always with you... Achilles

Achilles

Living with Society

Achilles Report 2026

Corporate Philosophy
“Living with Society” = “Customer First”

“Living with Society” and “Customer First” are core values that guide us.
We contribute to a sustainable society and strive to improve the well-being of all.

[History]

1940

May 1947 Established “Kohkoku Chemical Industry Co., Ltd.” with capital of 2 million yen; began manufacture and sales of rubber products, with the Head Office located in Nihonbashi, Chuo-ku, Tokyo, and a factory in Ashikaga, Tochigi Prefecture

April 1948 Began manufacture and sales of polyvinyl chloride (PVC) products.

March 1951 Relocated the Head Office to Shintomi-cho, Chuo-ku, Tokyo.

June 1956 Elevated the Osaka Sales Office to the Osaka Branch (currently Kansai Branch Office) and expanded the Kansai market.

April 1957 Constructed the Yamabe Factory (currently Ashikaga Factory No. 1) in Ashikaga City, Tochigi Prefecture.

1960

June 1961 Began technical cooperation with UK-based ICI for the manufacture of flexible polyurethane foam.

September 1962 Listed on the First Section of the Tokyo Stock Exchange.

January 1963 Successfully manufactured our original “Cabron” synthetic leather and began sales.

February 1964 Relocated the Head Office to Daikyocho, Shinjuku-ku, Tokyo.

November 1965 Established Achilles K.C.I. Corporation in New York, USA. (absorbed in 1978 by ACHILLES USA, INC.)

July 1969 Constructed the Mikuriya Factory (currently Ashikaga Factory No. 2) in Ashikaga City, Tochigi Prefecture; began manufacture of industrial materials including automotive interior materials and rigid urethane shells

1970

February 1973 Incorporated the Hong Kong representative office as a local company and established “Kohaku Co., Ltd.” (currently ACHILLES HONG KONG CO., LIMITED).

October 1973 Constructed the Kansai Factory (currently Shiga Factory No. 2) in Inukami District, Shiga Prefecture.

November 1973 Established “KOHKOKU USA, INC.” (currently ACHILLES USA, INC.) in Everett, Washington, USA.

August 1974 Constructed the Bibai Factory in Bibai, Hokkaido.

November 1978 Established Shiga Factory No. 1 in Yasu, Shiga Prefecture.

1980

February 1982 Changed the company name from “Kohkoku Chemical Industry Co., Ltd.” to “Achilles Corporation.”

June 1986 Formed a technical tie-up with A.S.Creation Tapeten AG of Germany for manufacturing wall materials.

January 1989 Constructed the Kyushu Factory in Iizuka, Fukuoka Prefecture.

History of Main Products



1957
Launched sales of Roketto Shoes



1957
Launched sales of vinyl film for agriculture applications



1967
Launched sales of Mīna patterned kids’ shoes





1971
Began production of COSSACKY series using slush molding technique

1972
Began production of vinyl wallpaper at Yamabe Factory and launched sales



1973
Announced first model of ARTLEUM cushion flooring



1973
Launched sales of Achilles Flarre flameproof film for partitions

1975
Launched sales of Achilles Seiden F anti-static film.



1985
Launched sales of Flashpal kids’ sports shoes



1985
Launched sales of rotary screen-printed wallpaper

Contents

History/About This Report — 1
President’s Message — 3
Value Creation Model — 5
Business Segments — 7
Achilles Group — 8
Achilles Stakeholders — 8
Achilles’ Sustainability — 9
Disclosure Based on TCFD Recommendations — 10

Environment Environmental Response
Environmental Initiatives — 13

Social Responses to Social Issues Involving Customers and Employees
Provide Surprise, Joy, and Inspiration Through Products and Services
Initiatives to Create Shared Value with Society — 19
Initiatives for Quality Assurance — 25
Working Together with Our Customers — 26
Collaboration with Business Partners — 26
Respect Human Rights and Make Effective Use of Diverse Human Resources — 27
Safe and Healthy Workplace Environments Conducive to Work — 29
Community Engagement and Social Contribution Activities — 31

Governance Governance and Risk Response
Governance/Risk Management — 33

Data Version: Financial Information — 36
Data Version : Environmental Footprint Data — 37

1990

December 1993 Established a joint venture, “Kunshan Achilles Artificial Leather Co., Ltd.” (currently Kunshan Achilles New Material Technology Co., Ltd.), for manufacturing PVC synthetic leather in Kunshan, Jiangsu Province, China.

December 1998 Began production of the conductive polymer material “ST-Poly.”

2000

September 2002 Acquired ISO 14001 certification at all seven factories and six group companies in Japan.

October 2002 Established “Achilles (Shanghai) International Trading Co., Ltd.” in Shanghai, China.

February 2004 Began operations at the “No. 2 Factory of Kunshan Achilles Artificial Leather Co., Ltd.” (currently Kunshan Achilles New Material Technology Co., Ltd.).

November 2006 Acquired 100% of the shares of “Sanshin Enterprises Co., Ltd.” and made it a wholly owned subsidiary.

October 2007 All business divisions acquired ISO 9001 certification.

February 2008 Established “Achilles Advanced Technology Co., Ltd.” in Taiwan to meet demand from expanding production in the semiconductor market.

April 2008 Established a sales office of ACHILLES USA, INC. in Detroit, Michigan, USA.

March 2009 Concluded a partnership agreement with ITOCHU Corporation for the “Syunsoku” shoes brand.

February 2015 Relocated the Head Office to Kita-Shinjuku, Shinjuku-ku, Tokyo.

May 2019 Established “Achilles (Foshan) New Materials Co., Ltd.” in Foshan, Guangdong Province, China.

November 2019 Established Achilles Retail Corporation.

October 2021 Reorganized the Rubberized Fabric Sales Department and established the Disaster Response Division. reorganized Industrial Materials Sales Department and established Industrial Materials Division

April 2022 Transferred to the Prime Market of the Tokyo Stock Exchange.

June 2022 Became a company with an Audit and Supervisory Committee.

November 2022 Established a Sustainability Committee.

January 2024 Expanded the production line of flexible polyurethane foam in Shiga Factory No. 2.

February 2024 Achilles Osaka Vini Star Co., Ltd. changed its name to Achilles Vinistar Co.,Ltd. and relocated.

March 2025 Established the Digital Marketing Promotion Working Group.

June 2025 Changed business divisions to BUs and reorganized the segments. At the same time, reorganized the manufacturing and administrative divisions.

November 2025 Opened ACHILLES KOHKOKU LATIN AMERICA, S.A. DE C.V. (Mexico) together with ACHILLES USA, INC. (U.S. subsidiary).



1991
Launched sales of air tent



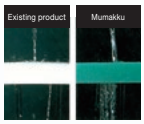
1993
Launched official sales of insulation method using exterior siding



1998
Launched sales of Achilles POViC series of polyolefin films



1998
Began production of the conductive polymer material ST-Poly



1998
Started operation of non-coating processing unit no. 1; launched sales of new Airlon Mumakku foam



2002
Launched sales of Protos Carrier wafer 1991 carrier systems



2002
Launched sales of Bioflex Multi biodegradable films



2003
Launched sales of Syunsoku kids' sports shoes



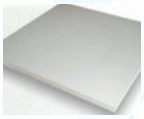
2003
Launched direct sales of Achilles Joint pipe connections



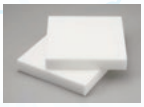
2006
Announced Tn-p method for tunnel repair work



2008
Launched sales of ACHILLES SORBO series



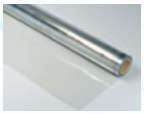
2008
Launched sales of Q1 Board high-performance heat insulation with heat shielding material



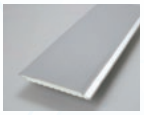
2010
Launched sales of AIRLON ECO environmentally friendly foam



2013
Launched sales of ALL DAY Walk pumps offering sneaker-like comfort



2013
Launched sales of ACHILLES FUNEN CLEAR certified nonflammable films



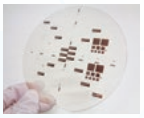
2018
Launched sales of “Triton Revo-P” (for walls) insulation materials for use in agriculture and stockbreeding



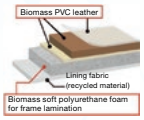
2020
Launched sales of ecofriendly AM-01 soft PVC sheet made with biomass materials



2022
Launched sales of "ACHILLES QZ-Box" cold storage box



2024
Developed a technology using the polypyrrole plating method, to form highly adhesive plating films on glass substrates under low-temperature and atmospheric-pressure processes



2024
Developed “Lagreen” biomass plastic composite sustainable material

About This Report

Reporting scope

Achilles Corporation and subsidiaries inside and outside Japan
Note: Noted separately when the scope is different.

Reporting period

April, 2025 to March, 2026
Note: Some events occurring after the reporting period are included.

Publication date

Previous report: September 2025
This report: September 2026
Next report: September 2027 (planned), Published once a year

Referenced guidelines, regulations, and technical standards

ISO 26000 (social responsibility guidance)
ISO 14001 (environmental management system)
SDG Compass (guide for business action on the SDGs)
ISSB Integrated Reporting Framework
TCFD Recommendations and GHG Protocol

Editorial policy

We position the “Achilles Report” published by the Company as an important tool for proactively communicating non-financial information, including the story of “future value creation” envisioned by the Achilles Group and initiatives addressing sustainability issues (environmental, social, and governance) that enhance the value of the intangible assets underpinning that story, and for deepening dialogue with all stakeholders.

As Our Goal for FY2030 (Vision 2030), we aspire to become a “global solution provider” that enriches people’s lives by delivering surprise, joy, and inspiration to the world. Although the environment surrounding companies remains difficult to predict amid rising geopolitical risks worldwide, we have established the “Medium-term Management Plan - FY25–FY27 -” as a compass for transformation toward achieving Vision 2030 in these uncertain times, and are now vigorously advancing the plan. In the President’s Message in this report, we present the progress and results of fundamental reforms in the first year (FY2025), the outlook going forward, and the current state of sustainability management in the Group.

Note: This report is also available on the Achilles Corporation website, which can be accessed from the QR code on the right and the URL below.
https://www.achilles.jp/english/csr/

President's Message

Looking Ahead to a New Stage of Growth Together with Society



Ochiro Nikage

President and Representative Director

First-year Progress and Results of the "Medium-term Management Plan - FY25–FY27 -"

The Medium-term Management Plan - FY25–FY27 - (the "Medium-term Plan") aims to rebuild and strengthen profitability through three company-wide strategies—"Thorough Selection and Concentration," "Creation of New Value," and "Promotion of Global Strategy." In FY2025, the first year of the plan, these initiatives produced results at a faster pace than anticipated.

For FY2025, consolidated net sales were 81.8 billion yen (up 3.4% year on year), operating income was 2.9 billion yen (compared with an operating loss of 0.4 billion yen in the previous year), ordinary income was 3.9 billion yen (compared with an ordinary loss of 0.2 billion yen in the previous year), and profit attributable to owners of parent was 2.1 billion yen (up 394.7% year on year), representing a substantial improvement in earnings. Overseas net sales also increased significantly to 21.4 billion yen (up 24.4% year on year), while the operating income margin was 3.6% and ROE was 5.1%. With an operating income target of 3.0 billion yen for FY2027, the final year of the Medium-term Plan, we believe we made an extremely strong start by coming close to that target in the very first year.

The biggest factor behind this dramatic improvement in profitability was the increase in gross profit margin achieved through "Thorough Selection and Concentration." Since the business organization was restructured last year, we have concentrated management resources on focus areas expected to offer growth and profitability. As a result, sales increased substantially for films used in the medical field, where demand is expanding in manufacturing processes for antibody drugs and vaccines, as well as for materials used to transport semiconductor wafers and in manufacturing processes in the electronics field, which is booming on the back of AI demand. Our strengths in materials control technology and electrostatic and clean technologies were fully demonstrated, and highly profitable businesses, including those overseas, strongly drove the Company's overall performance.

At the same time, we have steadily advanced initiatives to resolve issues in business areas that require structural reform. In the Shoes Business, we made improved profitability our top priority and decisively implemented our "4P Strategy," including withdrawal from unprofitable areas and a sharper focus on high-value-added products. Although net sales declined, we were able to reduce the operating loss by approximately 0.6 billion yen year on year. In the Automotive Materials Business, while optimizing the business structure in light of developments in the Chinese market, we also promoted a shift toward growth fields by expanding sales of highly flame-retardant products for aircraft, primarily in North America. In the Disaster Response Business, we recorded an impairment loss of approximately 0.9 billion yen due to delays relative to the assumed plan, but we regard this as part of a sound restructuring process to create a leaner business structure that can generate profits more readily.

Quantitative Targets of the Medium-term Management Plan

	FY2024 Achievement	FY2025 Plan*	FY2025 Achievement	FY2027 Plan	FY2030 Image
Net sales	79.0 billion yen	81.0 billion yen	81.8 billion yen	88.0 billion yen	Scale of 100 billion yen
Overseas net sales	17.2 billion yen	—	21.4 billion yen	22.0 billion yen	Scale of 30 billion yen
Operating income	-0.4 billion yen	2.3 billion yen	2.9 billion yen	3.0 billion yen	Scale of 5 billion yen
Operating income margin	-0.6%	2.8%	3.6%	3.4%	5.0% Level
ROE	1.1%	—	5.1%	5.0% or more	7.0% or more

* Figures announced on February 9, 2026

Advancement of the Business Foundation

A robust business foundation is indispensable to steadily advance our company-wide strategies and achieve sustainable growth. In particular, the "Production Solutions Division," "Innovation Technology Division," and "Office Center," which were newly established in the Production Div. last year, have begun to function effectively, and the advancement of our business foundation is progressing through multifaceted approaches.

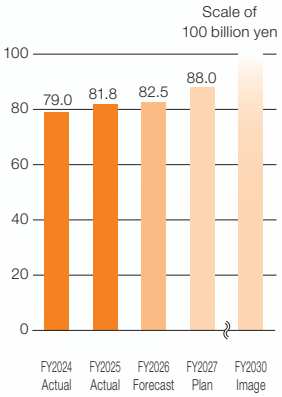
- **Enhancing human resource capabilities** We are promoting human capital management so that diverse human resources can maximize their capabilities. With the leadership of the Human Resources and General Affairs Headquarters, we are improving the environment to support diverse working styles, including expanding hourly paid leave and childcare programs, while strengthening the development of next-generation leaders who can contribute to realizing our management plan.
- **Improving productivity** With the leadership of the Production Solutions Division, we are working to improve productivity from the perspective of company-wide optimization that transcends boundaries between factories. We are expanding investment in digital transformation (DX), including automating inspection processes through the development of AI models that assess image data and optimizing manufacturing processes through process informatics, thereby promoting dramatic improvements in operational efficiency and reductions in cost.
- **Enhancing technological capabilities, value creation, and development capabilities** With the leadership of the Innovation Technology Division, we are accelerating the development of new products directly linked to solving social issues. For example, "Biolight," a mulch film with newly designed biodegradability, contributes both to reducing the burden on agricultural workers and to environmental conservation, while being a film that combines high heat-shielding performance with transparency and also contributes both to improving comfort in buildings and living spaces and to promoting energy conservation. We are also focusing on creating innovations that will become future sources of earnings, such as developing high-adhesion polypyrrole plating technology for glass substrates, which is considered essential in the next-generation semiconductor field.

Outlook for FY2026

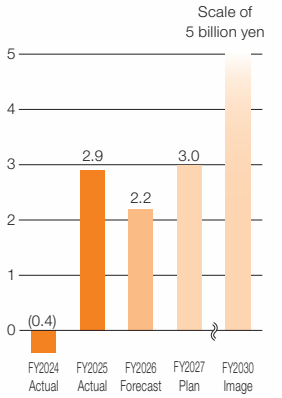
Although we achieved a steady recovery in business performance, we recognize that the current business environment cannot be viewed optimistically in light of geopolitical risks. The heightened tensions in the Middle East could have a major impact on raw material procurement and energy costs for us, as plastics derived from naphtha are a main raw material. To overcome this situation, on the procurement front we are working to build a flexible supply structure by deepening collaboration with suppliers, diversifying procurement sources, and making use of alternative materials. On the cost front, while seeking to revise product prices to appropriate levels based on careful explanations to customers, we are also advancing in-house cost reduction initiatives, such as reducing material and energy costs through consolidated production, thereby strengthening our resilience to risk.

Our consolidated earnings forecast for FY2026, announced on May 12, 2026, calls for net sales of 82.5 billion yen, operating income of 2.2 billion yen, ordinary income of 2.0 billion yen, and profit attributable to owners of parent of 1.3 billion yen, representing an increase in sales but a decrease in profits. The forecast reflects the costs of "strategic upfront investments," including capital investment linked to future growth, the promotion of human capital management, and DX investment; however, it is overall a cautious and sound plan in light of the increasingly uncertain business environment. The impact of the situation in the Middle East has not been incorporated because it is difficult to estimate reasonably, but we will strive to exceed the plan through cost reduction initiatives, appropriate sales price revisions, and other measures.

Net sales (billion yen)



Operating Income (billion yen)



Advancing Sustainability Management and Our Commitment to "Vision 2030"

The top priority of sustainability management for the Achilles Group is to improve profitability and establish a firm path toward sustainable growth, and the foundation for this lies in our corporate philosophy of "Living with Society."

With regard to climate change, we continue disclosure based on the TCFD recommendations and are advancing energy-saving measures, including capital investment at factories and real-time management of electricity, toward our target of "reducing the combined Scope 1 and Scope 2 emissions by 50% by the end of 2030 compared with FY2018."

We also continue to conduct regular surveys and take appropriate action regarding human rights risks, including throughout the entire supply chain.

We are convinced that initiatives for ESG (environmental, social, and governance) are "investments in the future" that will create sustainable growth and new earnings opportunities. For example, stricter energy-saving regulations aimed at realizing a decarbonized society will also lead to increased demand for our "high-performance thermal insulation materials." In response to the social issue of extreme summer heat, we developed the heat-shielding product "Achilles Solar Clear," which combines comfort with energy conservation, and opened up a new market. The essence of the sustainability management we aim for is to solve society's "problems" with our technologies and establish those solutions as new businesses.

The environment surrounding companies is shifting from the VUCA era of increasing uncertainty to a chaotic era (BANI), in which complex changes in people's emotions and values are also a factor. To achieve sustainable growth in such an era, organizational capabilities that can respond quickly and flexibly to change, together with the diverse human resources that support them, are indispensable.

Through the Medium-term Plan, we are regaining our "earning power." Without stopping this progress, we will continue to make stable and consistent dividends our basic policy while also considering flexible shareholder returns such as acquisition of treasury shares, and will devote ourselves to improving capital efficiency and maximizing corporate value.

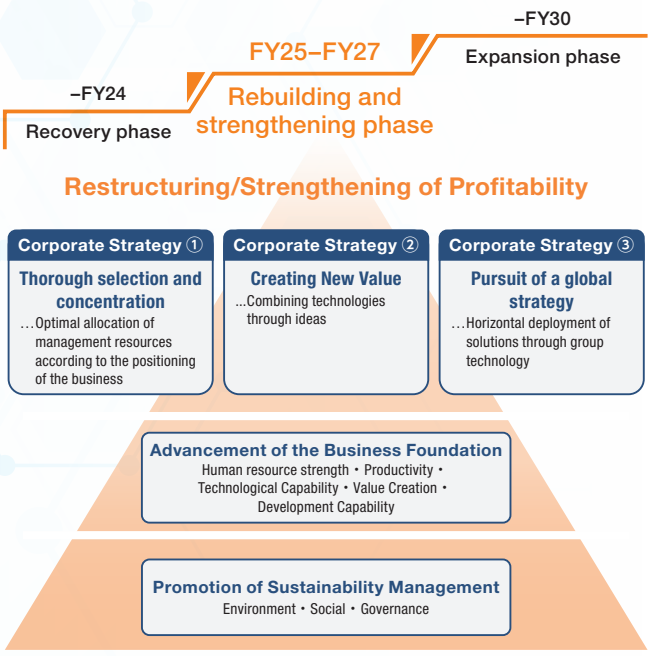
On the global stage, creating and delivering new value unique to Achilles will hopefully bring smiles to our customers. And we want to remain a corporate group in which that joy is shared with our employees and smiles naturally spread throughout the organization.

Please look forward to Achilles' challenges on a new stage toward realizing "Vision 2030."

Overview of the Medium-term Management Plan

Our Goal for FY2030 (Vision 2030)

Achilles Group values each employee's curiosity, diverse abilities, unique ideas, and inspiration, contributing to society through solutions that combine various technologies
We are aiming to become a "Global Solution Provider" that delivers surprise, joy, and inspiration to the world, enriching people's lives



Refer to the following for details on Achilles Group's medium-term management plan.
https://www.achilles.jp/assets/pdf/news/newsrelease/2025/05122_en.pdf#view=Fit

Value Creation Model

As the world grows increasingly complex and uncertain, the value that companies are expected to provide to society must also evolve. As a compass to guide us through this era of change, the Achilles Group has newly formulated the Medium-term Management Plan - FY25–FY27 -. The source of our value creation lies in intangible capital: the diverse capabilities and inspiration of each employee, our unique technologies, and our connections with customers and society. Under the Medium-term Management Plan, we will organically connect these forms of intangible capital and maximize their synergies to create solutions that exceed customer expectations.

