

Financial Results

for the Year Ended March 31, 2022



May 24, 2022

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I . FY2021 Outline of Financial Results

- **Summary of Financial Results**
- **Consolidated Financial Results**
- **Financial Results by Segment
(Net sales, operating income)**
- **Overseas Sales**
- **Summary of Changes in Profit**
- **Consolidated Financial Position**
- **Consolidated Cash Flow**
- **Orders Received & Backlog by Segment**

- **Increase in both net sales and profits**

Profits earned at each stage are at high levels.
Profit attributable to owners of parent hit all-time high.

- **Business performance driven by Electronics Business throughout the fiscal year**

Favorable performance delivered in China and Asia
Net sales increased by 48%, operating income by 58%,
year-over-year

- **Industrial Machinery Business got recovery**

Demand in vacuum thermoforming machines returned.
Medical field produced a favorable outcome.

Consolidated Financial Results

(Yen in millions)	FY2020	FY2021				
	Results	Previous forecasts	Revised forecasts	Results	Change from FY2020	Change from revised forecasts
Orders received	152,328	-	-	154,702	1.6%	-
Net sales	140,029	179,000	152,000	148,075	5.7%	△ 2.6%
Operating income	5,729	7,000	6,600	6,866	19.8%	4.0%
Ordinary income	6,464	7,300	6,900	7,792	20.5%	12.9%
Profit attributable to owners of parent	4,754	5,100	4,800	5,363	12.8%	11.7%
EPS	444.70 Yen	477.01 Yen	448.59 Yen	501.02 Yen	56.32 Yen	52.43 Yen

(Note) The Company has adopted the “Accounting Standard for Revenue Recognition” etc. since the first quarter of FY2021.

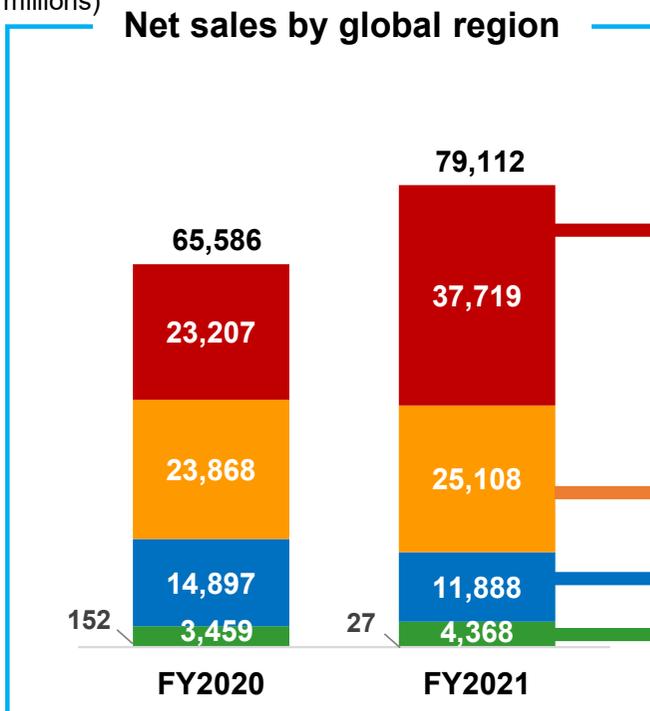
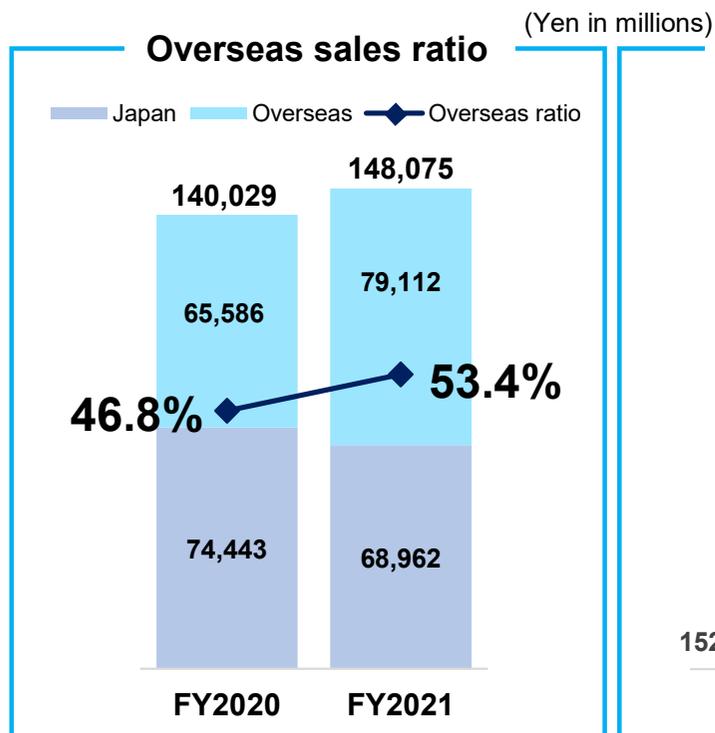
Net sales, operating income

(Yen in millions)	Net sales				Operating income			
	FY2020	FY2021	Increase/decrease amount	Increase/decrease rate	FY2020	FY2021	Increase/decrease amount	Increase/decrease rate
Plant & Energy	27,900	11,881	△ 16,018	△ 57.4%	1,173	610	△ 562	△ 48.0%
Energy Solutions	11,790	19,004	+ 7,214	+ 61.2%	359	696	+ 336	+ 93.4%
Industrial Machinery	17,682	19,275	+ 1,592	+ 9.0%	△ 68	646	+ 714	-
Electronics	35,271	52,098	+ 16,826	+ 47.7%	1,973	3,125	+ 1,152	+ 58.4%
Automobile	31,421	31,980	+ 558	+ 1.8%	992	1,238	+ 246	+ 24.8%
Healthcare	10,650	11,189	+ 539	+ 5.1%	1,107	1,161	+ 53	+ 4.8%
Aviation & Social Infrastructure	5,057	2,466	△ 2,591	△ 51.2%	352	△ 79	△ 431	-
Total	140,029	148,075	+ 8,045	+ 5.7%	5,729	6,866	+ 1,136	+ 19.8%

(Note 1) The Company has adopted the “Accounting Standard for Revenue Recognition” etc. since the first quarter of FY2021.

(Note 2) Operating income includes adjustment values.

Overseas Sales (Based on delivery destinations)



Overview by global region

China

Increase in orders received and sales from Chinese companies by chiefly local employees' efforts. Electronics & Automotive Business drove business performance.

Southeast Asia & India

Electronics Business captured production transfer demand in China, which lead sales increase in Thailand, Malaysia, and Vietnam.

Americas

Equipment demand in the auto industry continues to recover.

