

# Fiscal Year 2018 (Apr. 1 / 2018 – Mar. 31 / 2019) Results Briefing

Apr. 26<sup>th</sup> 2019



# <Contents>

## **FY2018 Results**

Net Sales & Operating Income (FY2018 Results)

FY2018 Changes in Operating Income (y/y)

Overview of our major products in FY 2018 ①

Overview of our major products in FY 2018 ②

FY2018 Net Sales & Operating Income by Segment (y/y)

FY2018 Changes in Operating Income of Major Segment (y/y)

Net Sales & Operating Income (Quarterly)

FY2018 Ordinary Income • Net income

## **Annual Plan for FY2019**

Outlook for the major markets <Automobiles>

Outlook for the major markets (Industrial machines)

Market Trend of Raw Materials  
(Scrap Steel and Nickel)

Premises of Profit Planning for FY2019 (Market Trend)

Net Sales & Operating Income ( Forecast for FY2019 )

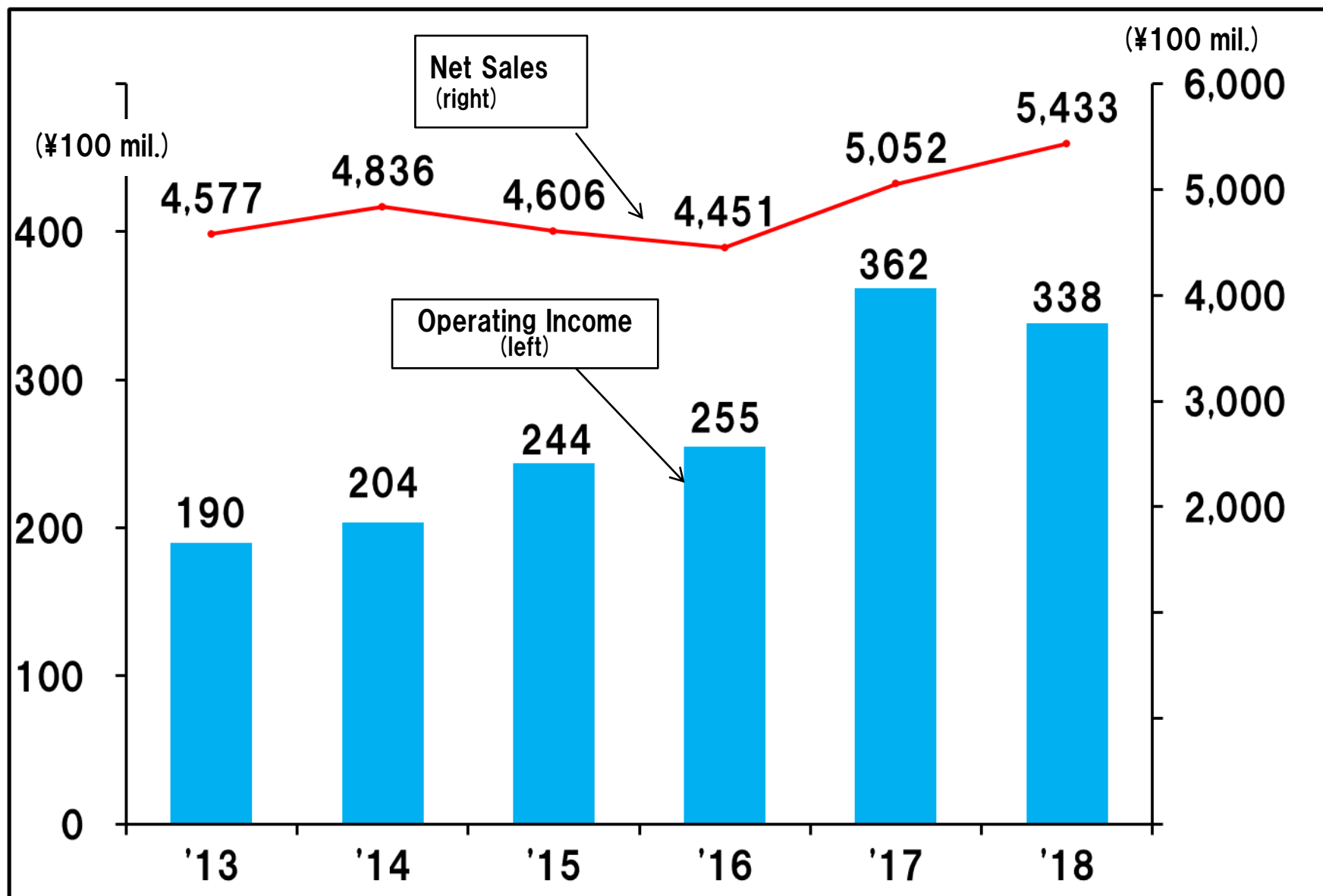
FY2019 Changes in Operating Income (y/y)

p.1	FY2019 Net Sales & Operating Income by Segment (y/y)	17
2	FY2019 Net Sales & Operating Income (Half term)	18
3	FY2019 Net Sales & Operating Income by Segment (Half term)	19
4	FY2019 Ordinary Income • Net income	20
5	Dividend per share	21
6	Total Assets, Interest-bearing Debt, D/E Ratio	22
7	Capital investment	23-28
8	Approach to ESG issues (Environmental, Social, Governance)	29
9	<b><u>Fact Book</u></b>	30-34
10		
11		
12		
13		
14		
15		
16		

# FY2018 Results

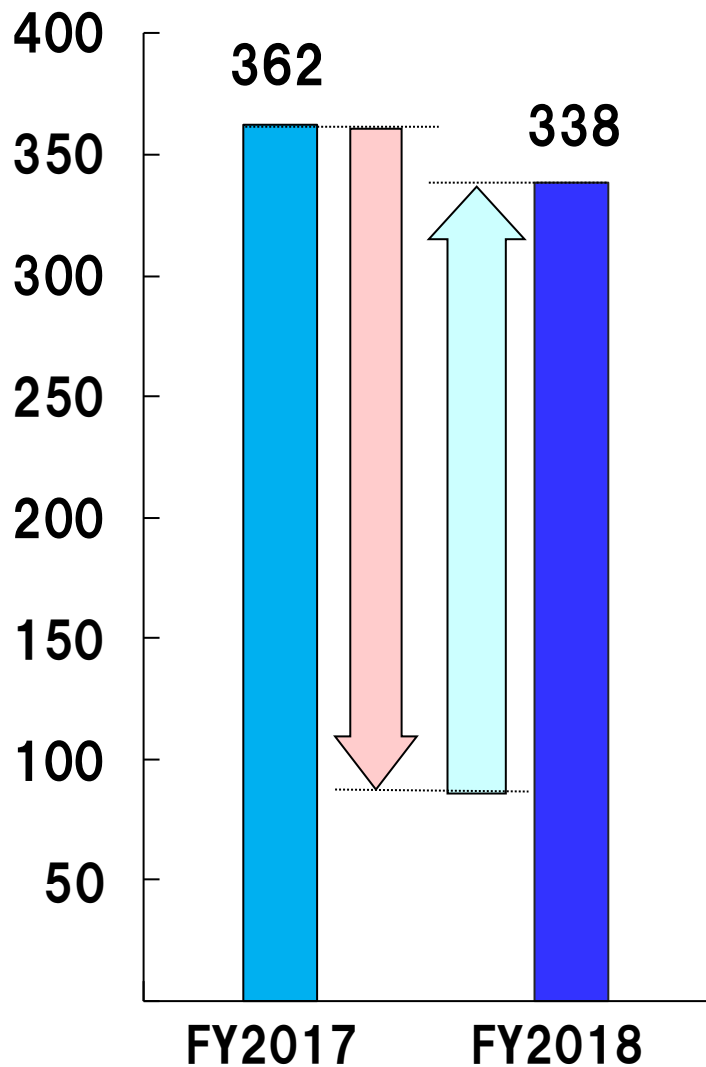
## (Apr.1 / 2018 - Mar.31 / 2019)

# Net Sales & Operating Income (FY2018 Results)



# FY2018 Changes in Operating Income (y/y)

(¥100 mil.)



(¥100 mil.)

