



EAGLE INDUSTRY CO.,LTD.

EKK GROUP CORPORATE REPORT

2025





# INTRODUCTION

## The EKK Group Management Philosophy

1. Management that respects human dignity based on care and trust
2. Open management with a firm solidarity without factions
3. Management that withstands adversity without sparing extraordinary efforts
4. Systematic management that always seeks the ideal

## The EKK Group Management Policy

1. Concentrate management resources on priority areas to become a parts manufacturer with rising strength and originality.
2. Reduce costs in all functions, ranging from frontline sales personnel to the shop floor, to further solidify the earnings structure.
3. Study ways to improve quality to produce and achieve worldwide sales of unique and socially useful products backed by our technologies.

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# History

Eagle Industry Co., Ltd., was established on October 1, 1964, pursuant to a joint venture agreement between NOK Corporation and Sealol Inc., a U.S. company. Originally named Nihon Sealol Co., Ltd., the Company was renamed in 1978.

Eagle Industry has since grown into a global “EKK Group” that supplies components such as mechanical seals, specialty valves and bellows for transportation equipment, including automobiles, ships and aircraft, and for rotary machinery, most notably pumps and compressors.

## Corporate History

- = Group event
- = Product/business-specific event

**1964** ▶ Nihon Sealol Co., Ltd. (presently, Eagle Industry Co., Ltd.) is established.



Nihon Sealol Co., Ltd. is established.

**1965** ▶ The Saitama Factory begins operation.



Saitama Factory

**1971** ▶ The Okayama Factory begins operation.



Okayama Factory

**1975** ▶ Develops and delivers non-contact seals for primary coolant pumps for pressurized water reactor (PWR) nuclear power plants



Non-contact seals

**1978** ▶ The Company name changes to Eagle Industry Co., Ltd.

**1982** ▶ Lists on the Second Section of the Tokyo Stock Exchange (TSE)



Lists on the Second Section of the Tokyo Stock Exchange (TSE)

**1985** ▶ Develops and delivers lip seals for automotive air-conditioning systems



Lip seals

**1986** ▶ Supplies engine seals for Japan's H-I rocket



Rocket engine seals

**1989** ▶ Establishes Eagle Machine Works Co., Ltd.

**1990** ▶ Develops and delivers control valves for automotive air-conditioning systems

**1991** ▶ Lists the Company's shares on the First Section of TSE

**1992** ▶ Develops high-speed bi-directional dry gas seals

**1998** ▶ Merges Eagle Machine Works Co., Ltd. and Eagle Precision Co., Ltd. into Eagle Industry Niigata Co., Ltd. (presently, EagleBurgmann Japan Co., Ltd.)



EagleBurgmann Japan Co., Ltd.

¥29.4 billion

¥15.2 billion

¥4.0 billion

Net sales

1960

1964

1970

1980

1990

- 1999** ▶ Develops and delivers compact seals for automotive water pumps

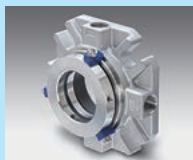


Compact seals for automotive water pumps

- 2002** ▶ Commences sales of global cartridge seals and magnetic fluid vacuum seals



Magnetic fluid vacuum seals



Global cartridge seal

- 2004** ▶ Acquires Kobelco Marine Engineering Co., Ltd. (presently, the Marine Division) to better serve the marine industry

- 2005** ▶ Executes a business alliance agreement with Germany-based Burgmann (presently, EagleBurgmann)

- 2005** ▶ Commences automotive solenoid valve business



Automotive solenoid valves

- 2010** ▶ Establishes Eagle Holding Europe B.V. to strengthen European operations

- 2012** ▶ Commences accumulators and household valves businesses



Accumulators

- 2012** ▶ Establishes EKK Eagle Industry Mexico S.A. de C.V.

- 2014** ▶ Opens R&D Center at the Saitama Factory

- 2015** ▶ Acquires French subsidiary ABC Technology (presently, Eagle ABC Technology S.A.S.)



Eagle ABC Technology S.A.S.

- 2016** ▶ Establishes KEMEL Sales & Service (Shanghai) Co., Ltd. in China

- 2018** ▶ Establishes ESM Co., Ltd. (presently, ESM Company) to expand semiconductor-related operations

- 2022** ▶ Moved to the TSE Prime Market

- 2024** ▶ Establishes Eagle Industry Niigata Co., Ltd. to expand semiconductor-related operations

**¥168.1 billion**  
(FY2024)

**¥91.9 billion**

**¥40.2 billion**

2000

2010

2020

2024

# Message from the President

**We will continue building a sustainable corporate structure by enacting our medium-term management plan.**

## Review of FY2024

During the fiscal year ended March 31, 2025 (FY2024), economic growth in various countries leveled off and stabilized, but the overall outlook for the future became increasingly uncertain. The business environment has been buffeted by rapid devaluation of the yen, surging raw material prices, the impact of monetary policies in different countries, and ongoing geopolitical risks.

Under these unpredictable conditions, the Group's business performance in the Automotive and Construction Machinery Industries segment and the Semiconductor Industry segment remained sluggish. However, sales performance benefited from a weaker-than-expected yen and solid performance of other segments, contributing to higher net sales and operating profit than the previous fiscal year.

We recorded net sales of ¥168,172 million (up 0.7% year on year), operating profit of ¥8,494 million (up 4.8% year on year), ordinary profit of ¥12,024 million (down 12.9% year on year), and profit attributable to owners of parent of ¥4,877 million (down 34.9% year on year).

Against a backdrop of increased global logistics and expanding geopolitical risks, the Marine Industry segment saw increased demand for products for new ships and repairs compared to the previous fiscal year, driving Group earnings. In the General Machinery Industry segment as well, earnings remained steady due to increased sales in India and the Southeast Asian region,

where our Group has major business locations. In the Aerospace Industry segment, sales of products mainly for defense-related applications and commercial aircraft continued to grow, resulting in earnings that exceeded expectations.

The Automotive and Construction Machinery Industries segment saw sales of conventional products for internal combustion engines continue to decline, while the Semiconductor Industry segment was affected by inventory adjustments of our products in the market. As a result, sales fell more than expected, leading to a shift in the Group's overall earnings mix.

## Progress of the Medium-Term Management Plan

We are currently in the middle fiscal year of our medium-term management plan, Building a Sustainable Corporate Structure—Fly Sky High!, which began in FY2023. However, our earnings differ from the initial plan due to changes in the business environment since the medium-term management plan was initially formulated.

Based on the business outlook at the time the plan was formulated, we built a business portfolio focusing mainly on the Semiconductor Industry segment as a future growth driver. The subsequent downturn in the semiconductor market led to decreased demand for Group products and higher fixed costs due to upfront investment, resulting in lower earnings. In addition, in the Automotive and Construction Machinery Industries segment, sales of products for internal combustion

## FY2024 Business Summary

**The Automotive and Construction Machinery Industries segment and the Semiconductor Industry segment were sluggish. However, other industries remained solid, and the Group as a whole saw higher net sales and operating profit than the previous fiscal year.**

## The EKK Group's Business Environment and Future Course

**Although we faced numerous business challenges, such as responding to transformations of the automotive industry and the decline in the Semiconductor Industry segment due to the impact of inventory adjustments in the market, we continue to build a business portfolio to ensure stable earnings and enable medium- to long-term growth through new product development and strengthened productivity.**

engines continued to decline, and recovery of both businesses remains a challenge to improving profitability for the entire Group.

As part of our focus on Main Items for Promotion, namely an adroit response to change and commitment to ESG management, we transitioned to a company with an Audit & Supervisory Committee in June 2024, with the goal of delegating decision-making authority for important business execution to directors to speed up decision-making and further strengthen governance.

We also introduced a new personnel system in FY2024 to improve our human capital management. This system clarifies the roles and performance expectations for employees and aligns treatment accordingly, with the aim of fostering greater initiative, encouraging a willingness to take on challenges, and enhancing employees' sense of contribution and personal growth. Through this system, we are providing opportunities for diverse career development and evolving work styles, while fostering a foundation for future growth by developing and utilizing human resources and enhancing employee engagement.

The Company has long pursued management that respects human dignity. Through this new, forward-looking personnel system, we will be better able to provide each Group employee with opportunities to reach their full potential in the right role, enhance our cultivated technologies and expertise, and foster innovation that leads to new products and services. We will actively promote this system to deliver unique value.

To develop next-generation products that leverage our proprietary technologies, we are advancing product development initiatives across all segments. In the Automotive and Construction Machinery Industries segment in particular, we have identified key products to expand sales to next-generation vehicles such as EVs and are accelerating their development, while also expanding sales of specific products such as suspension valves.

In keeping with these initiatives, and as part of our efforts to

promote management that is mindful of cost of capital and share price, we have decided to revise our shareholder return policy during the medium-term management plan period. Taking into consideration capital efficiency and the balance with capital expenditures based on cash flow over the three-year period, we will increase the total amount of shareholder returns during the period from ¥18.0 billion to ¥19.0 billion.

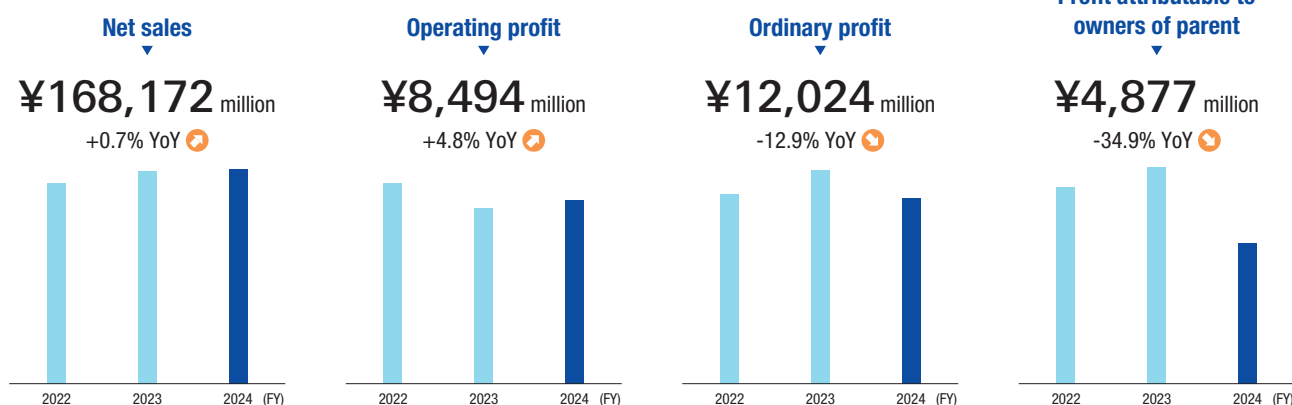
FY2025 marks the final fiscal year of our current medium-term management plan. However, due to trade policies implemented by the new U.S. administration and corresponding measures taken by other countries, the Group's business environment is becoming increasingly uncertain, and the outlook is expected to remain challenging. Each of the Main Items for Promotion in our current medium-term management plan has an essential role to play for the Group to continue its sustainable growth going forward, based on our long-standing belief of never pursuing short-term profits at the expense of long-term interests. Even in this rapidly changing business environment, we will continue to work toward further growth by steadily implementing each of our Main Items for Promotion, accurately identifying actions we need to take, and promoting value creation tailored to the times, and in this way, help create a sustainable society.

## Tetsuji Tsuru

Chairman of the Board and President,  
Representative Director  
EAGLE INDUSTRY CO., LTD.



### FY2024 Earnings Highlights



# Our Value Creation Process

Based on our Group Management Policy, we provide value to our stakeholders by producing and achieving worldwide sales of unique and socially useful products backed by our technologies.

## Input

### Business Capital

#### Human capital

- Number of consolidated employees — **6,268**
- R&D-related employees — **188**

#### Financial capital

- Shareholders' equity — **¥94.7** billion
- Total amount of capital investment during medium-term management plan (FY2023 to FY2025) — Approx. **¥35** billion

#### Natural capital

- Energy consumption — **139** GWh
- Water Resource Usage — **420,000** m<sup>3</sup>

#### Intellectual capital

- Patents held — **2,107**
- R&D expenses — **¥3,582** million

#### Manufactured capital

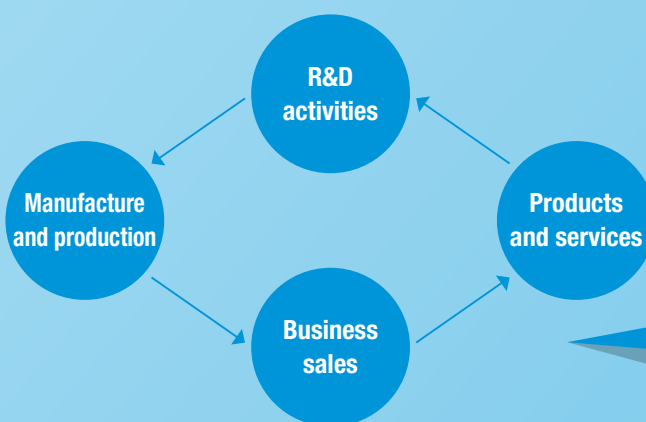
- Global consolidated subsidiaries — **43**
- Countries with consolidated subsidiaries — **20**

#### Social & relationship capital

- Product sales outlets — Approx. **3,000**
- Suppliers and supply chain partners — Approx. **1,300**

## Business Model

We operate in five industrial fields worldwide as a comprehensive manufacturer of mechanical seals.



**Automotive and Construction Machinery Industries**

**General Machinery Industry**

**Semiconductor Industry**

**Marine Industry**

**Aerospace Industry**

### Medium-Term Management Plan (FY2023 to FY2025)

#### Main Items for Promotion

- 1. Adroit response to change**
- 2. ESG management**
- 3. Eternal Zero**  
“Maintaining a level of product quality that customers can rely on”  
“Guaranteeing the same quality level all over the world”
- 4. TCD/Reducing waste by half**  
Profit generation through “Total Cost Down” and  
“Eliminate waste—Reduce everything by half”
- 5. DX promotion**
- 6. Next-generation products with proprietary technology**
- 7. Respect for people/Human resource development**

## Value We Provide to Our Stakeholders/Outcome

Customers, shareholders, suppliers,  
financial institutions, society, employees

## Results of Our Business Activities/Output

### Our products and services



### Targets of the medium-term management plan

Target  
management  
figures for FY2025

Net sales	Operating profit
<b>¥170.0 billion</b>	<b>¥9.0 billion</b>

\* The target management figures for the final year of the medium-term management plan (FY2025) were originally net sales of ¥200.0 billion and operating profit of ¥14.5 billion. However, these were revised to ¥170.0 billion and ¥9.0 billion, respectively, mainly due to an overall slump in the semiconductor industry since the initial forecast.

### Non-financial indicator

**FTSE Russell ESG score: 3.2**

## ESG Management

### Sustainability Initiatives

We established a Sustainability Committee chaired by the president to set sustainability activity policies, identify priority ESG issues (materiality), and assess the results of the activities.

### Priority ESG Issues (Materiality) Initiatives

We identify priority ESG issues (materiality) of the EKK Group based on laws and regulations, ESG rating, and stakeholder requests, and promote the setting of targets and their implementation in organizational units in charge of ESG priorities.

# Our Business Capital

This section highlights the business capital that creates the unique products and services of the EKK Group, an indispensable global sealing solution provider for various industries worldwide. We aim to achieve sustainable growth through optimal capital investment based on a management plan tailored to the times.



## Human capital

Number of consolidated employees  
(as of March 31, 2025)

**6,268**

R&D-related employees

**188**

Based on the foundations of “management that respects human dignity based on care and trust” and “open management with a firm solidarity without factions,” we work to foster human resources so that all Group employees can fulfill their potential.

In addition, R&D related to our products and services is the source of the Group’s growth, and we continue R&D to enhance product value and convenience.



## Financial capital

Shareholders’ equity

**¥94.7 billion**

Total amount of capital investment during  
medium-term management plan (FY2023 to FY2025)

Approx. **¥35 billion**

In fiscal 2024, net sales were 168.1 billion yen and operating profit was 8.4 billion yen, exceeding the previous fiscal year in both sales and operating income for the group as a whole.

The Group operates in five business segments, and we plan to supplement earnings of each segment according to its business performance. In addition, we will invest mainly in the Semiconductor Industry segment and the development and sales of new products during the current medium-term management plan to develop the next generation earnings pillars.



## Natural capital

Energy consumption

**139 GWh**  
+3.0% YoY

Water resource usage

**420,000 m<sup>3</sup>**  
-6.3% YoY

To reduce the environmental impact of our business operations, the EKK Group is ISO 14001-certified and operates an integrated management system. Based on this environmental management system, we are committed to setting specific environmental targets and improving our environmental performance.

To achieve a sustainable society, we are striving to reduce energy consumption in our effort to become carbon neutral, conserve water resources, and reduce our industrial waste. We are also actively working to develop environmentally friendly products using our unique technology. Through these activities, we aim to realize a better society.



## Intellectual capital

Patents held (as of March 31, 2025)

**2,107**  
(entire EKK Group)

R&D expenses

**¥3,582 million**

We conduct R&D activities that combine our core technologies of analysis and evaluation technology, precision and microfabrication technology, and numerical analysis technology based on tribology, materials science and fluid dynamics.

We are committed to protecting and managing our intellectual property including proprietary technologies and products created from these R&D activities, to maintain and strengthen our competitiveness in the market.



## Manufactured capital

Global consolidated subsidiaries

**43**

Countries with consolidated subsidiaries

**20**

Since our Group was established in 1964, we have expanded our production factories and sales offices both domestically and overseas and established a system to supply to our customers with stable quality products. In particular, in the Automotive and Construction Machinery Industries segment, local production has advanced in various countries around the world, and we have established production factories in Europe and Asia to meet customer demand worldwide. Meanwhile, in the General Machinery Industry segment, since 2004, we have been expanding our business alliance with Germany-based Burgmann, establishing the EagleBurgmann brand.



## Social & relationship capital

Product sales outlets

Approx. **3,000**

Suppliers and supply chain partners

Approx. **1,300**

Our mechanical seals and mechanical products provide essential functions for various industries, and as such, they are used by many customers and have a large market share and presence.

The raw materials, processing, etc. of these products are based on relationships with diverse suppliers and supply chain partners.

1

### Petrochemicals, Steel, Pharmaceuticals, Water, Pulp Paper, Food & Beverages



Our diverse product line most notably includes dry gas seals used in large compressors, a key component of petrochemical plants; mechanical seals used in large industrial pumps, process pumps and household pumps; and seal units for agitators widely used in industry.



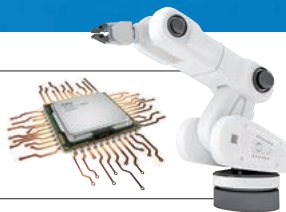
API682 metal bellows seal



Dry gas seal

2

### Semiconductors



Products include magnetic fluid vacuum seals and welded metal bellows used in semiconductor and flat panel display production equipment; and rotary joints used in chemical polishers that polish silicon wafers.



Welded metal bellows



Magnetic fluid vacuum seals

## Our Businesses

# EKK Group Businesses and Products Supporting People's Lives and Society

3

### Automotive, Construction Machinery



We stably supply a wide range of products, including seals for automotive air-conditioning systems and water pumps, solenoid valves and sensors for machinery, and floating seals for construction machinery undercarriages.



Automotive products



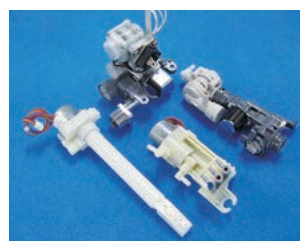
Seals

4

### Housing Equipment



We make home life more comfortable with products such as valves used in bidet toilet seats, household fuel cells and heat-pump water heaters, accumulators used in well pumps and water supply systems for commercial and residential buildings.



Valves for bidet toilet seats



Accumulators for housing equipment

## 5 Aerospace



We supply seals used in rocket engines' turbo pumps and aircraft engines' main shafts and gearboxes. Our reach extends even to the International Space Station, where the Japanese Experiment Module, Kibo, is equipped with our bellows accumulators.



Bellows accumulators



Seals for aircraft engines

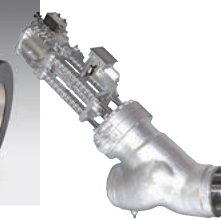
## 6 Energy



We offer seals that can withstand high-temperature, high-pressure environments in addition to seals for generators and power-plant pumps. Our specialty valves are likewise used at many power plants. We supply diaphragm couplings also, mainly for power plant machinery and LNG tankers' propeller shafts.



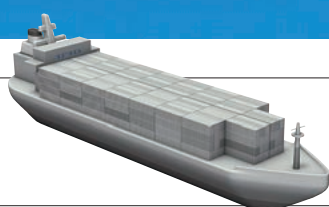
Diaphragm coupling



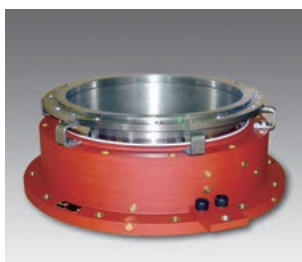
Main steam isolation valve

The EKK Group's core strengths are seal, valve, specialty welding and power transmission technologies. Our products run the gamut from mechanical seals and specialty valves to marine products, aerospace products, bellows and diaphragm couplings. Widely used as critical components of automobiles, ships, various types of plants, aircraft and rockets, our products benefit industries and make people's lives better globally.

## 7 Marine



We supply stern tube bearings and stern tube seals that attach to ships' propeller shafts to prevent lubricant leakage and seawater infiltration. Many ships are equipped with our non-polluting stern tube air seals that use air to completely suppress oil leakage.

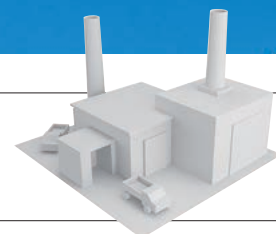


Oil-lubricated stern tube seal



Water-lubricated rubber bearings

## 8 Other



We contribute to energy efficiency and help improve productivity and customers' product quality with products such as pressure sensors, load cells and digital controllers used in machinery across a broad range of industries (e.g., automotive, rubber, semiconductors, water treatment, industrial machinery, batteries, food, beverages and pharmaceuticals).



