

A dark, high-tech car interior dashboard with a steering wheel and illuminated controls, serving as a background for the title text.

# **Consolidated Financial Results for the Nine Months Ended December 31, 2021**

## **DaikyoNishikawa Corporation**

**February, 2022**

**DaikyoNishikawa Corporation**



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# 1. Financial Results

## 【Third Quarter Results】

- Sales decreased year on year due to lower production volume of major customers and the impact of accounting standards changes although a certain sales contribution brought by sales channels expansion.
- In terms of profits, resulted a loss of 2,336 million yen due to the preparation costs for the new plant in the United States and operating loss caused by sudden production fluctuations.

# Consolidated Profit and Loss Statement



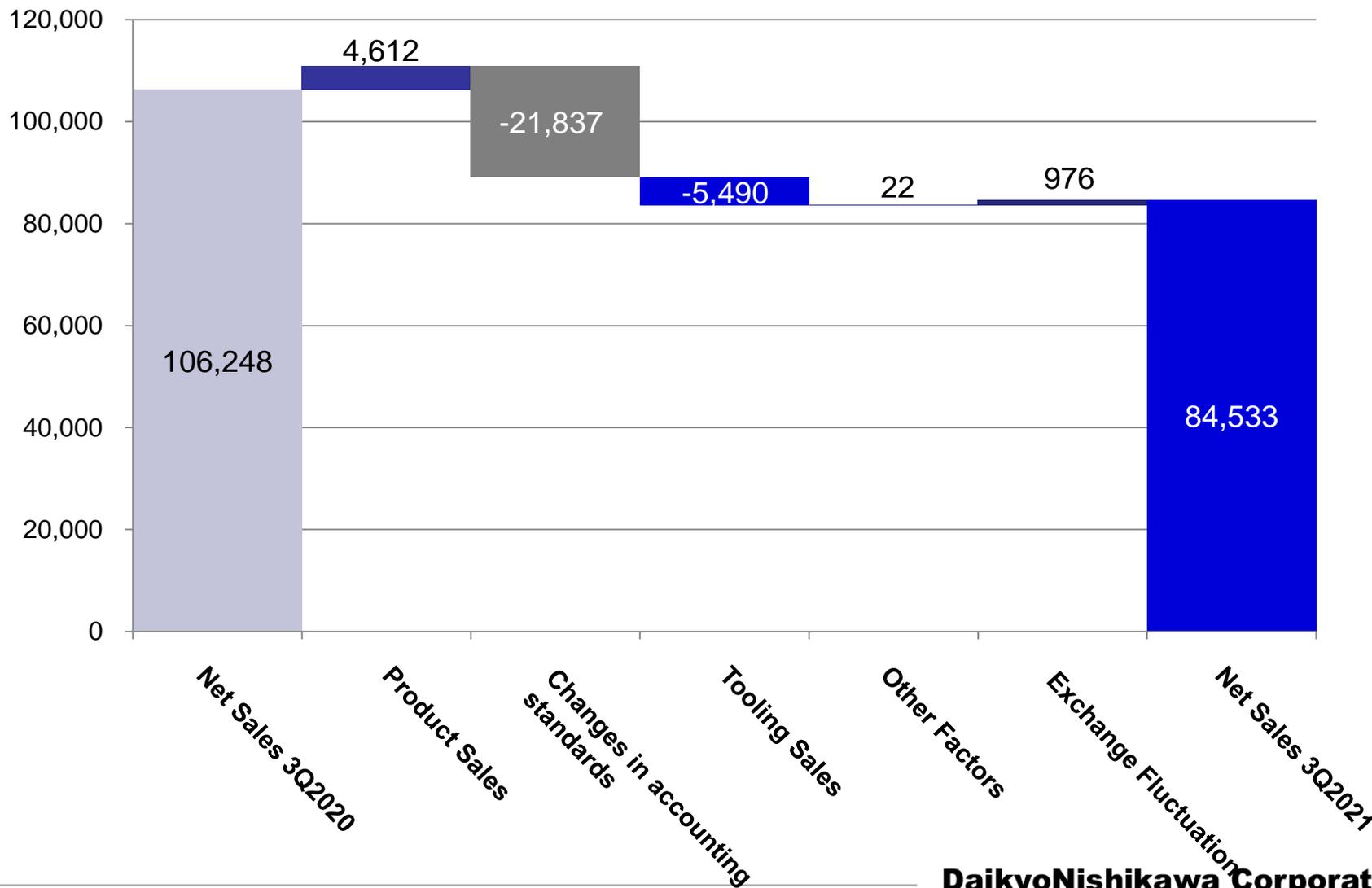
Sales declined due to decreased production volume and the impact of changes in accounting standards. Profit-wise, operational loss due to preparation costs of new plant in the United States and sudden production fluctuations.

