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May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: CKD Corporation
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 6407
URL: <https://www.ckd.co.jp/en/>
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Scheduled date of annual general meeting of shareholders: June 26, 2026
Scheduled date to commence dividend payments: June 11, 2026
Scheduled date to file annual securities report: June 25, 2026
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 Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	%
Fiscal year ended March 31, 2026	157,886	1.4	19,640	3.3	19,867	3.6	13,578	0.4
March 31, 2025	155,634	15.8	19,018	45.0	19,167	46.9	13,520	62.1

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 21,841 million [88.2%]
For the fiscal year ended March 31, 2025: ¥ 11,603 million [(17.2)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	203.23	-	9.4	9.1	12.4
March 31, 2025	202.48	-	10.2	9.1	12.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ - million
For the fiscal year ended March 31, 2025: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	226,721	153,538	67.7	2,297.27
March 31, 2025	210,867	136,521	64.7	2,043.69

Reference: Equity

As of March 31, 2026: ¥ 153,538 million
As of March 31, 2025: ¥ 136,521 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	14,832	(1,188)	(7,056)	42,258
March 31, 2025	19,174	(6,057)	(6,179)	34,344

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	38.00	-	42.00	80.00	5,343	39.5	4.0
Fiscal year ended March 31, 2026	-	32.00	-	49.00	81.00	5,413	39.9	3.7
Fiscal year ending March 31, 2027 (Forecast)	-	-	-	-	95.00		39.0	

Note: Interim and year-end dividends for the fiscal year ending March 31, 2027 have not been determined yet.

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	180,000	14.0	24,500	24.7	24,500	23.3	16,300	20.0	243.88

* Notes

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

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

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

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	67,909,449 shares
As of March 31, 2025	67,909,449 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	1,074,438 shares
As of March 31, 2025	1,108,117 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	66,814,088 shares
Fiscal Year ended March 31, 2025	66,773,145 shares

[Reference] Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	123,873	0.0	14,470	(0.7)	17,429	14.2	12,804	15.1
March 31, 2025	123,867	15.9	14,565	45.7	15,255	25.8	11,125	28.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	191.65	-
March 31, 2025	166.61	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	179,180	121,188	67.6	1,813.26
March 31, 2025	171,609	110,659	64.5	1,656.55

Reference: Equity

As of March 31, 2026: ¥ 121,188 million

As of March 31, 2025: ¥ 110,659 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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.

CKD Corporation (the Company) is planning to hold a briefing session for institutional investors and analysts on the web on May 15, 2026. 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 Operating Results for the Fiscal Year

[1] Overview of the Consolidated Fiscal Year

During the consolidated fiscal year under review, the global economy remained uncertain due to ongoing concerns over the impact of expanding geopolitical risks and various countries' policy developments on economic activity.

In Japan, in the semiconductor-related market, growing demand for generative AI-related products drove capital investment from the second half of the fiscal year. In the rechargeable battery market, while capital investment in facilities for BEVs remained cautious due to the slowdown in global EV demand, there were some signs of recovery in investment for HEV applications. In the pharmaceutical market, while a certain level of capital investment continued against the backdrop of persistent supply shortages, large-scale investments aimed at ensuring a stable supply of generic pharmaceuticals were largely completed.

In the overseas economy, in China, capital investment in the production of semiconductors and semiconductor manufacturing equipment domestically, as well as in equipment related to rechargeable batteries, remained strong. In other regions, capital investment in the semiconductor-related market also continued, driven by demand for generative AI-related products.

Under such circumstances, the CKD Group's consolidated results for the fiscal year under review were 157,886 million yen in net sales, up 1.4% year on year, 19,640 million yen in operating profit, up 3.3% year on year, 19,867 million yen in ordinary profit, up 3.6% year on year, and 13,578 million yen in profit attributable to owners of parent, up 0.4% year on year.

[2] Segment Overview

<Automatic Machinery>

In the pharmaceutical market, while a certain level of capital investment continued against the backdrop of persistent supply shortages, sales of pharmaceutical packaging machines declined due to the completion of large-scale investments in generic pharmaceuticals.

In addition, sales of lithium-ion battery manufacturing systems fell due to Japanese automobile manufacturers adopting a cautious approach towards capital investment in facilities for BEVs. On the other hand, profit margin improved due to continued efforts to increase productivity and strong sales in the packaging service business, primarily maintenance and modification of packaging machines.

As a result, net sales were 19,373 million yen (down 23.5% year on year), and segment profit was 4,879 million yen (down 11.1% year on year).

