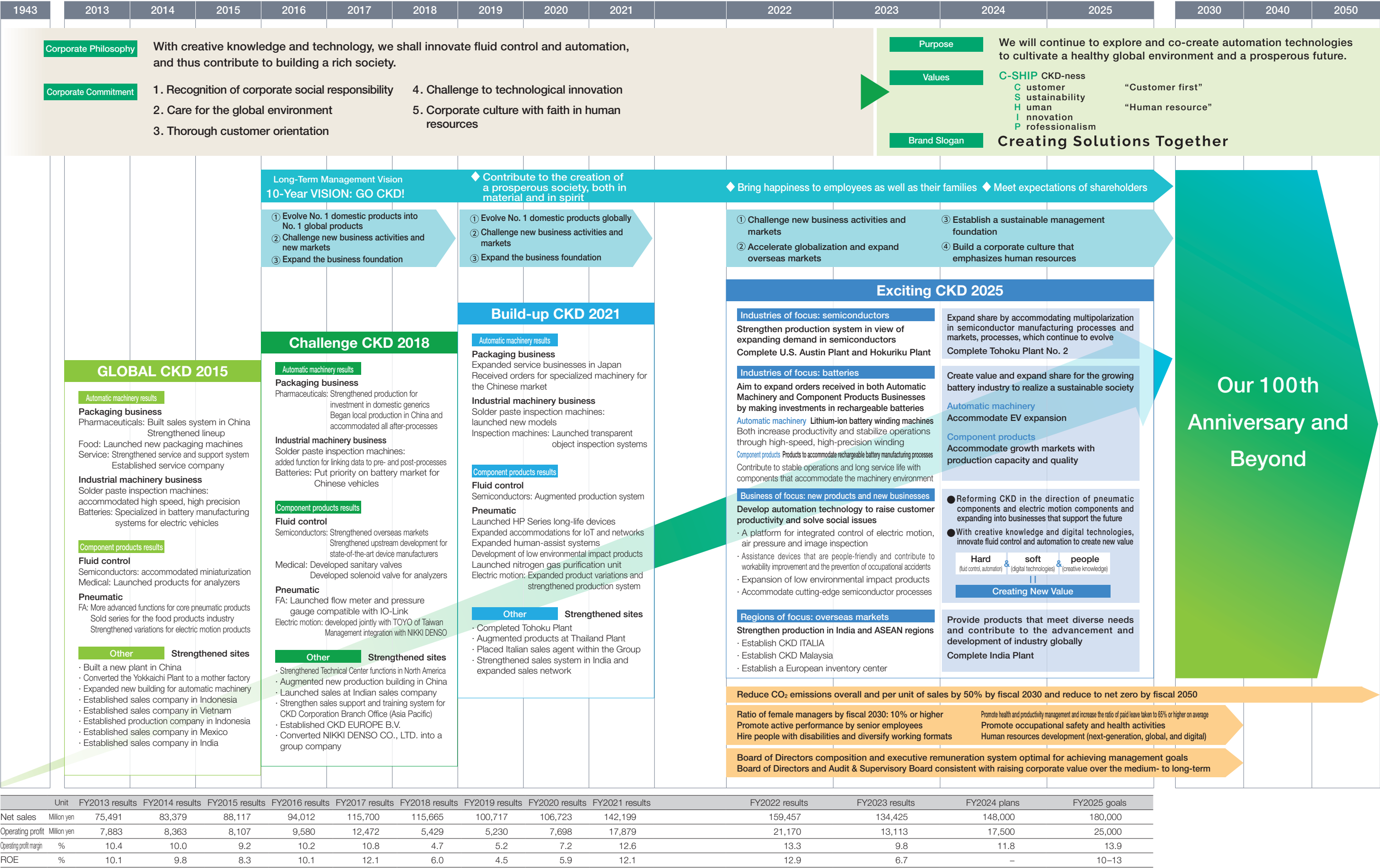


Medium- to Long-Term Roadmap



# Medium-Term Management Plan

Fiscal 2023 saw lower revenue and profits due in part to market conditions, but as the second year of our new Medium-Term Management Plan, “Exciting CKD 2025,” we worked to improve the earnings structure and strengthen our foundation. Going forward, we will continue to invest in growth and steadily promote ESG initiatives.

Medium-Term Management Plan (FY2022–FY2025, four-year plan)

## Exciting CKD 2025

By contributing to society through our business and creating new value, we will get customers further excited, accomplish our 10-Year VISION and inspire the next 10 years with excitement

1

Challenge new business activities and markets

2

Accelerate globalization and expand overseas markets

3

Establish a sustainable management foundation

4

Build a corporate culture with faith in human resources

Management goals

Net sales ¥180.0 billion	KPI	FY2022 results	FY2023 results	FY2024 plans	FY2025 goals
	Net sales	¥159.5 billion	¥134.4 billion	¥148.0 billion	¥180.0 billion
	Operating profit	¥21.2 billion	¥13.1 billion	¥17.5 billion	¥25.0 billion
	ROE	12.9%	6.7%	—	10.0%–13.0%
	Dividend policy	Dividend payout ratio of 40.1%	Dividend payout ratio of 40%	Dividend payout ratio of 40%	Dividend payout ratio around 40%
	Share buyback	—	—	—	Flexible share buyback considered

ROE 10%–13%
-------------

Dividend payout ratio around 40%
----------------------------------

Key initiatives and progress

1. Evolution of profit and business strategy model

Industries of focus Semiconductors

Growth in the semiconductor market is being driven by generative AI, EVs and, autonomous driving. In 2030, the global market is expected to expand to \$1 trillion, and high growth rates are expected going forward.

