

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

100114/20.



L6I9065F

LD2 01/11/2017 #69
COMPANIES HOUSE

L6GIFCFS
LD6 06/10/2017 #40
COMPANIES HOUSE

☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

☒ What this form is NOT
You cannot use this form
an alteration of manner of
with accounting requirements

WEDNESDAY

Part 1 Corporate company name

Corporate name of
overseas company ①

CKD CORPORATION

UK establishment
number

B R 0 0 9 1 5 7

→ Filling in this form
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company**

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ①

JAPANESE GAAP

① This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

① Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ①

ACCOUNTING STANDARDS BOARD OF JAPAN (ASBJ)

A3 Accounts

Accounts


Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

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A4 Audited accounts		
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	1 Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body 1	ACCOUNTING STANDARDS BOARD OF JAPAN (ASBJ)	
A5 Unaudited accounts		
Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>	
Part 3 Signature		
	I am signing this form on behalf of the overseas company.	
Signature	<p>Signature</p> <p>X  X</p>	
	This form may be signed by: Director, Secretary, Permanent representative.	

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	RICHARD HULL
Company name	3HR CORPORATE SOLICITORS
	LIMITED
Address	NEW BROAD STREET HOUSE
	35 NEW BROAD STREET
Post town	LONDON
County/Region	
Postcode	E C 2 M 1 N H
Country	UNITED KINGDOM
DX	
Telephone	020 7194 8149



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

CKD

CKD Corporation


250 Ouji 2-Chome, Komaki, Aichi, 485-8551 Japan
Phone: (0568) 77 - 1111 Fax: (0568) 77 - 1123

Date : 25th of October, 2017

Companies house
Attention to whom it may concern

Declaration

I am the president of the company and I hereby certify that the attached document is a true and accurate copy of the original Japanese accounts for the year ended 31st March 2016.

Signature: 
Name: Kazunori Kajimoto
Position: President
Date: ...25th of October, 2017

1 【連結財務諸表等】

(1) 【連結財務諸表】

① 【連結貸借対照表】

(単位：百万円)

	前連結会計年度 (平成27年 3 月31日)	当連結会計年度 (平成28年 3 月31日)
資産の部		
流動資産		
現金及び預金	11,750	9,951
受取手形及び売掛金	20,577	21,186
電子記録債権	882	1,905
営業未収入金	1,938	1,150
有価証券	3,499	2,000
商品及び製品	※1 4,363	※1 4,673
仕掛品	※1 3,229	※1 3,669
原材料及び貯蔵品	11,712	12,178
繰延税金資産	1,477	1,308
その他	1,109	1,049
貸倒引当金	△33	△103
流動資産合計	60,507	58,969
固定資産		
有形固定資産		
建物及び構築物（純額）	10,537	12,304
機械装置及び運搬具（純額）	7,505	8,888
工具、器具及び備品（純額）	1,200	1,243
土地	4,486	4,472
リース資産（純額）	36	148
建設仮勘定	1,085	655
有形固定資産合計	※3 24,851	※3 27,712
無形固定資産	817	755
投資その他の資産		
投資有価証券	※2 6,913	※2 7,864
退職給付に係る資産	1,984	334
繰延税金資産	128	89
その他	845	716
貸倒引当金	△29	△31
投資その他の資産合計	9,842	8,974
固定資産合計	35,511	37,442
資産合計	96,018	96,412

(単位：百万円)

	前連結会計年度 (平成27年3月31日)	当連結会計年度 (平成28年3月31日)
負債の部		
流動負債		
支払手形及び買掛金	11,924	11,873
電子記録債務	443	920
短期借入金	1,151	901
1年内返済予定の長期借入金	770	770
リース債務	32	62
未払費用	2,767	2,676
未払法人税等	681	1,463
賞与引当金	138	178
製品保証引当金	218	211
受注損失引当金	※1 52	※1 14
その他	4,990	4,580
流動負債合計	23,170	23,652
固定負債		
長期借入金	3,490	2,720
リース債務	5	96
繰延税金負債	2,256	1,805
環境対策引当金	—	76
退職給付に係る負債	206	226
資産除去債務	138	147
その他	1,195	1,267
固定負債合計	7,292	6,339
負債合計	30,463	29,992
純資産の部		
株主資本		
資本金	11,016	11,016
資本剰余金	12,737	12,372
利益剰余金	40,611	44,445
自己株式	△4,557	△4,905
株主資本合計	59,807	62,929
その他の包括利益累計額		
その他有価証券評価差額金	2,453	3,105
為替換算調整勘定	3,371	1,808
退職給付に係る調整累計額	△77	△1,423
その他の包括利益累計額合計	5,747	3,490
純資産合計	65,555	66,419
負債純資産合計	96,018	96,412

②【連結損益計算書及び連結包括利益計算書】

【連結損益計算書】

(単位：百万円)

	前連結会計年度 (自 平成26年4月1日 至 平成27年3月31日)	当連結会計年度 (自 平成27年4月1日 至 平成28年3月31日)
売上高	83,379	88,117
売上原価	※1, ※2 57,939	※1, ※2 61,382
売上総利益	25,439	26,734
販売費及び一般管理費		
人件費	7,548	8,544
退職給付費用	263	219
荷造運搬費	982	968
賃借料	1,108	1,225
業務委託費	986	1,030
減価償却費	427	437
貸倒引当金繰入額	—	81
研究開発費	※3 2,927	※3 2,857
事業税	134	216
その他	2,698	3,046
販売費及び一般管理費合計	17,076	18,627
営業利益	8,363	8,107
営業外収益		
受取利息	32	39
受取配当金	92	118
為替差益	132	—
受取事務手数料	108	61
保険配当金	37	45
その他	193	181
営業外収益合計	596	446
営業外費用		
支払利息	44	47
売上割引	135	139
為替差損	—	193
その他	45	78
営業外費用合計	225	459
経常利益	8,735	8,094
特別利益		
固定資産売却益	※4 30	※4 125
移転補償金	※5 392	—
補助金収入	※6 82	※6 283
その他	—	35
特別利益合計	504	444
特別損失		
固定資産売却損	※6 13	※6 8
固定資産除却損	※7 249	※7 143
固定資産圧縮損	※8 41	※8 213
環境対策費	※9 159	※9 83
特別損失合計	464	447
税金等調整前当期純利益	8,775	8,091
法人税、住民税及び事業税	2,120	2,500
法人税等調整額	643	131
法人税等合計	2,764	2,631
当期純利益	6,010	5,459
親会社株主に帰属する当期純利益	6,010	5,459