<Components>

In Japan, in the semiconductor-related market, growing demand for generative AI drove capital investment from the second half of the fiscal year, leading to a substantial increase in sales of semiconductor manufacturing equipment. Meanwhile, sales in the automotive-related market declined due to restrained investment by automakers. In the rechargeable battery market, overall sales declined as a result of postponed investment plans for BEVs, despite a slight increase in sales due to rising investment in HEVs and infrastructure.

Overseas, in China, sales in the rechargeable battery market, in addition to semiconductor-related components, remained robust. In other regions, sales also remained steady, driven by demand fueled by strong capital investment in the semiconductor-related market.

As a result, net sales were 138,513 million yen (up 6.3% year on year), and segment profit was 19,822 million yen (up 8.8% year on year) due to increased sales.

(2) Overview of Financial Position

Total assets at the end of the fiscal year on the consolidated basis were 226,721 million yen, up 15,854 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 7,506 million yen in cash and deposits, 7,941 million yen in accounts receivable – trade, 2,218 million yen in raw materials and supplies, 3,480 million yen in investment securities and 2,262 million yen in retirement benefit asset, despite decreases of 4,447 million yen in contract assets and 2,839 million yen in property, plant and equipment.

Liabilities were 73,183 million yen, down 1,162 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 2,235 million yen in notes and accounts payable – trade and 2,312 million yen in accrued consumption taxes included in other, current liabilities, despite increases of 1,328 million yen in electronically recorded obligations – operating and 2,201 million yen in deferred tax liabilities.

Net assets were 153,538 million yen, up 17,016 million yen from the end of the previous consolidated fiscal year.

Equity-to-asset ratio was 67.7%, up a 3.0 point from the previous consolidated fiscal year.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the consolidated fiscal year totaled 42,258 million yen, an increase of 7,913 million yen from the end of the previous consolidated fiscal year.

Cash flow by activity category for the consolidated fiscal year is as follows:

<Cash Flows from Operating Activities>

Net cash provided by operating activities was 14,832 million yen (down 22.6% year on year).

This was mainly due to cash inflow of 20,498 million yen in profit before income taxes and 6,993 million yen in depreciation. Offsetting factors included a 1,866 million yen increase in inventories, a 2,045 million yen decrease in trade payables, and 7,343 million yen in income taxes paid.

<Cash Flows from Investing Activities>

Net cash used in investing activities was 1,188 million yen (down 80.4% year on year).

This was mainly due to cash outflow of 2,597 million yen in purchase of property, plant and equipment. Offsetting factors included a 1,189 million yen in proceeds from sale and redemption of investment securities.

<Cash Flows from Financing Activities>

Net cash used by financing activities was 7,056 million yen (up 14.2% year on year).

This was mainly due to cash outflow of 1,140 million yen in repayments of long-term borrowings and 4,937 million yen in dividend payments.

Reference: Changes in cash flow-related indexes

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio (%)	63.5	64.5	62.0	64.7	67.7
Equity-to-asset ratio based on current market price (%)	72.9	77.3	96.6	64.0	125.9
Ratio of interest-bearing debt to cash flow (times)	1.4	1.7	4.9	1.9	2.3
Interest coverage ratio (times)	55.1	35.5	15.0	34.0	29.3

Equity-to-asset ratio (%) = equity \div total assets

Equity-to-asset ratio based on current market price (%) = total market value of common stock \div total assets

Ratio of interest-bearing debt to cash flow (times) = interest-bearing debt \div cash flow

Interest coverage ratio (times) = cash flows \div interest payments

Notes: 1. All indicators are calculated based on consolidated financial figures.

2. Total market value of common stock is calculated based on the number of shares outstanding, excluding treasury stock.

3. Cash flows from operating activities are used for figures for cash flow.

4. Interest-bearing debt includes all balance-sheet debt for which interest payments are being made.

For interest payment, interest paid from consolidated financial statements of cash flows are used.

(4) Consolidated Financial Forecasts and Outlook

The outlook for the global economy is expected to remain uncertain due to rising geopolitical risk stemming from heightened tensions in the Middle East, as well as the impact of interest rate and foreign exchange rate fluctuations and policy developments in various countries on economic activity. Meanwhile, regarding the business environment surrounding the CKD Group, demand in the semiconductor-related market is expected to continue on an upward trend, driven by ongoing investment in large-scale data centers and the widespread adoption of terminals equipped with AI functions. Furthermore, the Company expects demand for automation and labor-saving solutions, driven by labor shortages in various industries, to remain firm.

Under such circumstances, the CKD Group will leverage the production foundation it has strengthened to date and work toward expanding its market share in the global market.

Based on the above, the consolidated financial forecasts for the next fiscal year are as below.

The exchange rate is estimated at USD1:JPY151.