Pressure sensors



Round digital pressure meters

# Medium-Term Management Plan

We started formulating a three-year medium-term management plan that began from FY2023. In the medium-term management plan, we will conduct initiatives for each of the Main Items for Promotion in order to respond to market changes. At the same time, we will also mainly focus on the semiconductor industry business as a future growth driver and work to build a business portfolio that will bring stable earnings. We will also continue to develop “next-generation products with proprietary technology that contribute to environmental preservation and energy efficiency” for next-generation mobility and energy markets, which we have been engaged in up until now. By making proposals to each market, we aim to realize medium- to long-term growth for our Group while achieving the targets of this plan.

## Basic Policy

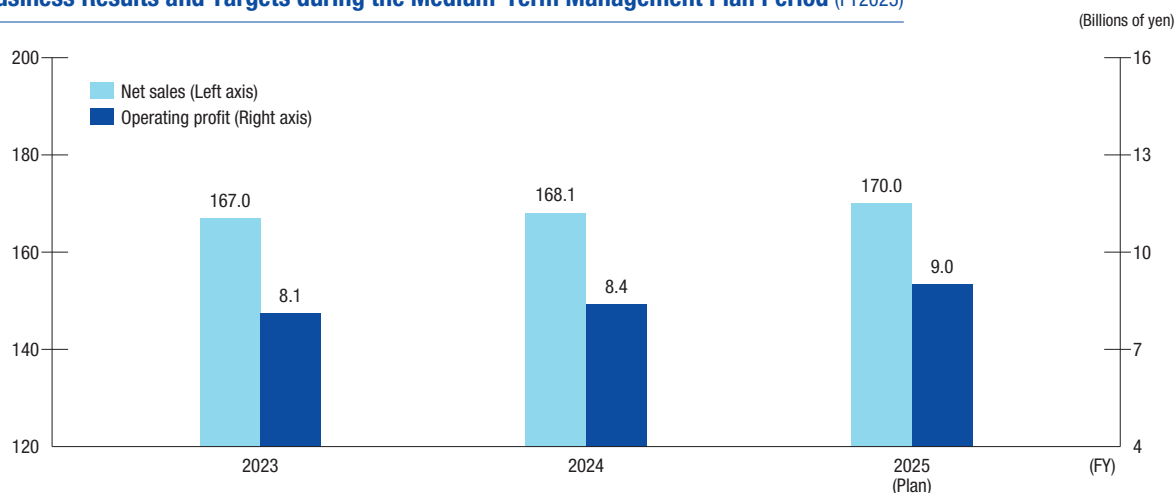
## Building a Sustainable Corporate Structure—Fly Sky High!

**Period** FY2023 to FY2025

## Main Items for Promotion

1. Adroit response to change
2. ESG management
3. Eternal Zero—“Maintaining a level of product quality that customers can rely on” and “Guaranteeing the same quality level all over the world”
4. TCD/Reducing waste by half—“Total Cost Down” and “Eliminate waste—Reduce everything by half”
5. DX promotion
6. Next-generation products with proprietary technology
7. Respect for people/Human resource development

## Business Results and Targets during the Medium-Term Management Plan Period (FY2025)



## Review of FY2024

In FY2024, our net sales reached ¥168,172 million (¥167,042 million in FY2023) and operating profit was ¥8,494 million (¥8,107 million in FY2023), mainly due to solid performance in the General Machinery Industry segment, Marine Industry segment, and Aerospace Industry segment, despite sluggish performance of the Automotive and Construction Machinery Industries segment and Semiconductor Industry segment. Ordinary profit was higher than initially planned; however, profit attributable to owners of parent fell short of the initial forecast.

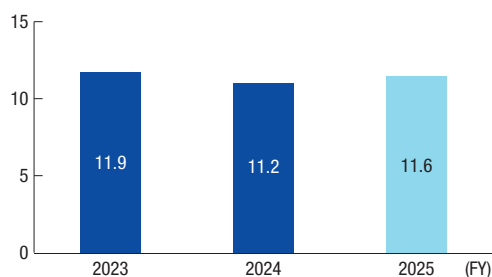
## Capital Investment Policy during the Medium-Term Management Plan Period and Current Status

The total amount of capital investment during the period of the medium-term management plan is forecast to be about ¥35.0 billion, mainly in the Semiconductor Industry segment.

Capital investment for FY2024 was ¥11.2 billion, a decrease of approximately ¥1.3 billion from the ¥12.5 billion in the initial plan.

For FY2025, we are planning capital investment of ¥11.6 billion. This will mainly focus on expanding production capacity in the Automotive and Construction Machinery Industries segment and the Aerospace Industry segment.

### ▼ Capital Investment Results and Policy (Billions of yen)



New wing of the Tsukuba Factory  
(Construction completed in July 2024)

## Business Challenges and Future Course

In the Automotive and Construction Machinery Industries segment, the proportion of electric vehicles (EVs) and other vehicles in global automobile production is expected to increase in the future, while sales of conventional products for internal combustion engines are expected to continue to decline. Also, due to trends in U.S. trade policy and other factors, the business outlook remains extremely uncertain, and we will implement cost reduction activities and efforts to build profitability by developing and expanding sales of new products for EVs and by further reviewing sales prices.

In the Semiconductor Industry segment, although results fell short of the initial plan due to excess inventory of our products in the market, sales rebounded in the second half of FY2024, and sales in FY2025 are expected to recover to the same level as FY2023. Therefore, we will continue our efforts to expand sales of new products with the aim of returning to profitability in FY2026 and beyond.

## Status of Development of Next-Generation Products with Proprietary Technology

### Automotive and Construction Machinery Industries

#### Valves for suspension

This valve controls the damping force of a shock absorber to the optimum state, with the aim of achieving both vehicle attitude stability and riding comfort.



### Semiconductor Industry

#### Hybrid seals

Hybrid seals are unitized products combining magnetic fluid vacuum seals, rotary joints, O-rings, and metal bellows. They can be used for various applications such as power, signal, and high-frequency power supplies, and contribute to improved handling and a compact design.



# FY2024 Performance and Outlook by Segment

<div> <div>Automotive and Construction Machinery Industries</div> <div> </div> <div> <b>Net sales</b>  <b>¥87,592</b> million         </div> <div> <b>Operating profit</b>  <b>¥559</b> million         </div> </div>	<div>FY2024 Performance</div> <div>Outlook</div>	<p><b>Net sales and operating profit declined year on year due to lower sales of conventional products amid the ongoing global shift toward vehicle electrification.</b></p> <p>The segment will continue to develop new products and respond to new business agreements.</p> <p>In addition to cost reduction efforts, a further review of sales prices will be pursued to drive profitability.</p>
<div> <div>General Machinery Industry</div> <div> </div> <div> <b>Net sales</b>  <b>¥40,836</b> million         </div> <div> <b>Operating profit</b>  <b>¥5,384</b> million         </div> </div>	<div>FY2024 Performance</div> <div>Outlook</div>	<p><b>Net sales and operating profit increased thanks to strong sales in India and the Asia-Pacific region.</b></p> <p>Capital investment is expected to remain strong in Japan, India, and the Asia-Pacific markets, in line with the global increase in energy demand.</p> <p>We are working to expand business through the cycle of orders, sales, and after-sales service for new plant construction projects.</p>
<div> <div>Semiconductor Industry</div> <div> </div> <div> <b>Net sales</b>  <b>¥12,584</b> million         </div> <div> <b>Operating loss</b>  <b>¥3,766</b> million         </div> </div>	<div>FY2024 Performance</div> <div>Outlook</div>	<p><b>Net sales and operating profit declined due to delays in inventory adjustment in the market for our products and increased fixed costs, despite a recovery in the semiconductor industry driven by generative AI-related fields.</b></p> <p>Sales are expected to recover as inventory adjustments for our products are resolved in the market.</p> <p>We will continue efforts to expand new products and aim to recover profits in the next fiscal year and beyond.</p>
<div> <div>Marine Industry</div> <div> </div> <div> <b>Net sales</b>  <b>¥18,047</b> million         </div> <div> <b>Operating profit</b>  <b>¥5,278</b> million         </div> </div>	<div>FY2024 Performance</div> <div>Outlook</div>	<p><b>Net sales and operating profit increased thanks to strong demand for new shipbuilding and rising repair needs amid geopolitical tensions.</b></p> <p>Repair demand is expected to ease despite continuing sales of products for new ships.</p> <p>We will work to secure continued earnings by closely monitoring global maritime logistics and shipbuilding trends.</p>
<div> <div>Aerospace Industry</div> <div> </div> <div> <b>Net sales</b>  <b>¥9,112</b> million         </div> <div> <b>Operating profit</b>  <b>¥1,027</b> million         </div> </div>	<div>FY2024 Performance</div> <div>Outlook</div>	<p><b>Net sales and operating profit increased thanks to growth in products for aircraft, including defense-related applications, as well as products for the space industry.</b></p> <p>Further business expansion is expected, including the mass production of our products in line with growth in the aircraft market and space industry.</p>

# Basic Capital Policy

## Measures for Realizing Management Mindful of Share Price and Cost of Capital

As part of our Measures for Realizing Management Mindful of Share Price and Cost of Capital, we have established the following Basic Capital Policy in conjunction with our medium-term management plan (FY2023-FY2025).

### — Basic Capital Policy

Our basic capital policy has been designed to ensure financial stability and soundness, aiming to achieve sustainable improvement of corporate value.

We utilize the EVA\*<sup>1</sup> spread (ROIC\*<sup>2</sup> minus WACC\*<sup>3</sup>) as an indicator for improving corporate value and will increase the added value from our businesses by improving ROIC and optimizing WACC. At the same time, we intend to advance management mindful of share price and cost of capital, using the equity spread (return on equity (ROE) minus cost of capital) as a management indicator, with the aim of improving share value.

In addition, we aim to optimize the cost of capital and increase ROE by setting an equity ratio required for ensuring high financial soundness and creditworthiness with external parties, as well as by being active in shareholder returns when capital exceeds a certain level.

Furthermore, in investing in growth areas to secure future earnings, we will rigorously screen investments by setting a hurdle rate based on the cost of capital and diligently calculating the net present value of cash flows and the internal rate of return.

Through a series of measures such as improving the profit margin on sales in our businesses, improving the total asset turnover and utilizing financial leverage, we will achieve ROE of 10% in the medium to long term and improve price book-value ratio (P/B ratio).

\*1 Economic value added \*2 Return on invested capital \*3 Weighted average cost of capital

### — Analysis of Current Situation Based on FY2024 Results

Our net assets per share as of March 31, 2025 are ¥2,517.54, and the P/B ratio is about 0.7 compared with the market share price (average share price in May 2025: ¥1,860).

The Company uses ROIC as a KPI to measure profitability, and our target ROIC value for FY2025 is 6% and our target ROE value is 9%. However, the actual result for ROIC in FY2024 was 3.7%, and for ROE, the result was 4.2%, both lower than the WACC/cost of capital (WACC: 6%, cost of capital: 8-9%) and not reaching the targets in the medium-term management plan.

In light of this, we will continue to address the business challenges of improving profitability in the Automotive and Construction Machinery Industries segment and working to recover business in the Semiconductor Industry segment.

### — Shareholder Returns during the Medium-Term Management Plan Period

Based on the above basic capital policy, we planned to return a total of ¥18 billion to shareholders during the medium-term management plan period. However, as the price-to-book ratio (P/B ratio) remains below 1, we decided in November 2024 to partially change the shareholder return policy during this period in order to enhance the balance sheet through additional returns.

#### (1) Total amount of shareholder return

Our policy to “return a total of approximately ¥18.0 billion to shareholders” has been revised to “return a total of approximately ¥19.0 billion to shareholders.”

#### (2) Dividends from surplus

The dividend policy of “continuing annual dividend payments of ¥80 or more” has been changed to “continuing annual dividend payments of ¥100.”

Based on the above policy, we implemented a shareholder return as follows in FY2024.

#### (1) Dividends from surplus

Annual dividend	¥100 (Interim dividend: ¥50, Year-end dividend: ¥50)
Total	¥4,650 million

#### (2) Share buyback

Number of acquired shares	500,000
Acquisition price	¥1,013 million

# Our ESG Management

## — Approach to Sustainability

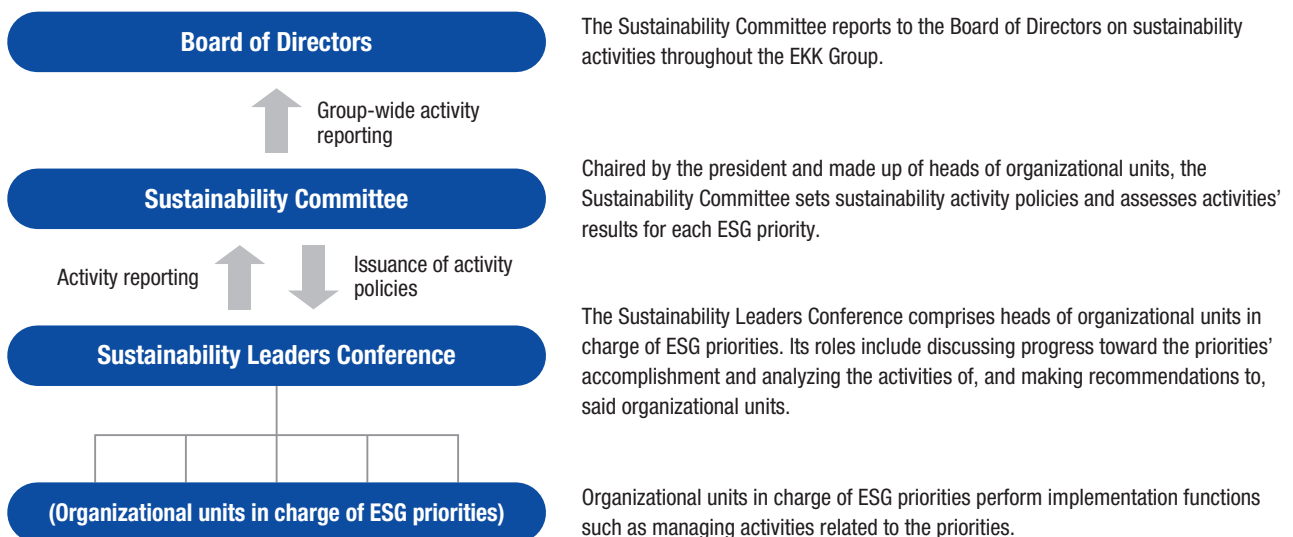
The idea that companies belong to not only their shareholders but also their employees and society has long permeated every aspect of the EKK Group's management. Given the imperative of taking action toward realizing a sustainable society, including by addressing climate change, we established the Sustainability Committee in April 2021 and have been advancing activities accordingly.

Referencing sustainability guidelines, environmental, social and governance (ESG) ratings and other relevant inputs, the committee will discuss and decide on priority ESG issues (materiality) on behalf of the EKK Group and promote business activities that take into account not only economic principles but also societal mores by, for example, developing environmentally friendly manufacturing processes.

Additionally, we will expedite development of environmentally friendly products with a focus on environmental preservation and energy efficiency while contributing to attainment of the Sustainable Development Goals (SDGs) through growth in our core businesses.

## — Sustainability Initiatives

### ● The Sustainability Committee's Composition and Activities



### ● The EKK Group's Priority ESG Issues (Materiality)

Laws and regulations	<b>E</b>	• Environmental management
ESG ratings	<b>S</b>	• Ensuring quality, Human resource policies based on respect for human dignity • Social contribution activities, occupational health and safety, supply chain management
Requests from stakeholders	<b>G</b>	• Corporate governance, risk management • Information security

We will contribute to achievement of the SDGs through growth in our businesses alongside initiatives to address our ESG priorities.



## The EKK Group's Business Environment

In its five business segments, the EKK Group provides mechanical seals and various mechanical products for land, sea and air mobility, plant equipment and semiconductor manufacturing equipment.

We are the only organization in the world that provides mechanical seals to all of these industries. Furthermore, we are developing and expanding sales for new products for the next-generation mobility and energy markets leveraging our surface texturing and other proprietary technologies.

In the area of next-generation mobility, not only is electrification progressing for EVs but also potentially for construction machinery, ships and aircraft. We will focus further efforts on development and sales expansion with particular respect to these areas.

Meanwhile, in the energy market, while demand for petroleum is expected to increase for the time being, the renewable energy market is also expanding. We will continue to expand sales of our respective products in these areas.

The semiconductor market is also expected to grow alongside these markets with advancements in IoT and digital transformation (DX), and we will focus here as our next driver of growth.

## R&D Activities—Development of New Products Conducive to Environmental Preservation and Energy Efficiency

Mechanical seals, the EKK Group's core product, protect the environment by preventing leaks from rotary machinery.

Upgrading these seals' functionality will improve the performance and energy efficiency of the machinery in which they are installed. We are advancing the proposal of our proprietary technologies and the development of new products toward this end, and to address the expansion of the next-generation mobility and energy markets. Additionally, there is now a growing need for our products and technology in conjunction with the pursuit of carbon neutrality to mitigate climate change, an issue that needs to be addressed on a global basis.

### ▼ Medium- to Long-Term R&D Trends

We conduct R&D activities that combine our core technologies of materials and film formation technology, analysis and evaluation technology, precision and microfabrication technology, and numerical analysis technology based on tribology, materials science and fluid dynamics, to fulfill our responsibility as a global solutions provider of mechanical seals for rotating equipment.

In particular, we place priority on developing minimal-friction technologies for various market areas amid the recent global trend toward decarbonization and carbon neutrality. In this context, we recognize that our technologies have a very important role to play in improving electricity costs for electric mobility such as rapidly expanding xEVs and significantly reducing power loss in hydrogen-related equipment and renewable energy generation equipment. Furthermore, we are actively advancing our initiatives through collaboration with universities and research institutes in Japan and overseas as well as with relevant Japanese government agencies.

### ▼ The EKK Group's R&D Spending and Staffing

FY2024 R&D expenses	¥3,582 million
R&D staff headcount	188 (3.0% of total workforce)

## R&D Status by Business Segment

Segment	Main R&D initiatives	R&D expenses (Millions of yen)
<b>Automotive and Construction Machinery Industries</b>	<ul style="list-style-type: none"> <li>Advancing global research and development through collaboration among locations in China and the EU in response to the auto industry's migration to EVs, and overseas, continuing to develop and expand sales of products for EVs while swiftly and accurately identifying customer product needs and technical information on EVs</li> <li><b>Mechanical seals:</b> Continuing to develop, mass-produce, and sell high-speed mechanical seals for EV drive motor shaft coolant, and developing a small-diameter lip seal for electric water pumps</li> <li><b>Mechatronic and metal bellows application products:</b> For next-generation automobiles, working on launching mass production of hydrogen check valves for FCVs, considering the next model, and continuing to develop thermal management system products</li> <li>Preparing for mass production of new specifications aimed at improving functionality and installation of solenoid valves for semi-active suspensions, which are expected to be used across all vehicle types including next-generation vehicles, and continuing activities to further expand market share</li> <li><b>Products for construction machinery:</b> Developing the hydraulic hybrid system "HyBEKSTER" for reducing construction machinery's fuel consumption</li> </ul>	2,097
<b>General Machinery Industry</b>	<ul style="list-style-type: none"> <li><b>Industrial mechanical seals:</b> Actively developing longer-life mechanical seals for machinery used under high-pressure/high-speed conditions by using surface texturing technologies to substantially reduce frictional force and heat generation</li> <li><b>Diaphragm couplings:</b> Continuing to develop large and high-speed couplings for power plants</li> </ul>	985
<b>Semiconductor Industry</b>	<ul style="list-style-type: none"> <li><b>Magnetic fluid vacuum seals:</b> Developing hybrid seals and motor-integrated products combining metal bellows seals and rotary joints</li> <li><b>Slip rings</b> (rotary connector that enables transmission of power and electrical signals between stationary and rotating parts): Developing models for semiconductor production equipment</li> </ul>	350
<b>Marine Industry</b>	<ul style="list-style-type: none"> <li><b>Oil-lubricated stern tube seals:</b> Continuing to mass produce seals compatible with various oils, particularly biodegradable oils</li> <li>Continuing to develop environmentally protective stern tube seals for small ships and adapt seals to electric propulsion systems in addition to developing medium- and large-ship stern tube seal systems that are more reliable even in a water-lubricated environment</li> </ul>	17
<b>Aerospace Industry</b>	<ul style="list-style-type: none"> <li><b>Products for aircraft:</b> Applying surface texturing techniques to develop low-torque seals for next-generation engines aiming to improve fuel efficiency and reduce CO<sub>2</sub> emissions</li> <li><b>Products for rockets:</b> Continuing to help develop turbo-pump, high-pressure pipe and fuel tank seals for reusable launch vehicles and commercial launch vehicles, including the H3 launch vehicle, Japan's new flagship rocket</li> </ul>	132

## Key Themes and Specific Initiatives Addressing Societal Issues

	FY2025: Important issues (Materiality)	Policy themes	Relevant SDGs
E	<b>Environmental management</b> Based on our Environmental Policy, we work to maintain an environmental management regime and carry out environmental preservation activities.	<ul style="list-style-type: none"> <li>Development of environmentally friendly products</li> <li>Climate change measures</li> <li>Effective use of resources and management of environmentally hazardous substances</li> <li>Preservation of water resources</li> <li>Preservation of biodiversity</li> </ul>	       
	<b>Ensuring quality</b> To us, product quality problems risk the loss of stakeholders' trust and are even an existential threat to the organization. Therefore, we are constantly striving to improve the quality of our products toward maintaining a level of product quality that customers can rely on and guaranteeing the same quality level all over the world.	<ul style="list-style-type: none"> <li>Eternal Zero (Maintaining a level of product quality that customers can rely on and guaranteeing the same quality level all over the world)</li> </ul>	    
S	<b>Human resource policies based on respect for human dignity</b> "Management that respects human dignity based on commitment and trust" is part of the EKK Group Management Philosophy. To put this into practice, we endeavor to create fulfilling workplaces where all employees can give full play to their respective capabilities. We place priority on human resource development with a suite of training programs for everyone from new hires to management. In addition, we have set indicators and targets and are working toward the realization of diversity and a society with equal opportunity for women.	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Realization of diversity and a society with equal opportunity for women</li> <li>Promotion of workstyle reforms</li> <li>Training and development of human resources</li> </ul>	   
	<b>Social contribution activities</b> We carry out a range of activities to benefit society on an ongoing basis with the aim of being a trusted corporate citizen by the local communities where we have our Group locations. We host community events at our sites and sponsor events open to local residents. We also proactively support activities of NPOs and academic organizations and sponsor local sports teams.	<ul style="list-style-type: none"> <li>Promotion of social contribution activities</li> </ul>	     
	<b>Occupational health and safety</b> Based on a core conviction that safety is not only fundamental to management that respects human dignity but also a personal desire and mission of all Group personnel, we strive to create safe workplace environments with a top priority on employees' health and safety. We also promote occupational health and safety management activities based on the concepts found in ISO 45001 with regard to occupational health and safety management systems.	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Employee health</li> <li>Promotion of traffic safety management</li> </ul>	 
	<b>Supply chain management</b> We conduct sourcing activities fairly and impartially in accord with policies we have established on doing business with our supply chain partners, including manufacturers of product materials, metal parts and resin parts and processing, surface treatment and assembly subcontractors, to enable us to meet product liability and other requirements for the EKK Group's diverse products.	<ul style="list-style-type: none"> <li>Promotion of sourcing activities in accord with the CSR Procurement Policies</li> <li>Disclosure of information on CSR procurement activities of our supply chain partners and within the company</li> <li>Promotion of green procurement activities</li> </ul>	   
G	<b>Corporate Governance</b> We are committed to organizational governance and appropriate disclosure in accordance with Japan's Corporate Governance Code, as well as fair competition and business execution. Furthermore, we are advancing education to ensure compliance with laws and regulations in accordance with each business activity, as well as management for individual laws and regulations within each organizational unit.	<ul style="list-style-type: none"> <li>Organizational governance and appropriate disclosure</li> <li>Initiatives for fair competition and business execution</li> </ul>	
	<b>Risk Management</b> Risk management becomes increasingly important for a company as its activities become more diverse and globalized. We have accordingly established the Risk Management Subcommittee under the Sustainability Committee and are working to improve risk-preparedness. Additionally, we have organized internal auditing functions across every node in our global footprint and periodically check the state of governance and legal/regulatory compliance at both domestic and overseas nodes.	<ul style="list-style-type: none"> <li>Identification of and countermeasures against latent risks inherent in business activities, prevention of risk manifestation, etc.</li> </ul>	
	<b>Information security</b> With advances in DX in business activities and other factors, information security is growing in importance. Therefore, we are working to strengthen our information security management regime, educate our employees to raise their security awareness and take countermeasures both during emergencies and to address vulnerabilities in our systems.	<ul style="list-style-type: none"> <li>Strengthening the information security management regime</li> <li>Information security education</li> <li>Emergency response procedures and countermeasures, countermeasures</li> </ul>	

# EKK Group Stakeholders

The idea that companies belong to not only their shareholders but also their employees and society has long permeated every aspect of the EKK Group's management.

