



March 25, 2015

To Whom It May Concern:

Company name: DAIDO METAL CO., LTD.
Representative: Seigo Hanji, Chairman and CEO
(Code: 7245, 1st Section of TSE and 1st Section of NSE)
Contact: Toshiyuki Sasaki, Executive Director, Senior Executive
Officer and Unit Manager of Management and Finance
Planning Division (Phone: 052-205-1401)

Notification on Establishment of a Subsidiary in Japan

In the letter issued on November 19, 2014 entitled “Notification on Establishment of a Subsidiary in Japan,” we announced the establishment of a wholly owned subsidiary in Takeo, Saga Prefecture to be engaged in production of bearing materials, etc. This letter is to inform you of the detailed matters regarding the establishment of the production subsidiary that were approved by the board of directors on March 25, 2015.

Description

1. Objective of establishment of a subsidiary

The company determined to establish a production subsidiary for bearing materials, etc. in order to respond to the growing demand in Japan and overseas. The overview of the subsidiary is as follows.

2. Overview of the subsidiary

- (1) Company name: DAIDO METAL SAGA. CO., LTD.
- (2) Address: 5088-9 Oaza Osaki, Kitagatacho, Takeo, Saga
- (3) Business Lines: Manufacturing of bearing materials, etc.
- (4) President and CEO: Toshiyuki Sasaki (Part Time)
(Executive Director and Senior Executive Officer at DAIDO METAL, CO., LTD.)
- (5) Capital: 100 million yen
- (6) Investor: 100% owned by DAIDO METAL CO., LTD.
- (7) Establishment Date: April 10, 2015 (scheduled)
- (8) Start of operation: In June, 2016 (scheduled)

3. Future prospects

This matter will have little effect on our consolidated results for this fiscal year (the fiscal year ended in March 2015). If any necessity arises for revising the operating forecasts, such matter will be promptly disclosed.

End