

## Segment Overview and Market Trends

Accounting for just under 2% of consolidated net sales, this segment supplies metal powder products used in automotive components and other applications, and titanium products and shape-memory alloys for aircraft, plant machinery and other applications. The segment is also involved in R&D-focused operations in areas such as light-emitting diodes (LEDs).

Daido Steel supplies metal powder products for a range of applications, including sintering, metal injection molding (MIM), welding and thermal spraying. We also manufacture metal powder titanium alloys and magnetic materials, and supply them to the automotive, IT, electronic components, precision products and other fields.

The segment also manufactures titanium products for use in numerous applications, including vehicles, aircraft and plant machinery, as well as spectacle frames, mobile phone antennas, medical materials and biomaterials.

Demand is currently strong from this segment's main customers, the automotive and industrial machinery sectors, while needs for high-performance materials and products are rising. Users are therefore increasingly turning to Daido Steel to satisfy their requirements. We also expect to see strong growth in the medical materials and other fields.

## Operating Highlights

Due to a recovery in demand for aircraft and plant machinery applications, titanium products staged a dramatic recovery during the year under review, shaking off weakness in the global market. Orders received for these products increased 34.9% year on year to ¥4,452 million. Additionally, the segment began focusing on boosting sales of products for medical applications to customers in Europe. However, despite a robust market in the second half of the year, the segment was forced to limit orders from customers due to difficulty in securing the necessary raw materials.

Sales of metal powder products were healthy, thanks to demand for materials used in automotive components from leading sintering companies. Consequently, orders received for metal powder products in the year under review increased 38.3% from a year earlier, to ¥2,985 million. As a result, the New Materials segment recorded an increase in operating income of ¥259 million, or 57.0%, to ¥713 million, on net sales of ¥8,166 million, up ¥2,332 million, or 40.0%, from a year earlier.

### NUMBER-ONE PRODUCTS



#### Metal Powder Products: Valve Sheets\*

Valve sheets have to be highly resistant to both heat and wear. Daido Steel's metal powder for valve sheet applications offers outstanding resistance to wear by ensuring the appropriate distribution of hard particles within the base metal.

\* An engine component that ensures the cylinder remains airtight when the engine valve closes.



#### Medical Titanium Alloys and Shape-memory Alloys

Titanium alloys are excellent biocompatible materials and also have good super-elastic and shape-memory characteristics. This makes them ideal for medical materials and components such as catheters and orthodontic wiring, as well as a wide range of other applications.