

A dark, high-contrast image of a car's interior, focusing on the dashboard and steering wheel. The image is illuminated with blue and white light effects, giving it a futuristic or high-tech appearance. The text is overlaid on this image.

# Consolidated Financial Results Ended March 31, 2020

## DaikyoNishikawa Corporation

May, 2020

DaikyoNishikawa Corporation

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# 1. Financial Results for Fiscal 2019

## 【Financial Results for Fiscal 2019】

- Despite of push up revenue brought by increased external supplied parts for new vehicle and resin backdoor business growth, total sales declined year on year due to reduced car production of major customers in Japan, China and Mexico
- Profits decreased year on year due to increase in depreciation expenses, work style reform cost and preparation cost for new US factory

# Consolidated Profit and Loss Statement



Sales decreased caused by reduced car production of major customers  
 Profit also decreased due to depreciation expenses, work style reform cost  
 and preparation cost for new US factory

	Financial Results Ended Mar. 31, 2019	Financial Results Ended Mar. 31, 2020	Changes (Y on Y)	(Millions of yen) Changes (%)
Net Sales	184,314	182,219	-2,094	-1.1%
Operating Income	14,621	8,995	-5,625	-38.5%
Ordinary Income	14,836	9,500	-5,335	-36.0%
Net Income Attributable to Owners of Parent	10,402	4,907	-5,494	-52.8%
Operating Margin	7.9%	4.9%	-3.0Pts	—
Net Income per Share	146.82Yen	69.27Yen	-77.55Yen	—

Sales increased in Japan and ASEAN segments, but slowed sales in China/Korea and Americas segments

Net sales to outside clients

		Financial Results Ended Mar. 31, 2019	Financial Results Ended Mar. 31, 2020	(Millions of yen)	
				Changes (Y on Y)	Changes (%)
Domestic	<b>Japan</b> (component ratio)	145,132 (78.7)	145,491 (79.8)	358 (+1.1Pts)	0.2%
	<b>China/Korea</b>	8,428	5,975	-2,452	-29.1%
Overseas	<b>ASEAN</b>	13,224	13,334	110	0.8%
	<b>Americas</b>	17,528	17,417	-111	-0.6%
	<b>Sub total</b> (component ratio)	39,181 (21.3)	36,728 (20.2)	-2,453 (-1.1Pts)	-6.3%
<b>Total</b>		184,314	182,219	-2,094	-1.1%

# Operating Income by Region



Profit decreased in all segments mainly due to fixed cost increase and impact of slow sales

(Millions of yen)

		Financial Results Ended Mar. 31, 2019	Financial Results Ended Mar. 31, 2020	Changes (Y on Y)	Changes (%)
Domestic	<b>Japan</b> (component ratio)	11,789 (80.4)	7,745 (85.6)	-4,044 (+5.2Pts)	-34.3%
	<b>China/Korea</b>	708	422	-286	-40.4%
Overseas	<b>ASEAN</b>	1,404	1,393	-11	-0.8%
	<b>Americas</b>	765	-515	-1,281	-
	<b>Sub total</b> (component ratio)	2,877 (19.6)	1,299 (74.4)	-1,579 (-5.2Pts)	-54.9%
<b>Total</b>		14,668	9,044	-5,623	-38.3%

