

Environmental Measures and Contributing to the Community

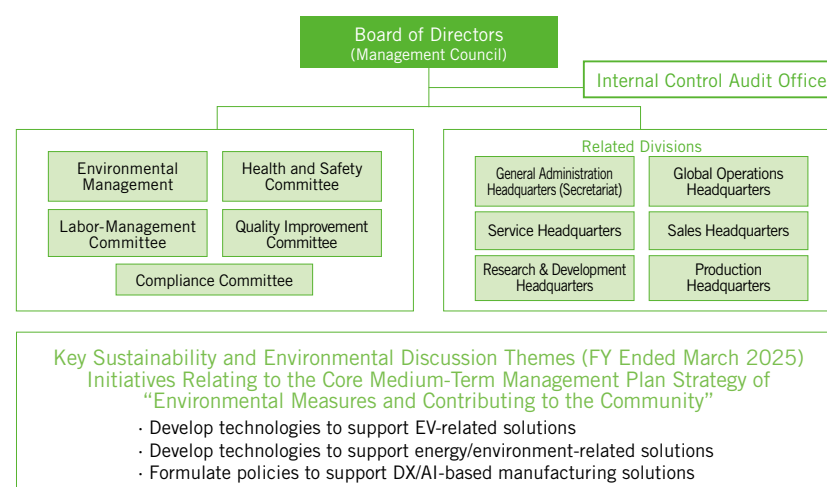
Realizing Sustained Growth “For” and “With” Society

Environmental measures and initiatives for contributing to the community are one of the core strategies of the Medium-Term Management Plan. Besides the decarbonization and energy efficiency initiatives we are engaged in as part of our business activities, we are helping to reduce environmental impact through our products by leveraging our accumulated technological and product development expertise to develop business in areas such as renewables, advanced energy efficiency, eco-friendly materials, and productivity gains. We will continue to grow as we aim to achieve a sustainable society by working “for” and “with” society.

Governance

As shown to the right, the organization that oversees the management of Group sustainability and environmental issues reports to the CEO and includes various divisions and committees. This organization is also supported by the General Administration Headquarters, which serves as the secretariat. Important policy items are submitted to the Management Council and the Board of Directors for consideration. As detailed in the “Risk Management” section, this framework enables us to formulate strategies, address issues, and provide regular reporting on the status of initiatives for dealing with related risks and opportunities.

Sustainability & Environmental Management Organization (as of July 1, 2025)



Strategy

We view risks associated with climate change as critical risks affecting the entire AIDA Group. We will continue to formulate measures as necessary to mitigate both the physical risks and any transitional risks related to regulations, markets, or other factors. We also regard decarbonization, energy and resource conservation, and other environmental measures as major business opportunities for AIDA. Aiming for carbon neutrality by 2050, we will strive to build corporate value by continuing to address SDG-related issues.

Potential Risks
Physical Risks
Extreme weather events such as floods and natural disasters could disrupt our product manufacturing operations and our supply chain, which could in turn impact our revenue and require major outlays to bring our manufacturing equipment back online.
Transition Risks
- Stricter energy efficiency regulations that apply to our products and Service could result in the loss of sales opportunities if our engineering and development responses were inadequate. - Higher taxes stemming from the introduction of environmental and carbon taxes and the resulting higher product costs could impact revenue. - Alternative materials required for the electrification and weight reduction of automobiles could increase our R&D expenses related to these alternative materials, which could affect profitability. - Changes in the assessments of the Company's initiatives to combat climate change, etc., could lead to a decrease in corporate value.
Opportunities
- The introduction of energy-saving equipment and more efficient usage of energy in production activities could lead to cost reductions and improve product competitiveness. - We seek to add greater value by developing products for the production of EVs, for reducing the weight of automobiles, for the adoption of alternative energy sources, and for gains in energy efficiency and productivity. - Our ability to respond quickly to natural disasters and other calamities (bringing machines back online and delivering consumables) using our robust Service system could enhance our Service response and improve trust, which could lead to more sales opportunities.

Risk Management

Our risk management is based on our Sustainability Policy and includes established policies and regulations, including the AIDA Environmental Policy, the Privacy Policy, the AIDA Group Human Rights Policy, the basic policies relating to our internal controls system, the Global Business Management Regulations, the Compliance Management Regulations, and the Business Continuity Manual. And in terms of opportunities, we are working to develop product technologies in response to the current shift towards vehicle electrification and weight reduction, and our aim is to develop highly competitive products that deliver world-class energy efficiency and productivity. Following deliberations by the Management Council and the Board of Directors, we have incorporated this as a core strategy in our current Medium-Term Management Plan. With regard to the status of our initiatives related to risks and opportunities, critical risk management items are reported to the Management Council each quarter in addition to the reports submitted when involved divisions analyze risks and consider countermeasures. The progress of opportunity-related initiatives is also reported monthly to the Management Council and the Board of Directors.

