

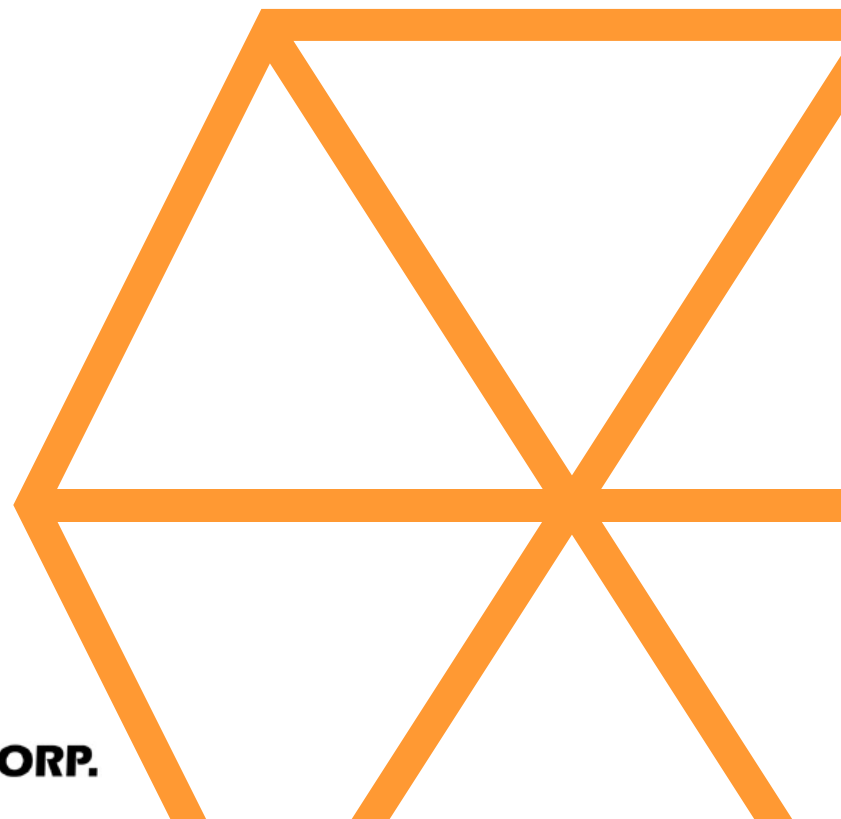


# Financial results briefing

Financial Results for the 2Q of Fiscal Year Ending March 31, 2022

November 30, 2021  
DAISHINKU CORP. (Code: 6962)  
President, Minoru Iizuka

**DAISHINKU CORP.**



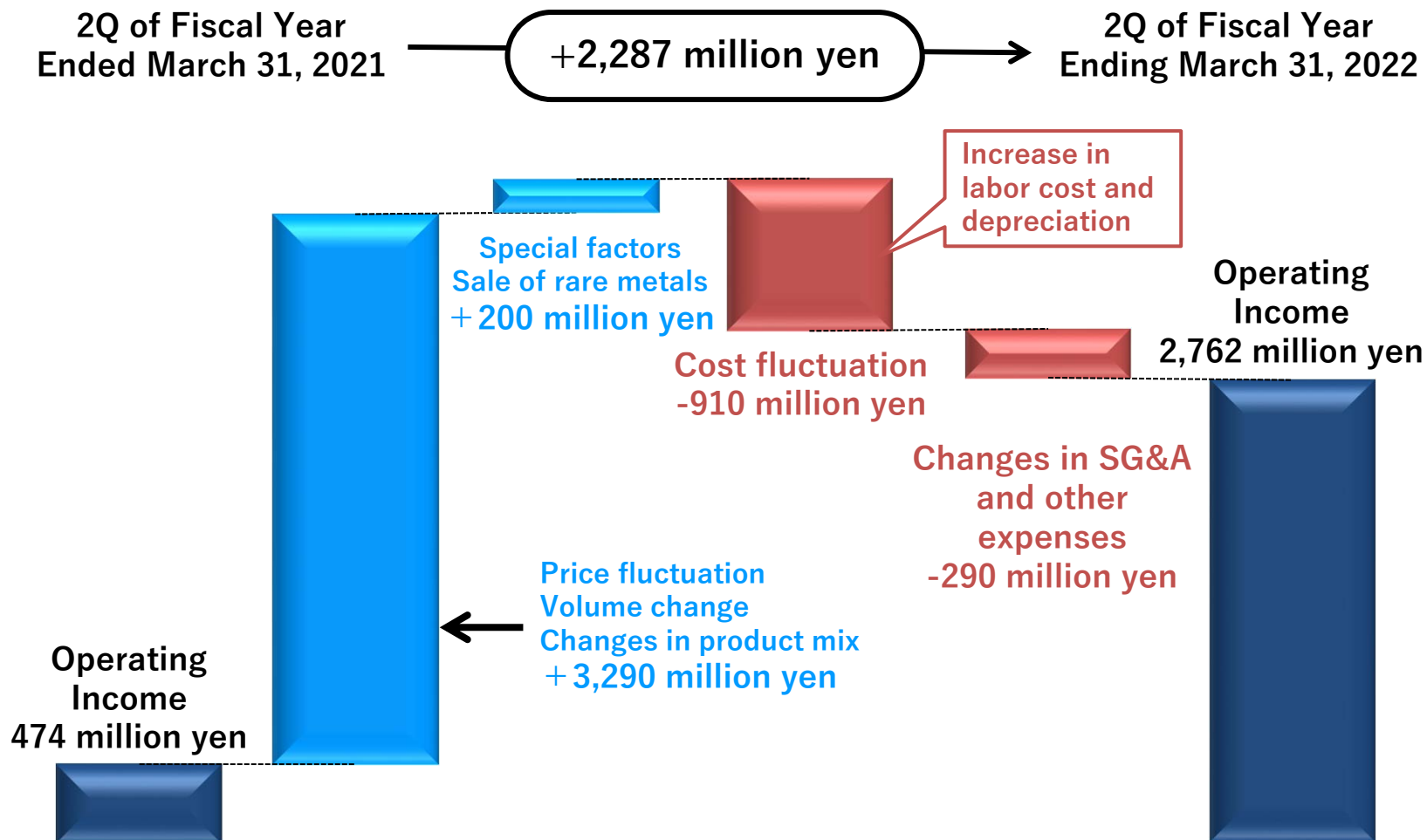
# Performance Report for the 2Q of Fiscal Year Ending March 31, 2022

## Record-high profit

Unit : Million yen

	2Q of Fiscal Year Ended March 31, 2021	2Q of Fiscal Year Ending March 31, 2022	YoY Change	
Net sales	14,463	<b>21,434</b>	+6,971 ↑	+48.2%
Operating income	474	<b>2,762</b>	+2,288 ↑	+481.7%
Ordinary income	433	<b>3,042</b>	+2,609 ↑	+602.4%
Profit attributable to owners of parent	105	<b>1,773</b>	+1,668 ↑	+1,578.9%
USD average rate(yen)	+106.93yen	<b>+109.81yen</b>	+2.88yen ↑	-