	Full year
Net sales	Millions of yen 180,000
Operating profit	24,500
Ordinary profit	24,500
Profit attributable to owners of parent	16,300

At present, the Company believes that the direct impact of the situation in the Middle East on the Group's business and performance is limited. However, as it is difficult to assess the extent of indirect impact, they have not been factored into the current outlook. We will continue to closely monitor developments in the Middle East, and if any material matters requiring disclosure arise, we will promptly announce their impact thereof on our business performance.

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

(5) Basic Policy for Allocation of Profit and Dividends for FY2025 and FY2026

The Company aims to enhance corporate value through growth investments in human capital, research and development, and the strengthening of its business foundation. At the same time, while maintaining an appropriate balance with capital efficiency, the Company is committed to delivering stable shareholder returns, with a target dividend payout ratio of approximately 40%.

Based on this policy, it was decided at Board of Directors of CKD Corporation on May 15, 2026 that year-end dividends of ¥49 per share would be paid on June 11, 2026. Combined with the ¥32 per share paid as interim dividends in December 2025, the annual dividends for the fiscal year will amount to ¥81 per share, up ¥1 from the end of the previous consolidated fiscal year.

Projected dividends for the next fiscal year are ¥95 per share. Interim and year-end dividends for the fiscal year ending March 31, 2027 have not been determined yet.

2. Basic Approach to Selection of Accounting Standards

To enable comparison between companies and years, the CKD Group creates its consolidated financial statements according to “the Rules for Terminology, Forms, and Preparation of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 in 1976)” (excluding Chapter 7 and 8).

When applying international accounting standards, domestic and overseas information is considered and applied as appropriate.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	35,333	42,839
Notes receivable - trade	3,489	3,469
Accounts receivable - trade	22,220	30,162
Contract assets	4,910	462
Electronically recorded monetary claims - operating	14,157	12,163
Trade accounts receivable	207	169
Merchandise and finished goods	10,959	10,793
Work in process	3,987	5,094
Raw materials and supplies	34,390	36,609
Other	1,851	2,706
Allowance for doubtful accounts	(35)	(35)
Total current assets	131,473	144,435
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,325	32,787
Machinery, equipment and vehicles, net	13,247	12,781
Tools, furniture and fixtures, net	2,020	1,923
Land	9,660	9,778
Leased assets, net	2,195	2,132
Construction in progress	1,109	315
Total property, plant and equipment	62,558	59,719
Intangible assets	1,461	1,258
Investments and other assets		
Investment securities	8,599	12,079
Retirement benefit asset	4,868	7,130
Deferred tax assets	396	503
Other	1,548	1,634
Allowance for doubtful accounts	(39)	(40)
Total investments and other assets	15,372	21,307
Total non-current assets	79,393	82,286
Total assets	210,867	226,721

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,010	9,775
Electronically recorded obligations - operating	3,307	4,636
Short-term borrowings	5,513	5,136
Current portion of long-term borrowings	1,138	6,134
Lease liabilities	427	461
Accrued expenses	4,252	4,454
Income taxes payable	4,335	3,715
Provision for bonuses	413	620
Provision for product warranties	597	644
Provision for loss on orders received	4	4
Other	7,981	6,545
Total current liabilities	39,983	42,129
Non-current liabilities		
Long-term borrowings	28,137	22,290
Lease liabilities	586	581
Deferred tax liabilities	2,942	5,143
Provision for environmental measures	2	2
Retirement benefit liability	579	618
Asset retirement obligations	286	289
Other	1,826	2,128
Total non-current liabilities	34,362	31,054
Total liabilities	74,345	73,183
Net assets		
Shareholders' equity		
Share capital	11,016	11,016
Capital surplus	16,695	16,791
Retained earnings	97,633	106,268
Treasury shares	(780)	(757)
Total shareholders' equity	124,564	133,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,490	6,040
Foreign currency translation adjustment	7,023	11,355
Remeasurements of defined benefit plans	1,442	2,824
Total accumulated other comprehensive income	11,956	20,219
Total net assets	136,521	153,538
Total liabilities and net assets	210,867	226,721

