

# **Financial Results for the Second Quarter of the Year Ending March 31, 2024**

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**November 20, 2023**

## ■ Today's Speakers

**Representative Director,  
President & CEO**

**Ichiro Uno**

**Director, Managing  
Executive Officer & CFO**

**Osamu Fukawa**

- I . Outline of Financial Results  
for the Second Quarter of FY2023**
- II . Financial Forecasts for FY2023**
- III . Outline of Financial Results by Segment**
- IV . Progress of Medium-term Business Plan, MT2024**



# **I . Outline of Financial Results**

## **for the Second Quarter of FY2023**

- **Consolidated Results**
- **Summary of Changes in Second Quarter Profit**
- **Overseas Sales Ratio**
- **Consolidated Results by Segment**
- **Consolidated Financial Position**
- **Consolidated Cash Flows**

# Consolidated Financial Results

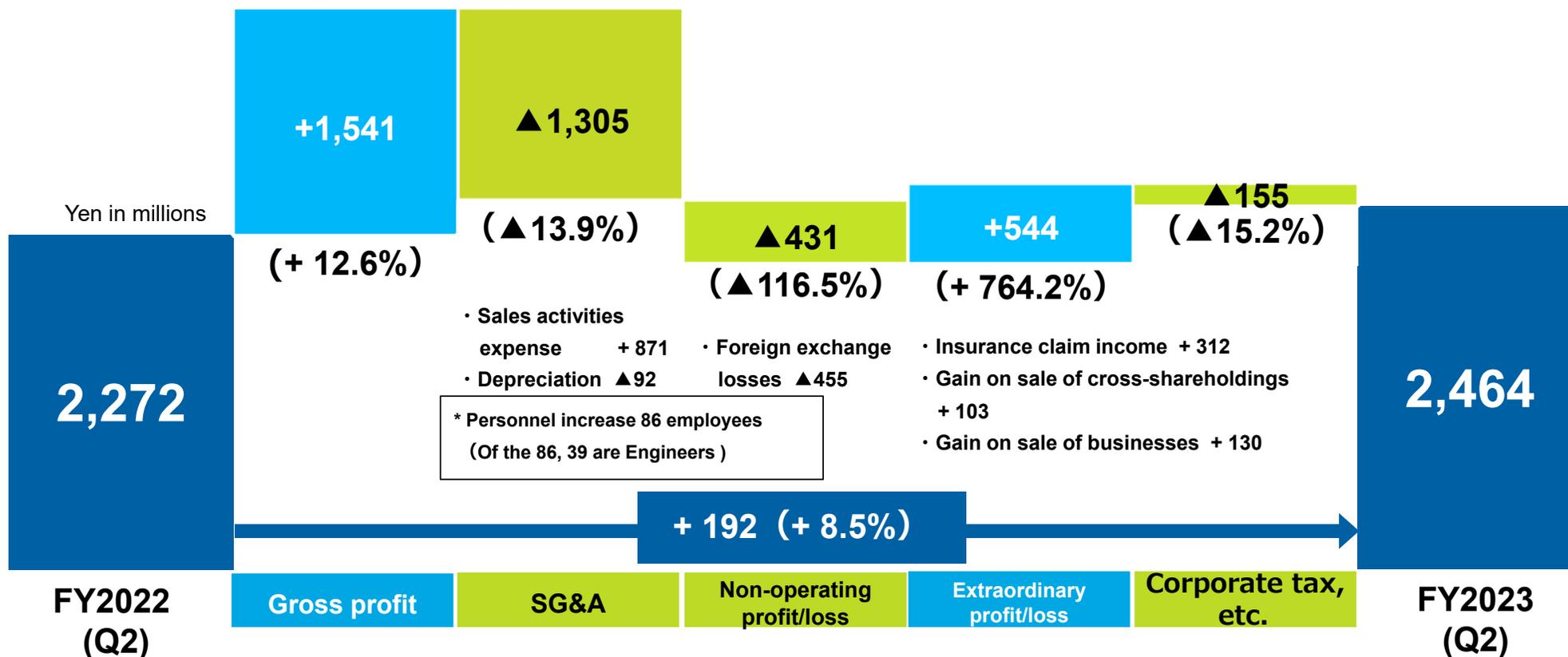
- ✓ Increase in both net sales and profit
- ✓ Earnings driven by Electronics, Automobile, and Industrial Machinery Business
- ✓ Profits at each stage exceeded period over period, except for ordinary income

Yen in millions	FY2022 (Q2)	FY2023(Q2)	
	Results	Results	Change from FY2022(Q2)
<b>Orders received</b>	<b>118,169</b>	<b>108,650</b>	<b>▲ 8.1%</b>
<b>Net sales</b>	<b>69,459</b>	<b>78,638</b>	<b>+ 13.2%</b>
<b>Gross profit</b>	<b>12,247</b>	<b>13,788</b>	<b>+ 12.6%</b>
<b>Operating income</b>	<b>2,859</b>	<b>3,094</b>	<b>+ 8.2%</b>
<b>Ordinary income</b>	<b>3,229</b>	<b>3,033</b>	<b>▲ 6.1%</b>
<b>Profit attributable to Owners of parent</b>	<b>2,272</b>	<b>2,464</b>	<b>+ 8.5%</b>
<b>E P S</b>	<b>70.69 Yen</b>	<b>77.76 Yen</b>	<b>+7.07 Yen</b>

\* The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. Accordingly, the basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

