

# 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.

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# Contents

1. Outline of Business Results for FY2020
  2. Segment Information
  3. Medium-term Business Plan and FY2021 Earnings Forecasts
  4. Dividend
- ◆ TOPIC  
(Appendix)

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## Summary for Fiscal 2020

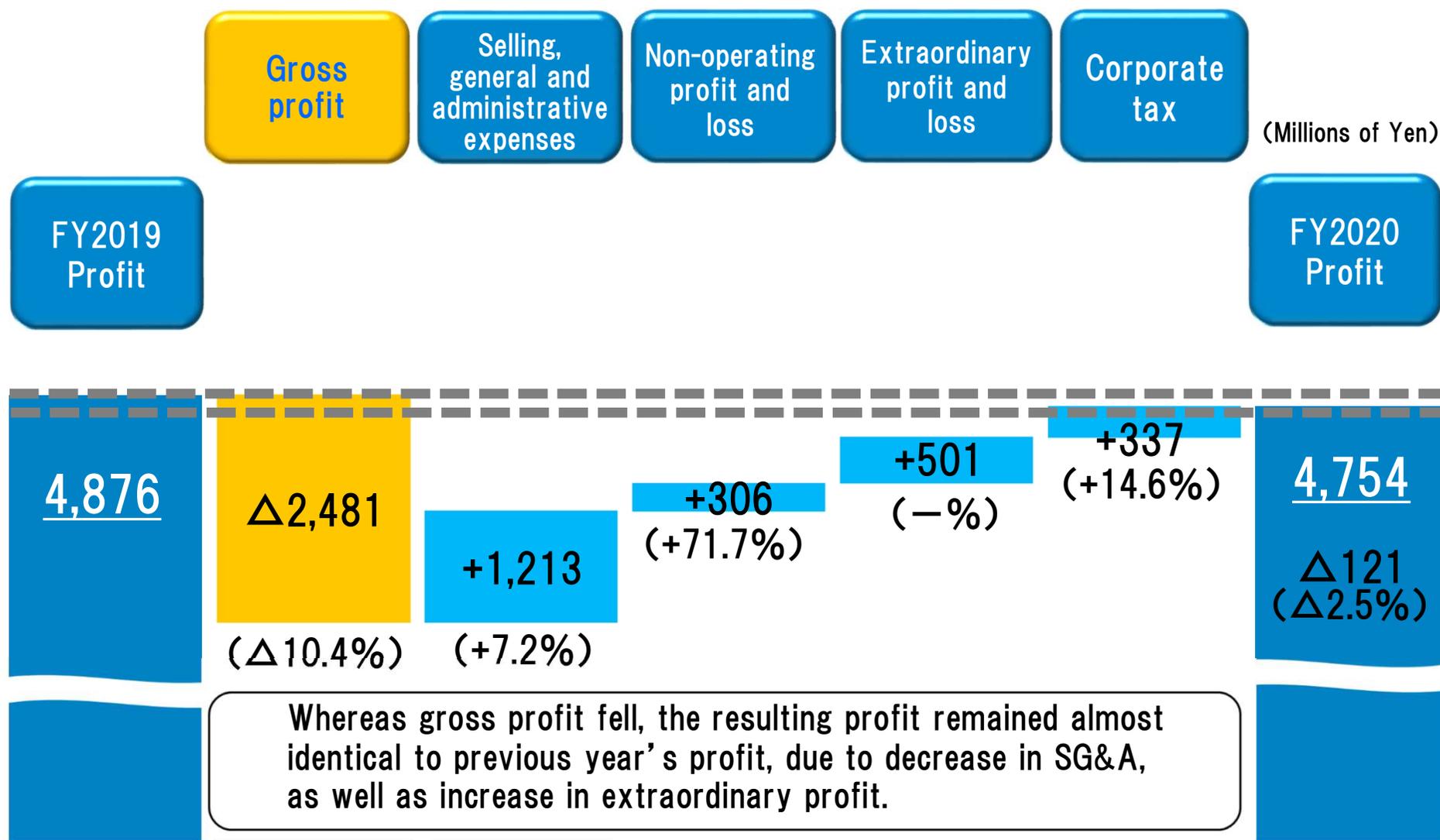
- ◆ Our business adapted well to challenges posed by significant economic and social disruption. Financial results outperformed profit forecasts at each stage.
- ◆ Business performance driven by Plant & Energy Business in first two quarters, and by Electronics in last two quarters. Healthcare Business 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.

## Consolidated Financial Results for FY2020

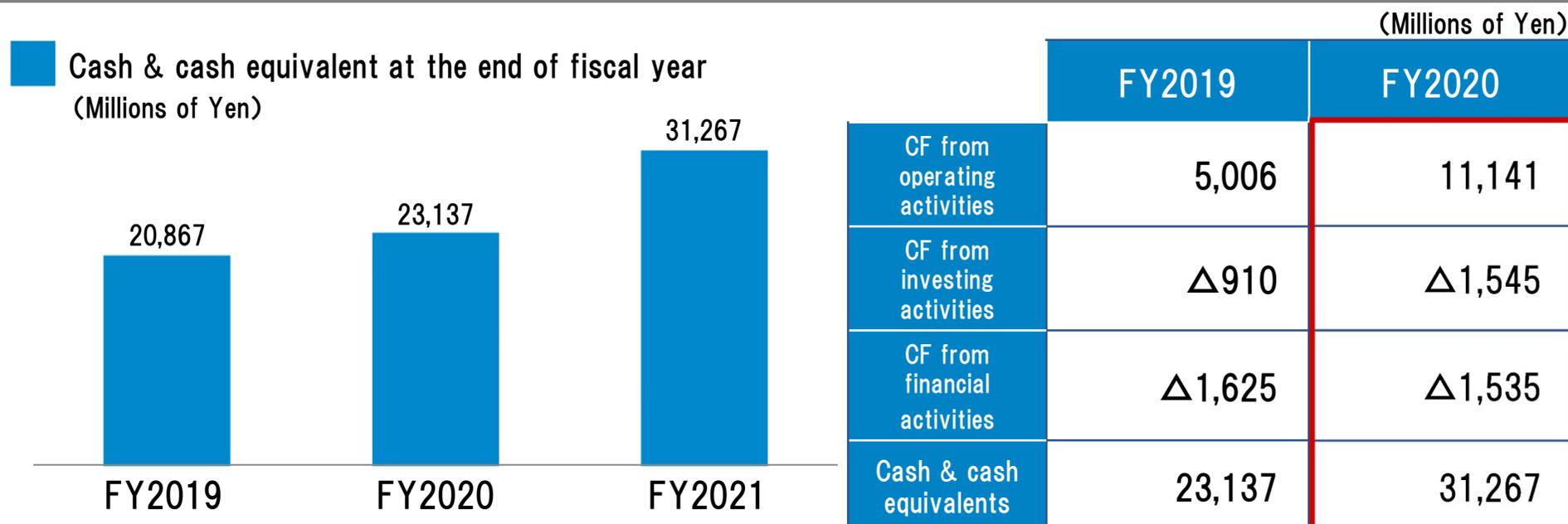
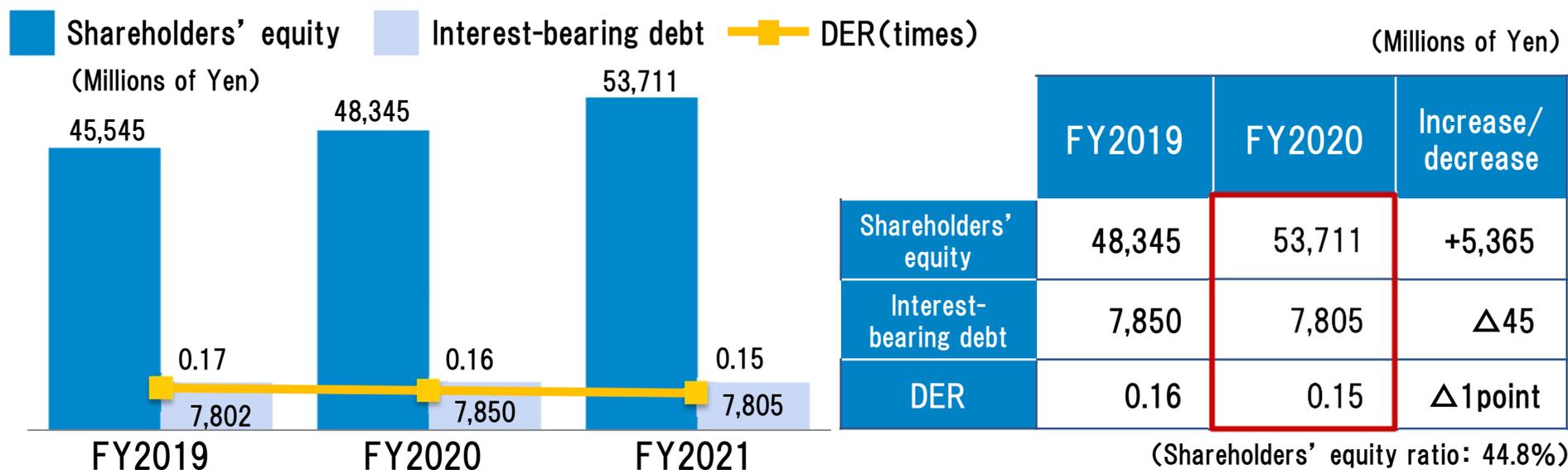
(Millions of Yen)

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

## Summary of Changes in Profit



# Financial Position



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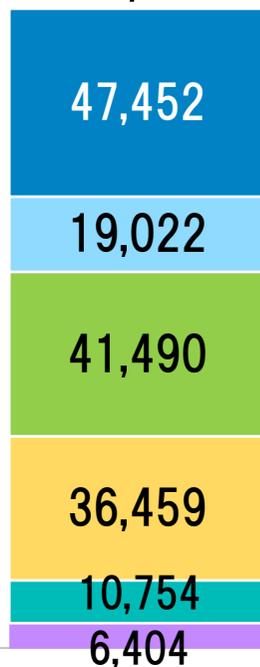
# Segment Information(Order Received, Net Sales)



## Order Received

(Millions of Yen)

161,978



FY2019

152,328

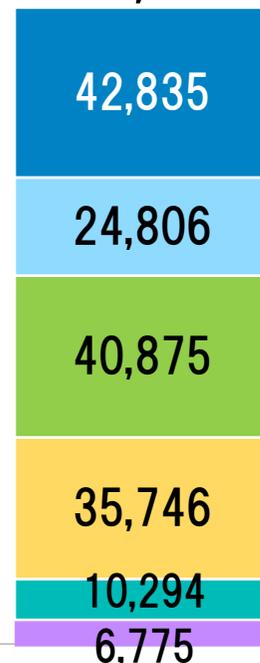


FY2020

## Net Sales

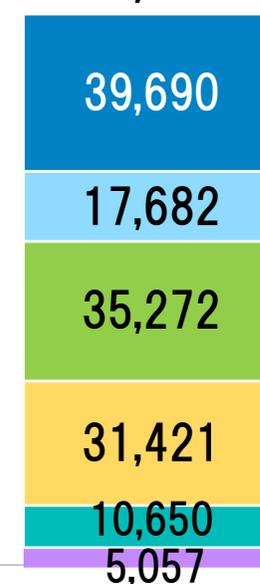
(Millions of Yen)

161,476



FY2019

140,029



FY2020

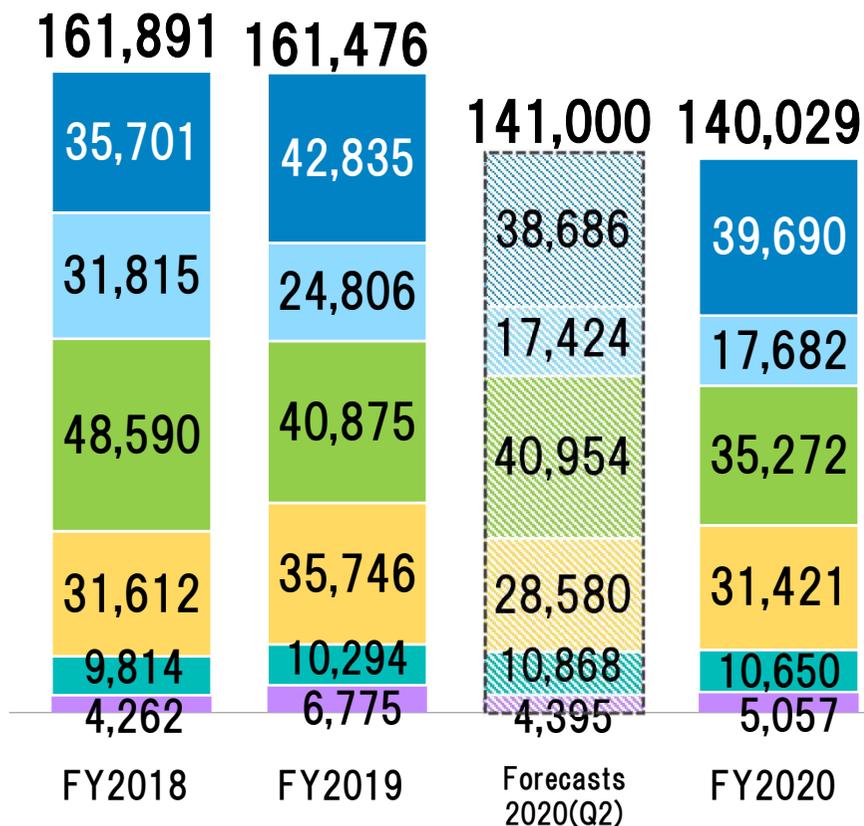
■ Plant & Energy ■ Industrial Machinery ■ Electronics ■ Automobile ■ Healthcare ■ Aviation

