

Financial Results for the Fiscal Year Ending March 2020

May 14, 2020

CKD Corporation

Ticker Code 6407



the Fiscal Year Ending March 2020

- **Summary of Financial Results**
- **Investments**
- **Shareholders' Return**
- **Response to the New Coronavirus**

Summary of Financial Results

■ Year-on-year declines in net sales and income

Net sales –13%

Operating income – 4%



Management Results

(Unit: one hundred million yen)

	FY2018/2019 Results	FY2019/2020 Results	Year-on-year	
			Amount change	% change
Consolidated net sales	1,157	1,007	— 149	— 13%
Automatic machinery	160	158	— 2	— 1%
Components	996	849	— 147	— 15%
Operating income (Operating income ratio)	54 (4.7%)	52 (5.2%)	— 2	— 4%
Ordinary income	54	54	— 1	— 1%
Net income	48	37	— 11	— 23%

Financial Status

(Unit: one hundred million yen)

	At the end of March, 2019	At the end of March, 2020	Year-on-year	
			Amount change	% change
Current assets	834	854	+ 20	+ 2%
Fixed assets	535	506	- 29	- 5%
Total assets	1,370	1,361	- 9	- 1%

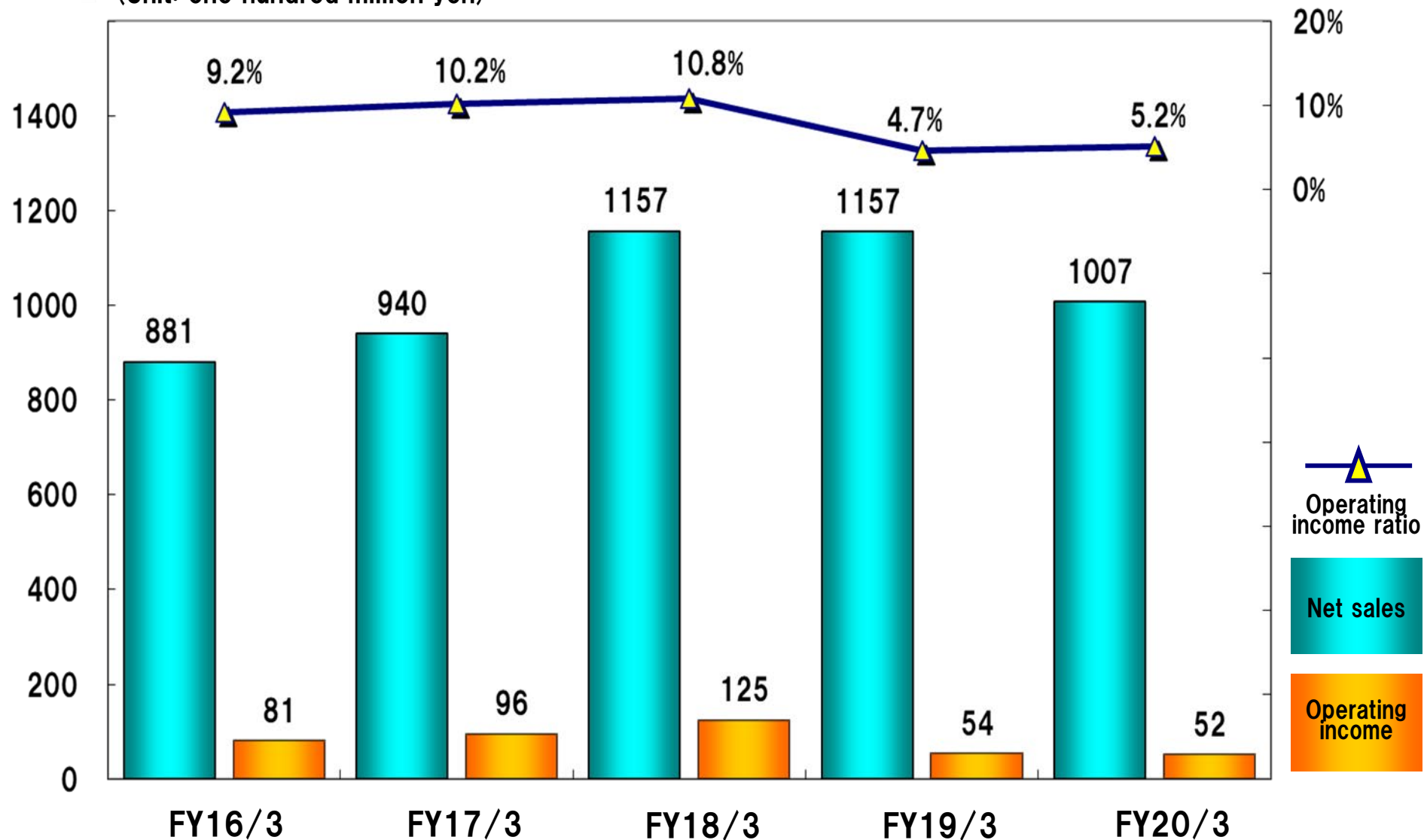
Current liabilities	373	378	+ 4	+ 1%
Fixed liabilities	192	158	- 33	- 17%
Total liabilities	565	536	- 29	- 5%

Total net assets	804	825	+ 21	+ 3%
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Capital adequacy ratio	58.6%	60.5%	-	+ 1.9%
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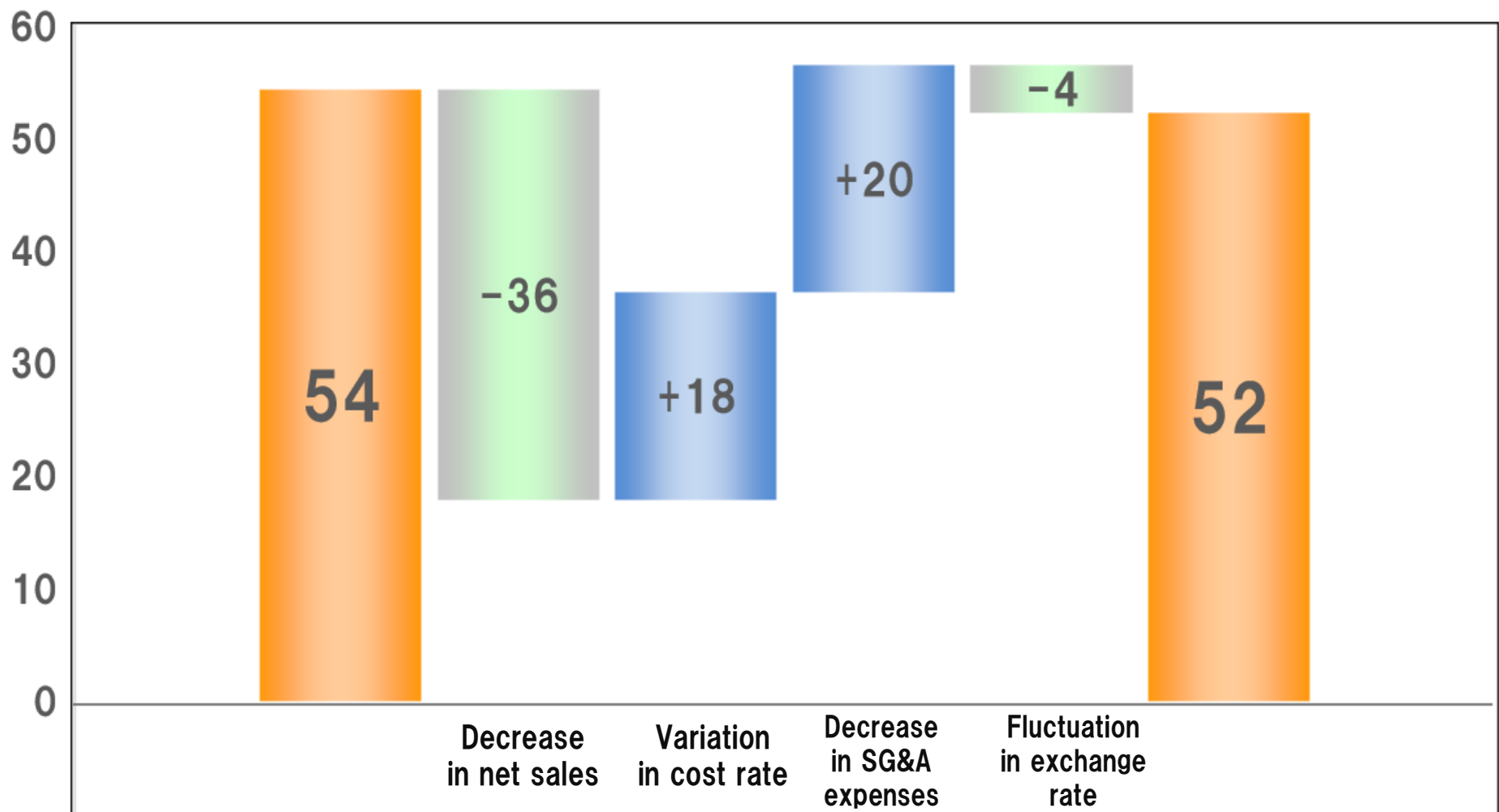
Consolidated Net Sales and Operating Income