【連結包括利益計算書】

(単位：百万円)

	前連結会計年度 (自 平成26年4月1日 至 平成27年3月31日)	当連結会計年度 (自 平成27年4月1日 至 平成28年3月31日)
当期純利益	6,010	5,459
その他の包括利益		
その他有価証券評価差額金	1,206	652
為替換算調整勘定	1,523	△1,563
退職給付に係る調整額	363	△1,345
その他の包括利益合計	※ 3,093	※ △2,257
包括利益	9,104	3,201
(内訳)		
親会社株主に係る包括利益	9,104	3,201
非支配株主に係る包括利益	—	—

③【連結株主資本等変動計算書】

前連結会計年度（自 平成26年4月1日 至 平成27年3月31日）

（単位：百万円）

	株主資本				
	資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
当期首残高	11,016	12,737	35,913	△4,609	55,057
当期変動額					
剰余金の配当			△1,311		△1,311
親会社株主に帰属する 当期純利益			6,010		6,010
自己株式の取得				△0	△0
自己株式の処分		0		52	52
従業員奨励福利基金等			△1		△1
株主資本以外の項目の 当期変動額（純額）					
当期変動額合計	—	0	4,698	51	4,749
当期末残高	11,016	12,737	40,611	△4,557	59,807

	その他の包括利益累計額				純資産合計
	その他有価証券 評価差額金	為替換算調整勘定	退職給付に係る 調整累計額	その他の包括利益 累計額合計	
当期首残高	1,247	1,848	△440	2,654	57,712
当期変動額					
剰余金の配当					△1,311
親会社株主に帰属する 当期純利益					6,010
自己株式の取得					△0
自己株式の処分					52
従業員奨励福利基金等					△1
株主資本以外の項目の 当期変動額（純額）	1,206	1,523	363	3,093	3,093
当期変動額合計	1,206	1,523	363	3,093	7,843
当期末残高	2,453	3,371	△77	5,747	65,555

当連結会計年度（自 平成27年4月1日 至 平成28年3月31日）

（単位：百万円）

	株主資本				
	資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
当期首残高	11,016	12,737	40,611	△4,557	59,807
当期変動額					
剰余金の配当			△1,616		△1,616
親会社株主に帰属する 当期純利益			5,459		5,459
自己株式の取得				△712	△712
自己株式の消却		△364		364	—
従業員奨励福利基金等			△8		△8
株主資本以外の項目の 当期変動額（純額）					
当期変動額合計	—	△364	3,834	△347	3,121
当期末残高	11,016	12,372	44,445	△4,905	62,929

	その他の包括利益累計額				純資産合計
	その他有価証券 評価差額金	為替換算調整勘定	退職給付に係る 調整累計額	その他の包括利益 累計額合計	
当期首残高	2,453	3,371	△77	5,747	65,555
当期変動額					
剰余金の配当					△1,616
親会社株主に帰属する 当期純利益					5,459
自己株式の取得					△712
自己株式の消却					—
従業員奨励福利基金等					△8
株主資本以外の項目の 当期変動額（純額）	652	△1,563	△1,345	△2,257	△2,257
当期変動額合計	652	△1,563	△1,345	△2,257	864
当期末残高	3,105	1,808	△1,423	3,490	66,419

④【連結キャッシュ・フロー計算書】

(単位：百万円)

	前連結会計年度 (自 平成26年 4 月 1 日 至 平成27年 3 月31日)	当連結会計年度 (自 平成27年 4 月 1 日 至 平成28年 3 月31日)
営業活動によるキャッシュ・フロー		
税金等調整前当期純利益	8,775	8,091
減価償却費	3,188	4,060
賞与引当金の増減額 (△は減少)	24	55
未払賞与の増減額 (△は減少)	64	△31
退職給付に係る資産の増減額 (△は増加)	△904	△286
売上債権の増減額 (△は増加)	△344	△1,550
たな卸資産の増減額 (△は増加)	△2,329	△1,615
仕入債務の増減額 (△は減少)	1,361	941
前受金の増減額 (△は減少)	394	2
その他	△100	24
小計	10,130	9,692
利息及び配当金の受取額	122	158
利息の支払額	△44	△48
法人税等の支払額	△3,982	△1,775
法人税等の還付額	0	—
営業活動によるキャッシュ・フロー	6,226	8,027
投資活動によるキャッシュ・フロー		
定期預金の預入による支出	△301	△480
定期預金の払戻による収入	1,024	279
有価証券の純増減額 (△は増加)	500	1,498
有形固定資産の取得による支出	△5,783	△7,284
無形固定資産の取得による支出	△261	△272
投資有価証券の取得による支出	△5	△206
投資有価証券の売却による収入	—	151
その他	73	131
投資活動によるキャッシュ・フロー	△4,755	△6,183
財務活動によるキャッシュ・フロー		
短期借入金の純増減額 (△は減少)	△444	△191
長期借入れによる収入	3,000	—
長期借入金の返済による支出	△640	△770
自己株式の取得による支出	△0	△700
自己株式の売却による収入	62	—
配当金の支払額	△1,309	△1,614
その他	△48	△52
財務活動によるキャッシュ・フロー	618	△3,329
現金及び現金同等物に係る換算差額	368	△461
現金及び現金同等物の増減額 (△は減少)	2,458	△1,947
現金及び現金同等物の期首残高	9,831	12,290
現金及び現金同等物の期末残高	※ 12,290	※ 10,342

(セグメント情報等)

【セグメント情報】

1. 報告セグメントの概要

当社グループの報告セグメントは、当社及び子会社の構成単位のうち分離された財務情報が入手可能であり、取締役会が、経営資源の配分の決定及び業績を評価するために、定期的に検討を行う対象となっているものであります。

当社グループの構成単位は製品の種類別セグメントから構成されており、製品の種類・性質及び販売方法の類似性等を考慮した上で集約し、「自動機械部門」、「機器部門」を報告セグメントとしております。

