FY2026 First Quarter Consolidated Financial Results

August 7, 2026

Daido Metal Co., Ltd.

TSE Prime Market
NSE Premier Market
Code:7245

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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 First Quarter Results

FY2026 Q1 Actual	Net sales：Increased year on year, supported by continued strong demand from the marine and data center applications, increased demand for HEVs due to the slowdown in EVs, and new orders from Chinese motorcycle manufacturers. Operating profit: Although affected by material costs and labor costs, operating profit increased year on year through progress in price revisions, strengthened profitability management, and higher sales.
FY2026 Forecast	Although material costs and other expenses have risen due to the situation in the Middle East, strong demand, particularly from the marine and data center sectors, continues. Cost pass-through for labor and material costs, as well as price optimization, is also progressing steadily. As a result, full-year performance is expected to be in line with the initial plan. In addition, we are advancing initiatives in growth areas, particularly data center-related products. By leveraging the increased production capacity resulting from additional investments, we aim to secure further order opportunities.
Dividend	The FY2026 dividend forecast remains unchanged from the initial plan at JPY 36 per share annually.

FY2026 First Quarter Overview <Actual>

Unit: JPY Million

	Actual		Amount	Ratio
	2025/6	2026/6		
Net sales	**33,516**	**35,333**	**1,816**	5.4%
Operating profit	**1,832**	**2,017**	**184**	10.1%
Operating margin	5.5%	5.7%	0.2pt	
Ordinary profit	**1,467**	**1,786**	**319**	21.8%
Ordinary income margin	4.4%	5.1%	0.7pt	
Profit attributable to owners of parent	**592**	**1,020**	**428**	72.3%
Net profit margin	1.8%	2.9%	1.1pt	
Return on Equity (ROE) *1	**3.3%**	**5.0%**	**1.7pt**	—
Net assets to total assets	**36.7%**	**38.9%**	2.3pt	—
Net interest bearing debt	**37,367**	**36,891**	- 475	- 1.3%
Exchange rate (USD)	149.52	159.88		
Exchange rate (EUR)	162.08	183.41		

Exchange rate is TTM rate as of March 31.

*The profit margin is a percentage of net sales.

*1 Annualized

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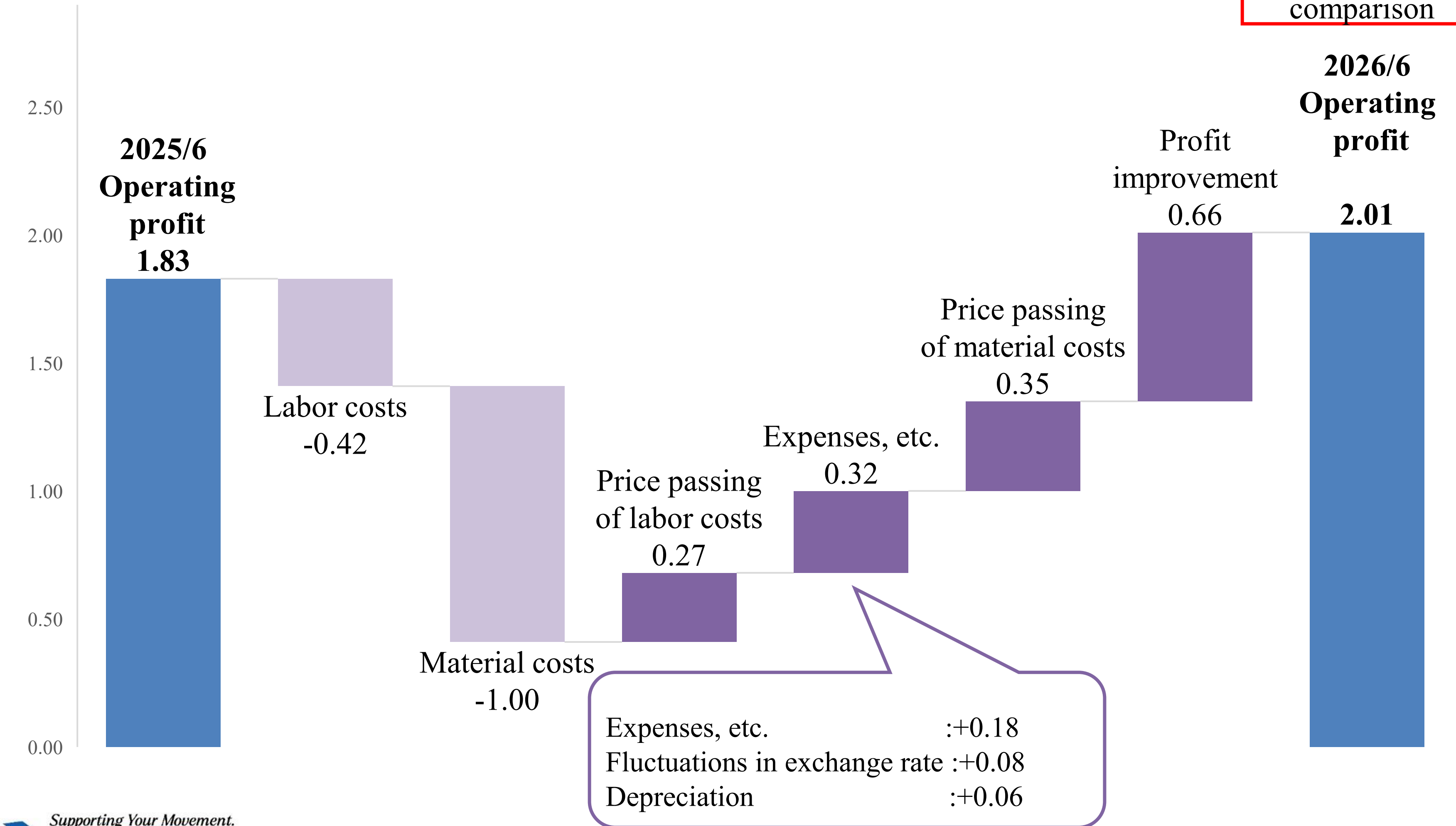
Causes of Fluctuation in Operating profit

