

Financial Results for the Second Quarter of the Year Ending March 31, 2023



November 22, 2022

- I . Outline of Financial Results
for the Second Quarter of FY2022**
- II . Financial Forecasts for FY2022**
- III . Progress of Medium-term Business Plan**

(Note) The Company has adopted the “Accounting Standard for Revenue Recognition” etc. since the first quarter of FY2021.
Figures presented in units of million yen are rounded down, and figures in units of billion yen are rounded up/down to the nearest billions.



I . Outline of Financial Results

for the Second Quarter of FY2022

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

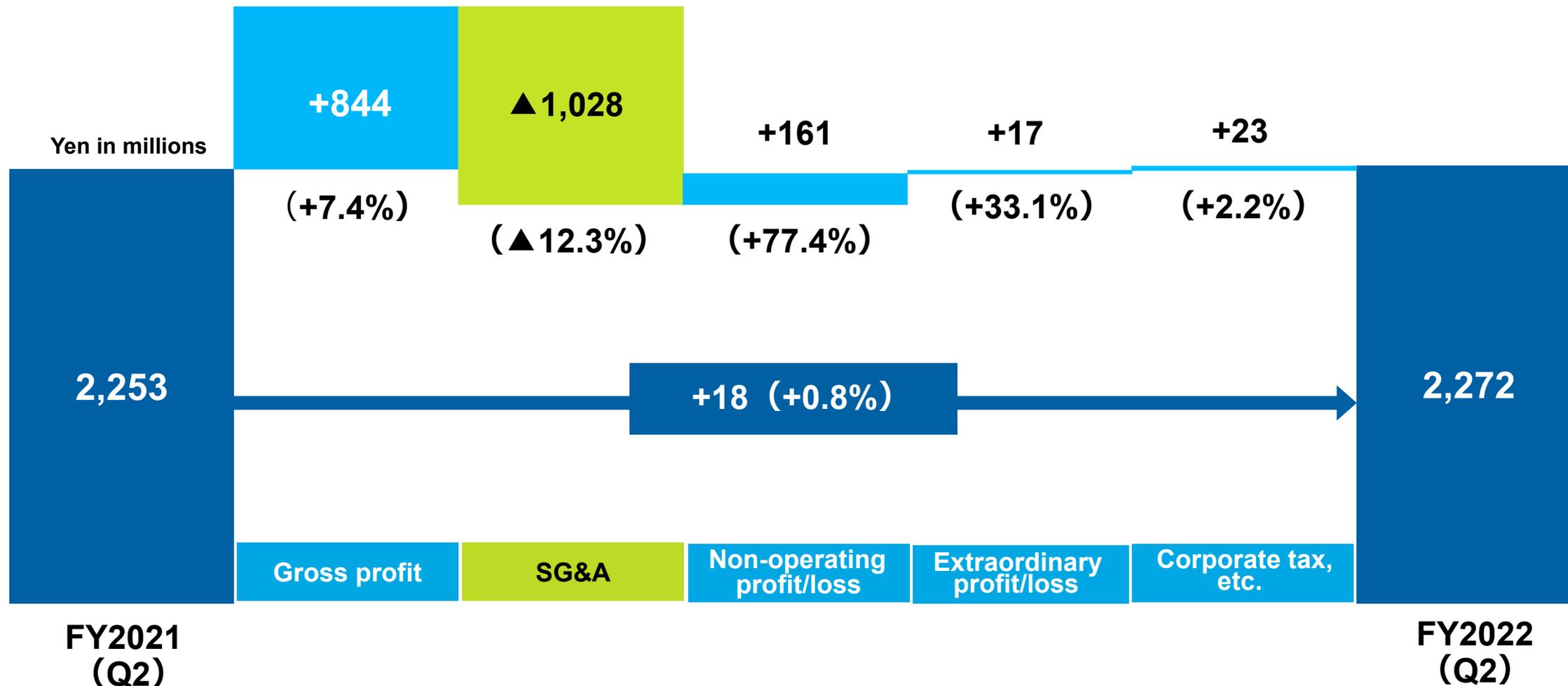
- **Net sales and quarterly profit exceeded period over period**
 - Gross profit at record high for a first half.
- **First half's financial results outperformed initial forecasts**
 - Business performance driven by the Plant & Energy and Industrial Machinery Business.
- **Orders received favorable in first half**
 - Orders received at record high for a first half.
 - The Energy Solutions, Automobiles, and Aviation & Social Infrastructure Business produced favorable results.

Consolidated Financial Results

Yen in millions	FY2021(Q2)	FY2022(Q2)			
	Results	FY2022(Q2) previous forecasts	Results	Change from FY2021(Q2)	Change from previous forecasts
Orders received	74,750	91,000	118,169	+ 58.1%	+ 29.9%
Net sales	68,585	66,000	69,459	+ 1.3%	+ 5.2%
Operating income	3,043	2,300	2,859	▲ 6.1%	+ 24.3%
Ordinary income	3,251	2,400	3,229	▲ 0.7%	+ 34.5%
Profit to attributable owners of parent	2,253	1,600	2,272	+ 0.8%	+ 42.0%
E P S	210.63 Yen	149.41 Yen	212.08 Yen	1.45 Yen	62.67 Yen

Summary of Changes in Second Quarter Profit

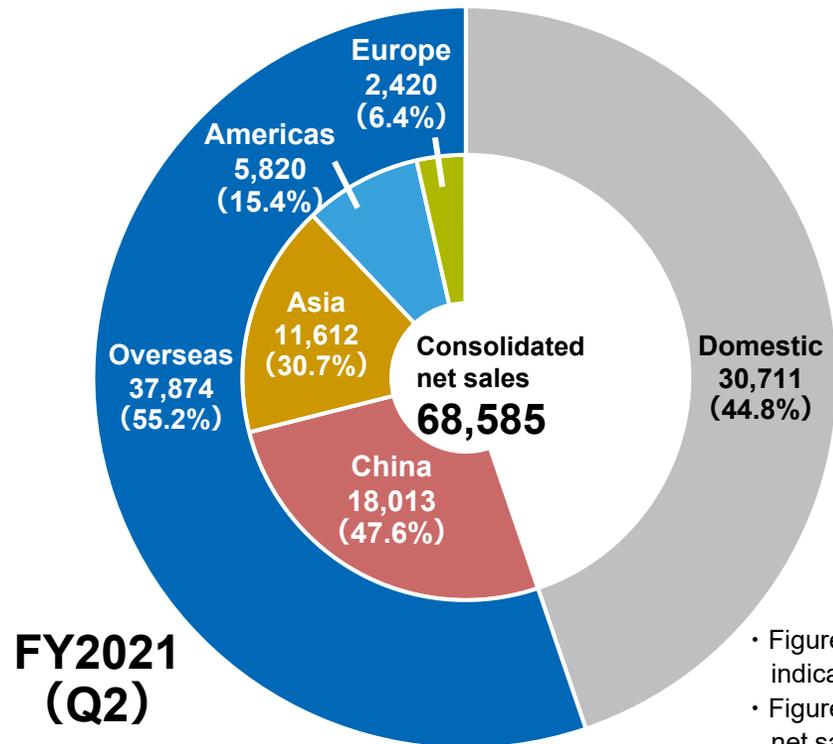
- ✓ Gross profit at record high for a first half.
- ✓ Quarterly profit remained nearly flat, due to an increase in SG&A, partially offset by an increase in non-operating and extraordinary profits.



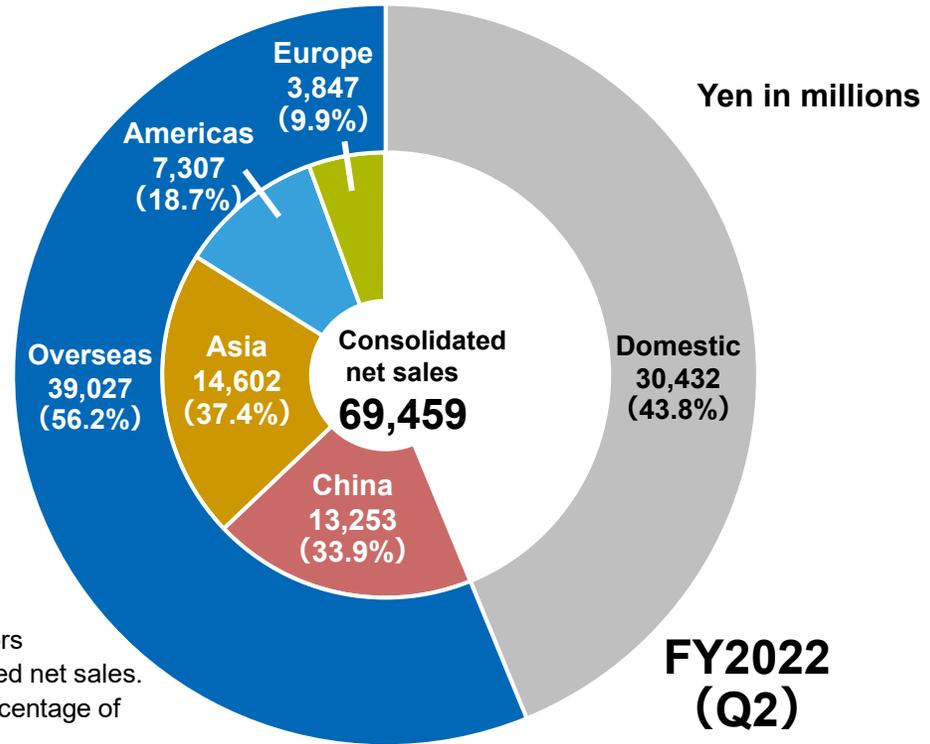
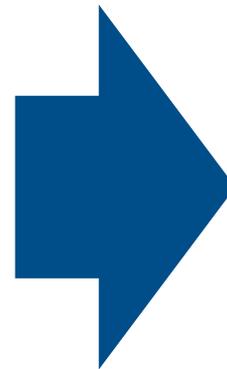
Consolidated Results by Segment (Net Sales/Operating Income)