Amid these developments, we will actively expand production sites to strengthen a global follow-up system for business continuity planning, and we are building a supply system to meet growing semiconductor demand. In addition, we have established Technical Centers at each site and promote product development to solve technical issues in next-generation, cutting-edge processes with the aim of further increasing our presence in the semiconductor industry.

Industries of focus Batteries

Worldwide EV production volume is expected to continue growing at an annual rate of over 20%, and the rechargeable battery market is expected to grow into a ¥26 trillion market by 2035. For rechargeable battery manufacturing processes, where demand continues to grow, our Automatic Machinery segment will supply ultra-high-speed winding machines to help customers raise their productivity.

The Component Products segment will continue to meet customer manufacturing needs with a product lineup of over 100 models for the rechargeable battery manufacturing process, contributing to stable equipment operations with a long service life.

Businesses of focus New products and new businesses

We launched the programming tool ExiaStudio as a service business utilizing DX, which allows various components to be freely controlled in a manner that is simple to use by anyone with a PC; it does not require specialized knowledge. We will continue to ramp up our efforts to actively create new services that benefit our customers through the fusion of hardware and software. In addition, the assistance device PAW is being used as a product that contributes to creating a workplace environment that is safe and easy to work at for seniors and women as well. We recently added and launched a new series of the product. With a broad lineup, PAW is helping to improve workability and prevent occupational accidents.

In the semiconductor industry, manufacturing processes are becoming miniaturized year after year, and with this, the level of precision required of manufacturing equipment and parts is also increasing. With its precision control, the Company will meet needs for technologies used in cutting-edge processes.

When customer needs are uncompromising, it is an opportunity for growth, and we are currently involved in the development of component products with higher precision and performance.

Regions of focus Overseas markets

Overseas, in high growth markets for semiconductors and batteries in particular, in the ASEAN region and in India, regions where demand growth is expected for component products, we will make proposals that meet the needs of customers and acquire new projects through this, while making maximum use of our new foundation, as we work to grow the business.



Malaysia Plant



India Plant

2. Improvement of management efficiency

Investing for growth

We secure funds generated from operating activities as investments necessary for sustainable growth, and utilize these funds to make growth investments and strengthen our foundations. In fiscal 2023 we completed the Hokuriku Plant and in fiscal 2024 completed the India Plant and launched operations at Tohoku Plant No. 2 and the Malaysia Plant. As part of efforts to achieve medium-to long-term growth and enhance corporate value, we will continue to make investments in laying a business foundation geared toward future growth.

Key areas	
Growth investment/Strategic investment	Domestic investment: Invest in semiconductors, batteries, and the electric motion product business Overseas investment: Invest in Europe, the U.S., the ASEAN region, and India Alliances, M&A, launch of new businesses, and business restructurings for business expansion
Strengthening foundations	Strengthening development capabilities; next-generation, digital, and global talent
• Human investment	Transforming business model, strengthening core systems both at home and abroad, and reinforcing security
• DX investment	Installation of solar power generation equipment, cogeneration equipment, and energy-saving devices; carbon offsetting
• Environmental investment	Raising productivity by upgrading to the latest equipment
• Investment in productivity improvement	

3. Enhancement of management foundation

Environmental initiatives

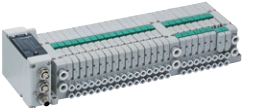
As for low environmental impact products, in the Automatic Machinery Business, we are developing PTP pharmaceutical packaging machines that use biomass plastics and reducing the amount of plastic used when producing PTP sheets.

In the Component Products Business, we launched the TVG Series, the industry's first solenoid valve compatible with IO-LINK Wireless. We made rigorous improvements down to the smallest detail, including the seal design and materials, and achieved energy-saving operations with minimal air leakage even with long-term use. This plug-in valve also uses recycled resin materials. It is the culmination of our commitment to lower environmental impact. In addition to energy- and resource-savings, the Company has considered the perspective of the life cycle, and its long-service-life products contribute to “Production equipment that never stops” and “Stable operation.”

Toward achieving a carbon-neutral society on a company-wide basis, the Group has set medium- and long-term targets of reducing CO2 emissions per unit of sales by 50% by fiscal 2030 and to net zero by fiscal 2050. It is promoting rigorous improvements to energy-saving products to this end.



Pharmaceutical packaging machines






Pilot operated 3, 5-port valve Plug-in-type block manifold [TVG Series]



## Segment Overview

CKD has continued to innovate its technology based on automation and fluid control technologies, and is currently developing its business around the two linchpins of Automatic Machinery and Component Products. CKD is one of the few companies in the world that handle both. One of our strengths is that we handle both equipment and components.