Europe

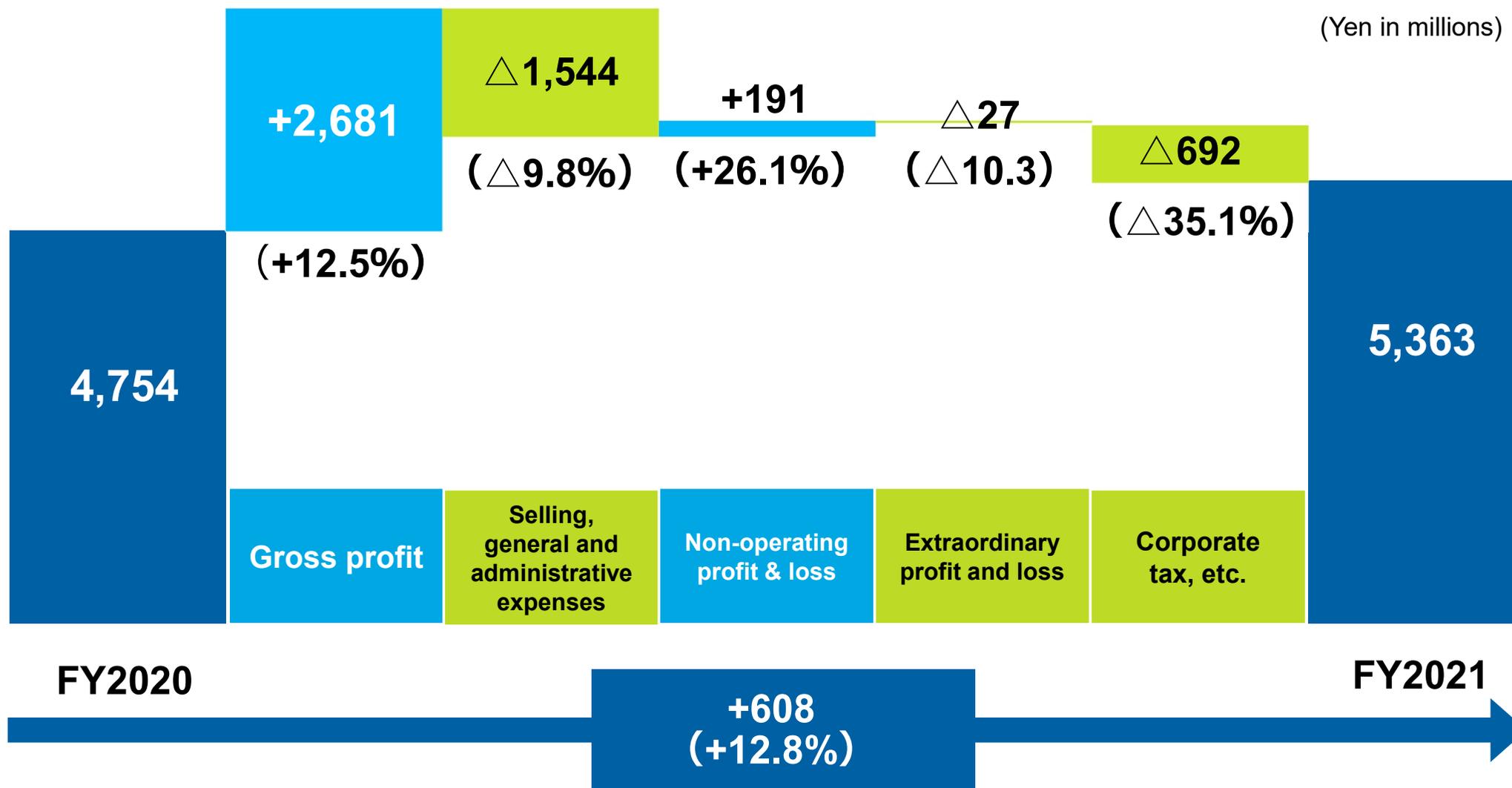
Sales increased primarily in LIB manufacturing equipment. Auto business in Eastern Europe is in recovery phase.

(Yen in millions)	FY2020		FY2021	
	Amount	Composition ratio	Amount	Composition ratio
China	23,207	35.4%	37,719	47.7%
Southeast Asia & India	23,868	36.4%	25,108	31.7%
Americas	14,897	22.7%	11,888	15.0%
Europe	3,459	5.3%	4,368	5.5%
Others	152	0.2%	27	0.1%
Total	65,586	100.0%	79,112	100.0%

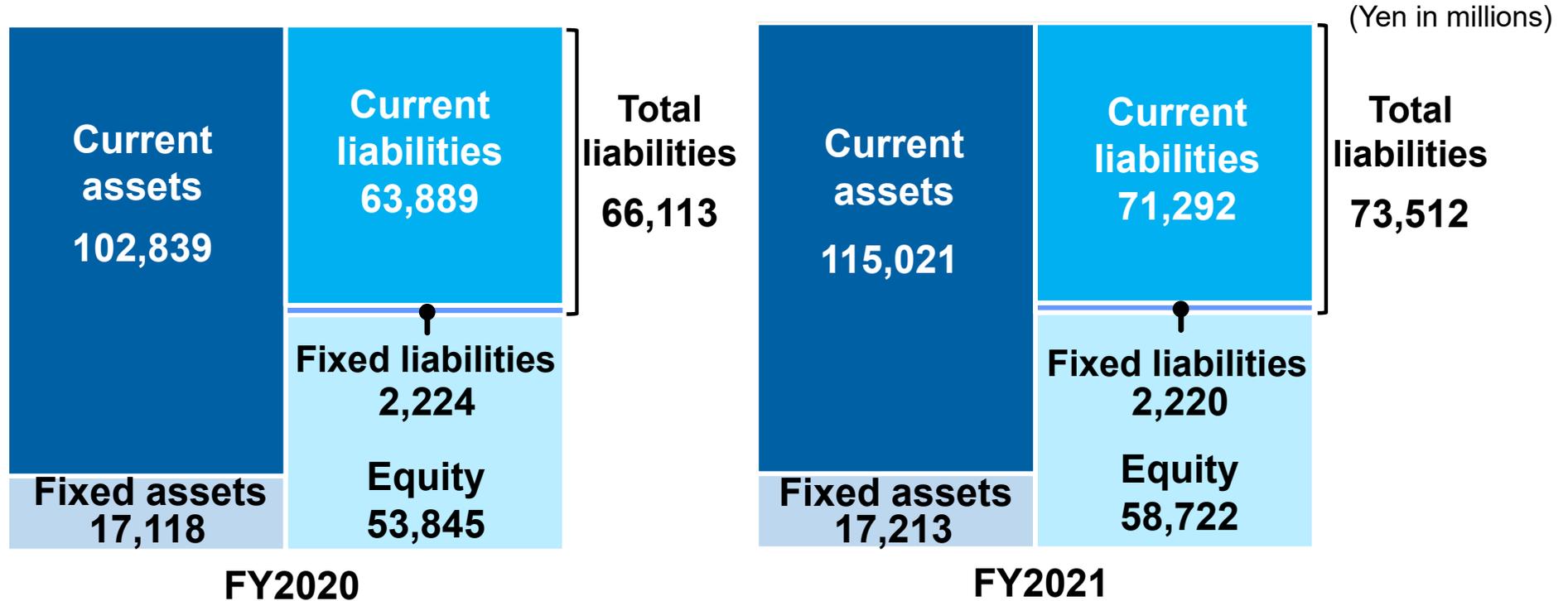
(Note) The Company has adopted the "Accounting Standard for Revenue Recognition" etc. since the first quarter of FY2021.

Summary of Changes in Profit

- ✓ Profits increased at all stages year-over-year.
- ✓ Gross profit increased by 12.5%, and operating income by 19.8%.
Net income recorded the highest all time.



