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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

Company name: CKD Corporation
 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
 Securities code: 6407
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	36,253	(4.8)	3,772	(13.6)	3,704	(18.5)	2,477	(19.1)
June 30, 2024	38,078	15.3	4,365	52.0	4,544	54.4	3,062	63.6

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 3,260 million [(26.3)%]
 Three months ended June 30, 2024: ¥ 4,424 million [13.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	37.09	-
June 30, 2024	45.87	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	210,264	136,976	65.1
March 31, 2025	210,867	136,521	64.7

(Reference) Equity: As of June 30, 2025: ¥ 136,976 million
 As of March 31, 2025: ¥ 136,521 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, 2025	—	38.00	—	42.00	80.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		—	—	—	80.00

(Note) Revision to the forecast for dividends announced most recently: None

Interim and year-end dividends for the fiscal year ending March 31, 2026 have not been determined yet.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	156,000	0.2	19,000	(0.1)	19,000	(0.9)	13,100	(3.1)	196.10

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 67,909,449 shares

March 31, 2025: 67,909,449 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 1,108,367 shares

March 31, 2025: 1,108,117 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 66,801,145 shares

Three months ended June 30, 2024: 66,766,328 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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. Overview of Business Results (3) Consolidated Financial Forecasts and Outlook" on page 2 of the attached materials.

CKD Corporation (the Company) is planning to hold a briefing session for institutional investors and analysts on the web conference on August 8, 2025. Any explanatory materials used in this session will be posted on the Company's website immediately afterward.

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1. Overview of Business Results

(1) Overview of Business Results for the Three Months Ended June 30, 2025

[1] Overview of the three months ended June 30, 2025

During the three months ended June 30, 2025, the global economy remained uncertain due to ongoing concerns over the impact of rising geopolitical risks and policy developments on economic activity in various countries. Under such circumstances, in our key markets of semiconductors and rechargeable batteries, the recovery lacked momentum. In the semiconductor market, although investment related to generative AI remained strong, investment in semiconductors for automotive and industrial equipment remains in a state of adjustment, and a full-fledged recovery is expected from the second half of the year. In the rechargeable battery market, there was uncertainty surrounding capital investment in BEV-related facilities, while capital investment in HEV-related facilities was somewhat cautious.

In China, the semiconductor market remained firm as a result of an increase in domestic demand and the further acceleration of moves to produce semiconductors and semiconductor manufacturing equipment domestically. In the U.S. economy, increased investment in data centers and expanding demand for HBM for AI applications are driving demand for semiconductors such as logic and memory, and this trend is expected to continue growing over the medium to long term.

Under such circumstances, the CKD Group's results for the three months ended June 30, 2025 were 36,253 million yen in net sales, down 4.8% year on year, 3,772 million yen in operating profit, down 13.6% year on year, 3,704 million yen in ordinary profit, down 18.5% year on year, and 2,477 million yen in profit attributable to owners of parent, down 19.1% year on year.

[2] Segment Overview

<Automatic Machinery>

In Japan, sales of pharmaceutical packaging machines declined due to reaching the final stage of investment in securing a stable supply of generic drugs in the previous fiscal year, however profit margin improved due to strengthening our service business. In addition, sales of lithium-ion battery manufacturing systems fell due to a somewhat cautious approach by Japanese automobile manufacturers towards capital investment in on-board batteries for HEVs.

As a result, net sales were 4,566 million yen (down 36.4% year on year), and segment profit was 1,002 million yen (down 29.4% year on year).

<Components>

In the Japanese market, amid robust global demand for generative AI and data center semiconductors, sales of semiconductor manufacturing equipment remained strong.

In overseas markets, localization of semiconductor manufacturing equipment is being advanced in China and reconstruction of supply chains affected by U.S. tariffs on China has progressed. In line with this, semiconductor equipment manufacturers have diversified their production and procurement bases in the ASEAN region, leading to an increase in sales in that region.

As a result, net sales were 31,686 million yen (up 2.5% year on year), and segment profit was 4,120 million yen (down 2.3% year on year).

(2) Overview of Financial Position for the Three Months Ended June 30, 2025

Total assets at the end of the 1st quarter on the consolidated basis were 210,264 million yen, down 602 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 1,426 million yen in notes and accounts receivable - trade, and contract assets, and 1,189 million yen in property, plant and equipment, despite increases of 751 million yen in electronically recorded monetary claims - operating and 1,335 million yen in investment securities included in investments and other assets.

Liabilities were 73,288 million yen, down 1,057 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 2,428 million yen in income taxes payable, despite an increase of 1,491 million yen in provision for bonuses.

Net assets were 136,976 million yen, up 455 million yen from the end of the previous consolidated fiscal year.

Capital adequacy ratio was 65.1%, up 0.4 percentage point from the previous consolidated fiscal year.