	Ratio of net sales (fiscal year ended March 31, 2024)	Segment	Net sales (Unit: ¥ billion) (fiscal years ended March)	Ratio of net sales (fiscal year ended March 31, 2024)		Main products			
Automatic Machinery Business	<div>Net sales</div> <div>¥17.7 billion</div> <div>Ratio of net sales</div> <div>13%</div>	Packaging machines	<div>10.3</div> <div>10.9</div> <div>20232024</div>	<div>Ratio of net sales</div> <div>8%</div>		<div>Packaging machines (pharmaceuticals, foods)</div>	<div>Pharmaceutical products packaging machines: We have a broad lineup of state-of-the-art machines that automate the pharmaceutical packaging process and boast the top market share in Japan. Food packaging machines: In addition to providing high sealing properties, safety, hygiene, and operability, this machine minimizes waste of packaging resources such as top lids and container films, helping save resources.</div>	<div>Pharmaceutical products packaging machine, Eco Blister FBP-600E4/E4S</div>	<div>Food packaging machine, Eco Blister CFF-360E</div>
						<div>Service businesses</div>	<div>CKD Field Engineering Corporation, which specializes in the maintenance of automatic machinery, supports safe and secure operations.</div>		
		Industrial machinery	<div>5.3</div> <div>6.8</div> <div>20232024</div>	<div>Ratio of net sales</div> <div>5%</div>		<div>3D solder paste inspection machines</div>	<div>Our proprietary 3D inspection technology and industry-leading high-speed inspections accurately measure the volume and height of solder paste, contributing to the reduction of the defect rate of printed circuit boards, which are becoming smaller and more dense.</div>	<div>3D solder paste inspection machine VP9000</div>	
						<div>Lithium-ion battery winding machines</div>	<div>We ensure battery quality and safety by combining servo control technology cultivated over many years with our proprietary pneumatic components and cam technology.</div>	<div>Lithium-ion battery winding machine</div>	
Component Products Business	<div>Net sales</div> <div>¥116.8 billion</div> <div>Ratio of net sales</div> <div>87%</div>	Fluid control components	<div>75.9</div> <div>61.8</div> <div>20232024</div>	<div>Ratio of net sales</div> <div>46%</div>		<div>Fluid control components (for general industry)</div>	<div>Based on the concepts of high quality and wide variation, we offer a broad range of products, from a variety of valves to environmental equipment such as control systems for dust collectors and water treatment systems.</div>	<div>Weir diaphragm valve</div>	<div>Medical analysis-specific valve</div>
						<div>Fine system components (for semiconductors)</div>	<div>We realize cutting-edge process control with variations that cover everything from supply systems to exhaust systems for semiconductor and FPD manufacturing equipment. Fine system components that can be used in a clean environment support the electronic device industry.</div>	<div>Chemical liquid valve</div>	<div>Vacuum components</div>
						<div>Pneumatic components (FA: automation, labor-saving)</div>	<div>We develop automation systems that meet the needs of a wide range of industries and propose pneumatic technologies that take into account environmental and energy saving measures.</div>	<div>Plug-in-type block manifold</div>	<div>Pneumatic cylinder</div>
		Pneumatic components	<div>68.0</div> <div>55.0</div> <div>20232024</div>	<div>Ratio of net sales</div> <div>41%</div>		<div>Electric motion components</div>	<div>In response to the growing demand for electric motion components, we are working to meet increasingly diverse needs with the optimal mix of conventional pneumatic and electric motion components.</div>	<div>(CKD NIKKI DENSO CO., LTD.) Direct drive motors</div>	<div>Electric actuator</div>

# Strategy by Business

## Automatic Machinery Business

Contributing to a prosperous society and the future with automated solutions that respond to market needs such as for environmental and labor saving measures.

In response to the growing need for automation and productivity improvements due to labor shortages, as well as the high level of societal interest in reducing the environmental burden, we will translate customers' opinions into concrete form through automation technology, and contribute to a prosperous society and the future.

In both our mainstay packaging machines and industrial machinery, we are accelerating technological development to provide high-quality, highly productive automatic machinery and equipment, as well as high-quality services to solve our customers' problems. We will further promote this movement, keep taking on the challenge of transformation ourselves, and continue to meet the expectations of our customers.

Yoshiaki Kitahora

Executive Officer,  
Deputy General Manager,  
Automatic Machinery  
Business Division



### Business vision

We welcome change and endeavor to evolve automation technology along a multitude of avenues as an organization that continually offers automatic machinery that satisfies customers around the world. We have made this our 10-Year VISION through which we will differentiate ourselves from competitors. We will establish our competitive advantage by sincerely listening to our customers' opinions, bringing latent requests to light, and incorporating them into all automatic machinery, and continue to provide safe, reliable, and high-quality products.

