

The background is a vibrant blue sky with white clouds. In the upper left, two blue and white drones are flying. Below them is a white city skyline with various skyscrapers. In the lower left, a white high-speed train is on a track. Behind the train are several white wind turbines. At the bottom, a road with a green grassy shoulder shows a line of vehicles: a blue car, a purple car, an orange car, a green truck, and a yellow truck.

**FY2022**

# **Consolidated Financial Results**

**May 11, 2023**

**Daido Metal Co., Ltd.**

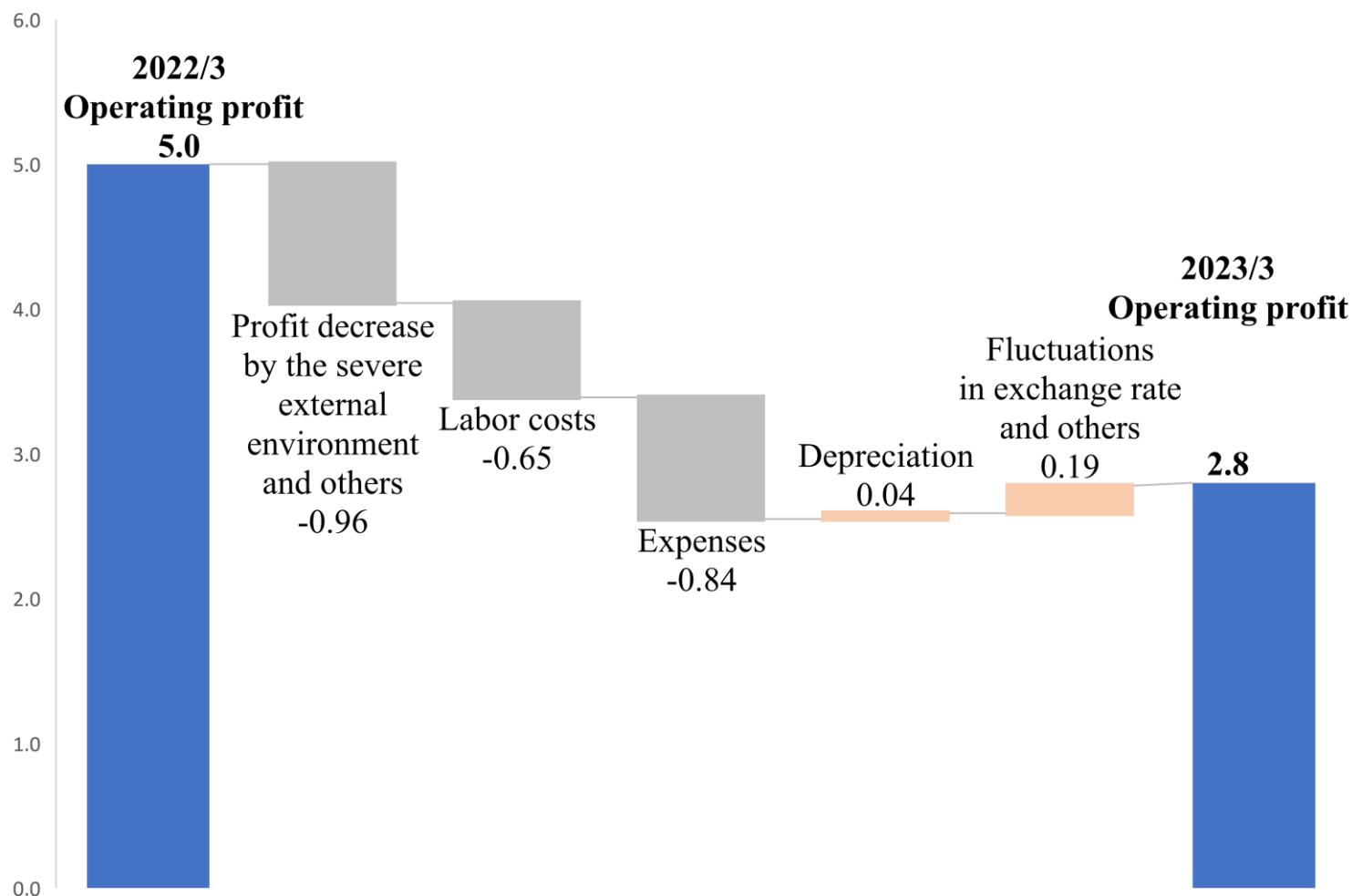
**[TSE Prime Market, NSE Premier Market]**

**Code:7245**

	Actual		Year-on-year comparison	
	2022/3	2023/3	Amount	%
Net sales	<b>104,024</b>	<b>115,480</b>	11,455	11.0%
Operating profit (Operating margin)	<b>5,042</b> (4.8%)	<b>2,824</b> (2.4%)	- 2,217 (- 2.4%)	- 44.0% -
Ordinary profit (Ordinary income margin)	<b>4,836</b> (4.6%)	<b>2,909</b> (2.5%)	- 1,926 (- 2.1%)	- 39.8% -
Profit attributable to owners of parent (Net profit margin)	<b>1,897</b> (1.8%)	<b>- 2,208</b> (- 1.9%)	- 4,106 (- 3.7%)	- -
Return on Equity (ROE)	<b>3.3%</b>	<b>- 3.6%</b>	- 6.9%	-
Net assets to total assets	<b>36.3%</b>	<b>35.3%</b>	- 1.0%	-
Net interest bearing debt	<b>34,110</b>	<b>37,825</b>	3,714	10.9%
Exchange rate (USD)	<b>115.02</b>	<b>132.70</b>	Exchange rate is TTM rate as of December 31.	
Exchange rate (EUR)	<b>130.51</b>	<b>141.47</b>		

# Causes of Fluctuation in Operating profit

Unit: JPY Billion



Although profit increased by about 0.23 JPY billion, profit decreased by about 2.2 JPY billion yen in total from the previous year due to a decrease of about 2.45 JPY billion in profit due to the severe external environment, higher labor cost and higher expenses.