Yen in millions	Net income				Operating income			
	FY2021(Q2)	FY2022(Q2)	Increase/decrease amount	Increase/decrease rate	FY2021(Q2)	FY2022(Q2)	Increase/decrease amount	Increase/decrease rate
Plant & Energy	6,086	9,045	+ 2,958	+ 48.6%	346	592	+ 246	+ 71.2%
Energy Solutions	8,948	8,524	▲ 424	▲ 4.7%	434	129	▲ 304	▲ 70.1%
Industrial Machinery	7,823	10,011	+ 2,187	+ 28.0%	196	253	+ 57	+ 29.3%
Electronics	25,143	21,719	▲ 3,424	▲ 13.6%	1,412	1,299	▲ 113	▲ 8.0%
Automobile	14,328	13,218	▲ 1,109	▲ 7.7%	491	360	▲ 131	▲ 26.7%
Healthcare	5,323	5,832	+ 508	+ 9.6%	543	556	+ 12	+ 2.4%
Aviation & Social Infrastructure	816	997	+ 181	+ 22.3%	▲ 48	▲ 93	▲ 44	-
Total	68,585	69,459	+ 874	+ 1.3%	3,043	2,859	▲ 184	▲ 6.1%

Overseas Sales Ratio and Net Sales by Global Area (Based on delivery destinations)



FY2021 (Q2)



FY2022 (Q2)

- Figures in brackets in domestic and overseas sectors indicate percentage of net sales against consolidated net sales.
- Figures in brackets in each global area indicate percentage of net sales against overseas sales.

FY2022 (Q2)

China ↓ ▲ 13.7%

■ Shanghai lockdown's impact

Asia ↑ +6.7%

■ Solid performance driven by Indonesia's large-scale food manufacturing plant project, as well as India's motorcycle manufacturing plant project

Americas ↑ +3.3%

■ Business of electric vehicles and painting systems in the auto industry favorable

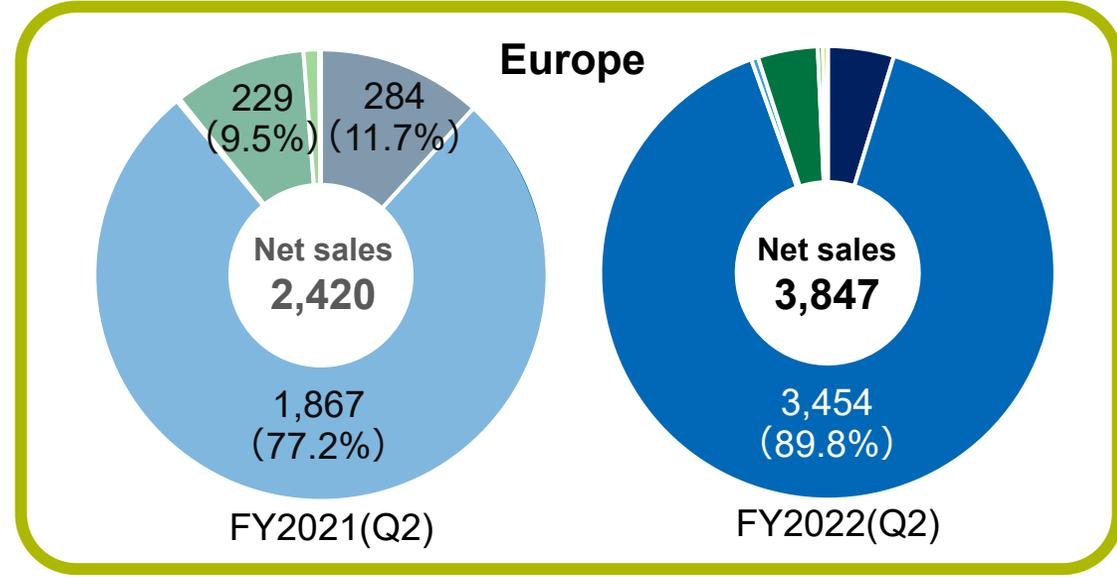
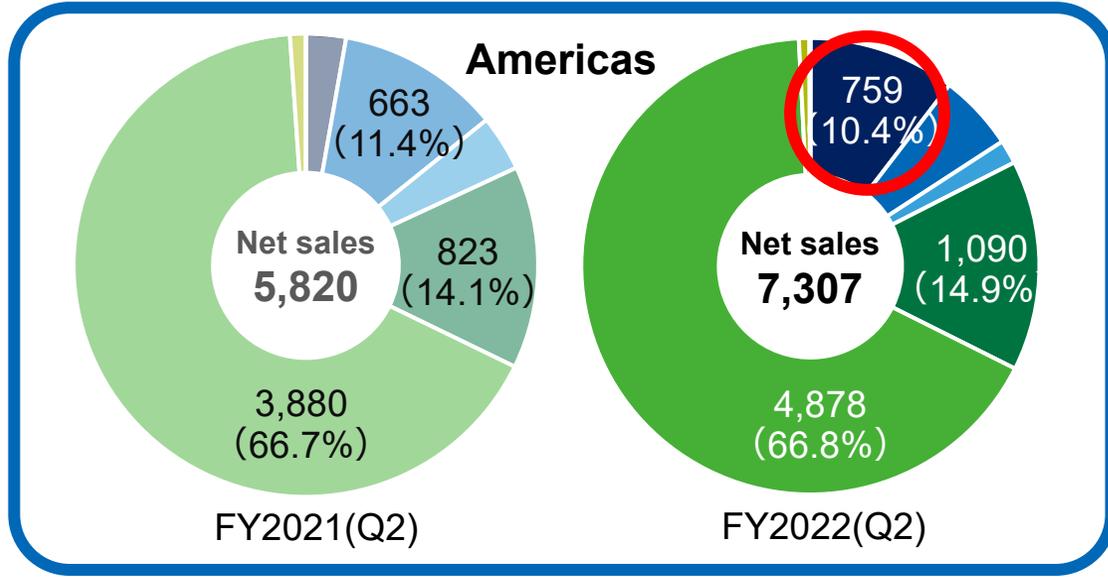
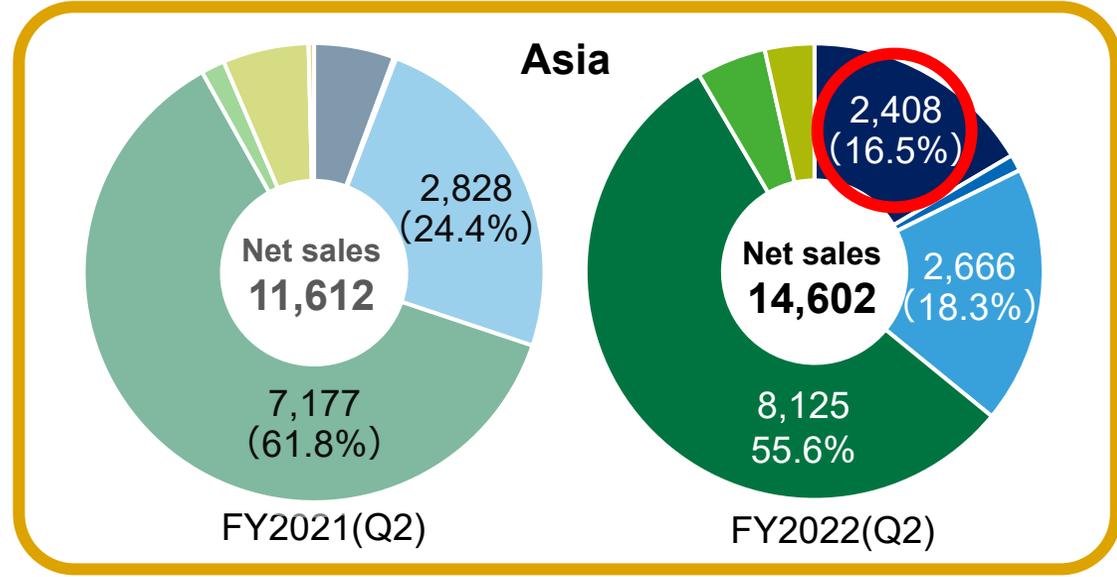
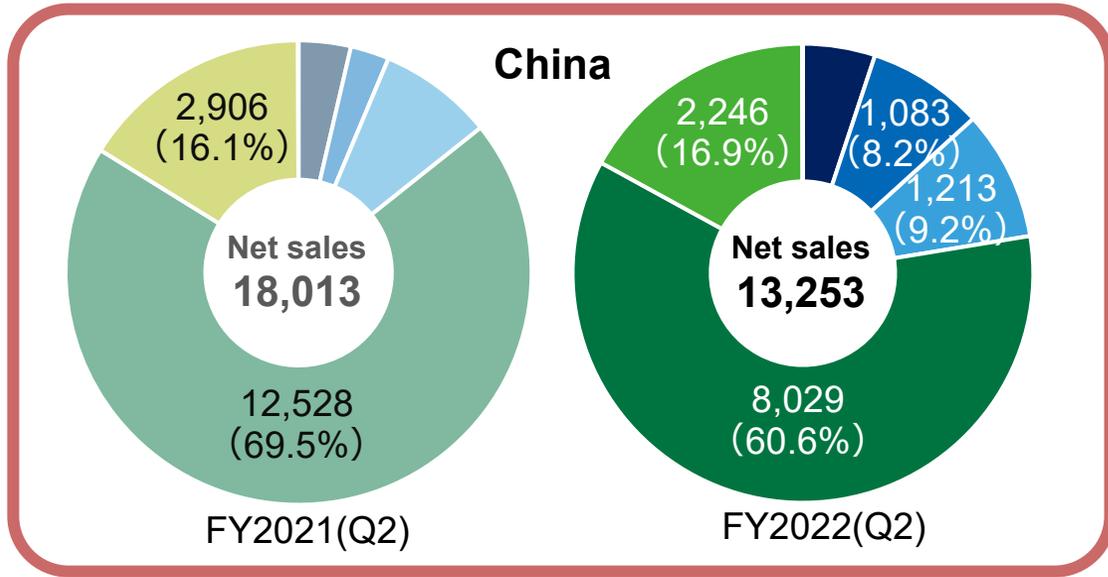
Europe ↑ +3.5%

