

# Financial Results for the 2nd Quarter of the Fiscal Year Ending March 2022

**CKD Corporation**

**November 12, 2021**

**Ticker Code 6407**

**CKD**

## the 2nd Quarter of the Fiscal Year Ending March 2022

- Summary of Financial Results
- Investments
- Shareholders' Return
- Topics
- Initiatives to Enhance Corporate Value

# Summary of Financial Results

## ■ Results

- Year-on-year increases in net sales and income

## ■ Earnings Forecasts

- Revise upward the full year forecast



# Management Results

(Unit: one hundred million yen)

	FY22/3 1H Revised Forecasts	FY22/3 1H Results	Change	FY21/3 1H Results	Year-on-year	
					Amount change	% change
Consolidated net sales	665	678	+ 13	499	+ 179	+ 36%
Automatic machinery	75	72	− 3	76	− 4	− 5%
Components	590	606	+ 16	423	+ 183	+ 43%
Operating income (Operating income ratio)	85 (12.7%)	86 (12.7%)	+ 1	24 (4.8%)	+ 62	+ 257%
Ordinary income	85	87	+ 1	25	+ 62	+ 250%
Net income	59	61	+ 2	16	+ 45	+ 276%

# Financial Status

(Unit: one hundred million yen)

	At the end of March, 2021	At the end of September, 2021	Year-on-year	
			Amount change	% change
Current assets	1,018	1,122	+ 104	+ 10%
Fixed assets	509	519	+ 9	+ 2%
Total assets	1,527	1,640	+ 113	+ 7%

Current liabilities	416	496	+ 80	+ 19%
Fixed liabilities	135	118	- 17	- 12%
Total liabilities	551	614	+ 63	+ 11%

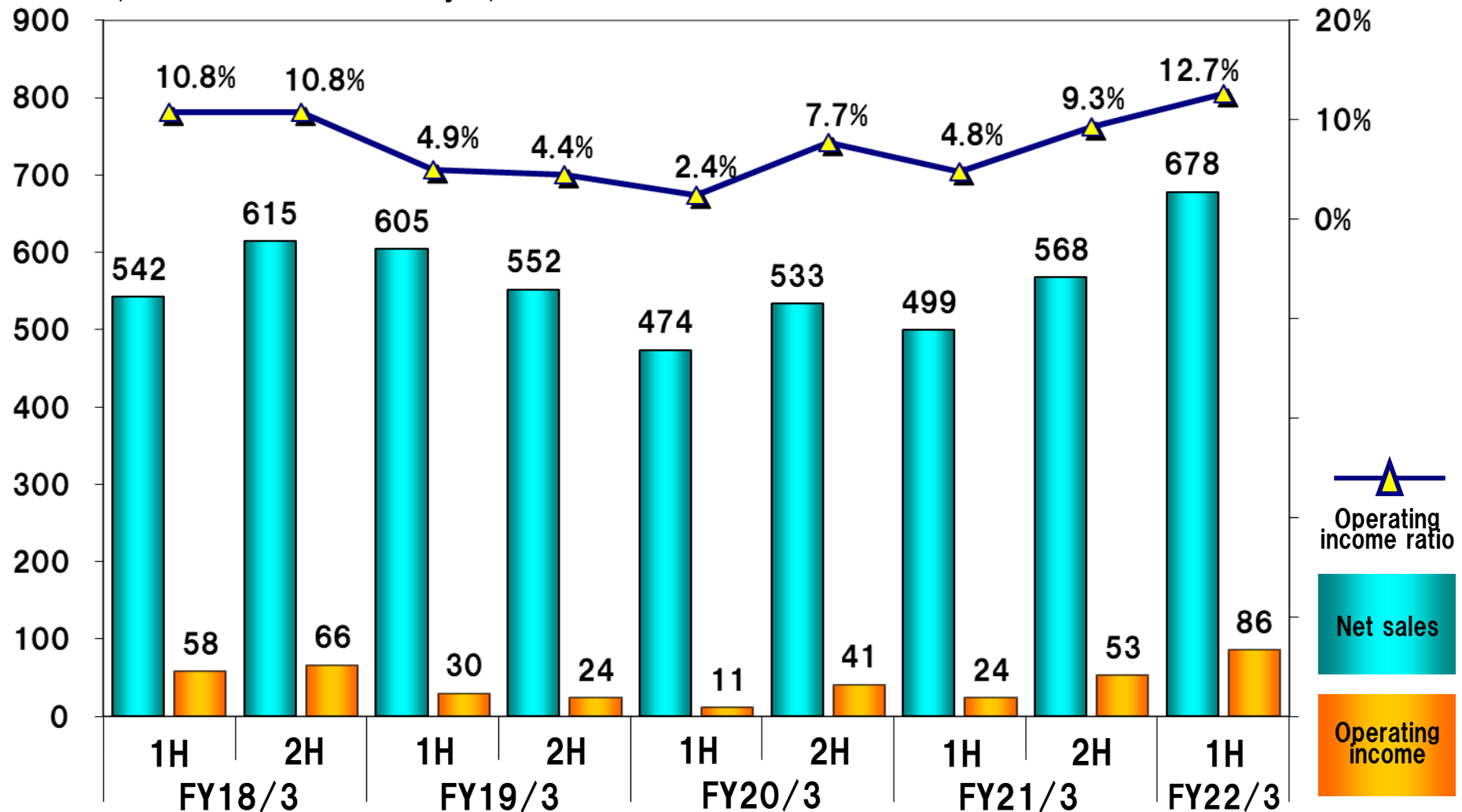
Total net assets	976	1,026	+ 50	+ 5%
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Capital adequacy ratio	63.8%	62.5%	-	- 1.3%
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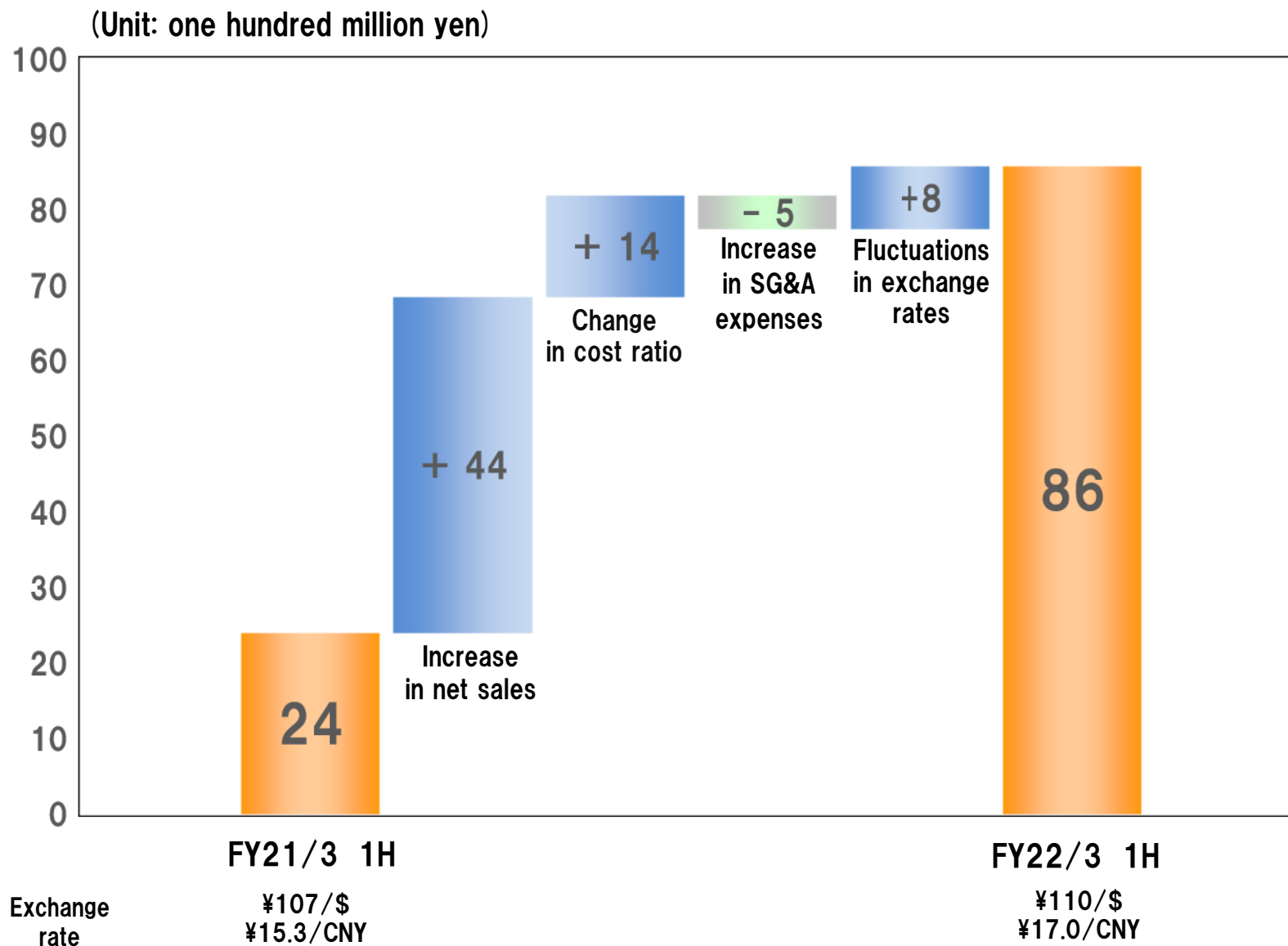
# Consolidated Net Sales and Operating Income

FY2022/3	Net sales	Operating income	Operating income ratio	( ) YoY
1H Results	67.8 billion yen(+17.9)	8.6 billion yen(+6.2)	12.7% (+7.9)	