Social issues to recognize

Environment

- Climate change response (responding to physical risks associated with global warming and transition risks such as greenhouse gas emissions regulations)
- Initiatives to prevent water and air pollution
- Transition to a circular economy, including initiatives to prevent plastic waste from flowing into the ocean
- Initiatives to conserve biodiversity

Social

- Initiatives to avoid human rights violations in business activities
- Addressing various issues arising from the declining birthrate and aging population
- Promoting diversity and inclusion
- Contributing to local communities

Governance

- Leadership that promotes sustainability alongside growth strategies
- Dialogue with stakeholders, including timely and appropriate information disclosure
- Fair business practices and risk management
- Creating innovation by leveraging diverse human resources
- Building a resilient IT environment and promoting DX

Input

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Natural capital
- Social and relationship capital

Corporate

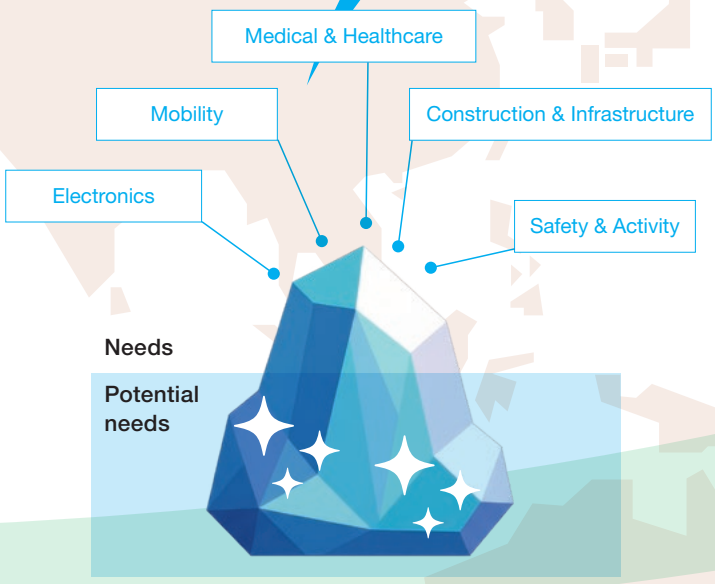
"Living with Society" = "Customer First"

Materiality

Creating Value Unique to Achilles

Needs / Potential Needs

- Identify potential needs in addition to understanding needs
- Create needs with customers and their customers beyond them in mind



Medium-term Management Plan - FY25–FY27 -

Corporate Strategy ①

Thorough selection and concentration

Optimal allocation of management resources according to the positioning of the business

Corporate Strategy ②

Creating New Value

Advancement of the Business Foundation

Human resource capabilities, productivity, technological capabilities, value creation, and development capabilities

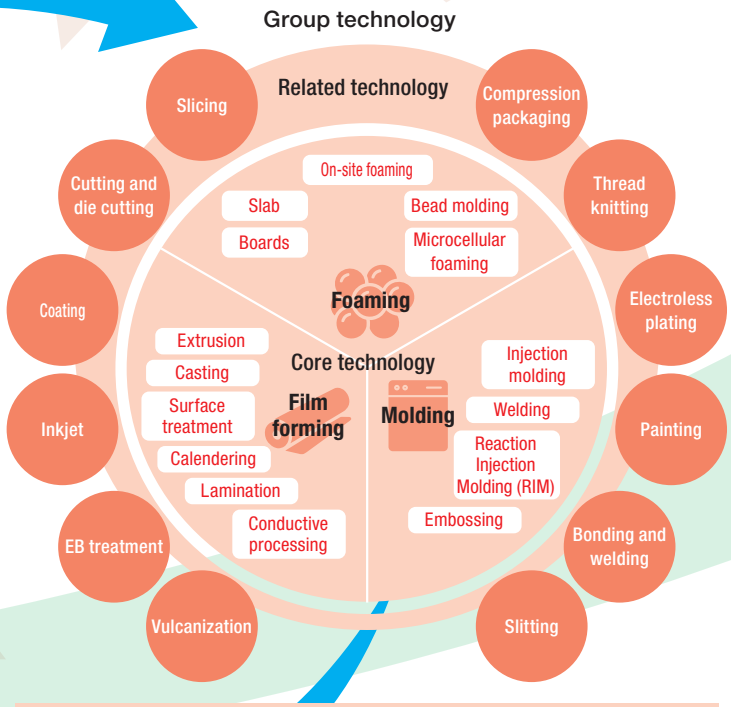
The following illustrates our value creation story—how we address social issues and contribute through our products and solutions to realizing a “sustainable and prosperous society.” By contributing to society through solutions that combine diverse technologies and delivering surprise, joy, and inspiration to the world, we aim to become a “Global Solution Provider” that enriches people’s lives.

Philosophy

“Living with Society” and “Customer First” are core values that guide us. We contribute to a sustainable society and strive to improve the well-being of all.

(Seven core subjects of ISO 26000 + SDGs)

Under the new organization, we provide customers with new value unique to Achilles by proposing solutions that combine Group technologies through ideas.



Solution

- Combine diverse Group technologies through ideas
- Propose solutions with speed

“Restructuring/Strengthening of Profitability”

Value creation by combining ideas with technology

Corporate Strategy ③

Pursuit of a global strategy

Horizontal deployment of solutions through Group technology

Promotion of Sustainability Management

Environment ・ Social ・ Governance

Output

Financial Results P. 36

Consolidated net sales 81,802 million yen
Operating income 2,972 million yen
ROE 5.1%

Products and Services P. 19–24

- Sales Ratio of products that address social issues 31.8%
- Trademark registrations and patent applications

Human Rights Response P. 26–30

- Supply Chain Human Rights Survey Responses: 120 companies / Target: 124 companies
- Occupational health and safety response
  Frequency rate 0.41
  Non-lost-time accident frequency rate 1.23
  Severity rate 0.00

Human Capital Management P. 28–29

- Implementation of various training programs
- Empower diverse human resources

Environmental Response P. 13–18

- Greenhouse gas emissions reduction rate (Achilles Group total)
  Scope 1 + 2: 47.2% (compared with FY2018)
- Water use 3,305,586 tons
- Energy use (total for ISO 14001-registered sites) (2.4)% (year on year)
- Waste reduction rate (total for ISO 14001-registered sites) (19.9)% (compared with FY2018)
- Reduction Rate of PRTR Law-designated Class I Specified Chemical Substances (total for ISO 14001-registered sites) (30.7)% (total annual emissions and transfers compared with FY2018)
- Reduction rate of VOC emissions to the atmosphere (total for ISO 14001-registered sites) (48.6)% (atmospheric emissions of six substances compared with FY2018)

Outcomes

A Sustainable, Prosperous Society

Achilles Vision 2030

Deliver surprise, joy, and inspiration to the world and enrich people’s lives

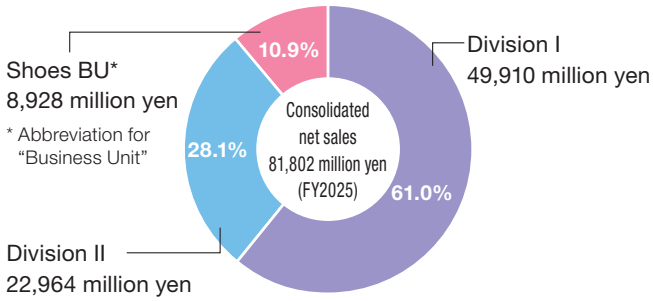
Note: The above figures are results as of the end of March 2026

Business Segments

With plastic processing technologies at its core, Achilles has designated electronics, mobility, medical & healthcare, construction & infrastructure, and safety activities as focus areas and develops a diverse range of products and services globally.

In addition, to strengthen our solutions business for issues in each market, we reorganized our organization at the end of June 2025.

[Consolidated net sales by business segment]

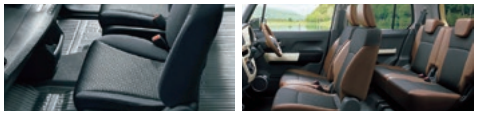


Division I

Business Division 1 focuses on electronics, mobility, and medical & healthcare, providing products for antistatic products, synthetic leather products, flexible urethane foam products, and film products tailored to customer needs. Synergies among BUs enable us to provide even greater value.

Automotive Materials BU

[PVC synthetic leather, urethane synthetic leather, etc. for automotive interior and other applications]



Urethane BU

[Soft urethane foam products and secondary processed products]



Chemical Products BU

[For medical, industrial, general, agricultural use, etc.]



Industrial Materials BU

[Anti-static products, reaction injection molding (RIM) products, etc.]



Division II

Business Division 2 focuses on construction, disaster response, and infrastructure, providing various solutions including interior finishing products for buildings, heat insulation materials, disaster response products, and infrastructure repair work. Based on foaming and film-forming technologies, we provide customers with even greater value.

Heat Insulation Materials BU

[Rigid urethane foam insulation products, rigid urethane foam for on-site foam blowing, polystyrene products, etc.]



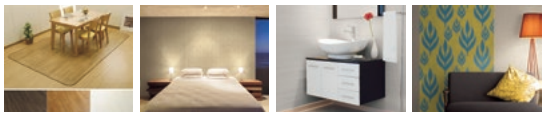
Disaster Response BU

[Emergency tents, boats, portable water spraying device, flexible couplings for residential drain pipes, etc.]

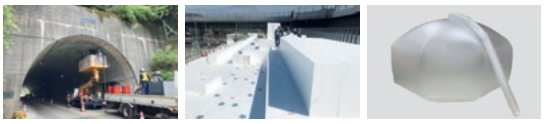


Floor and Wall Coverings BU

[Interior materials for construction]



[Solutions to help mitigate disasters that include technologies to address aging tunnels and methods of repairing roads, bridges, and embankments]



Shoes BU

Shoes BU

[Shoes for kids, sports, men, and women]

Achilles makes shoes with the concept of fusing inspiration and technology to create functional beauty. Since our founding, we have been making shoes to meet market needs based on the technologies we have developed and refined.



Achilles Group

		Name	Capital	Address	Percentage owned	Main business areas
Our company	Japan	Achilles Corporation	¥14,640 million	Shinjuku-ku, Tokyo	—	Automotive Materials Business, Chemical Products Business, Urethane Business, Industrial Materials Business, Heat Insulation Materials Business, Floor and Wall Coverings Business, Disaster Response Business, Shoes Business
Consolidated subsidiaries	Japan	Achilles Retail Corporation	¥30 million	Sumida-ku, Tokyo	100.0	Shoes
		Achilles Core Tech Co., Ltd.	¥32 million	Sumida-ku, Tokyo	100.0	Chemical Products Business, Heat Insulation Materials Business
		Achilles Vinistar Co.,Ltd.	60 million yen	Higashiosaka, Osaka	100.0	Chemical Products Business
		Achilles Welder Co., Ltd.	¥10 million	Tochigi, Tochigi	100.0	Chemical Products Business
		Tohoku Achilles Co., Ltd.	¥10 million	Aoba-ku, Sendai	100.0	Heat Insulation Materials Business
		Yamagata Achilles Aeron Co., Ltd.	¥10 million	Kaneyama, Yamagata	100.0	Urethane Business
		Kanto Achilles Aeron Co., Ltd.	¥10 million	Ashikaga, Tochigi	100.0	Urethane Business, Heat Insulation Materials Business
		Osaka Achilles Aeron Co., Ltd.	¥10 million	Kita-ku, Osaka	100.0	Urethane Business
		Kyushu Achilles Aeron Co., Ltd.	¥10 million	Iizuka, Fukuoka	100.0	Urethane Business
		Sanshin Enterprises Co., Ltd.	¥30 million	Shinjuku-ku, Tokyo	100.0	Shock-absorbing Materials Business, Shoes Business
		Achilles Shimane Co., Ltd.	¥10 million	Okuizumo, Shimane	100.0	Industrial Materials Business
		Achilles Shoji Co., Ltd.	¥10 million	Shinjuku-ku, Tokyo	100.0	Insurance Agency Business
	International	ACHILLES USA, INC.	US$6.72 million	Everett, Washington, USA	100.0	Chemical Products Business
		ACHILLES KOHKOKU LATIN AMERICA, S.A. DE C.V.	1,108 thousand pesos	Guanajuato, Mexico	100.0	Automotive Materials Business
		ACHILLES HONG KONG CO., LIMITED	HK$502,000	Hong Kong	100.0	Shoes
		Winfast Technology Ltd.	HK$68 million	Hong Kong	100.0	Industrial Materials Business
		Achilles (Shanghai) International Trading Co., Ltd.	US$200,000	Shanghai, China	100.0	Automotive Materials Business, Urethane Business, Industrial Materials Business
		Achilles Advanced Technology Co., Ltd.	NT$11 million	Hsinchu, Taiwan	100.0	Industrial Materials Business
		Achilles (Foshan) New Materials Co., Ltd.	CN¥300 million	Guangdong, China	100.0	Automotive Materials Business
Equity method affiliate	Japan	Toukai Kakou Corporation	¥20 million	Seto, Aichi	30.0	Urethane Business
	International	Kunshan Achilles New Material Technology Co., Ltd.	US$6.65 million	Jiangsu, China	50.0	Automotive Materials Business
		ANL Group Limited	US$8 million	Hong Kong	39.0	Shoes

Achilles Stakeholders

Main stakeholders	The Achilles Group's main responsibilities and challenges	Main opportunities for dialog and disclosure
Customers	● Enhancing customer satisfaction ● Providing products and services that can be used safely and with peace of mind ● Providing appropriate information regarding product use, etc. ● Responding promptly and appropriately to customers' inquiries ● Implementing appropriate management of customers' personal information	● Day-to-day operations ● Customer Consultation Office (handling telephone calls and e-mail inquiries) (during business hours) ● Company website ● Special events (including exhibitions etc.) ● "Sokuiku" consultation sessions ● "Sokuiku" consultation room (foot measurement and visiting sessions)
Shareholders and investors	● Timely and appropriate disclosure ● Enhancement of corporate value ● Respect for voting rights (in relation to the shareholders meeting) ● Investor relations activities	● Website (new page for individual investors) ● Issuing of earnings briefings (four times a year) ● Issuing of supplementary explanatory materials in relation to the company's financial results (four times a year) ● Issuing of semiannual reports and the annual securities reports (twice a year) ● Issuing of reports to shareholders (twice a year) ● Holding of the annual general meeting of shareholders (once a year) ● Issuing of the "Achilles Report" CSR report (once a year) ● "ACHILLES LETTER" (for individual investors)
Suppliers*	● Fair and equitable transactions ● Open transaction opportunities ● Requests and support for the promotion of sustainability management ● Appropriate provision of information	● Day-to-day procurement activities ● Special events (including exhibitions etc.) ● Information exchange meetings ● CSR procurement questionnaire surveys and human rights risk surveys
Employees	● Respect for human rights ● Concern for occupational health and safety ● Promoting work-life balance ● Mutual trust between labor and management	● Labor-management meetings ● Direct communication from senior management ● Off-the-job training and e-learning ● Safety dojo in manufacturing divisions ● Seminars ● In-house magazine
Local communities	● Respect for local cultures and traditions ● Prevention of workplace accidents and disasters ● Activities that make a positive contribution to the local community ● Reducing the environmental footprint ● Compliance with laws and regulations ● Payment of taxes	● Implementation of factory visits ● Implementation of social contribution activities (including volunteering activities) ● Communication and exchange of views with local government authorities ● Purchase of J-Credits (once a year) ● Responding to requests for meetings, and providing information ● Implementation of dialog, coordination and support through collaboration, etc. between industry, universities and government

* Includes partner companies (small and medium-sized contractors) that are indispensable to the Achilles Group's value creation.

Achilles' Sustainability

Basic Approach

We at the Achilles Group strive to be a company that contributes to building an affluent and comfortable society. To do this, we must continue creating new value for businesses, society, and the future. With the keywords of reassurance, health, comfort, fun, and energy conservation, we will continue to improve and evolve our plastic processing technologies built up since our founding to provide customers with products that better support their lives as well as inventive products. We implement an ongoing cycle of improvements to earn the trust and meet the expectations of all of our stakeholders.

Sustainability Management

Basic Sustainability Policy

Through dialog with stakeholders as a member of society, the Achilles Group strives to expand its activities aimed at helping to solve social problems, and contributes to the sustainable development of society.

In line with this policy, the Achilles Group carries out its business activities while positioning eight issues as Achilles' Materiality.

Process for Specifying Materiality

1. Identify themes

Based on our corporate philosophy, items related to social issues are identified (ISO 26000, recent social issues, Group-specific challenges, etc.)

* Materiality was reviewed in FY2021

2. Organize importance

From the perspectives of "solving social issues through business activities" and "positive and negative impacts on society caused by business activities," importance is evaluated using a matrix, categories are consolidated, and material topics are organized

3. Specify Materiality

After deliberation by Management Committee members and consideration of the evaluation by external directors, priorities are organized based on evaluations by outside experts and identified as "Achilles Materiality"

4. Review regularly

New social issues arising from changes in the external and internal environments are regularly added, and their importance is reviewed as needed

Achilles' Materiality

Based on the seven core subjects of ISO 26000, recent social challenges, and issues unique to our Group, we position our most important initiatives as "Materiality."

	E	S	G
Strengthen business foundations and promote growth → p. 3 Strengthen the company's business foundations, and promote a sustainable growth strategy		●	●
Governance/Risk Management → p. 33 Build a fair, transparent governance system, and put in place a risk management system to enhance resiliency			●
Provide Surprise, Joy, and Inspiration Through Products and Services → P.19 Ensure product safety, implement quality improvements, and pursue manufacturing that meets the needs of society, in terms of safeguarding the environment, etc., and which offers inspiration	●	●	
Environmental Initiatives → p. 13 Strive to reduce greenhouse gas emissions, including CO_2, and promote efforts to reduce environmental impacts, in regard to water, waste, etc. Implement initiatives for environmental conservation, including forests and biodiversity	●		
Safe and healthy workplace environments conducive to work → p. 29 Initiatives to create high-productivity workplaces that allow people to work safely and healthily		●	
Respect human rights and make effective use of diverse human talent → p. 27 Develop global human resources with consideration for human rights and using diverse human resources		●	●
Collaboration with business partners → p. 26 Implement initiatives relating to environmental conservation and respect for human rights throughout the entire supply chain		●	
Community engagement and social contribution activities → p. 31 Place importance on communication with local communities and social contribution activities, and make contributions to community development		●	

E: Environment, S: Social, G: Governance

Disclosure based on TCFD recommendations

The Achilles Group recognizes that environmental response, including climate change, is one of the most important management issues, and is working to resolve these issues through its own businesses.

In April 2023, we announced our endorsement of the TCFD (Task Force on Climate-related Financial Disclosures)* and are working to expand disclosure based on TCFD recommendations, as appropriate.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

* The TCFD (Task Force on Climate-related Financial Disclosures) is an international organization that recommends specific disclosures for companies pertaining to their activities with regard to climate change.

Governance

Board Oversight and Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

We consider sustainability issues, which include climate-related issues, to be among our most important management issues and are therefore overseen by the Board of Directors. The Sustainability Committee issues reports to the Board on sustainability issues at least twice a year, which include climate-related information. The Board reviews the status of ongoing initiatives, provides direction, and makes important decisions.

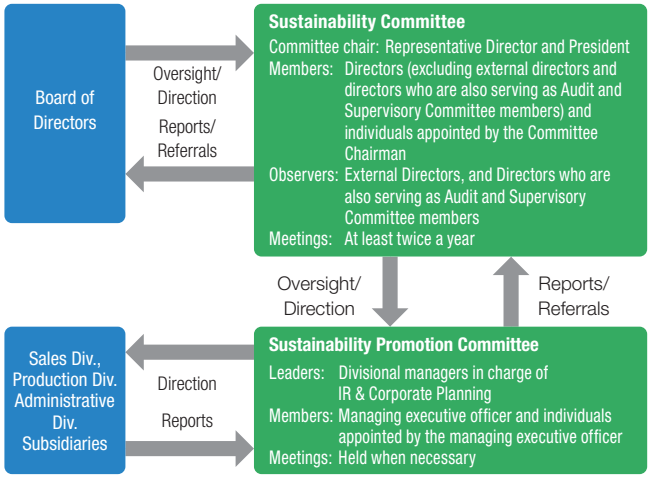
The Sustainability Committee is chaired by the Representative Director; its members consist of individuals appointed by the committee chair along with directors, excluding those who provide advice as observers (External Directors, and Directors who are also serving as audit and supervisory committee members). Discussions may also be held with outside experts as necessary. The Sustainability Committee deliberates on many issues related to the Group's sustainability—the formulation of policies, targets, and measures, as well as the identification of material issues, management of progress toward targets, and methods of information disclosure. It also reviews the status of initiatives and issues reports to the Board of Directors.

The Sustainability Promotion Committee is comprised of a managing executive officer and individuals appointed by the managing executive officer, and is led by the divisional managers in charge of IR & Corporate Planning.

The Sustainability Promotion Committee is responsible for analyzing and assessing risk and opportunity with regard to sustainability issues, including climate-related issues. It identifies issues that need to be addressed and opportunities to be pursued. Each divisional manager is responsible for handling the identified items within their own division.

The Sustainability Promotion Committee presents its reports to the Sustainability Committee covering the results of their risk/opportunity analyses and assessments, as well as measures taken and progress made.

[Sustainability Promotion System]



Risk Management

The Risk Identification and Assessment Process

The Sustainability Promotion Committee analyzes and assesses risks and opportunities with regard to sustainability issues, including climate-related issues, in line with the policies outlined by the Sustainability Committee.

It conducts qualitative and quantitative analyses and assessments using widely disclosed scenarios to evaluate the risks and opportunities of climate-related events that may affect our business. It identifies the most financially consequential events, reporting them to the Sustainability Committee, where they are discussed and a report is created for the Board of Directors.

Risk management processes and their integration into organization-wide risk management

The Sustainability Promotion Committee summarizes the progress in measures to address identified risks and opportunities that have been reported to the Board of Directors, and reports the summary to the Sustainability Committee, which then discusses the contents, provides guidance or advice as necessary, and reports its findings to the Board of Directors.

The Group manages risks related to sustainability issues in the same way as other business risks, with oversight provided by the Board of Directors, thereby ensuring a group-wide integrated approach to risk management. The magnitude of the impact and likelihood of occurrence of the identified risks determine their priority, based on which systematic countermeasures are then taken.

Indicators and Targets

The bulk of the Group's greenhouse gas emissions derives from energy use (fuel, electricity, etc.), with part attending to product manufacturing. The total amount of GHG emissions (Scope 1 and 2) is set as an indicator; the actual emissions in FY2025 were 31,255t-CO_2.

Furthermore, the calculated Scope 3 emissions on a consolidated basis for FY2025 amounted to 401,913 t-CO_2.

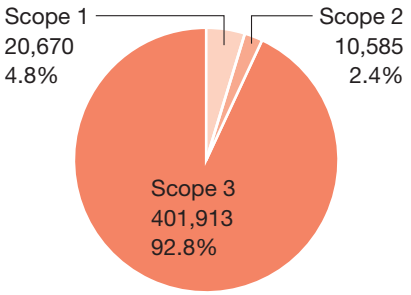
Based on the Japanese government policy "Carbon Neutral 2050," we aim to reduce our greenhouse gas emissions (total of Scope 1 and 2) by 50% by the end of FY2030 compared to 2018. In addition, we aim to reduce the total emissions of Scope 3 Category 1 and Category 12 by 20% by the end of FY2030 compared to FY2023.

In order to reduce greenhouse gas emissions, the Group is working to improve productivity through smart process activities, use of biomass-based raw materials, more efficient transportation, and switching to renewable energy sources. In reducing emissions in Scope 3 Category 1 and Category 12, we will continue to expand recycling and improve the accuracy of calculations.