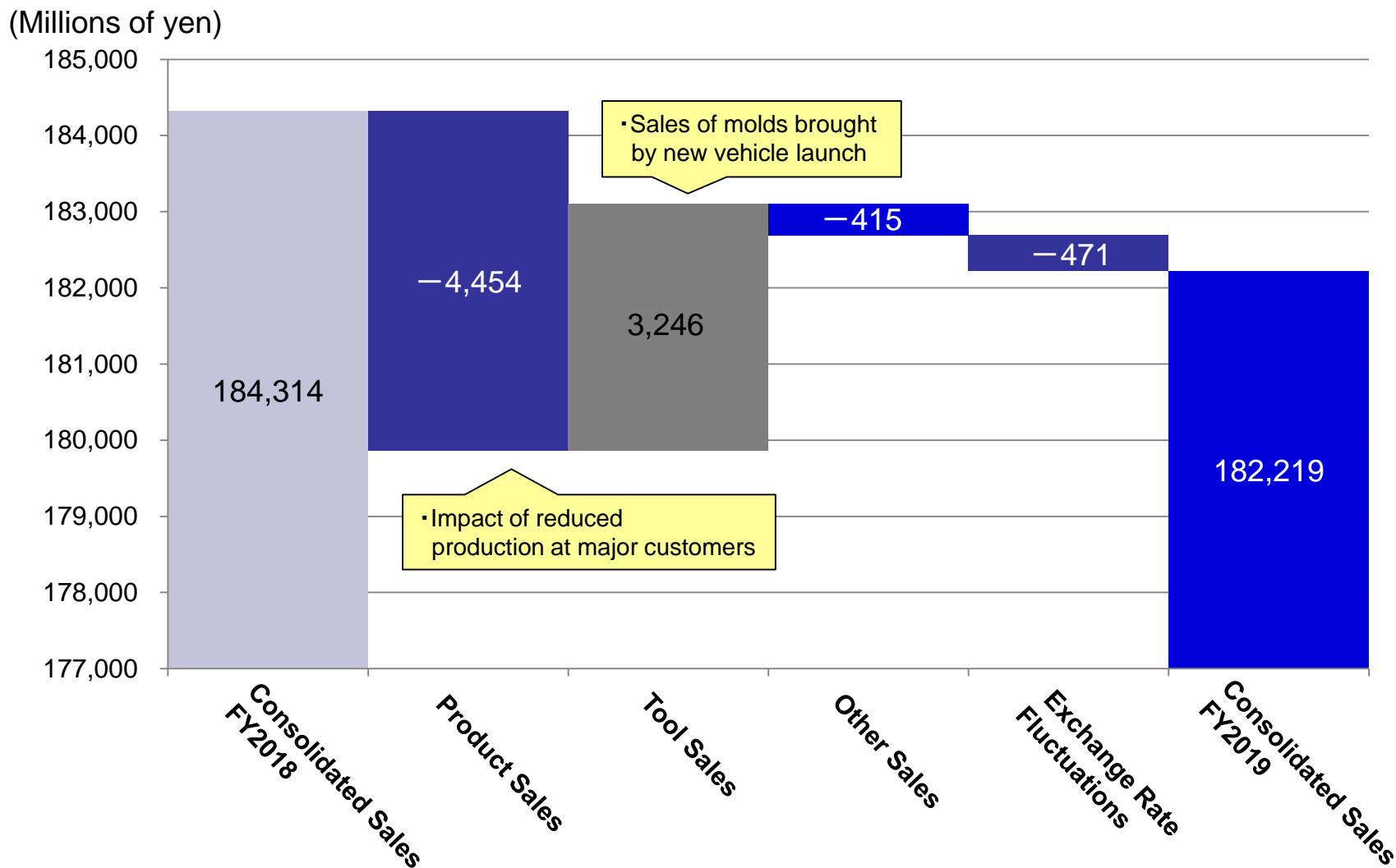
# Outline of segment business performance



Segment	Outline of business performance
Japan	<ul style="list-style-type: none"><li>■ <b>SALES</b> : Increased due to an stretched volume of external supplied parts and resin backdoor business, although reduced car unit production was slow at major customers</li><li>■ <b>PROFIT</b> : Decreased mainly due to depreciation costs at Headquarters/ Honsha plant and work style reform costs</li></ul>
China/Korea	<ul style="list-style-type: none"><li>■ <b>SALES</b> : Decreased due to production cuts partly reflected US-China trade friction</li><li>■ <b>PROFIT</b> : Decreased due to reduced car unit production</li></ul>
ASEAN	<ul style="list-style-type: none"><li>■ <b>SALES</b> : Increased due to production growth in Thailand and Indonesia</li><li>■ <b>PROFIT</b> : Decreased due to intensifying price competition in Indonesia and new products launch cost in Thailand</li></ul>
Americas	<ul style="list-style-type: none"><li>■ <b>SALES</b> : Decreased due to the effects of production cuts by major customers, although there was molds sales</li><li>■ <b>PROFIT</b> : Operating loss due to cost reduction and new factory preparation cost for new US factory</li></ul>



