

# **Financial Results Briefing**

Fiscal Year Ended March 31,  
2022

May 2022



Fiscal Year Ended March 31, 2022  
Summary of Earnings

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**DAIHATSU**

DAIHATSU DIESEL MFG. CO., LTD.

# Summary

(Unit: Million yen)

	March 2020 Results	March 2021 Results	March 2022 Results	YoY difference	
				Increase/ decrease	(%)
Net sales	60,087	56,745	<b>57,599</b>	854	1.5
Operating income	2,674	994	<b>2,092</b>	1,098	110.4
Ordinary income	2,915	1,149	<b>2,506</b>	1,357	118.1
Net income	1,996	712	<b>1,968</b>	1,256	176.4
Basic earnings per share	62.80	22.43	<b>62.01</b>	39.38	176.4
Total assets	85,558	80,381	<b>89,268</b>	8,886	11.1
Equity ratio	47.5%	51.2%	<b>48.2%</b>	—	—

**POINT**

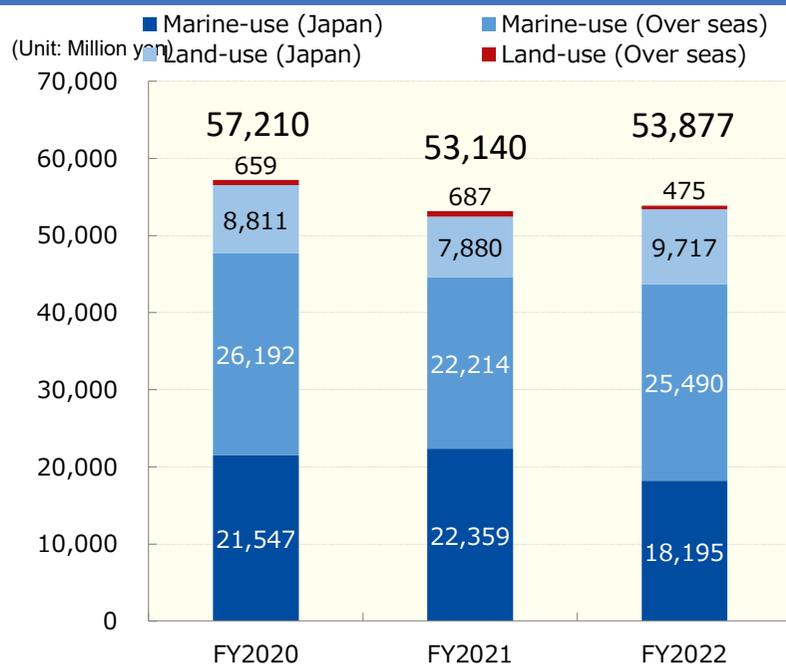
- Profits increased in all segments. In particular, sales increased slightly due to an increase in the Licensing Business and sales related to environmental equipment in China
- Both sales and income increased in maintenance-related business

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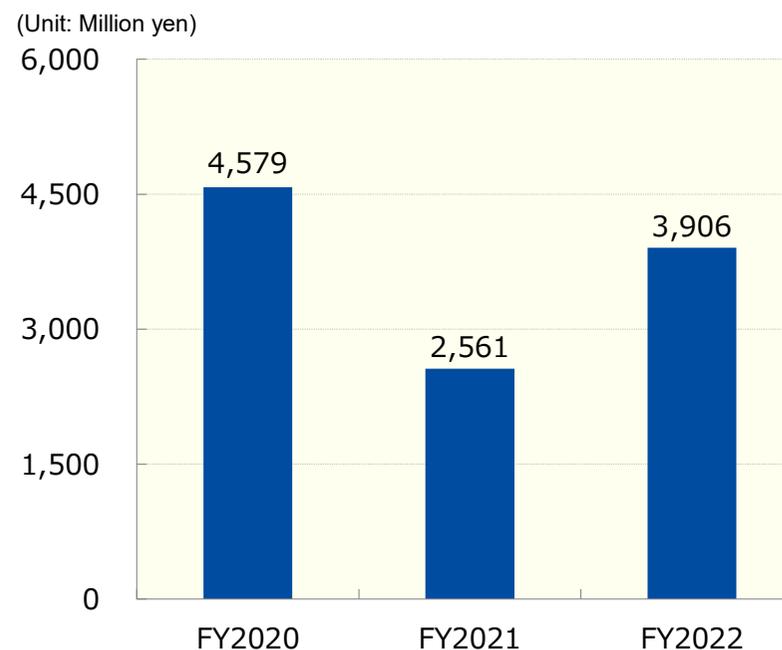
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# Net Sales and Earnings for the Internal Combustion Engine Section

