

CKD Report 2025

Integrated Report



CKD

CONTENTS

Introduction

- 01 CONTENTS
- 03 About the Publication
- 04 Principles
- 05 CKD at a glance
- 07 Message from the President



CKD's Value Creation Story

- 11 CKD's History
- 13 Corporate Value Creation Model
- 15 CKD's Strengths
- 17 Special Feature: CKD's Fine System Components Supporting Semiconductor Manufacturing
- 19 CKD's Corporate Value that Helps Solve Social Issues
- 20 Material Issues

CKD's Growth Strategies

- 23 Medium- to Long-Term Roadmap
- 25 Medium-Term Management Plan
- 27 Strategy by Business (Automatic Machinery Business)
- 29 Strategy by Business (Component Products Business)
- 31 DX Strategy

CKD's Capital Strategies

- 33 Message from the Officer in Charge of Administration
- 35 Financial Capital
- 37 Human Capital
- 41 Natural Capital
- 45 Addressing Climate Change
- 47 Intellectual Capital
- 48 Manufacturing Capital
- 49 Social Capital

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"> Principles CKD at a glance Message from the President 	<ul style="list-style-type: none"> CKD's History Corporate Value Creation Model CKD's Strengths Special Feature: CKD's Fine System Components Supporting Semiconductor Manufacturing CKD's Corporate Value that Helps Solve Social Issues Material Issues 	<ul style="list-style-type: none"> Medium- to Long-Term Roadmap Medium-Term Management Plan Strategy 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 Administration Financial Capital Human Capital Natural Capital Addressing Climate Change Intellectual Capital Manufacturing Capital Social Capital 	<ul style="list-style-type: none"> Message from the Chairperson of the Board of Directors Roundtable Discussion with Independent Directors Corporate Governance Board of Directors and Audit & Supervisory Board Members Compliance Risk Management Risks and Opportunities
				Data

Corporate Governance

51 Message from the Chairperson of the Board of Directors



53 Roundtable Discussion with Independent Directors



57 Corporate Governance

63 Board of Directors and Audit & Supervisory Board Members

65 Compliance

66 Risk Management

67 Risks and Opportunities

Corporate Data

69 Financial/Non-Financial Highlights

71 11-Year Summary

73 Share Information

74 Corporate Data

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.

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

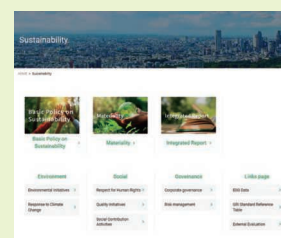
<https://www.ckd.co.jp/en/ir/>

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.mufg.jp/?sn=6407>
(Japanese only)

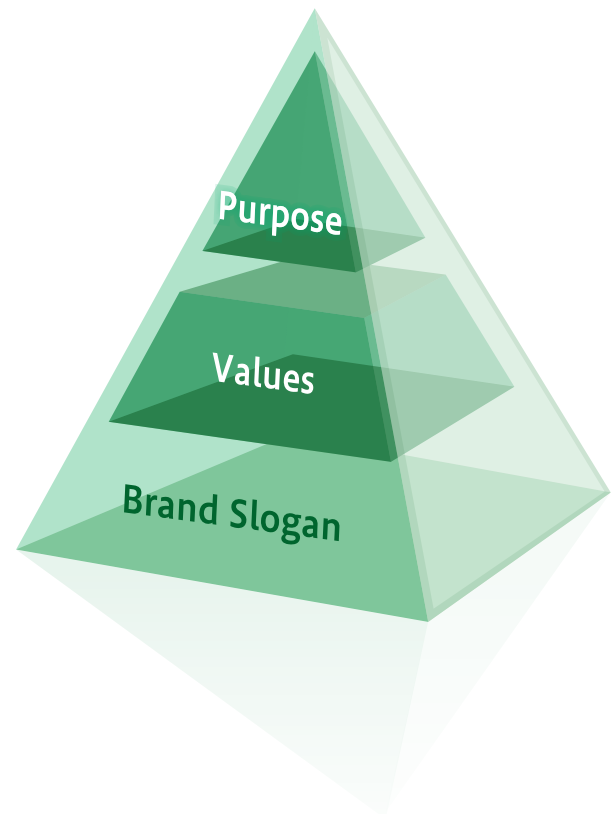
Principles

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

“Customer first”

Sustainability

Human

“Human resource”

Innovation

Professionalism

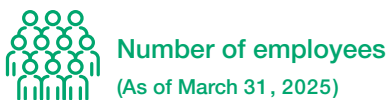
Brand Slogan

Creating Solutions Together

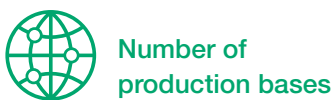
CKD at a glance



82 years



4,641

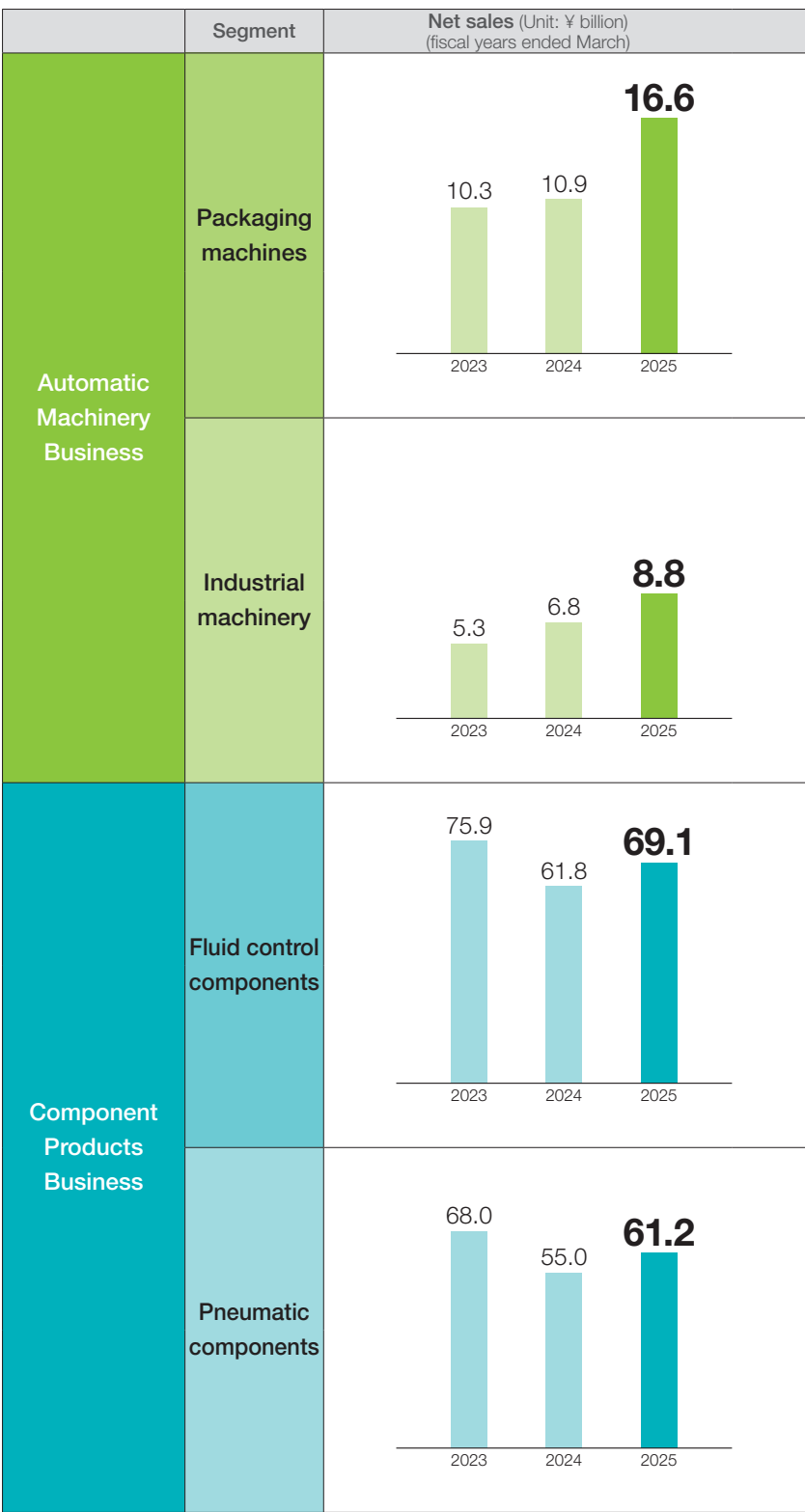
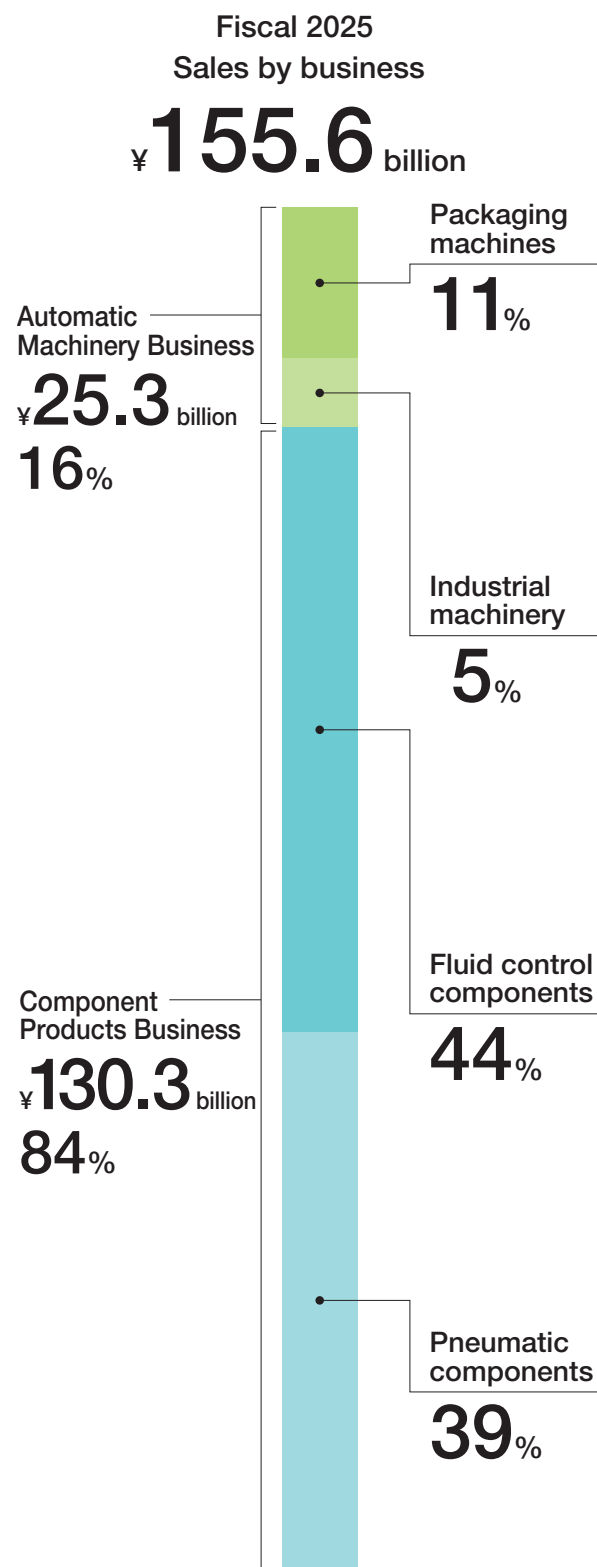


Domestic

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)

Main products

Packaging machines
(pharmaceuticals,
foods)

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.

Pharmaceutical products
packaging machine, Eco
Blister FBP-600E4/E4SFood packaging machine,
Eco Blister CFF-360E

Service businesses

CKD Field Engineering Corporation, which specializes in the maintenance of automatic machinery, supports safe and secure operations.

Lithium-ion battery
winding machines

We ensure battery quality and safety by combining servo control technology cultivated over many years with our proprietary pneumatic components and cam technology.

Lithium-ion battery
winding machine3D solder paste
inspection machines

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.

3D solder paste inspection
machine VP9000Fine system
components
(for semiconductors)

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.

Chemical liquid
valveVacuum
componentsProcess gas
control equipmentFluid control
components
(for general industry)

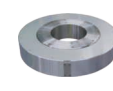
Based on the concepts of high quality and wide variation, we offer a broad range of products, from a variety of valves to environmental equipment such as control systems for dust collectors and water treatment systems.

Weir
diaphragm
valveMedical
analysis-
specific valveDirect acting 2,
3 -port valveSolenoid valve
for automatic
wateringPneumatic
components
(FA: automation,
labor-saving)

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.

Plug-in-type
block
manifoldPneumatic
cylinderNitrogen gas
extraction unitF.R.L.
unitAssistance
deviceElectric motion
components

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.

(CKD NIKKI DENSO CO., LTD.)
Direct drive motorsElectric
actuator

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.

CKD's History

CKD has been engaged in the research and development of automation technology and fluid control technology for over 80 years since its establishment in 1943. Our lineup of over 500,000 products is proof that we have created the same number of products as there are customer needs.

■ Net sales

(¥ million)

160,000

120,000

80,000

40,000

0

Fiscal 1946-1976
Fiscal 1977 onward
Fiscal 2014-2015

Non-consolidated results
Consolidated results
The fiscal year-end of overseas subsidiaries was changed from December 31 to March 31

1973
Oil crisis

1985
Plaza Accord

1940 1946 1950 1955 1960 1965 1970 1975 1980 1985 1990

1943-

Establishment and two businesses

Established as Japan Aircraft Electric Co., Ltd. in Nagoya City, Aichi Prefecture in 1943 and subsequently renamed Chukyo Electric Co., Ltd. in 1945.

In 1947, commenced the manufacture of vacuum tube manufacturing equipment, the first step toward automatic machinery. Subsequently, the AC solenoid A Series was developed based on solenoids manufactured in-house for tube manufacturing machinery, and in 1956, the Component Products segment was established.

In 1961, relocated its factory to Komaki City, Aichi Prefecture.



1970-

Electronics-based technologies

In an era of accelerating factory automation, as a pioneer in factory automation, developed innovative technologies such as pin board control and pneumatic circuits that integrate pneumatic technology with machinery technology. This enabled the commercialization of the pneumatic industrial robot Cell Arm, and we have subsequently provided machinery and component products demanded by various industries.

In 1979, company name changed to CKD Corporation. Listed on the first section of the Tokyo Stock Exchange.



Cell Arm

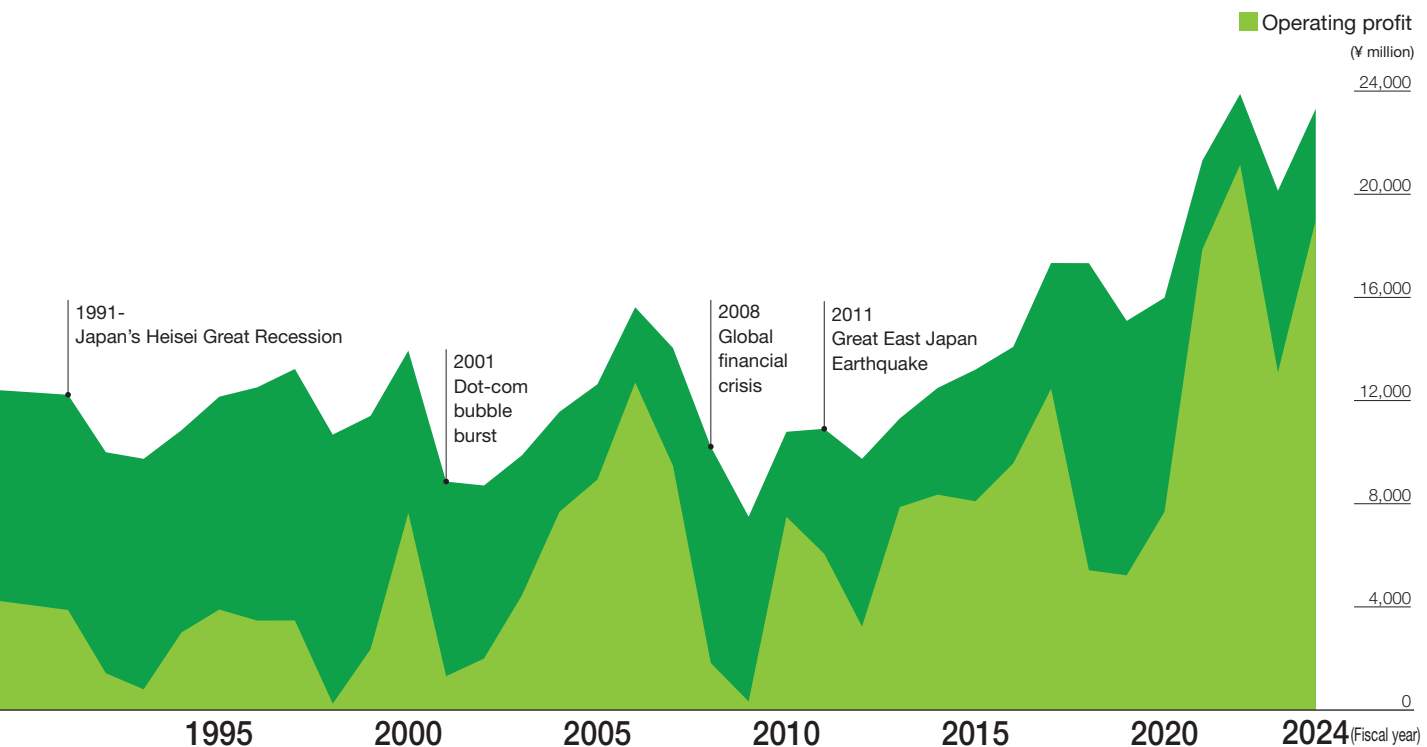
1983-

Full-fledged entry into the semiconductor business

In 1984, developed Fine system components for semiconductor manufacturing equipment. We realize cutting-edge process control in support of semiconductor industry with extensive variations that cover everything from supply systems to exhaust systems for semiconductor and liquid crystal manufacturing equipment, including chemical liquid, gas, and vacuum control.



Chemical liquid valve



1984-

Overseas expansion

In 1984, established M-CKD PRECISION SDN. BHD. in Malaysia, and in 1985, established CKD USA CORPORATION in the U.S. The Company subsequently established overseas subsidiaries in China, Thailand, Singapore, and elsewhere and now has 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.

In 2012, company name changed to CKD Corporation.



2014-

Aiming for a sustainable society

In pharmaceutical packaging machines, we have put into practical use PTP packaging, which uses plant-based biomass plastic, and Clear E-Sheet, which reduces the plastic waste generated in the packaging process by 70% or more.

In addition, based on the concept of people-friendly, we developed the PowerArm assistance device, which helps create workplace environments that are safe and comfortable for everyone, including seniors and women. We are developing and expanding the sale of low environmental impact products, considering not only energy and resource savings but the entire lifecycle.

In 2022, transitioned to the TSE Prime Market and NSE Premier Market.



Pharmaceutical products packaging machine, Eco Blister

PowerArm

2023-

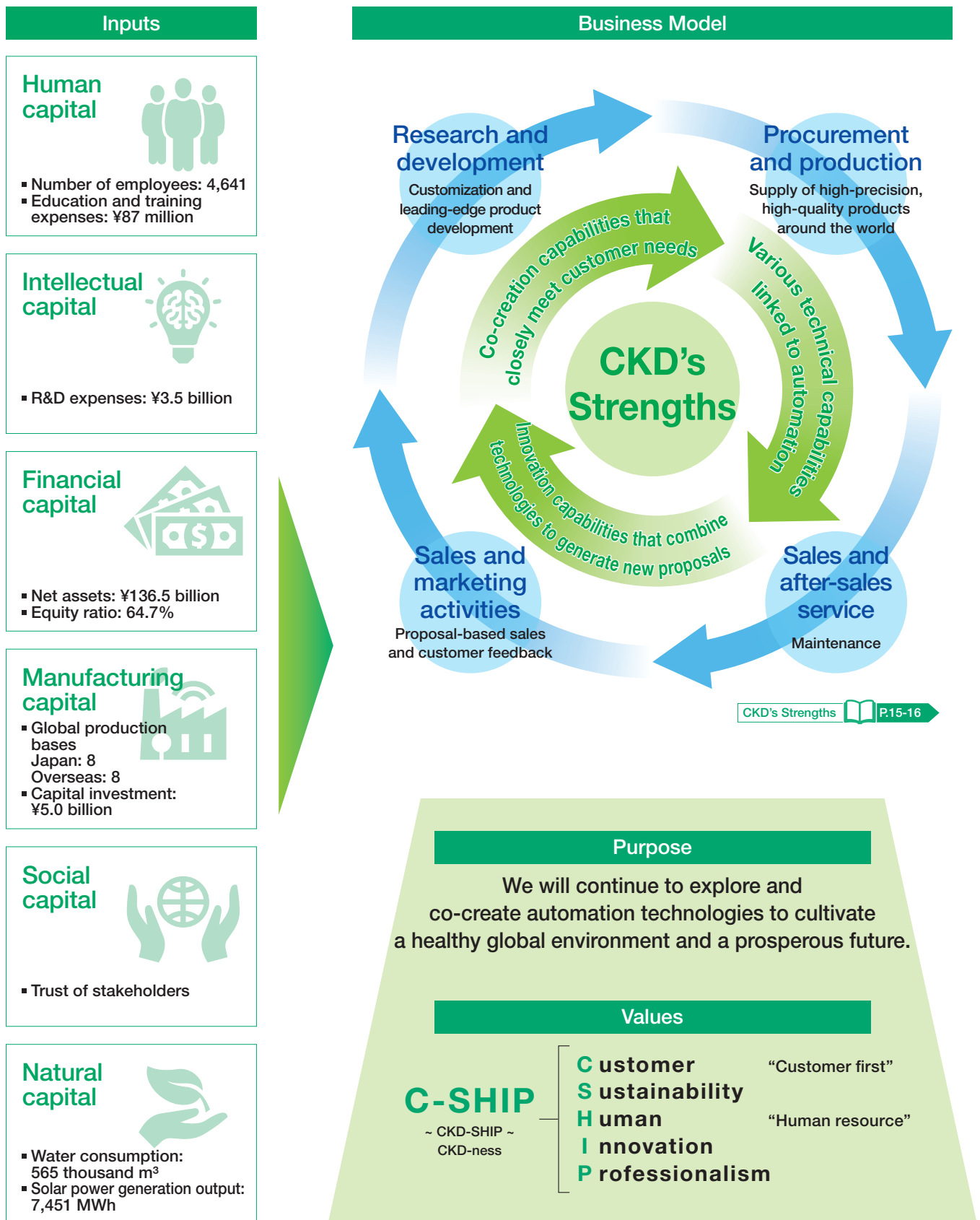
Revising our principles

In 2023, CKD celebrated its 80th anniversary and replaced its previous Corporate Philosophy and Corporate Commitment with a new Purpose and Values.

Going forward, we will develop business while further pursuing technological innovation based on our automation technology and fluid control technology. We will continue to address all the challenges faced by customers, support global manufacturing, and strive toward social contribution and the realization of a sustainable society.



Corporate Value Creation Model



Material Issues

Business Environment Social Foundation



Material Issues P.20-22

Long-Term Management Vision
10-Year VISION: GO CKD!

Medium-Term Management Plan
Exciting CKD 2025

Management goals

Net sales **¥180.0 billion**

ROE **10-13%**

Dividend payout ratio
Around 40%

Medium-Term Management Plan P.23-24

Key initiatives

- Focus industries: Semiconductors, rechargeable batteries
- Focus region: Global
- Human resource development/ Governance

Strategies to grow the business

- Strategy by Business

Strategy by Business P.27-30

- Capital Strategies

Capital Strategies P.33-50

Outputs

Automatic Machinery Business

- Packaging machines
- Lithium-ion battery winding machines
- 3D solder paste inspection machines
- Service solutions



Component Products Business

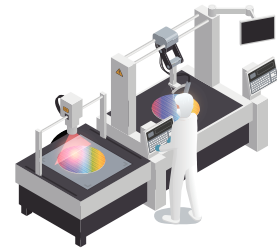
- Fine system components for semiconductor front-end processing
- Precision components for leading-edge processes
- Pneumatic and electric motion components for realizing automation
- Energy-related products
- Low environmental impact products
- Software for smart factories
- Service solutions



Outcomes

Creating corporate value

Development of digital infrastructure



Building smart factories



Creating a decarbonized society



Creating a safe and secure society



CKD's Corporate Value that Helps Solve Social Issues P.19

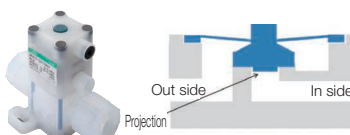





CKD's Strengths

Leveraging the Company's strengths cultivated over its long history, we will strive to achieve technological innovation and value creation in order to solve various social issues, and contribute to the realization of a prosperous society and the creation of a new era through a variety of products.

Various technical capabilities linked to automation

For over 80 years since our founding, we have pursued automation technology, establishing diverse technologies that support over 500,000 products in automatic machinery and component products, and we continue to evolve.

We contribute to solving diverse social issues, including labor shortages due to the shrinking labor force, rising safety awareness among workers, and the standardization of manufacturing quality.

Ultimate cleanliness  Contribute to semiconductor manufacturing Low dust technology	Toughness that transcends limits Overwhelmingly stable operation  Contributing to factories that never stops Precision, high-durability technology	Smart vision for detecting anomalies Unique inspection method High measurement accuracy and repeatability Detection of even invisible abnormalities  Optical inspection technology
Flow management Thin and flat high-flow  Achieving products with compact size and high flow rates with a streamlined process Fluid analysis technology	Precision magnetic drive Compact, high-resolution actuators  Contribute to smaller facilities Magnetic control technology	Micro, high-speed sensing MEMS sensor that uses semiconductor manufacturing technology  Quickly detect flows with high-sensitivity sensors Sensing technology

Innovation capabilities that combine technologies to generate new proposals

The Company is one of the few in the world to develop its business around the two linchpins of Automatic Machinery and Component Products. Starting with system unit proposals that integrate multiple branching technologies, we create new value by combining fluid control, automation technology, and digital technology.



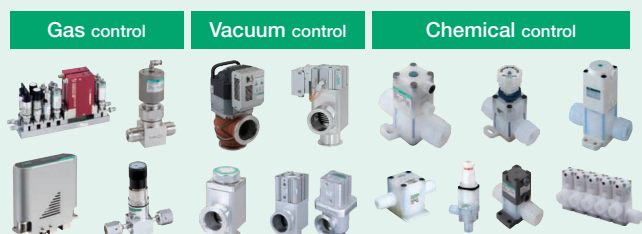
Co-creation capabilities that closely meet customer needs

The Company's products are used in a wide variety of industries, including automobiles, semiconductors, healthcare and pharmaceuticals, and food products. By utilizing the Company's technologies and co-creating with stakeholders, including customers and suppliers, we are addressing various societal needs, including the realization of high precision, high quality, energy saving, cleanliness, miniaturization, high speed, high-frequency use, and longer service life.

Semiconductor manufacturing process Evolution of fine system components

Through our technical capabilities accumulated since the 1980s, dedication to core components, and rigorous manufacturing process control, we have consistently achieved high precision, stable quality, and high purity in semiconductor manufacturing processes over the long term. We will continue to provide our customers with ease of use.