# Overview <Forecast> for the FY2023

Unit: JPY Million



	Actual	Forecast	Year-on-year comparison	
	2023/3	2024/3	Amount	%
<b>Net sales</b>	<b>115,480</b>	<b>121,000</b>	5,519	4.8%
<b>Operating profit</b> (Operating margin)	<b>2,824</b> (2.4%)	<b>3,100</b> (2.6%)	275	9.7%
<b>Ordinary profit</b> (Ordinary income margin)	<b>2,909</b> (2.5%)	<b>2,200</b> (1.8%)	- 709	- 24.4%
<b>Profit attributable to owners of parent</b> (Net profit margin)	<b>- 2,208</b> (- 1.9%)	<b>200</b> (0.2%)	2,408	—
Exchange rate (USD)	<b>132.70</b>	<b>130.00</b>		
Exchange rate (EUR)	<b>141.47</b>	<b>142.00</b>		

\*TTM rate as of December 31.

**Impairment of fixed assets recorded by DM Casting Technology (Thailand) Co., Ltd., a consolidated subsidiary of our company, in the second quarter of FY2022.**

# Overview <Forecast> for the FY2023 Second Quarter

Unit: JPY Million

	Actual	Forecast	Year-on-year comparison	
	2022/9	2023/9	Amount	%
<b>Net sales</b>	<b>56,944</b>	<b>60,000</b>	3,055	5.4%
<b>Operating profit</b> (Operating margin)	<b>664</b> (1.2%)	<b>1,200</b> (2.0%)	535	80.5%
<b>Ordinary profit</b> (Ordinary income margin)	<b>941</b> (1.7%)	<b>700</b> (1.2%)	- 241	- 25.6%
<b>Profit attributable to owners of parent</b> (Net profit margin)	<b>- 2,475</b> (- 4.3%)	<b>- 210</b> (- 0.4%)	2,265	—
Exchange rate (USD)	<b>136.68</b>	<b>130.00</b>		
Exchange rate (EUR)	<b>142.67</b>	<b>142.00</b>		

\*TTM rate as of June 30.

# Dividend/ Dividend Payout Ratio

Unit: JPY



**(Forecast)**

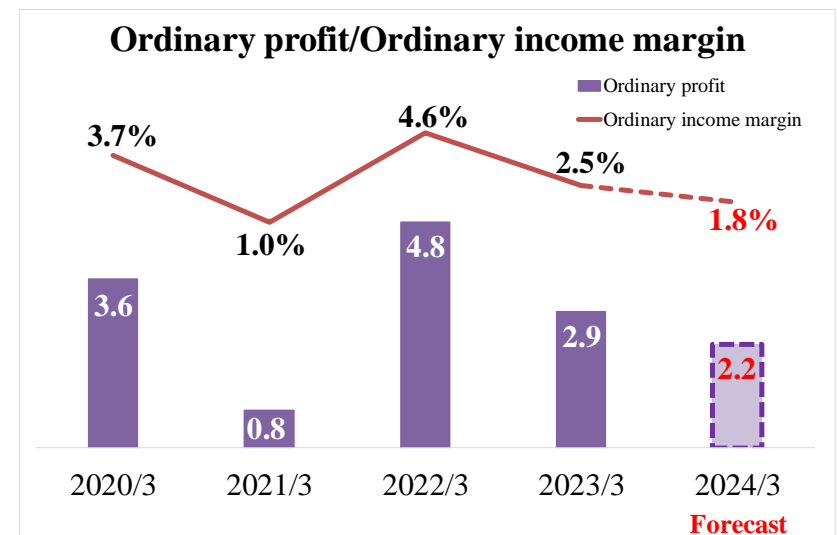
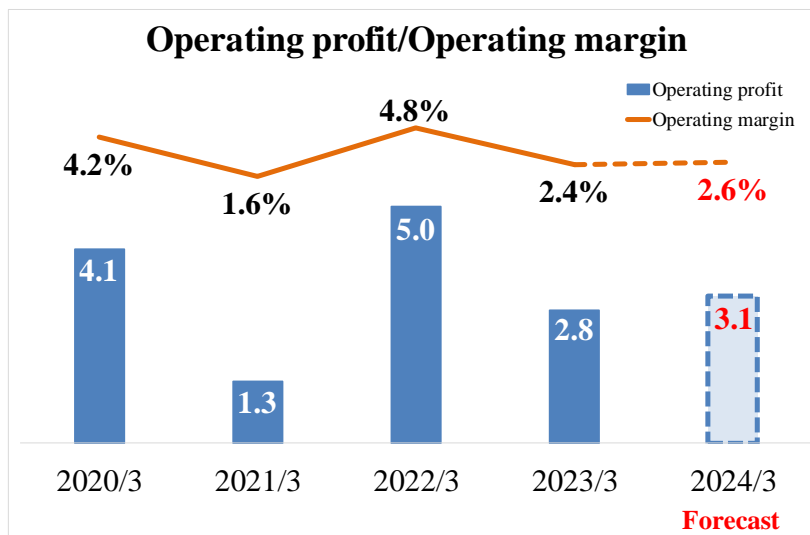
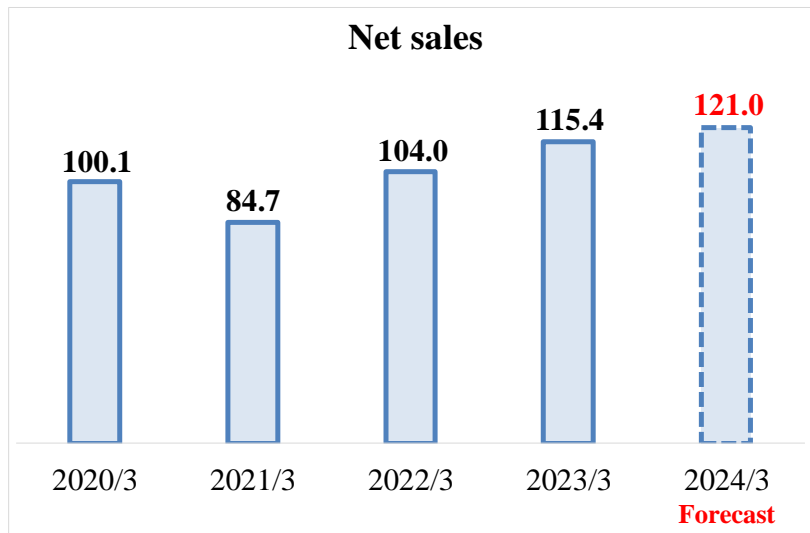
	FY2019	FY2020	FY2021	FY2022	FY2023
Interim	20 *1	10	10	10	2
Year-end	15	10	15	2 (Forecast)	6
Annual	35	20	25	12 (Forecast)	8

