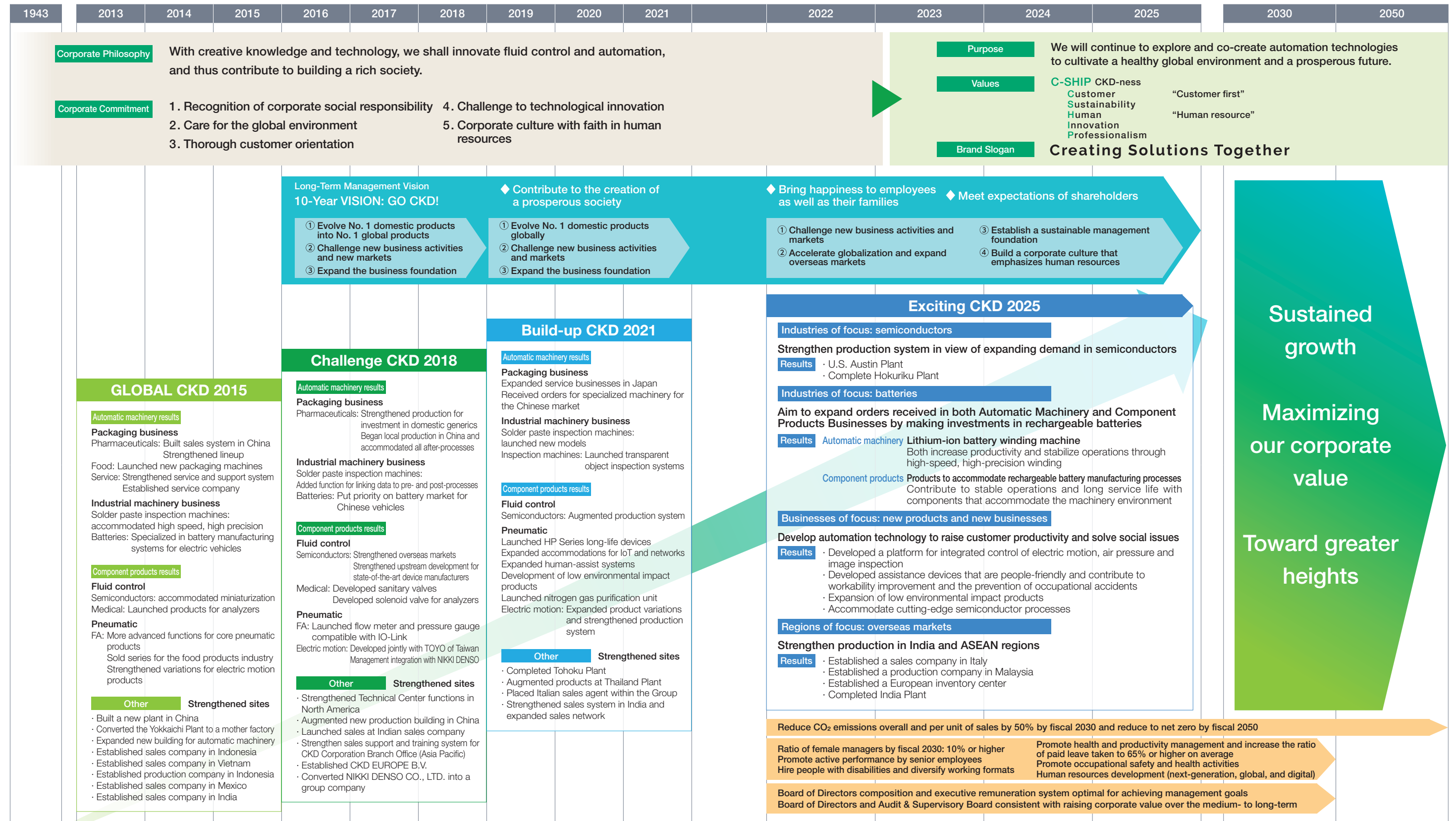


# Medium- to Long-Term Roadmap



|                         | (Unit)      | FY2013 results | FY2014 results | FY2015 results | FY2016 results | FY2017 results | FY2018 results | FY2019 results | FY2020 results | FY2021 results | FY2022 results | FY2023 results | FY2024 results | FY2025 goals |
|-------------------------|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| Net sales               | Million yen | 75,491         | 83,379         | 88,117         | 94,012         | 115,700        | 115,665        | 100,717        | 106,723        | 142,199        | 159,457        | 134,425        | 155,634        | 180,000      |
| Operating profit        | Million yen | 7,883          | 8,363          | 8,107          | 9,580          | 12,472         | 5,429          | 5,230          | 7,698          | 17,879         | 21,170         | 13,113         | 19,018         | 25,000       |
| Operating profit margin | %           | 10.4           | 10.0           | 9.2            | 10.2           | 10.8           | 4.7            | 5.2            | 7.2            | 12.6           | 13.3           | 9.8            | 12.2           | 13.9         |
| ROE                     | %           | 10.1           | 9.8            | 8.3            | 10.1           | 12.1           | 6.0            | 4.5            | 5.9            | 12.1           | 12.9           | 6.7            | 10.2           | 10–13        |

# Medium-Term Management Plan

In Fiscal 2024, as the third year of our new Medium-Term Management Plan, Exciting CKD 2025, we worked to improve the earnings structure and strengthen our foundation, as both revenue and profits increased. Going forward, we will continue to steadily promote growth investment and 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

| KPI              | FY2022 results                 | FY2023 results               | FY2024 results                 | FY2025 goals                      |
|------------------|--------------------------------|------------------------------|--------------------------------|-----------------------------------|
| Net sales        | ¥159.5 billion                 | ¥134.4 billion               | ¥155.6 billion                 | ¥180.0 billion                    |
| Operating profit | ¥21.2 billion                  | ¥13.1 billion                | ¥19.0 billion                  | ¥25.0 billion                     |
| ROE              | 12.9%                          | 6.7%                         | 10.2%                          | 10.0%–13.0%                       |
| Dividend policy  | Dividend payout ratio of 40.1% | Dividend payout ratio of 40% | Dividend payout ratio of 39.5% | Dividend payout ratio around 40%  |
