



Business Results for the Second Quarter of Fiscal 2019



DAIICHI JITSUGYO CO., LTD.

Ichiro Uno
President & CEO

(Securities Code : 8059)

November 22, 2019

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.

Contents

**1. Outline of Business Results
for the Second Quarter of FY2019**

2. Segment Information
for the Second Quarter of FY2019

3. FY2019 Earnings Forecast

4. Dividend

◆ Topic

(Appendix)

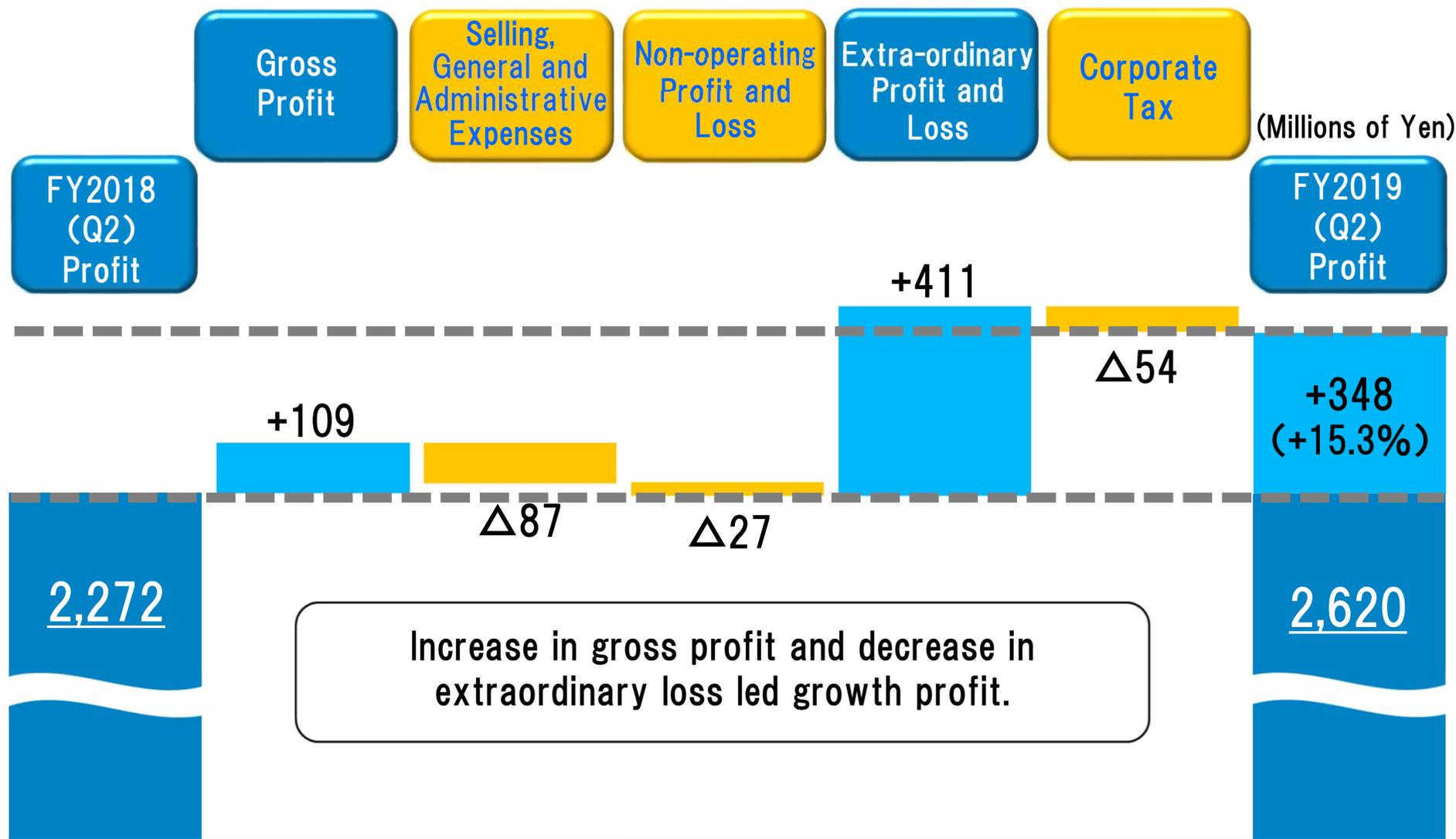
Summary for the Second Quarter of FY2019

- ◆ Increase in both net sales and profit to reflect competitive strength of our six-business portfolio. Record-high profit in the second quarter.
- ◆ Net sales driven by Plant and Energy Business. Lithium-ion battery (LIB) field saw solid growth.
- ◆ Pharmaceutical and Aviation Business delivered good operational performance.

Consolidated Financial Results for the Second Quarter

(Millions of Yen)	FY2018 (Q2)	FY2019 (Q2)	Increase/ decrease
Orders Received	97,000	86,084	△11.3%
Net Sales	77,304	79,173	+2.4%
Operating Income	3,573	3,595	+0.6%
Ordinary Income	3,753	3,748	△0.1%
Profit Attributable to Owners of Parent	2,272	2,620	+15.3%
Earnings per Share	213.27Yen	245.45Yen	+32.18Yen

Summary of Changes in Second Quarter Profit

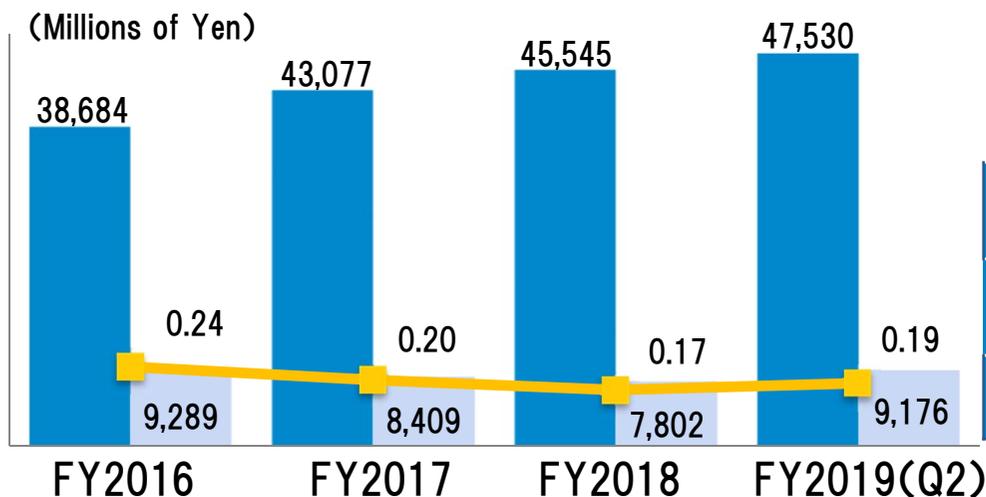


Financial Position



■ Shareholders' Equity ■ Interest-bearing Debt —+— DER(times)

(Millions of Yen)

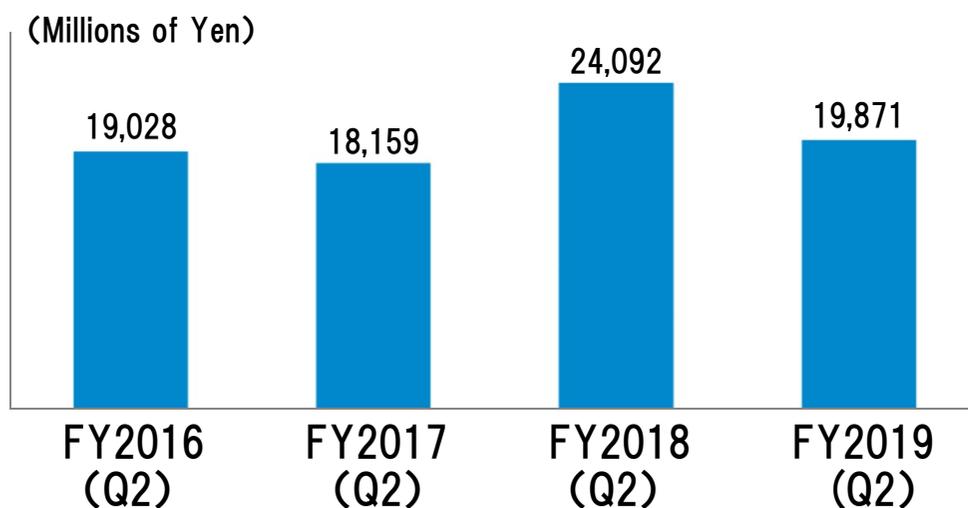


	FY2018	FY2019 (Q2)	Increase/decrease
Shareholders' Equity	45,545	47,530	+1,985
Interest-bearing Debt	7,802	9,176	+1,373
DER	0.17	0.19	+2point

(Shareholders' Equity Ratio : 43.4%)

■ Cash & Cash equivalents at the second-quarter end

(Millions of Yen)



	FY2018(Q2)	FY2019(Q2)
CF from Operating Activities	7,047	△424
CF from Investing Activities	△481	△884
CF from Financial Activities	△243	401
Cash & cash equivalents	24,092	19,871

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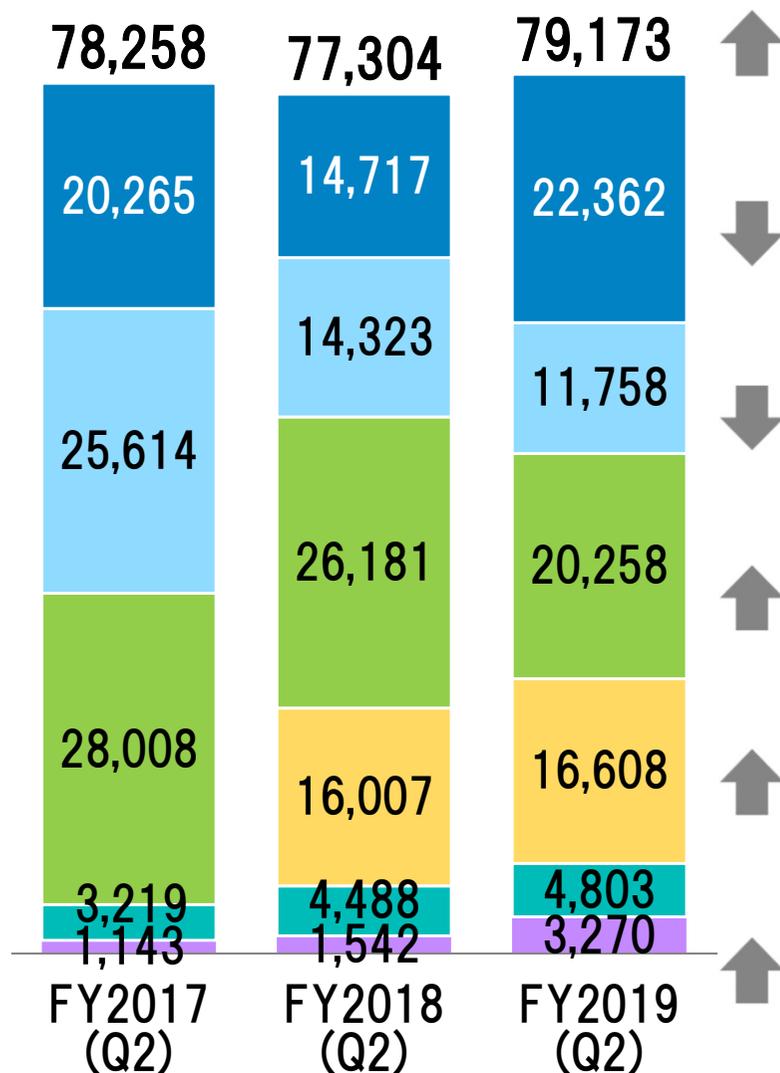
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Segment Information (Consolidated Net Sales)



