

FY2025

Consolidated Financial Results

May 12, 2026

Daido Metal Co., Ltd.

TSE Prime Market
NSE Premier Market
Code:7245

Key Points of Financial Results

Actual

Net sales for the fiscal year ending March 31, 2026, increased year on year due to a recovery in automotive demand, continued strength in the newbuild ship market, and expanding demand for generators for marine and data center applications.

Operating profit also increased year on year despite higher labor costs and tariff impacts, supported by strengthened profitability management and progress in price revisions to customers.

Forecast

Net sales for the fiscal year ending March 31, 2027, are forecast to increase compared with the fiscal year ending March 31, 2026, to JPY 145.0 billion, supported in part by growing demand for generators for marine and data center applications.

Although uncertainty in the external environment remains, operating profit is forecast to increase compared with the fiscal year ending March 31, 2026, to JPY 9.5 billion, due to the continued strengthening of profitability management.

Dividend

Annual dividends for the fiscal year ending March 31, 2026, are projected to rise by 13 yen year on year to 31 yen per share, reflecting a 3 yen upward revision to the year-end dividend forecast to 19 yen, with a payout ratio of 33.1%. For the fiscal year ending March 31, 2027, annual dividends are planned to increase by 5 yen from the fiscal year ended March 31, 2026, to 36 yen per share. The payout ratio is expected to be 33.7%, and shareholder returns will be implemented in line with the shareholder return policy set forth in the medium-term management plan.

Overview <Actual>

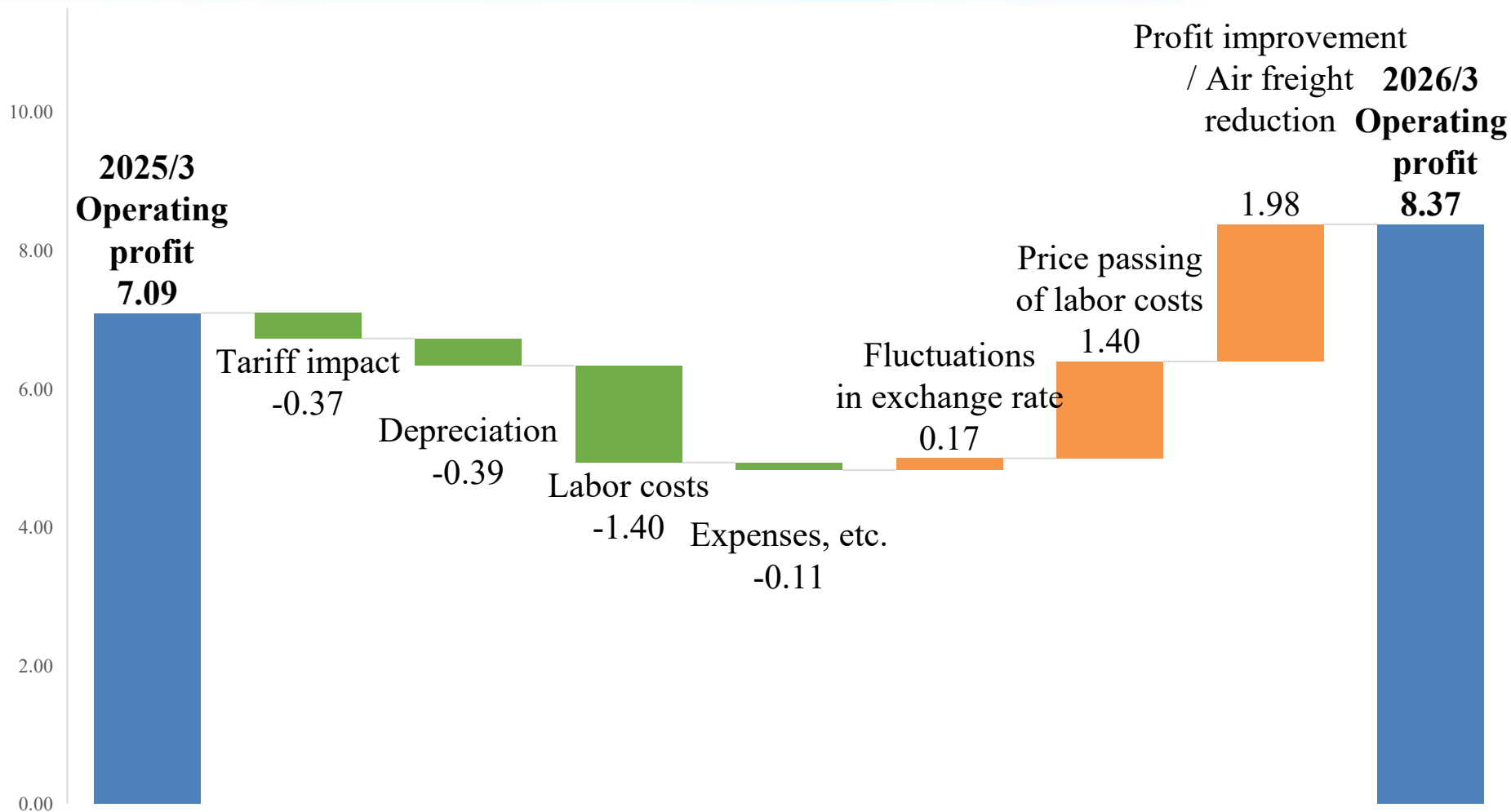
Unit: JPY Million

	Actual		Amount	Ratio
	2025/3	2026/3		
Net sales	136,303	142,009 Record high	5,706	4.2%
Operating profit Operating margin	7,091 5.2%	8,371 5.9%	1,280 0.7pt	18.1%
Ordinary profit Ordinary income margin	6,820 5.0%	7,402 5.2%	581 0.2pt	8.5%
Profit attributable to owners of parent Net profit margin	2,720 2.0%	4,396 3.1%	1,676 1.1pt	61.6%
Return on Equity (ROE)	3.8%	5.7%	1.8pt	—
Net assets to total assets	37.0%	39.2%	2.2pt	—
Net interest bearing debt	36,649	36,418	- 230	- 0.6%
Exchange rate (USD)	158.18	156.56	Exchange rate is TTM rate as of December 31.	
Exchange rate (EUR)	164.92	184.33		

*The profit margin is a percentage of net sales.