**Net sales** \* including maintenance-related



**Internal combustion engine section earnings** \* including maintenance-related

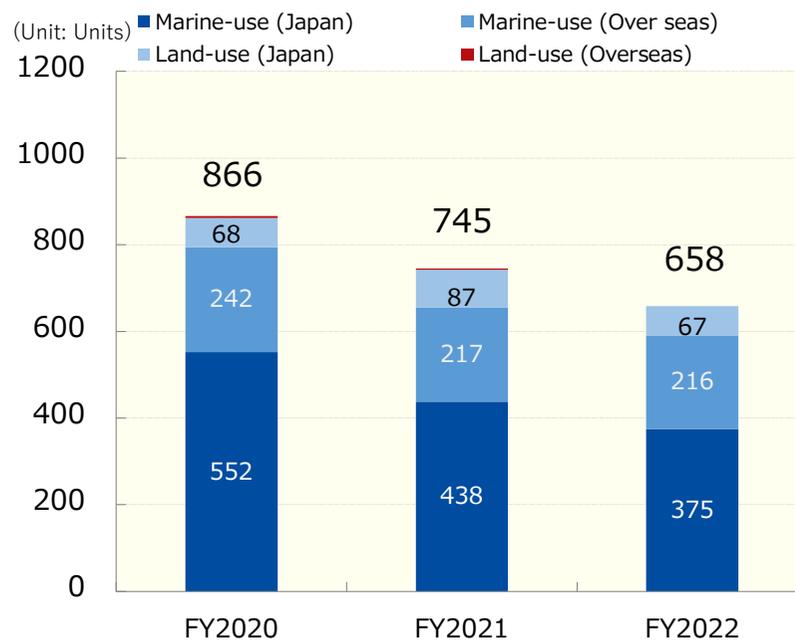


**POINT**

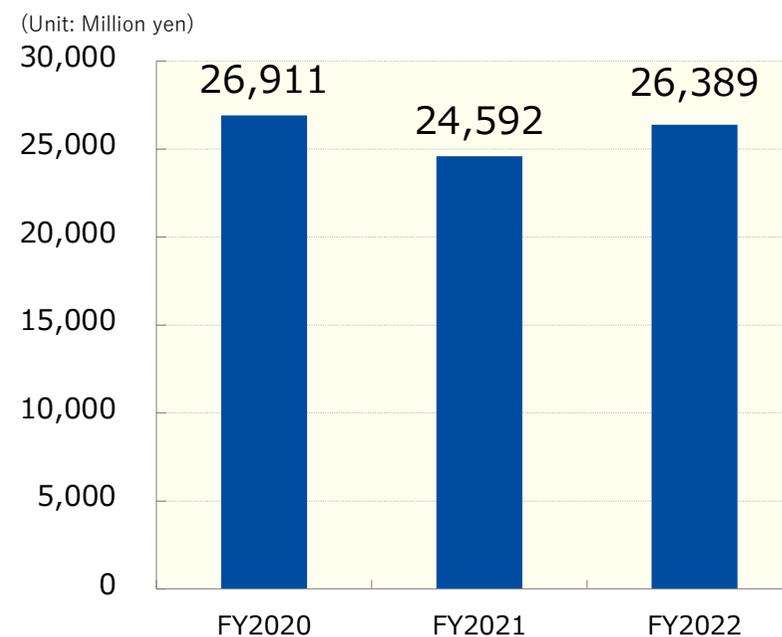
- Profits for marine-use engines increased due to an increase in sales of large engines and environmental equipment
- Maintenance-related sales and earnings both increased due to the easing of movement restrictions

# Unit Sales and Maintenance-related Net Sales

## Units sold



## Maintenance-related net sales



**POINT**

- Total units sold increased due to increased sales of components for large engines
- Maintenance-related sales increased due to the trend toward easing movement restrictions

# Earnings Forecasts

(Unit: Million yen)

	March 2022 Results	March 2023	
		Forecast	Increase/decrease (%)
Net sales	57,599	65,000	12.8
Operating income	2,092	2,700	29.0
Ordinary income	2,506	2,700	7.7
Net income	1,968	2,200	11.8
Basic earnings per share	62.01	69.07	—

