FY2024 First Quarter Consolidated Financial Results

August 8, 2024

Daido Metal Co., Ltd.
[TSE Prime Market, NSE Premier Market]
Code:7245



Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only.
In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Overview <Actual>

Unit: JPY Million

	Actual		Year-on-year comparison	
	2023/6	2024/6	Amount	%
Net sales	**29,979**	**33,215**	3,235	10.8%
Operating profit (Operating margin)	**894** (3.0%)	**1,389** (4.2%)	495 (1.2%)	55.4%
Ordinary profit (Ordinary income margin)	**849** (2.8%)	**1,352** (4.1%)	502 (1.2%)	59.2%
Profit attributable to owners of parent (Net profit margin)	**169** (0.6%)	**467** (1.4%)	297 (0.8%)	175.2%
Return on Equity (ROE) *1	**1.1%**	**2.7%**	1.6%	—
Net assets to total assets	**34.6%**	**36.5%**	1.8%	—
Net interest bearing debt	**36,378**	**35,409**	- 969	- 2.7%
Exchange rate (USD)	**133.53**	**151.41**		
Exchange rate (EUR)	**145.72**	**163.24**		

Exchange rate is TTM rate as of March 31.

*1 Annualized

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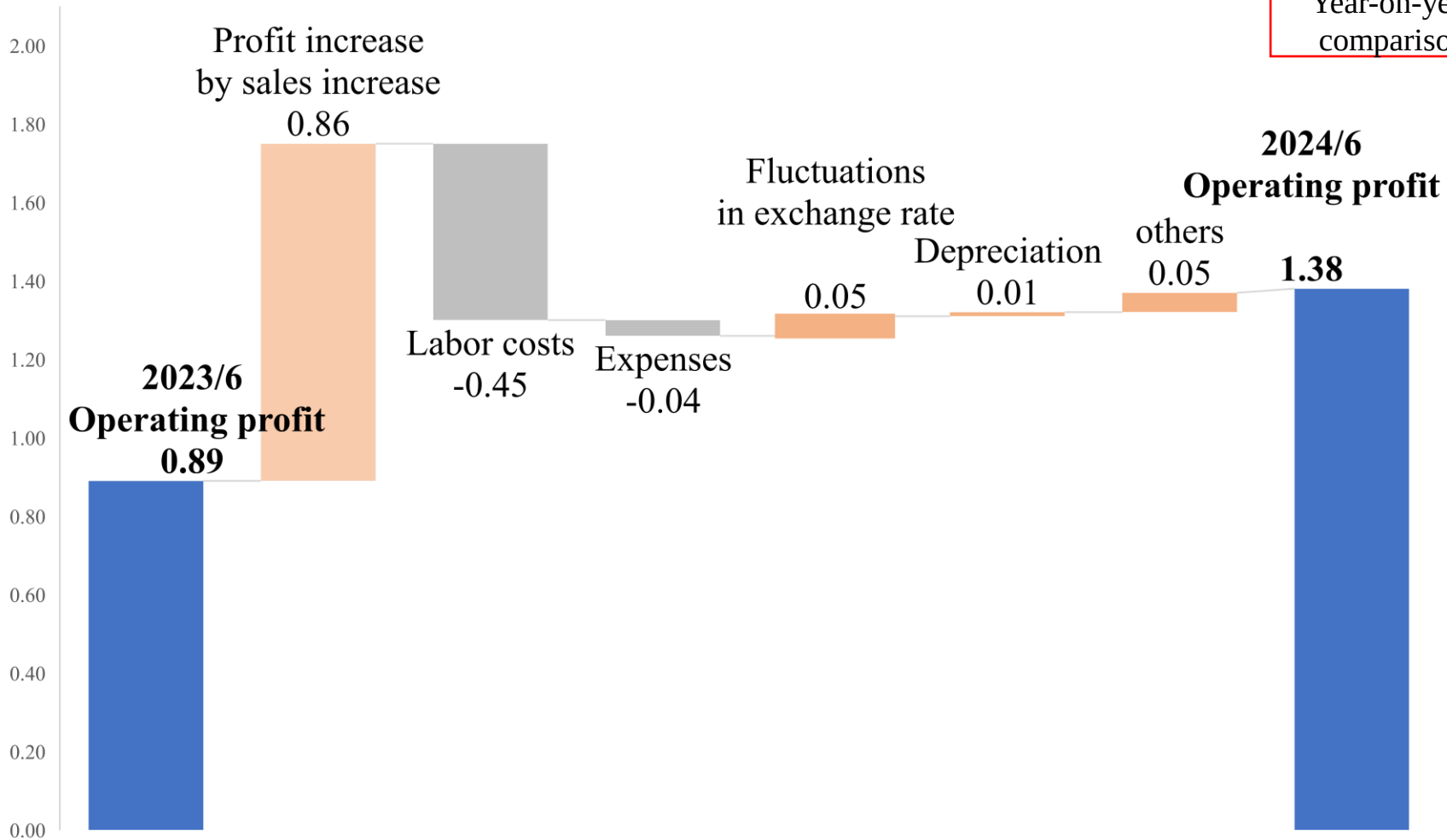
Causes of Fluctuation in Operating profit

Unit: JPY Billion

Year-on-year comparison



Although profit decreased from increase in labor costs and expenses by about 0.49 JPY billion, profit increased by about 0.49 JPY billion in total from the same period of the previous year due to profit increase by sales increase, fluctuations in exchange rate, depreciation and others about 0.97 JPY billion.

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Overview <Forecast> for the FY2024

Unit: JPY Million

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

*TTM rate as of December 31.

