

# Financial Results for the 2nd Quarter of FY2022 ending March 31, 2023

November 11, 2022

CKD Corporation

Securities code 6407

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## **Financial Results for the 2nd Quarter of FY2022 ending March 31, 2023**

- **Summary of Financial Results**
- **Investments**
- **Shareholders Return**
- **Status of Growth Efforts**

# Summary of Financial Results

## ■ Results

- YoY increases in net sales and income

## ■ Earnings Forecasts

- Revise upward the initial forecast announced on May 13, 2022



# Management Results

(Unit : billion yen)

		1H FY22 Forecasts	1H FY22 Actual	Change	1H FY21 Actual	YoY	
						Amount change	% change
Net Sales	Total	72.5	80.2	+ 7.7	67.8	+ 12.4	+ 18%
	Automatic Machinery	7.5	7.9	+ 0.4	7.2	+ 0.6	+ 8%
	Components	65.0	72.4	+ 7.4	60.6	+ 11.8	+ 19%
Operating Income (Operating Income Margin)		9.2 ( 12.7%)	10.2 ( 12.7%)	+ 1.0	8.6 ( 12.7%)	+ 1.6	+ 19%
Ordinary Income		9.2	10.2	+ 1.0	8.7	+ 1.6	+ 18%
Net Income		6.5	7.0	+ 0.5	6.1	+ 1.0	+ 16%

# Financial Status

(Unit : billion yen)

	End March 2022	End September 2022	YoY	
			Amount change	% change
Current assets	116.2	123.4	+ 7.2	+ 6%
Fixed assets	56.3	57.9	+ 1.6	+ 3%
Total assets	172.5	181.3	+ 8.8	+ 5%
Current liabilities	53.5	56.4	+ 2.9	+ 5%
Fixed liabilities	9.4	9.4	– 0.0	– 0%
Total liabilities	62.9	65.8	+ 2.9	+ 5%
Total net assets	109.6	115.5	+ 5.9	+ 5%
Equity ratio	63.5%	63.7%	–	+ 0.2%

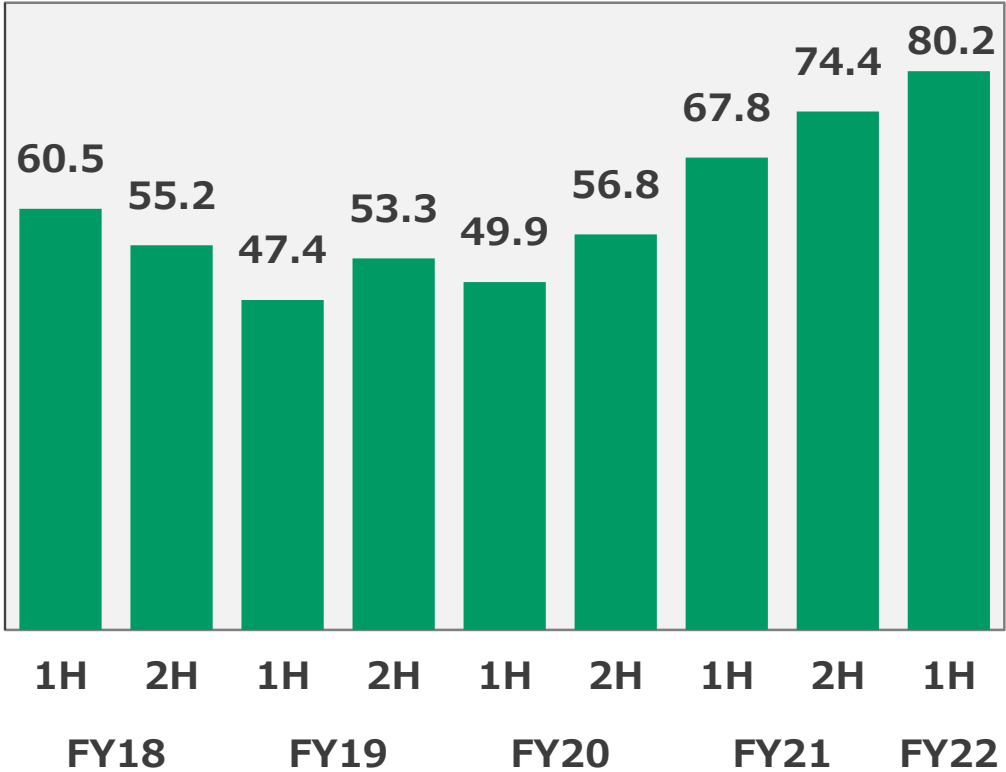
# Consolidated Performance

FY22	Net Sales	Operating Income	Operating Income Margin
1H Actual	80.2 billion yen (+12.4)	10.2 billion yen (+1.6)	12.7% (+0.0)

( ) YoY

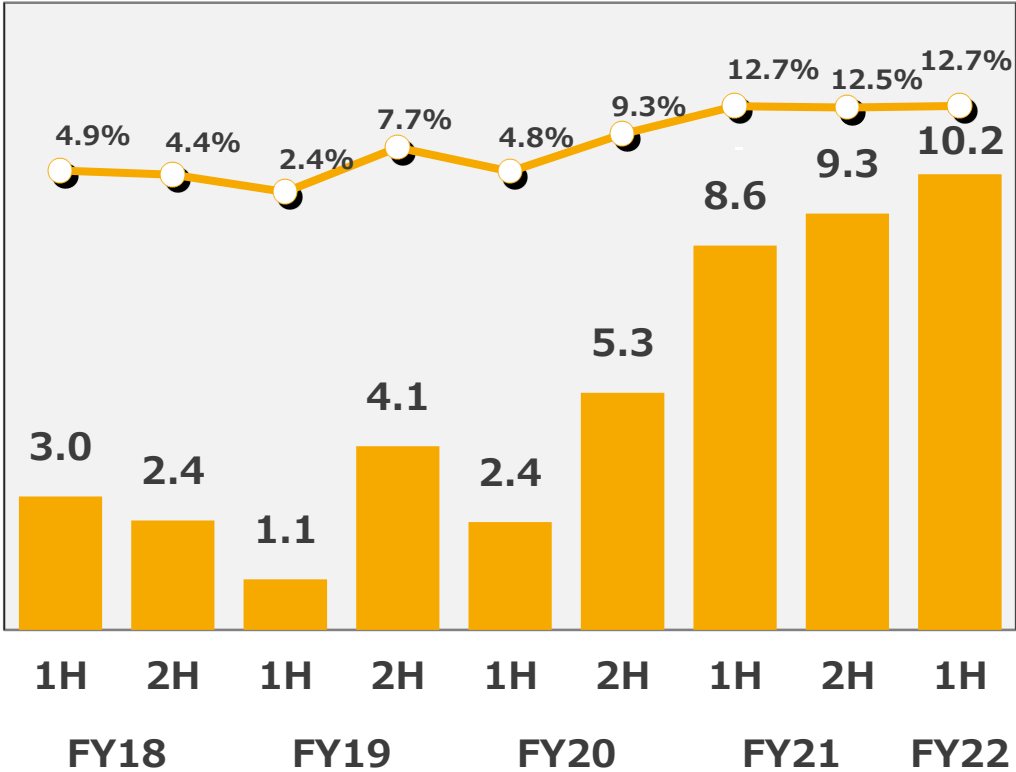
Net Sales

(Unit : billion yen)

