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Cover Concept



The Cover uses illustrations to express how our products play a role in people's daily lives. This makes the contents visually appealing and easy to understand. Furthermore, by linking it to the outcomes in our Corporate Value Creation Model, we communicate a consistent message throughout the Integrated Report. This clarifies the process by which we provide value and ensures that the content is convincing to stakeholders.

CKD Report 2025 Structure

The CKD Report 2025 is organized with reference to the Guidance for Collaborative Value Creation. Those sections corresponding to the Guidance for Collaborative Value Creation and the main contents of each section are as follows.



Values	Long-Term Strategies	Implementation Strategies	Performance and Key Performance Indicators (KPIs)	Governance
CKD's Value Creation Story		CKD's Growth Strategies	CKD's Capital Strategies	Corporate Governance
<ul style="list-style-type: none">PrinciplesCKD at a glanceMessage from the President <ul style="list-style-type: none">CKD's HistoryCorporate Value Creation ModelCKD's StrengthsSpecial Feature: CKD's Fine System Components Supporting Semiconductor ManufacturingCKD's Corporate Value that Helps Solve Social IssuesMaterial Issues		<ul style="list-style-type: none">Medium- to Long-Term RoadmapMedium-Term Management PlanStrategy by Business (Automatic Machinery Business)Strategy by Business (Component Products Business)DX Strategy	<ul style="list-style-type: none">Message from the Officer in Charge of AdministrationFinancial CapitalHuman CapitalNatural CapitalAddressing Climate ChangeIntellectual CapitalManufacturing CapitalSocial Capital	<ul style="list-style-type: none">Message from the Chairperson of the Board of DirectorsRoundtable Discussion with Independent DirectorsCorporate GovernanceBoard of Directors and Audit & Supervisory Board MembersComplianceRisk ManagementRisks and Opportunities
Data				

Key Points in Reading the CKD Report 2025

1

CKD's Strengths: Technology, Innovation, and Co-creation

CKD places importance on maximizing our strengths in technical capabilities, innovation capabilities, and co-creation capabilities in order to achieve our Purpose. The Report includes information about our specific achievements and future strategies that utilize these strengths.

Corporate Value Creation Model P.13-14

CKD's Strengths P.15-16

2

Focus areas and status of the Medium-Term Management Plan

Fiscal 2025 marks the final year of our Long-Term Management Vision: GO CKD! and our Medium-Term Management Plan, Exciting CKD 2025. We review the achievements we have made through our past initiatives and introduce the activities aimed at achieving our goals in the final year.

Medium- to Long-Term Roadmap P.23-24

Medium-Term Management Plan P.25-26

3

Special Feature on fluid control components for semiconductor manufacturing processes

We feature Fine System Components, fluid control components for semiconductor manufacturing processes, which have attracted particular interest from stakeholders. We present the reasons why CKD stands out in semiconductor manufacturing processes from technical and market perspectives.

Special Feature P.17-18

About the Publication

CKD Corporation (the “Company”) continues the publication of its Integrated Report in fiscal 2025, with the aim of realizing a sustainable society and enhancing corporate value.

The report comprehensively conveys financial information, such as medium- to long-term management strategies, value creation stories and business performance as well as non-financial information, including environment, society and governance (ESG) initiatives. We hope that this report will help stakeholders gain a deeper understanding of CKD and serve as a useful tool for promoting dialogue. We sincerely hope that you will read this report and share your candid feedback with us.

We look forward to your continued support and guidance in the future.

Editorial Policy

We have compiled this Integrated Report to facilitate understanding of the overall picture of the CKD Group's value creation story by categorizing it into five parts: CKD's Value Creation Story, CKD's Growth Strategies, CKD's Capital Strategies, Corporate Governance, and Corporate Data.

In preparing this report, we have referred to the International Integrated Reporting Framework advocated by the IFRS Foundation, the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), and the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry.

Scope of the Report

Organizations covered: CKD Group consolidated companies in principle

Period covered: In principle, this report covers fiscal 2024 (from April 1, 2024 to March 31, 2025), but also includes some disclosure items and business activities that began in and after April 2025.

