Financial Results for the Second Quarter of FY2025 (Six Months Ended September 30, 2025)

DAIHEN Corporation

December 5, 2025

Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Agenda

1. FY2025 2Q Results
   (Six Months Ended September 30, 2025)
2. FY2025 Full-year Financial Results Forecast
3. Progress on the FY2026 Medium-Term Plan Initiatives
4. Capital Policy and Cash Flow

FY2025 2Q Results

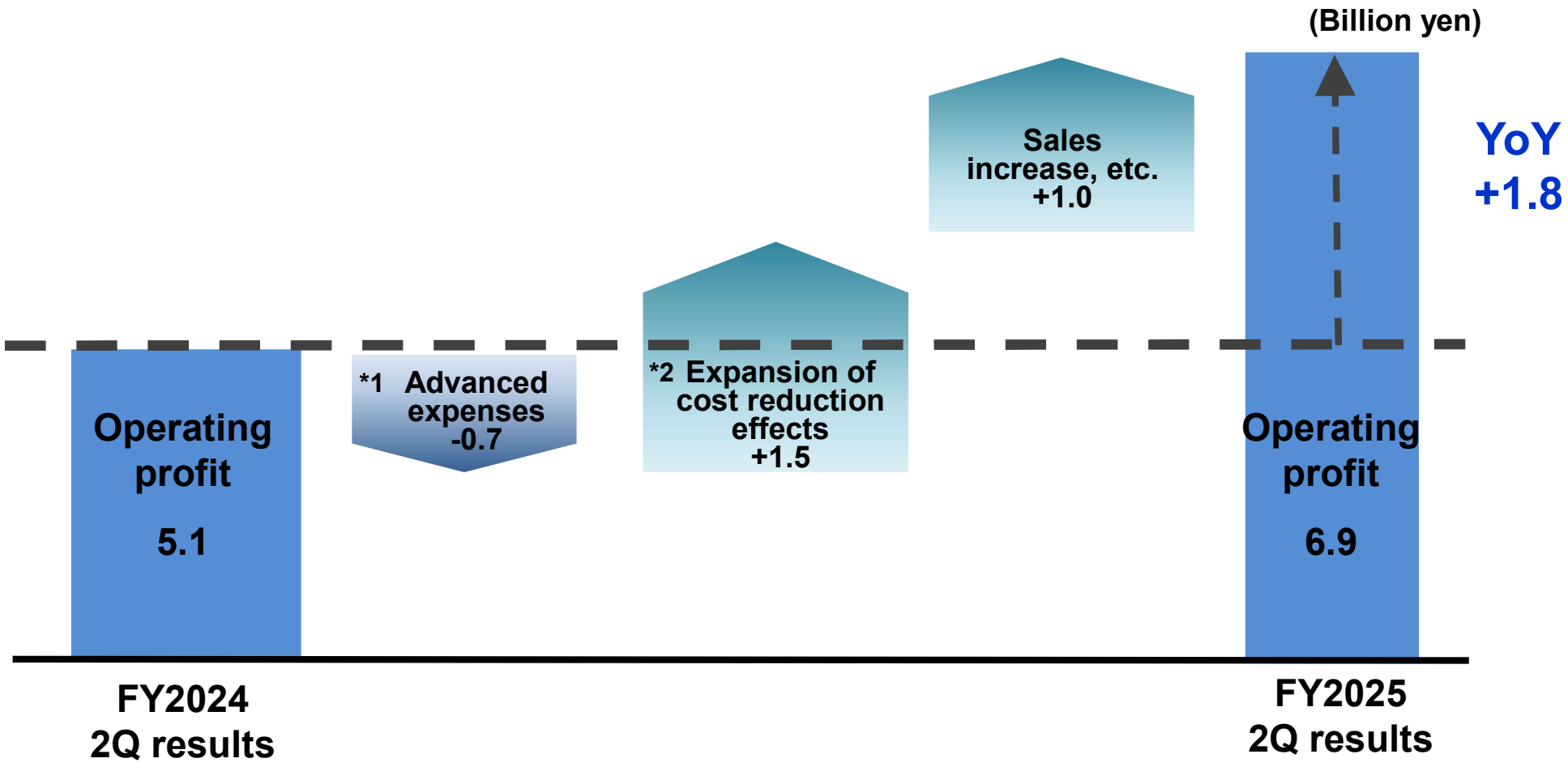
(Six Months Ended September 30, 2025)

FY2025 2Q Results (Six Months Ended September 30, 2025)

(Billion yen)

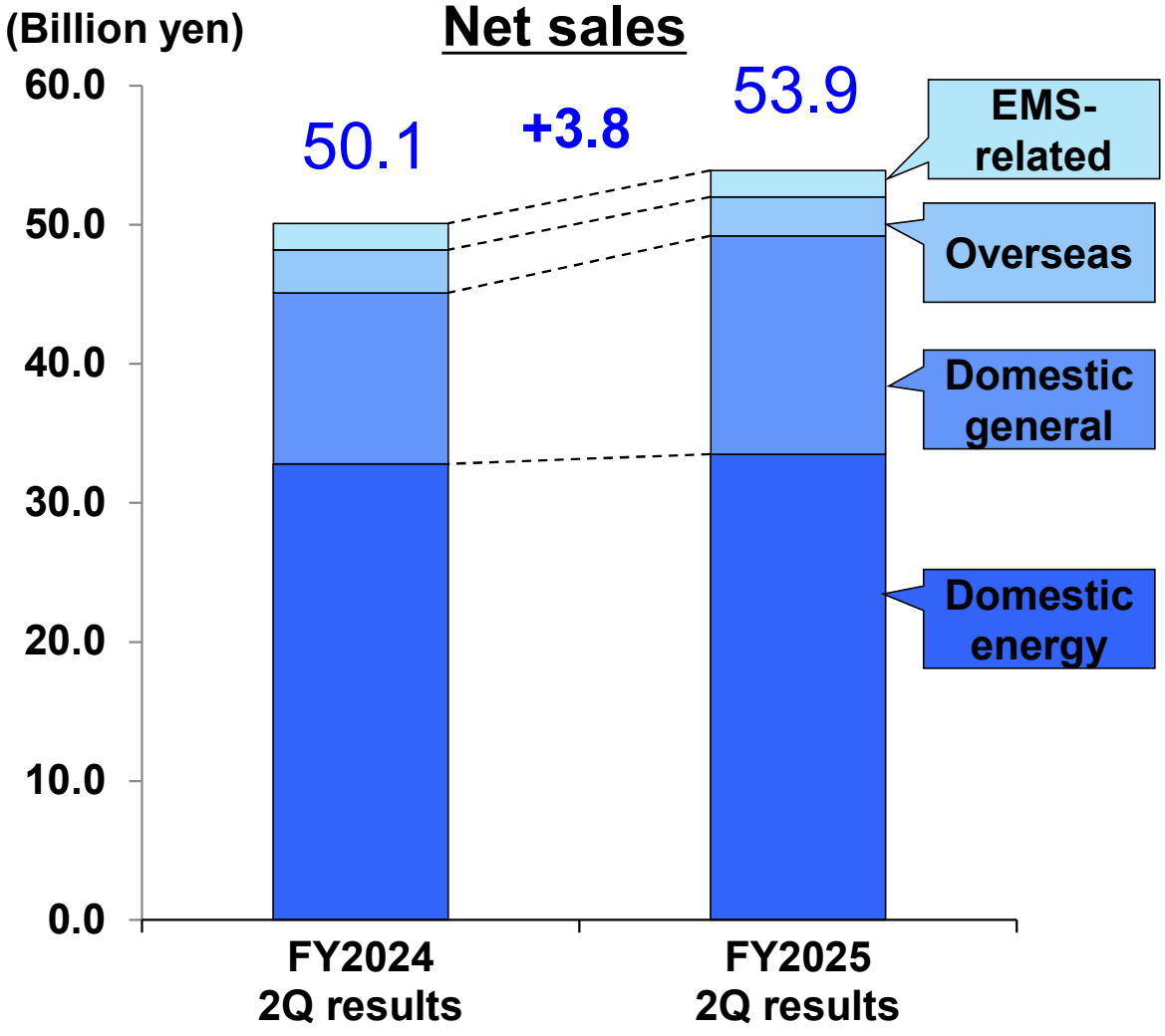
	FY2024 2Q results (1)	FY2025 2Q results (2)	YoY (2)-(1)	YoY Change	FY2025 2Q forecast (3)	FY2025 2Q forecast Change
Net sales	**96.1**	**105.2**	**+9.1**	**+9.5%**	**100.0**	**+5.3%**
1 Energy Management	*50.1*	*53.9*	*+3.8*	*+7.7%*	*50.0*	*+7.9%*
2 Factory Automation	*14.2*	*15.2*	*+1.0*	*+7.4%*	*16.0*	*-5.0%*
3 Material Processing	*31.7*	*36.0*	*+4.3*	*+13.5%*	*34.0*	*+6.0%*
Operating profit	5.3% **5.1**	6.6% **6.9**	**1.8**	**+36.9%**	5.0% **5.0**	**+38.7%**
Ordinary profit	6.0% **5.7**	7.5% **7.8**	**2.1**	**+36.9%**	5.0% **5.0**	**+57.9%**
Profit attributable to owners of parent	4.4% **4.2**	4.9% **5.1**	**+0.9**	**+22.7%**	3.5% **3.5**	**+47.8%**
Investment in development	**3.3**	**3.5**	**+0.2**	**+6.1%**		
Capital investment	**3.3**	**6.2**	**+2.9**	**+87.9%**		
Depreciation	**3.1**	**3.1**	**+0.0**	**+0.0%**		

FY2025 2Q Factors for Changes in Operating Profit (YoY)

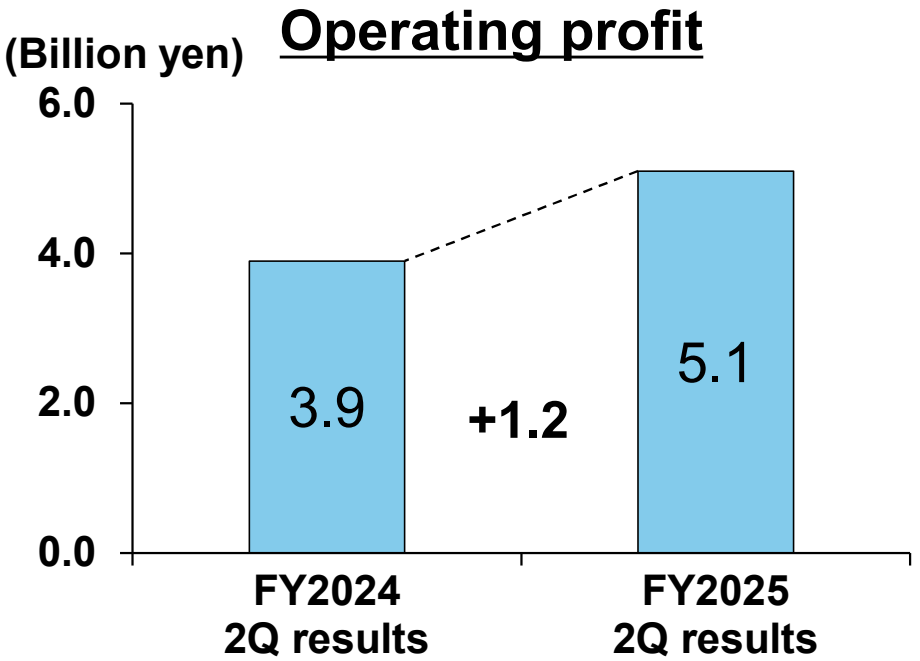


*1 Advanced expenses: increased development funds -0.2, wage increases, etc. -0.5
*2 Cost reduction effects: material cost savings +0.8, increased productivity +0.2, efficiency improvement in indirect operations +0.5