Unit: JPY Billion

Although approximately JPY 1.42 billion in negative impacts arose from material costs and labor costs, approximately JPY 1.60 billion in positive impacts were secured through Price passing of material costs, Price passing of labor costs, Expenses, etc., and Profit improvement. As a result, operating profit increased by approximately JPY 0.18 billion year on year.

Year-on-year comparison



FY2026 Overview <Forecast>

Unit: JPY Million

There are no changes to the forecast for the FY2026 announced on May 12,2026

	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.

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Dividend/ Dividend Payout Ratio

Unit: JPY

There are no change to the dividend forecast for the FY2026 announced on May 12,2026.

	2023/3	2024/3	2025/3	2026/3	(Forecast) 2027/3
Interim	10	2	7	12	18
Year-end	2	13	11	19	18
Annual	**12**	**15**	**18**	**31**	**36**
Dividend Payout Ratio	—	27.5%	31.2%	33.1%	33.6%
Dividend Yield (Year-end price basis)	2.3%	2.2%	3.6%	3.6%	—

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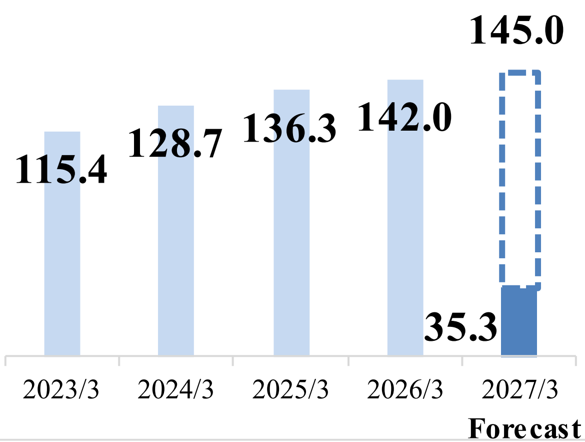
Performance Highlights