	(Millions of Yen)			
	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2021	Changes (Y on Y)	Changes (%)
Net Sales	106,248	84,533	-21,715	-20.4%
Operating Income	2,451	-2,336	-4,787	—
Ordinary Income	3,123	-2,058	-5,182	—
Profit Attributable to Owners of Parent	1,339	-2,166	-3,505	—
Operating Profit Margin	2.3%	—	—	—
Net Income per Share	18.88yen	-30.52yen	-49.40yen	—

# Net sales increase or decrease factor



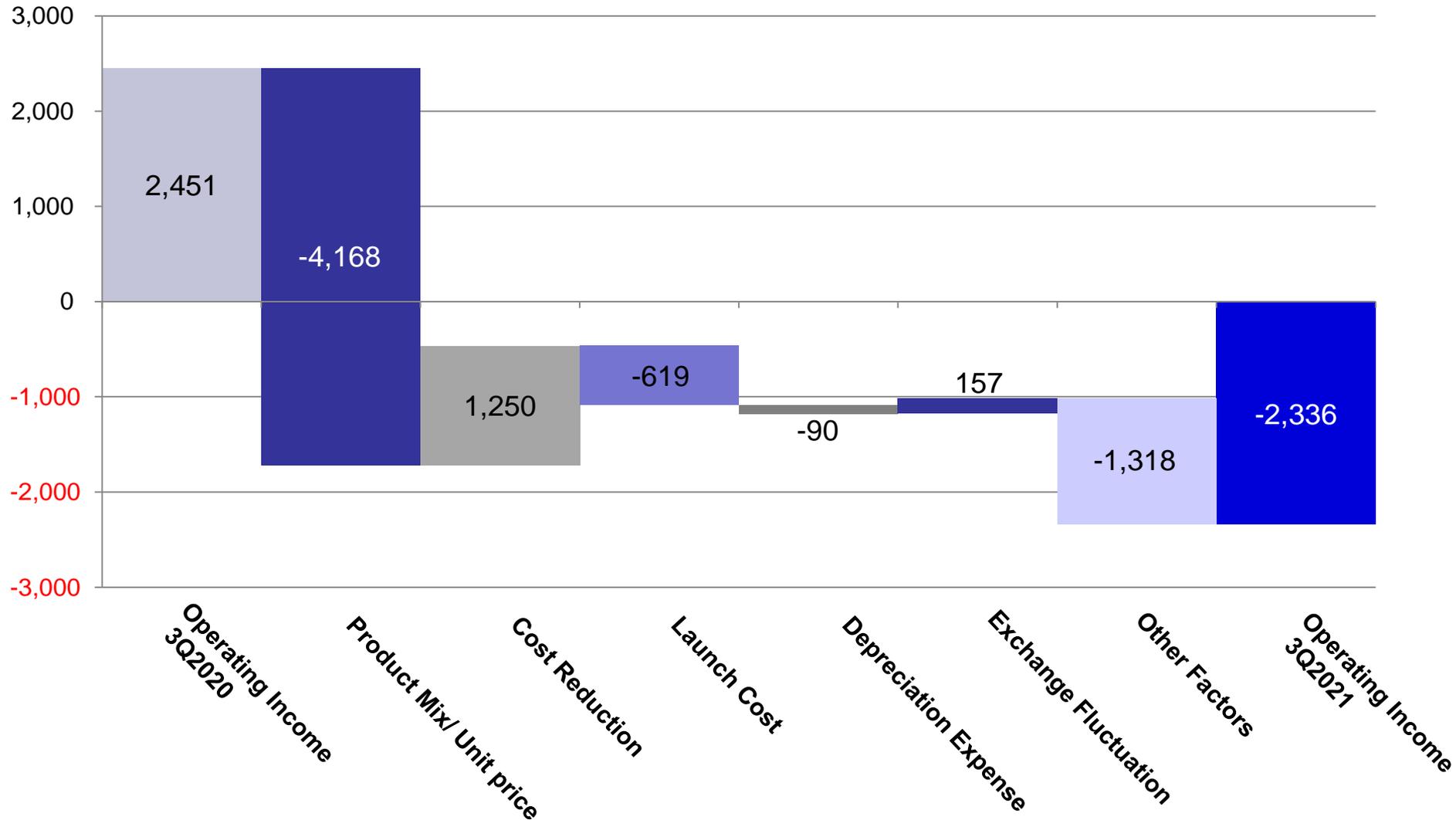
(Millions of Yen)



