

Business Results for Fiscal 2020



DAIICHI JITSUGYO CO., LTD.

(Securities Code : 8059)

May 21, 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.

[Greetings]

Although the situation remains serious with the spread of COVID-19 variants, we're endeavoring to help curb the spread of infection by keeping in-office work to a bare minimum.

Despite unpredictable circumstances in certain parts of the world such as India and Europe, we will utilize our global network to gather information on various countries and continue pushing forward with business activities during the current fiscal year while taking appropriate measures.

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Summary for Fiscal 2020

- ◆ Our business adapted well to challenges posed by significant economic and social disruption. Financial results outperformed profit forecasts at each stage.
- ◆ Business performance driven by Plant & Energy Business in first two quarters, and by Electronics in last two quarters. Healthcare Business had favorable performance over the fiscal year.
- ◆ Obtained large-scale orders for lithium-ion battery (LIB), by grasping market needs towards a decarbonized society. Order backlog continues at a high level.

[Summary for Fiscal 2020]

In the midst of significant change in the economic and social landscape due to COVID-19 and trade friction between the U.S. and China, we handled our business activities well, with profits exceeding our annual full-year forecast at each stage.

When looking at each segment, business performance was driven by chemical plant equipment and in-vehicle lithium-ion battery (LIB) manufacturing equipment in the first two quarters in the Plant & Energy Business.

In the second two quarters it was driven by electronic component mounting devices for China in the Electronics Business. In the Healthcare Business, sales were favorable over the fiscal year in pharmaceuticals and medical assembly equipment.

Also, by grasping rapidly accelerating market needs for decarbonization in view of climate change, order backlog continues at a high level, including large-scale orders for LIB manufacturing equipment and binary power generators.

This has proved to be a year where we can feel the results of quickly and accurately responding to changes in the social landscape.

Consolidated Financial Results for FY2020

(Millions of Yen)

	FY2019 Results	FY2020 Previous forecasts	FY2020 Results	Change from FY2019	Change from Previous forecasts
Orders received	161,978	—	152,328	△6.0%	—
Net sales	161,476	141,000	140,029	△13.3%	△0.7%
Operating income	6,998	5,300	5,729	△18.1%	+8.1%
Ordinary income	7,426	5,700	6,464	△13.0%	+13.4%
Profit attributable to owners of parent	4,876	3,800	4,754	△2.5%	+25.1%
Earnings per share	456.38Yen	355.39Yen	444.70Yen	△11.68Yen	+89.31Yen

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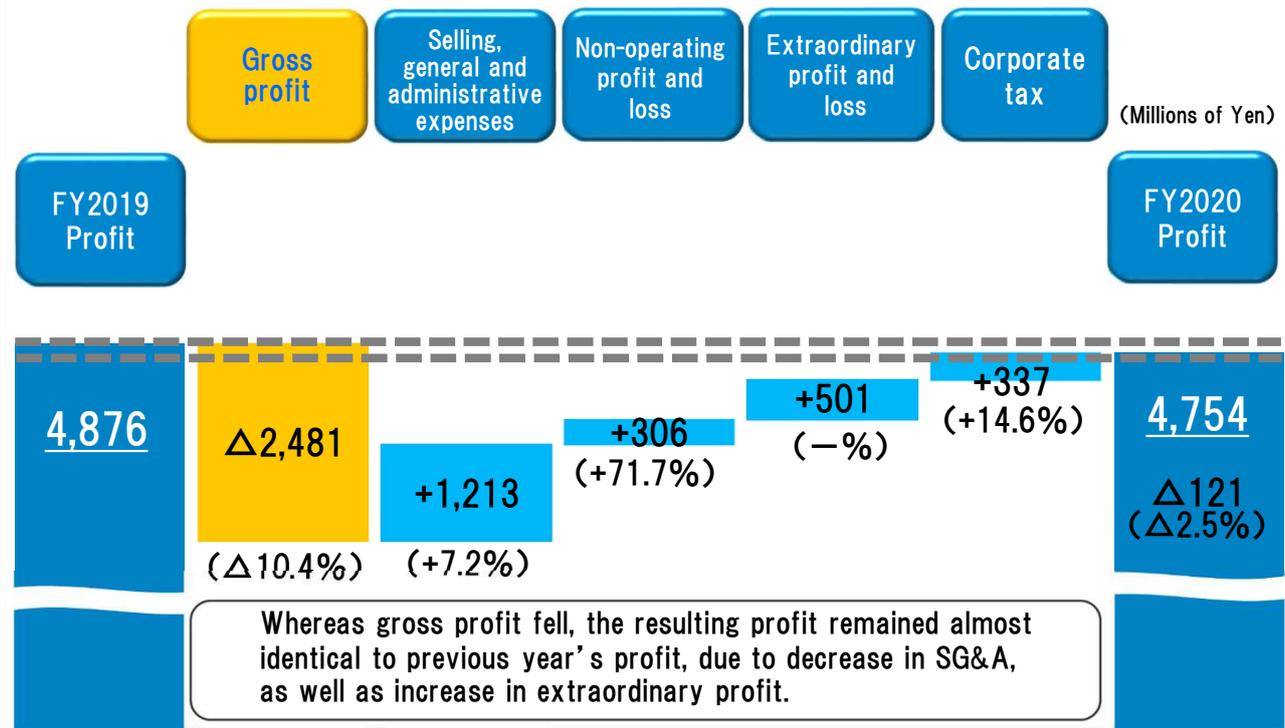
[Consolidated Financial Results for FY2020]

During the serious impact of the COVID-19 crisis in the first two quarters severely curtailing business activities, we put efforts into completing equipment delivery and installation on schedule.

During the second two quarters, customer business gradually began to recover, and we have begun to see the signs of recovery in capital investment for the Electronics Business in China and the Automotive Business in the Americas.

Although both sales and profits decreased year on year, we were successful in remaining aware of sustainability despite the difficult business environment, obtaining solid orders thanks to focusing on areas with promise of future growth.

Summary of Changes in Profit



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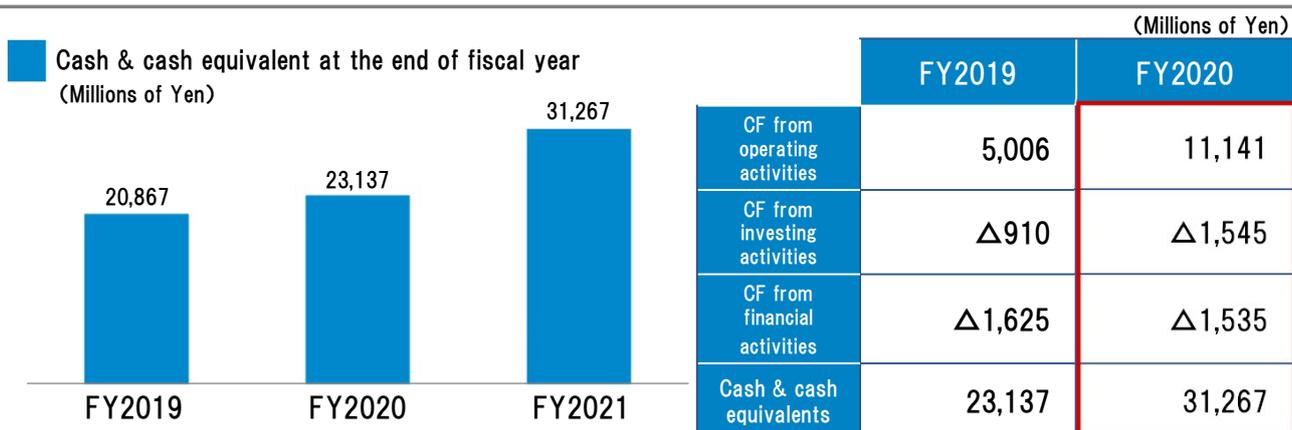
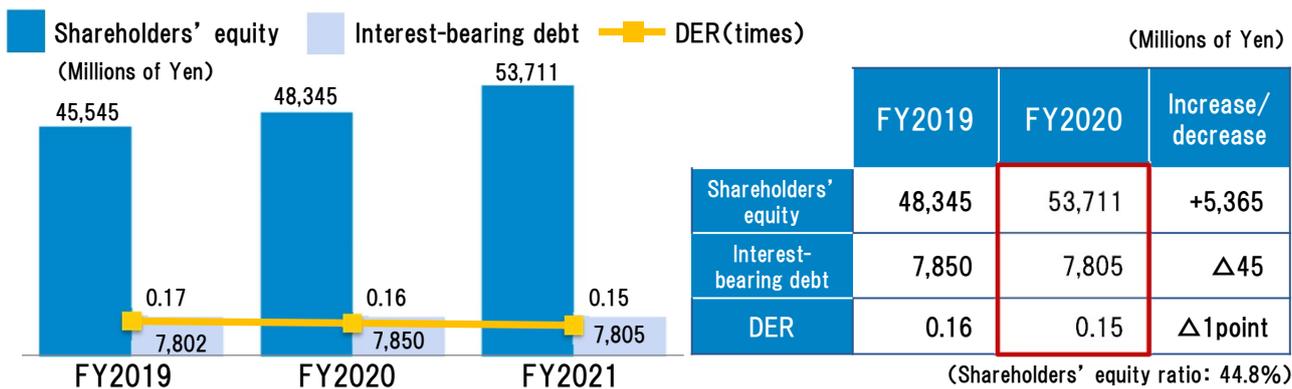
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[Summary of Changes in Profit]

Initially we expected our gross profit to decline significantly, but the drop was only 10.4%, compared to the previous fiscal year.

