

DAIDO STEEL CO., LTD. (5471 JP)

SOLID DEMAND FOR OPEN DIE FORGING AND LOWER SCRAP PRICE LED TO 1H REVISION. COST INCREASE BEING PASSED THROUGH.

FY22 1H RESULTS

Daido Steel's (5471 JP) FY22 (March year-end) 1H results released on 28 October saw sales come in largely in line with company guidance, however, operating profit [OP] beat the forecast by 19.1% thanks to 1) higher base prices, 2) steel scrap prices were lower than expected, and 3) an improved sales mix.

FY22 1H OP rose 21.2% YoY to ¥23,225mil on sales of ¥281,857mil (+10.4% YoY). Due to declines in auto production, sales volumes of steel products fell 14.8% YoY to 540,000 tonnes. However, thanks to Daido Steel's efforts to adjust its prices – to reflect higher energy and raw materials costs – 1H sales expanded 10.4% YoY. The largest contribution to OP growth came from an improved sales mix in Stainless Steel products and a rise in open die forging sales, resulting in the 1H OPM increasing 0.7ppt YoY to 8.2%. In Q2 alone, OP expanded +50.7% YoY / +27.9% QoQ to ¥13,035mil on sales of ¥144,175mil (+16.3% YoY / +4.7% QoQ).

The impact from higher costs reduced 1H OP by ¥33,400mil YoY [steel scrap -¥7,100mil / alloys (e.g. nickel) -¥19,900mil / energy -¥6,400mil]. Sales volumes fell by 94,000 tonnes YoY, dragging down 1H OP by ¥7,200mil. However, this was well offset by 1) adjustments in selling prices in line with the rapid surge in energy and raw material costs that were not subject to surcharges (+¥35,600mil to 1H OP), and 2) an improved sales mix thanks to strong sales of open die forging and a rapid contraction in the slide gap – ie the time lag to get the price rise agreed with customers. As a result, 1H OPM improved 0.7ppt YoY to 8.2%. In Q2 alone, OPM was 9.0% (+2.0ppt YoY / +1.6pt QoQ). In light of the better-than-expected 1H OP, the firm revised up FY22 guidance.

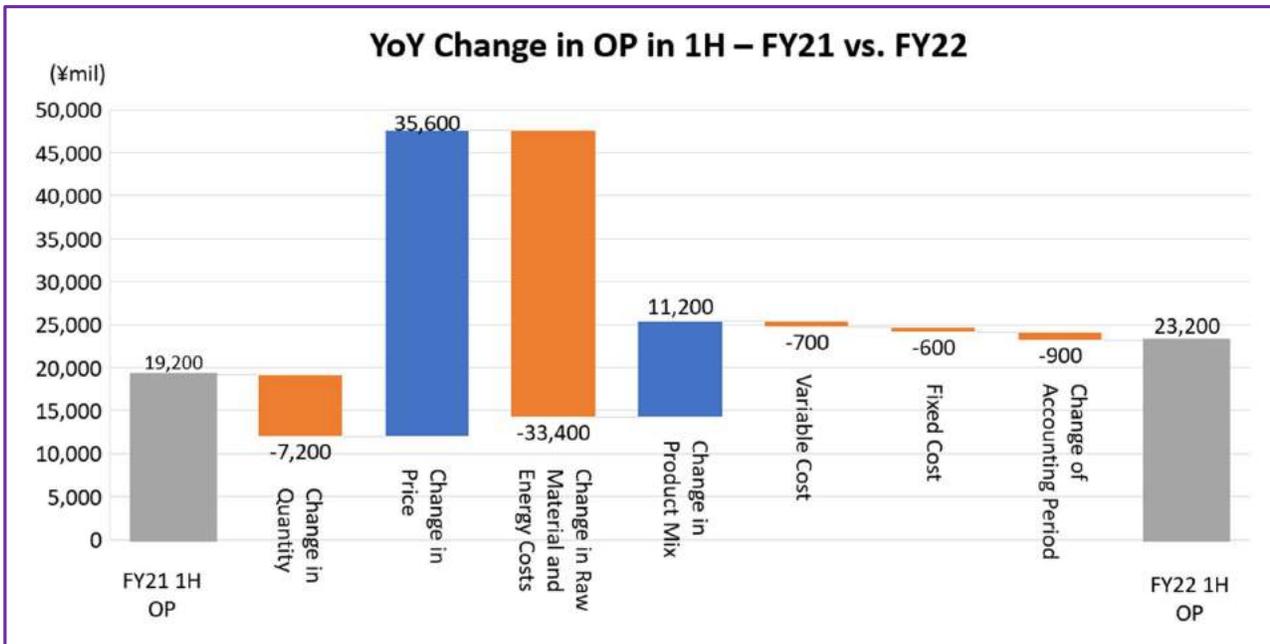
Daido Steel (5471 JP): Earnings Results and Guidance Summary						
(¥mil)	FY21			FY22		
	1H	2H	FY	1H	YoY (%)	FYCE
Steel Products Sales Volume (tonne)	634,000	619,000	1,253,000	540,000	-14.8	1,090,000
Sales	255,224	274,443	529,667	281,857	10.4	570,000
COGS	209,209	228,347	437,556	230,921	10.4	
COGS / Sales (%)	82.0	83.2	82.6	81.9	-0.1ppt	
GP	46,015	46,096	92,111	50,935	10.7	
GPM (%)	18.0	16.8	17.4	18.1	+0.1ppt	
SG&A	26,858	28,270	55,128	27,710	3.2	
SG&A / Sales (%)	10.5	10.3	10.4	9.8	-0.7ppt	
OP	19,156	17,826	36,982	23,225	21.2	45,000
OPM (%)	7.5	6.5	7.0	8.2	+0.7ppt	7.9
RP	20,556	18,644	39,200	24,092	17.2	46,000
Extraordinary Profit / Loss	-424	1,970	1,546	-407	N/A	
Corporation Tax	-5,643	-5,477	-11,120	-4,225	N/A	
NP*	12,840	14,054	26,894	18,294	42.5	34,000

