



Creating Solutions Together

# **Financial Results for FY2022 ended March 31, 2023**

**May 12, 2023**

**CKD Corporation**

**Securities code 6407**

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## Financial Results for FY2022 ended March 31, 2023

- Summary of Financial Results
- Investments
- Shareholders Return
- Status of “Exciting CKD 2025” Medium-Term Management Plan
- "Corporate Purpose" and "Brand Slogan"

# Summary of Financial Results

- YoY increases in net sales and operating income

Net Sales	+ 12%
Operating Income	+ 18%



# Management Results

(Unit : billion yen)

		FY21 Actual	FY22 Actual	YoY	
				Amount change	% change
Net Sales	Total	142.2	159.5	+ 17.3	+ 12%
	Automatic Machinery	16.8	15.6	- 1.2	- 7%
	Components	125.4	143.9	+ 18.5	+ 15%
Operating Income (Operating Income Margin)		17.9 (12.6%)	21.2 (13.3%)	+ 3.3	+ 18%
Ordinary Income		18.0	21.2	+ 3.1	+ 17%
Net Income		12.6	14.8	+ 2.2	+ 18%

# Financial Status

(Unit : billion yen)

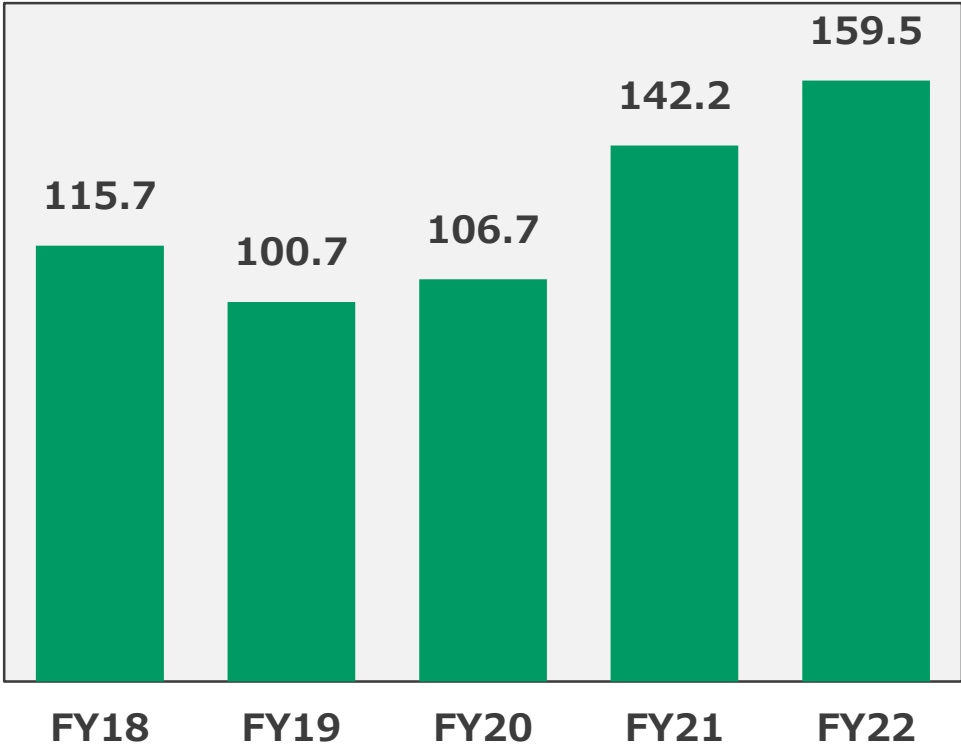
	End March 2022	End March 2023	YoY	
			Amount change	% change
Current assets	116.2	123.1	+ 6.9	+ 6%
Fixed assets	56.3	62.6	+ 6.2	+ 11%
Total assets	172.5	185.6	+13.1	+ 8%
Current liabilities	53.5	52.0	– 1.5	– 3%
Fixed liabilities	9.4	13.9	+ 4.4	+ 47%
Total liabilities	62.9	65.9	+ 3.0	+ 5%
Total net assets	109.6	119.7	+10.2	+ 9%
Equity ratio	63.5%	64.5%	–	+ 1.0%

# Consolidated Performance

FY22	Net Sales	Operating Income	Operating Income Margin	() YoY
Full-year Actual	159.5 billion yen (+17.3)	21.2 billion yen (+3.3)	13.3% (+0.7)	

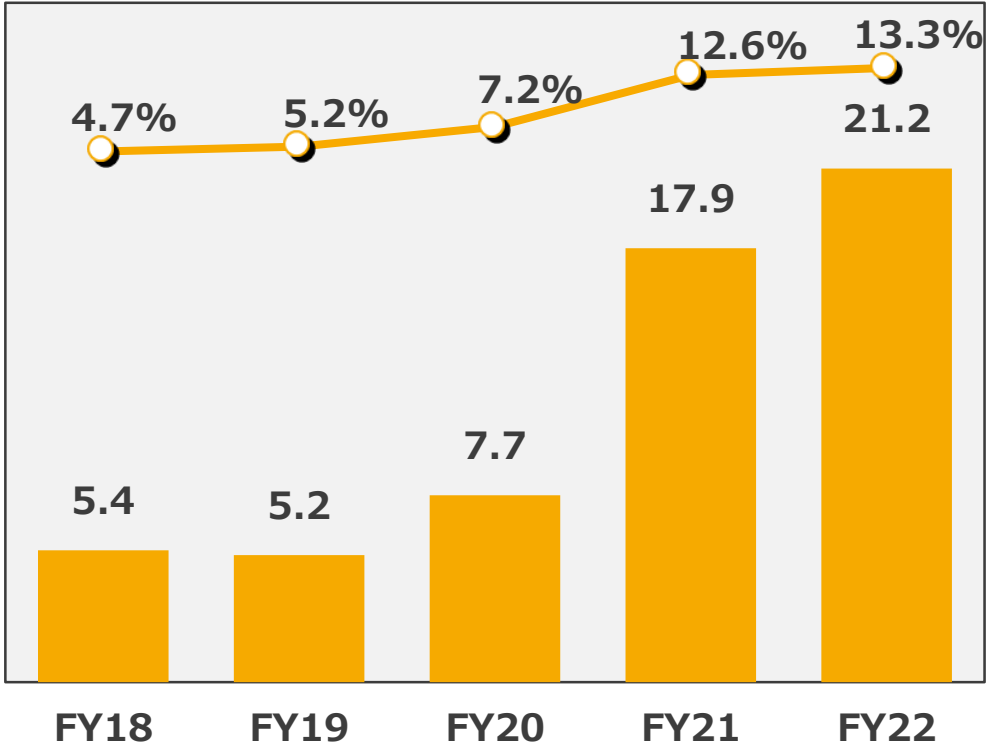
Net Sales

(Unit : billion yen)



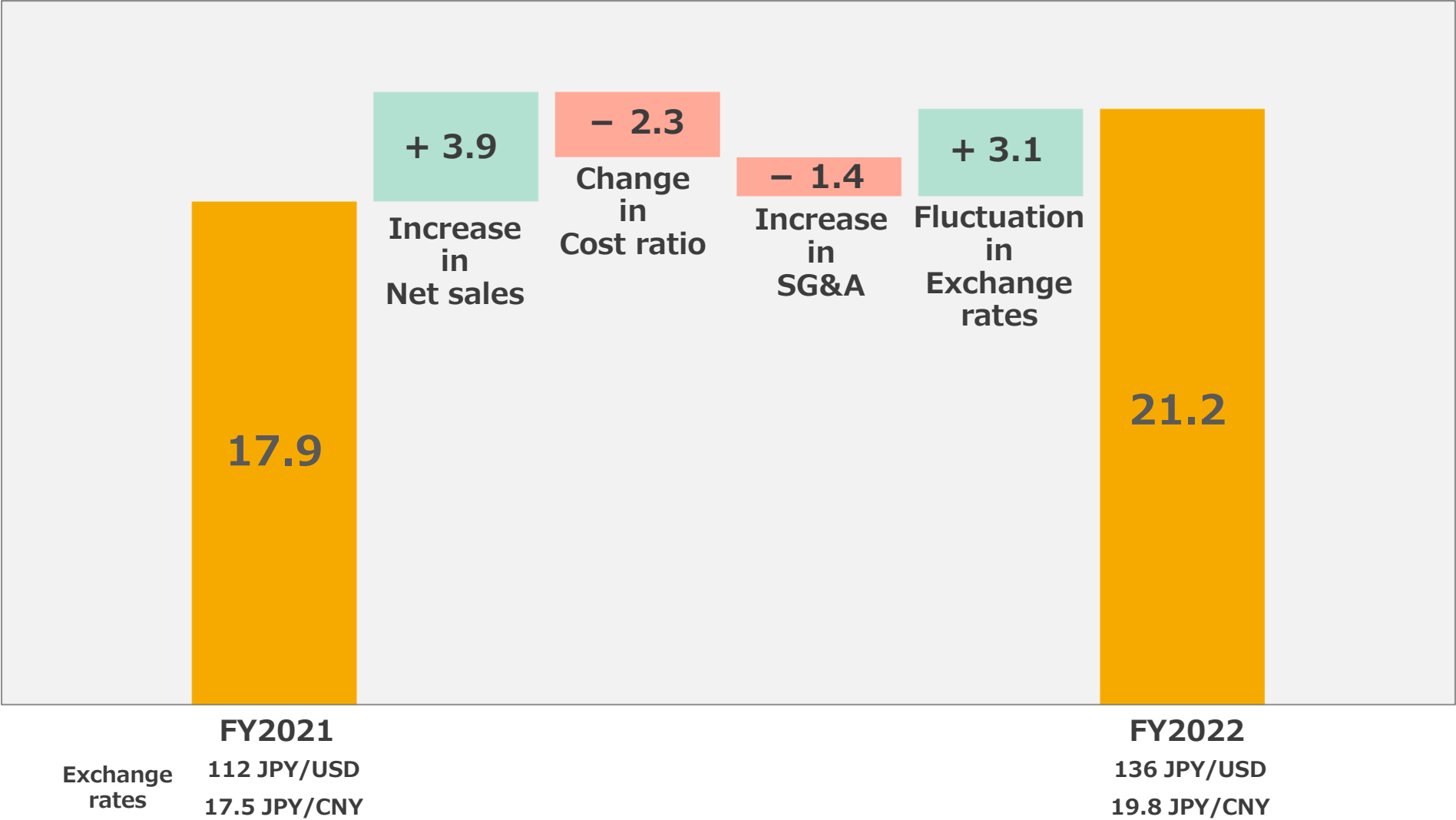
Operating Income / Operating Margin

(Unit : billion yen)