On the other hand, the resulting profit remained almost identical to previous year's profit, due to reduction in travel expenses and other selling and general expenses as well as an increase in extraordinary profit resulting from partial sale of cross-shareholdings in response to the corporate governance code.

Financial Position



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[Financial Position]

Shareholder's equity increased by 5.37 billion yen to 53.7 billion yen, interest-bearing debt decreased by 45 million yen to 7.8 billion yen, DER improved by one point to 0.15 times, with a shareholder's equity ratio of 44.8% and ROE at 9.3%.

Regarding the cash flow, cash flow provided by operating activities amounted to 11.1 billion yen. This was mainly due to a reduction in trade receivables, an increase in advances received from large-scale projects, and the recording of income before taxes and other adjustments despite a reduction in trade payables.

Cash flow used in investing activities amounted to 1.5 billion yen. This was mainly due to increases in fixed deposits and fixed asset acquisition expenditures, such as the introduction of an ERP system.

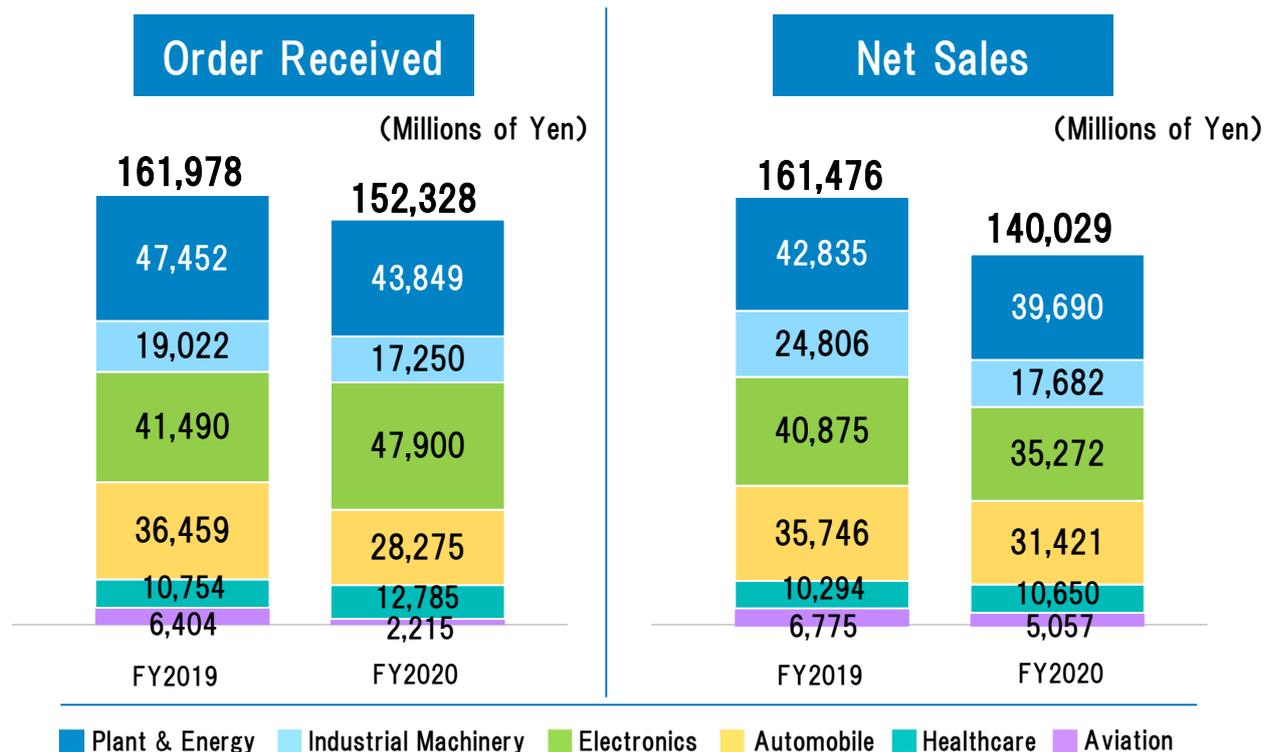
Cash flow used in financial activities amounted to 1.5 billion yen. This was mainly due to repayment of debts and dividend payouts.

Regarding cash on hand, we're considering using it to invest in growth areas while maintaining financial soundness.

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Segment Information (Order Received, Net Sales)



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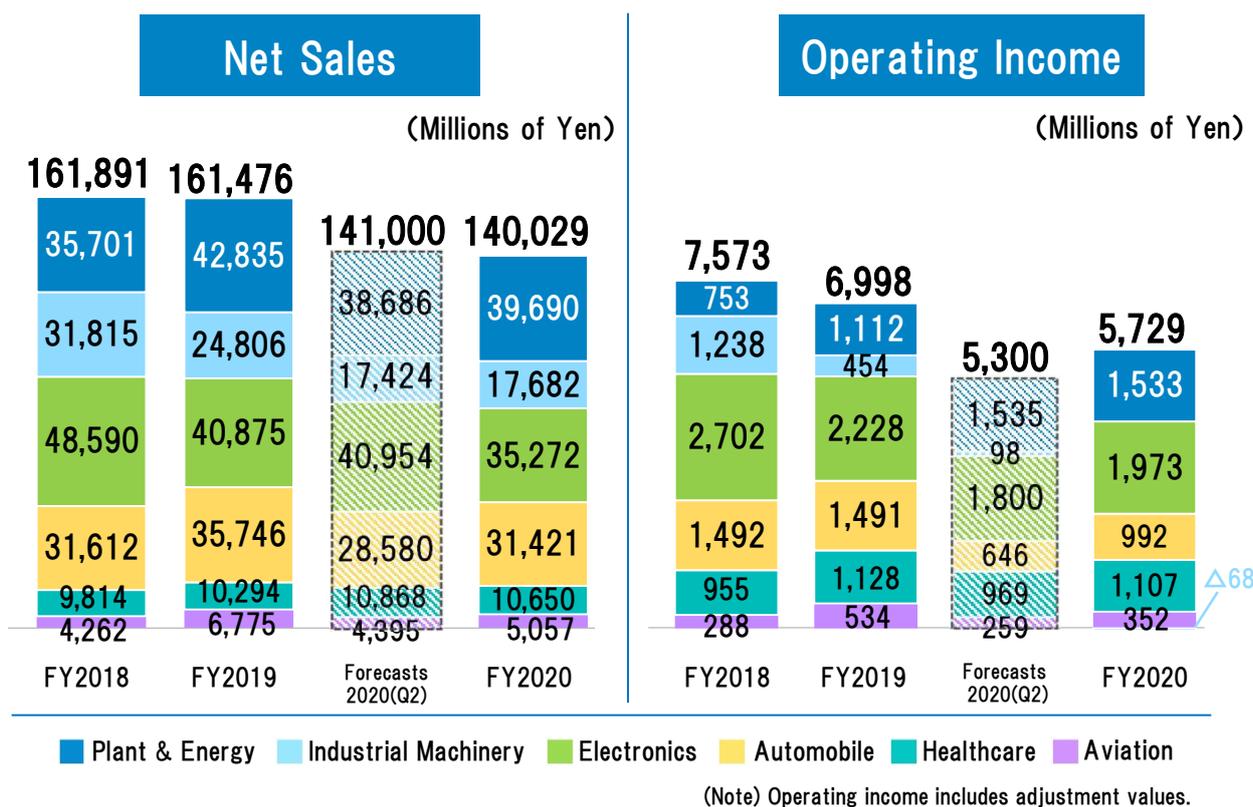
[Segment Information (Order Received, Net Sales)]

The economy of Japan during fiscal 2020 began with a drastic slowdown due to the impact of the COVID-19 crisis. The arrival of the second and third waves as well as the outbreak and spread of variants continues, with the overall performance for the year remaining subdued.

With this in mind, our orders received for the fiscal year dropped 6.5%, compared to the previous year, to 152.3 billion yen through activities in line with the current situation, such as remaining ahead of demand for production of in-vehicle LIB, 5G communication systems, and digital transformation (DX).

On the other hand, restrictions on deliveries due to the impact of COVID-19 caused net sales to drop by 13%, compared to the previous year, to 140.0 billion yen.

Segment Information(Net Sales, Operating Income)



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[Segment Information (Net Sales, Operating Income)]

Although both sales and profits decreased year on year, full-year profits have exceeded targets, and we believe that we made a good effort.

When looking at each segment, the Plant & Energy Business received large orders for LIB manufacturing equipment in Japan and Europe, and chemical plant equipment in Japan. Net sales decreased but operating income increased compared to the previous fiscal year when we received one-off projects with huge net sales.

In the Industrial Machinery Business, although we recorded sales from some large projects such as injection molding equipment for logistics materials and housing facilities, the number of projects was small as a whole and both net sales and operating income decreased.