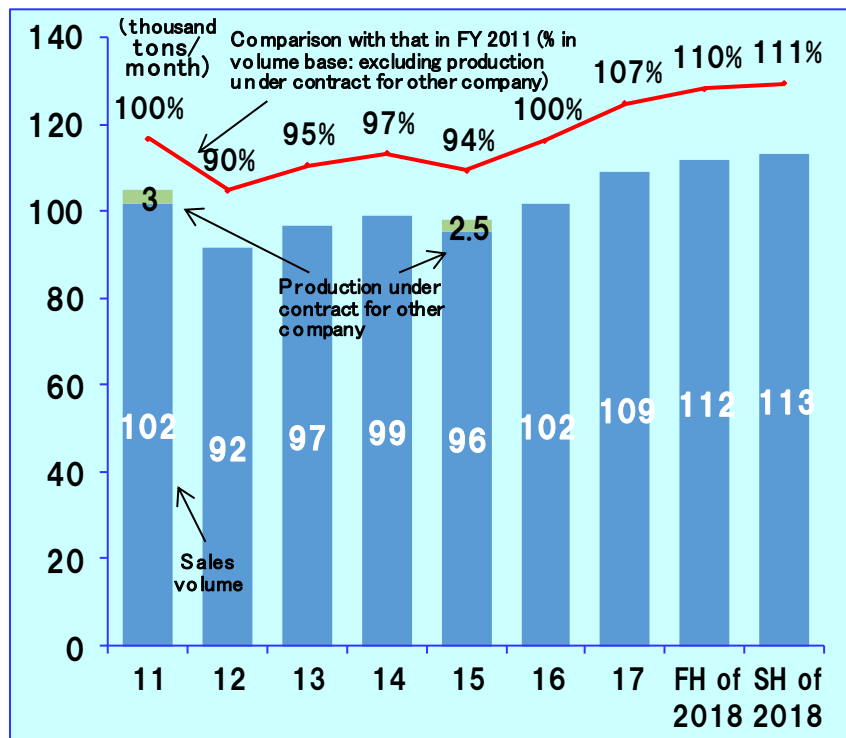
FY2017 Operating Income		362	
Changes (y/y)	Raw material/ Fuel price	-252	
	Sales volume		+31
	Sales price		+217
	Sales mix		
	Variable cost		+1
	Fixed cost	-21	
	Total	-273	+249
FY2018 Operating Income		338 (-24)	

# Overview of our major products in FY 2018 ①

## Specialty steel

### <Demand environment>

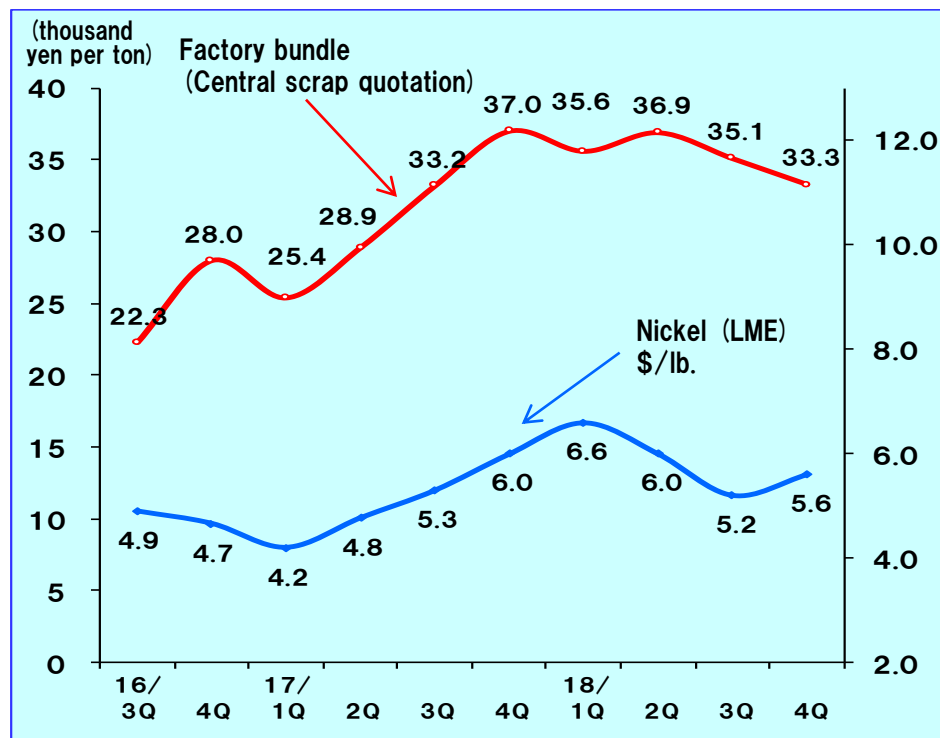
Specialty steel sales volume (non-consolidated)



- The demand for specialty steel has been strong in the automobile, construction and industrial machine industries, but it slowed down slightly in the fourth quarter.

### <Market conditions for raw materials>

Changes in scrap iron and nickel prices

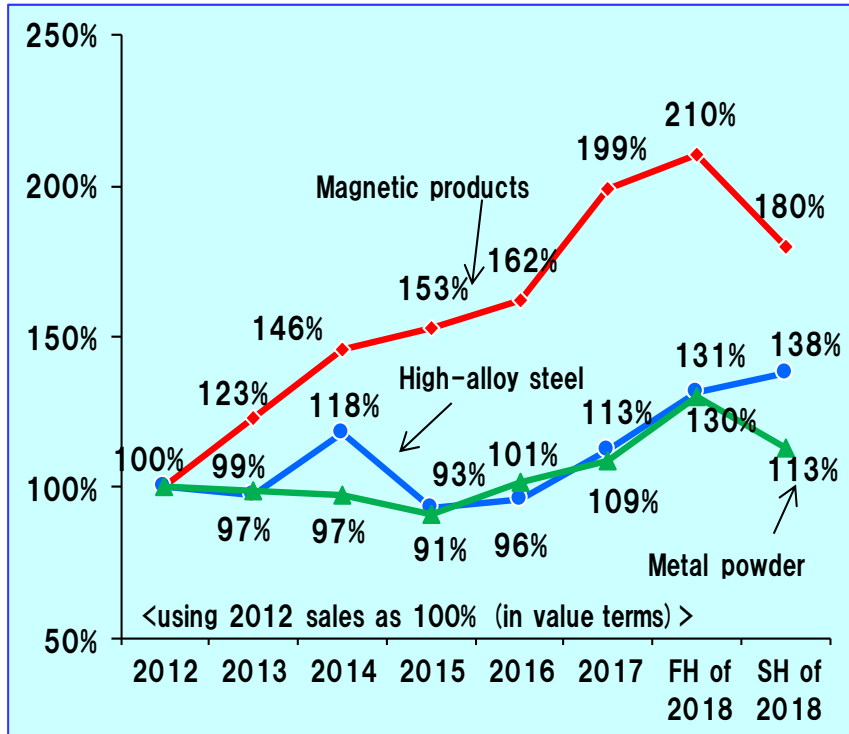


- Scrap iron: Domestic demand has increased and the price has remained high, but it weakened in the second half of the year.
- Nickel: The price has fluctuated within the range of 5 to 6 dollars per lb.

# Overview of our major products in FY 2018 ②

## High-performance and magnetic materials

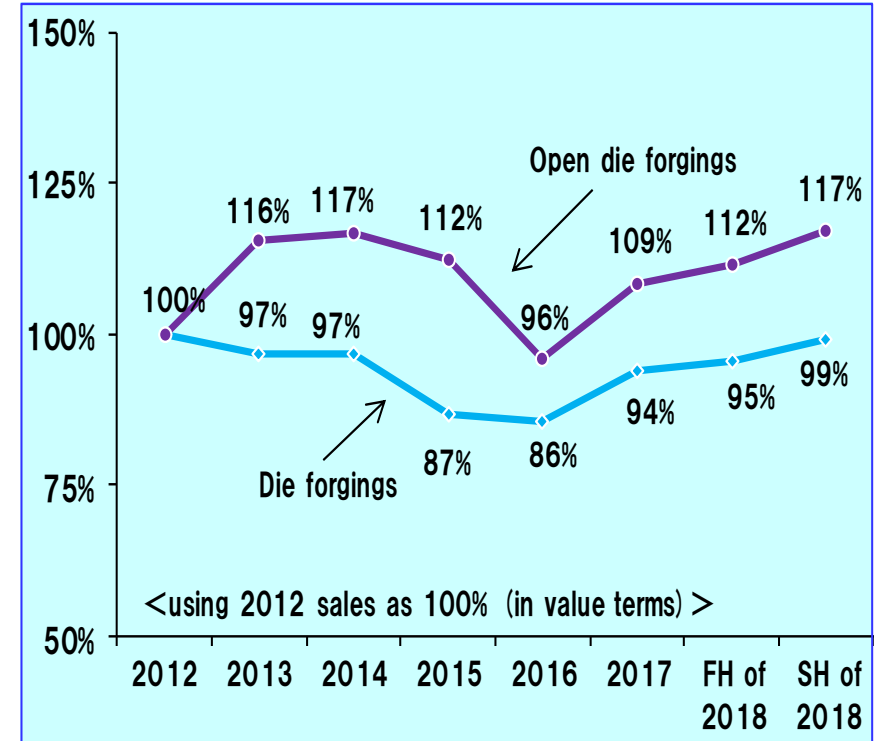
<High-alloy, magnetic products and metal powder>



- Magnetic products: Adjustments have had to be made to inventories due to the slowdown in sales of automobiles in China
- Metal powder: Sales of metal powder, including soft magnetic powder used for hybrid electric vehicles (HEVs), have been strong.
- High-alloy steel: Sales have been strong in the automobile sector but the sale of high-alloy steel for lead frames has shifted into the adjustment phase.

## Parts for automobile and industrial equipment

<Die forging and open die forging>



- Open die forging: Aircraft-related demand has been solid but semiconductor-related sales have slowed down.
- Die forging: Automobile-related demand has been strong.

# FY2018 Net Sales & Operating Income by Segment (y/y)

(¥100 mil.)