■ Favorable performance in LIB-related business

Overseas Sales Ratio, Segment's Sales Ratio by Global Area

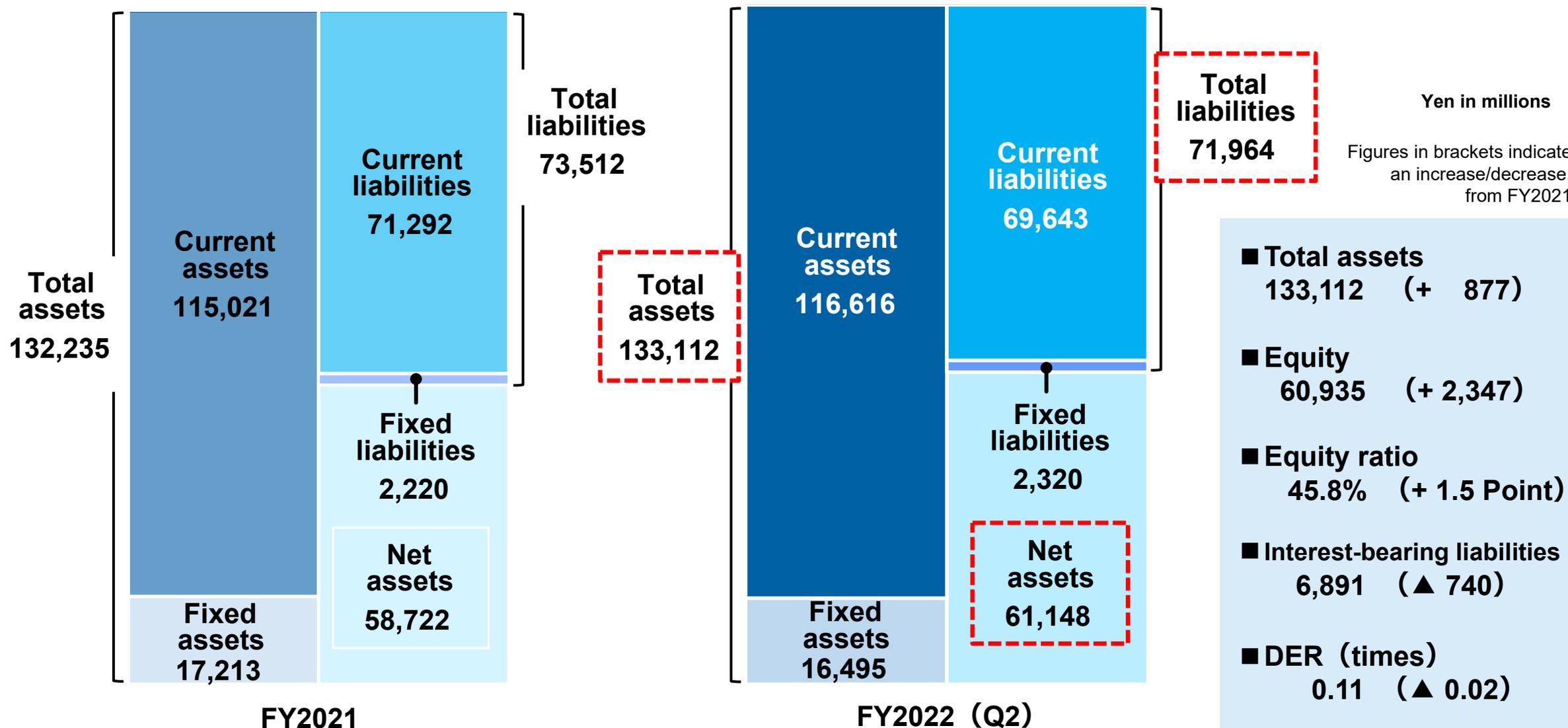
Yen in millions

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



Figures in brackets in each global area indicate percentage of net sales against overseas sales.

Consolidate Financial Position



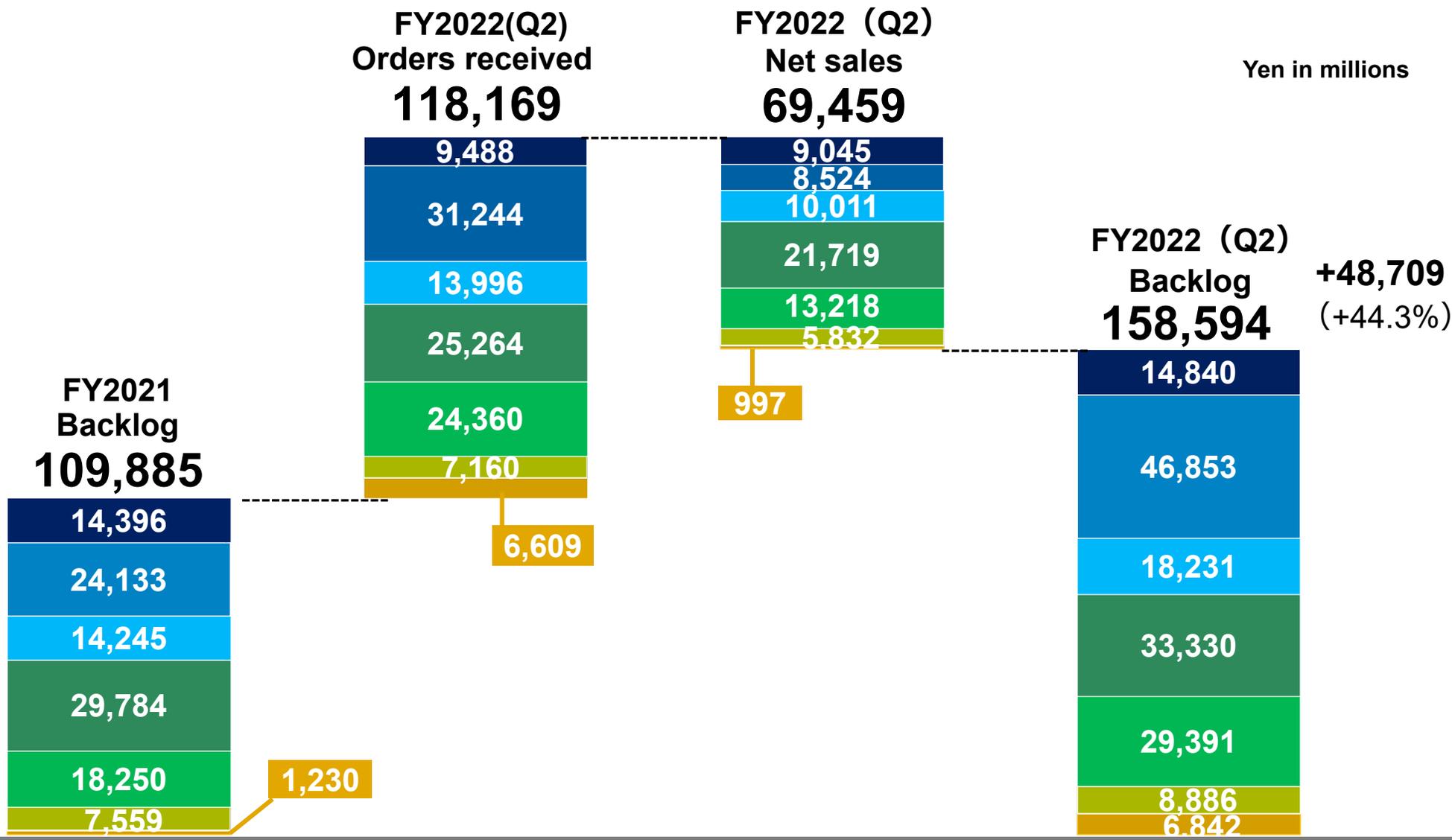
Consolidated Cash Flows

Yen in millions	FY2021(Q2)	FY2022(Q2)	Description
Cash flows from operating activities	▲ 1,866	4,926	Income before income taxes (+ 3,300) Increase in working capital (+ 1,664) Increase in advances from customers (+ 2,823)
Cash flows from investing activities	▲ 869	▲ 1,414	Net decrease (increase) in time deposit (▲1,096) Purchase of property, plant and equipment (▲311) Purchase of intangible assets (▲236)
Cash flows from financing activities	▲ 1,359	▲ 1,942	Increase (decrease) in short-term bank loans-net (▲863) Dividends paid (▲908)
Foreign currency translation adjustment on cash and cash equivalents	657	791	
Net increase in cash and cash equivalents (▲decrease)	▲ 3,437	2,360	
Cash and cash equivalents at beginning of year	31,267	26,782	
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in conclusion	—	193	
Cash and cash equivalents at end of period	27,830	29,336	