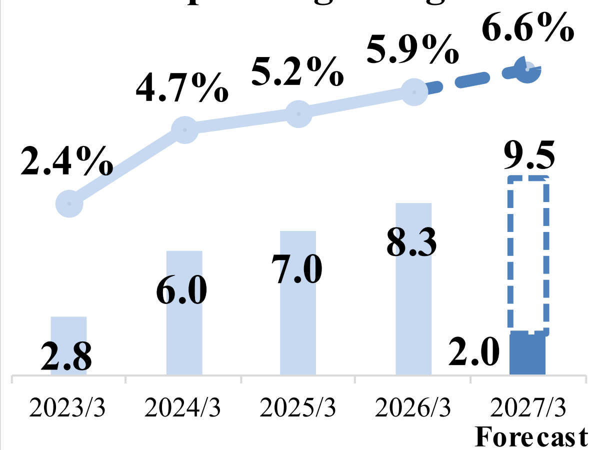
：First Quarter Results

Unit: JPY Billion

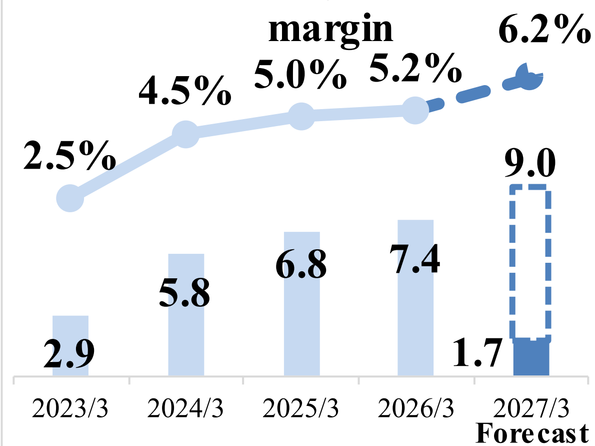
Net sales



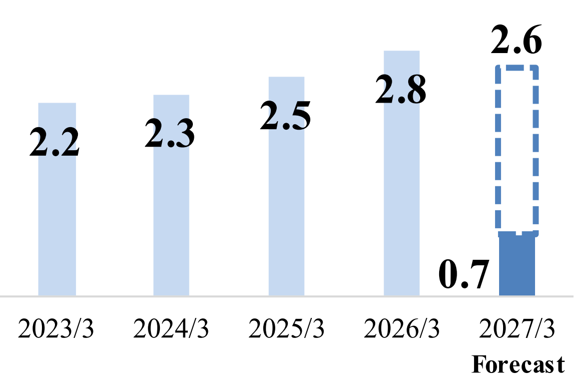
Operating profit /Operating margin



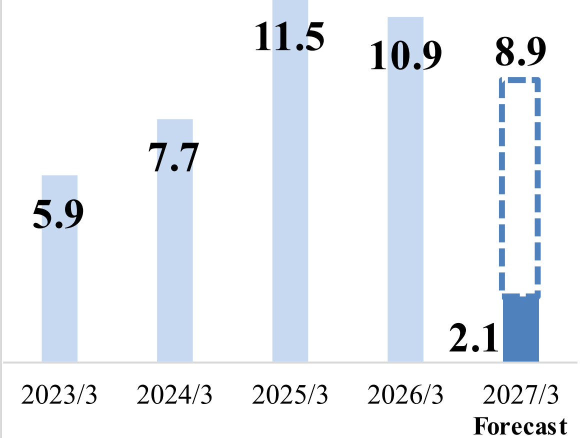
Ordinary profit /Ordinary income margin



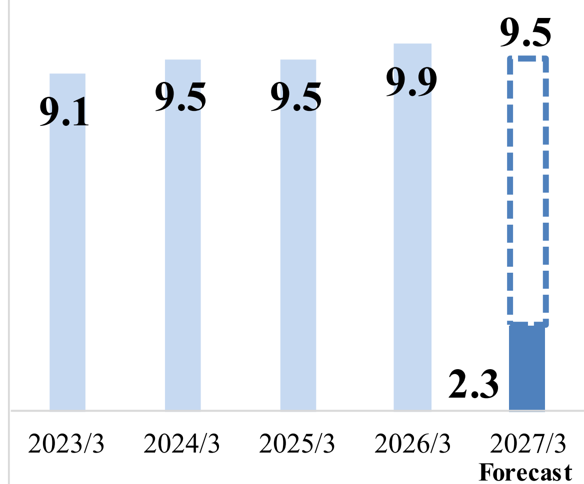
R&D expenses



Capital Expenditure



Depreciation



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Overview <Sales and Operating profit by Segment>

Year-on-year comparison

Net sales: Increased due to continued strong demand for marine and data center applications, recovery in the domestic automotive market, expansion of HEV demand in North America, and solid performance in the Life Business.
Operating profit: Although affected by higher material costs and other factors, profit increased through progress in price optimization and profit improvement.