Special Feature  P.16-17



Technology map

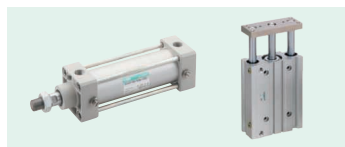
Main core technologies	Semiconductors	Healthcare and pharmaceuticals	Food products	Rechargeable batteries	Electronic components	Automobiles	Machine tools
Image processing technology		Sheet foreign matter tablet inspection device			3D solder paste inspection machine		
Resin film molding technology		Pharmaceutical products packaging machine	Food packaging machine				
Resin film seal (welding) technology		Pharmaceutical products packaging machine	Food packaging machine				
Tablet filling technology		Pharmaceutical products packaging machine					
Film transport technology		Pharmaceutical products packaging machine	Food packaging machine	Lithium-ion battery winding machine			
Servo control technology				Lithium-ion battery winding machine			
Software technology	Image processing AI tool	Device visual programming tool					
Compact coil design	Directional control valve				Directional control valve	Directional control valve	
Low friction, low slip technology	Process gas valve				Pneumatic cylinder	Pneumatic cylinder	
Flow analysis technology	Chemical liquid valve	Fluid control valve					
Microfabrication management technology	Chemical liquid valve						
Water hammer reduction technology	Chemical liquid valve						Fluid control valve
Air servo control technology	Vacuum valve Electro-pneumatic regulator				Electro-pneumatic regulator		
MEMS technology	Sensor component			Sensor component	Sensor component	Sensor component	Sensor component
Diaphragm design technology	Chemical liquid valve Process gas valve	Medical analysis-specific valve	Fluid control valve				
Cleanliness technology	Chemical liquid valve Process gas valve	Medical analysis-specific valve	Fluid control valve				
Compact resolver technology	Direct drive motor				Direct drive motor		
Gas separation membrane technology			Conditioning and pressure regulation component	Conditioning and pressure regulation component	Conditioning and pressure regulation component		
Porous control technology	Static pressure bearing vacuum pad			Vacuum plate	Static pressure bearing vacuum plate		

Contribute to the environment through integrated technologies

Lithium-ion battery winding machine (Automatic machinery & component products)



Lithium-ion battery winding machine

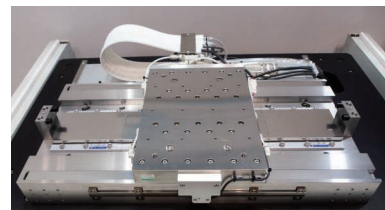


Components for rechargeable batteries

Lithium-ion battery winding machines, packed with technologies such as servo control from automatic machinery and low dew point environment adaptation from component products, contribute to reducing environmental impact by improving battery quality and safety.

Development of units integrating Group technologies

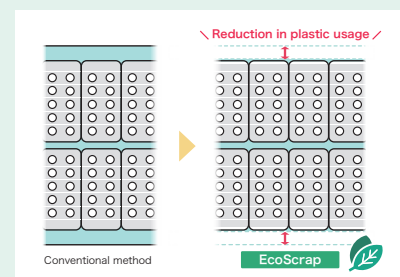
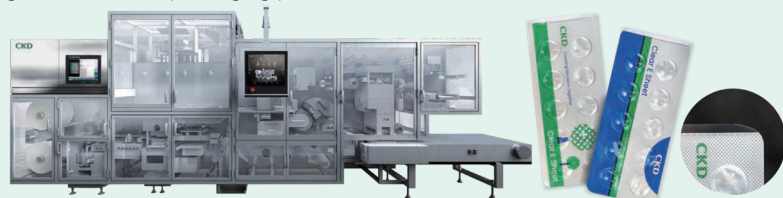
High-precision linear stage (CKD & CKD NIKKI DENSO)



Through integrating pneumatic technology and magnetic technology, we developed a high-precision linear stage. It contributes to precision positioning for inspection and other devices.

Combining strengths with customers to realize environmentally friendly pharmaceutical packaging

Sharing with customers the goal of reducing environment impact, we revised our long-standing manufacturing method, and substantially reduced plastic waste generated in the packaging process.



EcoScrap Technology

CKD's proprietary environmentally friendly technology for reducing plastic use

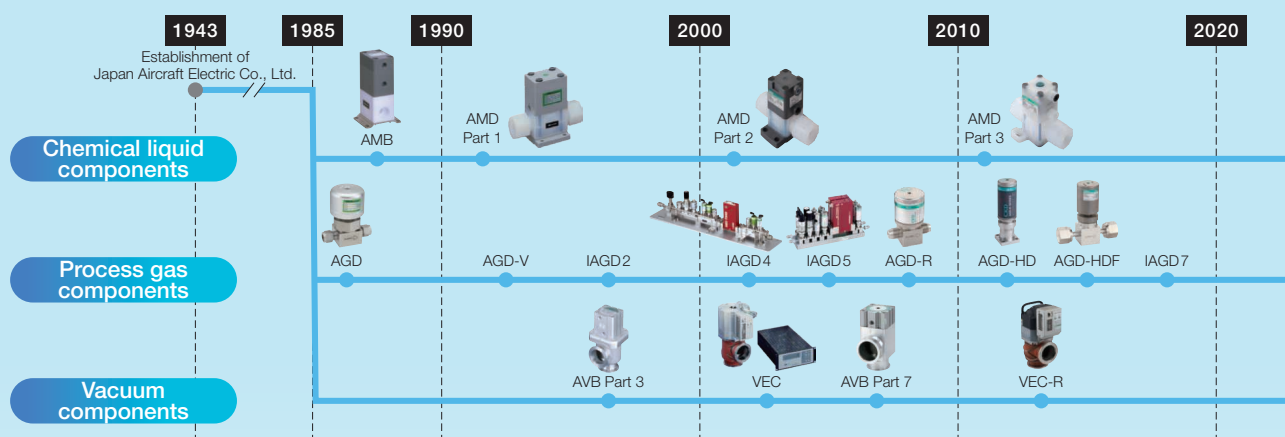
CKD's Fine System Components Supporting Semiconductor Manufacturing

The Company refers to components developed to control high-function, high value-added fluids, such as special chemical fluids and gases used in the semiconductor manufacturing process, as fine system components. In recent years, the semiconductor industry is projected to expand into a trillion-dollar market by 2030, driven by the rapid advancement of generative AI and EV/autonomous driving technologies. At the forefront of semiconductor manufacturing supporting these growth sectors, we introduce the role our fine system components play and the reasons behind the long-standing trust we have earned from leading-edge equipment manufacturers.

Evolving semiconductor manufacturing and fine system components

With a history of leveraging fluid control technology, our core technology, to enable various types of fluid control, the Company's fine system components began with the development of solenoid valves for chemical liquid in the 1980s. Thereafter, as the semiconductor manufacturing process evolved, we expanded our lineup to include chemical fluids, chemical gases, and vacuum components. A major strength of CKD is its extensive involvement in both wet and dry processes of the semiconductor manufacturing process.

Furthermore, based on our unique fine philosophy, we have cultivated our technical capabilities by developing and manufacturing products that closely address our customers' challenges and needs over the long term. Moreover, through our dedication to core components and rigorous manufacturing process control, we have achieved high precision, stable quality, and high purity for semiconductor manufacturing processes. Responding to requirements stemming from the advancement of manufacturing processes, through dialogue with customers we leverage our development approach and technological capabilities to engage in product development, production process development, and service provision, thereby earning widespread support.



① Chemical liquid components

Components for controlling fluids like pure water and chemical liquids in the semiconductor process. They are widely used in semiconductor manufacturing, from utilities to fluid control within manufacturing equipment.

Representative products

Valves

Air operated valve
AMD**3R



Regulators

Pilot operated regulator PMP



Strengths

By in-sourcing the production process, we enable thorough manufacturing control, achieving stable product quality and a reliable supply of products. Furthermore, for diaphragms—a core component in chemical liquid valves—we handle everything from material selection to processing in-house. This ensures stable product performance while accommodating various conditions such as the fluids, temperature, and pressure used by customers.

② Process gas components

Components for controlling process gas in the etching and film deposition stages of the semiconductor process. We have released the industry's first gas aggregation system that simultaneously solves space-saving and maintenance improvement challenges in process gas supply systems, and it is being utilized by many customers.

Representative products

Valves

Air operated valve AGD
(high temperature, high durability)



Systems

Integrated gas supply system IAGD



Strengths

In the high-precision dry process etching and film deposition steps, high quality is required in terms of usage environment, operating speed, and durability. We continue to upgrade our products to meet these quality requirements. In leading-edge semiconductor manufacturing processes, the increased valve operation speed leads to a higher number of valve openings and closings, demanding greater durability. In response, the Company has integrated various technologies to achieve the required high speed and durability.

③ Vacuum components

In semiconductor processes, these valves precisely control chamber exhaust during processes such as film deposition, similar to process gas components.

Representative products

Valves
Air operated valve AVB



System components
Proportional control system VEC-R



Strengths

In the dry process of film deposition, as films are becoming thinner and uniform thickness is required, more precise pressure control within the vacuum chamber is necessary. Before CKD developed the vacuum pressure control valve, the film deposition process relied on a combination of butterfly valves, vacuum valves, needle valves, and mass flow controllers to achieve pressure control within the vacuum chamber. CKD's vacuum pressure control valve is capable of providing the functions of all these components in a single unit, helping to save space for semiconductor manufacturing equipment and increase the precision of vacuum pressure control. Furthermore, we continue to develop further functions for the unit in line with the progress of the process, and the unit currently is an essential product in the semiconductor process.

■ Semiconductor manufacturing process

Semiconductor manufacturing: front-end processes											Facility	
	Cleaning	Film deposition	Resist coating	Exposure	Developing	Etching	Resist stripping	Polishing	Ion insertion	Annealing	Chemical liquid supply	Gas supply
① Chemical liquid components	○		○	○	○	○		○			○	
② Process gas components		○				○	○		○	○		○
③ Vacuum components		○				○	○		○	○		

Robust production system

To accommodate growth of semiconductor industry going forward, we have built more robust production system, including the launch of the Hokuriku Plant in fiscal 2024 and completion of a new plant in Malaysia. Furthermore, to meet the expectations of customers, we are aiming to further raise our profile in the industry by pursuing cleanliness, advanced function and high performance.

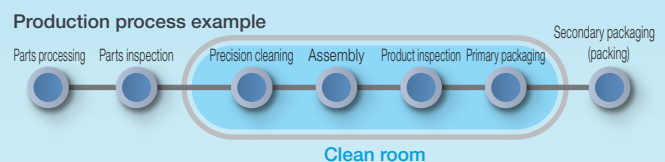
● Ultra Fine philosophy in pursuit of cleanliness

Based on CKD's unique Ultra Fine philosophy, which involves implementing thorough cleanliness across all critical factors of product development, we rigorously manage product cleanliness.



● Quality control supporting high cleanliness

We have established a comprehensive quality management system extending all the way to the parts level, not just for finished products. Regarding cleanliness, which is particularly critical for quality, we have established internal standards for each impurity to ensure unwavering quality.



● Development and production bases

We operate production facilities equipped with cleanrooms essential for manufacturing components for semiconductor manufacturing equipment worldwide, enabling rapid product delivery and the dispersal of supply risks. Furthermore, newly completed production bases have further enhanced production capacity by increasing automation levels. In addition, by attaching a development division, we are able to provide close support to our customers and develop products tailored to their needs.



Clean room at the Hokuriku Plant



Automated warehouse at the Tohoku Plant

Japan

Development and Production

- Kasugai Plant (Komaki City, Aichi Prefecture)
- Tohoku Plant (Ohira-mura, Kurokawa-gun, Miyagi Prefecture)
- Hokuriku Plant (Komatsu City, Ishikawa Prefecture)
- Launched operations in 2024

Asia (Other)

Development and Production

- Korea Plant (Siheung)
- China Plant (Wuxi)
- New Malaysia Plant (Kulim) **Completed in 2025**

Development

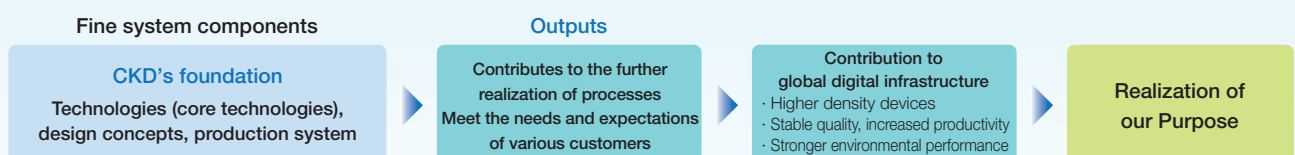
- Taiwan Technical Center (Hsinchu)

U.S. and Europe

Production

- USA AUSTIN MANUFACTURING (Austin)
- Development**
- America Technical Center (Santa Clara)

Achieve Purpose through fine system components



CKD's Corporate Value that Helps Solve Social Issues

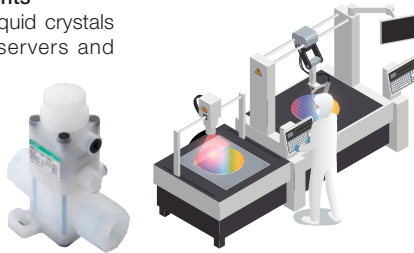
Technologies for always safely delivering pharmaceuticals and food products, technologies for solving issues on the frontlines of manufacturing and in agriculture, technologies that contribute to the environment. The products and services born of CKD's technologies support people's lives and a prosperous society in diverse settings.

Development of a digital society

Enhancement of the living environment

Fine system components

Semiconductors and liquid crystals used in data center servers and tablet devices. CKD's control components also play active roles in the clean working environment in which these products are manufactured.



Contribution to advanced functionality and more compact size

3D solder paste inspection machine

CKD's technology, which never misses defects in the manufacturing of printed circuit boards for smartphones, contributes to the advanced functionality and more compact size of electronic components.

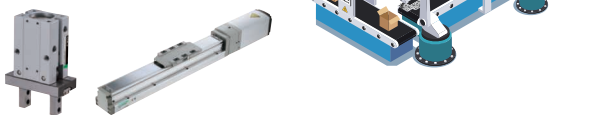


Building smart factories

Contribution to global automation

Electric actuators/Pneumatic cylinders

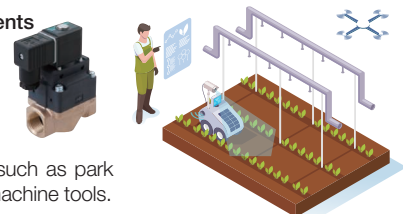
Actuators, which are indispensable in manufacturing plants, are another of CKD's products. The Company also contributes to the reduction of environmental impact through the optimal mix of pneumatic and electrical systems, long-life cylinders, etc.



Increasing agricultural productivity

Fluid control components

CKD's technology, which controls all kinds of fluids, is used in a variety of fields that make people's lives more convenient, such as park sprinkler systems and machine tools.



Software services and products

Our services and programming tools are used to improve productivity in factories, agriculture, aquaculture, etc.



Creating a decarbonized society

Accommodating vehicle electrification

Lithium-ion battery winding machines/ Battery manufacturing components

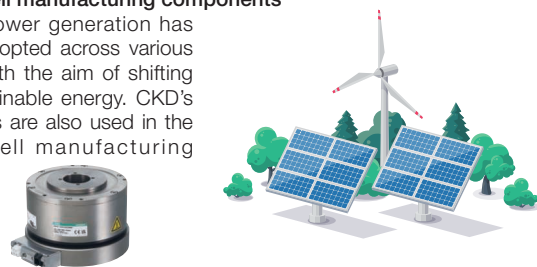
Lithium-ion batteries are widely used as the latest type of storage battery, particularly in hybrid and electric vehicles. CKD's technology is also used in the manufacturing of these batteries.



Consideration for the environment

Solar cell manufacturing components

Solar power generation has been adopted across various fields with the aim of shifting to sustainable energy. CKD's products are also used in the solar cell manufacturing process.



Creating a safe and secure society

Stable supply of pharmaceuticals

Automatic pharmaceutical packaging systems/Life science components

CKD's technology is also used in machinery and components for pharmaceutical products and medical devices that support safe medical care, such as packaging for drugs, oxygen concentrators, analyzing devices, and dental equipment control.



Food safety and long-term preservation

Automatic food packaging systems/Food production components


There is a growing number of packaged foods being developed with the aim of improving added value, such as preserving food quality and hygiene. CKD's food packaging technology ensures food safety and delivers peace of mind to people.



Material Issues

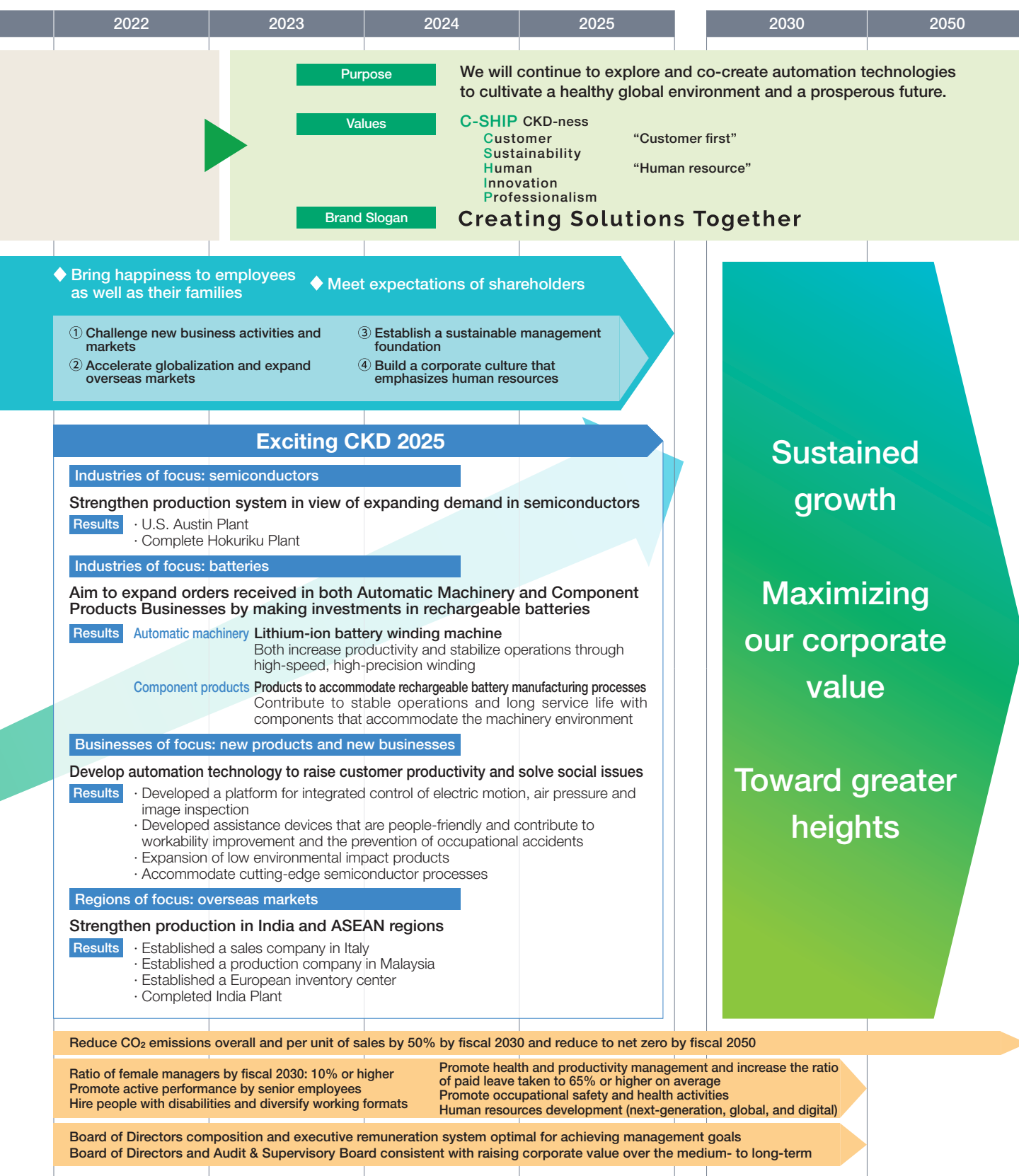
Material issues medium-term targets

Material Issues		Targets <small>*The target fiscal year is fiscal 2025 if no target year is stated.</small>
Business	● Development of low environmental impact products	■ Develop machinery for plastic-free packaging
		■ Develop technology to reduce packaging material scraps
		■ Optimize environmental impact assessment standards and operations for development evaluation
	● Products that emphasize safety and quality	■ Improve product safety and quality by proposing new inspection machines
		■ 100% implementation rate of customer safety and product quality enhancement by utilizing quality analysis methods
	● Challenge to technological innovation	■ Develop elemental technologies to improve environment conservation efforts, customer safety, and product quality
		■ Accumulate core technologies through technological innovation to contribute to society
	● Challenge to new businesses and markets	■ Expand service businesses
		■ Develop new businesses
	● Supply chain management	■ 100% compliance rate of CKD Green Procurement Guide by major suppliers
Environment	● Reduction of CO ₂ emissions	■ CO ₂ emissions reduction: 50% reduction in total volume by fiscal 2030 (compared to fiscal 2022)
		■ CO ₂ emissions reduction: 50% reduction per unit of sales by fiscal 2030 (compared to fiscal 2013)
		■ Promote environmental investments (prepare to install additional solar power generation facilities and systematically introduce energy-saving equipment)
	● Reduction of water consumption	■ 2% reduction compared to the previous fiscal year (per unit of sales, CKD (non-consolidated))
	● Prevention and reduction of waste	■ 2% reduction compared to the previous fiscal year (per unit of sales, CKD (non-consolidated))
	● Reduction of chemical substances impacting the environment	■ 100% of applicable products are RoHS Directive compliant
Social	● Promotion of occupational safety and health	■ Creation of a safe and secure workplace environment and improving safety awareness among all employees
	● Development of human resources and future generations	■ Carry out next-generation leader training for a cumulative total of 81 employees (number of training participants since fiscal 2017)
		■ Carry out global talent training for a cumulative total of 65 employees (number of training participants since fiscal 2012)
		■ Carry out digital talent training for a cumulative total of 1,000 employees (number of training participants since fiscal 2022)
	● Respect for human rights	■ Conduct human rights due diligence once a year
	● Health and productivity management	■ Recognition as a White 500 enterprise
		■ Average paid leave usage rate of at least 65%
Foundation	● Promotion of diversity and inclusion	■ Send a cumulative total of 23 trainees from overseas to Japan (number of training participants since fiscal 2014)
		■ Ratio of employees who took childcare leave: male 70%; female 100%
		■ Ratio of female managers: 10% (by fiscal 2030)
	● Corporate governance	■ Raise the effectiveness of the Board of Directors (further enhance discussions)
		■ Promote compliance throughout the entire Group, including overseas bases
	● Compliance	■ Strengthen the risk management system of the entire Group, including overseas bases
	● Risk management	■ Disclose ample information to stakeholders
		■ Deviation value of 52 based on external work engagement survey results
	● Stakeholder engagement	■ Support the development of the future generation, carry out environmental protection activities for rivers and forests

Progress (Fiscal 2024)	Relevant SDGs	Relevant page
Developed mono-material PTPs aimed at horizontal plastic recycling	   	  
Contributed to the environment by selling pharmaceutical packaging machines that use EcoScrap Technology to reduce waste from packaging material scraps		
Incorporated contributions to CO ₂ reduction into environmental assessment standards in product development		
Contributed to product quality and higher productivity at customer plants by taking orders for and supplying transparent object inspection machines		
Implemented evaluation and management using quality analysis methods in all processes of new product development and manufacturing		
Promoted higher quality by developing tablet inspection devices with advanced tablet printing inspection functions		
Accumulated 30 core technologies		
Expanded service businesses, including maintenance-service packages that contribute to stable production by customers	     	
Developed elemental technologies related to leading-edge semiconductor processes, where innovation happens daily, and plan to commercialize them in line with customer requirements		
Exchanged documents regarding awareness of and compliance with the CKD Green Procurement Guide with 67 major suppliers, in addition to 20 suppliers from the previous fiscal year, with a compliance rate of 100%		
Fiscal 2024 result: 3.5% reduction (compared to fiscal 2022)		
Fiscal 2024 result: 37.4% reduction (compared to fiscal 2013)		
Introduced energy-saving devices and equipment (air conditioners, LED lighting, compressors, transformers, etc.)	    	 
Fiscal 2024 result: Increased by 0.01% (compared to the previous fiscal year)		
Fiscal 2024 result: Reduced by 13.8% (compared to the previous fiscal year)		
100%		
<ul style="list-style-type: none"> Continued company-wide priority accident prevention activities Number of industrial accidents: Increased by 13% from the previous fiscal year 		
Cumulative total 59 employees		
Cumulative total 57 employees		
Cumulative total 868 employees		
Conducted surveys of 87 major suppliers and all subsidiaries and followed up on the results as needed on an individual basis		
Recognized as an Outstanding Organization for Health & Productivity Management in 2025		
74.7%	   	    
Cumulative total 19 trainees		
Male: 60.3% Female: 100%		
5.2%		
<ul style="list-style-type: none"> Enhanced discussions by the Board of Directors (medium-term management strategy, activities reports from overseas bases) Established opportunities for exchanging opinions off-site Convened the Nomination & Remuneration Advisory Committee with the participation of a third-party organization 		
Conducted compliance training for priority overseas bases (confidential information management, whistleblower system)		
Grasped the current status of confidential information management and promoted countermeasures		
<ul style="list-style-type: none"> Established a special website for Newsletter to Our Shareholders on the Company's website and continued to communicate information Held individual meetings, etc. with shareholders, investors, and suppliers Continued to hold investor relations (IR) introductory workshops for employees Continued to hold town hall meetings as an opportunity for direct interactions between management and employees 		
Fiscal 2024 survey: 48.6		
Sponsored various competitions for students (university and high school students), held factory tours and science classes for local elementary school students, conducted forestation activities and river-cleaning activities		

Medium- to Long-Term Roadmap

1943	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Corporate Philosophy		With creative knowledge and technology, we shall innovate fluid control and automation, and thus contribute to building a rich society.								
Corporate Commitment		1. Recognition of corporate social responsibility 2. Care for the global environment 3. Thorough customer orientation 4. Challenge to technological innovation 5. Corporate culture with faith in human resources								



FY2022 results	FY2023 results	FY2024 results	FY2025 goals
159,457	134,425	155,634	180,000
21,170	13,113	19,018	25,000
13.3	9.8	12.2	13.9
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	2	3	4
Challenge new business activities and markets	Accelerate globalization and expand overseas markets	Establish a sustainable management foundation	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	<ul style="list-style-type: none"> Completed U.S. Austin Plant Completed new Malaysia Plant Completed Hokuriku Plant Established Technical Center 	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	<p>■ Automatic machinery Lithium-ion battery winding machines (both increase productivity and stabilize operations through high-speed, high-precision winding)</p> <p>■ Component products Component products for rechargeable battery manufacturing processes (contribute to stable operations and long service life with components that accommodate the machinery environment)</p>	Automatic Machinery Strategy by Business
Businesses of focus: new products and new businesses	Develop automation technology to raise customer productivity and solve social issues	<p>■ Automatic machinery 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)</p> <p>■ Component products <ul style="list-style-type: none"> Expansion of products for wireless applications Expansion of assistance devices Development of low environmental impact products </p>	Strategy by Business
Regions of focus: overseas markets	Strengthen production in India and ASEAN regions	<ul style="list-style-type: none"> Established a sales company in Italy Established a production company in Malaysia Established a European inventory center Completed India Plant 	Manufacturing Capital
Service business utilizing DX	With creative knowledge and digital technologies, innovate fluid control and automation to create new value	<ul style="list-style-type: none"> Developed ExiaStudio Developed Facilea AI 	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 m ²
Building area	Approx. 15,800 m ²

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 ₂ 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) 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) 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	
		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%)	
	Employee engagement	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 Industrial accident severity rate: 0.01	
Governance		Enhance training system and skill acquisition support system	Made new additions, including implementation of production and sales mutual trainee program	
	Respect for human rights initiatives	Conduct human rights due diligence	—	Social Capital
	Strengthen the Group management system and risk management	Strengthen monitoring by the Risk Management, Compliance, and Sustainability Committees	—	Risk Management
	Corporate governance	Board of Directors composition optimal for achieving management plans	—	Corporate Governance

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

Net sales **¥19.0 billion**

FY2024 results

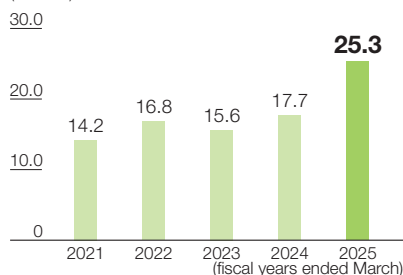
Net sales **¥25.3 billion**

FY2025 goals

Net sales **¥19.0 billion**

Net sales

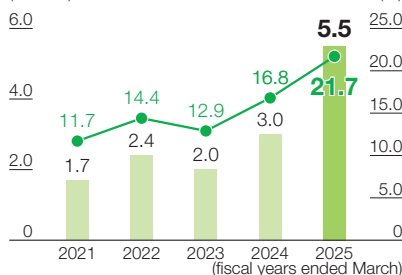
(¥ billion)



■ Net sales

Segment profit and segment profit margin

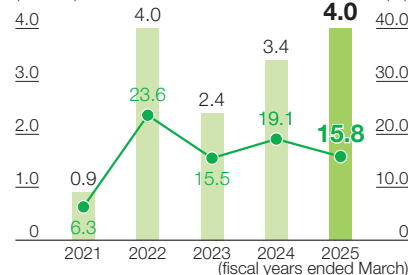
(¥ billion)



■ Segment profit (left axis)
● Segment profit margin (right axis)

Overseas sales and ratio of overseas sales

(¥ billion)



■ Overseas sales (left axis)
● Ratio of overseas sales (right axis)

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

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



Lithium-ion battery winding machine

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.

