

Presentation Material for Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2025

DaikyoNishikawa Corporation

August 2024

1. Financial Results for the first quarter of Fiscal 2024 (YoY change) P.2
2. Financial Results for the first quarter of Fiscal 2024 (QoQ change) P.8
3. Financial Forecasts for Fiscal 2024 P.12

1. Financial Results for the first quarter of Fiscal 2024 (YoY change)

Summary of Consolidated Financial Results for the first quarter of FY2024 (Year-on-Year)



In the first quarter of FY2024, sales and profits increased compared to the same period of the previous year.

(Millions of yen)

	FY2023Q1	FY2024Q1	Changes (YoY)
Net sales	37,217	40,568	3,350 (9.0%)
Operating income	1,339	2,675	1,335 (99.7%)
Operating profit ratio	3.6%	6.6%	3.0pts
Ordinary income	1,749	3,357	1,608 (92.0%)
Net income attributable to owners of parent	1,150	2,331	1,181 (102.7%)

Main reasons for increase/decrease

■ Net Sales

Increased due to higher production volume in North America and the effect of Japanese currency translation, etc.

■ Operating Income

Increased due to higher sales, cost improvements and compensation from customers for production fluctuations, etc.

■ Ordinary income

Income from compensation for suspended development, etc.

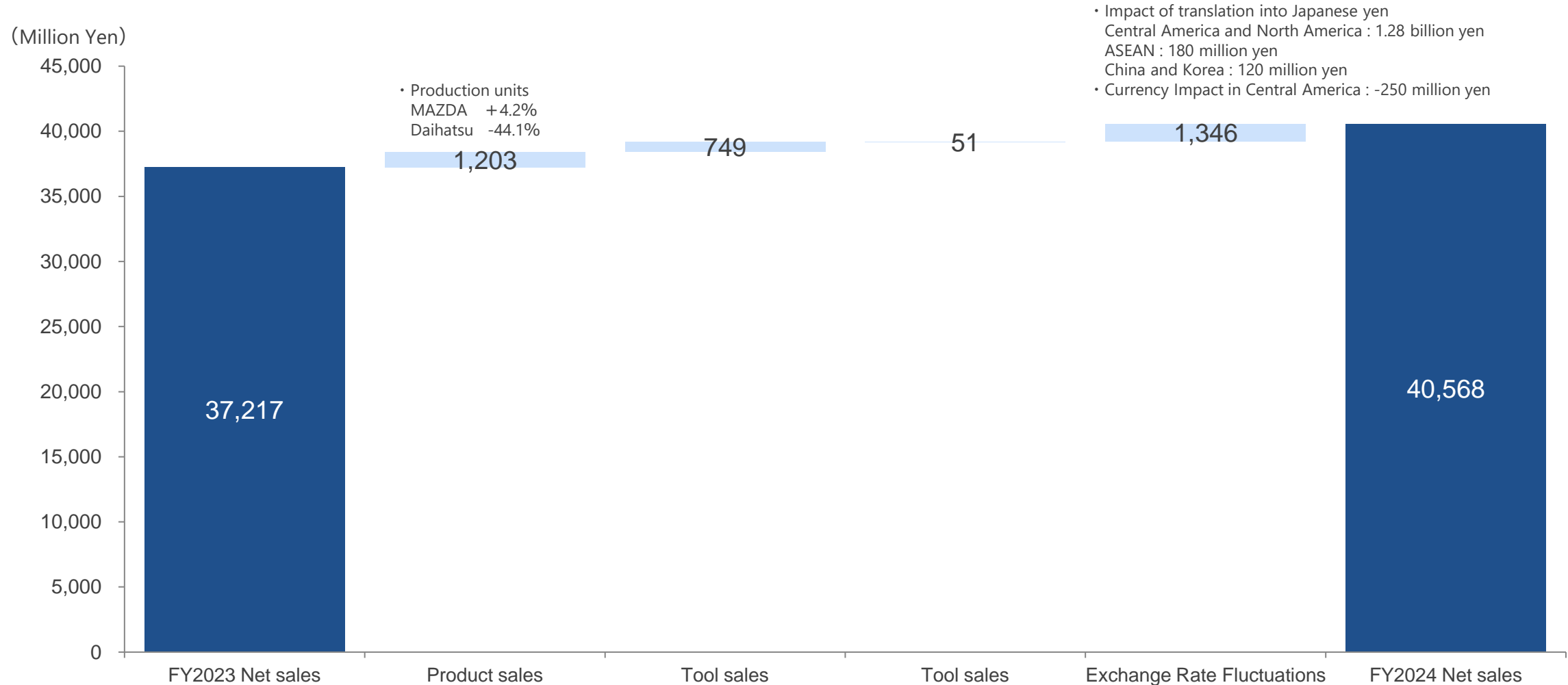
■ Net income attributable to owners of parent

Increased in income taxes.

