Date of Birth
May 26, 1947 (72 years old)

Re- election	Outside	Independ- ent
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No. of Shares of AMADA
HOLDINGS CO., LTD.
Held (shares)

0 shares

Profile and position in the Company

April 1979	Registered as lawyer at TOKYO BAR ASSOCIATION (incumbent) Joined Makoto Tsuji Law Office (incumbent)	April 2011	President of TOKYO BAR ASSOCIATION Vice President of Japan Federation of Bar Associations
June 2002	Outside Audit & Supervisory Board Member of Alps Electric Co., Ltd.	April 2013	Member of “Panel of Experts Concerning the Operation, etc., of the Lay Judge System,” Supreme Court of Japan
June 2005	Retired as Outside Audit & Supervisory Board Member of this company	June 2014	Outside Audit & Supervisory Board Member of the Company (incumbent)

Number of years in office
5 years

Important concurrent positions

- Works for Makoto Tsuji Law Office

Participation in meetings of
the Audit & Supervisory
Board

100% (8/8 meetings)

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

Participation in meetings of
the Board of Directors
100% (9/9 meetings)

Mr. Akira Takenouchi is a lawyer familiar with legal affairs, and has broad experience and track record in the legal circle, including his position as President of TOKYO BAR ASSOCIATION. Therefore, although Mr. Takenouchi 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 audit system based on his experience and knowledge.

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

1. Mr. Akira Takenouchi 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. Akira Takenouchi and all of his family members have never assumed any executive roles (including non-business executors) of the Company group in the past.
3. The Group has no transaction relationship with Makoto Tsuji Law Office which Mr. Akira Takenouchi works for.
4. Makoto Tsuji Law Office is not a shareholder of the Company.

(Notes)

1. There are no special interests between each of Messrs. Takaya Shigeta and Akira Takenouchi and the Company.
2. Mr. Akira Takenouchi 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. Akira Takenouchi 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. Mr. Akira Takenouchi is an Independent Officer under the regulation of Tokyo Stock Exchange, Inc. and he, if reelected, will continue to serve as an Independent Officer.
5. Age of each candidate is as of the conclusion of this General Meeting of Shareholders.

Fourth Item

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

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

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

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

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

Makoto Murata	Date of Birth August 17, 1947 (71 years old)	<div>Outside</div> <div>Independent</div>
No. of Shares of AMADA HOLDINGS CO., LTD. Held (shares) 0 shares		
Profile, position and responsibility in the Company		
October 1975	Assistant of Faculty of Electro-Communications, The University of Electro-Communications	April 1991 Associate Professor of Faculty of Electro-Communications
May 1989	Lecturer of Faculty of Electro-Communications	April 2001 Professor of Faculty of Electro-Communications
		March 2012 Retired from the University
Reasons for nomination as a candidate for 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. Mr. Makoto Murata is a fill-in candidate for Outside Audit & Supervisory Board Member.
2. There are no special interests between Mr. Makoto Murata and the Company.
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. 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.
5. Age is as of the conclusion of this General Meeting of Shareholders.

(Reference) Independence Standards for Outside Officers

AMADA HOLDINGS CO., LTD.

Amada Holdings 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

Fifth Item**Payment of bonuses to Directors**

In consideration of the business results for the fiscal term and other factors, the management proposes the payment of bonuses to five (5) Directors, excluding Outside Directors, incumbent as of the end of the fiscal term, totaling 221,000,000 yen. We request that specific amounts to be paid to individual Directors, payment timing, methods and other details be determined by resolution of the Board of Directors.

Sixth Item

Revision to the amount of Directors' remuneration

The maximum amount of Directors' remuneration was resolved to be 39 million yen per month, at the 54th Ordinary General Meeting of Shareholders held on June 26, 1992, which has remained the same to date.

However, in view of the change in economic conditions, management environment and other circumstances in the meantime, the Company proposes to revise the maximum amount of Directors' remuneration (including the change in the basis of presenting such amount from monthly to yearly) to 468 million yen per year (including 50 million yen for Outside Directors) including bonuses.

Bonuses to Directors have been discussed each time by the General Meeting of Shareholders, but we request that they be paid upon resolution of the Board of Directors going forward within the scope of the aforementioned amount, with the total amount linking to consolidated profit (profit attributable to owners of parent) and payout ratio as a basis. Outside Directors, however, are independent from the execution of business, and shall not be the recipients of Directors' bonuses. They receive the basic remuneration only, as in the past. The amount of Directors' remuneration shall remain exclusive of the employees' salary paid to Directors concurrently serving as employees.

The Board of Directors is currently composed of eight (8) Directors (including three (3) Outside Directors), and the composition will remain the same if the Second Item is approved as originally proposed.

(Appendix)

Business Report
(April 1, 2018 to March 31, 2019)

1. Matters Concerning the State of the Company Group

(1) Business Progress and Results

◆ Overview

The Company group has adopted International Financial Reporting Standards (hereinafter referred to as “IFRS”) in place of Generally Accepted Accounting Principle in Japan (hereinafter referred to as “JGAAP”) from the fiscal year under review, in order to improve international comparability of financial information in the capital market and to strengthen our global business management foundation through the unification of accounting standards throughout the Group. Figures for the previous fiscal year that were released in accordance with JGAAP have been reclassified in conformity with IFRS for the purpose of comparison and analysis.

The Company group formulated the Medium Term Management Plan “Task321” as a new step toward envisioning the Company in the next 100 years. Toward achieving the Task321, the Company is striving to 1) make proactive strategic investments, 2) expand the sales network, 3) implement growth strategies through the development of new business models, 4) further enhance profitability and efficiency by promoting the manufacturing innovation in which integrating development and manufacturing, and 5) building a supply chain management system that utilizes the IoT. In addition, through enhancing capital productivity by reforming the balance sheets, the Company is working to boost growth potential, profitability and capital efficiency.

Regarding operating results for the fiscal year under review, orders received were 335,196 million yen (up 2.9 % YoY) and revenue was 338,175 million yen (up 12.1% YoY), both exceeding the performance of the previous fiscal year and posting the highest results. In Japan, all businesses and divisions surpassed their previous fiscal year results on the back of robust capital investment demand and new consolidations of Orii and Mec Corporation (now AMADA ORII CO., LTD.), which was acquired and turned a Group company during the fiscal year under review, and others, resulting in revenue rising to 148,992 million yen (up 11.5% YoY). Overseas, revenues grew in all regions, resulting in overseas revenue of 189,182 million yen (up 12.5% YoY). In North America, in particular, continued strong sales in the Sheet Metal Division and new consolidation of AMADA MARVEL, INC. in the Cutting Division and other factors contributed to the robust performance.