(Unit: one hundred million yen)



Factors of Changes in Operating Income

(Unit: one hundred million yen)



FY19/3

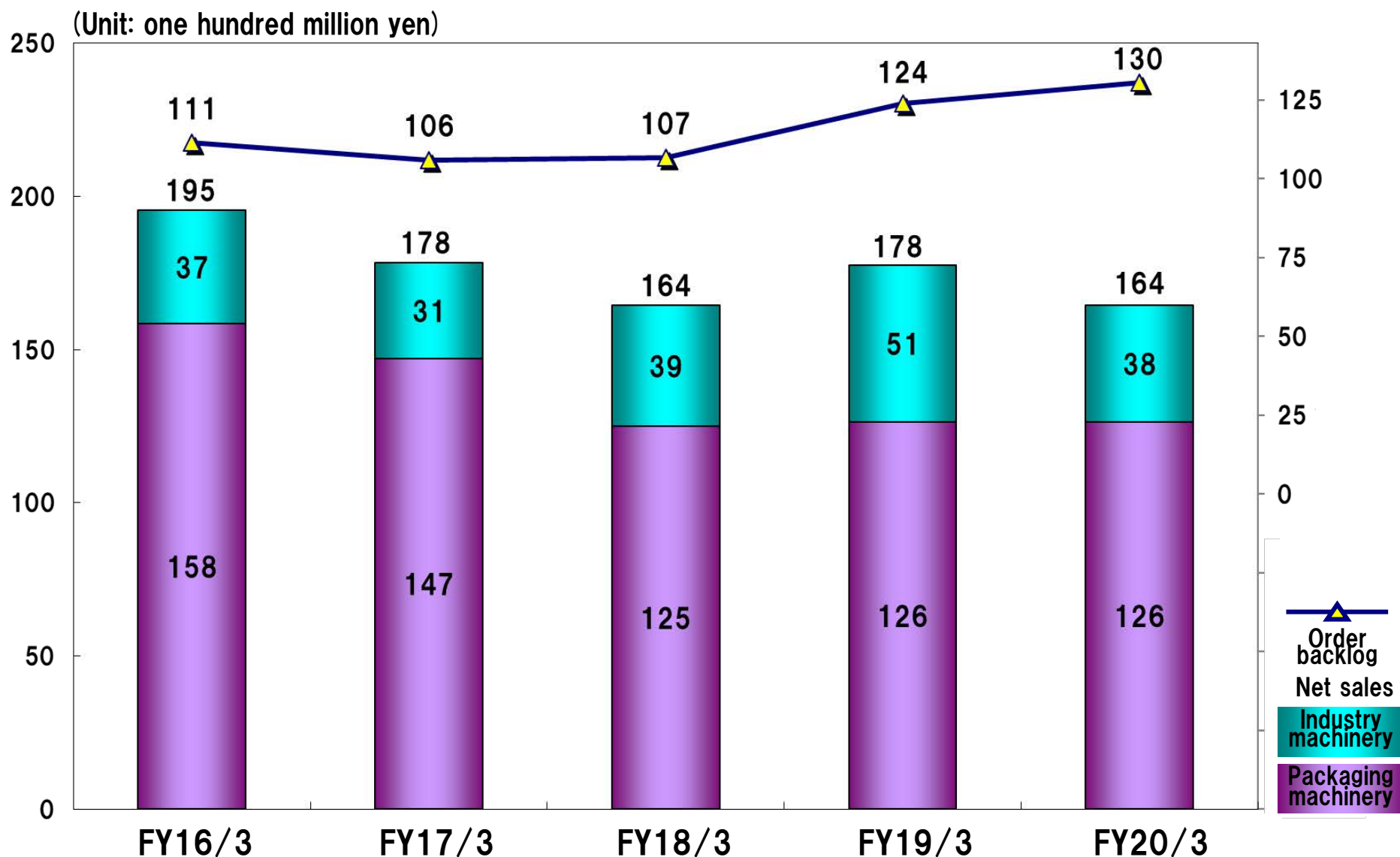
¥111 (¥/\$)
¥16.5 (¥/CNY)

FY20/3

¥109 (¥/\$)
¥15.6 (¥/CNY)

