

Fiscal Year Ending March 2026 Financial Results Briefing

May 15, 2026



Financial Results for FY2025 (April 2025 – March 2026)

■ Financial Results Overview for FY2025

- In FY2025, both revenue and profit increased year on year.
- Adjusted operating profit declined year on year due to factors such as reduced demand for open-die forgings for drilling. However, compared with the January forecast, profit increased due to higher volumes in products for automobiles and industrial equipment.
- The full-year dividend will be ¥49 per share, up ¥2 from the previous fiscal year (The year-end dividend for FY2025: ¥27 per share).

	FY2024			FY2025			(thousand tons, ¥100 mil.)	
	1H	2H	Total	1H	2H	Total	y/y	Deviations from the forecast on Jan. 29
Sales Volume of Specialty Steel	519	496	1,015	504	521	1,025	10	3
Revenue	2,834	2,915	5,749	2,845	2,936	5,781	32	31
Operating Profit	183	211	394	185	236	421	27	61
Adjusted Operating Profit*	207	233	440	185	214	399	-41	30
Profit Before Tax	196	231	427	197	251	448	21	73
Profit Attributable to Owners of Parent	122	161	283	129	197	326	43	71

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

Dividend (yen/share)	21	26	47	22	27	49	2	0
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■ Revenue, Operating Profit, and Adjusted Operating Profit by Segment

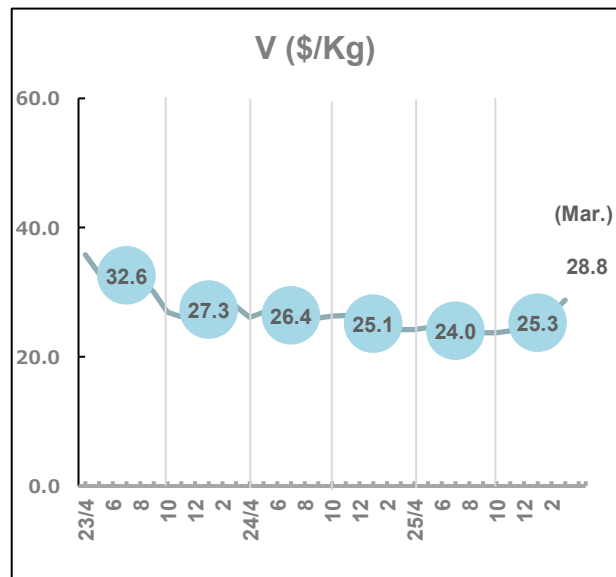
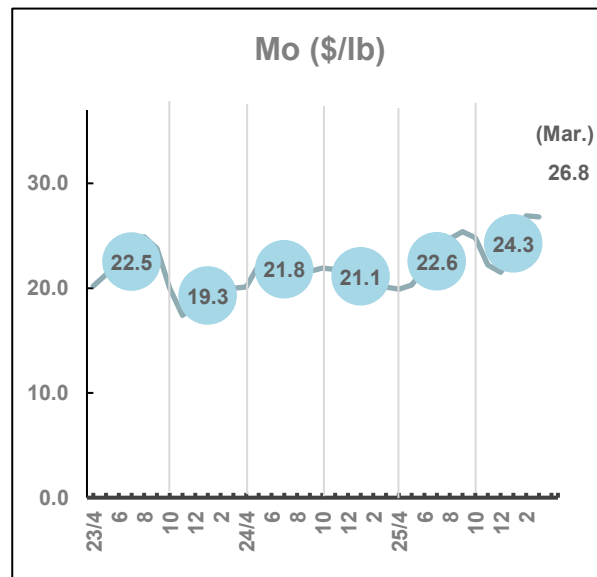
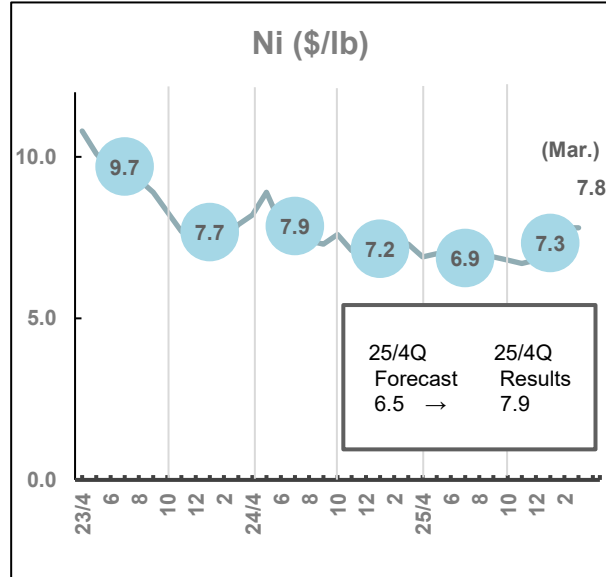
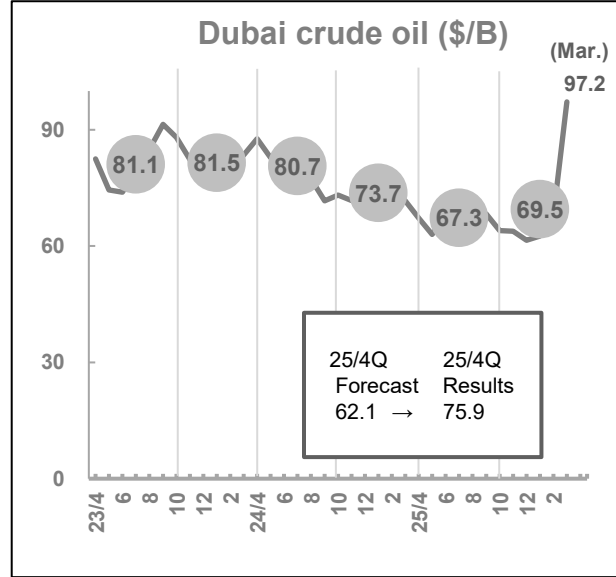
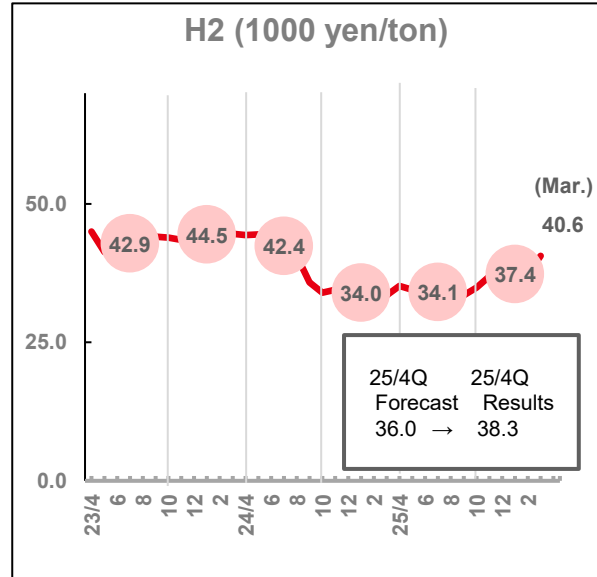
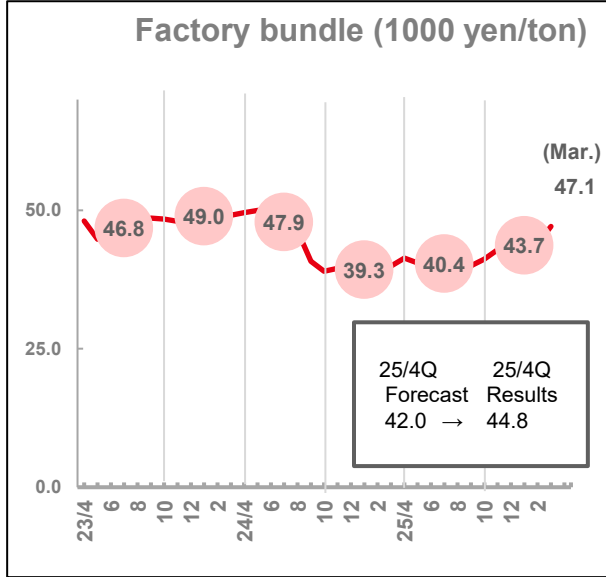
(¥100 mil.)

	FY2024			FY2025									y/y			Deviations from the forecast on Jan. 29		
	Full-year			First Half			Second Half			Full-year								
	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)
Specialty Steel	2,101	121	131	1,000	55	56	1,078	79	57	2,078	134	113	-23	13	-18	38	39	12
High-Performance Materials and Magnetic Materials	2,009	110	138	968	63	57	1,030	86	77	1,998	149	134	-11	39	-4	28	19	10
Parts for Automobiles and Industrial Equipment	1,130	113	119	592	36	43	587	46	51	1,179	82	94	49	-31	-25	-11	7	9
Engineering	241	22	23	142	13	12	124	13	15	266	26	27	25	4	4	-14	-4	-3
Trading and Service	268	28	29	143	18	17	117	12	14	260	30	31	-8	2	2	-10	0	2
Total	5,749	394	440	2,845	185	185	2,936	236	214	5,781	421	399	32	27	-41	31	61	30

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (levelling), and provision for paid leave

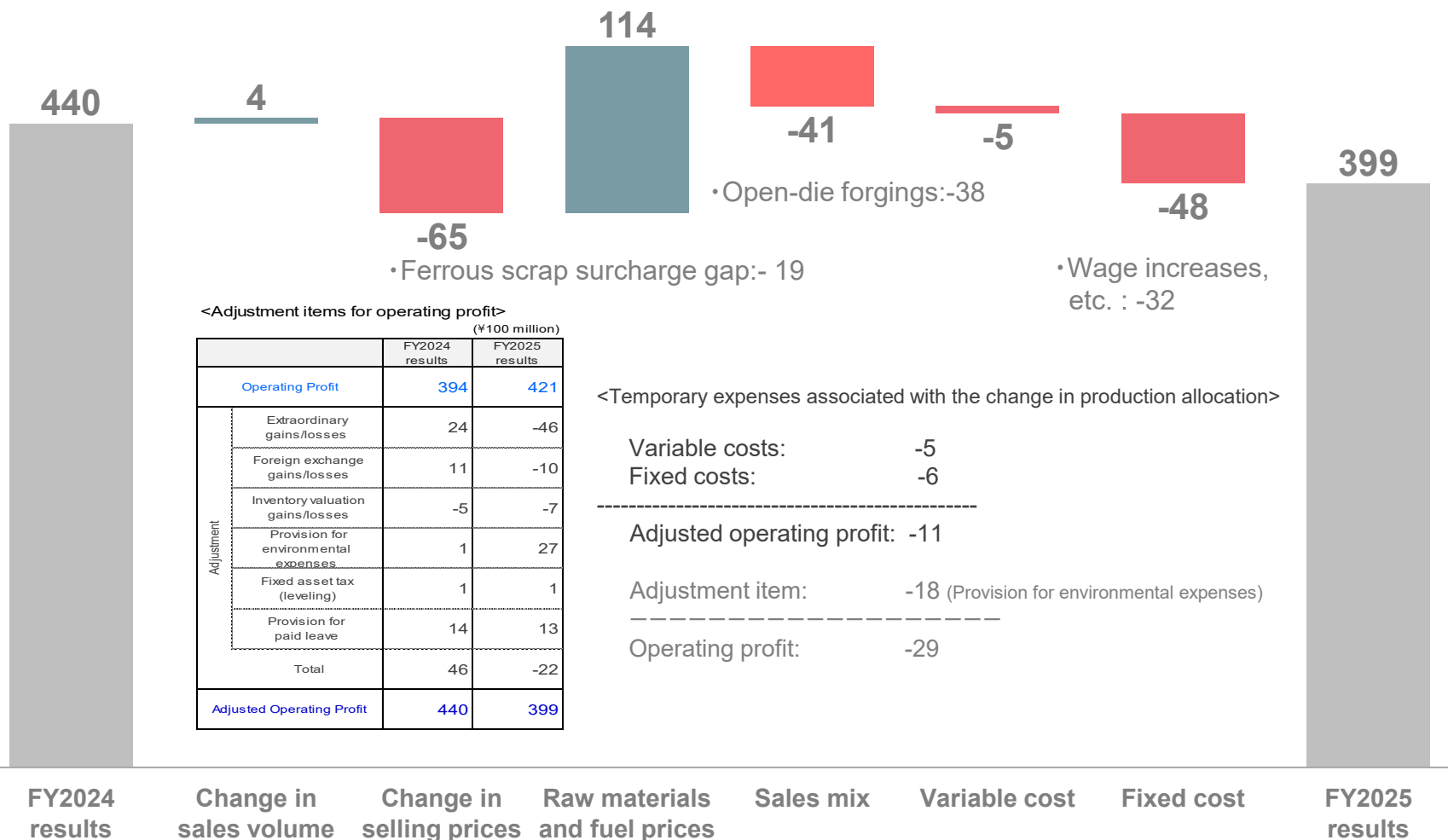
Sales Volume of Specialty Steel (Non-consolidated)	1,015	504	521	1,025	10	3
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Raw Materials Prices



