FY2026 Second Quarter Consolidated Financial Results

November 13, 2026

Daido Metal Co., Ltd.

TSE Prime Market
NSE Premier Market
Code:7245

Supporting Your Movement.
DAIDO METAL

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only.
In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Key Points of FY2026 Second Quarter Results

FY2026 Q2 Actual	• Net sales: JPY 73,258 million; Operating profit: JPY 3,893 million • Automotive engine demand remained solid, particularly for hybrid vehicles in North America and heavy-duty vehicles in Japan. Sales for Large ships increased on the back of strong demand for new shipbuilding, while sales for power generators in Japan and overseas also grew, resulting in an 8.4% year-on-year increase in net sales. Meanwhile, operating profit remained at approximately the same level year on year due to a partial time lag in reflecting higher material costs in selling prices.
FY2026 Forecast	• Full-year forecast: Net sales of JPY 145,000 million; Operating profit of JPY 9,500 million • Continue to capture solid demand for automotive engines, as well as strong demand for ships and power generators. • In the second half, we will steadily promote the reflection of higher material costs in selling prices, profitability improvement, cost control, cost reductions, and productivity improvement to improve profitability. Based on these measures, the full-year forecast is maintained. We will continue to closely monitor developments in tariff policies and other factors.

©2026 DAIDO METAL CO., LTD. All rights Reserved.

FY2026 Second Quarter Overview <Actual>

Unit: JPY Million

	Actual		Amount	Ratio
	2025/9	2026/9		
Net sales	**67,596**	**73,258**	**5,661**	8.4%
Operating profit	**3,891**	**3,893**	**1**	0.0%
Operating margin	5.8%	5.3%	- 0.4pt	
Ordinary profit	**3,315**	**3,476**	**161**	4.9%
Ordinary income margin	4.9%	4.7%	- 0.2pt	
Profit attributable to owners of parent	**1,682**	**1,755**	**73**	4.4%
Net profit margin	2.5%	2.4%	- 0.1pt	
Return on Equity (ROE) *1	**4.6%**	**4.2%**	**- 0.3pt**	—
Net assets to total assets	**37.2%**	**39.3%**	2.1pt	—
Net interest bearing debt	**37,084**	**38,170**	1,086	2.9%
Exchange rate (USD)	144.81	162.39		
Exchange rate (EUR)	169.66	185.35		

Exchange rate is TTM June rate as of 30 .
*The profit margin is a percentage of net sales.

*1 Annualized

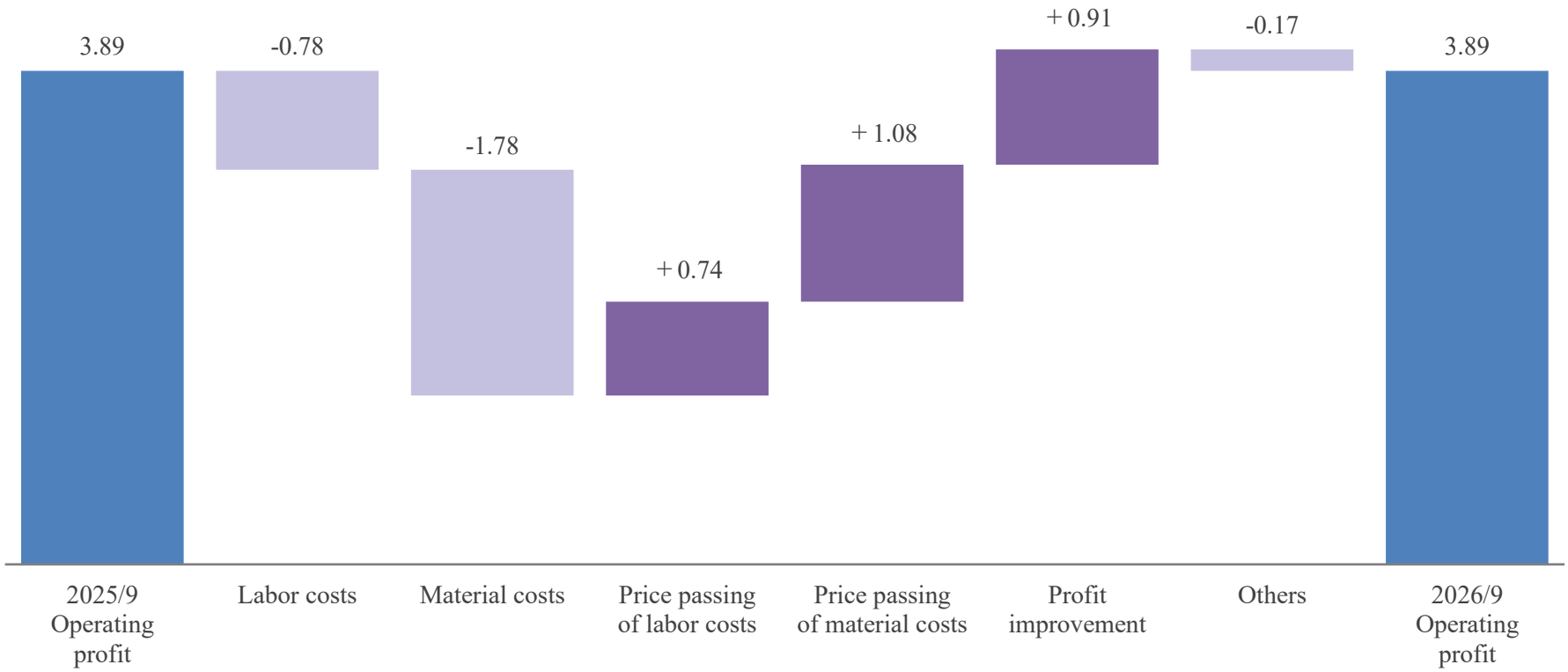
Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Causes of Fluctuation in Operating profit