(Unit: one hundred million yen)



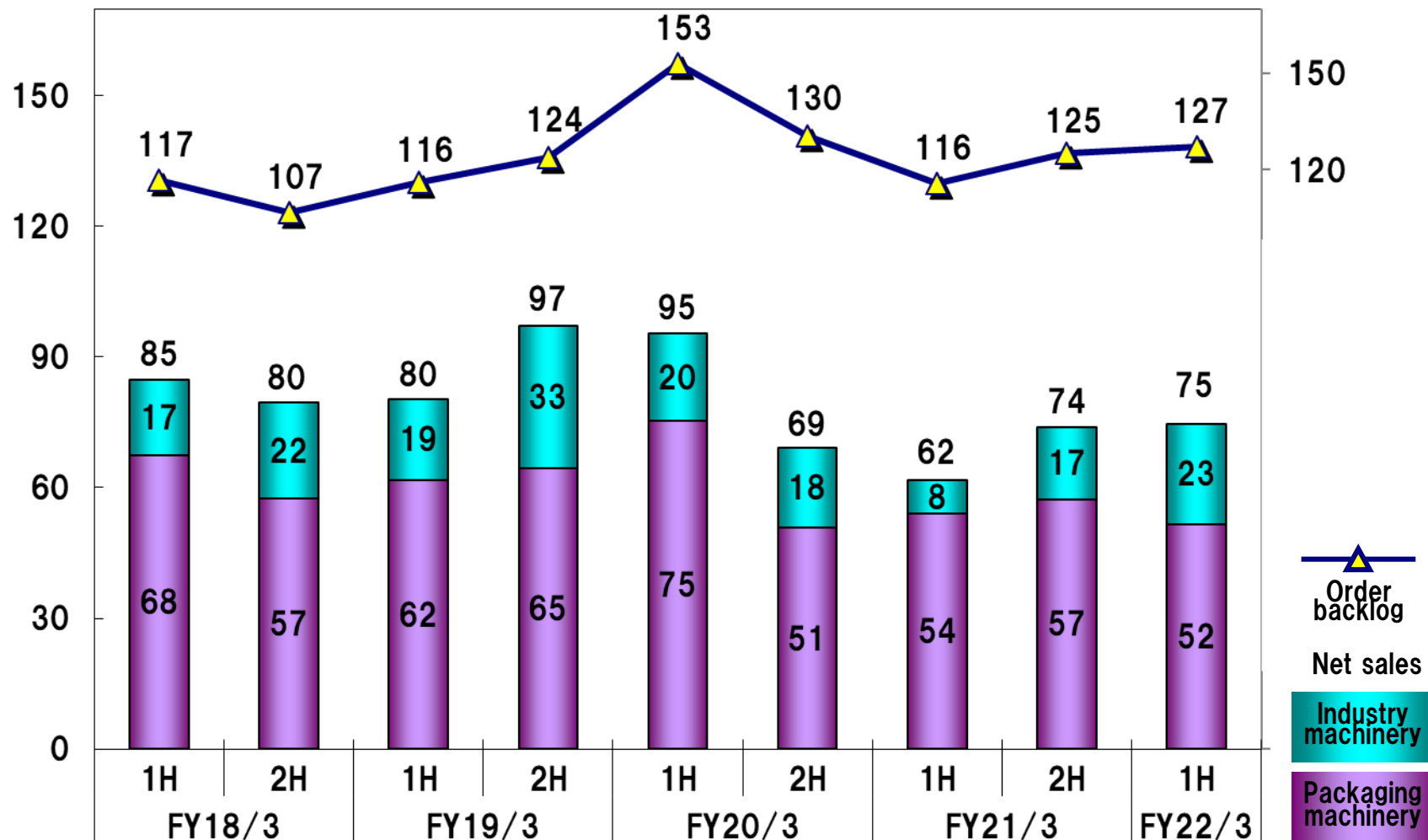
# Factors of Changes in Operating Income



# Automatic Machinery: Orders Received and Changes of Year-end Order Backlog

FY2022/3	Orders received	( ) YoY
1H Result	7.5 billion yen(+1.3)	

(Unit: one hundred million yen)



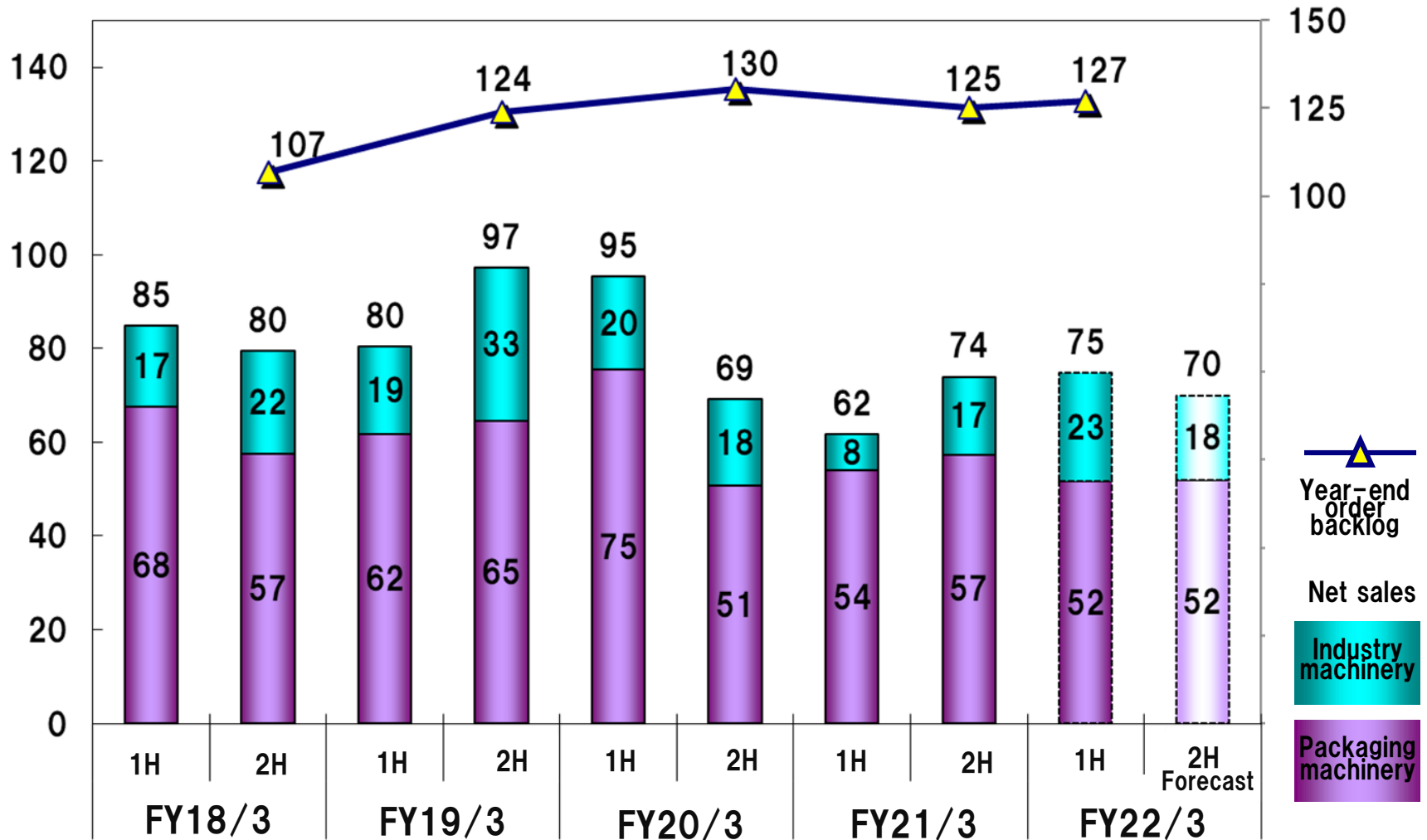


# Automatic Machinery: Forecast of Orders Received

(Unit: one hundred million yen)

FY22/3	Orders received
2H Forecast	7.0 billion yen (−0.4)
Full-year Forecast	14.5 billion yen (+0.9)