# Segment Information(Net Sales, Operating Income)



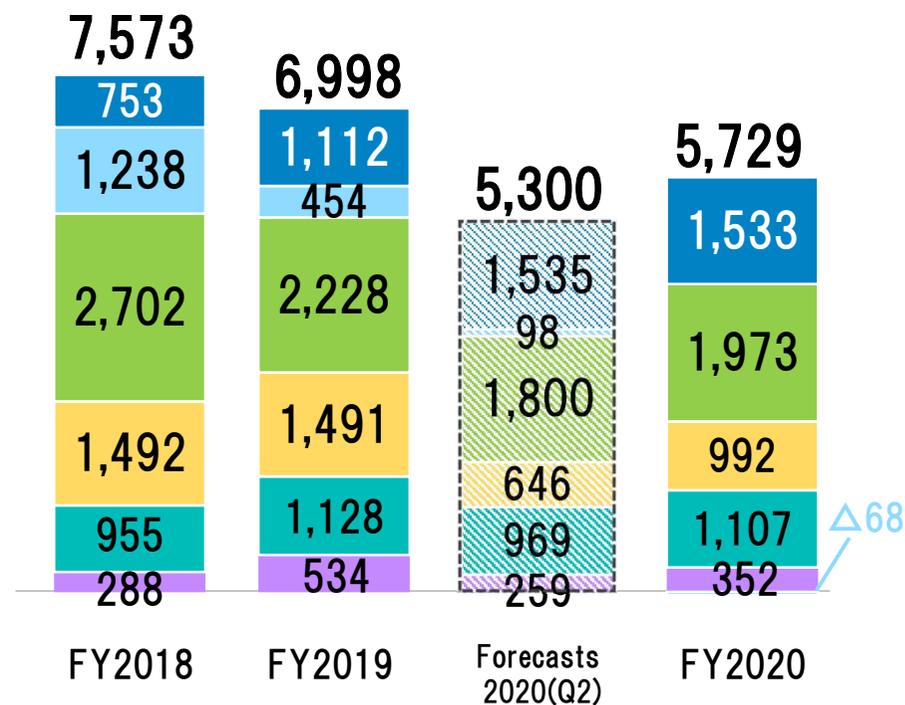
## Net Sales

(Millions of Yen)



## Operating Income

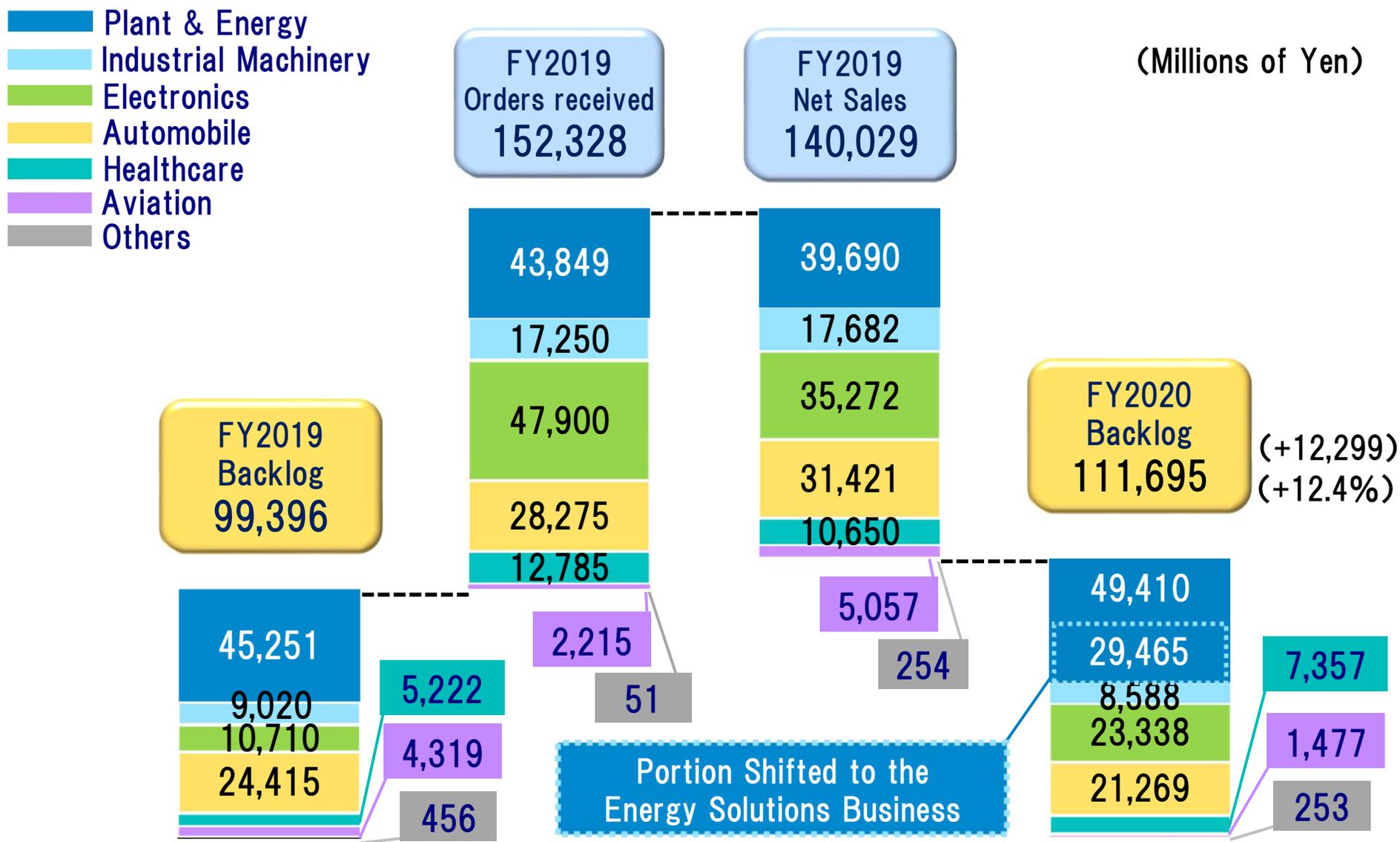
(Millions of Yen)



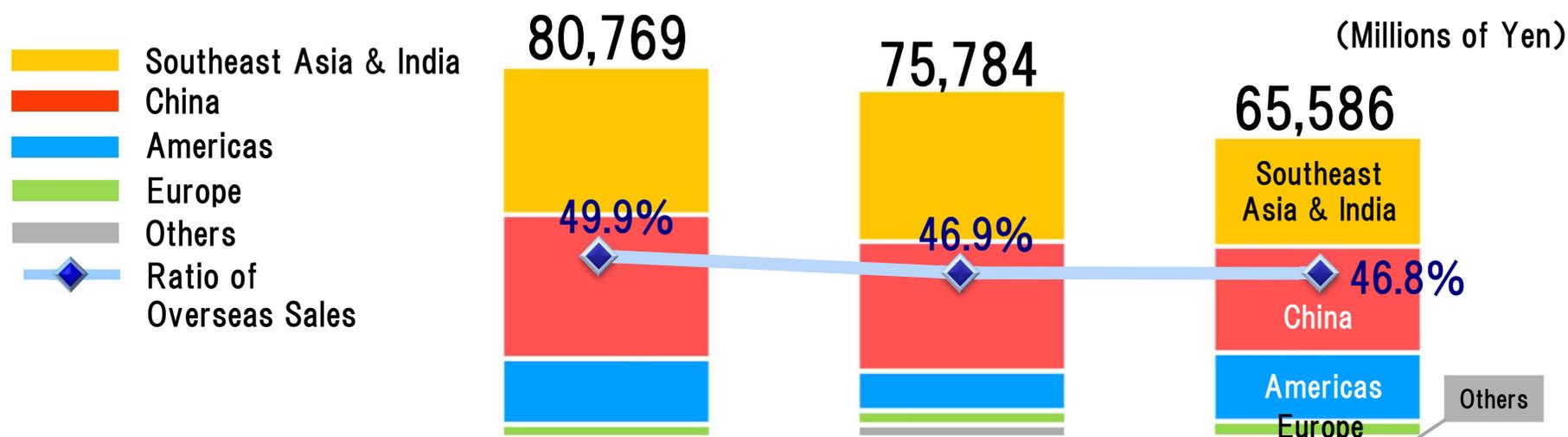
■ Plant & Energy ■ Industrial Machinery ■ Electronics ■ Automobile ■ Healthcare ■ Aviation

(Note) Operating income includes adjustment values.

# Orders Received and Backlog by Segment



# 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%
<b>Total overseas sales</b>	<b>80,769</b>	<b>100.0%</b>	<b>75,784</b>	<b>100.0%</b>	<b>65,586</b>	<b>100.0%</b>
<b>Total sales</b>	<b>161,891</b>		<b>161,476</b>		<b>140,029</b>	
<b>Ratio of overseas sales</b>	<b>49.9%</b>		<b>46.9%</b>		<b>46.8%</b>	

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

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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

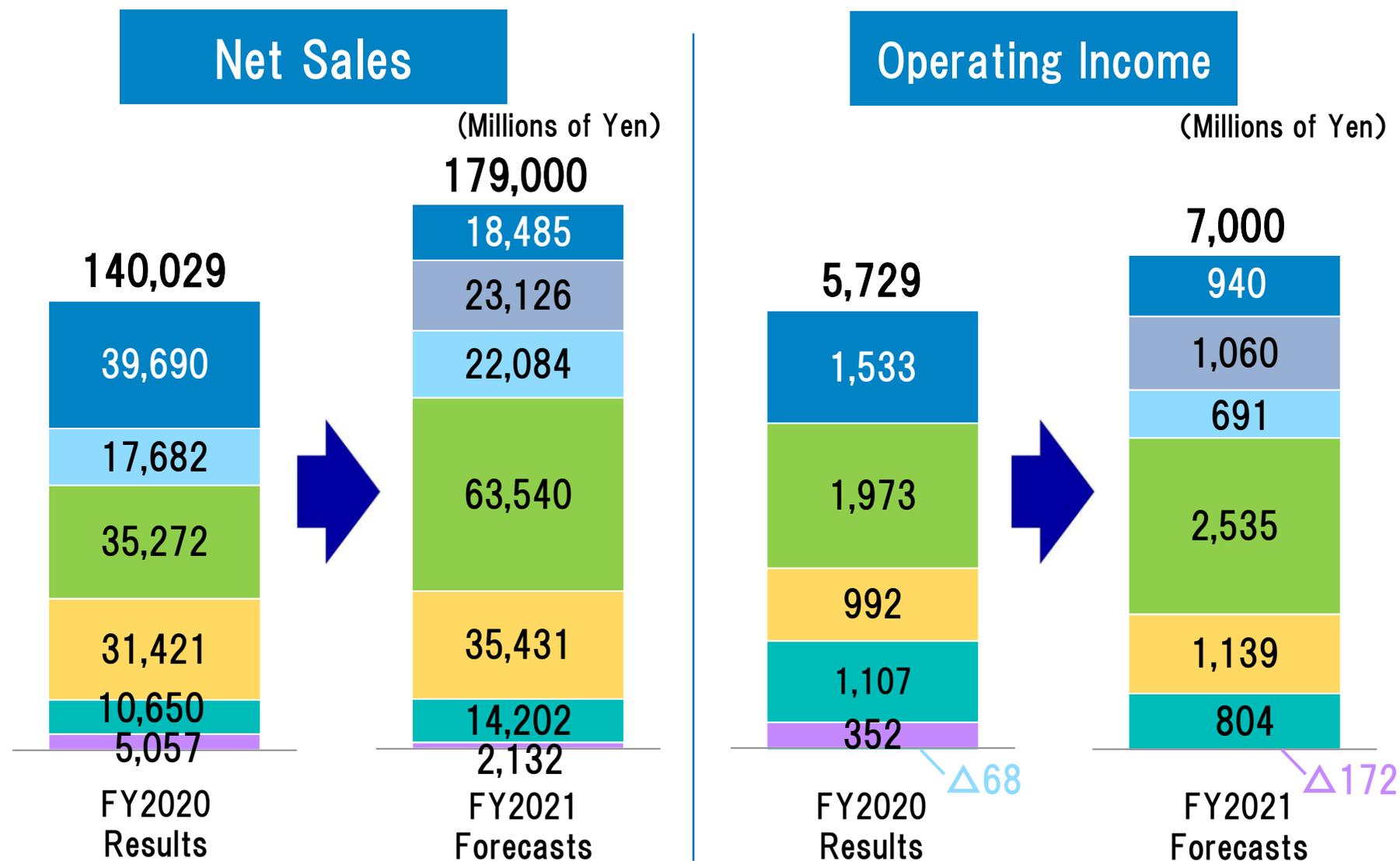
1. Thoroughly enact compliance and reinforce corporate governance.
2. Promote activities from the point of view of ESG.