Unit: JPY Billion

Profit improvement contributed positively, while higher material and labor costs and a partial time lag in reflecting them in selling prices resulted in operating profit remaining at approximately the same level year on year.



Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Overview <Sales and Operating profit by Segment>

Year-on-year comparison

The Marine & Energy business drove growth, with both sales and profit increasing. The Life business also reported higher sales and profit. The Powertrain business reported higher sales on solid demand, but profit decreased due to a partial time lag in reflecting higher costs in selling prices.

Unit: JPY Million

Segment	Net sales ratio 2026/9	【Net sales】		【Operating profit or loss】	
		Amount	Ratio	Amount	Ratio
Powertrain business	51.2%	+ 2,251	+ 6.3%	- 519	- 10.7%
Marine & Energy business	14.8%	+ 1,719	+ 18.6%	+ 529	+ 29.8%
Life business	17.2%	+ 1,621	+ 14.6%	+ 387	+ 20.6%
Frontier business	15.1%	+ 153	+ 1.4%	- 204	—
Others	1.6%	+ 47	+ 4.3%	+ 11	+ 5.1%
Elimination of inter-segment transactions		- 131		- 202	
Total	100.0%	+ 5,661	+ 8.4%	+ 1	+ 0.0%

Each segment is presented before elimination of inter-segment transactions.

Supporting Your Movement. DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

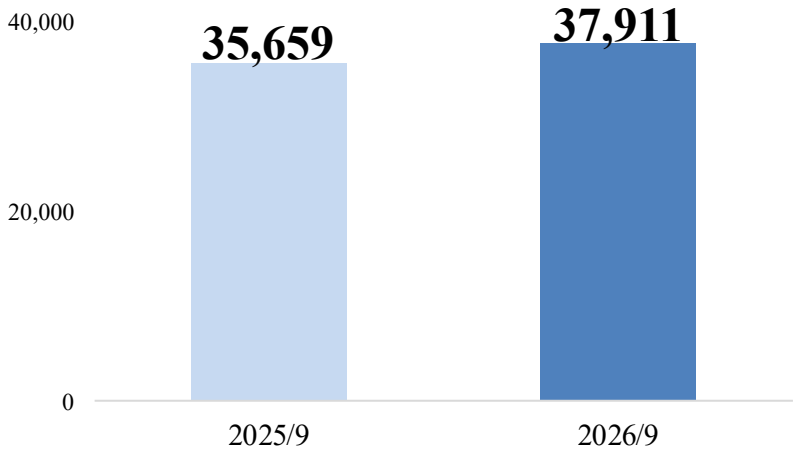
Powertrain business

(Before elimination of inter-segment transactions)

