

The background is a vibrant blue sky with white clouds. In the upper left, two blue and white drones are flying. In the center, a white city skyline with various skyscrapers is visible. In the lower left, a white high-speed train is moving from left to right. In the lower right, a green and white truck and a yellow and white truck are driving on a road. The overall theme is modern technology and industry.

FY2023 Third Quarter Consolidated Financial Results

February 9, 2024

Daido Metal Co., Ltd.

[TSE Prime Market, NSE Premier Market]

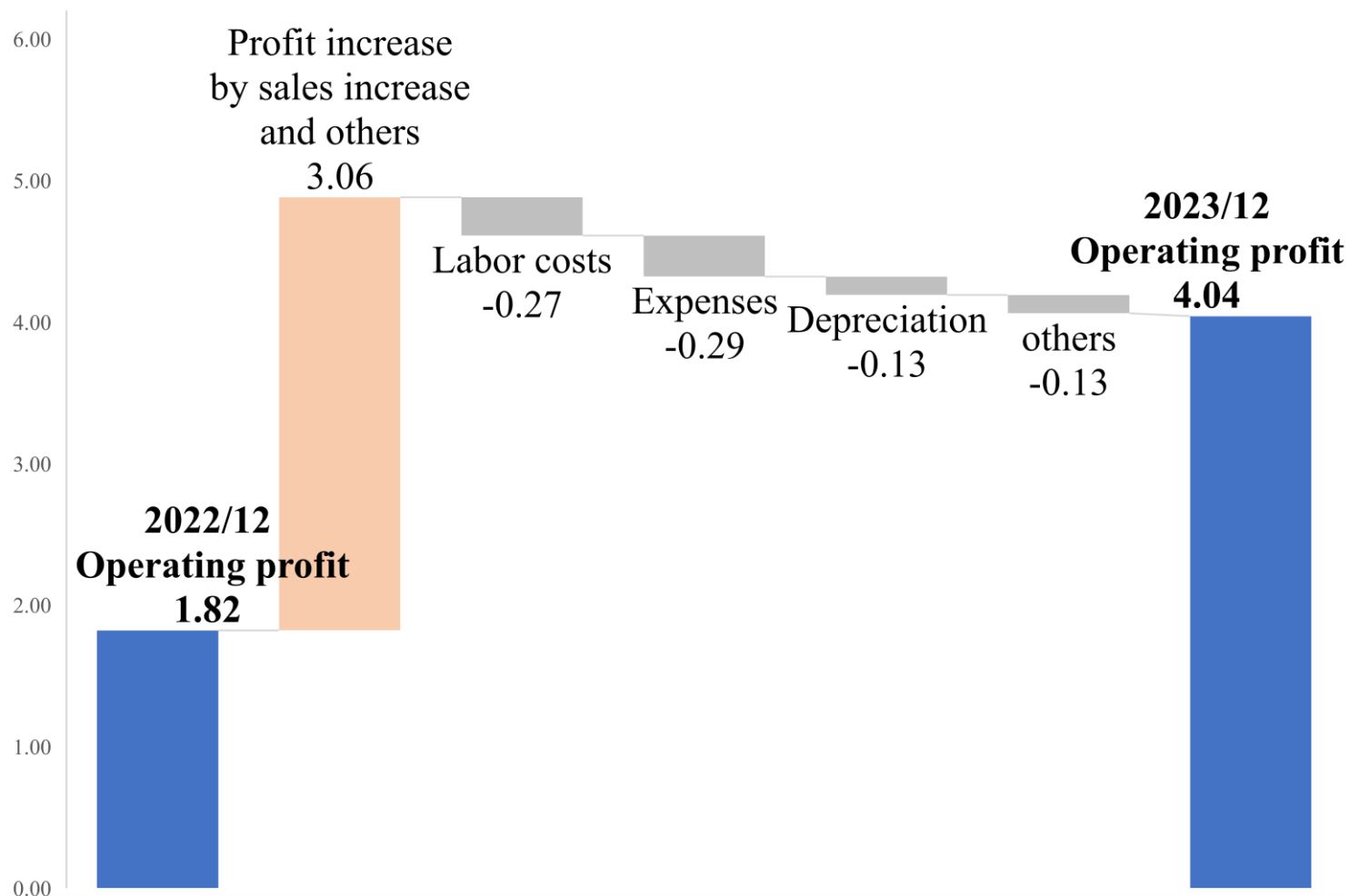
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	Actual		Year-on-year comparison	
	2022/12	2023/12	Amount	%
Net sales	87,596	96,997	9,401	10.7%
Operating profit (Operating margin)	1,826 (2.1%)	4,046 (4.2%)	2,219 (2.1%)	121.5% —
Ordinary profit (Ordinary income margin)	2,020 (2.3%)	3,721 (3.8%)	1,701 (1.5%)	84.2% —
Profit attributable to owners of parent (Net profit margin)	- 2,375 (- 2.7%)	931 (1.0%)	3,306 (3.7%)	— —
Return on Equity (ROE) ^{*1}	- 5.2%	2.0%	7.1%	—
Net assets to total assets	34.9%	35.1%	0.1%	—
Net interest bearing debt	41,687	35,445	- 6,242	- 15.0%
Exchange rate (USD)	144.81	149.58	Exchange rate is TTM rate as of September 30.	
Exchange rate (EUR)	142.32	158.00		

*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 0.82 JPY billion, profit increased by about 2.21 JPY billion in total from the same period of the previous year due to profit increase by sales increase and others about 3.06 JPY billion.