## Forecast FY2021

	FY2020 Results	FY2021 Forecasts	Change from FY2020	FY2021 Targets (Released on May 19)	Progress rate
Net sales	140,029	<b>*179,000</b>	+27.8%	<b>*185,000</b>	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%

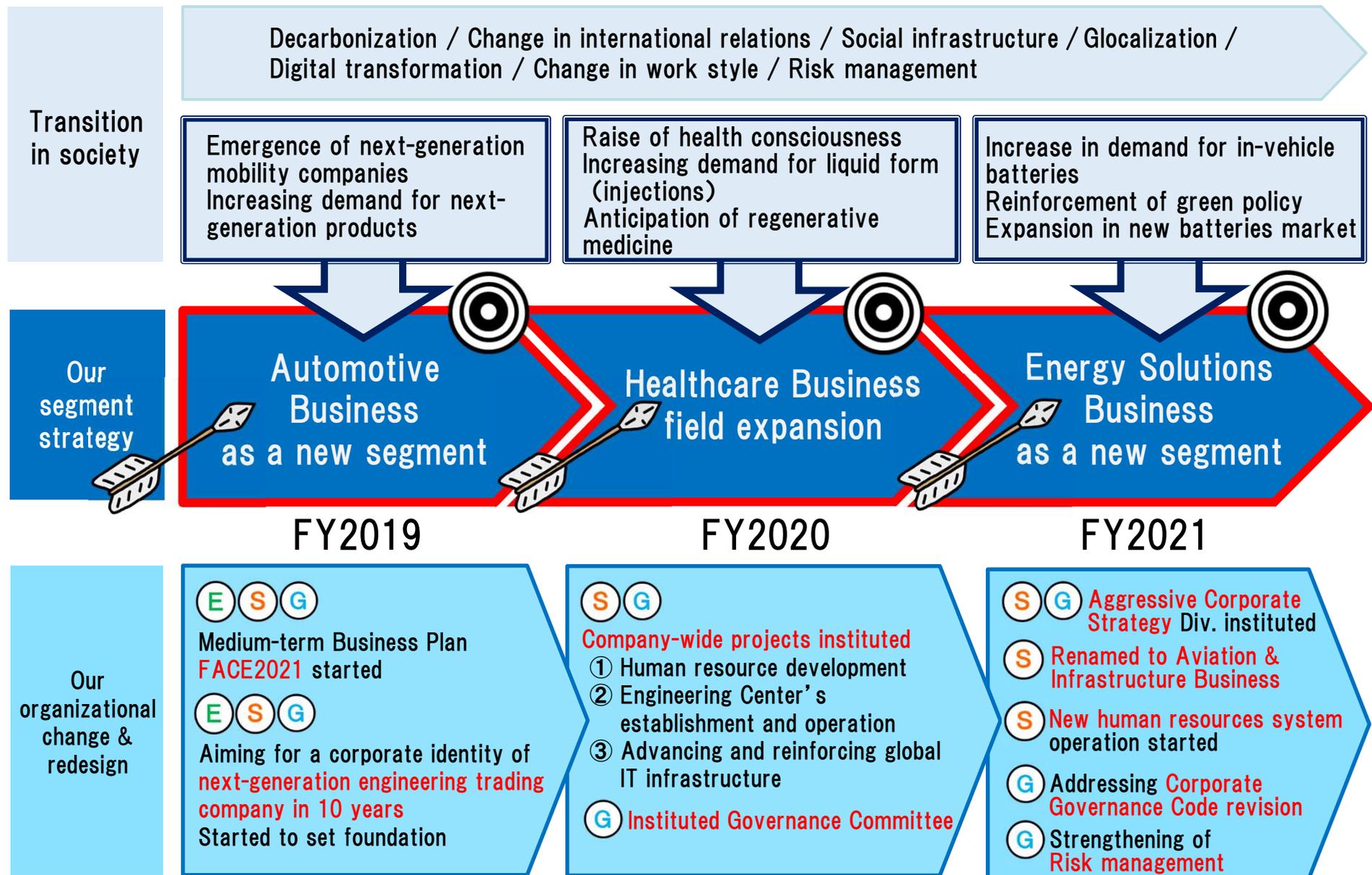
\* The net sales are shown on a net basis by applying the new revenue recognition standard.

# FY2021 Forecasts of Net Sales & Operating Income by Segment



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

# FACE2021 Qualitative Targets



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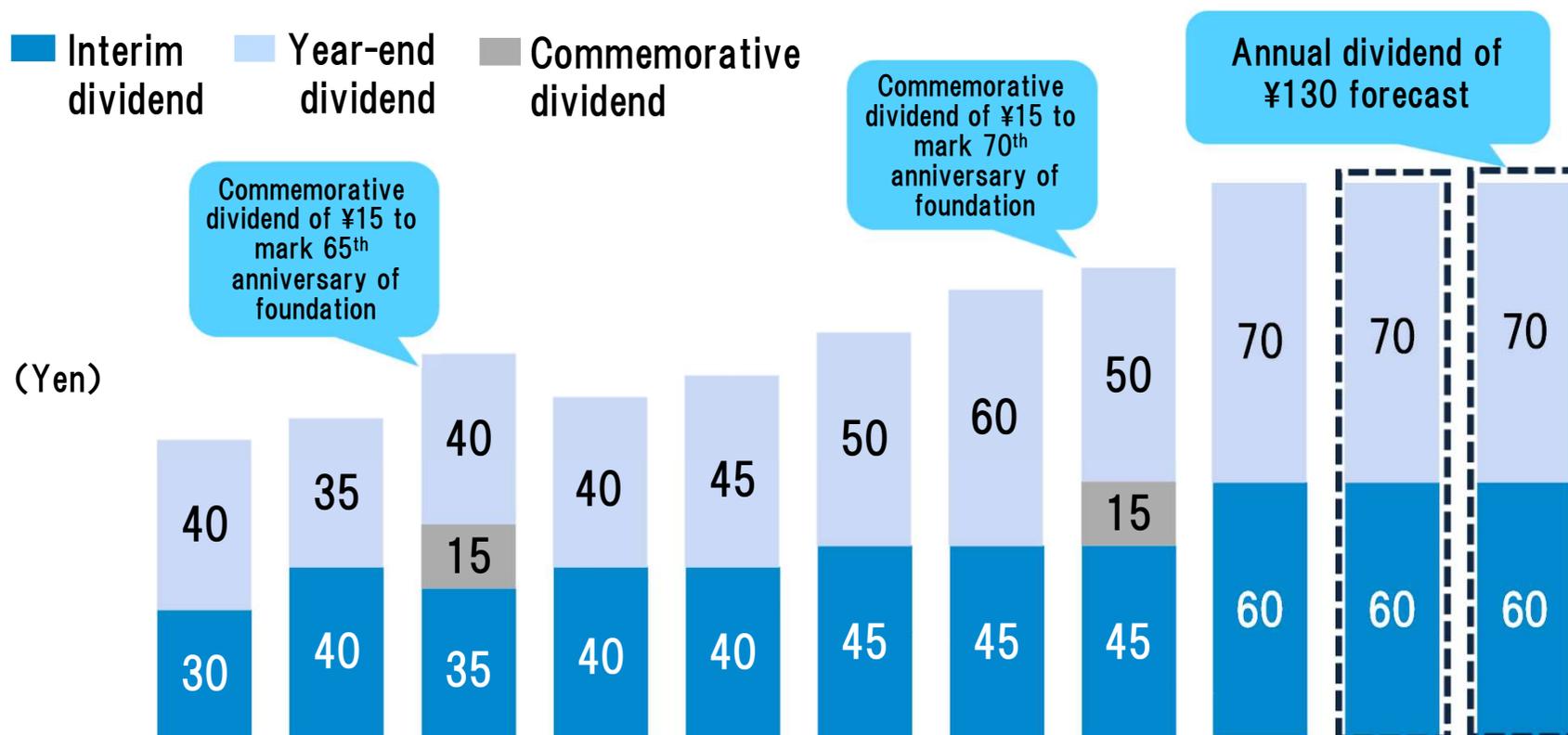
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# Dividend and its Payout Ratio



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.

■ Interim dividend    ■ Year-end dividend    ■ Commemorative dividend



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Dividend payout ratio: (%) consolidated	27.7	25.9	38.8	29.4	34.5	30.4	23.7	26.3	28.5	(Plan) 29.2	(Forecast) 27.3

(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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◆ **TOPIC**  
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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**



- 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**
2. Energy Solutions Business
3. Growth Strategy
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## Climate Change