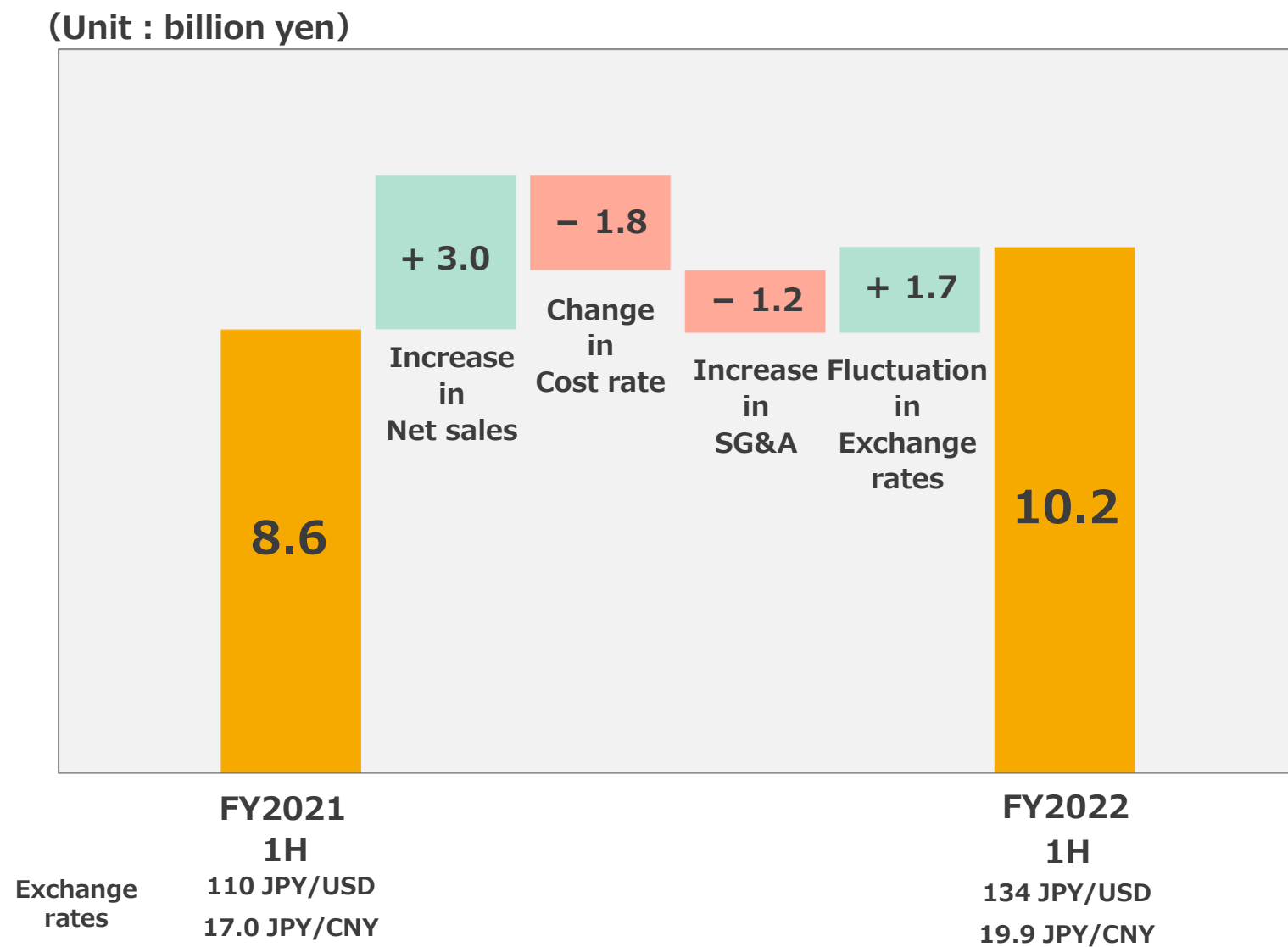


Operating Income / Operating Margin

(Unit : billion yen)



# Analysis of Operating Income

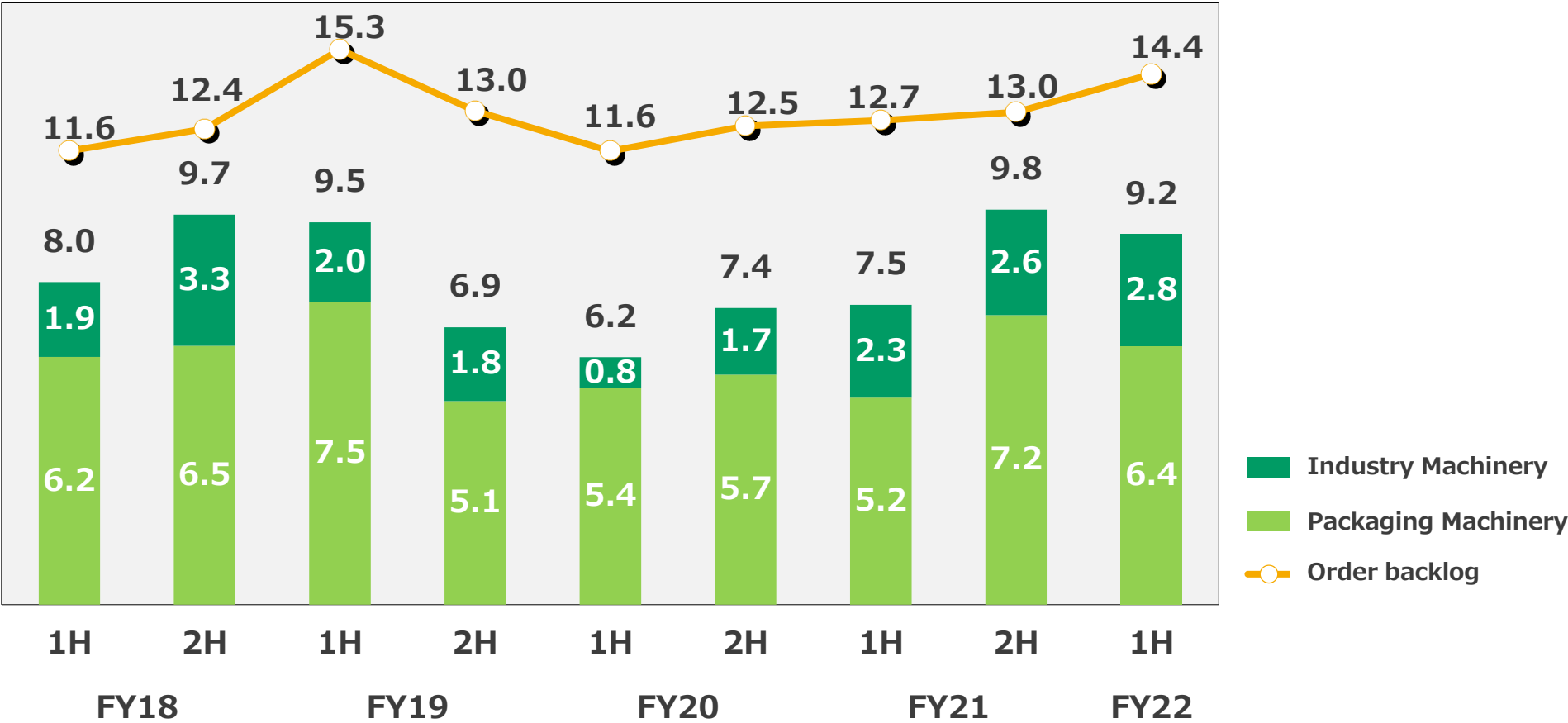


# Automatic Machinery Orders

FY22	Orders
1H Actual	9.2 billion yen (+1.8)

( ) YoY

(Unit : billion yen)





