

# Business Results for Fiscal 2019



**DAIICHI JITSUGYO CO., LTD.**

Ichiro Uno  
President & CEO

(Securities Code : 8059)

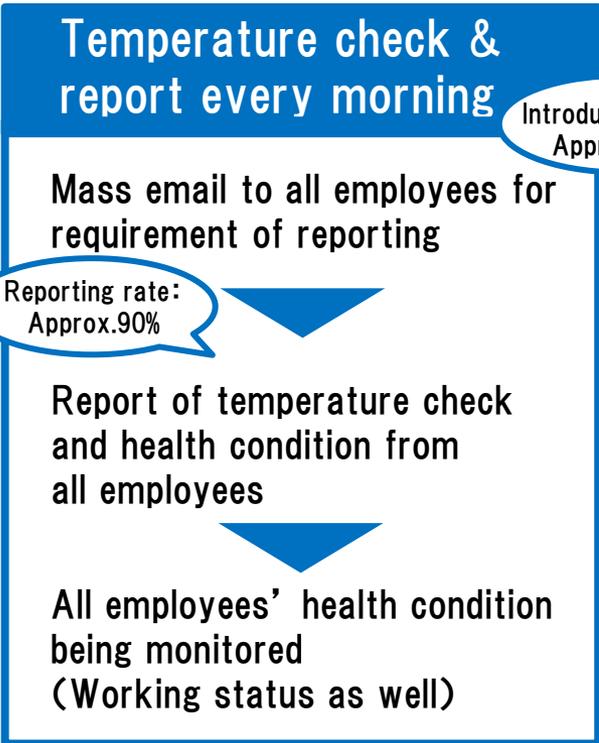
May 29, 2020

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.



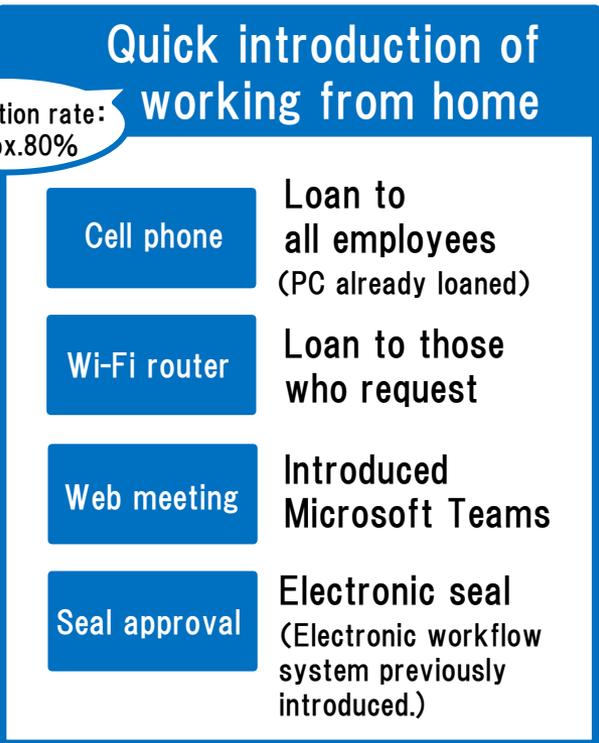
Set disinfectant in offices, mask handouts (required to wear at work), self-restraint for attracting-customers events, in-house gathering, and all non-essential travel. Encouragement of staggered working hours, introduction of working from home, etc.

## Health condition check

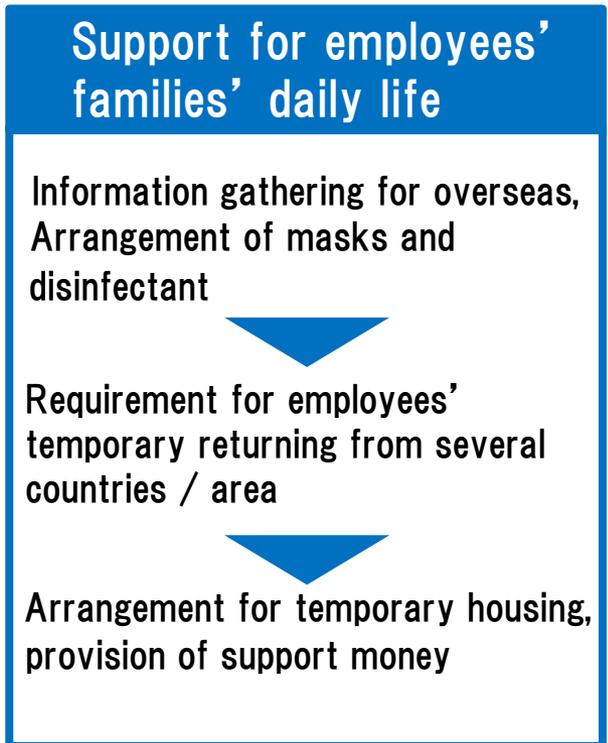


Introduction rate: Approx.80%

## IT infrastructure establishment



## Support for overseas employees



# Contents

- 1. Outline of Business Results for Fiscal 2019**
  2. Segment Information for Fiscal 2019
  3. Forecasts for 2nd Quarter of Fiscal 2020
  4. Medium-term Business Plan
  5. Dividend
- ◆ Topic  
(Appendix)

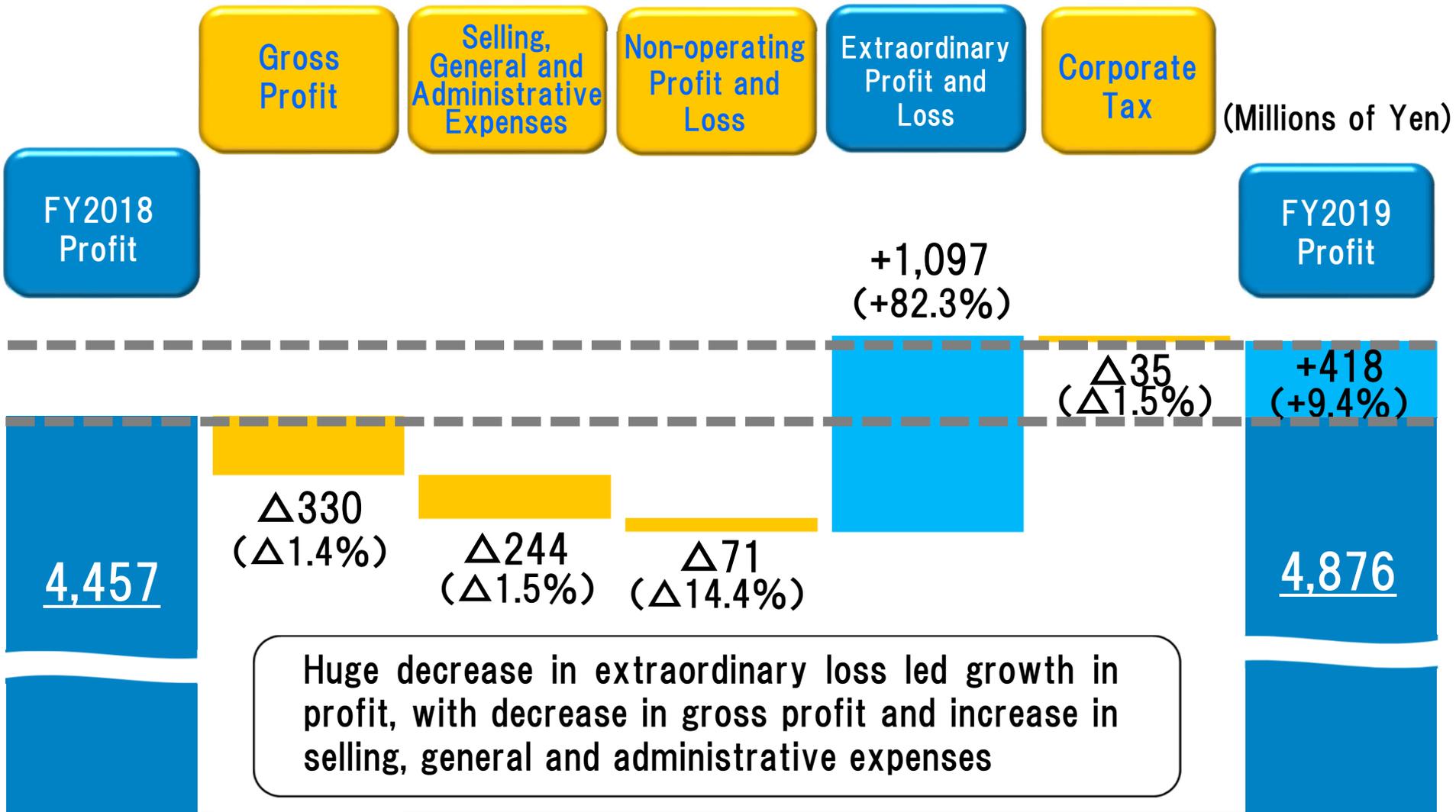
## Summary for Fiscal 2019

- ◆ Net Sales remained nearly flat compared to the previous fiscal year. Profit was at our record-high.
- ◆ Our six-business portfolio performed well overall with a couple of segments being affected by the US-China trade friction.
- ◆ Order Backlog increased over the previous fiscal year. Achieved an ROE of 10.4%.

## Consolidated Financial Results for Fiscal 2019

(Millions of Yen)	FY2018	FY2019	Increase/ decrease
Orders received	183,288	161,979	△11.6%
Net sales	161,891	161,476	△0.3%
Operating income	7,573	6,998	△7.6%
Ordinary income	8,073	7,426	△8.0%
Profit attributable to owners of parent	4,457	4,876	+9.4%
Earnings per share	418.31Yen	456.38Yen	+38.07Yen

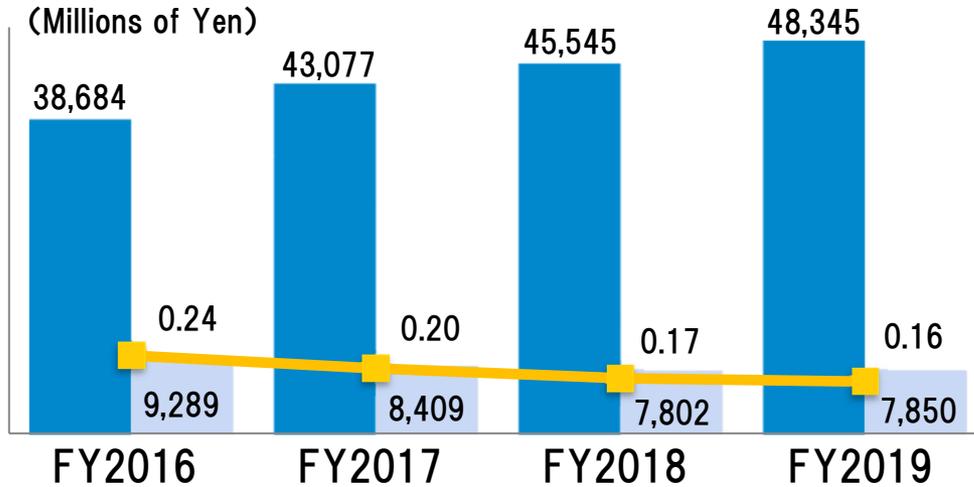
## Summary of Changes in Profit



# Financial Position

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

(Millions of Yen)