Gasoline-engine vehicles



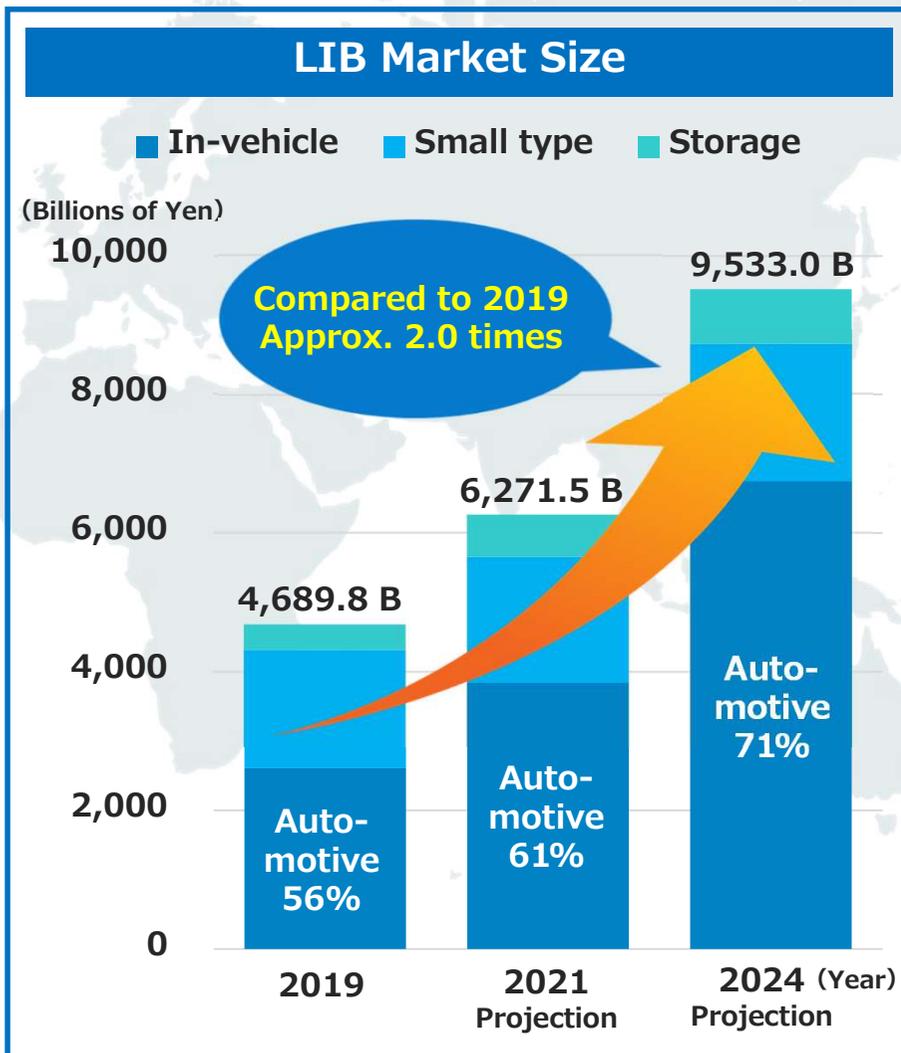
Coal-fired power stations

## Growing interest towards a decarbonized society

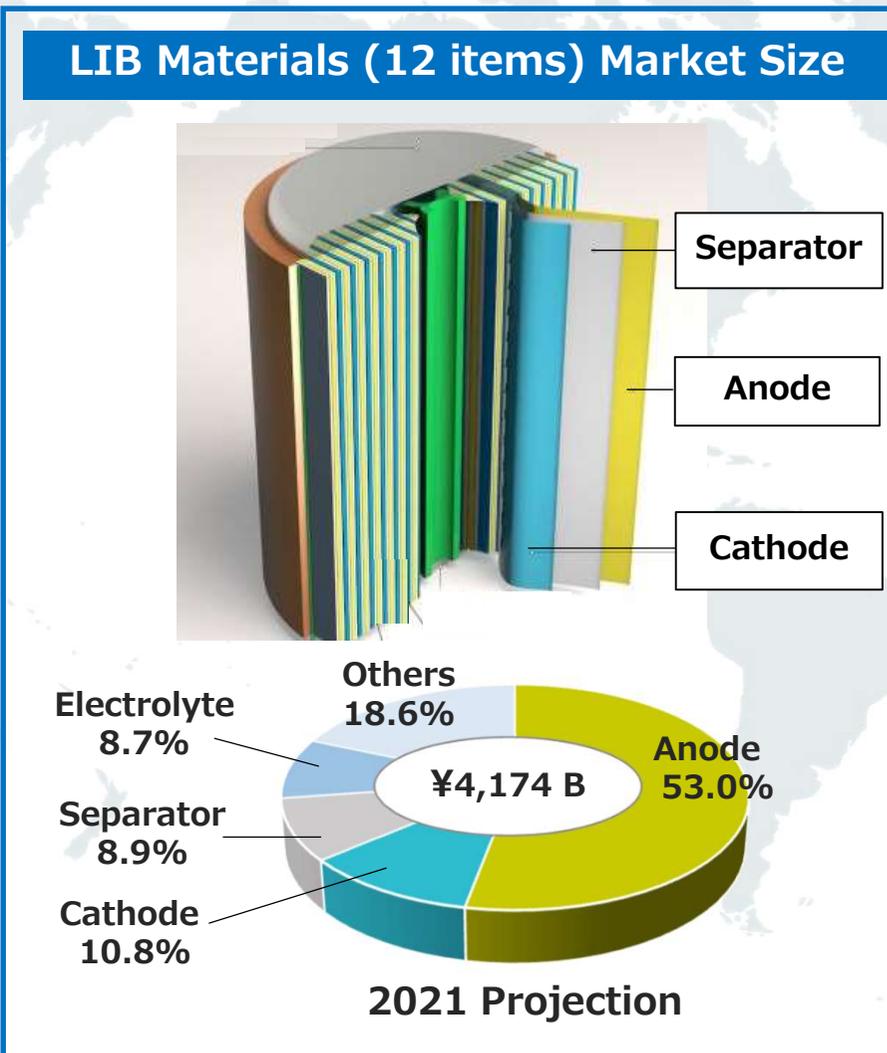
- ◆ Popularization of EVs and FCVs  
(In-vehicle **batteries**)  
(In-vehicle **fuel cells**)
- ◆ Popularization of renewable energy  
(Solar panels/  
**Storage batteries**)



# Growing LIB Market

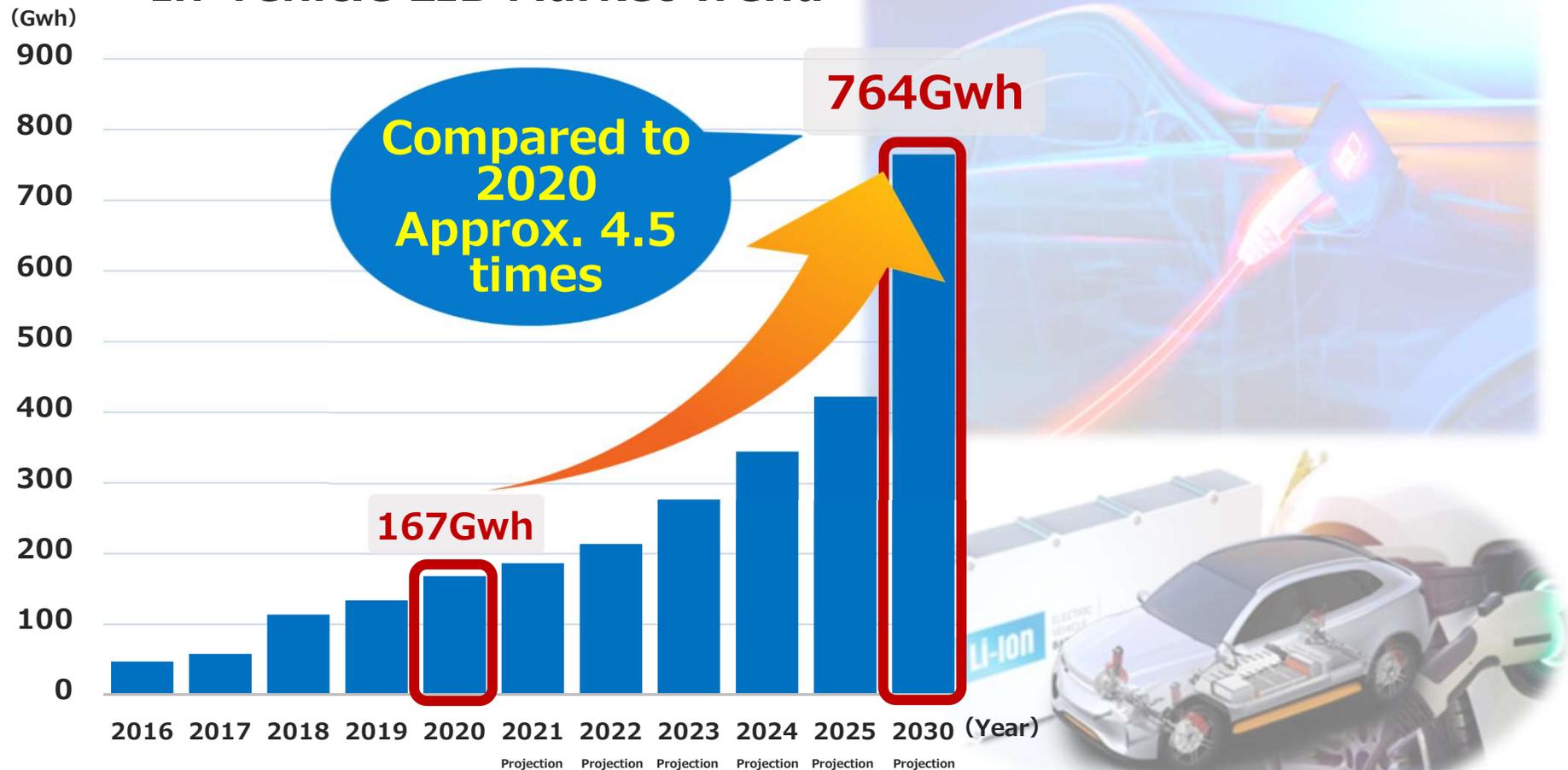


Source: Fuji Keizai Management Co., Ltd.  
2020 Battery-related market general field survey  
<Volume 1: Battery Cell Market>



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

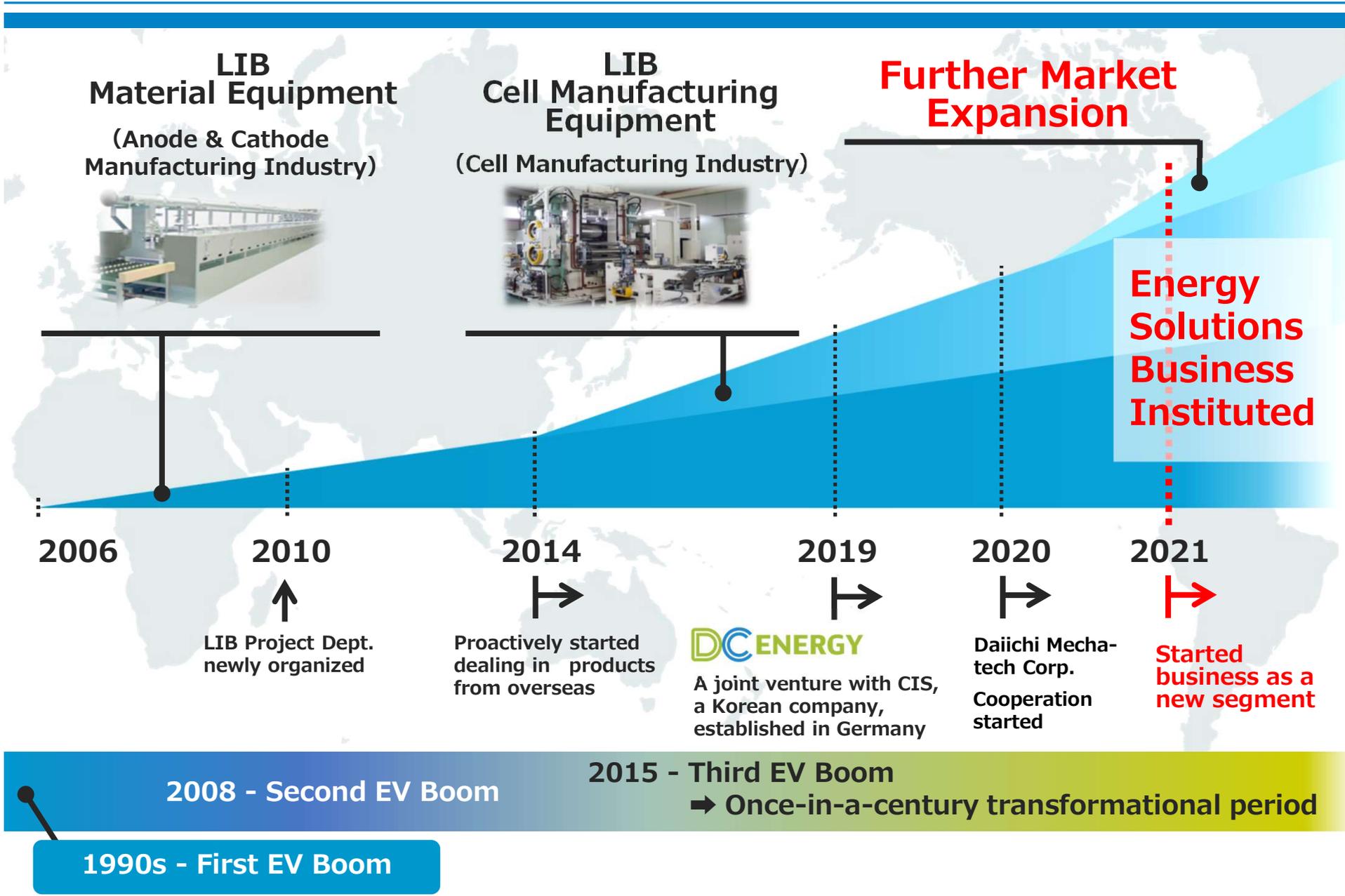
## In-vehicle LIB Market Trend



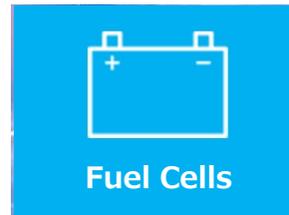
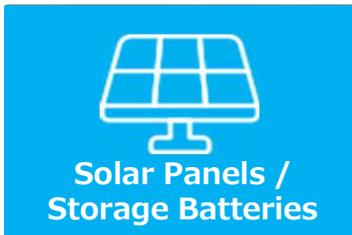
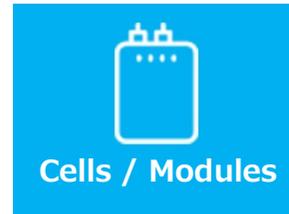
Source: Yano Research Institute Ltd.  
Present status and future prospect of in-vehicle battery market,  
from years 2020-2021 version

1. Change in Global Circumstances and LIB Market
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# History of Our LIB Material & Battery Business



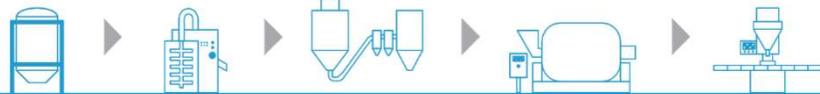
# Energy Solutions Business's Focusing Field



