



FY2023 First Quarter Consolidated Financial Results

August 10, 2023

Daido Metal Co., Ltd.

[TSE Prime Market, NSE Premier Market]

Code:7245



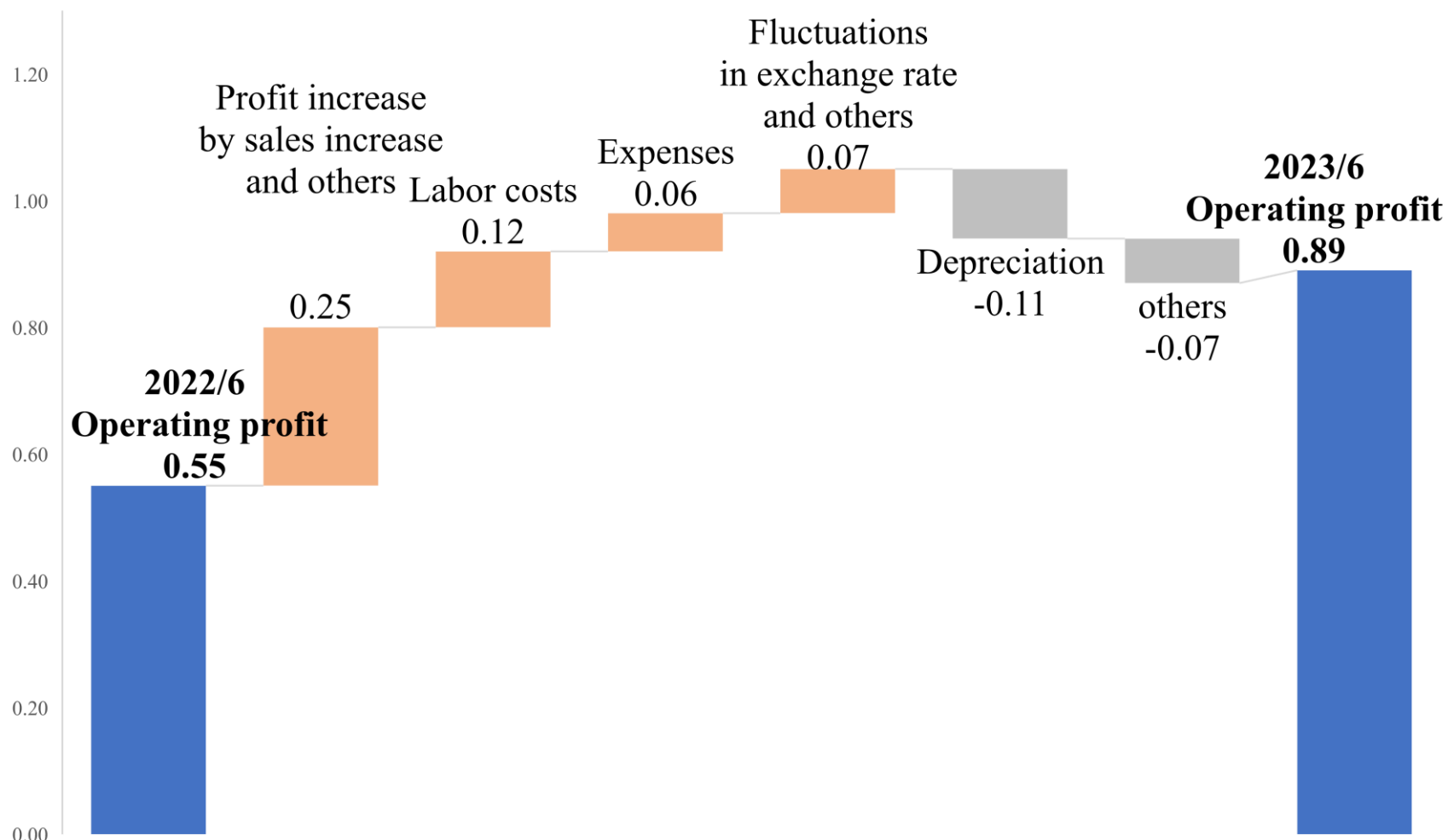
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	Actual		Year-on-year comparison	
	2022/6	2023/6	Amount	%
Net sales	27,569	29,979	2,410	8.7%
Operating profit (Operating margin)	557 (2.0%)	894 (3.0%)	337 (1.0%)	60.5% —
Ordinary profit (Ordinary income margin)	651 (2.4%)	849 (2.8%)	198 (0.5%)	30.4% —
Profit attributable to owners of parent (Net profit margin)	63 (0.2%)	169 (0.6%)	106 (0.3%)	167.4% —
Return on Equity (ROE) ^{*1}	0.4%	1.1%	0.7%	—
Net assets to total assets	35.9%	34.6%	- 1.2%	—
Net interest bearing debt	38,066	36,378	- 1,687	- 4.4%
Exchange rate (USD)	122.39	133.53	Exchange rate is TTM rate as of March 31.	
Exchange rate (EUR)	136.70	145.72		

*1 Annualized

Causes of Fluctuation in Operating profit

Unit: JPY Billion



Although profit decreased from increase in depreciation expenses and others by about 0.18 JPY billion, profit increased by about 0.34 JPY billion in total from the same period of the previous year due to an increase of about 0.5 JPY billion in profit as results of sales increase, decrease in labor costs, decrease in expenses and fluctuations in exchange rate.

