



Consolidated Financial Results Ended March 31, 2024

DaikyoNishikawa Corporation

May, 2024

1. Financial Results for Fiscal 2023 Page 2
2. Financial Forecasts for Fiscal 2024 Page 9

1. Financial Results for Fiscal 2023

Summary of Consolidated Financial Results for FY2023 (compare with the forecast)



Sales and income down vs. consolidated earnings forecast for FY2023 (announced on November 7, 2023)

- Net sales and operating income and ordinary income fell short of forecasts, mainly due to lower production volume by major customers in the fourth quarter. Net income, on the other hand, exceeded forecasts.

(Millions of yen)

	Forecast for FY2023 (as of November, 7th, 2023)		Financial results for the year ended March 31, 2023		Changes (YonY)
Net sales	165,000	100%	159,019	100%	-5,980 (-3.6%)
Operating income	10,300	6.2%	8,690	5.5%	-1,609 (-15.6%)
Ordinary income	9,800	5.9%	8,775	5.5%	-1,024 (-10.5%)
Net income attributable to owners of parent	5,200	3.2%	5,782	3.6%	582 (11.2%)

Main reasons for increase/decrease

- Net Sales
Decrease in sales due to lower production volume at major customers, etc.
- Operating Income
Decrease due to lower sales, etc.
- Ordinary Income
Foreign exchange gains from revaluation
- Net income attributable to owners of parent
Increase due to lower impairment losses as a result of fair value assessment of fixed assets than incorporated in the earnings forecast

Summary of Consolidated Financial Results for FY2023 (Year-on-Year)



Full-year results for FY2023 show an increase in both revenue and income compared to the same period last year. In the fourth quarter alone, production volume at major customers declined compared to the same period last year.

(Millions of yen)

	Financial results for the year ended March 31, 2023	Financial results for the year ended March 31, 2024	Changes (YonY)
Net sales	145,744	159,019	13,274 (9.1%)
Operating income	3,453	8,690	5,236 (151.6%)
Operating profit ratio	2.4%	5.5%	3.1pts
Ordinary income	2,864	8,775	5,910 (206.3%)
Net income attributable to owners of parent	518	5,782	5,264 (-)

Main reasons for increase/decrease

■ Net Sales

Increase due to overall increase in production volume and the effect of foreign currency translation, etc., despite decrease in production volume at some of our major customers

■ Operating Income

Increase due to higher sales, implementation of cost improvement activities, cost recovery from delay in conversion to 2-shift in North America, and forex impact, etc.

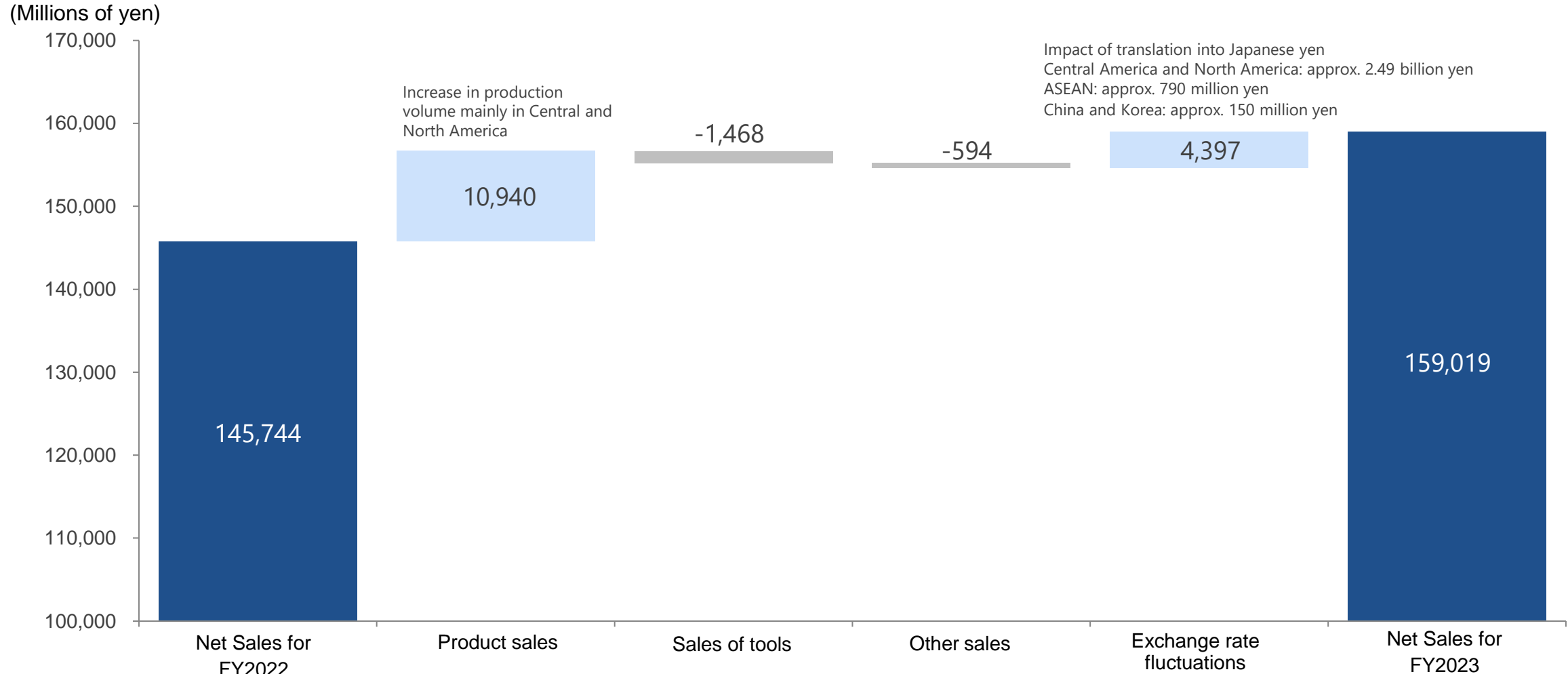
■ Net income attributable to owners of parent

Increase due to gain on sales of shares resulting from transfer of all equity interests in a Chinese equity-method affiliate, despite impairment loss

Net Sales Increase/Decrease Factors (Year on Year)



Despite some decrease in production volume at our major customers, net sales for FY2023 increased due to the overall increase in production volume and the impact of the Japanese currency conversion, etc.

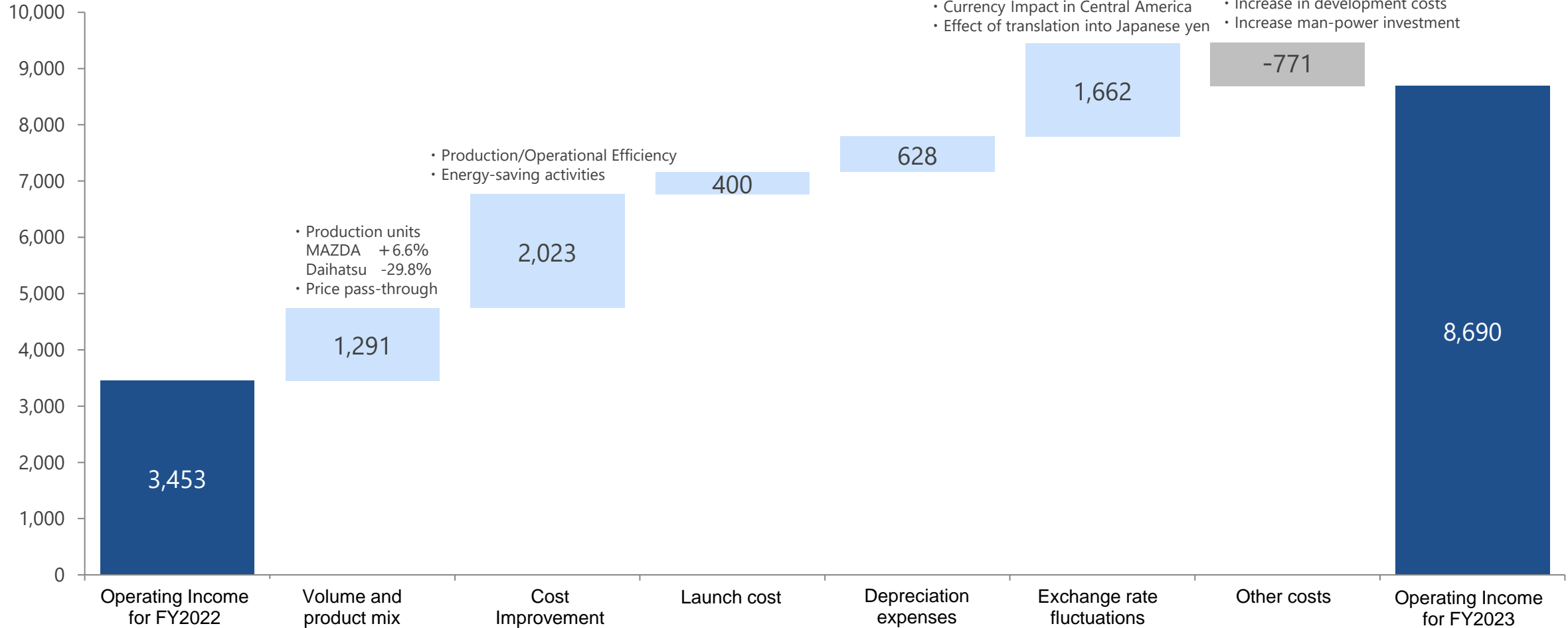


Operating Income Increase/Decrease Factors (Year on Year)



Increase due to overall increase in production volume and foreign exchange effects, etc., despite decrease in production volume at some major customers

(Millions of yen)



Sales by Segment (Year on Year)



External sales in FY2023 will increase due to higher production volume in Central America and North America

(Millions of yen)

		FY2022	FY2023	Changes (YoY)
Domestic	Japan (component ratio)	102,957 [70.6%]	103,292 [65.0%]	334 (0.3%)
	Central and North America	26,036	38,181	12,145 (46.6%)
Over-seas	ASEAN	12,287	11,965	-321 (-2.6%)
	China & Korea	4,464	5,580	1,116 (25.0%)
	Subtotal (component ratio)	42,787 [29.4%]	55,727 [35.0%]	12,939 (30.2%)
Total		145,744	159,019	13,274 (9.1%)

Main reasons for increase/decrease

- Japan

Increase due to overall customer production volume
- Central and North America

Increase due to higher production volume, recovery of costs such as delay in conversion to 2-shift in North America, impact of foreign currency translation, and exchange rate effects
- ASEAN

Decrease due to lower production volume
- China & Korea

Increase due to increase in production volume for China domestic market

Operating Income by Segment (Year on Year)



Operating income for FY2023 increased due to the impact of increased sales in Central America and North America and the impact of foreign exchange rates, etc.

(Millions of yen)

		FY2022	FY2023	Changes (YoY)
Domestic	Japan (component ratio)	4,098 [—]	4,713 [53.6%]	615 (15.0%)
	Central and North America	-2,750	3,697	6,448 (—)
Over-seas	ASEAN	1,034	742	-292 (△28.2%)
	China & Korea	-81	-352	-271 (—)
	Subtotal (component ratio)	-1,797 [—]	4,086 [46.4%]	5,884 (—)
Consolidation adjustment		1,152	△110	
Consolidated operating income/loss		3,453	8,690	5,236 (151.6%)

Main reasons for increase/decrease

■ Japan

Increase due to cost improvement activities, etc.

■ Central and North America

Improved significantly due to the impact of increased sales, cost recovery in North America due to the delay in the shift to a two-shift production system, and the impact of exchange rate fluctuations

■ ASEAN

Decrease due to lower sales, etc.

■ China & Korea

Decrease due to initial quality control of transferred products, etc.

2. Financial Forecasts for Fiscal 2024

Financial Forecasts for Fiscal 2024



Consolidated forecasts for FY2024 are expected to increase in both sales and profit compared to the previous fiscal year.

■ Assumption is that raw material and energy prices will continue to rise, as will labor costs against a backdrop of sustained government requests for higher wages, etc.

■ Aggressive challenges that anticipate market needs and promote initiatives for the continuous development

(Millions of yen)

	FY2023		FY2024			
	Results for the first half	Full Year Results	First Half Forecast	Changes	Full Year Forecast	Changes
Net sales	77,470	159,019	81,000	3,529 (4.6%)	169,000	9,980 (6.3%)
Operating income	4,285	8,690	3,400	-885 (-20.7%)	9,500	809 (9.3%)
Operating profit ratio	5.5%	5.5%	4.2%	-1.3pts	5.6%	0.2pts
Ordinary income	4,617	8,775	2,900	-1,717 (-37.2%)	8,500	-275 (-3.1%)
Net income attributable to owners of parent	2,950	5,768	1,900	-1,050 (-35.6%)	6,000	217 (3.8%)

Exchange rate (1U.S.\$) 134.82yen 140.55yen 144yen

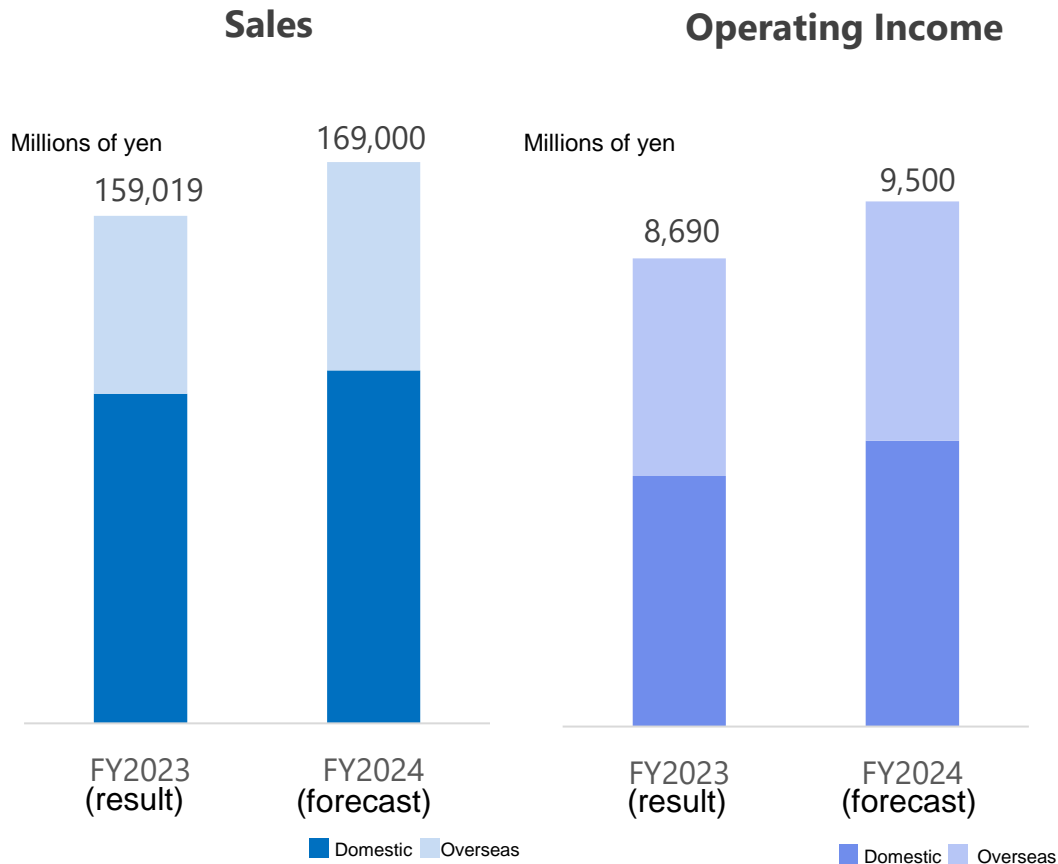
Main reasons for increase/decrease

- Net Sales
 - >First Half
 - Expect increase in sales due to the effect of foreign currency translation
 - Production volume is expected to decrease
 - >Full Year
 - Expect increase in sales due to increase in production volume in the second half of the year
- Operating Income
 - Profit decrease due to cost recovery including the delay in the shift to two-shift production in North America in the previous fiscal year
 - Expect increase due to increase in production volume
- Ordinary Income
 - Foreign exchange valuation gains on denominated receivables

Financial Forecasts by Segment



Consolidated full-year forecasts for FY2024 are expected to show an increase in both sales and profit compared to the previous fiscal year due to an increase in production volume in the overseas segment, despite a decrease in production volume by domestic customers.