Causes of Fluctuation in Operating profit

Unit: JPY Billion



Although profit decreased by approximately JPY 2.27 billion due to increases in labor costs, expenses, tariff impacts, depreciation and others, the increase in labor costs was absorbed through price passing. In addition, approximately JPY 3.55 billion in profit growth was secured through profit improvement and reductions in air freight. Profit contribution from higher sales was roughly offset by the impacts of foreign exchange fluctuations and price pass-through. As a result, operating profit increased by approximately JPY 1.28 billion year on year.

Overview <Forecast>

Unit: JPY Million

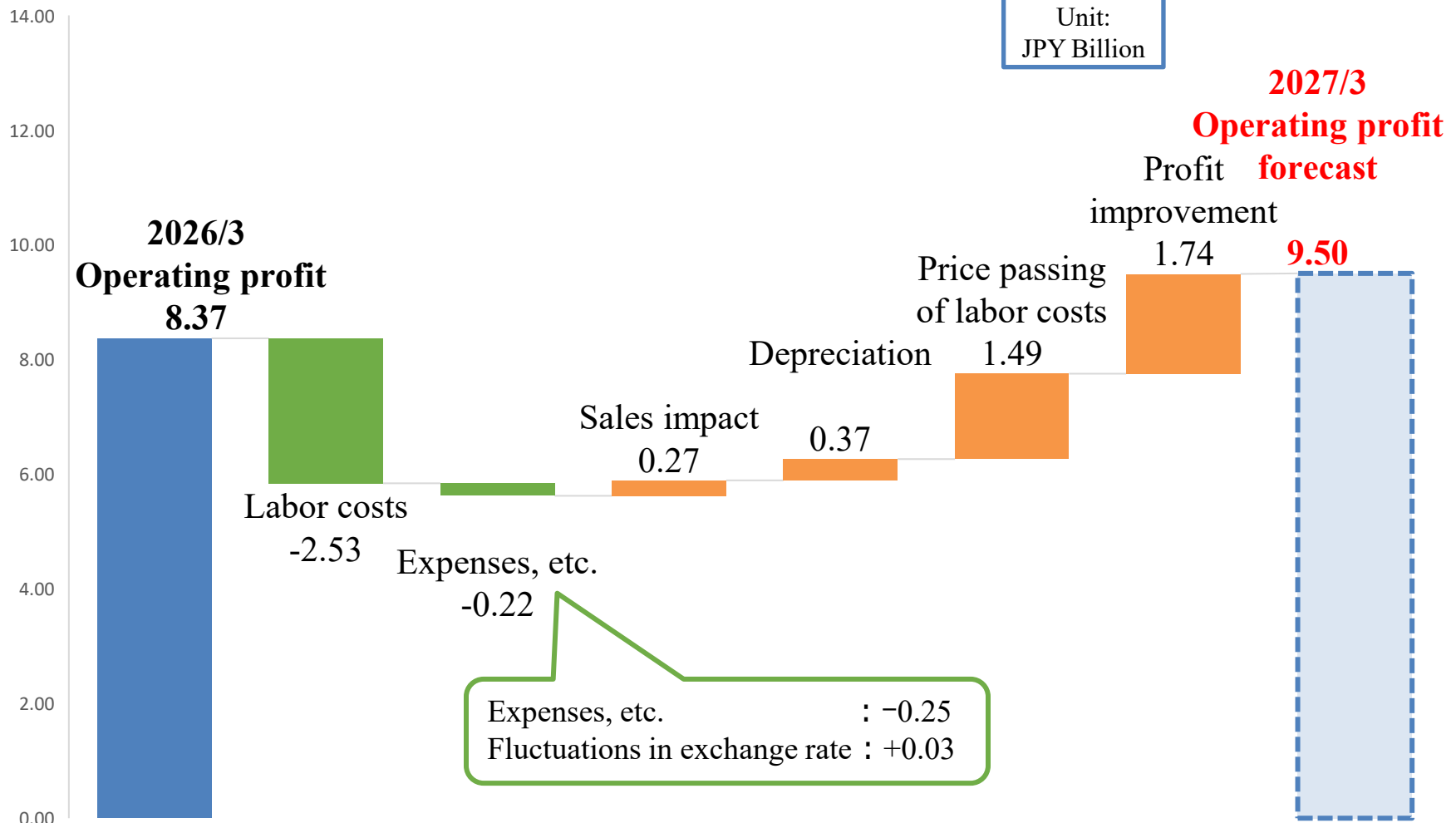
	Actual	Forecast	Amount	Ratio
	2026/3	2027/3		
Net sales	142,009	Record high 145,000	2,990	2.1%
Operating profit Operating margin	8,371 5.9%	9,500 6.6%	1,128 0.7pt	13.5%
Ordinary profit Ordinary income margin	7,402 5.2%	Record high 9,000 6.2%	1,597 1.0pt	21.6%
Profit attributable to owners of parent Net profit margin	4,396 3.1%	5,000 3.4%	603 0.4pt	13.7%
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 most recent results using the forecast of profit attributable to owners of the parent.

Causes of Fluctuation in Operating profit <Forecast>



Although profit is expected to decrease by approximately JPY 2.75 billion due to increases in labor costs (including investments in human capital), expenses and others, approximately JPY 3.87 billion in profit growth is expected to be generated through higher sales, price passing of increased labor costs, and profit improvement. Foreign exchange impacts are expected to be limited. As a result, operating profit is forecast to increase by approximately JPY 1.12 billion year on year.

