

Financial Results for the 2nd Quarter of FY2023 ending March 31,2024

November 10, 2023

CKD Coporation

Securities code 6407

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- Summary of Financial Results
- Investments
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- Status of Growth Efforts

Summary of Financial Results

■ Results

- YoY decreases in net sales and income

■ Earnings Forecasts

- Revise downward the initial forecast announced on May 12, 2023



Management Results

(Unit : billion yen)

		1H FY23 Forecasts	1H FY23 Actual	Change	1H FY22 Actual	YoY	
						Amount change	% change
Net Sales	Total	66.5	66.5	+ 0	80.2	- 13.7	- 17%
	Automatic Machinery	6.5	7.2	+ 0.7	7.9	- 0.7	- 9%
	Components	60.0	59.4	- 0.6	72.4	- 13.0	- 18%
Operating Income (Operating Income Margin)		6.4 (9.5%)	6.1 (9.1%)	- 0.3	10.2 (12.7%)	- 4.1	- 40%
Ordinary Income		6.4	6.1	- 0.3	10.2	- 4.1	- 41%
Net Income		4.3	4.0	- 0.3	7.0	- 3.1	- 44%

Financial Status

(Unit : billion yen)

	End March 2023	End September 2023	YoY	
			Amount change	% change
Current assets	123.1	128.5	+ 5.5	+ 4%
Fixed assets	62.6	75.3	+ 12.7	+ 20%
Total assets	185.6	203.8	+ 18.2	+ 10%

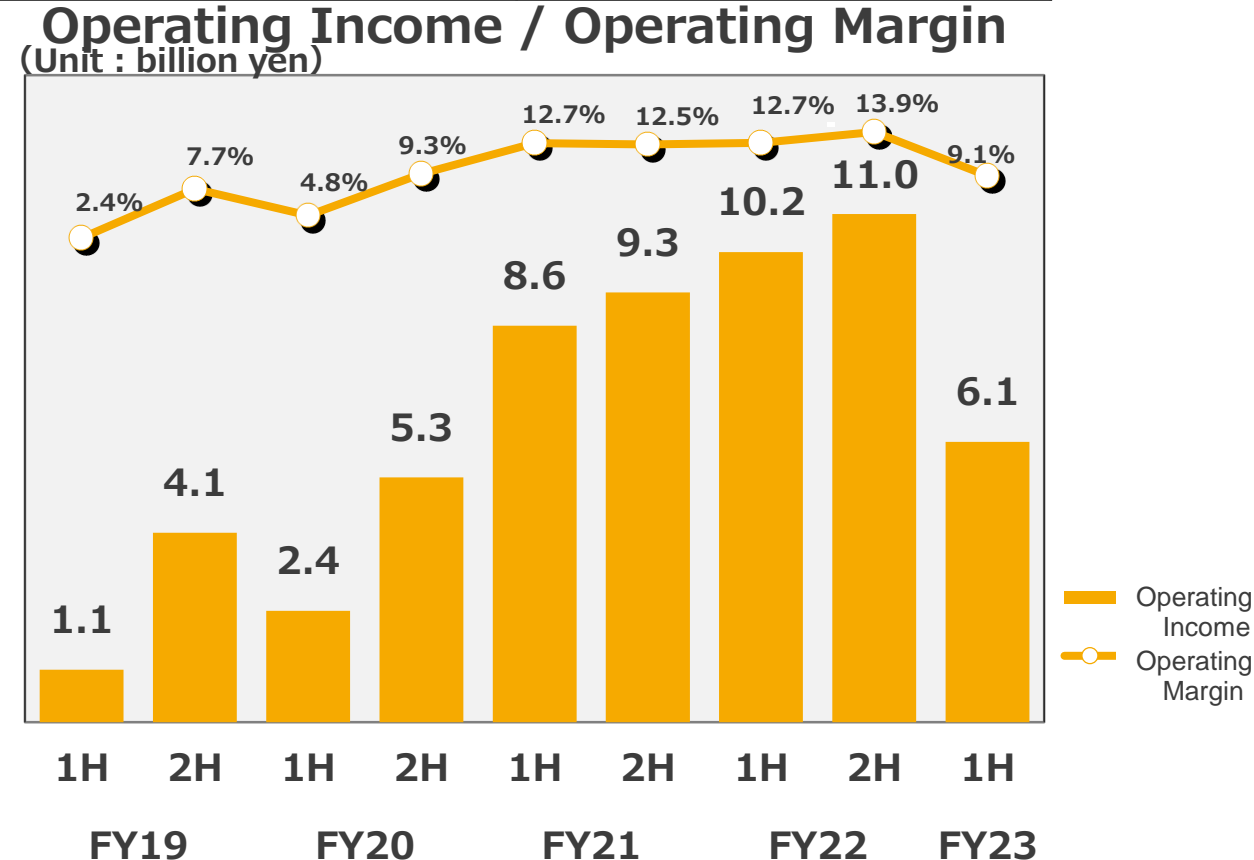
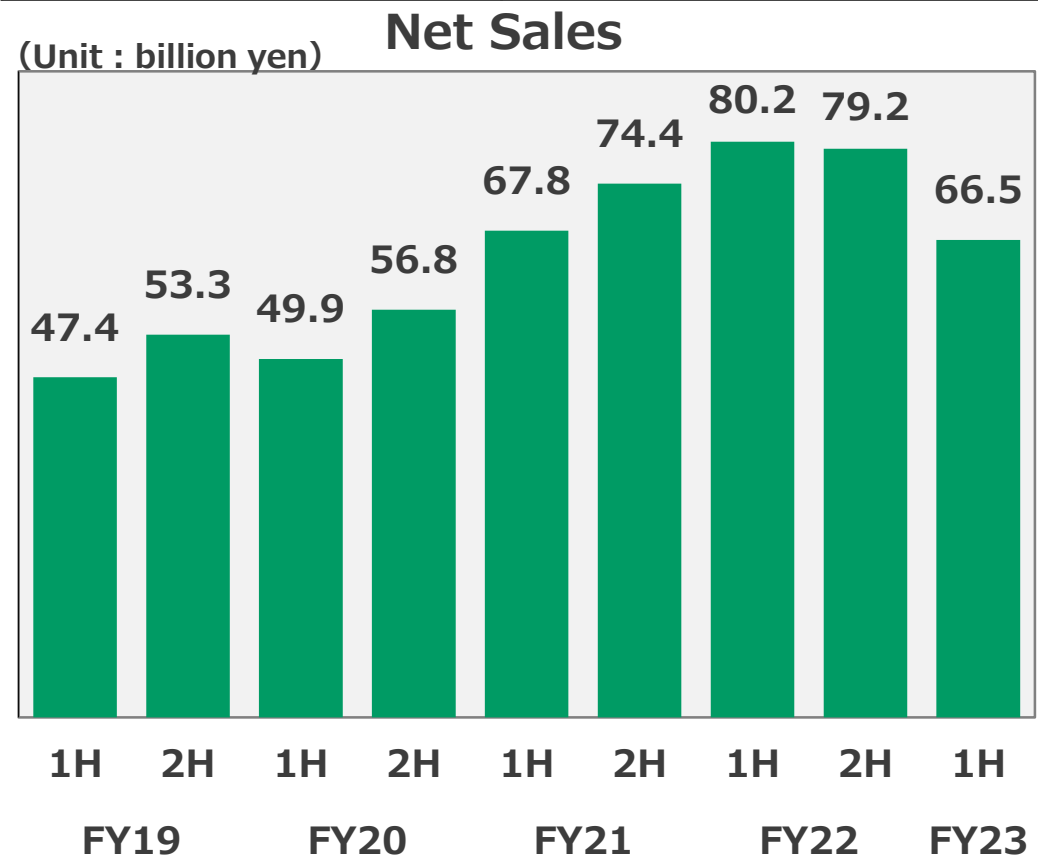
Current liabilities	52.0	45.7	- 6.3	- 12%
Fixed liabilities	13.9	35.0	+ 21.2	+ 152%
Total liabilities	65.9	80.8	+ 14.9	+ 2.3%