[Scope 3 emissions by category results (consolidated basis)]

Scope 3 category		FY2023 result (t-CO_2)	FY2024 Achievement (t-CO_2)	FY2025 Achievement (t-CO_2)	Reasons for exclusion from calculation, etc.
1	Purchased goods and services	267,378	257,509	239,908	
2	Capital goods	16,582	8,447	8,649	
3	Fuel- and energy-related activities	11,219	7,935	7,511	
4	Upstream transportation and distribution	38,803	35,277	34,937	
5	Waste generated in operations	12,942	12,223	12,279	
6	Business travel	755	1,419	819	
7	Employee commuting	1,306	1,264	1,193	
8	Upstream leased assets	4	—	—	In principle, emissions from leased vehicles in the scope of calculation are included in scope 1.
9	Downstream transportation and distribution	7,661	8,125	7,965	
10	Processing of sold products	515	242	72	
11	Use of sold products	—	—	—	Excluded, because our products do not emit greenhouse gases when used.
12	End-of-life treatment of sold products	91,720	89,060	88,489	
13	Downstream leased assets	165	96	91	
14	Franchises	—	—	—	Excluded, because we do not engage in franchise businesses.
15	Investments	—	—	—	Excluded, because investment business is not our principal business.
Total Scope 3 emissions		449,051	421,597	401,913	
Total Category 1 and Category 12 emissions		359,098	346,569	328,397	[Reduction rate compared to FY2023] 8.5% [Target for FY2030] 20% reduction

[Emissions by Scope - FY2025 Results (consolidated basis) [Unit: t-CO_2]]



(Note) The scope of greenhouse gas emissions calculation is based on the "Operational Control approach" and covers Achilles Corporation and its domestic and overseas consolidated subsidiaries, excluding three other related companies.
In the calculation of Scope 3, we adhere to the GHG Protocol, using primarily our company's actual performance data for activity levels, and the Ministry of the Environment's "Emission Factor Database for Calculating Greenhouse Gas Emissions through Supply Chains (Ver.3.6)" for emission factors. However, for "Input-Output Table-Based Emission Factors," we use previous emission factors to maintain consistency in year-over-year changes since the base year.
Regarding uncertainties and the application of safe harbor provisions, the following factors should be noted: due to difficulties in obtaining primary data from suppliers, secondary data is primarily utilized. Additionally, as most of the products of the Achilles Group are material-based and are used in diverse processes and applications, the calculation of Category 10 is challenging. Therefore, for Category 10, calculations are limited to what is feasible. Furthermore, some calculations involve advanced estimations, and in the calculation of Scope 3 emissions for subsidiaries, some estimations are based on the performance of Achilles Corporation. As a result, there is a possibility that the calculated values may differ from the definitive figures.

Strategy

We consider climate change to be a medium- to long-term risk and perform scenario analyses to evaluate the resilience of our strategy with regard to climate-related risks and opportunities. We consider the impact of climate change scenarios (from 1.5 °C to 4 °C) forecast by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) in light of long-term impact on the company up to the year 2050, based on which countermeasures are formulated.

Note: Scenarios used in the scenario analysis—1.5°C scenarios: IEA/ WEO2023 NZE (Net Zero Emissions by 2050); 4°C scenarios: IPCC/AR5 RCP8.5

Scenario	Primary factor	Change	Category	Assessment	Impact on Achilles Group	Countermeasures
1.5°C	Introduction of carbon pricing	Increased procurement costs	Risk	High	● The introduction of carbon pricing will increase our procurement costs and squeeze profits when prices are passed on to plastic and resin raw materials	☐ Fortify alliances with suppliers to reduce GHG emissions throughout the entire supply chain ☐ Revise selling prices and develop high-value-added products
		Increased operational costs	Risk	High	● The introduction of carbon pricing will increase the cost burden based on GHG emission volumes and will squeeze profits	☐ Continuously pursue energy savings ☐ Reduce carbon pricing burden by switching energy plans and purchasing certificates ☐ Reduce emissions by installing a cogeneration system at the production site (Shiga Factory No. 2) ☐ Further pursue power generation
		Increased transportation costs	Risk	Medium	● The introduction of carbon pricing will squeeze profits as the burden on logistics companies will be passed on to our transportation prices ● Additional price pass-through of costs is also a concern if logistics companies introduce EVs and FCVs	☐ Give priority to logistics companies that are aligned with decarbonization ☐ Continue to pursue a modal shift ☐ Further improve transportation efficiency
	Increased stakeholder interest and concern about climate change	Reputational impact of failure to respond	Risk	High*	● Failure to achieve GHG emissions reduction targets, continued high dependence on fossil fuel-derived raw materials, and inadequate information disclosure could harm the business due to a loss of reputation among stakeholders and could negatively impact employee recruitment	☐ Respond appropriately to ESG issues, which include climate change, and enhance information disclosure • Continue to expand TCFD disclosures • Disclose GHG emissions, reduction targets and reduction measures • Implement carbon footprint and Biomass Mark initiatives
		Growing need for ethical products	Opportunity	Medium*	● As consumers become more environmentally aware and their values shift in regard to products, responding to these needs will enhance our brand image and allow us to offer more products of greater value	☐ Develop and promote products that employ materials and manufacturing methods with low environmental impact ☐ Promote the longevity of our products ☐ Reduce packing materials, etc.
	Progress in decarbonization	Decline in demand for existing plastics	Risk	High	● The decline in demand for existing plastics will be a concern as decarbonization progresses and there is a loss of markets due to decarbonization becoming a condition of trade	☐ Develop new products using bioplastics and recycled materials ☐ Revise the material composition of existing products to decarbonize them ☐ Further develop the semiconductor packing material reuse business

Scenario	Primary factor	Change	Category	Assessment	Impact on Achilles Group	Countermeasures
1.5°C	Shift to EVs and progress in DX	Growing need for EV-related products and semiconductor-related products	Opportunity	Medium	● We can expect to harness customer demand by actively developing product lines such as vehicle interior materials for EVs and semiconductor-related materials	☐ Increase production capacity for materials used in the semiconductor field ☐ Get more orders for covering materials for EVs and strengthen our overseas production system ☐ Develop semiconductor packing materials and attract overseas demand
	ZEB/ZEH policy advancement	Growing need for high-insulation products in the residential/building sector	Opportunity	Medium	● We can expect to harness customer demand by actively developing product lines that contribute to GHG emissions reductions, such as insulation materials for homes and buildings .	☐ Expand sales of insulation materials for homes and buildings ☐ Expand supply capacity to meet demand
4°C	Intensifying weather disasters	Heightened exposure to disaster in the supply chain	Risk	Medium	● In the event of flood damage, primarily at coastal suppliers, the stoppage of raw material supply and the impact that would have on our production activities is a concern	☐ Sort out the disaster exposure of suppliers and firmly request countermeasures ☐ Take countermeasures for raw materials at high risk of supply interruption • Seriously pursue purchasing from multiple companies • Review inventory levels • Establish a system for sharing raw materials among our plants
		Heightened exposure to disaster at our business sites	Risk	High	● Flood damage to our production sites and production stoppages are concerns if a severe, once-in-1,000- year flood (envisioned by local governments) were to occur	☐ Implement business continuity and recovery plans for exposed sites ☐ Establish a disaster-resilient production system that includes other production sites (develop a system of alternate production)
		Growing need for disaster mitigation and recovery measures	Opportunity	Medium	● We can contribute to efforts that address social issues arising from increasingly severe disasters by proactively responding to demands such as disaster agreements with local governments, making products for disaster mitigation, and reinforcing tunnels in preparation for severe disasters	☐ Expand sales channels for disaster mitigation-related products and develop new products ☐ Promote tunnel reinforcement methods that can reduce environmental impact and costs and seek real results
	More hot days over 30°C	Increased cooling costs and costs to contend with high temperatures	Risk	Low	● Rising costs for cooling are a concern ● Halting summer production due to the difficulty of manufacturing some products in extremely hot weather is a concern	☐ Make changes in operating hours to avoid daytime work ☐ Reinforce building insulation (improve air conditioning efficiency) ☐ Improve cooling capabilities for the entire production line (for products that are difficult to manufacture under extremely hot conditions)
		Growing demand for medical products to address heat stroke and viral infection risks	Opportunity	Medium	● We can contribute to efforts that address social issues stemming from incidences of heat stroke and viral infection by establishing a supply system for materials for the medical field	☐ Reinforce production and sales systems for materials for the medical field in Japan and overseas

Note: Risks and opportunities that have been qualitatively evaluated for their impact on our business are marked with an asterisk (*) in the “Assessment” column.

[Status of Measures in Our Group]

As measures to reduce CO_2 emissions, we have established technologies to incorporate recycled materials and biomass-based raw materials. Additionally, EPD certification* has been obtained for some of our products. To increase the supply rate of these environmentally friendly products, a major challenge lies in enhancing the cost tolerance of the demand side. Therefore, we are focusing on expanding into sectors with higher cost tolerance.

Furthermore, we have switched approximately 70% of the electricity used at our domestic production sites to green power. We are also working to reduce emissions associated with transportation by implementing joint transportation initiatives and utilizing more efficient transportation methods. In addition, as a precaution against large-scale flooding, which could impact our operations, we are taking appropriate flood control measures and establishing systems for producing identical products at multiple sites, as well as diversifying procurement sources.

As an opportunity, we are leveraging the rising awareness of disaster prevention, driven by increasingly evident abnormal weather conditions, to supply disaster prevention products. We are also promoting the sale of materials for the medical sector.

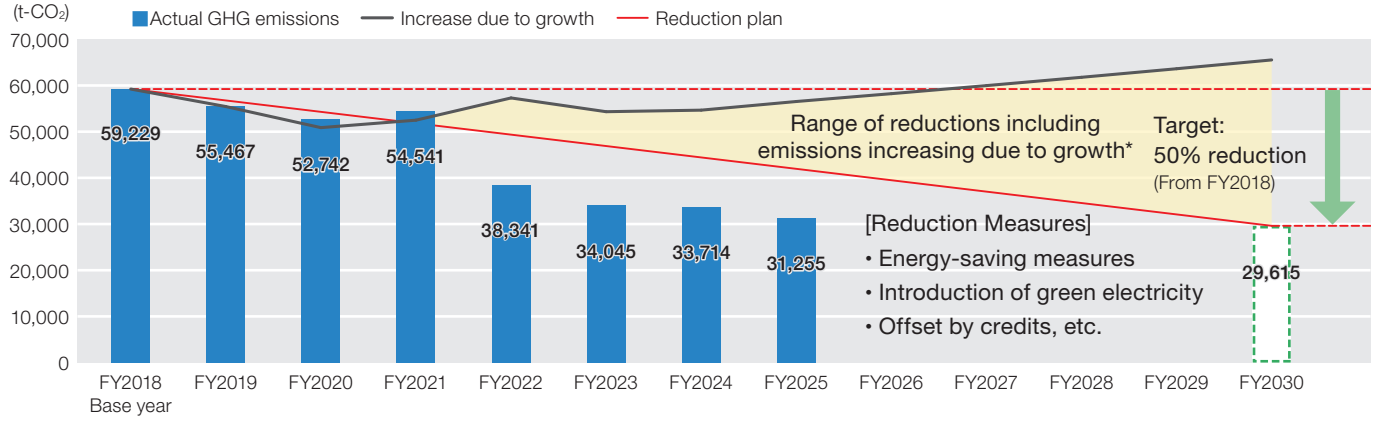
Challenges include reducing the consumption of city gas and transitioning to alternative energy sources. Moving forward, we will continue to implement measures while balancing costs and benefits.

* Environmental Product Declaration (EPD): An international environmental label (compliant with ISO 14025) that quantifies the environmental impact (e.g., CO_2 emissions, resource usage) of products from raw material procurement to disposal and recycling. It is verified by a third-party organization and disclosed transparently.

June 25, 2026

Roadmap for GHG Emission Reduction to Achieve Carbon Neutrality

[Potentiality of reducing GHG emissions (Scope 1+2) (consolidated group figures)]



* The graph is a depiction as of 2026 and may change with future circumstances. Achieving the target will also require reducing the increase in emissions associated with growth.
The actual GHG emissions does not include the amount reduced by the purchase of J-Credits. Please see page 13 [Changes in greenhouse gas emissions] for the actual amount reduced by the purchase of J-Credits.

Environmental initiatives

Overview of Environmental Impacts

The Achilles Group (hereinafter, "the Group") quantitatively identifies the flows of materials and energy associated with its business activities and works to reduce the environmental impact of those activities and make effective use of resources. The Group established the TCFD Subcommittee under the Sustainability Promotion Committee to promote the reduction of overall greenhouse gas emissions across the Group.

The following presents an overview of the environmental load of the Group.

[Material balance]

Input

Raw materials	Energy
97,639 tons	29,188 kL (crude oil equivalent) Electricity, steam, piped gas, fuel oil A, etc.
Handled amount (substances subject to the PRTR Act)	**Water resource**
13,761 tons	3,305,586 tons Groundwater, industrial water, waterworks, etc.

Our Group

Output

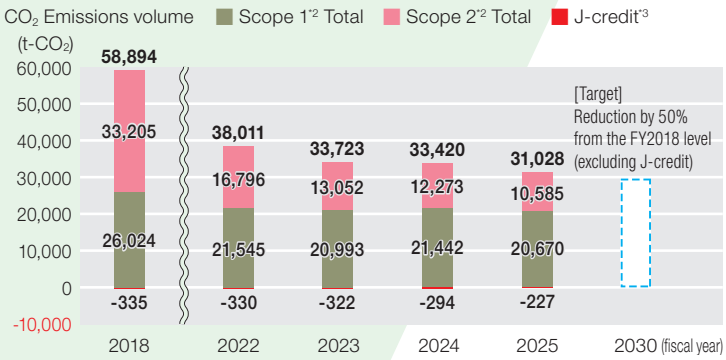
Products

Synthetic leather, PVC leather, laminated materials, films, urethane, industrial materials, heat insulation materials, civil engineering materials, construction finishing materials, disaster mitigation-related products, rubber-processed products, shoes, and others

Emissions into the air		Emissions to waterways		Industrial waste	
Substances subject to the PRTR Act	302 tons	Total wastewater	3,140,306.3 tons	Waste recycling	7,296.8 tons
CO_2 (Scope 1 + Scope 2)*1	31,028 tons (including 5,990 tons emitted at overseas sites)	COD	22.1 tons	Landfill waste	597.9 tons
NO_x (boiler)	7.0 tons	Total nitrogen	8.2 tons		
		Total phosphorus	0.4 tons		

[Energy and water resource reporting scope]
All worksites included in consolidated financial reporting, excluding equity method affiliates (reporting scope includes Achilles Corporation and subsidiaries inside and outside Japan).

[Changes in greenhouse gas emissions]



*1 Please see the following website for more information about Scope and its definitions.
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/dms_trends/seminar2016_06.pdf

*2 Greenhouse gas directly emitted from manufacturing facilities, heating facilities, and transportation vehicles of business sites is converted to the amount of CO_2, and it is included in scope 1. Scope 1 includes the amount of CO_2 converted from greenhouse gas emitted from urethane foam production.
Indirect CO_2 emissions due to the use of electric power are included in scope 2.
Actual emissions are calculated for consolidated subsidiaries, excluding equity method affiliates (which the Company does not govern). However, their data for FY2018 to FY2020 include estimated values.

*3 The amount of emissions reduction bought from "Yamagata Sun and Forest Group Credits (J-Credits)" is subtracted from the total of scope 1 and scope 2.

[Scope] All worksites included in consolidated financial reporting, excluding equity method affiliates (reporting scope includes Achilles Corporation and subsidiaries inside and outside Japan).

(For reference) Results for Scope 3 are published on P. 11 on a consolidated basis.

Use of emissions from the supply chains
https://ghgprotocol.org/

Achilles Group Environmental Policy
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-env_en.pdf#view=Fit

Environmental Management System

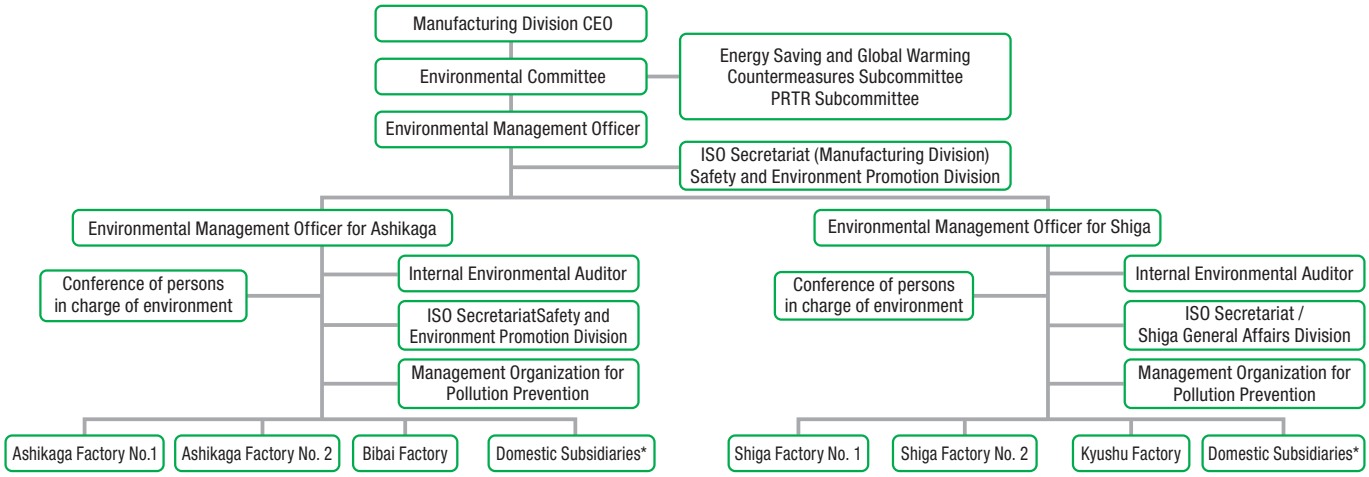
ISO 14001 Environmental Management System Initiatives

To conserve the global environment and to enhance the corporate constitution of the Group, we define our Environmental Policy and environmental targets using ISO 14001 environmental management system standards as a tool. We develop production processes and create products that lead to the reduction of environmental impacts, and continuously engage in activities to improve the environment. In FY2025, we underwent the first surveillance audit for ISO 14001:2015, and our registration was maintained with no findings of nonconformity or other issues.

[ISO 14001: 2015 registered worksites JUSE-EG-661 (Renewed and re-registered in July 2024)]

Ashikaga Factory No. 1, Achilles Corporation	September 2001, certified for enhancement
Ashikaga Factory No. 2, Achilles Corporation	July 2000, certified
Shiga Factory No. 1, Achilles Corporation	September 2002, certified for enhancement
Shiga Factory No. 2, Achilles Corporation	September 2002, certified for enhancement
Bibai Factory, Achilles Corporation	September 2002, certified for enhancement
Kyushu Factory, Achilles Corporation	September 2002, certified for enhancement
Achilles Welder Co., Ltd.	September 2001, certified for enhancement
Kanto Achilles Aeron Co., Ltd.	September 2001, certified for enhancement
Shiga Sales Office, Osaka Achilles Aeron Co., Ltd.	September 2002, certified for enhancement
Kyushu Achilles Aeron Co., Ltd.	July 2021, certified for enhancement

[Environmental Management Promotion Organization]



* Achilles Welder Co., Ltd., Kanto Achilles Aeron Co., Ltd., Osaka Achilles Aeron Co., Ltd. Shiga Sales Office, Kyushu Achilles Aeron Co., Ltd.

[Scope] ISO 14001: 2015 registered worksites

[Summary of FY2025 Activity Results and Targets for FY2026 and Beyond]

Item	Management item	FY2025 target	FY2025 Achievement	Assess-ment	Targets for FY2026 and beyond	Page
Responses to climate change (mitigation and adaptation)	Total greenhouse gas emissions from energy use	Reduction of at least 40% at the end of FY2025 from the FY2018 level	Reduction by 54.6% from the FY2018 level	○	Maintain a reduction of at least 50% in total greenhouse gas emissions by the end of FY2026 compared with FY2018; reduce by at least 50% by the end of FY2030	P.15
	Per-unit energy consumption (electricity, fuel, etc.)	Reduction by 1% year-on-year	Increase by 2.4% year-on-year	×	Reduction by 1% year-on-year	P.16
	Per-unit energy consumption for transportation	Reduction by 1% year-on-year	Reduction by 0.2% year-on-year	×	Reduction by 1% year-on-year	P.15
	Impact of climate change to the Company and measures taken	Responding to risks associated with climate change	To address carbon pricing and increased air-conditioning costs, we upgraded to energy-efficient equipment and implemented measures to prevent steam and air leaks from existing equipment using air leak testers. In addition, by improving the workplace environment and thoroughly implementing hygiene education, we were able to prevent serious cases of heat stroke.	○	Responding to risks associated with climate change	–
Complete zero emissions through 3R activities	[Total volume of generated waste and other materials] (based on the promotion of 3R activities)	Reduction by 16% from the FY2018 level	Reduction by 19.9% from the FY2018 level	○	Reduce by 18% by the end of FY2026 and 25% by the end of FY2030 compared with FY2018	P.16
	Achieved final waste disposal rate of less than 0.1%	Maintaining under 0.1%	Final waste disposal rate of 0.12%	×	Final waste disposal rate of less than 0.1%	P.17
Prevention of air pollution by environmentally hazardous substances	Total atmospheric releases of six substances of environmental concern	Reduction by 17.5% from the FY2018 level	Reduction by 48.6% from the FY2018 level	○	Total atmospheric releases of six substances of environmental concern: Reduce by 21% by the end of FY2026 and 35% by the end of FY2030 compared with FY2018 * From FY2025, MIBK will be added, bringing the total to six substances	P.17
Development of environmentally-friendly products	Marketing and sales of environment-friendly products	Promotion of the research and development and marketing of environment-friendly products	Sales of non-PVC films remained strong, and we further expanded our lineup of environmentally-friendly products, including the launch of sales of the lower-priced biodegradable film “Biolight.” On the other hand, fewer than half of the total projects planned at the beginning of the year progressed as planned.	×	Promotion of the research and development and marketing of environment-friendly products	–

Corrective Measures for Environment-related Incidents

In FY2025, there were no complaints from others, and no other environmental troubles arose.

In FY2025, measured values for water quality, air quality, and noise at all worksites were within the standard values defined in all environment-related legislation.

Awareness-raising activities

Environmental conservation activities cannot be done without the awareness and actions of each of our employees.

We conduct new employee training and grade-specific training as well as making proactive efforts to have employees acquire specialized knowledge and qualifications.

Environment-related information is also disseminated using our corporate intranet, thereby helping to spread awareness of the importance of environmental protection activities.

Global Warming Countermeasures

Greenhouse Gas Emissions Reductions

The greenhouse gases emitted by the Group mainly consist of CO_2 emissions associated with energy use (fuel, electricity, etc.) and emissions of fluorocarbon blowing gases associated with the manufacture of rigid polyurethane foam. The Group is implementing initiatives that will lead to the reduction of environmental impacts, with our manufacturing sites in Japan that are ISO 14001 registered worksites playing a central role.

In FY2025, through energy-saving initiatives such as switching to green power and upgrading to energy-efficient equipment, as well as a decline in production volume, we were able to reduce greenhouse gas emissions associated with electricity use (Scope 2) at ISO 14001:2015-registered sites by 80.9% compared with FY2018. As a result, the greenhouse gas emissions (Scope1 & 2) of our domestic ISO 14001 registered bases became 24,515 t-CO_2 in FY2025, which was a 55.3% decrease from those in FY2018 (54,804 t-CO_2).

For more details regarding the changes in the greenhouse gas emissions of the Group as a whole, including our ISO 14001 registered worksites, see “Changes in greenhouse gas emissions” on P.13.

[GHG Inventory*]

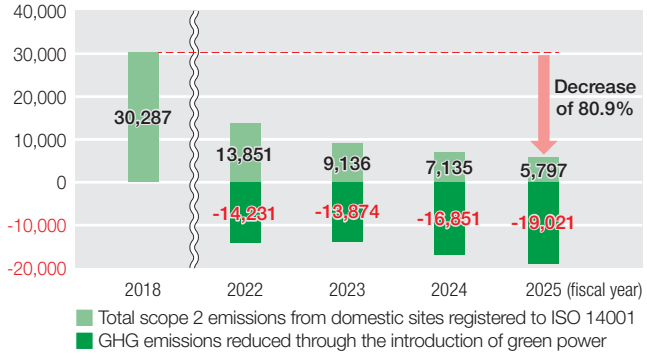
Emission Source \ GHG	CO_2	HFCs
Energy	Emission	—
Product Manufacturing	Emission	Emission

* Types and sources of GHG (greenhouse gases) emitted

[Reduction of greenhouse gas emissions through the implementation of green electric power]

We expanded the use of green electric power at Ashikaga Factories No.1 and 2, Shiga Factory No.1, Bibai Factory, and Kyushu Factory.