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

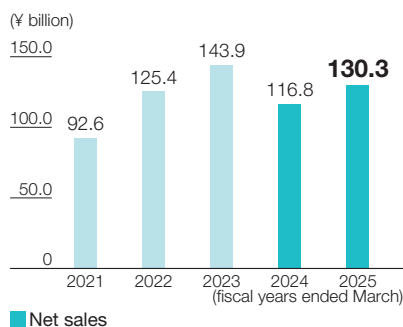
development and proposals that contribute to the environment and also work to reduce the environmental impact of the manufacturing process by visualizing production energy and addressing Scope 3.

● Promoting digitalization and automation

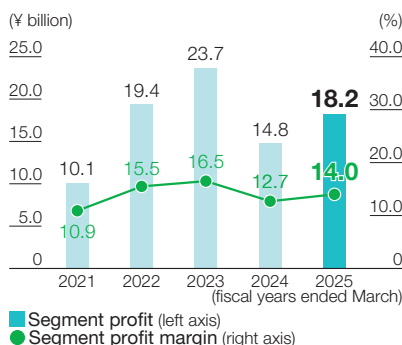
We are efficiently advancing digitalization and automation to improve operational efficiency, address labor shortages, and enhance quality and delivery capabilities. Through digital technologies like Facilea and ExiaStudio (software) and fluid control and automation technologies (hardware), we will propose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

Target/KPI	FY2024 goals	FY2024 results	FY2025 goals
Increase ratio of overseas sales	38% or more	38.1%	40% or more

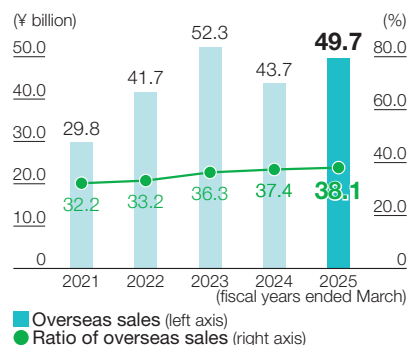
Net sales



Segment profit and segment profit margin



Overseas sales and ratio of overseas sales



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.



Air monitoring unit



IO-Link Wireless input unit



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.

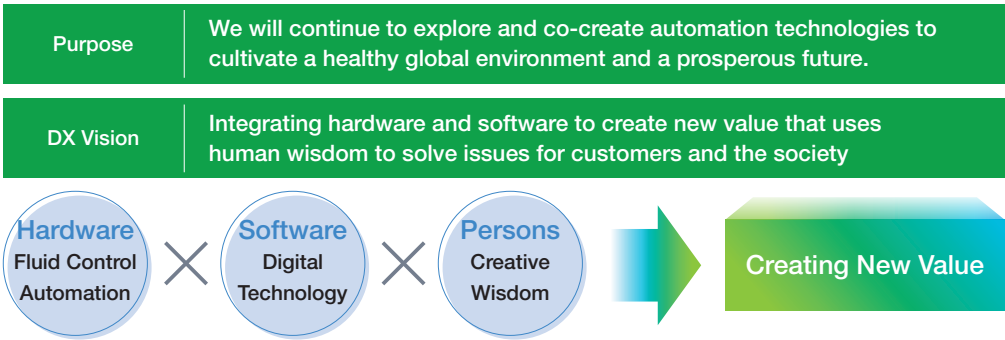
In the environmental field, while engaging in environmentally conscious products and carbon neutral business initiatives,

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.



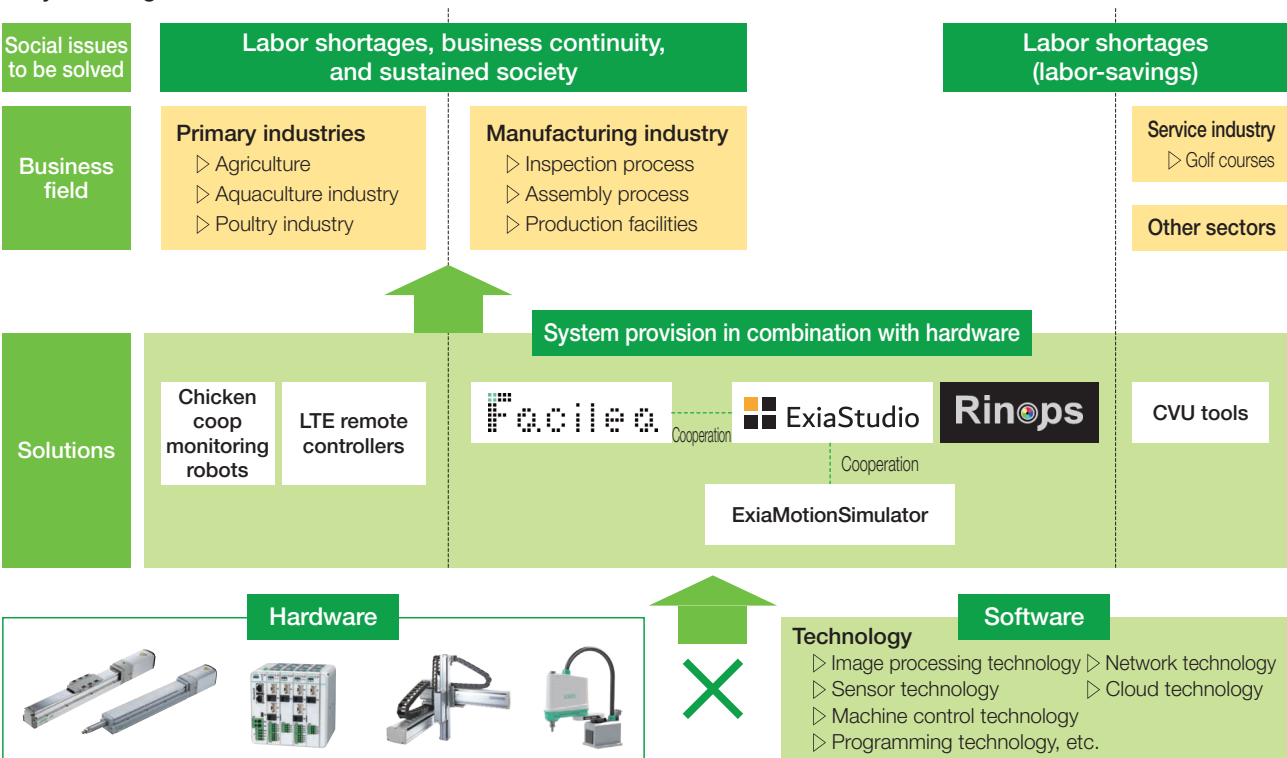
Target

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.

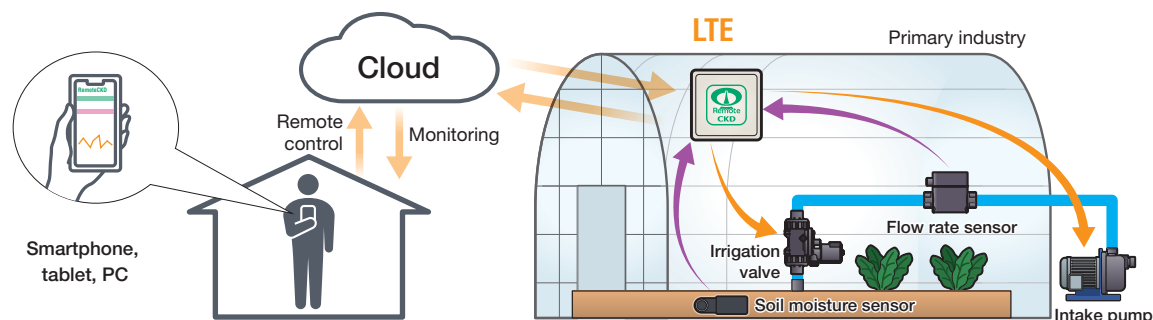
System diagram



Software solution products

Solutions for primary industries (LTE remote controllers)

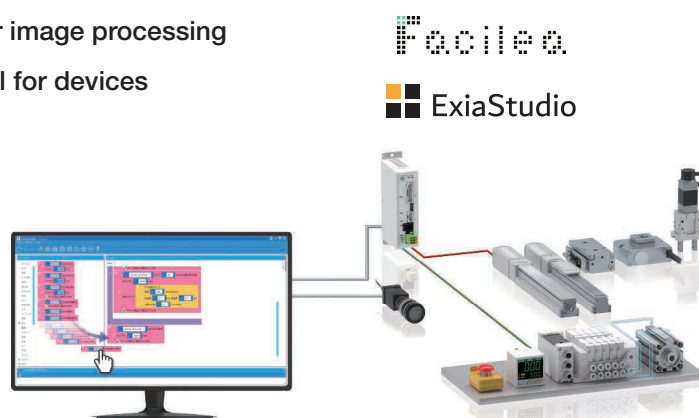
Integrating solenoid valves and sensor technology with IoT, we will provide remote control for the agriculture and aquaculture fields. Reductions to the workload from remote operations and anomaly detection using a smartphone.



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.

Message from the Officer in Charge of Administration

To realize our Purpose, we will maximally link our sustainability strategy, financial capital, and human capital.



Yoshiyuki Amano

Director, Executive Officer,
Corporate Officer,
in charge of Administration

The environment surrounding companies is undergoing major changes, including further escalation of environmental issues, rapid development of technologies such as semiconductors and AI, the state of economic security between the U.S. and China, and declining birthrates and aging populations.

In order to achieve sustained growth within such environment into the future, we aim to realize a healthy global environment and a prosperous future as stated in our Purpose, and to exceed the expectations of our stakeholders by linking our sustainability strategy, financial capital, and human capital.



1. Sustainability strategy linked to growth

We have established a Basic Policy on Sustainability, based on our Purpose, to enhance our corporate value by contributing to the realization of a sustainable society.

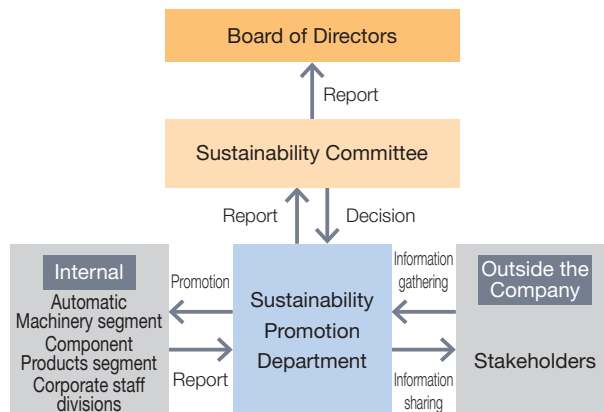
Basic Policy on Sustainability

CKD Corporation (the “Company”), in keeping with its Purpose, aims to contribute to the creation of a sustainable society and thereby enhance corporate value.

- 1 The Company helps protect the global environment and solve social issues through business activities, pursuing the quality of products and services and focusing on technological innovation.
- 2 The Company achieves fair and highly transparent management, emphasizing dialogue and partnership with stakeholders.

Based on this basic policy, the Sustainability Committee, chaired by the President, is playing a central role in implementing initiatives throughout the Company to ensure our sustained growth, such as reducing CO₂ emissions, expanding sales of low environmental impact products, and addressing human rights issues.

Sustainability promotion structure



In particular, we recognize that the situation is critical with regard to climate change issues, and believe that efforts to realize a carbon neutral society will become even more necessary in the future. Rather than passively responding to this change, we see it as a business opportunity and link it to our growth strategy by expanding sales of low environmental impact products.

We are developing products and services that contribute to solving social issues, such as products that save energy and which are designed for long life, assistance devices to support job sites where heavy loads are handled, and IoT solutions for agriculture and other primary industries. Through this, we are solving our customers' issues and in turn are helping to

protect the global environment and improve productivity as well as safety.

In recognition of our sustainability efforts, in June 2025, we were selected for the first time as a constituent of the FTSE Blossom Japan Index as a company with outstanding ESG activities.

2. Financial capital strategy with emphasis on growth and capital efficiency

To raise corporate value, the primary focus of our financial capital strategy is business growth and capital efficiency. Using CKD's technological capabilities as the base, we will provide high-value-added products and services in growth markets to improve income margins. To implement management that is conscious of cost of capital and stock price, we have established a target ROE of 10% to 13%. In addition, the Medium-Term Management Plan calls for ¥60.0 billion in capital investment to invest in future growth, including human capital, and to strengthen our foundation, and we have invested in the construction of the Hokuriku Plant, the India Plant, and the Malaysia Plant. This will provide capacity to support immediate growth and improve capital efficiency by increasing the asset turnover ratio.

For our business portfolio management, we emphasize allocating management resources to industries, businesses, and regions of focus, and conduct fixed-point ROIC evaluation for each business unit as well as ROIC tree-based KPI management.

Our basic policy is to maintain a balanced capital allocation between growth investments, shareholder returns, and financial soundness. With respect to shareholder returns, the Company aims for a dividend payout ratio of 40% and to return profits to shareholders through flexible share buybacks while taking into consideration stock price and liquidity on hand.

We have also introduced a restricted stock (RS) plan for management-level employees. Under this plan, shares of Company stock are granted for the purpose of contributing to medium- to long-term improvement of corporate value and the retention of human resources. The plan encourages managers responsible for implementing management strategies to hold the same perspective as shareholders and work to increase corporate value, leading to the achievement of results and the strengthening of organizational capabilities.

3. Placing the utmost emphasis on human capital management

It is people who consider and execute all our strategies, and people are the source of new value creation. Therefore, out of all forms of capital we are putting the most emphasis on human capital.

In 2023, we launched the Human Resource Strategy Committee headed by the President, as well as a subordinate organization—the Future Human Resources Project—in which the Human Resources Department and business divisions collaborate to implement human resource reforms. Through

these, we are engaging in human capital management. Centering on our Purpose and Values, we have defined “autonomous co-creative human resources” as our vision for our human resources, and are focusing on developing human resources who are autonomous professionals capable of creating new value through co-creation with others both inside and outside the Company.

To realize this vision, we have revamped our role qualification standards to correspond to our Purpose and Values, and defined the common roles, business skills, and conduct required for each qualification level. Although we have long focused on developing technical capabilities, we have expanded our training system to support our new role and conduct standards in order to strengthen the business skills that our human resources have been lacking. Further, we are working to develop the global and digital human resources and next-generation leaders needed to execute our management strategies.

In addition, from the perspective of acquiring and retaining excellent human resources, we are strengthening our mid-career recruitment in addition to the hiring of new graduates. We are also focusing on improving employee engagement and aim to sustainably increase corporate value through the implementation of human capital management.

Although we possess a number of competitive core technologies, they have so far been used only for specific products on an individual basis. We believe that promoting co-creation through the combination of these technologies within the Company will enable us to create products and services with higher added value.

Further, by promoting technological collaboration with partners outside the Company, we will further expand the potential for new value creation. Co-creation with external parties is also essential to promote our sustainability strategy, and based on this belief, we are working to foster a “culture of co-creation (creating together).”

Internally, we provide spaces and opportunities for various employees to come together and interact. In addition, we established a new showroom in 2024 as a place for external co-creation. Based on the recognition that diversity, rather than uniformity, is the key to new value, we are working to create an environment and systems that enable diverse human resources to maximize their abilities and co-create.



New showroom ulu Creative Base

Co-creation is an important keyword in our Purpose, and our belief in this concept is also reflected in our Brand Slogan, Creating Solutions Together.

Under this slogan, we are developing multifaceted co-creation with diverse stakeholders, including building a collaborative framework involving our entire supply chain, as well as promoting industry-academia collaboration and open innovation. We will continue working to enhance corporate value by creating new value through even stronger internal and external cooperation.

Financial Capital



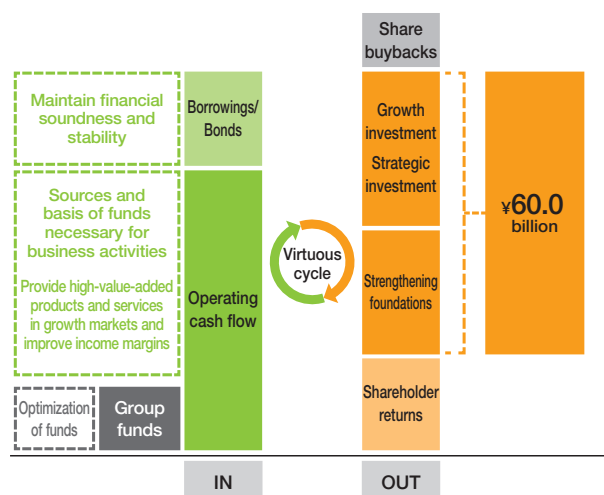
In order to achieve management that is conscious of cost of capital and stock price, CKD secures the investments necessary for sustained growth and engages in stable shareholder returns.

Specifically, we use cash flows from operating activities as the primary source of funds to ensure liquidity on hand while maintaining financial soundness. We also aim to maximize corporate value through ROE-oriented financial management and by improving capital efficiency by raising the turnover ratio of invested assets.

Approach to capital allocation

Our basic approach is to create a virtuous cycle by allocating management resources and maintaining an optimal capital structure while ensuring a balance between growth and strategic investments, strengthening our foundations, shareholder returns, and a sound financial position. Through this, we strive to continuously enhance the Group's corporate value.

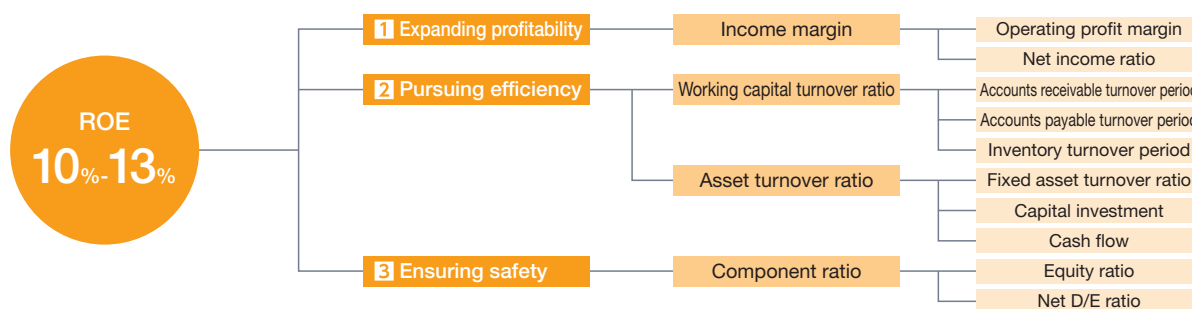
Specifically, while maintaining financial soundness over the medium to long term, we will use cash inflows from our operating cash flow and interest-bearing debt to invest in growth markets and high-value-added areas with an awareness of the cost of capital, invest in human resources and DX to strengthen our business foundations, invest in the environment as a matter of social responsibility, and invest in productivity improvements primarily at production plants. Through this, the Company will improve capital efficiency and return profits to shareholders by increasing the asset turnover ratio.



Maximizing our corporate value

With a view toward management that is conscious of cost of capital and stock price, we are monitoring and improving our efforts to expand profitability, pursue efficiency, and ensure safety, with a target ROE of 10% to 13%.

We will pursue balance, paying adequate attention to safety, continuously reducing wasteful costs, executing strategic investments to expand our business, investing aggressively for growth, and exploring possibilities for shareholder returns and flexible share buybacks.



Expanding profitability

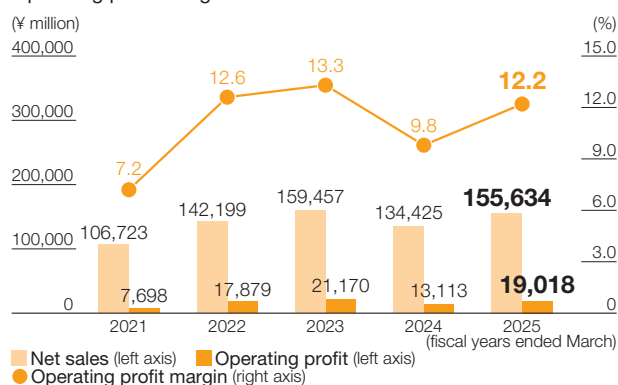
To expand profitability, we focus on the operating profit margin.

Using CKD's technological capabilities as the base, we will provide high-value-added products and services in growth markets to improve income margins.

Furthermore, as a manufacturer, we are also making efforts to reduce manufacturing costs. We use our ERP software system to assign appropriate personnel and reduce manufacturing overhead according to production volume.

We will also focus on managing net income, which forms the basis for dividends returned to shareholders.

Operating profit margin



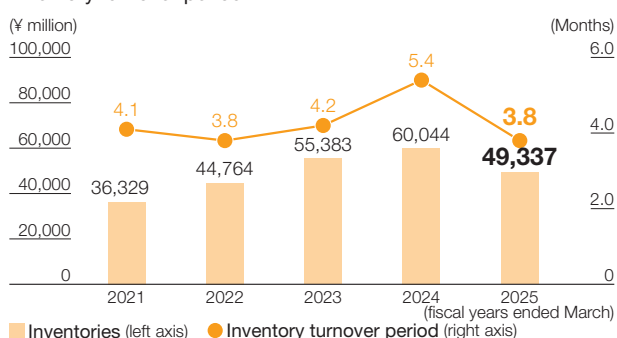
Pursuing efficiency

Inventory turnover period

To respond quickly to customer needs, we systematically manage necessary inventories using our ERP software system. At the same time, we respond flexibly according to the volume of orders.

We focus on managing the appropriate amount of inventory and closely monitor its impact on cash flow from operating activities.

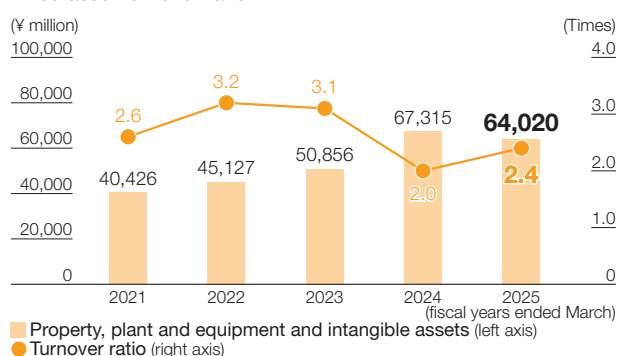
Inventory turnover period



Fixed asset turnover ratio

We will make efficient and effective use of existing assets, and implement capital investment necessary for the sustained growth of the Company to improve corporate value after considering the optimal financing methods.

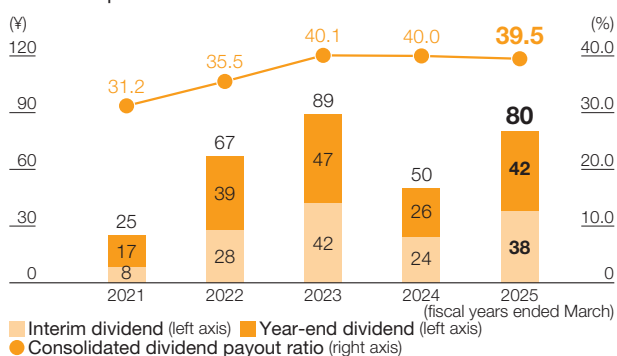
Fixed asset turnover ratio



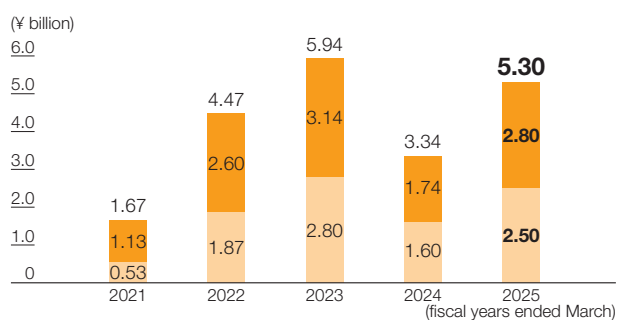
Shareholder returns

The dividend payout ratio is set at around 40% to allow returns to shareholders after securing sufficient capital for growth investment.

Dividends per share



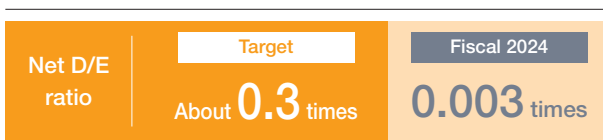
Dividend



Treasury stock

If sufficient retained earnings are secured, we will flexibly implement share buybacks to return profits to shareholders, while giving due consideration to stability. As a general rule, we will retire repurchased treasury stock, but we may also use them for share exchanges in the event of M&A deals that will enhance shareholder value.

Ensuring safety



Taking into consideration the cost of funds procurement for equity capital and interest-bearing debt, we strive to ensure optimal financing, aiming for a balanced capital and debt structure with an awareness of improving capital efficiency.

Human Capital



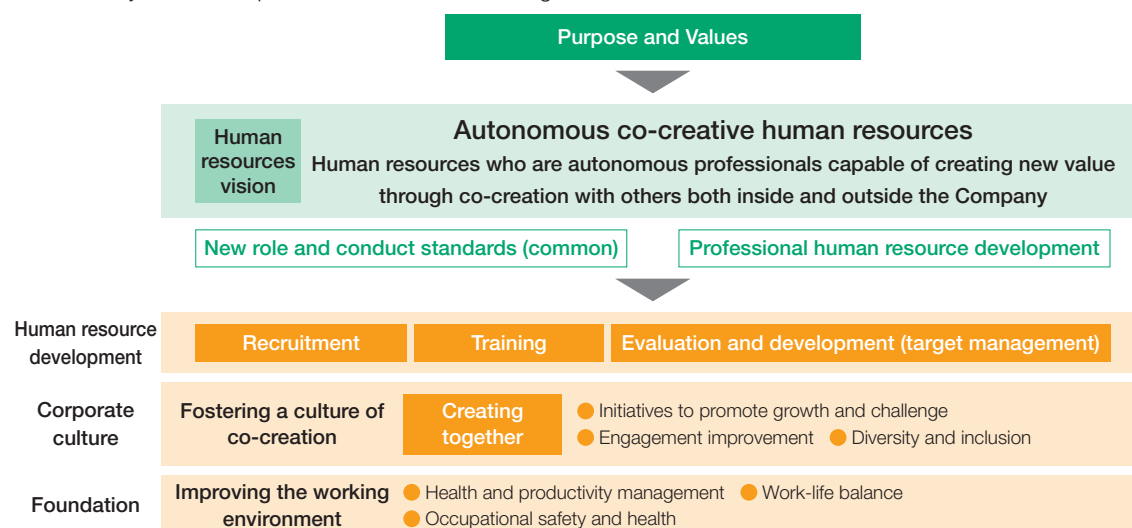
To realize our Purpose and Values, we are working to improve our corporate value by linking our management strategies and human capital. To this end, we have established a new vision for our human resources which we aim for, and, based on three specific priority measures, we are promoting this vision via the two pillars of investing in people and creating an environment in which our human resources can flourish.