Dividend/ Dividend Payout Ratio

Unit: JPY

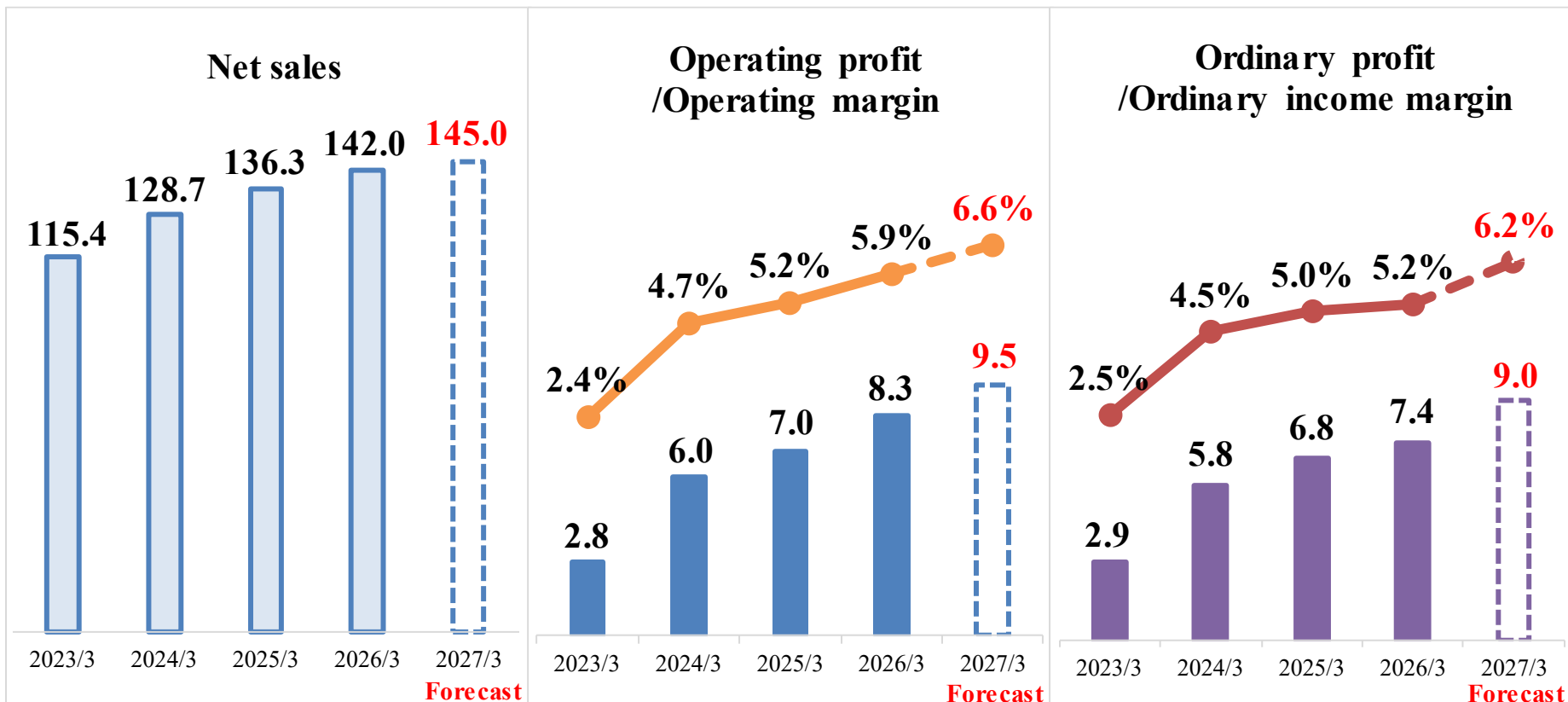
(Forecast)

	2023/3	2024/3	2025/3	2026/3	2027/3
Interim	10	2	7	12	18
Year-end	2	13	11	19 (Forecast)	18
Annual	12	15	18	31 (Forecast)	36
Dividend Payout Ratio	—	27.5%	31.2%	33.1%	33.7%
Dividend Yield (Year-end price basis)	2.3%	2.2%	3.6%	3.6%	—

*The year-end dividend forecast for 2026/3 has been revised to 19 yen, an increase of 3 yen per share from the February 12, 2026 announcement. (annual dividend is 31 yen per share)

