



ASHIMORI INDUSTRY CO., LTD.



# INTEGRATED REPORT 2025



Powered by **Innovation**,  
Pioneering the **Future**





## Editorial Policy

This report is to provide information on Ashimori Industry's efforts for corporate value creation. In addition to financial information including business results and strategy, this report is edited with the intention of informing shareholders, investors, and other stakeholders of the company's non-financial information such as ESG topics.

### Period covered

Fiscal year ended March 2025 (April 1, 2024 to March 31, 2025)

When necessary, past and recent information are also included.

### Organizations covered

Ashimori Industry Co., Ltd. and group companies

### Published

December 2025

### Disclaimer

Although the information in this report has been compiled with the utmost care, we do not guarantee that all of it is accurate and/or up to date. We are therefore not responsible for any losses, damages, or other problems that arise due to causes such as the information being erroneous or out of date.

## CONTENTS

<b>02 Value Creation Story</b>	02 Philosophy
	03 Value Creation History
	05 The Source of Value Creation
	07 Value Creation Process
	08 Ashimori Industry at a Glance
	09 Message from the President
<b>13 Value Creation Strategy</b>	13 Performance for the Fiscal Year Ended March 2025
	14 Ashimori Group Medium-Term Business Plan
	17 Sustainability-Focused Management and Materiality
	19 Financial Strategy
	21 Business Overview
	22 Business Strategy: Automotive Safety Systems Business
	24 Business Strategy: High Performance Products Business
	26 Innovation Strategy
<b>28 Governance</b>	28 Management Team
	30 Governance
	36 Outside Director's Message
	37 Outside Audit & Supervisory Board Member's Message
<b>38 Sustainability</b>	38 Environmental
	44 Human Resource Strategy
	46 Employee Roundtable
	50 Social
<b>54 Data</b>	54 Financial Highlights
	56 Major Financial Data of the Past 11 Years
	57 ESG Related Data
	58 About Us
	59 Ashimori Group Network

## Value Creation Story

# Philosophy



The company emblem in the center represents our company creed. We will adhere to our company creed as our top corporate philosophy and, together with our MVV, will use it as a “signpost” on the road to becoming the company we aim to be.

## Company Slogan

Powered by **Innovation**, Pioneering the **Future**

## Company Creed/Corporate Philosophy

1. Place a high value on trust and strive for the utmost reliability.
2. Maintain a vibrant company based on harmony and open-mindedness.
3. Be creative and contribute to society through our business activities.

## Mission

Our mission is to provide products that protect lives and livelihoods.

## Vision

We will continue to be a company that addresses societal challenges by leveraging the core technologies we have cultivated in the textile industry.

## Values

We respect the rules with great integrity and work on production activities with the highest priority on quality.

## Value Creation Story

## Value Creation History

Since our foundation in 1878, we have contributed to society's advancement through the provision of products that anticipate the needs of the times by using our technical expertise—the roots of our identity. We will continue to take on new challenges as we contribute to society in the safety and renewal fields.

## Ashimori Group History

**1878** Ashimori Buhei the 10th begins trading in cotton and linen in Osaka, the center of Japan's spinning industry at that time.

**1885** Begins manufacturing cotton power transmission ropes.



**1887** Begins manufacturing spindle bands for ring spinning machines in order to respond to demand spurred by technological changes in the industry.

**1908** Establishes a full-fledged mass-production factory (in Juso, Osaka) in response to the stellar reputation for the company's braiding technology and the toughness of its ropes and spindle bands.

**1935** Reorganizes as a joint-stock company named Ashimori Rope Works.

**1944** Changes the company name to Ashimori Industry Co., Ltd.

**1950** Company listed on the Osaka Securities Exchange.

**1952** Succeeds in Japan's first development of the latex rubber-lined fire hose and begins its manufacture.



**1953** Begins manufacturing synthetic fiber ropes.

**1961** Company listed on the First Section of the Tokyo Stock Exchange.

**1962** Begins manufacturing automotive seatbelts.

Begins manufacturing airbags in 1989.



**1967** Obtains JIS (Japanese Industrial Standards) labeling approval, a first for an automotive seatbelt manufacturer, a year after the JIS seatbelt standard was created.

**1980** Begins PALTEM pipeline rehabilitation business; Ashimori adopted its proprietary technology for textiles and fire hoses to jointly develop PALTEM with Tokyo Gas Co., Ltd.



1878

1950

1960

11,038 million yen

Net sales  
Over 10 billion yen

FY1980

Value Creation Story

Value Creation History

- 1991** Begins manufacturing Air Roll cargo-transportation system.
- 1998** Establishes KPN Ashimori Co., Ltd. (now Ashimori (Thailand) Co., Ltd.). Establishes bases in Shanghai in 2003, India in 2009, South Korea in 2011, Mexico in 2012, and Germany in 2017.



- 2008** Establishes Ashimori Industry Yamaguchi Co., Ltd. Establishes the Hamamatsu Plant.

- 2016** Acquires Allsafe Japan Ltd.
- 2017** Acquires Shibata Industry Co., Ltd. Acquires Takara Sangyo in Shiga, Japan.
- 2022** Moves to the Prime Market on the Tokyo Stock Exchange.

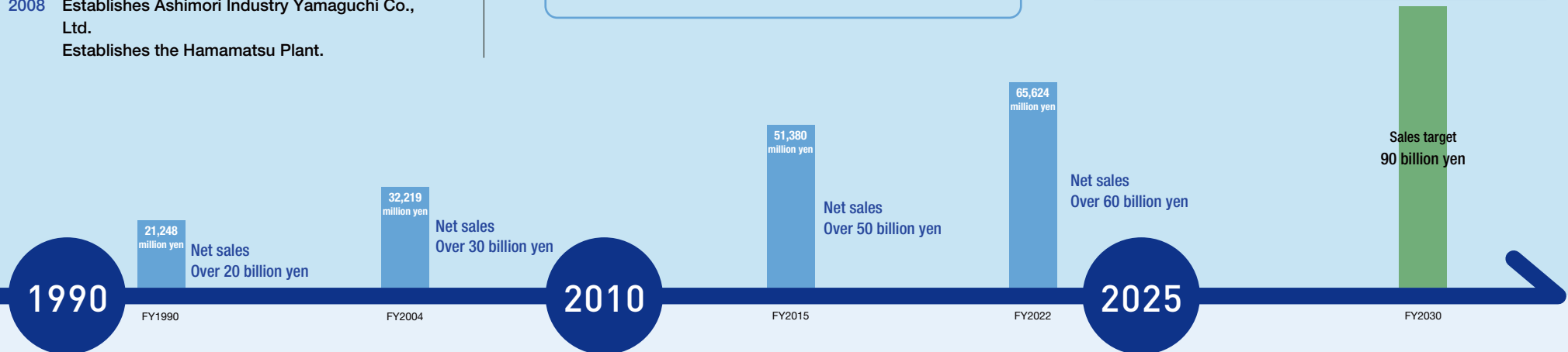
**2022–**  
Establishes Ashimori Vision 2028 with the aim of becoming an excellent, world-class organization.

We have revised our Mission, Vision, and Values statements to make them more engaging for group employees. We have also created a new slogan: “Powered by Innovation, Pioneering the Future” to enhance unity.

- 2023** Moves to the Standard Market on the Tokyo Stock Exchange.
- 2024** Acquires Paltem Technical Service Co., Ltd.

**2025–**  
Formulates new medium-term business plan “Road to 150,” aimed at sustained growth heading into our 150th anniversary in 2028 and beyond.

Plan states that we will continue to be a company that addresses societal challenges by leveraging the core technologies we have cultivated in the textile industry.





## Value Creation Story

# The Source of Value Creation

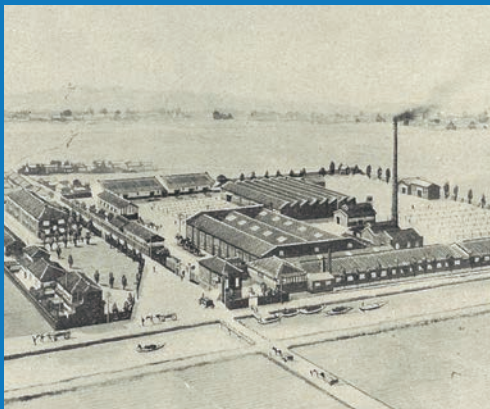
Ashimori has accumulated many strengths over its 147-year history. These strengths—tradition and reliability; technology, adaptability, and R&D; and our people—are at the core of our company creed. They have enabled us to diversify business to come out with a range of products that contribute to the realization of a safe, secure, and comfortable society.

## Company creed

Place a high value on trust and strive for the utmost reliability

## Tradition, reliability

Ashimori will celebrate its 150th anniversary in 2028. On the foundation of the strong technical expertise we have built up, we have sincerely responded to the detailed needs of the market and built relationships of trust with countless customers. By providing products that protect lives and livelihoods, we will continue to be a corporate group trusted by all.



## Company creed

Maintain a vibrant company based on harmony and open-mindedness

## Our people

The Ashimori Group HR Vision Statement has been formulated to foster our ideal of an Ashimori employee: someone strongly committed to our company principles, who takes the appreciation they receive for their efforts inside and outside the company to make their job more rewarding. The Ashimori Code of Conduct has also been formulated as our commitment to society.

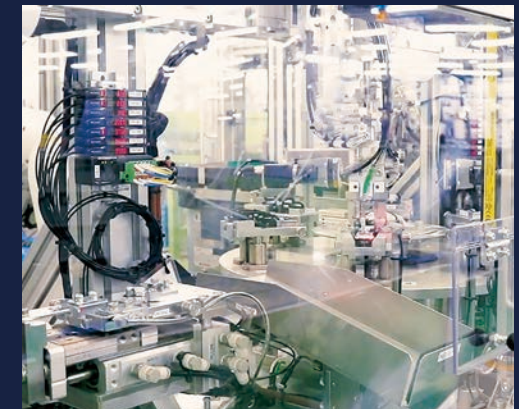


## Company creed

Be creative and contribute to society through our business activities

## Technology, adaptability, R&D

Originally a rope manufacturer, we have continued to diversify our business operations by applying the core technologies that we cultivated in textiles. Now, having surpassed the boundaries of the textile industry, our central operations are in the fields of safety and renewal activities, such as safety-related automotive parts and the reconstruction of essential utilities. We will continue contributing to society through unceasing R&D and technological innovation.



## Value Creation Story

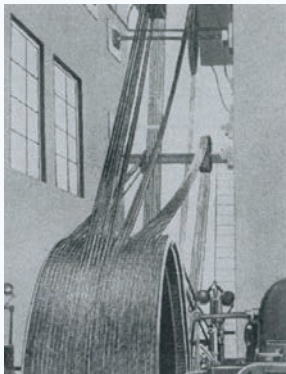
## The Source of Value Creation

# Four firsts in Japan born of technology, adaptability, and R&D

1 1885

Start of manufacturing of cotton power transmission ropes

After starting up his cotton and linen thread business, company founder Ashimori Buhei the 10th became the first in Japan to successfully manufacture cotton power transmission ropes domestically, a product that had previously been imported.



2 1952

Start of manufacturing of latex rubber-lined Jet Hose fire hoses

By leveraging our core technologies of weaving and resin processing cultivated in the textile industry, we developed the latex rubber-lined Jet Hose fire hose. This hose replaced the linen hoses that were mainstream at the time and became the prototype for today's fire hoses.



3 1967

Obtained JIS certification as a seatbelt manufacturer

We were the first seatbelt manufacturer in Japan to receive JIS (Japanese Industrial Standards) certification. We also received approval for our products under overseas standards, which opened the way for exporting to Europe and the United States.



4 1980

Completion of the PALTEM pipe lining system

This 100% domestically developed trenchless rehabilitation technique makes it possible to repair and replace pipelines without digging up roads. Since the existing pipelines are reused without being removed, less waste is produced and construction time can be shortened.



Value Creation Story

# Value Creation Process

Company Slogan

## Powered by Innovation, Pioneering the Future

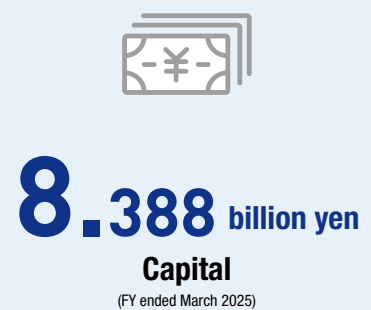
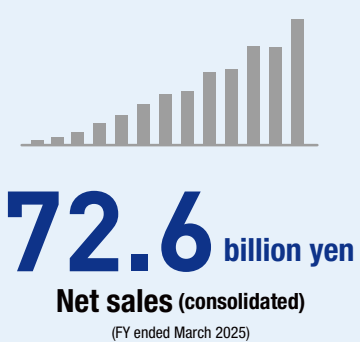
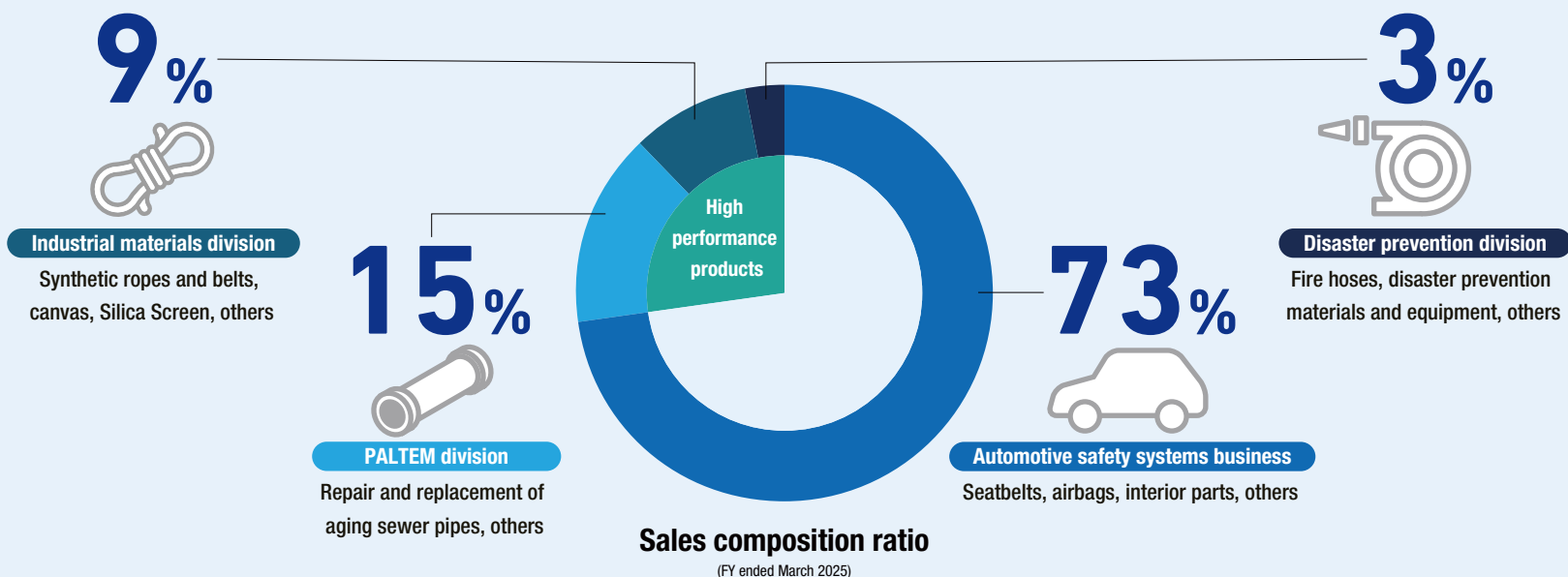




Value Creation Story

# Ashimori Industry at a Glance

Providing products that protect lives and livelihoods



## Value Creation Story

# Message from the President



Representative Director, President,  
Chief Executive Officer

**Hiromasa Zaitсу**



**Committed to our mission of protecting lives and livelihoods, we're laying the groundwork for further growth.**

## Reflecting on the year since taking office

**Enhancing competitiveness by drawing on the strength of our employees**

Ashimori Industry has been able to continue its business for 147 years because we've remained steadfast in our mission of protecting lives and livelihoods, consistently addressing social issues, and pursuing business diversification by leveraging our core textile-based technologies.

With the successful completion of the tender offer by Toyoda Gosei Co., Ltd. for Ashimori's shares, our two companies will work even more closely to promote flexible information sharing and prompt decision-making. The partnership will create synergies that maximize the integration benefits in the automotive safety systems business and drive further growth in the high performance products business. Through it all, we will remain committed to our roots as we pursue even greater growth toward 2030.

We want to reduce the number of people who lose their lives in traffic accidents, provide fire hoses that help firefighters in their lifesaving work, and make it easier to repair aging underground pipes. Our businesses, which have developed in response to such pressing social issues, are not easily swayed by temporary economic fluctuations and are underpinned by steady, essential demand. Among the many companies rooted in textiles, Ashimori has expanded its business domains, from industrial rope to the disaster prevention, automotive, and civil engineering industries, and established a unique position in each field to contribute to our strong level of competitiveness.

To further enhance this competitiveness, over the past year since becoming president, I have focused on better harnessing our employees' potential. Because the quality of our products is directly tied to the safety of lives and livelihoods, our mission carries great responsibility and is supported by each employee's strong sense of duty and the pride they take in their work.



## Value Creation Story

## Message from the President



**Through productivity improvements in collaboration with Toyoda Gosei, we've recovered from stagnation and are now entering a three-year period of embracing new challenges**

To draw out the full potential of our employees, it is essential that I first understand them. I've accordingly held more than 40 dialogue sessions, each with small groups of employees, to listen directly to their challenges and requests. In addition, I personally conduct problem-solving training sessions for all employees. Following these sessions, we've held 44 joint workplace presentation meetings where teams report on how they've addressed issues identified in their own workplaces. Rather than relying on conventional methods, we're strengthening the ability of each employee to identify problems and drive improvement through the PDCA cycle. I believe that enhancing individual capabilities while building teamwork that enables the entire organization to take on challenges together will ultimately boost the company's overall strength.

### Review of the previous medium-term business plan

#### Restoring performance after the pandemic downturn and strengthening our financial foundation

The previous Medium-Term Management Plan (FY March 2023–March 2025) was a three-year period in which we successfully rebuilt our performance and restored financial soundness.

In the automotive safety systems business, productivity improvements through collaboration with Toyoda Gosei and reductions in production losses at overseas sites, combined with the weaker yen, resulted in three consecutive years of increased revenue and profits. Because the Japanese automobile industry strictly adheres to Japan's Subcontract Act, recent increases in material costs have been passed on to prices. We've also been able to charge for mold storage fees. Both of these factors have contributed significantly to the company's overall recovery.

The high performance products business saw steady performance, with strong demand for sewer rehabilitation products in the PALTEM division and the delivery of a large-diameter hose system for a petroleum complex in the disaster prevention division. However, soaring material and transportation costs resulted in slightly higher sales but lower operating profit overall.

Ultimately, on a consolidated basis, we achieved the numerical targets of the previous medium-term business plan one year ahead of schedule, reaching them in the fiscal year ended March 2024. We ended the plan's final year, the fiscal year ended March 2025, with record highs in both operating and ordinary profit. Over the three years of the plan, we reduced interest-bearing debt by approximately 5 billion yen and improved our equity ratio from 35% to 45%. While it was in some ways a three-year period of restraint, with limited investment and spending, it enabled us to regain the financial strength needed to take on new challenges in the next three years.

### External environment and challenges surrounding Ashimori Industry

#### Developing technologies and nurturing talent that can meet society's evolving needs

Regarding the external environment and challenges we face today, there's concern about the potential impact of U.S. tariffs and other factors on the automotive industry. However, we believe it will be essential for our future to undertake a serious effort to strengthen our capabilities as a manufacturer, through technological development, improved quality levels, and productivity-driven cost reductions. Meanwhile, geopolitical risks are rising, including in Ukraine and the Middle East, and we continue to monitor these developments carefully.

In terms of our business environment, tighter safety regulations in the automotive industry and the advancement of battery electric vehicles are intensifying technological competition. Pressure for cost reductions is also increasing. Competition with overseas automakers is becoming more intense, and that's contributing to growing uncertainty. We're keenly aware of the need to invest in technological development, facilities, and human resource recruitment and training for the future.

In Japan, a tragic accident caused by aging sewer pipes occurred in January 2025. We recognize that addressing the deterioration of water and sewage infrastructure is an urgent social issue that must be resolved. Particularly serious is the state of Japan's water supply systems, which were developed on a larger scale and earlier than sewer systems.

## Value Creation Story

## Message from the President

Already, more than 10% of water pipes nationwide have exceeded their service life. In response to this situation, the Ministry of Land, Infrastructure, Transport and Tourism launched the Aquatic Judicious & Ultimate Model Projects last fiscal year, and we're participating in this initiative. The government's Medium-Term Plan for the Implementation of National Resilience, which covers the five years from fiscal 2026 to fiscal 2030, envisions an increase in related budgeted funds to 20 trillion yen. We'll work to strengthen our framework so that we can respond effectively to these social demands.

## “Road to 150” new medium-term business plan

## Laying the groundwork and taking an aggressive investment stance toward 2030

In May 2025, we formulated a new medium-term business plan, Road to 150 (FY March 2026–March 2028). Positioned as a period for building the foundation for further growth, Road to 150 focuses on both reinforcing our base and making forward-looking investments toward 2030.

For the first year, the fiscal year ending March 2026, we expect lower revenue and profits in the automotive safety systems business due to a projected decline in production volumes from market contraction and a slightly stronger yen.

In the high performance products business, we anticipate higher revenue but lower profits as the PALTEM division shifts toward smaller-diameter products and bears increased labor and research costs associated with developing new construction methods.

Our targets for fiscal 2030 are consolidated net sales of 90 billion yen and consolidated operating profit of 6 billion yen, supported by total capital and R&D investments of 21 billion yen over the next three years. Although we plan to front-load investments in the near term, we'll continue to provide stable dividends exceeding previous levels and maintain a balanced approach between investment and shareholder returns.