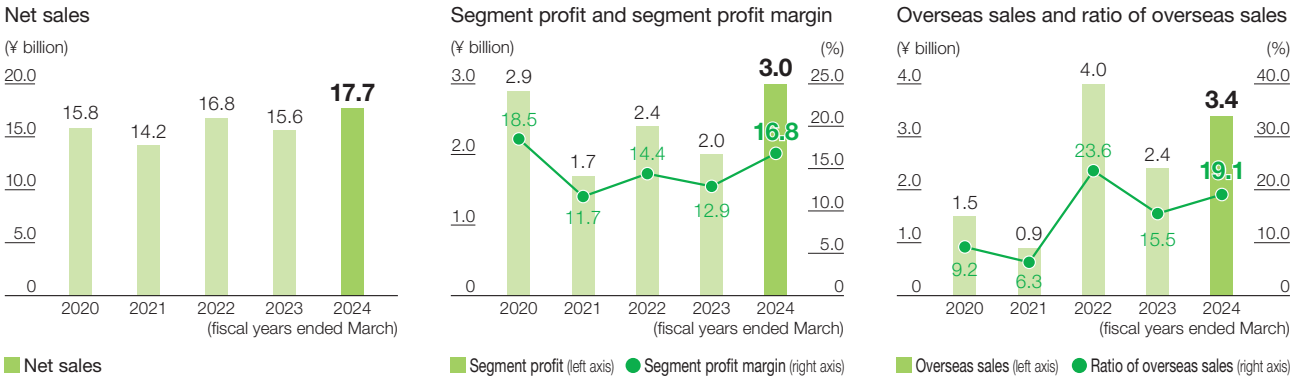
In the packaging machines field, we will work on (1) technological innovation for environmentally friendly packaging

materials, and (2) improving services that will lead to improved productivity by linking remote handling and image processing technologies.

In the industrial machinery field, we are promoting (1) technological development of lithium-ion battery winding machines that contribute to carbon neutrality and boosting our production capacity by strengthening our supply chain, (2) global expansion of 3D solder paste inspection machines, and (3) expanded sales of image processing equipment that realizes labor-saving and automation.

Target/KPI		
FY2023 goals	FY2023 results	FY2024 goals
Net sales <b>¥17.0 billion</b>	Net sales <b>¥17.7 billion</b>	Net sales <b>¥19.0 billion</b>

Value provided through business	
Automatic packaging systems	Contributes to society by providing packaging systems to ensure a stable supply of pharmaceuticals over the long term and through the use of environmentally friendly packaging technology that reduces packaging scrap and extends the shelf life of food products
Inline medical product inspection systems	Contributes to providing safe and secure products, automating the inspection process and saving labor, and ensuring the quality of tablets and PTP sheets
3D solder paste inspection machines	Contributes to quality assurance and productivity improvement in the printed circuit board mounting process
Lithium-ion battery winding machines	Contributes to the promotion of HEV and BEV and to carbon neutrality



### Report on fiscal 2023

In industrial machinery for fiscal 2023, net sales of lithium-ion battery manufacturing systems and 3D solder paste inspection machines increased. As a result of our activities to improve earnings, the Automatic Machinery Business as a whole posted year-on-year increases in both sales and profits. Orders received increased from the previous fiscal year due to growth in the industrial machinery field.



In the packaging machines field, we were able to increase net sales by swiftly responding to the vigorous investment by pharmaceutical companies aimed at ensuring a stable supply of pharmaceuticals, which is a social issue. In addition, the strengthening of our service structure to meet demands for stable facility operation and improved productivity also contributed to sales.

In the industrial machinery field, the sales volume of 3D solder paste inspection machines was steady, owing to the streamlining of production systems and the strengthening of collaboration with distributors. In lithium-ion battery winding machines, net sales increased due to growing demand in line with the electrification of automobiles.

We will grow our business into one in which every product and service is valued by our customers for its safety, quality, and productivity.

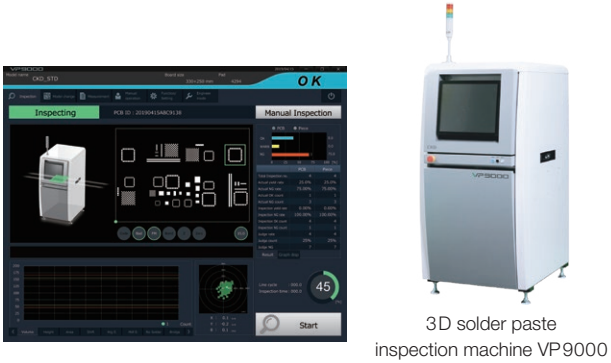
### Future outlook and issues

In the packaging machines field, changes in the business environment caused by slowing growth in the domestic pharmaceutical market have increased the needs for environmental measures and productivity improvements. In order to respond to these needs, we will promote initiatives aimed at developing low environmental impact products and propose environment-friendly packaging technologies such as the reduction of plastic waste and increasing the use of mono-material packaging. In food packaging, we will work to realize a circular economy through measures such as reducing food loss. In addition, we will enhance our service structure to enable customers to make the most of their facilities by proposing solutions for automation, labor-saving, and remote support.

In the industrial machinery field, investment associated with electrification is accelerating in the global mobility market. We will strengthen our production system for high-speed, high-precision lithium-ion battery winding machines to help our customers

improve their productivity and expand their production capacity, while also responding to other rapid changes.