Segment	FY2024 Forecast	Key Issue
Japan	increase in income and profit	<ul style="list-style-type: none"> • Sales : recovery in production by major customers • Profit : Improved production efficiency
Central & North America	increase in income and profit	<ul style="list-style-type: none"> • Sales : Increase in production by major customers • Profit : Increase due to impact of higher sales and recovery of costs in delays in conversion to 2-shift operation
ASEAN	Decrease in sales and income	<ul style="list-style-type: none"> • Sales : Decrease in production volume at major customers and mold sales • Profit : Decrease due to impact of lower sales and development expenses (Previous year)
China & Korea	increase in income and profit	<ul style="list-style-type: none"> • Sales : Increase in die sales and production volume for China domestic market • Profit : Recognition of initial quality response costs for transferred products (Previous year)

Capital Investment, Depreciation Expenses, and R&D Expenses

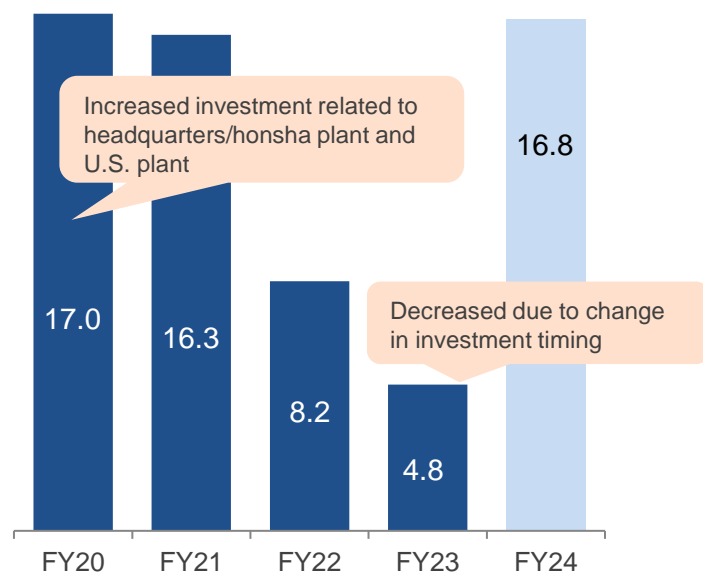


<<Capital investment>>

FY2024 Plan

Change in investment timing from FY2023 and increase in capex for mass production of new products

*Forecast for FY2024



FY2024 detail

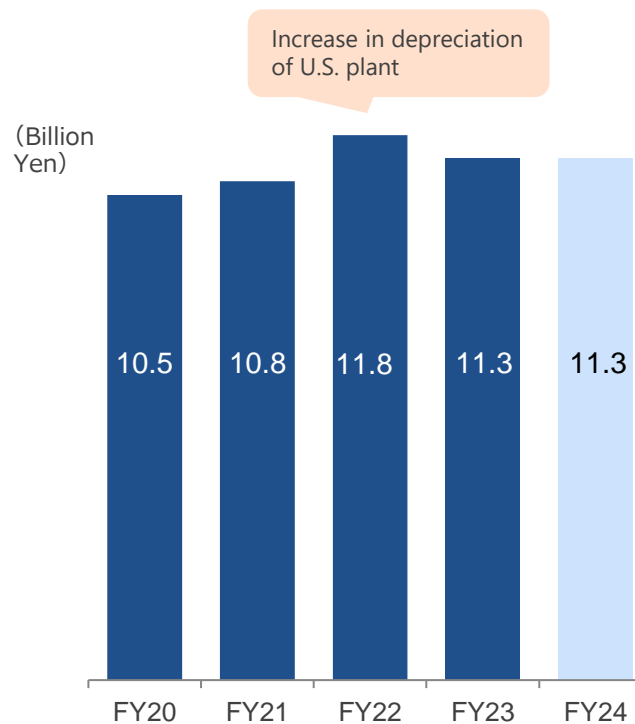
Facility renewal, production expansion	12.5 Billion Yen
ESG	4.0 Billion Yen
Others	0.3 Billion Yen

<<Depreciation expenses>>

FY2024 Plan

Assumed to be the same as the previous period

*Forecast for FY2024

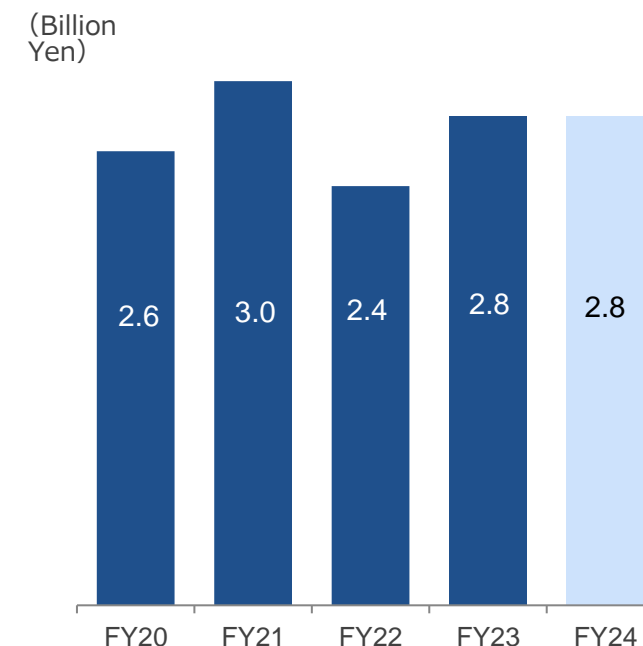


<<R&D expenses>>

FY2024 Plan

Continue research and development to create products that exceed the expectations of society and customers

*Forecast for FY2024



A museum exhibit of car parts. In the foreground, a red Mazda car body is displayed on a white stand. Behind it, various car components are shown on stands and wall panels. On the left, an engine is displayed on a stand. In the center, a car interior is shown on a stand. On the right, a car exterior panel is shown on a stand. The background features a wall with numbered panels (01-11) and a large orange car body panel. The text "Medium-Term Management Plan for FY2027" is overlaid in the center.

Medium-Term Management Plan for FY2027

DaikyoNishikawa Corporation

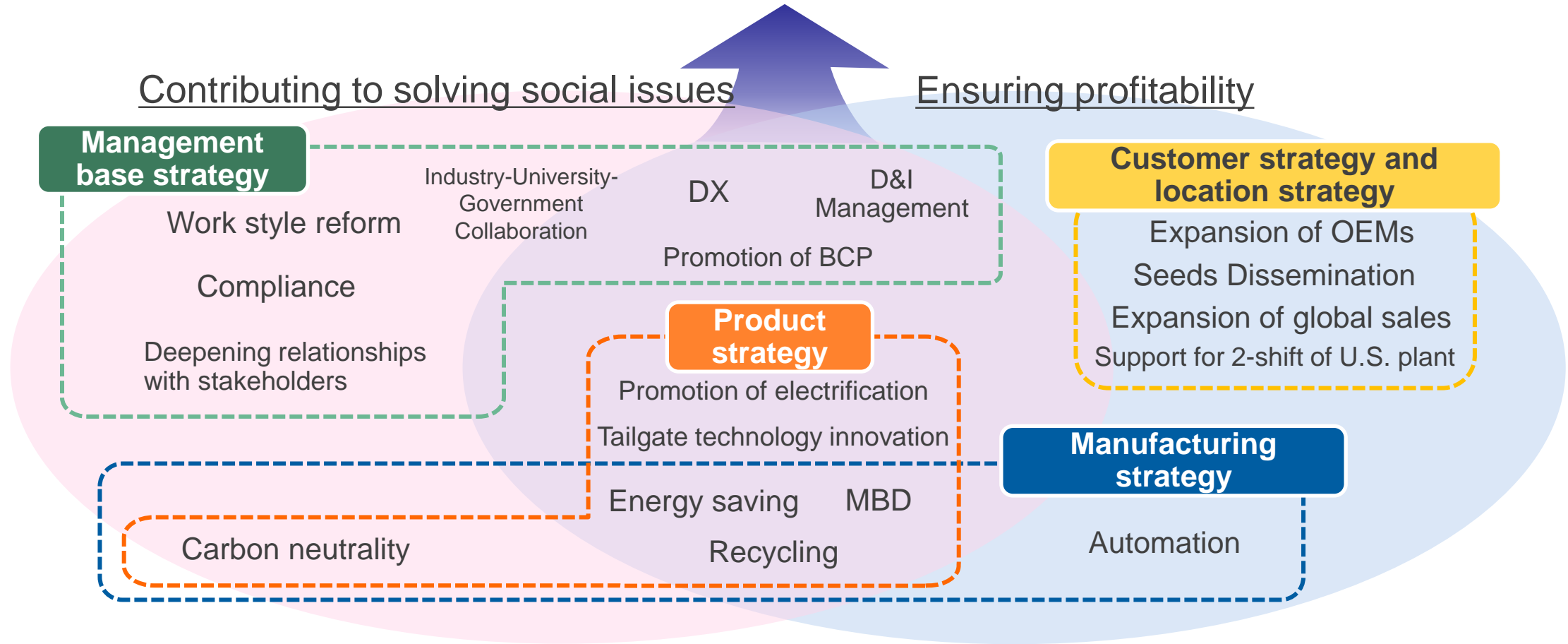
May, 2024

- | | |
|--|---------|
| 1. Review of the FY2023 Medium-term Management Plan | Page 15 |
| 2. Long-Term Vision & FY2027 Medium-term Management Plan | Page 27 |
| 3. Outline of the Medium-Term Management Plan for FY2027 | Page 34 |

1. Review of the FY2023 Medium-term Management Plan

Promoting CSR management by solving social issues through business activities and ensuring profitability

Strengthening CSR Management

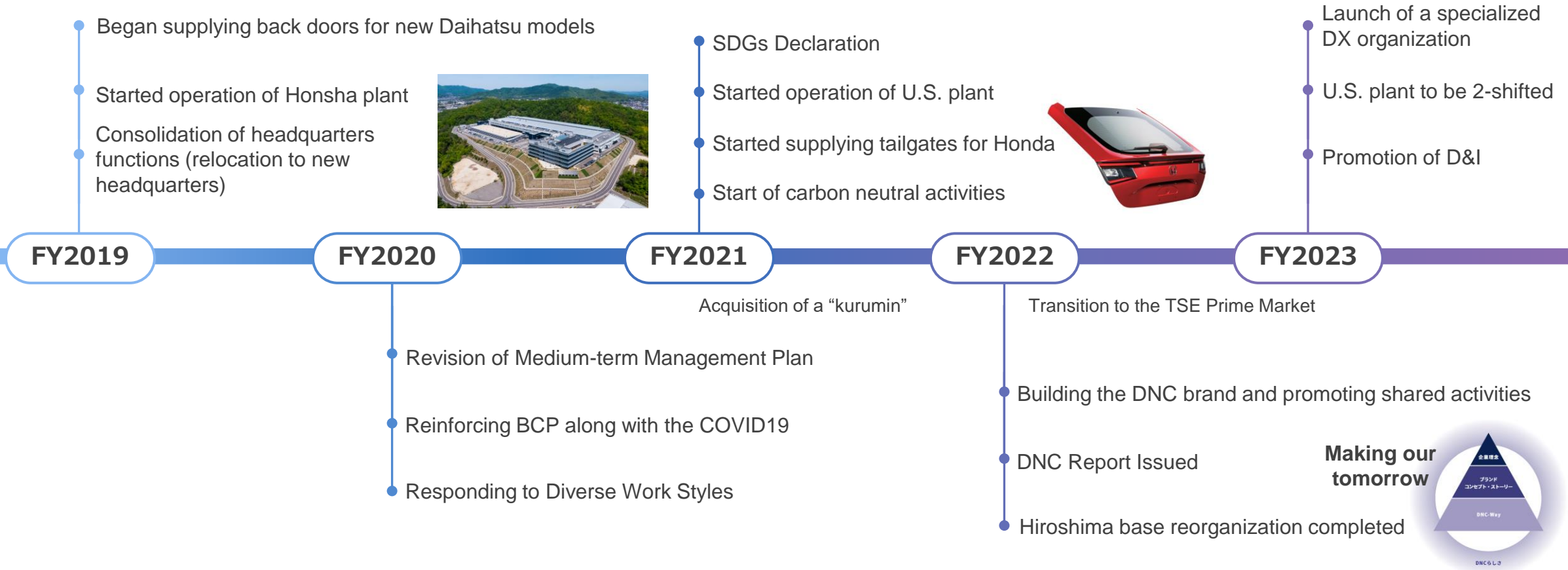


Review of the FY2023 Medium-Term Management Plan



Strengthening CSR management through reorganization of bases and diverse work styles

Five Years of Achievements and Results



2023 Medium-term Management Plan Basic Policy and Evaluation



Steadily promote basic policy based on five strategies

	Main Results	Evaluation and review
Customer Strategy	<ul style="list-style-type: none"> ■ Sales growth rate of four strategic OEMs FY2023 : 24.7% increase (compared to previous period) 	<ul style="list-style-type: none"> • Raise awareness of our technological capabilities by actively disseminating seeds • New item orders and sales expansion of existing products through increased RFI/RFQ acquisition
Location Strategy	<ul style="list-style-type: none"> ■ Profit and Loss Status of U.S. Plants FY2023Q4: Operating income returned to profitability 	<ul style="list-style-type: none"> • Smooth start-up as a highly efficient plant with state-of-the-art facilities and straight production concept • 2-shift operation has started, and profit has improved as a mid-term growth driver
Product Strategy	<ul style="list-style-type: none"> ■ CO2 emissions reduction (product area) FY2023 : 18%decrease (compare with steel product) 	<ul style="list-style-type: none"> • Create a roadmap for environmental responsiveness • Commenced research on environmental material development, horizontal recycling
Manufacturing Strategy	<ul style="list-style-type: none"> ■ Percentage of elemental work automated FY2023 : approx.40% achieved 	<ul style="list-style-type: none"> • Of the 28 elemental tasks, 11 were made in-house and automated. • Highly efficient production with big data by introducing IoT technology
Management Base Strategy	<ul style="list-style-type: none"> ■ Number of women in managerial and supervisory positions Manager: 6 persons (2 in 2020) Supervisor: 28persons (24 in 2020) 	<ul style="list-style-type: none"> • Steady progress in expanding systems and improving the environment to promote women's activities • Tripled the number of women in management positions, achieving the FY2025 target ahead of schedule.