Source: Nippon-IBR based on Daido Steel's earnings results presentation materials

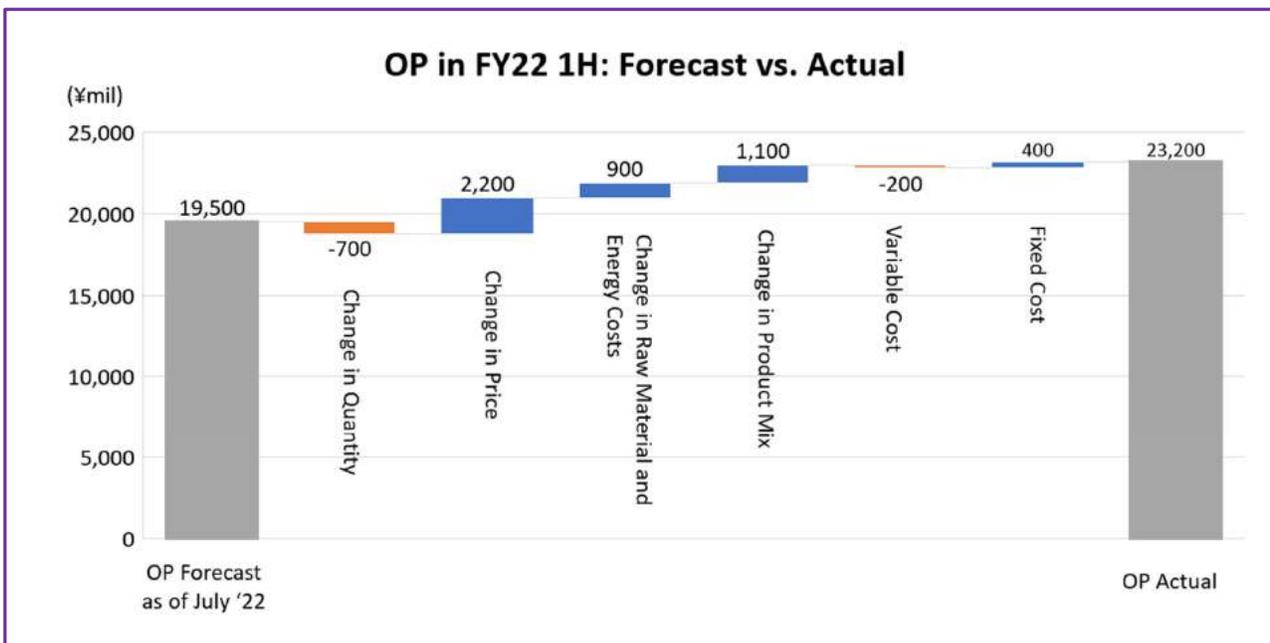
* NP attributed to the parent's shareholders