Overview <Forecast> for the FY2023

Unit: JPY Million



	Actual	Forecast		Year-on-year comparison		Comparison with previous forecast		
	2023/3	Previous	Revisions	2024/3	Amount	%	Amount	%
Net sales	115,480	121,000	124,000		8,519	7.4%	3,000	2.5%
Operating profit (Operating margin)	2,824 (2.4%)	3,100 (2.6%)	3,700 (3.0%)		875	31.0%	600	19.4%
Ordinary profit (Ordinary income margin)	2,909 (2.5%)	2,200 (1.8%)	2,900 (2.3%)		- 9	- 0.3%	700	31.8%
Profit attributable to owners of parent (Net profit margin)	*1 - 2,208 (- 1.9%)	200 (0.2%)	600 (0.5%)		2,808	—	400	200.0%
Exchange rate (USD)	132.70	130.00	138.00		5.30		8.00	
Exchange rate (EUR)	141.47	142.00	154.00		12.53		12.00	

*TTM rate as of December 31.

*1 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 first half of the FY2023

	Actual	Forecast		Year-on-year comparison		Comparison with previous forecast	
	2022/9	2023/9 Previous	Revisions	Amount	%	Amount	%
Net sales	56,944	60,000	62,700	5,755	10.1%	2,700	4.5%
Operating profit (Operating margin)	664 (1.2%)	1,200 (2.0%)	1,800 (2.9%)	1,135	170.7%	600	50.0%
Ordinary profit (Ordinary income margin)	941 (1.7%)	700 (1.2%)	1,600 (2.6%)	658	70.0%	900	128.6%
Profit attributable to owners of parent (Net profit margin)	*1 - 2,475 (- 4.3%)	- 210 (- 0.4%)	300 (0.5%)	2,775	—	510	—
Exchange rate (USD)	136.68	130.00	144.99	8.31		14.99	
Exchange rate (EUR)	142.67	142.00	157.60	14.93		15.60	

*TTM rate as of June 30.

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

Dividend/ Dividend Payout Ratio

Unit: JPY



(Forecast)

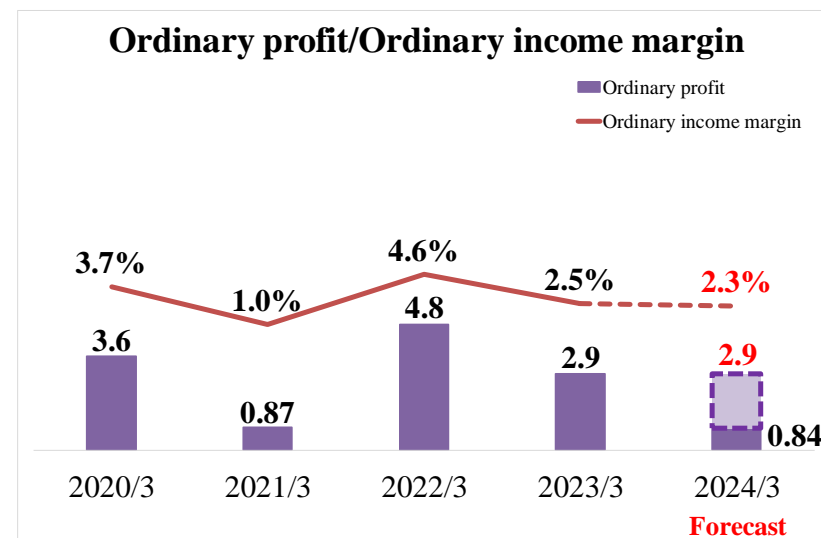
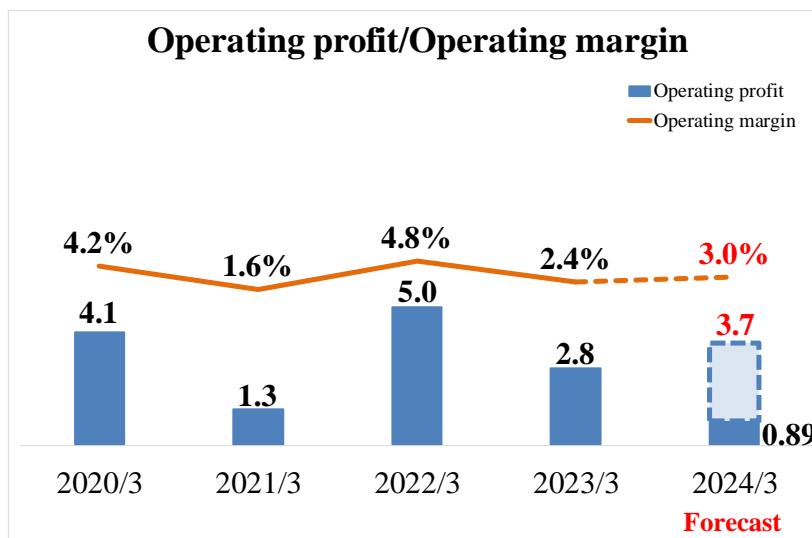
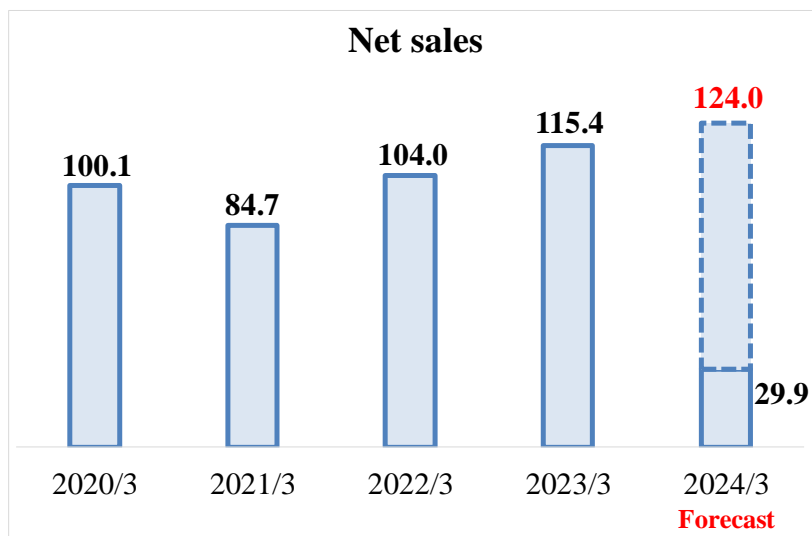
	FY2019	FY2020	FY2021	FY2022	FY2023
Interim	20 *1	10	10	10	2
Year-end	15	10	15	2	6
Annual	35	20	25	12	8