Unit: JPY Million

Segment	Net sales ratio 2026/6	【Net sales】		【Operating profit or loss】	
		Amount	Ratio	Amount	Ratio
Powertrain business	50.8%	+ 605	+ 3.4%	- 86	- 3.7%
Marine & Energy business	14.6%	+ 659	+ 14.4%	+ 159	+ 17.2%
Life business	17.0%	+ 447	+ 8.0%	+ 232	+ 27.1%
Frontier business	15.9%	+ 124	+ 2.3%	- 43	—
Others	1.7%	+ 64	+ 11.9%	+ 14	+ 13.1%
Elimination of inter-segment transactions		- 84		- 91	
Total	100.0%	+ 1,816	+ 5.4%	+ 184	+ 10.1%

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Powertrain business

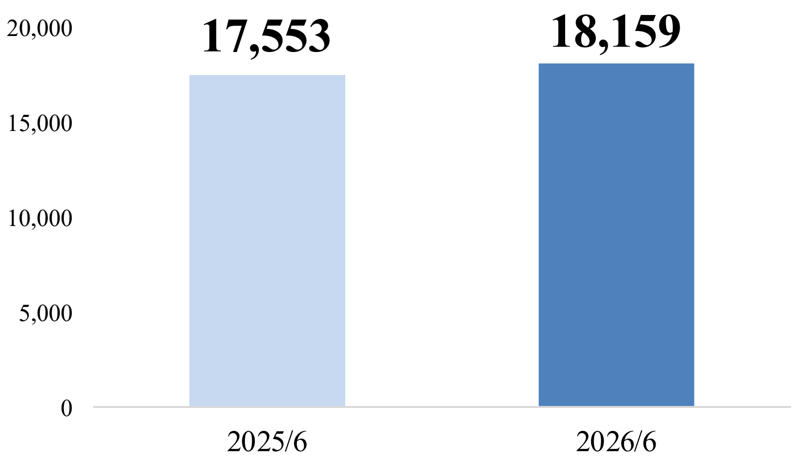
(Before elimination of inter-segment transactions)

Unit: JPY Million

Year-on-year comparison

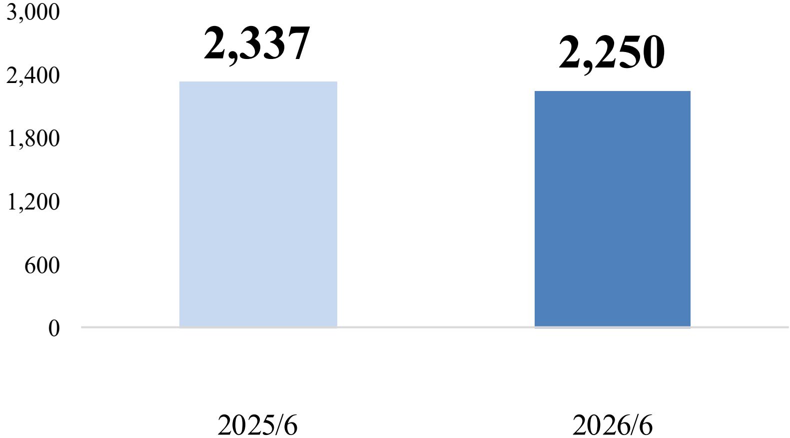
(+)Gains (-)Losses

【Net sales】 +605 (+3.4%)



(+) Strong demand for passenger vehicles in Japan, particularly trucks, and recovery in demand for repair parts.
(+) Strong demand for hybrid vehicles in North America.
(+) Increased demand for diesel vehicles from some OEM customers in Europe.
(-) Vehicle electrification in China and Thailand, sluggish demand in the South Korean market, and lower sales of repair parts affected by the situation in the Middle East.

【Operating profit or loss】 - 86 (- 3.7%)



(-) Although expanding demand in each region and progress in price revisions contributed to improved profitability, profit declined due to the impact of higher material costs.

