

Consolidated Financial Results
for the Nine Months Ended December 31, 2024
[Under IFRS]



January 31, 2025

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 commencing dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (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, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating Profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended												
December 31, 2024	433,961	(1.1)	34,070	(10.6)	36,653	(9.7)	24,975	(17.5)	23,170	(19.4)	29,357	(34.5)
December 31, 2023	438,769	—	38,128	—	40,584	—	30,260	—	28,729	—	44,814	—

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended				
December 31, 2024	109.32		109.29	
December 31, 2023	134.80		134.79	

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

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
December 31, 2024	820,669	467,110	427,136	52.0
March 31, 2024	788,734	457,313	418,562	53.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	100.00	—	26.00	—
Fiscal year ending March 31, 2025	—	21.00	—		
Fiscal year ending March 31, 2025 (Forecast)				26.00	47.00

(Note)1 Revision to the forecast for dividends announced most recently: No

(Note)2 A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. Due to the stock split, the total dividends for the year ended March 31, 2024 is not disclosed.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating Profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	580,000	0.2	40,000	(5.3)	42,500	(5.7)	28,000	(8.4)	133.07

(Note)1 Revision to the financial results forecast announced most recently: No

(Note)2 A resolution to acquire the Company’s own shares was adopted at the meeting of the Board of Directors held on November 27, 2024. The impact of the acquisition of the Company’s own shares is taken into account in the “Basic earnings per share” in the consolidated financial forecast for the fiscal year ending March 31, 2025.

* Notes:

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

(3) Total number of issued shares (ordinary shares)

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

As of December 31, 2024 217,243,845 shares

As of March 31, 2024 217,243,845 shares

2) Number of treasury shares at the end of the period:

As of December 31, 2024 11,414,783 shares

As of March 31, 2024 4,120,540 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024 211,943,113 shares

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

(Note) A 5-for-1 common stock split was conducted with an effective date of January 1, 2024. "Average number of shares" has been calculated assuming the stock split was conducted at the beginning of the prior consolidated fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* 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.

Attachments

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1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	46,008	51,410
Trade and other receivables	170,907	173,534
Contract assets	2,803	3,966
Inventories	186,717	197,689
Other financial assets	1,986	1,349
Other current assets	7,011	9,260
Subtotal	415,434	437,210
Assets held for sale	—	21,764
Total current assets	415,434	458,975
Non-current assets		
Property, plant and equipment	220,030	231,611
Right-of-use assets	5,640	5,626
Intangible assets	4,958	5,766
Investment property	4,370	4,257
Investments accounted for using equity method	20,195	20,484
Other financial assets	81,699	58,437
Retirement benefit asset	30,826	31,381
Deferred tax assets	3,619	2,933
Other non-current assets	1,958	1,195
Total non-current assets	373,300	361,693
Total assets	788,734	820,669

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	72,275	70,377
Contract liabilities	1,999	2,306
Bonds and borrowings	49,698	101,937
Lease liabilities	1,681	1,631
Other financial liabilities	1,940	1,894
Income taxes payable	15,237	980
Provisions	368	916
Other current liabilities	27,456	21,998
Subtotal	170,658	202,041
Liabilities directly associated with assets held for sale	—	5,508
Total current liabilities	170,658	207,549
Non-current liabilities		
Bonds and borrowings	121,390	109,416
Lease liabilities	3,464	3,534
Other financial liabilities	810	770
Retirement benefit liability	13,393	13,467
Provisions	3,399	3,439
Deferred tax liabilities	17,102	14,164
Other non-current liabilities	1,201	1,216
Total non-current liabilities	160,762	146,009
Total liabilities	331,420	353,558
Equity		
Share capital	37,172	37,172
Capital surplus	31,411	31,428
Retained earnings	312,243	325,504
Treasury shares	(3,674)	(12,078)
Other components of equity	41,410	41,647
Other comprehensive income associated with assets held for sale	—	3,461
Total equity attributable to owners of parent	418,562	427,136
Non-controlling interests	38,750	39,974
Total equity	457,313	467,110
Total liabilities and equity	788,734	820,669

(2) Condensed Quarterly Consolidated Statement of Profit or Loss
and Condensed Quarterly Consolidated Statement of Comprehensive Income
Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024
Revenue	438,769	433,961
Cost of sales	361,934	352,064
Gross profit	76,834	81,897
Selling, general and administrative expenses	42,815	45,232
Other income	7,425	—
Other expenses	3,316	2,594
Operating profit	38,128	34,070
Finance income	2,844	2,958
Finance costs	858	745
Share of profit of investments accounted for using equity method	469	370
Profit before tax	40,584	36,653
Income tax expense	10,324	11,678
Profit	30,260	24,975
Profit attributable to		
Owners of parent	28,729	23,170
Non-controlling interests	1,530	1,805
Profit	30,260	24,975
Earnings per share		
Basic earnings per share (Yen)	134.80	109.32
Diluted earnings per share (Yen)	134.79	109.29