Net Sales Increase/Decrease Factors (Year on Year)



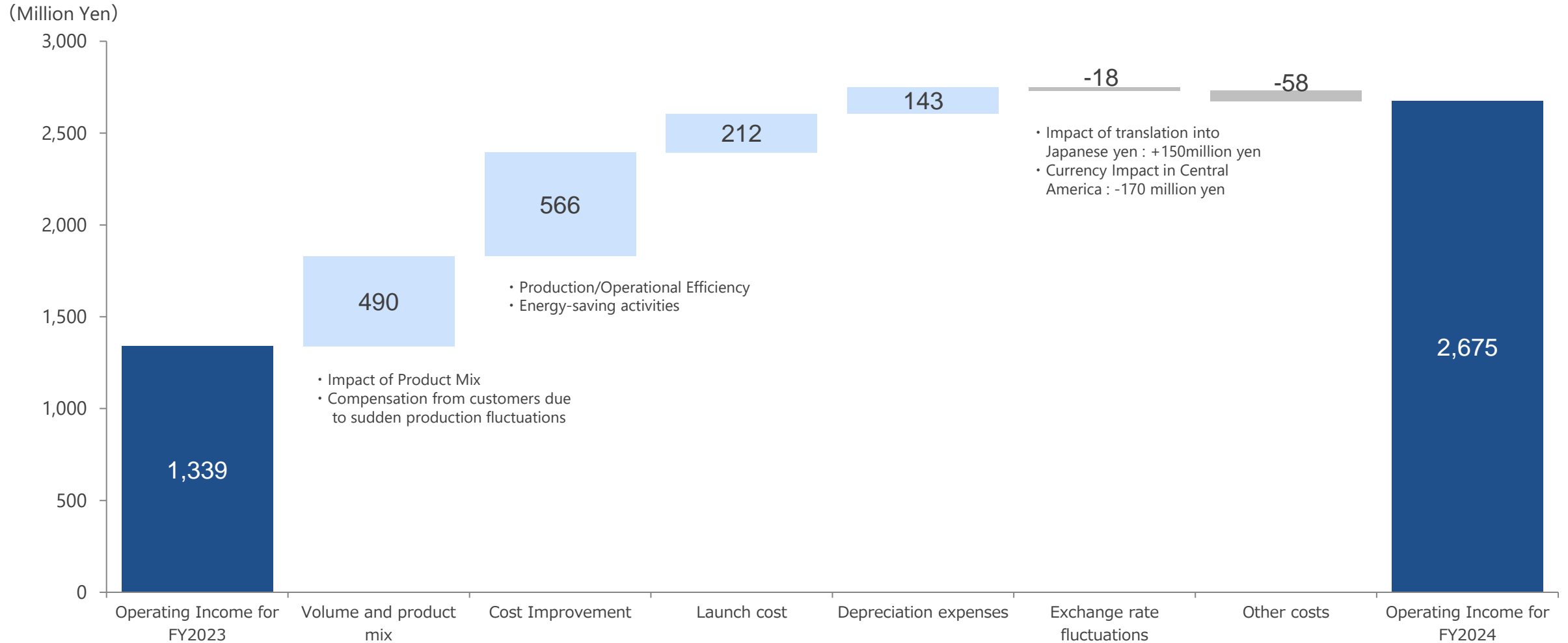
Net sales increased due to an increase in production volume in North America and impact of translation into Japanese yen.



Operating Income Increase/Decrease Factors (Year on Year)



Operating income increased due to cost improvements and compensation from customers due to sudden production fluctuations etc.



External sales increased in all segments except ASEAN

(Millions of yen)

		FY2023Q1	FY2024Q1	Changes (YoY)
Domestic	Japan (Component ratio)	23,973 [64.4%]	24,826 [61.2%]	853 (3.6%)
	Central and North America	9,186	11,615	2,429 (26.4%)
Overseas	ASEAN	3,465	2,633	-832 (-24.0%)
	China/Korea	592	1,492	899 (151.8%)
	Overseas total (Component ratio)	13,244 [35.6%]	15,741 [38.8%]	2,497 (18.9%)
Total		37,217	40,568	3,350 (9.0%)

Main reasons for increase/decrease

■ Japan

Increased due to impact of product mix of major customers, etc., despite decrease in production volume at some customers.

