Financial Results Briefing for FY2025 (Fiscal Year Ended March 31, 2026)

DAIHEN Corporation

June 5, 2026

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 Results
2. FY2026 Financial Results Forecast
3. Progress on the FY2026 Medium-Term Plan Initiatives
4. Capital Policy and Cash Flow

FY2025 Results

FY2025 Results

- **Sales and profit increased due to the growing capital investment of electrical infrastructure-related and semiconductor-related companies.**

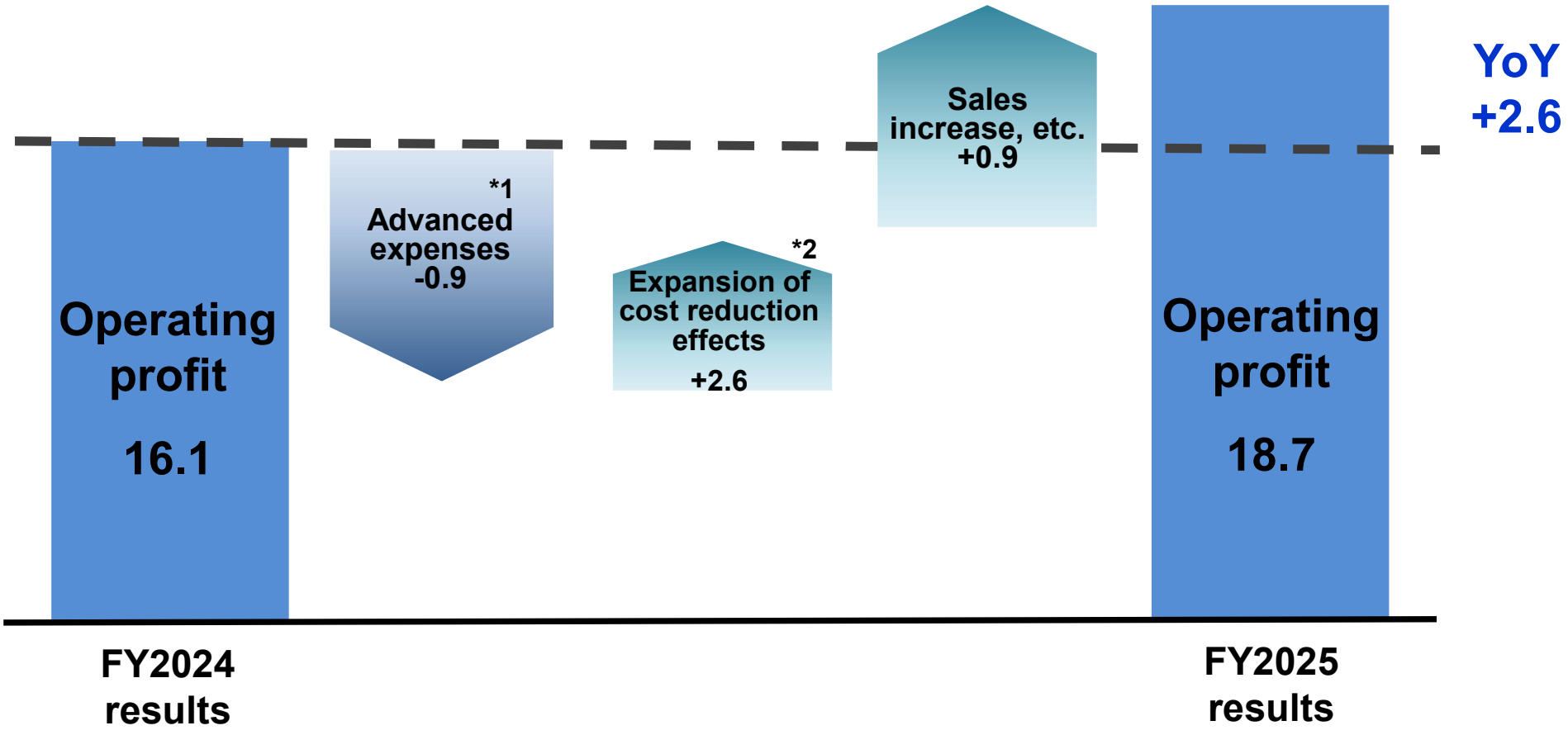
***Net sales, operating profit, and ordinary profit have all reached record highs.**

(Billion yen)