Overview <Forecast> for the FY2023

Unit: JPY Million



	Actual	Forecast	Year-on-year comparison	
	2023/3	2024/3	Amount	%
Net sales	115,480	128,000	12,519	10.8%
Operating profit (Operating margin)	2,824 (2.4%)	4,700 (3.7%)	1,875	66.4%
Ordinary profit (Ordinary income margin)	2,909 (2.5%)	4,200 (3.3%)	1,290	44.3%
Profit attributable to owners of parent (Net profit margin)	*1 - 2,208 (- 1.9%)	1,200 (0.9%)	3,408	—
Exchange rate (USD)	132.70	141.83		
Exchange rate (EUR)	141.47	157.12		

Exchange rate is 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

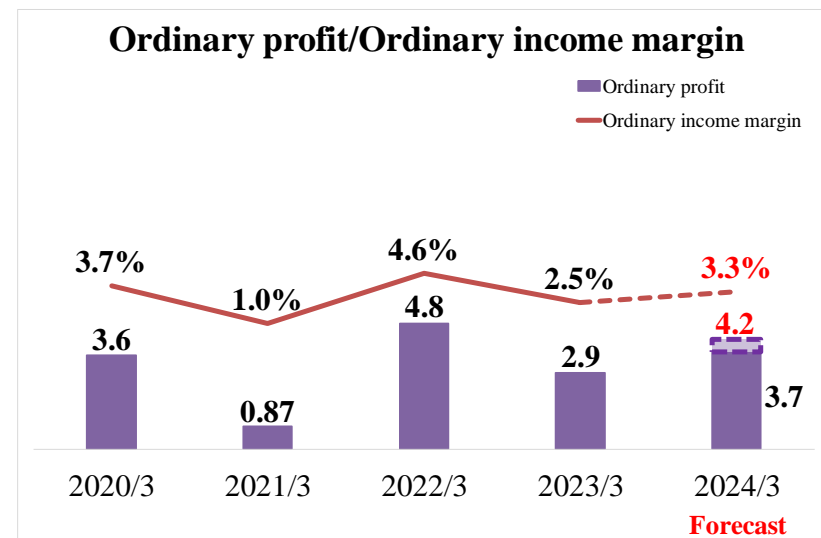
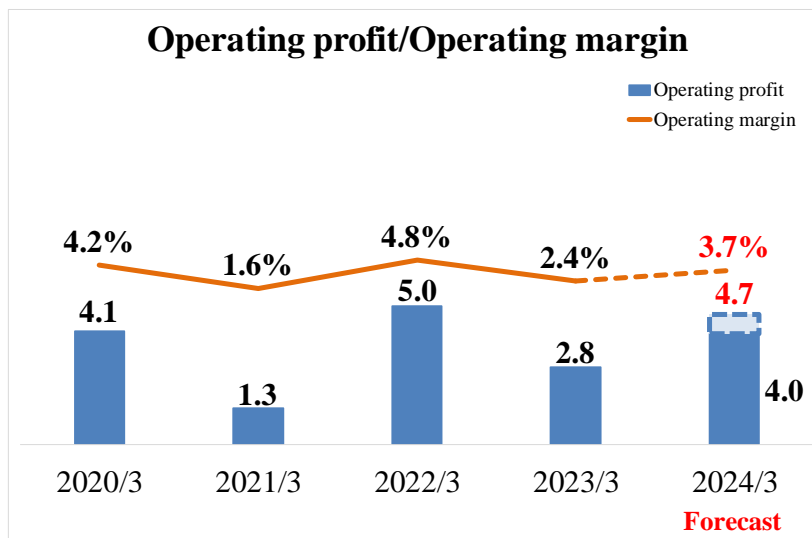
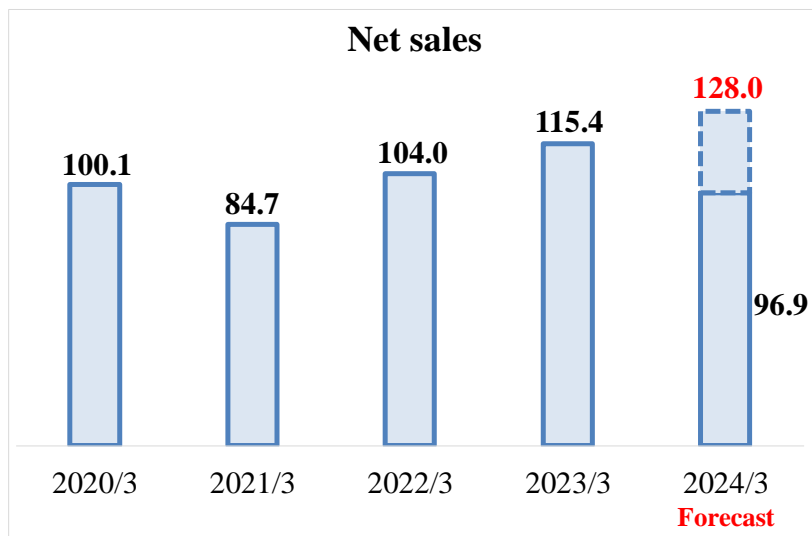