(Millions of Yen)

Summary of Changes from the same period of the previous fiscal year



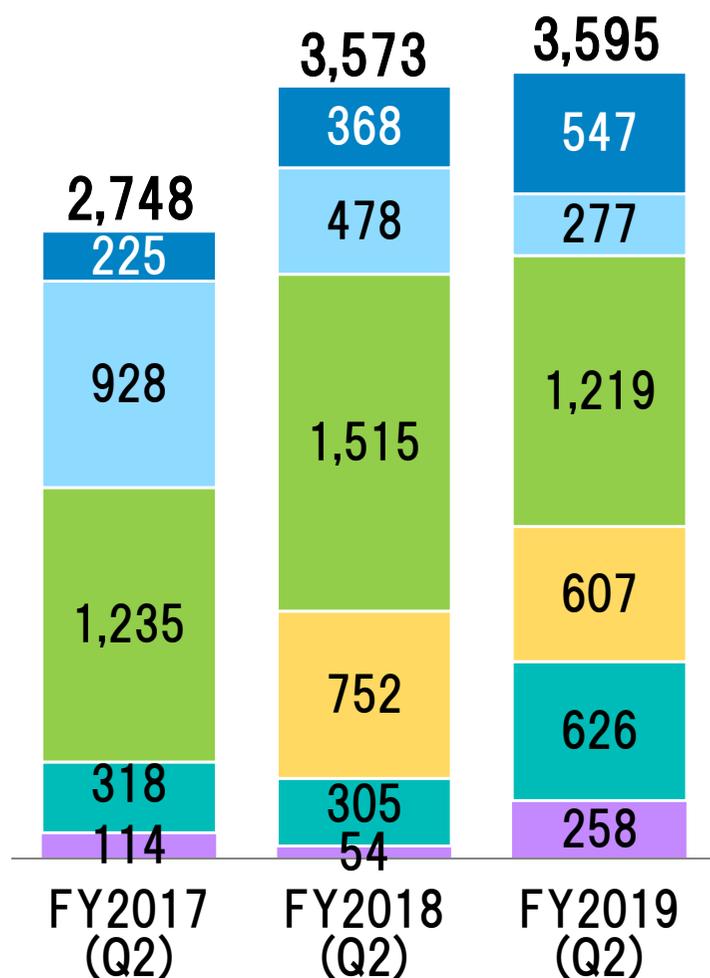
- **Plant & Energy (+7,644 / +51.9%)**
 Significant increase due to strong LIB field sales, in addition to sales on a large scale in overseas fertilizer plants.
- **Industrial Machinery (Δ2,565 / Δ17.9%)**
 Decrease due to lower sales in factory automation despite large-scale sales in logistics.
- **Electronics (Δ5,922 / Δ22.6%)**
 Decrease in sales in electronic device manufacturing equipment mainly shipped for China in the IT and digital fields.
- **Automobile (+600 / +3.8%)**
 Slight increase due to sales growth of injection molding machines, automated processing/assembling, painting equipment in the domestic market.
- **Pharmaceuticals (+314 / +7.0%)**
 In addition to large-scale sales in tablet visual inspection systems, those of packaging equipment as well as image processing units increased.
- **Aviation (+1,727 / +112.0%)**
 Significant increase due to sales growth of ground support equipment.

Segment Information (Consolidated Operating Income)



(Millions of Yen)

Summary of Changes from the same period of the previous fiscal year



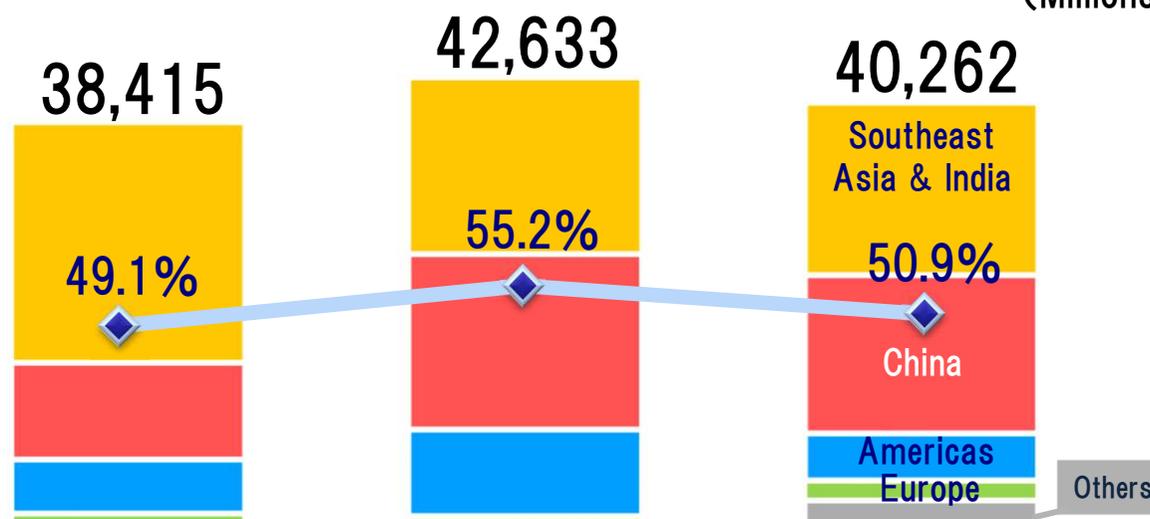
- **Plant & Energy (+178 / +48.4%)**
 Significant increase due to strong sales in petroleum/chemical plants equipment, besides solid sales in LIB manufacturing equipment in China.
 - **Industrial Machinery (Δ201 / Δ42.1%)**
 Significant decrease due to weak sales in the diverse range of equipment for labor-saving and automation, in addition to lower profitability.
 - **Electronics (Δ296 / Δ19.5%)**
 Decrease due to lower sales in China despite improvement in profitability of surface mount placement equipment.
 - **Automobile (Δ145 / Δ19.3%)**
 Decrease due to lower profit in Mexico despite solid sales in automated processing, assembling, and painting equipment.
 - **Pharmaceuticals(+320 / +104.8%)**
 Significant increase due to improvement in profitability, strong sales in tablet visual inspection systems and image processing units.
 - **Aviation (+204 / +374.4%)**
 Significant increase due to multiple large scale sales in ground support equipment and increase in high-profitable products.
- ※ Operating income includes adjustment values.

Overseas Sales



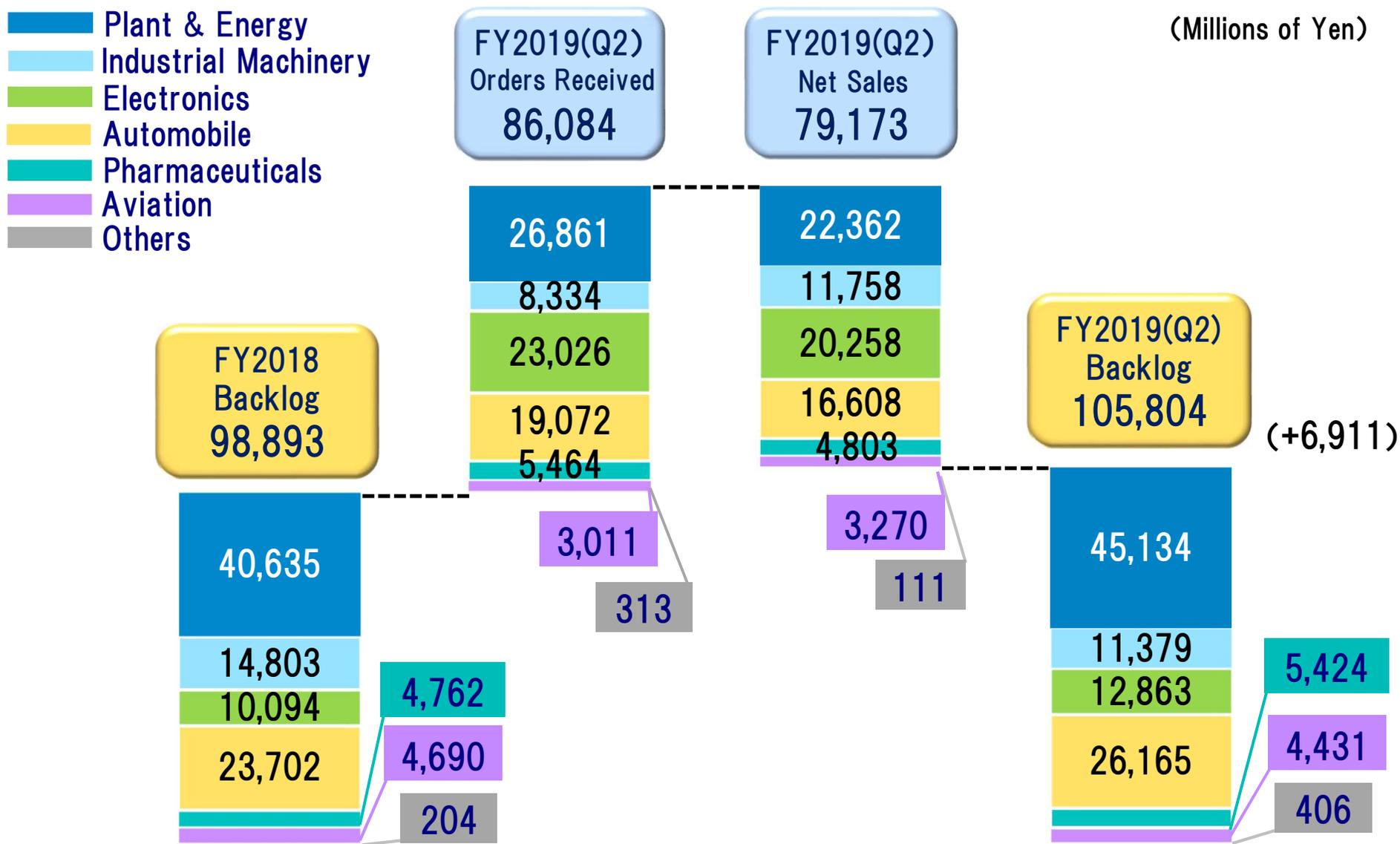
- Southeast Asia & India
- China
- Americas
- Europe
- Others
- ◆ Ratio of Overseas Sales

(Millions of Yen)



