

Business Results for the Second Quarter of Fiscal 2021



DAIICHI JITSUGYO CO., LTD.

**Ichiro Uno
President & CEO**

(Securities Code : 8059)

November 18, 2021

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.

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- 1. Outline of Business Results
for the Second Quarter of FY2021**
 - 2. Medium-term Business Plan and
FY2021 Earnings Forecast**
 - 3. Dividend**
- ◆ **TOPIC The Engineering Center**
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(Appendix)

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Summary for the Second Quarter of FY2021

- ◆ **Net sales and profit increased period over period. The Group's performance is on the road to recovery.**
- ◆ **Overall performance driven by Electronics Business. Net sales and operating income in Electronics Business outperformed pre-COVID figures.**
- ◆ **Orders received increased period over period. Industrial and automotive businesses are on recovery track.**

Consolidated Financial Results for the Second Quarter

(Millions of Yen)

	FY2020(Q2) Results	FY2021(Q2) Previous forecasts	FY2021(Q2) Results	Change from FY2020(Q2)	Change from previous forecasts
Orders received	63,749	—	74,750	—	—
Net sales	68,041	83,000	68,585	—	△17.4%
Operating income	2,722	3,300	3,043	+11.8%	△7.8%
Ordinary income	3,037	3,500	3,251	+7.1%	△7.1%
Profit attributable to owners of parent	2,026	2,400	2,253	+11.2%	△6.1%
EPS	189.51Yen	224.48Yen	210.63Yen	+21.12Yen	△13.85Yen

(Note) The Company has adopted the “Accounting Standard for Revenue Recognition” etc. since the first quarter of the fiscal year ending March 31, 2022.

Main Contributing Factors for less Net Sales than Initial Sales Forecasts

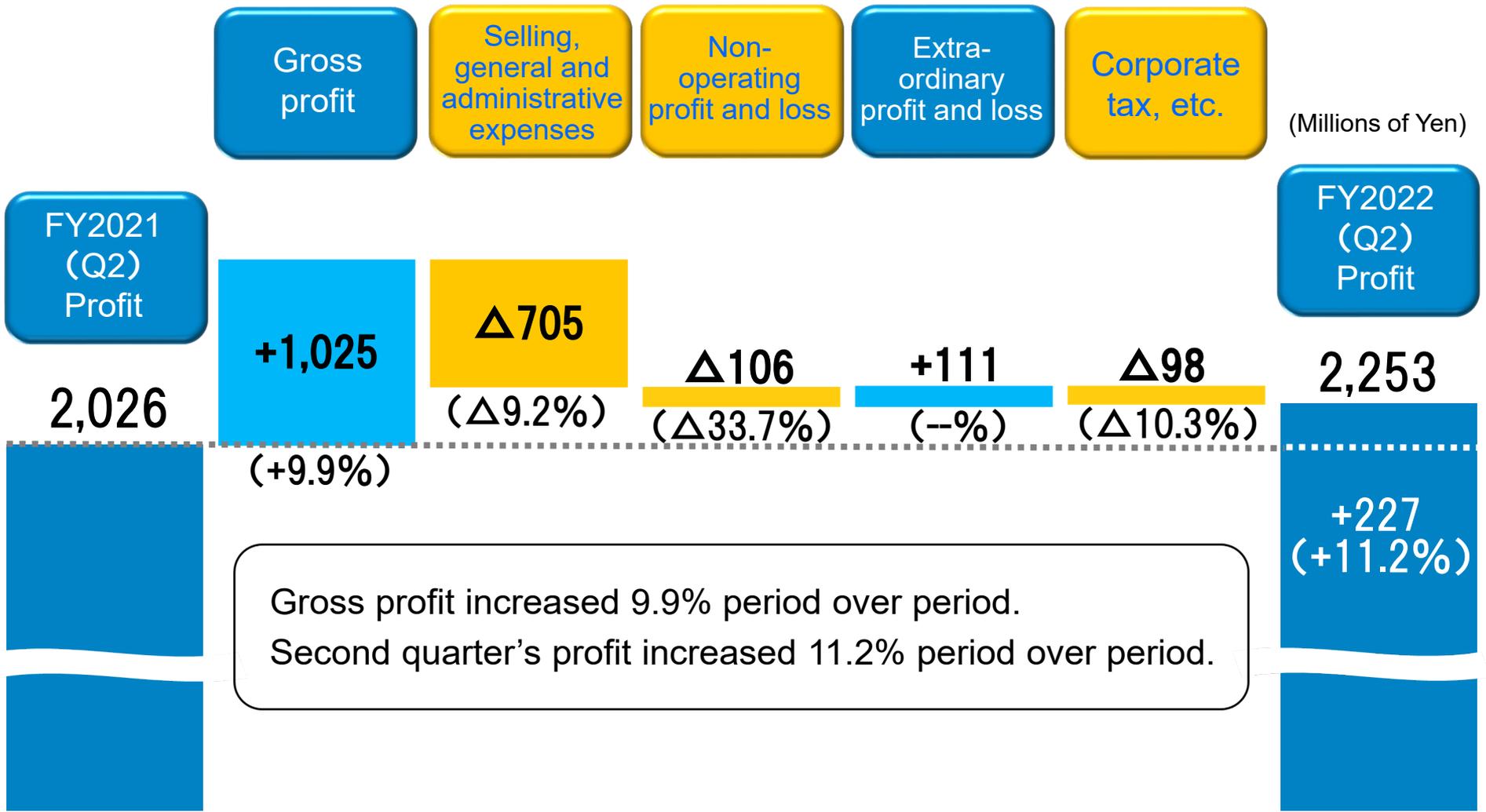
1. Adoption of the Accounting Standard for Revenue Recognition

Net Sales declined in Plant & Energy Business, due to the adoption of Accounting Standard for Revenue Recognition.

2. Even more transactions between group companies than initially expected.

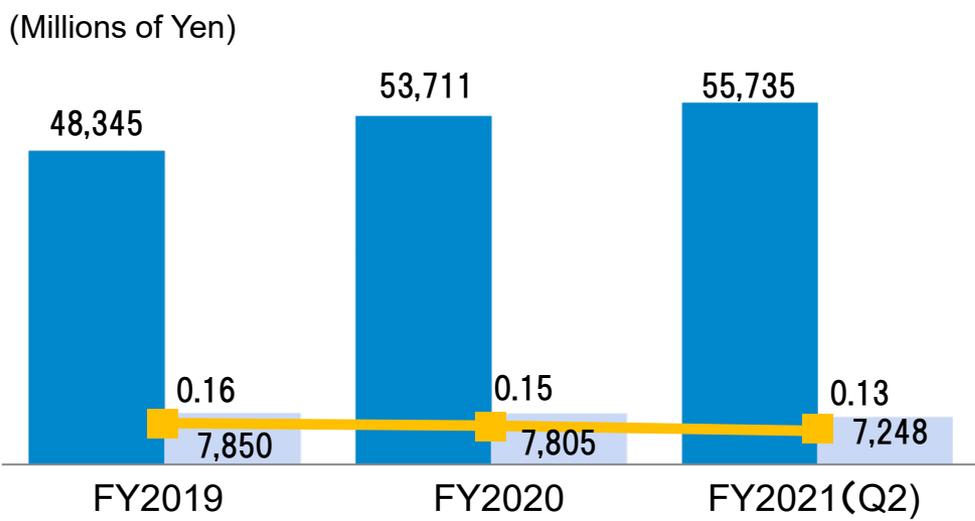
Intercompany sales increased between the Japan parent company and a Chinese subsidiary, which were removed in consolidated financial statements.

Summary of Changes in Second Quarter Profit



Financial Position (CF)

■ Shareholders' equity
 ■ Interest-bearing debt
 —■— DER(times)

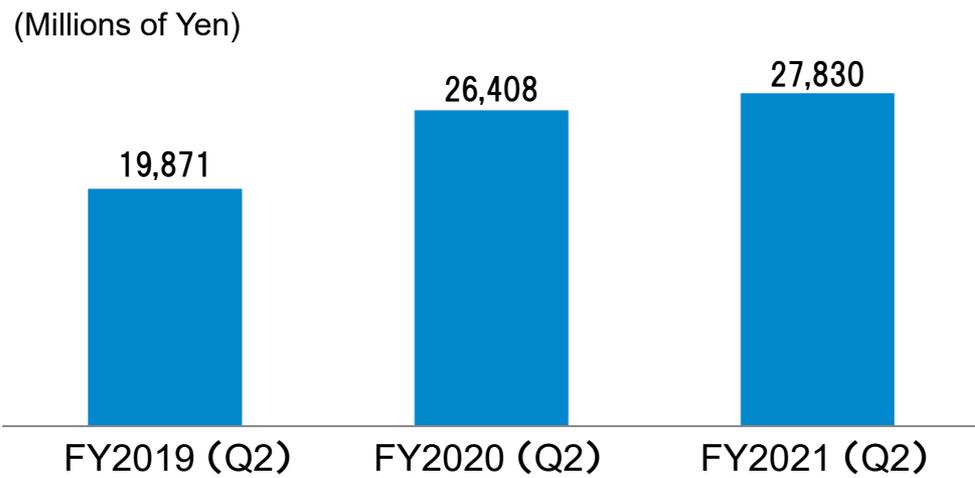


(Millions of Yen)

	FY2020	FY2021 (Q2)	Change from FY2020
Shareholders' equity	53,711	55,735	+2,024
Interest-bearing debt	7,805	7,248	△557
DER	0.15	0.13	△2point

(Shareholders' Equity Ratio : 43.1%)

■ Cash and cash equivalents at the second quarter end



(Millions of Yen)