Consolidated Financial Position



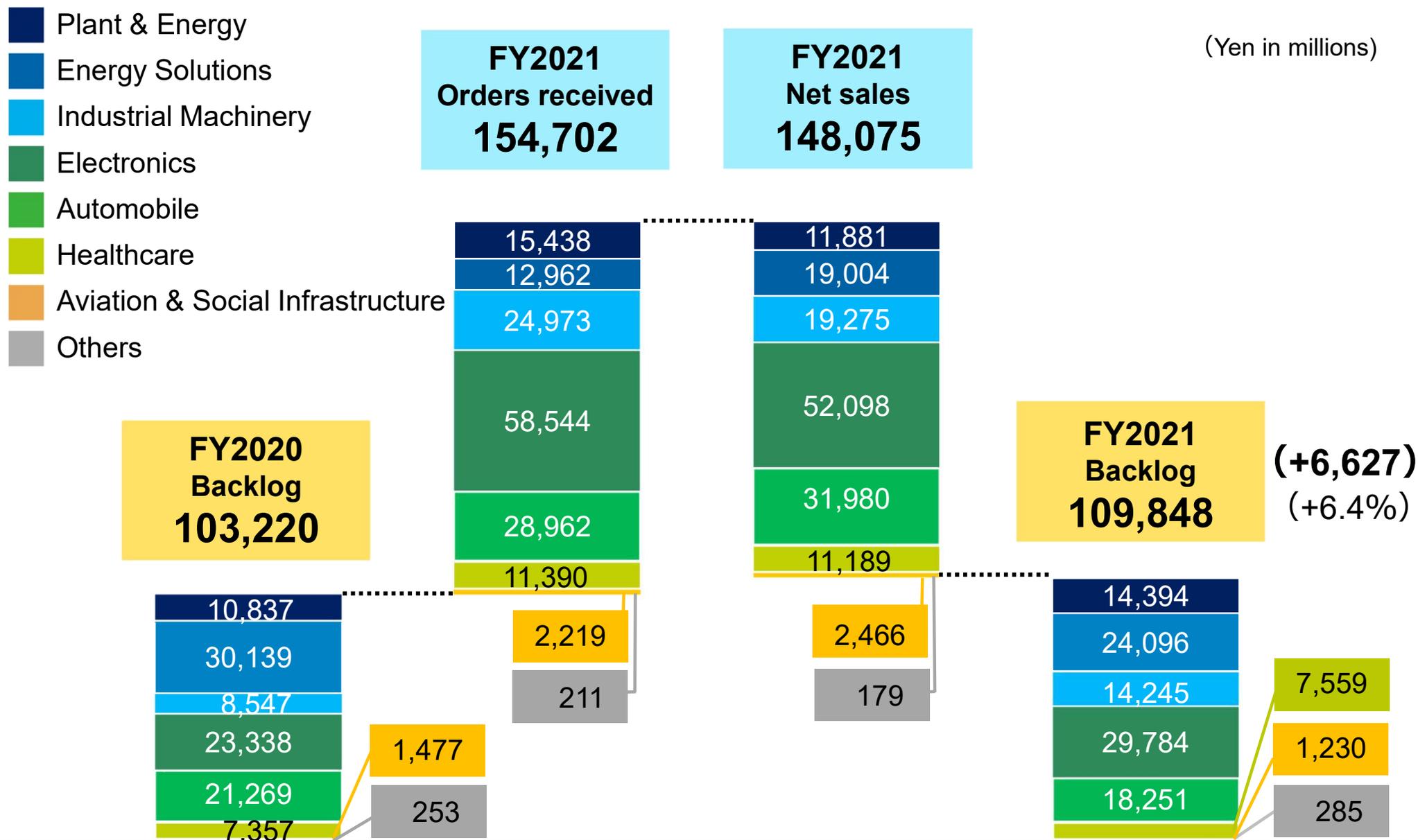
(Yen in millions)

	FY2020	FY2021	Increase/decrease
Total assets	119,958	132,235	+ 12,276
Equity	53,711	58,587	+ 4,876
Equity ratio (%)	44.8	44.3	△ 0.5
Interest-bearing liabilities	7,805	7,631	△ 173
DER (times)	0.15	0.13	△ 0.02

Consolidated Cash Flow

(Yen in millions)	FY2020	FY2021	Description
Cash flow from operating activities	11,141	△ 3,426	Income before income taxes (+8,030) Increase in working capital (△17,885) Increase in other current liabilities (+2,753)
Cash flow from investing activities	△ 1,545	△ 409	Purchase of investment securities (△779) Proceeds from sale of investment securities (+536) Net increase in time deposits (+475)
Cash flow from financing activities	△ 1,535	△ 1,742	Dividends paid (△1,391) Repayments of long-term borrowings (△195) Repayments of finance lease liabilities (△186)
Foreign currency translation adjustments on cash and cash equivalents	69	1,093	
Net increase (decrease) in cash and equivalents	8,129	△ 4,484	
Cash and equivalents at beginning of year	23,137	31,267	
Cash and Cash equivalents at end of period	31,267	26,782	

Order Received and Backlog by Segment



(Note) The Company has adopted the "Accounting Standard for Revenue Recognition", etc., including backlog at the end of FY2020.