# Analysis of Operating Income

(Unit : billion yen)

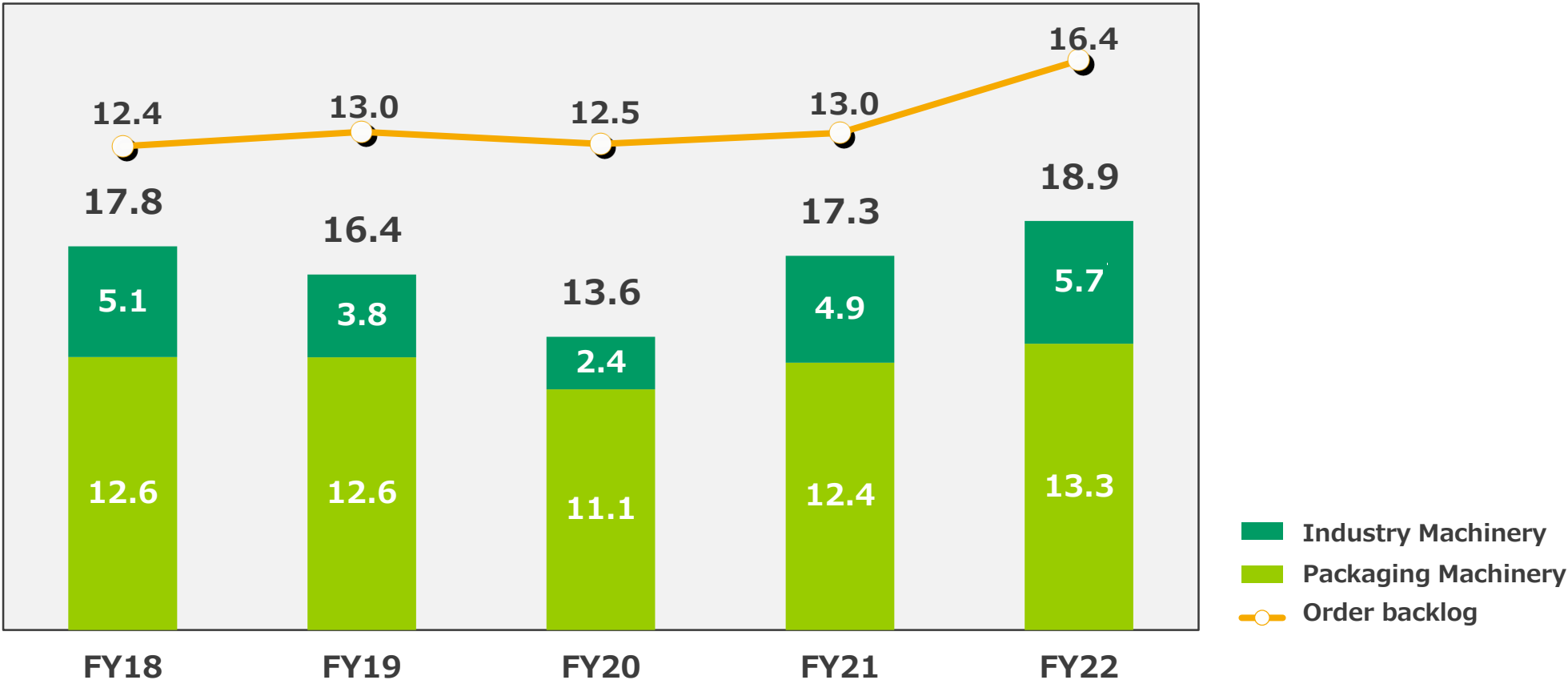


# Automatic Machinery Orders

FY22	Orders
Full-year Actual	18.9 billion yen (+1.6)

( ) YoY

(Unit : billion yen)

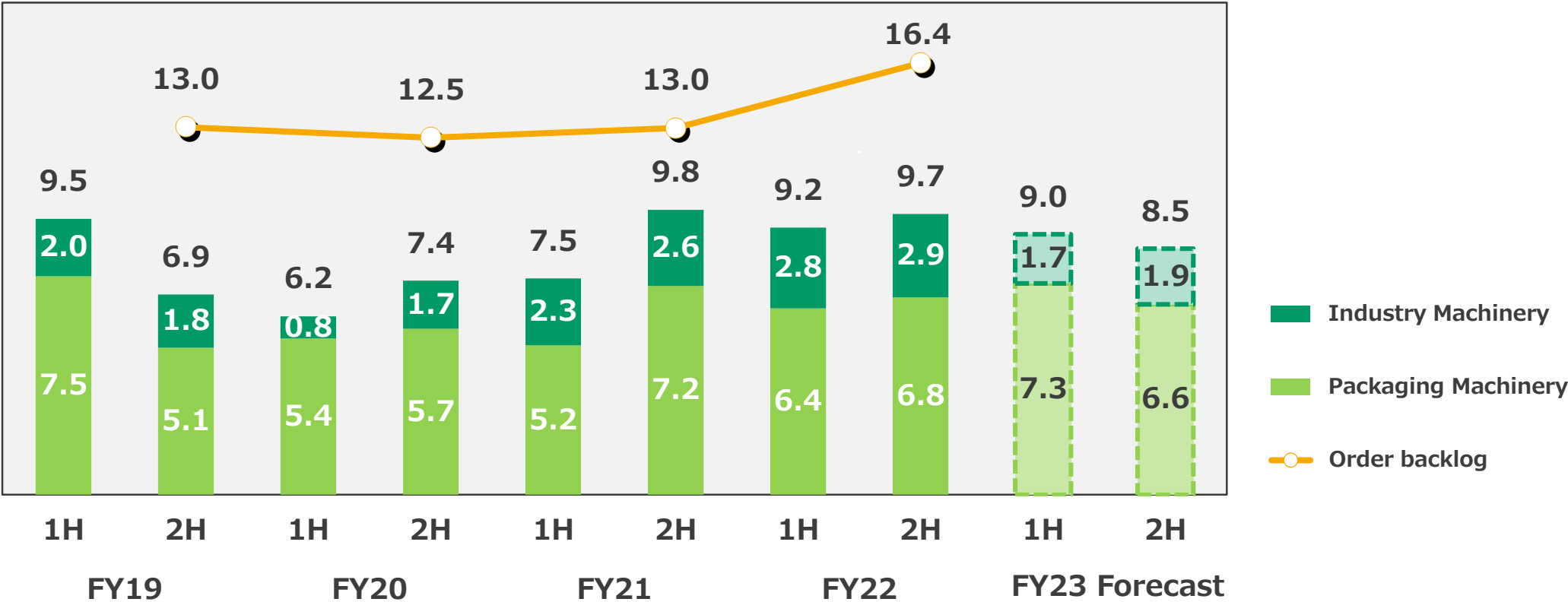




# Automatic Machinery Forecast of Orders

FY23	Orders	( ) YoY
1H Forecast	9.0 billion yen	( – 0.2)
Full-year Forecast	17.5 billion yen	( – 1.4)

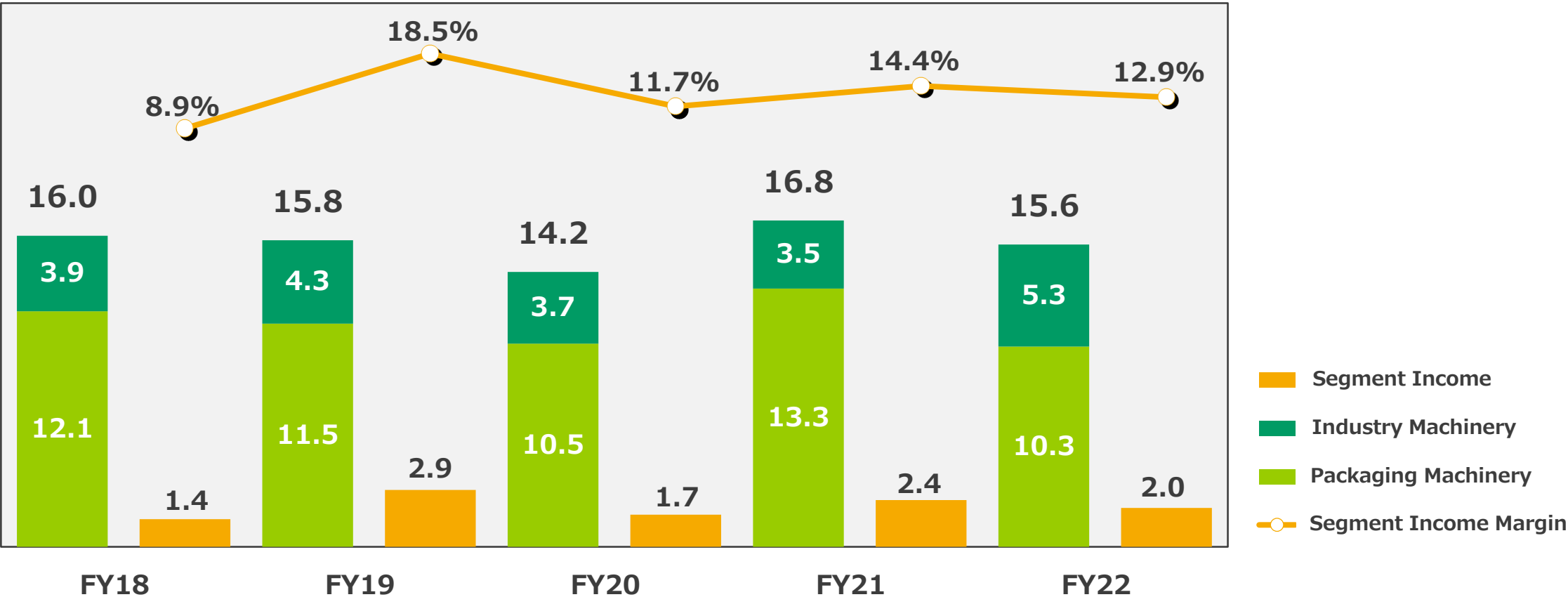
(Unit : billion yen)