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Marine & Energy business

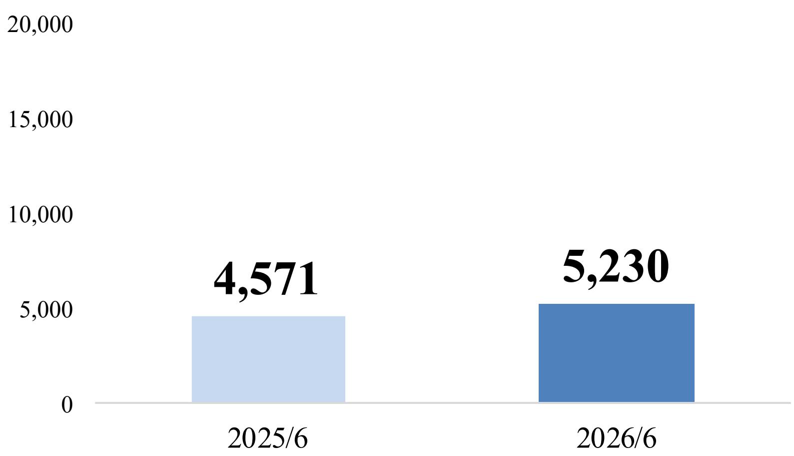
(Before elimination of inter-segment transactions)

Unit: JPY Million

Year-on-year comparison

(+)Gains (-)Losses

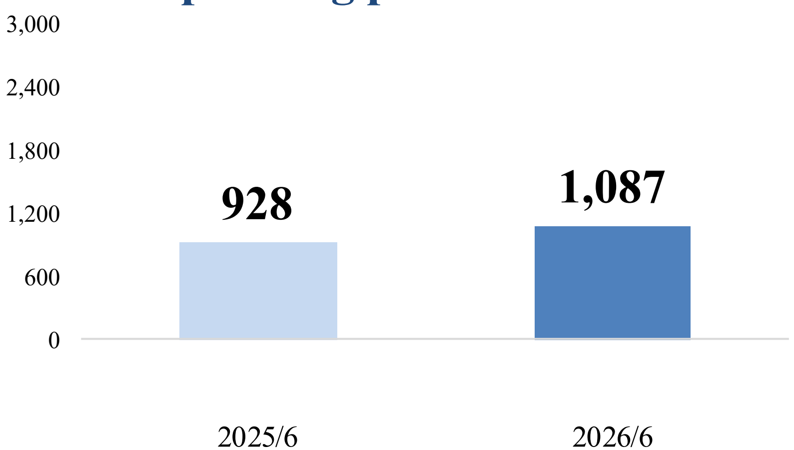
【Net sales】 +659 (+14.4%)



(+) Large ships: Supply capacity expanded due to strong demand in the shipbuilding market and expansion of facilities in our company. In addition, strong demand for new shipbuilding, particularly in China, contributed to sales growth, resulting in sales exceeding the previous year's level.

(+) Small/Medium ships, Industrial generators, Construction machinery, etc.: Sales increased due to increased demand for generators for data center applications and expanded production capacity. In addition, business development activities for power generators and railway-related applications in North America, China and Europe are progressing, supporting the expansion of the medium- to long-term growth base.

【Operating profit or loss】 +159 (+17.2%)



(+) Large ships: Profit increased due to higher sales supported by strong demand for new shipbuilding and progress in price revisions.

(+) Small/Medium ships, Industrial generators, Construction machinery, etc.: Profit increased due to higher sales driven by expanding demand for generators for data center applications and increased orders for high-value-added products. Progress in price revisions also contributed to improved profitability.

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TOPICS | Marine & Energy business