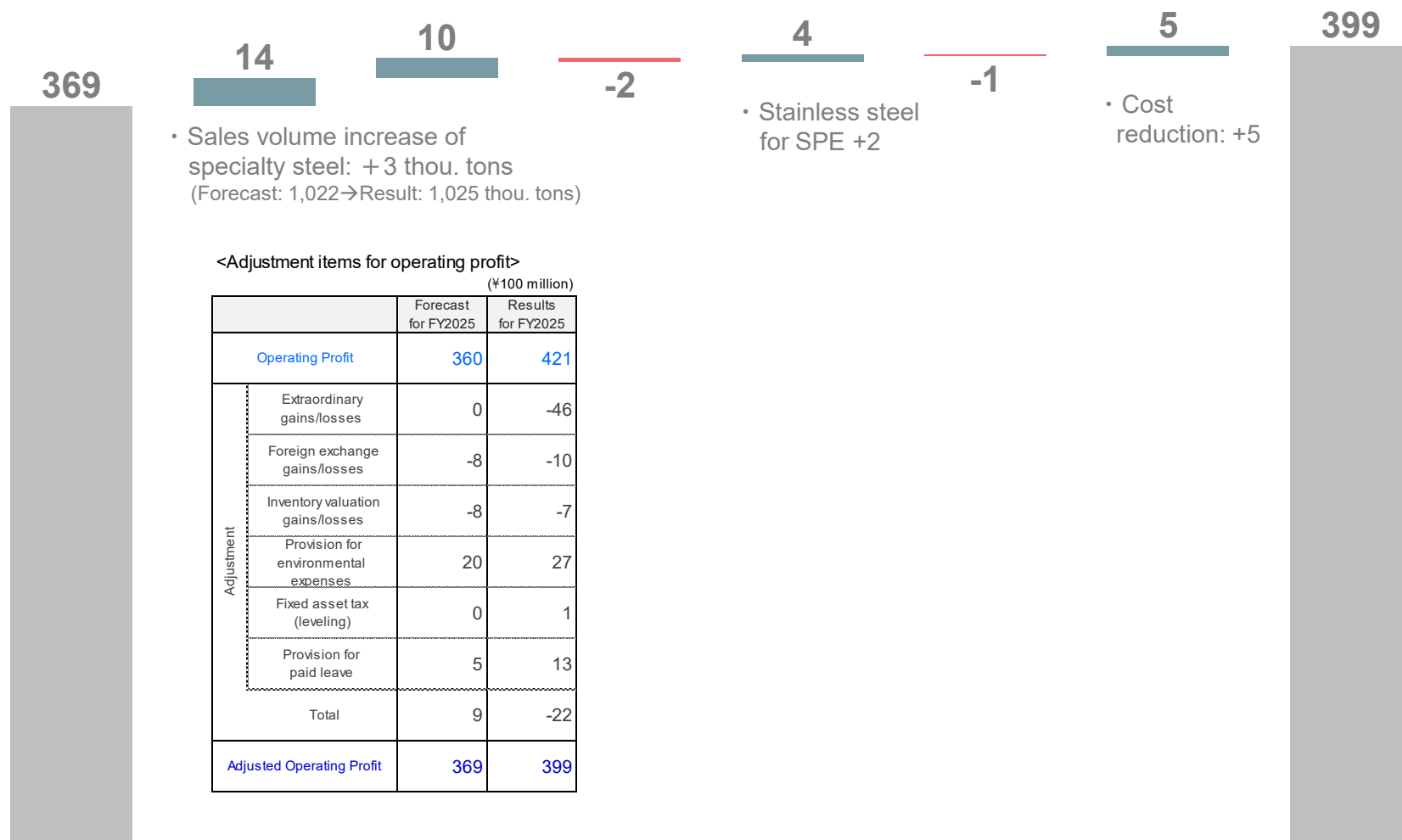
■ Changes in Adjusted Operating Profit in FY2025 (y/y)

(¥100 million)



Changes in Adjusted Operating Profit in FY2025 (Difference from the forecast)

(¥100 million)



Forecast for FY2025

Change in sales volume

Change in selling prices

Raw materials and fuel prices

Sales mix

Variable cost

Fixed cost

Results for FY2025

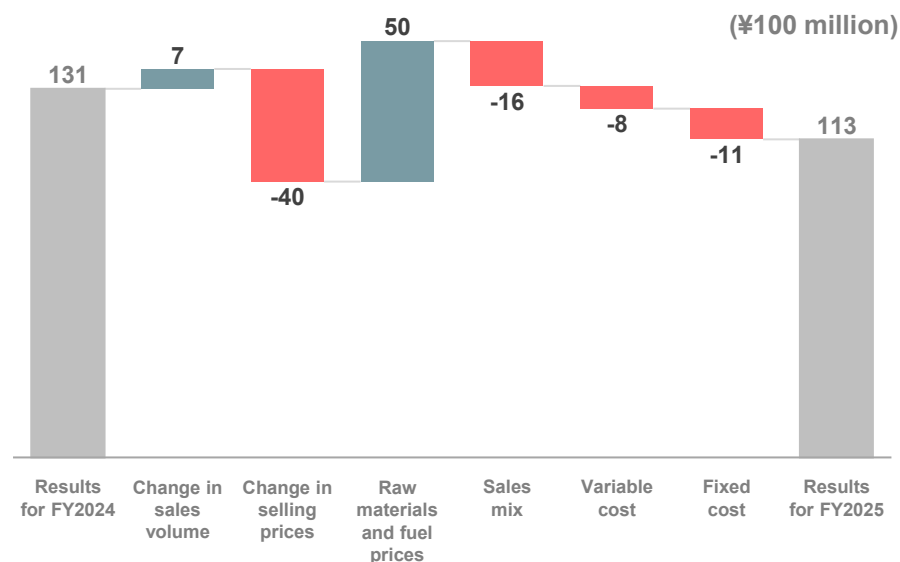
* SPE: Semiconductor Production Equipment

Overview of Specialty Steel

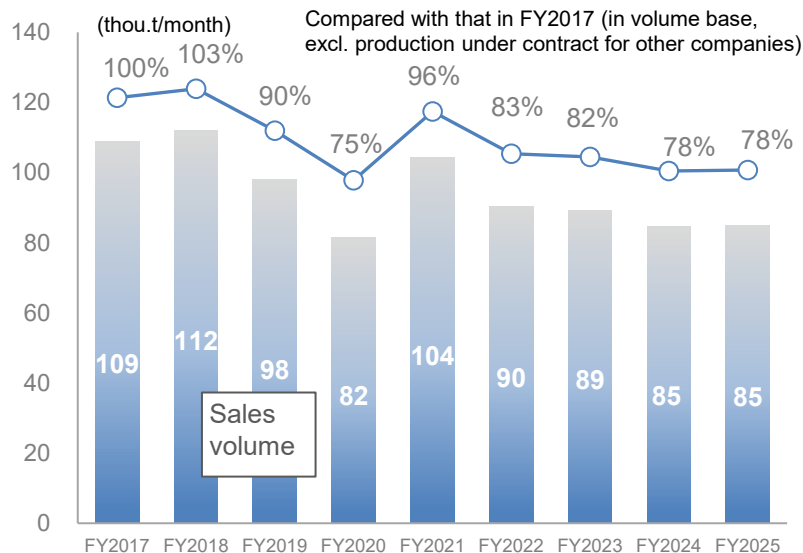
(¥100 million)					
	FY2024	FY2025 forecast on Jan. 29	FY2025	y/y	Difference from Jan. 29 forecast
	a	b	c	c-a	c-b
Revenue	2,101	2,040	2,078	-23	38
Operating Profit	121	95	134	13	39
Adjusted Operating Profit*	131	101	113	-18	12
Surcharge Gap	26	7	7	-19	0

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

Changes in Adjusted Operating Profit (y/y)



<Sales volume of specialty steel (non-consolidated)>



POINT

- Sales volume of specialty steel was in line with the previous year.
 - The year-on-year difference in adjusted operating profit was attributable to the fact that the ferrous scrap surcharge gap ceased to exist.
- Margins were effectively maintained.

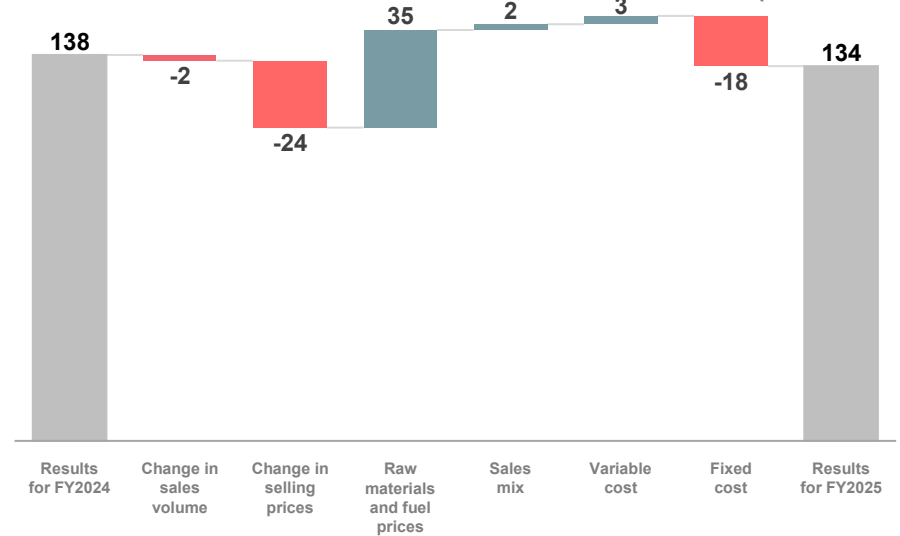
Overview of High-Performance and Magnetic Materials

(¥100 million)

	FY2024	FY2025 forecast on Jan. 29	FY2025	Difference from Jan. 29 forecast	
	a	b	c	y/y c-a	c-b
Revenue	2,009	1,970	1,998	-11	28
Operating Profit	110	130	149	39	19
Adjusted Operating Profit*	138	124	134	-4	10

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (levelling), and provision for paid leave

Changes in Adjusted Operating Profit (y/y) (¥100 million)



<Revenue of superalloy, magnetic products, metal powder, and titanium>



POINT

- Adjusted operating profit remained in line with the previous year as sales volumes for industrial equipment and SPE recovered toward fiscal year-end.
- As for magnetic materials, demand for heavy rare earth-free magnets continued to increase due to the tightening of export restrictions on heavy rare earths (Dy, Tb*) in China.

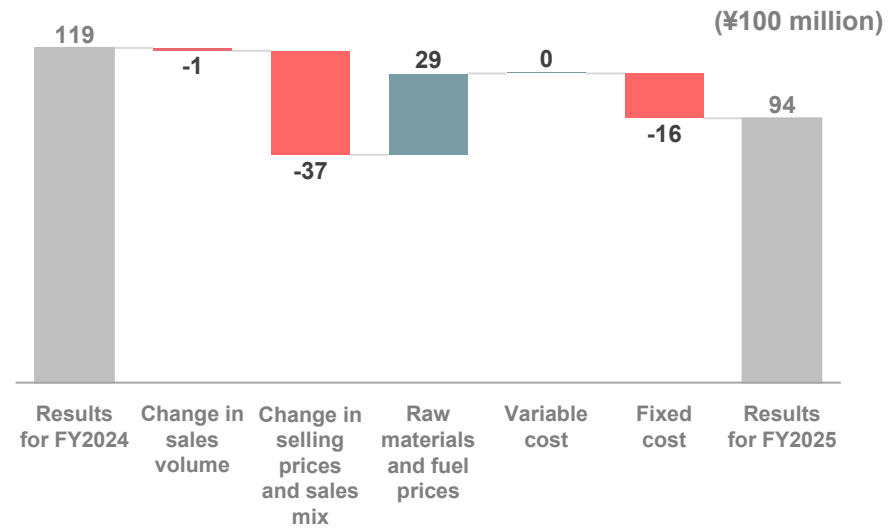
*Dy: Dysprosium, Tb: Terbium

Overview of Parts for Automobiles and Industrial Equipment

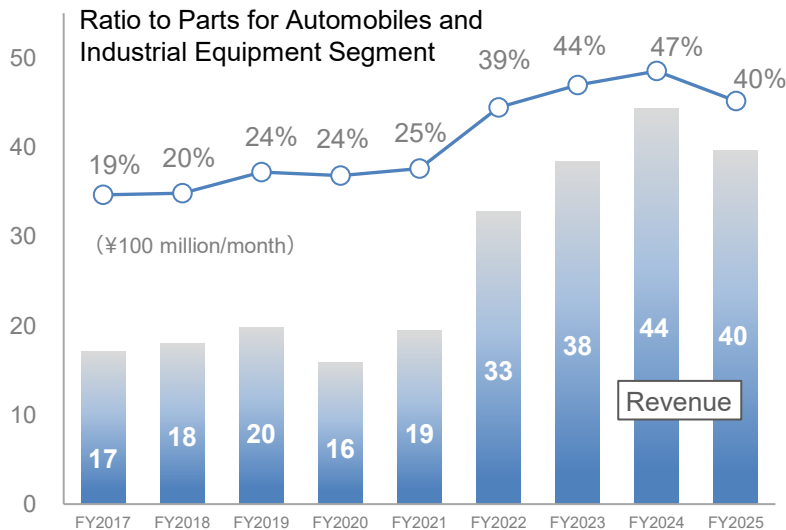
	FY2024	FY2025 forecast on Jan. 29	FY2025	y/y	Difference from Jan. 29 forecast
	a	b	c	c-a	c-b
Revenue	1,130	1,190	1,179	49	-11
Operating Profit	113	75	82	-31	7
Adjusted Operating Profit*	119	85	94	-25	9

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

Changes in Adjusted Operating Profit (y/y)