	FY2017(Q2)		FY2018(Q2)		FY2019(Q2)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Southeast Asia & India	22,612	58.9%	16,586	38.9%	16,206	40.3%
China	9,093	23.7%	16,527	38.8%	14,891	37.0%
Americas	5,126	13.3%	8,192	19.2%	4,467	11.1%
Europe	1,494	3.9%	1,275	3.0%	1,864	4.6%
Others	88	0.2%	51	0.1%	2,832	7.0%
Total overseas sales	38,415	100.0%	42,633	100.0%	40,262	100.0%
Quarterly total sales	78,258		77,304		79,173	
Ratio of overseas sales	49.1%		55.2%		50.9%	

Orders Received and Backlog by Segment



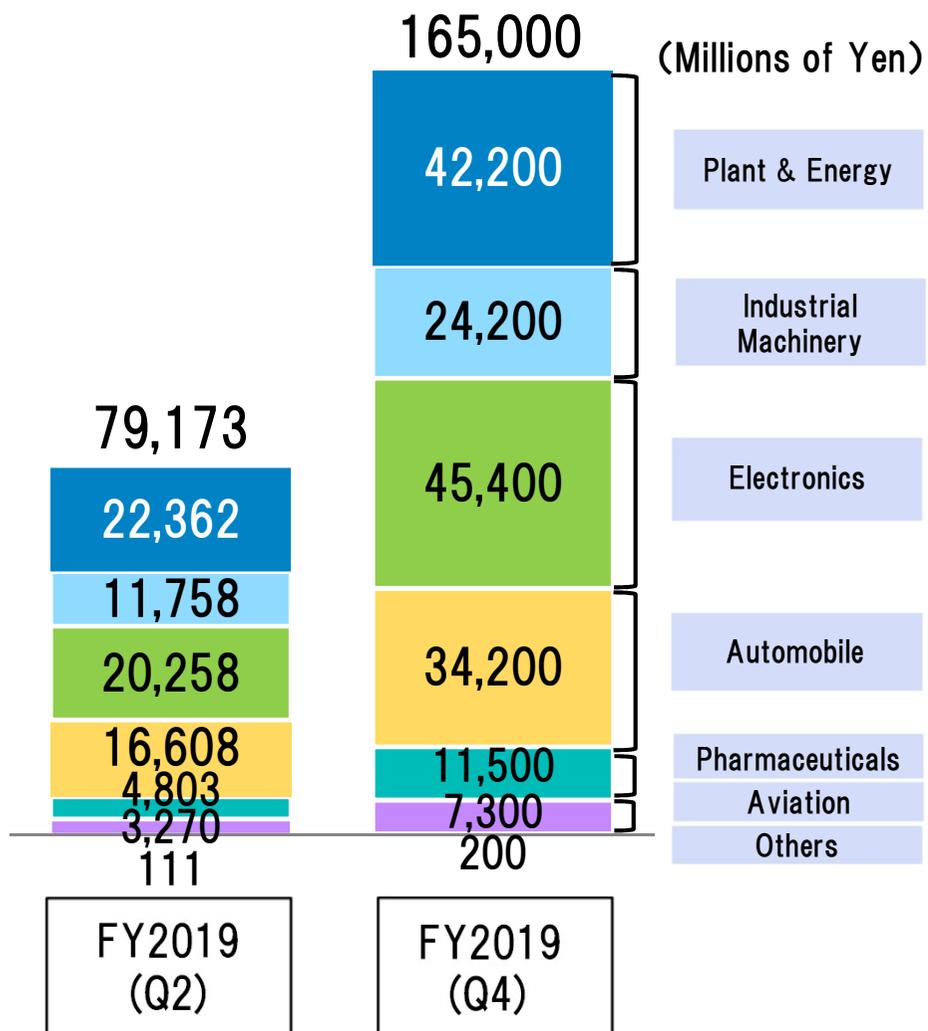
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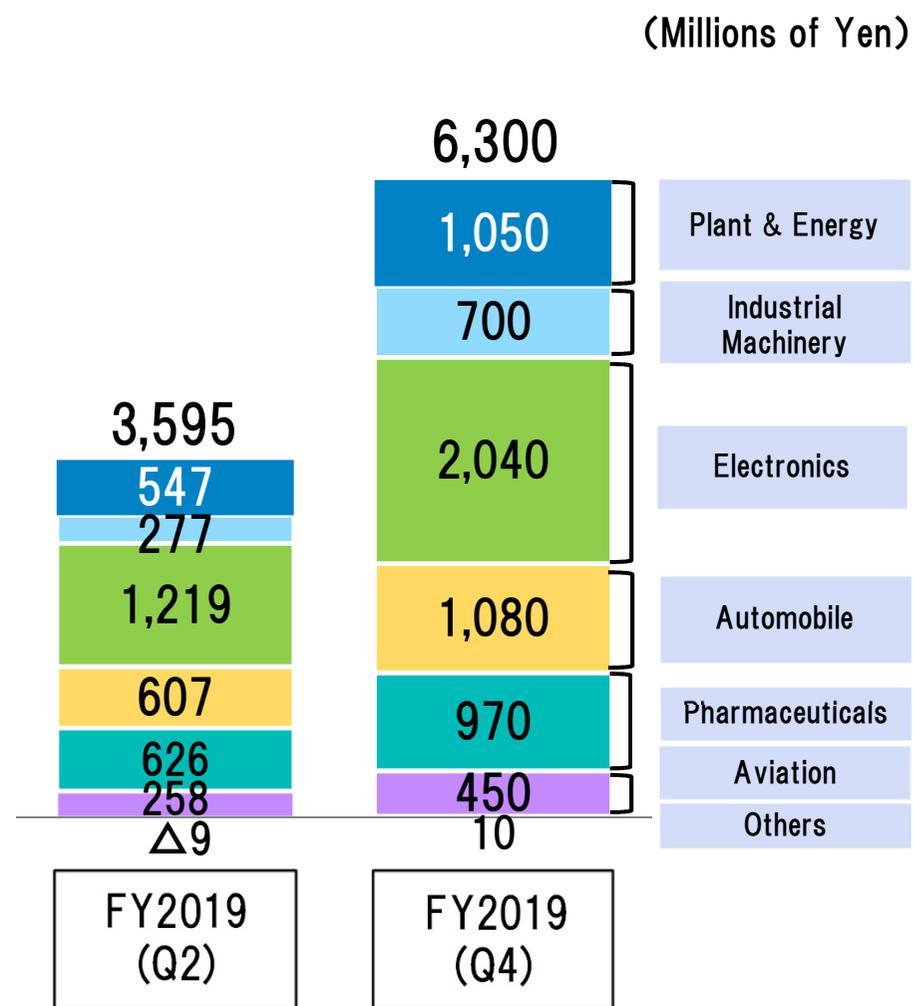
FY2019 Forecast of Net Sales & Operating Income by Segment



Net Sales



Operating Income



Sales Strategy by Segment for FY2019



Segment	Sales Strategy
Plant & Energy	Regarding the LIB area, we will advance sales strategy, centering on a joint venture (DC ENERGY GMBH) established in Europe to enhance our presence.
Industrial Machinery	Aggressive marketing in overseas market for ASANO LABORATORIES (an affiliate)'s vacuum thermoforming machines as well as exploring new products in the food and medical industries.
Electronics	Capture new business opportunities in Southeast Asia, which come from production bases transference out of China.
Automobile	Search the market for new products and reliable business partners, take regard for technological trends and mileage regulations from country to country.
Pharmaceuticals	By utilizing our long-standing technology and know-how, we will expand into new fields such as injecting liquid medicine and healthcare.
Aviation	Continue focusing on the field of disaster preparedness. Plus, we will search for vendors, for products for labor-saving, automation as well as high security.

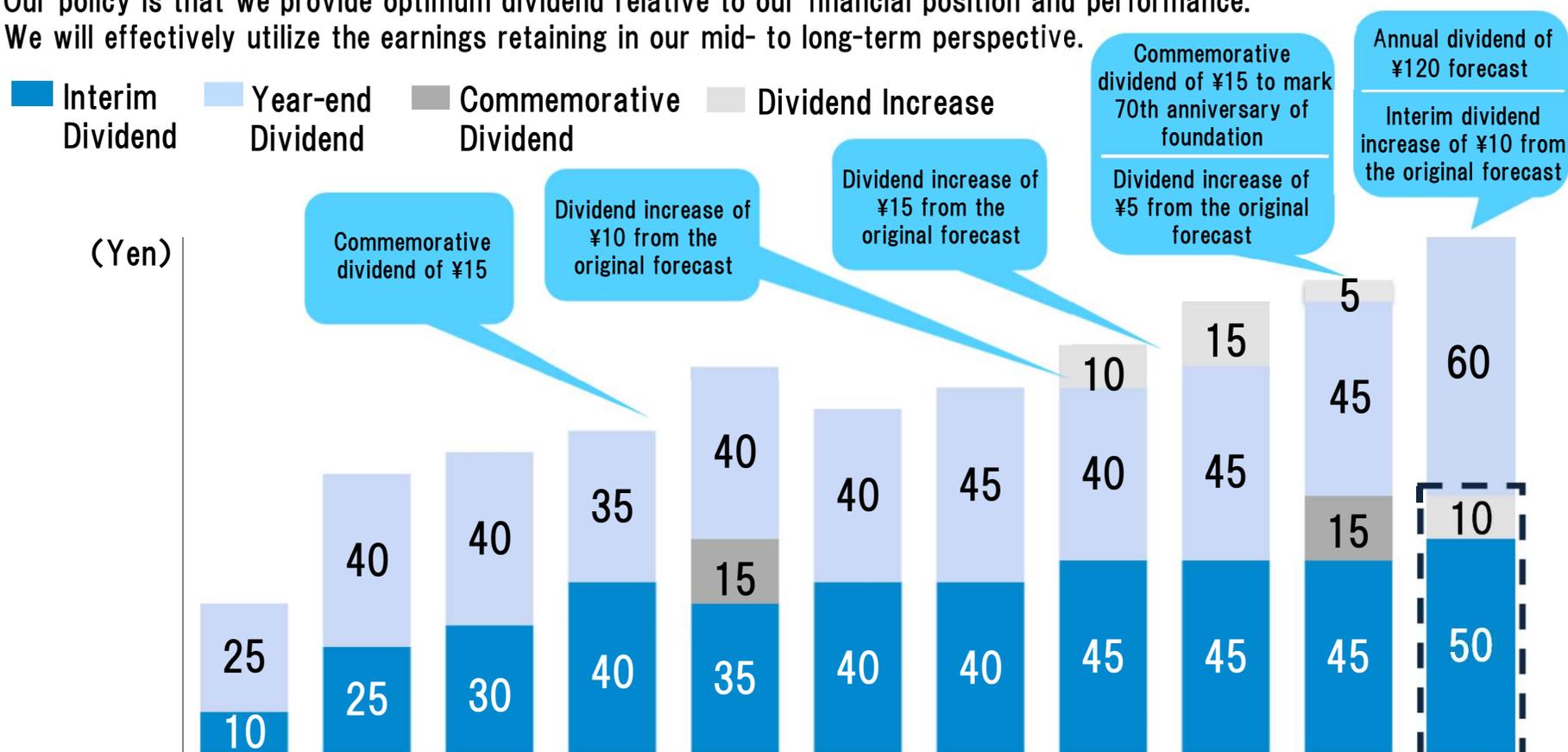
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Dividend and its Payout Ratio



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.