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	155,634	157,886
Cost of sales	110,434	111,041
Gross profit	45,199	46,845
Selling, general and administrative expenses		
Personnel expenses	12,548	13,149
Retirement benefit expenses	298	310
Packing and transportation costs	1,801	1,947
Rent expenses	1,339	1,372
Outsourcing expenses	1,672	1,742
Depreciation	1,021	1,094
Provision of allowance for doubtful accounts	(3)	1
Research and development expenses	3,546	3,416
Enterprise tax	557	564
Amortization of goodwill	14	15
Other	3,383	3,587
Total selling, general and administrative expenses	26,180	27,204
Operating profit	19,018	19,640
Non-operating income		
Interest income	123	131
Dividend income	281	269
Foreign exchange gains	-	35
Gain on valuation of derivatives	59	31
Subsidy income	101	103
Other	470	396
Total non-operating income	1,035	968
Non-operating expenses		
Interest expenses	560	505
Foreign exchange losses	76	-
Loss on retirement of non-current assets	26	117
Other	222	118
Total non-operating expenses	886	742
Ordinary profit	19,167	19,867
Extraordinary income		
Gain on sale of investment securities	296	940
Gain on termination of retirement benefit plan	122	32
Subsidy income	1,437	431
Total extraordinary income	1,856	1,404
Extraordinary losses		
Impairment losses	-	342
Loss on tax purpose reduction entry of non-current assets	1,436	430
Other	0	-
Total extraordinary losses	1,436	773
Profit before income taxes	19,588	20,498
Income taxes - current	6,001	6,669
Income taxes - deferred	66	250
Total income taxes	6,068	6,920
Profit	13,520	13,578
Profit attributable to owners of parent	13,520	13,578

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	13,520	13,578
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,007)	2,549
Foreign currency translation adjustment	(523)	4,332
Remeasurements of defined benefit plans, net of tax	614	1,381
Total other comprehensive income	(1,916)	8,263
Comprehensive income	11,603	21,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,603	21,841

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,016	16,626	88,386	(804)	115,225
Changes during period					
Dividends of surplus			(4,273)		(4,273)
Profit attributable to owners of parent			13,520		13,520
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		68		24	93
Net changes in items other than shareholders' equity					
Total changes during period	-	68	9,246	24	9,339
Balance at end of period	11,016	16,695	97,633	(780)	124,564

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,498	7,546	827	13,873	129,098
Changes during period					
Dividends of surplus					(4,273)
Profit attributable to owners of parent					13,520
Purchase of treasury shares					(0)
Disposal of treasury shares					93
Net changes in items other than shareholders' equity	(2,007)	(523)	614	(1,916)	(1,916)
Total changes during period	(2,007)	(523)	614	(1,916)	7,423
Balance at end of period	3,490	7,023	1,442	11,956	136,521

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,016	16,695	97,633	(780)	124,564
Changes during period					
Dividends of surplus			(4,943)		(4,943)
Profit attributable to owners of parent			13,578		13,578
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		95		24	119
Net changes in items other than shareholders' equity					
Total changes during period	-	95	8,634	23	8,753
Balance at end of period	11,016	16,791	106,268	(757)	133,318

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,490	7,023	1,442	11,956	136,521
Changes during period					
Dividends of surplus					(4,943)
Profit attributable to owners of parent					13,578
Purchase of treasury shares					(1)
Disposal of treasury shares					119
Net changes in items other than shareholders' equity	2,549	4,332	1,381	8,263	8,263
Total changes during period	2,549	4,332	1,381	8,263	17,016
Balance at end of period	6,040	11,355	2,824	20,219	153,538

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	19,588	20,498
Depreciation	6,568	6,993
Increase (decrease) in provision for bonuses	(49)	169
Increase (decrease) in accounts payable - bonuses	296	(23)
Decrease (increase) in retirement benefit asset	(343)	(255)
Decrease (increase) in accounts receivable - trade, and contract assets	(11,585)	414
Decrease (increase) in inventories	10,624	(1,866)
Increase (decrease) in trade payables	(4,247)	(2,045)
Increase (decrease) in advances received	(3,000)	647
Loss (gain) on sale of investment securities	(296)	(940)
Other, net	2,826	(1,852)
Subtotal	20,381	21,739
Interest and dividends received	405	403
Interest paid	(563)	(506)
Income taxes paid	(2,508)	(7,343)
Income taxes refund	4	0
Subsidies received	1,454	538
Net cash provided by (used in) operating activities	19,174	14,832
Cash flows from investing activities		
Payments into time deposits	(1,395)	(1,228)
Proceeds from withdrawal of time deposits	927	1,709
Purchase of property, plant and equipment	(5,703)	(2,597)
Purchase of intangible assets	(290)	(315)
Purchase of investment securities	(11)	(11)
Proceeds from sale and redemption of investment securities	387	1,189
Other, net	28	66
Net cash provided by (used in) investing activities	(6,057)	(1,188)
Cash flows from financing activities		
Proceeds from short-term borrowings	5,608	-
Repayments of short-term borrowings	(5,608)	(2,824)
Net increase (decrease) in short-term borrowings	(308)	2,287
Repayments of long-term borrowings	(1,128)	(1,140)
Purchase of treasury shares	(0)	(1)
Dividends paid	(4,269)	(4,937)
Other, net	(472)	(440)
Net cash provided by (used in) financing activities	(6,179)	(7,056)
Effect of exchange rate change on cash and cash equivalents	(332)	1,326
Net increase (decrease) in cash and cash equivalents	6,604	7,913
Cash and cash equivalents at beginning of period	27,740	34,344
Cash and cash equivalents at end of period	34,344	42,258

(5) Notes to the Consolidated Financial Statements

Notes regarding assumptions as a going concern

Not applicable

Material items which form the basis for preparation of the consolidated financial statements

1. Scope of consolidation

Consolidated subsidiaries: 21 companies

The names of companies:

(4 Japanese companies)

CKD SHIKOKU SEIKO CORP.
CKD GLOBAL SERVICE CORP.
CKD FIELD ENGINEERING CORP.
CKD NIKKI DENSO CO. LTD.