		FY2017 Results (A)	FY2018 Results (B)	y / y (B) - (A)
<b>Specialty Steel</b>	Net Sales	1,890	2,078	188
	Operating Income	65	60	-5
<b>High Performance Materials &amp; Magnetic Materials</b>	Net Sales	1,708	1,846	138
	Operating Income	222	207	-15
<b>Parts for Automobile &amp; Industrial Equipment</b>	Net Sales	1,063	1,099	36
	Operating Income	30	23	-7
<b>Engineering</b>	Net Sales	249	275	26
	Operating Income	18	23	5
<b>Trading &amp; Service</b>	Net Sales	142	135	-7
	Operating Income	27	25	-2
<b>Total</b>	Net Sales	5,052	5,433	381
	Operating Income	362	338	-24

**Sales volume of specialty steel      1,311 thou.t      1,349 thou.t      38 thou.t**

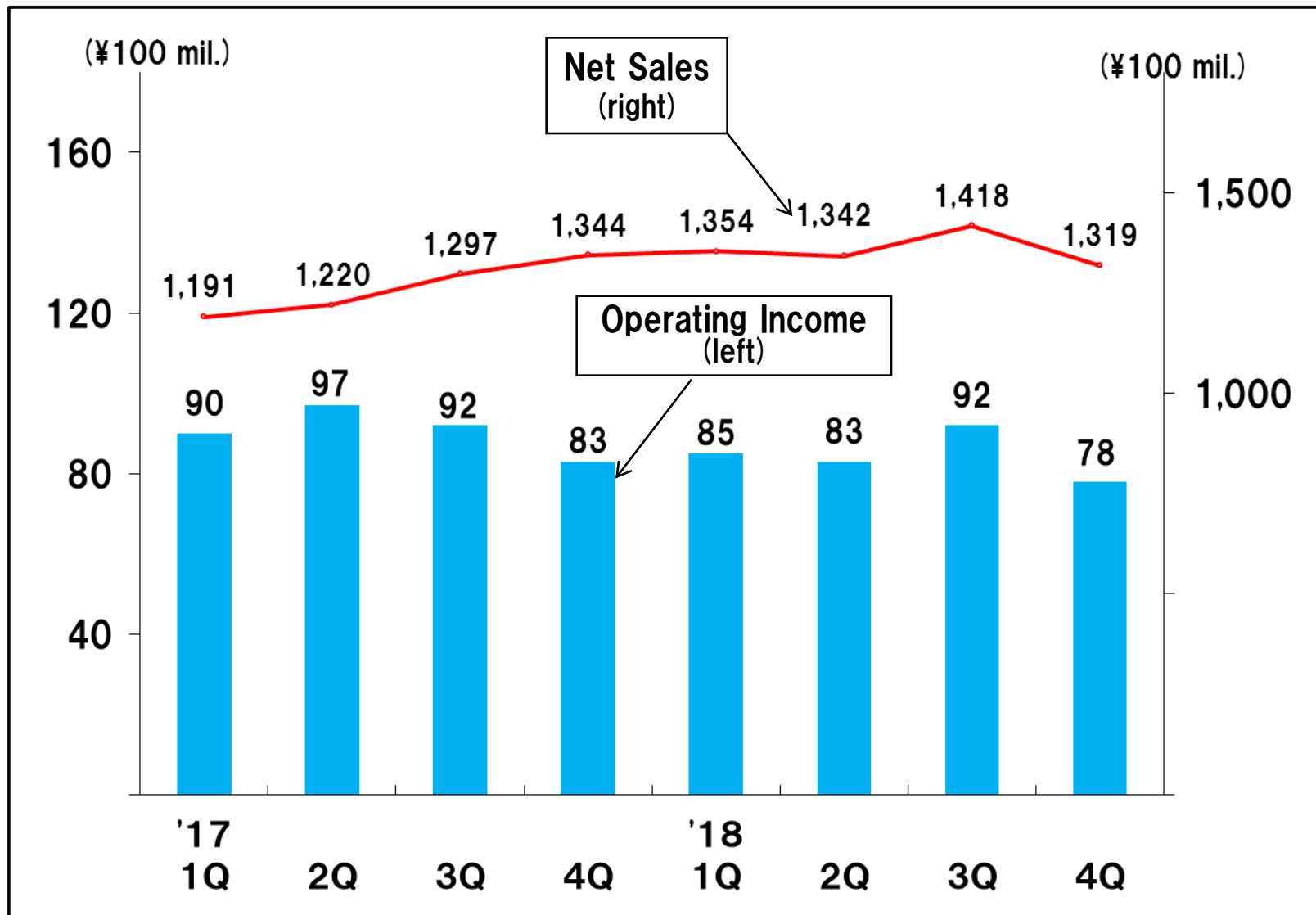


# FY2018 Changes in Operating Income of Major Segment (y/y)

(¥100 mil.)

Segment			Specialty Steel	High Performance Materials & Magnetic Materials	Parts for Automobile & Industrial Equipment	Engineering			
FY2017 Operating Income			65	222	30	18			
Changes (y/y)	Operating Income / Loss	Raw material/ Fuel price	-159	-69	-24				
		Sales volume		+10	+10				
		Sales price		+131	+68				
		Sales mix		+5	-5	+5			
		Variable cost		+7	-10	+4			
		Fixed cost		+1	-10				
		<b>Total</b>		-159	+154	-94	+79	-39	+32
FY2018 Operating Income			60 (-5)	207 (-15)	23 (-7)	23 (+5)			

# Net Sales & Operating Income (Quarterly)



# FY2018 Ordinary Income • Net income

(¥100 mil.)

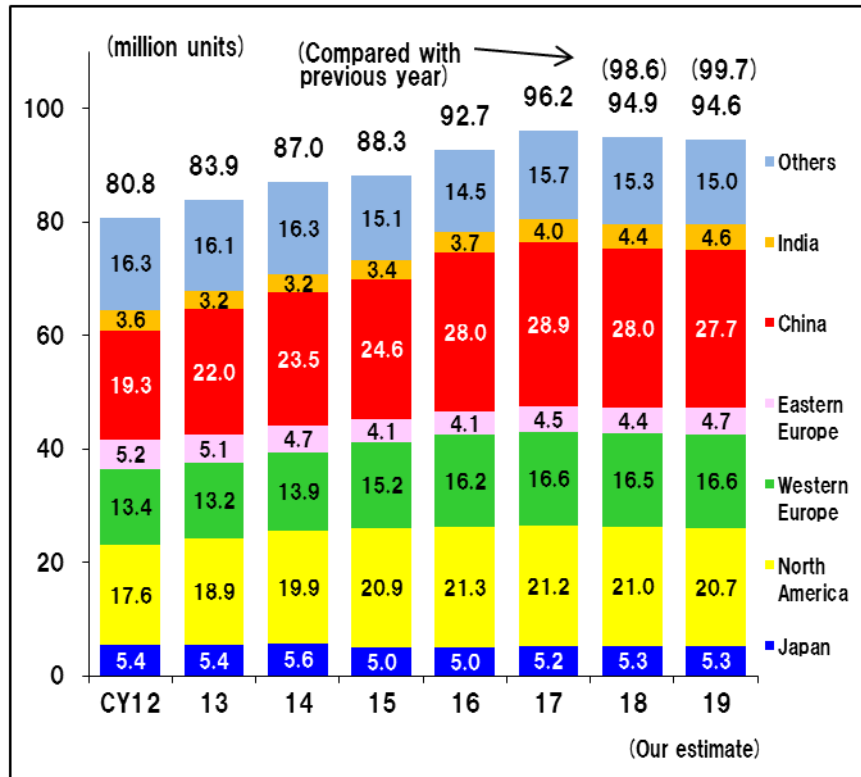
<b>FY2018 Operating income</b>	<b>338</b>
<b>Non-operating income / expense</b>	<b>5</b>
<b>Ordinary income</b>	<b>343</b>
<b>Extraordinary income / loss</b>	<b>▲12</b>
<b>Corporation tax and others</b>	<b>▲119</b>
<b>FY2018 Net income that is profit attributable to owners of parent</b>	<b>212</b>

# Annual Plan for FY2019 (Apr.1 / 2019 – Mar.31 / 2020)

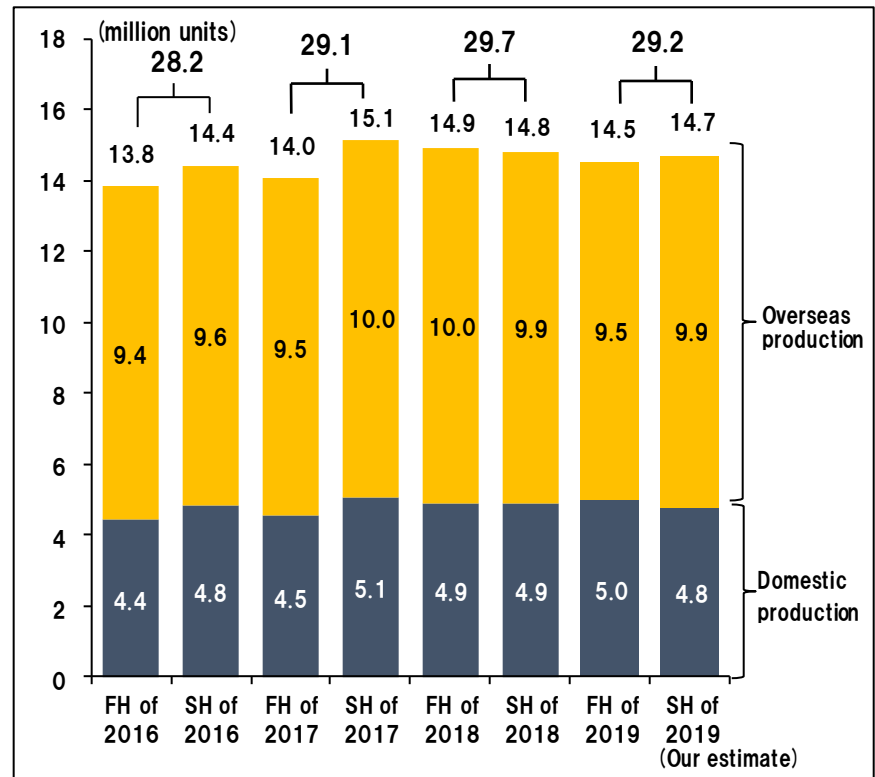
# Outlook for the major markets <Automobiles>