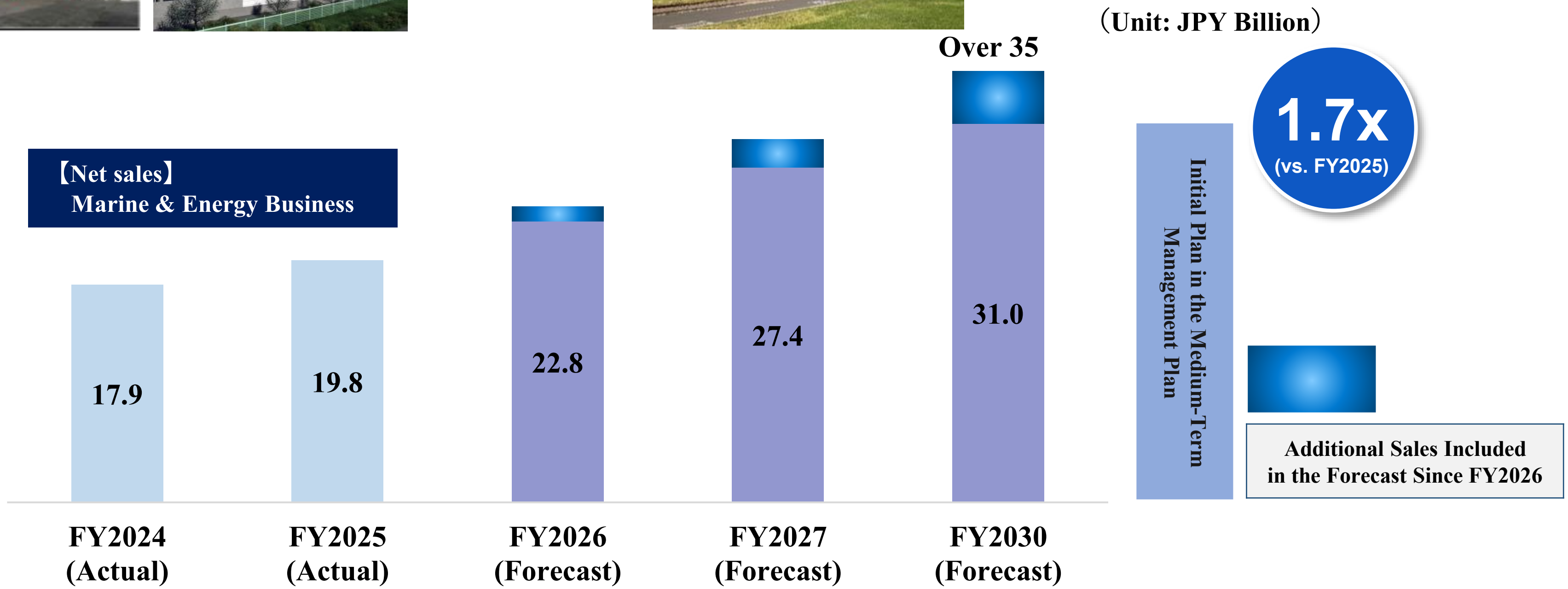
Expansion of Production Capacity for Medium- and High-Speed Engine Bearings Used in Data Centers

In response to growing demand from the data center market, we began capital investments to expand production capacity in FY2025. We decided to make an additional investment of approximately JPY 4.0 billion and start construction of a new plant in Mexico in FY2026. Through these investments, global production capacity for medium- and high-speed engine bearings is expected to increase by 50% compared with FY2025 levels by FY2030. As a result, sales in the Marine & Energy Business are projected to exceed JPY 35.0 billion, approximately 1.7 times the FY2025 level.

Since FY2025
Construction of a new plant and plating plant

FY2026
Groundbreaking for a new plant in Mexico

FY2028
Planned start of production at the Mexico plant



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Life business

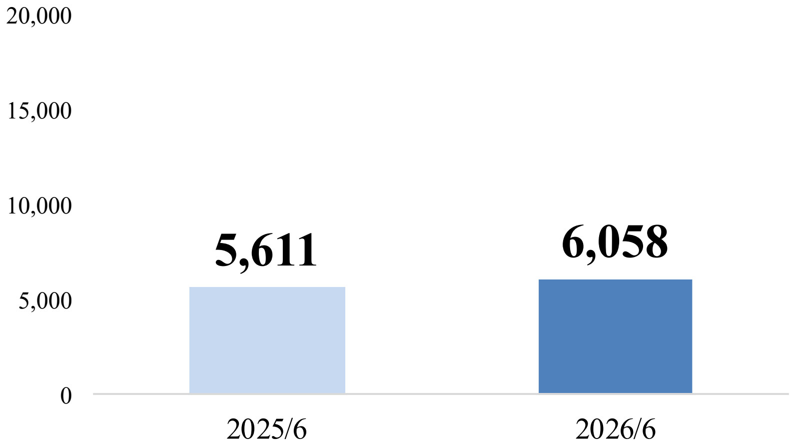
(Before elimination of inter-segment transactions)

