

Review of the Prior Medium-Term Management Plan

(Fiscal Years Ended March 2021–2023)

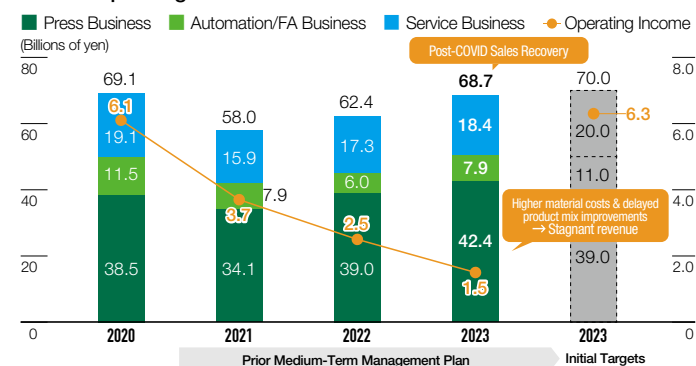
Outline of Prior Medium-Term Management Plan “The Evolved AIDA PLAN 523”

Management Vision	As a leading company, AIDA will contribute to society by supporting efforts to protect the environment, reduce energy consumption, and develop new technologies
Management Policies	Improve corporate value through value creation and societal contributions to achieve sustainable growth together with our stakeholders
Core Strategies	Technological Innovation, Strengthening Business Infrastructure, Improving Profitability

Plan Targets and Results

Targets for the Fiscal Year Ended March 2023	→	Results for the Fiscal Year Ended March 2023
Net sales: ¥70.0 billion	→	Net sales: ¥68.7 billion
Operating income: ¥6.3 billion	→	Operating income: ¥1.5 billion

Sales & Operating Income Trends



Extremely harsh business conditions during the prior Medium-Term Management Plan (fiscal years ended March 2021–2023) included the COVID-19 pandemic, supply chain disruptions, the conflict between Russia and Ukraine, energy shortages, soaring material costs, and shortages of semiconductors and other electronic components.

Facing these conditions, the Group steadily implemented policies aimed at leveraging the growth in electric vehicle (EV) demand. We received significantly more orders for high-speed precision presses used to make EV drive motor cores and for large presses used in EV body production. In addition, the Automation/FA Business moved to full in-house production of the peripheral equipment for high-speed precision presses, while securing increased orders for D-MAT press-to-press transfer feeders.

While we nearly achieved the final-year net sales target of ¥70 billion, we did not reach the operating income target of ¥6.3 billion due to a number of factors: sharp increases in raw material and fuel costs; reduced profitability for large-size presses; longer lead times for high-profit high-speed precision presses due to shortages of electronic components and other resources caused by supply chain disruptions; and stagnant revenues from service operations. We also did not realize expected improvements in our business portfolio and the product mix for presses.

Regarding technological innovations, while we managed to commercialize peripheral equipment used with high-speed precision presses, there remain some challenges to address in potential future growth fields, such as digitalization and environmental and energy-related innovations, and we plan to further strengthen our efforts.

Prior Plan: Technological Innovation — Commercialization of Specialized High-Speed Precision Press Lines for EV Drive Motor Cores



We completed the commercialization of complete forming systems with a high-speed precision press at the core of the line integrated with peripheral equipment such as coil feeders, roll feeders, and servo drive scrap cutters. In addition, we completed the in-house development of a specialized miniature high-torque servo motor to power push/pull material feeder units on the front and rear of the press. Feeding coil material at 130 m/min—a 30% speed improvement—we are able to contribute to higher line productivity.

The New Medium-Term Management Plan

(Fiscal Years Ending March 2024–2026)

In the new Medium-Term Management Plan (fiscal years ending March 2024–2026), based on the management policy of “improving corporate value by solving societal issues and aiming for sustainable growth together with our stakeholders,” we have defined five core strategies to build on the issues we faced in the prior plan: (1) Transforming our business portfolio; (2) Creating new added value; (3) Strengthening our business infrastructure; (4) Environmental

measures and contributing to the community; and (5) Capital policies. By developing these strategic measures, we aim to generate a synergistic cycle where we enhance corporate value through addressing the issues faced by our customers and society, thereby realizing sustained growth together with all our stakeholders, including customers, employees, suppliers, regional communities, business partners, investors and shareholders.