Total net assets	119.7	123.1	+ 3.3	+ 3%
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Equity ratio	64.5%	60.4%	-	- 4%
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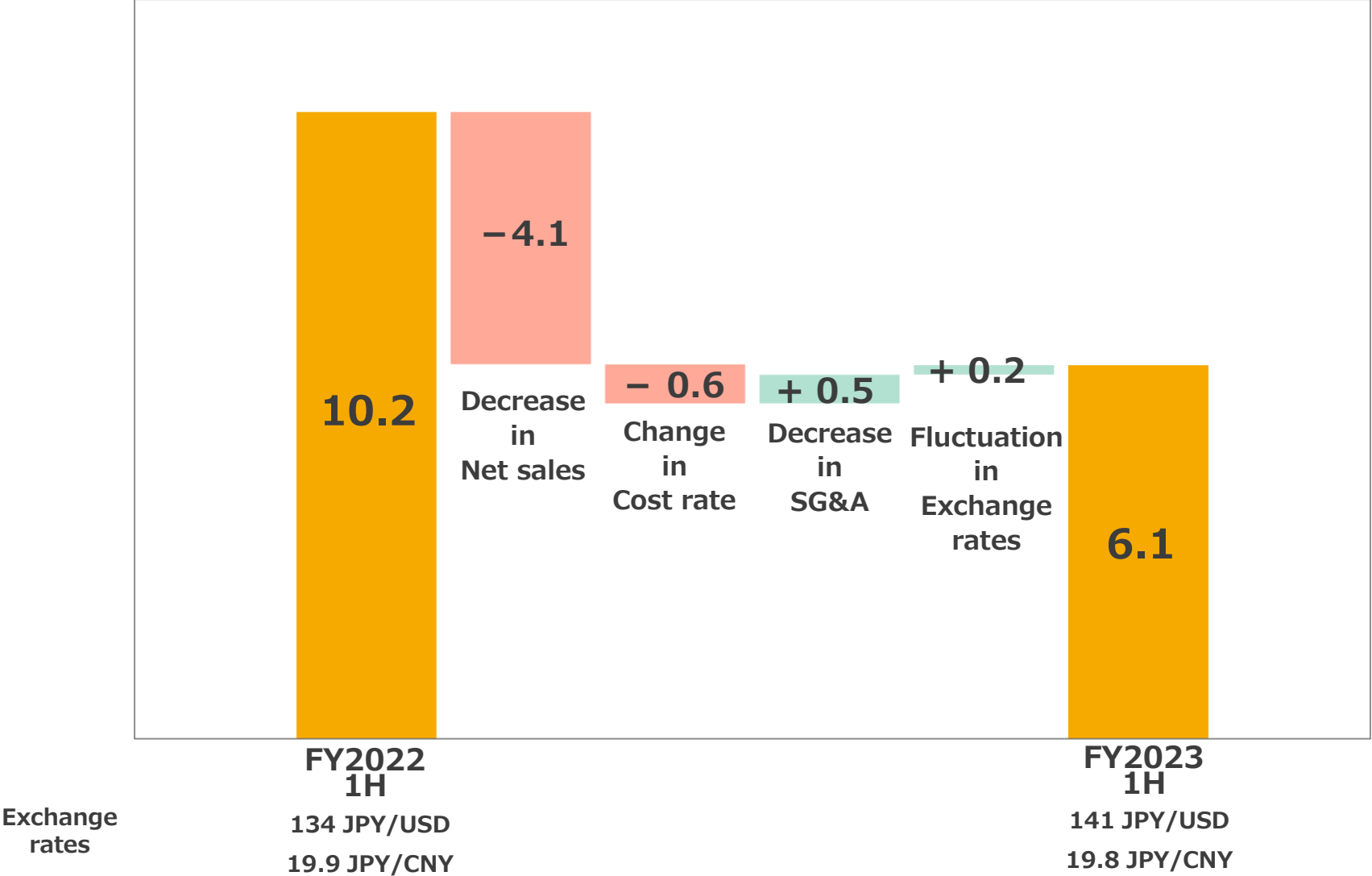
Consolidated Performance

FY23	Net Sales	Operating Income	Operating Income Margin	() YoY
1H Actual	66.5 billion yen (−13.7)	6.1 billion yen (−4.1)	9.1% (−3.6)	

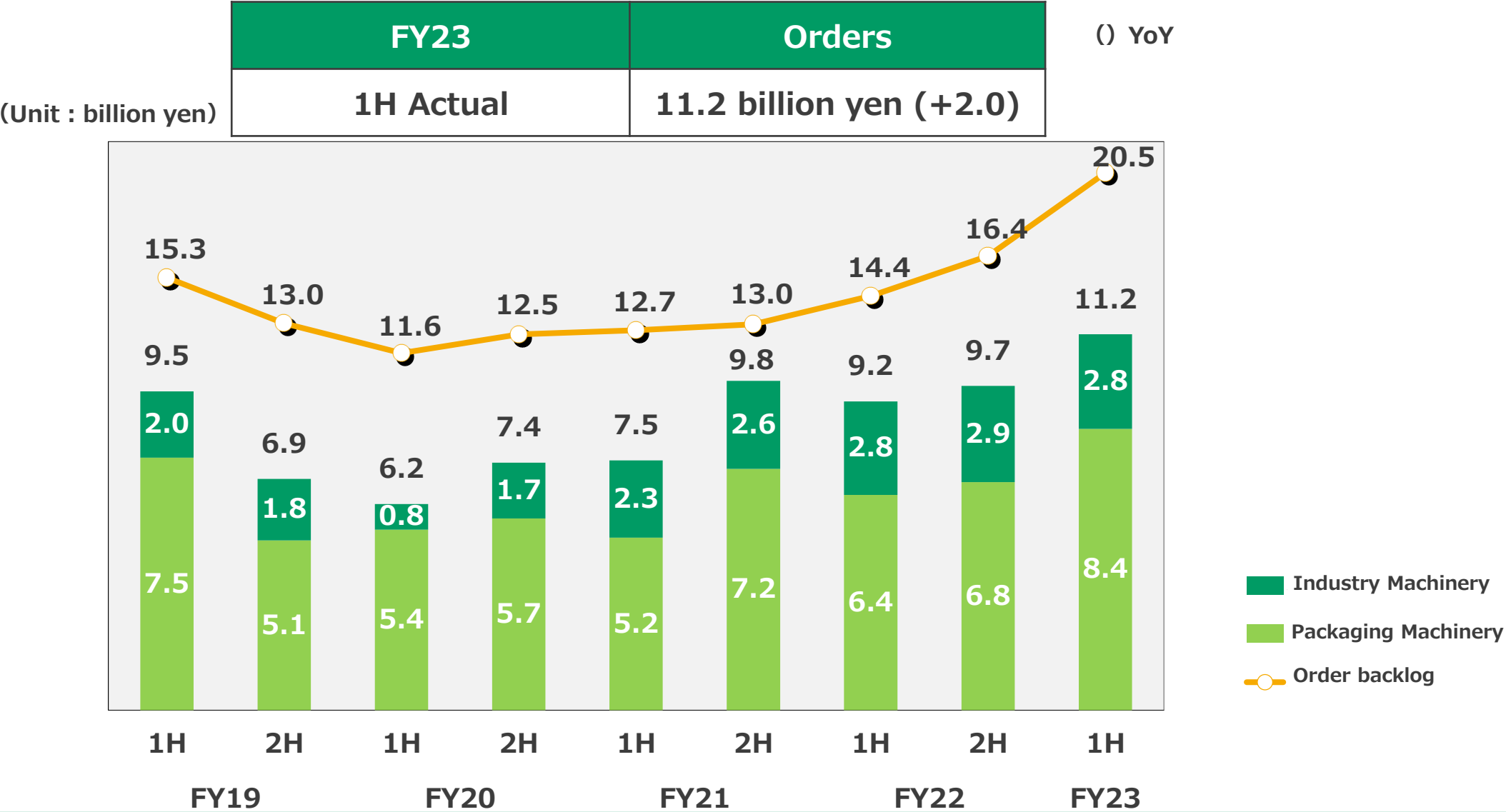


Analysis of Operating Income

(Unit : billion yen)