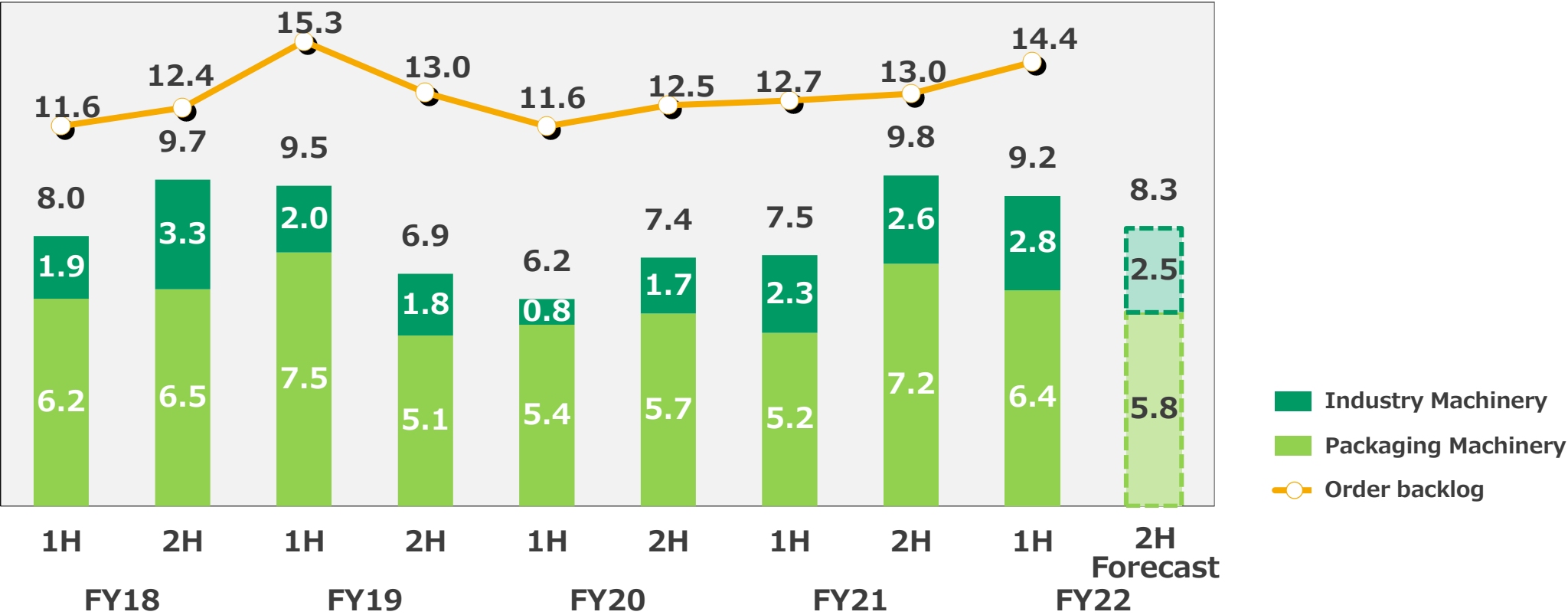
# Automatic Machinery Forecast of Orders

(announced on May 13, 2022 has been revised)

FY22	Orders
2H Forecast	8.3 billion yen (– 1.5)
Full – year Forecast	17.5 billion yen (+0.3)

( ) YoY

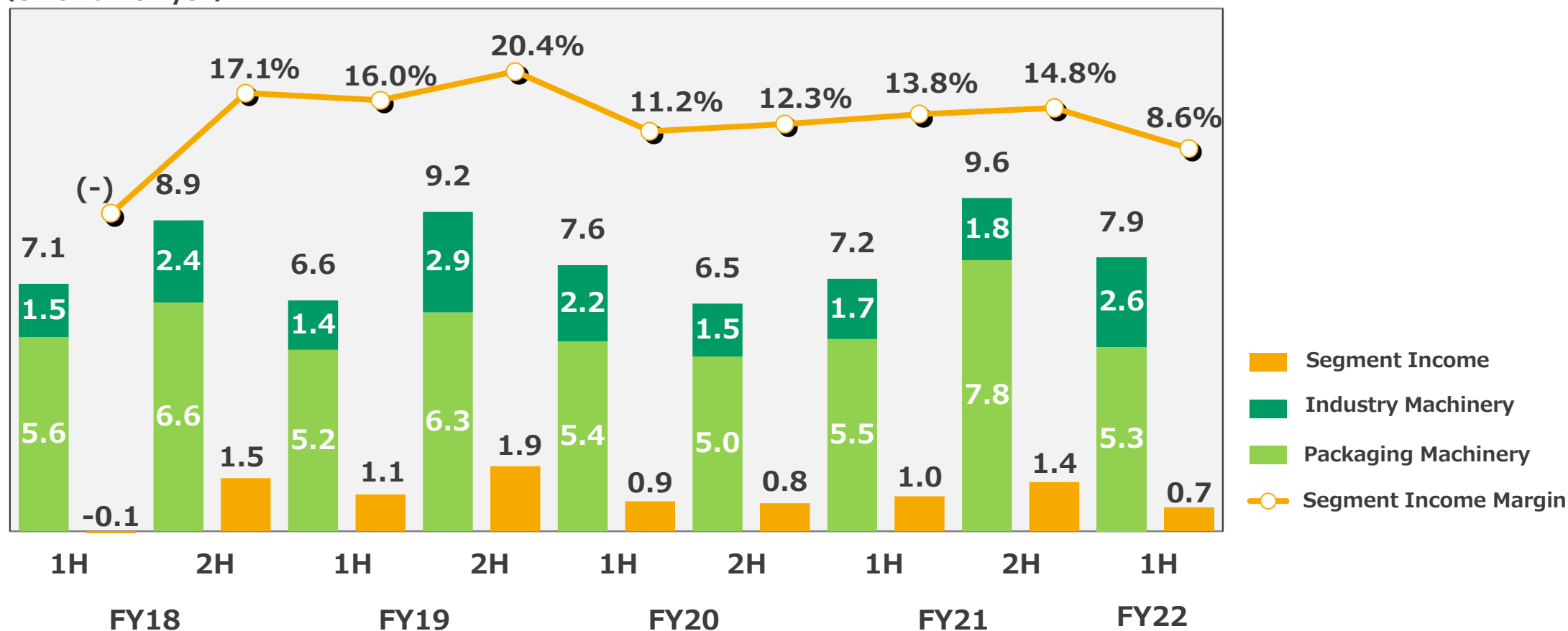
(Unit : billion yen)



# Automatic Machinery Achievement Changes

FY22	Net Sales	Segment Income	Segment Income Margin	( ) YoY
1H Actual	7.9billion yen (+0.6)	0.7 billion yen (–0.3)	8.6% (–5.2)	

(Unit : billion yen)

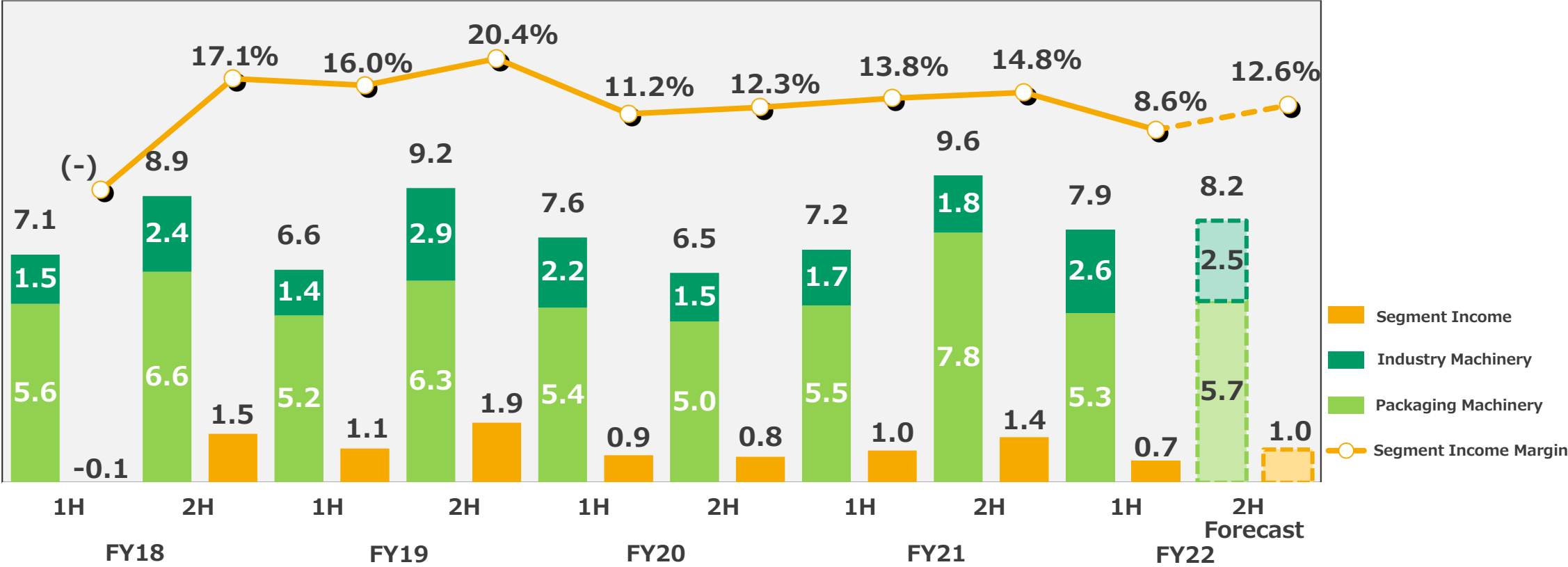


# Automatic Machinery Outlook of Performance

(announced on May 13, 2022 has been revised)