Notes on forward-looking statements

The forward-looking statements with regard to the business forecasts contained in this report are based on information currently available to the Company and certain assumption deemed reasonable, and do not constitute a guarantee. Actual results may differ due to various risks, uncertainties, and other factors.

Positioning of the Integrated Report

CKD's website

<https://www.ckd.co.jp/en/>

Financial Information



IR information

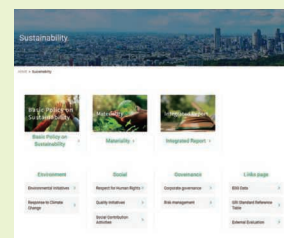
<https://www.ckd.co.jp/en/ir/>

Integrated Report



<https://www.ckd.co.jp/en/ir/finance/annual/>

Non-financial Information



Sustainability information

<https://www.ckd.co.jp/en/csr/>

IR information email distribution service

We provide timely updates on our latest timely disclosures, IR information, new products, ESG activities, and other topics. Please register your email address via the URL.



<https://rims.tr.mufig.jp/?sn=6407>
(Japanese only)

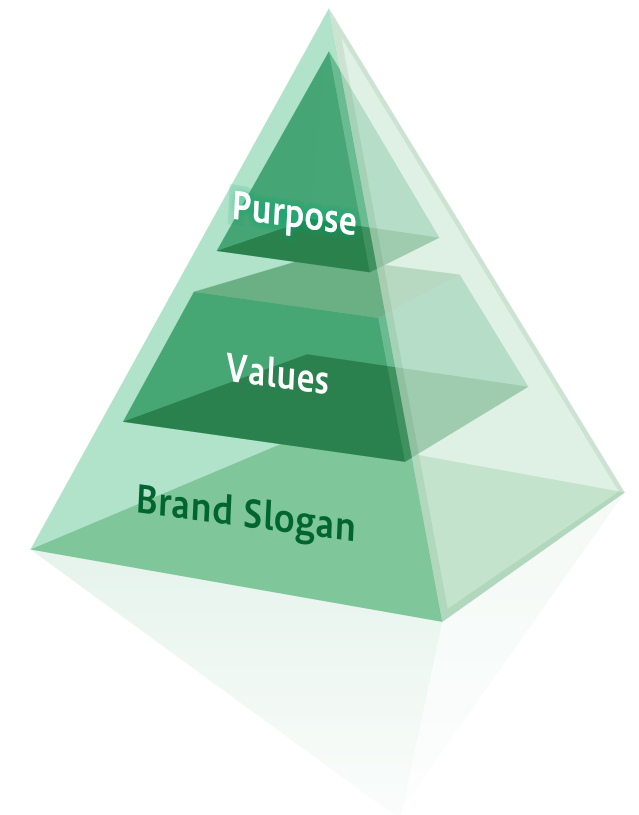
Principles

Purpose, Values, and Brand Slogan

The Purpose sets forth the raison d'être and direction of the CKD Group.

There are five Values that each and every CKD Group employee should cherish in order to realize our Purpose.

Our Brand Slogan is a concise representation of our thoughts and actions toward the future that encompasses the principles of the Purpose and Values.



Purpose

We will continue to explore and co-create automation technologies to cultivate a healthy global environment and a prosperous future.

Values

C-SHIP

~ CKD-SHIP ~
CKD-ness

Customer
Sustainability
Human
Innovation
Professionalism

“Customer first”

“Human resource”

Brand Slogan

Creating Solutions Together

CKD at a glance



Years since establishment

82 years



Number of employees
(As of March 31, 2025)

4,641



Number of production bases

Domestic 8 Overseas 8



Product lineup

Over 500,000



Number of cases of development of low environmental impact products (FY2024)

13

Sales by region
(Fiscal year ended March 31, 2025)

