

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 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**

# **Consolidated Financial Results**

**May 14, 2024**

**Daido Metal Co., Ltd.**

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

**Code:7245**

# Overview <Actual>

Unit: JPY Million



	Actual		Year-on-year comparison	
	2023/3	2024/3	Amount	%
<b>Net sales</b>	<b>115,480</b>	<b>128,738</b>	13,257	11.5%
<b>Operating profit</b> (Operating margin)	<b>2,824</b> (2.4%)	<b>6,084</b> (4.7%)	3,259 (2.3%)	115.4%
<b>Ordinary profit</b> (Ordinary income margin)	<b>2,909</b> (2.5%)	<b>5,825</b> (4.5%)	2,915 (2.0%)	100.2%
<b>Profit attributable to owners of parent</b> (Net profit margin)	*1 <b>- 2,208</b> (- 1.9%)	<b>2,569</b> (2.0%)	4,777 (3.9%)	—
<b>Return on Equity (ROE)</b>	<b>- 3.6%</b>	<b>4.0%</b>	7.6%	—
<b>Net assets to total assets</b>	<b>35.3%</b>	<b>36.5%</b>	1.2%	—
<b>Net interest bearing debt</b>	<b>37,825</b>	<b>32,424</b>	- 5,400	- 14.3%
<b>Exchange rate (USD)</b>	<b>132.70</b>	<b>141.83</b>		
<b>Exchange rate (EUR)</b>	<b>141.47</b>	<b>157.12</b>		

Exchange rate is TTM rate as of December 31.

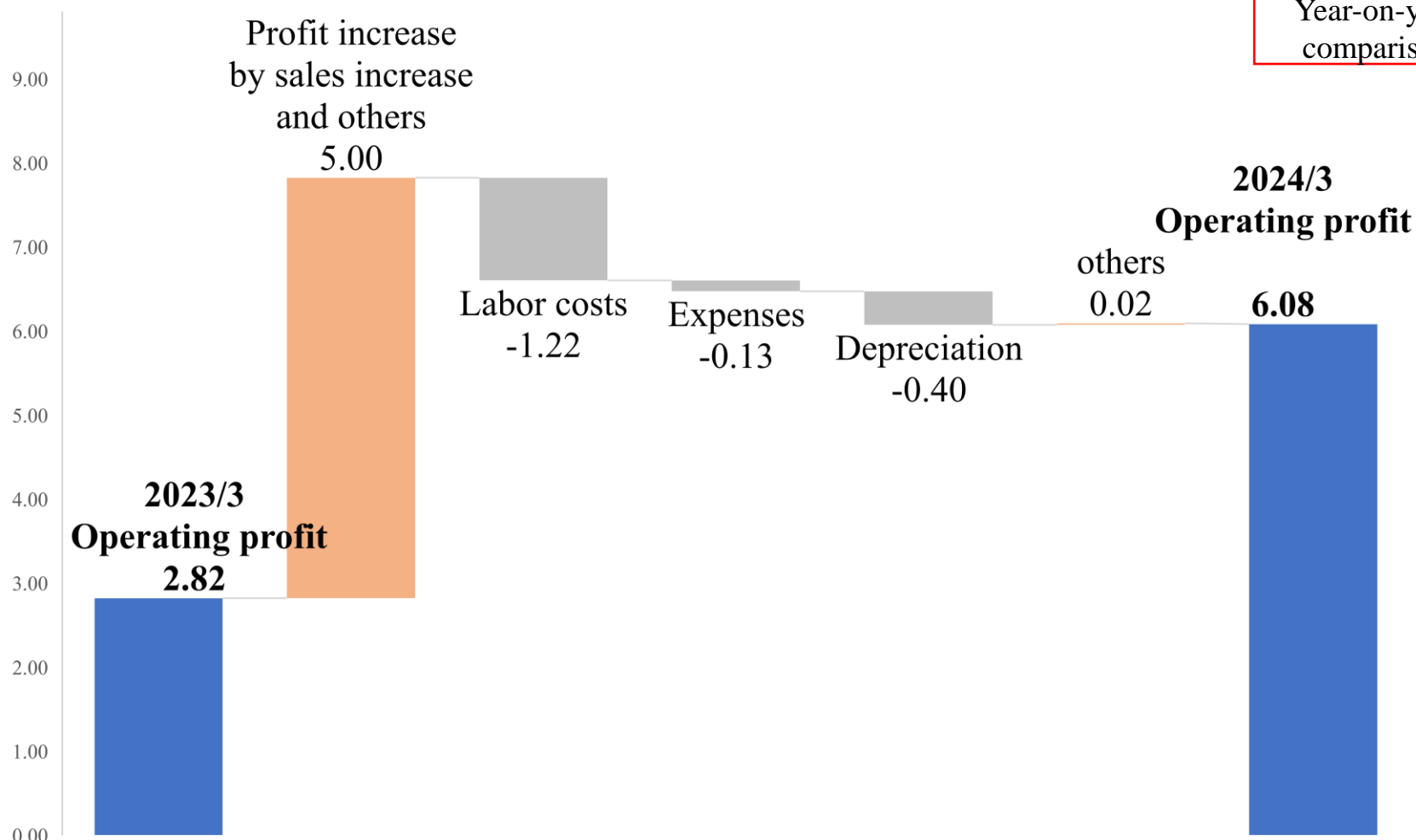
\*1 Impairment of fixed assets recorded by DM Casting Technology (Thailand) Co., Ltd., a consolidated subsidiary of our company, in the second quarter of FY2022.

# Causes of Fluctuation in Operating profit

Unit: JPY Billion



Year-on-year  
comparison



Although profit decreased from increase in labor costs, expenses, depreciation and others by about 1.75 JPY billion, profit increased by about 3.25 JPY billion in total from the same period of the previous year due to profit increase by sales increase and others about 5 JPY billion.