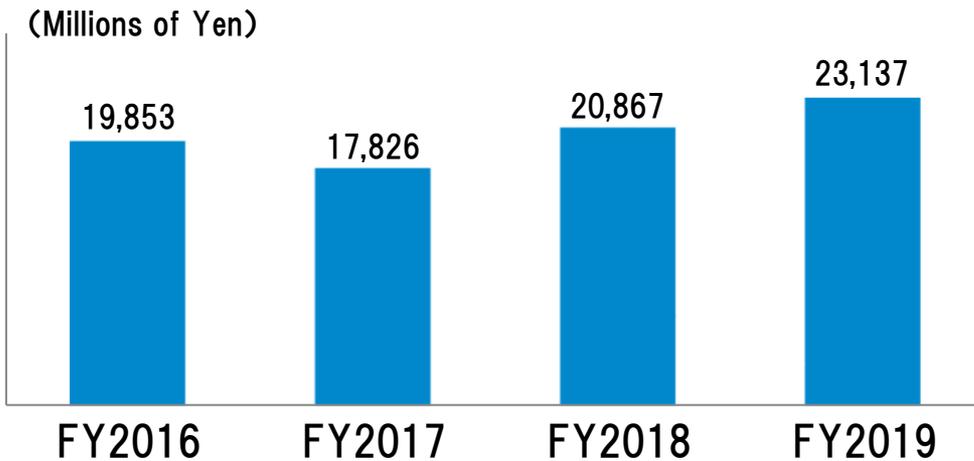


	FY2018	FY2019	Increase/ decrease
Shareholders' equity	45,545	48,345	+2,799
Interest-bearing debt	7,802	7,850	+48
DER	0.17	0.16	△1point

(Shareholders' equity ratio : 43.4%)

■ Cash & cash equivalents at the end of fiscal year

(Millions of Yen)



	FY2018	FY2019
CF from operating activities	6,072	5,006
CF from investing activities	△924	△ 910
CF from financial activities	△1,902	△ 1,625
Cash & cash equivalents	20,867	23,137

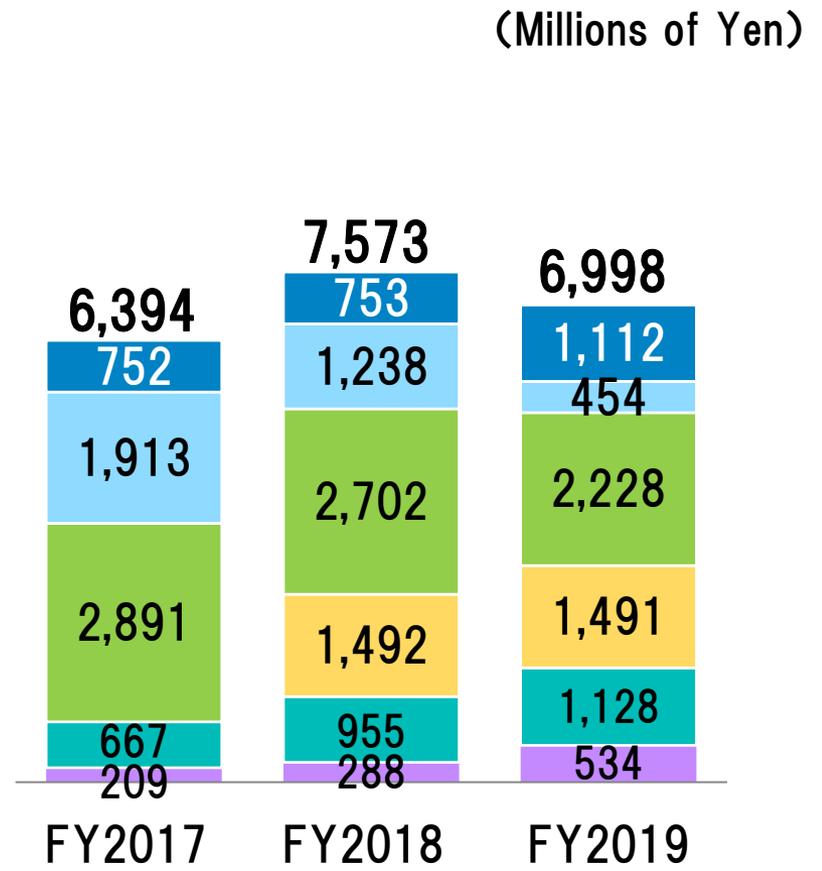
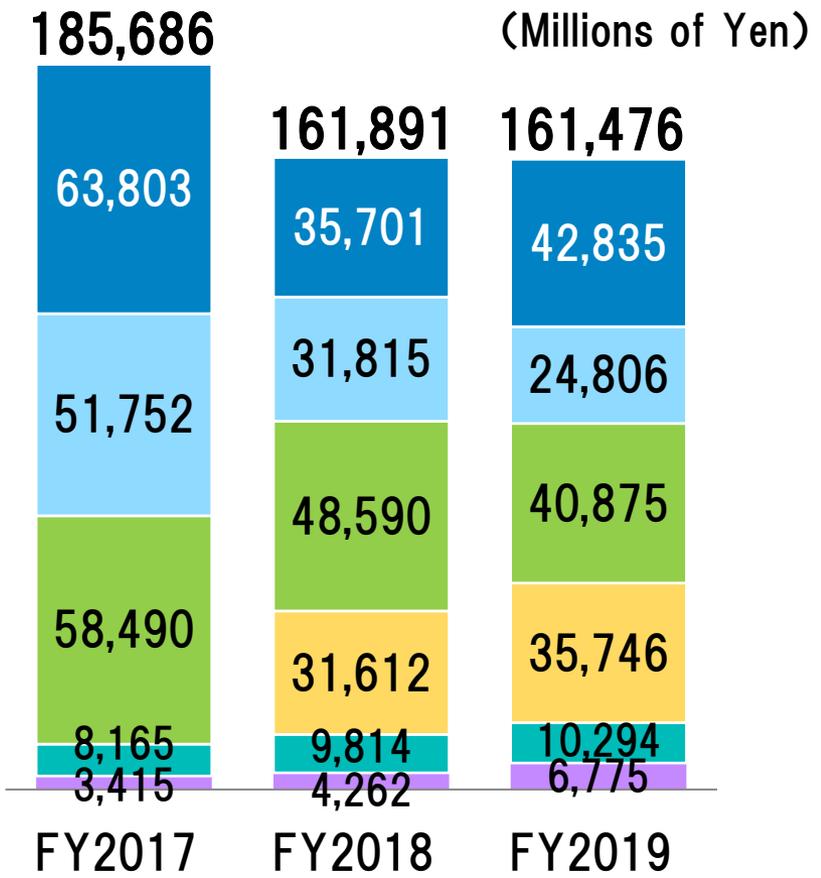
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# Segment Information(Net Sales, Operating Income)

## Net Sales

## Operating Income



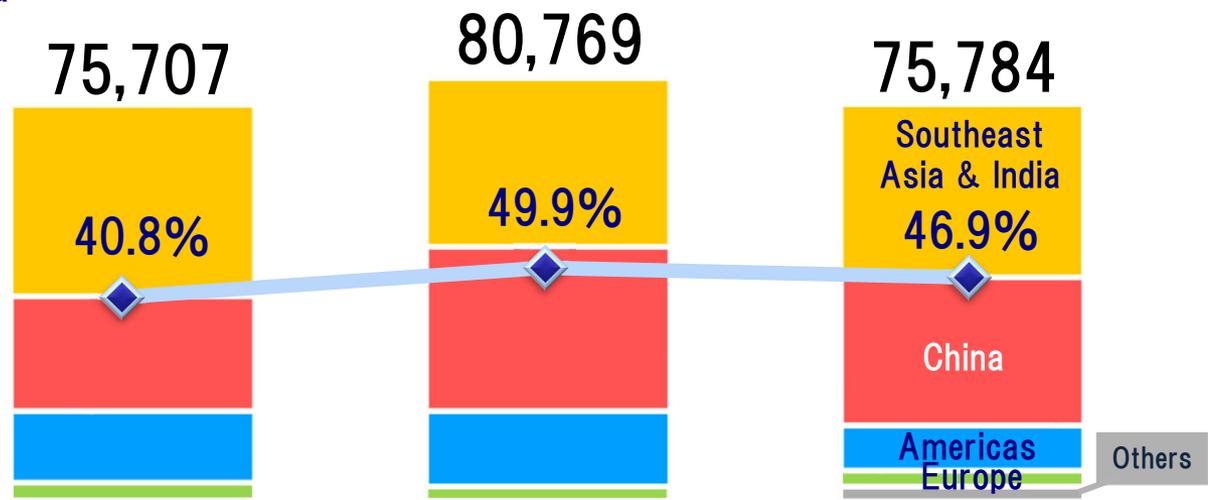
■ Plant & Energy 
 ■ Industrial Machinery 
 ■ Electronics 
 ■ Automobile 
 ■ Pharmaceuticals 
 ■ Aviation

(Note) Operating income includes adjustment values.

# Overseas Sales

(Millions of Yen)

- Southeast Asia & India
- China
- Americas
- Europe
- Others
- Ratio of overseas sales



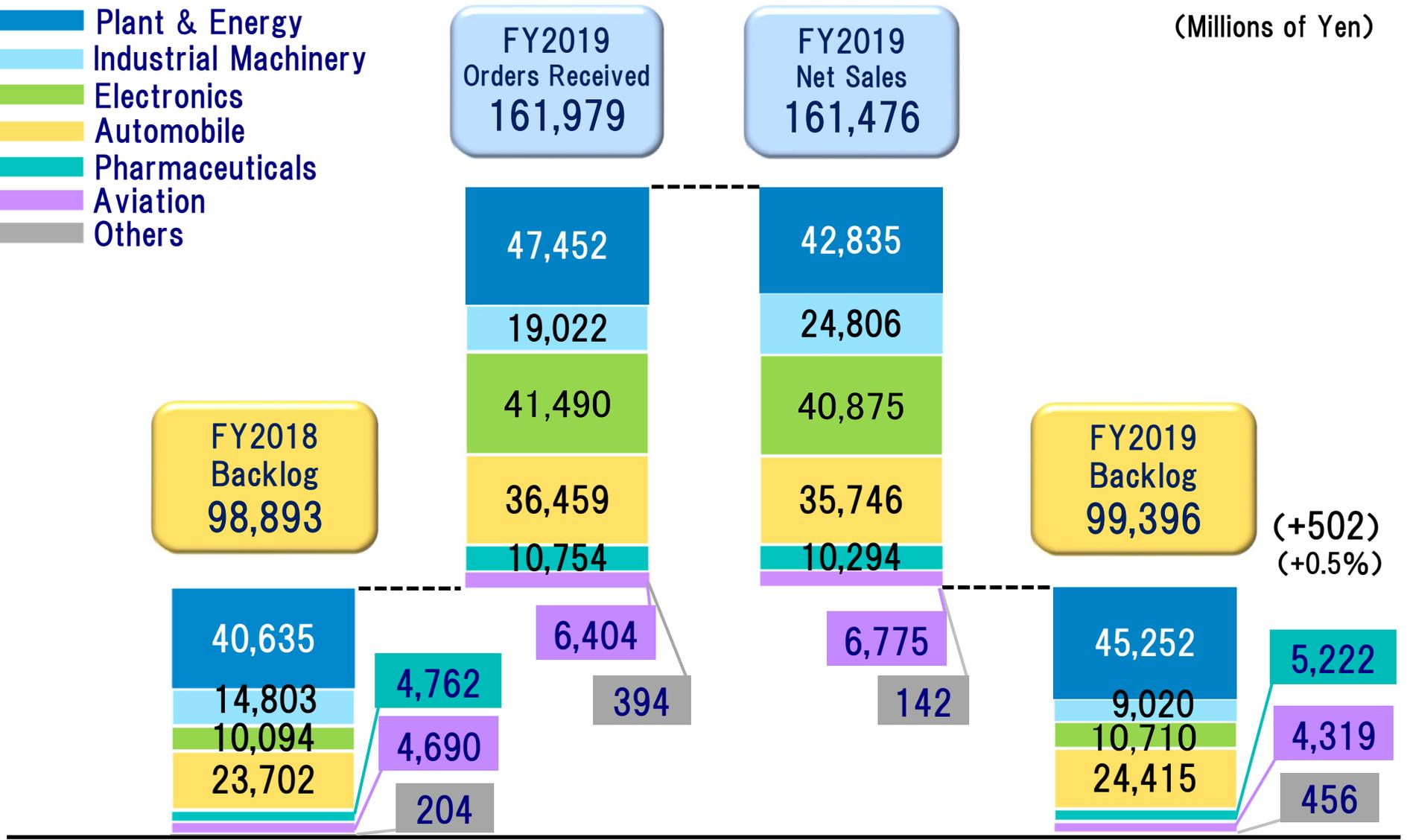
	FY2017		FY2018		FY2019	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Southeast Asia & India	36,539	48.3%	32,124	39.8%	32,998	43.5%
China	21,940	29.0%	31,407	38.9%	28,287	37.3%
Americas	13,593	18.0%	14,333	17.7%	8,575	11.3%
Europe	3,379	4.5%	2,815	3.5%	3,044	4.0%
Others	254	0.2%	87	0.1%	2,877	3.9%
<b>Total overseas sales</b>	<b>75,707</b>	<b>100.0%</b>	<b>80,769</b>	<b>100.0%</b>	<b>75,784</b>	<b>100.0%</b>
<b>Total sales</b>	<b>185,686</b>		<b>161,891</b>		<b>161,476</b>	
<b>Ratio of overseas sales</b>	<b>40.8%</b>		<b>49.9%</b>		<b>46.9%</b>	