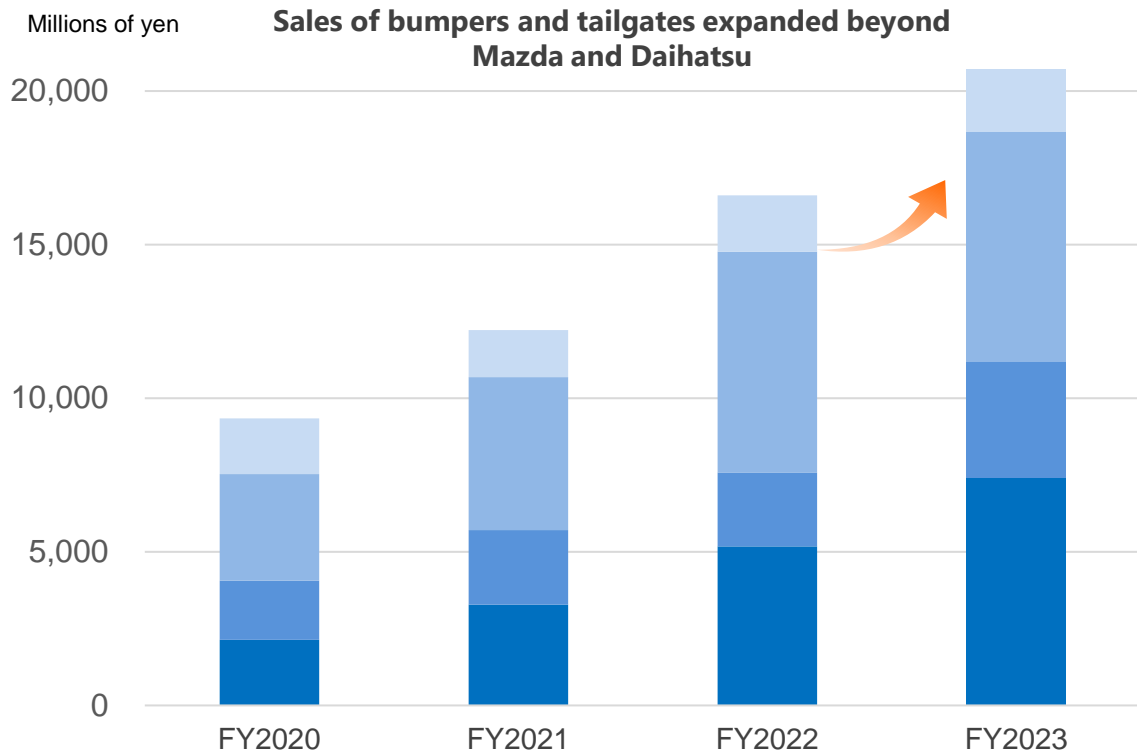
FY2023 Medium-term Management Plan Outcome

Customer and Location Strategy



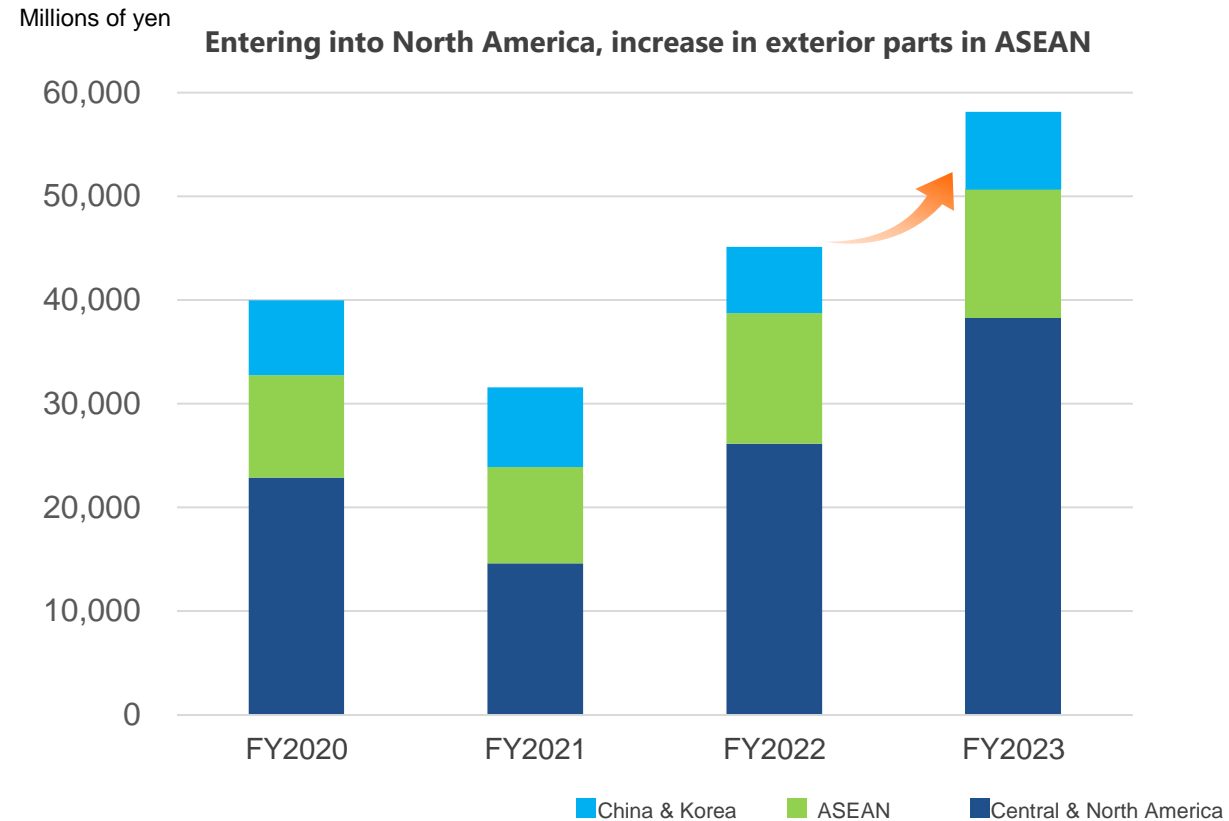
Sales expansion to strategic 4 OEMs

FY2023 Sales Growth Rate (compared to previous period)
 Total sales : **9.1%** → 4 Strategic OEMs : **24.7%**



Overseas Segment Growth

FY2023 Sales Growth Rate (compared to previous period)
 Total sales : **9.1%** → Overseas sales : **30.2%**



FY2023 Medium-term Management Plan Outcome

Hiroshima base reorganization



Background of the construction of the headquarters and the Honsha Plant

(1) Issue of scattered bases

- The Headquarters, the R&D Office, and the Test Center were dispersed in remote areas, resulting in speed and transportation losses, rental costs, employment obstacles, and other issues.

(2) Issue with the production preparation process

- No place or equipment to examine manufacturing (development, technology, manufacturing and procurement)
- Using mass production equipment on holidays and finding difficulty in conducting sufficient verification activities

(3) Space issue for future development

- Lack of space for introducing new technology and renewing equipment in a planned manner
- Difficulty in pursuing ideal equipment layouts and renewing aging equipment

Relocation of headquarters in January 2020 Consolidation to be completed in FY2022

Headquarters/Plant Surface area Approx. 60,000 m²



New Headquarters/Honsha Plant Consolidation from 6 to 4 sites

- Former Headquarters (Saka): Lease terminated
- R&D Office (Yano): Sold
- Honsha Plant ↔ Hachihonmatsu Plant and Yamato Plant: New function and reorganization

Goal

Fostering a culture and environment in which employees feel “fulfilled” and “comfortable” in their work, with an emphasis on “people development”

Results

Created a workplace environment where employees feel fulfilled in their work

- **Building the Headquarters, the R&D Office, the Test Center, and the Plant in the same location**
Established a technical center for integrated verification and evaluation
- **Establishing a development system that can handle simultaneous worldwide launches**
Secured equipment and space for off-line development
- **Securing space for flexible and integrated production lines**
Realized straight production from molding to painting and assembly
Ultimate lean production lines using automation and IoT
- **Taking care of the global environment, the barrier-free environment, the work environment, etc.**
 - (1) Improved development efficiency through function consolidation
 - (2) Reduced travel loss and expenses such as rent

Effect

Cost reduction : 1.3billion yen/year

CO₂ emission : Headquarters reduced by 60%

(against previous HQ)

Honsha plant reduced by 30%

(against Hachihonmatsu plant)

FY2023 Medium-term Management Plan Outcome

DNUS Operation



Establish a production system to meet customers' increased production and strengthen ongoing human resource recruitment/training

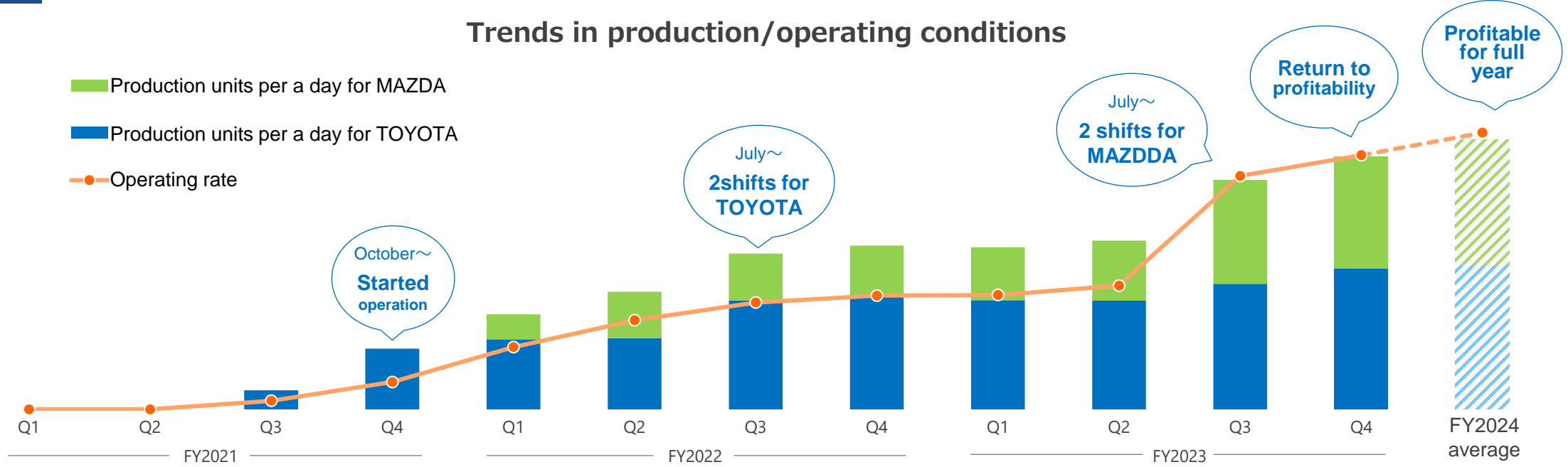
Production system

- Prior to production increase, improvement of difficult tasks in each process and preemptive hiring of leader class/training of operators were implemented.
- Short-term development to handle mass production by receiving additional orders for parts, and introduction of automated production lines in sequence.

Management situation

- FY2023Q4: Return to profitability on a non-consolidated basis (operating income)
- FY2024: Aim to return to profitability (net income) for the full year

Trends in production/operating conditions



Examples of production technology contributing to sustainable manufacturing

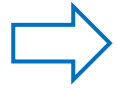


Deepening of gas injection method hollow pipe by pursuing good conditions (achieving zero defects)



Gas pipe

Direct personnel : 3 persons



Water pipe

Direct personnel : 4 persons → 0

- Analyze good conditions for required quality
- Automated standardization of elemental work
- Complete synchronization from molding to packaging

Zero waste by in-process recycling

- ①Crushing and recycling of cut sections in the molding process
- ②Recovery and recycling of machining debris from the assembly process
- ③In-process grinding process



Achieved complete in-process recycling of waste materials (our company's first)

Quality Control for IoT Utilization

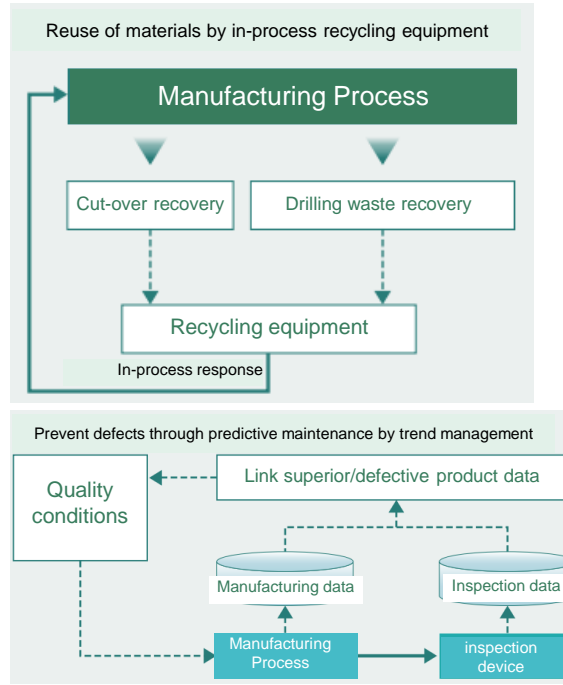
- ①Complete data management of good conditions
- ②Trend management of equipment deterioration factors
- ③Quality assurance through data management



Process quality assurance through data monitoring

Promotion of people-friendly, high-quality, fully automated operations

- ①Automation through standardization of high-difficulty work
- ②Simplification, slimming down and compacting of processes
- ③Zero inspection manpower through numerical data determination of inspection work



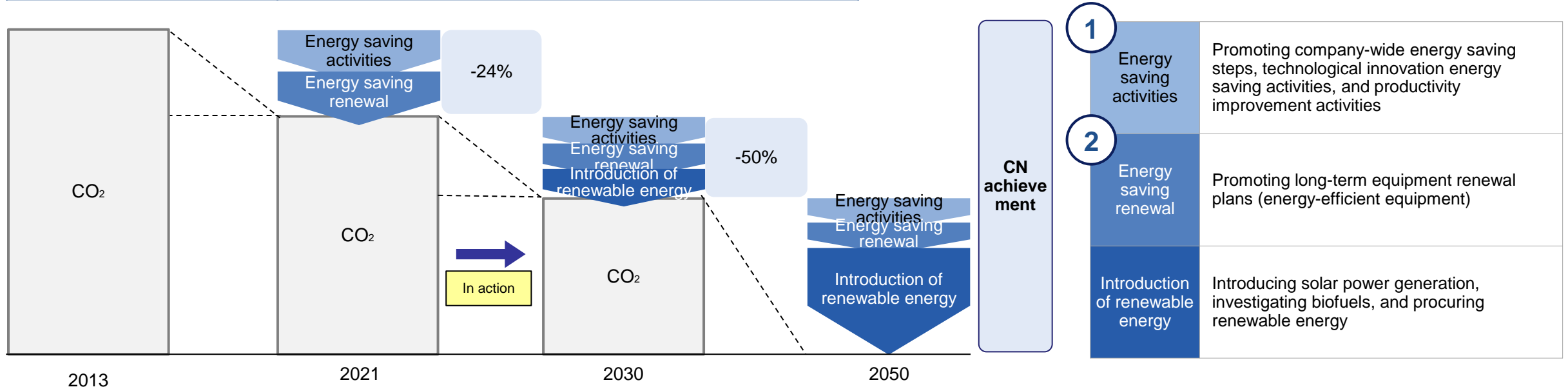
FY2023 Medium-term Management Plan Outcome

Carbon Neutral

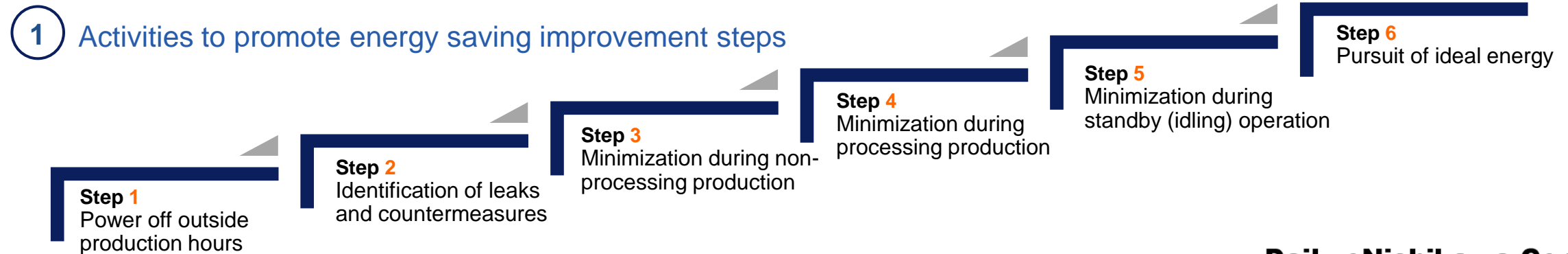


Scope 1 · 2

Roadmap for CO2 Emission Reduction



FY2022: Created the roadmap and promoted company-wide energy saving steps to accelerate activities.