EXECUTIVE SUMMARY

- Daido Steel's (5471 JP) FY22 1H sales were largely in line with its guidance, but OP surpassed the forecast by 19.1%, thanks to 1) higher base prices, 2) better-than-expected steel scrap prices, and 3) an improvement in the sales mix. The firm reported FY22 (March year-end) 1H operating profit [OP] of ¥23,225mil (+21.2% YoY) on sales of ¥281,857mil (+10.4% YoY).
- Specialty Steel reported better-than-expected OP thanks mainly to an improvement in the base price. The High Performance and Magnetic Products Segment slightly overshot the 1H segment guidance thanks to increase in sales to the SPE sector and an improvement in the sales mix. Parts for the Auto and Industrial Equipment Segment, which includes open die forging, were primarily in line with the firm's guidance.
- The full year FY22 sales forecast was lowered from ¥600,000mil (+13.3% YoY) to ¥570,000mil (+7.6% YoY) on the back of:
 - 1) continued adjustments in auto production due to supply shortage of semiconductors and parts, and
 - 2) customers delaying order for High Performance and Magnetic Materials as in anticipation of the Nickel price peaking.
- However, FY22 OP guidance from ¥34,000mil (-8.1% YoY) to OP of ¥45,000mil (+21.7% YoY) thanks to successful price hikes adjusted to cost increases and further cost cutting efforts.
- The weak yen will likely be a net negative to Daido Steel as its raw materials are imported. For every ¥1 decline against the US dollar will likely hit OP by ¥100mil.



Source: Nippon-IBR based on FY22 1H Earnings Results Materials published by Daido Steel



Source: Nippon-IBR based on FY22 1H Earnings Results Materials published by Daido Steel

FY22 1H EARNINGS BY SEGMENT

Daido Steel's business is largely divided into five segments:

1. Specialty Steel,
2. High Performance Materials & Magnetic Materials,
3. Automobile and Industrial Equipment Parts,
4. Engineering, and
5. Trading and Service.

FY22 1H segment earnings summary for the major three segments are discussed below:

Specialty Steel Segment

Special Steel FY22 1H OP surged +193.1% YoY to ¥4,223mil on sales of ¥102,740mil (+10.3% YoY). Although 1H sales were largely in line with the firm's forecast, 1H OP substantially overshot the original OP forecast of ¥1,300mil. Sales volumes were affected by reduced auto production, though price adjustments to reflect the surge in energy costs and rising raw materials prices that are not subject to surcharge progressed in line with the firm's expectation. The slide gap of steel scrap, the effect of which tends to have a time lag, improved by nearly ¥3,200mil from a year earlier [FY21 1H -¥3,300mil / FY22 1H -¥100mil]. For the Q2, the slide gap improved by ¥1,300mil QoQ to ¥600mil [FY22 Q1 -¥700mil]. The 1H ¥2,782mil improvement in OP is thanks to contributions from price adjustments (+¥18,600mil) offsetting the ¥14,300mil hit from higher energy and raw material costs.

High Performance Materials & Magnetic Materials Segment

The segment reported FY22 1H OP of ¥13,437mil (-3.5% YoY) on sales of ¥109,566mil (+15.6% YoY), which were largely in line with the original respective guidance of ¥13,000mil and ¥108,100mil, resulting in OPM contracting 2.4ppt YoY to 12.3%. The decline in profitability is due to (1) lower sales volumes to the auto industry, and (2) customers refraining from placing orders in anticipation of peaking nickel prices. So, while demand for stainless steel was solid throughout Q2, given that customers held off stockpiling Daido's high-performance materials, the price of which reflects spot nickel prices, Q2 segment OP fell -12.5% YoY / -21.0% QoQ to ¥5,930mil on sales of ¥55,135mil (+17.6% YoY / +1.3% QoQ).