# Operating Income Analysis (YoY Change)

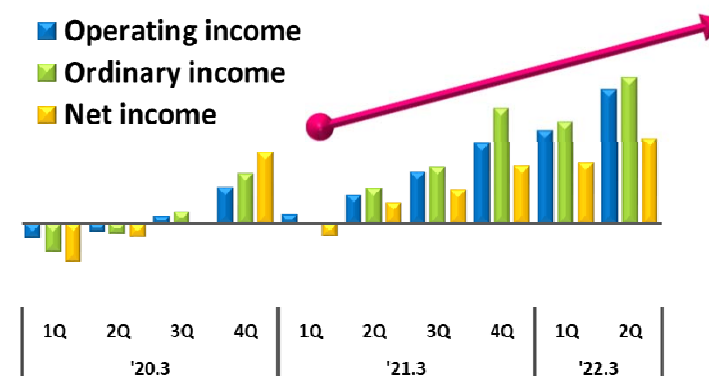
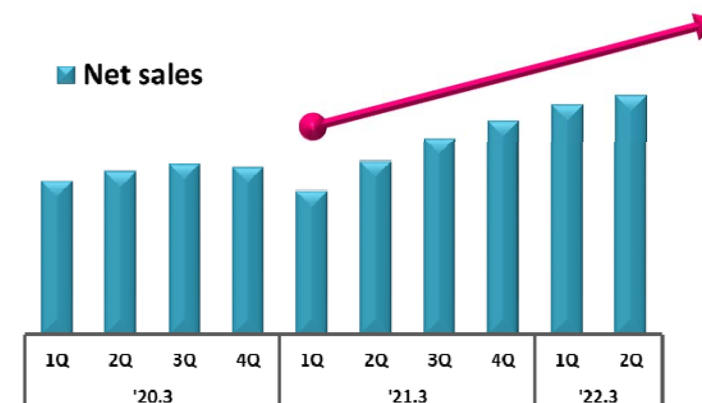


# Quarterly Performance Report

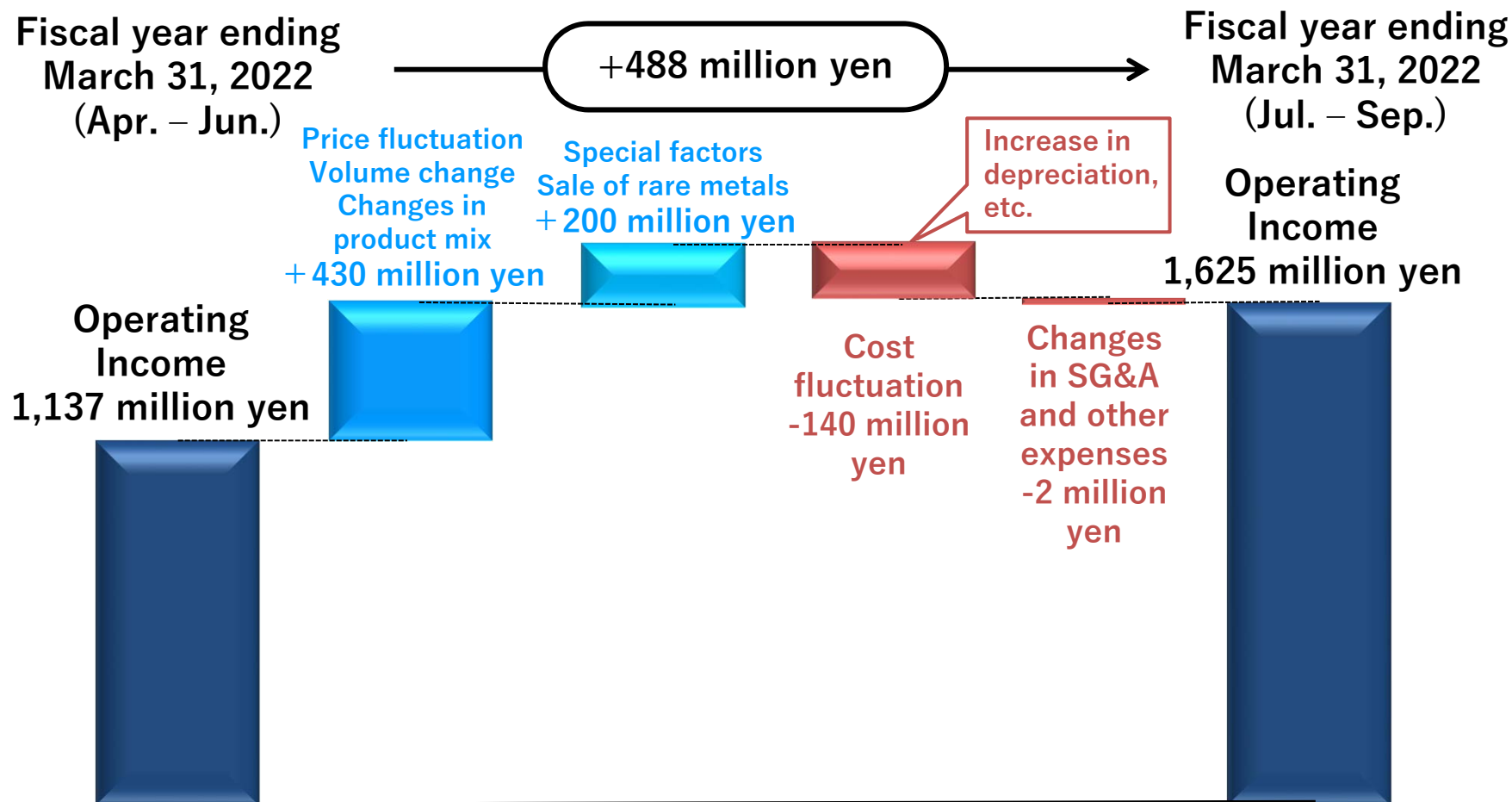
**Record-high profit**

Sales and profit increased for five consecutive quarters.  
(Operating income/Net income rose consecutively.)

