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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 12, 2021

Company name: CKD Corporation
Stock exchange listing: Tokyo, Nagoya
Code number: 6407

URL: <https://www.ckd.co.jp/en/>

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President and Chief Operating Officer

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Scheduled date of filing quarterly securities report: November 12, 2021

Scheduled date of commencing dividend payments: December 13, 2021

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	67,812	35.8	8,582	256.7	8,667	250.4	6,081	275.7
September 30, 2020	49,942	5.4	2,405	112.7	2,473	127.5	1,618	136.9

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 6,151 million [113.2%]
Six months ended September 30, 2020: ¥ 2,885 million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	91.26		-	
September 30, 2020	24.91		24.91	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of September 30, 2021	164,028		102,627		62.5	
March 31, 2021	152,726		97,617		63.8	

(Reference) Equity: As of September 30, 2021: ¥ 102,507 million
As of March 31, 2021: ¥ 97,497 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	8.00	-	17.00	25.00
Fiscal year ending March 31, 2022	-	28.00			
Fiscal year ending March 31, 2022 (Forecast)			-	22.00	50.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	134,000	25.6	15,600	102.6	15,700	100.7	10,800	104.8	162.06

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2021: 67,909,449 shares

March 31, 2021: 67,909,449 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021: 1,265,413 shares

March 31, 2021: 1,274,439 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 66,638,880 shares

Six months ended September 30, 2020: 64,965,820 shares

*This quarterly flash report is exempt from the quarterly review procedures by certified public accountants or accounting auditors.

*Notes on the appropriate use of financial forecasts and other special instructions

The performance forecasts and other forward-looking statements presented in this report are based on information currently available and certain assumptions deemed to be reasonable. Actual performance, etc. may differ substantially due to various factors.

For the special instructions regarding the appropriate use of financial forecasts, refer to "1. Quarterly business results (3) Consolidated financial forecasts and outlook" on page 4 of the attached materials.

CKD Corporation (the Company) is planning to hold a briefing session for institutional investors and analysts on the conference call on November 12, 2021. Any explanatory materials used in this session will be posted on the Company's website immediately afterward.

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1. Quarterly business results

(1) Results of operations

During the 2nd quarter of the current fiscal year, the Japanese economy witnessed a significant recovery in production activity in manufacturing industry, backed by such factors as an increase in exports alongside economic recovery overseas.

Capital expenditure underwent a recovery trend due to improvement in corporate earnings and initiatives in growth areas such as the environment, despite some strengths and weaknesses depending on the industry. In addition, investments in the electronics industry remained robust and continued to be made against the backdrop of expanding applications of information and communications technology, such as 5G and IoT.

Overseas, the U.S. economy showed signs of expansion on the back of the vaccine rollout and economic measures, and demand increased in the semiconductor and automobile markets, among others. Moreover, in China, demand increased in a large number of markets, including the 5G-related and rechargeable battery markets, and capital expenditure continued to be robust in the manufacturing industry overall. In Southeast Asia, despite continued restrictions on activities due to the renewed spread of COVID-19, the economy was underpinned by sales growth in a rebound from the decrease in the previous year and an increase in exports.

Under such circumstances, in results for the 2nd quarter of the consolidated fiscal year, the CKD Group recorded 67,812 million yen in net sales, up 35.8% year on year, 8,582 million yen in operating profit, up 256.7% year on year, 8,667 million yen in ordinary profit, up 250.4% year on year, and 6,081 million yen in profit attributable to owners of parent, up 275.7% year on year.

Due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, (hereinafter referred to as the “Revenue Recognition Accounting Standard.”), etc., net sales decreased by 138 million yen, cost of sales increased by 30 million yen, selling, general and administrative expenses decreased by 86 million yen, operating profit decreased by 83 million yen, and ordinary profit and profit before income taxes increased by 10 million yen respectively.

Results of operations by segment

a. Automatic Machineries

In the industrial machinery business, although net sales of 3D solder print inspection equipment increased, net sales of lithium ion battery manufacturing systems decreased. In the automatic packaging systems business, although net sales of systems for pharmaceuticals increased, net sales of systems for food decreased.

As a result, net sales were 7,248 million yen (down 5.0% year on year), and segment profit was 1,001 million yen (up 16.9% year on year), due to the effect of profitability improvements.