Exchange rate

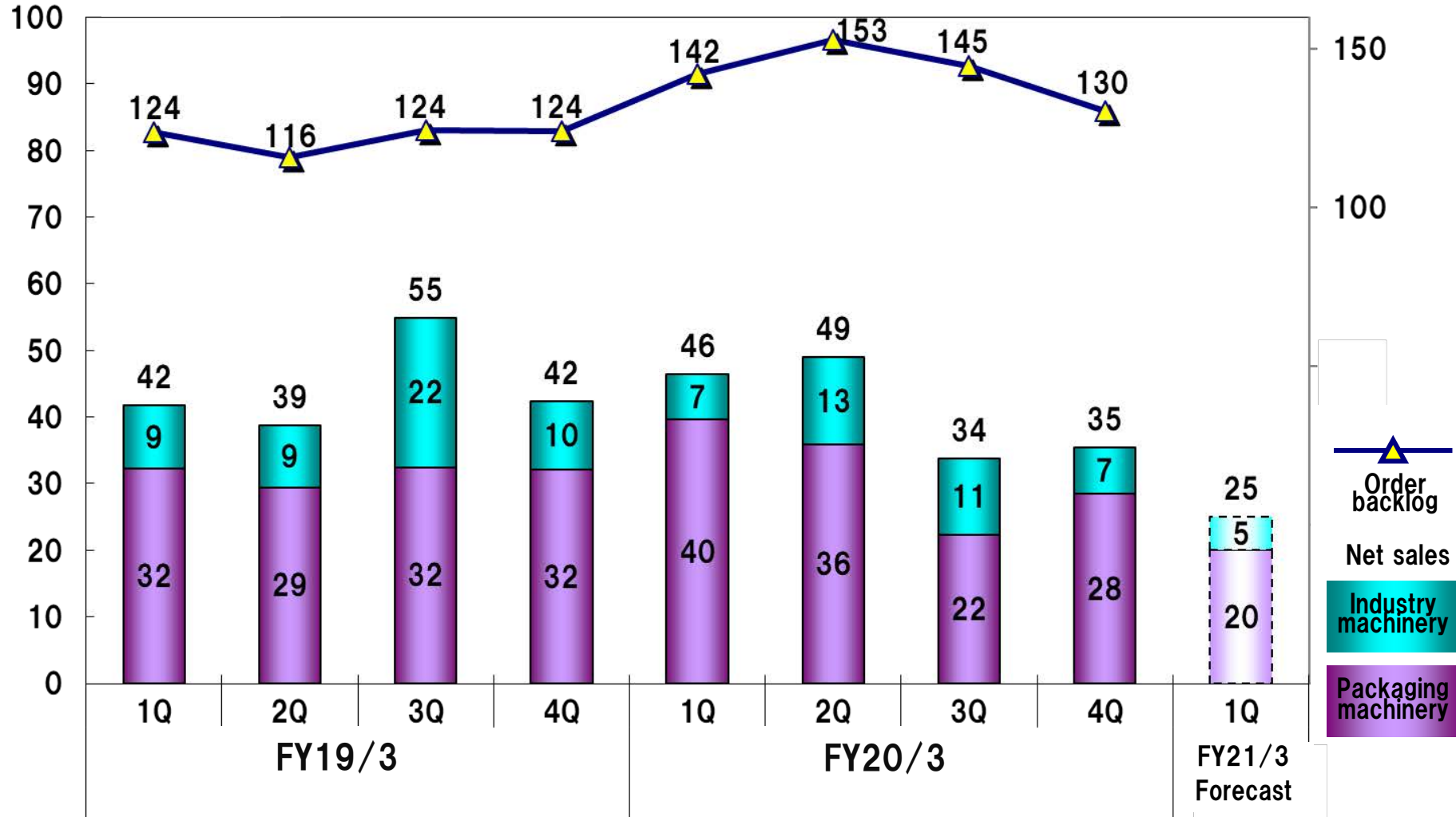
Automatic Machinery: Orders Received



Automatic Machinery: Forecast of Orders Received

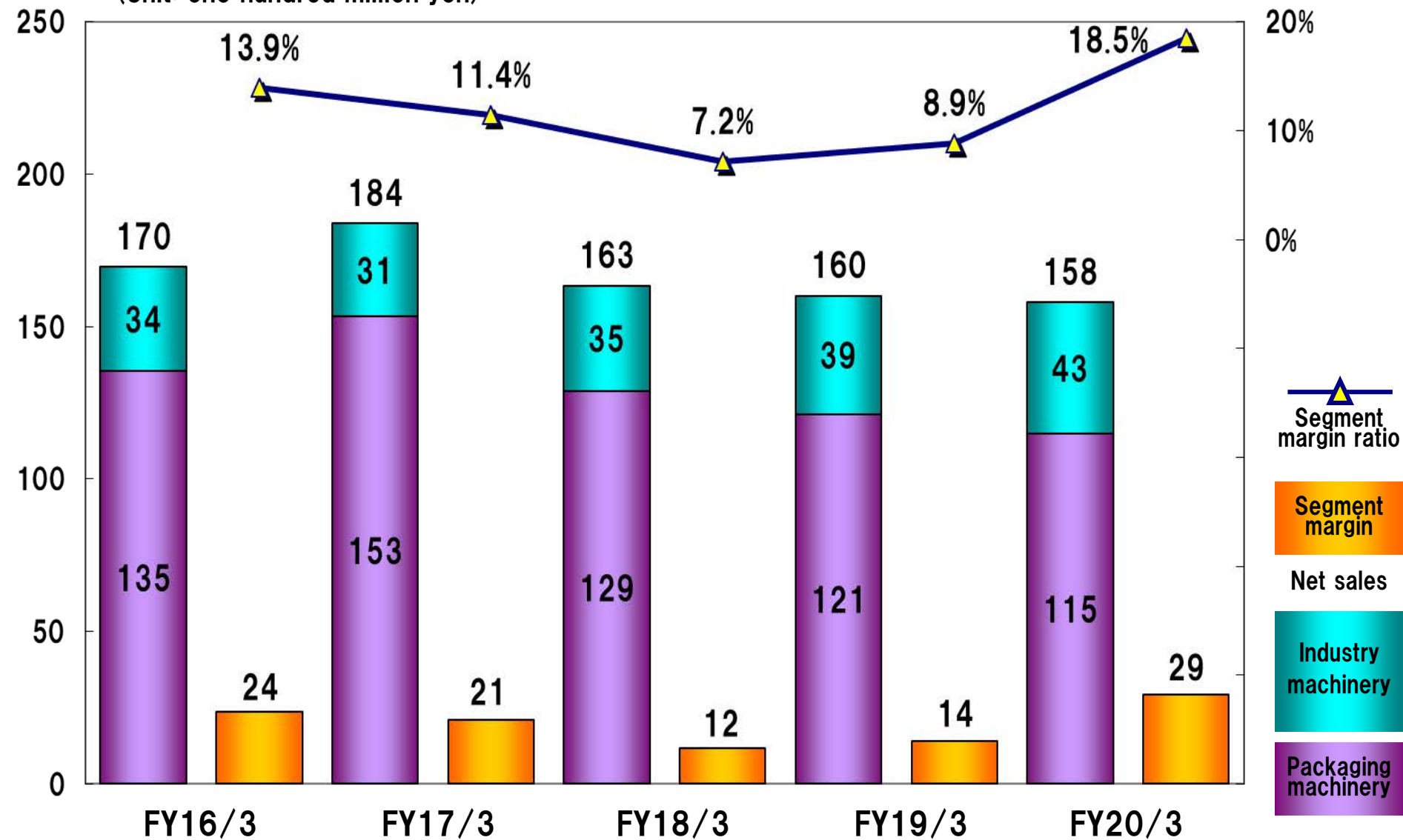
(Unit: one hundred million yen)

FY21/3	Orders received
1Q forecast	2.5 billion yen



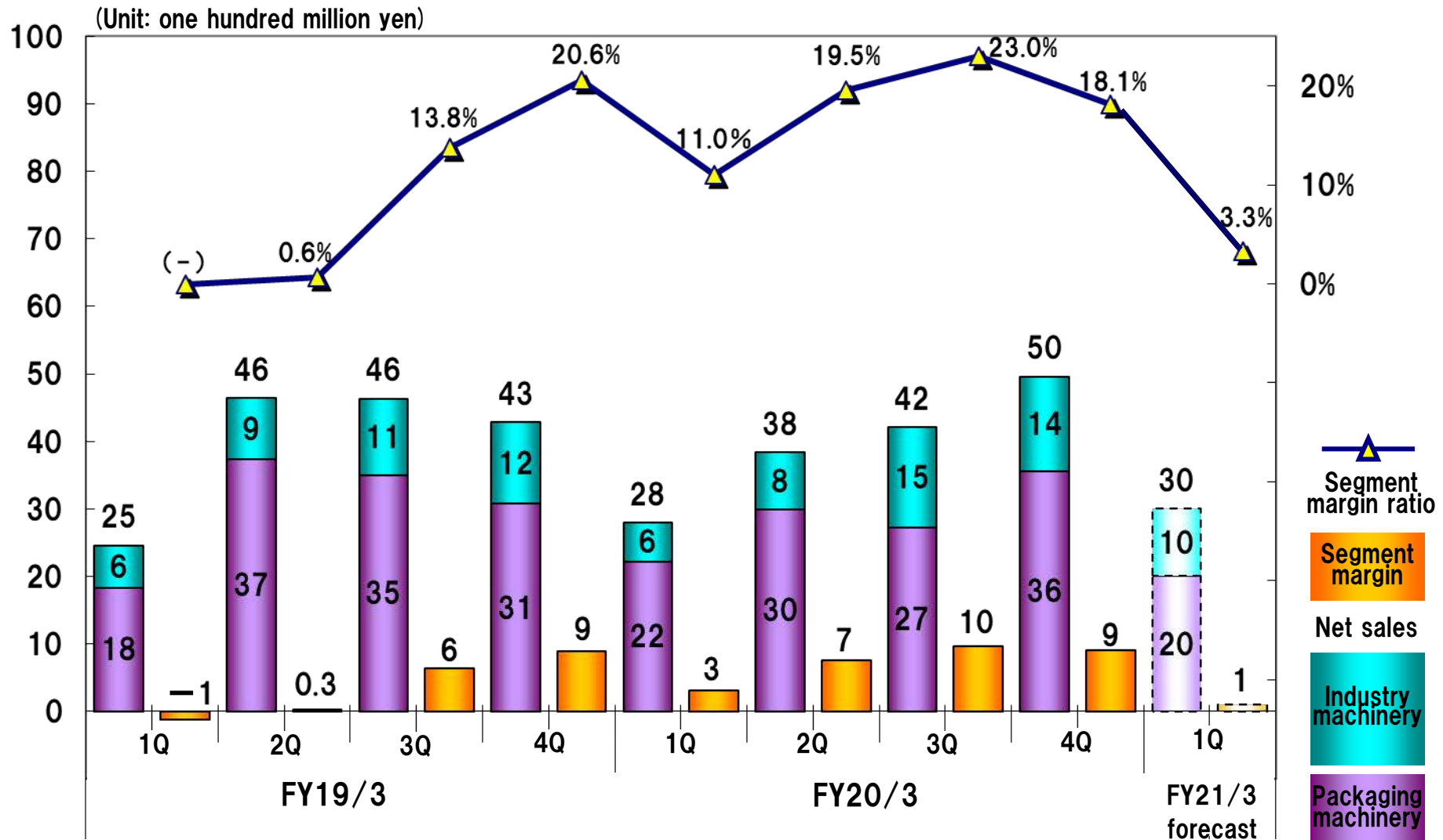
Automatic Machinery: Achievement Changes

(Unit: one hundred million yen)



