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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 7, 2025

Company name: Daido Metal Co., Ltd.
Listing: Tokyo, Nagoya
Securities code: 7245
URL: https://www.daidometal.com/
Representative: Seigo Hanji Chairman and Chief Executive Officer
Inquiries: Yukihiko Kagohara Executive Officer and Head of Corporate Planning Division
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	99,441	2.5	4,595	13.6	4,419	18.8	1,470	57.9
December 31, 2023	96,997	10.7	4,046	121.5	3,721	84.2	931	—

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 2,714 million [(49.4) %]
Nine months ended December 31, 2023: ¥ 5,369 million [37.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	31.20	-
December 31, 2023	19.76	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	193,138	79,550	36.1
March 31, 2024	188,369	78,721	36.5

(Reference) Equity: As of December 31, 2024: ¥ 69,676 million
As of March 31, 2024: ¥ 68,820 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, 2024	-	2.00	-	13.00	15.00
Fiscal year ending March 31, 2025	-	7.00	-		
Fiscal year ending March 31, 2025 (Forecast)				8.00	15.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	131,000	1.8	6,000	(1.4)	5,700	(2.2)	2,500	(2.7)	53.03

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

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

December 31, 2024: 47,520,253 shares
March 31, 2024: 47,520,253 shares

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

December 31, 2024: 374,406 shares
March 31, 2024: 385,061 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 47,137,950 shares
Nine months ended December 31, 2023: 47,131,733 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Numbers in parentheses denote negative numbers.
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, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	30,956	28,085
Notes and accounts receivable - trade	29,474	29,597
Electronically recorded monetary claims - operating	3,199	3,343
Merchandise and finished goods	16,816	17,672
Work in process	11,720	13,154
Raw materials and supplies	8,815	9,723
Other	2,650	3,340
Allowance for doubtful accounts	(85)	(93)
Total current assets	103,549	104,823
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,330	15,986
Machinery, equipment and vehicles, net	22,997	21,487
Other, net	17,537	22,419
Total property, plant and equipment	56,865	59,892
Intangible assets		
Goodwill	4,070	3,815
Other	5,314	5,004
Total intangible assets	9,384	8,820
Investments and other assets		
Investments and other assets	18,613	19,650
Allowance for doubtful accounts	(43)	(49)
Total investments and other assets	18,570	19,601
Total non-current assets	84,820	88,314
Total assets	188,369	193,138

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,083	9,268
Electronically recorded obligations - operating	11,960	12,586
Short-term borrowings	32,487	35,392
Current portion of long-term borrowings	7,739	4,516
Income taxes payable	1,488	769
Provision for bonuses	1,778	960
Provision for bonuses for directors (and other officers)	103	43
Provision for product compensation	68	174
Electronically recorded obligations - non-operating	672	955
Other	9,087	8,913
Total current liabilities	74,468	73,580
Non-current liabilities		
Long-term borrowings	21,088	25,489
Provision for share awards	83	92
Provision for share awards for directors (and other officers)	58	61
Retirement benefit liability	7,796	8,177
Asset retirement obligations	17	17
Other	6,134	6,168
Total non-current liabilities	35,179	40,007
Total liabilities	109,647	113,588
Net assets		
Shareholders' equity		
Share capital	8,413	8,413
Capital surplus	13,114	13,114
Retained earnings	36,549	37,070
Treasury shares	(291)	(281)
Total shareholders' equity	57,786	58,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,615	1,792
Foreign currency translation adjustment	6,418	6,664
Remeasurements of defined benefit plans	2,999	2,903
Total accumulated other comprehensive income	11,033	11,360
Non-controlling interests	9,901	9,873
Total net assets	78,721	79,550
Total liabilities and net assets	188,369	193,138

(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, 2023	For the nine months ended December 31, 2024
Net sales	96,997	99,441
Cost of sales	74,413	75,156
Gross profit	22,584	24,285
Selling, general and administrative expenses	18,538	19,689
Operating profit	4,046	4,595
Non-operating income		
Interest income	150	273
Dividend income	189	190
Foreign exchange gains	245	99
Share of profit of entities accounted for using equity method	156	192
Subsidy income	126	274
Other	181	135
Total non-operating income	1,048	1,165
Non-operating expenses		
Interest expenses	1,242	1,251
Other	130	89
Total non-operating expenses	1,373	1,341
Ordinary profit	3,721	4,419
Profit before income taxes	3,721	4,419
Income taxes - current	1,618	1,932
Income taxes - deferred	577	443
Total income taxes	2,196	2,375
Profit	1,525	2,043
Profit attributable to non-controlling interests	594	573
Profit attributable to owners of parent	931	1,470