In the inspection equipment field, we will systematically implement area-specific sales strategies for 3D solder paste inspection machines and build a sales and production system that can provide the optimal equipment for the market.





## Strategy by Business

# Component Products Business

Co-create with customers and propose solutions to social issues.

In addition to expanding our business into new markets such as next-generation semiconductor packages, carbon neutrality, and new energy, we are also aiming to automate, upgrade, and conserve energy in our production processes.

Further, we also aim to achieve net sales of ¥165.0 billion in fiscal 2025 by strengthening our foundations for overseas business expansion and expanding our sales network.

In addition to existing plants, we will also make full use of the new Hokuriku Plant, the Austin Plant (USA), the India Plant, and the Malaysia Plant, and respond to customer needs in a timely manner through global production.

**Katsuhiro Niidera**

Managing Executive Officer,  
Corporate Officer  
General Manager,  
Component Products  
Business Division



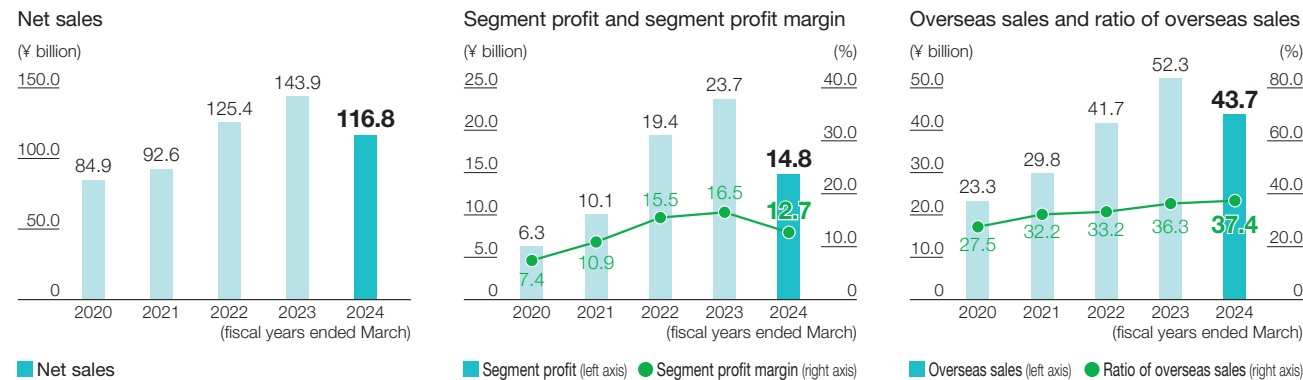
## Business vision

With the aim of becoming a supplier that can contribute to the global market, we will put together a broad lineup of products that meet diversifying customer demands and problems, including high quality/high precision, small size/high speed/further miniaturization, and safety/environmental properties/digitization, etc., and continue to propose new value and creativity.

Continuing to consistently undertake the challenge of technological innovation, we will develop products, make proposals and provide services while also building a business structure that can meet the needs of customers around the world.

Target/KPI	FY2023 goals	FY2023 results	FY2024 goals
Expand sales of electric motion products business	Increase sales by <b>10%</b> compared to the previous fiscal year	Sales decreased by <b>9%</b> compared to the previous fiscal year	Increase sales by <b>10%</b> or more compared to the previous fiscal year
Increase ratio of overseas sales	<b>37% or more</b>	<b>37.4%</b>	<b>38% or more</b>

Value provided through business	
Fluid control components	Based on the concept of high quality and wide variation, we use a variety of fluid control technologies to create added value by working closely with our customers in a wide range of industries such as semiconductors, mobility, pharmaceuticals, food, water treatment, and gas combustion. We are also advancing new technologies such as gas control with an eye toward new energy.
Fine system components	We offer a wide range of products that includes chemical liquid components for state-of-the-art semiconductor processes and components for high vacuum and special gases. We will support the further increase in demand for semiconductors in response to DX and automation in society, and contribute to the enrichment of people's lives.
Pneumatic components	For driving air cylinders, hands, and air operated valves, we have a wide lineup of control components that controls air flow, including air conditioning, pressure regulation, switching, and flow rate control. We are expanding our lineup of components with long service life that contributes to environmental protection, such as communication support and automation technology, and the reduction of CO <sub>2</sub> emissions, and we propose pneumatic technology for use in energy-saving and environmentally-friendly applications.
Drive components and electric motion components	Our total solutions, including pneumatic, electric, and software based solutions, and a hybrid of all three, meet the diversifying needs for drive components, including in terms of carbon neutrality, durability in harsh operating environments, and μ-level precision. As part of our efforts to contribute to the creation of a comfortable workplace, we are also expanding our range of human assistance products for reducing human workload in all types of situations, including manufacturing.