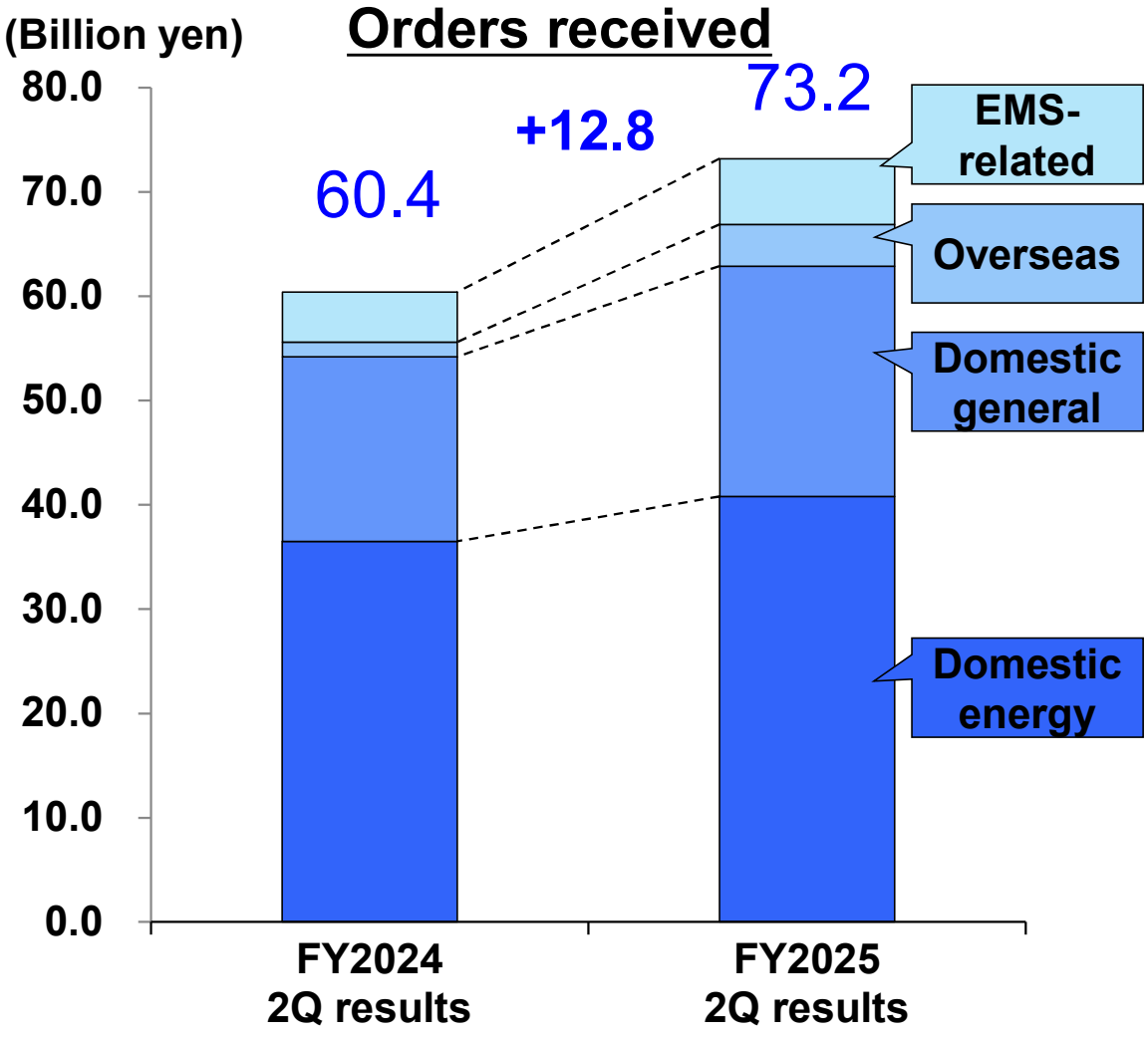
Energy Management Segment: Net Sales and Operating Profit



- Sales and profit increased due to increased investments in renewable energy and renewal of power receiving and distribution systems.

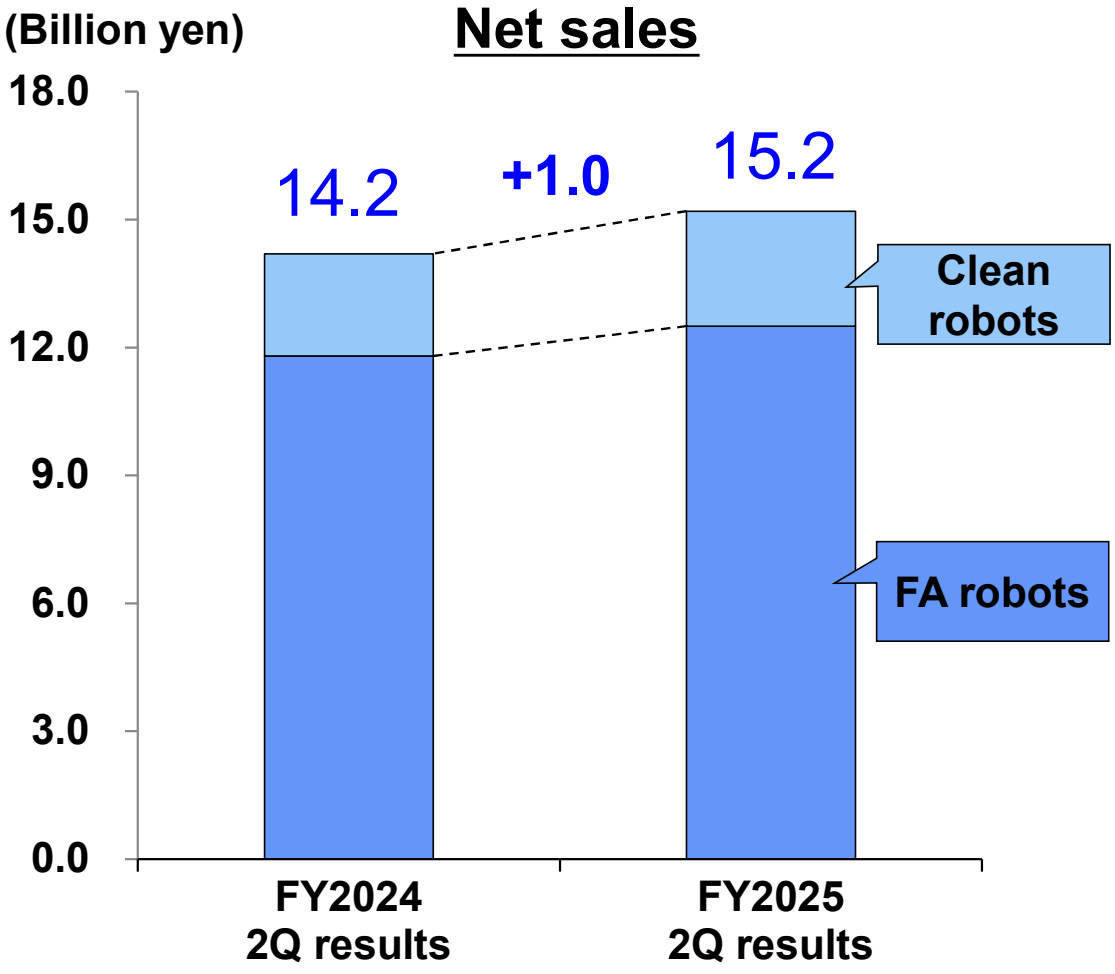


Energy Management Segment: Orders Received

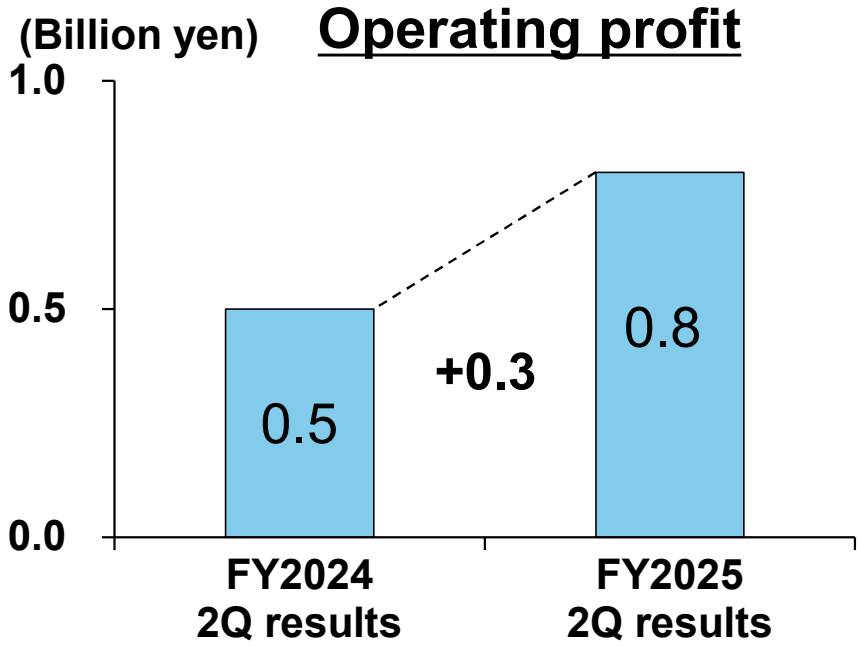


- Orders for Domestic energy increased due to heightened demand for large transformers used in substations.
- Orders for Domestic general increased due to renewable energy-related investments and growing demand for data centers, as well as in anticipation of the 2026 energy efficiency standards for transformers (Top Runner Transformer 3rd Judgment Standards).

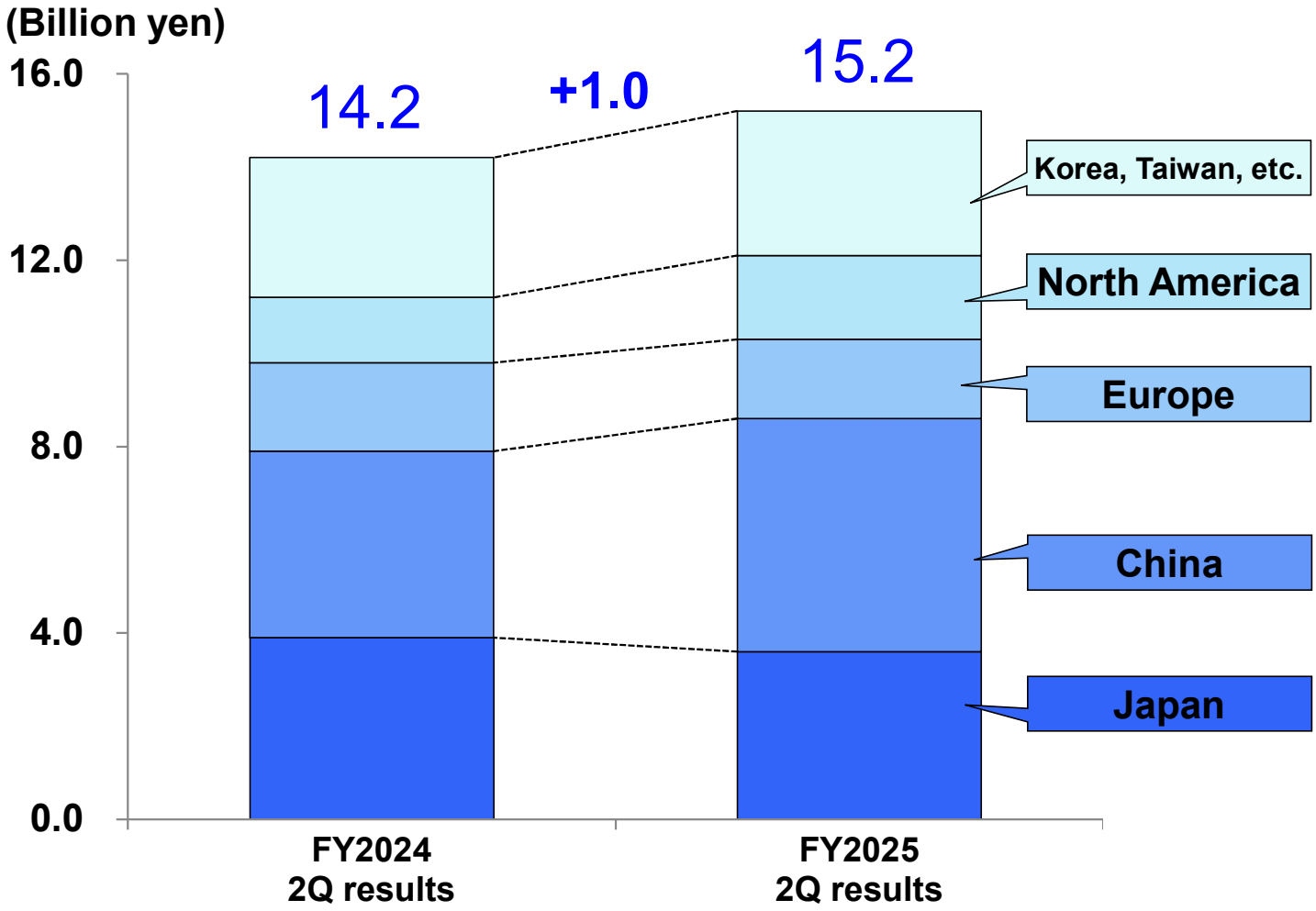
Factory Automation Segment: Net Sales and Operating Profit



- Sales and profit increased, reflecting the results of efforts to develop new customers in the U.S. and China.
- Profit increased, driven by higher net sales and the effects of cost reduction measures.