East Asia 23%

Overseas 34%

Japan 66%

Asia (Other) 5%

Other 6%

¥53.7 billion ¥102.0 billion

Fiscal 2025
Sales by business

¥155.6 billion

Automatic Machinery Business
¥25.3 billion
16%

Packaging machines 11%

Industrial machinery 5%

Fluid control components 44%

Component Products Business
¥130.3 billion
84%

Pneumatic components 39%

	Segment	Net sales (Unit: ¥ billion) (fiscal years ended March)	Main products
Automatic Machinery Business	Packaging machines	<div><div>10.3</div><div>10.9</div><div>16.6</div><div>202320242025</div></div>	<div>Packaging machines (pharmaceuticals, foods)</div> <p>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.</p> <div></div> <p>Pharmaceutical products packaging machine, Eco Blister FBP-600E4/E4S Food packaging machine, Eco Blister CFF-360E</p>
	Service businesses		<div>Service businesses</div> <p>CKD Field Engineering Corporation, which specializes in the maintenance of automatic machinery, supports safe and secure operations.</p> <div></div>
	Lithium-ion battery winding machines		<div>Lithium-ion battery winding machines</div> <p>We ensure battery quality and safety by combining servo control technology cultivated over many years with our proprietary pneumatic components and cam technology.</p> <div></div> <p>Lithium-ion battery winding machine</p>
	3D solder paste inspection machines	<div><div>5.3</div><div>6.8</div><div>8.8</div><div>202320242025</div></div>	<div>3D solder paste inspection machines</div> <p>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.</p> <div></div> <p>3D solder paste inspection machine VP9000</p>
Component Products Business	Fine system components (for semiconductors)	<div><div>75.9</div><div>61.8</div><div>69.1</div><div>202320242025</div></div>	<div>Fine system components (for semiconductors)</div> <p>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.</p> <div></div> <p>Chemical liquid valve Vacuum components Process gas control equipment</p>
	Fluid control components (for general industry)		<div>Fluid control components (for general industry)</div> <p>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.</p> <div></div> <p>Weir diaphragm valve Medical analysis-specific valve Direct acting 2, 3-port valve Solenoid valve for automatic watering</p>
	Pneumatic components (FA: automation, labor-saving)	<div><div>68.0</div><div>55.0</div><div>61.2</div><div>202320242025</div></div>	<div>Pneumatic components (FA: automation, labor-saving)</div> <p>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.</p> <div></div> <p>Plug-in-type block manifold Pneumatic cylinder Nitrogen gas extraction unit F.R.L. unit Assistance device</p>
	Electric motion components		<div>Electric motion components</div> <p>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.</p> <div></div> <p>Direct drive motors (CKD NIKKI DENSO CO., LTD.) Electric actuator</p>

* Figures are rounded to the nearest unit and totals may therefore not match the sum of individual items.

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Message from the President



Instilling our Purpose as a company throughout the entire organization, we aim to contribute to society and enhance corporate value through diverse co-creation.

Katsuhito Okuoka
Representative Director,
President and
Chief Executive Officer

Identify the opportunities that lie alongside the risks and leverage them to help solve social issues

In fiscal 2025, I began my second year in the position of Chief Executive Officer (CEO). I would like to express anew my profound appreciation to our stakeholders who continue to support the Company, including our customers, suppliers, and employees.

When we look back on the business environment of fiscal 2024, it was a year marked by the materialization of an unprecedented variety of risks. In addition to the sharp rises in resource and energy prices caused by the recent expansion of geopolitical risks, there was also the economic impact of U.S. tariff policies, and the deepening economic decoupling of the United States and China. Amid this ongoing uncertainty of outlook, companies are facing challenges for the realization of a sustainable society, such as responses to climate change and labor shortages, and are stepping up their efforts to address those challenges.

In light of such external conditions, we are once again reminded that, where risks exist, business opportunities aimed at addressing those risks will also arise. For

example, due to the U.S.-China decoupling, the acceleration of moves to switch to domestic production of semiconductors and semiconductor manufacturing equipment in China represents a tailwind for the Company that could lead to business opportunities.