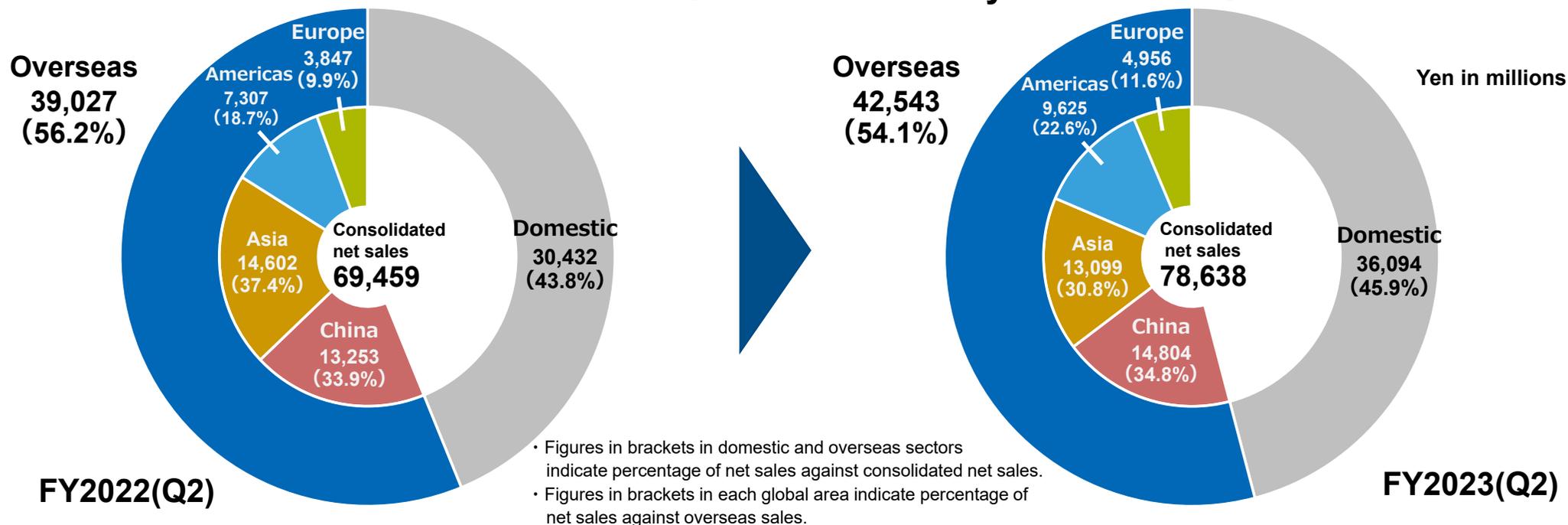
# Summary of Changes in Second Quarter Profit

- ✓ Increase in gross profit offset growth in SG&A expenses
- ✓ The contributing factor to foreign exchange losses is the appreciation of the local currency, which affects the value of assets denominated in foreign currency and held by overseas group companies.



# Overseas Sales Ratio by Global Area

(Based on delivery destinations)



## FY2023(Q2)

**China** ↑ + 1,551

- Driven by the Automotive
- The Electronics produced favorable results

**Asia** ↓ ▲ 1,503

- Sales of the Plant & Energy and the Electronics decreased

**Americas** ↑ + 2,318

- Increase in sales of the Energy Solutions and the Industrial Machinery

**Europe** ↑ + 1,109

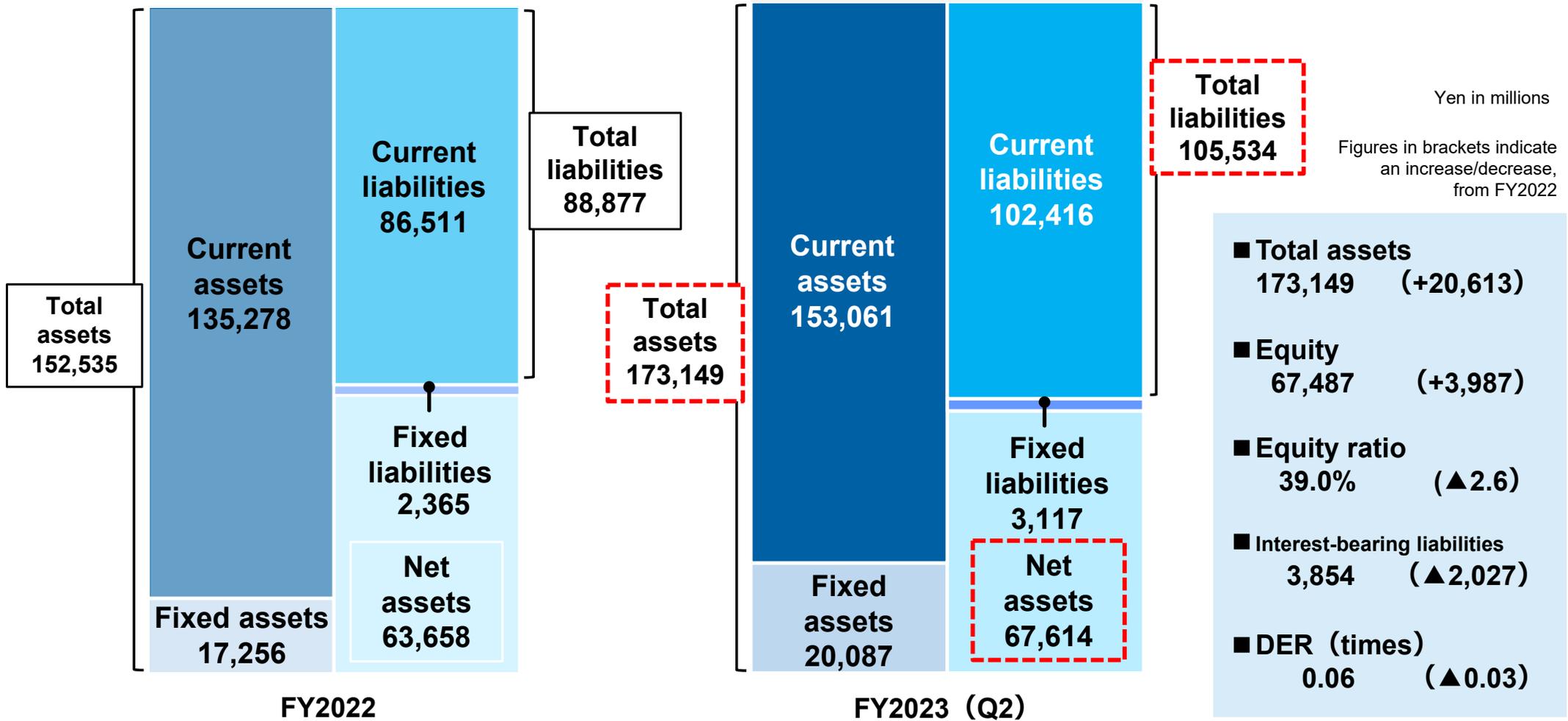
- The Industrial Machinery and Electronics performed well

# Consolidated Results by Segment (Net Sales/Operating Income)

Yen in millions	Net sales			Operating income		
	FY2022 (Q2)	FY2023 (Q2)	Increase/decrease rate	FY2022 (Q2)	FY2023 (Q2)	Increase/decrease rate
Plant & Energy	9,045	7,840	▲ 13.3%	592	▲ 56	—
Energy Solutions	8,524	10,245	+20.2%	129	11	▲ 91.1%
Industrial Machinery	10,011	11,389	+13.8%	253	493	+94.5%
Electronics	21,719	23,525	+8.3%	1,299	1,242	▲ 4.4%
Automobile	13,218	17,305	+30.9%	360	664	+84.4%
Healthcare	5,832	6,175	+5.9%	556	443	▲ 20.4%
Aviation & Social infrastructure	997	2,055	+106.0%	▲ 93	67	—
<b>Total</b>	<b>69,459</b>	<b>78,638</b>	<b>+13.2%</b>	<b>2,859</b>	<b>3,094</b>	<b>+8.2%</b>

\* Total amounts include adjustment values.