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Overview <Forecast> for the FY2024 Second Quarter

Unit: JPY Million

	Actual	Forecast	Year-on-year comparison	
	2023/9	2024/9	Amount	%
Net sales	**63,383**	**65,000**	1,616	2.6%
Operating profit (Operating margin)	**2,210** (3.5%)	**2,400** (3.7%)	189	8.6%
Ordinary profit (Ordinary income margin)	**2,212** (3.5%)	**2,300** (3.5%)	87	3.9%
Profit attributable to owners of parent (Net profit margin)	**615** (1.0%)	**1,000** (1.5%)	384	62.5%
Exchange rate (USD)	**144.99**	**161.07**		
Exchange rate (EUR)	**157.60**	**172.33**		

Exchange rate is TTM rate as of June 30.

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Dividend/ Dividend Payout Ratio

Unit: JPY

(Forecast)

	FY2020	FY2021	FY2022	FY2023	FY2024
Interim	10	10	10	2	7
Year-end	10	15	2	13	8
Annual	20	25	12	15	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%	—

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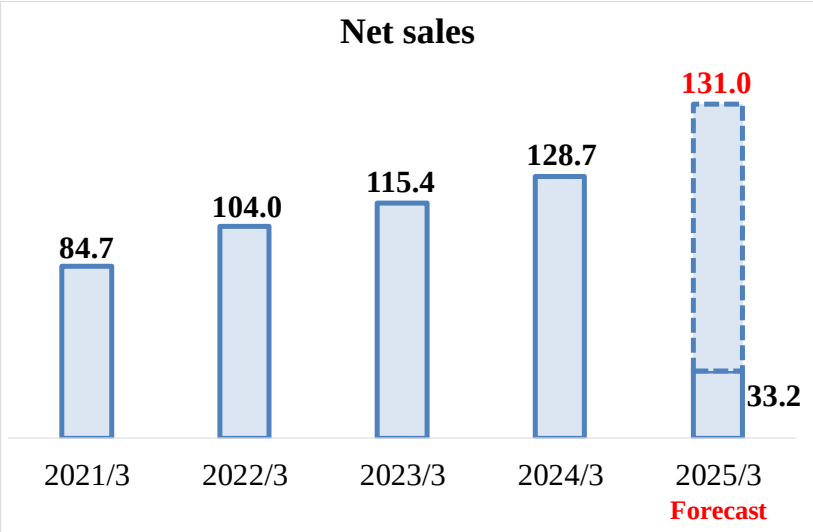
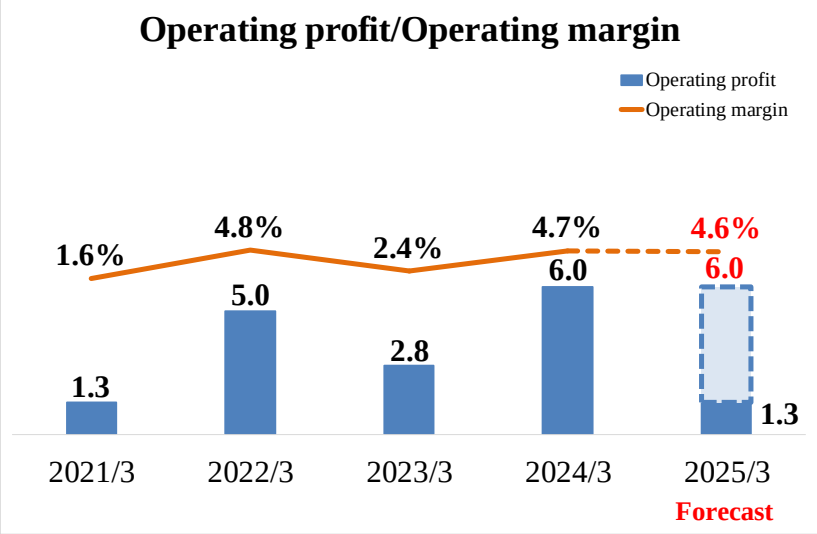
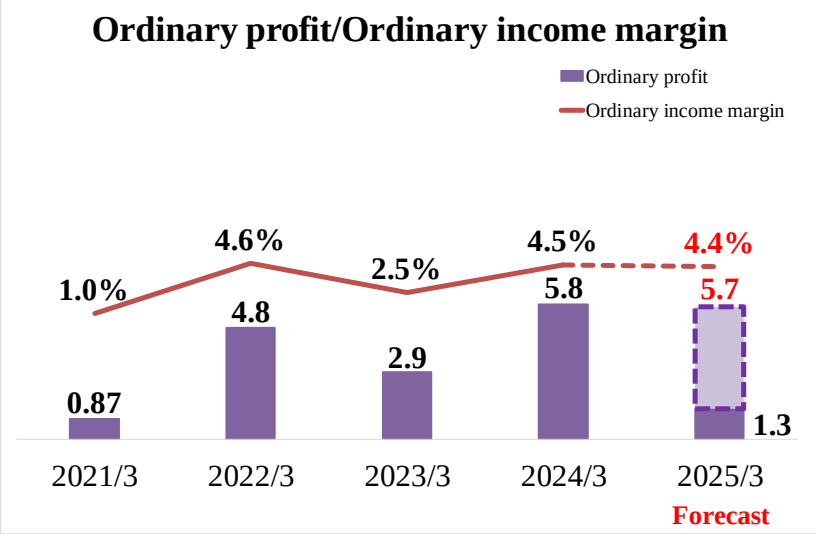
Consolidated Financial Results