(3) Consolidated Financial Forecasts and Outlook

No changes have been made to the consolidated financial forecasts for the fiscal year ending March 31, 2026 announced on May 13, 2025.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	35,333	35,355
Notes and accounts receivable - trade, and contract assets	30,621	29,194
Electronically recorded monetary claims - operating	14,157	14,908
Trade accounts receivable	207	182
Merchandise and finished goods	10,959	10,892
Work in process	3,987	4,535
Raw materials and supplies	34,390	33,819
Other	1,851	1,855
Allowance for doubtful accounts	(35)	(35)
Total current assets	131,473	130,708
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,325	33,698
Other, net	28,233	27,670
Total property, plant and equipment	62,558	61,369
Intangible assets	1,461	1,433
Investments and other assets	15,372	16,752
Total non-current assets	79,393	79,556
Total assets	210,867	210,264

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,010	12,691
Electronically recorded obligations - operating	3,307	3,916
Short-term borrowings	6,651	6,547
Income taxes payable	4,335	1,907
Provision for bonuses	413	1,905
Other provisions	602	607
Other	12,661	11,472
Total current liabilities	39,983	39,048
Non-current liabilities		
Long-term borrowings	28,137	27,772
Other provisions	2	2
Retirement benefit liability	579	586
Other	5,642	5,877
Total non-current liabilities	34,362	34,239
Total liabilities	74,345	73,288
Net assets		
Shareholders' equity		
Share capital	11,016	11,016
Capital surplus	16,695	16,695
Retained earnings	97,633	97,304
Treasury shares	(780)	(780)
Total shareholders' equity	124,564	124,236
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,490	4,403
Foreign currency translation adjustment	7,023	6,924
Remeasurements of defined benefit plans	1,442	1,412
Total accumulated other comprehensive income	11,956	12,740
Total net assets	136,521	136,976
Total liabilities and net assets	210,867	210,264

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	38,078	36,253
Cost of sales	27,160	25,705
Gross profit	10,917	10,547
Selling, general and administrative expenses	6,551	6,775
Operating profit	4,365	3,772
Non-operating income		
Interest income	15	30
Dividend income	130	121
Gain on valuation of derivatives	5	8
Foreign exchange gains	82	-
Other	154	106
Total non-operating income	389	267
Non-operating expenses		
Interest expenses	149	130
Foreign exchange losses	-	149
Other	61	55
Total non-operating expenses	211	335
Ordinary profit	4,544	3,704
Profit before income taxes	4,544	3,704
Income taxes - current	1,872	1,484
Income taxes - deferred	(391)	(257)
Total income taxes	1,481	1,226
Profit	3,062	2,477
Profit attributable to owners of parent	3,062	2,477

Quarterly Consolidated Statements of Comprehensive Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	3,062	2,477
Other comprehensive income		
Valuation difference on available-for-sale securities	(743)	912
Foreign currency translation adjustment	2,117	(98)
Remeasurements of defined benefit plans, net of tax	(12)	(30)
Total other comprehensive income	1,361	783
Comprehensive income	4,424	3,260
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,424	3,260

(3) 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

Notes on Segment information, etc.

I The 1st quarter of the consolidated fiscal year ended March 31, 2025 (April 1, 2024 to June 30, 2024)

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

(Millions of yen)

	Reporting segment			Amount Adjusted (Note 1)	Consolidated (Note 2)
	Automatic Machineries	Components	Total		
Net sales					
Sales to external customers	7,179	30,899	38,078	—	38,078
Intersegment sales or transfers	—	61	61	(61)	—
Total	7,179	30,960	38,140	(61)	38,078
Segment profit	1,418	4,216	5,635	(1,269)	4,365

Notes: 1. The amount of adjustment for segment profit of ¥(1,269) million includes ¥7 million for elimination of transactions among segments and ¥(1,277) 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 CORP.

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

II The 1st quarter of the consolidated fiscal year ending March 31, 2026 (April 1, 2025 to June 30, 2025)

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

(Millions of yen)

	Reporting segment			Amount Adjusted (Note 1)	Consolidated (Note 2)
	Automatic Machineries	Components	Total		
Net sales					
Sales to external customers	4,566	31,686	36,253	—	36,253
Intersegment sales or transfers	—	14	14	(14)	—
Total	4,566	31,701	36,267	(14)	36,253
Segment profit	1,002	4,120	5,122	(1,350)	3,772

Notes: 1. The amount of adjustment for segment profit of ¥(1,350) million includes ¥8 million for elimination of transactions among segments and ¥(1,358) 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 CORP.

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

Notes on Cash Flow Statement

The Company has not prepared a quarterly consolidated statement of cash flows for the 1st quarter of the consolidated fiscal year under review. Depreciation (including amortization relating to intangible fixed assets, excluding goodwill) and amortization of goodwill for the 1st quarter of the consolidated fiscal year under review are as follows.

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	1,587 Millions of yen	1,654 Millions of yen
Amortization of goodwill	3 "	3 "

3. Others

Production, orders and sales

[1] Actual production

Actual production by reporting segment in the 1st quarter of the consolidated fiscal year under review are as follows.

Segment name	Production output (Millions of yen)	Change YoY(%)
Automatic machineries	4,360	(25.0)
Components	32,279	+7.0
Total	36,639	+1.8

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

2. Amounts are based on sales prices.

[2] Actual orders

Actual orders by reporting segment in the 1st quarter of the consolidated fiscal year under review are as follows.

Segment name	Orders (Millions of yen)	Change YoY(%)	Order backlog (Millions of yen)	Change YoY(%)
Automatic machineries	4,623	(34.4)	16,926	(15.7)

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

[3] Actual sales

Actual sales by reporting segment in the 1st quarter of the consolidated fiscal year under review are as follows.

Segment name	Sales (Millions of yen)	Change YoY(%)
Automatic machineries	4,566	(36.4)
Components	31,686	+2.5
Total	36,253	(4.8)

Note: Intersegment transactions have been offset and eliminated.