「自動機械部門」は、自動包装システム、リチウムイオン電池製造システムを中心とした大型設備を生産・販売しており、個別受注生産方式を採用しております。

「機器部門」は、半導体関連業界、輸送機械業界をはじめとした幅広い市場に供給できる機能部品を生産・販売しており、需要予測に基づく見込生産方式を採用しております。

2. 報告セグメントごとの売上高、利益又は損失、資産、負債その他の項目の金額の算定方法

報告されている事業セグメントの会計処理の方法は、「連結財務諸表作成のための基本となる重要な事項」における記載と概ね同一であります。

報告セグメントの利益は、営業利益ベースの数値であります。セグメント間の内部収益及び振替高は市場実勢価格に基づいております。

3. 報告セグメントごとの売上高、利益又は損失、資産、負債その他の項目の金額に関する情報

前連結会計年度（自 平成26年4月1日 至 平成27年3月31日）

(単位：百万円)

	報告セグメント			調整額 (注) 1	連結財務諸表 計上額 (注) 2
	自動機械部門	機器部門	計		
売上高					
外部顧客への売上高	15,920	67,458	83,379	—	83,379
セグメント間の内部 売上高又は振替高	—	160	160	△160	—
計	15,920	67,619	83,540	△160	83,379
セグメント利益	2,182	8,842	11,025	△2,661	8,363
セグメント資産	15,447	65,879	81,327	14,691	96,018
その他の項目					
減価償却費	468	2,480	2,948	239	3,188
有形固定資産及び 無形固定資産の増加額	1,271	4,024	5,295	158	5,454

(注) 1. 調整額は、以下のとおりであります。

(1) 売上高の調整額△160百万円は、セグメント間取引消去であります。

(2) セグメント利益の調整額△2,661百万円には、セグメント間取引消去31百万円及び各報告セグメントに配分していない全社費用△2,693百万円が含まれております。全社費用は、主に当社の管理部門に係る費用及び長期的な基礎的研究費用並びにCKDグローバルサービス株式会社に係る費用であります。

(3) セグメント資産の調整額14,691百万円は、各報告セグメントに配分していない全社資産であります。全社資産は、主に報告セグメントに帰属しない親会社での余資運用資金（現金及び預金、有価証券）、長期投資資金（投資有価証券）及び管理部門に係る資産等であります。

(4) 減価償却費の調整額239百万円は、各報告セグメントに配分していない全社資産の減価償却費であります。

(5) 有形固定資産及び無形固定資産の増加額の調整額158百万円は、各報告セグメントに配分していない全社資産の有形固定資産及び無形固定資産の増加額であります。

2. セグメント利益は連結損益計算書の営業利益と、セグメント資産は連結貸借対照表の資産合計と調整を行っております。

当連結会計年度（自 平成27年4月1日 至 平成28年3月31日）

（単位：百万円）

	報告セグメント			調整額 (注) 1	連結財務諸表 計上額 (注) 2
	自動機械部門	機器部門	計		
売上高					
外部顧客への売上高	16,954	71,163	88,117	—	88,117
セグメント間の内部 売上高又は振替高	—	146	146	△146	—
計	16,954	71,310	88,264	△146	88,117
セグメント利益	2,364	8,663	11,028	△2,920	8,107
セグメント資産	21,880	64,722	86,602	9,809	96,412
その他の項目					
減価償却費	675	3,206	3,881	179	4,060
有形固定資産及び 無形固定資産の増加額	3,070	4,445	7,516	285	7,801

(注) 1. 調整額は、以下のとおりであります。

- (1) 売上高の調整額△146百万円は、セグメント間取引消去であります。
 - (2) セグメント利益の調整額△2,920百万円には、セグメント間取引消去32百万円及び各報告セグメントに配分していない全社費用△2,953百万円が含まれております。全社費用は、主に当社の管理部門に係る費用及び長期的な基礎的研究費用並びにCKDグローバルサービス株式会社に係る費用であります。
 - (3) セグメント資産の調整額9,809百万円は、各報告セグメントに配分していない全社資産であります。全社資産は、主に報告セグメントに帰属しない親会社での余資運用資金（現金及び預金、有価証券）、長期投資資金（投資有価証券）及び管理部門に係る資産等であります。
 - (4) 減価償却費の調整額179百万円は、各報告セグメントに配分していない全社資産の減価償却費であります。
 - (5) 有形固定資産及び無形固定資産の増加額の調整額285百万円は、各報告セグメントに配分していない全社資産の有形固定資産及び無形固定資産の増加額であります。
2. セグメント利益は連結損益計算書の営業利益と、セグメント資産は連結貸借対照表の資産合計と調整を行っております。

4. 報告セグメントの変更等に関する事項

連結子会社の事業年度等に関する事項の変更に記載のとおり、従来、連結子会社のうち決算日が12月31日であった在外子会社（5社）については同日現在の財務諸表を使用し、連結決算日との間に生じた重要な取引については、連結上必要な調整を行ってりましたが、CKD THAI CORPORATION LTD.、CKD USA CORPORATION、M-CKD PRECISION SDN. BHD. については決算日を3月31日に変更し、喜開理（中国）有限公司、喜開理（上海）機器有限公司については連結決算日である3月31日に仮決算を行い連結する方法に変更しております。その結果、当連結会計年度は平成27年1月1日から平成28年3月31日までの15か月間を連結しております。

なお、当該子会社の平成27年1月1日から平成27年3月31日までの売上高は機器部門で3,019百万円、セグメント利益は機器部門で149百万円であります。

独立監査人の監査報告書及び内部統制監査報告書

平成28年 6 月 23 日

C K D 株 式 会 社
取 締 役 会 御中

有限責任監査法人 ト ー マ ツ

指定有限責任社員
業務執行社員

公認会計士

渋谷英司



指定有限責任社員
業務執行社員

公認会計士

服部一利



<財務諸表監査>

当監査法人は、金融商品取引法第193条の2第1項の規定に基づく監査証明を行うため、「経理の状況」に掲げられているCKD株式会社の平成27年4月1日から平成28年3月31日までの連結会計年度の連結財務諸表、すなわち、連結貸借対照表、連結損益計算書、連結包括利益計算書、連結株主資本等変動計算書、連結キャッシュ・フロー計算書、連結財務諸表作成のための基本となる重要な事項、その他の注記及び連結附属明細表について監査を行った。