Orders Received and Backlog by Segment

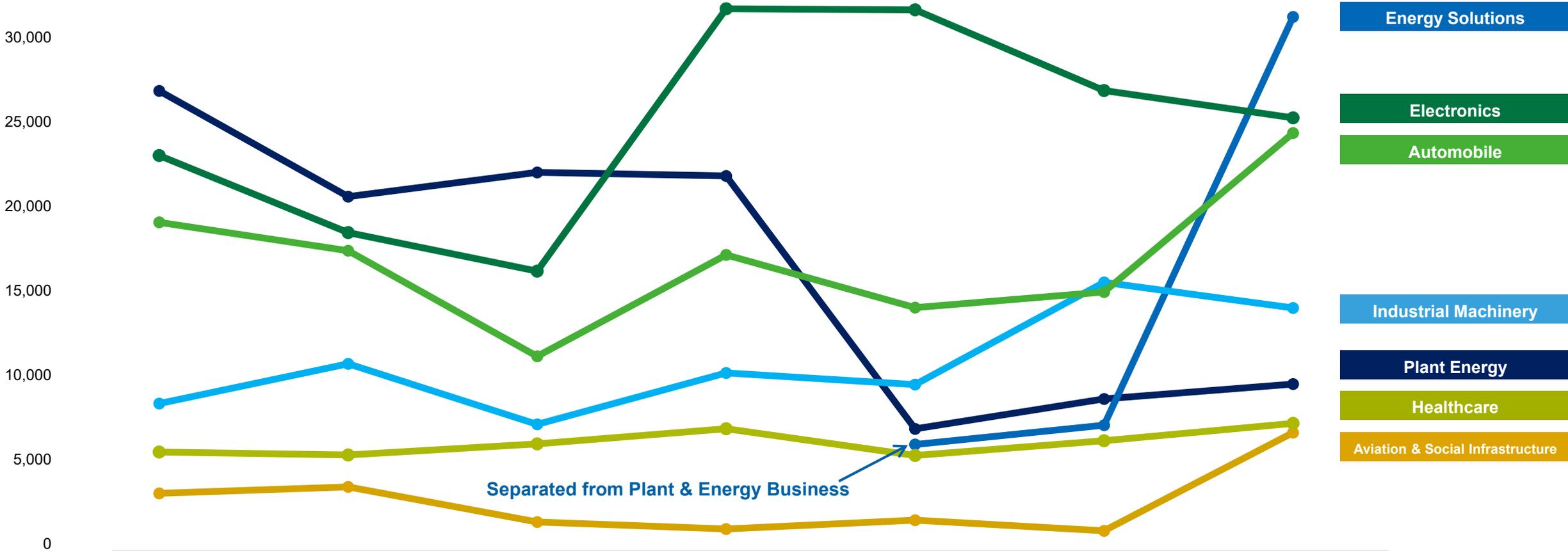
Yen in millions

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- Automobile
- Healthcare
- Aviation & Social Infrastructure



Trends in Orders Received by Segment

Yen in millions



Separated from Plant & Energy Business

Orders received In total

FY2019 (1H) 86,084 **FY2019 (2H) 75,894** **FY2020 (1H) 63,749** **FY2020 (2H) 88,579** **FY2021 (1H) 74,750** **FY2021 (2H) 79,952** **FY2022 (1H) 118,169**

Compared to initial plan (91,000) +29.9%

↑ "Accounting Standard for Revenue Recognition" etc. has been adapted since this point.



Ⅱ . Financial Forecasts for FY2022

- **Financial Forecasts for FY2022**
- **Financial Forecasts by Segment for FY2022**
- **Shareholder Returns**

FY2022 Consolidated Earnings Forecasts

Yen in millions	FY2021	FY2022 forecasts		Revised FY2022 Forecasts Increase/decrease rate	
	Results	Previous forecasts	Revised forecasts	Change from FY2021 Results	Change from previous forecasts
Orders received	154,702	170,000	209,000	+ 35.1%	+ 22.9%
Net sales	148,075	140,000	151,000	+ 2.0%	+ 7.9%
Operating income	6,866	5,500	5,500	▲ 19.9%	–
Ordinary income	7,792	5,800	5,900	▲ 24.3%	+ 1.7%
Profit attributable to owners or parent	5,363	3,900	5,200	▲ 3.0%	+ 33.3%

FY2022 Consolidated Earnings Forecasts by Segment

Yen in millions	Net sales					Operating income				
	FY2022 1H Results	FY2022 2H Forecasts	FY2022 Forecasts	Previous forecasts	Increase/decrease from previous forecasts	FY2022 1H Results	FY2022 2H Forecasts	FY2022 Forecasts	Previous forecasts	Increase/decrease from previous forecasts
Plant & Energy	9,045	9,500	18,545	16,100	+ 2,445	592	443	1,036 ^(*)	846	+ 190
Energy Solutions	8,524	10,300	18,824	13,200	+ 5,624	129	70	200 ^(*)	61	+ 139
Industrial Machinery	10,011	12,300	22,311	17,600	+ 4,711	253	273	527 ^(*)	551	▲ 24
Electronics	21,719	27,500	49,219	52,300	▲ 3,081	1,299	976	2,275	2,200	+ 75
Automobile	13,218	13,800	27,109 ^(*)	27,000	+ 109	360	279	639	819	▲ 180
Healthcare	5,832	7,500	13,333 ^(*)	11,100	+ 2,233	556	597	1,154 ^(*)	1,066	+ 88
Aviation & Social Infrastructure	997	1,100	2,098 ^(*)	2,700	▲ 602	▲ 93	▲ 159	▲ 252	▲ 42	▲ 210
Total	69,459	81,540	151,000^(*)	140,000	+ 11,000	2,859	2,641	5,500	5,500	-

*Adjustment values are included in figures.

Shareholder Returns

Dividend policy (consolidated)

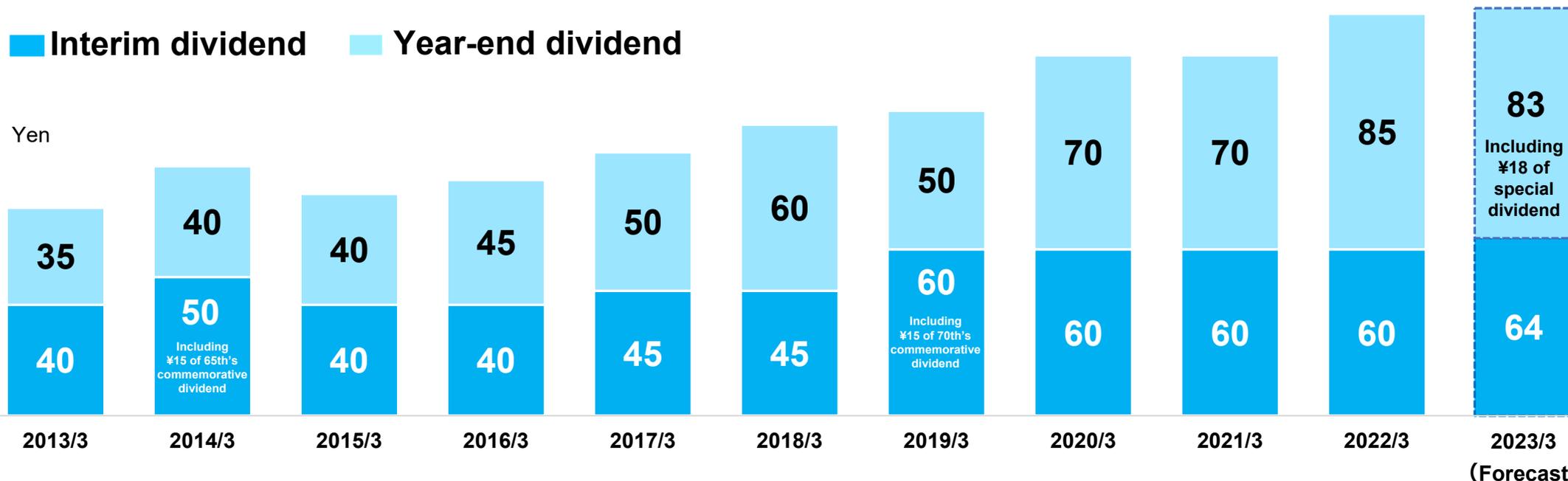
We will pay out appropriate levels of dividends in accordance with our business performance. As a standard guide, the dividend payout ratio will be 30% of profit attributable to owners of parent.

Acquisition of treasury stock

Total number of shares repurchased: Up to 250,000 shares
 Total amount of repurchase price : Up to 1 billion yen
 Repurchase period: From November 7, 2022, to May 31, 2023

■ Interim dividend ■ Year-end dividend

Yen



Annual dividends	¥75	¥90	¥80	¥85	¥95	¥105	¥110	¥130	¥130	¥145	¥147
Dividend Payout Ratio (consolidated)	25.9%	38.8%	29.4%	34.5%	30.4%	23.7%	26.3%	28.5%	29.2%	28.9%	30.3%

Note : (1) 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.

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

Ⅲ. Progress of Medium-term Business Plan

■ Qualitative Targets of Medium-term Business Plan, MT2024

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

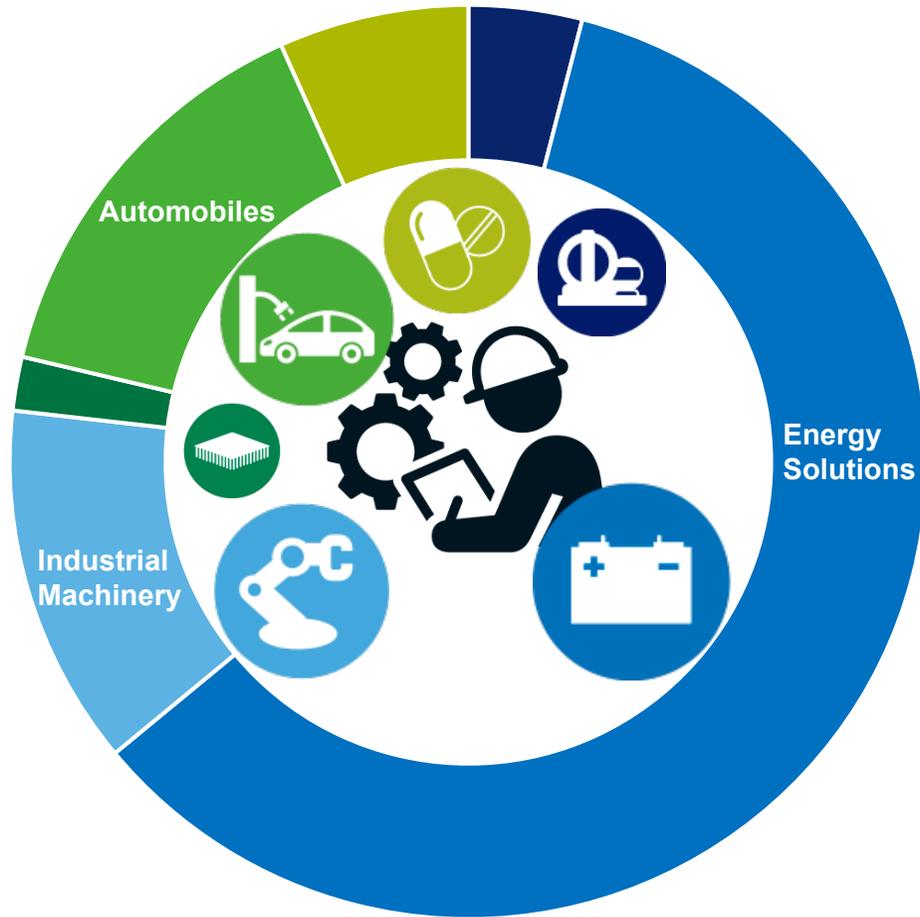
- Implement reformation of our earning model by growth investments and improve capital efficiency, keeping a stable financial base.