## Automobile-related demand

<Estimated global demand for automobiles>



<Prospective car production by Japanese car manufacturers>



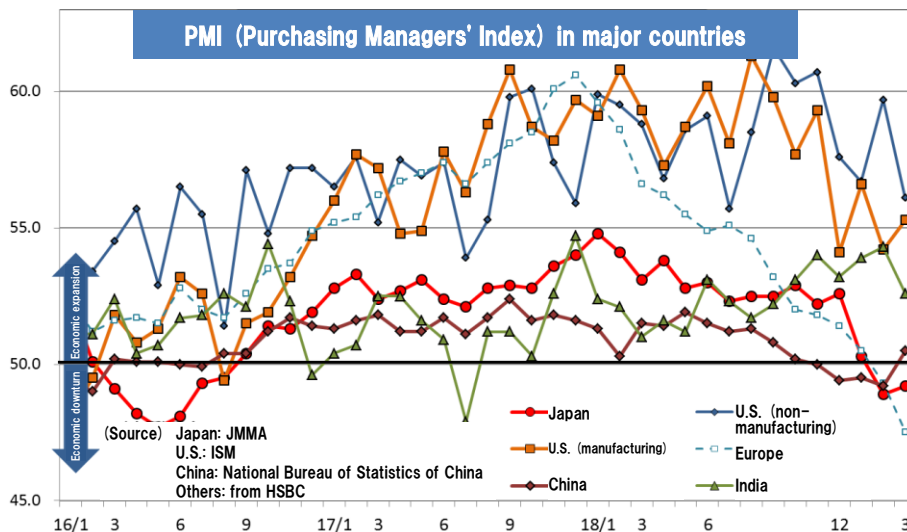
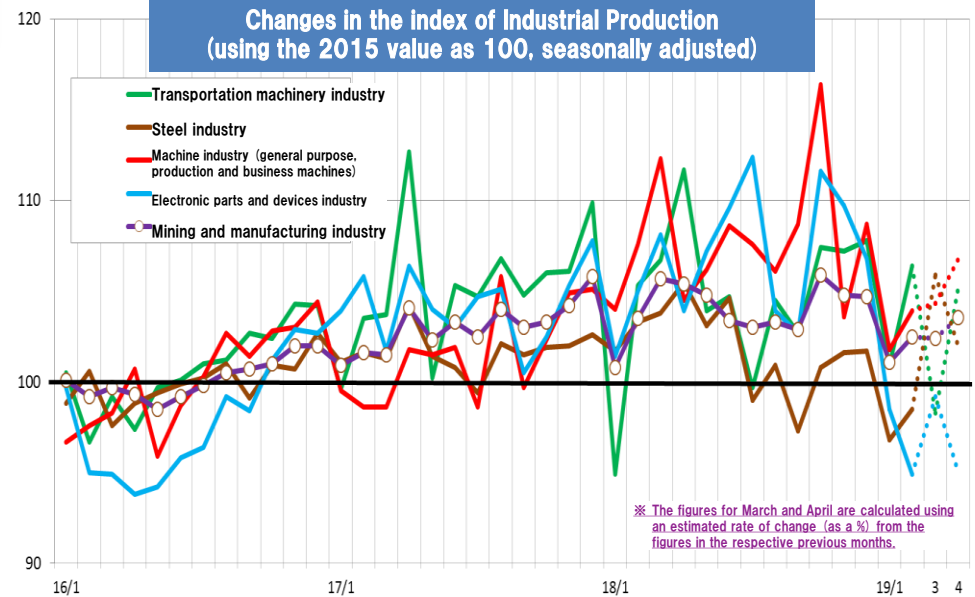
- Global demand: Demand in Japan and the emerging countries is expected to be on a par with the previous level, with that in North America and China decreasing slightly, leading to slight decline overall.
- Production by Japanese car manufacturers: A slight decline is expected, as compared with the previous year, due to decreased demand for automobiles in major countries.

# Outlook for the major markets (Industrial machines)

## Industrial machine-related demand

### [Domestic market]

- Weak overseas demand and a slowdown in capital investment may keep the domestic market in the adjustment phase for these products, but investment in labor-saving efforts is expected to increase.
- It is assumed that the last-minute jump in demand before the consumption tax increase will peak in the July to September term.
  - Strong domestic demand is expected due to the solid employment environment, but overseas demand is not expected because of problems, including the trade dispute between the U.S. and China. It is necessary to keep an eye on further slowdowns in the U.S. and Chinese economies.

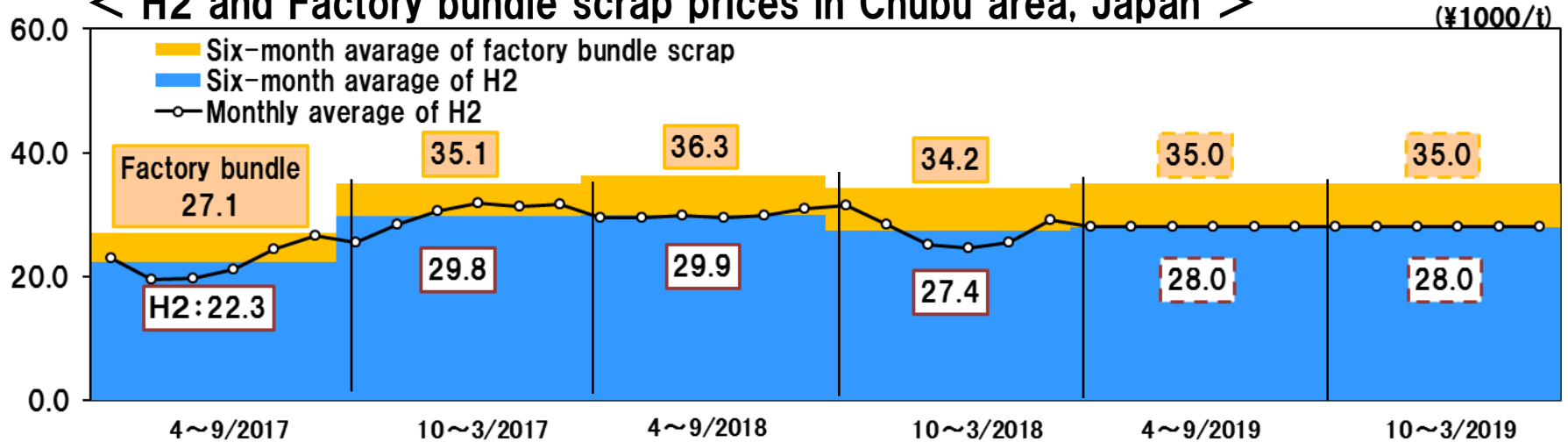


### [Overseas markets]

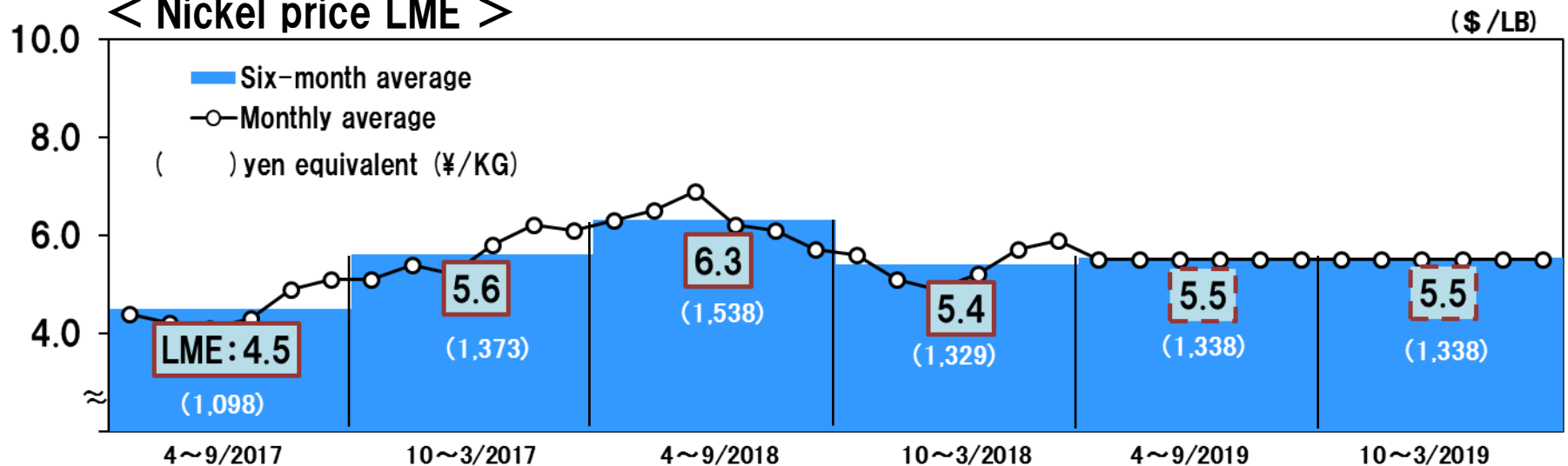
- A slowdown in the Chinese and European economies has come to light in the second half of 2018, making the U.S. economy the sole winner.
- There are some sources of concern, such as how long the effects of the tax cuts by the Trump administration continue, the future course of the trade dispute between the U.S. and China, and developments related to Brexit.
  - The world economy seems to have peaked. It is not clear when the export environment will recover.

