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Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2025

August 8, 2025

Company Name:	Ahresty Corporation			Stock Exchange Listing: Tokyo
Code Number:	5852	URL: https://www.ahresty.co.jp		
Representative:	(Title)	President & CEO	(Name) Shinichi Takahashi	
Contact for inquiries:	(Title)	Director and Managing Executive Officer, Chief of General Administrative Command	(Name) Hideki Nariya	TEL 03-6369-8660

Planned date for start of dividend payment: —

Supplementary documents for financial results: Yes

Financial results briefing: No

(Amounts of less than 1 million yen are rounded off)

1. Consolidated results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(% shows year-on-year change from previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2025	42,914	11.7	1,623	—	1,289	85.9	976	99.9
June 30, 2024	38,403	1.1	101	(55.5)	693	94.0	488	8.1

(Note) Comprehensive income Three months ended June 30, 2025 (1,200) million yen (—%) Three months ended June 30, 2024 2,749 million yen (65.4%)

(Reference) EBITDA Three months ended June 30, 2025 4,357 million yen (49.1%) Three months ended June 30, 2024 2,922 million yen (-11.7%)

* EBITDA = operating profit + depreciation

	Net income per share	Fully diluted net income per share
Three months ended	yen	yen
June 30, 2025	39.39	39.39
June 30, 2024	19.50	19.38

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2025	130,456	50,342	38.5
As of March 31, 2025	134,094	51,989	38.7

(Reference) Equity Three months ended June 30, 2025 50,224 million yen Three months ended June 30, 2024 51,871 million yen

2. Dividend payments

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Total
	yen	yen	yen	yen	yen
Year ended March 2025	—	10.00	—	18.00	28.00
Year ending March 2026	—				
Year ending March 2026 (Forecast)		16.00	—	16.00	32.00

(Note) Revisions to dividend forecast published most recently: No

3. Forecast of consolidated results for year ending March 2026 (from April 1, 2025 to March 31, 2026)

(% shows year-on-year change from previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	82,100	5.0	1,900	—	1,600	—	1,800	—	72.36
Full year	161,200	(1.1)	3,600	6.8	3,100	1.8	2,300	—	92.45

(Note) Revisions to consolidated results forecast published most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the current term: No

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies and changes in or restatement of accounting estimates

(i)	Changes in accounting policies associated with revision of accounting standards, etc.:	No
(ii)	Changes in accounting policies other than (i):	No
(iii)	Changes in accounting estimates:	No
(iv)	Restatement:	No

(4) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of period (including treasury shares)	June 30, 2025	25,546,717 shares	March 31, 2025	25,546,717 shares
(ii) Number of treasury shares at end of period	June 30, 2025	745,561 shares	March 31, 2025	745,511 shares
(iii) Average number of shares (cumulative)	Three months ended June 30, 2025	24,801,190 shares	Three months ended June 30, 2024	25,046,873 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by a certified public accountant or an audit firm: No

* Explanation for appropriate use of financial forecasts and other special remarks

(Note on forward-looking statements, etc.)

The forecasts presented herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see "1. Outline of Operating Results, etc. (3) Explanation of Consolidated Earnings Forecasts and Other Information for Future Outlook" on page 5 of the accompanying materials.

Accompanying Materials - Contents

1. Qualitative Information on Consolidated Operating Results, etc. for Three Months Ended June 30, 2025

(1) Explanation of Operating Results

During the three months ended June 30, 2025, the world economy remained solid as a whole, while uncertainty about its outlook lingered because of the U.S. government's announcement in April 2025 of imposing reciprocal tariffs on its imports from various countries as well as heightened geopolitical risks due to, among others, the bombardments by Israel and the U.S. targeting Iran's nuclear facilities. In the U.S., economic indicators for April to June 2025, such as the real GDP growth rate, consumer spending, capital investment, and employment statistics, confirmed solidness of the economy, but as the Trump administration's large-scale tax cut bill was passed, concern continued about a further increase in the U.S. national deficit and a resurgence of inflation. In China, despite the real estate market remaining in a phase of adjustment, the economy remained solid. It grew 5.2% year on year as the government's economic stimulus measures took effect, although it slowed down compared to the January to March 2025 period. In Japan, the economy remained solid, mainly in domestic demand, such as consumer spending and capital investment, and inbound tourism demand. However, looking forward, there is concern about downside risks of manufacturing industry's earnings owing to implementation of the Trump tariffs, as well as a surge in prices of goods, mainly food and energy prices, that outpaces wage increases.

