

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 shown in profile, moving from left to right. Behind the train are several white wind turbines of varying sizes. At the bottom of the image, 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.

# **FY2023 Second Quarter Consolidated Financial Results**

**November 9, 2023**

**Daido Metal Co., Ltd.**

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

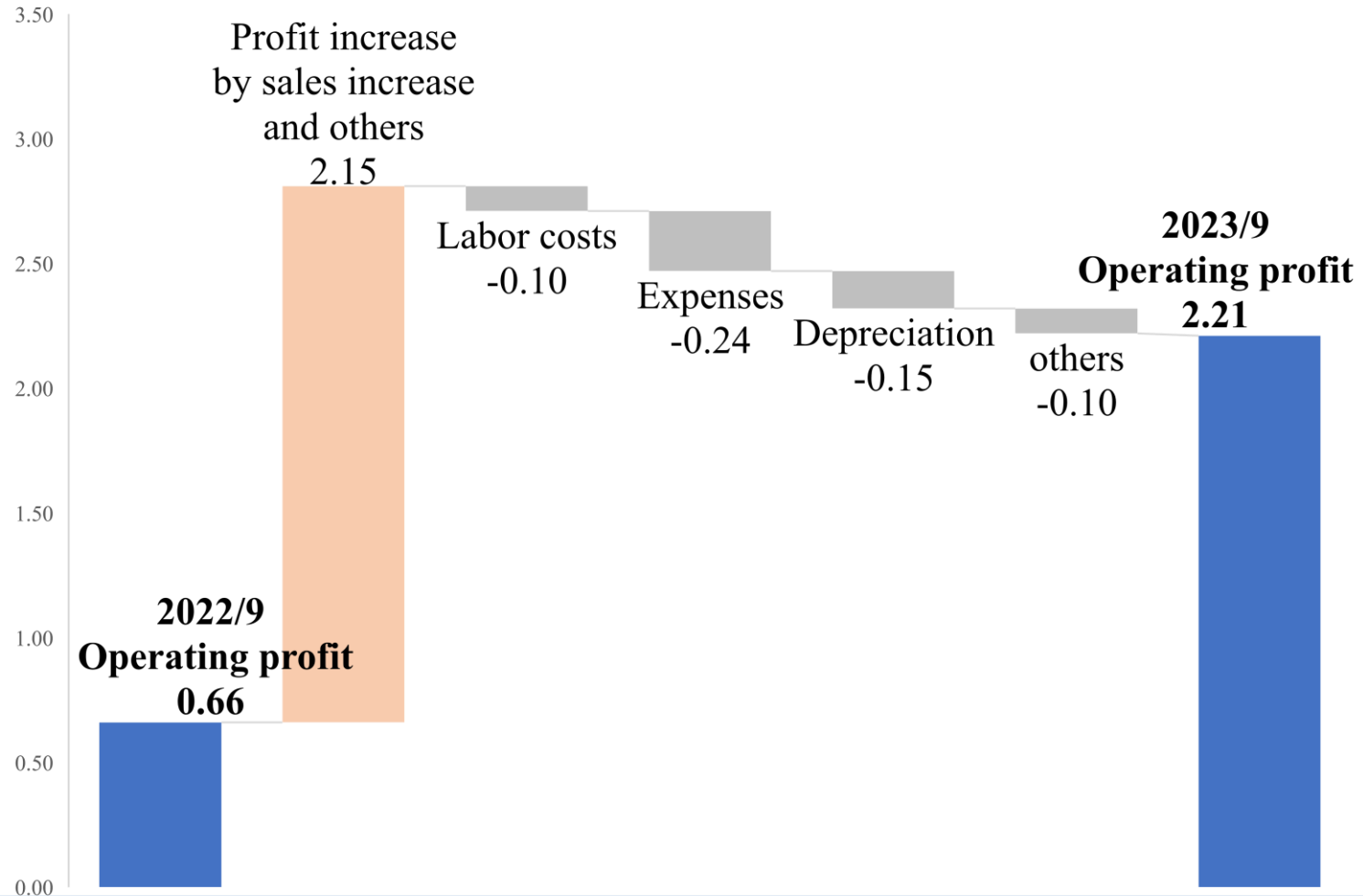
**Code:7245**

	Actual		Year-on-year comparison	
	2022/9	2023/9	Amount	%
Net sales	<b>56,944</b>	<b>63,383</b>	6,438	11.3%
Operating profit (Operating margin)	<b>664</b> (1.2%)	<b>2,210</b> (3.5%)	1,545 (2.3%)	232.4% —
Ordinary profit (Ordinary income margin)	<b>941</b> (1.7%)	<b>2,212</b> (3.5%)	1,271 (1.8%)	135.1% —
Profit attributable to owners of parent (Net profit margin)	<b>- 2,475</b> (- 4.3%)	<b>615</b> (1.0%)	3,090 (5.3%)	— —
Return on Equity (ROE) <sup>*1</sup>	<b>- 8.0%</b>	<b>2.0%</b>	10.0%	—
Net assets to total assets	<b>36.1%</b>	<b>35.1%</b>	- 1.0%	—
Net interest bearing debt	<b>39,580</b>	<b>37,354</b>	- 2,225	- 5.6%
Exchange rate (USD)	<b>136.68</b>	<b>144.99</b>	Exchange rate is TTM rate as of June 30.	
Exchange rate (EUR)	<b>142.67</b>	<b>157.60</b>		

\*1 Annualized

# Causes of Fluctuation in Operating profit

Unit: JPY Billion



Although profit decreased from increase in labor costs, expenses, depreciation and others by about 0.6 JPY billion, profit increased by about 1.55 JPY billion in total from the same period of the previous year due to profit increase by sales increase and others about 2.15 JPY billion.

# 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	<b>115,480</b>	124,000	<b>128,000</b>		12,519	10.8%	4,000	3.2%
Operating profit (Operating margin)	<b>2,824</b> (2.4%)	3,700 (3.0%)	<b>4,700</b> (3.7%)		1,875	66.4%	1,000	27.0%
Ordinary profit (Ordinary income margin)	<b>2,909</b> (2.5%)	2,900 (2.3%)	<b>4,200</b> (3.3%)		1,290	44.3%	1,300	44.8%
Profit attributable to owners of parent (Net profit margin)	*1 <b>- 2,208</b> (- 1.9%)	600 (0.5%)	<b>1,200</b> (0.9%)		3,408	—	600	100.0%
Exchange rate (USD)	<b>132.70</b>	138.00	<b>145.00</b>		12.30		7.00	
Exchange rate (EUR)	<b>141.47</b>	154.00	<b>155.00</b>		13.53		1.00	

\*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.

# Dividend/ Dividend Payout Ratio

Unit: JPY



**(Forecast)**

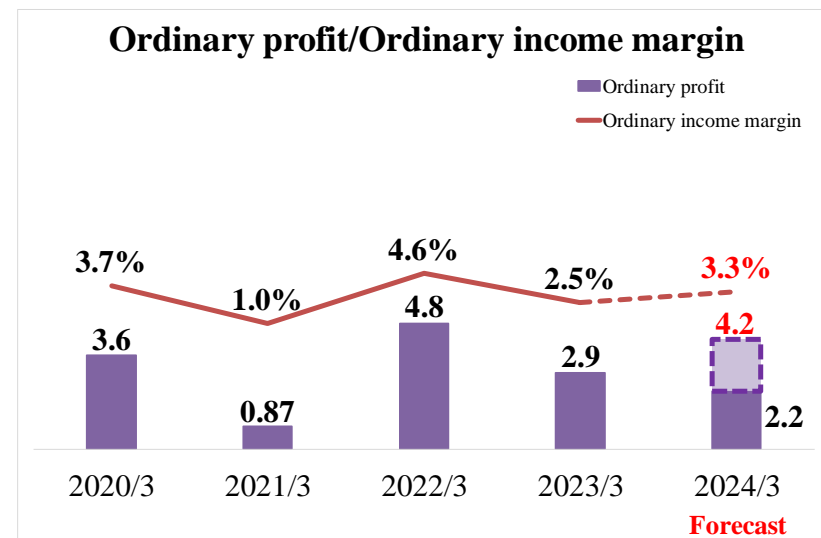
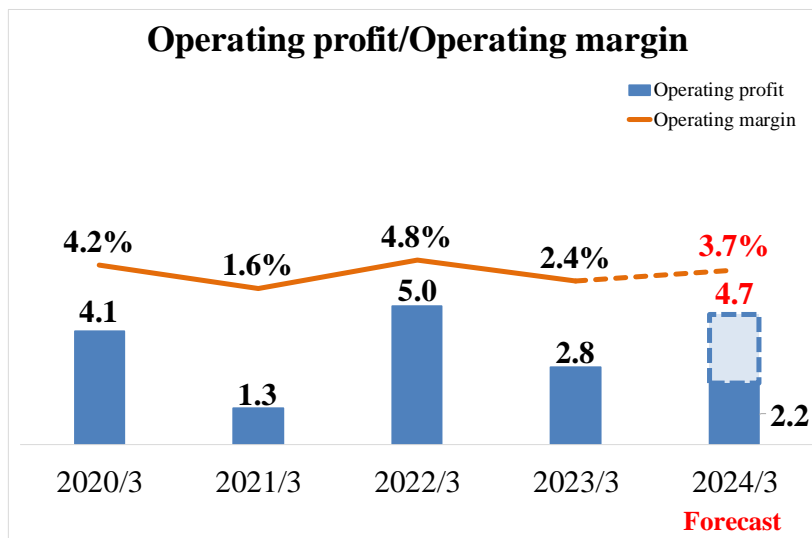
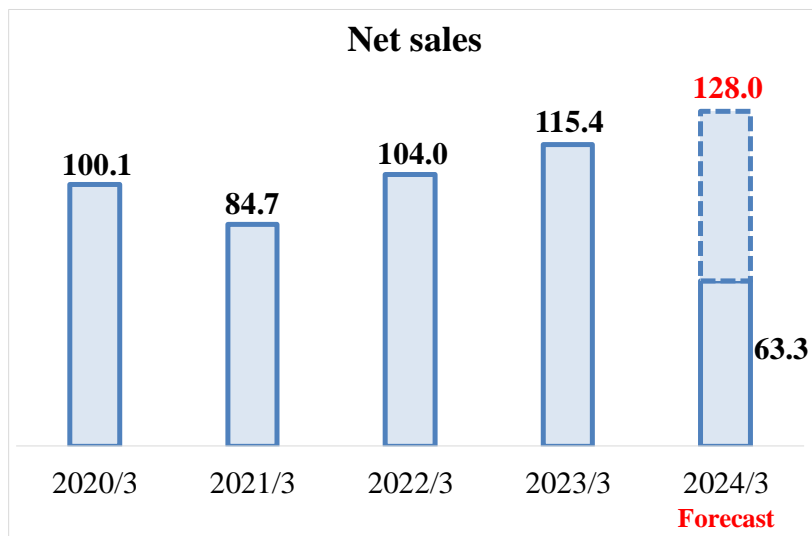
	FY2019	FY2020	FY2021	FY2022	FY2023
Interim	20 *1	10	10	10	2
Year-end	15	10	15	2	8
Annual	35	20	25	12	10

Dividend Payout Ratio	60.1%	888.7%	61.4%	—	39.3%
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

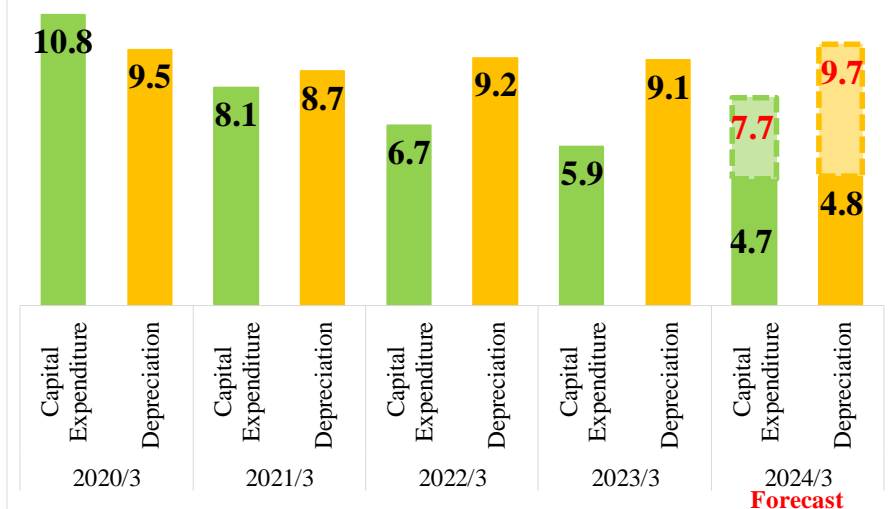
Unit: JPY Billion



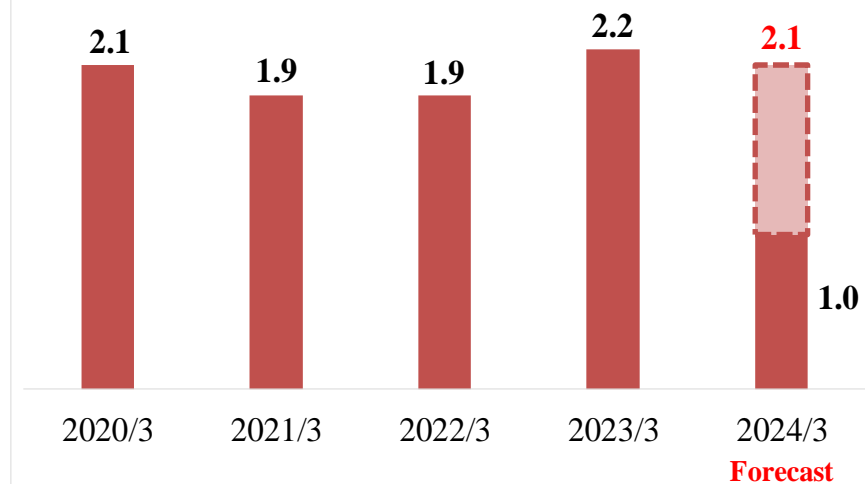
# Capital Expenditure, Depreciation and R&D expenses

Unit: JPY Billion

## Capital Expenditure/Depreciation



## R&D expenses



# Overview <Sales and Operating profit by Segment>



Unit: JPY Million

Year-on-year  
comparison

## 【Net sales】

## 【Operating profit】

Segment	Net sales ratio 2023/9	Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Automotive engine bearings	54.0%	3,545	11.4%	1,261	44.6%
Automotive non-engine bearings	15.9%	-215	-2.1%	36	2.8%
Non-automotive bearings	12.6%	1,160	16.7%	458	48.9%
Other automotive parts	15.7%	1,763	21.2%	-162	—
Others	1.8%	127	12.4%	20	10.4%
Elimination of inter-segment transactions		57		-68	
Total :		6,438	11.3%	1,545	232.4%



# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

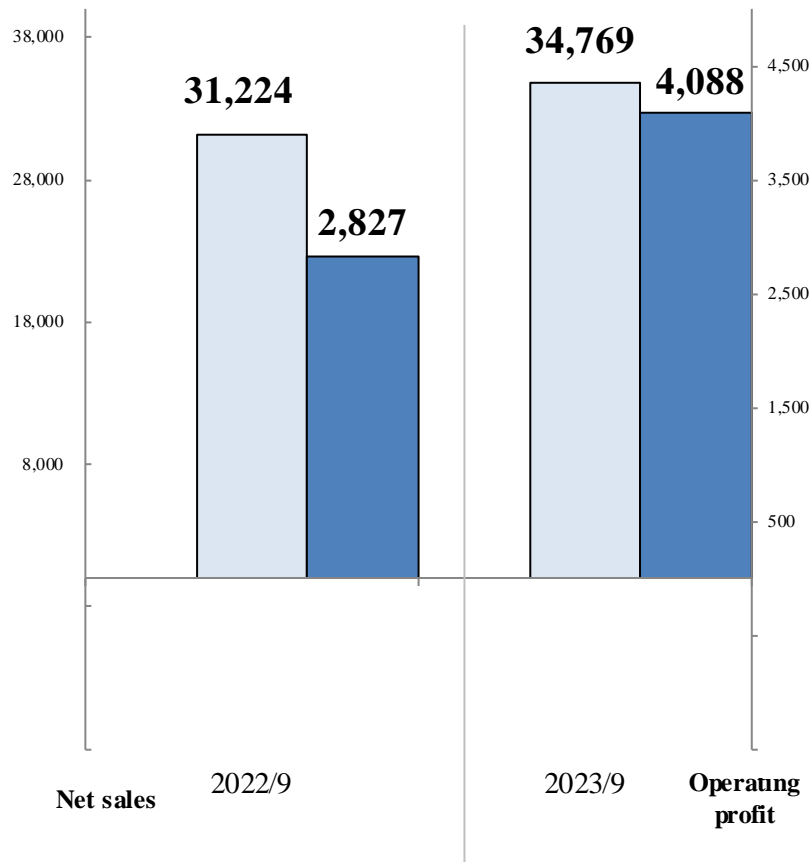


## Automotive engine bearings

(+)Gains (-)Losses

Year-on-year comparison

□ Net sales  
■ Operating profit



**【Net sales】 +3,545 (+11.4%)**

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

(+) Europe, North America: Orders increased due to the easing of semiconductor supply shortage.

**【Operating profit】 +1,261 (+44.6%)**

(+) Impact of increased sales globally.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

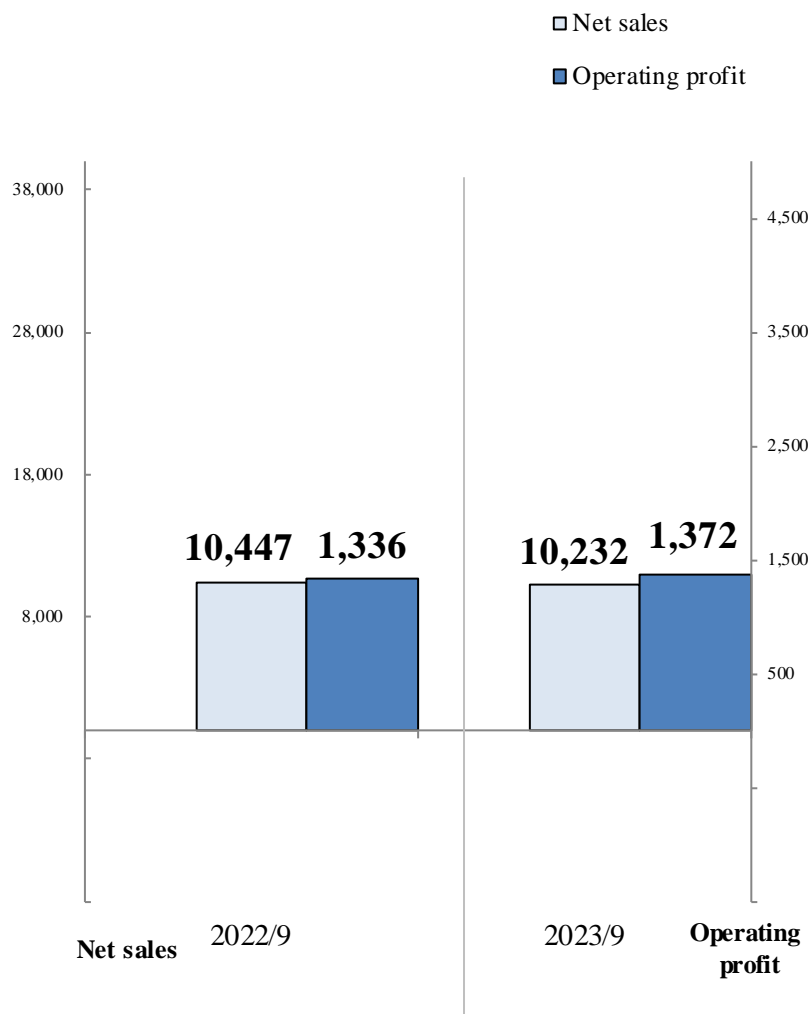
Unit: JPY Million



Year-on-year comparison

## Automotive non-engine bearings

(+)Gains (-)Losses



**【Net sales】 - 215 (- 2.1%)**

(+) Europe: Increase in orders due to demand rebound.  
(-) Japan: Despite the easing of the semiconductor supply shortage for passenger cars, orders decreased due to inventory adjustments etc.

**【Operating profit】 +36 (+2.8%)**

(+) Impact of sales increase due to demand rebound in Europe.  
(-) Impact of sales decrease in Japan.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

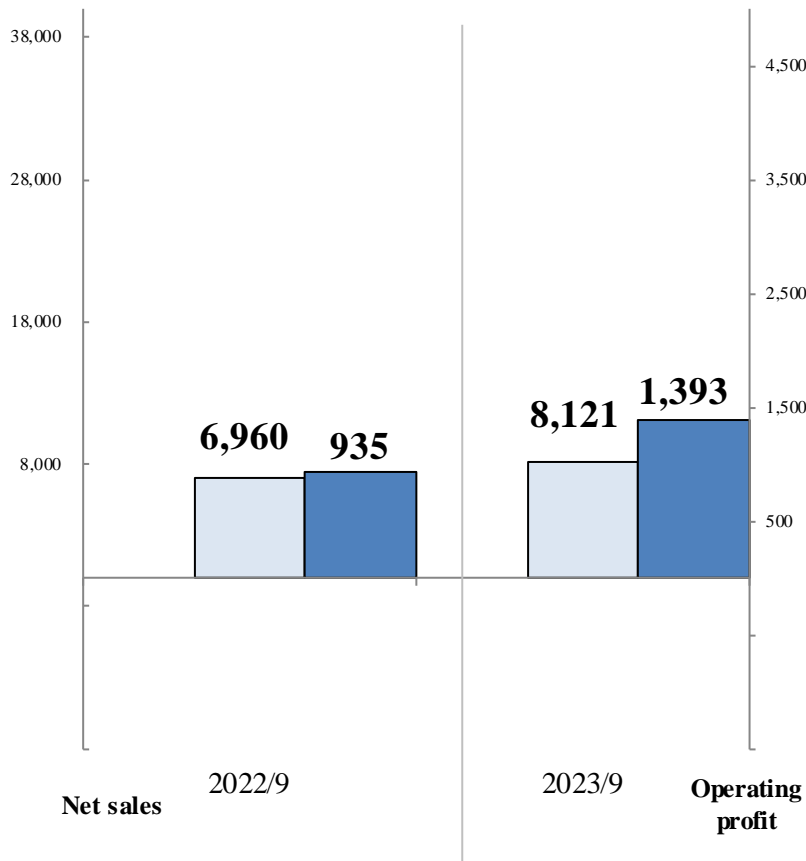


## Non-automotive bearings

(+)Gains (-)Losses

Year-on-year comparison

□ Net sales  
■ Operating profit



**【Net sales】 +1,160 (+16.7%)**

(+) Ships: Increased demand for container ships and other large vessels, continued business development in China, and increased orders for service parts due to recovery from the COVID-19 pandemic.

(+) Construction machinery etc.: Steady demand for mining equipment etc. and increased orders for bearings of medium and high-speed engines in Japan and Europe.

(+) Energy sector : Strong demand for bearings of highly efficient generator gas turbine, increased orders for service parts and business development of compressor bearings for oil refinery plants.

**【Operating profit】 +458 (+48.9%)**

(+) Impact of sales increase and sales price improvement due to business development.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

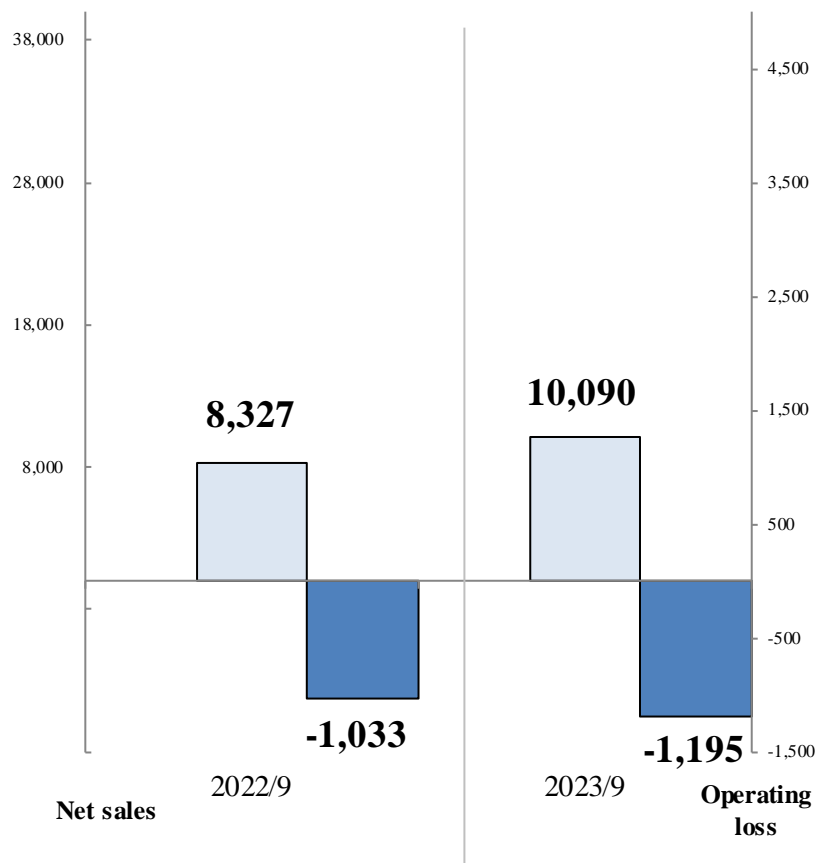


Year-on-year comparison

## Other automotive parts

(+)Gains (-)Losses

□ Net sales  
■ Operating loss



**【Net sales】 +1,763 (+21.2%)**

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

(+) Precision metal work parts: Orders increased due to the easing of semiconductor supply shortages in Japan and North America, despite a decline in demand in China.

**【Operating loss】 - 162 (-)**

(-) Precision metal work parts: Although products to North America contributed to the profit 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)

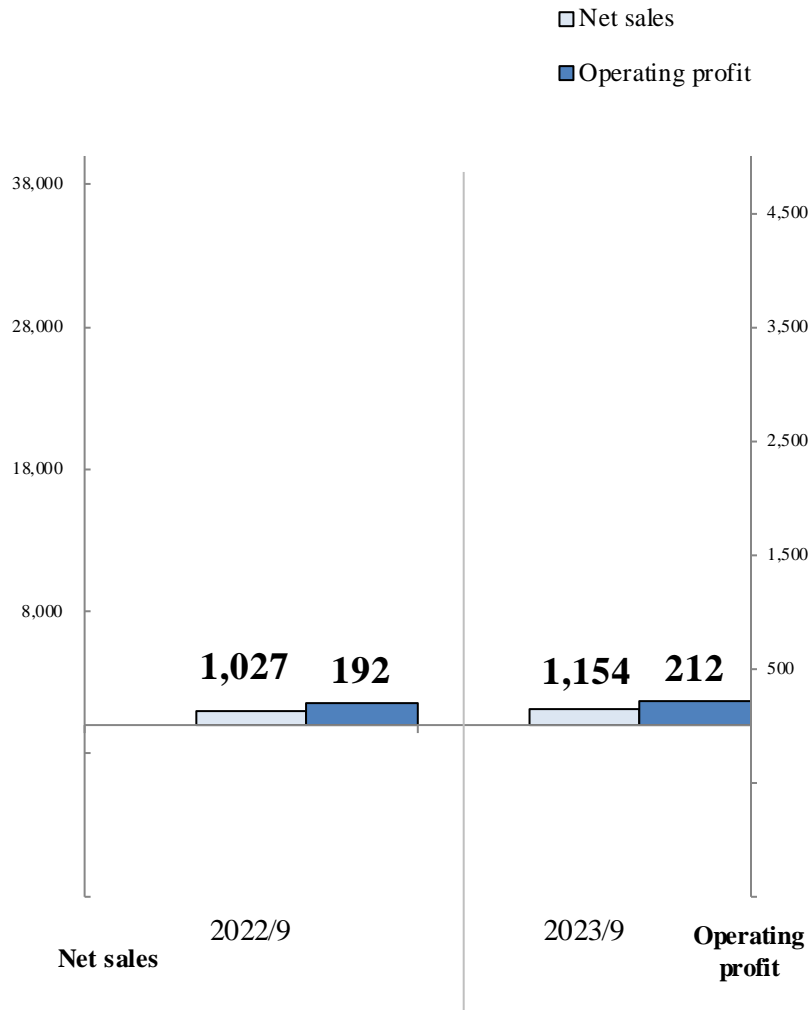
Unit: JPY Million



Year-on-year comparison

## Others

(+)Gains (-)Losses



**【Net sales】 +127 (+12.4%)**

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

**【Operating profit】 +20 (+10.4%)**

(+) 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 2023/9	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Japan	52.1%	3,261	8.8%	807	211.8%
Asia	24.9%	1,186	6.5%	- 238	- 82.1%
North America	12.7%	1,907	24.1%	895	1,322.7%
Europe	10.3%	848	11.8%	156	—
Elimination of inter-segment transactions		-764		-75	
Total :		6,438	11.3%	1,545	232.4%

# Sales and Operating profit by Region

(Before elimination of internal transactions)

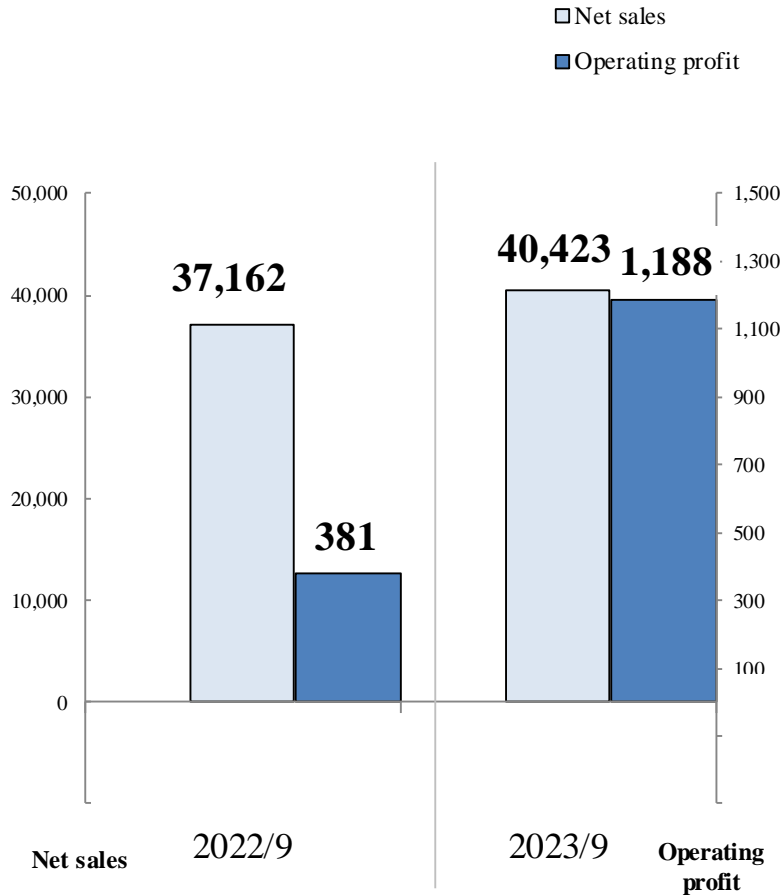
Unit: JPY Million



Year-on-year comparison

Japan

(+)Gains (-)Losses



**【Net sales】 +3,261 (+8.8%)**

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

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

**【Operating profit】 +807 (+211.8%)**

(+) Impact of increased sales.

# Sales and Operating profit by Region

(Before elimination of internal transactions)

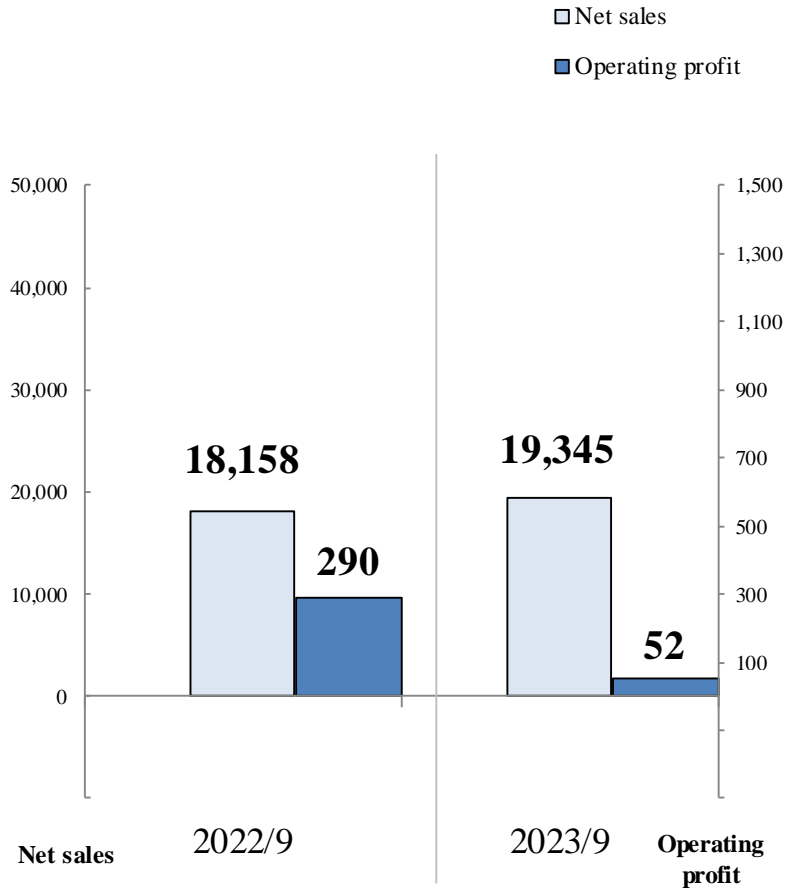
Unit: JPY Million



Year-on-year comparison

## Asia

(+)Gains (-)Losses



**【Net sales】 +1,186 (+6.5%)**

(+) 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】 - 238 (- 82.1%)**

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



# Sales and Operating profit by Region

(Before elimination of internal transactions)

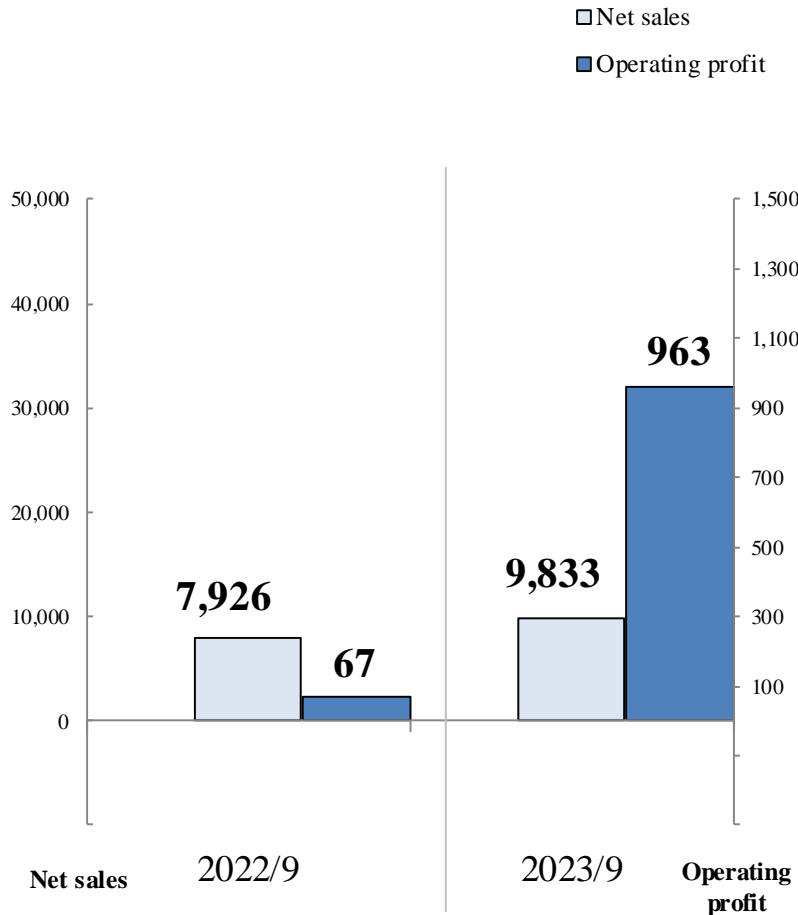
Unit: JPY Million



## North America

(+)Gains (-)Losses

Year-on-year  
comparison



**【Net sales】 +1,907 (+24.1%)**

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

(+) Construction machinery: Orders increased due to steady demand for mining equipment etc..

(+) Precision metal work parts: Orders increased due to the easing of semiconductor supply shortages.

**【Operating profit】 +895 (+1,322.7%)**

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

(+) Impact of increased sales of precision metal work parts.

# Sales and Operating profit by Region

(Before elimination of internal transactions)

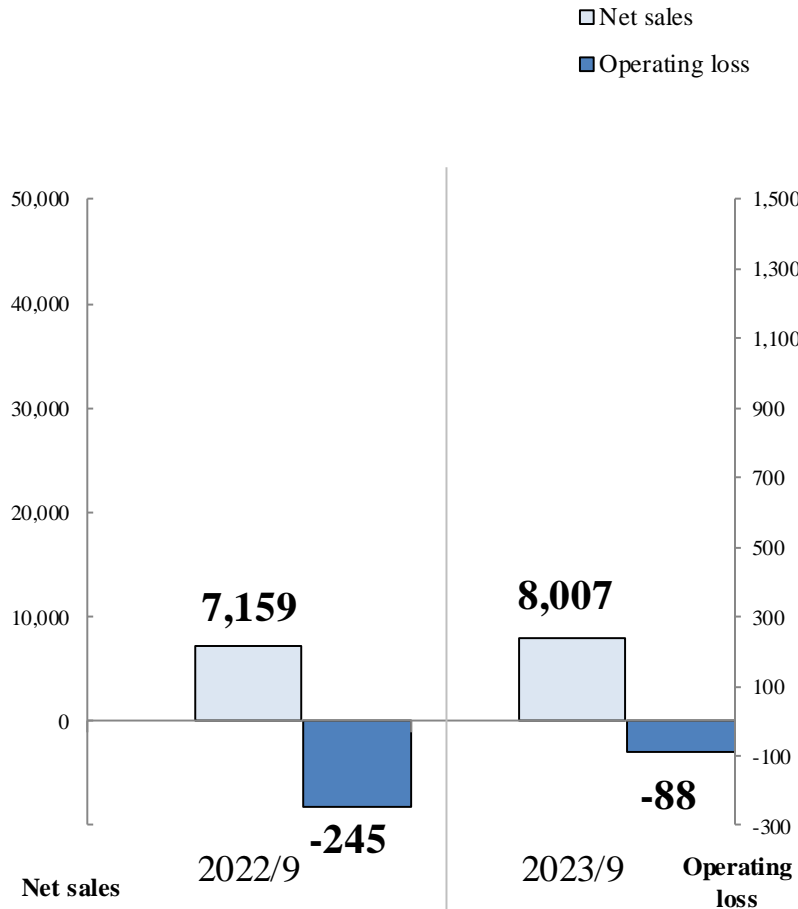
Unit: JPY Million



## Europe

(+)Gains (-)Losses

Year-on-year comparison



**【Net sales】 +848 (+11.8%)**

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

**【Operating loss】 +156 (-)**

(+) Impact of increased sales.



**[Disclaimer]**

Future prospects described in this document are prepared as information purpose only, based on the information available to us at this moment, and are under certain condition which we assumed reasonable. We will not guarantee the realization of such prospects, and actual performance fluctuates due to various factors.

Except for the case required by laws and regulations, we are not under any circumstance obliged to update or adjust the description contained in this document with regard to future prospects. Accordingly, please do not make any investment judgement, based solely and fully on the information here included.

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

numbers: rounded down to the nearest

ratio: rounded to the nearest