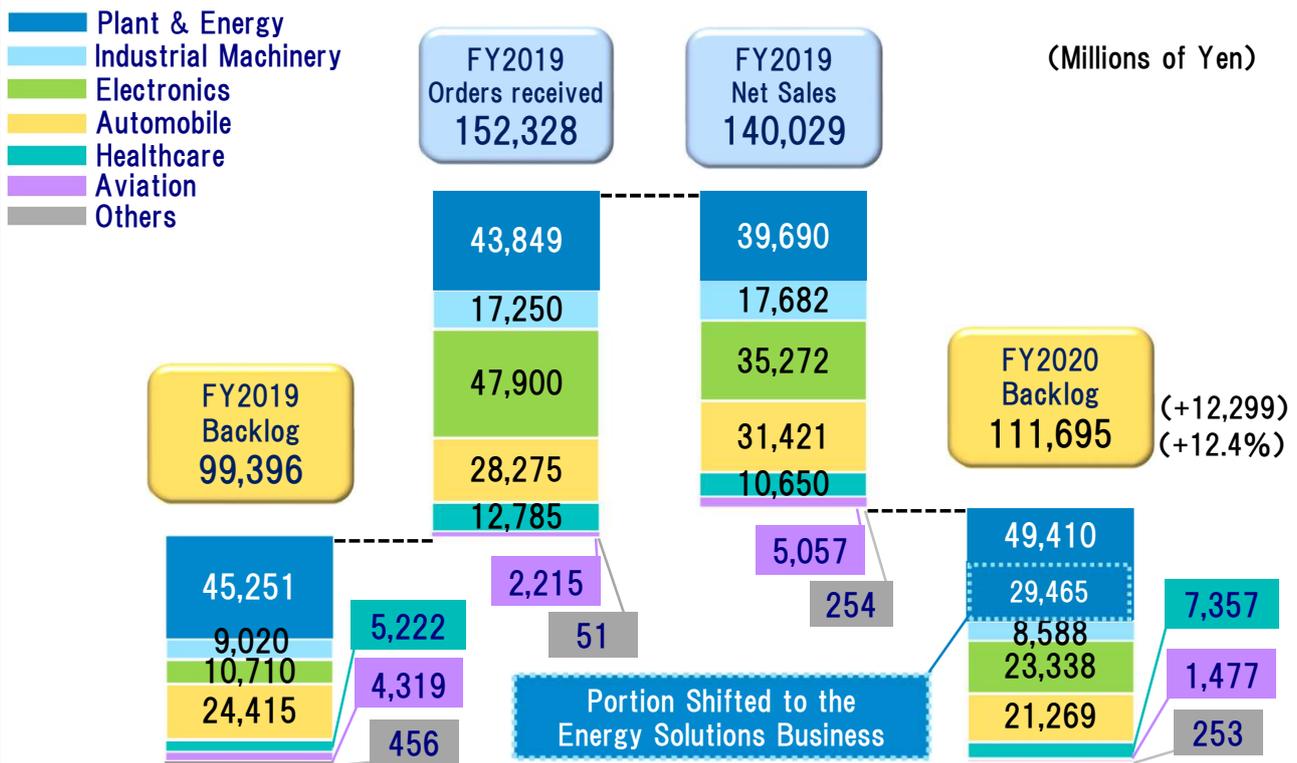
Despite the incredible struggles during the first two quarters in the Electronics Business, a quick recovery of the Chinese market and demand for facilities in Thailand and Vietnam driven by restructuring of the U.S. and Chinese supply chains, contributed to sales in the second two quarters.

In the Automotive Business, the drop in demand due to suspension and delays in capital investment at all companies in the first two quarters recovered to some extent in the second two quarters, but overall, the large impact of the drop in the first two quarters caused both net sales and operating income to decrease.

For the Healthcare Business, in addition to sales for large projects in assembly equipment for medical devices, sales of tablet visual inspection systems to generic pharmaceutical production companies and automated packaging lines resulted in increased net sales, while operating income was flat.

The Aviation Business as a whole was severely impacted by COVID-19, resulting in stagnating capital investment. Therefore, both net sales and operating income decreased.

Orders Received and Backlog by Segment



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[Orders Received and Backlog by Segment]

Orders received during the fiscal year were driven by the Electronics, Plant & Energy, and Healthcare Businesses.

Looking at orders received, an accurate understanding of the demand for the Plant & Energy Business and LIB manufacturing equipment for Japan, Europe, and the U.S. helped us obtain a large number of orders. A 9.2% increase of 49.4 billion yen was recorded, compared to the end of the previous fiscal year, with 29.46 billion yen of this amount coming from the Energy Solutions Business.

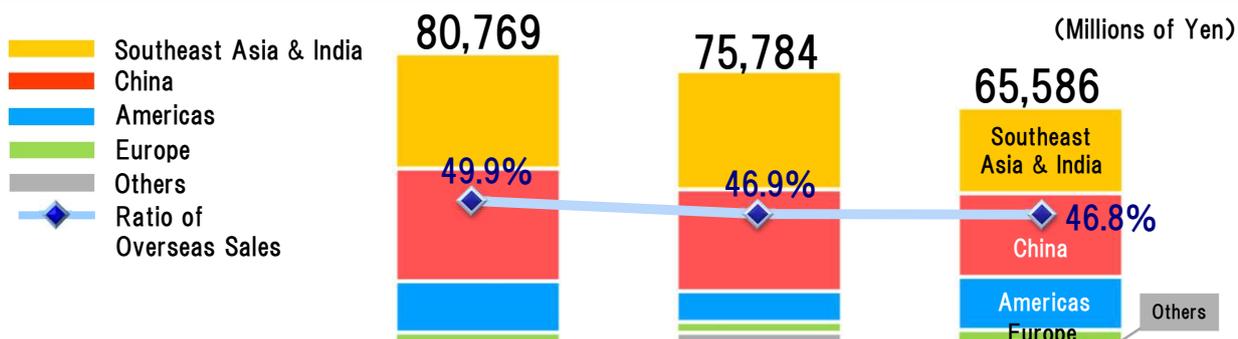
Also, thanks to incorporating demand attuned to the times such as 5G communication systems and DX-related demand, the Electronics Business increased the order backlog by 117.9% to 23.3 billion yen, compared to the end of the previous fiscal year.

Orders were received in new business domains such as medical supplies and health foods, and the backlog in the Healthcare Business increased by 40.9% to 7.36 billion yen.

As a result, the backlog at the end of fiscal 2020 increased by 12.4% to 111.7 billion yen, compared to the previous fiscal year.

These figures not only clarify domains that we need to focus on in the future, but also show that we can expect sales to recover in this fiscal year thanks to steady increase in the backlog.

Overseas Sales



	FY2018		FY2019		FY2020	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Southeast Asia & India	32,124	39.8%	32,998	43.5%	23,868	36.4%
China	31,407	38.9%	28,287	37.3%	23,207	35.4%
Americas	14,333	17.7%	8,575	11.3%	14,897	22.7%
Europe	2,815	3.5%	3,044	4.0%	3,459	5.3%
Others	87	0.1%	2,877	3.9%	152	0.2%
Total overseas sales	80,769	100.0%	75,784	100.0%	65,586	100.0%
Total sales	161,891		161,476		140,029	
Ratio of overseas sales	49.9%		46.9%		46.8%	

Note: Overseas sales, ratio of overseas sales, and composition ratio are based on delivery destinations.

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[Overseas Sales] *Overseas sales are based on delivery destinations.

Although sales fluctuated overseas in each region in fiscal 2020, the overseas sales ratio remained relatively flat at 46.8%, compared to the previous fiscal year.

The outline of each region is as follows.

Southeast Asia and India

An increase in demand in Southeast Asia & India due to transfer of production from China resulted in delivery of multiple large projects mainly in Thailand and Vietnam, as well as delivery of multiple projects for chemical plant equipment in the Plant & Energy Business in Indonesia. However, the total sales decreased compared to the previous fiscal year.

China

China was severely affected by the COVID-19 crisis in the first two quarters, resulting in stagnating demand for facilities overall. Capital investment in the main Electronics Business recovered in the second two quarters, however, because accounts at Chinese subsidiaries are settled in December, and our consolidated business results for fiscal 2020 do not include the January-March results at the subsidiaries, sales in China for fiscal 2020, dropped compared to the previous fiscal year.

Americas

In the Americas, deliveries mainly in the North and Central American Automotive Business proceeded smoothly, increasing its sales.

Europe

In Europe, sales remained strong and even increased for LIB manufacturing equipment in the Plant & Energy Business despite difficult situations such as lockdowns.

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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, FACE2021]

Our FACE2021 Medium-term Business Plan was announced in May 2019.

The current fiscal year is the final year of the Medium-term Business Plan.

Starting on the next slide, I will explain the prospects for the quantitative targets, the progress over the last two years for the qualitative targets, and initiatives for the current fiscal year.

Forecast FY2021

	FY2020 Results	FY2021 Forecasts	Change from FY2020	FY2021 Targets (Released on May 19)	Progress rate
Net sales	140,029	*179,000	+27.8%	*185,000	96.8%
Operating income	5,729	7,000	+22.2%	8,300	84.3%
Ordinary income	6,464	7,300	+12.9%	8,500	85.9%
Profit attributable to owners of parent	4,754	5,100	+7.3%	5,700	89.5%

* The net sales are shown on a net basis by applying the new revenue recognition standard.

[FACE2021 Quantitative Targets]

Regarding forecasts for the quantitative targets in the Medium-term Business Plan.