# Automatic Machinery Achievement Changes

FY22	Net Sales	Segment Income	Segment Income Margin	( ) YoY
Full-year Actual	15.6 billion yen ( – 1.2)	2.0 billion yen ( – 0.4)	12.9% ( – 1.5)	

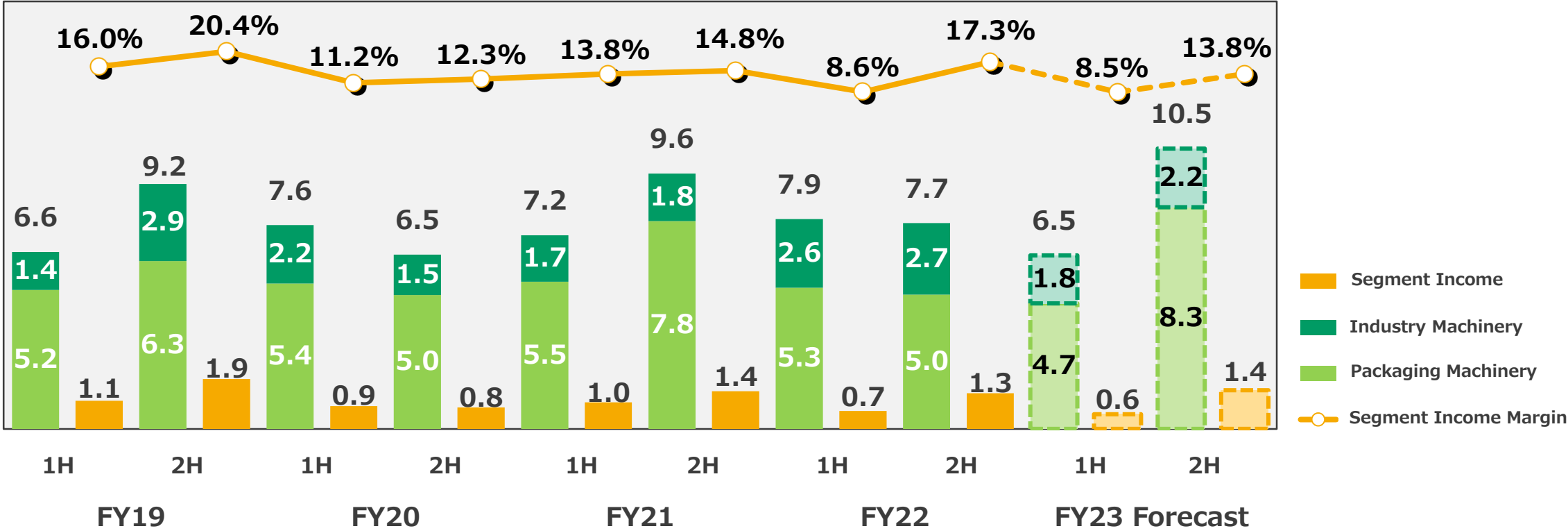
(Unit : billion yen)



# Automatic Machinery Outlook of Performance

FY23	Net Sales	Segment Income	Segment Income Margin	( ) YoY
1H Forecast	6.5 billion yen ( − 1.4)	0.6 billion yen ( − 0.1)	8.5% ( − 0.1)	
Full-year Forecast	17.0 billion yen (+1.4)	2.0 billion yen ( − 0.0)	11.8% ( − 1.1)	

(Unit : billion yen)

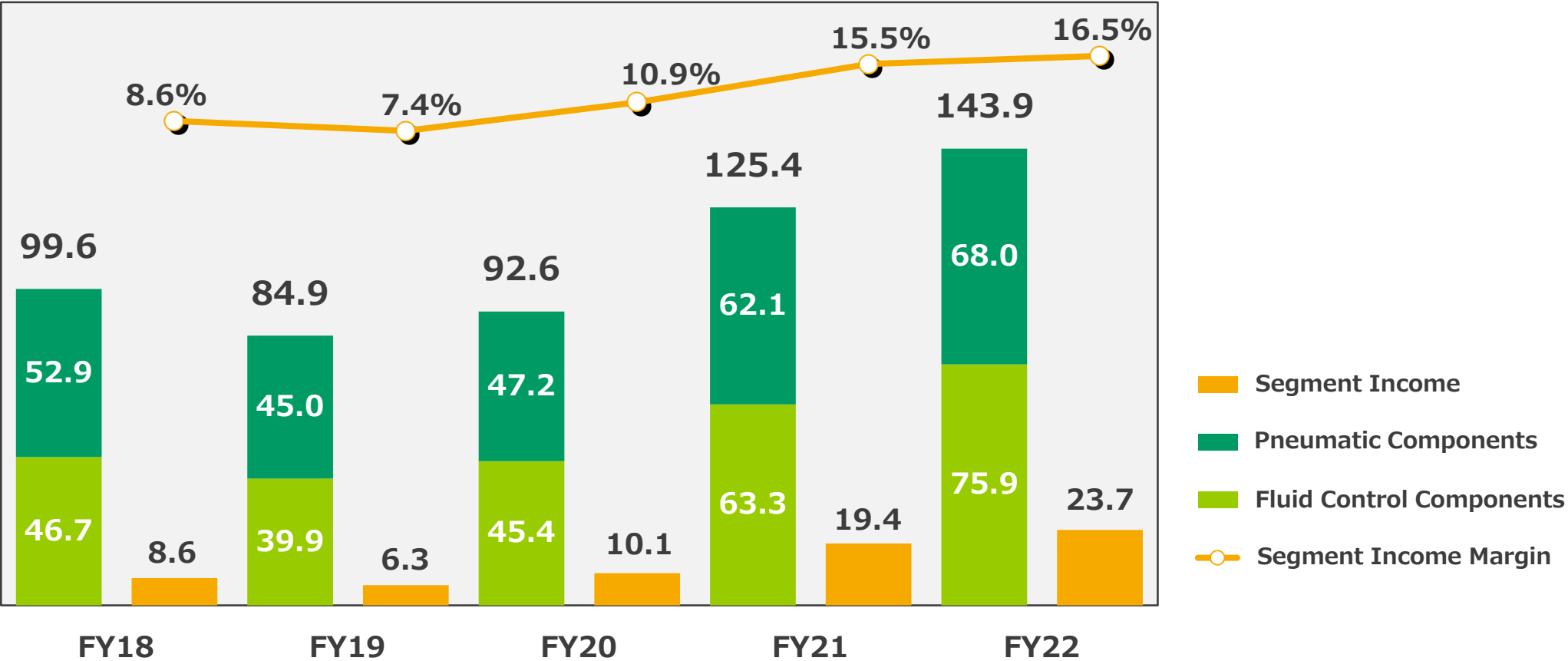


# Components Achievement Changes

FY22	Net Sales	Segment Income	Segment Income Margin
Full-year Actual	143.9 billion yen (+ 18.5)	23.7 billion yen (+ 4.3)	16.5% (+ 1.0)

( ) YoY

(Unit : billion yen)



# Components FY2022 Actual by Market

\*YoY change

(Unit:%)

Main Industries in Japan	1H Actual	2H Actual	Full-year Actual
Semi-conductor	116	114	115
Automobile	100	104	102
Machine Tool	99	94	96
Medical	102	103	102
Flat-panel display(FPD)	103	78	91
Rechargeable Battery	120	127	124
<b>Total</b>	<b>112</b>	<b>111</b>	<b>111</b>

Main Areas Overseas	1H Actual (134 JPY/USD)	2H Actual (139 JPY/USD)	Full-year Actual (136 JPY/USD)
East Asia	128	128	128
Southeast Asia	126	119	123
<b>Total</b> (including Europe and the US)	<b>126</b>	<b>125</b>	<b>125</b>

# Components FY2023 Prospects by Market

\*YoY change

(Unit:%)

Main Industries in Japan	1H Forecast	2H Forecast	Full-year Forecast
Semi-conductor			
Automobile			
Machine Tool			
Medical			
Flat-panel display(FPD)			
Rechargeable Battery			
Total			

Main Areas Overseas	1H Forecast (130 JPY/USD)	2H Forecast (130 JPY/USD)	Full-year Forecast (130 JPY/USD)
East Asia			
Southeast Asia			
Total (including Europe and the US)			

