

Presentation Material for Financial Results
for the Third Quarter of the Fiscal Year
Ending March 31, 2024

DaikyoNishikawa Corporation

February 2024

1. Consolidated Financial Results for the Third Quarter (Year-on-year Basis) P.2
2. Consolidated Financial Results for the Third Quarter (vs. Second Quarter) P.8
3. Consolidated Financial Forecast for Fiscal 2023 P.12

1. Consolidated Financial Results for the Third Quarter (Year-on-year Basis)

Consolidated Financial Results for the Third Quarter (YoY Basis)



Sales and all profit indicators increased compared to the same period of the previous fiscal year.

Production volume of the third quarter generally progressed within the company projections and business plan.

(Million yen)

	FY2022 Q3 Total	FY2023 Q3 Total	Change (Percentage)
Net Sales	102,630	120,368	17,737 (17.3%)
Operating Income	-623	7,176	7,799 (-)
Operating Income Margin	-0.6%	6.0%	6.6pts
Ordinary Income	-1,064	7,131	8,196 (-)
Profit Attributable to Owners of Parent	-1,928	5,274	7,203 (-)

Main factors of the change

■ Net sales

Increased due to higher overall production volume and the impact of foreign currency translation into Japanese yen, despite lower production at some of customers.

■ Operating Income

Increased due to increased sales, implementation of cost improvement activities, cost recovery derived from delay on two shift operation, etc. in North America, price pass/through, and foreign exchange impact, etc.

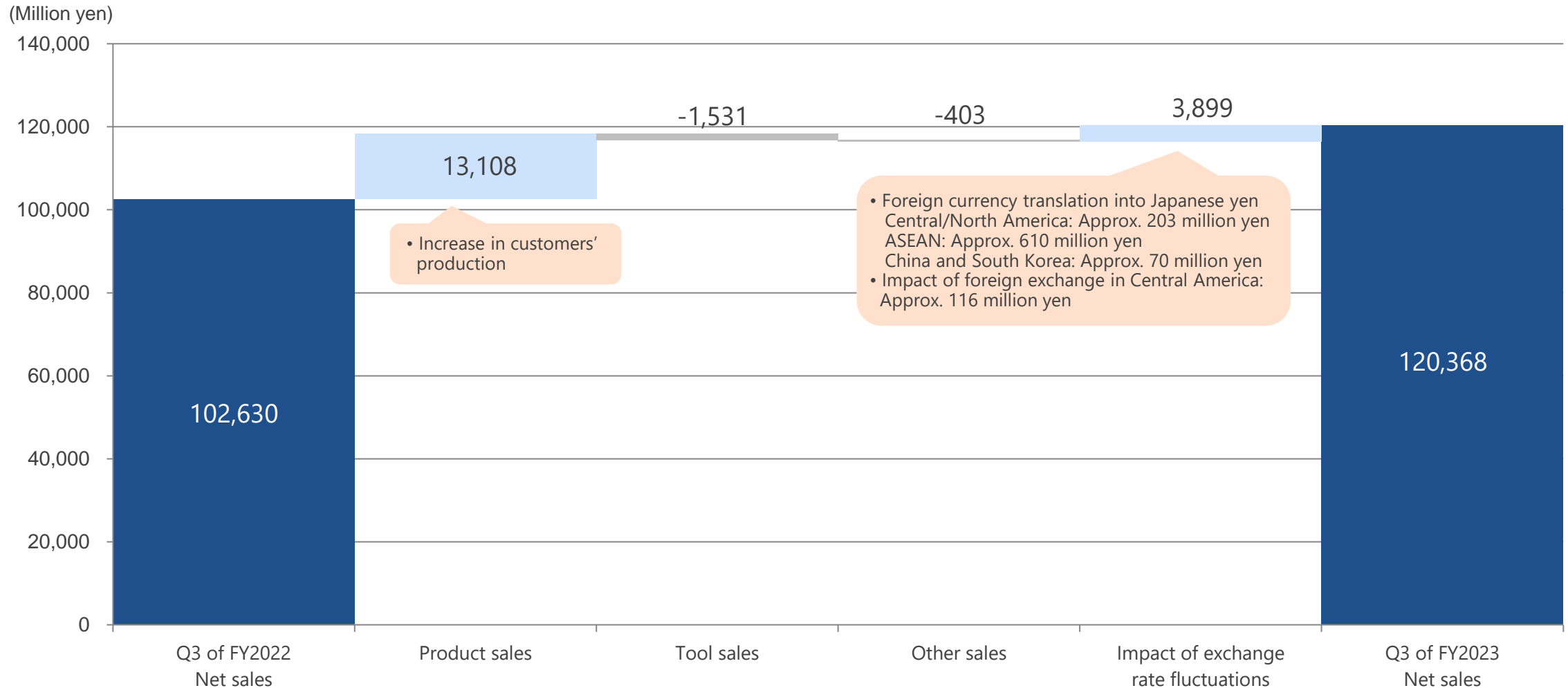
■ Profit Attributable to Owners of Parent