We believe that building strong bonds of trust through dialogue with all stakeholders, including customers, suppliers and financial institutions, leads to fair profits and supports the EKK Group's perpetual growth.



## Customers

- Supply high-quality products that meet customer needs at reasonable costs, with effective delivery times, and in an appropriate manner.
- Provide appropriate maintenance, repair and other after-sales services for products delivered.
- Act as a reliable partner with technical strength that supports new product development and expansion to new fields.

## Shareholders

- Increase corporate value in a steady manner.
- Achieve and maintain a balance between dividends and internal reserves to strengthen our corporate standing and ensure appropriate dividend payments to shareholders with stability over the long term.

## Suppliers

- Deliver products and services in a reliable manner to earn appropriate compensation for them.
- Increase technical capabilities and open new fields and boost corporate reliability through transactions.

## Financial institutions

- Carry out credit offerings and other financial transactions repeatedly and consistently to earn appropriate profits commensurate with risks.
- Increase applications in financial trading through transactions and boost corporate credibility.

## Communities

- Ensure stable tax payments and create job opportunities through sound corporate activities.
- As a Group, develop extensive ties with communities and contribute to the revitalization of local communities.
- Help to protect the environment through our products.

## Employees

- Enable employees to earn appropriate remuneration through their effort.
- Contribute to communities through production activities.
- Provide employees with opportunities to acquire the resources to achieve their goals at high levels and enjoy physical and mental well-being.



## Environment

### — Philosophy

As a member of society, the EKK Group believes that its corporate responsibility is to work toward the realization of a sustainable society.

More than ever, companies are required to take various measures to address global environmental issues such as climate change, resource recycling, water resource conservation and biodiversity preservation.

The Group is committed to the preservation of the global environment through the development, production, and sale of environmentally friendly products, as well as through other business activities.

### — Environmental Management

The EKK Group conducts environmental preservation activities in accord with its environmental policy. All subsidiaries in Japan are ISO 14001-certified and participate in an integrated environmental management system.

#### ● Environmental Policy

##### Basic Concept

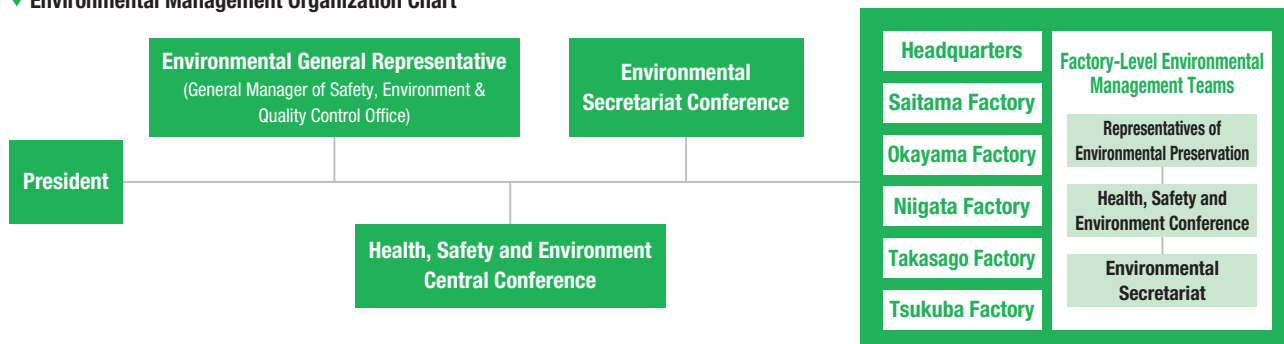
Considering that a corporate is a part of society and Seal products, Precision products including valve and metal application product, and Accumulators manufactured by our company can contribute to the environment by preventing pollution and saving energy, Eagle Industry Co., Ltd. and its affiliated companies shall be aware that our activities, products, and services are deeply associated with the global environment. Setting “Compliance” as the basis of our corporate activities, we will pursue the preservation of the global environment voluntarily and continuously.



## Environmental Management Regime

The EKK Group works to improve our environmental performance and establish corresponding company policies, objectives and targets from short-, medium-, and long-term perspectives. To this end, the Health, Safety and Environment Central Conference, chaired by the president, meets twice annually to conduct management reviews of environmental preservation activities.

### Environmental Management Organization Chart



## Compliance with Environmental Laws and Regulations

The EKK Group annually identifies environmental laws and regulations that pertain to its operations and verifies its compliance with them semiannually. In FY2024, no environmental accidents that would constitute a regulatory violation occurred, and no fines for violations were assessed.

The Group has also established emergency response procedures to prevent environmental contamination in the event of an environmental accident or disaster. Its production factories have emergency arrangements in place and periodically reconfirm and verify their procedures' effectiveness by conducting emergency tests.

## Environmental Internal Audits and Patrols

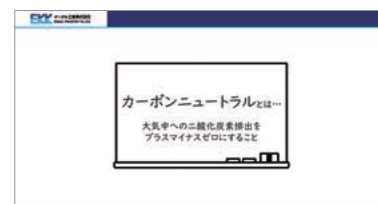
All organizational units are internally audited annually. Our approximately 300 certified internal auditors undergo pre-audit training that focuses on the key audit items and specific checkpoints for the year. Also, in order to improve the skills of internal auditors and the accuracy of audits, we provide training to improve the capabilities of internal auditors and dispatch internal auditors across factories.

Additionally, environmental patrols are conducted annually at all domestic production sites. Staff from the Safety, Environment & Quality Control Office and Safety & Environment Management Department visit production sites to inspect frontline operations, including checking the management status of industrial waste, oil and chemicals as well as wastewater treatment, water usage, and CFC equipment, and provide guidance.

## Environmental Education and Consciousness-Raising

All employees receive environmental awareness education annually. Awareness education uses a uniform curriculum on a Group-wide basis to share the EKK Group's environmental preservation philosophy and initiatives while also including topical environmental content. We implement an Environmental Laws and Regulations Education Program for employees engaged in compliance work with environmental laws and regulations.

Additionally, environmental performance metrics, including electric power consumption, are disclosed on an intranet portal site to help raise employees' environmental consciousness.



Excerpt from the FY2025 environmental awareness education textbook

## Collaboration with Suppliers

In FY2025, the EKK Group began collecting CO<sub>2</sub> emissions data from our supply chain partners, starting with those with the highest transaction volumes, as part of our climate change risk management.

We have also revised the EKK Green Procurement Guidelines and shared them with our supply chain partners to communicate our policy on environmental activities and our code of conduct for collaboration. Additionally, we have enhanced the glossary within these guidelines to support our supply chain partners in expanding their environmental knowledge.

Going forward, we will use these activities as a foundation to gradually strengthen our collaboration with our supply chain partners for water resource conservation, environmental pollution prevention, and the efficient use of resources.

## Environmental Communication

EagleBurgmann India Private Limited (EBIN) received GreenCo Gold certification from the Confederation of Indian Industry (CII) in recognition of its strong environmental performance through its integrated environmental management system. This certification system was started in 2011 to enhance the environmental performance of corporations and foster green businesses. Of the approximately 850 companies that have received certification, less than 100 companies have received the national best Gold certification, with EBIN's Pune Factory recognized in June 2024 and the Mumbai Factory recognized in January 2025. The most recent Gold certification recognized EBIN's outstanding efforts in the areas of carbon emissions, energy, water resources, and waste.

► Please see pp. 27–28 for more information on EBIN's environmental initiatives.

Environment



## Countermeasures against Climate Change

### Social Context

Torrential rains, tropical cyclones, droughts and other severe weather occurring around the world have heightened concerns over climate change.

The Paris Agreement and other agreements require companies to reduce greenhouse gases (GHGs) and adapt to climate change from short-, medium-, and long-term perspectives, and there is a need for a corporate structure that can simultaneously grow while adopting a sustainable business model and taking climate change into account.

Japan has also issued a declaration for carbon neutrality by 2050, showing moves toward decarbonization.

Risk management for climate change is critical because natural disasters and stronger regulations may present potential impacts on business continuity and supply chains.

To fulfill their environmental responsibilities, companies need to reduce GHG emissions, improve energy efficiency and adopt renewable energy sources.

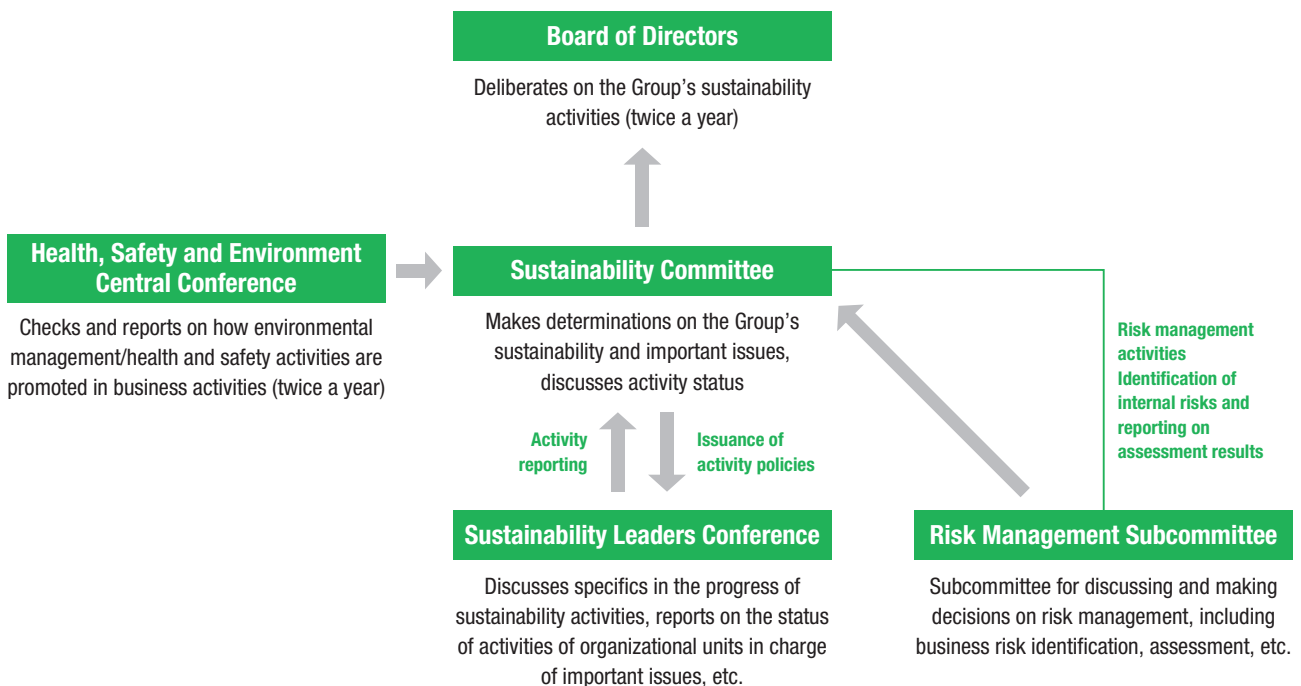
### EKK Group Policy

The EKK Group recognizes that addressing climate change is an important issue that must be addressed globally, and we are working to achieve carbon neutrality by 2050 in order to build a sustainable society. In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we analyze the impact climate change has on the Group and work to integrate measures against climate change into our management strategies. In addition, we are actively working to reduce CO<sub>2</sub> emissions by improving energy efficiency and adopting renewable energy.

### Governance

Recognizing that climate change is an important matter influencing management, the EKK Group has established the Sustainability Committee under the Board of Directors, which deliberates on climate change and reports its findings to the Board of Directors, creating a system ensuring appropriate supervision by the Board.

The Sustainability Committee is not only responsible for climate change; it also organizes, makes decisions and conducts evaluation and management with regard to other important issues (materiality) for the sustainable growth of the Group, and reports the results of these activities to the Board of Directors. In addition, the Health, Safety and Environment Central Conference checks on how environmental management activities and health and safety activities are being promoted in business activities.



## Strategy (Scenario Analysis to Examine Risks and Opportunities)

As a first step toward achieving the goal of the Paris Agreement (to limit the temperature increase to below 2°C by the end of the 21st century) in alignment with the TCFD recommendations, the EKK Group has identified climate-related risks and opportunities based on two scenarios: the “below 2°C scenario,” with accelerated technological innovation on GHG reductions and tightened emission regulations by governments, and the “4°C scenario,” in which these initiatives remain at their current levels.

Based on our medium- to long-term business roadmap, we will accelerate expanding our ratio of renewable energy use and reducing CO<sub>2</sub> in our production processes toward a decarbonized society. Furthermore, we will expand sales of environmentally friendly products targeting the next-generation mobility and energy markets, which we have been promoting for some time.

In addition, we see our response to the risks posed by climate change in our business activities as an opportunity to generate significant business through the creation of new technologies, and we will continue our efforts to enhance our corporate value over the medium to long term.

Scenario	Future state	Risks	Opportunities
Below 2°C scenario	<ul style="list-style-type: none"> <li>GHG emissions are reduced in line with the goals of the Paris Agreement through progress in energy conservation and decarbonization technologies and stronger corresponding policies</li> </ul>	<ul style="list-style-type: none"> <li>Raw fuel and raw material costs rise due to more stringent environmental taxation (higher carbon prices)</li> <li>Cost burdens increase due to introduction of technologies to comply with stricter GHG emission regulations</li> <li>Sales decrease in products for internal combustion engine automobiles and products for petroleum refining and petrochemical plants due to decreased use of fossil fuels</li> </ul>	Sales expand for environmentally friendly products targeting the next-generation mobility and energy markets
4°C scenario	<ul style="list-style-type: none"> <li>GHG emissions continue on current trajectory</li> </ul>	<ul style="list-style-type: none"> <li>Facilities suffer damage and business activities are interrupted due to intensifying natural disasters</li> <li>Costs rise for business continuity management measures</li> </ul>	<ul style="list-style-type: none"> <li>Sales and demand increase for equipment and products for disaster recovery due to extreme weather</li> <li>Sales continue for existing product lines</li> </ul>

Reference scenarios: IEA NZE (partial), IEA STEPS, RCP2.6, and RCP8.5

## Risk Management

The EKK Group recognizes that the assessment and management of the risks and opportunities due to climate change are issues influencing its business activities. With this in mind, the Group has established the Sustainability Committee under the Board of Directors, which deliberates on climate change and reports its findings to the Board of Directors, creating a system ensuring appropriate supervision by the Board. The committee has also taken a risk management perspective in identifying risks associated with climate change in our business activities, working to ensure that climate change initiatives permeate throughout the entire Group.

The Health, Safety and Environment Central Conference plays a central role in evaluating our policies and activities on climate change, including whether they are in line with the direction of the industry association to which the Group belongs. If the position of the industry association is not aligned with our key policies, we respond appropriately based on deliberations by the Health, Safety and Environment Central Conference and the Sustainability Committee.

## Metrics and Targets (FY2024 Performance)

Our CO<sub>2</sub> emissions in FY2024 were down 32.6% in Japan and down 11.4% overseas compared with FY2018, and are on track to achieve our long-term target. Although the result increased year on year, this was due to the external cause of an increase in CO<sub>2</sub> emission factors of power companies, and the actual electricity consumption within the Group decreased.

The EKK Group has positioned the achievement of a decarbonized society as an important issue and are targeting carbon neutrality by 2050. To achieve this, we will develop environmentally friendly products that conserve energy and reduce the environmental burden, and promote the adoption of renewable energy and power conservation in our production processes.

CO <sub>2</sub> reduction targets (for Scope 1 and Scope 2)	2030 target	2050 target
Japan	50% reduction vs. FY2018	Carbon neutrality
Overseas	30% reduction vs. FY2018	

## Environment

### Specific Actions

In the EKK Group, in addition to CO<sub>2</sub> reduction activities in processes, such as centralized dust collection and measures to prevent air leaks in factory facilities, we are also promoting activities such as switching to LED office lights and exterior lights. Since FY2021, we have also submitted responses to the CDP questionnaire, disclosing our climate change efforts.



At our production factories, we are replacing HVAC systems and compressors with more energy-efficient models, switching to LED lighting, and sealing compressed air leaks. We are improving our energy efficiency by adopting energy data collection systems and equipment to monitor electricity usage in some processes, and by promoting the visualization and analysis of this data.

Sales branches do so by promoting fuel-efficient driving of Company vehicles and reviewing mileage logs at meetings. Additionally, all employees are trained to turn off lights when vacating the office, including at lunchtime, and to put computers to sleep when not in use.

We are also working to adopt sustainable energy sources and have installed solar power generation systems as a means of mitigating global warming. In addition, we have signed an electricity agreement with less CO<sub>2</sub> emissions with an electric utility company, resulting in a significant reduction in energy consumption per unit. We will continue to promote technological advances and more effective initiatives to contribute to a better global environment.



Solar panels at Eagle Industry Co., Ltd.'s Okayama Factory

## Preservation of Water Resources

### Social Context

Sustainable water resource management is an essential undertaking in today's society, which faces intensifying water scarcity and water stress due to industrial development, population growth and the effects of climate change. Urban areas require extensive water supply and purification infrastructure, as well as proper water management. Climate change is also having a major impact on precipitation patterns and water circulation, leading to serious problems and even health issues in some regions and developing countries from water stress and water poverty. Addressing these water risks and ensuring a sustainable use of water resources will become increasingly important issues in corporate activities.

### EKK Group Policy

We are committed to protecting water resources by monitoring and reducing water use in our product manufacturing processes and improving wastewater treatment. Furthermore, we assess water-related risks that vary from country to country and region to region, and take actions to protect water resources accordingly. These initiatives are promoted across the Group based on policies determined by the Health, Safety and Environment Central Conference chaired by the president.

### Targets and Performance

In FY2024, the EKK Group's global water withdrawal reached approximately 420,000 m<sup>3</sup> thanks to its water withdrawal management and reduction efforts. In our production processes, we reduced water withdrawal by installing reduced-pressure distillation equipment and optimizing the water flow in the rinsewater tank. To address global concerns about water risk, we have set a clear three-year (FY2023 to FY2025) target. Specifically, our target is to reduce our domestic water use to a level below the average of the most recent three years. Furthermore, we will curb increases in water withdrawal globally by monitoring water use amounts overseas.

To meet the aforementioned target, we will actively promote activities to reduce water withdrawal and promote the protection of water resources.

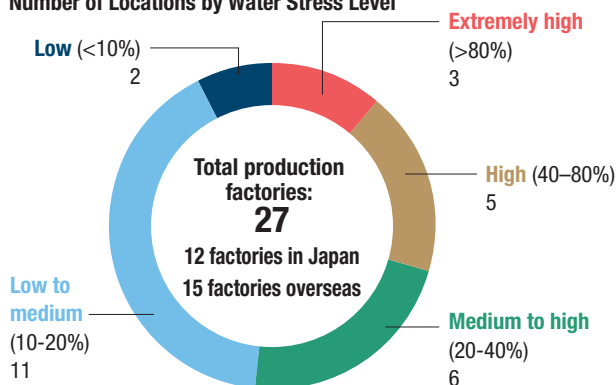
### Water Risk Assessments

Appropriate water withdrawal management and maintaining a balance between supply and demand are essential elements of our business activities and our objective to ensure the sustainability of water resources.

By effectively managing water withdrawal and assessing water risks, we not only minimize environmental impacts but also ensure equitable access to and use of local water resources and fulfillment of legal and regulatory obligations. If water withdrawal activities adversely affect water sources and local water circulation, they may have a serious impact on livelihoods and economic activities in local communities. At the EKK Group, we conduct regular water risk assessments to take responsibility for the environment.

