

Note: This is a translation of the original in Japanese provided for the convenience of users. In the event of any discrepancy between the original and this translation, the former shall prevail. The Company is not responsible for any losses caused by such discrepancies.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 8, 2025

Company name: DAIHEN Corporation
 Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange
 Stock exchange code: 6622
 URL: <https://www.daihen.co.jp/>
 Representative: Shoichiro Minomo, President and Chief Executive Officer
 Contact: Shigeo Ozawa, Vice President, General Manager, Finance & Accounting Department, Planning Division
 Phone: +81-6-6390-5506
 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date of commencing dividend payments: June 27, 2025
 Scheduled date of filing securities report: June 25, 2025
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 -March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	226,375	20.0	16,174	6.8	17,182	6.8	11,961	(27.5)
March 31, 2024	188,571	1.8	15,145	(8.6)	16,082	(8.9)	16,494	25.0

(Note) Comprehensive income: Fiscal year ended March 31, 2025: 12,430 million yen [(51.5) %]

Fiscal year ended March 31, 2024: 25,608 million yen [49.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	493.31	—	8.8	6.1	7.1
March 31, 2024	673.20	—	13.3	6.6	8.0

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2025: 7 million yen

Fiscal year ended March 31, 2024: 235 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	290,234	153,285	47.7	5,788.62
As of March 31, 2024	277,200	148,595	48.4	5,493.67

(Reference) Equity: As of March 31, 2025: 138,371 million yen

As of March 31, 2024: 134,136 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	24,010	(9,601)	(5,981)	28,855
March 31, 2024	(8,993)	(10,564)	25,954	22,077

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	82.50	—	82.50	165.00	4,045	24.5	3.3
Fiscal year ended March 31, 2025	—	82.50	—	82.50	165.00	3,995	33.4	2.9
Fiscal year ending March 31, 2026 (Forecast)	—	84.00	—	84.00	168.00		30.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First half	100,000	4.1	5,000	(1.3)	5,000	(13.3)	3,500	146.42
Full year	230,000	1.6	17,000	5.1	17,500	1.8	13,000	543.84

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (OTC DAIHEN INDIA Pvt. Ltd.), Excluded: — ()

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of March 31, 2025: 25,203,291 shares

As of March 31, 2024: 25,603,291 shares

2) Total number of treasury shares at the end of the period:

As of March 31, 2025: 1,299,159 shares

As of March 31, 2024: 1,186,740 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2025: 24,246,649 shares

Fiscal year ended March 31, 2024: 24,502,083 shares

(Note) The total number of treasury shares at the end of the period includes 113,500 shares of the Company held by the employee stock benefit trust as of March 31, 2025.

In addition, the treasury shares deducted for calculating the average number of shares during the period include shares of the Company held by the trust.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)****(1) Non-consolidated Operating Results** (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	150,697	12.6	5,498	(15.6)	7,215	(11.2)	6,302	(12.0)
March 31, 2024	133,835	(4.7)	6,512	(41.7)	8,126	(38.1)	7,166	(31.7)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	259.94	—
March 31, 2024	291.48	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	170,369	62,015	36.4	2,594.36
As of March 31, 2024	162,852	63,801	39.2	2,613.03

(Reference) Equity: As of March 31, 2025: 62,015 million yen
As of March 31, 2024: 63,801 million yen

<Reasons for the discrepancy between latest results and those of the previous fiscal year on a non-consolidated basis>

Net sales increased due to strong electrical infrastructure-related and semiconductor-related investments. However, operating profit, ordinary profit, and profit decreased year-on-year partly due to advance investments for business expansion.

* These consolidated financial results are outside the scope of audits by certified public accountants or an audit firm.

*** Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain premises that the Company deems to be reasonable. Actual financial results, etc. may differ significantly due to a wide range of factors. For details on the earnings forecasts of the Company, please see "1. Overview of Operating Results, etc. (4) Future Outlook" on page 4 of the attachments.