Dividend Payout Ratio	60.1%	888.7%	61.4%	—	62.8%
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

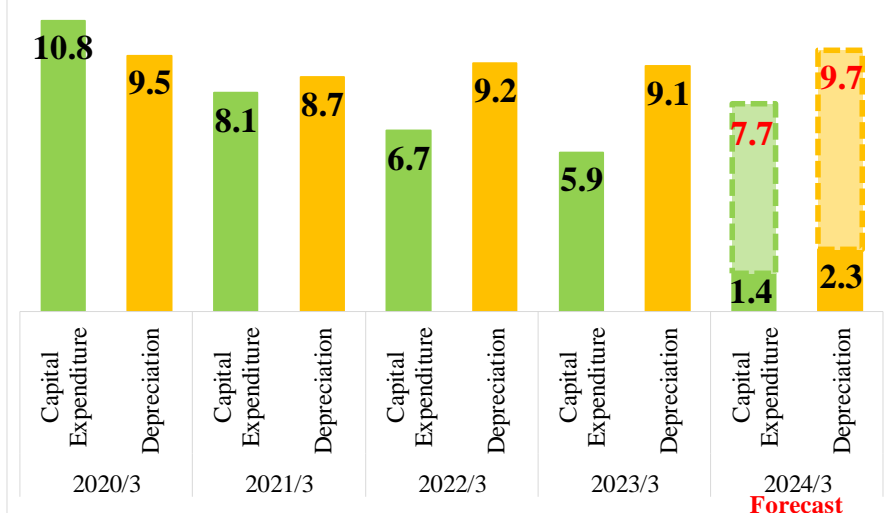
Unit: JPY Billion



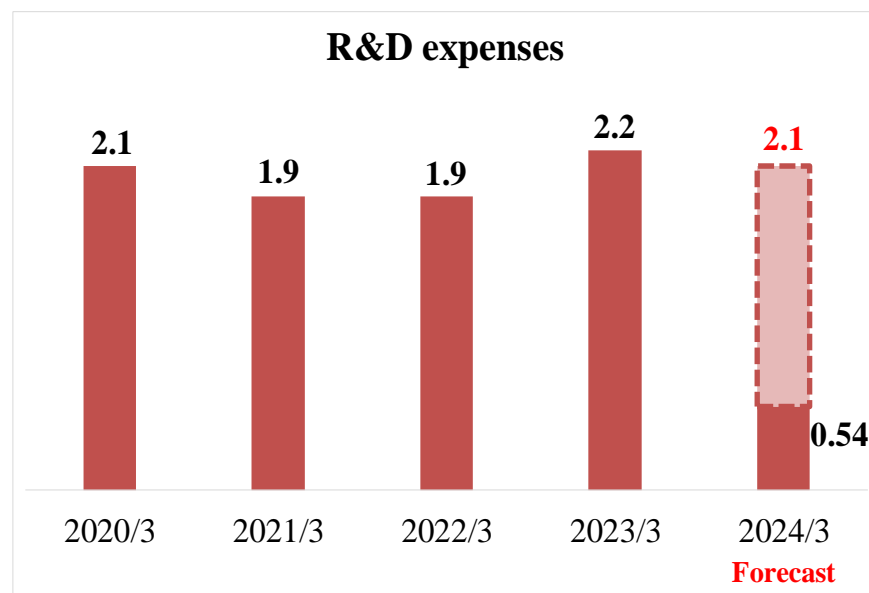
Capital Expenditure, Depreciation and R&D expenses

Unit: JPY Billion

Capital Expenditure/Depreciation



R&D expenses



Overview <Sales and Operating profit by Segment>

Unit: JPY Million

Year-on-year
comparison

Segment	Net sales ratio 2023/6	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Automotive engine bearings	54.4%	1,465	9.7%	416	26.4%
Automotive non-engine bearings	16.2%	-40	-0.8%	-33	-4.6%
Non-automotive bearings	12.6%	389	11.3%	179	35.1%
Other automotive parts	14.6%	419	10.4%	-218	—
Others	2.2%	176	36.3%	17	23.6%
Elimination of inter-segment transactions		0		-24	
Total :		2,410	8.7%	337	60.5%

