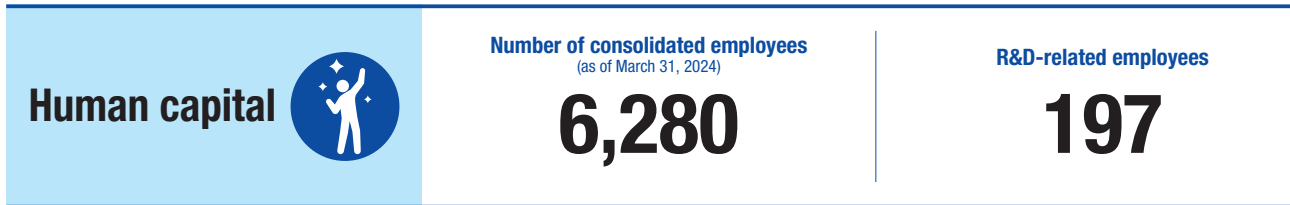


Our Business Capital

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.



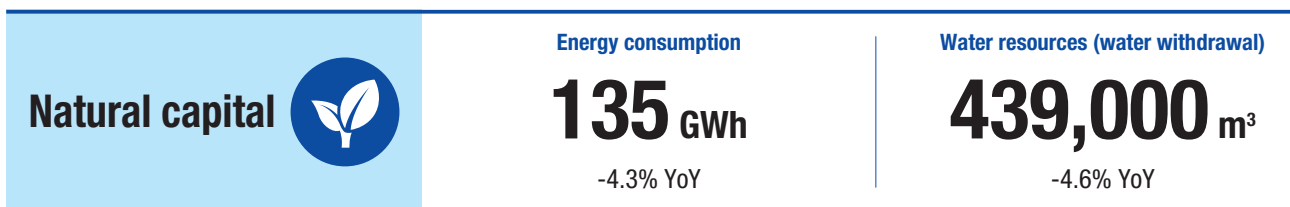
Based on the foundations of “management that respects human dignity based on commitment and trust” and “open management with a firm solidarity without factions,” we work to foster human resources so that all Group employees can fulfill their potential.

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.



Despite posting record net sales of ¥167 billion in FY2023, operating profit declined compared with the previous fiscal year to ¥8.1 billion due to soaring prices of raw materials and resources and a downturn in the Semiconductor Industry segment.

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.



As part of our environmental preservation activities in our business operations, the Group is ISO 14001-certified and operates an integrated management system. Under this environmental management system, we are committed to setting environmental targets and manage performance.

In addition, to achieve a sustainable society, we established environmental targets to reduce energy consumption in our effort to become carbon neutral, control the increase of water consumption, and manage the growth of industrial waste, and we will develop environmentally friendly products using our unique technology and promote the adoption of renewable energy, process improvements, and power conservation in our production processes.

Intellectual capital



Patents held (as of March 31, 2024)

1,983

(entire EKK Group)

R&D expenses

¥3,456 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

41

Countries with consolidated subsidiaries

20

Since our Group was established in 1964, we have expanded our production plants 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 plants 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 EagleBurmman brand.

Social & relationship capital



Product sales outlets

Approx. **3,000**

Suppliers and partner companies

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 partner companies.