

A dark, high-contrast image of a car's interior, focusing on the dashboard and steering wheel. The text is overlaid on this image.

Consolidated Financial Results Ended March 31, 2019

DaikyoNishikawa Corporation

May 22, 2019

DaikyoNishikawa Corporation

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1. Company Outline

Corporate Profile



Comprehensive plastic manufacturer handling everything from design and development to production

- **Company Name** **DaikyoNishikawa Corporation**
- **Head Office** 1-4-31 Kitashinchi, Saka-cho, Aki-gun, Hiroshima Prefecture, Japan
- **Management Representative**
Nariaki Uchida,
President & Representative Director
- **Established** April 2007
(Merger of three companies—GP Daikyo, Nishikawa Kasei, and former DaikyoNishikawa)
- **Capital** 5,426.65million Yen
- **Business Domain** Manufacture of automotive resin parts
- **Production Sites** Japan (15) China (2) Thailand (2)
Indonesia (1) Mexico (1)

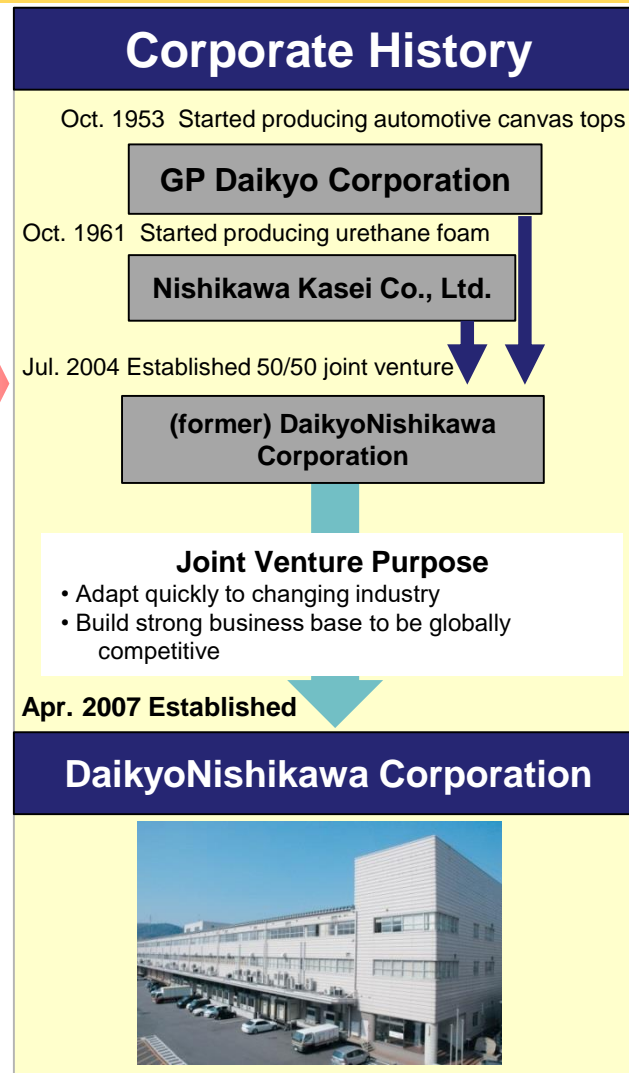
Note: Not including production sites of affiliated companies accounted for by the equity method.

- **Number of Employees**
5,265 (as of March 31, 2019)

- **Major Shareholders** (as of September 30, 2019)

Nishikawa Rubber Co., Ltd.	16.7%
INOAC Corporation	5.5%
Mitsubishi Corporation Plastics Ltd.	5.5%
Sumitomo Corporation	5.0%
The Hiroshima Bank, Ltd.	5.0%
Mazda Motor Corporation	5.0%

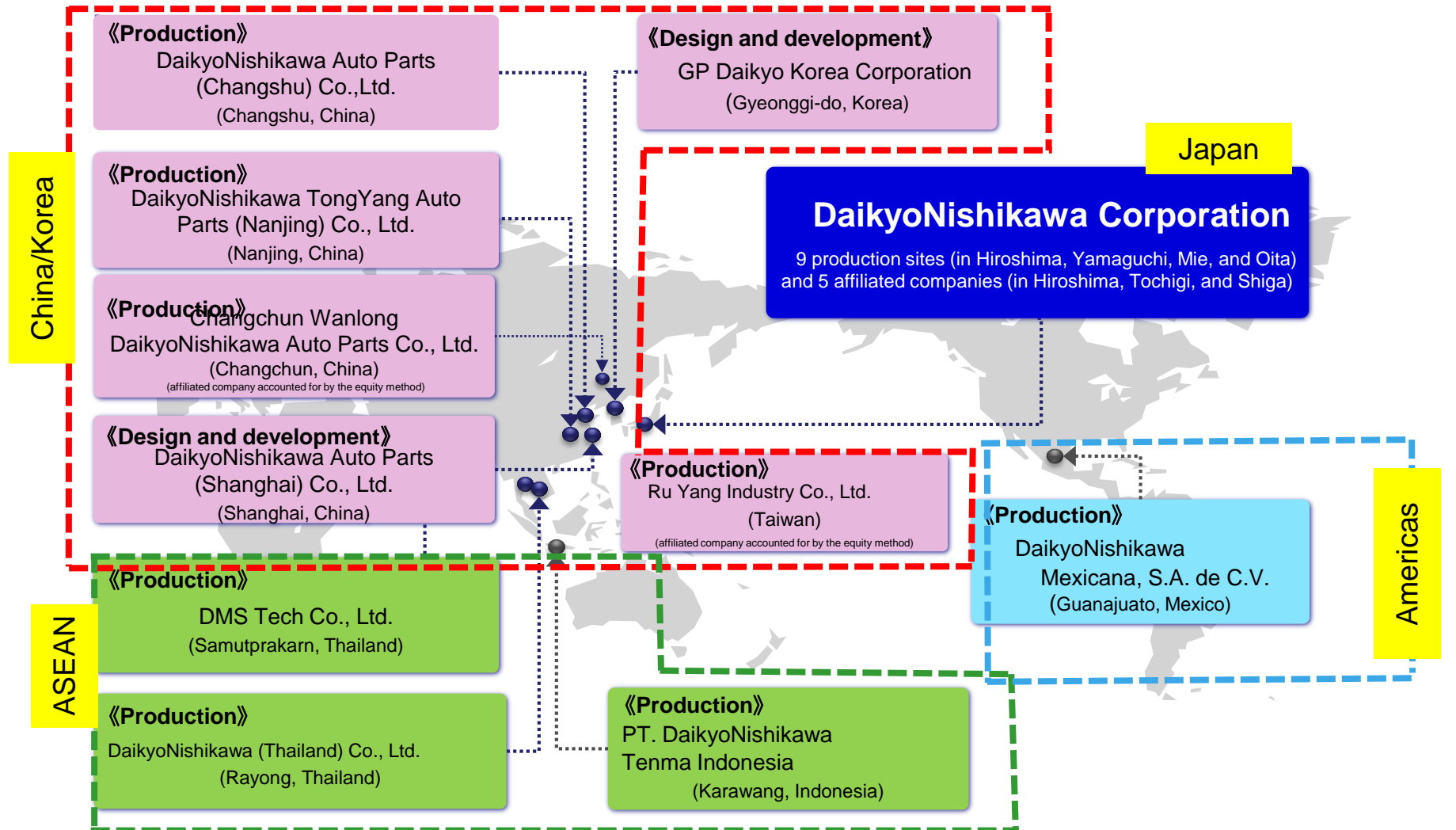
*The above shareholding ratio is calculated by deducting 3,042,930 shares of treasury stock from the total number of issued shares.