## Automotive Safety Systems Business

Our collaboration with Toyoda Gosei has already produced tangible results, including unification of airbag design specifications,



## Active investment of 21 billion yen over the next three years in new technologies and plant construction to drive further growth

improvements in quality control standards for seatbelts and other products, improved productivity through production-site initiatives, and stronger management of overseas operations. We look forward to further strengthening this alliance going forward.

By offering unique value in development projects that standard designs cannot address and tackling highly complex technical challenges, we're looking to become a prominent business partner and expand sales of airbags and next-generation seatbelts. We're already approaching numerous automakers to better understand their needs while actively communicating our strengths.

## High Performance Products Business

We'll continue developing and marketing products and services that address social issues such as infrastructure aging, disaster prevention and mitigation, environmental protection, and the so-called 2025 logistics problem.

In the PALTEM division, we're developing new pipeline rehabilitation methods for the sewerage sector and constructing a new plant to meet growing demand. In the water supply sector, Ashimori is currently the only company capable of rehabilitating water pipes using a proprietary pipeline rehabilitation method, and we'll leverage this strength to fully enter the market. The new plant planned for Tochigi Prefecture will not only serve as a base for developing new methods, but also reduce delivery costs by locating production close to the Kanto region, Japan's largest demand area, and position us to capitalize on future growth opportunities.

In the disaster prevention division, addressing the increase in natural disasters and large-scale fires has become a critical social issue. We'll expand sales of high-performance firefighting and drainage hoses, strengthen proposals for large-capacity water-delivery systems for major facilities, and develop new disaster-response materials and equipment.

In the industrial materials division, we recognize the need to address labor shortages in construction, civil engineering, and logistics. We'll work to expand sales of wide-woven, high-value-added products and labor-saving logistics solutions, strengthen domestic and overseas sales of soil stabilization products, and develop metal-alternative fiber products.

## Value Creation Story

## Message from the President



## Positioning talent acquisition and development as the highest priority and creating a rewarding organization through comprehensive personnel system reform

### Laying the groundwork for further growth

#### Looking ahead to 2030, aggressively investing in human capital and R&D

In formulating the new Road to 150 medium-term business plan, which emphasizes laying the groundwork for further growth, we focused particularly on two key areas: (a) an innovation strategy centered on preliminary development and core technology development to create future business pillars and (b) a human resource strategy based on the Ashimori Renaissance Program, our comprehensive personnel system reform program.

With regard to preliminary development and core technology development, we're (1) developing products that use lightweight fiber composite materials, (2) developing fiber sensing technology, and (3) developing products that replace metals with fibers.

Our fiber sensing technology, which detects strain and temperature in buried pipelines, bridges, and railway tracks, is already attracting interest from gas and electric power companies. Another development under way is a chain that uses fiber in place of metal. Despite its lighter weight, it offers greater strength than metal chains, making it easier for women and older workers to handle and helping address labor shortages in the manufacturing and logistics industries.

R&D expenses totaled about 3.7 billion yen during the previous medium-term business plan period, and we plan to increase this to approximately 5 billion yen over the three years of the new plan. While this aggressive investment strategy will lead to an increase in interest-bearing debt, our strengthened equity base will enable us to maintain financial soundness.

We believe that in the coming era, people will be the most valuable company resource, making the recruitment and development of talent one of our most important challenges. Accordingly, under the new medium-term business plan, we're implementing the Ashimori Renaissance Program in order to develop a corporate culture in which people can thrive and demonstrate teamwork.

Through interviews with employees I conducted after becoming president, I recognized the need to move away from our traditional

seniority-based personnel system and build a more dynamic organization that rewards those who deliver results with promotion and pay raises. By creating a more comfortable work environment, we also aim to attract and retain talented employees. Most important of all is cultivating a mindset that values developing talent. We will establish a structured educational program and pursue systematic human resource development.

At the heart of this effort is dialogue and communication between managers and team members, an element I believe will be the key determinant of the Ashimori Renaissance Program's success. Without regular, meaningful discussions between managers and their direct reports regarding career development plans, goal setting at the start of the fiscal year, day-to-day progress management, and end-of-year evaluations and feedback, employees are unable to develop a sense of purpose or satisfaction. We're shifting from a collection of isolated "individual shops" to an organization where members support one another. Developing managerial talent is therefore also crucial, and we launched a management training program last fiscal year.

### To our stakeholders

#### Solving social issues and contributing to society with the continued support of our stakeholders

Ashimori Industry will celebrate its 150th anniversary in 2028. Although the new medium-term business plan covers the three years through the fiscal year ending March 2028, it also anticipates our growth strategy and key initiatives extending through 2030 and beyond.

We remain steadfast in our founding mission of protecting lives and livelihoods and committed to contributing to society by directly addressing social challenges.

We also seek to expand our business together with our customers and business partners while ensuring that our employees feel proud to work for Ashimori. To achieve these goals, we'll clearly define the areas where our strengths can best be demonstrated and focus our company resources accordingly. I sincerely appreciate your continued trust and support as we do so.



## Value Creation Strategy

# Performance for the Fiscal Year Ended March 2025

For the fiscal year ended March 2025, net sales reached a record high of 72,604 million yen (up 4,214 million yen year on year). In terms of profitability, both operating profit and ordinary profit also set new records: 4,618 million yen for the former (up 864 million yen year on year) and 4,213 million yen for the latter (up 11 million yen year on year). However, the automotive safety systems business recorded a product warranty loss of 990 million yen due to the estimated cost burden associated with extended warranty measures taken by a customer for products manufactured in the past. The high performance products business (disaster prevention-related) recorded a total of 145 million yen in extraordinary losses, including product warranty loss, loss on valuation of inventory, and product compensation costs related to quality defects occurring during manufacturing. As a result, net income attributable to owners of the parent amounted to 2,758 million yen, a decrease of 458 million yen year on year.

Net assets totaled 24,955 million yen, with an equity ratio of 45.9% (compared to 41.8% in the previous fiscal year).

## Automotive Safety Systems Business

Although production adjustments impacted some areas during the fiscal year under review, net sales totaled 52,855 million yen (up 2,816 million yen year on year). This was achieved as a result of the effects of a weaker yen and passing onto sales prices some portion of the market fluctuations in raw material prices and rising labor costs.

In addition, improved productivity and increased operational efficiency through collaboration with Toyoda Gosei, self-help efforts to reduce expenses, and the impact of exchange rates resulted in a significant improvement in profitability, with operating profit reaching 3,379 million yen (an increase of 1,062 million yen year on year).

Although risks such as trade tariffs, exchange rate fluctuations, rising raw material prices, and production variability are expected to persist, we will continue to implement measures aimed at improving profitability, including reductions in fixed costs and expenses.

## High Performance Products Business

The PALTEM (pipeline rehabilitation) segment posted net sales of 10,928 million yen (an increase of 677 million yen year on year) and operating profit of 1,737 million yen (a decrease of 300 million yen year on year). Although net sales exceeded the previous year due to a large number of carryover projects in the sewerage sector, profitability declined as a result of increased costs such as raw material prices and labor expenses as well as expanded investments toward future growth. We will continue to focus on securing orders in our core sewerage sector and promoting the adoption of pipeline rehabilitation methods in other fields.

The disaster prevention segment posted net sales of 2,192 million yen (a decrease of 282 million yen year on year) and an operating loss of 19 million yen (a decrease of 162 million yen year on year). Although we delivered a large-diameter hose system for an oil refinery complex during the previous fiscal year, sluggish sales of fire and hydrant hoses due to quality issues were the main cause of decreased revenue and profit in the current fiscal year. On the other hand, orders for large-diameter hoses, drainage hoses, and disaster prevention-related equipment have remained active and steady, and we will continue to conduct business with safety and quality as our top priorities.

The industrial materials segment posted net sales of 6,603 million yen (an increase of 1,008 million yen year on year) and operating profit of 175 million yen (an increase of 172 million

yen year on year). Sales of wide-woven textiles for automotive and fire-resistant screen applications remained strong due to the overall trend of market recovery.

In the first half of the consolidated fiscal year under review, we executed and delivered a large civil engineering project involving soil stabilization products. In the upcoming fiscal year, we will continue to proactively pursue civil engineering projects and other new markets in order to secure more orders. In addition, orders for logistics-related products used in land and marine transport, where the market recovery has been slower than in other sectors, are beginning to improve, and we're working to grow sales through the launch of new products.

As a result, the segment recorded net sales of 19,723 million yen (an increase of 1,402 million yen year on year) and operating profit of 1,892 million yen (a decrease of 291 million yen year on year).

## Numerical target achievement status

	Medium-term business plan	FY2025.3 (result)	Evaluation
Net sales	60 billion yen	72.6 billion yen	○
Operating profit	2.7 billion yen	4.6 billion yen	○
Net income	2.0 billion yen	2.7 billion yen	○
ROIC	6.3%	7.6%	○
Equity ratio	40% or more	45.9%	○
Dividend per share	100 yen	100 yen	○

○ = Achieved or realized



Value Creation Strategy


# Ashimori Group Medium-Term Business Plan FY2026.3–FY2028.3

## Our vision for the Ashimori Industry of 2030

We will continue to be a company that addresses societal challenges by leveraging the core technologies we have cultivated in the textile industry.

**Origin**

Since the late 1800s and still today, Ashimori has contributed to society by providing products that protect lives and livelihoods.



Technological capabilities and track record of a company founded over 100 years ago

Remembering our roots while striving for further growth



**Our vision for 2030**

Looking ahead towards our 150th anniversary and beyond to address societal challenges by leveraging our core technologies cultivated in the textile industry

By adhering to our mission of protecting lives and livelihoods, we will continue to grow as a company.

**Solving societal challenges**

- Working towards zero traffic fatalities
- Addressing aging infrastructure (buried pipelines)
- Combating coastal erosion due to global warming
- Responding to fires and disasters
- Making up for labor shortage in logistics, etc.

**Improving corporate value**

- Developing/deepening collaboration with Toyoda Gosei
- Improving financial structure through recovery in business performance
- Investing in human capital, R&D, and equipment

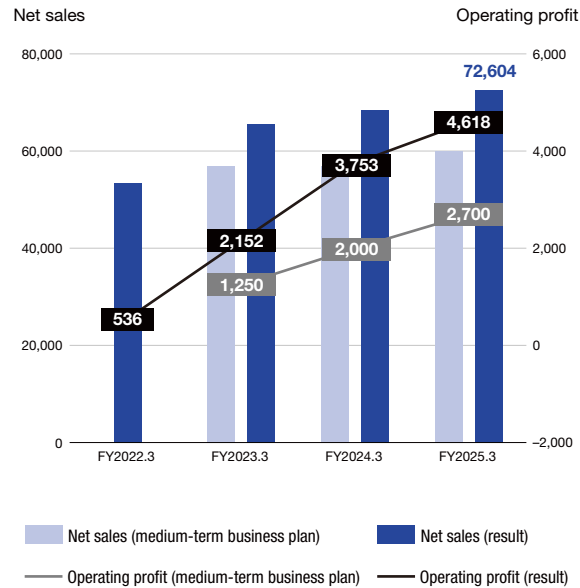


Value Creation Strategy

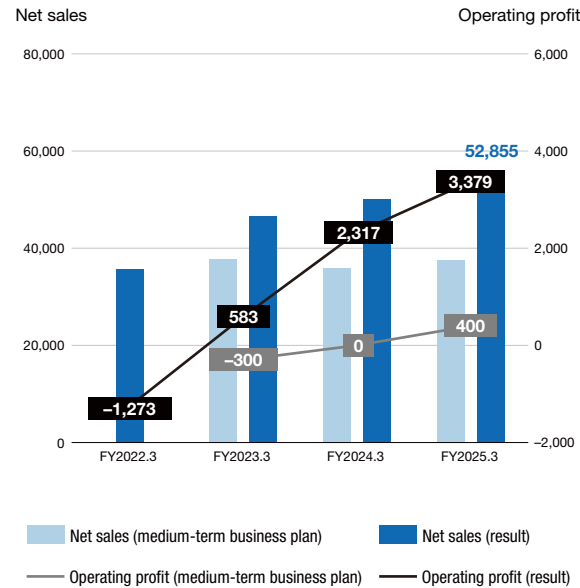
Ashimori Group Medium-Term Business Plan FY2026.3-FY2028.3

Performance

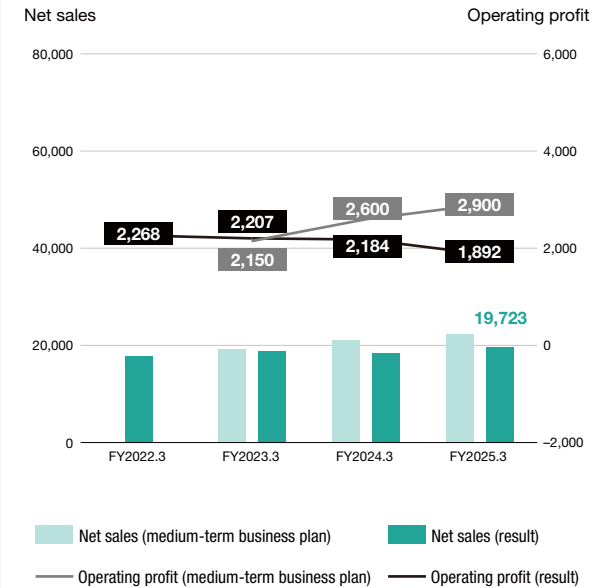
Company-wide performance (Million yen)



Automotive safety systems business performance (Million yen)



High performance products business performance (Million yen)







Value Creation Strategy

Ashimori Group Medium-Term Business Plan FY2026.3-FY2028.3

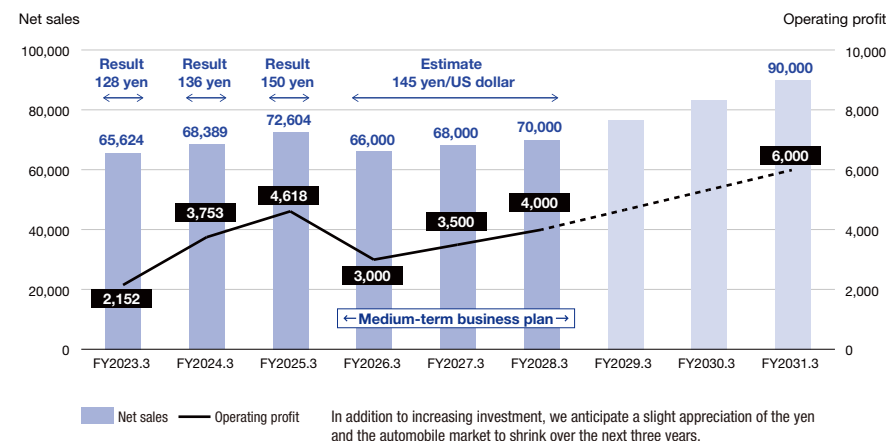
Targets of the Road to 150 Medium-Term Business Plan

We formulated our 126th-to-128th fiscal term medium-term business plan in May 2025. It covers the three-year period from the fiscal year ending March 2026 to the fiscal year ending March 2028. In this medium-term business plan, ROIC (return on invested capital) is designated as a significant indicator for business evaluation, with a target of at least 5% set for the fiscal year ending March 2028. Regarding dividends, we have introduced a new DOE (dividend on equity ratio) target and will strive to provide consistent dividends to our shareholders regardless of fluctuations in net income.

Launched in April 2025, our Road to 150 medium-term business plan is designated as a period for developing our business base for further growth. Under the banner of solidifying our foothold and making aggressive investments toward 2030, we aim to achieve consolidated net sales of 90 billion yen and consolidated operating profit of 6 billion yen in fiscal 2030.

In addition, we are planning capital investments and R&D investments totaling 21 billion yen over the next three years. While we plan to prioritize investment for the time being, we will continue to provide stable, and higher, dividends to shareholders as we pursue corporate management that strikes a good balance between investment and shareholder returns.

Performance targets (Million yen)



Outline of the Road to 150 Medium-Term Business Plan





Value Creation Strategy

# Sustainability-Focused Management and Materiality

## Sustainability Committee

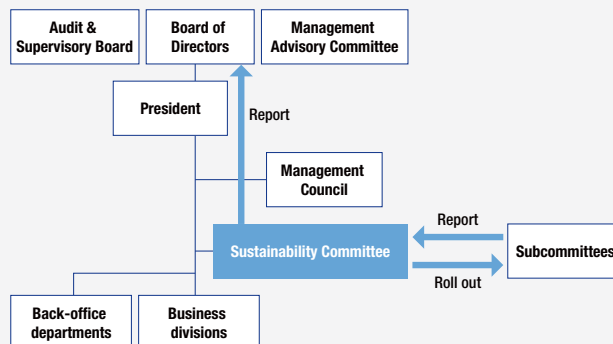
The committee formulates a basic policy on sustainability-focused management and deliberates on sustainability-related issues. It also identifies risks and business opportunities related to climate change, and comes up with measures and policies to deal with these, which it reports to the Board of Directors.

The Board of Directors monitors progress on relevant management strategies and makes appropriate recommendations to business divisions. We have established a sustainability implementation structure, shown at right, which covers all Ashimori divisions and group companies for the purpose of thoroughly informing and executing sustainability policy and action throughout the Group.

### Overview of Sustainability Committee

<b>Meeting frequency</b>	Quarterly (as a rule)
<b>Chair</b>	President
<b>Members</b>	Inside directors, executive officers, full-time Audit & Supervisory Board members, general managers of related departments, General Administration Department SDGs Promotion Unit

### Sustainability Implementation Structure



## Materiality

For materiality, Ashimori has selected: mainly non-financial items that may affect the sustainability of the company's business model and that are common to "important social issues" and "important management issues for the company" and; items related to the key management issues that form the foundation of the company's business model.





## Value Creation Strategy

## Sustainability-Focused Management and Materiality

## Principal risks and opportunities associated with each materiality

Materiality	Risks	Opportunities	Response
Harmony with the environment	<ul style="list-style-type: none"> <li>Increased costs due to stronger decarbonization policies and stricter societal demands</li> <li>Worsening working environment and occurrence of operational damage due to global warming and more frequent extreme weather events</li> <li>Decline in trust and deterioration of corporate value due to delays in achieving decarbonization and building a circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Transition to resource-efficient, high-efficiency production processes in response to growing importance of environmental considerations</li> <li>Improved profitability through reductions in energy and raw material usage</li> <li>Enhanced trust through product development and recycling aimed at reducing environmental impacts</li> <li>Improved profitability through recycling technologies and reductions in energy and raw material usage</li> </ul>	<ul style="list-style-type: none"> <li>Carry out various measures toward the mid-term goal of becoming carbon neutral by 2050 (strengthen energy conservation efforts, convert to electric forklifts, replace aging equipment, study and consider procurement of renewable electricity, etc.)</li> <li>Develop products that are easy to recycle and emit less greenhouse gases</li> <li>Reduce greenhouse gas emissions by reducing industrial waste</li> <li>Reduce environmental impact through expansion and market penetration of trenchless rehabilitation methods that allow for repair and rehabilitation of aging water and sewer pipes without excavation</li> </ul>
Supply of reliable products at appropriate prices	<ul style="list-style-type: none"> <li>Loss of customer trust and litigation risk due to issues affecting product quality and safety</li> <li>Decline in trust from local communities depending on the nature of quality complaints and the scale of defects</li> <li>Deterioration in profitability and production disruptions due to difficulties in procuring raw materials and rising prices</li> </ul>	<ul style="list-style-type: none"> <li>Improved customer trust through provision of products that prioritize quality throughout their lifecycle, from design and manufacturing to distribution and disposal</li> <li>Quality improvements and cost reductions through the introduction of the Toyota Production System (TPS)</li> <li>Strengthening of profitability stability through diversification of raw material procurement sources and flexibility in product mix</li> </ul>	<ul style="list-style-type: none"> <li>Raise the level of quality control with comprehensive quality and safety inspections</li> <li>Expand quality improvement initiatives including business partners</li> <li>Deploy TPS across all sites</li> </ul>
Human resource development and workforce diversity	<ul style="list-style-type: none"> <li>Decline in morale, creativity, and innovation due to failure to cultivate a corporate culture where employees can thrive and demonstrate teamwork</li> <li>Lower retention rates and insufficient accumulation and passing down of expertise due to failure in establishing a fair evaluation system</li> <li>Loss of business opportunities due to delays in launching products and services that meet market demands</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of organizational capability and stable accumulation and passing down of expertise through improved employee retention</li> <li>Enhanced technological capabilities and productivity through ideas and innovation generated by a diverse workforce</li> <li>Improved technological capabilities and productivity through tailored coaching, employee education, and skill development</li> </ul>	<ul style="list-style-type: none"> <li>Implement measures under the Ashimori Renaissance Program (revise evaluation and compensation systems, enhance education programs, establish a personnel system that ensures comfortable workplaces for a diverse array of people, improve workplace environments, etc.)</li> <li>Enhance training at all job levels to better educate the next generation of executives and core managers</li> <li>Secure human resources, be more customer-oriented, boost field capabilities, and pass on skills</li> </ul>
Enhancement of governance	<ul style="list-style-type: none"> <li>Delay in strategic progress and decline in profitability due to governance failure</li> <li>Decline in profitability and occurrence of losses due to excessive or insufficient business actions resulting from governance failure</li> </ul>	<ul style="list-style-type: none"> <li>Stabilization of organizational capability, sustained growth, and improvement of corporate value through enhancement of governance systems</li> <li>Acceleration of strategy implementation and improved adaptability to change through strengthening of governance systems</li> <li>Enhanced competitiveness through appropriate risk-taking</li> </ul>	<ul style="list-style-type: none"> <li>Promote dialogue with, and awareness of investors, and disclose information (hold financial results briefings, proactively engage with institutional investors through individual meetings, etc.)</li> <li>Study measures to increase individual investors (consider questionnaires by outside organizations, and develop and implement measures based on results)</li> </ul>
Thorough compliance with laws, rules, and regulations	<ul style="list-style-type: none"> <li>Occurrence of losses and loss of public trust due to compliance violations throughout the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of internal controls and using the compliance guidebook and Ashimori Group Employee Code of Conduct to raise legal compliance awareness among employees and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Communicate and practically apply the Employee Code of Conduct (including the compliance guidebook) (revise the Code of Conduct followed by group reading sessions among all employees)</li> </ul>

Value Creation Strategy

# Financial Strategy

**Solidifying our foothold and making aggressive investments toward 2030**

Executive Officer,  
General Manager of Administration Division,  
General Manager of Computer Systems Department

**Junji Doi**



## Financial Status for the Fiscal Year Ended March 2025

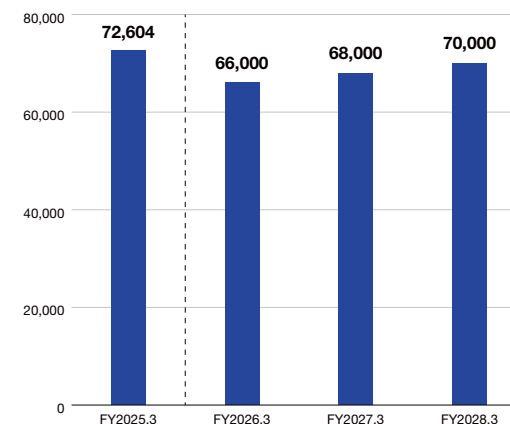
In the fiscal year ended March 2025, we redeemed corporate bonds totaling 3.0 billion yen. To strengthen our financial structure while limiting the increase in new interest-bearing debt, we kept the total amount of capital investment at a level not significantly exceeding depreciation expenses. During the same fiscal year, both business segments recorded revenue growth. At the same time, we continued our efforts to improve capital efficiency by focusing on reducing inventories and maintaining disciplined use of funds.