Human resources vision

In order to achieve our 10-Year VISION, we have established a new vision for our human resources, which we define as “autonomous co-creative human resources.” Autonomous co-creative human resources means professionals who are autonomous and capable of creating new value through co-creation with others both inside and outside the Company. To this end, we have revamped our role and conduct standards; clearly defined the roles, abilities, and conduct required for each qualification level; and are working to improve the specialized skills of each as part of our professional human resource development efforts.

Overview of human resources strategy

In order to realize our human resources vision, we have defined three priority measures: ① systematic development of human resources, ② fostering a culture of co-creation, and ③ improving the working environment. We are also promoting effective measures, system development, and awareness-raising.

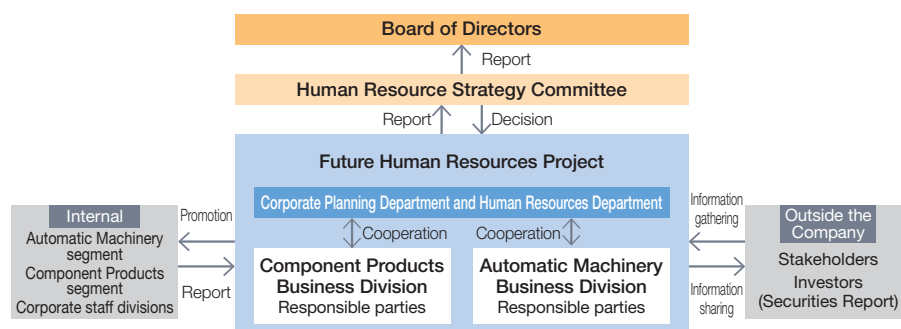


Priority measures

① Systematic development of human resources	② Fostering a culture of co-creation	③ Improving the working environment
(1) Recruitment (2) Training (3) Evaluation and development (target management)	(1) Initiatives to promote growth and challenge (2) Engagement improvement (3) Diversity and inclusion	(1) Health and productivity management (2) Work-life balance (3) Occupational safety and health

Promotion structure

The Company has established the Human Resource Strategy Committee, headed by management, as well as the Future Human Resources Project, a subordinate organization which includes business divisions, specifically to serve as the promotion structure.



Main initiatives for priority measures

Priority measures	Main human resources initiatives
① Systematic development of human resources	(1) Recruitment <ul style="list-style-type: none"> Recruitment of human resources linked to management strategies Strengthening recruitment of new graduates (expansion of internships; advertisements in collaboration with popular anime; promotion of increased recognition through SNS utilization, etc.) Strengthening mid-career recruitment activities (alumni, referrals, etc.)
	(2) Training <ul style="list-style-type: none"> Developing next-generation leaders Dispatching employees to a management of technology (MOT) graduate school and various external training programs to study MBA and MOT fields Developing global human resources Implementing the overseas trainee system and the overseas subsidiary trainee system Introducing practical foreign language skills enhancement programs Establishing educational programs to train representatives and managers of overseas subsidiaries Developing digital human resources Launching D-Academy, a digital technology training program that emphasizes practical skills Developing DX promotion leaders
	(3) Evaluation and development (target management) <ul style="list-style-type: none"> Creating a system for target management in line with our role and conduct standards Conducting one-on-one meetings with supervisors Supporting autonomous career development (internal job posting system, transfers based on career plan sheets)
② Fostering a culture of co-creation	(1) Initiatives to promote growth and challenge <ul style="list-style-type: none"> Introducing the Innovator Challenge System, which aims for employees to launch new businesses, and conducting a future predictions questionnaire survey Holding the GO CKD! Award to recognize Purpose-based activities
	(2) Engagement improvement <ul style="list-style-type: none"> Implementing workplace improvement activities based on stress checks and engagement surveys Building trust with management (holding town hall meetings as a forum for dialogue between the President and employees, etc.) Implementing a production and sales mutual trainee program to deepen mutual understanding between divisions
	(3) Diversity and inclusion <ul style="list-style-type: none"> Promoting women's career advancement (career development training, exchange meetings with female employees from other companies, etc.) Expanding the lifetime employment program (conducting interviews with senior employees) Employing people with disabilities at Social Farm Waku Happiness Farm
③ Improving the working environment	(1) Health and productivity management <ul style="list-style-type: none"> Engaging in initiatives to raise employee health awareness Creating a workplace where employees can work vigorously and in good health, both mentally and physically (CKD Health and Productivity Management Declaration)
	(2) Work-life balance <ul style="list-style-type: none"> Establishing an in-house day-care center Enhancing systems for balancing work and childcare (systems for shortened working hours and exemption from overtime work for employees with children up to the sixth grade of elementary school) Conducting awareness-raising activities to increase the ratio of male employees taking childcare leave (training for managers, introduction of case studies of male employees who have taken childcare leave, etc.) Increasing work style flexibility and improving operational efficiency (tele-working system)
	(3) Occupational safety and health <ul style="list-style-type: none"> Promoting the "Poketenashi" (five rules for safety improvement) campaign to raise safety awareness Introducing equipment to give hands-on experience with hidden hazards in manufacturing sites as part of employee safety education

Key performance indicators, targets, and results for priority measures

Priority measures	Key performance indicators	FY2025 targets	FY2024 results
① Systematic development of human resources	Developing next-generation leaders*1	Cumulative total 81 persons	Cumulative total 59 persons
	Developing global human resources*2	Cumulative total 65 persons	Cumulative total 57 persons
	Trainees from overseas to Japan*5	Cumulative total 23 persons	Cumulative total 19 persons
	Developing digital human resources*3	Cumulative total 1,000 persons	Cumulative total 868 persons
② Fostering a culture of co-creation	Work engagement*4	52	48.6
	Ratio of female managers	10% (FY2030 target)	5.2%
③ Improving the working environment	Certified Health & Productivity Management Organization Recognition Program	Recognition as a White 500 enterprise	Outstanding Organization 2025
	Ratio of employees who took childcare leave by gender	Male: 70% Female: 100%	Male: 60.3% Female: 100%

*1. Number of training participants introduced from FY2017

*2. Number of training participants introduced from FY2012

*3. Number of training participants introduced from FY2022

*4. Deviation value based on external survey results

*5. Number of training participants introduced from FY2014

Human Capital

Priority measure ① Systematic development of human resources

Training

In conjunction with our Medium-Term Management Plan, we are focusing on the development of next-generation, global, and digital human resources to strengthen our foundation.

Our training system is based on the new role and conduct standards for each qualification level. We have enhanced our educational system and training programs to strengthen necessary business skills, and we also provide learning opportunities such as e-learning and voluntary curricula for interested employees.

To improve specialized skills, we will work to develop professional human resources by establishing a human resource portfolio linked to management strategies.

	Level-specific	Job-specific	Selected personnel	Voluntary	Self-study
Managers	Promotion training	Specialized skill/specialized knowledge acquisition (organized by each business division)	Next-generation leader training	Division manager training	Self-study and distance education/ e-learning
Supervisors			Career training	Overseas trainee system	
Staff				Digital skills training	
	New employee training			Business skills training	

*Cost subsidies available

Developing next-generation leaders

In order for the Company to achieve sustainable growth, we are systematically developing the next generation of leaders who can lead the Company.

We systematically dispatch employees to a graduate school of management of technology (MOT) as well as to various external training programs to learn MBA and MOT fields in a short-term intensive manner. Our aim is to develop leaders who can flexibly respond to change by learning practical knowledge about innovation management.

Developing digital human resources

We are systematically developing human resources with the aim of improving our employees' ability to utilize digital technology and to foster human resources capable of promoting business operation reforms on their own.

D-Academy, CKD's own training program for developing digital skills, offers a wide range of courses, from AI basics to data analysis methods. By fiscal 2024, 868 employees had participated in the program and are now leveraging what they have learned in their work.

Developing global human resources

To support our global business development, we are promoting the development of human resources who can flourish in overseas markets. We have established an overseas trainee system and overseas subsidiary trainee system to provide opportunities for employees to travel from Japan to overseas and from overseas to Japan to gain work experience and deepen cross-cultural understanding.

Going forward, in addition to conventional language learning, we will work to establish more practical language skills enhancement programs and educational programs to train representatives and managers of overseas subsidiaries.



Priority measure ② Fostering a culture of co-creation

As technological innovation and social issues become increasingly complex, we believe that fostering a culture of co-creation is essential for sustained growth. Through efforts to align management and employees as well as inter-department and inter-organizational collaboration, we will create innovation, increase employee engagement, and deliver social value. We are working to ensure that all employees share the spirit of co-creation and that these efforts are firmly established as part of our corporate culture.

Initiatives to promote growth and challenge

As initiatives to enable employees to experience the joy of growth, we have introduced the GO CKD! Award to recognize employee activities, and the Innovator Challenge System to launch new businesses. In addition, as part of efforts to improve engagement, the President himself has been visiting each location to hold dialogue meetings, and we have begun reviewing the personnel system and updating uniforms to reflect the opinions expressed at these meetings.

Diversity and inclusion

We view diversity and inclusion as a source of corporate value enhancement, and we are fostering a culture of co-creation in which diverse employees respect and empower each other to create value together. We value the potential of each of our diverse employees, regardless of gender, nationality, or age, and have focused on promoting the creation of workplace environments and systems so that each worker with different strengths can make the most of his or her abilities.

• Initiatives for promoting women's career advancement

We have set step-by-step goals for the development of female managers, and are working on various measures to achieve a 10% ratio of female managers by fiscal 2030. We are also working to foster a managerial mindset among female employees by conducting career development training mainly for female employees to lower psychological hurdles, providing role models and examples of career

development through actual senior employee experiences, and holding exchange meetings with female employees from other companies. In addition, in order to increase the ratio of female employees, we have set a target ratio for female new graduate hires of 30% in the action plan and are actively recruiting women.

Priority measure ③ Improving the working environment

As a foundation for advancing our human resources strategies, the creation of an environment in which each employee can maximize his or her abilities is essential to the enhancement of corporate value. A good working environment leads to increased employee engagement, productivity, and creativity.

■ Promotion of health and productivity management

We have formulated the CKD Health and Productivity Management Declaration and are promoting health and productivity management in cooperation with health insurance unions and labor unions, with the goal of raising employee health awareness and creating a workplace where employees can work vigorously and in good health, both mentally and physically. Aiming to improve absenteeism, presenteeism, and work engagement, we have set KPIs and are implementing measures as well as a PDCA cycle to improve health issues. In recognition of these efforts, we were awarded the Outstanding Organization for Health & Productivity Management (large enterprise category) in 2025 for the sixth consecutive year.



■ Promotion of work-life balance

To create an environment where employees can work for many years with peace of mind, we have established an in-house day-care center and are engaging in training and awareness-raising activities for managers with the aim of increasing the ratio of male employees taking childcare leave. We are also working to further enhance the working environment and systems to enable greater flexibility in childcare and nursing care, and in addition to the existing tele-work system, we will expand the scope of flexible working hours for all positions in the future.



The in-house day-care center
Ohana Nursery School

■ Occupational safety and health

We have established the Occupational Health and Safety Center in the Human Resources Department to promote occupational health and safety activities in the CKD Group, including at domestic and overseas subsidiaries. In addition to establishing and making employees aware of KPIs related to industrial accidents throughout the Group, we are working to prevent industrial accidents by including it as one of the evaluation items in organizational performance evaluations.

Basic Philosophy

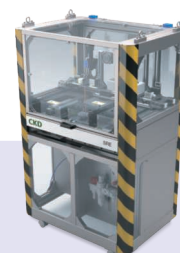
We place the greatest emphasis on safety and manufacture products in the right way.
From a safe and healthy workplace, we will provide our customers with products that they can use with peace of mind.

Policy

- 1 We will maintain healthy minds and bodies.
- 2 We will act with safety first and raise safety awareness among all employees.
- 3 We will observe laws, company rules, and work procedures.
- 4 We make every effort to foresee potential dangers.
- 5 We will manufacture safe and reliable products.

Topics Commercializing our safety training unit

We have built a demonstration machine that allows employees to experience nine types of hazards that lurk on the manufacturing floor, and use it for employee safety training. We commercialized and launched this unit as the Safety × Risk Experience Unit SRE Series in 2024. As an educational tool at manufacturing sites, it contributes to raising safety awareness through simulated experiences of work hazards, thereby increasing the level of occupational safety in the manufacturing industry as a whole.



Safety × Risk Experience Unit
SRE Series

Natural Capital



In order to preserve a “healthy global environment” set forth in our Purpose, the CKD Group is working together to engage in environmental activities.

Conserving the global environment is essential for the survival of humanity and diverse life on earth, and is also the most important issue for companies since it forms the basis for sustained growth. In recent years, as climate change accelerates, society is increasingly demanding that companies take environmental measures. As such, we believe that it is our mission to contribute to reducing the environmental impact by exploring automation technologies and engaging in co-creation with our customers and business partners.

Environmental Policy

We have established our environmental policy to demonstrate our commitment to ensuring that CKD's products, services, and business activities have adequate consideration for environmental impact, and to continuously reduce our environmental impact.

The first point in this policy is to develop and provide society with low environmental impact products and services in order to contribute to the global environment through our automation technologies.

Secondly, as a manufacturer's responsibility, we are committed to minimizing the negative environmental impact of our activities, including CO₂ emissions and resource consumption, to the greatest extent possible.

- 1 Promote development and sales of low environmental impact products.**
- 2 Identify and comply with environmental regulations and their requirements, and promote the realization of carbon neutrality and the prevention of environmental pollution.**
 - a) Reduce CO₂ emissions b) Promote resource conservation, including water use c) Reduce waste
 - d) Reduce environmental polluting materials

Reduce CO₂ emissions

Medium- to long-term targets

To contribute to the realization of a decarbonized society, the CKD Group has set medium- to long-term reduction targets by backcasting with the aim of achieving virtually zero CO₂ emissions by fiscal 2050.

Based on the targets, we promote reduction activities through initiatives to set internal activity targets for each

department and add points to bonus evaluations according to the degree of target achievement. Main initiatives include improving plant air leaks, upgrading to energy-saving equipment, and introducing solar power generation systems in efforts to continuously promote energy-saving activities.

Medium- to long-term targets (reducing CO₂ emissions)

Fiscal 2030
50% reduction
 (total emissions, compared to fiscal 2022)*
50% reduction
 (per unit of sales, compared to FY2013)

Fiscal 2050 **Achieve virtually zero**

* Total emissions were set from FY2023

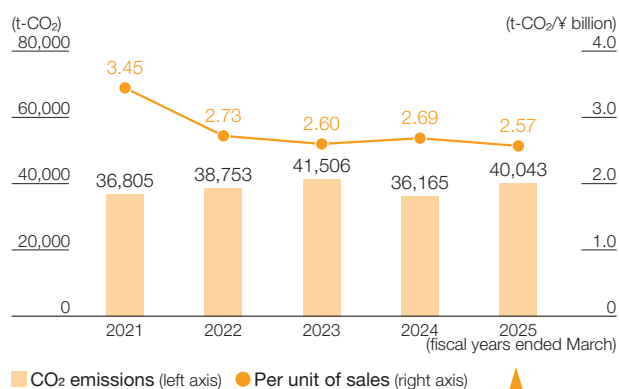
We will promote the following initiatives as specific reduction measures:

- Promote thorough improvements in energy conservation
- Expand renewable energy (including upgrading solar power generation equipment and introducing green electricity)

Note: CO₂ emissions reduction targets are the total of Scope 1 and 2.

CO₂ emissions reduction results

* From fiscal 2024, CO₂ emissions from the India Plant and overseas sales companies are added.



FY2024 results

Total emissions **3.5% reduction (compared to FY2022)**
Per unit of sales **37.4% reduction (compared to FY2013)***

*Per unit of sales in FY2013: 41.1

FY2024 supply chain emissions

Classification	CO ₂ emissions t-CO ₂	Ratio of total emissions
Scope 1	6,751	0.5%
Scope 2	37,822	2.6%
Scope 3	1,422,912	97.0%
Ct 1 Purchased Goods and Services	291,184	19.8%
Ct 2 Capital Goods	11,755	0.8%
Ct 3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	5,355	0.4%
Ct 4 Upstream Transportation and Distribution	17,276	1.2%
Ct 5 Waste Generated in Operations	1,219	0.1%
Ct 6 Business Travel	606	0.04%
Ct 7 Employee Commuting	1,949	0.1%
Ct 8 Upstream Leased Assets	—	—
Ct 9 Downstream Transportation and Distribution	—	—
Ct 10 Processing of Sold Products	—	—
Ct 11 Use of Sold Products	1,092,722	74.46%
Ct 12 End-of-Life Treatment of Sold Products	847	0.06%
Ct 13 Downstream Leased Assets	—	—
Ct 14 Franchises	—	—
Ct 15 Investments	—	—
Total	1,467,486	100.0%

Notes: 1. Figures for Scope 1 and 2 are the total of major emissions from the Company, domestic subsidiaries, and overseas subsidiaries. Calculated in accordance with the GHG Protocol with market-based emission factors (adjusted emission factors) used in Japan, and location-based emission factors used overseas.

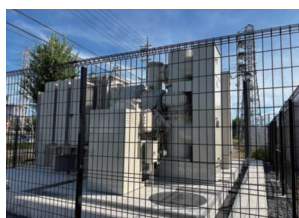
2. Scope 3 applies to the Company and domestic subsidiaries.

* GHG emissions data (Scope 1 and 2) have been certified by an independent third-party organization.

Third-party warranty certificate (https://www.ckd.co.jp/en/assets/images/csr/esg/ghg_emissions_en.pdf)

Energy-saving activities

Each CKD Group plant is working on energy-saving activities by upgrading to energy-saving equipment and installing heat-shielding sheets on roofs.



Replacement of equipment to energy-saving models (Head Office/Komaki Plant)



Installation of heat-shielding sheets (CKD NIKKI DENSO)

Implementing SBT commitments

In March 2025, the Company made a commitment to the Science Based Targets Initiative (SBTi), the organization that certifies Science Based Targets (SBT), the greenhouse gas emission reduction targets scientifically consistent with the reduction targets set out in the Paris Agreement, and announced that we aim to obtain SBT certification within two years. To achieve SBT certification, we will work together as a company to improve the accuracy of CO₂ emission calculations, and to consider and set reduction targets.

FY2024 renewable energy ratio (electric power)

In order to reduce Scope 2 emissions, we are promoting the introduction of solar power generation and green electricity.

Solar power generation output	7,451 MWh
Green power certificates (Inuyama Plant, Yokkaichi Plant)	5,010 MWh
Total power consumption	89,544 MWh
Ratio of renewable energy in total power consumption	13.9%



Head Office/Komaki Plant



Kasugai Plant



Tohoku Plant



Hokuriku Plant



CKD Shikoku Seiko Corporation



China Plant



Thailand Plant

* Small-scale solar power generation has also been introduced at some sales offices.

Scope 3 reduction activities

To reduce emissions in Category 1, which accounts for the second largest share of our Scope 3 emissions after Category 11, it is essential to reflect the actual emissions of our suppliers (utilizing primary data).

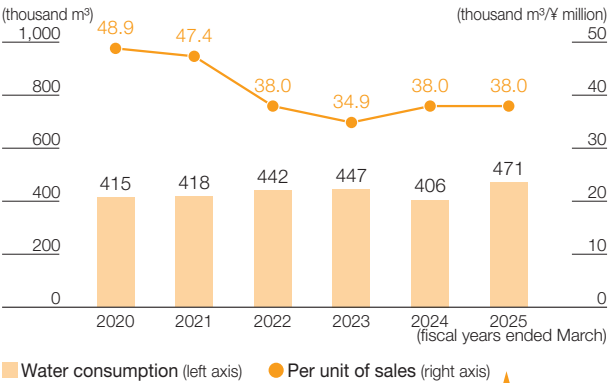
In collaboration with our major suppliers, we are advancing the collection of primary data to calculate emissions that more accurately reflect actual conditions, thereby identifying more effective reduction initiatives.



Natural Capital

Reduction of water consumption

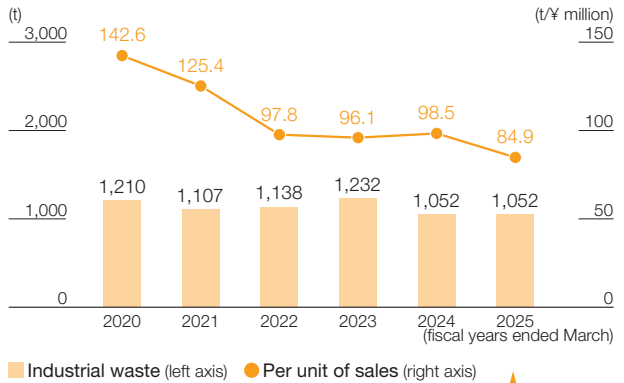
Water consumption reduction results (Target: CKD domestic plants)



FY2024 target: 2.0% reduction
FY2024 result: 0.01% increase
(Per unit of sales, compared to the previous fiscal year)

Reduction of industrial waste

Industrial waste reduction results (Target: CKD domestic plants)



FY2024 target: 2.0% reduction
FY2024 result: 13.8% reduction
(Per unit of sales, compared to the previous fiscal year)

* Amount of plastic industrial waste discharged in FY2024: 245 tons

CDP evaluation

The Group has received the following recognition from the CDP, an international environmental information disclosure platform, for the transparency and strategic nature of its management system regarding environmental information disclosure and initiatives.



Climate Change 2024	B
Water Security 2024	B

Initiatives to manage environmental pollutants in products

The formulation and revision of laws and regulations governing the management of PFAS and POPs chemical substances in various countries have become more frequent, and regulations on chemical substances are rapidly tightening, requiring guarantees of non-inclusion and the disclosure of chemical substance information. To respond smoothly to these developments, we hold in-house workshops on environmental regulations and continue to organize briefing sessions on emissions calculations and information exchange meetings with major suppliers.

We have implemented a system to manage survey requests related to environmental regulations, creating a database, and provide training to suppliers to strengthen our collaborative framework. This enables us to operate in a way that we are able to collect information efficiently and rapidly.

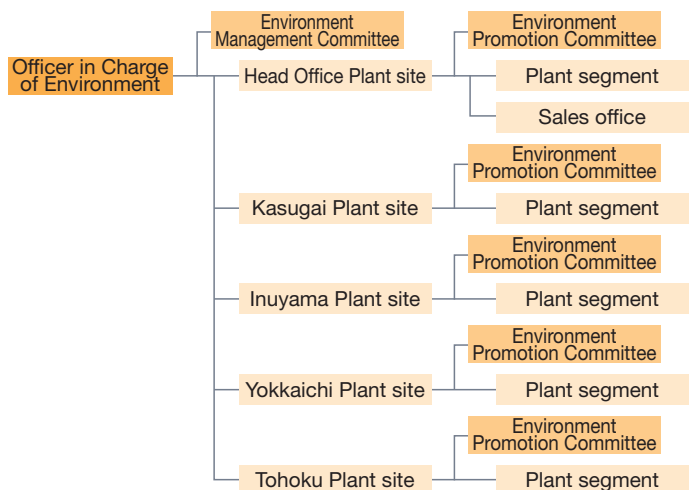
ISO acquisition

The Company acquired the ISO14001 certification in 2000, and is working on conducting environmentally friendly business activities and complying with environmental laws and regulations. We identify risks and opportunities from environmental aspects and internal and external issues, and based on the results, we establish environmental goals and operational management items, and promote various initiatives.

These activities are reviewed by the Environmental Promotion Committee established at each plant, and overall, are reported to the officer in charge of environment through the Environmental Management Committee.

In addition, we have established a system to confirm compliance with relevant laws and regulations, including the Water Pollution Prevention Act, the Air Pollution Control Act, and the Act on Rational Use and Appropriate Management of Fluorocarbons, through internal audits and compliance evaluations, and to report the status to executives in management reviews.

ISO14001 Environmental management system promotion structure



Development of low environmental impact products

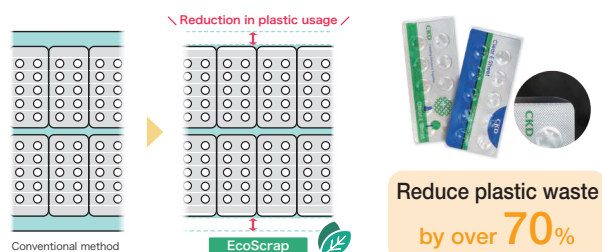
The Company defines low environmental impact products as those that can contribute to reducing the environmental impact of processes from manufacturing to disposal, and those that can contribute to reducing the environmental impact of products we provide to customers around the world. We have made the development of low environmental impact products our environmental policy and material issues.

CKD believes that developing more eco-friendly products requires us to consciously incorporate targets for environmental burden levels from the planning and development stages. With this in mind, we have been undertaking development using our unique Environmental Acceptability Assessment Form.

Low environmental impact products launched in FY2024

• EcoScrap Technology

In collaboration with a customer, we have undertaken the world's first practical application of EcoScrap Technology that reduces plastic waste in the manufacturing process of PTP sheets* used in the packaging of pharmaceuticals such as tablets and capsules. This technology will reduce plastic waste by more than 70% compared with the conventional method. The PTP sheets produced using this technology are characterized by partially transparent sheet edges, and have been named Clear E-Sheet.



Number of development of low environmental impact products in FY2024

13

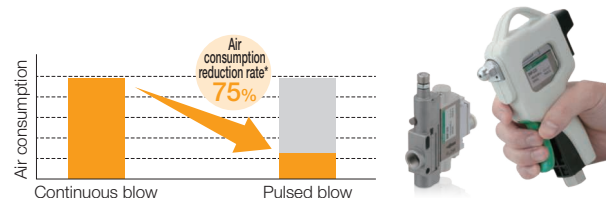
(Development of products with 50% reduced impact compared to FY2013)

The Environmental Acceptability Assessment Form evaluates environmental burden levels in four areas—energy conservation, resource conservation, waste, and environmental pollution both in terms of customer and internal environments, and the amount of CO₂ reduction compared with existing models.

• Pulsed Blow Valve, BNP Series

In a typical plant, compressors account for 20-30% of the plant's overall power consumption, with much of this energy used for blowing applications, such as removing foreign matter. Air blowing, in particular, is said to consume approximately 70% of the total compressed air.

The Company has developed the Pulsed Blow Valve, which switches between On and Off at a ratio of 1:3 while maintaining instantaneous flow rate. This technology reduces air consumption by approximately 75% compared with continuous blowing, contributing to a significant reduction in both compressed air usage and overall power consumption at the plant.



* Reference value under the Company's test conditions

Topics

Shingo Nishio Engineering Administration Department, Automatic Machinery Business Division

Co-creation

The new packaging format we developed challenges conventional wisdom regarding PTP sheets, which have been taken for granted for 70 years. We worked with a like-minded customer to create the sheets, with the clear goal of reducing the environmental impact.

With the goal of commercialization, we worked together with this customer to create the ideal product through trial and error and repeated dialogue. The packaging design, which visually conveys the environmental contribution, is the result of the dedication of everyone involved in Clear E-Sheet. We take pride in the fact that we have been able to contribute to the environment and society not only through technological development but also through co-creation capabilities.



Biodiversity and forest conservation

Within Aichi Prefecture, where our Head Office and plants are located, we annually carry out forestation activities in the Kaisho Forest in Seto, and clean-up activities with local residents around Oyama River, a Class A river that flows through Komaki.

As part of these forestation activities, in addition to forest conservation activities, we also work with NPOs to provide opportunities for employees' children to learn about and experience nature.