Automatic Machinery Orders

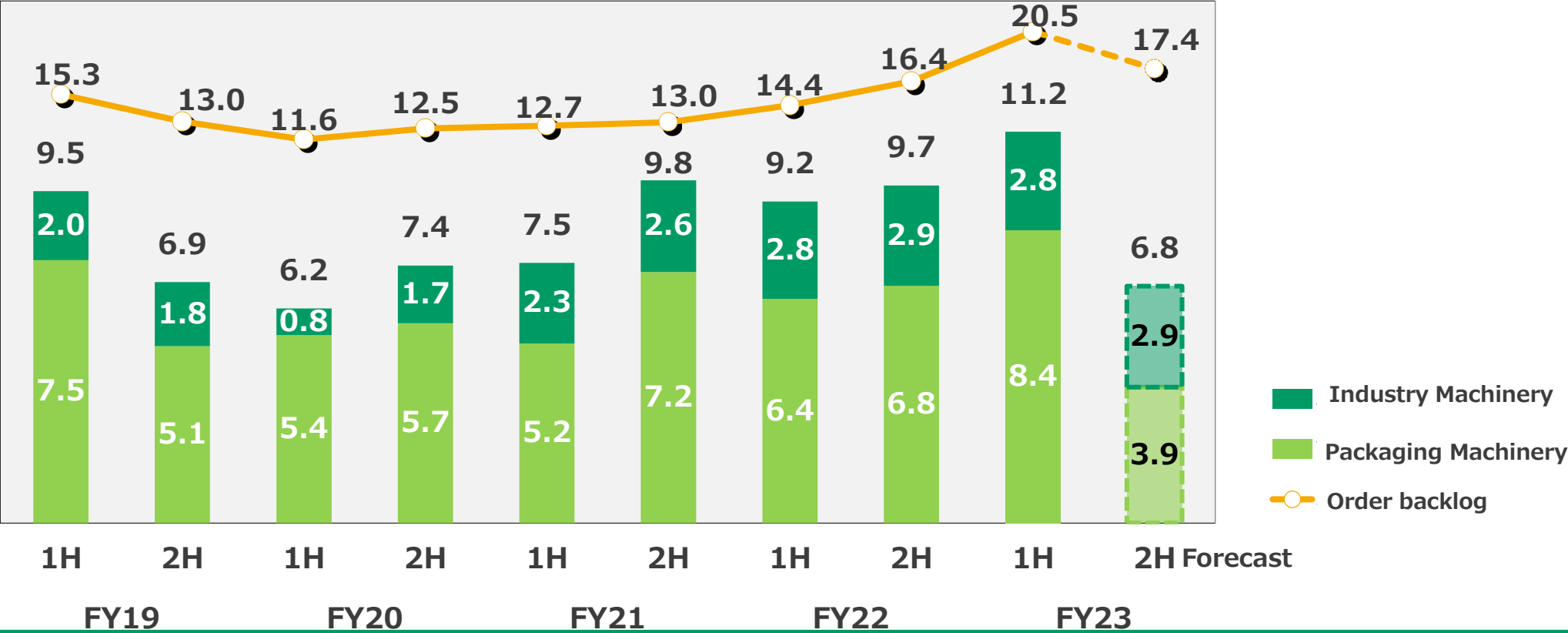


Automatic Machinery Forecast of Orders

(announced on May 12,2023 has been revised)

FY23	Orders	() YoY
2H Forecast	6.8 billion yen (– 2.9)	
Full – year Forecast	18.0 billion yen (– 0.9)	

(Unit : billion yen)

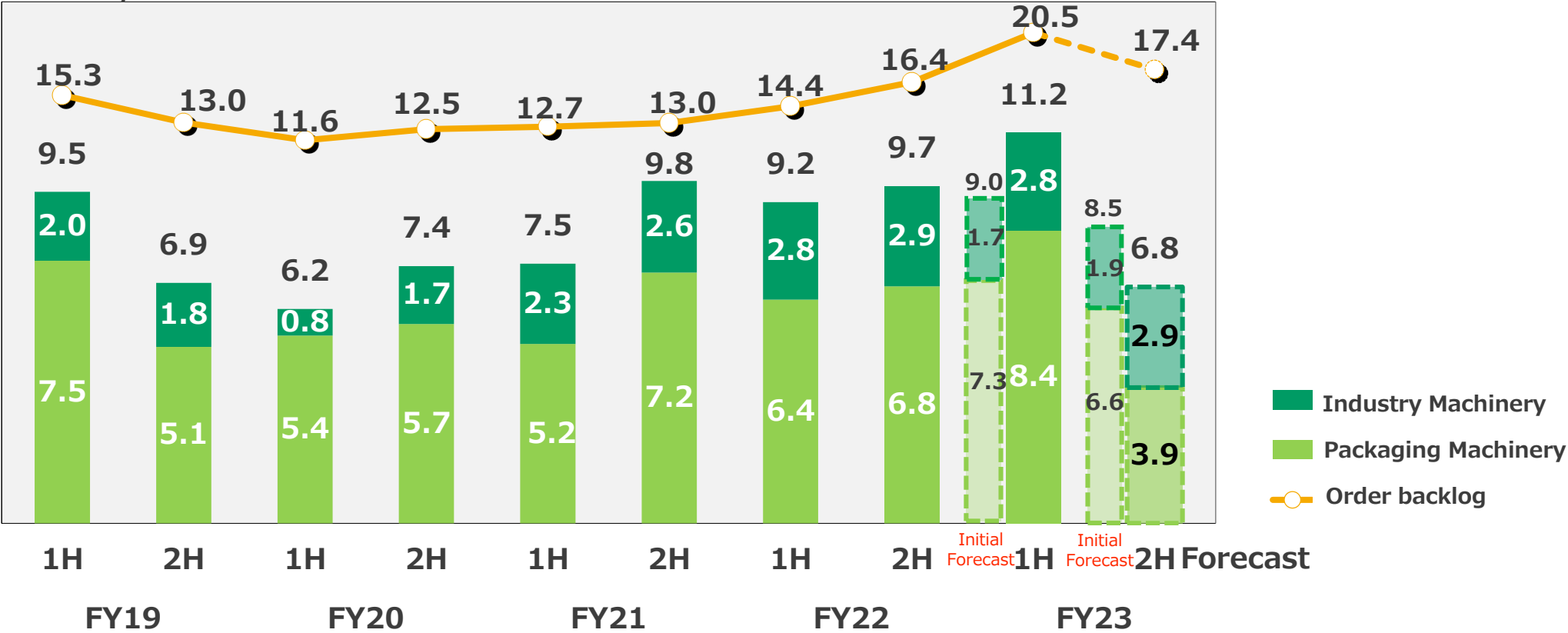


Automatic Machinery Forecast of Orders : supplement

(announced on May 12,2023 has been revised)

FY23	Orders	() YoY
2H Forecast	6.8 billion yen (– 2.9)	
Full – year Forecast	18.0 billion yen (– 0.9)	

(Unit : billion yen)

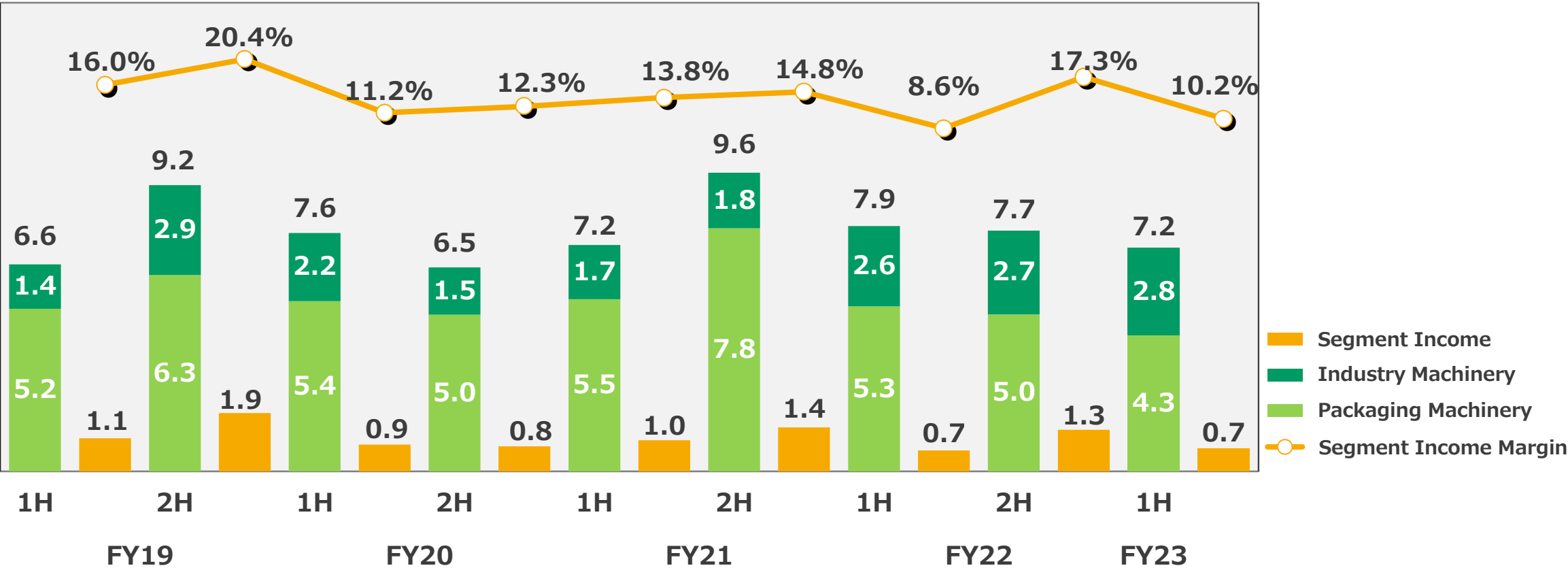


Automatic Machinery Achievement Changes

FY23	Net Sales	Segment Income	Segment Income Margin
1H Actual	7.2billion yen (− 0.7)	0.7 billion yen (+0.1)	10.2% (+1.6)