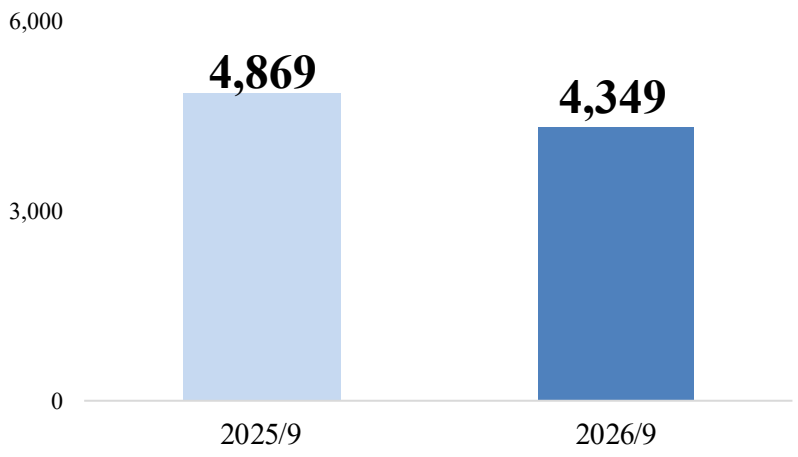
Unit: JPY Million

Year-on-year comparison

【Net sales】 +2,251 (+6.3%)



【Operating profit or loss】 - 519 (- 10.7%)



Net sales	Demand for automotive engines remained solid, particularly for hybrid vehicles in North America. Sales increased, supported by a recovery in demand for heavy-duty vehicles in Japan and the acquisition of new motorcycle customers in China.
Operating profit or loss	A partial time lag in reflecting higher material costs in selling prices resulted in lower profit.

Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

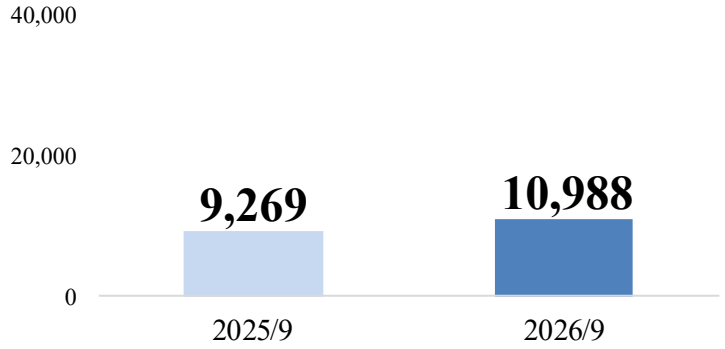
Marine & Energy business

(Before elimination of inter-segment transactions)

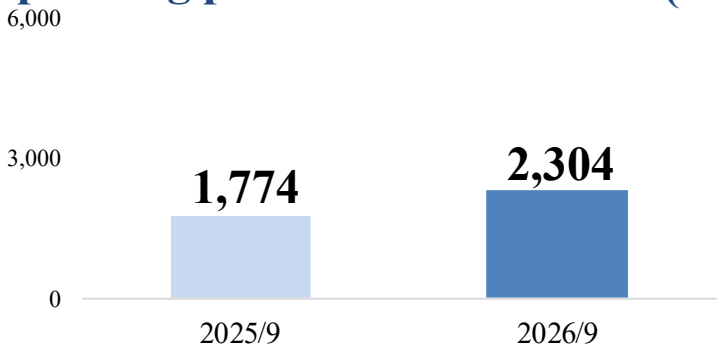
Unit: JPY Million

Year-on-year comparison

【Net sales】 +1,719 (+18.6%)



【Operating profit or loss】 +529 (+29.8%)



Large ship (low-speed engines)	Strong demand for new shipbuilding kept demand for engines for large ships at a high level, particularly in China. Leveraging our high market share, we steadily captured demand, while progress in expanding production capacity also contributed to higher sales. Increased orders and sales of highly profitable products contributed to higher profit.
Small/Medium ships, Industrial generators, etc. (medium- and high-speed engines)	Engine demand remained solid across various fields, including ships and power generators. Sales of bearings increased as we captured growing demand in Japan and overseas and new projects, while also making progress in expanding production capacity. Increased orders for high-value-added projects and appropriate pricing also contributed to higher profit.
Power Energy / Industrial Compressors, etc.	Demand for steam turbines and marine turbochargers remained solid, while sales for gas turbines also increased, contributing to higher sales. Appropriate pricing and strengthened profitability management also contributed to higher profit.