Unit: JPY Billion







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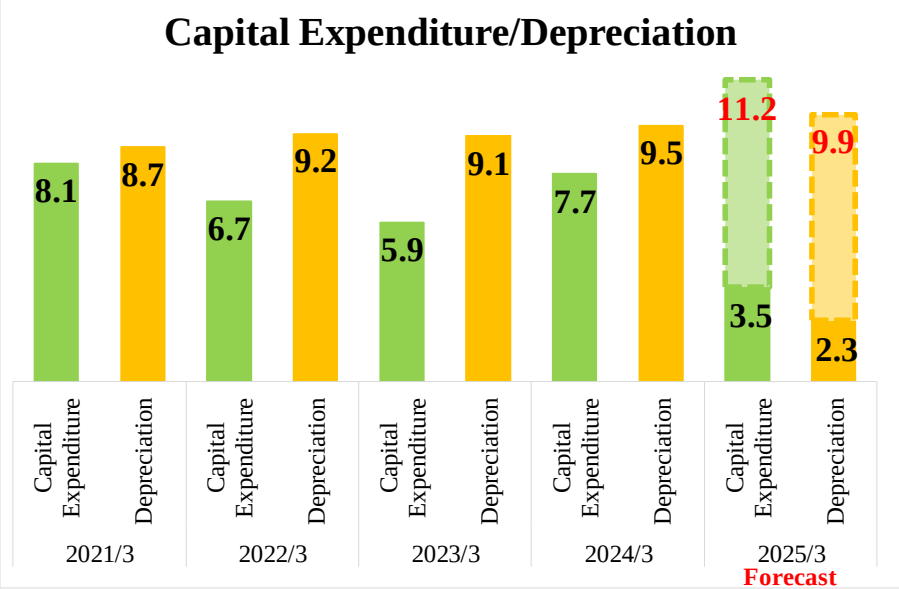
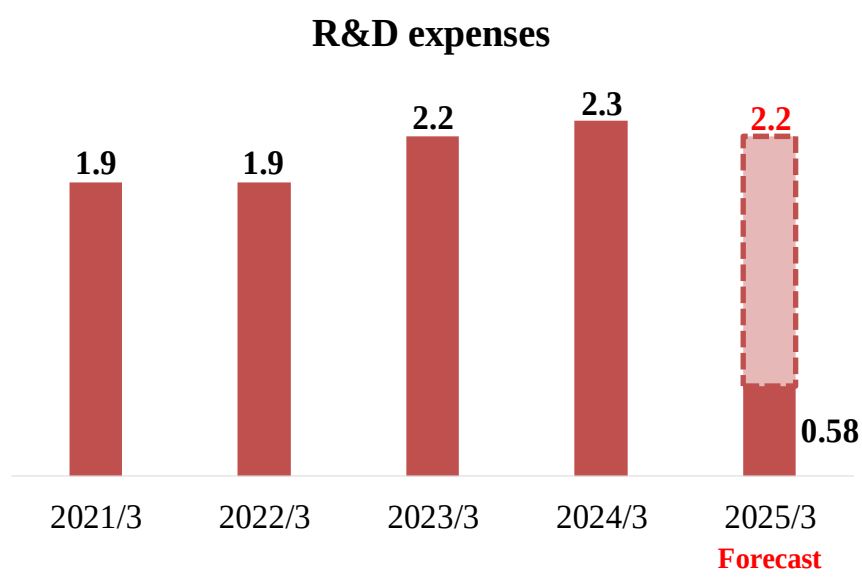
Capital Expenditure, Depreciation and R&D expenses

Unit: JPY Billion





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Overview <Sales and Operating profit by Segment>

Unit: JPY Million

Year-on-year comparison

Segment	Net sales ratio 2024/6	【Net sales】 Year-on-year comparison Amount	【Net sales】 Year-on-year comparison %	【Operating profit】 Year-on-year comparison Amount	【Operating profit】 Year-on-year comparison %
Automotive engine bearings	53.4%	1,335	8.0%	293	14.8%
Automotive non-engine bearings	15.3%	206	4.2%	-20	-2.9%
Non-automotive bearings	12.3%	298	7.7%	158	22.9%
Other automotive parts	17.3%	1,333	29.8%	160	—
Others	1.7%	-77	-11.6%	-7	-8.4%
Elimination of inter-segment transactions		140		-90	
Total：		3,235	10.8%	495	55.4%

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Sales and Operating profit by Segment
(Before elimination of inter-segment transactions)

