

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.

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Mission

Our mission is to provide products that protect lives and livelihoods

Value

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



Vision

We will strive to continue our reputation as a trustworthy organization

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 2023 (April 1, 2022 to March 31, 2023)

When necessary, past and recent information are also included.

Organizations covered

Ashimori Industry Co., Ltd. and group companies

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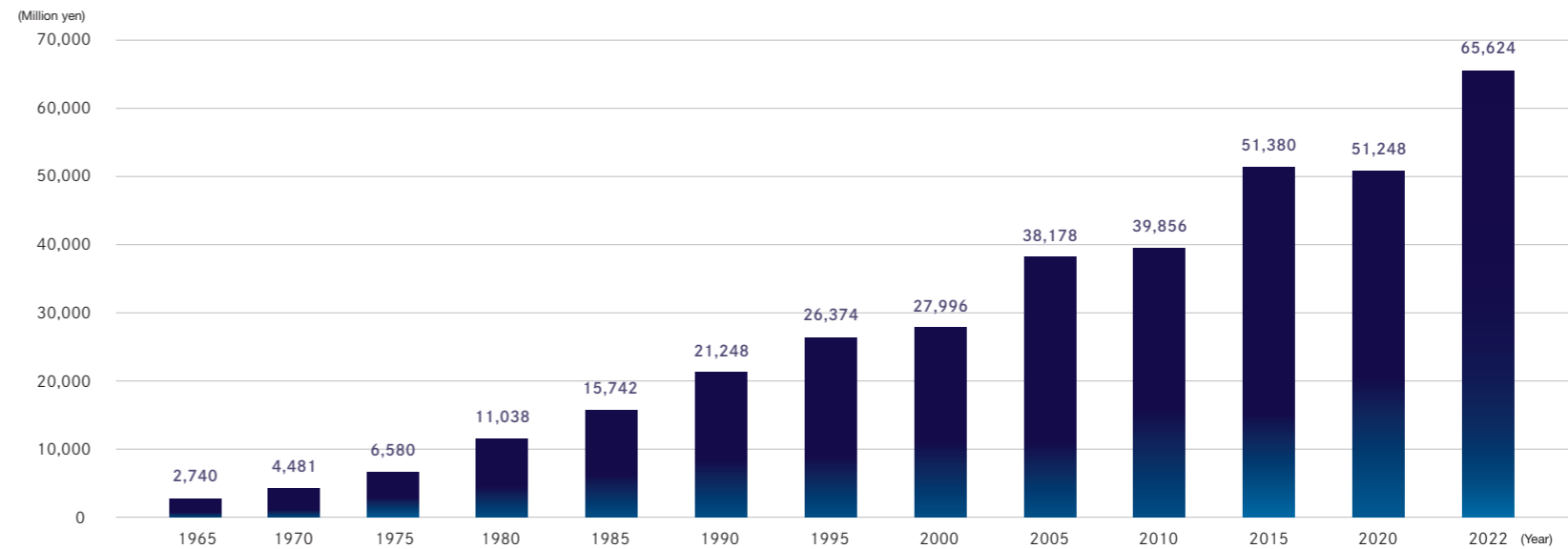
Disclaimer

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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.

Net sales



Understanding the times and entering new business areas

1878 –	1950 –	1962 –	1980 –	1998 –	2022 –
<p>1878 Ashimori Buhei the 10th begins trading in cotton and linen in Osaka, the center of Japan's spinning industry at that time.</p> <p>1885 Begins manufacturing cotton power transmission ropes</p> <p>1887 Begins manufacturing spindle bands for ring spinning machines in order to respond to demand spurred by technological changes in the industry.</p> <p>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.</p> <p>1935 Reorganizes as a joint-stock company named Ashimori Rope Works.</p> <p>1944 Changes the company name to Ashimori Industry Co., Ltd.</p>	<p>1950 Company listed on the Osaka Securities Exchange.</p> <p>1952 Succeeds in Japan's first development of the latex rubber-lined fire hose and begins its manufacture.</p> <p>1953 Begins manufacturing synthetic fiber ropes.</p> <p>1961 Company listed on the First Section of the Tokyo Stock Exchange.</p>	<p>1962 Begins manufacturing automotive seatbelts.</p> <p>Begins manufacturing airbags in 1989.</p> <p>1967 Obtains JIS (Japanese Industrial Standards) labeling approval, a first for an automotive seatbelt manufacturer, a year after the JIS seatbelt standard was created.</p>	<p>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.</p> <p>1991 Begins manufacturing Air Roll cargo-transportation system.</p>	<p>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.</p> <p>2008 Establishes Ashimori Industry Yamaguchi Co., Ltd. Establishes the Hamamatsu Plant.</p> <p>2016 Acquires Allsafe Japan Ltd.</p> <p>2017 Acquires Shibata Industry Co., Ltd. Acquires Takara Sangyo in Shiga, Japan.</p>	<p>2022 Moves to the Prime Market on the Tokyo Stock Exchange.</p> <p>2023 Moves to the Standard Market on the Tokyo Stock Exchange.</p>