Indicators and Targets

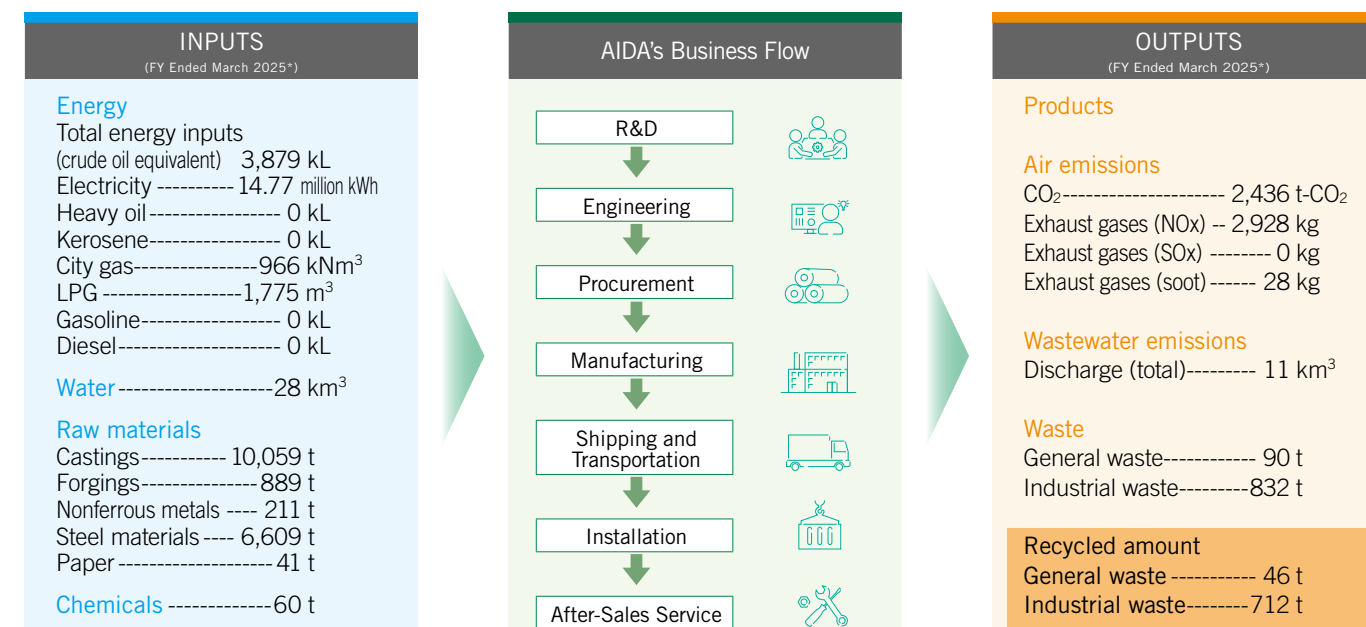
Based on the ISO framework, we have set environmental performance targets for the AIDA Group based on ongoing compliance with laws governing air, water, and noise pollution, the promotion of waste recycling, waste reduction, and greater energy efficiency, and other environmental protection initiatives.

Environmental Objectives	Targets for the Fiscal Year Ended March 2025	Results for the Fiscal Year Ended March 2025
Promote Waste Material Recycling and Control Waste Generation (Promote Recycling and Reuse)	- Waste Generation*1 Target - Sagamihara: 1,600 tons or less - Hakusan: 95 tons or less - Industrial Waste Recycling Ratio - Sagamihara: 86% or higher - Hakusan: 70% or higher	- Total Emissions - Sagamihara: 843 tons [target achieved] - Hakusan: 78 tons [target achieved] - Industrial Waste Recycling Ratio - Sagamihara: 87% [target achieved] - Hakusan: 69% [target not achieved]
Promote Energy Conservation	- Total Energy Usage (Crude Oil Equivalent) - Sagamihara: 4,400 kL or lower - Hakusan: 215 kL or lower - CO₂ Emissions (Carbon Intensity) - Sagamihara: 13.0 t-CO₂/kh (factory operating hours) or less - Hakusan: 10.0 t-CO₂/kh (factory operating hours) or less	- Total Energy Usage (Crude Oil Equivalent) - Sagamihara: 3,682 kL [target achieved] - Hakusan: 197 kL [target achieved] - CO₂ Emissions (Carbon Intensity) - Sagamihara: 1.9 t-CO₂/kh*3 (factory operating hours) [target achieved] - Hakusan: 5.1 t-CO₂/kh (factory operating hours) [target achieved]
	Main Initiatives	Programs to conserve resources, such as reusing topcoat paints and efforts to reduce, reuse, or return wooden pallets and packing cushioning materials.
	Main Initiatives	Reducing power load fluctuations by adopting A/C system demand controls; reducing compressor power consumption through regular air leak checks