Forest conservation activities Nature classes for children

Addressing Climate Change



Damage caused by extreme weather events such as storms, floods, and droughts is increasing in many parts of the world. In addition, regulations and markets are likely to undergo major changes in the course of the transition to a decarbonized society in the future. Recognizing that the social and economic impacts of climate change are an important management issue that must be addressed in the context of sustainability, we announced our support for the Task Force on Climate-related Financial Disclosures (TCFD) in June 2022. In accordance with the TCFD recommendations, we will strive to proactively disclose information.

* Although the TCFD was disbanded in October 2023 and the function for monitoring progress of recommendations was transferred to the IFRS Foundation (a private non-profit organization that formulates International Financial Reporting Standards), the TCFD recommendations remain valid.

Governance structure - Sustainability promotion structure

We have established the Sustainability Committee as an advisory body to the Board of Directors in order to address environmental issues, including climate change, as one of the most important management issues, and to promote our response to these issues in an integrated manner with our management strategy.

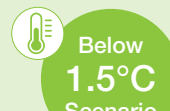
[Sustainability Strategy](#) [P.33](#)

Strategy

We have identified potential risks and opportunities associated with climate change throughout our supply chain and analyzed and assessed their impact on our businesses. The analysis is based on the 4°C and below 1.5°C scenarios (consistent with the Paris Agreement) published by the International Energy Agency (IEA). We have looked into the impact of climate change on the Company as of 2030 in each of these world views.



The scenario assumes a world in which the global average temperature rises an average of 4°C by 2100 compared to the global average temperature around the time of the Industrial Revolution, and the severity of extreme weather events such as typhoons and heavy rainfall increases.



The scenario assumes a world in which the global temperature rise is controlled to 1.5°C through carbon neutrality measures such as the introduction of a carbon tax and renewable energy policies.

Analysis results

We have identified potential risks and opportunities for each scenario. In the 4°C scenario, the major risk is predicted to be an increase in response costs due to the shutdown of operations and logistics functions as a consequence of more extreme weather events, such as an increase in typhoons and heavy rain. On the other hand, under the below 1.5°C scenario, the introduction of a carbon tax and emissions trading, and a sharp rise in the price of fossil fuel-derived electricity due to global decarbonization efforts are expected to pose a major risk of increased operating costs. The Company has measured the impact on our business of the introduction of a carbon tax, a sharp rise in the price of electricity, and changes in metal prices, using the scenarios set out by the IEA. We have also measured the impact on our business of physical risks arising in the event of floods and storm surges, based on the RCP8.5 and RCP2.6 scenarios and the Manual for Economic Evaluation of Flood Control Investment.

We have also identified many opportunities as well as risks. Increased demand for EV-related products in line with the development of a decarbonized society and the expansion of hydrogen-related business due to the spread of hydrogen technology are expected to be major opportunities.

List of risks and opportunities related to climate change

Impacts of climate-related issues	Timeline	Risks and opportunities (possible events)		Degree of impact	
				4°C	1.5°C
Impacts of the transition to a decarbonized society	Medium- to long-term	Introduction of carbon tax and emissions trading	Risks	Low	High
			Opportunities		
	Medium- to long-term	Compliance with GHG emissions regulations	Risks	Low	High
			Opportunities		
	Medium- to long-term	Renewable Energy Policy/Energy Saving Policy	Risks	Low	High
			Opportunities		
	Short- to long-term	Advancement of low-carbon technologies	Risks	Low	High
			Opportunities		

Impacts of climate-related issues	Timeline	Risks and opportunities (possible events)		Degree of impact	
				4°C	1.5°C
Physical impacts of climate change	Short- to long-term	Intensification of extreme weather events	Risks	High	Low
			Opportunities		

- Production stoppages and impact on business continuity due to damages to production sites and the disruption of supply chains in the wake of disasters
- Increased BCP costs
- Increased demand for factory automation equipment backed by capital investments in the relocation and reorganization of production sites and the promotion of manufacturing that does not depend on human resources
- Expansion of maintenance business related to reconstruction from disasters

Risks and opportunities related to climate change and our responses

Impacts of the transition to a decarbonized society	Reducing risks	<ul style="list-style-type: none"> · Set CO₂ reduction targets for the entire supply chain · Install solar power generation systems · Reduce Scope 2 emissions utilizing green electricity · Carbon Offsetting through the J-Credit Scheme
	Capturing opportunities	<ul style="list-style-type: none"> · Enhance sales of pharmaceutical products packaging machines which limit packaging loss · Strengthen sales of machinery and components for rechargeable batteries · Strengthen electric motion products business · Strengthen the development of low environmental impact products · Actively disclose information on our contribution to the environment
Physical impacts of climate change	Reducing risks	<ul style="list-style-type: none"> · Establish disaster prevention management/BCP regulations in preparation for disasters · Placement of production bases in various locations · Accelerate the replacement of air conditioners to energy-saving models · Establish measures against infectious diseases

Risk management

With regard to various important issues for the Group, including CO₂ emission reductions, the Head Office administration divisions, each business division, and Group companies identify risks and opportunities that may hinder the improvement of corporate value and the achievement of management targets. Based on the findings, the Risk Management Committee evaluates and identifies risks and opportunities according to the level of their importance assessed based on the frequency of occurrence and the magnitude of impact when they occur. Countermeasures are discussed for the risks and opportunities identified, and then reported to and shared with the Board of Directors.

This way, we comprehensively manage and evaluate risks, including climate change related risks.

Risk Management  P.66

Indicators and targets

(1) Indicators

To contribute to the realization of a decarbonized society, the CKD Group is working to reduce CO₂ emissions by setting medium- to long-term reduction targets.

Indicators	Unit	FY2024 results
CO ₂ emissions (before offset) (Notes 1, 2, 3)	t-CO ₂	42,999
CO ₂ emissions (after offset) (Note 4)	t-CO ₂	40,043
CO ₂ emissions (per unit of sales) (Note 4)	t-CO ₂ /¥ billion	2.57
CO ₂ emissions reduction rate (total amount, compared to fiscal 2022) (Note 4)	%	3.5
CO ₂ emissions reduction rate (per unit of sales, compared to fiscal 2013) (Note 4)	%	37.4

Notes:

1. CO₂ emissions are the total of Scope 1 and 2 for the entire CKD Group.
2. Scope 1 is calculated using emission factors published on the website of the Ministry of the Environment.
3. Scope 2 is calculated using basic emission factors published on the website of the Ministry of the Environment.
Please note that the sales offices and overseas subsidiaries of the Company use the same emission factors as the Head Office.
4. Includes CO₂ emissions offset through the J-credit system and green power certificates.

(2) CO₂ emissions reduction targets

Fiscal 2030	Total emissions	50% reduction (compared to fiscal 2022)*
	Per unit of sales	50% reduction (compared to fiscal 2013)
Fiscal 2050	Achieve virtually zero emissions	

* From fiscal 2023, we have set an additional total CO₂ emissions reduction target.



For details of our Addressing Climate Change Response Risks, please refer to our corporate website.
<https://www.ckd.co.jp/en/csr/tcfd/>

Intellectual Capital

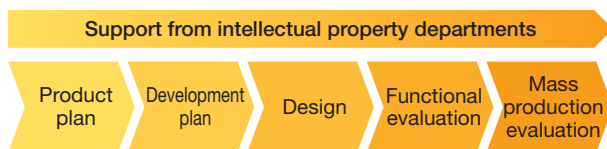


We have established departments that specialize in intellectual property and work to further improve corporate value by promoting intellectual property management and intellectual property strategies across the entire Group. In formulating and implementing our intellectual property strategies, our intellectual property departments and development and technology departments work closely together to focus our patent applications on fields and technologies that we will prioritize going forward, thereby building a strategic intellectual property portfolio in these key areas. Furthermore, with a view to the global market and production systems, we are actively working on patent applications to ensure technological advantages in overseas markets.

System

We carry out new product development by gathering specialists from each department to form a product development team under our development project system. By dedicating a small but elite group to the task, we enhance development quality.

Development process



The intellectual property departments conduct research and analysis of intellectual property at each stage of product/development planning, design, and evaluation, and provide the latest technical information for projects.



Major initiatives

Focusing on new businesses, new markets, and the environment in the Medium-Term Management Plan, we offer a variety of intellectual property support such as providing patent maps and invention consultations from intellectual property departments to technology departments.

Excellent Patent Award

We have established a patent reward system with the aim of increasing employees' aspiration to invent and promote the creation of better inventions. The Patent Achievement Evaluation Committee selects outstanding inventions and awards employees.

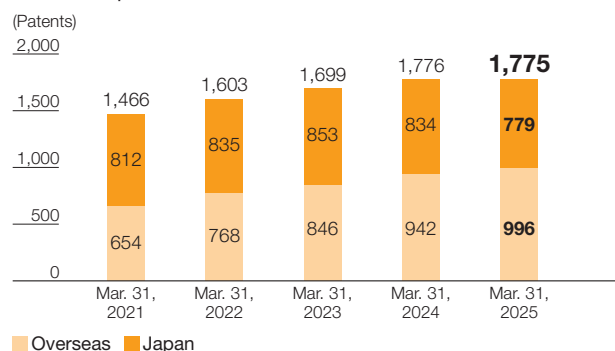
In fiscal 2024, we selected one patent from fine system components for an excellent patent award, and three from fine system components and one each from automatic machinery and the software business for outstanding patent awards.



Number of patents held

We view the intellectual capital created through research and development activities as an important asset of the Company, positioning it as a source of sustained competitiveness. To protect and utilize these achievements, we are actively acquiring intellectual property rights such as patents in Japan and overseas. As of the end of March 2025, we hold 1,775 patents in Japan and overseas.

Number of patents held



Topics

Renewal of the CKD Technical Journal

CKD publishes the "CKD Technical Journal" to disseminate the results of its technology and R&D activities to a wider audience. 2025 marks the 10th anniversary of the publication. With the release of Vol. 11, we have refreshed the design and introduced a new layout that enhances readability both in PDF format and online.

The January 2025 issue (Vol. 11) introduces noteworthy technologies, including 'New Eco-Friendly Packaging Technology in Blister Packaging,' 'Low-Friction and Low-Wear Technologies for Pneumatic Valves,' 'Establishment of Autonomous Driving Technology for Poultry House Patrolling,' and 'Digitalization & Automation: Human-Friendly Factories.' We invite you to take a look at the latest issue.



For details of the "CKD Technical Journal Vol. 11", please refer to our corporate website.
<https://www.ckd.co.jp/company/giho/>

Manufacturing Capital



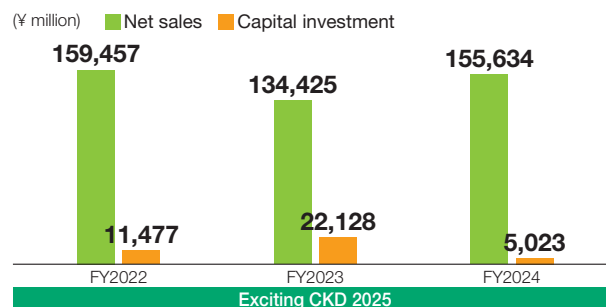
Overseas markets are a focus of our Medium-Term Management Plan, and we are working to strengthen our production system in emerging countries where demand is expected to grow.

Capital investment plan

Overall capital investment for fiscal 2024 was as follows.

In the Automatic Machinery segment, capital investment amounted to ¥275 million, mainly for machinery. In the Component Products segment, capital investment totaled ¥4,680 million, mainly for the installation of equipment at the new Malaysia Plant, the Hokuriku Plant, and the India Plant, as well as updates to machinery and metal molds.

In addition, we made capital investments of ¥66 million, primarily for buildings throughout the Company.



Stable supply system

In preparation for natural disasters and other emergencies, we have formulated business continuity plans (BCP) and are working to establish a stable supply system.

We have eight production bases in Japan, including our Head Office/Komaki Plant. In addition to the Inuyama Plant, Yokkaichi Plant, and Kasugai Plant in the Tokai region, we also operate the Tohoku Plant and the Hokuriku Plant, which was completed in 2024. This regional dispersion helps mitigate risks in the event of a disaster.

Overseas, we operate eight plants, including in China, Thailand, South Korea, North America, Malaysia, Indonesia, and India, establishing a global supply network. Most recently, we opened new bases in India and Malaysia in 2024 to further strengthen this system.

Number of
production bases

16

(Japan: 8, Overseas: 8)

Overview of production bases (Name of plant or company, location, main products)

Japan



Head Office/Komaki Plant

Komaki City, Aichi
Automatic machinery
Pneumatic components
Electric motion components



Yokkaichi Plant

Yokkaichi City, Mie
Pneumatic control components
Fluid control components



CKD NIKKI DENSO CO., LTD. Sakura Office

Sakura City, Chiba
Electric motion components



Kasugai Plant

Kasugai City, Aichi
Fluid control components



Tohoku Plant

Ohira-mura, Kurokawa-gun, Miyagi
Fluid control components



CKD Shikoku Seiko Corporation

Sukumo City, Kochi
Automatic machinery



Inuyama Plant

Fuso-cho, Niwa-gun, Aichi
Pneumatic drive components



Hokuriku Plant

Komatsu City, Ishikawa
Fluid control components

(completed in March 2024)

Asia



CKD (CHINA) CORPORATION

Wuxi, China
Automatic machinery
Pneumatic components
Electric motion components
Fluid control components



CKD MALAYSIA SDN. BHD.

Kulim, Malaysia
Fluid control components

(completed in November 2024)



PT CKD MANUFACTURING INDONESIA

Bekasi, Indonesia
Pneumatic components



CKD KOREA CORPORATION

Siheung, South Korea
Fluid control components



CKD THAI CO. LTD.

Chonburi, Thailand
Pneumatic components
Fluid control components

North America, Latin America



CKD USA CORP. Austin Manufacturing

Austin, U.S.A.
Fluid control components



M-CKD PRECISION SDN. BHD.

Shah Alam, Malaysia
Pneumatic components



CKD INDIA PVT. LTD.

Neemrana, India
Pneumatic components

(completed in May 2024)

Social Capital



Human Rights

The Group recognizes that considering human rights in our corporate activities is vital for the sustained development of businesses and of society, and has positioned respect for human rights as an important management issue.

Based on the CKD Group Human Rights Policy established in 2022, we are committed to respecting the human rights of everyone involved in our business activities, and we continuously conduct human rights due diligence across our supply chain.



For the full text of our Human Rights Policy and a list of human rights risks, please refer to 'Respect for Human Rights' on our website.
<https://www.ckd.co.jp/en/sustainability/human-rights/>

CKD Group Human Rights Policy

The Group has established the CKD Group Human Rights Policy. It is based on the Guiding Principles on Business and Human Rights and the International Bill of Human Rights of the United Nations, which are international norms related to human rights, the ILO Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and the human rights guidelines formulated by the Japanese government, etc.

CKD Group Human Rights Policy

- | | |
|------------------------------------|------------------------------|
| 1 Scope of application | 5 Training |
| 2 Respect for human rights | 6 Information disclosure |
| 3 Human rights due diligence | 7 Dialogue with stakeholders |
| 4 Corrective and remedial measures | |

System

The Sustainability Committee, chaired by the President, reports on and discusses the status of efforts to respect human rights.

Human rights due diligence

Based on the CKD Group Human Rights Policy, we have established and implemented human rights due diligence to identify, prevent, and correct any negative impacts on human rights. We promote concrete practices through regular checks and continuous reviews, including in the supply chain.



Identifying and assessing the risk of infringement of human rights

We identify and assess the risk of infringement of human rights that could occur in the supply chain in areas such as working conditions, working environment, discrimination, harassment, privacy, and environmental pollution.

Surveys

We conduct an annual survey of all CKD Group companies and 87 major suppliers on the status of their response to the human rights risk items we have identified above. We analyze the survey results and request countermeasures to mitigate risks if there is a possibility of negative impact.

The survey conducted in fiscal 2024 identified issues at three suppliers, including the lack of human rights regulations. We conducted individual interviews with the companies concerned, and requested the implementation of necessary measures. As a result, we have received completion reports from two of the companies and will continue to follow up on the progress.

Other major initiatives relating to human rights

Employee education on human rights

We provide new hires with education on human rights each year. In addition, we revised STOP Harassment Together declaration, and as one of our efforts based on the revision to eradicate harassment, we request division managers to watch training videos and undergo comprehension checks.

Dissemination of Purchasing Principles and Fundamental Policy

Respect for human rights is clearly stated in our Purchasing Fundamental Policy and communicated to our suppliers. We hold briefings among other activities as we work to promote respect for human rights throughout the supply chain.

Creating a comfortable working environment

Human Capital (Occupational safety and health) P.40

Establishment of a whistleblower contact point (whistleblower system)

We have established a whistleblower helpline as a mechanism through which employees and others who work in the CKD Group can make reports.

Compliance P.65

Establishment of a harassment consultation contact

On top of the whistleblower contact, we have set up a harassment consultation contact to facilitate the correct understanding of harassment and to provide consultation.

Supply chain management

We see all our suppliers as important partners, and will continue to deepen communication as we build our global supply chain. Based on ten requests for our suppliers, we are promoting procurement activities that consider overall CSR in addition to the quality and delivery time requirements that we use to consistently provide products that satisfy our customers.



For details of this page, please refer to 'Material Procurement' on our website.
<https://www.ckd.co.jp/en/company/sizai/>

Purchasing Principles

We contribute to realizing a sustainable society
through our global supply chain
by mutually developing with our suppliers

Fundamental Policy

- 1 We value the trust and mutual development with our partners.
- 2 We conduct fair and just transactions by complying with related laws, regulations, and social norms and thoroughly protecting confidential information.
- 3 We contribute to the conservation of the global environment and the reduction of environmental loads.
- 4 We respect human rights, aim to eliminate discrimination and unfair labor practices, and improve the working environment.
- 5 We contribute to the resolution of social issues with our suppliers who have high technological capabilities on a global scale.

Requests for Business Partners

- 1 Sound business management
- 2 Observance of laws and social norms
- 3 Consideration for the environment
- 4 Improvement of human rights and the working environment
- 5 Promotion of health and productivity management
- 6 Stable supply of materials and optimal quality
- 7 Improvement of technical capabilities and technical proposals
- 8 Development of the management system
- 9 Confirming the status of initiatives
- 10 Handling of conflict minerals

Risk assessment for CSR and ESG procurement

In order to contribute to mutual development with our suppliers and the realization of a sustainable society, we conduct an annual questionnaire on the promotion of CSR/ESG procurement and related initiatives (environment, quality, occupational safety and health, and human rights) at our suppliers. We also conduct surveys on each environmentally regulated chemical substance, including PFAS, and conduct surveys on a case-by-case basis to determine whether or not to switch to alternative substances in response to risks. Based on the results of the questionnaire, we engage in close communication with our suppliers as we seek avenues to drive improvement.

Green procurement

To achieve carbon neutrality, we have formulated the Green Procurement Guidelines to promote activities together with our suppliers, and we ask our suppliers to adhere strictly to these guidelines in their procurement and management practices.

In addition, we have set reduction targets across the entire supply chain, and are promoting the calculation of CO₂ emissions and carbon footprints throughout the supply chain, while providing support to our suppliers to facilitate these calculations.

Strengthening partnerships with suppliers

We announced our Partnership Building Declaration through which we expressed the Company's approach for the purpose of coexistence and co-prosperity throughout the supply chain and desirable business practices in compliance with laws and regulations such as the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors and the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises.

As part of this, we regularly hold briefings on production trends and purchasing policy, quality briefings, exhibitions, and technical exchange meetings, etc., inviting our major suppliers to participate.

We will continue to build better relationships with our business partners.



Message from the Chairperson of the Board of Directors



In our aim to be a company trusted by all stakeholders, we will raise our corporate value by building a culture that emphasizes human resources for the strengthening of governance

**Kazunori
Kajimoto**

Chairperson of
the Board of Directors

I will create opportunities for free, open, and diverse debate that include our independent directors and actively engage in improvements that reflect their advice

This is the second year since I passed the CEO baton to President Okuoka in 2024. When handing over the position of Chief Executive Officer, I was conscious of ensuring that it was seamless and that there was no stagnation in business operations. When I reflect on the last year, I believe that we have achieved the ideal transition. Under President Okuoka, business operations are proceeding at an accelerated pace toward our next growth stage. I view this as the perfect timing that anticipates our new 10-Year VISION that will start in April 2026.

In my current role as Chairperson of the Board of Directors, I am responsible for improving the effectiveness of the Board of Directors and strengthening governance. I am also focused on supporting management's efforts to further increase corporate value in my capacity as Chairperson. To use an analogy of a painting, just as the small spaces between colors are filled in to enhance the overall completeness of the piece, I view my role as to engage in various activities to help improve the quality of management by filling in the gaps beyond the division of roles between myself and the President.

I have renewed my resolve to carry out my own role fully to help support the transformation that will launch a new decade for CKD.

The basis of our corporate governance is thinking in accordance with CKD's Values. We believe in the importance of creating appropriate mechanisms and ensuring they function for the purpose of creating good relationships with stakeholders, increasing the transparency and fairness of management, maintaining sustained growth, and working to raise corporate value.

The roles of the Board of Directors are to make decisions on management policies and important operational execution and to serve a supervisory function over the execution of operations. To enhance these two functions and improve effectiveness, I acknowledge that it is my responsibility as Chairperson to enhance the information shared by Board members, provide opportunities for free and open debate that includes the Independent Directors, and create an atmosphere that is conducive to discussion.

After I was appointed president, I worked to build and strengthen our governance system as Chairperson and made various improvements to our operations systems.

These included the distribution of materials in advance of Board of Directors meetings and prior discussions about management strategy and other key issues. As well as Directors' opinion-exchange sessions as a forum for

obtaining a wide range of opinions from Independent Directors, we have also provided similar sessions for the Independent Directors to exchange opinions among themselves.

Currently, of the Company's six Directors, three are Independent, accounting for 50%. The Independent Directors include a woman and a foreign national. With their different specialist areas, they engage in lively debate about the Company's issues and challenges from their respective perspectives. That these discussions lead to fair decision-making and transparent disclosures is a strength of the Company.

The Directors' opinion-exchange sessions were the scene of more in-depth discussions about the effectiveness evaluation conducted by a third-party organization this year. The Independent Directors expressed a wish for the prioritization of agenda items requiring approval and for regular updates about large investments. They also showed great expectations for the future. We will take their valuable opinions seriously and respond to them with all our might.

In the Nomination & Remuneration Advisory Committee, we held multiple discussions about the review of the remuneration system, with a third-party organization also participating, with the goal of ensuring further transparency. My feeling is that the system has been completed to a standard that will satisfy the all Committee members. Regarding succession planning, there were suggestions about the visualization of next-generation officer candidates and information sharing, and we have begun deliberations for improvements.

In such ways, in fiscal 2025 as well, as new initiatives resulting from the suggestions of the Independent Directors, our plans include opinion-exchange sessions about topics that they wish to discuss, and the establishment of a forum for communication between division manager-class employees and the Independent Directors.

Work to increase engagement by all employees with the aim of further increasing corporate value

Discussions have been begun in earnest in the Board of Directors for the formulation of our new long-term management plan, 10-Year VISION, which will start in 2026. As an example, we have shared and discussed "future predictions" submitted by employees at Board of Directors meetings.

In July 2024, we conducted a future predictions questionnaire survey, in which we invited employees in Japan and overseas to submit business ideas that would lead to results in 30 years' time. The survey attracted over 1,300 responses across the entire Group. I was both heartened and delighted that so many more employees than I expected showed an interest in CKD's future.

We took the ideas received and, in a new experiment, analyzed them with AI, including their compatibility with the long-term vision. Further, with advice from experts, we identified the strongest ideas, and we are now considering those that are likely to be achievable in 2035 so that they will form the essence of the next 10-Year VISION.

The future predictions survey has also had the added benefit of increasing employee engagement, which is a source of the strengthening of governance. Thirty years' time may seem far into the future, but for our employees in their 20s and 30s today, it is a timeframe in which they could bring their own ideas to life and demonstrate their value to society.

I hope that this particular initiative, which involves participation in management by envisioning the future of CKD from a long-term perspective, will prompt our employees to think more deeply about the future of CKD's business and to engage in the creation of new value.

One other initiative that we implemented for the improvement of employee engagement was a series of interviews with our older employees. Even before words such as diversity and human capital gained such broad currency, we have felt that the building of a robust management foundation would be fundamental to achieving sustained growth as an enterprise. As such, we have pursued initiatives and developed workplace environments that will allow diverse people to play an active role in the workplace. These include the strengthening of promotion of women's career advancement and the establishment of a lifetime employment program.

So, how effective have these measures been? In my position of responsibility for system design, to draw out the true opinions of older employees aged 65 years and over, I visited their workplaces personally and I interviewed around 100 of them in the form of group interviews. The issues that emerged and their invaluable opinions were sorted into three themes, namely comfortable working environment, communication, and wages. I shared these three themes with the President, and we are progressively working on reforms.

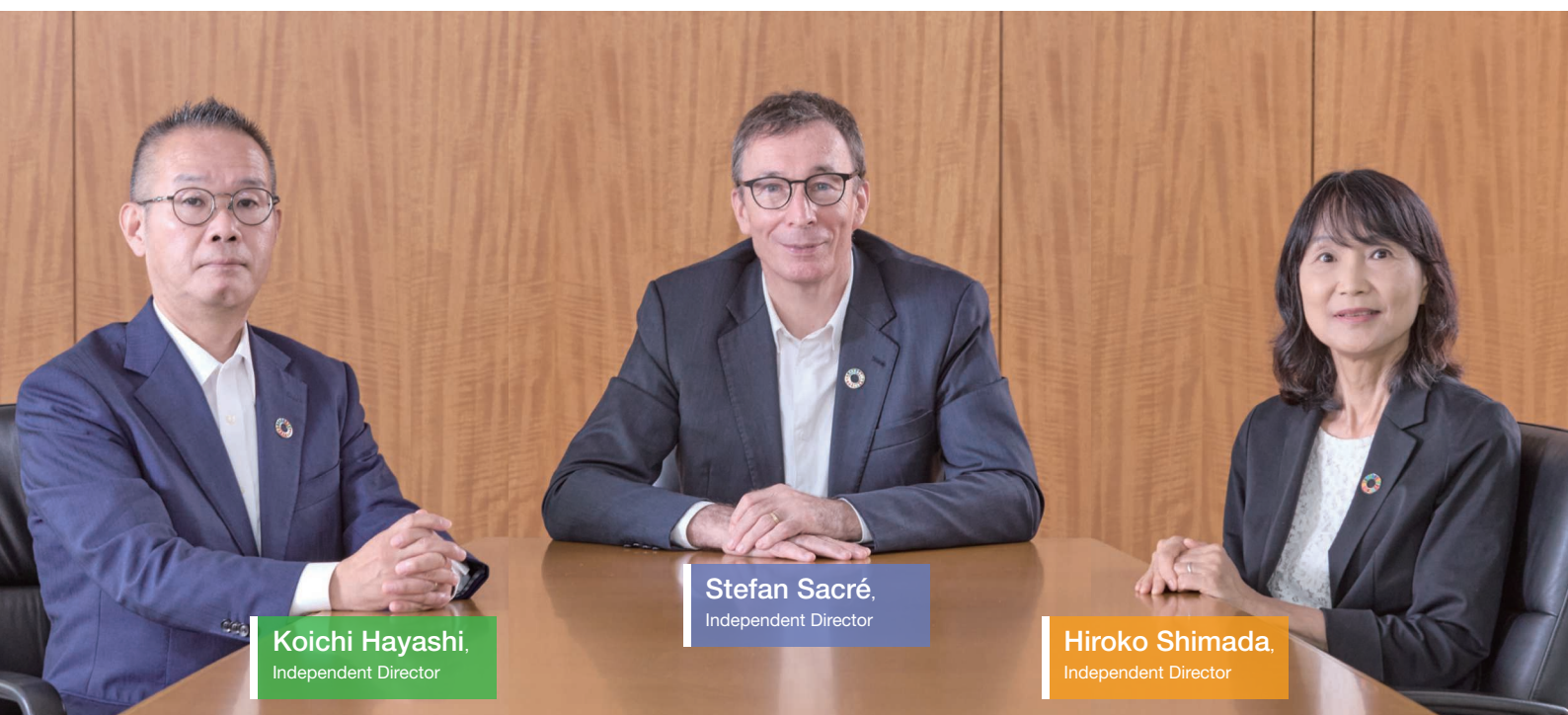
As the shortage of human resources accelerates, I believe that, for the strengthening of governance, it will become more and more important to value the people who will support the company's sustained growth and build a corporate culture that will allow each individual employee to demonstrate 100% of their capabilities. I understand that the most important question for me as Chairperson of the Board of Directors is how effectively I can draw out the diverse qualities and insights of the internal and external members of the Board.