# Overview <Forecast> for the FY2024

Unit: JPY Million

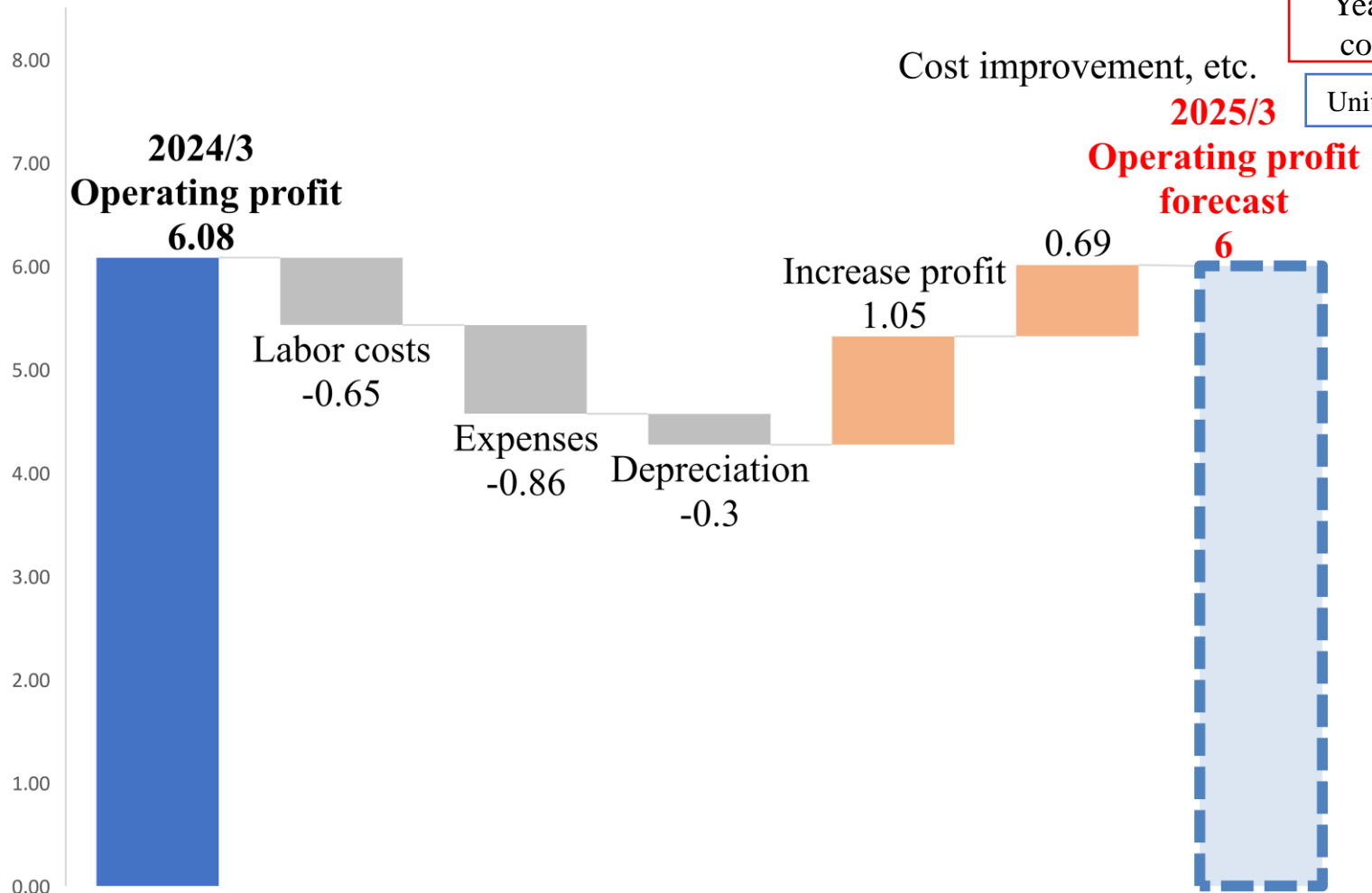


	Actual	Forecast	Year-on-year comparison	
	2024/3	2025/3	Amount	%
<b>Net sales</b>	<b>128,738</b>	<b>131,000</b>	2,261	1.8%
<b>Operating profit</b> (Operating margin)	<b>6,084</b> (4.7%)	<b>6,000</b> (4.6%)	- 84	- 1.4%
<b>Ordinary profit</b> (Ordinary income margin)	<b>5,825</b> (4.5%)	<b>5,700</b> (4.4%)	- 125	- 2.2%
<b>Profit attributable to owners of parent</b> (Net profit margin)	<b>2,569</b> (2.0%)	<b>2,500</b> (1.9%)	- 69	- 2.7%
<b>Exchange rate (USD)</b>	<b>141.83</b>	<b>146.00</b>		
<b>Exchange rate (EUR)</b>	<b>157.12</b>	<b>159.00</b>		

\*TTM rate as of December 31.

# Causes of Fluctuation in Operating profit <Forecast>

Year-on-year comparison  
Unit: JPY Billion



Although profit decreased from increase in labor costs, expenses, depreciation and others by about 1.81 JPY billion, total profit was almost unchanged from that of the same period of the previous year due to profit increase by sales increase of about 1.05 JPY billion and cost improvement, etc. of about 0.69 JPY billion.

# Overview <Forecast> for the FY2024 Second Quarter

Unit: JPY Million

	Actual	Forecast	Year-on-year comparison	
	2023/9	2024/9	Amount	%
<b>Net sales</b>	<b>63,383</b>	<b>65,000</b>	1,616	2.6%
<b>Operating profit</b> (Operating margin)	<b>2,210</b> (3.5%)	<b>2,400</b> (3.7%)	189	8.6%
<b>Ordinary profit</b> (Ordinary income margin)	<b>2,212</b> (3.5%)	<b>2,300</b> (3.5%)	87	3.9%
<b>Profit attributable to owners of parent</b> (Net profit margin)	<b>615</b> (1.0%)	<b>1,000</b> (1.5%)	384	62.5%
Exchange rate (USD)	<b>144.99</b>	<b>146.00</b>		
Exchange rate (EUR)	<b>157.60</b>	<b>159.00</b>		

\*TTM rate as of June 30.