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.



Percentage of orders received in project business by segment

Examples for project business* by segment

Plant & Energy

- EPC for binary power generators
- Prime contractors for plant equipment

Energy Solutions

- EPC for charging/discharging plants
- LIB manufacturing plants

Industrial Machinery

- Painting plants
- Prime contractors for medical equipment

Electronics

- LOGITO
- Software development

Automobiles

- Painting plants
- Large-scale FA equipment

Healthcare

- Sets of medical equipment
- Prime contractors for general constructors

* JPY100M or more in transaction amounts, and one month or more as completion periods

MT2024 Qualitative Targets (Promotion of sustainability management)

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⑤ Promotion of sustainability management

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

Thank you for your attention.

Contact

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DAIICHI JITSUGYO CO., LTD.

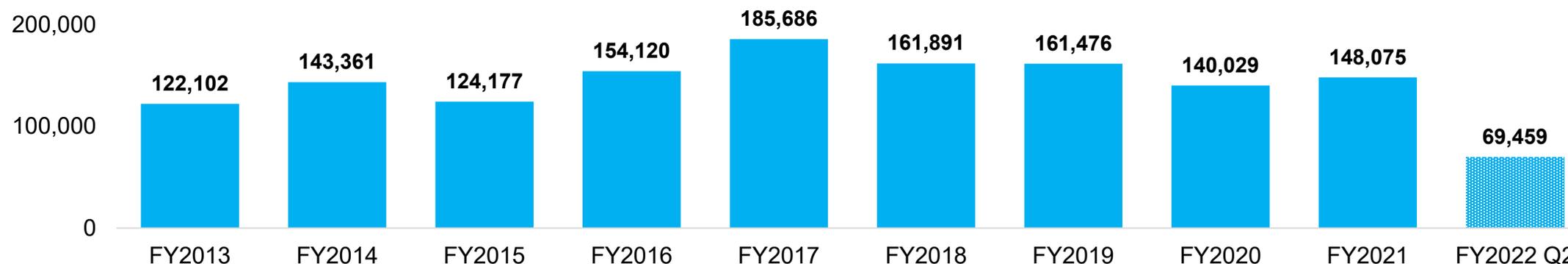
Data and projections contained in this material are based on the information available at the time of publication, and various factors could cause actual results to differ materially and adversely from those presented in such forward-looking statements. These statements are not guarantees and are subject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

Appendix

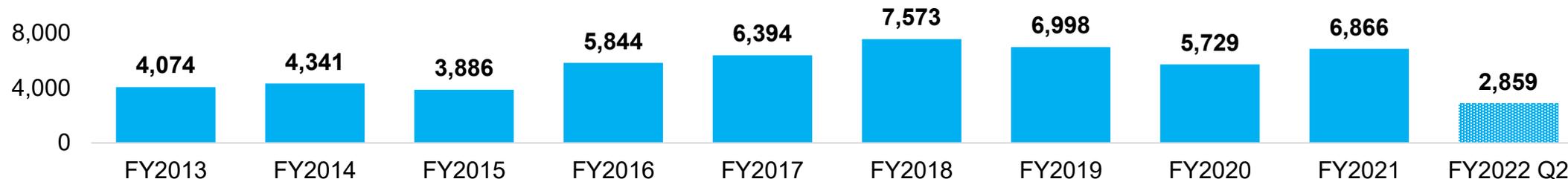
- **Trends in Consolidated Financial Performance**
- **Trends in Consolidated Financial Position**
- **Medium-term Business Plan MT2024**
 - Themes Focused by Segment
 - Financial Targets by Segment
- **Business Segments Profiles**

Trends in Consolidated Financial Performance

Net sales (Yen in millions)



Operating income (Yen in millions)

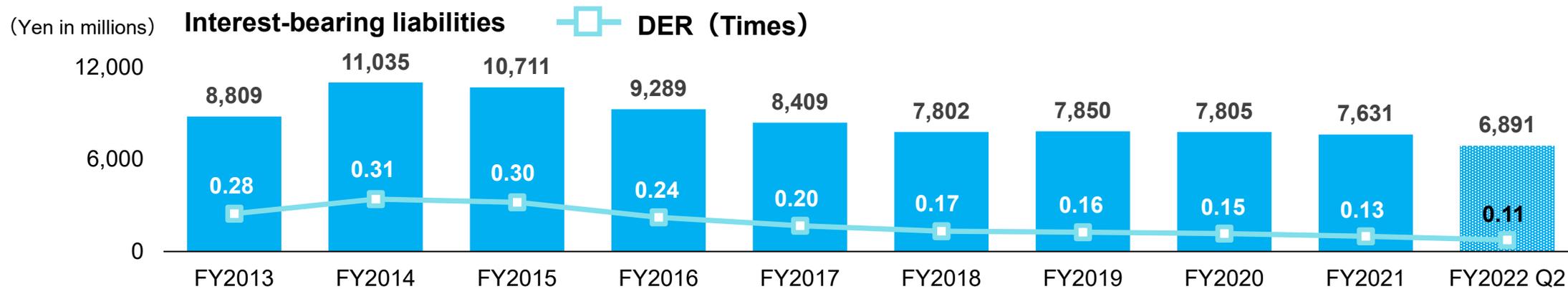
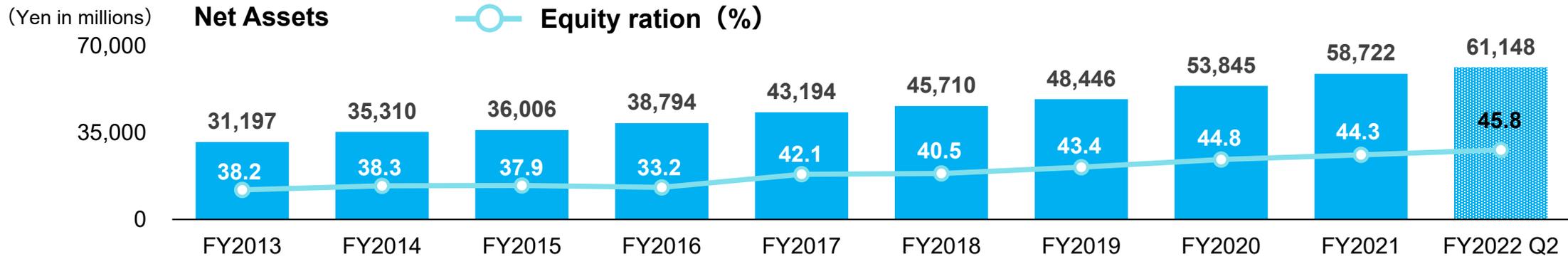
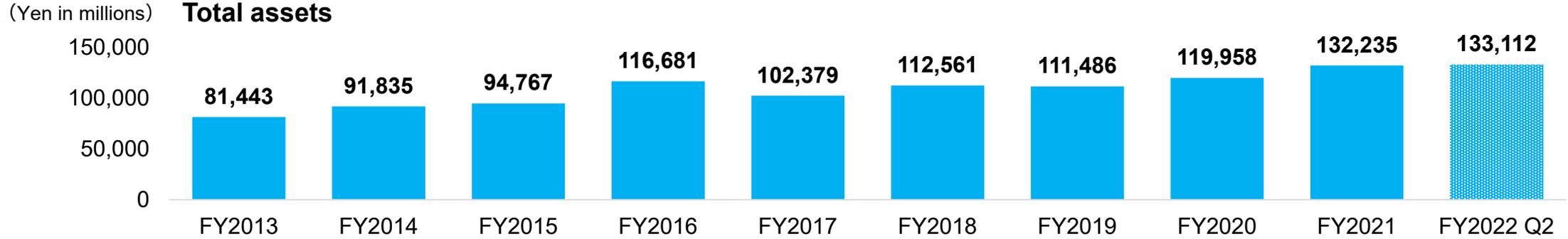


Profit attributable to owners of parent (Yen in millions)



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

Trends in Consolidated Financial Position



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.

MT2024 Financial Targets by Segment

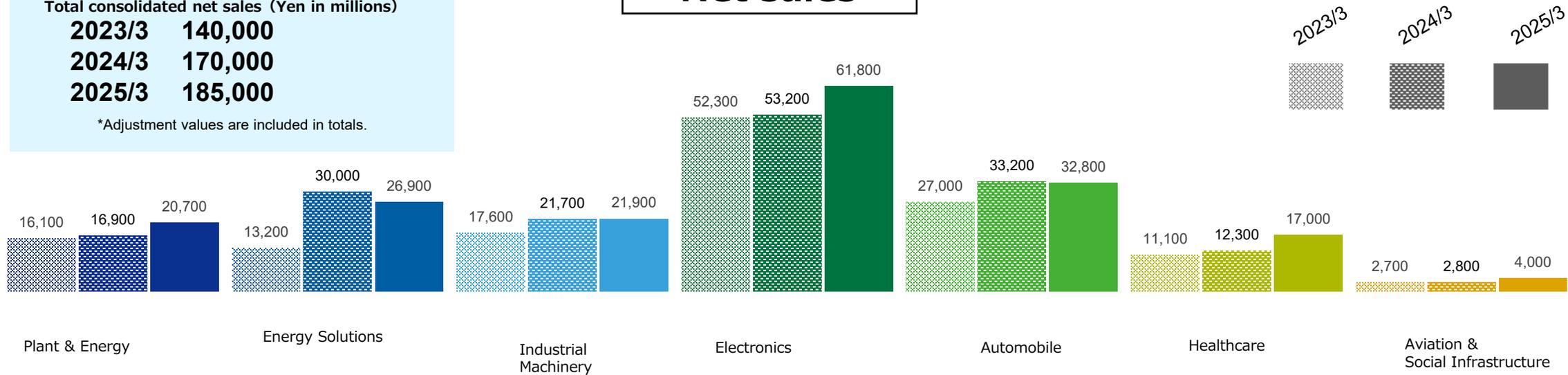
Total consolidated net sales (Yen in millions)

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

*Adjustment values are included in totals.