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Growth Strategy: Toward Further Growth of the Marine & Energy Business



FY2025 Four-Star Gold Medal Partner Plaque

Awarded the "Four-Star Gold Medal Supplier" by CSSC Group (China State Shipbuilding Corporation) again this year

Continued recognition

Gold Medal Award

for 3 consecutive years

FY2025

★★★★

Four-Star Gold Medal

Strengthen the customer base and business opportunities in the ship-related market, supported by continued recognition from customers.

Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Growth Strategy: Expansion of Production Capacity and Strengthening of Sales Functions

Market Opportunity | Growing Demand for Industrial Engines Used in Marine and Power Generation Applications in Japan and Overseas

①Expansion of Supply Capacity

New Plant in Mexico
(Bearings for engines used in generators)

Global Production Capacity
Approx. 1.5x by FY2030
(vs. FY2025)

Recent Topics

October 2026: Groundbreaking ceremony for the new plant
Production scheduled to begin in 2028

②Strengthening Sales Functions

Liquidation of the European Sales Base/ Consolidation of North American Sales Functions
Announced on September 25, 2026

DAIDO METAL EUROPE LTD.
December 31, 2026
Scheduled to cease operations

Transfer →

DAIDO METAL U.S.A. INC.
Responsible for sales in North America

Purpose of Consolidation

Optimize the allocation of management resources and improve operational efficiency by consolidating sales functions in North America

Investment in the new plant is progressing as planned, steadily advancing the expansion of supply capacity. Together with strengthened customer engagement, we will capture growing demand and translate it into higher sales.

Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

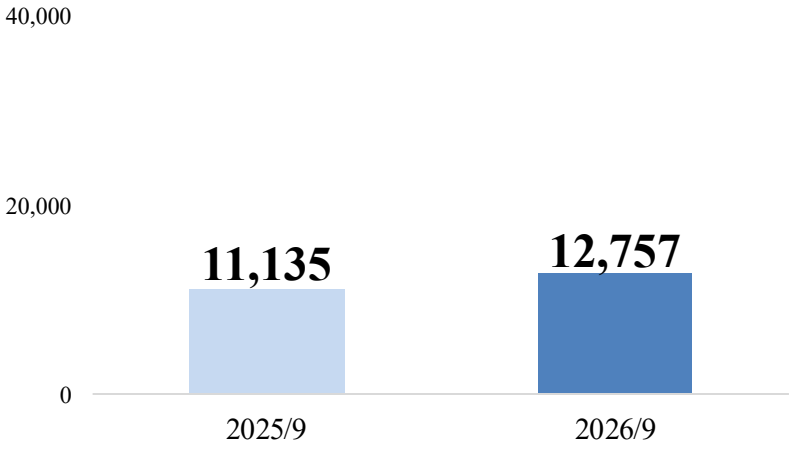
Life business

(Before elimination of inter-segment transactions)

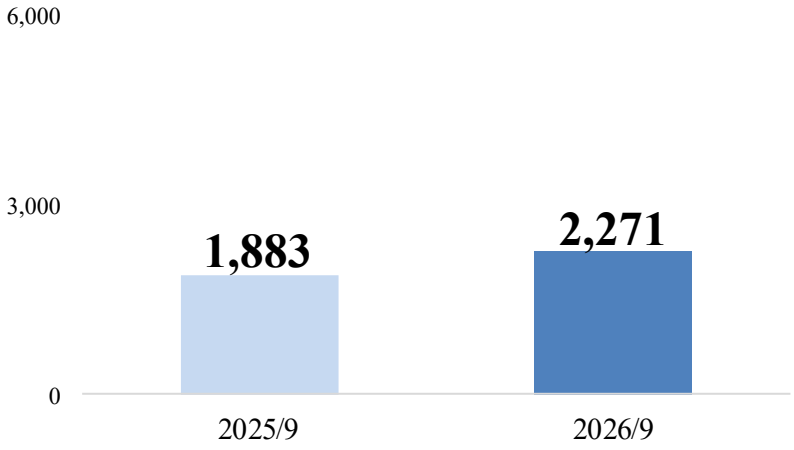
Unit: JPY Million

Year-on-year comparison

【Net sales】 +1,621 (+14.6%)



【Operating profit or loss】 +387 (+20.6%)



Net sales	Sales for automotive components, including shock absorbers and sliding doors, remained strong. Increased demand for air-conditioning applications, including commercial air conditioners, general industrial applications, including bearings for fuel pumps, and hydraulic equipment for construction machinery, as well as the effects of appropriate pricing, contributed to higher sales.
Operating profit or loss	Higher profits due to strengthened profitability management and appropriate pricing.