\*Exchange rates: March 2022 (Results): ¥112.35, March 2023 (Estimate): ¥110.00

Forecast

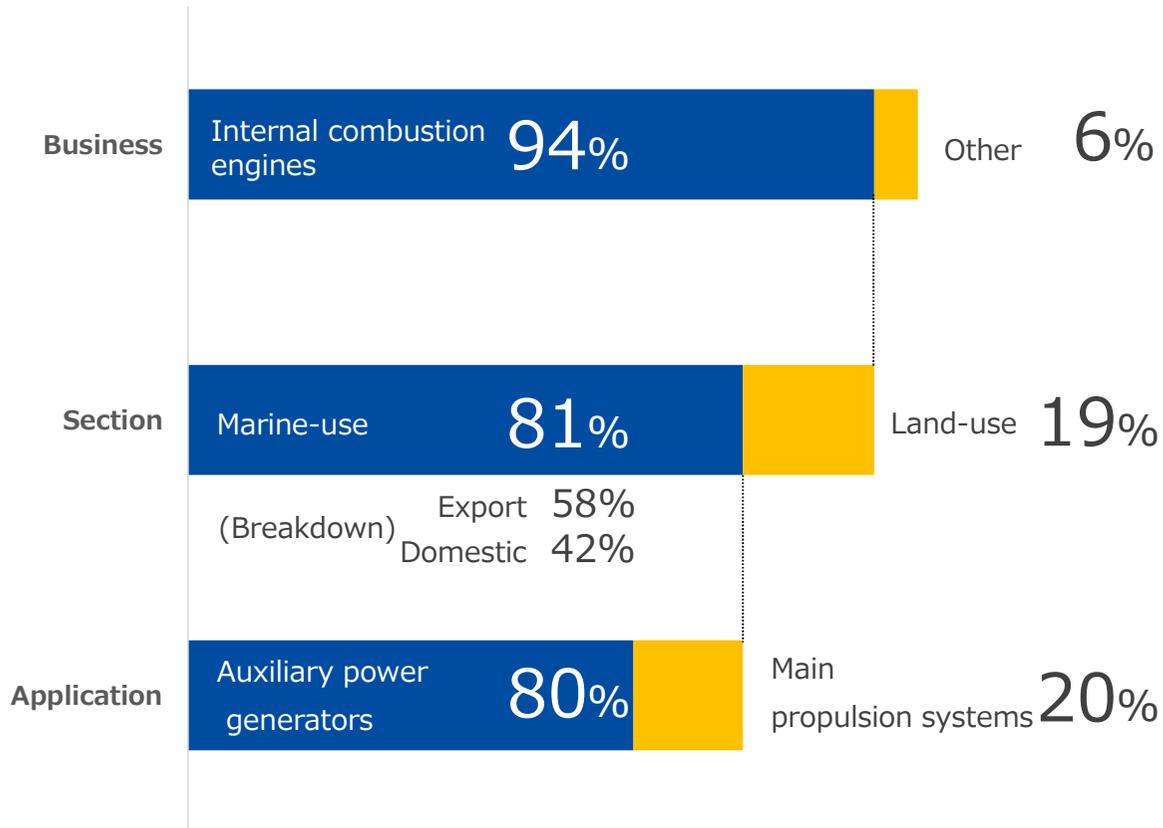
- An increase in profits is projected due to plans to increase production of large auxiliary engines at the Himeji Factory, etc.
- An increase in income is projected due to an anticipated increase in profits from commercial engines and environmentally friendly equipment

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# Sales Breakdown/Market Share (End of March 2022)

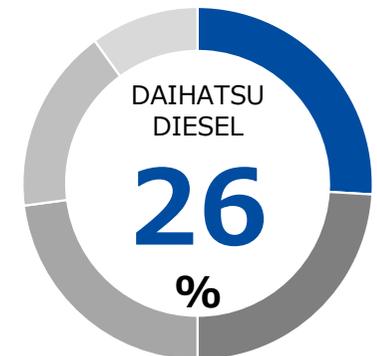
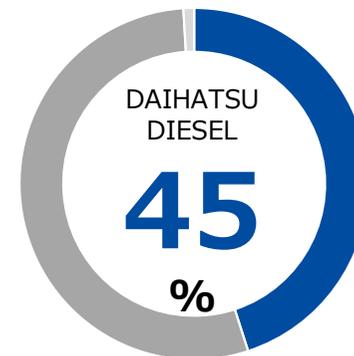
## Sales Breakdown