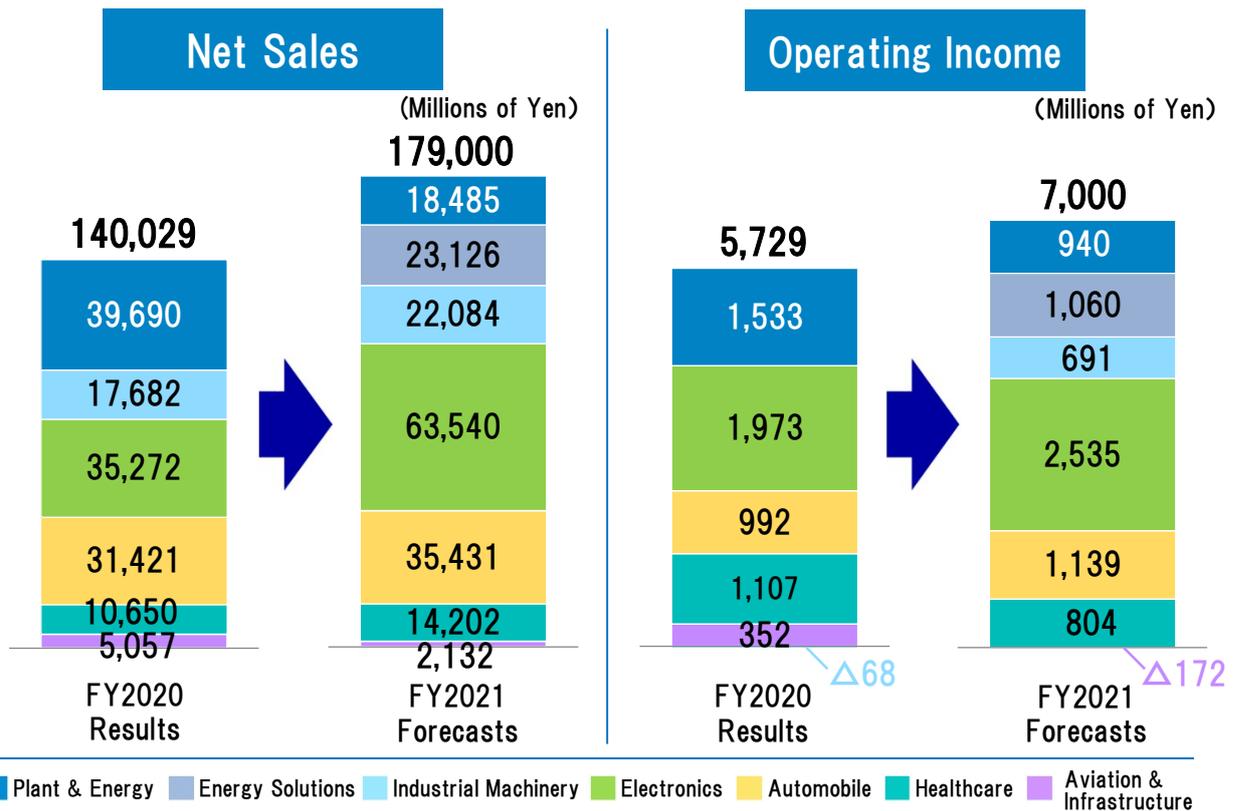
Our earnings forecasts:

Net sales	¥179.0 billion
Operating income	¥7.0 billion
Ordinary income	¥7.3 billion
Profit	¥5.1 billion

The right side of the slide shows the figures for the current fiscal year, which is the final year of the plan, and with a few exceptions, market conditions around the company tend toward recovery, with the outlook for the current fiscal year calculated as shown after thorough examination.

Compared to the current fiscal year, sales and profits will increase, however, we expect to miss the target numbers from the Medium-term Business Plan.

We will work together as one to push business activities forward so that we can bring the numbers as close to the goals in the plan as possible.



[FY2021 Forecasts of Net Sales & Operating Income by Segment]

The Forecasts of sales and operating income by segment are shown here.

The Plant & Energy Business is accelerating decarbonization business with projects such as binary power generators and Joint Crediting Mechanism projects.

In the Industrial Machinery Business, we will expand sales of equipment for industrial materials, mainly in existing businesses such as food containers and logistics, along with enhancing engagement in new business domains such as medical-related products.

In the Electronics Business, we will continue to focus on the active markets of China and Vietnam.

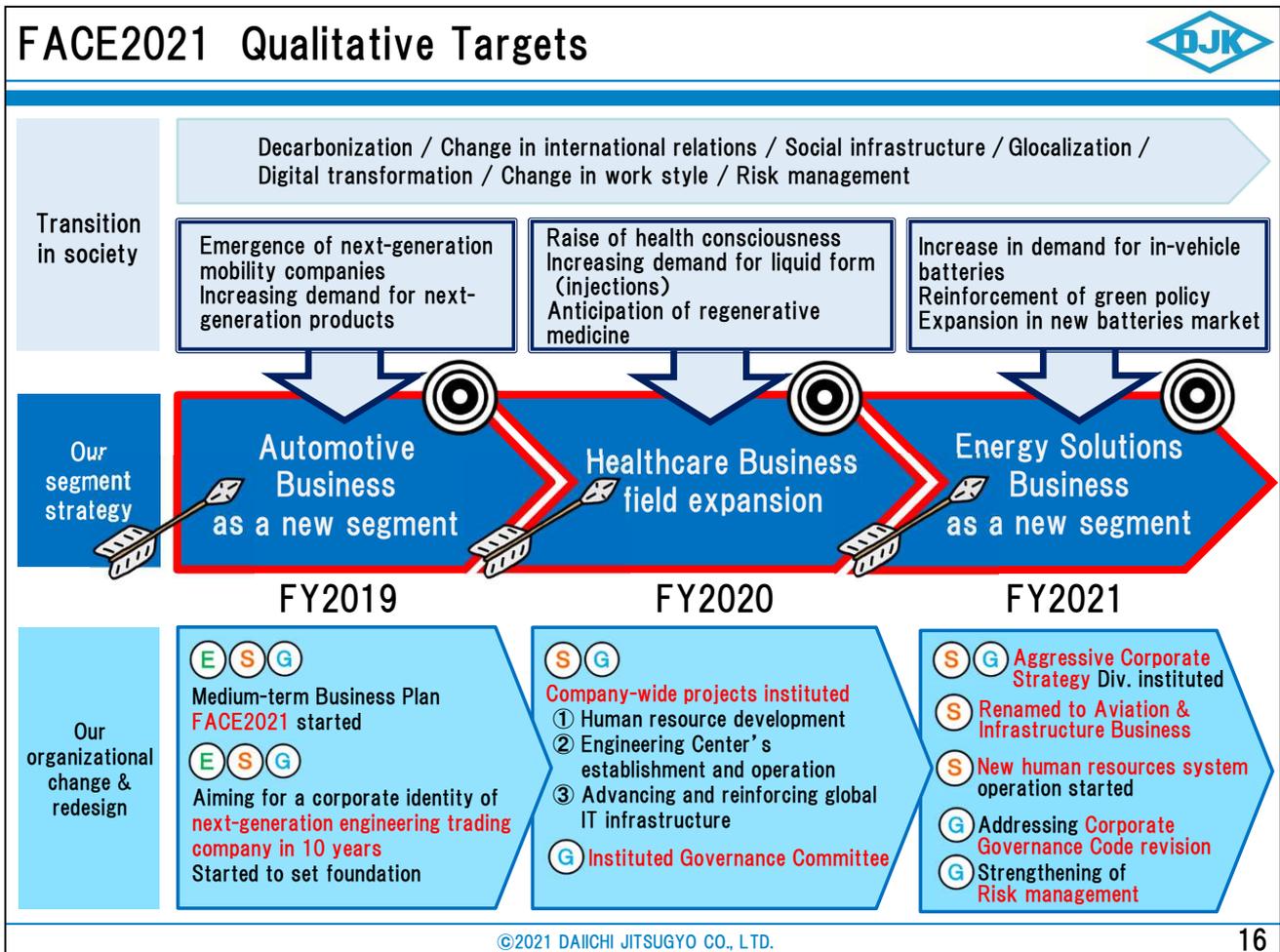
In the Automotive Business, we plan on enhancing our expertise and expanding business in growth areas that show promise of continued investment, such as weight reduction, electrification, and autonomous driving.

As part of efforts to expand our business domain, in the Healthcare Business we have established a new organization in the Chubu (central part) area, where many health food companies are located, and it is already bearing fruit.

The Aviation Business has been renamed the Aviation & Infrastructure Business this fiscal year, and efforts are focused on social infrastructure demand such as disaster prevention-related products.

We aim to achieve the full-year goals through these activities. I will explain initiatives in the Energy Solutions Business later from page 20 onwards.

FACE2021 Qualitative Targets



[FACE2021 Qualitative Targets]

As shown in the previous slide, in regard to our qualitative goals of “evolution of domain-based management system to closely reflect today’s market conditions, and further enhancing profitability”, we have begun rolling out proactive segment strategies in order to adapt to striking changes in the external environment.

In our first year, we took advantage of the once-in-a-century period of great change in the automotive industry as an opportunity for growth. In order to further develop our accumulated experience and knowledge, we have separated the Automotive Business from our existing segments.

In the second year, we changed the name of the Pharmaceuticals Business to Healthcare Business in order to expand the business domain.

In the pharmaceutical industry, the health food market is expected to grow due to increasing awareness of health and preventative measures because of COVID-19, and we’re bolstering our engineering capabilities to enable automation and labor saving, optimize production lines, and expand business to meet the demand for manufacturing equipment of liquid medicine in addition to solid medicine.

Now in our third year, in order to accelerate efforts in the ever expanding market of next-generation energy due to a drastic shift toward decarbonization efforts, the Energy Solutions Business, which focuses LIB-related business, has been separated from the Plant & Energy Business.

We’re also proactively engaged in steadily promoting our growth strategies of “strengthening the driving force of management” and “enhancement of corporate quality.” The company-wide project launched in our second year is proceeding smoothly, and the governance committee established in the second half of the second year has begun functioning. In the third year, the Corporate Strategy Division was instituted.

The dedicated department was established for promoting digital transformation and actively developing new business at the company-wide level for next generations. At the same time, we have begun utilizing a new human resources system.

By achieving qualitative goals, we hope to complete this three-year span of solidifying our foundation as a company aiming to become a next-generation engineering trading company.