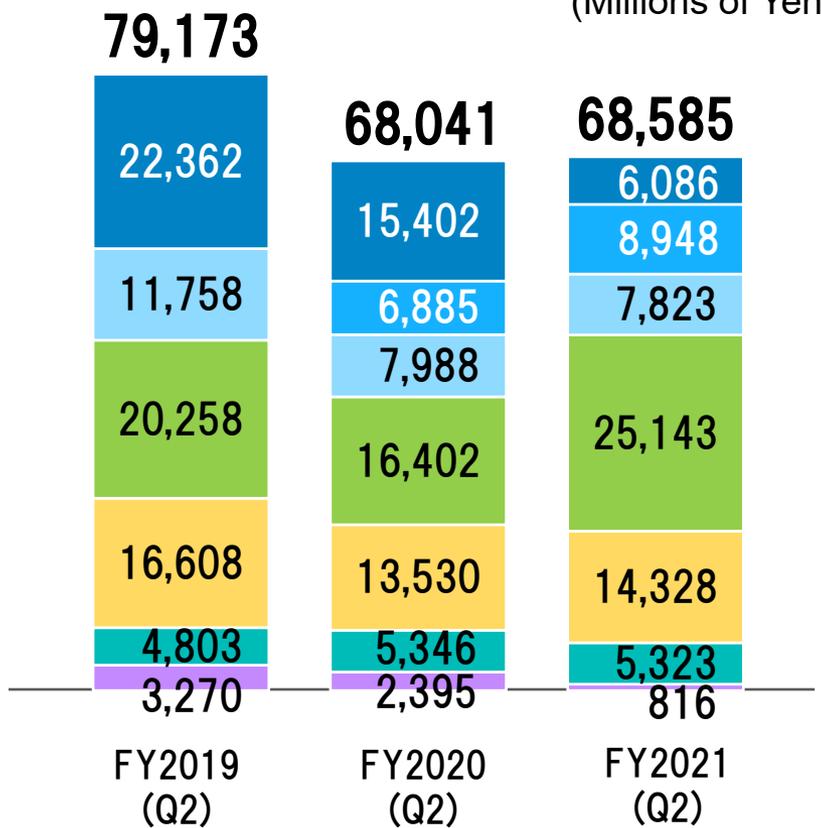
	FY2020(Q2)	FY2021(Q2)
CF from operating activities	7,018	△1,866
CF from investing activities	△1,385	△869
CF from financial activities	△2,205	△1,359
Cash & cash equivalents	26,408	27,830

Segment Information (Net Sales, Operating Income)



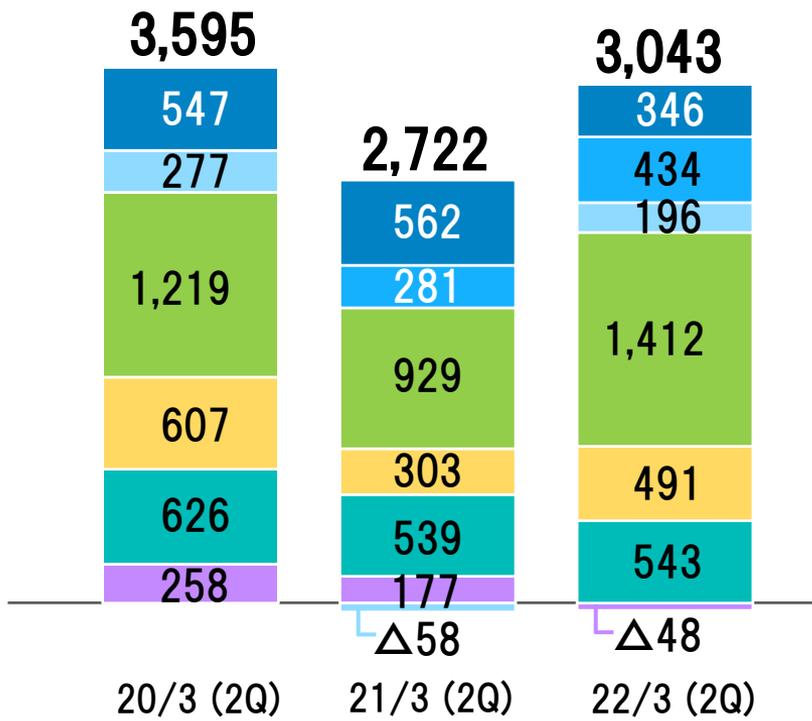
Net Sales

(Millions of Yen)



Operating Profit

(Millions of Yen)



(Note1) The Company has adopted the "Accounting Standard for Revenue Recognition" etc. since the first quarter of the fiscal year ending March 31, 2022.

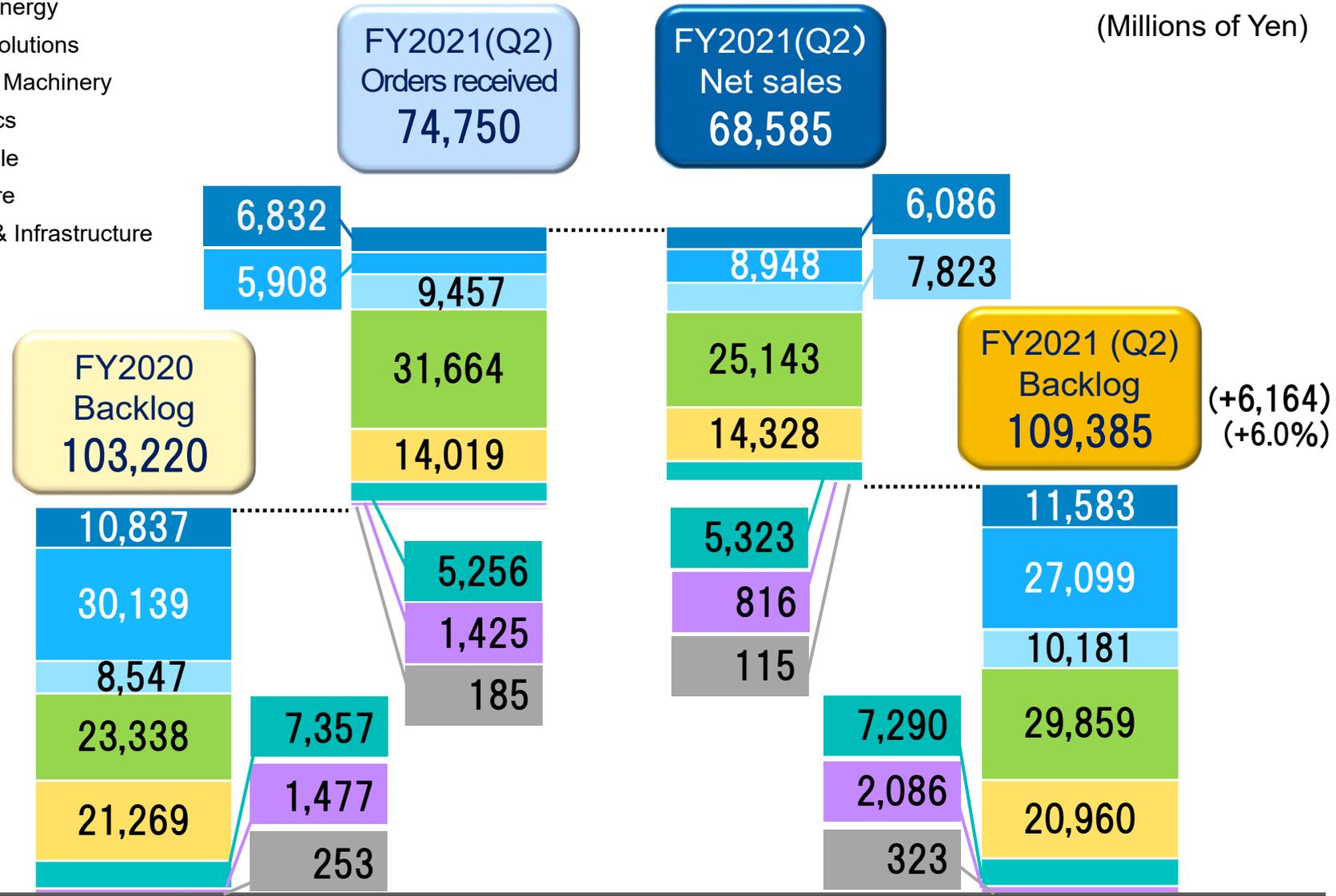
(Note2) Operating income includes adjustment values.



Orders Received and Backlog by Segment

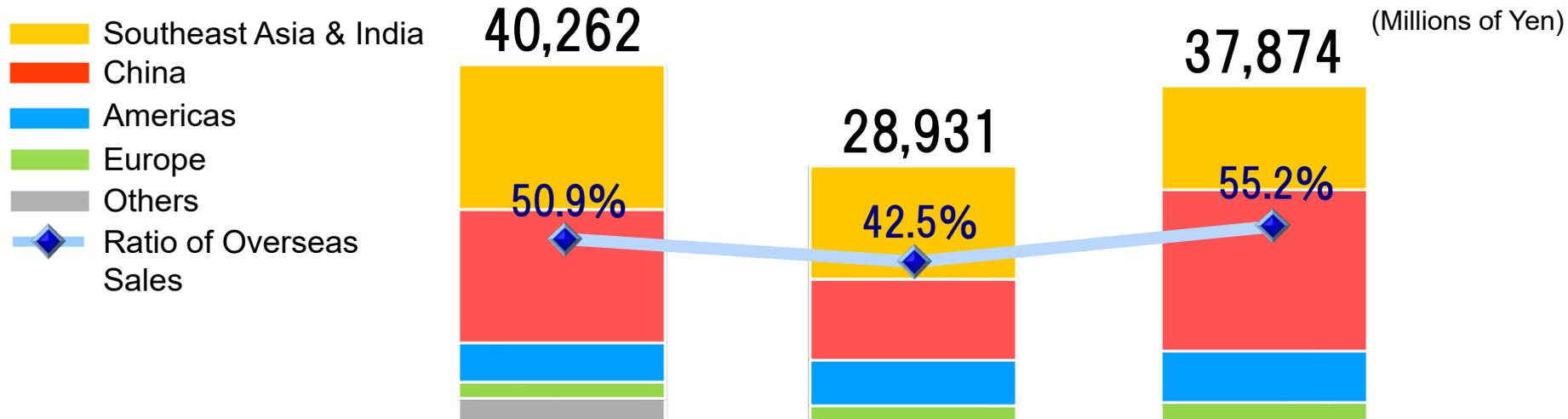
- Plant & Energy
- Energy Solutions
- Industrial Machinery
- Electronics
- Automobile
- Healthcare
- Aviation & Infrastructure
- Others

(Millions of Yen)



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

Overseas Sales (based on delivery destinations)



Delivery destinations	FY2019(Q2)		FY2020(Q2)		FY2021(Q2)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Southeast Asia & India	16,206	40.3%	12,651	43.7%	11,612	30.7%
China	14,891	37.0%	9,050	31.3%	18,013	47.6%
Americas	4,467	11.1%	5,148	17.8%	5,820	15.4%
Europe	1,864	4.6%	1,971	6.8%	2,420	6.3%
Others	2,832	7.0%	109	0.4%	7	0.0%
Total overseas sales	40,262	100.0%	28,931	100.0%	37,874	100.0%
Quarterly total sales	79,173		68,041		68,585	
Ratio of overseas sales	50.9%		42.5%		55.2%	

(Note) The Company has adopted the "Accounting Standard for Revenue Recognition" etc. since the first quarter of the fiscal year ending March 31, 2022.