| Share buyback    | —                              | —                            | —                              | Flexible share buyback considered |

Key initiatives and progress

1. Evolution of profit and business strategy model

| Initiatives  | Outline   | Main progress and achievements  | Relevant page                            |
|--|---|---|--|
| Industries of focus: semiconductors                  | Strengthen production system in view of expanding demand in semiconductors  | <div>Completed U.S. Austin Plant</div> <div>Completed Hokuriku Plant</div> <div>Completed new Malaysia Plant</div> <div>Established Technical Center</div>  | Special Feature, Manufacturing Capital   |
| Industries of focus: batteries                       | Aim to expand orders received in both Automatic Machinery and Component Products Businesses by making investments in rechargeable batteries | <div>Automatic machinery</div> Lithium-ion battery winding machines (both increase productivity and stabilize operations through high-speed, high-precision winding) <div>Component products</div> Component products for rechargeable battery manufacturing processes (contribute to stable operations and long service life with components that accommodate the machinery environment)   | Automatic Machinery Strategy by Business |
| Businesses of focus: new products and new businesses | Develop automation technology to raise customer productivity and solve social issues  | <div>Automatic machinery</div> Through collaboration between Astellas Pharma Inc., The Mitsubishi Chemical Group, and the Company, we have achieved the world's first practical application of PTP sheets using biomass-based plastic (received the Minister of Environment Award at the 5th Japan Open Innovation Prize held in February 2023) <div>Component products</div> <div>Expansion of products for wireless applications</div> <div>Expansion of assistance devices</div> <div>Development of low environmental impact products</div> | Strategy by Business                     |
| Regions of focus: overseas markets                   | Strengthen production in India and ASEAN regions  | <div>Established a sales company in Italy</div> <div>Established a production company in Malaysia</div> <div>Established a European inventory center</div> <div>Completed India Plant</div>   | Manufacturing Capital                    |
| Service business utilizing DX                        | With creative knowledge and digital technologies, innovate fluid control and automation to create new value                                 | <div>Developed ExiaStudio</div> <div>Developed Facilea AI</div>   | DX Strategy                              |