## Market Share (Auxiliary Engines for Large Ocean-going Vessels)

〈Share in Japan〉

〈Overseas market share〉



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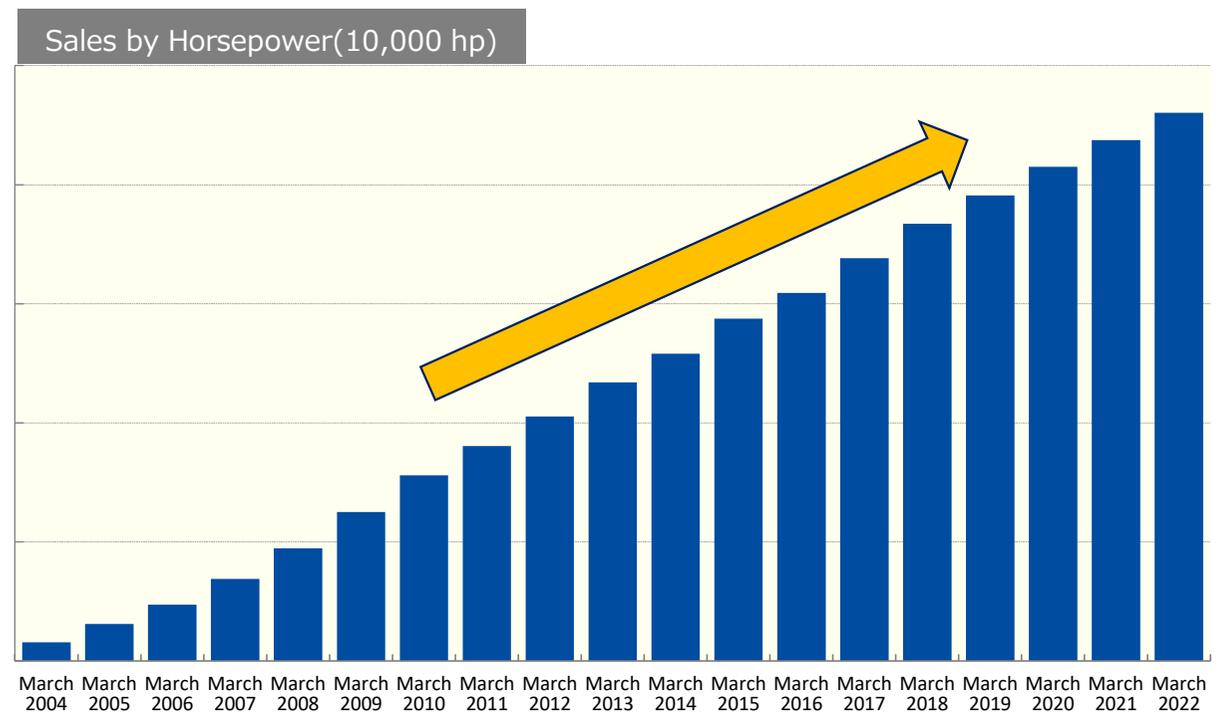
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# Remarks on Earnings

## POINT

### Stable capture of earnings over life-cycle (30 years)

- ▶ Post-voyage maintenance services are key.
- ▶ Cumulative total of engine units (number of ships carrying our engines) is decisive.



\*Does not include technological partners in China

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# Strengthening Business/Overseas Strategy (Licensing) in the Marine-Use Maintenance Business

15 years ago

Sales approx. ¥15.0 billion

## Holding the line

- Business focus was selling engines to builders of new vessels.
- Sales for the after-sales-service did not really exist.

Major increase

Now

Sales approx. ¥26.0 billion

## Shifting to the offensive

- Promoting strategic maintenance proposals for ship-owners and ship-management customers
- Raising the genuine parts ratio, creation of outlets to the Chinese marine market

### Issues for the future

- Build a service to provide maintenance parts in a timely manner using DX.
- Build an abnormality diagnosis and maintenance support system by accumulating engine data.
- Build a comprehensive maintenance contract system for digital equipment, including DF engines.