FY22	Net Sales	Segment Income	Segment Income Margin	( ) YoY
2H Forecast	8.2 billion yen ( - 1.4)	1.0 billion yen ( - 0.4)	12.6% ( - 2.2)	
Full-year Forecast	16.0 billion yen ( - 0.8)	1.7 billion yen ( - 0.7)	10.6% ( - 3.8)	

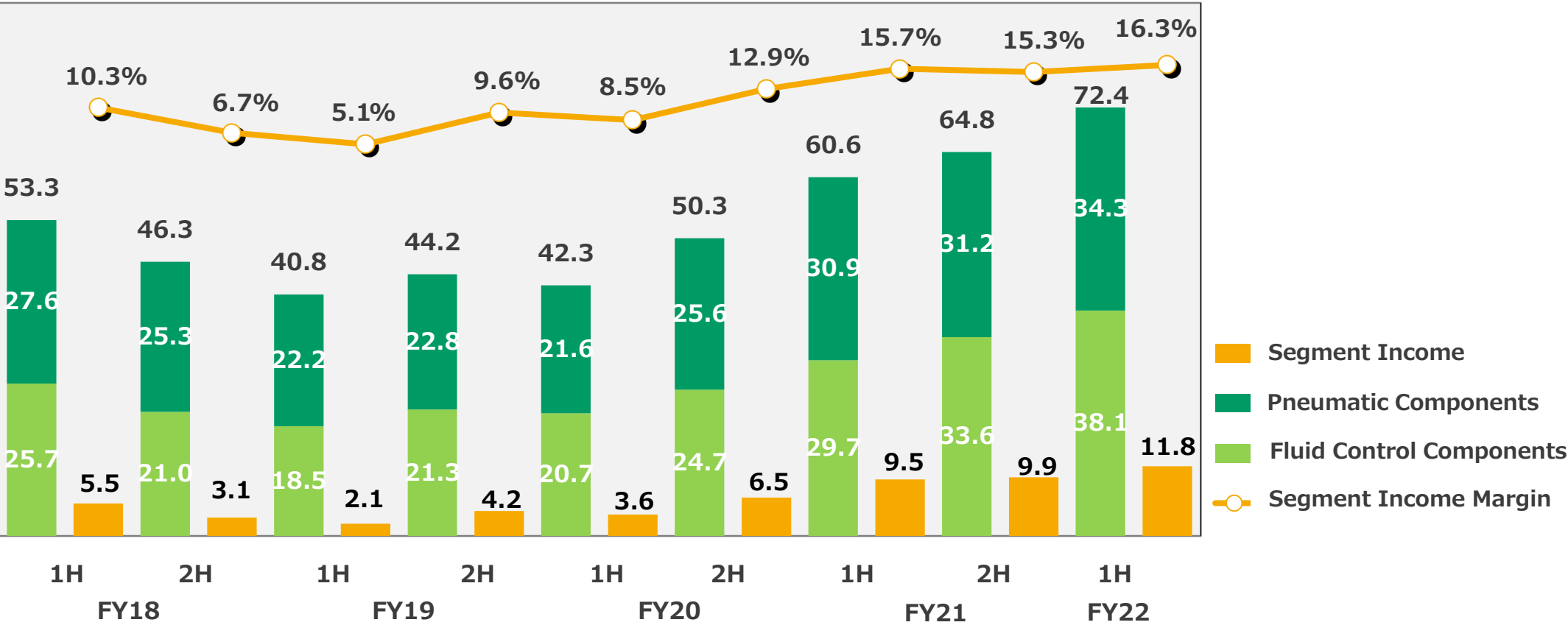
(Unit : billion yen)



# Components Achievement Changes

FY22	Net Sales	Segment Income	Segment Income Margin	( ) YoY
1H Actual	72.4 billion yen (+11.8)	11.8 billion yen (+2.2)	16.3% (+0.5)	








(Unit : billion yen)






# Components 1H FY2022 Actual by Market

\*YoY change

(Unit:%)

Main Industries in <b>Japan</b>	1Q Forecast (May 13)	2Q Forecast (Aug 10)	1Q Actual	2Q Actual	1H Actual
Semi-conductor	107		112	121	116
Automobile	105		98	103	100
Machine Tool	106		100	98	99
Medical	104		100	105	102
Flat-panel display (FPD)	95		100	106	103
Rechargeable Battery	110		110	130	120
<b>Total</b>	<b>106</b>		<b>107</b>	<b>116</b>	<b>112</b>















Main Areas <b>Overseas</b>	1Q Forecast (¥120/\$)	2Q Forecast (¥120/\$)	1Q Actual (¥130/\$)	2Q Actual (¥138/\$)	1H Actual (¥134/\$)
East Asia	99		115	140	128
Southeast Asia	101		119	134	126
<b>Total</b> (including Europe and the US)	<b>100</b>		<b>116</b>	<b>137</b>	<b>126</b>

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







# Components 2H FY2022 Prospects by Market



\*YoY change (Based on Net Sales)

(Unit:%)

Main Industries in Japan	1Q Actual	2Q Actual	1H Actual	2H Forecast	1H Comparison
Semi-conductor	112	121	116		
Automobile	98	103	100		
Machine Tool	100	98	99		
Medical	100	105	102		
Flat-panel display (FPD)	100	106	103		
Rechargeable Battery	110	130	120		
Total	107	116	112		

Main Areas Overseas	1Q Actual (¥130/\$)	2Q Actual (¥138/\$)	1H Actual (¥134/\$)	2H Forecast (¥140/\$)	1H Comparison (Including exchange)
East Asia	115	140	128		
Southeast Asia	119	134	126		
Total (including Europe and the US)	116	137	126		

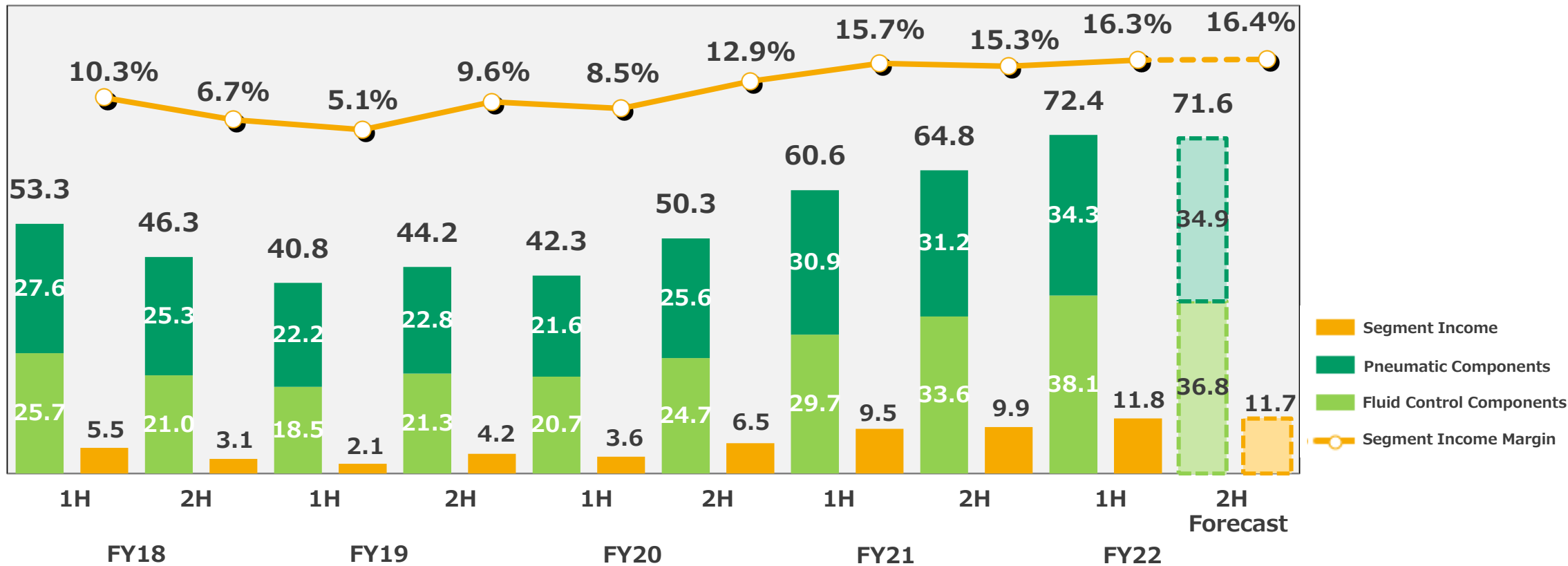
YoY change : (  110~  100~109  90~99  80~89  ~79)