Completion of Malaysia Plant

The Company expanded into Malaysia, its first overseas base, in 1984, and marking the 40th anniversary of this, it completed a new production plant in the country in November 2024. This will strengthen our production system for component products in the ASEAN region and allow us to respond in a timely manner to growth markets with a robust supply chain and to increasing global demand in the manufacturing industry overall.



| <Plant overview> |                                     |
|------------------|-------------------------------------|
| Name             | CKD MALAYSIA SDN. BHD.              |
| Location         | Kulim Hi-Tech Park, Kedah, Malaysia |
| Site area        | Approx. 87,400 m²                   |
| Building area    | Approx. 15,800 m²                   |

2. Improvement of management efficiency

Investing for growth

We secure funds generated from operating activities as investments necessary for sustained growth, and utilize these funds to make growth investments and strengthen our foundations. This fiscal year we launched operations at the Hokuriku Plant, Malaysia Plant, and India 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.

| Initiatives  | Outline  | Main progress and achievements  | Relevant page         |
|--|--|---|-----------------------|
| Capital policy approach —Cash allocation overview— | Ensure investment necessary for sustained growth and implement stable and flexible shareholder returns                               |   | Financial Capital     |
| Capital policy approach —Investing for growth—     | We use cash that is generated to conduct growth investment on a scale of ¥60.0 billion, including M&A, and strengthen our foundation | We made investments for the Hokuriku Plant and Malaysia Plant, as well as for increasing productivity at existing domestic plants | Financial Capital     |
| Capital investment plan, R&D investment plan       |  | Capital investment of ¥5,023 million, R&D expenditures of ¥3,546 million  | Manufacturing Capital |

3. Enhancement of management foundation

ESG supporting sustained growth (qualitative, non-financial indicators)

| Value created | Key themes   | Target   | Main progress and achievements   | Relevant page   |
|---------------|--|--|--|-----------------|
| Environment   | Addressing climate change                                  | CO <sub>2</sub> emissions reduction: 50% reduction by fiscal 2030 (compared to fiscal 2013, per unit of sales) and reduce to net zero by fiscal 2050             | Fiscal 2024 result: 3.5% reduction (compared to fiscal 2022)<br>Fiscal 2024 result: 37.4% reduction (compared to fiscal 2013)                                | Natural Capital |
|               |  | Endorsement of the TCFD recommendations and consider introducing Scope 3   | —  |                 |
|               |  | Promotion of environmental investment (solar power generation systems, green electricity)  | Installed solar power generation at the Hokuriku Plant   |                 |
|               | Resource recycling and waste                               | Reduction of water consumption and industrial waste  | Fiscal 2024 result: Increased by 0.01% (compared to the previous fiscal year)<br>Fiscal 2024 result: Reduced by 13.8% (compared to the previous fiscal year) |                 |
| Social        | Active participation of diverse human resources            | Ratio of female managers: 10% or higher by fiscal 2030   | 5.2%   | Human Capital   |
|               |  | Promote active performance by senior employees   | Using the re-employment schemes, 63 employees age 65 and up  |                 |
|               | Employee engagement  | Hire people with disabilities and diversify working formats  | Rate of employment of people with disabilities: 2.65% as of the end of March 2025 (statutory rate of 2.5%)   |                 |
|               |  | Promote health and productivity management and increase the ratio of paid leave taken to 65% or higher on average  | Recognized as an Outstanding Organization for Health & Productivity Management (large enterprise category) in 2025 for the sixth consecutive year            |                 |
|               |  | Promote occupational safety and health activities  | Fiscal 2024 Industrial accident frequency rate: 0.98<br>Industrial accident severity rate: 0.01  |                 |
| Governance    | Strengthen the Group management system and risk management | Enhance training system and skill acquisition support system   | Made new additions, including implementation of production and sales mutual trainee program  | Social Capital  |
|               |  | Respect for human rights initiatives   | Conduct human rights due diligence   |                 |
|               | Corporate governance                                       | Strengthen monitoring by the Risk Management, Compliance, and Sustainability Committees<br>Board of Directors composition optimal for achieving management plans | —  |                 |



# Strategy by Business

## Automatic Machinery Business

Through the exploration of automation technology, we address the need for environmental and productivity improvements and contribute to solving social issues.

In response to the 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 machinery business and industrial machinery business, we will continue to meet customer expectations by proactively learning, thinking, and acting through our proposal capabilities and services that deliver stable production systems.