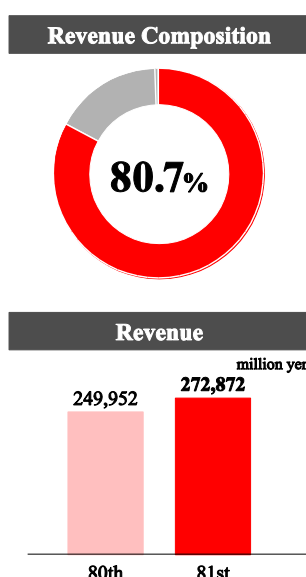
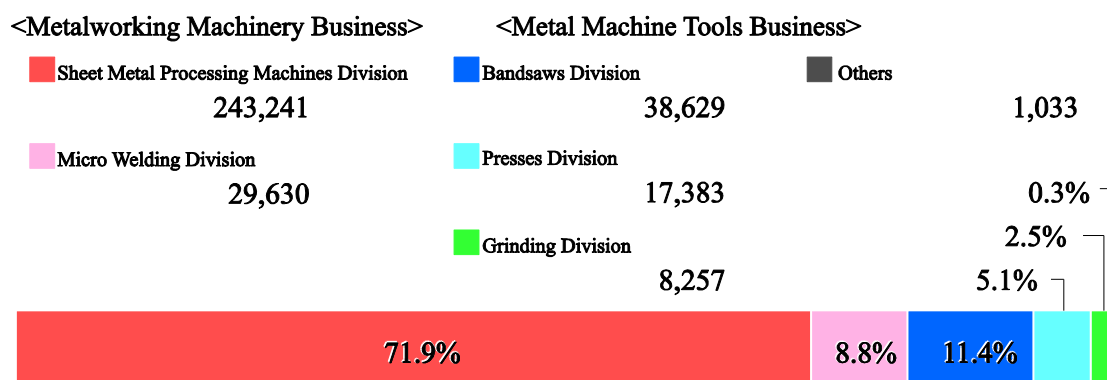
Regarding profit and loss, due to the effect of increased sales volume and the streamlined manufacturing of mainstay fiber laser machines, operating profit and profit attributable to owners of parent increased, respectively, to 45,316 million yen (up 14.1% YoY) and 33,420 million yen (up 23.3% YoY), both recording the highest results.

Revenue	Operating Profit	Profit Attributable to Owners of Parent
338,175 million yen	45,316 million yen	33,420 million yen
up 12.1% YoY 	up 14.1% YoY 	up 23.3% YoY 
The average exchange rate during the period	USD 110.91 yen	EUR 128.40 yen

◆ Operational Overview by Major Business

Revenue by major business is as indicated below. The Metalworking Machinery Business's sales increased by 9.2% year on year while those of the Metal Machine Tools Business increased by 27.6% year on year.

Revenue Composition by Major Business (million yen)



Metalworking Machinery Business

In the Metalworking Machinery Business, orders received were 272,380 million yen (up 1.6% YoY) and revenue was 272,872 million yen (up 9.2% YoY), both increased from the previous fiscal year.

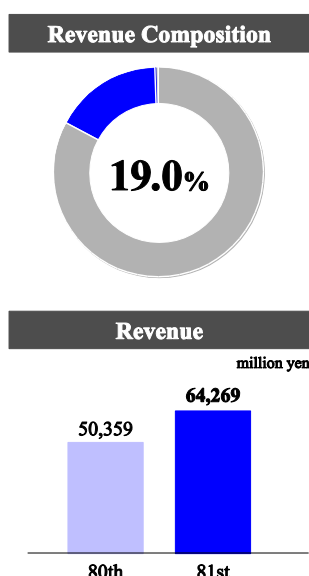
In the Sheet Metal Division, expansion was seen in sales of fiber laser machines, which has maintained high growth, and, in Japan, sales expanded primarily for new high-output products. Sales of fiber laser machines rose overseas as well, primarily in Europe and the U.S., where labor-saving and power-saving needs are high. Sales of peripheral equipment and automated bending products, which can be combined with machines to automate production processes, also grew both in Japan and overseas, resulting in revenue of 243,241 million yen (up 8.6% YoY). In the Micro Welding Division, sales of fiber laser welder equipment to the battery industry, whose market growth remains high, were strong, and resistance welding equipment, which boasts a large market share, also grew its sales steadily for electrical equipment for cars, resulting in revenue of 29,630 million yen (up 13.8% YoY). Because of the above factors, Metalworking Machinery Business' operating profit was 35,691 million yen (up 11.6% YoY).

Key measures taken in the Metalworking Machinery Business during the fiscal year under review are as follows.

- 1) Launched the ENSIS-3015AJ (6kW/9kW) fiber laser machine, which is capable of high-speed stable cutting over the entire range of machining, from thin to thick sheet metals
- 2) Launched the ENSIS-3015 RI fiber laser machine, which is capable of cutting sheet-metals, and pipes and structural steels with a single machine
- 3) Exhibited the VENTIS-3015AJ fiber laser machine equipped with the world's first LBC technology at the EuroBLECH 2018 held in Germany as a reference exhibit, and won the MM Award
- 4) Full-fledged roll-out of "V-factory," which is composed of "My V-

factory,” a web application that uses IoT technology to visualize machine operation, and “IoT Support,” a service that helps customers avoid machine failures and provides support for operation improvements

- 5) Opened the Monterrey Technical Center in Mexico and began carrying out proposal and service activities closely tied to the local community
- 6) Opened the Incheon Technical Center in Korea and reinforced the Group’s engineering proposals in Korea
- 7) Constructed a module production facility in the Fujinomiya Works in Shizuoka Prefecture, constructed the AMADA Satellite Park near the Fujinomiya Works which aggregates several suppliers; began the expansion of the second sheet-metal facility at the Toki Works in Gifu Prefecture; and began construction of a new plant in the eastern U.S. to improve the Group’s supply capabilities
- 8) Participated in major trade shows in and out of Japan (CEATEC JAPAN 2018, EuroBLECH 2018, JIMTOF2018 and FABTECH 2018, etc.)



Metal Machine Tools Business

In the Metal Machine Tools Business, orders received were 61,785 million yen (up 10.1% YoY) and revenue was 64,269 million yen (up 27.6% YoY), both increased from the previous fiscal year.

In the Cutting Division, machines sales were strong both in Japan and overseas. In Japan, sales of structural steel fabrication machines grew due to robust domestic construction demand in Japan. In North America, the business performance of long-standing U.S. cutting machine manufacturer AMADA MARVEL INC., which was made a subsidiary during the second quarter, contributed to increased revenue. From the third quarter, the Group sought to further increase sales and generate synergistic results through measures such as beginning supplying blades for AMADA MARVEL machines. In the Stamping Presses Division, in addition to the contributions of Orii and Mec Corporation, which was consolidated in October 2018, the Group’s proposals for tandem operation, connecting multiple pressing machines, bore fruit, and sales for automotive component use rose. In the Grinding Division, sales of our mainstay profile grinders were firm in Japan and China, and forming grinder sales were firm in Europe and ASEAN countries, resulting in strong sales. Because of the above factors, Metal Machine Tools Business’ operating profit was 9,277 million yen (up 28.6% YoY).