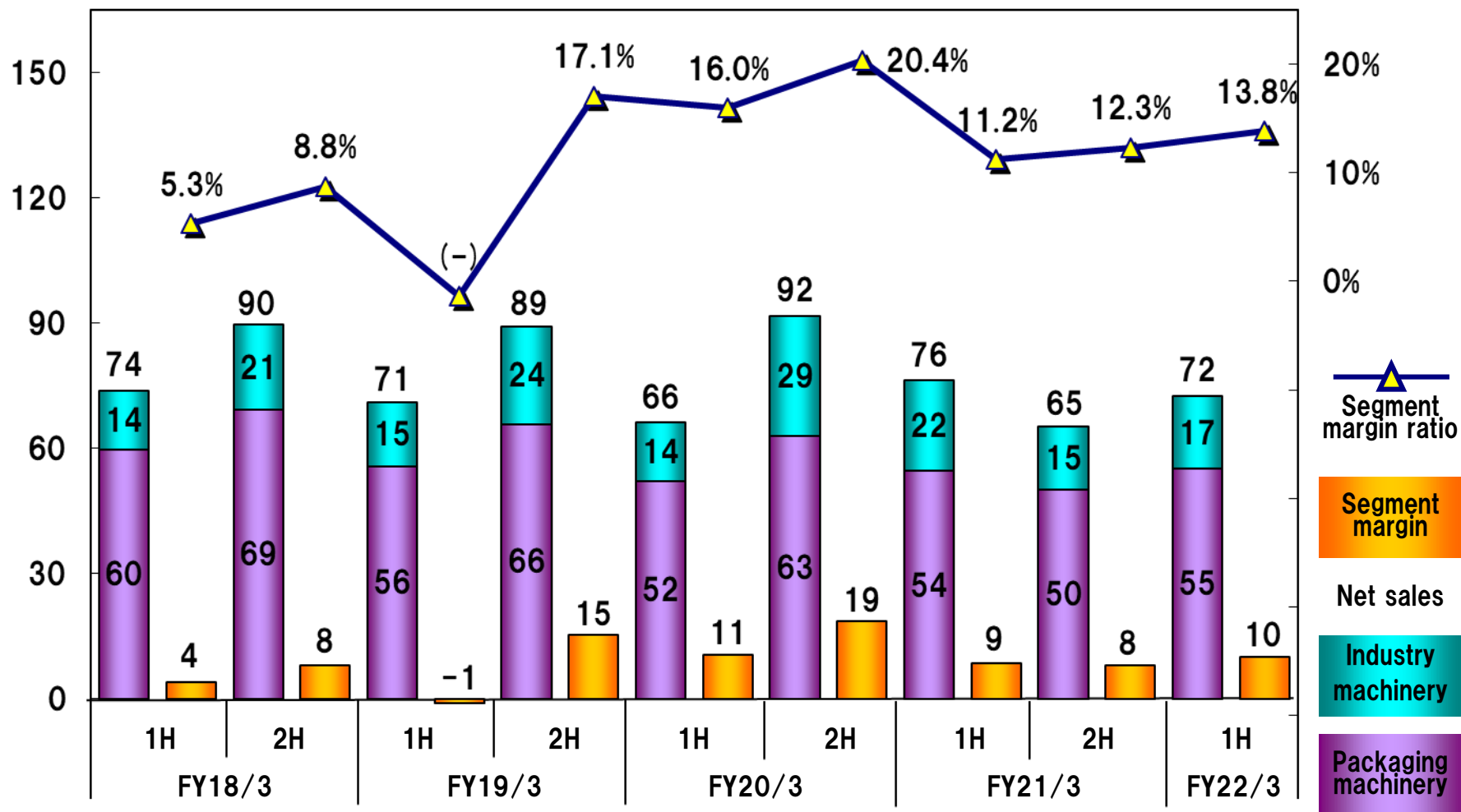
( ) YoY



# Automatic Machinery: Achievement Changes

FY22/3	Net sales	Segment margin	Segment margin ratio	( ) YoY
1H Results	7.2 billion yen(-0.4)	1.0 billion yen(+0.1)	13.8%(+2.6)	

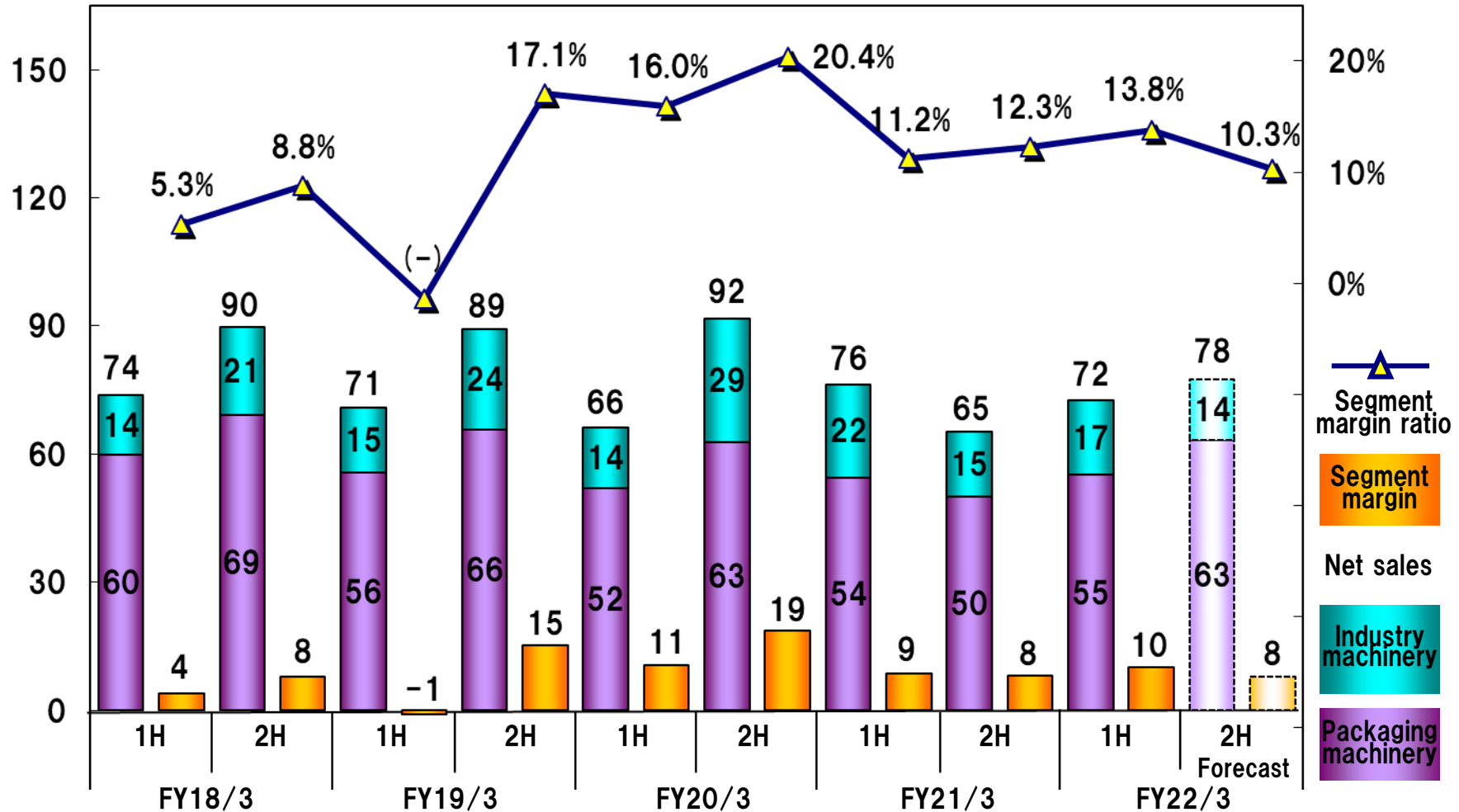
(Unit: one hundred million yen)



# Automatic Machinery: Outlook of Performance

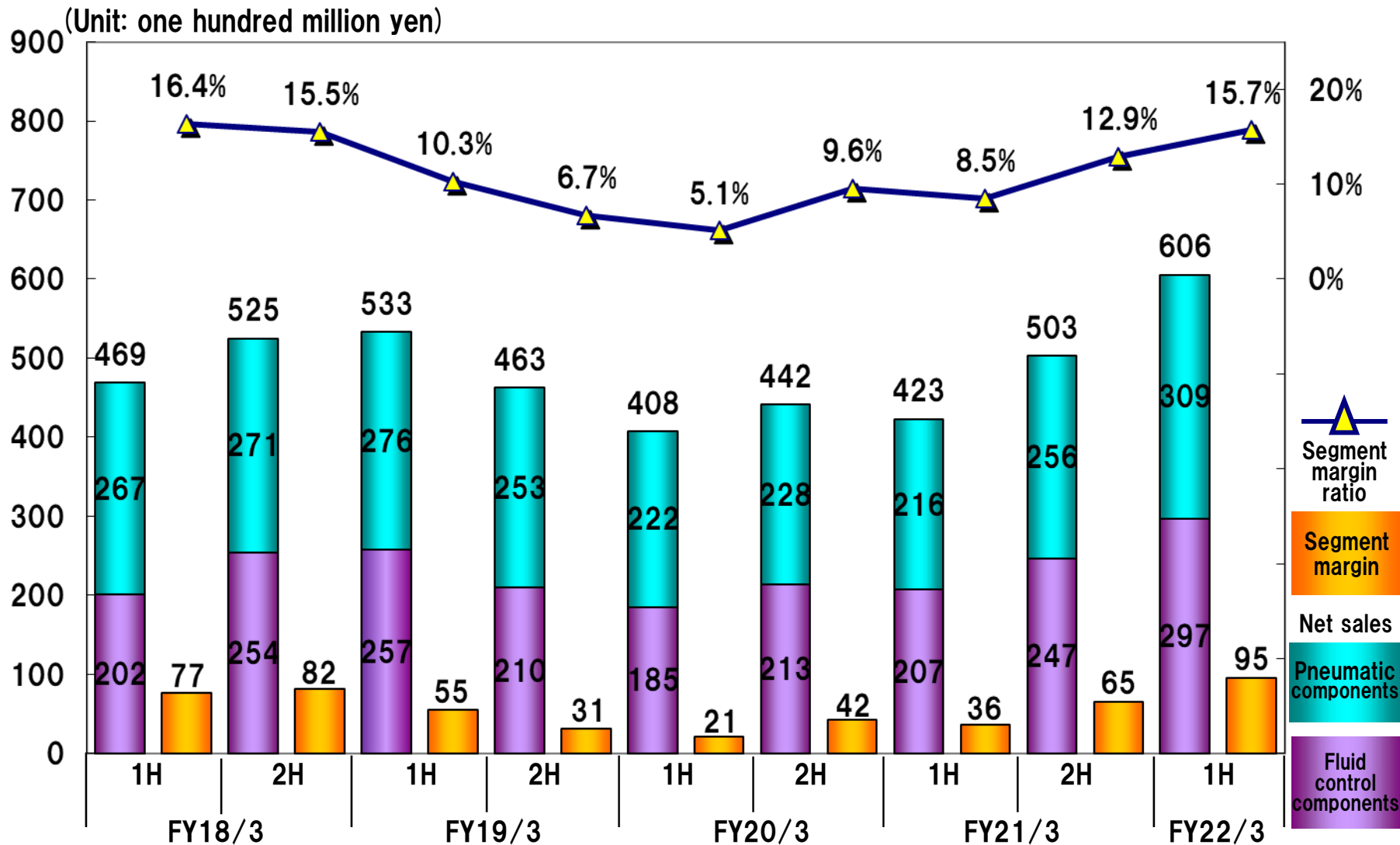
FY22/3	Net sales	Segment margin	Segment margin ratio	( ) YoY
2H Forecasts	7.8 billion yen(+1.3)	0.8 billion yen (-0)	10.3%(-2.0)	
Full-year Forecasts	15.0 billion yen(+0.8)	1.8 billion yen(+0.1)	12.0%(+0.3)	