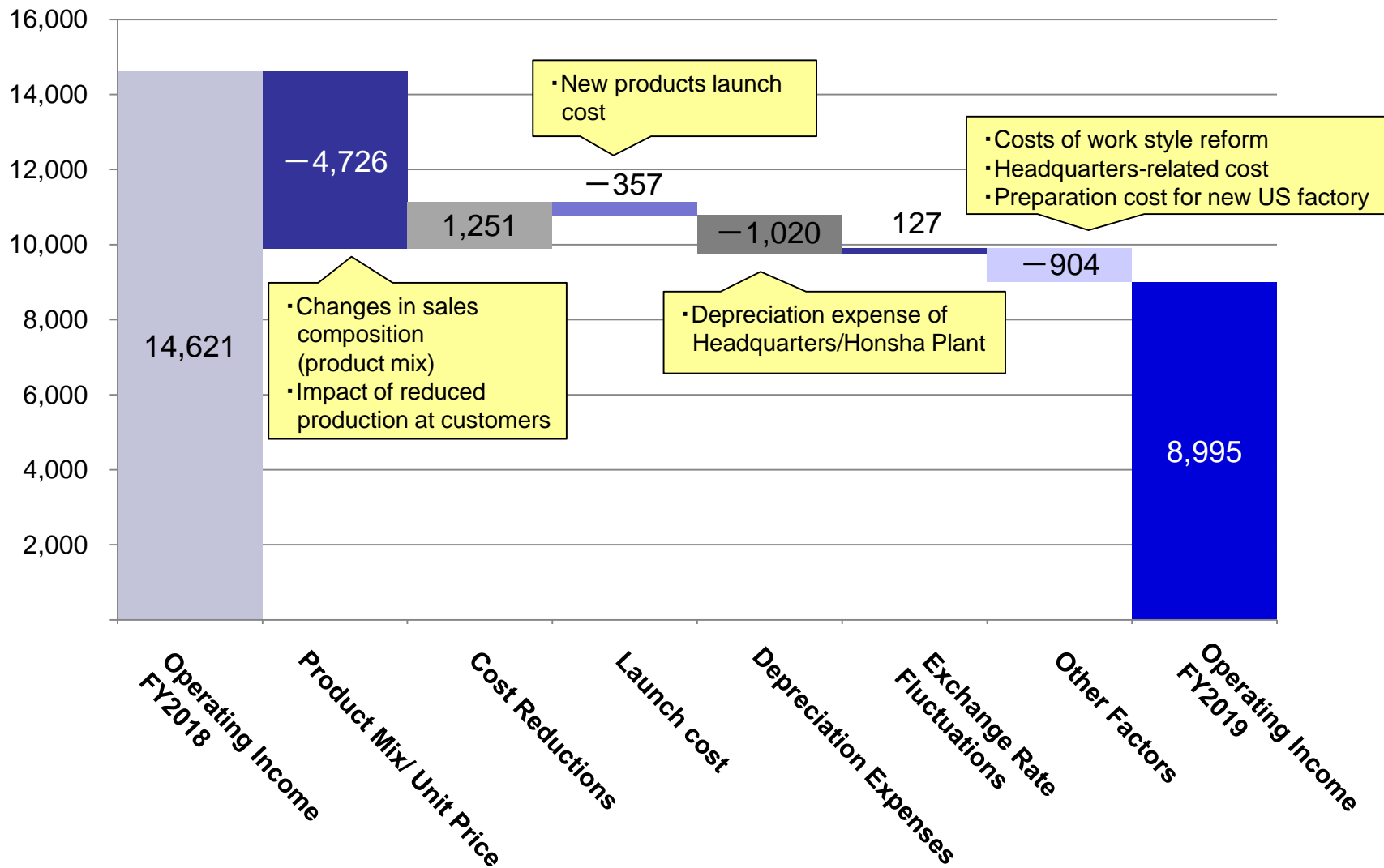
# Reasons for Increase or Decrease in Consolidated Sales



