

# Financial Results for the Second Quarter of the Fiscal Year Ending March 2021

November 13, 2020  
**CKD Corporation**

Ticker Code 6407



## **the Second Quarter of the Fiscal Year Ending March 2021**

- **Summary of Financial Results**
- **Investments**
- **Shareholders' Return**
- **Medium to Long-term Growth Endeavors**

# Summary of Financial Results

## ■ Results

- Year-on year increases in net sales and income

## ■ Earnings Forecast

- Revise upward the full year forecast

# Management Results

(Unit: one hundred million yen)

	FY21/3 1H Revised Forecast	FY21/3 1H Result	Change	FY20/3 1H Result	Year-on-year	
					Amount Change	% Change
Consolidated net sales	482	499	+ 17	474	+ 26	+ 5%
Automatic machinery	70	76	+ 6	66	+ 10	+ 15%
Components	412	423	+ 11	408	+ 16	+ 4%
Operating income (Operating income ratio)	15 ( 3.2%)	24 ( 4.8%)	+ 9	11 ( 2.4%)	+ 13	+ 113%
Ordinary income	16	25	+ 9	11	+ 14	+ 127%
Net income	11	16	+ 6	7	+ 9	+ 137%

# Financial Status

(Unit: one hundred million yen)

	At end of Mar. 2020	At end of Sep. 2020	Year-on-year	
			Amount change	% change
Current assets	854	922	+ 68	+ 8%
Fixed assets	506	508	+ 2	+ 0%
Total assets	1,361	1,431	+ 70	+ 5%

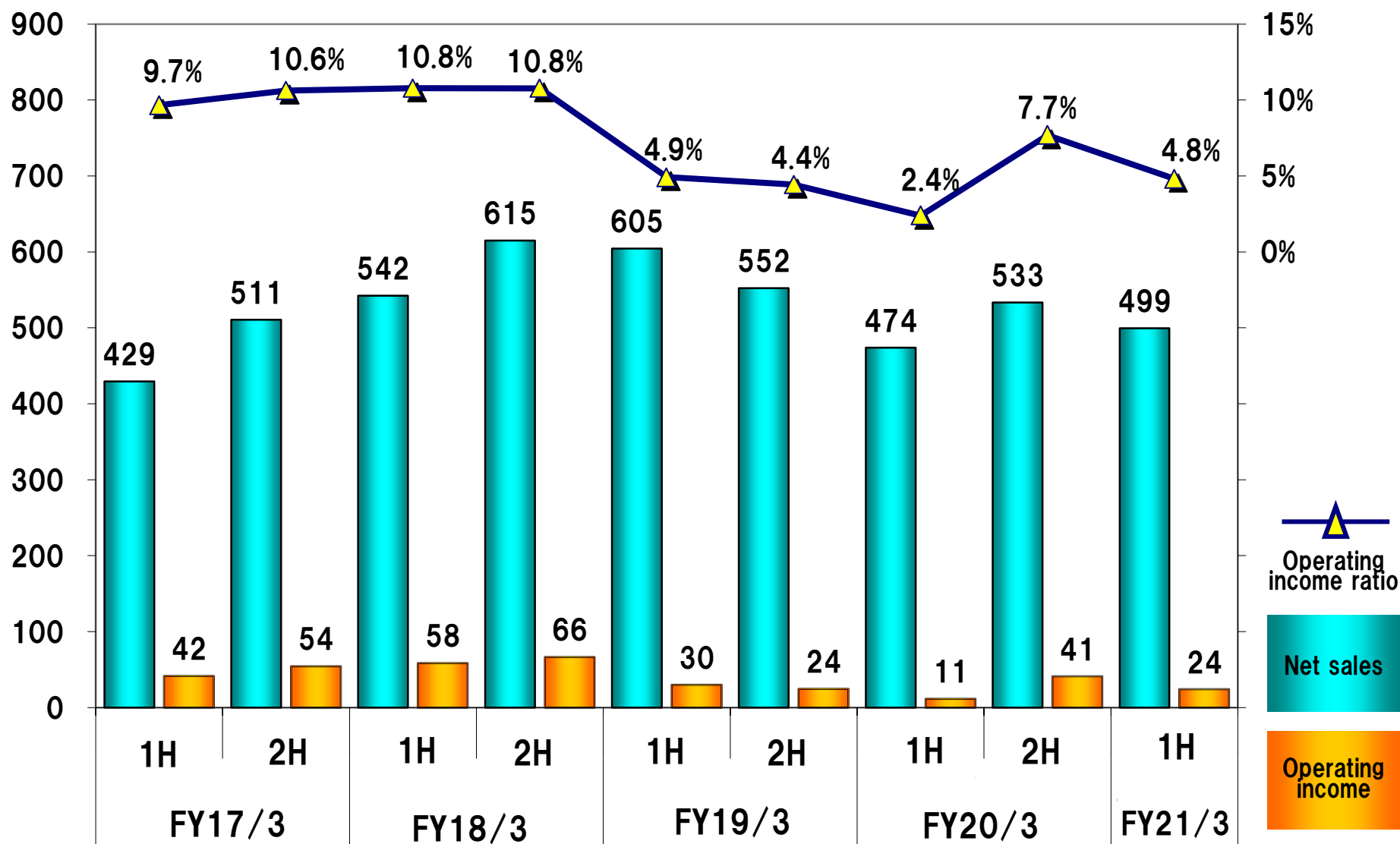
Current liabilities	378	371	- 6	- 2%
Fixed liabilities	158	141	- 17	- 11%
Total liabilities	536	512	- 24	- 4%