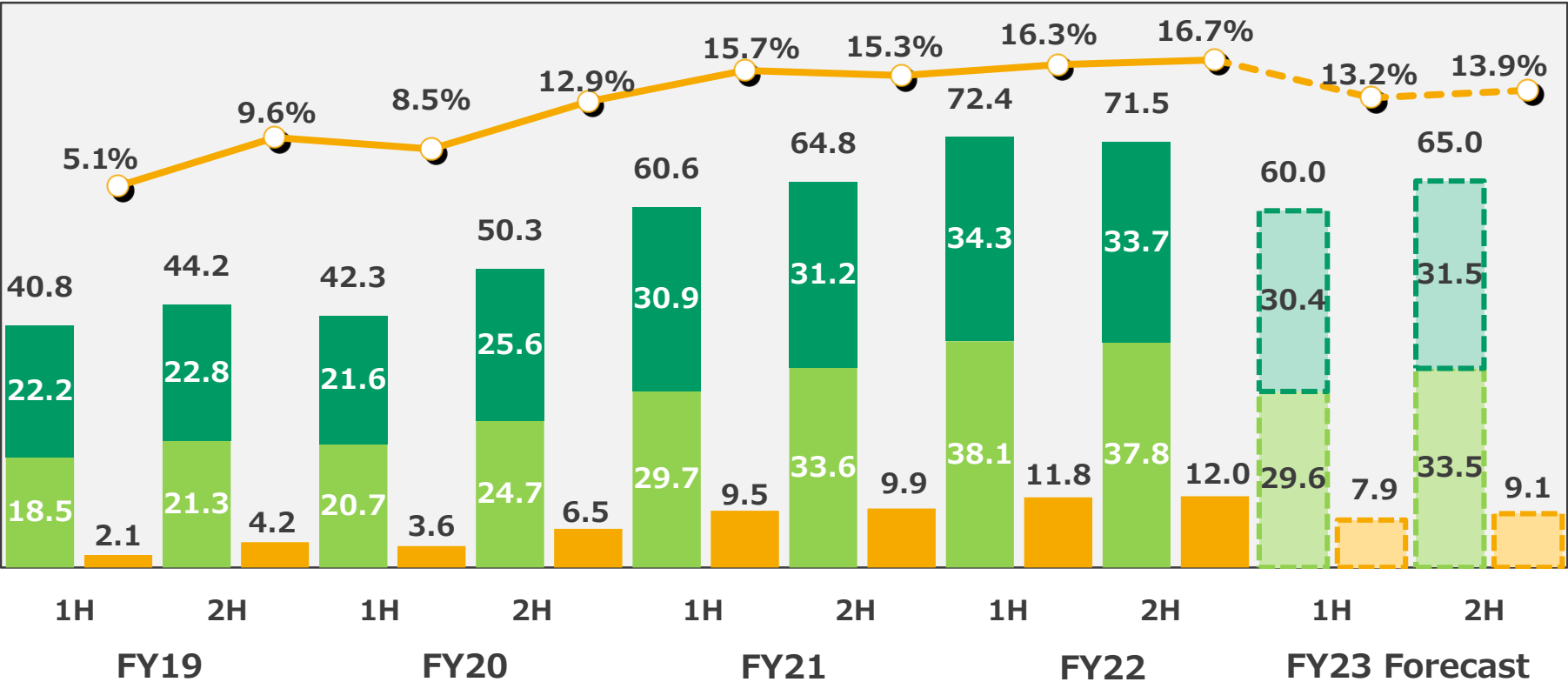
YoY change : ( 110~ 100~109 90~99 80~89 ~79)

# Components Earnings Forecasts

FY23	Net Sales	Segment Income	Segment Income Margin
1H Forecast	60.0 billion yen (−12.4)	7.9 billion yen (−3.8)	13.2% (−3.1)
Full-year Forecast	125.0 billion yen (−18.9)	17.0 billion yen (−6.7)	13.6% (−2.9)

( ) YoY

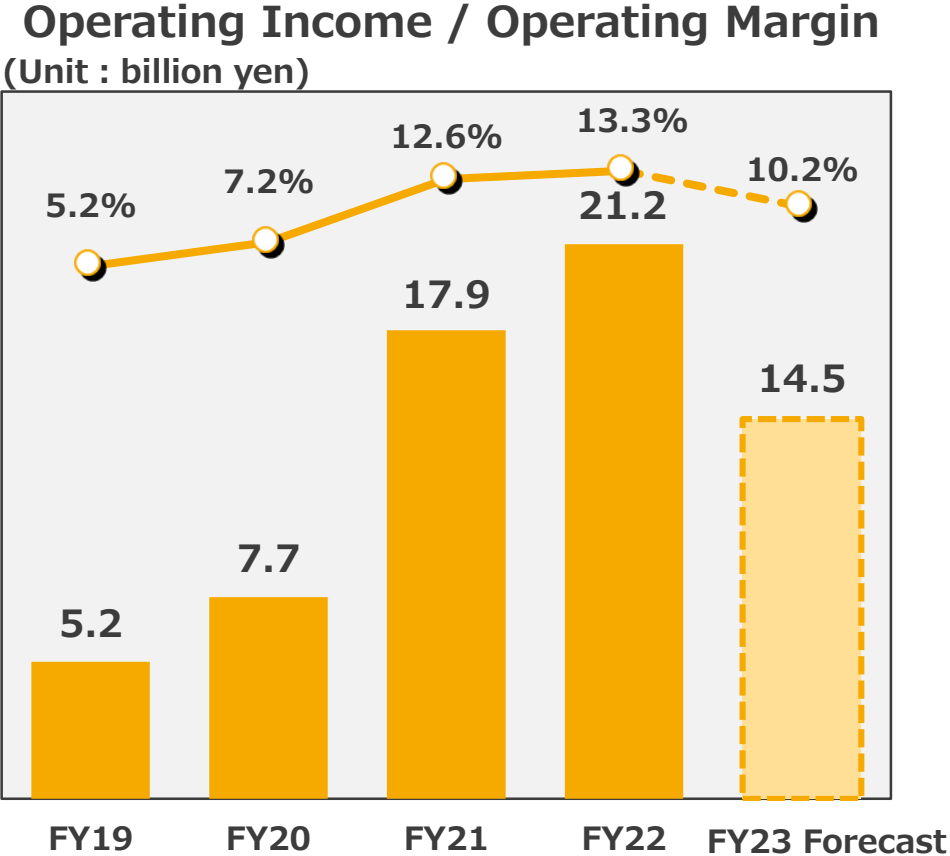
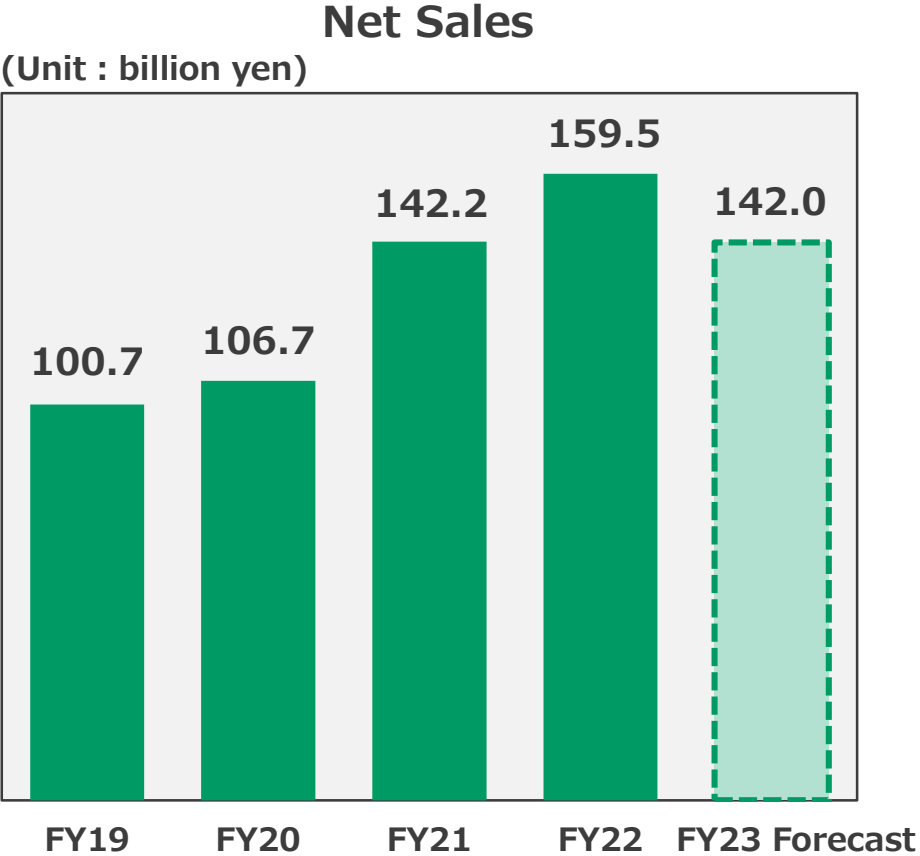
(Unit : billion yen)



# Earnings Forecasts

FY23	Net Sales	Operating Income	Operating Income Margin
Full-year Forecast	142.0 billion yen (－17.5)	14.5 billion yen (－6.7)	10.2% (－3.1)

( ) YoY





# Earnings Forecasts

(Unit : billion yen)