() YoY

(Unit : billion yen)



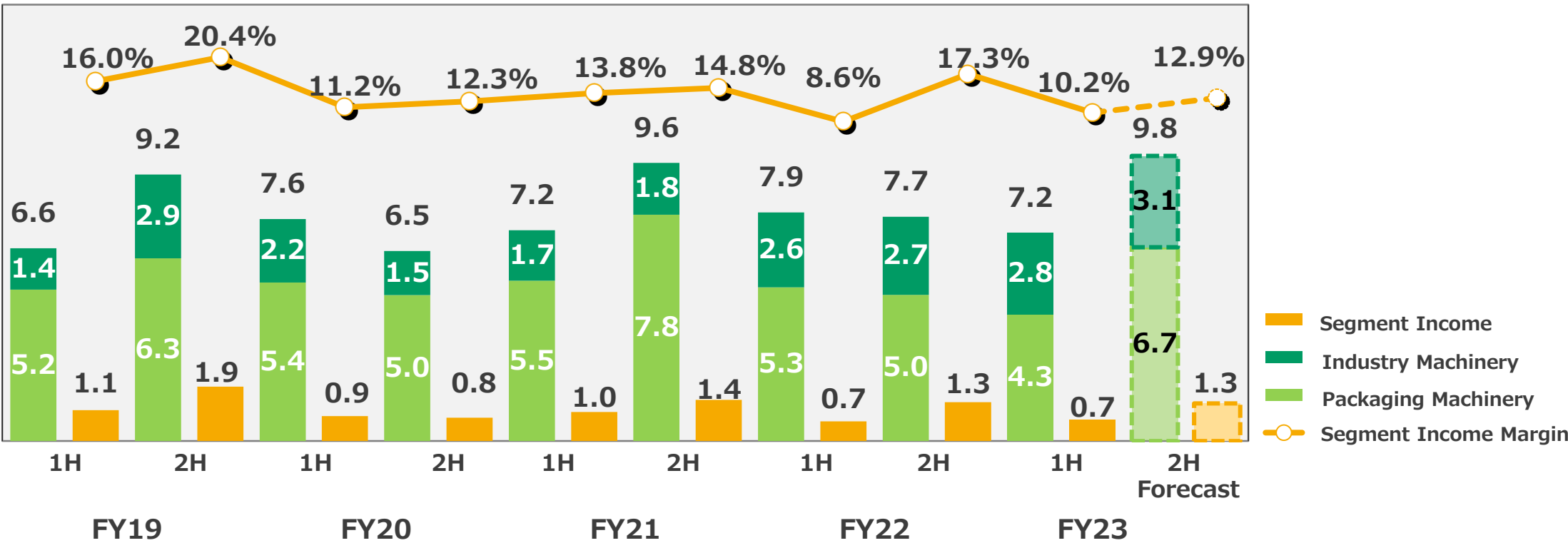
Automatic Machinery Outlook of Performance

(announced on May 12,2023 remain unchanged)

FY23	Net Sales	Segment Income	Segment Income Margin
2H Forecast	9.8 billion yen (+2.1)	1.3 billion yen (– 0.6)	12.9%(– 4.4)
Full-year Forecast	17.0 billion yen (+1.4)	2.0 billion yen (– 0.1)	11.8%(– 1.1)

() YoY

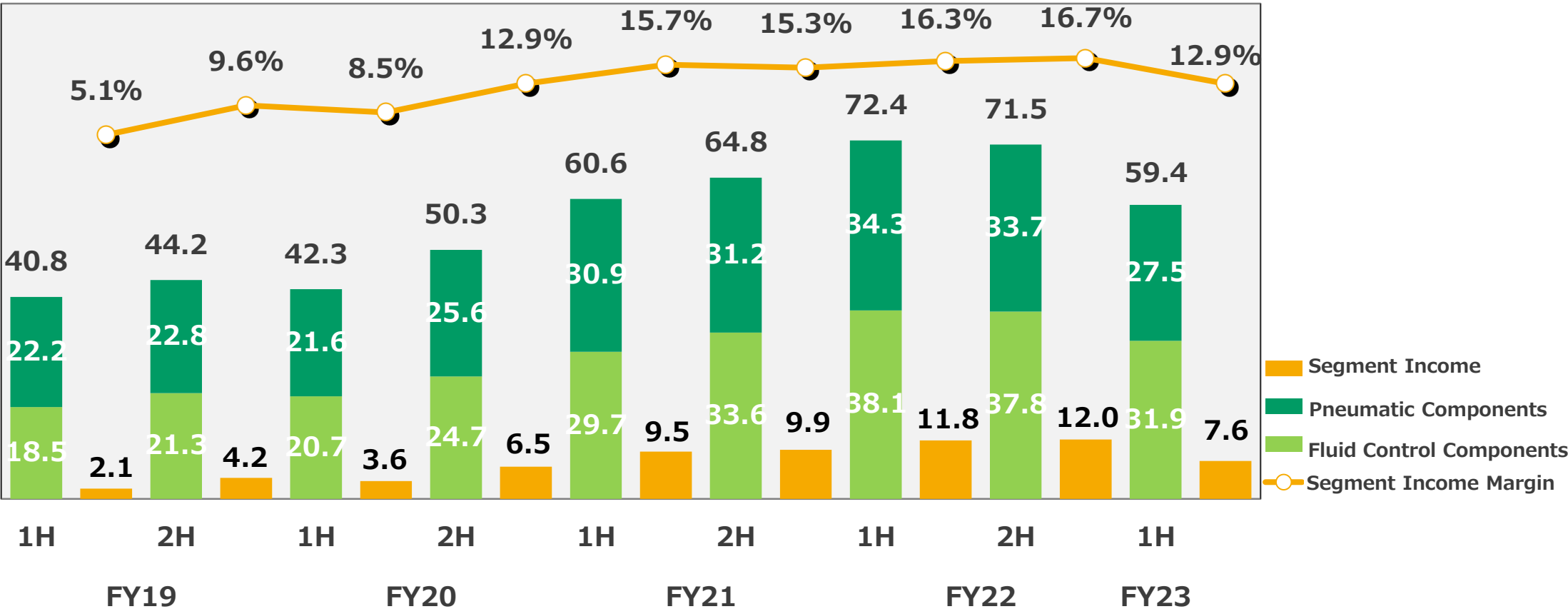
(Unit : billion yen)



Components Achievement Changes

FY23	Net Sales	Segment Income	Segment Income Margin	() YoY
1H Actual	59.4 billion yen (– 13.0)	7.6 billion yen (– 4.1)	12.9% (– 3.4)	








(Unit : billion yen)






Components 1H FY2023 Actual by Market

*YoY change

(Unit:%)

Main Industries in Japan	1Q Forecast (May 12)	2Q Forecast (Aug 10)	1Q Actual	2Q Actual	1H Actual
Semi-conductor	76		76	73	74
Automobile	100		101	98	100
Machine Tool	92		89	88	88
Medical	100		100	97	99
Flat-panel display (FPD)	80		80	87	83
Rechargeable Battery	120		121	121	121
Total	83		83	81	82















Main Areas Overseas	1Q Forecast (¥130/\$)	2Q Forecast (¥130/\$)	1Q Actual (¥137/\$)	2Q Actual (¥145/\$)	1H Actual (¥141/\$)
East Asia	82		81	76	79
Southeast Asia	96		83	89	86
Total (including Europe and the US)	84		82	80	81







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

Components 2H FY2023 Prospects by Market

*YoY change

(Unit:%)

Main Industries in Japan	1Q Actual	2Q Actual	1H Actual	2H Forecast	1H Comparison
Semi-conductor	76	73	74		
Automobile	101	98	100		
Machine Tool	89	88	88		
Medical	100	97	99		
Flat-panel display (FPD)	80	87	83		
Rechargeable Battery	121	121	121		
Total	83	81	82		

Main Areas Overseas	1Q Actual (¥137/\$)	2Q Actual (¥145/\$)	1H Actual (¥141/\$)	2H Forecast (¥142/\$)	1H Comparison (Including exchange)
East Asia	81	76	79		
Southeast Asia	83	89	86		
Total (including Europe and the US)	82	80	81		