<Revenue of open-die forgings>



POINT

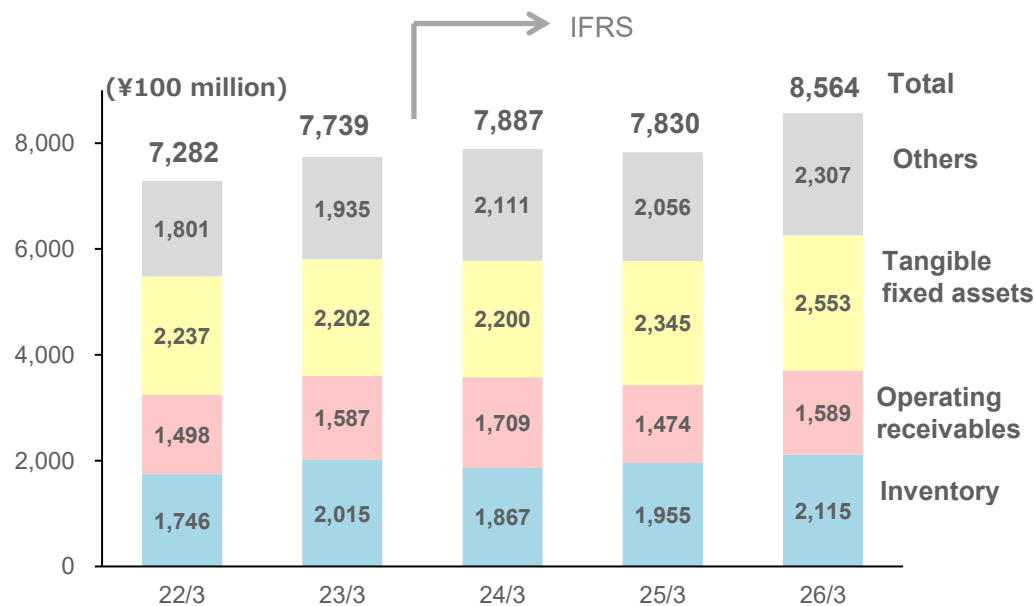
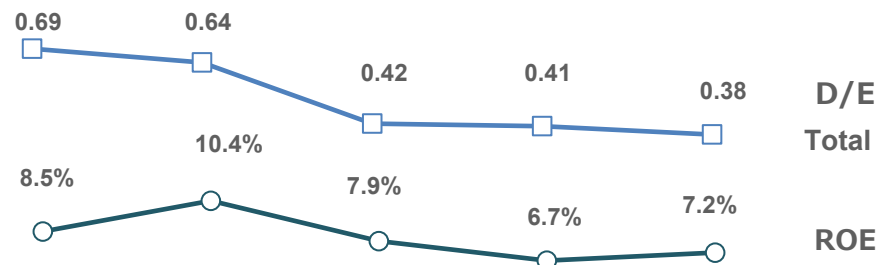
- Profits declined year on year as order adjustments for drilling-related products continued amid weak crude oil market.
- Demand for aircraft and diesel engine exhaust valves for ships remained at a high level.

■ Total Asset, ROE, and D/E Ratio

- Tangible fixed assets increased by ¥20.8 billion due to the progress in construction related to strategic investments.
- Assets increased by ¥27.8 billion due to the consolidation of Nippon Koshuha Steel Co., Ltd.

(¥100 million)

	25/3	26/3	Difference
Current assets	4,170	4,473	303
Cash instruments	612	631	19
Operating receivables	1,474	1,589	115
Inventory	1,955	2,115	160
Fixed assets	3,660	4,091	431
Tangible fixed assets	2,345	2,553	208
Investment securities	524	485	-39
Retirement benefit asset	344	566	222
Total of assets	7,830	8,564	734
Liabilities	3,138	3,429	291
Interest bearing debt	1,768	1,818	50
Net assets	4,692	5,135	443
Total equity attributable to owners of parent	4,293	4,726	433
Non-controlling interest	398	409	11
Total of liabilities and net assets	7,830	8,564	734

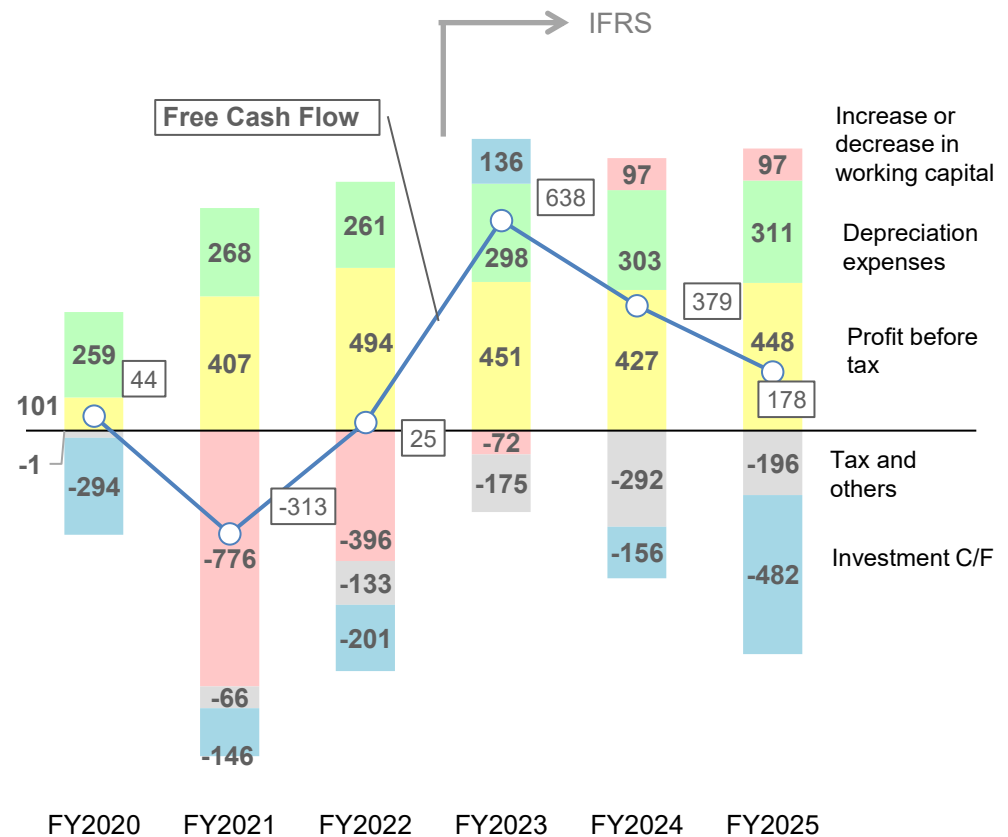


■ Cash Flow

- Operating cash flow remained at a high level and will be used for strategic investments such as portfolio transformation.

(¥100 million)

		FY2024	FY2025	
Operating C/F	Profit before tax	427	448	
	Depreciation expenses	303	311	
	Increase or decrease in working capital	Accounts receivable	236	96
		Accounts payable	-55	-7
		Inventory	-84	8
		97	97	
	Tax and others	-292	-196	
	535	660		
Investment C/F	Capital investment	-416	-526	
	Others	260	44	
	-156	-482		
	Free cash flow	379	178	



Outlook for FY2026

(April 2026 to March 2027)

Business Environment Assumptions and Basic Policy for FY2026

Business environment assumptions

- Automobile production: Estimated car production by Japanese makers in FY2026: 25 million units (a slight increase from 24.6 million units in FY2025)
- Demand for industrial equipment: A slight increase in sales volume is expected, driven by a gradual demand recovery.
- Estimated specialty steel sales volume in FY2026: 1,042 thou. tons/year (FY2025 result: 1,025 thou. tons, 1H FY2026 plan: 521 thou. tons, 2H FY2026 plan: 521 thou. tons)
- Exchange rate: JPY 155/USD
- Ferrous scrap price: JPY 51 thou./ton, based on the assumption that the current market surge will continue (FY2025: JPY 42 thou./ton)
- Middle East geopolitical risk: The cost impact of the surge in crude oil prices is estimated at ¥1.2 billion. (Premises of crude oil price are USD 90 per barrel in FY2026 1Q and USD 63 per barrel from FY2026 2Q)
Potential impacts on supply chains such as reduced demand caused by users' difficulties in procuring materials or the inability to export are not reflected in these assumptions.

Surcharge gap of - 2.8 billion JPY is incorporated.
(Ferrous scrap: -2.2, energy: -0.6)

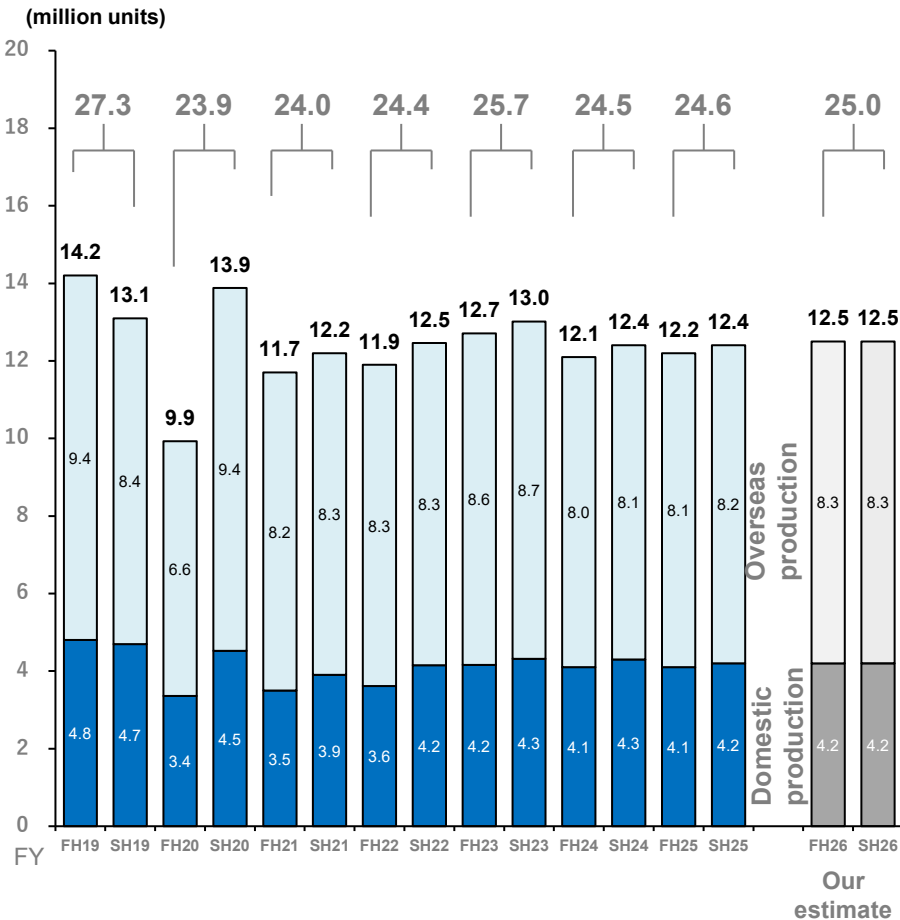
Basic policy

Sales/Prices	<ul style="list-style-type: none"> ■ Take actions to expand sales for fast-growing markets ■ Implement pricing strategies in response to increases in labor costs, outsourcing costs, freight costs, and material prices
Costs	<ul style="list-style-type: none"> ■ Careful budgeting of expenses, mainly overhead costs ■ Improve production system in response to changes in order volume ■ Increase labor productivity (accelerate the use of DX)
Investments	<ul style="list-style-type: none"> ■ Promote strategic investments, while maintenance and replacement investment projects are being carefully selected
Nippon Koshuha Steel joined the Daido Group	<ul style="list-style-type: none"> ■ Sales, manufacturing, and planning divisions of Daido Steel will work together with Nippon Koshuha Steel, which Daido Steel acquired in February 2026, to generate synergies at an early stage.

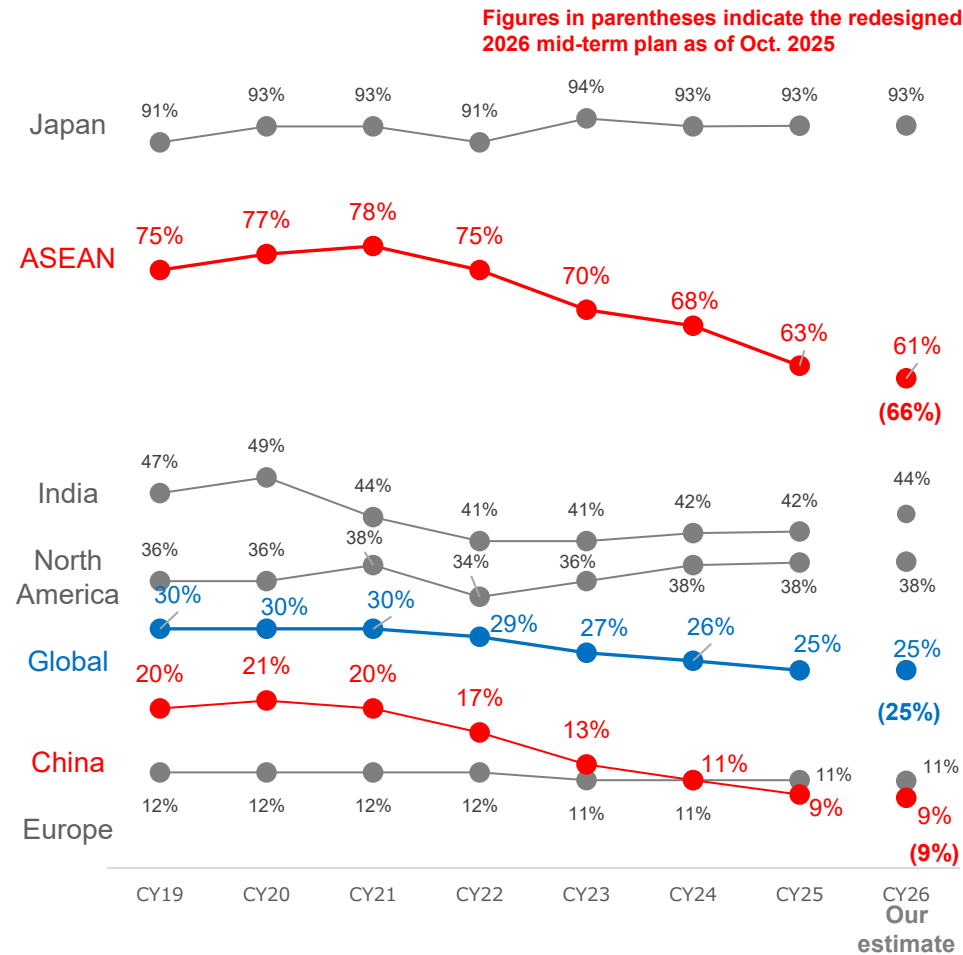
■ Outlook for Major Markets <Automobile-Related Demand>

- Japanese automakers' production volumes for FY2026 are expected to be broadly in line with the previous year, despite the differences among companies.