# Consolidated Financial Position



# Consolidated Cash Flows

Yen in millions	FY2022(Q2)	FY2023(Q2)	Description
<b>Cash flows from operating activities</b>	<b>4,926</b>	<b>2,342</b>	Income before income taxes (+3,648) Decrease (increase) in advance payments to suppliers (▲16,792) Increase in advances from customers (+14,747)
<b>Cash flows from investing activities</b>	<b>▲1,414</b>	<b>▲2,906</b>	Net decrease (increase) in time deposit (▲1,764) Purchase of shares of subsidiaries resulting in change in scope of consolidation (▲1,077) Proceeds from sale of investment securities (+254)
<b>Cash flows from financing activities</b>	<b>▲1,942</b>	<b>▲3,376</b>	Increase (decrease) in short-term bank loans-net (▲1,996) Dividends paid (▲1,199)
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	<b>791</b>	<b>598</b>	
<b>Net increase in cash and cash equivalents (▲ decrease)</b>	<b>2,360</b>	<b>▲3,341</b>	
<b>Cash and cash equivalents at beginning of year</b>	<b>26,782</b>	<b>32,309</b>	
<b>Increase in cash and cash equivalents resulting from inclusion of subsidiaries in conclusion</b>	<b>193</b>	<b>—</b>	
<b>Cash and cash equivalents at end of period</b>	<b>29,336</b>	<b>28,968</b>	

## **Ⅱ . Financial Forecasts for FY2023**

- **Financial Forecasts for FY2023**
- **Shareholder Returns**

# Financial Forecasts for FY2023

Yen in millions	FY2023 (Q2)	FY2024	
	Results	Forecasts	Progress rates
<b>Orders received</b>	<b>108,650</b>	<b>220,000</b>	<b>49.4%</b>
<b>Net sales</b>	<b>78,638</b>	<b>180,000</b>	<b>43.7%</b>
<b>Operating income</b>	<b>3,094</b>	<b>7,500</b>	<b>41.3%</b>
<b>Ordinary income</b>	<b>3,033</b>	<b>8,000</b>	<b>37.9%</b>
<b>Profit attributable to Owners of parent</b>	<b>2,464</b>	<b>5,400</b>	<b>45.6%</b>

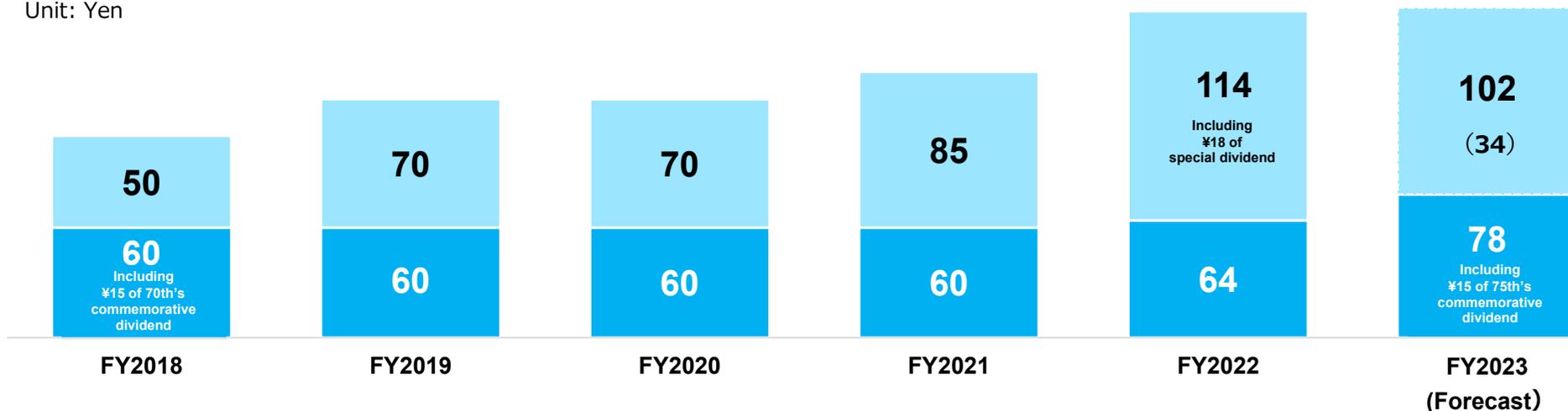
# Shareholder Returns

## Dividend policy (consolidated)

We will pay out appropriate levels of dividends in accordance with our business performance. As a standard guide, the dividend payout ratio will be 30% of profit attributable to owners of parent.

■ Interim dividend      ■ Year-end dividend

Unit: Yen



Annual dividends

Dividend Payout Ratio (consolidated)

Annual dividends	¥110	¥130	¥130	¥145	¥178	¥180 (¥112)
Dividend Payout Ratio (consolidated)	26.3%	28.5%	29.2%	28.9%	30.1%	32.5%

Note: (1) The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. Accordingly, the year-end dividends per share for the fiscal year ending March 31, 2024 is presented in brackets with an amount that reflects the stock split,

(2) Special dividends come from an ad-hoc extraordinary profit.

## Ⅲ. Outline of Financial Results by Segment

Yen in millions	Net sales					Operating income				
	FY2023 Q2 Results	FY2023 2H Forecasts	FY2023 Forecasts	Initial forecasts	Change from Initial forecasts	FY2023 Q2 Results	FY2023 2H Forecasts	FY2023 Forecasts	Initial forecasts	Change from Initial forecasts
Plant & Energy	7,840	6,560	14,400	13,000	+ 1,400	▲ 56	136	80	349	▲ 269
Energy Solutions	10,245	21,655	31,900	33,000	▲ 1,100	11	917	928	908	+ 20
Industrial Machinery	11,389	14,511	25,900	24,800	+ 1,100	493	729	1,222	1,008	+ 214
Electronics	23,525	33,675	57,200	56,700	+ 500	1,242	1,089	2,331	2,157	+ 174
Automobile	17,305	13,195	30,500	31,500	▲ 1,000	664	674	1,338	1,118	+ 220
Healthcare	6,175	7,425	13,600	13,900	▲ 300	443	609	1,052	1,217	▲ 165
Aviation & Social Infrastructure	2,055	4,445	6,500	6,900	▲ 400	67	481	548	743	▲ 195
Total *	78,638	101,466	180,000	180,000		3,094	4,635	7,500	7,500	

\* Total amount includes adjustment and other values.