		FY22 Actual	FY23 Forecasts				
			1H Forecast	2H Forecast	Full-year Forecast	YoY Amount Change	YoY % Change
Net Sales	Total	159.5	66.5	75.5	142.0	– 17.5	– 11%
	Automatic Machinery	15.6	6.5	10.5	17.0	+ 1.4	+ 9%
	Components	143.9	60.0	65.0	125.0	– 18.9	– 13%
Operating Income (Operating Income Margin)		21.2 (13.3%)	6.3 (9.5%)	8.2 (10.8%)	14.5 (10.2%)	– 6.7	– 32%
	Automatic Machinery (Segment Income Margin)	2.0 (12.9%)	0.6 (8.5%)	1.4 (13.8%)	2.0 (11.8%)	– 0.0	– 0%
	Components (Segment Income Margin)	23.7 (16.5%)	7.9 (13.2%)	9.1 (13.9%)	17.0 (13.6%)	– 6.7	– 28%
Ordinary Income		21.2	6.3	8.2	14.5	– 6.7	– 32%
Net Income		14.8	4.3	5.7	10.0	– 4.8	– 32%

\*Estimated Exchange rate : 130 JPY/USD

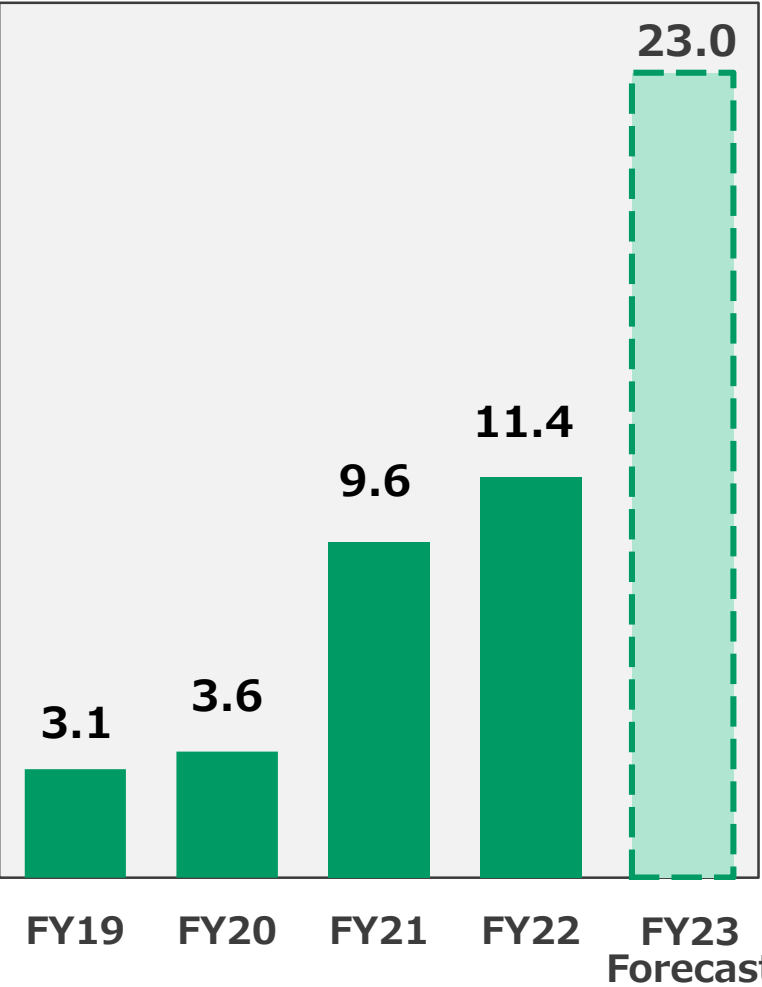
# Investments



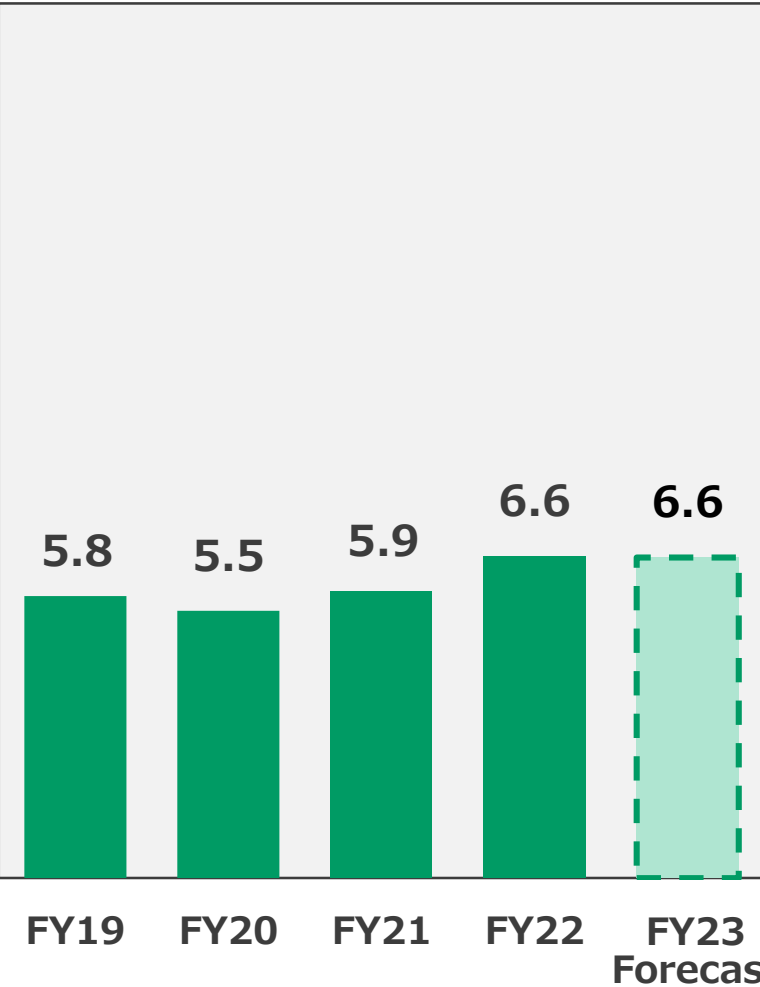
# Investments

(Unit : billion yen)