DaikyoNishikawa Corporation

Global Operating Bases

Developing business in four major global regions (Japan, China/Korea, ASEAN, and the Americas) to build solid operating foundation



Product Information – Automotive Parts

Major Product

Instrument Panel



For Mazda, Daihatsu, and Honda

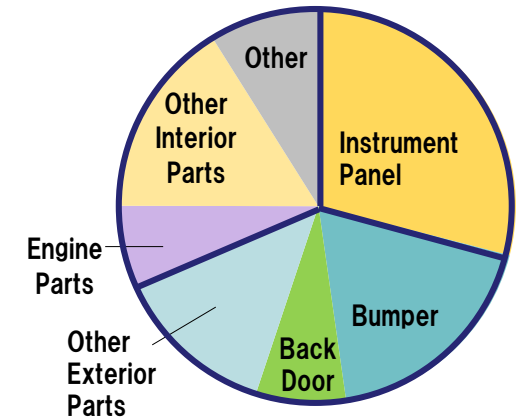
Bumper



For Mazda, Daihatsu, and Mitsubishi (Indonesia)

Sales by Product

Total: 184.3 billion yen (FY2018)



Replacing Metal with Plastic

Intake manifold



For Daihatsu, Toyota, Mazda, Subaru, and Mitsubishi

Strategic Products

Oil Strainer



Resin Share
No. 1

For Mazda, Daihatsu, Toyota, Honda, Nissan, Suzuki, and Mitsubishi (Thailand)