Ⅱ . FY2022 Consolidated Earnings Forecasts

FY2022 Consolidated Earnings Forecasts

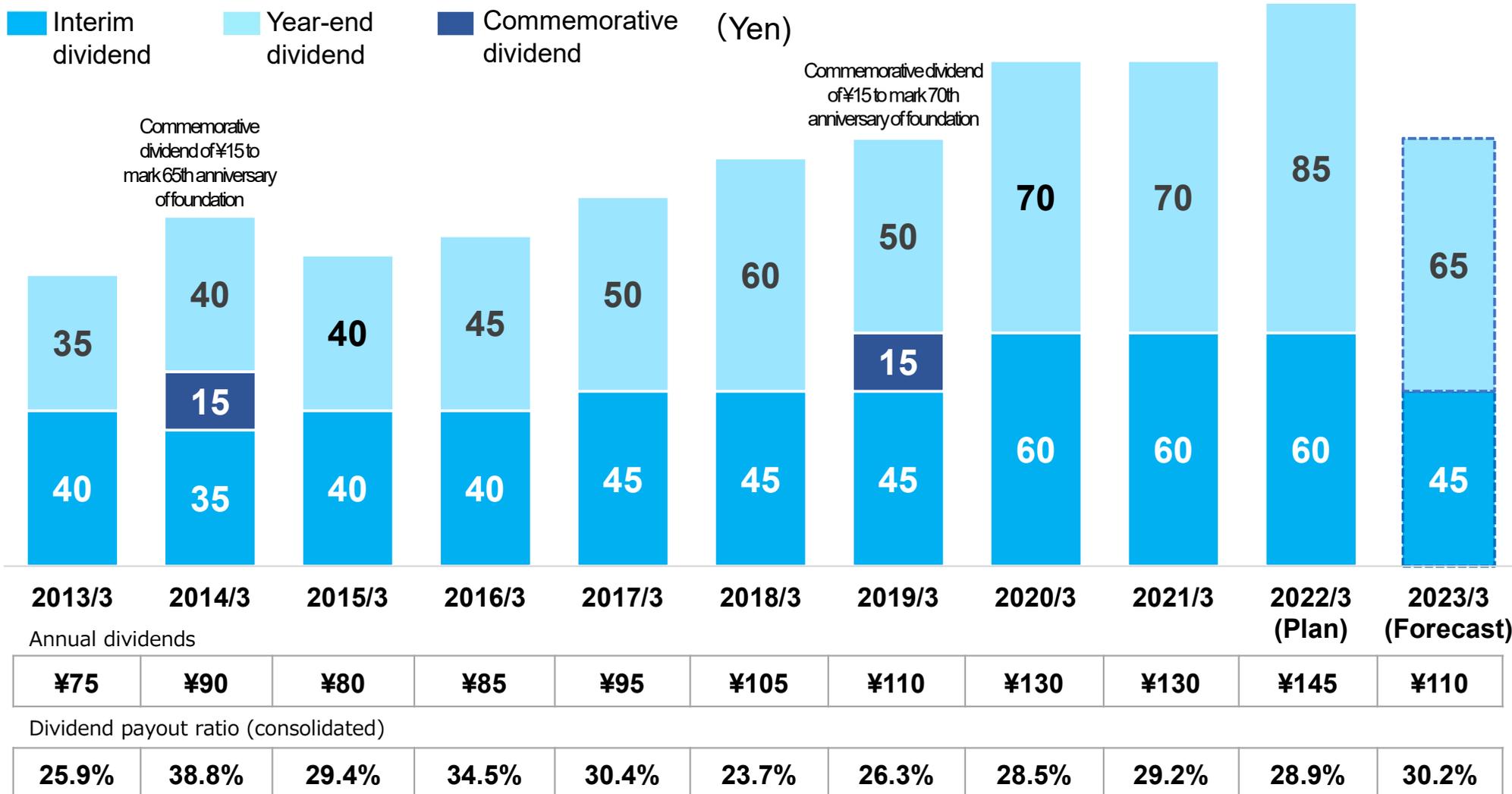
(Yen in millions)	FY2021 (Results)	FY2022	Main contributing factors for decreased profit
Orders received	154,702	170,000	<p>■ While gross profit remains flat, operating income will decrease, due to increased SGA</p> <p>【Factors for increased SGA】</p> <ul style="list-style-type: none"> - Sales efforts-related expense (Travel, ads) - In-house infrastructure investment
Net sales	148,075	140,000	
Operating income	6,866	5,500	
Ordinary income	7,792	5,800	
Profit attributable to Owners of the parent	5,363	3,900	

III. Dividend and its Payout Ratio

Dividend and its payout ratio

Dividend policy (consolidated)

We position profit distribution to shareholders as a management policy. Comprehensively taking into consideration future business development, including investments for growth to achieve V2030; constant and stable dividend payout; and other factors, 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.



Note : Effective October 1, 2017, the Company's common shares were consolidated on the basis of one new share for five old shares (1:5). Dividends before October 2017 have been retrospectively restated to reflect the share consolidation.

IV. Review for FACE2021, Medium-term Business Plan

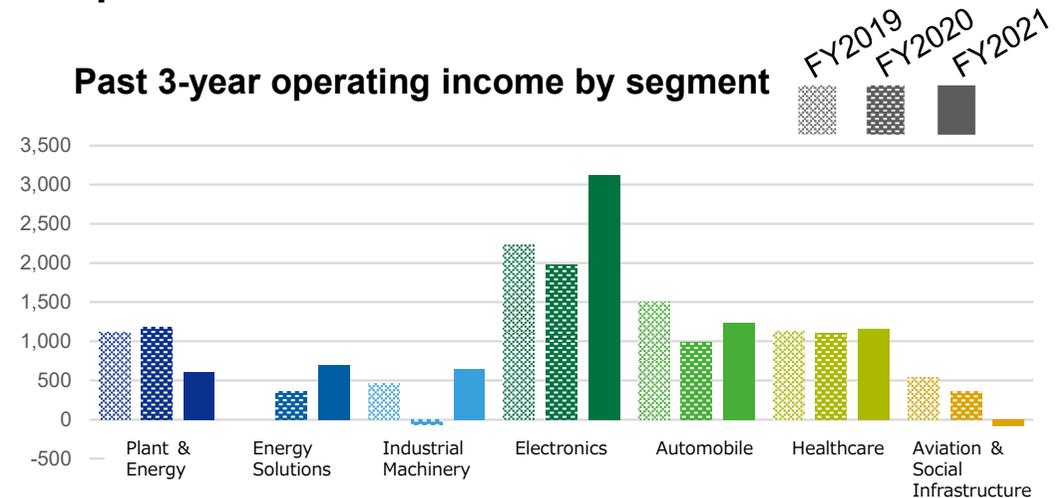
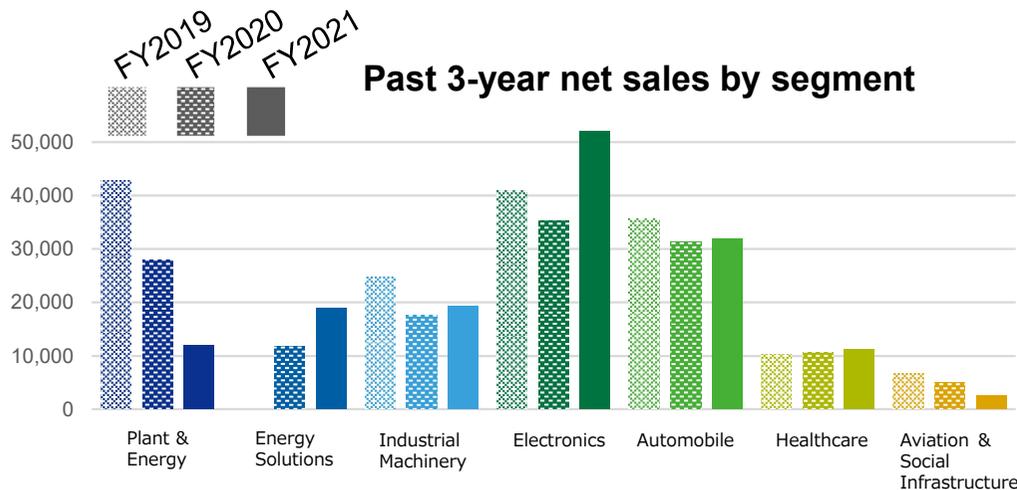
- **Quantitative Targets**
- **Qualitative Targets**

FACE2021 Quantitative Targets

(Yen in millions)	FY2019	FY2020	FY2021 Results (A)	FACE2021 Targets (B)	Difference (A - B)	Achievement rate (A / B)
Net sales	161,476	140,029	148,075	185,000	△ 36,924	80.0%
Operating income	6,998	5,729	6,866	8,300	△ 1,433	82.7%
Ordinary income	7,426	6,464	7,792	8,500	△ 707	91.7%
Profit attributable to owners of parent	4,876	4,754	5,363	5,700	△ 336	94.1%
ROE	10.4%	9.3%	9.6%	10.0% or higher	—	—

(Note) The Company has adopted the “Accounting Standard for Revenue Recognition” etc. since the first quarter of FY2021.

- ✓ **Electronics Business drove three-year financial performance.**
- ✓ **Healthcare Business’s field expansion**
- ✓ **Energy Solutions Business’s expansion**



1. Evolution of domain-based management system, and enhancing profitability

- New Business Divisions Established (Automotive, Energy Solutions Business)
- Business Field Expansion (Healthcare, Aviation & Infrastructure)
- Enhancing profitability is a continuous challenge.

