



<https://www.oiles.co.jp>

Contact information

Oiles Corporation General Affairs Dept., Corporate Planning & Administrative Division  
8 Kirihara-cho, Fujisawa-shi, Kanagawa 252-0811, Japan

- This report is also available on our website at  
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OILES CORPORATION  
**INTEGRATED REPORT**  
**2025**

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## Editorial Policy

The Oiles Group publishes an Integrated Report as a tool to facilitate broader communication with all stakeholders, including shareholders and investors. By reporting on specific initiatives to create a sustainable society based on our value as a company, we seek to further enhance our corporate value. This integrated report has been translated into English based on the original Japanese version which is published in Japan. In the event of any discrepancy between the Japanese and translated English versions, the Japanese version shall prevail.

### • Organizational Scope of Report

This report covers Oiles Corporation, the parent company, and consolidated subsidiaries in Japan and overseas, adopting the following notations.

Scope of Report	Notation in the Integrated Report	Number of employees	Coverage
Oiles Corporation	"the Company" and "non-consolidated" refer to Oiles Corporation	1,126 employees	44%
Oiles Corporation and its 8 consolidated subsidiaries in Japan	Domestic Group	1,706 employees	66%
7 consolidated subsidiaries overseas	Overseas Group	869 employees	34%
Oiles Corporation and its consolidated subsidiaries in Japan and overseas	Oiles Group / Consolidated	2,575 employees	100%

### • Reported Period

Fiscal year ended March 2025 (April 1, 2024 to March 31, 2025)  
Some initiatives outside the reported period are also listed with their timing specified.

### • Guidelines Used as Reference

- IFRS Foundation, “International Integrated Reporting Framework”
- Ministry of Economy, Trade and Industry “GUIDANCE FOR INTEGRATED CORPORATE DISCLOSURE AND COMPANY-INVESTOR DIALOGUE FOR COLLABORATIVE VALUE CREATION 2.0”
- Ministry of the Environment, “Environmental Reporting Guidelines 2018 Edition”
- Global Reporting Initiative, “GRI Sustainability Reporting Standard”
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) etc.

### • Publication Date

October 2025 (next issue: planned for Autumn 2026)

### • Disclaimer

This report contains forward-looking statements and projections regarding the business plans, performance, and management strategies of Oiles Corporation. These statements are based on the views of the Company’s management in light of information available at the time.

Therefore, please be aware that actual results and management strategies may differ significantly from these projections due to changes in the Company’s business environment.

### • Disclosure Materials

Financial Information	Non-Financial Information
Annual Securities Report (Available in Japanese only.) <a href="https://www.oiles.co.jp/ir/library/securities_report/">https://www.oiles.co.jp/ir/library/securities_report/</a>	Corporate Governance Report <a href="https://www.oiles.co.jp/en/sustainability/governance/cg/organization/">https://www.oiles.co.jp/en/sustainability/governance/cg/organization/</a>
Financial Data <a href="https://www.oiles.co.jp/en/ir/highlight/financial_data/">https://www.oiles.co.jp/en/ir/highlight/financial_data/</a>	ESG data <a href="https://www.oiles.co.jp/en/sustainability/esg-data/">https://www.oiles.co.jp/en/sustainability/esg-data/</a>
Integrated reports	

## Management Philosophy

To become a world leader as a general manufacturer of oil-less bearings and serve society through technology

## Company Vision

We have come together under the Oiles name.

We will grow together as Oiles, recognized the world over.



## Our Founding Spirit

While working at the Monopoly Bureau of the Ministry of Finance in the early Showa period (1926-1989), the company's founder Sozo Kawasaki saw a bearing that required no lubrication in an American-made cigarette roller machine. He applied his characteristically inquisitive mind to unravel the mystery and obtained a patent in 1932 Founder Sozo Kawasaki for a method to manufacture a wooden bearing requiring no lubrication. This "DNA" of Mr. Kawasaki, as an inquisitive spirit stemming from his desire to contribute to society through technology, has been and will continue to be passed on by Oiles in its never ending quest to develop unique technologies and products.



Founder Sozo Kawasaki

## Our History

### The dawn

- 1932** Sozo Kawasaki obtained a patent for a method for manufacturing oil-less wooden bearings
- 1939** Established the Japan Oilless Bearing Research Laboratory in Omori-ku, Tokyo City (present-day Ota-ku, Tokyo)
- 1942** Obtained a patent for oil-impregnated expanded cast iron bearings (#300)
- 1951** Started manufacturing and selling #500 bearings embedded with a solid lubricant, which are a flagship product
- 1952** Established Nippon Oilless Bearing Research and Development Co., Ltd.
- 1958** Changed the company name to Nippon Oiles Industry Co., Ltd.

Oil-less bearings dawned in Japan with the appearance of the Japan Oilless Bearing Research Laboratory, the predecessor to Oiles Corporation. In December 1940, the year after the Laboratory's founding, "Oiles" was also registered as a trademark.

### A period of growth

- 1966** Changed the company name to Oiles Industry Co., Ltd.
- 1967** Established the head office and a plant (currently the Fujisawa Plant) in the City of Fujisawa, Kanagawa Pref.
- 1970** Established the Shiga Plant in the Town of Ritto (currently the City of Ritto), Shiga Pref.
- 1971** Started selling a window opening/closing device for air ventilation and smoke exhaust (currently WINDOW OPERATOR™)
- 1972** Sozo Kawasaki was awarded the Order of the Sacred Treasure, Third Class
- 1976** Established Oiles America Corporation as the first overseas subsidiary

In line with Japan's postwar economic miracle, we relocated our plant to the City of Fujisawa, Kanagawa Pref. with a renewed spirit. During this period, we solidified our foundation as a company through organization-building, product development, and sales activities.

### A period of development

- 1983** Established the Oita Plant in the City of Nakatsu, Oita Pref.
- 1987** Started manufacturing and selling LRB seismic isolators  
The Fujisawa Plant was constructed as Japan's first building with a seismically isolated structure
- 1989** Registered stock with the Japan Securities Dealers Association as over-the-counter stock.
- 1991** Established a plant in North Carolina as a production plant for the U.S. subsidiary.
- 1993** Established the Ashikaga Plant in the City of Ashikaga, Tochigi Pref.
- 1997** Listed on the first section of the Tokyo Stock Exchange.
- 1998** Established Shanghai Oiles Bearing Inc. as the first subsidiary in China

The Company expanded rapidly through successive construction of major plants that support Oiles Corporation today, creation of a damping and isolation business for a new market, listing of its stock, and participation in globalization.

### A period of giant steps forward

- 2002** Established Oiles (Thailand) Co., Ltd. in Thailand
- 2003** Established Oiles Czech Manufacturing s.r.o. in the Czech Republic  
Spun off the architectural devices business and integrated it with a sales subsidiary to form Oiles ECO Corporation
- 2005** Established Oiles Suzhou Corporation in China
- 2011** Established the current OILES INDIA PRIVATE LIMITED in India
- 2022** Transferred to the Prime Market segment when the Tokyo Stock Exchange restructured its markets
- 2024** Transitioned to a company with an Audit and Supervisory Committee

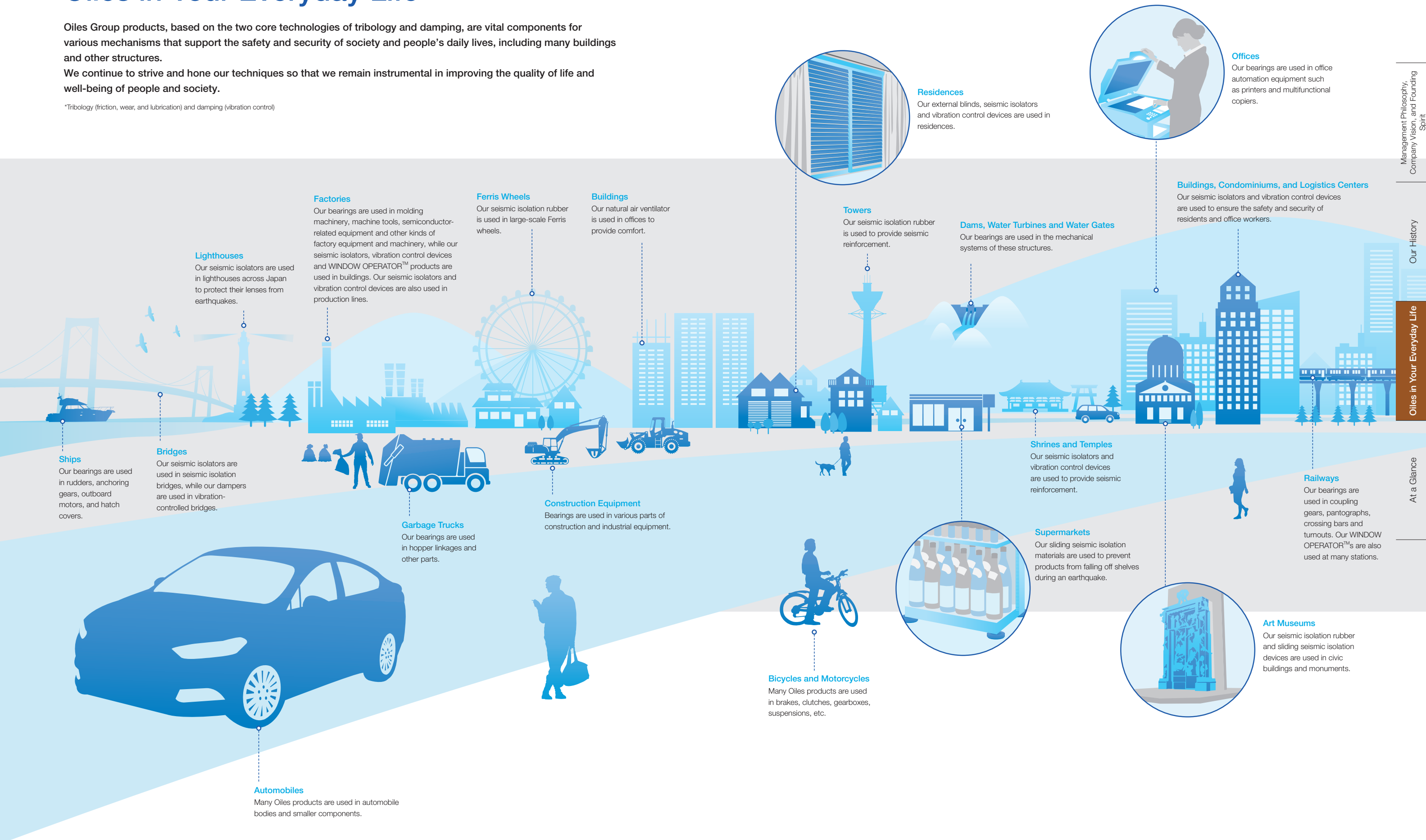
The Oiles Group is accelerating its global expansion, and overseas sales are increasing year by year. We transitioned to the Prime Market and are driving value creation in this pivotal phase of transformation for further growth.

# Oiles in Your Everyday Life

Oiles Group products, based on the two core technologies of tribology and damping, are vital components for various mechanisms that support the safety and security of society and people's daily lives, including many buildings and other structures.

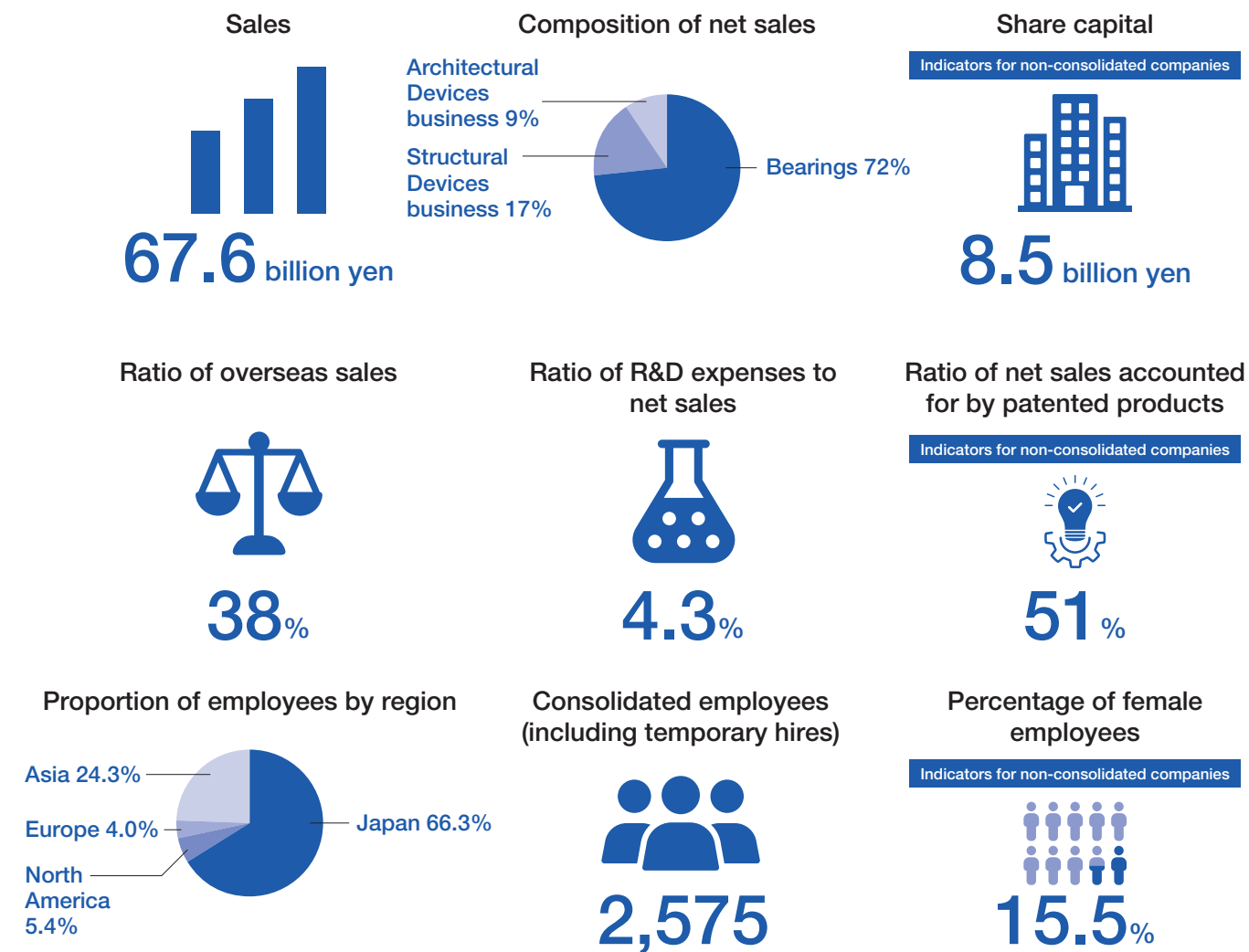
We continue to strive and hone our techniques so that we remain instrumental in improving the quality of life and well-being of people and society.

\*Tribology (friction, wear, and lubrication) and damping (vibration control)

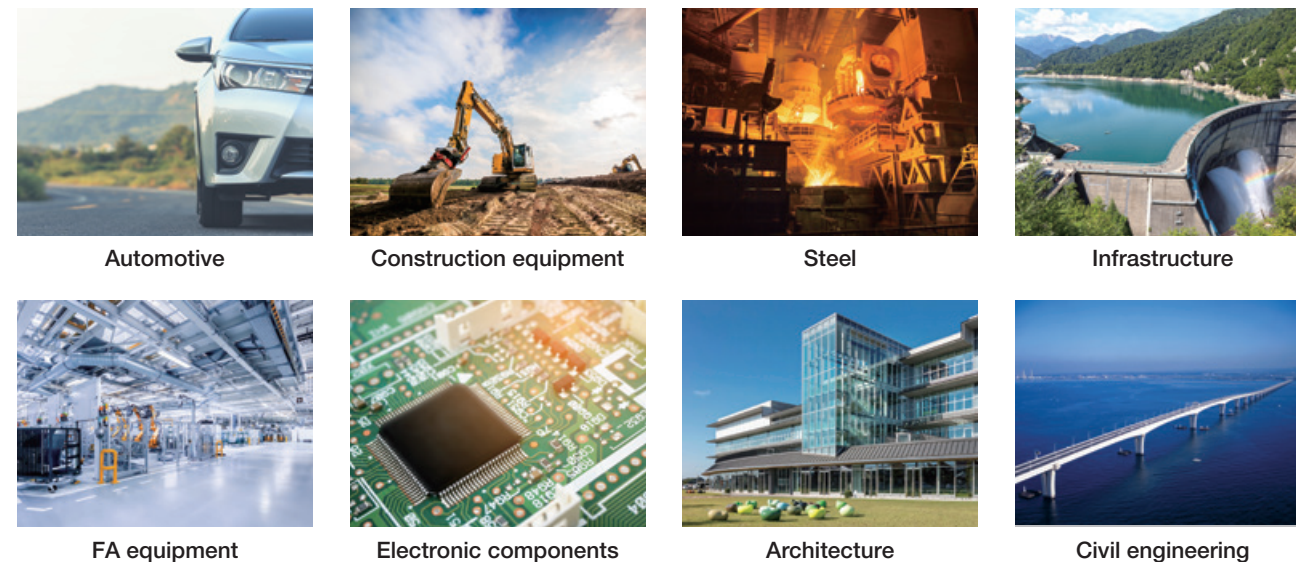




# At a Glance



## Industries in which customers who have received Oiles Group products operate



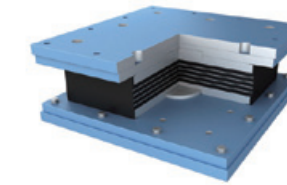
## Three distinct key businesses

### Bearings



We were founded on this business and now offer a full lineup of Oiles bearings in metal, resin, and composite materials.

### Structural devices business



We contribute to the seismic isolation, vibration control, and seismic resistance of buildings to protect people's lives from major earthquakes.

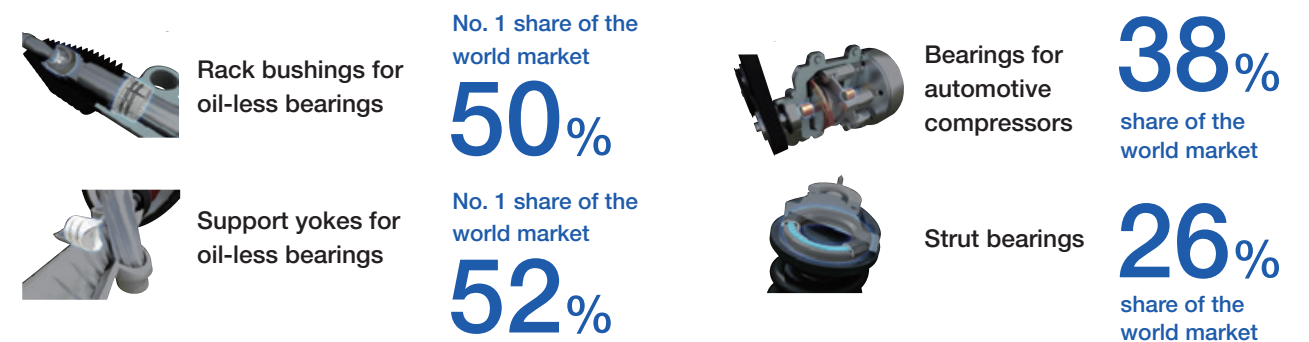
### Architectural devices business



These products originated to protect lives from smoke caused by fire, and they now help to create comfortable spaces through ventilation.

## Global Market Share

Internal estimate based on 2023 vehicle production and our shipment volumes.



## Contributed to numerous firsts in Japan and the entire world



Oiles Corporation Head Office (Kanagawa Pref.)

**1986**

Japan's first seismically isolated building using LRBs



Miyagawa River Bridge (Shizuoka Pref.)

**1991**

Japan's first seismically isolated bridge using LRBs



Tsutenkaku Tower (Osaka Pref.)

**2015**

The world's first seismically isolated tower

# Value Creation Process

The Oiles Group engages in business activities daily based on its management philosophy, which is “to become a world leader as a general manufacturer of oil-less bearings and serve society through technology.” We are facing various social issues such as increasing natural disasters, a decline in the working population, and aging infrastructure, but we are working on the Medium-Term Management Plan 2024-2026 to achieve the OILES 2030 VISION.

## OUTCOME

### Creation of a sustainable society



## OUTPUT

### ► OILES 2030 VISION

“Contributing to the realization of a sustainable society with the technology of friction, wear, and vibration control +X”

### ► Management goals

Ratio of operating profit to net sales of **15% or higher**  
ROE of **10% or higher**

### ► Initiatives

Enhancing corporate value through tribology and damping technology

- Creating new technologies and new businesses
- Enhancing our management foundation

## INPUTS (FY2024)

### Human Capital

Consolidated employees  
(including temporary hires): **2,575**  
Employees of domestic subsidiaries: **580**  
Employees of overseas subsidiaries: **869**

### Manufacturing Capital

Capital Investment: **4.5** billion yen  
Number of consolidated subsidiaries: **15**  
Number of domestic production sites: **13**  
Number of overseas production sites: **6**

### Intellectual Capital

R&D expenses: 2.9 billion yen  
Domestic and overseas patents: **3,607**

### Financial Capital

Consolidated total assets: **93.4** billion yen  
Consolidated net assets: **76.8** billion yen  
Equity ratio: **81.6%**

### Natural Capital

Total energy input: **78,294** MWh  
Water consumption: **352,000** m<sup>3</sup>  
(Breakdown) Tap water: **122,000** m<sup>3</sup>  
Groundwater/streams: **230,000** m<sup>3</sup>

### Social and Relationship Capital

Dialogs with investors and analysts: **52** entities in total  
Expenditures related to community activities: approximately **10** million yen

## Medium-Term Management Plan 2024-2026



### Growth Investments

- Improvement of employee engagement
- Ensuring human resource diversity
- Office reform & creation of a more comfortable work environment

- Allocation of management resources to growth markets
- Practice of sustainable procurement
- Achieving a high level of efficiency through a DX

- Research and development of new materials to realize a sustainable society
- Strengthening of product development and patent applications through the use of patent maps



### Financial Management

- Establishment of a system to implement balance sheet management
- Initiatives to improve the return on capital



### Productivity enhancement

- Visually depicting energy usage and saving energy extensively, improving production efficiency, introducing renewable energy



### Enhancement of corporate value

- Promotion of public relations activities to enhance corporate recognition
- Sharing an understanding with the local community



## Message from the President

We are committed to building a century-lasting company by directly connecting individual employee growth to long-term corporate value creation

President

Yoshikazu Sakairi



### Medium-Term Management Plan 2024-2026 Reflecting on the First Year of the Plan

In FY2024, the first year of the Medium-Term Management Plan 2024–2026, net sales amounted to 67.6 billion yen with respect to a target of 67.7 billion yen, so sales were largely as planned. In contrast, operating profit amounted to 6.9 billion yen, greatly exceeding the target of 5.7 billion yen. We saw solid progress in the first year of our plan, driven by strategic sales expansion in the electronics market, renewable energy sector, and a newly entered business domain—automotive equipment for electric vehicles (EVs). These efforts translated into measurable outcomes, as reflected in key performance indicators (KPIs).

As a pioneer in oil-less bearings, Oiles Corporation's vision is to contribute to society with the technology of friction, wear, and vibration control "+X." In our bearing business which we were founded on, we offer diverse products in the two areas of general bearings and automotive bearings. Our bearings business is the basis for a wide range of industries. Moreover, we added our structural device business, which handles seismic isolation and vibration control devices for buildings, and our architectural device business, which develops products such as window opening/closing devices for air ventilation and smoke exhaust. We now operate three businesses that consist of four segments. Our domestic sales were impacted by production halts at some automakers in FY2024. In contrast, overseas sales have expanded to non-Japanese customers as well as Japanese customers in places such as North America, China, and India. This enabled us to achieve the quantitative targets set forth in our Medium-Term Management Plan. We believe that these results demonstrate the strength of our approach: capitalizing on our unique friction, wear, and vibration control technologies to achieve the balanced growth of three businesses in different areas while forging complementary ties among those areas.

Factors for growth in terms of revenue included steadily revising prices, done despite continued increases in costs for raw materials and logistics, in addition to trust in the quality of our products. Despite the societal trend of increasing costs being reflected in prices, the first year the first year of the Medium-Term Management Plan saw each business achieve steady growth through selection and focus, driven by a firm determination to aggressively pursue profits, even at the risk of losing some transactions.

### Improving product quality and performance is directly linked to addressing social issues

The oil-less bearings that we manufacture do not require lubrication. Compared to ball bearings, our products have fewer components and inherently have little environmental impact. We seek to improve energy efficiency by reducing the coefficient of friction and enhancing sliding by improving our proprietary technologies related to friction, wear, and lubrication to help address social issues.

Such improvements in performance also help to enhance the energy efficiency of final products, such as by reducing battery consumption in EVs. By improving bearing performance, we reduce energy consumption and ultimately contribute to reduced CO<sub>2</sub> emissions, which we believe also leads to enhanced corporate value.

Our Medium-Term Management Plan sets forth the goal of "enhancing corporate value in order to contribute to all stakeholders." Initiatives that indirectly contribute to solving social issues are indeed part of this effort. Here, stakeholders refer to not only our shareholders but to everyone involved with our Company. We feel that the presence of employees who grow with our Company is extremely important. Carefully communicating our initiatives and stances to these diverse stakeholders, in accordance with their respective characteristics, is essential. We will strive to continuously and actively communicate to shareholders through enhanced IR activities and to employees through newsletters and direct dialogue.

### Investing Globally to Maximize Corporate Value

Pursuant to the growth strategy outlined in our current Medium-Term Management Plan, we are actively investing in areas and product lines with the potential for growth.