Major initiatives implemented in the Metal Machine Tools Business during the fiscal year under review are as follows.

- 1) Improved pressing machine-related proposal capabilities through acquisition of Orii and Mec Corporation, a press processing automation equipment manufacturer
- 2) Released the new CM II-DG series of carbide-tipped circular saw machines, with the Group’s proprietary new Dyna Guide technology
- 3) Launched the DBSAW 500 diamond bandsaw machine, capable of cutting hard, brittle materials such as silica glass and ceramics, and

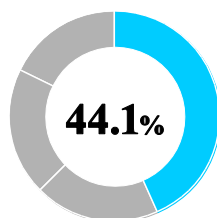
- made full-fledged entry into the new material processing market
- 4) Launched the MEISTER-G3 UP high-precision forming grinder with diverse functions that enable unmanned cutting
 - 5) Acquired U.S. cutting machine manufacturer Marvel Manufacturing Company, Inc. securing a leading bandsaw sales share position in the North American market
 - 6) Started investment in increased production in Japan and overseas, focused on carbide blades, which are expected to enjoy a high level of future market growth
 - 7) Participated in major trade shows in and out of Japan (IMTS 2018, MWCS 2018, JIMTOF 2018, METALEX 2018, etc.)

◆ Operational Overview by Region

Revenue by region increased by 11.5% in Japan and by 12.5% overseas. The overseas sales ratio was 55.9% compared to 55.7% in the previous fiscal year.

Status of operation by major region is as follows.

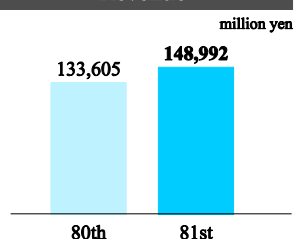
Revenue Composition



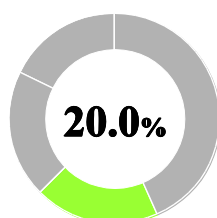
Japan

The Sheet Metal Division had strong sales of sash, steel frame, and construction and architecture metal products due to solid construction demand. Sales in the Micro Welding Division also grew, especially in the automotive sectors, such as motors in vehicles using new energy sources and electrical components. As a result, revenue was 148,992 million yen (up 11.5% YoY).

Revenue



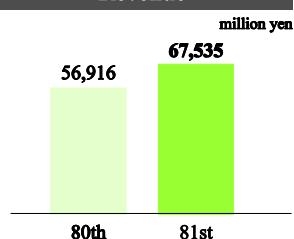
Revenue Composition



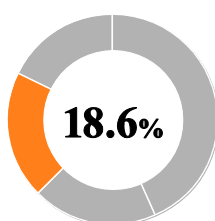
North America

In the U.S., sales were strong in the east, in which a new dealership was purchased at the start of the fiscal year under review. Sales grew across a wide range of business fields, but were particularly strong for products for electrical products and medical devices. Sales were also strong across a wide range of business fields in Canada, especially for agricultural machinery and transportation equipment. Furthermore, sales grew for the construction sector, resulting in revenue of 67,535 million yen (up 18.7% YoY).

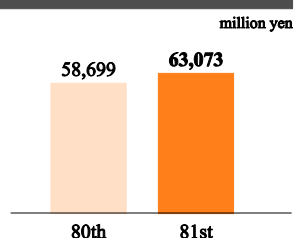
Revenue



Revenue Composition



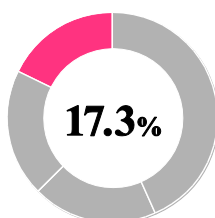
Revenue



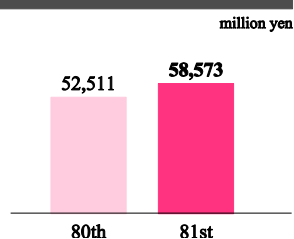
Europe

Despite some effects of reduced capital investment seen in the U.K., which sees continued political instability stemming from Brexit, in other major countries, sales were strong for general machinery such as agricultural machines and machine tools in Italy, for agricultural machines and rail business in France, and for construction machinery and building products such as air conditioning equipment in Germany. As a result, revenue rose to 63,073 million yen (up 7.5% YoY).

Revenue Composition



Revenue



Asia and other regions

In China and Korea, sales rose in the Micro Welding Division for automotive applications such as vehicle batteries. In India, the Sheet Metal Division enjoyed strong sales for social infrastructure such as railroads and construction. As a result, revenue rose to 58,573 million yen (up 11.5% YoY).

(2) Capital Investment

During the fiscal year under review, the Company group invested 12,731 million yen in property, plant and equipment.

In addition, expenditure for acquiring software for internal use and other intangible assets was 4,341 million yen.

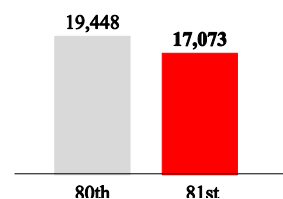
Key capital investments were as follows.

1. Increase in production capacity and updated equipment at Fujinomiya Works.
2. Renewal and introduction of tooling manufacturing facilities at Isehara Works.
3. Construction of a plant in High Point in the eastern U.S. and increase in production capacity at the Brea Factory in the western U.S.

The combined total of capital investment in property, plant and equipment and expenses for intangible assets was 17,073 million yen.

Capital Investment

million yen



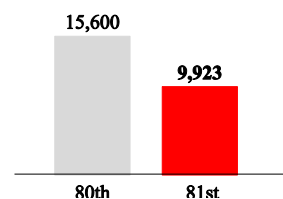
(3) Fund Procurement

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 5,677 million yen from the end of the previous fiscal year to 9,923 million yen.

Borrowings

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

The Company group celebrated its 70th anniversary in September 2016, and formulated the Medium Term Management Plan “Task321” from FY2016. This is a reform initiative envisioning the Company in the next decade and 100 years beyond.

Task321 aims to achieve the following three goals.

- Expansion of net sales by 30% (vs. FY2015; 400 billion yen)
- Increase of recurring ordinary income ratio by 20% (80 billion yen)
- ROE at 10%

Toward achieving the Task321, the Company will strive to 1) make proactive strategic investments, 2) expand the sales network and enhance product appeal, 3) implement growth strategies through the development of new business models, 4) further enhance profitability and efficiency by promoting the manufacturing innovation in which integrating development and manufacturing, and 5) building a supply chain management (SCM*) system that utilizes the IoT, and 6) enhance capital productivity by reforming the balance sheets.