# Reasons for Increase or Decrease in Consolidated Operating Income



(Millions of yen)



# FY 2019 Forecast vs. Result



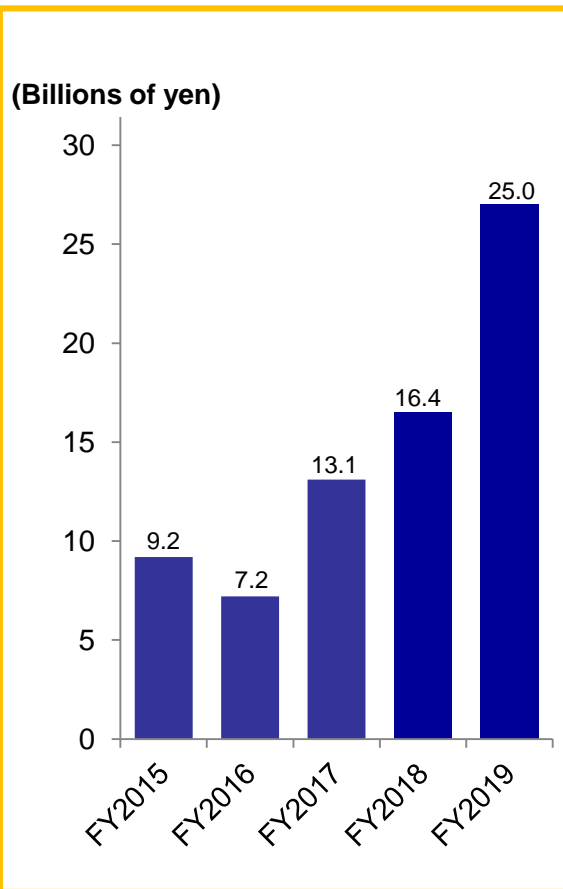
Due to recording extraordinary loss etc., declined business figures from the FY2019 forecast as of Feb. 12, 2020

(Millions of yen)

	FY2019 Forecast (As of Feb. 12, 2020)	FY2019 Result	Changes	Changes (%)
Net Sales	183,000	182,219	-780	-0.4%
Operating Income	9,200	8,995	-204	-2.2%
Ordinary Income	9,600	9,500	-99	-1.0%
Net Income Attributable to Owners of Parent	6,000	4,907	-1,093	-18.2%
Operating Margin	5.0%	4.9%	-0.1Pts	—
Net Income per Share	84.68Yen	69.27Yen	-15.41Yen	—