# Market Trend of Raw Materials (Scrap Steel and Nickel)

## < H2 and Factory bundle scrap prices in Chubu area, Japan >



## < Nickel price LME >

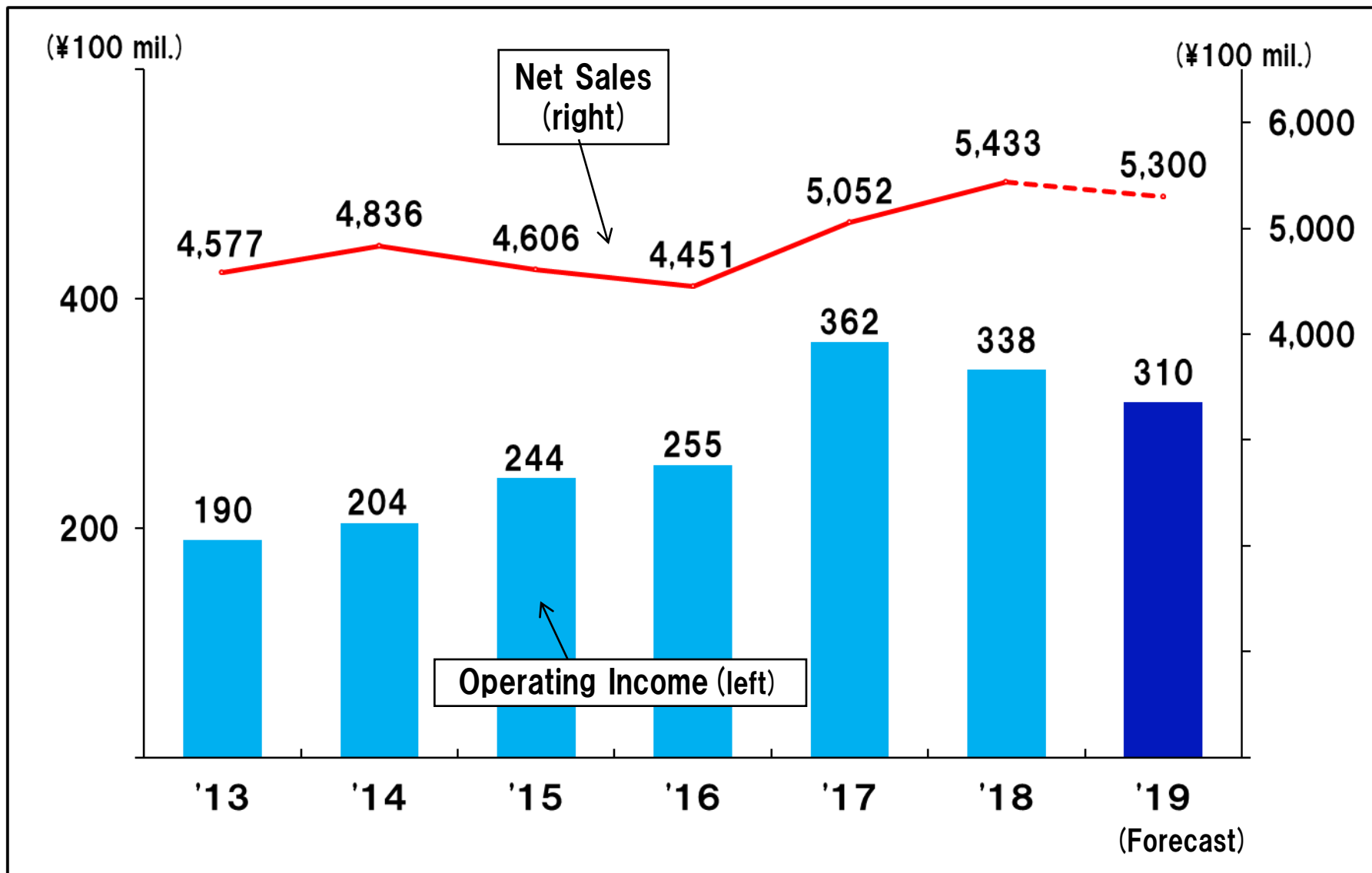


# Premises of Profit Planning for FY2019 (Market Trend)

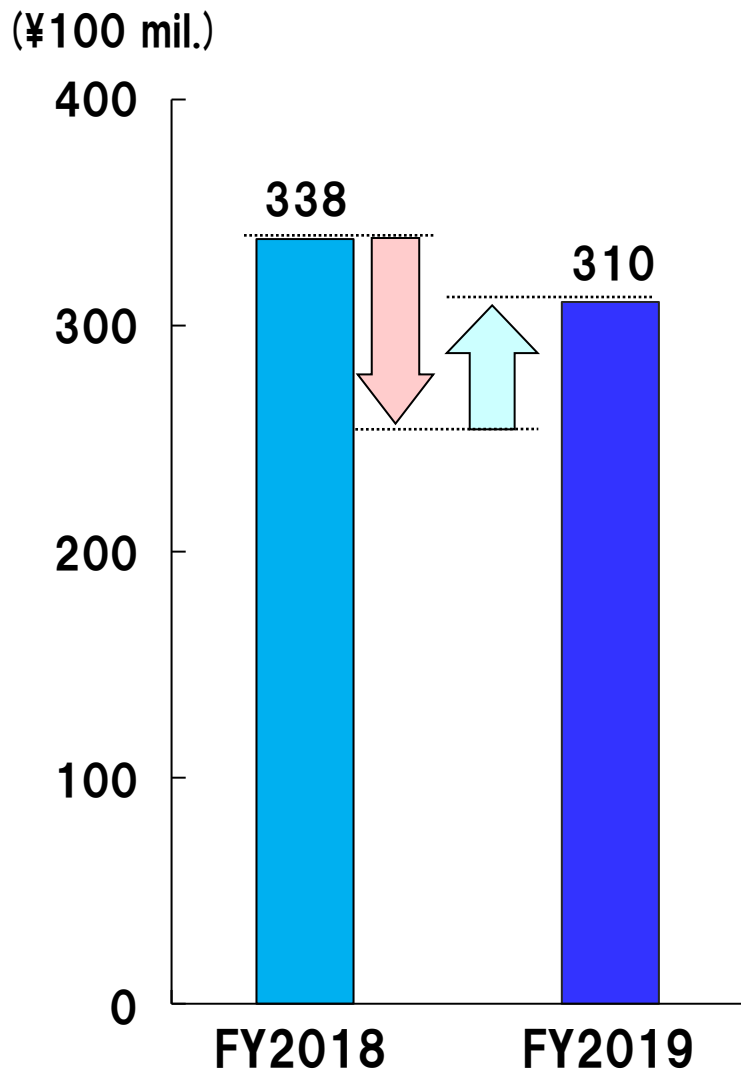
	UNIT	FY2018 Results	FY2019 Premises of plan (Previous year difference)
<b>Scrap steel</b> Upper:H2 Lower:Factory bundle	¥thou./t	<b>28.7</b>	<b>28.0</b> (-0.7)
		<b>35.3</b>	<b>35.0</b> (-0.3)
<b>Nickel</b> (LME)	\$/LB	<b>5.9</b>	<b>5.5</b> (-0.4)
<b>Crude oil</b> (Dubai)	\$/B	<b>68.9</b>	<b>60.0</b> (-8.9)
<b>Exchange rate</b> (TTM)	¥/\$	<b>111.1</b>	<b>110.0</b> (-1.1)



# Net Sales & Operating Income ( Forecast for FY2019 )



# FY2019 Changes in Operating Income (y/y)



<b>FY2018 Operating Income</b>	
<b>Changes (y/y)</b>	Raw material/ Fuel price
	Sales volume
	Sales price
	Sales mix
	Variable cost
	Fixed cost
	Newly consolidated subsidiaries
	<b>Total</b>
<b>FY2019 Operating Income</b>	

(¥100 mil.)