From a regional perspective, Japan certainly appears to be facing a declining birthrate and aging population with a decrease in the working-age population, which will presumably lead to market contraction in every industry. Given this context, we must look to the global market and develop products that capitalize on our strengths in each region.

Our bearings business is our core business. In our general bearings business, we are expanding sales in the renewable energy market mainly in the North American market. Specifically, this includes the development of products for

## Message from the President

hydroelectric power plants, the demand for which is increasing due to green energy policies. The renewable energy market is also booming in Europe, and we are expanding sales of products mainly for offshore wind power generation.

In Asia, we will actively develop our business for semiconductor manufacturing equipment in the Chinese market. In India, which has marked economic growth, we will focus on capturing demand for hydroelectric power generation related to national projects in conjunction with infrastructure development, in addition to products for construction equipment and the iron- and steel-making industries.

We anticipate a long-term shift towards EVs, and we will respond to a wide range of needs for automotive bearings both for EVs and also for HEVs and ICEVs. We are enhancing sales from a global perspective, as we are doing in general bearings, and we are expanding production capacity in accordance with the growth potential in each area. In 2025, we have invested approximately 5.5 billion yen to construct Oiles India's second plant, with operations scheduled to commence in 2027.

In the structural devices business, demand for seismic isolation and seismic resistance upgrades to existing facilities is expected to increase in the infrastructure renovation market, which is expected to grow. Moreover, demand for urban data centers is also expected to increase with advances in AI and a DX. To meet this new demand, the Ashikaga Plant is introducing one of Japan's largest pieces of testing equipment and it is expanding its facilities. Investment will total 3.7 billion yen, and operations are scheduled to commence in FY2027.

In the architectural devices business, we will secure a share of the new construction market while enhancing our expansion into the renovation market. Concurrently, we will accelerate technological development and accelerate expanded applications for external blinds to enhance profitability.

To accelerate the expansion of manufacturing capacity, including Oiles India's second plant and the Ashikaga Plant as mentioned previously, and to accelerate active investment in new product development, we plan to make a total capital expenditure of approximately 20 billion yen over the three years of the Medium-Term Management Plan. By the final year of the Medium-Term Management Plan, we aim to achieve net sales of 75 billion yen, an operating profit of 7.35 billion yen, and an ROE of 8% or higher. With FY2030 as a future milestone, we aim to have a ratio of operating profit to net sales of 15% or higher and an ROE of 10% or higher. Through growth investments, we will pursue sustainable growth and maximize shareholder value.

### The fulfillment and growth of each employee combine to lead to corporate growth

We believe that the cumulative growth of each employee generates profits and that this total growth facilitates enhanced corporate value to achieve the targets of the Medium-Term Management Plan.

We aim to be "a company where every employee can play a role," regardless of age or gender. We unsparingly support the growth and improved performance of each employee, and these efforts are linked to initiatives that allow each employee to feel that his or her work contributes to the Company and ultimately to society. Awareness of daily tasks is indeed crucial for employees to truly feel that they are creating value through their work. When I was posted to Oiles India as President, I made a point of telling employees working in the factory, "This product is used in this car from this manufacturer" whenever I could, in order to help them feel that their work is connected to society. I believe this awareness of one's tasks drives pride and motivation.

Combining the insights of diverse human resources is essential to addressing social issues and achieving further growth. No matter how much automation advances, on the manufacturing floor there are still many crucial processes in which human skill is required. Therefore, we need to attract a wide range of human resources without being constrained by age or area of skill.

We have established a program for Re-employment after Departure as a system to re-hire employees who previously departed. The program aims to welcome back employees who left the Company for various reasons, such as marriage or a spouse's job transfer. We expect them to bring the knowledge and experience they gained elsewhere after their departure as new value. Indeed, there are employees who have used this program to rejoin the Company and who are actively contributing. We feel that employees who rejoin the Company rediscover its merits and share those sentiments, creating a positive cycle that enhances engagement.

We are also enhancing mid-career hiring and actively promoting human resource diversity. By 2025, approximately 40% of our management positions have been filled by mid-career hires, and we believe this approach is yielding some fruit. We believe fostering communication between employees who are aware of our merits and employees with expertise from elsewhere will lay a foundation for innovation.

#### What we aspire to be



#### Long-term vision OILES 2030 VISION

"Contributing to the realization of a sustainable society with the technology of **friction, wear, and vibration control** +X"





## Message from the President

Attracting diverse human resources is important. However, innovation will not occur without an environment that allows the free and open exchange of ideas. There is no shortcut to this; careful, continued communication itself is crucial. In various departments, we strive to foster an open corporate culture through active communication that transcends job titles and areas.

### Becoming a challenge-driven company

We have historically fit the pattern of a typical Japanese company, but the ascension of a younger management team has led us to seek to become a "challenge-driven company." We are proceeding with two major initiatives in order to create new businesses, which will serve as a fourth source of revenue along with the three businesses that are currently our main sources of revenue. First, we will create businesses that capitalize on our intellectual property (IP). Second, we will hold Sozo Brainstorming Sessions to solicit ideas for new businesses from within the Company and turn appropriate ones into businesses.

With regard to IP, we hold 3,607 patents (including 1,673 foreign patents). However, not all of these are being effectively utilized, and they are sure to hold value that we are not aware of. Therefore, we plan to re-examine existing IP and create new value by drawing on external expertise—for example, through commercialization. The Brainstorming Sessions are a program to solicit ideas from the entire domestic Group in order to launch new businesses by drawing on the explicit and implicit knowledge of employees. The name "Sozo" comes from the name of our founder, Sozo Kawasaki, and it can also mean either "imagination" or "creation" in Japanese. Creating new businesses is the primary goal of the program, but the initiative also aims to foster a spirit of taking on challenges among employees. In some instances, employees seek fellow employees who agree with their idea and work together with them in order to develop proposals. After screening, two ideas were selected from the 17 ideas initially submitted. Budgets were allocated, and work began to commercialize the two ideas. We intend to create a cycle of innovation that capitalizes on the diverse human resources within our Company, the open communication and exchange fostered among those human resources, and the insights gleaned through this process.

### To be a company that continues 100 years and even longer

As we celebrate the 73rd year since our founding, a key theme that we have set is to be a company that continues to grow along with society for 100 years and even longer. For us, sustainable growth is not merely maintaining the status quo or doing the same things. As we continue to change and evolve, we seek to take on social issues head-on and help to address them, even if in some small way, through our unique value. Our vision is for our products to be embraced by society and for our Company to endure as a result. This is the core concept of sustainability for our Company, and we believe that it is directly linked to the sustainable growth of corporate value.

Our efforts to grow corporate value are, of course, contributions to every stakeholder, which includes our shareholders, but the most important thing is that each and every employee plays a leading role in implementing those efforts. In line with our firm belief that "employees are what makes the Company grow," we unsparingly support improved conditions and employee development so that every employee can demonstrate his or her abilities.

As mentioned earlier, we value fostering pride and motivation by helping employees appreciate the significance and societal role of their work by seeing products they worked on installed in automobiles or used in buildings they encounter in town. We also value passing on the torch to our next generation. We will continue to create a workplace where every employee can thrive while valuing the merits that Oiles has cultivated through its history, and we will create new value for the future.

## To Our Stakeholders

We aim for sustainable growth to become a century-old company that continues to change and evolve



Chairman  
Masami Iida

President  
Yoshikazu Sakairi

We are encouraged by the efforts and results achieved in the first year of our Medium-Term Management Plan to achieve the OILES 2030 VISION. The launch of a new management structure, the transition to a company with an Audit and Supervisory Committee, and various reforms including office restructuring and corporate communications, expanded sales of bearings for the electronics market and the area of renewable energy, increased overseas sales of automotive bearings to non-Japanese customers, and efforts at selection and focusing have proved successful. In the second year of the Medium-Term Management Plan, we will continue to actively invest in growth areas.

The growth of every employee is indispensable to the growth of Oiles Corporation from here on out. As a company, we will create a workplace where every employee can thrive. We will foster an atmosphere where all employees, regardless of age or gender, can advance, without being limited to promoting the empowerment of women. We will transform our corporate culture to encourage a mindset of taking on challenges among employees.

By combining Oiles' technology with the growth of every employee, we seek to further contribute to address social issues and enhance corporate value. We sincerely ask for the continued support of our stakeholders.

# Medium-Term Management Plan 2024-2026 and an Update on Its Status

## OILES 2030 VISION

In line with our corporate philosophy of "becoming a world leader as a general manufacturer of oil-less bearings and serving society through technology," in May 2024 we devised our long-term vision, OILES 2030 VISION, with 2030 as a milestone. The goal of the OILES 2030 VISION is "contributing to the realization of a sustainable society with the technology of friction, wear, and vibration control +X." We will provide new value by "creating new technologies and new businesses" and "enhancing our management foundation," which we express as "+X," while aiming to further enhance corporate value through our core tribology and damping technologies.

## OILES 2030 VISION

"Contributing to the realization of a sustainable society with the technology of friction, wear, and vibration control +X"

"Creating new technologies and new businesses" and "enhancing our management foundation"

And in line with the OILES 2030 VISION, we have set management targets of achieving a ratio of operating profit to net sales of 15% or higher and an ROE of 10% or higher by FY2030. Our average ROE over the past five years from FY2019 to FY2023 was approximately 6%, indicating that there are issues with the return on capital. We will implement management that is conscious of the cost of capital and the stock price by establishing clear indicators, and we will promote efforts to improve the return on capital.

### Management Goal of OILES 2030 VISION

- Ratio of operating profit to net sales of **15%** or higher
- ROE of **10%** or higher

## Medium-Term Management Plan 2024-2026

### Medium-Term Management Plan 2024-2026

Medium-Term Management Policies with a view to achieving the OILES 2030 VISION



Driven by a strong commitment to change and evolution to achieve the OILES 2030 VISION, we have formulated a Medium-Term Management Plan for the three years from FY2024 to FY 2026. We have established four medium-term management policies: (1) Focus management resources on growth markets to achieve the leap forward to next-generation growth, (2) Enhance productivity in all divisions by pursuing work reforms and production technique, (3) Enhance corporate value in order to contribute to all stakeholders, and (4) Manage finances with capital efficiency in mind. In line with these four policies, we plan to achieve record-high net sales of 75 billion yen and operating profit of 7.35 billion yen by FY2026. We also plan to achieve record-high core earnings (operating profit + depreciation) in FY2026 through aggressive growth investments.

## Quantitative Indicators

	FY2024	FY2025	FY2026
Net sales	67.7 billion yen	71.2 billion yen	75 billion yen
Operating profit	5.7 billion yen (Core earnings*: 9.1 billion yen)	6.4 billion yen (Core earnings*: 10.0 billion yen)	7.35 billion yen (Core earnings*: 11.85 billion yen)
ROE	—	—	8.0% or more

\*Core earnings = Operating profit + Depreciation

## Status of Efforts

In FY2024, net sales amounted to 67.604 billion yen, which was largely as planned, while operating profit amounted to 6.942 billion yen, representing a 21.8% increase from the planned amount. This marked a solid start to the first year of the Medium-Term Management Plan. For FY2025, both sales and operating profit are expected to be largely as planned.

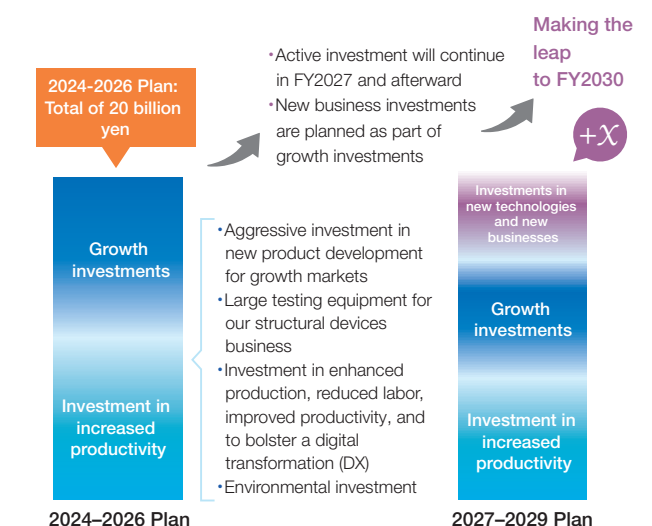
	Key measures implemented in FY2024
Growth investments	(Bearings) Acquired land for a second factory in India (Structural devices) Commenced the introduction of large testing equipment at the Ashikaga Plant
Productivity enhancement	(Structural devices) Preparatory work for a new shipping building at the Ashikaga Plant Office reforms in the NP (New Production of Engineering Plastics) Building/R&D Building (to improve engagement)
Enhanced corporate value	Transitioned to a company with an Audit and Supervisory Committee to strengthen governance and delegate authority to operating officers Placed corporate advertising in newspapers, showed commercials, etc.
Financial management	Purchased 4 billion yen in treasury shares Reduced cross-shareholdings Forecast dividend increased from 75 to 85 yen (an increase of 10 yen)

- As an effort to invest in growth, we acquired land for the planned construction of a second factory to expand production capacity in India, where market growth is marked. In addition, we commenced with the introduction of large testing equipment at the Ashikaga Plant, which serves the structural devices segment, and work is progressing on schedule for completion in 2027.
- As efforts to improve productivity, preparatory work for a new shipping building at the Ashikaga Plant and office reforms at the Fujisawa Plant were implemented.
- As an effort to enhance corporate value, we transitioned to a company with an Audit and Supervisory Committee to strengthen governance, and we intend to facilitate prompt decision-making by management and enhance the supervisory capabilities of the Board of Directors. In addition, we placed newspaper advertisements and showed commercials as part of public relations activities to enhance corporate recognition and improve employee engagement.
- As an effort at financial management, we are prioritizing growth investments. We resolved to and purchased 4 billion yen in treasury shares and increased dividends, which helped reduce internal reserves. We also reduced cross-shareholdings.

### Capital Expenditure Plan

The average capital expenditure over the past three years was approximately 10 billion yen, but we plan 20 billion yen in growth investments and investments to improve productivity over the three years of the current Medium-Term Management Plan, with 4.5 billion yen invested in FY2024. Growth investments include aggressive investment in new product development for growth markets and the introduction of large testing equipment for our structural devices business. Investments in improved productivity include investments in expanded production capacity, reduced manpower usage and increased energy efficiency, investments to enhance DX,

and investments in environmental initiatives. Over the three years starting in 2027, we plan to further allocate management resources to create new technologies and new businesses, as represented by the "+X" in the OILES 2030 VISION.



### Improving the Return on Capital

To achieve an ROE of 10% by FY2030, the Medium-Term Management Plan has a target of an ROE of 8% or higher by FY2026. As an effort to improve the return on capital, we will promote balance sheet management and reduce cross-shareholdings to a certain extent. Returning profits to shareholders will be based on consistent and continued dividends. We seek to have a consolidated dividend payout ratio of 40% or higher, and we are also considering a flexible approach to purchasing treasury shares.

In FY2024, we achieved an ROE of 8.4% and a consolidated dividend payout ratio of 40.8%, demonstrating steady progress toward our targets. We will continue our efforts to implement management that is conscious of the cost of capital and the stock price in FY2025 and beyond.

## Cash Flow Plan for the Three-year Period of 2024-2026

<ul style="list-style-type: none"> <li>Net profit for FY2024 6.3 billion yen</li> <li>Net profit for FY2025-2026 approximately 10 billion yen</li> <li>Depreciation for FY2024 3.5 billion yen</li> <li>Forecast depreciation for FY2025-2026 approximately 8.5 billion yen</li> <li>Considering the appropriate use of borrowings</li> <li>Reducing cross-shareholdings to a certain extent</li> </ul>	<b>Cash inflow</b> Accumulated profit approximately 16 billion yen Depreciation approximately 12 billion yen Balance sheet control	<b>Cash outflow</b> Capital expenditures approximately 20 billion yen Returning profits to shareholders Increased working capital	<ul style="list-style-type: none"> <li>Actual capital expenditures for FY2024 4.5 billion yen</li> <li>Planned investment for FY2025-2026 approximately 15 billion yen               <ul style="list-style-type: none"> <li>Structural devices business: Introduction of large testing equipment</li> <li>Bearings business: New plant planned in India</li> </ul> </li> <li>Dividend for FY2024 2.55 billion yen, Share buyback 3.4 billion yen</li> <li>Forecast dividend for FY2025 2.48 billion yen (85 yen per share annually)</li> <li>The purchase of treasury shares will be flexibly considered based on internal reserves</li> </ul>
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Business Strategy

# General Bearings Business



For a sustainable future, we will help to create a decarbonized and recycling-oriented society with tribology technology

Operating Officer and Division Manager, General Bearing Division  
**Toshihiko Sekine**

## Measures in the Medium-Term Management Plan (2024-2026)

Helping to create a decarbonized and recycling-oriented society through the deployment and supply of strategic products for growth markets

### (1) Stronger focus of activities toward growth markets

Introducing strategic products and actively enhancing activities in growth areas such as the electronics market, as exemplified by semiconductor manufacturing equipment, the renewable energy market, which includes hydroelectric power generation equipment (e.g., water pumps) and wind power generation equipment, and the offshore power generation market

### (2) Selection and focus to improve profitability

Actively investing in the growth of Oiles Air Bearings (OABs), which provide ultra-high speed and ultra-high precision  
Improving profitability through the streamlining of existing products

### Focusing on growth markets (semiconductor-related equipment, renewable energy, etc.) and expanding overseas markets

Developing global markets and expanding sales based on regional prioritization strategies

North America

Expanding sales into the renewable energy market

- Introducing developed products in hydroelectric power plants, which are increasingly in demand due to green energy policies
- Enhancing sales activities in the Northern and Western regions by introducing developed products

Europe

Expanding sales into the renewable energy market and offshore power generation market

- Focusing on the European market, where offshore wind technology is leading the way

India

Developing overseas markets after China

- Expanding sales to meet increasing demand for construction machinery and products for the iron- and steel-making industry, driven by economic growth
- Capturing demand related to irrigation development, hydropower, and other national projects

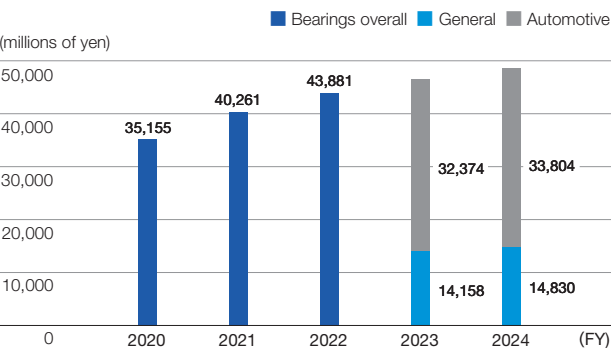
China

Aggressive expansion into the semiconductor market

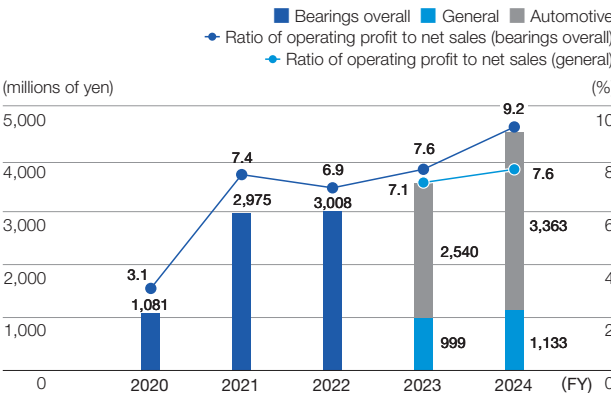
- Expanding sales of Oiles Air Bearings (OABs) to the market in China, which is enhancing its domestic production

## Segment Performance

Net sales



Operating profit/Ratio of operating profit to net sales



## Looking Back on Fiscal 2024

To achieve the OILES 2030 VISION, the general bearings segment is introducing strategic products and aggressively expanding into high-growth markets such as semiconductors and renewable energy. In FY2024, the first year of the Medium-Term Management Plan, we achieved sales and profits beyond what was planned. This was due to expanded sales for semiconductor manufacturing equipment and the area of renewable energy, in addition to a recovery in demand for bearings for molding machines and machine tools.

In the area of electronics, which includes semiconductor manufacturing equipment, the Oiles Air Bearing (OAB) is our flagship product. It provides non-contact operation by creating an air film between the shaft and the bearing. By reducing the coefficient of friction to near zero, it enables ultra-high-precision positioning control and ultra-high-speed machining, making it a critical component in the area of electronics, where precise machining is required. In FY2024, we secured new projects in both the Japanese and Chinese markets, successfully expanding our sales channels in line with our strategic plan.

In the area of renewable energy, sales are growing, led by Oiles bearings that can also be used underwater. Domestically, our products have long been used in the hydroelectric generators of dams, and we are focusing



Oiles Air Bearings (OABs)

on expanding sales channels in overseas markets. Large-scale projects, such as the construction of pumped-storage power plants, are anticipated in emerging economies like India and China. In addition, demand for renovating aging power plants is expected to increase in North America. We will actively include our products in proposals to ensure that we do not miss this prime opportunity to capture overseas demand.

## Organizational Restructuring for a New Era

While expanding sales of existing products, we are also focusing on development. In April 2023, we established a Development Section within the Engineering and Design Department to specialize in product development. By separating product design and development, we aim to flexibly envision new products, accelerate the pace of development, and develop actual products.

To systematically promote business activities, the General Bearing Strategy Office was established within the Sales Department in April 2025. This office formulates strategies and policies to deploy and supply strategic products to growth markets and to expand sales in key regions of the global market. It also leads domestic sales offices and affiliated companies worldwide to achieve targets. This organizational restructuring is laying the foundation for introducing strategic products, including those in development, to the market to achieve the targets of the Medium-Term Management Plan.

## Business Environment Outlook

The business environment for machine tools as a whole is expected to be on par with the previous year, but we anticipate sales and profits to exceed those in the previous fiscal year due to steady orders in the area of electronics and an increase in projects for hydroelectric power generation throughout the fiscal year. That said, the current business environment is marked by heightened uncertainty due to the impact of U.S. tariffs. Given the current circumstances, our mission is to consider the optimal supply chain, including operations overseas, and to structure it so that it is less susceptible to external impacts.

## Quantitative indicators

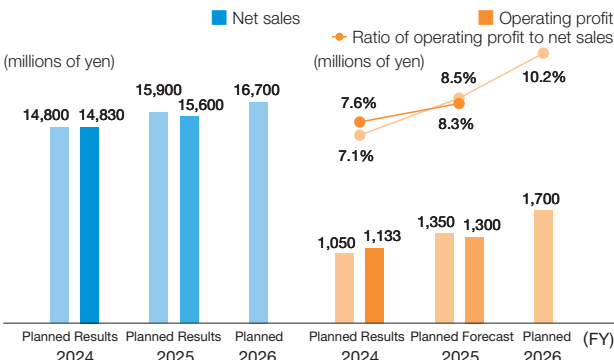
FY2026 Planned sales

16.7 billion yen  
24-26 CAGR +6.2%

FY2026 Planned operating profit

1.7 billion yen  
24-26 CAGR +27.2%

(CAGR: compound annual growth rate)



Business Strategy

# Automotive Bearings Business



We will accelerate routine advances in our products and strive to create more value to contribute to the adoption of EVs and vehicle electrification in the automotive market.

Operating Officer and Division Manager, Automotive Bearing Division

**Hikaru Ozaki**

Measures in the Medium-Term Management Plan (2024-2026)

Responding to the evolving mobility field, we will continue to provide new value in response to diverse needs ranging from electric vehicles (EVs) to hybrid electric vehicles (HEVs) and internal combustion engine vehicles (ICEVs)

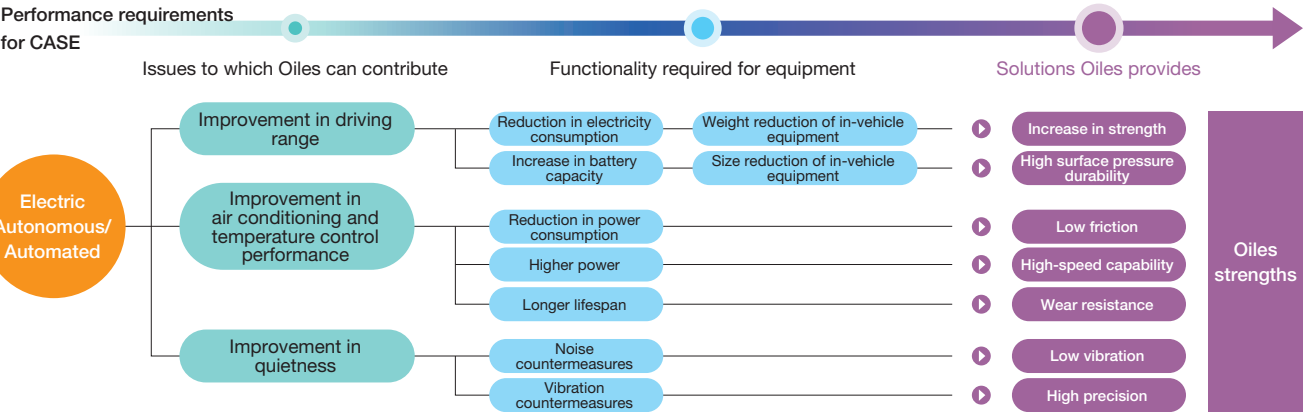
(1) Development of new products and materials for growing EVs and autonomous/automated vehicles, and aggressive investment for future leaps forward

Main targets: EVs (bearings for suspensions) and electric motors (bearings for water pumps and compressors)

(2) Strengthening global sales collaboration

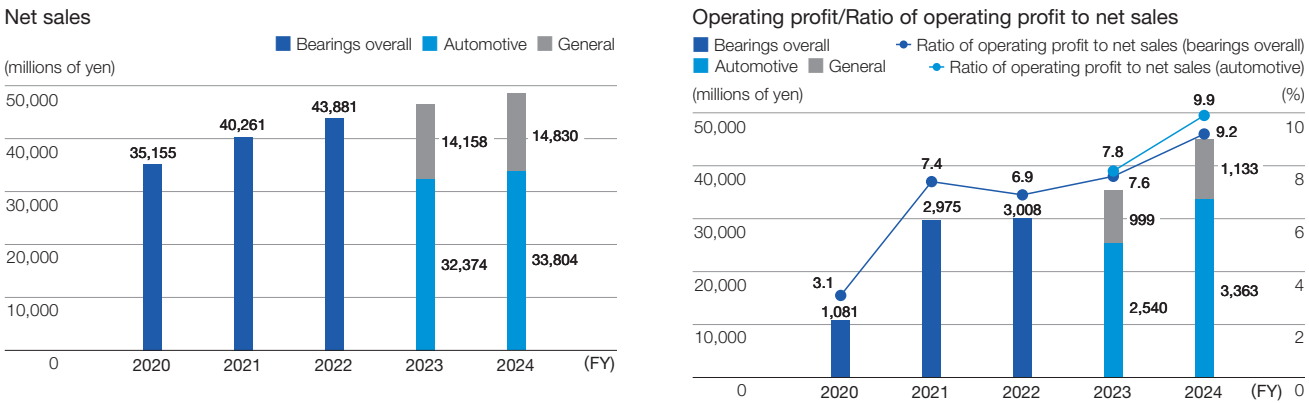
Strengthening global sales collaboration and increasing orders for EVs and electric equipment through the activities of key task teams in overseas operations

In the era of CASE\*, Oiles Bearings provide products that contribute to creating new value amid the transformation of the automotive industry by seizing business opportunities in autonomous/automated and electric.