Management Policies for the New Medium-Term Management Plan

Improving corporate value by solving societal issues and aiming for sustainable growth together with our stakeholders

Medium-Term Management Plan Core Strategies

Transforming Our Business Portfolio

Expanding high-value-added/growth fields
Shifting of management resources

Creating New Added Value

Further evolving AIDA's technologies (forming technologies, die/forming methodology expertise, servo technologies, and manufacturing expertise)

Strengthening Our Business Infrastructure

Lay the groundwork to transform business portfolios and create new added value

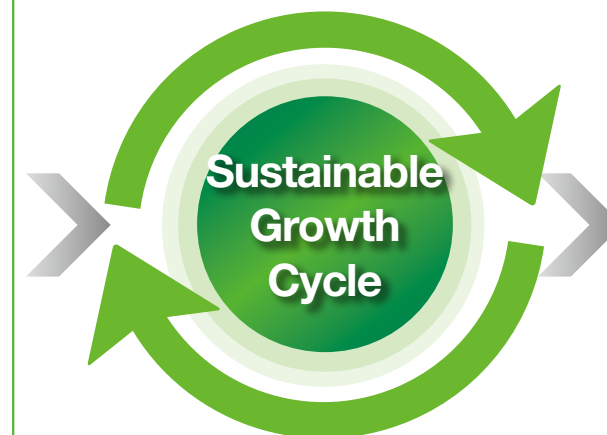
Environmental Measures and Contributing to the Community

Achieve sustainable growth ‘for the community’ and ‘together with the community’

Capital Policies

Emphasize a balance between strategic investments, manpower investments, and profit distribution

Expand Corporate Value



Solve Customer and Societal Issues

- Support the manufacturing of next-generation vehicles
- Support customer productivity improvements (automation/digitalization)
- Support customers in reducing their environmental impact, etc.

Contributing to Stakeholders

Customers

Employees

Suppliers

Regional Communities

Business Partners

Shareholders/Investors



Core Strategies for the New Medium-

1 Transforming Our Business Portfolio — Shifting Management Resources to High-Value-Added and Growth Fields

◆ Press Business

Our core press business includes both growth and mature products, but due to changes in the mix of automotive parts resulting from the shift to EVs, we are progressively shifting from mature products with falling competitiveness to growth products in fields related to EVs and environmentally friendly solutions. Our improved press product mix is increasing profit margins as we increase sales of high-speed precision presses for making EV drive motor cores and precision forming (UL) presses for battery components. As well as reducing costs, we are also seeking to boost competitiveness by differentiating our mature products with new models and new functions for forming parts specific to EVs and fuel cell vehicles (FCVs).

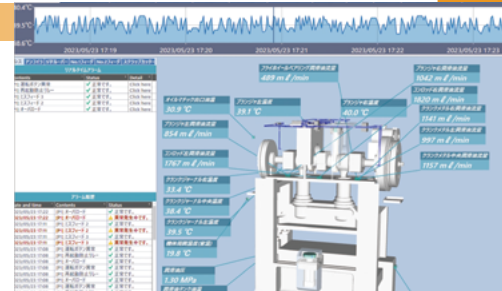
◆ Automation/FA Business

We expect future growth in the automation/FA business as manufacturers invest in labor-saving and digitalized equipment for factories. With overseas customers looking to source locally, we are boosting in-house production at overseas sites and making strategic M&A investments to enhance our ability to supply automation equipment overseas. As we leverage our strength of selling press systems with integrated automation as packages, we are also focused on marketing stand-alone automation and on differentiating models by utilizing DX/AI functionalities.