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FACE2021

Facing difficulties, Accelerate growth, Create value and Evolute quality.

We aim to further enhance profitability through evolution of our domain-based management system, such as integration of sales and technical services and new values creation by cooperation among business domains.

Quantitative Targets

(Millions of Yen)

	Fiscal 2021
Net sales	* 185,000 (200,000)
Operating income	8,300
Ordinary income	8,500
Profit attributable to owners of parent	5,700
ROE	10.0% or higher

*The sales target for fiscal year 2021 is shown on a net basis by applying the new revenue recognition standard.

The sales target on a gross basis is also presented for reference in brackets ().

Qualitative Targets

I. Evolution of domain-based management system to closely reflect today's market conditions, and further enhancing profitability

1. Aim for a dramatic expansion in the automotive business.
2. Enhance our added value by integrating sales and technical services.
3. Bring out new values through the overlapping of different businesses. (cross-points)
4. "Think globally, act locally" while keeping in mind the importance of "area."
5. Further develop local personnel to be active in the workforce, and aim for management to be conducted mainly by local personnel.

II. Strengthening the driving force of management

The Company strives for dynamic management by strengthening its business planning abilities and effectively utilizing its management resources.

(Considering the methods of M&A and forming alliances with companies.)

1. Make the "Investment Management Reviewing Committee" function as one of the bodies of risk management.
2. Create success stories from the "AI & IoT Committee" as the body for leading technology research.
3. Implement "Reform of the Personnel Management System" to respond to diversity.
4. Establish a new comprehensive supporting organization for group companies.

III. Enhancement of corporate quality

1. Thoroughly enact compliance and reinforce corporate governance.
2. Promote activities from the point of view of ESG.

Medium-term Business Plan Final Year's Forecasts



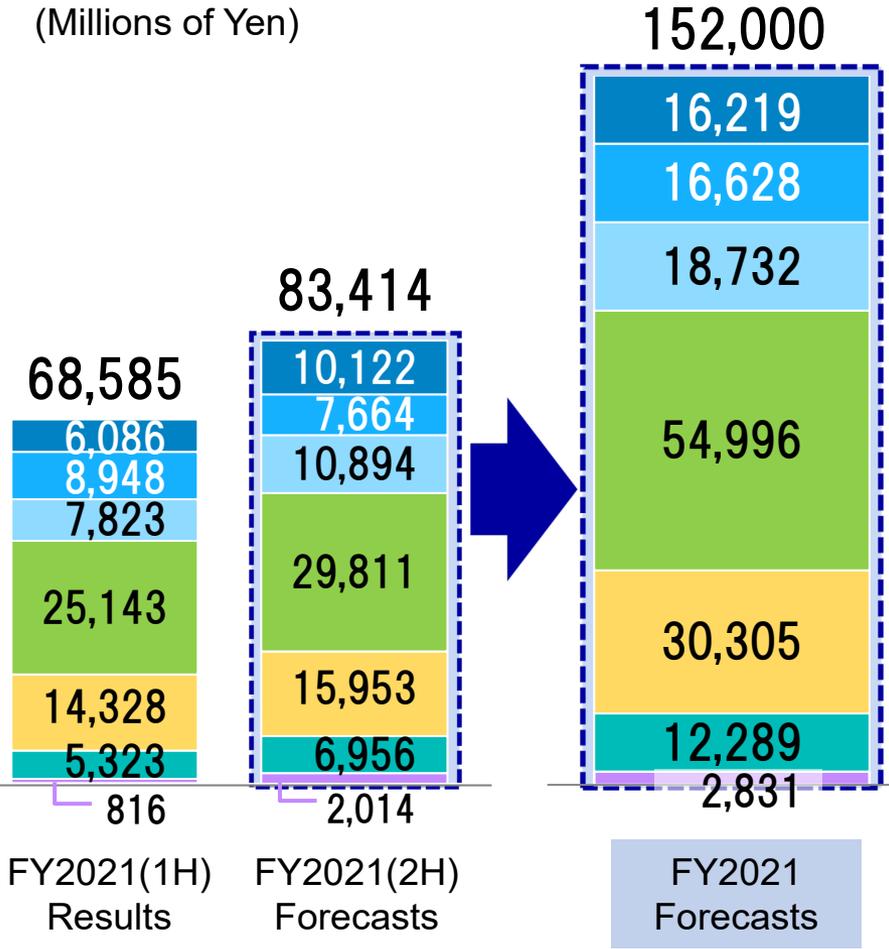
	FY2021	FY2022 Forecasts		Change from revised forecasts		Medium-term business plan FACE2021	
	① Results	② Initial forecasts	③ Revised forecasts	Compared to FY2021 (③÷①)	Compared to initial forecasts (③÷②)	Disclosed on May 14th, 2019	Compared to FACE2021
(Millions of Yen)							
Net sales	140,029	179,000	152,000	—	△15.1%	185,000	△17.8%
Operating income	5,729	7,000	6,600	+15.2%	△5.7%	8,300	△20.5%
Ordinary income	6,464	7,300	6,900	+6.7%	△5.5%	8,500	△18.8%
Profit attributable to owners of parent	4,754	5,100	4,800	+1.0%	△5.9%	5,100	△5.9%

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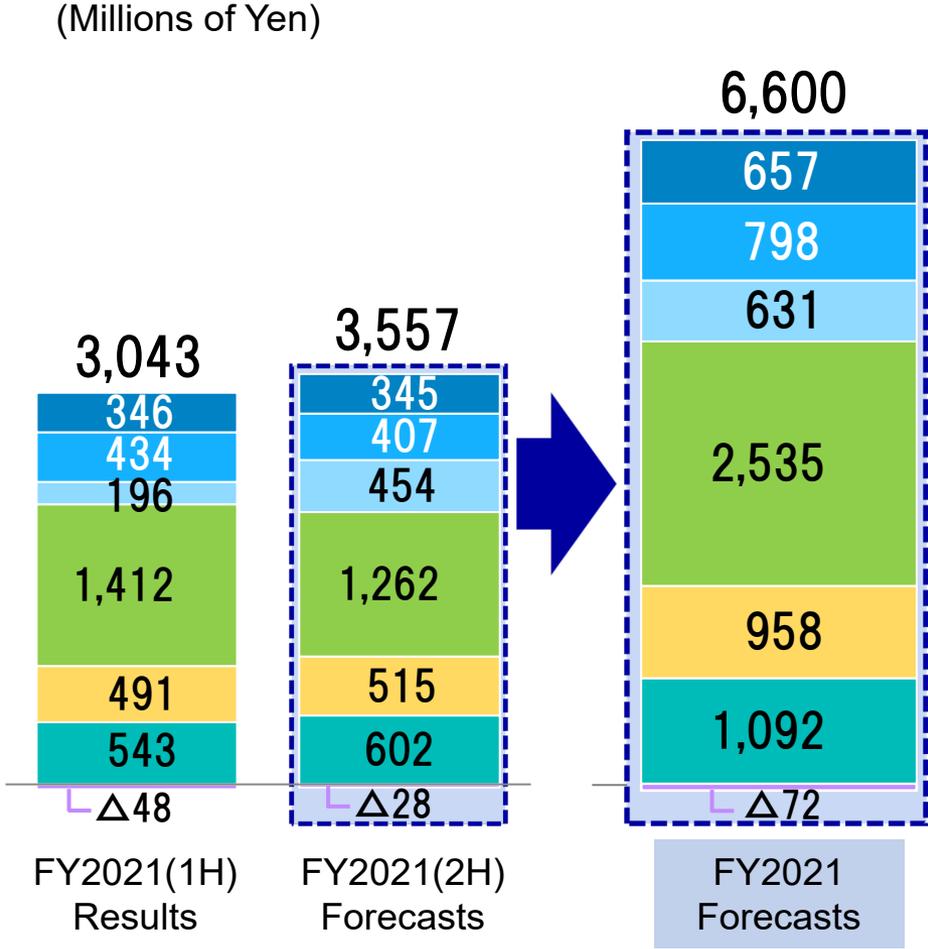
Net Sales

(Millions of Yen)



Operating Profit

(Millions of Yen)



■ Plant & Energy
 ■ Energy Solutions
 ■ Industrial Machinery
 ■ Electronics
 ■ Automobile
 ■ Healthcare
 ■ Aviation & Infrastructure



Plant & Energy

Accelerate decarbonization-related business.

Energy Solutions

Address turnkey business by strengthening engineering capabilities. Development of competitive products and partnership with Chinese and South Korean vendors.

Industry Machinery

Accelerate business in the medical field. Aggressive proposals for deplasticization and environment-friendly products.

Electronics

Focus on Chinese companies' expansion to overseas. Promotion of our own smart logistics branded "LOGITO."

Automobile

Focus more on fields such as car vehicle bodies, driving systems, and in-vehicle devices. Proactive proposals towards next-generation mobility-oriented investments.

Healthcare

Better-establish engineering business and business fields to address. Acquire more market share in Daiichi Jitsugyo Viswill products (a subsidiary).

Aviation & Infrastructure

Aggressive proposals towards labor- and workload-saving, automation, and decarbonization.

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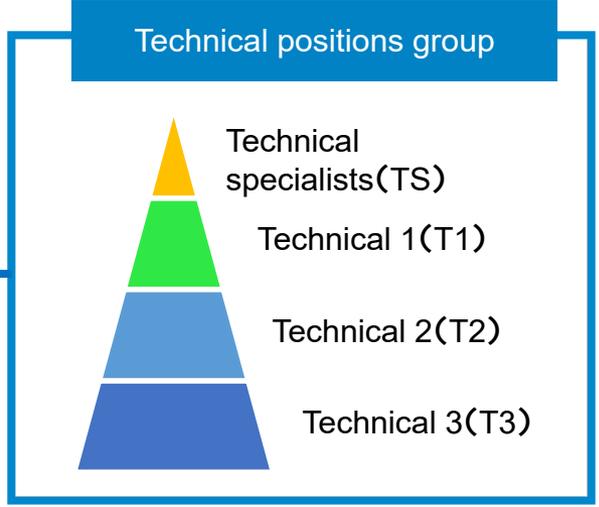
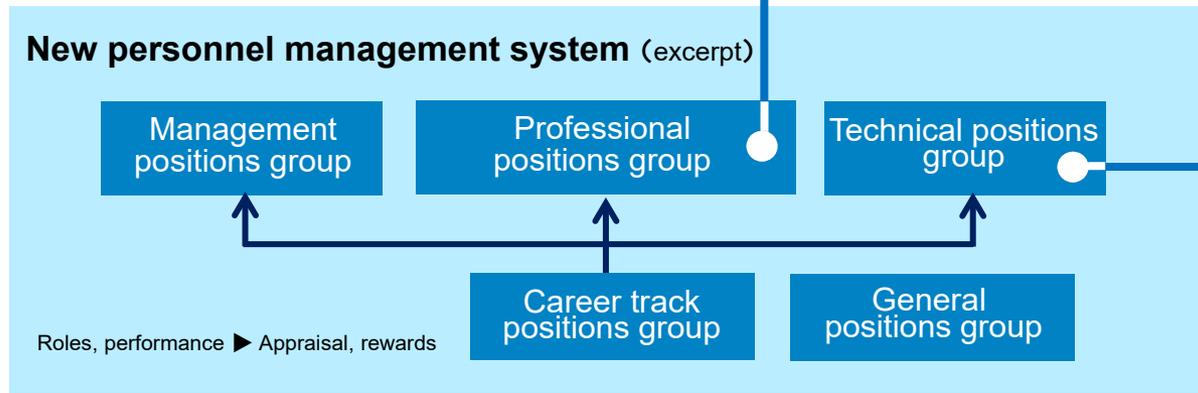
1. Thoroughly enact compliance and reinforce corporate governance.
2. Promote activities from the point of view of ESG.

