

September 17, 2019

Daido Metal Co., Ltd.

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(For inquiry)
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**Notice on Filing of Correction Reports
for Annual Securities Reports and Quarterly Securities Reports**

Today, Daido Metal Co., Ltd. (hereinafter “the Company”) filed its correction reports for its Annual Securities Reports and its Quarterly Securities Reports with the Kanto Local Finance Bureau.

The Company also announced partial revisions of its Consolidated Financial Results for the same periods.

The Company expresses its deepest apologies to shareholders, business partners and other stakeholders for any inconvenience and concern this matter has caused.

1. Reasons for the corrections

The Company noticed that around 1.5 billion yen of accounts receivable as of March 31, 2019 at DAIDO METAL EUROPE LIMITED, the Company’s UK subsidiary, is past due, and set up an internal investigation committee to clarify the situation.

As reported earlier today in “Notice on Partial Revisions of Consolidated Financial Results” dated September 17, 2019, the Company received an investigation report from the committee. Based on the findings of investigation, the Company revised its past financial statements, and submitted its correction reports for its Annual Securities Reports and its Quarterly Securities Reports, as mentioned below, to the Kanto Local Finance Bureau.

2. Correction reports for the Annual Securities Reports and the Quarterly Securities Reports that are filed with the Kanto Local Finance Bureau today

FY2014 (year ended 2015/3)

The Annual Securities Report for the year ended 2015/3
(from April 1, 2014 to March 31, 2015)

FY2015 (year ended 2016/3)

The Annual Securities Report for the year ended 2016/3
(from April 1, 2015 to March 31, 2016)

FY2016 (year ended 2017/3)

The Quarterly Securities Report for the period ended September 30, 2016
(from July 1, 2016 to September 30, 2016)

The Quarterly Securities Report for the period ended December 31, 2016
(from October 1, 2016 to December 31, 2016)

The Annual Securities Report for the year ended 2017/3
(from April 1, 2016 to March 31, 2017)

FY2017 (year ended 2018/3)

The Quarterly Securities Report for the period ended June 30, 2017
(from April 1, 2017 to June 30, 2017)

The Quarterly Securities Report for the period ended September 30, 2017
(from July 1, 2017 to September 30, 2017)

The Quarterly Securities Report for the period ended December 31, 2017
(from October 1, 2017 to December 31, 2017)

The Annual Securities Report for the year ended 2018/3
(from April 1, 2017 to March 31, 2018)

FY2018 (year ended 2019/3)

The Quarterly Securities Report for the period ended June 30, 2018
(from April 1, 2018 to June 30, 2018)

The Quarterly Securities Report for the period ended September 30, 2018
(from July 1, 2018 to September 30, 2018)

The Quarterly Securities Report for the period ended December 31, 2018
(from October 1, 2018 to December 31, 2018)

The Annual Securities Report for the year ended 2019/3
(from April 1, 2018 to March 31, 2019)

3. Impact on past consolidated financial statements

Please refer below for the impact of the corrections on past consolidated financial statements. Please note that the Company also made corrections of errors that are not related to this case.

(Thousand yen)

Period		Before corrections (A)	After corrections (B)	Change (B-A)
FY2014 Consolidated Financial Results (year ended 2015/3)	Net sales	85,015,207	85,015,207	0
	Operating profit	7,633,976	7,588,484	-45,492
	Ordinary profit	8,129,581	8,084,089	-45,492
	Profit attributable to owners of parent	4,459,895	4,312,131	-147,763
	Total assets	116,533,314	115,944,214	-589,100
	Net assets	53,093,921	52,504,820	-589,100
FY2015 Consolidated Financial Results (year ended 2016/3)	Net sales	81,400,799	81,400,799	0
	Operating profit	7,114,785	6,904,801	-209,983
	Ordinary profit	6,796,474	6,586,491	-209,983
	Profit attributable to owners of parent	3,919,856	3,709,873	-209,983
	Total assets	122,920,549	122,146,659	-773,889
	Net assets	52,148,245	51,374,355	-773,889
FY2016 the second quarter (from July 1, 2016 to September 30, 2016)	Net sales	39,314,077	39,314,077	0
	Operating profit	2,894,339	2,782,811	-111,527
	Ordinary profit	2,610,067	2,498,539	-111,527
	Profit attributable to owners of parent	1,793,481	1,681,953	-111,527
	Total assets	118,925,239	118,224,462	-700,777
	Net assets	50,630,322	49,911,552	-718,770
FY2016 the third quarter (from October 1, 2016 to December 31, 2016)	Net sales	58,483,222	58,483,222	0
	Operating profit	3,953,347	3,816,867	-136,479
	Ordinary profit	3,926,318	3,789,839	-136,479
	Profit attributable to owners of parent	2,479,402	2,342,922	-136,479
	Total assets	137,453,058	136,739,924	-713,134
	Net assets	50,942,440	50,229,306	-713,134
FY2016 Consolidated Financial Results (year ended 2017/3)	Net sales	85,073,690	85,073,690	0
	Operating profit	5,103,974	4,700,053	-403,921
	Ordinary profit	5,427,663	5,023,742	-403,921
	Profit attributable to owners of parent	2,635,759	2,212,365	-423,393
	Total assets	155,284,467	154,283,699	-1,000,768
	Net assets	52,964,800	51,915,216	-1,049,584
FY 2017 the first quarter (from April 1, 2017 to June 30, 2017)	Net sales	24,811,678	24,811,678	0
	Operating profit	948,189	906,068	-42,121
	Ordinary profit	1,081,963	1,039,842	-42,121
	Profit attributable to owners of parent	412,190	466,114	53,924
	Total assets	155,936,789	154,958,302	-978,487
	Net assets	52,884,246	51,905,759	-978,487

