

# Midterm Business Plan

## Progress of the Midterm Business Plan

### Action line 1 Strengthen current business lines further

- Expansion of market share
- Strengthening of profitability
- Production innovation, efficiency improvement and technology innovation

#### □ Secured the top share in three fields

We achieved the world's top share in the three fields. We aim to further expand our market shares.

Global market share of plain bearings


(On a calendar year basis / our own estimate) (%)

Application	Automotive engines	Turbochargers (Small turbo)	Low speed marine diesel engines	Medium to high-speed marine and industrial diesel engines	Polymer bearings	Industrial High-speed rotating machinery
FY2019	33.0	20.5	55.0	15.0	12.8	4.6
FY2020	33.5	19.6	58.0	15.0	12.9	4.9
FY2021	36.7 <b>TOP</b>	16.1 <b>TOP</b>	66.0 <b>TOP</b>	23.0 (No.2)	13.0 (No.2)	5.6


#### □ IoT in factories

We aim to improve productivity and quality control systems through the introduction of IoT in production sites, and establish a solid foundation that can flexibly respond to major changes in the business environment.

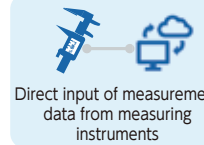
##### Key initiatives




Visualization of equipment operation status



Digitalization of daily work report entry



Direct input of measurement data from measuring instruments



Establishment of a traceability system using barcodes and other technologies

### Action line 2 Creating/fostering new business lines

- Sales expansion of die-cast aluminum products for EV
- Establishment of new businesses such as bearings for wind power turbines
- Research in new fields

#### □ Aluminum die-cast products

DM Casting Technology (Thailand) Co., Ltd. established and in operation

By applying the aluminum die-casting technology of ATA Casting Technology Co., Ltd., acquired in FY2016, we are strengthening the production of parts for electrically powered automobiles.

Commenced delivery of aluminum die-cast products for electrified vehicles

Products: Aluminum die-cast cases for PCUs (Power Control Units), cover cases for motors and inverters



DM Casting Technology (Thailand) Co., Ltd.

Power control unit

#### □ Formed pipes, knock pins, and NC machined products

We are strengthening the production of products for electrically powered automobiles by applying the precision metal processing technology of lino Manufacturing Co., Ltd., which we acquired in FY2016.

Commenced mass production and delivery of parts/components for electrically powered automobiles (plug-in hybrids)

Products: Transmission pipes, motor parts/components

⇒ Going forward, we will promote measures to strengthen competitiveness, such as the use of local materials and local production, with the aim of further expanding orders.

#### □ Establishment of new organization (April 2022)

##### Newly established EV Shift Action Promotion Department

In order to strengthen the Group's ability to respond to the accelerating electrification of automobiles around the world, we have established the dedicated EV Shift Action Promotion Department. We will respond to the shift not only to EVs, but also to vehicles that do not use fossil fuels (hydrogen-fueled vehicles, etc.), in order to link the needs of the automotive industry to new businesses.

##### Newly established Wind Turbine Technology R&D Institute

In order to expand sales of the wind turbine business, we have established the Wind Turbine Technology R&D Institute as an organization dedicated to the development (design and evaluation) of basic technology related to wind turbine bearings. We will work to further speed up the sales expansion of the wind turbine business.

#### □ Taking on a challenge in the renewable energy field

##### Adopted by NEDO "Green Innovation Fund Project (Project for Lowering the Cost of Offshore Wind Power Generation)"

- Next Generation Wind Turbine Technology Development Project  
(Development of Hydrodynamic Bearings in the Wind Turbine Main Bearing location) -

Daido Metal Co., Ltd. is pleased to announce that we have applied for a next-generation wind turbine technology development project (development of wind turbine main bearings using hydrodynamic bearings) under the Japanese Government's Green Innovation Fund Project (hereinafter referred to as "the Project") of the New Energy and Industrial Technology Development Organization (NEDO). The project was selected on 21 January 2022.

Based on the development of next-generation wind turbine technology to cope with the growing size of wind turbines, this project aims to reduce the cost of offshore wind power generation, mainly floating wind turbines, which can be installed in deep sea areas. Through this project we will contribute to the social implementation of offshore wind power generation and the realization of carbon neutrality by 2050.



### Action line 3 Enhance management/ operational control platform

- Enhancement of consolidated business management
- Restructuring of global quality assurance system, global technology development, and global production system
- Introduction of global governance and Human Resources systems
- Strengthening of financial base

⇒ Details: Financial Strategies (P22-23), Strengthening Quality Assurance (P28), Strengthening Corporate Governance (P40-43), Re-enforcing Global Risk Management (P44-45)

### Action line 4 Energetic organization with animated communication and motivation

- Animated communication
- Creating a system to support challenges
- Creating culture of a dynamic organization and promote work style reform

Our non-consolidated indicators

	FY2019 (Actual)	FY2020 (Actual)	FY2021 (Actual)	FY2023 (Target)
Percentage of female employees (%) (Number of people)	14.9 (197)	15.1 (206)	14.8 (208)	14.0
Percentage of women in managerial positions (%) (Number of people)	4.9 (6)	4.9 (6)	5.3 (7)	7.0

⇒ Details: Revitalization of communication, enhancement of various training systems, and initiatives for diversity and health management (P29-30)