	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Dividend Payout Ratio: (%)Consolidated	100.4	27.7	27.7	25.9	38.8	29.4	34.5	30.4	23.7	26.3	(Forecast) 29.1

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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Dramatic Growth in Battery Business



DAIICHI JITSUGYO CO., LTD.

Yasushi Marumoto

**Executive Officer,
General Manager,
Plant & Energy Business Division**

November 22, 2019

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Watch the introduction video of our LIB business:

https://youtu.be/_6xo6QqvNqU

- 1. Ongoing Changes in Business Environment**
2. Our LIB Business
3. Automotive LIB Market & Our Business Plan
4. Numerical Targets

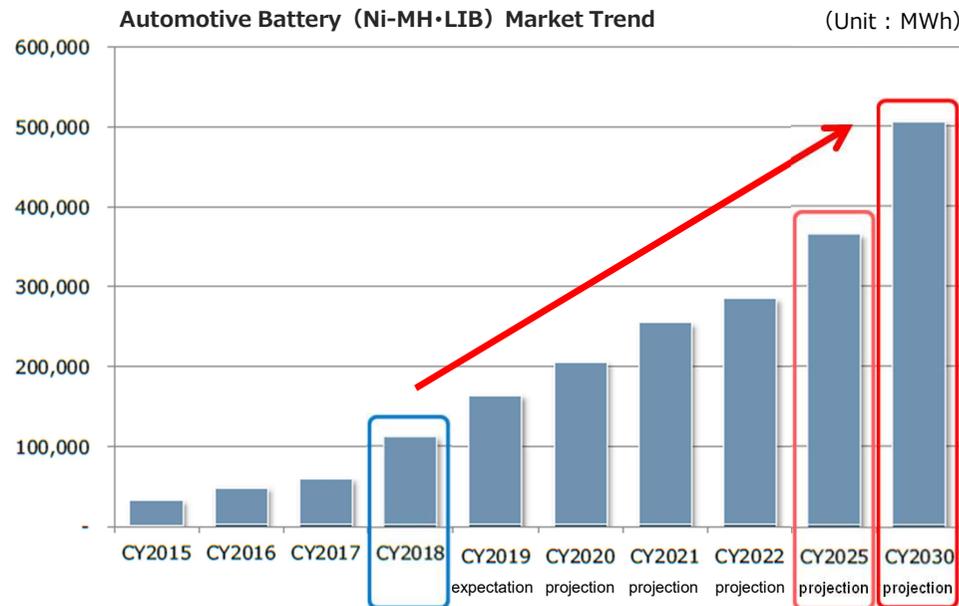
Ongoing Changes in Business Environment ①



Gasoline-powered Vehicle



Electric-powered Vehicle (EV) :
Automotive Battery



Compared to 2018
Approx 3.2 times
(2025 projection)
Approx 4.5 times
(2030 projection)

Source : Yano Research Institute Ltd. Present Status and Future Prospect of Automotive Lithium-ion Battery Market for 2019.
Note : Data for 2019 is expected. Data for 2020 and after is projected. (As of Aug. 2019)

Ongoing Changes in Business Environment ②



Trend in major countries and market scale in automotive battery (2018)

- Germany** bans sales of new gasoline cars starting in 2030
- UK** bans sales of new gasoline cars starting in 2040
- France** bans sales of new gasoline cars starting in 2040
- Holland** bans sales of new gasoline cars starting in 2025
- Norway** bans sales of new gasoline cars starting in 2025
- Sweden** bans sales of new gasoline cars starting in 2030

Japan Aim for 50-70% of sales to be hybrid and EV by 2030

North America Implementation of ZEV program



China
Aims for 20% of sales to be NEV (New Energy Vehicle) by 2020, 50% by 2050

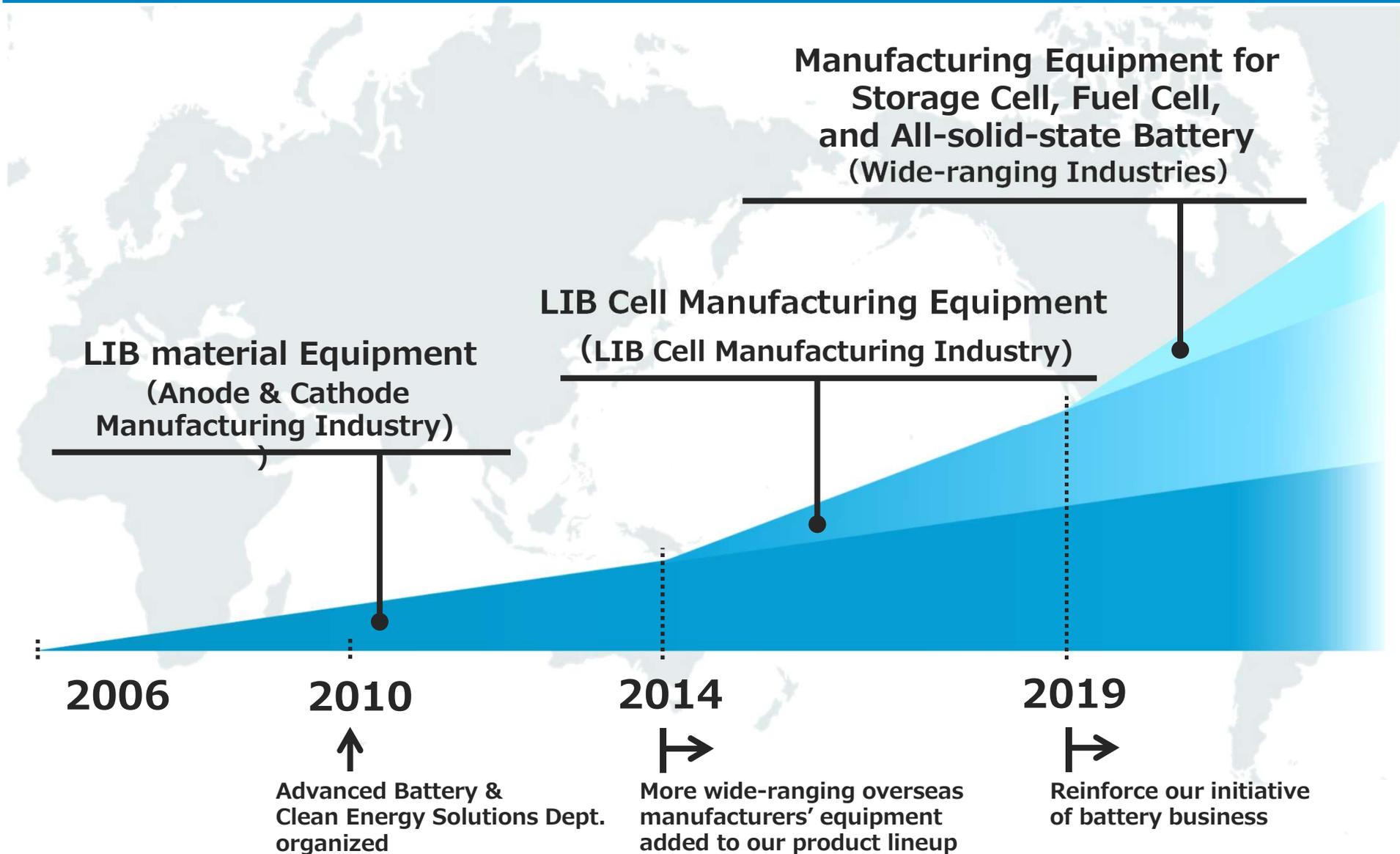
India Aims for 30% of sales to be EV by 2030
Indonesia Aims for 20% of sales to be EV by 2025



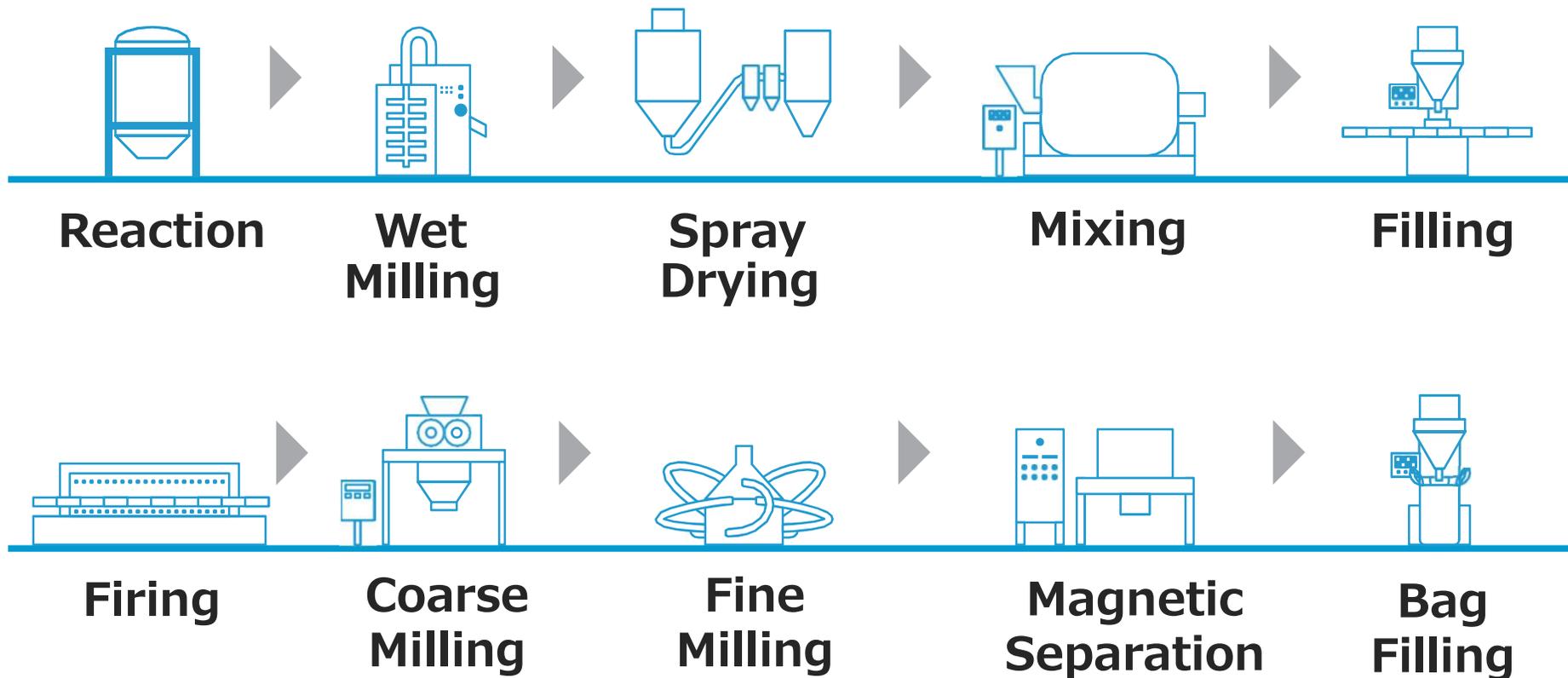
Source : Yano Research Institute Ltd. Present Status and Future Prospect of Automotive Lithium-ion Battery Market for 2019
Note : Data for 2025 and 2030 is projected. (As of Aug. 2019) Note, however, that data for Sweden, Korea, and Asia were added by DJK.