(Forecast)

	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%	—

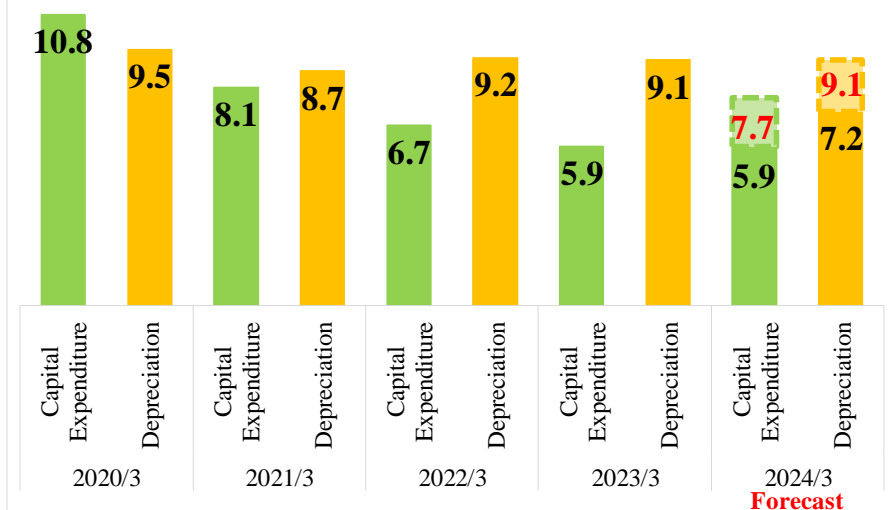
(* 1) The interim dividend for FY2019 : *Regular dividend (15 yen) + Commemorative dividend (5 yen)*



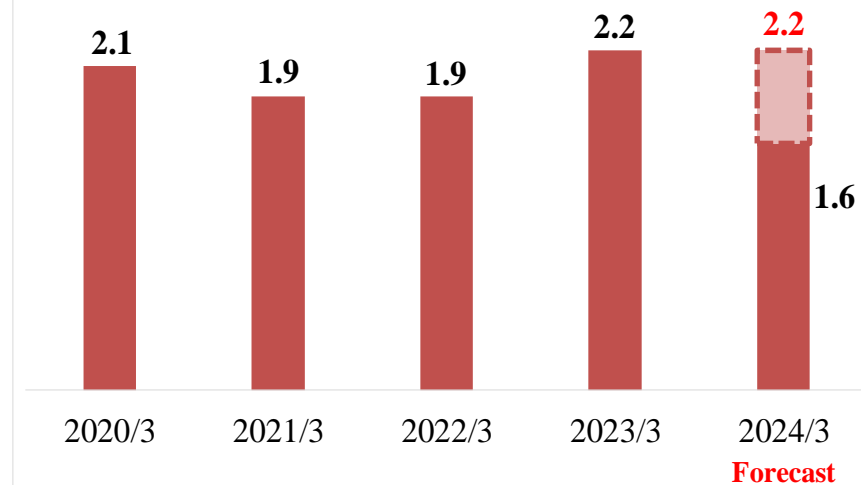
Capital Expenditure, Depreciation and R&D expenses

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 2023/12	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Automotive engine bearings	53.9%	3,617	7.3%	1,598	31.4%
Automotive non-engine bearings	15.6%	439	3.0%	49	2.5%
Non-automotive bearings	12.5%	1,741	16.4%	756	49.8%
Other automotive parts	16.0%	2,965	23.2%	-79	—
Others	2.0%	438	28.1%	36	13.8%
Elimination of inter-segment transactions		198		-142	
Total :		9,401	10.7%	2,219	121.5%