# Orders Received and Backlog by Segment

(Millions of Yen)

- Plant & Energy
- Industrial Machinery
- Electronics
- Automobile
- Pharmaceuticals
- Aviation
- Others



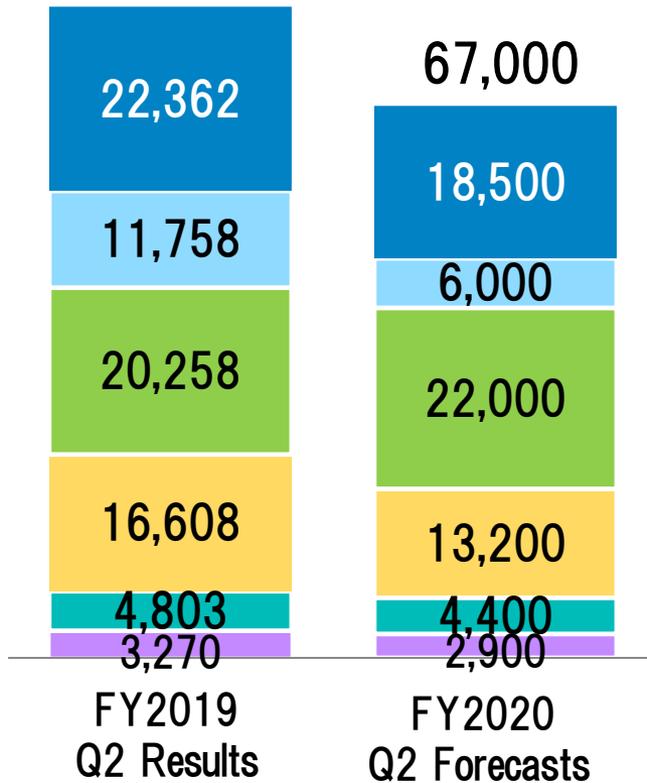
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## Net Sales

79,173

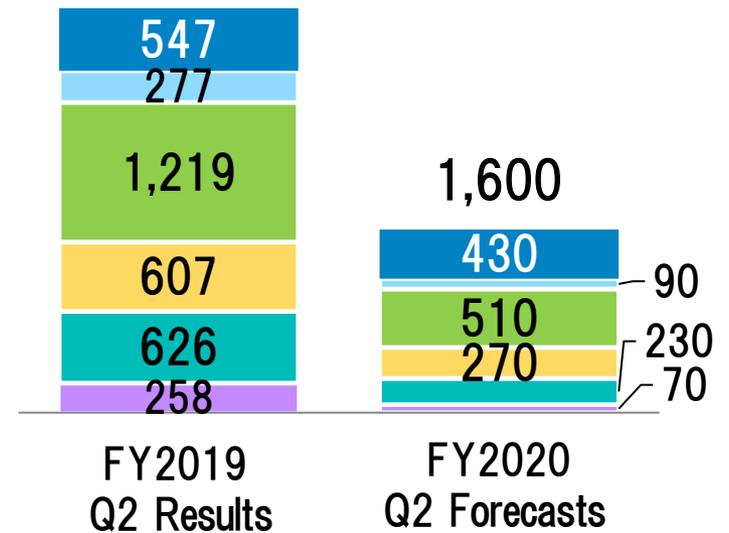
(Millions of Yen)



## Operating Income

3,595

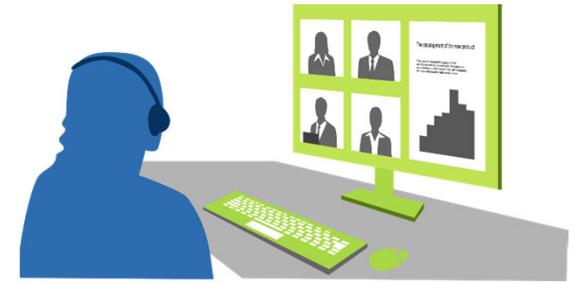
(Millions of Yen)



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

## 1. Web Seminars

- Sharing the latest trends across industries
- Introduction of the latest technical information
- Consultation on challenges in production sites



## 2. Remote Video Inspection of Equipment at Shipping

- Web-based equipment inspection (by virtual reality, tablets)
- Introduced remote video inspection program by webcams  
(Inspection at shipping out of factories and at installation)

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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.

1

## Human Resource Development

- ◆ Implementation of training in a planned way
- ◆ Educate local personnel to promptly gain professional skills and knowledge (To be implemented in ASEAN countries, and then rolled out in other regions )

2

## Engineering Center's Establishment and Operation

- ◆ Organization of engineering functions, resources reinforcement, and laying the foundation for effective operation
- ◆ Stockpiling of knowledge, experience, and track records (group-wide dissemination)
- ◆ High value-added business

3

## Advancing and Reinforcing Global IT Infrastructure

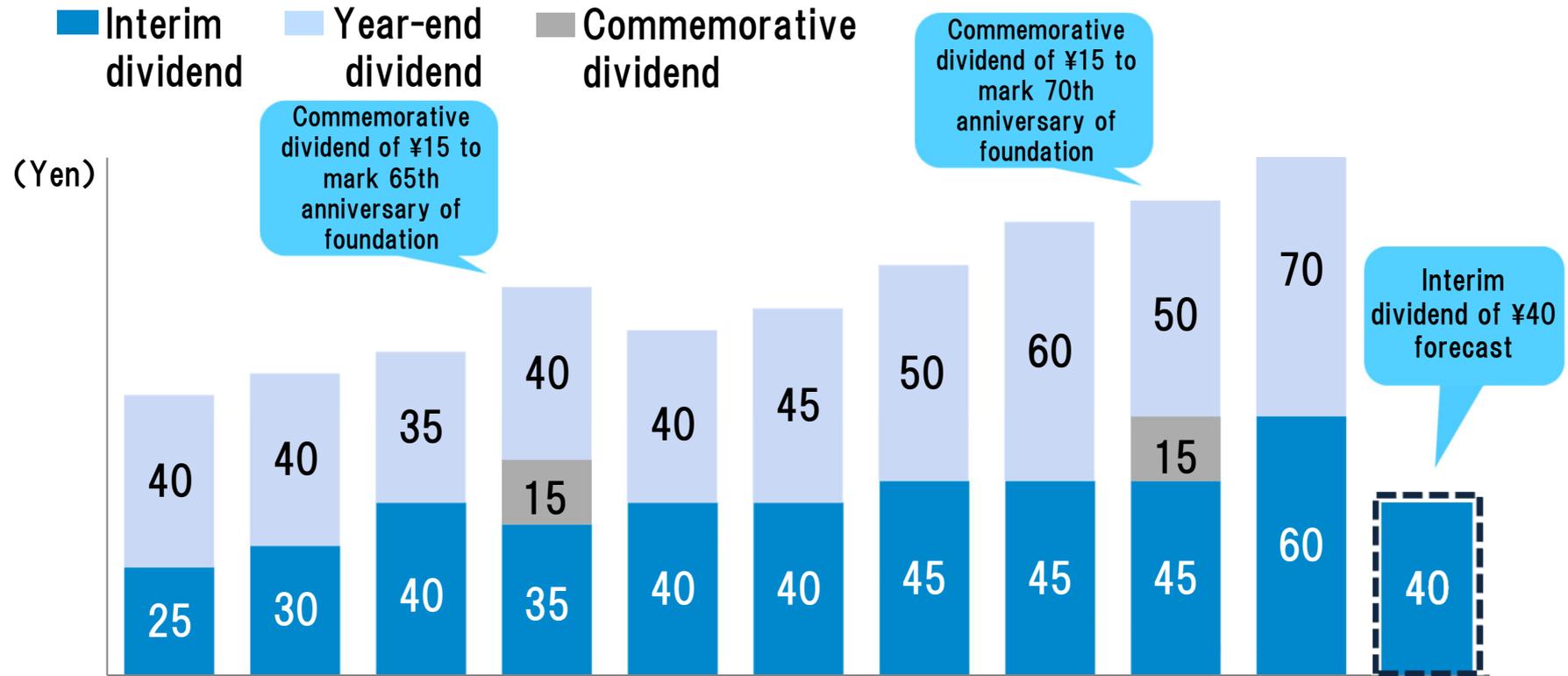
- ◆ Promotion of sharing cross-border information
- ◆ Global-based sharing of products lineup and track records
- ◆ High-level standardization of promotional selling strategy group-wide

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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.



	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3
Dividend payout ratio: (%) consolidated	27.7	27.7	25.9	38.8	29.4	34.5	30.4	23.7	26.3	28.5	—

Note) The dividend forecast for the full 2020 fiscal year is not presented due to uncertainties in the market outlook. The dividend distribution plan will be disclosed when it becomes available.

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## ◆ Topic

(Appendix)

# Pharmaceuticals Evolving into Healthcare



**DAIICHI JITSUGYO CO., LTD.**

**Daisuke Ozono**

**Managing Executive Officer  
General Manager  
Healthcare Business Division**

**May 29, 2020**

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## **We will contribute to people's good health around the world through significant improvement in our equipment's productivity and quality.**

Our business fields are expanding into various fields such as dietary supplements, cosmetics, and medical devices, beyond our former business scope of pharmaceuticals. Therefore, we have hereby defined all of our current businesses, related to maintaining good health, including medicine, as our healthcare business. Thereby we have just restarted our business under the Healthcare Business Division, a renamed division better reflecting our actual business coverage.