In these economic circumstances, the Ahresty Group has promoted its 10-year Business Plan, a long-term management plan toward fiscal 2030, and the 25-27 Medium-Term Management Plan launched in the fiscal year 2025. Under the 25-27 Medium-Term Management Plan, based on the concept, "Reinvent Ahresty – Reinventing Ahresty for the future –," we have set the following as the pillars of our plan: pursuing smart production aimed at carrying on and reengineering our MONOZUKURI; reforming our product portfolio in view of electrification of automobiles; accelerating CO2 emissions reduction; reducing product development lead time; and promoting employee engagement and diversity. Furthermore, we are committed to implementing our financial strategies that serve as a guideline for financial management to achieve corporate management with a greater awareness about our cost of capital and stock price, thereby strengthening our financial structure and management foundation. We are also committed to achieving four pillar financial targets for the period of the 10-year Business Plan: an equity ratio of 40%, a dividend payout ratio of 35%, capital investment of ¥140,000 million, and an ROE of 9%.

Under the economic circumstances and our strategies described above, we have continuously worked on optimizing our days of operation and personnel structure in accordance with changes in sales volume for automobile companies in various countries and regions, restructuring our U.S. Plant, which recorded a large loss in the previous consolidated fiscal year, and reflecting the effects of rising energy prices on prices to improve our basic profitability. In addition to steadily reaping the benefits of these structural reforms, the recovery in the volume of orders received also contributed to the Ahresty Group recording operating profit, ordinary profit, and profit in the black for the three months ended June 30, 2025.

Consequently, for the three months ended June 30, 2025, the Ahresty Group recorded net sales of ¥42,914 million (up 11.7% year on year), an operating profit of ¥1,623 million (operating profit of ¥101 million was recorded a year earlier), an ordinary profit of ¥1,289 million (up 85.9% year on year), and a profit attributable to owners of parent of ¥976 million (up 99.9% year on year).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In the Japanese automobile market, the volume of orders received from our main customers increased. As a result, our net sales increased to ¥16,780 million (up 19.4% year on year). On the profitability side, the segment recorded a profit of ¥634 million (a segment loss of ¥299 million was recorded a year earlier) due to an increase in the volume of orders received as well as the impact of, among others, the reduction of fixed costs through the optimization of personnel levels implemented in the previous period.

(ii) Die Casting Business: North America

In the automobile market in North America, the volume of orders received increased due mainly to the start of mass production of new products in our Mexico Plant. As a result, our net sales increased to ¥14,141 million (up 8.3% year on year). On the profitability side, the segment recorded a profit of ¥633 million (up 112.3% year on year) due mainly to a decrease in depreciation and amortization resulting from the recording of impairment losses in the previous period, despite the continued rise in manufacturing costs such as labor costs.

(iii) Die Casting Business: Asia

In the automobile market in Asia, the volume of orders received increased due mainly to the start of mass production of new products in our China Plant. As a result, net sales increased 6.0% year on year to ¥9,234 million. On the profitability side, the segment recorded a profit of ¥55 million (down 78.0% year on year) due mainly to cost increases resulting from unstable production of some products at our India Plant and a rise in raw material expenses, despite a reduction of fixed costs associated with the streamlining of the production system in our China Plant.

(iv) Aluminum Business

In the Aluminum Business, net sales decreased 3.5% year on year to ¥1,640 million due to a decrease in sales weight by 5.0% year on year. On the profitability side, the segment recorded a profit of ¥64 million (up 304.3% year on year) due to increased sales unit prices.