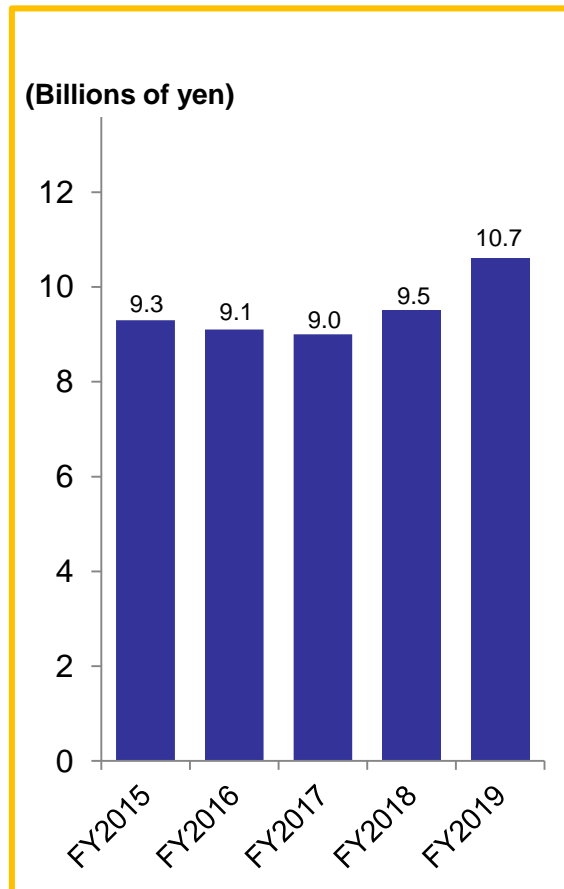
## 《Capital Investment》

Increased capital investment for Headquarters/Honsha Plant



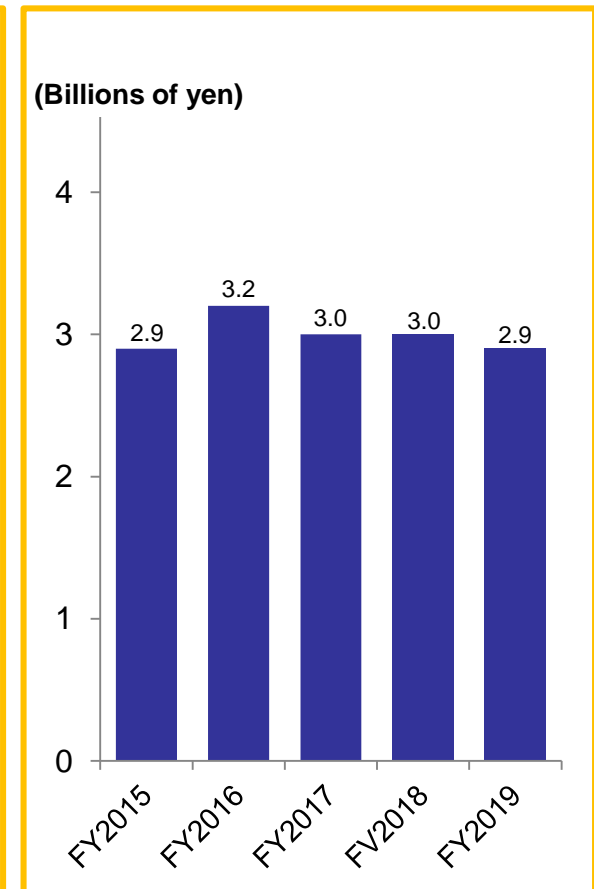
## 《Depreciation》

Depreciation expense of Headquarters/Honsha Plant started in FY2019



## 《R&D Expenses》

Development costs for next-generation products



## 2. Financial Forecast for Fiscal 2020

## 【Business Environment】

- As it remains unclear as to whether infections of the novel coronavirus will continue to spread or decrease, it is difficult to predict the impact of the government's declaration of a state of emergency and large-scale economic measures

## 【Financial Forecast for Fiscal 2020】

- DaikyoNishikawa has determined that it would be difficult to appropriately and reasonably calculate the forecast of the financial results at this time

The forecast of the financial results will be announced promptly once it becomes possible to make a reasonable calculation

# 3. Medium-Term Business Plan FY2019~FY2022

## 【Changes in business environment】

- Economic slowdown in major developed countries such as Japan, the United States and Europe, and in China and other Asian countries due to the impact of the novel coronavirus
- Decrease in sales volume globally, sales due to the shutdown of Japanese car manufacturers



We will certainly carry out various measures, but it is necessary to determine the impact of changes in business environment and review



Review the impact of the novel coronavirus  
Steadily implement initiatives regarding strategy