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History of Our Battery Business

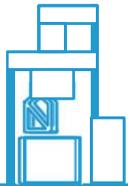


LIB Material Processing Equipment

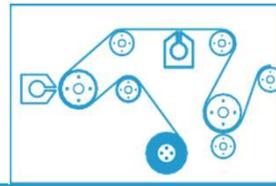


LIB Cell Manufacturing & Processing Equipment

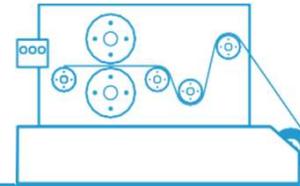
Electrode Process



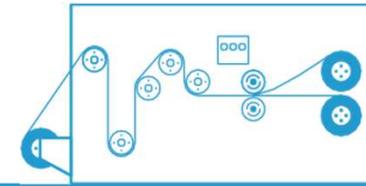
Mixing



Coating

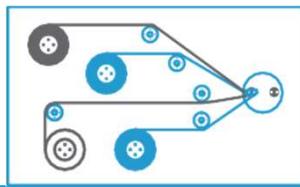


Roll Pressing

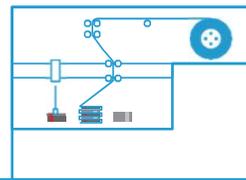


Slitting

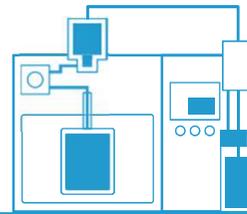
Assembly Process



Winding



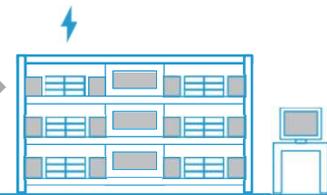
Stacking



Electrolyte Filling



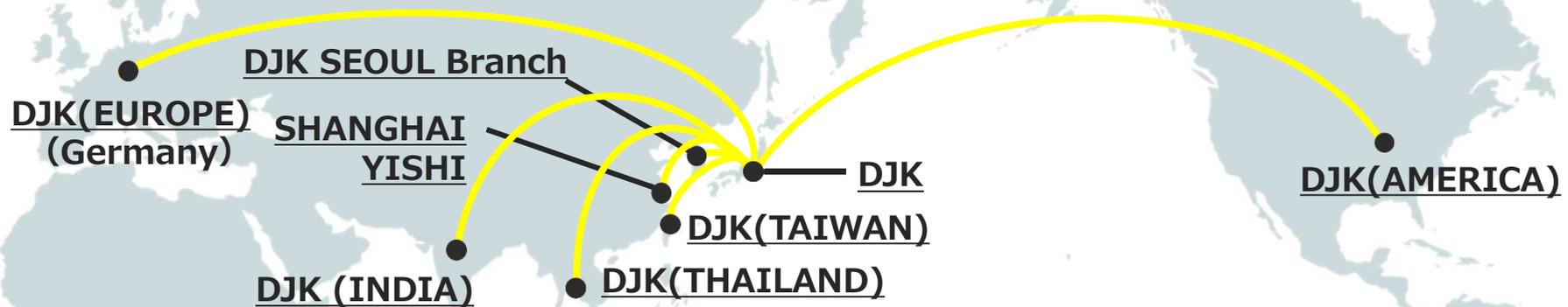
X-ray Inspection



Charge and Discharge Inspection

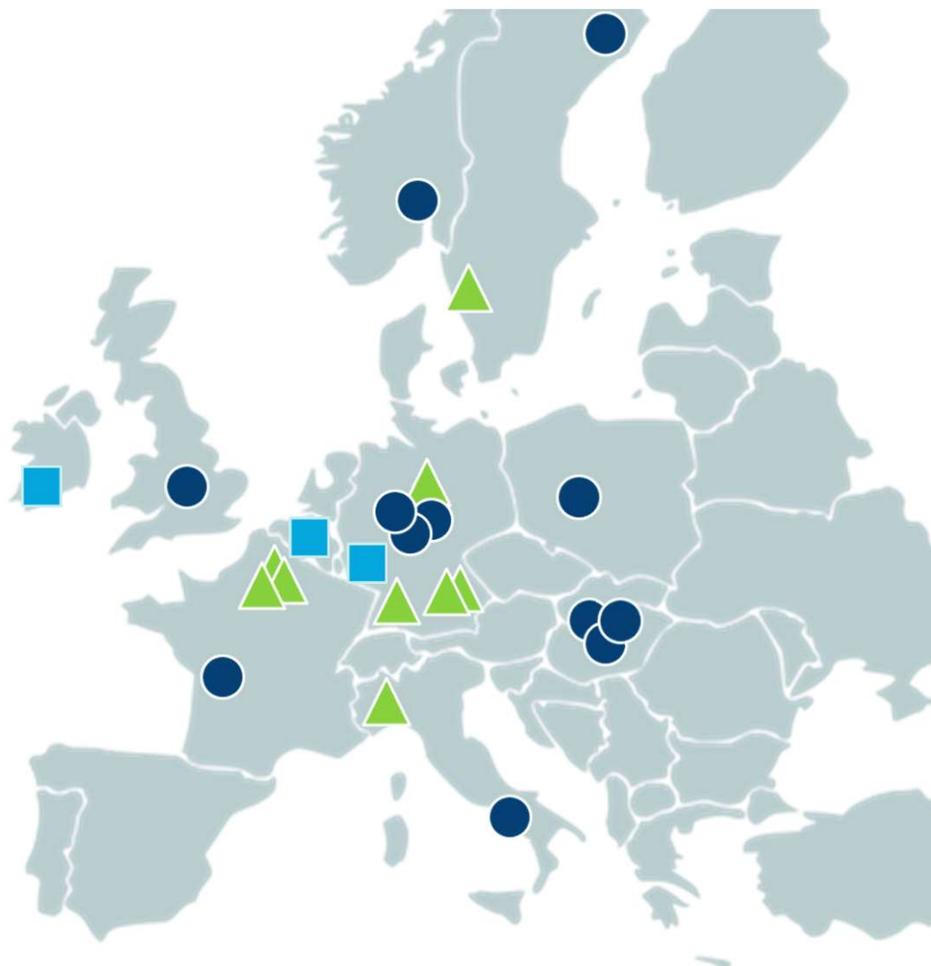
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Forming a technical team to support production startup



Addressing strategies to raise awareness of DJK

● Battery Manufacturer ■ Material Manufacturer ▲ Automaker



Battery Market in Europe

The European Committee Predicts that the battery market scale will **exceed EURO 250 billion** by 2025.



Tackle the European Market through Our Joint Venture

- ◆ Capture some market share through our joint venture with CIS in Korea, which is one of our existing vendors and has technological strength.
- ◆ Aim to implement business plan in a wide range including engineering service and sales of spares, leveraging CIS's technological strength.

Company Profile	
Company Name	CIS CO., LTD.
Location	Daegu, Korea
Founded	September 2002
Representative	Kim Soo-Ha
Employee	107
Main Business	Manufacturing of secondary battery manufacturing equipment and other automated machinery
Capitalization	5,362 Million KRW
Stock Listings	KOSDAQ (Jan 2017)

Head Office, First Plant (Daegu)



Second Plant (Daegu)



Major Products



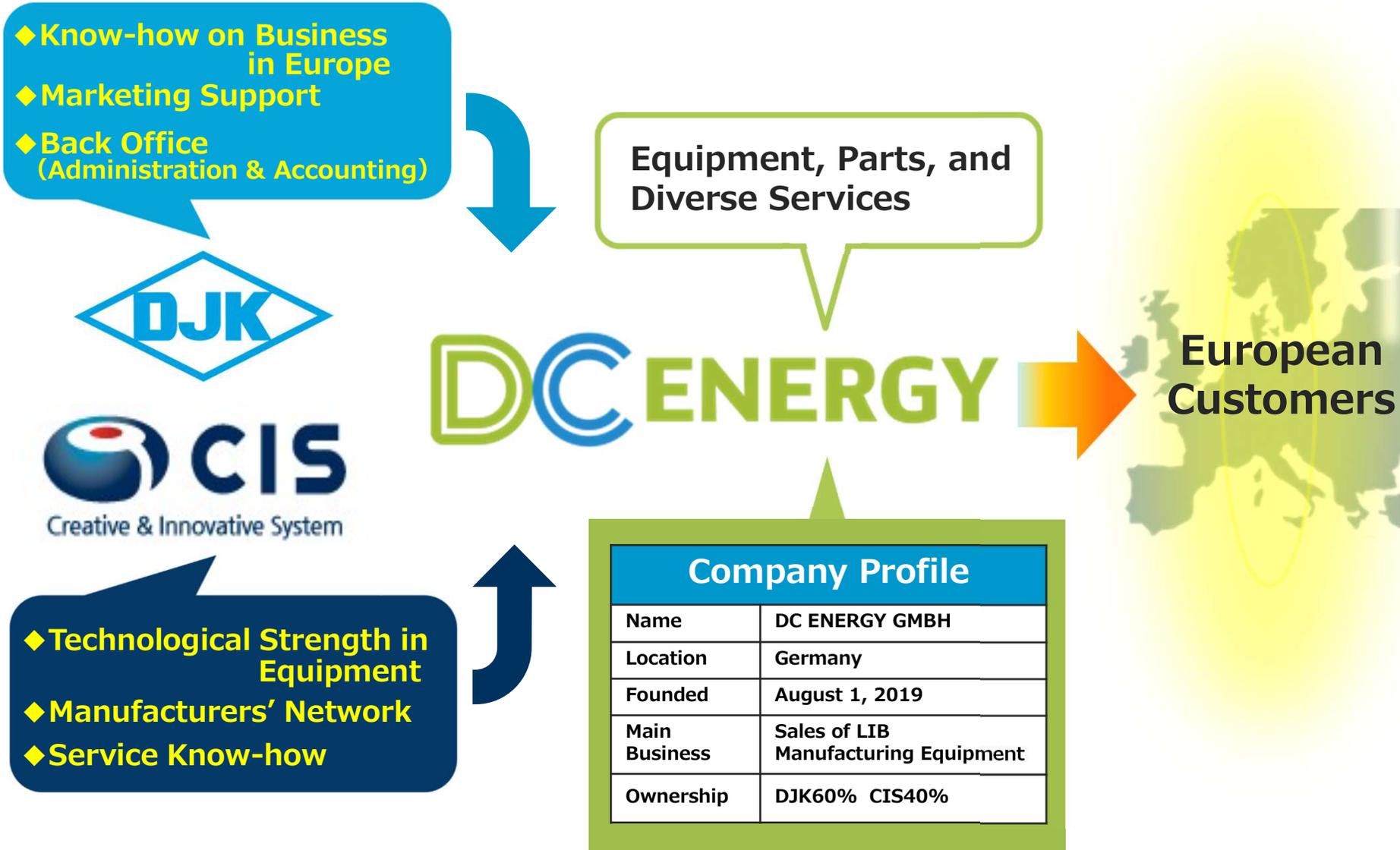
Coater



Press



Slitter



**Forming a technical team
to support production startup**

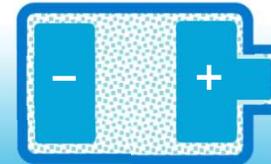
**Addressing strategies
to raise awareness of DJK**