Priority Products

Back Door

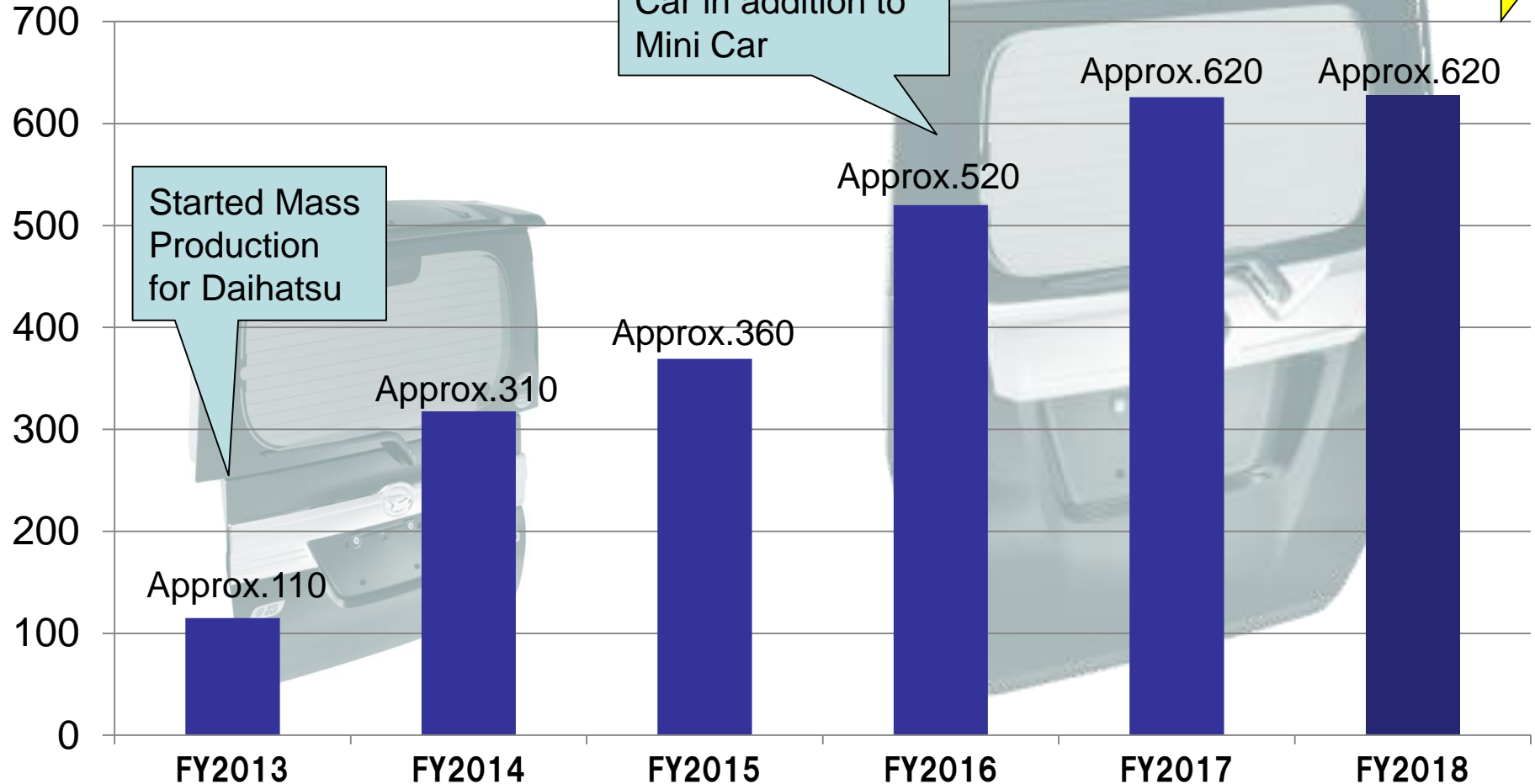


For Daihatsu

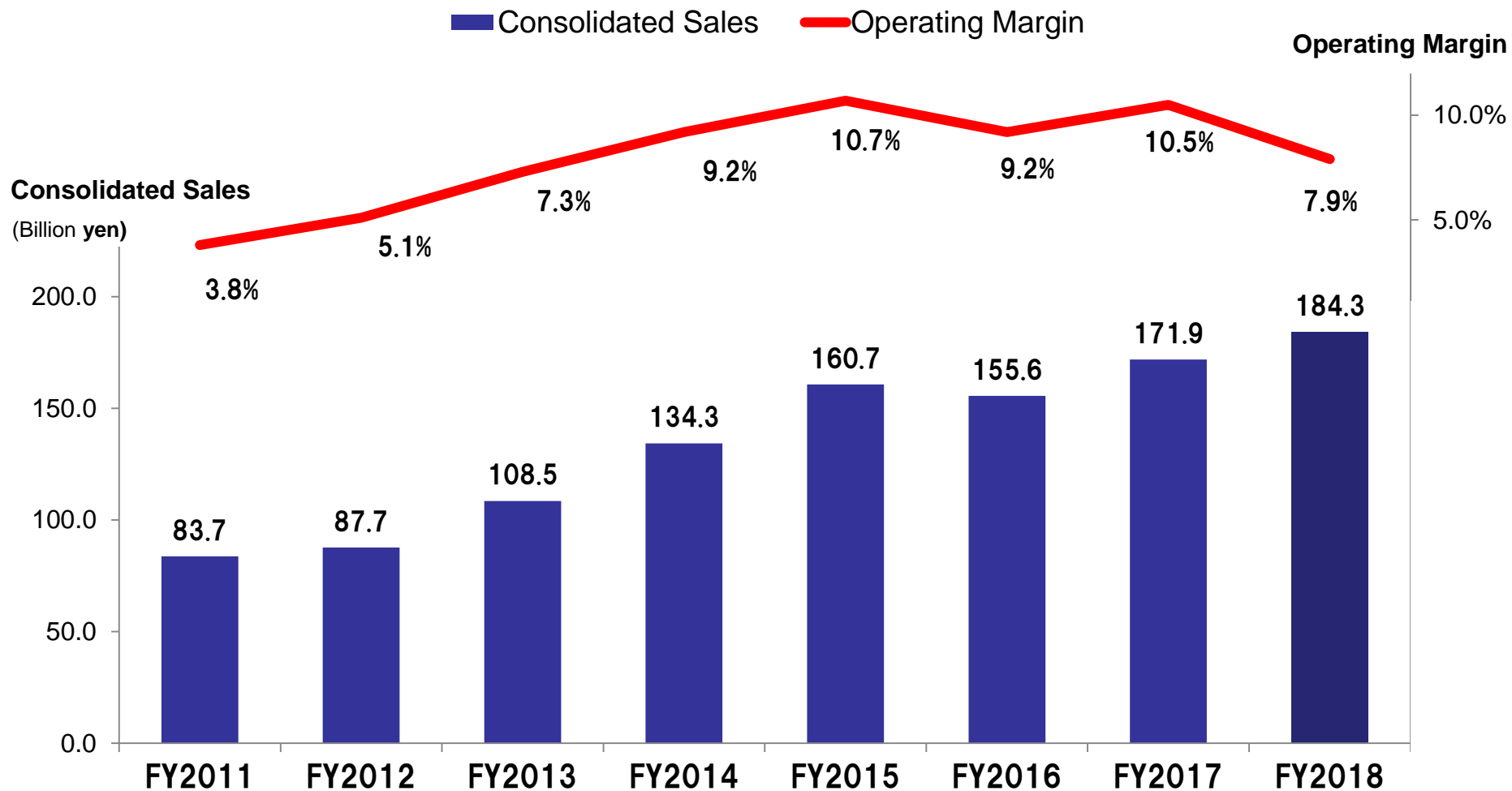
We manufacture instrument panels, bumpers, and other interior and exterior plastic parts. We also make engine parts, such as intake manifolds and oil strainers that require high heat resistance. Our main focus now is plastic automotive body shells.