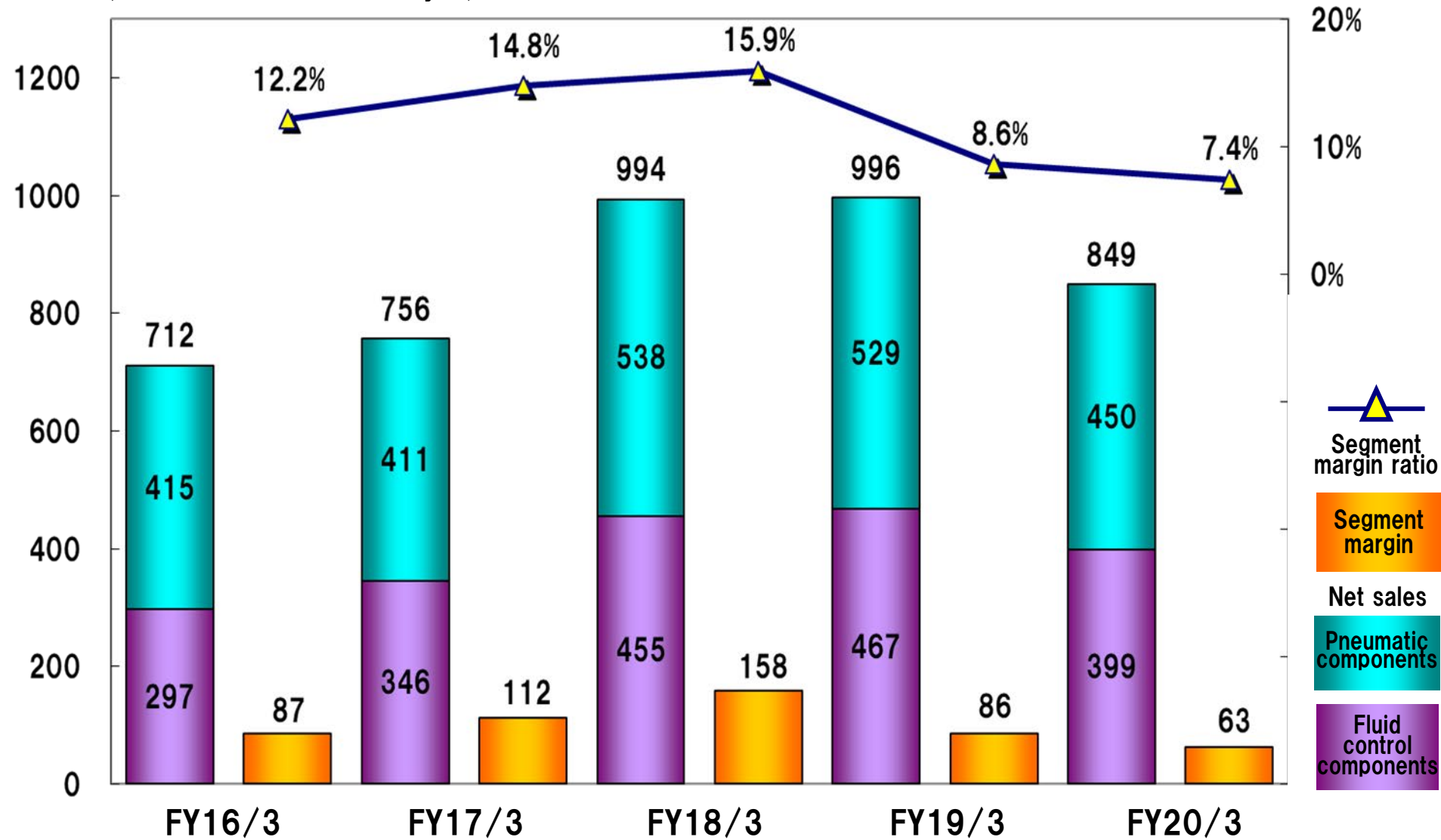
Automatic Machinery: Outlook of Performance

FY21/3	Sales	Segment margin
1Q forecast	3.0 billion yen	0.1 billion yen

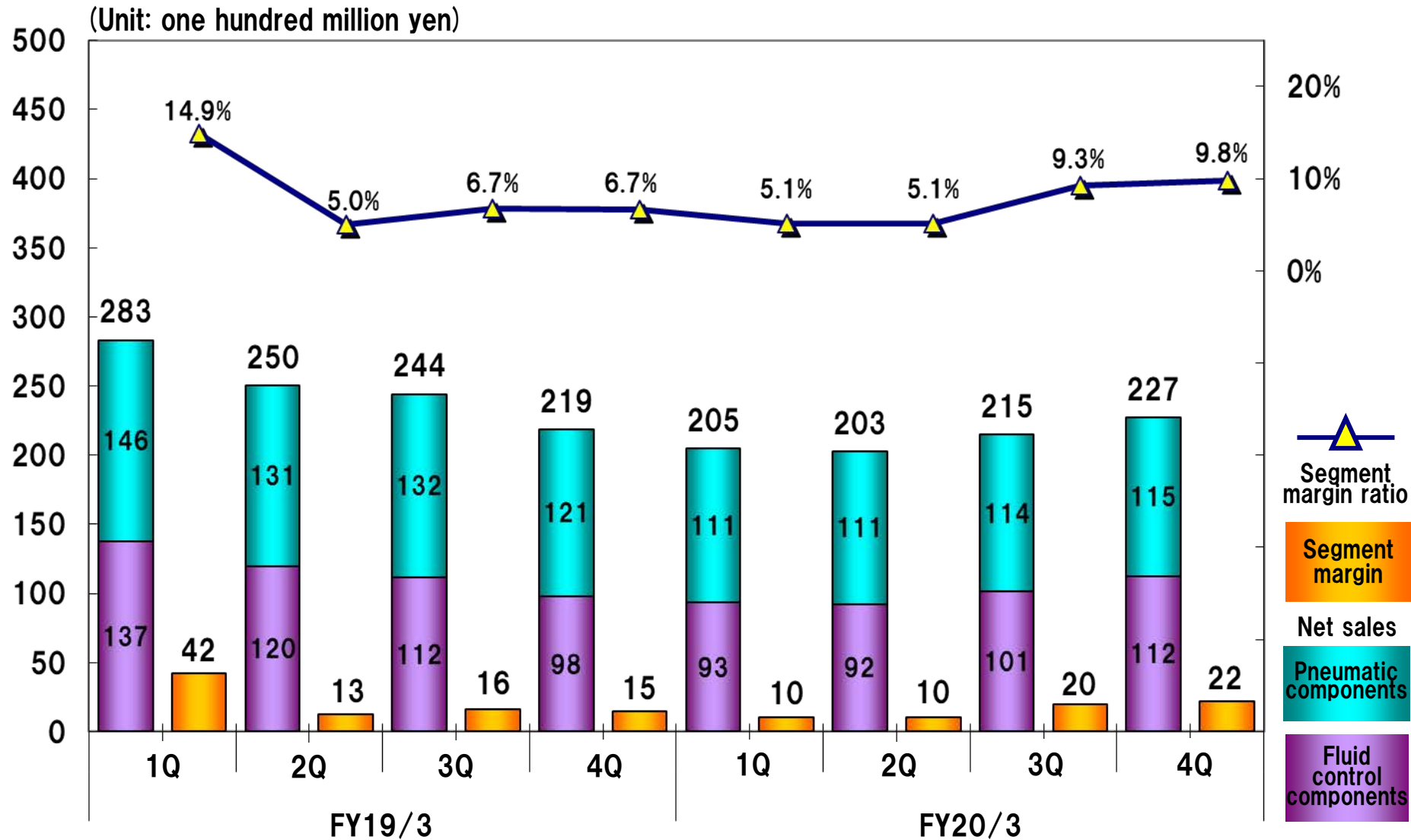


Components: Achievement Changes

(Unit: one hundred million yen)



Components: Achievement Changes (Quarterly)



Components: FY20/3 Results by Market

*Compared with Year-on-Year results

(Unit: %)

Main Industries in Japan	1st half results	2nd half results	Full-year results
Semiconductor	78	98	88
Automobile	85	78	82
Machine tool	77	63	70
Medical	95	86	91
Flat-panel display (FPD)	75	90	83
Rechargeable battery	81	63	72
Total	80	92	86








Main areas overseas (Exchange rate)	1st half results (109 ¥/\$)	2nd half results (109 ¥/\$)	Full-year results (109 ¥/\$)
East Asia	76	77	77
Southeast Asia	91	95	93
Total (Including Europe and Americas)	80	83	81