Prospective car production by Japanese OEMs

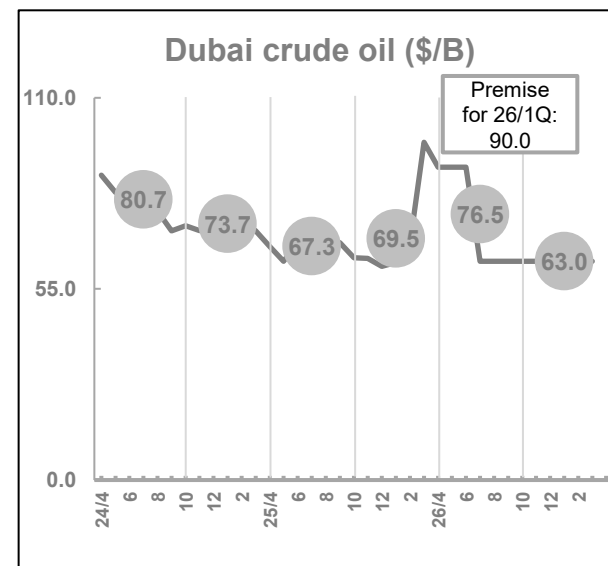
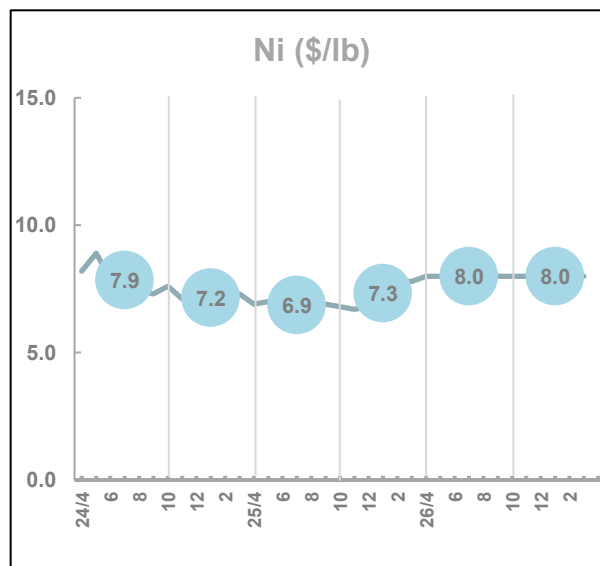
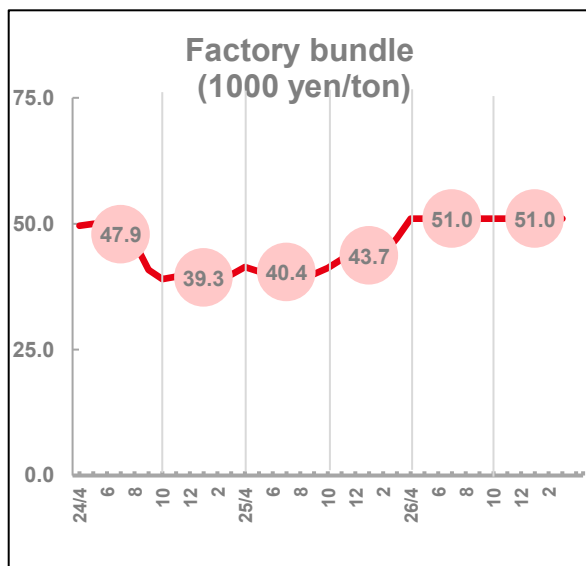


Japanese OEMs market share by regions



Profit-Planning Premises for FY2026 (Market Trends)

			FY2024 results	FY2025 results	Premises of FY2026 plan	y/y
Ferrous scrap	H2	¥thou./t	38.2	35.7	44.5	8.8
	Factory bundle		43.6	42.0	51.0	9.0
Nickel	LME	\$/lb	7.5	7.1	8.0	0.9
Crude oil	Dubai	\$/B	77.2	68.4	69.8	1.4
Exchange rate	TTM	yen/\$	152.6	150.8	155.0	4.2



■ Consolidated Earnings Outlook for FY2026

- Surcharge gap amounting to negative ¥2.8 billion resulting from rising ferrous scrap and crude oil prices is incorporated.
- Adjusted operating profit is expected to be maintained at around the ¥40 billion level, supported by higher sales of stainless steel for SPE and plant applications, as well as increased sales of open-die forgings.
- The full-year dividend will be ¥52 per share, representing an increase of ¥3 per share from the previous fiscal year.

(thousand tons, ¥100 mil.)

	FY2024			FY2025			y/y
	1H	2H	Total	1H	2H	Total	
Sales Volume of Specialty Steel	504	521	1,025	521	521	1,042	17
Revenue	2,845	2,936	5,781	3,050	3,250	6,300	519
Operating Profit	185	236	421	210	190	400	-21
Adjusted Operating Profit*	185	214	399	187	214	401	2
Profit Before Tax	197	251	448	220	200	420	-28
Profit Attributable to Owners of Parent	129	197	326	140	135	275	-51

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

Dividend (yen/share)	22	27	49	24	28	52	3
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■ Revenue, Operating Profit, and Adjusted Operating Profit by Segment

(¥100 mil.)

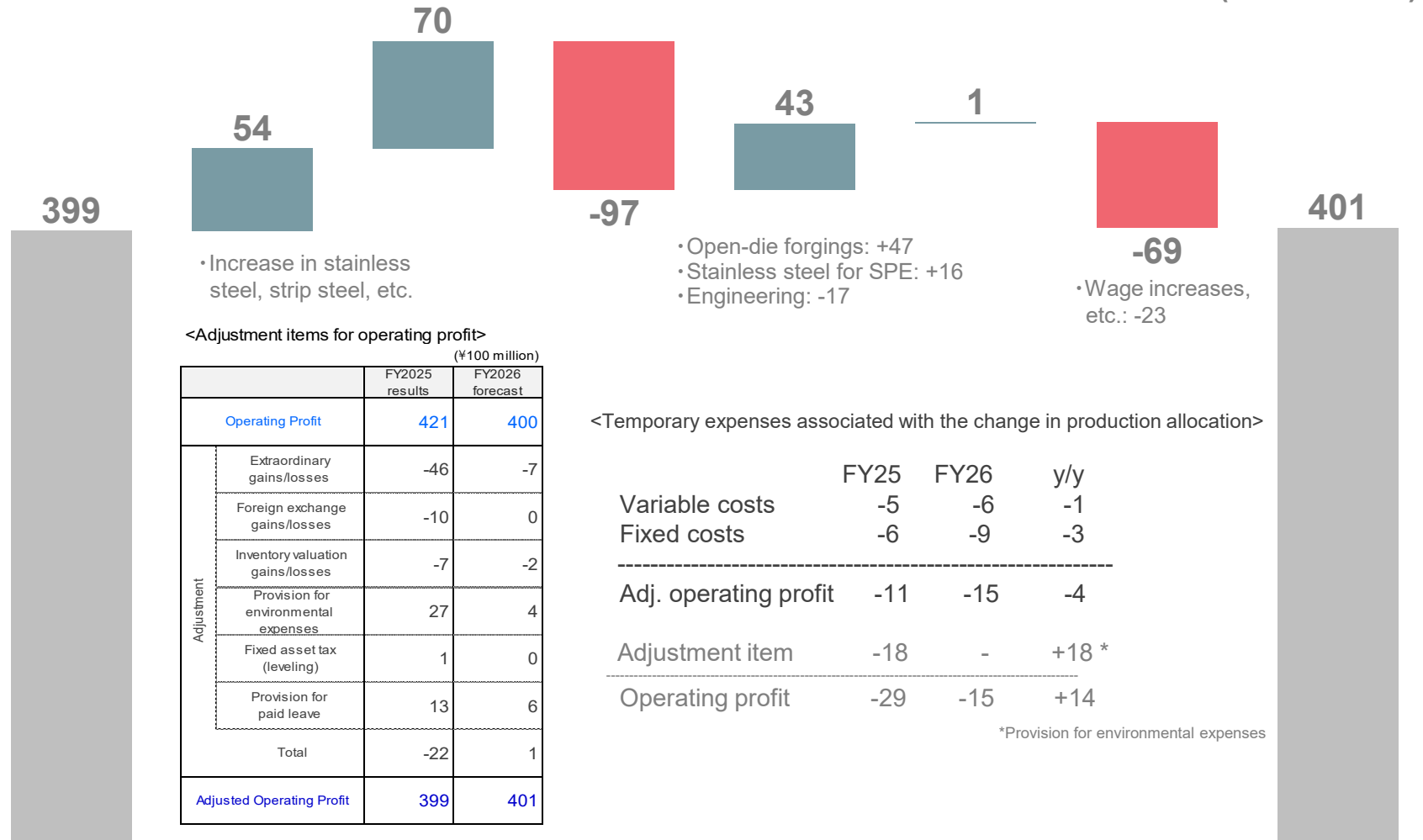
	FY2025			FY2026									y/y		
	Full-year			1H			2H			Full-year					
	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)	Revenue	Operating Profit	Adjusted Operating Profit (*)
Specialty Steel	2,078	134	113	1,100	40	35	1,200	40	48	2,300	80	83	222	-54	-30
High-Performance Materials and Magnetic Materials	1,998	149	134	1,100	100	87	1,200	90	99	2,300	190	186	302	41	52
Parts for Automobiles and Industrial Equipment	1,179	82	94	600	50	46	600	40	46	1,200	90	92	21	8	-2
Engineering	266	26	27	120	5	5	110	5	5	230	10	10	-36	-16	-17
Trading and Service	260	30	31	130	15	14	140	15	16	270	30	30	10	0	-1
Total	5,781	421	399	3,050	210	187	3,250	190	214	6,300	400	401	519	-21	2

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

Sales Volume of Specialty Steel (Non-consolidated)	1,025	521	521	1,042	17
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■ Changes in Adjusted Operating Profit for FY2026 (y/y)

(¥100 million)



FY2025 results

Change in sales volume

Change in selling prices

Raw materials and fuel prices

Sales mix

Variable cost

Fixed cost

FY2026 forecast

■ Overview by Segment

Specialty Steel

(¥100 million)

	FY2025			FY2026			y/y
	1H	2H	Full-year	1H	2H	Full-year	
Revenue	1,000	1,078	2,078	1,100	1,200	2,300	222
Operating profit	55	79	134	40	40	80	-54
Adjusted Operating Profit*	56	57	113	35	48	83	-30
Surcharge Gap	5	2	7	-8	0	-8	-15

- Automobile-related orders will remain at the same level as the previous year.
- Industrial equipment-related orders will recover gradually.
- We will continue price increase initiatives to address cost-push inflation.

High-Performance Materials and Magnetic Materials

(¥100 million)

	FY2025			FY2026			y/y
	1H	2H	Full-year	1H	2H	Full-year	
Revenue	968	1,030	1,998	1,100	1,200	2,300	302
Operating profit	63	86	149	100	90	190	41
Adjusted Operating Profit*	57	77	134	87	99	186	52

- The sales volume of stainless steel for SPE is expected to increase.
- Sales of products promoted for plant applications are projected to increase.
- Growth in demand for heavy rare earth-free magnets will continue.

Parts for Automobiles and Industrial Equipment

(¥100 million)

	FY2025			FY2026			y/y
	1H	2H	Full-year	1H	2H	Full-year	
Revenue	592	587	1,179	600	600	1,200	21
Operating profit	36	46	82	50	40	90	8
Adjusted Operating Profit*	43	51	94	46	46	92	-2

- Orders related to aerospace and heavy electric equipment are expected to increase.
- Orders for diesel engine exhaust valves for ships will remain at a high level.

*Adjusted for items that correspond to extraordinary gains/losses, foreign exchange gains/losses, inventory valuation gains/losses, provision for environmental expenses, fixed asset tax (leveling), and provision for paid leave

Dividend per Share

FY2025 full-year dividend: 49 ¥/share, up ¥2 from the FY2024 result of 47 ¥/share

FY2026 full-year dividend forecast: 52 ¥/share, up ¥3 from the FY2025 result of 49 ¥/share

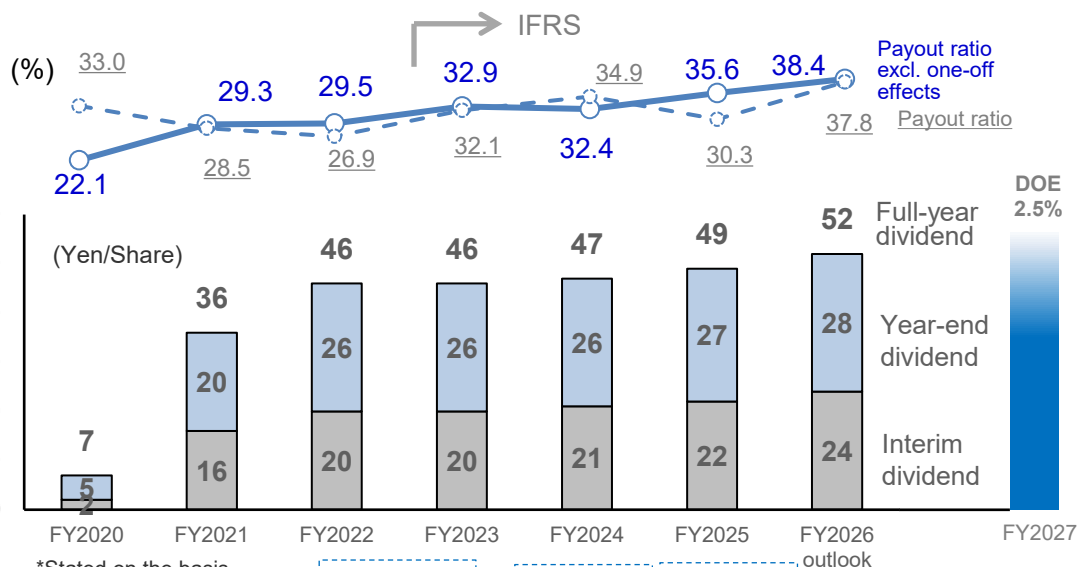
	FY2025		FY2026 (Forecast)	
	Interim	Full-year	Interim	Full-year
Operating Profit (¥100 million)	185	421	210	400
Net Profit*1 (¥100 million)	129	326	140	275
Dividend per Share (¥/Share)	22	49 (Year-end: 27)	24	52 (Year-end: 28)
Payout Ratio (%)	34.6	30.3	34.3	37.8

Dividend payout ratio excluding one-off effects (*2)

Payout Ratio (%)	34.0	35.6	35.4	38.4
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*1 Profit attributable to owners of parent

*2 Excluding items that qualify as extraordinary gains or losses (gains on sales of fixed assets, losses on liquidation of subsidiaries and affiliates and affiliates, impairment losses on fixed assets, etc.) (after tax)



*Stated on the basis adopted after the stock split in FY2023

Share repurchase amount

8.5 bil. JPY (Nov.)