Using Aqeduct, a water risk assessment tool provided by the World Resources Institute (WRI) to effectively handle water-related risks, we investigated water stress conditions at our global production sites. The results of this investigation are as follows.

### Number of Locations by Water Stress Level



### ▼ FY2024 Water Withdrawal by Water Stress Level

(Thousands of m<sup>3</sup>)

Water stress	Water withdrawal
Extremely high (>80%)	13
High (40-80%)	37
Medium to high (20-40%)	115
Low to medium (10-20%)	253
Low (<10%)	3

## Specific Activities

The EKK Group has set company-wide water use reduction targets and is working to achieve them by monitoring and analyzing water use. At the Environmental Secretariat Conferences held twice a year, examples of effective reductions are shared between factories. In this section, we will introduce some specific examples of our initiatives, focusing on areas with high water stress.

### Installing reduced-pressure distillation equipment (Netherlands)

We have installed vacuum distillation equipment (which distills in a vacuum and at low temperature (40°C)) to ensure water used in processes is clean enough to be reused in other internal processes. This equipment has enabled us to reuse 80% to 90% of water in our internal processes.



### Ultrasonic cleaning equipment (Netherlands)

Ultrasonic cleaning equipment used to clean metal-stamped parts is equipped with an independent buffer tank.

The installation of additional filtration and double oil skimming equipment in this independent buffer tank has significantly extended the life of the cleaning solution.



### Updating of heat pumps and air conditioning systems (France)

The previous heat pump was replaced with a higher efficiency heat pump. The previous heat pump required water spraying for cooling in the summer, but the new heat pump does not need water spraying for cooling, and this significantly reduced water use. Also, the entire circuit was insulated to reduce temperature fluctuations in the cooling circuit.

Furthermore, the old air conditioning system, which used a lot of water, was eliminated, resulting in not only reduced electricity usage, but also significantly less water use.

### Reusing treated wastewater (Mexico)

We are reducing water use by efficiently harnessing water used in processes. We are also taking actions to reuse water purified by wastewater treatment for toilets and irrigating green areas.

Water reuse for irrigating green spaces began in September 2021, and reuse for toilets began in June 2022, resulting in the reuse of approximately 4,200 m<sup>3</sup> of water. We plan to expand this project to other toilets to increase the amount of water reused.



### Using water softener wastewater (Mexico)

The water softeners in the factory require an automatic washing process that discharges approximately 500 liters of water to the sewer system each day.

A pipeline was installed from the drainage outlet of this water softener to the wastewater treatment plant, sending water to the toilets instead of to the sewer system, thus enabling the reuse of water.



### Water savings at alumite treatment facility (Mexico)

In the alumite treatment process, cooling water must be supplied to the electrodes of alumite treatment equipment to prevent overheating while they are in contact. A valve was installed to supply cooling water only during the alumite treatment process, thus reducing water use by 6 m<sup>3</sup> per shift.

### Using reclaimed water from a sewage treatment plant for toilet flushing (India)

We have been using reclaimed water purified at an in-house sewage treatment plant to water plants and have started using it to flush toilets. Wastewater is treated with a three-stage system of screening and sedimentation as primary treatment, followed by an activated sludge process and ozone treatment, thereby producing reclaimed water that meets water quality standards. As a result, tap water use at the Pune headquarters and factory has been reduced by 20%.



## Environment



# Industrial Waste Reduction/Recycling

## Social Context

While the conventional economic system supported by a mass consumption society benefits us, it wastes finite resources and places a serious burden on the global environment. Today, in order to protect our limited resources and achieve a sustainable society, we need to create a circular economy that aims for efficient resource recycling and reduced environmental burden. Companies are also expected to work on recycling and waste reduction throughout the entire product life cycle in pursuit of true sustainable affluence.

## EKK Group Policy

We will contribute to the realization of a sustainable society by effectively utilizing limited resources and reducing waste throughout our business operations. Furthermore, we will create a better future by striving to both enhance our corporate value and preserve the global environment.

## Targets and Performance

Domestically, we are working to reduce industrial waste by setting a target of curbing the increase in industrial waste emissions (emission volume and unit emissions below the most recent three-year average) since FY2023. As a result, our industrial waste emissions in FY2024 were 1,984 tons, a 6.9% reduction compared with the previous year, and our recycling rate was 96.2%, achieving the target. Overseas, we are monitoring industrial waste emissions.

We will continue to monitor the industrial waste emissions and recycling rate at all Group companies and work toward the effective use of resources.

## Specific Activities

The EKK Group has set company-wide reduction targets for industrial waste reduction and recycling. At the Environmental Secretariat Conferences held twice a year, examples of effective reductions are shared between factories.

### Recycling of packaging materials (Japan)

In cooperation with a local contractor, packaging materials in good condition are now sorted and recycled as recyclable resources. Previously, approximately 6 tons of waste plastic (industrial waste) was generated per month and disposed of in landfills after incineration. Now, however, approximately 2 tons of the waste plastic generated can be recycled.



### Recycling of waste sand (Japan)

Waste sand generated in the casting manufacturing process is recycled, reducing the amount of waste sand generated by approximately 14,000 tons.

### Reducing coolant consumption by switching to an automated filtering system (India)

By switching from a paper filter system, which recycled coolant containing fine dust generated during the silicon carbide grinding process, to an automated filtering system co-developed with a local business, we have reduced coolant consumption by 67%. In addition to reducing water use by 61%, the change in the treatment method reduces the burden of filter replacement and tank cleaning as well as worker exposure to chemicals, leading to improved Quality, Health, Safety, and Environment (QHSE) performance.



# Preservation of Biodiversity

Production factories' grounds are periodically inspected for invasive vegetation. If any plants designated as invasive alien species are found on-site, they are appropriately eradicated in accord with the Invasive Alien Species Act.

We also endorse the Declaration of Biodiversity and Action Guidelines by the Keidanren (Japan Business Foundation) Declaration on Biodiversity and Action Guidelines and will continue to engage in biodiversity-conscious business activities to help realize a sustainable society in harmony with the natural environment.

## — Environmental Objectives/Targets and Outcomes

(Results of FY2024 activities and FY2025 targets)

Item	FY2024 target(s)	FY2024 outcome(s)	Pass/ Fail	FY2025 target(s)
Environmentally friendly products	Develop and expand sales of environmentally friendly products	Proceeded with product development and sales expansion in accord with engineering and sales departments' plans	Pass	Promote development of environmentally friendly products taking into consideration the next-generation (energy savings, next-generation mobility and renewable energy)
				Expand sales of environmentally friendly products
Carbon neutrality	CO <sub>2</sub> emissions: Reduce by 38.3% vs. 2018 (by 2030, reduce by 50% vs. 2018; by 2050, achieve carbon neutrality)	32.6% reduction vs. 2018	Fail	CO <sub>2</sub> emissions: Reduce by 31.9% vs. 2018 (by 2030, reduce by 50% vs. 2018; by 2050, achieve carbon neutrality)
	Energy consumption per unit (CO <sub>2</sub> equivalent): Reduce by at least 1% from the five-year average	Reduced unit CO <sub>2</sub> emissions by 2.4% YoY	Pass	Energy consumption per unit (CO <sub>2</sub> equivalent): Reduce by at least 1% from the five-year average
	Work to visualize energy usage	Adopted electricity monitoring equipment at some locations	Pass	Work to visualize energy usage and strengthen collaboration with our supply chain partners (Identify CO <sub>2</sub> emissions of specific supply chain partners)
Industrial waste reduction	Recycling rate of 96% or higher (maintenance and management)	96.2% recycling rate	Pass	Recycling rate of 96% or higher (maintenance and management)
	Curb the increase in industrial waste emissions (emission volume and unit emissions below the three-year average: emission volume of 2,252 tons or less and unit emissions of 0.025 or less)	Industrial waste emissions down 11.9% from the previous three-year average  Industrial waste emissions per unit down 15.0% from the previous three-year average	Pass	Curb the increase in industrial waste emissions (emission volume and unit emissions below the three-year average: emission volume of 2,252 tons or less and unit emissions of 0.025 or less)
Preservation of water resources	Curb the increase in water use (total use below the three-year average: 325,200 m <sup>3</sup> or less)	9.2% reduction compared with previous three-year average (295,300 m <sup>3</sup> )	Pass	Water use (total use) below the three-year average (325,200 m <sup>3</sup> or less)
Preservation of biodiversity	Manage factory sites' greenery areas and vegetation in accordance with environmental laws and regulations	Implemented monitoring and management of greenery areas	Pass	Manage factory sites' greenery areas and vegetation in accordance with environmental laws and regulations
		Implemented monitoring of invasive alien plant species	Pass	
Compliance with laws, regulations, etc.	100% compliance with environmental laws and regulations	100% compliance with environmental laws and regulations	Pass	100% compliance with environmental laws and regulations
	Prevent environmental accidents, including environmental damage from natural disasters (in coordination with business continuity management)	No environmental accidents that would constitute a regulatory violation  Confirmed that disaster countermeasures are in place at each factory and linked with BCM	Pass  Pass	Prevent environmental accidents, including environmental damage from natural disasters (in coordination with business continuity management)
Environmental consciousness raising	Raise awareness of all employees, including management	Conducted education programs for all employees	Pass	Raise awareness of all employees, including management
	Actively engage in environmental preservation activities through visualization of environmental performance	Published environmental data on the intranet portal site	Pass	Actively engage in environmental preservation activities through visualization of environmental performance

## Environment

### Environmental Data

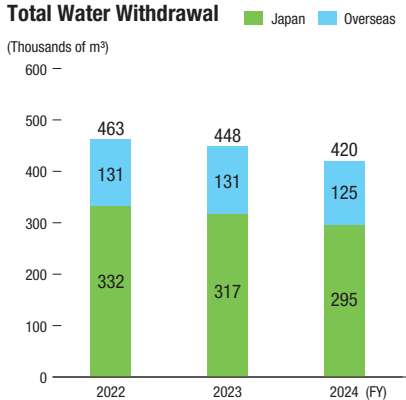
#### Input

Item	Unit	Scope of data	FY2022	FY2023	FY2024
Gasoline	kL	Japan	85	93	91
		Overseas	32	52	67
Light oil	kL	Japan	21	18	16
		Overseas	96	99	93
Kerosene	kL	Japan	30	23	29
		Overseas	4	1	0
LPG	t	Japan	465	458	479
		Overseas	50	54	70
City gas	Thousands of Nm <sup>3</sup>	Japan	28	31	46
		Overseas	214	159	87
Electricity	GWh	Japan	69	68	70
		Overseas	72	67	69
Total water withdrawal	Thousands of m <sup>3</sup>	Japan	332	317	295
		Overseas	131	131	125
Tap water	Thousands of m <sup>3</sup>	Japan	124	108	103
		Overseas	106	98	94
Industrial water (Including surface water and subsoil water from waterways, etc.)	Thousands of m <sup>3</sup>	Japan	68	74	70
		Overseas	12	11	11
Groundwater	Thousands of m <sup>3</sup>	Japan	140	135	122
		Overseas	13	22	20
Used quarry water stored in quarry	Thousands of m <sup>3</sup>	Japan	0	0	0
		Overseas	0	0	0
Other water used (External discharge, rainwater, seawater, mining water, etc.)	Thousands of m <sup>3</sup>	Japan	0	0	0
		Overseas	0	0	0

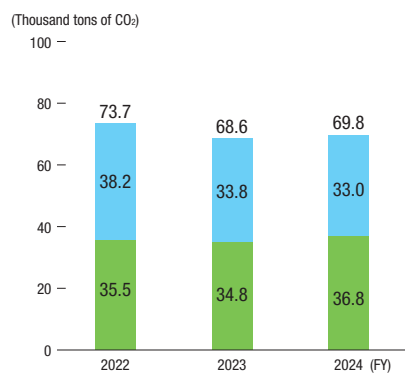
[Scope of data collection] Fuel and electricity: EKK Group headquarters, production factories, sales offices  
Water withdrawal: EKK Group production factories

Note: The aggregation method has been reviewed, and the figures for FY2022 and FY2023 have been updated.

#### Total Water Withdrawal



#### CO<sub>2</sub> Emissions



#### Output

Item	Unit	Scope of data	FY2018 (Base Year)	FY2022	FY2023	FY2024
CO <sub>2</sub> emissions	Thousand tons of CO <sub>2</sub>	Japan	54.6	35.5	34.8	36.8
		Overseas	37.6	38.2	33.8	33.0
Scope 1	Thousand tons of CO <sub>2</sub>	Japan	1.9	1.8	1.8	1.9
		Overseas	1.2	1.0	0.9	0.6
Scope 2	Thousand tons of CO <sub>2</sub>	Japan	52.7	33.7	33.0	34.9
		Overseas	36.4	37.2	32.9	32.4
CO <sub>2</sub> emissions per production value	t-CO <sub>2</sub> /million yen	Japan	0.50	0.45	0.42	0.44
		Overseas	0.78	0.71	0.57	0.57
Industrial waste	Thousands of tons	Japan		2.2	2.1	2.0
		Overseas		1.2	1.0	1.0
Recycling volume	Thousands of tons	Japan		2.0	1.9	1.8
		Overseas		0.5	0.4	0.4
Landfill disposal volume	Thousands of tons	Japan		0.2	0.2	0.2
		Overseas		0.7	0.6	0.5
Valuable resources	Thousands of tons	Japan		2.8	2.6	2.7
		Overseas		1.8	1.7	1.8
Volatile organic compound (VOC) emissions	t	Japan		57	51	56
		Overseas		40	32	29
NOx emissions	t	Japan		0	0	0
		Overseas		3	9	0
SOx emissions	t	Japan		0	0	0
		Overseas		6	17	0
Total drain water volume				210	195	185
Ocean	Thousands of m <sup>3</sup>	Japan		1	1	1
Surface water (rivers)				122	116	96
Groundwater and wells				0	0	0
Off-site treatment facility (sewage)				87	78	89
Beneficial use and other use				0	0	0

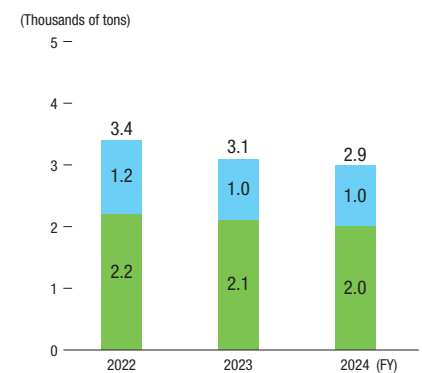
[Scope of data collection] CO<sub>2</sub> emissions: EKK Group headquarters, production factories, sales offices  
Industrial waste: EKK Group production factories  
VOC emissions: EKK Group production factories  
NOx and SOx emissions: Locations where measurement of NOx and SOx emissions is required by laws and regulations

[Emission factors] Scope 1: Calculated based on Ministerial Ordinance on Accounting for Greenhouse Gas Emissions by Specified Emitters.  
Scope 2: Calculated based on emission factors published by the respective electric utility.

Notes: 1. The figures for FY2022 have been updated using the latest factors for calculating CO<sub>2</sub> emissions.  
2. As with last year, if the factor for calculating FY2024 CO<sub>2</sub> emissions has not been published, the factor for FY2023's calculation was used.

Note: The aggregation method has been reviewed, and the figures for FY2022 have been updated.

#### Industrial Waste



## Breakdown of Scope 3 Emissions

(Thousand tons of CO<sub>2</sub>)

Category		FY2022	FY2023	FY2024
Category 1	Purchased goods and services	215.8	226.6	238.8
Category 2	Capital goods	16.3	27.9	25.3
Category 3	Fuel and energy related activities not included in Scope 1 or Scope 2	4.7	4.6	4.8
Category 4	Upstream transportation and distribution	9.2	8.3	9.0
Category 5	Waste generated in operations	1.0	0.9	0.8
Category 6	Business travel	0.5	0.5	0.5
Category 7	Employee commuting	1.6	1.6	1.5
Category 8	Upstream leased assets	0	0	0
Category 9	Downstream transportation and distribution	—	—	—
Category 10	Processing of sold products	—	—	—
Category 11	Use of sold products	—	—	—
Category 12	End-of-life treatment of sold products	—	—	—
Category 13	Downstream leased assets	0	0	0
Category 14	Franchises	0	0	0
Category 15	Investments	3.3	4.9	4.2

[Scope of data collection]

EKK Group business activities (in Japan)

[Emission factors]

Emission factors are used with reference to Policy on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.5) published by the Ministry of the Environment.

Notes: 1. The aggregation method has been reviewed, and the figures for FY2022 have been updated.

2. Categories 9, 10, 11 and 12 are not included because they are currently difficult to calculate.

## Use of Renewable Energy

(MWh)

Item	Scope of data	FY2022	FY2023	FY2024
Amount of renewable energy generated on-site and consumed in-house (solar power generation)	Japan	1,601	1,720	1,690
	Overseas	858	749	1,920

[Scope of data collection] EKK Group production factories

## Emissions/Transfers of Class-1 Chemical Substances as Designated by the PRTR Law

(Reported in FY2024)

(Tons)

Class-1 chemical substance	Ordinance No.	Emissions				Transfers	
		Into air	Into public waters	Into on-site soil	Landfilled on-site	To sewer system	To off-site
Hexamethylenetetramine	258	0	0	0	0	0	0.88
Toluene	300	3.30	0	0	0	0	1.00
Phenol	349	0	0	0	0	0	0.58
Total		3.30	0.00	0.00	0.00	0.00	2.46

[Scope of data collection] EKK Group production factories (in Japan)

## Environmental Investment

(Millions of yen)

Factories	FY2022	FY2023	FY2024
Saitama	53	39	18
Okayama	110	116	135
Niigata	14	22	10
Takasago	0	4	0
Tsukuba	0	17	3
Total	177	198	165

## Number of ISO 14001-Certified Sites

(ISO 14001 certification ratio: 97.9%)

Site		Certified sites/All sites
Japan	Headquarters	1/1
	Production factories	13/13
	Sales offices	20/20
Overseas	Production factories	12/13

## Violations of Environmental Laws and Regulations

Item	Site	Unit	FY2024
Number of water quality and quantity violations	Japan	Cases	0
	Overseas		0
Fines paid for violations of environmental laws and regulations	Japan	Yen	0
	Overseas		0

## Sites in Scope of Data Collection

Site	FY2022	FY2023	FY2024
Japan	Headquarters	1	1
	Production factories	12	12
	Sales offices	18	18
Overseas	Production factories	13	13



## Social Human Rights and Labor Practice Initiatives

### — Basic Stance

In addition to the aforementioned “management that respects human dignity based on commitment and trust,” another foundation of the EKK Group Management Philosophy is “open management with a firm solidarity without factions.” In accord with these principles, we strive to develop our human resources and create fulfilling workplaces so that all employees can demonstrate their respective capabilities, as we work to maintain an attitude of “respect for human dignity” in all aspects of management. In addition, in the EKK Charter of Corporate Behavior, we declare, “We will carry out management that respects the human rights of all people,” and we have established specific initiatives in the EKK Human Rights Policy.

### ● EKK Human Rights Policy

#### 1. Basic Approach to Human Rights

We, Eagle Industry Co., Ltd. and its group companies, are committed to valuing the life of each employee and respecting their humanity based on our management principle: “Management that respects human dignity based on commitment and trust.” As a signatory to the “UN Global Compact,” we respect human rights as stipulated in international norms such as the “International Bill of Human Rights,” the “ILO Declaration on Fundamental Principles and Rights at Work,” and the “Ten Principles of the United Nations Global Compact.”

We support the UN Guiding Principles on Business and Human Rights, based on which this policy has been developed. We will also adhere to our Principles of Corporate Behavior, such as “We will comply with laws and regulations of the countries and regions where our business operations are based, respect human rights and other international norms of behavior, and conduct business by taking into consideration the local culture and customs as well as the interests of stakeholders,” and “We will carry out management that respects the human rights of all people.” Through these initiatives, we will promote respect for human rights in all countries and regions where our business operations are based.

#### 2. Scope of Application

This policy applies to the officers and employees of Eagle Industry Co., Ltd. and its group companies. Also, in order to prevent human rights violations throughout the supply chain, we require our business partners to respect human rights.

#### 3. Human Rights Due Diligence

We will establish and implement a necessary mechanism for human rights due diligence based on this policy. We will require suppliers to respect human rights based on the Procurement Policy and the CSR Procurement Guidelines. Also, we will request other business partners to uphold human rights in accordance with this policy.

#### 4. Remediation/Correction

We have set up consultation and reporting services on human rights, including issues related to non-compliance. If it is determined that we have caused or contributed to adverse impacts on human rights, we will take appropriate action to remedy and correct such impacts.

#### 5. Education/Training

In order to ensure that each officer and employee understands this policy correctly and puts it into practice, we will make continuous efforts to raise their awareness while also providing education and training on human rights and harassment.

#### 6. Priority Action Themes/Information Disclosure

As part of our initiatives to respect human rights based on this policy, we will focus our efforts on the priority action themes outlined separately and report their results through the corporate website and other media.

Established: December 16, 2021  
Revised: February 20, 2024

Tetsuji Tsuru, Representative Director and President, Eagle Industry Co., Ltd.

## Priority Action Themes

### Respect for freedom of association and collective bargaining rights

We respect the freedom of employees for joining or forming a trade union in accordance with the laws in the countries where our business operations are based. We also respect the exercise of collective bargaining rights.

### Elimination of forced labor and human trafficking

We do not tolerate any forced labor or human trafficking through a lack of consent to work and the menace of any penalty.

### Effective abolition of child labor

We do not tolerate any labor performed by a child below the minimum age stipulated in international norms as well as the relevant labor laws and rules in the countries and regions where our business operations are based.

### Elimination of discrimination in employment and occupation

We provide equal and unbiased employment opportunities to all individuals regardless of their gender, age, nationality, race, ethnicity, religion, sexual orientation, gender identity, disability, marital status, the presence or absence of children, or political or personal beliefs.

### Prohibition of harassment

We respect the human rights of each employee. We do not tolerate any form of harassment, including power harassment or sexual harassment.