Table of Contents - Attachments

1. Overview of Operating Results, etc.....	2
(1) Overview of Operating Results for the Fiscal Year under Review.....	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review.....	3
(4) Future Outlook	4
(5) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years.....	5
2. Basic Stance on the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Principal Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	11
(4) Consolidated Statements of Cash Flows	15
(5) Notes to Consolidated Financial Statements	17
(Notes on going concern assumption).....	17
(Changes in accounting estimates)	17
(Business combination).....	17
(Segment information, etc.)	18
(Per share information)	23
(Significant subsequent events).....	23

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The business environment for DAIHEN Corporation (the “Company”) and its subsidiaries (collectively, the “DAIHEN Group”) for the fiscal year ended March 31, 2025 (the “fiscal year under review”) saw a trend of restraint in production automation-related investment. However, electrical infrastructure-related and semiconductor-related investment remained strong. Additionally, the impact of newly consolidated subsidiaries acquired after the third quarter of the previous fiscal year contributed to orders received of 241,051 million yen (up 12.9% year-on-year) and net sales of 226,375 million yen (up 20.0% year-on-year). In income results, operating profit increased to 16,174 million yen (up 6.8% year-on-year), and ordinary profit increased to 17,182 million yen (up 6.8% year-on-year), driven by higher net sales and the effects of cost reduction measures. However, profit attributable to owners of parent decreased to 11,961 million yen (down 27.5% year-on-year) due to the impact of factors including gain on bargain purchase associated with the acquisition of shares of subsidiaries, which was recorded in the previous fiscal year.

The performance of each segment is as follows.

1) Energy Management

Investment in the replacement of power distribution products and power-receiving facilities for plants has remained strong, and owing to the expansion of the power supply-demand adjustment market for the purpose of effectively utilizing renewable energy, sales of storage battery systems increased. In addition, as Tohoku Electric Manufacturing Co., Ltd. and SHIHEN TECHNICAL Corporation have been added to the scope of consolidation, net sales were 120,815 million yen (up 23.8% year-on-year) and operating profit was 11,477 million yen (up 37.6% year-on-year).

2) Factory Automation

Although needs for production automation are increasing on the back of labor shortage, investments related to the automobile sector and others in Japan, Europe, and the U.S. are tend to be postponed due to uncertainty over economic trends. As a result, net sales were 32,773 million yen (down 6.0% year-on-year) and operating profit was 2,275 million yen (down 44.6% year-on-year).

3) Material Processing

Due to an increase in demand for RF generator systems for semiconductor manufacturing, driven by the expanding investment in memories and advanced semiconductors for generative AI application as well as continued investment in mature-generation semiconductors in China, and the addition of Lorch Schweißtechnik GmbH as a consolidated subsidiary, net sales were 72,657 million yen (up 29.9% year-on-year) and operating profit was 6,985 million yen (up 10.4% year-on-year).

4) Other

Net sales were 191 million yen and operating profit was 33 million yen. There were no significant changes from the previous fiscal year.

(Reference) Performance by Segment

(Million yen)

Segment	Orders Received		Order Backlog		Net Sales		Operating Profit	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Energy Management	131,261	+1.9%	90,105	+13.1%	120,815	+23.8%	11,477	+37.6%
Factory Automation	34,137	+11.4%	5,191	+40.0%	32,773	-6.0%	2,275	-44.6%
Material Processing	75,460	+40.0%	14,055	+26.1%	72,657	+29.9%	6,985	+10.4%
Other	191	+3.1%	—	—	191	+3.1%	33	+16.0%
Company Total	241,051	+12.9%	109,351	+15.7%	226,375	+20.0%	16,174	+6.8%

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased by 13,034 million yen from the end of the previous fiscal year to 290,234 million yen. This is primarily attributable to increases in cash and deposits and inventories as well as an increase in property, plant and equipment including buildings and structures.

Total liabilities at the end of the fiscal year under review increased by 8,345 million yen from the end of the previous fiscal year to 136,949 million yen. This is primarily attributable to increases in notes and accounts payable - trade and provision for bonuses as well as an increase in borrowings.

Total net assets at the end of the fiscal year under review increased by 4,689 million yen from the end of the previous fiscal year to 153,285 million yen. This is primarily attributable to increases in retained earnings and foreign currency translation adjustment. The equity ratio decreased by 0.7 percentage points from 48.4% to 47.7%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review increased by 6,778 million yen from the end of the previous fiscal year to 28,855 million yen.

(Cash flows from operating activities)

Cash flows from operating activities resulted in a cash inflow of 24,010 million yen primarily due to a decrease in trade receivables and an increase in trade payables, etc., an increase of 33,003 million yen compared with the previous fiscal year.