# Plant & Energy Business

Provide equipment to key industries underpinning social infrastructure

## Main products

- Petroleum refinery, Chemistry, petrochemical plant equipment
- Oil, gas, and geothermal production facilities, well drilling equipment and drilling rig packages
- Power generation infrastructure, Renewable energy-related equipment
- AI/IoT-related equipment
- Environmental protection facilities, analysis and measurement equipment, safety monitoring equipment

## Resources/petroleum/ chemistry



## Papermaking/steelmaking



## Decarbonization



## DX(Digital Transformation)



# Plant & Energy Business

## Factors contributing to YoY increase/decrease

Sales of equipment for various types of plants decreased.  
Recognition of product warranty and order loss allowance had negative impact on operating income.

## Outlook for second half

Record sales on par with the first half, with a focus on the oil and chemical sectors

## Initiatives

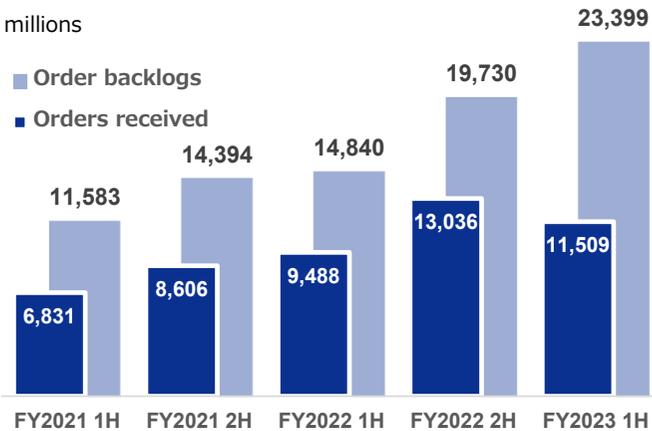
- Integration of new and existing business  
 ①Decarbonization business ②DX business  
 ③Develop foreign customers

Yen in millions

	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	9,045	7,840	▲13.3%	6,560	14,400	+ 1,400
Operating income	592	▲56	-	136	80	▲ 269
Operating income margin	+ 6.5%	▲0.7%	-			

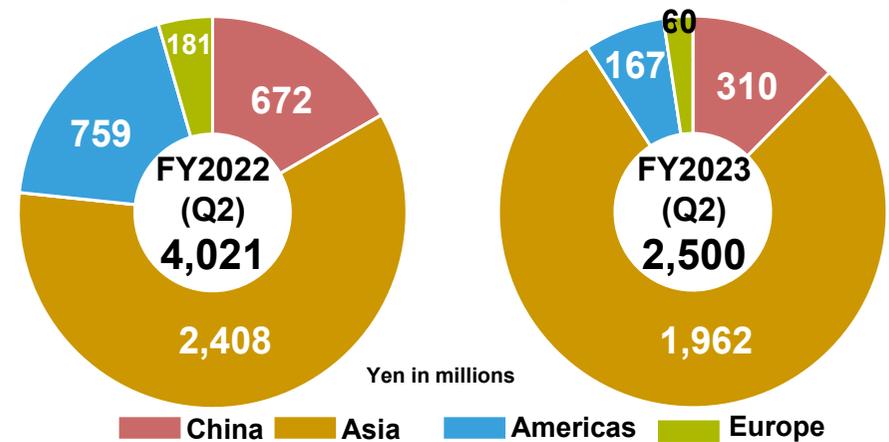
## Trends in orders received and backlogs on a two-quarter basis

Yen in millions



## Overseas sales (Based on delivery destinations)

Yen in millions



# Energy Solutions Business

## Leading supplier of secondary battery manufacturing equipment

### Main products

- Battery materials production equipment, Cell electrode manufacturing equipment, Cell/module assembly equipment, charge/discharge inspection equipment
- Powder processing equipment
- Battery recycling equipment
- Flexible solar panels
- Storage battery systems
- Fuel cell manufacturing equipment

Materials



Cells / Modules



Solar panels/  
Storage Batteries



Next-generation  
Batteries



Website of US Magazine  
*Energy Business Review*



# Energy Solutions Business

## Factors contributing to YoY increase/decrease

- Increase in sales for domestic and cross-border deliveries.
- On the other hand, profit margin decreased due to increase in sales activities expense.

## Outlook for second half

The recording of sales for large-scale projects is focused on the third quarter and beyond.

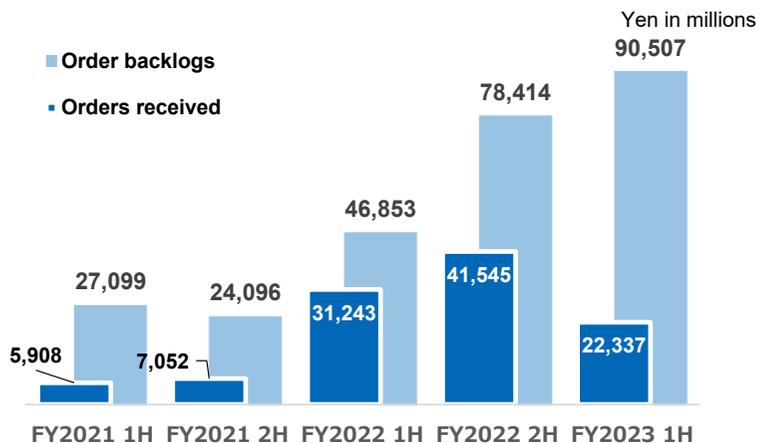
## Initiatives

- Develop foreign customers by product differentiation
- Reinforcement of engineering capabilities

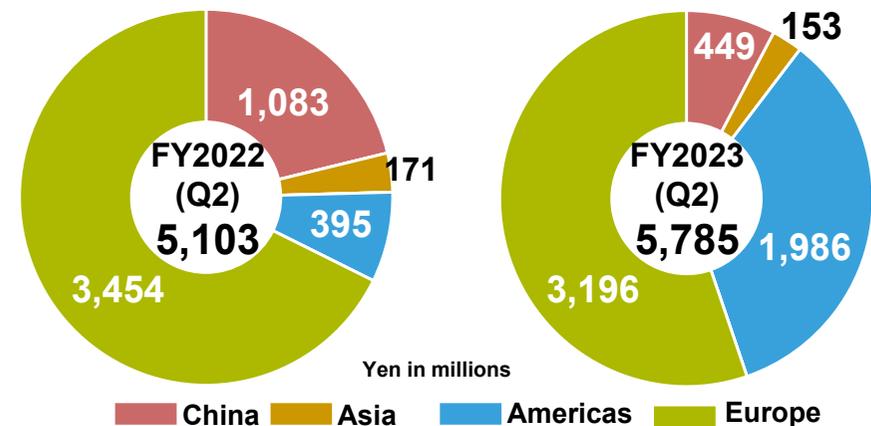
Yen in millions

	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	8,524	10,245	+ 20.2%	21,655	31,900	▲1,100
Operating income	129	11	▲91.1%	917	928	+ 20
Operating income margin	+ 1.5%	+ 0.1%	-			