## Licensing (in China)

- Contract partner since 1982
- Granting of rights for Manufacture and marketing of certain classes of internal combustion engine
- Expand market share of DAIHATSU brand

### Anqing CSSC Diesel Engine Co., Ltd.

Anqing Diesel

Anhui Province, China (Yangtze River Basin, 600 km from Shanghai)

### SHAANXI DIESEL ENGINE HEAVY INDUSTRY CO., LTD.

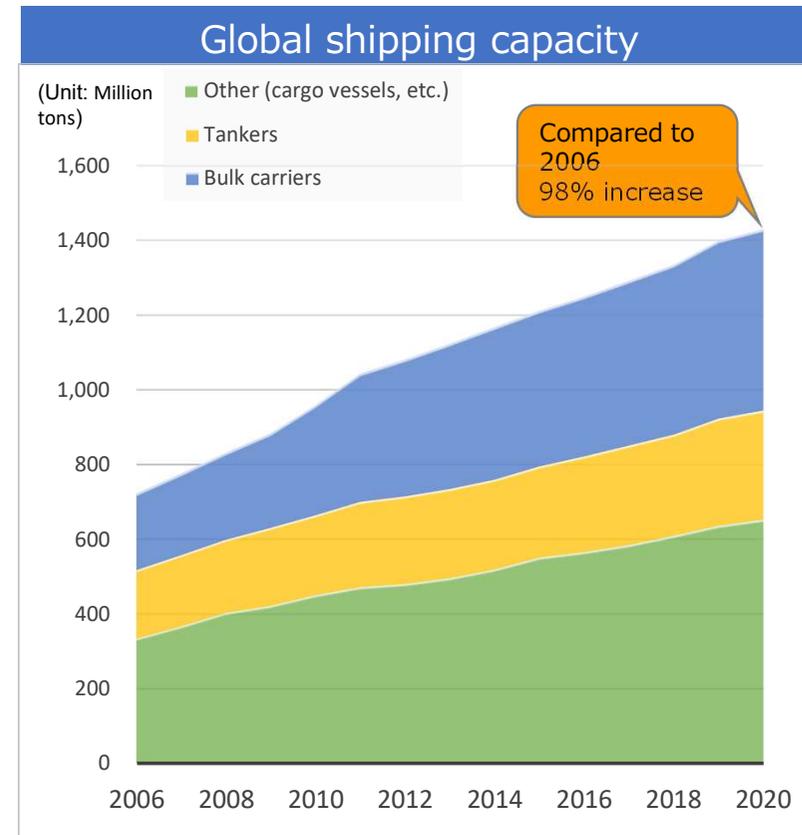
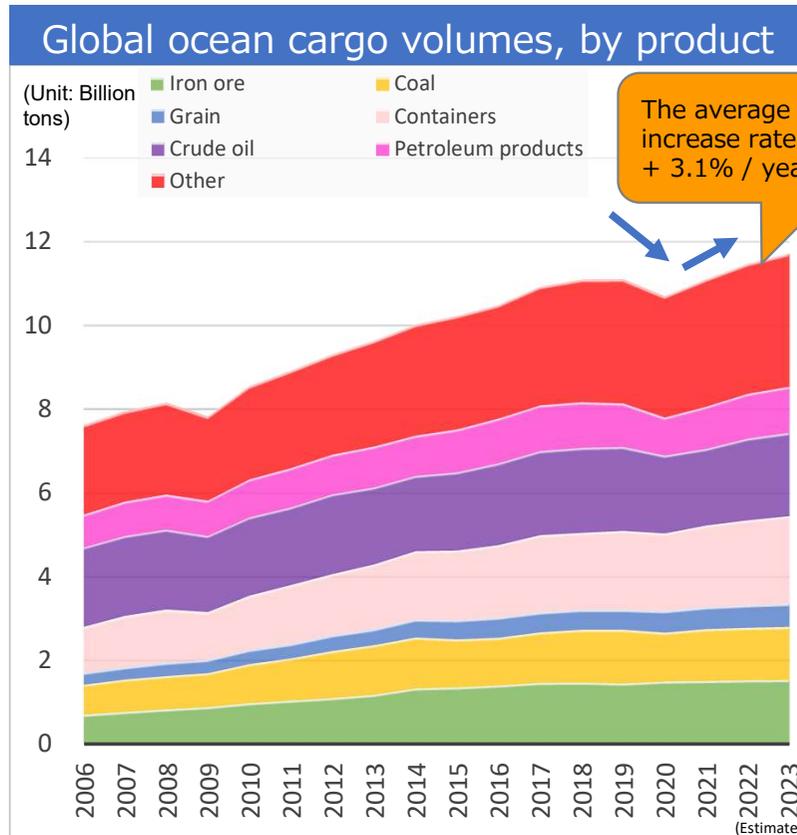
Shaanxi Diesel