## Medium-Term Business Strategies

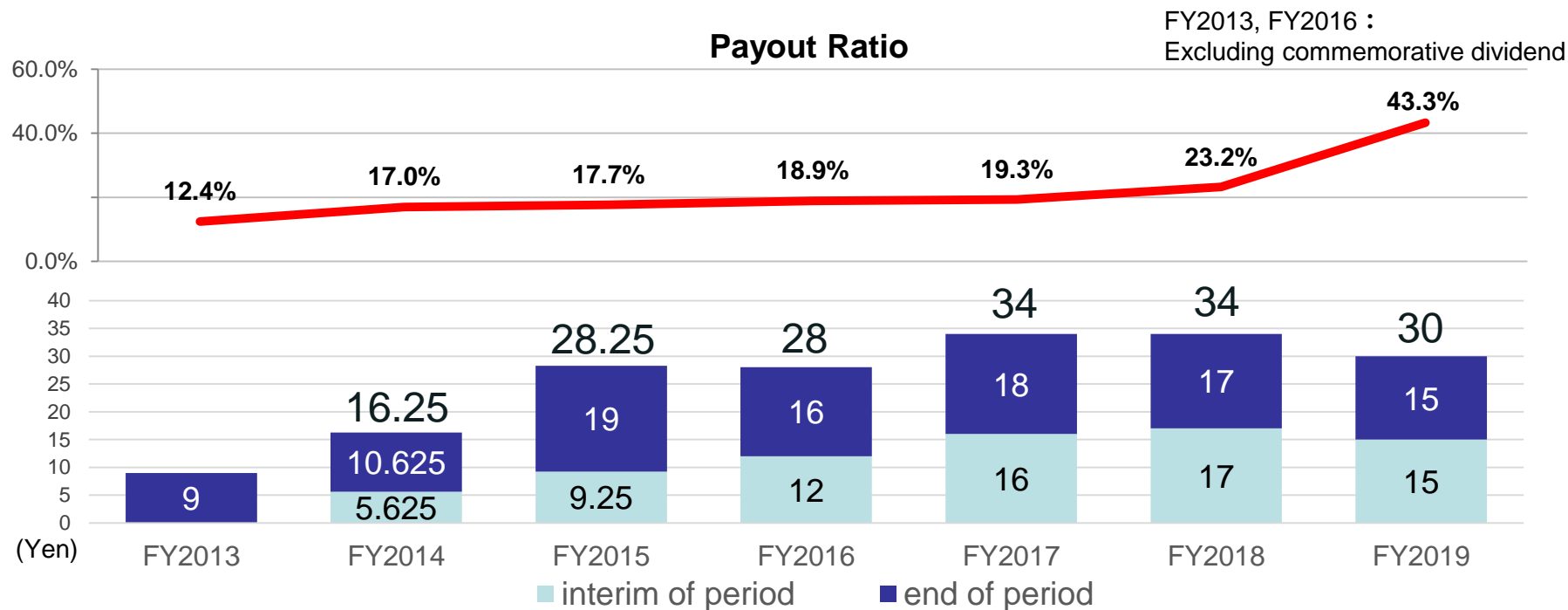
1	Customer Satisfaction Strategy	-Obtain sustained orders by proposing developments in strategic products -Full response to customer needs and global diversification
2	Product Strategy	-Develop core competency for added value products -Pursue IT innovation, MBD and development process innovation
3	Manufacturing 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

# 3. Dividend policy

# Dividend policy

## Dividend policy

Basically, pay stable and continuous dividends, and comprehensively consider business performance, dividend payout ratio, etc.



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

The annual dividend for FY2013, 2014 and the interim period for FY2015 are calculated as dividends per share, assuming that a stock split was conducted.

The forecast of cash dividends for the FY2020 have yet to be determined at this point. It will be announced once the forecast of the financial results becomes possible to be disclosed.



## **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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# Product Information – Automotive Parts

## Major Product

### Instrument Panel



For Mazda, Daihatsu, and Honda

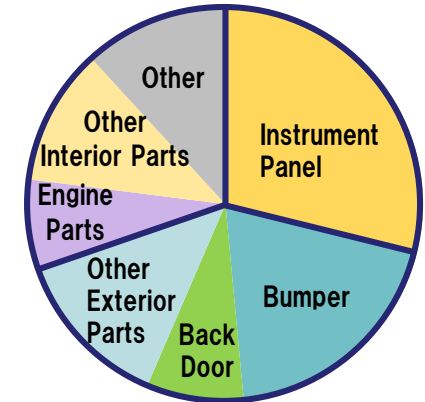
### Bumper



For Mazda, Daihatsu, and Mitsubishi (Indonesia)

## Sales by Product

Total: 182.2 billion yen (FY2019)