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

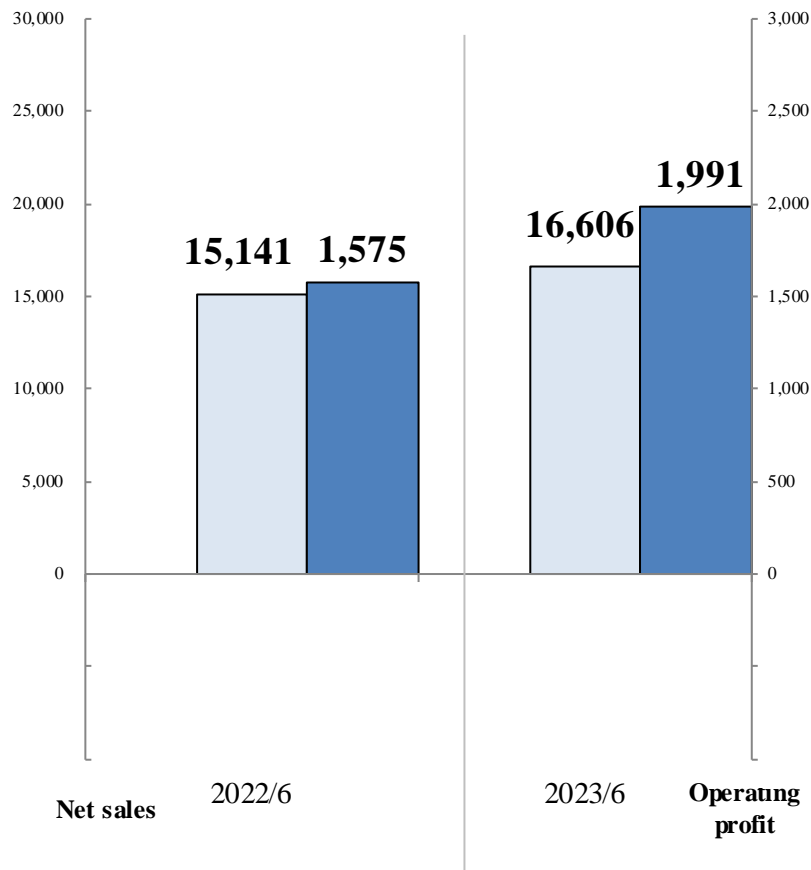


Automotive engine bearings

(+)Gains (-)Losses

Year-on-year comparison

□ Net sales
■ Operating profit



【Net sales】 +1,465 (+9.7%)

(+) Japan: In passenger cars, orders increased significantly due to the easing of the semiconductor supply shortage and the strong sales performance of new models.

(+) Japan: In trucks, orders increased slightly due to strong market conditions.

(+) Europe, the United States and Korea: Orders increased due to the easing of semiconductor supply shortage.

(-) China: Orders decreased due to demand recession.

【Operating profit】 +416 (+26.4%)

(+) Impact of increased sales of value-added products in North America and increased sales in Korea.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

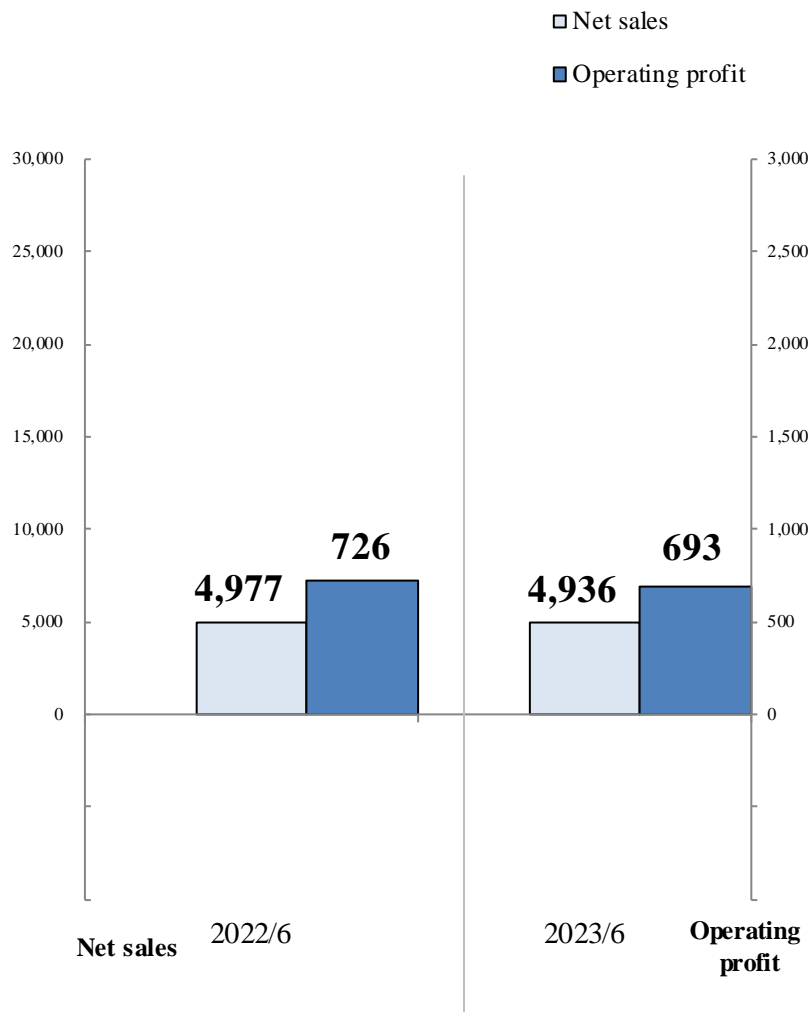
Unit: JPY Million



Year-on-year comparison

Automotive non-engine bearings

(+)Gains (-)Losses



【Net sales】 - 40 (- 0.8%)

(-) Japan: Although recovery is beginning to be seen by the easing of the semiconductor supply shortage, orders decreased for passenger cars in some cases due to inventory adjustments and other factors.