Outline of Resin Back Door Growth for Daihatsu

(Thousand Unit)



Outline of Operating Performance



2. Financial Results for Fiscal 2018

Consolidated Profit and Loss Statement



	Financial Results Ended Mar. 31, 2018	Financial Results Ended Mar. 31, 2019	(Millions of yen)	
			Changes (Y on Y)	Changes (%)
Net Sales	171,967	184,314	12,346	7.2%
Operating Income	18,052	14,621	-3,430	-19.0%
Ordinary Income	18,742	14,836	-3,906	-20.8%
Net Income Attributable to Owners of Parent	12,464	10,402	-2,062	-16.5%
Operating Margin	10.5%	7.9%	-2.6Pts	—
Net Income per Share	175.94Yen	146.82Yen	-29.12Yen	—

Despite the increase in sales due to the favorable sales to customers, the profit decreased due to the impact of heavy rain in West Japan, various measures for working style reform, and costs for production preparation

Sales by Region



Net sales to outside clients

(Millions of yen)

		Financial Results Ended Mar. 31, 2018	Financial Results Ended Mar. 31, 2019	Changes (Y on Y)	Changes (%)
Domestic	Japan (component ratio)	134,633 (78.3)	145,132 (78.7)	10,499 (0.4Pts)	7.8%
	China/Korea	8,176	8,428	252	3.1%
Overseas	ASEAN	10,407	13,224	2,817	27.1%
	Americas	18,750	17,528	-1,222	-6.5%
	Sub total (component ratio)	37,333 (21.7)	39,180 (21.3)	1,847 (-0.4Pts)	4.9%
Total		171,967	184,314	12,346	7.2%

Sales increased due to good sales to major customers, except Central American and North American segment

Operating Income by Region



(Millions of yen)

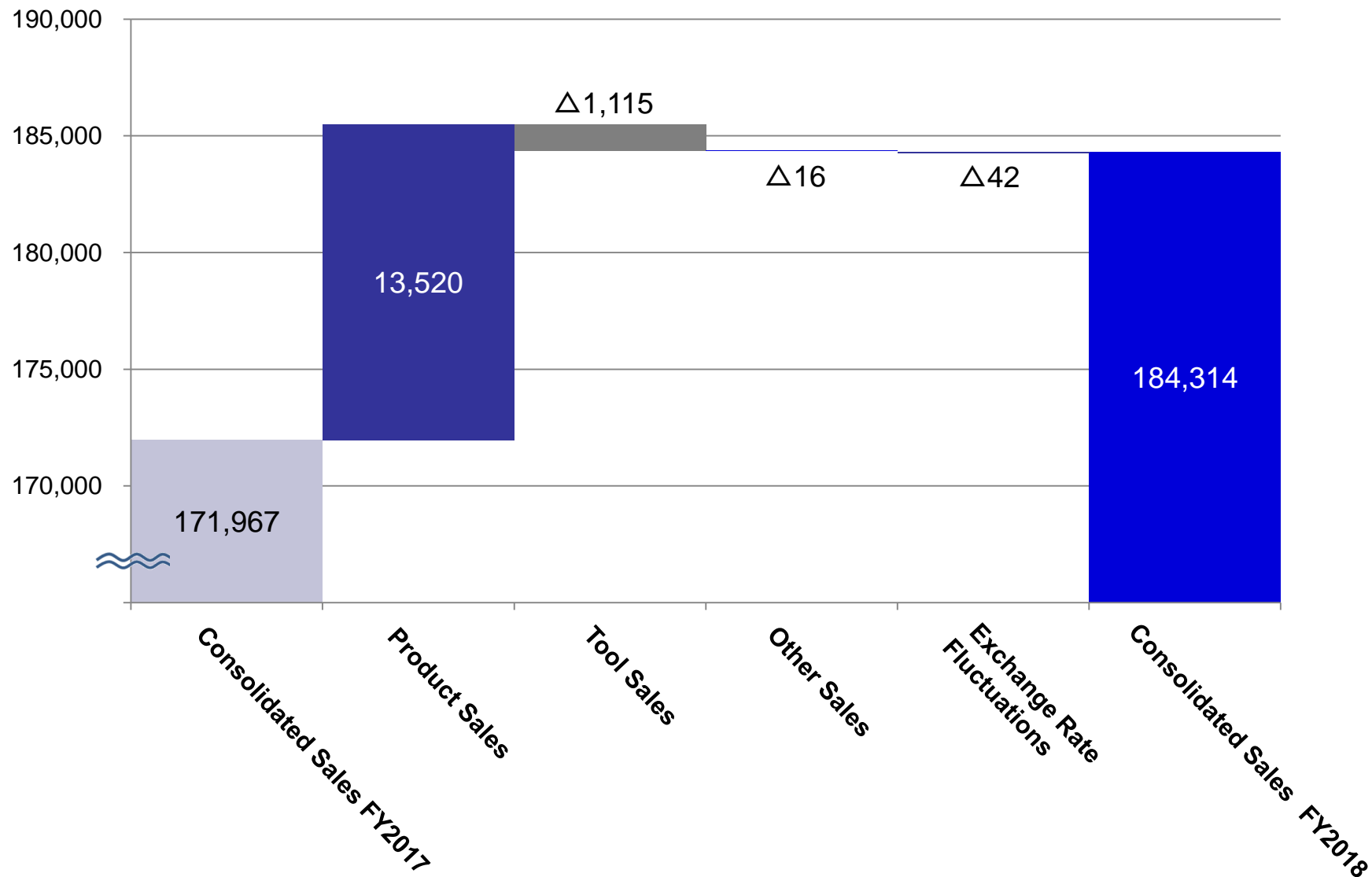
		Financial Results Ended Mar. 31, 2018	Financial Results Ended Mar. 31, 2019	Changes (Y on Y)	Changes (%)
Domestic	Japan (component ratio)	13,079 (70.6)	11,789 (80.4)	-1,289 (9.8Pts)	-9.9%
	China/Korea	1,456	708	-747	-51.4%
Overseas	ASEAN	1,138	1,404	266	23.4%
	Americas	2,854	765	-2,089	-73.2%
	Sub total (component ratio)	5,448 (29.4)	2,877 (19.6)	-2,571 (-9.8Pts)	-47.2%
Total		18,529	14,668	-3,861	-20.8%