As labor shortages and technological advances drive the transformation of conventional business models, the manufacturing industry is also seeing increasing activity in initiatives to address environmental protection and promote labor-independent production equipment and automation and labor-saving initiatives in manufacturing processes. Within these trends there are many opportunities for the Company to make a difference. After over a decade of negative interest rates, we have returned to a world of positive interest rates, resulting in accelerating inflation. Here, too, by appropriately reflecting the sharp rises in raw material prices in our own prices and raising wages, we hope to turn this trend into an opportunity to upcycle the economy.

For over 80 years since our establishment in 1943, we have engaged in the research and development of automation technologies and fluid control technologies. With our two businesses of Automatic Machinery and Component

Products as our core segments, we have supported the frontlines of manufacturing by delivering products and services that met the requirements of the times and the needs of our customers. We will continue to aim for sustained growth by addressing social changes, identifying the opportunities that lie alongside the risks, and contributing to solutions to global environmental and social issues.

Aim for growth alongside our customers by fostering a “culture of co-creation”

In times of great transformation, it is essential that we not be swayed by immediate changes and that we reaffirm and share our core principles as CKD. In 2023, the 80th anniversary of our founding, we established a new Purpose and Values in place of our previous Corporate Philosophy and Corporate Commitment, and a Brand Slogan in place of our corporate statement, and we have been working to instill and embody them throughout the organization.

Our Purpose, which declares that “We will continue to explore and co-create automation technologies to cultivate a healthy global environment and a prosperous future,” articulates the raison d’être as a company, our strategic direction, and the competitive advantages that we seek to demonstrate. Having started our business with the manufacture and sale of automatic machinery, we have worked consistently on innovations in automation technologies. Our Component Products Business also possesses a wide range of technologies, including pneumatics, fluid control, electric motion, and temperature control. With these “various technical capabilities linked to automation” as one of our strengths, our aim is to be a technology and solutions company that addresses our customers’ wide-ranging issues.

Our second strength lies in our “innovation capabilities that combine technologies to generate new proposals.” In particular, we have driven the evolution of products to meet customers’ needs in semiconductor and pharmaceutical manufacturing processes, achieving innovations in manufacturing processes over many years. In recent years, we have been working on product development, including leading-edge units and systems, through co-creation with customers in response to growing needs for miniaturization and multilayering in line with trends in semiconductor manufacturing processes.

Our third strength is our consistent dedication to addressing customers’ concerns and working to solve their issues. The Company provides total solutions that promote automation and safe and secure working environments by working to create value through proposals for system units that integrate a wide range of technologies based on the two linchpins of Automatic Machinery and Component Products, service businesses that utilize DX, and the combination of fluid control and automation technologies with digital technologies. Such products and services are not created by our efforts alone; they are the result of co-

creation with our partner companies and, most importantly, with our customers. I believe that we owe our success as a company today to the fact that, at the same time as we have contributed to our customers through our “co-creation capabilities that closely meet customer needs,” our customers’ support has allowed us to grow.

Our Values are a concise representation of the five values that our employees should hold dear in materializing our Purpose, while our Brand Slogan of Creating Solutions Together articulates our thoughts and actions toward the future.

The embodiment of our principles will not happen overnight. It will take time and require us to move through the stages of awareness, acceptance, empathy, and action. In our second year since the formulation of our principles, I believe that we have made certain progress in creating awareness by striving to link specific businesses and work to the principles whenever messages have been communicated by management. Our challenge going forward will be to connect that awareness to the next stages of acceptance, empathy, and action. As a first step, we are conducting small-group meetings at each site with senior management, where we take ownership of the new principles and everyone shares how they intend to embody them in their work. I have asked that they then pass on the contents of these discussions in meetings with their subordinates in a form that will resonate easily with them.

As the top executive, I will commit myself to promoting activities to further instill the principles by fostering a “culture of co-creation” as our corporate culture, with the goal of contributing to solutions to global environmental and social issues and realizing our vision of making people happy.