As Chairperson of the Board of Directors, I will continue to provide management support for the strengthening of governance, further enhance the Board's deliberations, and work steadily, step by step, to raise corporate value.

Roundtable Discussion with Independent Directors

Toward a Decade of Transformation:

Strategic Recommendations for Realizing True Globalization



Koichi Hayashi,
Independent Director

Stefan Sacré,
Independent Director

Hiroko Shimada,
Independent Director

Fiscal year 2025 marks the final year of CKD's Long-Term Management Vision, 10-Year VISION: GO CKD!. Beginning in 2026, a new 10-Year VISION will take shape. We sat down with three independent directors to discuss CKD's growth strategy and the challenges ahead for the next decade.

Reflecting on CKD's Future: Focusing on "What" Rather Than "How"

— To begin, please share your perspectives and expectations regarding CKD's long-term vision.

Fiscal 2025 is the final year of the current 10-Year VISION, and discussions are already underway regarding the formulation of the next vision. What are your thoughts on how this final year should be shaped, and what challenges and proposals have emerged during the process?

Sacré: As we approach the conclusion of our current 10-Year VISION, it is critical not only to meet our final-year targets but also to swiftly prepare for the implementation of the next vision. Rather than waiting for the final version to

be approved, discussions on the new 10-Year VISION began at the draft stage. I anticipate robust debate and hope for a dynamic start to fiscal 2026.

Hayashi: I see fiscal 2025 as a pivotal starting point for the step forward that will begin in the next decade. The key challenge now is how to shape the new 10-Year VISION under President Okuoka, who took office as CEO in fiscal 2024.

From the outset, I've emphasized the need to think in terms of "What" rather than "How." Instead of focusing on how to hit numerical targets, we should be asking: *What should CKD aim to achieve over the next decade?* To foster a sense of internal conviction rather than obligation, I encouraged deeper conversations around what kind of company we aspire to become, and what we must accomplish to get there.

Although I am the longest-serving independent director among the three of us, this is probably the first time that I have been asked for my input regarding the formulation of a long-term management vision in a such early stage. The increasing incorporation of independent directors' recommendations reflects meaningful progress in governance effectiveness.

Shimada: I was impressed by the process of discussion to shape a new 10-Year VISION, reflecting the opinions and ideas collected from employees ahead of time. This approach is significant in improving engagement. The individual measures proposed by employees offered meaningful pathways toward their aspirations. I suggested that they digest these opinions and connect them to the larger vision that the company is aiming for, and then make proposals with a high level of perspective.

Given my background in HR policy and legislation, I pay close attention to the direction of CKD's HR strategy at the Board level. The Company has long emphasized a "people-oriented" corporate culture through its Values and current 10-Year VISION. I hope to support efforts to align this philosophy with strategic HR reforms under the new 10-Year VISION. It would be beneficial to have more informal discussions before topics are formally presented to the board, and to hear directly from mid-level and younger employees.

Sacré: As Mr. Hayashi and Ms. Shimada have pointed out, to inspire confidence and expectations among stakeholders other than employees, it's time to revisit a fundamental yet challenging question: *What kind of company is CKD, and what are its aspirations?* The new 10-Year VISION should serve as a defining moment in answering that question.

Expanding Global Markets: Strengths, Challenges, and Strategic Focus

— Under the Fifth Medium-Term Management Plan, CKD has successfully expanded its market by targeting specific industries and regions. What strengths should be refined, and what challenges must be addressed to become a truly global company?

Sacré: In sectors such as semiconductors and rechargeable batteries, CKD's enduring brand value lies in its technological excellence and growth potential. Our ability to address societal challenges through innovative product offerings is a key differentiator. Co-creating new value by combining these technologies is another competitive edge, and I expect this to drive future business growth.

However, global expansion presents challenges—particularly in understanding international market needs. While our automation solutions have improved productivity in Japan's manufacturing sector, the domestic market's uniqueness may limit their global applicability. Products tailored to Japanese customers may risk becoming isolated from global standards—a "Galápagos risk" that we must be mindful of.

Having led foreign-affiliated manufacturing firms, I see my role as bridging global trends with CKD's strategy. During my visit to CKD's automation equipment facility in May 2025, I shared insights into the latest developments in Europe's pharmaceutical industry to inspire people in the field.

Shimada: In today's geopolitical climate, where nationalism and power dynamics are reshaping norms, building up trust in local business activity is more important than ever. Appointing local staff as site leaders—or ensuring long-term assignments for Japanese leaders with strong incentives—is key to successful integration.

Hayashi: In July 2024, I visited CKD's sites in Singapore, Thailand, and India and had discussions with local representatives on the sites. Despite regional differences, similar to the earlier proposal to formulate our new 10-Year VISION, I consistently emphasized the need to redefine "What" CKD should pursue and "What" actions are necessary.

Clear market segmentation and leveraging CKD's unique strengths to deliver customer value are essential. Following these visits, I proposed that headquarters adopt a more field-oriented global perspective, leading to board-level reports from overseas site leaders. Though still in its early stages, the company is actively promoting local talent in

Roundtable Discussion with Independent Directors

leadership roles. I plan to visit sites in Vietnam, Indonesia, and Malaysia in fiscal 2025 and use the insights gained to further global discussions.

A Global Talent Market: Recruiting and Developing the Best People

— **What are the key challenges and improvements needed in CKD's human capital strategy?**

Shimada: The basic premise is that HR policy must be tightly aligned with business strategy. Recruitment, development, and evaluation should evolve in tandem with strategic goals.

I have been suggesting the need of instilling a mindset thoroughly to sites that human capital management should treat diverse talent— overseas personnel, women, etc. are not to be treated as “different human resources to be considered”, but as investments and sources of value and competitiveness.



To expand globally, CKD must understand global needs and be mindful of the Galápagos risk in the Japanese market.

Sacré: Diversity means viewing the entire world as a talent pool. The best person for a role should be welcomed regardless of gender or nationality.

Diversity also requires a global lens. In Japan, it often focuses on women, seniors, and foreigners, but we must also consider talent challenges in places like India and Thailand. As a global company, broadening our view on local HR issues will lead to more effective actions toward achieving diversity.

Shimada: With Japan's working population expected to decline by over 20% in the next 20 years, the global competition for top talent has already begun. Students that I know also prioritize companies based on whether they can realize their potential and contribute to society. Only companies that can clearly answer these questions will be chosen.

As Mr. Sacré mentioned, it's important to communicate a clear and compelling business strategy and invite young people to join in building it.

Talent doesn't develop overnight, and traditional placement policies won't change leadership composition. To cultivate future leaders, we must envision CKD's ideal state 20 years from now and work backward to identify gaps and develop talent accordingly. Executives must engage with the field and treat talent development as a core management responsibility. I hope the new 10-Year VISION marks the beginning of a strategic approach to recruitment and placement aligned with CKD's long-term goals.

Enhancing Transparency in Governance and Succession Planning

— **Please share your thoughts on governance and capital cost-conscious management.**

Hayashi: As chair of the Nomination and Compensation Advisory Committee, we introduced a third-party institution in fiscal 2024 to review the director compensation system. The system includes base salary, performance-linked compensation, and stock-based rewards. Ensuring objectivity and transparency in the decision-making process is essential, and aligning evaluation criteria with the company's philosophy and strategy is key. From the point of view, we advanced discussions, restructured the system and achieved the further transparency.

We are also discussing the openness of compensation and evaluation standards. Clearly communicating what is valued and expected helps convey the company's message and supports fair evaluation and promotion as Ms. Shimada mentioned.

Sacré: Regarding succession planning, we are working on visualizing the profiles of next-generation executive candidates and establishing clear evaluation criteria. Defining the desired leadership traits and aligning them with CKD's vision and goals is also seen as a way to strengthen governance.



Understanding your strengths and weaknesses and knowing where to compete —employee mindset reform is key to growth.

Hayashi: In response to requests from the Tokyo Stock Exchange, we are enhancing financial accountability and disclosure. The Audit Committee is accelerating discussions on ROIC and WACC as indicators of profitability and performance.

Despite significant investments, CKD maintains a solid financial foundation, which is highly commendable.

Uniting Internal and External Expertise to Drive the Next Decade of Growth

— Finally, please share your thoughts and expectations for CKD's future.

Sacré: CKD is well-positioned in high-growth industries and has completed its planned production site development. The company is nearly ready for the next decade. To link nine years of accumulated achievements into results, the key challenges ahead are organizational structure and talent development for globalization. I will continue to express my candid advice as a board member to help address these challenges.

Hayashi: The key to future growth lies in transforming the mindset of mid-level employees. They must understand what they should do and where to compete. CKD has yet to fully grasp its true strengths. Producing excellent products is not enough—they must also sell. A market-oriented approach from the manufacturing stage is essential.

Raising awareness at the field level depends on leadership. President Mr. Okuoka is currently visiting sites to promote CKD's Purpose. The top leadership must consistently communicate the company's direction. If market-oriented thinking takes root globally and production sites operate effectively, CKD's growth potential is immense. As required by corporate law, the board will unite the wisdom of internal and external directors to support CKD's leap forward.



View all employees as sources of competitiveness and promote strategic recruitment and development for the future.

Shimada: In an era of frequent corporate scandals, the role of independent directors is to represent societal norms. Employees should feel confident that external oversight ensures fairness and prevents misconduct. I hope to contribute even more actively to building strong relationships with stakeholders and supporting CKD's future.

Corporate Governance

We strive to ensure and strengthen the feasibility of corporate governance from the perspectives of “ensuring transparent, healthy management,” and “appropriate cooperation with stakeholders” to realize a greater level of sustained corporate value.

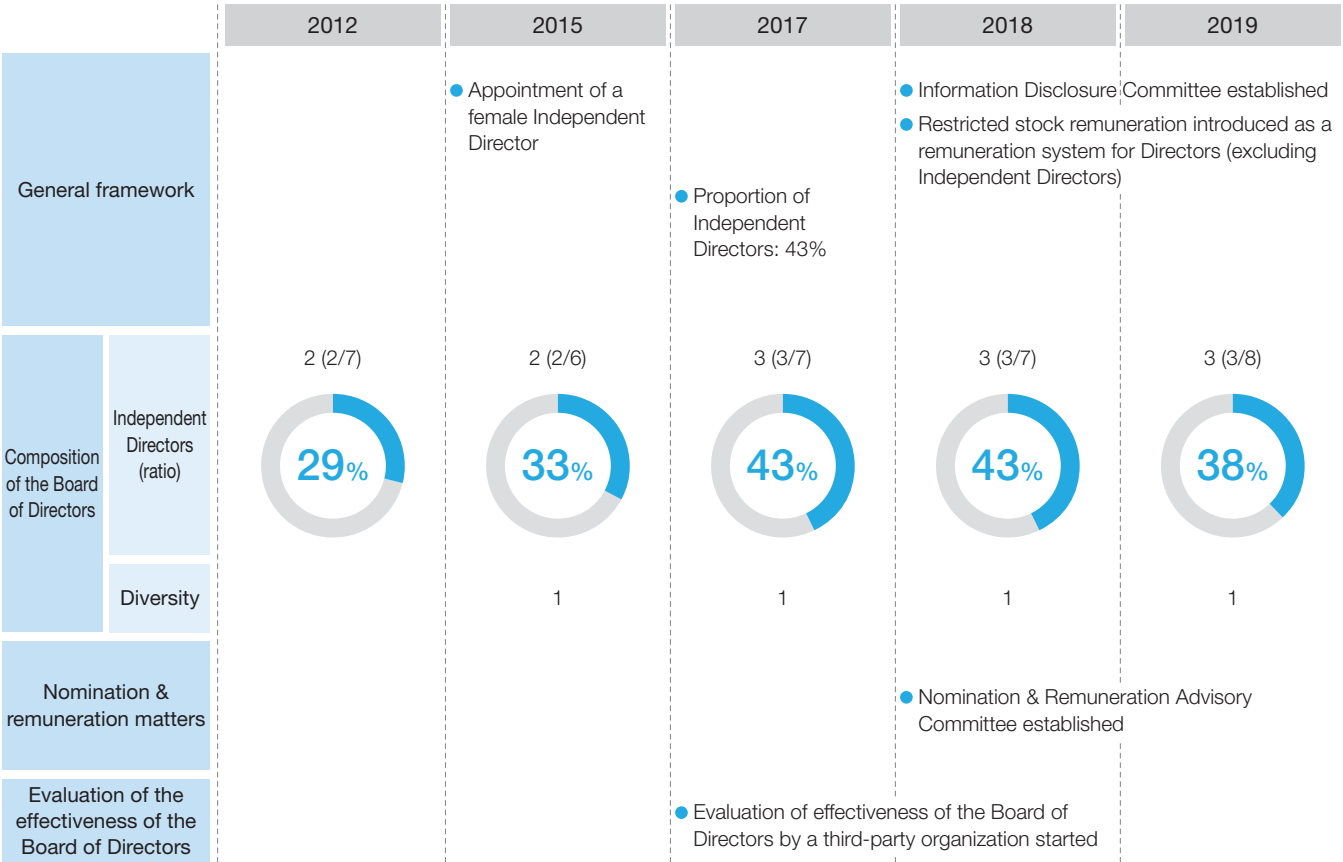
Basic approach

Corporate governance in the Company is based on our Values. To build good relationships with stakeholders with whom we have various interests and become a company that continues to be trusted, we believe it is essential to build a system that functions to enhance management transparency and fairness to enable prompt decision making that leads to sustained growth and increased corporate value.

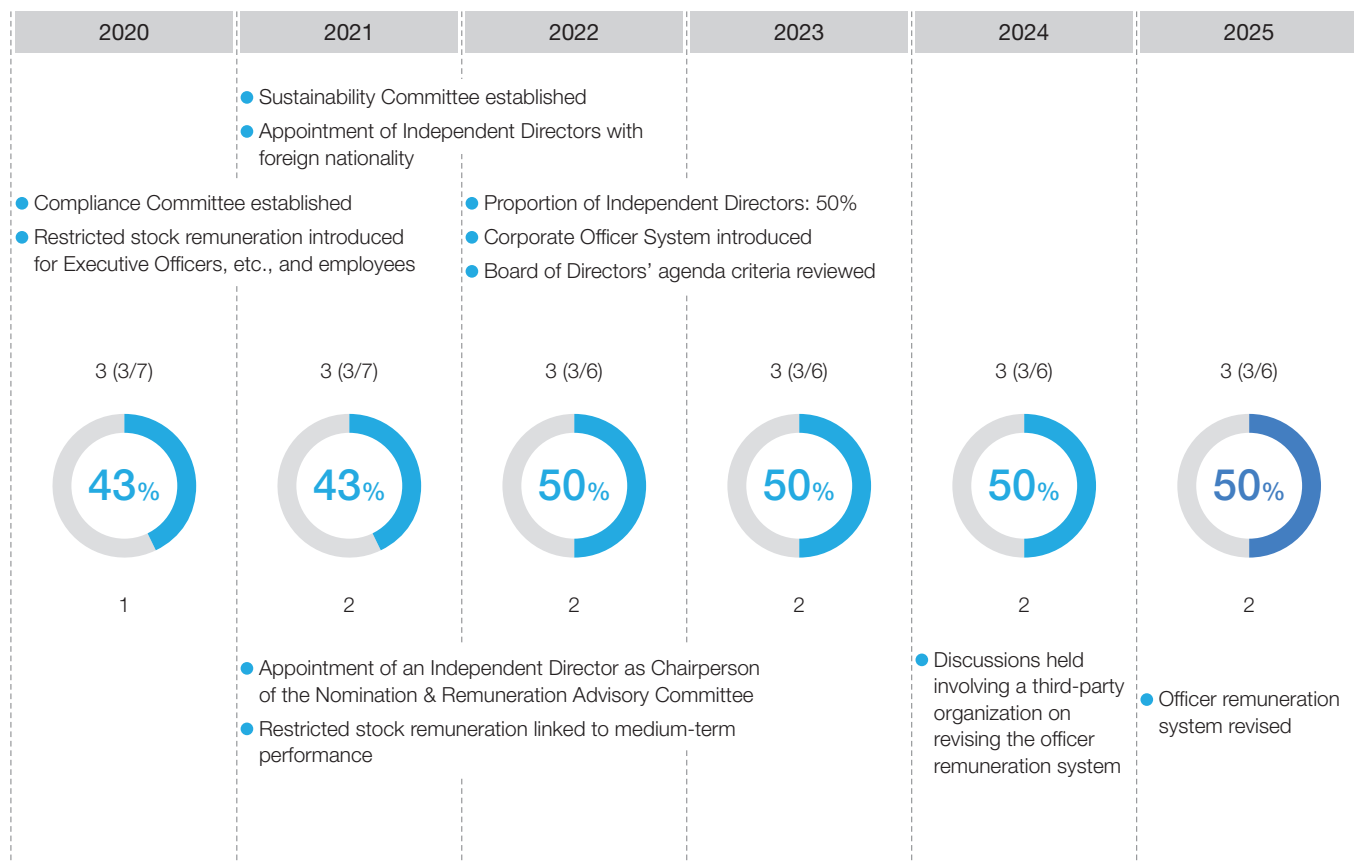
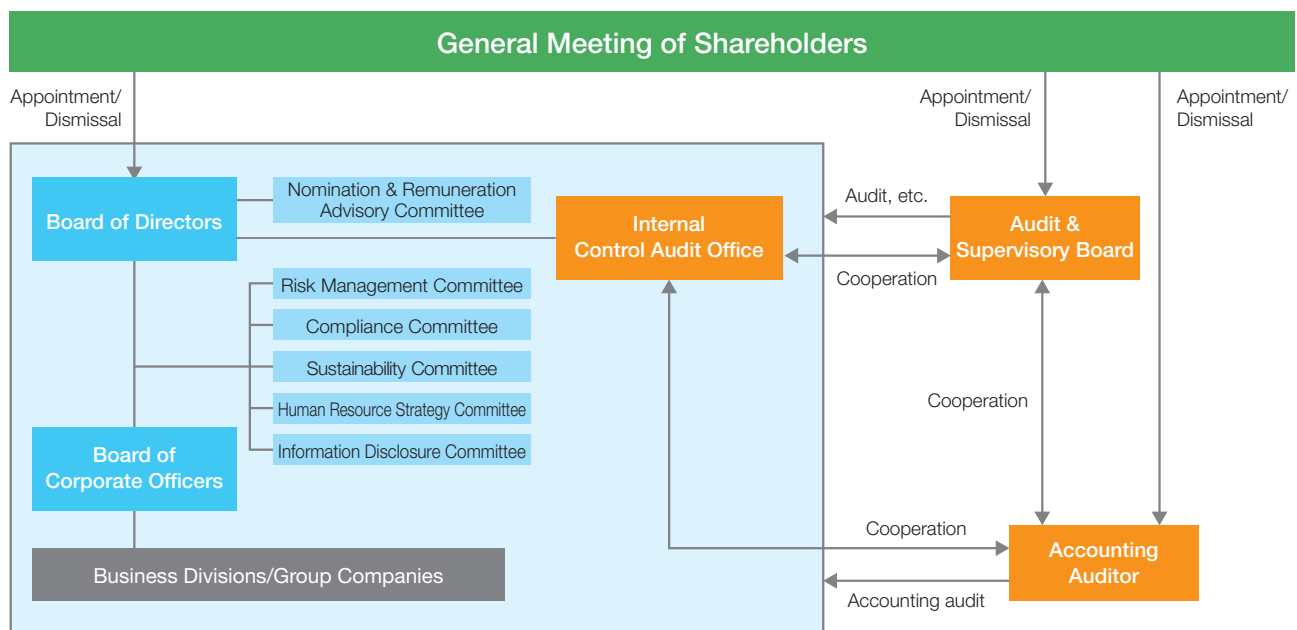
Promotion structure

The Board of Directors is positioned as an entity that determines basic policies and important matters concerning management as well as those required by laws and regulations. The Board of Corporate Officers promotes prompt management decisions and flexible business execution, and strives to achieve performance targets not only in the short term but also in the medium to long term, and further enhance corporate value. In addition, the Company has adopted an Audit & Supervisory Board system through which the Audit & Supervisory Board, the Internal Control Audit Office, and the Accounting Auditor collaborate with each other through the exchange of information on a regular basis and whenever necessary, thereby reinforcing the auditing function.

Corporate governance evolution in recent years



Corporate governance structure



Corporate Governance

Boards and committees

Name	Details	
	Outline	Main activities
Board of Directors	In the Regulations for the Board of Directors, it is stipulated that the matters stipulated by laws, regulations, and the Articles of Incorporation, and other matters related to important businesses shall be decided by resolution of the Board of Directors. The Board delegates decision-making authority for the execution of other businesses to the Board of Corporate Officers in accordance with internal regulations that clarify decision-making authority.	<ul style="list-style-type: none"> · The Board of Directors meetings provide a forum for more extensive discussions of important cases as matters to be discussed in addition to matters to be resolved and reported. · Conduct regular reports on the status of business execution from Executive Officers. · Exchange opinions between Independent Directors and External Audit & Supervisory Board Members. · Exchange opinions off-site between Internal Directors and Independent Directors. · Conduct annual evaluations of the effectiveness of the Board of Directors and implement improvement activities to address issues.
Audit & Supervisory Board	Audits the execution of duties by Directors through bilateral communication with the Representative Director, by attending meetings of the Board of Directors and other important meetings, and by examining the status of operations and assets, in accordance with the audit policy and audit plan formulated by the Audit & Supervisory Board.	<ul style="list-style-type: none"> · Attend monthly meetings of the Board of Directors, Board of Corporate Officers, and subsidiary management briefings, review documents relating to decision making, etc., and audit the status of operations and assets. · Confirm the status of internal audits by the Internal Control Audit Office, the operating of the whistleblower system, and the activities, etc. of the various committees related to compliance. · Regularly hold discussions with the Accounting Auditor to confirm the audit policy and plan, report on audit results, and receive explanations regarding audit quality. · Exchange opinions with the Accounting Auditor concerning Key Audit Matters (KAM) and the effectiveness of internal controls regarding financial reporting, and consider issues related to audit activities, etc.
Nomination & Remuneration Advisory Committee	The committee has been established to ensure objectivity and transparency in the decision-making process regarding the nomination of candidates for Directors and Audit & Supervisory Board Members and the remuneration system for Directors and further strengthen the corporate governance system.	<ul style="list-style-type: none"> · The committee is chaired by an Independent Director, with a majority of its members being Independent Directors. Meetings are held about four times a year. · Appointment of candidates for Directors is determined in light of the appointment criteria. · The committee determines policies on remuneration for Directors and the amount of individual remuneration, deliberates on the establishment and revision of the remuneration system, and determines the specific details of the stock remuneration.
Board of Corporate Officers	The board promotes prompt management decision-making and flexible business execution to achieve company-wide management goals.	<ul style="list-style-type: none"> · In principle, the board meetings are held twice a month. Directors, Audit & Supervisory Board Members, and Corporate Officers attend the meetings to discuss matters to be reported and deliberated from each division, which lead to prompt management decision-making and flexible business execution.
Risk Management Committee	As part of business management, the committee establishes basic matters necessary to identify and comprehensively manage risks surrounding the Company and conducts risk management.	<ul style="list-style-type: none"> · The committee meetings are held every three months in principle. However, they are held as needed at the chairperson's discretion for risks that need to be addressed immediately. · Individual themes are selected from key risks. The status of each activity is regularly monitored and advice is provided. · In fiscal 2024, initiatives included strengthening the governance of Group companies, promoting human capital management, responding to requirements for ensuring economic security, promoting information security, and addressing business strategies.
Compliance Committee	The committee ensures that all employees are fully aware of legal compliance and business ethics and promotes compliance with the CKD Group. It also conducts activities to prevent compliance violations within the Company, acts as a contact point in the event of compliance violations, investigate the causes and establishes measures to prevent a recurrence. The committee acts as a contact point for whistleblowing, conducts investigations in cooperation with each division within the Company, reviews necessary corrective measures, and takes immediate action.	<ul style="list-style-type: none"> · Hold the meetings every six months in principle. · Report the results of reporting and recommendations to internal and external reporting contact points. · Review disciplinary action proposals. · Investigate and respond to compliance cases. · Report to the Board of Directors. · Review harassment prevention measures. · Report the results of the harassment consultation contact. · Conduct compliance training at overseas bases.
Sustainability Committee	The committee consists of the President as chairperson and relevant officers and division heads as committee members. It deliberates on key issues related to sustainability to promote our ESG and achieve sustained growth into the future.	<ul style="list-style-type: none"> · Hold the meetings every six months in principle. · Report to the Board of Directors. · Extract key issues. <ul style="list-style-type: none"> · Formulate response policies and plans. · Review and deliberate on the progress of responses. · Disseminate policies and plans to related divisions and the entire Company.
Human Resource Strategy Committee	In order to realize the Purpose and management strategies, the Company regards the acquisition, development and improvement of engagement of human resources as its most important issues, and is promoting the development of measures and systems to build the "human resources-oriented corporate culture" set forth in the 10-Year VISION.	<ul style="list-style-type: none"> · Hold the meetings every six months in principle. · Approval of response policies and plans considered in the Future Human Resources Project. · Consider and determine recruitment policies, training programs, and frameworks for enhancing engagement targeting human capital management. · Consider and determine human resources strategies based on business strategies. · Report to the Board of Directors.
Information Disclosure Committee	The committee determines the material issues of information and the appropriateness of disclosure content in statutory and timely disclosure and works to establish a fair and reliable information disclosure system.	<ul style="list-style-type: none"> · The committee meetings are held every three months, after the settlement date of accounts, in principle. However, they are held as needed at the chairperson's discretion for cases that need to be addressed immediately. · Confirm the status of disclosure in IR, general meetings of shareholders, and business results. Review and determine the method of disclosure of matters to be added. · Review and respond with corrective actions when concerns are identified in disclosing information subject to the Fair Disclosure Rules. · Monitor decisions made by the Information Disclosure Committee. · Report to the Board of Directors.

Evaluating the effectiveness of the Board of Directors

To enable the Board of Directors to pursue sustained improvement, a third-party organization is commissioned every year to evaluate the effectiveness of the Board of Directors. The Board of Directors identifies key issues taken from the results of these evaluations, and discusses initiatives for making improvements, etc.

Main contents of the survey

● Respondents	All members of the Board of Directors (6 Directors and 4 Audit & Supervisory Board Members)
● Evaluation method	Anonymous questionnaire
● Summary of questions	Composition of the Board of Directors Management of the Board of Directors meetings Discussion at the Board of Directors meetings Monitoring function of the Board of Directors Training Dialogue with shareholders (investors) Self-improvement
● Aggregation of results	Outsourced to a third-party organization to ensure objectivity

Outline of the Evaluation of the Effectiveness of the Board of Directors for Fiscal 2024

The Board of Directors was confirmed to be functioning effectively overall. In particular, the following areas were confirmed to be effective.

- The Board of Directors is diverse in terms of knowledge, experience, expertise, gender, and internationality
- The Board of Directors sets policies for the Group's overall business portfolio and conducts regular reviews from the perspective of ensuring sustained profitability
- The Company has appropriately established a framework for company-wide consideration and promotion of sustainability initiatives based on its governance structure
- Independent Directors actively provide advice based on their professional knowledge, and ask effective questions

Future initiatives

Based on the results of this evaluation of the effectiveness, we have identified the following issues, and will work to further increase the effectiveness of the Board of Directors.