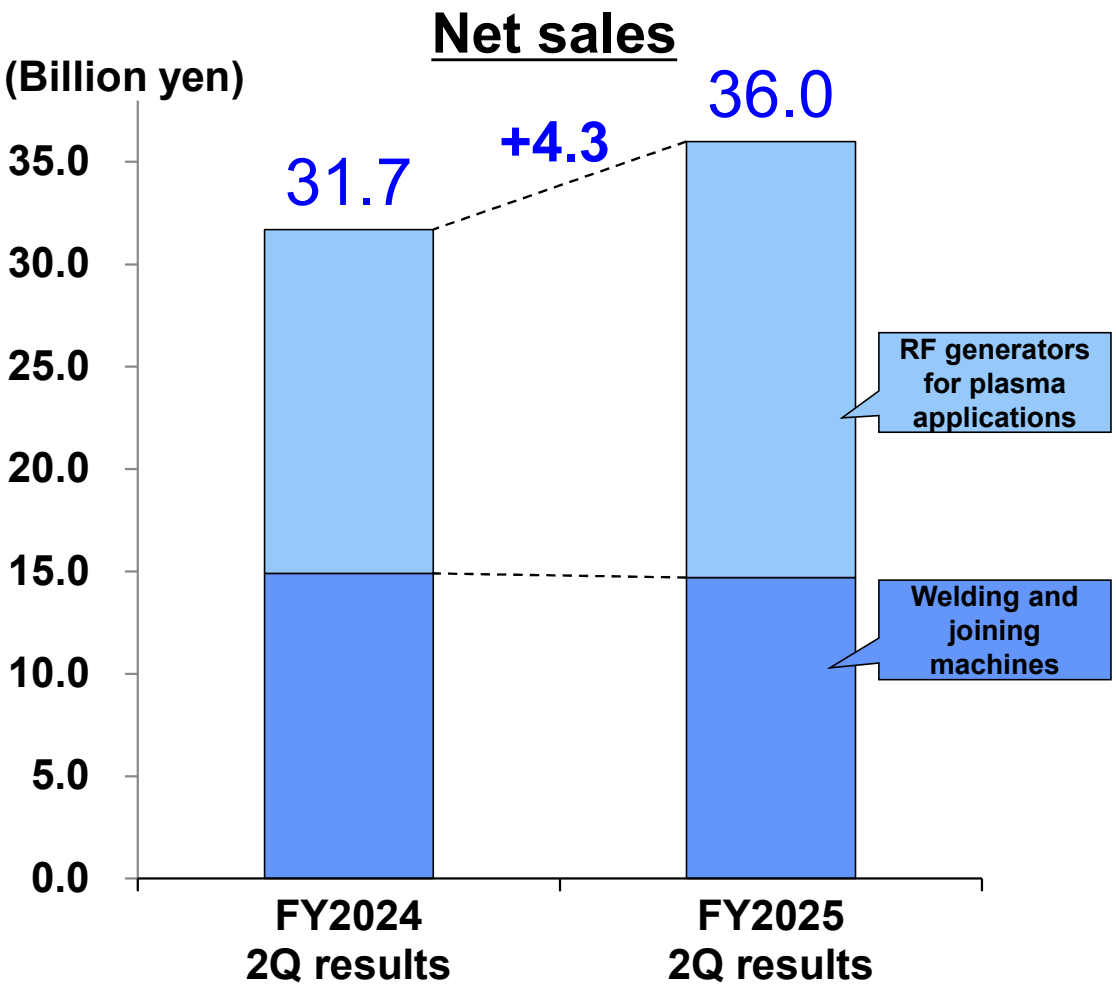


Factory Automation: Net Sales by Region

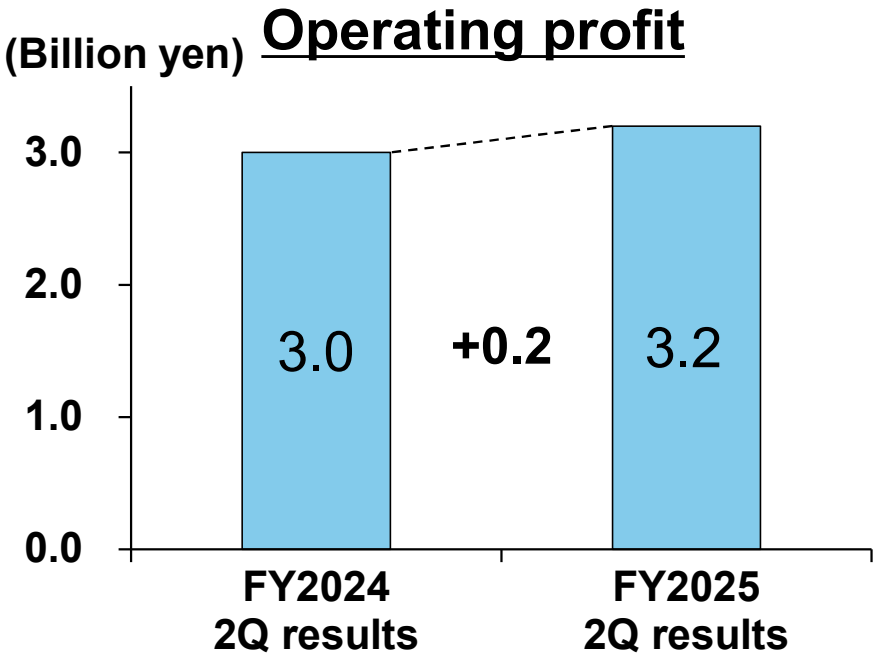


- While investments remained suppressed in Japan and Europe, sales in other regions increased.

Material Processing Segment: Net Sales and Operating Profit



- Demand for RF generators for plasma applications remained high due to continued investment in advanced semiconductors for generative AI.
- Profit increased, driven by higher net sales.



FY2025 Full-year Financial Results Forecast

Full-year Financial Results Forecast

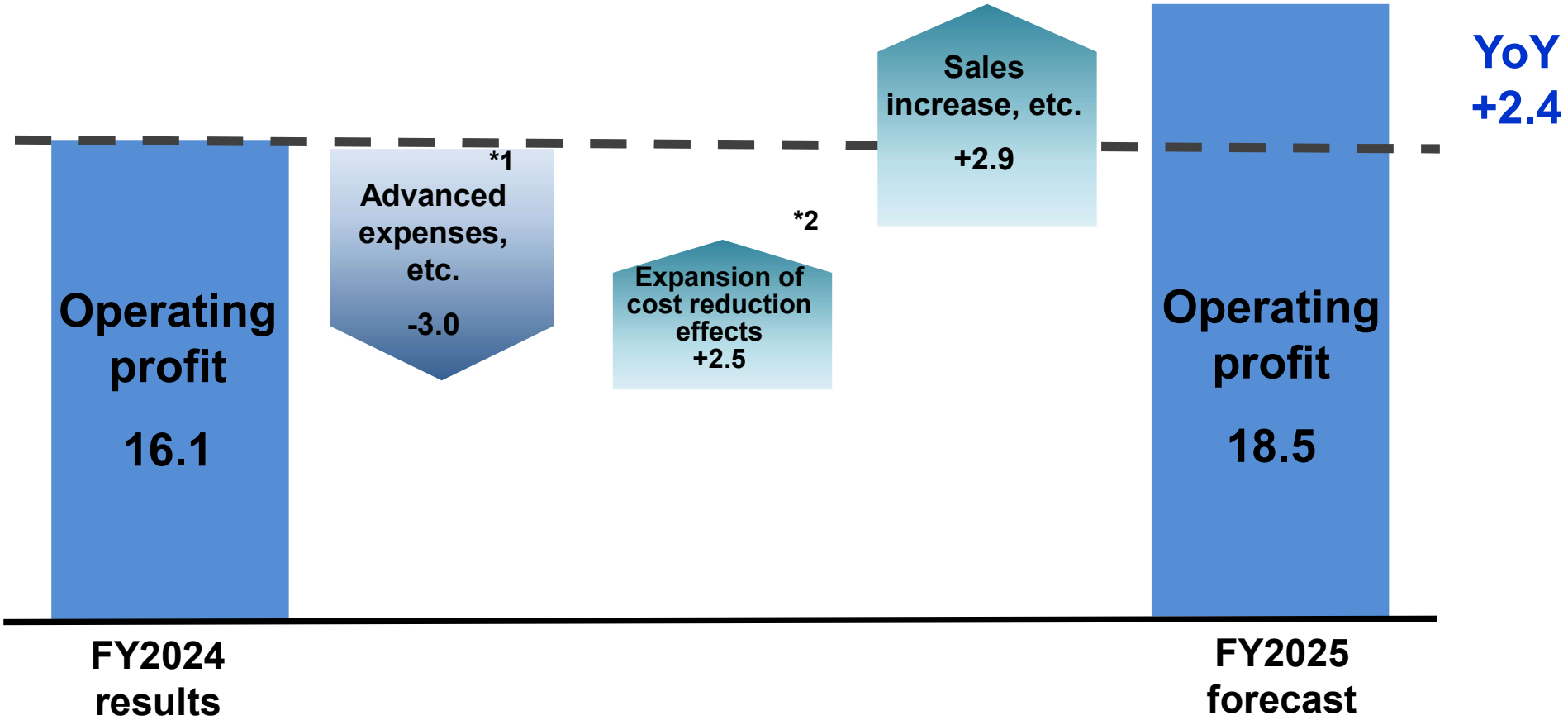
- **It is anticipated that uncertainties surrounding semiconductor-related investments will ease, while investments related to decarbonization and other areas are expected to remain robust. Reflecting the stronger-than-expected performance in the first half, the full-year financial results forecast has been revised.**
  ***Net sales, operating profit, and ordinary profit have all reached record highs.**

(Billion yen)

	FY2024 results (1)		FY2025 forecast (2)		YoY		Changes between initial forecast for FY2025	
					(2)-(1)	Changes	Changes (Amount)	Changes (%)
Net sales		**226.3**		**235.0**	**+8.7**	**+3.8%**	**+5.0**	**+2.2%**
1 Energy Management		*120.8*		*127.0*	*+6.2*	*+5.1%*	*+8.0*	*+6.7%*
2 Factory Automation		*32.7*		*33.0*	*+0.3*	*+0.9%*	*-1.0*	*-2.9%*
3 Material Processing		*72.6*		*75.0*	*+2.4*	*+3.3%*	*-2.0*	*-2.6%*
Operating profit	7.1%	**16.1**	7.9%	**18.5**	**2.4**	**+14.4%**	**1.5**	**+8.8%**
Ordinary profit	7.6%	**17.1**	8.1%	**19.0**	**1.9**	**+10.6%**	**1.5**	**+8.6%**
Profit attributable to owners of parent	5.3%	**11.9**	6.0%	**14.0**	**+2.1**	**+17.0%**	**1.0**	**+7.7%**

Full-year FY2025 Factors for Changes in Operating Profit (YoY)

(Billion yen)

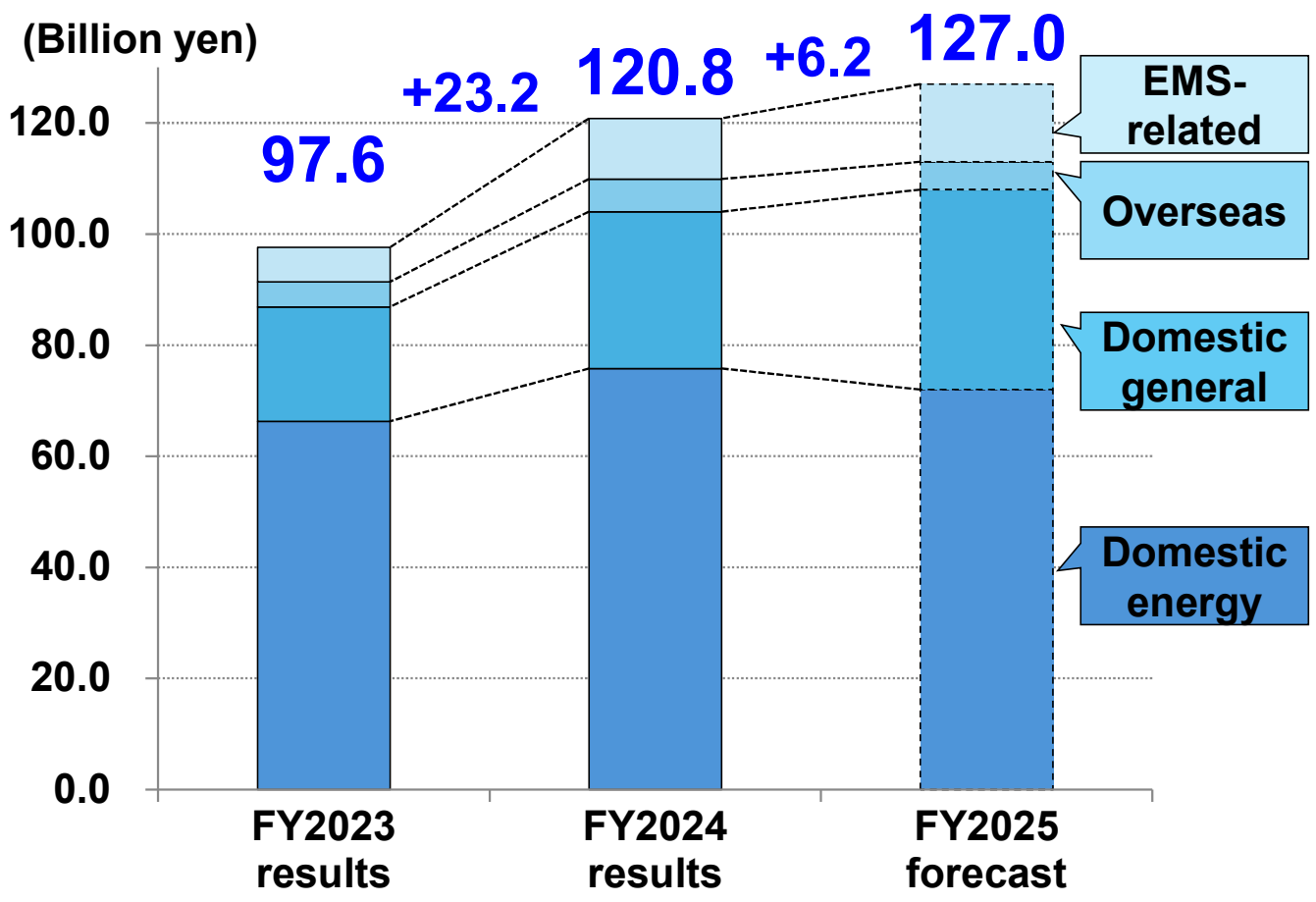


*1 Advanced expenses, etc.: development funds -0.9, depreciation -0.8, advertising -0.2, wage increases, etc. -1.1