Dividend Payout Ratio	60.1%	888.7%	61.4%	—	188.7%
Dividend Yield (Year-end price basis)	6.5%	3.4%	4.4%	2.3%	—

(\* 1) The interim dividend for FY2019 : Regular dividend (15 yen) + Commemorative dividend (5 yen)

# Consolidated Financial Results

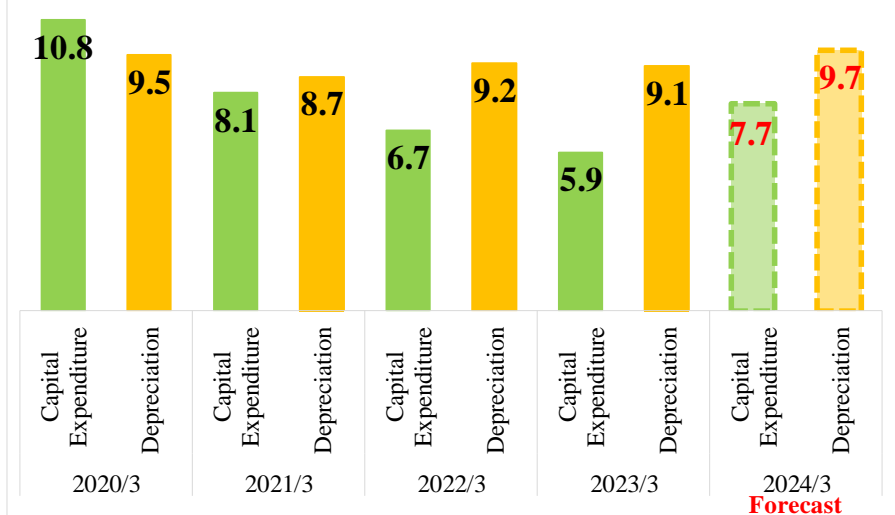
Unit: JPY Billion



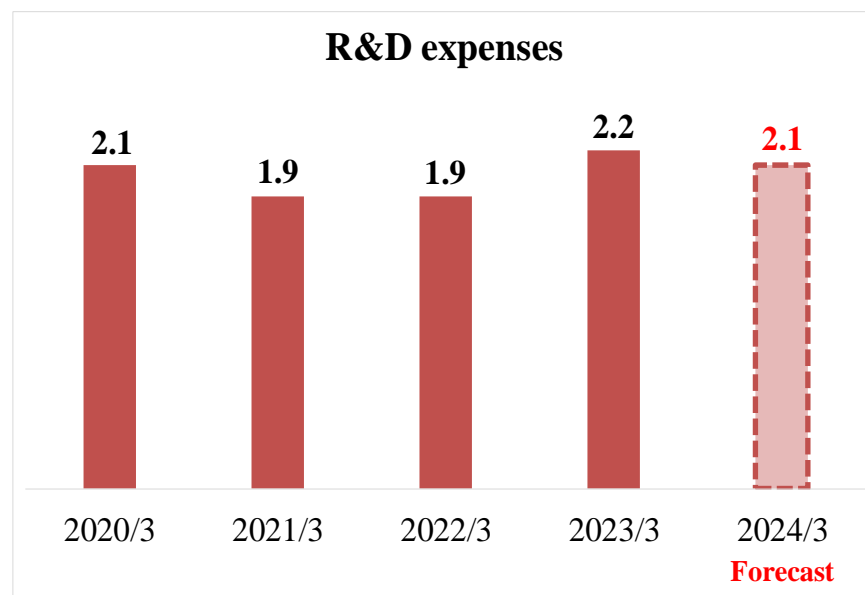
# Capital Expenditure, Depreciation and R&D expenses