	Issues	Specific initiatives
Issues to be continuously strengthened	In fiscal 2024, the Board of Directors created opportunities for free, open, and constructive discussions, opportunities to discuss medium-term management strategies, and opportunities to follow up on important resolutions approved by the Board of Directors. However, we recognized that these efforts were still insufficient.	Hold opinion-exchange sessions between Internal Directors and Independent Directors and conduct off-site meetings Increase opportunities for discussions regarding the 10-Year VISION and the Medium-Term Management Plan Provide progress reports on investment projects
Newly identified issues	We have newly identified the following issues: increasing discussions on management strategy, holding discussions on value creation using digital technologies, providing opportunities such as seminars for officers to acquire necessary knowledge, and creating opportunities for dialogue with Executive Officers and department general manager-level personnel as part of the succession planning.	Conduct discussions on management that takes into account human capital, stock price, and the cost of capital Conduct discussions on DX initiatives Hold seminars for officers Provide opportunities for reports from Executive Officers and department general manager-level personnel at meetings of the Board of Directors

Officer remuneration

The Nomination & Remuneration Advisory Committee has been established to ensure objectivity and transparency in the decision-making process regarding the remuneration system for Directors and further strengthen the corporate governance system.

Determination process and details

Remuneration for Directors consists of basic remuneration, performance-linked remuneration, and stock remuneration. At the same time, Independent Directors, who are responsible for the oversight function, are paid only basic remuneration considering their role.

The ratio of Directors' remuneration by type is designed so that the higher a person's position, the more significant the proportion of performance-linked remuneration. The Board of Directors determines the amount of remuneration for officers based on consultation of the Nomination & Remuneration Advisory Committee, which is chaired by an Independent Director and the majority of which members are Independent Directors, within the range approved by the General Meeting of Shareholders. The Board of Directors also decides on the determination policy based on consultation with the Nomination & Remuneration Advisory Committee.

Policy on determining the remuneration for Directors

Basic Policy

- 1 Design the system to motivate Directors to contribute to the enhancement of corporate value
- 2 Ensure the appropriateness of the method for determining the remuneration and distribution
- 3 Design the system to allow Directors to share their interests with shareholders through stock ownership

In fiscal 2024, in order to further enhance transparency, a third-party organization participated in a series of discussions by the Nomination & Remuneration Advisory Committee to revise the officer remuneration system. As a result, the remuneration system was revised as follows, effective from fiscal 2025.

Officer remuneration

Amid the rapidly changing business environment, we aim to increase the certainty of achieving management plans, strengthen governance, achieve global growth, and enable Directors to further enhance the Company's corporate value.

Corporate Governance

• Key points of the revisions

- ① Increase the performance-linked ratio of Directors' remuneration and shift to management that is more conscious of performance-linked indicators.
- ② Reduce the proportion of sales and profits (financial indicators) in performance-linked remuneration and increase the proportion of non-financial indicators such as ESG.
- ③ Change performance-linked indicators in terms of items, standards, weighting, etc. so that they contribute more toward achieving the Company's vision.
- ④ Reduce the number of evaluation levels for performance-linked indicators and establish a more clearly defined performance-linked remuneration system against evaluation indicators.

Performance-linked remuneration is calculated based on the indicators shown in the diagram on the right.

Performance-linked remuneration Weighting by evaluation indicator

Net sales	15%	
Operating profit	20%	
Operating profit margin	15%	
ROE	10%	
Environmental initiatives	CO ₂ emissions	10%
	Waste	5%
	Water consumption	5%
Ratio of female managers	10%	
Ratio of foreign-national Directors at overseas bases	10%	

Type of remuneration (approximate composition ratio)	Remuneration details
Basic remuneration (approx. 30 to 70%)*	<ul style="list-style-type: none"> The amount is fixed by position according to responsibilities determined upon careful consideration while referring to employees' salaries and remuneration levels at other companies.
Performance-linked remuneration (approx. 20 to 60%)*	<ul style="list-style-type: none"> The performance-linked remuneration is paid in cash in an amount reflecting the results of the performance indicator in the previous fiscal year to raise awareness on improving performance each fiscal year. The target performance indicator and its amount are consulted with the Nomination & Remuneration Advisory Committee as necessary in accordance with environmental changes and are reviewed based on its recommendations. Officers other than those with titles are eligible for bonuses, to be paid at a specific time each year in an amount obtained reflecting the degree of targets achieved for each individual.
Restricted stock remuneration (approx. 5 to 20%)*	<ul style="list-style-type: none"> Restricted stock remuneration consists of restricted stock intended to raise further motivation to sustainably improve corporate value and shareholder value over the medium to long term within the range approved at the General Meeting of Shareholders. The shares to be granted to Directors are to be restricted stocks and the number of shares is resolved by the Board of Directors. The restrictions on shares are lifted when the Director retires.

* If there is a pronounced decline in performance, performance-linked remuneration and stock remuneration may fall below the stated range. Therefore, basic remuneration may surpass the stated range.

Proportion of basic remuneration, performance-linked remuneration, and restricted stock remuneration

Internal Directors	Basic remuneration (30 to 70%)	Performance-linked remuneration (20 to 60%)	Restricted stock remuneration (5 to 20%)
Independent Directors and Audit & Supervisory Board Members	Basic remuneration (100%)		

■ Remuneration for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members is determined by the Audit & Supervisory Board within the range approved at the general meeting of shareholders.

■ The total amount of remuneration, etc., by officer category, the total amount of remuneration, etc., by type, and number of eligible officers in fiscal 2024

(¥ million)

Category	Total amount of remuneration, etc.	Total amount of remuneration by type			Number of eligible officers (Persons)
		Basic remuneration	Performance-linked remuneration	Restricted stock remuneration	
Directors	233	137	71	25	7
Audit & Supervisory Board Members	46	46	—	—	5
Total	280	183	71	25	12

* 1 Of the amount paid above, the total remuneration for 3 Independent Directors and 3 External Audit & Supervisory Board Members is ¥56 million.

2 As of March 31, 2025, there are 6 Directors (including 3 Independent Directors) and 4 Audit & Supervisory Board Members (including 3 External Audit & Supervisory Board Members).

3 The amount of remuneration for fiscal 2024 is based on the previous remuneration system.

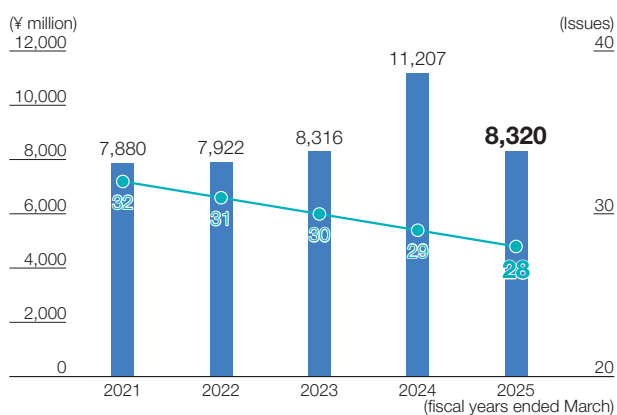
Cross-shareholdings

In principle, the Company does not hold cross-shareholdings, except in cases where the Company judges that it will contribute to the enhancement of its corporate value from the perspective of business strategies, business alliances with business partners, and the maintenance and strengthening of business relationships.

If the significance of the shares held by the Company has diminished, the Company will sell them in a phased manner, taking into account the circumstances of the company concerned. If the Company determines that it is necessary to hold shares, the Board of Directors examines the objectives and rationale for holding the shares by examining the stock every year to determine the need for business strategies, business alliances, and the maintenance and strengthening of business relationships. When exercising voting rights pertaining to these shares, the Company will consider whether or not the exercise of voting rights will lead to an increase in the corporate value of the issuing company and shareholder value, for example, by opposing any proposal in the event where the financial health of the issuing company is adversely affected or if an illegal act occurs.

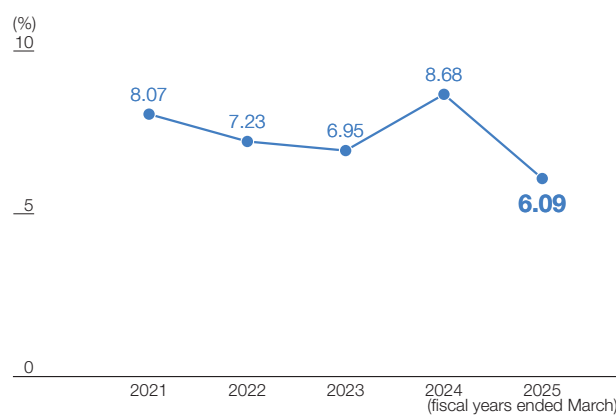
In the event that a company holding shares of the Company indicates its intention to sell the shares, the Company will not prevent such sale.

Amount of cross-shareholdings and number of issues



■ Amount of cross-shareholdings (left axis) ● Number of issues (right axis)

Percentage of cross-shareholdings to net assets



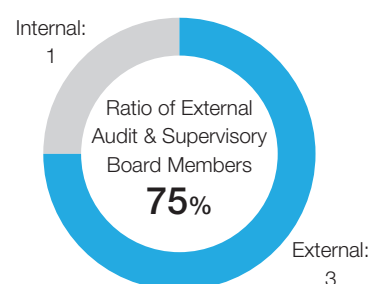
● Percentage of cross-shareholdings to net assets

Criteria for judging independence

The Company deems an Independent Director or a candidate for Independent Director to be independent of the Company if the Director or the candidate is judged to have no risk of generating conflicts of interest with ordinary shareholders of the Company.

*<https://www.ckd.co.jp/en/company/govern/>

Composition of Audit & Supervisory Board Members



Board of Directors and Audit & Supervisory Board Members

Directors



Kazunori Kajimoto

Chairperson of the Board of Directors and Corporate Officer

Number of shares of the Company held
103 thousand shares

● 100%
■ (12/12)

Reason for appointment Mr. Kazunori Kajimoto has long experience in overseeing sales divisions, as well as abundant experience and broad insight as a corporate executive. We have appointed him as we believe that he will contribute to our management by utilizing the above.



Katsuhito Okuoka

Representative Director, President, Corporate Officer, and Chief Executive Officer (CEO)

Number of shares of the Company held
49 thousand shares

● 100%
■ (12/12)

Reason for appointment Mr. Katsuhito Okuoka has long experience in overseeing production divisions, as well as abundant experience and broad insight as a manager. We have appointed him as we believe that he will contribute to our management by utilizing the above.



Yoshiyuki Amano

Director, Executive Officer, Corporate Officer, In charge of Administration

Number of shares of the Company held
6 thousand shares

● 100%
■ (10/10)

Reason for appointment Mr. Yoshiyuki Amano has long experience in overseeing the departments for technology development and service improvement, as well as abundant experience and broad insight as a manager. We have appointed him as we believe that he will contribute to our management by utilizing the above.



Stefan Sacré

Independent Director

Number of shares of the Company held
0 thousand shares

● 100%
■ (12/12)

Reason for appointment Mr. Stefan Sacré appropriately performs his duties as an Independent Director by making critical managerial decisions and overseeing business execution independently and impartially. Furthermore, he has high academic knowledge as a Doctor of Engineering and abundant experience as a manager in the manufacturing sector in Japan and overseas. We have appointed him as we expect that he will oversee all aspects of the Company's operations and offer advice and opinions from broad management perspectives.



Koichi Hayashi

Independent Director

Number of shares of the Company held
0 thousand shares

● 100%
■ (12/12)

Reason for appointment Mr. Koichi Hayashi appropriately performs his duties as an Independent Director by making critical managerial decisions and overseeing business execution independently and impartially. Furthermore, he has professional knowledge as a certified public accountant and abundant experience as a manager. We have appointed him as we expect that he will oversee all aspects of the Company's operations and offer advice and opinions from broad management perspectives.



Hiroko Shimada

Independent Director

Number of shares of the Company held
0 thousand shares

● 100%
■ (12/12)

Reason for appointment Ms. Hiroko Shimada appropriately performs her duties as an Independent Director by making critical managerial decisions and overseeing business execution independently and impartially. Furthermore, she has abundant domestic and international experience in human resources policies, laws and regulations, mainly in recruitment and development, diversity, work style reform, and labor-related matters at the National Personnel Authority and the Ministry of Foreign Affairs of Japan. We have appointed her as we expect that she will oversee all aspects of the Company's operations and offer advice and opinions from broad perspectives.

Audit & Supervisory Board Members



Toshiaki Sugiura

Standing Audit & Supervisory Board Member

Number of shares of the Company held
12 thousand shares

● 100% (10/10) ● 100% (10/10)

Reason for appointment Mr. Toshiaki Sugiura has long experience in overseeing the departments for staff workers' affairs, as well as abundant experience and broad insight at sales departments. We have appointed him as we believe that he will appropriately audit management based on such experience and insight.



Shuzo Hashimoto

External Audit & Supervisory Board Member

Number of shares of the Company held
0 thousand shares

● 100% (12/12) ● 100% (12/12)

Reason for appointment Mr. Shuzo Hashimoto has abundant experience and broad insight as a lawyer. We have appointed him as we believe that he will apply such experience and insight to the Company's audit.



Kiyoshi Miura

External Audit & Supervisory Board Member

Number of shares of the Company held
0 thousand shares

● 100% (12/12) ● 100% (12/12)

Reason for appointment Mr. Kiyoshi Miura has experience developed over the years in financial institutions, as well as abundant experience and broad insight as a corporate manager. We have appointed him as we believe that he will apply such experience and insight to the Company's audit.



Tsuyoshi Takeuchi

External Audit & Supervisory Board Member

Number of shares of the Company held
0 thousand shares

● 100% (12/12) ● 100% (12/12)

Reason for appointment Mr. Tsuyoshi Takeuchi has professional knowledge as a certified public accountant and abundant overseas experience. We have appointed him as we believe that he will apply such experience and insight to the Company's audit.

● Status of attendance at Board of Directors meetings (Fiscal 2024) ● Status of attendance at Audit & Supervisory Board meetings (Fiscal 2024)



Please refer to the Securities Report (P. 44, 45) for the career summaries of Officers.

<https://www.ckd.co.jp/assets/images/ir/holdersinfo/meeting/shousyutsuuchi105english.pdf>

Skill set matrix

	Name	Job title	Gender	Age*	Years in office	Significant concurrent positions		Committee belongs to	Expertise and experience								
						The number of companies	Of which, the number of listed companies		Corporate management	Manufacturing, technology, research and development	Quality and safety	Sales and marketing	Finance and accounting	Legal affairs and risk management	DX and IT	Sustainability and environment	International experience
Internal	Kazunori Kajimoto	Chairperson of the Board of Directors	Male	68	21			<div></div>	<div></div>		<div></div>	<div></div>	<div></div>			<div></div>	<div></div>
Internal	Katsuhito Okuoka	President and Chief Executive Officer	Male	57	9				<div></div>	<div></div>	<div></div>		<div></div>	<div></div>	<div></div>	<div></div>	
Internal	Yoshiyuki Amano	Director Executive Officer	Male	62	1				<div></div>	<div></div>	<div></div>		<div></div>	<div></div>	<div></div>		
External (Independent)	Stefan Sacré	Independent Director	Male	62	4	1		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>			<div></div>		<div></div>
External (Independent)	Koichi Hayashi	Independent Director	Male	60	3	2	1	<div></div> Chair	<div></div>				<div></div>	<div></div>			<div></div>
External (Independent)	Hiroko Shimada	Independent Director	Female	61	2	2	1							<div></div>		<div></div>	<div></div>
Internal	Toshiaki Sugiura	Standing Audit & Supervisory Board Member	Male	64	1				<div></div>			<div></div>		<div></div>		<div></div>	
External (Independent)	Shuzo Hashimoto	External Audit & Supervisory Board Member	Male	69	5	1								<div></div>			
External (Independent)	Kiyoshi Miura	External Audit & Supervisory Board Member	Male	67	3	2	1		<div></div>			<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
External (Independent)	Tsuyoshi Takeuchi	External Audit & Supervisory Board Member	Male	66	3	3	1		<div></div>				<div></div>	<div></div>			<div></div>

* As of June 20, 2025

Corporate management	Experience and knowledge of corporate management and business operation, which are necessary to fulfill medium-to long-term business goals, cultivate a healthy global environment and a prosperous future: the Company's Purpose, and grow together with society sustainably
Manufacturing, technology, research and development	Experience and knowledge of manufacturing, technology, research and development, which are necessary to engage in R&D of automation and fluid control technologies and manufacture products that contribute to solving challenges faced by society
Quality and safety	Experience and knowledge of quality and safety, which are necessary to deliver high-quality and safe products to society and create a work environment that gives due consideration to occupational safety and health within the organization
Sales and marketing	Experience and knowledge of sales and marketing, which are necessary to develop marketing activities that satisfy customers, strengthen sales capabilities and respond to customers' needs to become the company of choice
Finance and accounting	Experience and knowledge of finance and accounting, which are necessary to disclose financial information, raise finance properly and aim to increase the Company's corporate value that satisfies both investing in growth and returning profits to shareholders based on the sound financial standing
Legal affairs and risk management	Experience and knowledge of legal affairs and risk management, which are necessary to develop a foundation for sustained corporate value enhancement by establishing a governance system, improving compliance, and thoroughly managing risks
DX and IT	Experience and knowledge of DX and IT, which are necessary to promote the creation of new value, such as improving operational efficiency and optimizing business processes by utilizing newly introduced core systems and integrating digital technologies and data
Sustainability and environment	Experience and knowledge of sustainability and environment to actively promote sustainability and environmental initiatives to realize a sustainable society, which are essential for the Company's medium- to long-term development as a company that contributes to society
International experience	Experience and knowledge of overseas businesses, management, culture, etc., which are necessary to accelerate globalization and fulfill management strategies for expanding overseas markets

Approach We will fulfill our social responsibilities by ensuring every employee adheres to laws, regulations, and business ethics.

Thoroughly enforcing Standards of Conduct

submit a written pledge on service rules, and provide all employees with a confidential information management training and have them submit a written pledge.



Handling risk of compliance violations

been any instances of inappropriate transactions, fraud or corruption.

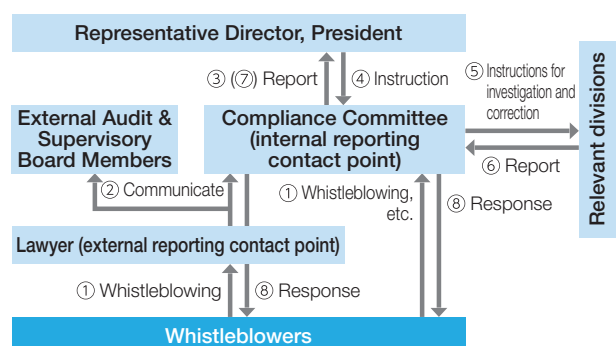
Furthermore, our approach to compliance is clearly stated through means such as the Requests for Business Partners posted on our corporate website, and business partners are informed of this approach.

In fiscal 2024, there were no cases of disciplinary action taken for reasons such as bribery or corruption, nor any instances of expenses occurred, such as fines or settlement payments, in relation to such acts.

Whistleblower system

The details of reports are presented to Representative Director (or External Audit & Supervisory Board Members, depending on the nature of the case) without delay, and matters are investigated and deliberated on by the Compliance Committee. We take action to correct any problems and ensure that they do not reoccur.

■ Whistleblowing handling system



Risk Management

CKD considers risk management as an important operational activity to be a company that continues to earn the trust of society and develops a structure to that end. At the same time, the Company strives to mitigate material risks and minimize loss that results from risk.



For details of this page, please refer to 'Risk Management' on our website.
<https://www.ckd.co.jp/en/sustainability/risk/>

Approach

CKD identifies various risks ancillary to business activities so as to ensure business continuity and to raise corporate value, and based upon the proper assessment of such risks, undertakes efficient and effective management activities.

Risk management system

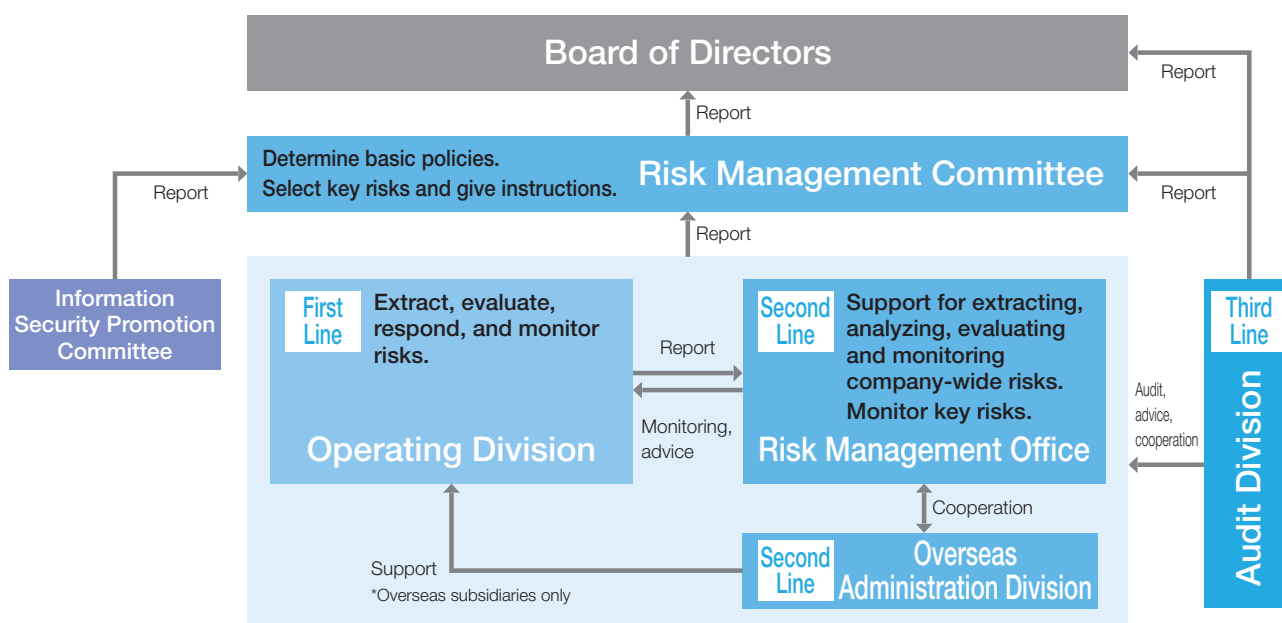
The Risk Management Committee has been established as an organization under the direct control of the Board of Directors. It reports the progress and results of its activities to the Board of Directors regularly to promote risk management.

We established a Risk Management Office as a subordinate organization of the Risk Management Committee and a monitoring system by the Audit Division to strengthen our risk management system.

Specifically, the Risk Management Office supports the Operating Division in identifying, analyzing, evaluating, and monitoring company-wide risks.

For overseas subsidiaries, the Overseas Administration Division works in collaboration with the Risk Management Office to provide support. In addition, the Risk Management Office monitors the progress of efforts by the Operating Division to address key risks, encourages improvements as necessary, and regularly reports to the Risk Management Committee.

The Audit Division conducts audits, provides advice, and coordinates with the Operating Division, the Risk Management Office, and the Overseas Administration Division to ensure their proper function.



Risk identification process

Each of the business divisions, Group companies, and the Head Office administration divisions identifies risks that may hinder the improvement of corporate value and the achievement of management goals and their countermeasures. Risks are identified, and then evaluated based on the frequency and degree of impact when they occur. Identified key risks are reported to and shared at the Board of Directors.


Risks and Opportunities

We have a system in place that allows us to respond to the risks that may affect our corporate value, and review selected risks as necessary. Risks are not always negative factors; some may become opportunities for further growth of the Company. We will continue to capture such risks as opportunities and take bold actions when appropriate. As we conduct risk management and improve our corporate value through business initiatives, we aim to realize a sustainable society.

Approach to risk

We define risks as uncertain events that may affect corporate value such as achieving management goals and social credibility as a result of changes in the external or internal environment. We view the appropriate management of risk as a vital management issue to expand our business globally, and have a risk management system in place.