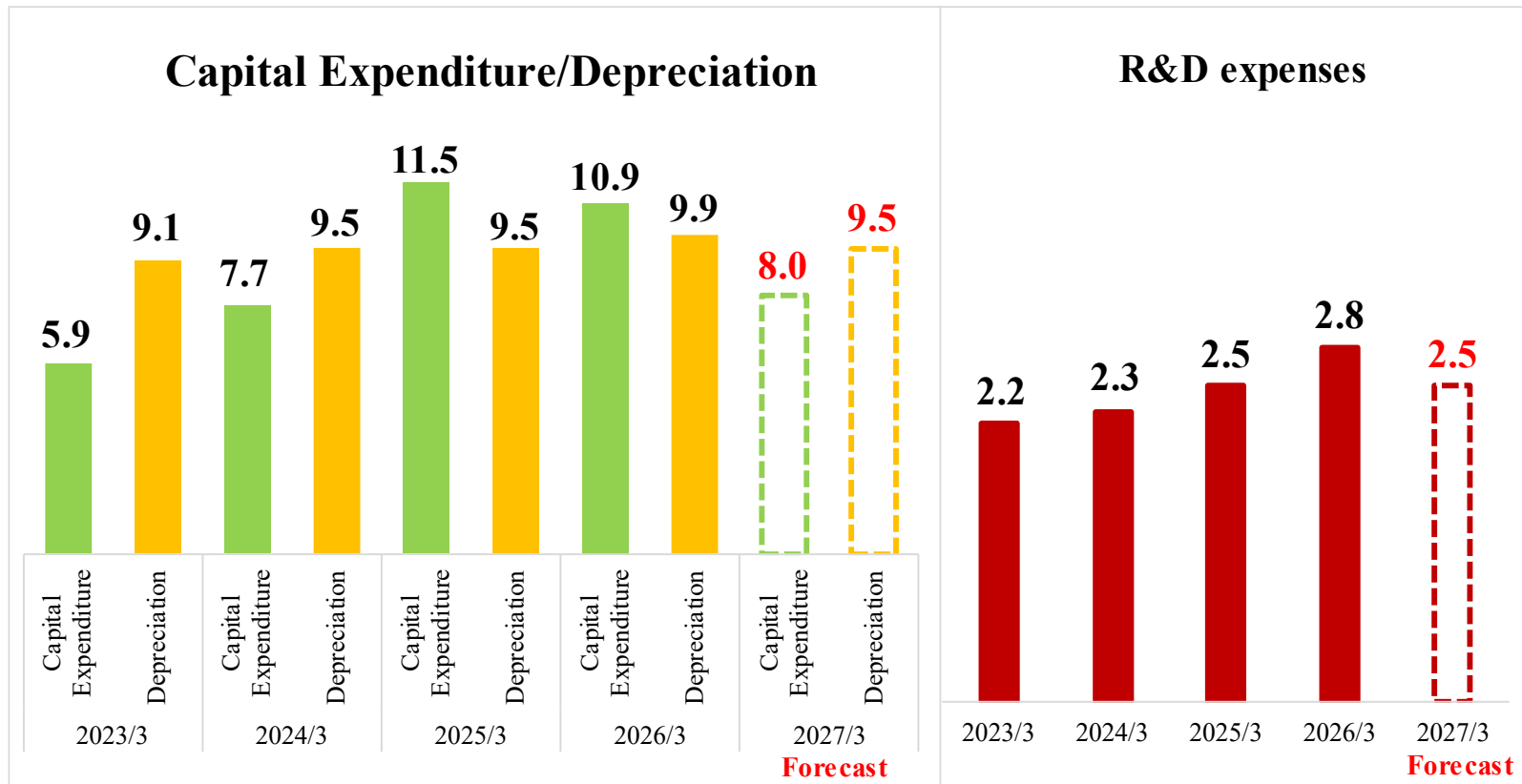
Consolidated Financial Results

Unit: JPY Billion



*The profit margin is a percentage of net sales.

Unit: JPY Billion



Overview <Sales and Operating profit by Segment>

Unit: JPY Million

Year-on-year
comparison

Segment	Net sales ratio 2026/3	【Net sales】		【Operating profit or loss】	
		Amount	Ratio	Amount	Ratio
Powertrain business <small>(Previous segment: Automotive engine bearings)</small>	52.5%	3,086	4.3%	521	5.6%
Marine & Energy business <small>(Previous segment: Non-automotive bearings)</small>	13.8%	1,902	10.6%	375	10.1%
Life business <small>(Previous segment: Automotive non-engine bearings)</small>	16.1%	1,990	9.4%	945	30.3%
Frontier business <small>(Previous segment: Other automotive parts)</small>	16.0%	- 609	- 2.6%	606	—
Others	1.5%	- 178	- 7.4%	50	12.1%
Elimination of inter-segment transactions		- 484		- 1,219	
Total :		5,706	4.2%	1,280	18.1%

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

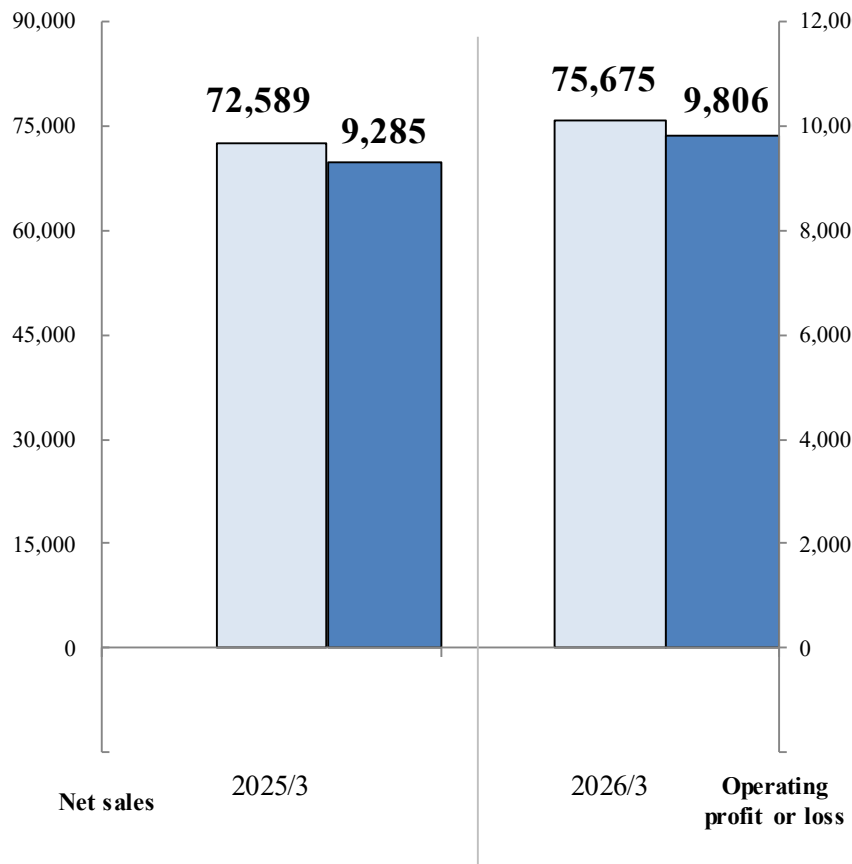


Year-on-year comparison

Powertrain business

Previous segment
: Automotive engine bearings

□ Net sales
■ Operating profit or loss



(+)Gains (-)Losses

【Net sales】 +3,086 (+4.3%)

(+) Japan: Strong demand for passenger cars, a recovery in demand for trucks, increased orders due to the launch of new models, and progress in price revisions.

(+) South Korea: Orders increased due to overall market recovery and strong demand for hybrid vehicles.

(+) China: Orders increased due to a recovery in demand from Chinese brand vehicles, expanding sales of plug-in hybrid vehicles and development of Chinese brand motorcycles.

(+) North America: Orders increased mainly due to demand from North American manufacturers for hybrid vehicles and increased market share for downsizing engines.

(-) Europe: Decreased demand for internal combustion engine vehicles due to slump in the automotive industry and the impact of vehicle electrification.

【Operating profit or loss】 +521 (+5.6%)

(+) Japan: Sales expanded on the back of a recovery in industry demand, and progress in price revisions to reflect changes in the cost structure.

(-) North America: Cost impact of changes in tariff environment.