- 1 . Change in Market Conditions**
- 2 . Our Healthcare Business
- 3 . Our Business Fields  
Expansion & Strategies
- 4 . Numerical Targets

**Demand for Antiviral**

**UP**

**Ex. : Avigan ➔ Tablets (solid form)**

**Remdesivir ➔ Injections  
(liquid form)**



**Future Demand for Vaccines**

**UP**

**➔ Overall, demand for injections will increase**



## On Consumer End

**Raise in health consciousness & preventive care**

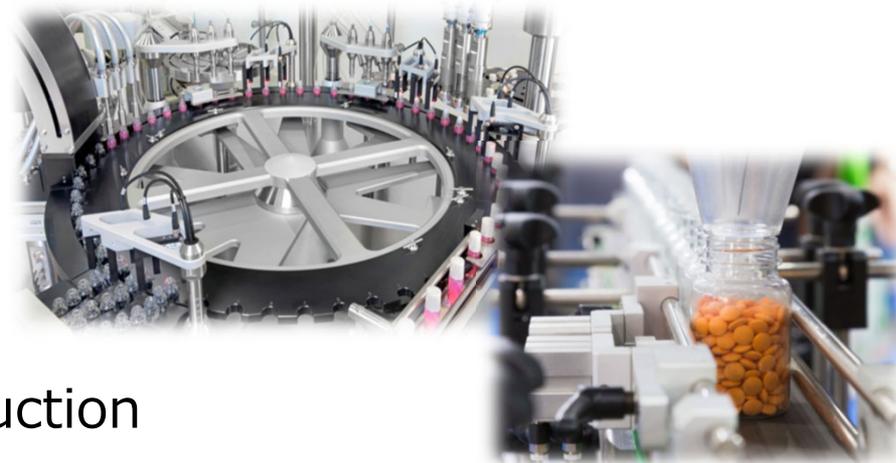
- ➔ Demand for medicine, dietary supplements, and medical treatment on the increase
- ➔ Generalization of online medical diagnosis



## On Producer End

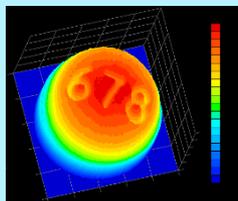
**Shift to touchless technology & high productivity**

- ➔ Labor-saving
- ➔ Automated/Consecutive production



- 1 . Change in Market Conditions
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Tablet visual inspection systems worldwide market share: No.1



Promotional selling

DAIICHI JITSUGYO CO., LTD.



Maintenance for inspection accuracy



Design & manufacturing

DAIICHI JITSUGYO VISWILL CO., LTD.



DAIICHI MECHA-TECH CORPORATION



Installation & maintenance

## Tablet visual inspection system

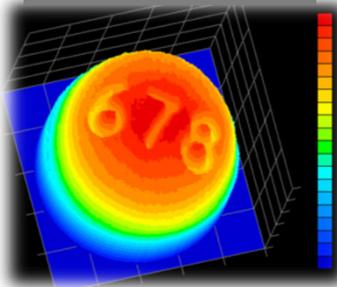


## Tablet printing inspection system

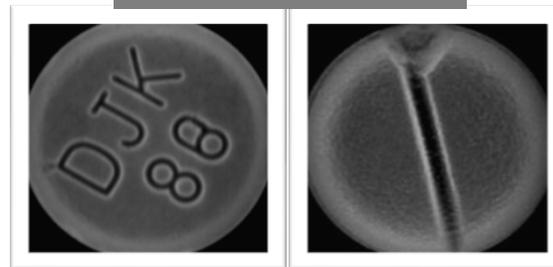
Co-developed product with  
DAIICHI JITSUGYO VISWILL CO., LTD.



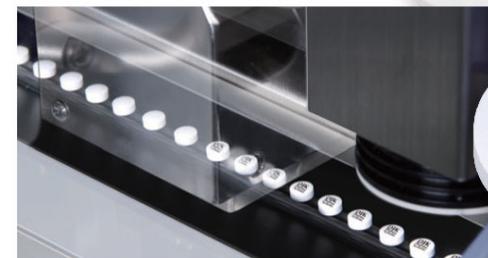
3D inspection



Inspection for  
pressing & chipping



Printing on tablets

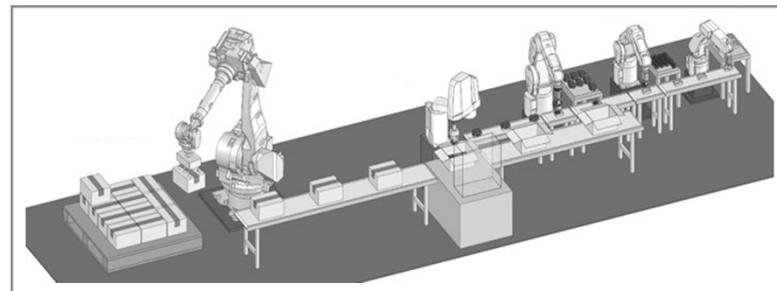


**DJK**  
Pharma  
Systems

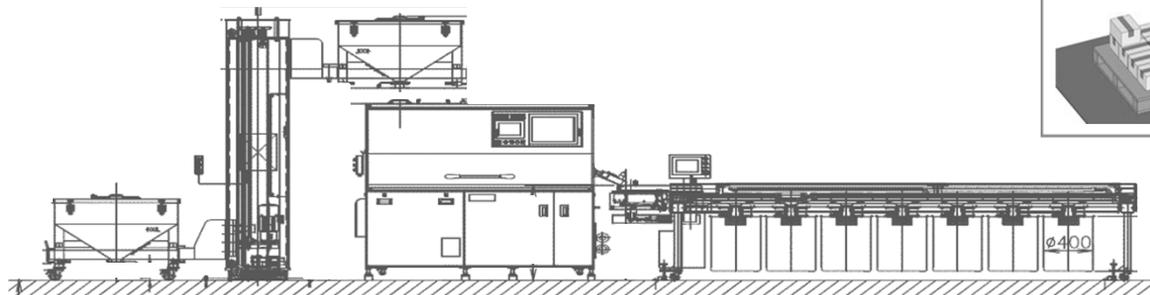
We have a wide range of track records with inspection process at its core.

Solid form

Material supply +  
Inspection + Collection

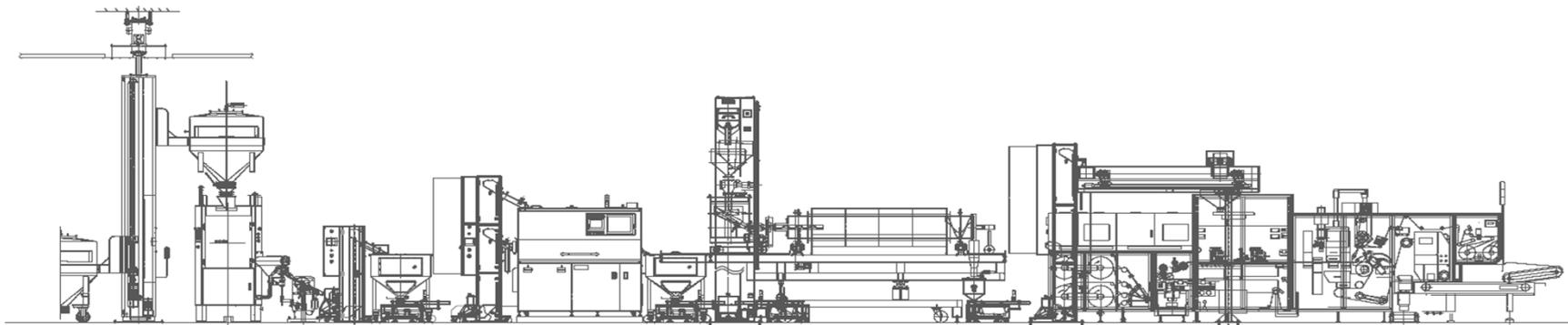


Robotic Automation

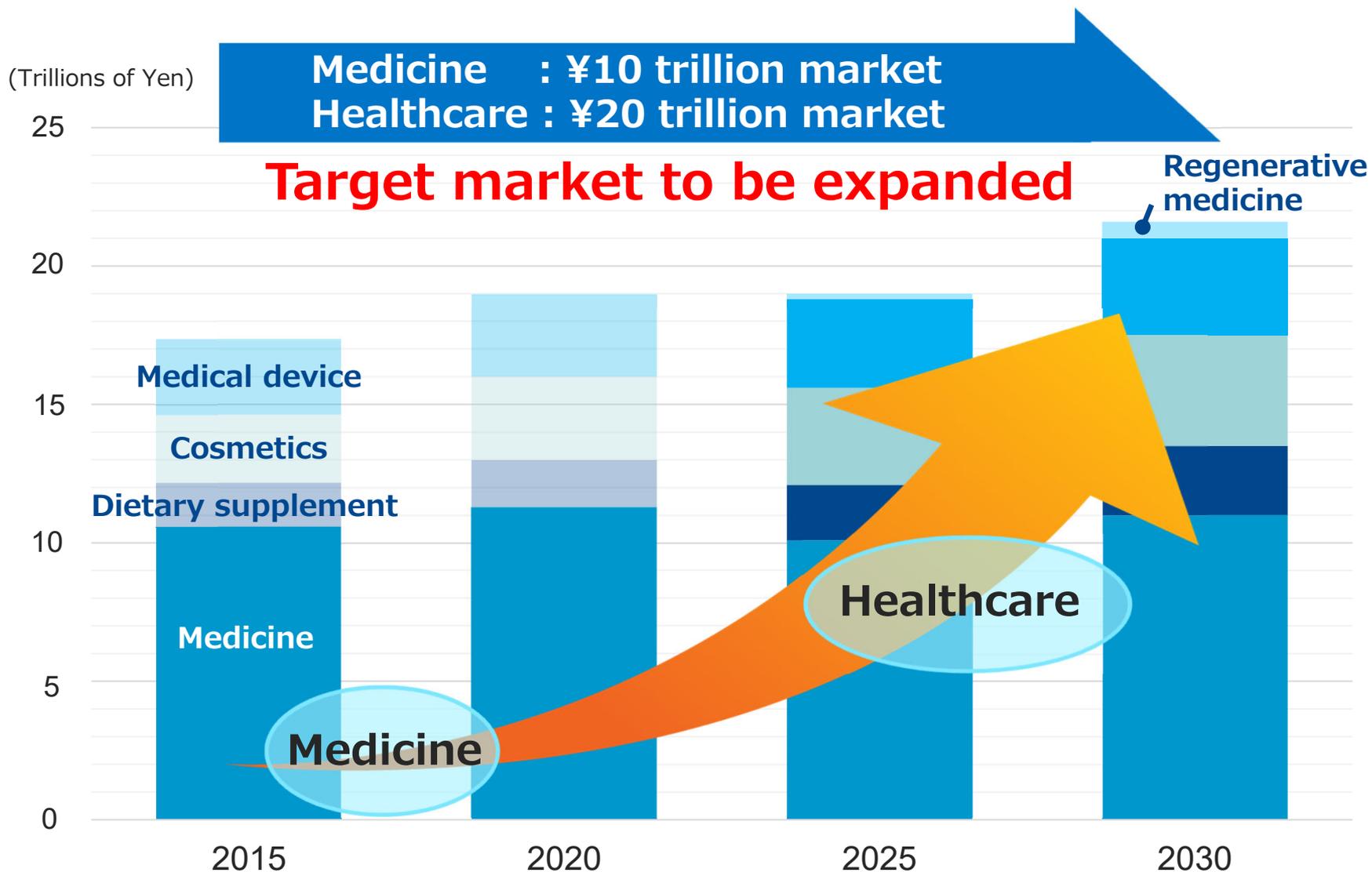


Solid form

Pressing + Inspection + Drying + PTP Packaging



- 1 . Change in Market Conditions
- 2 . Our Healthcare Business
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Expansion & Strategies**
- 4 . Numerical Targets



(Prepared by Daiichi Jitsugyo Co., Ltd, referencing multiple data sources)

## Medicine

Start liquid form (injections) business, in addition to our existing main business of solid form