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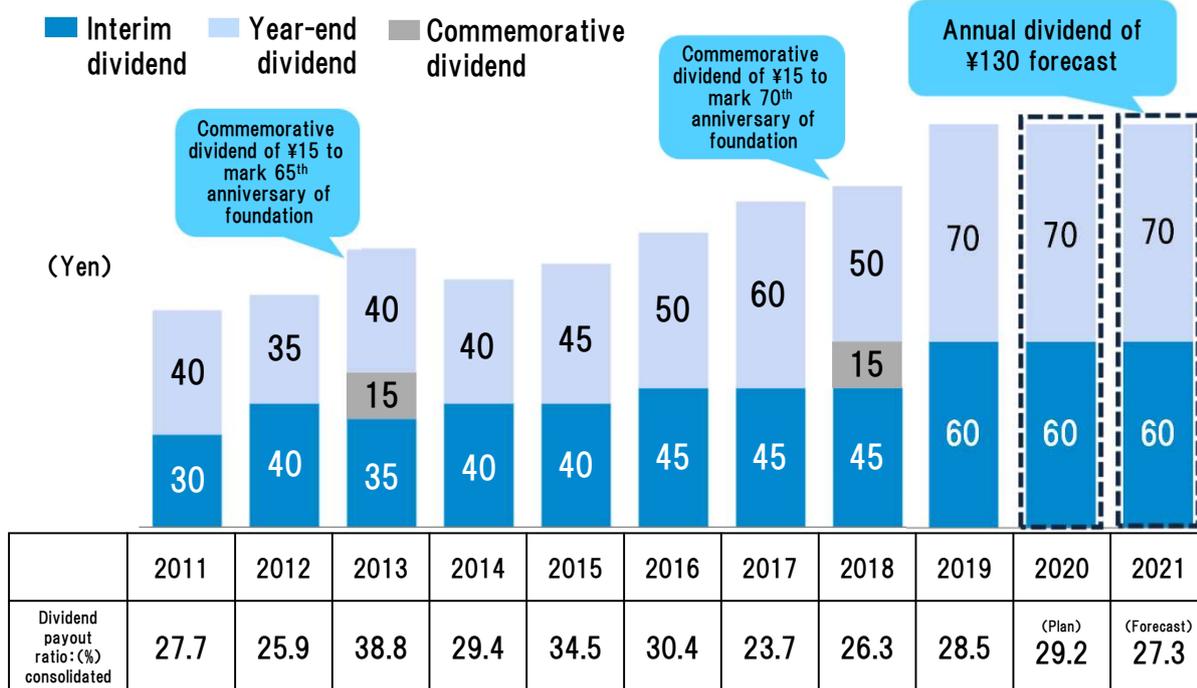
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Dividend and its Payout Ratio



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.



(Note) 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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[Dividend and its Payout Ratio]

This graph shows dividends and payout ratios for ten years.

Our basic policy is to pay out appropriate dividends in comprehensive consideration of results, future business developments, and continuation of stable dividends.

Regarding dividends for fiscal 2020, we plan on paying an interim dividend of 60 yen, a year-end dividend of 70 yen, an increase of 20 yen from the interim forecast, and an annual dividend of 130 yen.

Regarding dividends for the fiscal 2021, we intend to pay an interim dividend of 60 yen, a year-end dividend of 70 yen, and an annual dividend of 130 yen.

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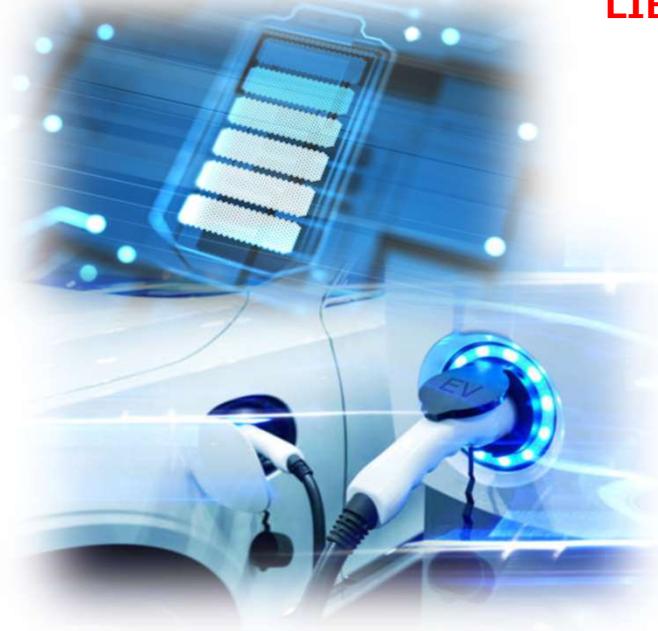
Energy Solutions Business

 **DAIICHI JITSUGYO CO., LTD.**

Daijiro Kodama
General Manager
Energy Solutions Business Division

May 21, 2021

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Our main business is
LIB (Lithium-ion battery)
-related Business.

By leveraging
our **global network and
engineering function**,
we will aim for a
sustainable society.

SUSTAINABLE DEVELOPMENT **GOALS**



[Energy Solutions Business Division Established]

The Energy Solutions Business, separated from the Plant & Energy Business Division, has started as a new division. We mainly run business of LIB.

We will aim for a sustainable society, focusing on next-generation energy, including fuel cells and storage cells, by leveraging our global network and engineering function, as well as providing an array of solutions, to meet diversifying needs.

- 1. Change in Global Circumstances and LIB market**
- 2. Energy Solutions Business**
- 3. Growth Strategy**
- 4. Quantitative Targets**

1. Change in Global Circumstances and LIB market

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Climate Change



Gasoline-engine vehicles



Coal-fired power stations

Growing interest towards a decarbonized society

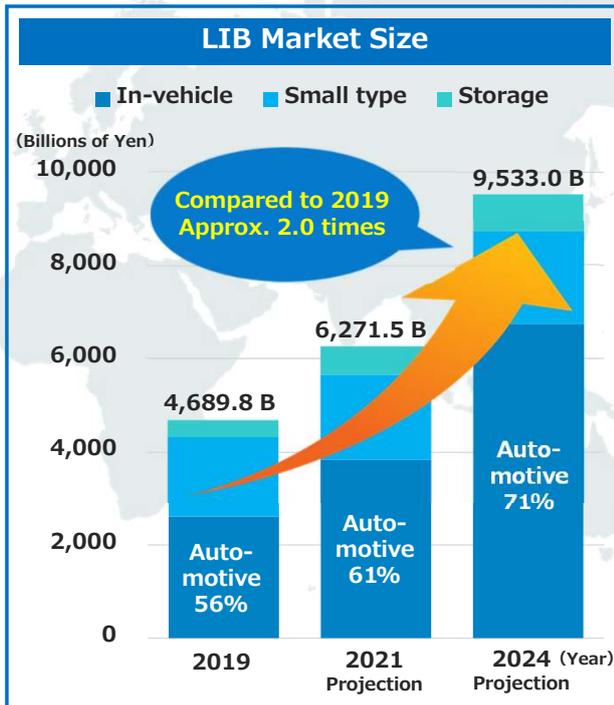
- ◆ Popularization of EVs and FCVs
(In-vehicle **batteries**)
(In-vehicle **fuel cells**)
- ◆ Popularization of renewable energy
(Solar panels/
Storage batteries)



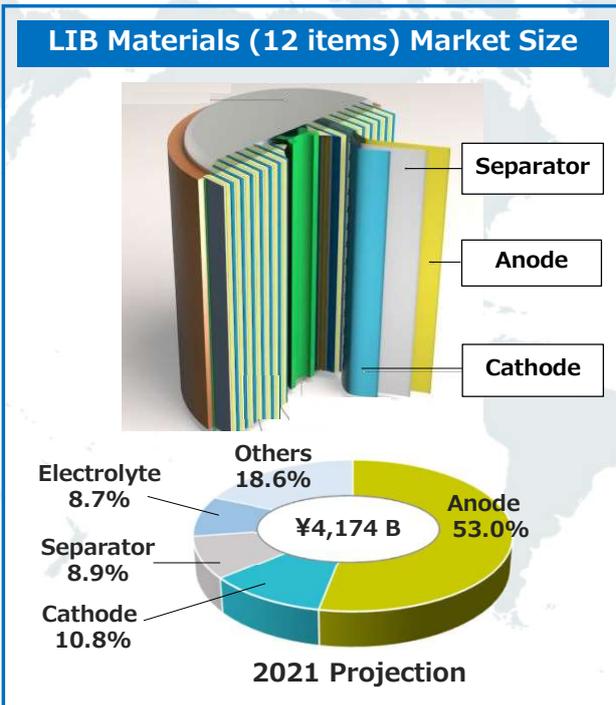
[Change in Global Circumstances and LIB Market]

The problem of climate change has piqued interest in decarbonization.

We now face a once-in-a-century revolutionary period, and LIBs continue to grow more popular as vehicles shift from gasoline powered vehicles to electric vehicles in an effort to reduce air pollution.



