Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 4, 2026

Company name: DAIHEN Corporation
Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange
Stock exchange code: 6622
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Scheduled date of commencing dividend payments: –
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 – June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	55,507	13.1	4,079	28.9	4,733	25.3	2,779	40.9
June 30, 2025	49,063	13.3	3,163	250.8	3,776	152.7	1,972	202.4

(Note) Comprehensive income: Three months ended June 30, 2026: 5,126 million yen [61.7%]
Three months ended June 30, 2025: 3,170 million yen [(21.4)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	117.75	–
June 30, 2025	82.51	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	317,016	173,390	49.4
As of March 31, 2026	320,175	170,746	48.1

(Reference) Equity: As of June 30, 2026: 156,604 million yen
As of March 31, 2026: 154,030 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, 2026	–	84.00	–	96.00	180.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		105.00	–	21.00	–

(Note) Revision to the forecast for dividends announced most recently: None

* The Company plans to conduct a 5-for-1 share split of its common shares, effective October 1, 2026. The forecast year-end dividend per share for the fiscal year ending March 31, 2027 reflects the impact of this share split, with the total annual dividend indicated as "–." Excluding the impact of this share split, the year-end dividend would be 105.00 yen, and the total annual dividend would be 210.00 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(% 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	125,000	18.8	9,000	29.8	9,500	20.3	6,000	16.0	254.16
Full year	280,000	17.8	25,000	33.1	25,500	26.9	16,500	16.9	139.79

(Note) Revision to the financial results forecast announced most recently: None

* The Company plans to conduct a 5-for-1 share split of its common shares, effective October 1, 2026. In the consolidated financial results forecast for the fiscal year ending March 31, 2027, basic earnings per share for the first half is presented at the amount before the share split, while that for the full year is presented at the amount after the share split. Excluding the impact of this share split, basic earnings per share for the full year would be 698.95 yen.

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – ( ), Excluded: – ( )

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please see “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 8 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: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(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 June 30, 2026:	24,903,291 shares
As of March 31, 2026:	24,903,291 shares

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

As of June 30, 2026:	1,295,315 shares
As of March 31, 2026:	1,296,477 shares

3) Average number of shares during the period:

Three months ended June 30, 2026:	23,608,067 shares
Three months ended June 30, 2025:	23,904,705 shares

(Note) The total number of treasury shares at the end of the period includes 110,600 shares of the Company as of June 30, 2026 and 112,100 shares of the Company as of March 31, 2026 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.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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 Quarterly Operating Results

The performance of DAIHEN Corporation (the “Company”) and its subsidiaries (collectively, the “DAIHEN Group”) for the three months ended June 30, 2026 was orders received of 86,096 million yen (up 46.5% year-on-year) and net sales of 55,507 million yen (up 13.1% year-on-year), as capital investment of semiconductor-related companies remained at a high level while investment in production automation also increased. In income results, operating profit was 4,079 million yen (up 28.9% year-on-year), ordinary profit was 4,733 million yen (up 25.3% year-on-year), and profit attributable to owners of parent was 2,779 million yen (up 40.9% 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

Orders received were 44,104 million yen (up 33.7% year-on-year), driven by a significant increase in demand for storage battery systems against the backdrop of the expanding adoption of renewable energy. Net sales were 24,500 million yen (down 5.5% year-on-year), and operating profit was 2,200 million yen (down 6.3% year-on-year); both were slightly lower than in the corresponding period of the previous fiscal year, in which the Company delivered large-scale power receiving and distribution systems for plants in Japan.

2) Factory Automation

Orders received were 11,757 million yen (up 61.6% year-on-year), net sales were 8,231 million yen (up 25.7% year-on-year), and operating profit was 402 million yen (up 366 million yen year-on-year), driven by a recovery in investments related to production automation as well as growing demand for transfer robots for advanced semiconductor packages.

3) Material Processing

Orders received were 30,180 million yen (up 63.6% year-on-year), net sales were 22,734 million yen (up 37.4% year-on-year), and operating profit was 2,676 million yen (up 39.5% year-on-year), as investments related to semiconductors, primarily for data centers, remained strong against the backdrop of growing demand related to generative AI.

4) Other

Net sales were 53 million yen and operating profit was 9 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	44,104	+33.7%	24,500	(5.5)%	2,200	(6.3)%
Factory Automation	11,757	+61.6%	8,231	+25.7%	402	–
Material Processing	30,180	+63.6%	22,734	+37.4%	2,676	+39.5%
Other	53	+4.4%	53	+4.4%	9	+41.1%
Company Total	86,096	+46.5%	55,507	+13.1%	4,079	+28.9%

(Note) Year-on-year change in operating profit of Factory Automation is presented as “–” because it exceeded 1,000%.

(2) Explanation of Quarterly Financial Position

Total assets at the end of the three months ended June 30, 2026 decreased by 3,159 million yen from the end of the previous fiscal year to 317,016 million yen. This is primarily attributable to a decrease in notes and accounts receivable - trade, while inventories, property, plant and equipment and investment securities increased.