Components: FY21/3 Prospects by Market




*Compared with Year-on-Year results

(Unit: %)

Main Industries in Japan	FY20/3		
	1st half results	2nd half results	Full-year results
Semiconductor	78	98	88
Automobile	85	78	82
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Flat-panel display (FPD)	75	90	83
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FY21/3 1Q forecast








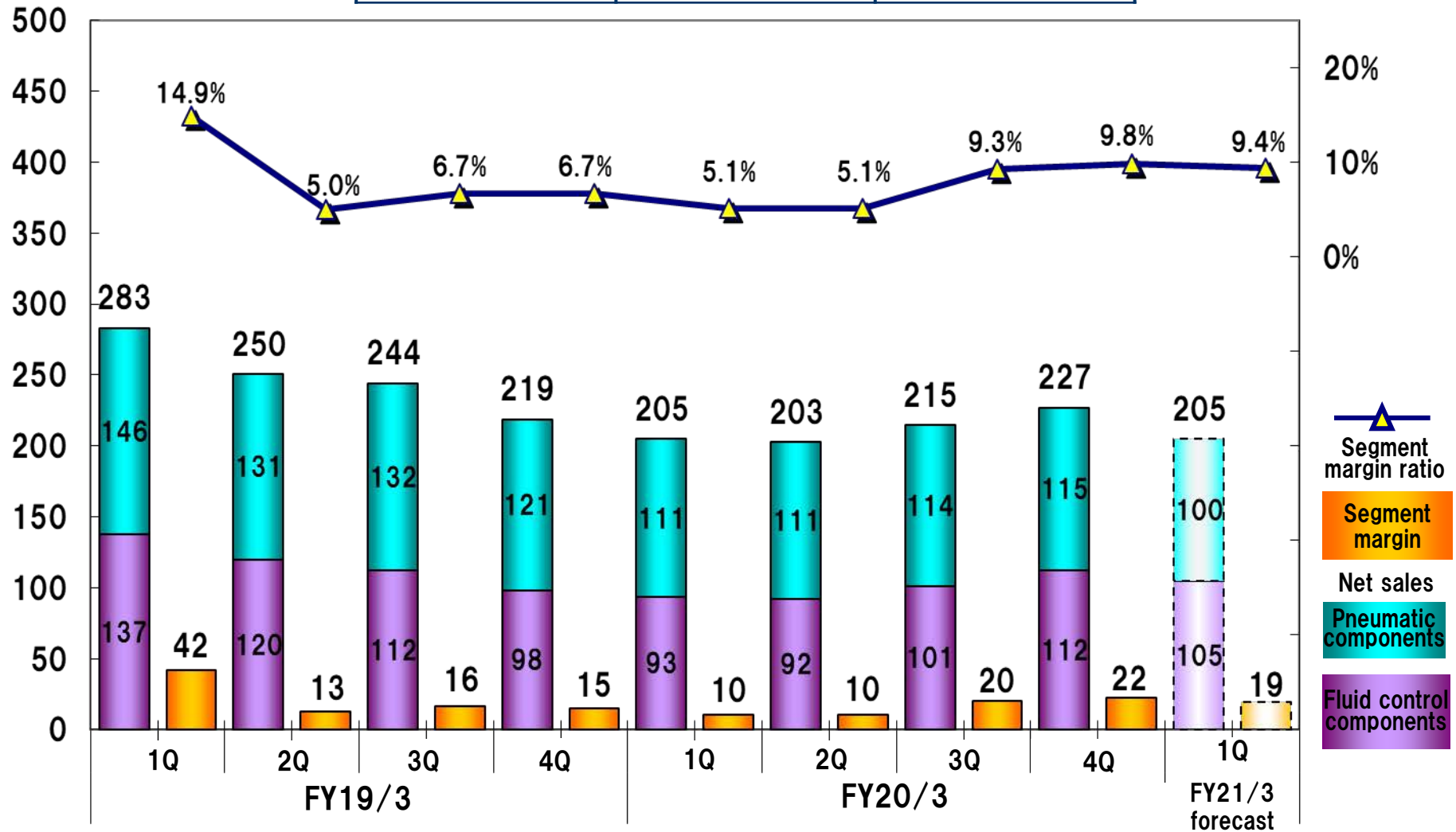
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Total (Including Europe and Americas)	80	83	81

FY21/3 1Q forecast (105 ¥/\$)




Components: Earnings Forecasts

FY21/3	Sales	Segment margin
1Q forecast	20.5 billion yen	1.9 billion yen

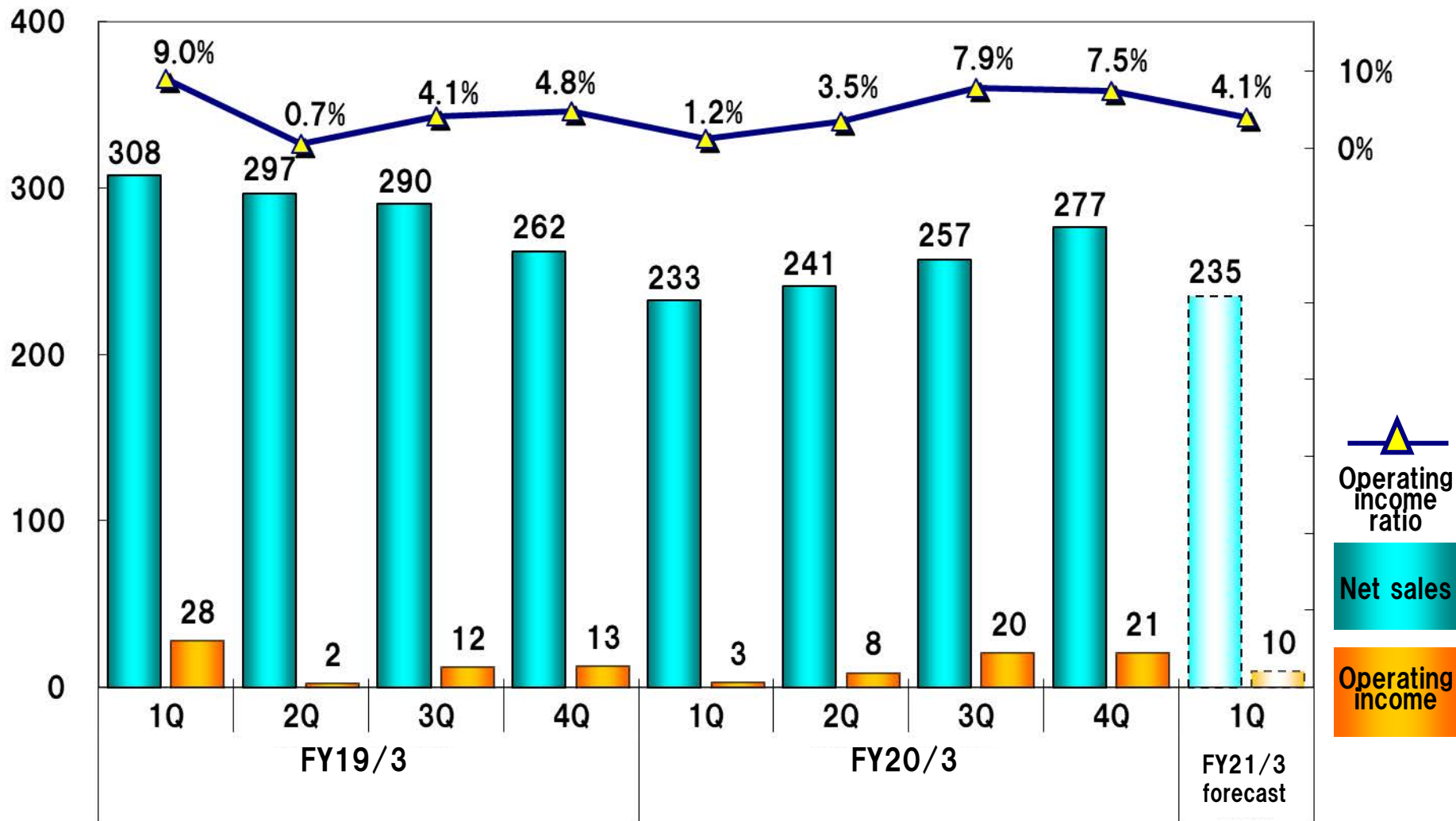
(Unit: one hundred million yen)