*2 Cost reduction effects: material cost savings +1.5, increased productivity +0.2, efficiency improvement in indirect operations +0.8

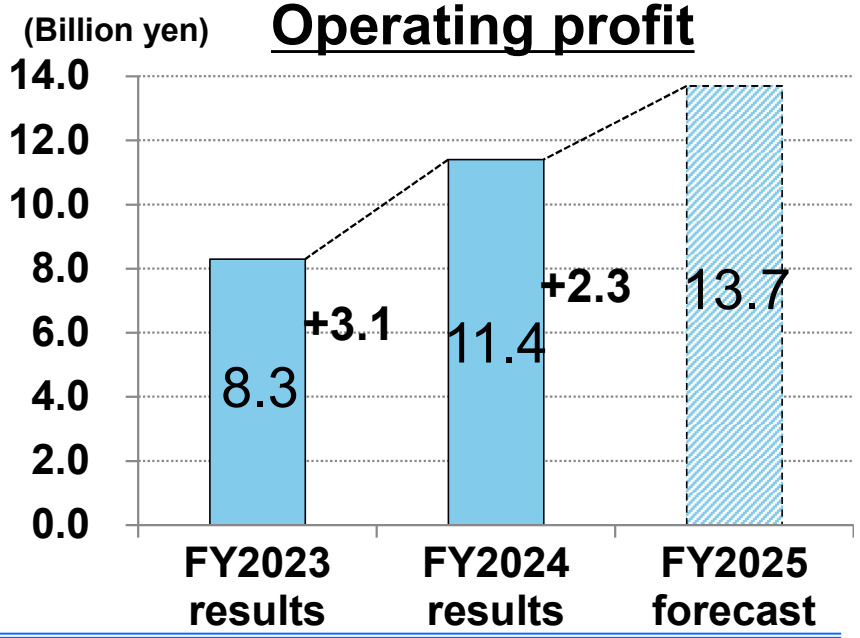
Energy Management Segment

Net sales



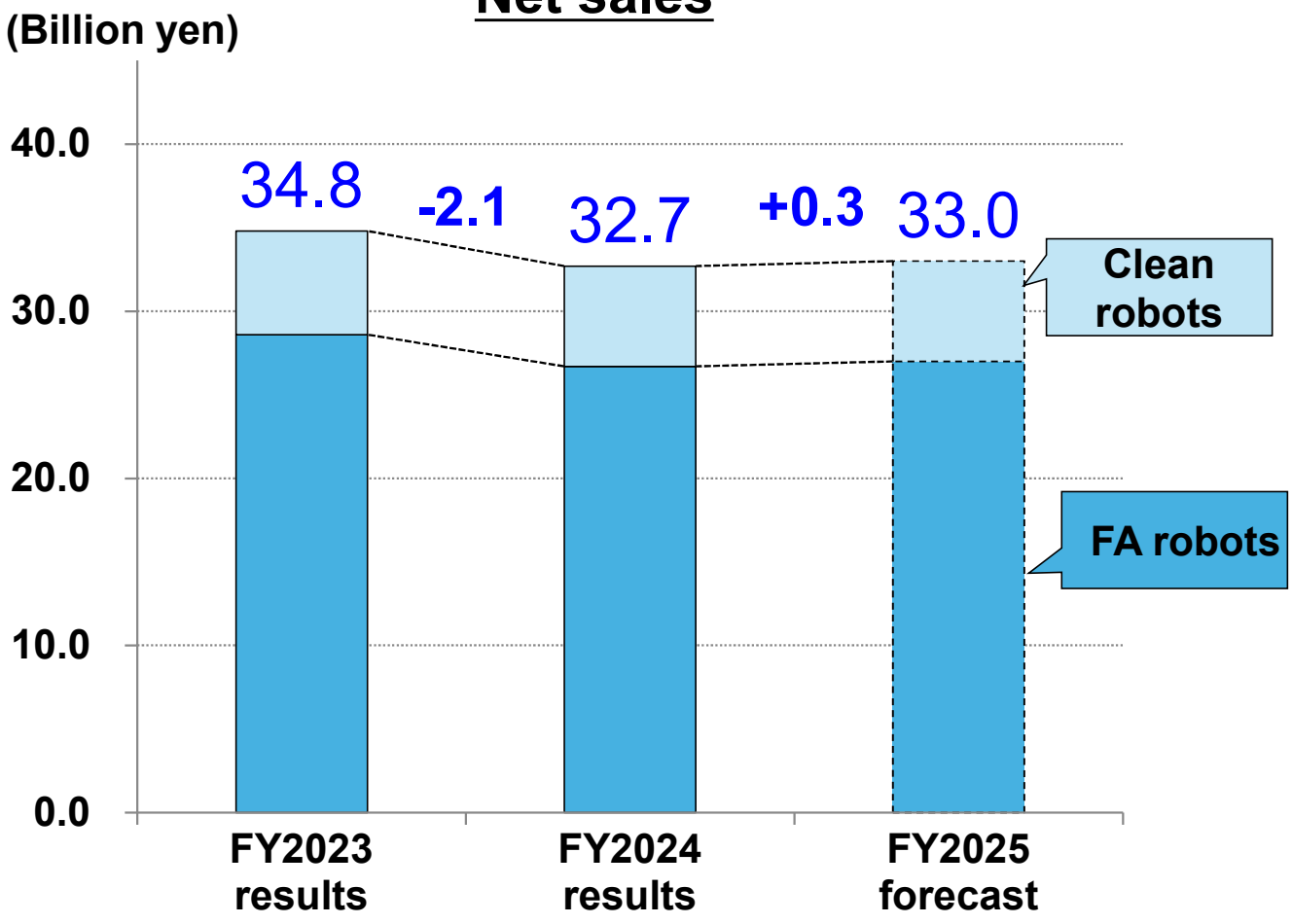
- Despite a reactionary drop following increased renewal investments by power companies in the previous year, sales and profit are expected to rise due to robust renewable energy-related investments and growing renewal demand for Domestic general.

Operating profit



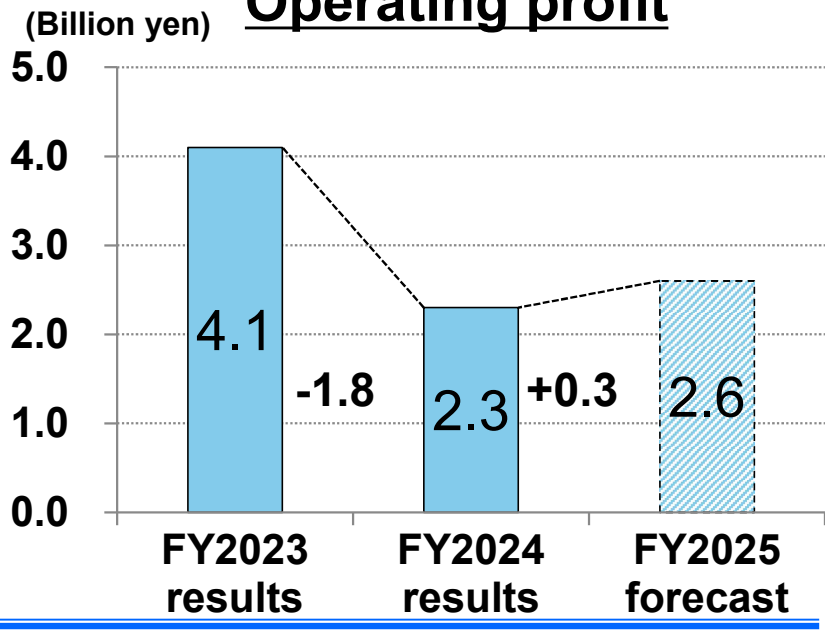
Factory Automation Segment

Net sales



- Despite automobile-related investments in Japan tend to be postponed, sales and profit are expected to increase, driven by efforts to acquire new customers in the U.S. and Europe, as well as the effects of cost reduction measures.