FY2023 Medium-term Management Plan Outcome

Carbon Neutral



② Introduction of renewable energy equipment

DNC Group's solar panel installation plan

Base	FY2022	FY2023	FY2024	FY2025	FY2026
Honsha Plant	Study	Installation on roofs	Operation start		
Headquarters		Study	Installation on slopes	Operation start	
KantoDaikyo Co., Ltd.		Study	Installation on vacant lots	Operation start	
Daiwa Plant		Study		Installation on vacant lots	Operation start
Tsuruhama Plant				Study	
Nakanoseki Plant 2				Study	

1. Installing solar panels on the roof of the Honsha Plant building (scheduled to begin operation in May 2024)



Estimated CO2 emissions: -1,070 ton-CO2/year

2. Installing solar panels on the slopes on the premises of the Headquarters building (scheduled to begin operation in February 2025)



Estimated CO2 emissions: -175 ton-CO2/year

FY2023 Medium-term Management Plan Outcome

Women being active in the workforce



Promoting initiatives to create a comfortable working environment for every employees

Background of Women's Activity Promotion

Our Challenges

Low ratio of women in managerial and supervisory positions relative to the ratio of women in full-time positions

Target

Increase the number of women in managerial and supervisory positions by creating a workplace where women can work and play an active role.

KPI Number of female managers : 3x compared to FY2020
 Number of women in supervisory positions : 1.5x compared to FY2020

Started a project to expand the women's activity promotion system (April 2017~March 2024)

Results of Activities

System

- Accumulated Paid Leave System
- Leave to accompany spouse on transfer
- Job return (rehire)
- internal recruitment system
- flextime system
- Communication Sheet Revision
- Health Support Leave
- Family Support Leave

Training

- Unconscious Bias Training
- Various training/roundtable discussions

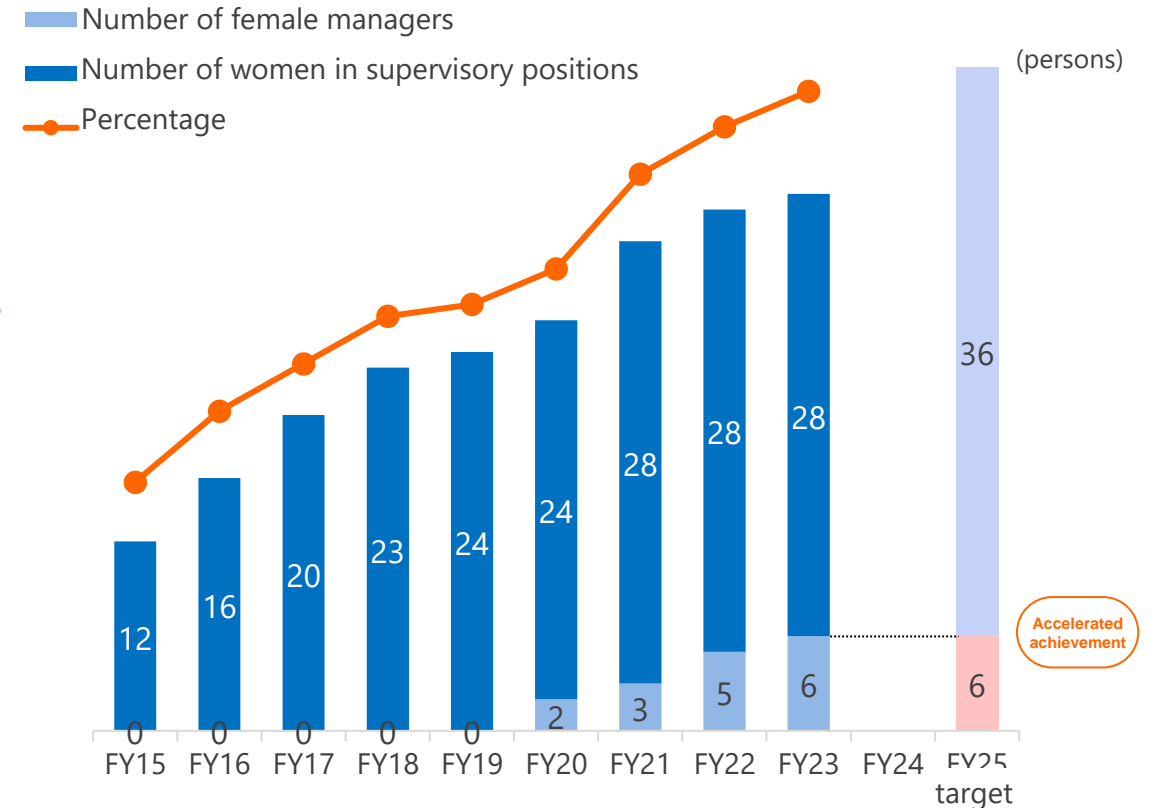


2021 Acquisition of a "kurumin"

Results

※DNC stand alone

Steady increase in the number of women in managerial and supervisory positions, ahead of the FY2025 target



Accelerated achievement



Although sales targets were achieved, profit indices were not achieved due to price hikes and strengthened CSR management, etc.

Consolidated net sales :	Target achieved due to the end of major production fluctuations caused by the new coronavirus and difficulties in procuring parts for semiconductors, etc., and a recovery trend in production volume.
OP ratio :	Target not achieved due to delay in North America's 2 shift, rising prices, and active promotion of ESG-related investments.
ROE :	Target not achieved due to lower net income resulting from lower operating income.

FY2023 Consolidated net sales

Target: **150**Billion Yen Result: **159**Billion Yen

FY2023 Operating profit ratio

Target: **9.0%** or more Result: **5.5%**

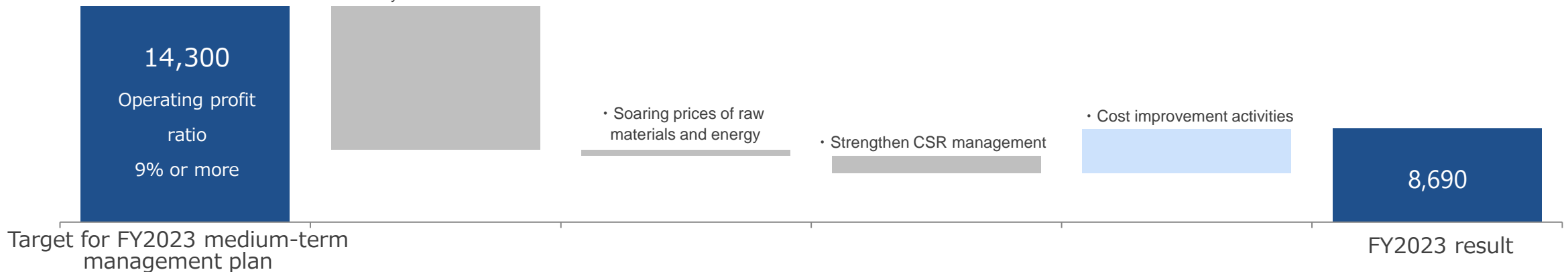
FY2023 ROE

Target: **10.0%** or more Result: **7.4%**

Operating Income Fluctuation Factors

(Million yen)

- Unit volume Impact
- Operating loss due to reduced production
- Delay of 2 direct conversion in North America



2. Long-term Vision & FY2027 Medium-term Management Plan

To identify issues that we recognize from the environment in which we operate, and to develop a concrete long-term direction for the future.

Social

- The SDGs and ESG concepts have become widespread in society, and it is now a matter of course for corporate management to be aware of the need to balance profit generation and the realization of a sustainable society.

Automotive Industry

- Changing the way we build cars and the way we think.
- Acceleration of environmental response
- circular economy

As a listed company

- Proactive information disclosure and constructive dialogue
- Management Conscious of Cost of Capital and Stock Price
- Strengthening Governance

Stakeholder Feedback

- Realization of a sustainable society
- Sustainable growth of the company

Issues in the Previous Medium-term Management Plan

Long-term Vision

Vision 2040

- Present the desired image with the corporate philosophy and brand in mind.

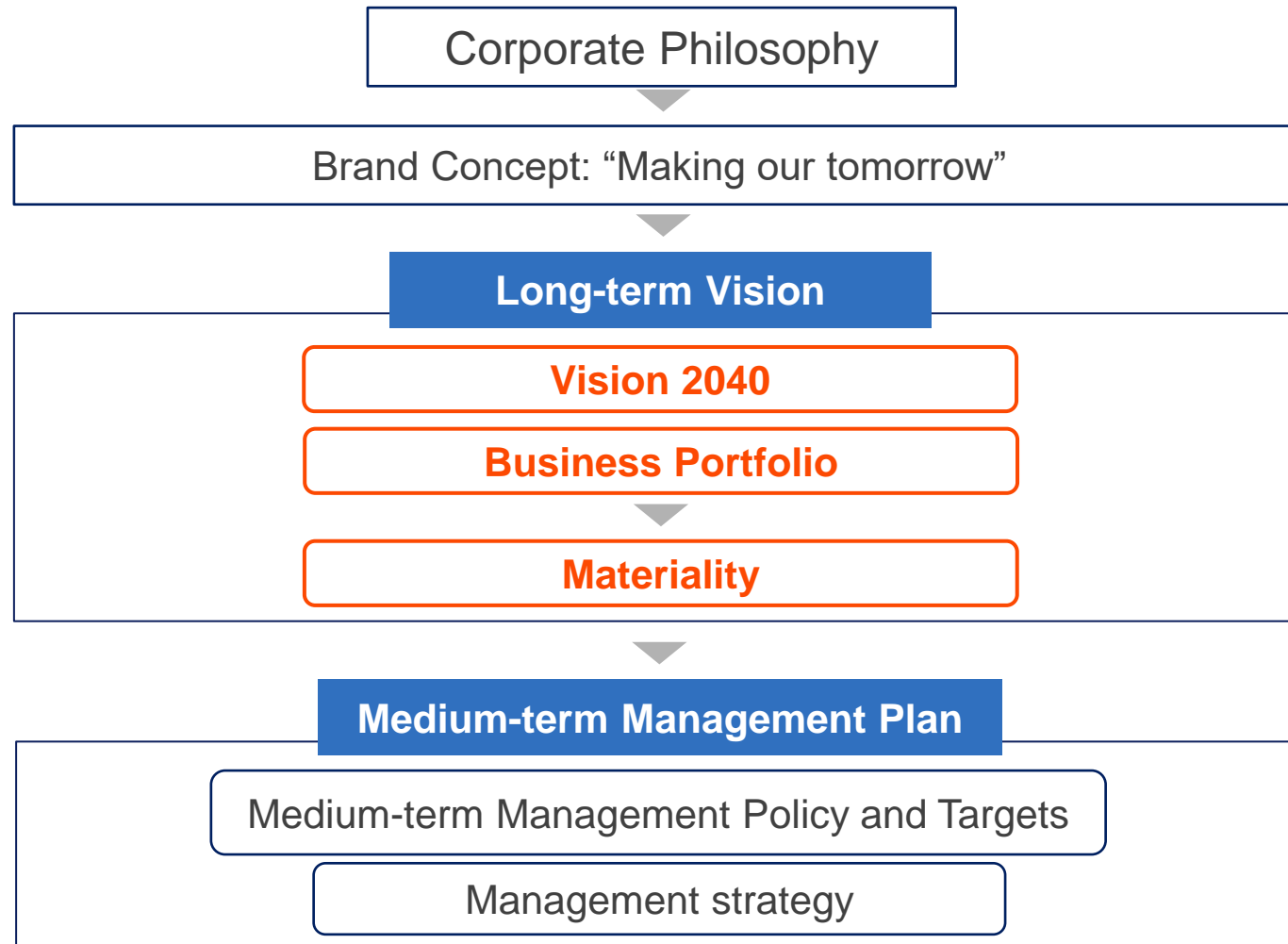
Business Portfolio

- To present the **direction** of the DNC Group's business so that it can respond flexibly to changes in the external environment and continue its business in perpetuity.

Materiality

- Present issues that the DNC Group will address with **“special emphasis”** to **realize its long-term vision and clarify areas of focus.**

Long-term vision and new medium-term management plan formulated based on social issues and remaining issues from the previous medium-term management plan



Long-term vision set by DNC Group as “our tomorrow” in FY2040.

Corporate philosophy

- We strive to be a company which places emphasis on people, society and the earth, in pursuit of the happiness and prosperity of our employees.
- We will aim to exceed expectations by taking on challenges to technological development and innovative Monozukuri.
- We will establish a company that gains the confidence of our community by thoroughly creating and following our general business ethics.

Brand Concept

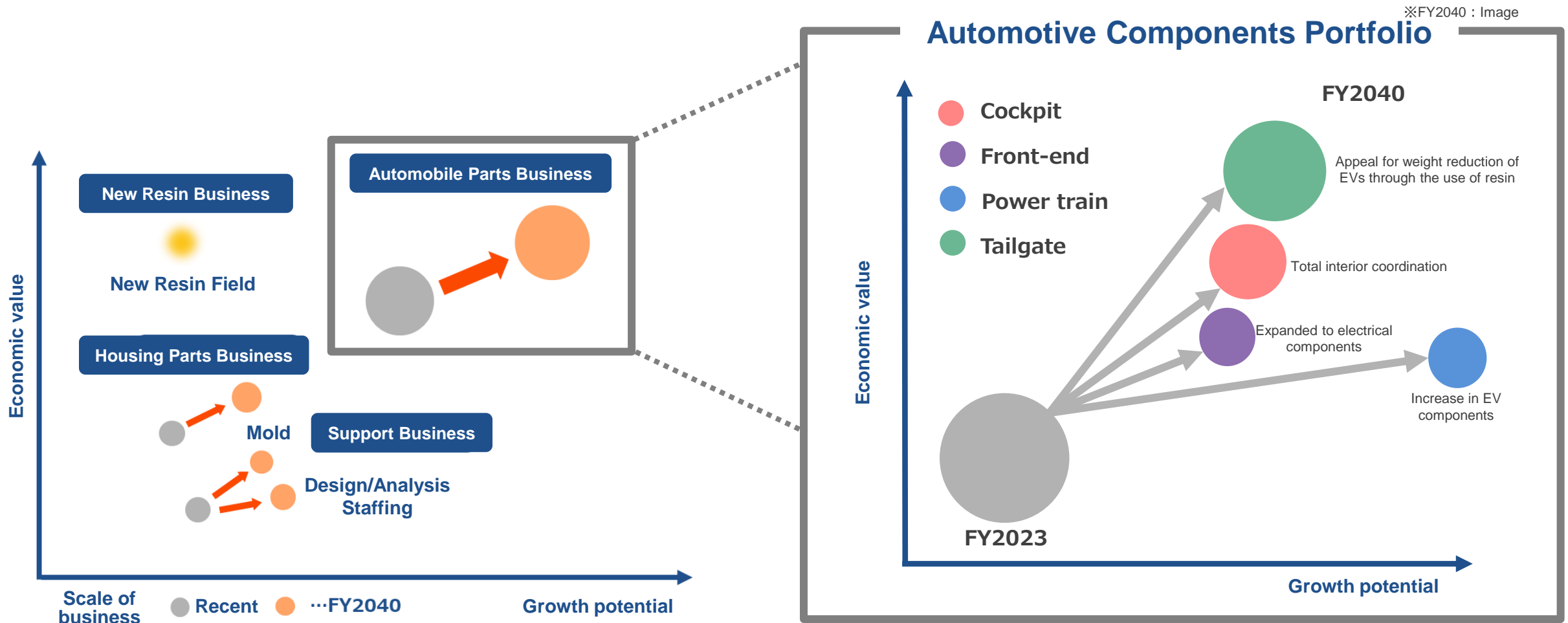
“Making our tomorrow”

Vision 2040

An essential company where people with rich personalities pursue the possibilities of resins and contribute to people, society, and the earth on a global scale.

- Established a resin circulation cycle and is providing products to new fields.
- Engagement has increased and all employees are proud of the company.

Challenging new resin fields with the knowledge and technology we have cultivated, centered on the automotive parts business



※FY2040 : Image

Establish 12 issues to be recognized and weave them into each strategy to ensure progress is managed.