	Fiscal Year Ending	Fiscal Year Ending	Unit : Million yen	
	March 31, 2022 Apr.-Jun.	March 31, 2022 Jul.-Sep.	QoQ Change	
Net sales	10,507	<b>10,927</b>	+420 ↑	+4.0%
Operating income	1,137	<b>1,625</b>	+488 ↑	+42.9%
Ordinary income	1,234	<b>1,808</b>	+574 ↑	+46.3%
Profit attributable to owners of parent	740	<b>1,033</b>	+293 ↑	+39.5%
USD average rate(yen)	+109.52yen	<b>+110.11yen</b>	+0.59yen ↑	-



# Operating Income Analysis (QoQ Change)

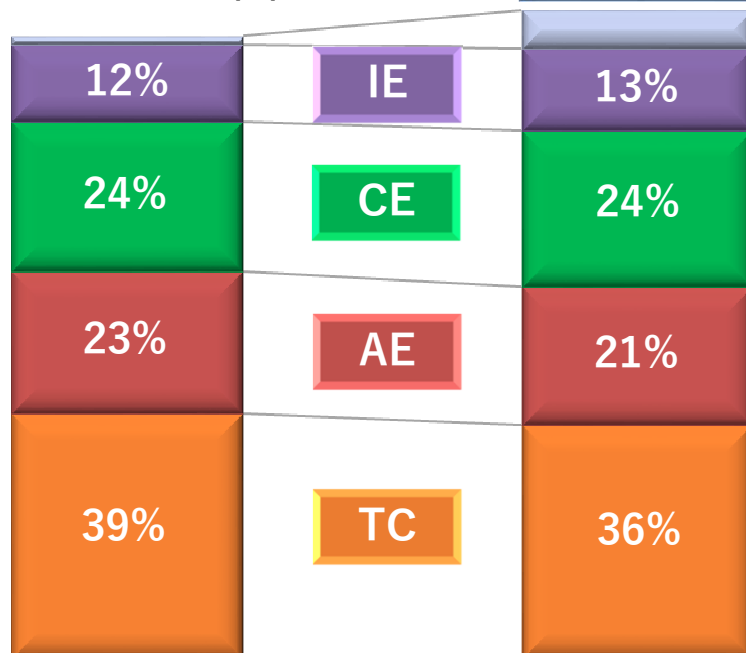


# Sales by Application (QoQ Change)



TC: Telecommunications  
 AE: Automotive Electronics  
 CE: Consumer Equipment  
 IE: Industrial Equipment

Special factors  
 Rare metals  
 Sales 400 million yen



Apr.-Jun. Fiscal Year Ending March 31, 2022  
 Jul.-Sep. Fiscal Year Ending March 31, 2022

※Breakdown of net sales

**IE** QoQ Change +6%

• Increased demand for FA/robot and housing-related applications.

**CE** QoQ Change +4%

• Continued strong sales of PC-related equipment and tablet devices.

**AE** QoQ Change -2%

• Sales for ADAS and electrification advanced although semiconductor shortages affected some regions.

**TC** QoQ Change -5%

• 5G smartphone devices performed well, but semiconductor shortages became obvious in some areas.

※Change in absolute amount

# Capital Expenditures / Depreciation / R&D Expenses

## YoY

	2Q of Fiscal Year Ended March 31, 2021	2Q of Fiscal Year Ending March 31, 2022	Unit : Million yen Change
Capital Expenditures	2,153	2,666	+513 ↑
Depreciation	1,374	1,659	+285 ↑
R&D Expenses	1,030	1,042	+12 ↑

## Major CAPEX

Photolithography-related facilities (wafers/assembly enhancement, development)  
Production facilities for ultra-low-profile crystal oscillator  
Harmony Electronics' second factory in Thailand

## QoQ

	Fiscal Year Ending March 31, 2022 Apr.-Jun.	Fiscal Year Ending March 31, 2022 Jul.-Sep.	Change
Capital Expenditures	1,424	1,242	-182 ↓
Depreciation	810	849	+39 ↑
R&D Expenses	520	522	+2 ↑

## Major R&D

Next-generation crystal device at higher frequencies  
Arkh series  
Larger raw crystal  
Larger wafer size

# Full Year Forecast

Unit : Million yen

	Fiscal Year Ended March 31, 2021	Fiscal Year Ending March 31, 2022		
		1st Half results	2nd Half forecasts	Full-year forecasts
Net sales	33,189	21,434	18,566	40,000
Operating income	2,089	2,762	2,038	4,800
Ordinary income	2,533	3,042	1,958	5,000
Profit attributable to owners of parent	1,223	1,773	627	2,400
USD average rate(yen)	106.10yen	109.81yen	110.00yen	
Capital Expenditures	4,355	2,666	6,334	9,000
Depreciation	2,921	1,659	1,941	3,600
R&D Expenses	2,048	1,042	1,358	2,400

**Upward revision**



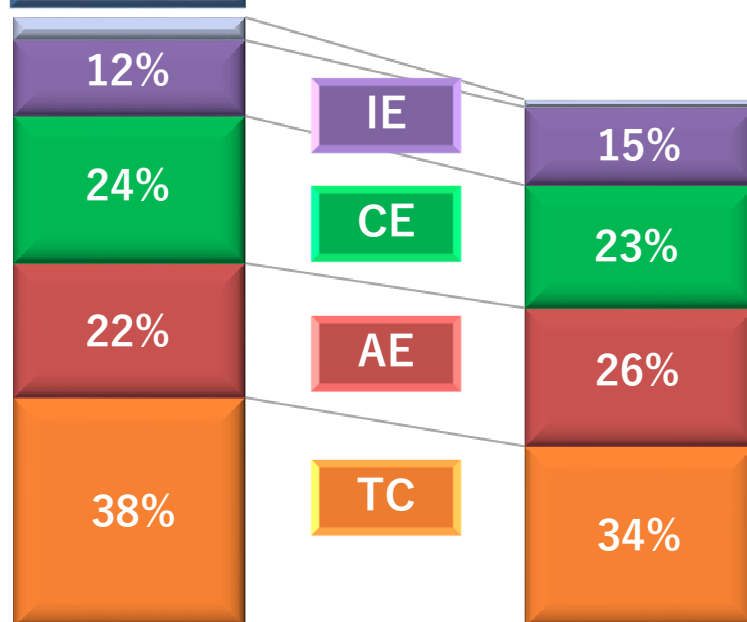
# Market Overview

## (1st Half Results vs. 2nd Half Forecast)

21,000 million yen → 18,500 million yen

+  
Special factors  
Rare metals  
Sales 400 million yen

TC: Telecommunications  
AE: Automotive Electronics  
CE: Consumer Equipment  
IE: Industrial Equipment



1st Half  
Fiscal Year Ending March 31, 2022

2nd Half

※Breakdown of net sales

**IE** HoH Change +3%

- Sales remained at a steady level (as in the first half).

**CE** HoH Change -17%

- Influenced by semiconductor shortages and seasonal factors.

**AE** HoH Change +2%

- Continued progress in ADAS applications and electrification.

