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To whom it may concern

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Notice of the difference between financial forecasts and actual results for the second quarter of the fiscal year and revised financial forecasts for the full fiscal year

CKD Corporation hereby announces that the financial forecasts for the second quarter of the fiscal year announced on August 6, 2019 differ from the actual results for the same quarter. The Company also announces that it will revise its forecasts for the full fiscal year ending March 2020 based on recent market condition forecasts as follows:

1. Revisions in the Forecast of Performance and others

(1) The difference between financial forecasts and actual results for the second quarter of the fiscal year ending March 31, 2020 (April 1, 2019 to September 30, 2019)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A) (Announced Aug 6, 2019)	Million yen 46,800	Million yen 280	Million yen 300	Million yen 210	Yen 3.39
Actual results (B)	47,382	1,130	1,087	683	11.03
Change (B – A)	582	850	787	473	—
Percentage change	1.2	303.9	262.4	225.4	—
For reference: Previous performance (Through the second quarter of the fiscal year ended March 31, 2019)	60,455	2,979	2,988	2,235	36.11

(2) Revisions in the forecast of consolidated performance for the full fiscal year (April 1, 2019 to March 31, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A) (Announced Aug 6, 2019)	Million yen 96,500	Million yen 930	Million yen 950	Million yen 660	Yen 10.66
Revised forecast (B)	99,500	2,500	2,460	1,720	27.77
Change (B – A)	3,000	1,570	1,510	1,060	—
Percentage change	3.1	168.8	158.9	160.6	—
For reference: Previous performance (Through the full fiscal year ended March 31, 2019)	115,665	5,429	5,425	4,793	77.42

2. Reasons for the Difference and Revision

During the second quarter of the fiscal year, the CKD Group's components segment performed as generally expected because of the impact of deferred semiconductor equipment investment and shrinking automation investment in both domestic and overseas markets. On the other hand, the automatic machineries segment performed better than expected during the same quarter as a result of improved profitability and increased sales of spare parts for automatic packing systems, among others.

During the full fiscal year, the components segment may be affected by the long-running US-China trade dispute. Nevertheless, we still expect both sales and profit to grow as semiconductor equipment investment, which has been postponed for a while, is due to be partially resumed. We also expect profit from the automatic machineries segment to go up as a result of our efforts to improve profitability. The CKD Group's sales, operating income, ordinary income, and net income attributable to owners of parent are all expected to be higher than previously forecast. Therefore, we will revise our financial forecasts.

Note: The above data were prepared based on information available as of the date of this notice. Actual performance going forward may differ from these forecasts due to a range of factors.