# Components Earnings Forecasts

(announced on May 13, 2022 has been revised)

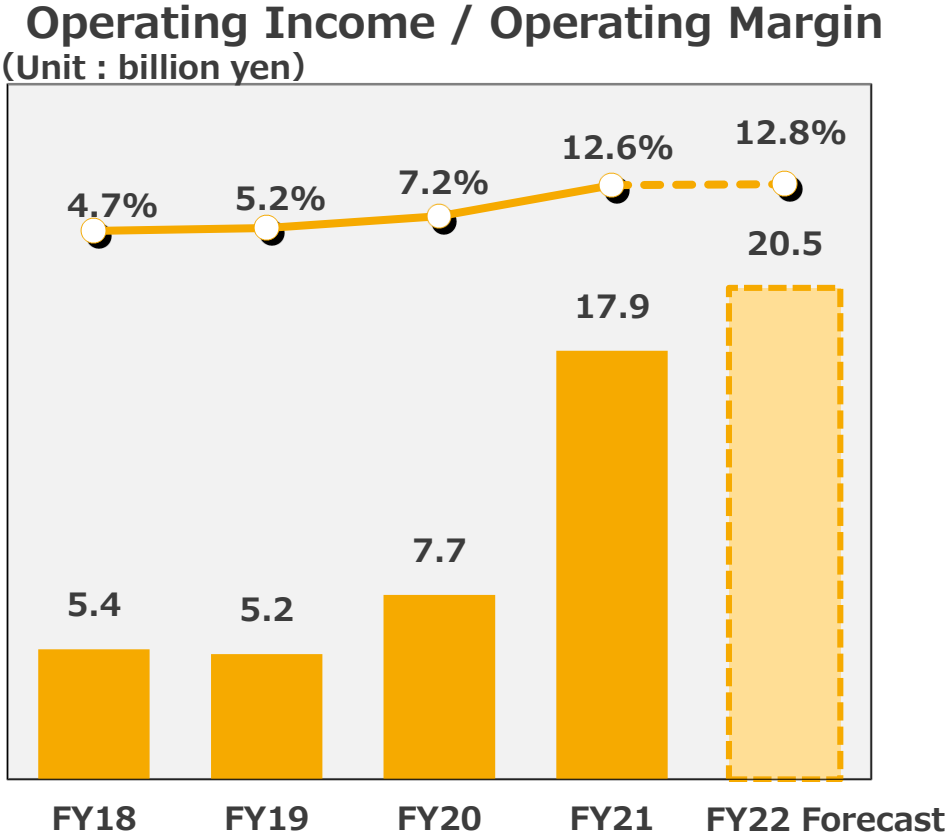
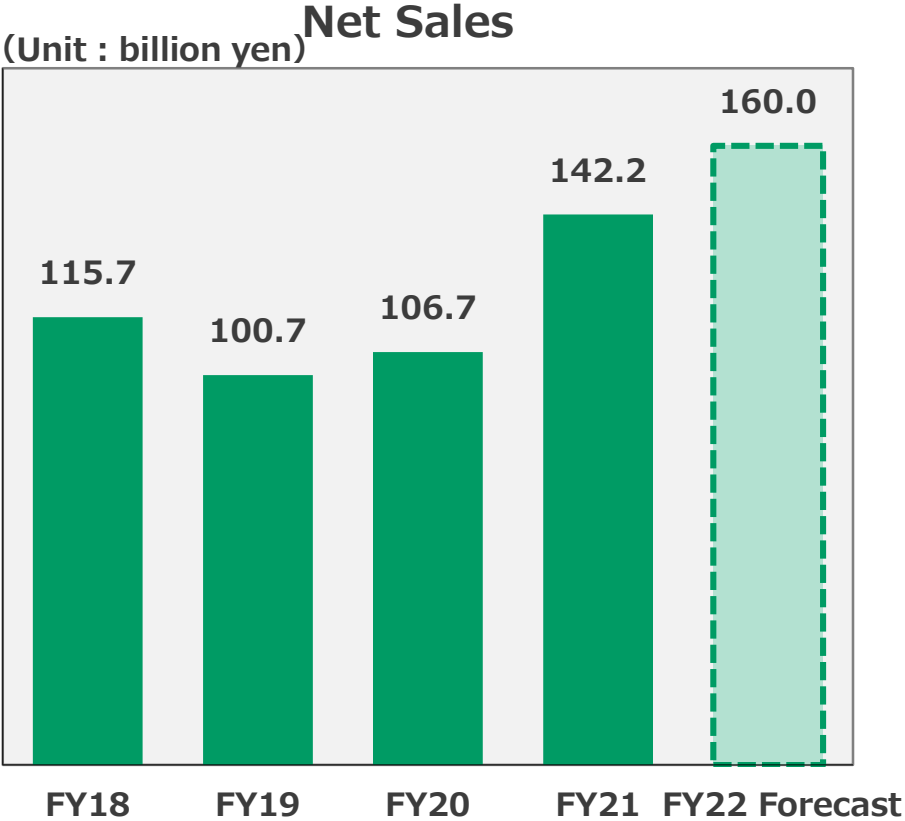
FY22	Net Sales	Segment Income	Segment Income Margin	( ) YoY
2H Forecast	71.6 billion yen (+6.8)	11.7 billion yen (+1.8)	16.4% (+1.1)	
Full-year Forecast	144.0 billion yen (+18.6)	23.5 billion yen (+4.1)	16.3% (+0.8)	

(Unit : billion yen)



# Earnings Forecasts (announced on May 13, 2022 has been revised)

FY22	Net Sales	Operating Income	Operating Income Margin	( ) YoY
Full-year Forecast	160.0 billion yen (+17.8)	20.5 billion yen (+2.6)	12.8% (+0.2)	





# Earnings Forecasts (announced on May 13, 2022 has been revised)

(Unit : billion yen)

		FY21 Actual	FY22 Forecasts (Nov 11)				
			1H Actual	2H Forecast	Full – year Forecast	YoY Amount Change	YoY % Change
Net Sales	Total	142.2	80.2	79.8	160.0	+ 17.8	+ 13%
	Automatic Machinery	16.8	7.9	8.2	16.0	– 0.8	– 5%
	Components	125.4	72.4	71.6	144.0	+ 18.6	+ 15%
Operating Income (Operating Income Margin)		17.9 (12.6%)	10.2 (12.7%)	10.3 (12.9%)	20.5 (12.8%)	+ 2.6	+ 15%
	Automatic Machinery (Segment Income Margin)	2.4 (14.4%)	0.7 (8.6%)	1.0 (12.6%)	1.7 (10.6%)	– 0.7	– 30%
	Components (Segment Income Margin)	19.5 (15.5%)	11.8 (16.3%)	11.7 (16.4%)	23.5 (16.3%)	+ 4.1	+ 21%
Ordinary Income		18.0	10.2	10.3	20.6	+ 2.5	+ 14%
Net Income		12.6	7.0	7.0	14.0	+ 1.4	+ 11%

\*Estimated Exchange rate : 2H 140 JPY/USD    Full year 137 JPY/USD

# Revision of Earnings Forecasts

(Unit : billion yen)