Key theme: Diversification of human resources

Self-realization of employees / Improvement of corporate value

Diverse career development / Improvement of business performance

Provisions of high added value by specialized human resources

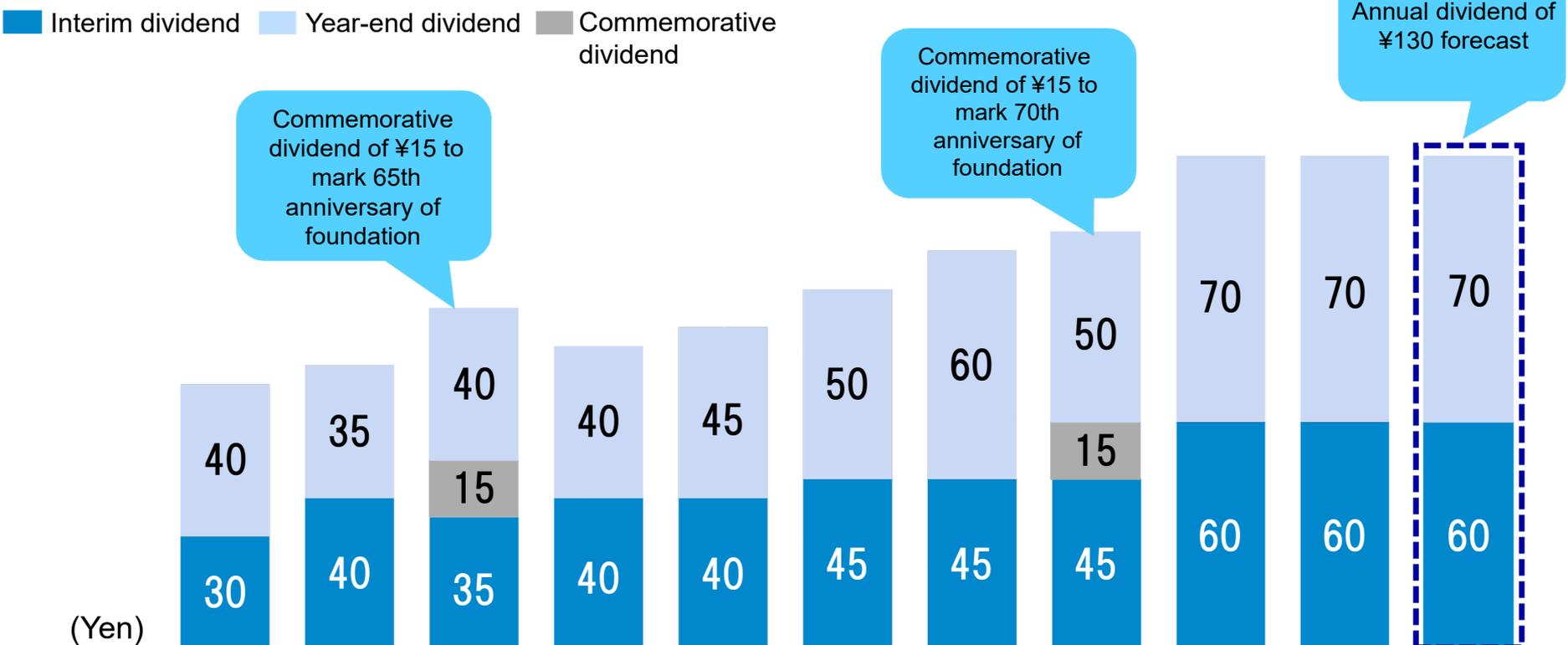


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Dividend and its Payout Ratio

Our Policy is that we provide optimum dividend relative to our financial position and performance. We will effectively utilize the earnings retaining in our mid- to long-term perspective.



	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3
Dividend: Payout Ratio (%) Consolidated	27.7	25.9	38.8	29.4	34.5	30.4	23.7	26.3	28.5	29.2	(Forecast) 29.0

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

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The Engineering Center

DJK Group - *Providing Higher Value* -

 **DAIICHI JITSUGYO CO., LTD.**

**Executive Officer
Head of the Engineering Center
Naoki Shimodaira**

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- 1 . Purpose behind
Establishment of the
Engineering Center**
- 2 . Current Initiatives**
- 3 . What we will Aim for**

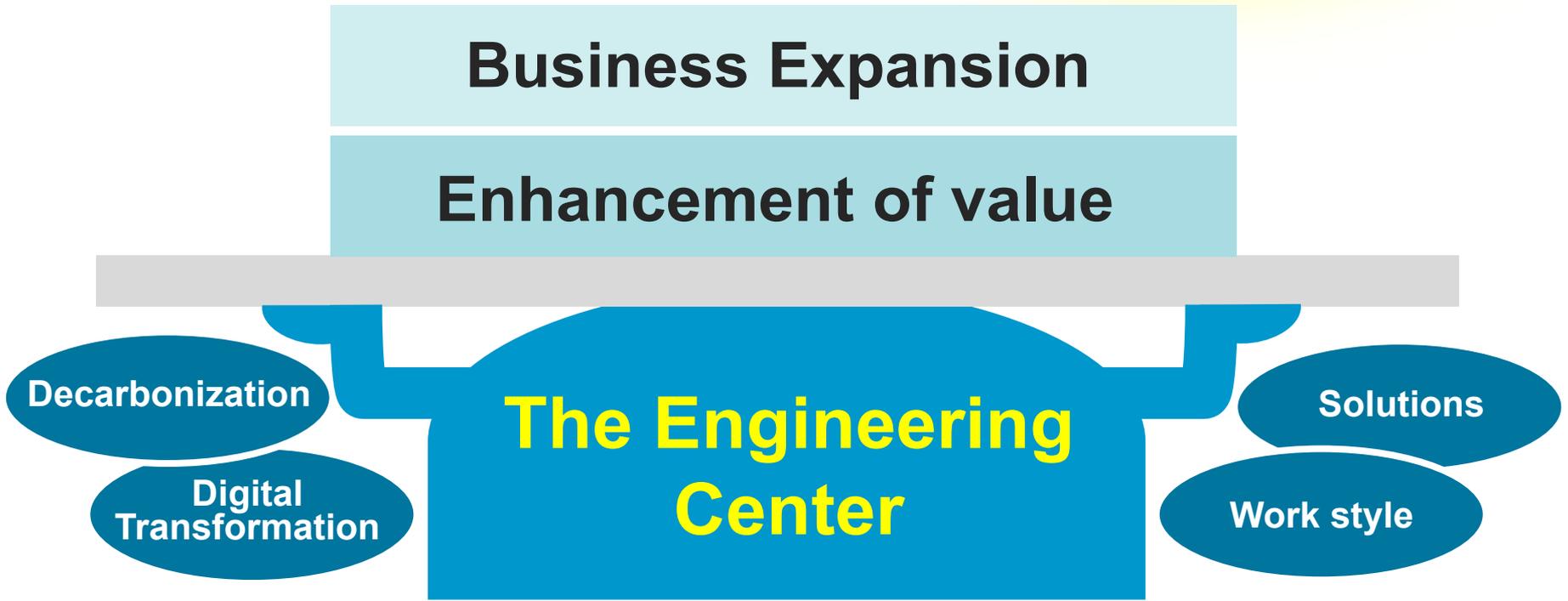
1 . Purpose behind Establishment of the Engineering Center

2 . Current Initiatives

3 . What we will Aim for

**The Next-generation
Engineering Trading
Firm** =

**Global
manufacturing
partner one step
ahead of the times**



A single unit of equipment

Main equipment + peripherals
(Entire production line)

Transportation
After-sales service

Custom clearance

Total coordination

In-land transportation
On-site engineering
Duty exemption
Safety standard

Overall project

Feasibility Study
Engineering
On-site management

April 2021

Establishment of
the Engineering Center

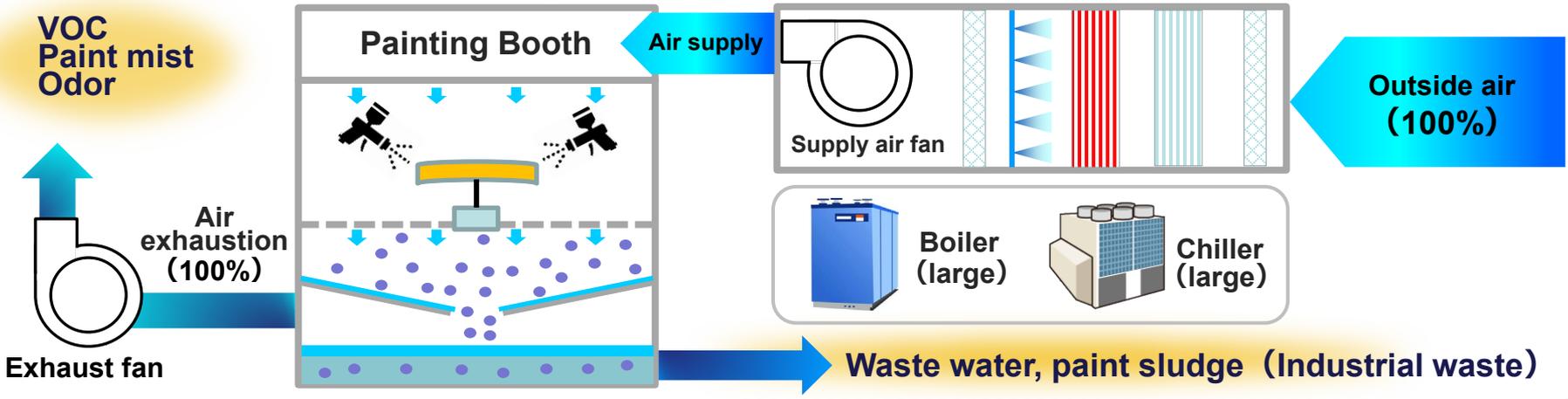
**The Next-generation
Engineering Trading Firm**