Promote technological innovation to address environmental issues and reduce the burden on the frontlines of production

In its Long-Term Management Vision, 10-Year VISION: GO CKD! (“10-Year VISION”), formulated in 2016, the Company declared four basic policies: Challenge new business activities and markets, Accelerate globalization and expand overseas markets, Establish a sustainable management foundation, and Build a corporate culture that emphasizes human resources. Under the Fifth Medium-Term Management Plan, Exciting CKD 2025 (“the current medium-term plan”), which ends in fiscal 2025 and sets forth our concrete directions, we are undertaking measures based on three themes. Following the four basic policies of the 10-Year VISION, those three themes are Evolution of profit and business strategy model, Improvement of management efficiency, and Enhancement of management foundation.

Looking back on fiscal 2024, the third year of the current medium-term plan, amid an unpredictable business environment, we achieved increases in both revenues and profits, with net sales of ¥155.6 billion and operating profit

Message from the President

of ¥19.0 billion. On the other hand, although we had anticipated a further upswing that would allow us to reach our net sales target of ¥180.0 billion in the final year of the current medium-term plan, results fell short of expectations, due in part to the delayed recovery of semiconductor-related investments and to a decline in new investment projects in automotive rechargeable batteries caused by slower-than-expected transition to electric vehicles. I consider these results to be the responsibility of top management.

However, we are steadily proceeding with investments in anticipation of the future expansion of demand in the semiconductor and rechargeable batteries markets. Amid signs of a recovery in the semiconductor market, we are fully committed to doing everything possible in the final year of the current medium-term plan to achieve our targets with certainty.

Regarding progress in our policy of the “Evolution of profit and business strategy model,” in the semiconductor industry which we are focusing, there has been some progress made in inventory adjustments in the semiconductor and electronic component industries against a background of generative AI-related investment, primarily in Japan. This has led to an increase in net sales of components for semiconductor manufacturing equipment. Overseas, net sales increased in China, where localization of leading-edge semiconductor manufacturing equipment is advancing due to import restrictions; in South Korea and Taiwan, where investment in HBM (High Bandwidth Memory) remained strong; and in Singapore, which has become a key supply hub for semiconductors and semiconductor manufacturing equipment.

In the battery industry, which is another of our focus industries, in exchange for the slower-than-expected shift to electric vehicles, there has been an increase in investment in on-board batteries for hybrid electric vehicles (HEVs) by Japanese automobile manufacturers. In lithium-ion battery manufacturing systems and pneumatic components in the industrial machinery segment as well, equipment for rechargeable battery manufacturing processes performed strongly. In addition, in the Automatic Machinery Business, we continued to make investments aimed at ensuring the stable provision of generic pharmaceuticals, and net sales of pharmaceutical packaging machines increased as we captured demand for equipment entering its final phase.

In our third focus area of new products and new businesses, we are responding to demand for automation and labor savings by enhancing not only hardware but also software offerings. In terms of DX strategy, we further evolved image processing visual programming tools, which allow the creation of programs without the use of specialist language, and installed AI (learning functions). We are strengthening our service business, which combines new functions with existing products and core technologies.

While offering inspection machines and devices that use advanced image technologies in the Automatic Machinery

Business, we are also providing reasonably priced software with simpler functions in the Component Products Business, thereby responding to diverse needs. These product offerings are made possible by the diverse technologies that only the Company can deliver.

In our focus area of overseas markets, in addition to the Austin Plant (USA) that started operating in 2022, we completed construction of our Hokuriku Plant in fiscal 2023 and our India Plant and Malaysia Plant in fiscal 2024. We are strengthening our production systems in high-growth markets such as semiconductors and batteries, as well as in regions like ASEAN and India, where demand for component products is set to expand, to drive business growth.

Regarding Improvement of management efficiency, the second policy under the current medium-term plan, in order to conduct business management that is conscious of capital costs, we are promoting capital policies that emphasize the balance between growth investment and shareholder returns, as well as the optimization of equity ratio. We have incorporated ROE and ROIC as key performance indicators, and we are working to visualize capital efficiency improvements in each business unit and optimize the allocation of resources.

In the third policy, Enhancement of management foundation, based on the Purpose, we are pursuing technological innovations to address environmental issues with the aims of contributing to the realization of a sustainable society and enhancing corporate value. As one such innovation, 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, in response to customer requests, we have developed the Pulsed Blow Valve, a low environmental impact product that contributes to the effective use of energy, and the Air Monitoring Unit, which contributes to energy savings by visualizing production energy consumption. In our responsibility as a manufacturer that supplies a variety of automatic machinery and equipment, we will focus efforts on reducing the environmental impact of production sites.