(Cash flows from investing activities)

Cash flows from investing activities resulted in a cash outflow of 9,601 million yen primarily due to purchase of property, plant and equipment and purchase of shares of subsidiaries, an increase of 963 million yen compared with the previous fiscal year.

(Cash flows from financing activities)

Cash flows from financing activities resulted in a cash outflow of 5,981 million yen primarily due to purchase of treasury shares, a decrease of 31,936 million yen compared with the previous fiscal year.

(Reference) changes in cash flow-related indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	52.1	51.2	53.5	48.4	47.7
Equity ratio based on market value (%)	68.6	53.3	51.1	82.0	52.1
Ratio of interest- bearing liabilities to cash flows (year)	2.1	2.2	—	—	2.9
Interest coverage ratio (times)	71.4	45.9	—	—	26.6

(Note) Equity ratio: equity/total assets
 Equity ratio based on market value: market capitalization/total assets
 Ratio of interest-bearing liabilities to cash flows: interest-bearing liabilities/cash flows
 Interest coverage ratio: cash flows/interest payments

- * Each indicator is calculated based on consolidated financial figures.
- * Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (after excluding treasury shares).
- * Cash flows are the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing liabilities are all liabilities on the consolidated balance sheets for which interest is being paid. For interest payments, the amount of interest paid in the consolidated statements of cash flows is used.
- * The ratio of interest-bearing liabilities to cash flows and the interest coverage ratio are not shown for the fiscal year ended March 31, 2023 and for the fiscal year ended March 31, 2024, because the cash flows from operating activities were negative.

(4) Future Outlook

Concerning the outlook for the future, demand for storage battery systems is expected to grow owing to the expansion of data centers and adoption of renewable energy. In addition, a recovery of demand for production automation on the back of labor shortage and strong semiconductor-related investments are expected, while the uncertainty caused by U.S. tariff policies is rising.

Under this business environment, the Company will be committed to strengthening each business and improving its performance by continuously promoting initiatives for cost reductions for the appropriation for investment in the development that contributes to solving social issues in a focused manner, as well as by generating synergies with subsidiaries which were included in the scope of consolidation from the previous fiscal year.

Reflecting these factors, the consolidated financial results forecast for the fiscal year ending March 31, 2026 at this point is as follows.

	(Million yen)	(YoY change, %)
Net sales	230,000	+1.6
Operating profit	17,000	+5.1
Ordinary profit	17,500	+1.8
Profit attributable to owners of parent	13,000	+8.7

(Note) The Company assumes an average exchange rate of 145 yen per US dollar for the period from April 1, 2025 to March 31, 2026.

(5) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years

The Company has set a policy of returning profits to our stakeholders, with a dividend payout ratio of 30% or more as a basic policy.

The Company plans to pay an annual dividend of 165 yen per common share of the Company (year-end dividend of 82.5 yen per share) for the fiscal year under review, based on the policy above.

Regarding the forecast for dividends for the next fiscal year, after comprehensively taking into account the above policy and the financial situation, the Company plans to pay an annual dividend of 168 yen per share, including an interim dividend of 84 yen.

2. Basic Stance on the Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements by term and the comparability among companies, the Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP.

With regard to International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,327	30,354
Notes and accounts receivable - trade	57,746	55,477
Merchandise and finished goods	30,679	31,329
Work in process	16,793	19,573
Raw materials and supplies	51,540	50,805
Other	7,666	7,283
Allowance for doubtful accounts	(785)	(1,255)
Total current assets	186,968	193,568
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,870	60,626
Accumulated depreciation	(36,229)	(37,696)
Buildings and structures, net	20,640	22,929
Machinery, equipment and vehicles	55,956	59,514
Accumulated depreciation	(47,705)	(49,806)
Machinery, equipment and vehicles, net	8,251	9,708
Tools, furniture and fixtures	17,329	18,056
Accumulated depreciation	(15,279)	(15,747)
Tools, furniture and fixtures, net	2,049	2,309
Land	13,161	13,693
Leased assets	1,476	1,577
Accumulated depreciation	(1,130)	(1,208)
Leased assets, net	345	368
Construction in progress	4,437	4,011
Total property, plant and equipment	48,886	53,021
Intangible assets		
Goodwill	591	525
Software	2,055	2,354
Other	2,334	2,187
Total intangible assets	4,982	5,067
Investments and other assets		
Investment securities	14,536	15,980
Investments in capital	700	681
Long-term prepaid expenses	393	338
Retirement benefit asset	17,649	18,507
Deferred tax assets	1,370	1,387
Other	1,758	1,712
Allowance for doubtful accounts	(45)	(29)
Total investments and other assets	36,362	38,577
Total non-current assets	90,231	96,666
Total assets	277,200	290,234