【Operating profit】 - 33 (- 4.6%)

(-) Impact of decreased sales in Japan.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million



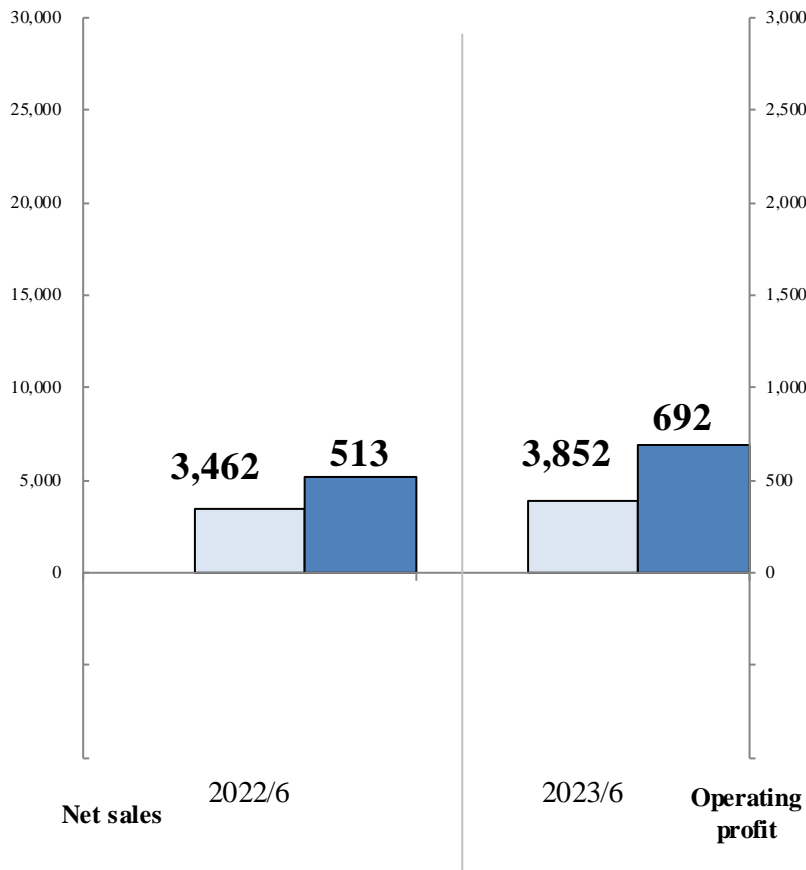
Non-automotive bearings

(+)Gains (-)Losses

Year-on-year comparison

□ Net sales

■ Operating profit



【Net sales】 +389 (+11.3%)

(+) Ships: Orders increased for service parts due to steady demand and economic recovery from the COVID-19 pandemic.

(+) Construction machinery etc.: Strong demand for construction equipment and orders increased for bearings for medium and high-speed diesel engines in Europe.

(+) Energy sector : Orders increased for spare parts and service parts for generator turbine bearings, and orders increased for compressor bearings for oil refinery plants through new business development.

【Operating profit】 +179 (+35.1%)

(+) Impact of increased sales from new business development.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