Unit: JPY Billion

## Capital Expenditure/Depreciation



## R&D expenses





# Overview <Sales and Operating profit by Segment>

Unit: JPY Million

Segment	Net sales ratio 2023/3	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Automotive engine bearings	54.0%	5,081	8.7%	-1,419	-16.9%
Automotive non-engine bearings	16.6%	-909	-4.5%	-667	-20.0%
Non-automotive bearings	12.6%	3,731	33.7%	335	19.2%
Other automotive parts	15.1%	3,314	23.0%	-446	—
Others	1.8%	2	0.1%	35	10.2%
Elimination of inter-segment transactions		236		-54	
Total :		11,455	11.0%	-2,217	-44.0%

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

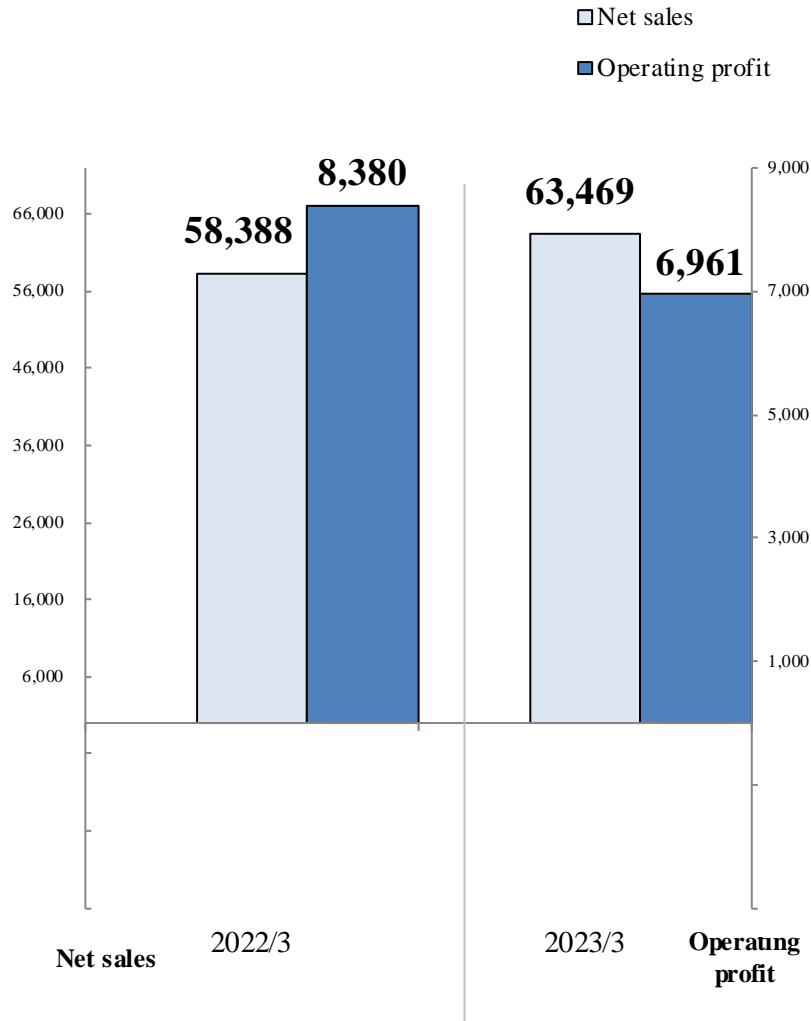
Unit: JPY Million



## Automotive engine bearings

(+)Gains (-)Losses

Year-on-year comparison



**【Net sales】 +5,081 (+8.7%)**

(+) Japan: Orders increased due to recent demand recovery despite the impact of production cuts at car manufacturers caused by semiconductor supply shortage for passenger cars.

(+) Japan: In trucks, the demand remained firm, and orders increased, despite the impact of semiconductor supply shortages.

(+) Thailand: Orders increased due to strong demand.

(-) China: Orders decreased due to the impact of the shortage of semiconductor supplies and the lockdown.

**【Operating profit】 - 1,419 (- 16.9%)**

(-) Impact of higher raw materials and energy costs.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