Supporting Your Movement. DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

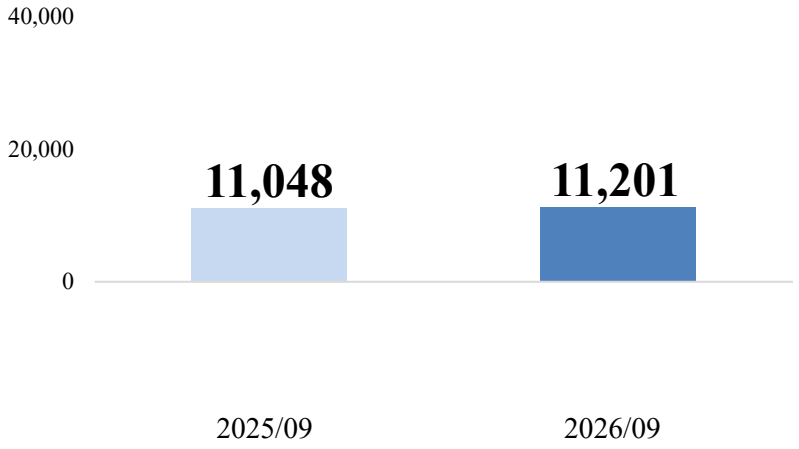
Frontier business

(Before elimination of inter-segment transactions)

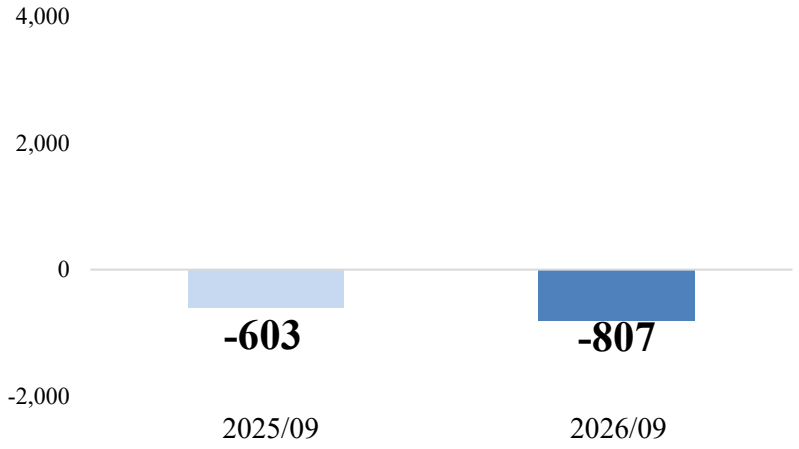
Unit: JPY Million

Year-on-year comparison

【Net sales】 +153 (+1.4%)



【Operating profit or loss】 - 204 (－)



Aluminum die cast products	A partial time lag in reflecting higher material costs in selling prices affected the profitability of the business. Continue to reflect higher costs in selling prices and implement cost improvements.
Precision metal work parts	Sales to major customers in North America increased, driving higher sales. The production system is being prepared for the launch of new projects, while appropriate pricing and cost control measures are also being implemented.

