



August 12, 2020

To whom it may concern

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Notice of Revisions in the Forecasts for Consolidated Performance and Dividend

CKD Corporation (the Company) announces the forecasts for Consolidated Performance and Dividend for the fiscal year ending March 31, 2021, which were undecided in "Business Results for the Fiscal Year Ended March 31, 2020 Consolidated Basis (Japanese GAAP)", which was announced on May 14, 2020.

1. Revisions in the Forecast of Performance

(1) Revisions in the forecast of consolidated performance for the 2nd quarter of the fiscal year ending March 31, 2021

(April 1, 2020 to September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on May 14, 2020)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Forecast (B)	48,200	1,530	1,590	1,060	16.42
Change (B – A)	—	—	—	—	—
Percentage change	—	—	—	—	—
For reference: Previous performance (Through the 2nd quarter of the fiscal year ended March 31, 2020)	47,382	1,130	1,087	683	11.03

(2) Revisions in the forecast of consolidated performance for the full fiscal year (April 1, 2020 to March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on May 14, 2020)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Forecast (B)	96,500	3,210	3,270	2,270	34.88
Change (B – A)	—	—	—	—	—
Percentage change	—	—	—	—	—
For reference: Previous performance (Through the full fiscal year ended March 31, 2020)	100,717	5,230	5,374	3,689	59.56

(3) Reasons for the Revisions

As the consolidated financial forecasts for the fiscal year ending March 31, 2021, the Company only disclosed the consolidated financial forecasts for the 1st quarter period in "Business Results for the Fiscal Year Ended March 31, 2020", published on May 14, 2020. This was due to the difficulties in reasonably predicting the extent of the spread of COVID-19 and the timing of its containment.

The Company has decided to announce the full-year consolidated financial forecasts, based on the currently available information although the impact of the spread of COVID-19 has been prolonged.

As the assumption of the forecasts, the impact of COVID-19 is taken into consideration based on the current order position. Therefore, in automatic machineries segment, the company expects to decline sales on the assumption that installation works and acceptance inspections on the side of customers could be delayed.

In components segment, demands in the Japanese market are expected to continue to be sluggish for automobiles and the machinery industry such as machine tools. Meanwhile, as the electronics industry such as semiconductor capital expenditure, it is the assumption to remain its market steady thorough the full fiscal year although there is a risk of delay. Also, in the overseas market, the company expects that capital expenditure would remain steady in East Asia, mainly in China and the economic recovery would be slow in Southeast Asia due to the impact of the spread of COVID-19.

However, these forecasts could change significantly depending on the extent of the spread of COVID-19 going forward, the timing of its containment and others. The Company will provide notification of the impacts on performances promptly in the case important matters that should be disclosed arise.

The exchange rate is estimated at ¥105 to one U.S. dollar.

2. Revisions in the Forecast of Dividend

(1) Revisions in the Forecast of Dividend

Base date	Dividend per share		
	End of 2Q	Year-end	Annual
Previous forecast	Yen —	Yen —	Yen —
Revised forecast	6.00	6.00	12.00
Actual for the previous period (Through the full fiscal year ended March 2020)	5.00	13.00	18.00

(2) Reasons for the Revisions

For the return of profit to shareholders, the Company seeks to improve corporate value by implementing capital expenditure and R&D investment to enhance the management base and further expand business while aiming for a payout ratio of 30% in shareholder returns.

Based on this policy, in line with the financial forecasts announced for the fiscal year ending March 31, 2021, the Company announces a 2nd quarter dividend forecast of 6 yen per share and a year-end dividend forecast of 6 yen per share.

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.