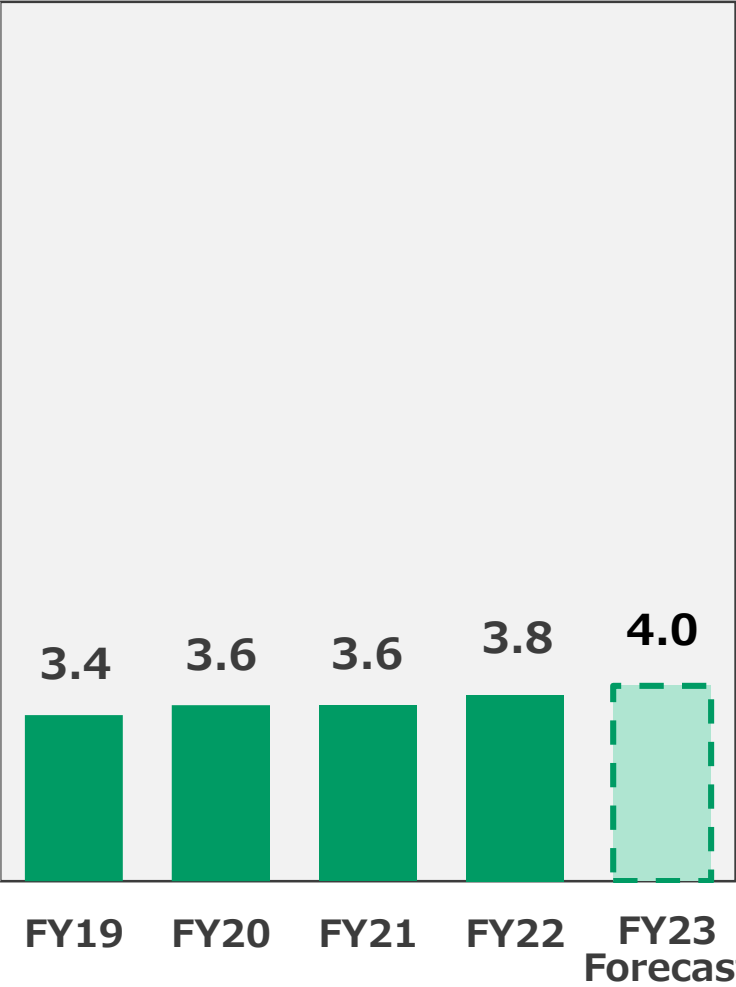
Capital Investment



Depreciation



R&D Investment



# Shareholders Return

## ■ Dividends

- The year-end dividend for FY2022 47 yen



# Dividends

FY2022 Dividends

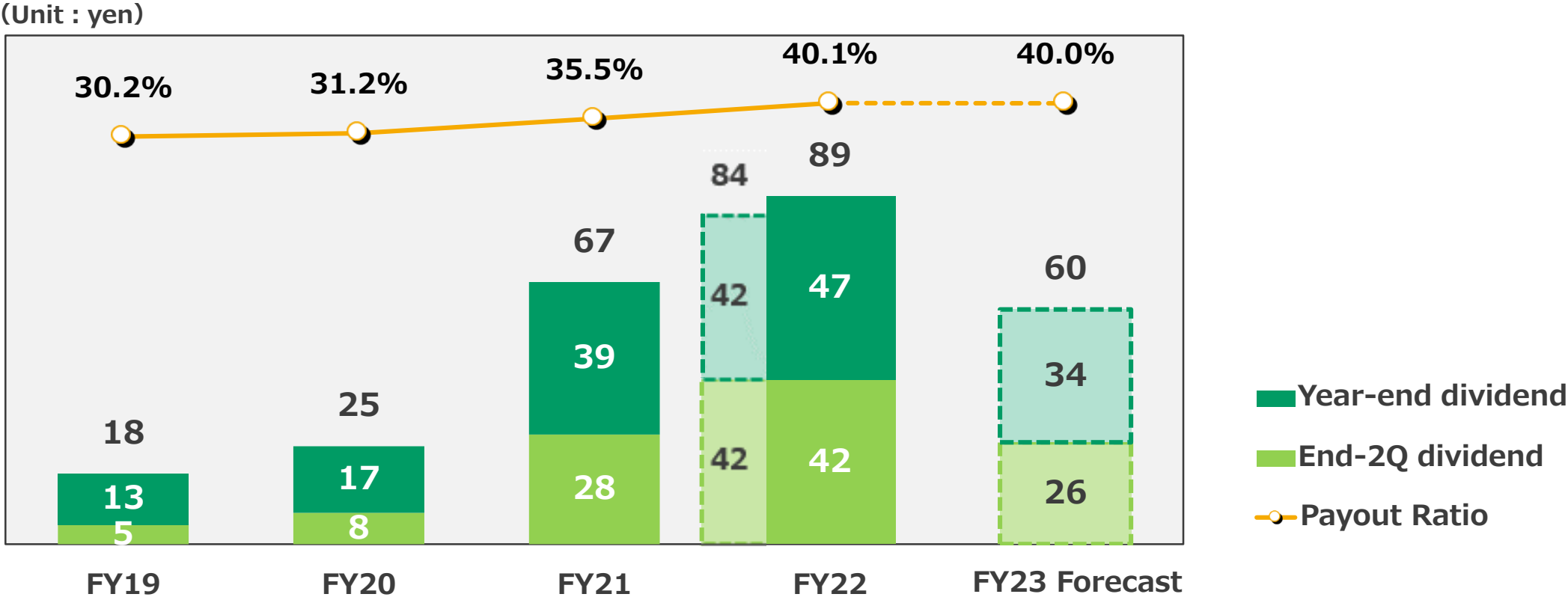
Year-end dividend 47 yen / share

Total dividend 3.136 billion yen

Forecast for FY2023 Dividends

End-2Q dividend 26 yen / share

Year-end dividend 34 yen / share



# Status of “Exciting CKD 2025” Medium-Term Management Plan

- Industries, Businesses and Regions of Focus
- Investment for Growth
- ESG for Sustainable Growth

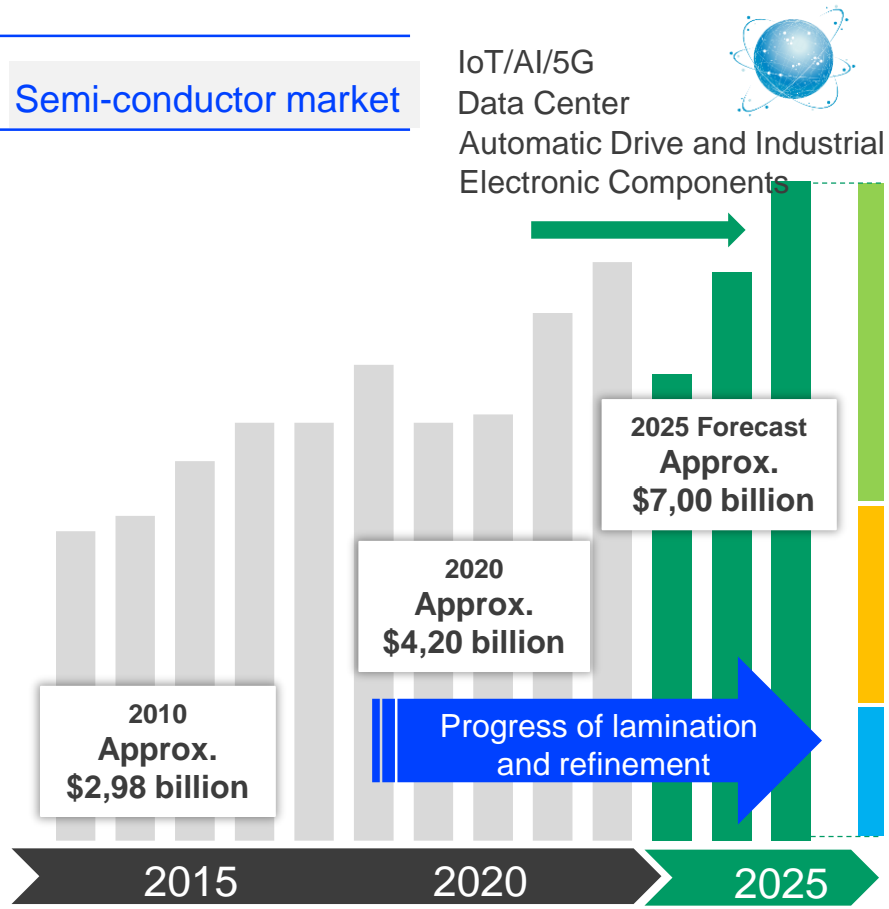


# Industries of Focus **Semi-conductors**

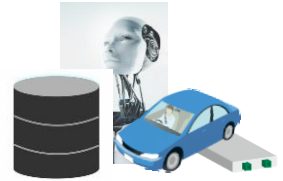
Increased production capacity to meet evolving semiconductor manufacturing processes and growing demand



## Semi-conductor market



\* CKD Summary  
\* The graph is an image



**logic (control)**

- CPU (processor)
- GPU (image depiction)
- SoC (integrated circuit)

**Memory (storage)**

- DRAM (volatile)
- NAND (not volatile)

**Other**

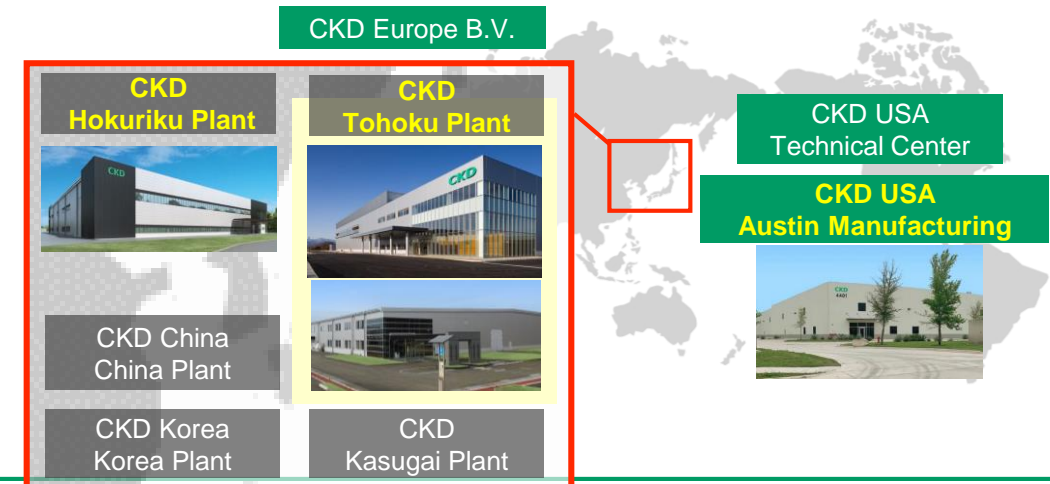
- Power semiconductor
- Analog LSI
- Image sensor (CMOS) etc.

## Accelerate response to technical issues in cutting-edge processes

- Dedicated sales staff • Technical solution proposal
- Development of cutting-edge process components • Adoption



## Development of a global follow-up system

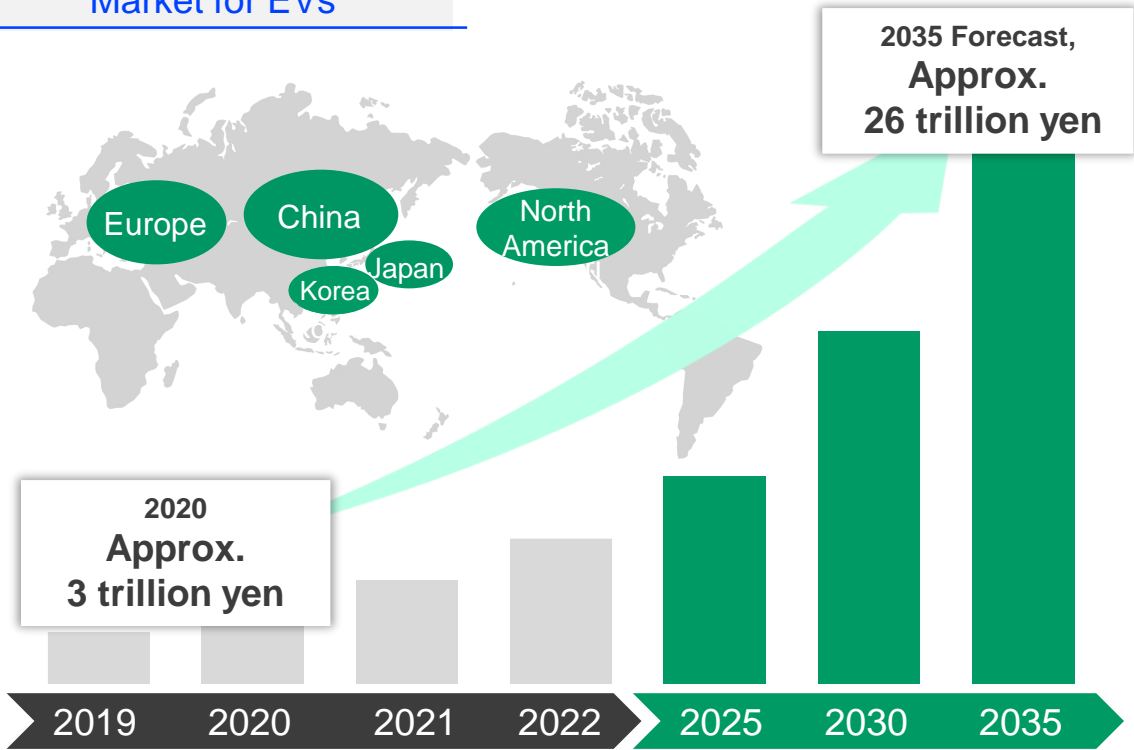


# Industries of Focus Batteries

Responding to manufacturing needs for improved productivity and stable operation in the growing battery industry