(v) Proprietary Products Business

In the Proprietary Products Business, net sales increased 25.9% year on year to ¥1,117 million, due to an increase in orders received from semiconductor-related companies, our major customers, for clean rooms, etc. On the profitability front, the segment recorded a profit of ¥163 million (up 729.1% year on year) due mainly to the impact of increased net sales.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the three months ended June 30, 2025 decreased by ¥3,637 million from the end of the previous consolidated fiscal year to ¥130,456 million. Current assets stood at ¥62,657 million, a decrease of ¥1,456 million from the end of the previous consolidated fiscal year. This was mainly due to decreases of ¥782 million in cash and deposits, ¥236 million in trade receivables, and ¥816 million in inventories. Non-current assets were ¥67,798 million, a decrease of ¥2,180 million from the end of the previous consolidated fiscal year. This was due mainly to a decrease of ¥2,184 million in property, plant and equipment.

(Liabilities)

Liabilities at the end of the three months ended June 30, 2025 decreased by ¥1,990 million from the end of the previous consolidated fiscal year to ¥80,114 million. Current liabilities stood at ¥63,562 million, a decrease of ¥107 million from the end of the previous consolidated fiscal year. The principal factors contributing to this result included increases of ¥1,156 million in trade payables and ¥689 million in provision for bonuses, in contrast to decreases of ¥813 million in short-term borrowings and ¥756 million in current portion of long-term borrowings. Non-current liabilities stood at ¥16,551 million, a decrease of ¥1,883 million from the end of the previous consolidated fiscal year. This was mainly due to a decrease of ¥1,836 million in long-term borrowings.

(Net assets)

Net assets at the end of the three months ended June 30, 2025 decreased by ¥1,646 million from the end of the previous consolidated fiscal year to ¥50,342 million. This was attributable primarily to a decrease of ¥2,207 million in foreign currency translation adjustment, as well as an increase of ¥530 million in retained earnings.

As a result, the equity ratio was down to 38.50% at the end of the three months ended June 30, 2025 from 38.68% at the end of the previous consolidated fiscal year.

(3) Explanation of Consolidated Earnings Forecasts and Other Information for Future Outlook

No changes have been made to the consolidated financial forecasts for the first half and the full year of the fiscal year ending March 31, 2026, announced on May 16, 2025.

2. Consolidated Quarterly Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous consolidated fiscal year (March 31, 2025)	Three months ended June 30, 2025 (June 30, 2025)
(Assets)		
Current assets		
Cash and deposits	13,546	12,763
Notes and accounts receivable - trade, and contract assets	30,361	30,370
Electronically recorded monetary claims – operating	3,584	3,339
Merchandise and finished goods	5,427	4,988
Work in process	5,920	5,764
Raw materials and supplies	3,867	3,647
Others	1,530	1,887
Allowance for doubtful accounts	(124)	(101)
Total current assets	64,114	62,657
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,831	14,164
Machinery, equipment and vehicles, net	32,155	31,462
Land	5,163	5,117
Construction in progress	8,824	6,442
Other, net	6,157	5,761
Total property, plant and equipment	65,132	62,948
Intangible assets	1,299	1,225
Investments and other assets		
Investment securities	1,460	1,505
Others	2,101	2,134
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	3,547	3,624
Total non-current assets	69,979	67,798
Total assets	134,094	130,456

(Million yen)

	Previous consolidated fiscal year (March 31, 2025)	Three months ended June 30, 2025 (June 30, 2025)
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	15,428	16,400
Electronically recorded obligations – operating	9,193	9,378
Short-term borrowings	18,288	17,474
Current portion of long-term borrowings	8,564	7,808
Income taxes payable	376	377
Contract liabilities	1,492	1,453
Provision for bonuses	1,654	2,343
Provision for product warranties	246	277
Provision for shareholder benefit program	39	25
Others	8,385	8,022
Total current liabilities	63,669	63,562
Non-current liabilities		
Long-term borrowings	13,290	11,454
Long-term accounts payable - other	114	108
Retirement benefit liability	2,025	2,036
Others	3,004	2,951
Total non-current liabilities	18,435	16,551
Total liabilities	82,105	80,114
(Net assets)		
Shareholders' equity		
Share capital	6,964	6,964
Capital surplus	10,206	10,206
Retained earnings	18,754	19,285
Treasury shares	(529)	(529)
Total shareholders' equity	35,395	35,925
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	696	727
Foreign currency translation adjustment	15,087	12,880
Remeasurements of defined benefit plans	691	691
Total other accumulated comprehensive income	16,476	14,298
Share acquisition rights	117	117
Total net assets	51,989	50,342
Total liabilities and net assets	134,094	130,456