# Dividend/ Dividend Payout Ratio

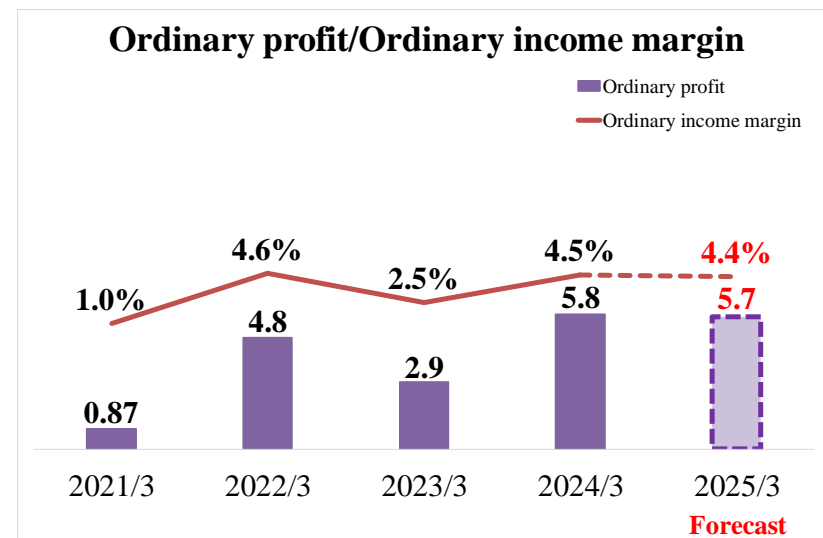
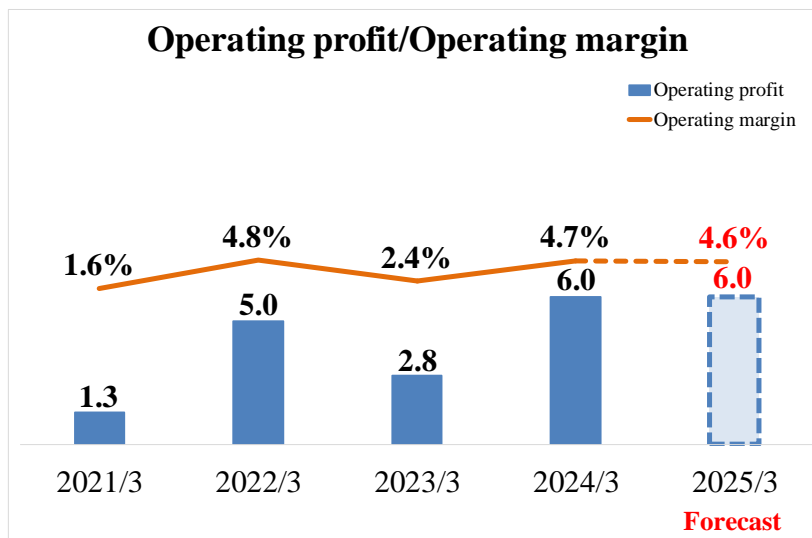
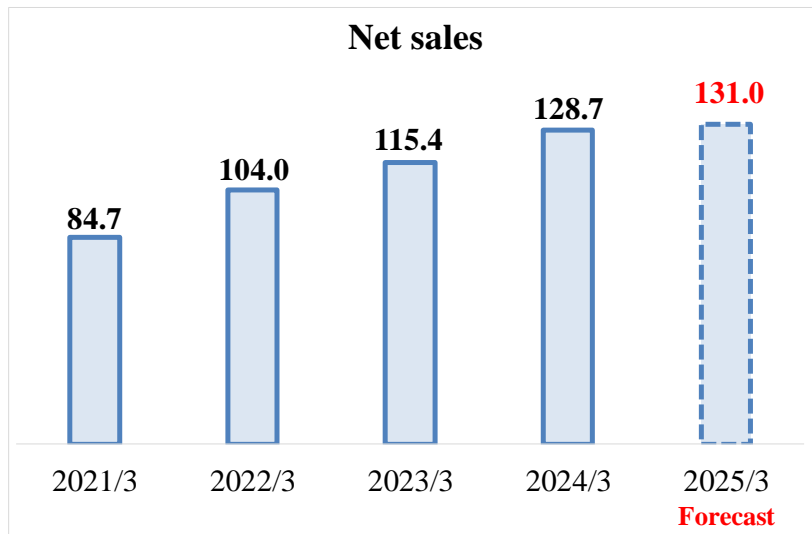
Unit: JPY



**(Forecast)**

	FY2020	FY2021	FY2022	FY2023	FY2024
Interim	10	10	10	2	7
Year-end	10	15	2	13 <b>(Forecast)</b>	8
Annual	20	25	12	15 <b>(Forecast)</b>	15

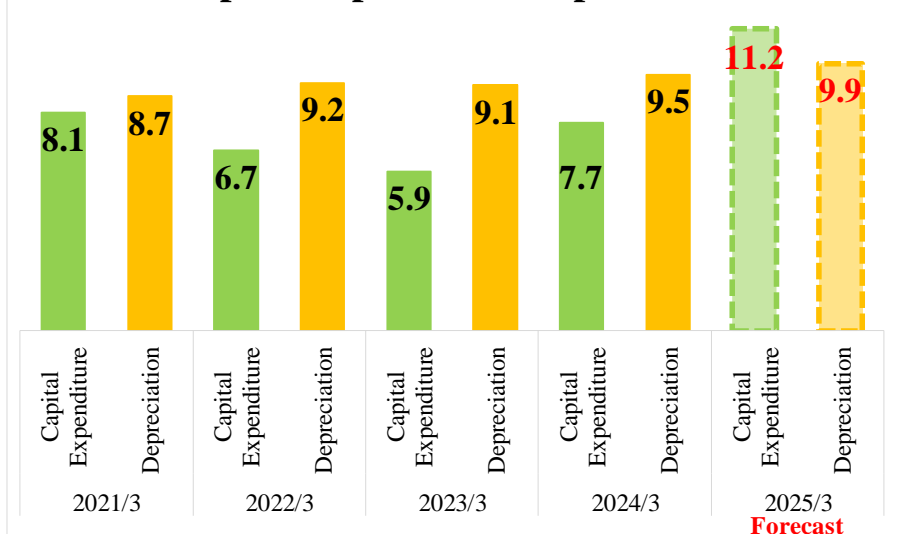
Dividend Payout Ratio	888.7%	61.4%	—	27.5%	28.3%
Dividend Yield (Year-end price basis)	3.4%	4.4%	2.3%	2.2%	—