Total Company Earnings Forecasts

FY21/3	Sales	Operating income
1Q forecast	23.5 billion yen	1.0 billion yen

(Unit: one hundred million yen)



Total Company Earnings Forecasts

(Unit: one hundred million yen)

	FY20/3 1Q results	FY21/3 1Q forecasts	Year-on-year	
			Amount change	% change
Consolidated net sales	233	235	+ 2	+ 1%
Automatic machinery	28	30	+ 2	+ 7%
Components	205	205	+ 0	+ 0%
Operating income (Operating income ratio)	3 (1.2%)	10 (4.1%)	+ 7	+ 238%
Automatic machinery (Segment margin)	3 (11.0%)	1 (3.3%)	— 2	— 68%
Components (Segment margin)	10 (5.1%)	19 (9.4%)	+ 9	+ 84%
Ordinary income	3	10	+ 7	+ 219%
Net income	2	7	+ 5	+ 209%

*Estimated Exchange rate 105 ¥/\$

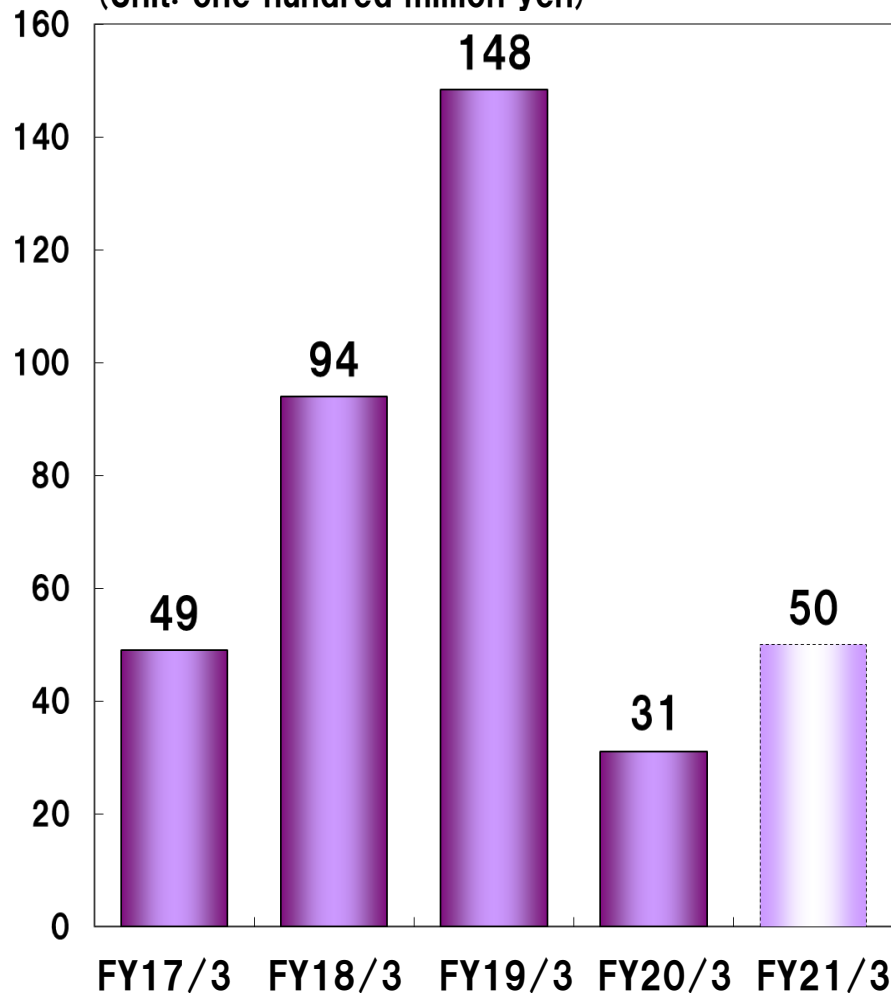
Investments



Investments

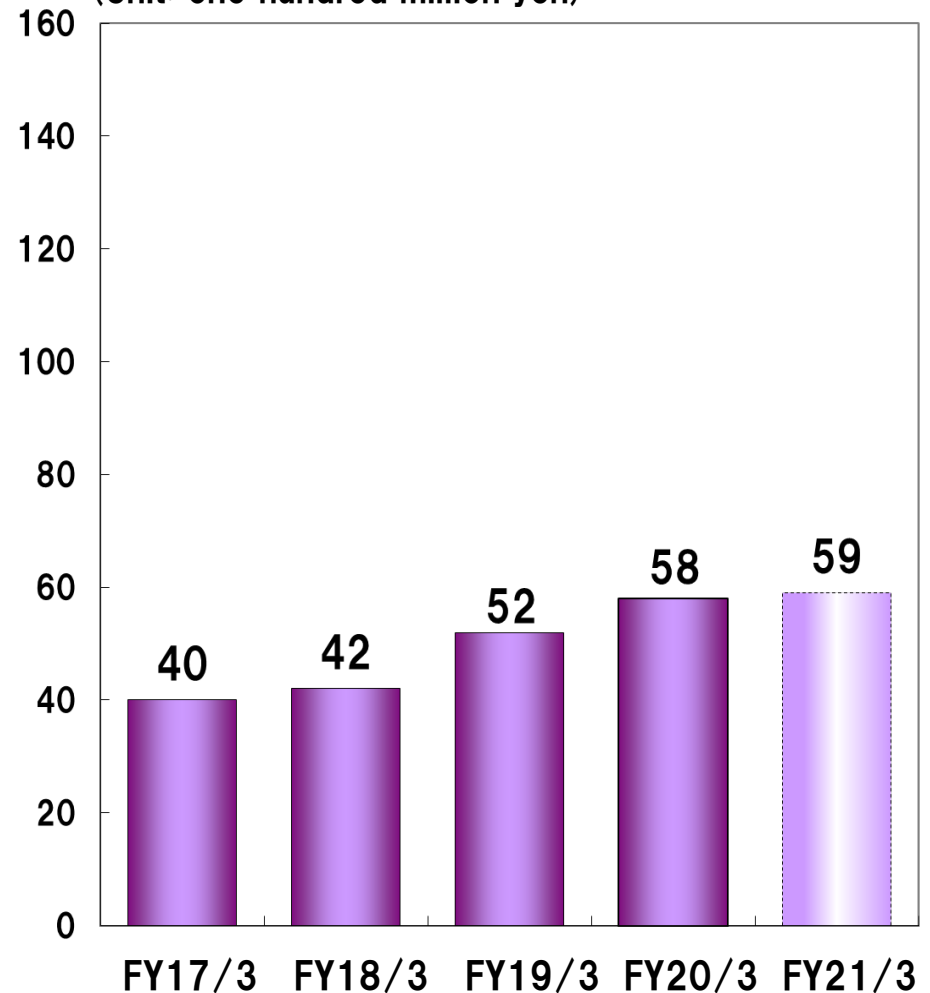
Investments in plant and equipment

(Unit: one hundred million yen)