		1H Actual	2H			Full year		
			Initial Forecasts (May 13)	Revised Forecasts (Nov 11)	Change	Initial Forecasts (May 13)	Revised Forecasts (Nov 11)	Change
Net Sales	Total	80.2	73.5	79.8	109%	146.0	160.0	110%
	Automatic Machinery	7.9	8.5	8.2	96%	16.0	16.0	100%
	Components	72.4	65.0	71.6	110%	130.0	144.0	111%
Operating Income		10.2	9.3	10.3	111%	18.5	20.5	111%
Ordinary Income		10.2	9.3	10.3	111%	18.5	20.6	111%
Net Income		7.0	6.5	7.0	107%	13.0	14.0	108%

## Revision in Initial Forecasts (May 13)

Net Sales increased +14.0 billion yen to 160.0 billion yen

Operating income increased +2.0 billion yen to 20.5 billion yen

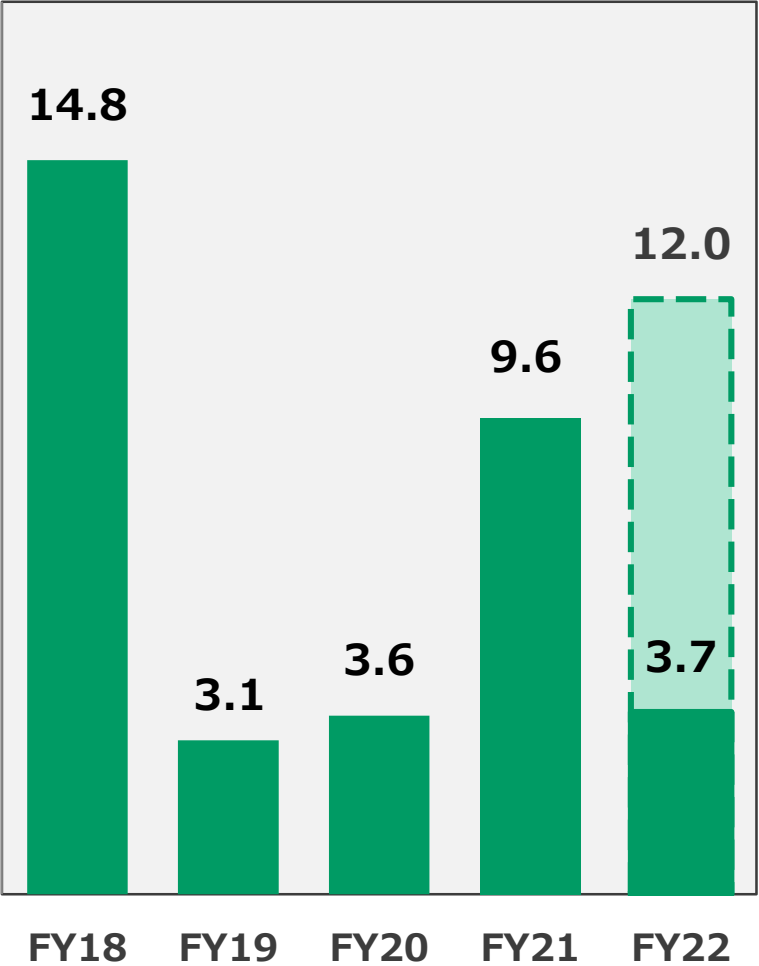
# Investments



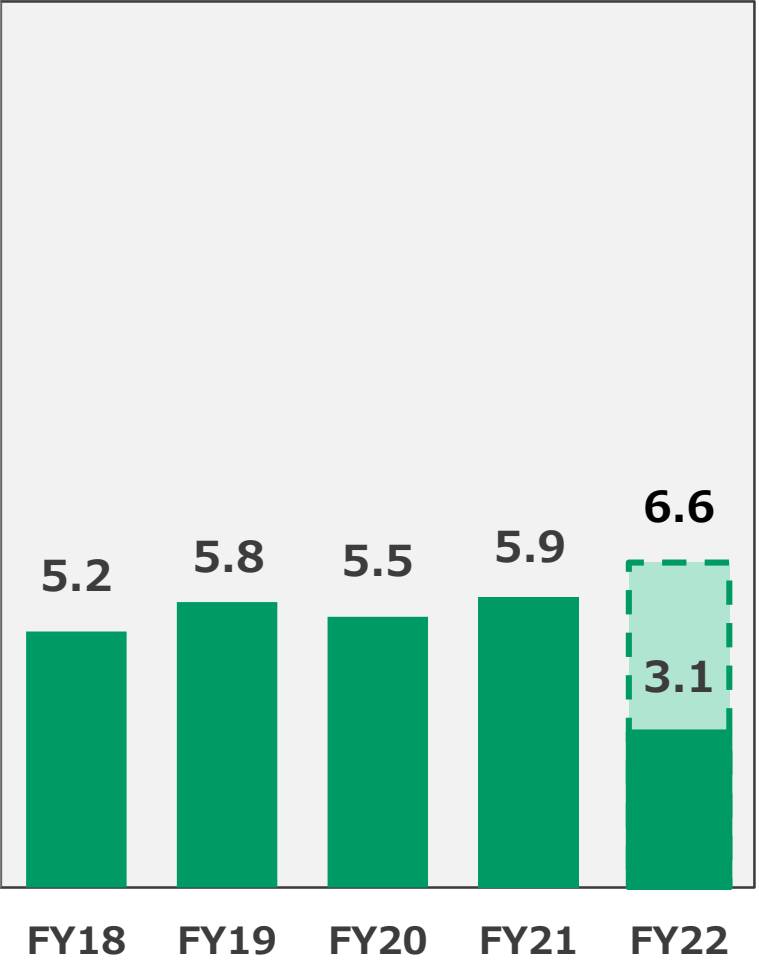
# Investments

(Unit : billion yen)