Materiality

People & Society

- D&I Promotion and Respect for Human Rights
 - Career development
 - Branding
 - Contribution to the community
- Corresponding Strategy:
Management Base

Manufacturing

- Develop and expand sales of high value-added resin products
 - Develop and expand sales of environmentally friendly resin products
- Corresponding strategies:
customers, products, manufacturing

The earth

- Carbon neutral
 - Circular economy
- Corresponding strategies:
customers, products, manufacturing

Management Bases

- Improve financial performance
 - Strengthen risk management
 - DX promotion
 - Fair and equitable business activities
- Corresponding strategy:
All strategies

Medium-Term Management Plan along with Long-Term Vision



Formulate a medium-term management plan by back casting from the long-term vision

Materiality is incorporated into the medium-term management plan to realize Vision 2040, and each measure is promoted

**VISION
2040**

An essential company where people with rich personalities pursue the possibilities of resins and contribute to people, society, and the earth on a global scale.

Our goal for FY2040

- Established a resin circulation cycle and is providing products to new fields.
- Engagement has increased and all employees are proud of the company.

Stage 1

FY2024-2027

**Medium-term
Management Plan**

Medium-term Management Policy

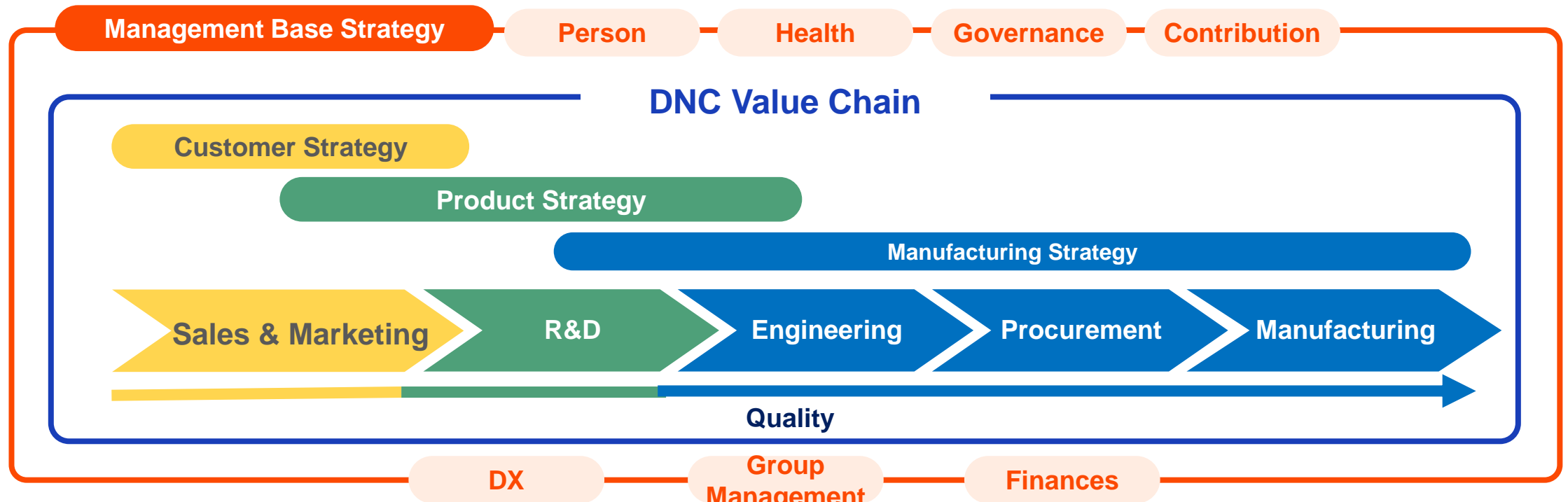
- Create a model for a product that achieves a cyclical cycle of resin.
- Implement marketing with a view to doubling the number of business partners.
- Create a comfortable and pleasant work environment so that each employee can maximize his or her abilities.

3. Outline of the Medium-term Management Plan for FY2027

Work on measures to resolve issues and realize our long-term vision based on four management strategies

Medium-term Management Policy

- Create a model for a product that achieves a cyclical cycle of resin.
- Implement marketing with a view to doubling the number of business partners.
- Create a comfortable and pleasant work environment so that each employee can maximize his or her abilities.



Manage progress by linking materiality to the strategies of the medium-term management plan.

Category	Materiality	Management Strategies			
		Customer	Product	Manufacturing	Management Base
People & Society	D&I Promotion and Respect for Human Rights				●
	Career development				●
	Branding				●
	Contribution to the community				●
The earth	Carbon neutral		●	●	
	Circular economy		●	●	
Manufacturing	Develop and expand sales of value-added resin products	●	●	●	
	High quality and high efficiency production		●	●	
Management Bases	Improve financial performance				●
	Strengthen risk management			●	●
	DX promotion	●	●	●	●
	Fair and equitable business activities				●

FY2027 Medium-term Management Plan Indicators

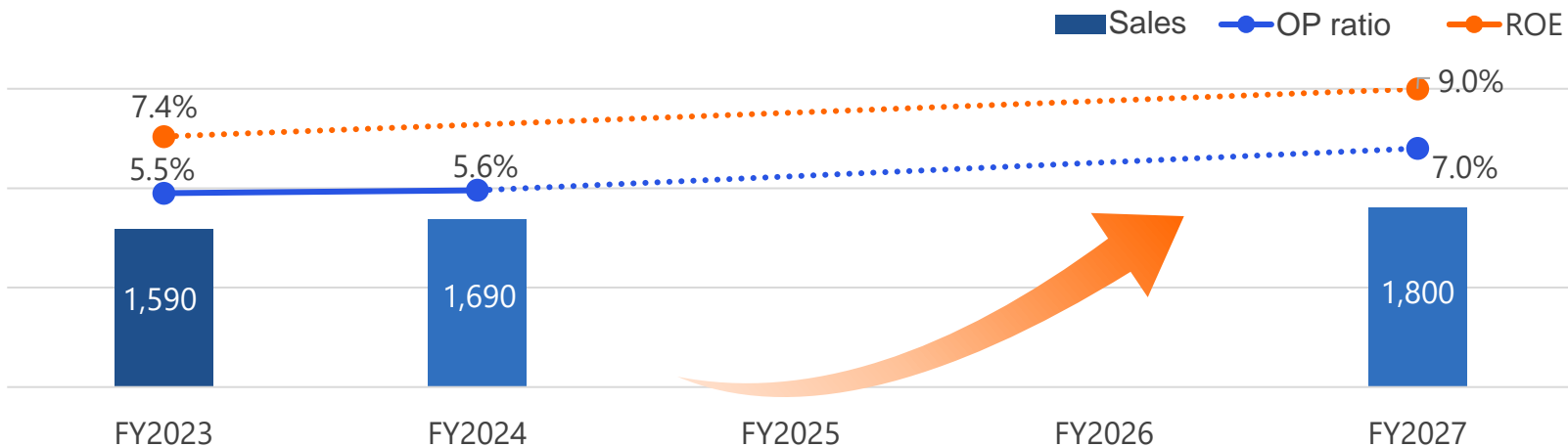


Solidify management foundation for sustainable growth in addition to securing stable earnings

Consolidated Sales : Maintain and expand business with existing OEMs while developing new OEMs/Tier 1s/new areas for sustained growth.
 Operation Profit : Continue to strengthen CSR management to contribute to solving social issues and improve profitability
 ROE : Sustainably increase ROE by improving profitability and improve PBR

Financial Targets

FY2027 Consolidated sales	FY2027 Operation Profit Ratio	FY2027 ROE
180.0 Billion Yen	7.0%	9.0%



Non-financial Targets

CO₂ Emission (Scope 1, 2)
 Reduce **45.0%** vs FY2013

D&I

Female managers : **13**
 Women in supervisory positions : **42**
 Male fertility rate : **90%**

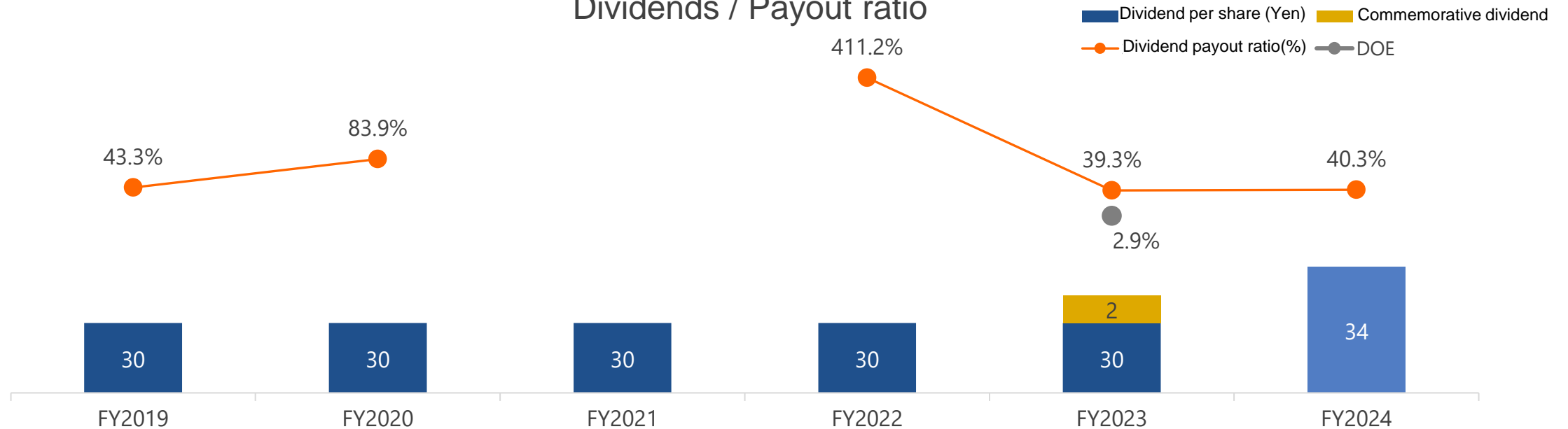
Dividend Policy

- Secure internal reserves necessary for business strategies that enhance future corporate value
- Stable and continuous dividend payout ratio of approximately 30% on a consolidated basis and DOE of at least 2.5%.

FY2023 ■ Commemorative dividend of ¥2 per share in response to shareholders' ongoing support on the occasion of the 10th anniversary of the Company's listing on the Tokyo Stock Exchange (Annual dividend is 32 yen)

FY2024 ■ 34 yen per share is planned, taking into consideration R&D for growth, securing funds for capital investment, and the dividend payout ratio, among other factors. (Interim dividend 17 yen / Year-end dividend 17 yen)

Dividends / Payout ratio



Customer Strategy

- 1 . Marketing for new market development with resin
- 2 . Strengthen the sales function of the entire group

Developing New Markets

Basic policy

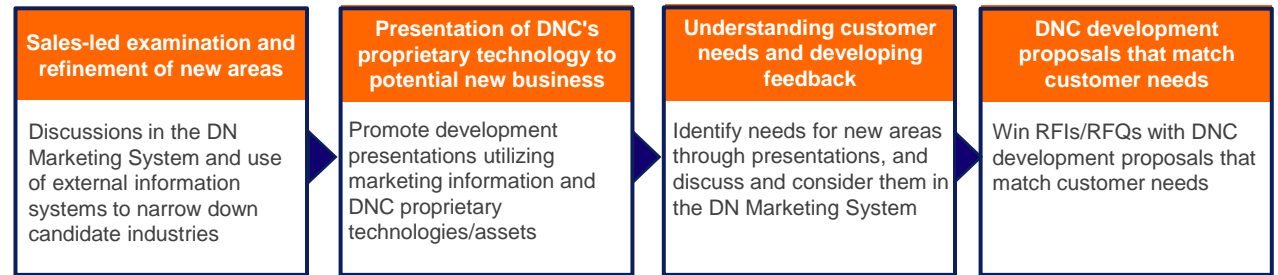
Strengthen marketing to develop new markets

Increase the number of business partners by approaching previously untraded automotive OEMs/Tier 1 manufacturers and obtaining RFQs

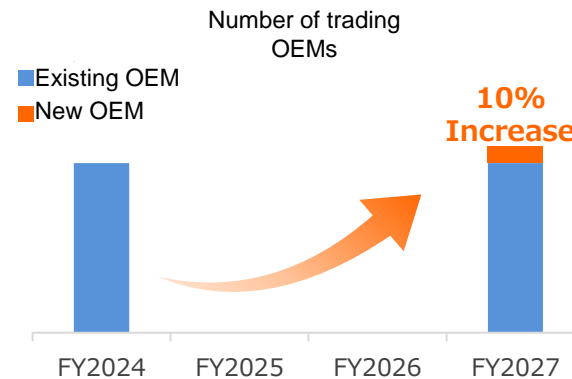
Goal for FY2027

OEM : 30→33companies
Tier1 : →10companies or more
RFQ : Double

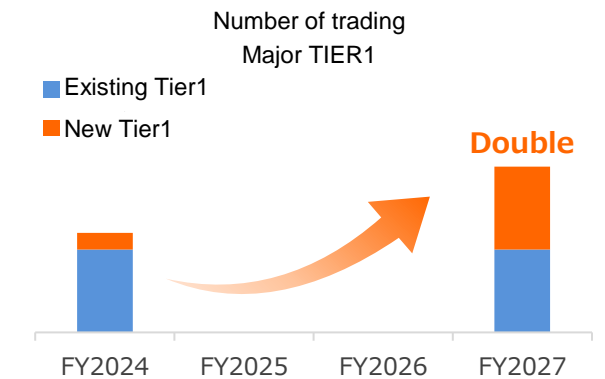
Measure



New OEMs
 Sales activities to Japanese & overseas manufacturers
Compared to FY2023 : 10% increase



Major TIER 1
 Sales activities, focusing on EV-related parts
Compared to FY2023 : Double



Developing New Markets

Basic policy

Strengthen marketing to develop new markets

Identify a wide range of needs so as to receive inquiries from non-automotive markets

Goal for FY2027

**New business area :
2 areas or more**

Measure



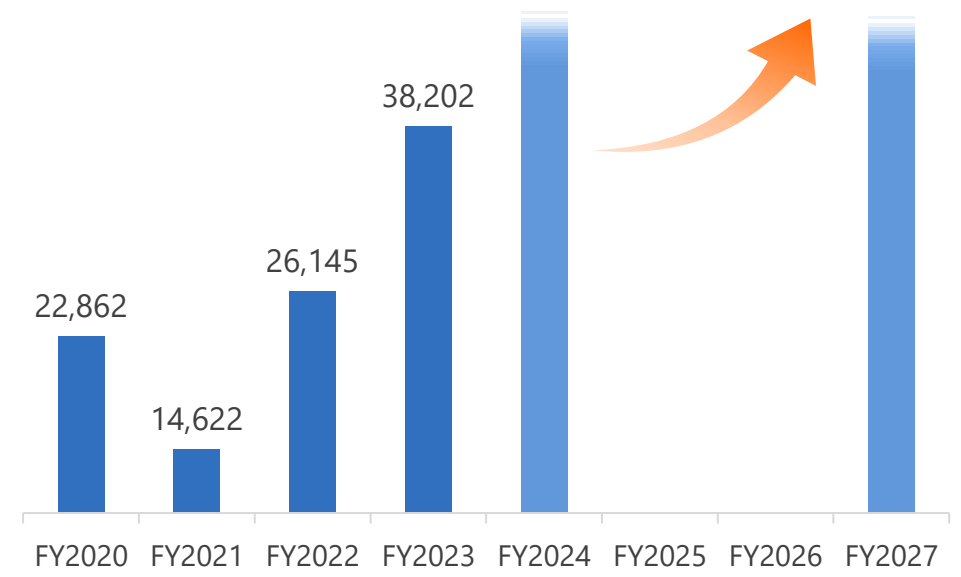
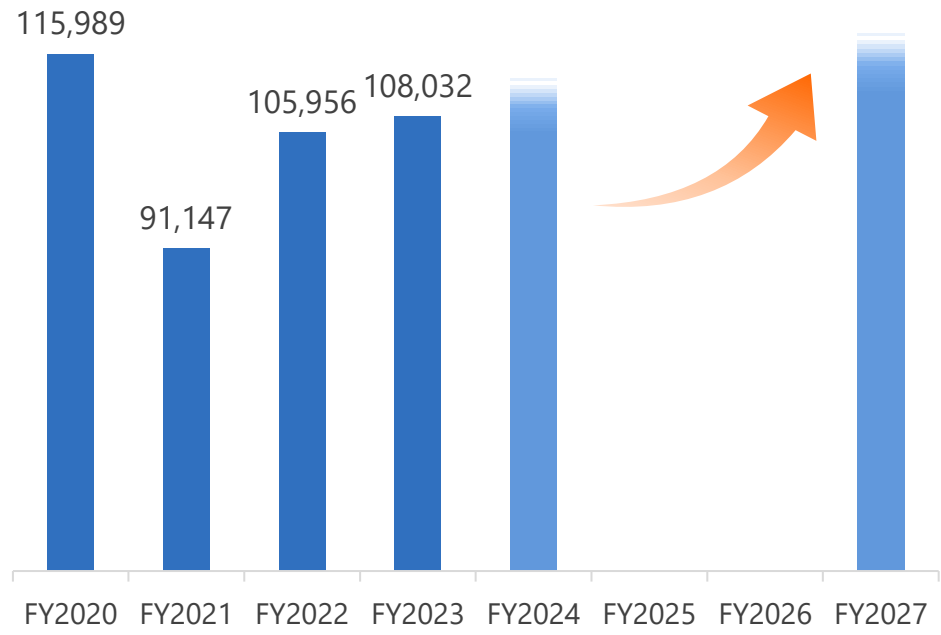
Customer Strategy: Sales by Business Location