Net sales

Yen in millions



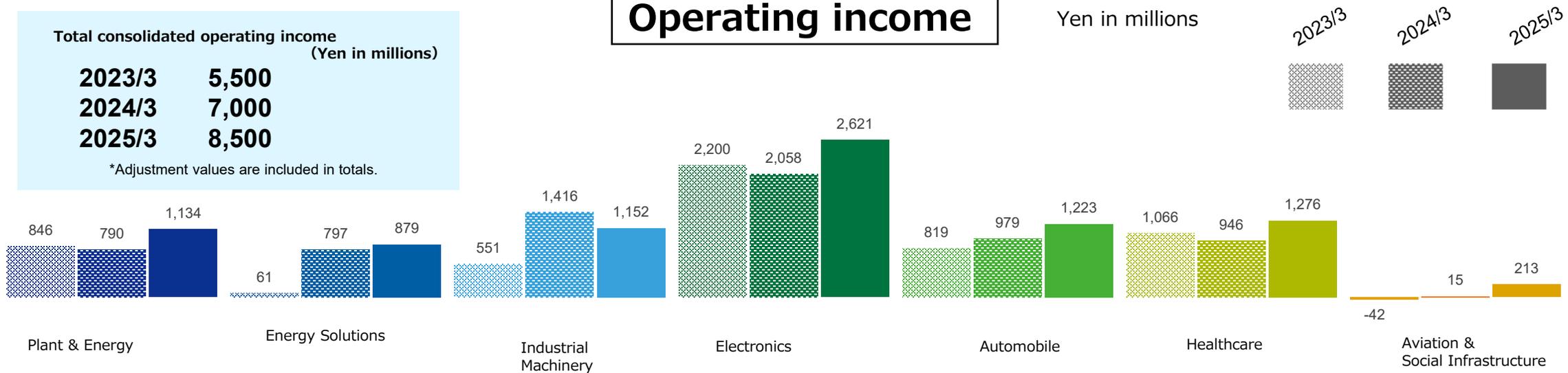
Total consolidated operating income (Yen in millions)

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

*Adjustment values are included in totals.

Operating income

Yen in millions



Plant & Energy Business

Supporting core industries with a wealth of knowledge and new viewpoints

In the field of plant construction, the Company offers equipment and highly specialized technologies based on a wealth of long experience. In the energy field, the Company is promoting initiatives in the renewable energy domain, which will become indispensable in the next generation, such as binary, solar, and biomass power generation. We also focus on proposing solutions geared toward the realization of a decarbonized society and developing related products.

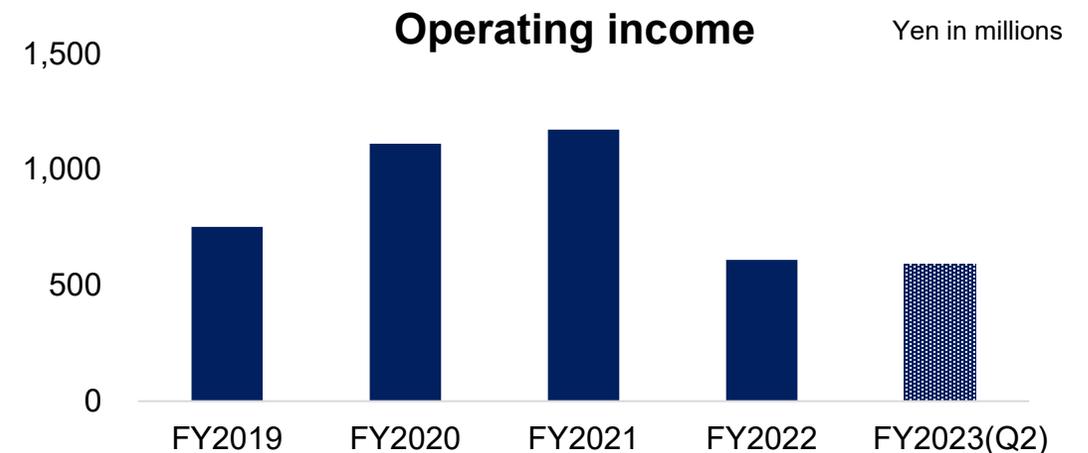
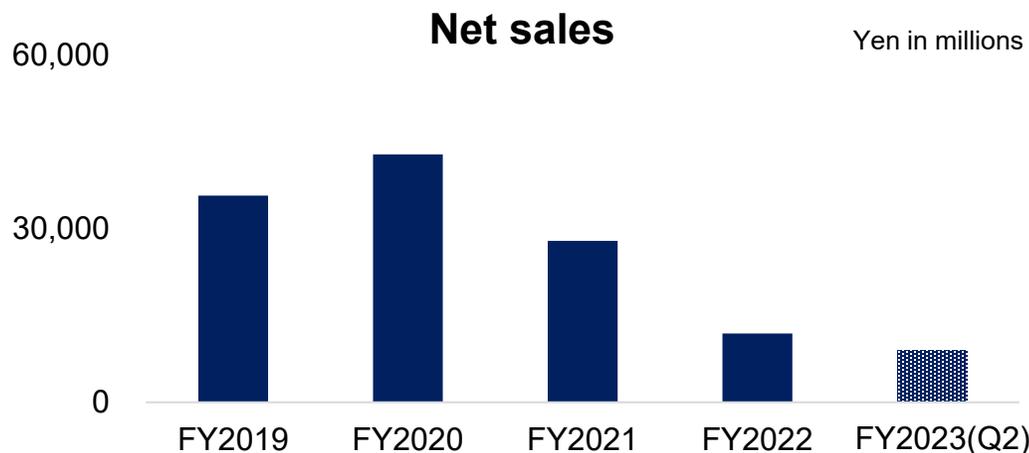
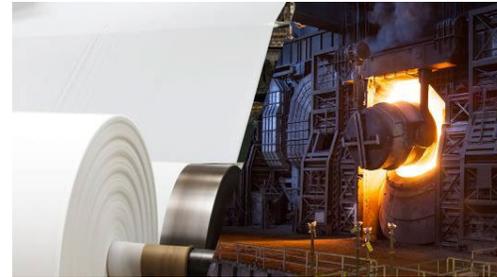
Petroleum / Chemicals



Energy



Papermaking / Steelmaking



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

Energy Solutions Business

Achieving a sustainable society through the next-generation energy field

As energy markets are experiencing a major shift toward a decarbonized society, there has been a surge in the spread of renewable energy and the electrification of mobility. In order to meet diversifying needs in the next-generation energy field, such as with rechargeable batteries, fuel cell batteries, solar and storage batteries, and others, the Company is rolling out an array of solutions by utilizing its global and engineering functions as well as other competencies in its pursuit of a sustainable society.

Materials



Cells / Modules



Solar panels / Storage batteries

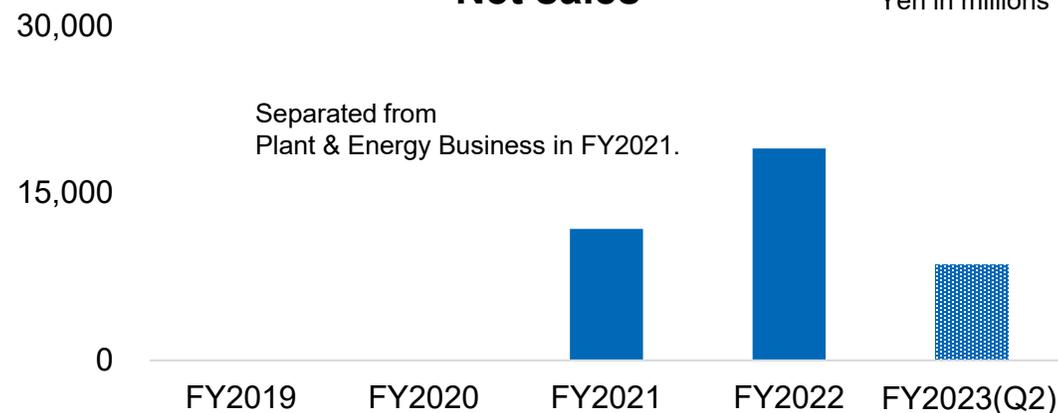


Fuel cells



Net sales

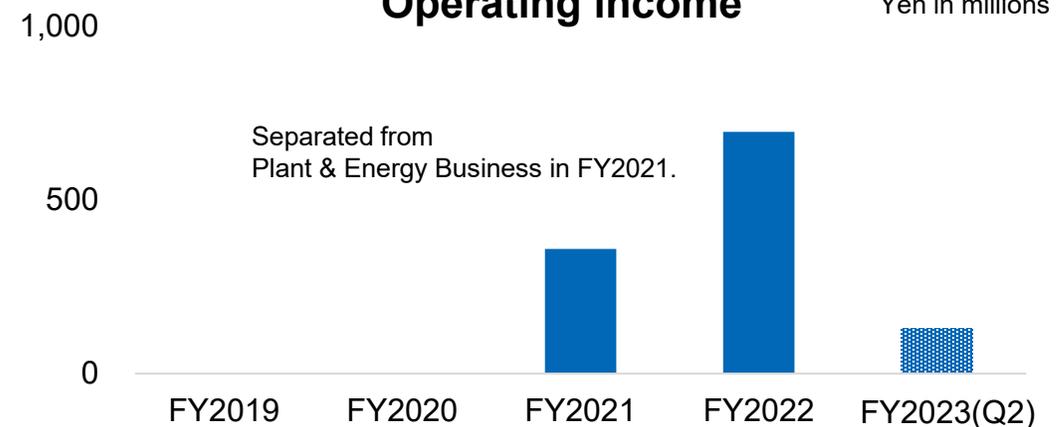
Yen in millions



Separated from Plant & Energy Business in FY2021.

