

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



July 29, 2022

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 12, 2022

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, 2022 (April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	137,682	4.9	10,190	(3.0)	11,339	(4.1)	9,857	29.2
June 30, 2021	131,239	47.8	10,505	—	11,824	—	7,628	—

(Note) Comprehensive income: Three months ended June 30, 2022: ¥11,610 million [9.1%]

Three months ended June 30, 2021: ¥10,641 million [334.8%]

	Profit attributable to owners of parent per share	Diluted profit attributable to owners of parent per share
Three months ended	Yen	Yen
June 30, 2022	231.26	—
June 30, 2021	178.95	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2022	758,185	371,858	44.3
As of March 31, 2022	728,187	365,004	45.3

(Reference) Shareholders' equity: As of June 30, 2022 : ¥335,784 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	—	—	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	80.00	—	100.00	180.00

(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
First half	280,000	9.7	19,500	1.8	20,000	(2.7)	15,500	20.7	363.62
Full year	600,000	13.3	34,000	(8.1)	35,000	(10.7)	25,000	(7.0)	586.49

(Note) Revision to the financial results forecast announced most recently: Yes

The forecast for the first half of FY2022 has been revised to the above from those announced on April 28, 2022.

*** 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):

June 30, 2022 43,448,769 shares

March 31, 2022 43,448,769 shares

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

June 30, 2022 822,282 shares

March 31, 2022 822,129 shares

3) Average number of shares during the period:

Three months ended June 30, 2022 42,626,569 shares

Three months ended June 30, 2021 42,627,247 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, 2022

(1) Net sales and operating income by reportable segment

(Millions of yen, %)

	Net sales		Operating income	
	1Q June 2022	YoY Change [% of Change]	1Q June 2022	YoY Change
Specialty Steel	50,591	4,033 [8.7%]	135	(877)
High Performance Materials and Magnetic Materials	54,431	6,558 [13.7%]	7,507	366
Parts for Automobile and Industrial Equipment	23,828	(1,071) [(4.3%)]	1,758	(194)
Engineering	3,778	53 [1.4%]	(65)	320
Trading and Service	5,051	(3,131) [(38.3%)]	883	105
Adjustment	—	—	(29)	(35)
Total	137,682	6,443 [4.9%]	10,190	(315)

(Sales volume of Specialty Steel 280 thou. tons, decreasing 42 thou. tons vs FY2021-1Q)

(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	149	1. Raw material and fuel cost	176
2. Sales mix change	52	2. Sales volume	18
3. Fixed cost	1	3. Variable cost	2
		4. Change of financial periods (FY2021)	9
		5. Non-operating income or loss	2
Total (a)	202	Total (b)	207
		Change (a) – (b)	(5)

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

(Millions of yen, %)

	1Q June 2022	YoY Change [% of Change]
Net sales	137,682	6,443 [4.9%]
Operating income	10,190	(315) [(3.0%)]
Non-operating income and expenses	1,149	(169)
Ordinary income	11,339	(484) [(4.1%)]
Extraordinary income and losses	—	—
Income before income taxes	11,339	(484)
Income taxes	682	(2,536)
Profit attributable to non-controlling interests	800	(177)
Profit attributable to owners of parent	9,857	2,229 [29.2%]

(Reference: Market condition)

	1Q June 2021	1Q June 2022
H2 (Thousands of yen/t)	43.1	55.5
Nickel (LME) (One dollar/lb)	7.9	13.2
Exchange rate (TTM) (yen/dollar)	110.5	129.6

(4) Condensed balance sheet

(Millions of yen)

Item	As of March 31, 2022	As of June 30, 2022	Change	Item	As of March 31, 2022	As of June 30, 2022	Change
Current assets	391,686	423,948	32,261	Liabilities	363,183	386,326	23,143
Cash and deposits	58,142	59,004	862	Trade payables	65,169	63,021	(2,148)
Trade receivables	149,848	156,655	6,806	Interest-bearing debt	229,090	254,970	25,879
Inventories	174,624	198,741	24,117	Other	68,922	68,335	(587)
Other	9,071	9,546	475	Net assets	365,004	371,858	6,854
Non-current assets	336,500	334,236	(2,263)	Shareholders' equity	303,179	308,773	5,593
Property, plant and equipment	223,701	222,579	(1,121)	Accumulated other comprehensive income	26,533	27,011	477
Intangible assets	3,776	3,894	118	Non-controlling interests	35,290	36,073	783
Investments and other assets	109,022	107,762	(1,260)	Total liabilities and net assets	728,187	758,185	29,997
Total assets	728,187	758,185	29,997				