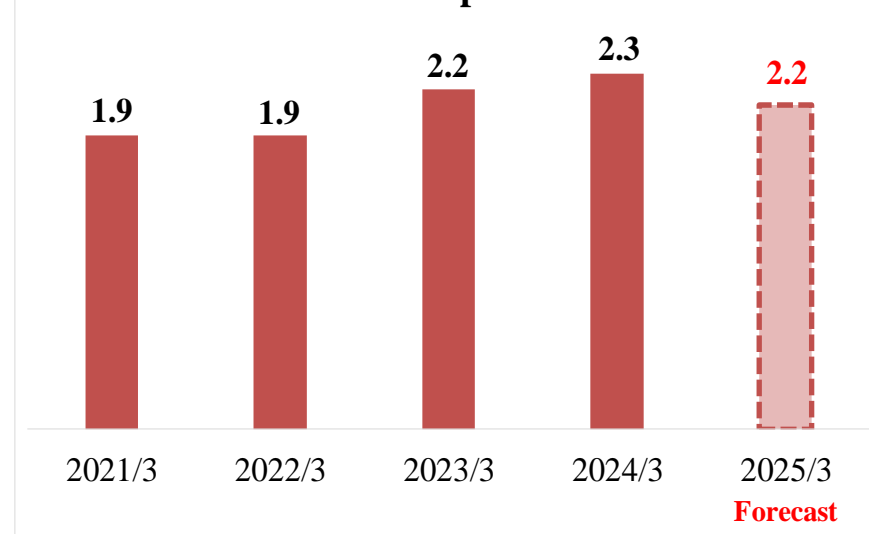


Unit: JPY Billion

### 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 2024/3	Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Automotive engine bearings	53.7%	6,606	10.4%	2,121	30.5%
Automotive non-engine bearings	15.4%	584	3.0%	127	4.8%
Non-automotive bearings	12.7%	1,838	12.4%	1,168	56.0%
Other automotive parts	16.5%	3,784	21.3%	374	—
Others	1.7%	128	6.0%	18	4.8%
Elimination of inter-segment transactions		315		-549	
Total :		13,257	11.5%	3,259	115.4%

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

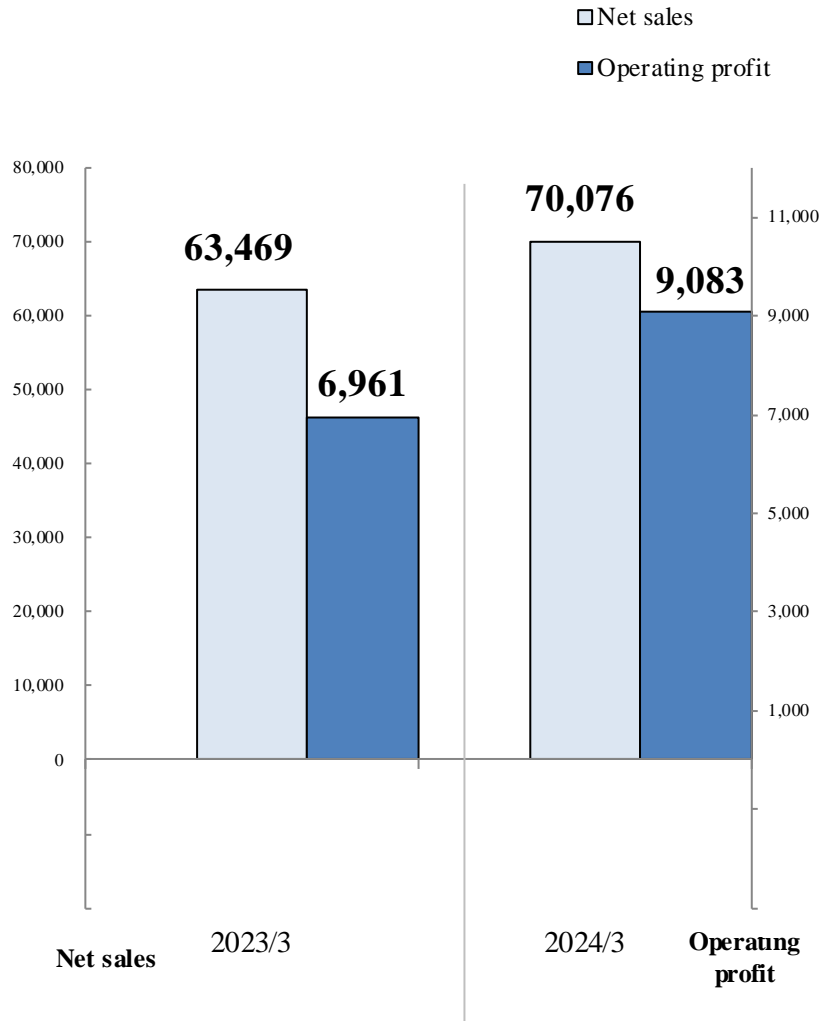
Unit: JPY Million



Year-on-year comparison

## Automotive engine bearings

(+)Gains (-)Losses



**【Net sales】 +6,606 (+10.4%)**

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

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

(+) 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 slightly for the full year despite increase demand of Japanese brand vehicles in the second half of the year.

**【Operating profit】 +2,121 (+30.5%)**

(+) Impact of increased sales globally.