In addition, as a result of the application of the Revenue Recognition Accounting Standard, net sales in the 2nd quarter of the consolidated fiscal year increased by 41 million yen, and segment profit increased by 10 million yen.

b. Components

In the Japanese market, net sales of semiconductor manufacturing equipment increased as semiconductor demand remained strong driven by the 5G rollout and demand for teleworking related products. In addition, there were increases in net sales of both products for use in manufacturing equipment related to environmentally-friendly vehicles in the automobile market and net sales of products for use in machine tools, where there was robust demand for equipment for use in semiconductors and automobiles.

Overseas, net sales increased in China, where capital expenditure continued in manufacturing industry overall, as well as South Korea and Taiwan, where semiconductor capital expenditure was robust. Net sales also increased in Europe and the United States, which are recovering from the COVID-19 pandemic, and in Southeast Asia where demand is robust despite continued restrictions on activities.

As a result, net sales were 60,564 million yen (up 43.1% year on year) and segment profit was 9,533 million yen (up 164.6% year on year), due to the effect of productivity improvements in addition to the increase in net sales.

In addition, as a result of the application of the Revenue Recognition Accounting Standard, net sales in the 2nd quarter of the consolidated fiscal year decreased by 180 million yen, selling, general and administrative expenses decreased by 86 million yen, and segment profit decreased by 93 million yen.

(2) Financial position

a. Assets, liabilities, and net assets

Total assets at the end of the 2nd quarter on the consolidated basis were 164,028 million yen, up 11,302 million yen from the end of the previous consolidated fiscal year. The main factors included increases in trade receivables, inventories and property, plant and equipment.

Liabilities were 61,401 million yen, up 6,292 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases in trade payables and provision for bonuses, despite decreases in accounts payable - bonuses and borrowings.

Net assets were 102,627 million yen, up 5,009 million yen from the end of the previous consolidated fiscal year.

Capital adequacy ratio was 62.5%, down a 1.3 point from the previous consolidated fiscal year.

b. Cash flows

Cash and cash equivalents (hereinafter, cash) at the end of the 2nd quarter were 36,126 million yen, up 213 million yen from the end of the previous consolidated fiscal year.

Changes in cash flows by categories through the 2nd quarter were as follows.

Cash flows from operating activities

Through the 2nd quarter of the fiscal year under review, net cash provided by operating activities was 6,478 million yen (up 25.5% year on year).

Factors contributing positively to cash flows from operating activities were profit before income taxes of 8,665 million yen, depreciation of 2,747 million yen, an increase in provision for bonuses of 3,219 million yen and an increase in trade payables of 5,016 million yen. These cash flows were offset by a decrease in accounts payable- bonuses of 2,190 million yen, an increase in trade receivables and contract asset of 4,467 million yen, an increase in inventories of 5,314 million yen and income taxes paid of 1,803 million yen.

Cash flows from investing activities

Through the 2nd quarter of the fiscal year under review, net cash used in investing activities was 3,317 million yen (up 122.2% year on year).

The main factor accounting for the cash flows was purchase of property, plant and equipment of 3,286 million yen.

Cash flows from financing activities

Through the 2nd quarter of the fiscal year under review, net cash used in financing activities was 2,916 million yen (compared with 6,746 million yen provided by the same period of the previous year).

The main factor accounting for the cash flows were repayments of long-term borrowings of 1,797 million yen and dividends paid of 1,131 million yen.

(3) Consolidated financial forecasts and outlook

In the 2nd quarter, the market environment surrounding the Group continued to see a steady recovery in investment in manufacturing industry overall both in Japan and overseas and demand has remained high, driven by rising automation and labor saving demand and an expansion in investment in the electronics industry, including semiconductor capital expenditure. As a result, the Components business is expected to continue receiving stable orders in the 3rd quarter and beyond, despite uncertainty over the future due to supply shortages, particularly of semiconductors. Therefore, the Company has upwardly revised the full year consolidated financial forecasts announced on August 11, 2021 as follows.

However, these forecasts assume gradual improvement in the current status of COVID-19 infections and could change significantly depending on such factors as the extent of the spread of COVID-19 going forward and the timing of containment of the pandemic. The Company will provide notification of any impact on results promptly in the event that any important matters that should be disclosed arise.

The exchange rate assumption for the period from October 1, 2021 to March 31, 2022 is USD1:JPY110, which is re-evaluated from USD1:JPY105 in announcement of financial results for the 1st quarter.

The full fiscal year (April 1, 2021 to March 31, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Previous forecast (A)	Million yen 128,000	Million yen 14,500	Million yen 14,600	Million yen 10,000
Revised forecast (B)	134,000	15,600	15,700	10,800
Change (B - A)	6,000	1,100	1,100	800
Percentage change	4.7	7.6	7.5	8.0
For reference: Previous performance (Though the full fiscal year ended March 31, 2021)	106,723	7,698	7,823	5,273

These projections are based on information available as of this release. The actual results may differ due to various factors from now onwards.