**Yoshiaki Kitahora**

Executive Officer,  
Deputy General Manager,  
Automatic Machinery  
Business Division



### Business vision

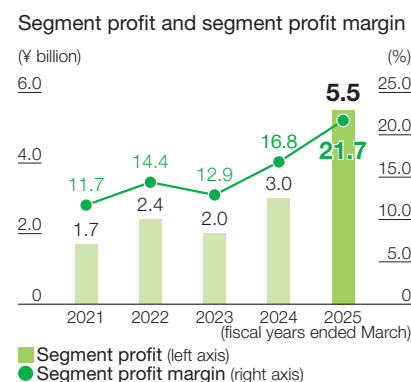
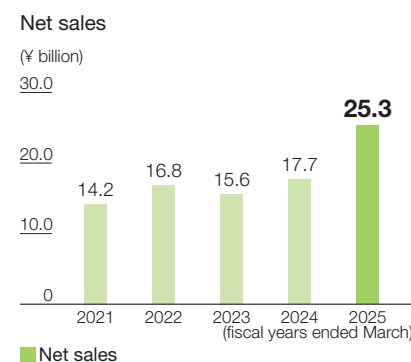
Continuing to explore automation technologies and fostering co-creation to continue to provide automatic machinery that satisfies our customers is a key challenge in the Automatic Machinery Business for building a stable revenue base to achieve performance targets.

To this end, in our mainstay packaging machinery business, we will shift to activities focused on enhancing services. We

will enhance our service menu to deliver value recognized by our customers and improve our service work resources to achieve higher customer satisfaction.

Similarly, in our mainstay industrial machinery business, we will leverage our robust technological capabilities to transform our lithium-ion battery winding machines and inspection operations into highly profitable ventures.

| Target/KPI                     |                                |                                |
|--------------------------------|--------------------------------|--------------------------------|
| FY2024 goals                   | FY2024 results                 | FY2025 goals                   |
| Net sales <b>¥19.0 billion</b> | Net sales <b>¥25.3 billion</b> | Net sales <b>¥19.0 billion</b> |



| Value provided through business                  |  |
|--|--|
| <b>Automatic packaging systems</b>               | <ul style="list-style-type: none"> <li>Providing packaging systems and services to realize safe, secure and stable pharmaceutical supply</li> <li>Reducing environmental impact by reducing packaging scrap and accommodating extended shelf life for food products</li> </ul> |
| <b>Inline medical product inspection systems</b> | <ul style="list-style-type: none"> <li>Providing safe and secure pharmaceutical products</li> <li>Automation and labor-savings for the inspection process</li> <li>Contribution to higher quality tablets and PTP sheets</li> </ul>  |
| <b>3D solder paste inspection machines</b>       | <ul style="list-style-type: none"> <li>Contribution to quality assurance and productivity improvement in the printed circuit board mounting process</li> </ul>   |
| <b>Lithium-ion battery winding machines</b>      | <ul style="list-style-type: none"> <li>Contribute to the long-term promotion of HEV and BEV and to carbon neutrality</li> <li>Realizing a stable battery production system through customer-centered development</li> </ul>  |

### Report on fiscal 2024

Orders in fiscal 2024 increased compared to the previous fiscal year across the entire Automatic Machinery Business. In detail, orders increased for pharmaceutical packaging machines and remained flat for industrial machinery.

Sales increased compared to the previous fiscal year. In packaging, in response to investment aimed at ensuring a

stable supply of generic pharmaceuticals in Japan, equipment shipped according to plan and sales of pharmaceutical packaging machines increased. In industrial machinery, sales of lithium-ion battery manufacturing systems rose due to increased investment by Japanese automobile manufacturers in on-board batteries.

Segment profit increased compared to the previous fiscal year due to the effect of improved earnings and sales mix. Through quality improvement activities and employee training programs such as for multi-skilling, we achieved productivity improvement and reduced lead times, leading to enhanced profitability.

In the environmental field, we have commercialized our Eco Scrap Technology, Clear E-Sheet, which reduces plastic waste generated during the manufacturing process of PTP sheets used for pharmaceutical packaging by over 70% compared to conventional methods.

We will further grow our business into one in which every automatic machinery product and service is valued by our customers.