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

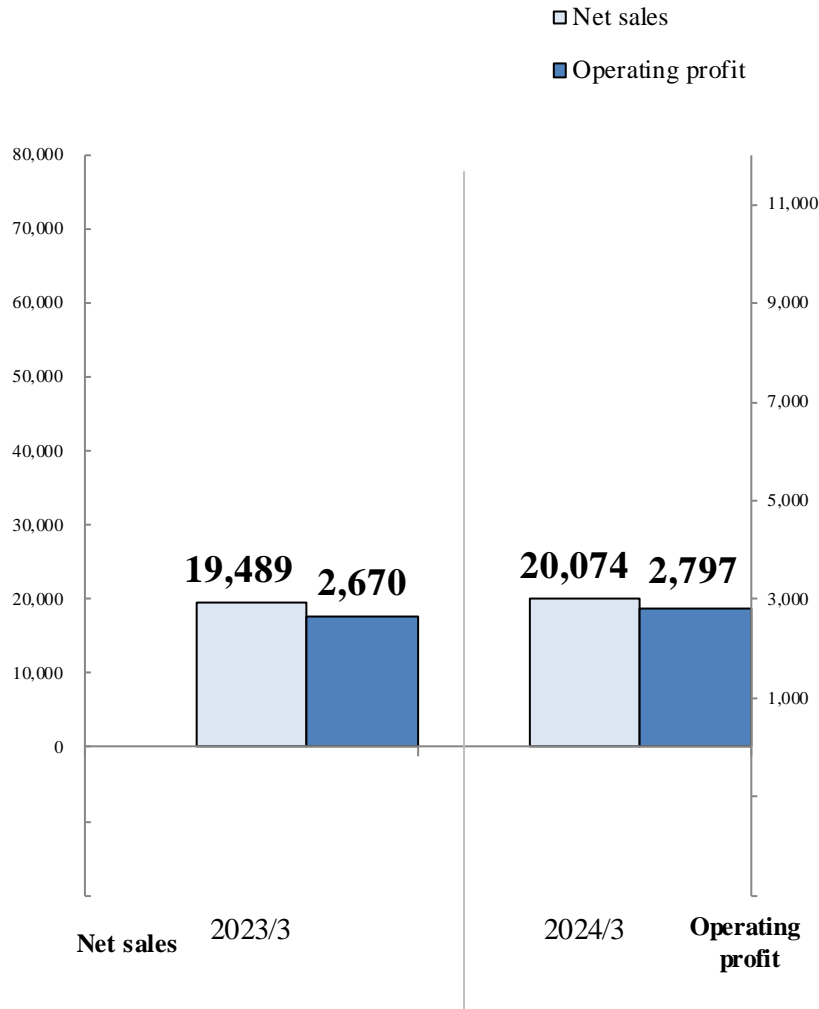
Unit: JPY Million



Year-on-year comparison

## Automotive non-engine bearings

(+)Gains (-)Losses



**【Net sales】 +584 (+3.0%)**

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

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

**【Operating profit】 +127 (+4.8%)**

(+) Japan: Impact of increased sales.

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

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

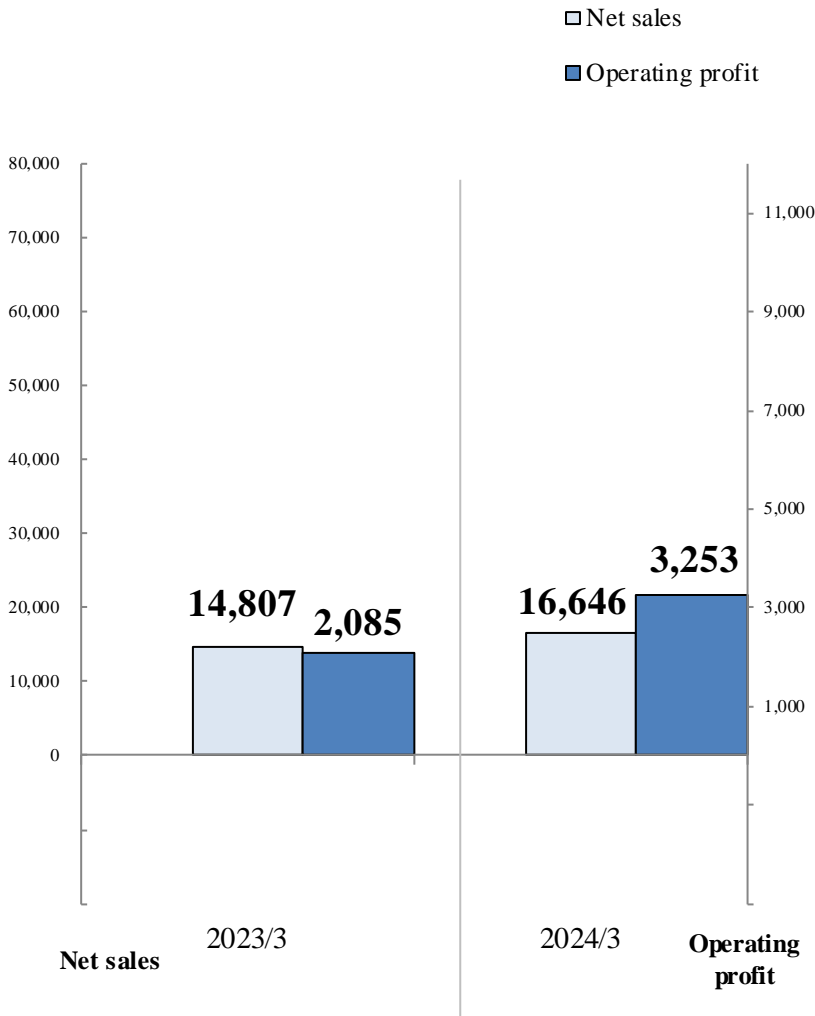
Unit: JPY Million



Year-on-year comparison

## Non-automotive bearings

(+)Gains (-)Losses



**【Net sales】 +1,838 (+12.4%)**

(+) Large 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, Small/Medium ship, Industrial generator, etc.: Although orders of service parts for construction machinery decreased due to inventory adjustments, demand of assembly parts remained strong, and orders for bearings of medium and high-speed engines used in marine auxiliaries and generators increased.