## Road to 150 Medium-Term Business Plan Financial and Investment Strategy

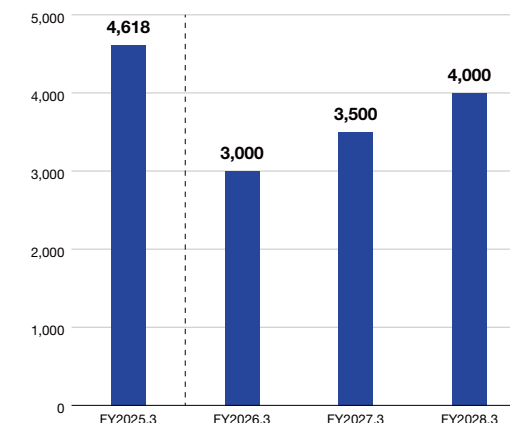
The Road to 150 medium-term business plan, which was launched in April 2025, is positioned as a period for laying the groundwork for further growth and emphasizes solidifying our foothold and making aggressive investments toward 2030.

During this period, we are shifting from our previous defensive investment to aggressive investment to build a future revenue base. Although interest-bearing debt will increase as a result of these aggressive investments, financial soundness will be maintained with stronger shareholder equity than before.

Net sales target (Million yen)



Operating profit target (Million yen)



Exchange rate: 1 USD = 145 JPY



Value Creation Strategy

Financial Strategy

Investment Plan Details

A total of 21.0 billion yen in capital and R&D investments is planned over the next three years, targeted at achieving consolidated net sales of 90.0 billion yen and consolidated operating profit of 6.0 billion yen in fiscal 2030. Although we plan to front-load investments in the near term, we'll continue to provide stable dividends exceeding previous levels and maintain a balanced approach between investment and shareholder returns.

Specifically, in research and development, we plan to

support the high performance products business by pursuing new fields such as developing products that use lightweight fiber composite materials and improving weaving technology.

With regard to capital investments, we anticipate a growth investment budget of 8 billion yen and a facility upgrade budget of 8 billion yen. Growth investments will target a new PALTEM factory and manufacturing facilities for new products in the automotive safety systems business. With regard to equipment renewal investments, we plan to upgrade existing facilities to new ones that emphasize productivity improvement, environmental considerations, and labor savings.

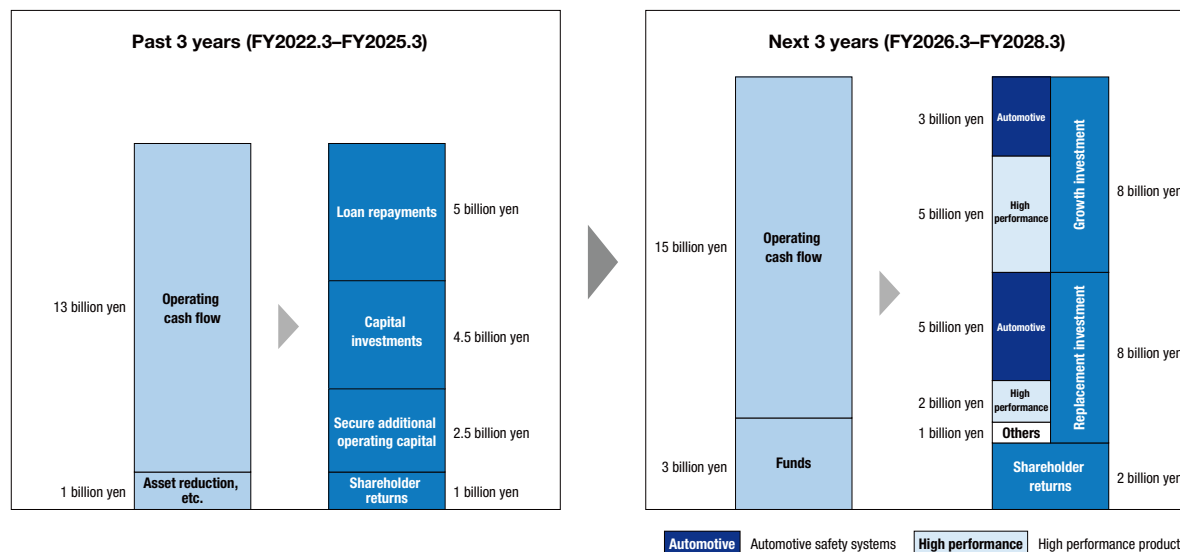
Target Management Indicators

In May 2025, we formulated a new three-year medium-term business plan covering the 126th to 128th fiscal periods (FY March 2026–March 2028). Under this plan, ROIC has been designated as a key performance indicator, with a target of 5% or higher for the fiscal year ending March 2028. In addition, we have introduced a DOE (dividend on equity ratio) target in an effort to provide stable dividends to shareholders regardless of fluctuations in net income.

Major targets

	FY2028.3 target	FY2031.3 target
ROIC	5.0% or more	8.0% or more
Dividends	100 yen/share or more including interim dividend and DOE of 2.5% or more	100 yen/share or more including interim dividend and DOE of 2.5% or more
R&D expenses	5 billion yen over the 3-year medium term; corresponding to 2.5% of net sales	
Capital investment	16 billion yen over the 3-year medium term	

3-year cash allocation






Value Creation Strategy

# Business Overview




In the over 140 years of transformation since our foundation in 1878, we have built a solid foundation as a leading provider of industrial materials made from textiles. Now, having expanded beyond the boundaries of the textile industry, our central operations are in the fields of safety and renewal activities, such as safety-related automotive parts and the reconstruction of essential utilities.

## Automotive Safety Systems

We contribute to safety and comfort in society through the manufacture and sales of automotive seatbelts, airbags, and car interior products (sunshades, tonneau covers, separation nets).

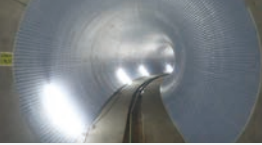
Business	Solutions
<p><b>Seatbelt-related</b></p> <p>Making driver and passenger safety the top priority, we develop seatbelts with advanced design and useability.</p>	<p><b>Achieving both safety and comfort</b></p> <p>Ever since receiving JIS (Japanese Industrial Standards) certification in 1967, we have been developing next-generation seatbelts that achieve both safety and comfort by utilizing the technologies we have built up.</p> 




Business	Solutions
<p><b>Airbag-related</b></p> <p>Together with Toyota Gosei, we are further expanding sales of airbags and seatbelt sets.</p>	<p><b>State-of-the-art technologies protect lives</b></p> <p>We manufacture a range of airbags that incorporate technologies in fields like fibers, chemistry, electronics, control, mechanics, and sensors.</p>  <p>Driver airbags    Passenger airbags    Side airbags    Curtain airbags</p>

Business	Solutions
<p><b>Interior products</b></p> <p>We develop products for the global market that offer greater comfort and convenience for the user.</p>	<p><b>A comfortable car interior</b></p> <p>Sunshades (electric and nonelectric) regulate the amount of sunlight entering through car windows and thus help create a comfortable interior.</p>  <p><b>Preventing cargo from collapsing</b></p> <p>The separation net separates the passenger seats and the cargo space. It prevents the cargo from collapsing during sudden braking.</p>  <p>BMW X2©(BMW AG)</p> <p><b>Anti-theft</b></p> <p>Tonneau covers block baggage and other items in the vehicle's cargo space from outside view, and are a great anti-theft measure.</p> 

## High Performance Products

We manufacture and sell high-performance fabrics, narrow woven fabrics, synthetic ropes, fire hoses, fire hydrant hoses, industrial hoses, and disaster prevention supplies. We also manufacture pipe repair hoses and use them to carry out pipeline rehabilitation work.

Business	Solutions
<p><b>PALTEM division</b></p> <p>PALTEM is a trenchless technique for rehabilitating buried pipelines, such as those carrying potable water, sewage, gas, telecommunications signals, or electricity. This method minimizes damage to pipeline surroundings while supporting lifeline infrastructure.</p>	<p><b>Maintenance and management of essential utilities</b></p> <p>We contribute to maintaining essential utility services using the latest pipeline rehabilitation technology, which protects underground pipelines from aging degradation and damage from earthquakes and ground subsidence.</p> 

Business	Solutions
<p><b>Disaster prevention division</b></p> <p>We help make social infrastructure safe and secure by providing a range of hoses and products for preventing and mitigating disasters.</p>	<p><b>Lengthening water supply and water discharge distance of fire hoses</b></p> <p>Low-pressure-loss hoses reduce pressure loss by up to 50% during water supply, thus improving fire-fighting performance.</p>  <p><b>Handling large-scale fires</b></p> <p>Large-diameter hoses can send large amounts of water. Since the hose is covered with urethane resin, it has the needed durability for battling large blazes.</p>  <p><b>Rescue support during disasters</b></p> <p>Our water supply and drainage system boasts superb mobility. It helps provide temporary drainage and secure clean water in disasters.</p> 

Business	Solutions
<p><b>Industrial materials division</b></p> <p>Our products, ranging from fiber materials to labor-saving logistics systems, contribute to a comfortable workplace environment for all.</p>	<p><b>Labor savings in logistics</b></p> <p>Our Air Roll System uses an air hose to raise and lower roller conveyors equipped on truck beds to lessen workload.</p>  <p><b>Preventing sinking on soft ground</b></p> <p>Palace Sheet (tubular fabric technology) is a surface stabilization method, which can be used as footing for heavy machinery temporarily placed on soft ground. It is easy to remove and the ground can be easily restored to its original state.</p>  <p><b>At work in many fields</b></p> <p>From lashing belts to textiles for reinforcing rubber materials, we provide fiber materials for a wide range of fields.</p> 



## Value Creation Strategy

# Business Strategy: Automotive Safety Systems Business

Leveraging our unique strengths to deliver value unmatched by competitors and become a trusted business partner of significance

Director, Managing Executive Officer,  
Division Manager of Automotive Safety Systems Business Division

**Kaoru Nagatomi**



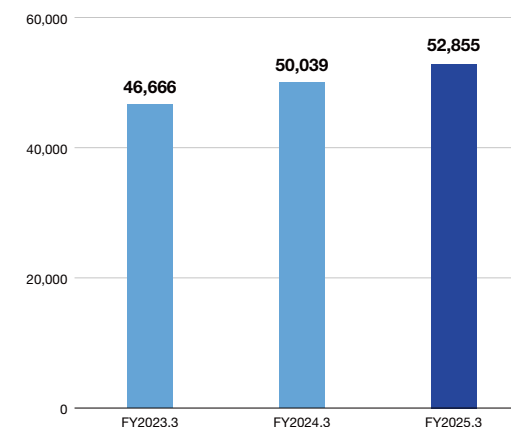
## Business Overview and Results

In the fiscal year ended March 2025, the automotive safety systems business recorded net sales of 52,855 million yen, an increase of 2,816 million yen year on year, despite the impact of production adjustments in certain areas. This growth was achieved by partially passing on fluctuations in raw material prices and rising labor costs to sales prices. Behind these favorable results were persistent, communication-focused price negotiations with customers, which were grounded in objective cost indicators and justifications combined with the effects of the weaker yen.

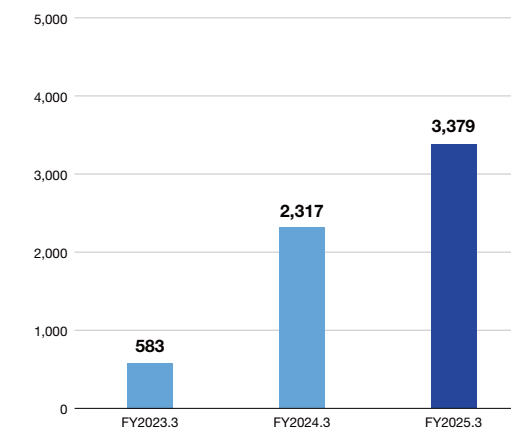
Operating profit increased substantially to 3,379 million yen, up 1,062 million yen year on year, reflecting productivity and operational efficiency improvements achieved in collaboration with Toyota Gosei as well as our ongoing cost reduction efforts and the impact of the weaker yen.

The alliance with Toyota Gosei continues to yield steady results in the form of enhanced product competitiveness through technology and personnel exchanges, benefits from economies of scale achieved through unified product specifications, labor savings achieved through productivity improvements, and cost reductions via integrated and shared supply chains.

Net sales (Million yen)



Operating profit (Million yen)



Exchange rate: 1 USD = 145 JPY



## Value Creation Strategy

### Business Strategy: Automotive Safety Systems Business

#### Competitive Environment Analysis and Key Strategies

The automotive market is seeing intensified technological competition driven by changes in safety regulations and assessment standards, along with rapid progress in battery electric vehicles. These trends have created simultaneous demand for standardization to achieve cost reductions and differentiation to strengthen product appeal. To address these opposing needs, we will pursue standardization in core components while implementing differentiation in areas where added value can be created.

In this environment, the automotive safety systems market is expected to continue expanding on the back of stricter safety regulations. At the same time, customers are demanding higher safety performance and further cost reductions.

To meet these expectations, we will work to become a business partner of significance, one that is able to offer distinctive products and value unmatched by competitors in the global market. To that end, we will undertake four priority measures:

##### 1. Product strategy

We'll launch and expand sales of next-generation lightweight and resource-efficient seatbelts, introduce high-value-added sunshades compatible with vehicle electrification, expand the lineup of door/rear sunshades and tonneau covers in response to customer needs, and develop seatbelts with enhanced quietness.

We'll also further strengthen collaboration with Toyoda Gosei to leverage both companies' respective strengths, promoting expanded sales of airbags and combined marketing of airbags and seatbelts. Additional synergies will be pursued through joint procurement and mutual utilization of production bases.

Furthermore, we are working to develop products that

adapt to diverse occupant physiques for improved protection and zero fatal traffic accidents, products that address challenges in autonomous driving and an aging society, and materials that make use of recyclable resources for environmental sustainability.

##### 2. Quality and production strategy

We are also reinforcing quality improvement initiatives, including through collaboration with business partners. Efforts are underway to evolve our value chain by expanding the application of the Toyota Production System from selected sites to all global locations and introducing a new core IT system to further enhance productivity and operational efficiency.

##### 3. Sales strategy

To achieve further growth, we need to expand sales in the global market through products that meet customer needs. We'll stabilize our operational base and enhance our sales expansion systems in each market through early identification of regulatory trends and effective customer engagement that draws on the strengths of both Ashimori and Toyoda Gosei.

##### 4. Human resource strategy

We're developing the next generation of leaders and core personnel by enhancing training programs across all employee levels. For mid-level employees in particular, training emphasizes problem identification and resolution based on quality control principles, including documentation and presentation skills.

Regarding personnel exchanges with Toyoda Gosei, in order to promote the Toyota-style mindset and work approach, joint subcommittees have been set up for each collaborative theme and are actively working to create synergies. We also dispatch personnel to Toyoda Gosei and receive personnel from Toyoda Gosei. The two companies work to achieve mutual understanding of the way in which each company does their business.

#### Business Risks and Associated Policies

Economic policies in the U.S. concerning tariffs and trade exert significant direct and indirect influences on the Ashimori Group's operations, raising concerns of a sharp decline in net sales. Such developments could affect our financial position, operating results, and cash flow.

Furthermore, geopolitical risks such as the worsening and prolonged conflicts in Ukraine and the Middle East have led to the manifestation of indirect impacts like rising prices of raw materials, parts, energy, and logistics, raising the possibility of continued pressure on profitability.

While risks remain, including trade tariffs, exchange rate fluctuations, rising raw material prices, and production variability, we will continue implementing profit improvement measures, such as reducing fixed and operating costs.

#### News

##### Globalization

At present, we serve a wide range of customers, including Japanese automakers, major manufacturers in Europe and Asia, and companies in emerging markets such as Vietnam. Building on the trust and technical expertise cultivated over the years, we will continue responding to diverse global needs and further enhancing our presence as a global partner.



## Value Creation Strategy

# Business Strategy: High Performance Products Business

Maintaining close collaboration among the three business segments to develop better products and deliver higher-quality services

Director, Managing Executive Officer,  
Division Manager of High Performance Products Business Division

**Kazuyoshi Ito**



## Business Overview and Results

In the fiscal year ended March 2025, the high performance products business recorded net sales of 19,723 million yen, an increase of 1,402 million yen year on year, while operating profit decreased by 291 million yen year on year to 1,892 million yen.

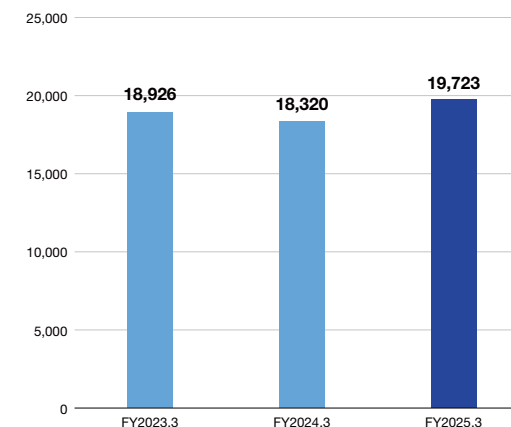
Despite a clear trend toward recovery in post-pandemic markets, rising raw material and labor costs cut into profit margins. Notwithstanding this challenging profit environment, fiscal 2024 was a year in which all divisions made concrete progress aimed at future business expansion, including the delivery and installation of soil stabilization products in large-scale civil engineering projects.

## Competitive Environment Analysis and Key Strategies

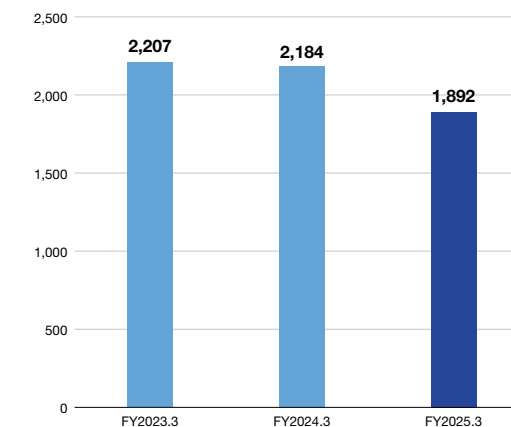
### 1. PALTEM business

In the sewerage sector, we recorded many carryover projects, resulting in net sales of 10,928 million yen, up 677 million yen year on year. Operating profit declined by 300 million yen year on year to 1,737 million yen. The decline can be attributed to higher raw material and labor costs as well as increased capital investment to facilitate development of new construction methods. In May 2025, we announced the acquisition of land for the construction of a new plant, and we will continue making proactive investments beyond fiscal 2025 to support future business expansion.

Net sales (Million yen)



Operating profit (Million yen)



Exchange rate: 1 USD = 145 JPY



## Value Creation Strategy

### Business Strategy: High Performance Products Business

In the core sewerage field, aging infrastructure is becoming a national concern, spurring rapid progress in inspections of sewer pipelines across Japan. Demand for pipeline rehabilitation is expected to rise gradually going forward; however, competition is anticipated to intensify due to new market entrants. We're strengthening marketing activities to secure a stable flow of project orders by improving responsiveness to demand through new plant construction and the development of new construction methods, and by utilizing group companies engaged in civil engineering to gather user needs and market information.

In the water supply sector, we're participating in the Aquatic Judicious & Ultimate Model Projects (A-JUMP), which was launched by the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2024. The project seeks to demonstrate the effectiveness of pipeline rehabilitation in addressing water infrastructure deterioration and to establish performance requirement standards.

#### 2. Disaster prevention business

Net sales declined by 282 million yen year on year to 2,192 million yen, while the segment posted an operating loss of 19 million yen for a reduction in profit of 162 million yen year on year. The decrease was primarily due to a large order in fiscal 2023 for a large-diameter hose system for an oil refinery complex, as well as a temporary suspension of shipments and sales activities resulting from a quality issue in fire hoses, which also led to an extraordinary loss. To address quality issues, we're reviewing all existing standards and working to ensure manufacturing prioritizes quality and safety above all other considerations.

Meanwhile, orders for large-diameter hoses, drainage hoses, and firefighting equipment remained strong. Demand for large-diameter hoses has been supported by the restart of nuclear power plants amid tightening of the electricity supply, while demand for drainage hoses has been bolstered by the government's national resilience plan under the leadership of the

Cabinet Office. Steady orders for disaster prevention equipment have also been driven by the intensification of natural disasters and growing public awareness of disaster preparedness.

The market is trending toward products that combine ease of use with high functionality. Close collaboration among sales, development, and production teams is the most critical factor in accurately identifying customer needs and accelerating development speed. Globally, there's a renewed appreciation of, and growing demand for, Japanese products, and we view this as an excellent opportunity to re-enter overseas markets.