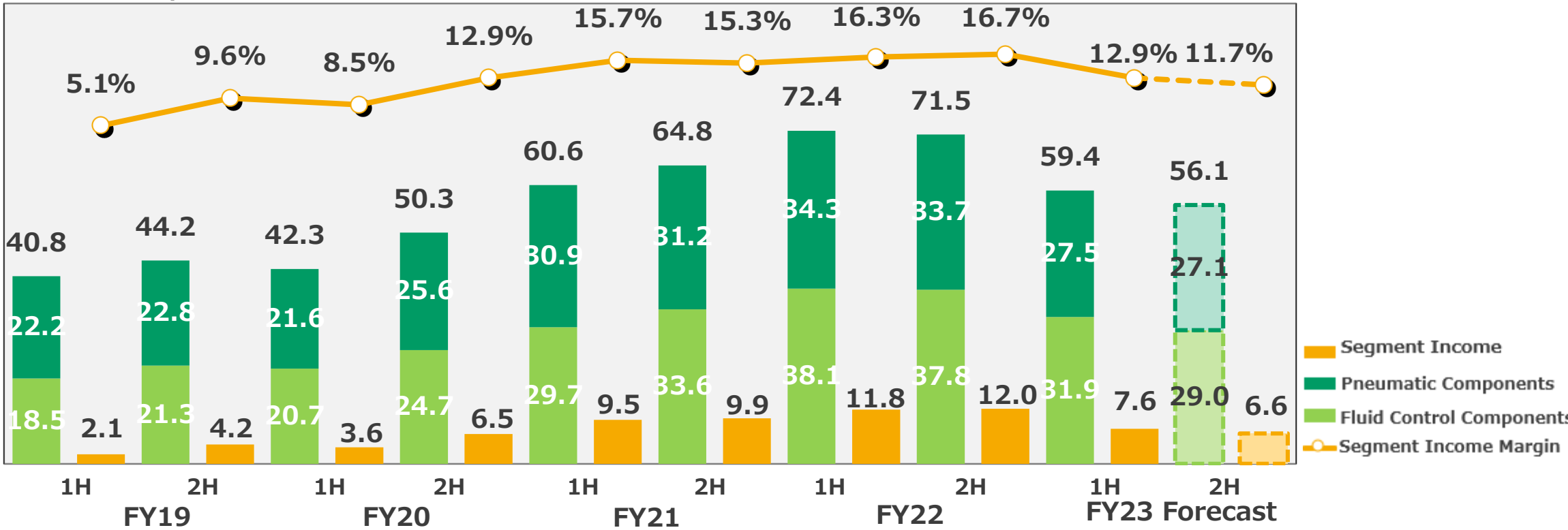
YoY change : ( 110~  100~109  90~99  80~89  ~79)

Components Earnings Forecasts

(announced on May 12,2023 has been revised)

FY23	Net Sales	Segment Income	Segment Income Margin	() YoY
2H Forecast	56.1 billion yen (– 15.4)	6.6 billion yen (– 5.4)	11.7% (– 5.0)	
Full-year Forecast	115.5 billion yen (– 28.4)	14.2 billion yen (– 9.5)	12.3% (– 4.2)	

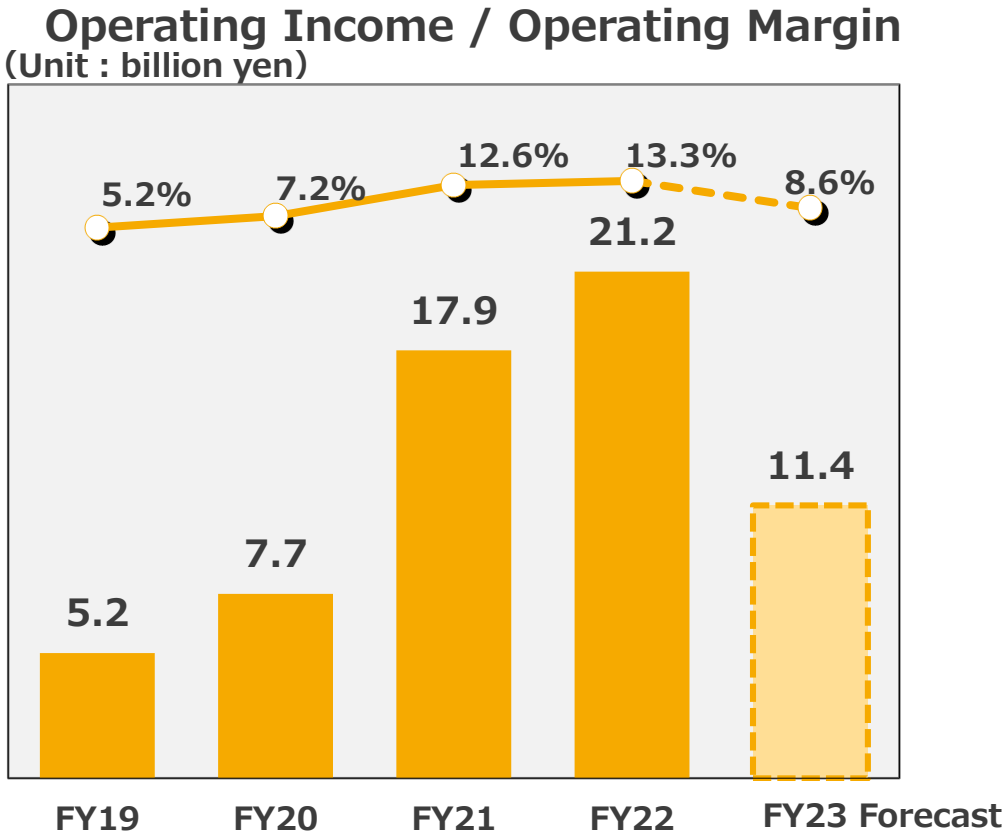
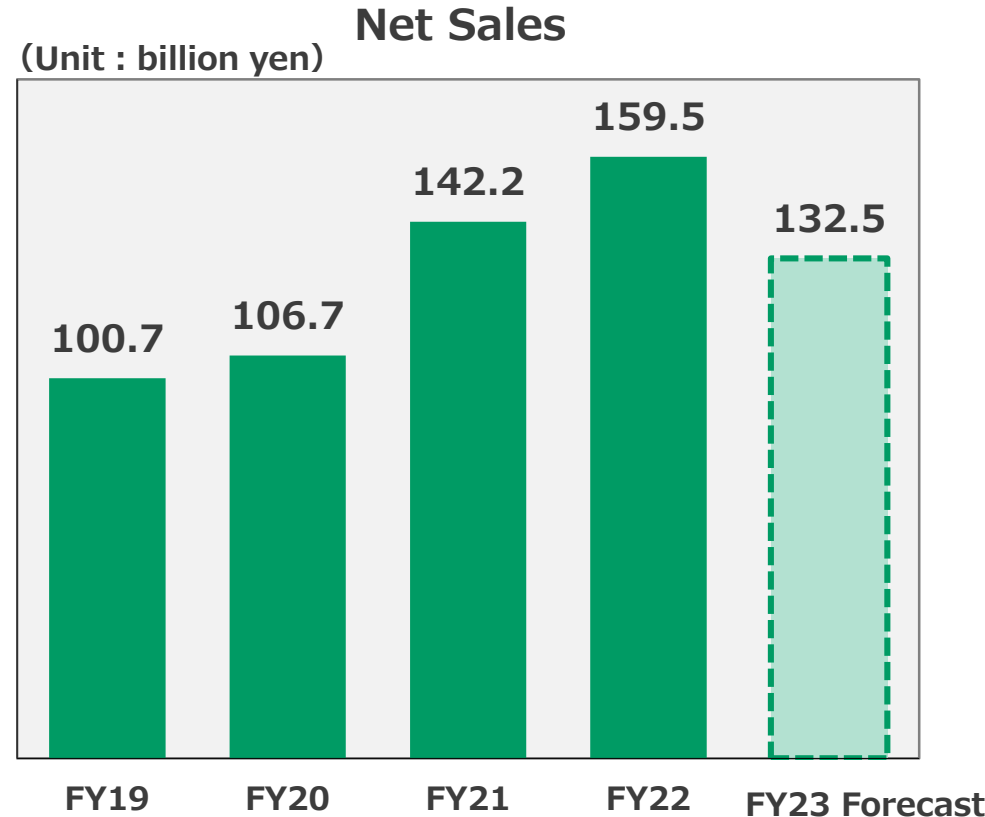
(Unit : billion yen)



Earnings Forecasts

(announced on May 12, 2023 has been revised)

FY23	Net Sales	Operating Income	Operating Income Margin	() YoY
Full-year Forecast	132.5 billion yen (-27.0)	11.4 billion yen (-9.8)	8.6% (-4.7)	