\*CASE is an automotive industry acronym for Connected, Autonomous/Automated, Shared, and Electric vehicles

Segment Performance



Looking Back on Fiscal 2024

The automotive industry is the area in which Oiles bearings are most widely used. The automotive bearings segment deals with not only simple bearings but also a wide variety of functionally customized bearings designed to solve friction, wear, and lubrication issues arising in automotive components such as the suspension, steering, and transmission. Our bearings are used by every Japanese automaker as well as major overseas automakers, accounting for 50% of the Oiles Group's total sales. In FY2024, domestic sales were affected by production halts at certain automakers. However, overseas net sales and profits surpassed the previous year's levels, driven by increased sales to both Japanese and non-Japanese customers in North America, China, and India.

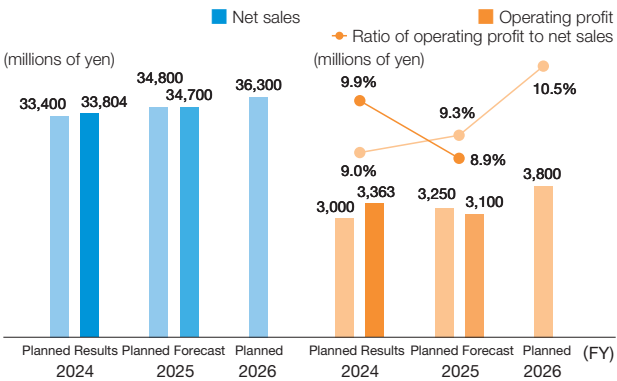
Construction of a Second Plant in India

Amidst the growing importance of expanded sales at overseas sites and receipt of new orders from non-Japanese customers in particular, we are enhancing our activities targeting overseas markets.

As part of this effort, we acquired new land in 2024 to construct a second factory for OILES INDIA PRIVATE LIMITED. Since its establishment in 2011, Oiles India has steadily expanded sales, most of which are for automotive bearings.

FY2026 Planned sales	FY2026 Planned operating profit
36.3 billion yen	3.8 billion yen
24-26 CAGR +4.3%	24-26 CAGR +12.5%

(CAGR: compound annual growth rate)



As part of our medium- to long-term growth strategy, we will continue to secure orders from local Japanese manufacturers in the Indian market, which is expected to have a high rate of growth. We will proactively include our products in proposals to non-Japanese manufacturers, and tap into new demand for bearings in conjunction with the electrification of in-vehicle equipment. Through product development and supply to meet these needs, we will capture new market opportunities. The construction of a second plant will further enhance our competitiveness in the Indian market and accelerate the provision of products and services in response to the transformation of the global automotive industry.

Business Environment Outlook

We anticipate a slight decline in domestic automobile production compared to the previous year, but we will focus on securing new projects despite these conditions. Overseas, global automobile production is expected to be sluggish due to uncertainties such as the impact of U.S. tariffs. However, India depends little on automobile exports, and U.S. tariffs are expected to have limited impact compared to other regions. The market is expected to grow at a high rate of 5%, and we anticipate the steady expansion of sales. In China, Japanese manufacturers are scaling back production, but we will expand sales as local manufacturers increase the use of our products in new energy vehicles (NEVs).

Within this business environment, the automotive bearings segment will continue to pursue new projects through product development and aggressive investment in response to the spread of EVs and the electrification of in-vehicle equipment in order to achieve the targets of the Medium-Term Management Plan. We will develop products that follow these trends and continue to include our products in proposals. Moreover, we aim to expand orders by continuing to target growing markets such as China and India. Specifically, we will engage in sales activities globally to secure new orders primarily from non-Japanese customers.



Business Strategy

# Structural Devices Business



We will implement new initiatives and take on challenges in new areas to provide everyone with safety and security through our damping technology.

Operating Officer and Division Manager, Damping & Isolation Division

**Koichi Masuda**

## Medium-Term Business Plan (2024-2026)

Expanding in the areas of infrastructure renewal, urban redevelopment, and urban data centers, which are expected to increase in the future, and in new areas such as overseas markets, and making large capital investments to strengthen our business foundation

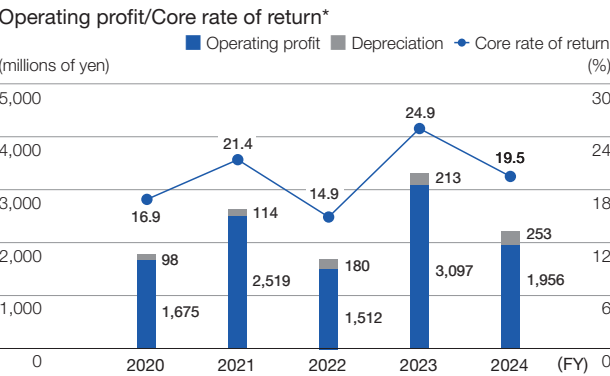
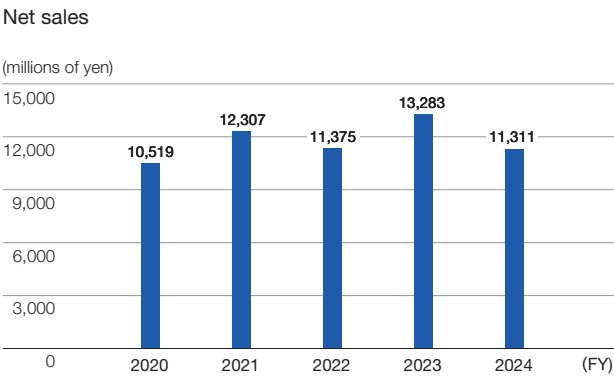
- (1) Expanding demand capture for seismic isolation and vibration control and developing overseas markets
- Capturing demand for replacement and seismic isolation and vibration control of existing bearings in the infrastructure renewal market
  - Capturing demand for quadruple-lane expressway networks
  - Active proposal of seismic isolators for logistics centers, urban data centers, etc. and vibration control devices for high-rise buildings
  - Expanding markets, such as those overseas, into new areas
- (2) Large capital investment to strengthen our business foundation
- Introduction of one of the largest performance testing equipments in Japan to meet the demand for large seismic isolators, which has increased due to the shift to high-rise buildings during urban redevelopment and the increase in urban data centers.
  - Continuing to provide reliable products that meet increasingly stringent inspection standards

Strengthen sales of seismic isolation rubber products and increase performance evaluation capacity

• Introduced one of Japan's largest performance testing equipments to Ashikaga Plant (scheduled to begin operation in FY2027)



## Segment Performance

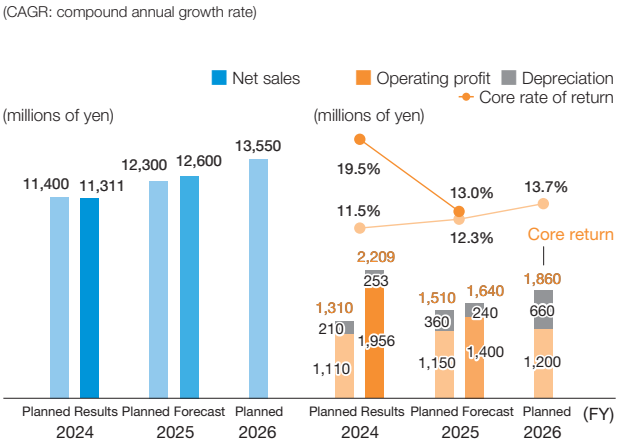


## Looking Back on Fiscal 2024

In FY2024, products for bridges, most of which were for elevated bridges for expressways and the Shinkansen, performed steadily. Projects for logistics centers, hospitals and government buildings, and urban redevelopment were completed, but products for buildings were affected by delayed work on a number of projects due to factors such as a labor shortage in the construction industry. The structural devices segment as a whole had lower net sales and profits compared to the same period last year. Nevertheless, net sales are largely on track compared to the planned figures for FY2024 in the Medium-Term Management Plan, while operating profit was 178%, indicating strong progress towards the FY2026 targets.

The bridge infrastructure renewal market is anticipated to grow in the future. In that market, we are targeting demand for replacement and seismic isolation and vibration control of existing bearings, including our products for bridges in proposals to secure designing and building projects, where design and construction are contracted to a single contractor. We are also expanding sales activities for projects involving the expansion of expressways to four lanes. In the area of railways, the project to extend the Hokkaido Shinkansen (Shin-Hakodate-Hokuto Station to Sapporo Station: approx. 212 km) is underway. Approximately 2,000 stoppers to prevent bridge collapse are being installed in concrete bridge sections. Rubber bearings (9 LRBs and 14 RBs) to suppress bridge swaying during earthquakes and 28 BM-S dampers will be used in steel

FY2026 Planned sales	FY2026 Planned operating profit
13.5 billion yen	1.2 billion yen
24-26 CAGR +9.0%	24-26 CAGR +4.4%



bridges, facilitating the safe operation of the Shinkansen.

We will continue to actively promote our building products in specifications for urban redevelopment, logistics warehouses, and data centers. Our products are also being used in hospitals and government buildings. In the event of a major Nankai Trough earthquake, a maximum seismic intensity of 6- is anticipated in the Tono and Kani regions of Gifu Prefecture. Tajimi Hospital serves as a disaster response hospital in that region, and its new wing uses 42 LRBs and 27 SSRs for seismic isolation to help enhance the building's seismic isolation performance.



## Expanding Sales into Overseas Markets

Customers in the structural devices segment are mainly Japanese, but we are also gradually expanding sales to overseas markets, such as supplying bearing products for India's high-speed rail project. In January 2025, we signed a license agreement with a Taiwanese company for the manufacture and sale of our WFDs for vibration control. Taiwan, like Japan, is a region prone to frequent earthquakes. We will use this case as a model case of ability to meet local demand as we take on the challenge of further expanding sales to overseas markets.

## Future Outlook for the Business Environment

We anticipate continued growth in infrastructure renewal, urban redevelopment, and the construction of urban data centers. We will strive to expand our share of large-scale products. We are proceeding with the introduction of a large performance testing equipment at our Ashikaga Plant, which is our production site, in order to enhance our ability to evaluate the performance required for the aforementioned projects. Over the past few years, the aging of bridges has become a serious problem, with over 60% of bridges being more than 50 years old in 10 years. To respond to these market changes, we will proceed with attempts to create new markets.

Business Strategy

# Architectural Devices Business



We aim to create ideal conditions by developing and proposing products in the areas of disaster prevention, energy conservation, the environment, and comfort

President, Oiles ECO  
**Ryo Toyaba**

## Medium-Term Business Plan (2024-2026)

Shifting our focus to the growing renewal market associated with the longer lifespan of buildings, we will provide safety and security, comfort, and energy savings to society

### (1) Strengthening the renewal and renovation market

- To aggressively expand into the growing renewal market associated with the longer lifespan of buildings, while protecting our share of the new construction market, which is

our business foundation

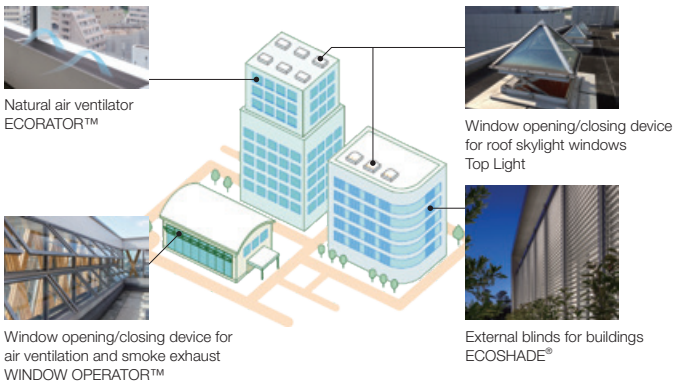
- To accelerate technological development and development of use based on the No. 1 track record of external blinds sales to strengthen sales and improve our revenue base.

### (2) Improving existing products and developing new products

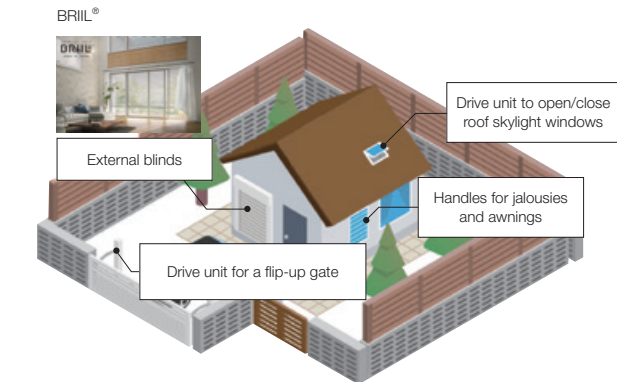
- Expanding sales for both buildings and residential homes by improving added value and reducing costs through enhancement and development of existing products
- Developing products for IoT and electronic control

## Product List

### Building Ecology System

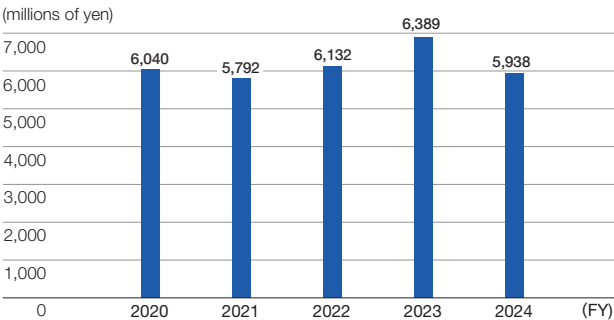


### Residential Amenity System

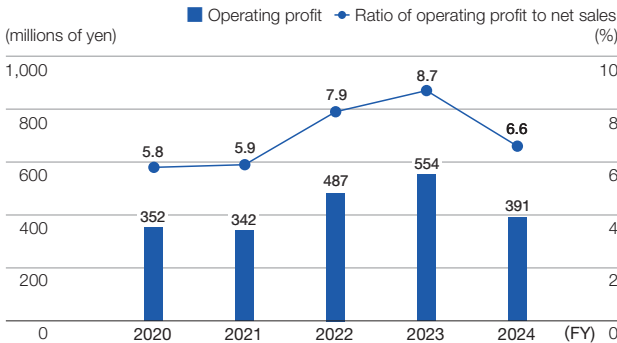


## Segment Performance

### Net sales



### Operating profit/Ratio of operating profit to net sales



## Looking Back on Fiscal 2024

To achieve the FY2026 targets in our Medium-Term Management Plan, we enhanced our sales efforts in the renewal and renovation and remodeling market in FY2024. Thus far, our primary focus had been on the new construction market, but the renewal market is expanding due to the longer lifespan of buildings. Accordingly, we are broadening the scope of our sales activities in line with this trend. As a result, net sales of WINDOW OPERATOR™ for renovated properties exceeded the previous year's figures. However, a decline in sales of products for new construction and residential applications led to a year-over-year decrease in both revenue and profit.

The market conditions for new properties are sluggish, so the architectural devices segment has recognized the need for new initiatives now more than ever. We are reviewing and streamlining our sales activities, enhancing our efforts in the renovation and remodeling market, and establishing a system to track trends in large buildings in urban areas where our products are installed, enabling us to promptly engage in sales activities with customers.



Renovation work in progress

## Quantitative Indicators

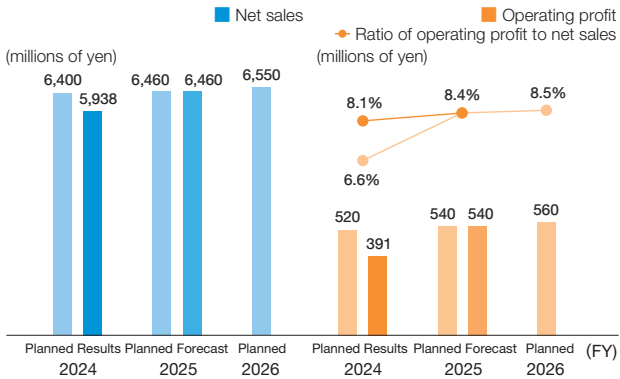
### FY2026 Planned sales

**6.5 billion yen**  
24-26 CAGR +1.2%

### FY2026 Planned operating profit

**560 million yen**  
24-26 CAGR +3.8%

(CAGR: compound annual growth rate)



Moreover, we actively conduct explanatory sessions for building management companies and owners to help them understand the importance of renovating and maintaining the WINDOW OPERATORS installed in the buildings they manage or own. We then make tailored proposals to secure renovation orders and propose maintenance contracts for WINDOW OPERATOR™s suited to their patterns of usage in order to increase the number of new contracts concluded.

## Improving Existing Products and Developing New Products

In terms of devices for buildings, we are working on improving existing products and developing new ones to enhance user convenience and to respond to the growing awareness of "healthy air conditioning and ventilation." In terms of devices for homes, we are working on improving our BRILL® external blinds, which we are actively promoting online, while incorporating customer requests. Our existing product BRILL® received the Encouragement Award at the 2024 Kinki Region Invention Awards, organized by the Japan Institute of Invention and Innovation. The Regional Awards for Invention are awards dating back to 1921 that are intended to contribute to the advancement of science and technology for the promotion of regional industry. We will continue to actively strive to develop products by setting the winning of an award for invention as a goal for our newly improved products.

## Business Environment Outlook

Investment in the construction industry appears to be recovering, but there are various issues. These include higher prices for construction materials due to the global rise in raw material and energy costs as well as delayed work due to factors such as limits on overtime imposed by legislation to reform working patterns and labor shortages. Consequently, a decline in the floor area of new construction starts is anticipated in the future. That said, the renovation and remodeling market is continuing to grow due to the growing demand for buildings with a longer lifespan. By intensifying our sales activities targeting the renewal and renovation market, where we are currently focusing our efforts, and by making our own operations more efficient, we intend to achieve the targets of our Medium-Term Management Plan despite the challenging business conditions in the construction industry.



Contributing through +X

# “Creating New Technologies and New Businesses”

The Oiles Group’s technologies originated in tribology—the science of friction, wear, and lubrication—and have evolved to include advanced vibration control. These core competencies underpin three businesses: bearings, structural devices, and architectural devices. Instead of resting on our laurels, creating new technologies and the next businesses is part of “+X” as described in the OILES 2030 VISION.

Initiatives to Develop New Technologies

We strive to intensively and continually allocate management resources to research and development (R&D) activities in order to develop new products and technologies. In FY2025, R&D expenses amounted to 2.878 billion yen, representing 4.3% of consolidated net sales. The ratio of R&D expenses to consolidated net sales averaged approximately 4.2% over the past five fiscal years, which is high even when compared to other companies in the same industry. Moreover, human resources allocated to R&D activities totaled 203 employees as of the end of March 2025, representing approximately 8% of total human resources.

Research in Core and Emerging Technologies

Our company’s R&D Dept., which reports to the President, is responsible for research on basic technologies, new materials, and technologies. Leveraging our core technologies in tribology and damping—developed through decades of R&D—we lead research from fundamentals to applied innovation. Our initiatives span materials development and products that reduce environmental impact, including low-friction, long-life self-lubricating bearings.

In addition, R&D Dept. personnel create posters on their research topics and at poster sessions that have been held annually since 2016 they explain those topics and report on the status of their research to management and other departments. The poster sessions are not only an opportunity to present research topics but also facilitate the development of applications for new materials that can be turned into actual products through internal exchanges with sales and technical personnel from the divisions.

In our Medium-Term Management Plan, we are proceeding with initiatives from two perspectives: “Contributing to a Decarbonized Society” and “Promoting Sustainable Growth.” In terms of “Promoting Sustainable Growth,” we are advancing the practical application of basic research through collaboration between industry and academia, digitizing R&D operations and development design processes, selecting alternatives to materials made from regulated substances, and promoting standardization with regard to plain bearings.

Development of Product Applications and Enhancements

The Engineering & Design Dept. in each segment is responsible for development of product applications and enhancements in their respective businesses. In the bearings business, in both the general and automotive sectors, we are proceeding with development in order to enter growing markets and the area of the environment, in which there is considerable interest. We are continuously creating products that contribute to decarbonization and the creation of a circular economy and are working on developing new products that will become the next generation of key components. To accelerate specialized development of new technologies and products, we established the New Technology Development Office in the Automotive Bearing Division in 2020 and the Development Section in the General Bearing Division in 2023.

In the structural devices business, we are continuously promoting the development of higher-performance and higher-quality seismic isolators and vibration control devices. We are working on the development and improvement of products to meet market needs, such as products that can withstand long-period and long-duration seismic waves and measures to reduce vibrations suited to a building’s height for low-rise, mid-rise, and high-rise buildings. In the architectural devices business, we are proceeding with the development of new products to provide society with creative and appealing products and services from the customer’s perspective.

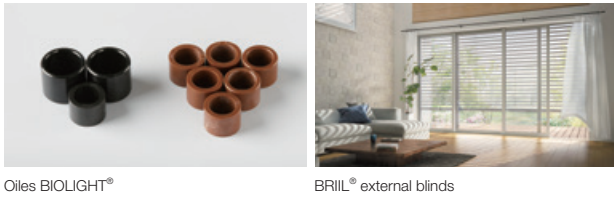
Leveraging Intellectual Property (IP)

We have actively applied for and obtained patents and other industrial property rights for inventions created through our R&D activities. We protect our competitive edge by keeping proprietary know-how—such as specialized processes for high-performance products—confidential rather than filing patents. This approach safeguards methods that are difficult to reverse engineer.

Registration with WIPO GREEN

Our company participates in WIPO GREEN, which is operated by the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations. WIPO GREEN is a framework that promotes the global dissemination of environmental technologies. By registering the Oiles Group’s patented technologies and products that contribute to

environmental conservation, we aim to create opportunities for collaboration with other companies, leading to the creation of new businesses and open innovation. In March 2025, we registered “Oiles BIOLIGHT®#81-B1” and “#83-B1,” which are environmentally conscious bearings that use materials derived from plants, from our bearings business, and BRILL®, which are external blinds that cut off solar radiation heat and help to save energy, from our architectural devices business.



Building of Knowledge and Data Assets

Tribology technology, in other words, is the amassing of knowledge concerning materials technology—specifically, how to appropriately draw out the material properties of the materials used in products according to their usage environment. We manage the results of each and every experiment on the hundreds or thousands of combinations of various materials and additives tested during the development of a single material as valuable data. These amassed data serve as valuable basic data for subsequent material development. Moreover, we have built a comprehensive database of bench test results for existing products under various conditions, amassed through decades of business activities, as well as evaluations of actual devices. Using this database enables us to provide appropriate and prompt proposals in response to customer requirements. We update information in the database, which is important IP, daily in the course of our business activities with the strict management of that information, using it in activities to create value, such as the development of new materials.

Moreover, in product fields mainly related to mechanical design, such as damping (vibration control) technology, we engage in multifaceted activities to protect our rights through a mixed IP strategy in which we aggressively apply for design patents. In addition, we have developed a patent map for each product, and it is used to reinforce our patent applications. To achieve sustainable growth, we will promote value creation with an eye towards developing our approach to the IP landscape\*.

\*IP landscape: Method for developing a management strategy based on an integrated analysis of market trends and the intellectual properties of both the Company and other companies

Total industrial property rights acquired (Oiles Group, as of March 31, 2025)

	Patents	Utility Models	Designs	Trademarks
Rights acquired	3,607	612	77	840
Domestic	1,934	607	75	528
Overseas	1,673	5	2	312

Initiatives to Create New Businesses

Currently, the Oiles Group is conducting Sozo Brainstorming Sessions, which are an in-house system for employees to propose new businesses, as one of our initiatives to create new businesses along with our three existing businesses. Sozo Brainstorming Sessions are named after our founder, Sozo Kawasaki, and “sozo” can also mean either “imagination” or “creation” in Japanese. This system represents an opportunity to take on new challenges by carrying on our founder’s vision. The program began in the fall of 2024. Following seminars and workshops, 17 proposals have been submitted to sessions in which to present ideas. The program consists of four phases and four review checkpoints. Following the session in which the final report is submitted/the final review, accepted ideas will be used to create projects that will be turned into new businesses for the Company. Creating new opportunities to take on challenges allows employees themselves to transform their own ideas into innovative projects. This process strengthens skills, boosts motivation, and has a positive impact across our core operations. In addition, based on our management philosophy of “serving society through technology,” we are exploring new business areas and promoting projects originating from our own technologies and expertise.