(17 overseas companies)

CKD (Shanghai) CORP.
CKD (China) CORP.
CKD KOREA CORP.
TAIWAN CKD CORP.
M-CKD PRECISION SDN. BHD.
CKD MALAYSIA SDN.BHD.
CKD THAI CO. LTD.
CKD SINGAPORE PTE. LTD.
PT CKD TRADING INDONESIA
PT CKD MANUFACTURING INDONESIA
CKD VIETNAM ENGINEERING CO. LTD.
CKD INDIA PVT. LTD.
CKD USA CORP.
CKD ILLINOIS LLC
CKD MEXICO, S. DE R.L. DE C.V.
CKD EUROPE B.V.
CKD ITALIA S.R.L.

2. Application of equity method

Not applicable

3. Fiscal year of consolidated subsidiaries

Out of our consolidated subsidiaries, the fiscal year-ends on December 31 for CKD (Shanghai) CORP., CKD (China) CORP., and CKD MEXICO, S. DE R.L. DE C.V., and we provisionally close their accounts on the consolidated closing date (March 31).

4. Accounting policies

(1) Basis and method of evaluation of significant assets

[1] Securities

Available-for-sale securities

Other than shares without market value, etc.:

At fair market value (changes in fair value are accounted for under the direct addition to the net assets method, and the moving average method is used to calculate the sale value.)

Shares without market value, etc.:

At cost, as determined by the moving average method

[2] Derivatives

At fair value

[3] Inventories

a. Merchandise and finished goods	Automatic machineries finished goods	Recorded at cost using the individual method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)
	Components merchandise and finished goods	Mainly recorded at cost using the periodic average method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)
b. Work in process	Automatic machineries work in process	Recorded at cost using the individual method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)
	Components work in process	Mainly recorded at cost using the periodic average method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)
c. Raw materials and supplies	Raw materials	Mainly recorded at cost using the periodic average method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)
	Supplies	Mainly recorded at cost using the last purchase price method (values on the balance sheet are subject to the book value reduction method based on decreased profitability)

(2) Depreciation methods for material depreciable assets

[1] Property, plant and equipment (excluding lease assets)

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is calculated principally under the declining balance method. However, buildings acquired on and after April 1, 1998 (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on and after April 1, 2016 are calculated with the straight-line method. And that of foreign consolidated subsidiaries is determined in accordance with the straight-line method pursuant to the accounting standards of the corresponding nation.

Useful lives of property, plant and equipment are as follows:

Buildings and structures: 3-50 years

Machinery, equipment and vehicles: 3-17 years

[2] Intangible assets (excluding lease assets)

Calculated by the straight-line method.

Capitalized software for internal use is amortized by the straight-line method over the estimated internal useful life (5 years).

[3] Lease assets

The method employed is to take the useful life of the asset as the term of the lease and depreciate the residual value to zero.

(3) Accounting for reserves and allowances

[1] Allowance for doubtful accounts

To prepare for the possible losses on doubtful accounts, provisions for normal accounts in good standing are calculated using historical default ratios. Provisions for specific doubtful accounts are calculated by examining the probability of recovery for individual accounts and setting aside an amount equivalent to the portion deemed to be unrecoverable.

[2] Provision for bonuses

To cover bonus payments to employees, a provision for bonuses is made based on an estimated amount of payment for the year under review.

[3] Provision for product warranties

To prepare for claims regarding products delivered to customers, a provision for a reasonably projectable amount of expenses to be incurred in the future is made.

[4] Provision for losses on order received

To prepare for losses related to future order contracts, a provision for the estimated losses at the end of the current consolidated fiscal year is made.

[5] Provision for environmental Measures

To prepare for expenses related to the management of waste and removal of harmful substances obligated under laws and regulations, a provision for a reasonably projectable amount of expenses is made.

(4) Accounting treatment of retirement benefits

[1] Method of attributing expected benefit to periods

In calculating retirement benefit obligations, expected benefits are attributed to periods on a payment calculation basis.