◆ Service Business

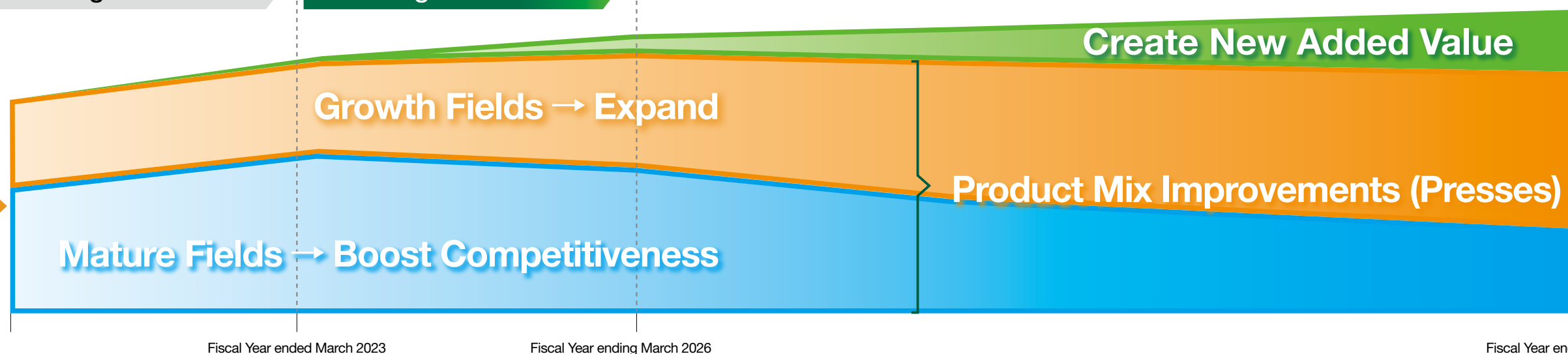
Our service business is positioned as a substantial growth field, since many installed AIDA presses around the world are approaching the time when parts will need to be replaced or modernized. Besides growing the retrofitting business, we are growing demand by using DX/AI technologies for preventive maintenance, press diagnostics, and other applications. To support this strategy, we are ramping up efforts to develop our human capital.



Shifting existing businesses from mature to growth fields to

Prior Medium-Term Management Plan

New Medium-Term Management Plan



Term Management Plan

2 Creating New Added Value — Creating Innovation through Further Evolutions of Group Technologies

The Development HQ collaborates with the Production HQ based on the Group policy of engaging in R&D to establish and strengthen fundamental technologies while also developing better core products and more eco-friendly models. Leveraging the structural shifts within the automotive and other industries and the efforts to achieve a decarbonized society, our aim is to foster sustained growth by creating new value and helping to address societal issues by engaging in the development of peripheral material feeders and forming methodologies primarily centered around our proprietary press technologies.

In line with the strategy in the new plan of “Creating New Added Value,” our focus is on fostering innovations that only AIDA can provide by leveraging our technical expertise in metalforming, dies, servo technologies, and manufacturing know-how and also engaging in additional technology development via strategic investments and collaboration.

◆ EV Manufacturing Solutions

We are providing solutions that enable the optimization of motor core designs and forming methodologies. We are also developing new forming techniques for the production of battery cases and forming technologies for HVAC-related parts.



◆ Energy-Saving/Environmentally Friendly Solutions

We are developing products and methodologies to support the manufacture of parts used in non-EV fuel cell vehicles as well as parts for renewable energy applications.

◆ Other Solutions

We are continuing to develop and deliver products that help save energy, resources, and labor as well as solutions that leverage DX/AI technologies.



transform our business structure and product mix and create new growth fields while maintaining balanced earnings

3

Strengthening Our Business Infrastructure

—Laying the Groundwork to Transform Our Business Portfolio and Create New Added Value

Our initiatives to strengthen our business infrastructure support the plan strategies of “Transforming Our Business Portfolio” and “Creating New Added Value.”