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

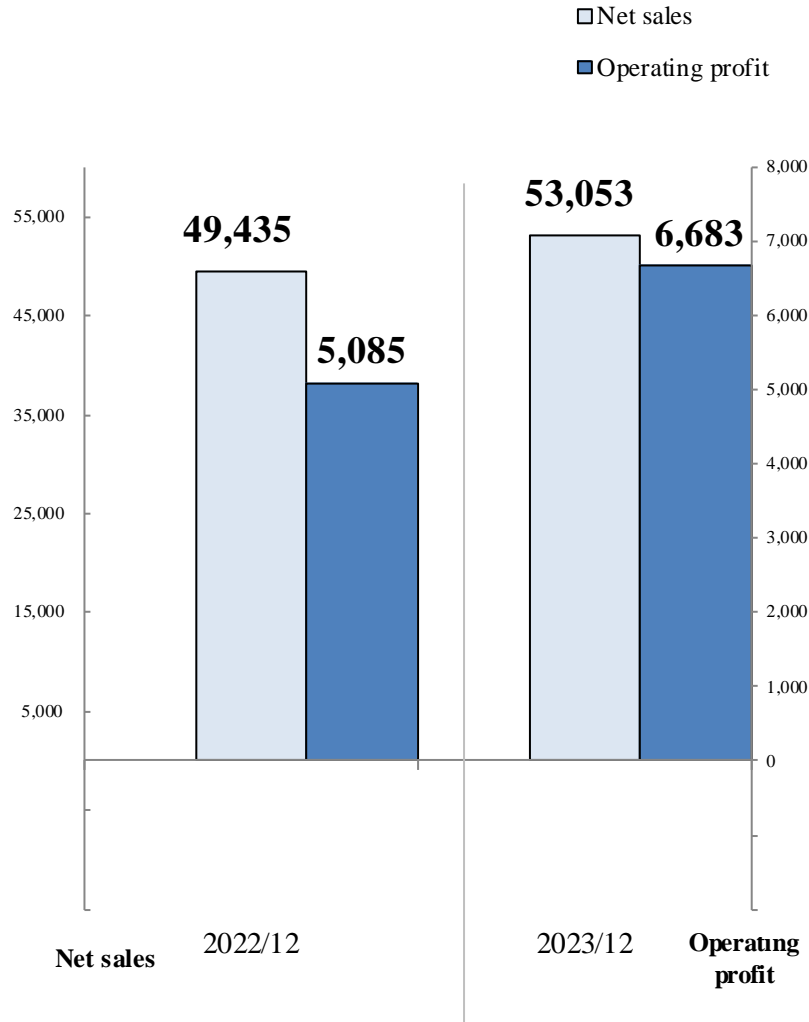
Unit: JPY Million



Automotive engine bearings

(+)Gains (-)Losses

Year-on-year comparison



【Net sales】 +3,617 (+7.3%)

(+) 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: Decline in orders due to sluggish sales of engines for industrial machines to China and weak demand in Southeast Asia (Indonesia, Thailand, etc.)

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

(+) South Korea: Orders increased due to strong sales of SUVs and other vehicles for North America.

(-) China: Orders decreased due to weak demand of Japanese brand vehicles.

【Operating profit】 +1,598 (+31.4%)

(+) Impact of increased sales globally.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

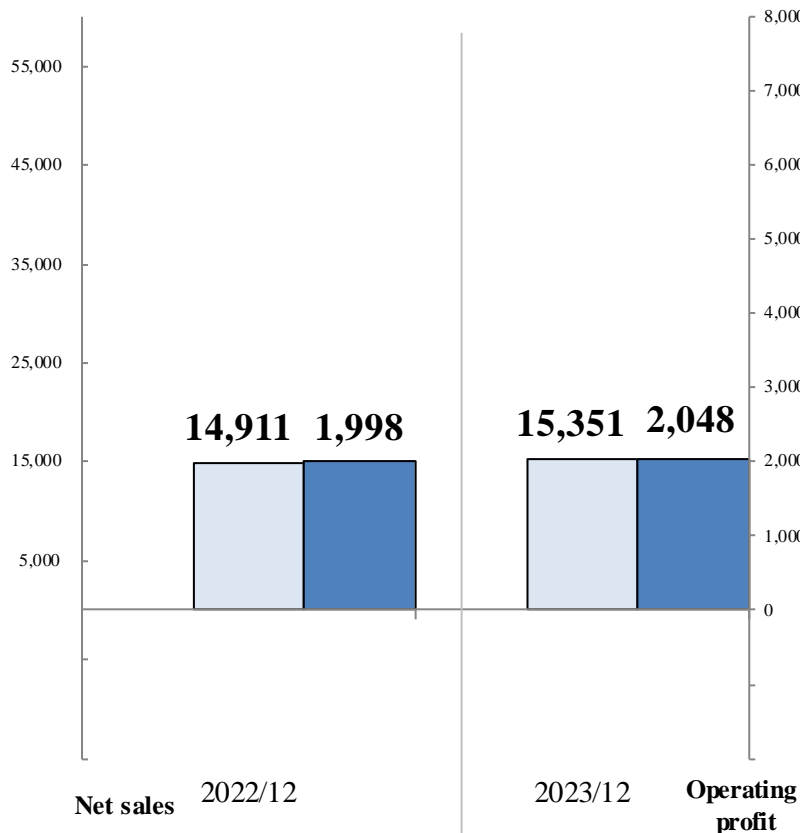


Year-on-year comparison

Automotive non-engine bearings

(+)Gains (-)Losses

□ Net sales
■ Operating profit



【Net sales】 +439 (+3.0%)

(+) Japan: Orders increased due to the easing of semiconductor supply shortage.