In addition, the Company will implement initiatives for strengthening a corporate governance structure and environmental and CSR activities.

Specific measures are as follows.

1) Execution of growth strategy (Expansion of net sales by 30%)

- Expansion of laser business by strengthening product appeal of fiber laser, which is tailored toward energy-saving and high-precision machining
- Promotion of automation business by utilizing robot and software technologies, in response to demand for energy-saving products
- Creation of smart factories through the use of V-factory, which leverages IoT technology, and strengthening of manufacturing proposals
- Development of new markets including the new material field, based on accumulated know-how, M&As and alliance

2) Establishment of robust profit structure (Ordinary income ratio of 20%)

- Pursuing QCD by the manufacturing innovation which integrates development and manufacturing
- Realizing high-quality manufacturing on a global scale by building an IoT manufacturing system
- Enhancing quality and efficiency of services through preventative and predictive maintenance utilizing big data analysis
- Implementing a differentiation strategy by making high-value-added engineering

proposals utilizing consulting sales bases

- 3) Enhancement of corporate value through improving the capital productivity (ROE at 10%)
- Reduction of lead-time through local production and optimization of inventory assets by building regional SCM structures
 - Liquidation of accounts receivable by restructuring commercial credit business
 - Consolidation and sale of non-core assets, including leasing and securities, based on profitability evaluation
- 4) Proactive ESG initiatives
- Product planning and creation of an environment-friendly production structure based on “AMADA GREEN ACTION”
 - Aim to be a company that is indispensable for society, through activities that contribute to society in a wide range of areas, such as local communities, culture, education and sports
 - Development of corporate governance structure for sound corporate activities based upon high ethical standards and fairness
 - Promotion of “work style reform” to fundamentally review the operational procedure and establishment of a personnel system for promoting the advancement of women

The Company group will strive to further enhance its corporate value by achieving Medium Term Management Plan Task321, and aim to establish its position as the leading manufacturer of metalworking machines by steadily promoting and implementing the initiatives described above.

* SCM (supply chain management) is a management technique that reviews the flow from raw material suppliers to the final consumers in an integrated manner to realize an efficient and optimal process as a whole.

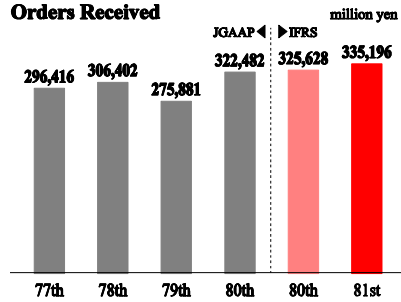
(5) Changes in Operating Results and Financial Position

		J-GAAP				IFRS	
Classification	Fiscal year	77th (From April 1, 2014 to March 31, 2015)	78th (From April 1, 2015 to March 31, 2016)	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 (current term) (From April 1, 2018 to March 31, 2019)
Orders received	Million yen	296,416	306,402	275,881	322,482	325,628	335,196
Revenue	Million yen	286,527	304,018	278,840	300,655	301,732	338,175
Operating profit	Million yen	27,694	42,526	33,030	37,965	39,723	45,316
Profit attributable to owners of parent	Million yen	18,423	27,425	25,894	29,856	27,094	33,420
Basic earnings per share	Yen	49.18	74.56	70.85	81.62	74.07	91.82
Total assets	Million yen	573,537	565,266	533,433	557,170	556,104	567,051
Total equity	Million yen	426,481	419,380	419,970	438,863	437,707	445,397
Owners' equity per share	Yen	1,133.51	1,139.17	1,139.87	1,190.97	1,186.66	1,238.18
Ratio of equity attributable to owners of parent	%	73.8	73.6	78.1	78.2	78.1	77.9
Ratio of profit to equity attributable to owners of parent (ROE)	%	4.4	6.5	6.2	7.0	6.4	7.6

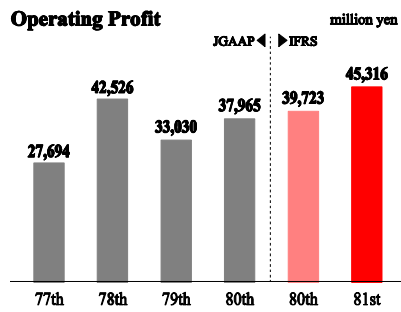
Notes: 1. IFRS have been adopted in the preparation of consolidated financial statements from the fiscal year under review. For reference purposes, IFRS-compliant figures for the 80th fiscal year have also been included.

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).

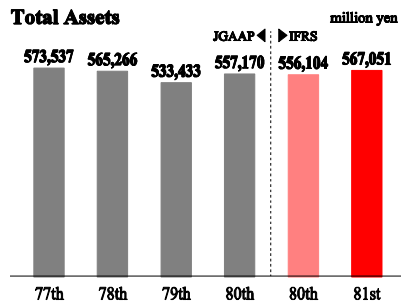
Orders Received



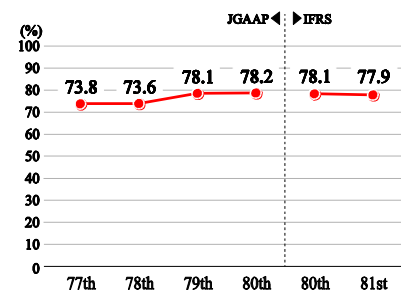
Operating Profit



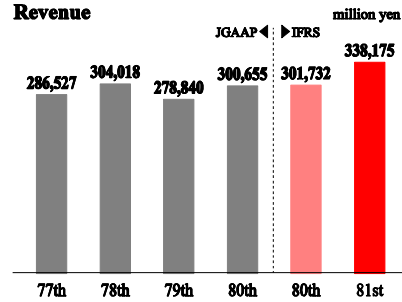
Total Assets



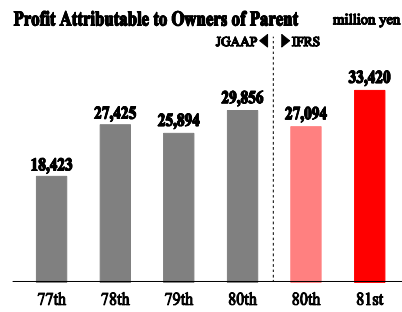
Ratio of Equity Attributable to Owners of Parent



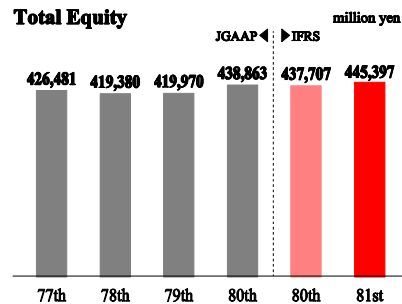
Revenue



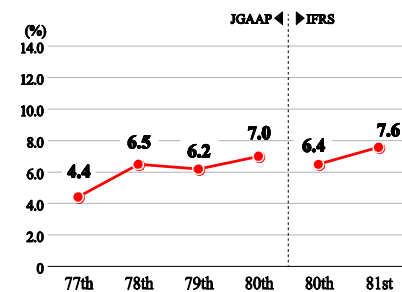
Profit Attributable to Owners of Parent



Total Equity



ROE



(6) Major Subsidiaries (as of March 31, 2019)