Decreased profits except ASEAN segment due to the effects of heavy rain in West Japan, measures for working style reform, mass production preparation costs, and depreciation costs for capital investment

Reasons for Increase or Decrease in Consolidated Sales



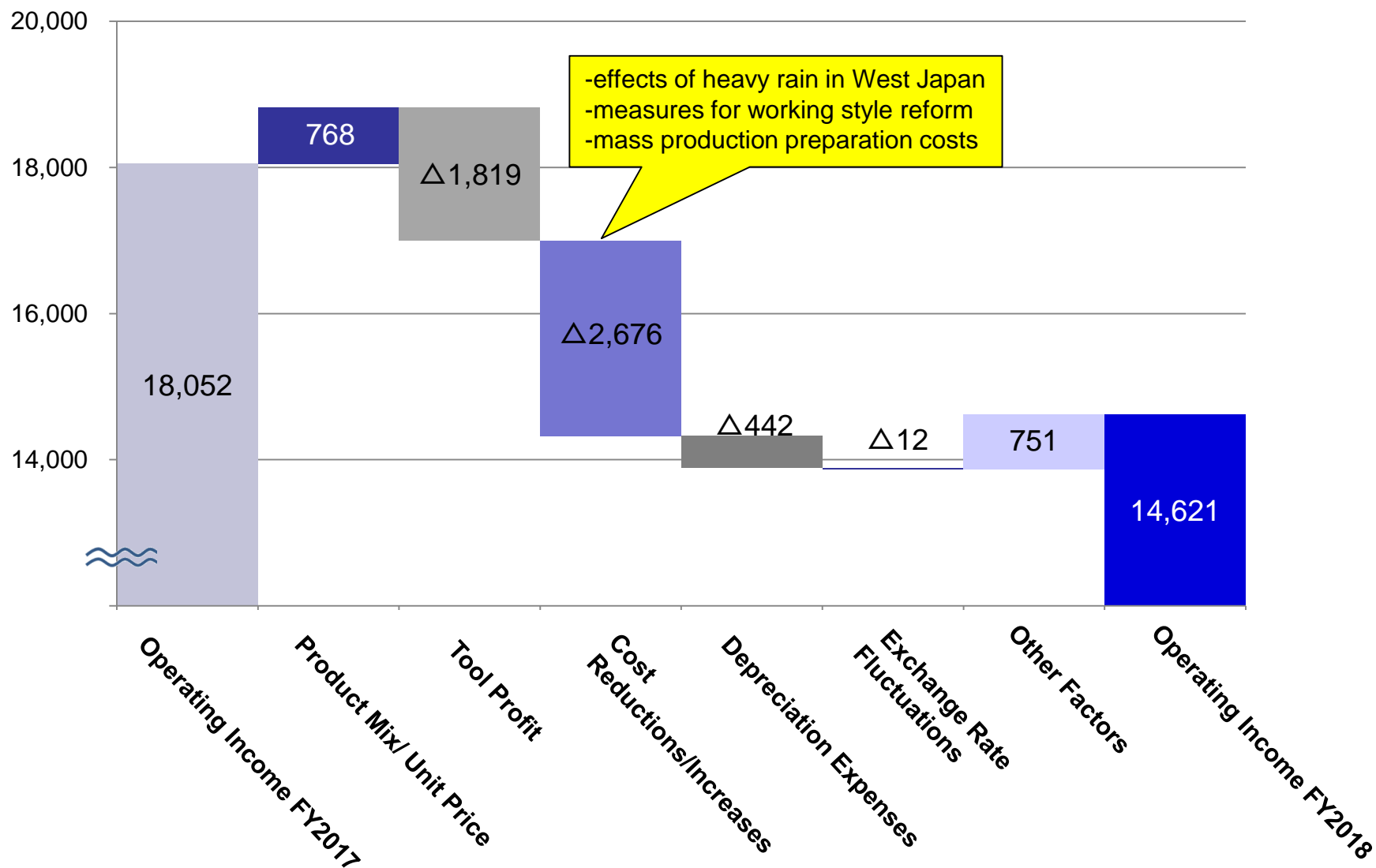
(Millions of yen)



Reasons for Increase or Decrease in Consolidated Operating Income



(Millions of yen)



FY 2018 Forecast vs. Result



Upward correction from the Forecast as of Nov. 6

(Millions of yen)

	FY2018 Forecast (As of Nov. 6)	FY2018 Result	Changes	Changes (%)
Net Sales	180,000	184,314	4,314	2.4%
Operating Income	14,000	14,621	621	4.4%
Ordinary Income	14,000	14,836	836	6.0%
Net Income Attributable to Owners of Parent	9,600	10,402	802	8.4%
Operating Margin	7.8%	7.9%	0.1Pt	—
Net Income per Share	135.49Yen	146.82Yen	11.33Yen	8.4%