#### 3. Industrial materials business

Net sales increased by 1,008 million yen year on year to 6,603 million yen, while operating profit rose by 172 million yen year on year to 175 million yen. These results were driven by steady sales of wide-woven textiles for automotive and fire-resistant screen applications, backed by post-pandemic market recovery and strong recognition of our stable manufacturing capabilities, as well as significant progress in the Palace Sheet soil stabilization product, which saw positive results in large-scale civil engineering projects and took a major step toward becoming a new core business.

In the automotive sector, rising global demand for automobiles and electric motorcycles has led to increased inquiries from Asia. We will continue to seize new opportunities by leveraging our development capabilities to deliver the products customers require in a timely manner. Adoption of fire-resistant screens is growing in Japan, and we're focused on ensuring stable supply and achieving cost reductions.

In the logistics market, the key is developing lighter, more efficient products to address the so-called 2025 logistics issues, including workforce aging, driver shortages, and rising delivery costs. We're exhibiting new products at trade shows and conducting customer monitor testing as we advance initiatives to turn these efforts into tangible business results and

expand sales. In addition, we're working to create demand for fiber-based alternatives to metal products through new development and strategic alliances in an effort to establish these as a new pillar of growth.

### Approach to Addressing Societal Issues

All three divisions of the high performance products business are directly addressing major societal issues such as aging infrastructure, increasingly severe natural disasters, and 2025 logistics issues. Extensive expertise accumulated through sustained efforts to tackle these challenges represents one of our greatest strengths.

Because the three divisions share many commonalities in customers and product development concepts, we believe that close collaboration in application development, customer cultivation, and market expansion will lead to better product development and higher-quality service delivery.

## News

### PALTEM Pipeline Rehabilitation

Pipes (essential utilities) buried underground are subject to aging and deterioration caused by the changing environment. In Japan, recent years have seen pipes damaged and weakened due to frequent earthquakes and ground sinkage. In response to the increasing needs for pipeline rehabilitation, we are supporting society through the development and installation of new technologies.



## Value Creation Strategy

# Innovation Strategy

## Research and Development

### R&D Policy

Ashimori Industry is advancing and combining its four core technologies of weaving/assembling, winding/fixing, plastic processing (covering), and inflating, with the aim of deepening these core technologies. Building on this foundation, we're continuously engaged in a wide range of research and development, from fiber/resin/metal composite components to full system products.

Based on these four technologies, we're expanding into the safety and renewal markets. This push includes technology development aimed at achieving zero traffic accident fatalities and addressing social issues such as aging infrastructure and increasingly severe disasters caused by natural hazards and weather phenomena. Specific initiatives include the maintenance and renewal of water and other infrastructure, such as pipeline repair and seismic reinforcement, as well as the development of products and technologies that contribute to disaster prevention and mitigation. These efforts are closely aligned with the Japanese government's goals of building national resilience and achieving carbon neutrality, and they contribute to the realization of a sustainable society, a key Ashimori goal.

In particular, there are high expectations for the development of lightweight, high-strength lining materials that combine Ashimori's strength in circular loom technology with resin processing—technologies that are expected to help resolve infrastructure issues related to aging.

### Objectives in the safety and renewal fields

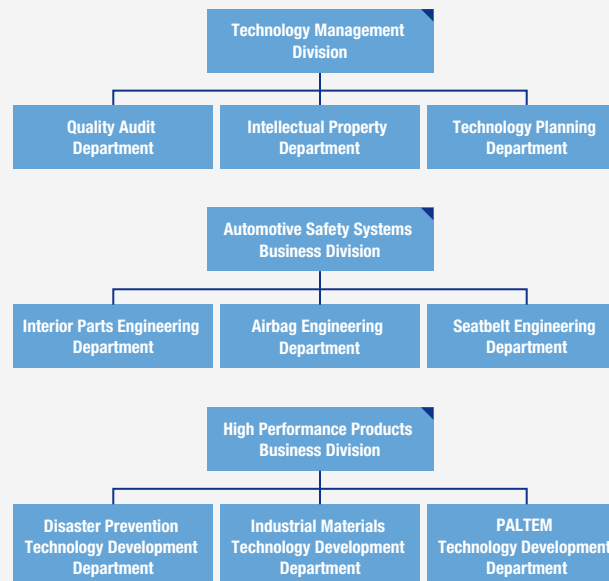
- Prioritize the protection of human life and contribute to the creation of a safe, secure society

- Minimize economic losses caused by disasters and maintain social functionality
- Extend the lifespan of infrastructure
- Shift from reactive post-failure response to proactive preventive maintenance before deterioration occurs, thereby reducing repair and renewal costs

### R&D Areas

In the two distinct fields of automotive safety systems and high performance products (PALTEM, disaster prevention, and industrial materials), we've established dedicated organizations

### R&D organization chart



for each to build a research and development structure that contributes to society through manufacturing that leverages forward-thinking ideas and technologies.

At the same time, for foundational technologies such as material development, structural analysis, and evaluation techniques, we've established a cross-functional collaboration framework under the Technology Management Division to advance technology development that connects our core technologies with the needs of society.

## News

We develop products combining our core technologies with an eye to future markets.

### 1. Tapping new markets, developing new products

We are developing disaster mitigation products that use environmentally friendly materials and light, smooth, low-recoil hoses by utilizing innovative looms and extrusion molding technologies. We are also working to build and expand water supply systems. In addition, in the environmental field, we are developing systems that help prevent global warming.

### 2. Production innovation

We are developing hose production technologies that utilize atmospheric pressure plasma, and automating looms.



## Value Creation Strategy

## Innovation Strategy

## Quality Control

### Basic Policy on Quality Control

We have established quality assurance departments in all of our business divisions. In addition to complying with relevant standards and statutes, we strictly review how well we are complying with the requirements demanded by our customers. A quality control structure based on a PDCA cycle is established, maintained, and improved throughout every business process, including product planning, design, development, manufacturing, and shipment.

### Global Quality Control

ISO 9001 is a globally recognized international standard for quality management systems. It governs the management and supervision of the quality of products and services, with a view to ensuring customer satisfaction and promoting continuous improvement.

We've acquired and maintain IATF 16949 certification, a sector-specific standard based on ISO 9001 with additional requirements for the automotive industry. IATF 16949 was developed with the purpose of globally unifying automotive standards in the U.S., Germany, France, and Italy, and it imposes strict requirements. In Japan, our Osaka and Yamaguchi Plants, and overseas, Ashimori Korea and Ashimori Industria de México, have earned certifications and are operating under those standards. Through these efforts, we're building a globally unified quality control system while prioritizing the trust of the automotive industry.

Furthermore, led by the Quality Assurance Department at our head office in Japan, we regularly hold global quality meetings to share policies and challenges with our overseas sites. When defects or incidents occur, we strictly enforce a first

report obligation, and for serious cases, the head office leads the analysis and corrective measures while emphasizing compliance in operations.

### Organizational Restructuring and Departmental Roles

With the organizational restructuring on December 1, 2024, the High Performance Products Business Division's High Performance Products Quality Assurance Department was divided into the PALTEM Quality Assurance Department and the Disaster Prevention and Industrial Materials Quality Assurance Department. A PALTEM Section was established in the PALTEM Quality Assurance Department, and a Disaster Prevention Section and an Industrial Materials Section were established in the Disaster Prevention and Industrial Materials Quality Assurance Department to build a rigorous quality assurance system tailored to each business. The disaster prevention division primarily handles certification tasks, while the industrial materials division manages outsourcing; both focus on ensuring the quality of materials and product manufacturing.

Meanwhile, the PALTEM division oversees the entire process from material manufacturing to construction. This requires collaboration with Ashimori Engineering, construction companies (licensees), and the PALTEM Technology Association, as well as on-site management.

The Quality Audit Department has divided its operations into quality audits and technical reviews to clearly separate internal audits from customer responses to enhance effectiveness. We're working to build a company-wide quality assurance system that integrates everything from planning to on-site execution.

## Intellectual Property

### Basic Approach

We're also strengthening our intellectual property strategy to contribute to competitive advantage while focusing on patent applications and IP clearance to support the business divisions.

### Management of IP and Technologies

To protect our own rights and respect those of others, we engage in multi-faceted intellectual property activities. These include patent applications, combining them with designs and trademarks, and safeguarding know-how through confidentiality. We also collect and analyze IP information that strengthens our business and develop and improve the expertise of our IP employees.

### Developing Personnel with IP Expertise

We have educational programs for young engineers across the company to foster awareness of IP from an early stage of their R&D careers. Additionally, the Intellectual Property Department works with each business division to help extract ideas, conduct prior art searches, and provide guidance on the fundamentals of claim drafting.

### Integrating Business Strategy and IP Strategy

We've introduced a system that reflects patent filings in performance evaluations to encourage engineers to submit patent applications. We've also launched management training programs for managers to understand the alignment between IP strategy and business strategy in a bid to strengthen our IP portfolio and strategically utilize our rights, such as licensing and invalidation countermeasures.

## Governance

# Management Team



Audit &amp; Supervisory Board Member (Outside)

**Mitsuhiro Morikawa**

Audit &amp; Supervisory Board Member (Outside)

**Masami Oishi**

Full-Time Audit &amp; Supervisory Board Member

**Hiroki Kane**

Director, Managing Executive Officer

**Kazuyoshi Ito**

Director, Executive Officer

**Akinori Koyama**

Director, Executive Officer

**Shigeji Yasuda**

Director (Outside)

**Kazuyoshi Furukawa**

Director (Outside)

**Yasushi Okada**

Director, Managing Executive Officer

**Kaoru Nagatomi**Representative Director, President,  
Chief Executive Officer**Hiomasa Zaitсу**

Director (Outside)

**Haruo Shimizu**

Director (Outside)

**Takashi Ogawa**



## Governance

## Management Team

Representative Director, President, Chief Executive Officer

**Hiromasa Zaitzu**

April 1985 Joined Toyota Motor Corporation  
 January 2010 General manager of Technology Administration Division, Toyota  
 June 2013 General manager of General Administration Division, Toyota  
 June 2017 Executive officer of Toyoda Gosei Co., Ltd.  
 January 2024 Advisor of Ashimori Industry  
 June 2024 President and chief executive officer (to present)

Director, Managing Executive Officer

**Kaoru Nagatomi**

January 2019 Joined Toyoda Gosei Co., Ltd.; project general manager of Safety System Technology Department  
 June 2021 Executive officer of Ashimori Industry; in charge of development under division manager of Automotive Safety Systems Business Division  
 April 2022 Managing executive officer, division manager of Automotive Safety Systems Business Division (to present)  
 June 2023 Director (to present)

Director, Managing Executive Officer

**Kazuyoshi Ito**

March 1988 Joined Ashimori Industry  
 April 2014 General manager of PALTEM Sales Department  
 June 2019 Executive officer, general manager of PALTEM Management Group, president of Ashimori Engineering Co., Ltd.  
 June 2021 Head of Tokyo Office (to present)  
 June 2022 Director (to present)  
 June 2025 Managing executive officer, division manager of High Performance Products Business Division (to present)

Director, Executive Officer

**Akinori Koyama**

April 1988 Joined Ashimori Industry  
 November 2018 General manager of Airbag Engineering Department, Automotive Safety Systems Business Division  
 June 2019 President of Ashimori Industria de México, S.A. de C.V.  
 June 2023 Executive officer (to present)  
 April 2024 General manager of Business Management Group, Automotive Safety Systems Business Division  
 June 2024 Director, deputy division manager of Automotive Safety Systems Business Division (to present)  
 April 2025 Division manager of Technology Management Division (to present)

Director, Executive Officer

**Shigeji Yasuda**

June 2007 Joined Ashimori industry  
 May 2016 President of Allsafe Japan Ltd.  
 June 2023 Executive officer, general manager of Industrial Materials Management Group (to present)  
 October 2024 General manager of Disaster Prevention Management Group, general manager of Fire Hose Risk Management Department (to present)  
 June 2025 Director (to present)

Director (Outside)

**Haruo Shimizu**

February 1970 Joined Daikin Manufacturing Co., Ltd. (now Exedy Corporation)  
 June 2006 President and CEO of Exedy  
 April 2015 Chairman of Exedy  
 June 2016 Advisor of Exedy  
 June 2019 Outside director of Ashimori Industry (to present)

Director (Outside)

**Yasushi Okada**

April 1993 Joined Toyoda Gosei Co., Ltd.  
 June 2020 Deputy director, Product Development Center, Toyoda Gosei  
 June 2021 Outside director of Ashimori Industry (to present)  
 June 2022 Deputy chief, SS Headquarters, Toyoda Gosei (to present)  
 June 2023 Corporate officer of Toyoda Gosei (to present)  
 January 2024 Chief of Europe and Africa Regional Headquarters of Toyoda Gosei (to present)

Director (Outside)

**Takashi Ogawa**

April 1982 Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation)  
 April 2015 Executive officer, AE Engineering Group general manager, Fujitsu Ten Ltd. (now Denso Ten Ltd.)  
 April 2019 Director, senior executive officer, Denso Ten  
 June 2023 Outside director of Ashimori Industry (to present)  
 October 2023 Outside director of Central Engineering Co., Ltd. (to present)

Director (Outside)

**Kazuyoshi Furukawa**

April 1980 Joined Konoike Construction Co., Ltd.  
 October 2018 Director and senior executive officer of Konoike  
 October 2020 Director and vice president of Konoike  
 February 2021 Senior executive officer of Konoike  
 March 2023 Standing advisor of Konoike  
 June 2024 Outside director of Ashimori Industry (to present)

Audit &amp; Supervisory Board Member

**Hiroki Kane**

April 1988 Joined Ashimori Industry  
 May 2015 General manager of Accounting Department  
 June 2017 General manager of Internal Audit Office  
 June 2022 General manager of Finance Department  
 June 2023 General manager of Business Administration Department, Automotive Safety Systems Business Division  
 June 2024 Full-time Audit & Supervisory Board member (to present)

Audit &amp; Supervisory Board Member (Outside)

**Masami Oishi**

April 1990 Joined Ministry of Foreign Affairs of Japan (MOFA)  
 March 2005 Left MOFA  
 December 2010 Registered as attorney, joined Osaka International Law Offices  
 June 2022 Outside Audit & Supervisory Board member of Ashimori Industry (to present)  
 October 2022 Joined Progress Law Firm (to present)  
 June 2024 Outside director (audit & supervisory board member) of Osaka Titanium Technologies Co., Ltd. (to present)

Audit &amp; Supervisory Board Member (Outside)

**Mitsuhiro Morikawa**

April 1982 Joined Unitika Ltd.  
 June 2009 General manager of Business Administration Office, Management Department; general manager of Polymerization Division  
 July 2012 Executive officer, general manager of Management Department  
 July 2013 Senior executive officer  
 June 2018 Full-time Audit & Supervisory Board member  
 June 2022 Corporate advisor  
 January 2023 Retired as corporate advisor  
 June 2023 Outside Audit & Supervisory Board member of Ashimori Industry (to present)



Governance

# Governance

## Corporate Governance

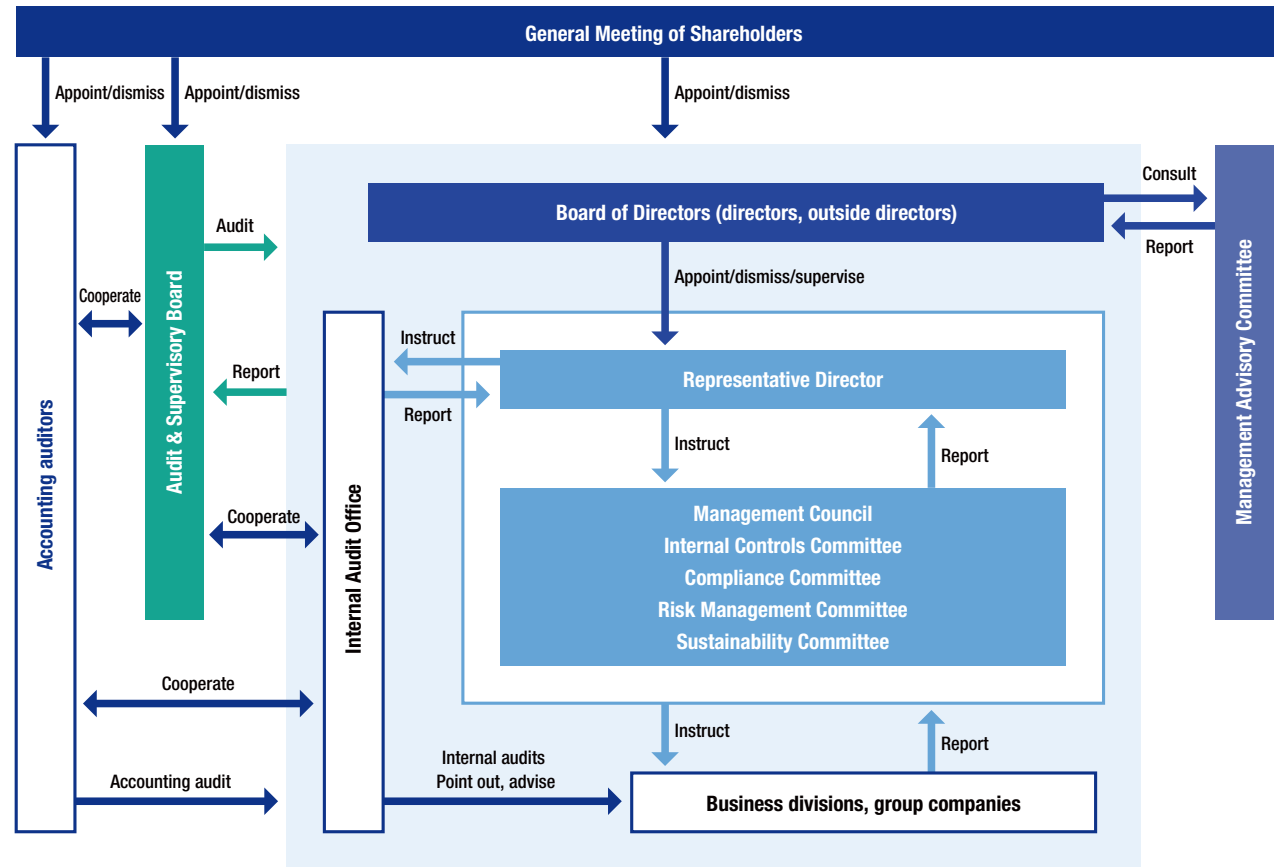
### Basic Approach

Ashimori understands the importance of strong corporate governance in improving the efficiency and transparency of management and maximizing corporate value.

That's why we strive to realize strong corporate governance through the following basic policy.

1. Respect shareholder rights by ensuring equality among shareholders, creating an environment conducive to the execution of their rights, and protecting these rights.
2. Cooperate in a fair and socially decent manner with all stakeholders, including shareholders.
3. Disclose information in accordance with the law, and ensure transparency by proactively disclosing information not required by law.
4. Have the Board of Directors properly exercise its roles and duties so that we can carry out transparent, fair, and flexible decision-making.
5. Carry out constructive dialogue with shareholders in sharing a direction for long-term, stable growth.

Corporate governance structure




Governance

**Governance**

**Overview of Board of Directors, Audit & Supervisory Board, and Committees**


**Board of Directors 9 directors**



5 inside directors  
4 outside directors  
3 Audit & Supervisory Board members

The Board of Directors is comprised of nine directors (including four outside directors) who make resolutions on important matters based on the rules of the Board of Directors, in addition to matters stipulated by law, regulations and the Articles of Incorporation, and it supervises how each director executes his or her duties. Additionally, all Audit & Supervisory Board members attend meetings of the Board of Directors, allowing them to monitor how the directors execute their duties.

**Audit & Supervisory Board 3 members**



1 full-time member  
2 part-time members (including 2 outside members)

The Audit & Supervisory Board is comprised of one full-time member and two part-time members (including two outside members). In addition to meetings of the Board of Directors, the full-time member of the Audit & Supervisory Board attends important meetings, such as those of the Management Council, expressing their opinions as necessary to enable them to continually monitor how the directors execute their duties. Also, Audit & Supervisory Board members work closely with the Internal Audit Office and accounting auditors, periodically exchanging information and opinions in an effort to improve auditing functions.


**Management Council**



5 directors  
1 Audit & Supervisory Board member  
7 executive officers

The Management Council is comprised of five directors, one Audit & Supervisory Board member, and seven executive officers. It deliberates on Board of Directors' resolution matters and other important matters related to management and strives to improve the efficiency of management activities.

**Management Advisory Committee 4 directors**



1 inside director  
3 outside directors

The Management Advisory Committee is comprised of four directors (of which, three are outside directors), and its aim is to further strengthen Ashimori's corporate governance by increasing the fairness and objectivity of decision-making regarding important management matters, such as director nomination and remuneration.

**Appointment and Dismissal of Directors**

**Management Advisory Committee**

Ashimori has established a Management Advisory Committee as an advisory body to the Board of Directors. The committee aims to further strengthen the company's corporate governance by increasing the fairness and objectivity of decision-making regarding important management matters, such as director nomination and remuneration. As of June 19, 2025, the Management Advisory Committee is chaired by outside director Haruo Shimizu and is comprised of four directors: president Hiromasa Zaitso, outside director Takashi Ogawa, and outside director Kazuyoshi Furukawa. Of which, three are independent outside directors.

**Appointment and Dismissal of Directors**

With regard to the nomination of director candidates and executive officers, in order to ensure transparency and fairness, standards and policies regarding candidate selection, as well as candidate selection proposals, are discussed by the Management Advisory Committee, a majority of which is outside directors. The results of these discussions are reported to the Board of Directors, and decisions are made by the Board of Directors based on the Management Advisory Committee's recommendations, taking into account knowledge, experience, ability, performance evaluation, and other relevant criteria.

With regard to the nomination of Audit & Supervisory Board member candidates, those individuals, who the Audit & Supervisory Board agree are suitable candidates possessing the requisite expertise, experience, and skills to fulfill the duties of an Audit & Supervisory Board member, if chosen by a vote of the Board of Directors, are proposed as Audit & Supervisory Board member candidates at the General Meeting of Shareholders.

