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To whom it may concern

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## Notice of Difference between Financial Forecasts and Actual Results for the 1st Quarter of the Fiscal Year

CKD Corporation hereby announces that the financial forecasts for the 1st quarter of the consolidated fiscal year announced on May 14, 2020 differ from the actual results for the same quarter as follows.:

### 1. The Difference between Financial Forecasts and Actual Results

The difference between financial forecasts and actual results for the 1st quarter of the fiscal year ending March 31, 2021

(April 1, 2020 to June 30, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced May 14, 2020)	Million yen 23,500	Million yen 960	Million yen 960	Million yen 670	Yen 10.75
Actual results (B)	25,783	1,277	1,239	797	12.51
Difference (B – A)	2,283	317	279	127	—
Percentage change	9.7	33.0	29.1	19.0	—
For reference: Previous performance (Through the 1st quarter of the fiscal year ended March 31, 2020)	23,265	284	301	216	3.50

### 2. Reasons for the Difference

The CKD group's performances for the 1st quarter of the consolidated fiscal year outperformed the initially published forecasts. In the components segment, in the Japanese market, the company expected sales would be decline as assumptions that attitudes toward capital expenditure would continue to be cautious due to the impact of the US-China trade friction, and besides demand would be significantly declined due to the impact of COVID-19 for automobile manufacturing equipment and machine tools. However, as a result, the sales decline was smaller than the expectation, and actual sales resulted in exceeding forecasts. Also, in the overseas market, in China, which is in East Asia, economic activity resumed earliest, and production activity in manufacturing industry overall normalized. In addition, semiconductor capital expenditure remained robust in South Korea, and there were few obstacles due to measures to restrict activity accompanying the spread of COVID-19 infections in Southeast Asia, resulting in exceeding forecasts. Moreover, the effect of company-wide efforts to improve productivity and reduce costs contributed to profit growth, and profitability also improved.