Strengthen human capital investment in the three areas of recruitment, development, and retention

Among our management foundations, human resources are critical management resources that will drive the sustained advancement and growth of the company. In the 10-Year VISION, we articulated as one of our policies, Build a corporate culture that emphasizes human resources, and I also consider this to be a key challenge of management.

As the promotion structure for this policy, for the realization of management that makes the most of people where everyone can play an active role, we launched the

Human Resource Strategy Committee, as well as the Future Human Resources Project as a subordinate organization of that committee, in 2023. Aspiring to be a company and workplace where all employees can work vigorously, we have outlined the type of human resources we aim for based on the Purpose and Values, and we are promoting a human resources strategy geared toward the realization of this.

Specifically, we are strengthening human capital investments in the three areas of recruitment, development, and retention and implementing a variety of measures. Regarding recruitment, centering on the ideas of young employees from the Future Human Resources Project, we are working to raise the company's profile. Initiatives include a PR video in collaboration with the popular anime, “Cells at Work!,” transit advertisements that take over entire subway cars, and the roll-out of new content on our corporate website, titled ‘CKD explained through Manga.’

For development and retention, recognizing the challenges of “how to create a workplace where people can work with motivation” and “how to find joy in growth,” in addition to reviews of our personnel system, evaluation criteria, and other measures, we are also working to create opportunities for dialogue, including a series of town hall meetings for which I personally travel to our various locations, in our aim to enhance engagement. Based on the opinions received at these dialogue opportunities, we have launched a project for the renewal of staff uniforms, with our younger employees taking the lead.

Also, at Expo 2025 Osaka, Kansai, as part of the limited period exhibition, Future Society Showcase Project, we presented the developmental therapy system (development support for children with disabilities) that we have been developing. Attracting many more visitors than expected, the exhibit was exceptionally well received, which was highly encouraging for the team members who joined the project through an internal call for volunteers to staff the exhibit.

In our aim to increase the job satisfaction of all employees, one of my challenges as the top executive, with my background in the technology and production divisions, is my desire to shine more of a spotlight on the manufacturing frontlines. As a manufacturer that has continued to support manufacturing frontlines in Japan and overseas, I want to provide even more generous support to help our employees involved in this area at the Company to improve their skills and experience the joy of growth. To prepare the environment for this, we are developing plans to invest in the expansion and improvement of existing plants and equipment starting this fiscal year.

Further, in order to build a sound business foundation, we are thoroughly enforcing compliance across the entire group, including our overseas locations, and working to strengthen governance that anticipates potential risks.



Focus on growth markets and create products and services with high barriers to entry

As the final year of our 10-Year VISION and our Fifth Medium-Term Management Plan, fiscal 2025 is a critical year that will lead us into our next ten years. To recall the passion that we felt back when we worked on the 10-Year VISION and instill my desire to take this final year at full speed with even more passion, I have chosen GO CKD!, as the slogan for my President's Management Policy for fiscal 2025, the same as for the 10-Year VISION.

In our accumulated achievements of the past nine years, we have expanded our market globally and greatly expanded our production bases through proactive investment. Going forward, we will operate our production bases at full capacity to improve earnings, and we also intend to work on building new businesses. Another concept that we have in mind is to increase products and services that have a high barrier to entry, with a focus on global niche areas that leverage our leading-edge technologies, particularly in high-growth markets such as semiconductors and rechargeable batteries where we are concentrating our efforts. By focusing on growth markets and refining our technologies, we hope to foster the growth of the company and the motivation of our employees, as well as help solve social issues.

We are currently engaging in discussions with our Independent Directors as we focus on the formulation of a new 10-Year VISION. While further enhancing communication with our shareholders, investors, and a broad range of other stakeholders, we will move forward with determination toward our next ten years. I hope that our stakeholders will give us their diverse opinions, and we ask for their continued support and guidance.