

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 — **6,280**
- R&D-related employees — **197**

Financial capital

- Shareholders' equity — **¥94.9** billion
- Total amount of capital investment during medium-term management plan (FY2023 to FY2025) — Approx. **¥37** billion

Natural capital

- Energy consumption — **135** GWh
- Water resources (water withdrawal) — **439,000** m³

Intellectual capital

- Patents held — **1,983**
- R&D expenses — **¥3,456** million

Manufactured capital

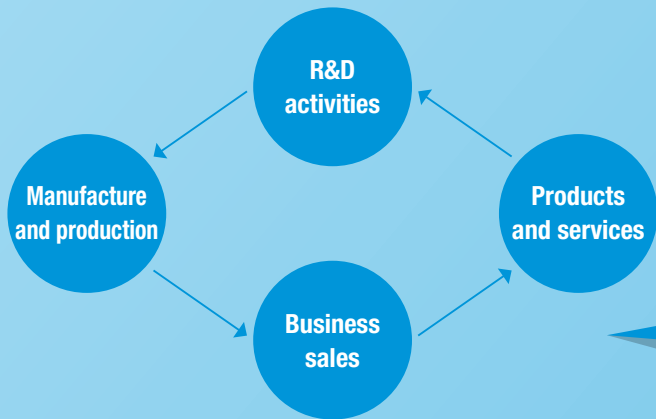
- Global consolidated subsidiaries — **41**
- Countries with consolidated subsidiaries — **20**

Social & relationship capital

- Product sales outlets — Approx. **3,000**
- Suppliers and partner companies — 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” and “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

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

Results of Our Business Activities

Our products and services



Targets of the medium-term management plan

Target
management
figures for FY2025

Net sales
¥200 billion

Operating profit
¥14.5 billion

Financial indicator
ROIC 6% or higher

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.