Two major segments as growth drivers for business performance

Japan Maintain sales scale of major customers and promote expansion of other companies' sales

Americas Strengthening the sales expansion system of other companies in cooperation in the U.S./Mexico



Product Strategy

- 1 . New value creation by resin (automotive/new fields)
- 2 . Providing new value as a system creator

Value creation by resin and providing value as a “System Creator”

Basic policy

Creating New Value with Resin (Automobile and new market)

Formulate next-generation product scenarios and develop one-of-a-kind products

Goal for FY2027

Develop environmentally friendly products

Product development using CNF* composite materials and environmentally friendly materials
Start of mass production using PCR materials* including ELV*-derived materials

Product area
CO2 emission: 30%less

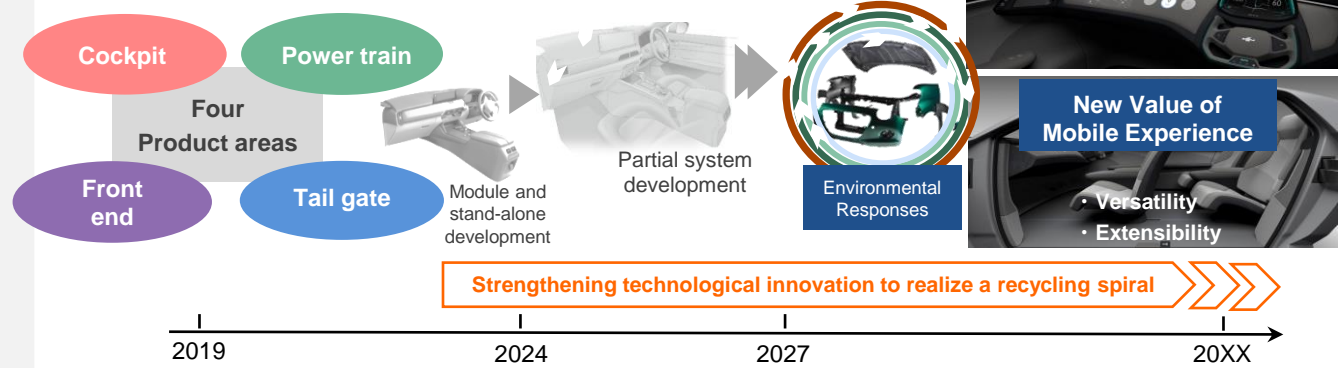
*CNF : Cellulose NanoFiber

*ELV : End-of-Life Vehicle

*PCR : Post-Consumer Recycled resin

Measure

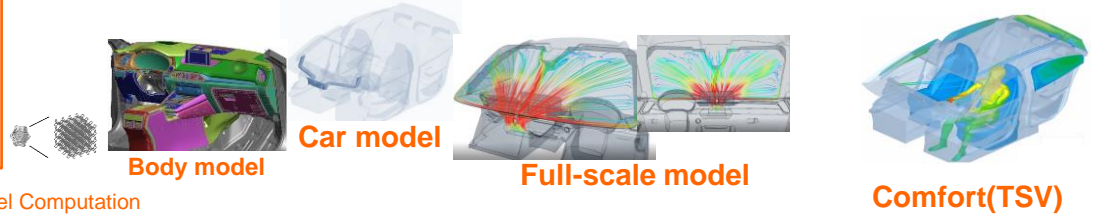
Formulate next-generation product scenarios and develop one-of-a-kind products



Build MBR and MBD for highly efficient short-term development process

Process innovation · CAE Digital Transformation Create new values

Transformation to desk-top verification-type development to support product strategy



Product Strategy: Realization of resin circulation cycle



Development of environmentally friendly products

Basic policy

Product development and technological innovation for the realization of the resin circulation cycle

Goal for FY2027

Establish products and technologies that comply with ELV regulations

ELV[※]regulation concept

At least 25% of the plastic used in vehicle manufacturing shall be recycled plastic, 25% of which shall be of ELV origin.

※ELV : End-of-Life Vehicle

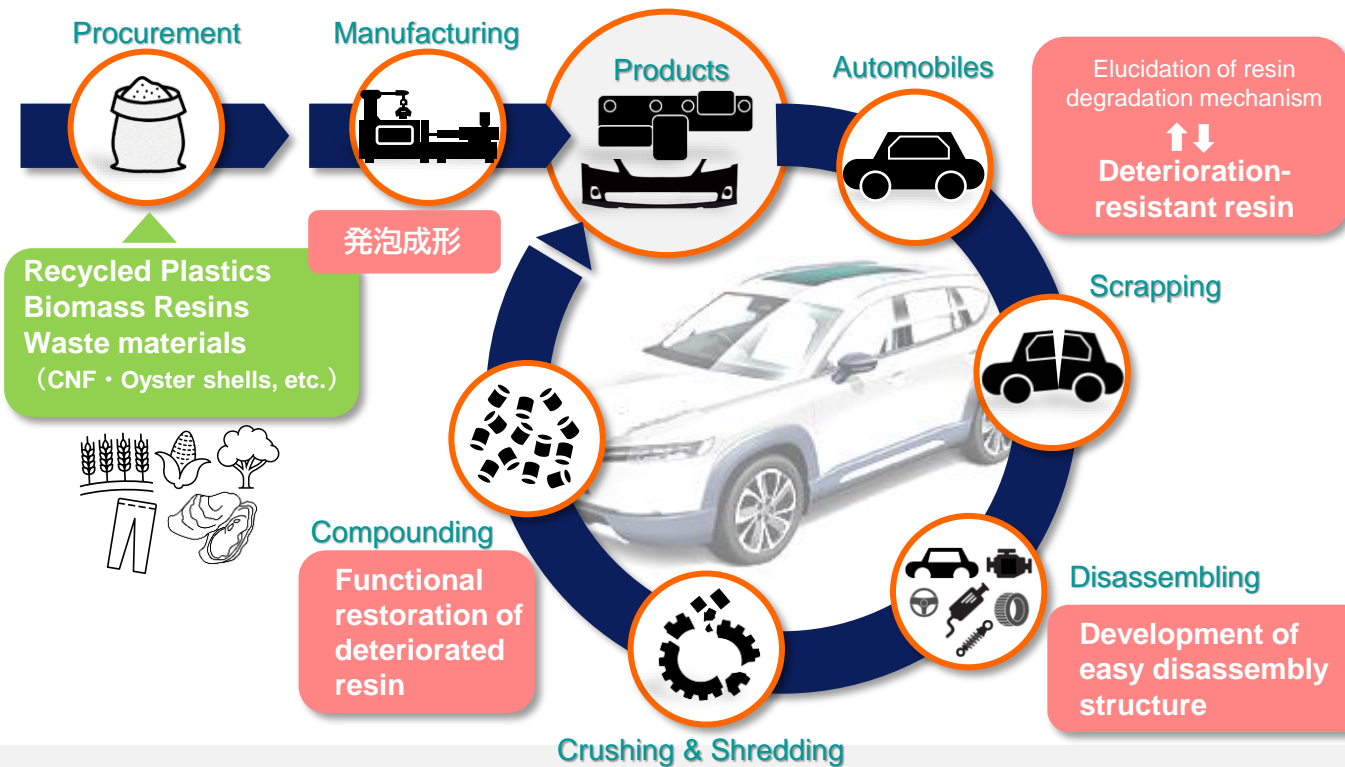
Measure

Mechanism Elucidation

Industry-Government-Academia Collaboration

ELV support and commercialization

Co-creation activities with OEMs and material manufacturers



Manufacturing Strategy

- 1 . Realize a quality management system for next-generation products
- 2 . Responding to all changes and achieving highly efficient manufacturing throughout the entire value chain

In-house automation technology for work elements

Basic policy

Flexible, cost-effective automated production

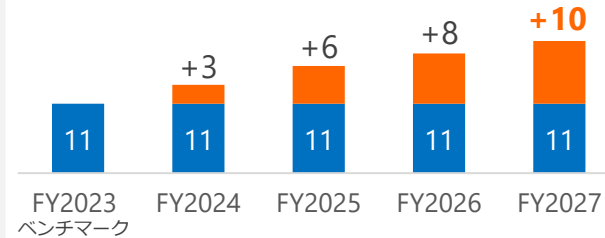
Goal for FY2027

Make in-house engineering know-how of automation work
11cases → 21cases(out of 28cases)
(10cases increase compare with FY2023result)

Measure

To expand automation by making the technology in-house through verification and trials to automate work elements, and then building automation equipment based on the technology.

Make automation in-house know-how



Completed

- Tightening screws
- Fastener assembly
- Ultrasonic welding
- Parts assembly inspection
- Primer application

TBD

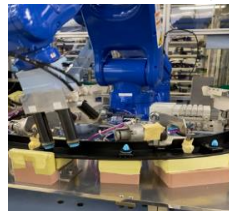
- Appearance inspection of painted materials
- Appearance inspection of molded materials
- Tape application
- Torch finishing
- Clip assembly

Completed cases

Tightening screws



Fastener assembly



Ultrasonic welding



Parts assembly inspection



Primer application



Manufacturing Strategy: Realize non-stop production



Non-stop production by strengthening predictive and self-initiated maintenance

Basic policy

Achieve non-stop production by enhancing equipment maintenance management for preventive self-maintenance

Goal for FY2027

Compared to FY2023

Equipment breakdown time **50%** reduction

MTBF (Mean Time Between Failures) **50%** improve

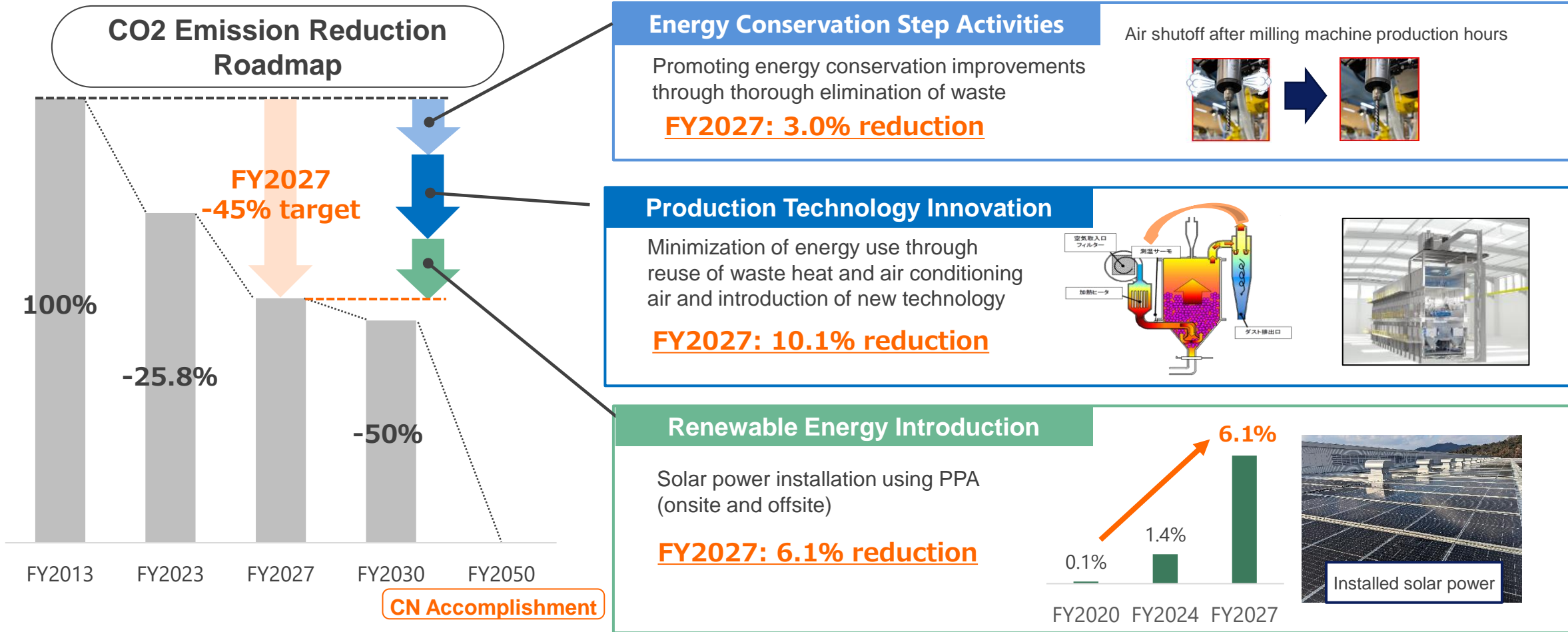
Measure

Visualize when to replace parts and engage in predictive maintenance by accumulating and analyzing data on equipment conditions through the construction of maintenance systems and the use of IoT.

FY2024	FY2025	FY2026	FY2027
Preparation for systemization Information analysis learning DB collection	Establishment of maintenance system Analysis learning DB collection	Equipment condition DB collection Constant status monitoring	Alignment of state DB and learning DB Maintenance Prediction by AI
Learning data	Safety Systems	Linkage with IoT	AI Maintenance Prediction
<p>Unified Management</p>	<p>Cloud Data Management</p>	<p>Unattended real-time monitoring</p>	<p>Timing optimization</p>

Create environmentally friendly technologies and accelerate to reduce impact

FY2027 Scope1・2 CO₂ emission reduction by 45% (compare with FY2013)



Management Base Strategy

1. Developing people to make the most of each person's individuality
2. Strengthen efforts to maintain/promote employee health
3. Fair and equitable business activities and strengthened governance
4. Coexistence and co-prosperity with local communities
5. Reform business processes using digital technology
6. Strengthen consolidated group management
7. Strengthen financial functions

Developing people to make the most of each person's individuality

Basic policy

Creating a workplace where everyone is respected and can play an active role

Evolving from women's activities to D&I management, responding to the diversity that already exists and creating a workplace where diversity can thrive

Goal for FY2027 ※DNC stand-alone

Addressing the diversity that already exists

- Female managers : 6 → 13 persons
- Women in supervisory positions: 28 → 42 persons
- Male fertility rate: 46.5% → 90%

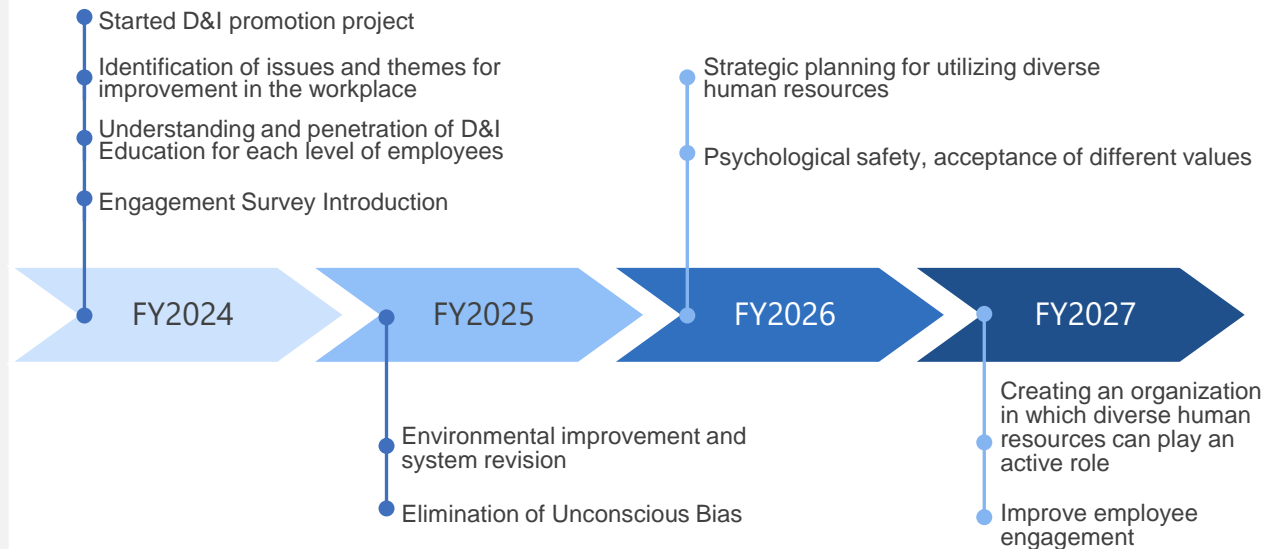
Creating a Workplace Where Diversity Thrives

- Improve employee engagement
- A strong organization with a diverse workforce

Measure

Creating a workplace where diverse human resources can work comfortably through the creation of an environment and systems from the perspective of women to work and play an active role.