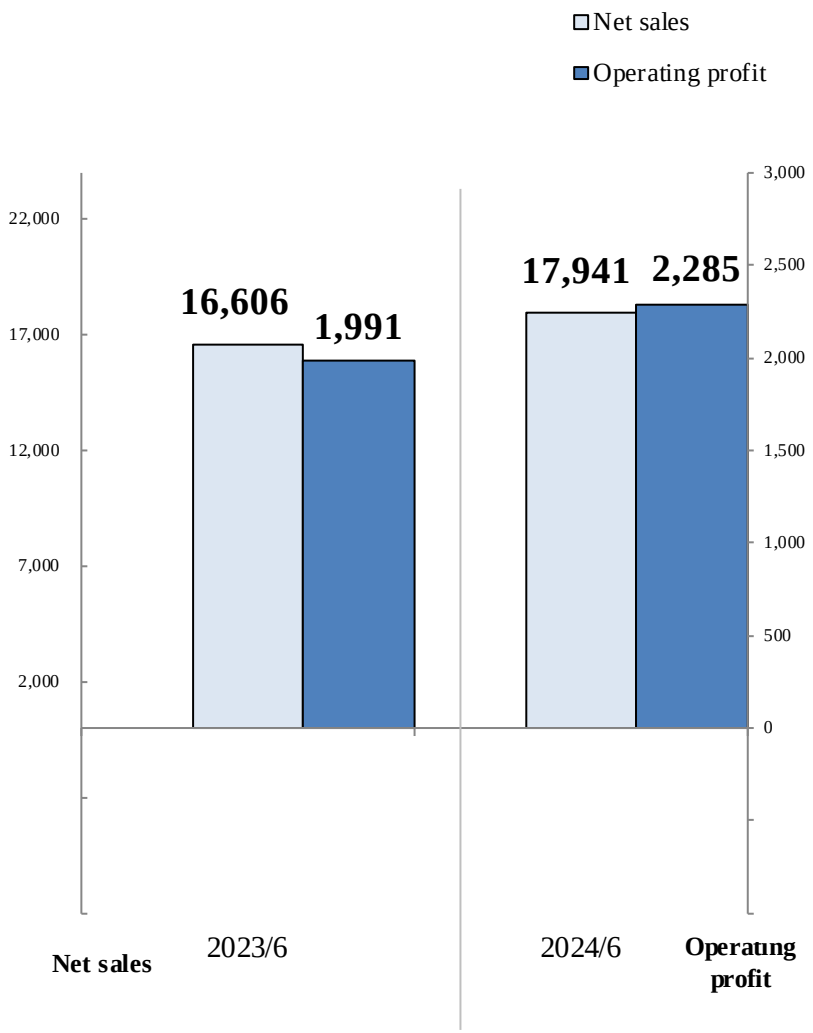
Unit: JPY Million

DAIDO METAL

Year-on-year comparison

(+)Gains (-)Losses

Automotive engine bearings



【Net sales】 +1,335 (+8.0%)

(+) Japan: Orders increased in Overall due to steady demand for overseas markets (mainly for North America)
(−) Japan: Orders decreased due to continued weak demand of trucks for Southeast Asia. (Indonesia, Thailand, etc.)
(+) North America: Orders increased due to a recovery in demand from Japanese brand vehicles and expansion of engine business for North American brand vehicles.
(+) China: Orders increased due to a recovery in demand from Chinese brand vehicles despite a decrease in demand from Japanese brand vehicles.
(−) Thailand: Orders decreased due to stricter loan screening by financial institutions and economic slowdown.

【Operating profit】 +293 (+14.8%)

(+) Japan: Impact of continuous cost improvement activities and profit improvement through sales price adjustments.
(+) Europe: Efforts to reduce labor and logistics costs.
(−) North America: Impact of increased logistics and expenses costs, also increased the production costs of Mexican parts due to the depreciation of dollar against peso.

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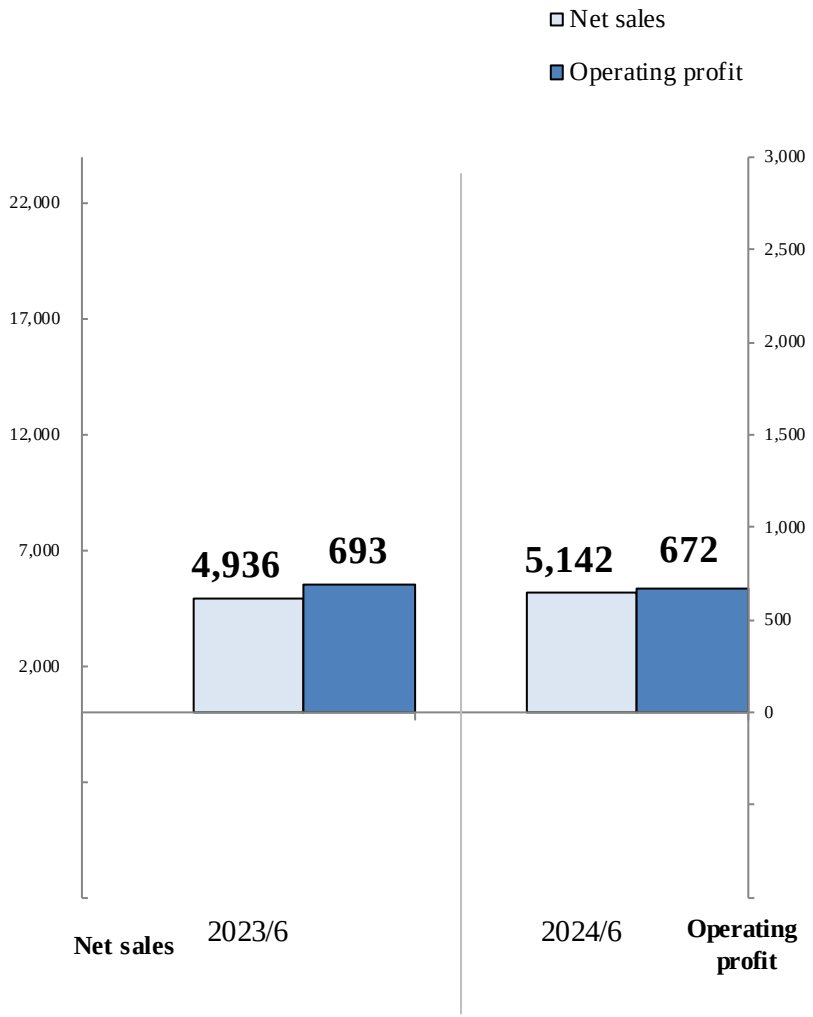
Sales and Operating profit by Segment
(Before elimination of inter-segment transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

Automotive non-engine bearings



【Net sales】 +206 (+4.2%)

(+) China: Orders increased due to steady demand status.
(−) Thailand: Orders decreased due to stricter loan screening by financial institutions and economic slowdown.