A Sozo Brainstorming Session taking place in-house

Contributing through +X

# “Enhancing our management foundation”

In order to “Enhance our management foundation,” which is cited as part of the +X pillar in the OILES 2030 VISION, we are working on three critical themes: “Human Capital Management,” “Work Environment Improvement,” and “Improving Productivity.” We are working to attract diverse human resources, improve employee engagement, enhance systems, reform offices, and digitalize production processes.

## Human Capital Management

Guided by the conviction that human capital is the foundation of corporate value, we make proactive investments to attract, develop, and empower a diverse, high-performing workforce. We foster a corporate culture that enables individuals from diverse backgrounds to fully leverage their strengths and unique perspectives, driving higher engagement and accelerating our business performance.

**WEB** Oiles Group Basic Policy on Human Resources  
[https://www.oiles.co.jp/files/Oiles\\_Group\\_Human\\_Rights\\_Policy\\_EN20251001.pdf](https://www.oiles.co.jp/files/Oiles_Group_Human_Rights_Policy_EN20251001.pdf)

## Diversity and Inclusion

We ensure fair and equitable hiring by strictly prohibiting unfair discrimination and involving certified human rights advocates in the selection process. We set ambitious diversity goals and embed mandatory onboarding programs that reinforce its strategic value, ensuring inclusion is integral to our corporate culture from day one.

**P.56** Respect for Human Rights and Prohibition of Discrimination

## Diversity and Inclusion Targets

### • Female Employees

Oiles Corporation

**Target** From the perspective of ensuring diversity in the appointing of managers\*<sup>1</sup>, increasing the proportion of female employees is also important. Therefore, the ratio of female new graduates hired will be set at around 30%.

**Target** Increase the ratio of female managers to around 3% by FY2025 and 5% or more by FY2030 through the promotion of diversity measures and other means. Also increase the ratio of female employees qualified for managerial positions\*<sup>2</sup> to around 10% by FY2025.

\*1 Managers are those who hold the rank of section manager or higher  
\*2 “Those qualified for managerial positions” refers to those in categories qualified to become managers.

### Results

	End March 2023	End March 2024	End March 2025
Percentage of female employees (Permanent employees)	13.1%	14.3%	15.5%
Percentage of female managers	2.7%	2.7%	2.1%
	April 2023	April 2024	April 2025
Ratio of females among new graduate hires	47.4%	29.6%	34.8%

### Oiles Group

**Target** Increase the ratio of female managers across the entire Group to around 10% by FY2030.

	End March 2023	End March 2024	End March 2025
Percentage of female managers	6.1%	7.4%	7.5%
Ratio of female managers at overseas subsidiaries	22.0%	27.6%	28.3%

### • Foreign Employees

Oiles Corporation

**Target** Increase the number of foreign employees and develop multiple managers and those qualified for managerial positions by FY2025, with a view to appointing managers in the future.

	End March 2023	End March 2024	End March 2025
Number of foreign employees	7	8	8

### • Mid-Career Hires

Oiles Corporation

**Target** Increase the ratio of mid-career hires in management positions to 30%-40% over the medium to long term.

	End March 2023	End March 2024	End March 2025
Ratio of mid-career hires in management positions	40.7%	40.4%	40.2%

### • Promoting the Empowerment of Women

We recognize that the participation of women in management is extremely important to improving corporate value. First, to identify the current challenges our company faces, we formed units consisting solely of females in departments with few female employees.

We promoted the identification of issues evident from their perspective and the exchange of opinions.

As our employees discuss how to solve these challenges via such discussions, we have been able to create an environment that is more amenable to female employees to work, such as with the adoption of a staggered working hours system. This system also helps male employees participate in childcare, and has therefore had a positive impact on both male and female employees.

In regard to developing female leaders, we have been conducting career training programs at least once a year, and more of our female employees have been joining than ever before. Moreover, we expanded the system to include affiliated companies starting in FY2023, making this an initiative for the entire Oiles Group. Furthermore, roundtable discussions involving female managers and female employees were held to encourage interaction between the two groups, providing female employees with an opportunity to heighten their interest in management duties.

In regard to recruitment, we aim for about 30% of our new graduate hires to be female employees and are actively involved in efforts to achieve this target, such as increasing the frequency of information sessions for female students. As these activities continued, our company received Eruboshi certification from the Minister of Health, Labour and Welfare in FY2023 for our initiatives promoting the advancement of women.

As part of our efforts outside the company, we have held science events for elementary school children (called “Oiles Workshops”) from FY2022, in order to help increase the number of female students studying science. We promote these events across a wide area and even held them at our Shiga Plant in August 2024.

**P.31** Support for Balancing Work with Home Life

### • Recruitment of Foreign Employees

Our company is working to achieve the target of appointing foreigners to management positions by hiring foreign employees and developing qualified foreign employees in-house. As a result, we hired an international professional through mid-career recruitment in FY2024 and promoted qualified global talent to the management track in FY2023 and FY2025.

### • Promoting Employment of Persons with Disabilities

With the goal of continuing to hire more people with disabilities than the statutory employment rate, we focus on recruitment activities as well as improving work and our working environment. In April 2023, we introduced the Special Leave for Regular Hospital Visits by Persons with Disabilities program as part of our efforts to support the working patterns of

employees with disabilities. When hospital visits must be made on weekdays, employees are given one or more days of paid special leave per month based on the nature of their disability and the frequency of those visits.

We ensure that employees with disabilities can actually navigate the workplace and make accommodations so they can attend training like other employees. Accommodations differ significantly based on the degree of disability, so a department receiving such an employee strives to better understand his or her disability and we strive to improve the system for employee reception. Starting in FY2024, we began employing persons with disabilities in an indoor farm setting to increase employment opportunities. As of August 2025, our rate of employment of the disabled was 2.79%.

### Employment status of persons with disabilities

	FY2022	FY2023	FY2024
Number of new employees with disabilities (non-consolidated)	3	2	5
Percentage of employees with disabilities (non-consolidated)	2.14	2.36	2.44

### • Promoting an Understanding of LGBTQ People

Our company conducts new employee training and awareness campaigns in the workplace to promote an accurate understanding of LGBTQ issues.

Every year, we conduct a company-wide survey on workplace harassment, including issues related to sexual orientation and gender identity. Based on those findings, we develop educational videos and conduct training programs to foster a respectful and inclusive work environment. In FY2025, our fourth-year employee training included topics on workplace harassment, with a focus on issues related to sexual orientation and gender identity. These sessions were designed to deepen understanding and reinforce our commitment to an inclusive workplace culture.

Moreover, starting in FY2023, we expanded the eligibility for benefits such as housing allowances, which were previously limited to married couples, to include individuals using the domestic partnership system in individual municipalities, recognizing such partnerships as being legally equivalent to marriage.

## Human Resources Development

To improve our corporate competitiveness and corporate value, we are actively developing the abilities of each individual by drawing upon their unique qualities and characteristics, and we are creating an environment in which employees can make the most of their abilities through systematic development, utilization, evaluation, and treatment.



Contributing through +X

# “Enhancing our management foundation”

• Learning and Development Program

We have established training programs tailored to each employee’s length of service and level. Even after new employees have completed orientation, we provide introductory on-the-job training and follow-up sessions every three months at their assigned workplace, ensuring strong support throughout their first year of employment. In addition, we provide training for senior employees responsible for onboarding and development, with a comprehensive curriculum that enhances their training skills and ensures effective two-way learning.

In FY2023, we added training at outside companies as a new type of selective training. This involves launching projects with employees at other companies so that our employees can gain new perspectives and ideas that they might not encounter at Oiles and thereby have an opportunity to diversify their ways of thinking. Moreover, starting in FY2024, we introduced pre-management training for future management candidates to further enhance the training that we provide.

Educational Training Structure

Training by Year	Training by Position	Selective Training
New graduate training (classroom learning/ onsite practice)	Newly appointed supervisor training	Pre-management training
New employee training before official assignment	Assessment training	Training at outside companies
New employee follow-up training	Newly appointed manager training	Oiles School for Management
2nd year employee training	Manager upskill training	Executive training
3rd year employee training	Occupational ability training	Global Education
4th year employee training	Basic skills training (machine processing, maintenance, etc.)	Training prior to overseas assignment
Mid-career training	Engineer training (special, first, and second levels)	Overseas assignment training
Career ownership training	Outside lectures by job type (sales, CAD, etc.)	Language training

• Fair Evaluation and Treatment

We conduct semiannual performance reviews for all directly employed staff, including regular, fixed-term, and senior employees. Each review involves a one-on-one meeting with a supervisor based on a structured evaluation form. Transparency and fairness are ensured by communicating evaluation criteria to employees and informing them of the evaluation results.

Moreover, to ensure that supervisors conducting evaluations do so fairly, we provide evaluator training through training by level. In addition, we hold evaluator meetings for each department head and section chief position after every evaluation to confirm the appropriateness of the evaluations.

## Enhancing Employee Engagement

• Employee Engagement Survey

We regularly conduct employee engagement surveys. Prior to FY2023, the survey was conducted once every three years. However, to implement more effective measures to enhance engagement in order to achieve our management philosophy and long-term vision (OILES 2030 VISION), we changed the frequency of the survey to once a year starting in FY2024.

We regularly administer an engagement survey of about 30 questions, analyze results by key attributes, and design targeted measures to boost engagement. These measures are evaluated through recurring surveys, creating a continuous improvement cycle that drives sustained engagement growth.

In the FY2024 survey, organizational culture and climate received relatively low ratings, along with fair evaluation and compensation. Consequently, we implemented training for section chiefs as part of our management development program.

## Improvement of Work Environment

We intend to enhance our support programs to enable more efficient and flexible working patterns so that every employee can maintain a healthy balance between their work and personal lives and continue to work with vitality and peace of mind.

• Support for Balancing Work with Home Life

Our Spousal Leave for Childbirth program, designed to support male employees in childcare, was actively used by all eligible employees, with leave taken at a rate of 75% or higher in FY2024. Starting in FY2024, the program was renamed to Special Maternity Leave for Employees and Their Spouse, and it also included female employees. The duration of leave was increased from 3 to 5 days, and the scope of use was expanded to include prenatal hospital visits. For employees seeking to undergo fertility treatment, we established a Fertility Treatment and Work Assistance Hotline that offers manager guidance, supports the use of internal programs, and provides physical and mental health care. Moreover, we sincerely address issues related to balancing work and childcare raised during the exchange of opinions conducted as part of our initiatives to promote the advancement of women, leading to the introduction of new systems and review of existing systems. We will listen to our employees’ opinions and strive to enhance our systems to better reflect actual circumstances.

P.29 Promoting the Empowerment of Women

Support Programs for Balancing Work with Childcare and Nursing Care  
<https://www.oiles.co.jp/en/sustainability/society/life/>

• Promoting Childcare Leave for Male Employees

Since our company held childcare support training for managers and male employees in their 30s or so in FY2022, the number of male employees taking childcare leave has been increasing yearly. For employees taking childcare leave regardless of gender, the Human Resources Dept. leads pre-leave meetings involving both the employee and his or her supervisor. The meetings feature practical information to support employees, such as conveying information on childcare and explaining the use of company systems. In June 2023, we obtained Kurumin Certification from the Ministry of Health, Labour and Welfare, recognizing us as a “Company that Supports Childcare.”

Status of the taking of childcare leave (Scope: The Company)			
	FY2022	FY2023	FY2024
Rate of childcare leave taken by male employees	51.7%	68.4%	62.5%
Average length of childcare leave taken by male employees	59.5 days	63.1 days	69.4 days

• Paid Leave

Our company encourages the use of paid leave through cooperation between labor and management. The average annual rate of taking paid leave among our employees (regular and contract employees) in FY2024 was 81.2%.

Senior employees became eligible for the system to accumulate paid leave starting in FY2024, and employees contracted for an indefinite term became eligible starting in FY2025.

WEB ESG Data  
<https://www.oiles.co.jp/en/sustainability/esg-data/>

• Office Reform

Our company undertook a review of our office space in order to improve operational efficiency and enhance employee engagement. The previous offices were dull overall and had issues such as hampering communication between departments. Therefore, we gathered candid opinions regarding current conditions primarily from younger employees, and we have created bright, open spaces that naturally promote communication. In addition to dedicated workstations, we introduced private rooms suitable for focused work, booths for meetings, and refreshment stands, creating an environment where employees can work flexibly according to their tasks and mood. A survey after the renovation confirmed tangible results, such as an improved working environment, increased

communication, and easier performance of tasks, confirming the results of the reforms. In the future, we will expand this initiative company-wide to make working easier and to enhance employee engagement.

## Initiatives for a DX in Production

Our company is promoting the digitization of paper forms in production processes to consolidate and visually depict data, thereby promoting the analysis and sharing of data. We offer a wide range of products to meet diverse customer needs. A uniform production management system has difficulty dealing with those products in a flexible manner, which presented a challenge to the application to our business model.

The Production DX Promotion Office, established within the Production Division in April 2023, is creating a system in-house while using packaged systems. The Office is proceeding with development using a system that can obtain various insights while enabling flexible and rapid responses to changes in the flow of operations. Moreover, we are also working to ensure consistent quality traceability, from raw material procurement to product delivery to customers, by linking digitized data from each stage in the production process. By cycling through improvements while coordinating with production sites based on visually depicted data, we are making improvements every day in order to establish a production process that limits defects.

Going forward, we will drive standardization across production processes to expand applicability and streamline workflows. Through continuous improvements, we aim to enhance productivity and quality, thereby strengthening our management foundation.

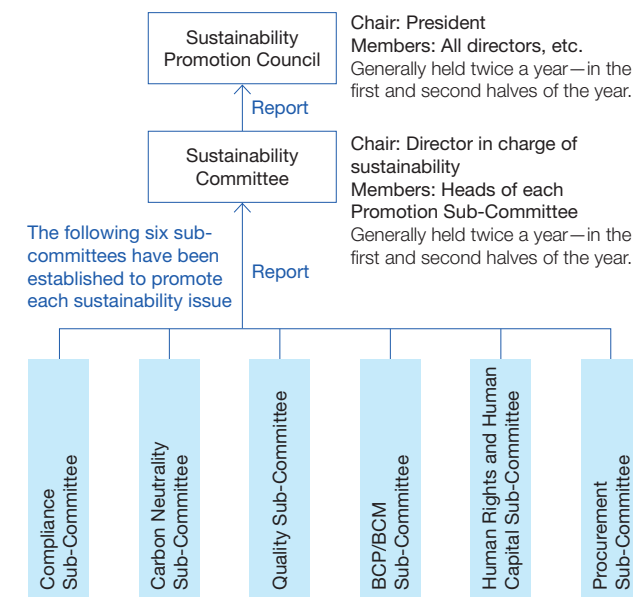
# Sustainability Management

The Oiles Group recognizes that initiatives to address sustainability issues as represented by Environment, Social, and Governance not only contribute to society's sustainable development but also enhance the Group's corporate value. Consequently, initiatives to help address sustainability issues are considered to be key to the Group's corporate activities.

## Governance

The Oiles Group holds its Sustainability Promotion Council twice a year, chaired by the President and attended by all directors and operating officers. At this meeting, management deliberates on initiatives and progress regarding sustainability issues such as our environmental response and diversity, as well as matters concerning important sustainability issues. Under the Sustainability Promotion Council, we have established a Sustainability Committee chaired by the director in charge of sustainability. The Sustainability Committee promotes key sustainability issues for the Oiles Group and it discusses matters identified in the PDCA cycle. It reports important matters to the Sustainability Promotion Council.

In addition, six sub-committees organized to promote each sustainability issue operate under the Sustainability Committee, working to resolve each issue.



## Strategy

The Oiles Group recognizes that sustainable corporate growth is important to creating and developing new corporate value. That growth is based on our further development of financial capital as well as non-financial capital (human, manufacturing, intellectual, natural, and social and relationship capital). That development has thus been identified as "Materiality for Sustainable Growth" (page 35). By addressing the risks and opportunities related to this materiality, we intend to help resolve social issues, including the SDGs, and pursue the sustainable growth of the Oiles Group and the enhancement of its corporate value.

## Risk Management

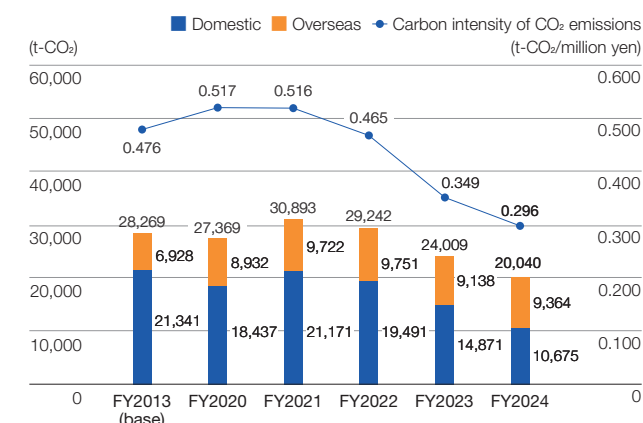
The Oiles Group identifies and monitors risks that could affect corporate value through the Risk Management Committee, which is an advisory body to the Board of Directors, and the Group regularly reviews the effectiveness of risk responses. The Risk Management Committee promotes the enhancement of the Group's risk management based on the degree of impact and likelihood of risks, and it regularly reports to the Board of Directors. For details, please refer to the section Risk Management (page 47). Business opportunities that could impact the Oiles Group's corporate value are identified and addressed at management meetings where important matters concerning the execution of business are discussed.

## Metrics and Targets

### Climate-related

In 2023, the Oiles Group once again revised its environmental targets, which we previously revised in 2021, in order to achieve carbon neutrality by 2050. The steps to achieve targets are divided into two phases. The first step is to reduce total CO<sub>2</sub> emissions by 46% compared to FY2013 levels (total CO<sub>2</sub> emissions of 15,265 t-CO<sub>2</sub> or lower) by FY2030, which was the original target. The second step is to achieve carbon neutrality by 2050 across the entire Oiles Group.

### CO<sub>2</sub> emissions and intensity (Oiles Group)



\* Figures have been revised as a result of recalculating the CO<sub>2</sub> emissions of FY2013 (the base year).

### Environmental targets (covering Scope 1 and Scope 2 emissions)

First step	Reduce total CO <sub>2</sub> emissions by 46% compared to FY2013 levels by FY2030
Second step	Achieving Carbon Neutrality by 2050 for the entire Oiles Group

In FY2024, the Group's total CO<sub>2</sub> emissions, including entities overseas, decreased by 17% from the previous fiscal year to 20,040 t-CO<sub>2</sub>. This reduction was achieved through expanded investments in energy efficiency and procurement of renewable energy at our domestic sites, along with region-specific initiatives at Group companies overseas, such as the operation of solar power-generating equipment and the procurement of renewable energy.

Actual total CO<sub>2</sub> emissions are disclosed in the ESG data section of our website.

WEB ESG data  
<https://www.oiles.co.jp/en/sustainability/esg-data/>

### Human Capital

We have set targets to appoint women, foreign employees, and mid-career hires to management positions as part of our efforts to ensure diversity within the Company. For details on targets and results, please refer to Diversity and Inclusion Targets (see page 29).

### Target ratio of women

		FY2025	FY2030
Ratio of females among new graduates hired	Non-consolidated	Approximately 30%	
Percentage of female managers	Non-consolidated	Approximately 3%	5% or more
	Consolidated	—	Approximately 10%

## Participation in External Initiatives

On behalf of the Oiles Group, Oiles Corporation signed and joined the United Nations Global Compact (UNGC) in July 2019. The UNGC is one of the world's largest sustainability initiatives, with over 20,000 companies and organizations participating globally.

We also expressed our support for the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD, now taken over by the ISSB) in September 2023. We will disclose information according to the TCFD recommendations and thereby strengthen the relationship of trust that we have with our stakeholders.

The Oiles Group contributes to achieving the Sustainable Development Goals (SDGs) by leveraging its technological expertise. We also focus on instilling an awareness of SDGs among our employees.

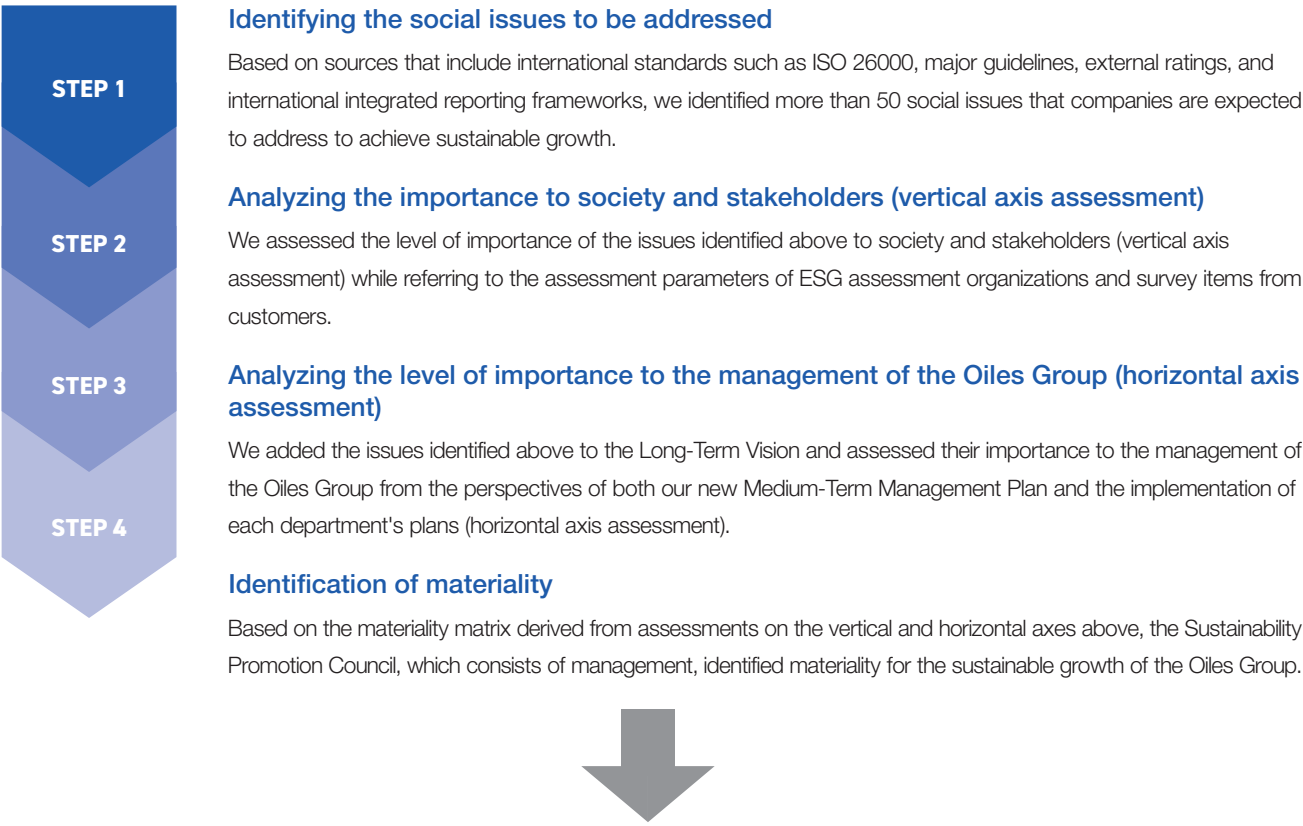
## SUSTAINABLE DEVELOPMENT GOALS



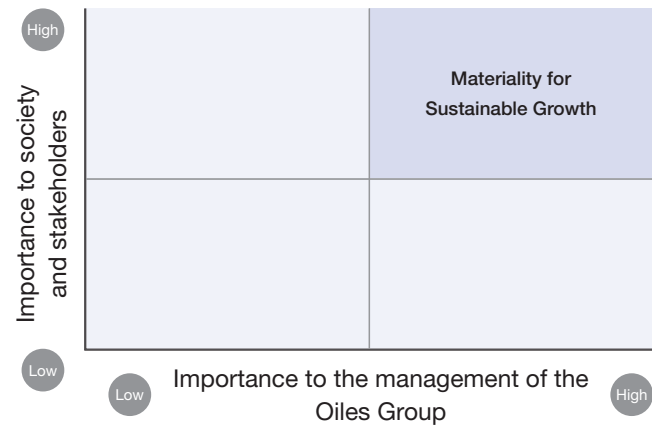
# Identifying Materiality for Sustainable Growth

The Oiles Group recognizes that sustainable corporate growth is important to creating and developing new corporate value. That growth is based on our further development of non-financial capital (human, manufacturing, intellectual, natural, and social and relationship capital). That development has thus been identified as “Materiality for Sustainable Growth.” By enhancing our efforts regarding this materiality, we intend to help resolve social issues, including the SDGs, and pursue the sustainable growth of the Oiles Group and the enhancement of its corporate value.