1) Major Subsidiaries

Company Name	Capital	Percentage of Voting Rights Held	Major Activities
AMADA CO., LTD.	Million yen 5,000	% 100.00	Development, manufacture and sale of sheet metal processing products
AMADA MACHINE TOOLS CO., LTD.	Million yen 400	100.00	Development, manufacture and sale of metal cutting, stamping presses, and machine tools
AMADA MIYACHI CO., LTD.	Million yen 1,606	100.00	Development, manufacture and sale of laser equipment and resistance welding equipment
Orii and Mec Corporation	Million yen 1,491	100.00	Development, manufacture, sale of press processing automation equipment
AMADA AUTOMATION SYSTEMS CO., LTD.	Million yen 80	100.00	Manufacture of peripheral equipment of sheet metal processing products
AMADA TOOL PRECISION CO., LTD.	Million yen 400	100.00	Manufacture of punches and dies
AMADA TECHNICAL SERVICE CO., LTD.	Million yen 100	100.00	Service of sheet metal processing products
AMADA SANWA DAIYA CO., LTD.	Million yen 50	* 100.00	Development, manufacture and sale of cutting machines
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 and manufacture of sheet metal processing products
AMADA MACHINE TOOLS AMERICA, INC. (U.S.)	Thousand USD 4,220	* 100.00	Sale of metal cutting machines and machine tools in North America
AMADA MARVEL, INC.	Thousand USD 300	100.00	Development, manufacture, and sale 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 MACHINE TOOLS 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 SWEDEN AB (Sweden)	Thousand kronor 500	* 100.00	Sale of sheet metal processing products in Sweden
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
AMADA HONG KONG CO., LTD. (China)	Million yen 712	* 96.00	Sale of sheet metal processing products in China

Company Name	Capital	Percentage of Voting Rights Held	Major Activities
BEIJING AMADA MACHINE & TOOLING CO., LTD. (China)	Thousand USD 800	% * 100.00	Sale of sheet metal processing products in China
AMADA INTERNATIONAL INDUSTRY & TRADING (SHANGHAI) CO., LTD. (China)	Thousand USD 500	* 100.00	Sale of sheet metal processing products in China
AMADA SHANGHAI MACHINE TECH CO., LTD. (China)	Million yen 4,094	100.00	Manufacture of sheet metal processing products
AMADA INTERNATIONAL TRADING (SHENZHEN) CO., LTD. (China)	Thousand USD 300	* 100.00	Sale of sheet metal processing products in China
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 (1989) 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 8,500	* 100.00	Sale of sheet metal processing products in Indonesia
AMADA OCEANIA PTY LTD. (Australia)	Thousand AUD 6,450	100.00	Sale of sheet metal processing products in Oceania
AMADA DO BRASIL LTDA. (Brazil)	Thousand reais 35,600	100.00	Sale of sheet metal processing products in Brazil

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

2) Specified wholly-owned subsidiary

Not applicable.

(7) Main Businesses (As of March 31, 2019)

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, 2019)

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 MACHINE TOOLS CO., LTD. (Toki Works) (Gifu) (*2) AMADA MACHINE TOOLS CO., LTD. (Ono Plant) (Hyogo) AMADA MIYACHI CO., LTD. (Noda Works) (Chiba) Orii and Mec Corporation (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. technical service bases (48 service centers) AMADA MIYACHI CO., LTD. sales bases (6 sales offices)
	Cutting, stamping presses, grinding	AMADA MACHINE TOOLS CO., LTD. Grinding machines sales and service bases (21 sales offices, 39 service centers) AMADA MACHINE TOOLS CO., LTD. Stamping presses sales and service bases (21 sales offices, 37 service centers) AMADA MACHINE TOOLS CO., LTD. Machine tools sales and service bases (15 sales offices, 16 service centers) Orii and Mec Corporation 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 MACHINE TOOLS AMERICA, INC. (U.S.) AMADA MARVEL, 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 MACHINE TOOLS EUROPE GmbH (Germany) AMADA S.A. (France) AMADA ITALIA S.r.l. (Italy) AMADA SWISS GmbH (Switzerland) AMADA SWEDEN AB (Sweden) AMADA SP. Z O. O. (Poland) AMADA OOO (Russia)
	Asia	AMADA HONG KONG CO., LTD. (China) BEIJING AMADA MACHINE & TOOLING CO., LTD. (China) AMADA INTERNATIONAL INDUSTRY & TRADING (SHANGHAI) CO., LTD. (China) AMADA INTERNATIONAL TRADING (SHENZHEN) 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)
Manufacturing bases	North America	AMADA AMERICA, INC. Brea 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)
	Asia	AMADA LIANYUNGANG MACHINERY CO., LTD. (China) AMADA LIANYUNGANG MACHINE TOOL CO., LTD. (China) AMADA SHANGHAI MACHINE TECH CO., LTD. (China)

(9) Employees (As of March 31, 2019)

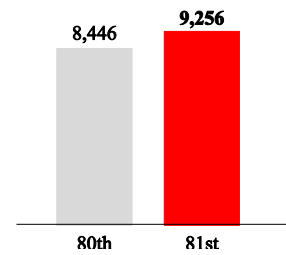
1) The Company Group

Number of employees	Change from the end of previous fiscal year
9,256	Up 810

2) The Company

Number of employees	Change from the end of previous fiscal year
240	Up 61
Average age	Average service years
43.6	17.5

Number of Employees

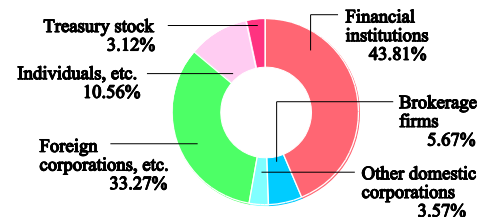


(Note) The 61 increase in the number of the Company's employees from the end of previous fiscal year is due mainly to transfers from group subsidiaries following an organizational change.