Landed almost as planned

3. Financial Forecast for Fiscal 2019

FY2019 Forecast



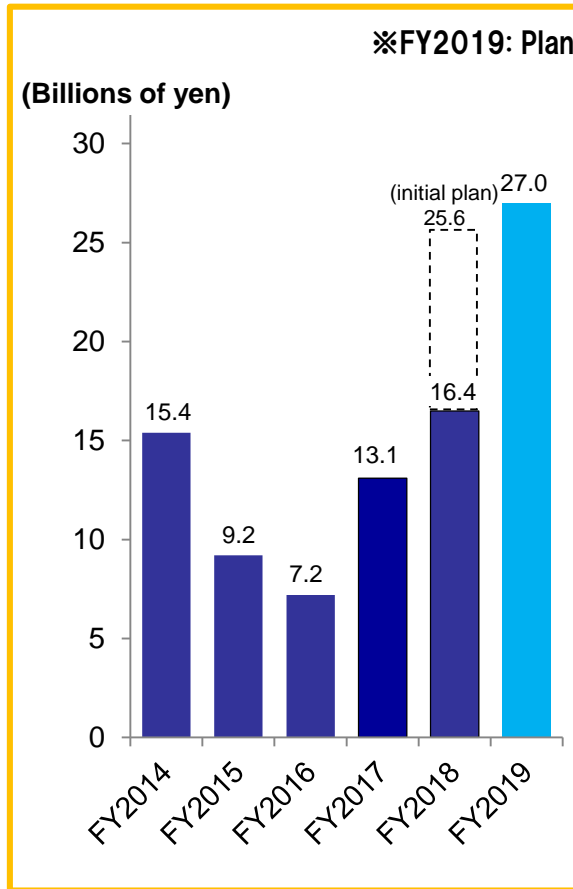
	FY2018	FY2019 Forecast	Changes	(Millions of yen) Changes (%)
Net Sales	184,314	193,000	8,686	4.7%
Operating Income	14,621	10,600	-4,021	-27.5%
Ordinary Income	14,836	10,700	-4,136	-27.9%
Net Income Attributable to Owners of Parent	10,402	6,900	-3,502	-33.7%
Operating Margin	7.9%	5.5%	-2.4Pts	—
Net Income per Share	146.82Yen	97.38Yen	-49.44Yen	-33.7%

Profits are expected to decline due to depreciation of capital investment associated with orders for new-generation products, increased preparation costs for mass production, and costs associated with the promotion of working style reform

Capital Investment, Depreciation and R&D Expenses

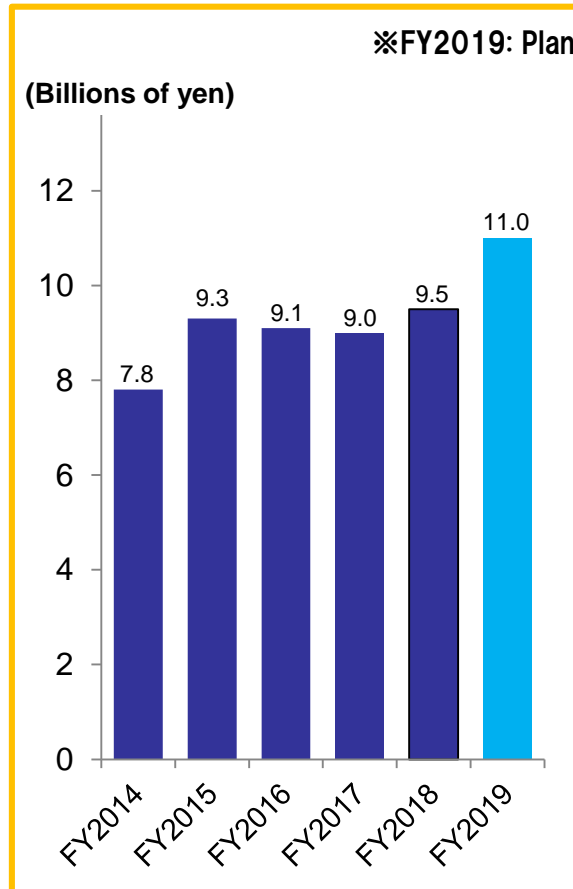


《Capital Investment》



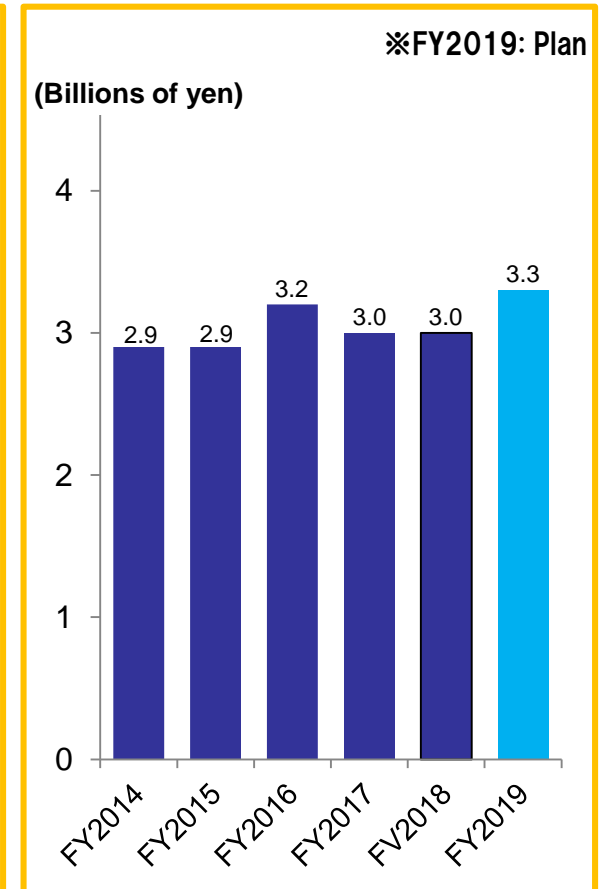
Capital investment for the new head office / head office plant has been delayed to FY2018