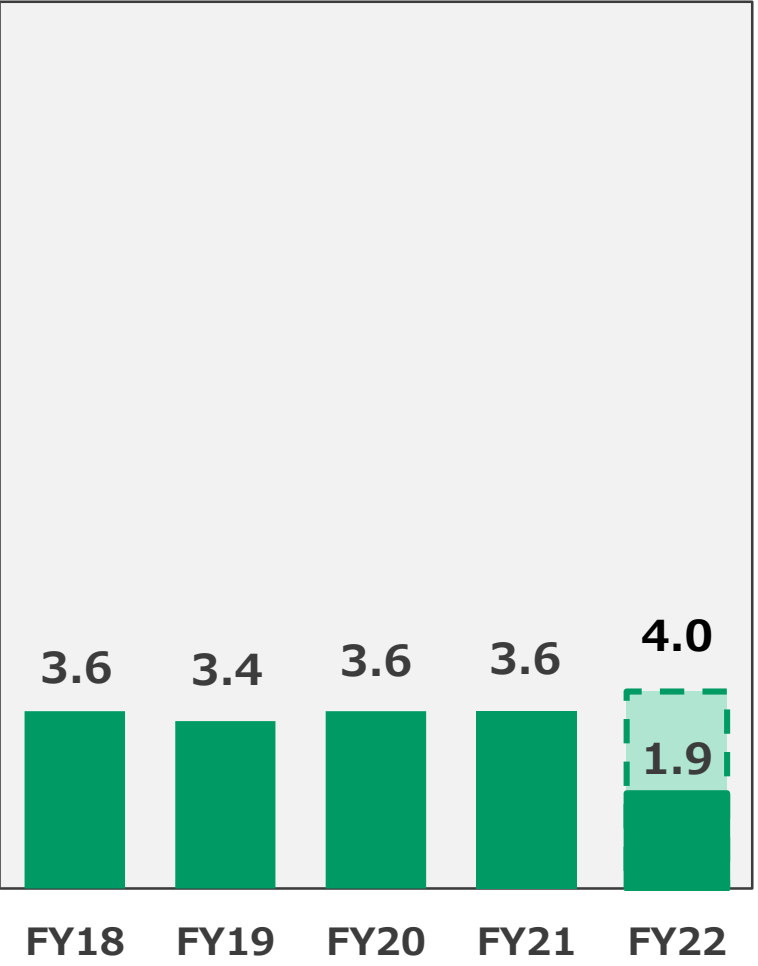
Capital Investment



Depreciation



R&D Investment



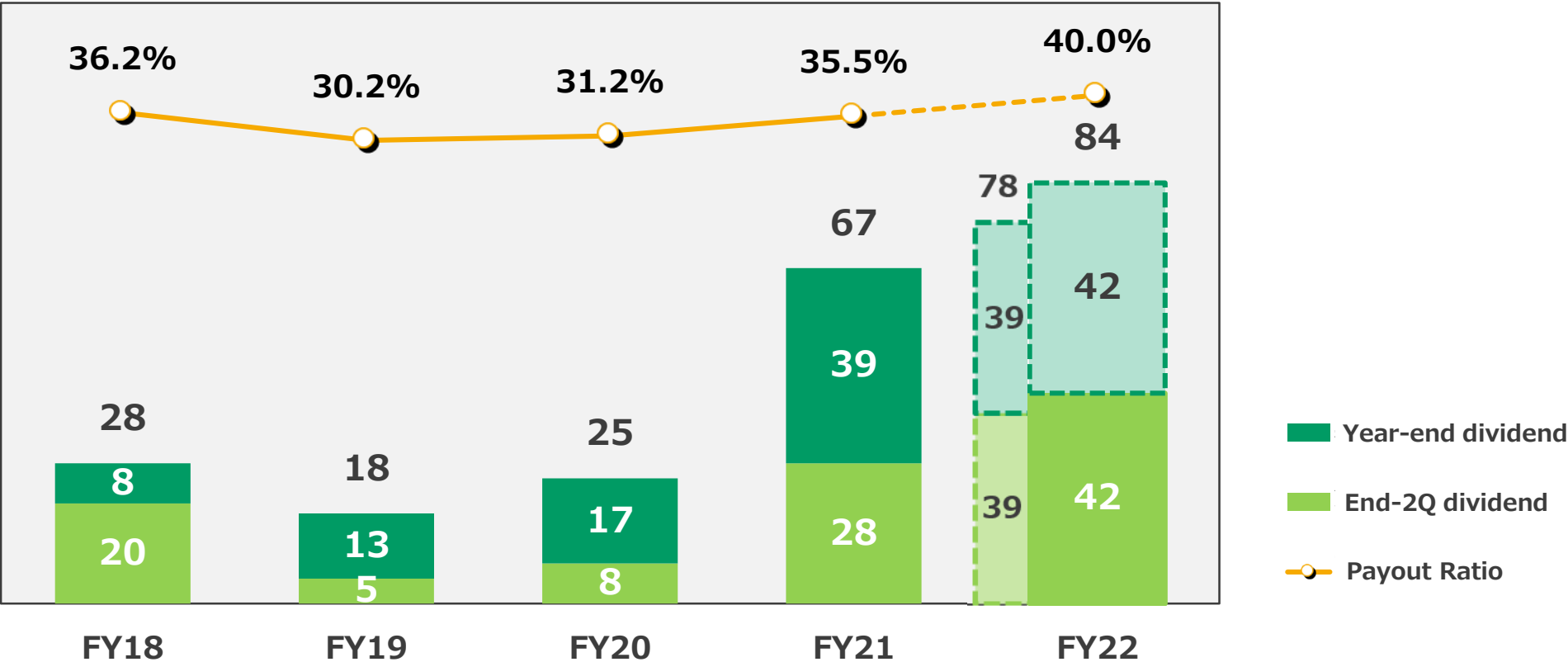
# Shareholders Return



# Dividends

FY2022 Dividends  
End-2Q dividend 42 yen / share

(Unit : yen)



## Status of Growth Efforts

- Industries of Focus: Semi-conductors
- Areas of Focus: Overseas markets
- ESG for Sustainable Growth

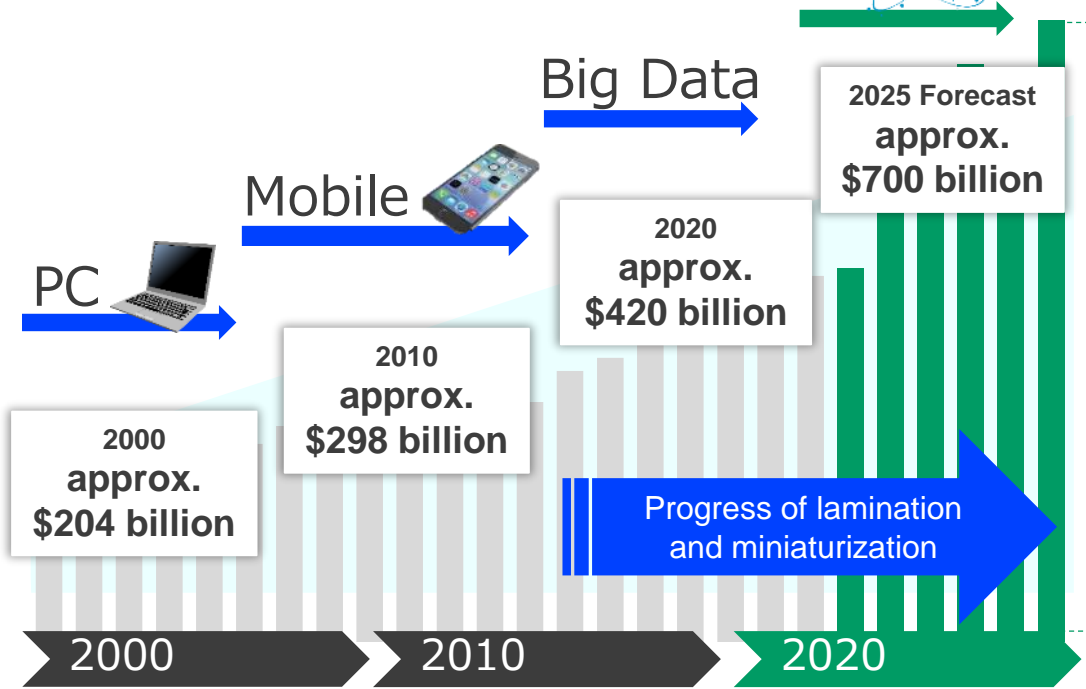


# Industries of Focus: Semi-conductors (1)

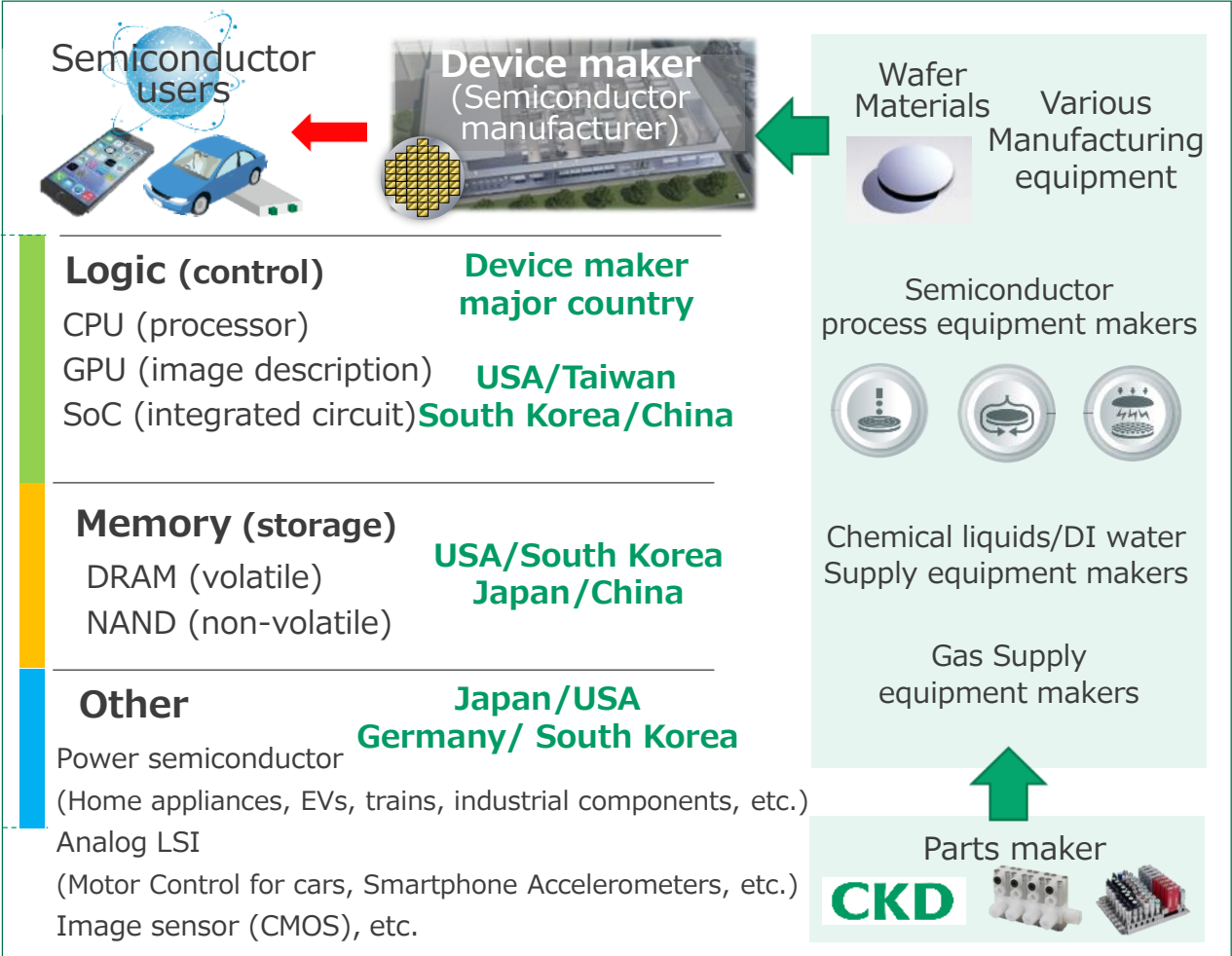
Demand for new semiconductors is expected with the development of digital Technology infrastructures such as IoT, AI, and 5G

