



August 6, 2019

To whom it may concern

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Notice of Revisions in the Forecasts for Consolidated Performance and Dividend

In view of recent trends in performance, CKD Corporation (the Company) decided the revisions in the forecast for consolidated performance, which were announced on May 15, 2019. Also, the Company decided those in dividend. Therefore, the Company announces as follows:

1. Revisions in the Forecast of Performance

(1) Revisions in the forecast of consolidated performance 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 May 15, 2019)	Million yen 50,000	Million yen 1,400	Million yen 1,400	Million yen 1,000	Yen 16.15
Revised forecast (B)	46,800	280	300	210	3.39
Change (B – A)	(3,200)	(1,120)	(1,100)	(790)	—
Percentage change	(6.4)	(80.0)	(78.6)	(79.0)	—
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 May 15, 2019)	Million yen 106,000	Million yen 5,700	Million yen 5,700	Million yen 4,000	Yen 64.60
Revised forecast (B)	96,500	930	950	660	10.66
Change (B – A)	(9,500)	(4,770)	(4,750)	(3,440)	—
Percentage change	(9.0)	(83.7)	(83.3)	(83.5)	—
For reference: Previous performance (Through the full fiscal year ended March 31, 2019)	115,665	5,429	5,425	4,793	77.42

(3) Reasons for the Revisions

For the forecast of consolidated performance for the second quarter, sales in component products are expected to be below the previously announced forecasts due to impacts of the US-China trade friction, postponement of capital investment for semiconductor manufacturing equipment and other factors.

Also, for profits, although the Company has tried to reduce costs, in addition to decreasing sales, the factory utilization rate decreased, and percentages of fixed costs increased. For these reasons, operating income, ordinary income, and net income attributable to owners of the parent company are expected to be below the previously announced forecasts.

For the forecast of consolidated performance for the full fiscal year, in addition to expectations for the second quarter of the fiscal year, there were concerns about the impacts of the review of special treatment for exports to South Korea and other factors, resulting in expecting to be behind the timing to recover demand which was expected in beginning of the current fiscal period.

For these reasons, sales, operating income, ordinary income, and net income attributable to owners of the parent company are expected to be below the previously announced forecasts.

Therefore the Company has announced the revisions in the forecasts for consolidated performance for the second quarter and the full fiscal year, which were previously announced on May 15, 2019, as above.

Please note that the assumption for an exchange rate of ¥105 to one U.S. dollar has been used for the period from July 1, 2019, to March 31, 2020.

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.

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 8.00	Yen 12.00	Yen 20.00
Revised forecast	4.00	6.00	10.00
Actual for the previous period (Through the full fiscal year ended March 2019)	20.00	8.00	28.00

(2) Reasons for the Revisions

The Company maintains its basic long-term policy on profit appropriation and provides dividend to shareholders continuously.

Regarding the forecast of consolidated performance through the fiscal year ending March 31, 2020, however, the Company expected to be far below the previously announced forecasts. As a result of comprehensive consideration of the corporate financial statement, the Company will revise the forecast of dividend for the second quarter to ¥4.00 per share and the end of the fiscal year to ¥6.00 per share.