## Reviewing Materiality from the Perspective of Sustainable Growth



## Identifying Materiality for Sustainable Growth



## Materiality for Sustainable Growth

Materiality	Opportunity	Risk	Major Initiatives
<b>S: Society</b> Developing and providing advanced products and technologies that contribute to the resolution of social issues (see pages 27-28 and 54) 	Developing advanced products and technologies to satisfy and surpass customer needs  Contributing to the evolution of the mobility society  Improving product quality	<ul style="list-style-type: none"><li>Strengthening competitiveness and enhancing corporate value as a market-creating company</li><li>Achieving the sustained enhancement of corporate value by benefiting three parties, i.e., customers, society, and the Group</li></ul>	<ul style="list-style-type: none"><li>Decreased competitiveness as a company due to the diminished ability to innovate</li><li>Continue prioritizing the allocation of management resources (R&amp;D expenses, personnel) to research and technology development</li><li>Significantly expand floorspace for technology and R&amp;D by restructuring the Fujisawa Plant (construct new plant building)</li><li>Promote the development of products and technology that contribute to solutions to climate change issues in areas such as EVs readiness and renewable energy</li></ul>
<b>E: Environment</b> Environmental initiatives (see pages 49-53) 	Preventing global warming (addressing climate change issues)  Sustainable use of environmental resources	<ul style="list-style-type: none"><li>Increasing corporate value by providing products and technologies that help resolve climate change issues</li><li>Gaining stakeholder confidence through recognition of the Company's environmental responsiveness</li></ul>	<ul style="list-style-type: none"><li>Loss of business opportunities if the Company fails to develop and enhance products that address climate change</li><li>Possibility of losing credibility with customers, shareholders and others if our CO<sub>2</sub> emissions reductions are inadequate</li><li>Interruption to the Group's production activities due to unprecedented natural disasters (especially wind and water damage)</li><li>Promoting initiatives to achieve environmental targets for carbon neutrality by 2050<ul style="list-style-type: none"><li>Implementing full-scale solar power generation at the Fujisawa Plant and other initiatives</li><li>Introducing renewable energy at each manufacturing site</li></ul></li><li>Promoting the development of products and technologies involving environmental resources that help to resolve the issue of climate change, such as supporting the transition to EVs and the area of renewable energy</li></ul>
<b>S: Society</b> Human resource measures (see pages 29-32 and 55-60) 	Human resource development  Diversity and inclusion  Respect for human rights and appropriate labor practices	<ul style="list-style-type: none"><li>Ensuring corporate growth by attracting talented and diverse personnel who share the Company's vision</li><li>Increased corporate value achieved by improving employee engagement</li></ul>	<ul style="list-style-type: none"><li>Difficulty in securing talented human resources due to the decline in the working age population and increased competition in recruitment</li><li>Damage to corporate value due to penalties and criticism of inappropriate labor practices</li><li>Promoting initiatives to diversify our workforce<ul style="list-style-type: none"><li>Improve our ratio of female employees, not only by setting targets for female managers, but also by setting targets for the hiring ratio of female new graduates</li></ul></li><li>Promote KENKO Investment for Health so that our employees can work in good physical and mental health</li><li>Foster an environment and culture for employees to grow together with the Company and raise employee engagement</li></ul>
<b>G: Governance</b> Corporate governance (see pages 37-48) 	Enhanced governance	<ul style="list-style-type: none"><li>Gaining trust from stakeholders by enhancing corporate governance</li><li>Achieving stable management through appropriate risk management and the establishment of a robust compliance system</li></ul>	<ul style="list-style-type: none"><li>Damage to corporate value due to inadequate corporate governance</li><li>Occurrence of scandals due to inadequate compliance</li><li>Enhancing the effectiveness of the Board of Directors<ul style="list-style-type: none"><li>Transition to a company with an Audit and Supervisory Committee</li><li>Improve operation of the Board of Directors based on a survey to evaluate the Board's effectiveness</li></ul></li></ul>



# Corporate Governance

The Oiles Group considers the strengthening of corporate governance to be a key management priority. To continue contributing to the sustainable growth of society, we have established and operate an effective system of corporate governance.

## Basic Policy

The Oiles Group considers the strengthening of corporate governance to be a key management priority. We intend to develop a rational, sound, and highly transparent management system and organization through agile decision-making and delegation of authority in response to market changes. We also intend to implement necessary measures and to promote the Group's development and enhance its corporate value.

At the same time, we recognize the importance of timely and appropriate disclosure to investors and other stakeholders and actively work to enhance management transparency.

## Overview of Corporate Governance

In order to enhance the supervisory role of the Board of Directors and improve the speed of decision-making by delegating authority to directors and operating officers, Oiles Corporation became a company with an Audit and Supervisory Committee in June 2024. The Board of Directors makes decisions on important management matters and supervises the execution of business by directors. As of the end of June 2025, the Board of Directors consisted of nine directors, including one female director (four of the directors are independent outside directors). The Audit and Supervisory Committee has created a system to collaborate with the accounting auditor and the Internal Audit Dept., which includes internal controls. In addition, one employee has been assigned to assist the Audit and Supervisory Committee in its duties.

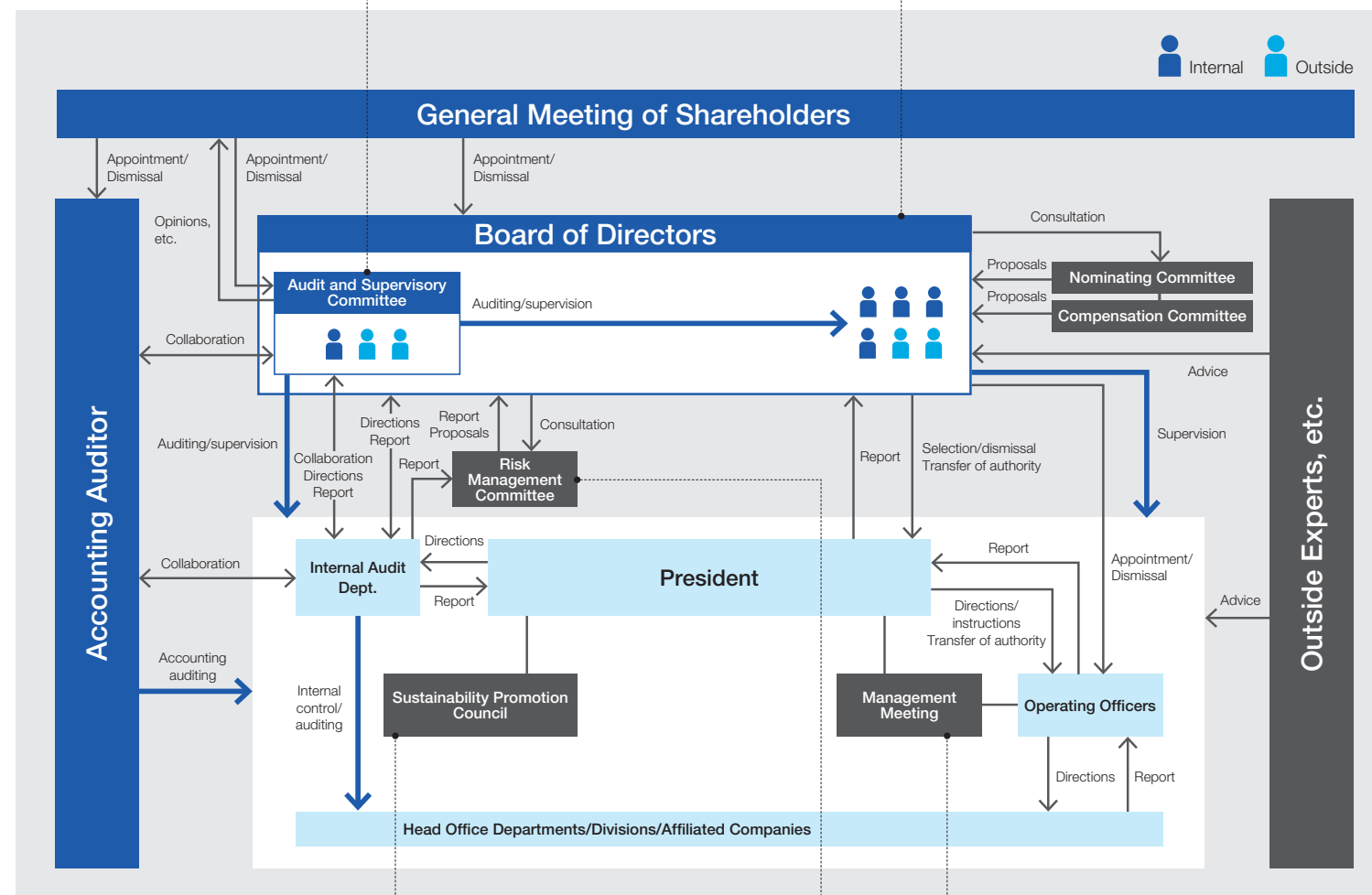
Since June 2003, the Company has adopted an operating officer system to clarify the separation of the execution of business and supervision/monitoring in order to enhance the functioning of the Board of Directors through faster and more efficient decision-making regarding our management strategy. Moreover, since March 2023, we have appointed operating officers as heads of divisions. This clarifies the roles and responsibilities of directors and the executive departments, promoting enhanced management supervision and the flexible execution of business.

### Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three Audit and Supervisory Committee members, including two outside directors, and in principle meets once a month. The Audit and Supervisory Committee establishes its regulations and standards on auditing and other matters. It audits the directors' execution of their duties and creates audit reports, thereby auditing management. Outside directors are appointed to draw on their extensive external experience and to enhance the objectivity and independence of auditing.

### Board of Directors

The Board of Directors consists of nine directors, and in principle meets every month. The Board of Directors determines management policies, important matters concerning management, and matters stipulated by laws and regulations and the Articles of Incorporation, and supervises the execution of business. Outside directors are appointed to provide advice on management policies and important matters based on their considerable experience.



### Sustainability Promotion Council

Attended by all directors, including independent outside directors, and operating officers. It is held twice a year, in principle (first half and second half of the year). The Sustainability Promotion Council, chaired by the President, discusses important sustainability issues such as environmental initiatives.

### Management Meeting

Attended by all directors, including independent outside directors, and operating officers. It is held once a month. The Management Meeting discusses important matters concerning the execution of business.

### Risk Management Committee

Consisting of the director in charge of risk management, the director in charge of quality assurance, a member of the Audit and Supervisory Committee, and the heads of the Corporate Strategy Dept. and Legal Dept. It is held twice a year, in principle (first half and second half of the year). Previously known as the Risk Management Sub-Committee under the Sustainability Committee, it was reorganized in April 2024 as an advisory body to the Board of Directors due to the need for Group-wide risk management.

## Initiatives for Effective Corporate Governance

### Assessment of the Board of Directors' Effectiveness

To enhance the functioning of the Board of Directors, the Company has analyzed and evaluated the Board's effectiveness annually since FY2015.

#### (1) Method for Analyzing and Assessing the Overall Effectiveness of the Board of Directors

The Board of Directors analyzed and assessed the overall effectiveness of the Board of Directors based on the results of the following questionnaire.

- Method: Signed questionnaire method
- Individuals evaluated: Directors in office as of the end of March 2025 (9 in total)
- Period evaluated: April 2024 to March 2025
- Items evaluated: Composition, effectiveness, operation, and discussion process of the Board of Directors, as well as systems for obtaining information and providing assistance, etc.

#### (2) Overview of results for analyzing and assessing the overall effectiveness of the Board of Directors

The evaluation for FY2024 indicated higher scores for "discussion of the establishment and operation of internal controls and risk management systems" and "understanding and discussion of business risks" within the category "deliberation process by the Board of Directors." The Board of Directors is considered to be more effective since discussions are more active, including the exchange of opinions from multiple perspectives. That said, a perceived issue was the call for further discussion of medium- to long-term management issues, such as the allocation of management resources. To further enhance the effectiveness of our Board of Directors, we will address the issues and opinions raised with sincerity and continue strengthening our corporate governance framework.

### Nominating Committee and Compensation Committee

In October 2018, we adopted a voluntary Nominating Committee and Compensation Committee system. We established a voluntary Nominating Committee with a majority of independent outside directors to ensure the independence, objectivity, and transparency of nomination procedures of directors and operating officers.

The Nominating Committee is chaired by an independent outside director. The Nominating Committee is consulted regarding and informed of nominees for directors and operating officers, and then nominees are appointed by the Board of



Directors. Candidates for directors are submitted as proposals to a general meeting of shareholders.

In addition, to ensure the effectiveness of the compensation system for directors and operating officers, a voluntary Compensation Committee is being established, with a majority of independent outside directors. The Compensation Committee is chaired by an independent outside director. As a result, the Compensation Committee is consulted on and informed of the composition and policies related to compensation, and then compensation is determined by the Board of Directors. In FY2024, the Nominating Committee met three times and the Compensation Committee met five times, and both operated appropriately.

•Performance-based Stock Compensation System

Based on a resolution adopted at the 67th Ordinary General Meeting of Shareholders held in June 2018, we established a performance-based stock compensation system, the Board Benefit Trust (BBT), for directors excluding outside directors and operating officers in order to raise their awareness of contributions to improving the medium- to long-term business performance and increasing corporate value. Under the system, company shares are acquired through a trust that we have funded. Company shares and money equivalent to the market value of the shares are provided to eligible directors and officers through the trust. Based on a resolution made at the 73rd Ordinary General Meeting of Shareholders held in June 2024 to become a company with an Audit and Supervisory Committee, the compensation framework for directors (excluding outside directors) and operating officers under the previous system was abolished. A new compensation framework for directors (excluding outside directors) who are not members of the Audit and Supervisory Committee and operating officers was adopted.

At the 74th Ordinary General Meeting of Shareholders held on June 27, 2025, approval was obtained to increase the maximum number of points per fiscal year that may be granted to directors and operating officers. This aims to further enhance the linking of the compensation of directors and operating officers to the Company's performance and stock value. Specifically, it increases the ratio of non-monetary compensation under this system within the guideline ratios for each type of compensation for directors who are not members of the Audit and Supervisory Committee (excluding outside directors).

•Training for Directors and Operating Officers

At least once a year, the Company provides directors and operating officers with continuous training sessions given by outside experts regarding the latest corporate legal affairs and taxation.

•Dialog with Shareholders

The President holds financial results briefings for analysts and institutional investors twice a year, after the interim financial results and full-year financial results are announced. Moreover, the director in charge of IR leads efforts to engage in a dialog with shareholders and investors. Opinions received from shareholders and investors are reported at Board of Directors meetings and Management Meetings and are utilized in corporate management.

Internal Controls

The Oiles Group is taking various steps to improve the system and strengthen the effectiveness of internal Controls.

The Internal Audit Dept., an organization under the direct control of the President, periodically conducts audits on all our departments and Group companies. With the goal of enabling the Board of Directors and Audit and Supervisory Committee to fulfill their functions, mechanisms have also been established for the Internal Audit Dept. to report directly to the Board of Directors and Audit and Supervisory Committee as needed about matters such as the results of internal audits. In addition, the person responsible for internal audits exchanges opinions with the Audit and Supervisory Committee and the accounting auditor, and that person also provides corrective instructions and improvement suggestions to each workplace and follows up on this advice.

The Board of Directors and Audit and Supervisory Committee collaborate by exchanging necessary information, including the details of accounting audits, reports from the Internal Audit Dept., and auditing reports from the auditors of affiliated companies. The Audit and Supervisory Committee members attend Board of Directors meetings as well as other important meetings such as the Management Meeting to understand the process of making important decisions and the status of business operations. The Audit and Supervisory Committee members have access to key documents related to decisions that have been made, as well as other important documents related to business operations. If necessary, they can request an explanation of the documents from directors or employees.

Moreover, the President exchanges opinions with Audit and Supervisory Committee members and the accounting auditor at regular meetings.

List of Officers and Directors' Skill Matrix



	Position	Name	Committee		Area of Expertise								
			Nominat- ing	Compan- sation	Corporate Management	Finance, Accounting	Legal, Risk	Technology, R&D, Production	Marketing	Global Business	IT, DX	Sustainability	HR
1	Chairman	Masami Iida			●	●	●	●					
2	President	Yoshikazu Sakairi	○	○	●	●	●	●		●			●
3	Director	Kazuharu Tanabe					●	●	●	●		●	
4	Director	Misao Yoneyama				●	●				●	●	●
5	Independent Outside Director	Yasuji Omura	◎	◎	●		●	●	●	●			
6	Independent Outside Director	Rika Miyagawa	○	○	●		●				●		●
7	Director Full-time Audit and Supervisory Committee member	Satoshi Miyazaki				●	●					●	●
8	Independent Outside Director Audit and Supervisory Committee member	Tatsuhiro Maeda	○	○	●	●	●						
9	Independent Outside Director Audit and Supervisory Committee member	Takeo Sakakibara			●	●	●		●				●

\*The ● symbol indicates items that the person is particularly skilled at, and does not indicate all the knowledge or experience of that person.  
\*The ○ symbol indicates that the person is a member of the committee, and the ◎ symbol indicates that the person is the chairperson of the committee.

Reasons for Appointing Outside Directors

Based on the requirements for outside directors stipulated in the Companies Act and independence standards stipulated by financial instruments exchanges, the Company has appointed four independent outside directors to help promote the business of the Oiles Group.

Yasuji Omura, Director

Mr. Omura was appointed because we believe he will provide useful opinions, proposals, and advice based on his extensive knowledge and experience as a corporate officer in charge of management for many years.

Rika Miyagawa, Director

Ms. Miyagawa was appointed because we believe that she will provide useful opinions, proposals, and advice based on her knowledge of and experience in management as a corporate officer and her expertise in the fields of internal auditing and information systems. We also believe that her experience and insight will contribute to the further enhancement of corporate governance from the perspective of digital transformation (DX) and HR.

Tatsuhiro Maeda, Director (Audit and Supervisory Committee member)

Mr. Maeda is a certified public accountant with extensive knowledge of and experience in corporate accounting and related fields, and he can facilitate proper auditing of the Group.

Takeo Sakakibara, Director (Audit and Supervisory Committee member)

Mr. Sakakibara has a high level of expertise and extensive knowledge of corporate accounting and related fields, as well as knowledge of and experience in management as a corporate officer for many years, and he can facilitate proper auditing of the Group.



## A Three-way Conversation among the President and Outside Directors

Independent Outside Director  
**Rika Miyagawa**

Rika Miyagawa assumed her role as director after working in roles involving business process improvement (BPI), internal auditing, and information systems at "K" Line Air Service, Ltd. (now "K" Line Logistics, Ltd.) She has served as an outside director of Oiles since June 2021.

President  
**Yoshikazu Sakairi**

Joined the Company in 1989. After serving as General Manager of Bearing Division 2, he was appointed President of Oiles India Private Ltd. in 2016. Since 2018, he served in posts at the Company such as Operating Officer and General Manager of the Corporate Planning & Administrative Division, and he was appointed as Representative Director in April 2024.

Independent Outside Director  
**Yasuji Omura**

After joining Mitsui Petrochemical Industries, Ltd. (now Mitsui Chemicals, Inc.), Yasuji Omura worked in roles involving production techniques, corporate planning, sales, and the promotion of new businesses, before becoming executive vice president. Now, he is an outside director at Gun ei Chemical Industry Co., Ltd. He has also served as an outside director of Oiles since June 2020.

## Striving to advance the Company with flexible and multifaceted decision-making while encouraging the overall improvement of individuals and the organization

In FY2024, Oiles Corporation adopted a new management structure along with the start of Medium-Term Management Plan 2024-2026, and it implemented governance reforms in conjunction. Now that over a year has passed since the first step was taken, President Sakairi and Outside Directors Omura and Miyagawa offered their opinions on the Company's current status and the direction our future should take.

### The transition to a company with an Audit and Supervisory Committee has optimized the balancing of governance

●**Omura:** Oiles is a relatively small global company in which outside directors participated in both management meetings and board meetings, so opinions aligned with executive management tended to be more readily expressed. However, the transition to a company with an Audit and Supervisory Committee last fiscal year led to Audit and Supervisory Committee members being granted the right to speak as directors. This has increased comments from the perspective

of a third party, such as "How will this be viewed by society?", reflecting more balanced management.

●**Miyagawa:** There has been a notable increase in opinions emphasizing risk awareness and stronger regulatory frameworks. The enhancement of auditing has been widely recognized as having a positive impact on the Company.



●**Sakairi:** I feel that the bar has been raised for executive management. That said, much of the feedback we receive is well-founded, reinforcing our commitment to address these points with sincerity and decisive action.

●**Omura:** The Audit and Supervisory Committee also functions to check whether business is being conducted in accordance with laws and rules, so it inevitably tends to express opinions such as "Are there any problems?" and "Are the established procedures being followed?" That said, outside directors also play a role in spurring growth strategies to move the Company forward, so proposals such as "Business could probably be conducted more efficiently" or "We could invest more aggressively" will increase. Management governance requires a delicate balance between the application of the brake and the accelerator. This has been adeptly optimized by the transition to a new management structure, which I think is a desirable trend.

### Raising awareness through effective PR strategies and dissemination of the management strategy Company-wide are essential

●**Omura:** In recent years, Oiles has seen its profits plateau, and aggressive investments have been limited. Many shareholders likely considered this inadequate. This sentiment is also reflected in the stock price, which has been stagnant for quite some time. Oiles offers truly wonderful products, so this situation has led me to feel that we are "inept at promoting the Company's future potential."

●**Sakairi:** Our limited appeal to the outside world is a fact. We often hear that we are too reserved. We realize that deviating from a more conservative approach and aggressively investing in growth areas are issues.

●**Omura:** We have been a good company, but we probably had a conservative culture that was "too reserved" about growing the business. That said, a desire for change has been emerging recently. The appointment of President Sakairi, who is a young, flexible leader, has had a major impact, such as by spurring "+X" innovation and reshaping the Company's external image. There is a clear willingness to listen to employees and executives, and discussions of business strategy have become more active over the past year as a result. Although bearings are often perceived as ordinary, Oiles' technologies are anything but — combining distinctive innovation with exceptional market potential. Effectively highlighting these strengths alongside our growth strategy is expected to drive a significant increase in both profits and the share price.

●**Miyagawa:** This is evident even in how advertisements are placed in the media, and the momentum for change is clearly gaining strength.

●**Sakairi:** In the past, corporate advertisements focused primarily on introducing products. Today, we are shifting toward promoting the Company as a whole, and placing ads in online media to reflect societal trends.

●**Miyagawa:** Advertising is not the only factor. We conduct seminars to assist students with job searches and offer online work experience programs. Hiring has increased significantly, and interest in the Company is clearly increasing.

●**Omura:** That said, management goals such as an "ROE of 10%" and "+X" have yet to be fully embraced at the individual employee level. Some experienced employees with past successes and certain early-career employees have yet to fully internalize these goals. Achieving our ambitious management goals requires raising awareness Company-wide and a relentless focus on enhancing individual productivity.





## A Three-way Conversation among the President and Outside Directors

Our employees are the driving force behind executing the Medium-Term Management Plan and advancing our business strategies. The key is enabling every employee to understand our management goals and actively draw on their strengths to make meaningful contributions.

●**Sakairi:** I intend to engage directly with employees to demonstrate how specific actions translate into tangible results. Even if the new initiatives do not succeed, fostering an atmosphere in which employees feel that “the Company will let me try” is sure to cultivate a mindset of taking on challenges among those employees.

●**Miyagawa:** The intent behind the “+X” initiative is to solicit proposals for new projects, refine them through a rigorous review process, and identify new sources of revenue.

●**Omura:** To drive individual growth, we encourage employees to actively engage with external networks—learning from industry trends and cross-sector perspectives—building on the approach already adopted by our research teams. I believe that these continued efforts will spawn new ideas and lead to innovation.

●**Sakairi:** Beyond learning from external sources, we actively adopt best practices and tailor them to our unique Oiles approach—turning proven ideas into a competitive advantage. A relentless drive for growth can serve as a powerful engine to accelerate the Company’s progress.

●**Miyagawa:** This is an important activity to achieve steady growth amidst the rapidly changing needs of society.



●**Omura:** Strengthening and developing middle management is critical to driving organizational performance. To cascade company policies and strategic priorities throughout the organization, managers must clearly understand these directives and consistently recognize team members who deliver results. Once this approach is firmly installed, employees will clearly understand their role in achieving the Company’s goals.

### Providing the right environments and opportunities for diverse employees to thrive, while empowering every employee to contribute at their full potential

●**Miyagawa:** Today’s environment demands continuous innovation—repeating the same approaches is no longer an option. Our top priority is ensuring that employees are highly engaged and highly motivated. This commitment marks a decisive first step toward transforming the Company. I am keenly aware of this when talking with our female employees, such as in meetings with female managers. Our people are actively leveraging the expertise they have gained to have a meaningful impact. Oiles is committed to creating a workplace where woman can excel, with a target of 30% females among new graduate hires. We have conducted career training for women for six consecutive years and have actively worked to transform mindsets. As a result, some female employees now keenly express their ambition, saying, “I aspire to take on a managerial role.” I believe that this trend reflects the Company’s greater understanding of taking on new challenges.

●**Omura:** The manufacturing industry is overwhelmingly dominated by men, but Oiles is seeing notable success stories among women, marking a significant shift—even though representation remains limited. However, many female employees have yet to fully explore pathways to management or envision their long-term potential. By strengthening training and development programs, we aim to instill a clear message: Oiles offers genuine opportunities for career growth and actively supports women in shaping their future.

●**Miyagawa:** The Company mascot, Osbee, originated from a proposal by a female employee. I heard that the female employee who proposed it initially designed the character and then made stickers herself to distribute to employees.

She even played videos of Osbee during waiting times for meetings to boost its recognition. This originated from a proposal by a female employee who hoped to change the Company’s image. I hope the Company continues to embrace free thinking unconstrained by preconceptions.



A proposal from a female employee led to the creation of Osbee, Oiles’ official mascot. A design based on our company’s products

WEB About Osbee  
<https://www.oiles.co.jp/en/corporate/osbee/>

●**Sakairi:** Female employees also provided a fresh perspective during the office reform. In recent years, the proportion of women in research and technical positions has been increasing, so the next step is figuring out how to train them for management positions.