Lithium-ion battery winding machine

### Future outlook and issues

In the field of packaging machinery, large-scale investment in generics has run its course, but in the domestic pharmaceutical industry, there is a mounting need for stable facility operations and productivity improvements. We will further enhance our service system to allow us to contribute to stable production. We will enhance our system for responding promptly to equipment failure and expand our solution proposals for automation, labor-saving, and remote support. In addition, we will promote initiatives for low environmental impact products and propose eco-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 the industrial machinery field, uncertainty surrounding investment plans for on-board batteries is intensifying due to the global slowdown in EV demand. With regard to our high-speed, high-precision lithium-ion battery winding machines,

we will 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 build a sales and production system that can provide the optimal equipment through customer-centered activities.



# Component Products Business

## Co-creating with customers for an exciting future

Through technological innovation in semiconductors (next-generation packages), the realization of carbon neutrality, and the promotion of digitalization, we will create new value and strive to propose exciting solutions together with customers. We will grow together by proposing optimal solutions that meet the needs of our customers and the market.

Furthermore, to meet growing global semiconductor demand, we will enhance production capacity through our U.S. Austin Plant, new Malaysia Plant, and Hokuriku Plant, while delivering innovative products and support systems to the market through R&D at our Technical Centers.

Katsuhiro Niidera

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



### Business vision

#### Semiconductors (next-generation packages)

To keep pace with increasing integration and density, component products require technological innovations in high-precision positioning, high-vacuum control, and specialized materials. Additionally, compliance with environmental regulations and the establishment of a global supply chain system are being prioritized. We aim to develop and provide higher value-added products by strengthening co-creation with customers through our global account system.

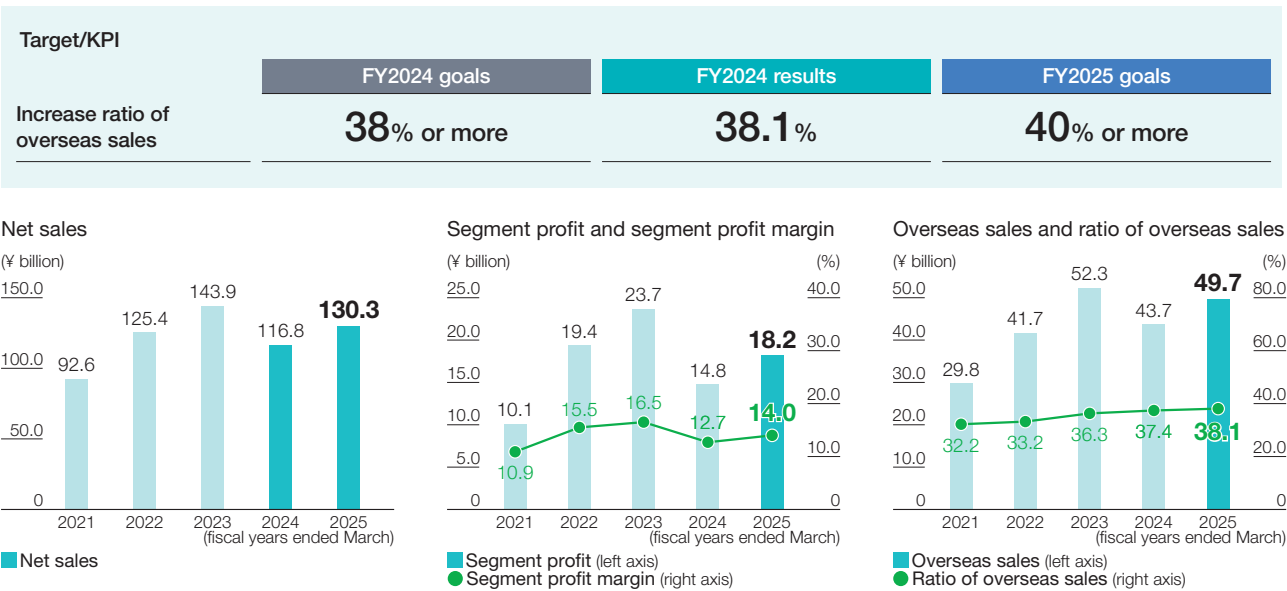
#### Carbon neutrality

Carbon neutrality initiatives are now common sense, and falling behind is not an option. We will pursue the product

development and proposals that contribute to the environment and also work to reduce the environmental impact of the manufacturing process by visualizing production energy and addressing Scope 3.

