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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



November 6, 2025

Company name: DAIHEN Corporation

Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange

Stock exchange code: 6622

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Scheduled date of filing semi-annual securities report: November 7, 2025

Scheduled date of commencing dividend payments: December 3, 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 Six Months Ended September 30, 2025 (April 1, 2025 – September 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2025	105,253	9.5	6,932	36.9	7,896	36.9	5,173	22.7
September 30, 2024	96,088	21.7	5,064	(0.2)	5,766	(0.3)	4,215	3.1

(Note) Comprehensive income: Six months ended September 30, 2025: 8,619 million yen [93.5%]

Six months ended September 30, 2024: 4,454 million yen [(38.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	216.41	—
September 30, 2024	173.33	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	295,816	159,993	48.8
As of March 31, 2025	290,234	153,285	47.7

(Reference) Equity: As of September 30, 2025: 144,491 million yen

As of March 31, 2025: 138,371 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	82.50	—	82.50	165.00
Fiscal year ending March 31, 2026	—	84.00			
Fiscal year ending March 31, 2026 (Forecast)			—	92.00	176.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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
Full year	235,000	3.8	18,500	14.4	19,000	10.6	14,000	17.0	585.61

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (DAIHEN MEXICO S.A. de C.V.), Excluded: – ()
- (2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: Yes
(Note) For details, please see “2. Semi-annual Consolidated Financial Statements and Principal Notes (4) Notes to Semi-annual Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements)” on page 9 of the attachments.
- (3) 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: Yes
3) Changes in accounting estimates: None
4) Retrospective restatement: None
(Note) For details, please see “2. Semi-annual Consolidated Financial Statements and Principal Notes (4) Notes to Semi-annual Consolidated Financial Statements (Changes in accounting policies)” on page 9 of the attachments.
- (4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
As of September 30, 2025: 25,203,291 shares
As of March 31, 2025: 25,203,291 shares
2) Total number of treasury shares at the end of the period:
As of September 30, 2025: 1,296,065 shares
As of March 31, 2025: 1,299,159 shares
3) Average number of shares during the period:
Six months ended September 30, 2025: 23,906,061 shares
Six months ended September 30, 2024: 24,322,498 shares
(Note) The total number of treasury shares at the end of the period includes 112,600 shares of the Company as of September 30, 2025 and 113,500 shares of the Company as of March 31, 2025 held by the employee stock benefit trust.
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.

* These semi-annual consolidated financial results are outside the scope of review 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. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attachments.

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1. Overview of Operating Results, etc.

(1) Explanation of Semi-annual Operating Results

The performance of DAIHEN Corporation (the “Company”) and its subsidiaries (collectively, the “DAIHEN Group”) for the six months ended September 30, 2025 was orders received of 126,615 million yen (up 10.8% year-on-year) and net sales of 105,253 million yen (up 9.5% year-on-year), reflecting the expansion of electrical infrastructure-related investment, in addition to the strong semiconductor-related investment. In income results, operating profit was 6,932 million yen (up 36.9% year-on-year), ordinary profit was 7,896 million yen (up 36.9% year-on-year), and profit attributable to owners of parent was 5,173 million yen (up 22.7% year-on-year), driven by higher net sales and the effects of cost reduction measures.

The performance of each segment is as follows.

1) Energy Management

Net sales were 53,955 million yen (up 7.7% year-on-year) and operating profit was 5,145 million yen (up 31.8% year-on-year), driven by increased investment in renewable energy and growing demand for the renewal of power receiving and distribution systems.

2) Factory Automation

Net sales were 15,204 million yen (up 7.4% year-on-year) and operating profit was 807 million yen (up 61.8% year-on-year), reflecting the results of efforts to develop new customers in the U.S., China, etc., despite investments related to the automobile sector being postponed in Japan and Europe.

3) Material Processing

Net sales were 36,027 million yen (up 13.5% year-on-year) and operating profit was 3,245 million yen (up 10.2% year-on-year), supported by a high level of demand for RF generator systems driven by continued investment in advanced semiconductors amid the growing use of generative AI.

4) Other

Net sales were 100 million yen and operating profit was 8 million yen. There were no significant changes from the corresponding period of the previous year.