2. Shares of the Company (As of March 31, 2019)

- (1) Total Number of Shares Authorized 550,000,000
 (2) Total Number of Shares Issued 368,115,217
 (including 11,503,611 treasury shares)
 (3) Total Number of Shareholders 37,552

Distribution of shareholdship by type of shareholder



(4) Major Shareholders

Name of shareholder	Number of shares owned	Ratio of shareholding (*)
	Thousand shares	%
Japan Trustee Services Bank, Ltd. (Trust accounts)	54,883	15.39
The Master Trust Bank of Japan, Ltd. (Trust accounts)	41,560	11.65
Trust & Custody Services Bank, Ltd. (Trust accounts)	12,321	3.46
The AMADA FOUNDATION	9,936	2.79
SMBC Nikko Securities Inc.	8,291	2.33
Mizuho Bank, Ltd.	7,500	2.10
MISAKI ENGAGEMENT MASTER FUND	6,426	1.80
The Nomura Trust and Banking Co., Ltd. (Trust accounts)	6,098	1.71
Nippon Life Insurance Company	6,061	1.70
The Joyo Bank, Ltd.	5,756	1.61

(*) The number of treasury shares (11,503,611 shares) is excluded from the calculation of the shareholding ratio.

(5) Other Important Matters Concerning Shares

Not applicable.

3. Share Subscription Rights

Status of subscription rights to shares as of the end of the current business year

The Second series of subscription rights (issued on August 31, 2010)

1) Number of subscription rights:

19

2) Class and number of shares that are subject to the share subscription rights:

19,000 shares of common stock of the Company (1,000 shares per share subscription right)

3) Amount of assets to be contributed upon exercise of the share acquisition rights

605 yen per share

4) Period during which share acquisition rights may be exercised

From September 1, 2012 up to August 5, 2020

5) Total number of share acquisition rights held by Directors and other officers by category

Category	Number of rights	Number of right holders
Directors	19	1
Audit & Supervisory Board Members	—	—

Note: No share acquisition rights are held by outside officers.

4. Directors and Audit & Supervisory Board Members

(1) Name of Directors and Audit & Supervisory Board Members (As of March 31, 2019)

Title	Name	Responsibility, principal occupation (Major concurrent positions)
Chairman of the Board & CEO	Mitsuo Okamoto	Chief Executive Officer (CEO) (Chairman and Representative Director, AMADA MACHINE TOOLS CO., LTD.) (Chairman and Representative Director, AMADA MIYACHI CO., LTD.) (Chairman and Director, AMADA EUROPE S.A.) (Chairman and Representative Director, The Amada Foundation)
President	Tsutomu Isobe	(President and Representative Director, AMADA CO., LTD.)
Senior Managing Director	Kotaro Shibata	Assistant to President (Chairman and President, AMADA (CHINA) CO., LTD.)
Director	Hidekazu Kudo	Executive General Manager of Financial Div.
Director	Kazuhiko Miwa	Executive General Manager of Corporate Management Div.
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	Katsuhide Ito	
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. Kazuhiko Miwa was newly elected as Director at the 80th Ordinary General Meeting of Shareholders held on June 27, 2018 and assumed office.
2. Director Atsushige Abe retired at the conclusion of the 80th Ordinary General Meeting of Shareholders held on June 27, 2018 due to the expiration of his term of office.
3. Mr. Takaya Shigeta, a Full-time Audit & Supervisory Board Member, not only has many years of experience in our Company's Finance Division, but has also served as Director and General Manager of Finance Department and he has in-depth knowledge in finance and accounting.
4. Directors Michiyoshi Mazuka, Toshitake Chino and Hidekazu Miyoshi are Outside Directors as prescribed in Article 2, Item 15 of the Companies Act. Also, the Company has notified Tokyo Stock Exchange, Inc. that the Company has designated Messrs. Mazuka, Chino and Miyoshi as Independent Officers as prescribed in the regulations of the Exchange.
5. Audit & Supervisory Board Members 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) Amounts of Compensation, etc. for Directors and Audit & Supervisory Board Members

Category	Number of persons	Amount of payment
Directors (Outside)	9 (3)	408million yen (21 million yen)
Audit & Supervisory Board Members (Outside)	4 (2)	34 million yen (9 million yen)
Total	13	442 million yen

Notes: 1. The amount of compensation, etc. for Directors includes the expected director bonus of 211 million yen, which is a resolution item of the 81st Ordinary General Meeting of Shareholders.

2. One Director who retired during the fiscal year is included in the above table.

(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: Transactions have occurred, such as payment of fees for patent applications and various research services related to intellectual property rights, with Miyoshi & Miyoshi (Patent Office), where 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 group. They were also approximately 2% of sales of Miyoshi & Miyoshi and the affiliated companies thereof.

2) Major activities during the current business year

Category	Name	Major activities
Director	Michiyoshi Mazuka	Attended all 9 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.
	Toshitake Chino	Attended all 9 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.
	Hidekazu Miyoshi	Attended all 9 Board of Directors meetings held during the current fiscal year and expressed his opinions based on his expertise and experience as a business manager and patent attorney.
Audit & Supervisory Board Member	Akira Takenouchi	Attended all 9 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.
	Seiji Nishiura	Attended all 9 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.

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

184 million yen

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

187 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. The amount of compensation for audits in 1) above includes compensation for audits performed under the Financial Instruments and Exchange Act because the audit agreement concluded between the Company and the Accounting Auditor does not distinguish between audits performed under the Companies Act and those performed under the Financial Instruments and Exchange Act.
3. Our Company entrusts and pays a consideration to Accounting Auditor for advice and guidance services regarding IFRS as business other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).
4. 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.