Shaanxi Province, China(50 km from Xi'an)

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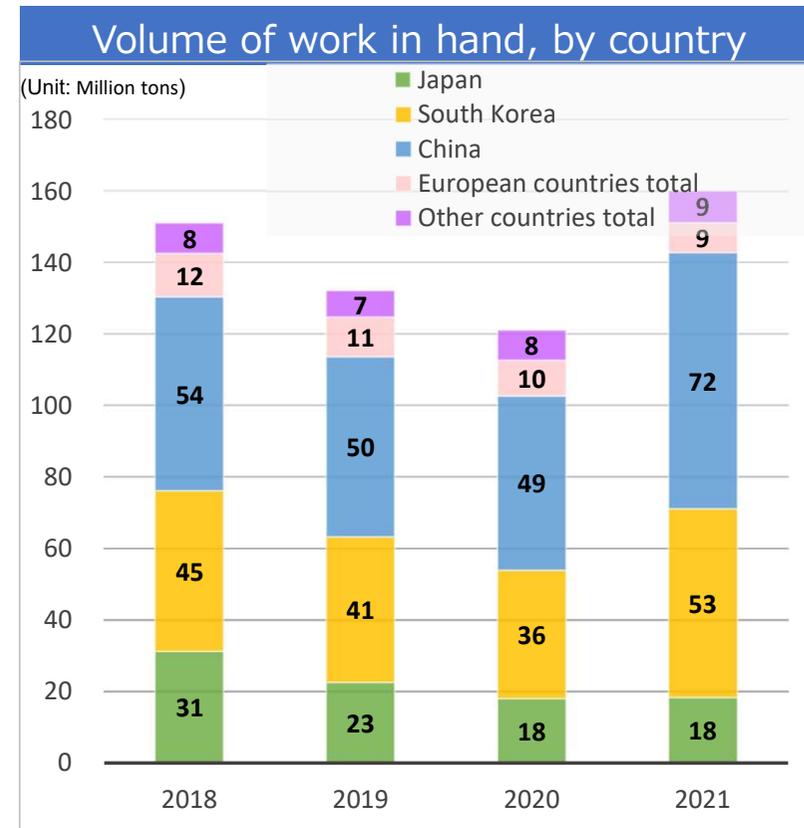
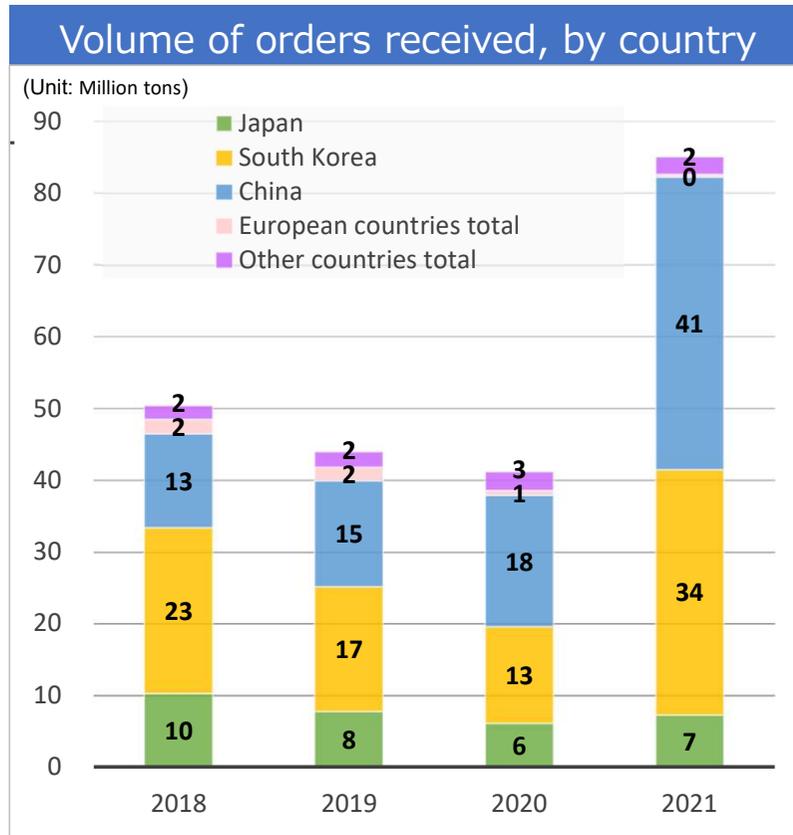
# Market Trend for Marine Cargo



Source: The Shipbuilders' Association of Japan

- Increasing trend in shipping capacity in line with increase in ocean cargo volumes, and a recovery in maintenance demand is expected.