Actual Example: Painting System for the Auto Industry

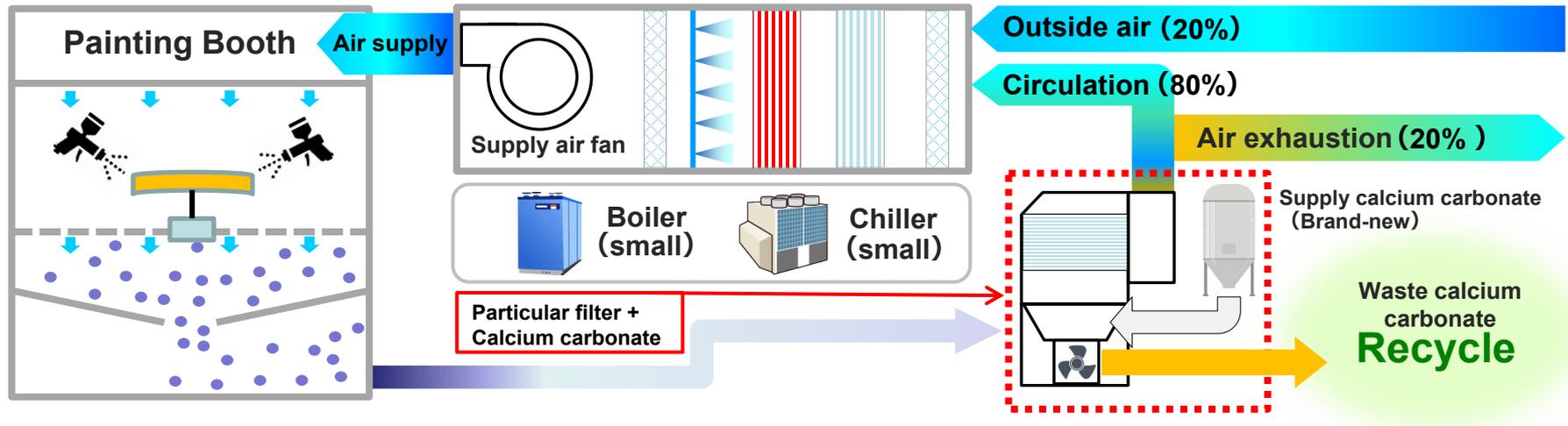


(equipment comparison)

General painting system = High amount of energy consumption / Discharge of pollutant / Designated industrial waste



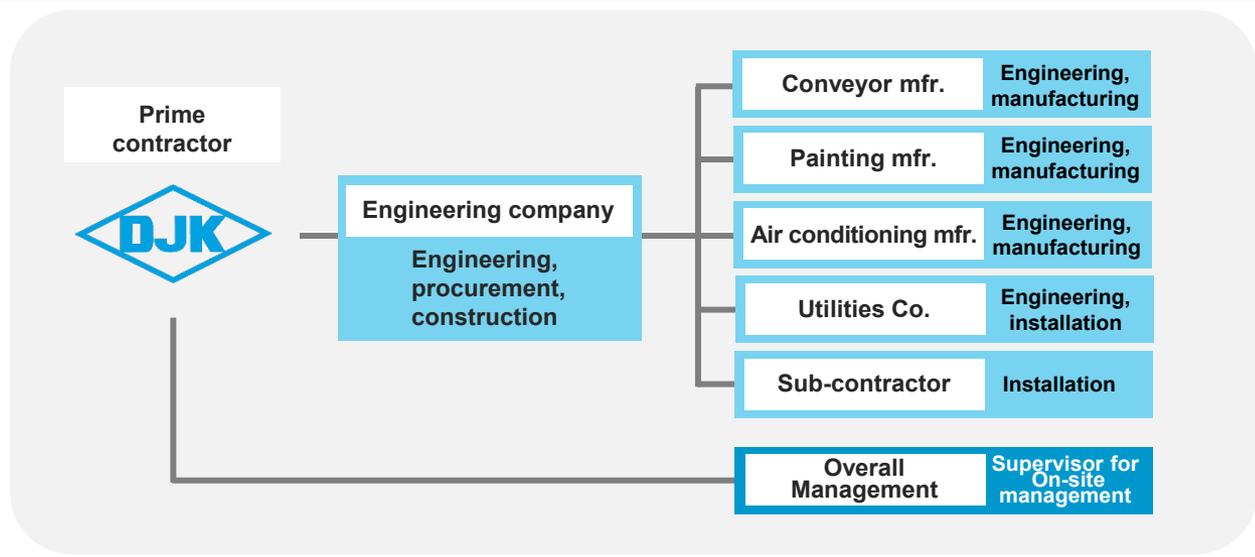
Eco-friendly Painting system = Energy-saving / No discharge of designated industrial waste / Recycle



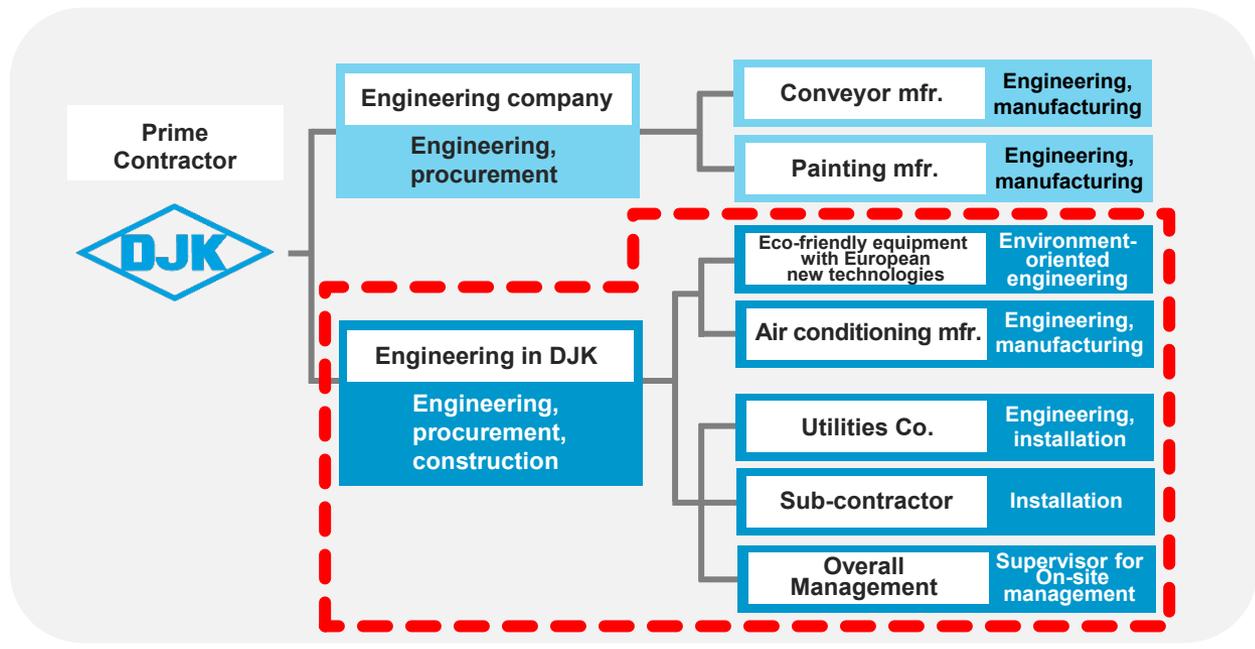
Actual example: Comparison of contractual models