# Operating income increase or decrease factor



(Millions of Yen)



# Outline of segment business performance



Segment	Outline of business performance
Japan	<ul style="list-style-type: none"><li>■ SALES : Declined due to a decrease in production volume of each customer and the changes in accounting standards</li><li>■ PROFIT : Loss of 694 million yen due to sudden production fluctuations and increase in development costs</li></ul>
China/Korea	<ul style="list-style-type: none"><li>■ SALES : Increased due to the Japanese currency conversion</li><li>■ PROFIT : Decreased due to declined production</li></ul>
ASEAN	<ul style="list-style-type: none"><li>■ SALES : Declined due to a decrease in mold sales in Thailand</li><li>■ PROFIT : Increased profit due to cost reduction effect in Thailand</li></ul>
Americas	<ul style="list-style-type: none"><li>■ SALES : Declined due to a decrease in mold sales</li><li>■ PROFIT : Loss of 1,624 million yen due to increased preparation costs for a new plant in the United States</li></ul>

# Sales by Segment



Although there was an increase in sales through expansion of sales channels, total sales decreased due to a declined production volume and the impact of changes in accounting standards.

		(Millions of Yen)			
		Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2021	Changes (Y on Y)	Changes (%)
<b>Domestic</b>	<b>Japan</b> (component ratio)	79,860 (75.2)	62,884 (74.4)	-16,976 (-0.8Pts)	-21.3%
	<b>China/Korea</b>	3,861	4,195	334	8.7%
<b>Overseas</b>	<b>ASEAN</b>	6,027	6,813	786	13.0%
	<b>Americas</b>	16,499	10,640	-5,859	-35.5%
	<b>Overseas TTL</b> (component ratio)	26,388 (24.8)	21,649 (25.6)	-4,738 (0.8Pts)	-18.0%
	<b>Total</b>	106,248	84,533	-21,715	-20.4%

\*Since the accounting standard for revenue recognition has been applied since the fiscal year ended March 2022, the actual value before the application of the standard include differences.

# Operating Income by Segment



Resulted loss due to the preparation costs for the new plant in the United States and operating loss caused by sudden production fluctuations.

		(Millions of Yen)			
		Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2021	Changes (Y on Y)	Changes (%)
<b>Domestic</b>	<b>Japan</b> (component ratio)	857 (37.7)	-694 (-)	-1,552 (-)	-
	<b>China/Korea</b>	292	171	-120	-41.3%
<b>Overseas</b>	<b>ASEAN</b>	156	165	8	5.7%
	<b>Americas</b>	966	-1,624	-2,591	-
	<b>Overseas TTL</b> (component ratio)	1,416 (62.3)	-1,287 (-)	-2,702 (-)	-
<b>Total</b>		<b>2,273</b>	<b>-1,982</b>	<b>-4,255</b>	<b>-</b>

## 2. Financial Forecast for Fiscal 2021

## 【Summary of FY2021 business forecast】

- At the time of the announcement on October 21, 2021, the production volume in the second half started on a downward trend, but it was expected to recover, so the estimated production unit in the later half was calculated unchanged as of the announcement on August 4, 2021.
- Due to the global supply shortage of semiconductors and the prolonged difficulty in the procurement from Southeast Asia due to the influence of the COVID-19, the production volume of each customer is expected to be lower than expected, and the sales are expected to be lower than the previous forecast.
- Regarding profits, made every efforts to reduce all costs and implement cost improvement activities such as streamlining production processes, curbing investment. But due to cost deterioration due to sudden production fluctuations and decreased sales, profit shall be lower than the previous forecast.