### Payment of fair wages and proper management of working hours

We uphold the payment of wages following legal requirements and endeavor to provide living wages or higher. We also strictly prohibit excessive overtime work that surpasses the legal limits on working hours.

## EKK Charter of Corporate Behavior and Guidelines

### EKK Charter of Corporate Behavior

To put the EKK Group Management Philosophy into practice, we have established the 11 Principles of Corporate Behavior, including respect for human rights, as part of the EKK Charter of Corporate Behavior.

URL: <https://www.ekkeagle.com/en/profile/charter/>

### EKK Employee Compliance Code of Conduct

The EKK Employee Compliance Code of Conduct stipulates in its “Respect for Employees and Prohibition of Discrimination and Harassment” section that diverse values, individuality and personality must be respected, and discriminatory behavior based on race, skin color, creed, religion, nationality, age, gender, place of birth, physical characteristics, mental or physical disability, etc., is prohibited. It also states that harassment is forbidden.

URL: [https://www.ekkeagle.com/assets/file/pdf/en/csr/environment/employee\\_compliance\\_action\\_guidelines.pdf](https://www.ekkeagle.com/assets/file/pdf/en/csr/environment/employee_compliance_action_guidelines.pdf)

**Social** Human Rights and Labor Practice Initiatives

## — Major Human Rights Initiatives

### ● Human Rights Educational and Awareness Activities for Employees

To help employees learn the practicalities of respect for human rights more concretely, we conduct trainings that utilize case studies of human rights violations such as sexual and power harassment. In addition, for employees at the managerial level and above, we provide training on human rights and harassment upon appointment and in their fourth year, and education on responding to reports and consultations on bullying and harassment. We also distribute a compliance booklet to all employees to promote mass awareness of our compliance policies, and we are especially educating employees, including those working at subsidiaries, about various kinds of harassment as a matter of priority.

### ● Counseling Hotlines for Human Rights Compliance

We offer counseling hotlines, including an internal reporting hotline based on our reporting system and an external reporting hotline that is staffed by attorneys at law. These counseling hotlines are also available to our Group companies, and corrective actions are taken if we confirm a compliance violation from a report received.

#### [Labor Practices]

### ● Respect for Basic Rights and Labor-Management Relations

Putting into practice the EKK Group Management Philosophy of respect for human dignity also means respecting and protecting the rights of our employees. To this end, we are working to create workplaces where employees can work with peace of mind by promoting dialogue both among employees and between companies and employees, based on sound labor-management relations and compliance with all labor-related laws.

### ● Compliance with Labor-Related Laws

We issue direction to all Group companies in Japan with regard to compliance with the Labor Standards Act, Labor Union Act and all other labor-related laws. We similarly direct our overseas Group companies with regard to the labor-related laws and regulations of their respective countries. Furthermore, we carry out checks with domestic sites accepting foreign technical intern trainees for compliance with the Immigration Control and Refugee Recognition Act, as well as for the status of their work environments, living environments and actual working conditions.

### ● Building Sound Labor-Management Relations

Dialogue between management and employees is essential in order for us to practice “management that respects human dignity based on commitment and trust” and for the company to develop in a sound manner. At the EKK Group, we respect the rights of workers, including the rights to organize and collectively bargain, and build sound labor-management relations based on this respect.

Members of management attend regularly held labor-management meetings, covering not only working conditions but also presenting on business conditions and management issues, as well as discussing important company measures. At these meetings, labor and management aim to work together to maintain and improve medium- and long-term business development and working conditions for employees as we facilitate dialogue.

## — Human Resource Development

Our training programs use curricula tailored to employees' career stage, including basic education, management training, advanced skill acquisition training, new-hire training, new-manager training and follow-up management training. All employees are also educated on the EKK Group Management Philosophy. Employees in overseas management roles receive global management training to learn about management fundamentals and staffing, among other subjects.

Additionally, managers periodically meet one-on-one with their subordinates, including in the third and fourth years of employees' tenure. Such meetings aim to develop human resources more effectively by rectifying mismatches between employees' assigned jobs and personal preferences and by making sure employees are upgrading their skillsets.

## Specific Initiatives

To achieve sustainable corporate growth in a rapidly changing business environment, it is essential to drive change by getting employees to adopt a new mindset and strengthening the organization's capabilities. Given the urgent need to foster next-generation leaders who can drive transformation, we launched next-generation management training (young employee management course) for young employees in October 2024.

### Next-generation management training (young employee management course)

Training period: October 2024 to September 2025 (held monthly over a one-year period)

Training class size: 20 (selected through departmental recommendation and self-nomination)

The aim of this training is to develop next-generation leaders with a cross-functional perspective, and through practical workshops and group discussions, participants deepen their understanding of management issues while building problem-solving and leadership skills.

At the training launch, the president delivered a speech directly communicating the executive expectations and vision to help raise trainee awareness and engagement. At the conclusion of the training, the trainees will deliver their proposals to the president and vice president.

Through this initiative, EKK is steadily fostering future leaders and will continue to enhance its training program.



## Human Resource and Employee Benefit Systems

As one facet of management that respects human dignity, we are striving to create workplace environments in which employees can enjoy a full personal life in addition to a fulfilling job.

When it comes to helping employees have both a fulfilling job and self-fulfillment in their personal lives, we are exploring and implementing further measures with a view to promoting workstyle reforms beyond the initiatives we have taken so far. We have implemented a number of initiatives in this area to help achieve flexible and diverse workstyles, including establishing and enhancing flextime schedules and childcare and family care leave systems, setting overtime limits to reduce working hours and encouraging employees to take paid leave.

In reviewing our systems, we attend regular meetings on labor measures held by the Japan Society of Industrial Machinery Manufacturers (JSIM), in which our company participates, to incorporate external insight. We gather information related to labor policies and administrative trends and exchange opinions on various topics, and that information is then used to review our human resource and employee benefit systems.

### Work-Life Balance

To facilitate employees working in a way that fits their circumstances, we have established support systems exceeding some statutory requirements, including our childcare and family care leave systems, and we strive to operate these systems appropriately, helping employees more easily utilize these benefits through awareness-raising and advice.

In addition, we are making our workplaces more employee-friendly, including by offering flextime schedules (without mandatory core hours), and establishing a support leave system for personal injury or illness, childcare and family care. In FY2021, we introduced a teleworking system to improve operational efficiency and help employees balance work and family life.

## ● Initiatives to Reduce Working Hours and Encourage Employees to Take Paid Leave

In order to create a comfortable workplace environment where employees can prosper, we have been reducing total actual work hours for some time, and a committee of labor and management representatives meets annually to formulate each year's initiatives and check results. Data for actual overtime work hours and paid leave utilized is checked per organizational unit and individual to identify problem areas, formulate countermeasures and establish medium- and long-term targets.

### FY2025 Targets

- Reduction of total actual work hours per year to less than 1,950 hours
- Establishing 17 days of annual leave taken

## ● Surveys on Engagement, Jobs and the Workplace, and Career Development

EKK uses engagement surveys to determine employee engagement with the Company and work, as well as to identify issues present in the workplace and with the Company. This data is used to examine potential measures to resolve issues.

In addition, employees have interviews with a supervisor to discuss information reported in attitude surveys about career development. This offers employees a chance to directly communicate about topics important to them. The results of this survey process are used to develop and utilize human resources, assign the right personnel to the right positions, and improve the workplace environment.

Note: For the fiscal year ended March 31, 2025, we surveyed 1,418 employees, and the total score was 67. (The average score for same size corporations in the same industry is 72.)

## — Diversity

Our fundamental stance is to practice hiring and promotion of a diverse workforce regardless of gender, race, nationality or other factors. Currently, the EKK Group employs approximately 6,000 people around the world. We promote management that respects human dignity by raising awareness of this fact with leadership personnel at all of our overseas locations, as well as those in Japan, so that they can also practice this under their respective local conditions.

## ● Promotion of Equal Opportunity for Women

We are promoting greater workforce participation by women at the EKK Group by assigning female employees to a wider range of roles in accord with their skills and desires and mentoring them. We are actively reassigning women from clerical to career-track positions and promoting them into management roles. We have set a target of having at least 40 women in career-track positions and at least 15 female managers by FY2026. We achieved our target of women in career-track positions in the fiscal year ended March 31, 2025. We aim to inject fresh vitality into our organization and increase productivity by continuing to foster workplaces that allow everyone irrespective of gender to give full play to their abilities.

## ● Employment of Disabled Workers

The EKK Group actively hires disabled individuals and is endeavoring to better retain disabled workers and broaden their available job opportunities.

As of March 2025, disabled workers accounted for 2.54% of the Group's workforce, exceeding the statutory target of 2.5%.

Since May 2018, the Group has been running an indoor horticulture business that provides rewarding jobs to disabled workers.



We produce herb tea to distribute to company-related employees.



Tending to the plants



Horticulture business

## ● Senior Employee System (Reemployment of Mandatory Retirees)

In 2006, we introduced a system for reemploying those who have reached the mandatory retirement age, working to build a system that allows those who are highly motivated to work after this age to fully demonstrate the richness of their careers and their advanced techniques, passing on their knowledge and skills to the next generation while they maintain a stable lifestyle.

In FY2016, we made employment styles more flexible and revised working conditions, and have been reviewing working conditions on an ad hoc basis since then. In addition, we are implementing measures on an ongoing basis to enhance opportunities and job satisfaction for senior employees, such as holding life planning seminars to help them plan for their post-mandatory retirement lives.

## HR Data

Item	Breakdown		Unit	FY2022	FY2023	FY2024	Data category (consolidated or non-consolidated)
Employee composition	Total number of employees		Persons	1,529	1,581	1,662	Non-consolidated
	By employment type	Permanent full-time employees		1,149	1,216	1,273	
		Non-permanent employees		380	365	389	
	Gender	Men		1,167	1,211	1,278	
		Women		362	370	384	
Average years of service	Overall	Years	16.6	16.8	15.8	Non-consolidated	
	Men		16.0	16.0	15.0		
	Women		19.1	19.7	18.8		
Average age	Overall	Age	41.4	41.6	41.5	Non-consolidated	
	Men		41.1	41.2	41		
	Women		42.5	43.2	43.2		
Breakdown of management personnel by gender	Management personnel	Persons	240	245	251	Non-consolidated	
	Of whom, men	Persons	230	234	237		
	As a share of total	%	95.8	95.5	94.4		
	Of whom, women	Persons	10	11	14		
	As a share of total	%	4.2	4.5	5.6		
Employment of people with disabilities	Persons hired	Persons	48	46	46	Non-consolidated	
	As a share of total employees	%	2.84	2.65	2.54		
Childcare leave	Childcare leave-takers	Persons	16	20	26	Non-consolidated	
	Of whom, men	Persons	8	10	14		
	Of whom, women	Persons	8	10	12		
	Percentage of childcare leave-takers who returned to work					Non-consolidated	
	Men	%	100	100	100		
	Women	%	100	100	100		
Family care leave	Family care leave-takers	Persons	1	0	1	Non-consolidated	
	Of whom, men	Persons	1	0	1		
	Of whom, women	Persons	0	0	0		
Paid leave	Percentage of average annual leave days taken	%	85.0	90.5	87.0	Non-consolidated	
	Average days of annual leave taken	Days/person	17.0	18.1	17.4		
Average working hours per employee	Total actual work hours (per year)	Hours/person	2,010	1,983	1,993	Non-consolidated	
	Overtime work hours (per month)	Hours/person	16.5	14.7	15.0		
Turnover	Turnover rate (voluntary turnover)	%	2.1	1.5	2.1	Non-consolidated	
	Number of retiring employees (resignation for personal reasons)	Persons	27	20	29		



## Social Supply Chain Initiatives

### — Philosophy and Organization

The EKK Group manufactures a wide range of products across five business domains. Their required specifications and applicable laws and regulations differ depending on the customer's industry. It is therefore important to maintain mutually beneficial relationships with supply chain partners to be able to meet customers' requirements. The Group currently has some 1,300 registered supply chain partners ranging from raw materials, metal parts and resin parts manufacturers to processing, surface treatment and assembly subcontractors. Our approach and standards for sourcing are encapsulated in the corporate social responsibility (CSR) philosophy and in the Procurement Policies (Basic Procurement Policy and CSR Procurement Guidelines), which are publicly disclosed on our website. Before conducting business with a new supply chain partner, we explain the policies to and obtain understanding from the partner.

Our various procurement guidelines document the Group's approach to sourcing activities, explicitly inform supply chain partners of what is expected of them and disclose the Group's commitment to sourcing goods and services fairly and impartially while building relationships of trust.

### — Supply Chain Risk Management

The EKK Group assesses supply chain partners' risks through its factories to ensure business continuity even in the event of supply disruptions due to, for example, a major natural disaster. For example, we use hazard maps to identify whether partner sites are located in disaster-prone areas and assess whether roads will be cut off during a disaster, causing distribution delays.

We also maintain sufficient inventory and/or line up alternate supply chain partners in advance so that we do not have to halt production if one partner stops making deliveries. As a precaution against overseas supply disruptions, we have arranged to source some raw materials and parts from alternate suppliers in Japan or other overseas regions.

We have developed an integrated management system for supply chain information, including such risk information, to rapidly understand the situation and take prompt action in the event of a disaster.

### — CSR Procurement Initiatives

The EKK Group is committed to CSR procurement with our supply chain partners in order to help resolve ESG issues. This style of procurement is based on policies such as compliance with laws and regulations, mutual benefit, and respect for human rights. We are working to strengthen supply chain management in our business with partners by conducting CSR self-assessments and human rights due diligence. Regarding green procurement, based on the EKK Green Procurement Guidelines, we are developing technologies and conducting environmental preservation activities for the resolution of environmental issues and other issues faced by society.

Going forward, we will continue to communicate with our stakeholders and conduct CSR procurement.

Note that we have provided a counseling hotline (complaint processing mechanism) on our website for any compliance-related concerns or other issues as they pertain to business with the EKK Group.

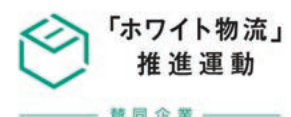
#### ● Building Partnerships

In April 2021, the Group signed on to the Partnership-Building Declaration led by the National Association of Small and Medium Enterprise Promotion Organizations, part of the Cabinet Office's Small and Medium Enterprise Agency. As a signatory to this declaration, we are actively working toward greater collaboration and mutual benefit with our supply chain partners and other businesses trying to create value in efforts to build sustainable relationships for mutual growth.



#### ● Endorsement of the "White Logistics" movement

In October 2023, we made a declaration endorsing the "White Logistics" movement led by the Japanese Ministry of Land, Infrastructure, Transport and Tourism. We are actively working to improve logistics efficiency and productivity in cooperation with logistics providers based on mutual understanding.



## Internal Education on Our Procurement Policies

FY2024 Results

141 participants

Our procurement-related personnel at business units and Group companies within Japan are subject to a number of educational programs each year. They receive information on respect for human rights and take tests about their understanding of various laws and regulations as well as procurement policies, including the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. Based on the knowledge gained from these educational activities, we are working on CSR procurement in cooperation with our supply chain partners.

## Building Partner Engagement through Procurement Policies Briefings

FY2024 Results

164 participants from  
110 companies

We invite our supply chain partners to join us for briefings about our policies. In these briefings, we present the state of the EKK Group's businesses (production, sales, quality, and procurement), as well as the status and policy with regard to CSR procurement, to our supply chain partners. In addition, presentations cover the importance of respect for human rights based on the Guidelines on Respect for Human Rights in Responsible Supply Chains published by the Japanese government. We have used these briefings to call for partner efforts beginning from areas within reasonable reach.

The Group is committed to CSR procurement in order to meet the expectations of its stakeholders as we further collaborate and share information with our supply chain partners.

## CSR Procurement Self-Assessment

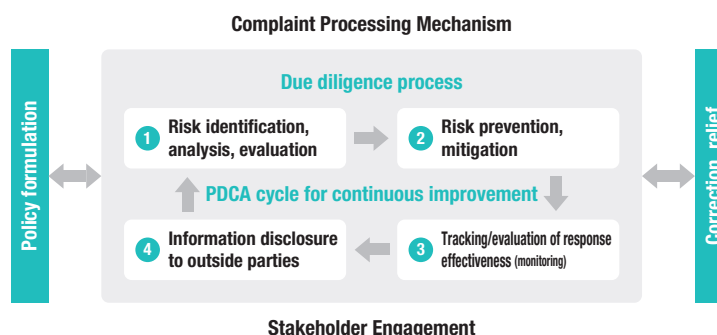
In order to sincerely address issues faced by our stakeholders, we use the CSR Procurement Self-assessment Questionnaire (SAQ) with selected supply chain partners to check their policies, systems and initiatives and actively rectify any issues.

In FY2023, we expanded this to overseas Group subsidiaries and our supply chain partners with which we do business.

Items for confirmation	Corporate governance, human rights, labor, environment, fair corporate activities, quality and safety, information security, supply chain, coexistence with local communities
Step 1	Issues are identified from the results of the CSR Procurement SAQ evaluation
Step 2	Risks are identified, rectified, assessed and disclosed in the due diligence process

## Human Rights Due Diligence

As a signatory of the United Nations Global Compact, we are engaged in efforts for the respect of human rights based on international standards such as the UN Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the International Labour Organization (ILO) MNE Declaration. As part of these efforts, we conduct due diligence on issues identified in the CSR Procurement SAQ through the process shown in the chart on the right, and place the highest priority on minimizing and preventing the risks identified.



## Status of CSR Procurement in FY2024

### 1. CSR Procurement SAQ Average Score by Item

Item	Avg. score (%)	Item	Avg. score (%)
Corporate Governance	72%	Quality and safety	85%
Human rights	73%	Information Security	82%
Labor	82%	Supply chain	74%
Environment	75%	Coexistence with local communities	74%
Fair corporate activities	76%	<b>Overall</b>	<b>77%</b>

### 2. Number of Companies by CSR Procurement SAQ Rating

Rank	Evaluation	No. of companies
A	Maintain rank (work to raise level)	439
B	Rank increase required (voluntary improvement)	190
C	Promote improvement of items not complied with (improvement/guidance)	64
<b>Total</b>		<b>693</b>

For the evaluation rank "C: Promote improvement of items not complied with (improvement/guidance)" for 64 companies in FY2024, we are working to improve the identified risks in cooperation with the targeted supply chain partners.



## Social Social Contribution Initiatives

### — Philosophy

The EKK Group conducts various activities to contribute to society as a corporate citizen in accord with the EKK Charter of Corporate Behavior's sixth Principle of Corporate Behavior, "As a good corporate citizen, we will actively participate in communities and contribute to their development."

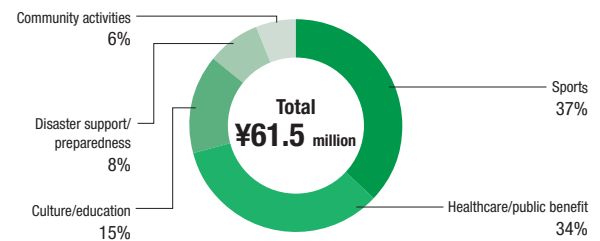
### Local Initiatives

EKK Group companies throughout the world communicate with their local communities through such means as sponsoring local events, including summer festivals and gatherings on their premises.

### Donation and Sponsorship Activities

As a tool to help resolve societal issues outside of business activities, and as a way to support and contribute to various activities, the EKK Group provides sponsorship to, among others, NPOs, scientific organizations, scholarship support projects and sports teams. The Group also promptly donates funds to disaster relief whenever a major disaster occurs.

#### ▼ Breakdown of Donations/Sponsorship Funding Provided (FY2024)



### Topic

## Eagle Industry Taiwan Corporation (EIT) Beach Cleanup Activity

Employees and family members of Eagle Industry Taiwan Corporation (EIT) participated in the cleanup of a local beach. The company is planning future activities to preserve biodiversity while raising environmental awareness among employees and their families.





### — Philosophy

The EKK Group strives to create workplace environments conducive to both physical and mental health based on the EKK Group Management Philosophy of “management that respects human dignity based on commitment” and trust and its Basic Group Safety Principle that “safety is not only fundamental to management that respects human dignity but also a personal desire and mission of all Group personnel.”

### — EKK Occupational Health and Safety Policies (Revised May 1, 2018)

#### ▼ Basic Group Safety Principle

Safety is not only fundamental to management that respects human dignity but also a personal desire and mission of all Group personnel.

#### ▼ Basic Concept

Based on its Group Basic Safety Principle, the EKK Group fosters physically and mentally healthy human resources brimming with vitality and conducts occupational health and safety activities that tap into an occupational health and safety management system mindset to realize comfortable, accident-free workplaces that offer career fulfillment.

#### ▼ Activity Policy

1. Appropriately identify and assess hazards associated with business activities and reduce material risks with the participation and cooperation of all employees.
2. Set occupational health and safety targets and pursue better performance through continuous improvement.
3. Comply with laws, regulations and consensual requirements such as industry guidelines and directives. (Other requirements such as industry guidelines related to the environment)
4. Respect active discussion in the workplace, recognizing that good communication is integral to occupational health and safety.
5. Provide education and training required to ensure occupational health and safety while raising employees' consciousness to promote universal awareness of health and safety's importance.

### — Formulation of Medium-Term Health and Safety Plan

We formulated a Medium-Term Health and Safety Plan (FY2023 to FY2025) and are working toward the following targets.

#### 1. Zero work-related accidents

- Zero Class 1 and Class 2 work-related accidents by FY2025\*
- Zero work-related accidents globally by FY2031

#### 2. Zero new work-related illnesses

\* Class 1 work-related accidents: Accidents for which there is a strong societal demand for prevention and which can mainly be prevented with the use of equipment.

These include accidents caused by moving parts of machinery, heavy objects (excluding lower back pain), chemicals, hot or cold objects, work performed high off the ground, flying objects, and acute poisoning.

Class 2 work-related accidents: Accidents for which there is a relatively low societal demand for prevention and which can mainly be prevented through human or managerial measures.

These include accidents caused by vehicles, transportation equipment, tools, handheld power tools, sharp parts of workpieces and burrs (including copper plates, etc.), and covers (excluding automatic doors) as well as dust or foreign objects entering the eyes and lower back pain due to handling heavy objects exceeding 20 kg.