Increased due to gain on sale of stock contributing to transfer of all shares in Chinese equity-method affiliate company.

Factors of Consolidated Net Sales Change (YoY Basis)



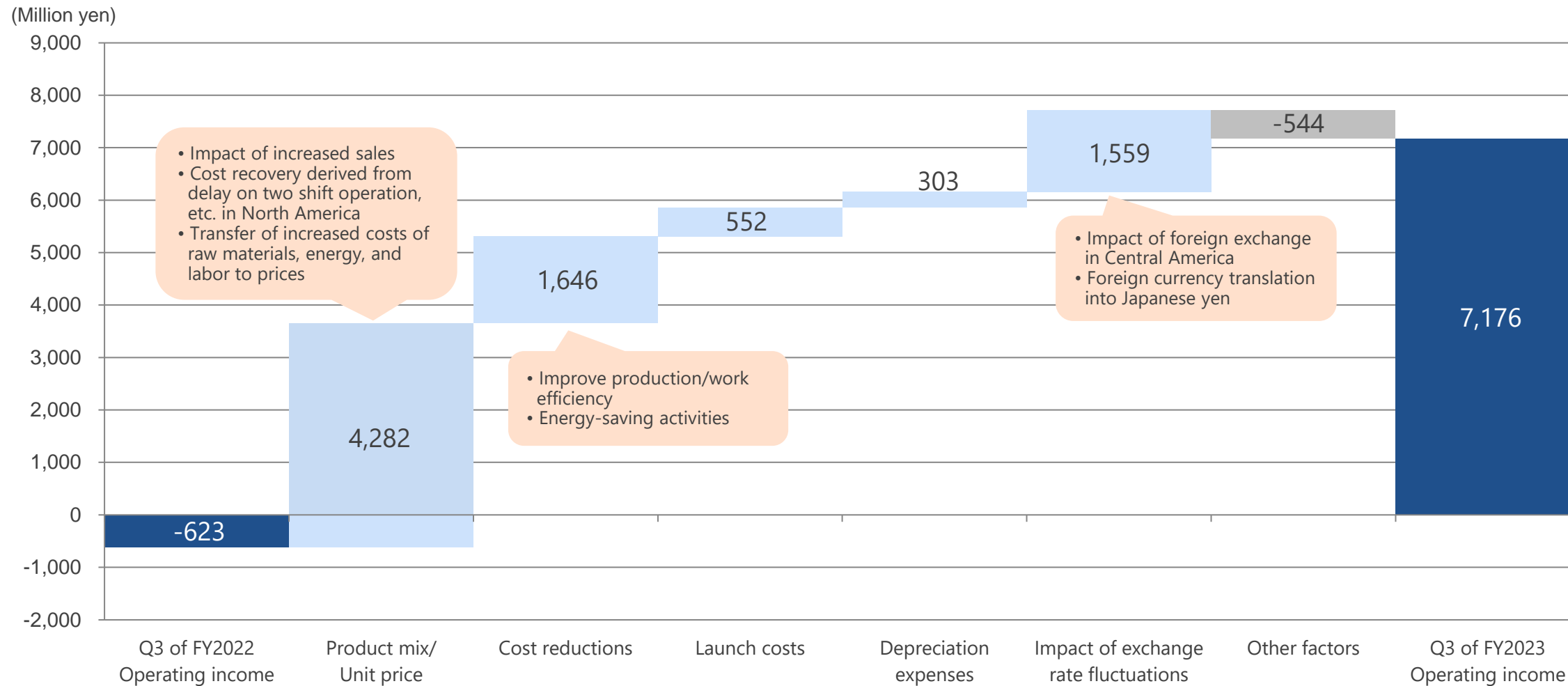
Net sales increased due to higher overall production volume and the impact of foreign currency translation into Japanese yen, despite lower production at some of customers.