Supporting Your Movement. DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

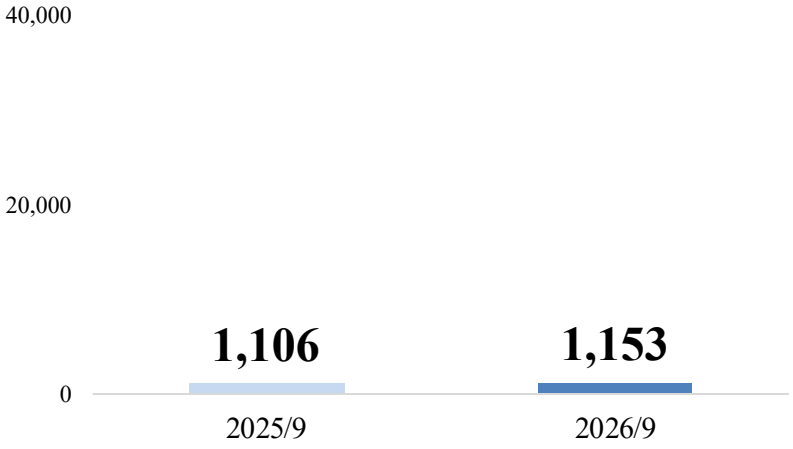
Others

(Before elimination of inter-segment transactions)

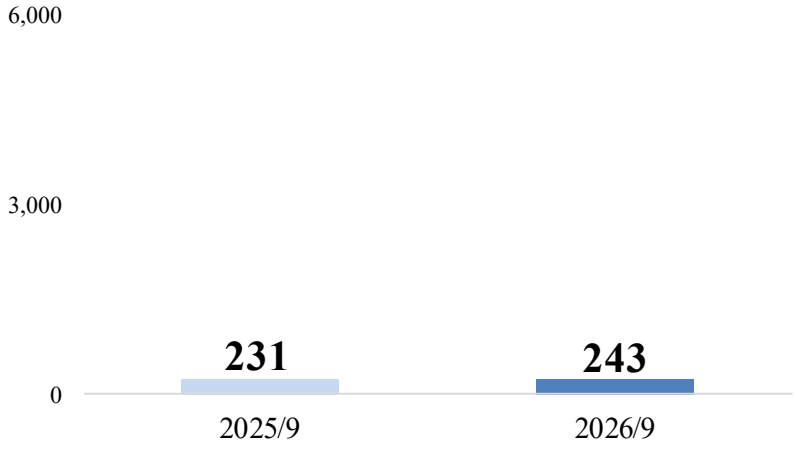
Unit: JPY Million

Year-on-year comparison

【Net sales】 +47 (+4.3%)



【Operating profit or loss】 +11 (+5.1%)



Net sales	Sales increased due to increased orders for pump-related products and machine tool products, including lubrication systems, as well as the effects of appropriate pricing.
Operating profit or loss	In addition to the impact of higher sales, reflecting higher costs in selling prices and strengthened profitability management also contributed to higher profits.

* “Others” includes the metallic dry bearings business, pump-related products businesses.

Supporting Your Movement. DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

FY2026 Overview <Forecast>

Unit: JPY Million

Although there was a partial time lag in reflecting higher material costs in selling prices in the first half, demand in major markets remained solid. In the second half, profit improvement is expected through progress in reflecting higher costs in selling prices, profitability improvement, cost control, cost reductions, and productivity improvement. The full-year forecast is maintained.

	Actual 2026/3	Forecast 2027/3	Amount	Ratio
Net sales	**142,009**	**145,000**	**2,990**	2.1%
Operating profit	**8,371**	**9,500**	**1,128**	13.5%
Operating margin	5.9%	6.6%	0.7pt	
Ordinary profit	**7,402**	**9,000**	**1,597**	21.6%
Ordinary income margin	5.2%	6.2%	1.0pt	
Profit attributable to owners of parent	**4,396**	**5,000**	**603**	13.7%
Net profit margin	3.1%	3.4%	0.4pt	
Return on Equity (ROE)*	**5.7%**	**6.5%**	**0.8pt**	—
Exchange rate (USD)	**156.56**	**153.00**		
Exchange rate (EUR)	**184.33**	**182.00**		

*The profit margin is a percentage of net sales.

TTM rate as of December 31.

*ROE forecast is calculated based on the average capital for the results using the forecast of profit attributable to owners of the parent.

Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Performance Highlights

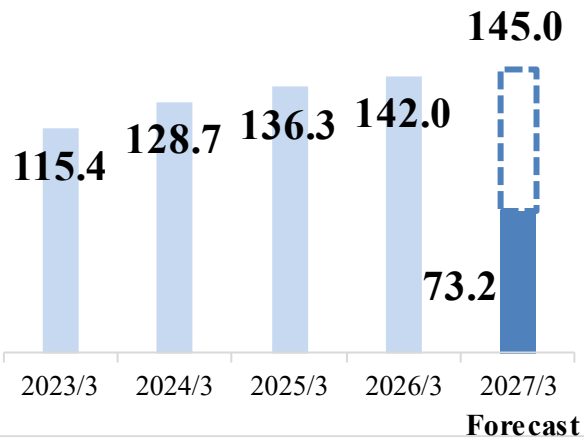
Orange boxes indicate net sales and operating profit. Actual results are shown in dark blue, and forecasts are shown with dotted lines.