Total net assets	825	919	+ 94	+ 11%
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Capital adequacy ratio	60.5%	64.1%	-	+ 3.7%
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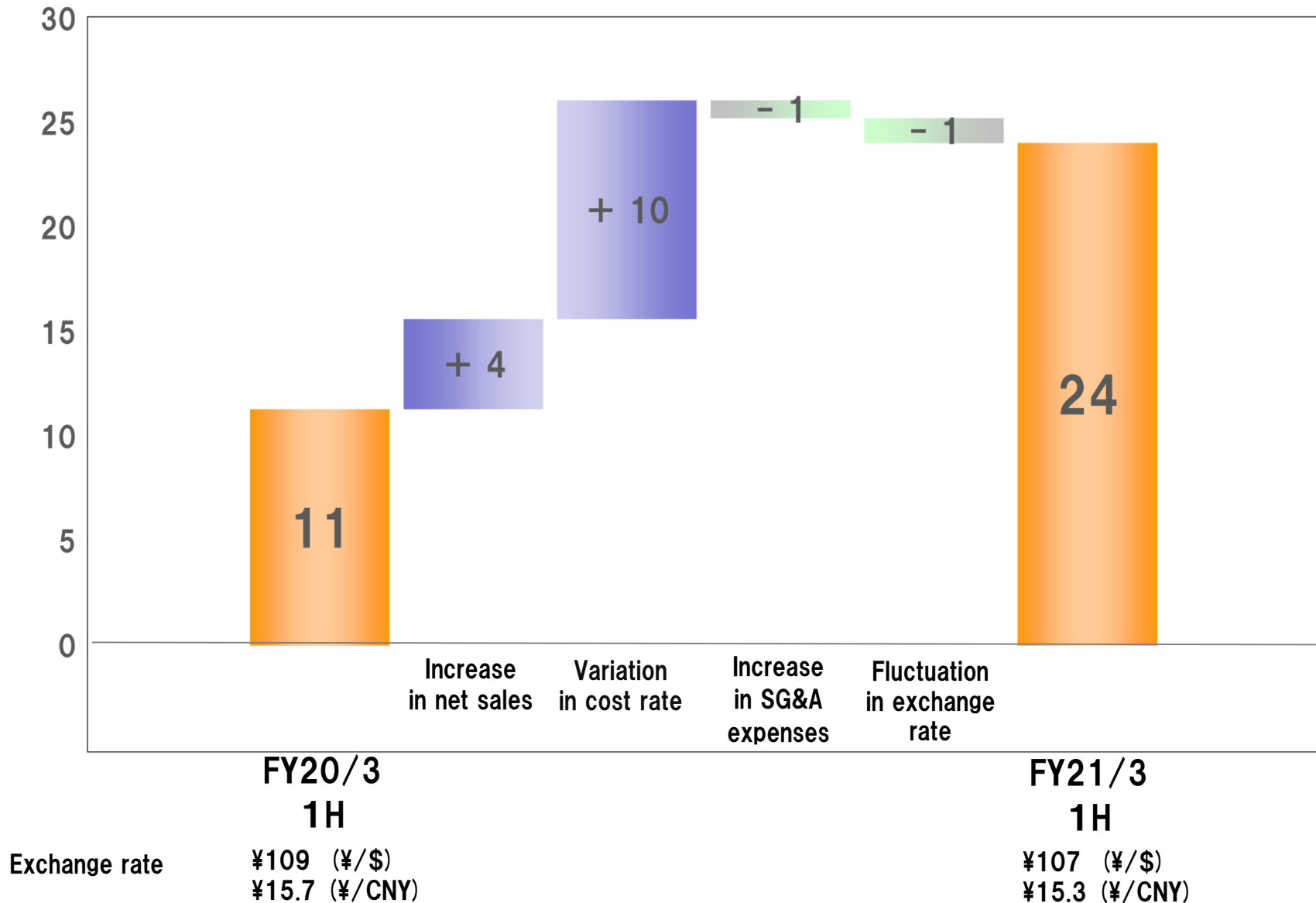
# Consolidated Net Sales and Operating Income

(Unit: one hundred million yen)



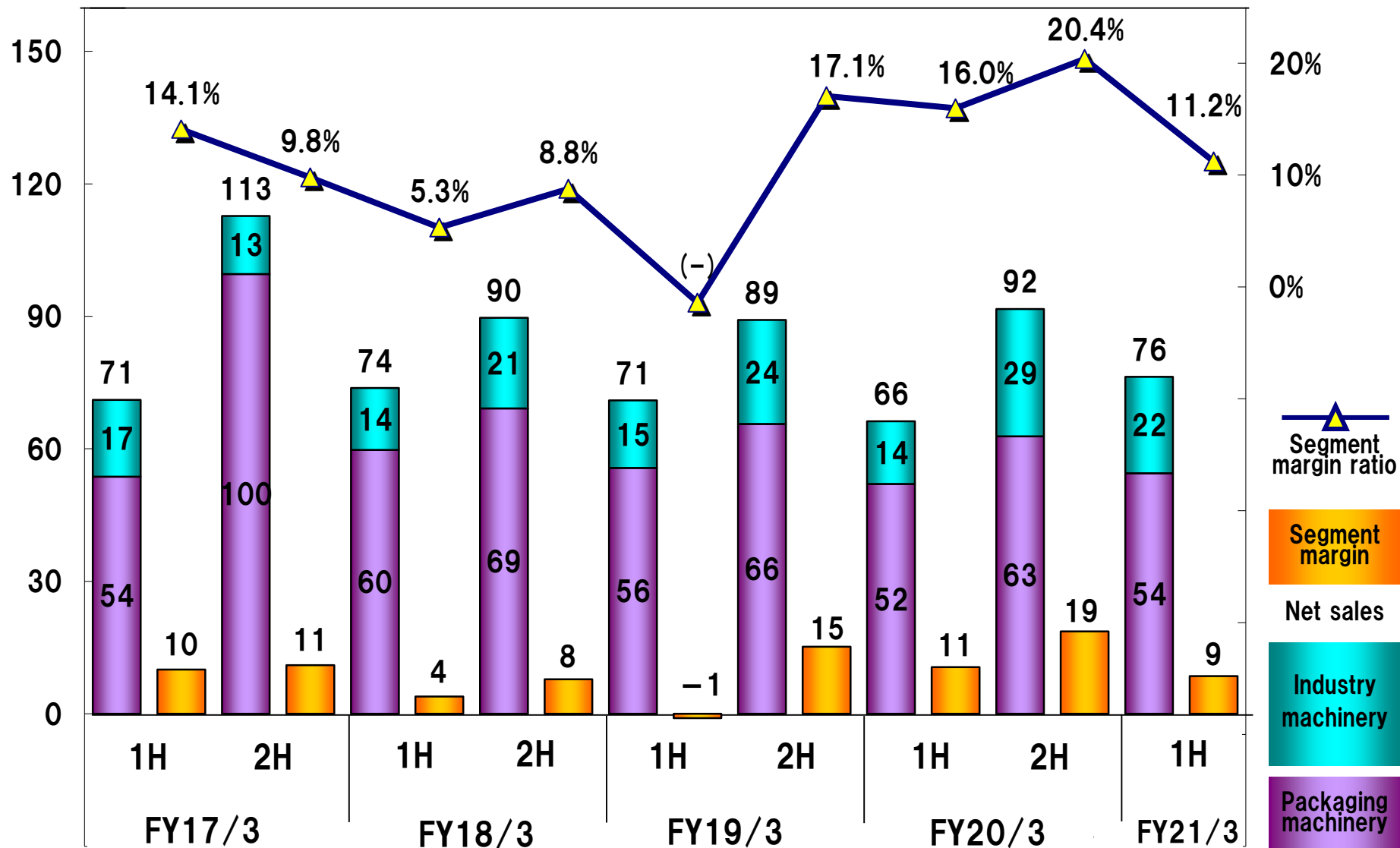
# Factors of Changes in Operating Income

(Unit: one hundred million yen)



# Automatic Machinery: Achievement Changes

(Unit: one hundred million yen)