連結財務諸表に対する経営者の責任

経営者の責任は、我が国において一般に公正妥当と認められる企業会計の基準に準拠して連結財務諸表を作成し適正に表示することにある。これには、不正又は誤謬による重要な虚偽表示のない連結財務諸表を作成し適正に表示するために経営者が必要と判断した内部統制を整備及び運用することが含まれる。

監査人の責任

当監査法人の責任は、当監査法人が実施した監査に基づいて、独立の立場から連結財務諸表に対する意見を表明することにある。当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基準は、当監査法人に連結財務諸表に重要な虚偽表示がないかどうかについて合理的な保証を得るために、監査計画を策定し、これに基づき監査を実施することを求めている。

監査においては、連結財務諸表の金額及び開示について監査証拠を入手するための手続が実施される。監査手続は、当監査法人の判断により、不正又は誤謬による連結財務諸表の重要な虚偽表示のリスクの評価に基づいて選択及び適用される。財務諸表監査の目的は、内部統制の有効性について意見表明するためのものではないが、当監査法人は、リスク評価の実施に際して、状況に応じた適切な監査手続を立案するために、連結財務諸表の作成と適正な表示に関連する内部統

制を検討する。また、監査には、経営者が採用した会計方針及びその適用方法並びに経営者によって行われた見積りの評価も含め全体としての連結財務諸表の表示を検討することが含まれる。
当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。

監査意見

当監査法人は、上記の連結財務諸表が、我が国において一般に公正妥当と認められる企業会計の基準に準拠して、CKD株式会社及び連結子会社の平成28年3月31日現在の財政状態並びに同日をもって終了する連結会計年度の経営成績及びキャッシュ・フローの状況をすべての重要な点において適正に表示しているものと認める。

＜内部統制監査＞

当監査法人は、金融商品取引法第193条の2第2項の規定に基づく監査証明を行うため、CKD株式会社の平成28年3月31日現在の内部統制報告書について監査を行った。

内部統制報告書に対する経営者の責任

経営者の責任は、財務報告に係る内部統制を整備及び運用し、我が国において一般に公正妥当と認められる財務報告に係る内部統制の評価の基準に準拠して内部統制報告書を作成し適正に表示することにある。

なお、財務報告に係る内部統制により財務報告の虚偽の記載を完全には防止又は発見することができない可能性がある。

監査人の責任

当監査法人の責任は、当監査法人が実施した内部統制監査に基づいて、独立の立場から内部統制報告書に対する意見を表明することにある。当監査法人は、我が国において一般に公正妥当と認められる財務報告に係る内部統制の監査の基準に準拠して内部統制監査を行った。財務報告に係る内部統制の監査の基準は、当監査法人に内部統制報告書に重要な虚偽表示がないかどうかについて合理的な保証を得るために、監査計画を策定し、これに基づき内部統制監査を実施することを求めている。

内部統制監査においては、内部統制報告書における財務報告に係る内部統制の評価結果について監査証拠を入手するための手続が実施される。内部統制監査の監査手続は、当監査法人の判断により、財務報告の信頼性に及ぼす影響の重要性に基づいて選択及び適用される。また、内部統制監査には、財務報告に係る内部統制の評価範囲、評価手続及び評価結果について経営者が行った記載を含め、全体としての内部統制報告書の表示を検討することが含まれる。

当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。

監査意見

当監査法人は、CKD株式会社が平成28年3月31日現在の財務報告に係る内部統制は有効であると表示した上記の内部統制報告書が、我が国において一般に公正妥当と認められる財務報告に係る内部統制の評価の基準に準拠して、財務報告に係る内部統制の評価結果について、すべての重要な点において適正に表示しているものと認める。

関係関係

会社と当協会法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。

以上

独立監査人の監査報告書

平成28年 6 月23日

C K D 株 式 会 社
取 締 役 会 御中

有限責任監査法人 ト ー マ ツ

指定有限責任社員
業務執行社員

公認会計士

渋谷 英司



指定有限責任社員
業務執行社員

公認会計士

服部 一利



当監査法人は、金融商品取引法第193条の2第1項の規定に基づく監査証明を行うため、「経理の状況」に掲げられているCKD株式会社の平成27年4月1日から平成28年3月31日までの第96期事業年度の財務諸表、すなわち、貸借対照表、損益計算書、株主資本等変動計算書、重要な会計方針、その他の注記及び附属明細表について監査を行った。

財務諸表に対する経営者の責任

経営者の責任は、我が国において一般に公正妥当と認められる企業会計の基準に準拠して財務諸表を作成し適正に表示することにある。これには、不正又は誤謬による重要な虚偽表示のない財務諸表を作成し適正に表示するために経営者が必要と判断した内部統制を整備及び運用することが含まれる。

監査人の責任

当監査法人の責任は、当監査法人が実施した監査に基づいて、独立の立場から財務諸表に対する意見を表明することにある。当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基準は、当監査法人に財務諸表に重要な虚偽表示がないかどうかについて合理的な保証を得るために、監査計画を策定し、これに基づき監査を実施することを求めている。

監査においては、財務諸表の金額及び開示について監査証拠を入手するための手続が実施される。監査手続は、当監査法人の判断により、不正又は誤謬による財務諸表の重要な虚偽表示のリスクの評価に基づいて選択及び適用される。財務諸表監査の目的は、内部統制の有効性について意見表明するためのものではないが、当監査法人は、リスク評価の実施に際して、状況に応じた適切な監査手続を立案するために、財務諸表の作成と適正な表示に関連する内部統制を検討する。また、監査には、経営者が採用した会計方針及びその適用方法並びに経営者によって行われた見積りの評価も含め全体としての財務諸表の表示を検討することが含まれる。

当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。

監査意見

当監査法人は、上記の財務諸表が、我が国において一般に公正妥当と認められる企業会計の基準に準拠して、CKD株式会社の平成28年3月31日現在の財政状態及び同日をもって終了する事業年度の経営成績をすべての重要な点において適正に表示しているものと認める。

利害関係

会社と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。

以 上

CKD

CKD Corporation


250 Uji 2-Chome, Komaki, Aichi, 485-8551 Japan
Phone: (0568) 77 - 1111 Fax: (0568) 77 - 1123

Date : 25th of October, 2017

Companies house
Attention to whom it may concern

Declaration

I am a director of the company and I hereby certify that the attached document is a true and accurate translation of the original Japanese accounts for the year ended 31st March 2016.