1878 –	1950 –	1962 –	1980 –	1998 –	2022 –
<p>Foundation: Rope-making begins</p>	<p>Starts fire hose business</p>	<p>Enters field of automotive safety systems</p>	<p>Starts pipeline rehabilitation business</p>	<p>Expands overseas, establishes drivers of growth</p>	<p>Excellence recognized worldwide</p>

At a time when spinning factories were sprouting up in Osaka, company founder Ashimori Buhei the 10th believed that cotton yarn was a key to industrial advancement and a product sure to be in ever greater demand. He was the first in Japan to succeed in using a machine to make cotton rope used as a means to transmit power from one engine to multiple machines.



To respond to a rapid decline in demand for cotton power transmissions ropes, Ashimori decided to forego using linen, which was difficult to procure, and instead succeeded—for the first time in Japan—in the manufacture of cotton and nylon fire hoses that were leak proof thanks to latex rubber lining.



With car seatbelts becoming mandatory in the U.S., increased demand was anticipated in Japan as well. Using its years of know-how in weaving, Ashimori began developing and manufacturing car seatbelts.



Taking advantage of the trend to maintain and repair existing gas pipelines instead of installing new ones, Ashimori utilized its accumulated technologies to develop PALTEM, a new pipeline rehabilitation technology (hose lining method) that was the first of its kind in Japan.



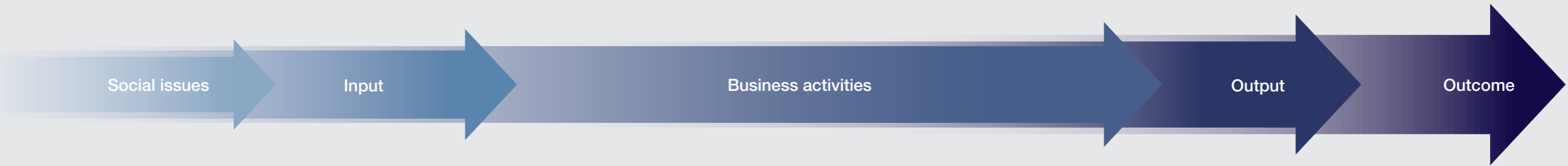
In the automotive safety systems business, Ashimori built its first factory outside Japan, in Thailand, in 1998. The company went on to accelerate its global push by establishing strategic overseas bases for greater procurement capability, improved cost competitiveness, and wider sales routes. In the high performance products business, Ashimori expanded its production system. The company also strengthened business and expanded operations through moves including acquisitions of companies dealing in logistics machinery and pipeline rehabilitation work.



New Ashimori Vision 2028

In the leadup to our 150th anniversary in 2028, 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. The slogan inherits the spirit of our company creed and demonstrates our strong will to utilize our technological strengths and continue to reform our company culture with the aim of becoming an excellent, world-class organization.

Value Creation Process



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

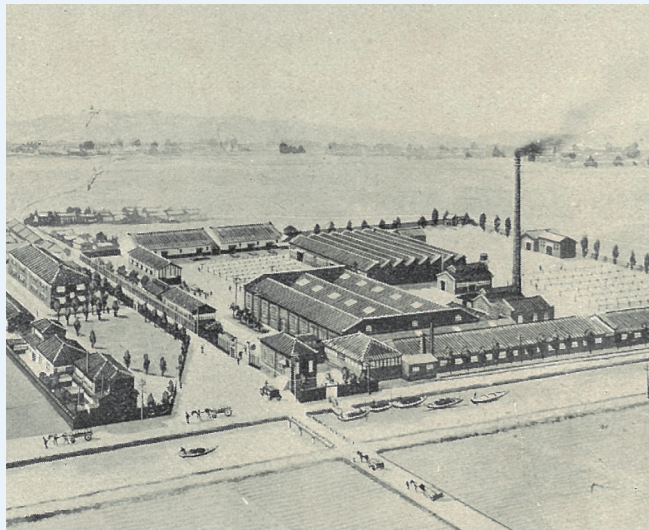


The Source of Value Creation

Ashimori has accumulated many strengths over its 145-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.