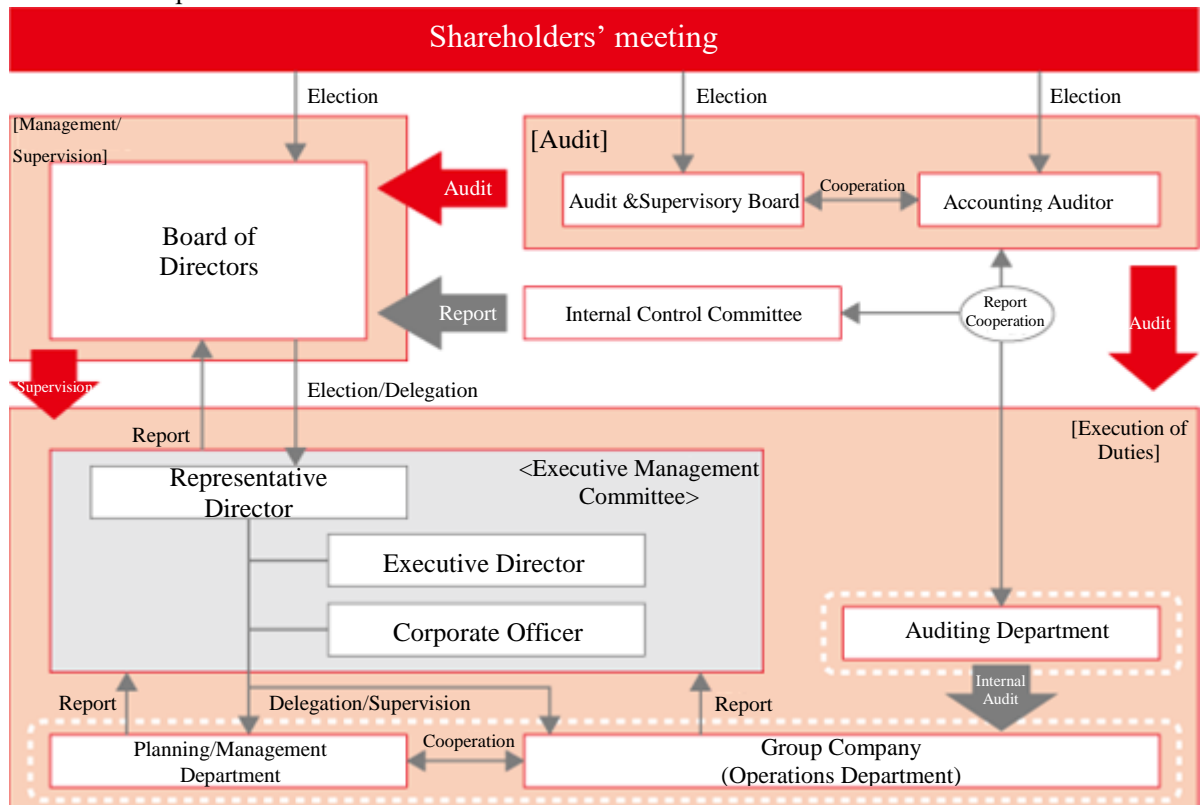
6. Corporate Governance Structure

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 compliance policy 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 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 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 (with laws, ordinances and internal rules) and reporting of emergency situations without omission. To this end, the Internal Control 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 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 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 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 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 nine 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 Environmental Ecology Promotion Committee.

In addition, the Risk Management Subcommittee within the Internal Control Committee determined policies relating to important risks at the Group level, such as those pertaining to personnel, property, money, and information, and takes countermeasures.

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 is determined, and the head of the department shall be in charge of its management, and actively perform 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 Committee and other important meetings, conducting on-site audit on head office and branches and plants of subsidiaries in Japan and overseas, 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, 2019)	(Reference) Previous fiscal year (As of March 31, 2018)	Item	Current fiscal year (As of March 31, 2019)	(Reference) Previous fiscal year (As of March 31, 2018)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and cash equivalents	56,295	80,464	Trade and other payables	65,917	53,164
Trade and other receivables	140,965	141,774	Borrowings	5,366	9,897
Inventories	100,391	82,109	Income taxes payable	7,918	7,784
Other financial assets	19,939	19,584	Other financial liabilities	931	1,343
Other current assets	9,571	8,355	Provisions	1,900	1,476
Total current assets	327,164	332,289	Other current liabilities	23,961	23,490
Non-current assets			Total current liabilities	105,997	97,156
Property, plant and equipment	130,595	126,008	Non-current liabilities		
Goodwill	7,469	967	Borrowings	4,556	5,703
Intangible assets	11,214	9,287	Other financial liabilities	2,907	2,890
Investments accounted for using equity method	1,638	1,598	Retirement benefit liability	2,855	5,171
Other financial assets	65,734	63,297	Provisions	6	6
Deferred tax assets	14,213	13,380	Deferred tax liabilities	1,270	2,179
Other non-current assets	9,021	9,275	Other non-current liabilities	4,060	5,289
Total non-current assets	239,887	223,814	Total non-current liabilities	15,657	21,240
Total Assets	567,051	556,104	Total Liabilities	121,654	118,396
			(Equity)		
			Share capital	54,768	54,768
			Capital surplus	153,119	163,217
			Retained earnings	243,714	224,850
			Treasury shares	(11,608)	(11,695)
			Other components of equity	1,555	2,950
			Total equity attributable to owners of parent	441,548	434,091
			Non-controlling interests	3,848	3,615
			Total Equity	445,397	437,707
			Total Liabilities and Equity	567,051	556,104

(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, 2018 to March 31, 2019)	(Reference) Previous fiscal year (From April 1, 2017 to March 31, 2018)
Revenue	338,175	301,732
Cost of sales	(191,048)	(169,037)
Gross profit	147,127	132,694
Selling, general and administrative expenses	(102,396)	(93,749)
Other income	1,324	1,863
Other expenses	(738)	(1,085)
Operating profit	45,316	39,723
Finance income	2,996	1,858
Finance costs	(703)	(980)
Share of profit of investments accounted for using equity method	303	164
Profit before tax	47,913	40,765
Income tax expense	(14,135)	(13,329)
Profit	33,777	27,435
Profit attributable to:		
Owners of parent	33,420	27,094
Non-controlling interests	356	341
Profit	33,777	27,435

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

Consolidated Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(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, 2018	54,768	163,217	224,850	(11,695)
Profit	—	—	33,420	—
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	33,420	—
Dividends	—	—	(15,729)	—
Purchase of treasury shares	—	(6)	—	(10,004)
Disposal of treasury shares (including through the exercise of share options)	—	0	—	0
Cancellation of treasury shares	—	(10,090)	—	10,090
Increase/(decrease) due to newly consolidated subsidiaries	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,172	—
Total transactions with owners	—	(10,097)	(14,557)	87
Balance at March 31, 2019	54,768	153,119	243,714	(11,608)

	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, 2018	—	529	2,351	70	2,950	434,091	3,615	437,707
Profit	—	—	—	—	—	33,420	356	33,777
Other comprehensive income	1,142	152	(1,463)	(54)	(223)	(223)	(42)	(265)
Comprehensive income	1,142	152	(1,463)	(54)	(223)	33,197	314	33,512
Dividends	—	—	—	—	—	(15,729)	(159)	(15,889)
Purchase of treasury shares	—	—	—	—	—	(10,010)	—	(10,010)
Disposal of treasury shares (including through the exercise of share options)	—	—	—	—	—	0	—	0
Cancellation of treasury shares	—	—	—	—	—	—	—	—
Increase/(decrease) due to newly consolidated subsidiaries	—	—	—	—	—	—	77	77
Transfer from other components of equity to retained earnings	(1,142)	(30)	—	—	(1,172)	(0)	0	—
Total transactions with owners	(1,142)	(30)	—	—	(1,172)	(25,740)	(81)	(25,822)
Balance at March 31, 2019	—	651	888	15	1,555	441,548	3,848	445,397

