

May 14, 2020

Daido Metal Co., Ltd.

Seigo Hanji

Chairman and Chief Executive Officer

(Code) 7425 TSE and NSE 1st Section

(For inquiry)

Motoyuki Miyo

Director and Managing Executive Officer

Head of Corporate and Financial Planning Division

(TEL: +81-52-205-1400)

**Notice Regarding Differences between Financial Forecasts and Actual Results
for the Fiscal Year Ending March 31, 2020**

Daido Metal Co., Ltd. (the Company) hereby informs you that there were differences in the forecasts for the fiscal year ending March 31, 2020, which was announced on September 17, 2019 and the results disclosed today.

1. Differences between Consolidated Forecasts and Results (April 1, 2019 to March 31, 2020)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast(A)	Million yen 100,100	Million yen 4,500	Million yen 4,400	Million yen 4,800	Yen 101.01
Actual results (B)	100,159	4,168	3,660	2,740	58.22
Difference (B-A)	59	-331	-739	-2,059	—
Difference (%)	0.1	-7.4	-16.8	-42.9	—
(*1) Previous period (year ended March 31, 2019)	107,718	7,262	6,630	4,135	93.72

Note *1. Results of the previous period are revised for the following:

- (1) Revisions reported as per release “Notice on Partial Revisions of Consolidated Financial Results for the Year Ended March 31, 2019” dated September 17, 2019.
- (2) Retrospective application of the change in accounting policy with regard to the treatment of the proceeds from disposal of scraps. Such proceeds were previously accounted for as Non-Operating income (Gain on sales of scraps).

From the beginning of current fiscal year, they are treated as deduction of manufacturing cost, and the previous period results are revised retrospectively.

2. Reasons for the difference

Although, NDC Co., Ltd., a consolidated subsidiary has been making every effort to improve their business performance, they recorded 2,051million yen in extraordinary losses (impairment loss) upon having analyzed future recoverability of non-current assets, considering the negative impact such as trade friction between the United States and China and in addition, the recent spread of new coronavirus infections, pursuant to the “Accounting Standard for Impairment of Non-current Assets”. The impact of this impairment loss (extraordinary loss) resulted in a profit attributable to owners of parent company of 976 million yen.

As a result, profits attributable to owners of the parent company was below the forecast announced on September 17, 2019.

For more details of the results for the fiscal year ended March 31, 2020, please refer to "Consolidated Financial Results for the Year Ended March 31, 2020" which the Company released today.

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