**TC** HoH Change -21%

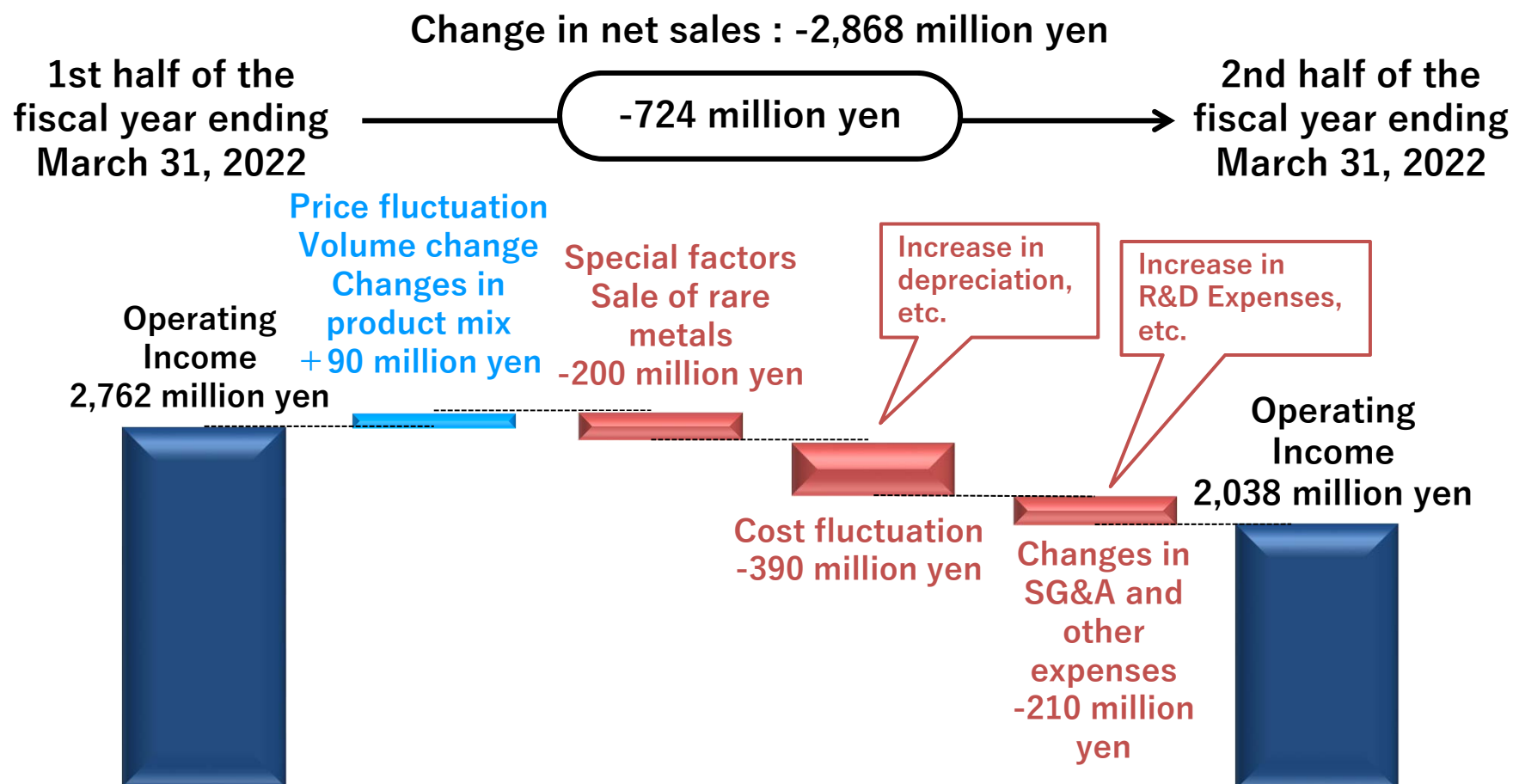
- Affected by semiconductor shortages.

※Change in absolute amount



The forecast remains unchanged and we have focused on the 1st Half from the beginning of the fiscal year.

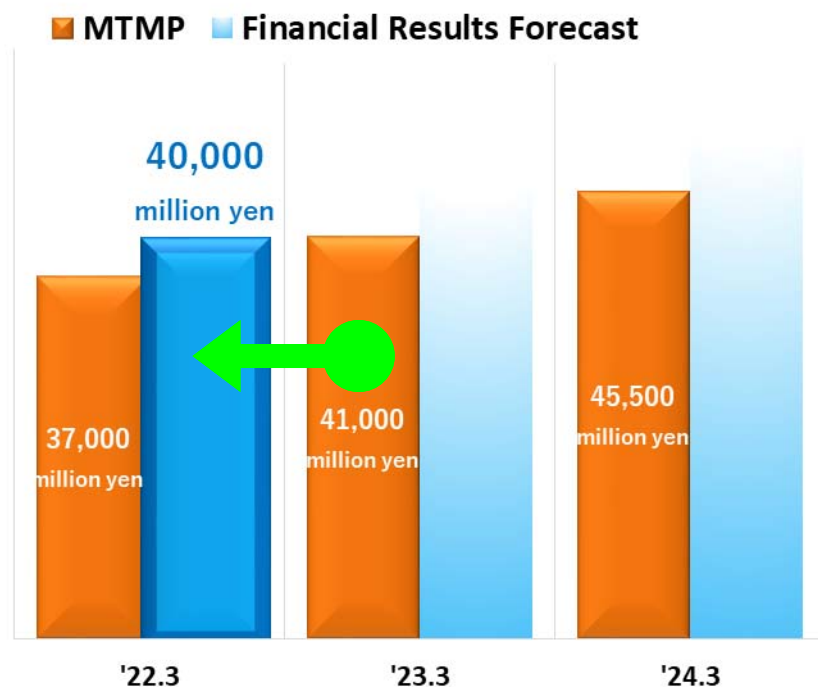
# Operating Income Analysis (1st Half Results vs. 2nd Half Forecast)