《Depreciation》



Depreciation of head office plant started in FY2019

《R&D Expenses》



Higher development costs for next-generation products

4. New Facility Business Plan

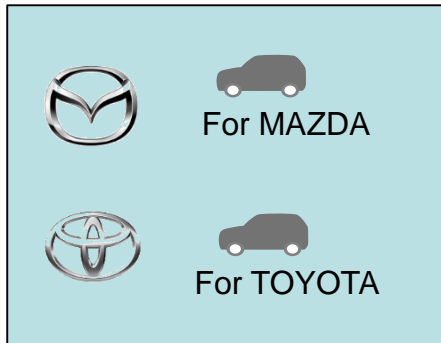
Outline of US New Factory



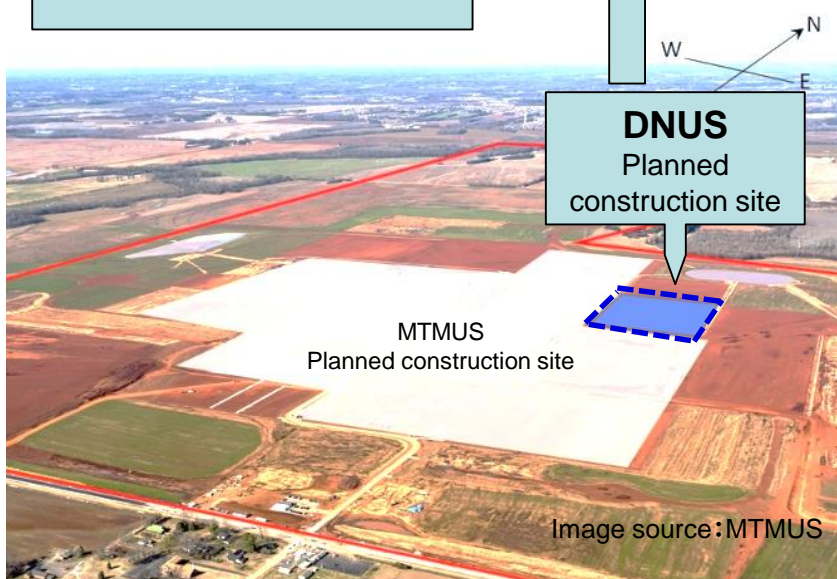
Facility Name	DaikyoNishikawa USA Inc./Alabama Plant (DNUS)
Line of Business	Manufacturing and marketing of automotive resin parts
Main Production Items	Large resin parts such as Bumpers and Instrument Panels
Location	Huntsville, Alabama, USA. next to MTMUS
Construction start	July, 2019 (plan)
Start of production	CY2021 (plan)
Investment amount	Approx. 110million US dollars (plan)
Employment	Approx. 380(plan)

DaikyoNishikawa USA Inc. (DNUS)

new factory will produce large resin parts for vehicles manufactured at Mazda Toyota Manufacturing, U.S.A., Inc. (MTMUS): 150 thousand unit each per year



Aiming for annual sales of around US \$ 190 million as the second base of the Central America and North America



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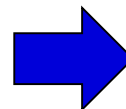
5. New Medium-Term Business Plan FY2019~FY2022

FY2018 Target on
Ex-Mid-Term Business Plan

Consolidated Sales
160Billion Yen

Operating Income Margin
More than 8%

Return of Equity(ROE)
More than 10%



FY2018 Result

Consolidated Sales
184.3Billion Yen
Achieved

Operating Income Margin
7.9%
Not Achieved

Return of Equity(ROE)
14.7%
Achieved

Sales and ROE exceeded the targets, but the operating income margin shorted by 0.1% all tried to recover

Challenging Creative and Innovative Technology Development

1. Customer Satisfaction Strategy

- Obtain sustained orders by proposing developments in strategic products
- Full response to customer needs and global diversification

2. Product Strategy

- Develop core competency for added value products
- Pursue IT innovation, MBD and development process innovation

3. Manufacturing Strategy

- Establish quality exceed up above customer expectation
- Establish Optimal production and procurement method

4. Location Strategy

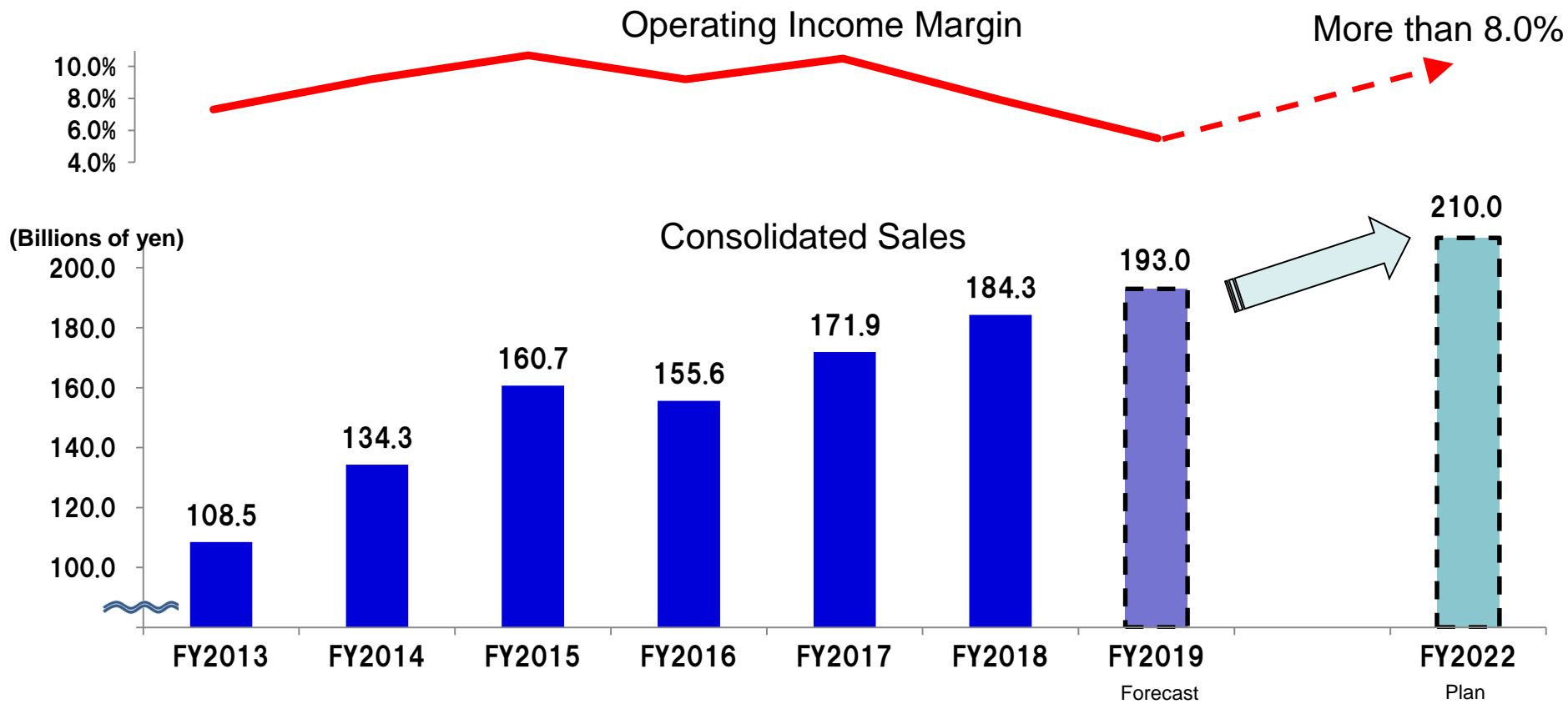
- Boost intra-group collaboration to secure stable earnings at each location