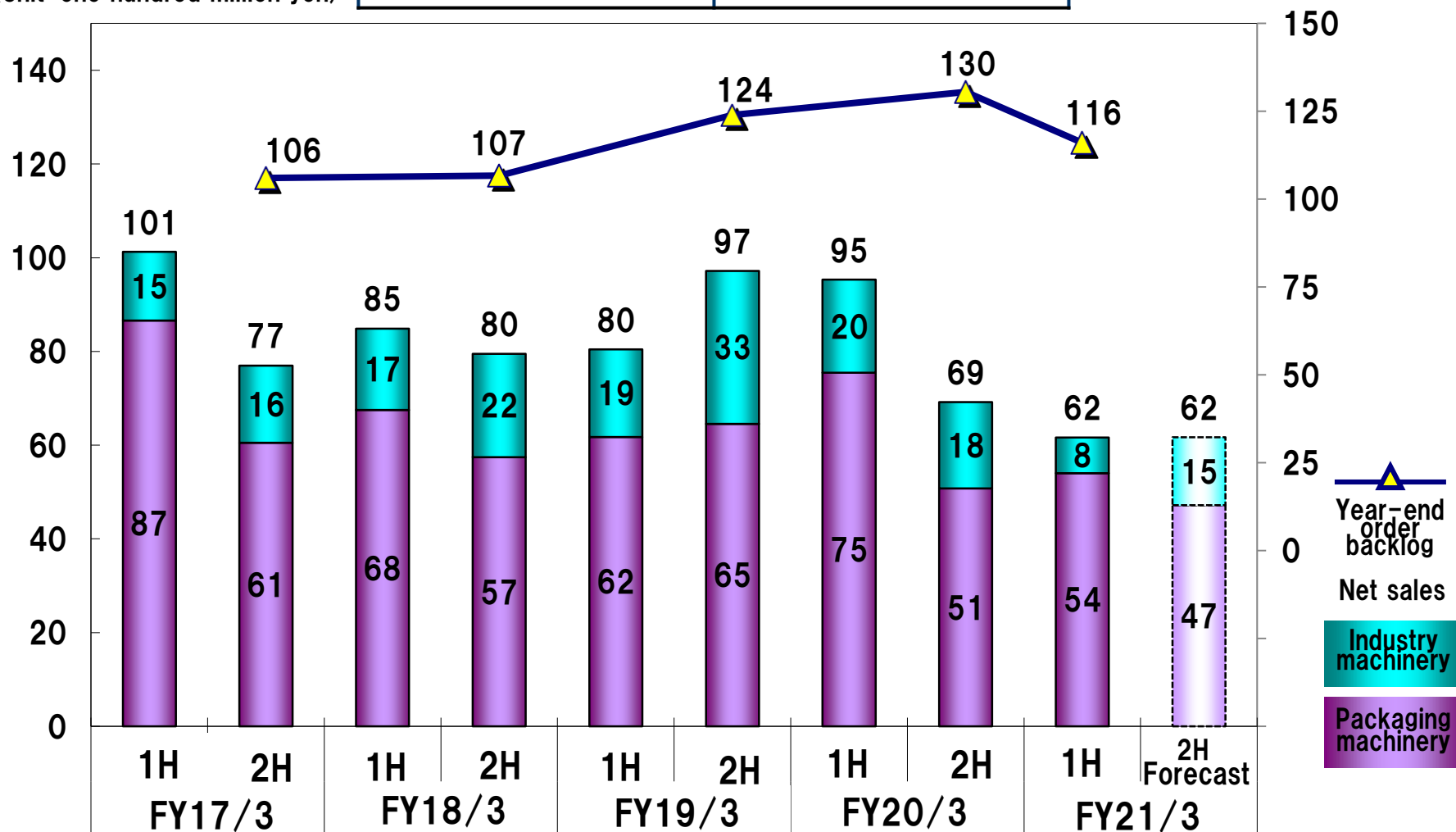




# Automatic Machinery: Orders Received and Forecast

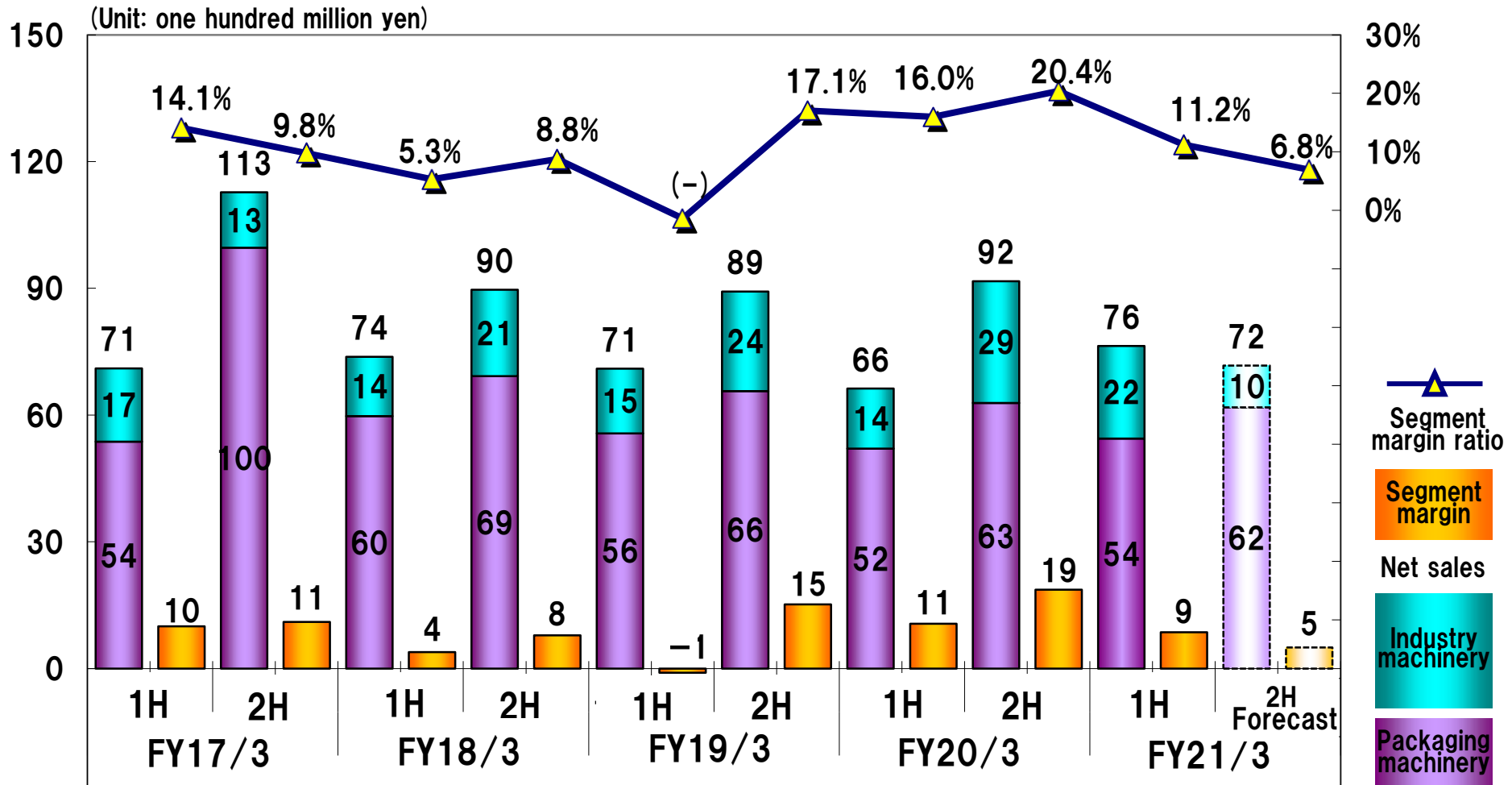
FY21/3	Orders Received
2nd half Forecast	6.2 billion yen
Full year Forecast	12.4 billion yen

(Unit: one hundred million yen)

