

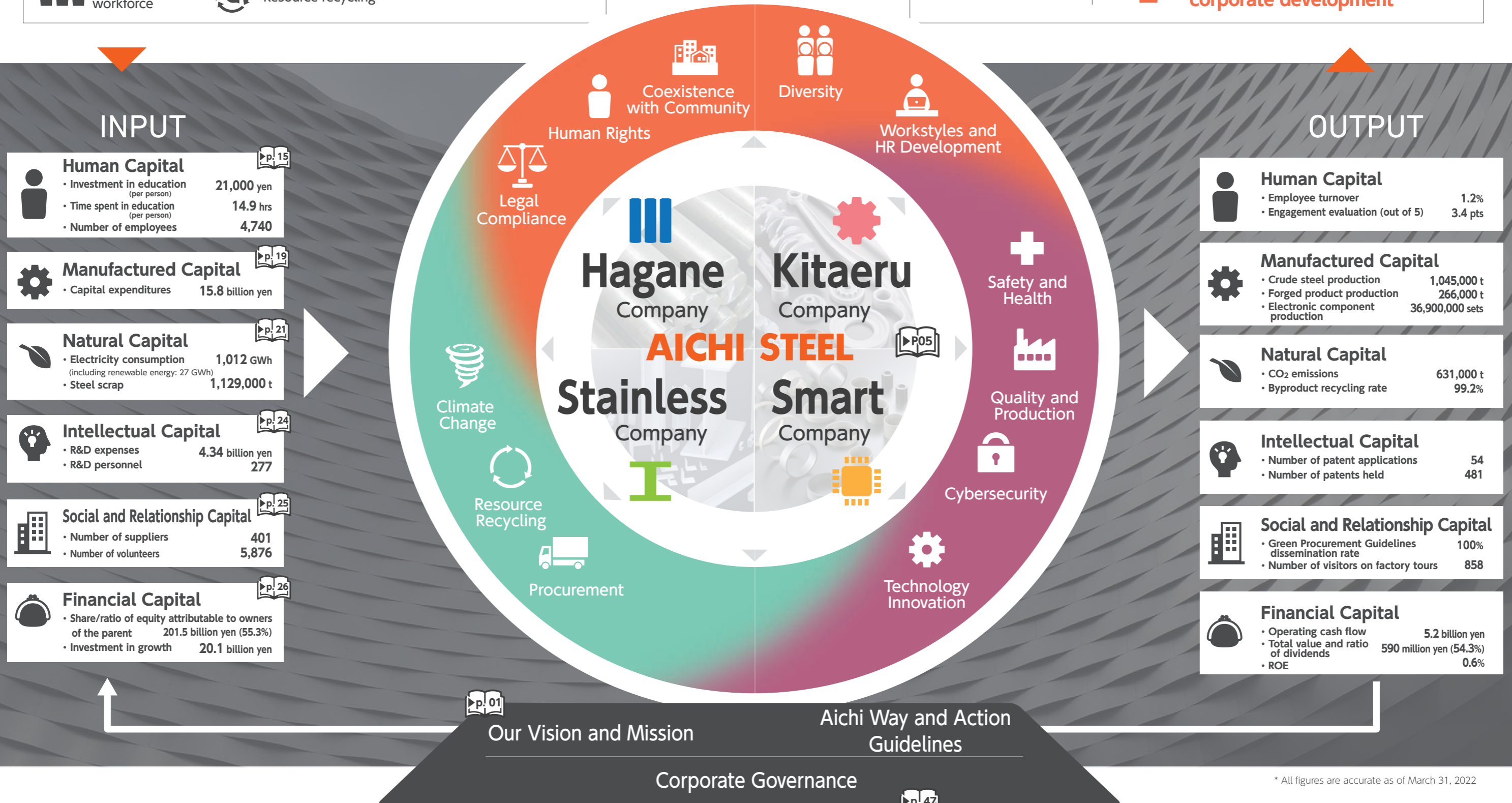
Value Creation Process

Aichi Steel's Business Environment

- Accelerating decarbonization
- Automobile industry transition
- Dwindling workforce
- Development of digital transformation technologies
- Biodiversity
- Resource recycling
- Increasing geopolitical risks
- Pandemic response

Three Management Guidelines to Realize Vision 2030

- Contribution to a sustainable global environment
- Creation of a prosperous society through business reform
- Employee happiness and corporate development



INPUT

Human Capital	<ul style="list-style-type: none"> Investment in education (per person) 21,000 yen Time spent in education (per person) 14.9 hrs Number of employees 4,740
Manufactured Capital	<ul style="list-style-type: none"> Capital expenditures 15.8 billion yen
Natural Capital	<ul style="list-style-type: none"> Electricity consumption (including renewable energy: 27 GWh) 1,012 GWh Steel scrap 1,129,000 t
Intellectual Capital	<ul style="list-style-type: none"> R&D expenses 4.34 billion yen R&D personnel 277
Social and Relationship Capital	<ul style="list-style-type: none"> Number of suppliers 401 Number of volunteers 5,876
Financial Capital	<ul style="list-style-type: none"> Share/ratio of equity attributable to owners of the parent 201.5 billion yen (55.3%) Investment in growth 20.1 billion yen

OUTPUT

Human Capital	<ul style="list-style-type: none"> Employee turnover 1.2% Engagement evaluation (out of 5) 3.4 pts
Manufactured Capital	<ul style="list-style-type: none"> Crude steel production 1,045,000 t Forged product production 266,000 t Electronic component production 36,900,000 sets
Natural Capital	<ul style="list-style-type: none"> CO₂ emissions 631,000 t Byproduct recycling rate 99.2%
Intellectual Capital	<ul style="list-style-type: none"> Number of patent applications 54 Number of patents held 481
Social and Relationship Capital	<ul style="list-style-type: none"> Green Procurement Guidelines dissemination rate 100% Number of visitors on factory tours 858
Financial Capital	<ul style="list-style-type: none"> Operating cash flow 5.2 billion yen Total value and ratio of dividends 590 million yen (54.3%) ROE 0.6%

* All figures are accurate as of March 31, 2022