## Overall Business Fields

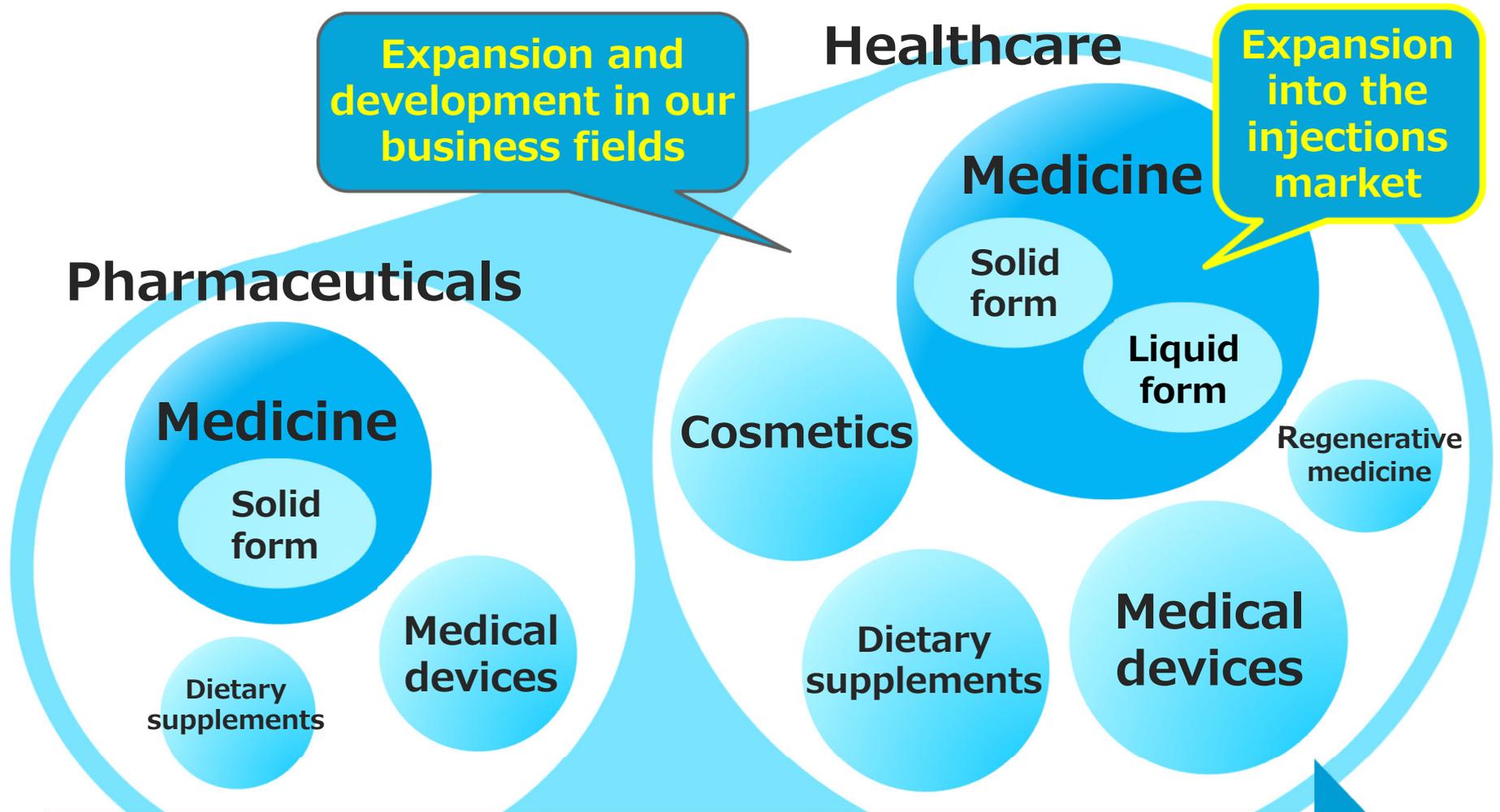
Strengthen our initiatives toward overall healthcare market  
Dietary supplements, cosmetics, medical devices

## Engineering

Realization of automated / consecutive production lines to meet customers' requirements

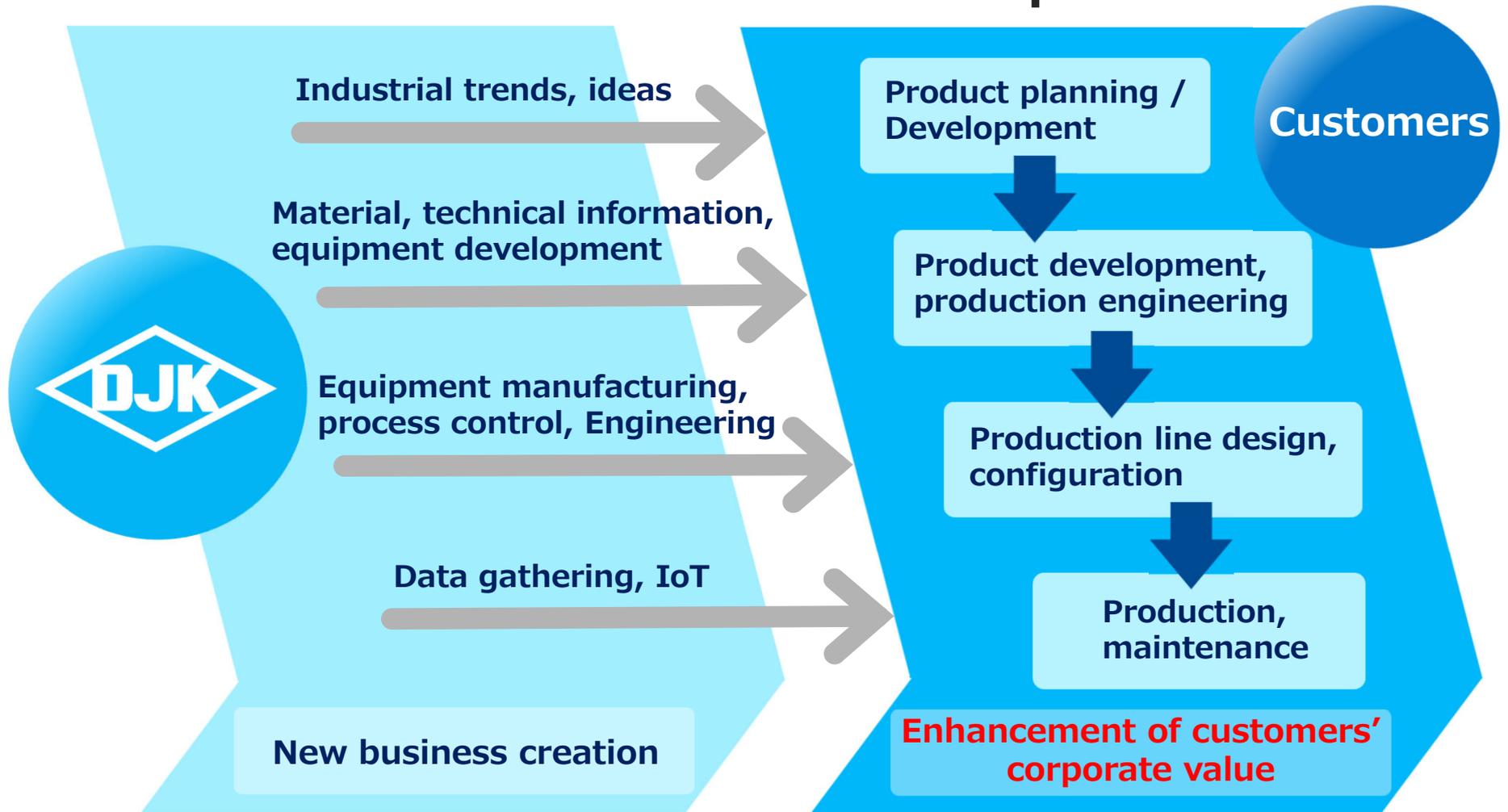
## Investing in the Future

Pursue opportunities in the new field of regenerative medicine



**Experience and know-how gained in the medicine manufacturing industry to be applied to our healthcare business**

We will provide equipment, as well as solutions, that our customers need in all phases



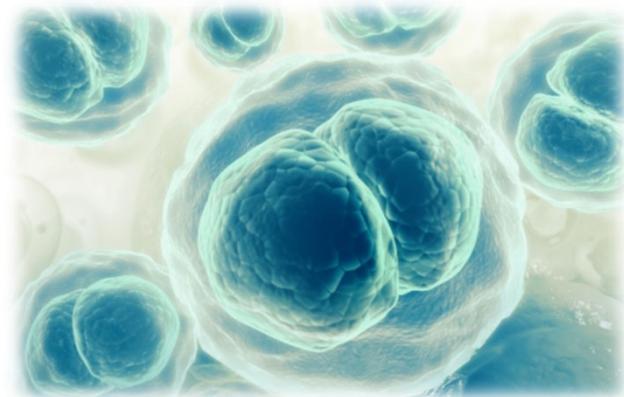
## Regenerative Medicine

Next generation medicine with unlimited potential for treating intractable diseases, where modern medical science has not yet found solutions.

### Main equipment : Automated cell culture device

To be developed : Next generation screening device,  
automated cell induction device, etc.

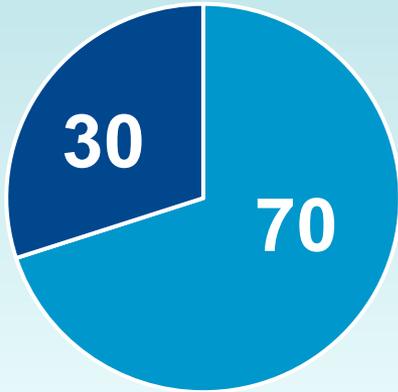
We are now in the development phase. In order to meet expectations from pharmaceutical companies, research institutions, colleges & universities etc., we will resolutely work on developing new devices together with customers.



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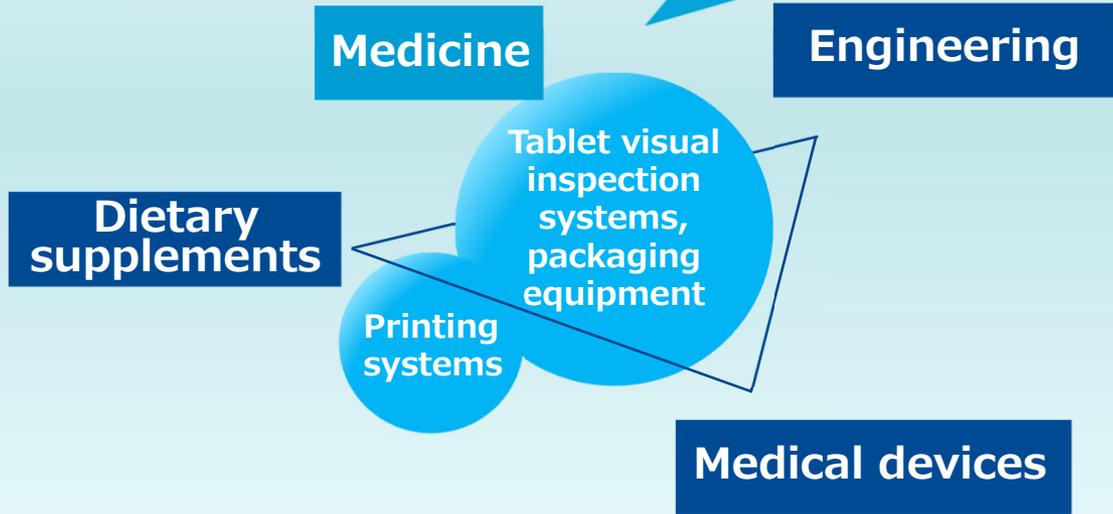
**Main business field : Medicine**  
Successful in business expansion  
with tablet inspection system at its  
core