Factors of Consolidated Operating Income Change (YoY Basis)



Operating income increased due to increased sales, implementation of cost improvement activities, , cost recovery derived from delay on two shift operation, etc., price pass/through, and foreign exchange impact, etc.



External sales by segment (YoY Basis)



External sales increased due to higher production volume in Japan and in Central/North America.

(Million yen)

		FY2022 Q3 Total	FY2023 Q3 Total	Change (Percentage)
Domestic	Japan [Component ratio]	72,666 (70.8%)	80,568 (66.9%)	7,902 (10.9%)
	Central/North America	17,963	27,756	9,793 (54.5%)
Overseas	ASEAN	8,533	8,872	339 (4.0%)
	China/Korea	3,467	3,169	-297 (-8.6%)
	Overseas total [Component ratio]	29,964 (29.2%)	39,799 (33.1%)	9,834 (32.8%)
Total		102,630	120,368	17,737 (17.3%)

Main factors of the change

■ Japan

Increased due to higher overall production volume, despite lower production at some of customers.

■ Central/North America

Increased due to higher production volume and the impact of foreign currency translation into Japanese yen and foreign exchange impact in Central America.

■ ASEAN

Increased due to the impact of foreign currency translation into Japanese yen, despite lower production volume.

■ China/Korea

Decreased due to lower mold sales and production volume.

Segment profit/loss (YoY basis)



Operating income increased due to the impact of higher production volume in Japan and in Central/North America and exchange rate fluctuations.

(Million yen)

		FY2022 Q3 Total	FY2023 Q3 Total	Change (Percentage)
Domestic	Japan [Component ratio]	194 [—]	4,202 [56.0%]	4,008 (—)
	Central/North America	-2,544	3,071	5,615 (—)
Overseas	ASEAN	907	651	-255 (-28.2%)
	China/Korea	-4	-425	-420 (—)
	Overseas total [Component ratio]	-1,641 [—]	3,296 [44.0%]	4,938 (—)
Consolidation adjustment		824	-323	
Operating Income		-623	7,176	7,799 (—)

Main factors of the change

■ Japan

Increased due to the impact of increased sales, implementation of cost improvement activities and price pass-through.

■ Central/North America

Significantly increased due to cost recovery derived from delay on two shift operation, etc. in North America, and the impact of increased sales and foreign exchange impact in Central America.

■ ASEAN

Decreased due to the impact of lower sales resulting from production decline, despite the impact of increased sales contributing to foreign currency translation into Japanese yen.

■ China/Korea

Decreased due to the impact of lower sales and the initial quality handling costs of transferred products.

2. Consolidated Financial Results for the Third Quarter (vs. Second Quarter)

Consolidated Financial Results for the Third Quarter (vs. Q2)



Net sales increased, and income decreased in comparison with the second quarter.