Trends in orders received and backlogs on a two-quarter basis



Overseas sales (Based on delivery destinations)



# Industrial Machinery Business

Engineering equipment with every facet of manufacturing process

## Main products

- Injection molding machines, Extrusion machines, Pressure and vacuum thermoforming machines,
- Automatic assembly equipment, material-handling robot systems
- 3D printer systems for plastic and sand molds
- Strawberry seedlings (Growing seedlings)
- Die-casting, Metal processing machines, Ceramics processing machines
- Coating, Surface decoration equipment
- Filling and packaging equipment

Home appliances/  
Office appliances



Food packaging



Housing Equipment



Logistic materials



Medical Equipment



Growing seedlings



# Industrial Machinery Business

## Factors contributing to YoY increase/decrease

Sales of painting equipment shipped to the Americas and Europe increased.

## Outlook for second half

Sales for medical and food industries will be recorded in the third quarter and beyond.

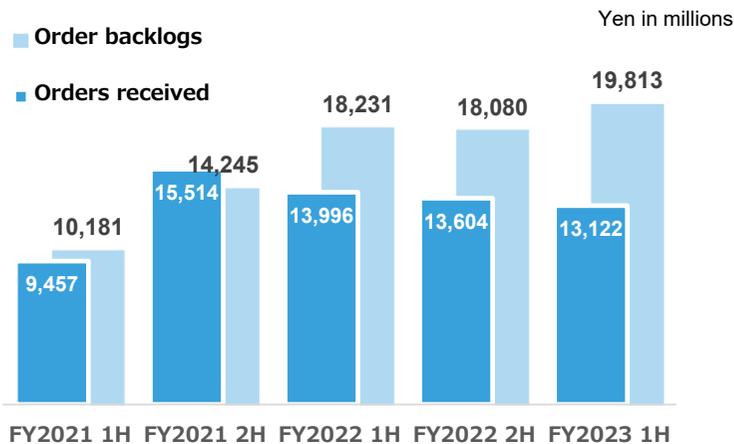
## Initiatives

- Expansion of business fields and development of new products
- Painting : Build up track record of construction machinery and motorcycles for domestic and overseas markets
- Medical : Explore the Central and South America markets

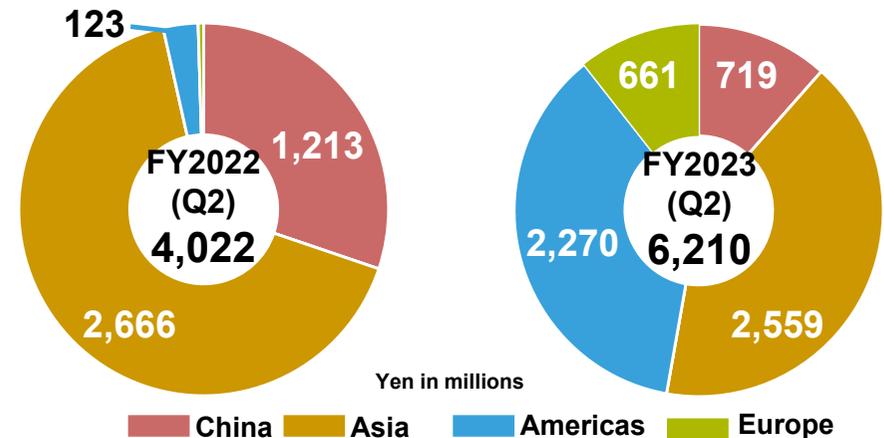
Yen in millions

	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	10,011	11,389	+ 13.8%	14,511	25,900	+ 1,100
Operating income	253	493	+ 94.5%	729	1,222	+ 214
Operating income margin	+ 2.5%	+ 4.3%	-			

## Trends in orders received and backlogs on a two-quarter basis



## Overseas sales (Based on delivery destinations)



# Electronics Business

Provide solutions to facilitate the reformation of the manufacturing process through cutting-edge technology and experience

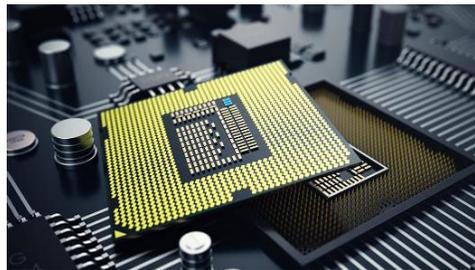
## Main products

- Electronic component mounting-related systems(SMT) , SMT peripheral inspection equipment and post-process automation equipment
- Semiconductor device-related systems, Display-related systems
- Coating and dispensing equipment
- Laser marking equipment (CO2, YA laser, and blue laser)
- Various types of inspection equipment (Visual, X-ray, characteristic)
- IoT/software
- Logistics automation equipment, LOGITO

### Surface Mount Technology (SMT)



### Semiconductor device



### Logistics Automation Solution, LOGITO



# Electronics Business

## Factors contributing to YoY increase/decrease

- Sales for China and Asia produced favorable results, while profit margin decreased.
- Strong demand for automotive and information communication equipment

## Outlook for second half

Steadily record sales from orders received, and recognize sales from projects secured during the second half.