■ Central and North America

Increased due to higher production volume in North America and the effect of yen conversions, despite lower production volume in Central America.

■ ASEAN

Decreased due to lower customer production volume.

■ China and Korea

Increased due to recovery in customer production volume and the effect of exchange rates in Japanese yen.

Operating Income by Segment (Year on Year)



Operating income increased in Japan but decreased in Central & North America and ASEAN countries, while China and South Korea narrowed their losses.

(Millions of yen)

		FY2023Q1	FY2024Q1	Changes (YoY)
Domestic	Japan (Component ratio)	165 [9.5%]	1,611 [56.7%]	1,445 (871.0%)
	Central and North America	1,322	1,117	-204 (-15.5%)
Overseas	ASEAN	521	237	-283 (-54.4%)
	China/Korea	-260	-122	137 (-)
	Overseas total (Component ratio)	1,583 [90.5%]	1,232 [43.3%]	-350 (-22.1%)
Consolidation adjustment		-409	-168	
Operating Income		1,339	2,675	1,335 (99.7%)

Main reasons for increase/decrease

- Japan
Increased due to impact of higher sales, cost improvements, compensation from customers for production fluctuations and lower expenses.
- Central and North America
Decreased due to lower recovery of expenses for the delayed conversion to dual-shift production, which was recorded in the previous year.
- ASEAN
Decreased due to lower sales.
- China and Korea
Reduction in loss due to increase in sales.

2. Financial Results for the first quarter of Fiscal 2024 (QoQ change)



Sales and profits increased compared to the fourth quarter of FY2023

(Millions of yen)

	FY2023				FY2024	Changes (QoQ) FY24Q1/FY23Q4
	Q1	Q2	Q3	Q4	Q1	
Net Sales	37,217	40,253	42,897	38,651	40,568	1,916 (5.0%)
Operating Income	1,339	2,945	2,890	1,514	2,675	1,161 (76.7%)
Operating Income Margin	3.6%	7.3%	6.7%	3.9%	6.6%	2.7pts
Ordinary Income	1,749	2,868	2,513	1,644	3,357	1,713 (104.2%)
Profit Attributable to Owners of Parent	1,150	1,799	2,324	507	2,331	1,824 (359.3%)

Main reasons for increase/decrease

- Net Sales
Increased due to recovery of production volume by major customers, etc.
- Operating Income
Increased due to decrease in expenses, etc.
- Ordinary Income
Compensation income for suspended development.
- Net Income Attributable to Owners of Parent
Impairment loss on fixed assets.

External sales by segment (Compared to the previous quarter)



External sales increased in Japan, Central and North America, but decreased in ASEAN, China/Korea.

(Millions of yen)

		FY2023				FY2024	Changes (QoQ) FY24Q1/FY23Q4
		Q1	Q2	Q3	Q4	Q1	
Domestic	Japan (Component ratio)	23,973	28,107	28,487	22,723	24,826	2,103 (9.3%)
Overseas	Central and North America	9,186	8,275	10,295	10,424	11,615	1,191 (11.4%)
	ASEAN	3,465	2,581	2,825	3,092	2,633	-458 (-14.8%)
	China/Korea	592	1,288	1,288	2,411	1,492	-918 (-38.1%)
	Overseas total (Component ratio)	13,244	12,145	14,409	15,928	15,741	-186 (-1.2%)
Total		37,217	40,253	42,897	38,651	40,568	1,916 (5.0%)

Main reasons for increase/decrease

- Japan
Increased due to recovery of production volume at major customers, etc.
- Central and North America
Increased due to rise in customer production volume, etc.
- ASEAN
Decreased due to lower die sales and customer production volume, etc.
- China and Korea
Decreased due to decrease in customer production volume and mold sales, etc.

Operating income by segment (Compared to the previous quarter)



Operating income increased in all segments except China/Korea

(Millions of yen)

		FY2023				FY2024	Changes (QoQ) FY24Q1/FY23Q4
		Q1	Q2	Q3	Q4	Q1	
Domestic	Japan (Component ratio)	165	2,387	1,649	511	1,611	1,100 (215.3%)
Overseas	Central and North America	1,322	674	1,074	625	1,117	491 (78.5%)
	ASEAN	521	170	-40	91	237	146 (160.0%)
	China/Korea	-260	-7	-157	72	-122	-194 (-)
	Overseas total (Component ratio)	1,583	837	876	790	1,232	442 (56.0%)
Consolidation adjustment		-409	-278	364	213	-168	
Operating Income		1,339	2,945	2,890	1,514	2,675	1,161 (76.7%)

Main reasons for increase/decrease

- Japan
Increased due to higher sales and lower retirement benefit expenses, etc.
- Central and North America
Increased due to the effect of foreign currency translation and lower development expenses, etc.
- ASEAN
Increased due to lower development expenses, etc.
- China and Korea
Loss due to lower sales.