6.6 bil. JPY (Jul.)

DOE 2.5%

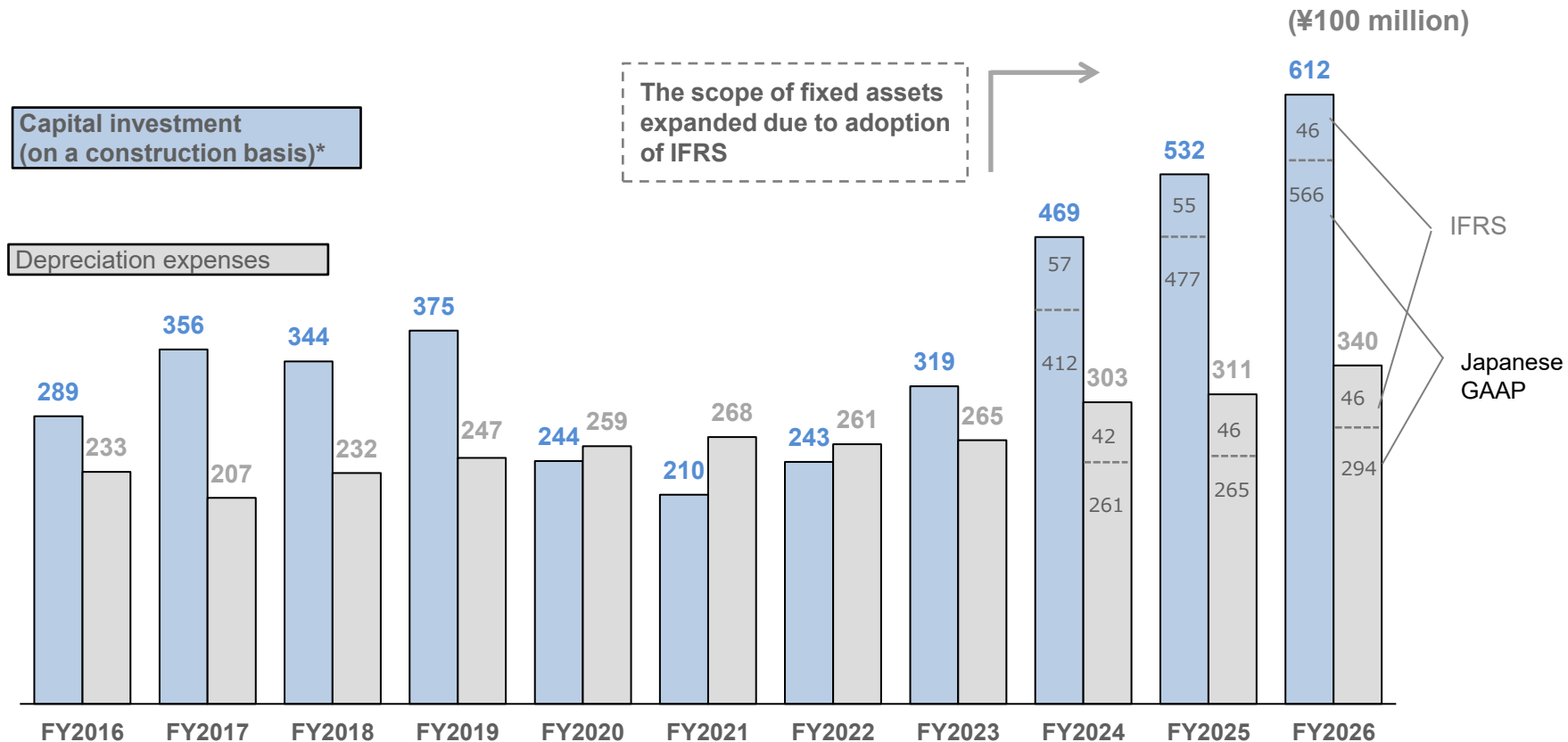
Shareholder Return Policy

- Consolidated dividend payout ratio: 30% or more
However, we **set the lower limit of DOE at 2.5%***.
- We consider **acquiring treasury stock**, based on the progress of optimizing cash allocation.

*Shareholders' equity: Equity attributable to owners of the parent excluding other components of equity
DOE: Dividend payment ÷ Shareholders' equity (as of the end of the previous fiscal year)

■ Capital Investments

- Strategic investments are being implemented in growth areas that contribute to earnings expansion.
- Projects including the Superalloy Manufacturing Process Transformation Project are progressing as planned.

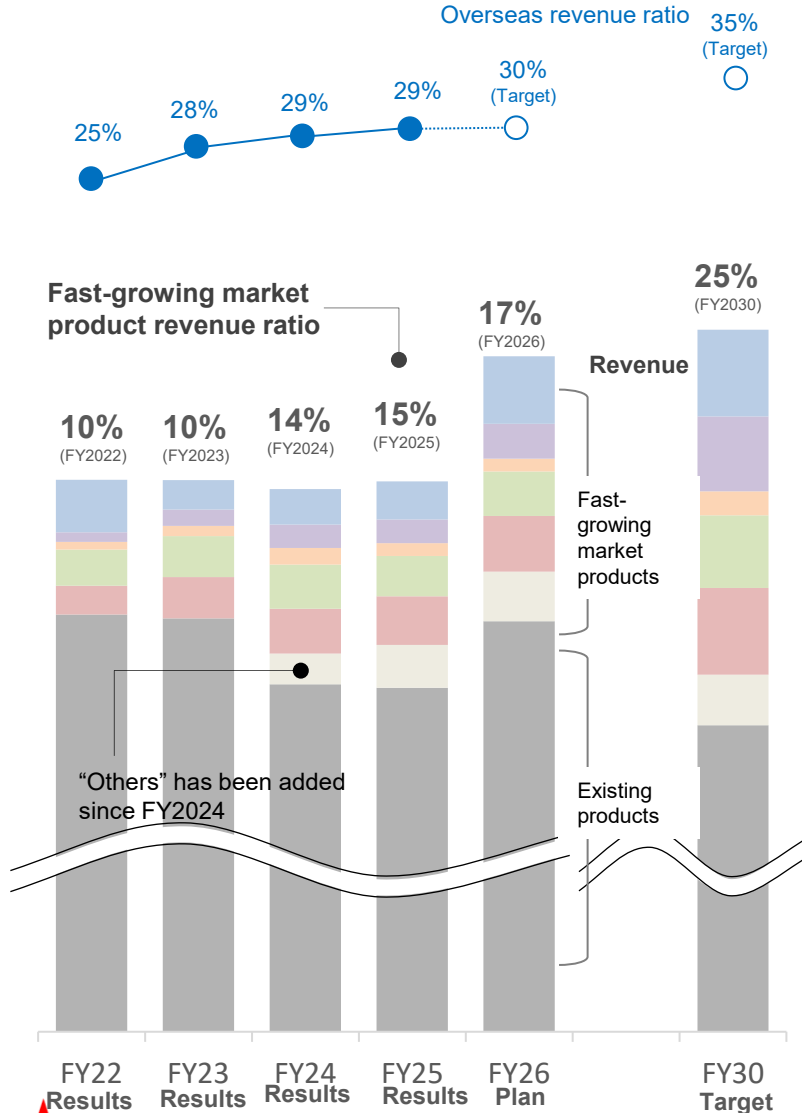


*Capital expenditures include software and advance payments for construction.

Topics

Sales Expansion of Products in Fast-growing Markets

Fast-growing market product revenue ratio (consolidated)








[Business Strategy by Fast-growing Market Toward FY2030]

			Segments
Semiconductors	Expansion of business with new overseas customers Introduction of VAR in anticipation of a full-scale recovery in demand		
Aerospace	Through the Superalloy Manufacturing Process Transformation, we expand production capacity and broaden the range of manufacturable products to capture additional demand.		
Medical	Capturing overseas demand for titanium products Expanding sales of Ti-15Mo (low elastic modulus titanium alloy for medical use)		
Clean energy	Expansion of energy-saving products including STARQ (Electric arc furnaces with rotating drives) Accelerating efforts to adopt materials for innovative furnaces		
CASE	New manufacturing lines for heavy rare earth-free magnets will be constructed in phases. We will expand sales of soft magnetic powders for xEVs.		
Others	Products for vessel, defense, and industrial robot applications have been added to fast-growing market products since FY2024.		
Existing products	Although existing demand from the automotive and industrial equipment sectors is declining, we will offset this by increasing domestic market share and capturing overseas demand.		

- Specialty steel
- High-performance and magnetic materials
- Parts for automobiles and industrial equipment
- Engineering

Strategic Investments in Fast-Growing Areas

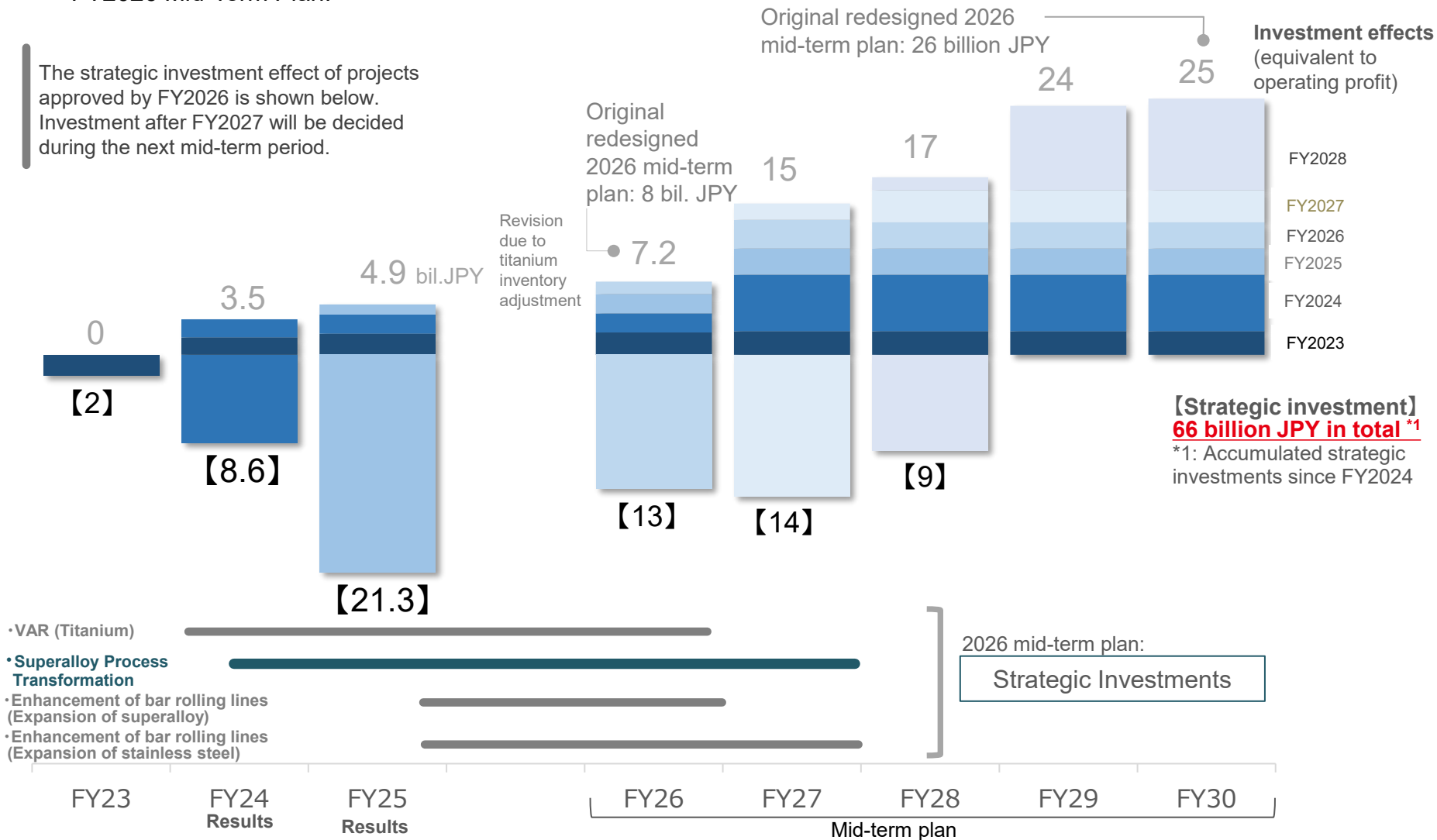
- Construction for the Superalloy Manufacturing Process Transformation Project is progressing as planned. VIM capacity expansion and the installation of two additional VAR furnaces completed and their operation started.