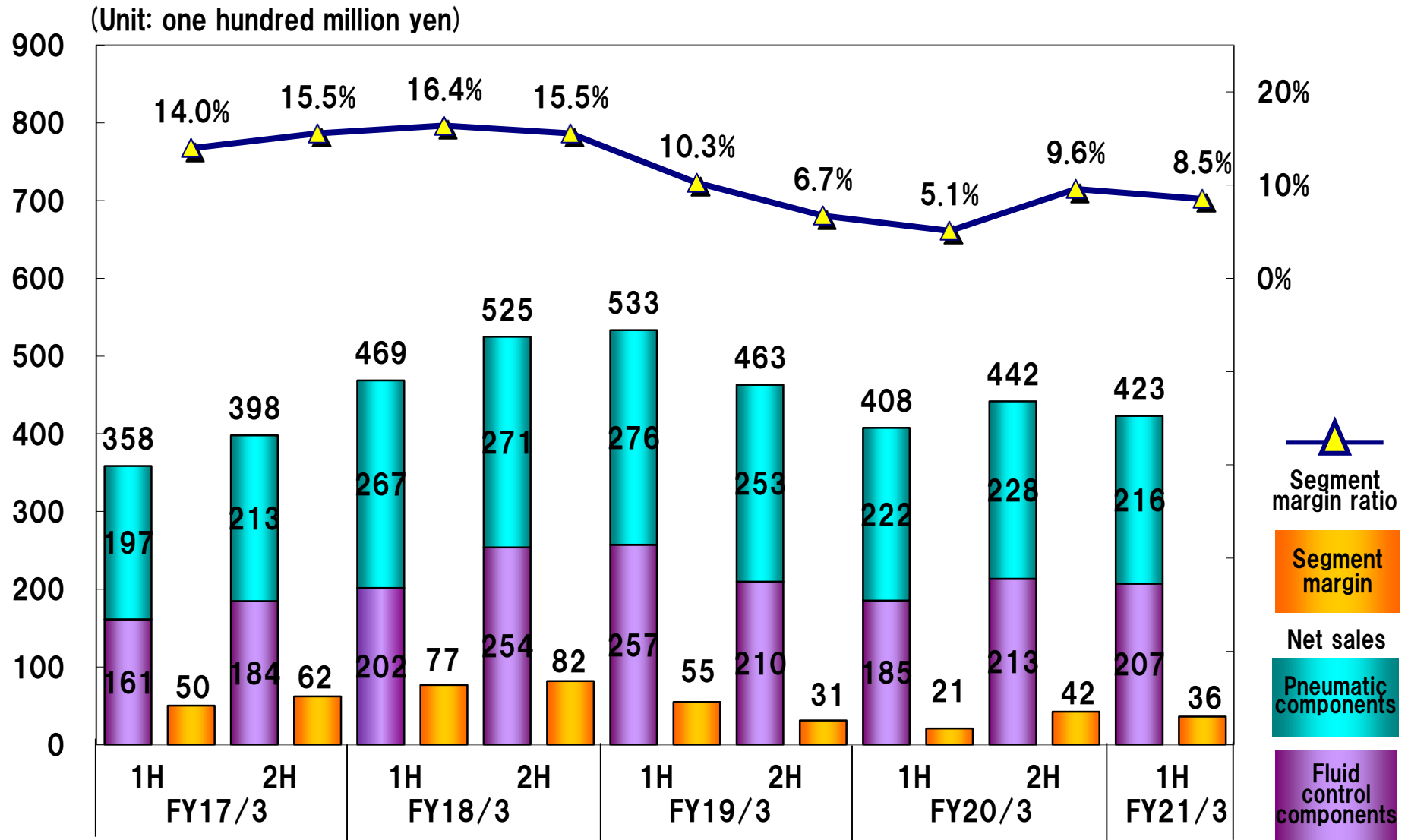


# Automatic Machinery: Outlook of Performance

FY21/3	Sales	Segment margin
2nd half Forecast	7.2 billion yen	0.5 billion yen
Full year Forecast	14.8 billion yen	1.4 billion yen










# Components: Achievement Changes






# Components 1st half Results by Market

\* Compared with year-on-year results

(Unit: %)

Main Industries in Japan	1Q Forecast (May 14)	2Q Forecast (Aug 12)	1Q Result	2Q Result	1H Result
Semiconductor	115		113	93	103
Automobile	80		82	75	79
Machine tool	60		73	63	68
Medical	105		102	94	98
Flat-panel display (FPD)	90		88	82	85
Rechargeable battery	90		84	86	85
Total	102		103	89	96















Main areas overseas	1Q Forecast (¥105/\$)	2Q Forecast (¥105/\$)	1Q Result (¥108/\$)	2Q Result (¥107/\$)	1H Result (¥107/\$)
East Asia	119		122	132	127
Southeast Asia	59		89	85	87
Total (Including Europe and Americas)	97		111	118	115







Compared with Year-on-Year results (  110~  100~109  90~99  80~89  ~79 )

# Components: Prospects of 2nd half by Market

\*Compared with year-on-year results

(Unit: %)

Main industries in <b>Japan</b>	1Q Result	2Q Result	1H Result	2H Forecast	1H Comparison
Semiconductor	113	93	103		
Automobile	82	75	79		
Machine tool	73	63	68		
Medical	102	94	98		
Flat-panel display (FPD)	88	82	85		
Rechargeable battery	84	86	85		
Total	103	89	96		

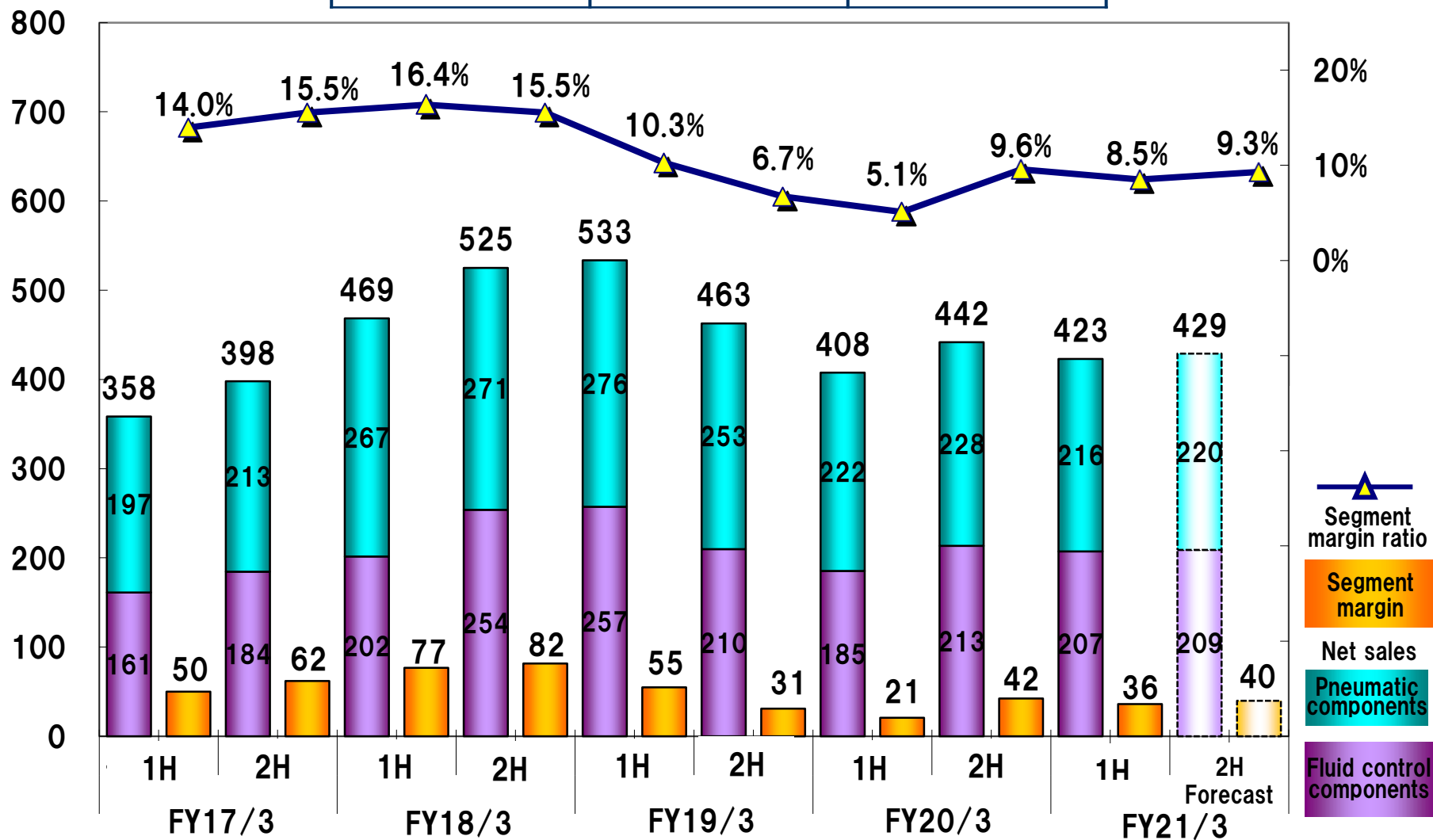
Main areas <b>overseas</b>	1Q Result (¥108/\$)	2Q Result (¥107/\$)	1H Result (¥107/\$)	2H Forecast (¥105/\$)	1H Comparison
East Asia	122	132	127		
Southeast Asia	89	85	87		
Total (Including Europe and Americas)	111	118	115		