Risk factors	Risks	Responses and opportunities	Corresponding material issues Material Issues P.20-22
Society/ Economy	<ul style="list-style-type: none"> Stagnation of business conditions in key customers' industries due to the prolonged economic downturn, affecting business performance 	Responses <ul style="list-style-type: none"> Prompt action to address changes in the market environment 	<ul style="list-style-type: none"> Risk management
Natural hazards	<ul style="list-style-type: none"> Impact on production activities due to the suspension of operations at production plants and supply chain disruptions caused by natural disasters such as heavy rain and flooding Impact on production activities of earthquakes in the Tokai, Tonankai, and Nankai regions 	Responses <ul style="list-style-type: none"> Establishment of a system enabling local procurement at each production base and decentralization of production bases Strengthening of response capabilities through our business continuity plans (BCP) and new regulations 	<ul style="list-style-type: none"> Risk management Supply chain management
Politics	<ul style="list-style-type: none"> Impact on the Company's business through semiconductor-related customers in the Component Products Business in the event of restrictions on imports/exports and semiconductor-related transactions due to political factors, such as trade frictions Impact on production activities due to government regulations and import/export restrictions resulting from heightened geopolitical risks 	Responses <ul style="list-style-type: none"> Promotion of local procurement of products manufactured overseas, production at multiple bases, and placement of inventory centers in various locations by taking into consideration geopolitical risks Opportunities <ul style="list-style-type: none"> Increased demand for new capital investment due to the decentralized siting of customers' semiconductor production bases 	<ul style="list-style-type: none"> Risk management Supply chain management
Management and internal controls	<ul style="list-style-type: none"> Impact on business performance from unexpected changes in the business environment Unexpected losses that can arise from inadequacy of management at bases with short history or small-scale locations 	Responses <ul style="list-style-type: none"> Continuous review of management strategies and the management of annual policies Management of overseas Group Companies to strengthen governance Human resource strategy incorporating strengthened in-house education, including implementation of a global-based human resource development plan 	<ul style="list-style-type: none"> Challenge to new businesses and markets Corporate governance Development of human resources and future generations
Legal issues related to business transactions	<ul style="list-style-type: none"> Impact of the security export control system Financial disruption caused by the non-collection of accounts receivable Impact on production activities stemming from shortages in the supply of materials from suppliers due to business succession issues, etc. 	Responses <ul style="list-style-type: none"> Thorough company-wide training and rigorous export control Securing multiple suppliers and conducting evaluation tests of alternative materials Conducting regular credit checks 	<ul style="list-style-type: none"> Supply chain management
Products/ Technologies/ Services	<ul style="list-style-type: none"> Burden of compensation for damages and loss of customer trust in the event that a product causes personal injury or property damage Intensified price competition with competitors due to the commodification of some products 	Responses <ul style="list-style-type: none"> Reinforcement of the quality assurance structure from raw materials to shipping inspections Development of IoT-related components, preventive maintenance, and long service life products Development of high-value-added products and launch of price-competitive products Opportunities <ul style="list-style-type: none"> Increased demand for high-value-added products due to an increase in customers who place emphasis on quality 	<ul style="list-style-type: none"> Development of low environmental impact products Products that emphasize safety and quality Challenge to technological innovation

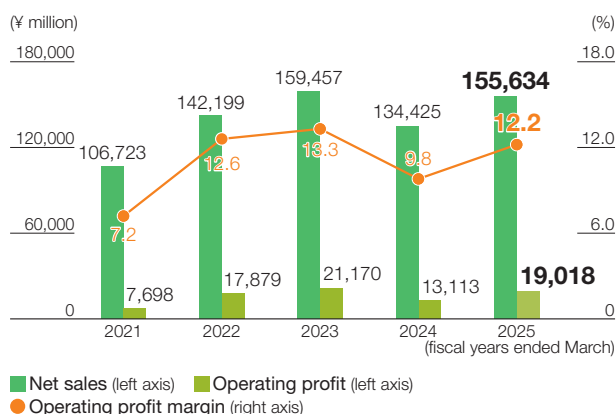
Risk factors	Risks	Responses and opportunities	Corresponding material issues
			Material Issues  P.20-22
Employment	<ul style="list-style-type: none"> Impact on production activities due to the difficulty of securing labor in Japan under a declining birthrate Impact on new businesses and global activities due to shortages of global-based human resources and human resources capable of project planning 	<p>Responses</p> <ul style="list-style-type: none"> Advanced automation in domestic plants and establishment of production systems that do not rely on human labor Human resource strategy incorporating strengthened in-house education, including implementation of a global-based human resource development plan <p>Opportunities</p> <ul style="list-style-type: none"> Increased demand for automation and labor-saving on production lines due to the difficulty of securing labor in Japan 	<ul style="list-style-type: none"> Development of human resources and future generations Respect for human rights Promotion of diversity and inclusion
Information security	<ul style="list-style-type: none"> Dysfunction in internal systems or information leaks due to computer viruses or cyberattacks and associated loss of social credibility Impact on deliveries to business partners caused by a suspension of production lines and distribution systems Stagnation in procurement, production, and distribution due to the shutdown of the ERP software system, and the resulting negative impact on business activities Impact of computer virus infection on important business partners 	<p>Responses</p> <ul style="list-style-type: none"> Development of information security management policies and other regulations and implementation of employee training and internal audits Installment and updating of the latest information security equipment and software Investigation and remediation of information security management at our significant business partners <p>Opportunities</p> <ul style="list-style-type: none"> Increased opportunities for dealings with customers by improving social credibility through strengthening information security systems 	<ul style="list-style-type: none"> Supply chain management Risk management
Environmental issues	<ul style="list-style-type: none"> Impact on business performance due to delays in the development of businesses and products that contribute to the realization of a decarbonized society by the Group Impact on business activities from tighter regulations on the use and emission of greenhouse gases and under the energy-conservation laws due to worsening global environmental issues Impact on business activities of stricter regulations on chemical substances in use Impact on the continuity of the Company's packaging machinery business in the event of delayed response in the packaging business to the global trend toward de-plasticization 	<p>Responses</p> <ul style="list-style-type: none"> Development of low environmental impact products Prompt switch away from materials containing regulated substances Development of packaging machinery adapted to plastic-free packaging materials <p>Opportunities</p> <ul style="list-style-type: none"> Sales expansion of low environmental impact products Expansion of business in packaging machinery adapted to plastic-free packaging materials 	<ul style="list-style-type: none"> Development of low environmental impact products Reduction of CO₂ emissions Reduction of water consumption Prevention and reduction of waste Reduction of chemical substances impacting the environment
Occupational safety and health	<ul style="list-style-type: none"> Impact on business operations from employees being overworked or stressed Impact on production activities from industrial accidents Impact on deliveries to business partners caused by a suspension of operations at domestic and overseas plants or at key supplier plants due to the pandemic 	<p>Responses</p> <ul style="list-style-type: none"> Implementation of regular surveys in the form of mental health checks Carrying out occupational safety and health training Strengthening of non-contact support including remote sales and services Strengthening of development of sensors and image processing technology for remote control and labor-saving <p>Opportunities</p> <ul style="list-style-type: none"> Increased demand for automation and labor-saving such as production equipment that does not rely on humans and remote diagnosis and operation of equipment as measures against infectious diseases and other threats 	<ul style="list-style-type: none"> Promotion of occupational safety and health Health and productivity management
Facilities/ Equipment	<ul style="list-style-type: none"> Impact on production activities from malfunctioning or damaged production equipment 	<p>Responses</p> <ul style="list-style-type: none"> Keeping equipment running through regular upgrades and maintenance 	<ul style="list-style-type: none"> Risk management

Financial/Non-Financial Highlights

Financial highlights

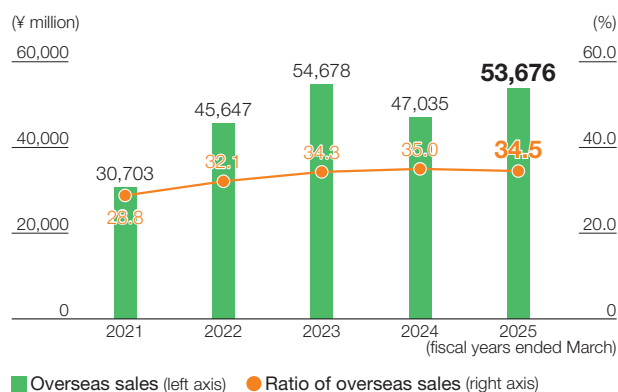
Net sales **¥155,634 million**

Operating profit **¥19,018 million**



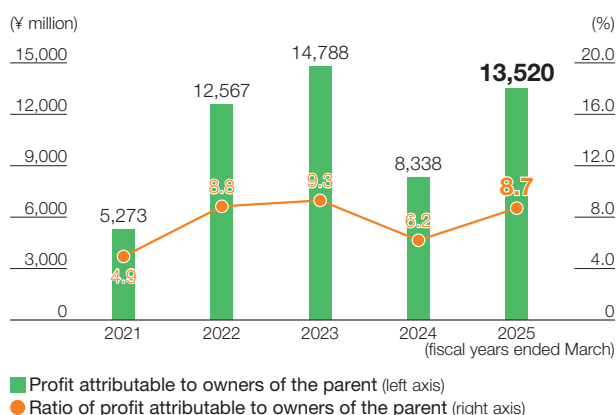
Overseas sales **¥53,676 million**

Ratio of overseas sales **34.5%**

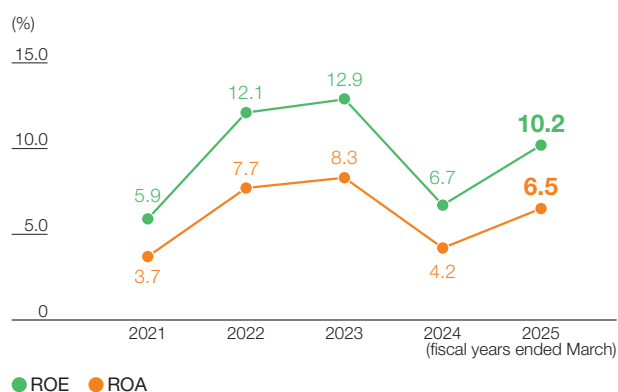


Profit attributable to owners of the parent

¥13,520 million

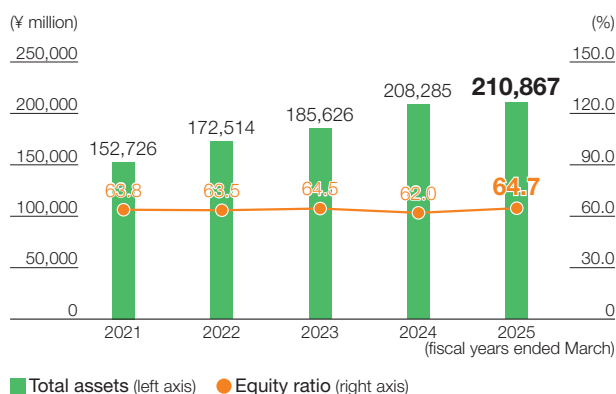


ROE **10.2%** ROA **6.5%**



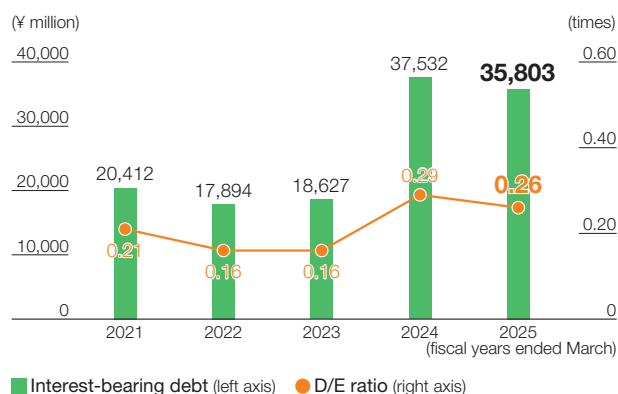
Total assets **¥210,867 million**

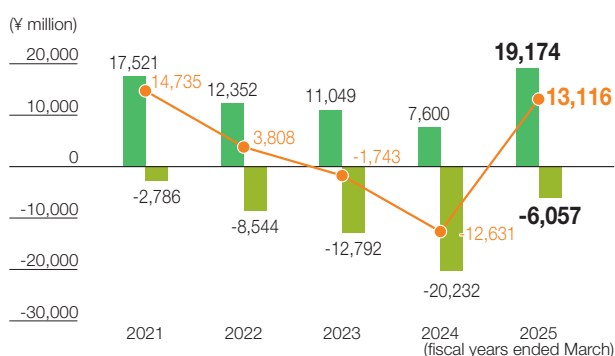
Equity ratio **64.7%**



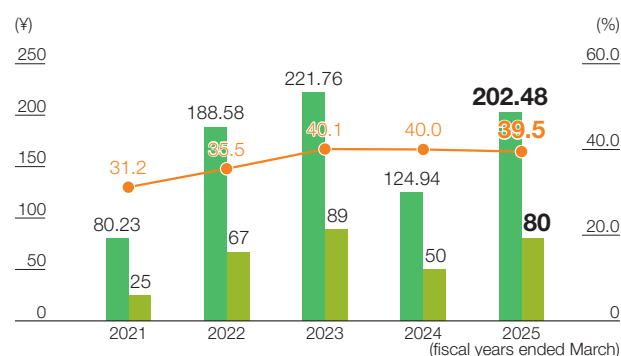
Interest-bearing debt **¥35,803 million**

D/E ratio **0.26 times**



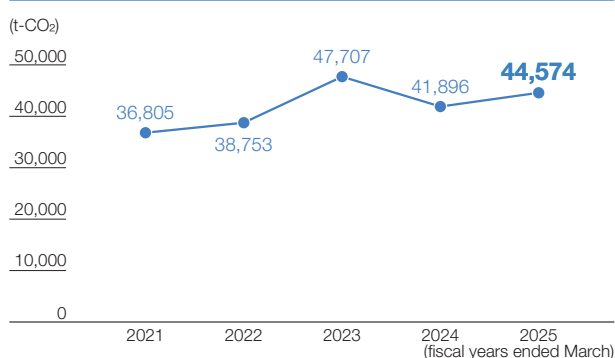
Free cash flows **¥13,116 million**

■ Cash flows from operating activities
 ■ Cash flows from investing activities ● Free cash flows

Earnings per share (EPS) **¥202.48**Dividends per share **¥80**

■ Earnings per share (left axis)
 ■ Dividends per share (left axis) ● Dividend payout ratio (right axis)

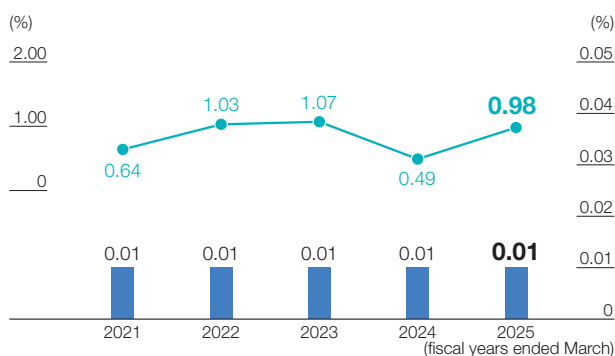
Non-financial highlights

CO₂ emissions (Scope 1 and 2) **44,574 t-CO₂**

● CO₂ emissions

* Scope of aggregation: Total of domestic plants (excluding those of domestic Group companies) and overseas plants (using domestic emission factors) for the fiscal years ended March 31, 2020 through March 31, 2022. The Group companies and energy included in the scope were expanded from the fiscal year ended March 31, 2023.

* Emission factors: From the fiscal year ended March 31, 2023, calculated in accordance with the GHG Protocol with market-based emission factors (adjusted emission factors) used in Japan, and location-based emission factors used overseas.

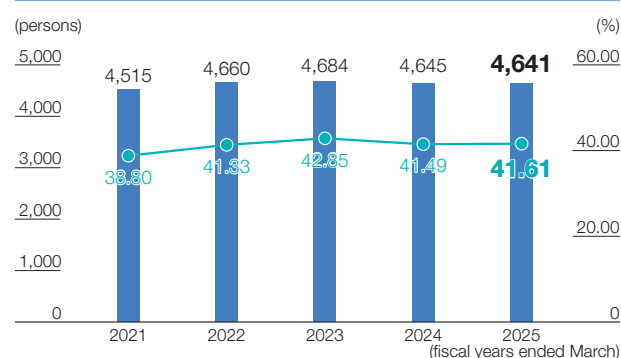
Occupational accident frequency rate*1 **0.98%**Severity rate*2 **0.01%**

● Occupational accident frequency rate (left axis) ■ Severity rate (right axis)

*1 Occupational accident frequency rate: The frequency with which accidents occurred, indicated by the number of casualties through industrial accidents per one million hours worked.

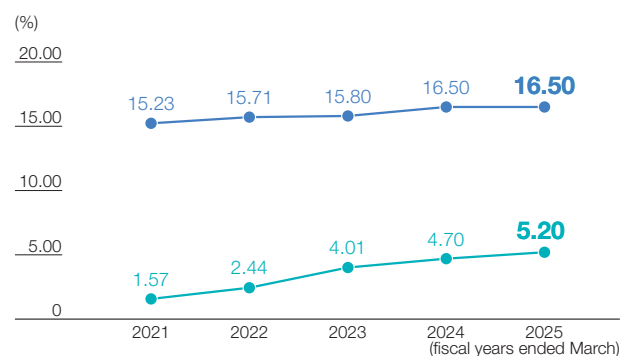
*2 Severity rate: The severity of accidents, indicated by the total number of working days lost per one thousand hours worked.

* Scope of aggregation: Total of domestic (excluding domestic Group companies)

Number of employees **4,641**Ratio of overseas employees **41.61%**

■ Number of employees (left axis)

● Ratio of overseas employees (right axis)

Ratio of female employees **16.50%**Ratio of female managers **5.20%**

● Ratio of female employees ● Ratio of female managers

* Scope of aggregation: Total of domestic (excluding domestic Group companies)

11-Year Summary

10-Year VISION

GO CKD!

Medium-Term Management Plan

GLOBAL CKD 2015

Challenge CKD 2018

	(Unit)	2015	2016	2017	2018
Financial summary					
Business results					
Net sales	¥ million	83,379	88,117	94,012	115,700
Operating profit	¥ million	8,363	8,107	9,580	12,472
Ordinary profit	¥ million	8,735	8,094	9,771	12,469
Profit attributable to owners of the parent	¥ million	6,010	5,459	6,958	9,142
Cash flow					
Cash flows from operating activities	¥ million	6,226	8,027	10,163	5,542
Cash flows from investing activities	¥ million	(4,755)	(6,183)	(4,081)	(7,273)
Cash flows from financing activities	¥ million	618	(3,329)	(2,505)	2,559
Free cash flows	¥ million	1,471	1,844	6,081	(1,730)
Financial position					
Total assets	¥ million	96,018	96,412	106,361	130,887
Net assets	¥ million	65,555	66,419	70,957	80,058
Cash and cash equivalents	¥ million	12,290	10,342	13,905	14,799
Interest-bearing debt	¥ million	5,411	4,391	3,602	11,684
Investment					
Depreciation	¥ million	3,188	4,060	3,964	4,230
Capital investment	¥ million	5,454	7,801	4,864	9,422
Research and development expenses	¥ million	2,927	2,857	3,348	4,330
Per share information					
Earnings per share (EPS)	¥	96.25	87.99	112.38	147.65
Dividends per share	¥	24	26	30	37
Book-value (net assets) per share (BPS)	¥	1,049.70	1,072.72	1,146.02	1,291.26
Key performance indicators					
ROE	%	9.8	8.3	10.1	12.1
ROA	%	6.6	5.7	6.9	7.6
Equity ratio	%	68.3	68.9	66.7	61.1
Non-financial summary					
Governance					
Number of directors	Persons	7	6	6	7
Number of independent directors	Persons	2	2	2	3
Ratio of independent directors	%	29	33	33	43
Society					
Number of employees	Persons	3,294	3,594	3,719	4,284
Number of female employees	Persons	821	897	939	1,090
Ratio of female employees	%	24.92	24.96	25.25	25.44
Number of overseas employees	Persons	1,182	1,456	1,525	1,771
Ratio of overseas employees	%	35.88	40.51	40.01	41.34
Environment					
CO ₂ emissions: Scope 1 and 2*	t-CO ₂	25,295	24,147	40,123	39,345
CO ₂ emissions: Scope 3	t-CO ₂	—	—	—	—
Water consumption	1,000 m ³	309	336	392	413
Industrial waste	t	1,077	1,015	1,243	1,341

*1 Figures have been revised for the fiscal year ended March 31, 2018 to reflect changes in accounting policies from April 1, 2018.

*2 Figures for CO₂ emissions, water consumption, and industrial waste until the fiscal year ended March 31, 2016 do not include the figures of overseas bases.

*3 With regard to CO₂ emissions (Scope 1 and 2), the Group companies and energy included in the scope were expanded from the fiscal year ended March 31, 2023. Emission factors were calculated from the fiscal year ended March 31, 2023 in accordance with the GHG Protocol with market-based emission factors (adjusted emission factors) used in Japan, and location-based emission factors used overseas. Scope 3 CO₂ emissions applies to the Company (domestic, non-consolidated), and have been expanded to include domestic Group companies from the fiscal year ended March 31, 2025.

*4 Water consumption is the total of domestic plants (excluding domestic Group companies) and overseas plants.

*5 Waste emissions are the total of industrial waste from domestic plants (excluding domestic Group companies) and overseas plants (excluding the U.S. Austin Plant).

*6 Data for the fiscal year ended March 31, 2025 for items marked with ★ has been certified by an independent third-party organization.

Third-party warranty certificate (https://www.ckd.co.jp/en/assets/images/csr/esg/ghg_emissions_en.pdf)

Build-up CKD 2021

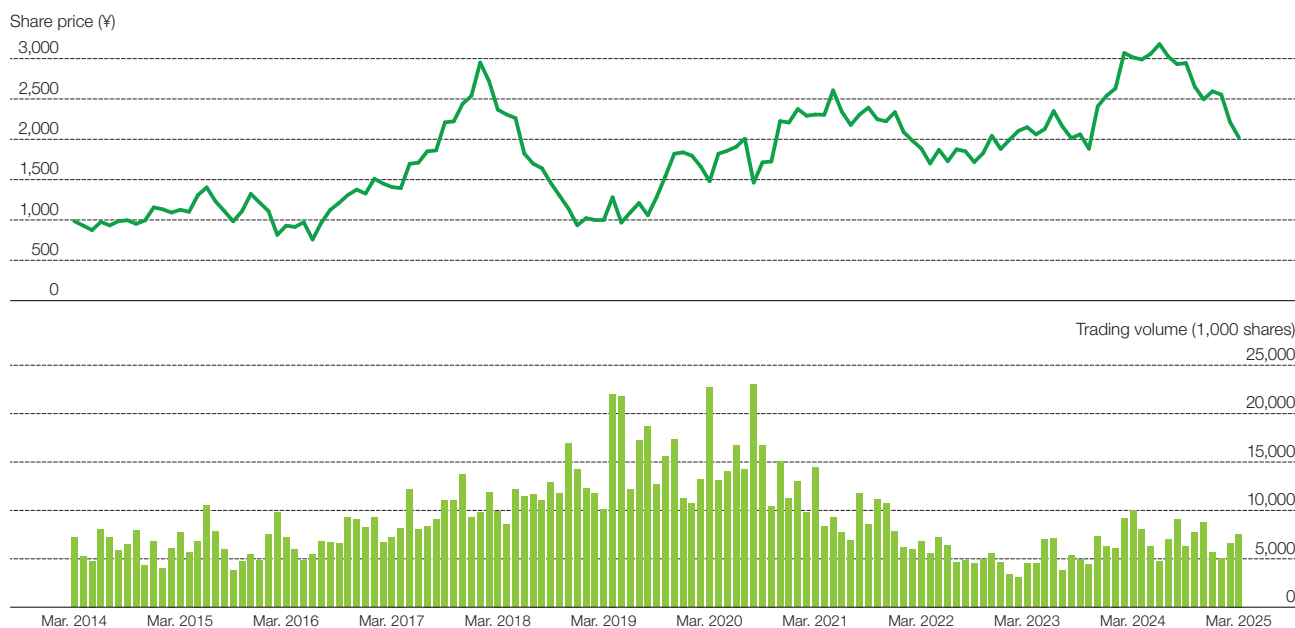
Exciting CKD 2025

(fiscal years ended March)

2019	2020	2021	2022	2023	2024	2025
115,665	100,717	106,723	142,199	159,457	134,425	155,634
5,429	5,230	7,698	17,879	21,170	13,113	19,018
5,425	5,374	7,823	18,043	21,181	13,048	19,167
4,793	3,689	5,273	12,567	14,788	8,338	13,520
(2,254)	17,250	17,521	12,352	11,049	7,600	19,174
(14,867)	(4,555)	(2,786)	(8,544)	(12,792)	(20,232)	(6,057)
14,374	(6,022)	2,423	(6,264)	(5,743)	13,055	(6,179)
(17,121)	12,694	14,735	3,808	(1,743)	(12,631)	13,116
136,961	136,059	152,726	172,514	185,626	208,285	210,867
80,444	82,465	97,617	109,571	119,730	129,098	136,521
12,028	18,409	35,913	34,027	26,654	27,740	34,344
28,627	23,512	20,412	17,894	18,627	37,532	35,803
5,173	5,822	5,507	5,910	6,626	6,815	6,568
14,843	3,060	3,620	9,596	11,447	22,128	5,023
3,637	3,383	3,578	3,639	3,808	3,554	3,546
77.42	59.56	80.23	188.58	221.76	124.94	202.48
28	18	25	67	89	50	80
1,296.94	1,321.28	1,463.15	1,643.36	1,794.44	1,933.58	2,043.69
6.0	4.5	5.9	12.1	12.9	6.7	10.2
3.6	2.7	3.7	7.7	8.3	4.2	6.5
58.6	60.5	63.8	63.5	64.5	62.0	64.7
7	8	7	7	6	6	6
3	3	3	3	3	3	3
43	38	43	43	50	50	50
4,582	4,470	4,515	4,660	4,684	4,645	4,641
1,197	1,183	1,232	1,313	1,332	1,311	1,313
26.12	26.47	27.29	28.18	28.44	28.22	28.29
1,842	1,701	1,752	1,926	2,007	1,927	1,931
40.20	38.05	38.80	41.33	42.85	41.49	41.61
39,421	36,614	36,805	38,753	47,707	41,896	44,574
—	—	—	—	1,509,335	1,256,033	1,422,912
464	479	496	535	542	479	565
1,455	1,453	1,353	1,566	1,638	1,357	1,362

Share Information

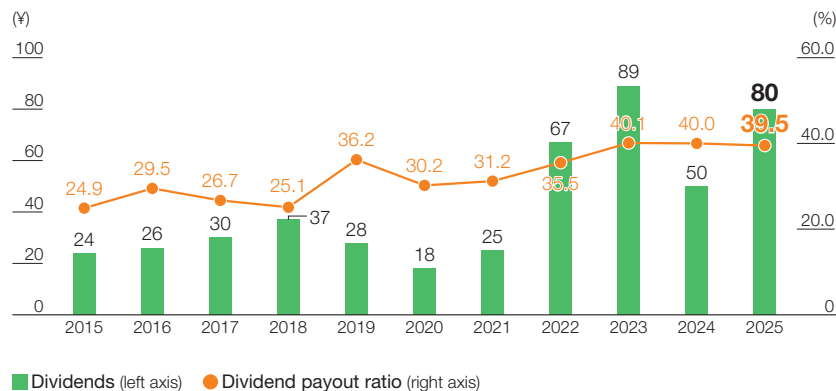
Share price trend



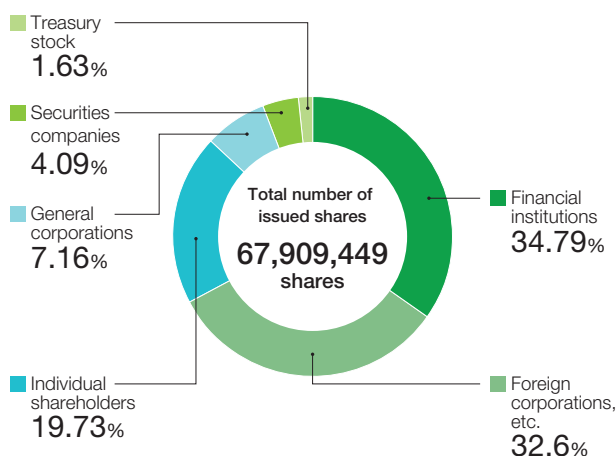
Stock status (As of March 31, 2025)

Total number of authorized shares	233,000,000 shares
Total number of issued shares	67,909,449 shares
Number of shareholders	13,235 persons

Dividends and dividend payout ratio (fiscal years ended March)



Distribution of shares by holder type (As of March 31, 2025)



Major shareholders (top 10 shareholders)

Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,307	13.93
Custody Bank of Japan, Ltd. (Trust Account)	4,224	6.32
CKD Shareholding Association	2,735	4.09
JP MORGAN CHASE BANK 385840	2,201	3.30
SUMITOMO LIFE INSURANCE COMPANY	1,914	2.87
CKD Cooperative Companies Investment Association	1,817	2.72
Sumitomo Mitsui Banking Corporation	1,581	2.37
The Dai-ichi Life Insurance Company, Limited	1,400	2.10
THE BANK OF NEW YORK MELLON 140044	1,372	2.06
JP MORGAN CHASE BANK 385632	1,237	1.85

Note: Shareholding ratios are calculated excluding treasury shares.

Corporate Data

Corporate profile

Company name	CKD Corporation
Establishment	April 2, 1943
Paid-in capital	¥11,016 million
Net sales	¥155,634 million (Fiscal year ended March 31, 2025)
Listed on	Tokyo Stock Exchange (Prime Market), Nagoya Stock Exchange (Premier Market)
Securities code	6407

Lines of business	Development, manufacturing, sales, and export of functional equipment such as automatic machinery, and components such as drive units, pneumatic control, pneumatic related and fluid control
--------------------------	---

Head office	250 Ouji 2-chome, Komaki, Aichi, 485-8551, Japan Phone: +81-568-77-1111
--------------------	---

External evaluation



FTSE Blossom Japan Index

FTSE Russell confirms that CKD Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

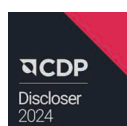


FTSE Blossom Japan Sector Relative Index

FTSE Russell confirms that CKD Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF CKD CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF CKD CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



CDP
Climate Change Score of
"B"
Water Security Score of
"B"



Recognized as
an Outstanding
Organization for
Health & Productivity
Management in 2025



Awarded
a Kurumin
certification



Certified as
an Aichi Josei
Kagayaki
Company



Registered as
an Aichi Prefecture
Family Friendly
Company

Guide to the Company's website

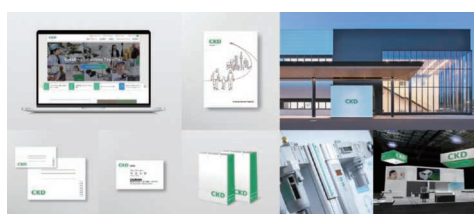
Sustainability information

A new page has been added.
<https://www.ckd.co.jp/en/csr/>



Newly posted on the CKD Brand website

The website features content such as the brand concept and logo mark to deepen understanding of the CKD brand.
<https://www.ckd.co.jp/en/company/brand/>



New content: 'CKD explained through Manga!' now available!

CKD's products are introduced in easy-to-understand four-panel manga.
<https://www.ckd.co.jp/comic/>
(Japanese version only)





CKD Corporation

250, Uji 2-chome, Komaki, Aichi, 485-8551, Japan

Phone: +81-568-77-1111 Fax: +81-568-77-1123

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

Corporate Website



UD
FONT