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,040	21,581
Electronically recorded obligations - operating	15,410	15,264
Short-term borrowings	30,192	23,885
Current portion of long-term borrowings	5,121	6,037
Lease liabilities	90	122
Income taxes payable	2,184	3,510
Provision for bonuses	3,285	5,144
Provision for bonuses for directors (and other officers)	78	143
Provision for loss on construction contracts	122	165
Other	10,111	11,035
Total current liabilities	86,638	86,891
Non-current liabilities		
Long-term borrowings	30,850	38,668
Lease liabilities	197	232
Deferred tax liabilities	4,855	4,426
Provision for retirement benefits for directors (and other officers)	109	103
Provision for loss on guarantees	765	613
Provision for share awards	—	163
Provision for construction expenses related to earthquake resistance renovation	578	563
Provision for product safety measures	3	2
Retirement benefit liability	2,954	3,265
Asset retirement obligations	108	121
Other	1,542	1,897
Total non-current liabilities	41,965	50,057
Total liabilities	128,604	136,949
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,010	10,074
Retained earnings	94,767	101,796
Treasury shares	(2,349)	(4,926)
Total shareholders' equity	113,025	117,540
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,208	6,039
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	9,104	9,293
Remeasurements of defined benefit plans	5,798	5,497
Total accumulated other comprehensive income	21,110	20,831
Non-controlling interests	14,459	14,913
Total net assets	148,595	153,285
Total liabilities and net assets	277,200	290,234

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	188,571	226,375
Cost of sales	135,166	162,515
Gross profit	53,404	63,860
Selling, general and administrative expenses		
Freight and packing costs	5,116	5,841
Travel, transportation and communication expenses	1,217	1,356
Salaries and allowances and welfare expenses	12,654	16,040
Provision for bonuses	1,537	2,449
Provision for bonuses for directors (and other officers)	78	143
Provision for retirement benefits for directors (and other officers)	16	19
Retirement benefit expenses	18	(269)
Depreciation	1,475	1,892
Research and development expenses	5,356	6,153
Amortization of goodwill	—	68
Other	10,787	13,989
Total selling, general and administrative expenses	38,259	47,686
Operating profit	15,145	16,174
Non-operating income		
Interest income	169	189
Dividend income	303	586
Share of profit of entities accounted for using equity method	235	7
Foreign exchange gains	443	47
Rental income from land and buildings	215	231
Gain on sale of scraps	253	337
Subsidy income	187	779
Other	403	569
Total non-operating income	2,211	2,749
Non-operating expenses		
Interest expenses	523	904
Loss on retirement of non-current assets	52	94
Compensation expenses for damage	45	124
Other	652	618
Total non-operating expenses	1,274	1,740
Ordinary profit	16,082	17,182

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	264	1,111
Reversal of provision for loss on guarantees	—	151
Gain on bargain purchase	9,919	—
Total extraordinary income	10,184	1,263
Extraordinary losses		
Provision of allowance for doubtful accounts	277	477
Loss on revision of retirement benefit plan	98	96
Extra payments for early retirements	—	38
Loss on step acquisitions	4,600	—
Provision for loss on guarantees	113	—
Total extraordinary losses	5,089	612
Profit before income taxes	21,178	17,833
Income taxes - current	3,899	5,192
Income taxes - deferred	384	(281)
Total income taxes	4,284	4,910
Profit	16,893	12,922
Profit attributable to non-controlling interests	399	961
Profit attributable to owners of parent	16,494	11,961

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	16,893	12,922
Other comprehensive income		
Valuation difference on available-for-sale securities	2,385	(167)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	2,789	68
Remeasurements of defined benefit plans, net of tax	3,479	(395)
Share of other comprehensive income of entities accounted for using equity method	60	2
Total other comprehensive income	8,714	(491)
Comprehensive income	25,608	12,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,946	11,565
Comprehensive income attributable to non-controlling interests	661	864

