



November 10, 2023

To whom it may concern

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(Code number: 6407, Stock exchange listing: TSE Prime Market, NSE Premier Market)
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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

CKD Corporation (the Company) hereby announces revisions in consolidated financial forecasts for the full fiscal year announced on May 12, 2023 as follows.

Also, at the Board of Directors on November 10, 2023, the Company decided dividend from retained earnings with a base of September 30, 2023 and revision in the forecast of dividend for the full fiscal year as follows.

1. Revisions in Financial Forecasts

(1) Revisions in the financial forecasts for the full fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on May 12, 2023)	Millions of yen 142,000	Millions of yen 14,500	Millions of yen 14,500	Millions of yen 10,000	Yen 149.87
Forecast (B)	132,500	11,400	11,400	7,550	113.14
Change (B – A)	(9,500)	(3,100)	(3,100)	(2,450)	—
Percentage change	(6.7)	(21.4)	(21.4)	(24.5)	—
For reference: Previous performance (Through the full fiscal year ended March 31, 2023)	159,457	21,170	21,181	14,788	221.76

(2) Reasons for the revisions

As for the outlook of the global economy, despite the progress in normalization of social and economic activities, there are high downside risks due to prolonged inflation and interest rate hikes and growing geopolitical risks, including the ongoing problems in Russia and Ukraine, and the economic recovery is expected to fluctuate.

Against this backdrop, in the business environment surrounding the group, although automation and labor saving demand in the manufacturing industry is expected to remain firm, the impact of global inventory adjustments and other measures to restrain semiconductor capital investment is expected to be more prolonged than initially anticipated and looks set to continue beyond the 3rd quarter.

A full-scale recovery in demand will be delayed until fiscal 2024 onward, and the challenging business environment is expected to continue during the current fiscal year. Accordingly, the full-year consolidated financial results forecast announced on May 12, 2023 has been revised down as above.

The exchange rate for the period from October 1, 2023 to March 31, 2024 is revised from USD1:JPY130 as of the announcement of the 1st quarter financial results to USD1:JPY142.

2. Dividend from Retained Earnings (Interim Dividend) and Revisions in the Forecast of Dividend for the Full Fiscal Year

(1) Dividend from retained earnings (Interim Dividend)

	Amount of dividend	Most recent dividend forecasts (Announced May 12, 2023)	Actual for the previous period (Interim dividend for the fiscal year ended March 2023)
Base date	September 30, 2023	(Same as on left)	September 30, 2022
Dividend per share	¥24.00	¥26.00	¥42.00
Total dividends	¥1,601 million	—	¥2,801 million
Effective date	December 11, 2023	—	December 12, 2022
Source of funds	Retained earnings	—	Retained earnings

(2) Forecast of Dividend (Year-End)

	Dividend per share (¥)		
	2nd quarter-end	Year-end	Annual
Base date			
Previous forecast	—	¥34.00	¥60.00
Revised forecast	—	¥22.00	¥46.00
Actual for the period	¥24.00	—	—
Actual for the previous period (Through the full fiscal year ended March 2023)	¥42.00	¥47.00	¥89.00

(3) Reasons for Dividend from Retained Earnings (Interim Dividend) and Revision in the Forecast of Dividend for the Full Fiscal Year

Regarding to the return of profit to shareholders, while the Company tries to increase corporate value through capital investment and R&D investment that strengthen the management base and further expand business, in the return of profit to shareholders the Company has a dividend payout ratio of 40% as a rough target.

Based on this policy and performances for the 2nd quarter of the consolidated fiscal year, the Company decided to pay ¥24 per share as dividend for the end of the 2nd quarter, resulted in decrease of ¥2 per share from the most recent forecast. As for dividend forecast for the end of the fiscal year, the Company is planning to pay ¥22 per share, decreased of ¥12 per share from the most recent forecast.

Note: The above projections are based on information available as of this release. The actual results may differ due to various factors.