These revised forecasts are mentioned in "Notice of Revisions in Consolidated Financial Forecasts for the Full Fiscal Year, Dividend from Retained Earnings (Interim Dividend) and Revisions in the Forecast of Dividend for the Full Fiscal Year", announced on November 12, 2021.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	36,375	36,592
Notes and accounts receivable - trade	23,492	-
Notes and accounts receivable - trade, and contract assets	-	25,397
Electronically recorded monetary claims - operating	4,134	6,913
Trade accounts receivable	227	210
Merchandise and finished goods	10,018	10,795
Work in process	4,012	4,751
Raw materials and supplies	22,298	26,164
Other	1,286	1,404
Allowance for doubtful accounts	(55)	(60)
Total current assets	101,789	112,169
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,443	19,149
Other, net	19,549	21,278
Total property, plant and equipment	38,992	40,427
Intangible assets	1,433	1,200
Investments and other assets	10,510	10,230
Total non-current assets	50,936	51,859
Total assets	152,726	164,028

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,360	19,316
Electronically recorded obligations - operating	2,833	4,042
Short-term borrowings	9,678	9,722
Current portion of bonds payable	16	-
Income taxes payable	1,624	2,543
Provision for bonuses	389	3,610
Other provisions	485	345
Other	11,252	10,013
Total current liabilities	41,640	49,595
Non-current liabilities		
Long-term borrowings	10,244	8,587
Other provisions	4	2
Retirement benefit liability	424	421
Other	2,795	2,793
Total non-current liabilities	13,468	11,805
Total liabilities	55,108	61,401
Net assets		
Shareholders' equity		
Share capital	11,016	11,016
Capital surplus	16,358	16,368
Retained earnings	65,921	70,856
Treasury shares	(895)	(889)
Total shareholders' equity	92,401	97,352
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,386	3,294
Foreign currency translation adjustment	1,845	1,995
Remeasurements of defined benefit plans	(136)	(135)
Total accumulated other comprehensive income	5,095	5,154
Non-controlling interests	120	119
Total net assets	97,617	102,627
Total liabilities and net assets	152,726	164,028

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	49,942	67,812
Cost of sales	37,005	48,057
Gross profit	12,937	19,754
Selling, general and administrative expenses	10,531	11,172
Operating profit	2,405	8,582
Non-operating income		
Interest income	8	9
Dividend income	80	81
Share of profit of entities accounted for using equity method	1	5
Gain on valuation of derivatives	25	-
Subsidy income	135	43
Other	172	121
Total non-operating income	424	261
Non-operating expenses		
Interest expenses	103	105
Loss on valuation of derivatives	-	4
Foreign exchange losses	78	51
Other	175	14
Total non-operating expenses	356	176
Ordinary profit	2,473	8,667
Extraordinary income		
Gain on sale of non-current assets	0	0
Subsidy income	25	176
Total extraordinary income	26	176
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	20	35
Loss on tax purpose reduction entry of non-current assets	25	142
Provision for environmental measures	15	-
Total extraordinary losses	62	178
Profit before income taxes	2,437	8,665
Income taxes - current	740	2,665
Income taxes - deferred	80	(95)
Total income taxes	820	2,569
Profit	1,616	6,095
Profit (loss) attributable to non-controlling interests	(2)	14
Profit attributable to owners of parent	1,618	6,081

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	1,616	6,095
Other comprehensive income		
Valuation difference on available-for-sale securities	996	(92)
Foreign currency translation adjustment	177	145
Remeasurements of defined benefit plans, net of tax	94	1
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	1,268	55
Comprehensive income	2,885	6,151
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,885	6,140
Comprehensive income attributable to non-controlling interests	(0)	10