Reduction in GHG emissions through the introduction of green power (t-CO_2)



[Scope] ISO 14001: 2015 registered worksites

GHG emissions (Scope 1 + 2)
55.3% Reduction
(From FY2018)

Environmental Conservation Activities in Logistics

Greenhouse Gas Emissions Reduction Activities and Actual Emissions

The Group is promoting reductions in greenhouse gas emissions associated with transportation through modal shifts*1 and improvements in load factors and the large-vehicle utilization rate.

In FY2025, transport ton-kilometers*2 decreased by 7.7% year on year due to a decline in production volume, and greenhouse gas emissions*3 decreased by 7.8%. Although the modal shift rate and load factor improved, the energy intensity associated with transportation decreased by only 0.2%, partly because the large-vehicle utilization rate declined.

*1 By shifting freight transport from trucks to rail or ships, large volumes of freight can be transported at one time, thereby reducing greenhouse gas emissions.
*2 Transportation ton-kilometers = weight of cargo [ton] x transportation distance [kilometer]
*3 Greenhouse gas emissions (t-CO_2) = Energy use (GJ) × Emission factor (Ministry of Economy, Trade and Industry)


Loading cargoes in train containers

P.37 CO_2 emissions in conjunction with transportation and modal shift rate

[Scope] ISO 14001: 2015 registered worksites

Per-unit energy consumption for transportation
0.2% Decrease
(Compared with FY2024)

Energy Creation from Solar Photovoltaic Power Generation

The Group has installed solar power generation facilities with a total generating capacity of 1,535 kW at its Ashikaga and Shiga sites.

In FY2025, we generated 1,666.5 thousand kWh of electricity, with a CO_2 emissions reduction effect of 857.6 t-CO_2. This is equivalent to 1.8% of greenhouse gas emissions from energy use at all ISO 14001-registered sites of the Group.

P.37 Solar photovoltaic power generation equipment

Reduction effect on greenhouse gas emissions (CO_2 equivalent)
857.6 t-CO_2 Significant Reduction



Ashikaga Factory No. 2, Achilles Corporation



Shiga Factory No. 2, Achilles Corporation

Energy Conservation

Energy Conservation Activities

The Group recognizes the importance of activities to conserve energy based on the Japanese Energy Conservation Act, and is taking steps groupwide to conserve energy as an important part of efforts to reduce our environmental impacts.

Energy consumption (crude oil equivalent)

Our energy consumption decreased by 2.4% (0.6 thousand kL/year) in FY2025 compared with the previous fiscal year. Due to the improvement of energy efficiency through facility improvement and the introduction of a cogeneration system*, as well as decreased production, energy consumption decreased on a year-on-year basis.

* The cogeneration system introduced in 2023 uses a gas engine (fuel: city gas) to generate and effectively use electricity and heat (steam and hot water), improving energy efficiency (up to approximately 80%) and providing energy-saving benefits, while also contributing to greenhouse gas reductions and BCP measures.



Cogeneration system (Shiga Factory No. 2)

P.37 Changes in annual power consumption (crude oil equivalent)

[Scope] ISO 14001: 2015 registered worksites

Energy Consumption (crude oil equivalent)

2.4% Decrease

(Compared with FY2024)

Per-unit energy consumption

In FY2025, we undertook facilities improvements and installed energy-efficient equipment to meet our target of reducing our per-unit energy consumption compared with FY2024 consumption by 1%, but our consumption increased by 2.4% compared with FY2024, because we were unable to realize sufficiently efficient production due to the decrease in production volume.

We will continue conducting activities to conserve energy with the goal of decreasing our per-unit energy consumption by 1% year on year.

P.37 Annual changes in per-unit energy consumption for the entire company and for each management-specified plant

[Scope] Ashikaga Factories No.1 and 2 of Achilles Corporation, Shiga Factory No.1, Shiga Factory No.2, Bibai Factory, and Kyushu Factory

Per-unit energy consumption

2.4% Increase

(Compared with FY2024)

Decrease in energy consumption through improvements to existing facilities and installation of new facilities

Decrease through the improvement of existing facilities and installing of new facilities

In FY2025, we took steps to reduce our energy consumption, including replacing equipment with higher efficiency equipment, operating existing facilities more efficiently, and switching to LED lights.

Reduction by eliminating waste

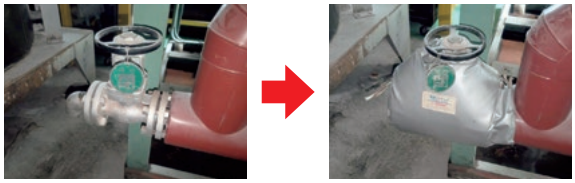
We implemented insulation measures for steam piping and valves with heat loss identified through regular patrols and routine on-site work.

[Valve insulation]

Although valves are smaller than piping, insulating valves has a significant energy-saving effect, so we proceeded with insulation.

Insulating one valve is equivalent to insulating approximately 1 m of piping

Before insulation / After insulation



Thermography



P.37 Main details of the improvement of existing facilities and installing of new facilities, and energy consumption reduction effects (crude oil equivalent value)

[Scope] ISO 14001: 2015 registered worksites

Decrease in energy consumption through the improvement of existing facilities and installing of new facilities

490kℓ Reduction

(crude oil equivalent value)

3R Activities and Complete Zero Emissions

To Reduce Waste

We are conducting 3R* activities aiming to realize a sound material-cycle society. We place particular importance on Reduce, aiming to decrease the amount of waste we generate in the first place, and are focusing on pursuing the root causes of waste and reducing waste generation.

The R&D Division has also identified waste reduction as a theme and is working on technology development themes that contribute to waste reduction, such as recycling and re-commercializing unnecessary materials generated in manufacturing processes.

* 3R stands for Reduce (reduction of waste), Reuse (reuse of parts and other items), and Recycle (recycling of resources for reuse).

Results of Activities to Reduce Waste and Other Materials*

In FY2025, we conducted activities aimed at achieving our target of "a 16% reduction in generated waste compared with FY2018 (8,507 tons)," and we achieved a decrease of 1,688.7 tons (19.9%). A major factor contributing to the reduction that we did achieve was the ability to sell materials that were considered waste in 2018 as valuable materials, though the reduction of production etc. also influenced the result. Going forward, we will continue to focus on reducing waste, specifically on revising our existing recycling flow, thoroughly separating and sorting waste materials, promoting obtaining value and making products from waste materials, and reducing the amount of waste

P.37 Total volume of generated waste and other materials

* Generated waste and other materials: Include industrial waste and matters to be recycled

[Scope] ISO 14001: 2015 registered worksites

[Total volume of generated waste and other materials]

1,688.7 tons

19.9% Reduction

(From FY2018)

Final Disposal Volume

In FY2025, we conducted activities with the target of "successively achieving complete zero emissions (less than 0.1% final disposal rate*)." As a result of our activities, we had a final disposal rate of 0.12%, and were unable to achieve complete zero emissions.

The reason was that an equipment failure in-house prevented the pretreatment (pressing) required before outsourcing waste disposal, leaving us no choice but to consign the waste to a final disposal site.

Going forward, we will spread outsourcing among several companies in anticipation of such risks.

P.37 Final disposal volume

* Final disposal rate (%) = (final disposal volume / total volume) x 100

[Scope] ISO 14001: 2015 registered worksites



Air Pollution Prevention

Atmospheric Emissions Reduction Targets for Environmentally Hazardous Substances

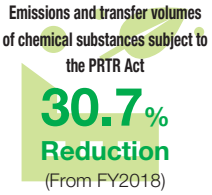
Preventing air pollution from substances of environmental concern is set as a shared action goal for the Group. We set the mid-to-long-term target of a 35% reduction in atmospheric emissions of environmentally hazardous substances by FY2030 compared with FY2018, and have worked to systematically manage and reduce atmospheric emissions based on the Japanese Industrial Safety and Health Act, PRTR*1 Act, and Air Pollution Control Act.

Reduction in Class I Designated Chemical Substances under the PRTR Act

As a result of identifying emissions of the relevant substances based on the PRTR Act revised in FY2023, in FY2025 our annual emissions of Class I Designated Chemical Substances under the PRTR Act came to 290 tons (34.5% reduction compared with FY2018), and our annual transfer volume came to 190 tons (24.0% decrease compared with FY2018). Our annual combined emissions and transfer volume was 480 tons (30.7% reduction compared with FY2018).

For emissions and transfer data for designated chemical substances under the PRTR Act for the Group as a whole, including the Scope specified below, see "Emissions and transfer volumes of chemical substances subject to the PRTR Act" on P.38.

[Scope] ISO 14001: 2015 registered worksites



Atmospheric Emissions Reductions of VOCs

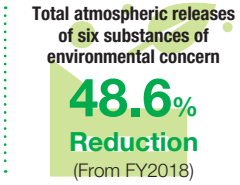
Of the VOC*2 substances included in the substances subject to the PRTR Act, we defined the six substances we release into the atmosphere in the greatest volumes (DMF, dichloromethane, toluene, MEK, ethyl acetate, MIBK) as "substances of environmental concern", and are working to reduce atmospheric emissions by shifting from VOCs to non-VOC alternative substances and introducing regenerative thermal oxidizers (RTO) at all manufacturing divisions.

In FY2025, as a result of efforts to achieve our target of a 17.5% reduction compared with FY2018, we achieved a 48.6% reduction and met our target.

The reduction was achieved by the review of emission factors and the decrease in production volume as well as the use of solventless surface separation agents and the decrease in processing through the changes in production structures.

For atmospheric emissions data for the six substances of environmental concern for the Group as a whole, including the [Scope] specified below, see "Total atmospheric releases of six substances of environmental concern" on P. 38.

[Scope] Ashikaga Factories No.1 and 2 of Achilles Corporation, Shiga Factory No.1, Shiga Factory No.2, Bibai Factory, and Kyushu Factory



*1 Pollutant Release and Transfer Register: System for grasping, calculating, and disclosing the amounts and sources of various harmful chemicals being released to the environment or transferred as waste.
*2 Volatile Organic Compounds: Organic compounds that volatilize into the atmosphere

Initiatives for Biodiversity

Basic Approach

While human society receives many benefits from ecosystems, we recognize that it also places a great burden on ecosystems, and we are working to reduce the harm caused to natural capital, through measures such as efforts to conserve biodiversity, with a focus on reducing greenhouse gas emissions, which place a burden on the environment, and on managing and reducing the use of chemical substances.

Dependence, impact, risks, and opportunities regarding natural capital

The Group evaluates its dependence and impact on natural capital in its business activities with reference to TNFD*1 recommendations.

IBAT*2 and Aqueduct*3 and other tools are used for locations of each Group site, and it is confirmed that these do not fall in regions with high ecological or water risk.

ENCORE*4 is also used to identify and confirm issues to be addressed regarding dependence and impact on natural capital unique to the plastics manufacturing industry. ENCORE in particular indicated that "emissions of toxic pollutants into water and soil" have an extremely high impact on natural capital.

The Group has manufacturing sites of plastic products inside and outside Japan, and uses a large amount of petroleum-derived raw materials, plant-derived rubber, and fabric and paper products. The Group uses groundwater for cooling parts during machining, releases chemicals to atmosphere within the scope of laws and regulations, and generates wastes during machining. Therefore, the Group considers that it is important to take measures for and disclose information on reducing environmental load, and conducts analyses from the stance of risk and opportunities.

For procured paper products, we are increasing the ratio of items equivalent to FSC certification*5.

Causes of damage on natural capital include changes in land/sea use, climate change, exploitation and use of natural resources, pollution, and invasive alien species. The Group is analyzing risks impacting the group arising from damage on natural capital brought by these causes from the following perspectives.

[Group risks brought by damage on natural capital]

Physical risk	Transition risk	Systemic risk
• Destabilization of supply chains • Natural disaster • Infectious diseases	• Reputations • Regulations and lawsuits • Changes in consumer demands and investors' trend • Obsolescence of technology	• Spread of physical/transition risks to the whole industry

*1 TNFD (Taskforce on Nature-related Financial Disclosures): An international framework for companies and financial institutions to disclose risks and opportunities related to natural capital and biodiversity from a financial perspective.
*2 IBAT ("Integrated Biodiversity Assessment Tool"): A tool for the integrated assessment of biodiversity.
*3 Aqueduct: A data platform for water risk provided by the World Resources Institute (WRI).
*4 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A tool that visualizes how the economy (sector, sub-sector, activity) depends on and impacts nature.
*5 FSC Certification: An international forest certification system managed by the Forest Stewardship Council. It ensures that products are made from resources sourced from properly managed forests.

Forest Conservation

Cedar Avenue of Nikko Ownership System

The Nikko Cedar Avenue is a magnificent avenue of giant cedar trees planted over a period of more than 20 years beginning in the 1620s, stretching across three roads: Nikko Kaido, Reiheishi Kaido, and Aizu Nishi Kaido. The Reiheishi-Kaido Road runs through Ashikaga City, the location of our Ashikaga factories. We are lending our cooperation to the conservation of the cedars by supporting the Cedar Avenue of Nikko Ownership System, which aims to protect the avenue of cedars from the deterioration of the surrounding environment that has occurred in recent years.




Cedar Avenue of Nikko

Donations to a fund for afforestation of Lake Biwa

Lake Biwa is located in Shiga Prefecture, where we have manufacturing plants, and is an important water source. The forests around Lake Biwa are also important to protecting the water sources of Lake Biwa and the Yodogawa river basin. At the same time, the forests provide habitat for a diverse variety of plants and animals.

Shiga Prefecture is conducting afforestation projects to protect the environment of this important area, and we are supporting these activities.


Tree thinning in a forest around Biwa Lake
(Picture provided by Shiga Prefecture)

Conservation of Water Resources

We independently conduct monthly measurement of wastewater, and discharge wastewater into rivers after use in a state that does not pose environmental impact. Our Ashikaga Factory No. 2, Shiga Factory No. 1 and Kunshan Achilles New Material Technology Co., Ltd. recycle and reuse a portion of industrial water.

Participation in drills to prevent damage from water-quality accidents from spreading

We actively participate in drills assuming an unexpected accident that are conducted by Shiga Prefecture and the Konan/Kouka Environmental Association and designed to prevent damage from water- quality accidents from spreading. The drills reaffirm the importance of conserving the surrounding environment including Lake Biwa.

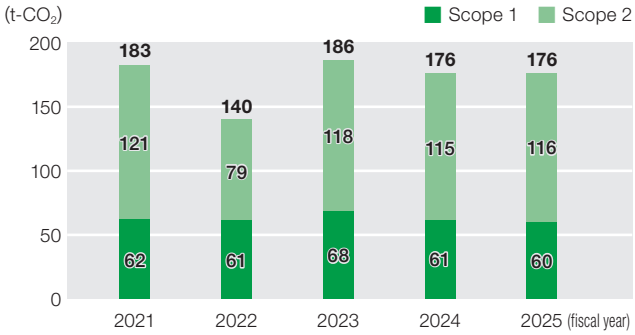

Sandbag Damming Drill
(Shiga Prefecture)

In the drills held on October 2, 2025, a total of 119 people participated including council members and local and prefectural authorities.

Approaches by Sales Bases

Domestic sales sites, including subsidiaries, are also working to reduce greenhouse gas emissions as a measure against global warming. The main greenhouse gas emissions at sales sites are from electricity and gas use. Most sales sites are located in tenant buildings, making it difficult to switch contracted electricity to green power. We therefore work to convert lighting to LEDs and conserve electricity, while offsetting GHG emissions through J-Credits. We are also switching to hybrid vehicles to reduce greenhouse gas emissions from gasoline combustion when company vehicles are used. In FY2025, each BU considered KPIs for verifying Scope 3 reduction measures and their effects. Going forward, we will promote these initiatives so that their reduction effects can be confirmed.

[Greenhouse Gas Emissions at Domestic Sales Offices (Scope 1 + 2)]



[Scope] Achilles Corporation sales sites, Tohoku Achilles Co., Ltd., Achilles Core Tech Co., Ltd., and Achilles Vinistar Co.,Ltd.

Note: Please see the following website for more information about Scope and its definitions.

Use of emissions from the supply chains
https://ghgprotocol.org/

Provide Surprise, Joy, and Inspiration Through Products and Services

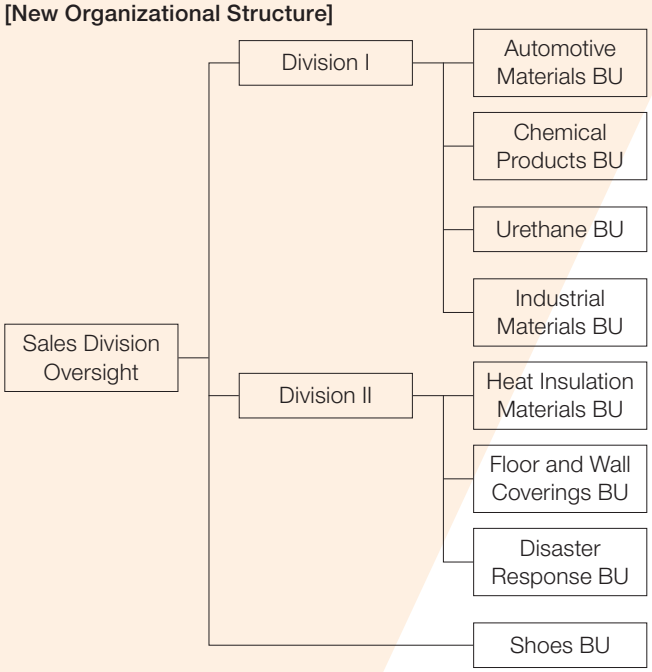
Initiatives to Create Shared Value with Society

All Achilles products are designed to meet customer needs, and in a broad sense are positioned as solution-type products. However, we define products we develop ourselves or develop in collaboration with customers with the objective of resolving specific, individual social issues as products designed to create shared value with society.

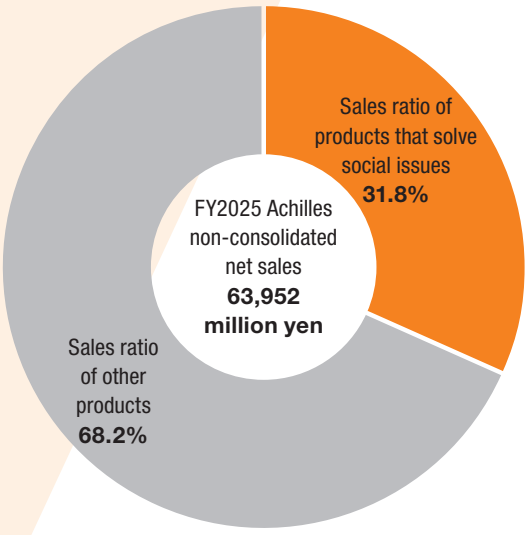
Aiming to achieve a sustainable society, we are working to expand and enhance our products designed to solve social issues.

In addition, to strengthen our response to issues in each market, we reorganized the Company as follows at the end of June 2025.

[New Organizational Structure]



[FY2025 sales ratio of products that solve social issues]



Initiatives by Each BU

Automotive Materials BU (Business Division 1)

Exhibited at "Automotive Engineering Exposition 2025 NAGOYA"

In July 2025, we exhibited at Automotive Engineering Exposition 2025 NAGOYA. This highly specialized exhibition focused on automotive technology is organized by the Society of Automotive Engineers of Japan, Inc. We exhibited new mobility products, including environmentally-friendly ceiling materials, high-tactility sheet materials, special light-emitting materials, and accessories using the conductive material "Cabron ST," attracting the interest of many visitors. At the venue, our R&D Department also explained the potential of our proprietary polypyrrole plating technology and environmentally-friendly foamed sealing materials, receiving many comments expressing high expectations from visitors.



"Automotive Engineering Exposition 2025 NAGOYA"

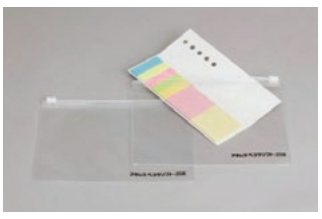
Chemical Products BU (Business Division 1)

Flexible polyolefin film with a biomass content of at least 25%

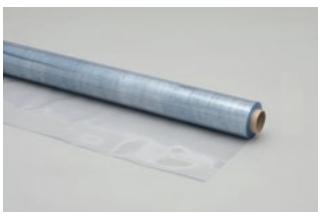
We launched "Achilles Pecora Soft-25B," a flexible polyolefin film that uses plant-derived (biomass) raw materials for part of its raw materials and achieves both a biomass content of at least 25% and a total luminous transmittance of at least 90%*, a combination that had been technically difficult to achieve.

At the same time, we also launched "Achilles Pecora Soft-10B," a soft polyvinyl chloride film that has achieved a biomass content of at least 10% and a total luminous transmittance of at least 85%*. It offers the wide range of processing properties unique to polyvinyl chloride, as well as excellent flexibility and water resistance, making it suitable for a broad range of applications including packaging materials, household materials, stationery, and office supplies.

* Measured values; not guaranteed values.



Card case using "Achilles Pecora Soft-25B"



"Achilles Pecora Soft-10B"

Response to Ocean Plastic Pollution

We are participating in CLOMA* and working to develop and market film products made of biodegradable plastic, primarily for agricultural and forestry applications, so that they become widely adopted.

* CLOMA (The Clean Ocean Material Alliance) was established as the platform for reducing plastic waste in the ocean by encouraging, in addition to the appropriate management of waste, wide collaboration among stakeholders in different industries for the acceleration of innovation through the 3R (Reduce, Reuse, Recycle) initiative for plastic products and the promotion of development and spread of biodegradable plastic and paper products to replace plastic.

Clean Ocean Material Alliance
https://cloma.net/english/



Bioflex Multi Plus—Agricultural film made of biodegradable plastic
https://www.achilles.jp/product/agriculture/horticulture/bioflex-multiplus/ (in Japanese)

Obtained certification under an international initiative

Our Film Factory (Ashikaga City, Tochigi Prefecture) has obtained the ISCC PLUS certification (International Sustainability and Carbon Certification), enabling us to manufacture and sell ISCC PLUS-certified polyolefin film products.

The ISCC PLUS certification is an international certification system that certifies that sustainable raw materials such as biomass are appropriately managed throughout the supply chain.

Our overseas subsidiary, Achilles USA, Inc. (Washington State, USA), has also already obtained certification.

Urethane BU (Business Division 1)

Industry first: flexible polyurethane foam that glows in the dark

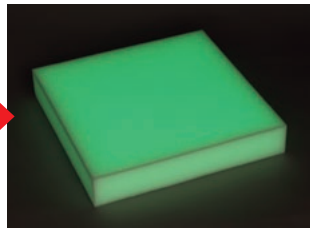
We developed and began selling “Lumilight™,” a flexible polyurethane foam that glows in the dark.