(Unit: one hundred million yen)



# Components: Achievement Changes








FY22/3	Net sales	Segment margin	Segment margin ratio	( ) YoY
1H Results	60.6 billion yen(+18.3)	9.5 billion yen(+5.9)	15.7%(+7.2)	






# Components: 1st half Results by Market

\* Compared with year-on-year results

(Unit: %)

Main Industries in Japan	1Q Forecasts (May 13)	2Q Forecasts (Aug 11)	1Q Results	2Q Results	1H Results
Semiconductor	126		133	146	139
Automobile	105		118	111	114
Machine tool	120		147	148	148
Medical	103		104	119	112
Flat-panel display (FPD)	90		88	118	103
Rechargeable battery	105		100	111	105
Total	119		129	138	133















Main areas Overseas	1Q Forecasts (¥105/\$)	2Q Forecasts (¥105/\$)	1Q Results (¥109/\$)	2Q Results (¥110/\$)	1H Results (¥110/\$)
East Asia	116		149	132	141
Southeast Asia	100		122	127	124
Total (Including Europe and Americas)	111		142	132	137







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: %)

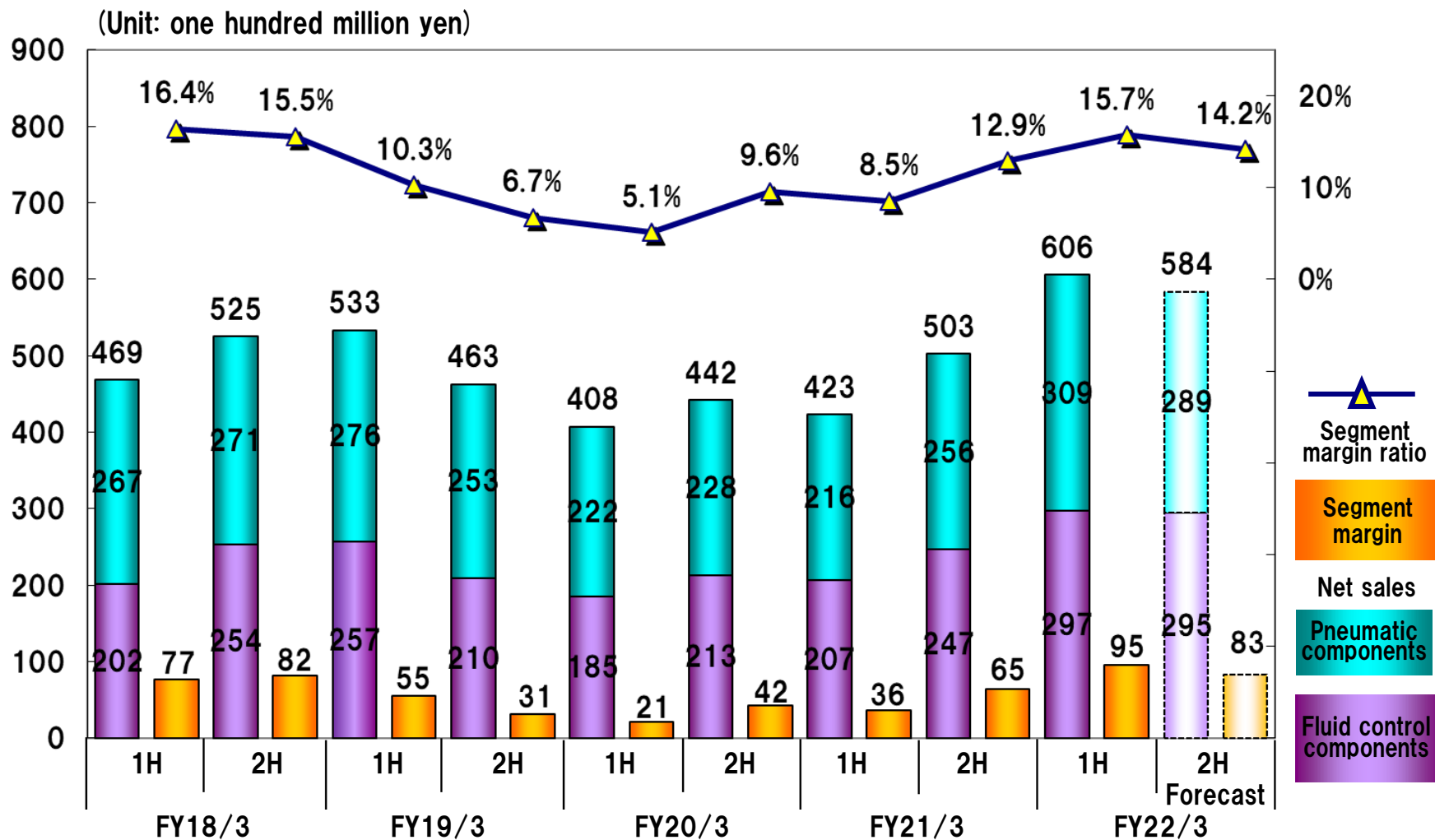
Main industries in <b>Japan</b>	1Q Results	2Q Results	1H Results	2H Forecasts	1H Comparison
Semiconductor	133	146	139		
Automobile	118	111	114		
Machine tool	147	148	148		
Medical	104	119	112		
Flat-panel display (FPD)	88	118	103		
Rechargeable battery	100	111	105		
Total	129	138	133		

Main areas <b>overseas</b>	1Q Results (¥109/\$)	2Q Results (¥110/\$)	1H Results (¥110/\$)	2H Forecasts (¥110/\$)	1H Comparison
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Total (Including Europe and Americas)	142	132	137		

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

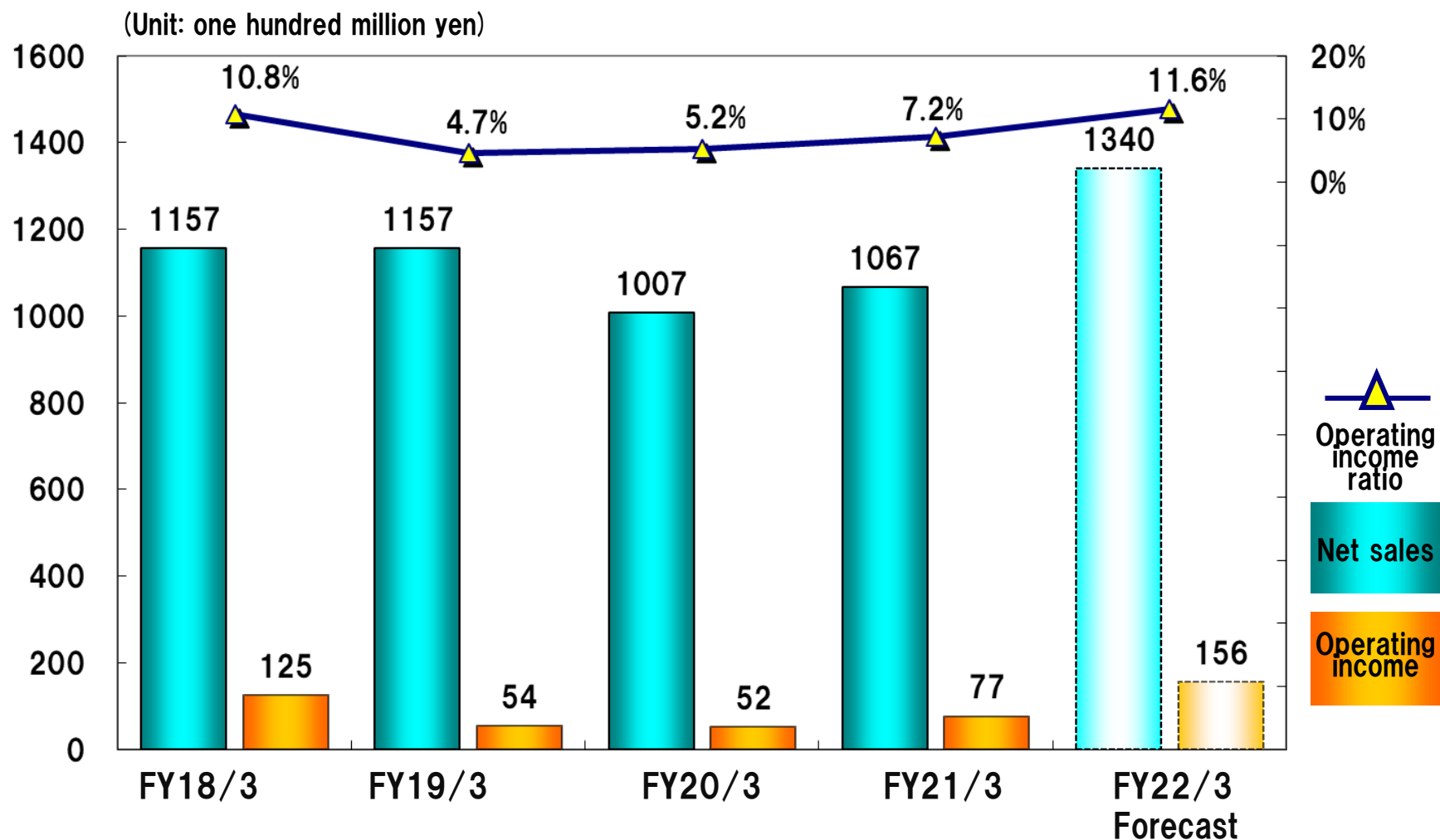
# Components: Earnings Forecasts

FY22/3	Net sales	Segment margin	Segment margin ratio	( ) YoY
2H Forecasts	58.4 billion yen (+8.1)	8.3 billion yen(+1.8)	14.2%(+1.3)	
Full-year Forecasts	119.0 billion yen(+26.4)	17.8 billion yen(+7.7)	15.0%(+4.1)	