## Semi-conductor market

Metaverse  
Autonomous Driving  
(IoT/AI/5G)



\* CKD Summary  
\* Graph is an image





# Industries of Focus: Semi-conductors (2)

Trend toward domestic production in each country, response to increased demand for logic semiconductors and development of advanced semiconductors

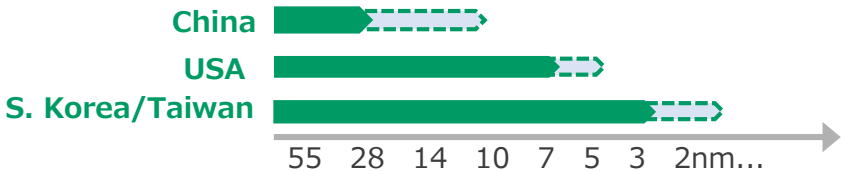
Trends in various countries, including public / private sectors

	Support and strategy	Subsidies	Main contents and trends
	(1)NDAA (2)CHIPS	(1)¥300bn/project (2)\$52.7bn(¥7 tn)	Attracting manufacturing plants and home-production of cutting-edge products
	(1)Semi-Conductor Strategy Committee (2)Semi-conductor Support Act (3)Economic Security Promotion Act	(1)¥800 bn (2)¥476 bn (3) -	Cutting-edge technology research/plant construction support/equipment/parts/R&D support
	K-Semi-Conductor Strategy	₩1 tn (¥120 bn)	Building infrastructure/human resources and promotion of private investment
	European Chips Act	€145.7 bn (¥18 tn)	Attracting manufacturing plants to the region and producing cutting-edge products
	Made in China 2025	500 bn yuan (¥10 tn)	Targeting self-sufficiency rate of 70% and promoting domestic production of industry

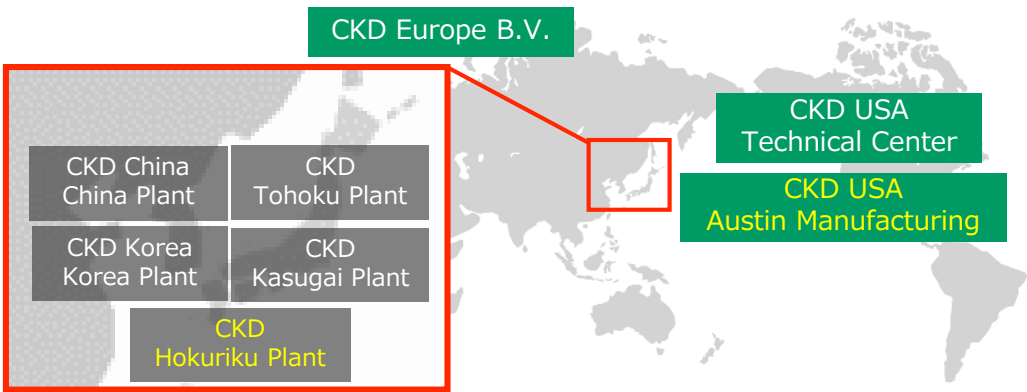
\* Compiled from various sources

## Trend of logic semiconductors

- **High-end and middle-end demand increase**
  - High end: For Smartphone/Data Center/5G
  - Middle end: For EVs, industrial equipment, and home appliances
- **Continued development for advanced semiconductors below 2 nm**



## Establishment of a global follow-up system



# Industries of Focus: Semi-conductors (3)

Establish a production system that meets medium- to long-term demands

## Completed the North America plant

Location: Austin, Texas, USA

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

Building area: 5,000 m<sup>2</sup>

Investment: 1.5 bn yen

Product: **Fluid control components**

Sales plan: 1 bn yen/year in FY2024, 3 years after operation.



Operations start in fall of 2022

### ■ Opening Ceremony

Ceremony to mark the start of operations at the new plant



Opening address



Tape cutting



Breaking open the ceremonial sake barrel

## Hokuriku Plant Construction

Location: Komatsu City,  
Ishikawa Pref.

Land area: 70,000 m<sup>2</sup>

Total floor area: 22,000 m<sup>2</sup>

Investment: 12 bn yen

Product: **Fluid control components**

Sales Plan: 30 bn yen/year in FY2030, 6 years after operation.



Expected operation Spring 2024

### ■ Expansion Declaration

Hase Ishikawa Governor and  
Miyahashi to Komatsu Mayor

Official Representation



At Ishikawa Pref. Gov.



Plant that is friendly to people and  
harmonious with the environment

# Areas of Focus: Overseas markets

## Strengthening of ASEAN and European markets

### Start of construction at India plant

Location: Neemrana, Rajasthan, India

Land area: approx. 14,600 m<sup>2</sup>

Total floor area: approx. 8,500 m<sup>2</sup>

Investment: 800 million yen

Product: Pneumatic components, fluid control components

Sales Plan: 1.5 bn yen/year in FY2027, 5 years after operation.



Expected operation year 2023



#### ■ Jichinsai

Construction started after the Jichinsai ground-breaking ceremony



Hindu Pujah



Ground-breaking



### CKD Italia activities start

Location: Florence, Tuscany, Italy

Subsidiaries: EPSITEC, Italy

Record of sales: 250 million yen (FY2021)

Amount of investment: 140 million yen

Products handled: Pneumatic components, etc.



April 2022: All Shares Acquired

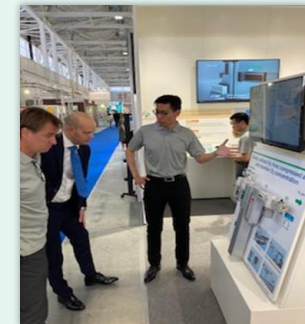


#### ■ Exhibiting at MECSPE

Participated in Industrial Equipment Exhibition in Italy as CKD Italia for the first time



Exhibition booth



Introducing products

# 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 **Initial selection**  
Japan Sector  
Relative Index

### Support for TCFD

We announced our support for the TCFD. Endeavors to disclose Informations and promote initiatives in accord 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



### Recognized as a "Corporation of Excellence in Health Management 2022"

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



### Employment of Disabled People at "Waku Happiness Farm"

Hiring people with disabilities farms



2011

Registered as "Aichi Family-Friendly Company"



2016

Recognized as an Aichi Women's Brilliance Company



2017

Recognized as "Aichi Brand Company"



2019

Received the "Kids' Design Award" at Nursery



2022



[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.