Operating income

Yen in millions



Separated from Plant & Energy Business in FY2021.

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

Industrial Machinery Business

Realizing suitable optimizations through equipment coordination

In the field of manufacturing of household appliances, housing equipment, food packaging, medical equipment and others, the Company mainly proposes coordinating optimal factory automation (FA), flexible manufacturing systems (FMSs), automatic assembly lines, and peripheral equipment to reduce workload and workforce with the aim of increasing productivity. In addition, we also contribute to cost reduction through overseas local procurement and procurement from a third country.

Home / Office appliances



Food packaging



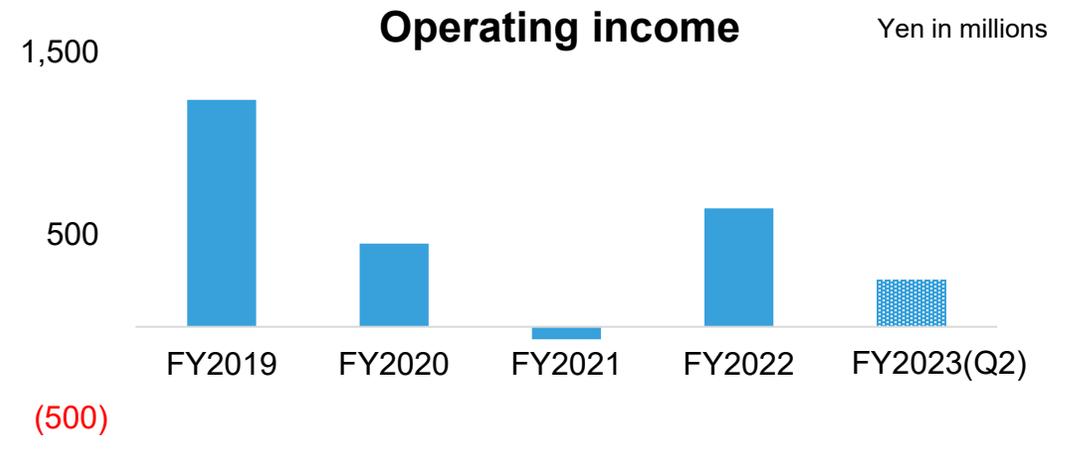
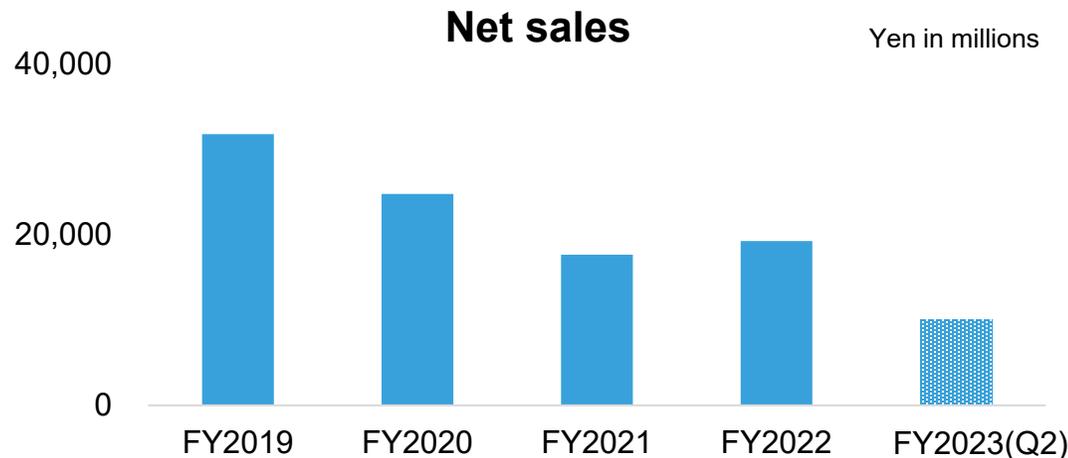
Medical equipment



Housing equipment



Distribution materials



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

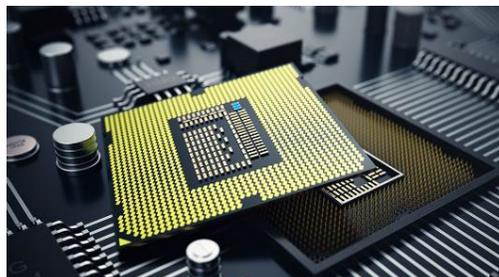
Creating innovation to serve as the core for next-generation electronics

In the fields such as surface mount technology (SMT) and microelectronics, the Company offers solutions to reform manufacturing processes with its state-of-the-art technology and experience, mainly for printed circuit board assembly systems, electronic device systems, and automation equipment. We are striving to create innovative technologies for next-generation electronics through expansion of technical resources and process development.

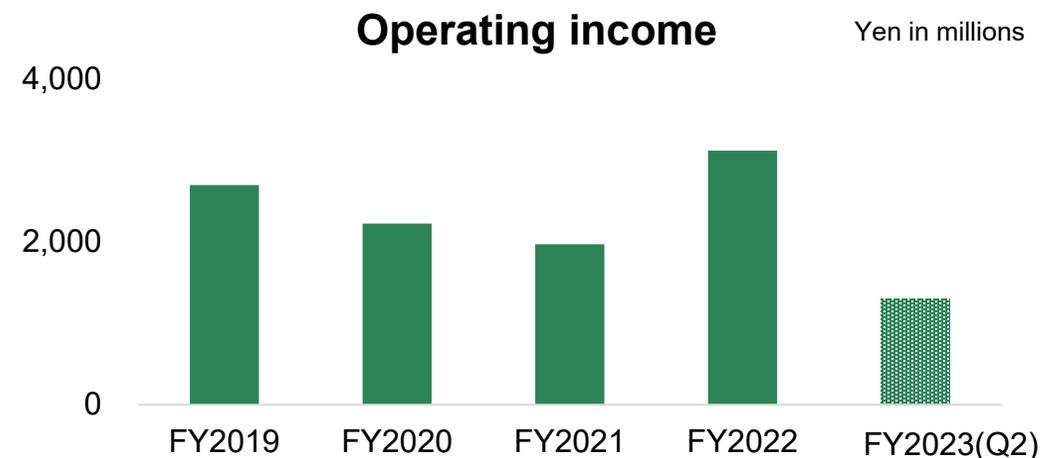
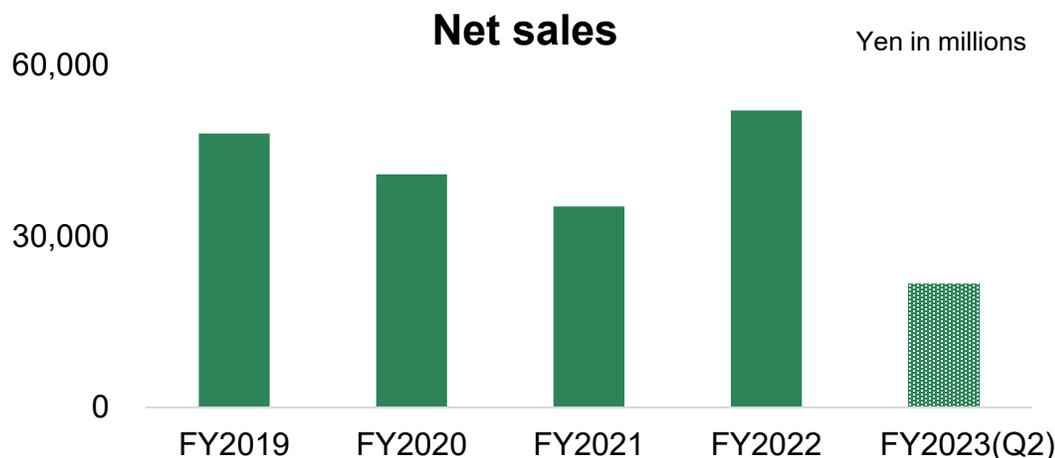
Surface mount technology



Micro electronics



Logistics automation solution, LOGITO



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

Total support for product manufacturing with advanced equipment

The Company is focusing on automobile assembly equipment, interior / exterior auto parts, powertrain components and car-mounted devices as well as making integrated proposals of equipment suitable for various processes, including resin / metal molding and processing, surface treatment, assembly and inspections, which are part of manufacturing of components used for the products mentioned above. In addition, we help spread use of next-generation automobiles by offering advanced production equipment amid rapid changes in the automobile industry towards self-driving vehicles and electrification.