Earnings Forecasts (announced on May 12,2023 has been revised)

(Unit : billion yen)

		FY22 Actual	FY23 Forecasts (Nov 10)				
			1H Actual	2H Forecast	Full – year Forecast	YoY Amount Change	YoY % Change
Net sales	Total	159.5	66.5	66.0	132.5	– 27.0	– 17%
	Automatic Machinery	15.6	7.2	9.8	17.0	+ 1.4	+ 9%
	Components	143.9	59.4	56.1	115.5	– 28.4	– 20%
Operating Income (Operating Income Margin)		21.2 (13.3%)	6.1 (9.1%)	5.3 (8.1%)	11.4 (8.6%)	– 9.8	– 46%
	Automatic Machinery (Segment Income Margin)	2.0 (12.9%)	0.7 (10.2%)	1.3 (12.9%)	2.0 (11.8%)	– 0.0	– 0%
	Components (Segment Income Margin)	23.7 (16.5%)	7.6 (12.9%)	6.6 (11.7%)	14.2 (12.3%)	– 9.5	– 40%
Ordinary Income		21.2	6.1	5.3	11.4	– 9.8	– 46%
Net Income		14.8	4.0	3.6	7.6	– 7.2	– 49%

*Estimated Exchange rate : 2H 142 JPY/USD Full year 142 JPY/USD

Revision of Earnings Forecasts

(Unit : billion yen)

		1H Actual	2H			Full year		
			Initial Forecasts (May 12)	Revised Forecasts (Nov 10)	Change	Initial Forecasts (May 12)	Revised Forecasts (Nov 10)	Change
Net Sales	Total	66.5	75.5	66.0	87%	142.0	132.5	93%
	Automatic Machinery	7.2	10.5	9.8	93%	17.0	17.0	100%
	Components	59.4	65.0	56.1	86%	125.0	115.5	92%
Operating Income		6.1	8.2	5.3	64%	14.5	11.4	79%
Ordinary Income		6.1	8.2	5.3	64%	14.5	11.4	79%
Net Income		4.0	5.7	3.6	63%	10.0	7.6	76%

Revision in Initial Forecasts (May 12)

Net Sales decreased –9.5 billion yen to 132.5 billion yen

Operating income decreased –3.1 billion yen to 11.4 billion yen

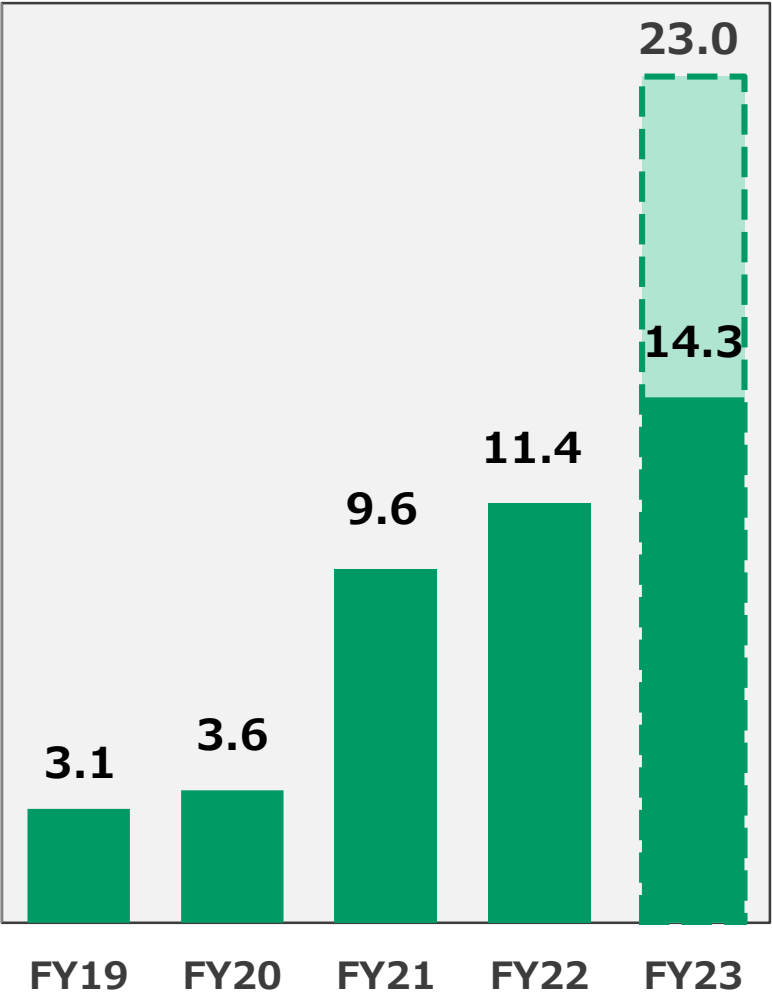
Investments



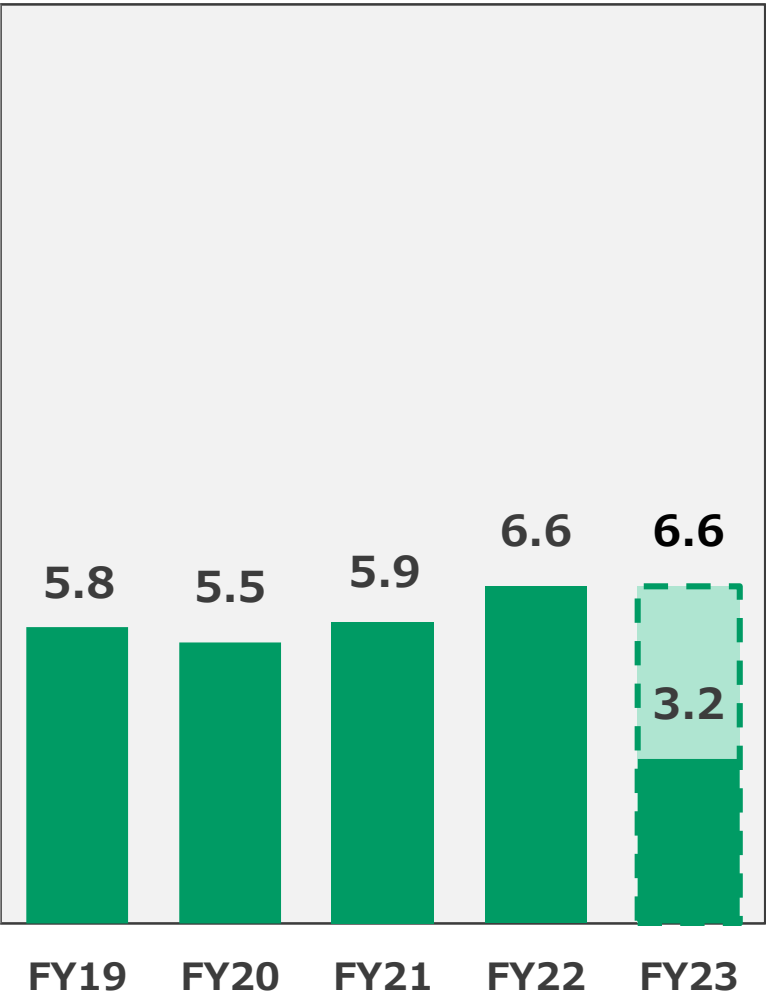
Investments

(Unit : billion yen)