Whereas most conventional phosphorescent products are made of rigid materials, “Lumilight™” has a soft feel and can be easily formed into three-dimensional shapes. Its phosphorescent function is expected to enable applications such as toys that glow in the dark and safety products for evacuation in darkness.

We have also developed numerous other functional products, including “ThermoPhase®,” which has a temperature-control function, and the environmentally friendly foam “CRIIN FOAM®.”



“Lumilight™” under bright conditions



Luminescent state in the dark

“Lumilight™”
https://www.achilles.jp/product/manufacturing-facility/airlon/lumilight/ (in Japanese)

Industrial Materials BU (Business Division 1)

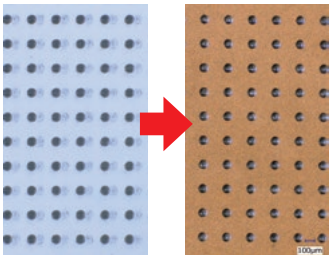
Developed high-adhesion plating film formation technology on glass substrates with through-holes

Using our proprietary polypyrrole plating method, we newly developed technology that enables highly adhesive plating films to be formed on glass substrates with through-holes.

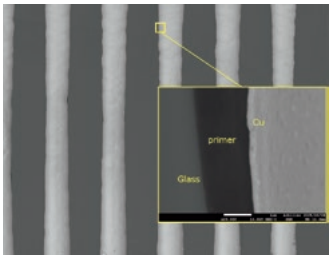
Unlike conventional plating processes that require high-temperature treatment above 300°C, the polypyrrole plating method is characterized by its ability to form highly adhesive plating films on glass substrates through a low-temperature, atmospheric-pressure process.

We received many requests for support for glass substrates with through-holes, which are essential for semiconductor package substrates, and established the technology through repeated research.

Going forward, we will collaborate with semiconductor-related companies to further advance research and development on fine wiring formation and mass-production technologies, with the aim of expanding use in next-generation semiconductor manufacturing.



Appearance of a glass substrate with through-holes before plating (left) and after plating (right)



Enlarged cross-sectional image of a glass substrate with through-holes after plating (white areas are through-holes)

Heat Insulation Materials BU (Business Division 2)

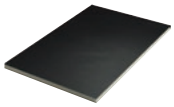
First in Japan to obtain SuMPO EPD for foamed plastic insulation material

We became the first company in Japan to obtain SuMPO EPD*1 under the SuMPO Environmental Label Program operated by the Sustainable Management Promotion Organization (SuMPO) for foamed plastic thermal insulation materials manufactured in Japan.

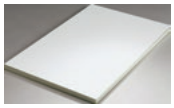
The two certified products are the rigid polyurethane foam insulation materials for buildings “Achilles Board GF CFC-Free (High Density)” and “Achilles Board WAL-D.”

The Ministry of Land, Infrastructure, Transport and Tourism aims to introduce, around FY2028, a system that promotes implementation of "Building LCA (Life Cycle Assessment)"*2, which calculates and evaluates environmental impacts, including CO_2 emissions, across the entire life cycle of a building from planning and construction through operation and demolition. Accordingly, it is expected that life-cycle CO_2 calculations will gradually become necessary for building materials.

*1 EPD (Environmental Product Declaration): An international environmental label based on ISO 14025 that quantitatively assesses and discloses the environmental impact of products through third-party verification. In Japan, the program is operated by the Sustainable Management Promotion Organization (SuMPO).
*2 Building LCA (Life Cycle Assessment): A method of calculating and evaluating environmental impacts across the entire life cycle of a building, from the manufacture and construction of its components and equipment through use and demolition, in multiple areas (including impacts on the atmosphere and waterways), not only global warming (CO_2).



"Achilles Board GF CFC-Free (High Density)"
Product characteristics: High-performance insulation material ideally suited to hot-applied asphalt waterproofing systems on reinforced-concrete rooftops
SuMPO EPD registration:
https://ecoleaf-label.jp/epd/2393 (in Japanese)
Registration No.: JR-BP-25001E



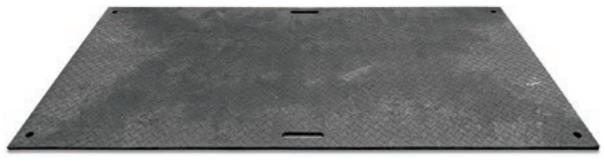
"Achilles Board WAL-D"
Product characteristics: High-performance insulation material ideally suited to mechanically fastened sheet waterproofing systems on steel-frame and reinforced-concrete rooftops
SuMPO EPD registration:
https://ecoleaf-label.jp/epd/2394
Registration No.: JR-BP-25002E

Floor and Wall Coverings BU (Business Division 2) × Disaster Response BU (Business Division 2)

"Achilles Vinimat," a recycled PVC ground protection mat that effectively uses scrap from our own factory

We began selling "Achilles Vinimat," a ground protection mat that makes effective use of scrap generated at the PVC (polyvinyl chloride) cushion flooring factory of the Floor and Wall Coverings BU.

In addition to being an environmentally-friendly recycled product, "Achilles Vinimat" is a lighter than steel ground plate, making it easier to transport and reducing the workload involved in installation and removal. Because it is made of PVC, it also has excellent flexibility, readily conforms to uneven ground surfaces, and recovers from warping and deflection when left on a flat surface (Company test).



"Achilles Vinimat"



Used on uneven surfaces



Recovers in approximately one day (Company test)

"Achilles Vinimat"
https://www.achilles.jp/product/construction/civil-work/pvc-ground-protection-mats/ (in Japanese)

Disaster Response BU (Business Division 2) × Heat Insulation Materials BU (Business Division 2)

Improving the sleeping environment at evacuation shelters

Using the building insulation material "Achilles Board PE," which combines excellent thermal insulation with moisture-proofing and waterproofing properties, we developed and began selling the "Dokodemo Ouchi Bed," a shelter bed that is lightweight and strong and can withstand long-term use and storage.

It was designed to be lightweight and save space when stored, and can be assembled in approximately one and a half minutes without tools when needed. With a bed height of 36 cm that makes it easier for people requiring special considerations to stand up, a load capacity of 300 kg for excellent stability, and a large storage space of approximately 240 L beneath the bed, it is also designed with storage convenience in mind. Even if the surface becomes dirty, it can be wiped clean with water or alcohol disinfectant. It helps those in evacuation shelters sleep without having to worry about sick-house syndrome or VOCs (Volatile Organic Compounds).



"Dokodemo Ouchi Bed"



Storage space

products for ensuring BCP
Disaster Response Sales Department, Planning and Development Section
TEL: 03-5338-9360

Shoes BU

Received an Excellence Award at the Japan Naming Award

At the "Japan Naming Award 2025" (organized by the Japan Naming Association), which recognizes outstanding names, the name of our children's shoe brand "Syunsoku" received an Excellence Award in the General Category (Category 2: cosmetics, toiletries, pharmaceuticals, miscellaneous goods, daily necessities, and apparel).

"Syunsoku" was launched in May 2003 under the catchphrase "Open a lead when cornering." Based on the development concept of "Make fast runners faster, and give hope to slow runners," the shoes are designed according to the Sokuyiku concept of nurturing foot function, including last (foot-form) designs matched to foot growth and features that reduce strain on the feet. Cumulative sales of the series have surpassed 84 million pairs. In 2023, the 20th anniversary of the product's launch, we reconstructed the brand's value and adopted the brand statement: "Shoes for children that aid in creating 'opportunities' and 'excitement' toward doing their best, and nurturing their strength to reach for their dreams."



Scene from the "Japan Naming Award 2025" venue



Excellence Award plaque and our children's shoes "Syunsoku"

Automotive Materials BU × Urethane BU × Shoes BU (Business Division 1 × Business Division 2 × Shoes BU)

"I'MOG" — an upcycling brand that stays close to what is "no longer needed" —

We launched "I'MOG," a sustainable initiative that recycles materials and gives them new life in new forms.

"I'MOG" is an upcycling initiative that transforms materials that would otherwise be discarded, such as surface materials for vehicles and furniture and soft urethane, into new forms using sewing technologies cultivated through our shoe manufacturing.

The brand name "I'MOG" expresses our desire to give waste new life and circulate it, and is formed by reversing the letters of "GOMI," the Japanese word for waste.



Introduction to the "I'MOG" brand

Measures by Domestic Subsidiaries

Achilles Retail Corporation

Incorporating customer feedback into product development

Achilles Retail Corporation places importance on interacting directly with customers at department-store sales floors and capturing their opinions in real time. Feedback obtained by sales staff through dialogue with customers is utilized in product development through close collaboration with the Shoes BU.

The same approach is also promoted in EC*. Reviews received from customers are shared internally and used to improve products.

By centrally utilizing customer feedback collected through both physical stores and EC channels, Achilles Retail Corporation aims to serve not merely as a place that "sells" products, but as a starting point in the process of "creating better products."



Employee serving a customer

* EC (Electronic Commerce): Transactions involving the purchase and sale of goods and services over the Internet (online shopping).

Achilles Core Tech Co., Ltd.

Initiatives addressing sustainability issues

Achilles Core Tech Co., Ltd. focuses on the electronics and ecology/sustainability fields while actively undertaking initiatives that help reduce environmental impact.

As digital transformation (DX) using generative AI accelerates, new construction and expansion projects for semiconductor factories and data centers that process massive amounts of data are advancing across Japan. Achilles Core Tech Co., Ltd. proposes the installation of special flexible PVC curtains in cleanrooms at semiconductor factories as measures against dust, dirt, and static electricity. For data centers, it also proposes partitions using vinyl curtains that improve air-conditioning efficiency and reduce electricity consumption.

In the construction field, the revised Building Energy Efficiency Act has come into force, making compliance with "energy-efficiency standards" mandatory for all buildings, including newly built detached houses. Through seminars and exhibitions, we actively promote the widespread use of high-performance thermal insulation materials.

In the agricultural field, we continue activities to promote biodegradable mulch films, while in the livestock field we are also working to expand their use for burial applications associated with wildlife control. Because biodegradable mulch films decompose into water and carbon dioxide in soil, they are expected to help address the problem of plastic waste.

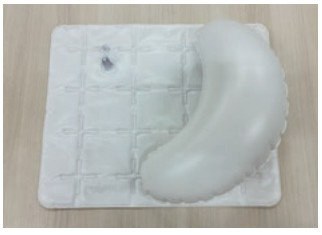
Achilles Vinistar Co.,Ltd.

Promoting an OEM Business that pursues both customer benefits and responses to sustainability issues

Achilles Vinistar Co.,Ltd. combines the material capabilities and wide-ranging processing technologies of Achilles Corporation with an extensive network of partner companies to manufacture and sell a diverse range of products—from daily necessities to medical and industrial supplies—through an integrated production system while responding to customer needs.

In addition to selling products made from recycled polyvinyl chloride materials certified as "Osaka Prefecture Certified Recycled Products," the company promotes reductions in waste disposal volumes and development of the recycling industry as part of efforts to build a circular society toward the realization of a sustainable society.

Achilles Vinistar Co.,Ltd. undertakes a variety of OEM businesses while pursuing both customer profitability and responses to sustainability issues.



Polyvinyl chloride air pillow



Mattress for nursing-care beds

Achilles Welder Co., Ltd.

Initiatives that reduce environmental impact and help solve social issues

Achilles Welder Co., Ltd. mainly processes agricultural/horticultural facility covering materials (agricultural vinyl film) and also performs welding processing of flexible PVC films and sheets for industrial vinyl partition curtains and large tents used after disasters and for medical applications.

Its products include environmentally-friendly items such as highly heat-retentive greenhouse covering materials and biodegradable films, as well as energy-saving partition curtains designed to improve air-conditioning efficiency in factories and warehouses.

In addition, in collaboration with Achilles Corporation, the company is focusing on developing products aimed at reducing environmental impact and solving social issues.

In recent years, it has responded to a wide range of needs, including improving work environments at construction sites, saving energy by shortening construction periods, and reducing the burden on workers, while also processing partition film products that improve air-conditioning efficiency for the growing data center market.

Together with Achilles Corporation, Achilles Welder Co., Ltd. responds to customer needs by leveraging its unique technical capabilities and agility in meeting delivery schedules, with the aim of helping solve social issues.



Example of partition film product installation

Tohoku Achilles Co., Ltd.

Promoting “creating comfortable, energy-efficient homes”

From April 2025, all newly constructed homes and buildings became subject to mandatory compliance with energy-efficiency standards. Plans are also moving forward to raise the current minimum standard by another level by 2030. From April 2027, the ZEH standard* will be revised as “GX ZEH,” and the promotion of higher-performance housing is planned.

In addition, amid continued high energy prices caused by heightened geopolitical risks, interest in energy-efficient homes continues to grow.

Under the theme “Striving for Thermal Insulation Performance Grade 7,” the highest level in Japan, Tohoku Achilles Co., Ltd. held in-person seminars for homebuilders and construction companies at two venues in Yamagata and Sendai in August 2025.

Through these activities, the company is working to promote the spread of higher-level energy-efficient housing.

* ZEH (Net Zero Energy House) standard: Housing specifications that combine high thermal insulation performance, energy-efficient equipment, solar power generation, and other measures so that annual energy consumption is effectively zero or less.



Scene from a collaborative seminar in the Tohoku region held by Tohoku Achilles Co., Ltd., Japan Living Environment Co., Ltd., and Paramount Glass Manufacturing Co., Ltd.

Yamagata Achilles Aeron Co., Ltd.

Initiatives that contribute to reducing CO_2 emissions

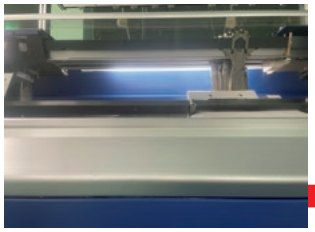
In FY2025, Yamagata Achilles Aeron Co., Ltd. promoted the following initiatives to reduce CO_2 emissions.

Waste reduction

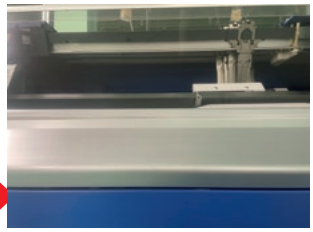
1) Sold ABS resin bobbins for raw yarn and flexible polyurethane foam that had previously been disposed of as raw materials
2) Reused materials from processing defects

Energy conservation initiatives

By turning off machine lighting that has no effect on safe operation and changing settings so that the lights turn on only when operating the machine to respond to an error, we reduced electricity consumption and utility costs.



Before change: Always on



After change: Off

Kanto Achilles Aeron Co., Ltd.

Environmentally conscious initiatives

As an initiative to reduce disposal of flexible polyurethane foam scraps generated during processing, Kanto Achilles Aeron Co., Ltd. finely pulverizes the scraps and uses them as cushion core material.

In FY2025, because some Achilles products adopted this material as cushioning, the company is exploring additional applications for cushioning materials.

The company is also reviewing its company vehicles as part of efforts to reduce CO_2 emissions. In FY2025, one passenger car was replaced with a mini vehicle.



Example of scrap cushioning material in use

Osaka Achilles Aeron Co., Ltd.

Reducing environmental impact through compression packaging technology

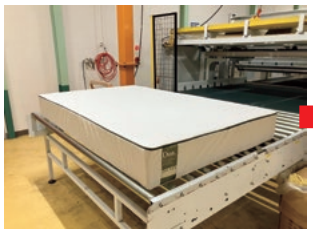
Osaka Achilles Aeron Co., Ltd. has long worked on developing and commercializing compression packaging technology and can compress the volume of a 10-cm-thick mattress to approximately 40% of its original volume. In addition to improving transportation efficiency and reducing transportation costs, this technology also reduces CO_2 emissions during transportation and is highly regarded by customers as an initiative to reduce environmental impact.

In the rapidly expanding e-commerce market, compression packaging technology also makes it possible to ship products within parcel delivery size standards (sum of three dimensions), thereby improving logistics convenience.

It has also been favorably evaluated for enabling space savings in disaster stockpiling and storage and display space at stores, and adoption is expanding as a product that enables effective use of limited space.

In this way, compression packaging is not merely a packaging technology; its role and importance are increasing further as a key solution that reduces environmental impact and improves logistics efficiency.

Going forward, Osaka Achilles Aeron Co., Ltd. will continue to actively address social issues and customer challenges, including through initiatives to reduce environmental impact, and contribute to realizing a sustainable society.



Product before compression



Product after compression packaging

Kyushu Achilles Aeron Co., Ltd.

Measures that Lead to Reduced Environmental Impact

Kyushu Achilles Aeron Co., Ltd. continues its business operations with zero industrial waste generation.

Scraps generated during processing of flexible polyurethane foam are reused as core materials for furniture and gymnastics mats and as automotive chip-mold materials. Cardboard boxes used for packaging are recycled through contractors.

Going forward, the company will also take on the challenge of establishing product compression technology and advance activities to improve shipping efficiency.



Soft polyurethane foam scraps (rear) and recycled chip foam made from them (front)

Sanshin Enterprises Co., Ltd.

Reducing waste through proprietary technology

Shoe insoles are generally manufactured using belt-conveyor-type equipment. With this method, a large amount of raw material is lost when material is fed into the press molding machine. We introduced our proprietary drum-type molding equipment and achieved a reduction of more than 40% in raw material loss during molding compared with conventional belt-conveyor-type manufacturing methods.

Main products manufactured using drum-type molding equipment



DSIS Sorbo Ladies Full Insole



All-Season DSIS Sorbo Healthy

Achilles Shimane Co., Ltd.

Contributing to stabilization of the semiconductor supply chain through multi-skilling across manufacturing fields

Achilles Shimane Co., Ltd. centers its manufacturing operations on two different products: protective films for transporting semiconductor wafers and shoe insoles.

To respond to growing global semiconductor demand, the company is making full use of its human capital and working to establish a stable supply system.

Specifically, it is promoting multi-skilling so that employees responsible for manufacturing shoe insoles can also handle semiconductor-related products, while subdividing and optimizing processes and establishing a system that enables smooth acquisition of skills.

As a result, it optimized workloads with the same number of personnel and increased production volume of protective film products for semiconductor applications by 1.5 times.

This initiative not only contributes to stabilizing the semiconductor supply chain but also helps improve the skills and job satisfaction of each employee.



Inspection of semiconductor-related products



Shoe insoles

Initiatives for Quality Assurance

Our Approach to Quality

The Achilles Group has formulated the Achilles Action Guidelines to help ensure that all employees will be thorough in safeguarding product safety and quality. In addition, in order to provide a solid basis for accurately appraising customer needs and market trends, and to ensure that we can provide products and services that satisfy our customers, nearly all of our group companies in Japan have secured ISO 9001 international quality management system certification. The Achilles "Quality Manual" stipulates that the divisional manager of each division establishes quality targets in their capacity as manager responsible for quality assurance, and strives to ensure that the Group provides products and services that can be used safely and with peace of mind.

Achilles Group Basic Policy on Quality Assurance
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-quality_en.pdf#view=Fit

[Status of registration for ISO 9001:2015]

Registered organization	Month/Year of registration	Registration number
Achilles Corporation	April 2003	JUSE-RA-2090
ACHILLES USA, INC.	April 1998	33354

* ISO 9001 Registrations were consolidated in FY2020 covering the Group Companies in Japan including subsidiaries.

Quality Improvement Program

The company implements Process Patrols (internal audits) to verify production processes. The company's production lines are verified on a regular basis for screening purposes to ensure that standardized production methodology is properly applied.

In addition, we also regularly verify the quality control status of certified products. By surveying certified products (industrial and legal certifications) and quality control status, we are able to verify that no products are sold that fail to meet certification standards.

In addition to the above, with a view to boosting recognition and awareness of quality issues amongst our employees, we are also focused on quality training in recent years, based on systematic planning. Since 2024, we have also conducted quality training for all employees in the Sales and Administrative Divisions, as well as managers and internal quality auditors in the manufacturing divisions. We are promoting the "unification of quality awareness" and the development of a "common language" across the Company.



Patrolling the production process

Quality Assurance System

Our Quality Assurance Headquarters submits proposals where appropriate regarding individual divisions' product planning, development, production and sales processes, as it works to maintain and enhance the quality assurance system.

The "Product Testing Center" (within the Quality Assurance Headquarters) also conducts physical property measurements and qualitative and quantitative analyses of products. Through this technical support, we scientifically verify customer feedback and support the Company's quality assurance.

Production

- We define ways of process management and inspection method for the production line of each product individually to improve productivity and quality stability.
- In order to reduce load on the global environment, we are promoting the prevention of global warming, energy conservation, the 3R (Reduce, Reuse, Recycle) initiative, the prevention of atmosphere pollution, and so forth.
- We provide training sessions to all employees for the improvement of product quality and technological skills.
- All employees participate in the QC activities to solve problems and make improvement in production processes and product qualities.

Procurement

- Before we select items to purchase, we survey the safety and environmental conformance of materials as well as the quality assurance system of the suppliers, in collaboration with the Planning, Development, and Production departments.
- We are disseminating our initiative of Corporate Social responsibility (CSR) across our supply chains by encouraging them to observe the Achilles Group Basic Policy on Procurement. We are not complicit in any violation of laws and regulations in procurement activities.

Sales / After-sales Service

- We receive customer consultations and inquiries on the products and services at the Customer Consultation Office as well as at different sales departments. We listen carefully and respond quickly to customer voices at every contact point.
- If an unexpected major problem is anticipated, we disclose relevant information and take measures quickly, giving first priority to customer safety.
- For products of environment-friendly design, we try to make it easy for customers to compare them with other similar products in terms of environmental effects.



Planning/Development

- We design products taking into account customer requirements as well as safety and security.
- We inspect the safety of ingredients and materials of our products (to confirm that they do not include prohibited, restricted, or unhealthy substances).
- We conduct conformance tests of products for processing, construction, and usage.
- We hold a design review session for each product involving the Quality Assurance Department.

Working Together with Our Customers

Basic Approach

We position “Living with Society” and “Customer First” as equally important values and aim to contribute to the realization of a sustainable society and improve the well-being of society as a whole. To ensure that our customers are able to use our products safely and with peace of mind, we have established a “Customer Consultation Office” to address any questions, consultations, opinions, and requests.

Utilizing customer feedback

At the “Customer Consultation Office,” we share valuable opinions and requests that we received from customers daily via our toll-free number (0120- 89 - 4192) and website inquiry form with relevant departments, and strive to improve the quality of our products and services.

To improve customer convenience, we also post frequently asked questions in the shoes field, where we receive many inquiries, on our website “Achilles Shoes.com.”

In FY2025, we received 2,766 “inquiries” and “opinions.”

Achilles Shoes.com FAQ / Frequently Asked Questions
https://www.achilles-shoes.com/faq/

Strengthening Communication with Customers

The “Customer Consultation Office” adopts an approach focused on being empathetic to customers’ feelings. For example, to assist with shoe-related concerns, staff members have obtained qualifications as “shoe fitters” (foot and shoe specialists) to ensure they are able to respond in an appropriate manner.

