

# Expansion of new business

## Basic approach

By increasing our sensitivity to change and aiming for sales activities that reveal customer and market needs, we will expand new businesses through solutions and new value creation for society. To this end, we will further bolster cooperation between our sales and development divisions, and reinforce efforts to cultivate new markets with a consistent focus, from development through to sales, on working "for society and for people."

## Sales-development collaboration framework

In April 2024, we changed our sales structure from a regional axis to a demand axis to strengthen new market development, and created a New Business Development Dept. that incorporates development personnel within our reorganized Marketing & Sales General Headquarters. We have established a system that can consistently link market needs to development seeds, handling everything from evaluating commercialization potential to execution.

Specific initiatives include creating demand for special steel in emerging countries, particularly in the Global South, and collaborating on material development with key themes such as multi-pathway, carbon neutrality, integrated forging with steel making processes, high strength, low distortion, and reduced use of rare earth elements. We are also working on commercializing our in-house developed product, the GMPS magnetic positioning system. Going forward, we will strengthen our business structure and supply capabilities so that we can deliver our products more quickly to as many customers as possible.

GMPS: Autonomous driving support technology utilizing our MI Sensor technology. Highly evaluated in more than 30 verification trials nationwide



## Strengthening cross-functional capabilities

As cross-functional units within each of our in-house companies, sales and development create value from a medium- to long-term perspective, with sales leading portfolio restructuring and the planning and execution of profitable business models, and development advancing technologies that address customer needs.

We will strive to achieve our Medium-term Management Plan and long-term vision by strengthening collaboration between sales and development to accurately capture the needs of our customers and other stakeholders, strengthening our core businesses, and expanding new businesses.

## Sales and development working together to explore new business areas



Managing Executive Officer  
General Manager of Marketing &  
Sales General Headquarters

**Kazuya Fukatsu**

Until now, the sales team has collected customer needs and shared them with the development team to advance projects collaboratively. However, due to rapidly changing market trends that make it difficult to predict the future, and with the goal of accelerating our growth strategy, we have reformed our sales organization to focus on realizing our medium- to long-term vision and improving development efficiency.

Our intention is to further deepen our dialogue with our customers, anticipate their future needs, and develop joint themes to speed up our development and strengthen the relationship of trust with our customers while achieving mutual success.

Through this process, we will also rigorously develop practical, on-site understanding and experience, while nurturing professional sales talent.



Executive Officer  
General Manager of Research and  
Development Headquarters

**Hironari Mitarai**

### [Products, technology, value]

By identifying market needs more accurately through collaboration between sales and company divisions, as well as internalizing CAE technology and unit evaluation technology to keep pace with the evolution of electric units, we will strengthen our ability to propose parts and materials. Market development will be driven through innovations that contribute to social issues.

### [Human resources and organization]

Through timely theme selection and resource allocation, utilization of external networks, and activation of mutual learning through two-way communication, we will cultivate a team of development professionals with high levels of expertise.

# Research and Development & Intellectual Property

## Research and Development

Our company's technological development is rooted in our founding spirit, "Great cars are made with great steel," and we are currently broadening this to include "A great society comes from great materials." We believe our mission is to contribute to society through materials, regardless of the era.

In steel development, we are advancing the development of steel materials that allow for streamlined manufacturing processes and steel materials suited for eco-friendly products with reduced CO<sub>2</sub> emissions, thereby contributing to the achievement of a decarbonized society.

As for stainless steel, we are expanding our product lineup of stainless steel deformed bars and duplex formed stainless steel, which contribute to extending the service life of energy and social infrastructure, as well as developing steel materials suited for a hydrogen society that are resource-efficient, low-cost, and highly safe.

Additionally, in the development of forged products, we are aiming to develop innovative processes that balance higher functionality with cost reduction for next-generation electric drive unit vehicles, along with more advanced forging technologies. We are also promoting DX initiatives utilizing digital technology to drastically accelerate development.

In smart business development, we are creating new materials and products for the evolving smart society, such as heat-dissipating components for automotive electronic devices, a magnetic positioning system using MI sensors, and magnets for motors. By leveraging the strength of our "integrated forging with steel making processes" that covers all processes from steel material production to forgings in-house, and our "materials business DNA" cultivated since our founding, we will continue to develop and commercialize new products that contribute widely to a sustainable society.

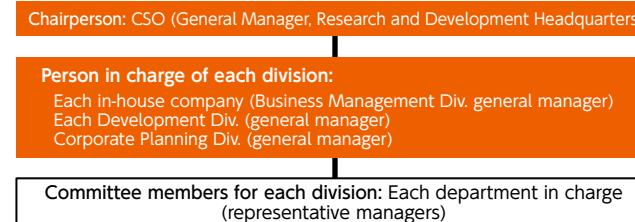
## Company-wide standardization activities

Standardization enhances the convenience and safety of society as a whole by establishing common rules for specifications, testing methods, display methods, and other aspects of new products and technologies. This improves product reliability, leading to more industry collaboration and enhanced international competitiveness.

To promote R&D in line with these standardization efforts, we established a company-wide Standardization Promotion Committee in 2023, chaired by the Head of the Development Division, who also serves as CSO (Chief Standardization Officer). Department heads from each in-house company's business management division and heads of each development division participate as division-level coordinators, while representative managers from the relevant departments also serve as committee members. Centered on this committee, we promote strategic standardization while focusing on internal awareness and personnel development in standardization. We actively encourage young and mid-career employees engaged in business planning and intellectual property to participate in METI's Rule Formation Strategy Training and other programs.

In our FY2024 activities, for all four ongoing themes, individual review meetings were held between the theme leaders and the CSO to review past results and current issues, and to discuss in detail how to proceed going forward. The results were shared at the 2nd Standardization Promotion Committee briefing in June 2025, and future plans for all themes were approved.

## Organization chart



## Intellectual property

### Basic approach

Aichi Steel has established proactive intellectual property (business expansion and challenges), defensive intellectual property (business stability), and basic activities (human resource development and structure building) as its priority policies, setting targets for each of these, and aiming for intellectual property activities that drive steady growth.

### Promotion structure

Aichi Steel has established an Intellectual Property Committee to promote intellectual property activities. The committee is chaired by the Research and Development Headquarters general manager, with general managers of each in-house company, headquarters, and technology division as members.

### Organization chart



### Strengthening collaboration between development and intellectual property divisions

To date, we have focused our activities on protecting the intellectual property resulting from our R&D. In addition to this, we are working to improve the quality of our patent applications by reinforcing collaboration between our development and intellectual property divisions and submitting applications more strategically. We are expanding the scope of this collaboration, particularly for foreign patent applications which involve high costs, and aim to minimize costs and maximize benefits through thorough screening of each case, including the utilization of patent rights after they are granted. In this way, we pursue intellectual property activities that help to secure our competitive advantage and business expansion.