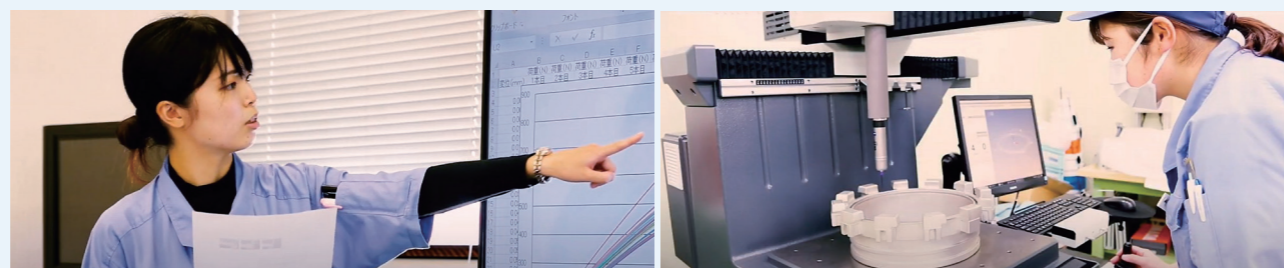
Tradition, Reliability

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.



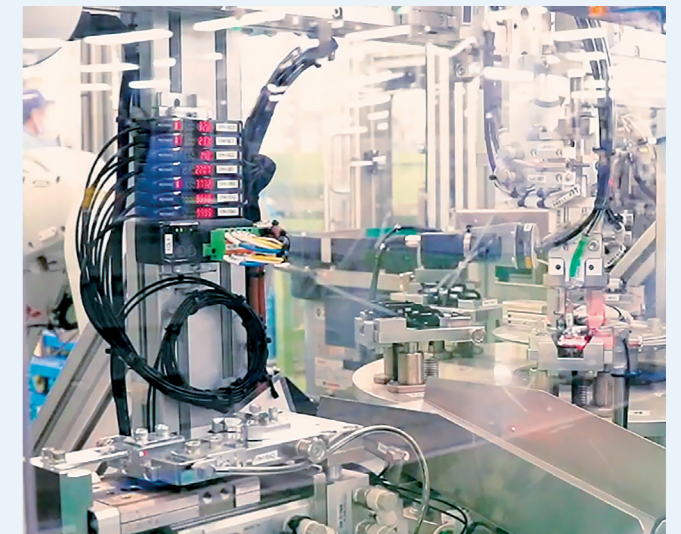
Our People

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.

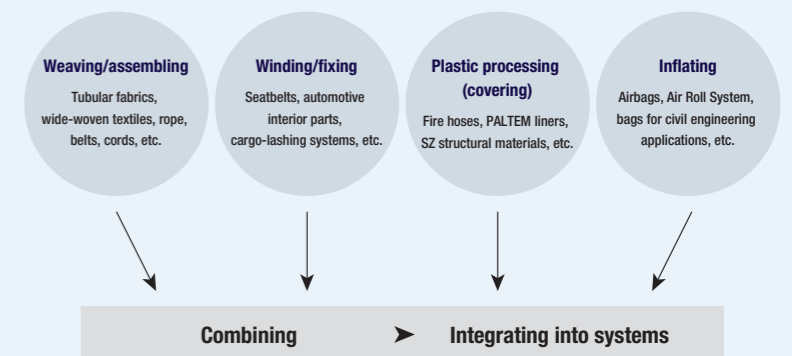


Technology, Adaptability, R&D

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.



Harnessing core technologies to tap into the safety and renewal market



By deploying and combining our four core technologies of braiding/weaving, resin (coating) processing, winding/fastening, and inflating, we have developed products ranging from fiber/resin/metal composite components to complete systems. We are engaged in ongoing R&D with the aim of expanding our business in the safety and renewal market.