Started D&I project consisting of diverse human resources



Management Base Strategy: Promotion of career development



Developing people to make the most of each person's individuality

Basic policy

Building and utilizing talent management

Share career development expectations and individual career plans for human resource development and appropriate placement

Goal for FY2027 ※DNC stand-alone

Building a career development mechanism

- Alignment of career development expectations with individual career plans

Appropriate placement

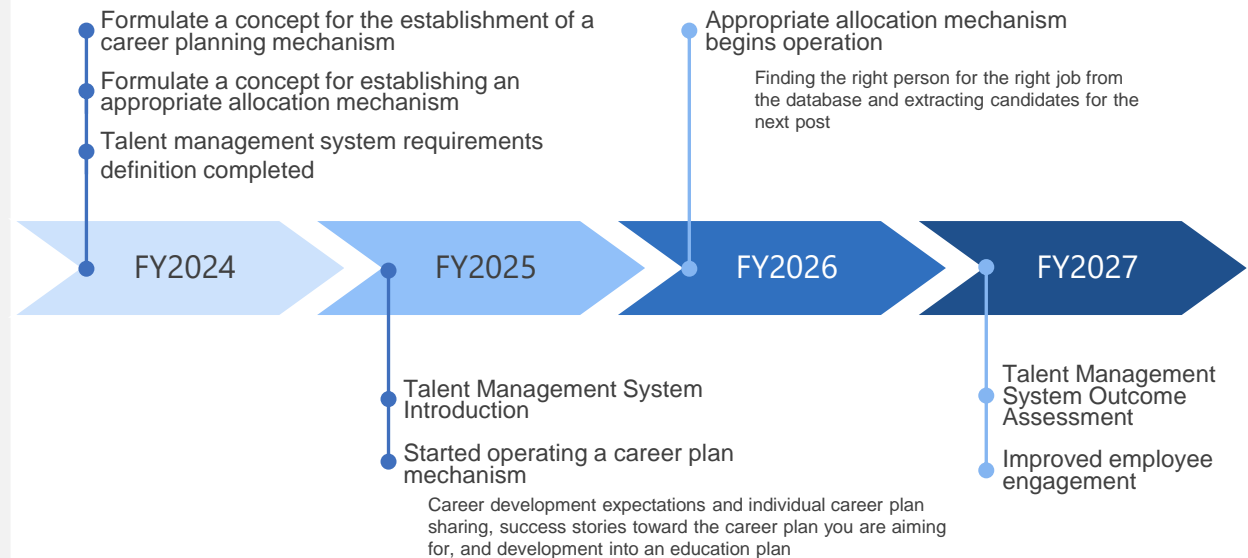
- Appointment and promotion of the right person to the next post

Developing Human Resources for Career Growth

- Developing into an educational plan that promotes capacity building based on career planning

Measure

Identify the right person for the right job from the human resources database, identify candidates for the next post, and create a mechanism to develop an education plan that promotes skill improvement based on employees' career plans.



Reform business processes through the use of digital technology

Basic policy

- Optimize business processes across departments to improve productivity, work style reforms and value creation
- Establish a foundation for data-driven decision making by linking mission-critical systems

Goal for FY2027

Improved efficiency and productivity of business processes

- Improvement of business processing time...30% or more (compare with FY2023)

In-house diffusion of digital skills and work style reform

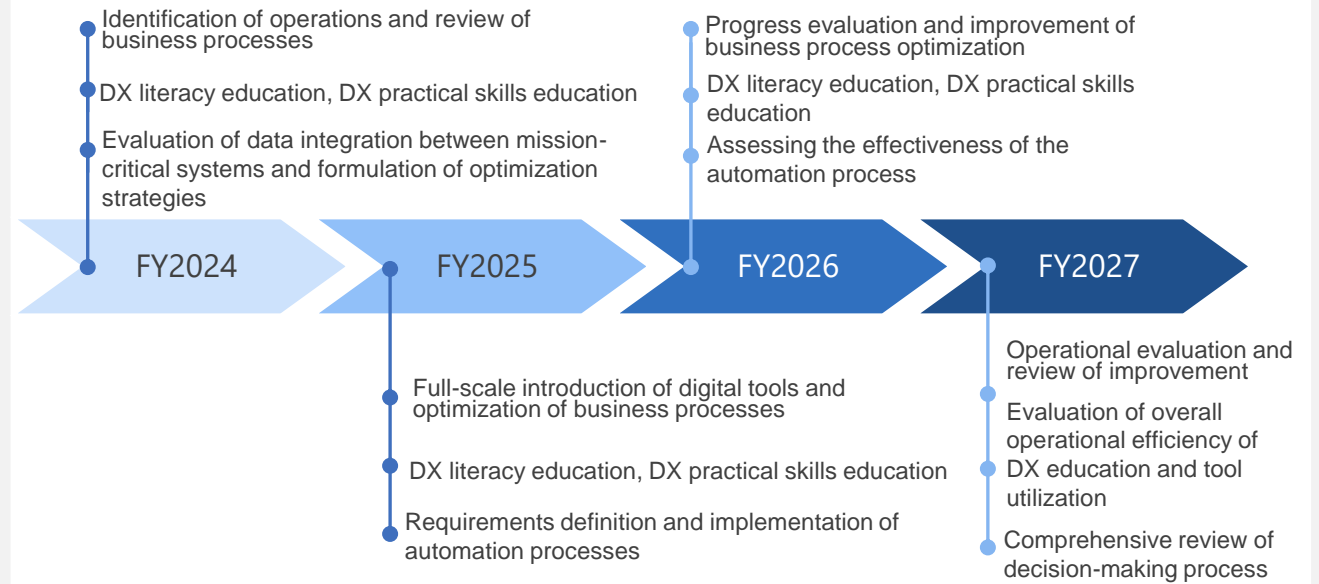
- Education Completion Rate...100%

Accelerate management judgment and decision-making processes

- Decision-making time reduction rate...10% or more (compare with FY2023)

Measure

- Optimize business processes using digital tools
- Improve digital skills and promote work style reform
- Shift to value-creating areas and improve productivity across departments



Management Base Strategy: Improve financial performance



Establish cash allocation to improve financial performance

Approx. 80.0billion yen



Growth Investments

- R&D : Resin recirculation cycle development
- Human capital : Implement a talent management system for career development
- DX : Building a foundation for rapid, data-driven decision-making
- Carbon neutral : Resin recycle cycle development

Shareholder Returns

- Dividend Policy : Stable and continuous dividend payout ratio of approximately 30% and DOE of 2.5% or more

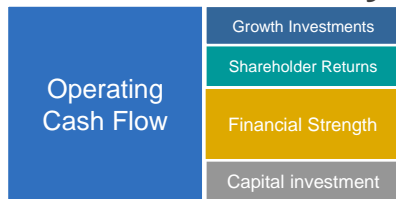
Financial Strength

- Enhancement of group fund management
- Retained earnings for the future with a view to realizing our long-term vision

Capital Investment

- Renewal or enhancement of existing facilities
- Investment in development of new car models
- Tooling investment

Result: 20.3billion yen



Source of Funds

Use of Funds

FY2023
(single year)

Source of Funds

Use of Funds

FY2024~FY2027
(accumulated total)

[Important Information]

This presentation material contains certain statements describing the future plans, strategies, and performance of DaikyoNishikawa Corporation and its consolidated subsidiaries. These statements are not based on historical or present fact, but rather assumptions and estimates based on information currently available. These future plans, strategies, and performances are subject to known and unknown risks, uncertainties, and other factors. DaikyoNishikawa Corporation's actual performance, business activities, and financial position may differ materially from the assumptions and estimates provided on account of the risks, uncertainties, and other factors. The information contained on this presentation should not be considered as an offer, or solicitation, to deal in any of the investments or funds.

[Contact]

DaikyoNishikawa Corporation
Corporate Planning Department
PR/IR Group
Phone: +81-82-493-5610

Appendix

Key performance and financial indicators (consolidated)



(Millions of yen)

	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Net sales	171,967	184,314	182,219	150,234	116,669	145,744	159,019
Cost of sales	145,691	160,738	163,780	136,690	108,934	131,955	138,550
Gross profit	26,276	23,575	18,438	13,544	7,735	13,789	20,469
Selling general and administrative expenses	8,224	8,954	9,443	9,087	10,368	10,335	11,778
Operating income(loss)	18,052	14,621	8,995	4,456	△2,632	3,453	8,690
Operating profit ratio	10.5%	7.9%	4.9%	3.0%	△2.3%	2.4%	5.5%
Non-operating income	1,075	764	1,121	1,273	2,191	807	1,634
Non-operating expenses	385	550	616	342	544	1,396	1,548
Ordinary income(loss)	18,742	14,836	9,500	5,386	△985	2,864	8,775
Extraordinary income	14	332	318	2,264	1,277	19	1,851
Extraordinary losses	238	279	2,140	4,097	1,201	368	2,371
Income before income taxes	18,518	14,889	7,678	3,553	△909	2,515	8,255
Income taxes	5,346	3,838	2,455	1,595	1,274	1,975	2,872
Net income(loss) attributable to non-controlling interests	706	648	315	△578	△98	21	△399
Net income(loss) attributable to owners of the parent	12,464	10,402	4,907	2,536	△2,085	518	5,782
Capital investment	13,149	16,489	25,012	17,011	16,313	8,278	4,811
Depreciation expense	9,078	9,561	10,716	10,510	10,798	11,895	11,383
R&D expense	3,052	3,003	2,968	2,603	3,049	2,473	2,842
Sales growth rate	10.5%	7.2%	△1.1%	△17.6%	△22.3%	24.9%	9.1%
Return on equity(ROE)	20.4%	14.7%	6.5%	3.3%	△2.8%	0.7%	7.4%
Return on assets(ROA)	14.4%	10.4%	6.4%	3.5%	△0.6%	1.8%	5.4%
Earnings per share(EPS) (yen)	175.94	146.82	69.27	35.75	△29.37	7.30	81.34
Book value Per Share(BPS)	950.76	1,048.45	1,088.74	1,089.41	1,045.26	1,063.76	1,135.11
Dividend per share(yen)	34.00	34.00	30.00	30.00	30.00	30.00	32.00
Dividend payout ratio (%)	19.3%	23.2%	43.3%	83.9%	-	411.2%	39.3%
Dividend on equity ratio(DOE) ^(c)	3.9%	3.4%	2.8%	2.8%	2.8%	2.8%	2.9%
Dividend yield(%)	1.9%	3.3%	6.1%	3.9%	5.6%	4.7%	4.2%
Price book-value ratio(PBR)	1.83	0.97	0.45	0.72	0.52	0.61	0.68
Price earnings ratio(PER)	9.91	6.92	7.13	21.65	-	88.36	9.48
Number of employees	5,072	5,265	5,432	5,414	5,482	5,461	5,601

	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Current assets	84,495	85,554	77,137	80,257	69,316	73,672	80,327
Cash and deposits	42,684	37,571	32,529	39,842	28,455	28,070	39,079
Trade notes and accounts receivable	33,258	35,995	33,056	31,760	29,138	33,916	29,647
Inventories	7,102	10,119	9,564	7,399	7,592	8,136	8,349
Other	1,450	1,867	1,987	1,255	4,130	3,548	3,250
Non-current assets	54,740	60,801	73,347	79,037	86,845	89,226	80,898
Property, plant and equipment	48,903	55,189	68,346	73,167	80,432	81,036	75,670
Intangible assets	1,163	976	767	741	799	887	1,105
Investments and other assets	4,673	4,634	4,233	5,128	5,613	7,302	4,121
Total assets	139,235	146,356	150,484	159,295	156,162	162,899	161,225
Current liabilities	60,621	47,057	47,007	45,557	39,067	45,456	44,793
Trade notes and accounts payable	35,621	26,448	25,579	24,823	22,904	24,999	22,278
Short-term loans payable	2,911	2,509	1,757	1,694	1,442	1,470	1,498
Long-term loans payable due within one year	2,803	2,941	2,912	2,272	4,882	5,562	5,779
Lease obligations	3,693	3,298	3,344	2,807	2,755	2,729	2,846
Other	15,591	11,859	13,412	13,958	7,083	10,693	12,390
Non-current liabilities	8,894	22,097	23,089	33,848	40,176	39,020	33,178
Bonds	2,069	15,549	17,658	29,241	34,128	32,191	28,068
Lease obligations	2,905	2,790	2,089	1,431	2,899	2,930	2,102
Other	3,919	3,757	3,341	3,175	3,147	3,898	3,007
Total liabilities	69,515	69,155	70,096	79,405	79,243	84,477	77,971
Total net assets	69,719	77,200	80,387	79,889	76,918	78,422	83,254
Interest-bearing debt	14,383	27,089	27,762	37,447	46,108	44,885	40,294
Net interest-bearing debt	△28,300	△10,482	△4,766	△2,394	17,652	16,814	1,214
Capital adequacy ratio	48.4%	50.8%	51.3%	48.5%	47.5%	46.4%	50.1%
Operating cash flow	24,742	3,219	19,584	16,788	3,705	14,048	20,372
Investment cash flow	△13,547	△19,539	△24,370	△17,567	△20,107	△8,991	1,593
Financial cash flow	△6,443	10,286	△2,012	8,565	3,579	△7,618	△8,801
FCF	11,195	△16,320	△4,786	△779	△16,402	5,056	21,966

* With the adoption of the "Accounting Standard for Revenue Recognition" from the fiscal year ending March 31, 2022, the Company previously recognized revenue at the gross amount of consideration including the purchase price of parts supplied, but now recognizes revenue at the net amount of consideration excluding the purchase price of parts.

Product Information – Automotive Parts



Currently focusing on expanding sales of plastic back doors in addition to interior and exterior plastic products, including instrument panels and bumpers
 Pioneer in the industry in replacing metal oil strainers with plastic oil strainers
 Promoting sales expansion of battery covers as a new strategic product in anticipation of EVs in the future

Main products

Instrumental panels



Mazda, Daihatsu, and Honda

Bumpers



Mazda, Toyota, Daihatsu, and Mitsubishi

Priority products

Tailgates/Backdoors



Daihatsu, Honda

Strategic products for new customers

Oil strainers



Mazda, Daihatsu, Toyota, Honda, Nissan, SUBARU etc.