# Total Company Earnings Forecasts

FY22/3	Net sales	Operating income	Operating income ratio	( ) YoY
2H Forecasts	66.2 billion yen (+9.4)	7.0 billion yen(+1.7)	10.6%(+1.3)	
Full-year Forecasts	134.0 billion yen(+27.3)	15.6 billion yen(+7.9)	11.6%(+4.4)	





# Total Company Earnings Forecasts

(Unit: one hundred million yen)

	FY21/3 Results	FY22/3 Outlook (November 12)				
		1H Results	2H Forecasts	Full year Forecasts	Year-on-year Amount change	Year-on-year % change
Consolidated net sales	1,067	678	662	1,340	+ 273	+ 26%
Automatic machinery	142	72	78	150	+ 8	+ 6%
Components	926	606	584	1,190	+ 264	+ 29%
Operating income (Operating income ratio)	77 (7.2%)	86 (12.7%)	70 (10.6%)	156 (11.6%)	+ 79	+ 103%
Automatic machinery (Segment margin)	17 (11.7%)	10 (13.8%)	8 (10.3%)	18 (12.0%)	+ 1	+ 9%
Components (Segment margin)	101 (10.9%)	95 (15.7%)	83 (14.2%)	178 (15.0%)	+ 77	+ 77%
Ordinary income	78	87	70	157	+ 79	+ 101%
Net income	53	61	47	108	+ 55	+ 105%

# Revision of Earnings Forecasts

(Unit: one hundred million yen)

	1st half Results	2nd half			Full year		
		Previous Forecasts (Aug. 11)	Revised Forecasts (Nov. 12)	Change	Previous Forecasts (Aug. 11)	Revised Forecasts (Nov. 12)	Change
Consolidated net sales	678	615	662	108%	1,280	1,340	105%
Automatic machinery	72	75	78	103%	150	150	100%
Components	606	540	584	108%	1,130	1,190	105%
Operating income	86	60	70	116%	145	156	108%
Ordinary income	87	61	70	116%	146	157	108%
Net income	61	41	47	115%	100	108	108%

## Revision in Previous Forecasts (August 11)

Consolidated net sales increased +6.0 billion yen to 134.0 billion yen

Operating income increased +1.1 billion yen to 15.6 billion yen

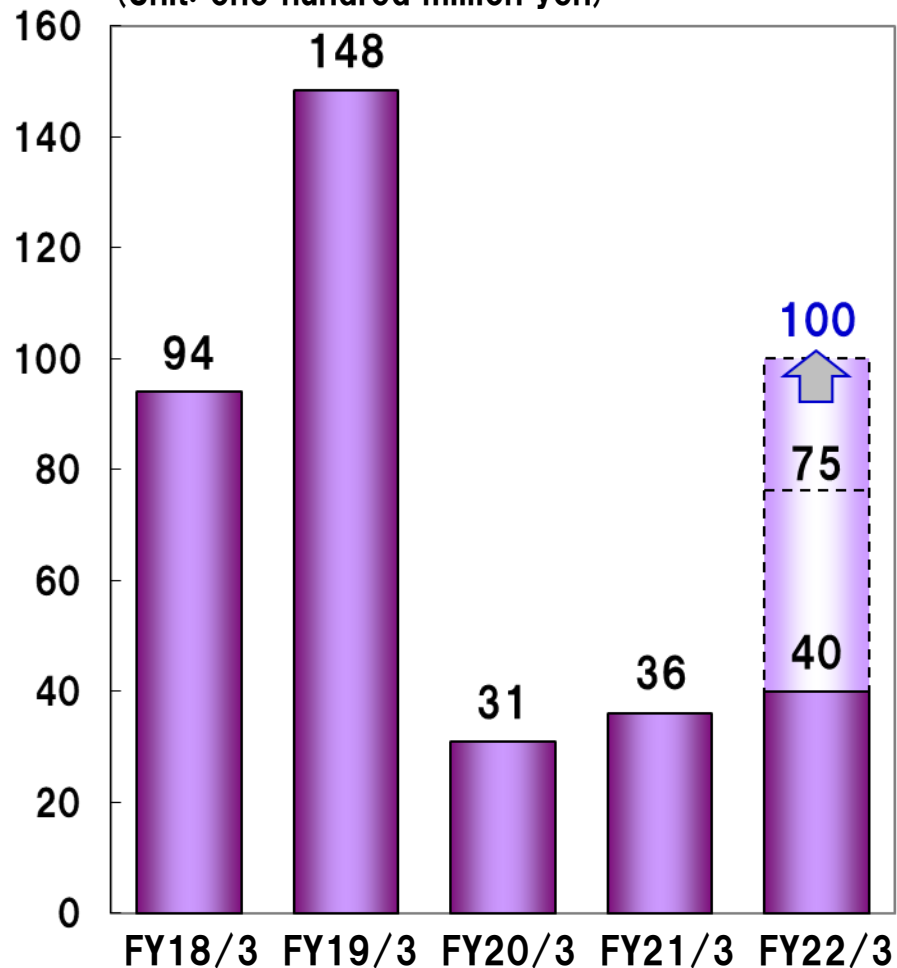
# Investments



# Investments

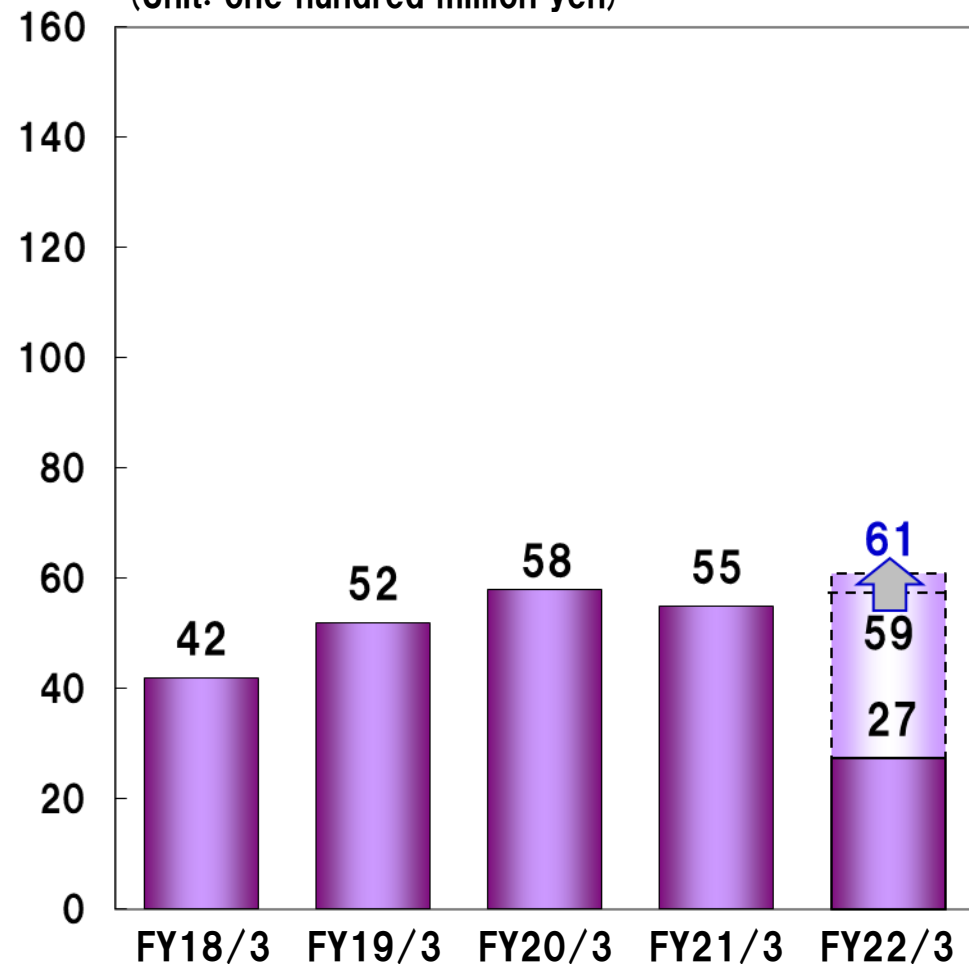
## Investments in plant and equipment

(Unit: one hundred million yen)