Compared with Year-on-Year results (  110~  100~109  90~99  80~89  ~79 )

# Components: Earnings Forecast

FY21/3	Sales	Segment margin
2nd half forecast	42.9 billion yen	4.0 billion yen
Full year forecast	85.2 billion yen	7.6 billion yen

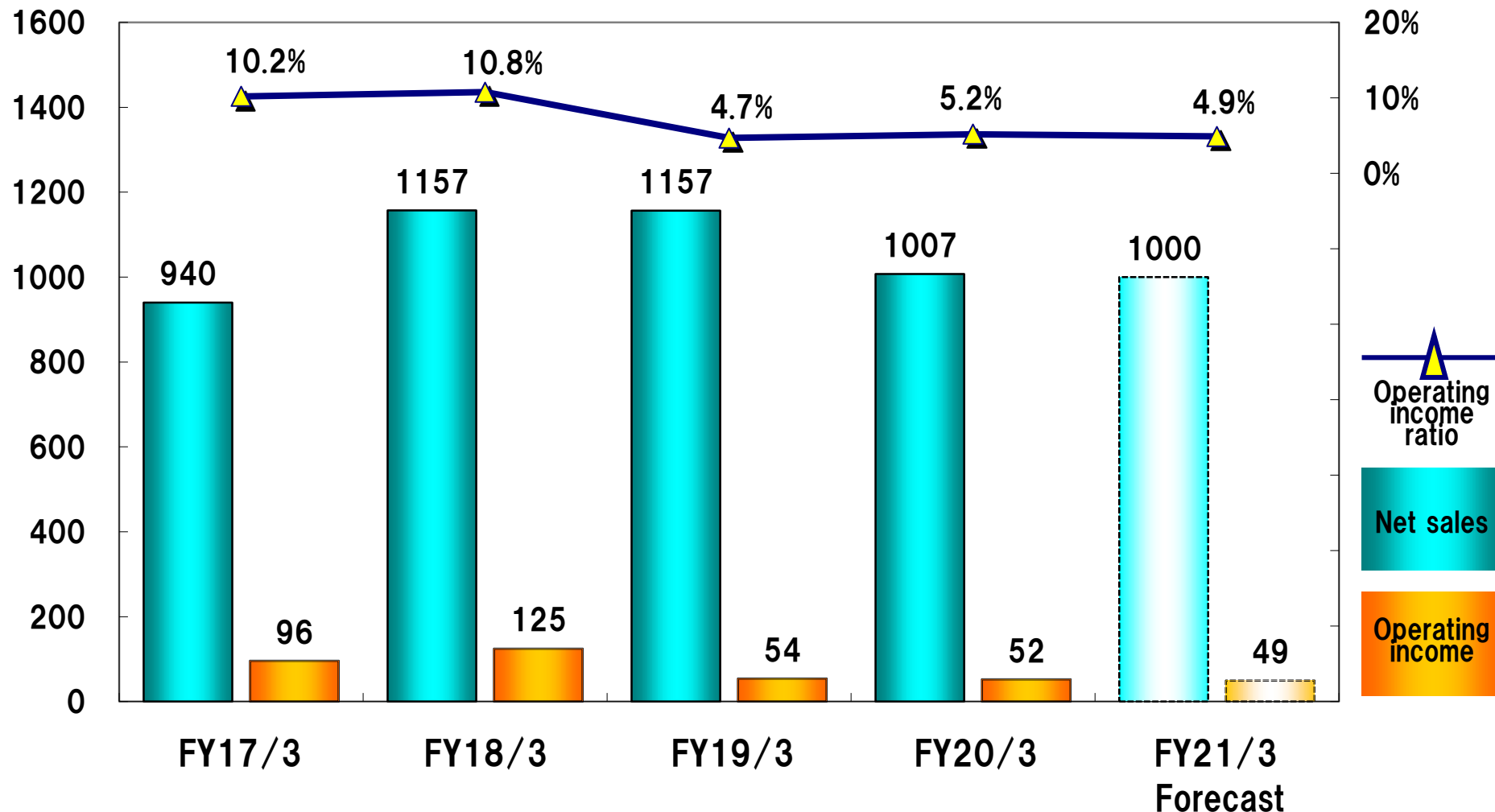
(Unit: one hundred million yen)



# Total Company Earnings Forecast

FY21/3	Sales	Operating income
2nd half forecast	50.1 billion yen	2.5 billion yen
Full year forecast	100.0 billion yen	4.9 billion yen

(Unit: one hundred million yen)



# Total Company Earnings Forecast

(Unit: one hundred million yen)

	FY20/3 Result	FY21/3 Outlook (Nov. 13)				
		1H Result	2H Forecast	Full year Forecast	Year-on-year Amount change	Year-on-year % change
Consolidated net sales	1,007	499	501	1,000	— 7	— 1%
Automatic machinery	158	76	72	148	— 10	— 6%
Components	849	423	429	852	+ 3	+ 0%
Operating income (Operating income ratio)	52 ( 5.2%)	24 ( 4.8%)	25 ( 5.0%)	49 ( 4.9%)	— 3	— 6%
Automatic machinery (Segment margin)	29 ( 18.5%)	9 ( 11.2%)	5 ( 6.8%)	14 ( 9.1%)	— 16	— 54%
Components (Segment margin)	63 ( 7.4%)	36 ( 8.5%)	40 ( 9.3%)	76 ( 8.9%)	+ 13	+ 21%
Ordinary income	54	25	25	50	— 4	— 8%
Net income	37	16	18	34	— 2	— 7%