(Reference) Performance by Segment

(Million yen)

Segment	Orders Received		Net Sales		Operating Profit	
	Amount	YoY change	Amount	YoY change	Amount	YoY change
Energy Management	73,159	+21.0%	53,955	+7.7%	5,145	+31.8%
Factory Automation	16,245	(4.5)%	15,204	+7.4%	807	+61.8%
Material Processing	37,110	+1.0%	36,027	+13.5%	3,245	+10.2%
Other	100	+3.0%	100	+3.0%	8	(58.1)%
Company Total	126,615	+10.8%	105,253	+9.5%	6,932	+36.9%

(2) Explanation of Semi-annual Financial Position

Total assets at the end of the six months ended September 30, 2025 increased by 5,581 million yen from the end of the previous fiscal year to 295,816 million yen. This is primarily attributable to increases in inventories, property, plant and equipment, and investment securities, while notes and accounts receivable - trade decreased.

Total liabilities at the end of the six months ended September 30, 2025 decreased by 1,126 million yen from the end of the previous fiscal year to 135,822 million yen. This is primarily attributable to a decrease in notes and accounts payable - trade, while borrowings increased.

Total net assets at the end of the six months ended September 30, 2025 increased by 6,708 million yen from the end of the previous fiscal year to 159,993 million yen. This is primarily attributable to increases in retained earnings and valuation difference on available-for-sale securities. The equity ratio increased by 1.1 percentage points from 47.7% to 48.8%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Regarding the consolidated financial results forecast for the fiscal year ending March 31, 2026, the Company has revised its full-year financial results forecast announced on May 8, 2025, based on recent performance trends.

For further details, please refer to “Notice Concerning Difference between 1st-Half Earnings Forecast and Actual Results, and Revision to Full-Year Earnings and Year-end Dividend Forecasts” announced today (on November 6, 2025)

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	30,354	30,275
Notes and accounts receivable - trade	55,477	46,147
Merchandise and finished goods	31,329	38,850
Work in process	19,573	21,372
Raw materials and supplies	50,805	49,369
Other	7,283	8,490
Allowance for doubtful accounts	(1,255)	(1,141)
Total current assets	193,568	193,364
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,929	25,134
Machinery, equipment and vehicles, net	9,708	10,163
Tools, furniture and fixtures, net	2,309	2,472
Land	13,693	13,763
Leased assets, net	368	385
Construction in progress	4,011	4,595
Total property, plant and equipment	53,021	56,515
Intangible assets		
Goodwill	525	528
Software	2,354	2,369
Other	2,187	2,282
Total intangible assets	5,067	5,180
Investments and other assets		
Investment securities	15,980	17,840
Investments in capital	681	682
Long-term prepaid expenses	338	372
Retirement benefit asset	18,507	18,140
Deferred tax assets	1,387	1,524
Other	1,712	3,100
Allowance for doubtful accounts	(29)	(904)
Total investments and other assets	38,577	40,757
Total non-current assets	96,666	102,452
Total assets	290,234	295,816

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,581	16,911
Electronically recorded obligations - operating	15,264	16,298
Short-term borrowings	23,885	25,916
Current portion of long-term borrowings	6,037	7,365
Lease liabilities	122	115
Income taxes payable	3,510	2,450
Provision for bonuses	5,144	3,665
Provision for bonuses for directors (and other officers)	143	37
Provision for loss on construction contracts	165	148
Other	11,035	10,858
Total current liabilities	86,891	83,768
Non-current liabilities		
Long-term borrowings	38,668	40,887
Lease liabilities	232	292
Deferred tax liabilities	4,426	5,046
Provision for retirement benefits for directors (and other officers)	103	79
Provision for loss on guarantees	613	—
Provision for share awards	163	317
Provision for construction expenses related to earthquake resistance renovation	563	492
Provision for product safety measures	2	2
Retirement benefit liability	3,265	2,911
Asset retirement obligations	121	121
Other	1,897	1,903
Total non-current liabilities	50,057	52,054
Total liabilities	136,949	135,822
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,074	10,082
Retained earnings	101,796	105,153
Treasury shares	(4,926)	(4,913)
Total shareholders' equity	117,540	120,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,039	7,386
Foreign currency translation adjustment	9,293	10,992
Remeasurements of defined benefit plans	5,497	5,193
Total accumulated other comprehensive income	20,831	23,572
Non-controlling interests	14,913	15,502
Total net assets	153,285	159,993
Total liabilities and net assets	290,234	295,816