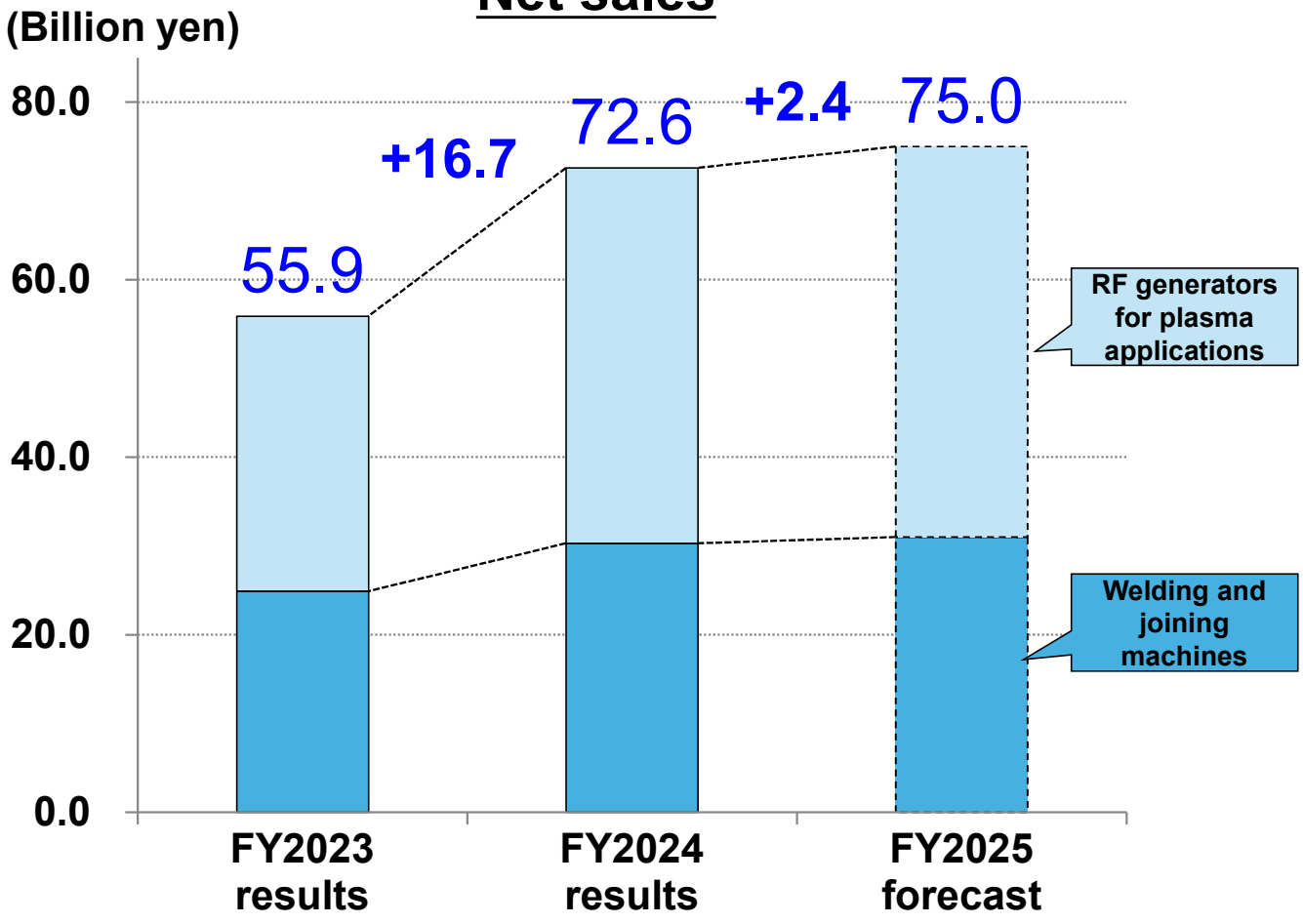
Operating profit



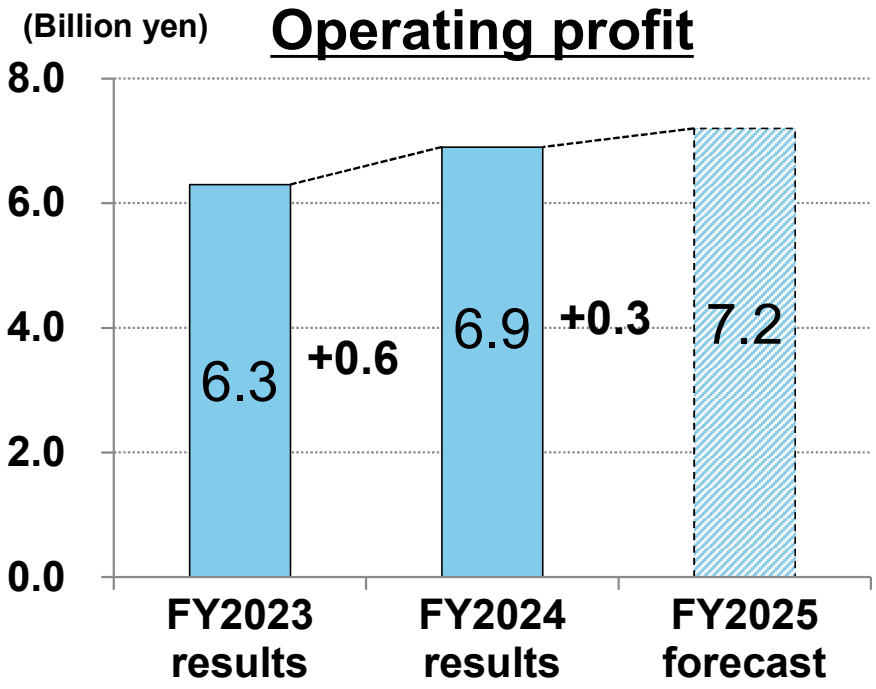
Material Processing Segment

- Demand for RF generators for plasma applications is expected to increase due to growing semiconductor-related investments.
- Sales in welding and joining are expected to grow through synergies with Lorch.

Net sales



Operating profit



Progress on the FY2026 Medium-Term Plan Initiatives

Medium-Term Plan for FY2026

Our vision

A company that actively contributes to solving social challenges in priority areas by integrating our proprietary technologies, such as power conversion technology, high-precision and high-speed control technology, and high-frequency technology with a variety of cutting-edge technologies

Basic policies

1. Expand the scope of development that contributes to solving social challenges
2. Innovate distributor sales and expand sales in new areas
3. Pursue automation and build an optimal production system
4. Enhance human capital based on a long-term human resource development plan

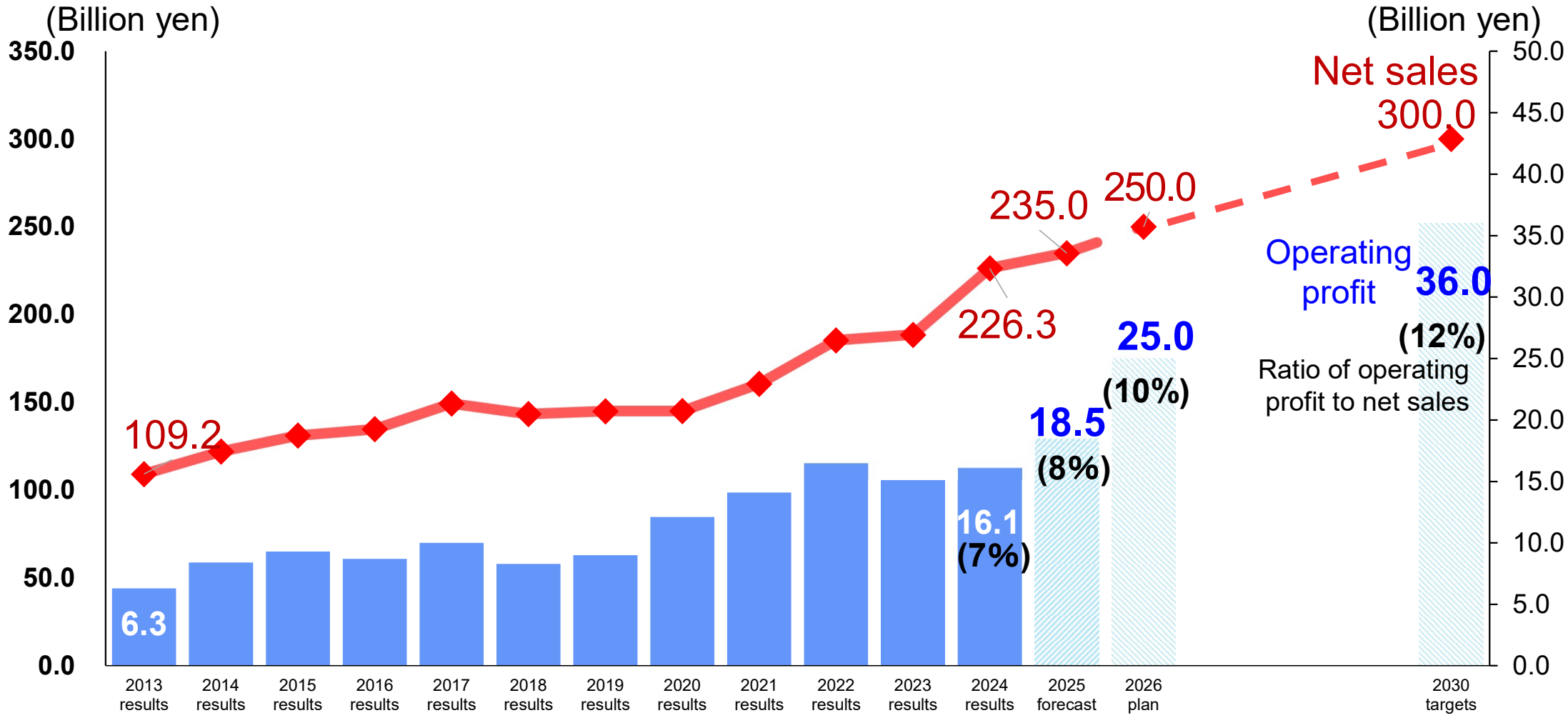
Financial targets

	(FY2023 results)	FY2026 plan	FY2030 plan
Net sales	(188.5 billion yen)	250.0 billion yen or more	300.0 billion yen or more
Ratio of operating profit to net sales	(8.0%)	10% or more	12% or more
ROE	(13.3%)	12% or more	12% or more
Development funds ratio	(4.1%)	6% or more	6% or more
Payout ratio	(24.5%)	30% or more	30% or more

Non-financial targets

CO_2 emissions (Scope 1 + 2): 46% reduction from FY2013 by FY2027
CO_2 emissions (Scope 3): 25% reduction from FY2020 by FY2030

Medium-Term Plan Targets



Medium-Term Plan for FY2026 Key Strategic Priorities

Our vision

A company that actively contributes to solving social challenges

Basic policies

Expand the scope of development that contributes to solving social challenges

- **Realize decarbonized society**
- **Eliminate labor shortages**
- **Promote digitalization**

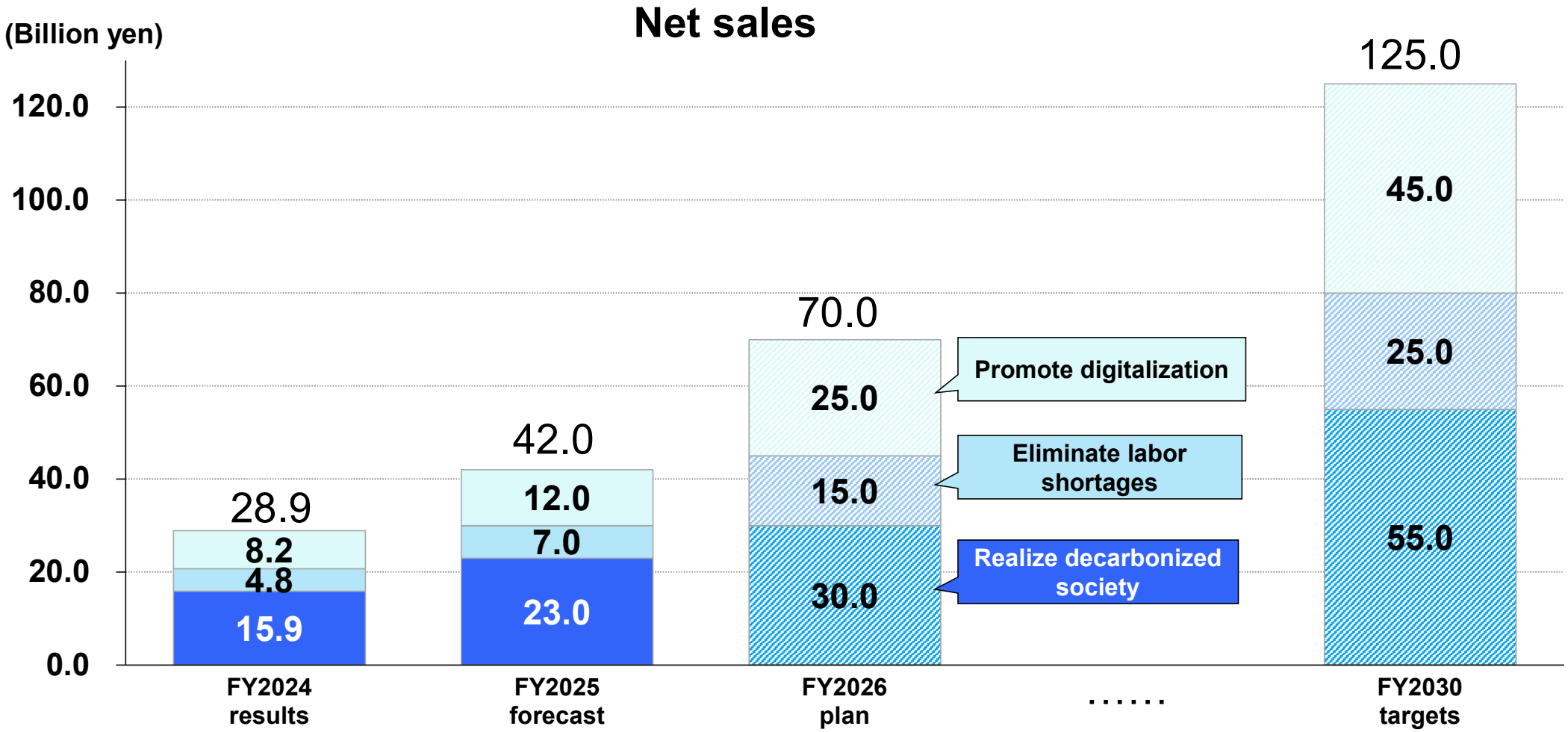
Themes for Expanding the Scope of Development that Contributes to Solving Social Challenges

(Billion yen)

Social challenges	Main development themes	Net sales targets			・・・	
		FY2024	FY2025	FY2026		FY2030
Realize decarbonated society	Next-generation power distribution-related equipment (DC power distribution, etc.)	15.0	23.0 (+4.0)*	30.0		55.0
	Renewable energy storage battery systems for self-consumption					
	Grid storage battery systems					
	Charging infrastructure equipment and systems					
	Power receiving systems for high-capacity users					
	Joining machines for lighter EVs					
Eliminate labor shortages	Robot systems suited to high-mix, low-volume production	6.0	7.0 (-2.0)*	15.0		25.0
	Enhance lineup of collaborative robots					
	De-skilling joining machines					
Promote digitalization	Energy-saving generators for semiconductor manufacturing equipment	9.0	12.0	25.0		45.0
	Space-saving robots for semiconductor manufacturing equipment					
	Plasma sources for chamber cleaning					
Total		30.0	42.0 (+2.0)*	70.0		125.0

*Figures in parentheses represent comparisons with the initial plan.

Expand the Scope of Development that Contributes to Solving Social Challenges



1 Expand the Scope of Development that Contributes to Solving Social Challenges

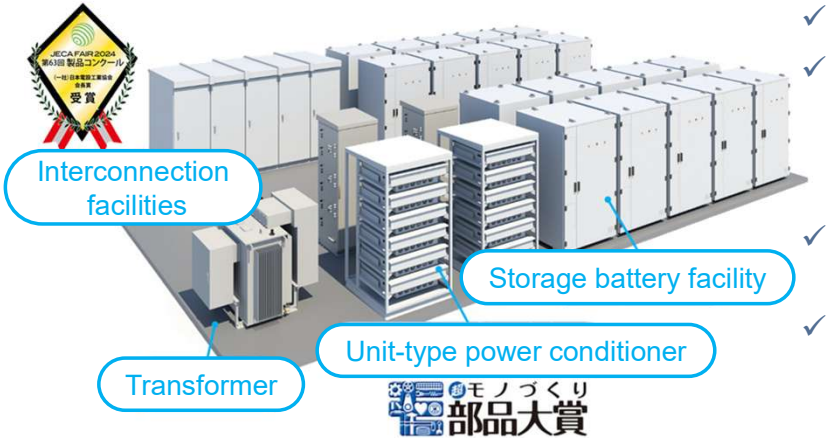
Realize decarbonated society

[Market Environment]

- Growing demand for grid storage batteries that can be deployed early in the supply-demand balancing market.
- Rising demand for storage battery installations, driven by output curtailment issues at solar power plants.