*1 Waste Generation: Total volume of general waste and industrial waste generation *2 Scope of Sagamihara Aggregate Data: The HQ/Sagami, Tsukui, and Shimokuzawa plants

*3 Indirect reduction in CO₂ emissions from power usage at the three Sagamihara sites from November 2023 due to the adoption of certified RE100 (feed-in tariff, non-fossil)-compliant renewable energy sources

Material Balance

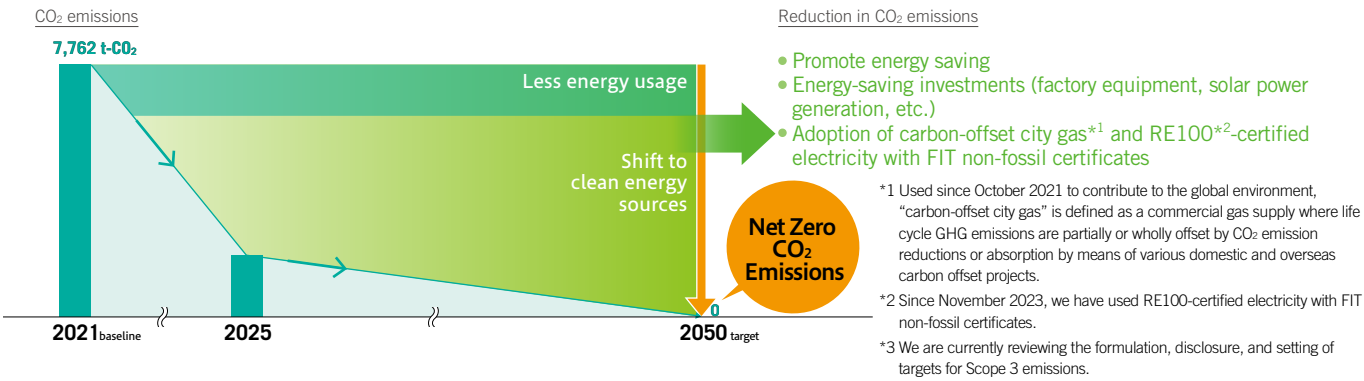


* Environmental impact of AIDA production processes for the fiscal year ended March 31, 2025 (rounded down to the nearest whole number)
Scope of Aggregate Data: AIDA ENGINEERING, LTD. (The HQ/Sagami, Tsukui, Shimokuzawa and Hakusan plants)

Carbon Neutrality Policy Initiatives

The AIDA Group regards decarbonization, energy saving, resource conservation, and other environmental measures as major business opportunities. Aiming for carbon neutrality by 2050, we are striving to address ESG issues and build corporate value.

Roadmap to Achieve Carbon Neutrality by 2050 (Scope 1+2)

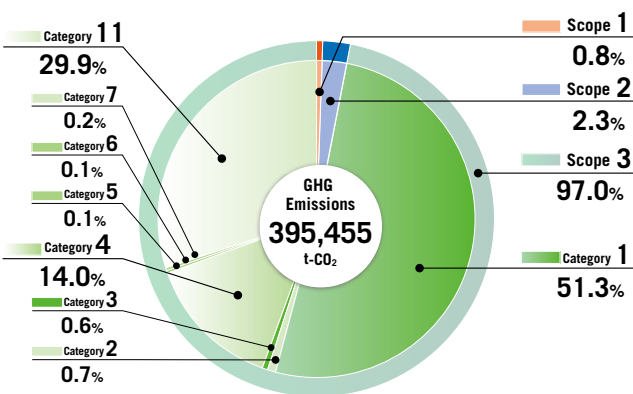


		Results of Initiatives	Planned Initiatives
Scope 1 Scope 2	Reductions in energy usage	- Reducing electrical energy usage in our operations (using LED lighting, etc.) - Addition of a high-efficiency gas co-generation system (CGS) plus a CGS-linked water heating and cooling system at the HQ/Sagami Plant - Purchase EVs as company cars and install onsite EV chargers	Further plans to adopt renewable energies with the rebuilding of the HQ/Sagami Plant
	Shift to clean energy sources	- Introduce a solar power storage system - Utilize carbon-offset city gas - Use electricity from fully renewable sources (RE100-certified electricity with FIT non-fossil certificates)	Achieving zero-emission buildings by installing energy-saving equipment at production plants

