

Mid-Term Business Plan

The Group has established and been promoting the “Raise Up ‘Daido Spirit’ –Ambitious, Innovative, Challenging–” Mid-Term Business Plan (from FY2018 to FY2023).

Objectives of the Mid-Term Business Plan



Priority items to be implemented

1 Strengthen current business lines further	[1]-A Expansion of market share [1]-B Strengthening of profitability [1]-C Production innovation, efficiency improvement and technology innovation
2 Creating/fostering new business lines	[2]-A Sales expansion of die-cast aluminum products for EV [2]-B Establishment of new businesses such as bearings for wind power turbine [2]-C Research in the new fields
3 Enhance management/operational control platform	[3]-A Enhancement of consolidated business management [3]-B Restructuring of global quality assurance system, global technology development, and global production system [3]-C Introduction of global governance and Human Resources systems [3]-D Strengthening of financial base
4 Energetic organization with animated communication and motivation	[4]-A Animated communication [4]-B Creating a system to support challenges [4]-C Creating culture of a dynamic organization and promote work style reform

Progress on the Mid-Term Business Plan

1 Strengthen current business lines further

We will continue to focus our efforts on maintaining and expanding our share of the market for plain bearings, while also working to tap into the automotive industry’s needs, such as those emerging from the shift to vehicles that do not use fossil fuels (e.g. hydrogen-fueled vehicles) as well as the shift to EVs.

Automotive engine half bearings

- Exceeded 35% for the first time ever in FY2021, rising to 36.7%, maintained in FY2022
- For internal combustion engines other than EVs, increased from 39% in FY2021 to 41% in FY2022

Low-speed and medium- or high-speed marine engines

- Continued exploration of the China market, coupled with a great increase in demand particularly for low-speed engines led to a major increase in market share to 73%

Global market share of plain bearings (%)

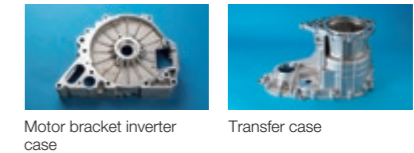
	FY2018	FY2019	FY2020	FY2021	FY2022
Automotive engine	33.1	33.0	33.5	36.7	36.7 TOP
Turbochargers (Small turbo)	24.0	20.5	19.6	18.4	17.9 TOP
Low speed marine diesel engine	54.0	55.0	58.0	66.0	73.0 TOP
Mid to high-speed marine and industrial diesel engine	15.0	15.0	15.0	23.0	24.0
Polymer bearing	12.9	12.8	12.9	13.0	13.0
Industrial High-speed rotating machinery	3.7	4.6	4.9	5.6	6.3

2 Creating/fostering new business lines

In addition to expanding sales of aluminum die-cast products for electric vehicles, we are continuing to actively develop the market for bearings for wind power generation as a contribution to green energy.

Aluminum die-cast products

- Sales ratio for electric vehicles increased to 28% (compared to aluminum die-casting group sales)
- Received orders for new electric vehicle products for Europe [started mass production in 2023]



Iino Manufacturing Co., Ltd. Precision Metal Processing Products

- Enhancing products for electric vehicles by applying high-precision molding technology, cutting and polishing technology, and various joining technologies
- Development of collaboration products with aluminum die casting products



Die-cast aluminum case and 17mm joint tube for power control unit

- Bent pipes
Bent pipes used mainly for flow of various fluids in transmissions



- NC/MC machined parts
Parts used in various locations within automobiles, including transmissions



Taking on the challenge of renewable energy

Strengthening our efforts for wind power generation bearings, demand for which is expected to grow in the future ⇒Refer to p. 25.

3 Enhance management/operational control platform

In order to advance the reinforcement of our Risk Management System for group companies, we are working on building a Global Risk Management System, and on measures against information leaks, which include responses to cyber attacks. ⇒Refer to p. 49.

Also refer to Financial Strategies for information on our efforts to reinforce our financial foundation. ⇒Refer to p. 26.

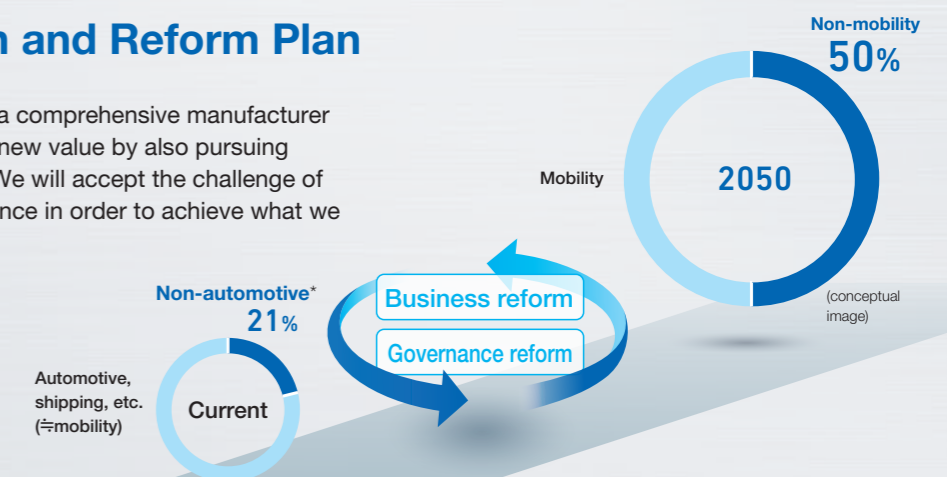
4 Energetic organization with animated communication and motivation

In terms of communication between management layer and employees, we are continuing to implement measures to deliver a large amount of information to employees. (In-house newsletter, portal site, screens in the cafeteria etc.) ⇒Refer to p. 29.

In addition we conducted new training especially for managers in the area of workplace communication. ⇒Refer to p. 16-17.

Long-Term Vision and Reform Plan

As we aim for further growth as a comprehensive manufacturer of plain bearings, we will create new value by also pursuing potential in non-mobility fields. We will accept the challenge of reforming business and governance in order to achieve what we want to become by 2050.



* Non-automotive engine bearings calculations are classified as non-automotive