5. Management base strategy

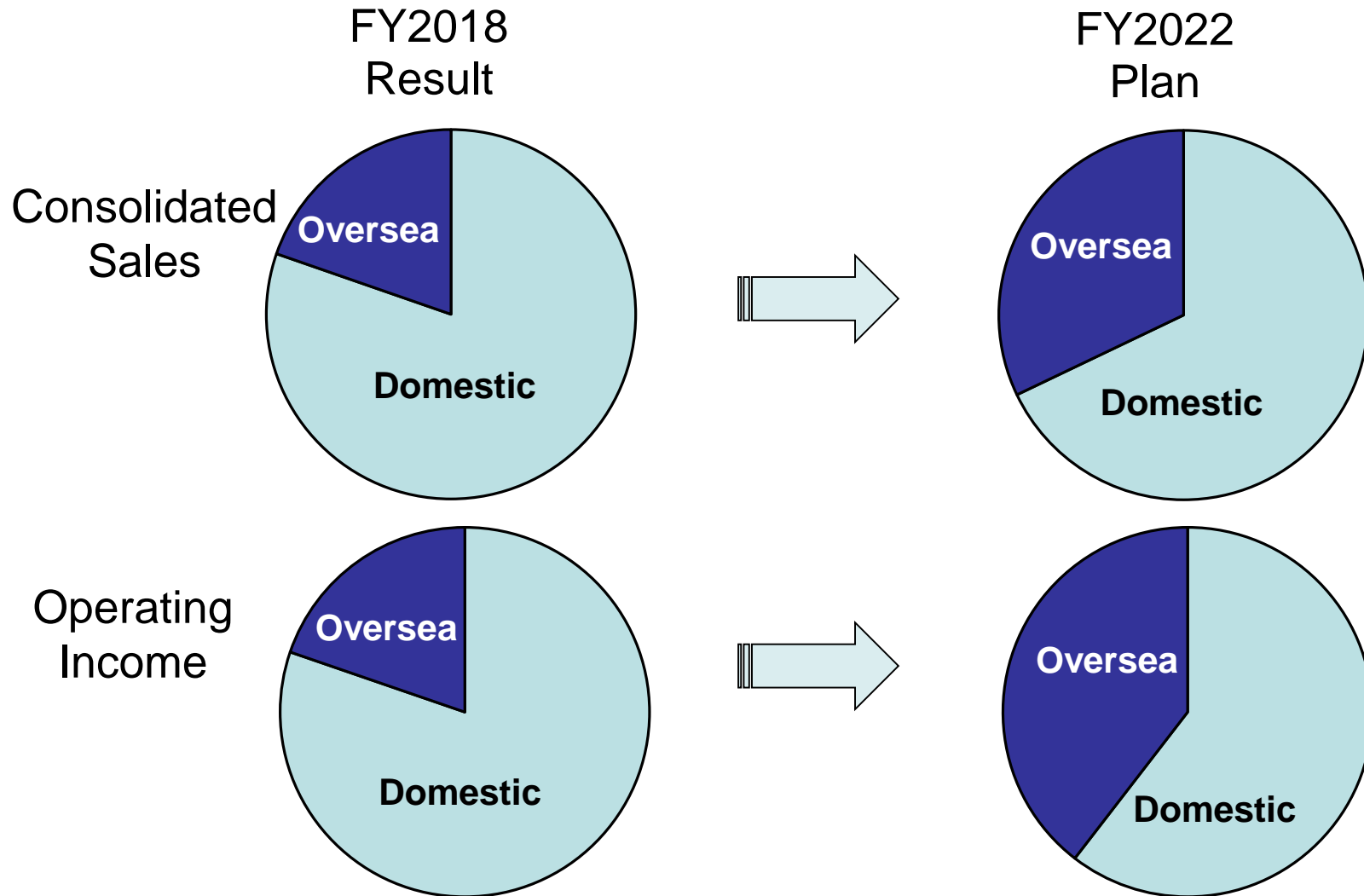
- Establish cooperate brand through strengthening CSR, environmental measures, and local contribution
- Strengthening the structure to support employees to improve their work experience

Medium-Term Business Targets

Business Plan for FY2022		
Consolidated Sales	Operating Income Margin	Return of Equity(ROE)
210 Billion Yen	More than 8.0%	More than 10.0%



Medium-Term Business Plan by Region



Plan to increase overseas segment sales/income mainly from North America

Approach to Next-Gen. Product Development



Lift Gate and Cockpit module Prototype



Exhibit at AUTOMOTIVE ENGINEERING EXPOSITION 2019 YOKOHAMA
Wednesday, May 22 through Friday, May 24, 2019

自動車技術展
人とくるまのテクノロジー展2019 横浜
AUTOMOTIVE ENGINEERING EXPOSITION 2019 YOKOHAMA
2019 5/22 Wed 23 Thu 24 Fri
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Pacifico Yokohama Exhibition Hall, Yokohama, Japan
22日(水)・23日(木) 10:00~18:00
24日(金) 10:00~17:00



Booth Number
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