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024
Profit	30,260	24,975
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	10,907	868
Remeasurements of defined benefit plans	1,138	635
Share of other comprehensive income of investments accounted for using equity method	124	(22)
Total of items that will not be reclassified to profit or loss	12,170	1,482
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,345	2,870
Cash flow hedges	(13)	(2)
Share of other comprehensive income of investments accounted for using equity method	51	31
Total of items that may be reclassified to profit or loss	2,383	2,899
Other comprehensive income	14,553	4,382
Comprehensive income	44,814	29,357
Comprehensive income attributable to		
Owners of parent	42,901	26,996
Non-controlling interests	1,913	2,361
Comprehensive income	44,814	29,357

Consolidated Financial Results for the Nine Months Ended December 31, 2024

(1) Condensed Statement of Profit and Loss (cumulative)

(Millions of yen, %)

	Actual			Forecast	
	3Q December 2023	3Q December 2024	YoY Change [% of Change]	Fiscal year ending March 31,2025	YoY Change [% of Change]
Revenue	438,769	433,961	(4,807) [(1.1%)]	580,000	1,435 [0.2%]
Operating profit	38,128	34,070	(4,058) [(10.6%)]	40,000	(2,250) [(5.3%)]
Adjusted operating profit *	32,710	34,039	1,329 [4.1%]	43,300	3,301 [8.3%]
Profit before tax	40,584	36,653	(3,930) [(9.7%)]	42,500	(2,568) [(5.7%)]
Profit attributable to owners of parent	28,729	23,170	(5,559) [(19.4%)]	28,000	(2,555) [(8.4%)]
Sales volume of Specialty Steel (thou. tons)	815	782	(33)	1,035	(37)

* Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, and fixed asset tax (leveling)

(2) Revenue and Operating Profit by reportable segment

(Millions of yen, %)

	Actual				Forecast			
	Revenue		Operating Profit		Revenue		Operating Profit	
	3Q December 2024	YoY Change	3Q December 2024	YoY Change	Fiscal year ending March 31, 2025	YoY Change	Fiscal year ending March 31, 2025	YoY Change
Specialty Steel	160,423	(7,074)	11,229	(1,032)	214,000	(4,743)	12,500	(1,224)
High Performance Materials and Magnetic Materials	153,084	(2)	10,596	2,152	204,000	1,615	13,000	2,724
Parts for Automobile and Industrial Equipment	83,749	5,118	8,779	3,357	112,000	7,003	10,500	4,780
Engineering	16,273	(832)	1,296	(371)	22,000	(1,091)	1,500	(636)
Trading and Service	20,430	(2,016)	2,190	(8,137)	28,000	(1,347)	2,500	(7,869)
Elimination of inter-segment	—	—	(21)	(27)	—	—	—	(26)
Total	433,961	(4,807)	34,070	(4,058)	580,000	1,435	40,000	(2,250)
[Adjusted operating profit]			[34,039]	[1,329]			[43,300]	[3,301]

(3) Reasons for change in the amount of Adjusted Operating Profit (YoY comparison)

(100 millions of yen)

Actual			
Reasons for increase	Amount	Reasons for decrease	Amount
1. Raw material and fuel cost	62	1. Sales price	58
2. Sales mix change	22	2. Fixed cost	16
3. Sales volume	15	3. Variable cost	12
Total (a)	99	Total (b)	86
		Change (a) - (b)	13

(Reference: Market condition)

		3Q December 2023	3Q December 2024
H2	(Thousands of yen/t)	43.1	39.7
Nickel(LME)	(One dollar/lb)	9.1	7.7
Exchange rate(TTM)	(yen/dollar)	143.3	152.6

(4) Condensed Statement of Financial Position

(Millions of yen)

Item	As of March 31, 2024	As of December 31, 2024	Change	Item	As of March 31, 2024	As of December 31, 2024	Change
Current assets	<u>415,434</u>	<u>458,975</u>	<u>43,541</u>	Liabilities	<u>331,420</u>	<u>353,558</u>	<u>22,137</u>
Cash and deposits	46,008	51,410	5,401	Trade payables	72,275	70,377	(1,897)
Trade receivables	170,907	173,534	2,626	Interest-bearing debt	176,235	216,519	40,283
Inventories	186,717	197,689	10,972	Other	82,910	66,662	(16,247)
Other	11,800	36,341	24,540				
Non-current assets	<u>373,300</u>	<u>361,693</u>	<u>(11,606)</u>	Equity	<u>457,313</u>	<u>467,110</u>	<u>9,797</u>
Property, plant and equipment	220,030	231,611	11,580	Equity attributable to owners of parent	418,562	427,136	8,573
Other	153,269	130,082	(23,186)	Non-controlling interests	38,750	39,974	1,223
Total assets	788,734	820,669	31,934	Total liabilities and equity	788,734	820,669	31,934