2. Strengthening the driving force of management

- Established our new Corporate Strategy Div.
- Laid the groundwork towards growth
- Introduction of new HR system

3. Enhancement of corporate quality

- The Governance Committee fulfilled its function.
- Acquired BBB+ (Positive)

V. New Management Philosophy

- New Management Philosophy
- Sustainability Initiatives

Mission

**Connecting People, Connecting Technology
and Enriching the World.**

Vision

Next-generation engineering trading firm

Striving to be a business partner that is one step ahead of the times, and that contributes to the growth of customer businesses and the realization of a sustainable society on a global scale by continuously providing value with our company's engineering function as its core.

Value

TRUST

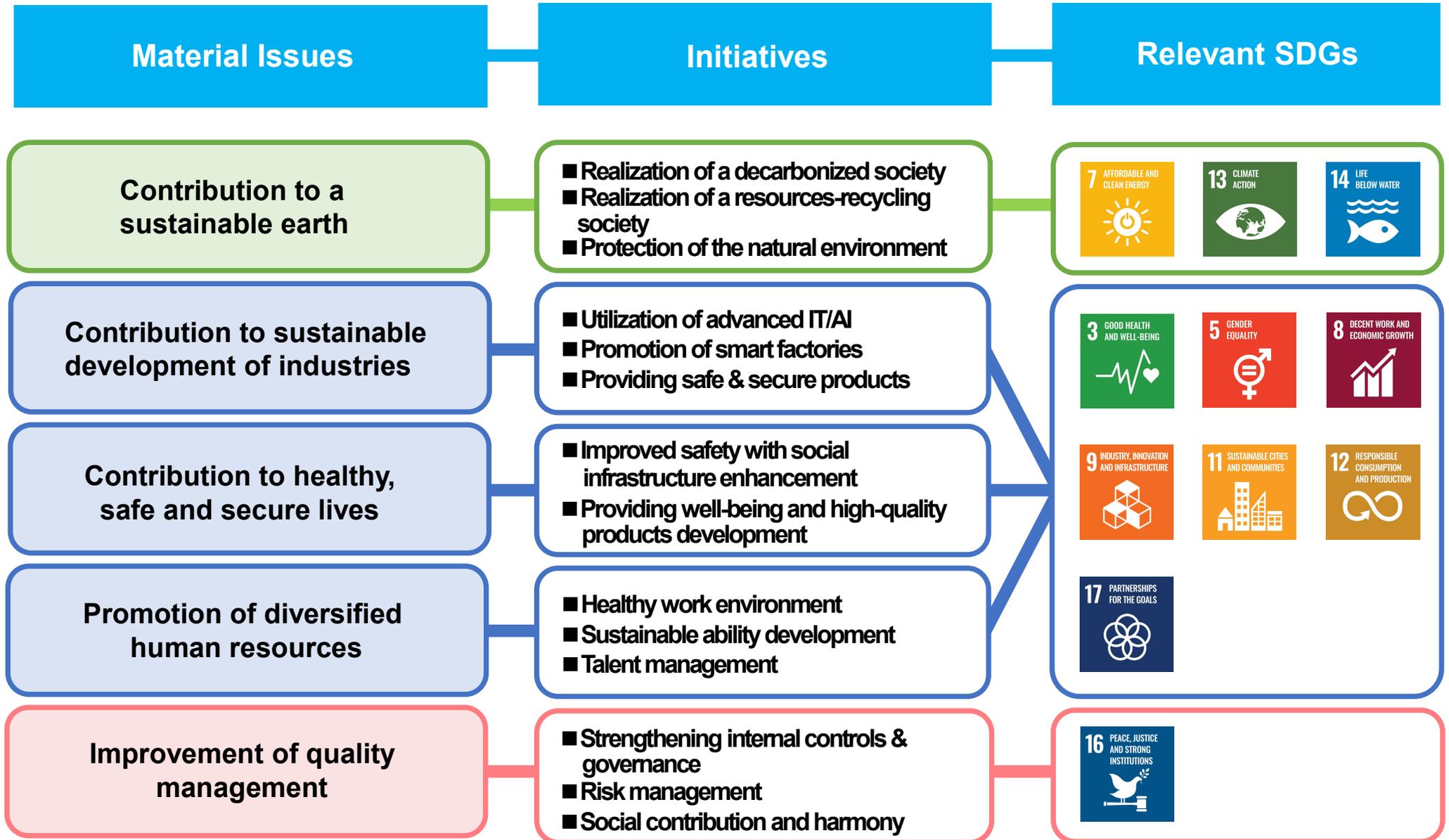
We strive to be a company that is rewarding, respects individuals, and allows them to experience growth, while cooperating with internal and external parties to align our goals with the expectations of our stakeholders and our social responsibilities.

GROWTH

We aim to achieve continuous growth through aggressive investment in growth markets and expansion of business domains, while contributing to manufacturing through our unique engineering capabilities.

CONTRIBUTION

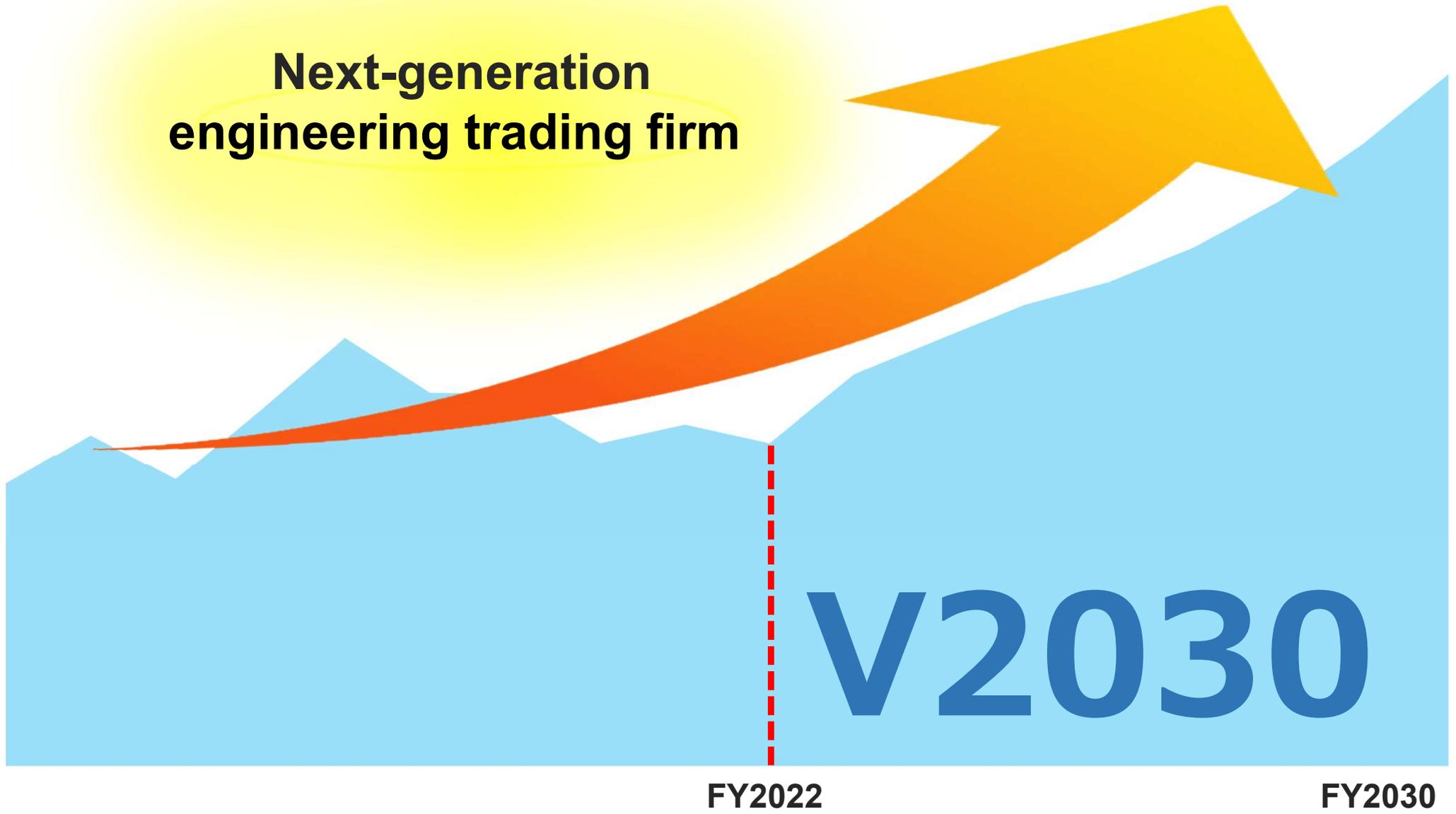
We contribute to the realization of a sustainable society by actively tackling important social issues through management transparency and continuous improvement of the quality of the company.