Signature: 
Name: Kazunori Kajimoto
Position: Director
Date: ...25th of October, 2017.....

Statement of truth

I, Neil David Hansford, on behalf of Absolute Translations Ltd, Voest Alpine House, Albion Place, London, W6 0QT confirm that I am competent to translate from Japanese to English, in accordance with BA(Hons) in Japanese Studies and MA in Interpreting and Translation Studies from the Universities of Sheffield and Bath, respectively, and by over nine subsequent years of full-time experience as a translator.

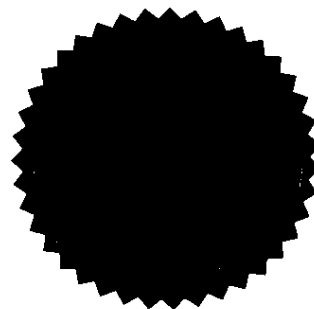
I hereby confirm that I have personally carried out this translation and it is, to the best of my knowledge and belief, a faithful rendering of the following documents:

- FY2015 Audit Report

Signed:



Date: 4 July 2017



[Consolidated Financial Statement, etc.]

(1) [Consolidated Financial Statement]

① [Consolidated Balance Sheet]

	(Unit : million yen)	
	Consolidated Accounting Year (as of March 31, 2015)	Consolidated Accounting Year (as of March 31, 2016)
ASSETS		
Current Assets:		
Cash and deposits	11,750	9,951
Notes and accounts receivable-trade	20,577	21,186
Electronically recorded monetary claims-operating	882	1,905
Operating accounts receivable	1,938	1,150
Short-term investment securities	3,499	2,000
Merchandise and finished goods	4,363	4,673
Work-in-process	3,229	3,669
Raw materials and supplies	11,712	12,178
Deferred tax assets	1,477	1,308
Other	1,109	1,049
Allowance for doubtful debts	△ 33	△ 103
Total current assets	60,507	58,969
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	10,537	12,304
Machinery, equipment and vehicles (net)	7,505	8,888
Tools, furniture and fixtures (net)	1,200	1,243
Land	4,486	4,472
Lease assets (net)	36	148
Construction in progress	1,085	655
Total property, plant and equipment	24,851	27,712
Intangible assets	817	755
Investment and other asset		
Investment securities	6,913	7,864
Net defined benefit assets	1,984	334
Deferred tax assets	128	89
Other	845	716
Allowance for doubtful debts	△ 29	△ 31
Total Investments and Other assets	9,842	8,974
Total Noncurrent assets	35,511	37,442
Total ASSETS	96,018	96,412

	(Unit : million yen)	
	Consolidated Accounting Year (as of March 31, 2015)	Consolidated Accounting Year (as of March 31, 2016)
LIABILITIES		
Current Liabilities		
Notes and accounts payable-trade	11,924	11,873
Electronically recorded obligations-operating	443	920
Short-term loans payable	1,151	901
Current portion of long-term loans payable	770	770
Lease obligations	32	62
Accrued expenses	2,767	2,676
Income taxes payable	681	1,463
Provision for bonuses	138	178
Provision for product warranties	218	211
Provision for loss on order received	52	14
Other	4,990	4,580
Total Current Liabilities	23,170	23,652
Noncurrent liabilities		
Long-term loans payable	3,490	2,720
Lease obligations	5	96
Deferred tax liabilities	2,256	1,805
Provision for environmental measures	—	76
Net defined benefit liabilities	206	226
Asset retirement obligations	138	147
Other	1,195	1,267
Total Noncurrent liabilities	7,292	6,339
Total LIABILITIES	30,463	29,992
Net Assets		
Shareholders' equity		
Capital stock	11,016	11,016
Capital surplus	12,737	12,372
Retained earnings	40,611	44,445
Treasury stock	Δ 4,557	Δ 4,905
Total Shareholders' equity	59,807	62,929
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,453	3,105
Foreign currency translation adjustment	3,371	1,808
Remeasurements of defined benefit plans	Δ 77	Δ 1,423
Total accumulated other comprehensive income	5,747	3,490
Total Net Assets	65,555	66,419
Total Liabilities and Net Assets	96,018	96,412

② [Consolidated Statements of income and Statements of comprehensive income]
[Consolidated Statements of income]

	(Unit : million yen)	
	Consolidated Accounting Year (April 1, 2014 to March 31, 2015)	Consolidated Accounting Year (April 1, 2015 to March 31, 2016)
Net sales	83,379	88,117
Cost of Sales	57,939	61,382
Gross Profit	25,439	26,734
Selling, General and Administrative Expenses		
Personal expenses	7,548	8,544
Retirement benefit expenses	263	219
Packing and transportation expenses	982	968
Rent expenses	1,108	1,225
Business consignment expenses	986	1,030
Depreciation	427	437
Provision of allowance for doubtful accounts	—	81
Research and development expense	2,927	2,857
Enterprise tax	134	216
Other	2,698	3,046
Total Selling, General and Administrative Expenses	17,076	18,627
Operating Income	8,363	8,107
Non-operating Income		
Interest income	32	39
Dividends income	92	118
Foreign exchange gains	132	—
Office work fee	108	61
Dividends income of insurance	37	45
Other	193	181
Total Non-operating Income	596	446
Non-operating Expenses		
Interest expenses	44	47
Sales discounts	135	139
Foreign exchange losses	—	193
Other	45	78
Total Non-operating Expenses	225	459
Ordinary Income	8,735	8,094
Extraordinary Income		
Gain on sales of noncurrent assets	30	125
Compensation for transfer	392	—
Subsidy income	82	283
Other	—	35
Total Extraordinary Income	504	444
Extraordinary Loss		
Loss on sales of noncurrent assets	13	8
Loss on retirement of noncurrent assets	249	143
Loss on reduction of noncurrent assets	41	213
Environmental expenses	159	83
Total Extraordinary Loss	464	447
Income before Income Taxes	8,775	8,091
Income taxes-current	2,120	2,500
Income taxes-deferred	643	131
Income taxes	2,764	2,631
Net Income	6,010	5,459
Profit (loss) attributable to owners of parent	6,010	5,459