## Social Occupational Health and Safety Initiatives

### — Health and Safety Management

Based on the EKK Group's Occupational Health and Safety Management Regulations, the Group has set up a line-and-staff occupational health and safety management organization. Headed by the president, and with the general manager of the Safety, Environment & Quality Control Office serving as occupational health and safety manager, at each factory, a staff department exclusively dedicated to health and safety coordinates with line managers through senior managers, under the leadership of a factory manager serving as a health and safety manager. Factories carry out occupational health and safety activities based on ISO 45001 (occupational health and safety management systems). In the course of these systems' operation, all employees receive health and safety awareness training.

#### ● Health and Safety Regime

The Health, Safety and Environment Central Conference, chaired by EKK's president, meets twice annually to conduct management reviews.

Furthermore, the Sustainability Committee receives reports providing overviews and engages in discussions regarding health and safety activities, and based on these, annual plans and results are reported to the Board of Directors.

### — Health and Safety Committees

Together with their labor unions, every factory has established and operates its own Health and Safety Committee. Additionally, the EKK Group has established the Central Health and Safety Committee as a central organization. The Central Health and Safety Committee oversees and reviews health and safety policies and their implementation status throughout the Group. It meets twice annually.

#### ● Health and Safety Risk Management (Risk Assessment Implementation)

The EKK Group strives to reduce health and safety risks. The Group conducts safety inspections of new equipment before it is put into use, confirming that it conforms to internal standards and that there are no health and safety issues. Before new work processes are implemented, the Group conducts a risk assessment to prevent workplace accidents.

Existing work processes, for which risk assessments have already been completed, are also periodically reviewed based on work-related injury cases and close calls. In addition, every site identifies operations and processes that pose a high degree of risk (e.g., work performed high off the ground, press operation, forklift operation), classifying and managing risks focused on improvements and strengthening control measures. Regular health and safety patrols are conducted as well to check work management status and identify potential risks.



#### ● Safety Pledge Day

March 22 of every year is designated as Safety Pledge Day based on an all-encompassing commitment to safety first. Every workplace holds monthly health and safety meetings to foster a perpetual safety culture.

#### ● Initiatives Targeted at Overseas Affiliates

The EKK Group conducts periodic occupational health and safety inspections of overseas affiliates. In cases where the incidence of workplace accidents is higher than normal, the Group places priority on working more closely with and providing information to the company in question while respecting local ways and culture.

#### ● Traffic Safety Initiatives

The EKK Group proactively educates its employees and the public on traffic safety to realize its management objective of having a happy workforce with happy families and to help keep local residents safe. Every year before mid-summer and New Year's holidays, factories invite outside experts to speak about traffic safety. They work to ensure an effective presentation through such means as introducing the unique conditions of each business location and the latest traffic safety information.

The Group also elevates employees' traffic-safety consciousness and promotes accident-free, infraction-free driving on a year-round basis through such means as taking part in external traffic safety campaigns.



## ● Performance of Major Occupational Health and Safety Initiatives (FY2024 Performance)

No.	Health and safety item		Target	Details of activities and results	Action taken	Performance
1	Reduction of work-related accident risks	Heavy load handling work	Zero back pain accidents	2 work-related back pain accidents (-1 YoY)	✓	×
		Work performed high off the ground	Zero accidents related to work performed high off the ground Improvement (abolition) of work performed high off the ground	Zero accidents related to work performed high off the ground Improvement (abolition) of 11 work processes		
2	Promotion of management measures	Rotating object operation work	Establishment of management procedures and ongoing management	Establishment of worker certification system and ongoing operation	✓	×
		Elimination of work-related accidents resulting from company operations	Reduction of Class 1 and Class 2 accidents	7 accidents (-3 YoY)		
		Overseas companies	Zero work-related accidents at overseas affiliates	8 work-related accidents (-2 YoY)		
3	Strengthening of chemical substance management		Zero work-related accidents involving chemical substances Completion of chemical substance risk assessment	1 work-related accident involving chemical substances 94.0% completion rate	✓	×
4	Health and safety initiatives involving all employees	Patrols	100% improvement rate	85.8% improvement rate	✓	✓
		Close calls	100% improvement rate	89.0% improvement rate		
		Safety awareness surveys	Raising of health and safety awareness	Raising of safety-first awareness		

## ● Health and Safety Data

### ▼ Workplace Accident Data (Comparison of Domestic Group Companies and the Overall Manufacturing Industry)

Item	Lost-time incident severity rate	FY2022	FY2023	FY2024
Lost-time injury frequency rate	Manufacturing (calendar year)	1.25	1.29	1.3
	Domestic Group companies	0.72	0.14	0.58
Lost-time injury severity rate	Manufacturing (calendar year)	0.08	0.08	0.06
	Domestic Group companies	0.003	0.001	0.020

### ▼ Number of ISO 45001-Certified Sites

The manufacturing factories and Group companies in Japan consist of 14 locations, all of which have acquired ISO 45001 certification.

## ● Health Promotion

The EKK Group seeks to help its employees stay healthy or get healthier both physically and mentally. Its health initiatives include a 24-hour telehealth service that offers consultations on a broad range of concerns, including not only employees' personal health but also parenting and eldercare.

Management personnel's annual training also addresses mental health, and training for new hires includes mental health education provided by public health nurses.

Factories invite outside doctors as instructors to provide mental health education. Factories that run two or three shifts a day also create opportunities for superiors to provide education on good sleep hygiene, given sleep's important role in recovery from fatigue for shift workers in particular.

The Group actively supports physical and mental health management through such means as an employee mental healthcare initiative featuring coordinated involvement of occupational medicine practitioners, public health nurses, registered nurses and management personnel.



## Social Quality Initiatives

### — Basic Stance

The EKK Group regards product quality problems as an existential threat because they lead to defective products in the hands of customers or end-users and, in turn, loss of stakeholders' trust.

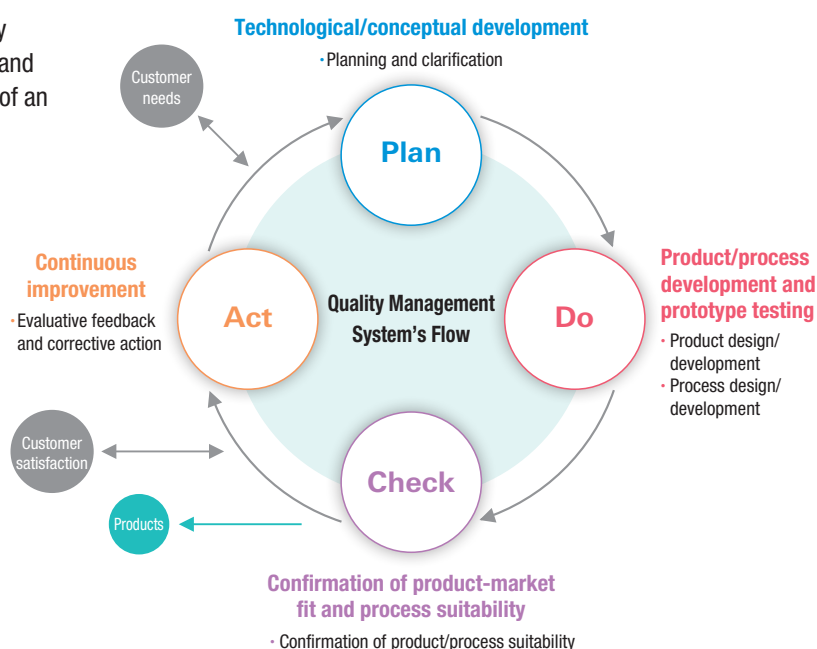
We have vowed to never allow even a single defective product to be shipped. Under the slogan "Eternal Zero," we have been unrelentingly striving since 2016 to improve quality with the aim of maintaining a level of product quality that customers can rely on and guaranteeing the same quality level all over the world.

### — Quality Management Regime

To continuously provide products which satisfy customers, the EKK Group strives to maintain and improve quality, and has built and makes use of an ISO 9001-based quality management system.



#### ▼ Quality Management System's Flow



### ● Companies/Divisions Certified as Compliant with International Quality Standards

Company/division name	Industry	Standard	Month certified
AI/CI Division, Eagle Industry Co., Ltd.	Automobile/construction machinery	ISO 9001	May 1999
	Nuclear power generation	IATF 16949	March 2018
Marine Division, Eagle Industry Co., Ltd.	Marine	ISO 9001	March 1994
Aerospace Division, Eagle Industry Co., Ltd.	Aerospace	JIS Q 9100 (including ISO 9001)	April 2004
SI Division, Eagle Industry Co., Ltd.	Semiconductors	ISO 9001	March 2023
EAGLE INDUSTRY CO., LTD. ESM Company	Semiconductors	ISO 9001	June 2020
Niigata Factory, EagleBurgmann Japan Co., Ltd.	General machinery	ISO 9001	March 1999
Eagle Industry Niigata Co., Ltd.	Semiconductors	ISO 9001	March 2025
Valcom Co., Ltd.	Measurement instruments	ISO 9001	August 2024
		ISO 17025 (accreditation of testing and calibration laboratories)	December 2021

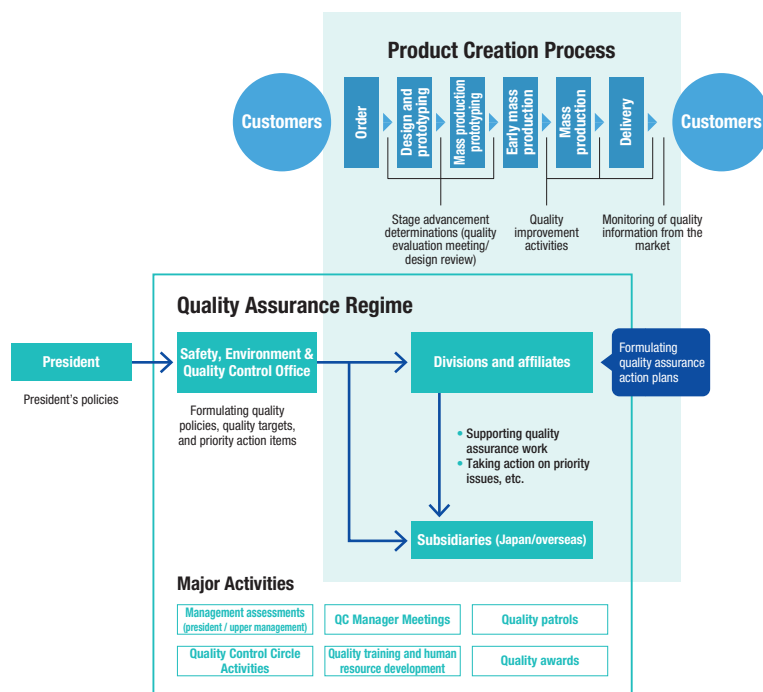
## Quality Assurance Regime

Each year in response to the president's policies, the Safety, Environment & Quality Control Office formulates quality policies, quality targets and priority matters which are then deployed within the EKK Group. In turn, business divisions formulate quality assurance action plans which are then deployed throughout the business divisions as well as to global subsidiaries under their jurisdiction.

The individual business division components and subsidiaries then incorporate concrete action plans for achieving the directed quality targets into their quality assurance activities, with all components and subsidiaries engaging in activities to improve quality.

As part of deploying our quality policies, business division quality control (QC) managers regularly convene at QC Manager Meetings, held by the Safety, Environment & Quality Control Office, to align and deepen their understanding of policy and other content. At QC Manager Meetings, quality managers review the state of implementation of quality assurance action plans as well as policy deployment. In addition, they also strive to ensure a uniform quality level across the entire EKK Group and to implement bottom-up management.

Each year, the president and upper management conduct on-site management assessments of business divisions and overseas production subsidiaries, and the Safety, Environment & Quality Control Office conducts quality patrols. The purpose is to check and review quality assurance activities and promote effective and continuous improvement.



## Quality Improvement Initiatives

EKK implements its own quality improvement initiatives for all of the processes spanning from order reception to delivery.

### Monitoring of Quality Information from the Market

EKK constantly monitors for signs of possible serious quality problems, actively commissioning product studies and gathering and analyzing customer complaints and other product quality information from the market.

The information gathered from these studies and analyses is not only provided to internal organizations but also conveyed back to customers when needed, aiding in the improvement of product quality.

### Quality Evaluation Meeting Inspections Conducted before Product Mass Production

EKK holds Quality Evaluation Meetings for newly developed products, products with design changes, products with process changes and others. The goals of these meetings are to meet customer requirements and to prevent quality issues in the products we deliver to our customers.

Whether a Quality Evaluation Meeting will be held or not is determined according to the risk level assessed in consideration of the intended use of, novelty of and changes to the product in question. The meetings are held at the designated stages of conceptual design, design and prototyping, process design and transition to mass production.

Decisions at each stage and whether or not to move to mass production are made by the General Manager of the Safety, Environment & Quality Control Office.

### Activities to Reduce In-Process Defective Products

EKK actively engages in activities to reduce the occurrence of defective products in its production processes with the aim of preventing complaints.

Business divisions and subsidiaries conduct activities based on various annual themes, and an activity focusing on production floor-led initiatives has produced particularly great results.

This activity originated at one of our customers. In our adapted version, we display defective products on the production floor and use the actual product on-site to explore countermeasures for reducing the number of defective products.

For each defect event, the unit where the defective product occurred plays a central role (with the participation of other units as well) so that everyone can work together to pursue the root cause and formulate fundamental measures to prevent recurrence.

In addition to contributing to the realization of our "Eternal Zero" vision, this activity results in the belief that quality is something created at the process level permeating down to the individual production worker. In turn, this contributes significantly to individual workers seeking to proactively resolve problems which occur in their respective processes.



## Quality Education for Human Resource Development

EKK provides level-specific quality education.

In order to cultivate the next generation of quality control personnel with the aim of perpetual quality maintenance and improvement, we provide introductory education for young employees and intermediate education for mid-level employees. The introductory education aims to increase the knowledge of quality for young employees, and the intermediate education aims to increase the problem-solving capabilities of mid-level employees.

We have created more than 10 courses, covering everything from the seven basic quality control tools to courses which teach how to utilize various quality control methods such as why-why analysis and MSA.\* Some courses also incorporate group exercise-based skills acquisition.

In addition to face-to-face courses, we also provide quality education via online courses, and the content is steadily being improved to encourage as many people as possible to participate.

As a result, cumulatively through FY2024, 1,142 employees received introductory education and 458 employees received intermediate education, which started in FY2019.

\* Measurement system analysis. A method for quantifying and evaluating the validity of a measurement system.



Introductory	Intermediate	Advanced
<ul style="list-style-type: none"> <li>• TQC*<sup>1</sup> and TQM*<sup>2</sup></li> <li>• QC story</li> <li>• 7 QC tools, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Why-why analysis</li> <li>• Basic statistics</li> <li>• Control charts, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple regression analysis</li> <li>• Experiment design</li> <li>• MSA, etc.</li> </ul>

\*1 Total quality control

\*2 Total quality management

## Quality Handbook to Increase Quality Consciousness

Developing human resources highly conscious of quality is integral to maintaining high quality. In FY2019, the EKK Group published Eternal Zero (the EKK Quality Handbook). The handbook is distributed to all employees to elevate employee quality consciousness, and to be used as a collection of knowledge employees can quickly check when having difficulty.

It has been translated into English, Korean, Indonesian, Thai, Chinese (in both traditional and simplified characters) and French. Distributed to overseas companies as well, it is helping to increase quality consciousness on a global level.



## Quality Control Circle Activities

The EKK Group conducts employee-led, small-group quality control circle activities with the aim of improving quality.

These small-group circles are formed per workplace, and choose issues and other themes relevant to them, which are resolved by all of the circle's members. This makes the circles an important activity for improving member capabilities and energizing workplaces.

Business divisions conduct annual presentations of their activities, and business divisions and domestic and overseas subsidiaries each select a circle group to represent them at the EKK QC Circle Tournament.

In FY2024, six circle groups from Japan and three from overseas were selected to present the results of their activities in person at the 19th EKK QC Circle Tournament.

We also streamed the tournament online at each site to allow as many people as possible to listen to the presentations and apply them in their activities for FY2024 and beyond.



## Quality Awards System

The EKK Group has introduced an internal quality awards system with the aim of stimulating quality improvement activities and increasing motivation.

In order to enhance the quality consciousness of EKK Group employees in Japan, we encourage employees to nominate outstanding quality improvement activities on an organizational level and relevant to the employees themselves.

Among these nominated quality improvement activities, we annually award organizations that have achieved outstanding quality improvement results.

## Promotion of Quality DX

EKK is working to establish a database of information concerning quality, and is gathering quality information to this end.

We are promoting going paperless by digitalizing existing documents, increasing the speed with which information is disseminated by digitalizing existing workflows, enhancing work efficiency and automating the smooth collection and dissemination of information.

Accumulated quality information is linked with production data, design data, customer information and other information for effective utilization in a variety of situations, such as design and development.



## Social DX Initiatives

### — Digital Transformation Strategy and Initiatives

#### ● Our Digital Transformation Initiatives

As part of our efforts to continue building a sustainable corporate structure under our current medium-term management plan, we are promoting initiatives across each business field with a focus on digital transformation (DX) promotion as one of the Main Items for Promotion. To drive these initiatives, we have established the following business topics to advance digitalization, and we are working toward their DX targets.

Data directly related to sales, production, engineering, and business in the Group had previously been collected separately by each department, which created challenges in utilizing that data internally. By introducing core systems, such as PLM, ERP, and CRM, that information is now being consolidated, eliminating inefficiencies such as redundant data across departments and improving overall operational efficiency. In leveraging this data, we are also working to reduce data processing and analysis time by introducing and utilizing business intelligence (BI) tools and generative AI. These initiatives will not only accelerate decision-making, support the Group's business expansion, and contribute to profitability, but also deliver new value to our stakeholders.

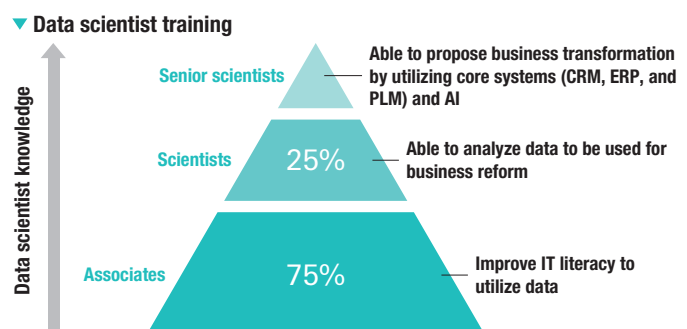
Digitalization	DX targets and specific initiatives
Smart factory	<b>Target</b> Use IoT sensors and AI to enhance the efficiency of production processes and improve product quality
	<b>Example</b> <ul style="list-style-type: none"> <li>• <b>Utilization of image inspection technology</b> Use image inspection technology to reduce the time and labor required for visual inspections Promote quantification of appearance inspection standards and automation of quality records</li> </ul>
Data utilization	<b>Target</b> Utilize core systems (CRM, ERP, and PLM) to optimize product demand forecasting and inventory management
	<b>Example</b> <ul style="list-style-type: none"> <li>• <b>Introduction of RFID tags with real-time linkage to ERP</b> Promote more efficient inventory operations and centralized management of inventory information</li> <li>• <b>Linkage between scheduler and PLM</b> Automatically create production plans to meet demand Eliminate person-dependent production planning and redundant BOM/BOP management</li> </ul>
Remote monitoring	<b>Target</b> Perform remote monitoring and maintenance of equipment to minimize downtime
	<b>Example</b> <ul style="list-style-type: none"> <li>• <b>Introduction of SCADA system</b> Monitor and control the manufacturing processes and equipment operation status, and collect that data Reduce the labor required to input production results and enable automatic calculation of standard labor hours</li> </ul>
Digitalization of supply chain management	<b>Target</b> Improve transparency and traceability of entire supply chain
	<b>Example</b> <ul style="list-style-type: none"> <li>• <b>Supply chain risk management</b> Build a system for integrated management of supply chain information, and establish a system to rapidly gather information and take action in the event of a disaster</li> </ul>

#### ● DX Promotion System

The IT Department of the Corporate Strategic Planning Office is working together with the sales, production, and engineering departments to implement cross-departmental DX promotion activities. These activities are also regularly shared as part of the DX initiatives at Meetings of Division Managers and Management Meetings.

#### ● DX Human Resource Development Policy and Status

We promote data scientist training and develop human resources who can drive business reform using digital technology. Data scientist training is available to all divisions, including manufacturing, administration, and sales, in order to strengthen data utilization capabilities and IT literacy as "data scientist associates." Additionally, we aim to train 25% of them to become "scientists," who will play a pivotal role in championing DX initiatives across various workplaces. Furthermore, in FY2025, we will provide in-house training on business intelligence (BI) tools.