<b>338</b>	
/	<b>+11</b>
<b>-34</b>	/
/	<b>+19</b>
<b>-24</b>	/
/	<b>+12</b>
<b>-22</b>	/
/	<b>+10</b>
<b>-80</b>	<b>+52</b>
<b>310 (-28)</b>	

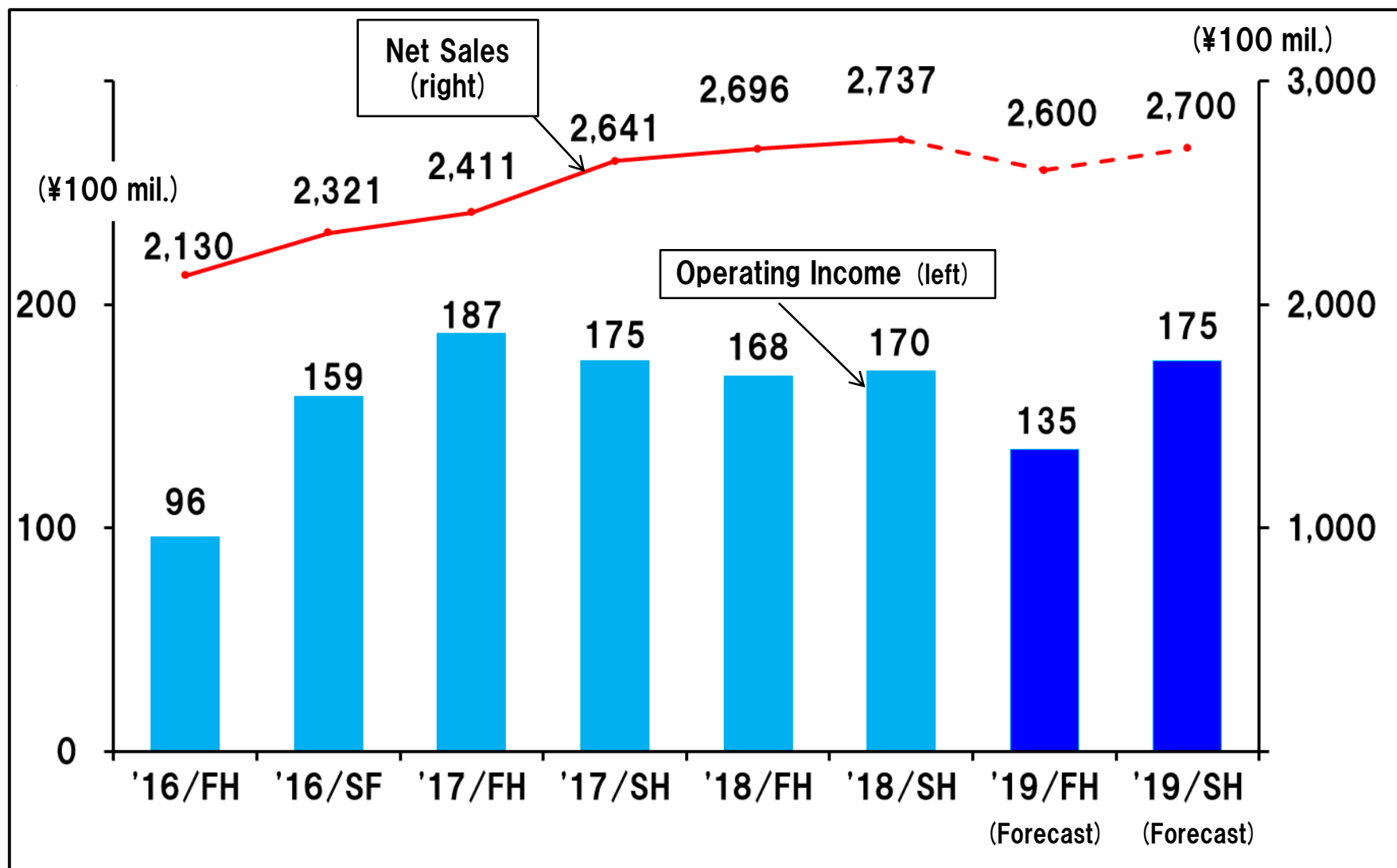
# FY2019 Net Sales & Operating Income by Segment (y/y)

(¥100 mil.)

		FY2018 Results (A)	FY2019 Forecast (B)	y/y (B) - (A)
Specialty Steel	Net Sales	2,078	1,990	-88
	Operating Income	60	65	5
High Performance Materials & Magnetic Materials	Net Sales	1,846	1,760	-86
	Operating Income	207	170	-37
Parts for Automobile & Industrial Equipment	Net Sales	1,099	1,130	31
	Operating Income	23	35	12
Engineering	Net Sales	275	260	-15
	Operating Income	23	15	-8
Trading & Service	Net Sales	135	160	25
	Operating Income	25	25	0
Total	Net Sales	5,433	5,300	-133
	Operating Income	338	310	-28

Sales volume of specialty steel      1,349 thou.t      1,313 thou.t      -36 thou.t

# FY2019 Net Sales & Operating Income (Half term)



# FY2019 Net Sales & Operating Income by Segment (Half term)

(¥100 mil.)

		FY2019		
		4-9/2019 Forecast	10/2019- 3/2020 Forecast	Full year Plan
<b>Specialty Steel</b>	Net Sales	990	1,000	1,990
	Operating Income	30	35	65
<b>High Performance Materials &amp; Magnetic Materials</b>	Net Sales	860	900	1,760
	Operating Income	70	100	170
<b>Parts for Automobile &amp; Industrial Equipment</b>	Net Sales	550	580	1,130
	Operating Income	15	20	35
<b>Engineering</b>	Net Sales	130	130	260
	Operating Income	7	8	15
<b>Trading &amp; Service</b>	Net Sales	70	90	160
	Operating Income	13	12	25
<b>Total</b>	Net Sales	2,600	2,700	5,300
	Operating Income	135	175	310

Sales volume of specialty steel

646 thou.t 667 thou.t

1,313 thou.t

# FY2019 Ordinary Income • Net income

(¥100 mil.)

<b>FY2019 Operating income</b>	<b>310</b>
<b>Non-operating income / expense</b>	<b>5</b>
<b>Ordinary income</b>	<b>315</b>
<b>Extraordinary income / loss</b>	<b>48</b>
<b>Corporation tax and others</b>	<b>▲123</b>
<b>FY2019 Net income that is profit attributable to owners of parent</b>	<b>240</b>

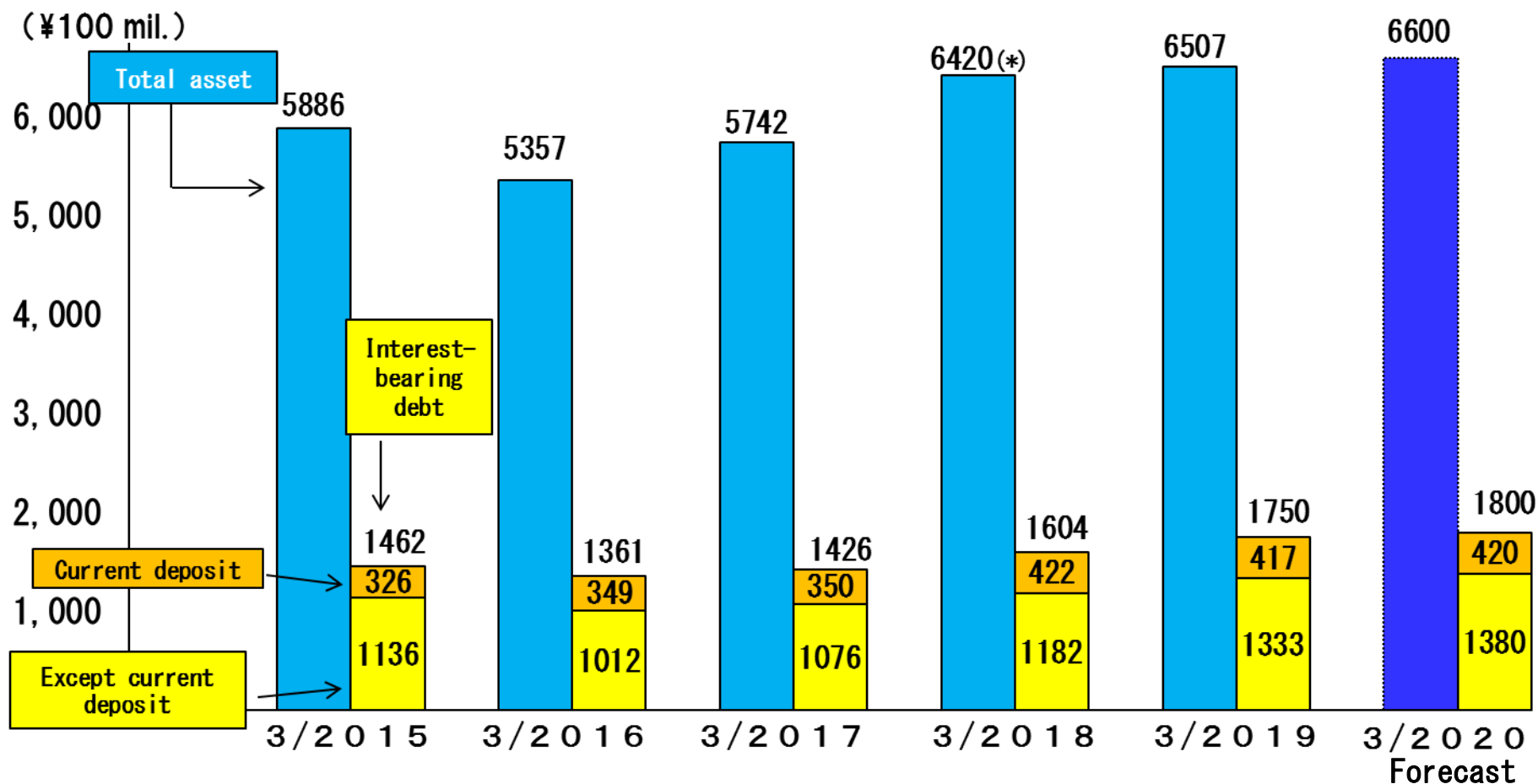
➤ Extraordinary income 4.8 billion yen  
Partial sale of Kawasaki Techno-center and others

# Dividend per share

	FY2018		FY2019 (Forecast)	
	Interim	Year-end	Interim	Year-end
Ordinary income (¥100 mil.)	176	343	135	315
Net income (※) (¥100 mil.)	108	212	120	240
Dividend per share (¥/Share)	65.0	130.0	55.0	120.0
Payout ratio (%)	25.8	26.2	19.5	21.3

※ The net income that is attributable to stockholders of the parent company.