3. Financial Forecasts for Fiscal 2024

Based on recent performance trends, financial forecasts for the first half and full year of FY2024 were revised

(Millions of yen)

	FY2023 Results	FY2024 Forecast (As of May 14)		FY2024 Forecast (As of August 8)		Difference from forecast (%)	
	Full Year	First half	Full Year	First half	Full Year	First half	Full Year
Net sales	159,019	81,000	169,000	84,000	169,000	3,000 (3.7%)	0 (0.0%)
Operating income	8,690	3,400	9,500	5,400	10,700	2,000 (58.8%)	1,200 (12.6%)
Operating profit ratio	5.5%	4.2%	5.6%	6.4%	6.3%	2.2pts	0.7pts
Ordinary income	8,775	2,900	8,500	5,500	10,200	2,600 (89.7%)	1,700 (20.0%)
Net income attributable to owners of parent	5,782	1,900	6,000	3,400	7,000	1,500 (78.9%)	1,000 (16.7%)
Exchange rate (1U.S.\$)	140.55yen	144yen	144yen	152.24yen	LH:144yen		

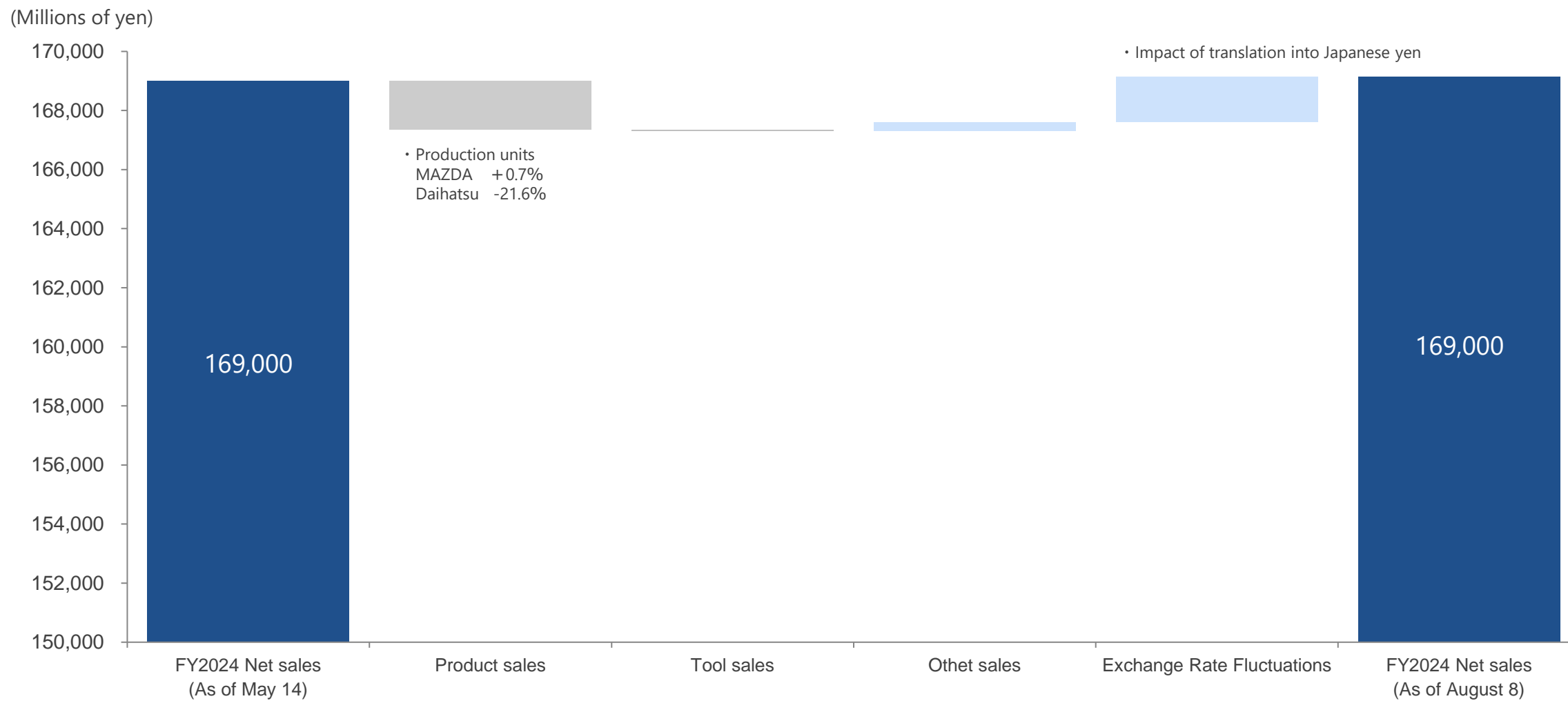
Reason for revision of forecasts

- Net sales
 - First Half
 - Increased from our forecast of customer production volume.
 - Full Year
 - Revision of estimated customer production volume.
- Operating income
 - First Half
 - Increased in sales and implementation of cost improvement activities.
- Ordinary income
 - Compensation income for development suspension in Q1 FY2024.

FY2024 Net Sales Increase/Decrease Factors (Compared to previous forecasts)



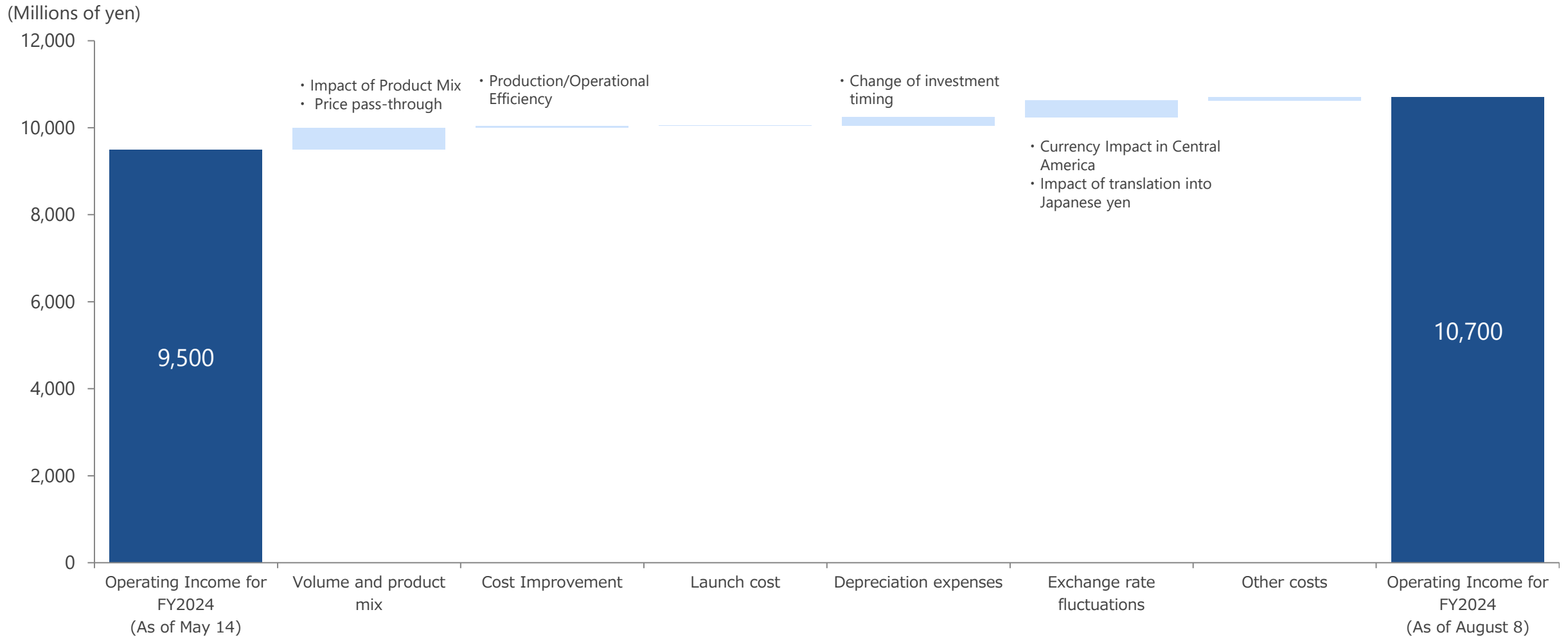
Impact of translation into Japanese yen offset the decline in production volume at customers.