Since 2013, the Head Office showroom (Tokyo) has been offering the “Sokuiku (“Foot Education”) Consultation Office,” providing the “foot measurement and counseling” service. The number of visitors in FY2025 was 41, with a cumulative total of 752.




Measurement taken at the Head Office showroom

We also run visiting lecture courses about feet and shoes at elementary schools and junior high schools. In FY2025, we ran 33 visiting lectures, with 2,427 people in attendance. The cumulative total since this initiative was first launched in 2014 stood at 423 visiting lectures, and 23,187 participants.



Class at an elementary school in Asaka City, Saitama Prefecture



Class at an elementary school in Yoshikawa City, Saitama Prefecture

On March 20, 2026, we held the 11th Syunsoku Challenge, with 304 children participating.



Scene from the 11th Syunsoku Challenge (Oi Central Seaside Park Athletics Stadium, Tokyo)

11th Syunsoku Challenge
https://www.achilles.jp/news/event/2026/0326.html (in Japanese)

Collaboration with Customers

Basic Approach

The Achilles Group adheres to the Charter of Corporate Behavior, striving not only to comply with the requirements of the law but also to behave in an ethical manner, build long-term relationships of trust with our suppliers through fair and free transactions, and to develop mutually beneficial relationships based on close collaboration. We have drawn up the Achilles Group Basic Policy on Procurement, and we are extending our strategies for fostering environmentally friendly, sustainable procurement and compliance as well as respect for human rights, etc. to cover the entire supply chain.

Charter of Corporate Behavior
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-code_en.pdf#view=Fit

Achilles Group Basic Policy on Procurement
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-procurement_en.pdf#view=Fit

Sustainable Procurement Initiatives

Once a year, we conduct the Procurement Questionnaire with our major suppliers and verify compliance with our basic policy on procurement. In addition, from FY2021, we have conducted surveys on human rights risk. Both surveys are conducted using the self-assessment method. We engage in repeated dialog depending on survey responses, and work to reduce risk accordingly.

In FY2025, we visited nine business partners and gained an understanding of their overall response to sustainability matters.

Survey of Human Rights Risk in the Supply Chain

(Categories in human rights survey)
- ✓ Risk of involvement in forced labor, child labor, etc.
- ✓ Risks pertaining to labor management
- ✓ Risk of involvement in workplace safety issues
- ✓ Management systems to prevent human rights infringements

Overview of FY2025 Human Rights Risk Survey results

We asked 124 of our major suppliers, including subcontractors, to respond to the survey, which involved asking second-tier suppliers to provide information, and we received responses from 120 companies (response rate: 96.8%). As was the case last year, the results obtained did not indicate any problems on matters of concern to the global community, such as forced labor, child labor, coercive treatment of foreign workers, etc. We also engaged in repeated dialogue with small-scale business operators with limited management resources and worked to reduce risks.

In addition to self-assessment survey, we evaluated the human rights infringement risks of the Group in consideration of industry guidelines and information reported to the complaint window, from the perspective of manifestation probability, significance, and difficulty of restoration.

Overview of FY2025 Self-Assessment Survey results

In the self-assessment survey, 11 business partners (9.2% of respondents) fell below our standards overall. Most of the business partners that fell below our standards were small-scale operators.

As a result of risk evaluation, we determined that the following matters could have high risks:

- ● Care in human rights in the upstream of supply chains in Asia
- ● Occupational health and safety environment for employees of contracted service providers

[Overview of Self-assessment Survey Result]

	Business partners not achieving our company's criteria	
	FY2024	FY2025
Risk of involvement in forced labor, child labor, etc.	0 companies (0.0%)	0 companies (0.0%)
Risks pertaining to labor management	1 company (0.5%)	1 company (0.8%)
Risk of involvement in workplace safety issues	16 companies (8.8%)	9 companies (7.5%)
Risk pertaining to response to conflict minerals or personal information protection systems	25 companies (13.7%)	13 companies (10.8%)
Business partners falling short of our company's criteria	12 companies (6.6%)	11 companies (9.2%)

Future Initiatives

For items with high possibility of involving human right risks, we will conduct further investigation in collaboration with relevant companies. If we find human rights violations in further investigation, the Company will consider all possibilities of how to address these issues.

Briefing Session on Procurement Policy

As in 2024, in FY2025 we held the Briefing Session on Procurement Policy in a hybrid format combining in-person and remote participation. The company's policy regarding strengthening of BCP, risks arising from labor shortage, respect for human rights, carbon neutrality, materials recycling, and more, with the goal of realizing sustainable procurement, was explained to approximately 183 participants from 171 business partners, whose support for these policies was requested.



Briefing session on procurement policy (Head office in Tokyo)

Respect of Human Rights and Effective Use of Diverse Human Resources

Basic Approach

The Achilles Group views our employees as being important stakeholders. We will realize workstyles that enhance employees' capabilities and respect employees' diversity and their individual characters and personalities, and we will provide employees with a convenient working environment in which due attention is paid to safety and health issues.

Respect for Human Rights and Fairness

All directors and employees of the Achilles Group respect human rights and vow not to abet any behavior that infringes on those rights, including discrimination.

Workplace bullying and sexual harassment are prohibited, and both internal and external reporting windows are available.

The Achilles Group implements "Achilles Group's Policy on Human Rights" to ensure that all employees enjoy fair treatment and equal opportunity.

Achilles Group Human Rights Policy
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-hr_en.pdf#view=Fit

Human Capital Management

Policies regarding Human Resource Cultivation, including Securing Diverse Human Resources, and Policies regarding Inhouse Environmental Development

Employees are the most precious assets for the Achilles Group, and the growth of our employees is essential for the sustainable growth of the Group.

The Achilles Group set the goal of cultivating a corporate climate that enables individual employees to increase their motivation and exercise their abilities, based on the idea that diverse human resources respecting one another and melding their senses of values will lead to the creation of innovation.

In addition, as we advance the "advancement of the business foundation," which serves as the base for executing our company-wide strategies, "enhancing human resource capabilities" is one of the key elements. We believe that "enhancing human resource capabilities" requires "strengthening the human resource base," "talent development that contributes to the realization of company-wide strategies," and "creating an environment where employees feel engaged in their work." We therefore position recruitment, personnel systems, human resource development, diversity, and workstyles as priority items and are implementing various initiatives.

When it comes to recruitment, we are expanding our channels through not only new graduate hiring but also mid-career recruitment, thereby acquiring the personnel we need and also creating opportunities to incorporate diverse perspectives and experience.

Our HR systems are designed with a focus on supporting individual growth, but we aim to further link them with business strategies and achieve systems that promote a sense of fulfillment for employees, such as getting a feel for their growth and contribution to performance through fair operation.

In human resource development, while basing our approach on grade-specific training linked to the personnel system and daily on-the-job training (OJT), we engage in talent development that contributes to the realization of company-wide strategies, including developing sales capabilities and global and DX human resources.

We are also working on mechanisms to accommodate diverse working styles and creating safe and comfortable workplaces, thereby promoting productivity and creating environments where everyone is able to continue working in a healthy manner with peace of mind.

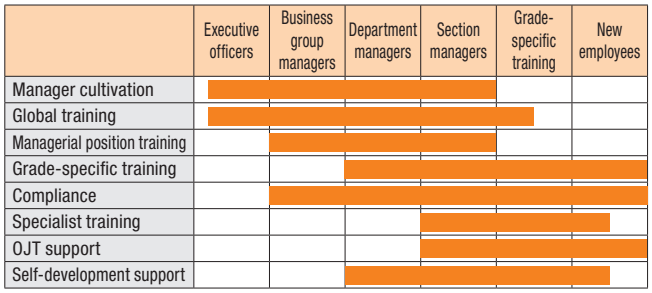
Under the view that "the melding of diverse values and experiences leads to innovation," we are aiming to become a collective of people creating "new value" by providing equal opportunities for skills development and promoting a workplace where diverse talent is able to excel, regardless of gender or employment type, under a system that appoints talented people based on their abilities.

[Indicator and target]

Indicator	Target	FY2025 Achievement
Ratio of newly recruited female employees	20% or greater by March 31, 2026	32.3%
Female ratio in positions leading to future managerial careers	10% or greater by March 31, 2026	14.6%
Number of females in managerial positions	20 by March 31, 2031	10

Note: Figures shown above are not on a consolidated base, but are based on the data of Achilles Corporation only.

[Education and training system (Achilles Corporation)]



[Main Off-JT programs in FY2025]

Training field	No. of training themes	No. of participants
Training to foster managers	1	13
Global training	5	37
Grade-specific training (initial training for new employees)	17	295 (26)
Compliance training*	8	111
Specialist skill enhancement training	23	1,765
Distance learning	Various types	55
Health and safety training	5	193
Disaster response training	1	31

* Compliance training figures cover managers of Achilles Corporation and domestic consolidated subsidiaries. Other data is for Achilles Corporation personnel only. The figures given for the number of participants are the sum total of participants in all sessions.



Scene from grade-specific training (Tokyo Head Office)

Training hours per domestic employee	8 hours/person

Basic Policy for Human Resource Development
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-hrd_en.pdf#view=Fit

Employment

The Achilles Group endeavors to implement systematic employment practices, and provides equal opportunity with respect to employment.

In April 2021, Achilles Corporation, including its consolidated subsidiaries in Japan, revised the age of compulsory retirement from 60 to 65, and are putting in place transitional measures to incrementally raise the age of compulsory retirement until FY2029.

[Number of employees] As of March 31, 2026 (whole Group)

Male 1,251 (78.4%)	Female 345 (21.6%)	Total 1,596 (100.0%)

[Employment data] As of March 31, 2026 (Achilles Corporation only)

Average age	Male	42.7	Female	43.9	Total	43.0
Average years of service	Male	20.7	Female	20.9	Total	20.8
Average annual income	6.21 million yen					
YoY increase rate in average annual income	7.3%					
Difference in wages between male and female employees*	All employees 82.0% Regular employees 82.2% Part-time and contracted employees 87.4%					
Executive officers (including managing executive officers)	Male	27	Female	2	Total	29
Departmental managers	Male	40	Female	2	Total	42
Section managers	Male	194	Female	8	Total	202
Ratio of female managers (FY2025)						4.1%
No. of persons using the system for the re-employment of employees who have reached retirement age as of FY2025						42
Ratio of mid-career hires in FY2025						24.4%
Ratio of hires of people with disabilities in FY2025						2.5%
Foreign national employees (FY2025)						3

* Percentage calculated as (Average annual wages of female employees ÷ average annual wages of male employees) (%)

Protection of Personal Information

Based on our Personal Information Management Rules, the Achilles Group offers training to employees, has established measures for the safeguarding and management of personal data, and protects and manages all personal information it holds.

Employee Welfare

Major support systems

- Dormitory for single employees and company housing
- Employee shareholding system
- Childcare leave and nursing care leave system

*1 Rate of employees who used the childcare leave system or the childbirth-period childcare leave system

*2 Acquisition rate = Total number of paid leave days taken by all employees ÷ Total number of paid leave days granted to all employees (%)

[FY2025 Employee Welfare Data]

As of March 31, 2026 (non-consolidated)

No. of employees using the childcare leave system	Male 22	Female 5	Total 27
Percentage of employees using the childcare leave system	Male 100%*1	Female 100%	
No. of employees using the nursing care leave system	1		
Average total hours worked per employee per year	1,937.0 hours		
Average no. of days of paid leave taken per year (leave utilization rate*2)	13.2 days (70.6%)		

Labor Unions

Labor-management relations

The Achilles Corporation has two labor unions: the Achilles Labor Union and Achilles Head Office Labor Union. Working together on a basis of mutual trust between labor and management, we aim to realize smooth communication between labor and management and implement measures through labor-management coordination, in line with our basic policy of helping to maintain and enhance employees' living standards while at the same time contributing to the company's continued development in line with the company's overall strategy.

The Achilles Labor Union has a total of 617* members, who are employees (not including executive officers and managers) working in the company's manufacturing divisions. The Achilles Head Office Labor Union has a total of 209* members, who are employees (not including executive officers and managers) working in the company's sales divisions.

* Members as of March 31, 2026

Meetings with the labor unions

Besides holding scheduled operational coordination meetings with the labor unions three times a year (in May, September, and November) in relation to the twice-yearly meetings regarding salaries and bonuses, the Achilles Corporation also holds labor-management meetings in regard to changes in working conditions such as changes to personnel systems and to the content of employee welfare provision, and in regard to the establishment of new systems, etc., to build consensus prior to implementation.

Matters relating to health and safety, environmental issues, qualification systems, re-employment, etc. are discussed by labor and management in committees, with the aim of ensuring that the company operates fairly and appropriately.

In addition, a photo contest and other mutual aid events are jointly held between labor and management.

[Main labor-management meetings]

Operational coordination meeting (three times a year) / Head Office labor-management meeting (held as needed, in principle once a month) / Branch Office labor-management meeting (held as needed, in principle once a month) / Branch meetings (held as needed)

Health Management

The Achilles Group implements health management for its employees. As part of Achilles' corporate social responsibility (CSR) efforts, besides providing health and sanitation management for employees, we also use seminars to raise awareness, with the aim of encouraging individual employees to notice problems with their lifestyle habits and make improvements, so that they can enjoy a long, healthy life.

In FY2025, we held the "Do You Trip When There Is Nothing There? Physical Fitness Check Event." After measuring lower-limb muscle strength (locomotive syndrome check), standing on one leg with eyes closed, and other items, participants received advice from trainers as an initiative to increase opportunities for exercise. We worked to improve the health of each and every employee through exercises, including call for participation in a walk rally.



Measurement scene at the "Do You Trip When There Is Nothing There? Physical Fitness Check Event" (Tokyo Head Office)

Recognized as FY2025 Tokyo Sports Promotion Company*1

Certified Silver under the Sports Yell Company*2 program (Japan Sports Agency)

*1 Since FY2015, Tokyo Prefecture has designated companies and other entities that make outstanding efforts to promote sports activities among employees and support the sport sector as Tokyo Sports Promotion Companies.

*2 The Japan Sports Agency designates companies as Sports Yell Companies in a program that certifies companies actively promoting sports to improve employees' health. The Silver certification is awarded to companies that have been certified as a Sports Yell Company for seven or more consecutive years, and we have been certified for seven consecutive years.

DX* Promotion

In FY2025, we promoted the following initiatives. We are utilizing digital technologies to achieve substantial reductions in work time, including automation, for routine tasks that are repeated on a daily basis.

Use of AI

1) Establishment of rules for the use of open generative AI
2) Improvement of productivity through greater operational efficiency using closed generative AI

DX in expenditure-related operations

1) Promotion of DX in expense payment and settlement operations
2) Promotion of DX in procurement operations

* DX (Digital Transformation): Fundamentally transforming business processes, organizations, corporate culture, and products and services themselves through the use of digital technologies such as AI, IoT, and cloud computing, together with data.

Safe and Healthy Workplace Environments Conducive to Work

Our Approach to Occupational Health and Safety

Achilles Group Health and Safety Policy
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-safty_en.pdf#view=Fit

Major Health and Safety Management Activities

Health and safety

The Group has established a Health and Safety Committee at all of its manufacturing sites, and has put in place an effective health and safety system, with the provision of health and safety education for employees, and the cultivation of personnel holding the various qualifications required by law for health and safety purposes, etc. We also implement various types of risk assessment, and implement improvements based on the results of these assessments, with the aim of realizing meaningful safety.

[Percentage of employees who are members of Health and Safety Committees]

Business location	Number of Health and Safety Committee members	Number of employees (*%)
Tokyo Head Office	12	261 (4.6)
Kansai Branch Office	6	65 (9.2)
Ashikaga Factory No.1	19	489 (3.9)
Ashikaga Factory No. 2	16	246 (6.5)
Shiga Factory No. 1	12	81 (14.8)
Shiga Factory No. 2	12	105 (11.4)

As of March 31, 2026

* The ratio of Health and Safety Committee members to all employees at each manufacturing site.



Occupational safety and health patrol by Safety and Health Committee Members (Ashikaga Factory No. 1)

Occupational accidents

Health and Safety take priority over everything else. Occupational accidents can be and must be prevented. We are committed to preventing workplace accidents, and are working on activities with the aim of preventing them before they occur.

In FY2025, we focused on the following key initiatives.

1.Preventing serious accidents involving four or more days of lost work

Recheck work that has not been recognized as hazardous to prevent omissions in risk identification, implement measures for high-risk work, disseminate cases of past accidents, and conduct risk assessments for vehicles traveling on the premises.

2. Creating a comfortable workplace

Thoroughly implement measures based on the results of chemical substance risk assessments using CREATE-SIMPLE*, maintain appropriate work environments in workplaces that use hazardous substances, and conduct mask fit tests.

3. Strengthening systems to move from zero accidents to zero hazards

Continuing from FY2024, we comprehensively refined occupational safety and health activities with support from external experts.

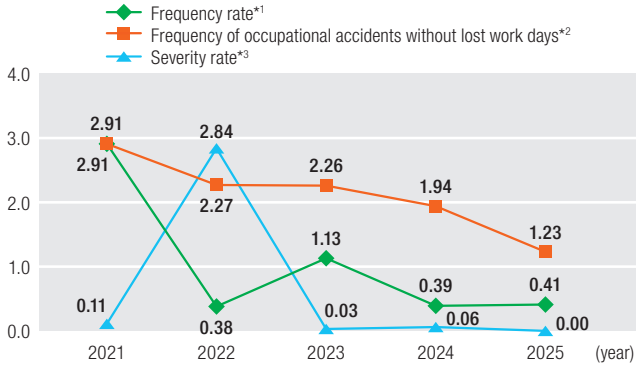
In 2025, there were no occupational accidents at the Company involving four or more days of lost work. Compared with a frequency rate of 0.39 and severity rate of 0.06 in 2024, the frequency rate was 0.41 and the severity rate was 0.00.

We will continue to implement priority initiatives and aim for further improvements in occupational safety and health.

* CREATE-SIMPLE: A tool developed by the Ministry of Health, Labour and Welfare, designed for workplaces that handle chemical substances to simply conduct chemical risk assessments.

* Note: The average frequency rate and average severity rate of manufactures (having 1,000 employees or more) in FY2025 were 0.36 and 0.02, respectively.

[Occupational accident frequency rate, frequency of occupational accidents without lost work days, and occupational accident severity rate (Achilles Corporation only)]



*1 Indicator denoting the frequency of occupational accidents (with lost work days) involving injury or death
Occupational accident frequency rate = No. of occupational accident deaths or injuries/Total no. of hours worked × 1,000,000

*2 Indicator denoting the frequency of occupational accidents (without lost work days) involving injury
Frequency of occupational accidents without lost work days = No. of occupational accidents without lost work days/Total no. of hours worked ×1,000,000

*3 Indicator denoting the frequency of occupational accidents (all types)
Occupational accident severity rate = Total no. of work days lost due to occupational accidents/Total no. of hours worked × 1,000

Safety awareness promotion and education

To enhance safety awareness at the Achilles Corporation, we offer prayers for safety twice a year. We also implement special health and safety week activities, timed to coincide with related national activities, and we hold a “zero accidents” campaign during the year-end / New Year period, along with traffic safety campaigns. At the beginning of the year, “safety oaths” that employees have written themselves are displayed around workplaces.



Safety Prayer Statue (Ashikaga Factory No. 1)

Safety dojos

In October 2019, “safety dojos” were opened at Ashikaga Factory No. 2 and Shiga Factory No. 2, and by the end of March 2026, a total of 2,436 employees and partner company employees had undergone training there. The safety dojos use special equipment to allow employees to experience simulations of dangers based on past real-life incidents, and these simulations can be expected to enhance employees’ sensory perception of danger. This has been particularly effective in preventing accidents among employees with limited work experience.



Ashikaga Factory No. 2 (hands-on experience of entanglement in rotating protrusions)



Shiga Factory No. 2 (hands-on electric shock experience)

Health management

Besides implementing periodic health examinations, special health examinations and stress checks, when necessary, Achilles Corporation also arranges for occupational health physicians and nurses to provide consultations and guidance, including mental health care. We also encourage employees to participate in a wide range of health enhancement events, as part of our efforts to support the Total Health Promotion Plan (THP).

Our Approach to Fire and Disaster Prevention

Achilles Group Basic Policy on Fire Prevention and Disaster Response
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-fire-prevention_en.pdf#view=Fit

Comprehensive fire prevention and disaster response drills

The Group has established a Fire Prevention and Disaster Response Committee in each region, and Comprehensive Fire Prevention and Disaster Response Drills are held annually at each workplace with the aim of spreading and strengthening fire prevention and disaster prevention awareness and equipping employees with fire-prevention skills (indoor fire prevention and disaster response drills are held at manufacturing units three times a year, and disaster response drills are held at Achilles Corporation’s Head Office and Kansai Branch Office at least once a year).

In FY2025, we conducted comprehensive workplace fire drills assuming an outbreak of fire at business sites, as well as comprehensive disaster response drills assuming an earthquake with a seismic intensity of upper 6.



Fire extinguisher training using training equipment (Ashikaga Factory No. 1)

Stockpiling of food, etc.

At each of our business sites, we stockpile food, water, and other supplies in preparation for emergencies such as earthquakes, and in FY2025 we replaced existing emergency supplies.

Community Engagement and Social Contribution Activities

Measures Implemented as Part of the Local Community

The Achilles Group prioritizes communication with local communities and social action projects as an important aspect of its materiality, taking steps to do its part for local development. Local communities form the foundation of our human capital, natural capital, and supply chain. Through our business activities, we strive to provide solutions to sustainability issues faced by local communities, including climate change, disaster prevention, and health.

Signing of disaster support agreements (Yamagata Prefecture)

On June 4, 2025, we concluded an "Agreement on the Supply of Products for Use at Evacuation Shelters, etc. in Times of Disaster" with Oishida Town, Kitamurayama District, Yamagata Prefecture.

This agreement stipulates that our Company will supply materials and equipment to be used at evacuation sites or evacuation centers in the event of a disaster or possible disaster in Oishida Town, and this marks our 14th such agreement. Upon request from Oishida Town in the event of a disaster, we will promptly supply our products to support rescue activities for affected people and recovery activities at affected sites.



Contract signing ceremony on June 04, 2025
Left: Ichiro Hikage, President and Representative Director of the Company
Right: Mayor Shoji of Oishida Town

Sponsorship of the 109th Ashikaga Fireworks Festival [Tochigi Prefecture]

On August 2, 2025, the 109th Ashikaga Fireworks Festival, organized by the Ashikaga Fireworks Festival Executive Committee, was held, and the Achilles Group participated as a local corporate sponsor.

Approximately 500,000 people (according to the organizer) enjoyed a drone show and 20,000 fireworks illuminating the summer night sky.



(Left) "Star Mine" (sponsored by the Company)
(Right) Finale
Photo courtesy of the Ashikaga Chamber of Commerce and Industry

"Yamagata Sun and Forest Association" Credits (Yamagata Prefecture)

We have purchased J-Credits in Yamagata Prefecture, where Yamagata Achilles Aeron Co., Ltd. is located, every year since FY2017. In FY2025, we purchased credits equivalent to 227 t-CO_2, and by deducting these credits from the total CO_2 emissions attributed to the Achilles Group's business activities, we worked to reduce our total CO_2 emissions.