(Thousand yen)

Period		Before corrections (A)	After corrections (B)	Change (B-A)
FY 2017 the second quarter (from July 1, 2017 to September 30, 2017)	Net sales	51,085,698	51,085,698	0
	Operating profit	2,163,041	2,315,670	152,628
	Ordinary profit	2,220,016	2,372,645	152,628
	Profit attributable to owners of parent	721,848	893,949	172,101
	Total assets	157,287,198	156,393,307	-893,890
	Net assets	54,369,720	53,475,829	-893,890
FY 2017 the third quarter (from October 1, 2017 to December 31, 2017)	Net sales	78,329,899	78,329,899	0
	Operating profit	4,564,243	4,704,996	140,753
	Ordinary profit	4,739,712	4,880,465	140,753
	Profit attributable to owners of parent	2,292,395	2,452,621	160,225
	Total assets	159,744,279	158,805,695	-938,583
	Net assets	56,585,531	55,646,948	-938,583
FY2017 Consolidated Financial Results (year ended 2018/3)	Net sales	106,648,857	106,648,857	0
	Operating profit	6,511,201	6,628,703	117,501
	Ordinary profit	6,708,682	6,826,184	117,501
	Profit attributable to owners of parent	3,281,690	3,590,111	308,421
	Total assets	161,366,191	160,400,945	-965,245
	Net assets	57,940,936	57,147,138	-793,798

(Million yen)

Period		Before corrections (A)	After corrections (B)	Change (B-A)
FY2018 the first quarter (from April 1, 2018 to June 30, 2018)	Net sales	26,686	26,686	0
	Operating profit	1,654	1,564	-89
	Ordinary profit	1,589	1,499	-89
	Profit attributable to owners of parent	1,013	751	-261
	Total assets	158,945	157,910	-1,034
	Net assets	57,075	56,040	-1,034
FY2018 the second quarter (from July 1, 2018 to September 30, 2018)	Net sales	53,822	53,822	0
	Operating profit	3,529	3,361	-168
	Ordinary profit	3,541	3,372	-168
	Profit attributable to owners of parent	2,098	1,758	-339
	Total assets	165,677	164,591	-1,086
	Net assets	65,387	64,301	-1,086

(Million yen)

Period		Before corrections (A)	After corrections (B)	Change (B-A)
FY2018 the third quarter (from October 1, 2018 to December 31, 2018)	Net sales	82,173	82,173	0
	Operating profit	5,589	5,299	-290
	Ordinary profit	5,518	5,228	-290
	Profit attributable to owners of parent	3,203	2,742	-461
	Total assets	165,675	164,442	-1,233
	Net assets	66,068	64,835	-1,233
FY2018 Consolidated Financial Results (year ended 2019/3)	Net sales	107,718	107,718	0
	Operating profit	6,944	6,599	-345
	Ordinary profit	6,976	6,630	-345
	Profit attributable to owners of parent	4,565	4,135	-429
	Total assets	163,118	161,881	-1,236
	Net assets	66,490	65,253	-1,236

(Notes) Effective from the beginning of the fiscal year ending March 31, 2019, monetary amounts are shown in units of million yen.

This is a translation of the Japanese press release for reference purposes only. In the event of any discrepancy, the Japanese original shall prevail.