【Operating profit】 - 20 (- 2.9%)

(−) North America: Impact of increased logistics and expenses costs, also increased the production costs of Mexican parts due to the depreciation of dollar against peso.

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Sales and Operating profit by Segment
(Before elimination of inter-segment transactions)

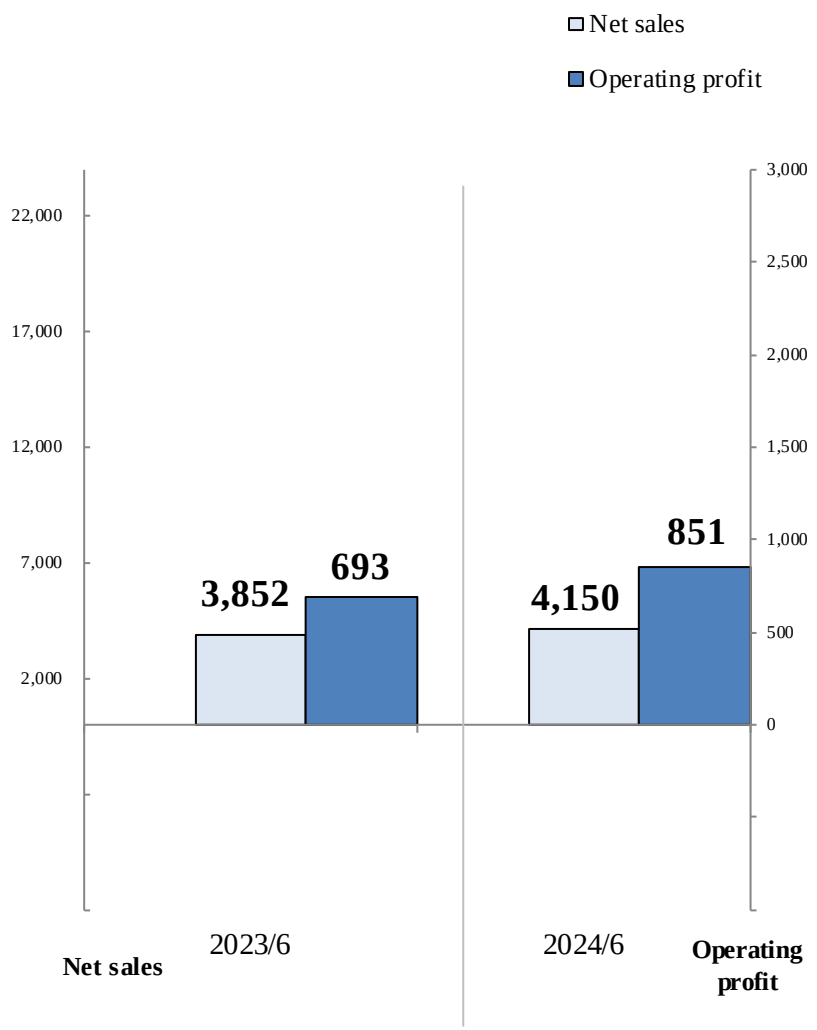
Unit: JPY Million

DAIDO METAL

Year-on-year comparison

(+)Gains (-)Losses

Non-automotive bearings



【Net sales】 +298 (+7.7%)

(+) Large ships: Orders increased due to increased demand for LNG carriers (for liquefied natural gas transport), automobile carriers and bulk carriers, also continued development of the Chinese market.

(+) Construction machinery, Small/Medium ships, 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.: Although the increase in spot projects for hydroelectric power generation and firm demand for bearings of compressors and pumps for equipment were supported, orders decreased due to inventory adjustments for steam turbines.

【Operating profit】 +158 (+22.9%)

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

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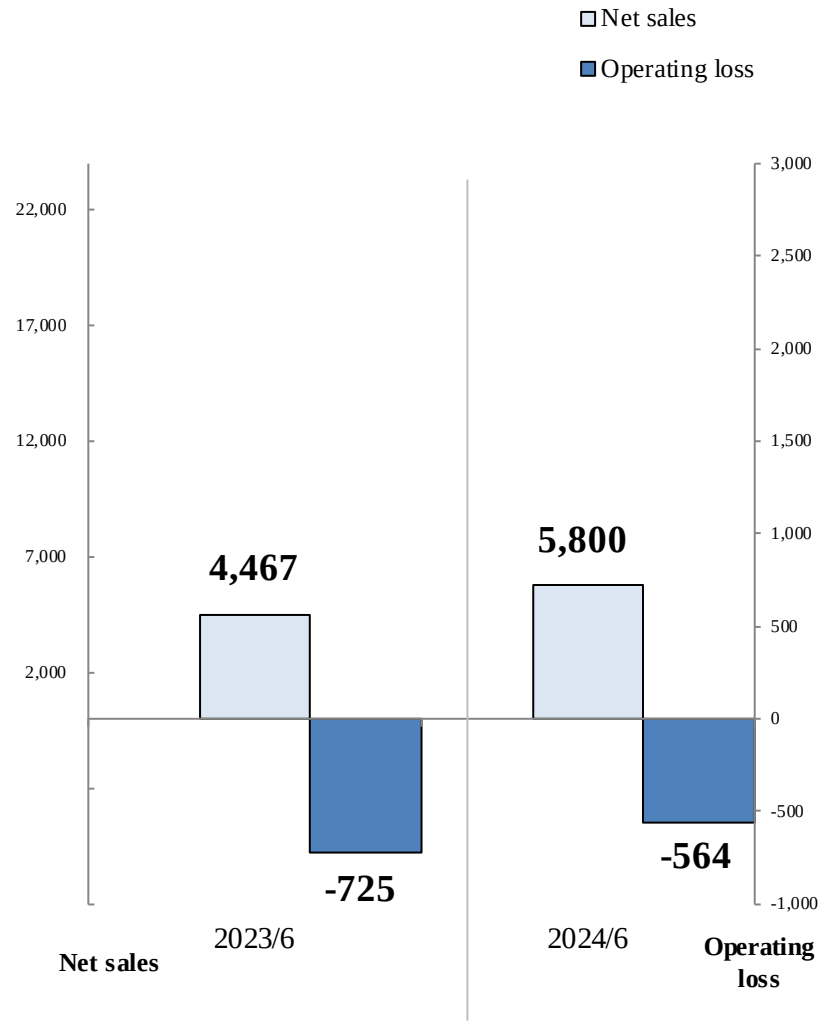
Sales and Operating profit by Segment
(Before elimination of inter-segment transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