A contract signing ceremony was conducted at the Yamagata Prefecture Office on February 24, 2026.



Contract signing ceremony at the Yamagata Prefecture Office
Left: Our Director, Kawashima
Right: Governor Yoshimura, Yamagata Prefecture

Clean-up Campaign [Tochigi Prefecture] [Shiga Prefecture] [Fukuoka Prefecture] [Tokyo]

Employees of Achilles Corporation's Ashikaga Factory, Shiga Factories and Kyushu Factory clean the streets in the area near the factories. At the Head Office (Tokyo), we also regularly participate in cleanup activities around the building organized by the tenant building.



Street-cleaning in progress near the Ashikaga Factory (Ashikaga, Tochigi Prefecture)

Contributing to local communities ACHILLES USA, INC. (Head Office) [USA]

During the devastating flooding that struck across Washington State in December 2025, ACHILLES USA, INC. donated rescue boats to Snohomish Regional Fire & Rescue (SRFR) and the Snohomish County Volunteer Search and Rescue (SCVSAR) Swiftwater Rescue Team. SRFR responds to approximately 16,000 emergency calls annually from about 160,000 residents living across more than 135 square miles and provides fire suppression, emergency medical services, disaster preparedness, and disaster education programs. SCVSAR is a volunteer organization established in 1958 and consists of more than 400 trained members. It operates across the diverse coastal and mountainous terrain of Snohomish County and responds to more than 120 life-saving missions annually. The Swiftwater Rescue Team operates 24 hours a day, 365 days a year under the Snohomish County Sheriff's Office, and all water rescue equipment is funded through community donations.

ACHILLES USA, INC. supports emergency responders and the communities they protect by providing reliable products that are ready for the mission. This is one of the missions upheld by ACHILLES USA, INC.



Rubber boat donated by ACHILLES USA, INC. to Snohomish Regional Fire & Rescue



Rubber boat donated by Snohomish County Volunteer Search and Rescue and ACHILLES USA, INC.

Introduction to high-grip shoes

ACHILLES HONG KONG CO., LIMITED [Hong Kong]

ACHILLES HONG KONG CO., LIMITED regularly holds foot consultation events at stores and event spaces in Hong Kong, where the population is aging.

In FY2025, in addition to explaining common foot disorders and measuring customers' foot shapes, we held an event introducing high-grip "ACHILLES SORBO" products for snowy and cold regions, allowing participants to experience their grip performance on ice firsthand. The soles of the high-grip products use a special sole compound containing glass fibers, enabling participants to feel the firm grip even on ice.

Many Hong Kong residents travel in winter to snowy and cold regions such as North America, Canada, and Japan. Some participants in the event had experienced frightening falls on icy snow-covered roads while traveling, so we believe they came to recognize high-grip products as useful preparation for their trips.



Grip experience event walking on ice



Foot consultation and foot measurement event

Consumer seminar at Yaohan Department Store

Achilles (Shanghai) International Trading Co., Ltd. [People's Republic of China]

On September 27, 2025, a health seminar was held at Yaohan Department Store, one of Shanghai's leading department stores. Achilles (Shanghai) International Trading Co., Ltd. participated as a speaker, giving a presentation on "Knowledge of Feet and Shoes" and demonstrating "foot measurement," while also introducing "ACHILLES SORBO" shoe products and "Sorbothane" insole products.

The seminar also included a presentation on "Traditional Chinese Medicine and the Mind and Body" by a traditional Chinese medicine* instructor and a presentation on "Health Foods and Health" by a local food manufacturer.

There were 27 visitors, 10 of whom participated in the foot measurement demonstration. Many visitors were in their 30s, and several were influencers active on social media. This therefore provided a good opportunity to introduce the functions of Achilles products to the 6,900 followers of Xiaohongshu (social media) operated by Yaohan Department Store.

* Traditional Chinese medicine: Traditional medicine with a history of more than 2,000 years in China.



Presentation by Achilles (Shanghai) International Trading Co., Ltd.



Foot measurement by Achilles (Shanghai) International Trading Co., Ltd.

Waste reduction through the Reuse Business

Achilles Advanced Technology Co., Ltd. [Taiwan]

Achilles Advanced Technology Co., Ltd. contributes to reducing CO_2 emissions by reducing waste and making effective use of resources through its reuse business for semiconductor silicon wafer shipping cases.

Semiconductor wafers manufactured around the world are transported to Taiwan in transport cases, where additional processing is performed.

After transportation, Achilles Advanced Technology Co., Ltd. collects the cases, cleans and inspects them, and then supplies them again to semiconductor manufacturers in various countries. As long as there are no quality problems, the transport cases can be reused in a circular manner. However, depending on handling during transportation and storage conditions, appearance defects or dimensional abnormalities may occur, making reuse impossible in some cases. To improve yield, Achilles Advanced Technology Co., Ltd. therefore holds regular discussions with semiconductor manufacturers, transportation companies, and cleaning plants and works to improve transportation and storage methods and optimize processes. Through these efforts, the company aims to both improve the reuse rate and reduce waste. As a result, in FY2025 the company contributed to reducing discarded resin by approximately 190 tons* annually.

* Estimated by Achilles Advanced Technology Co., Ltd.



Inspection of semiconductor wafer transport cases after cleaning

Employee education to strengthen the business foundation

Achilles (Foshan) New Materials Co., Ltd. [People's Republic of China]

Achilles (Foshan) New Materials Co., Ltd. believes that improving the awareness and capabilities of each employee is essential to strengthening the business foundation and therefore undertook the following initiatives.

- Sharing basic knowledge related to reducing environmental impact
- Education on waste separation
- Occupational safety and health education
- Reconfirmation of safety awareness in daily work

We apply the knowledge gained through classroom learning to workplace practice and maintain safe, comfortable work environments that prevent occupational accidents before they occur.

We will continue these initiatives and steadily move forward as a company that fulfills its social responsibilities while accumulating small improvements.



Occupational safety and health education at Achilles (Foshan) New Materials Co., Ltd.

Governance/Risk Management

Corporate Governance

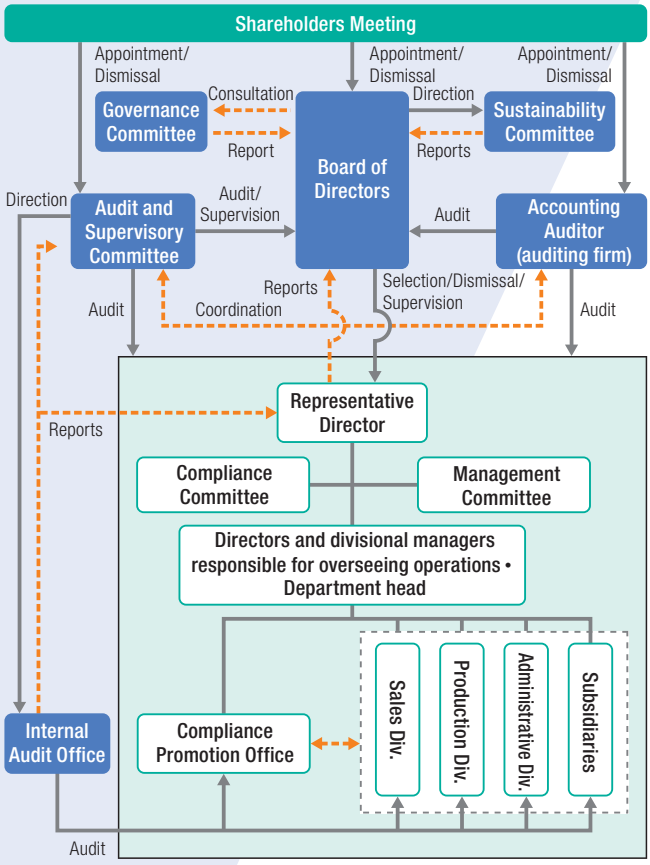
Corporate Governance System

Achilles Corporation is now a company with an Audit and Supervisory Committee. The Board of Directors monitors the implementation status of business operations. In regard to implementation, the Company aims to ensure efficient management by delegating authority to the Directors and divisional managers with responsibility for individual departments.

By boosting our risk management as well as sustainability management, our goal is to also enhance medium- to long-term corporate value. To this end, we have established a Sustainability Committee on November 1, 2022.

Note: Governance systems such as the Board of Directors listed reflect those in effect after June 26, 2026.

[Corporate governance system]



Board of Directors

The Board of Directors undertakes evaluation and decision-making in relation to the company's basic policy, regulatory requirements, and other important managerial issues including the Group's handling of sustainability issues; the Board also supervises operational implementation status.

[The knowledge and expertise desired in company Directors]

To secure a competitive advantage that will boost corporate value, a company must have knowledge backed by real-world experience in the fields of production, sales, technology, and market information (including information about competitors), along with sound business judgment. Also of growing importance are management skills at international business locations and experience in business practice compliance that includes financial accounting, an outlook based on experience outside of the company, and other forms of diversity, plus recently, business judgment from the perspective of ESG.

Taking all of the above into consideration, we discuss the knowledge and expertise that we deem necessary for corporate management and to raise corporate value, and select the appropriate candidates who possess those qualities to be directors.

[Board of Directors]

	Directors (external)	Directors who are the Audit and Supervisory Committee Members (external)	Total (external)
Male	7 (1)	2 (1)	9 (2)
Female	1 (1)	2 (2)	3 (3)
Total	8 (2)	4 (3)	12 (5)

Management Committee

To help realize speedy decision-making and operational efficiency, the Management Committee undertakes evaluation of matters entrusted to it by the Board of Directors, and also undertakes evaluation and decision- making in relation to specific implementation strategies based on the policy decided on by the Board and the implementation of other important tasks relating to management.

Audit & Supervisory Board, Internal Auditing and Accounting Auditor

Each Audit and Supervisory Committee Member follows the auditing policy and division of responsibility laid down by the Committee, supervising and monitoring the Directors' performance of their duties by attending meetings of the Board of Directors, examining circular approval letters and other important documents, visiting business locations (including subsidiaries), etc.

[Audit and Supervisory Committee]

	Directors who are the Audit and Supervisory Committee Members (external)
Male	2 (1)
Female	2 (2)
Total	4 (3)

The internal Audit Office verifies compliance status both periodically and as needed. The Audit Office also strives to maintain close liaison with the Audit and Supervisory Committee Members, collaborating with the Audit and Supervisory Committee to ensure effective implementation of auditing operations.

For the Accounting Auditor (external audit), Achilles Corporation has appointed Deloitte Touche Tohmatsu LLC to implement auditing. Audit report meetings are held at which the Audit and Supervisory Committee receives a presentation from the Accounting Auditor on the state of audit implementation and the audit implementation results, and at which the Accounting Auditor offers advice regarding issues relating to accounting and internal controls.

Governance Committee

The Governance Committee convenes to advise the Board of Directors for the purpose of increasing the independence and objectivity of the Board of Directors' functions related to nomination and remuneration, etc.

[Governance Committee]

	Directors (external)	Directors who are the Audit and Supervisory Committee Members (external)	Total (external)
Male	3 (1)	1 (1)	4 (2)
Female	1 (1)	2 (2)	3 (3)
Total	4 (2)	3 (3)	7 (5)

Internal controls system

Achilles Corporation has formulated an Internal Controls Basic Policy, which outlines the systems used for ensuring that Directors carry out their duties in compliance with relevant laws and regulations and with the company's Articles of Incorporation, and the system for ensuring that both Achilles Corporation and the business group formed by the Achilles Group and its subsidiaries carry out their business activities appropriately.

In accordance with the Internal Controls Basic Policy, regarding the internal controls relating to the financial statements stipulated by the Financial Instruments and Exchange Act, the preparation and utilization of these internal controls by Achilles Corporation and its consolidated affiliates is assessed, and the assessment results are presented in the Internal Controls Report.

Analysis and evaluation of the overall effectiveness of the Board of Directors

Once a year, we give all directors an anonymous questionnaire regarding the effectiveness of the Board of Directors. The results of the questionnaire are reviewed by external directors, who issue a statement of opinion on the effectiveness of the Board of Directors. Lastly, the effectiveness is deliberated and evaluated by the Board of Directors. Beginning in FY2025, we newly added "directors' self-evaluation" as an evaluation item, and the FY2025 survey results are shown in the table below. The overall evaluation surpassed the standard score of 3, and we have determined that the Board of Directors is effective.

[Questionnaire regarding the effectiveness of the Board of Directors]

Question	FY2024	FY2025
Composition of the Board of Directors	3.6	3.7
Board of Directors operations	3.4	3.5
Information provision to external directors	3.4	3.4
Completeness of deliberations in the Board of Directors	3.3	3.4
Improvement from the previous fiscal year	3.0	3.2
Directors' Self-Evaluation	—	3.6
Overall evaluation	3.5	3.7

Note: Five-point evaluation (5: Highly achieved; 3: Average; 1: Not achieved)

[Results of the assessment of the Board of Directors' effectiveness in FY2025]

In FY2025, we discussed the form of governance that contributes to strengthening our "earning power," reconfirmed the Company's value creation story, and strengthened governance by adding "supervision of management resource allocation" and "directors' own self-evaluation" to the effectiveness evaluation items.

FY2025 was also the first year of the Medium-term Management Plan, and the Board of Directors actively discussed and exchanged opinions on how it should act to improve profitability and enhance corporate value. In FY2026, each director will continue to exercise their skills and, through frank and vigorous discussion, supervise and advise on progress toward achieving the targets of the Medium-term Management Plan, thereby enhancing the effectiveness of the Board of Directors. To this end, the Board of Directors will foster an atmosphere in which active discussion can take place in response to issues raised and objective evaluations by External Directors, and will further improve its operations by appropriately setting agenda items, providing necessary information in advance, and ensuring sufficient time for deliberation.

The results of the effectiveness evaluation questionnaire exceeded the effectiveness standards established by the Company for all evaluation categories, including the overall evaluation.

While there is still room for improvement, the Board of Directors of the Company in FY2025 was determined to have been effective based on the above.

Outline of Officer Remuneration

Remuneration for directors, etc., is outlined below. For details, please refer to the Company's Annual Securities Report.

Basic Policy Outline (June 29, 2022 and thereafter)

[Remuneration for Directors (excluding Directors who are also serving as Audit and Supervisory Committee Members)]

	Number (of people)	Annual remuneration limit (million yen)	Fixed remuneration ratio (%)	Performance-based remuneration ratio (%)
Directors (not external)	8	270	30*1	70*1
External Directors	2	30	100	0
Total	10	300		

Calculation of performance-based remuneration = (target table*2 × degree of target achievement) × management ability effect coefficient (weight)*3

*1 Percentages are approximate.

*2 Performance indicators used to determine performance-based remuneration are as follows: the ordinary profit ratio from the perspective of short-term profitability, and the Return on Equity (ROE) and Return on Assets (ROA) from the perspective of improving corporate profits in the medium- to long-term. Performance-based remuneration is determined in accordance with regulations pertaining to compensation for Directors. The base pay is calculated taking the standard pay (which in turn is based on factors such as degree of responsibility, comparison to other companies, the company's performance, employee pay levels, etc.) and exempting the fixed remuneration from this figure. A goal table is devised with indicators used in calculations, specifically averages for the past five fiscal years. On top of this, criteria such as degree of achievement of the various goals of the past fiscal year (as well as management skills) are factored in and weighted in accordance with benchmarks determined ahead of time. Also, it is subject to review by the Governance Committee at the time of establishment.

*3 Pre-set

Note: The above remuneration does not include employee salaries and bonuses when directors (non-external) also serve concurrently as employees.

[Remuneration for Directors who are also serving as Audit and Supervisory Committee Members]

	Number (of people)	Annual remuneration limit (million yen)	Fixed remuneration ratio (%)	Performance-based remuneration ratio (%)
Audit and Supervisory Committee Members	5	70	100	0

FY2025 officer remuneration

Category	Total remuneration (million yen)	Total remuneration by type (million yen)			Number of officers applicable
		Fixed remuneration	Performance-based remuneration	Non-monetary compensation	
Directors (excluding Audit and Supervisory Committee Members) (of whom are External Directors)	122 (10)	53 (10)	69 (—)	— (—)	10 (2)
Directors (Audit and Supervisory Committee Members) (of whom are External Directors)	59 (24)	59 (24)	— (—)	— (—)	5 (3)
Total (of whom are External Directors)	182 (34)	112 (34)	69 (—)	— (—)	15 (5)

Note:
- The total indicates the actual number of individuals paid.
- The above includes three directors (including one External Director) who retired at the conclusion of the 105th Annual General Meeting of Shareholders held on June 27, 2025.
- The goals for the indicators of the base fiscal year as pertains to performance-based remuneration are as follows: ordinary profit ratio: 0.7%; Return on Equity (ROE): 2.5%; and Return on Assets (ROA): 0.7%. The actual figures for each were: -0.3%, 1.1%, and -0.3%, respectively.
- Based on the policy for determining remunerations, etc. of individual Directors, which was resolved in the Board of Directors meeting held on June 29, 2022, the Board of Directors leaves the decision on the amounts of remunerations for individual Directors to the discretion of Ichiro Hikage, President and Representative Director. This authority of the President and the Representative Director is to determine the standard amounts of individual Directors based on the regulations pertaining to remuneration for Directors within the ranges of the amounts of remuneration resolved in the general meeting of shareholders. The reason for entrusting this authority to the Representative Director is that the Representative Director is considered to be the best position to evaluate the results of areas that each Director is responsible for in the light of overall performance of the Company. Also, in order for the Representative Director to exercise this authority appropriately, the Representative Director shall make such decisions based on the report from the Governance Committee.

Director Skill Matrix

The skill matrix for Directors (excluding Directors who are Audit and Supervisory Committee Members) is provided on page 7 of the Notice of the 106th Annual General Meeting of Shareholders. The skill matrix for Directors who are Audit and Supervisory Committee Members is provided on page 15 of the Notice of the 104th Annual General Meeting of Shareholders.

"Notice of the 106th Annual General Meeting of Shareholders"
https://www.achilles.jp/assets/pdf/ir/library/annual/260603_en.pdf#view=Fit

Notice of the 104th Annual General Meeting of Shareholders
https://www.achilles.jp/assets/pdf/ir/library/annual/240605_en.pdf#view=Fit

Compliance

Basic Approach

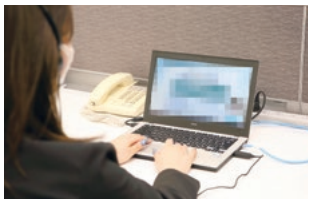
The Achilles Group has formulated a Charter of Corporate Behavior, which embodies the fundamental principles for corporate action that realizes compliance and respects corporate ethics, and has also formulated a Code of Conduct that specifies concrete standards in relation to the above. All Achilles Group personnel—including executive officers and contract and part-time workers—are required to understand the Charter of Corporate Behavior and to comply with the Code of Conduct. Revisions are made to the "Charter of Corporate Behavior" and the "Code of Conduct" corresponding to changes in society's expectations, including the SDGs (previously revised in April 2019).

Charter of Corporate Behavior
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-code_en.pdf#view=Fit

Compliance Promotion Activities

The main compliance promotion activities implemented in FY2025 are as follows. We strive to improve the effectiveness of training by using both e-learning and group formats.

Major compliance training	Themes • Security export control • Prevention of harassment • Prevention of bribery and corruption • Compliance training for new employees
Others	Other necessary adjustments to rules made in response to revision of relevant laws, etc., and making employees aware of these adjustments



Employee taking online compliance training (Tokyo Head Office)

Information Security

The Achilles Group has in place an information security system and rules based on our information security policy, with a dedicated department that constantly monitors our network and connected devices. Whenever anything unusual is detected, it is dealt with quickly. In addition, we regularly conduct training and encourage employees to stay alert to suspicious emails and take measures to prevent information security incidents (such as a data breach).

As suspicious emails have become a persistent occurrence, we update information security risk countermeasures as appropriate. In FY2025, as part of our cybersecurity measures, we strengthened our monitoring tools.

Number of incidents in FY2025	0

In FY2025, there were no information security incidents or network problems.

[Information security-related training conducted in FY2025]

- Training on "Importance of Information and Precautions When Using Computers" (for new employees)
- "Information Systems Department Operations and Relation to Each Section Manager and Their Duties" (for candidates for section manager)
- Suspicious email response training (held three times)
- Alerts posted on the internal intranet bulletin board (as appropriate)

Basic Policy on Information Security
https://www.achilles.jp/assets/pdf/csr/philosophy/policy-security_en.pdf

Reporting and Consultation System

The Achilles Group has established, and utilizes, a hotline (internal reporting system) as a means for consultation and reporting in the event of improper, unlawful or unethical action by an organization or individual, or action that violates the Achilles Action Guidelines, or where it is determined that there is a danger of such action. In regard to matters relating to the Achilles Group's directors or senior managers, several reporting windows have been put in place, including a window for reporting directly to the Audit and Supervisory Committee Members; in this way, the Achilles Group endeavors to ensure that any unlawful behavior is discovered and remedied at an early stage, thereby minimizing the risk to the company. Internal regulations also ensure that whistleblowers are not subjected to disadvantageous treatment.

The hotline is also used for consultation and reporting regarding harassment; every effort is made to ensure that persons requesting consultation or submitting reports do not suffer any adverse consequences as a result.

Regarding any violations of human rights that may come to light through the operation of the hotline and the occasional questionnaire surveys, such matters will be discussed at the periodic meetings of the Compliance Committee, and appropriate measures will be taken.

[Flowchart for handling reports]



[Hotline calls received in FY2025]

Reports from Achilles Group employees	1	Total: 5
Report from person not a Group employee	4	
Report details	Interpersonal relationships: 2 cases; Other: 3 cases	
Outline of response	No significant problem was found.	