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	2,437	8,665
Depreciation	2,684	2,747
Share of loss (profit) of entities accounted for using equity method	(1)	(5)
Increase (decrease) in provision for bonuses	2,049	3,219
Increase (decrease) in accounts payable - bonuses	(2,025)	(2,190)
Decrease (increase) in retirement benefit asset	92	79
Decrease (increase) in trade receivables	3,598	-
Decrease (increase) in trade receivables and contract asset	-	(4,467)
Decrease (increase) in inventories	(297)	(5,314)
Increase (decrease) in trade payables	(1,445)	5,016
Increase (decrease) in advances received	377	21
Other, net	(1,300)	339
Subtotal	6,169	8,111
Interest and dividends received	90	91
Interest paid	(102)	(104)
Income taxes paid	(1,105)	(1,803)
Income taxes refund	82	0
Subsidies received	25	182
Net cash provided by (used in) operating activities	5,160	6,478
Cash flows from investing activities		
Payments into time deposits	(0)	(4)
Proceeds from withdrawal of time deposits	152	-
Purchase of property, plant and equipment	(1,521)	(3,286)
Purchase of intangible assets	(156)	(131)
Proceeds from redemption of investment securities	-	100
Other, net	32	4
Net cash provided by (used in) investing activities	(1,492)	(3,317)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,290	161
Repayments of long-term borrowings	(1,790)	(1,797)
Purchase of treasury shares	(0)	(0)
Dividends paid	(808)	(1,131)
Repayments of lease obligations	(135)	(120)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	7,309	-
Other, net	(119)	(28)
Net cash provided by (used in) financing activities	6,746	(2,916)
Effect of exchange rate change on cash and cash equivalents	(12)	(32)
Net increase (decrease) in cash and cash equivalents	10,402	213
Cash and cash equivalents at beginning of period	18,409	35,913
Cash and cash equivalents at end of period	28,812	36,126

(4) Notes to the consolidated financial statements

Notes regarding assumptions as a going concern

Not applicable

Notes regarding any major change in the amount of consolidated shareholders' equity

Not applicable

Changes in accounting policies

Accounting Standard for Revenue Recognition

Accounting Standard for Revenue Recognition(ASBJ Statement No. 29, March 31, 2020) hereinafter referred to as the "Revenue Recognition Accounting Standard." The Company adopted the Accounting Standard for Revenue Recognition Accounting Standard, etc. from the beginning of the 1st quarter of the consolidated fiscal year, and recognized revenue in the amount expected to be received in exchange for promised goods and services at the point when control of the goods and services is transferred to the customer. As a result, in the past, the percentage-of-completion method was applied to construction contracts in which certainty of outcome is recognized through progress, and the completed-contract method was applied to other construction contracts. However, in cases when the performance of an obligation under a contract with a customer results in an asset that cannot be converted to another use, the Company has changed to a method of recognizing revenue over a period of time as performance obligations are fulfilled. Also, a portion of sales incentives, etc., previously included in selling expenses and sales discounts, previously included in non-operating expenses, have been deducted from net sales.

In accordance with the transitional treatment prescribed in the provisional clause of paragraph 84 of the Accounting Standard for Revenue Recognition for the adoption of the standard, the cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the 1st quarter of the consolidated fiscal year is added to or subtracted from retained earnings at the beginning of the 1st quarter of the consolidated fiscal year, and the new accounting policy is applied starting with the said balance at the beginning of the current fiscal year. However, the Company applied the method prescribed in paragraph 86 of the Revenue Recognition Accounting Standard and did not apply the new accounting policy retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the 1st quarter of the consolidated fiscal year. The Company also applied the method prescribed in provisional clause (1) of paragraph 86 of the Revenue Recognition Accounting Standard and contractual changes made prior to the beginning of the 1st quarter of the consolidated fiscal year were accounted for based on the contract terms after reflection of all contractual changes, and the cumulative effect of such changes was added to or deducted from retained earnings at the beginning of the 1st quarter of the consolidated fiscal year.

As a result of this change, in the 2nd quarter of the current fiscal year, net sales decreased by 138 million yen, cost of sales increased by 30 million yen, selling, general and administrative expenses decreased by 86 million yen, operating profit decreased by 83 million yen, and ordinary profit and profit before income taxes increased by 10 million yen respectively. The balance of retained earnings at the beginning of the fiscal year also decreased by 10 million yen.

Due to the application of the Revenue Recognition Accounting Standard, etc., "trade notes and accounts receivable" presented in "current assets" on the consolidated balance sheet for the previous fiscal year has been included in "trade notes, accounts receivable and contract assets" from the 1st quarter of the consolidated fiscal year. Also, "Decrease (increase) in trade receivables" presented in "Cash flows from operating activities" on consolidated statements of cash flows for the 2nd quarter of the previous fiscal year has been included in "Decrease (increase) in trade receivables and contract asset" from the 2nd quarter of the current fiscal year. In accordance with the transitional treatment prescribed in paragraph 89-2 of the Revenue Recognition Accounting Standard, the consolidated balance sheet and the consolidated statements of cash flows for the previous fiscal year have not been reclassified based on the new presentation method.