# Revision of Earnings Forecast

(Unit: one hundred million yen)

	1st half Result	2nd half			Full year		
		Previous Forecast (Aug. 12)	Revised Forecast (Nov. 13)	Change	Previous Forecast (Aug. 12)	Revised Forecast (Nov. 13)	Change
Consolidated net sales	499	483	501	104%	965	1,000	104%
Automatic machinery	76	68	72	105%	138	148	107%
Components	423	415	429	103%	827	852	103%
Operating income	24	17	25	148%	32	49	153%
Ordinary income	25	17	25	148%	33	50	152%
Net income	16	12	18	150%	23	34	152%

## Revision in Previous Forecast (Aug. 12)

Consolidated net sales increased + 3.5 billion yen to 100.0 billion yen

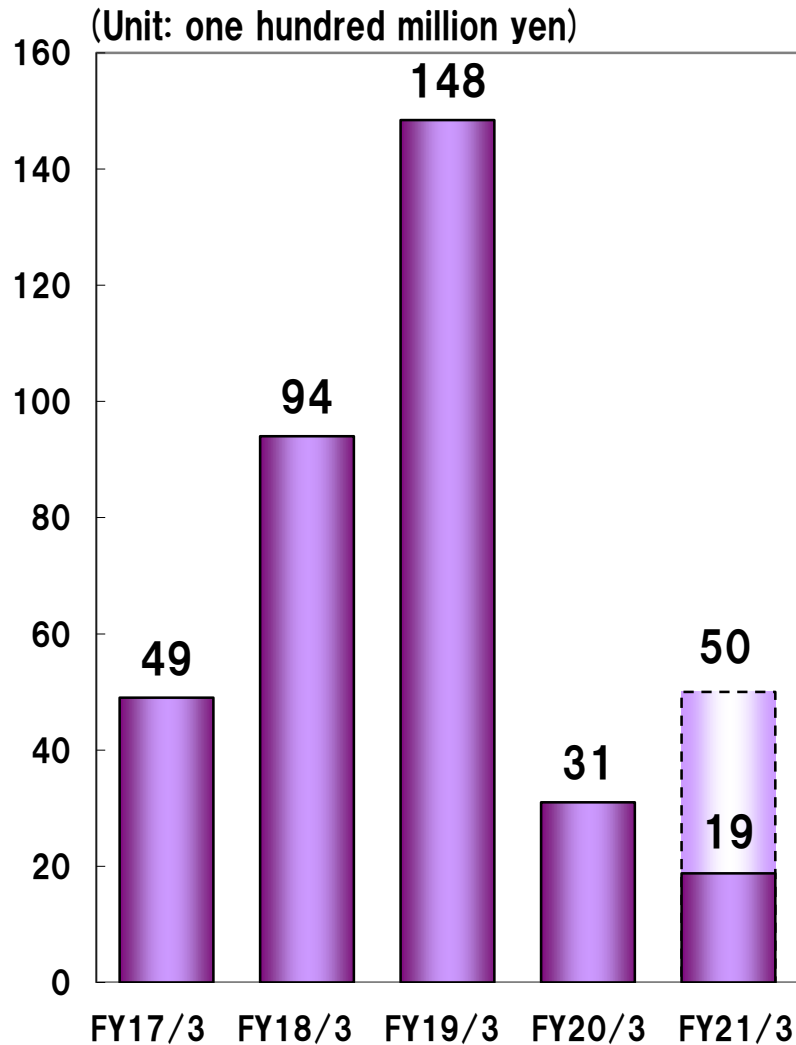
Operating income increased + 1.7 billion yen to 4.9 billion yen