**Due to the shortage of semiconductor supply influenced by COVID-19, the customer's production volume is expected to be lower than the previous forecast.**

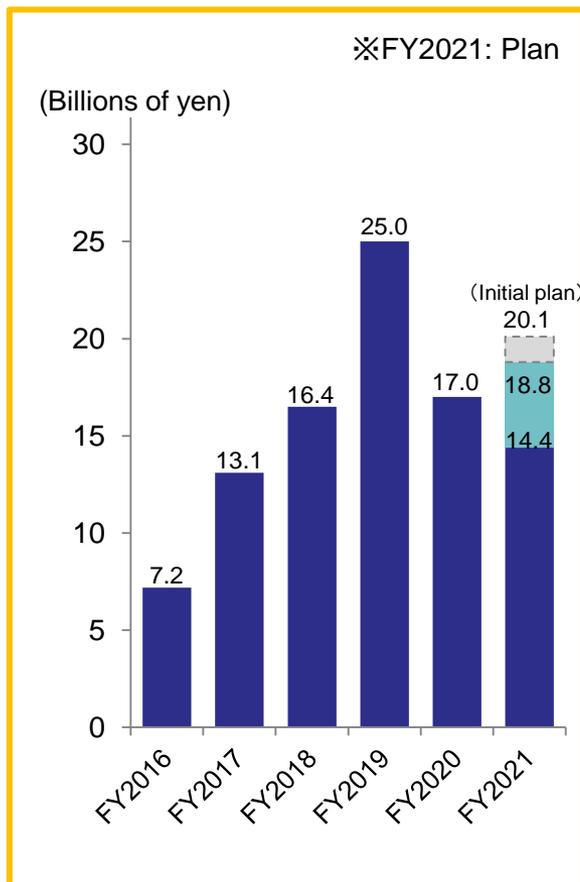
	FY2021 Forecast (as of Oct. 21,2021)	FY2021 Forecast (as of Feb 8, 2022)	Changes	Changes (%)
<b>Net Sales</b>	*124,000	*119,000	-5,000	-4.0%
<b>Operating Income</b>	400	-1,300	-1,700	—
<b>Ordinary Income</b>	1,700	100	-1,600	-94.1%
Profit Attributable to Owners of Parent	0	-1,300	-1,300	—
<b>Operating Profit Margin</b>	0.3%	—	—	—
<b>Net Income per Share</b>	0.00yen	-18.31yen	—	—

\*Since the accounting standard for revenue recognition has been applied from the fiscal year ending March 2022, the consolidated earnings forecast is based on this standard.

# Capital Investment, Depreciation and R&D Expenses

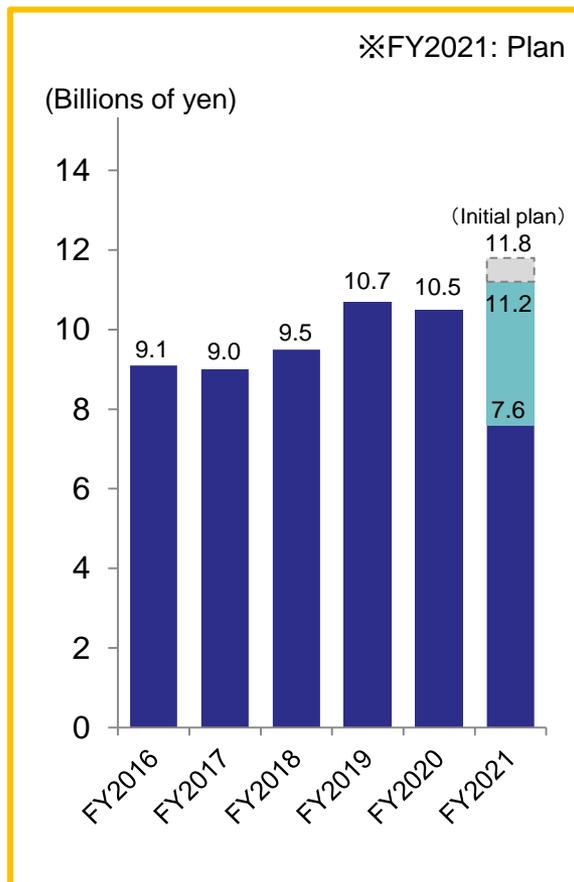
## 《Capital Investment》

Anticipate decrease due to changes in development content, investment timing, and pursuance of efficiency



