

# NEWS RELEASE



## Notice on merger of consolidated subsidiaries and group restructuring

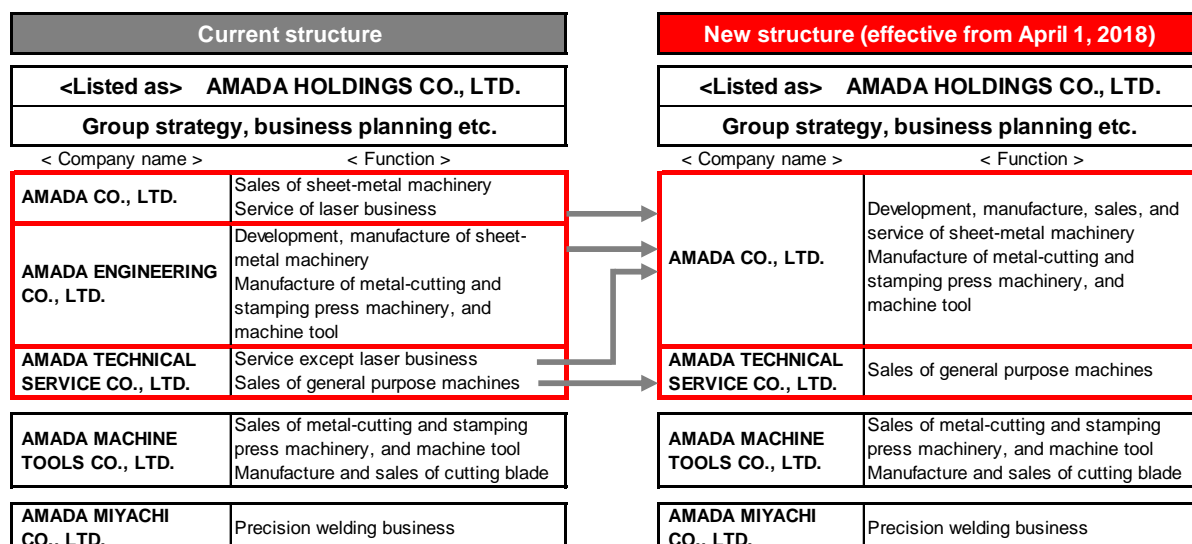
- Simplified holding company functions and strengthen business company functions -

AMADA HOLDINGS CO., LTD. (President: Tsutomu Isobe) recently decided to merge AMADA CO., LTD., a consolidated subsidiary within the group, with AMADA ENGINEERING CO., LTD. on April 1, 2018.

Under its corporate philosophy of "Growing Together with Our Customers," the AMADA group shifted to the holding company structure in April 2015, to proceed with reforms to respond to the drastically changing global market without interruption and in order to propose solutions for better metalworking to customers as soon as possible.

Currently we are promoting the medium-term management plan "TASK 3-2-1" targeting amount of sales 400 billion JPY, 20% operating profit and ROE of 10% in the fiscal year end of March 2021. Three years have passed since the holding company structure, certain results have emerged with regard to "Promotion of growth strategy" through reform of sales and services and "Improve profitability" by reduction of cost for development and manufacturing as originally aimed. On the other hand, the external environment is progressing drastically, such as advances in latest technology as IT, Robot, AI, automation at the site of manufacturing, progress of Japanese work style reform, and increasing awareness of the environment and strengthening environmental regulations etc. Under such circumstances, we decided it was necessary to integrate the organization and further improve efficiency as a new action in "realization of speedy management by empowerment" on the premise on strengthening cooperation between business companies and to merge two major subsidiaries in the sheet-metal business.

### Schematic of group restructuring



**Group restructuring**

Through this merger and group reorganization, AMADA CO., LTD. will be an operating company that forms the core of the group responsible for the development, manufacturing, sales, and service of sheet-metal machines and the manufacture of metal-cutting and stamping press machineries and machine tools. Incidentally, as this merger will be carried out by absorption merger method with AMADA CO., LTD. as the surviving company, AMADA ENGINEERING CO., LTD. will be dissolved.

With realizing integration and efficiency of the organization in the sheet-metal business, we will steer the "realization of speedy management" that can quickly respond to customer needs from the perspective of introducing new products and providing solutions.

As mentioned above, with this merger of the consolidated subsidiaries and group restructuring, the AMADA group aims to further improvement its corporate value by strengthening its management base to increase earnings through continued growth and maximizing effective group management.

**Personnel transfer of representative by merger effective from April 1, 2018**

Name	New titles	Current titles
Tsutomu ISOBE	President of AMADA HOLDINGS CO., LTD. <u>President of AMADA CO., LTD.</u>	President of AMADA HOLDINGS CO., LTD.
Kotaro SHIBATA	Senior Managing Director and <u>Senior Corporate Officer</u> of AMADA HOLDINGS CO., LTD. Chairman and <u>General Manager</u> of AMADA (CHINA) CO., LTD.	Senior Managing Director of AMADA HOLDINGS CO., LTD. <u>President of AMADA CO., LTD.</u> Chairman of AMADA (CHINA) CO., LTD.
Atsushige ABE	Senior Managing Director and <u>Senior Corporate Officer</u> of AMADA HOLDINGS CO., LTD. <u>President of AMADA EUROPE S.A.</u>	Senior Managing Director of AMADA HOLDINGS CO., LTD. <u>President of</u> AMADA ENGINEERING CO., LTD.

Note: Underlined shows changed parts.

**AMADA HOLDINGS CO., LTD.**

Public Relations

200 Ishida, Isehara, Kanagawa, 259-1196 Japan

URL: <http://www.amadaholdings.co.jp/en/>