[Consolidated Statement of Comprehensive Income]

(Unit : million yen)

	Consolidated Accounting Year (April 1, 2014 to March 31, 2015)	Consolidated Accounting Year (April 1, 2015 to March 31, 2016)
Net Income	6,010	5,459
Other comprehensive income		
Valuation difference on available-for-sale securities	1,206	652
Foreign currency translation adjustment	1,523	△ 1,563
Remeasurements of defined benefit plans	363	△ 1,345
Total Other Comprehensive Income	3,093	△ 2,257
Comprehensive Income	9,104	3,201
(Details)		
Comprehensive income attributable to owners of the parent	9,104	3,201
Comprehensive income attributable to non-controlling interests	—	—

③[Consolidated Statement of Changes in Net Assets]

Consolidated Accounting Year (April 1, 2014 to March 31, 2015)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury Stocks	Total Shareholders' equity
Balance at the beginning of current period	11,016	12,737	35,913	△ 4,609	55,057
Changes of items during the period					
Dividends from surplus			△ 1,311		△ 1,311
Profit (loss) attributable to owners of parent			6,010		6,010
Purchase of treasury stock				△ 0	△ 0
Disposal of treasury stock		0		52	52
Employee encouragement and welfare fund			△ 1		△ 1
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	4,698	51	4,749
Balance at the end of current period	11,016	12,737	40,611	△ 4,557	59,807

	Accumulated other comprehensive income				Total Net Assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive	
Balance at the beginning of current period	1,247	1,848	△ 440	2,654	57,712
Changes of items during the period					
Dividends from surplus					△ 1,311
Profit (loss) attributable to owners of parent					6,010
Purchase of treasury stock					△ 0
Disposal of treasury stock					52
Employee encouragement and welfare fund					△ 1
Net changes of items other than shareholders' equity	1,206	1,523	363	3,093	3,093
Total changes of items during the period	1,206	1,523	363	3,093	7,843
Balance at the end of current period	2,453	3,371	△ 77	5,747	65,555

Consolidated Accounting Year (April 1, 2015 to March 31, 2016)

	Shareholders' equity				
	Capital stock	Capital Surplus	Retained earnings	Treasury Stocks	Total Shareholders' equity
Balance at the beginning of current period	11,016	12,737	40,611	Δ 4,557	59,807
Changes of items during the period					
Dividends from surplus			Δ 1,616		Δ 1,616
Profit (loss) attributable to owners of parent			5,459		5,459
Purchase of treasury stock				Δ 712	Δ 712
Disposal of treasury stock		Δ 364		364	—
Employee encouragement and welfare fund			Δ 8		Δ 8
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	Δ 364	3,834	Δ 347	3,121
Balance at the end of current period	11,016	12,372	44,445	Δ 4,905	62,929

	Accumulated other comprehensive income				Total Net Assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive	
Balance at the beginning of current period	2,453	3,371	Δ 77	5,747	65,555
Changes of items during the period					
Dividends from surplus					Δ 1,616
Profit (loss) attributable to owners of parent					5,459
Purchase of treasury stock					Δ 712
Disposal of treasury stock					—
Employee encouragement and welfare fund					Δ 8
Net changes of items other than shareholders' equity	652	Δ 1,563	Δ 1,345	Δ 2,257	Δ 2,257
Total changes of items during the period	652	Δ 1,563	Δ 1,345	Δ 2,257	864
Balance at the end of current period	3,105	1,808	Δ 1,423	3,490	66,419

④ [Consolidated Statement of Cash Flow]

(Unit: million yen)

	Consolidated Accounting Year (April 1, 2014 to March 31, 2015)	Consolidated Accounting Year (April 1, 2015 to March 31, 2016)
Net Cash Provided by Operating Activities		
Income before income taxes	8,775	8,091
Depreciation and amortization	3,188	4,060
Increase (decrease) in provision for bonuses	24	55
Increase (decrease) in accounts payable-bonuses	64	△ 31
Decrease (increase) in net defined benefit assets	△ 904	△ 286
Decrease (increase) in notes and accounts receivable-trade	△ 344	△ 1,550
Decrease (increase) in inventories	△ 2,329	△ 1,615
Increase (decrease) in notes and accounts payable-trade	1,361	941
Increase (decrease) in advances received	394	2
Other	△ 100	24
Sub-total	10,130	9,692
Interest and dividends income received	122	158
Interest expenses paid	△ 44	△ 48
Income taxes paid	△ 3,982	△ 1,775
Income taxes refund	0	—
Net cash provided by operating activities	6,226	8,027
Net Cash Provided by Investing Activities		
Payments into time deposits	△ 301	△ 480
Proceeds from withdrawal of time deposits	1,024	279
Net decrease (increase) in short-term investment securities	500	1,498
Purchase of property, plant and equipment	△ 5,783	△ 7,284
Purchase of intangible assets	△ 261	△ 272
Purchase of investment securities	△ 5	△ 206
Proceeds from sales of investment securities	—	151
Other	73	131
Net Cash Provided by Investing Activities	△ 4,755	△ 6,183
Net Cash Provided by Financing Activities		
Net increase (decrease) in short-term loans payable	△ 444	△ 191
Proceeds from long-term loans payable	3,000	—
Repayment of long-term loans payable	△ 640	△ 770
Purchase of treasury stock	△ 0	△ 700
Proceeds from sale of treasury stock	62	—
Cash dividends paid	△ 1,309	△ 1,614
Other	△ 48	△ 52
Net cash provided by financing activities	618	△ 3,329
Effect of exchange rate change on cash and cash equivalents	368	△ 461
Net increase (decrease) in cash and cash equivalents	2,458	△ 1,947
Cash and cash equivalents at beginning of period	9,831	12,290
Cash and cash equivalents at end of period	12,290	10,342

[Segment Information]

1. Outline of Reporting Segments

The reporting segments of the CKD Group refers to the constituents of CKD and its subsidiaries that financial statements separated from consolidated one is 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 Machinery Products' and 'Component Products' separated based on the type, properties and sales method of products.

