

Section 172 Statement

The Directors considered (a) to (f) when performing their duties

(a) The likely consequences of any decision in the long term.

Despite a positive year, the company made a conscious effort to improve cash, and only spent on necessary tangible fixed assets £1.7m (2024: £2.0m) and intangible fixed assets £1.5m (2024: £0.8m) to secure the long-term future that will support all stakeholders and the local economy.

(b) The interests of the company's employees.

The Company continues to actively engage with employees through company briefings, which provide updates on the Company's financial performance, KPIs, health and safety, and environmental matters. The Directors recognise that employees continue to operate in a challenging environment, including pressures arising from customer demand fluctuations, production schedules, cost control requirements, inflationary pressures, cost of living pressures and the continued transition within the automotive sector. The Directors remain mindful of the impact that wider economic conditions can have on employees and, where appropriate, consider employee wellbeing, engagement, retention and the overall affordability of employment-related decisions when reviewing business priorities.

In making decisions, the Directors consider the potential impact on employees, including workload, health and safety, training needs, employee engagement and the need to maintain appropriate skills within the business. The Employee Forum, which consists of employee representatives, meets regularly with Company representatives to share information and consult on changes that may affect the workforce. Each year, a training plan is prepared for each department to identify training requirements for the forthcoming year, with an appropriate budget set aside to support delivery. The Company also contributes to and utilises the government Apprenticeship Levy.

(c) The need to foster the company's business relationships with suppliers, customers and others.

The Directors recognise the importance of maintaining strong and constructive relationships with the Company's key customers, suppliers and other business partners. Competitive pressure remains a continuing risk within the automotive sector and could result in the loss of business to key competitors. The Company manages this risk by focusing on continuous improvements in quality, cost and delivery performance, by applying its technical expertise, and by working closely with customers and suppliers to support operational efficiency and long-term business sustainability. A high proportion of the Company's business is placed with two key customers. The Company manages this concentration risk by maintaining regular communication with these customers, working collaboratively on value-added and value-engineering opportunities, and seeking to support efficiency improvements across the supply chain.

(d) The impact of the company's operations on the community and the environment.

The Company monitors a number of health and safety KPIs. In 2025, the Accident Incident Rate (AIR), which measures the number of injuries per 1,000 employees per year, was 106 (2024: 53). The Directors remain focused on reducing incidents and continue to promote health and safety awareness through employee education and engagement at all levels of the business.

KASAI UK LTD

The Company also continues to take steps to reduce the environmental impact of its operations, including maintaining compliance with ISO 14001. In August 2023, the Company commenced a project to install solar panels on the roof of the main factory in Washington. The installation was completed in December 2023 and the solar panels became fully operational in February 2024. The Company was awarded ISO 50001 Energy Management accreditation in March 2025. These initiatives support the Company's commitment to improving energy efficiency and reducing its impact on the local environment and wider community.

(e) The desirability of the company maintaining a reputation for high standards of business conduct.

The company has policies relating to code of conduct, which explains the manner in which we behave as an organisation and how we expect our employees to act. The company follows the International Automotive Task Force (IATF) 16949 standard. The IATF requirements are as follows; 5.1.1.1 Corporate Responsibility; The organisation shall define and implement corporate responsibility policies, including at a minimum an anti-bribery policy, an employee code of conduct and an ethics escalation policy (whistle blowing policy).

The company has been a member of the Slave Free Alliance since 2020.

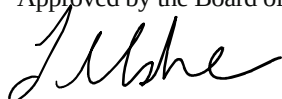
The company has a number of internal policies in relation to this, as noted below;

- Employee code of conduct
- Gifts and corporate hospitality policy
- Whistle blowing policy
- Modern slavery statement
- Modern slavery policy

(f) The need to act fairly as between members of the company.

There is one share holder, which is the parent company, KASAI KOGYO CO., LTD. a company incorporated in Japan. The directors communicate strategy and mid-term plan corporate challenges between local and group management, through regular video conferencing representing member interests.

Approved by the Board of Directors and signed on behalf of the Board on 25 August 2026.



Jill Usher
Director

Date: 25 August 2026

Registered office

Stephenson Road
Stephenson Industrial Estate
Washington
Tyne and Wear
NE37 3HR

KASAI UK LTD

Reg. No. 2594244 England
VAT Reg. No. GB 588 1073 18

(Registered Office)
Stephenson Industrial Estate,
Stephenson Road,
Washington,
Tyne & Wear, NE37 3HR, UK.
TEL +44-191-4157000
FAX +44-191-4157070



TS 515959