# Market Trends for Newbuild Vessels



Source: The Shipbuilders' Association of Japan

- Volume of orders received and volume of work in hand both trended downwards from fiscal 2019, except in China, due to the COVID-19 crisis, but the trend is for a rapid recovery beginning in 2021, mainly in China and South Korea, due to an increase in demand for specific types of vessels such as container vessels and demand for replacement with gas-fueled vessels due to environmental measures.

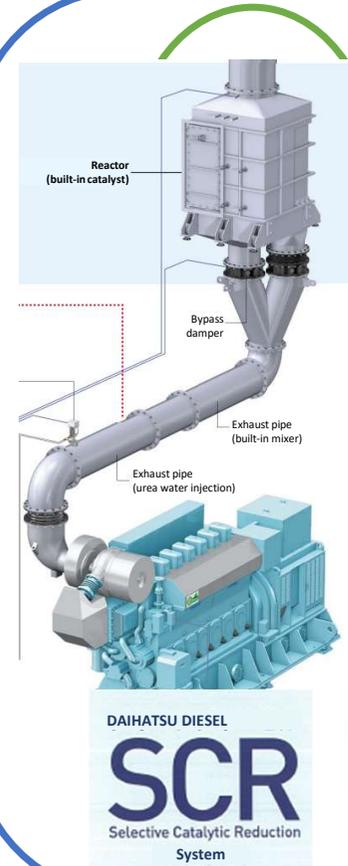
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# 2020 Results of the Mid-term Management Plan (1)



**CENTURY HIGHWAY GREEN**

Ship of the Year 2021, Winner: Large Cargo Ship Category  
Manufacturer: Tadotsu Shipyard Co., Ltd. (Imabari Shipbuilding Group)  
Engine type: Auxiliary, 6DE28DF x 3



**Selective catalytic reduction and denitration equipment (SCR)**



Unique bypass-integrated structure

NOx in exhaust gas is decomposed and converted into harmless nitrogen and water

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# 2020 Results of the Mid-term Management Plan (2)

## Naval Vessel Business



Commissioned : March 22, 2022  
Engines supplied: 3 sets of power generators for use  
inside the MTU ship

## Technological Partner Business

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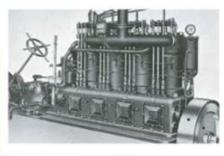
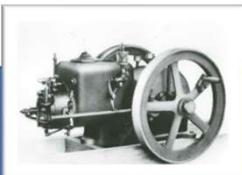


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# Mid- to Long-term Vision

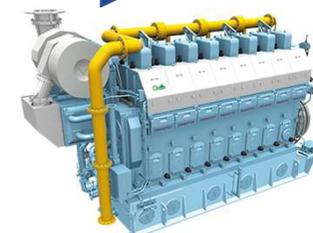
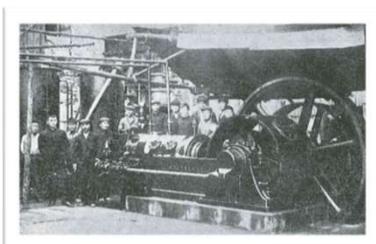
Founded

1907



Established

1966



## Corporate Philosophy

We shall strive unstintingly for the betterment of society and **sympathy** with our neighbours, drawing on the bold spirit of **creativity** and yearning for technological achievement we nurture within ourselves.

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# Mid- to Long-term Vision: Social Change and Issues



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# Mid- to Long-term Vision: DAIHATSU DIESEL's Mission

**Support the safety and  
security of people's  
lives.**

We are part of the social infrastructure of the sea and land.



**Protect the rich natural  
environment.**

We will strive to switch to green energy to confront  
global environmental issues.