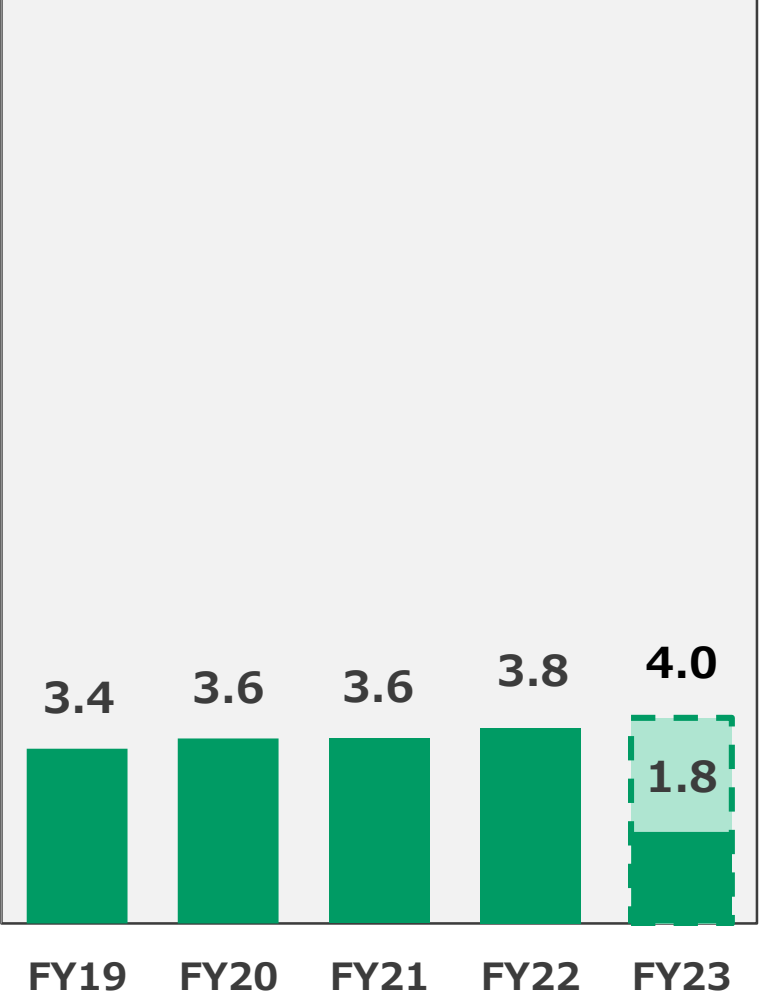
Capital Investment



Depreciation



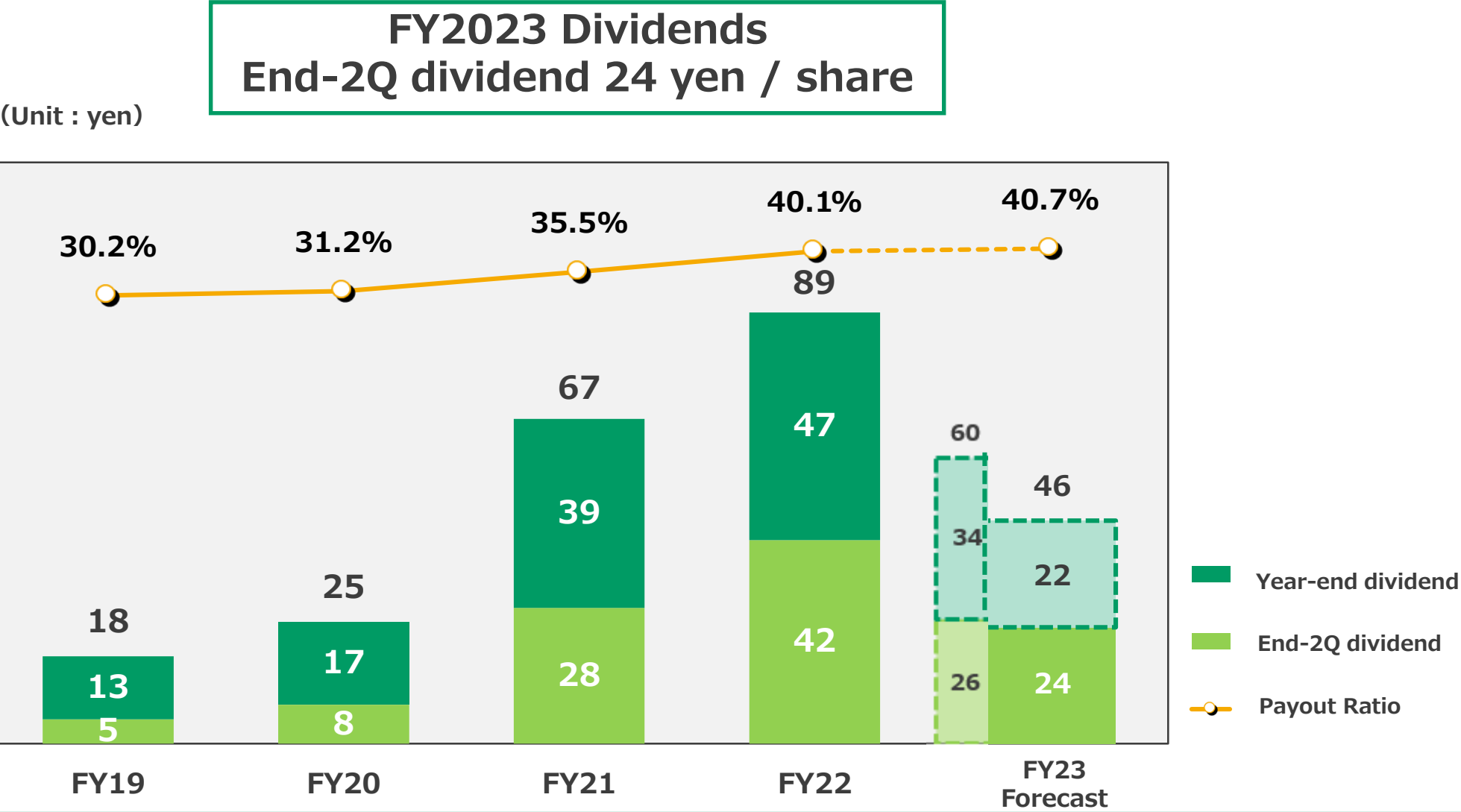
R&D Investment



Shareholders Return



Dividends



Status of Growth Efforts

- Industries of Focus: Semi-conductors
- Businesses of Focus: Electric Motion Business and New Business
- Expansion of Low Environmental Impact Products
- CKD's Principles Established "Values" in October 2023
- ESG Topics

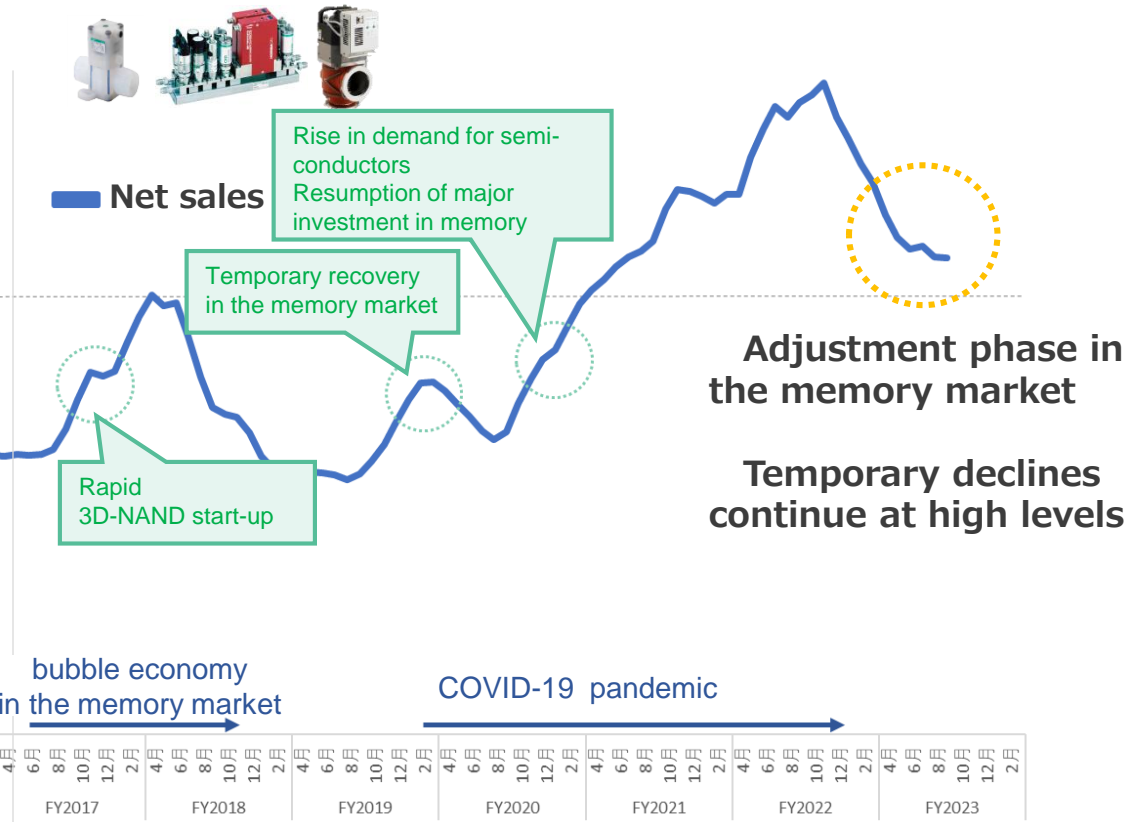


Industries of Focus **Semi-conductors**

Investment to grow in anticipation of a recovery in demand continues, while adapting to the adjustment phase of market conditions