**Tackle the European Market
through our joint venture**

**Manufacturing
Equipment for Fuel Cell**



**Manufacturing
Equipment for
All-solid-state Battery**

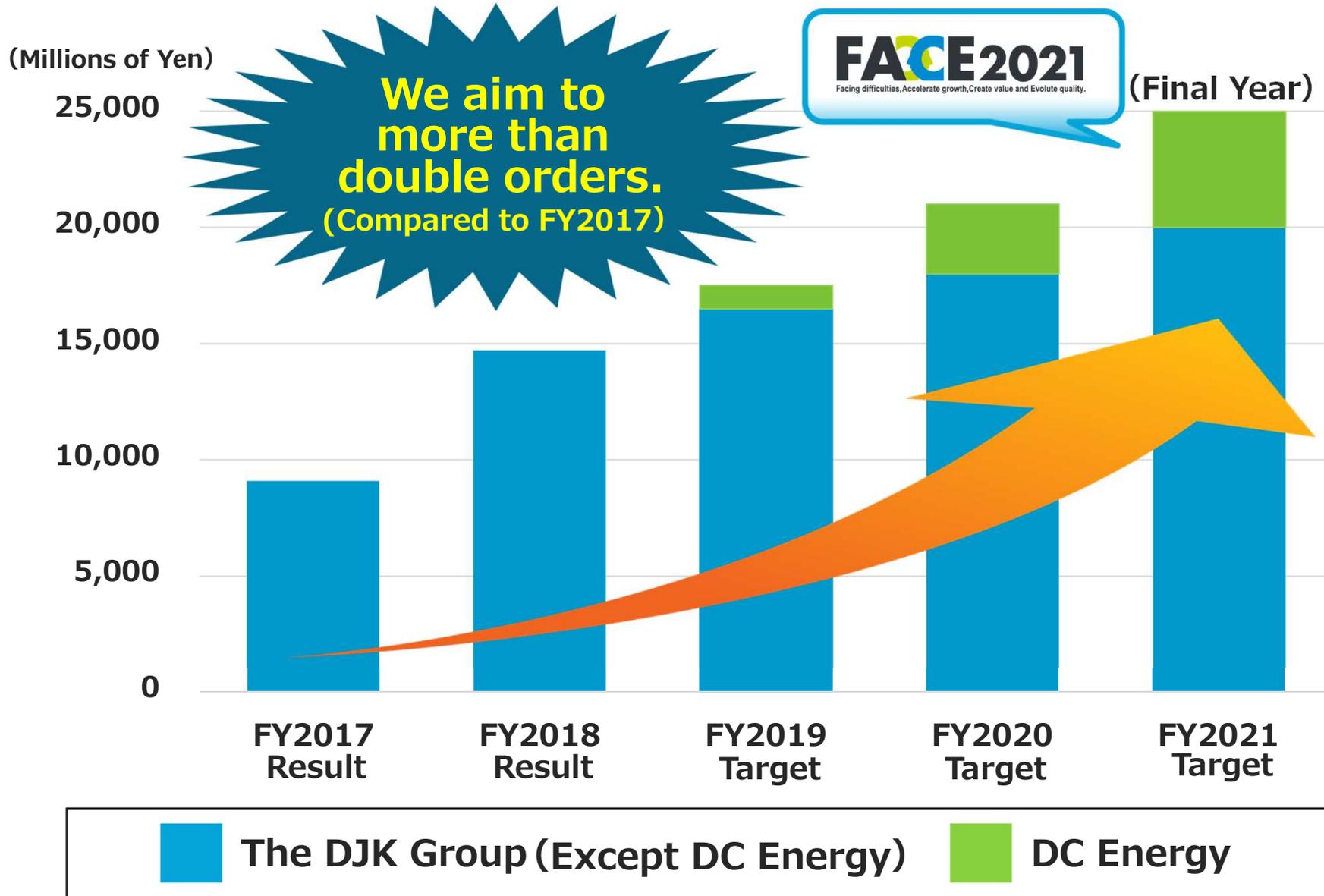


**Storage Cell
System Sales**



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Global-based Target in LIB Business (Orders Received)



Dramatic Growth in Battery Business

Yasushi Marumoto

**Executive Officer,
General Manager,
Plant & Energy Business Division**

Thank you for your attention.

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

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DAIICHI JITSUGYO CO., LTD.

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1 Company Profile



2 Founding Spirit



3 DJK History



4 Domestic & Overseas Network



5 Total Solution



6 Performance Review and Stock Price for Past 10 Years



7 Stock Information



8 CSR



9 Medium-term Business Plan



1 Company Profile

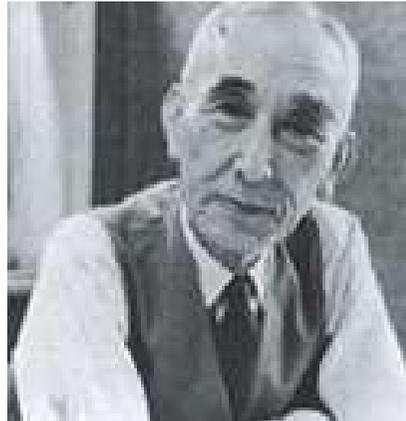


Company Name	 DAIICHI JITSUGYO CO., LTD.
Founded	August 12, 1948
Stock Listings	The first section of the Tokyo Stock Exchange (Securities code:8059)
Representative	Ichiro Uno (President & CEO)
Head Office Location	Ochanomizu Sola City, 4-6, Kandasurugadai, Chiyoda-ku, Tokyo 101-8222 Japan
Capital	¥5,105 Million
Net Sales (consolidated)	¥161,891 Million (Fiscal 2018)
Core Business	Total supplier of industrial equipment
No. of Employees	1,201(Consolidated) (As of September 30, 2019)
Consolidated Subsidiaries	Domestic:3 Overseas:14 Total:17 (Equity-method Affiliate : 1)
No. of Offices	Domestic:7 Overseas:32



Head Office in Tokyo

2 Founding Spirit



Shojiro Kuramochi
The First President of DJK

After WWII, conglomerates which shared a monopoly were dismissed 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).

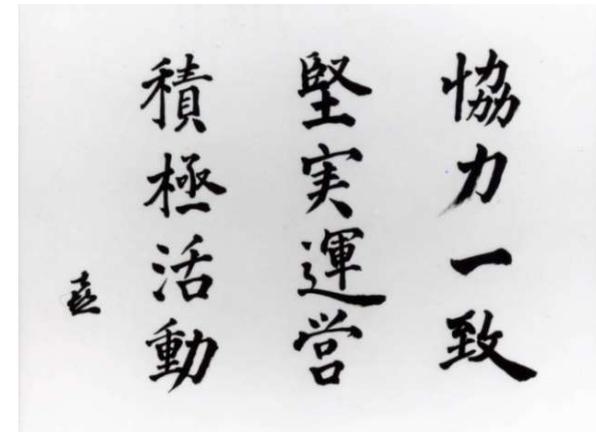
Mr. Shojiro Kuramochi who became the first company president was one of seven people. Founders named this company DAIICHI JITSUGYO and started out their operation as a firm exclusively in the machine business.

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

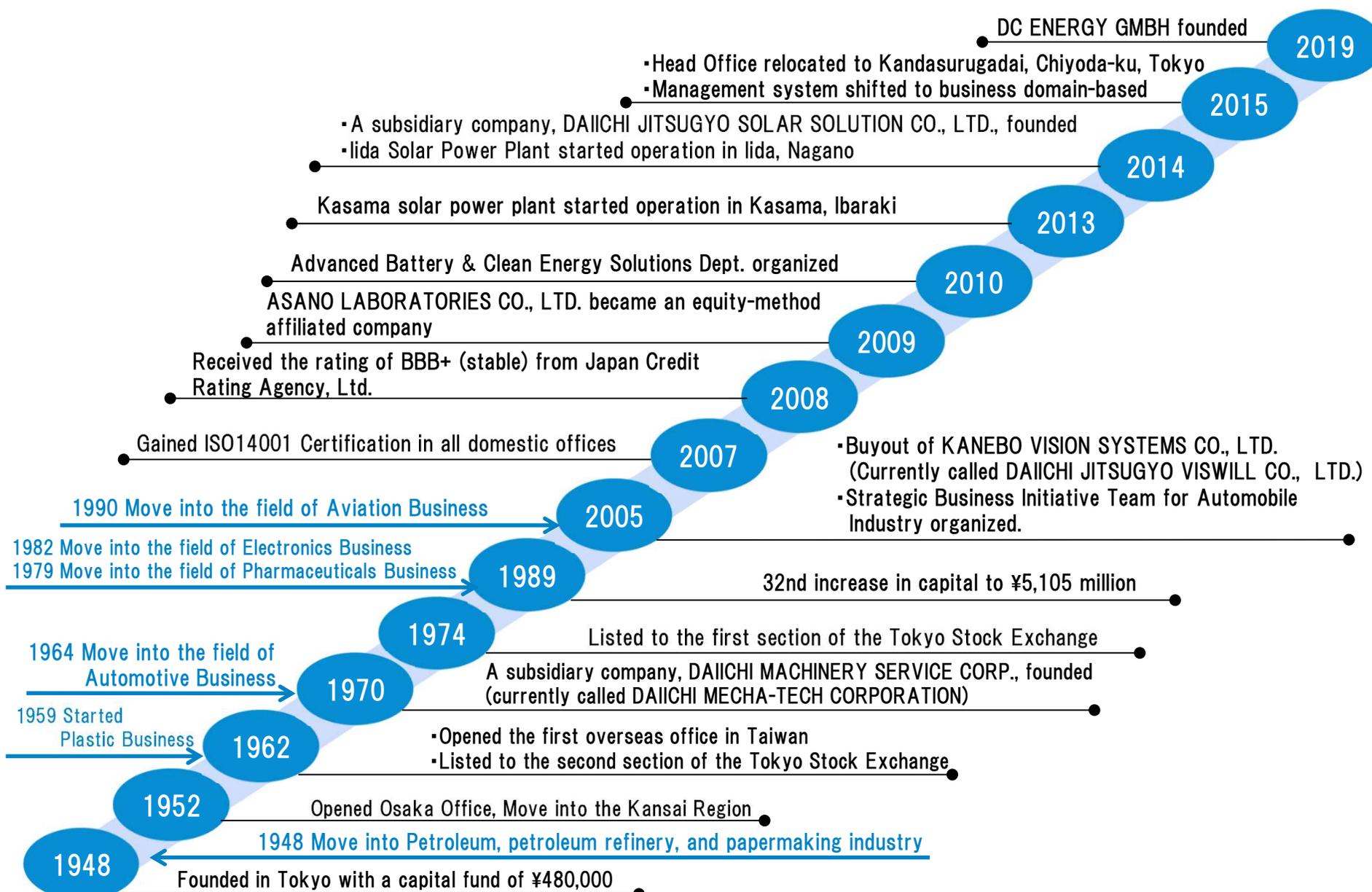
DJK continues doing a stable business with reliable business partners. As a result, DJK has gained their partners' trust and growth stably.

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.