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# Mid- to Long-term Vision: Solutions to Accomplish Our Mission

## TARGET 2030

**Balancing GHG (greenhouse gas) reduction and economic value enhancement**



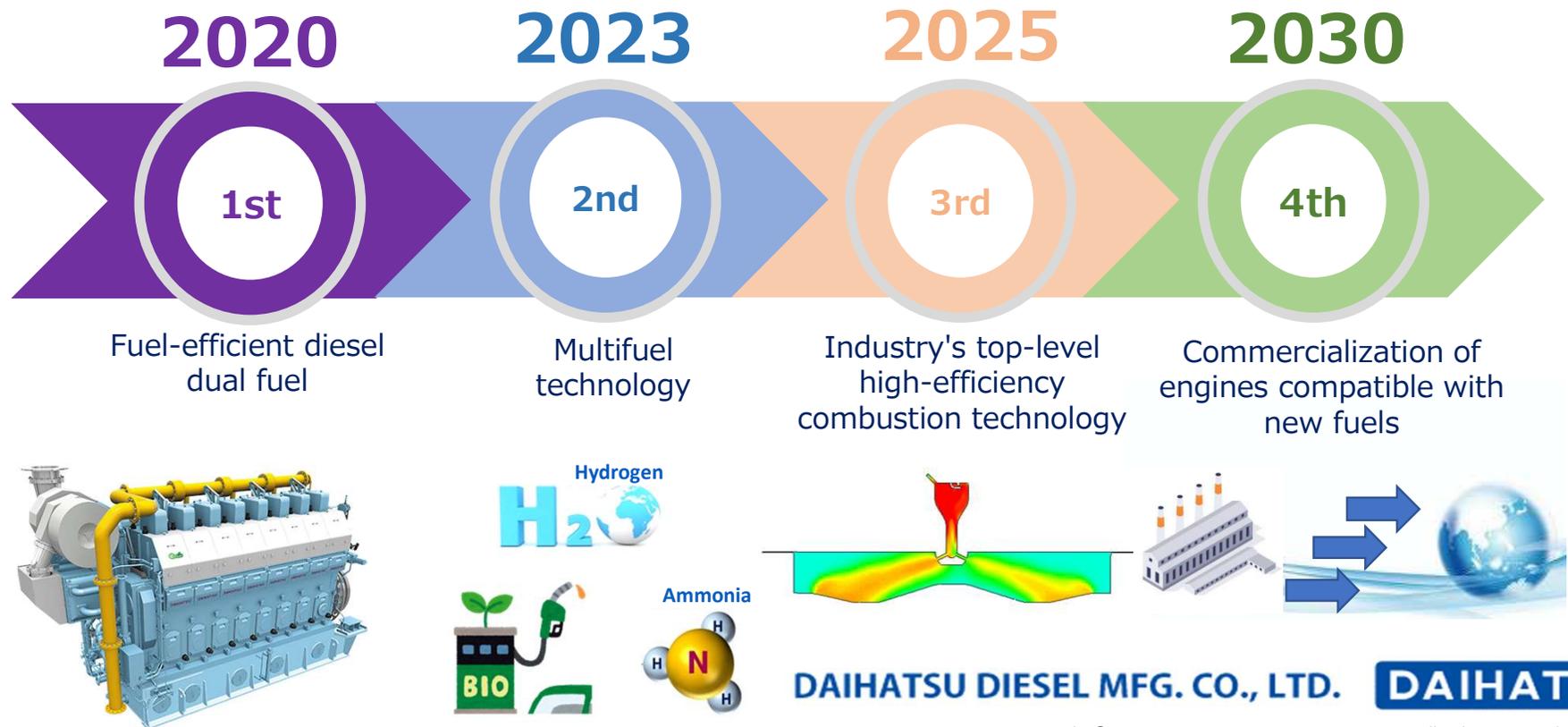
**Providing new customer value**



# Efforts to Reduce GHG Emissions

## Green Strategy

### DAIHATSU DIESEL Technology Roadmap



# Providing new customer value



# Contributing to Achievement of the SDGs Through Promotion of ESG Management



- Building a decarbonized society
- Building a recycling-oriented society
- Building a society in harmony with nature



- Promoting diversity and inclusion
- Promoting work-style reform
- Social contribution activities



- Creating a corporate culture for innovation
- Strengthening Group governance

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

**A power supply company that continuously grows and evolves while contributing to the realization of a sustainable society through reliable products and services in harmony with the natural environment**

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# Mid- to Long-term Vision: DAIHATSU DIESEL's Goal

## TARGET 2050

Achieve net zero emissions while accelerating selling services as a power supply company that leads to the future



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