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,596	10,042	85,393	(4,822)	101,208
Changes during period					
Dividends of surplus			(4,172)		(4,172)
Profit attributable to owners of parent			16,494		16,494
Adjustments due to change in the fiscal period of consolidated subsidiaries					—
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		12		6	18
Cancellation of treasury shares		(3,002)		3,002	—
Changes in equity of parent from transaction of non controlling interest		11			11
Transfer to capital surplus from retained earnings		2,947	(2,947)		—
Change in scope of consolidation					—
Additional purchase of shares of consolidated subsidiaries					—
Increase interests of parent company stock held by consolidated subsidiaries				(524)	(524)
Net changes in items other than shareholders' equity					
Total changes during period	—	(31)	9,374	2,473	11,816
Balance at end of period	10,596	10,010	94,767	(2,349)	113,025

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,820	—	6,321	2,448	12,591	6,104	119,905
Changes during period							
Dividends of surplus							(4,172)
Profit attributable to owners of parent							16,494
Adjustments due to change in the fiscal period of consolidated subsidiaries							—
Purchase of treasury shares							(11)
Disposal of treasury shares							18
Cancellation of treasury shares							—
Changes in equity of parent from transaction of non controlling interest							11
Transfer to capital surplus from retained earnings							—
Change in scope of consolidation							—
Additional purchase of shares of consolidated subsidiaries							—
Increase interests of parent company stock held by consolidated subsidiaries							(524)
Net changes in items other than shareholders' equity	2,387	(0)	2,782	3,350	8,519	8,354	16,874
Total changes during period	2,387	(0)	2,782	3,350	8,519	8,354	28,690
Balance at end of period	6,208	(0)	9,104	5,798	21,110	14,459	148,595

For the fiscal year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,596	10,010	94,767	(2,349)	113,025
Changes during period					
Dividends of surplus			(4,028)		(4,028)
Profit attributable to owners of parent			11,961		11,961
Adjustments due to change in the fiscal period of consolidated subsidiaries			(173)		(173)
Purchase of treasury shares				(3,900)	(3,900)
Disposal of treasury shares		13		8	22
Cancellation of treasury shares		(1,315)		1,315	—
Changes in equity of parent from transaction of non controlling interest		2			2
Transfer to capital surplus from retained earnings		1,302	(1,302)		—
Change in scope of consolidation			571		571
Additional purchase of shares of consolidated subsidiaries		61			61
Increase interests of parent company stock held by consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	63	7,028	(2,576)	4,515
Balance at end of period	10,596	10,074	101,796	(4,926)	117,540

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,208	(0)	9,104	5,798	21,110	14,459	148,595
Changes during period							
Dividends of surplus							(4,028)
Profit attributable to owners of parent							11,961
Adjustments due to change in the fiscal period of consolidated subsidiaries							(173)
Purchase of treasury shares							(3,900)
Disposal of treasury shares							22
Cancellation of treasury shares							—
Changes in equity of parent from transaction of non controlling interest							2
Transfer to capital surplus from retained earnings							—
Change in scope of consolidation							571
Additional purchase of shares of consolidated subsidiaries							61
Increase interests of parent company stock held by consolidated subsidiaries							—
Net changes in items other than shareholders' equity	(168)	0	189	(301)	(279)	454	174
Total changes during period	(168)	0	189	(301)	(279)	454	4,689
Balance at end of period	6,039	—	9,293	5,497	20,831	14,913	153,285