If a director or executive officer commits an act that violates laws, regulations, the Articles of Incorporation, internal regulations, etc., or if it is found that they are unable to properly perform their duties due to mental or physical breakdown or lack of ability, the Board of Directors will, upon receipt of a recommendation from the Management Advisory Committee, deliberate on whether to dismiss said director or executive officer.





## Governance

## Governance

## Reason for Directors' Appointment (As of the general meeting of shareholders on June 2025)

	Name	Reason
Directors	Hiromasa Zaitzu	Since assuming office as president last year, Zaitzu has been appropriately making decisions on important management matters and has demonstrated strong leadership in enhancing profitability, strengthening quality control, and fostering human resources. Based on the newly formulated "Road to 150" Ashimori Group Medium-Term Business Plan, he is working to achieve the company's sustained growth and enhance corporate value over the medium to long term.
	Kaoru Nagatomi	As a director, Nagatomi has appropriately supervised management and decided important matters, while, as managing executive officer and division manager of the Automotive Safety Systems Business Division, he has worked to improve sales and profitability by strengthening the quality control system, reducing Group-wide costs and building a collaborative structure with Toyoda Gosei Co., Ltd.
	Kazuyoshi Ito	As a director, Ito has appropriately supervised management and decided important matters, while as division manager of the High Performance Products Business Division, he has promoted the expansion of production and sales systems and technological improvements in the field of pipeline rehabilitation.
	Akinori Koyama	Koyama has been involved with the development and design of automotive safety systems for many years and has accrued extensive knowledge of the automotive safety systems business in general. Utilizing that expertise, he is currently promoting the improvement of quality control and the use of industrial property rights as division manager of the Technology Management Division.
	Shigeji Yasuda	Yasuda is currently an executive officer who concurrently serves as general manager of the Industrial Materials Management Group and general manager of the Disaster Prevention Management Group, and he has abundant experience in and broad knowledge of the high performance products business in general. He has also been involved in corporate management, such as serving as president of Allsafe Japan Ltd., a group company.

	Name	Reason
Directors (outside)	Haruo Shimizu	Shimizu has a wealth of experience and wide-ranging knowledge, including from his many years as the CEO of Exedy Corporation, and he has provided appropriate advice to, and independent supervision of, the Board of Directors. In addition, as a member of the Management Advisory Committee, which is an advisory body to the Board of Directors and representative director, he is actively involved in strengthening the independence and objectivity of procedures related to officer nomination and remuneration, and in expanding corporate governance.
	Yasushi Okada	Having served as a corporate officer, deputy chief of SS Headquarters, and chief of Europe and Africa Regional Headquarters at Toyoda Gosei Co., Ltd., Okada is well-versed in the field of automotive components, particularly safety systems, and, as an outside director, he performs supervision of the Board of Directors, as well as provides advice regarding Ashimori's automotive safety systems business.
	Takashi Ogawa	Having been involved in the development of automotive electronic components for many years at other companies, Ogawa is well-versed in the field of automotive components, and, as an outside director, he performs supervision of the Board of Directors, as well as provides advice regarding Ashimori's automotive safety systems business. In addition, as a member of the Management Advisory Committee, which is an advisory body to the Board of Directors and representative director, he is actively involved in strengthening the independence and objectivity of procedures related to officer nomination and remuneration, and in expanding corporate governance.
	Kazuyoshi Furukawa	Having been involved in civil engineering for many years at Konoike Construction Co., Ltd., Furukawa is well-versed in the civil engineering and construction industries, and, as an outside director, he performs supervision of the Board of Directors, as well as provides advice regarding Ashimori's pipeline rehabilitation business. In addition, as a member of the Management Advisory Committee, which is an advisory body to the Board of Directors and representative director, he is actively involved in strengthening the independence and objectivity of procedures related to officer nomination and remuneration, and in expanding corporate governance.

## Skills Matrix

	Name	Corporate management	Legal/compliance	HR/labor	Finance/accounting	Production technology	Global
Directors	Hiromasa Zaitzu	●	●	●			
	Kaoru Nagatomi					●	
	Kazuyoshi Ito	●				●	
	Akinori Koyama					●	●
	Shigeji Yasuda	●				●	
Directors (outside)	Haruo Shimizu	●					●
	Yasushi Okada					●	
	Takashi Ogawa	●				●	
	Kazuyoshi Furukawa	●				●	
Audit & Supervisory Board member	Hiroki Kane		●		●		
Audit & Supervisory Board members (outside)	Masami Oishi		●				●
	Mitsuhiro Morikawa			●	●		

Note: The table above does not represent all the knowledge and skills of each person.



## Governance

## Governance

## Officer Remuneration

## Basic policy on officer remuneration

The following is Ashimori's basic policy regarding the determination of remuneration for directors.

- The level of remuneration is sufficient to secure excellent human resources from within and outside the company and ensure they remain motivated to improve business performance.
- The level of remuneration shall reflect changes in the business landscape and external, objective data, as well as take into account the balance between public standards, the details of management, and employee salaries.
- The total amount of officer remuneration, including bonuses to officers, shall be paid within the annual remuneration limit approved at the General Meeting of Shareholders.

## Remuneration determination process

Remuneration for executive directors consists of basic remuneration provided as a fixed monthly payment and performance-linked remuneration.

The amount of individual remuneration is calculated based on the officer remuneration regulations passed by the Board of Directors, and, after deliberation by the Management Advisory Committee, the amount to be paid is decided by the representative director, who is delegated by the Board of Directors.

The following are the specific details for the different types of remuneration.

## Basic remuneration

- A fixed monthly payment is provided, which is commensurate with the duties performed by each position.

## Performance-linked remuneration

- The total amount of payment is capped at 150 million yen per year.
- The individual payment amount shall be calculated by multiplying the base payment amount determined for each position by a payment rate ranging from 25% to 200%, depending on the category of consolidated operating profit for the relevant fiscal year (excluding the performance-linked remuneration) of between 500 million yen or more and 4,000 million yen or more, and then adding or subtracting based on factors such as performance evaluation using segment ROIC as an indicator and the budget achievement rate for the relevant fiscal year.
- No payment will be made if there is a consolidated ordinary loss or a consolidated net loss attributable to owners of the parent in the relevant fiscal year.
- The specific amount of payment to each eligible director will be determined at a set time, taking into account his or her position, responsibilities, and stock price.
- Company stock compensation will be in the form of restricted stock compensation, the total number of which will be capped at 20,000 shares per year, and the total amount of compensation paid for the grant of restricted stock compensation will be capped at 18 million yen per year.
- The amount of company stock compensation included in the individual payment amount shall be between 1 million yen and 3 million yen, depending on the category of consolidated operating profit for the relevant fiscal year (excluding the performance-linked compensation) of between 1,250 million yen or more and 2,250 million yen or more. The number of shares to be granted shall be determined by resolution of the Board of Directors.
- Bonuses will be paid in the amount of individual payments minus the amount of company stock compensation.

## Officer Remuneration

Total amount of remuneration by officer category, total amount of remuneration by type, and number of eligible officers

Category	Total amount of remuneration, etc. (million yen)	Total amount of remuneration by type (million yen)				Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Retirement benefits	Non-monetary compensation	
Directors (excluding outside directors)	174	115	47	–	11	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	16	16	–	–	–	2
Outside officers	22	22	–	–	–	7

Note: All non-monetary compensation paid to directors (excluding outside directors) is performance-linked and consists of company shares.



## Governance

## Governance

## Compliance

### Compliance Management Structure

We have a Compliance Committee chaired by our president. It meets twice a year, in principle, to report on progress in compliance activities and scheduled plans.

### Education and Training

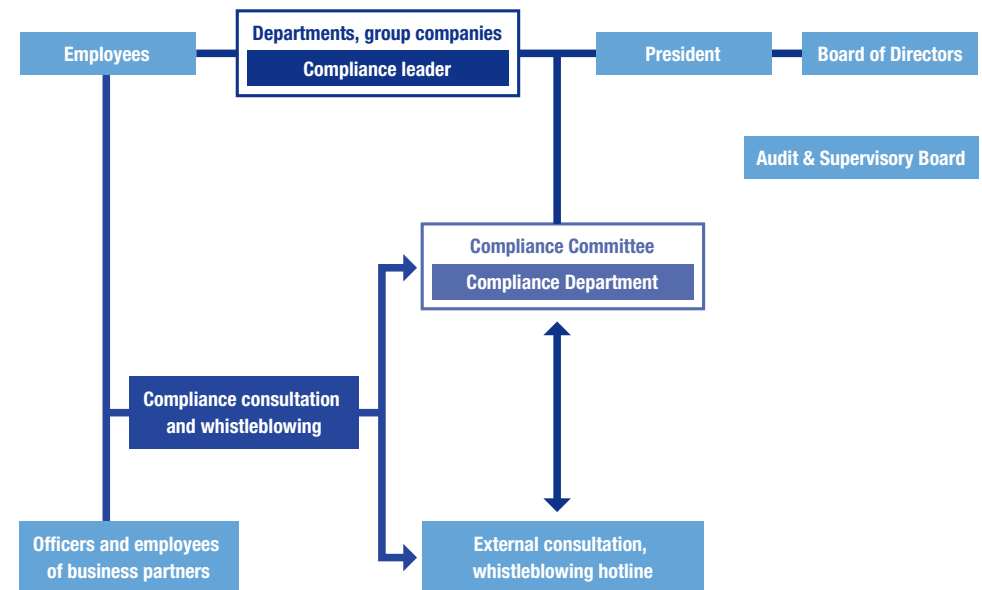
The Compliance Department holds ongoing training and education. In fiscal 2024, it used an e-learning system to hold a total of eight sessions on laws and regulations related to company operations, including information security, human rights, safety and health, and the subcontract act. These e-learning sessions are mandatory for all relevant employees in Japan and overseas. At overseas group companies, training specific to each country and region is held in order to improve compliance in the workplace. Compliance guidebooks containing fundamental guidelines to follow in conducting business activities have been revised and updated seven times since they were first published in 2009 and are distributed to group companies both inside Japan and out.

### Reforming Our Corporate Culture: Employee Group Activities

We began activities to reform our corporate culture in 2022 and have created the Ashimori Group Employee Code of Conduct as a guideline. We facilitate employee group activities in which all employees participate, so that behavior in accordance with the code of conduct becomes the norm. In employee group activities, employees read through the Employee Code of Conduct and compliance guidebooks together while engaging in activities that raise employee awareness and improve conduct by ensuring that employees are aware of and following basic work practices in the workplace. These efforts have contributed to improved understanding of the Employee Code of Conduct. Building on these results, we will carry out more practical, action-oriented initiatives in the future.

### Whistleblowing System

We have established internal regulations regarding whistleblowing (Whistleblowing Guidelines) and have set up whistleblowing contact points in the Compliance Department, as well as at an external specialized organization (a law firm). When a whistleblower report is received, the Compliance Department instructs the relevant departments to investigate the matter and formulate and implement countermeasures. It reports the response to the whistleblower and confirms the corrective actions taken. The results of whistleblower reports are also reported to the Compliance Committee.





## Governance

## Governance

## Risk Management

### Risk Management System

We have established the Ashimori Group Risk Management Regulations, and, based on these, we convene a Risk Management Committee, which is chaired by the president and covers all group companies in Japan and overseas. Each department identifies, classifies, and quantifies potential risks and reports its preventive or mitigation strategies for each risk to the Risk Management Committee. This allows us to gain a comprehensive understanding of risks across the entire Ashimori Group, review the appropriateness of each department's risk countermeasures, and consider ways to address risks that affect multiple departments.

### Internal Control

We have two internal control policies: the Basic Policy on Internal Control; and the Implementation Policy for Internal Control Assessment Related to Financial Reporting (Basic Plan Document). Based on these, the Internal Audit Office, under the direct supervision of the president, conducts internal audits of the Ashimori Group, including all worldwide group companies.

The internal control implementation standards were revised in April 2024 to require the inclusion of qualitative importance among the criteria for the selection of important business locations. Additionally, non-financial reporting has been included in the scope of internal controls, and, in light of recent fraud and scandals, measures and action to address fraud-related risks are needed. In response, we have added our overseas subsidiary Ashimori Korea Co., Ltd. as an important business location, given its qualitative importance. We have also conducted a comprehensive quality and safety inspection to address fraud-related risks and are working to improve the effectiveness of internal controls.

## Information Security and Cyber Security

We have formulated in-house information security standards for all group companies in Japan as we strive to strengthen information security measures.

In order to be prepared in the event of damaging ransomware infections and targeted attacks, which could pose significant business risks, we are taking ongoing measures in terms of both system improvements and employee education, such as by introducing additional security systems and conducting training on business email compromise attacks for all employees.

We make the necessary, relevant investments in strong and stable information security systems to ensure customer trust is our top priority. We also constantly work closely with business partners to strengthen information security, including cybersecurity measures.



## Governance

# Outside Director's Message

## Expanding our business to be an industry leader



Outside Director

### Kazuyoshi Furukawa

### A unique corporate group engaged in diverse businesses

The Ashimori Group, which manufactures a comprehensive range of industrial textiles rooted in fiber technology, is distinguished by proprietary technologies in high-performance products and by an ability to handle construction contracting. This combination makes us a uniquely diversified corporate group. In particular, our high performance products business is broadly engaged in highly public operations like carrying out infrastructure rehabilitation projects and supplying disaster prevention materials. I find it very appealing that Ashimori's adaptability and ingenuity enable it to transform innovative ideas into viable businesses.

Formulated this year, the new medium-term business plan sets forth a policy focused on future-oriented investment as Ashimori moves toward 2030 while building on the record-high sales and profits achieved in the previous plan. I consider the new plan highly compelling. The plan also lays out a clear direction for human resource development, which I expect will further strengthen employees' sense of unity.

At Board of Directors meetings, explanations are clear and easy for outside directors to understand, and they serve to foster active discussions. President Zaitso, who has deep expertise in the automotive industry, has also enthusiastically learned about the high performance products business, and his growing knowledge has been instrumental in facilitating effective board discussions. Meetings are conducted in an open atmosphere where everyone can express their opinions freely, and outside directors are encouraged to speak candidly. President Zaitso is able to skillfully consolidate these opinions, ensuring meetings proceed smoothly and effectively.

### Ensuring board effectiveness through open and vigorous discussion

When major issues arise, particularly those requiring a high degree of expertise, the Board of Directors receives detailed briefings. However, since the company's two business segments differ in nature, each director has areas of relative strength and weakness. As such, time constraints may occasionally limit in-depth discussion at board meetings. In such cases, I believe it may be effective to have preliminary discussions among directors with specialized knowledge in the relevant field and then report the findings to the full Board. That said, under normal circumstances, all directors engage in free and

open debate before finalizing key policies, so I believe the current approach is functioning well in terms of maintaining effectiveness.

### High marks for active involvement in association management and technological development

Having spent many years in the construction industry, I believe my role is to provide insight into business expansion and technological innovation in public-sector projects involving contract construction, for example the PALTEM business.

Methods for expanding orders and securing profits in contracting differ greatly from those in manufacturing. Even if a company possesses outstanding proprietary technologies, public-sector projects emphasize transparency and fairness, making it impossible to obtain exclusive contracts through special arrangements. Consequently, it's essential to pursue organized initiatives through associations and similar frameworks.

I highly commend Ashimori for its active role in serving as the secretariat of the PALTEM Technology Association since its inception, a role in which it has coordinated member companies, promoted the development of new technologies, and pursued official certifications.

### Contributing to business expansion by leveraging construction experience and professional connections

In recent years, large-scale road cave-ins have drawn significant media attention to Japan's rapidly aging infrastructure. However, the fundamental issue is that the steady deterioration of sewer systems has been worsening for many years. Given this reality, the market will almost certainly expand rather than contract, and demand for the PALTEM business is expected to grow further. To achieve continued business expansion, it's important to strengthen collaboration with the roughly 500 member companies of the PALTEM Technology Association through guidance in sales and technical training since the workforce of Ashimori Engineering alone cannot meet the growing demand.

Going forward, I intend to provide advice while drawing on my own experience across the entire process of developing, implementing, and promoting fiber-based civil engineering materials such as Palace Sheet. Furthermore, I hope to contribute by leveraging my long-established professional network to strengthen Ashimori's external partnerships.



## Governance

# Outside Audit & Supervisory Board Member's Message

**Maintaining an objective, third-party perspective and conducting audits from a broad, strategic viewpoint**



Outside Audit &amp; Supervisory Board Member

**Masami Oishi**

## A new medium-term business plan that looks beyond three years toward the future

In preparing the new medium-term business plan, the executive team first presented a review of the current plan and outlined the targets for the next one. This time, the company adopted a “bottom-up” approach by first defining a long-term vision and then setting achievable levels for the next three years within that framework. Based on discussions at Board of Directors meetings, the new medium-term business plan was refined into a clearer and more concrete roadmap.

Rather than the traditional approach of setting numerical targets first and building measures around them, the plan is significant in that it establishes a concrete, attainable level for the next three years while keeping a long-term perspective in sight. The new plan calls for active investment in production facilities, human capital, and research and development through 2030 in order to rebuild the foundation for Ashimori's next stage of growth. I rate the new medium-term business plan as one that looks beyond a three-year horizon and envisions the company's future state.

## Reflecting on board discussions and ensuring effectiveness

I believe the current Board of Directors maintains a good balance between inside executive directors and outside directors.

In terms of effectiveness, annual evaluation surveys are conducted at the end of each year for all directors and Audit & Supervisory Board members, and the results have generally been positive. In practice, there are occasions when outside directors raise pointed questions, and the executive side responds with explanations backed by evidence and rationale. Through such exchanges, it's clear that the Board is effectively overseeing the company's management, and I am confident that it continues to function effectively.

As for issues raised in the survey—for example, the large number of agenda items and the broad range of topics—these are to some extent unavoidable given Ashimori's business structure. Nevertheless, I believe creative improvements in meeting management will be necessary going forward.

## Applying legal expertise to audits that account for corporate social responsibility

Some observers have noted that the current skills matrix for inside and outside executives leans heavily toward corporate management and production technology. As an attorney, I intend to leverage my legal background to conduct audits that encompass compliance and labor management while also taking into account the broader social responsibilities that corporations must fulfill.

At present, the low percentage of female employees makes it difficult to promote women from within to executive positions. However, I understand that more women have joined the company in technical roles in recent years. I hope that my appointment will inspire more female employees, whether new graduates or mid-career hires, to aspire to executive positions, and that future leaders will emerge from among them.

## Rebuilding HR systems for the digital transformation era

In the areas of human resource development and personnel systems, past initiatives appear to have been insufficient, and rebuilding these systems has become an urgent task. Beyond strengthening basic training, improving re-education aligned with promotion processes, and promoting diversity, it will also be essential to anticipate changes in human roles resulting from the advancement of digital transformation. With this future-oriented perspective in mind, Ashimori should work toward rebuilding its HR and training systems.

Having entered my fourth year as an outside Audit & Supervisory Board member, I continue to maintain a neutral stance, striving to avoid excessive involvement in product and business details. As I continue to deepen my understanding of Ashimori's operations and industry practices, I intend to carry out my auditing duties with fairness and objectivity, always staying true to my original purpose and upholding the impartial perspective of a third party.



Sustainability

# Environmental

## Basic Environmental Policy

We have established the following Basic Environmental Policy and will engage in environmental conservation activities.

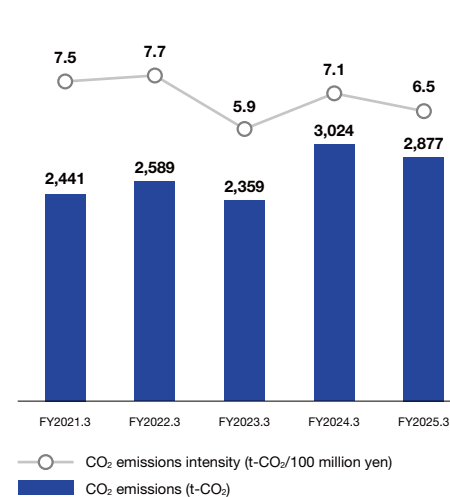
1. We will consider the impact of our business activities on the environment, set goals and targets for environmental conservation, and pursue environmental conservation.
2. In addition to complying with environmental laws and agreements, we will also establish internal regulations, work to prevent pollution, and strive to ensure our customers feel satisfied with regard to the environment.
3. We will treat the following items as environmental priorities.
  - (1) Reducing the amount of industrial waste sent to landfills and reducing the amount of product loss.
  - (2) Reducing environmental pollutant emissions.
  - (3) Conserving energy and preventing global warming.
  - (4) Developing environmentally friendly products.
4. Through education and training on environmental conservation, as well as internal public relations activities and other means, we will work to raise the environmental awareness of people associated with our company and will engage in environmentally friendly activities.

We obtained environmental management system (ISO 14001) certification in 2002 and have developed a quality and environmental management manual and environmental management regulations, as well as regularly report on our activities at meetings of the Management Council.

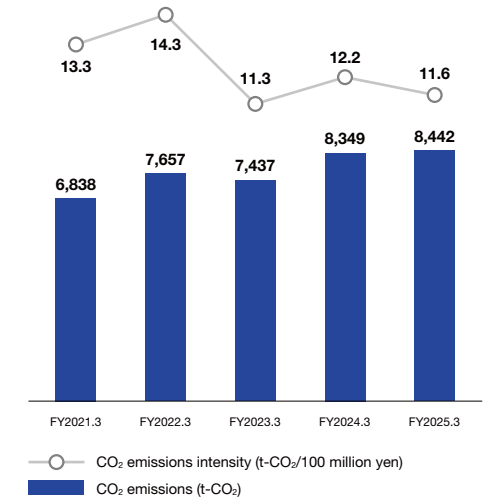
## Reducing CO<sub>2</sub> Emissions

The following are the trends in CO<sub>2</sub> emissions (Scope 1 and Scope 2) for Ashimori and its consolidated group (domestic and overseas) for the period encompassing the fiscal year ended March 2021 to the fiscal year ended March 2025.