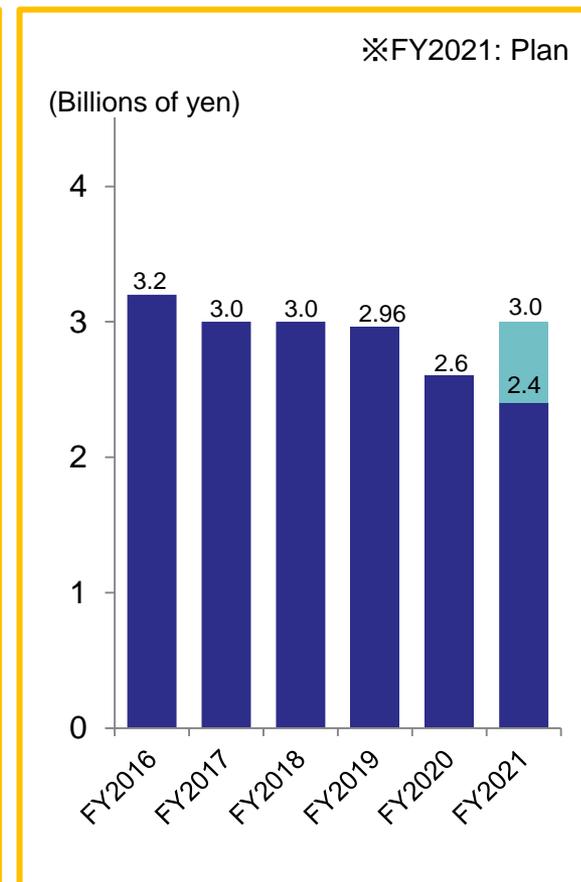
## 《Depreciation》

Anticipate decrease due to review of amortization period of new US plant



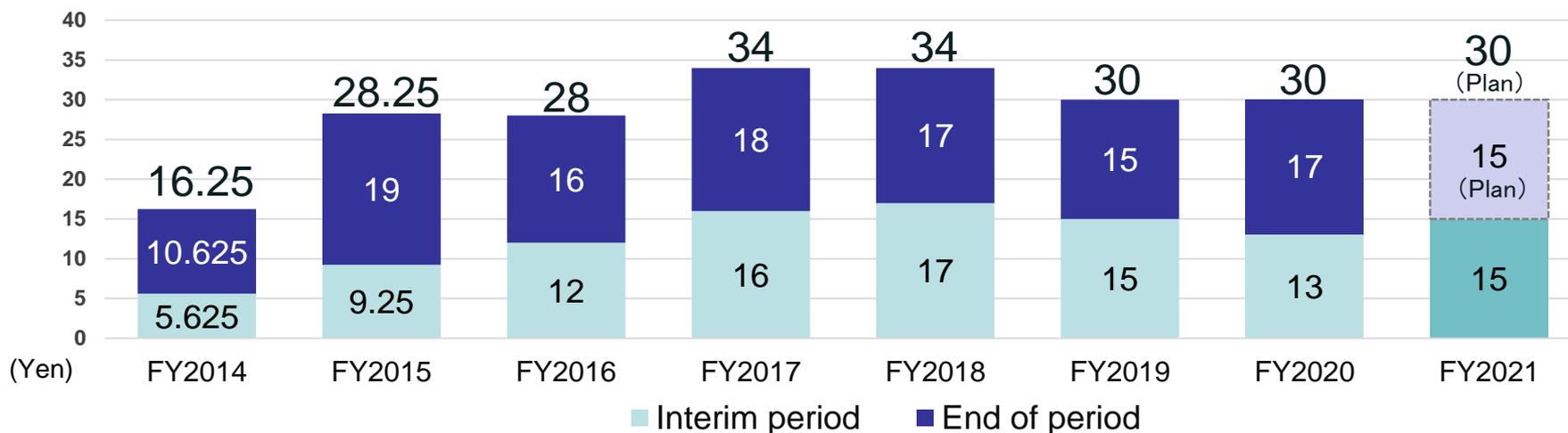
## 《R&D Expenses》

Re-accelerate R & D to create products that exceed the expectations of society and customers



Interim dividends is 15yen as planned,  
year-end dividends forecast remains unchanged

### Dividends per share



※On January 1, 2016, we split its common stock into four shares.

The annual dividends for FY2014 and the interim dividends for FY2015 are calculated as dividends per share, assuming that a stock split was conducted.

### Payout Ratio

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Plan)
17.0%	17.7%	18.9%	19.3%	23.2%	43.3%	83.9%	—

※FY2016 : Excluding commemorative dividend

## Important Information

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