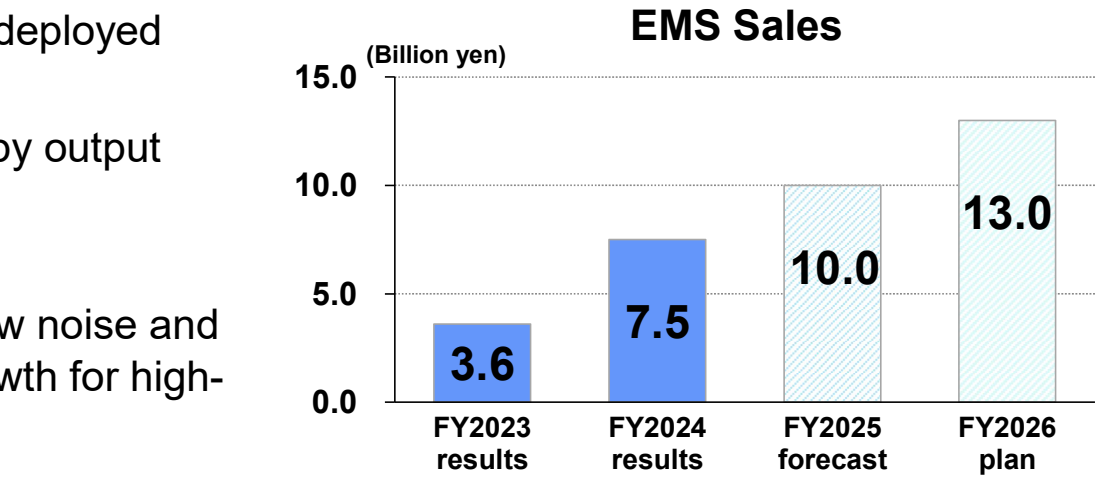
[Expanded Deliveries of Grid Storage Battery]

- Our storage battery systems are highly evaluated for low noise and easy installation, driving significant order and sales growth for high-voltage storage facilities.



High-capacity storage battery system (2MW/8MWh)

- ✓ **Can be delivered separately.**
- ✓ **Low-noise design helps reduce the costs of noise mitigation measures for neighboring communities.**
- ✓ **Obtained wide-area certification for waste processing.**
- ✓ **Obtained "JC-STAR* ★1" conformance label.**



Conclusion of a supply agreement for stationary batteries with CATL

(August 2025)

In order to reliably respond to the many inquiries for battery packages, we are working to ensure a **stable supply of batteries**, which are the key components.

(Contract period: August 6, 2025 to March 31, 2026)

*JC-STAR (Labeling Scheme based on Japan Cyber-Security Technical Assessment Requirements):
A scheme supervised by the Ministry of Economy, Trade and Industry that aims to confirm and visualize conformance to requirements through third-party assessments.

1 Expand the Scope of Development that Contributes to Solving Social Challenges

Realize decarbonated society

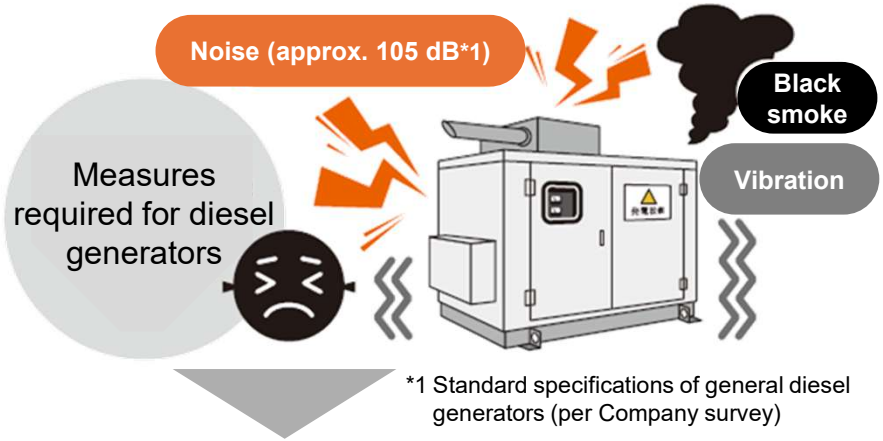
Development and Start of Orders for Storage Battery Package for Disaster Prevention

(December 2025)

[Background of Development]

- The majority of emergency generators (approx. 200,000 units nationwide) installed under the Fire Service Act and the Building Standards Act are diesel-powered and used only in emergencies.
- Revisions to the Fire Service Act-related notice (issued July 30, 2025) permit installation of lithium-ion storage battery systems as combined regular/emergency power sources (expected to drive demand* for the replacement of existing emergency generators). Fire service certification is planned (first in Japan).

***Market size: 80.0 billion yen per year (Company estimate)**



[Features (Comparison with Emergency Generators)]

1. Enhanced capital investment effects

- Reduces electricity costs through peak-shaving during normal operation.
- Reduces maintenance costs.

2. Safe and secure operation

- Reduces costs and effort for noise, vibration, and black smoke countermeasures.
- Prevents unexpected startup failures and abnormal shutdowns through constant use.

*2 Noise measures may be necessary depending on the installation status.

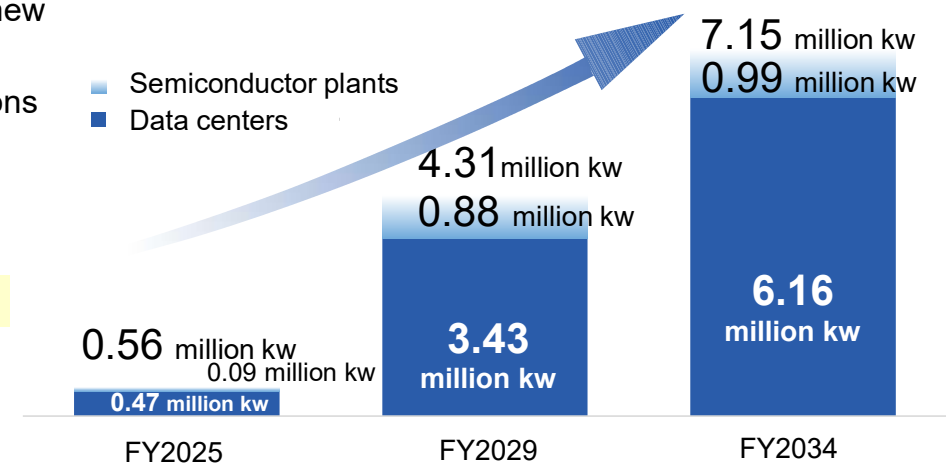
Increased Demand for Power Receiving and Distribution Systems (Energy Management)

[Market Environment]

- The expansion of power-receiving facilities and substations is anticipated due to new and expanded data centers and semiconductor plants.

⇒ Inquiries and orders for industrial transformers and large transformers for substations are steadily increasing, and these trends are expected to continue.

Increase in maximum power demand due to new and expanded data centers and semiconductor plants*



[Production Integration of Industrial Oil-Immersed Power Transformers (SHIHEN TECHNICAL)] (Construction commenced in May 2025)

- The production of industrial oil-immersed transformers currently manufactured at DAIHEN Electric Machine Corporation (Osaka), a group subsidiary, will be integrated into SHIHEN TECHNICAL Corporation (Kagawa) to enhance production capacity and cost competitiveness.
- The former plant site of DAIHEN Electric Machine Corporation will be considered for effective utilization, including expanding production capacity for mold transformers for data centers, which are in high demand.
- Additionally, expanding sales opportunities and profitability by fully utilizing group production sites, including newly consolidated subsidiaries.

Image of the New Plant of Industrial Oil-Immersed Power Transformers (To be completed in October 2026)

Increase production capacity	
Industrial oil-immersed power transformers	1.7 times previous levels
Large transformers	1.3 times previous levels (deliveries from FY2029 and onward) ⇒ further increasing production capacity

*Prepared by DAIHEN based on OCCTO: Electricity Demand Forecast for Nationwide and Each Regional Service Area (2025)

1 Expand the Scope of Development that Contributes to Solving Social Challenges

Eliminate labor shortages

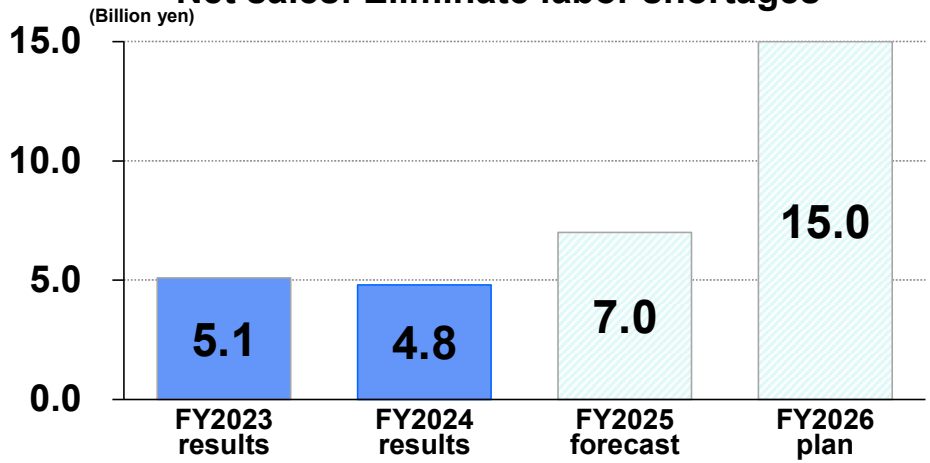
[Market Environment]

- Demand for production automation remains resilient due to labor shortages and rising wages. The industrial robotics market is expected to continue expanding over the medium to long term.

[Our initiatives]

- Expand products and solutions to widen the scope of robot applications ⇒ Expand sales globally

Net sales: Eliminate labor shortages



Tablet TP (May 2025)

- Automatically generates program by specifying start and end points of welding operations.
- Awarded the 2025 'CHO' MONODZUKURI Innovative Parts and Components Awards, recognized for its simple operation that helps eliminate labor shortages.

Tablet TP

Autonomous mobile robot Now exhibiting at 2025国際ロボット展 INTERNATIONAL ROBOT EXHIBITION 2025

- Our proprietary product that serves as both a collaborative robot and a mobile robot (utilizing a tool changer to support multiple functions).
- Automates various tasks by navigating freely throughout the factory.

⇒ Aim to expand sales in the automobile and industrial equipment sectors, mainly in Japan and Europe

Collaborative robot　Mobile robot　Autonomous mobile robot

Autonomous mobile robot

Eliminate labor shortages

Market Environment for Semiconductor Manufacturing Equipment

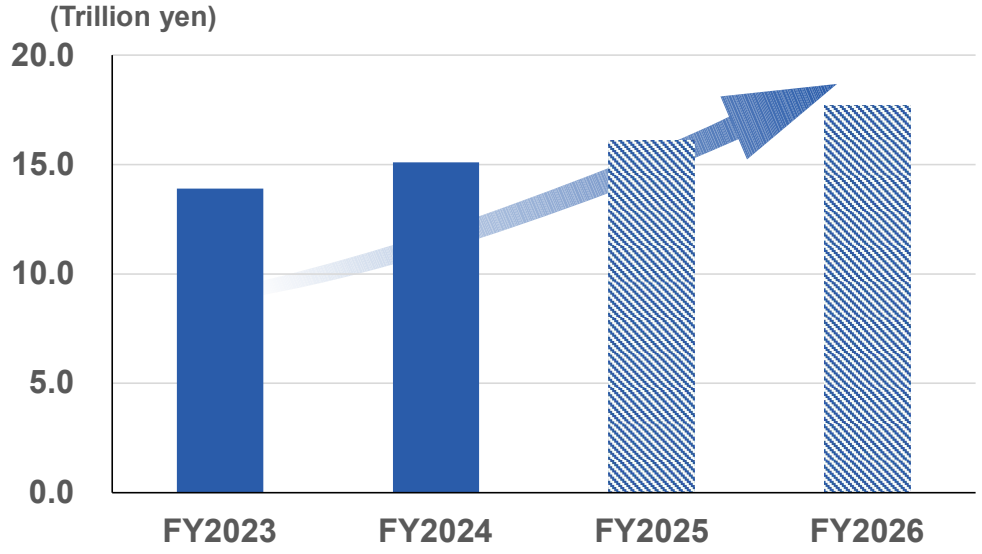
RF generator systems

- In FY2025, investments will be led by advanced logic and memory, mainly for generative AI. Further growth is anticipated in FY2026, driven by plans for new semiconductor plant construction.