(+) Electric energy, industrial compressors, etc. : Orders increased due to strong demand for the bearings of highly efficient generator gas turbine using natural gas and other fuels.

**【Operating profit】 +1,168 (+56.0%)**

(+) 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

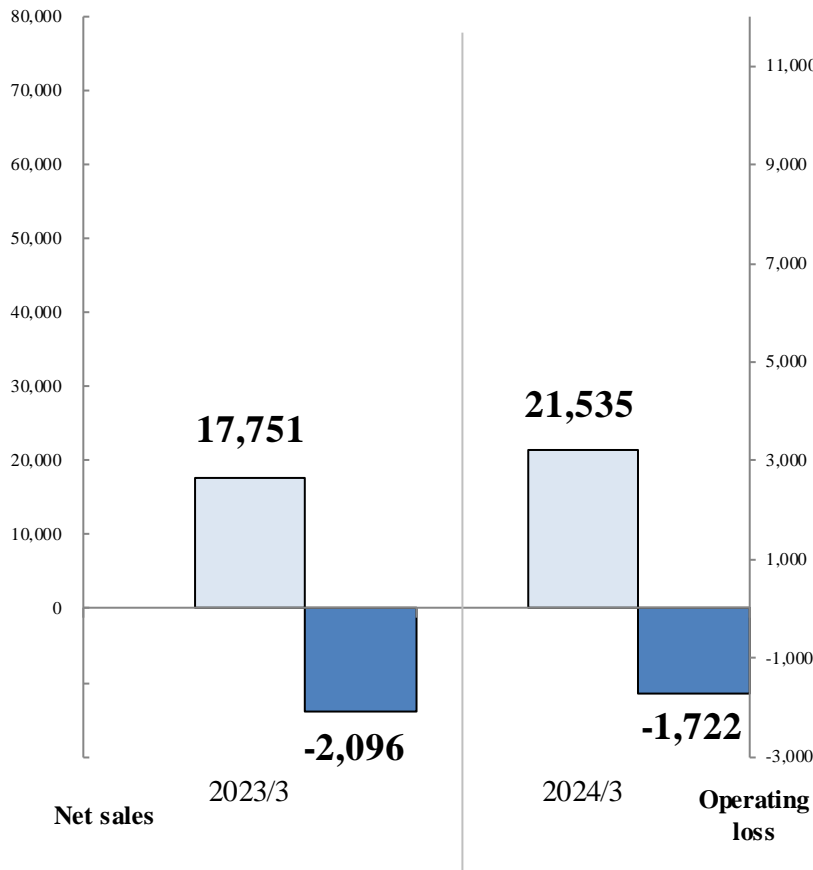


Year-on-year comparison

## Other automotive parts

(+)Gains (-)Losses

□ Net sales  
■ Operating loss



**【Net sales】 +3,784 (+21.3%)**

(+) Aluminum die cast products: Orders increased due to strong demand for electric vehicle parts for North America.

(+) Precision metal work parts: Increased demand in Japan and North America due to the easing of semiconductor supply and increased orders for new electric vehicle parts for North America.

**【Operating loss】 +374 (-)**

(+) Aluminum die cast products: Impact of profit improvement due to review of production control systems and processes and adjustment of order prices with suppliers, etc..

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

# Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

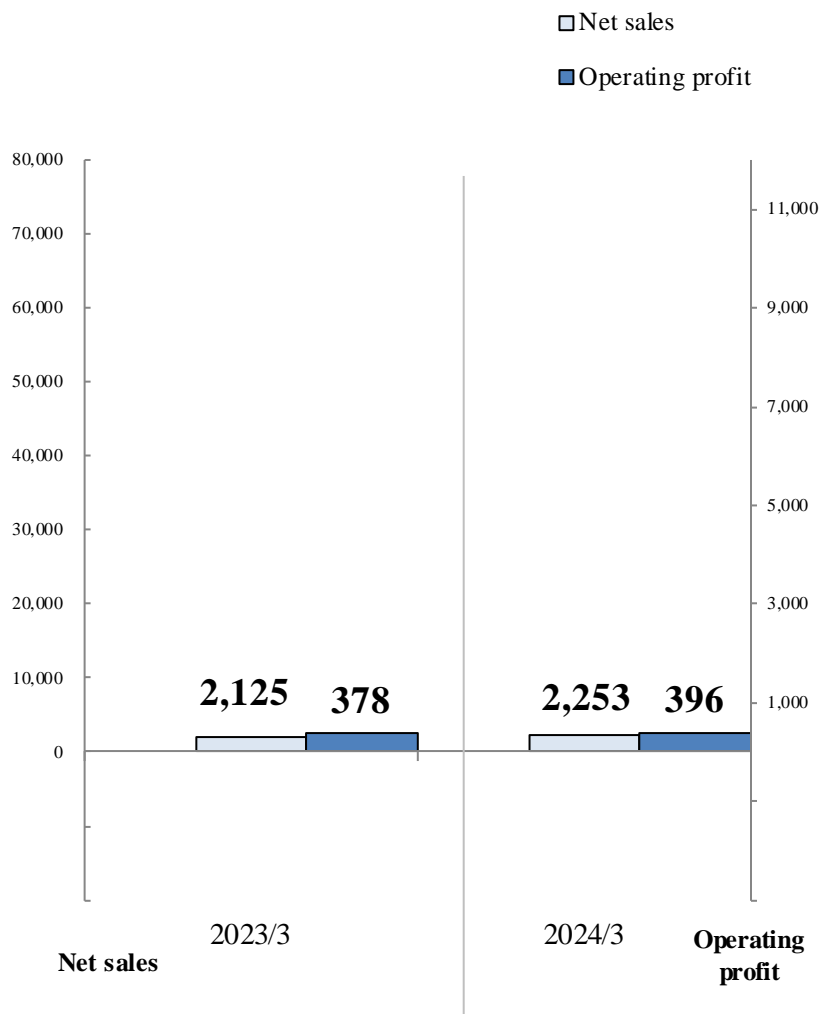
Unit: JPY Million



Others

(+)Gains (-)Losses

Year-on-year  
comparison



**【Net sales】 +128 (+6.0%)**

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

**【Operating profit】 +18 (+4.8%)**

(+) 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 2024/3	【Net sales】		【Operating profit】	
		Year-on-year comparison		Year-on-year comparison	
		Amount	%	Amount	%
Japan	52.3%	6,325	8.2%	1,593	76.4%
Asia	26.1%	4,961	13.6%	- 158	- 20.0%
North America	12.0%	3,576	23.0%	1,261	288.8%
Europe	9.5%	2,184	16.8%	645	—
Elimination of inter-segment transactions		-3,791		-81	
Total :		13,257	11.5%	3,259	115.4%