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	21,178	17,833
Depreciation	5,324	6,497
Amortization of goodwill	—	68
Gain on bargain purchase	(9,919)	—
Loss on step acquisitions	4,600	—
Increase (decrease) in allowance for doubtful accounts	257	453
Increase (decrease) in provision for bonuses	(1,182)	1,857
Increase (decrease) in provision for loss on construction contracts	9	43
Increase (decrease) in provision for loss on guarantees	113	(151)
Increase (decrease) in provision for construction expenses related to earthquake resistance renovation	(43)	(14)
Increase (decrease) in provision for product safety measures	(1)	(0)
Increase (decrease) in retirement benefit liability	810	370
Decrease (increase) in retirement benefit asset	(234)	(1,495)
Interest and dividend income	(472)	(775)
Interest expenses	523	904
Share of loss (profit) of entities accounted for using equity method	(235)	(7)
Loss (gain) on sale of investment securities	(264)	(1,111)
Compensation expenses for damage	45	124
Subsidy income	(187)	(779)
Decrease (increase) in trade receivables	(2,889)	2,505
Decrease (increase) in inventories	(10,459)	(1,751)
Increase (decrease) in trade payables	(9,744)	932
Other, net	(1,108)	1,454
Subtotal	(3,880)	26,956
Interest and dividends received	493	790
Interest paid	(526)	(902)
Subsidies received	187	779
Payments for compensatory damage cost	(45)	(124)
Income taxes paid	(5,222)	(3,490)
Net cash provided by (used in) operating activities	(8,993)	24,010
Cash flows from investing activities		
Net decrease (increase) in time deposits	(400)	31
Purchase of property, plant and equipment	(6,912)	(7,950)
Proceeds from sale of property, plant and equipment	39	78
Purchase of intangible assets	(569)	(792)
Purchase of investment securities	(7)	(8)
Proceeds from sale of investment securities	305	1,457
Net decrease (increase) in short-term loans receivable	(277)	(359)
Purchase of shares of subsidiaries	—	(1,990)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,647)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	2,406	—
Purchase of equity of subsidiaries resulting in change in scope of consolidation	(2,631)	—
Other, net	(870)	(67)
Net cash provided by (used in) investing activities	(10,564)	(9,601)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,240	(6,367)
Proceeds from long-term borrowings	15,000	14,068
Repayments of long-term borrowings	(4,884)	(5,302)
Repayments of lease liabilities	(156)	(117)
Purchase of treasury shares	(11)	(3,900)
Dividends paid	(4,166)	(4,023)
Other, net	(66)	(336)
Net cash provided by (used in) financing activities	25,954	(5,981)
Effect of exchange rate change on cash and cash equivalents	827	(600)
Net increase (decrease) in cash and cash equivalents	7,224	7,826
Cash and cash equivalents at beginning of period	14,853	22,077
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	164
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	—	(1,213)
Cash and cash equivalents at end of period	22,077	28,855

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting estimates)

(Change in the number of years for the accounting period of actuarial differences in the accounting treatment related to retirement benefits)

The Company previously set the number of years for the accounting period of actuarial differences in the accounting treatment related to retirement benefits to 15 years, which falls within the range of the average remaining years of service of employees. However, as the average remaining years of service of employees fell below this number, the Company changed the number of years for the accounting period to 13 years from the fiscal year under review.

As a result, operating profit, ordinary profit, profit before income taxes for the fiscal year under review each increased by 302 million yen compared to those based on the previous accounting period.

(Business combination)

(The finalization of the provisional accounting treatment for the business combination)

For the business combination with Lorch Schweißtechnik GmbH, which was executed on January 1, 2024 (Date of the Business Combination), provisional accounting treatment was applied in the previous fiscal year and has since been finalized during the fiscal year under review.

With this finalization, the comparative information included in the consolidated financial statements for the fiscal year under review reflects a material revision in the initial allocation of acquisition cost.

As a result, the provisionally estimated amount of goodwill of 2,040 million yen decreased by 1,449 million yen to 591 million yen. The decrease in goodwill is due to increases of 2,025 million yen in other under intangible assets (customer-related intangible assets) and 575 million yen in deferred tax liabilities.

Furthermore, the consolidated balance sheets at the end of the previous fiscal year indicates increases of 2,025 million yen in other under intangible assets (customer-related intangible assets) and 575 million yen in deferred tax liabilities.

The amortization period of goodwill is 9 years, while the amortization period of other under intangible assets (customer-related intangible assets) is from 10 to 20 years.

(Segment information, etc.)

[Segment information]

1. Outline of reportable segments

The reportable segments of the Company are determined from those which can provide separate financial information, and are regularly reviewed by the Board of Directors to determine the allocation of management resources and to evaluate performance among the constituent units of the Company.

The Company has employed a business division system and each business division formulates comprehensive domestic and overseas strategies for the products and services it handles and conducts business activities.

Accordingly, with the business divisions as a basis, the Company set “Energy Management,” “Factory Automation,” and “Material Processing” as its reportable segments based on three technology domains.

The main products comprising each reportable segment and their explanation are as follows.