Accounting Standard for Fair Value Measurement

The Company applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Fair Value Measurement Accounting Standard"), etc. from the beginning of the 1st quarter of the consolidated fiscal year. In accordance with the transitional treatment prescribed in paragraph 19 of the "Fair Value Measurement Accounting Standard" and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement 10, July 4, 2019), the Company decided to apply the new accounting policy prescribed in the Fair Value Measurement Accounting Standard, etc. prospectively. There is no impact on the quarterly consolidated financial statements.

Segment information, etc.

Segment information

I 2nd quarter of the fiscal year ended March 31, 2021 (April 1, 2020 to September 30, 2020)

Information on reporting-segment-wise sales, profit (loss)

(Million yen)

	Reporting segment			Amount Adjusted (Note 1)	Consolidated (Note 2)
	Automatic Machineries	Components	Total		
Net sales					
Sales to external customers	7,633	42,309	49,942	—	49,942
Intersegment sales or transfers	—	40	40	(40)	—
Total	7,633	42,349	49,983	(40)	49,942
Segment profit	856	3,603	4,459	(2,053)	2,405

Notes: 1. The amount of adjustment for Segment profit of ¥(2,053) million includes ¥15 million for elimination of transactions among segments and ¥(2,069) million as the total company expenses that are not allocated to each reporting segment. The total company expenses mainly refers to expenses related to administration and long-term R&D expenses of CKD and costs related to CKD Global Service Corporation.

2. Segment profit has already been adjusted with operating profit shown in the consolidated statement of income.

II 2nd quarter of the fiscal year ending March 31, 2022 (April 1, 2021 to September 30, 2021)

1. Information on reporting-segment-wise sales, profit (loss)

(Million yen)

	Reporting segment			Amount Adjusted (Note 1)	Consolidated (Note 2)
	Automatic Machineries	Components	Total		
Net sales					
Sales to external customers	7,248	60,564	67,812	—	67,812
Intersegment sales or transfers	—	56	56	(56)	—
Total	7,248	60,621	67,869	(56)	67,812
Segment profit	1,001	9,533	10,534	(1,952)	8,582

Notes: 1. The amount of adjustment for Segment profit of ¥(1,952) million includes ¥15 million for elimination of transactions among segments and ¥(1,967) million as the total company expenses that are not allocated to each reporting segment. The total company expenses mainly refers to expenses related to administration and long-term R&D expenses of CKD and costs related to CKD Global Service Corporation.

2. Segment profit has already been adjusted with operating profit shown in the consolidated statement of income.

2. Matters related to changes in reporting segments

As described in Changes in accounting policies, the Company applied the Revenue Recognition Accounting Standard from the beginning of the 1st quarter of the consolidated fiscal year and changed the accounting treatment for revenue recognition. Therefore, the Company has also changed the method for calculating profit or loss for reportable segments.

As a result of this change, in the 2nd quarter of the consolidated fiscal year, compared with the previous method, net sales in the “Automatic machineries segment” increased by 41 million yen and segment profit increased by 10 million yen. Net sales in the “Components segment” decreased by 180 million yen and segment profit decreased by 93 million yen.

3. Others

Production orders, and sales

[1] Actual production

Actual production by reporting segment in the 2nd quarter of the consolidated fiscal year under review are as follows.

Segment name	Production output (Million yen)	Change YoY (%)
Automatic machineries	7,275	(14.6)
Components	61,741	+43.3
Total	69,016	+33.8

Notes: 1. Intersegment transactions have been offset and eliminated.

2. Amounts are based on sales prices.

3. Above figures are exclusive of consumption tax.

[2] Actual orders

Actual orders by reporting segment in the 2nd quarter of the consolidated fiscal year under review are as follows.

Segment name	Orders (Million yen)	Change YoY (%)	Order backlog (Million yen)	Change YoY (%)
Automatic machineries	7,470	+21.2	12,705	+9.7

Notes: 1. Production is carried out by expected demand, excluding the Automatic machineries segment.

2. Above figures are exclusive of consumption tax.

[3] Actual sales

Actual sales by business segment in the 2nd quarter of the consolidated fiscal year under review are as follows.

Segment name	Sales (Million yen)	Change YoY (%)
Automatic machineries	7,248	(5.0)
Components	60,564	+43.1
Total	67,812	+35.8

Notes: 1. Intersegment transactions have been offset and eliminated.

2. Above figures are exclusive of consumption tax.