Ashimori Industry (non-consolidated)



Ashimori Group (consolidated)





Sustainability

Environmental

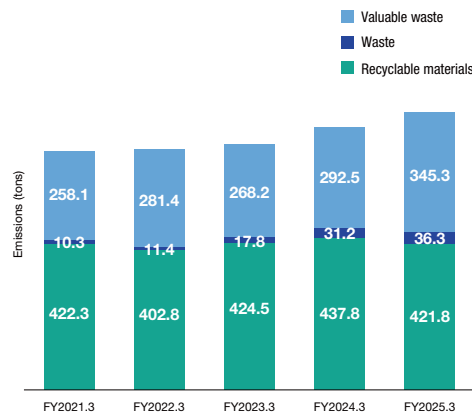
## Toward a Circular Economy

### Reducing Industrial Waste

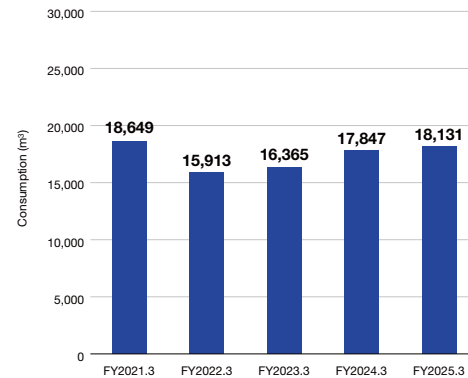
Within the Ashimori Group, we are making ongoing efforts to help with the realization of a circular economy by stressing the 3Rs (reduce, reuse, and recycle) in an effort to reduce waste. For example, we are working to reduce industrial waste by dissolving discarded documents as valuable waste, so that it can be recycled into new paper products.

Also, helping secure water resources is another important issue for us. We are working to reduce the amount of water we use, such as by utilizing industrial-use water recycling technology.

Amount of valuable waste, industrial waste, and recyclable materials emitted at the Osaka Plant and the Sasayama Plant



Amount of industrial-use water consumed at the Head Office and Osaka Plant



## Saving Energy and Reducing Environmental Impact

### Using Renewable Energy

The Ashimori Group has installed solar power generation equipment on the roofs of some of its factories. At group companies (in India and Mexico), we are striving for decarbonization by using this solar power toward running the factories. In Japan (Yamaguchi Prefecture), we operate as a solar power provider to help reduce environmental impact and contribute to protecting the environment.



Ashimori India Private Limited



Ashimori Industria de México, S.A. de C.V.



Ashimori Industry Yamaguchi Co., Ltd.





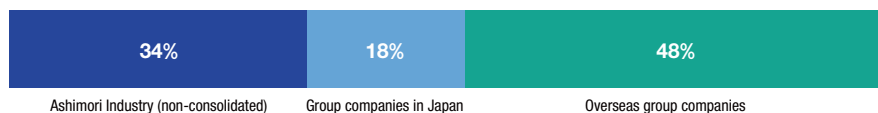
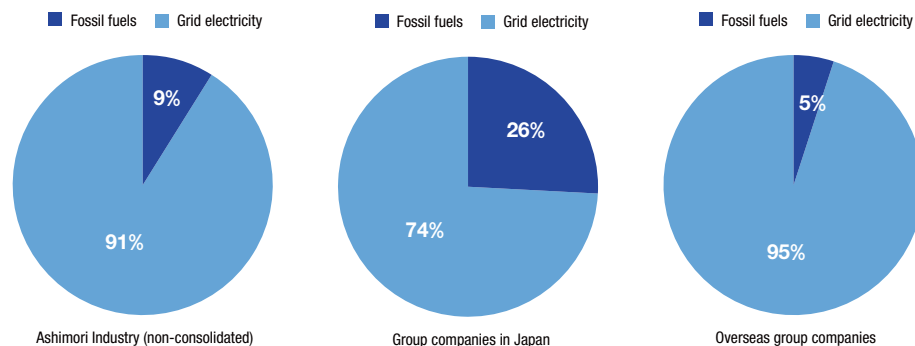
## Sustainability

## Environmental

## Carbon Neutrality Initiatives

Ascertaining the Current State of Greenhouse Gas Emissions ( $\approx$  CO<sub>2</sub>)

For our entire Group, approximately 34% of CO<sub>2</sub> emissions come from Ashimori Industry (Head Office and Osaka Plant, Sasayama Plant, others), approximately 18% from domestic group companies, and approximately 48% from overseas group companies. The proportion of grid power (electricity supplied from the power company's transmission and distribution network) is high at all of our locations, and this proportion is particularly noticeable at Ashimori Industry and overseas group companies.

Non-consolidated and domestic/overseas group company CO<sub>2</sub> emissions ratio (FY2024)Fossil fuel and grid electricity CO<sub>2</sub> emissions ratio (FY2024)

## Carbon Neutrality Roadmap

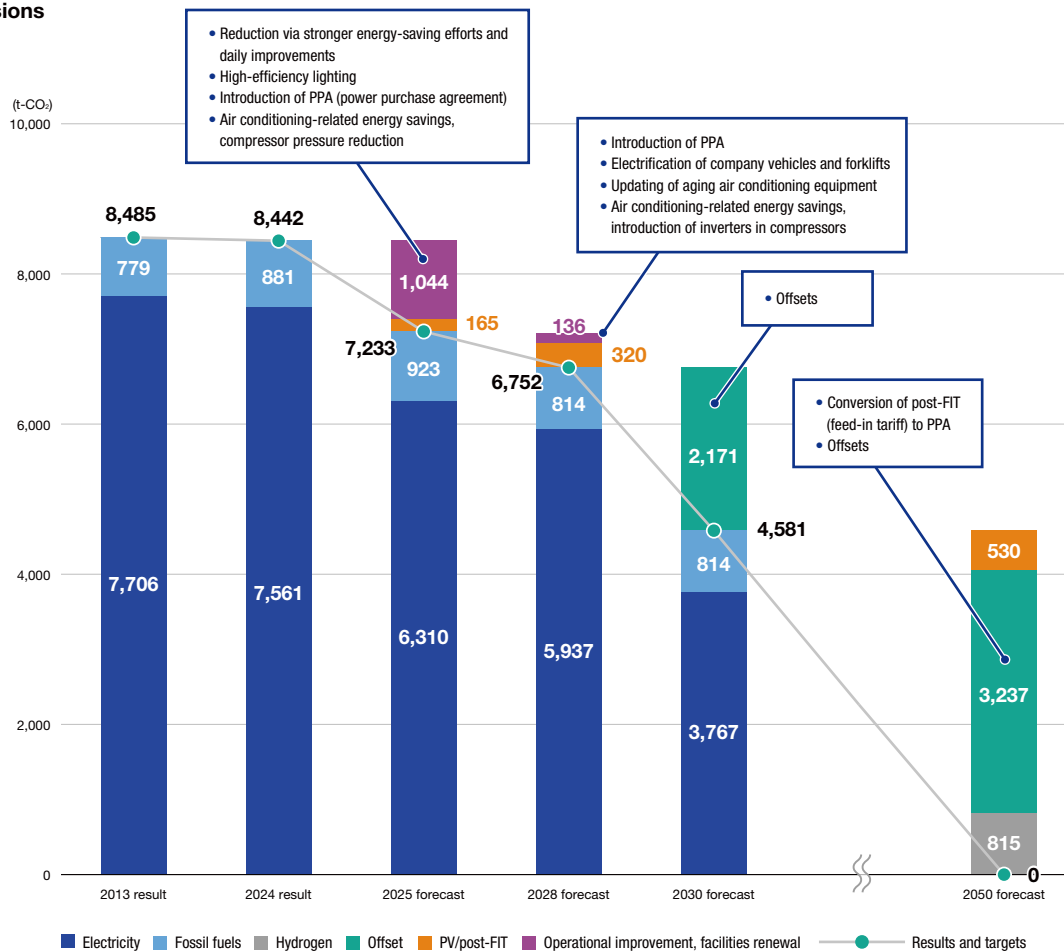
We calculated and disclosed greenhouse gas ( $\approx$  CO<sub>2</sub>) emissions for the first time in 2022 and have created a draft roadmap to reduce this in the future and achieve carbon neutrality, based on on-site surveys at major domestic plants in September 2022.

- In line with the Japanese government's goals, we have formulated a plan for our Group to reduce greenhouse gas emissions by 46% in fiscal 2030 compared to fiscal 2013 and achieve carbon neutrality by fiscal 2050.
- We cover Scope 1 (direct emissions) and Scope 2 (indirect emissions, such as purchased electricity), which include those of all group companies in Japan and overseas, but we do not cover Scope 3 (indirect emissions at other companies during the production process of purchased raw materials, parts, etc.).
- The main means of achieving this plan are (1) operational improvements and updates to energy-saving equipment, (2) energy creation (solar power generation), and (3) offsets.
- The current estimated total investment for these is 1,874 million yen for a cumulative total of 28 years from fiscal 2023 to fiscal 2050, and the cumulative cost reduction effect (reducing the amount of purchased electricity through solar power generation and switching to LED, etc.) is 1,498 million yen.
- The effects of operational improvements and the amount of additional investment are calculated only for the Osaka Plant, Sasayama Plant, and Ashimori Industry Yamaguchi Co., Ltd., where the on-site surveys were conducted.

Sustainability

Environmental

CO<sub>2</sub> emissions



Note: The PPA potential of overseas group companies is not reflected.

Measures

Application of a heat-shielding paint to the roofs of our Head Office and Osaka Plant was completed by the end of June 2024, and we are continuing to repaint the older buildings throughout this fiscal year.

We have also been converting the lighting at our Head Office and Osaka Plant to LED. In fiscal 2024 we completed conversion of all lighting in the plant to LED.

In addition, we have been updating the plant's air conditioning equipment, which is over 20 years old. This was completed by the end of fiscal 2024.

Regarding the main compressors at the Head Office and Osaka Plant, all of these were updated to inverter type units by the end of fiscal 2024.



Heat-shielding paint on the roof of the Head Office and Osaka Plant

## Sustainability

## Environmental

## Addressing Climate Change



In order to assess the impact of climate change-related risks and opportunities on our Group's business, we primarily relied upon the IPCC (Intergovernmental Panel on Climate Change) 6th Assessment Report and the IEA (International Energy Agency) World Energy Outlook 2022, as well as *Climate Change in Japan 2020* (detailed version) by the Ministry of Education, Culture, Sports, Science and Technology and the Japan Meteorological Agency.

As a general guide for the periods, the short term is until 2028, the medium term is 2035, and the long term is 2050.

### 1. Physical risks

Regarding physical risks, we examined the risks of the SSP1-1.9 scenario, which has very low greenhouse gas emissions, and the SSP5-8.5 scenario, which has very high greenhouse gas emissions, from the IPCC 6th Assessment Report.

The results were that, although the increase in physical risk is limited under the SSP1-1.9 scenario, the SSP5-8.5 scenario made us recognize, once again, the importance of regularly reviewing measures to prepare for natural disasters at multiple sites, not only in the long term but also in the medium term.

For the process of identifying the location of risks, we investigated the impact on business operations and factory operations over the past 20 years at all locations of our company, and all group companies, in Japan and overseas (focusing on business offices and factories, but excluding sales offices) of events that have the potential to become more severe and increase risks due to climate change, specifically the acute risks of heavy rain, floods, landslides, storm surges, typhoons, and heavy snow, and the chronic risk of power shortages, which are primarily associated with droughts, high temperatures, and cold waves.

We found that there have been a total of three operational outages at multiple locations in Japan and overseas due to weather events such as typhoons and heavy snow, but none of these lasted more than a day and the impact of each was minor, resulting in no economic loss.



## Sustainability

## Environmental

For flood, landslide, and storm surge risks at all sites, encompassing both our company and domestic group companies, we found that, based on the Ministry of Land, Infrastructure, Transport and Tourism's hazard map, there are six business sites in flood-prone areas, two in storm surge-prone areas, and one in landslide-prone areas.

Since 2000, our Chinese plant has ceased operations due to blackouts caused by power outages a total of seven times (all for one day), but the impact was minimal and there was no economic loss.

Also, there were no power outages in 2024.

Together with our group companies, we are taking measures to minimize the impact of disasters through comprehensive risk management, including business continuity plans that include replacing branch operations at the Head Office and alternative production at other factories.

## 2. Transition risks

We considered transition risks by sorting and discussing them according to the different categories of "policy and legal," "technology," "market," and "reputation," along with opportunities, with our main references being the IEA's NZE2050 (which focuses on a scenario in which global CO<sub>2</sub> emissions become virtually zero by 2050) and STEPS (Stated Policies Scenario).

### Policy and legal

In the NZE scenario, which requires the strongest efforts, there is a risk that production costs will rise further due to the introduction of a carbon tax and electricity costs rising or remaining high. We recognize that further reductions in manufacturing costs will lead to stronger resilience. (Short- to long-term)

### Technology

In both the NZE and STEPS scenarios, if we are unable to reduce GHG (greenhouse gas) emissions associated with production, there may be a risk of losing competitiveness. On the other hand, we believe that promoting comprehensive GHG measures, including energy conservation, will increase opportunities to improve profitability. (Medium- to long-term)

### Market

In both the NZE and STEPS scenarios, because the main products in the automotive safety systems business are automotive seatbelts, airbags, and interior parts, we believe that the direct impact of the shift away from fossil fuels in the market and the increasing share of electric vehicles and other vehicles will be limited. (Short- to long-term)

On the other hand, if the growth of new car sales is inhibited by the growth in car sharing, there is a risk that sales and production facilities will be affected, which could affect our finances. (Long-term)

In the high performance product business, under both the NZE and STEPS scenarios, it is possible that demand for large-scale rainwater drainage pipe construction, which uses our PALTEM pipeline rehabilitation technology developed over the years, and existing products like drain hoses and disaster tents may expand, especially as part of measures against flooding during heavy rains and torrential rains in urban areas. (Short- to long-term)

### Reputation

By creating and steadily implementing a roadmap toward carbon neutrality, developing new disaster prevention-related products, and improving the quality and functionality of existing products, we believe that whether we will be able to contribute to society through disaster prevention and mitigation, and to disclose accurate information is both a risk and opportunity in terms of reputation. (Short- to medium-term)



## Sustainability

# Human Resource Strategy

**People are our most important management asset and we are strengthening our human resource foundation to support further growth**

Executive Officer,  
General Manager of Administration Division,  
General Manager of Computer Systems Department

**Junji Doi**



## Strengthening Our Human Resource Foundation

Human resources are the foundation of the Ashimori Group, and we believe that establishing a strong human resource base is essential for further growth. As part of this effort, the “Road to 150” Ashimori Group Medium-Term Business Plan (FY2026.3–FY2028.3) introduced a human resource strategy called the Ashimori Renaissance Program. Based on the concept that people are the most important management asset and that we strive to foster a corporate culture where employees can thrive and demonstrate teamwork, we will focus particularly on human resource development and acquisition over the three-year period, working toward realization with three key themes: fair evaluation, a comfortable workplace

environment, and enhanced training.

Last fiscal year, we carried out QC story-based training on problem-solving methods, in which all employees presented their workplace practices. First, we clarified the issues and visualized the gap with the desired state. Then, using the “five whys” analysis method, we investigated true causes. Next, we considered potential measures and formulated plans, leading to the implementation of initiatives based on the PDCA cycle. Furthermore, by clearly identifying who will do what by when, we believe the accuracy and effectiveness of problem-solving were enhanced.

These skills have not only benefited the presenters themselves, but also strengthened the management and problem-solving abilities of the managers who supported and guided these efforts. Additionally, the habit of discussing issues in working groups based on individually set themes and tackling

them collaboratively has begun to take root. A major achievement is the establishment of a workplace culture in which the presentation is not the goal; rather, the PDCA cycle continues even after the presentations.

## Disseminating Our HR Vision

The Ashimori Renaissance Program defines the ideal Ashimori Group employee as someone with advanced expertise and a broad perspective who can think logically and solve problems quickly. To approach this ideal, we believe it is essential to cultivate five capabilities: aspiration, action, innovation, responsibility, and leadership. Since these qualities cannot be acquired overnight, they’re positioned as the most important issues in our human resource education. Specifically, in the first year after joining the company, employees begin by learning about aspiration. In the third year, they focus on the ability to take action and innovation, and in the fifth year, they work on responsibility and leadership. This curriculum ensures that each capability is acquired step by step. The two-year effort following the first year’s training on the desire to improve culminates in the third-year training session, where employees share the actions they took, the results they achieved, and their future goals, focusing not on simply completing the training but on applying the PDCA cycle to actions and results.



At a manager training session

Sustainability

Human Resource Strategy

Human Resource Development Policy

The Ashimori Group is reviewing its seniority-based personnel system and transitioning to one that reflects individual effort and achievement in employee compensation. To do so, we consider strengthening communication between managers and general employees to be a key issue. In order to achieve fair evaluation and treatment, one-on-one meetings and evaluation interviews based on a goal management system are essential. Consequently, we aim to embed a culture of dialogue within the company, not only for the purpose of policy management but also to support employee growth. Currently, managers and leaders are undergoing approximately four months of training to learn the basics of why dialogue is necessary and enhance their interview skills.

Direction for Human Capital

In terms of investment in human capital, we are not currently focusing on any particular level but are instead in the phase of building an educational framework across the entire company and all levels and establishing human resource development systems within each department. We will not hesitate to invest and will actively engage in human capital investment so long as they're aligned with the Ashimori Renaissance Program.

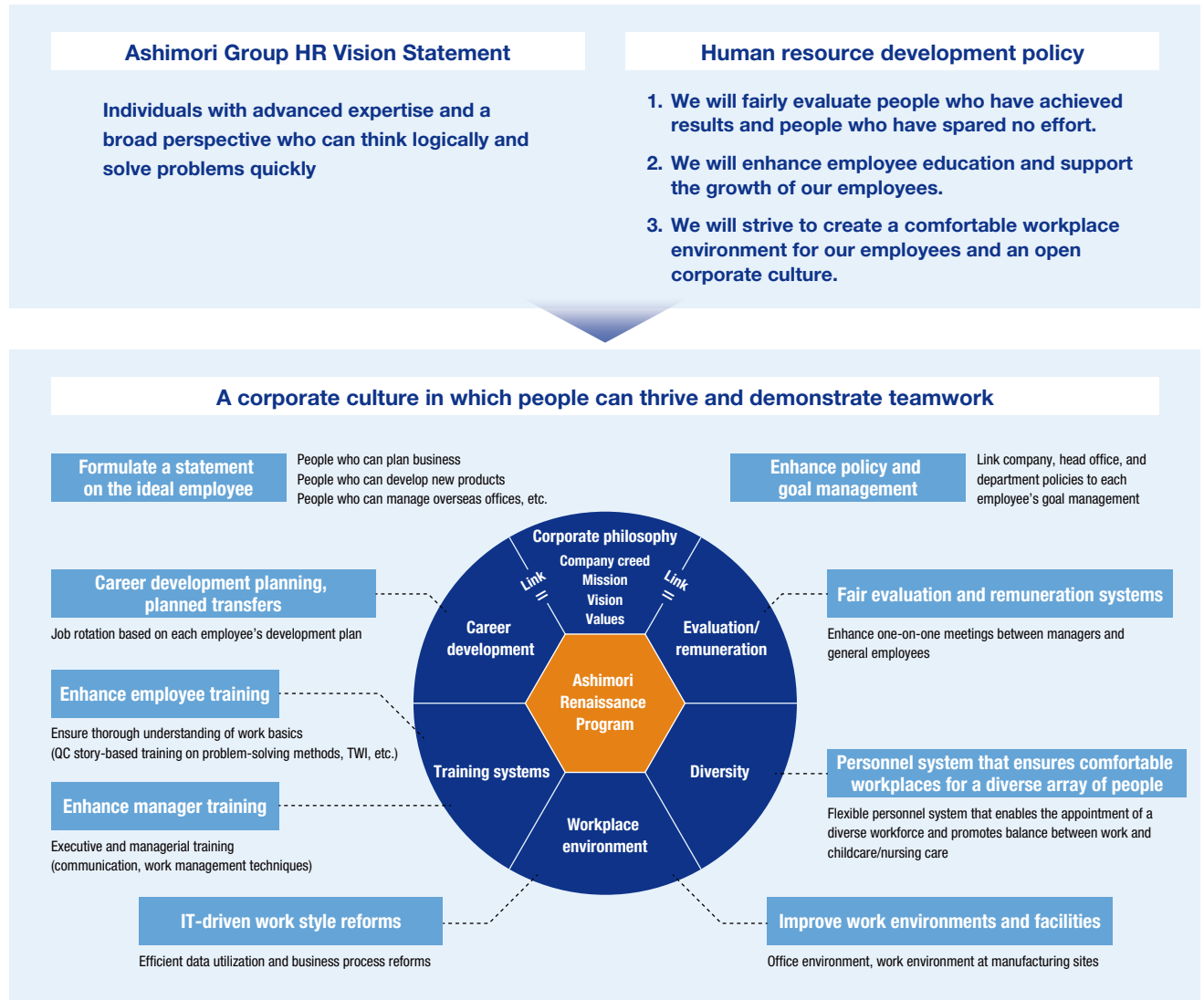
Human resource strategy of each business

Automotive safety systems business

Enhance training at all job levels to better educate the next generation of executives and core managers

High performance products business

Secure human resources, be more customer-oriented, boost field capabilities, and pass on skills





## Sustainability

# Employee Roundtable

## Creating an organization where young employees can thrive

The human resource strategy in the new medium-term business plan, Road to 150, emphasizes the development and retention of talent as a foundation for growth toward Ashimori's 150th anniversary in 2028 and beyond into 2030.

We gathered several key personnel currently at the core of the company to discuss the topic of developing young employees and creating an organization where they can thrive.



Manager, PALTEM Technology Development Department,  
High Performance Products

### Hiomasa Ishizeki

Ishizeki joined Ashimori in 2003. He works in technical development and support for the hose lining method in the PALTEM business. He obtained a doctorate in earthquake engineering at Kanazawa University while at Ashimori to deepen expertise in the seismic performance of water and sewage pipelines.

Purchasing Department,  
Automotive Safety Systems

### Miki Endo

Endo joined Ashimori in 2011. She applies the knowledge and experience gained in the Interior Parts Engineering Department to the purchasing of seatbelt and airbag components, and decides on suppliers by evaluating quality and pricing.