Source: Fuji Keizai Management Co., Ltd. 2020 Battery-related market general field survey <Volume 1: Battery Cell Market>



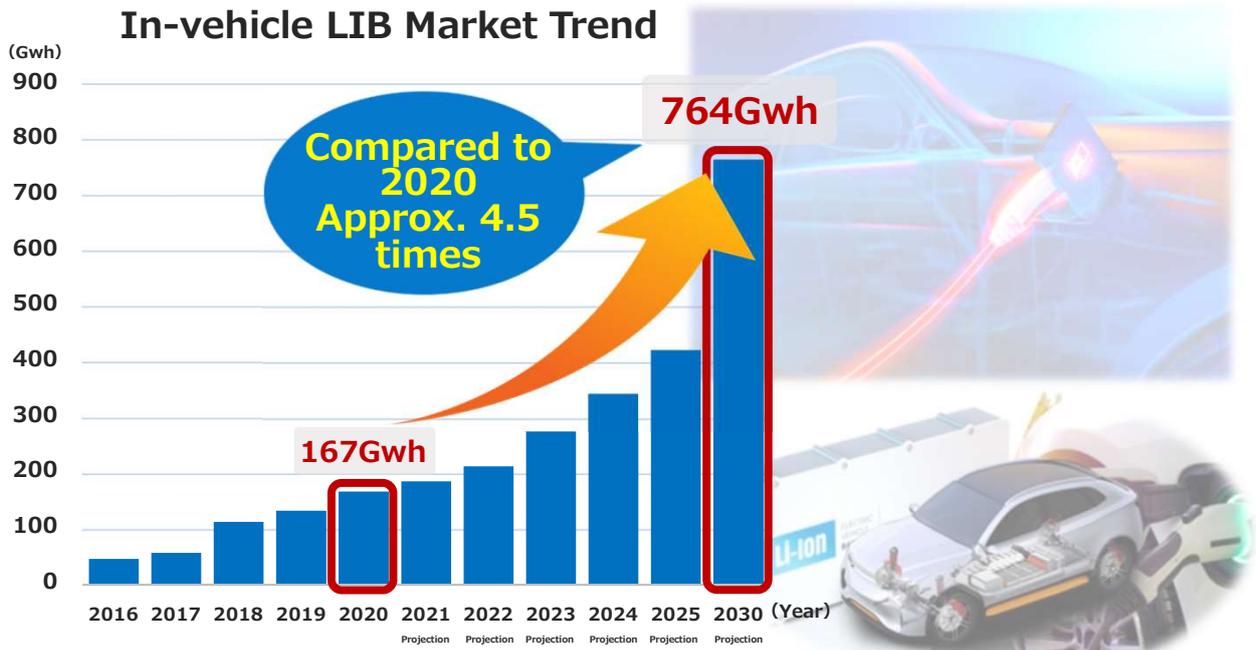
Source: Fuji Keizai Management Co., Ltd. 2020 Battery-related market general field survey <Volume 2: Battery Material Market>

[Growing LIB Market]

According to findings by Fuji Keizai, the overall market will double in size from 2019 to 2024, with in-vehicle batteries expected to account for approximately 70% of the market.

The figure on the right side of the slide shows the market size for 12 components, with the four main components of anodes, cathodes, separators, and electrolytes representing a nearly 80% share.

Of that amount, we're targeting the anode and cathode market, which accounts for over 60% of the total.



Source: Yano Research Institute Ltd.
Present status and future prospect of in-vehicle battery market, from years 2020-2021 version

[Growing In-vehicle LIB Market (Production Volume)]

The in-vehicle LIB market is experiencing striking growth.

According to findings from the Yano Research Institute, production volume in 2030 is expected to be approximately 4.5 times greater than in 2020, to the equivalent of 764Gwh.

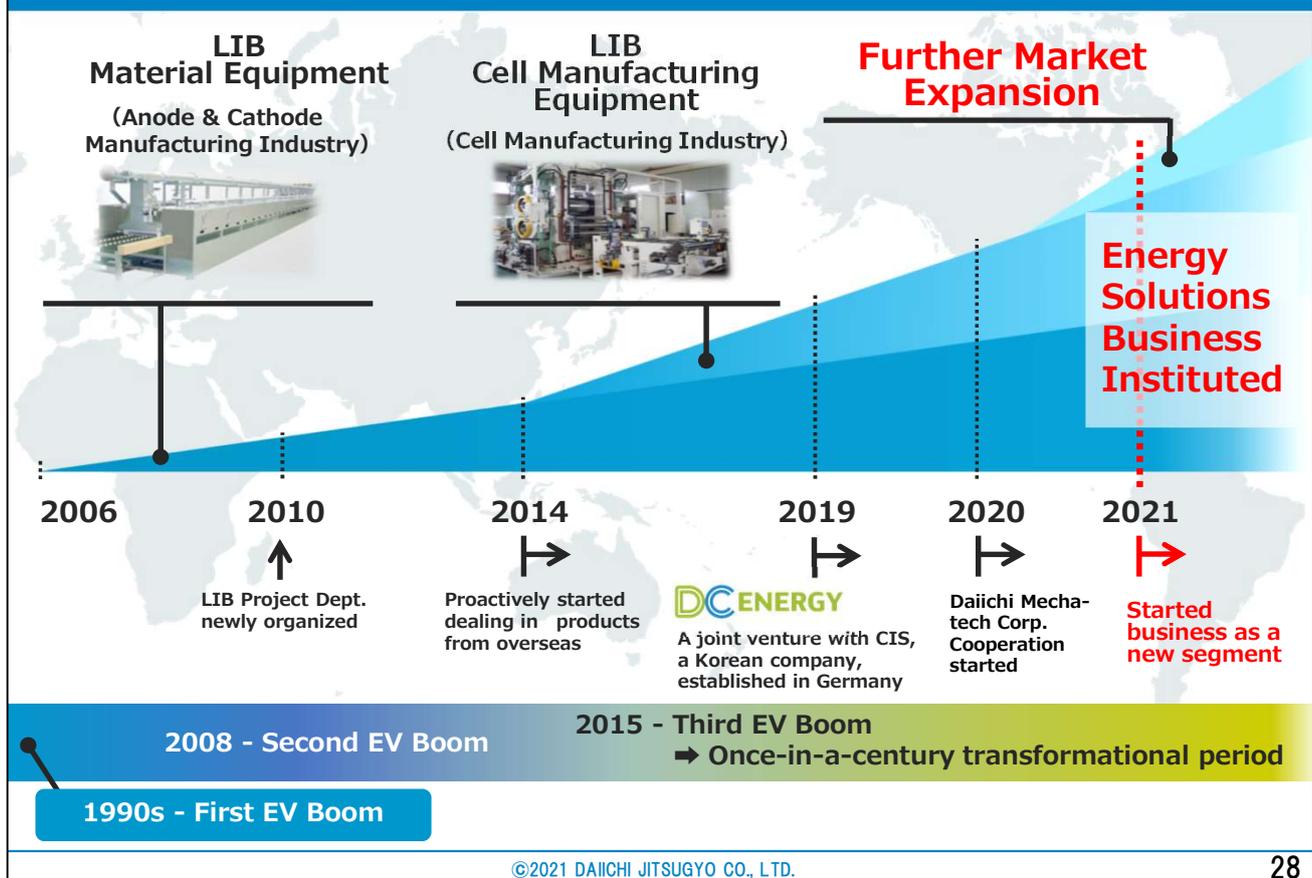
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History of Our LIB Material & Battery Business



[History of Our LIB Material & Battery Business]

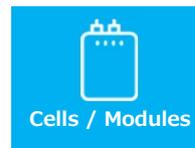
We have been involved in the powder-related business for many years, and engaged in production of manufacturing equipment of anodes and cathodes, two of the four main components, since 2008, which is said to be the time of the second EV boom.

Then in 2010 we launched the LIB Project Department in order to begin initiatives in earnest.

Later we became involved in cell manufacturing equipment, increasing handling of products from low-cost, high-performance overseas manufacturers in 2014.

In 2019 a joint venture with CIS, a Korean equipment manufacturer, was established in Germany, with joint operation with subsidiary Daiichi Mecha-tech Corporation beginning in 2020.

Now, in the current fiscal year we launched the Energy Solutions Business as a new segment with plans to further expand business.



[Energy Solutions Business's Focusing Field]

These are our areas of focus.

We mainly handle materials, cells, and modules. In addition, we also started handling solar panels, storage batteries, and fuel cells.

Materials

LIB Material Processing Equipment

Reaction

Wet Milling

Spray Drying

Mixing

Filling

Firing

Coarse Milling

Fine Milling

Magnet Separation

Bag Filling

Cells / Modules

LIB Cell Processing & Manufacturing Equipment

Electrolyte

Mixing

Coating

Roll Pressing

Slitting

Assembly

Inspection

Winding

Stacking

Electrolyte Filling

X-ray Inspection

Charge & Discharge Inspection

[Energy Solutions Business's Focusing Field]

We handle general necessary equipment as shown, in our main field of materials, cells, and modules.



Project Management

Technical Support by the Energy Engineering Department

Affluent Business Partners

We have affluent business partners worldwide.

Global Network

We do LIB business in nine countries.

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[Our Energy Solutions Business's Advantage]

Our advantages:

① Project management functionality.

The Engineering Department inside the Division takes care of overall project management, including specifications confirmation, delivery management, and on-site schedule adjustments.

② Affluent business partners.

We work with many manufacturers overseas including South Korea and China, and many partners within Japan.

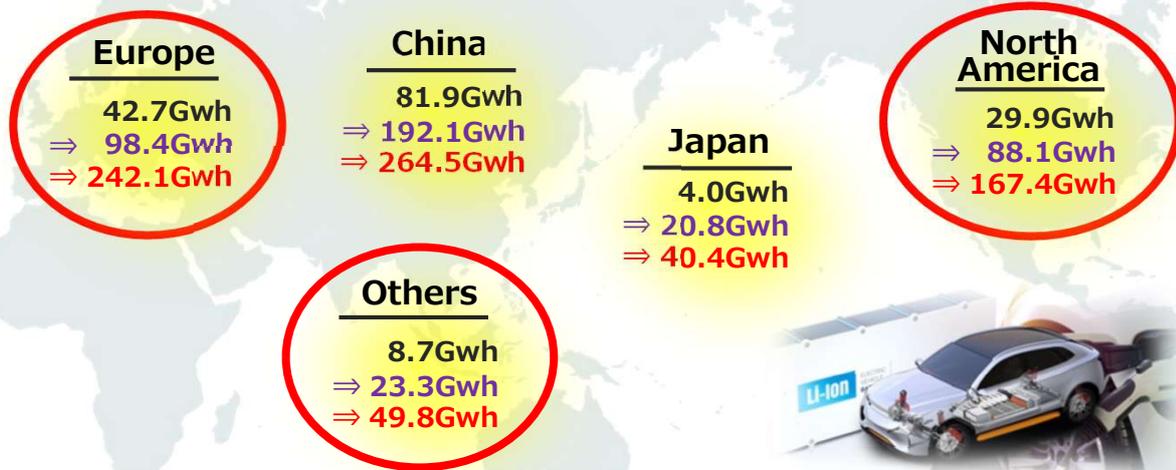
③ Internal global network.