(-) Europe: Profit declined due to a decrease in sales.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

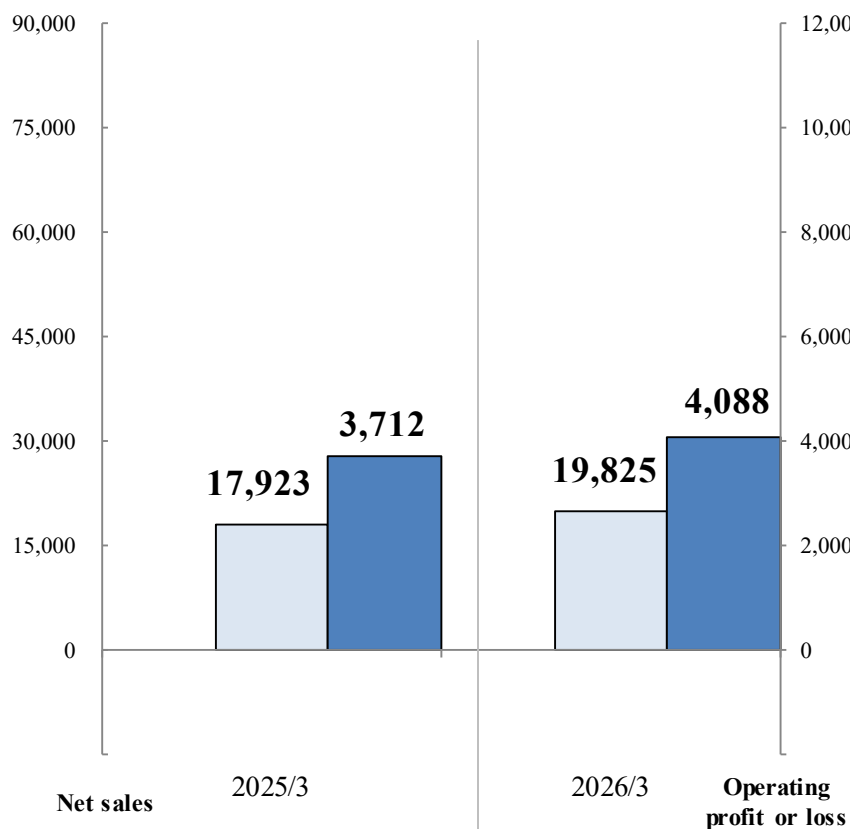
Unit: JPY Million



Marine & Energy business

Previous segment
: Non-automotive bearings

□ Net sales
■ Operating profit or loss



(+)Gains (-)Losses

【Net sales】 +1,902 (+10.6%)

Year-on-year
comparison

(+) Large ships: Supply capacity expanded due to strong demand in the new shipbuilding market and expansion of facilities in our company.

(+) Small/Medium ships, Industrial generator, Construction machinery, etc.: Orders increased due to growth in the marine auxiliary equipment assembly market driven by expanding demand for new shipbuilding, together with increased demand for industrial generators including those for data centers and increased orders transferred from competitors for bearings used in medium and high-speed engines.

(+) Electric energy, industrial compressors, etc.: Orders increased due to higher orders for compressor bearings business for industrial plants resulting from orders transferred from competitors, more than offsetting a decrease in orders for bearings for hydroelectric generators as renewable energy-related demand has run its course and settled down.

【Operating profit or loss】 +375 (+10.1%)

(+)While sales growth is driving profit growth, we are also proactively implementing the expansion of facilities in our company to meet rising demand.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million



Year-on-year comparison

Life business

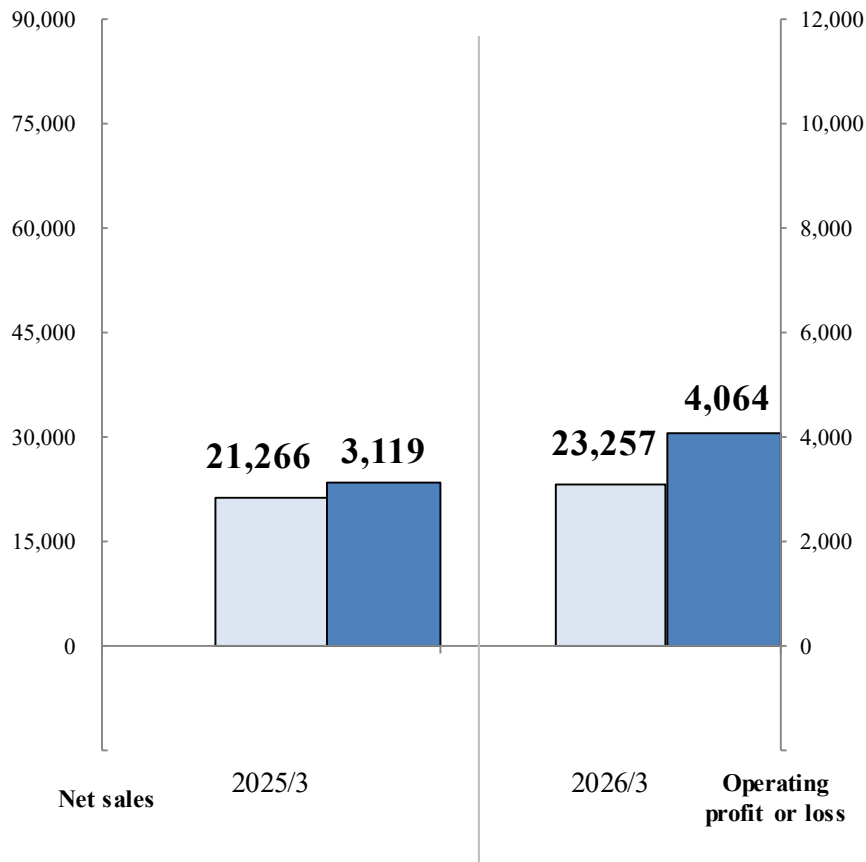
(+)Gains (-)Losses

Previous segment

: Automotive non-engine bearings

□ Net sales

■ Operating profit or loss



【Net sales】 +1,990 (+9.4%)

(+) Japan: Impact of recovery in the automotive market (a rebound from the impact of the previous year's vehicle certification issues) and progress in price revisions.

(+) China: Orders increased in bearings for shock absorbers due to increase in share of new car sales in China.