# Investments

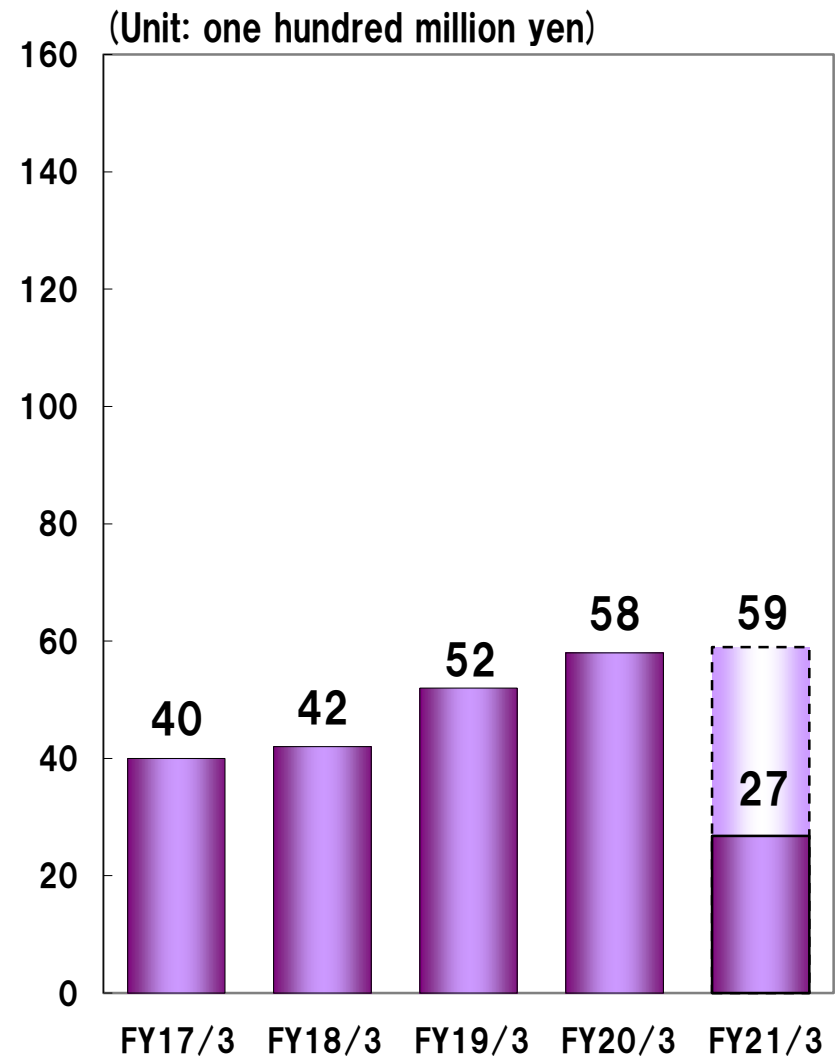


# Investments

## Investments in plant and equipment

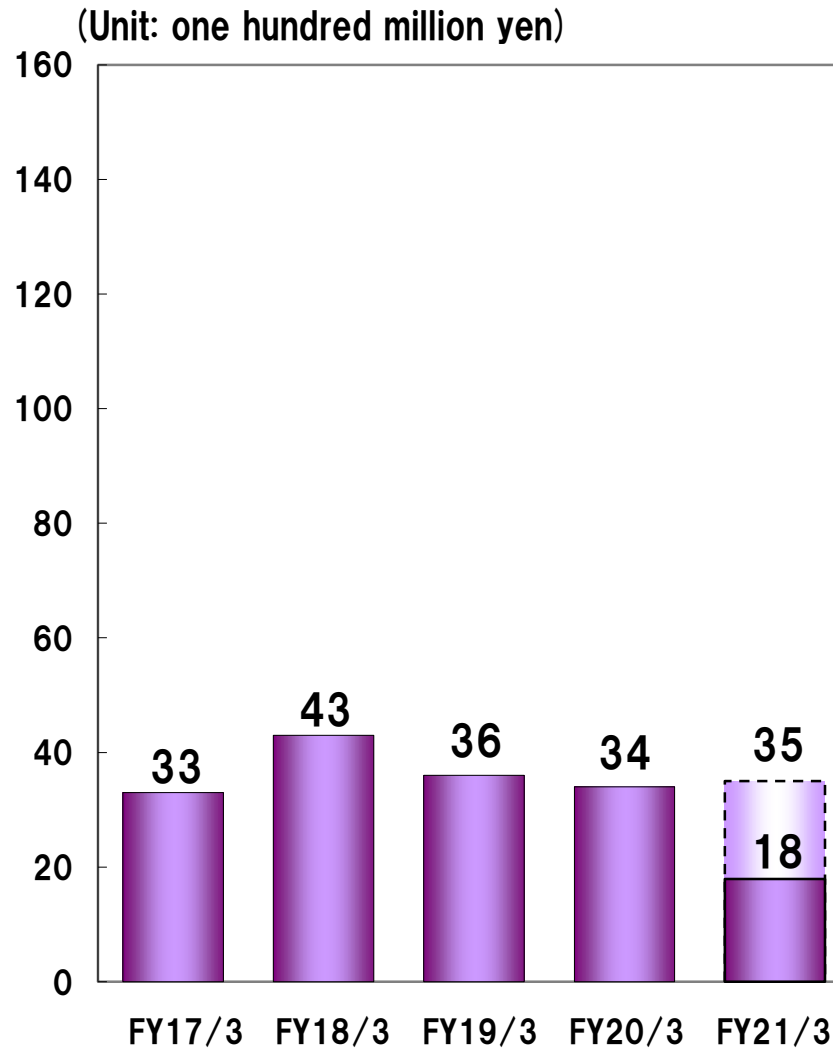


## Depreciation costs



# Investments

## R&D Investments



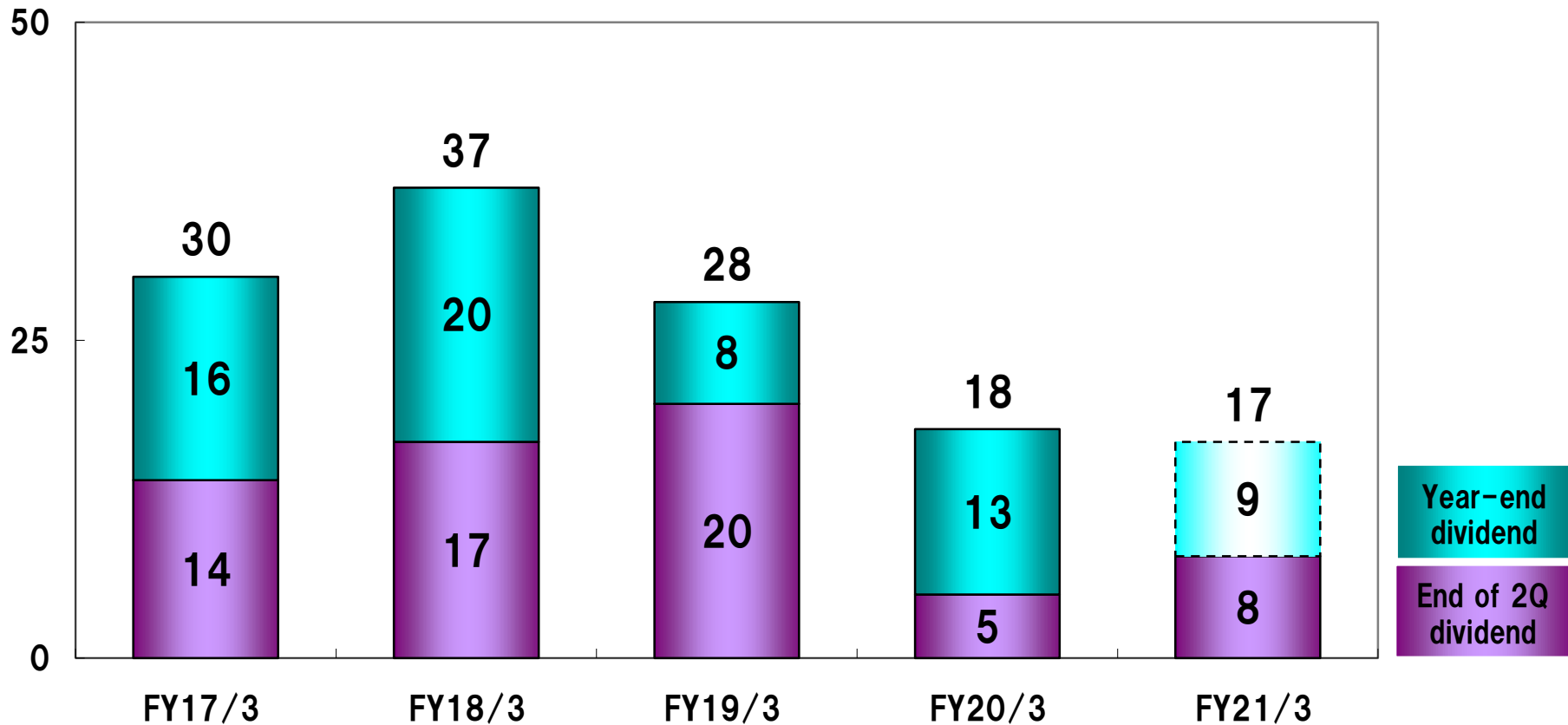
# Shareholders' return



# Dividends

**FY21/3 dividends**  
**End of 2nd Quarter dividend ¥8 per share**

(Unit: one hundred million yen)



# Medium to Long-term Growth Endeavors



# Medium to Long-term Growth Endeavors

■ We will pursue measures indispensable for medium- and long-term growth and will flexibly respond to social changes

- Efforts toward growth
  - Response to the Chinese pharmaceutical market
  - Response to future increased demand for semiconductors
  - Efforts to improve productivity
- Response to social change
  - Handles labor shortage with automation and labor saving products
  - Efforts by SDGs through business



# Response to the Chinese Pharmaceutical Market

■ Introducing the 300W automatic pharmaceutical packaging machine for the China market

Released on September 22, 2020



Capacity: 3,000 pills/min

- Realization of Japanese quality in Chinese production
- Helps reduce costs and ensure stable operation
- Improved cleaning and visibility
- Improved operability with touch panel

Sales plan 1 billion yen in FY2022

**Offering high quality, low cost and on-site production to the fast growing Chinese pharmaceutical market**



**Aim: To support the centralized purchasing of medicine by the Chinese government**



**Utilizing the New Production Building**

**Localization of design, procurement, and production**

# Response to future increased demand for semiconductors

## ■ Components New North America production base

### CKD USA Austin Manufacturing



Approximately 15,000 m<sup>2</sup> land area  
Building area approx. 5,000 m<sup>2</sup>