## Priority Products

### Back Door



For Daihatsu

## Strategic Products

### Oil Strainer



Resin Share  
**No. 1**

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

## Strategic Products

### Fuel Saucer

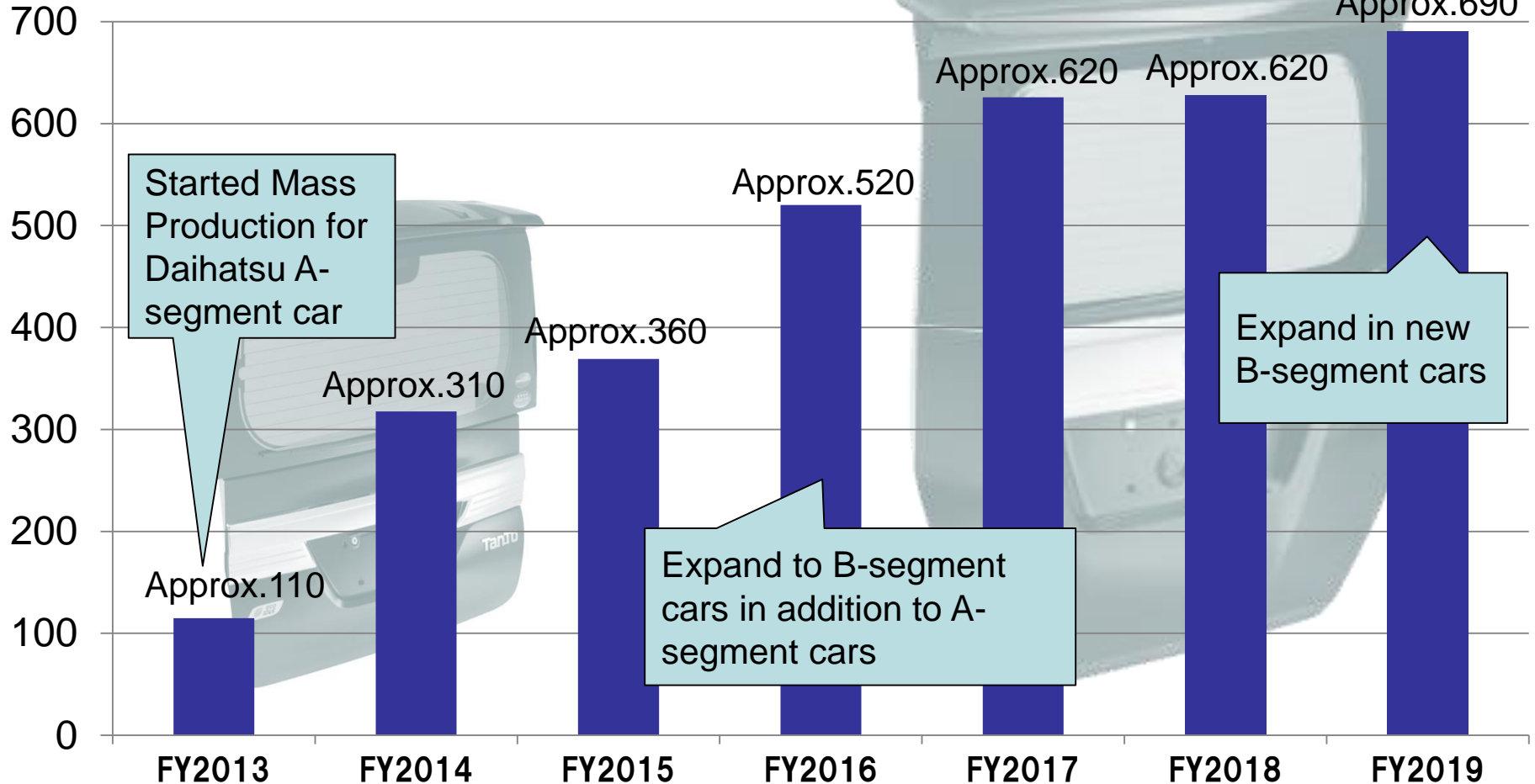


For Subaru, Mazda, and Daihatsu

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

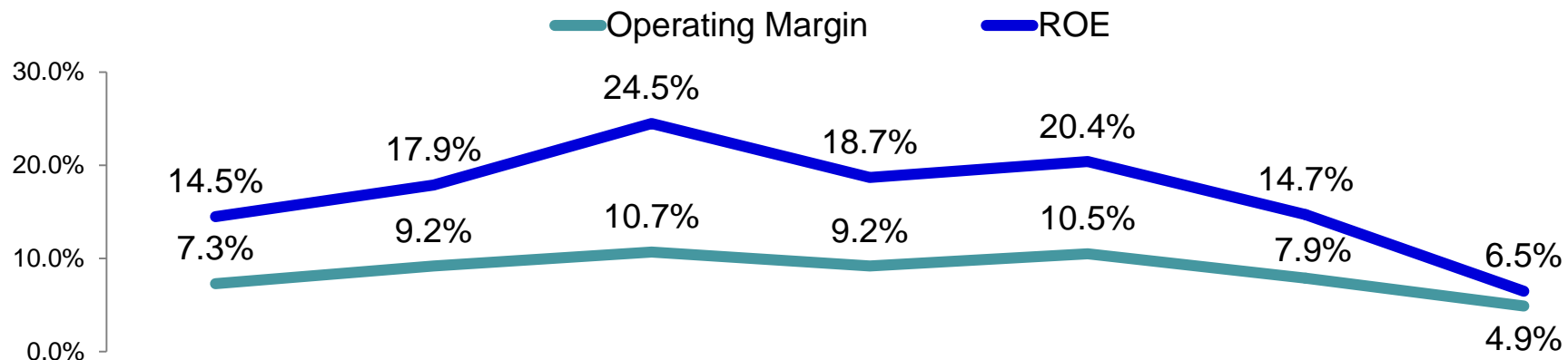