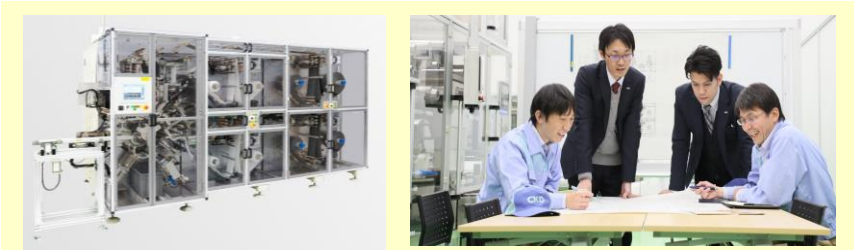
## Rechargeable Batteries Market for EVs



\* CKD Summary  
\* The graph is an image

## Lithium-ion battery winding machine

- Responding to expanding demand, ultra-high-speed winding machines contribute to improved productivity



## Rechargeable battery manufacturing process components

- With more than 100 models, the product lineup supports the manufacturing environment for each device
- Long service life component contributes to stable operation of equipment

Workpiece top  
Material limitations for sliding parts

Workpiece most recent  
Material limitations for all parts Dust generation: 1/5 or less

Workpiece bottom  
Material limitations for sliding parts

\* Compared with our standard cylinder

材料制限  
安定稼働  
ドライ環境  
発塵対応



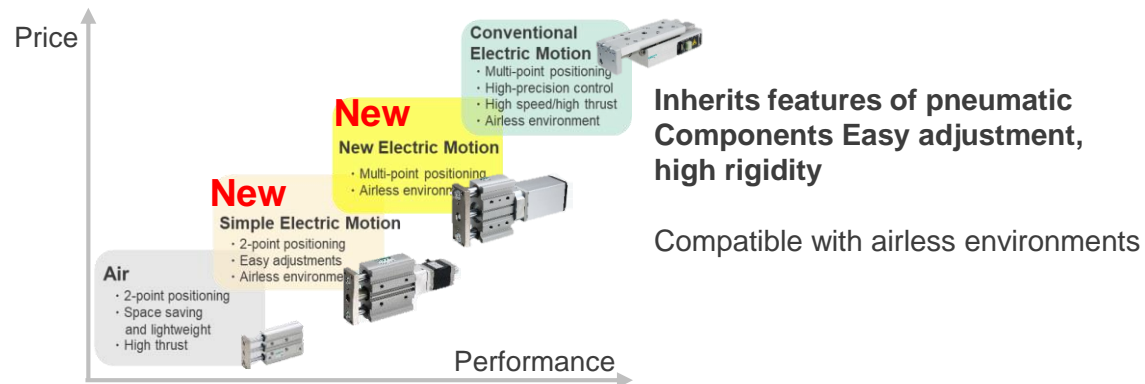
# Businesses of Focus **Electric Motion Business**

Providing solutions that combine pneumatic and electric motion components, and software



## Expanding variations of electric motion products

- Simple electric motion/new electric motion 14 models released



- Full lineup of Environment-Resistant 4 Series

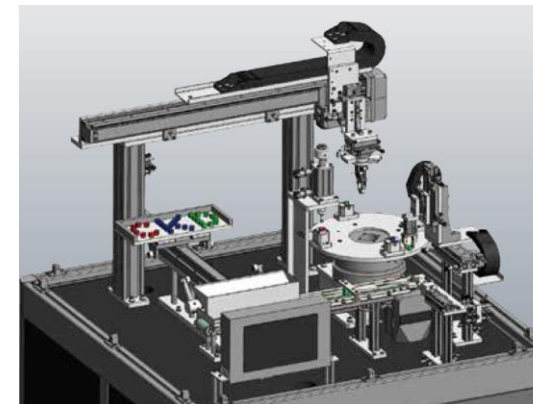


Supports diversification of working environments

- Dust
- Low dust generation
- Rechargeable battery manufacturing process
- Food manufacturing process

## Best mix proposal of both Air and Electric Motion

- Use in each manufacturing process



- Handling
- Conveyance
- Clamping
- Press fitting
- Oscillations



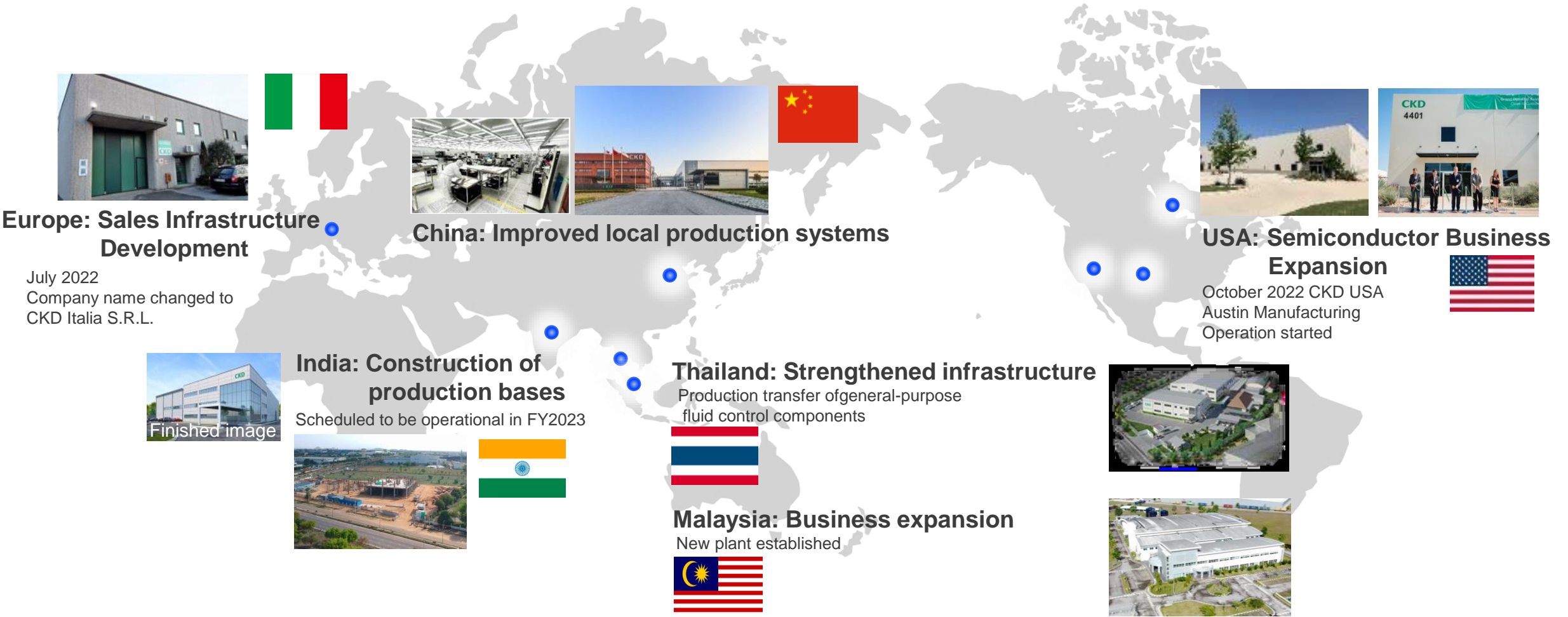
- Can be combined with software products





# Regions of Focus Overseas Markets

Strengthened US, Europe, India and ASEAN support





# Regions of Focus Overseas Markets

Established a new base in Malaysia for component products in anticipation of growing demand in the ASEAN region



Site area : approx. 87,400 m<sup>2</sup>

Building area: approx. 15,800 m<sup>2</sup>



Real estate acquisition period : May 2023

(after approval by local competent authorities)

