October 30, 2025

Company name: Daido Steel Co., Ltd.
Representative: Tetsuya Shimizu, President and Representative Executive Director
(Securities code: 5471; Prime Market of Tokyo Stock Exchange, Premier Market of Nagoya Stock Exchange)
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Notice Concerning Change of Shareholder Return Policy, Dividend of Surplus and Revision to Dividend Forecast

Daido Steel Co., Ltd. (the “Company”) announces that it has resolved, at a meeting of the Board of Directors held on October 30, 2025, to change to shareholder Return Policy and to pay dividend (Interim dividend) of surplus with a record date of September 30, 2025, as described below. Additionally, the company revised the year-end dividend forecast, as described below.

1．Change of Shareholder Return Policy

(1) Details of change

<Previous shareholder return policy>

・The Company's basic policy is to provide stable profit returns to shareholders, targeting a consolidated dividend payout ratio of 30% or more.
・Considering enhancement of shareholder returns based on the progress of optimizing cash allocation.

<New shareholder return policy>

・The Company's basic policy is to maintain financial soundness, targeting a consolidated dividend payout ratio of 30% or more.
However, the lower limit of DOE is set at 2.5%*.
・Share buybacks are also taken into consideration, 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

The Changed shareholder return policy will be applied from the fiscal year ending March 31, 2026.

(2) Reason for change

To enhance shareholder returns and improve capital efficiency, the Company have newly set a minimum DOE and will achieve stable dividends.

2. Details of dividend (Interim Dividend) and revision to yere-end dividend forecast

(1) Details of dividend (Interim Dividend)

	Determined amount	Most recent dividend forecasts (Announced on May 8, 2025)	Actual results for the previous interim period (Six months ended September 30, 2024)
Record date	September 30, 2025	September 30, 2025	September 30, 2024
Dividend per share	22.00 yen	16.00 yen	21.00 yen
Total amount of dividends	4,405 million yen	-	4,487 million yen
Effective date	December 5, 2025	-	December 5, 2024
Source of dividends	Retained earnings	-	Retained earnings

(2) Detail of revision to yere-end dividend forecast

	Annual dividends per share		
	Second quarter-end	Fiscal-year end	Total
	Yen	Yen	Yen
Previous forecasts	16.00	Undetermined	Undetermined
Revised forecast		27.00	49.00
Actual result for the current fiscal year	22.00		
Actual results for the previous fiscal year (Fiscal year ended March 31, 2025)	21.00	26.00	47.00

(3) Reason

The annual dividend forecast for the current fiscal year has been revised to 49 yen per share, in accordance with the new dividend policy effective applied from the fiscal year ending March 31, 2026.

For the interim dividend, in light of the changes in the shareholder return policy, the Company has decided to increase interim dividend by 6 yen from the previously forecast 16 yen per share to 22 yen.