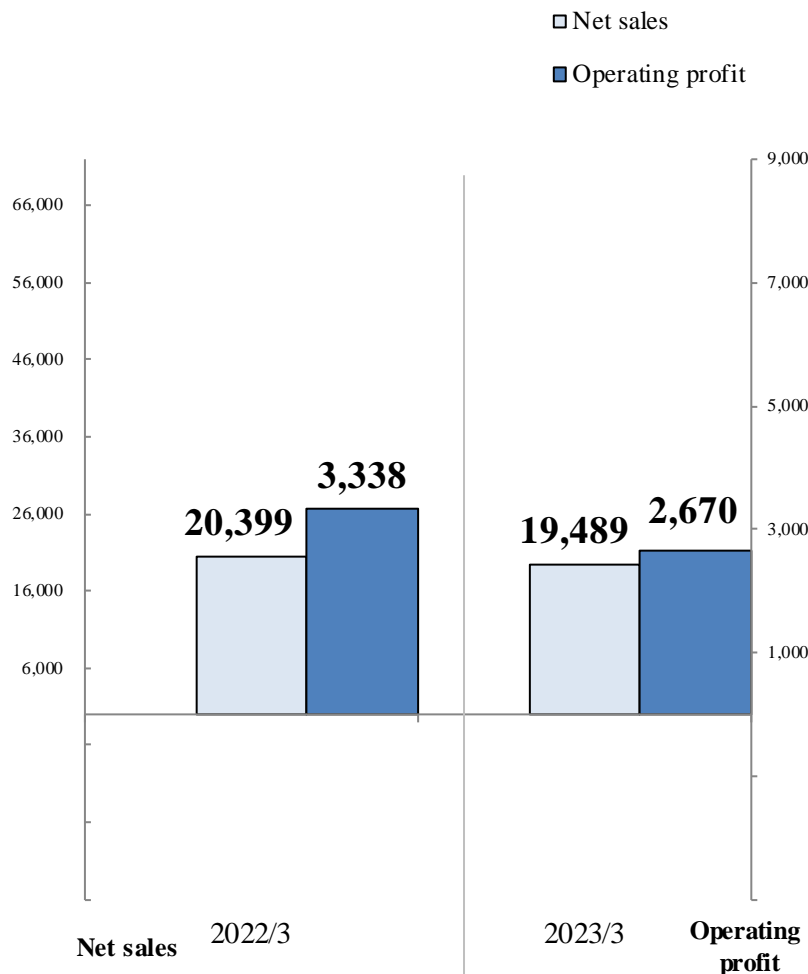
Unit: JPY Million



Year-on-year comparison

## Automotive non-engine bearings

(+)Gains (-)Losses



**【Net sales】 - 909 (- 4.5%)**

(-) Japan: Orders decreased due to the impact of production cuts at car manufacturers caused by semiconductor supply shortage despite steady demand for passenger cars.

(+) North America: Orders increased by the steady demand recovery from the COVID-19.

**【Operating profit】 - 667 (- 20.0%)**

(-) Impact of higher raw materials and energy costs.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million



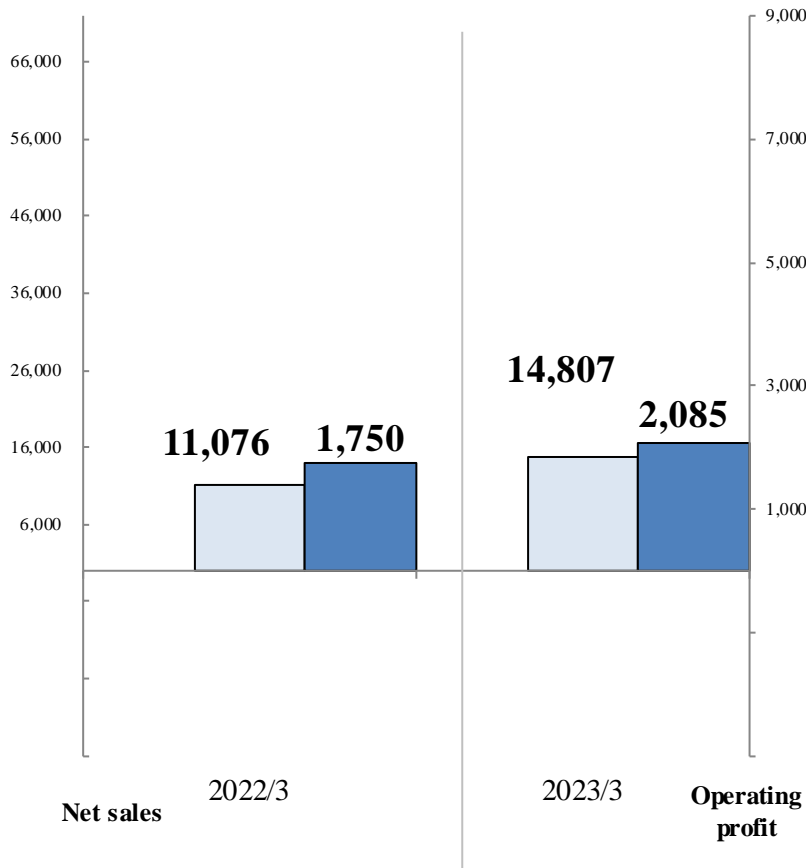
## Non-automotive bearings

(+)Gains (-)Losses

Year-on-year comparison

□ Net sales

■ Operating profit



**【Net sales】 +3,731 (+33.7%)**

(+) Ships: Orders increased due to strong demand and the demand recovery for maintenance, as well as new business developments for LNG carriers and tankers etc. for China.

(+) Construction machinery etc.: Orders increased due to increase in demand for assembly and service parts of construction machinery and generators.

(+) Energy sector : Orders increased for gas and steam turbine bearings due to demand recovery and inventory replenishment.