Parts for Automobile and Industrial Equipment Segment

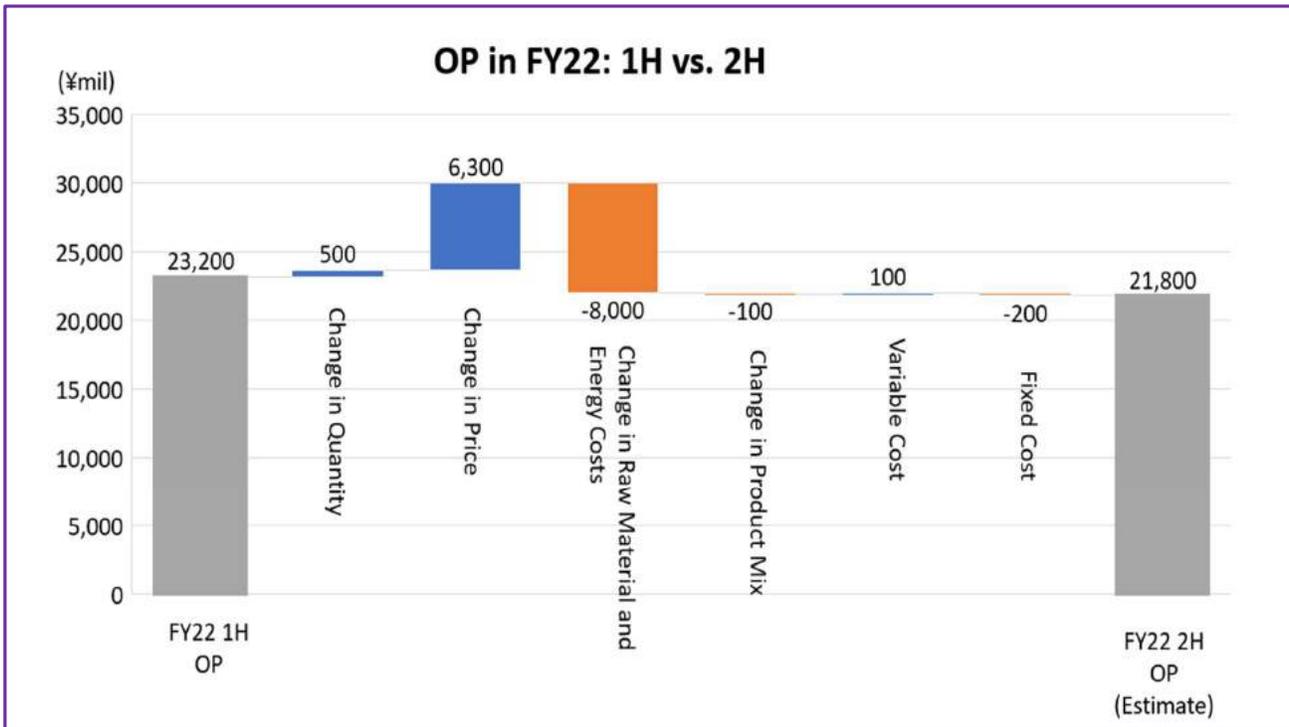
Parts for Automobile and Industrial Equipment reported FY22 1H OP of ¥3,362mil (+7.5% YoY) on sales of ¥49,485mil (+6.4% YoY) which were largely in line with company guidance (OP of ¥3,300mil on sales of ¥50,900mil). Although die forging sales volumes declined along with the reduction in auto parts production, there was solid demand for open die forging from the semiconductor, energy, and shipbuilding industry. The weaker yen environment also was a tail wind for the open die forging business. As a result, the improvement in sales mix added ¥5,100mil to 1H segment OP, offsetting the negative impact (-¥4,400mil) from the surge in raw materials and energy costs. Open die forging has a relatively long lead time of approx. 6~9 months because Daido Steel provides an all-round service from design to materials to products. In Q2 alone, the segment earned OP of ¥1,604mil (+36.6% YoY / -8.8% QoQ) on sales of ¥25,657mil (+18.7% YoY / +7.7% QoQ).

Daido Steel (5471JP): Sales, OP and OPM by Segment								
(¥mil)		FY21			FY22			
		1H	2H	FY	1HCE	1H	YoY (%)	vs. f/c (%)
Specialty Steel	Sales	93,168	104,635	197,803	102,100	102,740	10.3	0.6
	OP	1,441	2,386	3,827	1,300	4,223	193.1	224.8
	OPM (%)	1.5	2.3	1.9	1.3	4.1	+2.6ppt	+2.8ppt
High Performance Materials & Magnetic Materials	Sales	94,756	102,848	197,604	108,100	109,566	15.6	1.4
	OP	13,921	12,729	26,650	13,000	13,437	-3.5	3.4
	OPM (%)	14.7	12.4	13.5	12.0	12.3	-2.4ppt	+0.3ppt
Parts for Automobile and Industrial Equipment	Sales	46,521	45,983	92,504	50,900	49,485	6.4	-2.8
	OP	3,127	1,852	4,979	3,300	3,362	7.5	1.9
	OPM (%)	6.7	4.0	5.4	6.5	6.8	+0.1ppt	+0.3ppt
Engineering	Sales	8,732	9,482	18,214	8,700	8,336	-4.5	-4.2
	OP	-709	-568	-1,277	0	412	N/A	n/a
	OPM (%)	N/A	N/A	N/A	N/A	4.9	N/A	n/a
Trading & Service	Sales	12,047	11,493	23,540	10,200	11,727	-2.7	15.0
	OP	1,387	1,447	2,834	1,700	1,816	30.9	6.8
	OPM (%)	11.5	12.6	12.0	16.7	15.5	+4.0ppt	-1.2ppt
Total	Sales	255,224	274,443	529,667	280,000	281,857	10.4	0.7
	OP	19,156	17,826	36,982	19,500	23,225	21.2	19.1
	OPM (%)	7.5	6.5	7.0	7.0	8.2	+0.7ppt	+1.2ppt