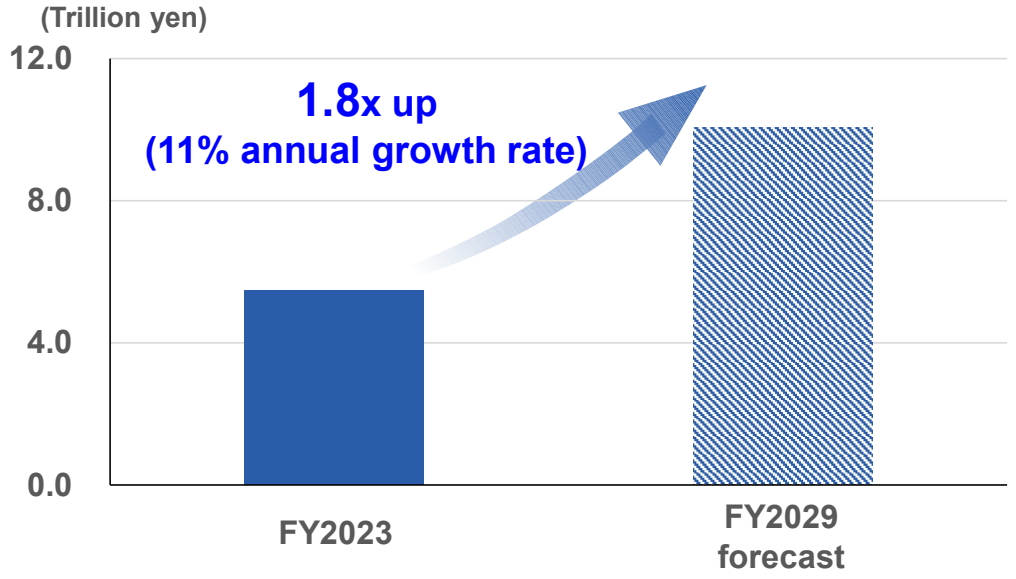
Clean transfer robots

- The advanced packaging market—including technologies such as FOPLP, which enable high-speed and high-performance in semiconductors—is projected to reach approximately 10 trillion yen by 2029.

Front-end semiconductor manufacturing equipment market*1



Outlook for the Advanced Packaging Market*2



*1: Prepared based on forecasts by SEMI (Semiconductor Equipment and Materials International); exchange rate: 145 JPY/USD
*2: Prepared based on forecasts by Yole Intelligence; exchange rate: 145 JPY/USD

1 Expand the Scope of Development that Contributes to Solving Social Challenges

Promote digitalization

[Our initiatives]

RF generator systems

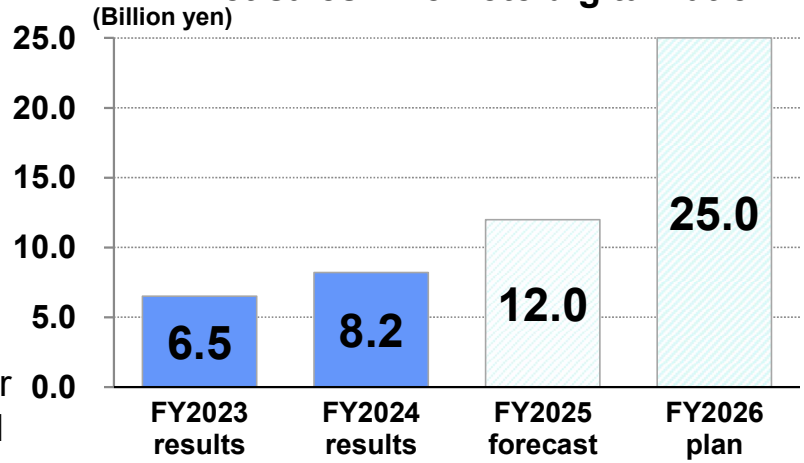
- Deploy our proprietary high-performance power supply systems—designed to enable deep trenching and miniaturization in the etching process—for use in cutting-edge memory and logic devices
- Deliver our products to back-end semiconductor manufacturing processes, such as FOPLP*, where the market is expected to expand

Accelerating market launch of transport robots for advanced packaging

- In addition to semiconductor wafer transfer robots, expand our product lineup for transport applications across various processes in the advanced packaging field including FOPLP*.

⇒ Expand sales to Taiwanese manufacturers with strong FOPLP-related demand, as well as domestic equipment manufacturers

Net sales: Promote digitalization



Robots for atmospheric environment (June 2025)

- Achieves low vibration, low profile, and long stroke, adaptable to a wide range of transport areas
- Industry-leading high payload (20kg)

⇒ Adopted as a standard installation by major domestic manufacturers

500/600mm Panel transport

Robots for vacuum environment (September 2025)

- High-speed, low-vibration, and high-precision transport achieved through proprietary vibration control
- Space-saving design realized by developing a SCARA-type robot

⇒ Received orders from major domestic equipment manufacturers for 500/600mm transport robots

300mm Panel transport

*FOPLP (Fan-Out Panel Level Package):A technology that is one of the advanced packaging techniques, achieving miniaturization and high integration by forming wiring layers that connect semiconductor chips and printed circuit boards on a square-shaped substrate.

2 Innovate Distributor Sales and Expand Sales in New Areas

Strategy for expanding sales of standardized products

“Welbee The Short Arc” Series, the definitive welding machine integrating features of various equipment types

[First Series] **(Launched in FY2024)**

350A-class machine for use across diverse industries (from 5 models to 1 model)

- High-end performance at reasonable prices
  ⇒ Increased domestic market share (56% to 59%)
- 70% reduction in same-class inventory
- Production person-hours cut via automation by 6,000 hours per year

[Second Series] **(To be launched in January 2026)**

High-output 500A-class machines for thick plate welding (from 25 models to 2 models)

- Welding stabilization for large structures such as ships, steel frames, and bridges enables de-skilling
  ⇒ Further increase market share
- Profitability gains from horizontally deploying production automation achieved by the first series

Indoor model

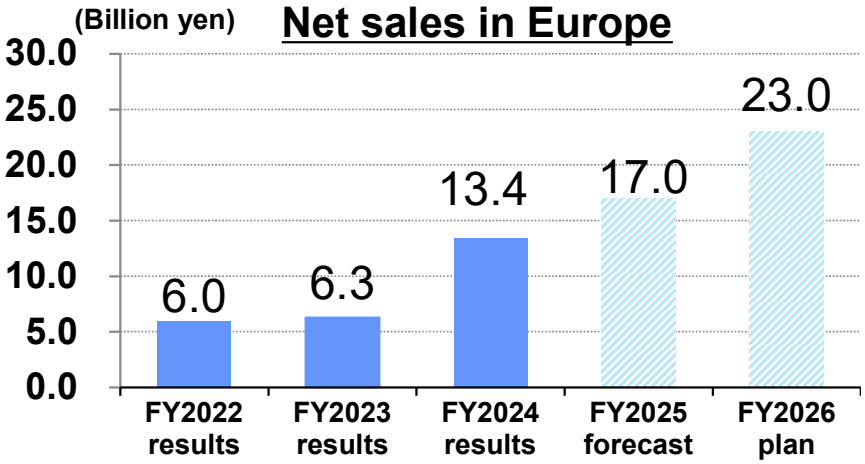
Outdoor model

2 Innovate Distributor Sales and Expand Sales in New Areas

Expansion of Business in Europe and the U.S.

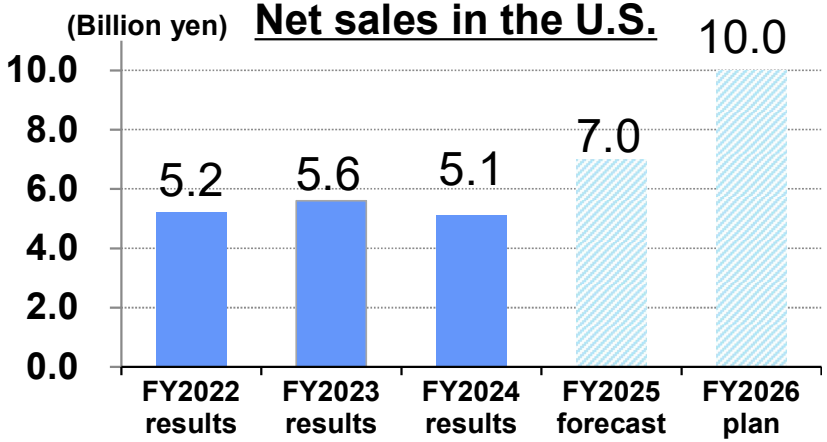
Business in Europe

- Conducting sales activities to meet user needs by leveraging strengths of six group companies for mutual product supply to boost system proposals and cost competitiveness. Additionally, developing a system that includes education on introducing robots into Lorch's sales channels
- Aim to increase market share by expanding sales through synergies among the six group companies (establishing No. 1 position in Europe for welding peripheral systems)



Business in the U.S.

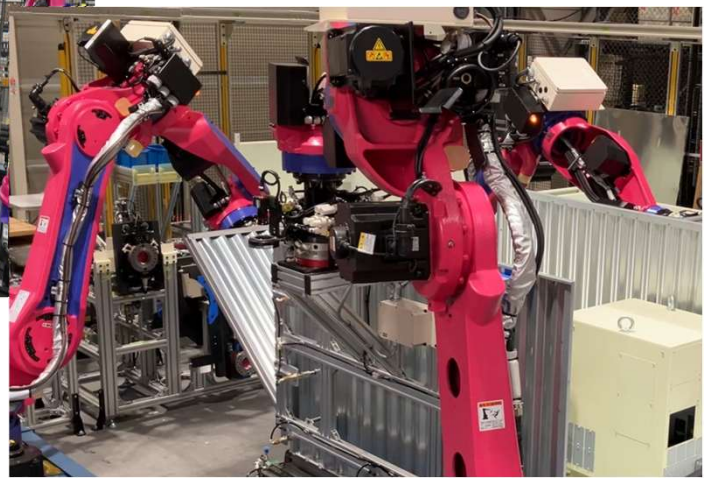
- In FY2025, expanded sales to new customers in the U.S. Midwest, a key region for the automobile industry, by leveraging Force Design, a U.S.-based SIer acquired in the previous fiscal year
- Exploring new local sites and M&A to expand our customer base in the U.S. Southwest, a key region for the construction equipment and automobile industries



3 Pursue Automation and Build an Optimal Production System

[Factory where robots manufacture robots (Rokko Business Office)]

Robot assembly automation



Packaging automation

By FY2024

Automated robot production assembly processes

⇒ **90% automation rate for assembly**

In FY2025

Automate interbay transportation, packaging, and shipping processes

⇒ **75% automation rate for in-factory logistics**

[Fully automated factory for transformer manufacturing (Juso Business Office)]

- **Renewal of the pole-mounted transformer factory commencing in January 2026**
- Full automation in FY2027 (20% reduction in total costs)
- Implement the Juso Business Office as a model factory and deploy it across group companies to maximize synergy

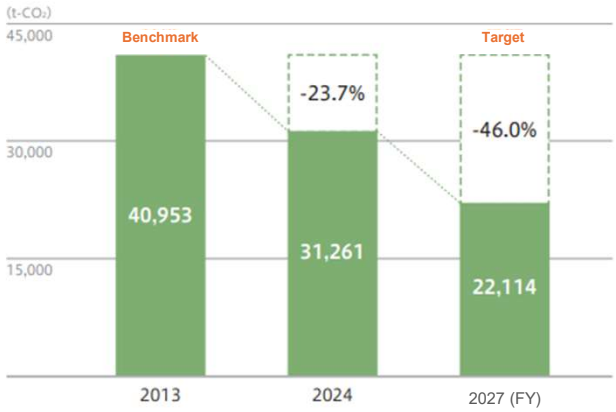
Automation of core assembly processes that require a high level of skill (completed in FY2024)

Initiatives to Reduce CO_2 Emissions

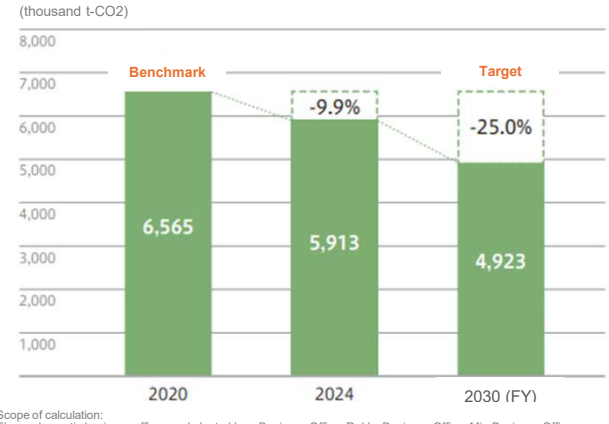
[CO_2 emissions (Scope 1 + 2)]

Target: **46% reduction vs. FY2013 (FY2027 goal)**

- Achieved 23.7% reduction by installing solar power generation facilities at key sites and by energy-saving initiatives across our business.
- Planning 100% renewable energy operation at the Rokko Business Office and Juso Business Office, including inter-site power sharing.



