



September 25, 2026

Daido Metal Co., Ltd.
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Notice Concerning Decision on Policy to Liquidate an Overseas Consolidated Subsidiary

Daido Metal Co., Ltd. (hereinafter, the “Company”), hereby announces that it has determined, by the resolution of the Board of Directors dated September 25, 2026, to proceed with the liquidation of Daido Metal Europe Limited, a consolidated subsidiary of the Company, as described below.

1. Reason for the liquidation

Daido Metal Europe Limited (“DME”) has operated as the Group’s principal sales base for engine bearings in Europe since its establishment in 2006. Against this backdrop, with a view to strengthening the Group’s sales capabilities in Europe, the Group began gradually transferring DME’s European sales functions to Daido Metal Europe GmbH (“DMEG”), which was established in Germany in 2018, with the aim of consolidating its European sales functions within DMEG. As a result, DME’s remaining operations are currently limited primarily to the sale of bearings for medium- and high-speed engines to customers in North America under the Marine & Energy Business.

The Company is currently implementing its new Midterm Plan commencing in FY2025, “Bridge to Daido 2030,” under which it is working to strengthen its profit-generating capabilities by improving the profitability of existing business areas and actively investing in growth areas. As part of these initiatives, the Company has determined that transferring DME’s remaining North American sales functions to Daido Metal U.S.A. Inc., the Company’s consolidated subsidiary based in North America, will enable the Group to strengthen its business foundation by expanding its growth areas, optimize the allocation of Group management resources, and improve operational efficiency. Accordingly, the Company has decided to cease DME’s operations effective December 31, 2026, and to proceed with the liquidation of DME.

2. Overview of the consolidated subsidiary to be liquidated

Name	Daido Metal Europe Limited
Location	Ilminster, Somerset, United Kingdom
Name and title of representative	Toshikazu Ichihashi, Managing Director
Business activities	Sale of bearings and related products
Share capital	GBP 3,613 thousand
Date of establishment	January 10, 2006

Major shareholder and ownership ratio	DAIDO METAL CO., LTD.: 100%	
Relationship with the listed company:	Capital relationship	The Company holds 100% of the shares of DME.
	Personnel relationship	The Company dispatches officers to DME
	Business relationship	The Company provides loans to DME.
	Status as a related party	DME is a consolidated subsidiary of the Company and constitutes a related party.

(Thousands of GBP)

Financial Results and Financial Position for the Past Three Fiscal Years			
Fiscal year ended	December 2023	December 2024	December 2025
Net assets	(4,726)	(5,121)	(5,337)
Total assets	1,510	1,392	1,447
Net sales	2,147	2,239	2,119
Operating profit (loss)	490	(23)	120
Profit (loss) attributable to owners of parent	133	(395)	(217)

3. Schedule for liquidation

DME is scheduled to cease its operations on December 31, 2026. Thereafter, liquidation procedures will be commenced in accordance with applicable local laws and regulations, and the liquidation will be completed once all necessary procedures have been completed.

4. Impact on financial results

In connection with the matter, the Company expects a reduction in its corporate income tax burden related to DME's excess liabilities recognized in prior fiscal years, as well as losses arising from the liquidation.

The amount of the impact is currently under review. If any matter requiring disclosure arises regarding the impact of this matter on the Company's consolidated financial results for the fiscal year ending March 31, 2027, the Company will promptly disclose such information.

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