# Outline of Resin Back Door Growth for Daihatsu

(Thousand Unit)



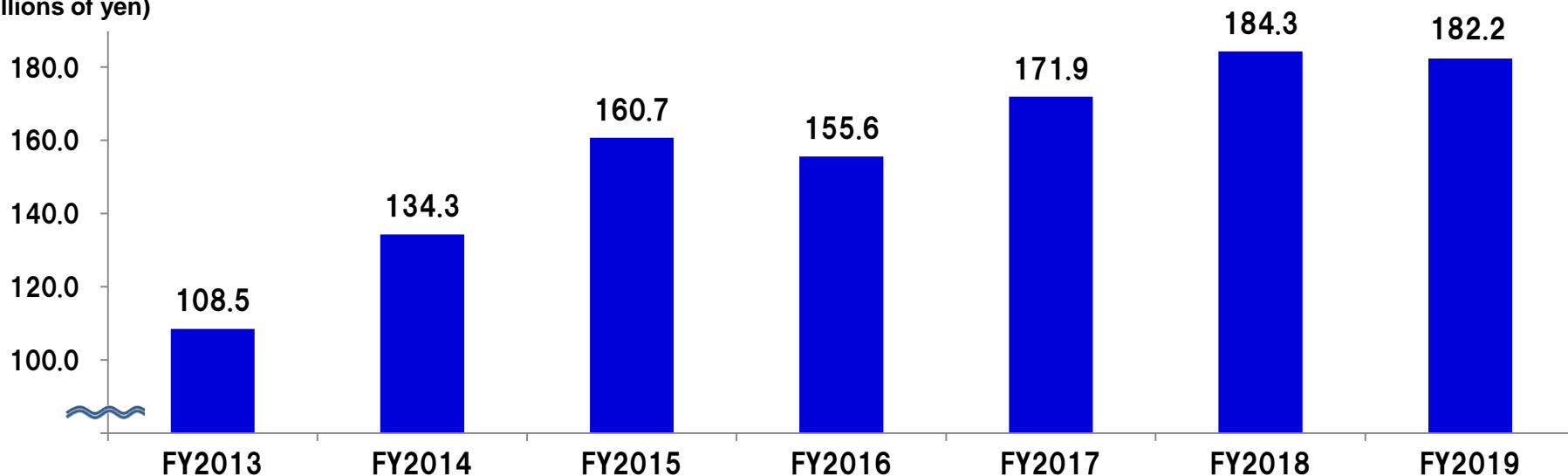
**We are also focusing on expanding sales to other than Daihatsu, and aim to expand recruitment further.**

# Outline of Management index



## Consolidated Sales

(Billions of yen)



# Sales ratio by customer



Changes in composition ratio spurred by customer diversification

(Billion of yen)