Other automotive parts



【Net sales】 +1,333 (+29.8%)

(+) Aluminum die cast products: Orders increased due to the effect of order price adjustment and strong demand for electric vehicle parts for North America.
(+) Precision metal work parts: Orders increased due to strong demand for electric vehicle parts for North America.

【Operating loss】 +160 (-)

(+) 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 increased sales.

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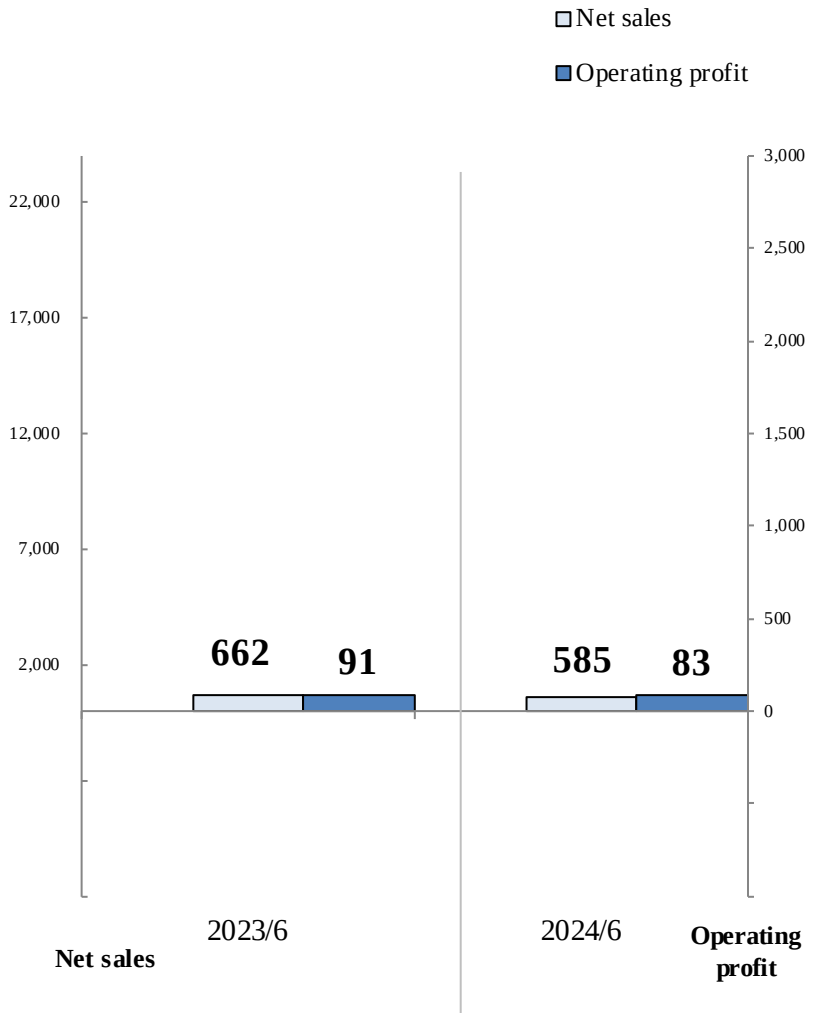
Sales and Operating profit by Segment
(Before elimination of inter-segment transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

Others



【Net sales】 -77 (- 11.6%)

(−) Although increased spot orders for metallic dry bearings, pump-related products demand, which had been accelerating since after COVID-19 pandemic, orders decreased due to the stagnation of demand.

【Operating profit】 -7 (- 8.4%)

(−) Impact of decreased sales.

* “Others” includes the metallic dry bearings business, pump-related products businesses, electrode sheets for electric double layer capacitors, and real estate leasing business.

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Overview <Sales and Operating profit by Region>

Unit: JPY Million

Year-on-year comparison

Region	Net sales ratio 2024/6	【Net sales】 Year-on-year comparison		【Operating profit】 Year-on-year comparison	
		Amount	%	Amount	%
Japan	50.0%	1,433	7.4%	573	208.0%
Asia	26.5%	1,907	21.0%	- 23	—
North America	13.5%	1,087	24.0%	-190	- 35.4%
Europe	10.0%	342	9.0%	146	—
Elimination of inter-segment transactions		-1,535		-10	
Total：		3,235	10.8%	495	55.4%