【Operating profit or loss】 +945 (+30.3%)

(+) Japan: Impact of price revisions reflecting changes in the external environment, contributing to improved profitability.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

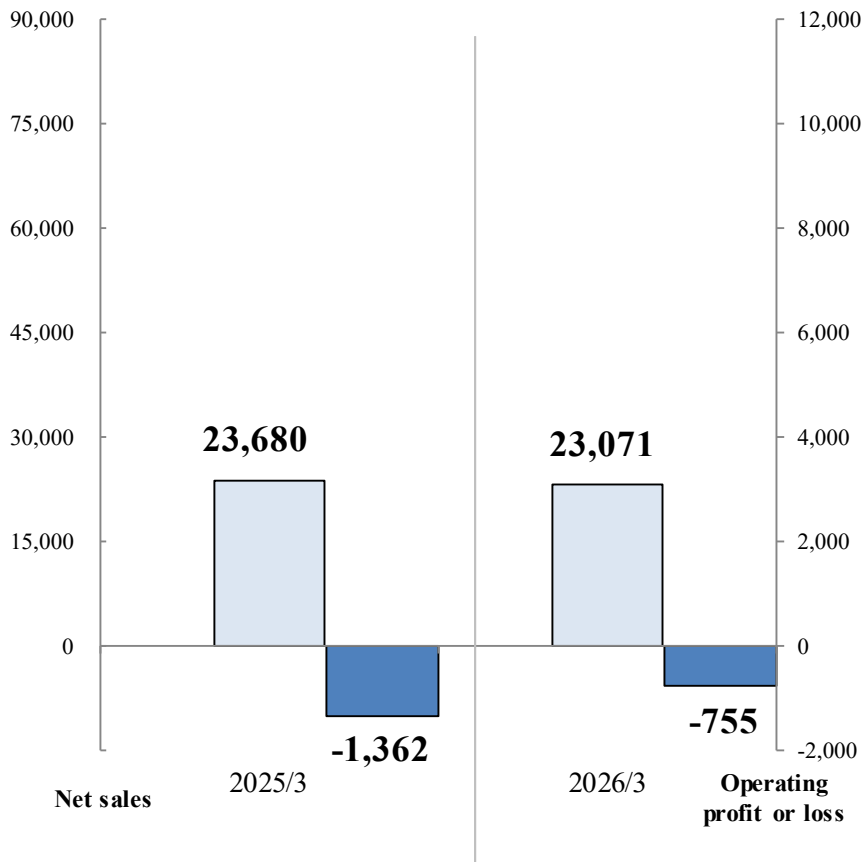


Year-on-year comparison

Frontier business

Previous segment
: Other automotive parts

□ Net sales
■ Operating profit or loss



(+)Gains (-)Losses

【Net sales】 - 609 (- 2.6%)

(-) Aluminum die cast products: Orders decreased due to the end of production for some Japanese bound products, declining vehicle demand in North America caused by semiconductor shortages, and declining demand in Thailand.

(-) Precision metal work parts: Orders decreased due to sluggish demand for Japanese brand vehicles in China and end of production of some products.

【Operating profit or loss】 +606 (-)

(+) Aluminum die cast products: Although an operating loss continued, the loss narrowed due to lower transportation costs (air freight) and other cost reductions. In the first quarter, profitability temporarily deteriorated due to one-off factors; however, in the second quarter, the business returned to profitability as those factors were resolved. In the third quarter, results came in below plan due to delays in tooling approvals and an increase in rework trials, among other factors, but in the fourth quarter, the business turned profitable again, supported by the effects of measures such as quality improvements.

(-) Precision metal work parts: Improvements in delivery times resulted in a reduction in logistics costs (including air freight) and progress in cost reductions.

However, profit decreased as earnings were impacted by a decrease in sales due to demand-related factors, the timing of reflecting price revisions, and higher costs.

We will continue to promote cost improvement initiatives.

Sales and Operating profit by Segment

(Before elimination of inter-segment transactions)

Unit: JPY Million

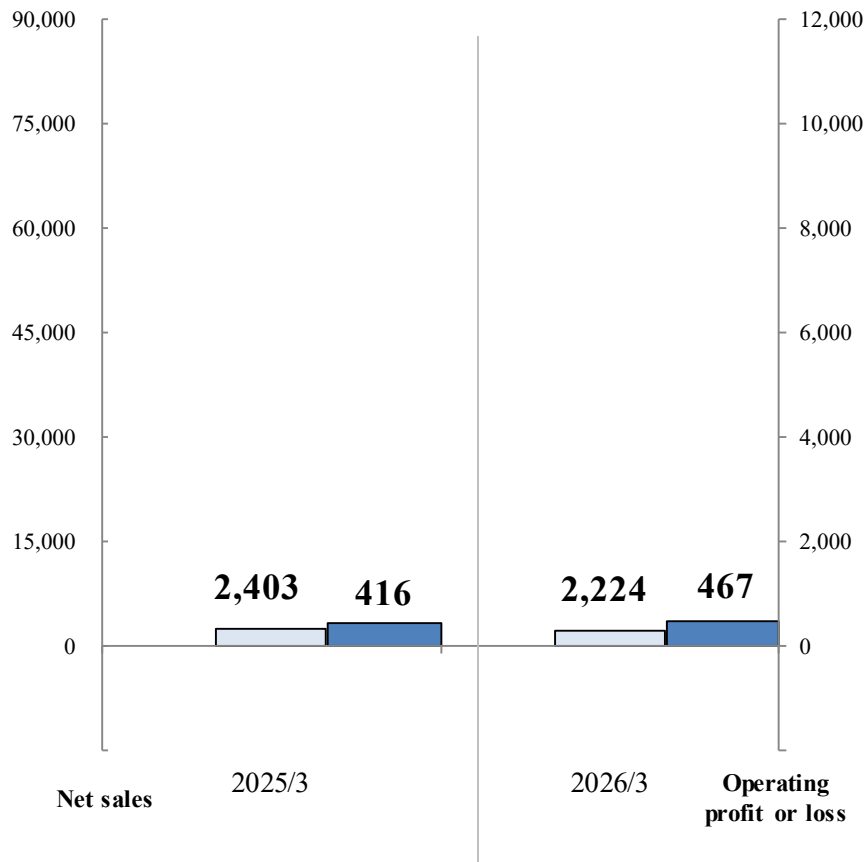


Year-on-year comparison

Others

(+)Gains (-)Losses

□ Net sales
■ Operating profit or loss



【Net sales】 -178 (-7.4%)

(-) Although the pump related products business was supported by the acquisition of new business development projects and an increase in orders for lubricators for equipment, orders decreased for metal based non-lubricated bearings due to a rebound decline following the previous year's large spot orders.

【Operating profit or loss】 +50 (+12.1%)

(+) Price revisions made progress to reflect changes in the cost structure.

* "Others" includes the metallic dry bearings business, pump-related products businesses, and electrode sheets for electric double layer capacitors.