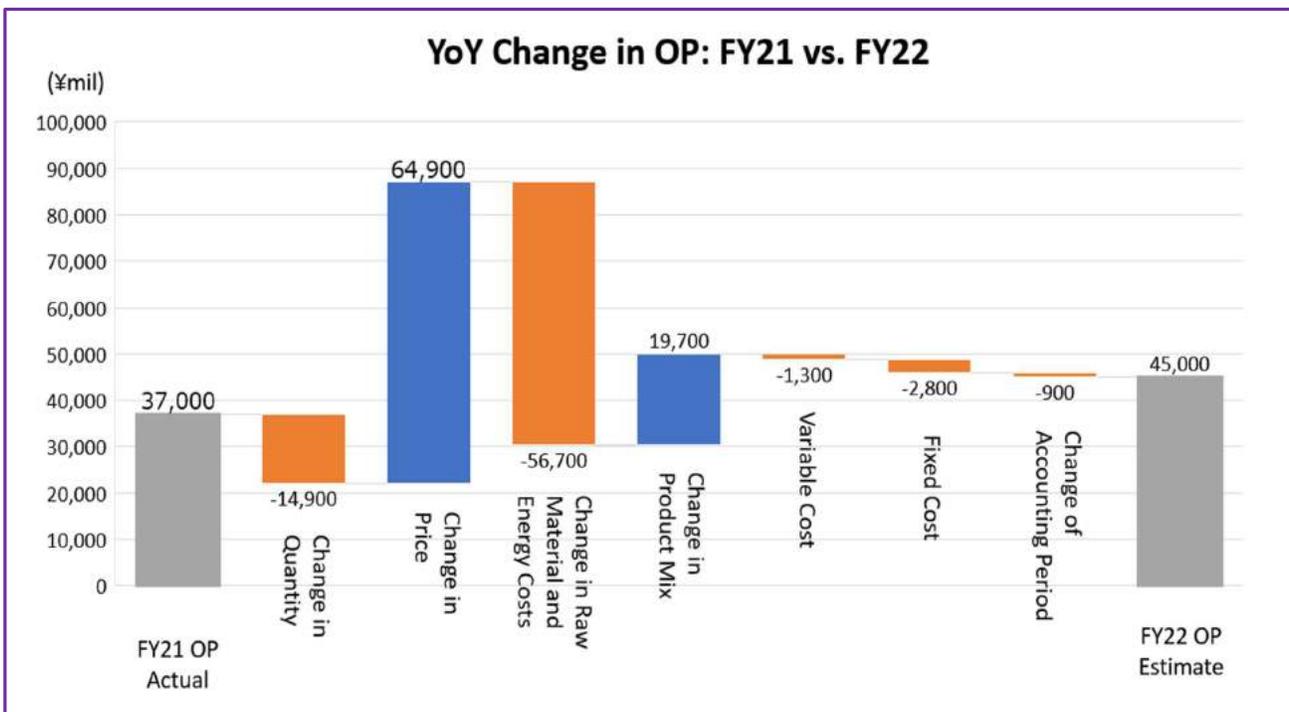
Source: Nippon-IBR based on FY21 & FY22 1H Earnings Results Materials published by Daido Steel

Daido Steel (5471JP): Sales, OP and OPM by Segment (Quarterly)										
(¥mil)		FY21					FY22			
		Q1	Q2	Q3	Q4	FY	Q1	Q2	YoY (%)	QoQ (%)
Specialty Steel	Sales	46,558	46,610	51,747	52,888	197,803	50,591	52,149	11.9	3.1
	OP	1,013	428	722	1,664	3,827	135	4,088	855.1	2,928.1
	OPM (%)	2.2	0.9	1.4	3.1	1.9	0.3	7.8	+6.9ppt	+7.5ppt
High Performance Materials & Magnetic Materials	Sales	47,872	46,884	51,255	51,593	197,604	54,431	55,135	17.6	1.3
	OP	7,141	6,780	7,168	5,561	26,650	7,507	5,930	-12.5	-21.0
	OPM (%)	14.9	14.5	14.0	10.8	13.5	13.8	10.8	-3.7ppt	-3.0ppt
Parts for Automobile and Industrial Equipment	Sales	24,900	21,621	22,916	23,067	92,504	23,828	25,657	18.7	7.7
	OP	1,953	1,174	1,196	656	4,979	1,758	1,604	36.6	-8.8
	OPM (%)	7.8	5.4	5.2	2.8	5.4	7.4	6.3	+0.9ppt	-1.1ppt
Engineering	Sales	3,724	5,008	4,312	5,170	18,214	3,778	4,558	-9.0	20.6
	OP	-386	-323	-253	-315	-1,277	-65	477	N/A	N/A
	OPM (%)	N/A	N/A	N/A	N/A	N/A	N/A	10.5	N/A	N/A
Trading & Service	Sales	8,182	3,865	5,044	6,449	23,540	5,051	6,676	72.7	32.2
	OP	778	609	934	513	2,834	883	933	53.2	5.7
	OPM (%)	9.5	15.8	18.5	8.0	12.0	17.5	14.0	-1.8ppt	-3.5ppt
Total	Sales	131,239	123,985	135,275	139,168	529,667	137,682	144,175	16.3	4.7
	OP	10,505	8,651	9,758	8,068	36,982	10,190	13,035	50.7	27.9
	OPM (%)	8.0	7.0	7.2	5.8	7.0	7.4	9.0	+2.0ppt	+1.6ppt