# Progress of 1st MTMP

\*1st MTMP: Established by DAISHINKU in 2021

## Net sales



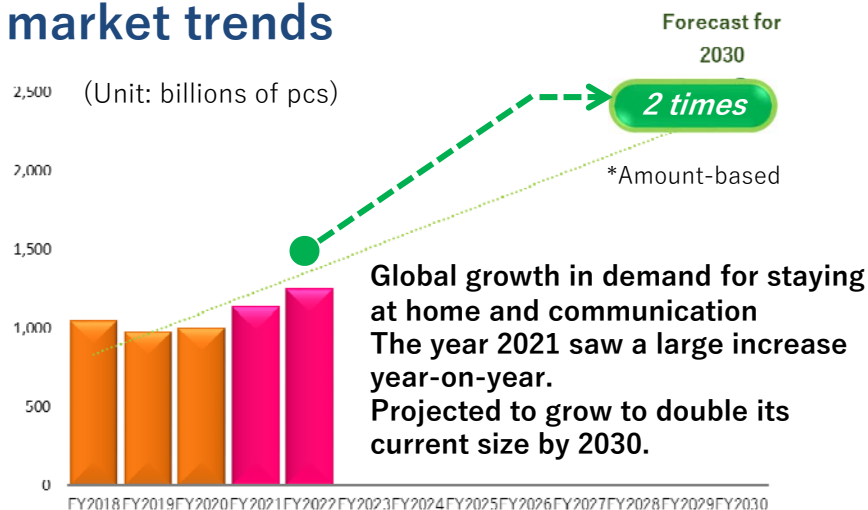
## Operating income



**1st MTMP has been carried out ahead of schedule.  
Aiming to achieve early achievement of Year 2 of MTMP.**

# Reasons for Moving Up

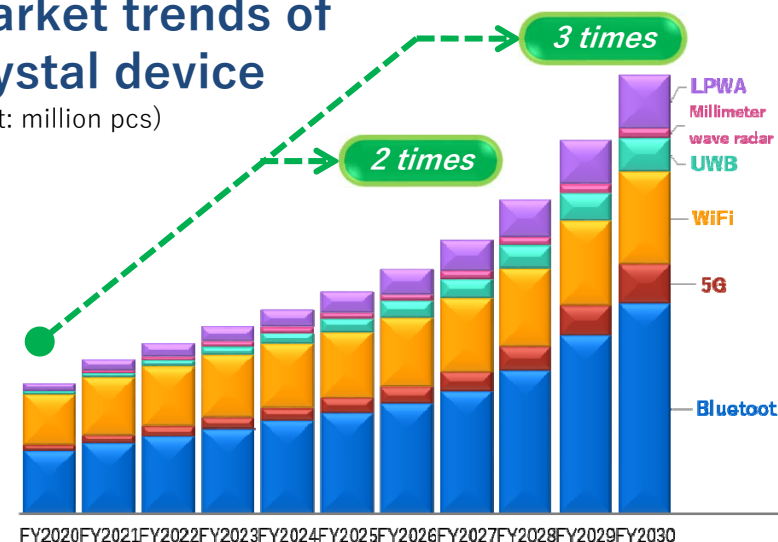
## Semiconductor market trends



\*Based on information from IC Insight, WSTS, METI, and other sources  
(Estimated by DAISHINKU)

## Wireless communication market trends of crystal device

(Unit: million pcs)



\*Based on information from Fuji Chimera and Techno Systems Research (Estimated by DAISHINKU)

## Crystal device market trends

(Unit: billion pcs)



\*Based on data from Quartz Crystal Industry Association of Japan (Estimated by DAISHINKU)

**5G · WiFi · Bluetooth Massive volume increase**

**For 5G/WiFi**  
→ MHz-band crystal resonator (photolithography)

**For IoT in general**  
→ kHz-band crystal resonator (photolithography)

**For IoT in general**  
→ MHz-band crystal resonator

# Addressing Volume Increase [Approach to Existing Products]

Crystal device for 5G, WiFi and IoT in general



Output maximization and environmental friendliness through innovation in production facilities  
“Flexible & Fully Automatic” production line under development

Target (vs. traditional system):

Equipment capacity (about **2.5** times), its area (approx. **50%**)

Output  
About **5** times  
(No floor space increase)

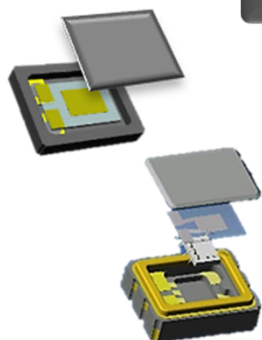
Robot verification system for complete automation

- Multi-articulated robot
- Self-propelled robot



# Addressing Volume Increase [Approach to Product Development]

## Existing model



Externally procured parts: Lid, Base, IC, Thermistor

Externally procured parts share  
約70%

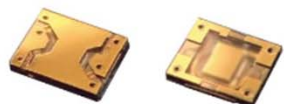
Ceramic package applications

- \*Can be sealed hermetically
- \* Required for high-precision devices
  - MEMS sensors/Image sensors
  - Optical communication module
  - Package for semiconductor
  - Package for crystal device

Difficulty in procuring parts and materials due to rapid increase in demand

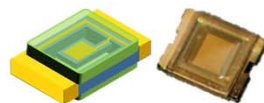
## What we do

### Arkh.3G



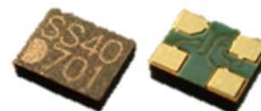
Externally procured parts share  
0%

### Arkh.4G



Resin film Adhesive-free  
Direct material cost reduction

### Molded Oscillator



Expanding mold technology to crystal  
Lead time reduction

Creating an environmentally sustainable society

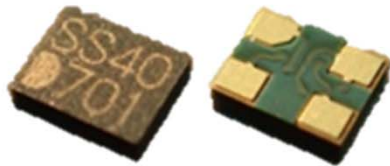


SDGs

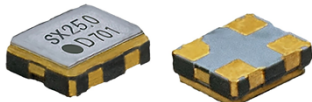
# New Development of Arkh Series

## Fusion of Arkh.Series + resin mold

### Molded resin products



[ Reference  
Existing model ]  
DSO211SXF



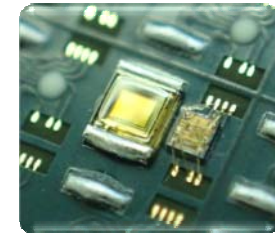
The Arkh series can be integrated into DAISHINKU mold oscillators, accelerating the market experience.



### Pursuing cost, environment, and delivery

Simultaneous development of various types of molded oscillators.