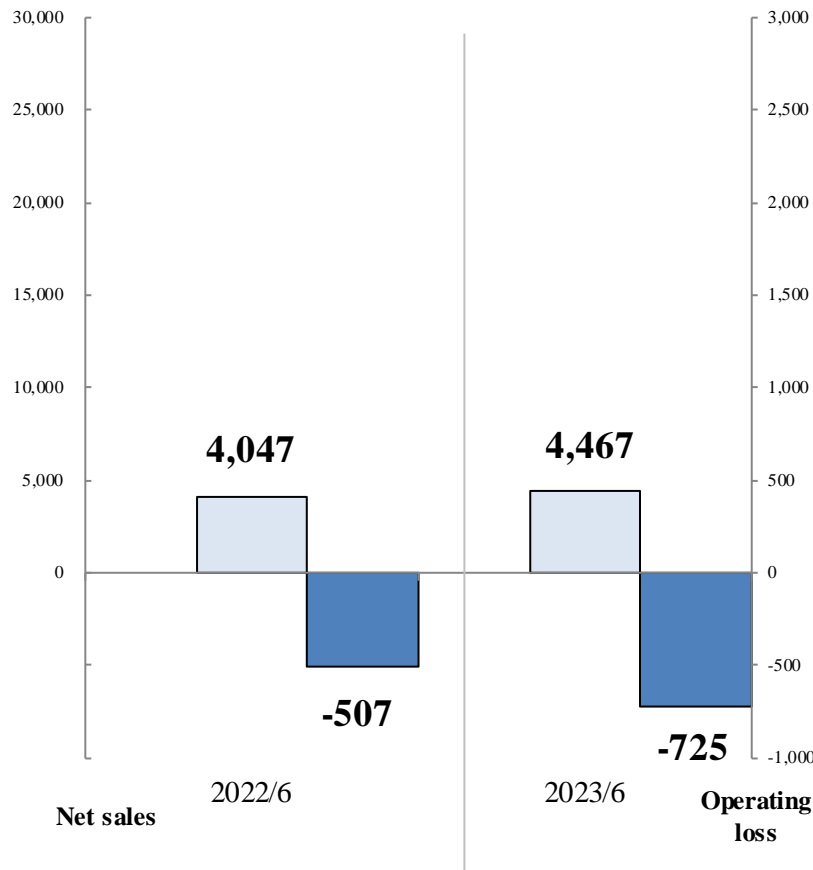


Year-on-year comparison

Other automotive parts

(+)Gains (-)Losses

□ Net sales
■ Operating loss



【Net sales】 +419 (+10.4%)

(+) Aluminum die cast products: Orders increased due to increased demand for new delivery of parts for electric vehicles.

(+) Precision metal work parts: Despite a decline in demand in China, the easing of semiconductor supply shortages in Japan and the United States and the impact of the depreciation of yen led to a slight order increase.

【Operating loss】 - 218 (-)

(-) Precision metal work parts: Although products to North America contributed to the increase, there was an impact of lower sales in China due to weaker demand.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

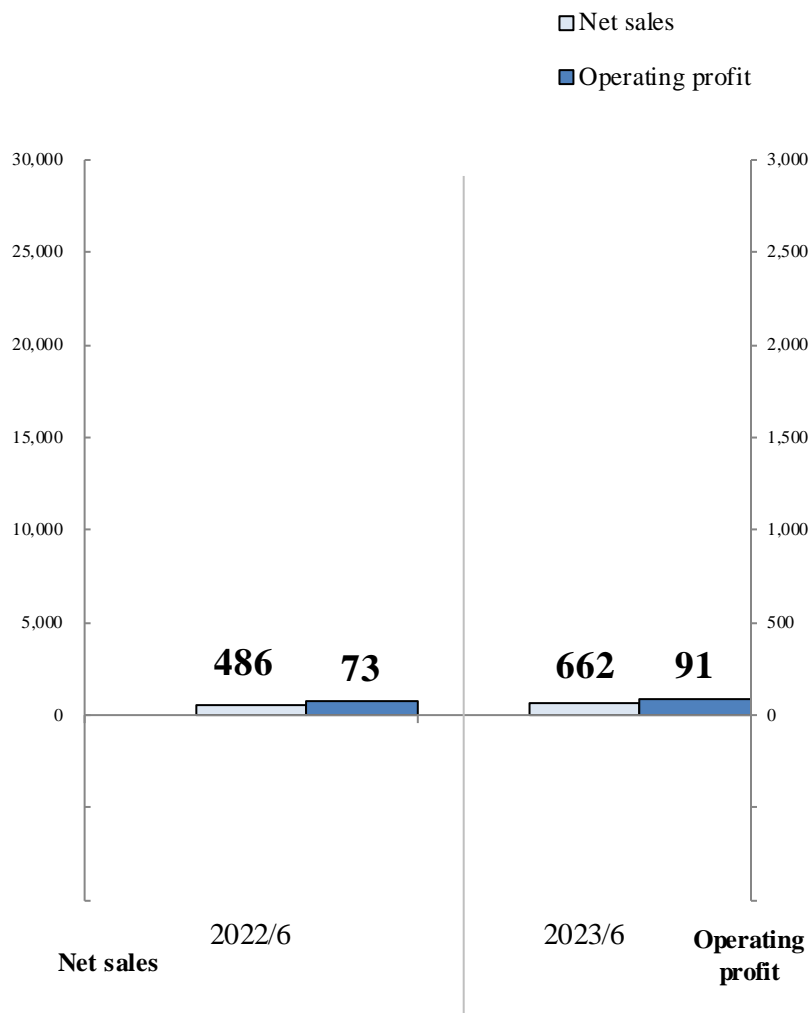
Unit: JPY Million



Year-on-year comparison

Others

(+)Gains (-)Losses



【Net sales】 +176 (+36.3%)

(+) In the pump-related products business, orders increased due to the strong demand from the resumption of capital investment and to the recovery of the market for metallic dry bearings.

【Operating profit】 +17 (+23.6%)

(+) Impact of increased sales.

* “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

Year-on-year
comparison

Region	Net sales ratio 2023/6	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Japan	52.6%	1,357	7.5%	-91	-24.9%
Asia	24.7%	-98	-1.1%	-119	-91.6%
North America	12.3%	715	18.8%	476	786.6%
Europe	10.3%	578	18.0%	82	—
Elimination of inter-segment transactions		-143		-10	
Total :		2,410	8.7%	337	60.5%

Sales and Operating profit by Region

(Before elimination of internal transactions)