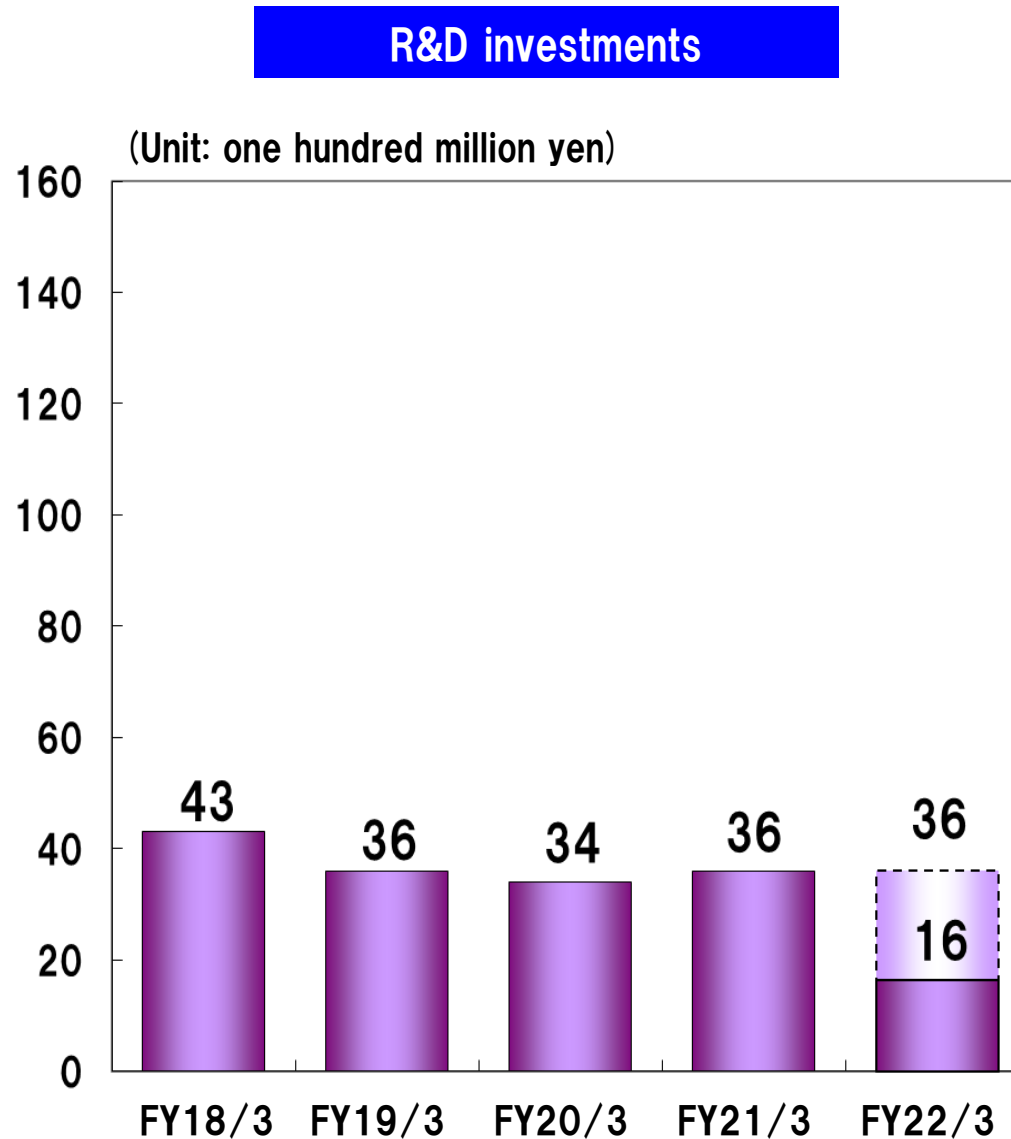


## Depreciation costs

(Unit: one hundred million yen)



# Investments



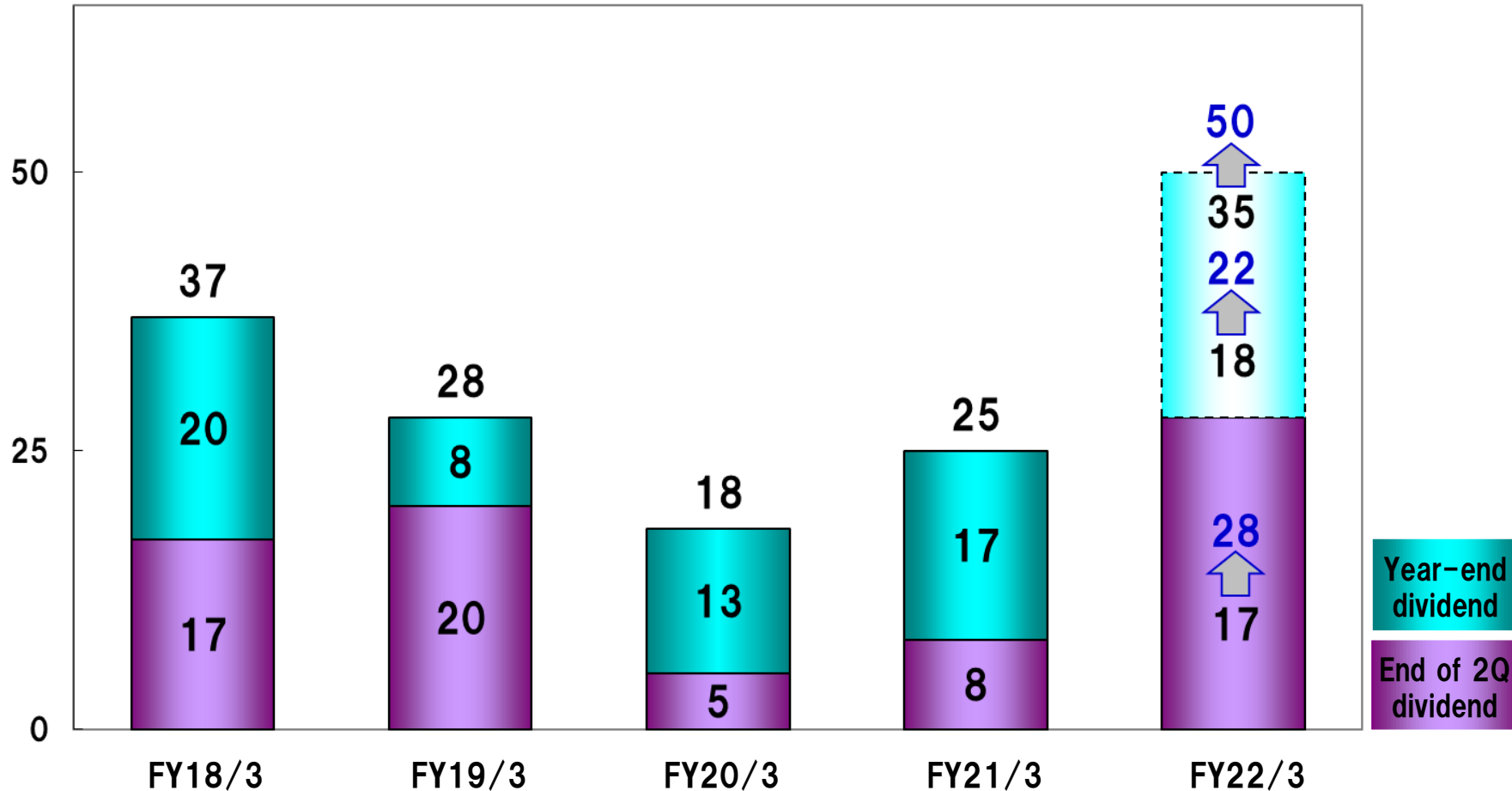
# Shareholders' return



# Dividends

**FY22/3 dividends**  
**End of 2nd Quarter dividend ¥28 per share**

(Unit: yen)



# Topics

- Automatic Machinery**
- Components**





# Automatic Machinery New products

## ■ Pharmaceutical Packaging Machine for the China Pharmaceutical Market

Order for 2 units in 1H, FY2021

January 2022:

Second China-exclusive model to be launched



FBP-300W  
Capacity: 3,000 tablets/min

Japanese Quality Achieved  
by Local Production in China



FBP-600W  
Capacity: 6,000 tablets/min

Increase capacity while maintaining the FBP-300W  
development concept

## ■ IS-UVCL01

Transparent Object Inspection System



the “Cho” Monozukuri Award



Launched March 2021

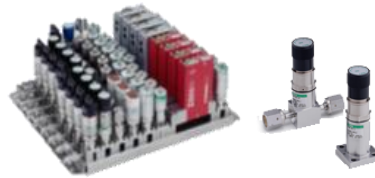
Winner of the Health Care Bio-Medical  
Component Award

- The use of special light sources enables visualization of transparent objects
- Sales of inspection modules that are not limited to their applications

Expand new markets with new products

# Components Increase production capacity (1)

## ■ Tohoku Plant



Fluid control components



Completed clean room expansion at the end of August

## ■ Kasugai Plant



Fluid control components



Enhancement Assembly/Processing lines

## ■ Yokkaichi Plant



Pneumatic components



Completed expansion of automatic assembly line facilities

## ■ China Plant



Electric components /  
Pneumatic components



Enhancement Assembly line

Promoting production enhancement to meet strong demand and establishing a stable production system

# Components Increase production capacity (2)

## ■ New North American Plant

### CKD USA Austin Manufacturing



Current



September, 2020  
Acquisition of real property



Office area  
under construction

December 2021  
Production Area Scheduled

March 2022  
Scheduled for completion

**Preparations are underway for completion in March 2022,  
following delays caused by COVID-19**



# Components Increase production capacity (3)

## Thailand Plant (CKD Thai Corporation)

### Acquisition of adjacent properties

Site area: 22,000m<sup>2</sup>

Floor area: 15,000 m<sup>2</sup>



Adjacent to existing plant

Location :AMATA Industrial Complex, Chonburi Province

Real Estate : Acquired November 2021

Acquisition : 1.1 billion yen

Operation schedule : February 2022

Product : Fluid control components (general purpose)