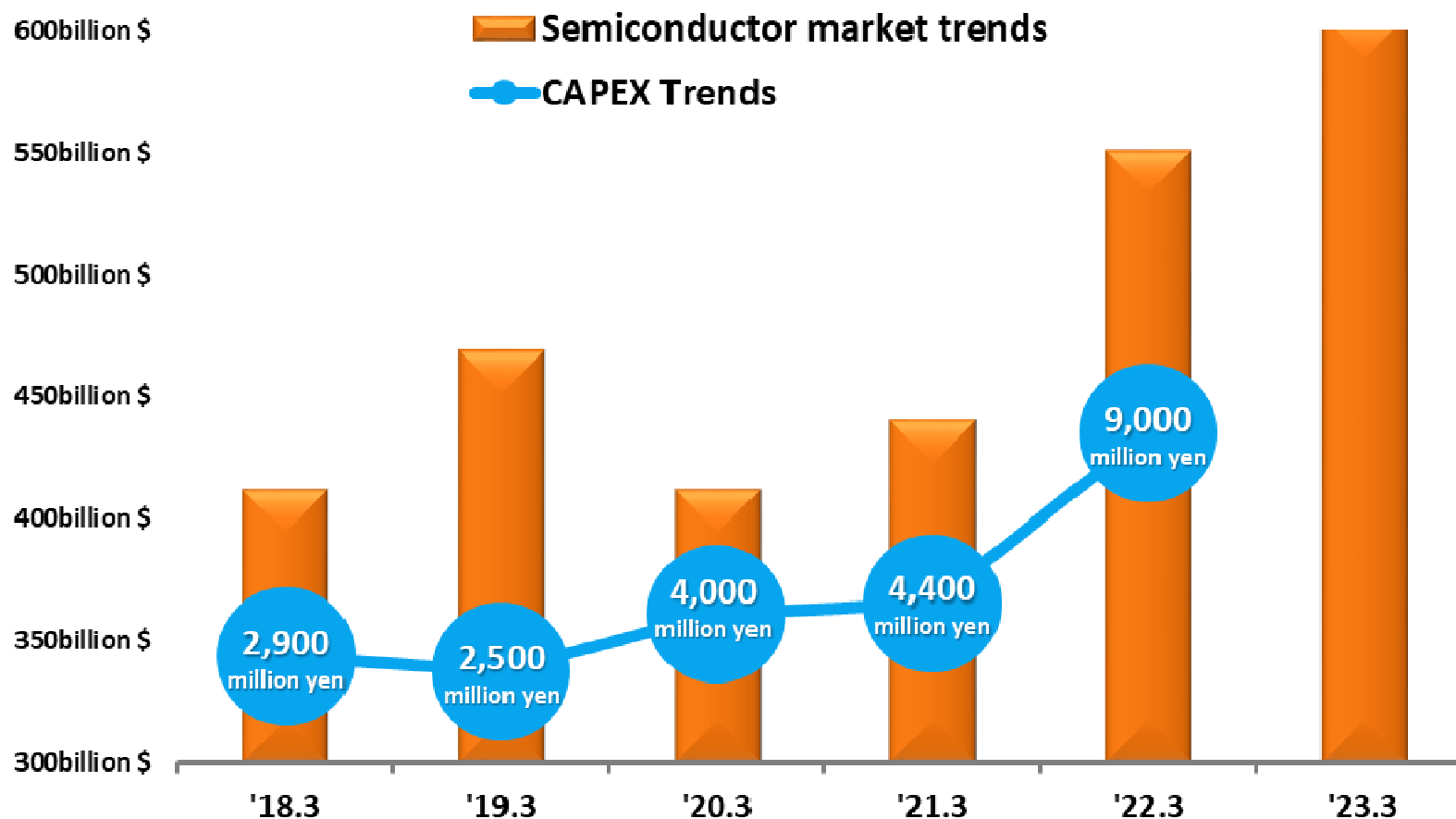
Scheduled for market launch in the next fiscal year.



- Traditional ICs are changing from ceramic to molded.
- Crystals cannot normally be molded, but the built-in Arkh series makes this possible.

# CAPEX Trends

Planning to invest 9,000 million yen in the fiscal year ending March 2022 to prepare for market expansion





# CAPEX Plan for FY2022

Increased from the initial plan of 7,000 million yen to  
**9,000 million yen**

Photolithography  
equipment for  
5G/WiFi/IoT

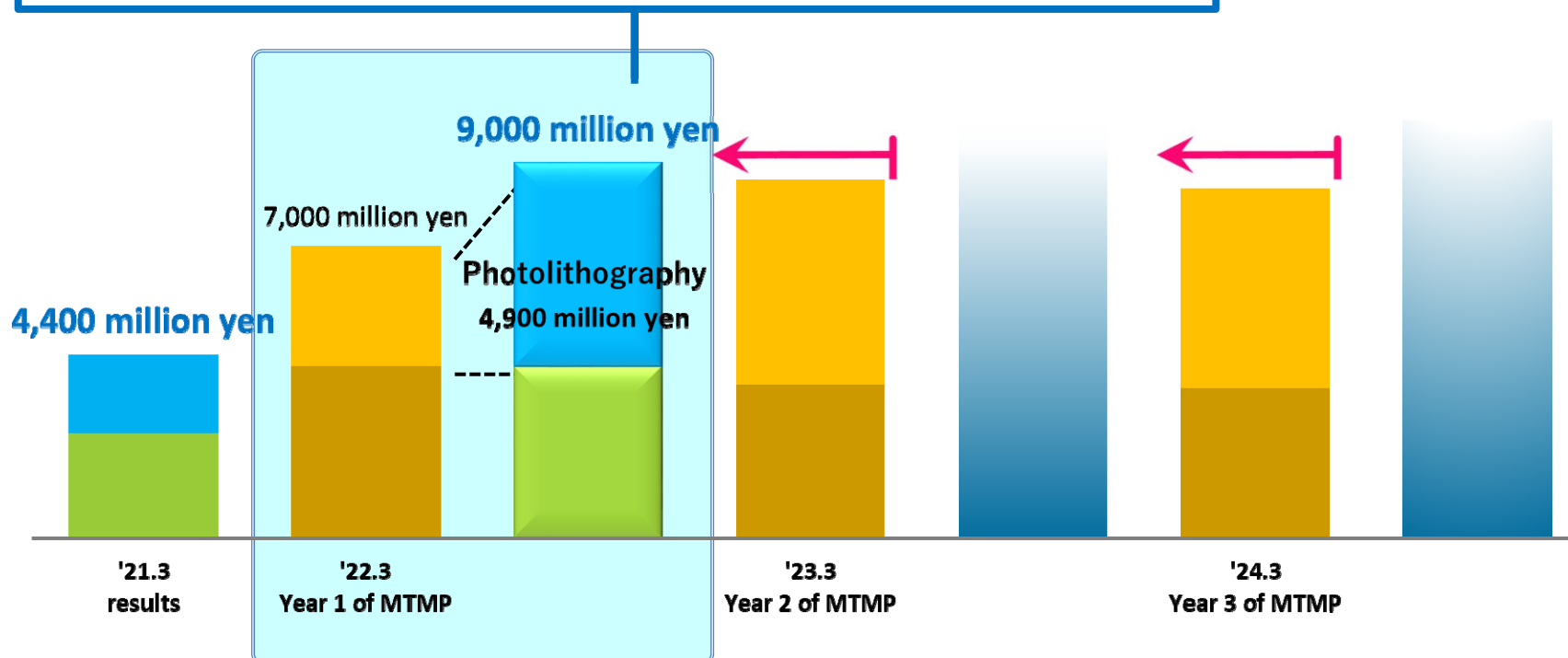
**3,900 million yen**

MHz-band  
equipment for  
car use, etc.

