

# Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



July 28, 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/>

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Scheduled date of filing quarterly securities report: August 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	141,938	3.1	7,979	(21.7)	9,691	(14.5)	6,315	(35.9)
June 30, 2022	137,682	4.9	10,190	(3.0)	11,339	(4.1)	9,857	29.2

(Note) Comprehensive income: Three months ended June 30, 2023: ¥16,821 million [44.9%]

Three months ended June 30, 2022: ¥11,610 million [9.1%]

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
Three months ended	Yen	Yen
June 30, 2023	148.17	—
June 30, 2022	231.26	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2023	786,233	416,267	48.2
As of March 31, 2023	773,851	405,479	47.6

(Reference) Shareholders' equity: As of June 30, 2023 : ¥379,127 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	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	100.00	—	130.00	230.00

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

### 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		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	290,000	2.9	19,000	(18.2)	20,000	(17.0)	13,000	(28.9)	304.98
Full year	600,000	3.7	47,000	0.0	48,500	0.8	32,000	(12.2)	750.72

(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

(4) Total number of issued shares (common shares)

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

June 30, 2023 43,448,769 shares

March 31, 2023 43,448,769 shares

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

June 30, 2023 823,394 shares

March 31, 2023 823,128 shares

3) Average number of shares during the period:

Three months ended June 30, 2023 42,625,502 shares

Three months ended June 30, 2022 42,626,569 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 Three Months Ended June 30, 2023

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

(Millions of yen, %)

	Net sales		Operating income	
	1Q June 2023	YoY Change [% of Change]	1Q June 2023	YoY Change
Specialty Steel	55,333	4,741 [9.4%]	2,732	2,597
High Performance Materials and Magnetic Materials	51,252	(3,179) [(5.8%)]	3,331	(4,176)
Parts for Automobile and Industrial Equipment	24,082	253 [1.1%]	529	(1,228)
Engineering	5,022	1,243 [32.9%]	500	566
Trading and Service	6,248	1,196 [23.7%]	881	(2)
Adjustment	—	—	2	32
Total	141,938	4,256 [3.1%]	7,979	(2,211)

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

(Millions of yen, %)

	1Q June 2023	YoY Change [% of Change]
Net sales	141,938	4,256 [3.1%]
Operating income	7,979	(2,211) [(21.7%)]
Non-operating income and expenses	1,712	562
Ordinary income	9,691	(1,648) [(14.5%)]
Extraordinary income and losses	—	—
Income before income taxes	9,691	(1,648)
Income taxes	2,880	2,198
Profit attributable to non-controlling interests	495	(305)
Profit attributable to owners of parent	6,315	(3,541) [(35.9%)]

(Sales volume of Specialty Steel 266 thou. tons, decreasing 14 thou. tons vs FY2022-1Q)

## (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	100	1. Sales volume	61
2. Non-operating income or loss	6	2. Raw material and fuel cost	38
		3. Fixed cost	14
		4. Variable cost	7
		5. Sales mix change	2
Total (a)	106	Total (b)	122
		Change (a) – (b)	(16)

(Reference: Market condition)

	1Q June 2022	1Q June 2023
H2 (Thousands of yen/t)	55.5	42.6
Nickel (LME) (One dollar/lb)	13.2	10.2
Exchange rate (TTM) (yen/dollar)	129.6	137.4

## (4) Condensed balance sheet

(Millions of yen)

Item	As of March 31, 2023	As of June 30, 2023	Change	Item	As of March 31, 2023	As of June 30, 2023	Change
Current assets	428,118	428,732	614	Liabilities	368,372	369,966	1,593
Cash and deposits	58,224	58,886	662	Trade payables	60,080	58,458	(1,622)
Trade receivables	158,653	155,664	(2,989)	Interest-bearing debt	236,761	237,052	290
Inventories	201,523	204,871	3,347	Other	71,530	74,455	2,925
Other	9,716	9,310	(406)	Net assets	405,479	416,267	10,788
Non-current assets	345,733	357,500	11,767	Shareholders' equity	331,089	331,861	771
Property, plant and equipment	220,248	220,369	120	Accumulated other comprehensive income	37,628	47,266	9,638
Intangible assets	4,530	4,599	68	Non-controlling interests	36,760	37,139	378
Investments and other assets	120,954	132,532	11,578	Total liabilities and net assets	773,851	786,233	12,381
Total assets	773,851	786,233	12,381				