[2] Accounting method of actuarial gains and losses and prior service costs

Prior service costs are amortized on a straight-line basis over a certain period (12 years) within the average remaining service years for employees at the time of recognition.

Actuarial gains and losses are amortized on a straight-line basis over a certain period (12 years) within the average remaining service years for employees at the time of recognition and allocated proportionately from the fiscal year following the respective fiscal year of recognition.

[3] Adoption of simplified method for small-scale companies

The simplified method payment, which assumes benefit obligations to be equal to the benefits payable assuming the voluntary retirement of all employees at fiscal year-end, is applied to some consolidated subsidiaries in the calculation of liabilities regarding the payment of retirement benefits and retirement benefit expenses.

(5) Accounting method of material revenues and expenses

The CKD Group applies the following five steps to recognize revenue.

Step 1: Identify contracts with customers.

Step 2: Identify performance obligations in contracts.

Step 3: Calculate transaction price.

Step 4: Allocate transaction price to performance obligations in contracts.

Step 5: Recognize revenue when or as performance obligations are satisfied.

The CKD Group's principal business is the manufacture, sale, installation, and maintenance of various types of automatic machineries and components.

Regarding the timing of revenue recognition, the specific circumstances of each reporting segment are as follows.

(Automatic Machineries)

For automatic machineries equipment, when the performance of an obligation in a contract with a customer results in an asset that cannot be assigned to another customer or another use, and the Company has the right to receive payment for work completed, the Company estimates the degree of progress in meeting the performance obligation and recognizes revenue based on such progress over a specified period. Progress is calculated based on the ratio of the actual costs incurred to the total cost expected to meet the performance obligation. For other contracts, revenue is recognized upon inspection by a customer.

However, in domestic sales of maintenance parts, if the period from the time of shipment to the transfer of control of the finished goods to the customer is the normal period, profits are recognized at the time of shipment.

In export sales, revenue is recognized when control and risk are transferred to the customer based mainly on the terms of trade stipulated by Incoterms and other regulations.

Consideration for these performance obligations is generally received within approximately one year after fulfillment of the performance obligation, based on separately determined payment terms, and does not include a significant financial component.

(Components)

At the time of delivery of finished goods, the Company considers that the customer has acquired control and the Company has satisfied its performance obligation, and therefore recognizes revenue at the time of such delivery. For domestic sales, revenue is recognized at the time of shipment if the period from the time of shipment to the time when control of finished goods is transferred to the customer is a normal period.

In export sales, revenue is recognized when control and risk are transferred to the customer based mainly on the terms of trade stipulated by Incoterms and other regulations.

Net sales are measured at the amount of consideration promised in the contract with the customer, less any incentives, sales discounts, or other payments based on sales. Revenue is recognized to the extent it is probable that significant reversals will not occur, based on estimates of historical trends and other known factors at the time of sale.

For transactions in which the Company receives compensation that fall under the repurchase agreements, the Company recognizes revenue on a net basis only for the amount equivalent to the processing fee.

Consideration for these performance obligations is generally received within approximately one year after fulfillment of the performance obligation, based on separately determined payment terms, and does not include a significant financial component.

(6) Foreign currency translation of material assets and liabilities

Monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates in effect at each fiscal year-end date and the resulting foreign exchange gains or losses are recognized as income or expenses.

Assets and liabilities of the foreign consolidated subsidiaries are translated at the current exchange rates in effect at each fiscal year-end date, and revenue and expense accounts are translated at the average rate of exchange in effect during the year. The amounts of translation adjustments are included in the foreign currency translation adjustments under net assets.

(7) Amortization method and amortization period of goodwill

Goodwill is amortized using the straight-line method over 10 years.

(8) Scope of cash equivalents in consolidated statements of cash flows

Currency on hand, bank deposits, and all highly liquid short-term investments with a maturity of three months or less when purchased and which are readily convertible into cash and are exposed to insignificant risk of changes in value are considered cash equivalents.

Significant accounting estimates

Valuation of inventories in the Company's component segment

(1) Amount recorded on consolidated financial statements

(Millions of yen)

Account	FY2024			FY2025		
	Consolidated financial statement amount (before valuation)	Write-down amount	Consolidated financial statement amount	Consolidated financial statement amount (before valuation)	Write-down amount	Consolidated financial statement amount
Merchandise and finished goods	6,656	(613)	6,043	6,834	(560)	6,273
Work in process	493	-	493	818	-	818
Raw materials and supplies	32,791	(1,877)	30,913	34,251	(2,031)	32,219
Total	39,941	(2,490)	37,451	41,903	(2,592)	39,311

Note: The Company and CKD (China) CORP. have adopted the reversal method for inventory write-downs.

The difference between the beginning and end-of-period balances impacted operating profit by (304) million yen in the previous consolidated fiscal year and by (100) million yen in the current consolidated fiscal year.