Balance Sheet

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

Item	Current fiscal year (As of March 31, 2019)	(Reference) Previous fiscal year (As of March 31, 2018)	Item	Current fiscal year (As of March 31, 2019)	(Reference) Previous fiscal year (As of March 31, 2018)
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits	18,939	30,317	Accounts payable - trade	2,688	6,559
Notes receivable - trade	913	1,477	Lease obligations	31	14
Accounts receivable - trade	25,333	27,917	Accounts payable - other	633	2,484
Securities	14,093	21,414	Accrued expenses	2,396	2,103
Merchandise	4,935	3,969	Income taxes payable	714	2,593
Advance payments - trade	13	—	Advances received	196	150
Prepaid expenses	276	326	Deposits received	61,349	40,021
Short-term loans receivable	2,242	1,716	Provision for bonuses	218	176
Accounts receivable - other	3,326	2,976	Provision for directors' bonuses	250	290
Other	870	1,703	Other	250	256
Allowance for doubtful accounts	(321)	(105)	Total current liabilities	68,729	54,650
Total current assets	70,622	91,713	Non-current liabilities		
Non-current assets			Lease obligations	35	21
Property, plant and equipment			Deferred tax liabilities for land revaluation	477	473
Buildings	37,523	34,529	Provision for retirement benefits	1,482	1,425
Structures	5,052	4,437	Provision for loss on business of subsidiaries and associates	748	879
Machinery and equipment	6,736	6,943	Asset retirement obligations	6	6
Vehicles	0	1	Long-term guarantee deposited	764	764
Tools, furniture and fixtures	1,761	1,562	Other	—	0
Assets for rent	5,660	5,660	Total non-current liabilities	3,515	3,571
Land	32,040	32,119	Total Liabilities	72,245	58,222
Leased assets	58	32	(Net Assets)		
Construction in progress	677	4,577	Shareholders' equity		
Total property, plant and equipment	89,511	89,865	Capital stock	54,768	54,768
Intangible assets			Capital surplus		
Goodwill	45	68	Legal capital surplus	163,199	163,199
Patent right	14	22	Total capital surplus	163,199	163,199
Software	9,078	9,192	Retained earnings		
Telephone subscription right	109	109	Legal retained earnings	9,126	9,126
Other	17	20	Other retained earnings		
Total intangible assets	9,265	9,413	Reserve for reduction entry of land	408	445
Investments and other assets			Reserve for reduction entry of depreciable assets	1,276	1,389
Investment securities	64,535	58,233	General reserve	111,852	111,852
Shares of subsidiaries and associates	120,907	98,010	Retained earnings brought forward	(9,384)	2,393
Investments in capital of subsidiaries and associates	20,402	20,402	Total retained earnings	113,279	125,207
Long-term loans receivable	2,245	1,862	Treasury shares	(11,608)	(11,695)
Long-term prepaid expenses	312	326	Total shareholders' equity	319,638	331,479
Deferred tax assets	7,928	7,765	Valuation and translation adjustments		
Real estate lease investment assets	1,538	1,664	Valuation difference on available-for-sale securities	4,718	(1,141)
Other	749	744	Revaluation reserve for land	(9,210)	(9,221)
Allowance for doubtful accounts	(623)	(623)	Total valuation and translation adjustments	(4,492)	(10,363)
Allowance for investment loss	—	(35)	Subscription rights to shares	2	2
Total investments and other assets	217,995	188,349	Total Net Assets	315,148	321,118
Total non-current assets	316,771	287,627	Total Liabilities and Net Assets	387,393	379,340
Total Assets	387,393	379,340			

(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, 2018 to March 31, 2019)	(Reference) Previous fiscal year (From April 1, 2017 to March 31, 2018)
Net sales	66,709	99,024
Cost of sales	37,493	66,247
Gross profit	29,215	32,776
Selling, general and administrative expenses	24,692	23,206
Operating income	4,522	9,570
Non-operating income	13,663	12,566
Interest income	182	186
Interest on securities	306	298
Dividend income	12,674	10,770
Gain on sales of investment securities	0	848
Commission fee	19	36
Gain on valuation of derivatives	—	1
Other	480	425
Non-operating expenses	1,101	1,036
Interest expenses	4	3
Loss on sales of investment securities	784	554
Loss on valuation of derivatives	85	—
Foreign exchange losses	217	469
Provision for loss on business of subsidiaries and associates	—	8
Other	10	—
Ordinary income	17,084	21,100
Extraordinary income	275	1,523
Gain on sales of non-current assets	14	702
Gain on sales of investment securities	—	805
Gain on sales of shares of subsidiaries and associates	259	—
Other	1	15
Extraordinary losses	393	408
Loss on sales of non-current assets	6	22
Loss on retirement of non-current assets	387	382
Loss on sales of investment securities	—	4
Other	0	—
Income before income taxes	16,966	22,214
Income taxes – current	3,693	4,558
Income taxes – deferred	(635)	(606)
Total income taxes	3,057	3,952
Profit	13,908	18,262

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

Statement of Changes in Equity (From April 1, 2018 to March 31, 2019) (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, 2018	54,768	163,199	—	163,199	9,126	445	1,389	111,852
Changes of items during period								
Reversal of reserve for reduction entry of land	—	—	—	—	—	(37)	—	—
Reversal of reserve for reduction entry of depreciable assets	—	—	—	—	—	—	(112)	—
Dividends of surplus	—	—	—	—	—	—	—	—
Profit	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—
Disposal of treasury shares	—	—	0	0	—	—	—	—
Cancellation of treasury shares	—	—	(10,090)	(10,090)	—	—	—	—
Transfer of negative balance of other capital surplus	—	—	10,090	10,090	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during period	—	—	—	—	—	(37)	(112)	—
Balance at March 31, 2019	54,768	163,199	—	163,199	9,126	408	1,276	111,852

	Shareholders' equity				Valuation and translation adjustments			Subscripti on rights to shares	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, 2018	2,393	125,207	(11,695)	331,479	(1,141)	(9,221)	(10,363)	2	321,118
Changes of items during period									
Reversal of reserve for reduction entry of land	37	—	—	—	—	—	—	—	—
Reversal of reserve for reduction entry of depreciable assets	112	—	—	—	—	—	—	—	—
Dividends of surplus	(15,729)	(15,729)	—	(15,729)	—	—	—	—	(15,729)
Profit	13,908	13,908	—	13,908	—	—	—	—	13,908
Purchase of treasury shares	—	—	(10,004)	(10,004)	—	—	—	—	(10,004)
Disposal of treasury shares	—	—	0	0	—	—	—	—	0
Cancellation of treasury shares	—	—	10,090	—	—	—	—	—	—
Transfer of negative balance of other capital surplus	(10,090)	(10,090)	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	(16)	(16)	—	(16)	—	16	16	—	—
Net changes of items other than shareholders' equity	—	—	—	—	5,859	(4)	5,855	—	5,855
Total changes of items during period	(11,777)	(11,928)	87	(11,841)	5,859	11	5,871	—	(5,969)
Balance at March 31, 2019	(9,384)	113,279	(11,608)	319,638	4,718	(9,210)	(4,492)	2	315,148