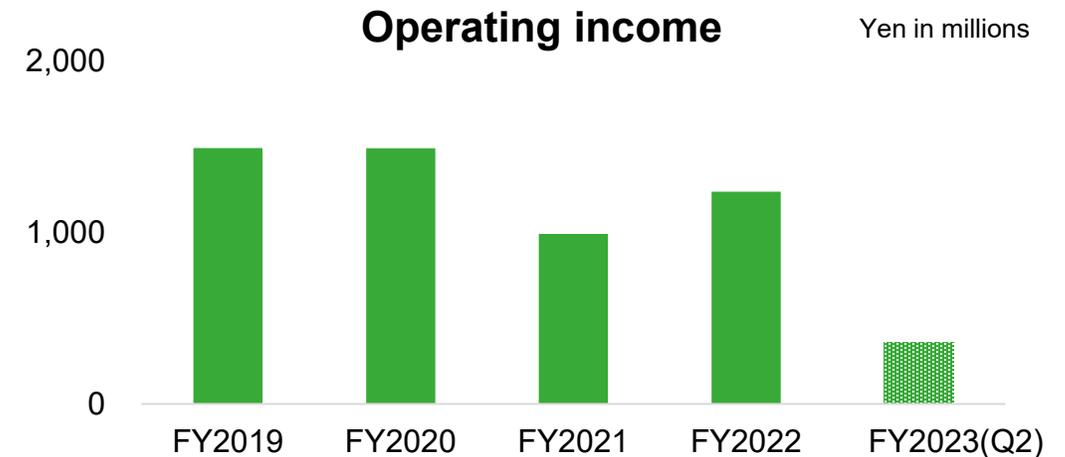
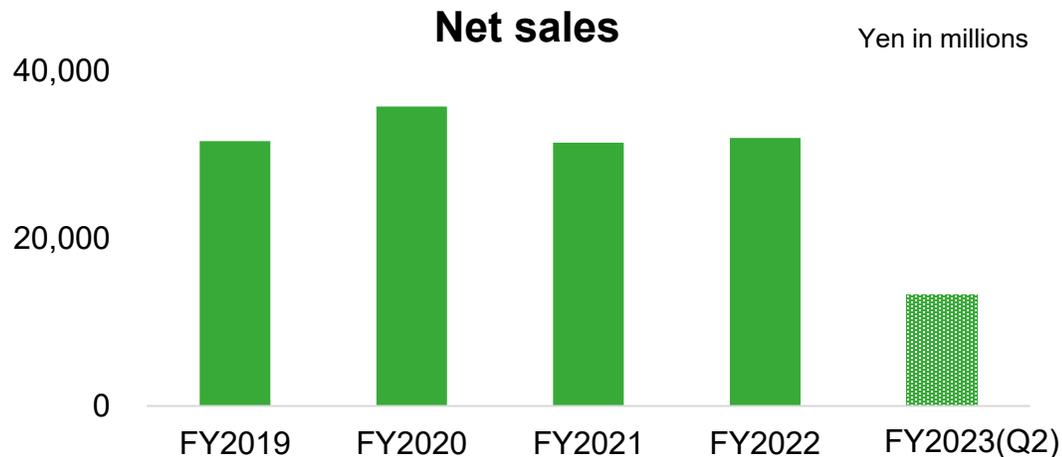
Interior and exterior parts area



Powertrain area



Car electronics / ADAS area



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

Promoting high added value through proactive technology development

Mainly in the field of pharmaceuticals, the Company offers various types of equipment including visual inspection systems for tablets and capsules, tablet printing inspection systems, and automatic packaging lines for solid and injectable drugs. To demonstrate its competitive edge in the industry, we are also proactively working with equipment manufacturers, including our group company DAIICHI JITSUGYO VISWILL CO., LTD., and other business partners to develop new systems for the next generation with the aim of bringing them into the market.

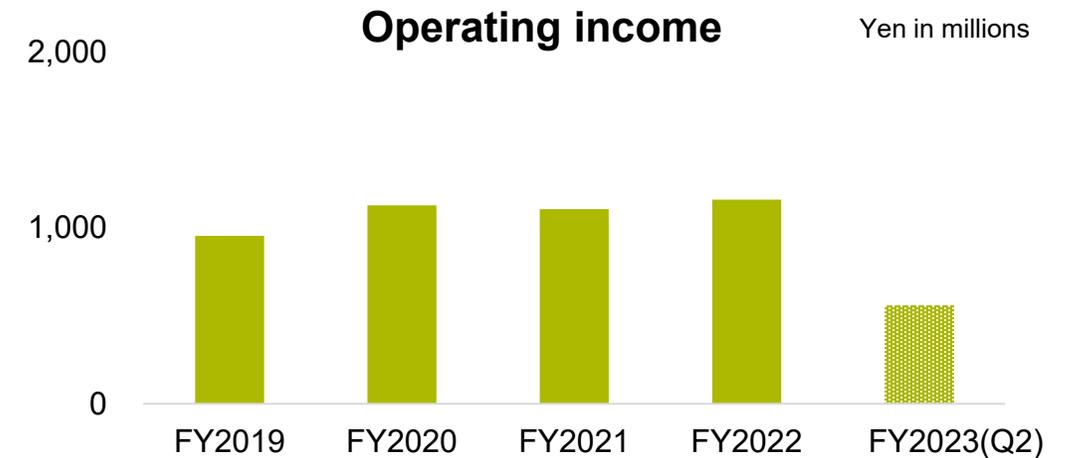
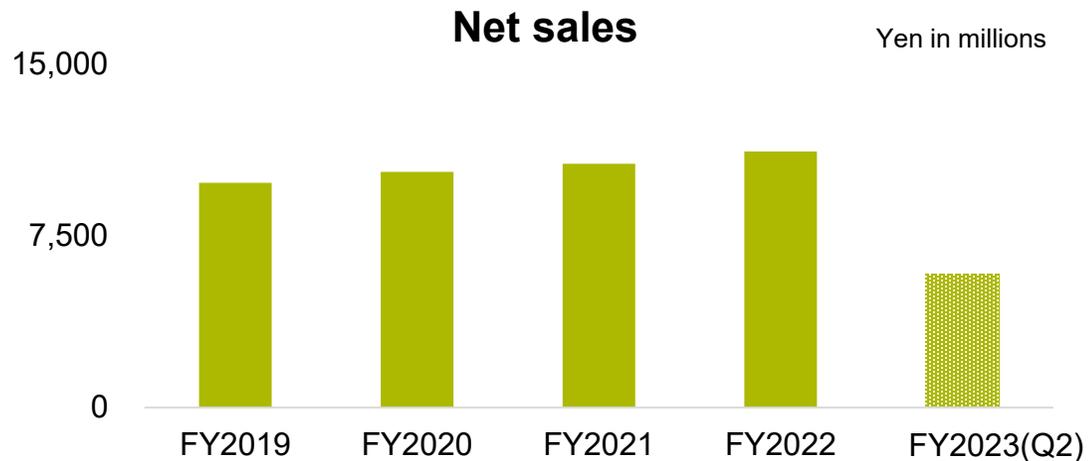
Pharmaceuticals



Cosmetics



Food



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

Aviation & Social Infrastructure Business

Greater safety for the air and region by accurately capturing customer needs

In the fields of aviation and airports, the Company supplies ground support machinery and equipment used in airports mainly to airlines, ground handling agents and airport operators. In the fields of disaster preparedness, we provide national and local governments in Japan with specialized vehicles for firefighting. We import its main products from Europe and the United States, and customizes them for the environments where they will be used and the buyers' needs. In addition, we have a group of experts to provide high-quality after-sales services and support for social infrastructure.

Aviation



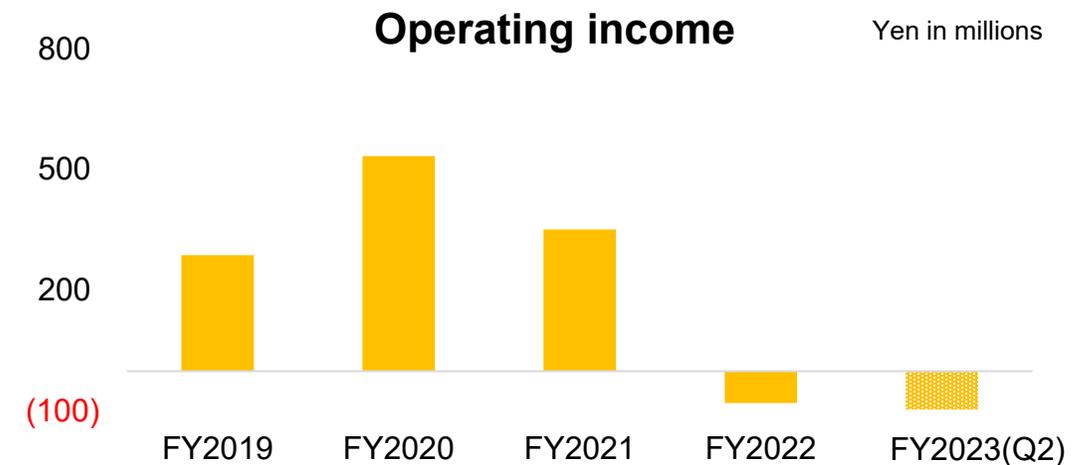
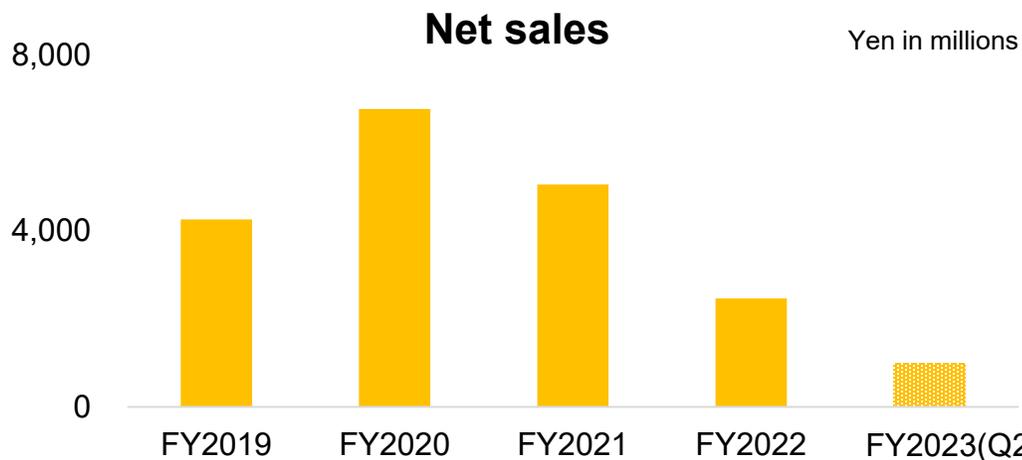
Airports



Disaster preparedness



Customer support



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