Source: Nippon-IBR based on FY21 & FY22 1H Earnings Results Materials published by Daido Steel



Source: Nippon-IBR based on FY22 1H Earnings Results Materials published by Daido Steel



Source: Nippon-IBR based on FY22 1H Earnings Results Materials published by Daido Steel

FY22 FULL YEAR OUTLOOK

Daido Steel revised its FY22 guidance from OP of ¥34,000mil (-8.1% YoY) on sales of ¥600,000mil (+13.3% YoY) to OP of ¥45,000mil (+21.7% YoY) on sales of ¥570,000mil (+7.6% YoY). Key factors that affect FY22 OP include 1) higher costs of energy and raw materials (+¥56,700mil YoY), which is offset by 2) a change in selling prices (+¥64,900mil). The earnings revision is based on the following factors:

- Sales volume recovery that Daido Steel assumed at the beginning of FY22 is unlikely, given decline in overseas demand on the back of slowdown in the global economy, especially in Europe and China.
- There are unexpected risks, such as global inflation and continued shortage of components, that may continue to affect auto production, as well as geopolitical risks.

Based on these assumptions, the firm aims to:

1. Achieve optimal profit margins by passing on higher costs,
2. Focus on improving cash flow by optimising inventories,
3. Capture overseas demand for open die forging under the weak yen environment.

The full year FY22 sales forecast was revised down on the back of 1) continued adjustment in auto production due to supply shortages of semiconductors and parts, and 2) delays in demand for High Performance and Magnetic Materials Segment in anticipation that Nickel prices would peak. However, the firm revised up FY22 OP thanks to successful price hikes to reflect the cost increases, and continued efforts to reduce costs.

The weak yen will likely be a net negative to Daido Steel – a ¥1 fall against the US dollar will likely affect the cost of raw materials and squeeze OP by ¥100mil on an annualised basis. The firm assumes continued rises in energy costs, which is expected to give a negative impact of some ¥17,000mil YoY to FY22 OP. Offsetting that, prices of major raw materials such as steel scrap and nickel are now 20% lower than initially expected, which has led Daido to revise up its full-year OP forecast. At the same time, open die forging is seeing strong order momentum thanks to the weaker yen.

FY22 OP guidance was revised by ¥11,000mil compared to the previous forecast. In 2H alone, Daido Steel expects OP of ¥21,775mil (+22.2% YoY / -6.2% HoH) based on the following assumptions:

- Price adjustments will add ¥6,300mil to 2H OP compared to 1H OP
- While 2H costs are forecast to increase +¥8,000mil HoH [energy -¥7,000mil HoH / alloy prices -¥4,000mil], it will be partially offset by the decline in the cost steel scrap, which will contribute +¥3,000 HoH to OP. [NB: there is around a 9-month time lag between changes in energy prices being reflected in earnings].

Earnings Forecast - Revised for 1H only							
(¥mil)	FY21			FY22			
	1H	2H	FY	1H	FY (Old)	FY (New)	YoY (%)
Steel Products Sales Volume (tonne)	634,000	619,000	1,253,000	540,000	1,227,000	1,090,000	-13.0
Sales	255,224	274,443	529,667	281,857	600,000	570,000	7.6
OP	19,156	17,826	36,982	23,225	34,000	45,000	21.7
OPM (%)	7.5	6.5	7.0	8.2	5.7	7.9	+0.9ppt
RP	20,556	18,644	39,200	24,092	35,000	46,000	17.3
Extraordinary Profit / Loss	-424	1,970	1,546	-407	0	0	N/A
Corporation Tax	-5,643	-5,477	-11,120	-6,556	-10,000	-12,000	N/A
NP*	12,840	14,054	26,894	18,294	25,000	34,000	26.4

Source: Nippon-IBR based on Daido Steel's earnings results presentation materials
* NP attributed to the parent's shareholders