Unit: JPY Million

Year-on-year comparison

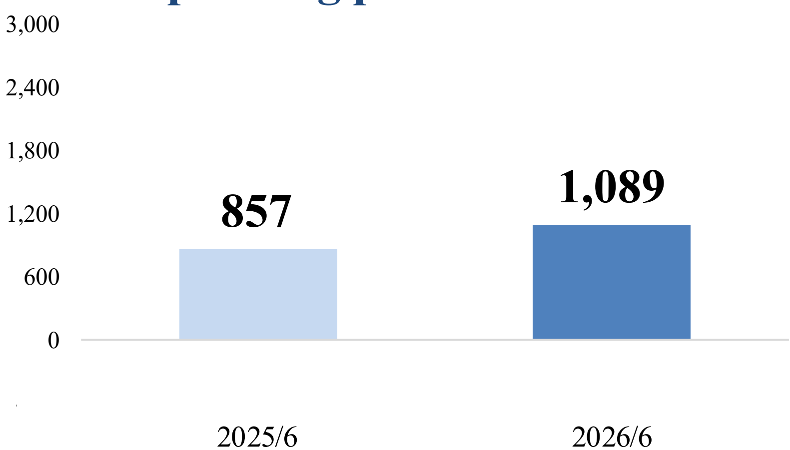
(+)Gains (-)Losses

【Net sales】 +447 (+8.0%)



(+) Automotive components: Steady demand for shock absorber bearings for automobiles and motorcycles globally. Increased orders for slide door bearings in China.
(+) Industrial machinery: Increased orders for related equipment, including fuel pump bearings, driven by expanding demand from data centers.
(+) Hydraulic equipment: Increased orders for hydraulic pump bearings.
(+) Air conditioning: Increased orders due to the impact of global warming. Continued promotion of global sales expansion.

【Operating profit or loss】 +232 (+27.1%)



(+) Increased due to steady performance in automotive components-related applications and progress in price revisions, contributing to improved profitability.

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Frontier business

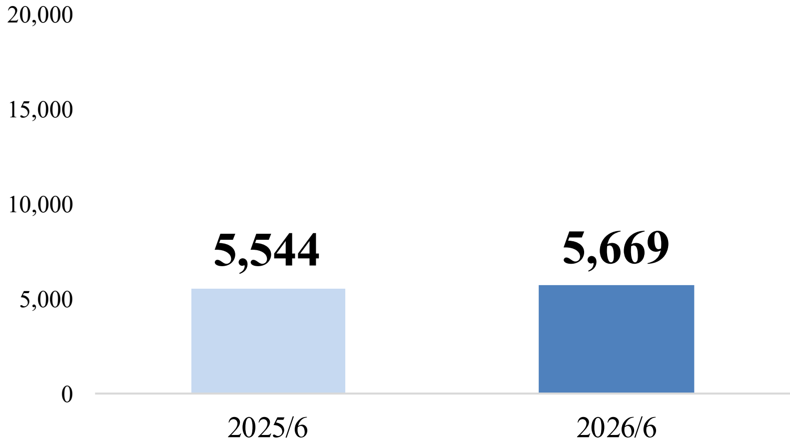
(Before elimination of inter-segment transactions)

Unit: JPY Million

Year-on-year comparison

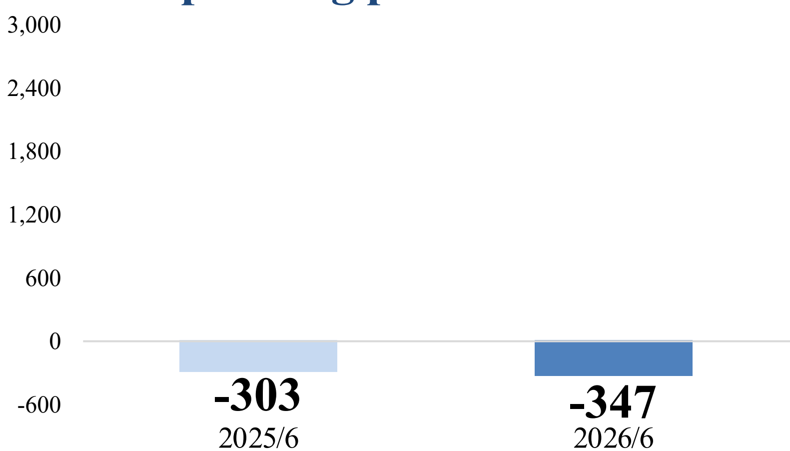
(+)Gains (-)Losses

【Net sales】 +124 (+2.3%)



(-) Aluminum die cast products: Sales declined due to fluctuating demand from major customers. Efforts to expand sales are being promoted.
(+) Precision metal work parts: Although orders from some customers declined, sales increased due to the launch of new large-scale projects and increased orders.