(2) Information on the Content of Significant accounting estimates for Identified Issues

Inventories in the Components segment of the Company and CKD (China) CORP. primarily consist of a wide variety of component parts. Given the diversity and variations of products manufactured, certain levels of inventory for key components are held to respond to fluctuations in order volume and short delivery deadlines. Inventory write-downs in the Components segment of the Company and CKD (China) CORP. are calculated using a combination of methods: comparisons with market net selling prices, automated calculation through a system that applies write-down rates based on inventory retention periods, and a calculation method for inventories with declining turnover based on past shipment records, environmental transformation, and an assessment of sales outlooks.

These sales outlooks in this assumption are estimated based on conditions in the semiconductor, automobile and machine tool markets, industries in which key customers operate, and the associated investment plans of those customers.

Should a deterioration in market conditions of the semiconductor, automobile, and machine tool markets require a revision to the assumptions used in these estimates, a material write-down of inventory judged to have no sales prospects may be recognized in the next fiscal year.

Segment Information, etc.

Segment information

1. Outline of reporting segments

The reporting segments of the CKD Group refers to the constituents of CKD and its subsidiaries that separate financial statements are available and that are the scope of regular discussion by the Board of Directors of CKD to determine how corporate resources are to be allocated and to evaluate business performance.

The constituents of the CKD Group consist of product segments, which include two reporting segments of ‘Automatic machineries’ and ‘Components’ separated based on the type, properties, and sales method of products.

In ‘Automatic machineries’, automatic packing system, lithium-ion battery manufacturing system, and other large-scale facilities are manufactured and sold. They are produced upon receiving an order.

In ‘Components’, functional parts that can be applied to semiconductor-related businesses, automobile-related industries, and other markets of diversified kinds are manufactured and sold. They are produced by forecasting demands of each item.

2. Calculation methods of net sales, profit/loss, assets, liabilities and other accounting items for each reporting segment

The accounting methods used for financial statements of respective reporting segments are basically the same as those stated in “Important matters fundamental to the preparation of consolidated financial statements.”

The income in each reporting segment are based on operating profit. Internal gains and amount of transfer among segments are based on current market prices.

3. Information on reporting-segment-wise sales, profit/loss, assets, liabilities, and other accounting items

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment			Amount Adjusted (Note 1)	Consolidated (Note 2)
	Automatic Machineries	Components	Total		
Net sales					
Sales to external customers	25,331	130,302	155,634	—	155,634
Intersegment sales or transfers	—	154	154	(154)	—
Total	25,331	130,457	155,789	(154)	155,634
Segment profit	5,489	18,211	23,700	(4,682)	19,018
Segment assets	22,306	166,902	189,208	21,658	210,867
Other items					
Depreciation and amortization	504	5,846	6,351	217	6,568
Amorization of goodwill	—	14	14	—	14
Increase in property, plant and equipment and intangible assets	275	4,680	4,956	66	5,023

Note 1: Details of the amount adjusted

- (1) The amount of adjustment for ‘Net sales’ of ¥(154) million is derived from elimination of transactions among segments.
- (2) The amount of adjustment for ‘Segment profit’ of ¥(4,682) million includes ¥31 million for elimination of transactions among segments and ¥(4,713) 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.
- (3) The amount of adjustment for ‘Segment assets’ of ¥21,658 million is the total company assets not allocated to each reporting segment. This mainly consists of working surplus funds (cash and deposits) and long-term investment funds (investment securities) and assets of management department.

- (4) The amount adjusted for depreciation of ¥217 million consists of depreciation related to assets for the entire company.
- (5) The amount adjusted for increase in property, plant and equipment and intangible assets of ¥66 million consists of the amount of property, plant and equipment and intangible assets for the entire company.

Note 2: 'Segment profit' has already been adjusted with operating profit shown in the consolidated statement of income.
'Segment assets' has already been adjusted with total assets shown in the consolidated balance sheets.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segment			Amount Adjusted (Note 1)	Consolidated (Note 2)
	Automatic Machineries	Components	Total		
Net sales					
Sales to external customers	19,373	138,513	157,886	—	157,886
Intersegment sales or transfers	—	70	70	(70)	—
Total	19,373	138,583	157,957	(70)	157,886
Segment profit	4,879	19,822	24,701	(5,060)	19,640
Segment assets	19,918	178,002	197,921	28,800	226,721
Other items					
Depreciation and amortization	475	6,300	6,775	218	6,993
Amorization of goodwill	—	15	15	—	15
Increase in property, plant and equipment and intangible assets	169	2,380	2,549	276	2,826