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Income Statement

(Million yen)

	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Net sales	38,403	42,914
Cost of sales	35,376	38,250
Gross profit	3,027	4,664
Selling, general and administrative expenses	2,926	3,041
Operating profit	101	1,623
Non-operating income		
Interest income	42	34
Dividend income	21	30
Foreign exchange gains	576	–
Gain on sale of scraps	113	49
Others	26	21
Total non-operating income	781	135
Non-operating expenses		
Interest expenses	171	172
Foreign exchange losses	–	272
Others	18	23
Total non-operating expenses	189	469
Ordinary profit	693	1,289
Extraordinary income		
Gain on sale of non-current assets	22	68
Gain on sale of investment securities	40	–
Subsidy income	26	37
Total extraordinary income	90	105
Extraordinary losses		
Loss on sale and retirement of non-current assets	43	61
Total extraordinary losses	43	61
Profit before income taxes	740	1,334
Income taxes - current	169	532
Income taxes - deferred	82	(174)
Total income taxes	252	357
Profit	488	976
Profit attributable to owners of parent	488	976

Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Profit	488	976
Other comprehensive income		
Valuation difference on available-for-sale securities	4	30
Foreign currency translation adjustment	2,239	(2,207)
Remeasurements of defined benefit plans	15	(0)
Total other comprehensive income	2,260	(2,177)
Comprehensive income	2,749	(1,200)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,749	(1,200)
Comprehensive income attributable to non-controlling interests	–	–

(3) Notes

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Change in the Amount of Shareholders' Equity)

(Reversal of General Reserve)

At the meeting of the Board of Directors held on May 16, 2025, we resolved to reverse general reserve with the aim of enabling shareholder returns and implementing agile capital policy to meet future changes in the management environment. On the same day, we reversed general reserve of ¥6,000 million and appropriated the amount to cover a deficit in retained earnings brought forward.

This has no impact on the total amount of shareholders' equity.

(Notes on Quarterly Consolidated Balance Sheet)

1. Notes receivable – trade endorsement transfer

	Previous consolidated fiscal year (March 31, 2025)	Three months ended June 30, 2025 (June 30, 2025)
Notes receivable – trade endorsement transfer	285 million yen	186 million yen

(Notes on Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows has not been prepared for the three months ended June 30, 2025. Furthermore, depreciation (including amortization related to intangible assets excluding goodwill) for the three months ended June 30, 2024 and 2025 are as follows.

	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Depreciation	2,821 million yen	2,733 million yen

(Notes on Segment Information, etc.)

Segment Information

I. Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Information on net sales and profits or losses by reported segment, and information on the breakdown of revenue

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Net sales						
Revenues from contracts with customers	14,053	13,053	8,710	1,699	887	38,403
Sales to external customers	14,053	13,053	8,710	1,699	887	38,403
Intersegment sales or transfers	1,563	–	461	795	8	2,829
Total	15,616	13,053	9,171	2,495	896	41,232
Segment profit (loss)	(299)	298	252	15	19	287

2. Total amount of profit or loss in reported segments, difference from the amount posted in the quarterly consolidated statement of income, and important details of the difference (difference adjustment)

(Million yen)

Profit	Amount
Total in reported segments	287
Elimination of intersegment transactions	(185)
Operating profit in quarterly consolidated income statement	101

3. Impairment losses in non-current assets or goodwill by reported segment

Not applicable.

II. Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Information on net sales and profits or losses by reported segment, and information on the breakdown of revenue

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Net sales						
Revenues from contracts with customers	16,780	14,141	9,234	1,640	1,117	42,914
Sales to external customers	16,780	14,141	9,234	1,640	1,117	42,914
Intersegment sales or transfers	913	0	597	1,023	0	2,535
Total	17,694	14,142	9,831	2,664	1,118	45,450
Segment profit	634	633	55	64	163	1,550

2. Total amount of profit or loss in reported segments, difference from the amount posted in the quarterly consolidated statement of income, and important details of the difference (difference adjustment)

(Million yen)

Profit	Amount
Total in reported segments	1,550
Elimination of intersegment transactions	73
Operating profit in quarterly consolidated income statement	1,623

3. Impairment losses in non-current assets or goodwill by reported segment

Not applicable.

(Notes on Important Subsequent Events)

(Transfer of Equity Interests of a Subsidiary)

Ahresty Die Mold Hamamatsu Corporation, a consolidated subsidiary (specified subsidiary) of the Company, resolved at its Board of Directors' Meeting held on April 18, 2025 to transfer all its equity interests in Ahresty Precision Die Mold (Guangzhou) Co., Ltd., a sub-subsidiary (specified subsidiary) of the Company, to Guangzhou Jinzhang Plastic Products Co., Ltd.

As a result of this transfer, Ahresty Precision Die Mold (Guangzhou) Co., Ltd. will be excluded from the scope of the Company's consolidated subsidiaries.

1. Reasons for the transfer of equity interests

Ahresty Precision Die Mold (Guangzhou) Co., Ltd., a consolidated subsidiary of the Company, was established in 2005 to manufacture molds for die-cast products in China as part of the Company Group. However, due to the intensifying competition between Japanese automobile manufacturers, the Company's major customers, and Chinese electric vehicle (EV) manufacturers in recent years, orders received by the Group's Guangzhou Plant and Hefei Plant, which are the main recipients of the molds produced, have declined significantly.

In light of such rapid changes in the business environment, and in view of the difficulty in securing stable earnings over the medium to long term, it has been determined that a restructuring of the business portfolio is inevitable. Accordingly, a resolution was passed to transfer the equity interests in order to strategically reallocate resources to global growth markets.

2. Name of the counterparty to the transfer

Guangzhou Jinzhang Plastic Products Co., Ltd.

3. Schedule of the transfer of equity interests

July 31, 2025

4. Overview of the subsidiary subject to the transfer

Name: Ahresty Precision Die Mold (Guangzhou) Co., Ltd.

Business: Manufacture of precision dies and molds

5. Impact on operating results

The Company expects to record gain on sale of shares of subsidiaries and associates of approximately ¥1,000 million under extraordinary income for the six-month period ending September 30, 2025 due to the transfer of equity interests.

(Conclusion of a Syndicated Loan Agreement)

The Company decided to conclude a syndicated loan agreement dated July 28, 2025, under which Mizuho Bank, Ltd. shall serve as an arranger and special financial provisions are included ("Agreement").

1. Purpose of the conclusion of the Agreement

Under the "25-27 Medium-Term Management Plan" newly started, the Ahresty Group (hereinafter, the "Group") will strive to further enhance its efficient production system and earnings strength to pursue SMART (intelligent, highly efficient, fast, and wonderful) production aimed at preserving and reengineering its MONOZUKURI, thereby strengthening its business structure. The Agreement aims to secure flexible and stable financing in order to achieve stable growth and strengthen the financial base as outlined in the Medium-Term Management Plan. We will continue to work closely with financial institutions to respond to changes in the environment and further enhance our corporate value.

2. Overview of the Agreement

(1)	Total loan amount	10.3 billion yen
(2)	Date of agreement	July 31, 2025
(3)	Date of execution	July 31, 2025
(4)	Loan period	5 years
(5)	Interest rate	Base interest rate plus spread
(6)	Collateral	Land and buildings of domestic factories and other facilities owned by the Company and the Group
(7)	Arranger and agent	Mizuho Bank, Ltd.
(8)	Co-arrangers	The Shizuoka Bank, Ltd., and Resona Bank, Limited
(9)	Participating financial institutions	Mizuho Bank, Ltd., The Shizuoka Bank, Ltd., Resona Bank, Limited, The Shimizu Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Yokohama, Ltd., and The Ashikaga Bank, Ltd.