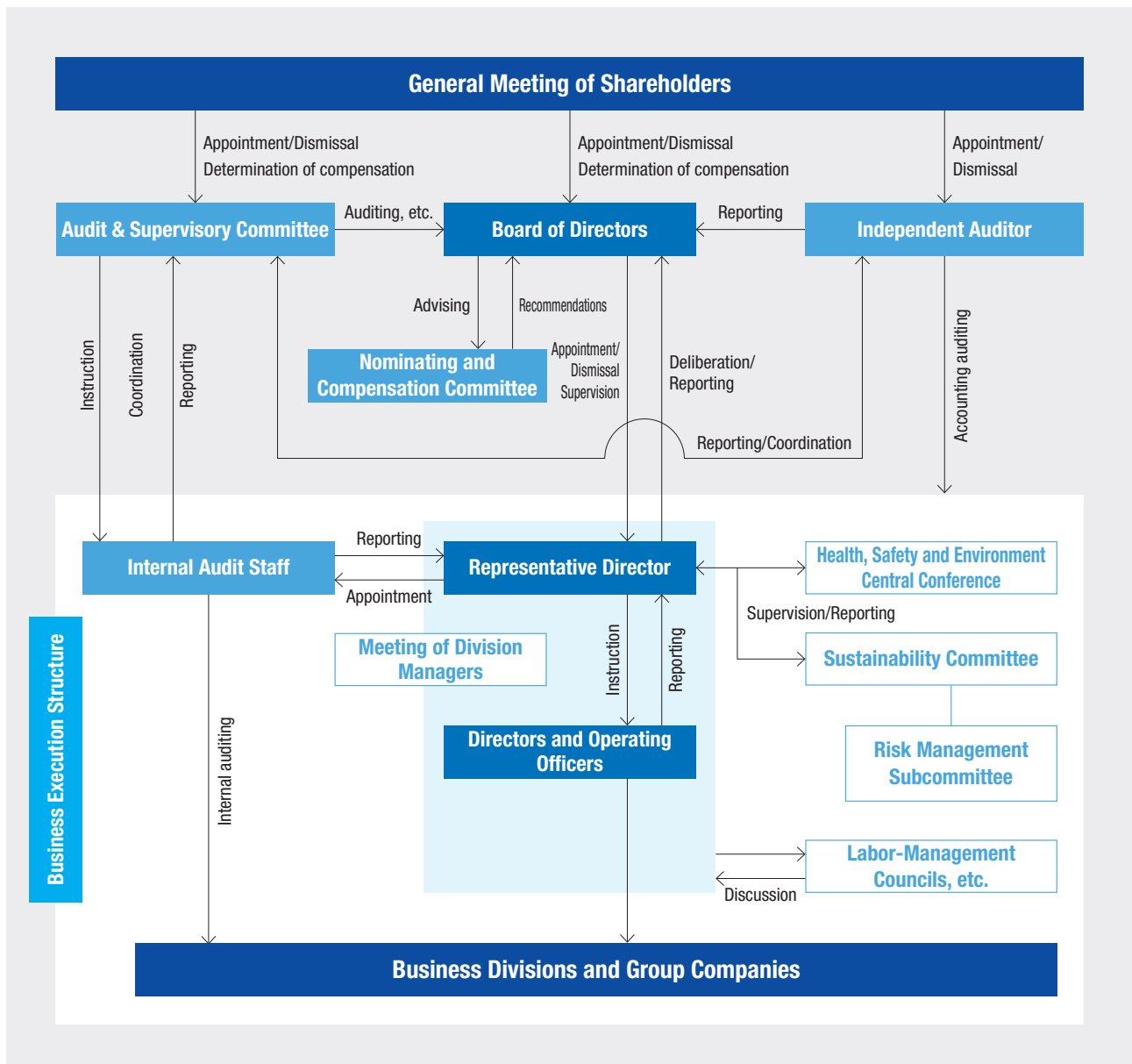


## Corporate Governance

### — Basic Stance on Corporate Governance

The EKK Group's basic management tenets are that a company (1) belongs to not only shareholders but also its employees and society, (2) should generate profit and pride for all stakeholders, including its customers, suppliers and financial institutions in addition to its employees and (3) must never pursue short-term profits at the expense of long-term interests. To live up to these tenets, the Group conducts business activities to continuously become a stronger, more profitable company by producing and achieving worldwide sales of unique and socially useful products backed by its technologies in accord with a spirit of compliance.

The Group believes that building a corporate governance regime comprehensively optimized to the prevailing business environment and the specifics of its operations is essential as a foundation to support such operations.



## — Overview of and Rationale behind Corporate Governance Regime

At the Ordinary General Meeting of Shareholders held on June 25, 2024, a resolution was passed to amend the Articles of Incorporation to transition to a company with an Audit & Supervisory Committee, and as a result, the Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee on the same date.

With this transition, decision-making authority for important business execution is delegated to the directors, speeding up decision-making and strengthening the supervisory function of the Board of Directors, thereby further enhancing corporate governance.

In addition, EKK adopted the operating officer system in June 2009, and the Board of Directors has changed to a smaller number of members and has worked to improve its effectiveness by fostering an atmosphere of lively, peer-to-peer discussion at Board of Directors' meetings, including monitoring of the directors' execution of duties. With the transition to a company with an Audit & Supervisory Committee, we will further strengthen monitoring of the Board of Directors by directors who are Audit & Supervisory Committee members and have voting rights at Board of Directors' meetings.

The Audit & Supervisory Committee is set up and configured as an oversight body independent of management. Directors who are Audit & Supervisory Committee members exercise full-spectrum oversight of the Company's operations by not only attending and participating in Board of Directors' meetings but also attending meetings of other key internal entities, regularly conducting internal audits of not only the Company but also its affiliates, and reviewing implementation and reports of internal audits conducted by internal audit staff appointed by the president. In light of such, the Company deems its corporate governance to be effective and accordingly elects to maintain the status quo.

### Overview of Internal Entities Involved in Governance

<b>Board of Directors</b>	The Board of Directors generally meets monthly. It makes decisions on important matters and oversees operational execution.
<b>Audit &amp; Supervisory Committee</b>	The Audit & Supervisory Committee makes decisions on audit policies, plans, methods, and other important audit-related matters, and the committee audits the directors' performance of their duties in accordance with these decisions. The committee, in cooperation with the internal audit staff appointed by the representative director and president, audits the business execution units.
<b>Nominating and Compensation Committee</b>	The Nominating and Compensation Committee was established to advise the Board of Directors. The committee comprises the Board chairman and outside directors. It regularly monitors matters of particular importance, mostly director and Audit & Supervisory Committee member nominations and compensation, and appropriately advises the Board of Directors.
<b>Meeting of Division Managers</b>	The Meeting of Division Managers comprises directors, operating officers, division managers, business unit heads and their respective deputies. It meets monthly with standing Audit & Supervisory Committee members in attendance to review operational matters and decide which, if any, to refer to the Board of Directors.
<b>Labor-Management Councils, etc.</b>	Various committees comprising representatives of labor and management, including the Central Labor-Management Council, meet on an ad hoc basis for briefings on and discussions of matters such as business plans, significant reorganizations and management initiatives.
<b>Sustainability Committee</b>	The Sustainability Committee is chaired by the president and made up of the heads of organizational units and senior managers. The committee determines targets for the Group's sustainability activities and evaluates activity status with the aim of realizing a sustainable society. The committee also reports on activity status to the Board of Directors. Furthermore, with the aim of discovering and preventing business activity risks, the Risk Management Subcommittee has been established under the Sustainability Committee to identify latent risks inherent in business activities and verify the effectiveness of safeguards against such risks.
<b>Health, Safety and Environment Central Conference</b>	The Health, Safety and Environment Central Conference checks on how health and safety activities and environmental management are promoted in business activities.
<b>Internal Audit Staff</b>	Nominated by the president, internal audit staff work to develop internal control systems and also periodically conduct audits of organizational units and affiliates.

## Corporate Governance

## — Directors

Name	Positions and responsibilities	Fields of expertise						
		Corporate management	Business strategy	Business sales	Finance and accounting	Technological R&D	Internationality	ESG
<b>Tetsuji Tsuru</b>	Chairman of the Board and President, Representative Director	●	●	●	●		●	
<b>Masaki Nakao</b>	Representative Director, Vice President, General Manager of Corporate Administration Office and Defense Business Corporate Office	●	●				●	
<b>Shinji Abe</b>	Representative Director, Senior Managing Director, General Manager of Safety, Environment & Quality Control Office			●				●
<b>Norio Uemura</b>	Representative Director, Senior Managing Director, General Manager of Engineering Division			●		●		
<b>Masahide Shimada</b>	Senior Managing Director, AI/CI Division General Manager and General Manager of Nuclear Power Business Corporate Office		●				●	
<b>Hidetaka Yamamoto</b>	Senior Managing Director, Manager, Corporate Sales & Marketing Division		●	●				
<b>Ryota Nakazawa</b>	Senior Managing Director, General Manager of Corporate Strategic Planning Office, Deputy General Manager of Defense Business Corporate Office		●				●	
<b>Risa Yamasawa</b>	Outside Director							●
<b>Yasumitsu Iba</b>	Director, Standing Audit & Supervisory Committee Member				●		●	
<b>Katsuhiko Shono</b>	Outside Director, Audit & Supervisory Committee Member		●			●		
<b>Masako Sakaguchi</b>	Outside Director, Audit & Supervisory Committee Member						●	●
<b>Takashi Koike</b>	Outside Director, Audit & Supervisory Committee Member	●	●					

## — Outside Directors and Outside Audit & Supervisory Committee Members

### ●● Outside Directors

Expected roles	
Risa Yamasawa	<p><b>Appointed at the FY2024 Ordinary General Meeting of Shareholders held on June 25, 2025</b></p> <p>Ms. Yamasawa is expected to provide supervision and counsel on the execution of duties by the Company's directors from an objective, broad and advanced perspective based on her vast amount of experience and extensive insight as an attorney in the field of corporate law. Therefore, we have newly appointed her as an outside director.</p> <p>She will be involved in the selection of candidates for officer positions and determination of officer compensation from an objective and neutral standpoint as a member of the Nominating and Compensation Committee.</p>
Katsuhiko Shono	<p><b>[Attendance of meetings]</b>      <b>Board of Directors meetings: 13/13 meetings</b>  <b>Audit &amp; Supervisory Committee meetings: 9/9 meetings</b></p> <p>Mr. Shono plays an essential role in ensuring the validity and appropriateness of decision-making by appropriately contributing to discussions on agenda items as needed based on his knowledge and experience in the industrial machinery field, while also supervising and advising on the Company's overall business activities.</p> <p>He attended two Nominating and Compensation Committee meetings held in FY2024 and provided appropriate advice on the selection of candidates for officer positions and determination of officer compensation as a member of the Nominating and Compensation Committee.</p>
Masako Sakaguchi	<p><b>[Attendance of meetings]</b>      <b>Board of Directors meetings: 13/13 meetings</b>  <b>Audit &amp; Supervisory Committee meetings: 9/9 meetings</b></p> <p>Ms. Sakaguchi plays an essential role in ensuring the validity and appropriateness of decision-making by appropriately contributing to discussions on agenda items as needed drawing on her expertise in corporate law gained through experience as an attorney, while also supervising and advising on the Company's overall business activities.</p> <p>She attended two Nominating and Compensation Committee meetings held in FY2024 and provided appropriate advice on the selection of candidates for officer positions and determination of officer compensation as a member of the Nominating and Compensation Committee.</p>
Takashi Koike	<p><b>[Attendance of meetings]</b>      <b>Board of Directors meetings: 9/9 meetings*</b>  <b>Audit &amp; Supervisory Committee meetings: 9/9 meetings</b></p> <p>Mr. Koike plays an essential role in ensuring the validity and appropriateness of decision-making by appropriately contributing to discussions on agenda items as needed based on his knowledge and experience in corporate management at business companies, while also supervising and advising on the Company's overall business activities.</p> <p>He attended one Nominating and Compensation Committee meeting after his appointment at the FY2023 Ordinary General Meeting of Shareholders and provided appropriate advice on the selection of candidates for officer positions and determination of officer compensation as a member of the Nominating and Compensation Committee.</p> <p>* Mr. Koike was appointed as a director who is an Audit &amp; Supervisory Committee member at the FY2023 Ordinary General Meeting of Shareholders and attended all Board of Directors meetings (9/9) held after his appointment.</p>

## Corporate Governance

## — Activity Status and Effectiveness Evaluation of the Board of Directors

The Board of Directors held 13 meetings in FY2024 to discuss important management matters, as well as to submit resolutions and reports in accordance with laws and regulations, the Articles of Incorporation and the rules of the Board of Directors.

(1) Specific items considered at the Board of Directors' meetings

(Resolutions) In addition to matters for resolution required by laws, regulations and the Articles of Incorporation, the Board of Directors deliberated and made decisions on 41 matters for resolution based on our rules of the Board of Directors, including the Group's management and sales plans, important capital investments, and financing plans.

(Reports) In addition to reporting matters required by laws, regulations and the Articles of Incorporation, 17 reports were made on the status of our internal controls, activities of each committee and other important matters related to the execution of business operations.

(2) Effectiveness evaluation of the Board of Directors

With regard to the effectiveness evaluation of the Board of Directors, a report on the Board of Directors' activities in FY2024 was presented at a Board of Directors' meeting held in June 2025, where opinions were exchanged and discussions were held among directors including Audit & Supervisory Committee members. The resulting assessment is that the Board of Directors' effectiveness has been appropriately secured.

## — Appointing Directors and Determining Compensation

To increase objectivity and transparency around director nomination and compensation-setting processes in accord with Japan's Corporate Governance Code, EKK has established the Nominating and Compensation Committee comprising the chairman of the Board of Directors and outside directors as an advisory body of the Board of Directors.

The Nominating and Compensation Committee generally meets twice each fiscal year. The committee appoints directors by reviewing the appointment/dismissal standards as well as the director candidates based on these standards. Regarding compensation, the committee reviews the Policy for Determining Officer Compensation, etc. considers factors such as the proportion of short-term performance-linked compensation for each fiscal year, and offers advice and feedback to the Board of Directors.

### ● Nominating and Compensation Committee Activities

Month	Actions
February 2025	<p>Nominations: Director appointment/dismissal standards and succession plan policy reviewed and discussion held</p> <p>Compensation: Policy for Determining Officer Compensation, etc. reviewed and the proportion of short-term performance-linked compensation for FY2024 considered</p>
April 2025	<p>Nominations: Candidates for directors (excluding directors who are Audit &amp; Supervisory Committee members) to be proposed at FY2024 Ordinary General Meeting of Shareholders vetted and discussion held</p> <p>Compensation: Compensation amounts for directors (excluding directors who are Audit &amp; Supervisory Committee members) and directors who are Audit &amp; Supervisory Committee members reviewed and discussion held</p>

## — Policy for Determining Officer Compensation, etc.

The Company has established the policy below for determining compensation, etc. for Directors. Within the total amount decided at the General Meeting of Shareholders based on this policy, compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Board of Directors, and compensation for Directors who are Audit & Supervisory Committee Members is determined through discussions with Directors who are Audit & Supervisory Committee Members at the Audit & Supervisory Committee.

The Company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors in order to improve the objectiveness and transparency of the nomination and compensation of officers. The committee regularly checks on particularly important matters such as nomination of officers and compensation for Directors and provides appropriate advice to the Board of Directors. The Nomination and Compensation Committee is a meeting body consisting of the Chairman of the Board of Directors and Outside Directors, and it confirms and advises on important management issues such as nomination and compensation. The Company's policy regarding determining compensation, etc. for directors is as follows.

### a. Method of determining policy

The policy on compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is determined by the Board of Directors, taking into account the advice of the Nomination and Compensation Committee. The policy on compensation for Directors who are Audit & Supervisory Committee Members is determined through discussions with Directors who are Audit & Supervisory Committee Members at the Audit & Supervisory Committee.

### b. Basic policy

The Group seeks to grow stronger and more highly profitable by making unique and socially useful products backed by technology at a low cost around the world and providing them at reasonable prices. We believe that pursuing this policy from a medium- to long-term perspective will contribute to improving the Group's medium- to long-term corporate value and increase stakeholder satisfaction.

In carrying out this policy, we believe that it is necessary for us to promote the motivation of the management team, including the Directors of the Company, to achieve performance targets and stakeholder satisfaction from the standpoint of compensation. For that reason, we have introduced treasury stock compensation for the Company's management that varies to a certain extent according to the degree of achievement of KPIs related to the priority measures in the Group's medium-term plan. Balancing this with monetary compensation that varies according to the degree of achievement of performance targets for each fiscal year, we aim to improve corporate value and stakeholder satisfaction over the medium to long term.

### c. Policy for determining amounts for individual compensation, etc. and method of calculation (excluding performance-linked compensation, etc. / non-monetary compensation, etc.)

Considering their responsibilities in improving performance in each fiscal year and increasing corporate value over the medium to long term, compensation for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) is broken down into three categories. These are base compensation (monetary), short-term performance-linked compensation (monetary) and medium- to long-term performance-linked compensation (stock), comprised of fixed compensation, expectations for short-term results and expectations for long-term results. On the other hand, outside directors who are not Audit & Supervisory Committee members are expected to provide objective opinions and suggestions from an outside perspective that is independent from business execution, so in light of this, they are only paid base pay (monetary). In addition, compensation for Directors who are Audit & Supervisory Committee Members is base compensation pay (monetary) only according to position as they are responsible for auditing and supervising the execution of duties for the Group as a whole. Compensation may be temporarily reduced or not paid at all in the event of a sudden worsening of performance or damage to corporate value.

The compensation system for the Company's Directors is set up in such a way that compensation differs according to the responsibilities of the position (chairman, president, vice president, senior managing director, etc.). The difference currently applied, when the short-term and long-term performance portions are the base amount, is set at 1 for senior managing directors and around 1.6 for the chairman and president.

## Corporate Governance

### **d. Policy for determining performance indicators, etc. related to performance-linked compensation, etc. and the method of calculating the amount or number**

Performance-linked compensation is paid in a range between 0 and 200% according to the degree of achievement of evaluation items.

When determining short-term performance-linked compensation, it is the Company's judgment that maintaining and improving the profit level is the most appropriate indicator of corporate performance. As such, the degree of achievement of the initial operating profit plan, dividend amount, employee bonus amount and other matters impacting performance (natural disasters, extraordinary gains/losses, etc.) are considered.

The indicators of medium- to long-term performance-linked compensation are ROIC (financial indicator) and the FTSE Russell ESG score (non-financial indicator) to increase overall profitability of the Group and promote ESG management. The weight given to these items is 90% and 10%, respectively.

### **e. Policy for determining the content, amount, number or method of calculating non-monetary compensation, etc.**

For medium- to long-term performance-linked compensation, we utilize the officer compensation BIP (Board Incentive Plan) trust system in order to increase the motivation of Directors to contribute to improving the Group's medium- to long-term performance and increasing corporate value. This plan is a system for issuing and paying the shares of the Company and share exchange price at disposal of the Company (hereinafter referred to as "the Company's shares, etc.") in a number corresponding to points calculated according to position/length of service and the degree of achievement, etc. of medium-term targets to eligible Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) and Executive Officers following the Rules for Issuance of Shares approved by the Board of Directors.

### **f. Policy for determining the ratio (percentage) of each type of individual compensation, etc.**

The Company's business domain is the manufacture and sale of mechanical seals, special valves, etc., and other mechanical parts in industries that include automobiles, construction equipment, general industrial machinery, semiconductors, ships, and aerospace. Considering that business performance is easily affected by trends in these industries, the percentages of short-term performance-linked compensation and medium- to long-term performance-linked compensation for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) are 10% and 20% of total compensation, respectively.

### **g. Policy for determining the timing of and conditions for compensation, etc.**

Monthly base compensation pay is determined by the Board of Directors after the Ordinary General Meeting of Shareholders for one year beginning from the following month and is paid in a fixed amount on a fixed day every month. Short-term performance-linked compensation is determined by the Board of Directors based on the year-end financial results in accordance with the above-mentioned "Policy for determining performance indicators, etc. related to performance-linked compensation, etc. and the method of calculating the amount or number." It is paid by the time of the Ordinary General Meeting of Shareholders for the financial results in question. As for medium- to long-term performance-linked compensation, following the Rules for Issuance of Shares approved by the Board of Directors, a fixed number of points calculated according to position and length of service and performance-linked points designed to incentivize achievement of the medium-term management plan, etc., are granted at a certain time every year. In principle, when the medium-term management plan ends, a number of the Company's shares, etc., corresponding to the cumulative number of fixed points and a number of the shares, etc., corresponding to the cumulative number of performance-linked points multiplied by a performance-linked coefficient according to the degree of achievement of medium-term targets are issued and paid.

### **h. Method of determining individual compensation, etc.**

The Chairman of the Board of Directors, who is the chair of meetings of the Board of Directors, submits an executive compensation plan to the Board of Directors where the amount of compensation, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) and the method of calculation thereof are determined, taking into account the advice of the Nomination and Compensation Committee.

The amount of compensation for Directors who are Audit & Supervisory Committee Members is determined by the Audit & Supervisory Committee through discussions with Directors who are Audit & Supervisory Committee Members.

## — General Meeting of Shareholders Approval of Officer Compensation, etc.

At the FY2023 Ordinary General Meeting of Shareholders held on June 25, 2024, shareholders approved resolutions capping the amount of aggregate compensation for directors (excluding directors who are Audit & Supervisory Committee members) at ¥550 million per year (of which, ¥40 million for outside directors) and the amount of aggregate compensation for directors who are Audit & Supervisory Committee members at ¥100 million per year.

At the FY2021 Ordinary General Meeting of Shareholders held on June 23, 2022, shareholders approved a performance-linked stock compensation plan (hereinafter referred to as “the Plan”) for the Company’s directors (excluding outside directors; the same applies hereinafter) and operating officers (excluding those not residing in Japan; hereinafter referred to as “Directors, etc.”). An overview of the Plan is provided below. The Plan’s compensation is paid to Directors, etc., separately from the above director compensation amounts (¥550 million per year).

In accordance with the approval of the resolution “Amendment to the Articles of Incorporation” at the FY2023 Ordinary General Meeting of Shareholders held on June 25, 2024, the Company transitioned to a company with an Audit & Supervisory Committee, and as a result, those eligible for the Plan were revised to the Company’s directors (excluding directors who are Audit & Supervisory Committee members, outside directors, and those not residing in Japan; the same applies hereinafter) and operating officers (excluding those not residing in Japan; hereinafter referred to as “Directors, etc.”).

### a. Overview of the Plan

The Plan is a stock compensation plan for Directors, etc. The Company will contribute an amount corresponding to the compensation for Directors, etc., to a trust, and these funds will be used to purchase shares of the Company through the trust. Shares of the Company and share exchange price at disposal of the Company (hereinafter referred to as “the Company’s shares, etc.”) are issued and paid (hereinafter referred to as “issuance, etc.”) as officer compensation according to position and the degree of achievement, etc., of the performance targets (details of the Plan are described in (b) below and thereafter).

#### Eligibility for issuance, etc., of the Company’s shares, etc., under the Plan

- The Company’s directors (excluding directors who are Audit & Supervisory Committee members, outside directors, and those not residing in Japan)
- The Company’s operating officers (excluding those not residing in Japan)

### b. Impact of the Company’s shares subject to the Plan on the total number of outstanding shares

#### Maximum amount to be contributed by the Company

- ¥300 million multiplied by the number of fiscal years in the relevant period
- The first relevant period will be four fiscal years for a total of ¥1,200 million (the first relevant period is the four fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2026)

#### Maximum number of the Company’s shares to be issued, etc., to Directors, etc., and method of purchasing the Company’s shares, etc.