# Energy Solutions Business's Focusing Field



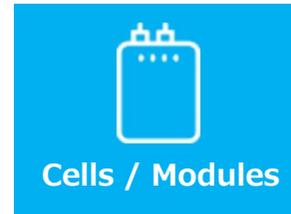
LIB Material Processing Equipment



Reaction    Wet Milling    Spray Drying    Mixing    Filling

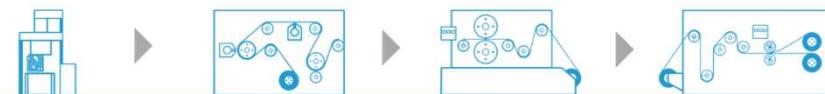


Firing    Coarse Milling    Fine Milling    Magnet Separation    Bag Filling



LIB Cell Processing & Manufacturing Equipment

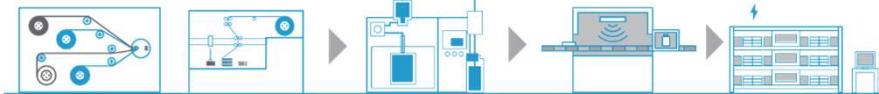
Electrolyte



Mixing    Coating    Roll Pressing    Slitting

Assembly

Inspection



Winding    Stacking    Electrolyte Filling    X-ray Inspection    Charge & Discharge Inspection

# Our Energy Solutions Business's Advantage



## Affluent Business Partners



**We have affluent business partners worldwide.**

## Project Management



**Technical Support by the Energy Engineering Department**

## Global Network

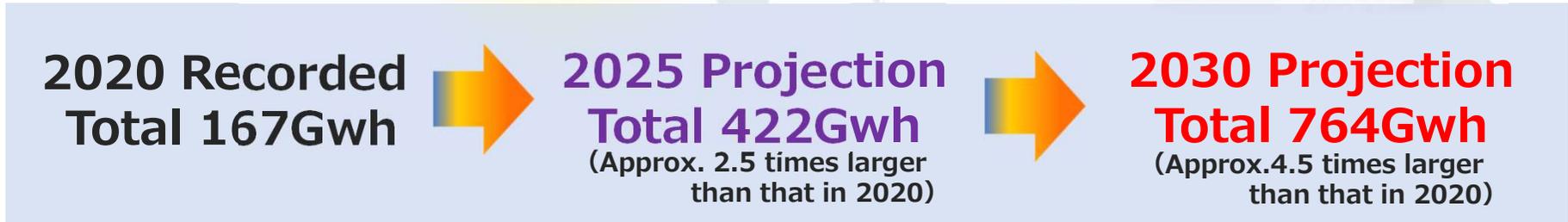
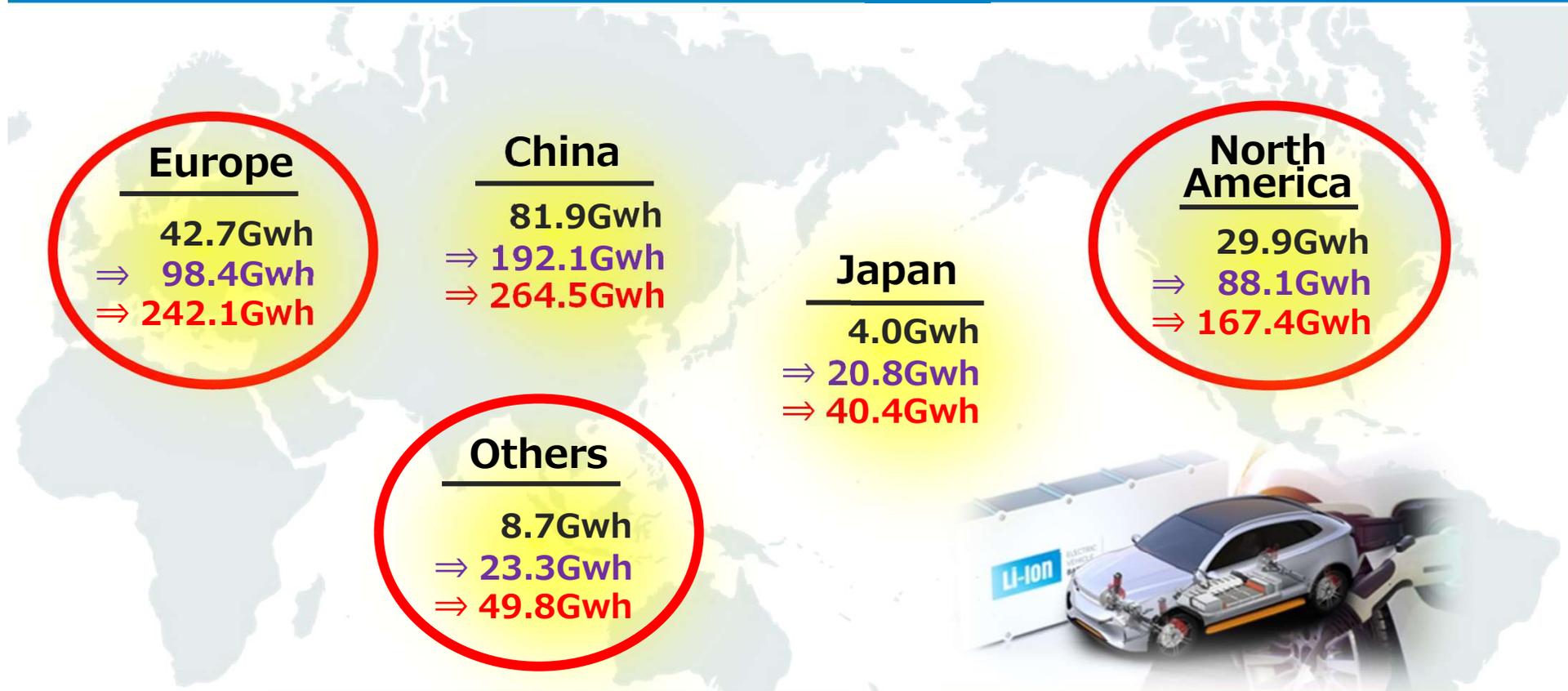


**We do LIB business in nine countries.**

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# In-vehicle LIB / Market Trend by Region

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



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)

## Engineering

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

## Global expansion

- ◆ Utilization of internal network
- ◆ Participation in trade fairs in five countries

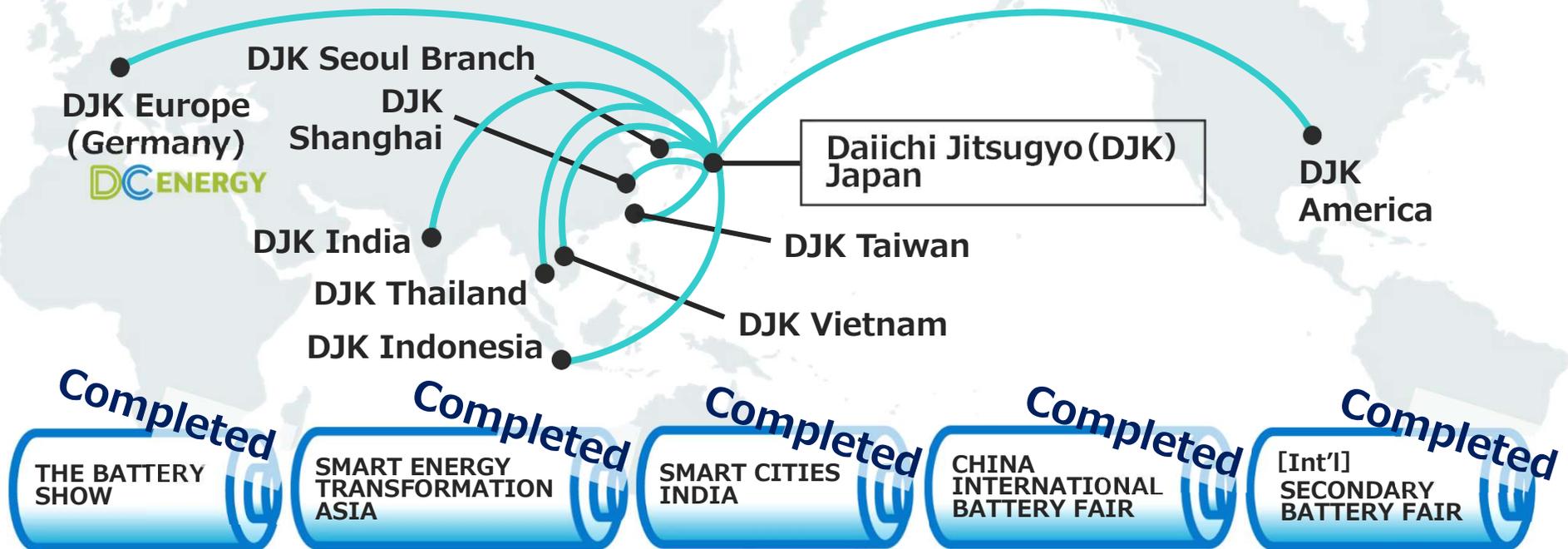
## Roll-out strategy plan

- ◆ Europe-US market (Material, Cell)
- ◆ Asia market (Cell)

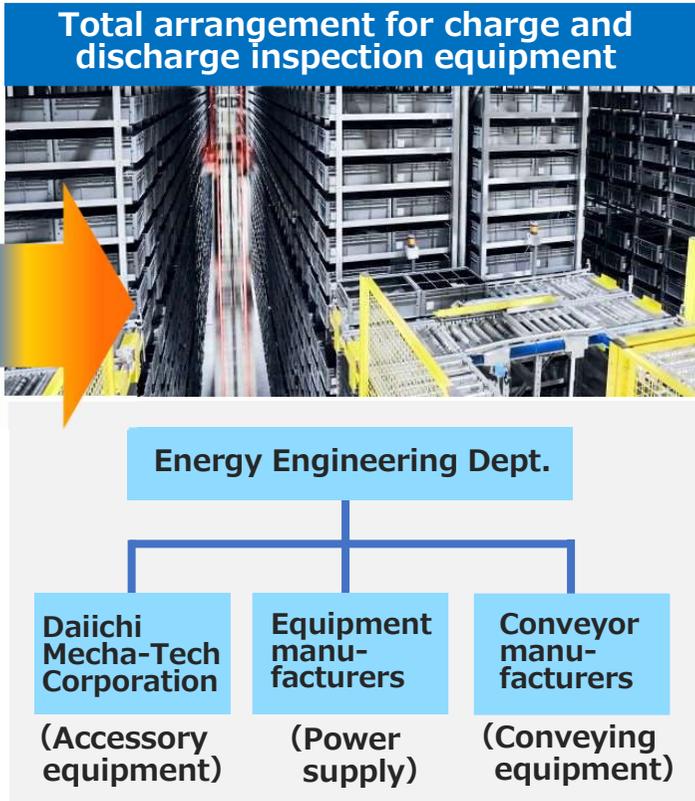
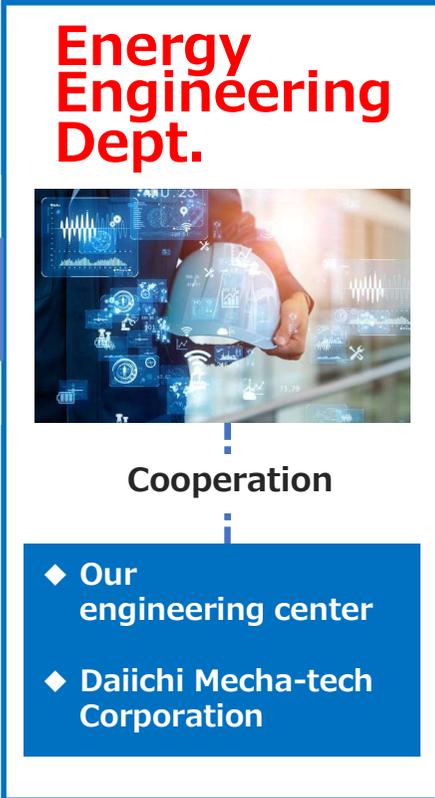
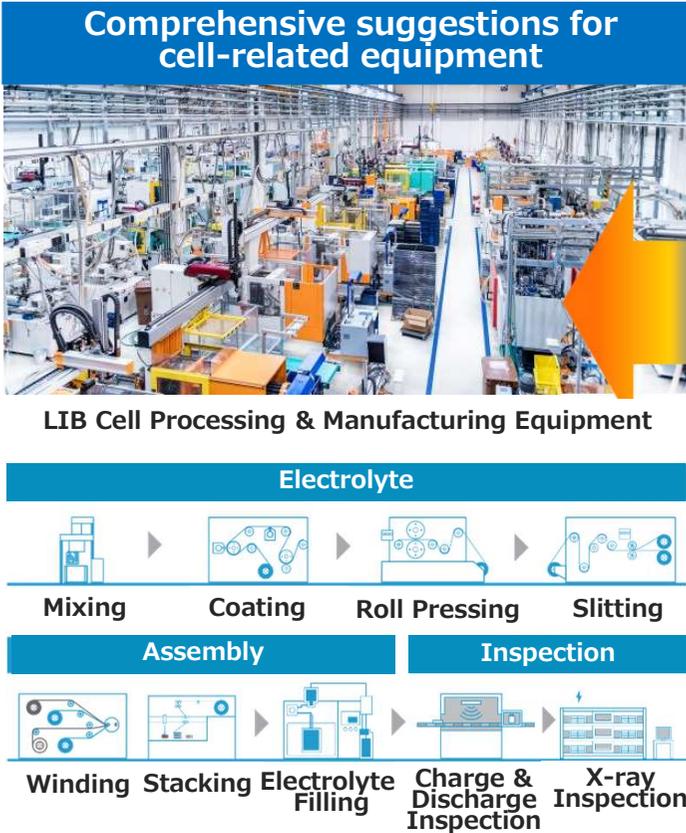
# Growth Strategy① Global Expansion