Water pipes



Strategic products for EVs

Battery covers



Mazda, Toyota, SUBARU etc.

BUS bars

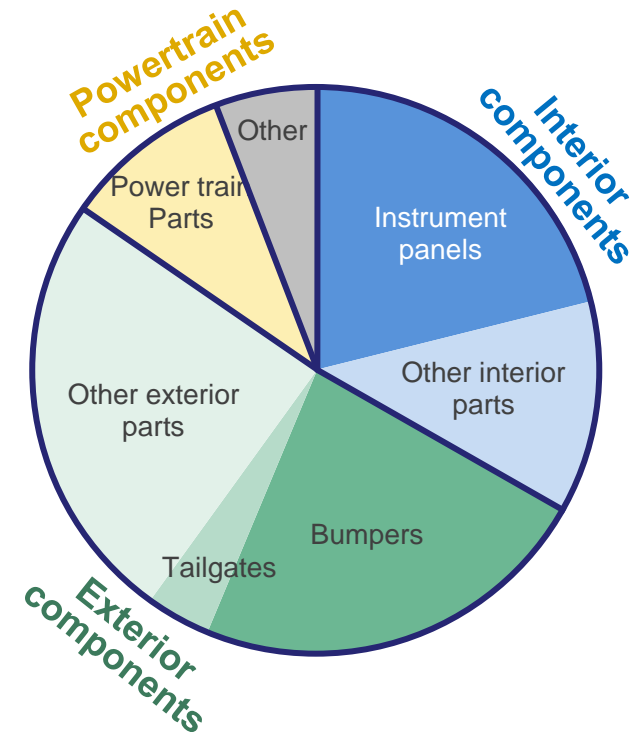


Charging ports



Sales by Product

Sales: 159.0 billion yen (FY2023)

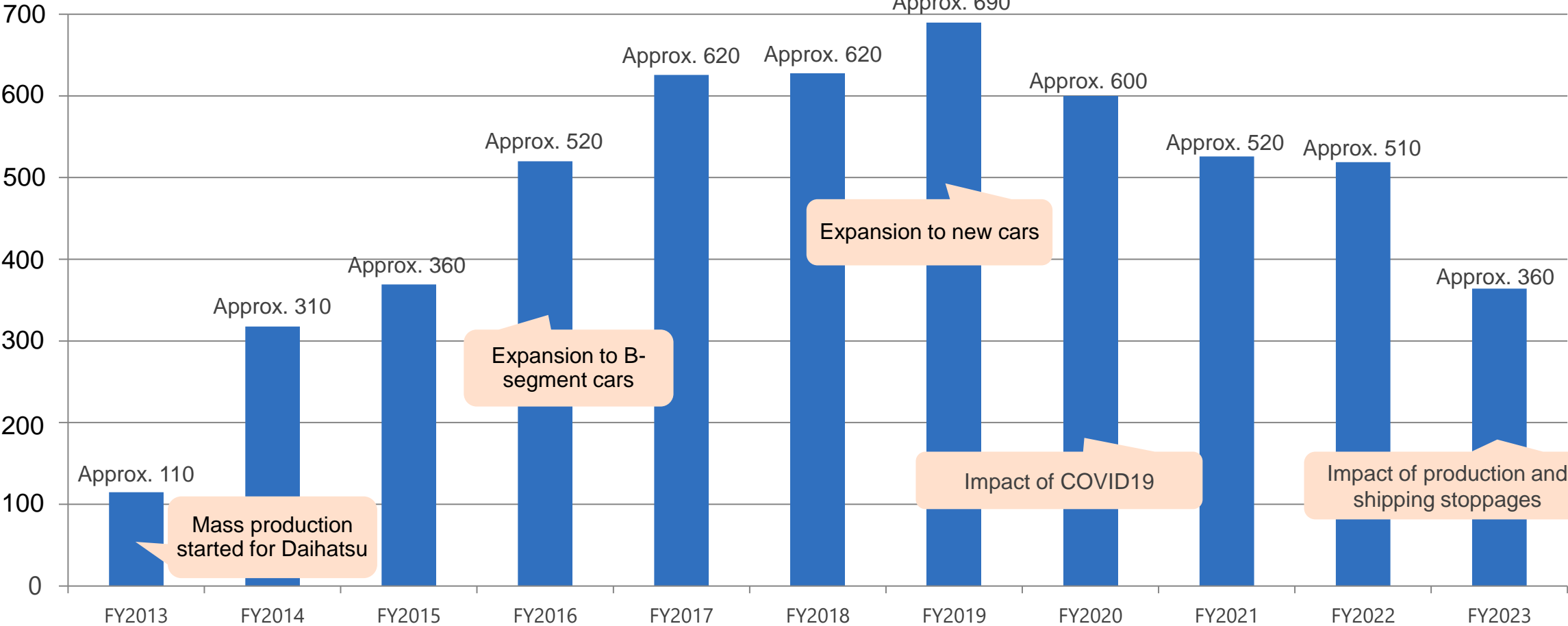


Resin Back Door Production Units for Daihatsu

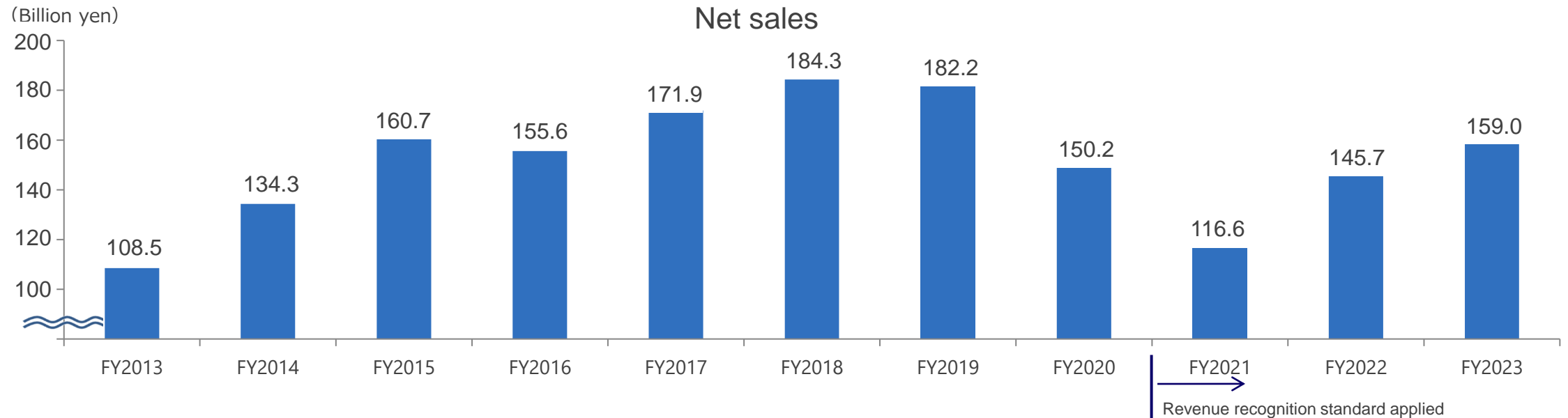
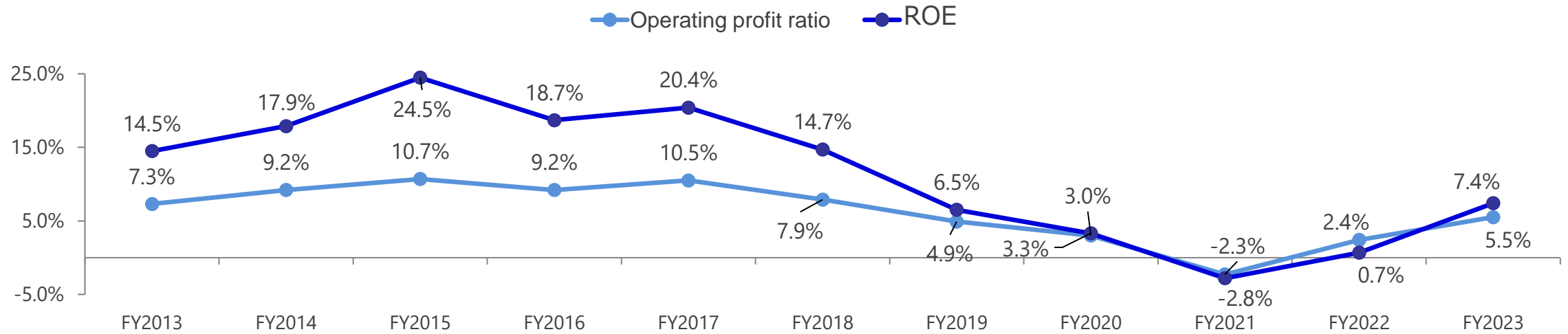


Focusing on expanding sales to other automobile manufacturers for further growth

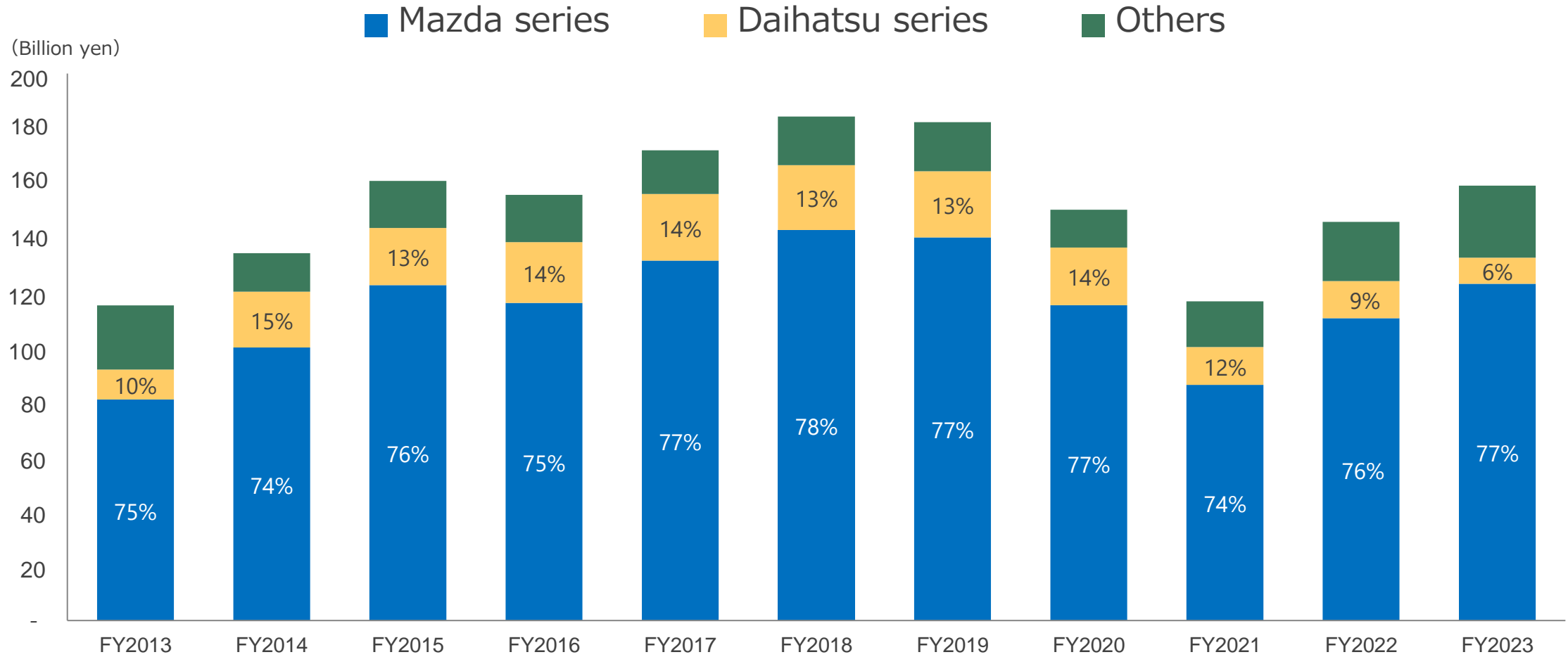
(Thousand units)



Trends in Management Indicators



Change in composition ratio due to diversification of customers



FY2023 4th quarter consolidated results (compared to the previous quarter)



FY2023 Q4 stand-alone sales and profits down compared to Q3

(Millions of yen)

	FY2022				FY2023				Changes FY23Q4/FY23Q3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Net sales	30,074	32,937	39,618	43,114	37,217	40,253	42,897	38,651	-4,245 (-9.9%)
Operating income	-1,241	△205	823	4,076	1,339	2,945	2,890	1,514	-1,376 (-47.6%)
Operating profit ratio	-4.1%	△0.6%	2.1%	9.5%	3.6%	7.3%	6.7%	3.9%	-2.8pts
Ordinary income	-1,008	△171	114	3,929	1,749	2,868	2,513	1,644	-868 (-34.6%)
Net income attributable to owners of parent	-1,127	△438	△362	2,446	1,150	1,799	2,324	507	-1,816 (-78.2%)

Main reasons for increase/decrease

■ Net Sales/Operating Income
Decrease in sales and income mainly due to lower production volume at major customers

■ Ordinary Income

Profit on currency exchange

■ Net income attributable to owners of parent

3Q) Gain on sale of shares in connection with transfer of all equity interests in a Chinese equity-method affiliate

Q4) Impairment loss was recorded.

External sales by segment (compared to the previous quarter)



Non-Consolidated external sales for the fourth quarter of FY2023 increased in each overseas segment, but decreased in Japan

(Millions of yen)

		FY2022				FY2023				Changes FY23Q4/FY23Q3	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Domestic	Japan	19,431	25,171	28,062	30,291	23,973	28,107	28,487	22,723	-5,764 (-20.2%)	
	Overseas	Central & North America	6,390	4,552	7,020	8,072	9,186	8,275	10,295	10,424	129 (1.3%)
		ASEAN	2,839	2,373	3,320	3,753	3,465	2,581	2,825	3,092	266 (9.4%)
		China & Korea	1,412	839	1,215	997	592	1,288	1,288	2,411	1,123 (87.2%)
		Subtotal	10,642	7,765	11,555	12,823	13,244	12,145	14,409	15,928	1,519 (10.5%)
	Total	30,074	32,937	39,618	43,114	37,217	40,253	42,897	38,651	-4,245 (-9.9%)	

Main reasons for increase/decrease

■ Japan

Decrease in sales due to lower production volume at major customers, etc.

■ Central & North America

Increase due to higher customer production volume, mold sales, and impact of foreign currency translation

■ ASEAN

Increase due to higher die sales, impact of foreign currency translation, etc.

■ China & Korea

Increase due to higher production volume and die sales, etc.

Segment profit/loss (compared to the previous quarter)



Operating income for the fourth quarter of FY2023 on a non-consolidated basis recovered in ASEAN, China, and South Korea, but declined in Japan, Central America, and North America

(Millions of yen)

		FY2022				FY2023				Changes FY23Q4/FY23Q3
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Domestic	Japan	-1,158	296	1,056	3,904	165	2,387	1,649	511	-1,138 (-69.0%)
	Central & North America	-1,493	-585	-465	-206	1,322	674	1,074	625	-448 (-41.8%)
Over-seas	ASEAN	277	218	411	127	521	170	-40	91	132 (-)
	China & Korea	65	-50	-19	-76	-260	-7	-157	72	230 (-)
	Subtotal	-1,150	-418	-73	-155	1,583	837	876	790	-86 (-9.9%)
Consolidation Adjustments		1,067	-83	-159	327	-409	-278	364	213	
Consolidated operating income (loss)		-1,241	-205	823	4,076	1,339	2,945	2,890	1,514	-1,376 (-47.6%)

Main reasons for increase/decrease

- Japan
Decrease due to lower sales, etc.
- Central & North America
Decrease due to lower cost recovery in North America, including delay in conversion to 2-shift production in North America, etc.
- ASEAN
Increase due to sales increase
3Q) One-time factors
- China & Korea
Increase due to impact of higher sales, decrease in initial quality response for transferred products, etc.

※FY2022Q1 consolidation adjustments include development costs in Central America and North America recorded in FY2021