# Total Assets, Interest-bearing Debt, D/E Ratio



(\*) "Accounting standard for tax effect" is applied retroactively to total assets as of the end of March 2018, and figures are changed and displayed (before change is ¥ 645 billion)

	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020 (Forecast)
ROA	3.8%	4.5%	4.8%	5.9%	5.3%	4.8%
D/E	0.57	0.58	0.55	0.56	0.61	0.59



# Capital investment etc.

# Capital investment plan

Capital investment is being implemented in accordance with the mid-term management plan (Major investment projects)

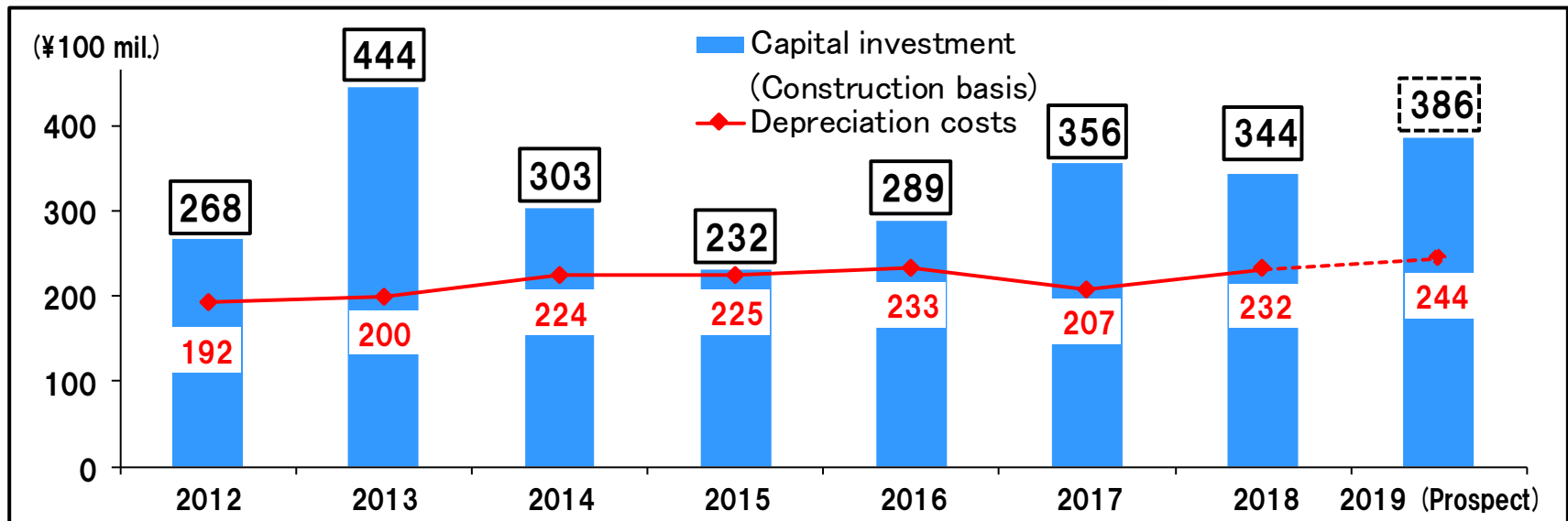
<Maximize throughput by removing bottlenecks in the production process>

Streamline the continuous casting line and enhance our fabrication capabilities.

<Improve our ability to address increased demand and boost the capacity of our processes>

Upgrade the electro-slag re-melting equipment and increase the capacity of our high-end steel strip manufacturing equipment.

## Changes in capital investment and depreciation costs



# Capital investment: Stainless steel

## Maximize throughput by removing bottlenecks in the production process

### Streamline the continuous casting line

Improve the casting capacity and streamline ladle operation and logistics  
(Improve the quantity of continuous cast stainless steel by 15%)

⇒ The construction of the ladle transfer equipment has been completed.  
The construction of new casting equipment will be in the final phase in the summer.

- Investment: about 4 billion yen
- Date on which the new equipment will start operating: Second half of Fiscal 2019 (as scheduled)



### Enhance our fabrication capacities

Add a new heat-treatment furnace and new cold-forming equipment  
(For an increase of 10% in capacity)

⇒The installation of the new cold-forming equipment has been complete.  
The installation of the new heat-treatment furnace is in progress.

- Investment: about 1.5 billion yen
- Date on which the new equipment will start operating: First half of Fiscal 2019 (as scheduled)



## Improve the ability to address increased demand and boost the capacity of the processes

### Upgrade the electro-slag re-melting equipment

Meet cleanliness requirements for special stainless steel and plastic die steel and increase the production capacity

⇒ Shibukawa Plant: The new building has been completed. The installation of new electro-slag re-melting equipment is in progress.

•Date on which the new equipment will start operating: First half of Fiscal 2019 (as scheduled)



### Increase the capacity of high-end steel strip manufacturing equipment

Increase the manufacturing capacity of high-alloy steel by installing a new heat-treatment furnace. (Increase manufacturing capabilities by about 20%)

⇒ Chita Steel Strip Plant: Preliminary construction work for new equipment

•Investment: about 1.5 billion yen

•Date on which new equipment will start operating: Second half of Fiscal 2019 (as scheduled)



## Powder products

Expand sales of high-performance powder products for automotive reactors, etc.

Add a production line for soft magnetic powder products

⇒ The construction of the new building has been complete.  
The installation of new equipment is in progress.

- Investment: about 1.5 billion yen
- Date on which the new equipment will start operating: Second half of Fiscal 2019 (as scheduled)



Compressed cores for reactors



## Electronic parts (LEDs)

Increase sales of high-performance LED products for industrial robots, etc.

LED production and inspection process:  
Upgrade production capacity by 50%

⇒ Equipment for the production line is now being manufactured

- Investment: about 0.5 billion yen
- Date on which the new equipment will start operating: First half of Fiscal 2019



Point light source LEDs: Star LEDs

# Capital investment: Plans for equipment that is scheduled to start operating in 2019

	Location	1Q	2Q	3Q	4Q
■ Streamlining the continuous casting line (Ladle transfer equipment and casting equipment)	Chita Plant			●	→
■ Increasing the wire fabrication capacity (Cold-forming equipment and the heat-treatment furnace)	Hoshizaki Plant		●	→	→
■ Upgrading the electro-slag re-melting equipment	Chita Plant	●	→	→	→
	Shibukawa Plant		●	→	→
■ Increasing the capacity of our high-end steel strip manufacturing equipment	Chita Plant				● →
■ Adding a new production line for high-performance powder products	Powder product factory			●	→
■ Adding a new production line for high-performance LEDs	Takiharuru Techno Center		●	→	→

# Approach to ESG issues (Environmental, Social, Governance)

## Environmental

To address environmental regulations that are becoming tougher around the world and global issues to be dealt with, such as climate change, we are committed to providing high-performance raw materials which meet our customers' specific requirements and help promote their part in the technological revolution.

[Improving the fuel economy of automotive and aircraft engines (reduction of CO<sub>2</sub> emissions)]

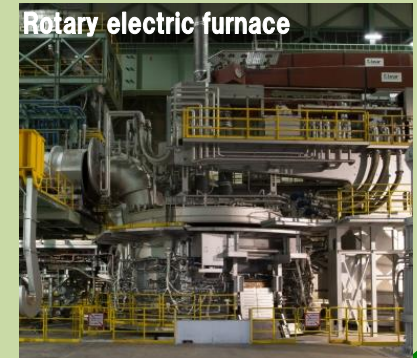
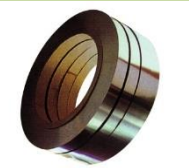
[Improvement in the energy efficiency of steel making equipment]

High-performance material and magnetic material

Automotive parts and industrial machine parts

(Stainless steel and high-alloy steel)

(Neodymium magnet)



- Oxygen sensor
- Direct injection system
- Turbo-charger gasket
- Heat-resistant bolt system

• HEV motor

Hollow valve

Turbine wheel

Jet engine shaft

## Social



2018

We received an environmentally rated loan from the Development Bank of Japan (DBJ) in March 2019.



We were recognized as a Health and Productivity enterprise (White 500) for the second consecutive year.



2018 Constituent  
MSCI Japan ESG  
Select Leaders Index

We were selected as a constituent of the MSCI Japan ESG Select Leaders Index of the U.S. MSCI.

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## Governance

➤ All of our subsidiaries have been consolidated as of 2019.

The number of consolidated subsidiaries has been increased from 44 to 75.

Consolidated subsidiaries:

38 conventional companies + 28 new companies

Affiliated companies using the equity accounting method:

6 conventional companies + 3 new companies

➤ The activities of a CRM committee (chairperson: President) started with outside members included.

# Fact Book



# Fact Book Financial highlight

Consolidation

(¥1 mil.)