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



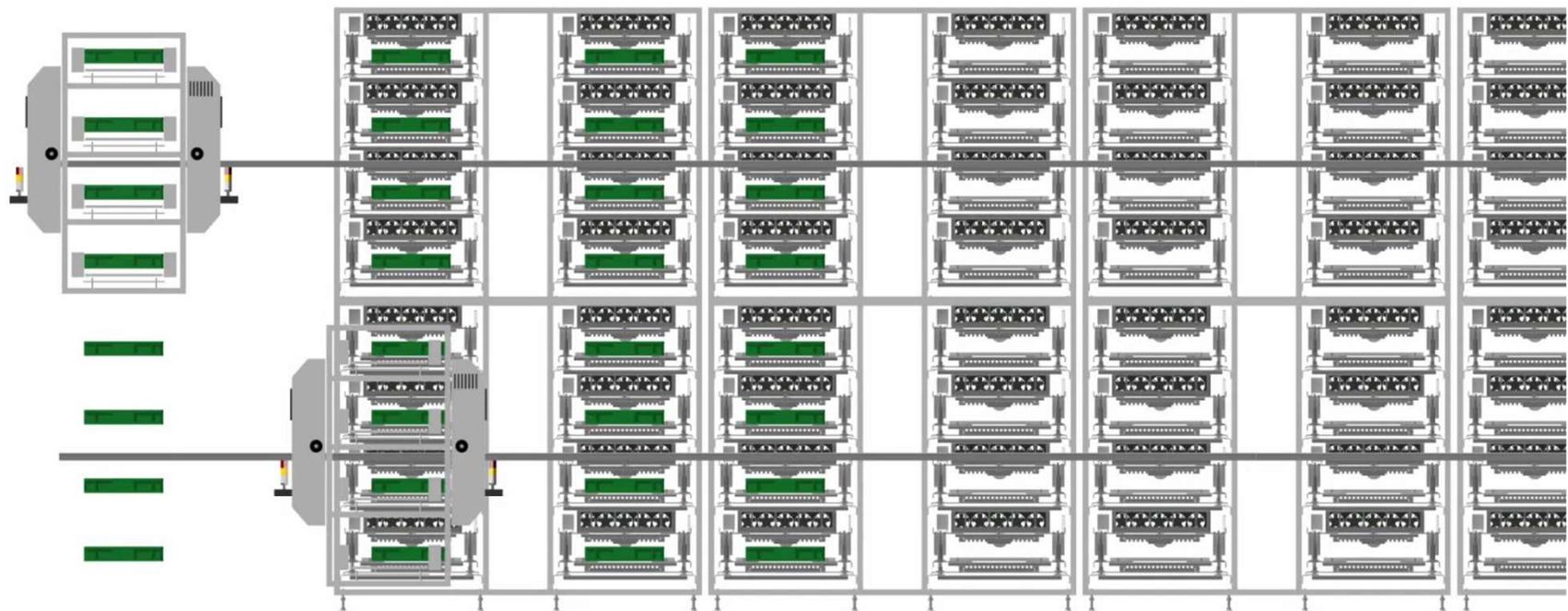
- ◆ Comprehensive suggestions for cell-related equipment
- ◆ Total arrangement for charge and discharge inspection equipment



(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.

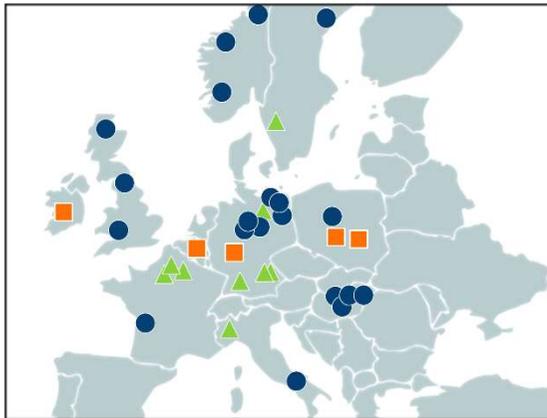
# Growth Strategy ③ Roll-out Strategy Plan



## 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  
**DC ENERGY\***

### 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.

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

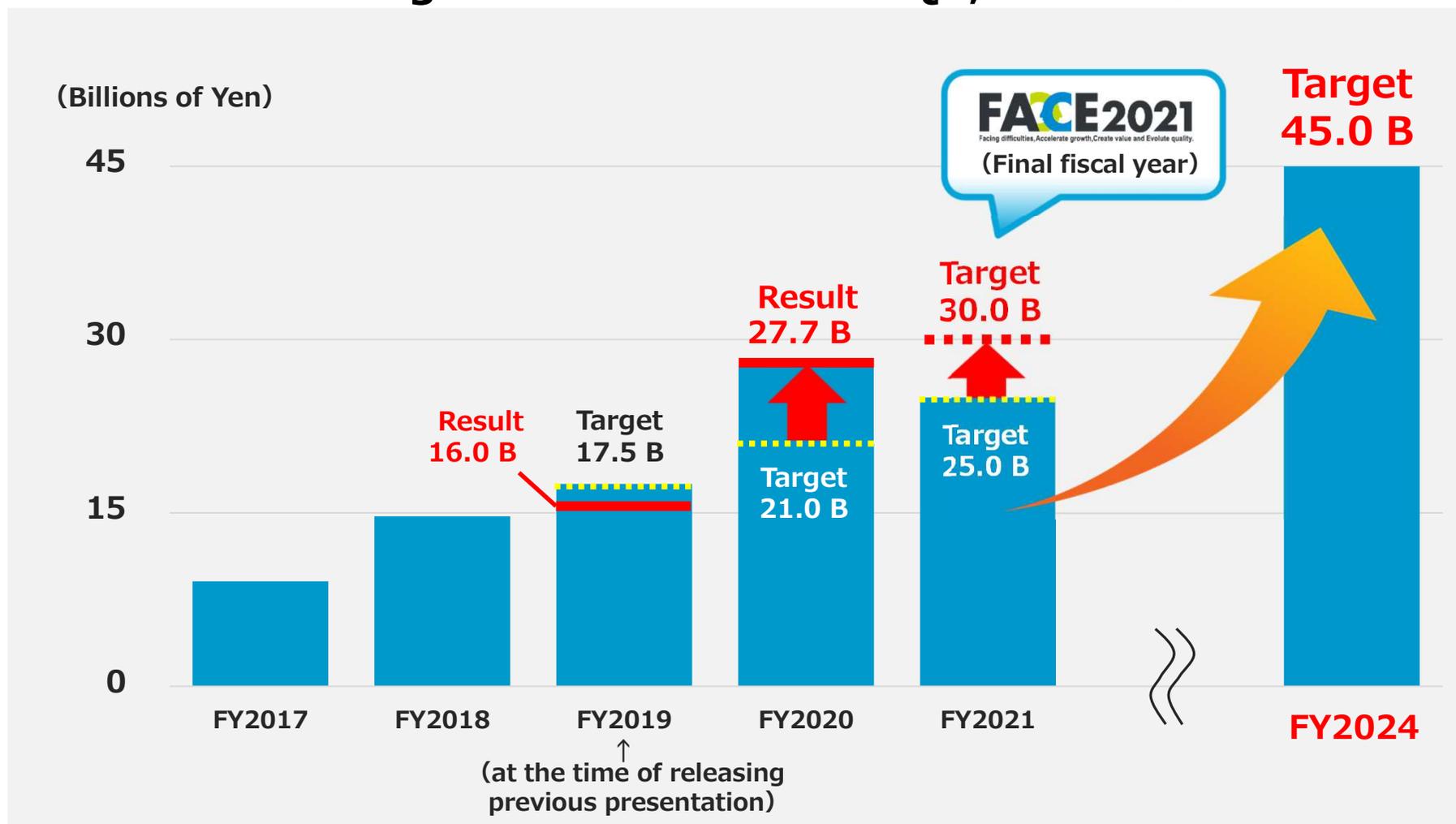
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# LIB-related Global Quantitative Targets

(Based upon Order Received Amount)



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



Above figures include **DCENERGY**'s amount.

# Energy Solutions Business

**Daijiro Kodama**

**General Manager  
Energy Solutions Business Division**



# DAIICHI JITSUGYO CO., LTD.

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

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**With your questions regarding our presentation slides,  
you can contact us below.**

### Contact us

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Corporate Communication Department**

**Tel : +81-3-6370-8691**

**E-mail : [djk\\_ir@djk.co.jp](mailto:djk_ir@djk.co.jp)**

## 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



# 1 Company Profile

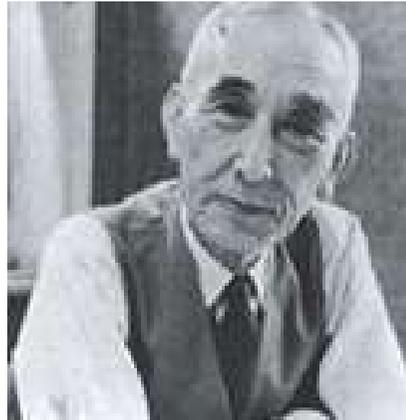


Company Name	 <b>DAIICHI JITSUGYO CO., LTD.</b>
Founded	August 12, 1948
Stock Listings	The first section of the Tokyo Stock Exchange (Securities code:8059)
Representative	Ichiro Uno (President & CEO)
Head Office Location	Ochanomizu Sola City, 4-6, Kandasurugadai, Chiyoda-ku, Tokyo 101-8222 Japan
Capital	¥5,105 Million
Net Sales (consolidated)	¥140,029 Million (Fiscal 2020)
Core Business	Total supplier of industrial equipment
No. of Employees	1,229 (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

## 2 Founding Spirit



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).

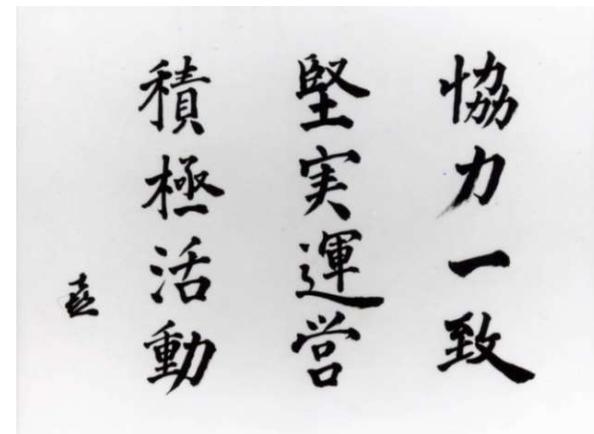
Mr. Shojiro Kuramochi who became the first company president was one of seven people. Founders named this company DAIICHI JITSUGYO and started out their operation as a firm exclusively in the machine business.