	Capital investment			Equipment images			
Parts for Automobiles and Industrial Equipment	Superalloy Mfg. Process Transformation Project Superalloy	Install a large radial forging machine, increase capacity for VIM furnaces, install two VAR furnaces, expansion of heat-treating and machining capacity Certification acquisition for superalloy for airplane, oil & gas drilling, Production capacity expansion for open-die forgings Amount of investment: 36 billion JPY		Under steady progress	 Large radial forging machine (Scheduled for completion in FY2027)		
			FY2025	FY2026		FY2027	
		Shibukawa Plant	Increase in capacity of VIM	Construction		[Apr. 2026] Operation started	
			Large radial forging machine			Construction	
			Machining and inspection line	Construction		Start of operation	
Chita Second Plant	Install two VAR furnaces	Construction	[Feb. 2026] Operation started				
	Machining and inspection line	Construction	[Apr. 2026] Operation started				
	Bar rolling line Superalloy	Enhance the bar rolling line at Hoshizaki Plant Enhance rolling capacity for superalloy Amount of investment: 3.6 billion JPY Start of operation: March 2027		Under steady progress	 Bar-rolling line at Hoshizaki Plant		
High-Performance Materials and Magnetic Materials	Bar rolling line Stainless steel (Large round bars)	Install large round bar rolling lines at Chita Plant Expand the product range of steel bar rolling lines, for stainless steel, etc. Amount of investment: 1.2 billion JPY Start of operation: August 2027		Under steady progress	 Blooming line at Chita Plant		
	VAR furnace Titanium products (for medical use)	Install two VAR furnaces for titanium at Chita Second Plant Enhance production capacity, in response to increasing titanium product orders Amount of investment: 4.1 billion JPY (incl. ancillary equipment) Start of operation; 1 st furnace: Oct. 2025, 2 nd furnace: Aug. 2026		The 1 st furnace in operation	 Ti-15Mo low elastic modulus titanium alloy for medical use Production technology was developed and products were launched to the market		
	Magnet production lines Hot-deformed magnets	Install magnet production lines for xEV drive motors Enhance production capacity, in response to strong demand for xEVs In total, capital investment of about 5 billion JPY is planned by FY2030 Amount of investment: 1.5 billion JPY (Step 1) Start of operation: April 2026		Operation started	 Heavy rare earth-free magnets with special orientation		

Effect of Strategic Investments on Profits (Progress)

- Toward FY2030, strategic investments will be realized, including the completion of the Superalloy Manufacturing Process Transformation Project.
- Due to changes in investment projects, the investment impact has been slightly revised from the redesigned figures of the FY2026 Mid-Term Plan.

The strategic investment effect of projects approved by FY2026 is shown below. Investment after FY2027 will be decided during the next mid-term period.



**【Strategic investment】
66 billion JPY in total *1**

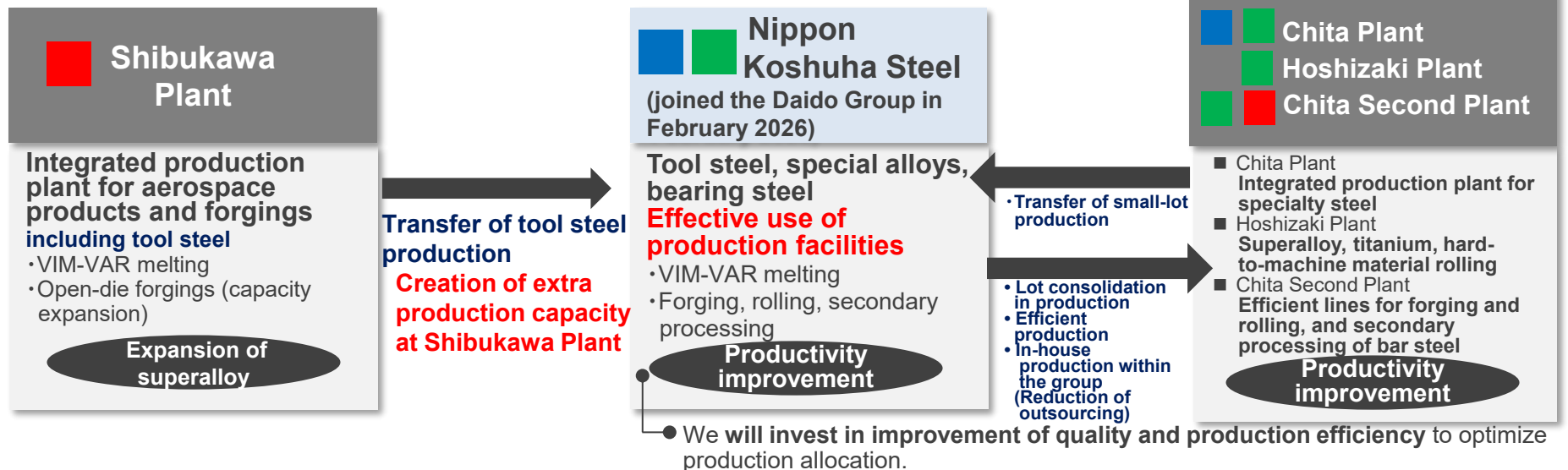
*1: Accumulated strategic investments since FY2024

※VAR: Vacuum arc remelting furnace

■ Acquisition of Shares of Nippon Koshuha Steel, making it a wholly owned subsidiary

- In February 2026, Nippon Koshuha Steel became a wholly owned subsidiary of Daido Steel through share acquisition.
- For FY2026, **revenue of ¥26 billion and operating profit of ¥0.6 billion** are planned.
- We will consider the effective utilization of Nippon Koshuha Steel's production facilities for tool steel, bearing steel, and special alloys, and seek optimal allocation across the Daido Group to generate synergies.
- In the FY2025 financial results, a one-time gain of ¥5.3 billion* arising from new consolidation was recorded in the PL.
*A negative goodwill gain [classified as an extraordinary gain], which is excluded from adjusted operating profit.

■ Optimization of production allocation



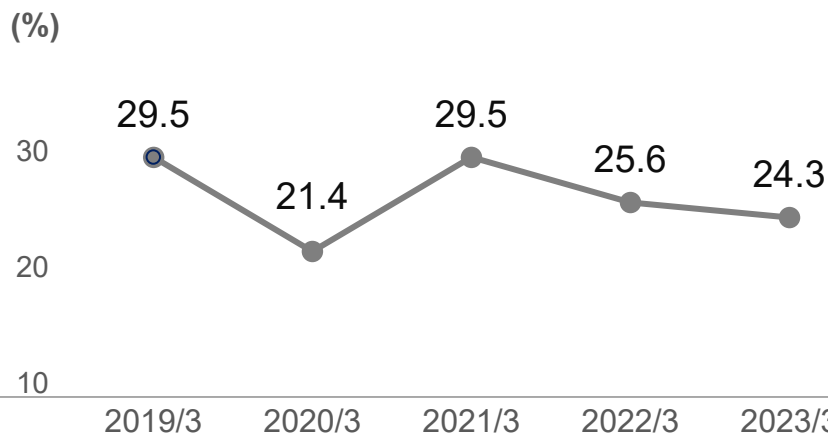
■ Synergies from acquisition of Nippon Koshuha Steel

1. Cost reduction, production volume expansion, and avoidance of redundant investments through optimization of production allocation and production layout
2. Enhancing market presence and expanding sales through leveraging the Daido Group's extensive domestic and global network.
3. Resource optimization through the sharing and consolidation of functions, as well as the integration of distribution functions.

Effective Use of Assets Held (Reduction of Cross-shareholdings)

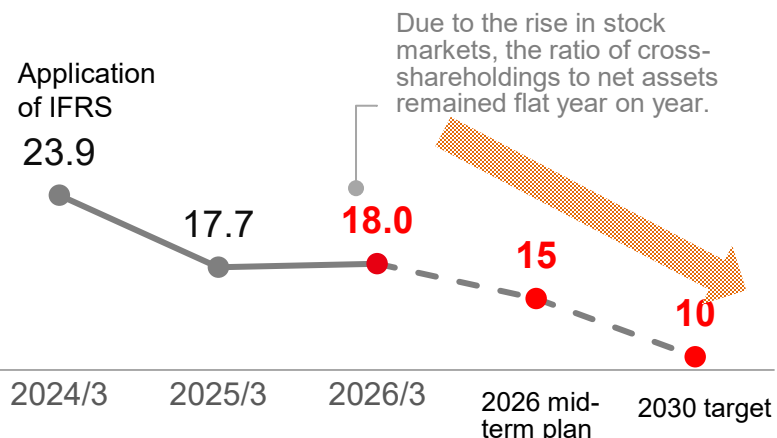
- Cross-shareholdings have been continuously reduced, with **two issues totaling ¥16.5 billion** sold in FY2025*1. **The ratio of cross-shareholdings to net assets** as of the end of March 2026 is **18.0%**. (FY2023: four issues totaling ¥36.0 billion sold*1; FY2024: six issues totaling ¥24.1 billion sold*1.)
- Going forward, we will aim to reduce **the ratio to 15% of net assets** by FY2026 and **10%** by FY2030.
- We completed a share repurchase of ¥6.6 billion in July 2025 and will continue to promote the improvement of capital efficiency.

Cross-shareholdings as a percentage of net assets



Treasury share acquisitions

Timing of acquisition	Nov. 2024	Jul. 2025
Total number of shares repurchased	7,398,900 shares	6,041,100 shares
Ratio to the total number of shares outstanding (excluding treasury stock)	3.5%	2.9%
Total acquisition amount	8.5 billion JPY	6.6 billion JPY



Number of issues*1 (Listed stocks)	42	43	40	35	29	25	24	22	Reducing cross-shareholdings to improve asset efficiency
Balance*1 (100 million JPY)	937	661	1,000	933	989	1,093	830	925	
Net assets*2 (100 million JPY)	3,181	3,091	3,394	3,650	4,055	4,573	4,691	5,135	

*1: Including deemed shareholdings

*2: "Total equity" under IFRS

Amount of repurchase

8.5 billion JPY
(Nov. 2024)

6.6 billion JPY
(Jul. 2025)

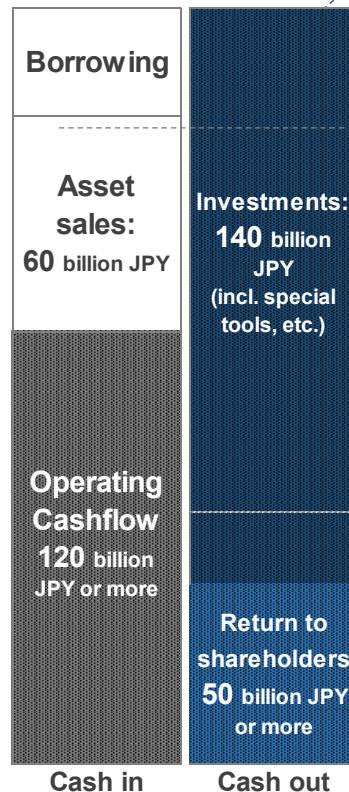
■ Cash Allocation

- Cash-IN: Operating cash flow will be secured through stable earnings, with the promotion of asset sales also under consideration.
- Cash-OUT: We will promote strategic investments while carefully selecting maintenance and renewal investments, and strengthen shareholder returns.

2023 mid-term results (3-year total, Japan GAAP)

Asset sales: 58 billion JPY	Debt repayment, etc.
	Investments: 73 billion JPY
Operating Cashflow: 65 billion JPY	Dividend: 27 billion JPY
Cash in	Cash out

Redesigned 2026 mid-term plan (announced in Oct. 2025) (3-year total, IFRS)



Strategic investment in fast-growing market products
Investment in rationalization and energy conservation

<Strategic Investments>

- Superalloy Mfg. Process Transformation Project
- High-performance stainless steel, etc.

• **Strategic investments are being actively promoted.**

• **Maintenance and renewal investments are being implemented in line with production trends.**

Promoting asset sales

• **Liquidating cross-shareholdings and non-core assets (real estate, etc.)**

• Cross-shareholdings reduction plan

	FY2025 Results	FY2026 Plan	FY2030 Target
Equity ratio	18.0%	15% or less	10%

Enhancing management resilience

- Investing in human capital
- Promotion of DX

We will absorb and merge Daido IT Solutions Co., Ltd. (in January 2027).

A structure will be established that enables integrated operation from planning and decision-making through execution.

Shareholder returns

- Consolidated dividend payout ratio: 30% or more
- The lower limit of **DOE** is set at **2.5%**.