●**Omura:** However, what must be understood is that simply increasing the proportion of women does not achieve true progress. Assembling diverse human resources, including foreigners, produces diverse ideas. This becomes the driving force for company growth and ultimately leads to the solving of social issues. That is the importance of diversity. Setting numerical targets and working toward them is effective, but those numbers are not our ultimate goal. Creating a workplace environment where capable human resources can produce results is what we should truly aim for.

●**Sakairi:** You’re absolutely right; the Company will not grow unless every employee contributes. We recognize that a uniquely female perspective is a source of new value creation, as demonstrated by efforts like the office reform and mascot design. We will create a company where every employee can play a role by providing the necessary settings and opportunities.

### Respecting differing viewpoints and making management decisions with a more multifaceted perspective

●**Omura:** The greatest concern in corporate governance is the isolation of the president. When isolated, one tends to lose trust in others and make important decisions unilaterally. Many incidents of corporate misconduct occur in companies like that. Fortunately, President Sakairi actively listens to the opinions of others, and an atmosphere in which employees feel comfortable speaking up is being fostered. In a sense, this can be considered the greatest enhancement of governance. I hope you will continue to maintain this flexible approach going forward.

●**Miyagawa:** When you are close to employees, some may voice criticism or opposition, and you will have to make more decisions than you did in the past. However, close communication helps to foster the next generation of human resources and enables management decision-making from a more multifaceted perspective. That said, the operating officers still seem to be somewhat reserved compared to the enthusiastic outside directors. Active discussions should lead to the Company’s development.

●**Sakairi:** Looking at the current directors, all of you are more experienced both in life and in company management, so I feel there is an atmosphere conducive to consultation. Of course, in difficult circumstances I will be responsible for making the final decision, but I will not be complacent with current conditions. I will grow with your encouragement and devote myself to developing the Company.





# Compliance

## Basic Policy

The Oiles Group recognizes that thorough compliance is vital to the existence of any company. We have laid out the Oiles Group Corporate Conduct Charter and the Corporate Code of Conduct, and we are striving to establish a compliance management system based on “Liberty and Law,” which is a component of our company vision.

**WEB** Oiles Group Corporate Conduct Charter and Corporate Code of Conduct  
[https://www.oiles.co.jp/en/corporate\\_conduct\\_charter\\_and\\_code\\_of\\_conduct/](https://www.oiles.co.jp/en/corporate_conduct_charter_and_code_of_conduct/)

## Compliance System

We have appointed a director in charge of compliance (General Manager of the Corporate Planning & Administrative Division) to oversee compliance overall, and we have established a Compliance Sub-Committee (Chair: General Manager of the Legal Dept.) under the Sustainability Promotion Council to promote compliance. The Compliance Sub-Committee is an organization headed by the chairperson that encompasses every division and Group company. It plays a role in promoting compliance efforts for the entire Oiles Group, including the assignment of Compliance Sub-Committee members (5), compliance promoters (approx. 25), and compliance leaders (approx. 50) within the Company. The Compliance Sub-Committee convenes twice a year and is attended by the Sub-Committee chair and members. It deliberates on the results of the previous fiscal year's compliance activities and compliance activities planned for the current fiscal year and their status. The Sub-Committee also regularly leads efforts to promote compliance and training based on the Corporate Conduct Charter, the Corporate Code of Conduct, and Group Compliance Rules.

If a compliance violation is identified, it will be promptly reported by the Sub-Committee Chairperson to the director in charge of compliance, the Chairperson of the Sustainability Committee, and the Audit and Supervisory Committee members. Such violations will also be regularly reported to the Sustainability Promotion Council, which is attended by all directors and operating officers.

## Internal Audits

The Internal Audit Dept. conducts internal audits based on the Oiles Group's Internal Audit Rules to ensure the soundness and productivity of the Group's business activities. Internal audits are conducted for all Group companies worldwide. The frequency is determined based on the severity of risk after

consultation with the Audit and Supervisory Committee. The results are reported directly to the Board of Directors.

Internal audits are conducted annually at business sites and Group companies that are deemed important based on their business, size, and the status of their compliance efforts. Internal audits are conducted every three years at other locations. Audits cover a wide range of topics, including management of confidential information, bribery, fraud, human rights, and competition law, and they assess compliance with laws and internal regulations. Audit items are continuously reviewed in accordance with societal conditions and amendments to laws.

Moreover, the Oiles Group has established a Group Audit and Supervisory Board consisting of the Audit and Supervisory Committee, the Internal Audit Dept., and the auditors of domestic and overseas Group companies (or the president if a Group company has no auditors). The Group Audit and Supervisory Board meets twice a year for the Company and Group company auditors to share key auditing perspectives, to share audit results (such as audits of financial statements) from Group company auditors, and to ensure the dissemination of points raised with and instructions given to the Oiles Group by the Audit and Supervisory Committee. The Group Audit and Supervisory Board strives to enhance governance for the entire Oiles Group.

**P.39** Internal Controls

## Whistleblowing System

The Oiles Group has established an internal whistleblowing system to identify compliance violations at an early stage and take countermeasures. We provide a reporting point of contact for all of the Oiles Group's employees worldwide, both internally (through the Compliance Sub-committee Secretariat) and externally (through a law firm). This ensures that whistleblowers are protected and not penalized, and the point of contact accepts anonymous consultations and reports. The whistleblowing point of contact will confirm the facts and investigate the report by conducting interviews with relevant parties while taking care to protect the whistleblower. If a compliance violation is confirmed as a result, a warning will be issued to the violator or disciplinary action will be taken based on the Group's employment regulations. Following an amendment to legislation, employees were informed of the whistleblowing point of contact once again. The number of reports increased in FY2024, but there were no serious violations.

Results of whistleblowing (for the Oiles Group)			
	FY2022	FY2023	FY2024
Number of reports	5	6	15

## Initiatives to Promote Compliance

### •Training and Educational Campaigns regarding Compliance

The Oiles Group conducts training and educational campaigns to foster an awareness of compliance among all employees.

Details of key training and educational campaigns regarding compliance

Description	Scope / Participation rate	Details
Corporate Conduct Charter Corporate Code of Conduct	All employees of the Oiles Group	Translated into English and Chinese to inform employees whose native language is not Japanese
Revision and dissemination of the Compliance Handbook	All domestic employees	Our Compliance Handbook clearly explains the purpose of the Corporate Conduct Charter and provides definitions and explanations of compliance-related terms (regularly revised to reflect amendments to legislation). This handbook is distributed as a booklet to all employees and is also readily accessible to employees via the intranet
Video training by the Legal Dept.*1	All domestic employees Participation rate: 78-100% Training for managers has a participation rate of 100%	Training covers a wide range of topics in accordance with societal conditions, such as preventing the improper use of expenses in FY 2024 and harassment in the past. Efforts will be made to ascertain comprehension by administering a test after participation and to increase participation rates
Compliance training by job level	Officers and employees of the domestic Group by job level Participation rate: 100%	Compliance-themed training programs, including those for new employees and mid-career hires, experienced staff, newly appointed supervisors, and managers
Monthly compliance training*2	All employees of the Oiles Group Participation rate: approximately 95%	Various topics related to compliance are specified in an annual plan and are disseminated to all Group companies once a month. Compliance promoters at the head office and each Group company conduct educational campaigns using methods appropriate to each company, such as read-throughs and Q&As. They report the status of those activities to the Compliance Sub-Committee and provide appropriate follow-up for employees who have yet to participate. [Topics for FY2024] Insider trading, the Subcontracting Act, environmental conservation, bribery, the whistleblower system, harassment, the Antimonopoly Act, corporate ethics (elimination of antisocial forces), etc.

\*1 Depending on the topic, training may be for managers only  
\*2 Monthly training on 12 topics is conducted over the course of a year. The participation rate is calculated based on the total number of participants per year divided by the total number of eligible personnel per year.

## Fair Competition

The Oiles Group requires its officers and employees to comply with the Antimonopoly Act, the Subcontracting Act, and competition laws of various countries in light of the global trend of emphasizing fairness in business transactions, stricter laws and regulations, and the risk of damage to corporate value in the event of unfair practices. In accordance with the Group's Antimonopoly Act Compliance Manual, its officers and employees are required to comply with the Antimonopoly Act in the course of their daily business activities, including prohibiting any contact with competitors that may violate the act and reporting any such contact to their supervisors. Moreover, to ensure compliance with the Subcontracting Act, we are raising awareness and training employees to prevent violations of the act while also strengthening the managerial aspect.

## Prevention of Corruption and Bribery

The Oiles Group builds sound and normal relationships with politicians and administrative bodies while prohibiting actions that could be misunderstood as providing profits or collusion. The Oiles Group has established Group Rules to Prevent Bribery to prevent bribery before it occurs. The Group Rules to Prevent Bribery prohibit the Oiles Group's officers and employees from bribing public officials or providing lavish entertainment or gifts to private businesses. When providing entertainment or gifts, compliance with domestic and international laws is required. Monetary standards are set by region, and prior approval from a supervisor is mandatory. The Internal Audit Dept. regularly audits compliance with these policies within the Oiles Group.



Oiles Group Compliance Handbook

# Risk Management

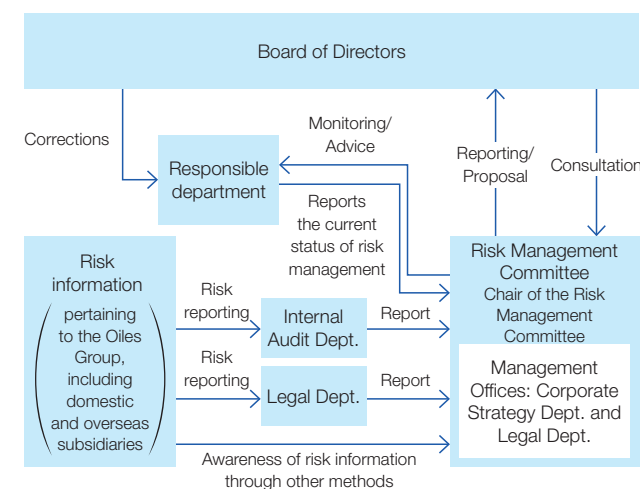
## Basic Policy

The Oiles Group recognizes that risk management is an important aspect of Group management. In accordance with the Group Risk Management Rules, the Oiles Group identifies risks that may impact Oiles Corporation and its subsidiaries, understands them in a centralized manner, and takes preventive action. If any risk occurs, we will swiftly and effectively address it to minimize damage and to prevent recurrence in order to maintain our Group's corporate value.

## Risk Management System

Due to the increasing diversification of risks, in April 2024 the Risk Management Sub-Committee under the Sustainability Committee was reorganized into the Risk Management Committee, which is an advisory body to the Board of Directors. The Risk Management Committee enhances information gathering and management and strives to reduce the impact and likelihood of risks occurring. The Oiles Group considers the Risk Management Committee, along with the Nominating Committee and the Compensation Committee, to be bodies that should be supervised by the Audit and Supervisory Committee members. The Committee comprehensively ascertains the status of risks to the Oiles Group and regularly reviews the status of responses to those risks. It also promotes the strengthening of risk management measures across the Group according to the impact and likelihood of risks occurring and periodically reports to the Board of Directors.

### Risk Management Structure Chart



When the Oiles Group's officers or employees become aware of the occurrence of the business risks specified below, they will consult with the department responsible for managing and responding to each risk (the risk owner). If the risk owner fails to address the risk in a timely and appropriate manner, employees will report the risk to the Secretariat of the Risk Management Committee (Corporate Strategy Dept. or Legal Dept.).

## Identification of Business Risks

Using a variety of risk information, we identify business risks through questionnaires and interviews with all parties concerned, including the relevant business departments. We then classify and organize identified risks under the categories of management strategy, business continuity, compliance, tax and financial reporting, disputes and other risks. Given social trends, we take the appropriate measures to prevent and respond to these risks. In particular, business risks that could have a significant impact on management are included in our securities reports, as they may influence investors' decisions.

## Response when a Risk Occurs

When a risk occurs, the Oiles Group's employees shall respond appropriately based on the response manual created by the risk owner. If the President determines that the occurrence of a risk may significantly impact the management of the Oiles Group, a Risk Response Headquarters (Head: President; Chief of the Secretariat: Director in charge of risk management) will be established. The Risk Response Headquarters will gather and analyze information, formulate countermeasures, formulate measures to prevent its recurrence, and contact the relevant bodies.

## Initiatives for Information Security

The Oiles Group has established the Oiles Group Information Security Policy to properly manage and protect all information assets related to its operations and to respond to threats such as cyberattacks. The entire Group is working to implement security measures based on various regulations.

Considering the importance of information assets, we also continually offer training to all employees in order to ensure thorough management of those assets.

To continuously maintain and improve information security, we acquired ISO/IEC 27001 information security management system certification for the Oiles Group's information systems in June 2022 and are striving to prevent breaches in information security. In response to the unauthorized access that occurred in June 2024, we are working to further strengthen cybersecurity. This includes implementing network redundancy, backing up critical data, storing data across multiple data centers, introducing incident detection systems, and enhancing information security training. The Information Technology & Processing Dept. strives to educate employees about information security by efforts such as publishing a monthly column on information systems for employees.

### Information security training (for all domestic employees)

Training program	Training details	Number of sessions
Targeted Email Training	Training to enhance the ability to respond to Email attacks	Twice a year
E-learning	Systematic training on information security	Four times a year

[Various policies \(Oiles Group Information Security Policy\)](https://www.oiles.co.jp/en/sustainability/environment/policy/)  
<https://www.oiles.co.jp/en/sustainability/environment/policy/>

[ISO Certification](https://www.oiles.co.jp/en/sustainability/iso/)  
<https://www.oiles.co.jp/en/sustainability/iso/>

## Business Continuity Planning and Management (BCP/BCM)

The Oiles Group has formulated a business continuity plan (BCP) to prepare for large-scale earthquakes and other contingencies. The basic policy of the BCP is to aim for the early restoration of business operations while placing the highest priority on ensuring the safety of human life. To that end, we promote the development of action plans for emergencies and the advance preparation of disaster mitigation measures. We also conduct BCP training to prepare for large-scale earthquakes and other contingencies. In order to mitigate flood damage caused by linear precipitation bands, which have been increasing in recent years, we are strengthening measures to counter the risk of flooding, with a focus on our domestic manufacturing sites.

Going forward, we aim to continue developing our BCP and BCM (business continuity management).



BCP training in progress

# Environmental Initiatives

The Oiles Group recognizes that responding to the environment is an important management priority to improve its corporate value in the medium to long term. The Group is also enhancing its efforts to address sustainability issues such as its environmental initiatives to address climate change and other problems.

## Environmental Policy

The Oiles Group has established an Environmental Policy to help reduce the environmental impact of its business activities and to address global environmental issues.

[The Oiles Group Environmental Policy is available at https://www.oiles.co.jp/en/files/Oiles\\_Group\\_Environmental\\_Policy\\_EN\\_20250401.pdf](https://www.oiles.co.jp/en/files/Oiles_Group_Environmental_Policy_EN_20250401.pdf)

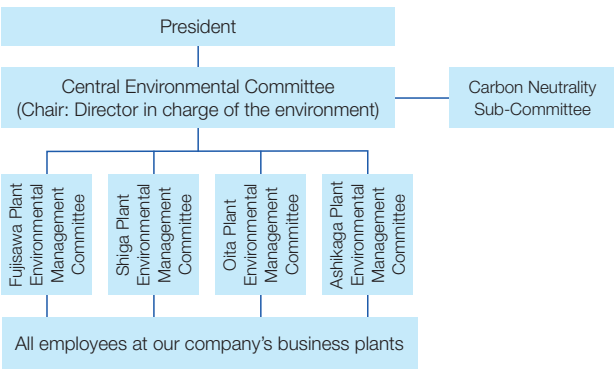
## Environmental Management System

### Promotion Structure

Each of the four plants in Fujisawa, Shiga, Oita, and Ashikaga has set up an Environmental Management Committee that has prepared an environmental manual containing guidelines to dictate how business activities should be conducted. The Central Environmental Committee (Chair: Director in charge of the environment) supports initiatives Company-wide by establishing a system to share information on policies, targets, issues, and the status of activities and to report to the President.

The Carbon Neutrality Sub-Committee, chaired by the General Manager of the Quality Assurance & Environmental Safety Dept., works in conjunction with the Central Environmental Committee to enhance the Oiles Group's environmental conservation efforts. Moreover, the Environmental Health & Safety Office shares information regarding environmental management systems with domestic and overseas Group companies.

### Environmental Management System Structure



[The status of our acquisition of ISO 14001 certification is available at https://www.oiles.co.jp/en/sustainability/iso/](https://www.oiles.co.jp/en/sustainability/iso/)

## Responding to Climate Change: Preventing Global Warming

### Governance

The Oiles Group has established the Sustainability Promotion Council as the body for discussing sustainability issues such as climate change. Chaired by the president and attended by all directors and operating officers, the Sustainability Promotion Council convenes twice a year. The Sustainability Promotion Council deliberates on the formulation of Group policies and targets to respond to climate change-related risks and opportunities.

In addition, the Sustainability Committee has been established under the Sustainability Promotion Council. Based on reports from the Carbon Neutrality Sub-Committee, the Sustainability Committee reports to the Sustainability Promotion Council on the status of key initiatives addressing sustainability issues, including the response to climate change.

In addition, the Board of Directors oversees the risks and opportunities of climate change. We address climate change through this multi-tiered organizational structure.

### Strategy

The Oiles Group offers environmentally conscious products, including self-lubricating oil-less bearings that reduce energy loss from friction and wear, seismic isolation and vibration control devices for seismic resistance in buildings, and external blinds that block out sunlight to help save energy. As part of an analysis of the business environment, the Group identifies the “risks” and “opportunities” brought about by climate change based on the recommendations of the TCFD. We use the 2°C scenario to analyze transition risks and the 4°C scenario to analyze physical risks.

### Climate Change-related Risks and Opportunities

	The Environment around the Oiles Group (Risks & Opportunities)
2°C scenario	In addition to increasing demands from customers, investors, and other stakeholders for initiatives aimed at achieving carbon neutrality (lower carbon economy), stronger legal regulations such as the introduction of carbon taxes are also expected. The need for technological innovation will become an urgent matter in all industries, not just the automotive industry, where electrification is already underway. → Transition risks emerge, as well as opportunities to deal with them
4°C scenario	This is a scenario in which the above initiatives are not implemented. Transition risks are limited, but major disasters will occur due to extreme weather events caused by rising temperatures (wind and flood damage caused by sudden weather events, as well as long-term wind and flood damage caused by changing climate patterns). In addition to soil erosion resulting from rising sea levels, the stability of water sources and employee health will also be impacted. → Physical risks emerge, as well as opportunities to deal with them

### Main Transition Risks

	Impact / Time horizon	Countermeasures
Removal from customers' supply chains due to slow action to address climate change	Significant / medium to long term	Promote initiatives to achieve CO <sub>2</sub> emission reduction targets
Loss of earning opportunities due to slow development of environmentally conscious products	Significant / medium to long term	Continue developing products and technologies that contribute to creating a low-carbon society
Loss of market due to innovative changes in raw materials required for products	Significant / medium to long term	· Expanding sales of biomass bearings · Development of new materials · Procurement of carbon-free raw materials
Introduction of carbon taxes	Intermediate / long term	Reduce CO <sub>2</sub> emissions

### Main Physical Risks

	Impact / Time horizon	Countermeasures
Impact on plant facilities caused by rivers flooding due to record-breaking wind and water disasters	Intermediate / long term (Low likelihood of occurring)	BCP (improve protection of production facilities from water disasters)
Negative impact on employee health and productivity caused by rising average temperatures	Intermediate / long term	Enhancing employee health management and improving operational efficiency

### Key Opportunities

	Impact / Time horizon	Countermeasures
[Bearings business and architectural devices business] Create and grow new demand by developing products and technologies that contribute to reduced CO <sub>2</sub> emissions	Significant / medium to long term	Bearings: Technological development in EVs, renewable energy, and other fields Architectural: Development of products and new technologies that contribute to conserving energy
[Structural Devices Business] Trend toward strengthening resilience in the infrastructure sector, including bridges, to prevent and mitigate disasters and carry out restoration work	Significant / medium to long term	Structural: Strengthen our presence in the field of infrastructure renovation, including bridges

\*Applicable time period: 2030, the final fiscal year of the Sustainable Development Goals (SDGs) for the medium term and 2050 for the long term

### Risk Management

The Oiles Group is responding to climate change-related risks primarily via the Carbon Neutrality Sub-Committee, which focuses on reducing CO<sub>2</sub> emissions. Based on reports from the Sustainability Committee, the Sustainability Promotion Council evaluates and identifies these risks and determines the overall direction for management. In addition, the BCP/BCM Sub-Committee under the Sustainability Committee also follows up on the risk of flooding, which is a physical risk caused by climate change, even though it has a low likelihood of occurring.

[P.33 Our Group's Sustainability Promotion Structure](#)

### Metrics and Targets

Our Group, aiming for carbon neutrality by 2050, revised its environmental targets in 2021 and revised them once again in 2023. We have divided our efforts to achieve those targets into two steps. The first step is to reduce total CO<sub>2</sub> emissions by 46% from their FY2013 level by FY2030, which is the existing target, and the second step is for the Oiles Group as a whole to achieve carbon neutrality by 2050.

### Environmental targets (this includes Scope 1 and Scope 2)

The first step:  
Reduce total CO<sub>2</sub> emissions by 46% from the FY2013 level by FY2030.  
The second step:  
Achieving Carbon Neutrality by 2050 as a Group



Environmental Initiatives

• Status of Initiatives

To achieve our environmental targets, the Carbon Neutrality Sub-Committee under the Sustainability Committee promotes various initiatives in cooperation with our manufacturing sites.

We have mostly completed the conversion to LED lighting at our domestic plants and we are systematically upgrading to energy-efficient air conditioning and production equipment. We began operating solar power-generating equipment at our Fujisawa Plant in 2021. In FY2022, we started procuring electricity from renewable energy sources, gradually expanding this to our four domestic plants. Starting in November 2024, the Fujisawa Plant switched to procuring electricity from 100% renewable energy sources. Overseas, we are also progressively promoting region-specific initiatives. For example, starting in January 2025, Oiles (Thailand) began operating solar power-generating equipment under a PPA, and Oiles Czech Manufacturing introduced 100% renewable energy.

Raising the awareness of each and every employee is also important to achieving our environmental targets. In addition to working to reduce energy loss and defects at our manufacturing sites and continuing to educate employees on environmental issues through training, we have made devising “environmental approaches” a mandatory item on the annual plans of each department since FY2023 to raise awareness of environmental approaches. Based on visually presented data, the office of the Environmental Management Committee provides monthly energy usage reports to each workplace. The office encourages workplaces with high energy consumption to identify reasons for that use by comparing it to the previous year and to other workplaces and to reduce their energy consumption themselves.

These actions enabled us to reduce the Group’s total CO<sub>2</sub> emissions. In FY2024, the Group’s total CO<sub>2</sub> emissions were 20,040 t-CO<sub>2</sub>, a 17% decrease from the previous fiscal year, even as consolidated net sales decreased 1.7% from the previous fiscal year. In addition, CO<sub>2</sub> emission intensity was 0.296 t-CO<sub>2</sub>/million yen, remaining below the base year of FY2013 for the second consecutive year. CO<sub>2</sub> emissions at domestic manufacturing sites in particular totaled 10,675 t-CO<sub>2</sub> in FY2024, a 28% decrease from the previous fiscal year. In order to achieve our plan for 2030 (Step 1), we will promote various measures in Japan and overseas, including the further promotion of saving energy Company-wide, further upgrading to more energy-efficient facilities, and increasing the ratio of renewable electricity procured.

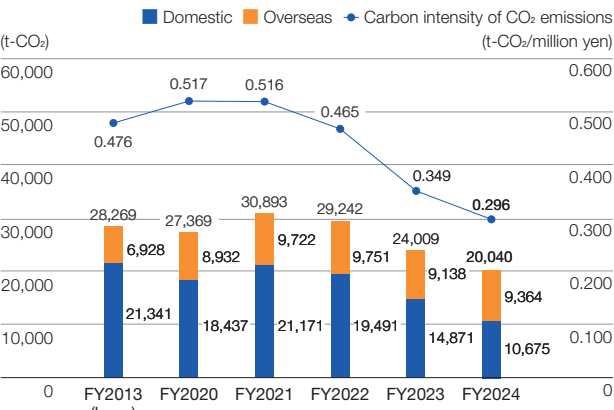
To fulfill our target of achieving carbon neutrality by 2050 (Step 2), we need to fundamentally review our energy



OILES (THAILAND) CO.,LTD.  
Solar power generation via PPA

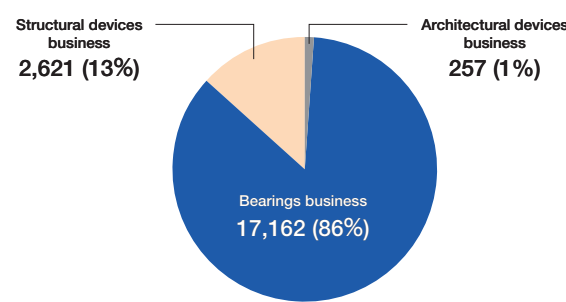
procurement system Company-wide and fundamentally review our methods of production. To provide products and technologies that help solve the world’s problems, we will “tirelessly pursue technologies” to achieve innovation for our Group to achieve carbon neutrality by 2050.