Conventional



Present



1 . Purpose behind
Establishment of the
Engineering Center

2 . Current Initiatives

3 . What we will Aim for

**Reinforcement of Organizational
Framework-Engineers can exercise
their abilities to the fullest**

Risk Management

**Reinforcement of Organizational Framework-
Engineers can exercise their abilities to the fullest**

Visualization and Sharing of Our Engineering Skills

Reskilling for Higher Technical Strengths

**Information Exchange among Engineers
from Wide-ranging Industries**



**Higher Comprehensive
Technological Competence**

Risk Management

Stage0

Proposals

Risk Recognition

Validation of specification, identification, analysis, and countermeasure

Stage1

Contract Signing

Examination of Trade Terms

Countermeasure and executing framework

Stage2

Job Execution

Risk Review

Periodical report, installation work, and safe construction

Stage3

Job Completed

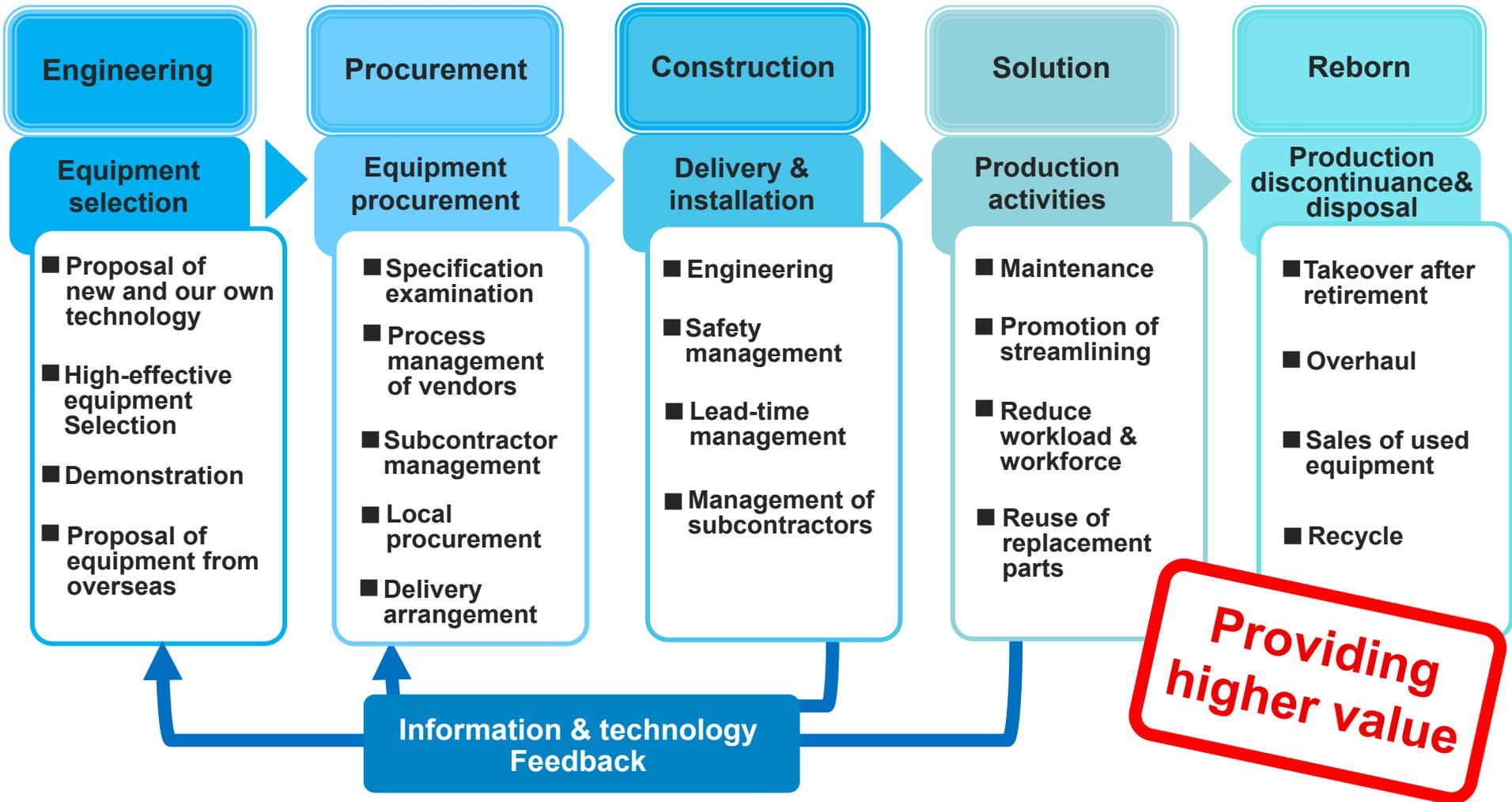
Close-out

Feed forward to next projects

**Completion of Jobs
Improvement of Satisfaction Levels**

- 1 . Purpose behind
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From Equipment Proposals through Retirement



DAIICHI MECHA-TECH CORP.

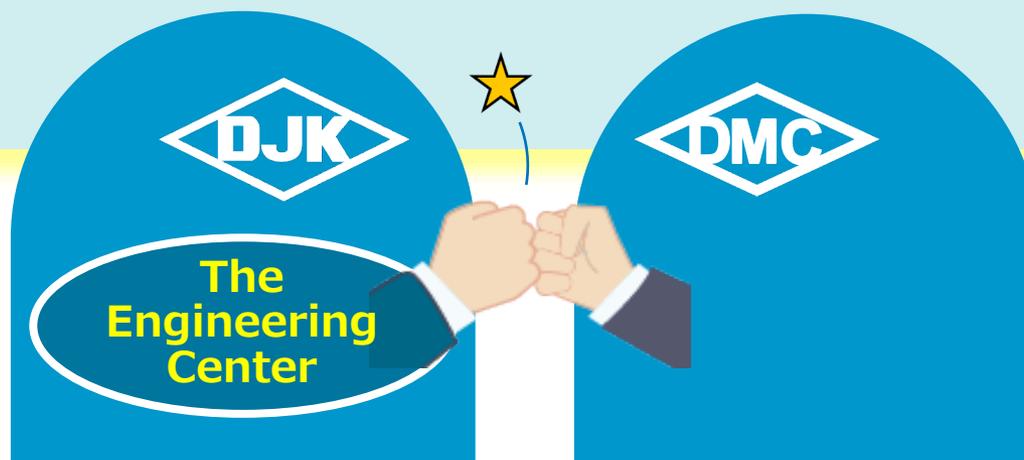
- Established in 1970, owned 100% by DJK
- After-sales service of DJK-sold equipment
- In-house development, design, and sales of automated equipment



[Located] Kawaguchi, Saitama

<https://www.dmt.co.jp/en/>

Growth of the DJK Group



The Engineering Center

DJK Group
- *Providing Higher Value* -

Executive officer
Head of the Engineering Center
Naoki Shimodaira

Thank you for your attention.

Contact : Corporate Communication Dept.
Corporate Strategy Div.

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E-mail: djk_ir@djk.co.jp

Website: <https://www.djk.co.jp/en/>

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Tokyo 101-8222 (Ochanomizu Sola City)



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1 Company Profile



2 Founding Spirit



3 DJK History



4 Domestic & Overseas Network



5 Total Solution



6 Performance Review and Stock Price for Past 10 Years



7 Stock Information



8 CSR



9 Logistic Automation Solutions

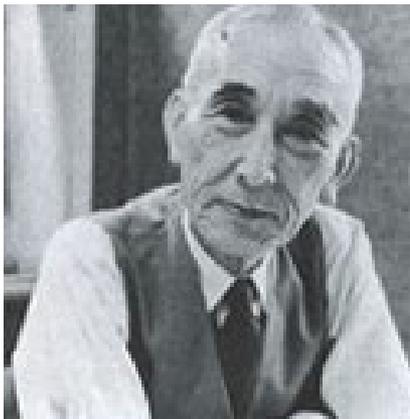
Apply free design to smart logistics

LOGVTO

Company Name	 DAIICHI JITSUGYO CO., LTD.
Founded	August 12, 1948
Stock Listings	The first section of the Tokyo Stock Exchange (Securities code:8059)
Representative	Ichiro Uno (President & CEO)
Head Office Location	Ochanomizu Sola City, 4-6, Kandasurugadai, Chiyoda-ku, Tokyo 101-8222 Japan
Capital	¥5,105 Million
Net Sales (consolidated)	¥140,029 Million (Fiscal 2020)
Core Business	Total supplier of industrial equipment
No. of Employees	1,249 (Consolidated) (As of March 31, 2021)
Consolidated Subsidiaries	Domestic:3 Overseas:14 Total:17
No. of Offices	Domestic:7 Overseas:33 Demo Center:6



Head Office in Tokyo



Shojiro Kuramochi
The First President of DJK

After WWII, conglomerates which shared a monopoly were dismantled and competitive principles were introduced in the market. In 1948, DJK was founded by seven people, who were involved with one of these group (Asano Conglomerate).

Mr. Shojiro Kuramochi who became the first company president was one of seven people. Founders named this company DAIICHI JITSUGYO and started out their operation as a firm exclusively in the machine business.

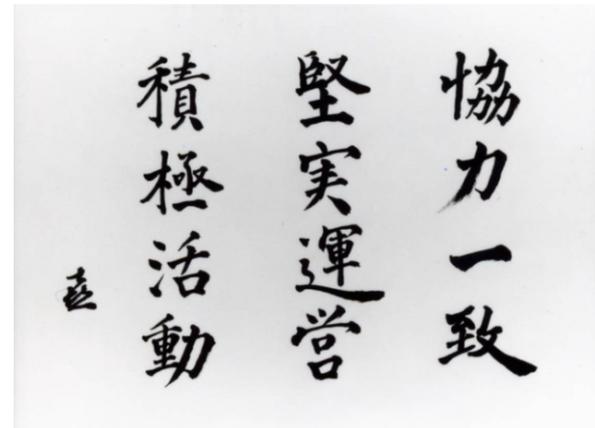
Mr. Kuramochi never allowed our company to participate in illegal transactions, which prevailed in those days across Japan.

He instituted the trade policies listed below and thoroughly observed them.

1. Do business exclusively in the machine equipment trade
2. Deal with reliable companies
3. Build firm relationships with banks

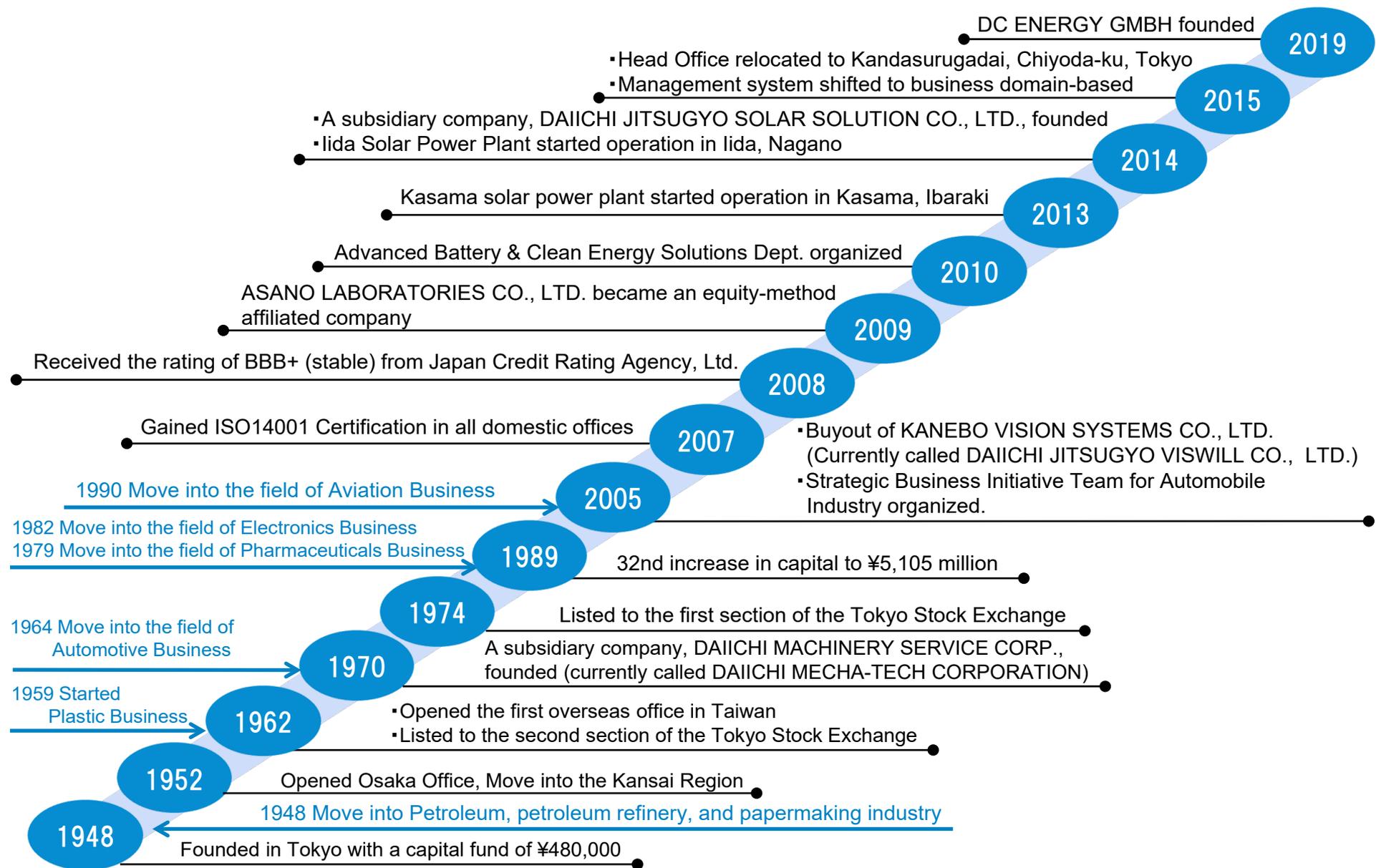
DJK continues doing a stable business with reliable business partners. As a result, DJK has gained their partners' trust and growth stably.