# Sales and Operating profit by Region

(Before elimination of internal transactions)

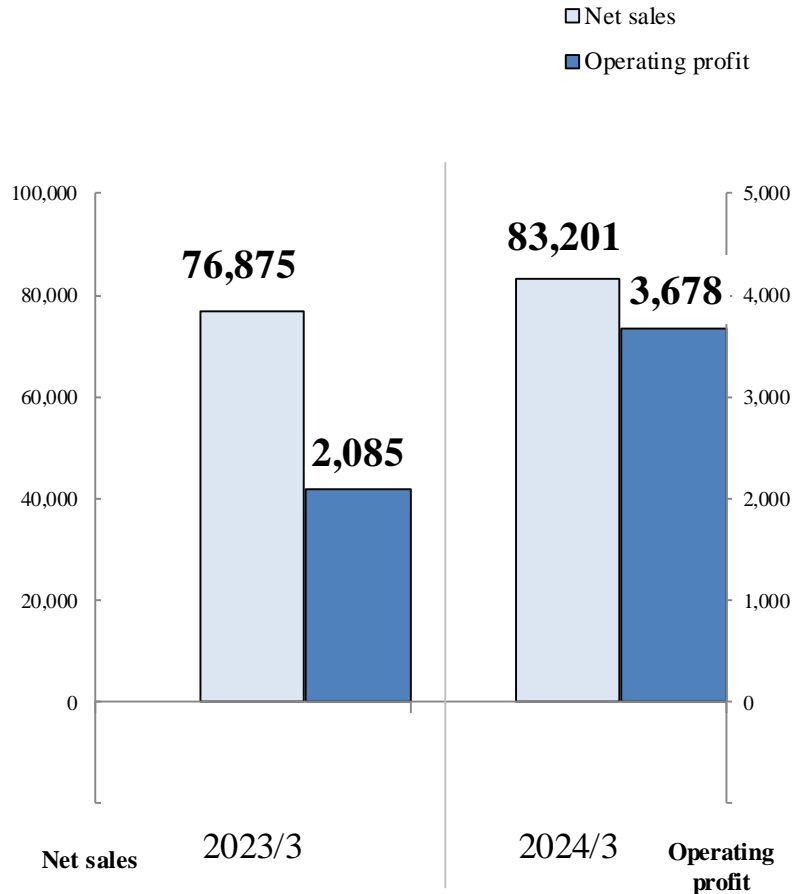
Unit: JPY Million



Japan

(+)Gains (-)Losses

Year-on-year  
comparison



**【Net sales】 +6,325 (+8.2%)**

(+) 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】 +1,593 (+76.4%)**

(+) Impact of increased sales.

# Sales and Operating profit by Region

(Before elimination of internal transactions)

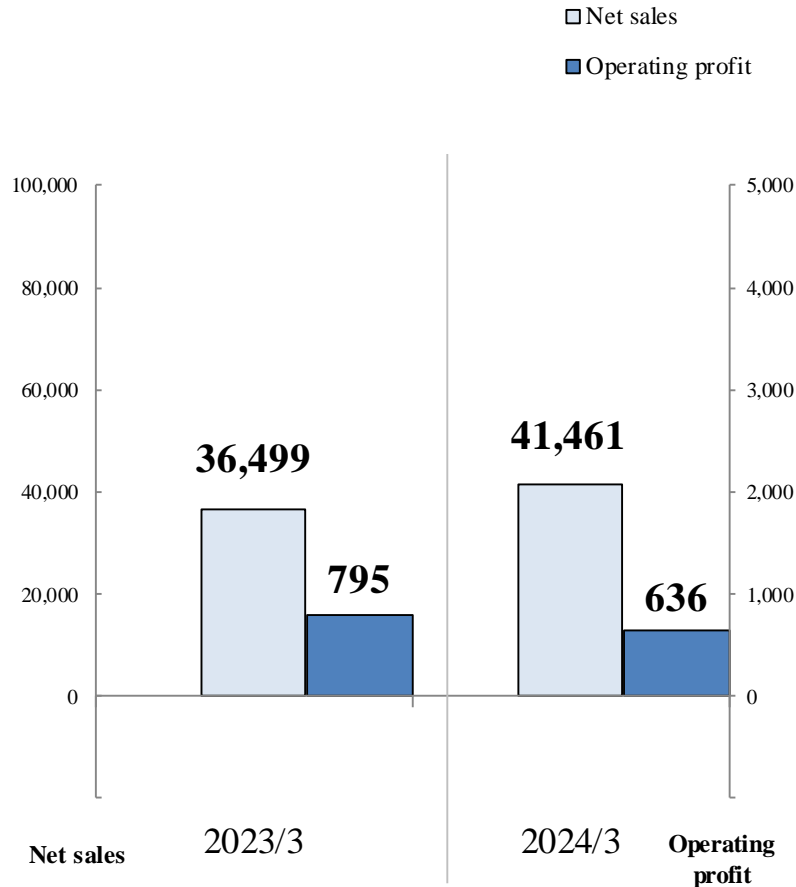
Unit: JPY Million



Asia

(+)Gains (-)Losses

Year-on-year comparison



**【Net sales】 +4,961 (+13.6%)**

(+) Thailand: Orders increased due to strong demand for electric vehicle parts for North America.