- 400,000 shares multiplied by the number of fiscal years in the relevant period
- The first relevant period will be four fiscal years for a total of 1.6 million shares
- The above number of shares per fiscal year (400,000 shares) accounts for approximately 0.9% of the Company’s total number of outstanding shares (as of March 31, 2025, after deduction of treasury shares)
- The Company’s shares are to be acquired from the stock market or the Company (treasury share disposal) (the Company’s shares for the first relevant period were acquired from the stock market in 2022, so no dilution has occurred)

#### Performance achievement conditions

- Varies between 0% and 200% according to the degree of achievement, etc., of important indicators for achieving performance targets in the medium-term management plan and other indicators established by the Board of Directors (in the first relevant period, the degree of achievement of ROIC and FTSE Russell ESG score)

#### Timing of issuance, etc., of the Company’s shares, etc., to Directors, etc.

- After the end of the relevant period

## — FY2024 Officer Compensation

Position	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)			No. of eligible recipients (Persons)
		Base compensation	Performance-linked compensation, etc.		
			Short-term	Medium- to long-term	
Directors (excluding directors who are Audit & Supervisory Committee members) (of which, outside directors)	365 (15)	262 (15)	36 (-)	66 (-)	10 (3)
Directors who are Audit & Supervisory Committee Members (of which, outside directors)	39 (22)	39 (22)	- (-)	- (-)	4 (3)
Audit & Supervisory Board members (of which, outside Audit & Supervisory Board members)	13 (2)	13 (2)	-	-	5 (3)
Total	418 (39)	315 (39)	36 (-)	66 (-)	19 (9)



## Compliance

### — Compliance

Given the growing importance of Group-wide compliance and risk management in the wake of diversification and globalization of corporate activities, EKK has established the Sustainability Committee and, under that, the Risk Management Subcommittee, setting up systems to continuously maintain appropriate risk management and compliance at the EKK Group. The general manager of EKK's Corporate Administration Division is in charge of compliance throughout the Group. We comply with key laws and regulations applicable to each respective operation by establishing units in charge of individual laws and regulations, as well as creating internal rules and regulations.

Both domestic and overseas Group companies also have their own internal auditing and compliance staff. The Group has prescribed Compliance Rules and the EKK Employee Compliance Code of Conduct based on the EKK Charter of Corporate Behavior. The Group clearly demonstrates a high-priority commitment to compliance and promotes universal knowledge of said rules and code of conduct throughout its entire workforce.

### ● Compliance Promotion Month

The EKK Group has designated October of every year as Compliance Promotion Month. Every October, the Group conducts consciousness-raising and educational activities on compliance, mainly domestically.

In FY2024, the Group had employees read a compliance-related text together and conducted video-based educational activities. In order to understand internal issues, a compliance-related questionnaire was also sent out, eliciting 2,599 responses from employees. The results of this questionnaire were used to determine priority matters for the Group as we work to further improve compliance consciousness.

### ● Reporting System

The EKK Group has set up (internally and externally accessible) internal whistleblower hotlines available to personnel of all Group companies globally. Through the hotlines, the Group aims to prevent improprieties in its business operations and gather information on and investigate legal/regulatory compliance. When investigating information received via a hotline, we handle matters with strict confidentiality and ensure that whistleblowers are not subjected to any disadvantage. Nine incidents were reported in FY2024.

Reported incidents are investigated. If an investigation reveals impropriety, corrective action is implemented organizationally. Cards with the hotlines' contact information are distributed to employees to promote widespread knowledge and usage of the hotlines.

### ● Internal Audits

Internal auditors appointed by the president audit whether internal organizational units and affiliates' operations are being executed properly and rationally.

Specifically, they check the status of compliance and risk management regimes, including at subsidiaries, assess the effectiveness of internal controls over financial reporting and monitor whether internal controls as a whole are functioning properly in accord with relevant regulations.

Such activities enable effective internal audits to be conducted through periodic reporting to and discussion with Audit & Supervisory Committee members and participation of a standing Audit & Supervisory Committee Member in on-site inspections. Internal audit findings are also periodically reported to the Meeting of Division Managers and the Board of Directors.

### ● Anti-Corruption Controls

The EKK Group endeavors to prevent corruption. The Group's Principles of Corporate Behavior state, We will ensure that we engage in fair, transparent, and free competition, that transactions are appropriate, and that responsible procurement is carried out, when selling products and purchasing materials. Also, we will maintain a sound and proper relationship with political bodies and government agencies. The EKK Employee Compliance Code of Conduct and EKK Group Anti-Corruption and Bribery Policy established in accordance with these principles prohibit bribery and other collusive or corrupt acts involving suppliers, customers or public employees and stipulate the development of an education and training system to achieve this. We provide employees with information on restrictions on and decision-making criteria for gift-giving/receiving and entertainment in the course of business activities through the Anti-Bribery Standards and Anti-Bribery Guidelines.



## Risk Management

### — Risk Management

EKK formulates and implements Risk Management Policies and Risk Management Regulations on an ongoing basis to identify latent risks inherent in business activities, prevent their manifestation and effectively respond when emergencies occur.

The Risk Management Subcommittee, a body established under the Sustainability Committee, discusses Company-Wide Risk Management Annual Goals for each fiscal year in addition to identifying and assessing risks in internal departments and Group companies and promoting risk prevention on an organization-wide basis.

After being reported to the Board of Directors and the Meeting of Division Managers, the goals are cascaded down to internal departments and Group companies.

### ● Business Continuity Planning (BCP)

The EKK Group identifies potential risks and implements risk prevention/mitigation measures to ensure business continuity even in the event of a major natural disaster such as a catastrophic earthquake, typhoon or flood.

Every factory and Group company formulates business continuity plans and conducts business continuity management activities tailored to its operations and environment and annually updates its list of identified risks.

Factories and Group companies identify natural disaster and other risks that warrant particular caution and devise preventive/mitigative measures against them. The Risk Management Subcommittee, singles out risks among these that pose a major threat to business continuity and discusses risk management targets for particularly serious threats.

Additionally, the EKK Group is building a global production network that enables alternate production to be coordinated among multiple sites so that supplies of products and services to customers are not interrupted by a major natural disaster.

### ● Information Security

The CSIRT Department, which was established in July 2020, spearheads information-sharing for information leak incidents and accidents including public security incidents and cyber security awareness, involving EKK-CSIRT members selected from divisions and domestic Group companies. The course imparts requisite knowledge through education about information security regulations and standards and security incidents that have occurred in recent years.

Information security regulations are accessible on intranet sites for employees to refer to whenever necessary, and they are regularly reviewed in response to changes in employee and staff requirements and social conditions, and the emergence of new threats.

The Group continues to use an online training course presented in Q&A format to increase employees' knowledge of information security, and all eligible domestic employees completed training in FY2024.

To prevent potential leaks of information, such as personal information and intellectual property, that may occur with the growing use of generative AI, we are promoting the use of internally approved generative AI and raising awareness on its proper usage.

### ● Companies/Divisions Certified as Compliant with International Information Security Standards

In FY2024, EKK received the Trusted Information Security Assessment Exchange (TISAX) label for information security assessment in the automotive industry.

Location	Validity period
Headquarters of Eagle Industry Co., Ltd.	May 31, 2027
Saitama Factory of Eagle Industry Co., Ltd.	
Okayama Factory of Eagle Industry Co., Ltd.	

# Major Financial and Non-Financial Data

## — Major Financial and Non-Financial Data

		FY2020	FY2021	FY2022	FY2023	FY2024
<b>Net sales</b>	Millions of yen	130,513	140,842	157,380	167,042	168,172
<b>Operating profit</b>	Millions of yen	5,802	7,560	9,264	8,107	8,494
<b>Ordinary profit</b>	Millions of yen	8,447	10,811	12,277	13,799	12,024
<b>Profit attributable to owners of parent</b>	Millions of yen	4,010	5,713	6,796	7,491	4,877
<b>Total net assets</b>	Millions of yen	92,441	103,094	112,930	125,671	122,519
<b>Total assets</b>	Millions of yen	176,508	180,955	193,232	209,914	203,484
<b>Net assets per share</b>	Yen	1,719.40	1,920.35	2,169.53	2,570.06	2,517.54
<b>Earnings per share</b>	Yen	81.70	116.34	139.82	160.84	107.51
<b>Equity ratio</b>	%	47.8	52.1	54.0	55.6	55.9
<b>Return on equity (ROE)</b>	%	5.0	6.4	6.8	6.8	4.2
<b>Net cash provided by operating activities</b>	Millions of yen	17,849	12,238	12,323	17,741	13,692
<b>Net cash used in investing activities</b>	Millions of yen	(5,203)	(6,845)	(8,054)	(12,027)	(10,440)
<b>Net cash used in financing activities</b>	Millions of yen	(2,661)	(11,554)	(3,168)	(6,409)	(8,312)
<b>Cash and cash equivalents at end of period</b>	Millions of yen	31,545	27,001	29,271	31,054	24,890
<b>Number of employees (consolidated)</b>	Persons	6,507	6,393	6,300	6,280	6,268
<b>Number of employees (non-consolidated)</b>	Persons	1,109	1,183	1,148	1,217	1,330
<b>Average age (non-consolidated)</b>	Age	39.9	41.1	41.4	41.6	41.5
<b>Average years of service (non-consolidated)</b>	Years	15.4	16.5	16.6	16.7	15.8
<b>Average salary (non-consolidated)</b>	Thousands of yen	7,007	7,635	7,817	7,924	8,343

## — Consolidated Financial Statements (FY2023 and FY2024)

### Consolidated Balance Sheets

(Millions of yen)

Item	Period	FY2023	FY2024
<b>Assets</b>			
<b>Current assets</b>		115,956	111,369
Cash and deposits		32,536	26,185
Notes and accounts receivable—trade		34,576	35,046
Notes receivable—trade		1,622	1,357
Accounts receivable—trade		32,953	33,689
Inventories		35,770	36,302
Merchandise and finished goods		12,245	11,592
Work in process		9,003	9,141
Raw materials and supplies		14,522	15,568
Other		13,072	13,835
<b>Non-current assets</b>		93,957	92,115
Property, plant and equipment		65,383	62,847
Buildings and structures		25,268	28,798
Machinery, equipment and vehicles		21,297	18,080
Other		18,817	15,968
Intangible assets		2,325	2,160
Goodwill		426	215
Other		1,899	1,945
Investments and other assets		26,248	27,107
Investment securities		18,257	18,196
Other		7,990	8,911
<b>Total assets</b>		<b>209,914</b>	<b>203,484</b>
<b>Liabilities</b>			
<b>Current liabilities</b>		46,968	47,140
Accounts payable—trade		9,134	8,488
Electronically recorded obligations—operating		2,742	2,807
Short-term borrowing		14,403	15,581
Income taxes payable		2,316	2,376
Provision for bonuses		2,931	3,082
Other		15,440	14,804
<b>Non-current liabilities</b>		37,273	33,824
Long-term borrowing		24,735	23,676
Retirement benefit liability		10,146	8,023
Other		2,391	2,124
<b>Total liabilities</b>		<b>84,242</b>	<b>80,964</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>		94,956	94,710
Share capital		10,490	10,490
Capital surplus		11,819	11,827
Retained earnings		79,415	79,846
Treasury shares		(6,769)	(7,454)
<b>Accumulated other comprehensive income</b>		21,805	19,120
Valuation difference on available-for-sale securities		877	727
Foreign currency translation adjustment		16,359	13,056
Remeasurements of defined benefit plans		4,568	5,336
<b>Non-controlling interests</b>		8,909	8,688
<b>Total net assets</b>		<b>125,671</b>	<b>122,519</b>
<b>Total liabilities and net assets</b>		<b>209,914</b>	<b>203,484</b>

### Consolidated Statements of Income

(Millions of yen)

Item	Period	FY2023	FY2024
Net sales		167,042	168,172
Cost of sales		129,385	128,525
Gross profit		37,657	39,647
Selling, general and administrative expenses		29,549	31,153
Operating profit		8,107	8,494
Non-operating income		6,404	4,606
Non-operating expenses		712	1,076
Ordinary profit		13,799	12,024
Extraordinary income		162	1,444
Extraordinary losses		1,126	1,910
Profit before income taxes		12,835	11,557
Total income taxes		3,749	3,509
Profit		9,086	8,048
Profit attributable to non-controlling interests		1,594	3,170
Profit attributable to owners of parent		<b>7,491</b>	<b>4,877</b>

### Consolidated Statements of Cash Flows

(Millions of yen)

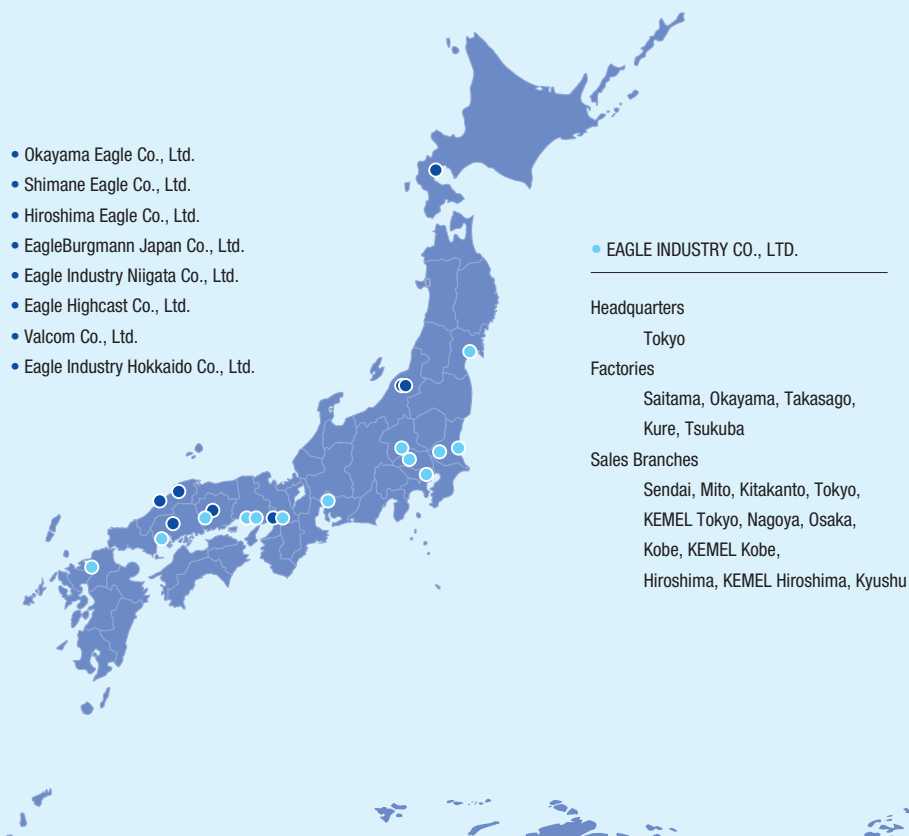
Item	Period	FY2023	FY2024
Net cash provided by operating activities		17,741	13,692
Net cash used in investing activities		(12,027)	(10,440)
Net cash used in financing activities		(6,409)	(8,312)
Effect of exchange rate change on cash and cash equivalents		2,477	(1,103)
Net increase (decrease) in cash and cash equivalents		1,782	(6,163)
Cash and cash equivalents at beginning of period		29,271	31,054
Cash and cash equivalents at end of period		<b>31,054</b>	<b>24,890</b>

Note: The amounts shown have been rounded down to the nearest million yen.

# Corporate Data

## — Network

### Domestic



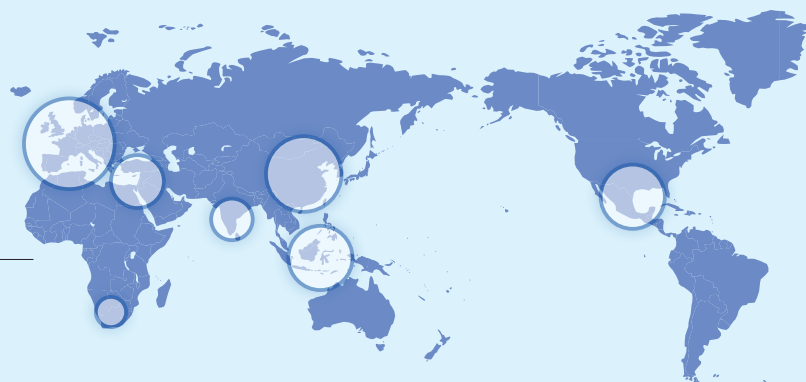
### Overseas

#### Asia-Pacific and Oceania [32]

##### Main Bases

- Eagle Industry Taiwan Corporation
- NEK Co., Ltd. (Korea)
- EKK Eagle (Thailand) Co., Ltd.
- Eagle Industry (Wuxi) Co., Ltd. (China)
- P.T. Eagle Industry Indonesia
- EKK Eagle Products India Pvt. Ltd.
- Eagle Industry Sales (Shanghai) Co., Ltd.
- EBI Asia Pacific Pte. Ltd. / EBI Asia Pte. Ltd. (Singapore)
- EagleBurgmann India Pvt. Ltd.
- EagleBurgmann Australasia Pty. Ltd.  
(Australia and New Zealand)
- Arena Instrument Co., Ltd. (Taiwan)
- KEMEL Sales & Service (Shanghai) Co., Ltd.

- Consolidated subsidiaries
- Affiliated companies accounted for under the equity method



#### Europe, Americas [45]

##### Main Bases

- EKK Eagle America Inc.
- EKK Eagle Industry Mexico S.A. de C.V.
- Eagle Holding Europe B.V. (Netherlands)
- Eagle Simrax B.V. (Netherlands)
- Eagle Industry France S.A.S.
- Eagle ABC Technology S.A.S. (France)
- Eagle Industry Hungary Kft.
- Eagle Actuator Components GmbH & Co. KG (Germany)
- EagleBurgmann Atlantic GmbH (Germany)
- EagleBurgmann Middle East GmbH (Germany)
- KEMEL Europe, Ltd. (U.K.)

## — Group Overview

### Corporate Overview

#### Overview of the Company and the EKK Group

Name	EAGLE INDUSTRY CO., LTD.
Established	October 1, 1964
Paid-in capital	¥10,490,981,500
Business Segments	Main Products and Services
Automotive and Construction Machinery Industries	Mechanical seals for automotive and construction machinery, specialty valves, mechanical products, accumulators, machinery for housing equipment, valves for nuclear power plants, etc.
General Machinery Industry	General-purpose and industrial mechanical seals, mechanical seal auxiliary equipment, diaphragm couplings, etc.
Semiconductor Industry	Magnetic fluid vacuum seals, bellows application products, rotary joints, high-functional O-rings, etc.
Marine Industry	Oil- and water-lubricated stern tube seal equipment, stern tube bushings, etc.
Aerospace Industry	Seal products for aircraft and rockets, mechanical products, etc.

#### Stock Information

(As of March 31, 2025)

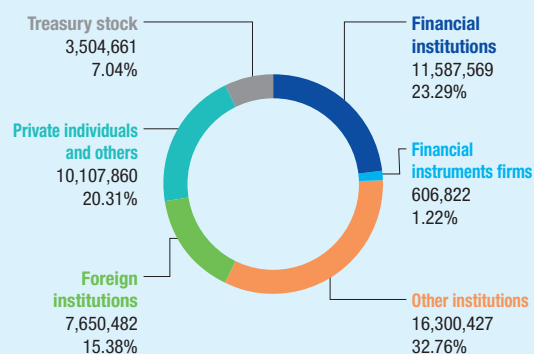
Number of Authorized Shares	100,000,000
Number of Shares Issued	49,757,821
Number of Shareholders	17,638

#### Major Shareholders

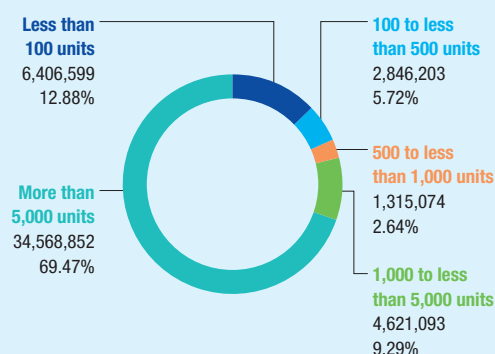
Name of shareholders	Number of shares held (Thousands)	Equity ownership (%)
NOK Corporation	14,812	32.02
Freudenberg SE	3,800	8.22
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,381	7.31
The Dai-ichi Life Insurance Company, Limited	2,758	5.96
Eagle Industry Employees Shareholding Association	2,211	4.78
Custody Bank of Japan, Ltd. (Trust Account)	1,229	2.66
The Master Trust Bank of Japan, Ltd. (Trust Account for Officers' Compensation Board Incentive Plan (BIP) / Account 76761)	802	1.74
Sumitomo Mitsui Banking Corporation	771	1.67
MUFG Bank, Ltd.	659	1.43
The Chugoku Bank, Ltd.	637	1.38

Note: Figures for equity ownership are calculated excluding treasury stock.

#### Distribution of Shares by Type of Shareholder (Shares)



#### Distribution of Shares by Number of Shares Held (Shares)



#### Board of Directors and Audit & Supervisory Committee Members

(As of June 25, 2025)

Chairman of the Board and President, Representative Director  
Tetsuji Tsuru

Representative Director, Vice President  
Masaki Nakao

Representative Directors, Senior Managing Directors  
Shinji Abe Norio Uemura

Senior Managing Directors  
Masahide Shimada Hidetaka Yamamoto  
Ryota Nakazawa

Director  
Risa Yamasawa

Director, Standing Audit & Supervisory Committee Member  
Yasumitsu Iba

Directors, Audit & Supervisory Committee Members  
Katsuhiko Shono Masako Sakaguchi  
Takashi Koike

Senior Operating Officers  
Noriyuki Nonaka Katsuhiro Murakami  
Takumi Yoshikawa Yoshinobu Murata  
Kiyoshi Fujii Kazuya Nonaka  
Junichi Wakabayashi Chad Pottenger  
Yoshiaki Takigahira

Operating Officers  
Shinichi Tokuda Yoshiyuki Suyama  
Ichiro Hirata Hiroaki Takayama  
Masaki Tanaka Tetsuo Miyamoto  
Masao Suzuki Hidenori Fujita



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