(+) Europe: Increase in orders due to demand rebound.

【Operating profit】 +49 (+2.5%)

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

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

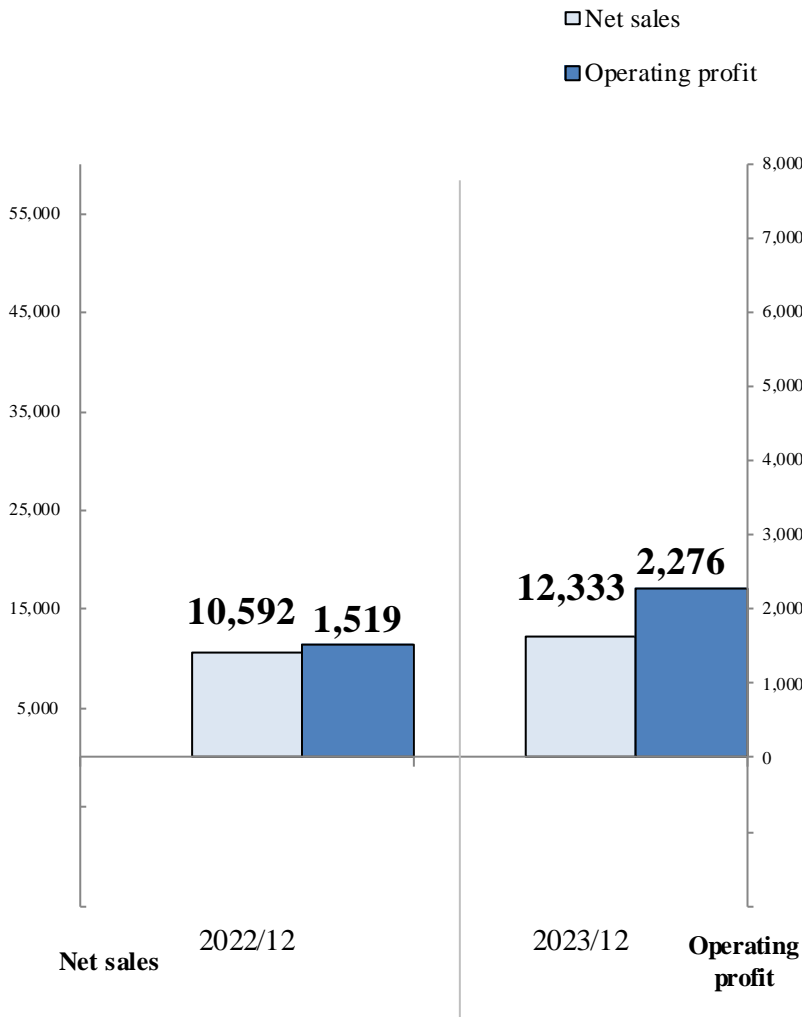
Unit: JPY Million



Non-automotive bearings

(+)Gains (-)Losses

Year-on-year comparison



【Net sales】 +1,741 (+16.4%)

(+) Ships: Increased demand for container ships and other large vessels, continued business development for 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 used in generators.

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

【Operating profit】 +756 (+49.8%)