(Million yen)

	FY2022				FY2023			Change (Percentage) FY23Q3/FY23Q2
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Net Sales	30,074	32,937	39,618	43,114	37,217	40,253	42,897	2,643 (6.6%)
Operating Income	-1,241	-205	823	4,076	1,339	2,945	2,890	-55 (-1.9%)
Operating Income Margin	-4.1%	-0.6%	2.1%	9.5%	3.6%	7.3%	6.7%	-0.6pts
Ordinary Income	-1,008	-171	114	3,929	1,749	2,868	2,513	-354 (-12.4%)
Profit Attributable to Owners of Parent	-1,127	-438	-362	2,446	1,150	1,799	2,324	524 (29.2%)

Main factors of the change

■ Operating income

Decreased due to price pass-through for the first half recorded in the second quarter.

■ Ordinary Income

Valuation deferece of foreign exchange gains.

■ Profit Attributable to Owners of Parent

809 million yen in extraordinary income was recorded as gain on affiliates shares due to transfer of all shares in Chinese equity-method affiliate company.

External Sales by Segment (vs. Q2)



External sales increased due to higher production volume mainly in Central/North America

(Million yen)

		FY2022				FY2023			Change (Percentage) FY23Q3/FY23Q2
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Domestic	Japan	19,431	25,171	28,062	30,291	23,973	28,107	28,487	380 (1.4%)
	Central/North America	6,390	4,552	7,020	8,072	9,186	8,275	10,295	2,019 (24.4%)
Overseas	ASEAN	2,839	2,373	3,320	3,753	3,465	2,581	2,825	244 (9.5%)
	China/Korea	1,412	839	1,215	997	592	1,288	1,288	-0 (-0.0%)
	Overseas total	10,642	7,765	11,555	12,823	13,244	12,145	14,409	2,263 (18.6%)
Total		30,074	32,937	39,618	43,114	37,217	40,253	42,897	2,643 (6.6%)

Main factors of the change

■ Japan

Increased due to higher production volume.

■ Central/North America

Increased due to higher production volume, cost recovery derived from delay on two shift operation, etc. in North America, and the impact of foreign currency translation into Japanese yen.

■ ASEAN

Increased due to higher production volume and the impact of foreign currency translation into Japanese yen.

Segment profit/loss (vs. Q2)



Operating income decreased except Central/North America.

(Million yen)

		FY2022				FY2023			Change (Percentage) FY23Q3/FY23Q2
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Domestic	Japan	-1,158	296	1,056	3,904	165	2,387	1,649	-737 (-30.9%)
	Central/North America	-1,493	-585	-465	-206	1,322	674	1,074	400 (59.4%)
Overseas	ASEAN	277	218	411	127	521	170	-40	-211 (-)
	China/Korea	65	-50	-19	-76	-260	-7	-157	-149 (-)
	Overseas total	-1,150	-418	-73	-155	1,583	837	876	39 (4.7%)
Consolidation adjustment		1,067	-83	-159	327	-409	-278	364	
Operating Income		-1,241	-205	823	4,076	1,339	2,945	2,890	-55 (-1.9%)

Main factors of the change

■ Japan

Decreased due to price pass-through for the first half recorded in the second quarter.

■ Central/North America

Increased due to cost recovery derived from delay on two shift operation, etc. in North America, and the impact of increased sales.

■ ASEAN

The impact of lower sales.

■ China/Korea

Decreased due to the impact of lower sales and the initial quality handling costs of transferred products.

* Consolidation adjustment for Q1 FY2022 include development costs for Central/North America recorded in FY2021.

3. Consolidated Financial Forecast for Fiscal 2023

Consolidated Financial Forecast for Fiscal 2023



The forecast for fiscal 2023, announced on November 7 is unchanged.

■ In fourth quarter, the forecast is unchanged because although the impact of lower production due to the suspension of production and shipments by a customer is expected, considering the uncertainties regarding the impact on profits and compensation for the suspension of production and shipments.