CO<sub>2</sub> emissions and intensity (Oiles Group)



\*Figures have been revised as a result of recalculating the CO<sub>2</sub> emissions of FY2013 (the base year).

FY2024 CO<sub>2</sub> emissions by business (t-CO<sub>2</sub>)



For details, see the climate change-related information disclosures based on TCFD recommendations on our website.

Information Disclosure Based on TCFD Recommendations  
<https://www.oiles.co.jp/en/sustainability/environment/tcfd/>

Supply Chain CO<sub>2</sub> Emissions

The Oiles Group monitors not only its own emissions but also all CO<sub>2</sub> emissions related to its business activities and considers countermeasures.

In terms of Scope 3 emissions, CO<sub>2</sub> emissions from purchased products and services in upstream processes (Category 1) account for approximately 78% of the total emissions in our supply chain. We will continue working to reduce these CO<sub>2</sub> emissions.

\*The latest data verified by a third party is marked with a checkmark (✓).

CO<sub>2</sub> emissions

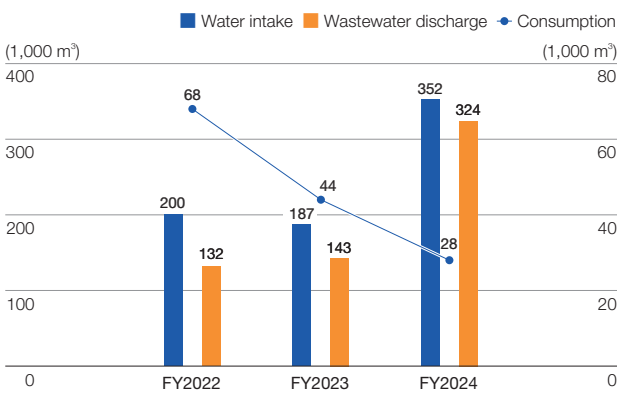
Category		FY2023 CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	FY2024 CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	Ratio of FY2024 total (%)
Scope 1	Our direct CO <sub>2</sub> emissions ✓	5,899	5,580	2.3
Scope 2 (market-based)	Our indirect CO <sub>2</sub> emissions ✓	18,110	14,460	5.9
Total Scope 1 & 2 emissions		24,009	20,040	8.2
Scope 3	1. Purchased products & services ✓	131,379	190,225	77.9
	2. Capital goods ✓	7,233	14,386	5.9
	3. Fuels, etc., not included in Scopes 1 & 2 ✓	5,041	4,956	2.0
	4. Transportation & deliveries (upstream) ✓	12,846	12,299	5.0
	5. Emissions from businesses ✓	1,117	960	0.4
	6. Business travel ✓	268	269	0.1
	7. Employee commuting ✓	932	931	0.4
Total Scope 3 emissions		158,817	224,026	91.8
Total supply chain CO <sub>2</sub> emissions		182,826	244,066	100.0

Initiatives to Reduce Environmental Impact

• Controlling Water and Preventing Water Resource Pollution

To ensure the effective use of water resources in production activities and prevent pollution, the Oiles Group manages water resources under an environmental management system that incorporates water management. In the manufacturing process, we strive to limit the use of water resources by circulating the groundwater used for cooling and other purposes. When draining wastewater into public waters, we strive to prevent water pollution by purifying it under strict supervision. Since FY2024, the scope for measurement of water intake other than tap water has been expanded, resulting in increased water intake and wastewater discharge. In addition, we will work to analyze water-related risks and opportunities to promote better water management.

State of water use (Oiles Group)



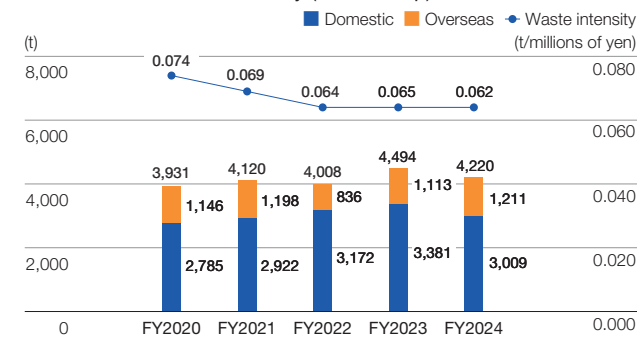
## Environmental Initiatives

### •Waste Disposal and Reduction

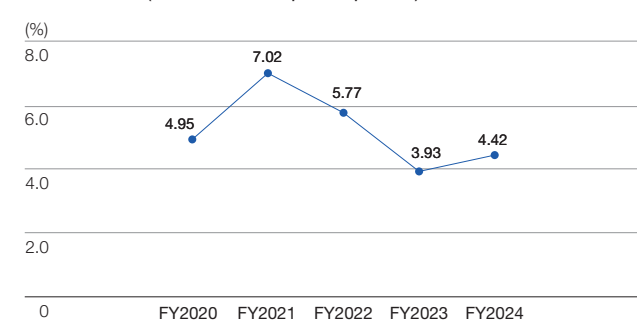
To ensure the proper disposal of waste at each plant, the Oiles Group conducts on-site checks of contracted waste disposal service providers and manages waste through manifests. We have reduced landfill waste by, for example, disassembling and processing products consisting of different steel materials at our domestic plants.

We will continue to promote waste reduction at each plant while accurately ascertaining the current status of waste generated through our operations, which includes managing industrial waste disposal contractors. We also intend to reduce waste when shipping products, including in the supply chain, by efforts such as using reusable shipping containers.

Waste emissions and intensity (Oiles Group)



Landfill Rate (Domestic Group Companies)



### •Proper management of chemical substances

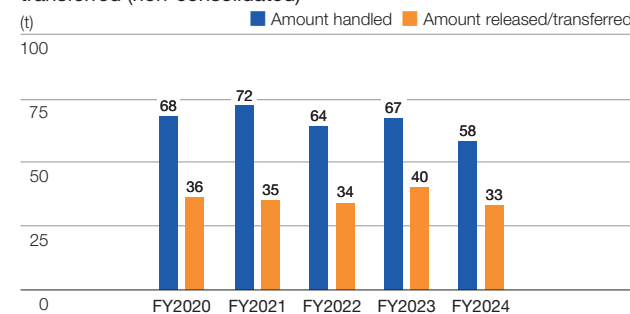
The Oiles Group operates in accordance with its internal Management of Chemical Substances in Products regulations and strives to properly manage chemical substances in order to comply not only with laws and regulations but also to meet customer requirements and protect the global environment.

The volumes of chemical substances generated, handled, released, and transferred from each business site and plant in Japan are managed in accordance with the law concerning the Pollutant Release and Transfer Register/PRTR (Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof).

Furthermore, we are continuously working to eliminate the use of environmentally harmful substances in bearings, the Oiles Group's core product. We are fully compliant with regulations restricting the use of hazardous substances, such as the EU's "RoHS Directive (Electrical and Electronic Equipment)" and "ELV Directive (Passenger Cars and Commercial Vehicles)." All plastic and multi-layered bearings products are lead-free, and standard metal bearings, excluding special purpose bearings, conform to the RoHS and ELV directives.

Concerning RoHS 2 regulations (additional regulations for RoHS) that went into force in July 2019, we have surveyed the included substances and have completed the response.

Amount of PRTR notified substances handled, released and transferred (non-consolidated)



### •Towards a Recycling-oriented Society and Biodiversity Conservation

The Oiles Group offers environmentally conscious products and is working to shift from thermal recycling to material recycling to facilitate the transition to a circular economy. As part of our initiatives for biodiversity conservation, the Fujisawa Plant maintains a biotope where the Fujisawa rice fish, a species of fish indigenous to the Fujisawa area and once thought to be extinct, can safely reproduce naturally. We have donated the bred Fujisawa rice fish to educational institutions and other entities. Moreover, the Shiga Plant sponsors tree-planting events nearby and participates in cleanup activities at Lake Biwa. The Oiles Group will continue to strive to conserve local biodiversity and forest resources.

## Product Quality Initiatives

The Oiles Group is committed to advancing two core technologies — tribology (friction, wear, and lubrication) and damping (vibration control) — while consistently delivering quality that meets the expectations of both customers and society.

### Toward Improving Product Quality Reliability

The Oiles Group has created and operates a quality assurance system based on the pillars of focus on the customer, process management, analysis and evaluation, and continuous improvement to meet the demands of the market and our customers. In each stage of product development and preparations for production, we eliminate risks and engage in efforts to prevent defects.

Our employees are aware of their roles and responsibilities for product development, manufacturing, and service delivery. In addition, they strive to improve the reliability of our product quality by promoting continuous improvement through the OODA (Observe, Orient, Decide, and Act) loop as well as the PDCA (Plan, Do, Check, and Act) cycle and cross- functional business activities.

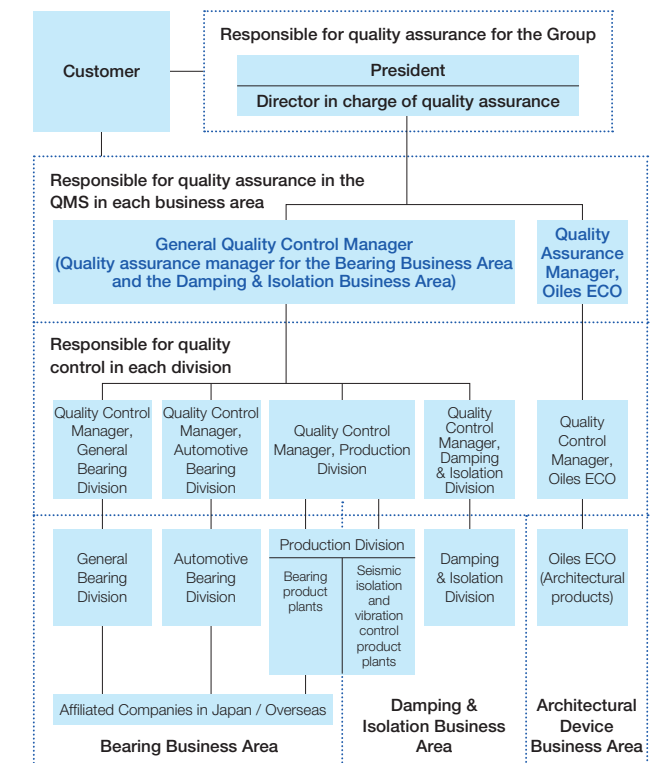
[https://www.oiles.co.jp/en/files/Oiles\\_Group\\_Quality\\_Policy\(EN\).pdf](https://www.oiles.co.jp/en/files/Oiles_Group_Quality_Policy(EN).pdf)

### Quality Assurance System

Within the Oiles Group, the director in charge of quality assurance has overall responsibility for the quality assurance systems across all business units and appoints quality control managers to the manufacturing, sales, and engineering & design depts. Moreover, the quality control managers assigned to each manufacturing, sales, and engineering & design dept. regularly hold a Quality Control Committee to resolve various quality-related issues together with all sections. Furthermore, the director in charge of quality assurance holds an annual management review to assess the Group-wide quality status and provide guidance on the quality assurance system.

A Quality Management Secretariat has been established in both the Bearing Business Area and the Damping & Isolation Business Area, with the Division Manager serving as the chief product quality reliability manager (Quality Assurance Manager). Each secretariat is working to maintain the quality and safety of its products by implementing a quality assurance system tailored to the particular characteristics of the division's business. In addition, we have established and operate a quality assurance system in which the heads and presidents of each plant and affiliate are also quality control managers.

Diagram of the Oiles Group quality assurance system



\*This diagram omits some organizational elements for explanatory purposes.

<https://www.oiles.co.jp/en/sustainability/iso/download/>

### Complaint Prevention and Response System

The President and the director in charge of quality assurance of the Oiles Group are conducting "Quality Diagnoses by Top Management" to achieve the set quality targets and to promote evaluation, guidance and improvement of the quality assurance system. In addition, in order to achieve the quality target of "zero complaints" in both product and process design, we use the "Five Whys" method of "Failure Mode Effects Analysis (FMEA)" to prevent the recurrence of past quality defects by identifying the root causes and taking permanent measures.

For serious malfunctions, we have set up a countermeasure team led by the Quality Assurance Managers to check and evaluate the progress and effectiveness of countermeasures from the customer's perspective.

# Respect for Human Rights

Respecting the human rights of all stakeholders is an essential responsibility for the sustainable development of the Company and earning society's trust. The Oiles Group recognizes that creating an environment where the human rights and diverse traits of all people are respected is a fundamental requirement for a company, and it actively promotes initiatives that consider human rights.

## Human Rights Policy

The Oiles Group has established the Oiles Group Human Rights Policy in accordance with international standards, including the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

This basic policy is thoroughly disseminated to all Oiles Group officers and employees through its posting on our website and human rights training. Moreover, we request that our suppliers understand and cooperate with the Oiles Group Sustainable Procurement Guidelines, which stipulate human rights and labor provisions including the elimination of discrimination and the prohibition of child labor and forced labor. We are working to ensure respect for human rights throughout our entire supply chain.

 The Oiles Group Human Rights Policy is available at [https://www.oiles.co.jp/files/Oiles\\_Group\\_Human\\_Rights\\_Policy\\_EN20251001.pdf](https://www.oiles.co.jp/files/Oiles_Group_Human_Rights_Policy_EN20251001.pdf)

 Oiles Group Sustainable Procurement Guidelines [https://www.oiles.co.jp/files/Oiles\\_Group\\_Sustainable\\_Procurement\\_Guidelines\\_EN.pdf](https://www.oiles.co.jp/files/Oiles_Group_Sustainable_Procurement_Guidelines_EN.pdf)

## Promotion Structure

As part of the Oiles Group's human rights initiatives, the Human Rights and Human Capital Sub-Committee monitors the implementation of human rights initiatives and the incidence of human rights violations involving Group employees in Japan, while the Procurement Sub-Committee monitors those aspects among suppliers in Japan and overseas. Findings are reported to the Sustainability Committee (Chair: Director in charge of sustainability) and the Sustainability Promotion Council, which includes all directors and operating officers.

## Human Rights Due Diligence

The Oiles Group maps the negative impacts (including potential impacts) on human rights that all of the Group's business activities might have based on their likelihood and severity.

This enables the identification and assessment of the risk of human rights violations requiring priority attention by the Oiles Group. The specific risks of human rights violations are as follows. We implement measures to prevent, mitigate, and remedy negative impacts and also assess residual risks after implementing those measures. We monitor the effectiveness and implementation status of our human rights risk mitigation efforts through post-implementation surveys, internal audits, and discussions within the Human Rights and Human Capital Sub-committee and the Sustainability Committee. These efforts are continuously reviewed and refined.

Starting in FY2024, the harassment survey was expanded beyond our own staff to include domestic Group employees and was conducted to assess the incidence of harassment.

### Human rights risks requiring a priority response by the Oiles Group

- **Within the Oiles Group**  
Harassment, underpayment, non-payment of wages
- **Supply chain**  
Human rights issues in overseas supply chains (Forced labor, child labor)

## Prevention, Mitigation, and Remediation Measures

The Oiles Group implements various measures to prevent human rights violations. In FY2024, there were zero incidents of human rights violations occurring within the Oiles Group.

### • Prohibition of Child Labor and Forced Labor

The Oiles Group explicitly prohibits child labor and forced labor in its Oiles Group Compliance Handbook. The minimum age requirement for employment is set at 18 years. In addition, new hires are required to present official identification upon joining to ensure accurate age verification.

Internal audits (conducted annually at major sites and Group companies, and every three years at other locations) include the following audited items to confirm that no human rights violations have occurred: employment of persons under 15 years of age, night work or hazardous work for persons under 18 years of age, and confiscation of identification documents from foreign employees against their will.

### • Prohibition of Discrimination

The Oiles Group prohibits unfair discrimination against employees. Employee hiring is handled by personnel to promote fair hiring and awareness of human rights who undergo regular training. These personnel respect the fundamental human rights of applicants and make hiring decisions based on the individual's aptitude and abilities. In addition, evaluators receive training upon their appointment to ensure that they provide fair treatment based on clear evaluation criteria.

### • Prohibition of Harassment

To prevent all forms of harassment within the domestic Group, we conduct lectures on harassment prevention as part of various training programs, and we regularly include topics on preventing harassment in our monthly compliance training. We are increasing the effectiveness of our efforts to prohibit harassment, via initiatives such as conducting questionnaires on harassment every spring and holding anti-harassment training programs based on the results of those questionnaires.

### Topics of Anti-Harassment Training Programs by Year

(applies to: The Company)

	Topic	Participation rate
FY2022	Understanding Sexual minorities and preventing SOGI*-based harassment	98.2%
FY2023	Workplace behavior which is not harassment yet unpleasant	85.5%
FY2024	Understanding and Preventing Microaggressions in the Workplace	91.0%

\*SOGI : An acronym for Sexual Orientation and Gender Identity.

## Remedial Measures

The Oiles Group has established a whistleblowing system as a remedial measure in the event of human rights violations. All Oiles Group employees worldwide can anonymously seek consultation or report any human rights violation, including harassment.

### P.45 Whistleblowing System

In Japan, we have established a confidential Oiles Group personnel consultation desk to support domestic Group employees facing work-related or harassment concerns, as part of proactive efforts to prevent harassment.

## Healthy Labor-Management Relations

The Oiles Group respects employees' freedom of association, union membership, collective bargaining, and the right to participate in peaceful gatherings under international treaties and decrees. We ensure labor-management dialog that allows employees to communicate openly with management without fear of discrimination, retaliation, intimidation, or harassment and uphold collective bargaining agreements and other arrangements. Through constructive dialog, labor and management are working together to realize our corporate philosophy.

The Company and some of our Group companies have their own respective labor unions. These companies and labor unions maintain a stable relationship, supported by over 60 formal agreements and regular discussions on working conditions and human resource systems. All regular employees at our company are union members, resulting in a 100% labor union membership rate.



# Occupational Health and Safety

We strive to create a safe, secure, and comfortable working environment based on the basic principle of protecting the health and safety of all our employees and our Health and Safety Management Standards.

In line with Japanese laws and regulations, we have established an occupational health and safety management system and are fostering a safety-first corporate culture through the active participation of all employees.

## Policy

To prevent industrial accidents and illnesses, we formulated Health and Safety Management Standards, which are the standards necessary for the management of safety and health. We are working to promote the safety and health of employees and to create a comfortable working environment. We are implementing our health and safety action policy to fulfill our social responsibility of ensuring safe operations and creating a safe, secure, and comfortable workplace that protects the lives and well-being of our employees. By encouraging active participation in health and safety initiatives, we aim to drive the Company's sustainable growth.

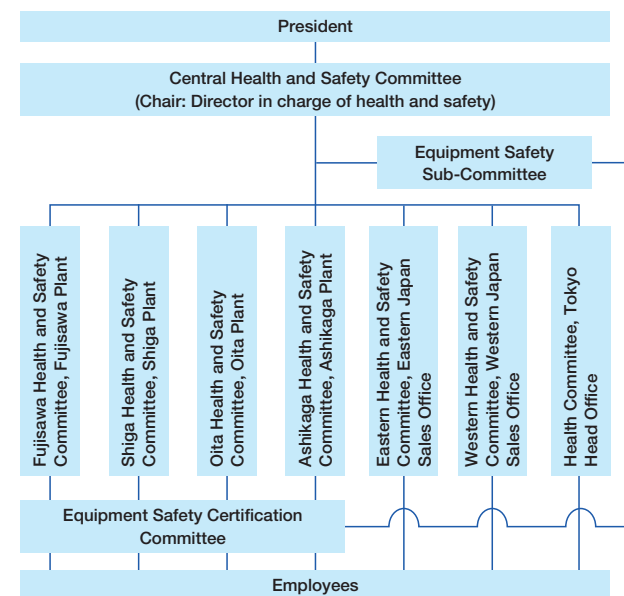
## Management Structure

Based on our Health and Safety Management Standards, we have established a management structure in which the Central Health and Safety Committee, headed by a director appointed by the President, oversees the entire Company. The Central Health and Safety Committee meets four times a year. It receives reports on matters discussed at the monthly meetings of the health and safety committees of the Fujisawa, Ashikaga, Shiga, and Oita plants, the quarterly meetings of the health and safety committees of the Eastern and Western Japan sales offices, and the monthly meetings of the Health Committee at the Tokyo Head Office. The Committee investigates key occupational health and safety issues, sets policies and targets, and submits recommendations directly to the President.

Group companies share information on serious occupational accidents and preventive measures to strengthen accident prevention across the entire Group.

Equipment safety is managed through two committees. The Equipment Safety Sub-Committee (convened irregularly by the Sub-committee Chair) under the Central Health and Safety Committee discusses safety certification criteria for production equipment, testing instruments, transportation equipment, etc., at all plants. This promotes the improvement and standardization of those criteria. In addition, the Equipment Safety Certification Committee (under the health and safety committee at each plant) conducts safety reviews and certifications of equipment based on those safety certification criteria.

Diagram of the Health and Safety Management System



## Risk Assessment

Domestic Group companies identify hazards and harms related to “equipment,” “chemical substances,” “work environments,” “work procedures,” and “other operations” at each plant to reduce occupational health and safety risks. Based on those findings, they implement activities to reduce risks. These activities are reported to the Central Health and Safety Committee on a quarterly basis.

The Domestic Group is actively working to reduce risks associated with chemical substances by continuously promoting hazard classification and risk assessment of the chemicals used, aiming to minimize potential harm.

## Conducting Safety Patrols

As part of our efforts to enhance safety activities, supervisors at our plants have been conducting safety patrols twice a day since FY2024. In addition, workplace inspections by the Plant Health and Safety Committee are conducted at Fujisawa, Shiga, Oita, and Ashikaga. Safety inspections by officers in management are conducted once a year at the four sites.

Efforts are made to address aspects that have been identified as posing occupational safety and health risks during these inspections, and the status of those efforts is reported to the Central Health and Safety Committee. These patrols and inspections help to further enhance workplace safety and foster an awareness of safety.

### Workplace inspections

(Scope: Fujisawa, Shiga, Oita, and Ashikaga)

Inspections	Frequency
Safety inspections by management (safety inspections by officers)	Once a year
Plant Health and Safety Committee (Safety Sub-Committee)	Monthly

## Eliminating Industrial Accidents

The Oiles Group strives to eliminate industrial accidents under the slogan “Zero Industrial Accidents.”

We comply with all relevant occupational safety and health laws and regulations while striving to enhance management standards. When an industrial accident occurs, we promptly identify the cause, formulate preventive measures, and share them across all sites to drive Company-wide accident elimination efforts.

To prevent health hazards, we have introduced semi-automated wrapping equipment (stretch film wrapping machines) at work sites where pallets are wrapped to prevent cargo from shifting, and we have installed ventilation systems in work sites where formaldehyde is generated.

Initiative details	Scope	Frequency
Formulation of a Health and Safety Action Plan and implementation of activities based on that plan	Our plants	Quarterly
Formulation and revision of voluntary regulations concerning occupational safety	Our plants	Regularly
Regular inspections of equipment	Our plants	Regularly
Hazard prediction training (KYT*) *KYT stands for Kiken (Hazard), Yochi (Prediction) and Training.	The Company (including sales offices)	Once a month
Establishment of written procedures and manuals specifying work rules, hazardous areas, and the response in the event of an emergency	Our affiliated and partner companies	Regularly
Initiatives to prevent heatstroke among employees	Our affiliated and partner companies	Regularly

The Internal Audit Dept. conducts internal audits to assess compliance with laws and regulations and the effectiveness of measures to prevent industrial accidents at each plant. These audits are done annually at key sites and Group companies and every three years at other locations, and results are reported to the President. The Internal Audit Dept. notifies a plant of any issues identified during an audit and requires the plant to take corrective action. It also verifies the status of improvements.

## Status of Industrial Accidents

There were 12 industrial accidents at the Company in FY2024. Industrial accidents tended to involve contusions and lacerations caused by being caught in equipment, so measures were devised to prevent their occurrence and recurrence, operating procedures were revised, and safety alerts were issued. Group companies are also working to prevent industrial accidents through their respective health and safety committees, and information on accidents occurring within the Oiles Group is shared by the Environmental Health & Safety Office. As a measure to prevent the recurrence of an industrial accident that occurred at the Fujisawa Plant in the previous fiscal year, we reviewed operating procedures and strictly enforced the wearing of safety helmets.

### FY2024 results

(Scope: The Company)

Initiative details		Results
Number of industrial accidents	No absences from work	10
	Absences from work	2
Frequency of lost-worktime injuries		2.08
Severity rate of lost-worktime injuries		0.05

## Health and Safety Training

We provide occupational health and safety training to employees at each of our plants, including as part of new employee onboarding programs.

The skills training center provides safety training with simulated hazard lessons (27 participants, 100% attendance rate) as part of skills training for new employees, and each workplace offers safety training to newly hired and newly assigned employees. We provide safety training by position level and encourage members of health and safety committees and managers to acquire qualifications through national examinations, including those related to the Industrial Safety and Health Act.

# Initiatives for a KENKO Investment for Health

A “KENKO Investment for Health,” that is, the promotion and maintenance of the physical and mental health of our employees, forms the foundation of our management of human capital. We view a KENKO Investment for Health as a key management priority, and we are endeavoring to promote the physical and mental health of our employees.

## System to Promote a KENKO Investment for Health

Together with the Central Health and Safety Committee, the Human Rights and Human Capital Sub-Committee strives to create a foundation on which employees can enjoy working. We strive to promote KENKO Investment for Health through reform of working patterns, mental health measures, and activities to maintain and promote health. In November 2020, we set up the KENKO Investment for Health Promotion Team in the Human Resources Dept. to strengthen our organizational framework for health and productivity management. Based on the KENKO Investment for Health Strategy Map, we have integrated key initiatives into our health and safety action plans and built a structure that enables consistent implementation across all sites. As a result of these efforts, we have also been certified as an Outstanding Organization of KENKO Investment for Health by the Ministry of Economy, Trade and Industry (METI) for three years running since FY2023.