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

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,525	2,043
Other comprehensive income		
Valuation difference on available-for-sale securities	420	181
Foreign currency translation adjustment	3,183	551
Remeasurements of defined benefit plans, net of tax	37	(100)
Share of other comprehensive income of entities accounted for using equity method	202	38
Total other comprehensive income	3,844	670
Comprehensive income	5,369	2,714
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,168	1,797
Comprehensive income attributable to non-controlling interests	1,201	917

(3)Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,721	4,419
Depreciation	7,284	6,908
Amortization of goodwill	580	622
Share of loss (profit) of entities accounted for using equity method	(156)	(192)
Increase (decrease) in allowance for doubtful accounts	(10)	15
Increase (decrease) in provision for bonuses	(561)	(818)
Increase (decrease) in provision for bonuses for directors (and other officers)	—	(60)
Increase or decrease in net defined benefit asset and liability	(149)	(414)
Increase (decrease) in provision for share awards	19	9
Increase (decrease) in provision for share awards for directors (and other officers)	6	2
Increase (decrease) in provision for loss on guarantees	(161)	—
Interest and dividend income	(339)	(463)
Interest expenses	1,242	1,251
Decrease (increase) in trade receivables	(1,620)	160
Decrease (increase) in inventories	874	(2,792)
Increase (decrease) in trade payables	1,483	655
Increase (decrease) in accrued consumption taxes	141	(211)
Increase (decrease) in other liabilities	308	339
Other, net	713	39
Subtotal	13,376	9,473
Interest and dividends received	307	407
Dividends received from entities accounted for using equity method	64	72
Interest paid	(1,220)	(1,212)
Income taxes paid	(1,550)	(2,691)
Net cash provided by (used in) operating activities	10,976	6,049

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from investing activities		
Payments into time deposits	(1,934)	(2,047)
Proceeds from withdrawal of time deposits	1,063	2,430
Purchase of investment securities	(29)	(34)
Purchase of property, plant and equipment	(5,069)	(8,537)
Proceeds from sale of property, plant and equipment	3	7
Purchase of intangible assets	(250)	(368)
Loan advances	(422)	(353)
Proceeds from collection of loans receivable	326	365
Other, net	155	(10)
Net cash provided by (used in) investing activities	(6,155)	(8,550)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,541)	1,995
Proceeds from long-term borrowings	7,500	7,100
Repayments of long-term borrowings	(5,505)	(6,084)
Repayments of finance lease liabilities	(440)	(501)
Purchase of treasury shares	(0)	(6)
Proceeds from disposal of treasury shares	0	15
Dividends paid	(186)	(935)
Dividends paid to non-controlling interests	(541)	(1,279)
Net cash provided by (used in) financing activities	(713)	304
Effect of exchange rate change on cash and cash equivalents	308	(659)
Net increase (decrease) in cash and cash equivalents	4,415	(2,856)
Cash and cash equivalents at beginning of period	18,955	24,586
Cash and cash equivalents at end of period	23,370	21,730

(4) Notes to Quarterly Consolidated Financial Statementer

(Notes on going concern assumption)

Not applicable

(Notes on material changes in Shareholders' Equity)

Not applicable

(Segment information)

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

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

(Million yen)

	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)	6,694	2,048	2,265	(1,756)	9,251	303	9,554

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

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

(Million yen)

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.

[Third quarter of current period (from April 1, 2024 to December 31, 2024)]

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

(Million yen)

	Reporting Segment					Others (*)	Total
	Automotive engine bearings	Automotive non-engine bearings	Non-automotive bearings	Other automotive parts	Sub total		
Net sales							
External sales	52,136	15,202	13,132	17,616	98,089	1,352	99,441
Internal sales or transfer between segments	378	227	23	87	716	450	1,167
Total	52,515	15,430	13,156	17,704	98,805	1,803	100,609
Segment profit(loss)	6,656	2,266	2,727	(1,496)	10,153	312	10,465

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

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

(Million yen)

Profit	Amount
Reporting segments total	10,153
Profit from “Others” category	312
Elimination of intersegment transactions	(0)
Unattributable costs (*)	(5,869)
Operating profit (loss) as per Quarterly Consolidated Statements of Income	4,595

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

③ Changes in Reporting Segments

Effective from the beginning of the fiscal year ending March 31, 2025, in accordance with a review of the Group's business management classification, the Group has reclassified a portion of its "Automotive engine bearings" to the "Non-automotive bearings". The segment information for the third quarter of the previous period ended December 31, 2023 has been prepared in accordance with the changed classification.