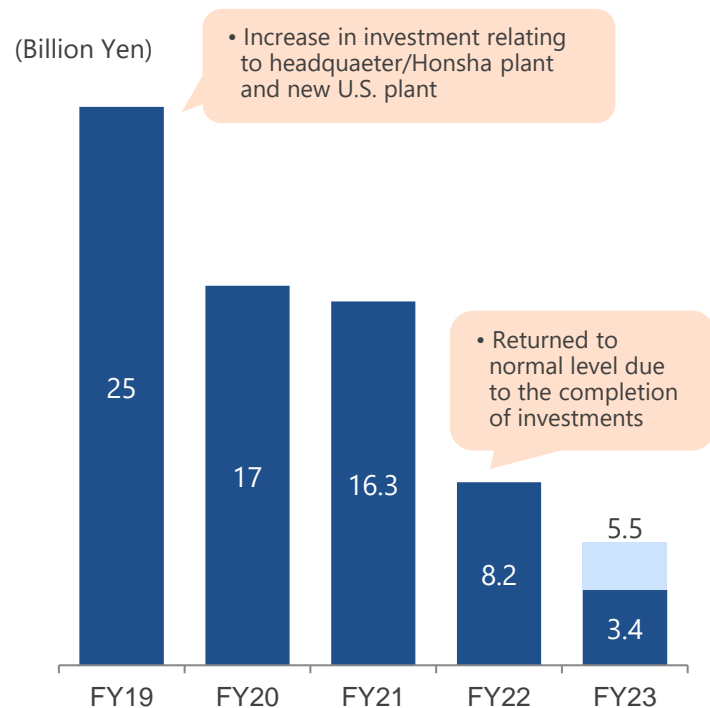
(Million yen)

	FY2022 Actual		FY2023 Forecast (Announced on November 7)		Change (Percentage)	[Reference] FY2023 (Announced on August 8)	[Reference] FY2023 (Announced on May 11)
Net sales	145,744	100%	165,000	100%	19,255 (13.2%)	160,000	163,000
Operating income	3,453	2.4%	10,300	6.2%	6,846 (198.2%)	8,300	8,200
Ordinary income	2,864	2.0%	9,800	5.9%	6,935 (242.1%)	7,700	7,200
Profit attributable to owners of the parent	518	0.4%	5,200	3.2%	4,681 (903.1%)	5,000	4,800

《Capital Investment》

Decreased from the plan changes in the timing of launch of new vehicles by customers and a review of the timing of investments.

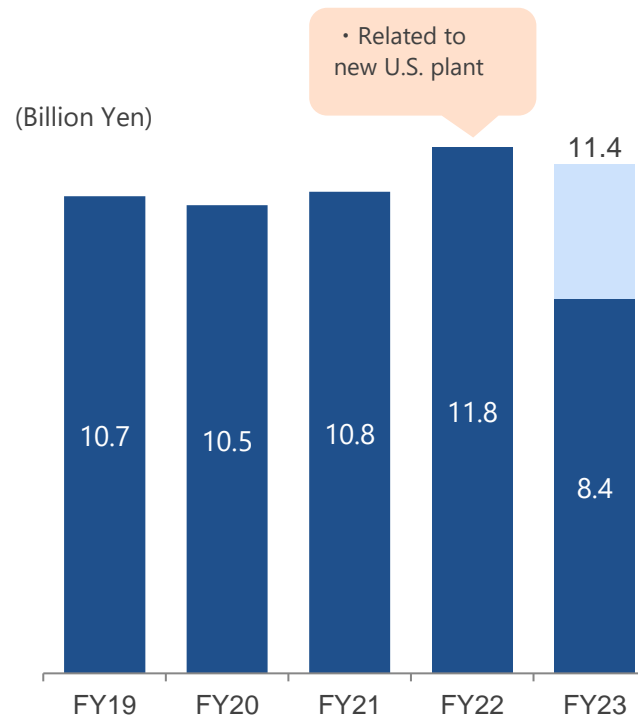
* Figures for FY 2023 are forecast.



《Depreciation》

Decreased from the plan curtailed capital investment, etc..