Manager, Business Administration Department,  
Automotive Safety Systems

### Makiko Kuramae

Kuramae joined Ashimori in 1998. She uses her strong English skills to handle overseas certification applications for passive safety products and interior components. She also participates in the Japan Auto Parts Industries Association (JAPIA)'s Regulation & Certification Systems Subcommittee.

Leader, Disaster Prevention Production Department,  
High Performance Products

### Yuya Takehiro

Takehiro joined Ashimori in 2010. He's involved in the manufacture of fire hoses, hydrant hoses, and large-diameter, high-volume water supply hoses. Because hose manufacturing involves various methods, he gains experience while learning the appropriate use of each technique.



## Sustainability

## Employee Roundtable

## What it takes to create an organization where young people can thrive

The Ashimori Renaissance Program is tasked with implementing the human resource strategy outlined in the new medium-term business plan. It aims to foster a corporate culture in which people can thrive and demonstrate teamwork. First, tell us what you currently prioritize in building your organization.

**Kuramae** Younger employees sometimes ask me for advice, and I try to be as open-minded as possible to create an approachable atmosphere. Also, as a leader, I place importance on clearly communicating the department's role and expectations for younger staff.

**Ishizeki** In management training, we learn about policy management and task distribution, but I believe communication with team members is essential for putting those into practice. No matter how sound your ideas or instructions may be, an organization won't function properly without good interpersonal relationships.

**Takehiro** I also try to create an environment where people feel comfortable expressing their opinions. In my department, we're relatively close in age, so casual conversations during breaks



often naturally turn into work-related discussions, making it easy to share ideas.

**Endo** In building an organization, I value honesty, openness, and reporting incidents as quickly and accurately as possible. When problems occur, people tend to make excuses or be vague, but that only delays resolution. I also feel it's important to consciously foster good communication in the workplace.

In our department, when trouble arises and someone reports it to their boss, the boss responds with, "Thanks for letting me know," making it easier to report issues and encouraging proactive problem-solving.

## What you've learned so far

**You're all currently active as experienced professionals, but looking back, what moments of learning or turning points stand out?**

**Kuramae** In my fifth year with Ashimori, I participated for the first time in JAPIA's Safety Devices Subcommittee and Regulation & Certification Systems Subcommittee. Working across company lines to address the common challenge of responding to new regulatory and certification systems being developed in emerging markets like ASEAN and India was a major learning experience for me.

Although I spent over 20 years in the highly specialized work of regulatory certification, I transferred to the Business Administration Department this January and started working on tasks I hadn't previously encountered. This has broadened my perspective.

**Ishizeki** I also felt my perspective and way of thinking changed significantly with each departmental transfer. In my first five years, I worked in construction at Ashimori Engineering, then



spent six years in the Technical Sales Department handling design work, and I've been in technology development for 11 years now. During that time, I was also given the opportunity to study earthquake engineering at Kanazawa University.

Even when dealing with the same pipeline rehabilitation technology, the challenges, appeal, and approaches differed greatly depending on whether I was in construction, design, development, or research. Also, because I worked with people in various industries, my network of connections expanded widely, and that has become a major asset for me.

**Takehiro** During my 15 years in the manufacture of disaster prevention hoses, I once wondered, "Why are there so many manufacturing methods, and how are they used differently?" I thought that consolidating them might improve efficiency and reduce costs.

Ashimori manufactures various types of hoses. I've been learning from engineers why specific methods are considered optimal for each type of hose, and why the methods aren't standardized. Of course, some processes can't be changed, but I'm grateful to work in an environment where new method proposals are welcomed.





## Sustainability

## Employee Roundtable

**Endo** I used to spend every day doing CAD. One day, during a meeting with a client at an automaker, I was told, “We always think about the people who buy and drive our cars.” That made me realize I lacked the perspective of the end user.

At the same time, thinking about how many people are involved in manufacturing a single vehicle, I had a strong sense of the weight of responsibility that comes with being part of that team.

### What's important in developing young talent

#### What are your thoughts on developing younger employees, and what do you prioritize?

**Kuramae** There's a Gen Z member on my team, and I'm impressed by how they ask questions until they fully understand their tasks before starting them. This is something I never did when I was younger.

What I value in helping young people grow is entrusting them with tasks from start to finish. Of course, I provide some guidance, but I basically let them think freely and see things through. Sometimes they produce results that surprise me with their creativity.



If you cling to your own values and methods, you can't break free of conventional thinking. That's why it's important to let young people take on challenges with a free mindset, without fear of failure.

**Takehiro** I also try not to give overly detailed instructions as long as things stay within reasonable bounds; I start by letting them try it themselves. When you let them work freely, they come up with ideas we hadn't thought of, and some of those ideas have actually been adopted. During on-site training, I've noticed that younger people often ask “Why?” and aim to solve problems efficiently. It's a sharp contrast with our generation—we learned by watching and imitating. I find that difference in approach very refreshing.

**Ishizeki** Today's younger employees pick things up quickly, and compared to how I was at their age, I think they're extremely capable. If I had to point out one concern, it might be that, since we live in an age where smartphones provide instant information, many seem to relate to the idea of eliminating as much waste as possible or not wanting to do anything that might end up being troublesome. In contrast, our generation believed that there was meaning even in things that seem wasteful and that it was good to embrace challenges, even difficult ones. But in development work, I've found that we often learn more from the times we struggle through repeated failures than from when things go smoothly, so there may be more shared understanding across generations here than in other departments when it comes to the value of waste and hardship.

I make a conscious effort to clearly communicate what roles I expect them to fulfill so that they can engage with a sense of understanding and purpose. When they fully grasp the reasons behind what they're doing, their sense of ownership and motivation naturally increase, and I believe that sparks a positive cycle of self-driven growth. That's why I tell them it's



okay to fail, but I also teach them the importance of developing a habit of analyzing causes so they don't repeat the same mistakes.

I also make a point to properly acknowledge their accomplishments and express my gratitude. I personally feel happy when I'm praised, so I try not to forget how that feels.

**Endo** What stands out to me about our young employees is how polite, honest, and earnest they are in their work. They also have strong communication skills, and the brightness typical of those who joined the workforce in recent years has made the workplace atmosphere feel even more positive.

What I place importance on is having them approach any task with a sense of ownership, treating it as their own job. Even tasks that may seem simple have meaning, so I try to encourage a proactive mindset rather than a passive one. Of course, it's difficult to take on work from scratch when you have no experience, so I make sure to share past examples as advice.



## Sustainability

## Employee Roundtable

## Words for the younger generation

## What message would you like to share with the young people who will lead Ashimori in the future?

**Kuramae** Right now, global conditions and the role of automobiles are changing drastically. In that environment, I think there will be more and more situations where we'll have to break away from traditional methods and fixed ideas. That's why fresh ideas will become even more important, and I hope they'll boldly embrace new and challenging things without hesitation.

I also want them to develop their own strengths and areas of expertise. In my case, my strength in English allowed me to take on new roles and meet a wide range of people. As a result, I feel that my perspective has broadened significantly.

**Ishizeki** Looking at all our business domains, I truly believe our company has immense potential and will only become more interesting moving forward.

The issue of aging water infrastructure addressed by the PALTEM business is also gaining social attention lately, prompted by news of sinkhole incidents. It's something to be proud of that we have the technology to directly contribute to solving such problems. For that reason, I hope our younger employees will approach their daily work with a strong sense of mission and belief in their own ability.

**Takehiro** Speaking from the standpoint of someone in manufacturing, I'd like them to first firmly establish a foundation in the basics of manufacturing. With a solid foundation, their perspective can expand dramatically afterward.

And I hope they'll take on challenges without fear of failure. To be honest, when I was younger, I was scared of trying new things, but by pushing myself to take on those challenges, I

gained initiative and the ability to engage others, which ultimately helped me grow.

**Endo** As I work in manufacturing each day, the words of the company motto displayed in the office have started to resonate with me more deeply. Within those few short lines are the founding principles and the essence of manufacturing, carefully distilled.

To the younger employees, I hope they'll see the work of product-making, which Ashimori has cultivated over many decades, as a bridge between the past and the future. And I'd be delighted if they can carry out their daily work with a sense of purpose, knowing that through their efforts, they're making a meaningful contribution to society.

## Continuing to embrace future challenges while fostering Ashimori's growth

## Finally, please share your thoughts on what kinds of transformations or aspirations you believe are important for Ashimori's future.

**Kuramae** Our products, particularly safety parts for automobiles, only reveal their value after an accident occurs. That's why I often think about how we could create new products or services that make better use of the strengths of textiles in a more visible and tangible way.

**Endo** As for human resource development, relying solely on on-the-job training can make it difficult to bridge differences in knowledge and experience, making standardization a challenge. That's why I believe it's essential to establish appropriate training programs for each employee level, from new hires to mid-level staff. Ultimately, that will lead to improved efficiency across the company.

I also hope we can further advance the incorporation of databases of our operations. Instead of having to ask around within each department, having a centralized system where you can instantly find the information you need, in the manner of AI-powered search, would allow work to proceed more efficiently.

**Takehiro** In my department, there's about a 20-year age gap between the experienced engineers and our generation. Some of the troubleshooting records and know-how only exist on paper, so our first priority is to digitize them and ensure the techniques behind our long-standing fire hose production are properly passed on.

In fact, when the president visited the Disaster Prevention Production Department for a discussion and we shared this issue, a study session was immediately organized with experienced engineers serving as instructors. We want to accurately inherit the know-how accumulated over many years and pass it reliably on to the next generation.

**Ishizeki** I was personally involved in formulating the Ashimori Renaissance Program, which began as part of the new medium-term business plan. Creating a training program for employees was something I had long hoped to work on, so I found it incredibly meaningful to see it realized. Now that the company has built such a solid framework, it's up to us employees to take ownership and engage with it as a single, unified team.

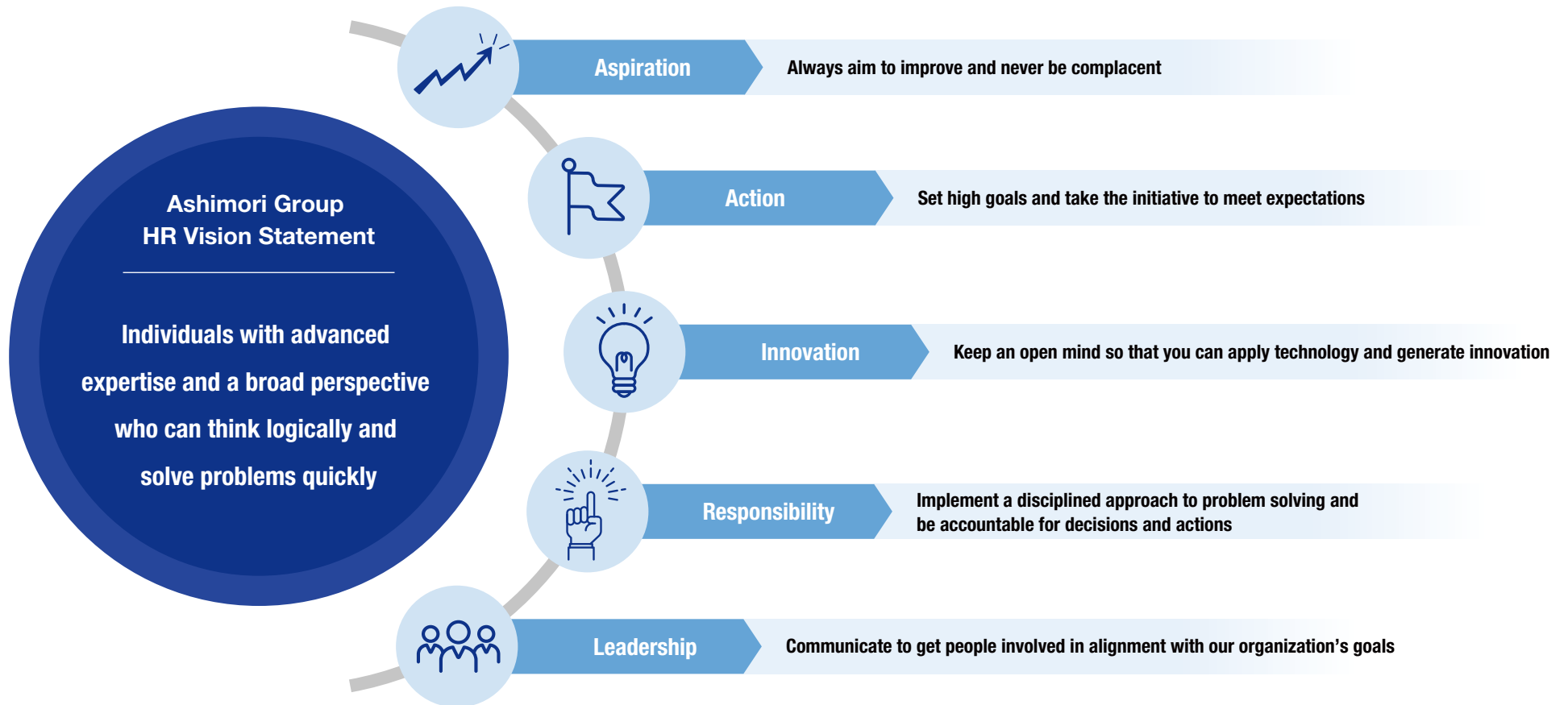
I believe the personnel evaluation system has also improved, becoming something that properly recognizes both achievements and efforts. To continue reviewing and improving it in line with the times, I hope employees will actively share their opinions, and that Ashimori will remain a company where people truly feel glad to work.

Sustainability

# Social

## Ashimori Group HR Vision Statement

Someone strongly committed to our company principles, who takes the appreciation they receive for their efforts inside and outside the company to make their job more rewarding—this is the ideal Ashimori employee. We have thus formulated the Ashimori Group HR Vision Statement to foster this ideal.





## Sustainability

## Social

## Human Resources

### Human Resource Development

We provide necessary training for each level of employees: managers, mid-level employees, and younger employees. Employees are able to learn and deepen their understanding of leadership and other skills: for managers through appraiser training and new manager training, and for mid-career employees through mid-career training. We also provide training for younger employees, starting with new employee training and training for employees up to their fifth year in the company, in order to facilitate employee development contributing to the realization of the Ashimori Group HR Vision Statement.

### Diversity and Inclusion

Period: April 1, 2024 to March 31, 2025; reference date: March 31, 2025

Item	Non-consolidated	Consolidated	Note
Percentage of women among new graduate hires	10.0%	16.7%	Employees who joined our companies in Japan in April 2024
Percentage of women among mid-career hires	11.5%	27.0%	Employees in Japan
Percentage of women	17.8%	54.3%	Full-time employees
Percentage of female managers	6.2%	11.1%	
Percentage of female section chiefs*	18.2%	21.9%	
Ratio of overseas employees	-	69.1%	Full-time employees
Gender wage gap			
All workers	61.4%	59.3%	Employees in Japan
Full-time employees	81.2%	72.3%	Employees in Japan
Part-time and fixed-term workers	55.6%	66.3%	Employees in Japan

\*Team leader job position under supervision of a manager

### Work-Life Balance

Period: April 1, 2024 to March 31, 2025; reference date: March 31, 2025

Item	Non-consolidated	Consolidated	Note
Men's childcare leave acquisition rate	57.1%	63.1%	Employees in Japan
Percentage of female employees returning to work after taking childcare leave	100.0%	85.7%	Employees in Japan
Percentage of female employees quitting their jobs after taking childcare leave	0.0%	14.3%	Employees in Japan
Number of employees who worked from home	182	-	Total usage: 2,616
Number of employees using staggered working hours system*	433	-	Total usage: 2,333

\*We have a system that allows full-time employees to take paid leave in hourly increments.



## Sustainability

## Social

## Human Rights Policy

This Human Rights Policy Statement was approved by the Board of Directors of Ashimori Industry Co., Ltd. on April 26, 2023.

### Ashimori Group Human Rights Policy Statement

The Ashimori Group (Ashimori Industry Co., Ltd. and its domestic and overseas group companies, hereinafter referred to as “we”) has been supported for many years since our founding in 1878 by numerous people including local communities, suppliers, and customers of the countries and regions in which we operate, and we have grown and expanded our business by tackling new challenges continuously. We are committed to endeavoring to respect human rights in our business activities and we hereby set forth the Ashimori Group Human Rights Policy Statement, which every person in the Ashimori Group should observe based on the Ashimori Group Code of Conduct, guided by the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the Declaration on Fundamental Principles and Rights at Work (International Labour Organization [ILO]), the Ten Principles of the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights, in order for us to be beneficial continuously to society especially in manufacturing products to keep people safe and make them feel secured.

#### 1 Commitment to respect for human rights

We understand that our business activities may directly or indirectly affect human rights. We recognize that respect for human rights is an important issue to be addressed in the management of our business, and we are committed to making every effort to fulfill our responsibility to ensure that human rights are respected in all of our business activities.

#### 2 Scope of responsibility

This policy statement is applied to all executives and employees of the Ashimori Group. We are committed to acting responsibly so that all stakeholders understand and agree with this policy statement. We will strive to respond in an appropriate manner to human rights abuse by our suppliers, business partners, or customers.

#### 3 Human rights of our executives and employees

We will secure a workplace free from all discrimination and harassment of any form on the grounds of nationality, race, ethnicity, gender, age, creed, religion, disability, sexual identity and orientation, or otherwise. Likewise, we will not tolerate any type of human rights abuse, such as forced labor and child labor. We respect the freedom of association and the right to collective bargaining.

#### 4 Education and training

We will provide appropriate education and training to all our executives and employees in order to ensure that this policy statement is established firmly and implemented effectively in all aspects of our business.

#### 5 Human rights due diligence

We understand that we must identify and prevent or mitigate any actual or potential adverse impacts on human rights associated with our business activities through our human rights due diligence process.

#### 6 Remedy

In case it is certain that we have caused or been implicated to adverse impacts on human rights by our business activities, we take appropriate remedial action.

#### 7 Disclosure

We will disclose information on our human rights actions appropriately.

#### 8 Stakeholder engagement

We will conduct dialogue and consultation with relevant stakeholders on our efforts for this Human Rights Policy Statement in course of promoting our actions for respecting human rights.

## Human Rights Due Diligence

This was conducted for all group companies in Japan and overseas in fiscal 2022. There were several group companies that had insufficient related internal regulations, but improvements were completed in fiscal 2023. We are also gradually conducting human rights due diligence on our business partners.



## Sustainability

## Social

## Community Contribution

### Contributing to Education

#### Factory Tours for Children and Visiting Elementary Schools

For many years, the Ashimori Head Office and Osaka Plant (Settsu, Osaka Prefecture) have been featured as an example of a manufacturing company in supplementary textbooks for third- and fourth-grade elementary school students in Settsu City. In fiscal 2023, multiple elementary schools in Settsu City visited our Head Office and Osaka Plant and took a plant tour. We also continued our visits to schools to give lessons for students in lieu of plant tours.

We have been making regular school visits since fiscal 2024. Our aim is to use community-rooted activities to continually communicate our business and the importance of manufacturing.



Touring the factory



### Crime and Disaster Prevention

#### Company Fire Brigade

Ashimori has its own fire brigade, which operates as a fire and rescue division within the organization of the municipality of Settsu, where Ashimori's Head Office and Osaka Plant are located.

The skills and knowledge built up through periodic drills and exercises are put to work by our fire brigade to help secure safety in the event of fires or other disasters at Ashimori or in the community.

## Occupational Safety and Health

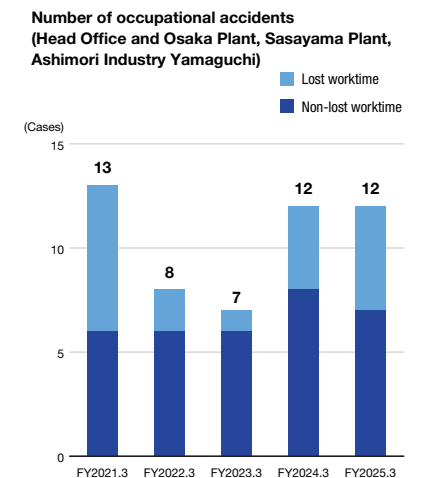
We have developed a safety and health policy grounded on the basic principle of “Think on your own, act on your own.”

### Action Policy

- Aim for zero accidents (occupational accidents, fires, and traffic accidents) and zero dangers.
- Work with the 5S and 5-Constants in mind.
- Promote mental and physical health.
- Expand and enrich safety and health education and management systems.
- Ensure a safe and comfortable working environment.
- Comply with laws, regulations, and societal rules, and strive to coexist with local communities.

### Results

For workplace accidents, regardless of severity, an accident report is promptly prepared, the cause is separately investigated, and measures are taken to prevent recurrence. The graph shows the numbers of occupational accidents that have occurred at the Head Office and Osaka Plant, the Sasayama Plant, and Ashimori Industry Yamaguchi. (These figures include accidents such as falls on bicycles on the way to work. Figures for the fiscal year ended March 2025 include four such commuting-related accidents.)