Fluid control Component sales turnover



* CKD Summary
* graph is an image

Progress of the new Hokuriku Plant

• Logic semiconductors

Adapting to miniaturization of manufacturing process



Location: Komatsu City, Ishikawa
Prefecture Site area: 70,000㎡
Total floor area: 22,000㎡
Scheduled completion: Spring 2024
Investment: 12 billion yen
Sales Plan: 30 billion/year in FY2030

Date taken: November 1, 2023

Businesses of Focus **Electric Motion Business**

A new approach to carbon neutrality that combines pneumatic, electric, and software

Propose the best mix of Components

- “Pneumatic components”

and “Electric motion components: Direct acting”

High-durability pneumatic



Pneumatic
/Electric MIX
ALL electric



Electric actuator

ROBODEX



- “Electric motion components: Rotation”

Easy-to-use

ABSODEX



Downsized driver Compared with
conventional models -50%

Direct
Drive motor

As Turntable of
various assembly
and In-line
inspection machines

High-performance

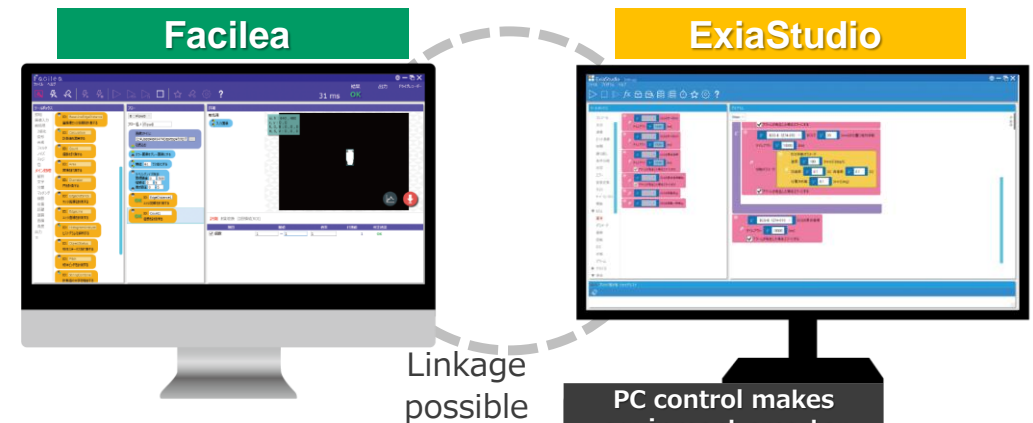
DISC[®]
Servo Motor



NIKKI DENSO

Providing FA solutions that integrate hardware and software

- Image processing and Component control



Visual programming tool
for image processing

Visual programming tool for device control

ExiaStudio

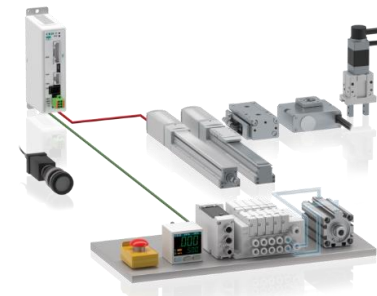


Multiple units
connected

Multiple Camera Connection



Automation
linkage



Electric motion
components
Pulse control

I/O drive
Components
control

Businesses of Focus **New Business**

Improve customer productivity and solve social issues through the DX-based service business

Expansion of software products in the business

- Software solutions

Facileo **ExiaStudio**

Creating new value



- Production support system

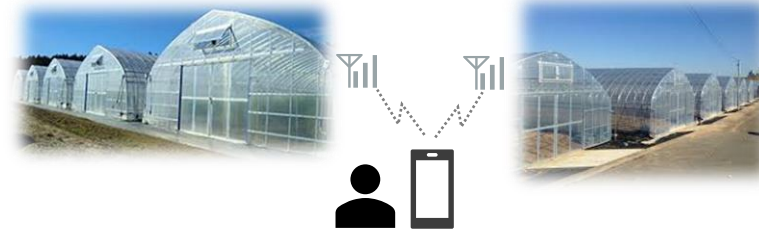


Use of data with wearable devices



Contributes to automation and labor saving of primary industries

- Agricultural Components can be easily and remotely controlled with a smartphone



Mobile web apps

- Scheduled operation
- Work record accumulation
- Email notification function



Expansion into the fisheries field also under consideration

Expansion of Low Environmental Impact Products

**Towards carbon neutrality,
Strengthening product response to life cycle considerations in addition to
energy and resource conservation**

**Reduction of CO₂ emissions from long service
life products**

- Pneumatic valve: TVG Series

**Contributes to "production equipment that never
stops" and "Stable operation".**

Launched in September 2023

"HIGH PRODUCTIVITY"

Expansion of its series



HP
HIGH PRODUCTIVITY



- Biomass plastic is used
- Recycled resin material

Reduce waste reduction and save energy

- Fluid control valve: FFB/FFG Series

**Compatible with various fluids that have been refined
for reliability, ease of use, and ease of selection**



October 2023

Good Design Award

October 2022

"Cho Monodzukuri Innovative
Parts and Components Award"

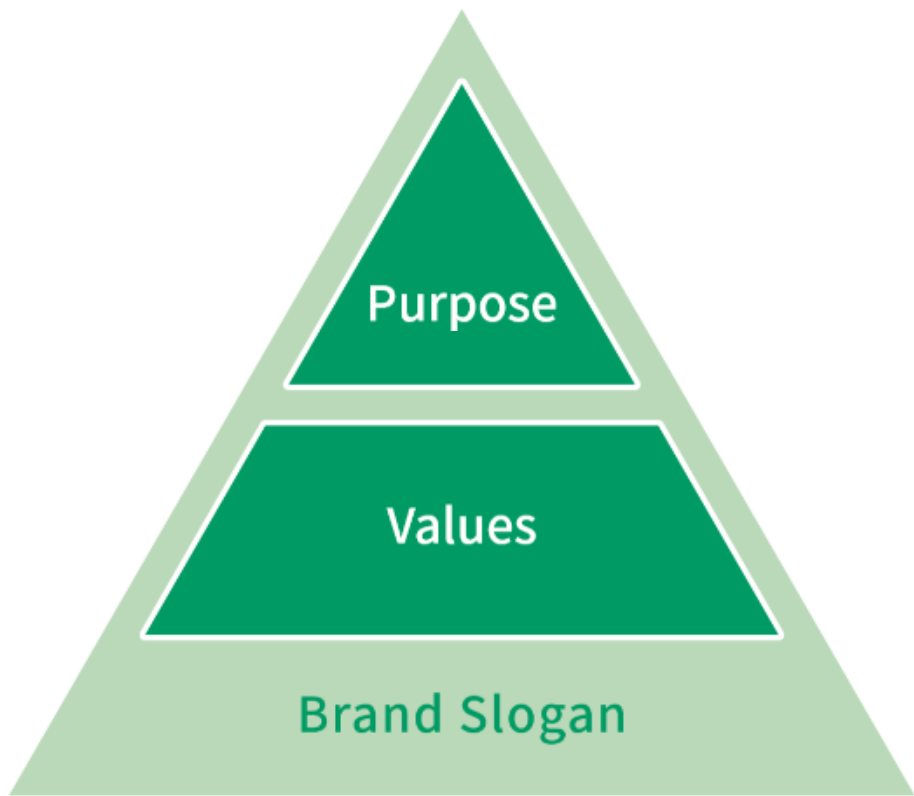
"Machine/Robot Parts Award"



- Low power consumption
- Improved water resistance
- CO₂ emissions
(Air leakage)
59% less

CKD's Principles "Values" Established in October 2023

We at CKD will continue to work toward the realization of a healthy global environment and a prosperous future by sharing these new principles with all employees of the CKD Group.










Values : There are five Values that each and every CKD Group employee should cherish in order to realize our Purpose.

ESG Topics

Under Purpose, we aim to improve corporate value by contributing to the realization of a sustainable society

■ Major External Assessment

Field	Index / Assessment	
ESG	Selected as a constituent of FTSE Blossom Japan Sector Relative Index (2 consecutive years)	 FTSE Blossom Japan Sector Relative Index
E (Environment)	Awarded CDP Assessment Climate Change Score B	
	Awarded the 5th Japan Open Innovation Award, Minister of the Environment Award	
S (Society)	Selected for MSCI Japan Women's Active Engagement Index (WIN) (2 consecutive years)	2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
	Certified Health and Productivity Management Organization Recognition Program (4 consecutive years)	 2023 健康経営優良法人 Health and productivity
	Certified for Kurumin (since 2022)	
	Certified as an Aichi Josei Kagayaki Company (since 2016)	
	Registered as an Aichi Prefecture Family Friendly Company (since 2011)	 

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[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.