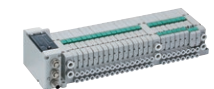
## Report on fiscal 2023

Although we were able to meet the demand for automation and labor saving in the manufacturing industry, fiscal 2023 was a difficult year for both orders and sales due to prolonged restraint in semiconductor capital investment caused by global inventory adjustments and other factors. One area where there was movement was the mobility field. In fiscal 2023, global investment was primarily in EVs, with almost zero investment in gasoline-powered vehicles. Customers are also becoming more conscious in ensuring that their facilities are carbon neutral, and they are increasingly adopting CKD's contributing products, including the HP Series, Nitrogen Gas Extraction Unit, Pulsed Blow Valve, PowerArm, and ASU. Overseas, results were steady, supported by brisk demand for semiconductors in China and demand for capital investment for some advanced memory products.

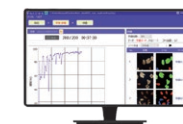
In terms of capital investment for the future, we have been pushing ahead with the building of new production bases, including the Hokuriku Plant and the India Plant. In building our sales foundations, we have efficiently approached and made proposals to our customers by collecting and sharing information through MA, SFA, etc. We also renovated our showroom, through which we aim to deepen communication with visitors to the showroom by allowing them to experience

videos and demo machines, and to generate new innovation. In terms of new products, we launched the industry's first plug-in valve equipped with IO-Link Wireless and the image processing AI tool Facilea AI, which uses AI functions to expand the range of applications, and expanded our series of assistance devices that can contribute to improving work efficiency and preventing industrial accidents.

The Company also held a CKD Technology Exhibition to mark our 80th anniversary. We introduced many of our customers and partners to the various unique technologies we have developed to support automation and fluid control. We will continue to provide solutions that combine various CKD technologies to help find solutions to customers' problems.



Pilot operated 3, 5-port valve Plug-in-type block manifold [TVG Series]  
<Received the 2024 Good Design Award>



Facilea AI



Assistance Device Compact Arm [CAW Series]

## Future outlook and issues

In terms of semiconductor demand, signs of recovery are beginning to appear in the memory market, which had been in a prolonged slump. The driving force behind this is the rapid increase in demand for High Bandwidth Memory (HBM). HBM is an essential memory for generative AI systems such as Chat GPT, and demand for HBM is expected to grow even more rapidly in the future. The Company will also promote the development of leading-edge processes, increase the number of models that adopt the technology as standard in semiconductor equipment, and build a system that enables full operation at the Hokuriku Plant and the Malaysia Plant.

On the other hand, there is a strong societal demand for taking environmental measures, including the reduction of per- and polyfluoroalkyl substances (PFAS) and resin materials, and resin recycling throughout the industry. There is also a need to

respond to the market for hydrogen and other new energies as society moves toward the realization of carbon neutrality, as well as the need to visualize and conserve the energy used at factories.

In addition to making environmentally-conscious proposals, we will continue to explore and co-create automation technologies to cultivate a healthy global environment and a prosperous future.



Preventive maintenance unit



Hydrogen gas combustion-compatible equipment [H2 Series]

DX Strategy

DX Vision

Integrating hardware and software to create new value that uses human wisdom to solve issues for customer and the society

Creating New Value

Hardware  
Fluid Control  
Automation

Software  
Digital  
Technology

Persons  
Creative  
Wisdom

We believe that the importance of digital technology as one of the “automation technologies” to be explored based on the Purpose will continue to grow in future, and we have set forth the DX Vision. By focusing on software development that utilizes digital technologies in general and by providing systems in combination with automatic machinery/components and other such hardware, which are areas of strength for CKD, we will work to realize automation technology solutions that solve the issues faced by customers and society. We aim to transform our business model from the traditional “selling products” of stand-alone hardware to “selling solutions” that solve the problems of customers and society, and to realize a recurring model in which solutions are provided as an ongoing service.

Target

In order to realize our DX Vision, our Medium-Term Management Plan is to develop solutions that quickly, affordably, and easily achieve automation, visualization, and uninterrupted production that customers in the FA industry require in order to “create customer value.” In terms of solving social issues, we will work on developing solutions that contribute to environmental issues, solutions that contribute to the promotion of DX in companies including small and medium-sized enterprises, and solutions that solve the problems of the primary industry, which is suffering from a declining workforce.

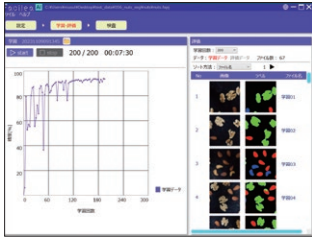
DX initiatives in business operations

Aiming to achieve operational excellence, we are leveraging digital technologies to improve productivity, QCDS, and customer experience (CX). In addition to the shift to company-wide paperless operations, we are promoting automating operations using RPA and workflow products, and introducing systems to streamline operations in line with the completion of new plants in Japan and overseas. As an ERP, the SAP program consolidates order, production, and purchasing data, and we have developed a system to utilize such data and are working on data-driven management, where everyone from

Progress in fiscal 2023

Development of Image Processing AI Tool Facilea AI

Since the launch of the image processing visual programming tool Facilea in 2020, it has become a favorite tool of many customers, being used for both automation and semi-automation in production facilities. In line with the acceleration toward automation due to the expected labor shortage in the future, we developed and began sales of the Facilea AI, a tool equipped with AI functions. Image processing AI, which requires advanced technology, can be set up and used with simple operations, allowing the detection of abnormalities that are normally difficult to detect using a rule-based system.



management to the production frontline makes decisions based on data. Our sales segment is working to improve sales productivity by utilizing digital marketing and SFA, and we have launched efforts to meet customer expectations by sharing customer feedback with technology and production segments. As customer demands are changing, we are striving to make the content of our website as easy to understand as possible, and to enhance them to meet the needs of our customers.