Total liabilities at the end of the three months ended June 30, 2026 decreased by 5,803 million yen from the end of the previous fiscal year to 143,625 million yen. This is primarily attributable to decreases in income taxes payable and provision for bonuses.

Total net assets at the end of the three months ended June 30, 2026 increased by 2,644 million yen from the end of the previous fiscal year to 173,390 million yen. This is primarily attributable to increases in valuation difference on available-for-sale securities and foreign currency translation adjustment. The equity ratio increased by 1.3 percentage points from 48.1% to 49.4%.

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

The business environment surrounding the DAIHEN Group is expected to remain generally firm in and after the second quarter, and there are no significant changes in the assumptions for the consolidated financial results forecast. Accordingly, the consolidated financial results forecast for the six months ending September 30, 2026 and the full year ending March 31, 2027 has not been revised from the forecast announced on May 11, 2026. Should a revision of the consolidated financial results forecast become necessary, the Company will promptly disclose it.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	34,160	33,524
Notes and accounts receivable - trade	58,508	44,916
Merchandise and finished goods	39,094	39,204
Work in process	22,483	30,017
Raw materials and supplies	47,634	47,336
Other	7,998	8,536
Allowance for doubtful accounts	(51)	(47)
Total current assets	209,829	203,489
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,218	26,607
Machinery, equipment and vehicles, net	13,129	12,826
Tools, furniture and fixtures, net	2,789	2,835
Land	13,891	13,899
Leased assets, net	380	376
Construction in progress	3,782	4,879
Total property, plant and equipment	60,192	61,425
Intangible assets		
Goodwill	517	499
Software	2,319	2,370
Other	2,445	2,415
Total intangible assets	5,282	5,286
Investments and other assets		
Investment securities	17,676	19,727
Investments in capital	509	509
Long-term prepaid expenses	348	348
Retirement benefit asset	23,026	22,870
Deferred tax assets	1,527	1,519
Other	4,343	4,412
Allowance for doubtful accounts	(2,562)	(2,574)
Total investments and other assets	44,870	46,814
Total non-current assets	110,346	113,526
Total assets	320,175	317,016

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,417	19,601
Electronically recorded obligations - operating	8,759	9,820
Short-term borrowings	39,939	38,346
Current portion of long-term borrowings	8,057	8,086
Lease liabilities	129	128
Income taxes payable	5,699	2,018
Provision for bonuses	5,459	3,731
Provision for bonuses for directors (and other officers)	151	22
Provision for loss on construction contracts	160	163
Other	13,052	14,656
Total current liabilities	101,828	96,575
Non-current liabilities		
Long-term borrowings	36,652	35,783
Lease liabilities	263	261
Deferred tax liabilities	4,516	4,973
Provision for retirement benefits for directors (and other officers)	88	69
Provision for loss on guarantees	–	27
Provision for share awards	476	558
Provision for construction expenses related to earthquake resistance renovation	282	282
Retirement benefit liability	2,885	2,877
Asset retirement obligations	179	179
Other	2,254	2,035
Total non-current liabilities	47,599	47,049
Total liabilities	149,428	143,625
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,074	10,074
Retained earnings	110,610	111,113
Treasury shares	(6,995)	(6,986)
Total shareholders' equity	124,286	124,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,572	9,032
Deferred gains or losses on hedges	–	(4)
Foreign currency translation adjustment	14,516	15,353
Remeasurements of defined benefit plans	7,654	7,426
Total accumulated other comprehensive income	29,743	31,807
Non-controlling interests	16,716	16,785
Total net assets	170,746	173,390
Total liabilities and net assets	320,175	317,016

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	49,063	55,507
Cost of sales	34,394	38,813
Gross profit	14,669	16,693
Selling, general and administrative expenses	11,505	12,614
Operating profit	3,163	4,079
Non-operating income		
Interest and dividend income	607	550
Foreign exchange gains	95	133
Other	322	349
Total non-operating income	1,025	1,034
Non-operating expenses		
Interest expenses	233	247
Other	180	133
Total non-operating expenses	413	380
Ordinary profit	3,776	4,733
Extraordinary income		
Reversal of allowance for doubtful accounts	–	9
Reversal of provision for loss on guarantees	2	–
Total extraordinary income	2	9
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	–	81
Provision for loss on guarantees	–	27
Provision of allowance for doubtful accounts	81	19
Extra payments for early retirements	4	–
Total extraordinary losses	86	127
Profit before income taxes	3,692	4,615
Income taxes	1,339	1,515
Profit	2,352	3,099
Profit attributable to non-controlling interests	380	319
Profit attributable to owners of parent	1,972	2,779

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	2,352	3,099
Other comprehensive income		
Valuation difference on available-for-sale securities	624	1,431
Deferred gains or losses on hedges	–	(4)
Foreign currency translation adjustment	246	845
Remeasurements of defined benefit plans, net of tax	(55)	(245)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	817	2,026
Comprehensive income	3,170	5,126
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,712	4,843
Comprehensive income attributable to non-controlling interests	457	283

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly 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 quarterly 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 quarterly profit before income taxes, and tax expenses are calculated by multiplying the resulting amount by the statutory effective tax rate.