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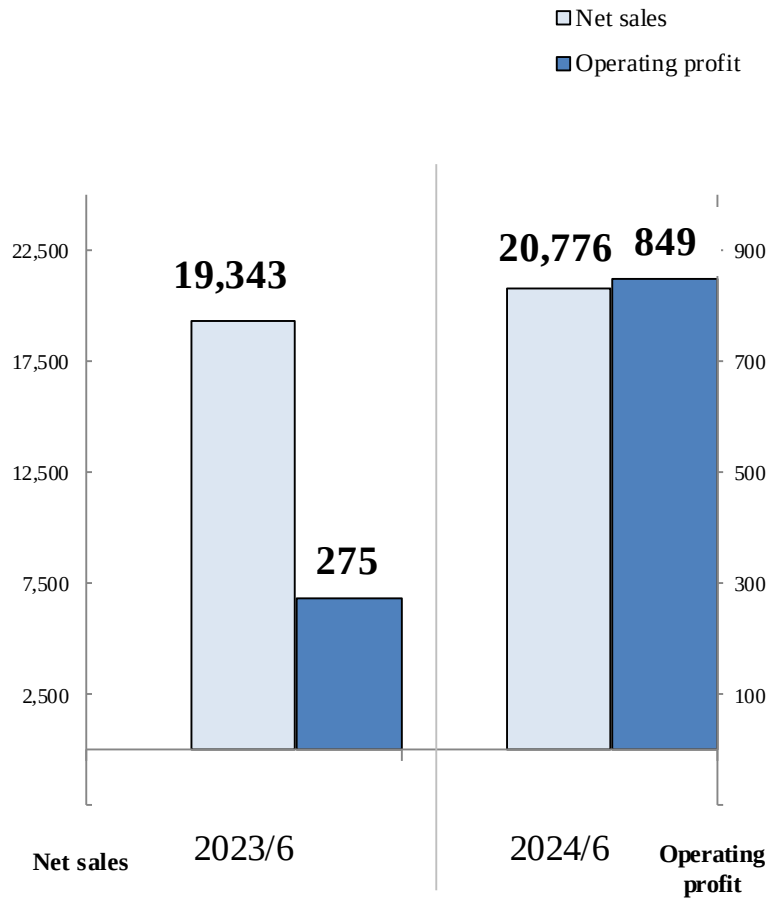
Sales and Operating profit by Region
(Before elimination of internal transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

Japan



【Net sales】 +1,433 (+7.4%)

(+) Orders increased mainly due to steady demand for passenger cars.
(+) Orders increased due to the increased demand and new business development for non-automotive bearings.

【Operating profit】 +573 (+208.0%)

(+) Impact of continuous cost improvement activities and profit improvement through sales price adjustments.

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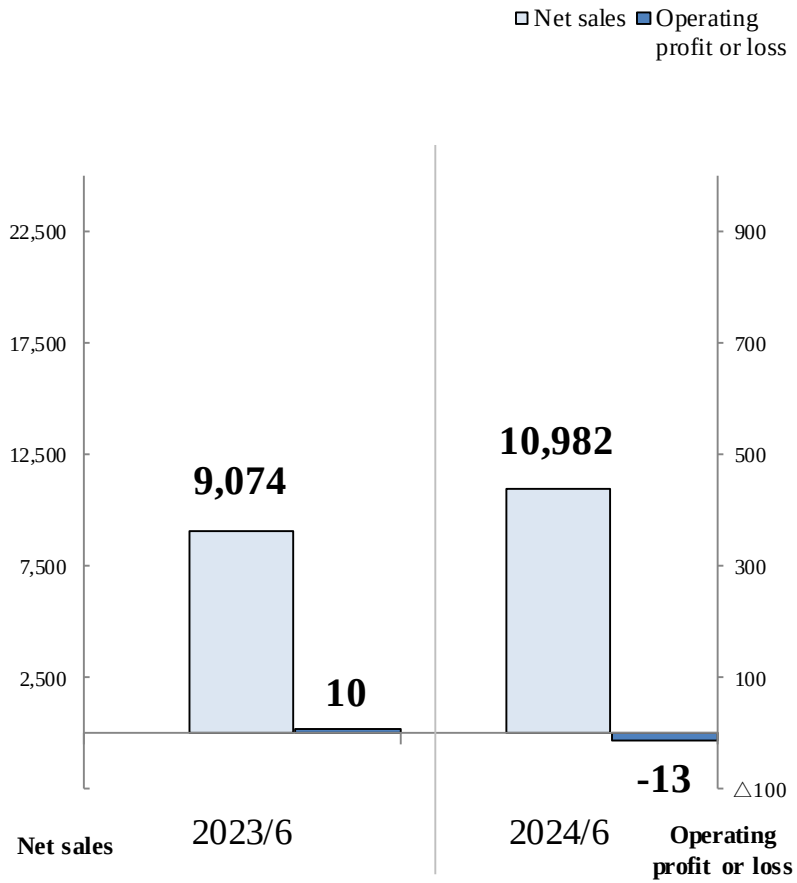
Sales and Operating profit by Region
(Before elimination of internal transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

Asia



【Net sales】 +1,907 (+21.0%)

(−) Automotive bearings: In Thailand, orders decreased due to stricter loan screening by financial institutions and economic slowdown.
(+) Aluminum die cast products: Orders increased due to the effect of order price adjustment and strong demand for electric vehicle parts for North America.
(+) Precision metal work parts: Orders increased due to strong demand for electric vehicle parts for North America.

【Operating profit or loss】 - 23 (-)

(−) Automotive bearings : Impact of decreased sales in Thailand.
(+) 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 increased sales.