**【Operating profit】 +335 (+19.2%)**

(+) Impact of increased sales.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

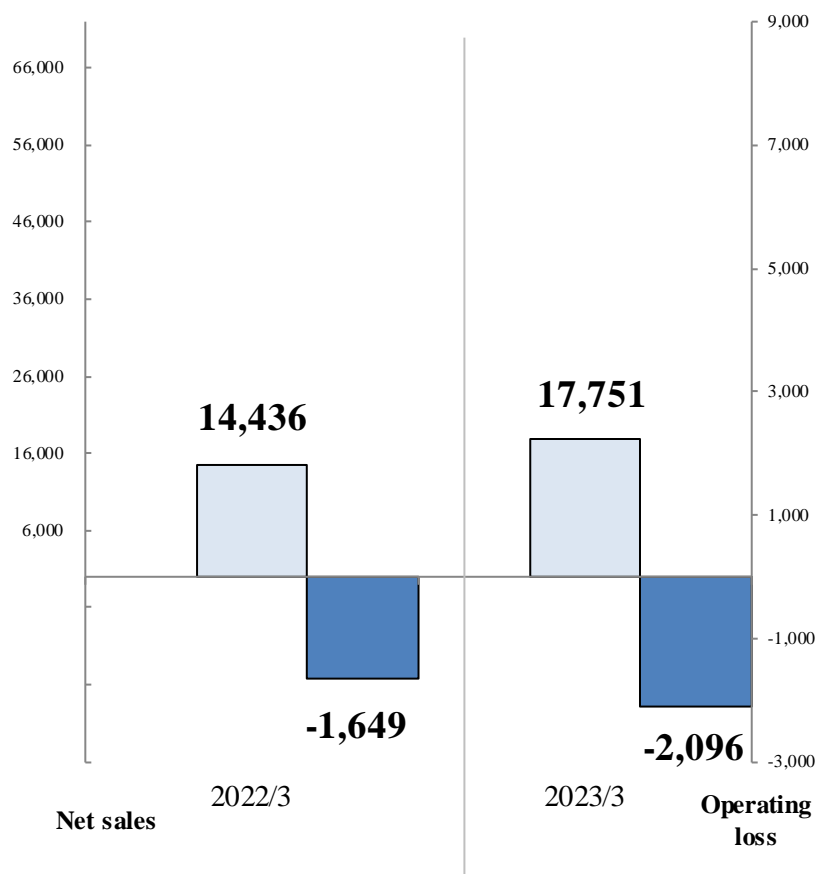


Year-on-year comparison

## Other automotive parts

(+)Gains (-)Losses

□ Net sales  
■ Operating loss



**【Net sales】 +3,314 (+23.0%)**

(+) Formed pipes, Knock pins, NC milled parts, etc.:  
Despite order decrease in local currencies due to global semiconductor supply shortage, sales in yen increased because of the depreciation of yen.

(+) Aluminum die cast products: Orders increased due to recovery from COVID-19 and new delivery of parts for electric vehicles.

**【Operating loss】 - 446 (-)**

(-) Formed pipes, Knock pins, NC milled parts, etc.:  
Impact of higher raw materials and energy costs.

(-) Aluminum die cast products: Impact of the slow improvement of production costs increased at the start of the full-scale operations and higher production costs for new orders.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

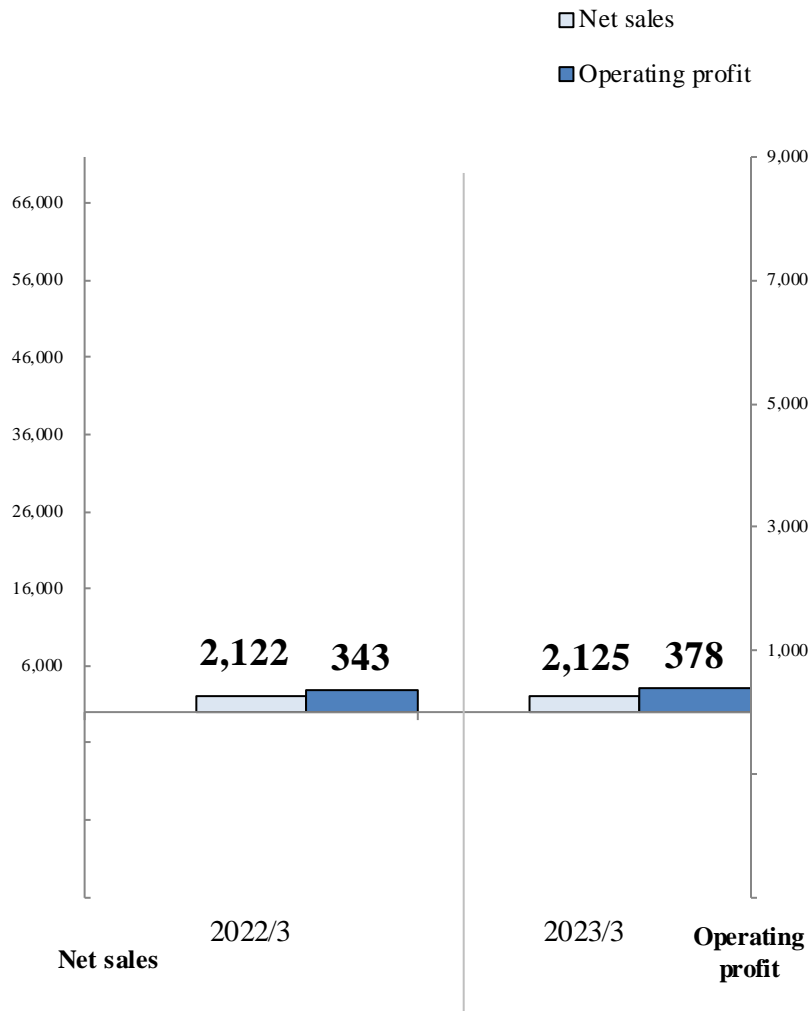
Unit: JPY Million



Year-on-year comparison

## Others

(+)Gains (-)Losses



**【Net sales】 +2 (+0.1%)**

(+) Despite a decrease in sales of lubrication systems for machine tools declined, orders slightly increased for metallic dry bearings in part due to new business development.