In Automatic Machinery Products, automatic packaging system, lithium ion battery manufacturing system and other large-scale facilities are manufactured and sold. They are produced upon receiving an order. In Component Products, 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 items.

2. Calculation Methods of Sales, Profit/Loss, Assets, Liabilities and other Accounting Items for each Reporting Segment

The profits 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
Consolidated Accounting Year (April 1, 2014 to March 31, 2015)

(Unit: million yen)

	Reporting segment			Amount adjusted (Note 1)	Amount shown in the consolidated financial statement (Note 2)
	Automatic Machinery Products	Component Products	Total		
Net sales					
Sales to external customers	15,920	67,458	83,379	—	83,379
Internal sales amount or amount transferred among segments	—	160	160	△ 160	—
Total	15,920	67,619	83,540	△ 160	83,379
Profit for segment	2,182	8,842	11,025	△ 2,661	8,363
Asset of segment	15,447	65,879	81,327	14,691	96,018
Other items					
Depreciation	468	2,480	2,948	239	3,188
Increase of tangible and intangible fixed assets	1,271	4,024	5,295	158	5,454

Note 1: Details of the amount adjusted

- (1) The amount of adjustment for 'Net sales' i.e. △160 million yen is derived from elimination of transactions among segments.
- (2) The amount of adjustment for 'Profit for segment' i.e. △2,661 million yen includes 31 million yen for elimination of transactions among segments and △2,693 million yen as the total company expenses that aren't allocated to each reporting segment. The total company expenses mainly refers to expenses related to administration of CKD, long-term R&D expenses and costs related to CKD Global Service Co., Ltd.
- (3) The amount of adjustment for 'Asset of segment' i.e. 14,691 million yen 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).
- (4) The amount adjusted for depreciation i.e. 239 million yen mainly consists of depreciation related to head office building.
- (5) The amount adjusted for increase of tangible/intangible assets, i.e. 158 million yen mainly consists of the amount of system investment for the entire company.

Note 2: 'Profit for segment' has already been adjusted with operating income shown in the consolidated statement of income.

Consolidated Accounting Year (April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Reporting segment			Amount adjusted (Note 1)	Amount shown in the consolidated financial statement (Note 2)
	Automatic Machineries Products	Component Products	Total		
Net sales					
Sales to external customers	16,954	71,163	88,117	—	88,117
Internal sales amount or amount transferred among segments	—	146	146	Δ 146	—
Total	16,954	71,310	88,264	Δ 146	88,117
Profit for segment	2,364	8,663	11,028	Δ 2,920	8,107
Asset of segment	21,880	64,722	86,602	9,809	96,412
Other items					
Depreciation	675	3,206	3,881	179	4,060
Increase of tangible and intangible fixed assets	3,070	4,445	7,516	285	7,801

Note 1: Details of the amount adjusted

- (1) The amount of adjustment for 'Net sales' i.e. Δ146 million yen is derived from elimination of transactions among segments.
- (2) The amount of adjustment for 'Profit for segment' i.e. Δ2,920 million yen includes 32 million yen for elimination of transactions among segments and Δ2,953 million yen as the total company expenses that aren't allocated to each reporting segment. The total company expenses mainly refers to expenses related to administration of CKD, long-term R&D expenses and costs related to CKD Global Service Co., Ltd.
- (3) The amount of adjustment for 'Asset of segment' i.e. 9,809 million yen 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).
- (4) The amount adjusted for depreciation i.e. 179 million yen mainly consists of depreciation related to head office building.
- (5) The amount adjusted for increase of tangible/intangible assets, i.e. 285 million yen mainly consists of the amount of system investment for the entire company.

Note 2: 'Profit for segment' has already been adjusted with operating income shown in the consolidated statement of income.

4. Change in the reporting-segment

As before, 5 overseas consolidated subsidiaries which ended the fiscal year on December 31 were consolidated by using the financial statements on the date and were adjusted the significant transactions between the date and consolidated closing date. CKD THAI CORPORATION LTD., CKD USA CORPORATION, and M-CKD PRECISION SDN.BHD changed the fiscal year from December 31 to March 31. CKD (China) Co. and CKD (Shanghai) Co. did not change the fiscal year but made provisional settlement of accounts and consolidated on March 31.

As a result, the group consolidated the 5 companies for 15 months (from January 1, 2015 to March 31, 2016) in this consolidated account year.

In addition, the amount of 'Net sales' of component segment from January 1, 2015 to March 31, 2015 was 3,019 million yen, and the amount of 'Profit for segment' of component segment was 149 million yen.

Audit Report and Internal Controls Audit Report by Independent Auditors

23 June 2016

CKD Corporation
To the Board of Directors

Deloitte Touche Tohmatsu LLC

Designated Limited Partner
Executive Member

Chartered Accountant Eiji Shibutani

Designated Limited Partner
Executive Member

Chartered Accountant Kazutoshi Hattori

Eiji
Shibutani

Kazutoshi
Hattori

<Audit of Financial Statements>

We, the auditors, have conducted an audit of the statements of account of the consolidated financial statements of CKD Corporation for the consolidated accounting period from 1 April 2015 to 31 March 2016, as published in the "Statement of Accounting" for the purpose of audit certification based on the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act. Specifically, this shall refer to the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated cash flow statement, important facts based upon which the consolidated financial statements were created, and any other notes and consolidated supplementary schedules.

Responsibility of managers with respect to the consolidated financial statements

It is the responsibility of managers to create and properly present consolidated financial statements based on business accounting standards generally accepted in Japan as appropriate. In order to ensure that consolidated financial statements are created and properly presented that have no major false declarations due to dishonesty or error, this shall include the arrangement and application of any internal controls deemed necessary by the managers.

Responsibility of the auditors

It is the responsibility of the auditors to conduct an audit, based upon which, they can declare their opinion on the consolidated financial statements from an independent standpoint. The auditors have implemented an audit based on auditing standards generally accepted in Japan as appropriate. The auditing standards demand that an audit plan is formulated by the auditing corporation, based on which the audit shall be conducted, in order that it can gain reasonable assurance of whether or not there are any major false declarations in the consolidated financial statements.