#### Promoting digitalization and automation

We are efficiently advancing digitalization and automation to improve operational efficiency, address labor shortages, and enhance quality and delivery capabilities. Through digital technologies like Facilea and ExiaStudio (software) and fluid control and automation technologies (hardware), we will propose productivity improvements and address labor shortages for customers.



| Value provided through business                                      |  |
|--|--|
| Fine system components   | We offer a wide range of products that includes chemical liquid components for state-of-the-art processes and components for high vacuum and special gases. We will support the further increase in demand for semiconductors and contribute to the enrichment of people's lives.  |
| Pneumatic components   | Pneumatic components enable lightweight and rapid operation, contributing to improved production efficiency across all industries. Alongside the exploration of extensive communication support and automation technologies, they also contribute to reducing environmental impact through energy savings and extended service life. |
| Drive components, electric motion components, and assistance devices | Our total solutions, including pneumatic, electric, and software based solutions, and a hybrid of all three, contribute to promoting carbon neutrality and digitalization. Assistance devices assist with worker safety and workability to help create comfortable workplaces.   |
| Fluid control components   | Fluid control components create added-value by working closely with our customers in a wide range of industries, including semiconductors, mobility, healthcare, food products, and agriculture. We are also advancing new technological innovations with an eye toward new energy.  |

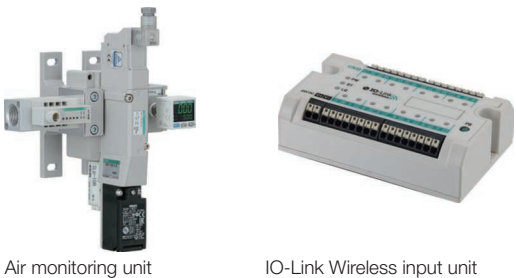
### Report on fiscal 2024

Against the backdrop of investments in generative AI, some customers in the semiconductor and electronic components industries have made progress in inventory reduction and are now showing signs of recovery. In overseas markets, demand is increasing in China, where localization of semiconductor manufacturing equipment is advancing, as well as in Taiwan and South Korea, where investment in HBM remained strong. We too are building a production foundation at the U.S. Austin Plant, new Malaysia Plant, India Plant, and Hokuriku Plant and are strengthening our global account system.

To understand our customers' challenges, we actively conducted engineer visits, technical exchange meetings, and

various exhibitions. By jointly sharing issues, we aim to continue to create new value going forward.

In the environmental field, we launched the Air Monitoring Unit that can monitor energy in production processes and the IO-Link Wireless Input Unit that saves on wiring and contributes to uninterrupted production. We also utilize CKD components, including these new products, at our own plants to advance environmental initiatives at the plants through new management metrics such as energy productivity. By showcasing our facilities to customers through showcase factory tours, we identify their challenges and needs, and strive to meet their expectations.



Technical exchange meetings with customers and young employees

### Future outlook and issues

In the semiconductor market, new demand is emerging as production processes grow more complex due to miniaturization and multilayering. It is essential to generate new ideas and discover innovative solutions through co-creation with our customers and within the CKD Group, and we will continue to pursue this endeavor.

In our global initiatives, we constantly keep in mind the needs, specifications, and standards of overseas regions, working to strengthen sales, development, and services. We will raise competitiveness and strengthen operations with priority on the ASEAN region, India, and Europe.

In the environmental field, while engaging in environmentally conscious products and carbon neutral business initiatives,