## Employee Wellness Support

We prioritize the prevention, early detection and early treatment of lifestyle-related diseases. Occupational health personnel are assigned to all of our sites, and we are enhancing post-checkup consultations with occupational health nurses for employees found to have potential health issues. In FY2021, we introduced iCARE's health information management system Carely® and built an analytical platform that centralizes the health data of all our domestic employees, thereby enhancing the efficiency of information sharing and collaboration between business sites. Health education is provided by video to employees to improve their health literacy, allowing enough flexibility for employees working at plants to participate. In addition, we are enhancing initiatives to promote employee health, such as subsidizing the expenses of further examinations after regular health checkups and fees for comprehensive medical screenings.

Since FY2024, we have been enhancing our collaborative health initiatives with the health insurance association, and we are working to improve the implementation rate of specific health guidance. Moreover, we have begun enhancing support

for older workers based on the Ministry of Health, Labour and Welfare's Age-Friendly Guidelines. As part of our efforts to prevent fall-related workplace accidents, we are conducting fall risk assessments and measuring bone density.

Since FY2023, we have expanded health support for employees assigned overseas. This includes an enhanced medical checkup and a stress check beforehand, interviews with employees who need advice after a health checkup, and follow-up on secondary examinations. Before and after being assigned overseas, our employees receive consultations with an occupational health nurse to make the transition to their new environment smoother.

## Mental Health Measures

In response to the growing societal concern over mental health issues, which have led to an increase in employee leaves of absence across industries, we have been proactively implementing measures to support the mental health of our employees. We also established an Oiles Group personnel consultation desk that is available to all employees of domestic Group companies. The desk provides support for both work-related and personal concerns. Since 2022, a clinical psychologist has been assigned to the Human Resources Dept. to provide professional support. In accordance with the Industrial Safety and Health Act, we have employees undergo a stress check once a year, support individual stress management, and also perform a group analysis by workplace every year. Starting in FY2024, we added questions regarding engagement and presenteeism to conduct a multifaceted evaluation. We also inform individual managers of the results of the group analysis to facilitate improvements in the workplace environment.

We have established a robust support system that enables employees to consult with an occupational physician, an occupational health nurse, a clinical psychologist, or an external organization as needed, helping to ensure early detection and prevention of mental health issues. We provide mental health training to every employee for self-management and an occupational health nurse interviews all new employees to facilitate their adaptation to the workplace. When an employee takes leave, occupational health personnel are involved before leave is taken and provide continuous support even while the employee is on leave. We develop tailored return-to-work support programs to ensure a smooth and successful reintegration for employees following a leave of absence. In FY2025, we introduced ARIRGE SUPPORT, which is a cloud service from ARIRGE CO., LTD. to assist with both treatment and work. We are enhancing our system of support by efficiently coordinating with employees who are sick and medical facilities.

### Effects of Health Investment

(Scope: The Company)

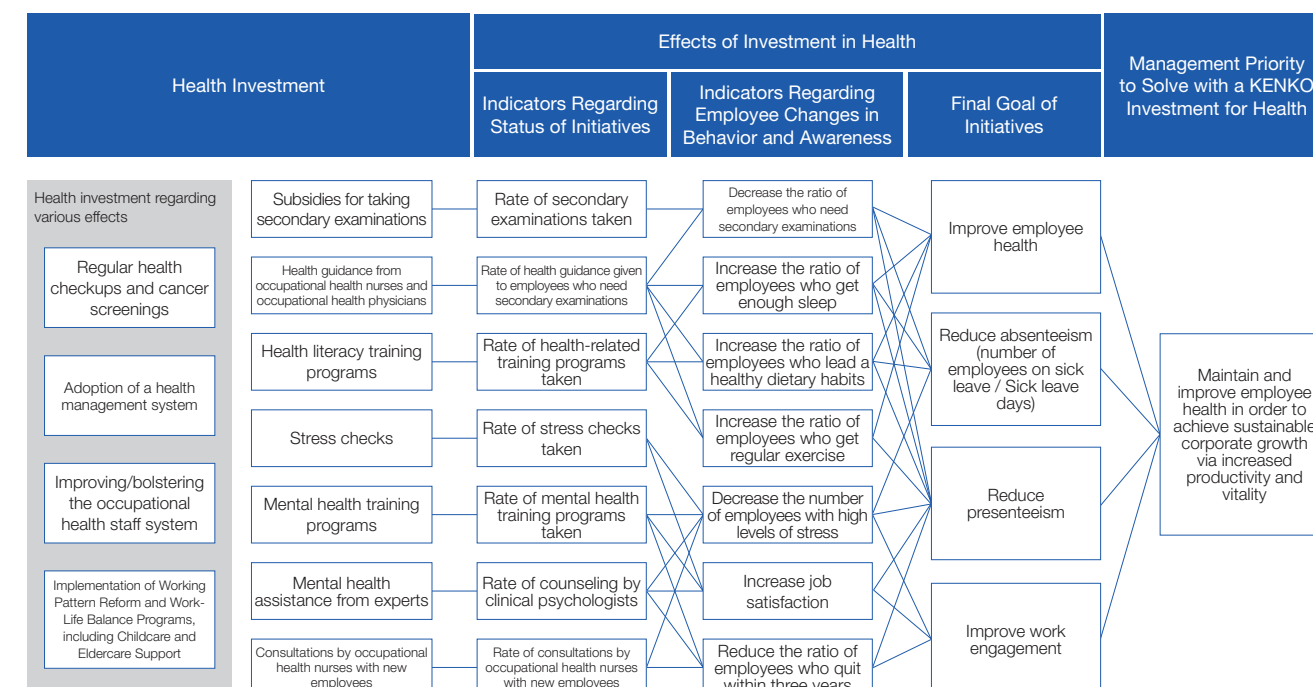
	FY2022	FY2023	FY2024
Rate of secondary examinations taken	60.0%	55.0%	61.4%
Rate of consultations by occupational health nurses with those who need treatment	100.0%	100.0%	100.0%
Rate of participation in health-related training	72.5%	96.0%	93.3%
Rate of stress checks taken	91.0%	94.3%	95.5%
Percentage of individuals with a high level of stress according to a stress check	17.0%	16.1%	14.8%
Rate of mental health training programs taken	69.5%	94.5%	94.1%
Rate of consultations by occupational health nurses with new employees	100.0%	100.0%	100.0%
Rate of smoking	30.1%	29.8%	28.4%
Rate of drinking	17.1%	18.1%	16.1%
Absenteeism* <sup>1</sup>	1.99	1.94	1.97
Work engagement* <sup>2</sup>	2.31	2.66	2.69
Presenteeism* <sup>3</sup>	—	—	24.0%

\*1 Average number of days taken off with sick leave system among all employees

\*2 Average value of two items (in FY2022) and three items (in FY2023) based on the Utrecht Work Engagement Scale

\*3 Percent decrease in operational efficiency, with 100% representing satisfactory conditions

### KENKO Investment for Health Strategy Map





# Sustainable Procurement Initiatives

The Oiles Group is pursuing sustainable procurement initiatives and has established the Oiles Group Corporate Conduct Charter declaring our commitment to building fair and equitable relationships with our suppliers and working toward socially and environmentally responsible procurement.

## Oiles Group Procurement Policy

The Oiles Group will comply with laws and regulations, social norms, and corporate ethics and collaborate with our suppliers to promote sustainable procurement activities to fulfill our corporate social responsibilities (CSR), including respect for human rights, consideration of occupational health and safety, and environmental protection.

**WEB** Oiles Group Procurement Policy  
[https://www.oiles.co.jp/en/files/Oiles\\_Group\\_Procurement\\_Policy\(EN\).pdf](https://www.oiles.co.jp/en/files/Oiles_Group_Procurement_Policy(EN).pdf)

## Sustainable Procurement System

To pursue sustainable procurement throughout the entire Oiles Group, we have established the Procurement Sub-Committee (chaired by the manager of the Procurement Dept.) as a sub-committee under the Sustainability Promotion Council. The Sub-Committee convenes twice a year. The Procurement Sub-Committee consists of representatives from the Bearing Division, Damping & Isolation Division, the Planning & Administrative Dept. of the Corporate Planning & Administrative Division, and the chiefs of the manufacturing control sections at each plant. The Sub-Committee will share information on the status of supply chain management based on the procurement policy and also review rules and operations as necessary, thereby enhancing consistency and sustainability. In FY2024, we centralized information on suppliers for our Company and domestic Group companies, and we are promoting the sharing of information on existing suppliers within the Group. We use this information to address topics, such as devising and creating alternative procurement and production systems, in order to strengthen our relationships with suppliers throughout the Group and to enhance our resilience to supplier risks. These activities enhance the quality and reliability of procurement across the entire Group while fulfilling part of our corporate responsibility to help create a sustainable society.

## Supply Chain Management

The Oiles Group's technologies and products that contribute to building a sustainable society are made possible not only through our internal initiatives but also through the valuable

collaboration of our suppliers. For procurement, we have established the Oiles Group Sustainable Procurement Guidelines in response to societal demands for sustainability and changes in the business environment. We share the Oiles Group's basic policy on sustainable procurement with our suppliers and continue to educate them about it while increasing mutual understanding.

**WEB** Oiles Group Sustainable Procurement Guidelines  
[https://www.oiles.co.jp/en/files/Oiles\\_Group\\_Sustainable\\_Procurement\\_Guidelines\\_EN.pdf](https://www.oiles.co.jp/en/files/Oiles_Group_Sustainable_Procurement_Guidelines_EN.pdf)

The Oiles Group Sustainable Procurement Guidelines require that our suppliers address matters such as compliance, human rights and labor practices, health and safety, the environment, product quality and safety, information security, business continuity management (BCM), social contributions and coexisting with communities, and implementation of the Guidelines throughout the supply chain. In the FY2024 revision, we expanded the items related to occupational health and safety to better safeguard employees at our suppliers. As part of two-way communication, we administer a Sustainable Procurement Questionnaire. For suppliers falling below our standards, we adhere to the Three Actuals" Principle (Genba: The Actual Place, Genbutsu: The Actual Thing, and Gemjitsu: The Actual Situation). We visit their site, ascertain current circumstances, and request their cooperation with sustainable procurement. As part of strengthening information security within the supply chain, we invited an external instructor and held an information security seminar for our suppliers in January 2025.

### Sustainable procurement SAQ implementation Status

		Implementation Period	Number of companies responding	Number of companies followed up with
The Company	Recently	May 2024	298 companies	23 companies
	Previous	May 2022	324 companies	58 companies
4 domestic manufacturers	Recently	October 2024	117 companies	22 companies
	Previous	October 2022	114 companies	37 companies
OILES ECO	Recently	June 2024	55 companies	9 companies
2 domestic sales companies	Recently	December 2023	90 companies	18 companies
Overseas Group	Recently	January 2024	186 companies	38 companies

## Stable Securing of Raw Materials

In the event of a large-scale disaster such as a significant earthquake, business continuity throughout the supply chain is an important issue related to the sustainable growth of a company. The stable procurement of raw materials is essential for the Oiles Group to stably conduct and expand its business. Therefore, we are building a system that can, in the event of a disaster, quickly ascertain the extent of damage to our suppliers and supply issues. We conduct risk assessments for key raw materials in particular based on our Business Continuity Plan (BCP). We then devise specific risk responses in accordance with the level of priority set based on the degree to which a supply disruption will impact our business and the results of those risk assessments. We are also promoting initiatives to achieve the sustainable procurement of raw materials through efforts such as decentralized procurement, which involves sourcing raw materials from multiple regions. These measures enhance the Group's overall business continuity while also contributing to increased trust as a company fulfilling its social responsibilities.

## Our Initiatives for Responsible Mineral Sourcing

There are international concerns that "conflict minerals," namely mineral resources such as tantalum, tin, tungsten, and gold mined in conflict-affected and high-risk areas (CAHRAs), are being used to fund armed groups engaged in human rights abuses and environmental destruction. In recent years, these minerals have been expanded to include cobalt and mica, and minerals such as copper, graphite, lithium, and nickel have also been recognized as high-risk for human rights violations and environmental impacts.

Recognizing that responsible mineral sourcing is a critical issue in the global supply chain, the Oiles Group actively monitors the use of mineral resources originating from those areas in the materials and components that it uses in its products.

This monitoring is conducted in accordance with the concept of due diligence presented in the OECD Guidance and serves as part of our risk assessment process. If we find that mineral resources from a conflict area are being used or if there is concern about their potential use, we strive to take corrective measures to avoid their use.

## Strengthening Partnerships with Our Suppliers

The Oiles Group considers the building of partnerships with our suppliers based on trust as a cornerstone for its sustainable corporate activities. Through continuous dialog, we strive to enhance the resilience and transparency of the entire procurement process.

During the first half of FY2025, we implemented initiatives to visit key suppliers and directly solicit opinions on topics such as changes in order volumes, management issues, and concerns regarding business continuity. We will sincerely listen to these opinions and continue dialog to share information on issues and work to resolve them.

We address concerns regarding fair pricing with sincerity and fairness, and we aim to build lasting business relationships while maintaining the trust of our suppliers.

These efforts not only support the sustainable management of our suppliers but also help to reduce risks in our procurement activities. By continuing to strengthen partnerships with our suppliers, we will enhance our credibility as a company fulfilling its social responsibilities. We will grow together with our suppliers and build a sustainable society.



Supply chain seminar for our suppliers



# Financial Data

For ESG data, please refer to the website below

<https://www.oiles.co.jp/en/sustainability/esg-data/>

## Changes in Business Performance and Management Indicators (Full Year)

		Fiscal year ended March 2015	Fiscal year ended March 2016	Fiscal year ended March 2017		Fiscal year ended March 2018	Fiscal year ended March 2019	Fiscal year ended March 2020	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
<b>Business performance</b>													
Net sales	million yen	61,880	60,067	56,878		59,031	61,343	60,144	52,954	59,853	62,882	68,765	67,604
Gross profit	million yen	21,962	21,167	20,524		20,894	21,241	20,144	17,119	20,217	19,909	22,987	23,685
Selling, general and administrative expenses	million yen	15,894	16,231	16,120		16,078	16,230	15,416	14,004	14,355	14,853	15,695	16,743
Operating profit	million yen	6,067	4,935	4,404		4,815	5,011	4,728	3,115	5,861	5,056	7,291	6,942
Ordinary profit	million yen	6,637	5,054	4,601		5,283	5,247	5,072	3,762	6,514	5,730	7,791	7,381
Profit attributable to owners of parent	million yen	4,300	4,927	1,466		3,583	3,738	3,432	2,525	4,325	4,132	5,476	6,308
Depreciation	million yen	2,870	3,108	2,959		2,639	2,709	2,857	2,823	2,981	3,276	3,364	3,466
Capital expenditures	million yen	4,045	2,393	2,526		3,515	5,316	3,442	4,284	3,397	2,696	2,260	4,506
R&D expenses	million yen	2,882	2,775	2,668		2,908	2,698	2,573	2,472	2,445	2,527	2,529	2,878
Total assets	million yen	74,426	70,247	68,848		72,607	79,315	79,887	80,615	85,530	86,991	95,075	93,361
Net assets	million yen	60,210	57,748	56,299		58,839	59,806	60,642	62,557	66,591	69,589	74,900	76,844
<b>Consolidated Cash Flows</b>													
Cash flows from operating activities	million yen	6,545	8,160	6,440		6,126	3,861	8,292	4,139	5,850	7,987	7,196	8,773
Cash flows from investing activities	million yen	△3,827	1,308	△2,445		△3,802	△5,295	△3,549	△4,171	△3,142	△2,200	△1,172	△2,447
Cash flows from financing activities	million yen	△3,787	△4,968	△2,694		△2,758	4,332	△1,744	△1,030	△3,363	△4,071	△4,312	△6,893
Cash and cash equivalents at end of period	million yen	11,196	15,369	16,419		16,208	18,860	21,832	20,587	20,337	22,597	24,891	24,966
<b>Per share data</b>													
Earnings per share (EPS)	yen	128.01	150.54	46.37		114.37	119.49	109.62	80.63	137.58	132.44	177.79	208.41
Book-value per share (BPS)	yen	1,771.43	1,773.66	1,747.67		1,851.17	1,878.17	1,901.14	1,963.96	2,090.62	2,214.78	2,413.91	2,590.73
Dividends per share	yen	50.00	50.00	50.00		50.00	50.00	50.00	40.00	55.00	55.00	75.00	85.00
<b>Financial metrics</b>													
Ratio of operating profit to net sales	%	9.8	8.2	7.7		8.2	8.2	7.9	5.9	9.8	8.0	10.6	10.3
Return on equity (ROE)	%	7.5	8.6	2.6		6.4	6.4	5.8	4.2	6.8	6.1	7.6	8.4
Return on assets (ROA)	%	9.1	7.0	6.6		7.5	6.9	6.4	4.7	7.8	6.6	8.6	7.8
Equity ratio	%	78.9	80.1	79.6		79.7	74.1	74.5	76.4	77.2	79.3	78.1	81.6
Dividend payout ratio	%	39.1	33.2	107.8		43.7	41.8	45.6	49.6	40.0	41.5	42.2	40.8
Total return ratio	%	93.8	97.1	176.4		71.7	41.8	45.6	49.6	40.0	66.1	60.6	103.7
Number of employees in consolidated businesses (regular employees)	people	1,918	1,993	2,089		2,051	2,092	2,085	2,046	2,035	2,030	2,064	2,069

\* The figures in this report have been calculated based on Japanese GAAP.

\* We have applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) from the beginning of the fiscal year ended March 31, 2022, and the figures for each of the fiscal years ended March 31, 2015 through March 31, 2021 are calculated after retroactively applying the "Accounting Standard for Revenue Recognition".

\* We have applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended March 31, 2019, and the figures for each of the fiscal years ended March 31, 2015 through March 31, 2018 are calculated after retroactively applying the "Partial Amendments to Accounting Standard for Tax Effect Accounting."

# Corporate Data

## Corporate Information

Name of company	Oiles Corporation
Established	March 11, 1952
Share capital	8.585 million
Registered Head Office/ Fujisawa Head Office	8 Kiriara-cho, Fujisawa-shi, Kanagawa, Japan
Website URL	<a href="https://www.oiles.co.jp/en/">https://www.oiles.co.jp/en/</a>

## Basic Stock Information

Stock listing	Tokyo Stock Exchange, Prime Market
Industry	Machinery
Securities code	6282
Shares per trading unit	100 shares
Fiscal year	April 1 to March 31 of following year
(Interim) Dividend record date	March 31 (September 30)
Total number of authorized shares	153,200,000 shares
Total number of issued shares	33,300,505 shares

## Consolidated Subsidiaries in Japan (8 companies)\*<sup>1</sup>

Name of Company	Location (Head Office)	Major Business Segments* <sup>2</sup>
OILES ECO CORPORATION	Shinagawa-ku, Tokyo	Architectural devices
OILES NISHI NIHON HANBAI CO., LTD.	Nishi-ku, Osaka	Bearings, etc.
OILES HIGASHI NIHON HANBAI CO., LTD.	Minato-ku, Tokyo	Bearings, etc.
UNIPLA CORPORATION	Kawagoe-shi, Saitama	Bearings and structural devices
RIKO KIHARA CORPORATION* <sup>3</sup>	Nakauonuma-gun, Niigata	Bearings and structural devices
LUBY INDUSTRIAL CO., LTD.	Onuma-gun, Fukushima	Bearings and structural devices
OK INDUSTRIAL CO., LTD.	Moriyama-shi, Shiga	Bearings
MENSHIN ENGINEERING CO., LTD.	Shinagawa-ku, Tokyo	Structural devices

## Overseas affiliated companies (7 companies)\*<sup>1</sup>

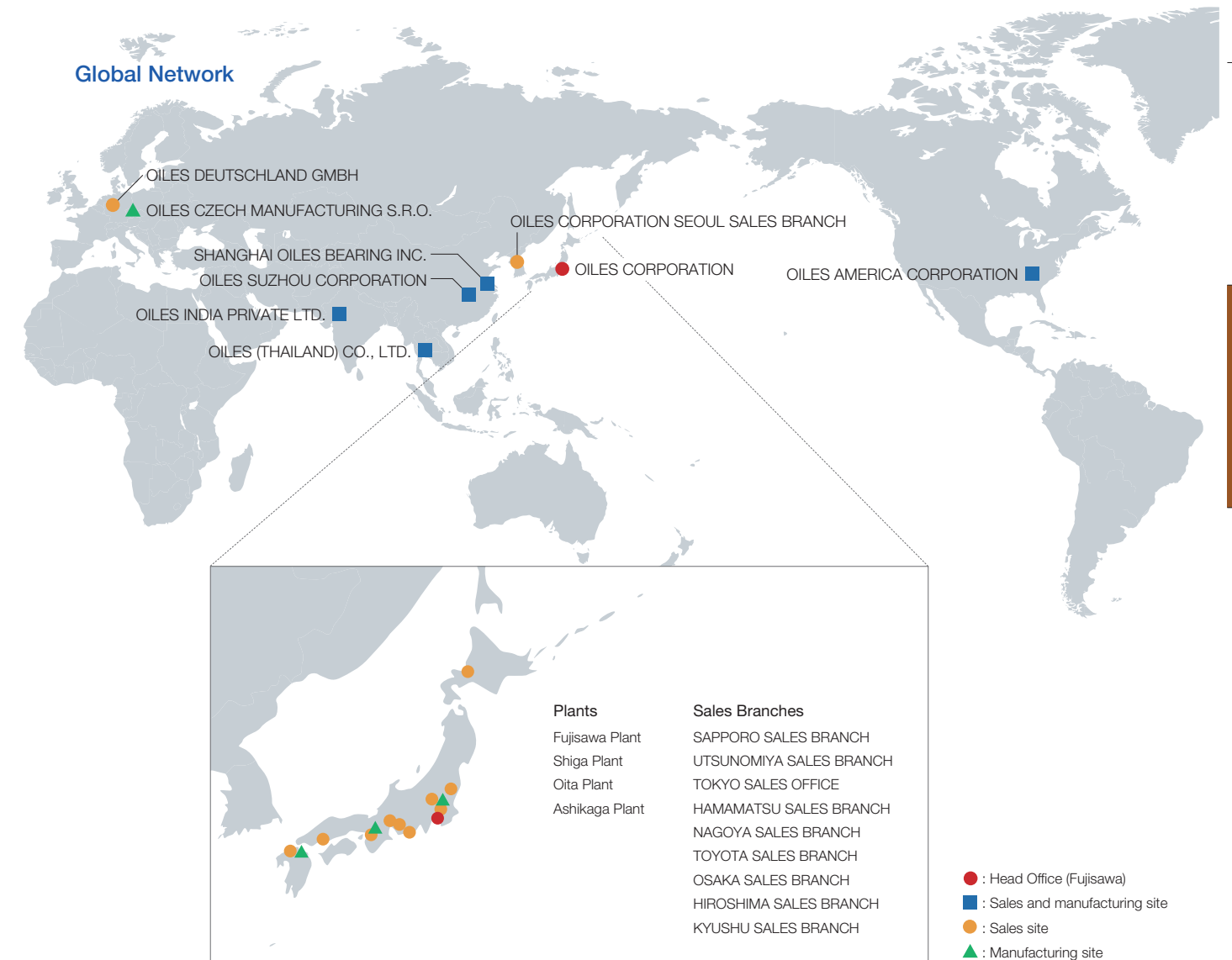
Name of Company	Location (Head Office)	Major Business Segments* <sup>2</sup>
OILES AMERICA CORPORATION	North Carolina, USA	Bearings
OILES DEUTSCHLAND GMBH	Hessen, Germany	Bearings
OILES CZECH MANUFACTURING S.R.O.	Kadan, Czech Republic	Bearings
SHANGHAI OILES BEARING INC.	Shanghai, China	Bearings
OILES SUZHOU CORPORATION* <sup>3</sup>	Suzhou, Jiangsu, China	Bearings
OILES (THAILAND) CO., LTD.	Rayong, Thailand	Bearings
OILES INDIA PRIVATE LIMITED* <sup>3</sup>	Haryana, India	Bearings

\*1 No subsidiary has submitted a securities registration statement or securities report

\*2 The name of the segment is listed in the "Major Business Segments" column

\*3 Corresponds to a specified subsidiary

## Global Network



## External Ratings and Evaluations



In recognition of our efforts to promote the active participation of women, such as increasing the number of qualified female employees through career training, the Oiles Group received the Eruboshi Certification (second level) from the Ministry of Health, Labour and Welfare (MHLW) on January 31, 2024.



In recognition of our efforts to promote balance between work and family life, such as our training in support of balancing work and childcare and other measures encouraging employees to take childcare leave, the Oiles Group received the Kurumin Certification (one star) from the MHLW on June 5, 2023.



In recognition of our efforts to maintain and promote employee health, such as our proactive mental health measures, the Oiles Group has been certified as an Outstanding Organization of KENKO Investment for Health by the Ministry of Economy, Trade and Industry (METI) for three consecutive years since 2023.



**FTSE Blossom  
Japan Sector  
Relative Index**

In recognition of our strong performance in environmental, social, and governance (ESG) initiatives, we have been selected for four consecutive years since April 2022 as a constituent of the FTSE Blossom Japan Sector Relative Index, a leading ESG investment benchmark by FTSE Russell.



We actively promote initiatives aligned with the Sustainable Development Goals (SDGs). We also endorse the UN Global Compact, the world's largest sustainability initiative for building a sustainable and equitable global society, and have participated in this compact since July 2019.

**UN Global Compact**  
<https://unglobalcompact.org>