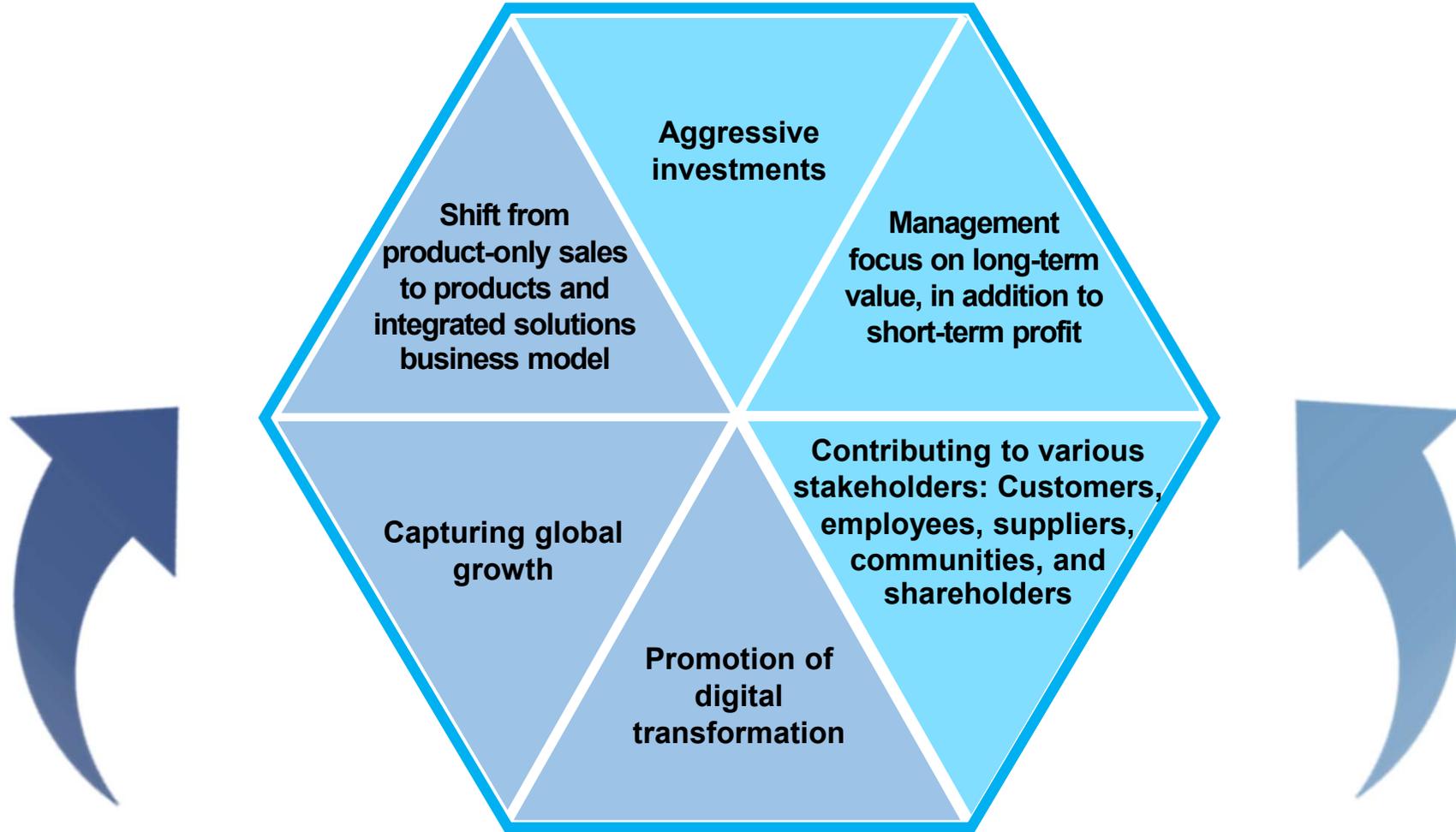


VI. Growth Strategies V2030 (Vision2030)

- **Growth Curve to be Developed**
- **Background of Basic Strategies**
- **Basic Strategies**
- **Investment Strategies**
- **Quantitative Targets**

**Next-generation
engineering trading firm**





Business strategy task force				Management strategy task force					
Current status analysis / market analysis	Segment strategies	New fields	Digital strategies	Global management	HR strategies	Engineering	Investment strategies	Capital strategies/ Finance strategies	Sustainability

1. Aggressive investments

- Investments towards business expansion, strengthening, and creation, as well as solutions to social issues

2. Management focus on long-term value, in addition to short-term profit

- Build management base, for medium- to long-term profitability by improving capital efficiency.

3. Contributing to various stakeholders: Customers, employees, suppliers, communities, and shareholders

- Achieve a sustainable society by addressing our materialities.