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

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

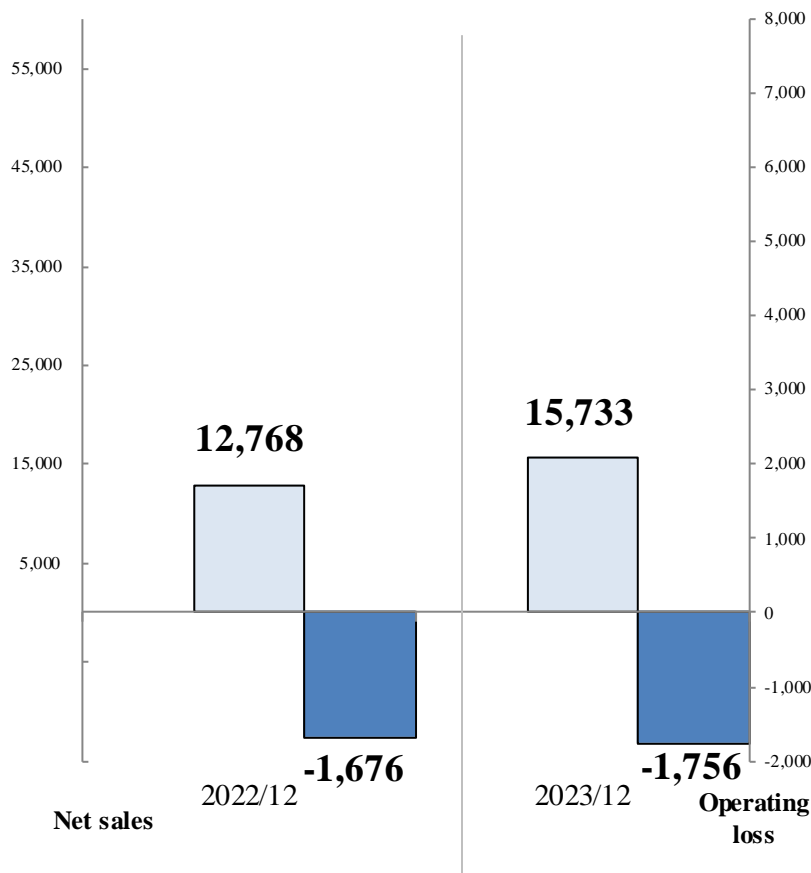


Year-on-year comparison

Other automotive parts

(+)Gains (-)Losses

□ Net sales
■ Operating loss



【Net sales】 +2,965 (+23.2%)

(+) 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, and a surge in new orders to North America.

【Operating loss】 - 79 (-)

(-) Precision metal work parts: Impact of increased logistics costs for on-time delivery.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

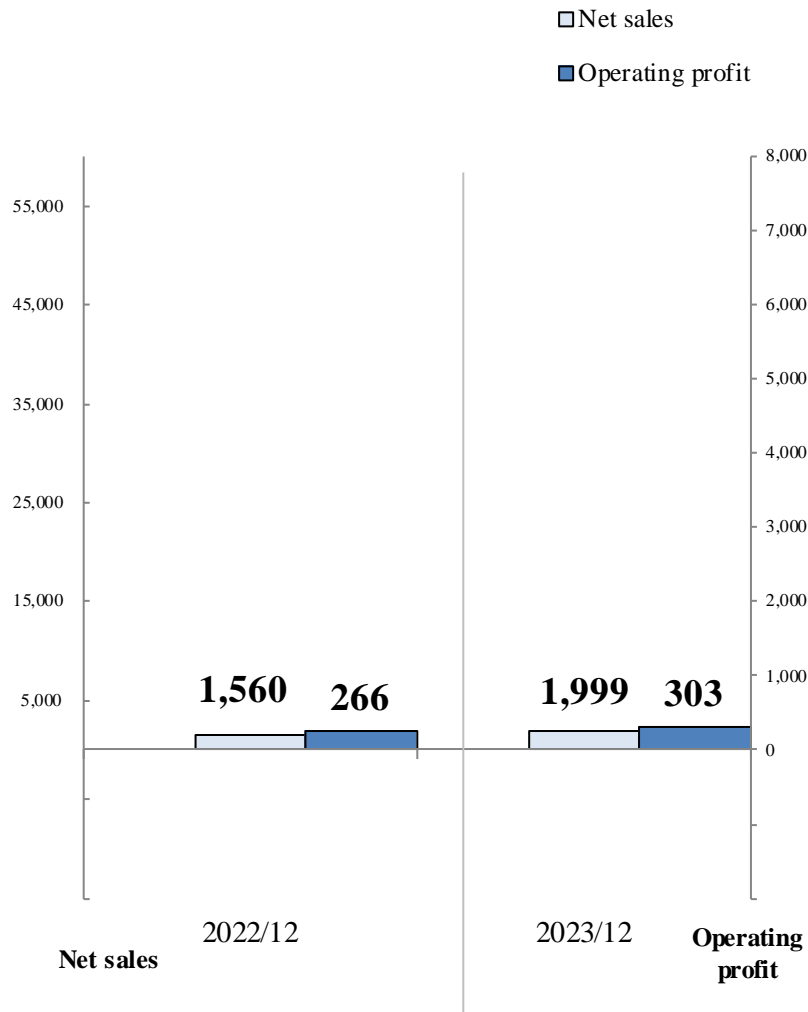
Unit: JPY Million



Others

(+)Gains (-)Losses

Year-on-year
comparison



【Net sales】 +438 (+28.1%)

(+) 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】 +36 (+13.8%)

(+) 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 2023/12	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Japan	52.0%	5,092	9.0%	1,470	130.6%
Asia	25.6%	3,145	11.5%	- 362	- 74.8%
North America	12.8%	2,395	18.7%	987	246.0%
Europe	9.6%	1,050	10.1%	197	—
Elimination of inter-segment transactions		-2,282		-73	
Total :		9,401	10.7%	2,219	121.5%

Sales and Operating profit by Region

(Before elimination of internal transactions)