In conducting an audit, procedures are executed so that auditing evidence can be obtained regarding the amounts and disclosures on the consolidated financial statements. The auditing procedures shall be selected and applied under the judgment of the auditors based on an

evaluation of the risk of major false declarations in the consolidated financial statements due to dishonesty or error. The purpose of auditing financial statements is not to express an opinion on the effectiveness of internal controls; however, in evaluating risk, the auditors shall consider the internal controls pertaining to the creation and proper presentation of the consolidated financial statements, in order to plan auditing procedures that are appropriate to the conditions. The audit shall include consideration of the presentation of the consolidated financial statements as a whole, including the accounting policies adopted by the managers and methods of their application as well as evaluation of any estimates they have made.

The auditors judge that they have obtained sufficient and appropriate audit evidence on which to base and their expressed opinion.

Auditing opinion

The auditors confirm, based on business accounting standards generally accepted in Japan as appropriate, that the financial situation of CKD Corporation and its consolidated subsidiaries as of 31 March 2016, and all of the important points with respect to their business performance and cash flow situation for the consolidated accounting period that ended on the same day, are presented properly on the consolidated financial statements mentioned above.

<Internal Controls Audit>

We, the auditors have conducted an audit of the internal controls report of CKD Corporation as of 31 March 2016, for the purpose of audit certification based on the provisions of Article 193-2-2 of the Financial Instruments and Exchange Act.

Responsibility of managers with respect to the internal controls report

It is the responsibility of managers to ensure that internal controls are arranged and applied for financial reporting, and that an internal controls report is created and properly presented based on an evaluation of internal controls for financial reporting generally accepted in Japan as appropriate.

There is a possibility possible that the internal controls for financial reporting cannot prevent or reveal false declarations in financial reporting entirely.

Responsibility of the auditors

It is the responsibility of the auditors to conduct an audit of the internal controls, based upon which, they can declare their opinion on the internal controls report from an independent standpoint. The auditors have implemented an internal controls audit based on auditing standards for internal controls for financial reporting generally accepted in Japan as appropriate. The auditing standards for internal controls for financial reporting demand that an audit plan is formulated by the auditing corporation, based on which the internal controls audit shall be conducted, in order that it can gain reasonable assurance of whether or not there are any major false declarations in the internal controls report.

In conducting an internal controls audit, procedures are executed so that auditing evidence can be obtained regarding the results of evaluation of the internal controls for financial reporting in the internal controls report. The auditing procedures for the internal controls report shall be selected and applied under the judgment of the auditors, based on the

seriousness of the effect that may be imposed on the reliability of the financial reporting. The internal controls audit shall include consideration of the presentation of the internal controls report as a whole, including the scope of the evaluation of internal controls for financial reporting, the evaluation procedures, and any declarations made by the managers regarding the evaluation results.

The auditors judge that they have obtained sufficient and appropriate audit evidence on which to base and their expressed opinion.

Auditing opinion

The auditors confirm, based on standards for evaluation of internal controls for financial reporting generally accepted in Japan as appropriate, that for the internal controls for financial reporting of CKD Corporation as of 31 March 2016, the evaluation results for the internal controls for financial reporting and all of the important points are presented properly on the internal controls report mentioned above that states that the internal controls are effective.

Interests

There are no vested interests between the company and either the auditing corporation or its executive members, such that should be disclosed under the provisions of the Certified Public Accountants Act.

End

Audit Report by Independent Auditors

23 June 2016

CKD Corporation
To the Board of Directors

Deloitte Touche Tohmatsu LLC

Designated Limited Partner
Executive Member

Chartered Accountant Eiji Shibutani

Eiji
Shibutani

Designated Limited Partner
Executive Member

Chartered Accountant Kazutoshi Hattori

Kazutoshi
Hattori

We, the auditors, have conducted an audit of the financial statements of CKD Corporation for its 96th financial year from 1 April 2015 to 31 March 2016, as published in the "Statement of Accounting" for the purpose of audit certification based on the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act. Specifically, this shall refer to the balance sheet, profit and loss statement, statement of changes in net assets, important accounting policies, and any other notes and supplementary schedules.

Responsibility of managers with respect to the financial statements

It is the responsibility of managers to create and properly present financial statements based on business accounting standards generally accepted in Japan as appropriate. In order to ensure that financial statements are created and properly presented that have no major false declarations due to dishonesty or error, this shall include the arrangement and application of any internal controls deemed necessary by the managers.

Responsibility of the auditors

It is the responsibility of the auditors to conduct an audit, based upon which, they can declare their opinion on the financial statements from an independent standpoint. The auditors have implemented an audit based on auditing standards generally accepted in Japan as appropriate. The auditing standards demand that an audit plan is formulated by the auditing corporation, based on which the audit shall be conducted, in order that it can gain reasonable assurance of whether or not there are any major false declarations in the financial statements.

In conducting an audit, procedures are executed so that auditing evidence can be obtained regarding the amounts and disclosures on the financial statements. The auditing procedures shall be selected and applied under the judgment of the auditors based on an evaluation of the risk of major false declarations in the financial statements due to dishonesty or error. The purpose of auditing financial statements is not to express an opinion on the effectiveness of internal controls; however, in evaluating risk, the auditors shall consider the internal controls pertaining to the creation and proper presentation of the financial statements, in order to plan

auditing procedures that are appropriate to the conditions. The audit shall include consideration of the presentation of the financial statements as a whole, including the accounting policies adopted by the managers and methods of their application as well as evaluation of any estimates they have made.

The auditors judge that they have obtained sufficient and appropriate audit evidence on which to base and their expressed opinion.

Auditing opinion

The auditors confirm, based on business accounting standards generally accepted in Japan as appropriate, that the financial situation of CKD Corporation as of 31 March 2016, and all of the important points with respect to their business performance for the financial year that ended on the same day, are presented properly on the financial statements mentioned above.

Interests

There are no vested interests between the company and either the auditing corporation or its executive members, such that should be disclosed under the provisions of the Certified Public Accountants Act.

End