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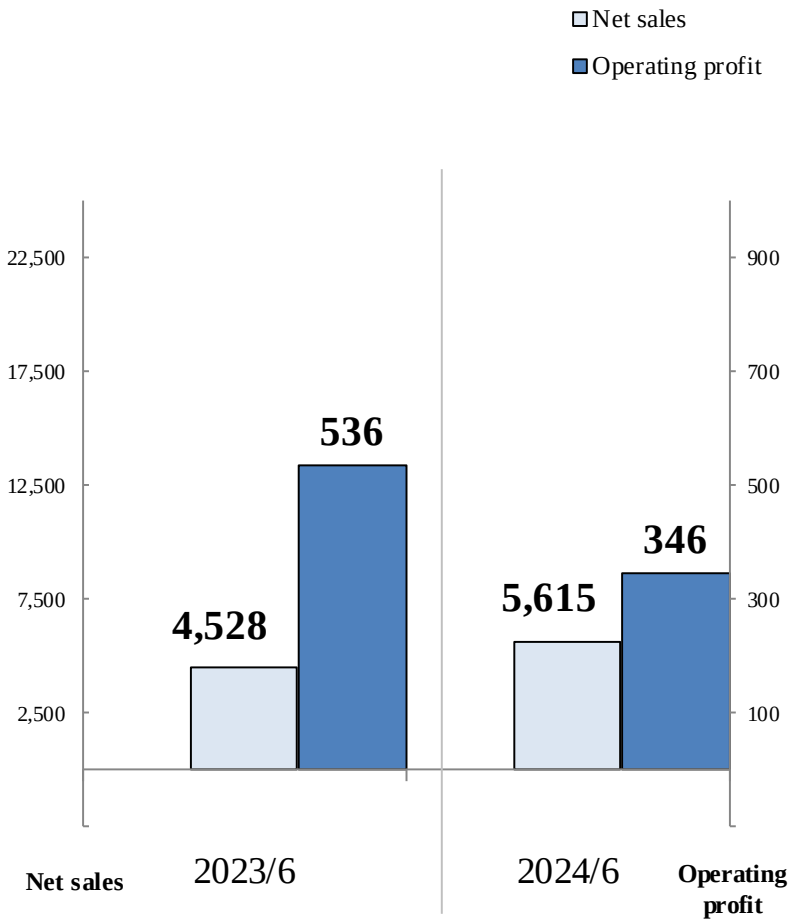
Sales and Operating profit by Region
(Before elimination of internal transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

North America



【Net sales】 +1,087 (+24.0%)

(+) Automotive bearings : Orders increased due to a recovery in demand from Japanese brand vehicles and expansion of engine business for North American brand vehicles.
(+) Precision metal work parts: Orders increased due to strong demand for electric vehicle parts.

【Operating profit】 - 190 (- 35.4%)

(−) Impact of increased logistics and expenses costs, also increased the production costs of Mexican parts due to the depreciation of dollar against peso.

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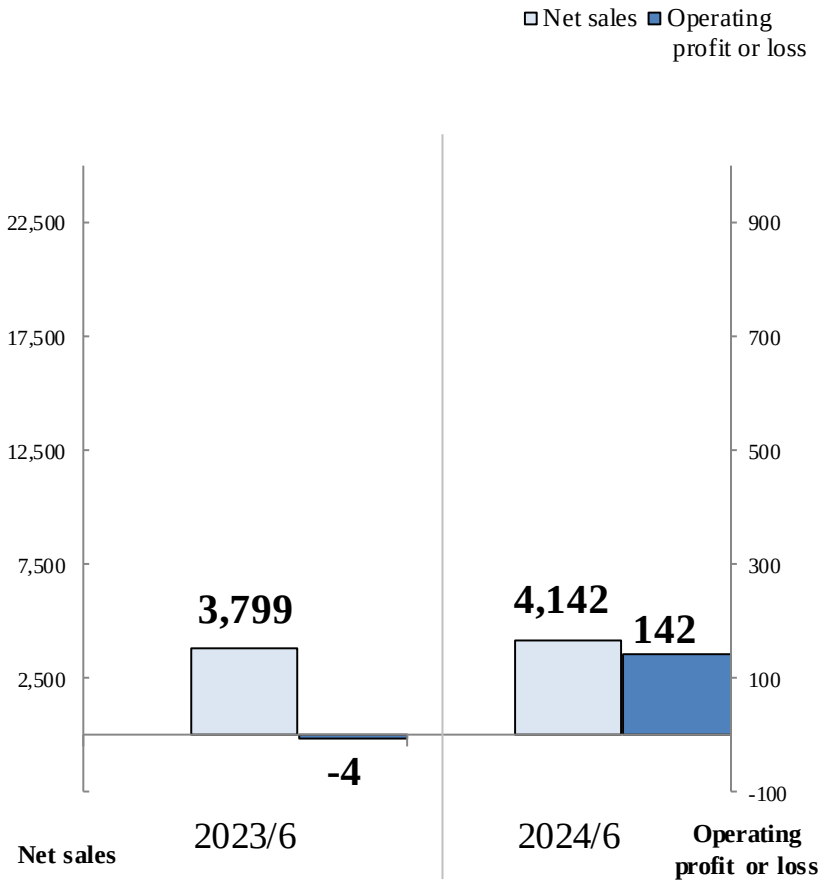
Sales and Operating profit by Region
(Before elimination of internal transactions)

Unit: JPY Million

(+)Gains (-)Losses

Year-on-year comparison

Europe



【Net sales】 +342 (+9.0%)

(+) Orders increased due to the rebound in demand for passenger cars.

【Operating profit or loss】 +146 (-)

(+) Efforts to reduce labor and logistics costs.

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[rounding method used in this document]

numbers: rounded down to the nearest
ratio: rounded to the nearest

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