Overview <Sales and Operating profit by Region>

Unit: JPY Million

Year-on-year
comparison

Region	Net sales ratio 2026/3	【Net sales】		【Operating profit or loss】	
		Amount	Ratio	Amount	Ratio
Japan	51.0%	2,791	3.2%	1,118	25.7%
Asia	26.5%	410	0.9%	860	63.9%
North America	13.0%	351	1.6%	- 224	- 17.1%
Europe	9.5%	1,620	10.9%	189	—
Elimination of inter-segment transactions		532		- 664	
Total :		5,706	4.2%	1,280	18.1%

Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million

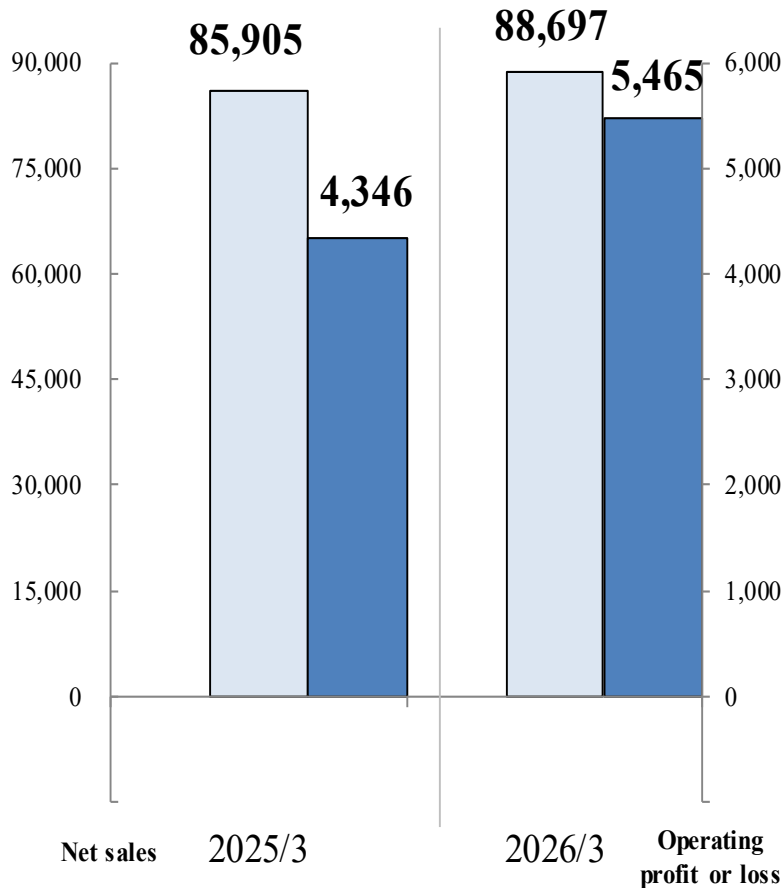


Year-on-year comparison

(+)Gains (-)Losses

Japan

□ Net sales
■ Operating profit or loss



【Net sales】 +2,791 (+3.2%)

(+) Orders increased due to strong demand for Powertrain business (automotive bearings) and Marine & Energy business.

【Operating profit or loss】 +1,118 (+25.7%)

(+) Impact of increased sales driven by the recovery in industry demand, continuous cost improvement, sales price revisions, and progress in profitability improvement initiatives, which together enhanced profitability.

Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million



Year-on-year comparison

(+)Gains (-)Losses

【Net sales】 +410 (+0.9%)

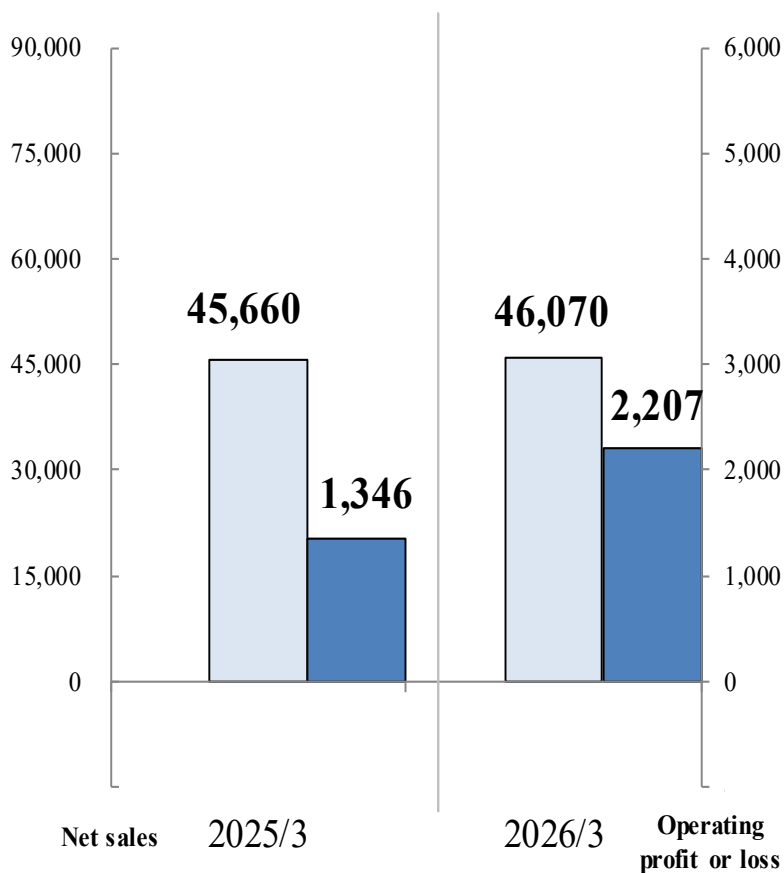
- (+) Automotive engine bearings in South Korea : Orders increased due to overall market recovery and strong sales of hybrid vehicles.
- (+) Automotive bearings in China: Orders increased in bearings for shock absorbers due to increase in share of new car sales in China.
- (-) Aluminum die cast products: Orders decreased due to the end of production for some Japanese bound products, declining vehicle demand in North America caused by semiconductor shortages, and declining demand in Thailand.
- (-) Precision metal work parts: Orders decreased due to sluggish demand for Japanese brand vehicles in China and end of production of some products.