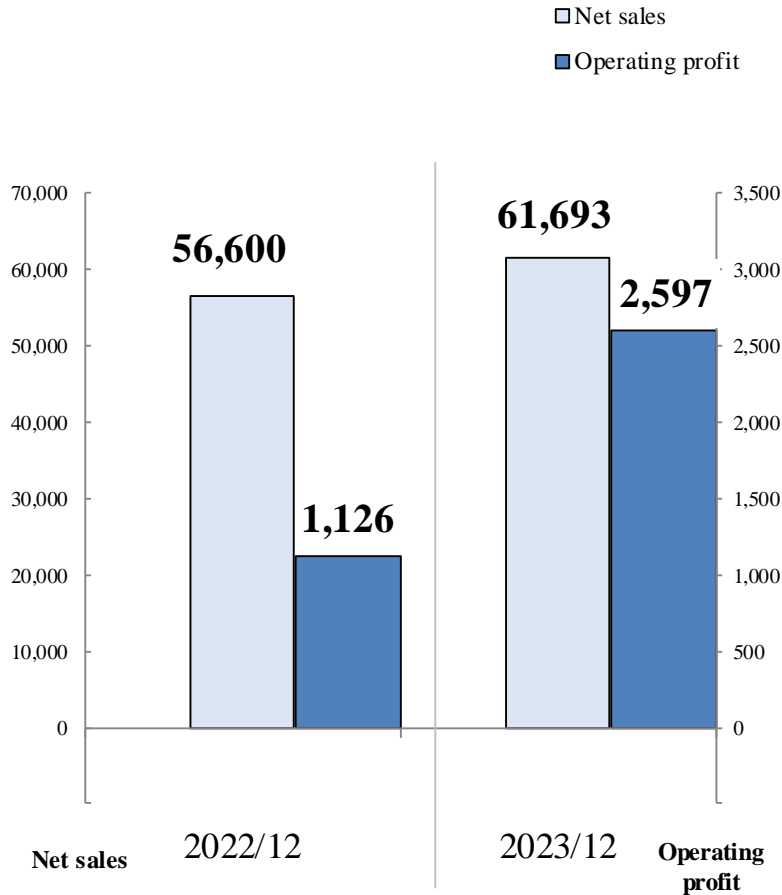
Unit: JPY Million



Japan

(+)Gains (-)Losses

Year-on-year
comparison



【Net sales】 +5,092 (+9.0%)

(+) 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.

【Operating profit】 +1,470 (+130.6%)

(+) Impact of increased sales.

Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million

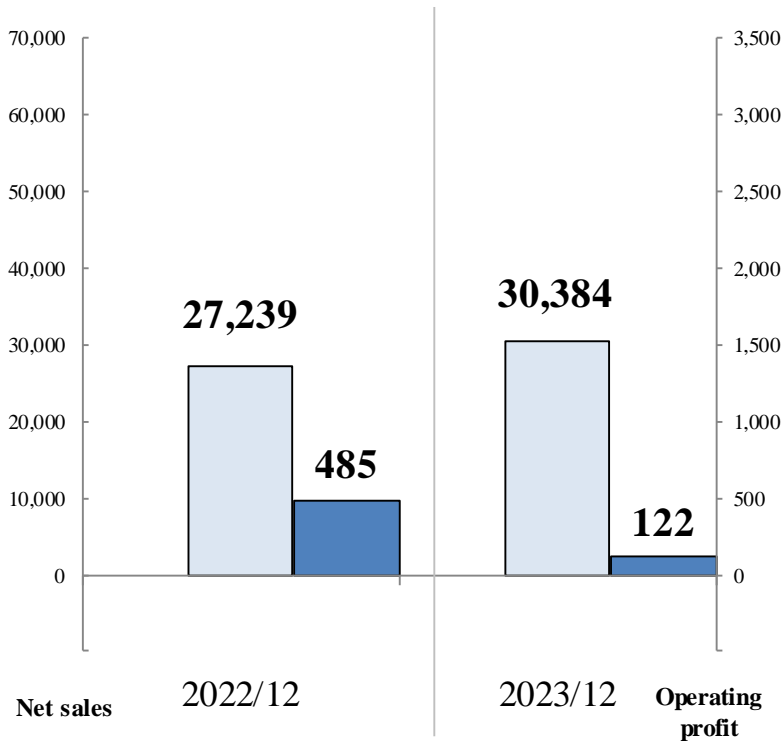


Year-on-year comparison

Asia

(+)Gains (-)Losses

□ Net sales
■ Operating profit



【Net sales】 +3,145 (+11.5%)

(+) Thailand: Orders increased due to increased demand for new delivery of parts for electric vehicles.

(Aluminum die cast products)

(+) South Korea: Orders increased due to strong sales of SUVs and other vehicles for North America.

(-) China: Orders decreased due to weak demand of Japanese brand vehicles.

【Operating profit】 - 362 (- 74.8%)

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

(-) China: Impact of decreased sales.

(-) Precision metal work parts: Impact of sales decrease and increased logistics costs for on-time delivery.