	● Revamping Our Systems to Support Our Business Portfolio Transformation Together with shifting resources towards high-value-added and growth fields to offer more specialized press models, we are also restructuring our production systems, including our factory equipment.
	● Manpower Investments Our in-house re-skilling programs aim to shift resources to growth fields while also developing people to support DX initiatives. We are also promoting enhanced diversity by utilizing and recruiting more mid-career hires, women, and non-Japanese and seniors, while also encouraging a greater variety of work styles to help maximize the productivity of a diverse workforce. In addition, under the banner of health management, we are undertaking various measures to improve the mental and physical health of our employees to create a motivated workplace. (□ See P22-24)
	● Promoting the Transition to DX in Our Work Infrastructure Because digital transformation (DX) helps create a digital information society, we regard DX as a critical tool for visualizing operations using data, supporting the transfer of technical expertise, and coping with labor shortages. We are promoting DX in our procurement, design, production, HR, and other systems to boost productivity and enable paperless workflows. DX can also help us to visualize processes to link them to solutions to business issues. In terms of manufacturing, as well as applying it to the products that AIDA manufactures, we are using data from quality inspections and machining and assembly processes to help stabilize product quality. In terms of our process infrastructure, DX helps us remove wasteful practices and improve internal communications via the utilization of a company-wide (groupware) platform.
	● Establishing a DX/AI Business Management Structure Though we already market presses equipped with IoT, AI, and other digital technologies, together with our conventional selling of such features we will also be building a system that can accommodate a subscription-based business. We are also looking at introducing e-commerce for selling service parts.
	● Restructuring Supply Chains and Revamping Procurement Process To cope with recently emerging economic blocs and parts shortages, we are working to build multiple supply chains with greater resilience and versatility via diversification and globalization. We are also revamping our procurement processes to make them more proactive, enabling us to engage in stock production based on market demand rather than just building products to order. As part of this initiative, we are upgrading our procurement and purchasing systems by incorporating electronic data interchange (EDI) functions.
	● Strengthening Risk Management Within Our Global Operations We are strengthening risk management to include factors such as business practices, export controls, and payment terms that are used in overseas markets.
	● Other Process Improvements We are restructuring our production sites to improve production efficiency and ensure safety while also helping to improve quality and reinforce measures to promote even better safety.

4

Environmental Measures and Contributing to the Community

—Achieving Sustainable Growth “For the Community” and “Together with the Community”

As part of its business activities, the Group is working to promote decarbonization and to supply eco-friendly products. (□ See P25-28)

New Medium-Term Management Plan KPIs

The final-year (fiscal year ending March 2026) targets for the new Medium-Term Management Plan are net sales of ¥75.0 billion, operating income of ¥6.2 billion, and an 8.3% operating income ratio.

A core initiative in the new Medium-Term Management Plan of transforming the business portfolio aims to generate fresh growth in the automation/FA and service businesses, because these are focused on growth fields and enjoy high profit margins. Regarding our press business, we are working to improve the product mix by growing sales of high-speed presses and precision forming (UL) presses, which have high profit margins and strong growth potential. Our aim is to revamp our profit structure and improve the overall operating income ratio. In parallel with these efforts, we will continue to cultivate future growth fields by developing new technologies and products as outlined in our core initiative of “Creating new added value.”

By implementing the measures outlined above, our ultimate aim is to raise corporate value by improving the price-to-book (P/B) ratio to a value of over 1.0x. The five-year targets (for fiscal year ending March 2028) are net sales of ¥77.0 billion, operating income of ¥7.7 billion, and an operating income ratio of 10%.