【Operating profit or loss】 +860 (+63.9%)

- (+) Automotive engine bearings in South Korea : Impact of increased sales.
- (+) Automotive bearings in Thailand: Reduction of cost of sales by reducing labor and expenses.
- (+) Aluminum die cast products: Efforts to improve production efficiency, including shorter lead times, resulted in lower logistics costs (including air freight), narrowing the loss.
- (+) Precision metal work parts: Although a decrease in sales due to lower demand had an impact, a reduction in logistics costs (including air freight) resulting from improvements in delivery times through increased production capacity contributed to earnings, and we secured profit overall.

Asia

□ Net sales
■ Operating profit or loss



Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million

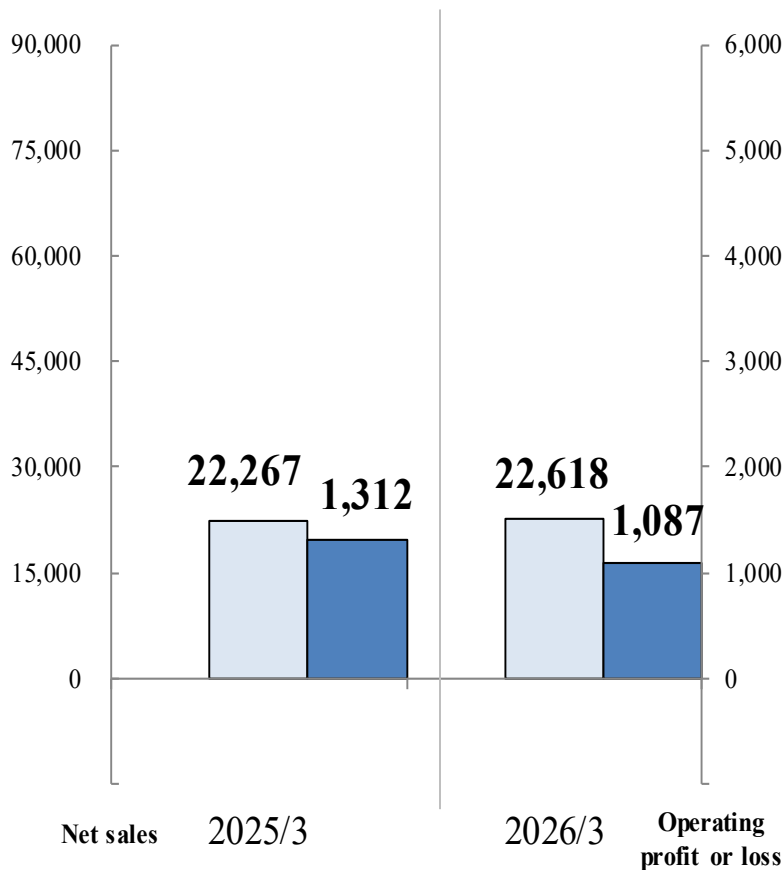


Year-on-year comparison

North America

(+)Gains (-)Losses

□ Net sales
■ Operating profit or loss



【Net sales】 +351 (+1.6%)

(+) Orders increased for steady demand for Powertrain business (automotive bearings) and strong demand for bearings used in medium and high-speed engines for data centers.

【Operating profit or loss】 - 224 (- 17.1%)

(-) Cost impact of changes in tariff environment.
(-) Precision metal work parts: Earnings were pressured by delayed pass-through of price revisions to reflect higher material and labor costs to customers.

Sales and Operating profit by Region

(Before elimination of internal transactions)

Unit: JPY Million

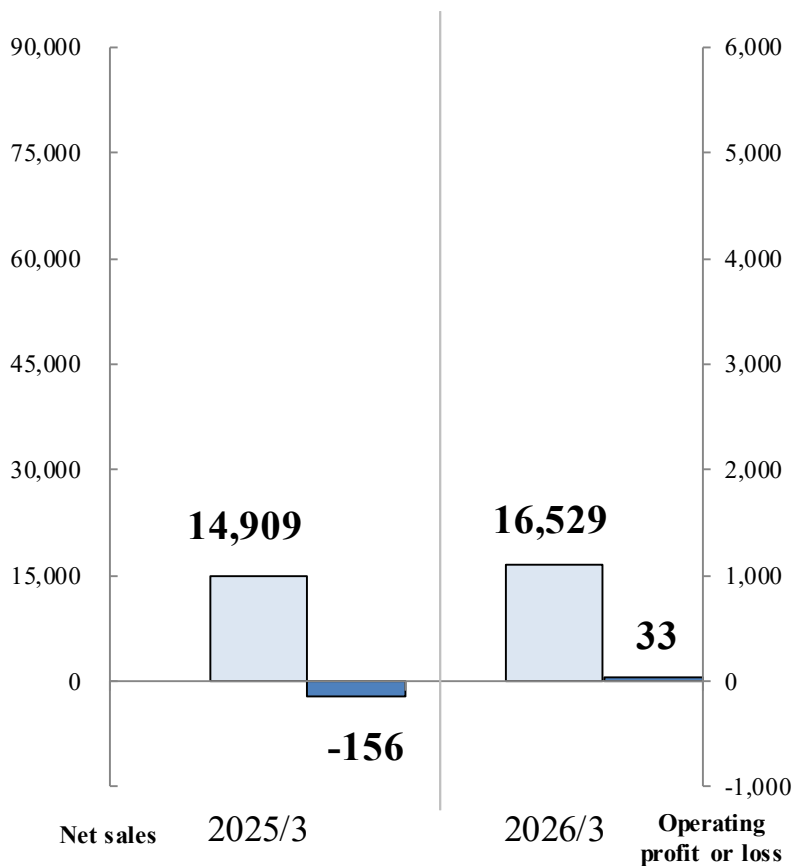


Year-on-year comparison

Europe

(+)Gains (-)Losses

□ Net sales
■ Operating profit or loss



【Net sales】 +1,620 (+10.9%)

(-) Orders decreased due to slump in the automobile industry and decline in demand for automotive bearings due to the impact of vehicles electrification.
(+) Impact of yen depreciation.

【Operating profit or loss】 +189 (-)

(+) Impact of yen depreciation.

Supporting Your Movement.



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[rounding method used in this document]

Numbers: rounded down to the nearest unit shown

Ratio: rounded to the nearest unit shown