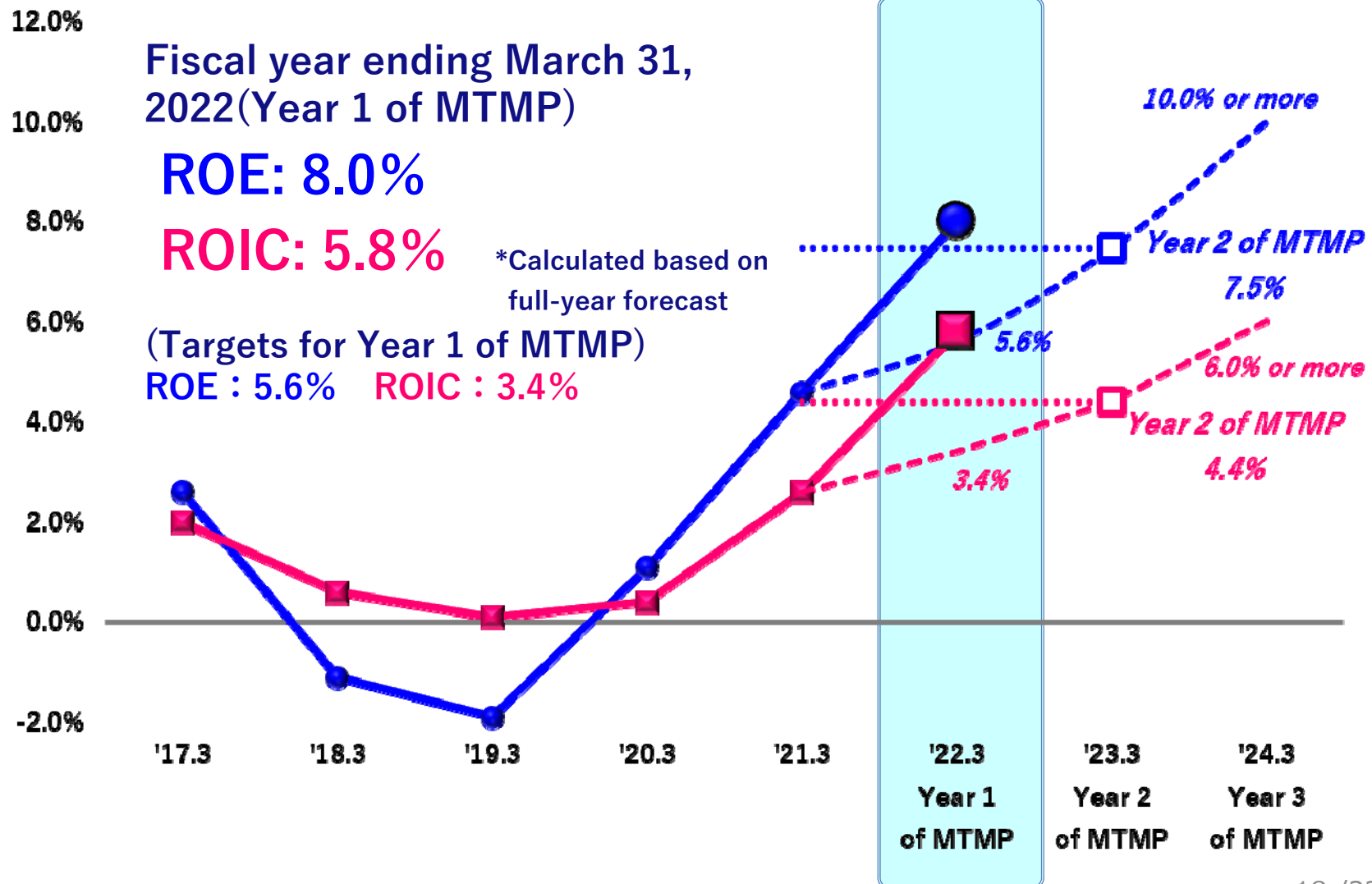
**3,200 million yen**

R&D for Arkh,  
photolithography,  
etc.