DX initiatives in business: Expanding software

We are building a solution business that helps improve the productivity of customers and solve social issues through the combination of software with hardware.

Device programming tool  
ExiaStudio

This product makes it easy to build control and data collection systems by connecting multiple electrical products and other component products using a PC. Compared to conventional control systems, ExiaStudio allows users to significantly reduce the amount of wiring materials and electric motion components, making it possible to save space, reduce costs, and even build facilities that are more environmentally-friendly.

Production support system  
Rinops

Production support system Rinops is a DX platform designed specifically for improving the efficiency of human work at production sites. By using wearable devices and connecting devices and information within a factory, the users are able to give work instructions and achieve real-time collaboration among workers in an optimal manner.

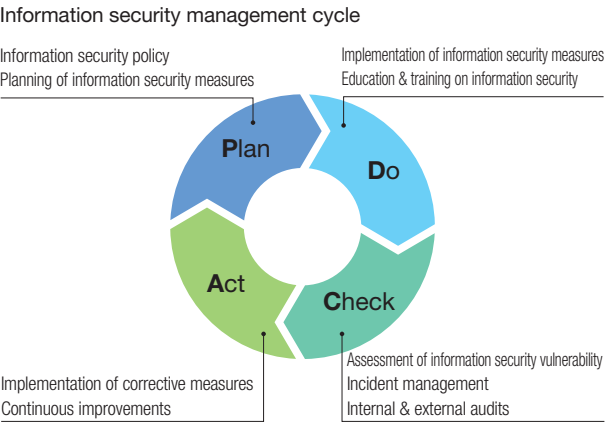
LTE  
remote controllers

By combining our know-how on equipment control such as solenoid valves and sensors with new IoT/cloud technologies, we provide easy remote automatic control for the agricultural and aquaculture fields. Equipped with a scheduling function that can be operated with a smartphone, automatic operation with a sensor monitoring function, accumulation of work records, and an e-mail notification function in the event of an abnormality, the system contributes to solving labor shortages and work burdens.

Information security

We have also worked to strengthen information security along with the promotion of DX. We clearly state the laws, regulations, and guidelines applicable to information security in relevant procedures, provide education and training to all employees, and conduct internal audits. In particular, we recognize that cyber-attacks are a material risk. In order to reduce the risk of cyber-attacks, we have adopted the latest security equipment and software, and have established a monitoring system run by an external security specialist organization. We also regularly conduct targeted attack e-mail training and information security training aimed at raising employee awareness of the risks of increasingly sophisticated cyber-attacks. In addition to these efforts, we outsource system vulnerability diagnosis to a third-party organization in an effort to reduce the risk of cyber-attacks. In order to strengthen information security, we hold regular meetings of the Information Security Promotion Committee to

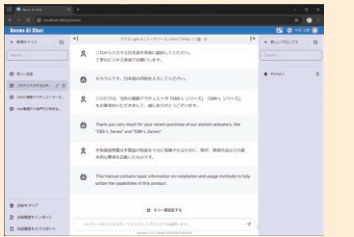
monitor the trends of external threats, the status of company-wide activities, and issues to be addressed, and continuously implement necessary measures.



Topics

Utilization of generative AI

A Generative AI Study Task Force was established in fiscal 2023 to examine the business applications of generative AI. The task force consists of representatives selected from each business division and the Corporate staff divisions of the Company. These representatives identified use cases for the application of generative AI in various situations within the Company, calculated the effects of its introduction, created templates for its actual use, and examined in detail the possibility of applying generative AI with the aim of improving the efficiency of business processes and creating new value. Based on the results of these activities, we developed “Nexus AI Chat,” a generative AI tool for internal use. Going forward, we expect to strengthen our competitiveness and improve our business operations by deploying the tool throughout the Company.





# Special Feature: Global Expansion

## 1 | Current Situation and Future Outlook

### Accelerate globalization and expand overseas sales

The Company aims to expand overseas sales by concentrating its management resources in growth regions and markets.

In the Automatic Machinery Business, demand is growing for lithium-ion battery manufacturing systems, mainly in North America, in tandem with the spread and expansion of electric vehicles, including hybrid vehicles. Demand for 3D solder paste inspection machines is also growing on the back of rising global production volumes of electronic components, devices, and other IT-related products. The Company will work to further improve productivity in anticipation of future market expansion.

In the Component Products Business, the Company will leverage its Tohoku Plant, which began operating in 2019, and its Hokuriku Plant, which will begin operating in fiscal 2024, to further boost its global rollout of high-performance products. In the United States, the Company will enhance the functions of the Technical Center to promote product planning and development closely attuned to its customers, and support local needs through its production base at the Austin Plant. In the European market, the Company has established an inventory center in the Netherlands and set up a sales company in Italy. Using these new foundations, the Company will proactively work to further develop the market. In this manner, the Company will develop products and business strategies tailored to each region and country of the overseas markets and enhance its local support capabilities by promoting locally based activities while incorporating each country's culture and human resources.