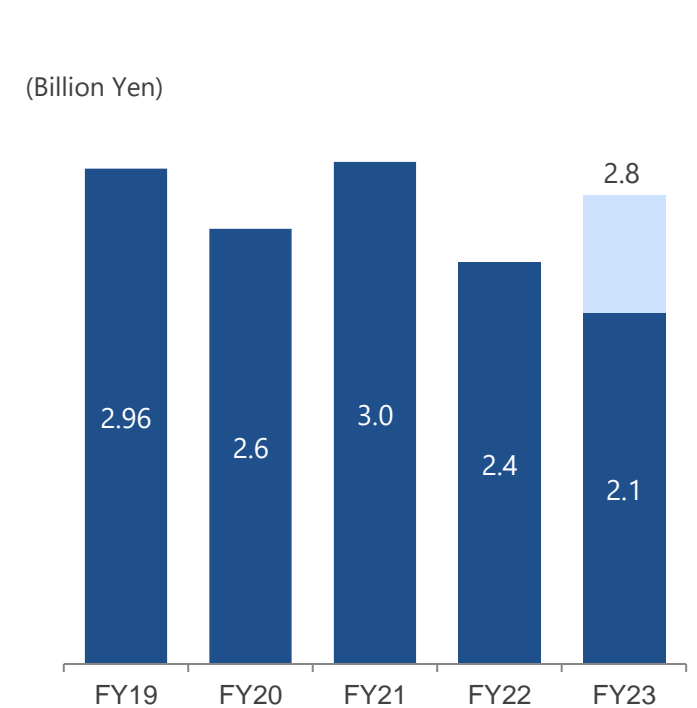
* Figures for FY 2023 are forecast.



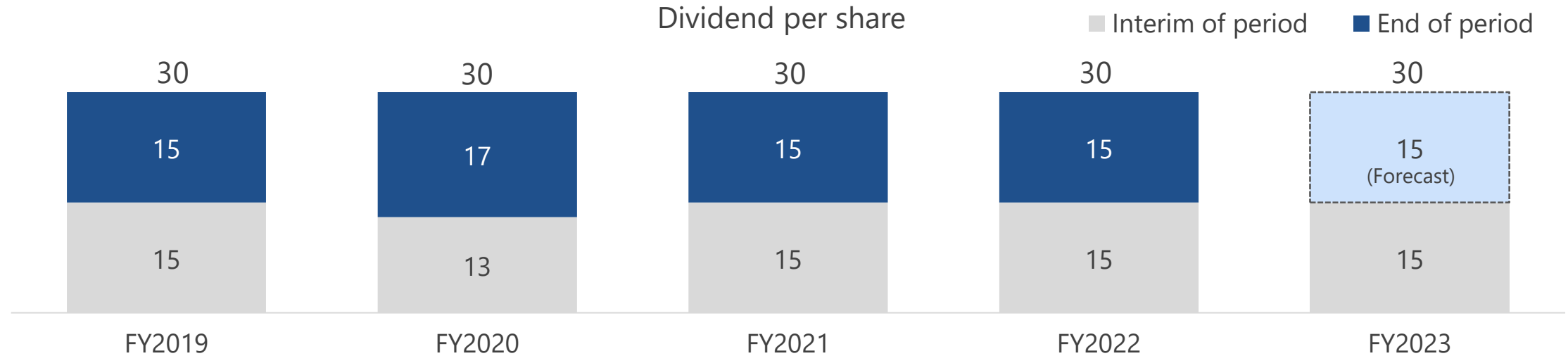
《R&D Costs》

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

* Figures for FY 2023 are forecast.



- The interim dividend for FY 2023 is 15 yen per share as expected.
- The forecast for the annual dividend per share for FY 2023 will be maintained at 30 yen.



Payout ratio

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 (Forecast)
43.3%	83.9%	-	411.2%	41.0%

Note:

This presentation material contains certain statements on future performance, such as strategies and forecasts. These statements are based on our current judgment and include risks and uncertainties. They are subject to change due to various factors, such as changes in the business environment. Furthermore, the sole purpose of this document is to provide information, and it is not intended to solicit transactions.

Please note that actual results may differ from the forecast due to various factors.

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Reference Materials

Key Performance and Financial Indicators (Consolidated)



(Millions of yen)

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

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