

# Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



January 30, 2023

Company name: Daido Steel Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Code number: 5471

URL: <https://www.daido.co.jp/>

Representative: Takeshi Ishiguro, President and Representative Executive Director

Contact: Tatsuya Sugimoto, General Manager, General Affairs Department

Phone: +81-52-963-7501

Scheduled date of filing quarterly securities report: February 14, 2023

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for securities analysts and institutional investors)

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

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022(April 1, 2022 to December 31, 2022)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	434,726	11.3	37,654	30.2	39,094	25.4	28,186	26.9
December 31, 2021	390,499	36.0	28,914	—	31,174	659.9	22,203	—

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥31,434 million [22.0%]

Nine months ended December 31, 2021: ¥25,769 million [63.6%]

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
Nine months ended	Yen	Yen
December 31, 2022	661.25	—
December 31, 2021	520.87	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2022	788,167	387,037	44.5
As of March 31, 2022	728,187	365,004	45.3

(Reference) Shareholders' equity: As of December 31, 2022 : ¥350,769 million

As of March 31, 2022 : ¥329,713 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, 2022	—	80.00	—	100.00	180.00
Fiscal year ending March 31, 2023	—	100.00	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	—	—	100.00	200.00

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

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	570,000	7.6	45,000	21.7	46,000	17.3	34,000	26.4	797.63

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

**\* Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(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

(Note) The company has applied "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"(ASBJ Practical Solution No.42, August 12,2021), effective from the beginning of the first quarter ended June 30, 2022.

(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, 2022 43,448,769 shares

March 31, 2022 43,448,769 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022 822,826 shares

March 31, 2022 822,129 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022 42,626,419 shares

Nine months ended December 31, 2021 42,627,056 shares

\* These quarterly financial results are outside the scope of quarterly review procedures by a certified public accountant or an audit firm

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

## Consolidated Financial Results for the Nine Months Ended December 31, 2022

## (1) Net sales and operating income by reportable segment

(Millions of yen, %)

	Net sales		Operating income	
	3Q December 2022	YoY Change [% of Change]	3Q December 2022	YoY Change
Specialty Steel	162,203	17,287 [11.9%]	8,511	6,348
High Performance Materials and Magnetic Materials	167,253	21,242 [14.5%]	20,034	(1,054)
Parts for Automobile and Industrial Equipment	75,230	5,792 [8.3%]	5,913	1,589
Engineering	13,544	500 [3.8%]	678	1,640
Trading and Service	16,493	(597) [(3.5%)]	2,502	181
Adjustment	—	—	14	34
Total	434,726	44,226 [11.3%]	37,654	8,740

## (2) Condensed statement of profit and loss (cumulative)

(Millions of yen, %)

	3Q December 2022	YoY Change [% of Change]
Net sales	434,726	44,226 [11.3%]
Operating income	37,654	8,740 [30.2%]
Non-operating income and expenses	1,440	(819)
Ordinary income	39,094	7,920 [25.4%]
Extraordinary income and losses	(459)	(3,166)
Income before income taxes	38,635	4,754
Income taxes	8,754	(693)
Profit attributable to non-controlling interests	1,693	(535)
Profit attributable to owners of parent	28,186	5,983 [26.9%]

(Sales volume of Specialty Steel 836 thou. tons, decreasing 115 thou. tons vs FY2021-3Q)

## (3) Reasons for change in the amount of ordinary income (YoY comparison)

(100 millions of yen)

Reasons for increase	Amount	Reasons for decrease	Amount
1. Sales price	546	1. Raw material and fuel cost	456
2. Sales mix change	156	2. Sales volume	116
		3. Fixed cost	18
		4. Variable cost	15
		5. Change of financial periods (FY2021)	9
		6. Non-operating income or loss	8
Total (a)	702	Total (b)	622
		Change (a) – (b)	80

(Reference: Market condition)

	3Q December 2021	3Q December 2022
H2 (Thousands of yen/t)	46.3	46.2
Nickel (LME) (One dollar/lb)	8.5	11.6
Exchange rate (TTM) (yen/dollar)	112.1	136.5

## (4) Condensed balance sheet

(Millions of yen)

Item	As of March 31, 2022	As of December 31, 2022	Change	Item	As of March 31, 2022	As of December 31, 2022	Change
Current assets	<u>391,686</u>	<u>453,935</u>	<u>62,248</u>	Liabilities	<u>363,183</u>	<u>401,130</u>	<u>37,947</u>
Cash and deposits	58,142	74,560	16,418	Trade payables	65,169	61,906	(3,263)
Trade receivables	149,848	165,732	15,883	Interest-bearing debt	229,090	273,099	44,008
Inventories	174,624	204,044	29,420	Other	68,922	66,124	(2,798)
Other	9,071	9,597	526	Net assets	<u>365,004</u>	<u>387,037</u>	<u>22,032</u>
Non-current assets	<u>336,500</u>	<u>334,232</u>	<u>(2,268)</u>	Shareholders' equity	303,179	322,837	19,658
Property, plant and equipment	223,701	219,195	(4,505)	Accumulated other comprehensive income	26,533	27,931	1,398
Intangible assets	3,776	4,208	431	Non-controlling interests	35,290	36,267	976
Investments and other assets	109,022	110,828	1,806	Total liabilities and net assets	728,187	788,167	59,980
Total assets	728,187	788,167	59,980				