Note 1: Details of the amount adjusted

- (1) The amount of adjustment for 'Net sales' of ¥(70) million is derived from elimination of transactions among segments.
- (2) The amount of adjustment for 'Segment profit' of ¥(5,060) million includes ¥34 million for elimination of transactions among segments and ¥(5,094) 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.
- (3) The amount of adjustment for 'Segment assets' of ¥28,800 million is the total company assets not allocated to each reporting segment. This mainly consists of working surplus funds (cash and deposits) and long-term investment funds (investment securities) and assets of management department.
- (4) The amount adjusted for depreciation of ¥218 million consists of depreciation related to assets for the entire company.
- (5) The amount adjusted for increase in property, plant and equipment and intangible assets of ¥276 million consists of the amount of property, plant and equipment and intangible assets for the entire company.

Note 2: 'Segment profit' has already been adjusted with operating profit shown in the consolidated statement of income.
'Segment assets' has already been adjusted with total assets shown in the consolidated balance sheets.

Related information

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Information regarding products and services

Disclosure is omitted as the same information is disclosed in segment information.

2. Information regarding each region

[1] Net sales

(Millions of yen)

Japan	China	Asia (other)	Other	Total
101,958	23,688	20,901	9,086	155,634

Notes: 1. Net sales are classified by country or region based on the customer's location.

2. The amount under "Asia (other)" is net sales in Asia excluding both Japan and China.

[2] Property, plant and equipment

(Millions of yen)

Japan	China	Asia (other)	Other	Total
46,124	6,909	7,307	2,217	62,558

Note: The amount under "Asia (other)" is property, plant and equipment in Asia excluding both Japan and China.

3. Information by principal customer

Of the net sales to outside customers, there are no customers accounting for 10% or more of total net sales under the consolidated statements of income.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

1. Information regarding products and services

Disclosure is omitted as the same information is disclosed in segment information.

2. Information regarding each region

[1] Net sales

(Millions of yen)

Japan	China	Asia (other)	Other	Total
100,981	25,481	22,898	8,525	157,886

Notes: 1. Net sales are classified by country or region based on the customer's location.

2. The amount under "Asia (other)" is net sales in Asia excluding both Japan and China.

[2] Property, plant and equipment

(Millions of yen)

Japan	China	Asia (other)	Other	Total
42,687	6,930	8,023	2,077	59,719

Note: The amount under "Asia (other)" is property, plant and equipment in Asia excluding both Japan and China.

3. Information by principal customer

Of the net sales to outside customers, there are no customers accounting for 10% or more of total net sales under the consolidated statements of income.

Information on impairment losses on non-current assets by reporting segment

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

Not applicable

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segments			Amount Adjusted (Note)	Consolidated
	Automatic Machineries	Components	Total		
Impairment loss	—	342	342	—	342

Note: The 342 million yen in the Components segment represents the impairment loss on business assets and goodwill related to the European business.

Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reporting segment

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segments			Amount Adjusted	Consolidated
	Automatic Machineries	Components	Total		
Amortization	—	14	14	—	14
Balance at end of year	—	102	102	—	102

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segments			Amount Adjusted	Consolidated
	Automatic Machineries	Components	Total		
Amortization	—	15	15	—	15
Balance at end of year	—	—	—	—	—

Note: In the Components segment, an impairment loss of 99 million yen on goodwill related to the European business was recorded.

Information on gain on bargain purchase by reporting segment

Not applicable

Per share information

	FY2024 (April 1, 2024 to March,31 2025)	FY2025 (April 1, 2025 to March,31 2026)
	Yen	Yen
Net assets per share	2,043.69	2,297.27
Basic earnings per share	202.48	203.23

Notes: 1. There are no latent shares and no figures for net income per share after adjustment for latent shares has been disclosed.

2. Below is basis for calculations of basic earnings per share.

	FY2024 (April 1, 2024 to March,31 2025)	FY2025 (April 1, 2025 to March,31 2026)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	13,520	13,578
Amount not attributable to owners of ordinary shares (Millions of yen)	—	—
Profit attributable to owners of parent related to ordinary shares (Millions of yen)	13,520	13,578
Average number of ordinary shares over the period (Thousand shares)	66,773	66,814

Material subsequent events

Not applicable

4. Others

Production, orders and sales

[1] Actual production

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

Segment name	Production output (Millions of yen)	Change YoY (%)
Automatic machineries	19,092	(21.9)
Components	139,590	+9.5
Total	158,683	+4.4

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 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	19,103	(13.2)	16,610	(1.5)

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

[3] Actual sales

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

Segment name	Sales (Millions of yen)	Change YoY (%)
Automatic machineries	19,373	(23.5)
Components	138,513	+6.3
Total	157,886	+1.4

Note: Intersegment transactions have been offset and eliminated.