4. Shift from product-only sales to products and integrated solutions business model

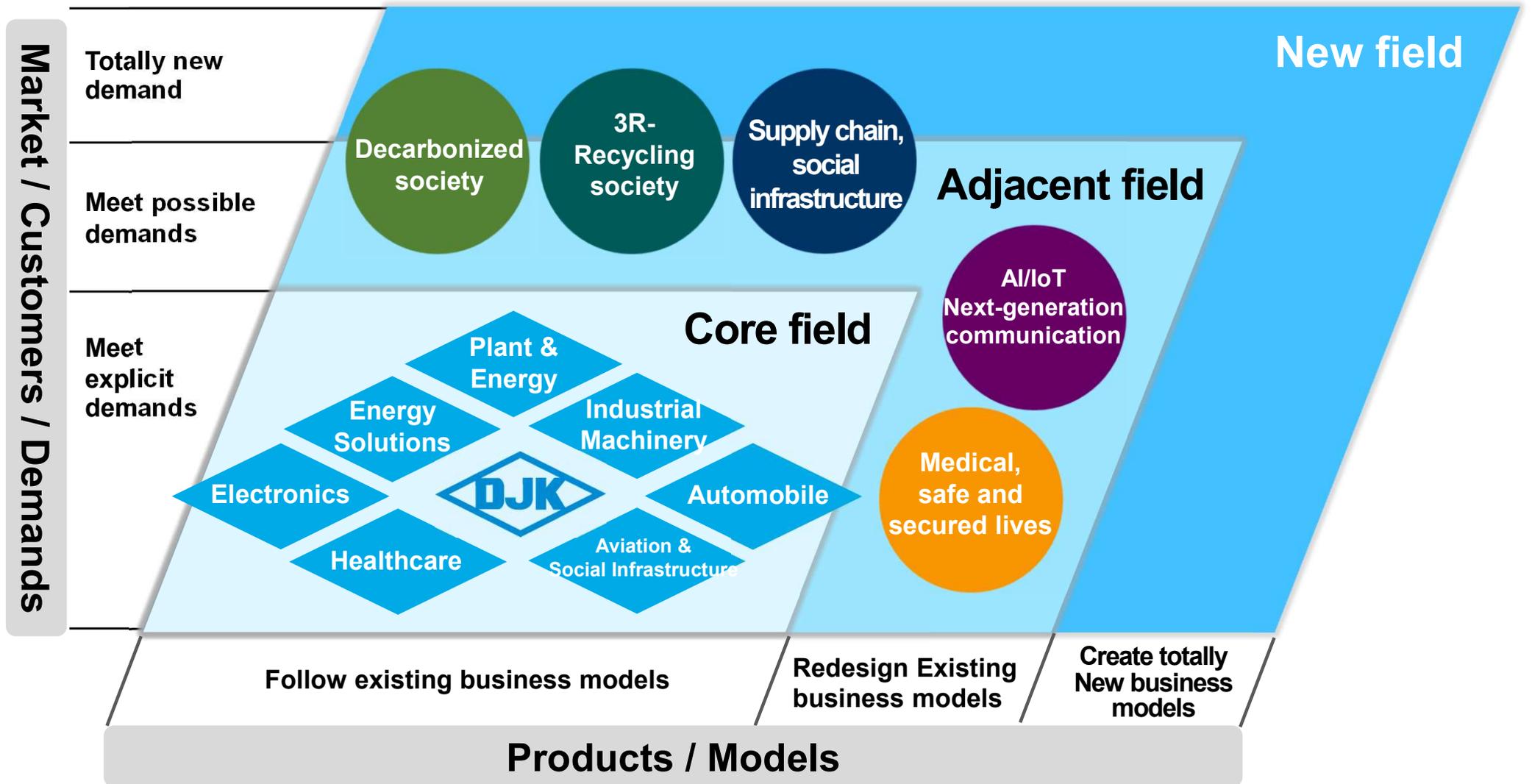
- Proposals for embedded-services business, and subscriptions models, etc.

5. Capturing global growth

- Make more business dealings with foreign companies.

6. Promotion of digital transformation

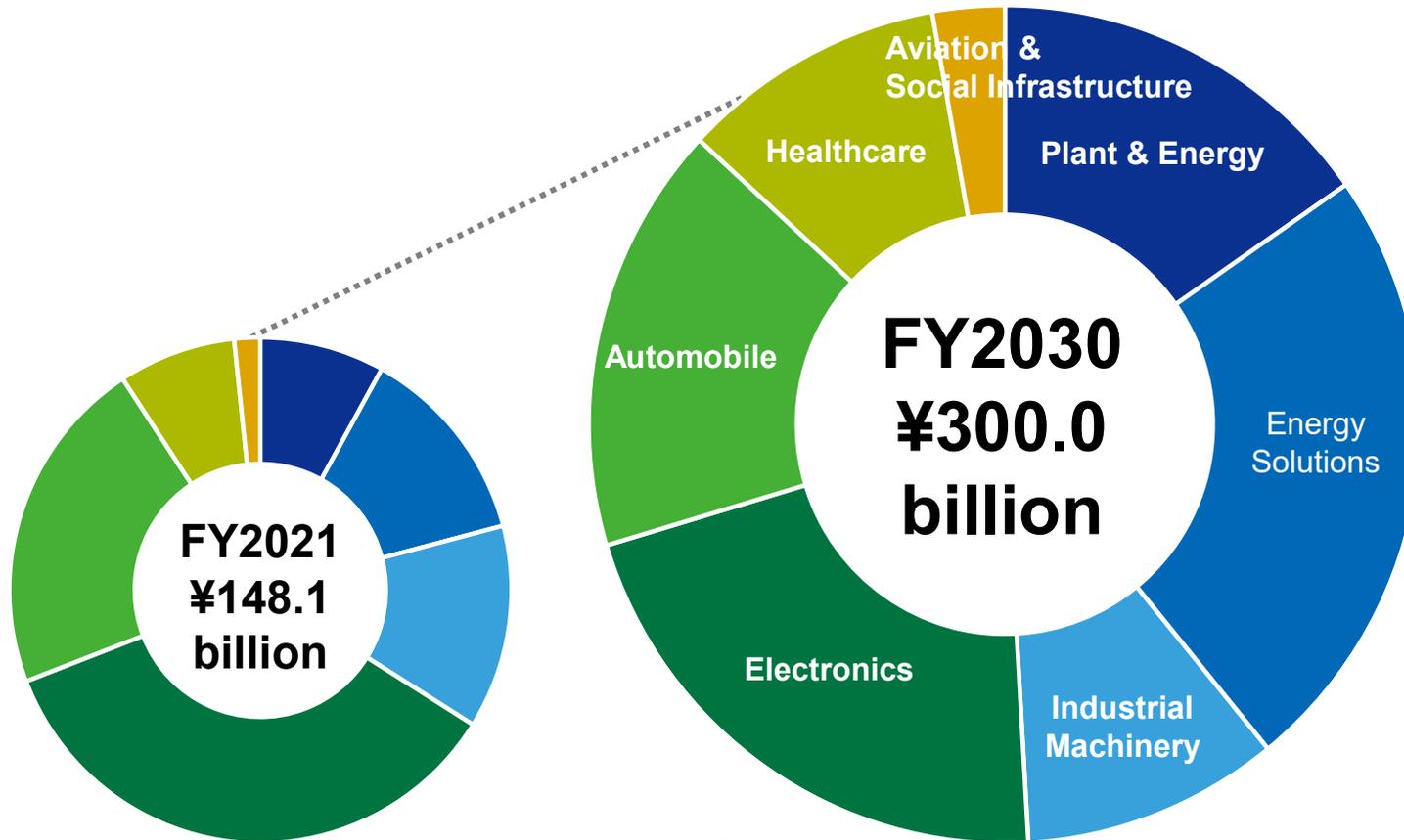
- Significantly improve productivity, and creation of innovative business models.