Raw Materials Price Trend (Revised)									
			FY20	FY21	FY22				
			Result	Result	Q1 Result	Q2 est	1H results	Assumption (Old)	2H Assumption
Scrap	H2	¥000/t	24.9	47.6	55.5	47.0	48.2	61.5	48.0
	Factory Bundle		28.9	53.9	63.0	52.0	54.0	66.5	52.0
Nickle	LME	\$/Lb	6.8	9.3	13.2	10.0	11.6	14.0	11.0
Crude Oil	Dubai Brent	\$/bbl	45.8	76.6	108.3	100.0	99.2	100.0	95.0
FOREX	TTM	¥/\$	107.1	113.4	129.6	135.0	134.0	120.0	140.0

Source: Daido Steel FY22 1H Earnings Results Presentation

FY22 OUTLOOK BY SEGMENT

Daido Steel (5471JP): Sales, OP and OPM by Segment								
(¥mil)		FY21			FY22			
		1H	2H	FY	1H	2HCE	FYCE	YoY (%)
Specialty Steel	Sales	93,168	104,635	197,803	102,740	107,260	210,000	6.2
	OP	1,441	2,386	3,827	4,223	3,777	8,000	109.0
	OPM (%)	1.5	2.3	1.9	4.1	3.5	3.8	+1.9ppt
High Performance Materials & Magnetic Materials	Sales	94,756	102,848	197,604	109,566	105,434	215,000	8.8
	OP	13,921	12,729	26,650	13,437	10,563	24,000	-9.9
	OPM (%)	14.7	12.4	13.5	12.3	10.0	11.2	-2.3ppt
Parts for Automobile and Industrial Equipment	Sales	46,521	45,983	92,504	49,485	55,515	105,000	13.5
	OP	3,127	1,852	4,979	3,362	5,638	9,000	80.8
	OPM (%)	6.7	4.0	5.4	6.8	10.2	8.6	+3.2ppt
Engineering	Sales	8,732	9,482	18,214	8,336	9,664	18,000	-1.2
	OP	-709	-568	-1,277	412	588	1,000	N/A
	OPM (%)	N/A	N/A	N/A	4.9	6.1	5.6	N/A
Trading & Service	Sales	12,047	11,493	23,540	11,727	10,273	22,000	-6.5
	OP	1,387	1,447	2,834	1,816	1,184	3,000	5.9
	OPM (%)	11.5	12.6	12.0	15.5	11.5	13.6	+1.6ppt
Total	Sales	255,224	274,443	529,667	281,857	288,143	570,000	7.6
	OP	19,156	17,826	36,982	23,225	21,775	45,000	21.7
	OPM (%)	7.5	6.5	7.0	8.2	7.6	7.9	+0.9ppt

Source: Nippon-IBR based on FY21 & FY22 1H Earnings Results Materials published by Daido Steel

Specialty Steel Segment

Daido Steel revised segment FY22 OP of ¥1,000 (mil (-73.9% YoY) on sales of ¥222,000mil (+12.2% YoY) to ¥8,000mil (+109.0% YoY) on sales of ¥210,000mil (+6.2% YoY).

Due to the prolonged ongoing auto production adjustments, steel material sales volumes will likely be 11.2% lower to 1.09 tonnes (-13.0% YoY) compared to the firm's initial forecast of 1.227mil tonnes (-2.1% YoY). The decline in sales volumes is estimated to generate a -¥14,900mil YoY impact to FY22 OP. Price increases from passing on higher costs will further progress in 2H, which includes a +¥5,000mil YoY improvement in the slide gap.

High Performance and Magnetic Materials Segment

The company guidance for this segment has been revised from a FY22 OP of ¥25,500mil (-4.3% YoY) on sales of ¥237,000mil (+19.9% YoY) to OP of ¥24,000mil (-9.9% YoY) on sales of ¥215,000mil (+8.8% YoY). While the sales mix is expected to improve thanks to an increase in sales volumes to the SPE sector, and boost the OPM from 10.8% to 11.2%, as noted above, stainless steel sales volumes will likely remain weak as customers hold back stockpiling while speculating that the nickel price will drop further.

Parts for Automobile and Industrial Equipment Segment

FY22 guidance for the segment was substantially revised up from OP of ¥4,500mil (-9.6% YoY) on sales of ¥103,000mil (+11.3% YoY) to OP of ¥9,000mil (+80.8% YoY) on sales of ¥105,000mil (+13.5% YoY), thanks to a strong demand in open die forging. The firm assumes that sales volumes of auto parts will be affected by the low levels of auto production, but open die forging sales will benefit from strong demand from the semiconductor and energy sectors.