## Initiatives

Economic downturn in China

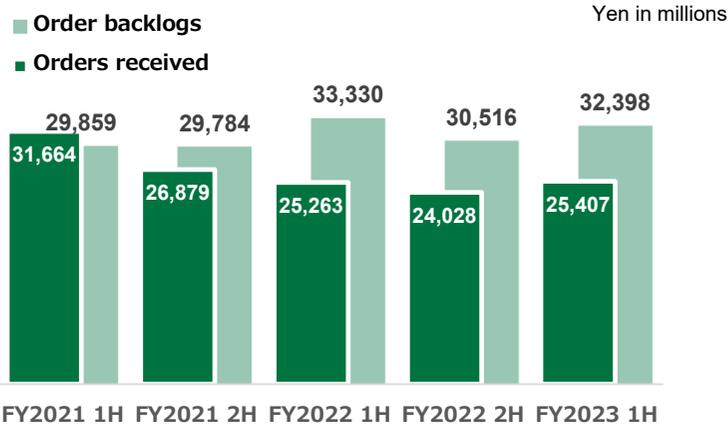
Emerging market research, such as North Africa and Turkey

LOGITO: Product packaging tailored for the target industry

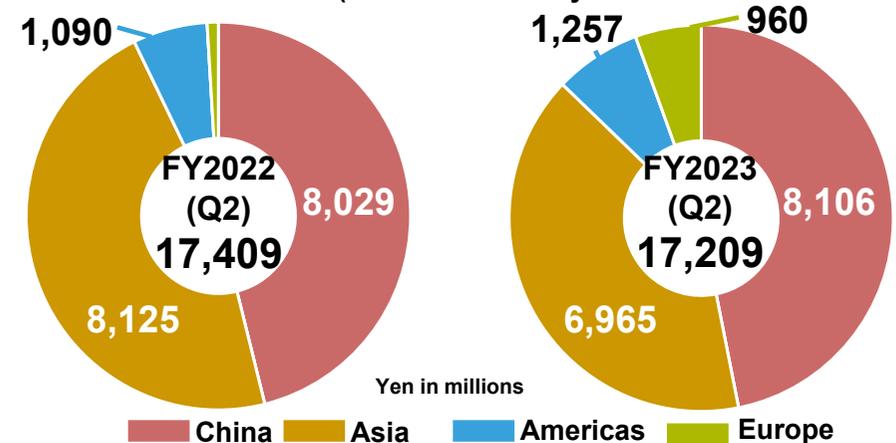
Yen in millions

	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	21,719	23,525	+ 8.3%	33,675	57,200	+ 500
Operating income	1,299	1,242	▲4.4%	1,089	2,331	+ 174
Operating income margin	+ 6.0%	+ 5.3%				

## Trends in orders received and backlogs on a two-quarter basis



## Overseas sales (Based on delivery destinations)



# Automotive Business

Conduct business with industry-leading OEM(Original Equipment Manufacturing) and Mega suppliers on a global scale

## Main Products

- Molding machines
- Metal-processing machines, plastic-processing machines
- Coating/surface decoration equipment
- Various types of inspection equipment
- IoT-related equipment and devices
- Automated assembly equipment
- Module support equipment

### Interior and Exterior Parts Area



### Powertrain Area



### Device Area



# Automotive Business

## Factors contributing to YoY increase/decrease

- Automated assembly lines, painting lines, and manufacturing equipment for automotive electronic components performed well in sales to Japanese companies in China.
- Both net sales and operating income significantly increased.

## Outlook for second half

Sales recording will be concentrated in the fourth quarter, with a focus on large-scale projects

## Initiatives

Business promotion based on the business portfolio

Core business : Expanding sales of large-scale injection molding machines and plastic processing machines

Growth business: Expansion of electric drive products, seat business, and ADAS

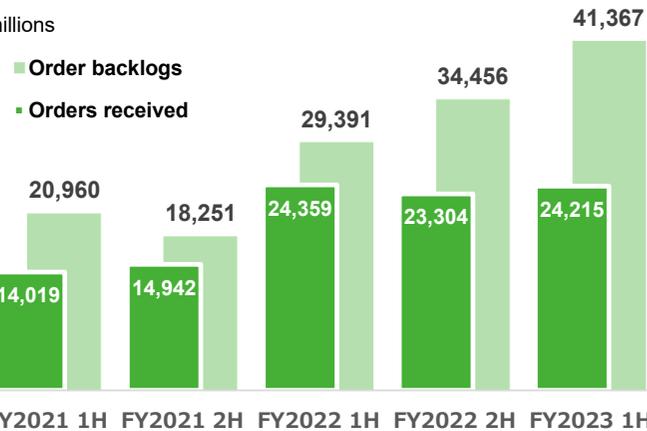
New business : Capture of vehicle assembly equipment, automotive component assembly equipment, and power semiconductor market.

Yen in millions

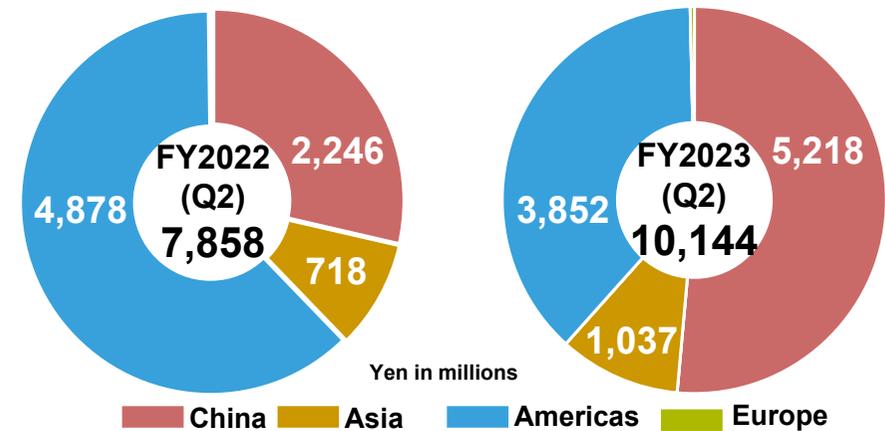
	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	13,218	17,305	+ 30.9%	13,195	30,500	▲1,000
Operating income	360	664	+ 84.4%	674	1,338	+ 220
Operating income margin	+ 2.7%	+ 3.8%				

## Trends in orders received and backlogs on a two-quarter basis

Yen in millions



## Overseas sales (Based on delivery destinations)



# Healthcare Business

Engineering of production equipment and lines for medicine, health food, cosmetics, and regenerative medicine

## Main products

- Tablet visual inspection systems, tablet ink-jet printing and inspection systems, capsule visual inspection systems
- Blister lines, sachet packaging lines, various types of packaging lines
- Vial filling lines, syringe filling lines, powder filling lines
- Tablet pressing machines
- Automatic cell culture systems

Pharmaceuticals



Cosmetics



Food



# Healthcare Business

## Factors contributing to YoY increase/decrease

- Sales of tablet visual inspection systems slightly increased.
- Operating income decreased due to lack of projects with high profit margins

## Outlook for second half

The sales recording will be focused on the last three months of the second half.