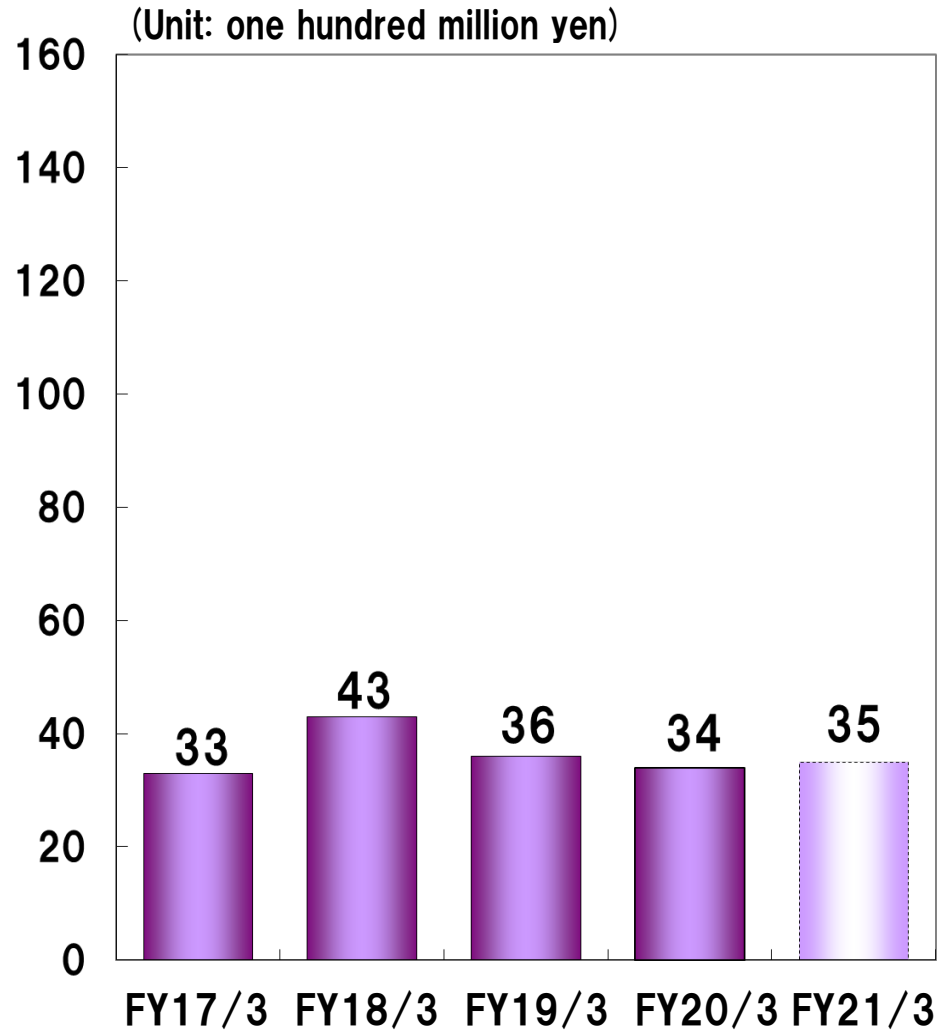


Depreciation costs

(Unit: one hundred million yen)



R&D Investments



Shareholders' return



Dividends

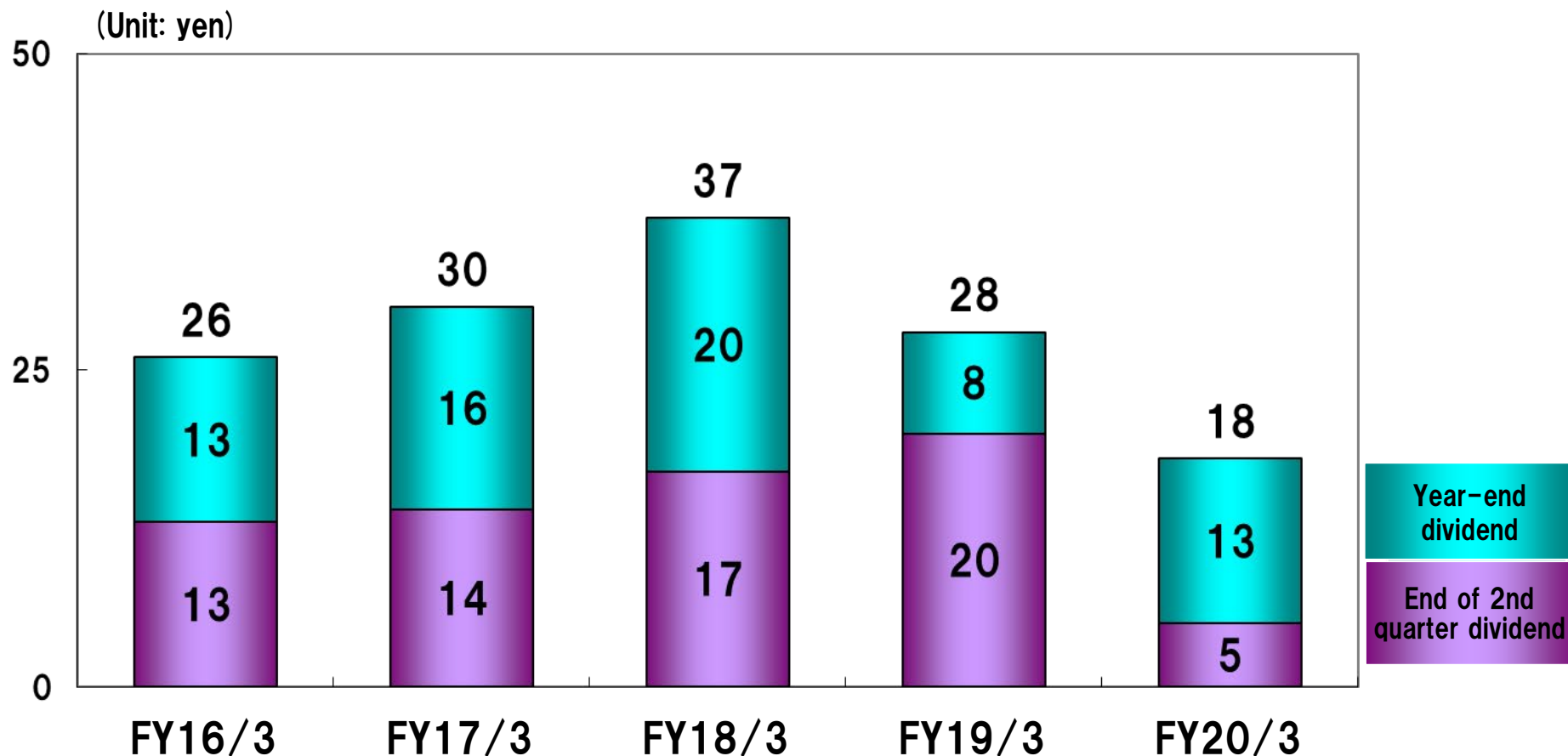
FY20/3 dividends

Year-end dividend ¥13 per share

Total dividends ¥809 million

Forecast for FY21/3 dividends

Currently undecided



Response to the New Coronavirus



Response to the New Coronavirus

■ Continuation of business

- Japan : Established a new coronavirus control headquarters in February. Thorough infection prevention and ongoing business.
 - Distributing masks to employees
 - Body temperature measurement before commuting by all employees
 - Sales and staff: Promotion of working remotely
 - Production department: Promote staggered commuting, shiftwork and split shift while secure safety
- Overseas: Continuing business in a safe form in compliance with government activity restrictions and curfew regulations of each country

■ Response to increased production of pharmaceuticals and medical devices

• Automatic Machinery

Supply of required equipment and parts



Pharmaceutical Packaging Machine

• Components

Supply of solenoid valves for ventilators and oxygen concentrators



Solenoid Valve for medical and analysis equipment

Response to the New Coronavirus

■ Looking ahead to after New Coronavirus

As a countermeasure for the new coronavirus infection, CKD assume that the need for automation and labor saving will increase such as production facilities that do not rely on people and remote diagnosis and operation of equipment.

■ Responding to social changes

• Automatic Machinery

Contributing by remote diagnosis that can monitor the state of unmanned driving
Meet the needs of pharmaceutical production safety and labor saving

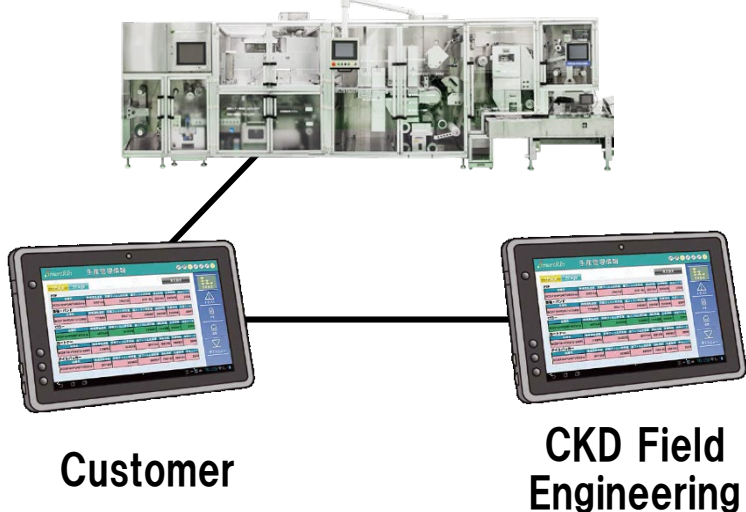
• Components

Contribute to automation and labor saving by image processing technology
Supports to smartification with networks of devices and sensors
Response to future increase in semiconductor demand