**【Operating profit】 +35 (+10.2%)**

(+) Impact of sales increase due to new development of value-added bearings.

\* “Others” includes the metallic dry bearings business, pump-related products businesses, electrode sheets for electric double layer capacitors, and real estate leasing business.

# Overview <Sales and Operating profit by Region>

Unit: JPY Million

Region	Net sales ratio 2023/3	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Japan	54.2%	2,113	2.8%	-1,470	-41.4%
Asia	25.7%	3,698	11.3%	-140	-15.0%
North America	11.0%	2,406	18.3%	-62	-12.5%
Europe	9.2%	1,312	11.2%	-701	—
Elimination of inter-segment transactions		1,924		157	
Total :		11,455	11.0%	-2,217	-44.0%

# Sales and Operating profit by Region

(Before elimination of internal transactions)

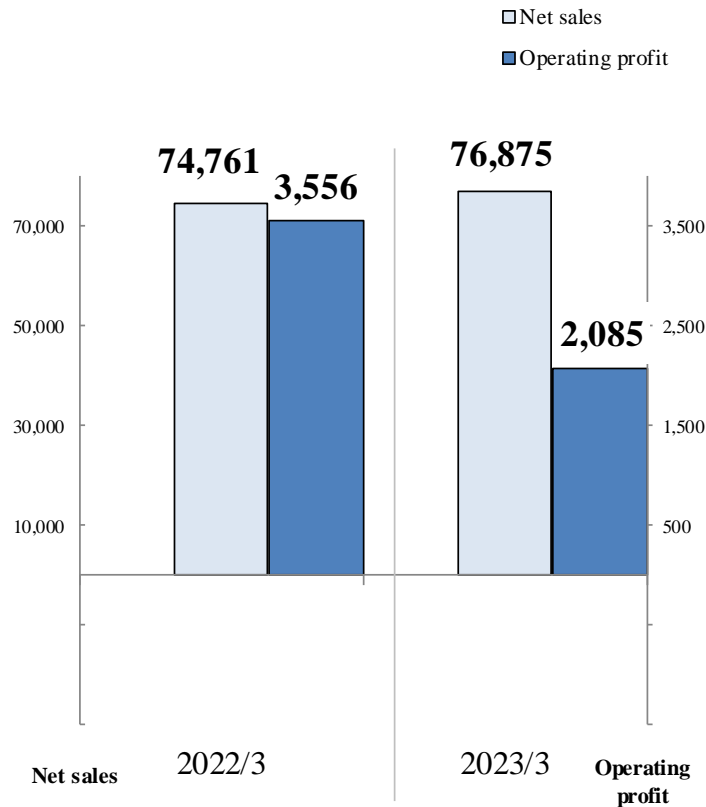
Unit: JPY Million



Year-on-year comparison

## Japan

(+)Gains (-)Losses



**【Net sales】 +2,113 (+2.8%)**

(+) Orders increased due to recent demand recovery despite the impact of production cuts at car manufacturers caused by semiconductor supply shortage for passenger cars.

(+) In trucks, the demand remained firm, and orders increased, despite the impact of semiconductor supply shortages.

(+) Orders increased due to increased demand for non-automotive bearings (Mainly ships and construction machinery, etc.) and new business developments of ships.

**【Operating profit】 - 1,470 (- 41.4%)**

(-) Impact of higher raw materials and energy costs.

\* Figures for 2022/3 have been reconfigured for operating profit or loss by the review of the elimination method of internal transactions.



# Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million

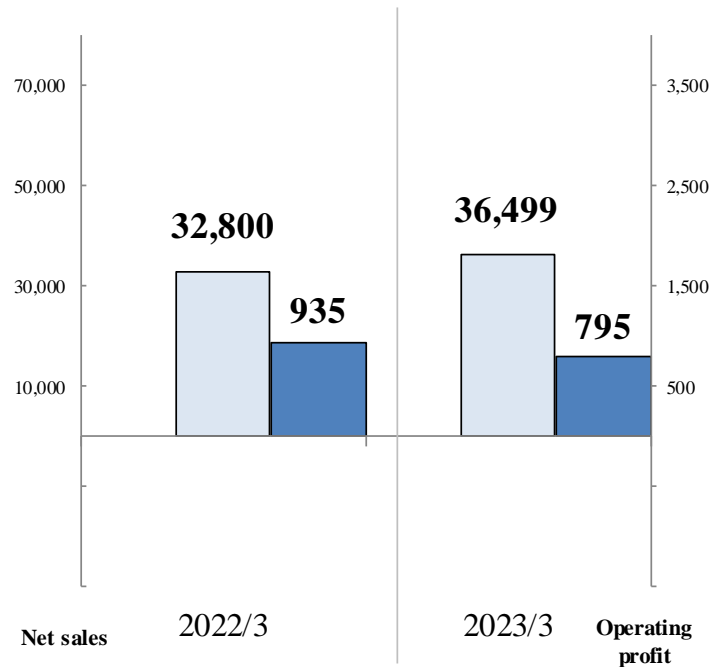


Year-on-year comparison

## Asia

(+)Gains (-)Losses

□ Net sales  
■ Operating profit



**【Net sales】 +3,698 (+11.3%)**

(+) Thailand: Orders increased due to recovery from COVID-19 and new delivery of parts for electric vehicles.