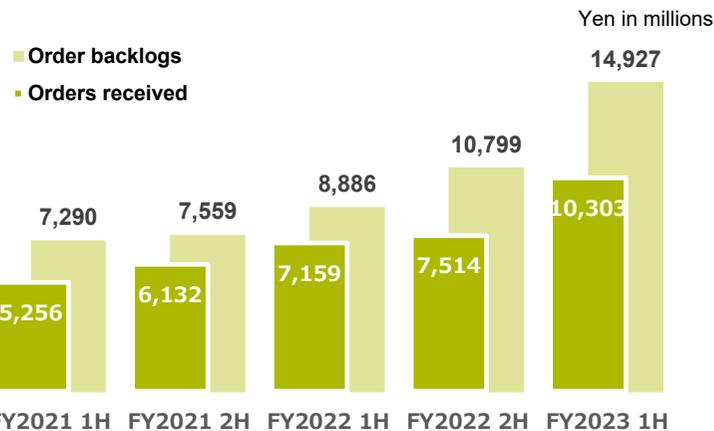
## Initiatives

- Expansion of business fields  
(New field, equipment, cross-border business)
- Engineering (Digital platform business due to DX)

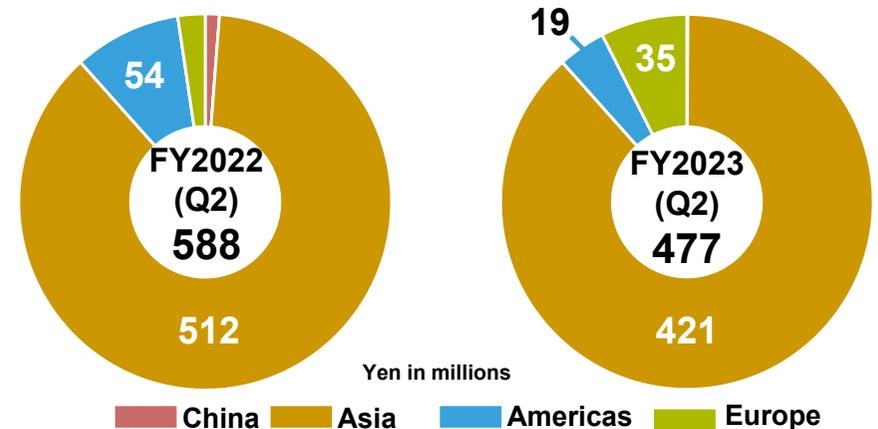
Yen in millions

	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	5,832	6,175	+ 5.9%	7,425	13,600	▲300
Operating income	556	443	▲20.4%	609	1,052	▲165
Operating income margin	+ 9.5%	+ 7.2%				

Trends in orders received and backlogs on a two-quarter basis



Overseas sales (Based on delivery destinations)



# Aviation & Social Infrastructure Business

Contribute to the safety of the skies and the local area

## Main Products

- Ground support equipment for aircraft
- Equipment used in airport
- Specialized vehicles for disaster relief
- Ground support equipment for airports
- Equipment to reduce workforce and workload

Airlines



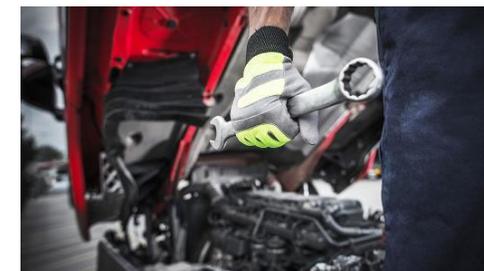
Airports



Disaster Preparedness/  
Defense



Customer Support



# Aviation & Social Infrastructure Business

## Factors contributing to YoY increase/decrease

Increase in both net sales and operating income, because sales of ground support units and equipment for airport-related infrastructure increased.

## Outlook for second half

Sales of post-pandemic orders received will be continuously recorded in the third quarter and beyond.

## Initiatives

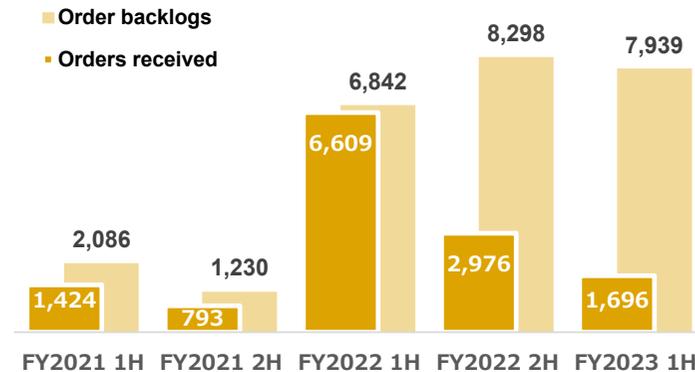
Continuously focus on fields of development & exploration (electric, labor-saving, IoT/ICT, decarbonization)

Yen in millions

	FY2022(Q2)	FY2023(Q2)	Growth rate	2H Forecasts	FY2023 Forecasts	Change from initial forecasts
Net sales	997	2,055	+ 106.0%	4,445	6,500	▲400
Operating income	▲93	67	-	481	548	▲195
Operating income margin	▲9.3%	+ 3.3%				

## Trends in orders received and backlogs on a two-quarter basis

Yen in millions



## Overseas sales (Based on delivery destinations)

The aviation & Social Infrastructure business primarily focuses on domestic business in Japan. Accordingly, the pie charts illustrating overseas sales revenue is omitted here.



## **IV. Progress of Medium-term Business Plan, MT2024**

## Qualitative Targets

### 1. Business strategies for growth

- ① Strengthening engineering capabilities
- ② Strategic business investment
- ③ Expansion of business with global companies
- ④ Progressing digital transformation

### 2. Strengthening management base

- ① Deepening corporate governance
- ② Strengthening risk management
- ③ Strengthening financial strategies
- ④ Strengthening human resources strategies
- ⑤ Promotion of sustainability management

# Progress of Medium-term Business Plan, MT2024

- ✓ The Engineering Division, the Enterprise Risk Management Division, and the Digital Innovation Center Established
- ✓ Implemented digital transformation training programs for employees
- ✓ Acquisition of Wave Engineering Corporation

	FY2022		FY2023		FY2024
	Plans	Results	Plans	Forecasts	Plans
Yen in millions					
Orders received	170,000	244,296	180,000	220,000	200,000
Net sales	140,000	153,674	170,000	180,000	185,000
Operating income	5,500	6,717	7,000	7,500	8,500

# Thank you for your attention.

## Contact

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Data and projections contained in this material are based on the information available at the time of publication, and various factors could cause actual results to differ materially and adversely from those presented in such forward-looking statements. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict.