	Main products
Energy Management	Transformers
	Power receiving and distribution systems
	Control and telecommunications equipment
	Charging systems
	Dispersed power equipment, etc.
Factory Automation	Industrial robots
	Clean transfer robots
Material Processing	Welding machines
	Plasma cutting machines
	RF generators for plasma applications

Energy Management:	Area that aims to contribute to the achievement of a decarbonized society through equipment, systems, and other products that support expansion of the utilization of renewable energy, in addition to conventional power products for electric power companies and general private sectors.
Factory Automation:	Area that aims to contribute to the automation and labor-saving in plants around the world with various industrial robots, such as those for handling, assembling, and processing and with transfer systems, in addition to welding robots that are the Company’s strength.
Material Processing:	Area that aims to develop businesses in a wide range of processing fields, such as precise joining, cutting, film formation, surface treatment, and shaping of metals, semiconductors, and plastic materials through technologies that highly precisely control various energy sources.

2. Method of calculating net sales, profit (loss), assets, and other by reportable segment

Accounting methods for business segments reported are generally the same as those stated in “Important Matters Forming the Basis for Preparing Consolidated Financial Statements.”

Reportable segment profit figures are based on operating profit. Inter-segment income and transfers are based on market prices.

3. Information on net sales, profit (loss), assets, and other by reportable segment

For the fiscal year ended March 31, 2024

(Million yen)

	Reportable segment				Other (Note 1)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	97,602	34,848	55,934	188,385	185	188,571
Inter-segment net sales or transfers	—	19	2	22	—	22
Total	97,602	34,868	55,937	188,408	185	188,594
Segment profit	8,343	4,103	6,324	18,771	28	18,800
Segment assets	122,276	46,765	86,463	255,504	1,215	256,720
Other						
Depreciation (Note 2)	2,578	792	1,215	4,586	0	4,586
Amortization of goodwill	—	—	—	—	—	—
Increase in property, plant and equipment, and intangible assets (Notes 3 and 4)	3,092	810	3,591	7,494	1	7,495

- (Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.
2. “Depreciation” includes amortization of long-term prepaid expenses.
3. “Increase in property, plant and equipment and intangible assets” includes an increase in long-term prepaid expenses.
4. “Increase in property, plant and equipment and intangible assets” does not include an increase associated with the new consolidation.

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other (Note 1)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	120,815	32,719	72,649	226,184	191	226,375
Inter-segment net sales or transfers	—	54	7	61	—	61
Total	120,815	32,773	72,657	226,246	191	226,437
Segment profit	11,477	2,275	6,985	20,737	33	20,771
Segment assets	128,036	47,473	91,729	267,239	1,073	268,313
Other						
Depreciation (Note 2)	3,100	881	1,736	5,717	—	5,717
Amortization of goodwill	—	—	68	68	—	68
Increase in property, plant and equipment, and intangible assets (Notes 3 and 4)	4,664	963	2,296	7,924	—	7,924

- (Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.
2. “Depreciation” includes amortization of long-term prepaid expenses.
3. “Increase in property, plant and equipment and intangible assets” includes an increase in long-term prepaid expenses.
4. “Increase in property, plant and equipment and intangible assets” does not include an increase associated with the new consolidation.

4. Information on the difference between total amounts of reportable segments and the amounts recorded in the Consolidated Financial Statements and the main contents of the difference (matters concerning variation adjustment)

(Million yen)

Net sales	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reportable Segment Total	188,408	226,246
Net sales in “Other” category	185	191
Elimination of inter-segment transactions	(22)	(61)
Net sales in consolidated financial statements	188,571	226,375

(Million yen)

Profit	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reportable Segment Total	18,771	20,737
Profit in “Other” category	28	33
Elimination of inter-segment transactions	(1)	1
Company-wide expenses (Note)	(3,653)	(4,598)
Operating profit in consolidated financial statements	15,145	16,174

(Note) “Company-wide expenses” are mainly general and administrative expenses that do not belong to the reportable segments.

(Million yen)

Assets	As of March 31, 2024	As of March 31, 2025
Reportable Segment Total	255,504	267,239
Assets in “Other” category	1,215	1,073
Company-wide assets (Note)	20,897	22,128
Other adjustments	(417)	(206)
Total assets in consolidated financial statements	277,200	290,234

(Note) “Company-wide assets” are mainly land and buildings of the head office and long-term investment funds (investment securities) of the filing company, etc. that do not belong to the reportable segments.