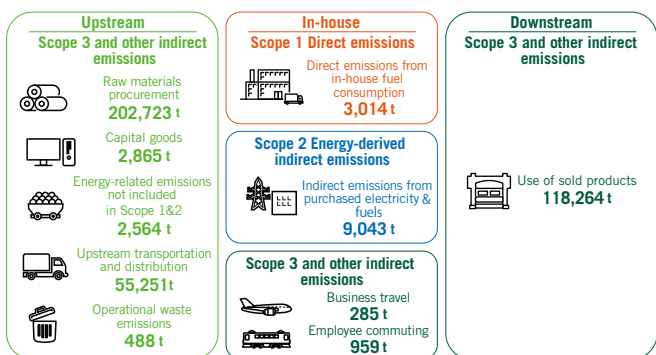
		Details of Ongoing Initiatives
Scope 3	Development and sale of products with reduced environmental impact	- Development of press-related equipment to enable the use of low-carbon materials - Process revisions to help customers and users reduce their environmental impact
	Environmental conservation initiatives	Support for "Activities to Foster Connections with Our Forests"—Forest regeneration via community-based environmental conservation and biodiversity initiatives

Respond to ESG disclosure requests	- Respond to CDP questionnaires - TCFD-compliant disclosures - Participate in the Carbon-Offset City Gas Buyers Alliance	 
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Greenhouse Gas (GHG) Emissions and Breakdown (Fiscal Year Ended March 2025)



CO₂ Emissions Throughout the Entire Value Chain



* Scope of Aggregate Data: AIDA ENGINEERING, LTD. (The HQ/Sagami, Tsukui, Shimokuzawa, and Hakusan Plants and Domestic Sales/Service Offices), REJ Co., Ltd., and Overseas Production Subsidiaries



Shaping the Future with Eco-Friendly Forming Technologies

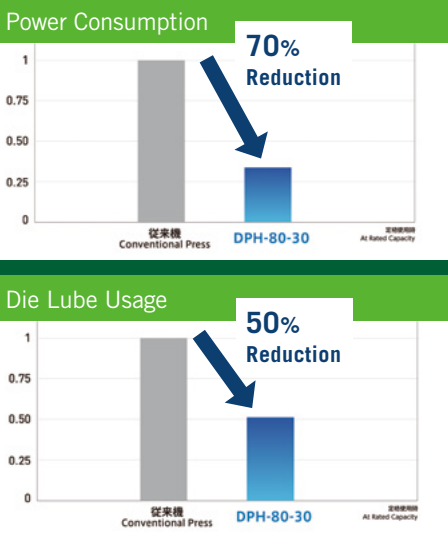
Aside from various in-house environmental and energy-saving initiatives, AIDA presses also contribute to smaller environmental footprints at customer production facilities and in society in general. Compared to machining processes, presses use less material and generate less scrap, which translates into mass production processes with significantly higher forming and energy efficiencies to achieve better overall eco-friendly manufacturing.

The DPH-80-30 Former—A Dedicated Machine for Forming Rectangular Battery Cases (Uses Less Power and Die Lube)

Storage batteries are essential for utilizing renewable energy sources and are key products for achieving carbon neutrality. In recent years, the market has been expanding to include not only automotive applications but also industrial and residential stationary storage battery applications. Leveraging its accumulated metalforming technology expertise, AIDA has developed the DPH-80-30 forming system with improved environmental performance as a new option for forming rectangular battery cases. This new former consumes 70% less power than previous methods due to low-load, energy-efficient forming that requires less than half the number of forming stages. It also requires far less die lube—up to a 50% reduction when forming aluminum—and generates significantly less noise. Besides helping to address environmental issues by supporting the wider adoption of storage batteries, this AIDA product is helping to make eco-friendly manufacturing a reality.



Recently Developed DPH-80-30 Former Specifically Designed for Forming Rectangular Battery Cases



UL Series Precision Forming Press

Reducing CO₂ Emissions by Switching from Sintering to Press Metalforming

Switching the production of joint components from a sintering and machining process to a cold-forming methodology using an AIDA UL Series precision forming press not only improves the strength of the parts, it also eliminates the powder-forming, sintering, and hole machining processes. The overall reduction in CO₂ emissions compared to the conventional method is approximately 76%*, helping to reduce the environmental impact of production plants.

AIDA's new technology has been recognized for boosting manufacturing productivity as well as reducing the environmental impact of customer facilities. A joint submission by AIDA with YUASA SEISAKUSHO CO., LTD. (Tomioka City, Gunma Prefecture) showcasing "Sheet-Forged Joint Enabled by Changing the Manufacturing Method from Sintering + Machining" was awarded the 2024–2025 Metalforming Technology Grand Prize, the highest honor for press-forging technology, by the Japan Forming Machinery Association.

* Compared to CO₂ emissions at a factory producing 300,000 units per month



EV Power Steering Joint Component