These policies are part of our corporate culture.



Our corporate principles instituted at the time of foundation: unified cooperation, sound management, and proactive corporate activity. For 70 years from foundation, they run through our corporate culture.

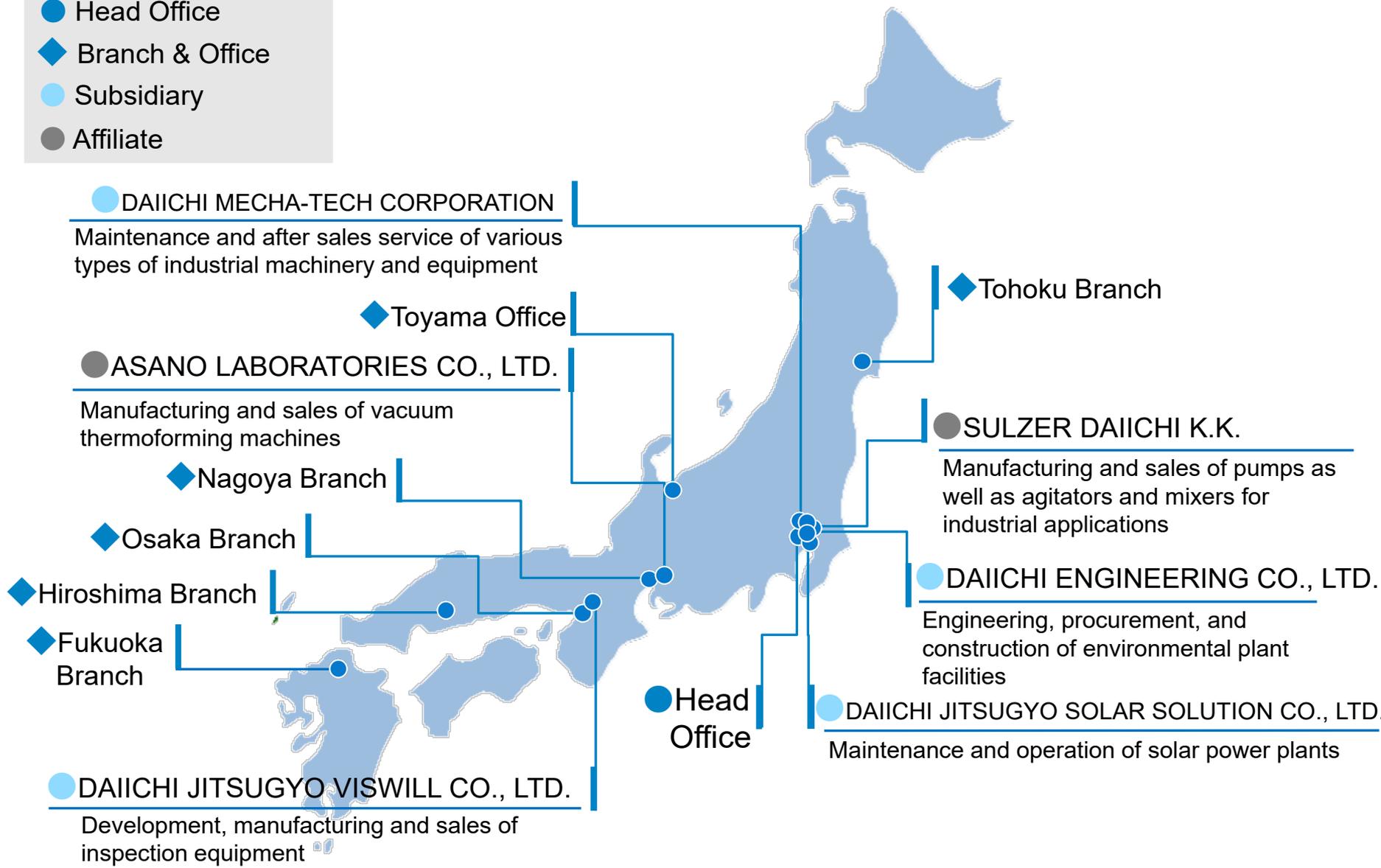
3 DJK History



4 Domestic Network



- Head Office
- ◆ Branch & Office
- Subsidiary
- Affiliate



DJK has offices worldwide at 34 locations in 17 countries.

China: 9 Bases

- Shanghai
- Tianjin
- Suzhou
- Chongqing
- Wuhan
- Guangzhou
- Shenzhen
- Nansha
- Hong Kong

East Asia: 2 Bases

- Taipei
- Seoul

Europe: 4 Bases

- Frankfurt
- Prague
- Budapest
- Sophia

Southeast Asia & India: 11 Bases

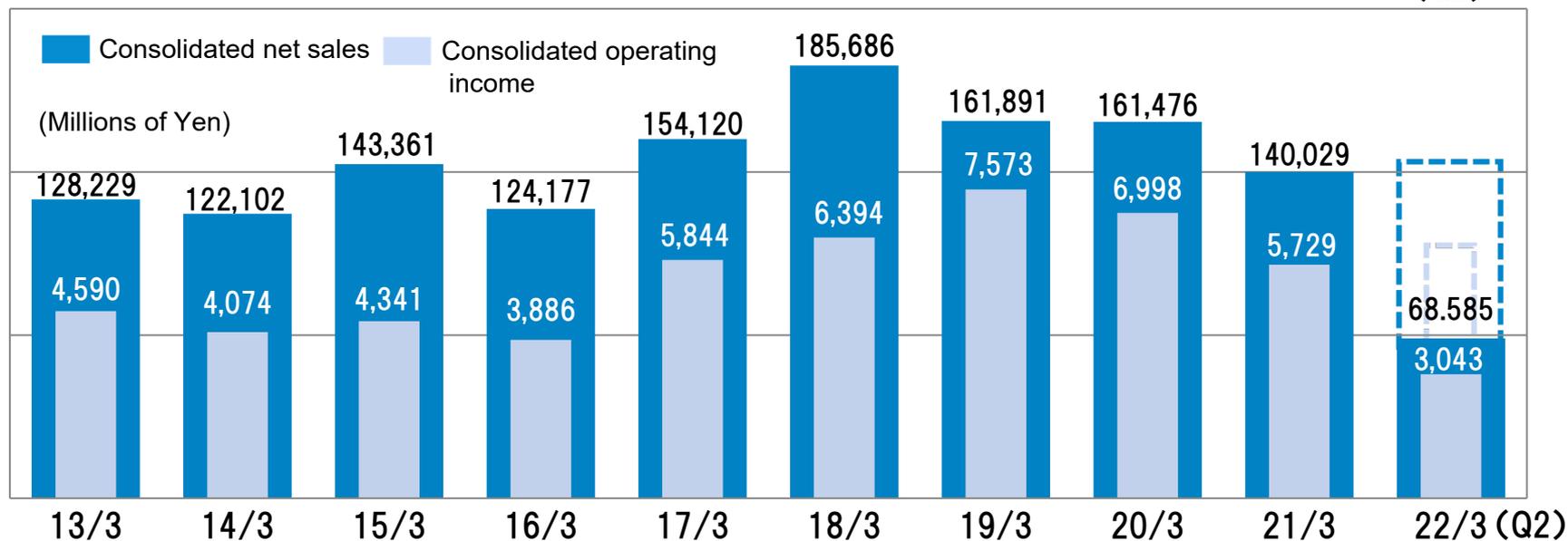
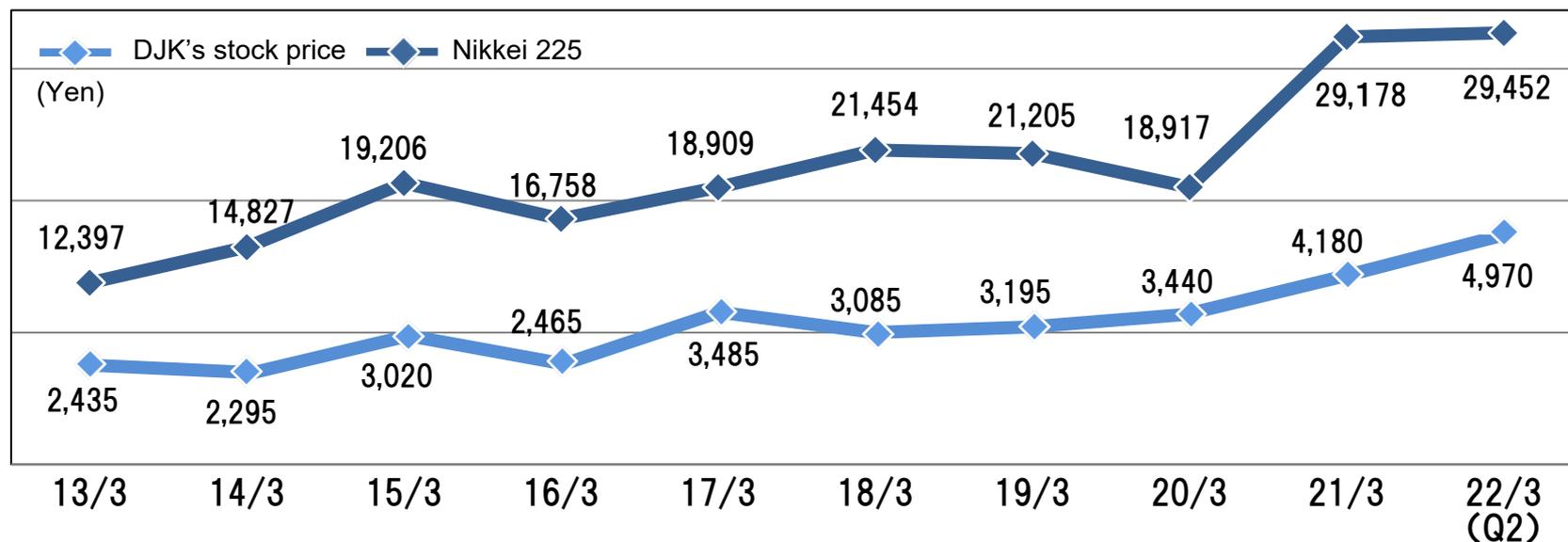
- Singapore
- Kuala Lumpur
- Bangkok
- Jakarta
- Hanoi
- Ho Chi Minh
- Manila
- Laguna
- New Delhi
- Bangalore
- Ahmedabad