3. Details of special financial provisions in the Agreement

(1) From the interim period ending September 30, 2025 onwards, the amount of net assets in the consolidated balance sheet at the end of each fiscal year and at the end of each interim period shall be maintained at not less than 75% of the amount in the consolidated balance sheet as of the last day of the fiscal year ended March 31, 2025 or 75% of the amount as of the last day of the immediately preceding fiscal year, whichever is greater.

(2) For two consecutive fiscal years, beginning with the fiscal year ending March 31, 2026, ordinary profit recorded in the consolidated income statement at the end of each fiscal year shall not be negative.

(Disposal of Treasury Shares as Restricted Stock Incentive for the Employee Stock Ownership Association)

At the meeting of the Board of Directors held on August 8, 2025, we resolved to dispose of treasury shares, with the Ahresty Employee Stock Ownership Association (the "Association") as scheduled allottee, under our restricted stock incentive plan for the employee stock ownership association (the "Plan") as follows (the "Treasury Share Disposal" or the "Disposal").

1. Overview of the disposal of treasury shares

(1) Disposal date	December 12, 2025
(2) Class and number of shares to be disposed of	338,850 shares of the Company's common stock (Note)
(3) Disposal price	850 yen per share
(4) Total value of shares to be disposed of	288 million yen (Note)
(5) Disposal method (scheduled allottee)	The shares will be allotted to the Association by private placement on the condition that the Association will apply to subscribe for the shares. The number of shares for subscription specified by the Association, which is not more than the number of shares to be disposed of described in item (2) above, will be allotted to the Association. (That number of shares to be allotted will be the number of shares to be disposed of.) (338,850 shares to the Association) Applications from eligible employees (defined below) for a portion of the number of shares to be granted will not be accepted.

(Note) The number of shares to be disposed of and the total value of shares to be disposed of were calculated by assuming that the shares will be granted as restricted stock to 2,098 employees of the Company and its subsidiaries, which is the maximum number of employees eligible for the Plan. The number and total value of shares to be actually disposed of will be determined according to (i) the number of employees of the Company and its subsidiaries who have contributed three or more contribution units and agreed to the Plan (a maximum of 2,098 employees) ("Eligible Employees") and (ii) the number of shares to be granted per employee determined according to the employee levels defined by the Company (for employees in managerial positions: 300 shares per employee, for up to 161 employees; for employees in general positions: 150 shares per employee, for up to 1,937 employees) after the completion of membership campaigns to attract those employees who have yet to join the Association and the confirmation of Association members' approval of the Plan. Specifically, as described in item (5) above, the number of shares for subscription specified by the Association will be the number of shares to be disposed of, and the amount obtained by multiplying that number by the disposal price per share will be the total value of shares to be disposed of.

2. Purpose of and reason for the Disposal

Under the 25-27 Medium-Term Management Plan launched in the fiscal year 2025, based on the concept, "Reinvent Ahresty – Reinventing Ahresty for the future –," the Company will advance fundamental reforms of its MONOZUKURI and revenue structure, with "carrying on and reengineering" set as key words. We consider that our employees' active engagement in the Medium-Term Management Plan is essential to the achievement of these reforms. Accordingly, at the meeting of the Board of Directors held on August 8, 2025, the Company resolved:

- to create an opportunity for Eligible Employees to acquire shares of the Company's common stock issued or disposed of by the Company as restricted stock through the Association, as part of its effort to encourage each employee to serve as a change maker; and
- to introduce the Plan for the purpose of providing an incentive for Eligible Employees to strive for sustained enhancement of the Company's corporate value, encouraging Eligible Employees to further share value with shareholders, and supporting wealth building for Eligible Employees.