PROGRESS ON MEDIUM-TERM MANAGEMENT PLAN TARGETS

FY22 is the second year of the three-year medium-term management plan which will complete in FY23. Thanks to the firm's efforts to reduce fixed costs and adjust prices to meet surging input costs, the medium-term OP target of ¥45,000mil will likely be achieved in FY22. As a result, ROE will likely reach 10.0% in FY22, surpassing the medium-term target of 8%.

On the other hand, the firm's aim to reduce its D/E ratio to 0.5x will likely be missed. With the surge in FY22 Q1 raw material and energy costs, the firm's working capital rapidly shrunk and cash flow from operations (CFO) was affected. As a result of borrowing short-term debt, in total of approx. ¥18,000mil, to secure working capital, the D/E ratio will likely be 0.66x in FY22.

Daido Steel also committed to reducing its strategic holdings of investment securities, including shares contributed to the firm's employee pension trust, to 20% of net assets during the ongoing medium-term management plan. As of the end of FY21, strategic holdings of shares alone (excluding those contributed to the employee pension trust) were reduced to ¥68,500mil to comprise 18.8% of net assets of ¥365,004mil.

Medium-term Management Plan (FY21~FY23) Target			
	Target to achieve in FY23	FY22 Forecast	Progress
OP (¥mil)	40,000	45,000	To be achieved in FY22
ROE (%)	8.0	10.0	To be achieved in FY22
D/E ratio (x)	0.5	0.66	Unlikely to be achieved
Investment (¥mil)	85,000	85,000	In line
Sales volume (tonne)	1.2mil	1.09mil	Lower than expected

Source: Nippon-IBR based on Daido Steel's FY22 1H earnings results presentation

CAPITAL ALLOCATION POLICY

Daido Steel has two major allocations for its capital: (1) investment for growth, including CAPEX and investment related to achieve a carbon neutral status, and (2) dividend payments. The firm plans to finance CAPEX via cash flow, bank loans and the proceeds from the unwinding of some of its investment securities. Daido Steel financed ¥10,000mil via issuance of transition bond, which will be solely used to shift to lower carbon emissions under the firm's initiative, *Daido Carbon Neutral Challenge* (to reduce CO2 emissions by 50% by 2030 compared to fiscal 2013 and to become carbon neutral by 2050). The open die forging business is currently operating at the full capacity at the firm's Shibukawa factory. The firm plans to invest in expanding production capacity by utilising idle space at the Shibukawa factory where it will install secondary dissolution capacity.

The company currently does not have any shareholder return measure other than an annual cash dividend payout, at 30% of net profit. The semi-annual cash dividend was revised from ¥80/share to ¥100/share to reflect the strong earnings. The annual dividend will be ¥200/share, which will generate a dividend payout ratio of 25.1% based on the current FY22 earnings guidance.

GENERAL DISCLAIMER AND COPYRIGHT

This report has been commissioned by Daido Steel Co., Ltd. (the Sponsor) and prepared and issued by Nippon Investment Bespoke Research UK Ltd (Nippon-IBR), in consideration of a fee payable by the Sponsor. Fees are paid on delivery of the report in cash without recourse. Nippon-IBR may seek additional fees for the provision of follow-up research reports and associated IR services for the Sponsor but does not get remunerated for any investment banking services. We never take payment in stock, options, or warrants for any of our services.

Accuracy of content: *All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however Nippon-IBR does not guarantee the accuracy or completeness of this report and has not sought for this information to be independently verified. Opinions contained in this report represent those of the Nippon-IBR analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of their subject matter to be materially different from current expectations.*

Exclusion of Liability: *To the fullest extent allowed by law, Nippon-IBR shall not be liable for any direct, indirect, or consequential losses, loss of profits, damages, costs, or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.*

No personalised advice: *The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Nippon-IBR's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.*

Investment in securities mentioned: *Nippon-IBR has a restrictive policy relating to personal dealing and conflicts of interest. It does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees, and contractors of Nippon-IBR may have a position in any or related securities mentioned in this report, subject to its policies on personal dealing and conflicts of interest.*

Copyright: *Copyright 2022 Nippon Investment Bespoke Research UK Ltd.*

For further enquiry, please contact:

Nippon Investment Bespoke Research UK Ltd

118 Pall Mall

London SW1Y 5EA

TEL: +44 (0)20 7993 2583

Email : enquiries@nippon-ibr.com



Research Beyond Horizons
Japanese Equity Specialist

Nippon Investment Bespoke Research UK Ltd (formerly known as NIB Research UK Ltd.) is registered in England and Wales (9100028) and is authorised and regulated by the Financial Conduct Authority <FRN: 928332>.