Out of our 33 bases in 17 countries overseas, nine are involved in the LIB business.

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In-vehicle LIB / Market Trend by Region

(Battery Demand by Region, based upon EV Production Volume)



**2020 Recorded
Total 167Gwh**

**2025 Projection
Total 422Gwh**
(Approx. 2.5 times larger
than that in 2020)

**2030 Projection
Total 764Gwh**
(Approx. 4.5 times larger
than that in 2020)

Source: Yano Research Institute Ltd. Present status and future prospect of in-vehicle battery market, from years 2020-2021 version

Note: Projections in 2025 and 2030 are based on market forecasts (As of Feb. 2021)

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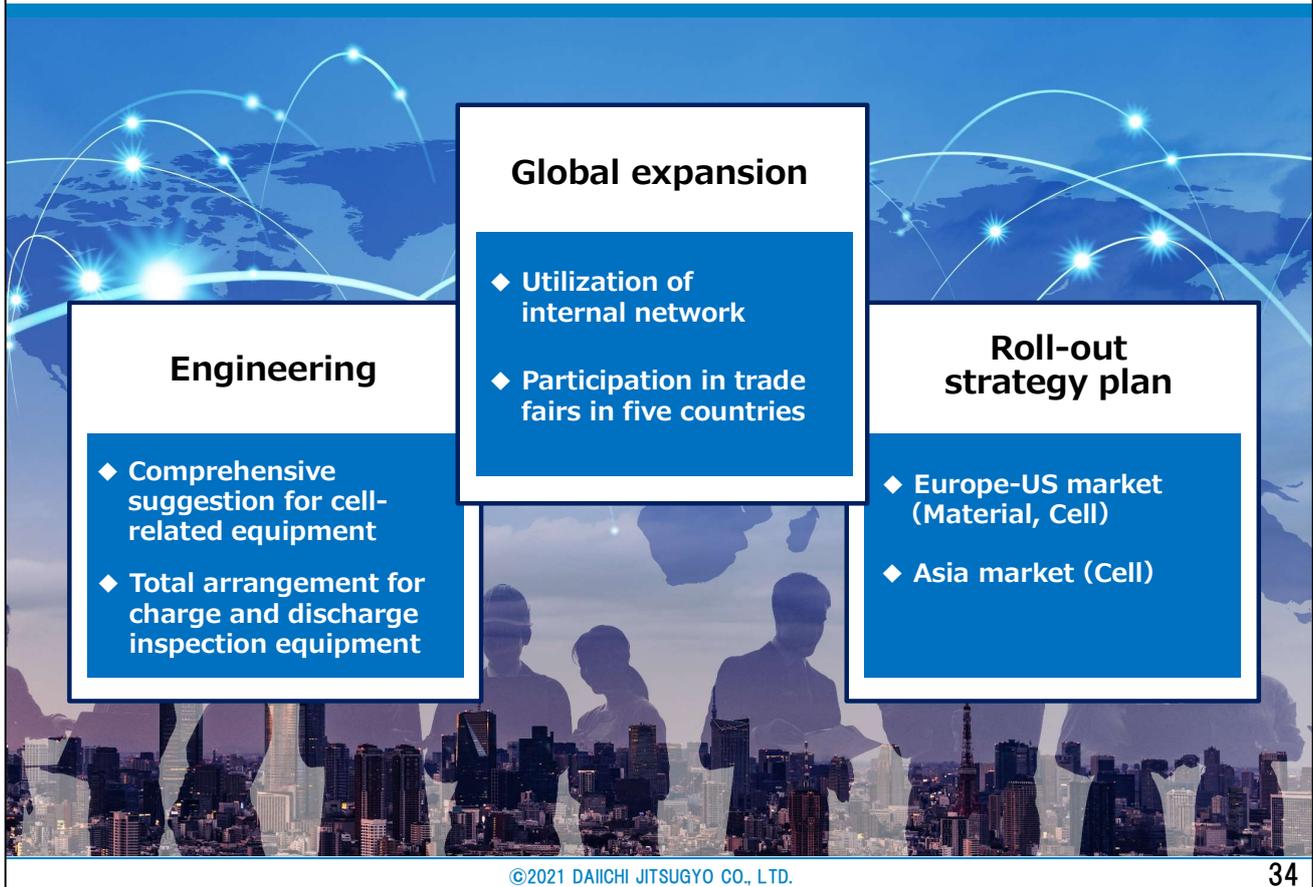
[In-vehicle LIB / Market Trend by Region]

This slide shows the striking growth of the in-vehicle LIB market by region.

The global market is predicted to change from 167 Gwh in 2020 to 422 by 2025, and 764 Gwh by 2030.

Growth is particularly noteworthy in Europe and North America, with growth expected in the future in areas such as Southeast Asia.

We will focus on these three regions in the future.

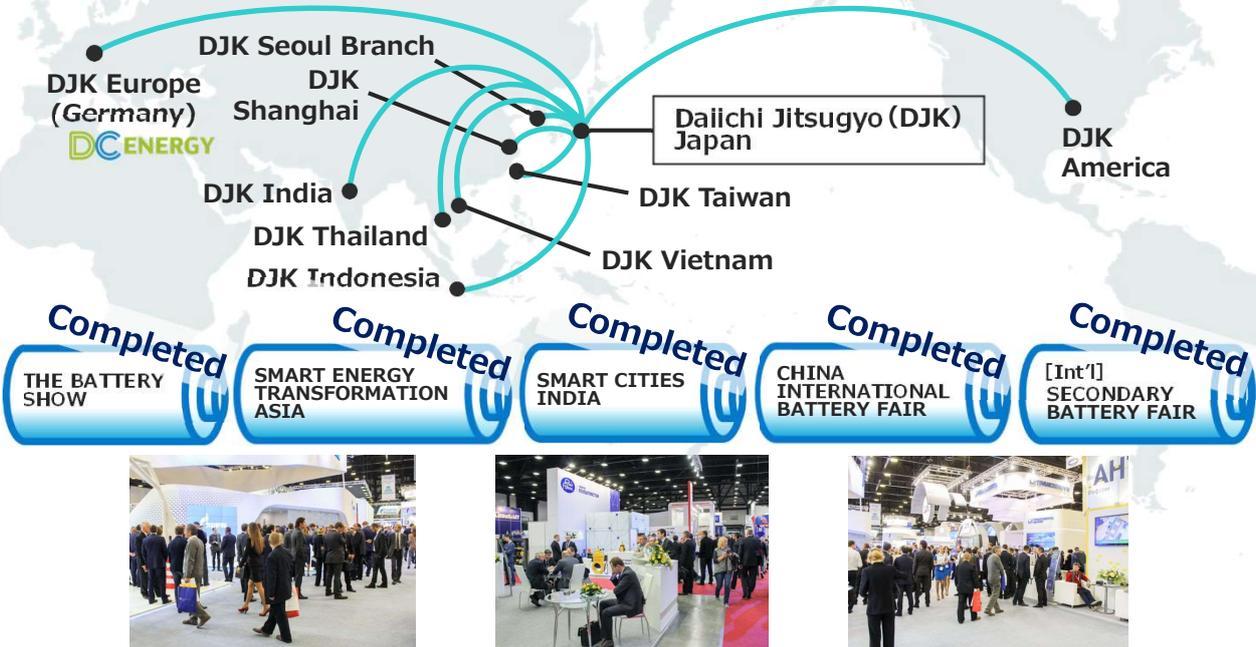


[Growth Strategy]

We have three growth strategies.

- ① Global expansion.
- ② Engineering.
- ③ Roll-out strategy plan in Europe, U.S., Southeast Asia, and India.

- ◆ Participation in trade fairs
- ◆ Utilization of our internal network

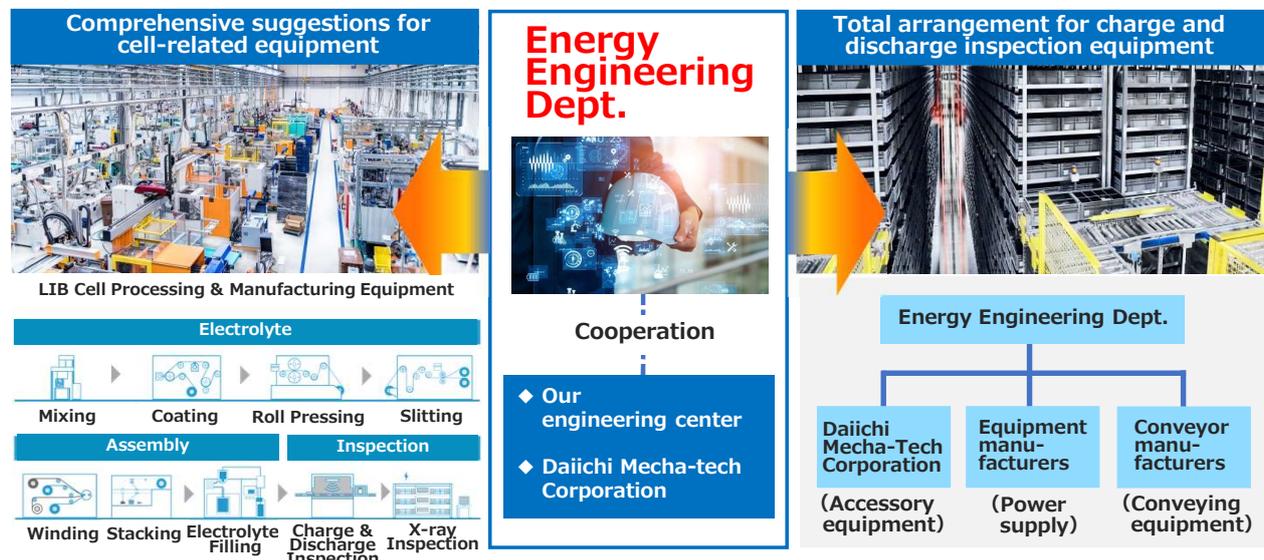


[Growth Strategy ① Global Expansion]

Participation in trade fairs in five countries.
Utilization of our internal network.