## 2 | Sales by region and bases

To ensure quick delivery of best products and services, the Company has built a global network spanning Europe, North America, Latin America, and Asia to conduct product development and provide services that focus on our customers around the world.


China

Sales by region

¥22,672


million

Production bases




CKD (China) CORPORATION  
(China Plant)

Sales offices



CKD (Shanghai) CORPORATION  
(China Plant)



TAIWAN CKD CORPORATION


Other Asian countries

Sales by region


¥16,653

million


Production bases




CKD KOREA CORPORATION  
(Korea Plant)




M-CKD PRECISION SDN. BHD.  
(Malaysia Plant)



CKD THAI CO. LTD.  
(Thailand Plant)




CKD INDIA PVT. LTD. (India Plant)  
\*For details of India Plant, see P44  
▶ Manufacturing Capital



PT CKD MANUFACTURING INDONESIA  
(Indonesia Plant)

### Sales offices



CKD KOREA CORPORATION

M-CKD PRECISION SDN. BHD.

CKD SINGAPORE PTE. LTD.


CKD THAI CO. LTD.

CKD INDIA PVT. LTD.

PT CKD TRADING INDONESIA

CKD VIETNAM ENGINEERING CO., LTD.

### Others Overseas (North America, Latin America, and Europe)

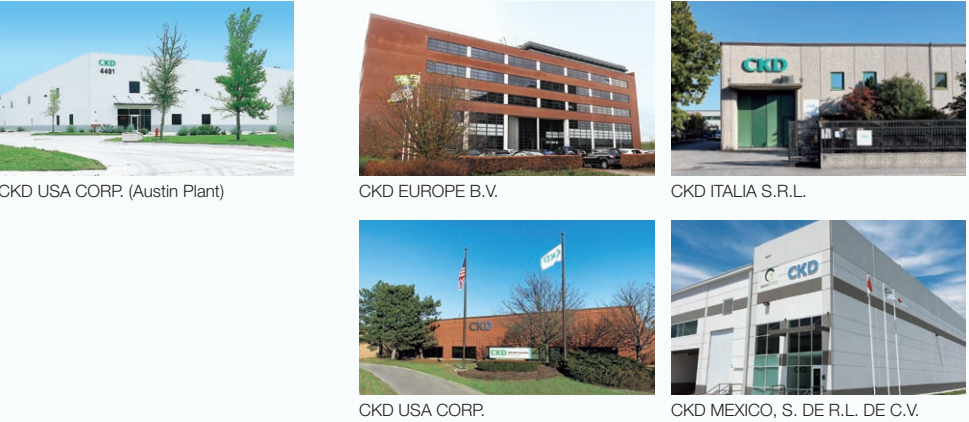


Sales by region

¥7,709

million

### Production bases



CKD USA CORP. (Austin Plant)

CKD EUROPE B.V.

CKD ITALIA S.R.L.

CKD USA CORP.


CKD MEXICO, S. DE R.L. DE C.V.

## 3 | Developing global human resources —Overseas trainee system—

As an initiative to develop global human resources who will play an active role on the world stage, we established an overseas trainee system, resuming it in FY2023. This program creates opportunities for employees who want to play an active role overseas, engage in planning in cooperation with overseas subsidiaries, or expand their career path, and fosters global awareness across the entire company.

We have also established an overseas subsidiary trainee system that allows the employees of overseas subsidiaries to visit Japan and deepen their understanding of Japan and the Company's head office.

### Opinions of Employees




**Mikako Kato**  
Components Sales & Marketing Department  
Overseas Sales Department  
Host Company: CKD (Shanghai) CORPORATION

I work in trade operations and had been working with CKD Shanghai to streamline their business processes for five years, using teleconferencing. I applied for the overseas trainee system because I wanted to actually interact with the local staff in person to gain a deeper understanding of their operations and systems, and to discuss with them reasonable ways to improve the running of business. I thought that, to make further progress, I needed to travel to Shanghai myself.

As a trainee, I mainly engaged in making improvements to export application work, developing and disseminating methods for the implementation of the new agreement, and studying the core system at CKD Shanghai. This gave me a real sense that the work I was doing in Japan had led to the satisfaction of overseas customers. We held many in-house workshops and briefing sessions, which helped me to refine my skills in reporting and the Chinese language. However, there were times when I struggled to communicate with the local staff due to differences in values. I also found it difficult to answer some questions during customer visits and keenly felt my lack of knowledge about the work and the technical terms in Chinese.

I now hope to leverage this experience to gain a deeper understanding of the details and background of operations in Japan. I also want to help the production side and on Shanghai's side to share their concerns with each other, which I hope will lead to customer satisfaction. I am currently planning to hold a workshop for the new sales representatives at CKD Shanghai.



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CKD's Value Creation Story

CKD's Growth Strategies

CKD's Capital Strategies

Corporate Governance

Corporate Data