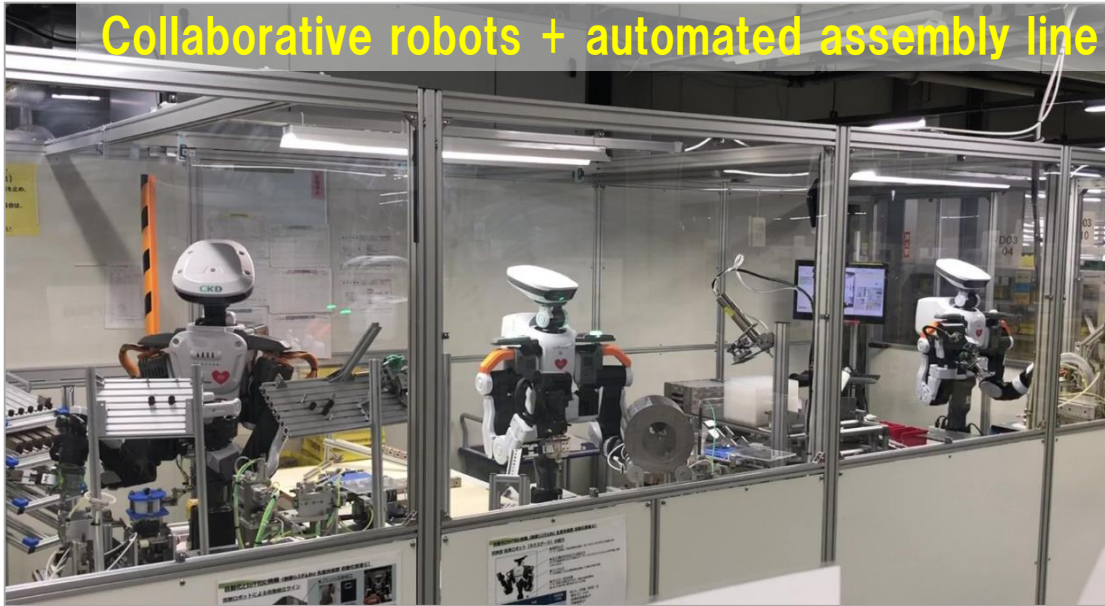
Acquisition period : September 2020  
Initial investment : about 1.3 billion yen  
Planned establishment : Fall 2021  
Product : Fluid control components  
Utilize treasury stock disposal funds

Preparing a new production base for advanced North American manufacturing industries

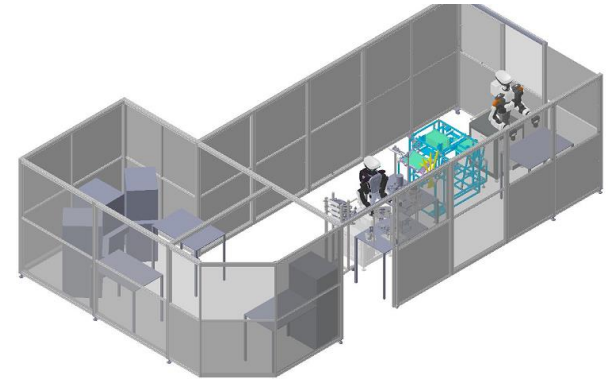
# Efforts to Improve Productivity

- Automating manufacturing processes for increased orders and labor savings

## Collaborative robots + automated assembly line



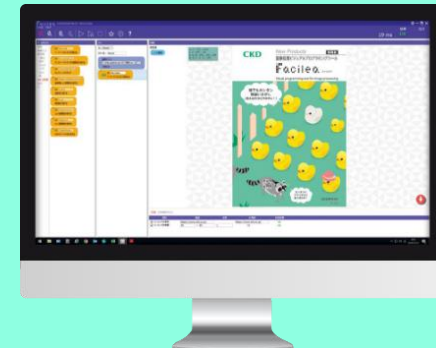
Supports increased production in existing processes  
Labor saving and quality assurance



Semi-automatic assembly machine



Automatic machine tool



Inspection system

Facilea

**Increase profits by improving productivity through automation**



# Handles labor shortage with automation and labor saving products

## ■ Pneumatic grippers for Collaborative robots

Universal Robot Corporation UR+ Certified  
Tech Man Robot Corporation/OMRON Certified



2020 Good Design Award

- Easy mounting to robots
- Safe and easy to use design
- Lineup that matches work environments and applications

Sales Planned: 50 million yen in FY2021  
Contributes to factory automation and increased productivity

## ■ PowerArm Palletizing model



Promotion of people-friendly working conditions

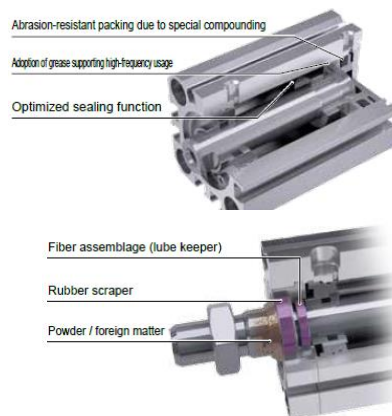
Promotion of secure and safe working environments

In addition to the ever-increasing workforce shortages, companies can meet the automation needs of manufacturing sites with “after” Covid-19 in mind

# Efforts by SDGs through business

## ■ CKD social and environmental products

### •High durability components HP (High Productivity) Series



Long service life prevents equipment stoppages and maintenance downtime

2020 Monodzukuri Innovative Parts Award for "Machine & Robot Parts Award"

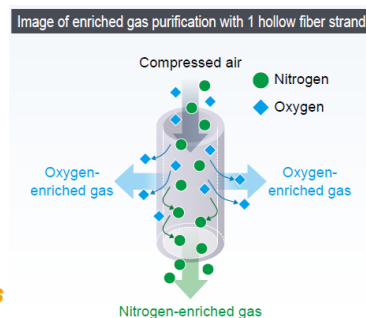
### •Nitrogen Extraction Unit Long life of food products



Material compatible  
with the Food Sanitation Act  
Fluid passage section  
Resin /rubber

**FP**  
Food Process

2019 Good Design Award



Easily extracts nitrogen gas used in preventing oxidation of packaged foods, taking into account the reduction of food waste

Developing products that reduce environmental load and  
working toward global automation and the reduction of food waste





# Efforts by SDGs through business



Created as a communication tool with stakeholders.

Published a booklet "CKD's Environmental and Social Contribution Products used in Society"  
~Contribution to SDGs through business activities~

<https://www.ckd.co.jp/english/company/introduction/mproduct/pdf/CC1503A.pdf>



# Automation Technology for the Future

**[Attention in regard to the handling of this material]**

## **Notice about the future's perspective**

The earnings outlook described in this document and the future's prediction are expectations judged according to the acquisition of present information available to CKD, and potential risk and uncertainty are present. Therefore, be advised that there is a possibility that the actual achievements will differ greatly from our perspective depending on changes in various factors described for the future.

## **About processing of the figures**

Totals of the breakdown may not parallel with the total because a fraction less than a unit is rounded up for the mentioned price, and the ratio is the calculated from the yen unit and result rounded up.