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

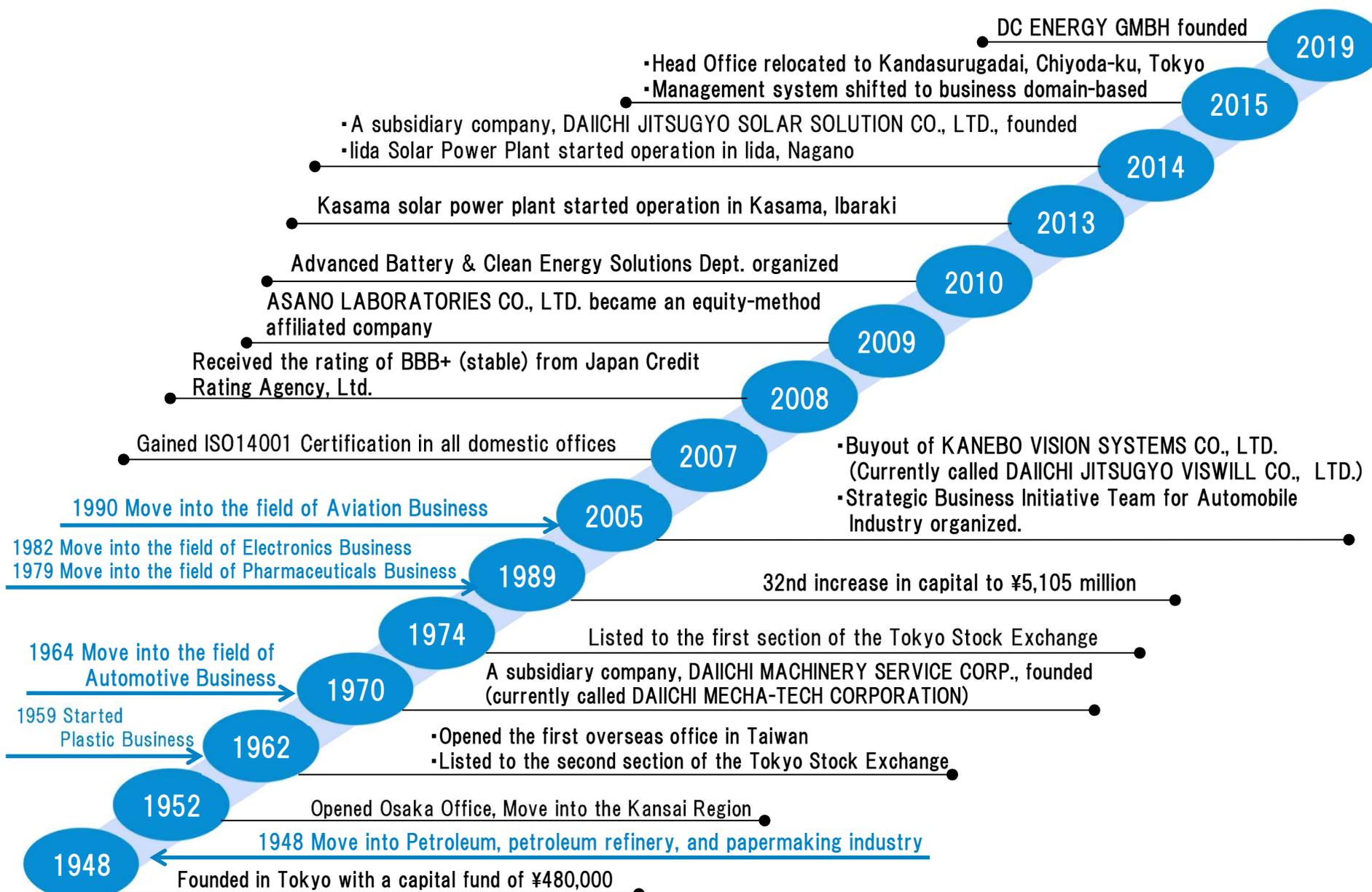
DJK continues doing a stable business with reliable business partners. As a result, DJK has gained their partners' trust and growth stably.

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.

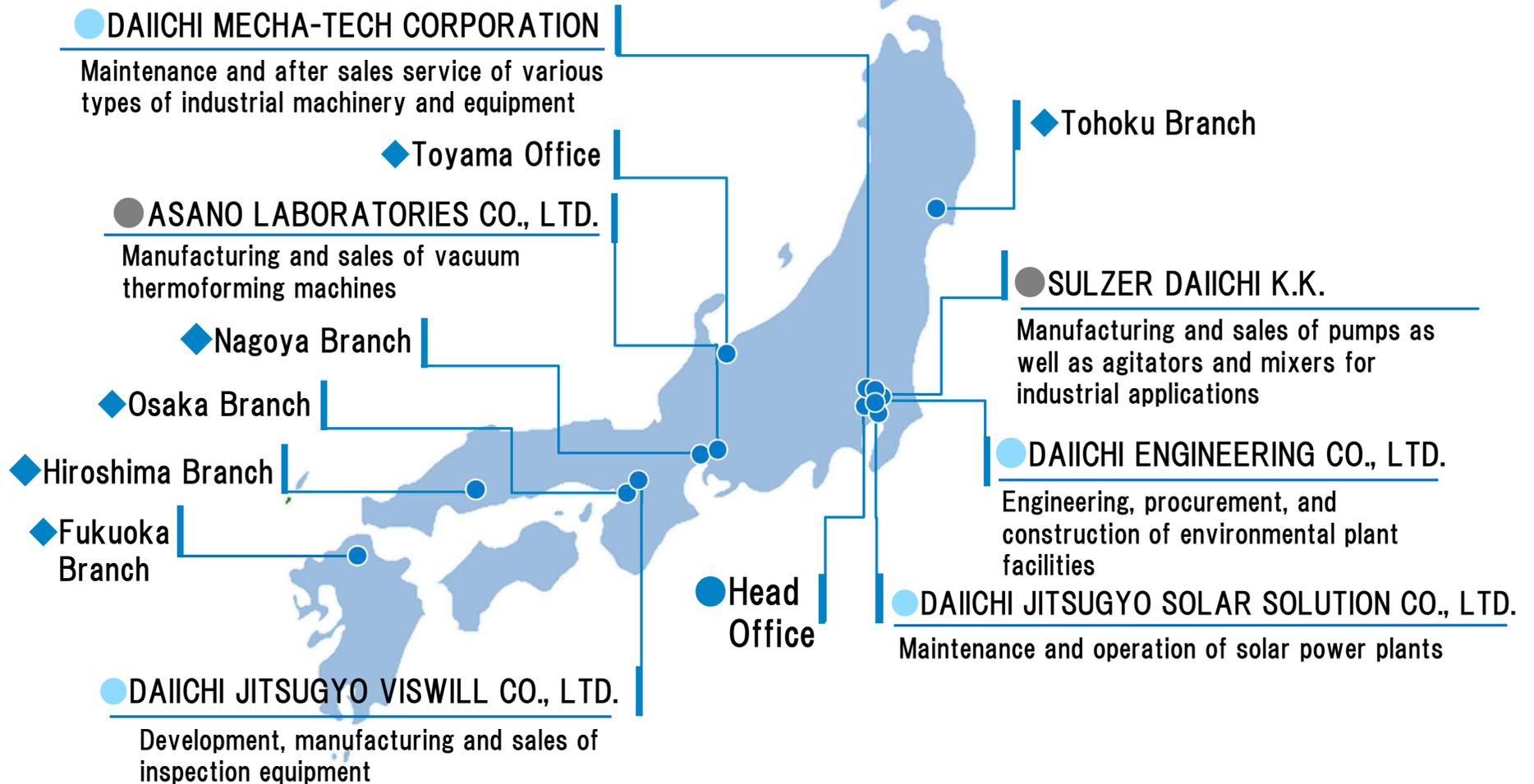
# 3 DJK History



# 4 Domestic Network



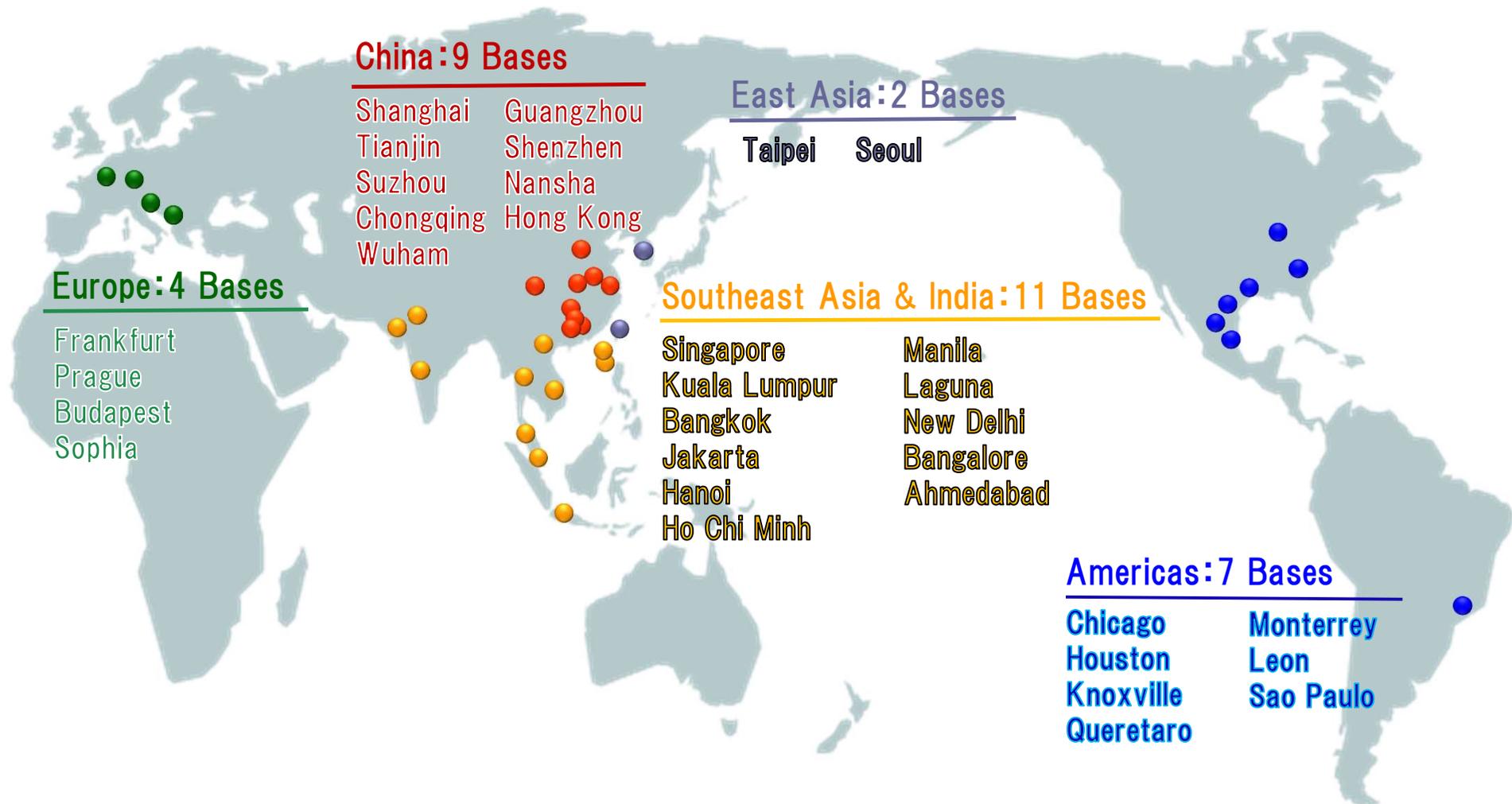
- Head Office
- ◆ Branch & Office
- Subsidiary
- Affiliate