■ Responding to social changes

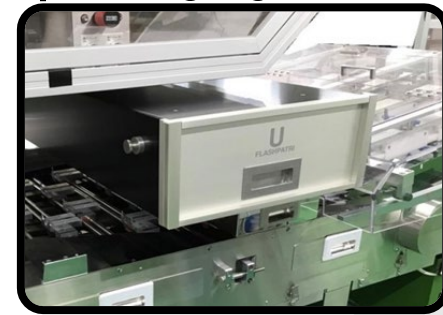
Contributing by remote diagnosis that can monitor the state of unmanned driving
Meet the needs of pharmaceutical production safety and labor saving

■ Remote diagnosis and Predictive maintenance service

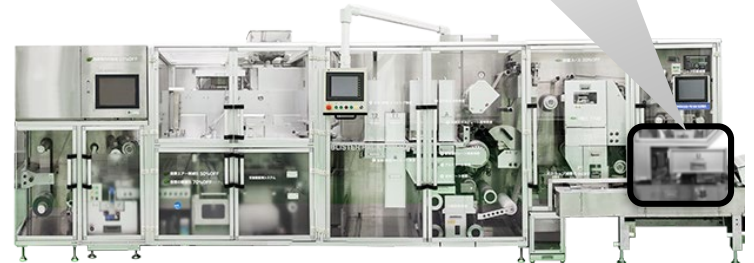


To Customers own CKD packaging machine
(400 machines in operation)

■ Unmanned visual inspection of chemical packaging sheets



Sheet inspection machine



Looking ahead to after New Coronavirus **Components**

■ Responding to social changes

Contribute to automation and labor saving by image processing technology

■ Easy to use

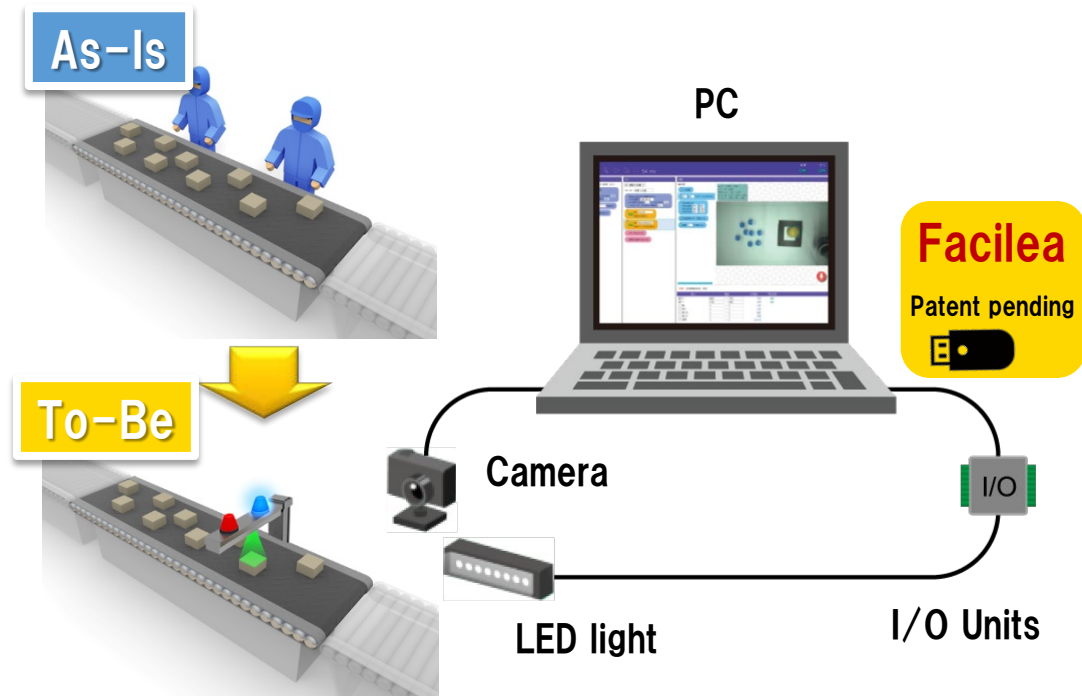
Provide at a spread price



Easy to use with reference to
Scratch(*) Image processing
programming tools

*Scratch: Visual programming language for children

■ Connectivity with a wide range of equipment



Build various inspection systems easily.

Facilea, CKD first software sales tool, will be available

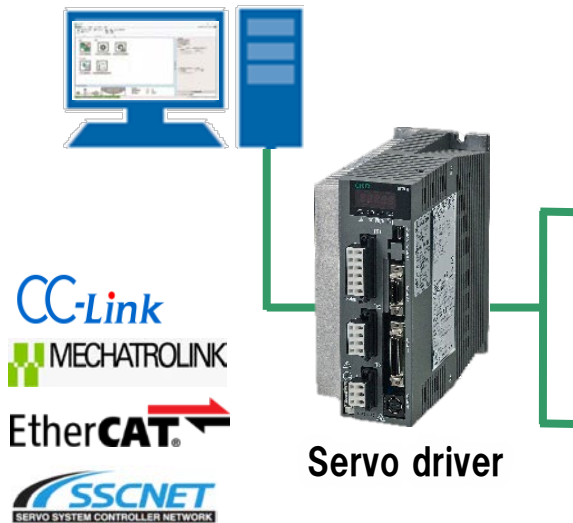
Looking ahead to after New Coronavirus **Components**

■ Responding to social changes

Supports to smartification with networks of devices and sensors

■ Achieve high-speed transfer and highly accurate positioning

Various tuning functions



Servo driver

Motion network

Rotating device



Synchronized operation

Linear device



Corresponding to **smartification** of automatic assembly equipment for semiconductors and automobile parts, inspection equipment for electronic parts, etc.

■ Realize labor saving with sensors

Oxygen monitor



Flow rate sensor



Pressure switch



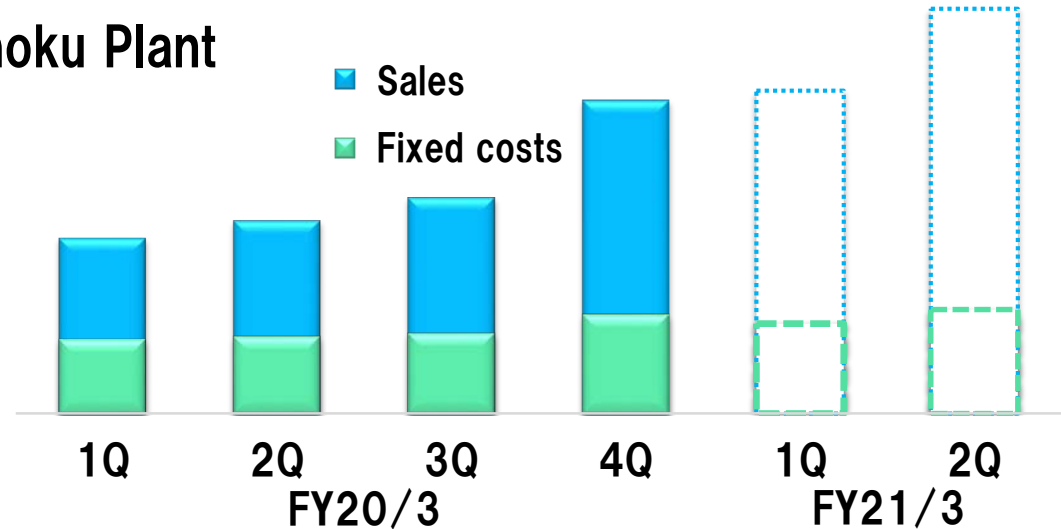
Visualization of manufacturing system
Predictive maintenance and **remote operation** possible

Looking ahead to after New Coronavirus **Components**

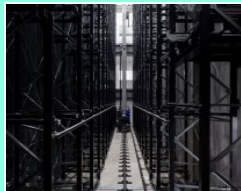
■ Responding to social changes

Response to future increase in semiconductor demand

■ Sales and fixed costs at Tohoku Plant



■ Process



Automated warehouse



Automated cleaning



Automated processing line



Automated assembly line

Achieve high productivity with automated equipment





Automation Technology for the Future

[Attention in regard to the handling of this material]

Notice about the future's perspective

The earnings outlook described in this document and the future's prediction are expectations judged according to the acquisition of present information available to CKD, and potential risk and uncertainty are present. Therefore, be advised that there is a possibility that the actual achievements will differ greatly from our perspective depending on changes in various factors described for the future.

About processing of the figures

Totals of the breakdown may not parallel with the total because a fraction less than a unit is rounded up for the mentioned price, and the ratio is the calculated from the yen unit and result rounded up.