**Net Sales  
(record-high)  
¥10 billion**

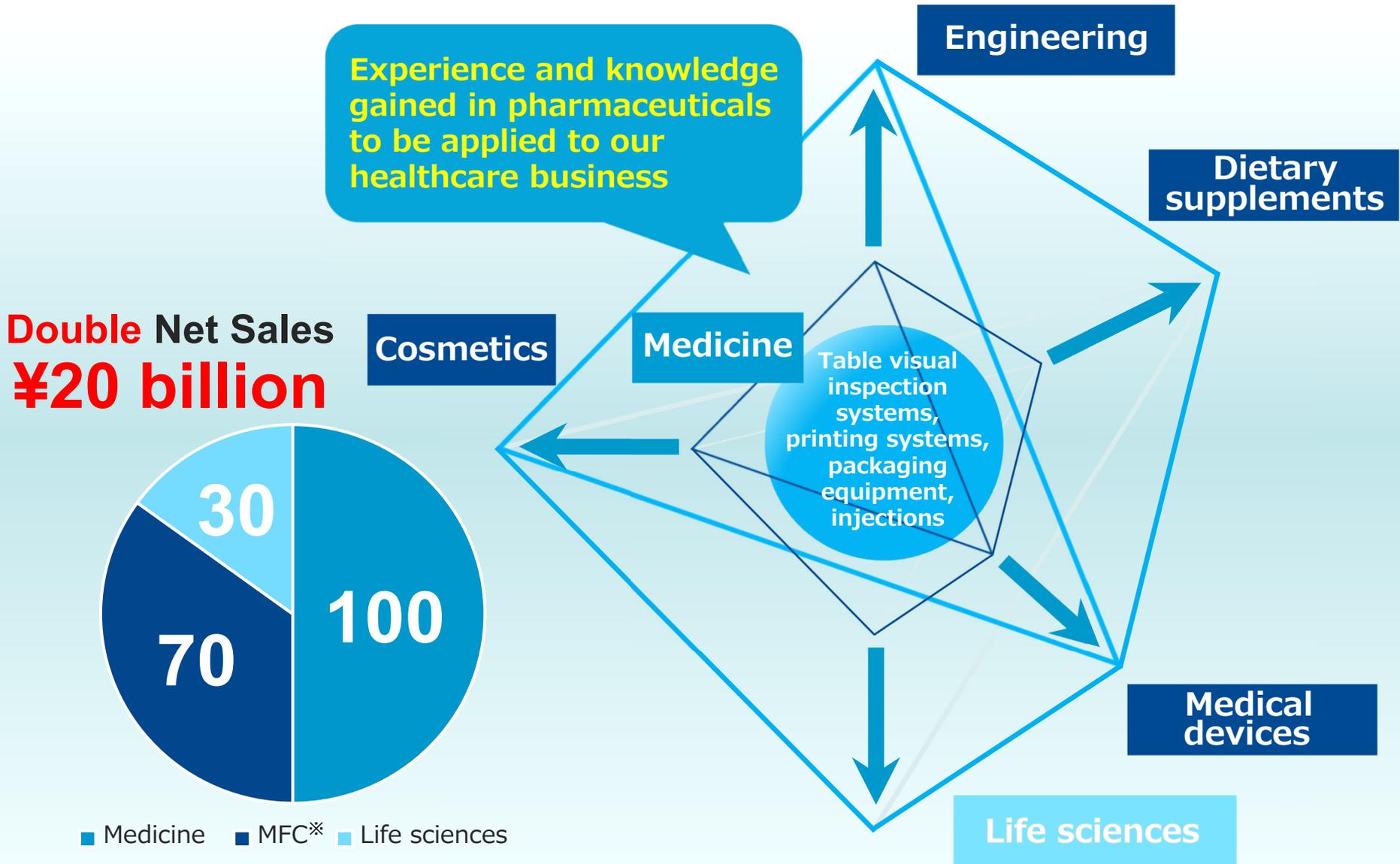


■ Medicine ■ MFC\*

※Medical, Food, Cosmetics



# FY2023 Targets



\*Medical, Food, Cosmetic

# Pharmaceuticals Evolving into Healthcare

**Daisuke Ozono**

**Executive Officer  
General Manager**

**Healthcare Business Division**

# Thank you for your attention.

Contact : Corporate Communicating Dept.  
Corporate Planning & Strategy Div.

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Website: <https://www.djk.co.jp/>  
4-6 Kandasurugadai, Chiyoda-ku,  
Tokyo 101-8222 (Ochanomizu Sola City)



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**1** Company Profile



**2** Founding Spirit



**3** DJK History  
since  
1948



**4** Domestic & Overseas Network



**5** Total Solution



**6** Performance Review and Stock Price for Past 10 Years



**7** Stock Information



**8** CSR



**9** Medium-term Business Plan  
**FACE**  
2021

Company Name

 **DAIICHI JITSUGYO CO., LTD.**

Founded

August 12, 1948

Stock Listings

The first section of the Tokyo Stock Exchange  
(Securities code:8059)

Representative

Ichiro Uno (President & CEO)

Head Office  
Location

Ochanomizu Sola City,  
4-6, Kandasurugadai, Chiyoda-ku,  
Tokyo 101-8222 Japan

Capital

¥5,105 Million

Net Sales  
(consolidated)

¥161,476 Million (Fiscal 2019)

Core Business

Total supplier of industrial equipment

No. of Employees

1,209 (Consolidated) (As of March 31, 2020)

Consolidated  
Subsidiaries

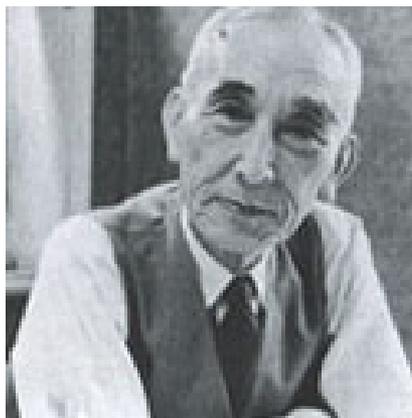
Domestic:3 Overseas:14 Total:17 (Equity-method Affiliate : 1)

No. of Offices

Domestic:7 Overseas:32 Demo Center:5



Head Office in Tokyo



Shojiro Kuramochi  
The First President of DJK

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

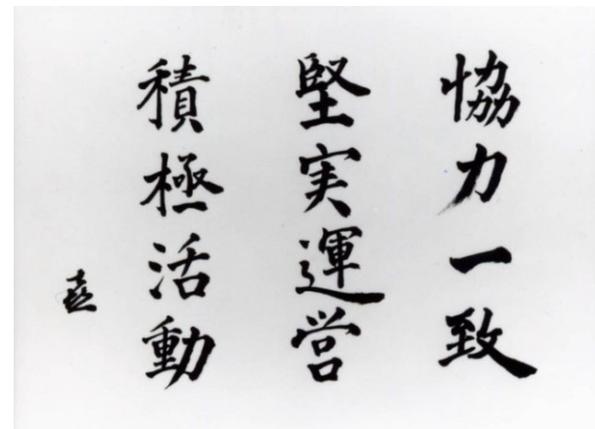
Mr. Shojiro Kuramochi who became the first company president was one of seven people. Founders named this company DAIICHI JITSUGYO and started out their operation as a firm exclusively in the machine business.

Mr. Kuramochi never allowed our company to participate in illegal transactions, which prevailed in those days across Japan. He instituted the trade policies listed below and thoroughly observed them.

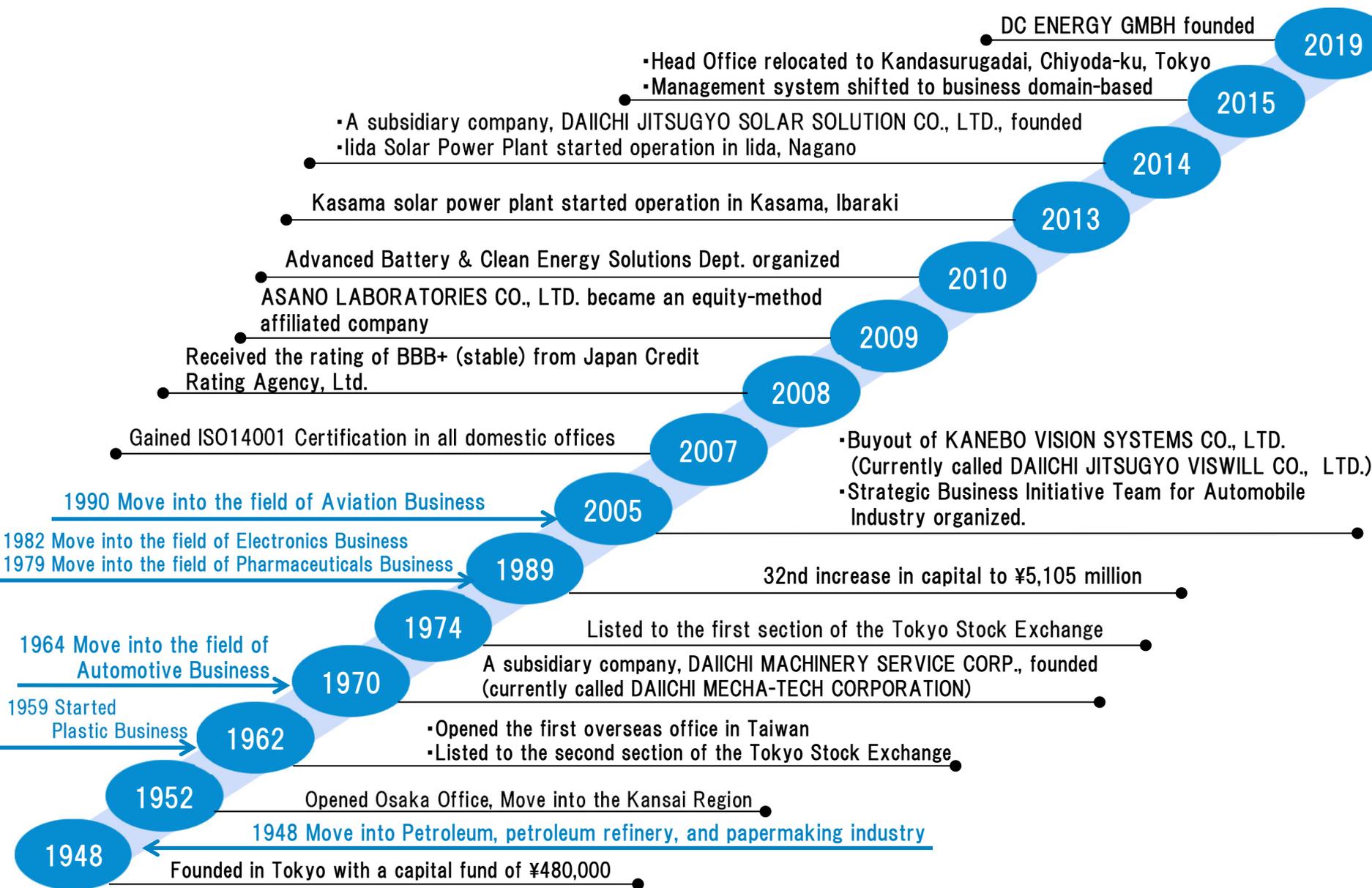
1. Do business exclusively in the machine equipment trade
2. Deal with reliable companies
3. Build firm relationships with banks

