

Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



January 31, 2024

Company name: Daido Steel Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Code number: 5471

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

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Scheduled date of filing quarterly securities report: February 14, 2024

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, 2023 (April 1, 2023 to December 31, 2023)

(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, 2023	438,363	0.8	33,051	(12.2)	35,358	(9.6)	20,738	(26.4)
December 31, 2022	434,726	11.3	37,654	30.2	39,094	25.4	28,186	26.9

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥34,714 million [10.4%]

Nine months ended December 31, 2022: ¥31,434 million [22.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	97.31	—
December 31, 2022	132.25	—

(Note) A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. “Basic earnings per share” has been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2023	796,918	429,521	49.1
As of March 31, 2023	773,851	405,479	47.6

(Reference) Shareholders' equity: As of December 31, 2023 : ¥391,673 million

As of March 31, 2023 : ¥368,718 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, 2023	—	100.00	—	130.00	230.00
Fiscal year ending March 31, 2024	—	100.00	—		
Fiscal year ending March 31, 2024 (Forecast)				26.00	—

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

A 5-for-1 common stock split for ordinary shares of the company was conducted with an effective date of January 1, 2024. Concerning the (forecast) year-end dividend per share for the fiscal year ending March 31, 2024, the dividend amount based on the number of shares after the stock split is shown, and the total full-year dividend is stated as“-”. Based on the number of shares prior to the stock split, the (forecast) year-end dividend for the fiscal year March 31, 2024 is ¥130.00 for a full-year dividend of ¥230.00 per share.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	600,000	3.7	47,000	0.0	48,500	0.8	32,000	(12.2)	150.14	

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

Based on the number of shares prior to the stock split, basic earnings per share are expected to be ¥750.72.

* 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

(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, 2023 217,243,845 shares

March 31, 2023 217,243,845 shares

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

December 31, 2023 4,120,060 shares

March 31, 2023 4,115,640 shares

3) Average number of shares during the period:

Nine months ended December 31, 2023 213,125,981 shares

Nine months ended December 31, 2022 213,132,095 shares

(Note) A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. “Total number of issued shares”, “Total number of treasury shares” and “Average number of shares” have been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

* 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, 2023

(1) Net sales and operating income by reportable segment

(Millions of yen, %)

	Net sales		Operating income	
	3Q December 2023	YoY Change [% of Change]	3Q December 2023	YoY Change
Specialty Steel	167,503	5,299 [3.3%]	12,237	3,726
High Performance Materials and Magnetic Materials	153,096	(14,157) [(8.5%)]	11,237	(8,797)
Parts for Automobile and Industrial Equipment	78,282	3,051 [4.1%]	5,160	(752)
Engineering	17,105	3,561 [26.3%]	1,766	1,087
Trading and Service	22,375	5,882 [35.7%]	2,654	152
Adjustment	—	—	(4)	(19)
Total	438,363	3,637 [0.8%]	33,051	(4,603)

(Sales volume of Specialty Steel 815 thou. tons, decreasing 21 thou. tons vs FY2022-3Q)

(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	136	1. Sales volume	116
2. Non-operating income or loss	9	2. Fixed cost	21
		3. Sales mix change	19
		4. Variable cost	16
		5. Raw material and fuel cost	10
Total (a)	145	Total (b)	182
		Change (a) – (b)	(37)

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

(Millions of yen, %)

	3Q December 2023	YoY Change [% of Change]
Net sales	438,363	3,637 [0.8%]
Operating income	33,051	(4,603) [(12.2%)]
Non-operating income and expenses	2,307	867
Ordinary income	35,358	(3,736) [(9.6%)]
Extraordinary income and losses	(3,317)	(2,858)
Income before income taxes	32,041	(6,594)
Income taxes	9,760	1,005
Profit attributable to non-controlling interests	1,542	(151)
Profit attributable to owners of parent	20,738	(7,448) [(26.4%)]

(Reference: Market condition)

	3Q December 2022	3Q December 2023
H2 (Thousands of yen/t)	46.2	43.1
Nickel (LME) (One dollar/lb)	11.6	9.1
Exchange rate (TTM) (yen/dollar)	136.5	143.3

(4) Condensed balance sheet

(Millions of yen)

Item	As of March 31, 2023	As of December 31, 2023	Change	Item	As of March 31, 2023	As of December 31, 2023	Change
Current assets	428,118	434,879	6,760	Liabilities	368,372	367,396	(975)
Cash and deposits	58,224	64,928	6,703	Trade payables	60,080	55,357	(4,723)
Trade receivables	158,653	160,438	1,784	Interest-bearing debt	236,761	242,316	5,555
Inventories	201,523	200,306	(1,217)	Other	71,530	69,722	(1,808)
Other	9,716	9,206	(510)				
Non-current assets	345,733	362,038	16,305	Net assets	405,479	429,521	24,042
Property, plant and equipment	220,248	220,300	51	Shareholders' equity	331,089	341,983	10,893
Intangible assets	4,530	4,659	129	Accumulated other comprehensive income	37,628	49,690	12,061
Investments and other assets	120,954	137,079	16,125	Non-controlling interests	36,760	37,847	1,087
Total assets	773,851	796,918	23,066	Total liabilities and net assets	773,851	796,918	23,066