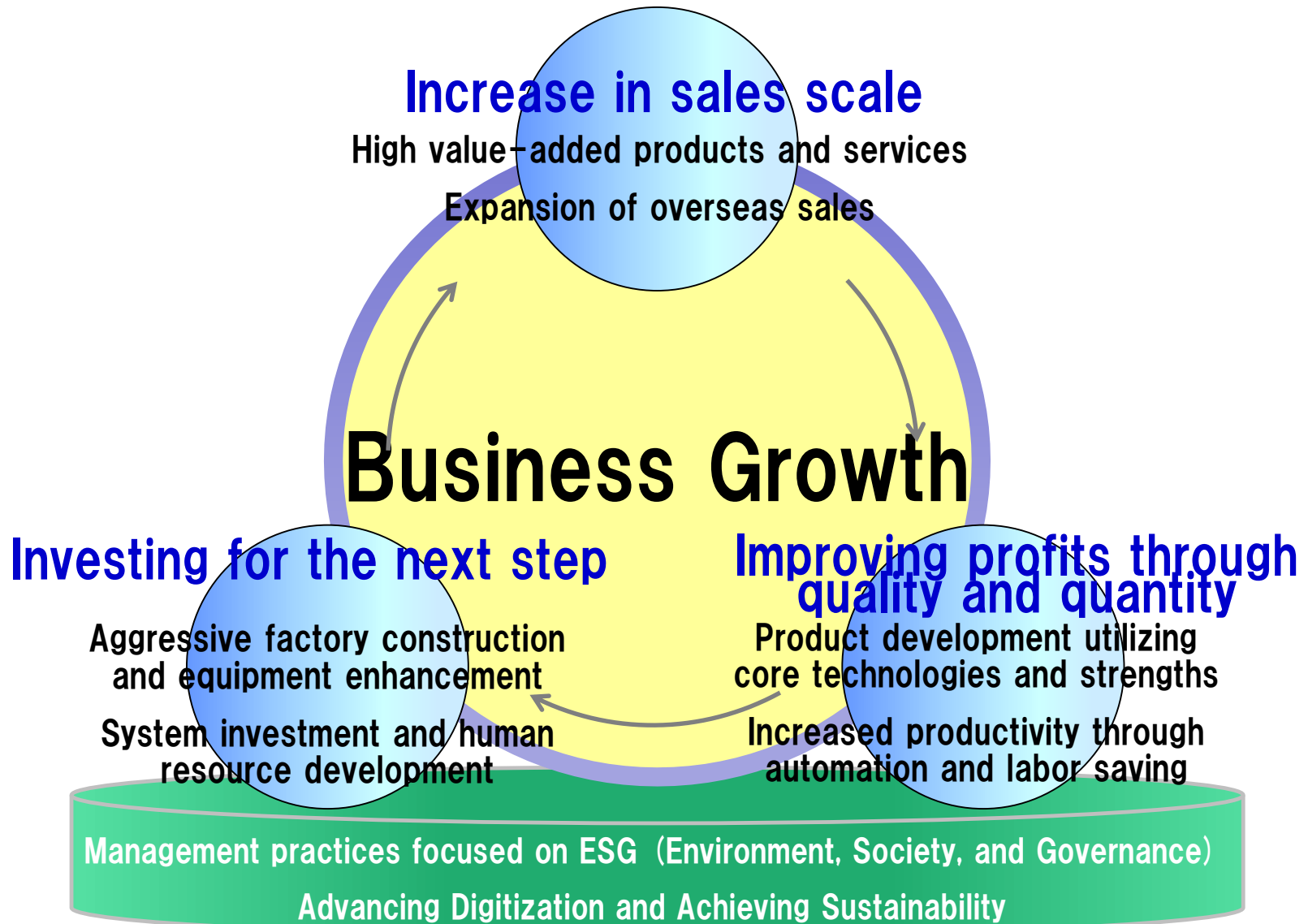
**Mass production of fluid control components  
and production enhancement as a global parts supply base**

# Initiatives to Enhance Corporate Value

- Business Growth
- ESG Engagements



# Business Growth



**Increase profits by quality and quantity in addition to sales**

# Increase in sales scale



**New products**

**Automatic Machinery**

**New markets**

*Pharmaceutical Packaging Machine for Chinese market.*

*Transparent Inspection Equipment.*

*and Remote Control System*



**Digital / Software**

*Visual Programming Tool*



**IoT/Network**

*Compatible with wireless, TSN, IO-Link*



**Environmental load reduction**

*High Durability Components*

**HP Series**



**For semiconductors**

*Compatible with state-of-the-art processes*

**Electric Actuator**

*Expansion of variations*

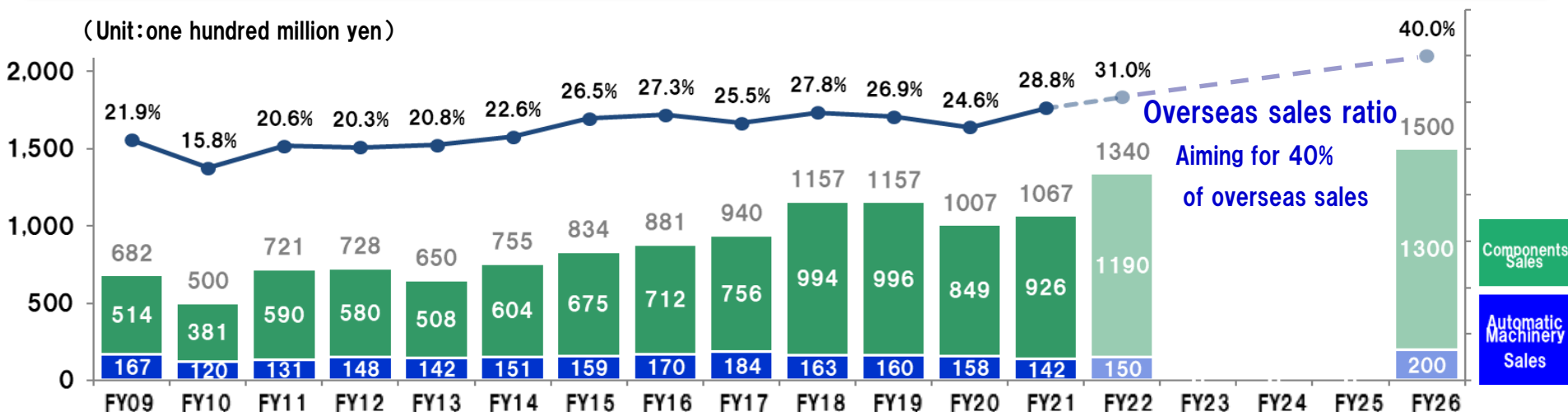


**Life science**

*Nitrogen Gas Extraction Unit.*

*Anti-microbial / Bacteria removing filter*

(Unit:one hundred million yen)



**Overseas sales ratio**  
Aiming for 40% of overseas sales

**Providing total FA solutions with high value-added products and services**

# Improving profits through quality and quantity (1)

## Product development that takes advantage of core technologies and strengths

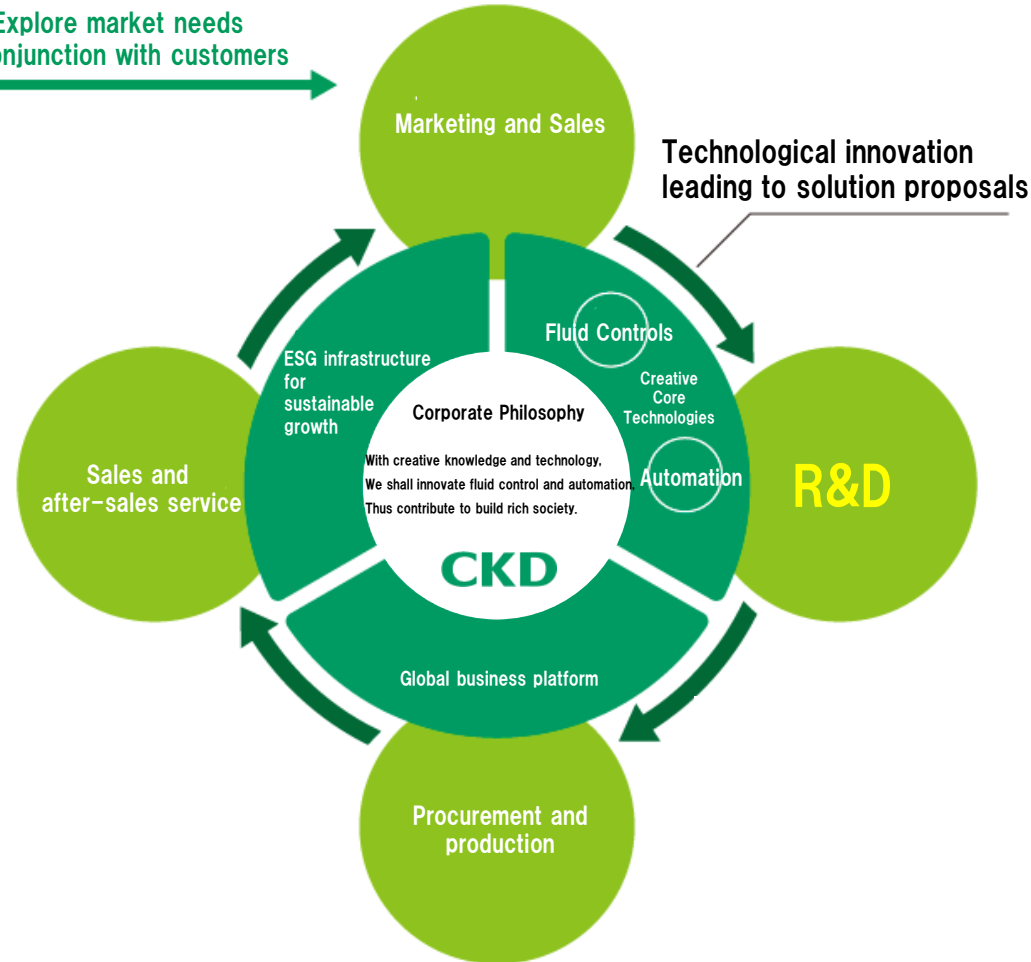


Development project system



Quality assurance

Explore market needs  
in conjunction with customers



### [Differentiated products]

- Making use of strengths  
(High precision, High durability)