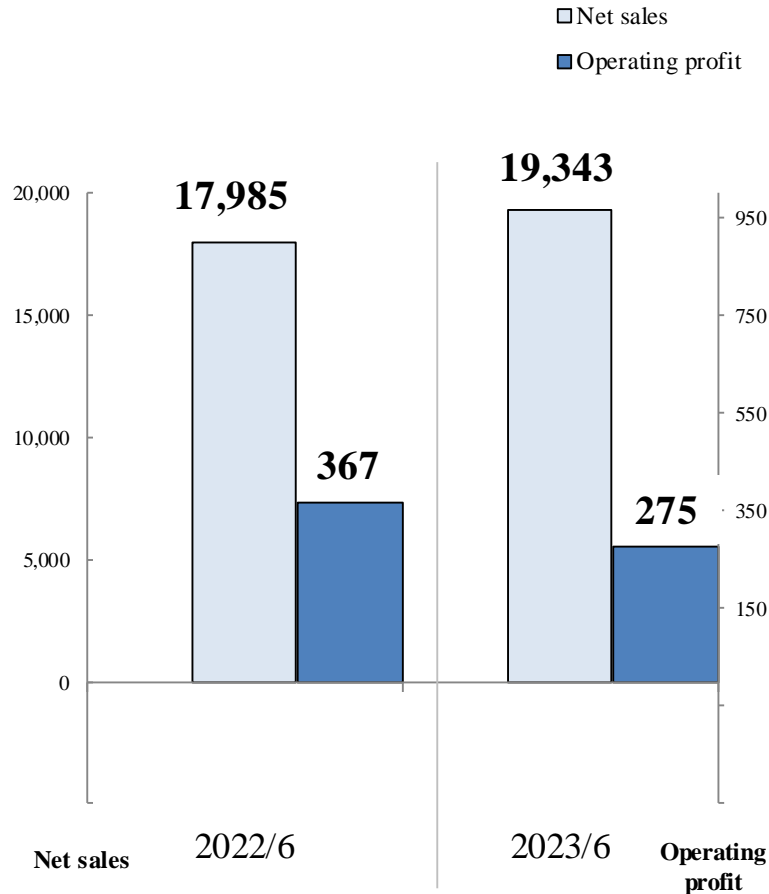
Unit: JPY Million



Year-on-year
comparison

Japan

(+)Gains (-)Losses



【Net sales】 +1,357 (+7.5%)

(+) Orders increased due to the easing of semiconductor supply shortage for passenger cars.

(+) Orders increased due to increased demand and new business development for non-automotive bearings. (mainly in the energy sector)

【Operating profit】 - 91 (- 24.9%)

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

Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million

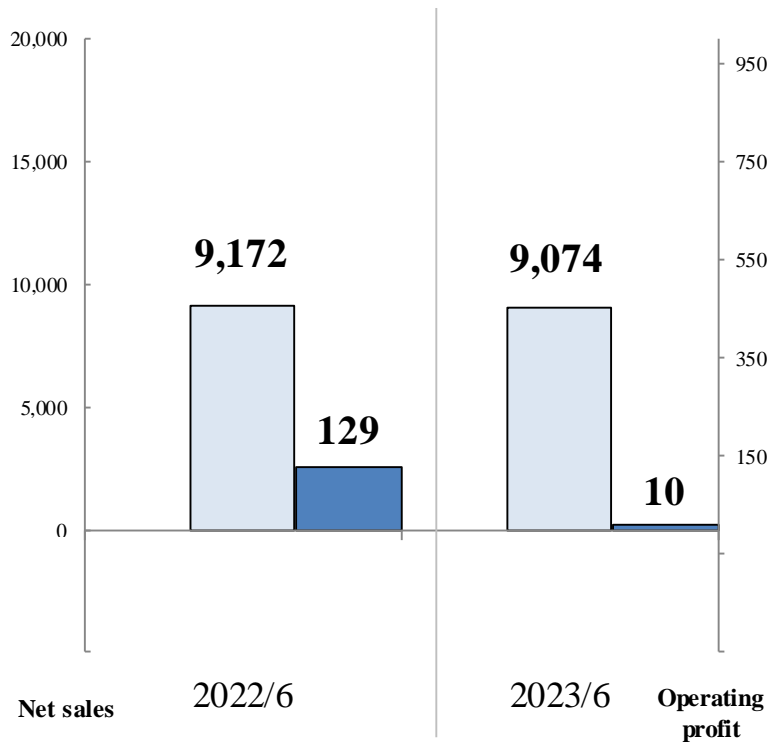


Year-on-year comparison

Asia

(+)Gains (-)Losses

□ Net sales
■ Operating profit



[Net sales] - 98 (- 1.1%)

- (+) Korea: Orders increased due to the easing of semiconductor supply shortage.
- (+) Thailand: Orders increased due to increased demand for new delivery of parts for electric vehicles. (Aluminum die cast products)
- (-) China: Orders decreased due to demand recession.

[Operating profit] - 119 (- 91.6%)

- (+) Korea: Impact of increased sales.
- (-) China: Impact of decreased sales from demand recession.