	'15/3	'16/3	'17/3	18/3	19/3	'14/9	'15/9	'16/9	'17/9	'18/9
Net sales	483,633	460,577	445,122	505,219	543,255	238,917	233,832	213,010	241,119	269,643
Operating income	20,408	24,432	25,513	36,218	33,815	8,664	10,757	9,643	18,726	16,752
Ordinary income	21,729	25,108	26,373	36,130	34,343	9,670	11,431	9,023	18,320	17,569
Net income	10,886	6,746	16,386	23,920	21,182	4,116	2,037	5,363	11,890	10,759
R & D expenses	5,300	5,766	6,206	5,419	5,638	2,671	2,716	3,158	2,770	2,788
Capital investment(Plan)	20,600	28,300	32,800	38,600	37,200	10,900	16,100	15,800	20,300	18,800
Capital investment(Construction)	30,295	23,205	28,940	35,605	34,413	13,967	9,241	15,791	14,899	15,027
Depreciation	22,436	22,454	23,275	20,740	23,171	10,650	11,039	11,087	10,023	11,453
Financial account balance	719	949	904	995	1,606	396	541	432	429	584
Total assets	588,590	535,675	574,169	642,021	650,697	568,193	567,439	523,304	614,828	661,998
Equity	256,022	232,832	259,851	284,435	285,508	237,892	250,255	231,600	274,221	291,948
Interest-bearing debt	146,208	136,114	142,599	160,352	174,998	146,470	146,461	133,172	157,201	174,928
Pay roll number	10,855	11,036	11,498	11,873	12,421	10,927	11,126	11,574	11,843	12,559
ROA(%)	3.8	4.5	4.8	5.9	5.3	3.4	4.0	3.4	6.2	5.4
ROE(%)	4.5	2.8	6.7	8.8	7.4	3.5	1.6	4.6	8.9	7.5
Consolidated subsidiary number	34	36	34	36	38	33	35	35	36	38
(Equity method affiliate number is excluded from the above)	( 6)	( 6)	( 6)	( 6)	( 6)	( 6)	( 6)	( 6)	( 6)	( 6)
Ratio of the consolidated to the non-consolidated										
Net sales	1.6	1.6	1.7	1.6	1.6					
Ordinary income	1.8	1.6	1.5	1.7	1.4					
Net income	2.5	1.2	1.1	1.6	1.3					

\*Long-term prepaid expenses are not included in the depreciation. Net income after 2015 belongs to stockholder of parent company.

# Fact Book Net Sales & Operating Income by Segment

Consolidation

<New segment(From Apr.1st in 2012)>

(¥100 mil.)

		'15/3	'16/3	'17/3	'18/3	'19/3
Speciality Steel	Net Sales	1,891	1,705	1,631	1,868	2,078
	Operating Income	32	75	58	65	60
High Performance Materials & Magnetic Materials	Net Sales	1,618	1,553	1,485	1,708	1,846
	Operating Income	135	123	174	222	207
Parts for Automobile & Industrial Equipment	Net Sales	994	997	975	1,063	1,099
	Operating Income	10	13	▲ 5	30	23
Engineering	Net Sales	229	261	239	249	275
	Operating Income	17	21	12	18	23
Trading and Service	Net Sales	104	90	121	164	135
	Operating Income	10	12	16	27	25
Total	Net Sales	4,836	4,606	4,451	5,052	5,433
	Operating Income	204	244	255	362	338

(¥100 mil.)

		'14/4-9	'14/10-3	'15/4-9	'15/10-3	'16/4-9	'16/10-3	'17/4-9	'17/10-3	'18/4-9	'18/10-3
Speciality Steel	Net Sales	951	940	859	846	780	851	903	965	1,020	1,058
	Operating Income	6	26	21	54	26	32	48	17	21	39
High Performance Materials & Magnetic Materials	Net Sales	787	831	807	746	711	774	811	897	927	919
	Operating Income	67	68	63	60	75	99	108	114	114	93
Parts for Automobile & Industrial Equipment	Net Sales	492	502	494	503	467	508	517	546	554	545
	Operating Income	4	6	8	5	▲ 16	11	11	19	11	12
Engineering	Net Sales	107	122	132	129	115	124	105	144	126	149
	Operating Income	3	14	10	11	3	9	7	11	8	15
Trading and Service	Net Sales	52	52	46	44	57	64	75	89	69	66
	Operating Income	7	3	6	6	8	8	13	14	14	11
Total	Net Sales	2,389	2,447	2,338	2,268	2,130	2,321	2,411	2,641	2,696	2,737
	Operating Income	87	117	108	136	96	159	187	175	168	170

# Fact Book List of consolidated companies ①

Segment	Company	Business Contents
Specialty steel	DAIDO DMS (Thailand) CO., Ltd.	Heat treatment, processing, sales of die products / Sales of die materials (in Thailand)
	Daido Die & Mold Solutions Co., Ltd.	Sales of tool steel / Production and sales of die products and finished tool / heat-treatment of metal
	Daido TIEN WEN Steel Co., Ltd.	Heat treatment, processing, sales of die products / Sales of die materials (in Taiwan)
	DAIDO AMISTAR(M) SDN. BHD.	Processing, sales of die products / Sales of die materials (in Malaysia)
	DAIDO DMS SINGAPORE PTE Ltd.	Processing, sales of die products / Sales of die materials (in Singapore)
	DAIDO SHIZAI SERVICE Co., Ltd.	Sales of materials for production
	DAIDO TECHNICA CO., LTD.	Seam-removing, maintenance, processing of steel
	DAIDO ECOMET CO., LTD.	Development, production, sales of indirect materials for steel-making / recycling of waste and by-products from steel-making-process
	RIKEN SEIKO CO., LTD. *	Production and sales of Specialty steel secondary products (shaft bearing) , cutting tool and machine tool
	Tohoku Steel Co., Ltd. *	Production and sales of specialty steel secondary products / heat-treatment of metal
	MARUTA TRANSPORT CO., LTD. *	Transportation and warehousing business
	SAKURAI KOSAN CO., LTD. *	Heat treatment works, surface treatment
izumi electric industries co., ltd. *	Design and construction of electric work / Design and production of power distribution board	
KAWAICHI SANGYO CO.LTD. *	Transportation and warehousing business	
High Performance Materials & Magnetic Materials	Nippon Seisen Co., Ltd.	Production and sales of stainless steel wire, metallic fiber
	THAI SEISEN Co., Ltd.	Production and sales of stainless steel wire
	Daido Electronics Co., Ltd.	Production, processing and sales of magnetic materials and electronic device parts
	Daido Electronics (Suzhou) Co., Ltd.	Production, processing and sales of magnetic materials and electronic device parts (in China)
	Daido Electronics (Thailand) Co., Ltd.	Production, processing and sales of magnetic materials and electronic device parts (in Thailand)
	SHIMOMURA TOKUSYU SEIKO CO., LTD.	Drawing of free-cutting steel & stainless steel / Production and sales of grinding processed products
	NISSEI SEIKO CO., LTD.	Production and sales of screw, bolt and cold-forging parts for automobile

# Fact Book List of consolidated companies ②

Segment	Company	Business Contents
Automobile & Industrial parts	Daido Castings Co., Ltd.	Production and sales of casting, precise casting, manganese rail
	FUJI OOZX Inc.	Production and sales of engine valve
	FUJI VALVE (GUANGDONG) CORPORATION	Production and sales of engine valve(in China)
	JAPAN DROP FORGE CO., LTD.	Production and sales of die forging
	TOYO SANGYO CO., LTD.	Production and sales of die forging
	DAIDO STAR TEKUNO Co., Ltd.	Seam-removing, maintenance, device processing of steel and forging
	Daido Precision Industries Ltd.	Production and sales of processing parts for compressor, power transmission, base-isolation device
	OHIO STAR FORGE CO.	Production and sales of precise forging (in U.S.)
	Daido Steel (Thailand) Co., Ltd.	Production and sales of die forging
	PT. FUJI OOZX INDONESIA	Production and sales of engine valve(in Indonesia)
FUJI OOZX MEXICO, S.A. DE C.V.	Production and sales of engine valve(in Mexico)	
Engineering	Daido Machinery Ltd.	Production and sales of machine tool / Installation, maintenance and repair of machine equipment
	Daido Environment Engineering Co., Ltd.	Maintenance and repair of environment device
	DAIDO PLANT INDUSTRIES CO., LTD.	Design, production, sales of industrial furnace, facility equipment and ancillary facility
Trading & Service	Daido Kogyo Co., Ltd.	Trading company specializing in specialty steel, equipment, steel-making materials
	DAIDO LIFE SERVICE CO., LTD.	Dealing and subdivision of real estate / Management of welfare provision / Insurance agent travel agent, printing
	Daido Steel (Shanghai) Co., Ltd.	Export & import of DAIDO group products / Group's front company for China (in China)
	DAIDO BUNSEKI RESEARCH, INC.	Analysis, research, consulting regarding iron, steel, cast metal, ceramics
	Star Info Tech Co., Ltd.	Planning, design, development, maintenance of information system / Development and sale of software
	Life Support., Ltd.	Cleaning, security, food-service operating, management of facility, tree-planting, labor dispatch service
	KISOKOMAKOGEN KANKOKAIHASTU CO., LTD.	Management of golf course / management of land for vacation house / minor water project
	Daido Steel (America) Inc.	Export & import of DAIDO group products / Group's front company for U.S. (in U.S.)
	The silent partnership which makes TAKAKURA FUNDING CORPORATION LTD. a business operator	Owning a commercial complex

## **(Note)**

**Figures such as the business forecasts described in this document are based on specific assumptions which are predictable under the present state.**

**However, changes in circumstances could lead to different business outcomes, so blind reliance on this data as decision criterion is not recommended.**

**Also predicted figures can be changed in the future without prior notice. All use of this document is at the volition and discretion of the user. Please be aware that our company shall not assume any responsibility for the results of using the information in this document.**