Medium-Term Management Plan Targets

(Fiscal Year Ending March 2024 – 2026)

Net Sales: ¥75.0 billion
Operating Income: ¥6.2 billion
Operating Income Ratio: 8.3%

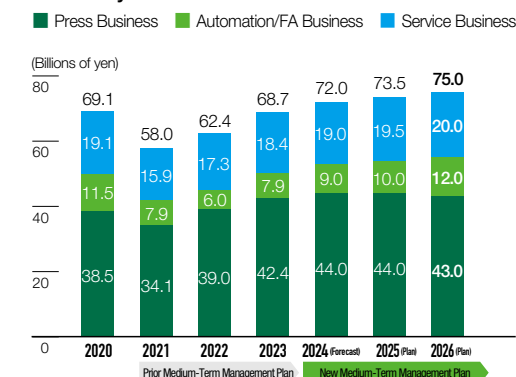
Long-term operating income ratio goal for fiscal year ending March 2028: 10%

Projected P/B: 0.8 x (assuming P/E = 15x)

Goal of P/B > 1.0 x (assuming P/E = 15x)

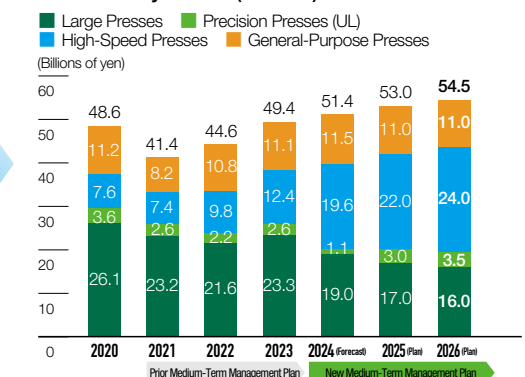
Creating Sustained Growth by Implementing Plan Strategies

Net Sales by Business



Enhancing our business portfolio by expanding our high-margin/high growth automation/FA and service businesses

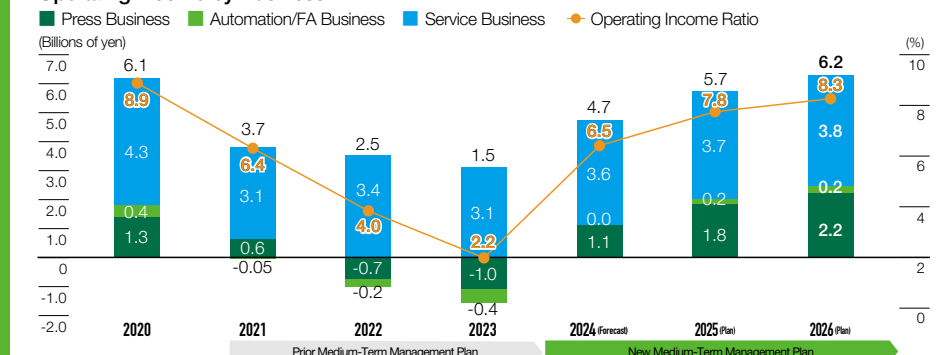
Press Sales by Model (incl. FA)



Our press business is a mixture of mature and growth fields. We will improve our press product mix by expanding sales of high-growth, high-profit, high-speed presses and precision presses.

Increasing Profit Margins by Improving Our Business Portfolio and Product Mix

Operating Income by Business



5

Capital Policies

—Emphasizing a Balance Between Strategic Investments, Investments in Human Capital, and Profit Distribution

A basic management policy of the Group is to create new value to help address the range of issues faced by our customers and society in order to realize sustained growth together with all our stakeholders, including customers, employees, suppliers, communities, business partners, investors, and shareholders.

In terms of capital policies and shareholder returns, in line with the above management stance, we have instituted a policy to foster a productive balance between:

[1] Building stable management and financial foundations

[2] Using M&A and strategic investments to achieve sustainable growth

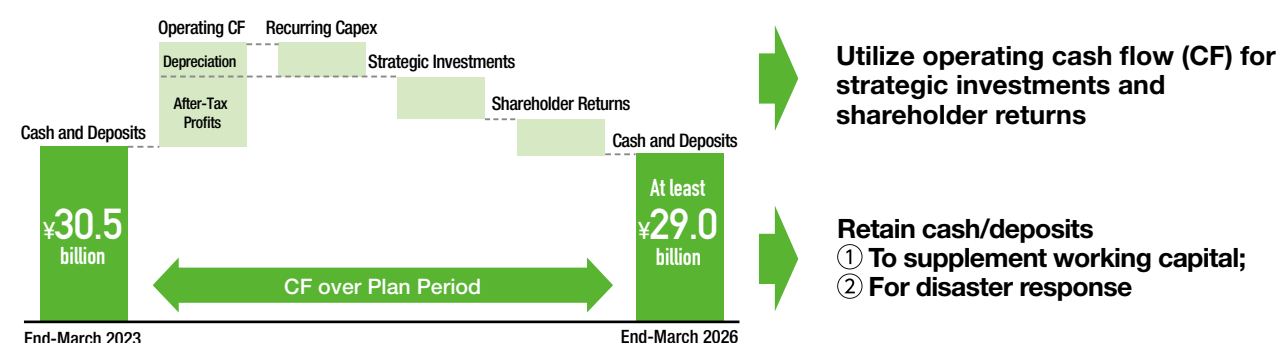
[3] Ensuring stable shareholder returns



Our policy is to maintain cash and deposits of at least ¥29 billion. Our operations need ample working capital due to the long lead times for presses from order to installation. We also expect funding needs to increase due to supply constraints for the materials and parts used in large presses that are causing ex-factory delays. We maintain working capital of approximately ¥14 billion to cope with normal quarterly commercial funding fluctuations. We also maintain an additional ¥15 billion in cash and deposits in the event of a major earthquake to cover projected production facility rebuilding costs and employee temporary absence from work compensation costs.

Any surplus cash and deposits, including operating cash flows generated during the course of the Medium-Term Management Plan, will be allocated to strategic investments in facilities and M&A, or to the financing of dividends, share buybacks, or other measures to increase shareholder returns.

Financial Strategies and Shareholder Returns



Investing in Human Capital to Strengthen AIDA's Business Infrastructure

Believing that human resources represent our greatest management asset, we strive to develop human resources with the aim of having each employee attain a high degree of specialization. Based on the AIDA Group Action Guidelines, we respect every employee as an individual and have established a corporate culture to embrace talented people from various countries and regions regardless of nationality, gender, age, employment status, or physical ability.

The Three Pillars of Human Capital Investment Based on the New Medium-Term Management Plan

As part of a revamped HR system aimed at driving the transformation of our business portfolio and creating new added value under the new Medium-Term Management Plan, we are conducting in-house re-skilling programs that will shift resources into growth fields while developing people to support DX initiatives. Moreover, we are trying to enhance diversity by utilizing and recruiting more mid-

career hires, women, non-Japanese, and seniors, while enabling more varied work styles to help maximize the productivity of a diverse workforce. In addition, we are promoting health management because we believe the improved health of our employees—our greatest management asset—helps to support the Group's long-term growth.



1

Manpower Development Through the New HR System

In order for the Group to make sustained contributions to society, a system for fostering enduring enthusiasm and motivation in all employees to continue working at AIDA for the long-term is essential. Introduced in July 2022, our revised HR system in Japan is designed to enable the evaluation of employees in terms of both “performance” and “conduct.” We have linked compensation with evaluations to create a transparent workplace where every individual is rewarded for their efforts.

● Status of These Initiatives

Position-specific training courses and other initiatives are ongoing to help promote rapid understanding of the new

HR system and to increase its effectiveness. Besides helping to entrench the new system, this training aims to enhance internal communication and create formal channels for managers to give feedback to subordinates.

Under the plan, we are also promoting DX in our procurement, design, production, and HR systems as well as in other parts of our work infrastructure to boost productivity and support data-based visualization of operations. To realize these goals, we are undertaking programs to build digital literacy and develop personnel to promote DX initiatives.

2

Diversity and Inclusion

● Global Manpower Development

To maintain the diversity of the overall Group, the employees working at the sites operated by Group companies worldwide are typically recruited

and trained locally. As of the end of March 2023, overseas segment personnel represented 47.8% of the consolidated workforce of 2,046 employees, which is nearly half of our global workforce.