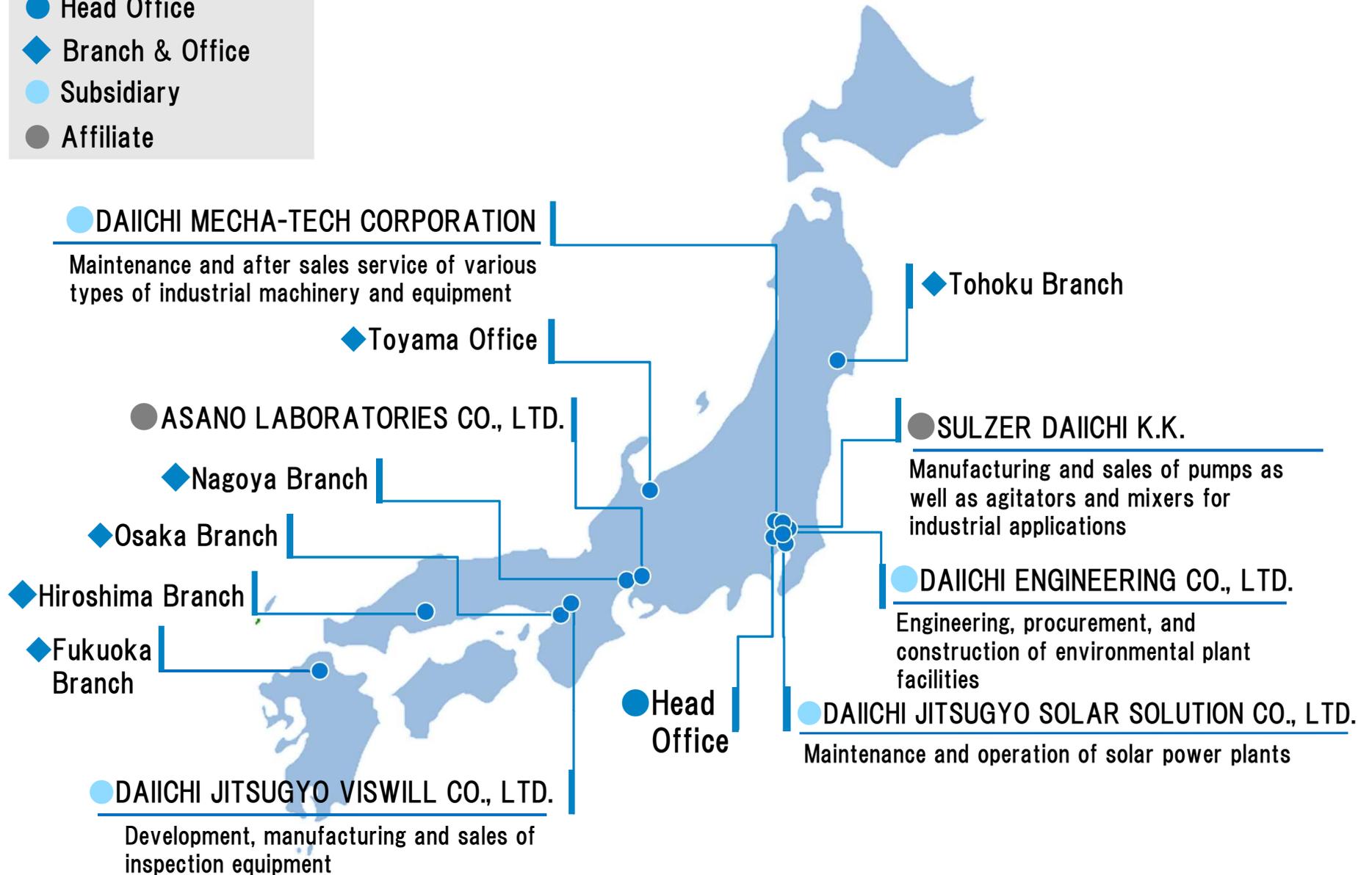
3 DJK History



4 Domestic Network



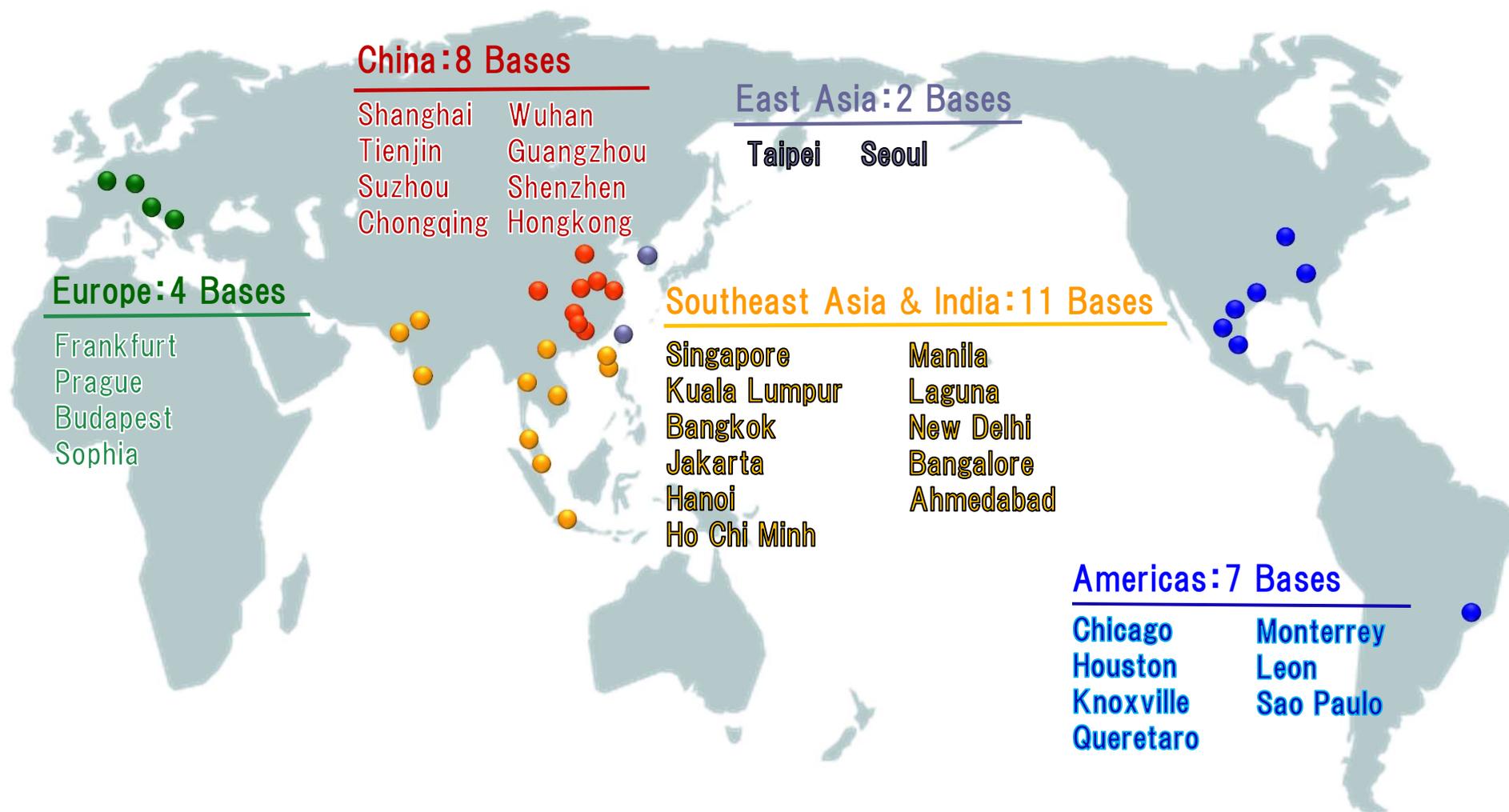
- Head Office
- ◆ Branch & Office
- Subsidiary
- Affiliate