: Full-Year Forecast

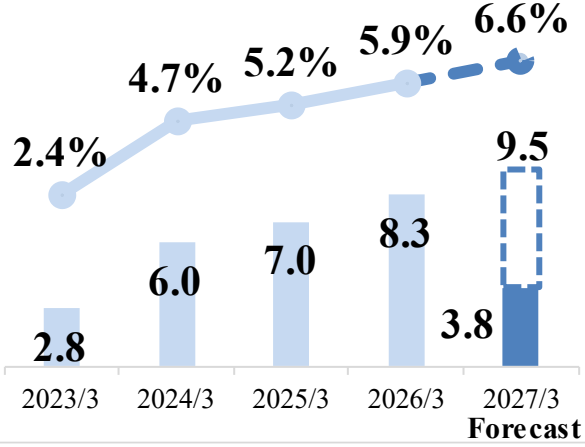
: Second Quarter Results

Unit: JPY Billion

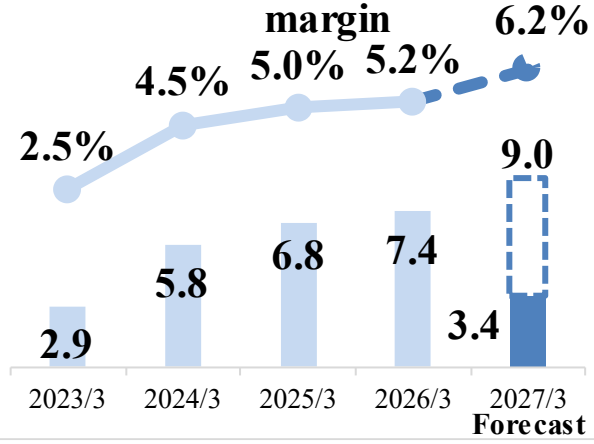
Net sales



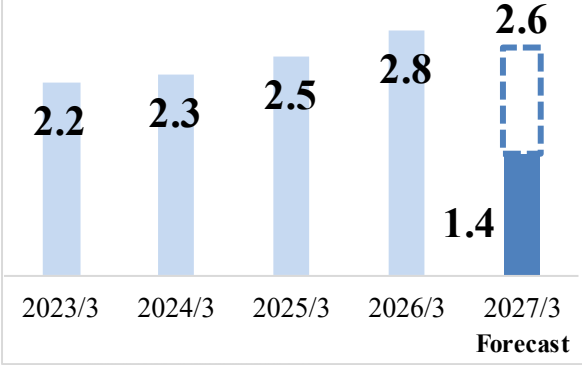
Operating profit /Operating margin



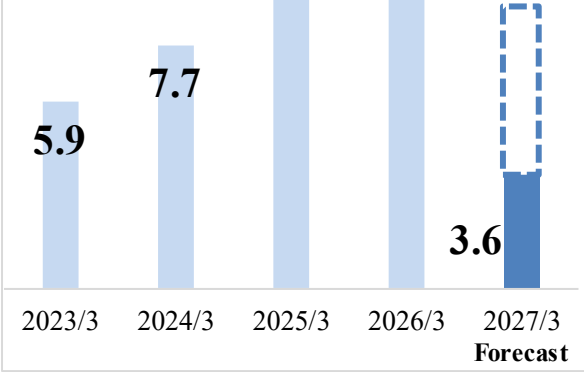
Ordinary profit /Ordinary income margin



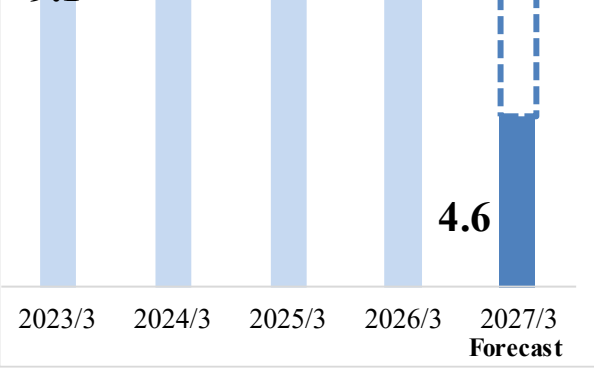
R&D expenses



Capital Expenditure



Depreciation



Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Dividend/ Dividend Payout Ratio

Unit: JPY

Interim dividend of JPY 18 per share. Annual dividend forecast of JPY 36 per share.