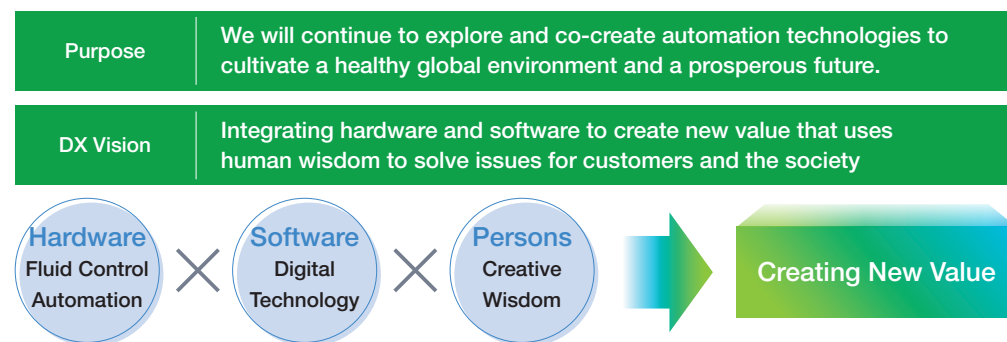
we will advance product development that leads customers to say "This is exciting" or "This is interesting." Furthermore, in internal manufacturing as well, we will flexibly move forward with environmental initiatives.

Finally, it is important to create a workplace where each and every employee can draw out their full potential in all aspects and grow together with the company. We will raise engagement and continue creating a workplace that gets people excited while we explore and co-create automation technologies to cultivate a healthy global environment and a prosperous future.



# DX Strategy

We believe that the importance of digital technology as one of the automation technologies stated in our Purpose will continue to grow in the 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.



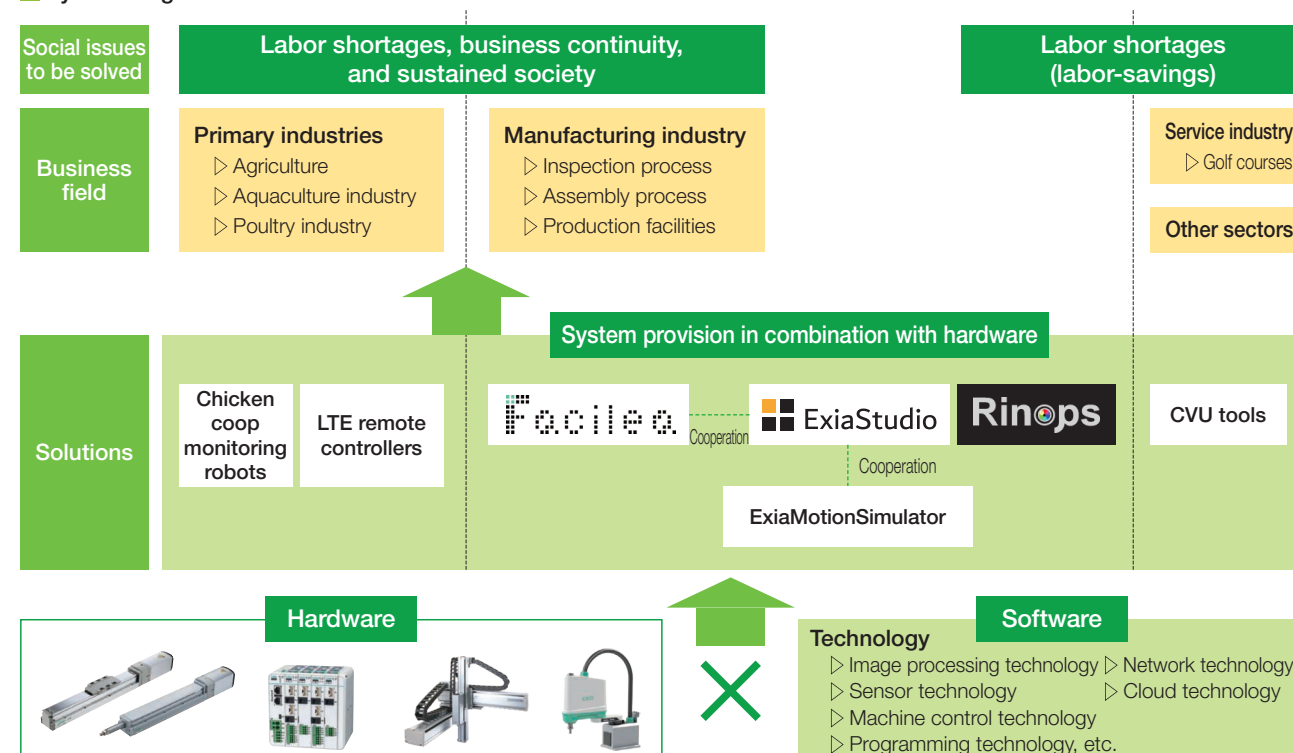
## Target

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 primary industries, which are suffering from a declining workforce.