Total investment : approx. 4 billion yen

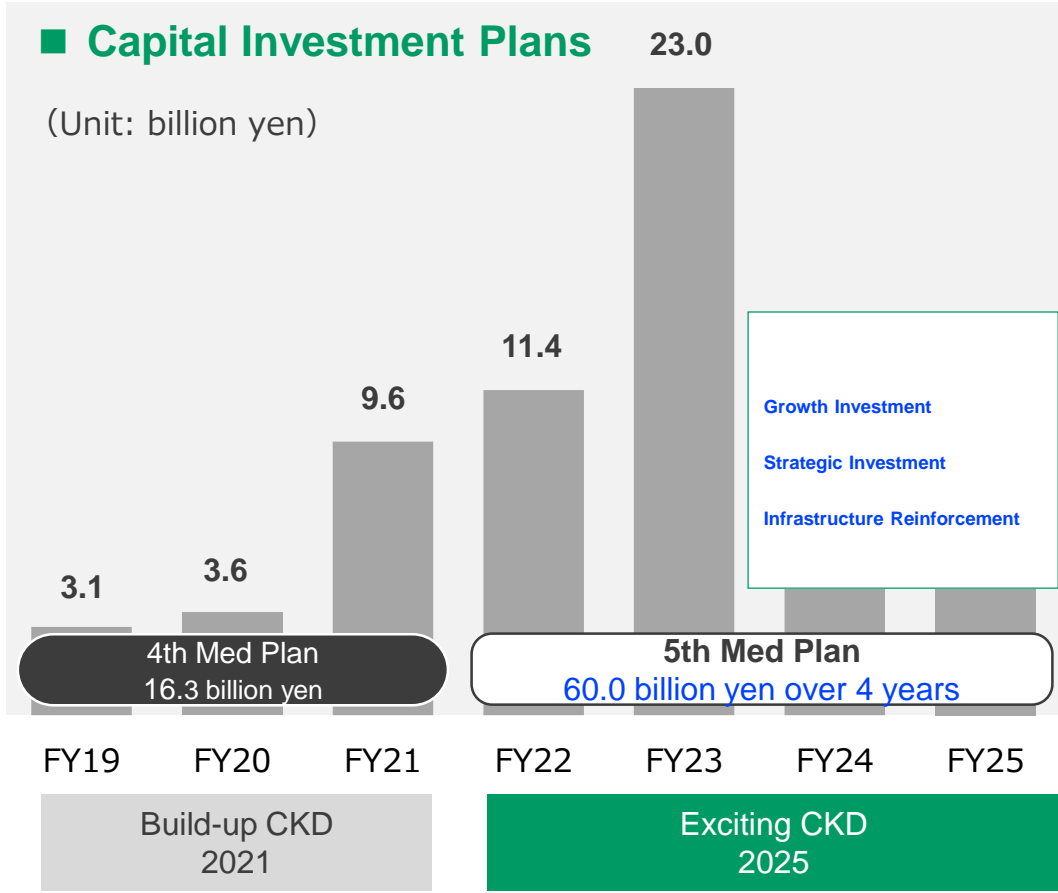
Scheduled operation : End of 2024

Location: Lot H.S (D) 70252, PT 2489, Jalan Hi-Tech 11,  
Industrial Zone Phase 3, Kulim Hi-Tech Park,  
09000 Kulim, Kedah, Malaysia

# Investing for Growth

Using the cash generated, we are investing in growth and strengthening our business infrastructure ahead of schedule

Focus Areas	
Growth Investment and Strategic Investment	Japan Investment: Increase of production capacity in the semiconductor, rechargeable battery industries, and electric motion components Overseas Investment: Production start-up and capacity expansion in Europe, USA and India
	Alliance, M&A, New Businesses, and Business Restructuring to expand business
Strengthening of infrastructure	Strengthen our development capabilities and the next generation of digital and global human resources
	Business model transformation, strengthening of core systems in Japan and overseas, and strengthening of security
	Solar power generation facilities, cogeneration facilities, introduction of energy saving components, carbon neutral offsets
	Upgrade to the latest equipment for improved productivity



# ESG for Sustainable Growth

Steadily promote initiatives toward targets of non-financial qualitative indicators

■ Non-Financial Qualitative Index

Creation values	key Theme	Goals	Main Initiatives and Achievements
Environment	Response to Climate Change	CO2 emission reduction: FY2030: 50% reduction (Per unit of sales target: compared to FY2013) FY2050: Virtually Zero	<ul style="list-style-type: none"> <li>Reduction of CO2 emissions: 50% reduction in FY2030 with an additional target for total emissions (compared to FY2022)</li> <li>June 2022: Endorsement of TCFD recommendations and disclosure of response</li> </ul>
		Endorsement of TCFD recommendations, consideration of Scope3 adoption	
		Promotion of environmental investment (solar power generation system, green power)	
	Resource recycling and waste	Reduction of water consumption and waste emissions	
Society	Active participation of diverse human resources	Female manager ratio: FY2030: 10% or more	<ul style="list-style-type: none"> <li>Female manager ratio: 4.0% at the end of FY2022</li> <li>Revision of the senior personnel system</li> <li>Employment of people with disabilities at “Waku Happiness Farm”</li> </ul>
		Promotion of the contributions by senior employees	
		Diversification of work patterns for employment of persons with disabilities	
	Employee engagement	Promotion of health and productivity management, average paid holiday utilization rate: 65% or more	<ul style="list-style-type: none"> <li>Recognized as a "Corporation of Excellence in Health Management 2023" (Large Corporation Category)</li> <li>Paid holiday utilization rate: 75.7%</li> <li>"Kurumin" certification</li> </ul>
		Promotion of Occupational Safety and Health Activities	
		Expansion of training and skill acquisition support programs	
	Respect for human rights	Implementation of human rights due diligence	<ul style="list-style-type: none"> <li>Introduction of the Innovator Challenge System</li> </ul>
Governance	Strengthening Group Administration and Risk Management	Risk Management, Compliance and Sustainability Strengthen monitoring by each committee	<ul style="list-style-type: none"> <li>Ratio of independent outside directors: 50%</li> <li>Introduction of Corporate Officer System</li> </ul>
	Corporate governance	Optimal Board of Directors structure to achieve management plan	

# ESG for Sustainable Growth

## Promoting efforts toward the realization of a sustainable society

Selected as a constituent of  
“FTSE Blossom Japan Sector  
Relative Index”



FTSE Blossom Japan Sector  
Relative Index

First  
selection

Employment of Disabled People  
at "Waku Happiness  
Farm"

Hiring people with  
disabilities on farms



### Support for TCFD

We announced our support for the TCFD. Endeavors to disclose Information and promote initiatives in accordance with recommendations were made.



### "Kurumin" certification

Recognized by the Ministry of Health, Labor and Welfare as a company with a high level of commitment to childcare support



Initial  
Certification

### Recognized as a "Corporation of Excellence in Health Management 2023"

Certified by the Ministry of Economy, Trade and Industry as a company committed to health promotion



4 consecutive years  
of recognition

2023

2022

2019

2017

2016

2011

Nursery receives "Kids' Design Award"



Recognized as an "Aichi Brand Company"



Recognized as an Aichi Women's Brilliance Company



Registered as "Aichi Family-Friendly Company"



# "Corporate Purpose" and "Brand Slogan"





# Enactment of "Corporate Purpose" and "Brand Slogan"

April 2023: Celebrating our 80th anniversary, we have revised our current "Corporate Philosophy" to "Corporate Purpose" and our "Corporate Statement" to "Brand Slogan"

## [Corporate Purpose]

**We will continue to explore and co-create automation technologies to cultivate a healthy global environment and a prosperous future.**

## [Brand Slogan]

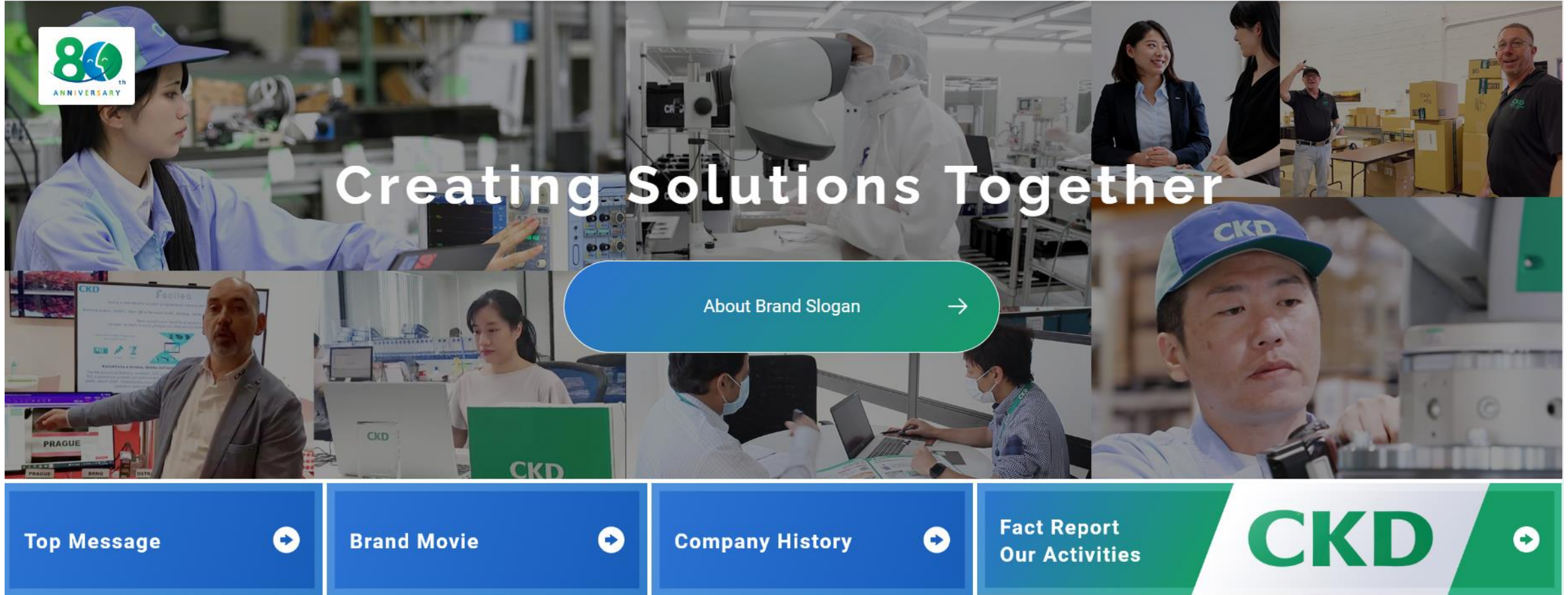
**Creating Solutions Together**

## New Principles Framework



# Launch of a special website

We would like to introduce our thoughts and activities included in our brand slogan



[URL] <https://www.ckd.co.jp/brand/en/>



ANNIVERSARY



[Precautions for handling materials]

#### Precautions Concerning Forward-Looking Statements

The earnings forecasts and forward-looking statements described in this document are forecasts judged by CKD based on information currently available, and include potential risks and uncertainties. Therefore, please be aware that due to changes in various factors, actual business performance may differ significantly from the stated forward-looking statements.

#### Handling of numbers

The amount listed is rounded to the nearest unit, and percentages are rounded to the nearest yen, so the total of the breakdown may not equal the total.