	2023/3	2024/3	2025/3	2026/3	2027/3
Interim	10	2	7	12	18
Year-end	2	13	11	19	18 (Forecast)
Annual	**12**	**15**	**18**	**31**	**36 (Forecast)**
Dividend Payout Ratio	-	27.5%	31.2%	33.1%	33.4% (Forecast)
Dividend Yield (Year-end price basis)	2.3%	2.2%	3.6%	3.6%	-

Note: Dividend yield is calculated based on the share price at the end of each fiscal year. The dividend yield for the fiscal year ending March 2027 is not shown because the fiscal year-end share price has not yet been determined.

Supporting Your Movement. DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Topics: Strengthening the Foundation for Achieving the Medium-Term Management Plan

Toward the achievement of the Medium-Term Management Plan "Bridge to Daido 2030," promote profitability improvement and initiatives in growth areas, while strengthening non-financial capital that supports sustainable growth.

3 Key Areas Supporting the Medium-Term Management Plan

Human Capital

Develop people who take on challenges and strengthen the organization to execute the medium-term plan

1. **Talent portfolio development**
   Clarify the talent needed for strategy
2. **Career development & succession**
   Career plans, HR evaluation review
3. **Diverse growth opportunities**
   DX, reskilling, and early-career training
4. **Engagement & Compensation**
   Work-style reform, stock-based incentives

Digital Transformation / Corporate Culture Reform

Enhance productivity and the ability to transform through the use of digital technologies and dialogue

1. **Energize dialogue**
   Cross-departmental, two-way dialogue
2. **Improve business processes**
   Redesign operations using digital tools
3. **Develop DX talent**
   Expand on-site and digital improvement
4. **Visualize & share results**
   Roll out small wins across the company

Environment & Society

Build a foundation for sustainable growth by addressing social and environmental issues

1. **Respond to climate change**
   CO_2 reduction, renewable energy use
2. **Promote resource circulation**
   Sustainable resource use, lower impact
3. **Responsible business practices**
   Human rights, quality, supply chain
4. **Disclosure & External Ratings**
   Visible efforts, richer dialogue

Specific measures and KPIs for each initiative are described in detail in Integrated Report 2026, published this fiscal year.

Supporting Your Movement.
DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Overview <Sales and Operating profit by Region>

Year-on-year comparison

Unit: JPY Million

Region	Net sales ratio 2026/9	【Net sales】		【Operating profit or loss】	
		Amount	Ratio	Amount	Ratio
Japan	52.0%	+ 3,432	+ 7.9%	+ 277	+ 12.6%
Asia	24.5%	+ 723	+ 3.4%	- 80	- 7.2%
North America	14.2%	+ 2,101	+ 19.6%	- 434	- 54.6%
Europe	9.3%	+ 1,077	+ 14.7%	+ 254	—
Elimination of inter-segment transactions		- 1,674		- 14	
Total：	100.0%	+ 5,661	+ 8.4%	+ 1	+ 0.0%

Each region is presented before elimination of inter-regional transactions.

Supporting Your Movement. DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.

Supporting Your Movement.

[Disclaimer]

Future prospects described in this document are prepared for informational purposes only, based on the information available to us at this moment, and are under certain conditions which we assumed reasonable. We will not guarantee the realization of such prospects, and actual performance fluctuates due to various factors.

Except for the case required by laws and regulations, we are not under any circumstance obliged to update or adjust the description contained in this document with regard to future prospects. Accordingly, please do not make any investment judgement, based solely and fully on the information here included.

[rounding method used in this document]

Numbers: rounded down to the nearest unit shown
Ratio: rounded to the nearest unit shown

DAIDO METAL

©2026 DAIDO METAL CO., LTD. All rights Reserved.