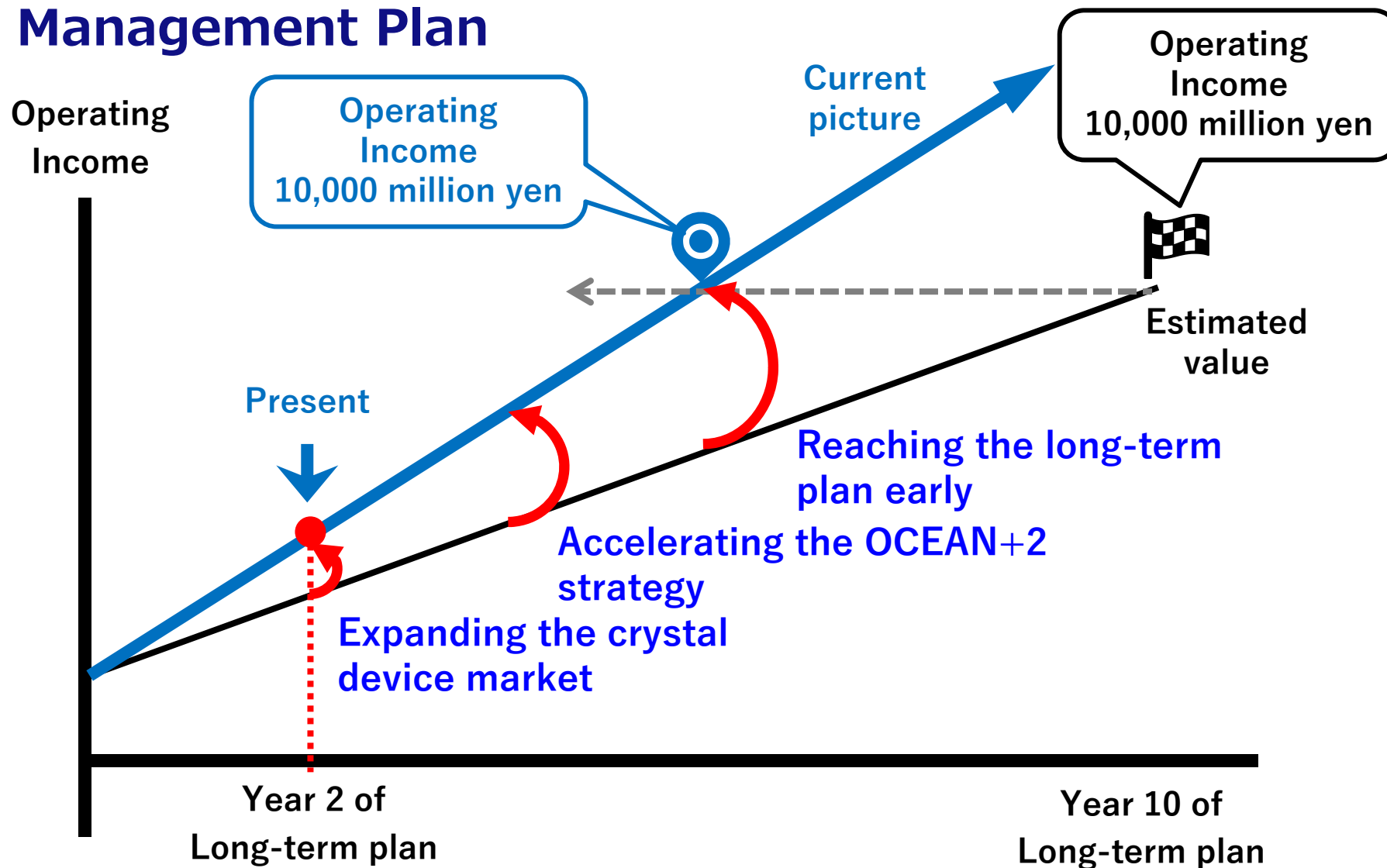
**1,900 million yen**



# ROE/ROIC Forecast (Management Indicators)



# Growth Vision of the Long-Term 10-Year Management Plan

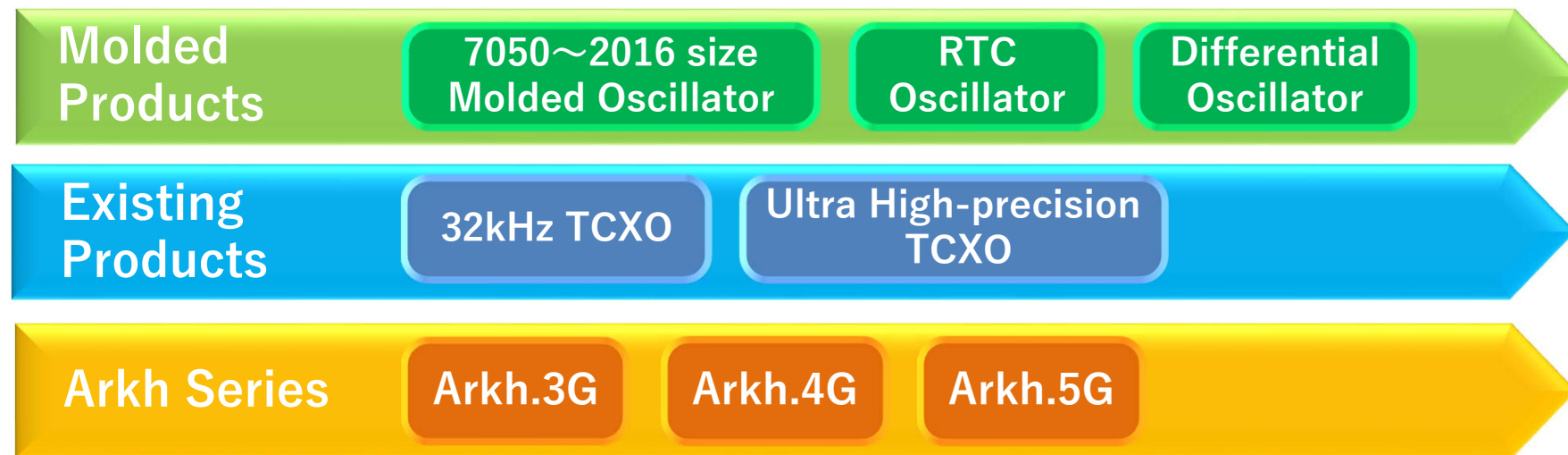


# Outlook for the Current Fiscal Year and Preparation for the Next Fiscal Year



- Semiconductor shortages will have impact from the 2Q to 4Q.
- Sales will temporarily decline in 2nd Half but will progress as planned.
- Must prepare for the next growth engine during this period.

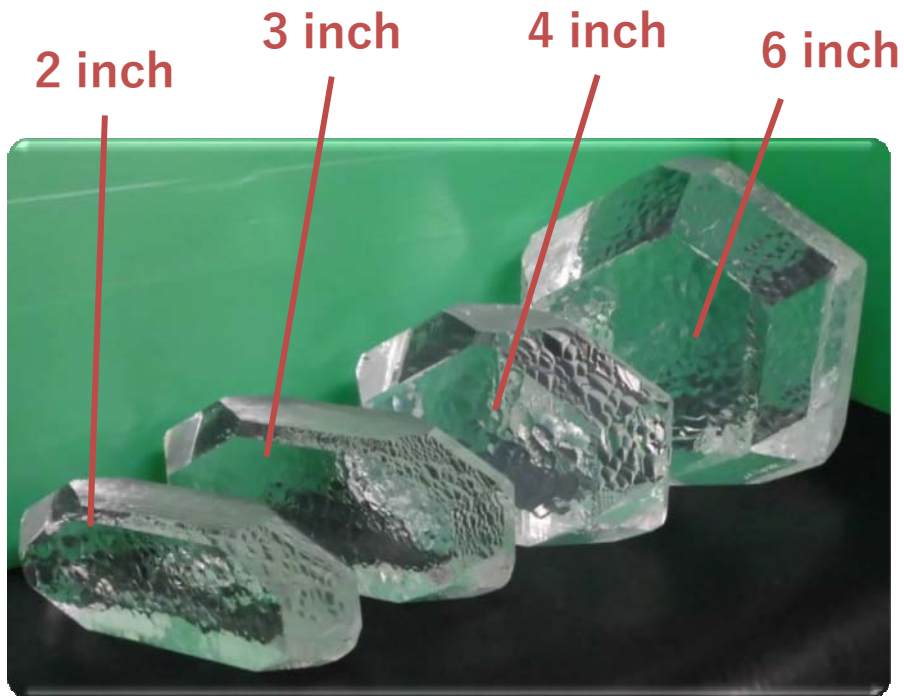
## Next big growth engine



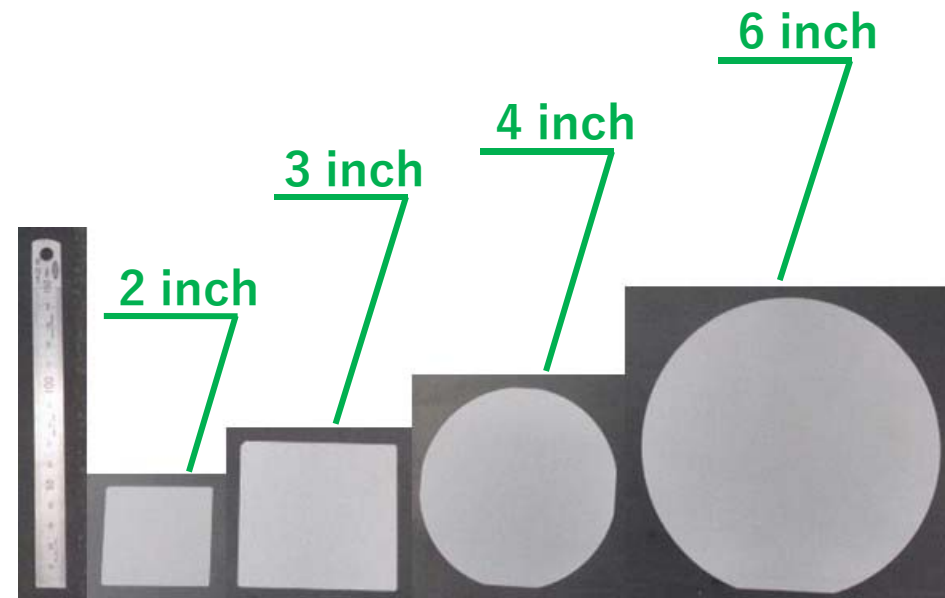
# Future Crystal Industry: Sources of Growth

Large wafers are essential for growth engines;  
no optimization is possible with small-size wafers.

Transition to larger raw crystal



Transition to larger wafers





# 信 頼

**"Reliance" is the policy we offer all our customers worldwide.**