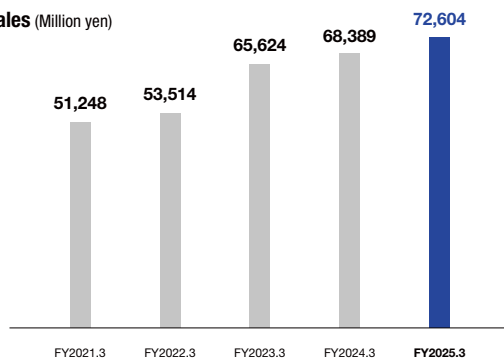




## Data

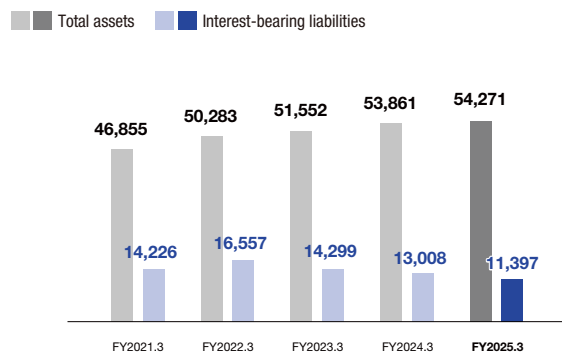
# Financial Highlights

## Net sales (Million yen)



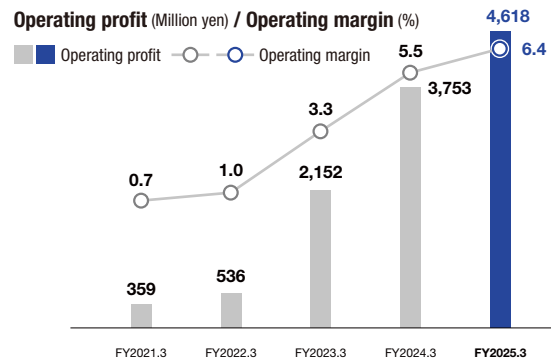
Net sales reached a record high of 72,604 million yen (up 4,214 million yen year on year). The automotive safety systems business, although affected by some production adjustments, achieved net sales of 52,855 million yen (up 2,816 million yen year on year) as a result of the effects of a weak yen and passing onto sales prices some portion of the market fluctuations in raw material prices and rising labor costs. The high performance products business recorded net sales of 19,723 million yen (up 1,402 million yen year on year). The PALTEM (pipeline rehabilitation) segment recorded net sales of 10,928 million yen (up 677 million yen year on year), exceeding the previous year's level due to many carryover projects in the sewerage field. In the disaster prevention segment, net sales were 2,192 million yen (down 282 million yen year on year) due to sluggish sales of fire and hydrant hoses affected by quality issues. The industrial materials segment posted net sales of 6,603 million yen (up 1,008 million yen year on year), supported by steady sales of wide-woven textiles for the automotive industry and fire screens, backed by a general market recovery.

## Total assets (Million yen) / Interest-bearing liabilities (Million yen)



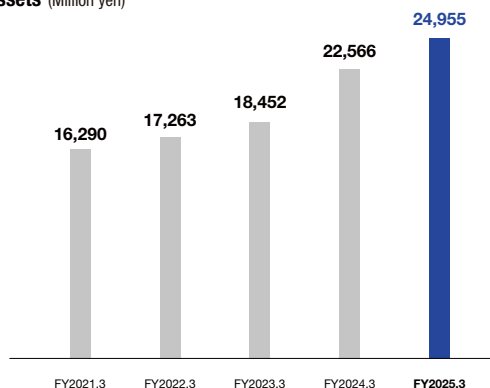
Total assets were 54,271 million yen, up 409 million yen from the previous fiscal year-end. This was due to factors such as an increase in cash and deposits of 1,017 million yen, an increase in accounts receivable of 276 million yen, a decrease in inventory assets of 683 million yen, and a decrease in tangible fixed assets of 425 million yen. Interest-bearing debt, including long-term and short-term debt, decreased by 1,612 million yen from the previous fiscal year-end to 11,397 million yen.

## Operating profit (Million yen) / Operating margin (%)



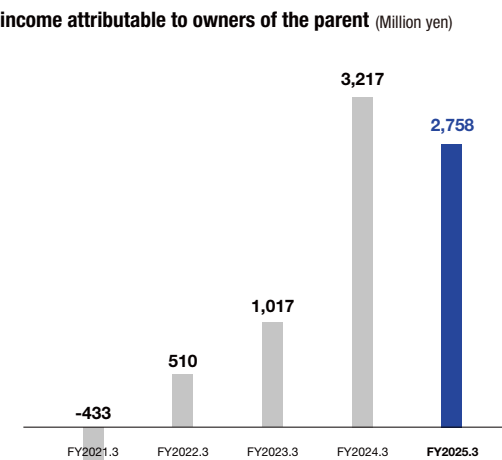
Operating profit reached a record high of 4,618 million yen (up 864 million yen year on year). In the automotive safety systems business, thanks to improved productivity and increased operational efficiency through collaboration with Toyoda Gosei, self-help efforts to reduce expenses, and the impact of exchange rates, operating profit was 3,379 million yen (up 1,062 million yen year on year). Operating profit in the high performance products business was 1,892 million yen (down 291 million yen year on year). Operating profit in the PALTEM segment was 1,737 million yen (down 300 million yen year on year). Profit margins declined due to rising costs from raw material price hikes and labor cost increases as well as increased investments for future growth. The disaster prevention segment posted an operating loss of 19 million yen (down 162 million yen year on year), affected by sluggish sales of fire and hydrant hoses due to quality issues. Operating profit in the industrial materials segment was 175 million yen (up 172 million yen year on year) thanks to steady sales.

## Net assets (Million yen)



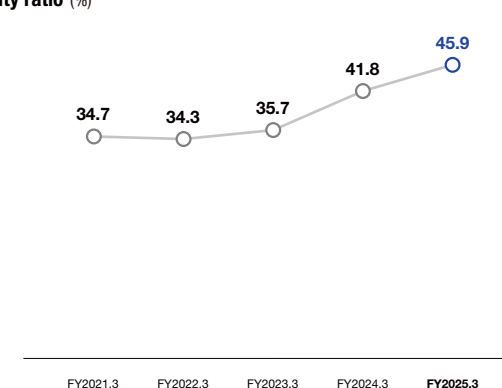
Net assets were 24,955 million yen, up 2,388 million yen year on year.

## Net income attributable to owners of the parent (Million yen)



The automotive safety systems business recorded a product warranty loss of 990 million yen in the fiscal year under review due to the estimated cost burden associated with extended warranty measures taken by customers for products manufactured in the past. The high performance products business (disaster prevention-related) recorded a total of 145 million yen in extraordinary losses, including product warranty loss, loss on valuation of inventory, and product compensation costs related to quality defects occurring during manufacturing. As a result, net income attributable to owners of the parent was 2,758 million yen (down 458 million yen year on year).

## Equity ratio (%)



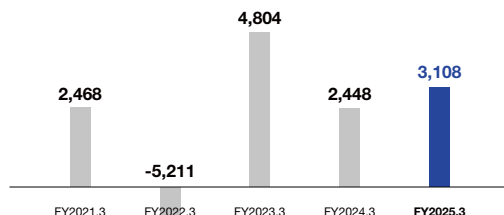
The equity ratio was 45.9% (41.8% in the previous fiscal year).



## Data

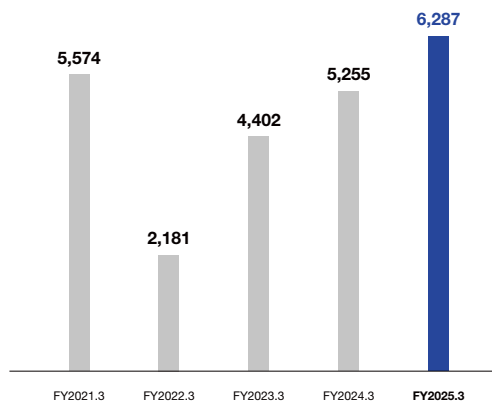
## Financial Highlights

## Free cash flows (Million yen)



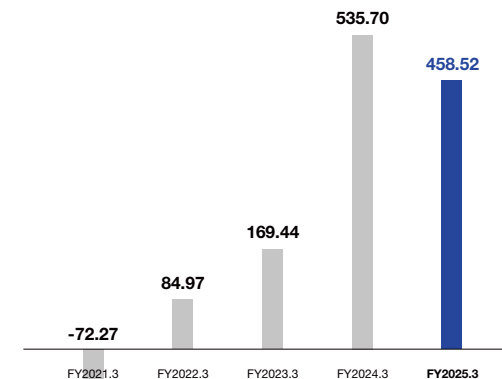
Cash flow from operating activities was 4,286 million yen (3,173 million yen in the previous fiscal year). This mainly breaks down into profit before income taxes of 3,412 million yen, depreciation of 1,756 million yen, an increase of 973 million yen in provision for product warranties, an increase of 247 million yen in accounts receivable, a decrease of 540 million yen in inventories, a decrease of 1,854 million yen in accounts payable, and income taxes paid of 947 million yen. Funds used as a result of investing activities were 1,178 million yen (725 million yen used in the previous fiscal year). This mainly breaks down into expenditures of 1,549 million yen for the acquisition of tangible fixed assets, 435 million yen in proceeds from sales of tangible fixed assets, 141 million yen for the acquisition of intangible fixed assets, and 81 million yen in proceeds from the sale of investment securities.

## Cash and cash equivalents at end of period (Million yen)



Cash and cash equivalents were 6,287 million yen, up 1,031 million yen year on year.

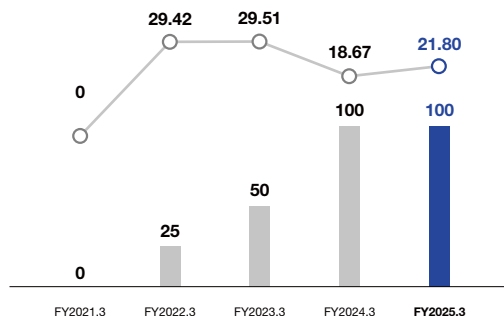
## Earnings per share (Yen)



Earnings per share were 458.52 yen, down from 535.70 yen in the previous fiscal year.

## Dividends per share (Yen) / Dividend payout ratio (%)

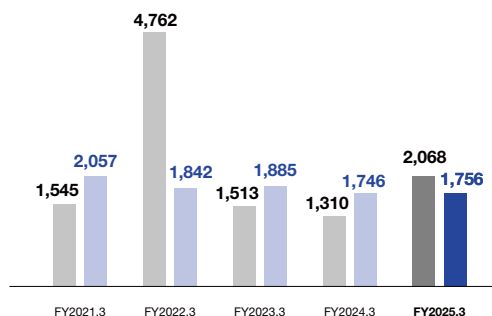
■ Dividends per share (Yen) ○ Dividend payout ratio (%)



The year-end dividend for this fiscal year was set at 100 yen per share of common stock. Although this falls short of the 30% dividend payout ratio target stated in the Ashimori Group medium-term business plan for the 123rd to 125th fiscal years (year ended March 2023 to year ended March 2025), we prioritized investments in human capital, R&D, and facilities for further growth.

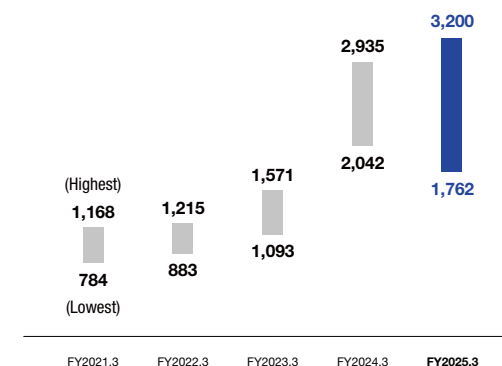
## Capital investment (Million yen) / Depreciation (Million yen)

■ Capital investment ■ Depreciation



To respond to rapid technological innovation and intensifying sales competition, we made capital investments (including intangible fixed assets) to rationalize production, increase capacity, and enhance R&D-related facilities. For the fiscal year under review, we made capital investments of 2,068 million yen, and depreciation was 1,756 million yen.

## Stock price (Yen)







## Data

# Major Financial Data of the Past 11 Years

		2015/03	2016/03	2017/03	2018/03	2019/03	2020/03	2021/03	2022/03	2023/03	2024/03	2025/03
Net sales (million yen)	Consolidated	48,067	51,380	50,331	56,714	60,978	58,295	51,248	53,514	65,624	68,389	72,604
Operating profit (million yen)	Consolidated	1,025	2,071	1,510	1,879	2,237	599	359	536	2,152	3,753	4,618
Ordinary profit (million yen)	Consolidated	1,306	1,700	1,362	1,946	2,321	652	419	671	2,796	4,202	4,213
Net income attributable to owners of the parent (million yen)	Consolidated	1,470	1,360	1,019	457	1,245	2,045	(433)	510	1,017	3,217	2,758
Capital investment (million yen)	Consolidated	1,728	1,800	2,691	3,803	4,216	2,817	1,545	4,762	1,513	1,310	2,068
Depreciation (million yen)	Consolidated	1,293	1,342	1,281	1,650	1,906	2,209	2,057	1,842	1,885	1,746	1,756
Cash flows from operating activities (million yen)	Consolidated	(1,444)	3,241	1,930	1,917	3,765	(46)	3,487	(1,021)	6,267	3,173	4,286
Cash flows from investing activities (million yen)	Consolidated	(594)	(1,495)	(3,673)	(2,944)	(3,818)	(480)	(1,019)	(4,190)	(1,463)	(725)	(1,178)
Cash flows from financing activities (million yen)	Consolidated	615	(951)	1,956	282	560	928	(221)	1,738	(2,700)	(1,901)	(2,254)
Free cash flows (million yen)	Consolidated	(2,038)	1,746	(1,743)	(1,027)	(53)	(526)	2,468	(5,211)	4,804	2,448	3,108
Cash and cash equivalents at end of period (million yen)	Consolidated	2,503	3,143	3,219	2,480	2,941	3,312	5,574	2,181	4,402	5,255	6,287
Total assets (million yen)	Consolidated	36,935	36,464	40,913	44,278	47,667	47,884	46,855	50,283	51,552	53,861	54,271
Net assets (million yen)	Consolidated	12,837	13,577	14,323	14,603	15,393	16,804	16,290	17,263	18,452	22,566	24,955
Interest-bearing debt (million yen)	Consolidated	9,597	8,834	11,563	12,443	13,122	14,246	14,226	16,557	14,299	13,008	11,397
Equity ratio (%)	Consolidated	34.7%	37.2%	34.9%	32.9%	32.2%	35.0%	34.7%	34.3%	35.7%	41.8%	45.9%
Dividends per share (yen)		2.50	3.00	3.00	40.00	45.00	25.00	0.00	25.00	50.00	100.00	100.00
Total cash dividends (million yen)		151	181	181	239	269	150	0	150	300	600	600
Earnings per share (yen)	Consolidated	24.28	22.47	168.44	75.86	207.58	340.89	(72.27)	84.97	169.44	535.70	458.52
Dividend payout ratio (%)	Consolidated	10.30%	13.35%	1.78%	52.73%	21.68%	7.33%	0.00%	29.42%	29.51%	18.67%	21.80%
Net assets per share (yen)	Consolidated	211.57	223.89	236.29	2,431.21	2,561.30	2,793.49	2,706.35	2,868.24	3,065.96	3,749.27	4,138.66
Price earnings ratio (PER) (times)	Consolidated	6.4	7.3	9.4	30.1	7.7	2.6	–	10.6	8.6	5.1	6.4
Operating margin (%)	Consolidated	2.1%	4.0%	3.0%	3.3%	3.7%	1.0%	0.7%	1.0%	3.3%	5.5%	6.4%
Return on equity (ROE) (%)	Consolidated	12.5%	10.3%	7.3%	3.1%	8.1%	12.7%	–	3.0%	5.7%	15.7%	11.6%
Highest stock price (yen)		308	244	199	3,400	2,900	1,683	1,168	1,215	1,571	2,935	3,200
					[478]							
Lowest stock price (yen)		115	127	142	2,020	1,122	798	784	883	1,093	2,042	1,762
					[149]							

For the fiscal year ended March 2018, the highest stock price and lowest stock price after a reverse stock split are shown. The highest stock price and lowest stock price before the reverse stock split are shown in [ ] brackets.



## Data

# ESG Related Data

## Governance

	Scope	FY ended March 2023	FY ended March 2024	FY ended March 2025
Number of directors	Non-consolidated	9	9	9
Of which, outside directors	Non-consolidated	4	4	4
Ratio of outside directors (%)	Non-consolidated	44.4	44.4	44.4
Percentage of women among directors (%)	Non-consolidated	0	0	0
Number of Board of Directors meetings	Non-consolidated	12	12	12
Board of Directors meeting attendance rate (%)	Non-consolidated	100	100	100
Number of patents held	Non-consolidated	638	554	546
In Japan	Non-consolidated	407	349	335
Overseas	Non-consolidated	231	205	211
R&D expenses (million yen)	Non-consolidated	1,214	1,250	1,204
Automotive safety systems	Non-consolidated	504	501	430
High performance products	Non-consolidated	566	568	610
Other businesses	Non-consolidated	144	181	163

## Environmental

	Scope	FY ended March 2023	FY ended March 2024	FY ended March 2025
CO <sub>2</sub> emissions Scope 1 (tons-CO <sub>2</sub> )	Non-consolidated	279	283	272
CO <sub>2</sub> emissions Scope 2 (tons-CO <sub>2</sub> )	Non-consolidated	2,081	2,741	2,605
CO <sub>2</sub> emissions Scope 1 (tons-CO <sub>2</sub> )	Consolidated	959	885	881
CO <sub>2</sub> emissions Scope 2 (tons-CO <sub>2</sub> )	Consolidated	6,477	7,464	7,561
Valuable waste emitted (tons)	Osaka Plant and Sasayama Plant	268	293	345
Industrial waste emitted (tons)	Osaka Plant and Sasayama Plant	18	31	36
Recyclable materials emitted (tons)	Osaka Plant and Sasayama Plant	425	438	422
Industrial-use water consumed (m <sup>3</sup> )	Head Office and Osaka Plant	16,365	17,847	18,131

ISO 14001 certification

Osaka Plant certified in 2002

## Social

	Scope	FY ended March 2023	FY ended March 2024	FY ended March 2025
Number of employees	Non-consolidated	443	431	421
	Consolidated	2,451	2,442	2,358
Percentage of female managers (%)	Non-consolidated	2.2	4.3	6.2
	Consolidated	10.1	10.5	11.1
Percentage of female section chiefs*1 (%)	Non-consolidated	18.1	17.2	18.2
	Consolidated	22.4	27.1	21.9
Men's childcare leave acquisition rate (%)	Non-consolidated	60.0	66.7	57.1
	Consolidated (Japan)	48.1	62.4	63.1
Percentage of women returning to work after taking childcare leave (%)	Non-consolidated	100	100	100
	Consolidated (Japan)	100	100	85.7
Ratio of overseas employees (full-time employees) (%)	Consolidated	67.4	69.9	69.1
Average length of service (years)	Non-consolidated	15.3	15.3	14.8
Average number of annual paid leave taken (days)	Non-consolidated	14.8	15.7	16.5
Overtime per employee per month (hours)	Non-consolidated	8.9	9.3	10.1
New graduate hires: men*2	Non-consolidated	8	9	22
New graduate hires: women*2	Non-consolidated	2	1	3
Mid-career hires: men	Non-consolidated	9	11	23
Mid-career hires: women	Non-consolidated	1	2	3
Number of employees who worked from home	Non-consolidated	393	197	182
Number of employees who took nursing care leave	Non-consolidated	1	1	3
Number of occupational accidents (total number of accidents accompanied and not accompanied by lost worktime)	Head Office and Osaka Plant, Sasayama Plant, Ashimori Industry Yamaguchi	7	7	8

\*1 Team leader job position under supervision of a manager

\*2 Number of new hires as of April 1 of the next fiscal year



## Data

# About Us

## Corporate Profile (As of March 31, 2025)

Company name	Ashimori Industry Co., Ltd.
Head office	7-11-61 Senrioka, Settsu, Osaka 566-0001, Japan
Founding date	November 7, 1878
Date of incorporation	December 27, 1935 (reorganized as a joint-stock company)
Capital	8,388 million yen
Representative	Hiromasa Zaitso, President
Number of employees	2,358 (consolidated)
Listing	Standard Market, Tokyo Stock Exchange
Securities code	3526

## Stock Information (As of March 31, 2025)

### Total Number of Shares

Total number of authorized shares	22,000,000
Total number of issued shares	6,056,939

### Share Distribution by Shareholder Type



■ Individuals, others	39.1%
■ Other corporations	38.1%
■ Foreign corporations, others	14.6%
■ Financial institutions	5.7%
■ Financial instruments firms	1.9%
■ Treasury stock	0.6%

### Major Shareholders

Name	Number of shares held (thousands)	Shareholding ratio (%)
Toyoda Gosei Co., Ltd.	1,703	28.29
Ashimori Business Partners Shareholding Association	394	6.55
Custody Bank of Japan, Ltd. (trust account)	215	3.58
MSIP Client Securities	212	3.53
Ashimori Employees Shareholding Association	164	2.73
Sankyo Co., Ltd.	112	1.86
Nomura PB Nominees Limited Omnibus-Margin (CASHPB)	105	1.76
Miyako Tanahashi	87	1.46
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	75	1.25
DFA Intl. Small Cap Portfolio	70	1.17

<b>Total</b>	<b>Number of shares held: 3,142,144</b>	<b>Shareholding ratio: 52.19%</b>
--------------	---	-----------------------------------

Note: Shareholding ratio is calculated after deducting treasury stock (35,984 shares).



## Data

## About Us

## Ashimori Group Network

### Plants and Offices

Name	Location
Head Office and Osaka Plant	Settsu, Osaka Prefecture
Osaka Office	Osaka, Osaka Prefecture
Tokyo Office	Chiyoda-ku, Tokyo
Sasayama Plant	Tamba-Sasayama, Hyogo Prefecture
Fukui Plant	Obama, Fukui Prefecture
Hamamatsu Plant	Hamamatsu, Shizuoka Prefecture
Hokkaido Office	Sapporo, Hokkaido
Tohoku Office	Sendai, Miyagi Prefecture
Chubu Office	Nagoya, Aichi Prefecture
Kyushu Office	Fukuoka, Fukuoka Prefecture

### Main Group Companies

#### ■ High performance products business

Name	Location
Ashimori Engineering Co., Ltd.	Chiyoda-ku, Tokyo
Allsafe Japan Ltd.	Yokohama, Kanagawa Prefecture
Shibata Industry Co., Ltd.	Tachikawa, Tokyo
Jet Trading Co., Ltd.	Osaka, Osaka Prefecture
Paltem Technical Service Co., Ltd.	Settsu, Osaka Prefecture
Takara Sangyo	Takashima, Shiga Prefecture

#### ■ Automotive safety systems business

Name	Location
Ashimori Industry Yamaguchi Co., Ltd.	Yamaguchi, Yamaguchi Prefecture
Ashimori (Thailand) Co., Ltd.	Thailand
Ashimori Technology (Wuxi) Co., Ltd.	China
Ashimori India Private Limited	India
Ashimori Korea Co., Ltd.	South Korea
Ashimori Industria de México, S.A. de C.V.	Mexico
Ashimori Europe GmbH	Germany