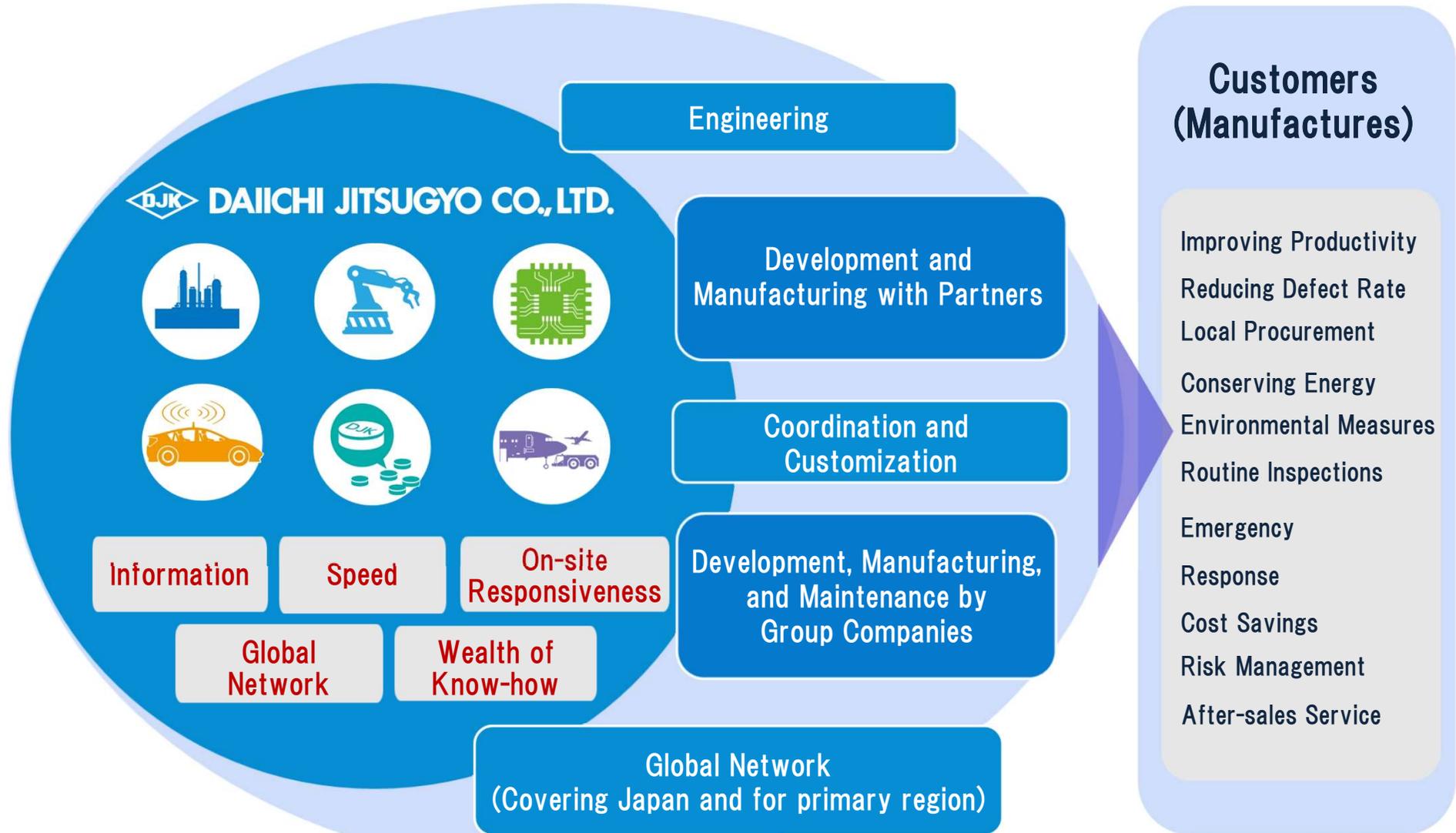
4 Overseas Network



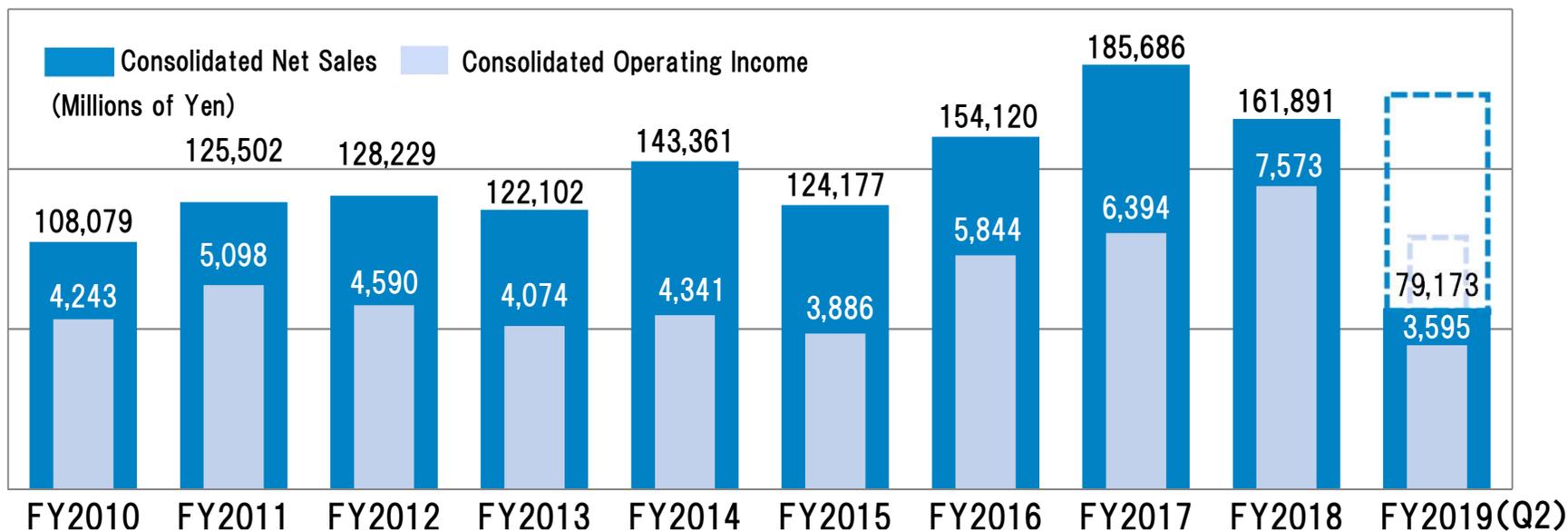
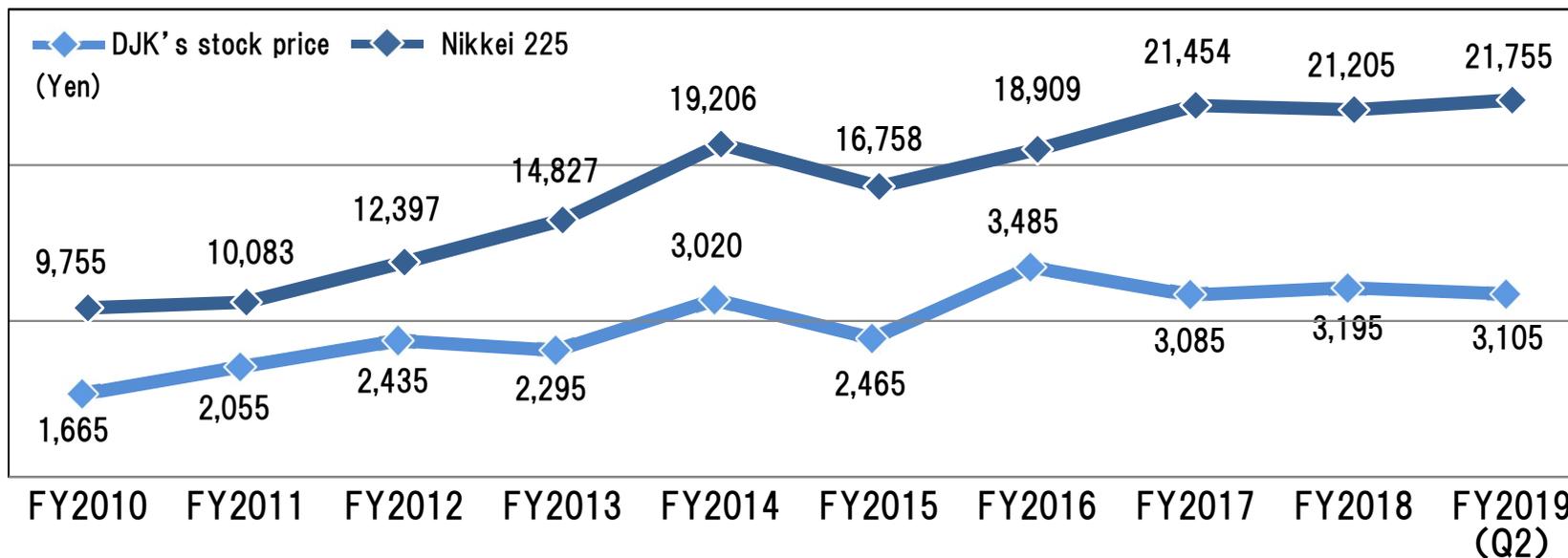
DJK has offices worldwide at 33 locations in 18 countries.



Solution Provider Addressing Global Needs



6 Performance Review and Stock Price for Past 10 years



7 Stock Information

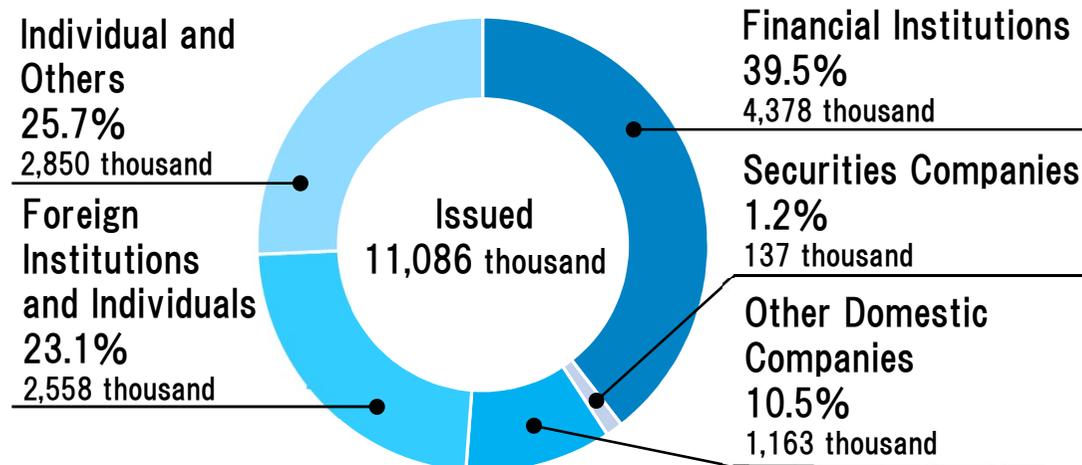


Common Stock

(As of Sep 30, 2019)

Authorized	32,000,000 shares
Issued	11,086,400 shares
Trading Unit	100 shares
Number of Shareholders	4,480

Distribution of Ownership among Shareholders



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

Major Shareholders

Shareholders' Name	Number of Shares (1,000 shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd.	576	5.39
Japan Trustee Service Bank, Ltd.	525	4.91
Mizuho Bank, Ltd.	511	4.78
Sumitomo Mitsui Banking Corporation	511	4.78
MUFG Bank, Ltd.	373	3.49
Resona Bank, Limited.	338	3.16

* 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

Educate future engineers



As a general machinery trading company, DJK co-sponsors robot contests to help children understand Monozukuri 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

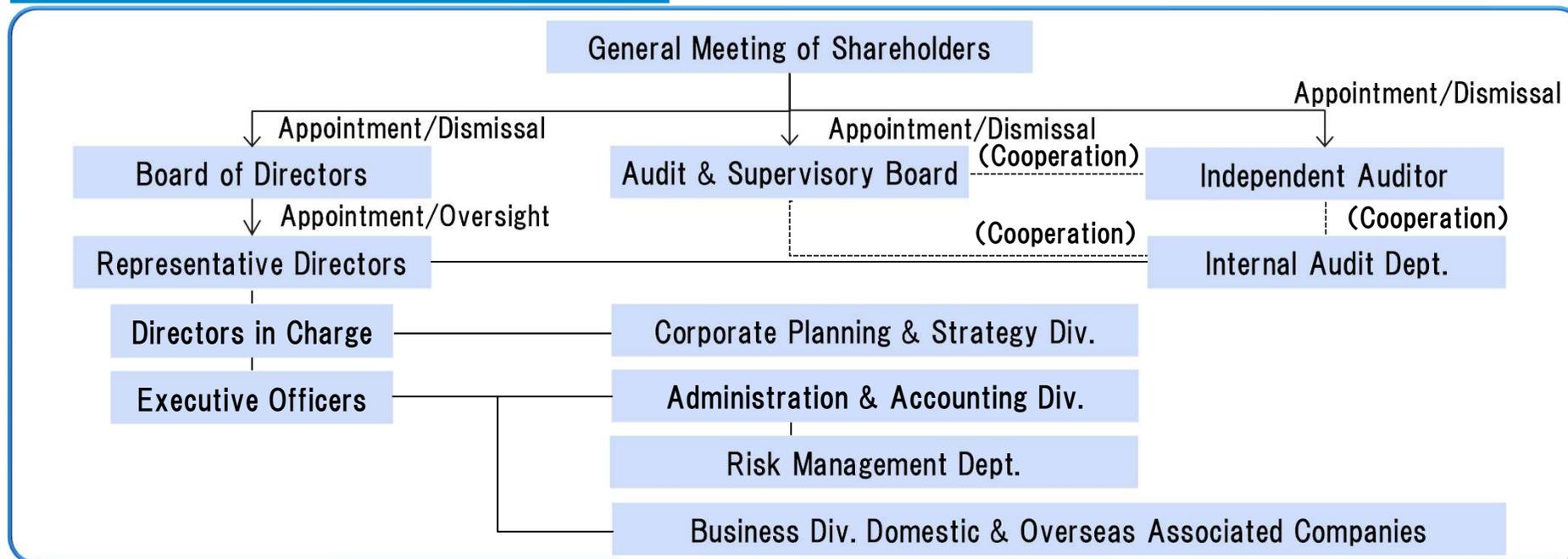
Training seminar for overseas employees



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.

8 Corporate Social Responsibility

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.	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.

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.