We have participated in LIB-related trade fairs in five countries and are proactively working to improve our brand recognition. In addition, we're focusing on utilizing our group network to gather information and attract new customers.

- ◆ Comprehensive suggestions for cell-related equipment
- ◆ Total arrangement for charge and discharge inspection equipment



[Growth Strategy ② Engineering]

Strengthening our engineering capabilities.

We will strengthen our engineering capabilities by coordinating with our Engineering Center with a focus on the Energy Engineering Department, as well as our subsidiary Daiichi Mecha-tech.

Comprehensive proposals for cell-related equipment.

Comprehensive proposals of x-processing equipment such as pilot lines and mass production lines to newcomer companies.

Handling the overall process.

Although our charge and discharge inspection equipment is a product we have been involved in since the inception of the LIB Project Department, our handling scheme is changing drastically.

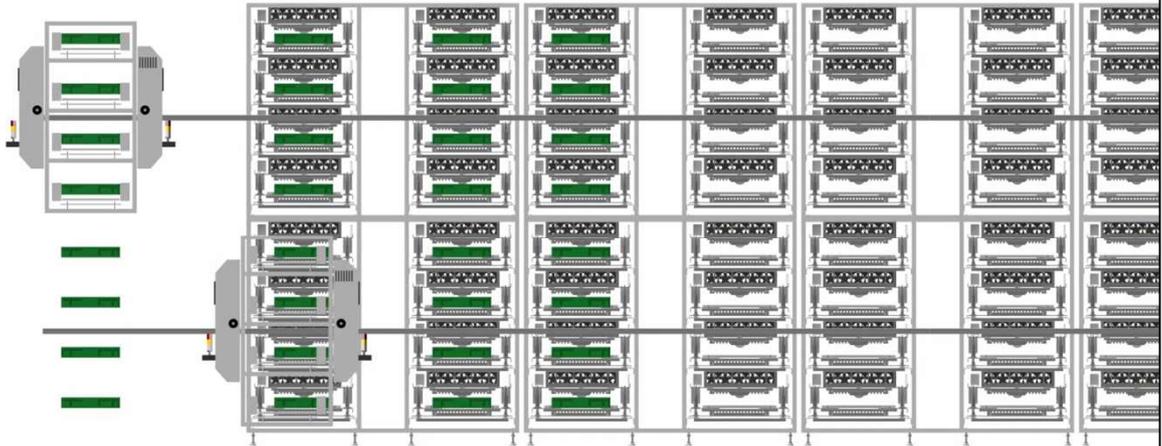
Conventionally, equipment manufacturers handled engineering, however, because of the increasing scale of projects and globalization, we have established a system for handling the overall process in-house, splitting it into areas of specialty of each company, namely, power sources, ancillary equipment, and conveying equipment.

The charge and discharge inspection system is a vital piece of equipment in the final stage of cell production, even if LIB switch to a solid-state battery construction in the future. We can offer such a high-performance device that saves on space and power.

(Video file)

<https://youtu.be/ehGshT-gI40>

Click the link to watch our video file.



You can save a lot of space as well as achieve greater efficiency of the whole formation system.

[Growth Strategy ② Charge & Discharge Inspection System]

Click the link to watch our video file.

<https://youtu.be/ehGshT-gI40>

LIB Investment by Region

● Battery mfr ■ Material mfr ▲ Automaker

Europe



**242.1Gwh in 2030,
5.6 times
compared to 2020.**

Material

Gain market share mainly in the field of sintering furnace by Daiichi Jitsugyo (America).

Cell

Gain market share by
*

* A joint venture with a Korean Company, CIS Co., Ltd.

US



**167.4Gwh in 2030,
5.6 times
compared to 2020.**

Material

Gain market share mainly in the field of sintering furnace by DJK Europe.

Cell

Comprehensive engineering suggested to new players.

Southeast Asia & India



**49.8Gwh in 2030,
5.7 times
compared to 2020.**

Cell

Comprehensive engineering suggested to new players.

[Growth Strategy ③ Roll-out Strategy Plan]

Strategy plan in Europe and the U.S. (materials, cells)
Strategy plan in Southeast Asia and India. (cells)

Regarding materials, we aim to expand the market share mainly in sintering furnaces at DJK Europe and Daiichi Jitsugyo America, which are involved with chemical plants.

A sintering furnace is a large piece of equipment several dozen meters in width which is used to sinter materials at high temperatures for use in the manufacture of anodes and cathodes.

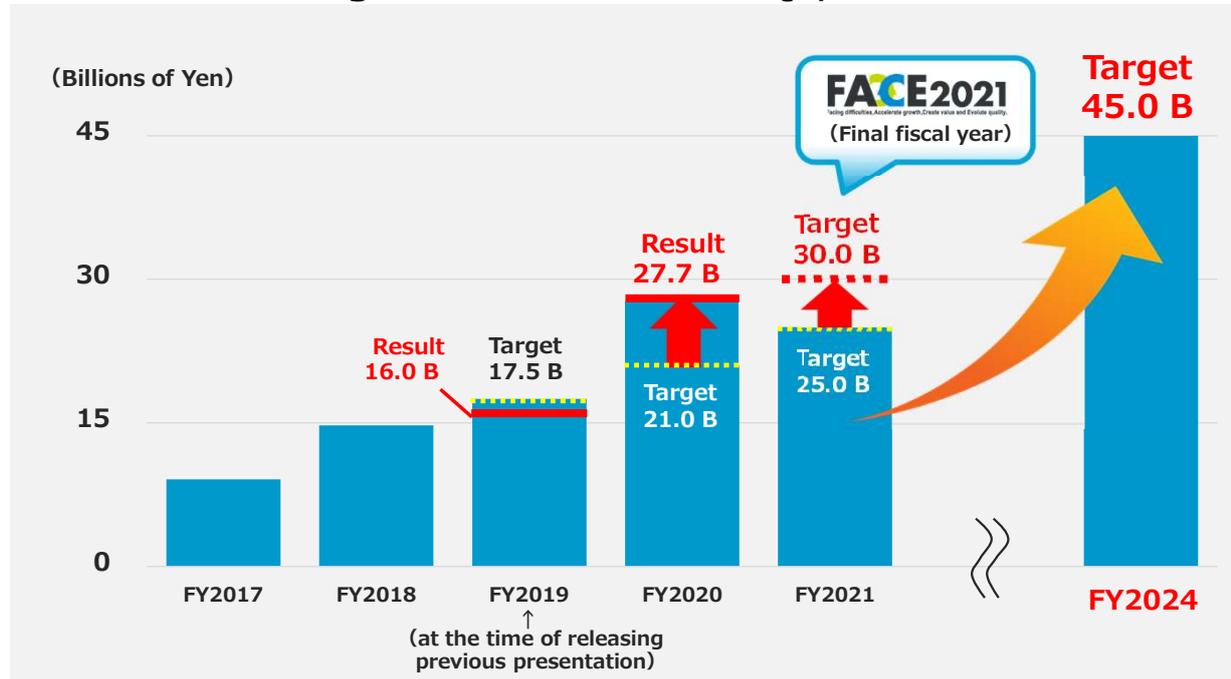
Regarding cells, we aim to obtain orders at DC Energy, a joint venture with Korean CIS in Europe. For North America, Southeast Asia, and India, we will begin with a pilot line for newcomer companies, and aim to capture the market through comprehensive engineering proposals.

1. Change in Global Circumstances and LIB Market
2. Energy Solutions Business
3. Growth Strategy
- 4. Quantitative Targets**

LIB-related Global Quantitative Targets (Based upon Order Received Amount)



Updated quantitative targets (Original was released at Q2, FY2019)



Above figures include DCENERGY's amount.

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[LIB-related Global Quantitative Targets (Based upon Order Received Amount)]

This slide shows the latest targets and results written in red that are added to the quantitative targets in the battery business documentation released in November 2019 (topic from our quarterly briefing released at the second quarter in FY2019).

Orders received amounted to 27.7 billion yen, far exceeding our targets for the fiscal year. We have set a target of 30.0 billion yen (original target of 25.0 billion yen) in orders received for this fiscal year, which is the final year of the Medium-term Business Plan, and a goal of 45.0 billion yen for the final year of the following Medium-term Business Plan.

We will try for even greater leap so that we can continue to drive business results.

Energy Solutions Business

Daijiro Kodama

**General Manager
Energy Solutions Business Division**



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

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. Any forward-looking statement speaks only as of the date on which it was published, and we assume or undertake no liability for any loss or damage as a result of the use, misuse or reliance on the data and projections in this material.

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