Data Version (Financial Information)

Consolidated Management Indices

	FY2021	FY2022	FY2023	FY2024	FY2025
◆Management results					
Sales (million yen)	75,953	82,917	78,607	79,093	81,802
Operating income or loss (△) (million yen)	855	(713)	(958)	(436)	2,972
Ordinary income or loss (△) (million yen)	1,595	(117)	(171)	(220)	3,919
Current net income or loss (△) attributable to the parent company (million yen)	1,525	(1,204)	(8,210)	427	2,116
◆Financial condition					
Interest-bearing debt (million yen)	5,200	11,100	14,650	14,650	17,150
Net assets (million yen)	47,728	46,206	39,549	39,336	43,282
Total assets (million yen)	80,123	86,220	82,662	79,504	83,628
◆Cash flow					
Cash flow from operating activities (million yen)	4,707	(1,072)	1,878	2,686	2,639
Cash flow from investing activities (million yen)	(5,030)	(4,484)	(3,793)	(1,918)	(2,862)
Free cash flow (million yen)	(323)	(5,556)	(1,915)	768	(223)
Cash flow from financing activities (million yen)	(860)	4,547	1,758	(1,246)	2,146
◆Management indicators					
ROA (%)	2.0	(0.1)	(0.2)	(0.3)	4.8
ROE (%)	3.2	(2.6)	(19.1)	1.1	5.1
◆Per share data					
Current net income or loss (△) per share (yen)	97.12	(78.21)	(560.30)	30.67	154.87
Net assets per share (yen)	3,049.81	3,058.80	2,764.61	2,878.18	3,167.21
Price-to-earnings ratio (multiple)	13.0	—*1	—*1	46.1	8.5
Dividend per share (yen)	40	40	20	20	40
◆Other					
Capital expenditures (million yen)	5,446	5,824	4,633	2,354	2,464
Depreciation and amortization (million yen)	3,160	3,329	3,428	2,898	2,739
Research and development expenses (million yen)	1,359	1,260	1,226	1,132	1,060
Number of employees (persons)	1,651	1,649	1,689	1,677	1,596
◆Segment information*2					
Business Division 1 (million yen; % in parentheses)	—	—	—	46,294 (58.5)	49,910 (61.0)
Business Division 2 (million yen; % in parentheses)	—	—	—	22,684 (28.7)	22,964 (28.1)
Shoes BU (million yen; % in parentheses)	—	—	—	10,115 (12.8)	8,928 (10.9)

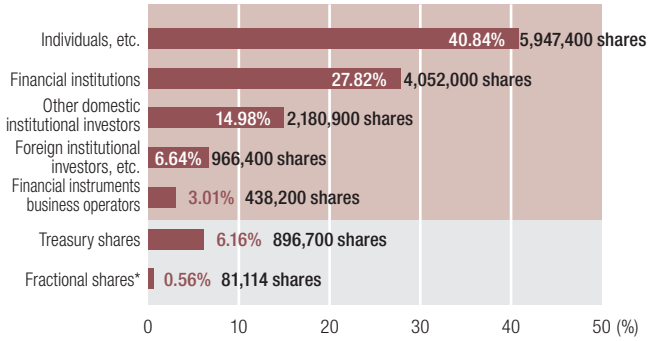
*1 Price-to-earnings ratio for FY2022 and FY2023 is not shown because it is associated with the current net loss attributable to the parent company.
Note: Figures given in parentheses are negative values.
*2 The organization was restructured in June 2025, and the FY2024 and FY2025 results are presented by segment following the reorganization.

Shareholding Status

[Total shares, etc.] As of March 31, 2026

Total number of authorized shares	70,000,000 shares
Total number of outstanding shares	14,562,714 shares
Total number of shareholders (those with voting rights)	10,338 (7,608)

[Shareholding distribution] As of March 31, 2026



* Fractional shares are shares of less than one unit (100 shares).

Reports/Interim Reports

Along with releasing information on our website, twice a year we also send shareholders half-year reports containing accessible overviews of our business operations. In addition to descriptions of the business environment and a summary of business performance from the President and Representative Director, the reports contain consolidated financial statements, information on business performance and new products in each business unit, and topics pertinent to the Achilles Group.



Report for shareholders

Improving the Rate of Exercising Voting Rights at the General Meeting of Shareholders

In addition to introducing a system for exercising voting rights via the Internet, we issue English-language notices of convocation. We also disclose summary information on consolidated financial statements in English.

Data Version (Environmental Footprint Data)

Global Warming Countermeasures

[CO_2 emissions in conjunction with transportation and modal shift rate]

Item (unit)	FY2024	FY2025	YoY comparison
Transportation ton-kilometer*1 (thousands)	62,063	57,258	Decrease of 7.7%
CO_2 emissions generated (t-CO_2)*2	7,944	7,325	Decrease of 7.8%
Modal shift*3 rate (%)	16.9	17.8	Increase of 0.9 points

*1 Transportation ton-kilometers = weight of cargo [ton] x transportation distance [kilometer]
*2 CO_2 emissions (t-CO_2) = energy consumption (GJ) x emission factor (specified by the Ministry of Economy, Trade and Industry)
*3 Modal shift: Use of train/ship transportation instead of truck transportation reduces CO_2 emissions because of the large volume of transportation at a time.
[Scope] ISO 14001: 2015 registered worksites

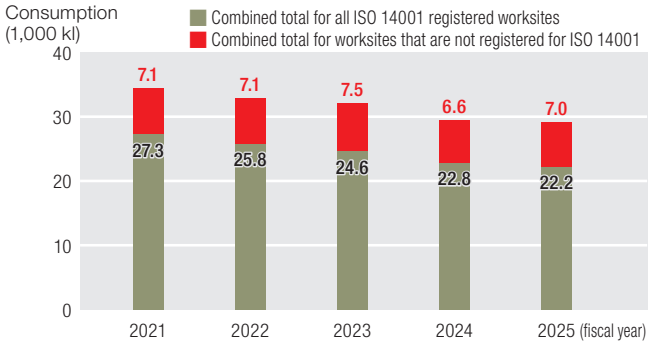
[Solar photovoltaic power generation equipment]

	Solar power generation capacity (kW)	Electric power generated (thousand kWh/year)	Reduction in CO_2* (t-CO_2/year)
Ashikaga Factory No. 2	529	568	256.9
Shiga Factory No. 2	1,006	1,098	600.7
Total	1,535	1,666	857.6

* The emission factor (2025) for Tokyo Electric Power Company was used for Ashikaga Factory No. 2, and the emission factor (2023) for Ennet power company was used for Shiga Factory No. 2.

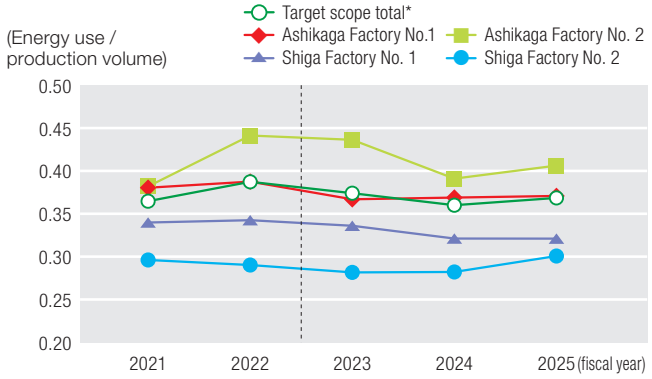
Energy Conservation

[Changes in annual power consumption (crude oil equivalent)]



[Scope] All worksites included in consolidated financial reporting, excluding equity method affiliates (reporting scope includes Achilles Corporation and subsidiaries inside and outside Japan).

[Annual changes in per-unit energy consumption for the entire company and for each management-specified plant]



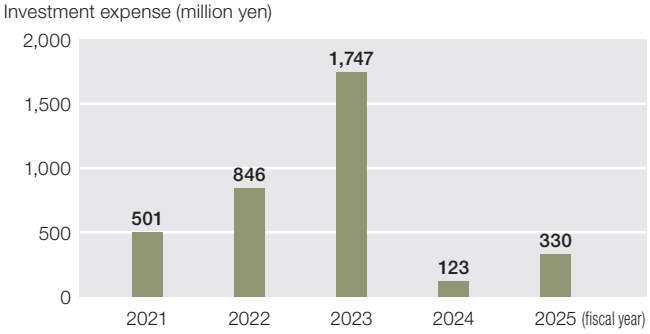
* Results include Bibai Factory and Kyushu Factory in addition to the two Ashikaga factories and two Shiga factories.
Note: Per-unit energy consumption is managed by dividing annual energy use by production volume. The "primary conversion coefficient for electricity" was updated with the Revised Energy Conservation Act of FY2023, and from FY2023 results onward, the revised coefficient is used to compare with FY2024 results. In addition, as a revision to the results published in Achilles Report 2025, the FY2024 results for the former Achilles Marine Co., Ltd. (currently Disaster Response Factory) have been added to the FY2024 results for Ashikaga Factory No. 2, and the FY2024 "Scope Total" results have been revised accordingly.
[Scope] Ashikaga Factories No.1 and 2 of Achilles Corporation, Shiga Factory No.1, Shiga Factory No.2, Bibai Factory, and Kyushu Factory

[Main details of the improvement of existing facilities and installing of new facilities, and energy consumption reduction effects (crude oil equivalent value)]

Details	Reduction effects (kl)
Improved thermal insulation of and prevented steam leaks from pipes, valves, etc.	85
Updated compressors, prevented air leaks	60
Updated to the top runner air conditioners	20
Installed LED lighting and Hf fluorescent lights	10
Replacement of RTO ceramic blocks	200
Update to high-efficiency voltage transformers at transformer stations	5
Other (adopted inverter pumps and motors, etc.)	110
Total	490

[Scope] ISO 14001: 2015 registered worksites

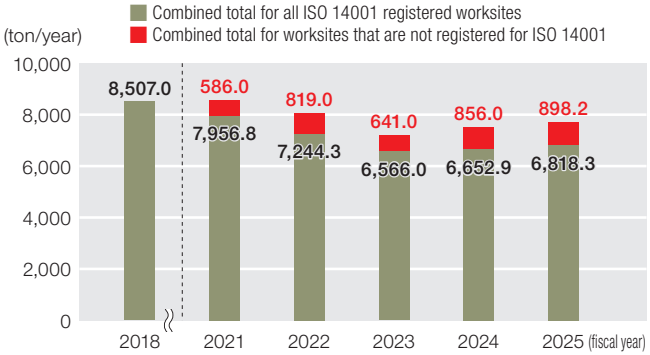
[Annual environmental facility investment expense (past five years)]



[Scope] ISO 14001: 2015 registered worksites

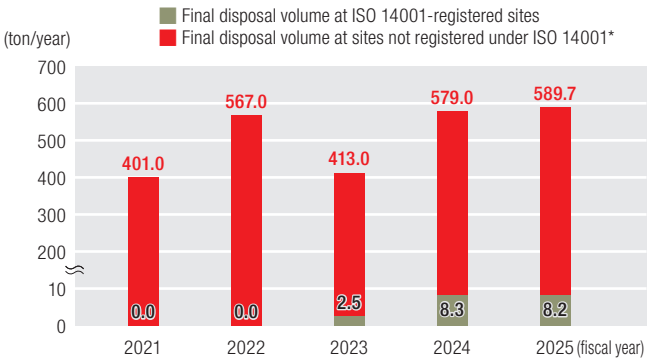
3R Activities and Complete Zero Emissions

[Total volume of generated waste* and other materials]



* Generated waste and other materials: Include industrial waste and matters to be recycled
[Scope] From FY2021, all worksites are included in consolidated financial reporting, excluding equity method affiliates. (Reporting scope includes Achilles Corporation and subsidiaries inside and outside Japan.)

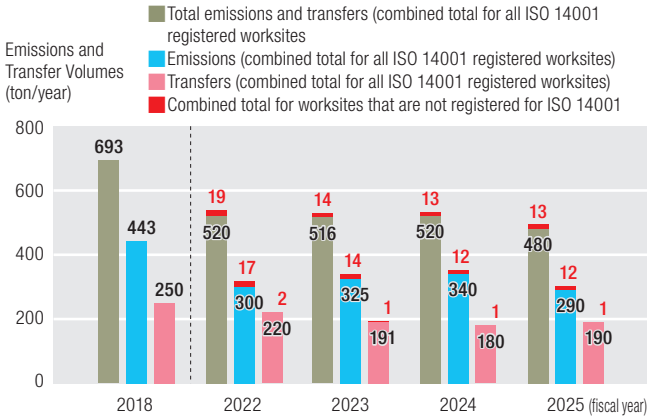
[Final disposal volume]



* The main final disposal volume at non-ISO 14001 registered sites comes from U.S. subsidiaries, where conditions for thermal recycling are limited.
[Scope] All worksites included in consolidated financial reporting, excluding equity method affiliates (reporting scope includes Achilles Corporation and subsidiaries inside and outside Japan).

Air Pollution Prevention (Environmentally Hazardous Substances)

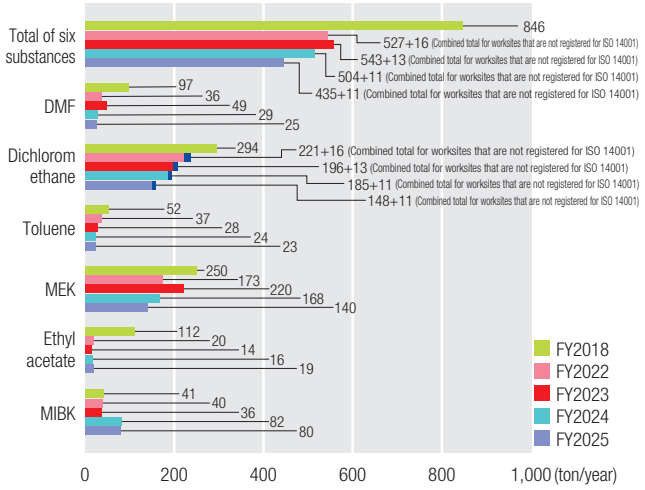
[Emissions and transfer volumes of chemical substances subject to the PRTR Act]*



Note: Worksites where the volumes handled are below the specified threshold are excluded from the scope of aggregation.

* [Scope] All worksites included in consolidated financial reporting, excluding equity method affiliates (reporting scope includes Achilles Corporation and subsidiaries inside and outside Japan).

[Total atmospheric releases of six substances of environmental concern]*



Data by Business Site (April 2025–March 2026)

[PRTR data]

PRTR Law-designated Class I Specified Chemical Substances	Ashikaga Factory No.1			Ashikaga Factory No. 2			Bibai Factory		
	Emissions volume		Transfer volumes	Emissions volume		Transfer volumes	Emissions volume		Transfer volumes
	The air	Waterways	Waste	The air	Waterways	Waste	The air	Waterways	Waste
Ethylbenzene	0.28	0.00	0.01	2.60	0.00	0.00	—	—	—
Xylene	0.28	0.00	0.01	1.90	0.00	0.10	—	—	—
Dichloromethane (methylene chloride)	86.00	0.00	4.30	3.20	0.00	0.15	—	—	—
N, N-dimethylformamide (DMF)	25.00	0.43	3.80	0.02	0.00	0.02	—	—	—
m-tolylene diisocyanate	0.07	0.00	0.00	0.00	0.00	0.00	—	—	—
Toluene	16.00	0.00	0.82	6.70	0.00	0.28	—	—	—
Bis phthalate (2-ethylhexyl)	0.36	0.00	10.00	0.04	0.00	33.00	—	—	—
Methylenebis (4,1-phenylene) =diisocyanate	0.00	0.00	0.46	0.00	0.00	0.10	0.00	0.00	0.41
Tetrahydrofuran	0.81	0.00	0.12	—	—	—	—	—	—
Methyl isobutyl ketone	5.40	0.00	0.65	—	—	—	—	—	—

PRTR Law-designated Class I Specified Chemical Substances	Shiga Factory No. 1			Shiga Factory No. 2			Kyushu Factory			Sanshin Enterprises			Achilles USA		
	Emissions volume		Transfer volumes	Emissions volume		Transfer volumes	Emissions volume		Transfer volumes	Emissions volume		Transfer volumes	Emissions volume		Transfer volumes
	The air	Water-ways	Waste	The air	Water-ways	Waste	The air	Water-ways	Waste	The air	Water-ways	Waste	The air	Water-ways	Waste
Xylene	0.01	0.00	0.00	—	—	—	—	—	—	—	—	—	—	—	—
Dichloromethane (methylene chloride)	—	—	—	59.00	0.00	2.70	0.20	0.00	0.00	11.00	0.00	1.00	—	—	—
m-tolylene diisocyanate	—	—	—	0.08	0.00	0.00	—	—	—	—	—	—	—	—	—
Toluene	0.06	0.00	0.00	0.00	0.00	0.00	—	—	—	—	—	—	—	—	—
Phenol	0.00	0.00	0.00	—	—	—	—	—	—	—	—	—	—	—	—
Bis phthalate (2-ethylhexyl)	0.42	0.00	104.00	—	—	—	—	—	—	—	—	—	0.96	0.00	0.00
Methylenebis (4,1-phenylene) =diisocyanate	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	—	—	—	—	—	—
Triphenyl phosphate	0.00	0.00	0.00	—	—	—	—	—	—	—	—	—	—	—	—
Methyl isobutyl ketone	74.00	0.00	0.00	—	—	—	—	—	—	—	—	—	—	—	—

Note: Chemical substances subject to the PRTR Act: only those Class I Designated Chemical Substances for which the annual amount handled in FY2025 exceeded 1 ton and where the amount of emissions and/or transfers was substantial are listed (unit: tons/year). A dash (–) indicates that the substance in question was excluded from reporting (due to the amount handled being less than 1 ton per year).

[Water quality]

Measurement item	Unit	Base value	Ashikaga Factory No.1	Ashikaga Factory No.2, Site 1*	Ashikaga Factory No.2, Site 2*	Base value	Shiga Factory No. 1*	Shiga Factory No.1, Site 2*	Base value	Shiga Factory No. 2
Hydrogen ion concentration (pH)	pH	5.8~8.6	7.2	7.3	7.4	6.0~8.5	7.5	7.6	6.0~8.5	7.8
Biochemical oxygen demand (BOD)	mg/ℓ	25 or less	1.6	7.0	2.0	25 or less	1.0	2.2	30 or less	1.0
Suspended solids (SS)	mg/ℓ	50 or less	1.3	6.3	1.7	25 or less	2.4	2.9	70 or less	1.5
Normal hexane extractable content	mg/ℓ	5 or less	Under 0.5	Under 0.5	Under 0.5	5 or less	Under 0.5	Under 0.5	5 or less	Under 0.5
Nitrogen content (T-N)	mg/ℓ	120 or less	2.7	3.0	2.9	12 or less	0.3	0.4	12 or less	2.4
Phosphorus content (T-P)	mg/ℓ	16 or less	Under 0.1	Under 0.1	Under 0.1	1.2 or less	0.1	0.6	1.2 or less	0.05

* Ashikaga Factory No.2 and Shiga Factory No.1 conducted measurements at two locations. * The base value is determined according to regulations at each business site.

[The air]

Measurement item	Unit	Base value	Ashikaga Factory No.1	Base value	Shiga Factory No. 1
SOx (boilers)	k value restriction	7	—	17.5	—
NOx (boilers)	ppm	150	39	150	35

City gas is used, so there are no SOx emissions.

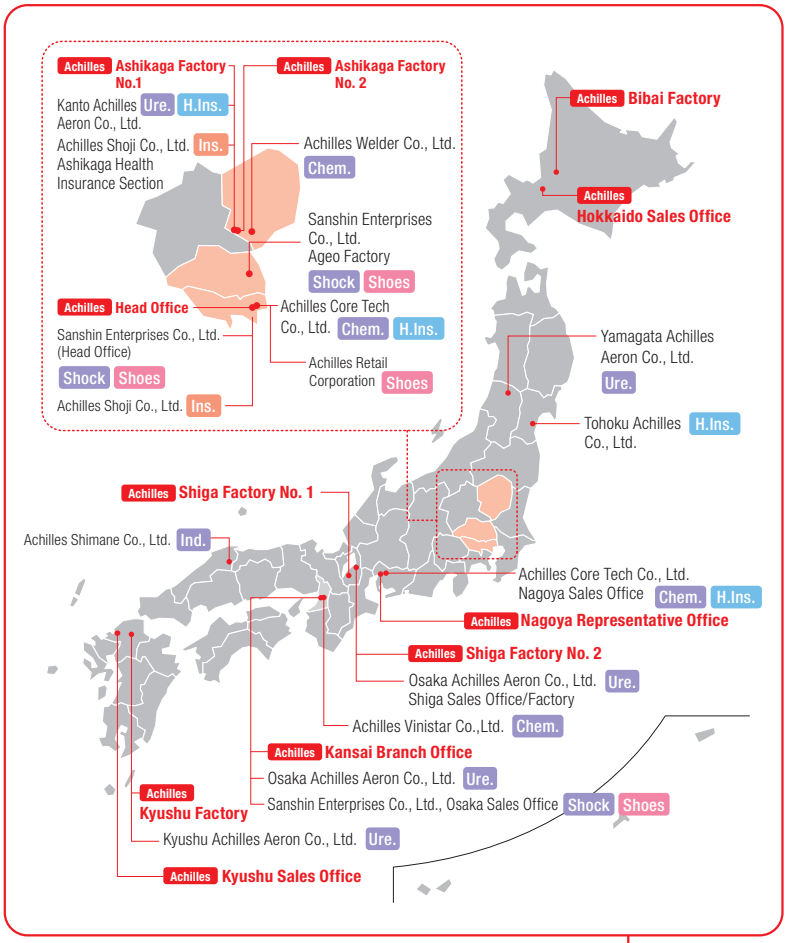
Company Profile

Foundation	May 1947
Representative	Ichiro Hikage, President and Representative Director
Capital	14.64 billion yen
Number of employees	1,596 (consolidated) as of end of March 2026
Listing stock exchange	Tokyo Stock Exchange (Prime Market)
Head Office location	Shinjuku Front Tower, Kita-shinjuku 2-21-1, Shinjuku-ku, Tokyo 169-8885, Japan
Business location	**[Sales offices]** Tokyo, Osaka, Hokkaido, Aichi (Urethane), Fukuoka **[Manufacturing sites]** Tochigi (2 locations), Shiga (2 locations), Hokkaido, Fukuoka

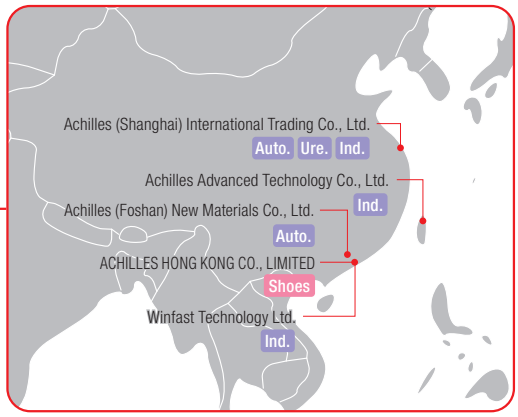
Note: For the specific details of each business location, use the QR code on the right or URL below.
https://www.achilles.jp/english/company/

Business Locations

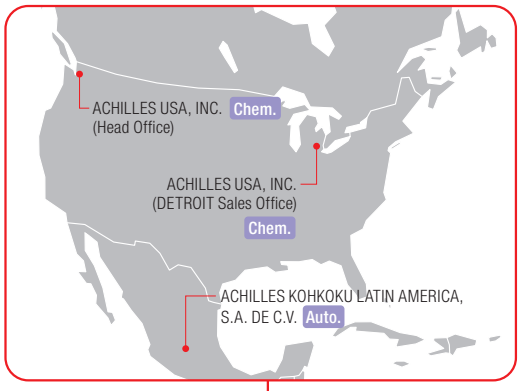
Japan



Asia



North America





Achilles Achilles Corp. locations

Subsidiary business information

- Auto. Automotive Materials Business (Business Division 1)
- Chem. Chemical Products Business (Business Division 1)
- Ure. Urethane Business (Business Division 1)
- Ind. Industrial Materials Business (Business Division 1)
- Shock Shock-Absorbing Materials Business (Business Division 1)
- H.Ins. Heat Insulation Materials Business (Business Division 2)
- Shoes Shoes Business (Shoes BU)
- Ins. Insurance Agency Business

Note: Business segments are described on p. 7.
In addition to the above, there are also the following three affiliate companies.
Toukai Kakou Corporation, Kunshan Achilles New Material Technology Co., Ltd. (Jiangsu, China), and ANL Group Limited (Hong Kong)

Achilles Report 2026 Issued in: September 2026 Issued by: ACHILLES CORPORATION

Contact

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