Business	Features	Solutions
<p>Automotive Safety Systems</p> <p>▶ P.18</p> <p>Consolidated net sales 46,666 million yen</p> <p>Fiscal year ended March 2023</p>	<p>Seatbelt-related</p> <ul style="list-style-type: none"> ● Seatbelts <hr/> <p>Airbag-related</p> <ul style="list-style-type: none"> ● Airbags <hr/> <p>Interior products</p> <ul style="list-style-type: none"> ● Sunshades (electric and nonelectric) ● Separation nets 	<p>Our products ensure safety for car occupants in the event of a traffic accident and provide a comfortable car interior, thus contributing to improving the functions of automobiles, a part of social infrastructure.</p> <p>The transition to electric vehicles is moving the trend towards lighter automobile parts, and we are partnering with automobile manufacturers to develop products with low environmental impact.</p>
<p>High Performance Products</p> <p>▶ P.20</p> <p>Consolidated net sales 18,926 million yen</p> <p>Fiscal year ended March 2023</p>	<p>PALTEM division</p> <ul style="list-style-type: none"> ● Manufacture and sales of materials and equipment for PALTEM pipeline rehabilitation; pipeline rehabilitation work ● Construction materials <hr/> <p>Disaster prevention division</p> <ul style="list-style-type: none"> ● Fire hoses ● Emergency drain hoses ● Disaster prevention materials and equipment <hr/> <p>Industrial materials division</p> <ul style="list-style-type: none"> ● Fishing and marine ropes ● Reinforcing fabrics for timing belts ● Labor-saving logistics systems 	<p>PALTEM (Pipeline Automatic Lining System) is a type of trenchless technique for rehabilitating buried pipelines—such as those carrying potable water, sewage, agricultural water, gas, telecommunications signals, or electricity—without having to dig up the pipe. This environmentally friendly method minimizes damages to pipeline surroundings while supporting lifeline infrastructure.</p> <p>We help make social infrastructure safe and secure by providing a range of hose types; for example, low-pressure-loss hoses that reduce pressure loss at the time of water discharge, and large-diameter hoses. We also have disaster mitigation products that minimize damage and injury in disasters.</p> <p>We manufacture and sell a variety of products from fiber materials to labor-saving logistics systems. Besides materials that help make possible clean, environmentally friendly energy, we have truck logistics products that can be easily used by anyone and contribute to a workplace conducive to all.</p>
<div data-bbox="1558 514 2418 745"> <p>Achieving both safety and comfort</p>  <p>Ever since receiving JIS (Japanese Industrial Standards) certification in 1967, a first for a seatbelt manufacturer, we have been actively working to achieve both safety and comfort in developing next-generation seatbelts incorporating the technologies we have built up.</p> </div> <div data-bbox="1558 766 2849 997"> <p>State-of-the-art technologies protect lives</p> <p>We have always manufactured a range of airbags that have incorporated the most advanced technologies of their time in the fields of fibers, chemistry, electrotechnics, electronics, control, mechanics, and sensors.</p>  <p>Driver airbags Passenger airbags Side airbags Curtain airbags</p> </div> <div data-bbox="1558 1018 1973 1249"> <p>A comfortable car interior</p>  <p>Sunshades (electric and nonelectric) regulate the amount of sunlight entering through car windows and thus help create a comfortable interior.</p> </div> <div data-bbox="2003 1018 2418 1249"> <p>Preventing cargo from collapsing</p>  <p>The separation net separates the passenger seats and the cargo space. It prevents the cargo from collapsing or entering into the passenger seats during sudden braking.</p> <p>BMW X2 (©BMW AG)</p> </div> <div data-bbox="2448 1018 2849 1249"> <p>Anti-theft</p>  <p>Tonneau covers (luggage covers) are to block baggage and other items in the vehicle's cargo space from outside view. They are a great anti-theft measure.</p> </div> <div data-bbox="1558 1270 2240 1501"> <p>Maintenance and management of essential utilities</p>  <p>We contribute to maintaining essential utility services using safe and secure pipeline rehabilitation technology.</p> </div> <div data-bbox="2270 1270 2849 1501"> <p>Focus</p> <p>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.</p> </div> <div data-bbox="1558 1522 1973 1753"> <p>Lengthening water supply and water discharge distance of fire hoses</p>  <p>Low-pressure-loss hoses reduce pressure loss by up to 50% during water supply, thus improving fire-fighting performance (greater water volume, shorter time in hose, longer water supply distance).</p> </div> <div data-bbox="2003 1522 2418 1753"> <p>Handling large-scale fires</p>  <p>Large-volume water-supply hoses can send large amounts of water over long distances. Since both sides of the hose are covered with urethane resin, it has the needed high weather resistance and durability for battling large blazes.</p> </div> <div data-bbox="2448 1522 2849 1753"> <p>Rescue support during disasters</p>  <p>Our water supply and drainage system boasts superb mobility and portability. It can contribute to quick rescue activities by providing temporary drainage in urban areas and supplying clean water in disasters.</p> </div> <div data-bbox="1558 1774 1973 2005"> <p>Labor savings in logistics</p>  <p>Our Air Roll System uses an air hose to raise and lower roller conveyors equipped on truck beds. It can easily be used by elderly people and women to lessen their workload.</p> </div> <div data-bbox="2003 1774 2418 2005"> <p>Preventing sinking on soft ground</p>  <p>Palace Sheet (tubular fabric technology) is a surface stabilization method that uses sheets to stabilize the surface layer of soft ground. When used as footing for heavy machinery temporarily placed on agricultural land, it is easy to remove and the ground can be easily restored to its original state.</p> </div> <div data-bbox="2448 1774 2849 2005"> <p>At work in many fields</p>  <p>From wide-woven textiles used for rubber materials and heat-resistant screens, to lashing belts used to secure cargo or vehicles, we provide fiber materials for a wide range of fields.</p> </div>		