Sales and Operating profit by Region

(Before elimination of internal transactions)

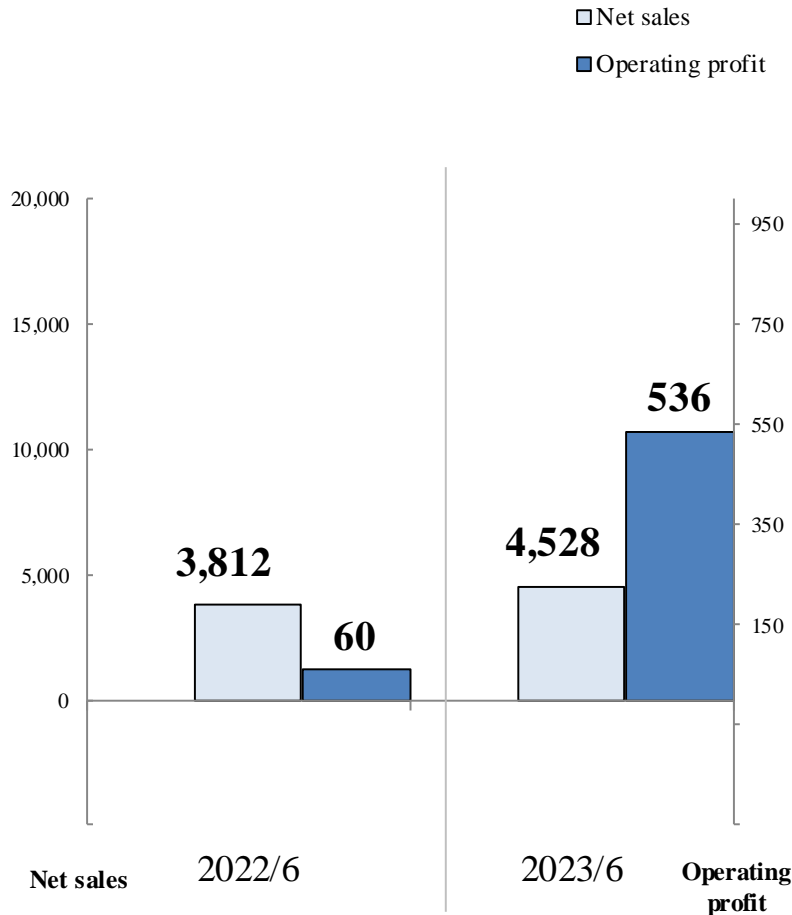
Unit: JPY Million



North America

(+)Gains (-)Losses

Year-on-year
comparison



【Net sales】 +715 (+18.8%)

- (+) Orders slightly increased from steady demand for passenger cars and trucks.
- (+) Construction machinery: Orders increased slightly due to strong market conditions.
- (+) Precision metal work parts: Orders increased as a result of the easing of semiconductor supply shortages.

【Operating profit】 +476 (+786.6%)

- (+) Impact of increased sales of value-added products.

Sales and Operating profit by Region

(Before elimination of internal transactions)

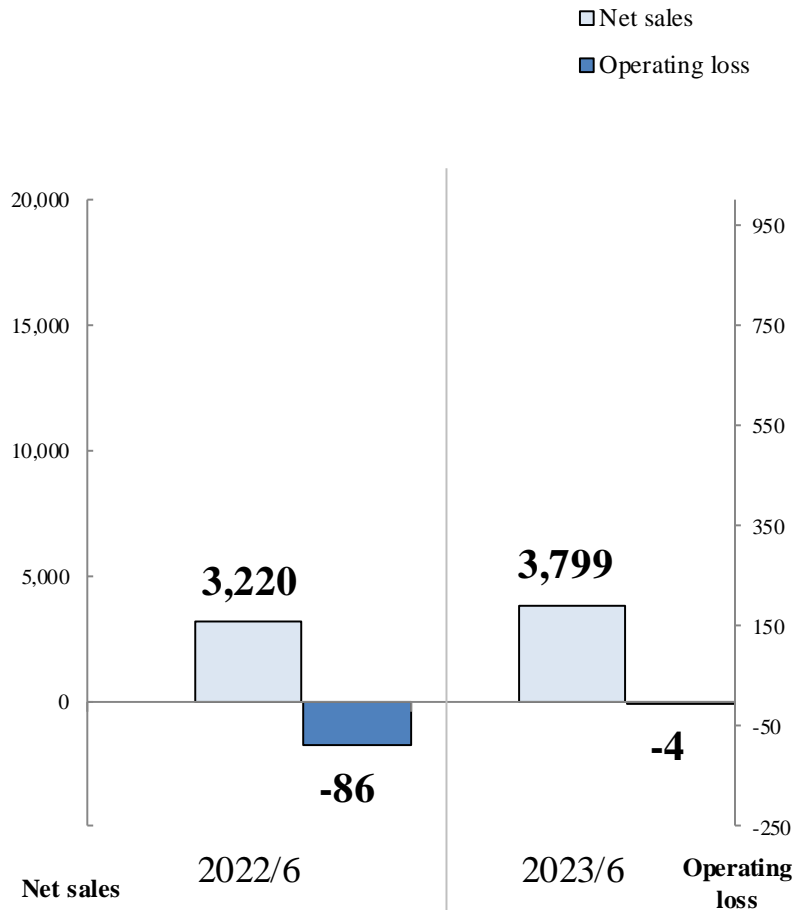
Unit: JPY Million



Year-on-year comparison

Europe

(+)Gains (-)Losses



【Net sales】 +578 (+18.0%)

- (+) Orders increased due to increased demand and new business development of non-automotive bearings. (for medium and high-speed diesel engines, etc.)
- (+) Orders increased due to the easing of semiconductor supply shortage for passenger cars.

【Operating loss】 +82 (-)

- (+) Impact of increased sales.



[Disclaimer]

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[rounding method used in this document]

numbers: rounded down to the nearest

ratio: rounded to the nearest