V2030 Quantitative Targets

Net sales	Operating income	ROE
¥300.0 billion	¥12.5 billion	10%

Comparison of sales composition by segment



VII. New Medium-term Business Plan, MT2024

- **MT2024 Positioning in V2030**
- **Qualitative Targets**
- **Specific Challenges**
- **Themes Focused by Segment**
- **Quantitative Targets**
- **Financial Targets by Segment**

MT2024 Positioning in V2030

**Next-generation
engineering
trading firm**



V2030 Basic Strategies

1. Aggressive investments
2. Management focus on long-term value, in addition to short-term profit
3. Contributing to various stakeholders: Customers, employees, suppliers, communities, and shareholders
4. Shift from product-only sales to products and integrated solutions business model
5. Capturing global growth
6. Promotion of digital transformation

MT2024 Qualitative Targets

1. Business strategies for growth
 - ① Strengthening of engineering capabilities
 - ② Strategic business investment
 - ③ Expansion of businesses 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

1. Business strategies for growth

① Strengthening engineering capabilities

- Strengthen our one-of-a-kind engineering capabilities, to strive to be *the* next-generation engineering trading firm.

② Strategic business investment

- Create economic values through our business, as well as make strategic investments for further growth.

③ Expansion of business with global companies

- Develop more business dealings with foreign companies, through increased overseas staff and improved infrastructure, to capture global economic growth.
 - Primary fields and global regions
 - Energy Solutions Business (LIB : Europe, Americas)
 - Healthcare Business (Pharmaceutical products : Southeast Asia and India)
 - Industrial Machinery (Medical equipment : Americas)

④ Progressing digital transformation

- Workload efficiency and improved productivity, leveraging digital technologies.
- Existing business expansion through big data and Create new businesses by proactively utilizing IoT & AI.
- Secure competent human resources for digital transformations, and improve employees' IT literacy.

2. Strengthening management base

① Deepening corporate governance

- Establish highly transparent corporate governance, along with addressing corporate governance code.

② Strengthening risk management

- Strengthen management framework for handling all sorts of business risks, to sustainably enhance a group-wide corporate value.

③ Strengthening financial strategies

- Implement reformation of our earning model by growth investments and improve capital efficiency, keeping a stable financial base.

④ Strengthening human resources strategies

- Aggressive investments in HR.
- Straighten training systems for all group companies' employees.
- Train, recruit, and post HR, which is directed to a highly professional and diverse organization.

⑤ Promotion of sustainability management

- Sustainable creation social and economic values, based upon management philosophy, and basic sustainability.

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.

MT2024 Quantitative Targets

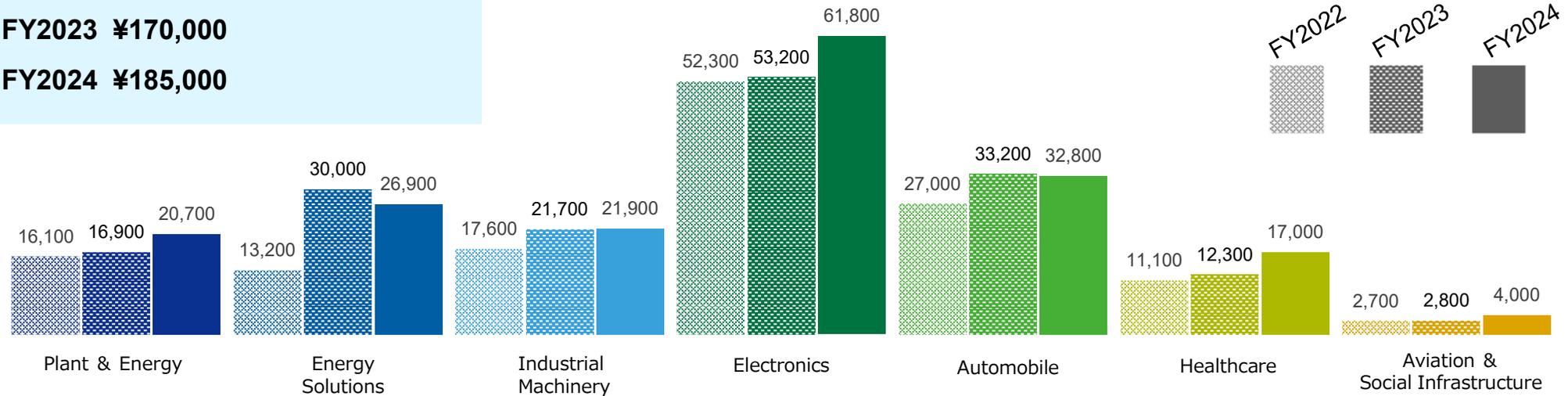
	MT2024			
	FY2021 Results	FY2022 Targets	FY2023 Targets	FY2024 Targets
(Yen in millions)				
Orders received	154,702	170,000	180,000	200,000
Net sales	148,075	140,000	170,000	185,000
Operating income	6,866	5,500	7,000	8,500
Ordinary income	7,792	5,800	7,200	8,700
Profit attributable to owners of parent	5,363	3,900	4,800	5,800
ROE	9.6%	10%		

Financial Targets by Segment

Total consolidated net sales
(Yen in millions)
FY2022 ¥140,000
FY2023 ¥170,000
FY2024 ¥185,000

Net sales

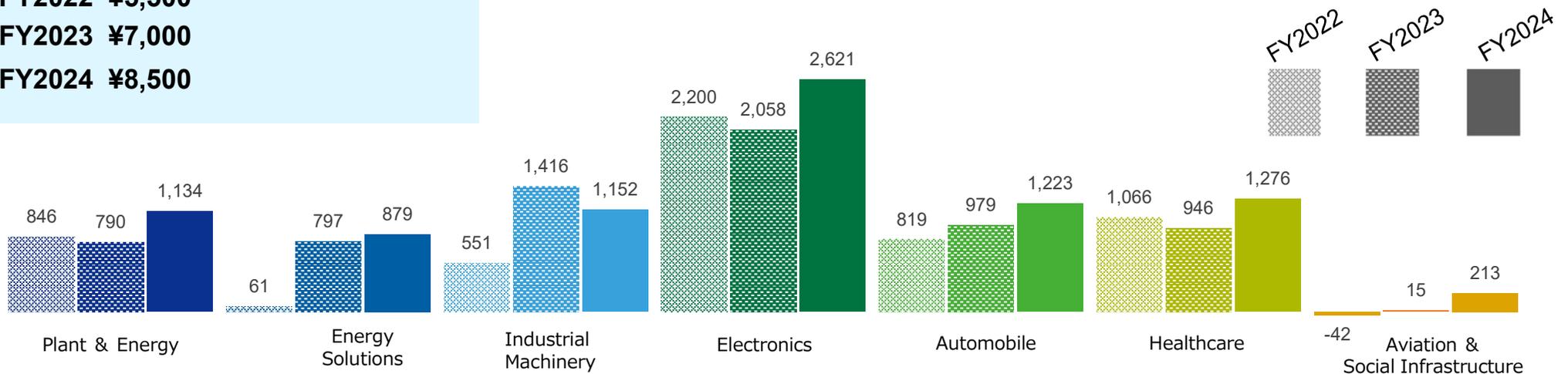
(Yen in millions)



Total consolidated operating income
(Yen in millions)
FY2022 ¥5,500
FY2023 ¥7,000
FY2024 ¥8,500

Operating income

(Yen in millions)



Thank you for your attention.

Contact

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