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

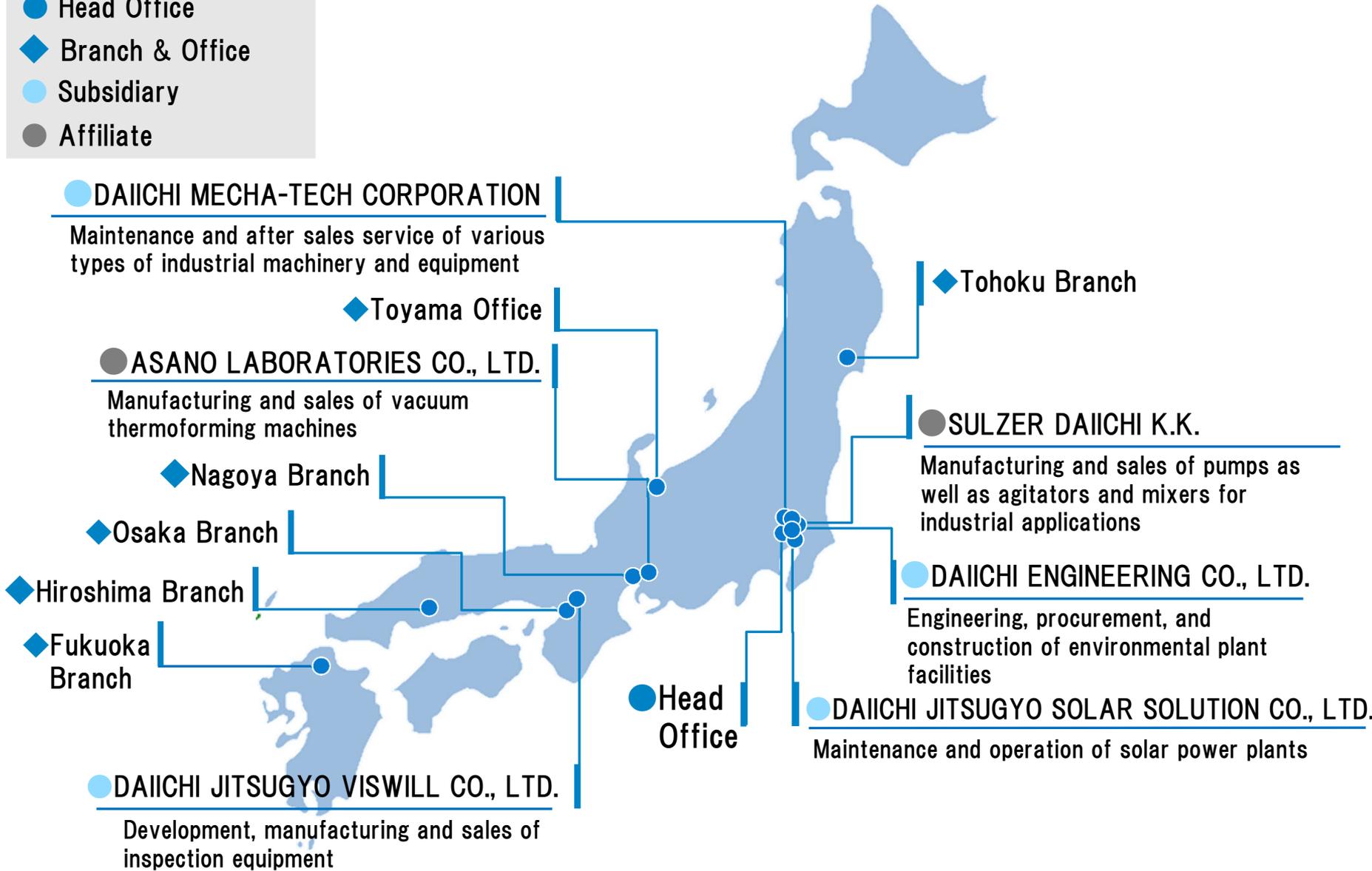
These policies are part of our corporate culture.



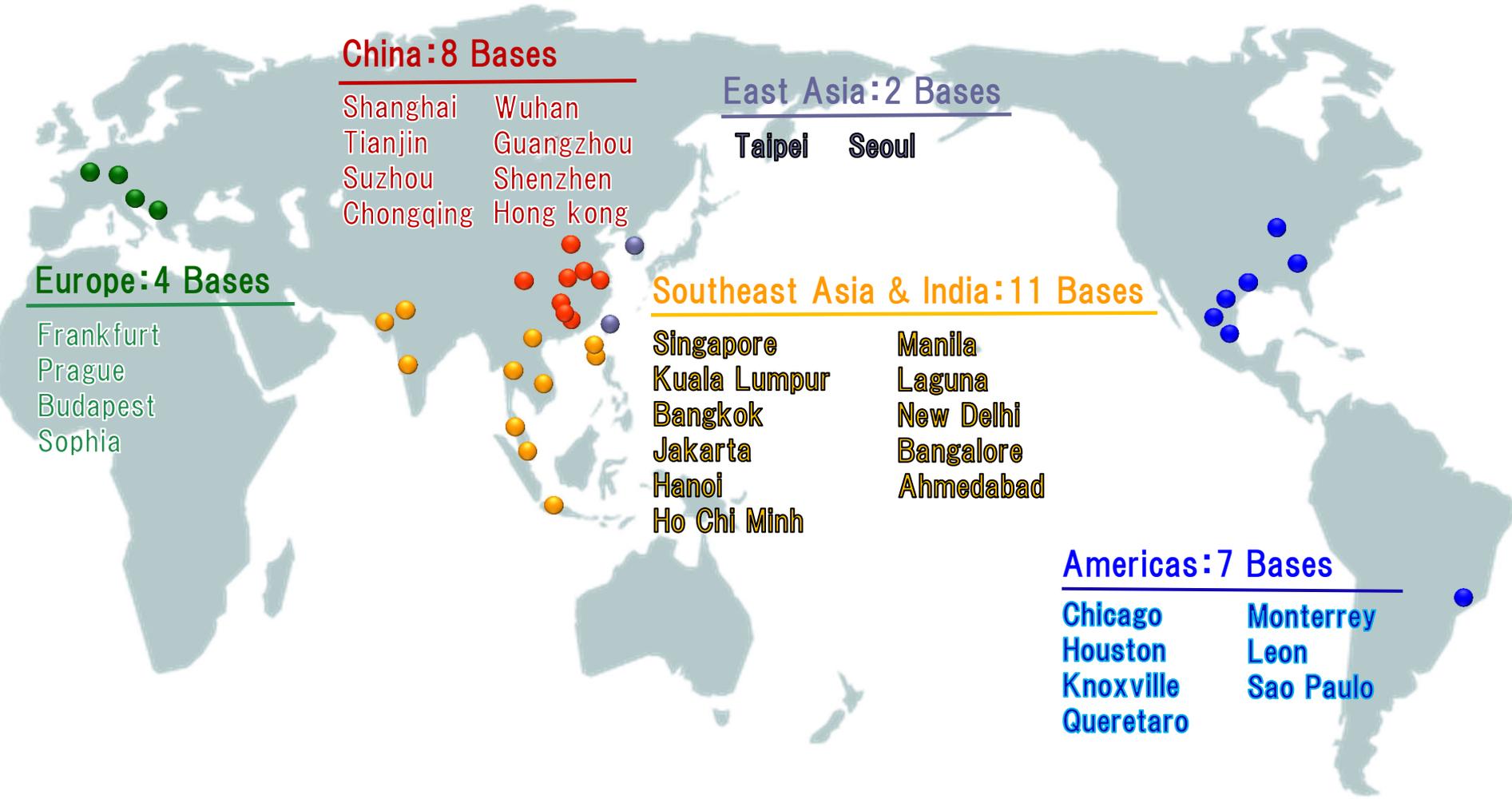
Our corporate principles instituted at the time of foundation: unified cooperation, sound management, and proactive corporate activity. For 70 years from foundation, they run through our corporate culture.



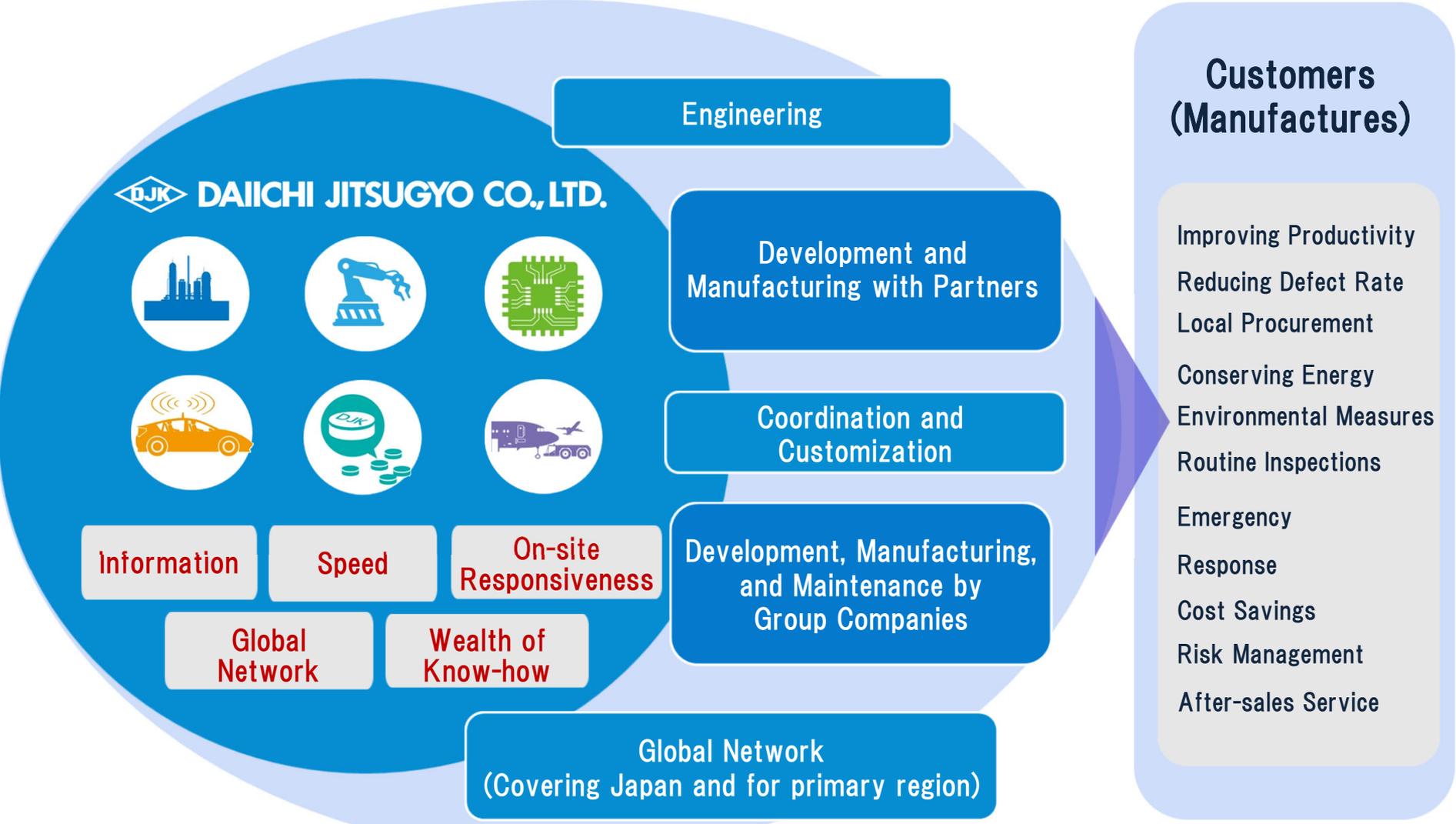
- Head Office
- ◆ Branch & Office
- Subsidiary
- Affiliate