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	96,088	105,253
Cost of sales	68,162	74,906
Gross profit	27,925	30,346
Selling, general and administrative expenses	22,861	23,414
Operating profit	5,064	6,932
Non-operating income		
Interest and dividend income	528	685
Foreign exchange gains	—	290
Subsidy income	413	209
Other	586	582
Total non-operating income	1,528	1,769
Non-operating expenses		
Interest expenses	390	480
Foreign exchange losses	62	—
Compensation expenses for damage	130	—
Other	242	324
Total non-operating expenses	826	805
Ordinary profit	5,766	7,896
Extraordinary income		
Gain on sale of investment securities	644	375
Reversal of provision for loss on guarantees	202	613
Total extraordinary income	846	989
Extraordinary losses		
Provision of allowance for doubtful accounts	323	757
Extra payments for early retirements	—	48
Total extraordinary losses	323	805
Profit before income taxes	6,289	8,080
Income taxes	1,768	2,293
Profit	4,520	5,787
Profit attributable to non-controlling interests	304	613
Profit attributable to owners of parent	4,215	5,173

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	4,520	5,787
Other comprehensive income		
Valuation difference on available-for-sale securities	165	1,399
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	(24)	1,677
Remeasurements of defined benefit plans, net of tax	(210)	(248)
Share of other comprehensive income of entities accounted for using equity method	2	4
Total other comprehensive income	(66)	2,832
Comprehensive income	4,454	8,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,153	7,896
Comprehensive income attributable to non-controlling interests	301	723

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	6,289	8,080
Depreciation	3,119	3,113
Amortization of goodwill	34	35
Increase (decrease) in allowance for doubtful accounts	323	756
Increase (decrease) in provision for bonuses	150	(1,490)
Increase (decrease) in provision for loss on construction contracts	(54)	(17)
Increase (decrease) in provision for loss on guarantees	(202)	(613)
Increase (decrease) in provision for construction expenses related to earthquake resistance renovation	(2)	(70)
Increase (decrease) in retirement benefit liability	(15)	(375)
Decrease (increase) in retirement benefit asset	190	366
Interest and dividend income	(528)	(685)
Interest expenses	390	480
Loss (gain) on sale of investment securities	(644)	(375)
Compensation expenses for damage	130	—
Subsidy income	(413)	(209)
Decrease (increase) in trade receivables	16,104	9,891
Decrease (increase) in inventories	(8,406)	(6,914)
Increase (decrease) in trade payables	(3,412)	(3,990)
Other, net	(1,629)	(765)
Subtotal	11,424	7,215
Interest and dividends received	534	668
Interest paid	(386)	(479)
Subsidies received	413	209
Income taxes paid	(1,585)	(3,395)
Net cash provided by (used in) operating activities	10,400	4,218
Cash flows from investing activities		
Net decrease (increase) in time deposits	(3,001)	338
Purchase of property, plant and equipment	(3,041)	(6,436)
Proceeds from sale of property, plant and equipment	42	23
Purchase of intangible assets	(192)	(345)
Proceeds from sale of investment securities	715	493
Net decrease (increase) in short-term loans receivable	(103)	(163)
Purchase of shares of subsidiaries	(1,576)	—
Long-term loan advances	(323)	(1,309)
Other, net	(28)	(9)
Net cash provided by (used in) investing activities	(7,508)	(7,410)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,228	1,645
Proceeds from long-term borrowings	6,000	6,011
Repayments of long-term borrowings	(4,577)	(2,528)
Purchase of treasury shares	(1,031)	(5)
Dividends paid	(2,019)	(1,973)
Other, net	(318)	(108)
Net cash provided by (used in) financing activities	281	3,040
Effect of exchange rate change on cash and cash equivalents	(744)	296
Net increase (decrease) in cash and cash equivalents	2,428	145
Cash and cash equivalents at beginning of period	22,077	28,855
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	164	108
Increase (decrease) in cash resulting from fiscal year change of subsidiaries	(1,213)	—
Cash and cash equivalents at end of period	23,457	29,108

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in scope of consolidation or application of equity method)

DAIHEN MEXICO S.A. de C.V. has been included in the scope of consolidation from the six months ended September 30, 2025 due to its increased importance.

(Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements)

- Calculation of tax expenses

The Company employs a method of making a reasonable estimation of the effective tax rate after application of tax effect accounting to profit before income taxes for the current fiscal year and multiplying profit before income taxes by said effective tax rate.

However, if the use of said effective tax rate to calculate tax expenses leads to a markedly unreasonable result, material differences that do not fall under temporary differences are added to or deducted from the profit before income taxes, and tax expenses are calculated by multiplying the resulting amount by the statutory effective tax rate.

(Changes in accounting policies)

- Change in inventory valuation method

The Company previously employed the last purchase cost method (book value is written down according to declines in profitability) for valuing merchandise, raw materials, and supplies included in inventories. However, the Company has changed to the weighted average cost method (book value is written down according to declines in profitability) effective from the beginning of the six months ended September 30, 2025.

This change in the valuation method was made in connection with the introduction of a new cost management system, with the aim of achieving more accurate inventory valuation and periodic profit and loss calculation that responds to fluctuations in raw material prices.

Since it is practically impossible to retrospectively apply the weighted average cost method to prior consolidated fiscal years and to calculate cumulative effect of such retrospective application, the Company has used the book value at the end of the previous consolidated fiscal year as the beginning balance for the six months ended September 30, 2025, and applies the weighted average cost method from the beginning of the six months ended September 30, 2025 to the future.

The impact of this change in accounting policy is immaterial.

(Segment information, etc.)

I. For the six months ended September 30, 2024

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	50,092	14,146	31,752	95,991	97	96,088
Inter-segment net sales or transfers	—	12	1	13	—	13
Total	50,092	14,158	31,753	96,004	97	96,101
Segment profit	3,904	498	2,945	7,348	21	7,369

(Note) “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.

2. Information on the difference between total of the profit or loss amounts of reportable segments and the amounts recorded in the Semi-annual Consolidated Statements of Income and the main contents of the difference (matters concerning variation adjustment)

(Million yen)

Profit	Amount
Reportable Segment Total	7,348
Profit in “Other” category	21
Elimination of inter-segment transactions	1
Company-wide expenses (Note)	(2,306)
Operating profit in Semi-annual Consolidated Statements of Income	5,064

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

3. Information on impairment loss on non-current assets or goodwill by reportable segment

(Material changes in goodwill amount)

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 six months ended September 30, 2025. Due to this finalization, the amount of goodwill in Material Processing has decreased by 1,449 million yen.

II. For the six months ended September 30, 2025

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	53,955	15,173	36,024	105,152	100	105,253
Inter-segment net sales or transfers	—	31	3	34	—	34
Total	53,955	15,204	36,027	105,187	100	105,287
Segment profit	5,145	807	3,245	9,198	8	9,207

(Note) “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.

2. Information on the difference between total of the profit or loss amounts of reportable segments and the amounts recorded in the Semi-annual Consolidated Statements of Income and the main contents of the difference (matters concerning variation adjustment)

(Million yen)

Profit	Amount
Reportable Segment Total	9,198
Profit in “Other” category	8
Elimination of inter-segment transactions	(0)
Company-wide expenses (Note)	(2,274)
Operating profit in Semi-annual Consolidated Statements of Income	6,932

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

3. Information on impairment loss on non-current assets or goodwill by reportable segment

Not applicable.

(Revenue recognition)

Information that disaggregates revenue from contracts with customers

For the six months ended September 30, 2024

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Japan	47,018	3,859	23,226	74,103	3	74,107
North America	—	1,200	1,234	2,434	—	2,434
Asia	3,074	7,022	3,742	13,838	—	13,838
Other	0	2,064	3,549	5,614	—	5,614
Revenue from contracts with customers	50,092	14,146	31,752	95,991	3	95,994
Other revenue	—	—	—	—	93	93
Net sales to outside customers	50,092	14,146	31,752	95,991	97	96,088

(Note) “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.

For the six months ended September 30, 2025

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Japan	51,120	3,582	26,865	81,569	3	81,573
North America	—	1,656	1,760	3,416	—	3,416
Asia	2,834	8,001	4,006	14,841	—	14,841
Other	—	1,933	3,392	5,325	—	5,325
Revenue from contracts with customers	53,955	15,173	36,024	105,152	3	105,156
Other revenue	—	—	—	—	96	96
Net sales to outside customers	53,955	15,173	36,024	105,152	100	105,253

(Note) “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.