# Appendix

- **Medium-term Business Plan MT2024**

  - Financial Targets by Segment

  - Themes Focused by Segment

- **Trends in Consolidated Financial Performance**

- **Trends in Consolidated Financial Position**

# MT2024 Financial Targets by Segment

## Net sales

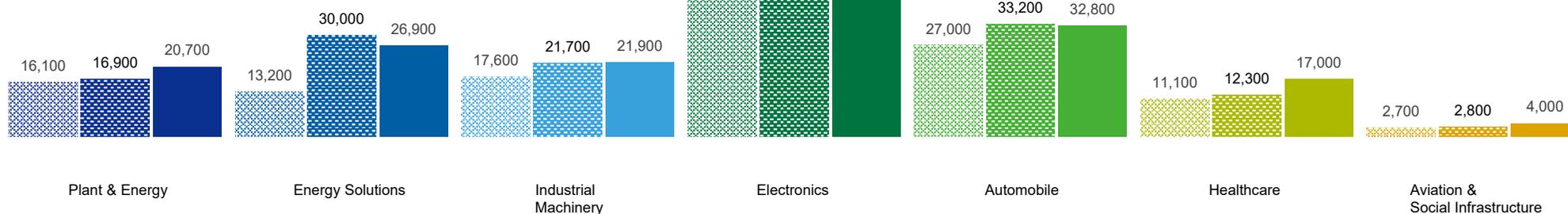
Yen in millions

2023/3  
2024/3  
2025/3

Total consolidated net sales (Yen in millions)

**2023/3 140,000**  
**2024/3 170,000**  
**2025/3 185,000**

\*Adjustment values are included in totals.



## Operating income

Yen in millions

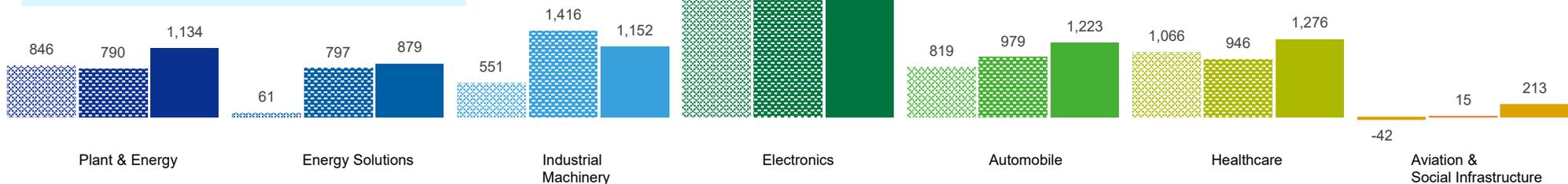
2023/3  
2024/3  
2025/3

Total consolidated operating income

(Yen in millions)

**2023/3 5,500**  
**2024/3 7,000**  
**2025/3 8,500**

\*Adjustment values are included in totals.



# MT2024 Themes Focused by Segment

## Plant & Energy

Proactively expand business for various plants, as well as creating-energy business, to solve social issues. (Decarbonization × Digital transformation × Green transformation)

## Energy Solutions

Address the next-generation energy field on a global scale. Provide an array of solutions, leveraging strengths such as engineering capabilities.

## Industrial Machinery

Build earth-friendly supply chains, by providing environmental technologies such as biodegradable plastics, and by capitalizing on engineering capabilities.

## Electronics

Stably grow core business and promote smart factories. Provide LOGITO, logistic automation solutions.

## Automobile

Envision changes accompanied by electrification and autonomous driving, as business opportunities, and promptly address carbon neutral-related business.

## Healthcare

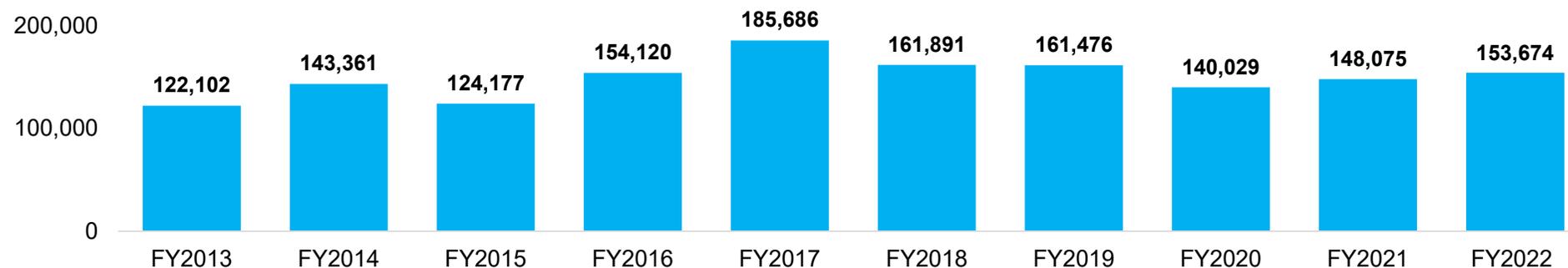
Machine engineering : Competitive development of equipment  
Production engineering : Engineering business's expansion  
Business engineering : Expand Multifaceted business.

## Aviation & Social Infrastructure

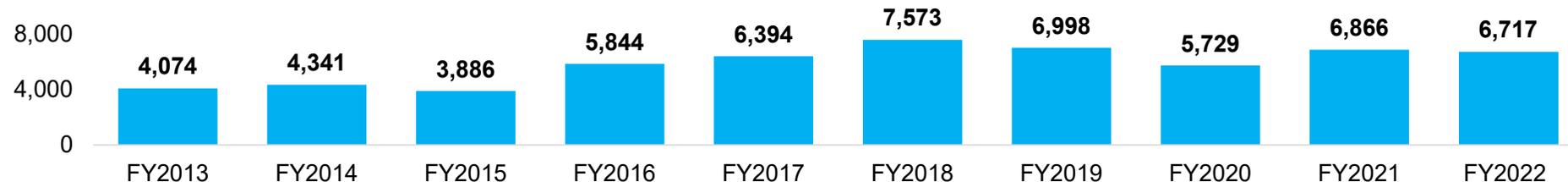
Capture an across-the-industry transformation as business opportunities, and provide products with high added-value and high efficiency, and wide-ranging services.

# Trends in Consolidated Financial Performance

Net sales (Yen in millions)



Operating income (Yen in millions)



Profit attributable to owners of parent (Yen in millions)



(Note) The Company has adopted the "Accounting Standard for Revenue Recognition" etc. since FY2021.

# Trends in Consolidated Financial Position