(Million yen)

Other	Reportable Segment Total		Other		Adjustments (Note)		Amounts recorded in the Consolidated Financial Statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	4,586	5,717	0	—	737	779	5,324	6,497
Amortization of goodwill	—	68	—	—	—	—	—	68
Increase in property, plant and equipment, and intangible assets	7,494	7,924	1	—	783	1,768	8,278	9,693

(Note) Adjustments of increase in property, plant and equipment, and intangible assets are investments in company-wide seismic retrofitting and information systems, etc.

(Related information)

For the fiscal year ended March 31, 2024

1. Information by product and service

This is omitted as the product and service categories are the same as the reportable segment categories.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	North America	Asia	Other	Total
149,047	6,317	27,881	5,324	188,571

(Note) Net sales are based on the location of customers and are categorized by country or region.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Asia		Other	Total
			Thailand		
40,758	342	5,481	3,263	2,303	48,886

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
The Kansai Electric Power Company, Incorporated (Note)	25,482	Energy Management
Tokyo Electron Miyagi Ltd.	25,338	Material Processing

(Note) Net sales to Kansai Transmission and Distribution, Inc., which belongs to the same corporate group of The Kansai Electric Power Company, Incorporated, are aggregated.

For the fiscal year ended March 31, 2025

1. Information by product and service

This is omitted as the product and service categories are the same as the reportable segment categories.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	North America	Asia	Other	Total
179,791	5,755	29,510	11,319	226,375

(Note) Net sales are based on the location of customers and are categorized by country or region.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Asia		Other	Total
			Thailand		
43,440	317	5,650	3,584	3,612	53,021

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
Tokyo Electron Miyagi Ltd.	35,913	Material Processing
The Kansai Electric Power Company, Incorporated (Note)	25,119	Energy Management

(Note) Net sales to Kansai Transmission and Distribution, Inc., which belongs to the same corporate group of The Kansai Electric Power Company, Incorporated, are aggregated.

[Information on impairment loss on non-current assets by reportable segment]

For the fiscal year ended March 31, 2024

Not applicable.

For the fiscal year ended March 31, 2025

Not applicable.

[Information on amortization and unamortized balance of goodwill by reportable segment]

For the fiscal year ended March 31, 2024

(Million yen)

	Reportable segment				Other	Company-wide/ Elimination	Total
	Energy Management	Factory Automation	Material Processing	Total			
(Goodwill)							
Amortization amount	—	—	—	—	—	—	—
Unamortized balance	—	—	591	591	—	—	591

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other	Company-wide/ Elimination	Total
	Energy Management	Factory Automation	Material Processing	Total			
(Goodwill)							
Amortization amount	—	—	68	68	—	—	68
Unamortized balance	—	—	525	525	—	—	525

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended March 31, 2024

The Company recorded a gain on bargain purchase of 1,971 million yen due to the acquisition of shares of Tohoku Electric Manufacturing Co., Ltd. for consolidation as a subsidiary on October 1, 2023 as the date of the business combination in the “Energy Management” segment.

The Company also recorded a gain on bargain purchase of 7,948 million yen due to the additional acquisition of shares of SHIHEN TECHNICAL Corporation for consolidation as a subsidiary on October 1, 2023 as the date of the business combination in the “Energy Management” segment.

For the fiscal year ended March 31, 2025

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	5,493.67 yen	5,788.62 yen
Basic earnings per share	673.20 yen	493.31 yen

(Notes) 1. Diluted earnings per share are not presented as there is no share outstanding with dilutive effect.

2. The basis for the calculation of basic earnings per share is as follows.

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent (Million yen)	16,494	11,961
Amount not attributable to shareholders of common shares (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	16,494	11,961
Average number of common shares (Shares)	24,502,083	24,246,649

3. The basis for calculation of net assets per share is as follows.

Category	As of March 31, 2024	As of March 31, 2025
Total net assets (Million yen)	148,595	153,285
Amount deducted from total net assets (Million yen)	14,459	14,913
[of which, non-controlling interests (Million yen)]	[14,459]	[14,913]
Year-end net assets related to common shares (Million yen)	134,136	138,371
Number of common shares at year-end used to calculate net assets per share (Shares)	24,416,551	23,904,132

(Significant subsequent events)

Not applicable.