- Unitization/Systematization



- Digital/ Software/ Network



Promote market expansion and profit improvement  
through differentiated products



# Improving profits through quality and quantity (2)

## Automation Advanced "people-friendly" factory



Automated warehouse



Distribution line



AGV (Unmanned Carrier)



Automatic cleaning



Automatic processing machine



Automated assembly line

## Labor-Saving Increase production at existing plants and ensure quality



Automatic winding machine



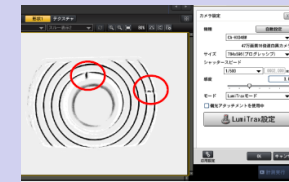
Automatic processing machine



Semi-Automatic Assembly machine



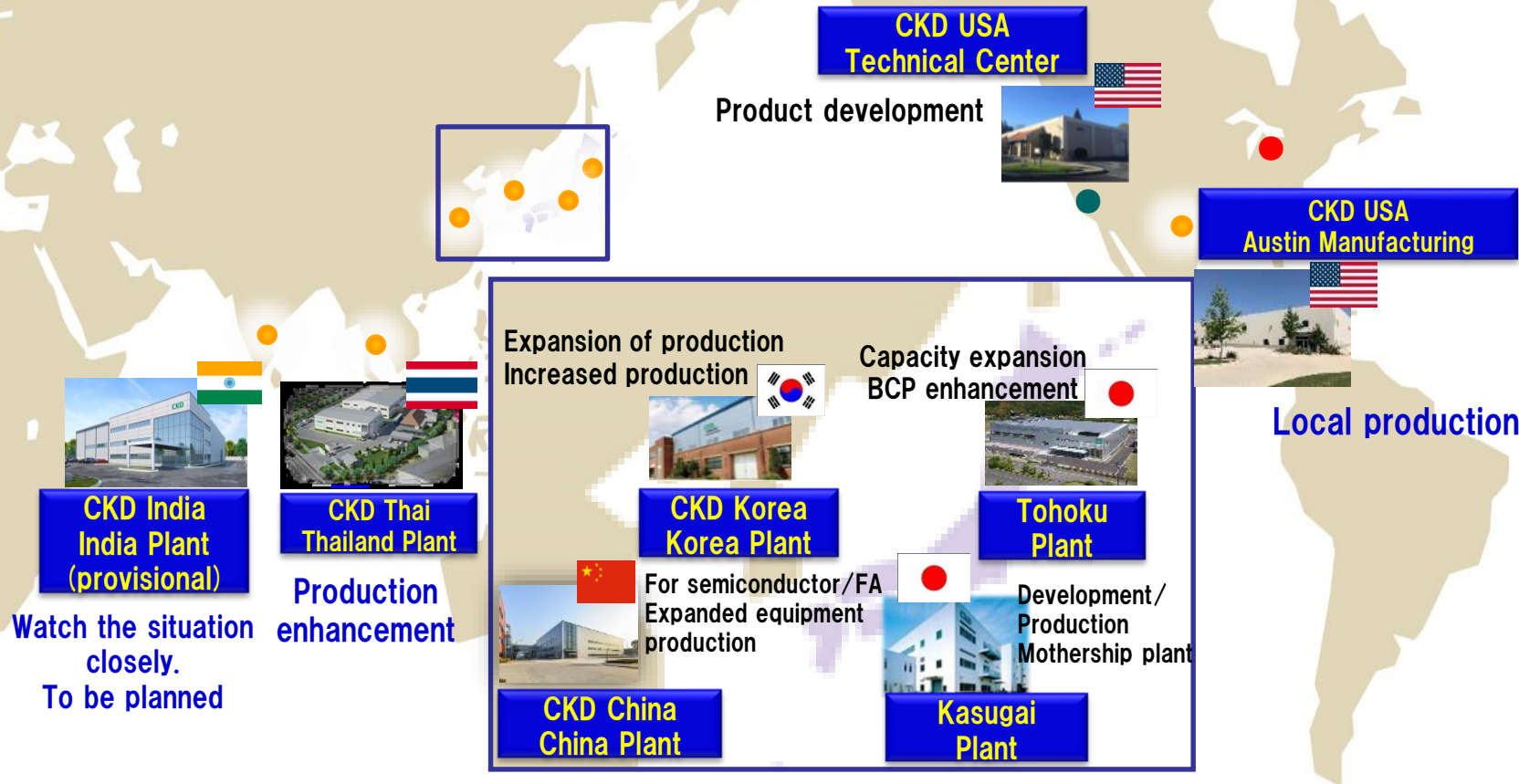
Automatic dimension inspection



Automatic visual inspection

**Increase productivity through automation and labor-saving**

# Investing for the next step



**Implement aggressive capital investment for the next phase  
in response to growing demand**

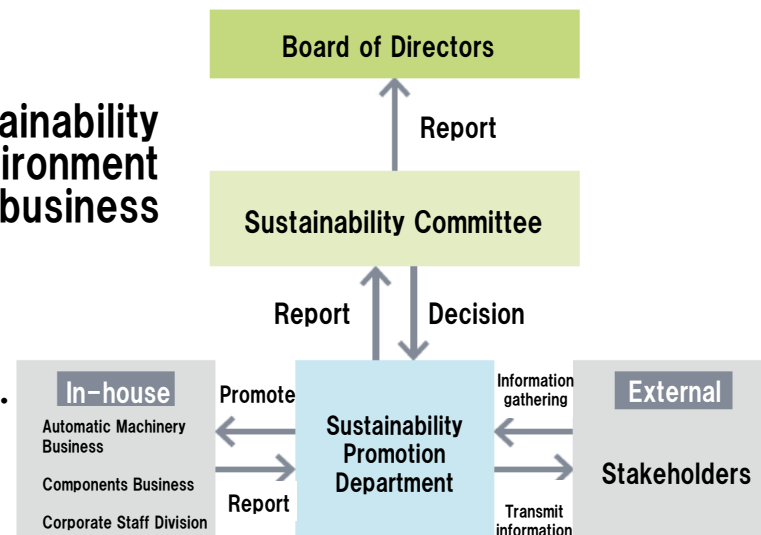
# ESG Engagements (1)

## ■ Sustainability Promotion System

- Established “Sustainability Committee” and “Sustainability Promotion Department” to contribute to the global environment and the creation of a prosperous society through our business activities.



- SDGs promotion
- Offer ESG information and so on.



## ■ Promotion of women's achievements

- Action plan period

April 1, 2021 – March 31, 2023 (2 years)

- Goals

3% of women's management by FY2022

Average of 65% or more of all employees taking paid vacations



Training for women's employees



on-site day-care center “Ohana nursery school”



# ESG Engagements (2)

## CO<sub>2</sub> emission reduction targets

- **FY2030** CO<sub>2</sub> emissions per sales gross unit **50% reduction** (compared to FY2013)
- **FY2050** CO<sub>2</sub> emissions **Actual zero**

### "Reduction measures"

- Promoting thorough energy conservation
- Expansion of renewable energy
- Utilization of CO<sub>2</sub> free energy



Headquarters/Komaki



Thailand



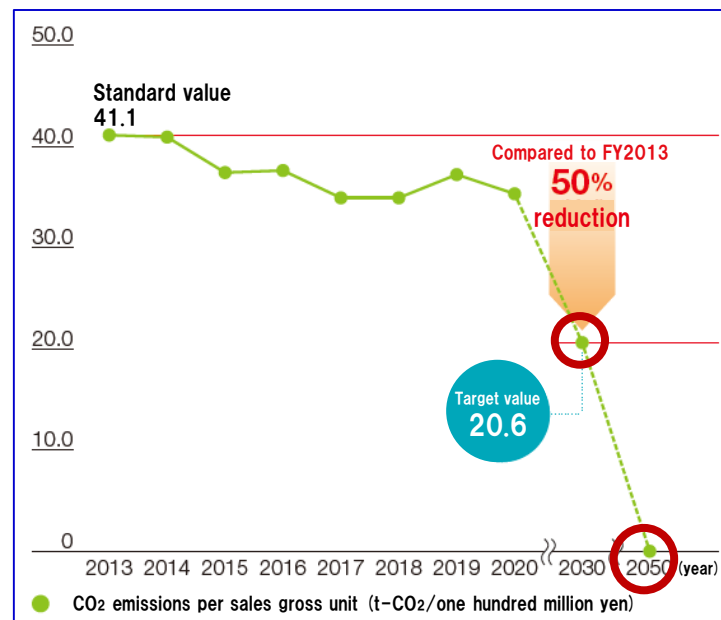
China

Introduction of solar system



Iwuyama

Green power



"CO<sub>2</sub> emissions reduction performance and medium and long term targets"

## Development of products with reduced environmental impact

- We will contribute to the achievement of the SDGs by developing products that are conscious of reducing environmental impact, such as improving customer productivity by extending the service life of equipment and reducing industrial waste.



High durability cylinder



Nitrogen Gas Extraction Unit



## Setting Goals and Promoting Sustainability Initiatives



# 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.