The full-year **dividend** for FY2026 is **expected to increase.**

Full-year dividend; FY2025: **49 yen/share** →
FY2026: **52 yen/share**

- We carried out share repurchases.
FY2024: 8.5 billion JPY, FY2025: 6.6 billion JPY

■ Our Vision and Management Targets

Our Vision for 2030

We will pursue high-performance materials, create benefits for customers and contribute to the realization of a sustainable society

2026
Mid-Term

Management Policy

Action Policy

We will view the coming changes in socioeconomic and industrial conditions as opportunities for business growth and transformation of our business portfolio and achieve sustainable profit growth in new business domains (customers, value proposition, and approach)

Transforming business portfolio, Enhancing management resilience, Advancing ESG management

Management targets to pursue

<p>Operating profit: 60 billion JPY or more</p>	<ul style="list-style-type: none"> ■ Transforming business portfolio (Sales expansion for fast-growing markets) ■ Early return on strategic investment (superalloy project, etc.) ■ Implementing M&A strategy (leveraging Nippon Koshuha Steel as a force for growth) ■ Structural reforms (optimizing personnel allocation, etc.) ■ Reducing fixed costs, improving labor productivity
<p>ROE 9% or more</p>	<ul style="list-style-type: none"> ■ Accelerating sales of assets (cross-shareholdings, real estate, etc.) ■ Stabilizing shareholder returns (introducing the lower limit of DOE) ■ Controlling shareholders' equity (acquiring treasury stock)
<p>PBR 1.0 or more</p>	<ul style="list-style-type: none"> ■ Advancing sustainability management ■ Strengthening corporate governance ■ Enhancing communication with stakeholders (increasing contacts with domestic and foreign investors)

Reference Material

Earnings Growth through Business Portfolio Transformation

Expansion of business scale linked to the market growth

Market growth rate:

Achieve sustainable growth

Our "Vision for 2030"

Engineering

- Strengthen our ability to develop new types of environmental equipment
- Enhance our retrofit business

Parts for automobiles and industrial equipment

- Deepen our co-creation relationships with the aerospace industry
- Promote the acquisition of certifications from customers

High-performance materials and magnetic materials

- Expand our product lineup in fast-growing markets
- Increase our market share of materials for semiconductor production equipment

Specialty steel

- Deepen our co-creation relationships with the auto industry
- Lower the break-even point at each plant

[Scale expansion business]

- Open-die forgings

High

Parts for automobiles and industrial equipment
FY2030

High-performance materials and magnetic materials
FY2030

Engineering
FY2030

[Scale expansion business]

- Environmental equipment (industrial furnaces, etc.)

[Advanced business]

- Neodymium magnets
- LiB anode materials
- Semi-magnetic materials
- Superalloy strip and powder
- Titanium alloys

[High profitability business]

- Stainless steel for semiconductor production equipment

ROS

High

[Baseline business]

- Specialty steel
- Tool steel

Specialty steel

FY2030

FY2025

FY2030



Circle size :
Operating profit

Circle size :
Operating profit

[Measures for transforming our business portfolio]

- Sales expansion for fast-growing markets
- Early realization of effects of strategic investments
 - Execution of Superalloy Manufacturing Process Transformation Project, and other strategic investments
- Implementation of M&A strategy (leveraging Nippon Koshuha Steel as a force for growth)
- Promotion of structural reforms (optimization of personnel allocation, etc.)
- Fixed cost reduction and improvement of labor productivity

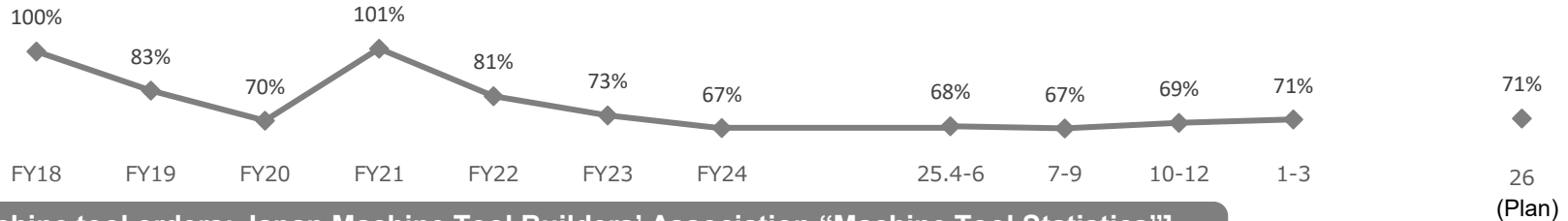
Generate stable operating cash flow

*Retrofit: improving existing equipment by incorporating the latest technology in it, CN: Carbon neutral, CE: Circular economy, LiB anode material: Anode material for lithium-ion batteries

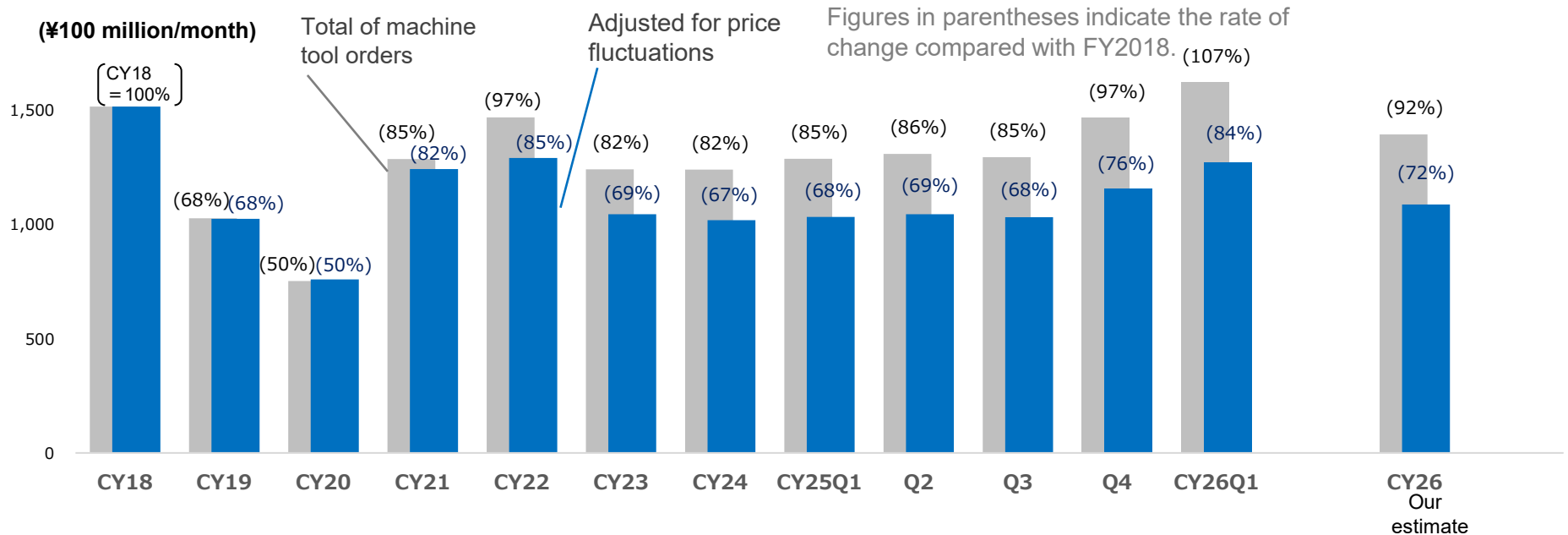
■ Demand Trends for Industrial Equipment

- Demand for products for industrial equipment applications (structural steel) remains weak and domestic production is low, due to an increase in local procurement and the rise of Chinese manufacturers. However, a gradual recovery is expected from FY2026 onward.

Changes in orders for structural steel for industrial equipment (FY2018 = 100)



[Machine tool orders: Japan Machine Tool Builders' Association "Machine Tool Statistics"]



Machine tool orders: made from "Machine Tool Statistics" of Japan Machine Tool Builders' Association
 Adjusted for price fluctuations: calculated by incorporating Bank of Japan "Corporate Goods Price Index (2020 Base)" into total machine tool orders

■ Demand Trends for Stainless Steel

	Results for 2H FY2025	Plan for FY2026
For automobiles and industrial equipment, etc.	<p>Demand increased compared with the first half of FY2025. HDD demand remained solid, consistent with the first half. Order volumes increased, driven by expanded sales efforts for industrial plant applications. Automotive demand was flat.</p>	<p>An increase in volume is expected compared with FY2025, driven by expanded sales efforts. Base orders from the industrial equipment sector are expected to recover gradually. Volumes are projected to increase compared with the second half of FY2025, supported by further expansion of sales of products for plant applications.</p>
For SPE application	<p>Demand remained below the level of the first half of FY2025. On a revenue basis, the second half of FY2025 declined compared with the first half due to temporary inventory adjustments. However, orders have been increasing since Jan to March 2026.</p>	<p>AI-related applications will increase. Volume growth is expected compared with FY2025. Orders have increased since January to March 2026, and the current increase in orders has been factored into the earnings forecast.</p>

Fig. Changes in the number of orders for our stainless products, excluding for SPE (Orders in FY2018 = 100)

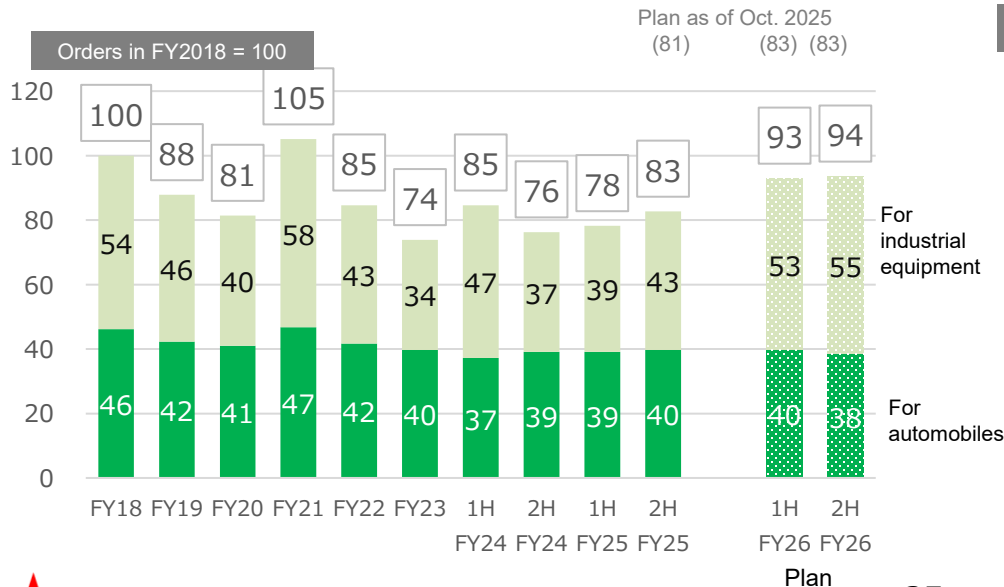
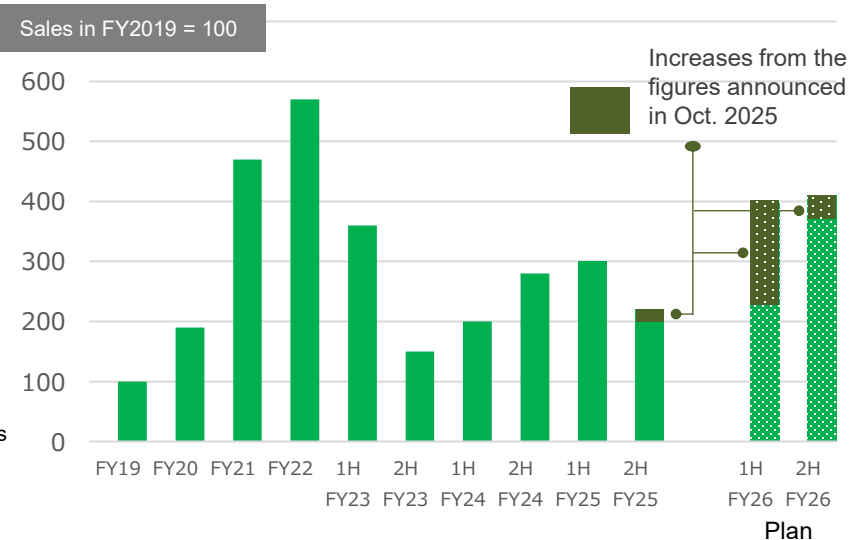


Fig. Estimated sales of materials for SPE (Sales in FY2019 = 100)











■ Improvement of Corporate Value by Enhancing ESG Management

- We aim to advance sustainability management, focused on the global environment protection, and strive to strengthen human capital management and corporate governance.

	Activity Results and Plans
<p>E Global environmental protection (Business activities) (Product supply)</p>	<ul style="list-style-type: none"> ➤ Daido Group's efforts to reduce CO₂ emissions [Target: 50% reduction by 2030 and attainment of carbon neutrality by 2050] <ul style="list-style-type: none"> • CO₂ emissions are expected to be reduced by 34% in FY2025 compared to FY2013 by saving energy and by using CO₂-free electricity. • Increase in sites that achieved carbon neutrality (Chita Second Plant in 2025, Takiharuru Techno-Center in 2026) ➤ Producing the "Daido Green Steel" brand <ul style="list-style-type: none"> • We participated in formulating "CFP Calculation Guidelines for Steel Products Manufactured Using Non-Fossil Electricity" led by Japan Iron and Steel Association and Non-Integrated Steel Producers' Association. ➤ Working on biodiversity <ul style="list-style-type: none"> • We are aiming to acquire certification of Nationally Certified Sustainably Managed Natural Sites for Kutcharo Natural Forest Daido, and Kisokoma Kogen Country Club in 2026. ➤ Expanding sales of products that contribute to sustainability (Growth market products: clean energy, CASE, semiconductors, etc.) <ul style="list-style-type: none"> • Our engineering products were selected as the products to be subsidized under the energy-saving investment promotion program for FY2025 (Twelve products including electric arc furnaces with rotating drives (STARQ)). ➤ We received A- ratings from CDP in both Climate Change and Water Security in 2024 and 2025.
<p>S Social responsibility and contributions to human well-being</p>	<ul style="list-style-type: none"> ➤ We were selected as a brand for the KENKO Investment for Health Stock Selection three times (in 2021, 2024, and 2026). Group-wide promotion of health management, resulting in multiple certifications: White 500 (two companies), Outstanding Organizations of KENKO Investment for Health (four companies), Next Bright 1000 (two companies) ➤ Visualization and improvement of engagement score (communication with employees) <ul style="list-style-type: none"> • 81.2% of our employees responded in a survey that their workplace was the place where they can work with piece of mind, in comfort, and with motivation in 2025. We will implement various measures to maintain 80% or more in FY2026. ➤ Our President visited all our sites and held dialogues with 200 staff members in their 30s, across 25 sessions. In FY2026, we will strengthen the dissemination of our management philosophy by involving both staff and experts and by increasing the number of sessions. ➤ Improving labor productivity through the promotion of digital transformation (DX) We implement DX talent development programs, including data science training and education focused on creating DX themes.
<p>G Enhancement of sound corporate governance</p>	<ul style="list-style-type: none"> ➤ Cross-shareholdings We sold cross-shareholdings totaling 16.5 billion JPY in FY2025 (Ratio of cross-shareholdings to consolidated net assets: 18%) ➤ The Code of Conduct Guidebook for employees <ul style="list-style-type: none"> • We prepared various language versions (Japanese, English, Chinese, Vietnamese, Thai, Spanish, and Indonesian) and distributed them to major overseas group companies. ➤ Our group companies have established anti-bribery regulations.