FY2024 Operating Income Increase/Decrease Factors (Compared to previous forecasts)



Operating income forecast incorporates expected price pass-through, cost reductions, currency Impact , etc.

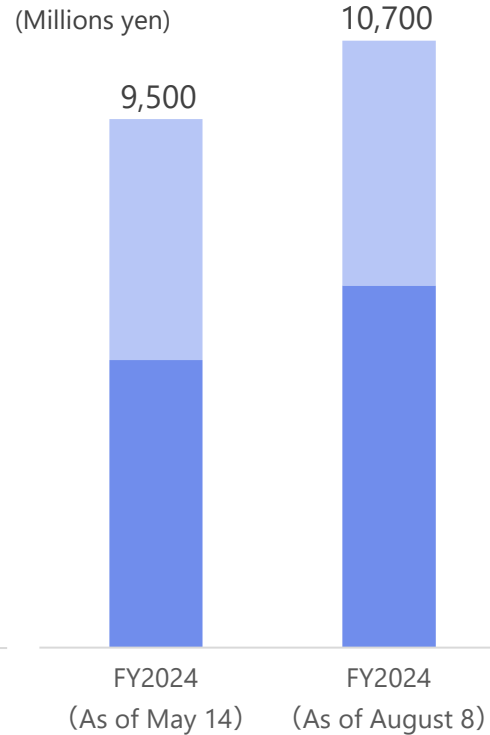


Financial forecast for Fiscal 2024 incorporates expected price pass-through and cost reductions

Net sales



Operating Income



■ Domestic ■ Overseas

■ Domestic ■ Overseas

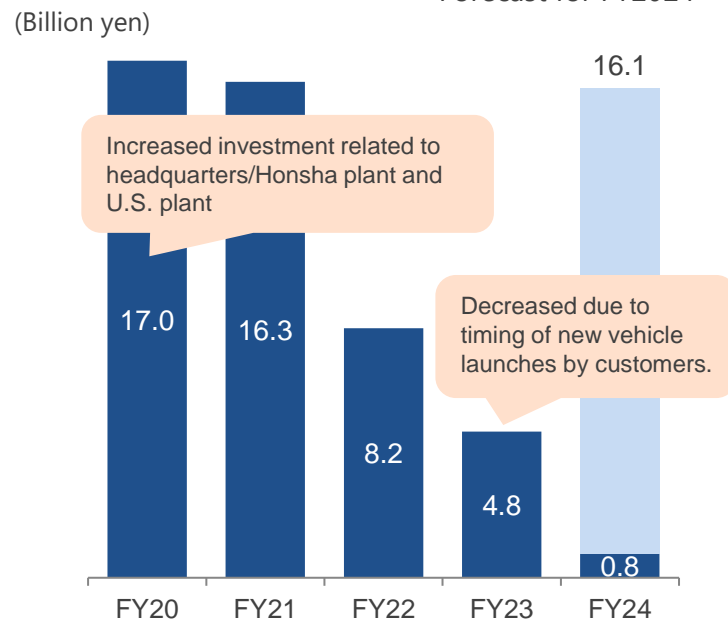
	Compared to previous forecasts	Change in Financial Forecasts
Japan	Increase in income and profit	<ul style="list-style-type: none"> • Sales : Revision of estimated customer production volume. • Profit : Expect price pass-through, decrease in expenses and decrease in depreciation due to change in investment timing.
Central and North America	Decrease in sales and increase in profit	<ul style="list-style-type: none"> • Sales : Decrease due to change in start of mass production. • Profit : Difference of increase in market fluctuation in the first half of the fiscal year and currency impact.
ASEAN	Decrease in income and profit	<ul style="list-style-type: none"> • Sales : Decrease in customer production volume. • Profit : Impact of lower sales.
China/Korea	Increase in sales and decrease in profit	<ul style="list-style-type: none"> • Sales : Increase in customer production volume. • Profit : Increase in expense due to impact of vehicle model mix.