## Software solutions

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

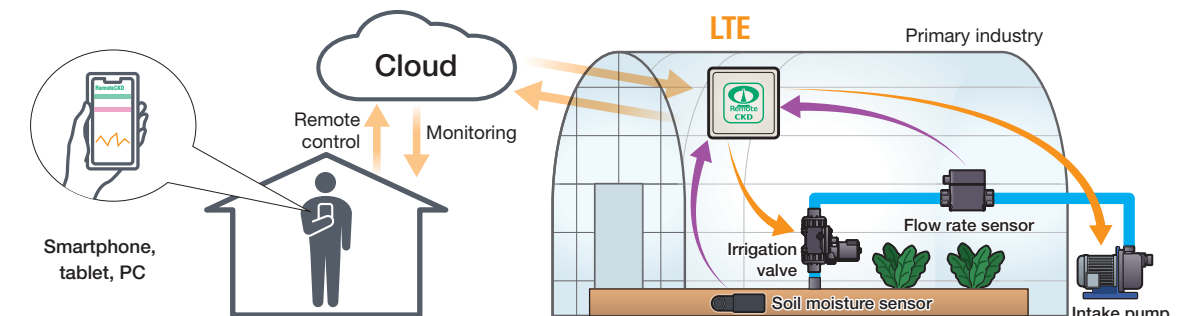
### System diagram



### Software solution products

#### Solutions for primary industries (LTE remote controllers)

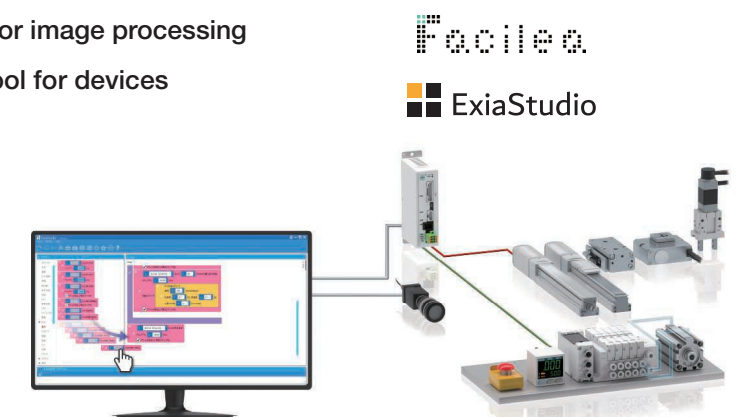
Integrating solenoid valves and sensor technology with IoT, we will provide remote control for the agriculture and aquaculture fields. Reductions to the workload from remote operations and anomaly detection using a smartphone.



#### Facilea visual programming tool for image processing

#### ExiaStudio visual programming tool for devices

No knowledge of programming is required. Enables image processing, control systems, and data collection with no coding. Data transmission reduces wiring and devices to realize space-savings, low cost, and environmental considerations.



### DX initiatives in business operations

Aiming to establish operational excellence, we are leveraging digital technologies to improve productivity, QCDS, and customer experience (CX).

#### Strengthening core systems in Japan and overseas

As a part of Improvement of management efficiency, a key initiative of the Medium-Term Management Plan, we have put forth strengthening core systems in Japan and overseas as a measure to strengthen our foundation. As one initiative, we are planning and implementing standardization of core systems at Group companies. Moreover, we are promoting the establishment of a global foundation by engaging in data-driven management, which enables data-based decisions to be made in line with domestic SAP data from the level of management to the production frontlines.

#### Utilizing Nexus AI Chat, a generative AI tool for internal use

At D-Academy, a study session held for employees, we provide the opportunity to learn how to effectively use generative AI. In addition, we have created guidelines that clearly define the rules for use and are promoting utilization to strengthen the Company's competitiveness and improve the efficiency of business processes.

#### Enhancing customer experience (CX)

Our sales segment is working to improve sales productivity by utilizing digital marketing and SFA (Sales Force Automation), and we are sharing customer feedback with technology and production segments. We are conducting initiatives to enhance CX and meet customer expectations.