(Aluminum die cast products)

(-) China: Orders decreased due to the impact of the shortage of semiconductor supplies and the lockdown.

**【Operating profit】 - 140 (- 15.0%)**

(-) Thailand: Impact of the slow improvement of production costs increased at the start of the full-scale operations and higher production costs for new orders.

(Aluminum die cast products)

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# Sales and Operating profit by Region

(Before elimination of internal transactions)

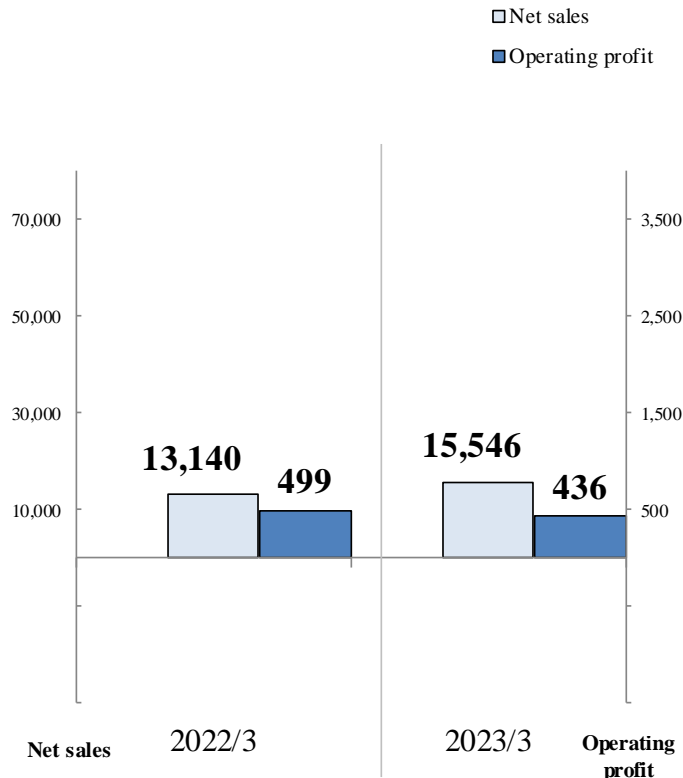
Unit: JPY Million



## North America

(+)Gains (-)Losses

Year-on-year  
comparison



**【Net sales】 +2,406 (+18.3%)**

(+) Orders slightly increased from steady demand for passenger cars and trucks.

(+) Construction machinery: Orders increased due to continued strong demand.

**【Operating profit】 - 62 (- 12.5%)**

(-) Impact of reduced sales of value-added products.

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# Sales and Operating profit by Region

(Before elimination of internal transactions)

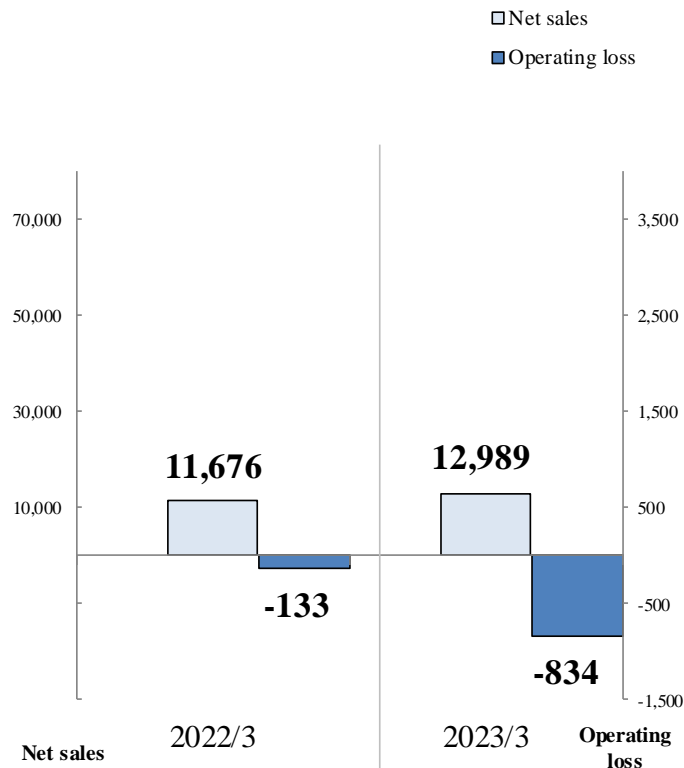
Unit: JPY Million



Year-on-year comparison

## Europe

(+)Gains (-)Losses



**【Net sales】 +1,312 (+11.2%)**

(+) Orders increased due to new business development of non-automotive bearings. (for medium and high-speed diesel engines, etc.)

(-) Orders decreased due to shortages of semiconductors, as well as to the situation in Ukraine.

**【Operating loss】 - 701 (-)**

(-) Impact of higher raw materials and energy costs.

(-) Impact of reduced sales of value-added products.

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**[rounding method used in this document]**

numbers: rounded down to the nearest

ratio: rounded to the nearest