« 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

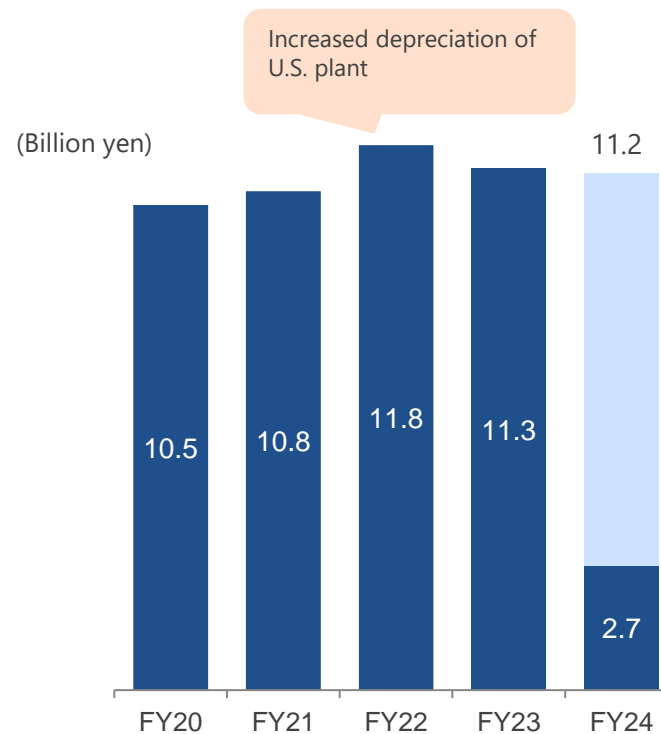
Facility renewal, production expansion	12.2 billion yen
ESG	3.6 billion yen
Others	3.0 billion yen

« Depreciation expenses »

FY2024 Plan

Assumed to be the same level as the previous period.

*Forecast for FY2024

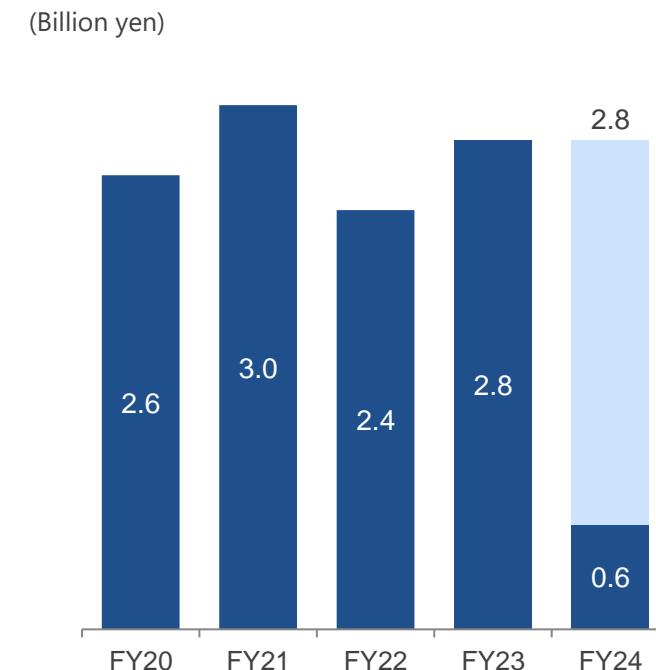


« R&D expenses »