【Operating profit or loss】 - 43 (-)



(+) Aluminum die cast products: Although affected by higher material costs, cost recovery is expected going forward based on material price fluctuation clauses. In addition, efforts to improve profitability through cost reduction activities are being promoted.
(-) Precision metal work parts: Temporary costs associated with the launch of new models were incurred, as well as the impact of higher labor costs. Efforts are being made to improve profitability through labor cost pass-throughs, price revisions, and reductions in SG&A expenses.

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Others

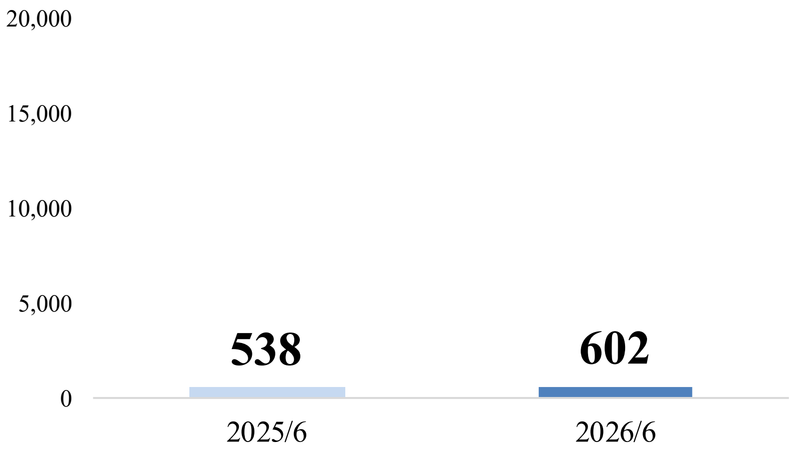
(Before elimination of inter-segment transactions)

Unit: JPY Million

Year-on-year comparison

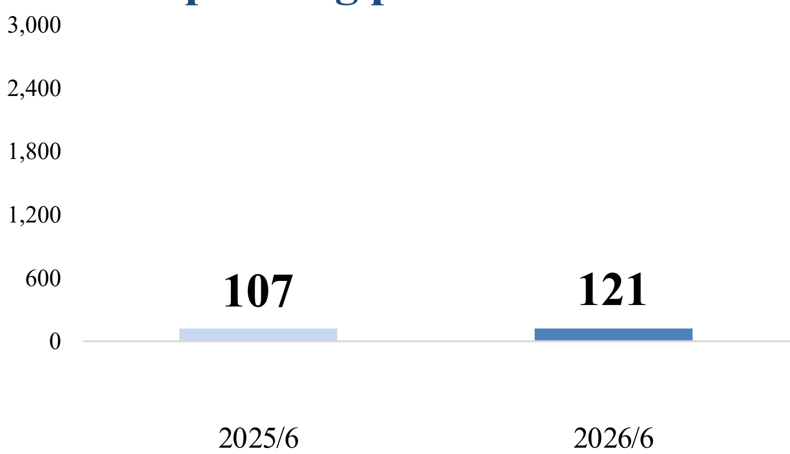
(+)Gains (-)Losses

【Net sales】 +64 (+11.9%)



(+) Sales increased due to the acquisition of new customers and progress in sales development activities for pump-related products, in addition to increased orders for metallic dry bearings.

【Operating profit or loss】 +14 (+13.1%)



(+) Increased orders for metallic dry bearings and the acquisition of new customers for pump-related products contributed to higher sales. In addition, progress in price revisions contributed to profit growth.

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

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Overview <Sales and Operating profit by Region>

Year-on-year comparison

Net sales: Increased due to recovery in the domestic automotive market, new orders from motorcycle manufacturers in China, and increased demand for hybrid vehicles in North America and diesel engine-equipped vehicles in Europe.
Operating profit: Although affected by higher material costs, profit increased through price pass-throughs and strengthened profitability management.

Unit: JPY Million

Region	Net sales ratio 2026/6	【Net sales】		【Operating profit or loss】	
		Amount	Ratio	Amount	Ratio
Japan	51.7%	＋816	＋3.8%	＋62	＋5.2%
Asia	24.7%	＋231	＋2.2%	＋47	＋12.6%
North America	14.0%	＋662	＋12.2%	＋13	＋3.8%
Europe	9.6%	＋668	＋19.1%	＋71	—
Elimination of inter-segment transactions		- 561		- 10	
Total：		＋1,816	＋5.4%	＋184	＋10.1%

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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

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