Scope of calculation:
Consolidated companies excluding Lorch Schweißtechnik GmbH



Scope of calculation:
Eleven domestic business offices and plants (Juso Business Office, Rokko Business Office, Mie Business Office, Chitose Plant, Kanehira Plant, Tottori Plant, Oita Plant, Matsudo Plant, Eniwa Plant, Hirosaki Plant, and Kagawa Plant)

[CO_2 emissions (Scope 3)]

Target: **25% reduction vs. FY2020 (FY2030 goal)**

- Gradually introducing power sharing not only within our sites but also with suppliers.

Aiming to establish a new business model through our own initiatives.

Summary of FY2026 Financial Plan, Market Environment, and Our Initiatives

(Billion yen)

	FY2023 results	FY2024 results	FY2025 forecast	Changes from FY2025	FY2026 plan
Net sales	188.5	226.3	235.0	— +15.0 →	250.0
Ratio of operating profit to net sales	8.0%	7.1%	7.9%	— +2.1P →	10% or more
ROE	13.3%	8.8%	9.8%	— +2.2P →	12% or more

[Market environment and our initiatives]

- Further expansion of investments in renewable energy and data centers
  - ⇒ Increase business opportunities and improve profitability through investments in production automation and increased production capacity Improve profitability of newly consolidated subsidiaries
- Recovery in semiconductor-related investments
  - ⇒ Improve profitability through full-scale operation of the new RF generator plant and cost reductions in advanced products
- Expansion of robot market
  - ⇒ Increase market share by expanding our customer base, and increase profitability through fully automated production

- Market environment remains generally favorable.
- Achieve performance targets by increasing profitability through the completion of medium-term plans.

Capital Policy and Cash Flow

Returns to Stakeholders
Balanced Return of Profit in Line with Targeted "Returns"

	FY2023 results	FY2024 results	FY2025 forecast	FY2026 plan
Net sales	188.5 billion yen	226.3 billion yen	235.0 billion yen	250.0 billion yen or more
Ratio of operating profit to net sales	8.0% (15.1 billion yen)	7.1% (16.1 billion yen)	7.9% (18.5 billion yen)	10% or more (25.0 billion yen or more)
ROE	13.3%*	8.8%	9.8%	12% or more

*ROE excluding gain on bargain purchase, etc.: 9.2%

DAIHEN Group's Goal

Achieving "simultaneous contentment for all," which was said in 1985 by Keijiro Kobayashi, the 5th President

Customers
- Invest 6% of net sales in development to ensure a pipeline of unique products (products that solve social challenges)
- Ensure our unique products (products that solve social challenges) account for at least 40% of net sales

Employees and their families
- Third bonus: growth compared to the previous fiscal year
  payout of 2.0 months' salary for profit increase of 5% or more (maximum).
- Stock compensation system

Shareholders
- Achieve a minimum dividend payout ratio of 30%

Suppliers
- Achieve a 50% return on cost reductions

Regional communities
- Donate 1% of operating profit to child welfare and child protection
- Build a product portfolio comprising a minimum of 80% environment-friendly products

Targeted returns

Capital Policy and Cash Flow

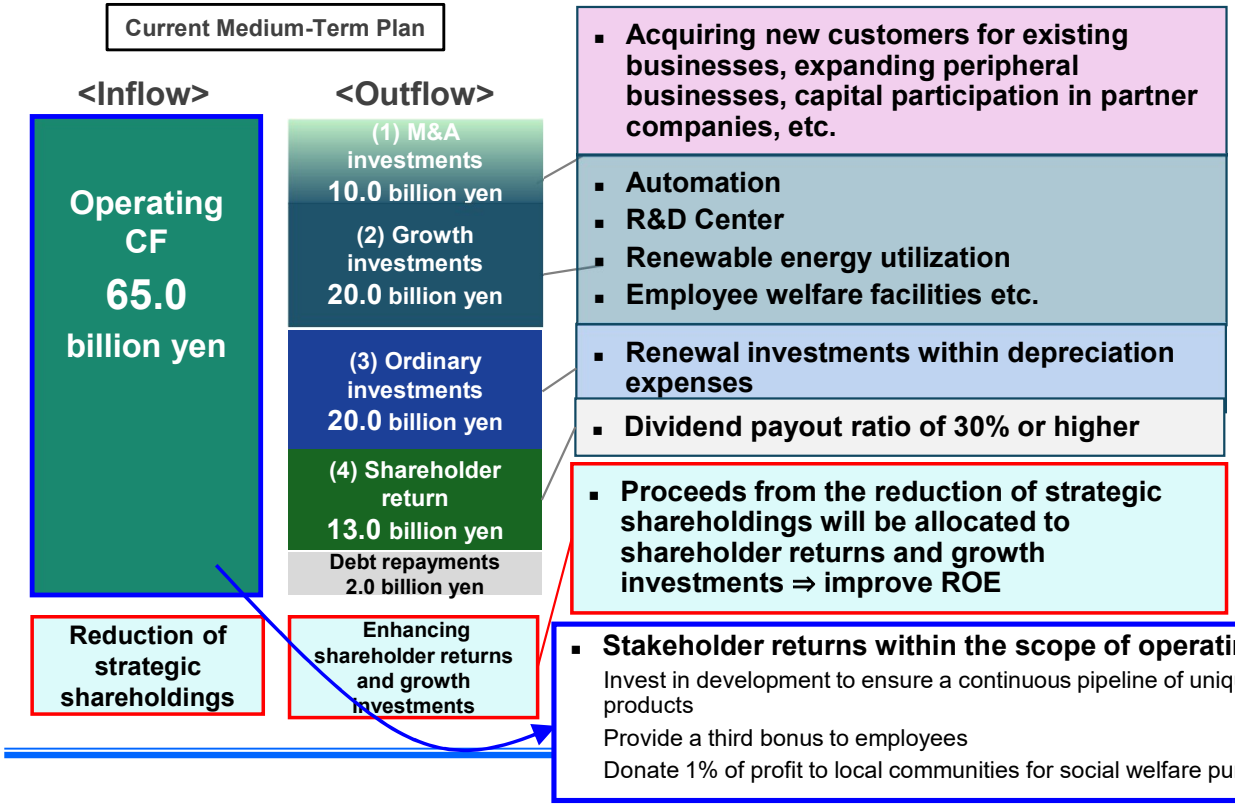
Basic policy on capital policy

- Continue to pursue balanced return of profit to stakeholders in line with Targeted “Returns” and proactive investments

  ⇒Achieving both a robust equity base (target equity ratio: 50%) and improved capital efficiency (Medium-Term ROE target: 12% or higher)
- Under the current medium-term plan, generate operating cash flow exceeding investment levels by curbing the increase in working capital

Cash allocation (3-year cumulative)

Current Medium-Term Plan



- Acquiring new customers for existing businesses, expanding peripheral businesses, capital participation in partner companies, etc.
- Automation
- R&D Center
- Renewable energy utilization
- Employee welfare facilities etc.
- Renewal investments within depreciation expenses
- Dividend payout ratio of 30% or higher
- Proceeds from the reduction of strategic shareholdings will be allocated to shareholder returns and growth investments ⇒ improve ROE
- **Stakeholder returns within the scope of operating CF**

  Invest in development to ensure a continuous pipeline of unique products

  Provide a third bonus to employees

  Donate 1% of profit to local communities for social welfare purpose

FY2025 2Q results

<Inflow> 9.0 billion yen

(1) Operating CF	4.2 billion yen
(2) Sale of investment securities	0.5 billion yen
(3) Net increase (decrease) in borrowings, etc.	4.3 billion yen

<Outflow> 8.7 billion yen

(1) Purchase of non-current assets*	6.7 billion yen
(2) Shareholder return (Dividends paid)	2.0 billion yen

*Payment basis

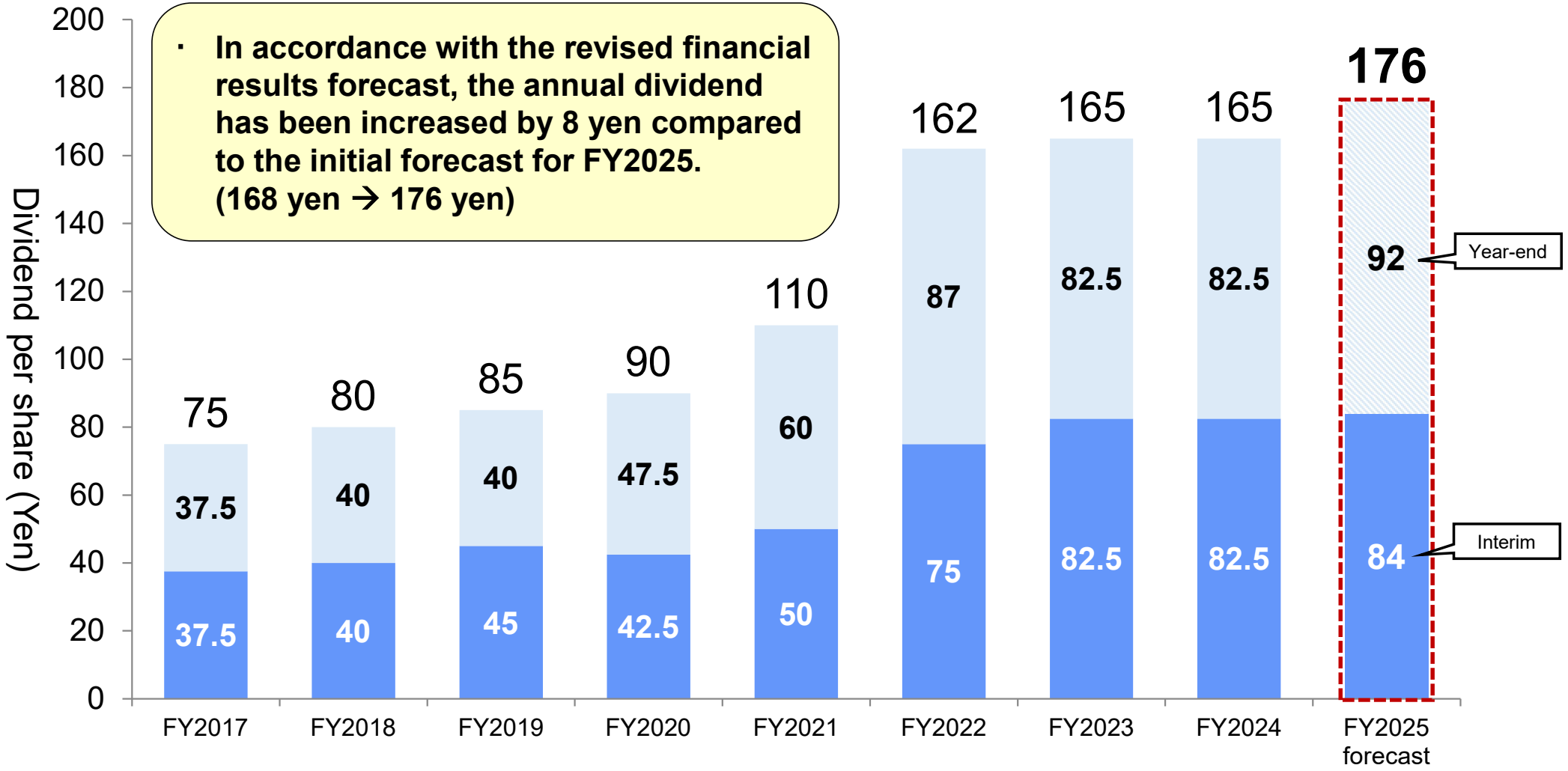
<Initiatives for the second half of FY2025>

- Reduction of strategic shareholdings (Ongoing)
- Secondary offering to individual shareholders (Completed)

⇒ Enhancing capital efficiency and share liquidity

Dividends

- **In accordance with the revised financial results forecast, the annual dividend has been increased by 8 yen compared to the initial forecast for FY2025. (168 yen → 176 yen)**



Note on Forward-Looking Statements

- **These materials contain forward-looking statements, including the outlook and expectations of the Company (including its consolidated subsidiaries).**
  These statements are grounded in judgements and assumptions based on the information currently available to the Company. Actual financial results in the future may differ significantly due to uncertainties inherent in the judgements and assumptions, as well as changes in business operations or external and internal conditions.
- **There are numerous factors that involve the above-mentioned uncertainties and potential changes, including the following:**
  - **Changes in economic conditions, demand, and market environment in key markets**
  - **Political developments and various trade or regulatory policies in key markets**
  - **Fluctuations in foreign exchange markets**
  - **Fluctuations in raw material prices**
  - **Business development by competitors such as product/service strategies, pricing policies, and M&A activities**
  - **Strategic changes by partners related to our business alliances**