FY2024 Plan

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

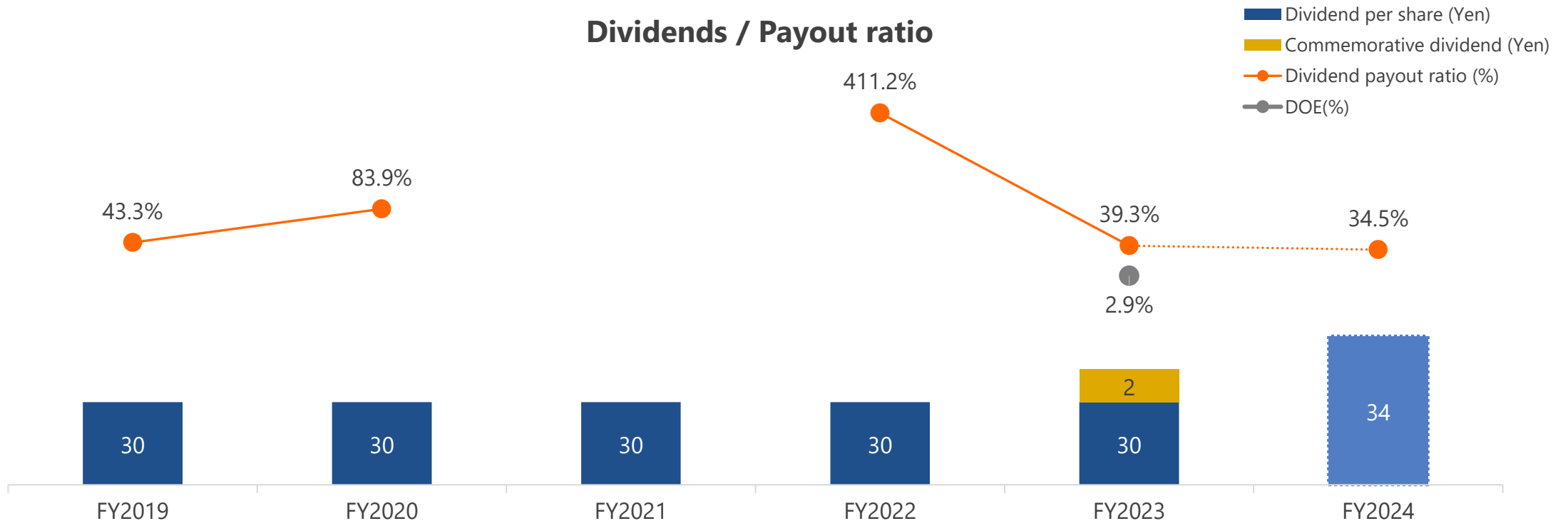
*Forecast for FY2024



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%.

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)



[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.

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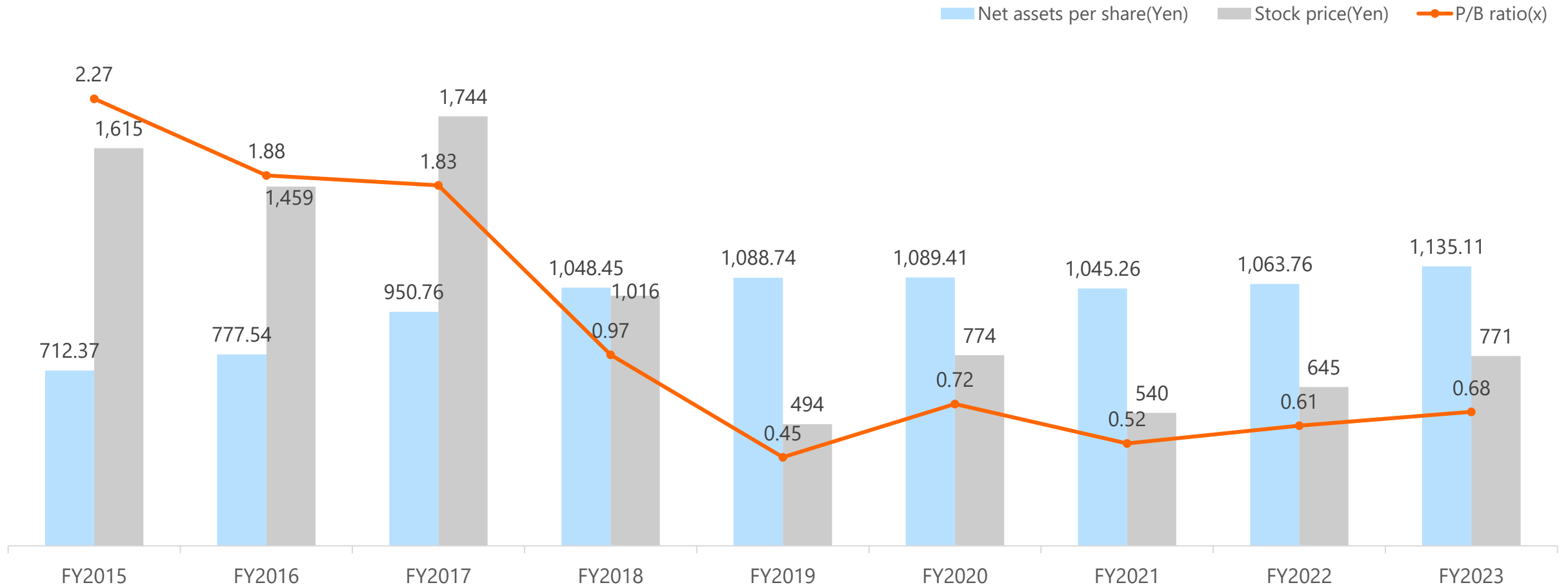
DaikyoNishikawa Corporation
Corporate Planning Department
PR/IR Group
Phone: +81-82-493-5610

Appendix

Efforts to achieve management that is aware of cost of capital and stock price



- We recognize that the sluggish ROE is the reason for its P/B ratio falling below 1x.
- We are currently considering measures to be announced by the end of fiscal 2024.



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.