

We will strive to improve and sustainably develop the corporate value of the DAIDO METAL GROUP through “elevating corporate value through ESG (Environment, Social and Governance) efforts,” which is the basis of our Midterm Business Plan.

Every member of the DAIDO METAL GROUP has a role to play in the Midterm Business Plan “Raise Up ‘Daido Spirit’”

The Group is proceeding with “Raise Up ‘Daido Spirit’ — Ambitious, Innovative, Challenging—,” its Midterm Business Plan for six years from FY2018 to FY2023.

Amidst a dramatically changing and unpredictable environment the DAIDO METAL GROUP will accelerate its evolution and create a solid organization.

Action line 1

Strengthen current business lines further “True leader in Tribology”

The Company aims to capture the top global market share in all categories of plain bearings and establish a firm business foundation in every sector of this business. In addition to the markets where the Company already holds the top share, such as for half bearings for automotive engines, turbocharger bearings (small turbo) and low-speed marine diesel engine bearings, the Company will aim to capture the largest share of global markets for bearings used in medium- to high-speed marine and industrial engines, hydroelectric, combustion and wind power generators, and industrial machinery bearings including polymer bearings. To increase the market share for each bearing segment the Company will work toward developing new business and improving price competitiveness and quality, as well as productivity. With regard to aluminum die-cast products, the subsidiary DM Casting Technology (Thailand) Co., Ltd., which mainly produces aluminum die-cast products for electrified vehicles, has been in operation since February 2020.

The Company will further enhance its presence in the market for electrified vehicles in the future.

Action line 2

Create/foster new business lines “Define new business areas and foster them”

As a new business line through its open-innovation initiative, the Company concluded a business collaboration agreement with the startup company Spacely, Inc. in September 2020, and began full-fledged license sales of VR cloud-computing software in October 2020. For personnel training and passing down technology, which have become significant issues in the manufacturing industry in recent years, we are using VR-based training, etc., which provides an active experience as if the training were conducted on-site. In addition, the impact of the spread of the novel coronavirus disease (COVID-19) has served as the catalyst for interaction styles like remote training that avoid direct person-to-person contact, and we hope that this product and service will help to solve the problems faced by manufacturers. Utilizing more than 80 years of experience as a manufacturer producing a full lineup of plain bearings, we will provide an introduction support service from the user’s perspective.

As a new core business, the Company will continue to expand the market in Japan for the sound absorbing plate CALME (a porous plate made using a unique method for sintering aluminum) and work to increase its sales and number of applications by focusing on its high sound-absorption effect and reliable quality.

As for the bearing business for wind power generation in new business areas (including finding new applications in existing businesses) for the natural energy sector, because there are higher needs for offshore and onshore wind power generation and demand for bearings used for wind power generation is expected to grow in Europe, North America and China, the Company will create an organizational

structure for manufacturing those products and will focus on promoting such business.

As the internal structure for creating new business lines, the Company set up the dedicated “Future Creation” department in the Technology Division in October 2018, and has been committed to planning and conducting basic experiments in a variety of types of new field research. This was done in an effort to develop new products, without being bound by existing businesses in which we have a proven track record or experience, and we will continue working to create new business lines.



Seigo Hanji

Chairman &
Chief Executive Officer (CEO)

Action line 3

Enhance management/operational control platforms “Establish the management foundation, including systems and the financial structure”

Under the Group's previous Midterm Business Plan we succeeded in expanding a production and sales network in five regions worldwide. However, in order to develop a truly solid global management foundation we will rebuild an optimal global production and sales network, strategically reorganize our global organization, and strengthen and firmly establish our global research and development system. Furthermore, we are strengthening our global quality assurance program (which assures the same quality all over the world), promoting initiatives and activities based on specific themes, and have received high praise as a partner from our business partners.

To this end, the Group will make every effort to address these issues, such as by introducing a new production infrastructure leveraging the capabilities of the “Internet of Things (IoT),” so that it can flexibly respond to major changes in the business environment throughout the period of the Midterm Business Plan.

Action line 4

Energetic organization with animated communication and motivation “Develop people and an organization which can adapt to changes in the business”

In order to utilize the strengths of various people in different regions, we are taking steps to promote recruitment that pays attention to diversity and global human resources, and are working towards securing personnel that can help the Group grow to the next level. In addition to providing education and training, we are promoting various personnel policies based on the results of employee satisfaction surveys. By creating an open work environment through the utilization of a portal site, we are working to invigorate the organization through active discussions and communication among the employees about the issues that affect our future growth and are further emphasizing a healthy balance for employees between work and their personal lives.

In addition, based on the “Daido Metal Group Health and Productivity Management Statement” we are implementing measures aimed at reducing total working hours as part of our work style reforms, and regard promotion of physical and mental health of employees as an important management issue. We will therefore continue to promote the creation of a workplace where diverse staff can make full use of their personality and abilities, and the development of a proper working environment.

As part of the events to celebrate the 80th anniversary of our founding, we aim to open the planned new memorial building at the Inuyama Site Office in spring 2021, which we believe will enrich the employee welfare program and contribute to increasing employee motivation.

Promoting CSR activities and the achievement of SDGs as central management issues

As stated in the DAIDO METAL GROUP CSR Policies, the DAIDO METAL GROUP, as a responsible corporate citizen,

continues to serve society through its business, and strives to be a trustworthy partner with customers, shareholders, employees, business partners and the communities in which we operate, with our high standard of compliance and the contribution to the community.

In addition, in the Midterm Business Plan “Raise Up ‘Daido Spirit,’” the Group has set “increasing corporate value through ESG (Environment, Society, Governance) management” as a foundation for growth.

For the environment, we are developing new materials to increase the added value of new products and business lines which contribute to increased energy efficiency in the automotive industry and are environmentally friendly, while in the area of quality we are promoting quality innovation to further strengthen quality assurance and are promoting global activities in conjunction with our affiliated companies around the world. Furthermore, in addition to developing products that contribute to the environment and increasing their sales, we are steadily reducing CO₂ emissions (reducing energy consumption), adopting measures to reduce industrial waste in our global production network, and are engaged in ongoing environmental risk management activities.

For society, in addition to social contribution activities at the Company and its domestic and overseas locations, support for the “Fureai Trio Concert” for local residents, and planning factory tours, etc., the Company established a farm in Komaki City, Aichi where people with disabilities can work comfortably. Also, the Company established the “Daido Metal Group Health and Productivity Management Statement” in October 2018 and, as a result of actively promoting health management initiatives, the Company was certified as an outstanding enterprise in Health and Productivity Management (under the large enterprise category) selected by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (a health promotion organization).

For governance, the Company emphasized the creation of a solid governance system that will serve as the foundation for sustainable corporate growth, and worked to improve the system through measures such as observing compliance requirements and introducing an effectiveness evaluation system for the Board of Directors in view of the Corporate Governance Code. In order to broadly communicate these measures to our stakeholders we held IR events in the Tokai area, as well as worked to enhance dialogue through financial results briefing sessions and participation at various exhibitions. In addition, by posting ESG information on the newly established IR website, we worked to proactively disclose nonfinancial information.

Lastly, in order to fulfil our responsibility as a global company the Group is currently actively promoting initiatives to achieve the various goals set forth in the “Sustainable Development Goals (SDGs).” While informing employees to ensure that the activities become firmly rooted in the workplace, we will use the goals and targets of the SDGs as our compass for the future, and through our business activities we will solve social issues and be a company with value in the world.

We trust that these efforts will earn the confidence and continued support among our stakeholders.