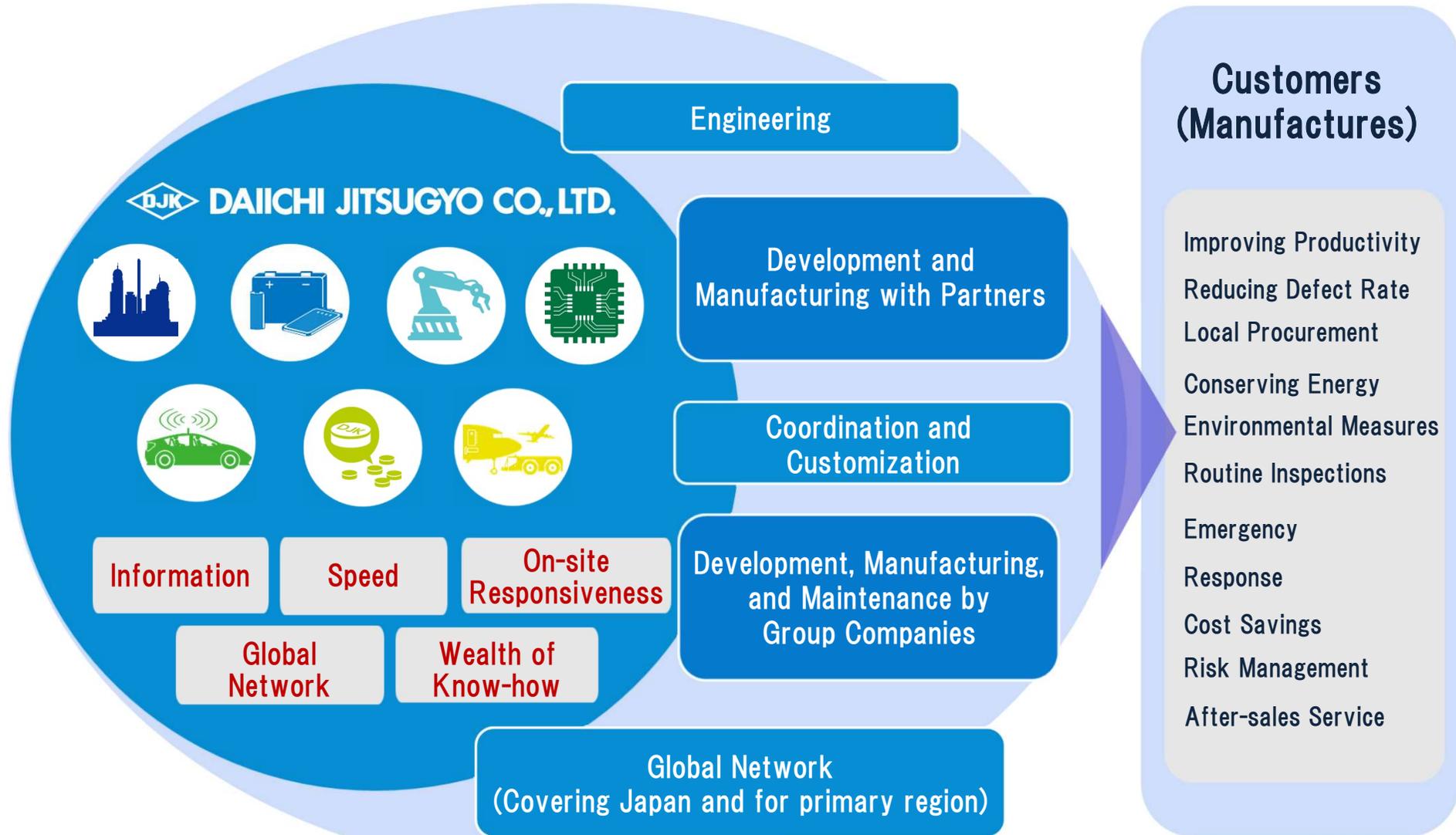
## 4 Overseas Network



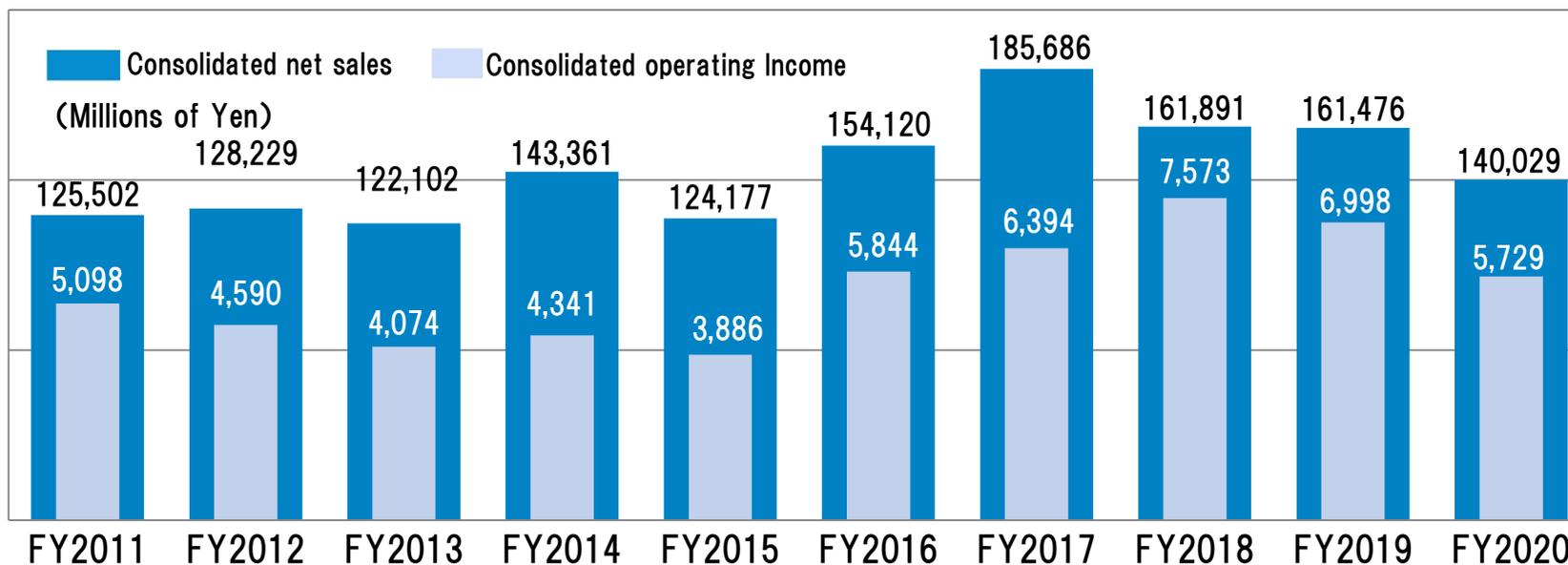
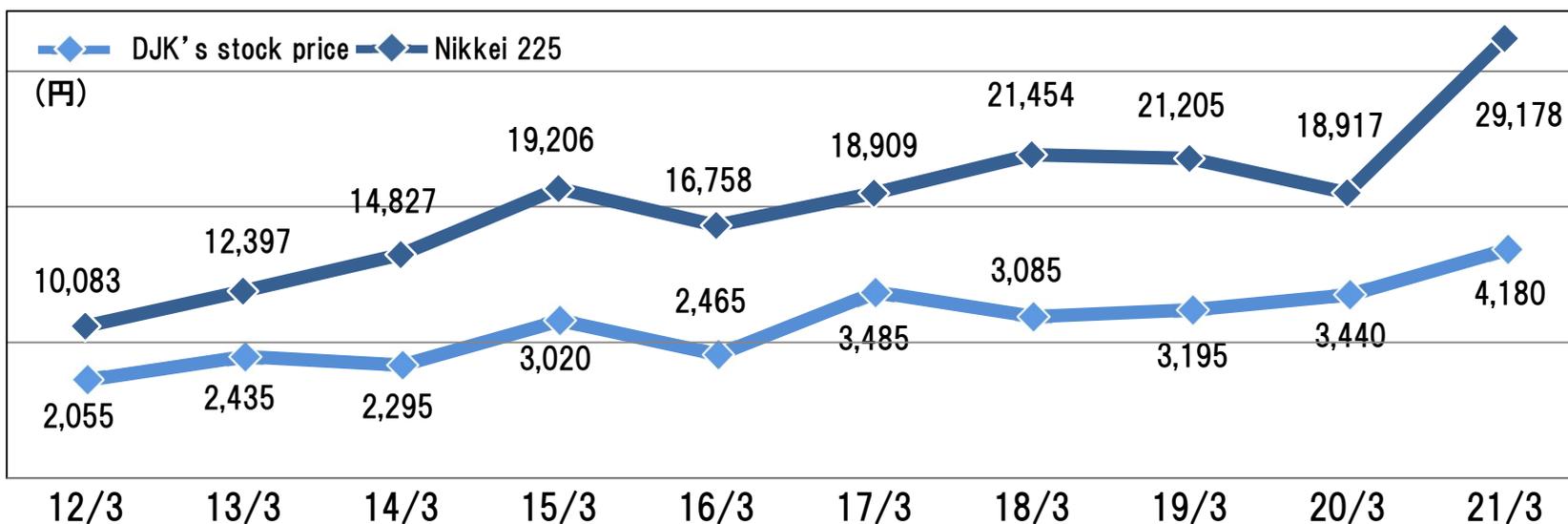
DJK has offices worldwide at 33 locations in 17 countries.



## Solution Provider Addressing Global Needs



# 6 Performance Review and Stock Price for Past 10 years



## 7 Stock Information

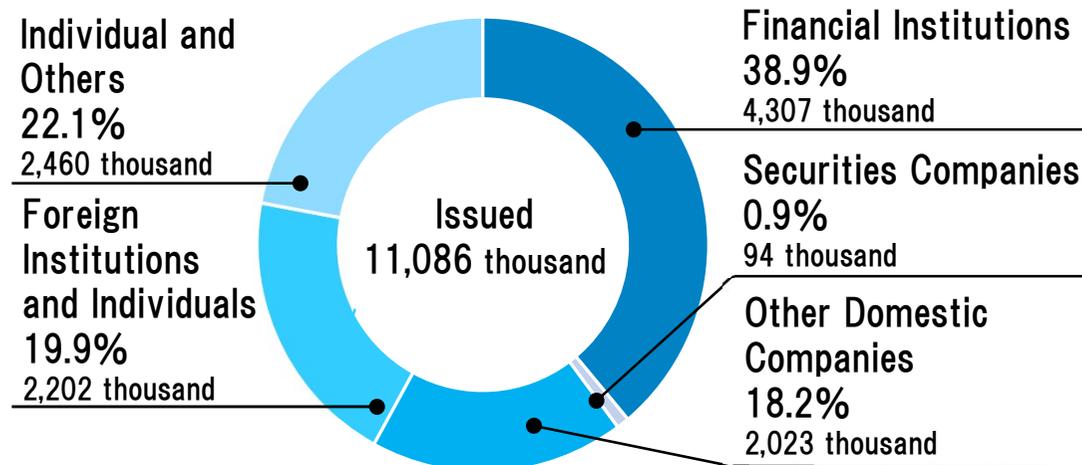


### Common Stock

(As of March 31, 2021)

Authorized	32,000,000 shares
Issued	11,086,400 shares
Trading Unit	100 shares
Number of Shareholders	3,983

### Distribution of Ownership among Shareholders



※ individuals and others include treasury stock. (3.6%)

### Major Shareholders

Shareholders' name	Number of shares (1,000 shares)	Shareholding ratio (%)
Hikari Tsushin K.K.	907	8.49
The Master Trust Bank of Japan, Ltd.	725	6.78
Mizuho Bank, Ltd.	511	4.78
Sumitomo Mitsui Banking Corporation	511	4.78
Custody Bank of Japan, Ltd.	432	4.04
MUFG Bank, Ltd.	373	3.49

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

# 8 Corporate Social Responsibility

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

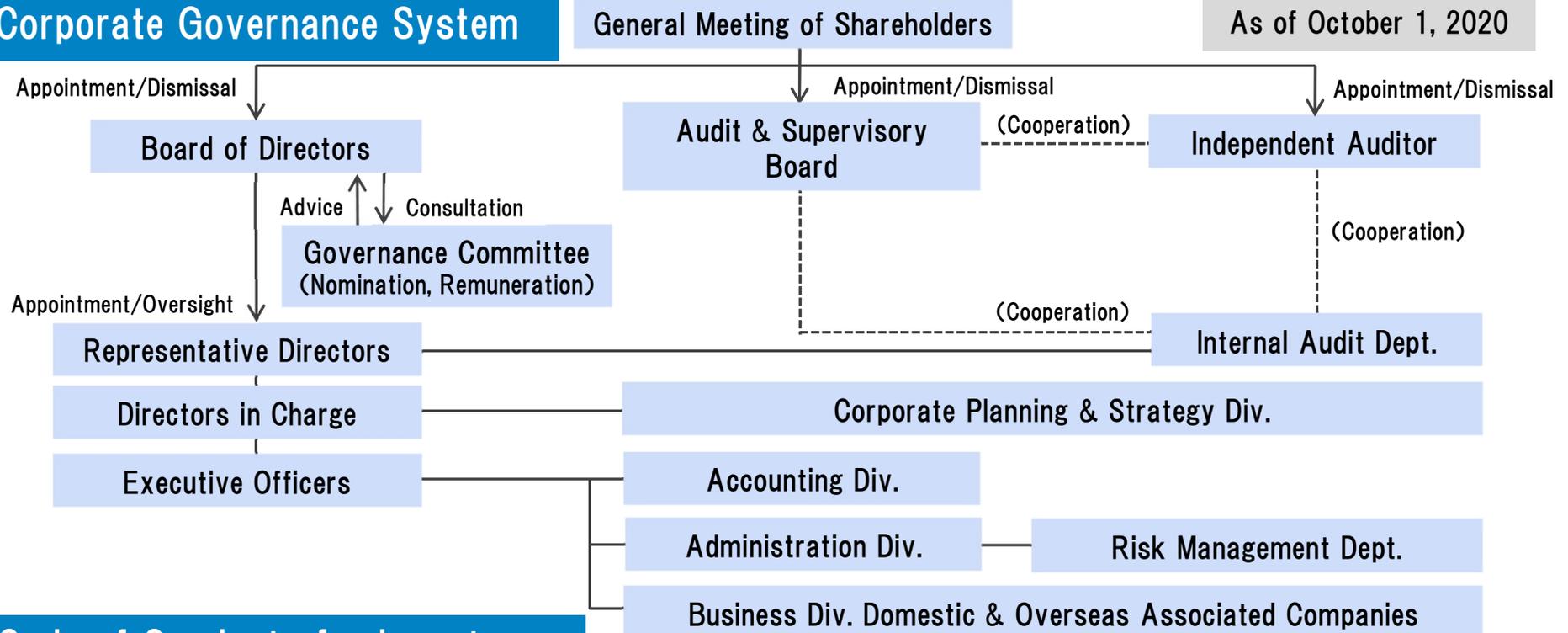
## Human Resource Development

### 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



## 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.