External Evaluations

 <p>Discloser 2025</p>	<p>CDP In January 2026, we were recognized for our efforts in climate change [A-] and water security [A-] for the second consecutive year.</p>	 <p>MSCI ESG RATINGS</p> <p>CCC B BB BBB A AA AAA</p>	<p>MSCI In 2025, we received an “A” on the MSCI ESG Rating.</p>
	<p>S&P/JPX Carbon Efficient Index Ever since 2018, we have been selected as one of the constituents of the S&P/JPX Carbon Efficient Index.</p>	<p>2024 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数</p> <p>MSCI Japan ESG Select Leaders Index We have been included among the constituents of the Index since January 2024.</p>	
	<p>FTSE Blossom Japan Sector Relative Index We have been selected as one of the constituents of the FTSE Blossom Japan Sector Relative Index since 2024.</p>	<p>2024 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)</p> <p>MSCI Japan Empowering Women Index (WIN) MSCI Japan Empowering Women Index (Select) We have been included among the MSCI Japan Empowering Women Index constituents (WIN & Select) since June 2024.</p>	
		<p>2026 KENKO Investment for Health Stock Selection We were selected as a brand for the KENKO Investment for Health Stock Selection for the third time, following 2021 and 2024 (three consecutive years as the Daido Group). Outstanding Organization of KENKO Investment for Health (White 500) In 2026, we were certified as an Outstanding Organization of KENKO Investment for Health (White 500) for the third consecutive year (the seventh time in total).</p>	
	<p>Certified as a Kurumin company supporting childcare In 2022, we were certified as a Kurumin company under the Act on the Advancement of Measures to Support Raising the Children of the Next Generation. This is our third consecutive certification, following 2017 and 2019.</p>	 <p>あいち生物多様性 認証企業</p>	<p>Aichi Biodiversity Company Certification In 2022, we were certified as an “Aichi Biodiversity-Certified Company.”</p>

■ Participation in Initiatives (the major ones)

<p>WE SUPPORT</p>  <p>UNGC/GCNJ</p> <p>In July 2023, we signed the United Nations Global Compact (UNGC), a global initiative proposed by the United Nations that aims to achieve sustainable growth and joined the Global Compact Network Japan (GCNJ), an organization that carries out the UNGC's philosophy and mission in Japan.</p>	 <p>Ministry of Economy, Trade and Industry's 'GX League'</p> <p>We are participating in the 'GX League'. This was launched in fiscal 2023 with the aim of achieving a carbon-neutral society by 2050, through collaboration between industry, government and academia, led by the Ministry of Economy, Trade and Industry. Its ultimate goal is to transform the entire economic and social system.</p>
 <p>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p> <p>TCFD</p> <p>In November 2021, we announced our support for the TCFD recommendations, and we disclose information on the impact of our activities on climate change.</p>	 <p>Japan Business Federation (Nippon Keidanren) "Here We Go 203030"</p> <p>We support the "Here We Go 203030" initiative proposed by the Japan Business Federation (Nippon Keidanren).</p> <p># HereWeGo203030</p>
 <p>Taskforce on Nature-related Financial Disclosures</p> <p>TNFD</p> <p>In March 2025, we expressed our support for the TNFD recommendations and are disclosing information about the impact of our activities on the natural environment and biodiversity.</p>	 <p>The Ministry of the Environment's "30 by 30 Alliance for Biodiversity"</p> <p>We are participating in the '30 by 30 Alliance for Biodiversity', which was established in September 2022 by 17 industry, government and private sector organizations, including the Ministry of the Environment.</p>

■ Changes in Adjustment Items for Operating Profit

(¥100 million)

		FY2025					FY2026		
		1H	3Q	4Q	2H	Total	1H	2H	Total Forecast
Operating Profit		185	127	109	236	421	210	190	400
Adjustment	Extraordinary gains/losses	3	0	-49	-49	-46	-7	0	-7
	Foreign exchange gains/losses	-1	-7	-2	-9	-10	0	0	0
	Inventory valuation gains/losses	-5	-1	-1	-2	-7	-3	1	-2
	Provision for environmental expenses	18	0	9	9	27	3	1	4
	Fixed asset tax (leveling)	-15	-7	23	16	1	-16	16	0
	Provision for paid leave	0	0	13	13	13	0	6	6
Total		0	-15	-7	-22	-22	-23	24	1
Adjusted Operating Profit		185	112	102	214	399	187	214	401

■ Changes in Adjustment Items for Operating Profit by Segment

Specialty Steel (¥100 million)

		FY2025					FY2026		
		1H	3Q	4Q	2H	Total	1H	2H	Total Forecast
		Operating profit	55	37	42	79	134	40	40
Adjustment	Extraordinary gains/losses	0	0	-33	-33	-33	0	0	0
	Foreign exchange gains/losses	-1	-1	0	-1	-2	0	0	0
	Inventory valuation gains/losses	1	0	0	0	1	-1	0	-1
	Provision for environmental expenses	5	0	4	4	9	1	1	2
	Fixed asset tax (leveling)	-4	-2	6	4	0	-5	5	0
	Provision for paid leave	0	0	4	4	4	0	2	2
Total	1	-3	-19	-22	-21	-5	8	3	
Adjusted Operating Profit		56	34	23	57	113	35	48	83

High-Performance Materials and Magnetic Materials (¥100 million)

		FY2025					FY2026		
		1H	3Q	4Q	2H	Total	1H	2H	Total Forecast
		Operating profit	63	46	40	86	149	100	90
Adjustment	Extraordinary gains/losses	2	0	-18	-18	-16	-7	0	-7
	Foreign exchange gains/losses	0	-2	0	-2	-2	0	0	0
	Inventory valuation gains/losses	-5	-1	-1	-2	-7	-1	0	-1
	Provision for environmental expenses	2	0	4	4	6	1	1	2
	Fixed asset tax (leveling)	-5	-3	8	5	0	-6	6	0
	Provision for paid leave	0	0	4	4	4	0	2	2
Total	-6	-6	-3	-9	-15	-13	9	-4	
Adjusted Operating Profit		57	40	37	77	134	87	99	186

Parts for Automobiles and Industrial Equipment (¥100 million)

		FY2025					FY2026		
		1H	3Q	4Q	2H	Total	1H	2H	Total Forecast
		Operating profit	36	28	18	46	82	50	40
Adjustment	Extraordinary gains/losses	1	0	0	0	1	0	0	0
	Foreign exchange gains/losses	0	-2	-2	-4	-4	0	0	0
	Inventory valuation gains/losses	0	-1	0	-1	-1	0	0	0
	Provision for environmental expenses	10	0	3	3	13	0	1	1
	Fixed asset tax (leveling)	-4	-2	6	4	0	-4	4	0
	Provision for paid leave	0	0	3	3	3	0	1	1
Total	7	-5	10	5	12	-4	6	2	
Adjusted Operating Profit		43	23	28	51	94	46	46	92

Engineering (¥100 million)

		FY2025					FY2026		
		1H	3Q	4Q	2H	Total	1H	2H	Total Forecast
		Operating profit	13	7	6	13	26	5	5
Adjustment	Extraordinary gains/losses	0	0	0	0	0	0	0	0
	Foreign exchange gains/losses	0	0	0	0	0	0	0	0
	Inventory valuation gains/losses	0	0	0	0	0	0	0	0
	Provision for environmental expenses	0	0	0	0	0	0	0	0
	Fixed asset tax (leveling)	-1	0	1	1	0	0	0	0
	Provision for paid leave	0	0	1	1	1	0	0	0
Total	-1	0	2	2	1	0	0	0	
Adjusted Operating Profit		12	7	8	15	27	5	5	10

■ Changes in Adjusted Operating Profit by Segment

(¥100 million)

	FY2025					FY2026		
	1H	3Q	4Q	2H	Total	1H	2H	Total Forecast
Specialty Steel	56	34	23	57	113	35	48	83
High-Performance Materials and Magnetic Materials	57	40	37	77	134	87	99	186
Parts for Automobiles and Industrial Equipment	43	23	28	51	94	46	46	92
Engineering	12	7	8	15	27	5	5	10
Trading and Service	17	8	6	14	31	14	16	30
Total	185	112	102	214	399	187	214	401

■ Fact Book: Financial Highlights

Consolidated						(¥1 million)				
	Japanese GAAP ←		→ IFRS			Japanese GAAP ←		→ IFRS		
	22/3	23/3	24/3	25/3	26/3	21/9	22/9	23/9	24/9	25/9
Net sales, Revenue	529,667	578,564	578,564	574,945	578,129	255,224	281,857	287,235	283,439	284,499
Operating profit	36,982	46,986	42,250	39,408	42,081	19,156	23,225	17,695	18,258	18,464
Ordinary income	39,200	48,122	—	—	—	20,556	24,092	—	—	—
Profit before tax	40,746	49,363	45,068	42,653	44,756	20,132	23,686	18,973	19,608	19,650
Profit attributable to owners of parent	26,894	36,438	30,555	28,314	32,605	12,840	18,294	11,757	12,152	12,937
R&D expenses	5,785	6,255	6,567	6,596	6,623	2,694	3,092	3,095	3,223	3,246
Capital investment (planned)	25,500	34,900	34,300	68,300	31,200	13,150	9,000	9,000	42,000	12,000
Capital investment (construction)	21,027	24,284	36,910	46,858	53,152	10,172	11,077	15,409	18,363	26,354
Depreciation	26,797	26,054	29,764	30,265	31,129	13,469	12,988	14,923	14,832	15,203
Finance account balance	1,326	1,544	1,936	2,026	1,400	693	828	965	1,085	902
Total assets	728,187	773,851	788,734	782,974	856,380	686,373	757,206	793,722	794,051	802,544
Equity	329,713	368,718	418,562	429,278	472,565	315,674	343,043	382,345	423,102	437,407
Interest-bearing debt	229,090	236,761	176,235	176,848	181,761	210,608	250,076	232,610	198,193	175,717
Payroll number	12,605	12,422	11,941	12,054	12,729	12,838	12,668	12,096	12,162	12,155
ROA(%)	5.6	6.4	5.8	5.4	5.5	6.1	6.5	4.8	5.0	5.0
ROE(%)	8.5	10.4	7.9	6.7	7.2	8.3	10.9	6.4	5.8	6.0
Consolidated subsidiary number	62	63	64	63	67	65	62	64	64	63
(Equity method affiliate number is excluded from the above.)	(8)	(8)	(8)	(8)	(8)	(9)	(8)	(8)	(8)	(8)

*Long-term prepaid expenses are not included in the depreciation.

*Net income belongs to stockholders of parent company under Japanese GAAP.

Net income belongs to owners of parent company under IFRS.

Fact Book: Revenue & Operating Profit by Segment

Consolidated

		Japanese GAAP ←		→ IFRS		
		22/3	23/3	24/3	25/3	26/3
<New segment (From April in 2012)>		(¥100 million)				
Specialty Steel	Revenue	1,978	2,148	2,187	2,101	2,078
	Operating Profit	38	98	137	121	134
High-Performance Materials & Magnetic Materials	Revenue	1,976	2,197	2,024	2,009	1,998
	Operating Profit	267	243	103	110	149
Parts for Automobiles & Industrial Equipment	Revenue	925	1,012	1,050	1,130	1,179
	Operating Profit	50	82	57	113	82
Engineering	Revenue	182	190	231	241	266
	Operating Profit	▲ 13	14	22	22	26
Trading and Service	Revenue	236	239	294	268	260
	Operating Profit	28	33	104	28	30
Total	Revenue	5,297	5,786	5,786	5,749	5,781
	Operating Profit	370	470	423	394	421

		Japanese GAAP ←				→ IFRS					
		21/4-9	21/10-3	22/4-9	22/10-3	23/4-9	23/10-3	24/4-9	24/10-3	25/4-9	25/10-3
<New segment (From April in 2012)>		(¥100 million)									
Specialty Steel	Revenue	932	1,046	1,028	1,120	1,086	1,101	1,055	1,046	1,000	1,078
	Operating Profit	15	23	42	56	63	74	61	60	55	79
High-Performance Materials & Magnetic Materials	Revenue	948	1,028	1,096	1,101	1,023	1,001	1,001	1,008	968	1,030
	Operating Profit	139	128	134	109	50	53	51	59	63	86
Parts for Automobiles & Industrial Equipment	Revenue	465	460	495	517	511	539	537	593	592	587
	Operating Profit	31	19	34	48	32	25	49	64	36	46
Engineering	Revenue	87	95	83	107	110	121	106	135	142	124
	Operating Profit	▲ 7	▲ 6	4	10	10	12	8	14	13	13
Trading and Service	Revenue	120	116	117	122	142	152	135	133	143	117
	Operating Profit	14	14	18	15	22	82	14	14	18	12
Total	Revenue	2552	2,745	2,819	2,967	2,872	2,914	2,834	2,915	2,845	2,936
	Operating Profit	192	178	232	238	177	246	183	211	185	236

(Note)

Figures such as the business forecasts described in this document are based on specific assumptions which are predictable under the present state.

However, changes in circumstances could lead to different business outcomes, so a total reliance on this data as decision criterion is not recommended.

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