(Segment information, etc.)

I. For the three months ended June 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	25,918	6,546	16,547	49,012	51	49,063
Inter-segment net sales or transfers	–	1	1	2	–	2
Total	25,918	6,547	16,548	49,014	51	49,065
Segment profit	2,348	35	1,919	4,303	6	4,310

(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 Quarterly Consolidated Statements of Income and the main contents of the difference (matters concerning variation adjustment)

(Million yen)

Profit	Amount
Reportable Segment Total	4,303
Profit in "Other" category	6
Elimination of inter-segment transactions	(0)
Company-wide expenses (Note)	(1,146)
Operating profit in Quarterly Consolidated Statements of Income	3,163

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

II. For the three months ended June 30, 2026

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	24,500	8,219	22,733	55,454	53	55,507
Inter-segment net sales or transfers	–	11	0	11	–	11
Total	24,500	8,231	22,734	55,466	53	55,519
Segment profit	2,200	402	2,676	5,279	9	5,289

(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 Quarterly Consolidated Statements of Income and the main contents of the difference (matters concerning variation adjustment)

(Million yen)

Profit	Amount
Reportable Segment Total	5,279
Profit in "Other" category	9
Elimination of inter-segment transactions	(0)
Company-wide expenses (Note)	(1,209)
Operating profit in Quarterly Consolidated Statements of Income	4,079

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

(Notes to the statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2026 have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2026 are as follows.

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	1,509	1,855
Amortization of goodwill	17	23

(Revenue recognition)

Information that disaggregates revenue from contracts with customers

For the three months ended June 30, 2025

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Japan	24,751	1,549	12,396	38,698	1	38,699
North America	–	720	750	1,471	–	1,471
Asia	1,166	3,436	1,793	6,396	–	6,396
Other	–	839	1,606	2,445	–	2,445
Revenue from contracts with customers	25,918	6,546	16,547	49,012	1	49,014
Other revenue	–	–	–	–	49	49
Net sales to outside customers	25,918	6,546	16,547	49,012	51	49,063

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

For the three months ended June 30, 2026

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Japan	23,445	1,458	17,523	42,427	1	42,429
North America	–	824	905	1,729	–	1,729
Asia	1,055	4,897	2,589	8,542	–	8,542
Other	–	1,039	1,714	2,754	–	2,754
Revenue from contracts with customers	24,500	8,219	22,733	55,454	1	55,456
Other revenue	–	–	–	–	51	51
Net sales to outside customers	24,500	8,219	22,733	55,454	53	55,507

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

(Significant subsequent events)

(Share split and partial amendments to Articles of Incorporation resulting from share split)

At a meeting of the Board of Directors held on August 4, 2026, the Company resolved to conduct a share split and make partial amendments to the Articles of Incorporation resulting from the share split.

1. Details of share split

(1) Purpose of share split

The share split is intended to lower the investment unit price to make the Company's shares more accessible to investors, thereby enhancing share liquidity and broadening the investor base.

(2) Overview of share split

(i) Method of share split

With Wednesday, September 30, 2026 as the record date, the Company will conduct a share split of its common shares held by shareholders that have been entered or recorded in the shareholder register at the end of the same date, at a ratio of five shares for each share.

(ii) Number of shares to be increased by share split

Total number of issued shares before the share split	24,903,291 shares
Number of shares to be increased by this share split	99,613,164 shares
Total number of issued shares after the share split	124,516,455 shares
Total number of shares authorized to be issued after the share split	490,000,000 shares

(3) Schedule

Date of public notice of the record date	Monday, September 14, 2026 (Scheduled)
Record date	Wednesday, September 30, 2026
Effective date	Thursday, October 1, 2026

(4) Impact on per share information

Per share information assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2026, is as follows.

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Basic earnings per share	16.50 yen	23.55 yen
Diluted earnings per share	–	–

2. Partial amendments to the Articles of Incorporation following the share split

(1) Reason for amendments to the Articles of Incorporation

In connection with the share split described above, the Company will partially amend its Articles of Incorporation in accordance with Article 184, paragraph (2) of the Companies Act, with Thursday, October 1, 2026 as the effective date.

(2) Details of amendments to the Articles of Incorporation (Changes are indicated by underlining.)

Current Articles of Incorporation	Amended Articles of Incorporation
Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>108,000,000 shares</u>.	Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>490,000,000 shares</u>.

(3) Schedule for amendments

Date of resolution at the meeting of the Board of Directors	Tuesday, August 4, 2026
Effective date	Thursday, October 1, 2026

3. Other matters

(1) Change in the amount of share capital

There will be no change in the amount of share capital as a result of the share split.