Americas: 8 Bases

- Chicago
- Houston
- Knoxville
- Ohio
- Queretaro
- Monterrey
- Leon
- Sao Paulo

Solution Provider Addressing Global Needs



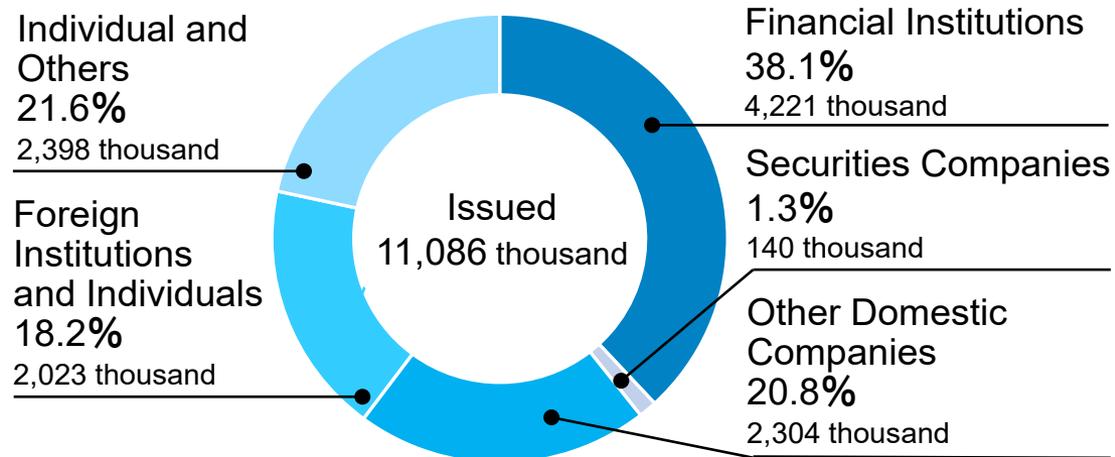


Common Stock

(As of September -30, 2021)

Authorized	32,000,000 shares
Issued	11,086,400 shares
Trading Unit	100 shares
Number of Shareholders	3,890

Distribution of Ownership among Shareholders



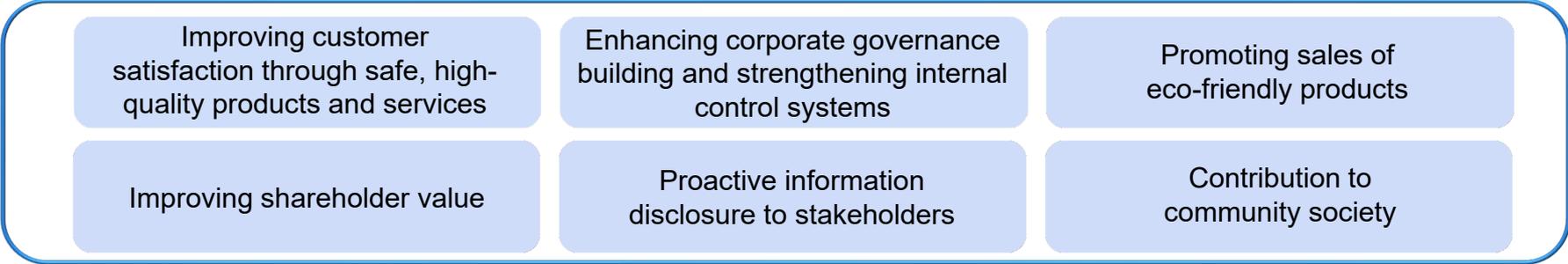
* individuals and others include treasury stock. (3.4%)

Major Shareholders

Shareholders' name	Number of shares (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	1,133	10.58
Hikari Tsushin K.K.	1,010	9.43
Mizuho Bank, Ltd.	511	4.78
Sumitomo Mitsui Banking Corporation	511	4.77
Custody Bank of Japan, Ltd.	409	3.82
MUFG Bank, Ltd.	373	3.48

* Percentages of total shares issued are calculated based on the total number of shares issued excluding treasury stock.

The DJK Group is committed to fulfilling its social responsibilities and maintaining its role as an industrial leader. Alongside our stakeholders, we are fully committed to the development of a sustainable global society.



Social Contribution Initiatives



Other social contribution initiatives

-  Donation to the Japanese Red Cross Society
-  In-house fundraising for disaster-hit area nationwide as well as worldwide
-  Foreign coins collection activity for the UNICEF
-  Donation of news bulletin boards to nearby elementary school

Human Resource Development

Training seminar for overseas employees

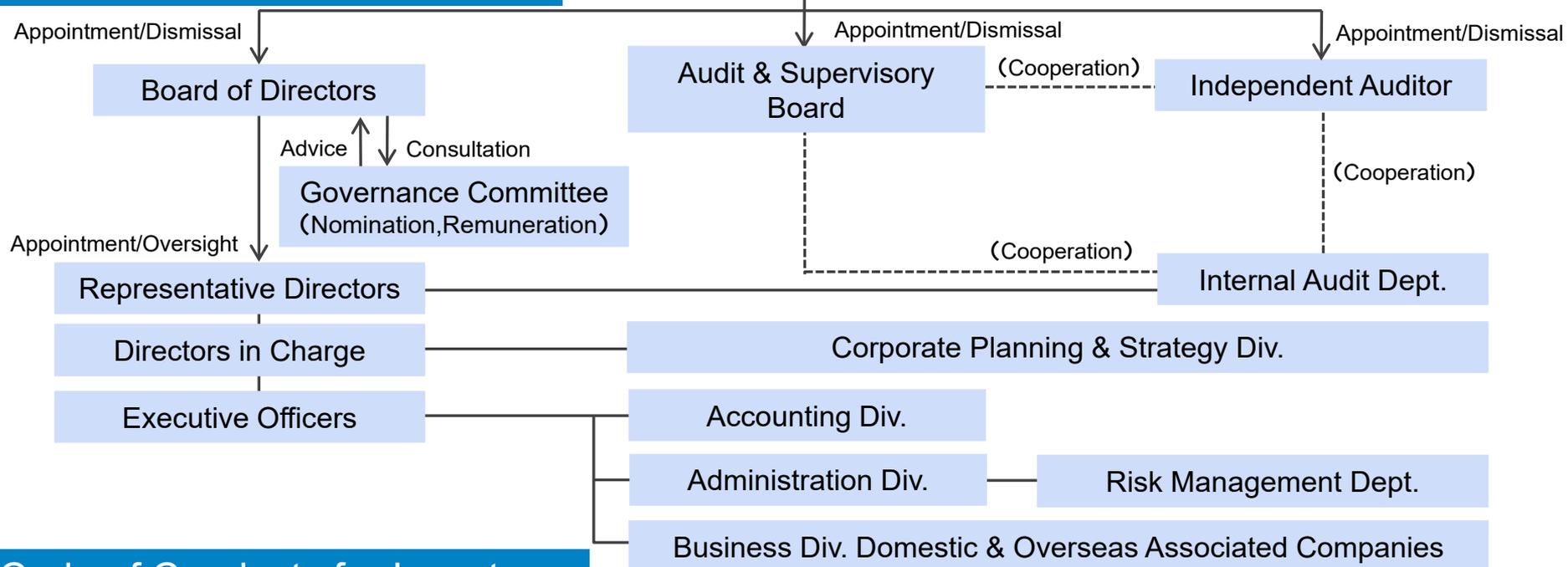


DJK Group has more than 1,200 employees, and a wealth of human resources supports our business activities. We offer training opportunities to local personnel overseas to aggressively promote superior human resources regardless of gender, nationality, and their social background. We are confident that a sense of group-wide unity and commitment to a corporate organization can be solidified by helping every local staffer understand his or her interest in DJK's corporate culture and the direction of its activities.

Corporate Governance System

General Meeting of Shareholders

As of October 1, 2020



Code of Conducts for Investors

Information disclosure Directors and employees will continue to deliver significant information for investment decision-making to investors in an accurate manner. Most of such information will be released in a manner that is easy for investors to understand.

Accurate recording Accurate recording of information is the basis for corporate disclosure. Therefore, we will record any business-related information correctly In adherence to applicable laws, ordinance and rules.

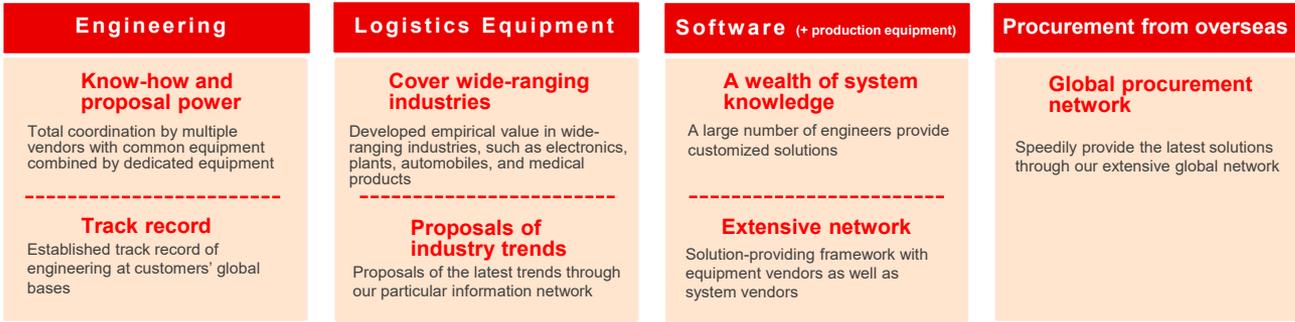
Emphasis on internal audit In an effort to protect investors' interests, we will seek to develop an internal audit system for checking the status of its business operations from a neutral perspective, and to make the system function properly.

Communication with investors We will continue affirming to investors that it will "give priority to ethics when its interest is found to be inconsistent with ethics" and to communicate to them that doing so will ultimately serve our interest.

Advantages derived from long-term experiences

Apply free design to smart logistics

LOGITO



DJK's long-term experiences and know-how

LOGITO provides:

