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## Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 9, 2024

Company name: Daido Metal Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 7245  
 URL: <https://www.daidometal.com/>  
 Representative: Seigo Hanji Chairman and President  
 Chief Executive Officer and Chief Operating Officer  
 Contact: Hiroki Iwakura Senior Executive Officer and Head of Corporate Planning Division  
 Phone: +81-52-205-1400  
 Scheduled date of filing quarterly securities report: February 9, 2024  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	96,997	10.7	4,046	121.5	3,721	84.2	931	—
December 31, 2022	87,596	15.1	1,826	(55.2)	2,020	(48.9)	(2,375)	—

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 5,369 million [ 37.7 %]  
 Nine months ended December 31, 2022: ¥ 3,898 million [ 22.4 %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	19.76	—
December 31, 2022	(50.65)	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	185,822	75,080	35.1
March 31, 2023	173,317	70,454	35.3

(Reference) Equity: As of December 31, 2023: ¥ 65,134 million  
 As of March 31, 2023: ¥ 61,136 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	10.00	—	2.00	12.00
Fiscal year ending March 31, 2024	—	2.00	—		
Fiscal year ending March 31, 2024 (Forecast)				8.00	10.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	128,000	10.8	4,700	66.4	4,200	44.3	1,200	—	25.46

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

#### (1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

#### (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

#### (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

#### (4) Total number of issued shares (common shares)

##### 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 47,520,253 shares

March 31, 2023: 47,520,253 shares

##### 2) Number of treasury shares at the end of the period:

December 31, 2023: 384,869 shares

March 31, 2023: 411,152 shares

##### 3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 47,131,733 shares

Nine months ended December 31, 2022: 46,889,873 shares

(Note) The Company has introduced a performance-linked stock-based remuneration for Directors and Executive Officers. For the calculation of total number of treasury shares at the end of the period and average number of shares during the period, Company shares held in the trusts are included in treasury shares to be deducted.

\* Numbers in parentheses denote negative numbers.

\* This financial result is not required to be reviewed by certificated public accountants or audit firm.

\* Explanation of appropriate use of earnings projections, other explanatory notes

Future prospects 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.

Quarterly Consolidated Financial Statements  
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	24,108	29,687
Notes and accounts receivable - trade	27,266	29,928
Electronically recorded monetary claims - operating	3,050	3,499
Merchandise and finished goods	16,972	16,804
Work in process	12,925	12,068
Raw materials and supplies	7,110	8,887
Other	2,702	2,909
Allowance for doubtful accounts	(81)	(75)
Total current assets	94,054	103,710
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,119	16,454
Machinery, equipment and vehicles, net	23,479	23,784
Other, net	15,922	17,407
Total property, plant and equipment	55,520	57,646
Intangible assets		
Goodwill	4,629	4,241
Other	5,880	5,528
Total intangible assets	10,509	9,769
Investments and other assets		
Investments and other assets	13,279	14,745
Allowance for doubtful accounts	(47)	(48)
Total investments and other assets	13,232	14,696
Total non-current assets	79,262	82,112
Total assets	173,317	185,822

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,373	10,126
Electronically recorded obligations - operating	10,916	11,923
Short-term borrowings	31,976	32,896
Provision for loss on guarantees	161	—
Current portion of long-term borrowings	6,368	7,008
Income taxes payable	592	741
Provision for bonuses	1,314	754
Provision for product compensation	58	135
Electronically recorded obligations - non-operating	834	1,404
Other	8,126	8,913
Total current liabilities	68,723	73,903
Non-current liabilities		
Long-term borrowings	21,266	22,995
Provision for share awards	59	78
Provision for share awards for directors (and other officers)	49	55
Retirement benefit liability	7,573	8,029
Asset retirement obligations	17	17
Other	5,173	5,661
Total non-current liabilities	34,140	36,837
Total liabilities	102,863	110,741
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,413	8,413
Capital surplus	13,114	13,114
Retained earnings	34,170	34,912
Treasury shares	(310)	(291)
Total shareholders' equity	55,388	56,149
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	974	1,383
Foreign currency translation adjustment	4,359	7,161
Remeasurements of defined benefit plans	414	440
Total accumulated other comprehensive income	5,748	8,985
Non-controlling interests	9,317	9,946
Total net assets	70,454	75,080
<b>Total liabilities and net assets</b>	<b>173,317</b>	<b>185,822</b>

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	87,596	96,997
Cost of sales	68,177	74,413
Gross profit	19,419	22,584
Selling, general and administrative expenses	17,592	18,538
Operating profit	1,826	4,046
Non-operating income		
Interest income	62	150
Dividend income	91	189
Foreign exchange gains	334	245
Share of profit of entities accounted for using equity method	118	156
Other	359	307
Total non-operating income	966	1,048
Non-operating expenses		
Interest expenses	624	1,242
Other	148	130
Total non-operating expenses	772	1,373
Ordinary profit	2,020	3,721
Extraordinary losses		
Impairment losses	1,957	—
Total extraordinary losses	1,957	—
Profit before income taxes	62	3,721
Income taxes - current	1,297	1,618
Income taxes - deferred	734	577
Total income taxes	2,031	2,196
Profit (loss)	(1,969)	1,525
Profit attributable to non-controlling interests	405	594
Profit (loss) attributable to owners of parent	(2,375)	931

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit (loss)	(1,969)	1,525
Other comprehensive income		
Valuation difference on available-for-sale securities	(220)	420
Foreign currency translation adjustment	5,847	3,183
Remeasurements of defined benefit plans, net of tax	92	37
Share of other comprehensive income of entities accounted for using equity method	148	202
Total other comprehensive income	5,867	3,844
Comprehensive income	3,898	5,369
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,808	4,168
Comprehensive income attributable to non-controlling interests	1,090	1,201

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	62	3,721
Depreciation	7,149	7,284
Impairment losses	1,957	—
Amortization of goodwill	553	580
Share of loss (profit) of entities accounted for using equity method	(118)	(156)
Increase (decrease) in allowance for doubtful accounts	(58)	(10)
Increase (decrease) in provision for bonuses	(772)	(561)
Increase (decrease) in provision for bonuses for directors (and other officers)	(39)	—
Increase or decrease in net defined benefit asset and liability	(18)	(149)
Increase (decrease) in provision for share awards	10	19
Increase (decrease) in provision for share awards for directors (and other officers)	13	6
Increase (decrease) in provision for loss on guarantees	18	(161)
Interest and dividend income	(153)	(339)
Interest expenses	624	1,242
Decrease (increase) in trade receivables	(2,273)	(1,620)
Decrease (increase) in inventories	(2,715)	874
Increase (decrease) in trade payables	(2,065)	1,483
Increase (decrease) in accrued consumption taxes	(75)	141
Increase (decrease) in other liabilities	955	308
Other, net	(560)	713
Subtotal	2,492	13,376
Interest and dividends received	107	307
Dividends received from entities accounted for using equity method	101	64
Interest paid	(553)	(1,220)
Income taxes paid	(2,251)	(1,550)
Net cash provided by (used in) operating activities	(103)	10,976



(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,842)	(1,934)
Proceeds from withdrawal of time deposits	1,579	1,063
Purchase of investment securities	(447)	(29)
Purchase of property, plant and equipment	(3,750)	(5,069)
Proceeds from sale of property, plant and equipment	33	3
Purchase of intangible assets	(235)	(250)
Loan advances	(299)	(422)
Proceeds from collection of loans receivable	64	326
Other, net	13	155
Net cash provided by (used in) investing activities	(4,883)	(6,155)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	6,149	(1,541)
Proceeds from long-term borrowings	5,634	7,500
Repayments of long-term borrowings	(5,528)	(5,505)
Repayments of finance lease liabilities	(564)	(440)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	142	0
Dividends paid	(1,159)	(186)
Dividends paid to non-controlling interests	(434)	(541)
Net cash provided by (used in) financing activities	4,240	(713)
Effect of exchange rate change on cash and cash equivalents	1,225	308
Net increase (decrease) in cash and cash equivalents	478	4,415
Cash and cash equivalents at beginning of period	18,868	18,955
Cash and cash equivalents at end of period	19,347	23,370

(4)Notes to Quarterly Consolidates Financial Statement

(Notes on going concern assumption)

Not applicable

(Notes on material changes in Shareholders' Equity)

Not applicable

(Changes in scope of consolidation or scope of application of equity method)

Significant changes in the scope of consolidation

Asia Kelmet Co., Ltd. ( "AKS" ), which was a consolidated subsidiary of the Company, is excluded from the scope of consolidation as a result of an absorption-type merger, effective from October 1st, 2023, whereby the Company became the surviving company and AKS dissolved.

(Segment information)

[ Third quarter of previous period (from April 1, 2022 to December 31, 2022) ]

① Information on sales and profit (loss) by each reporting segment

(Unit JPY million)

	Reporting Segment					Others (*)	Total
	Automotive engine bearings	Automotive non-engine bearings	Non-automotive bearings	Other automotive parts	Sub total		
Net sales							
External sales	48,779	14,746	10,569	12,425	86,521	1,075	87,596
Internal sales or transfer between segments	655	164	22	342	1,186	485	1,671
Total	49,435	14,911	10,592	12,768	87,707	1,560	89,268
Segment profit(loss)	5,085	1,998	1,519	(1,676)	6,926	266	7,193

(\*) "Others" includes business areas not included in above reporting segments. It includes electrode sheets for electric double layer capacitors, the metallic dry bearings business, pump-related products businesses, and real estate leasing business.

② Reconciliation between total reporting segment profit (loss) and profit (loss) reported in Quarterly Consolidated Statements of Income

(Unit JPY million)

Profit	Amount
Reporting segments total	6,926
Profit from "Others" category	266
Elimination of intersegment transactions	10
Unattributable costs (*)	(5,376)
Operating profit (loss) as per Quarterly Consolidated Statements of Income	1,826

(\*) Unattributable costs are principally general administrative expenses not attributable to reporting segments.

Impairment loss of non-current assets or goodwill by reportable business segment

(Significant impairment loss on non-current assets)

In the "Other automotive parts" business, the book value of certain aluminum die-cast product manufacturing facilities was reduced to the recoverable amount, and the decrease of 1,957 million yen was recorded as an impairment loss (extraordinary loss).

[ Third quarter of current period (from April 1, 2023 to December 31, 2023) ]

① Information on sales and profit (loss) by each reporting segment

(Unit JPY million)

	Reporting Segment					Others (*)	Total
	Automotive engine bearings	Automotive non-engine bearings	Non-automotive bearings	Other automotive parts	Sub total		
Net sales							
External sales	52,616	15,167	12,299	15,510	95,593	1,403	96,997
Internal sales or transfer between segments	436	183	34	222	877	595	1,473
Total	53,053	15,351	12,333	15,733	96,471	1,999	98,470
Segment profit(loss)	6,683	2,048	2,276	(1,756)	9,251	303	9,554

(\*) “Others” includes business areas not included in above reporting segments. It includes electrode sheets for electric double layer capacitors, the metallic dry bearings business, pump-related products businesses, and real estate leasing business.

② Reconciliation between total reporting segment profit (loss) and profit (loss) reported in Quarterly Consolidated Statements of Income

(Unit JPY million)

Profit	Amount
Reporting segments total	9,251
Profit from “Others” category	303
Elimination of intersegment transactions	(0)
Unattributable costs (*)	(5,508)
Operating profit (loss) as per Quarterly Consolidated Statements of Income	4,046

(\*) Unattributable costs are principally general administrative expenses not attributable to reporting segments.