(Aluminum die cast products)

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

**【Operating profit】 - 158 (- 20.0%)**

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

(+) Aluminum die cast products: Impact of profit improvement due to review of production control systems and processes and adjustment of order prices with suppliers, etc..

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

# Sales and Operating profit by Region

(Before elimination of internal transactions)

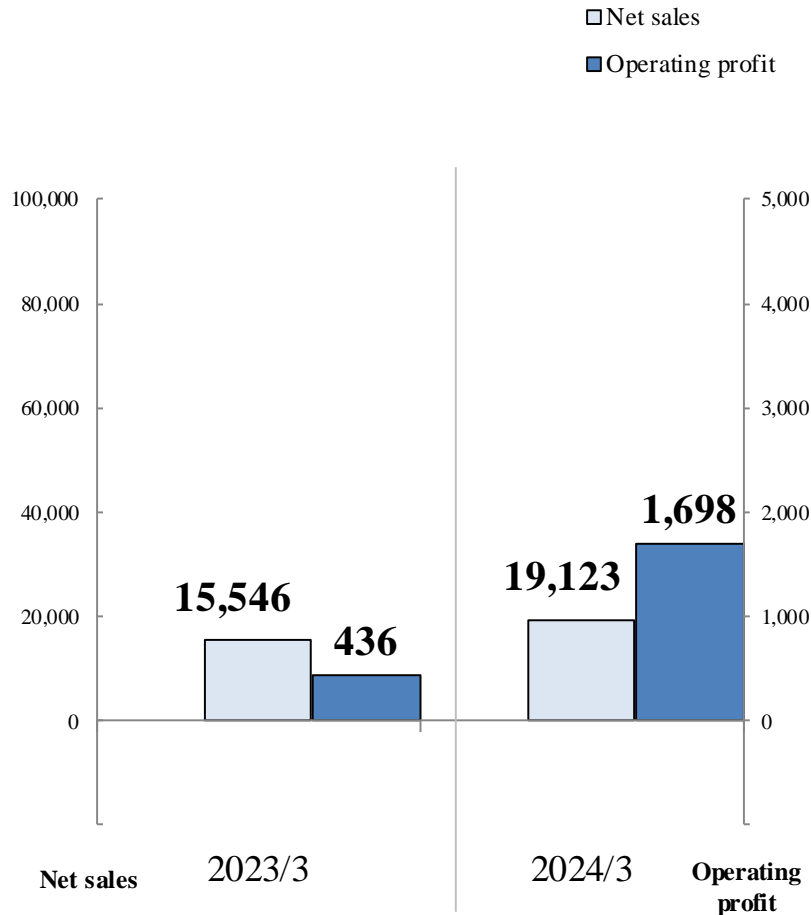
Unit: JPY Million



## North America

(+)Gains (-)Losses

Year-on-year  
comparison



**【Net sales】 +3,576 (+23.0%)**

- (+) Orders increased due to the easing of semiconductor supply shortage for passenger cars.
- (+) Construction machinery: Increase in orders due to steady demand for assembly parts.
- (+) Precision metal work parts: Increased demand due to the easing of semiconductor supply and increased orders for new electric vehicle parts.

**【Operating profit】 +1,261 (+288.8%)**

- (+) 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)

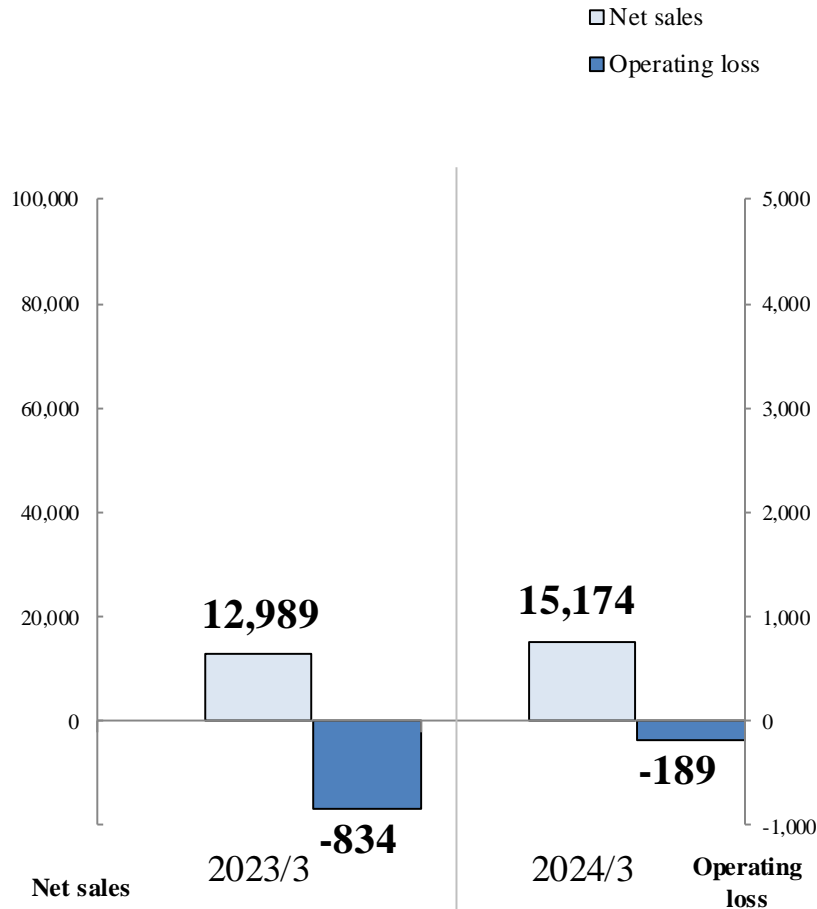
Unit: JPY Million



Year-on-year comparison

## Europe

(+)Gains (-)Losses



**【Net sales】 +2,184 (+16.8%)**

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

**【Operating loss】 +645 (-)**

(+) 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