Sales and Operating profit by Region

(Before elimination of internal transactions)

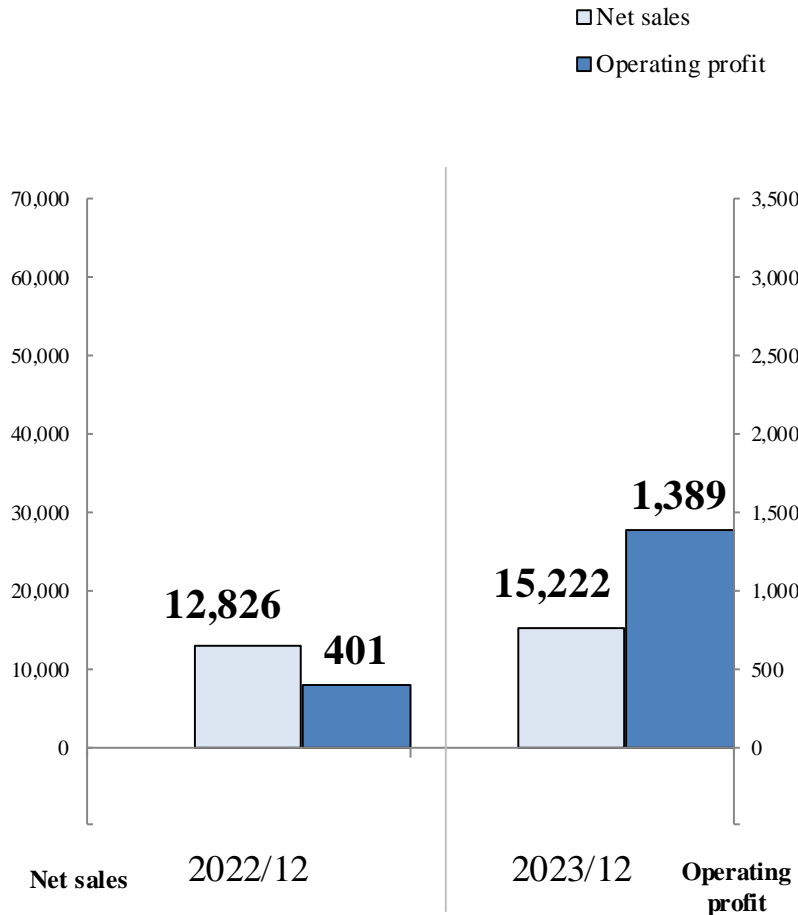
Unit: JPY Million



North America

(+)Gains (-)Losses

Year-on-year
comparison



【Net sales】 +2,395 (+18.7%)

- (+) Orders increased due to the easing of semiconductor supply shortage for passenger cars.
- (+) 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, and a surge in new orders.

【Operating profit】 +987 (+246.0%)

- (+) 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)

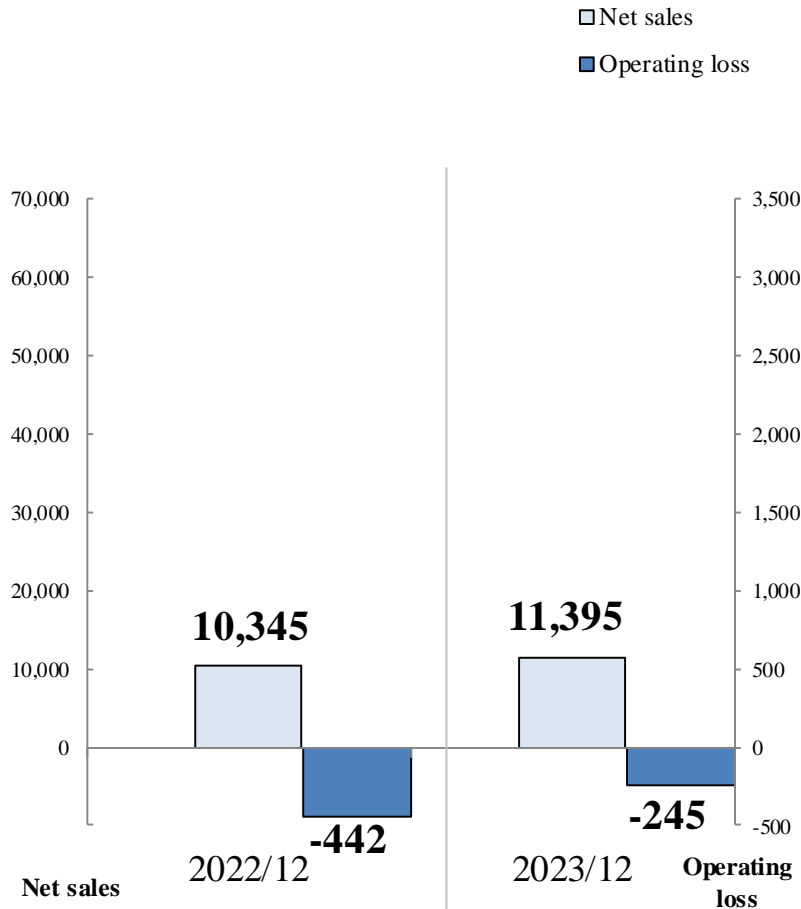
Unit: JPY Million



Year-on-year comparison

Europe

(+)Gains (-)Losses



【Net sales】 +1,050 (+10.1%)

(+) 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】 +197 (-)

(+) 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