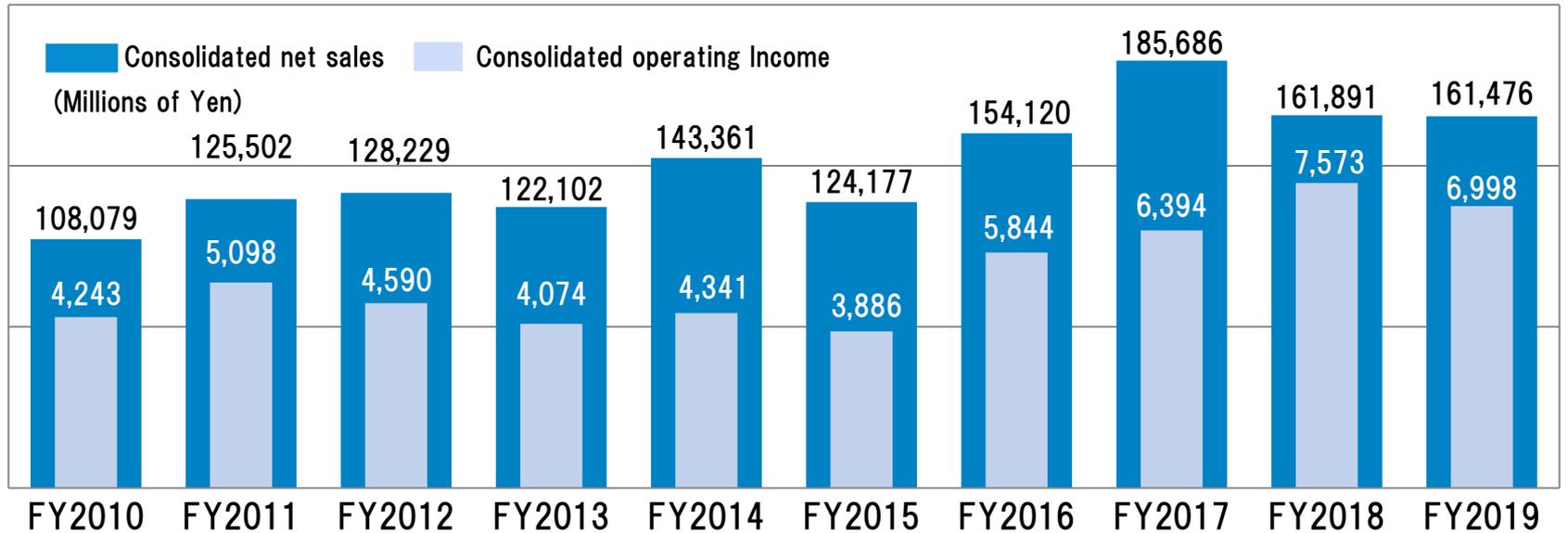
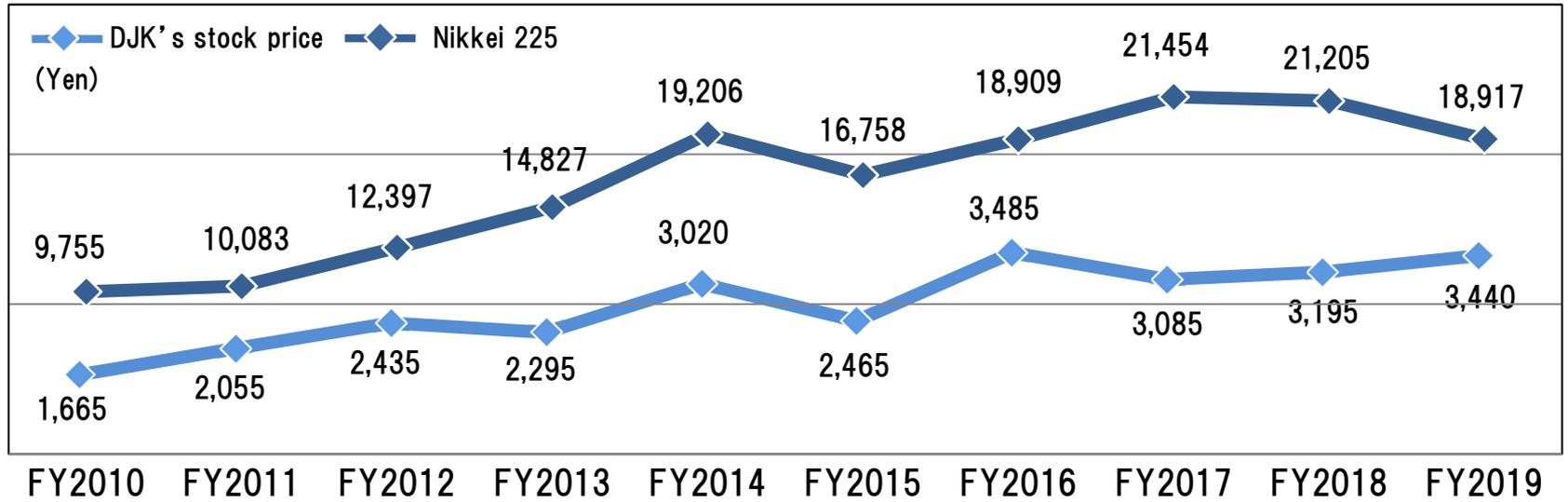
DJK has offices worldwide at 33 locations in 18 countries.



# Solution Provider Addressing Global Needs



# 6 Performance Review and Stock Price for Past 10 years



## Common Stock

(As of March 31, 2020)

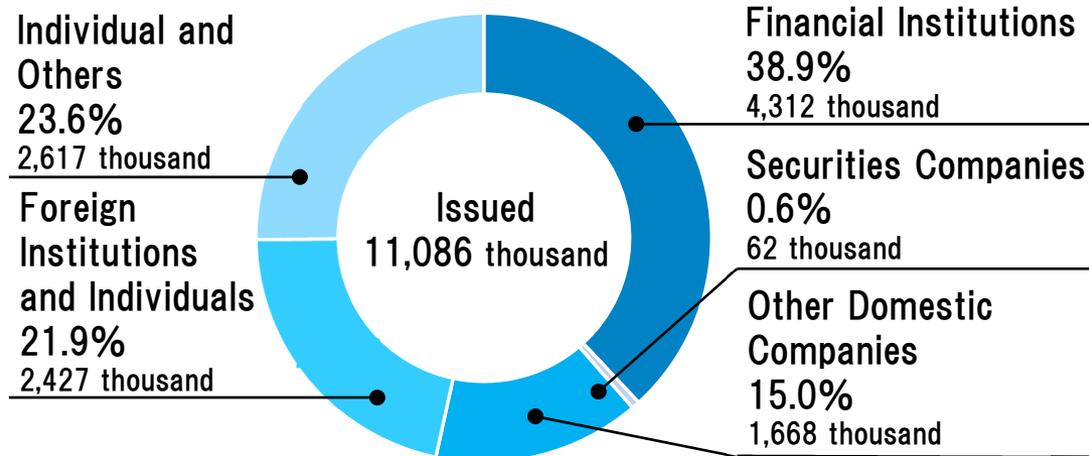
Authorized	32,000,000 shares
Issued	11,086,400 shares
Trading Unit	100 shares
Number of Shareholders	4,280

## Major Shareholders

Shareholders' name	Number of shares (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	623	5.82
Mizuho Bank, Ltd.	511	4.78
Sumitomo Mitsui Banking Corporation	511	4.78
Japan Trustee Service Bank, Ltd.	502	4.70
Hikari Tsushin K.K.	492	4.60
MUFG Bank, Ltd.	373	3.49

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

## Distribution of Ownership among Shareholders



※ individuals and others include treasury stock. (3.5%)

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.

Improving customer satisfaction through safe, high-quality products and services

Enhancing corporate governance building and strengthening internal control systems

Promoting sales of eco-friendly products

Improving shareholder value

Proactive information disclosure to stakeholders

Contribution to community society

## Social Contribution Initiatives

### Educate future engineers



As a general machinery trading company, DJK co-sponsors robot contests to help children understand Monodzukuri technology. The contests offer occasions to become familiar with scientific technologies and serve as a venue for cultivating creativity and problem-solving abilities. Many DJK employees participate in the competition as volunteer staff.

### 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

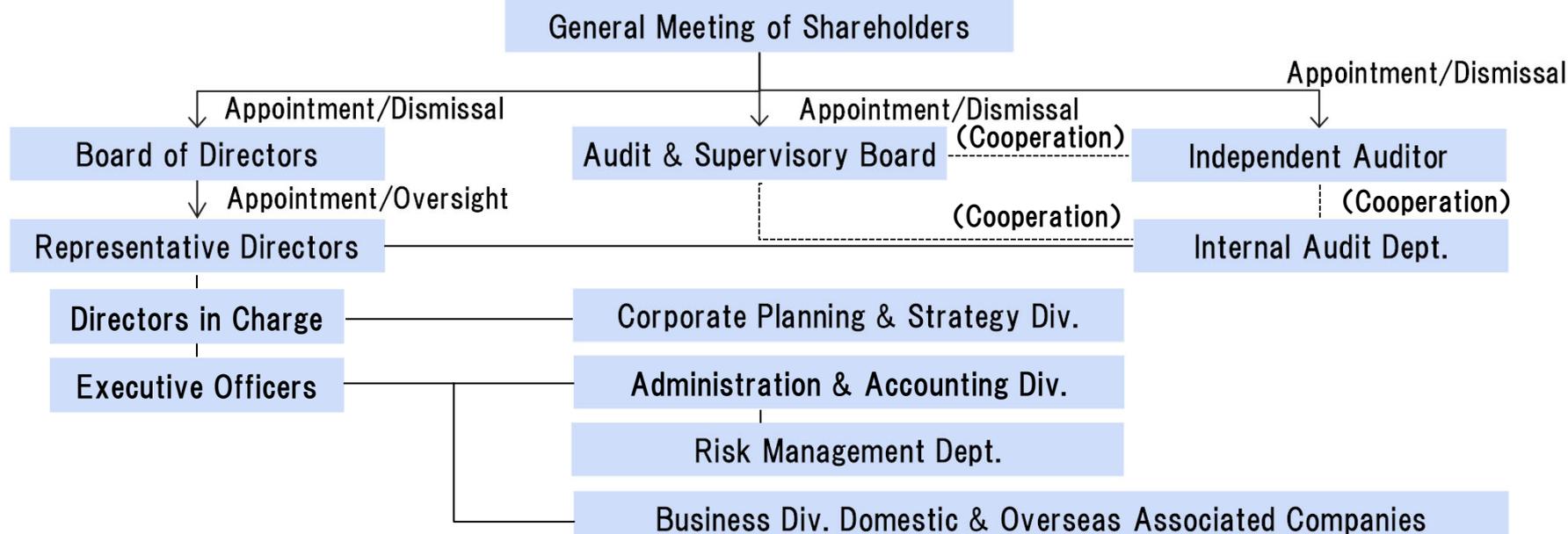
### Training seminar for overseas employees



DJK Group has more than 1,000 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

As of June 28, 2019



## 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.

### 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.

### 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.

### 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.

# Appendix: Healthcare Business

# History of Our Healthcare Business



Started tablet inspection business as a distributor of KANEBO CO., LTD.

Had machine-inspected quality assurance standardized, instead of the former quality assurance by visual check.

1979

Acquired the manufacturing function by establishing DAIICHI JITSUGYO VISWILL CO., LTD.

Completed building of an all-in-one business model covering from manufacturing, sales to maintenance, also having the after-sales service function by DAIICHI MECHA-TECH CORPORATION

2005

Pharmaceutical Business became independent as one division from Industrial Machinery Business Division., prior to shift to business domain-based management system.

Released a co-developed tablet printing inspection system with a pharmaceutical company. We addressed promotional selling of the world's first multiple system combined visual inspection with inkjet-based printing.

2014 2015

2016

Established the Overseas Sales Group internally. Reinforced to raise our profile through exhibitions in South Korea, China, India, Southeast Asia, and Europe.

For our business fields expansion, Pharmaceuticals Business was renamed to Healthcare Business. We will expand our market share, focusing on strengthening of engineering business as well as life sciences.

2020