	FY2024 results (1)		FY2025 results (2)		YoY (2)-(1)	YoY Change	FY2025 forecast (3)		FY2025 forecast Change
Net sales		**226.3**		**237.7**	**+11.4**	**+5.0%**		**235.0**	**+1.2%**
Operating profit	7.1%	**16.1**	7.9%	**18.7**	**2.6**	**+16.1%**	7.9%	**18.5**	**+1.5%**
Ordinary profit	7.6%	**17.1**	8.5%	**20.1**	**2.9**	**+17.0%**	8.1%	**19.0**	**+5.8%**
Profit attributable to owners of parent	5.3%	**11.9**	5.9%	**14.1**	**+2.2**	**+18.0%**	6.0%	**14.0**	**+0.8%**
Investment in development		**7.0**		**7.5**	**+0.5**	**+7.1%**			
Capital investment		**9.7**		**13.4**	**+3.7**	**+38.1%**			
Depreciation		**6.5**		**6.9**	**+0.4**	**+6.2%**			

FY2025 Factors for Changes in Operating Profit (YoY)

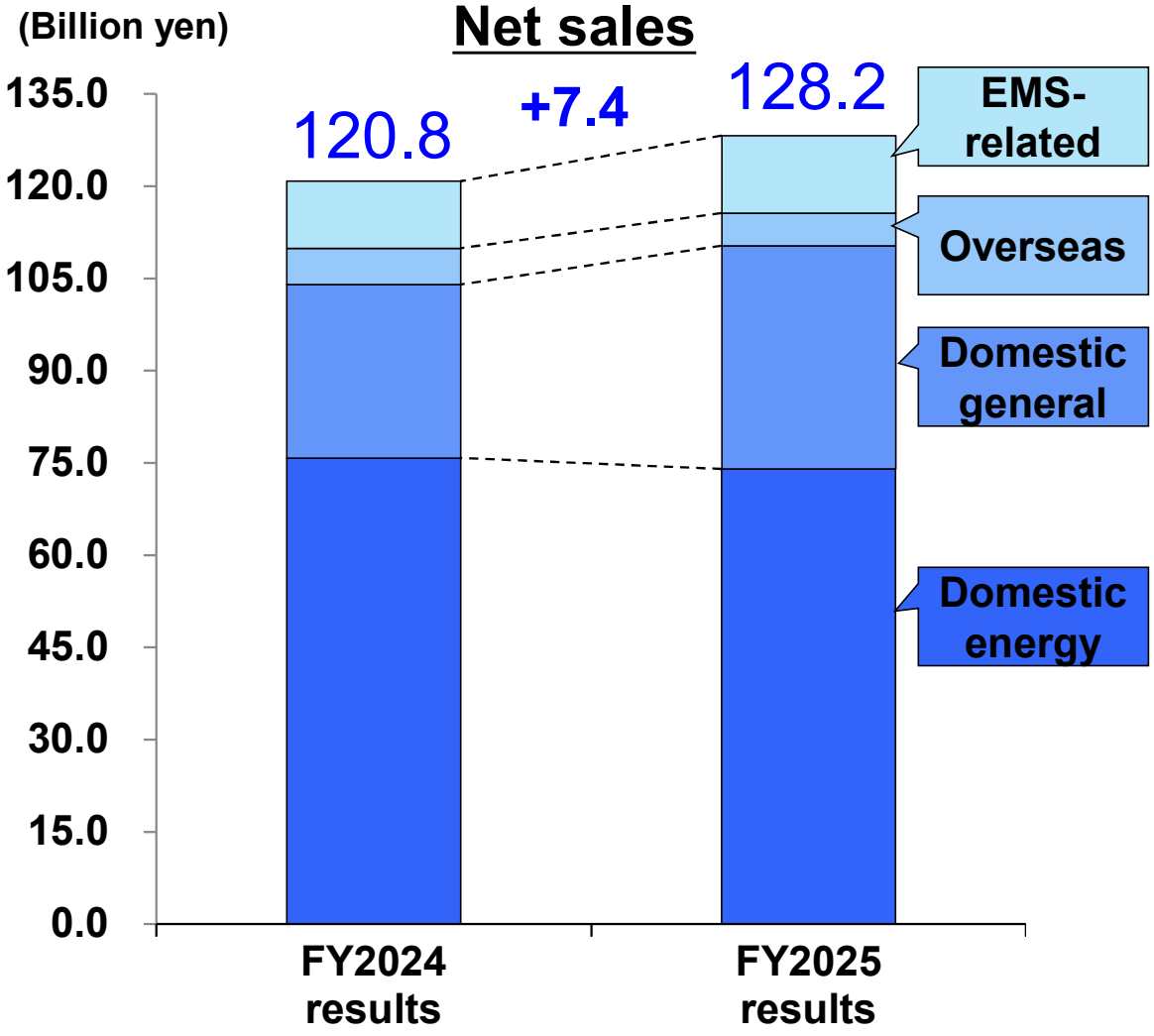
(Billion yen)



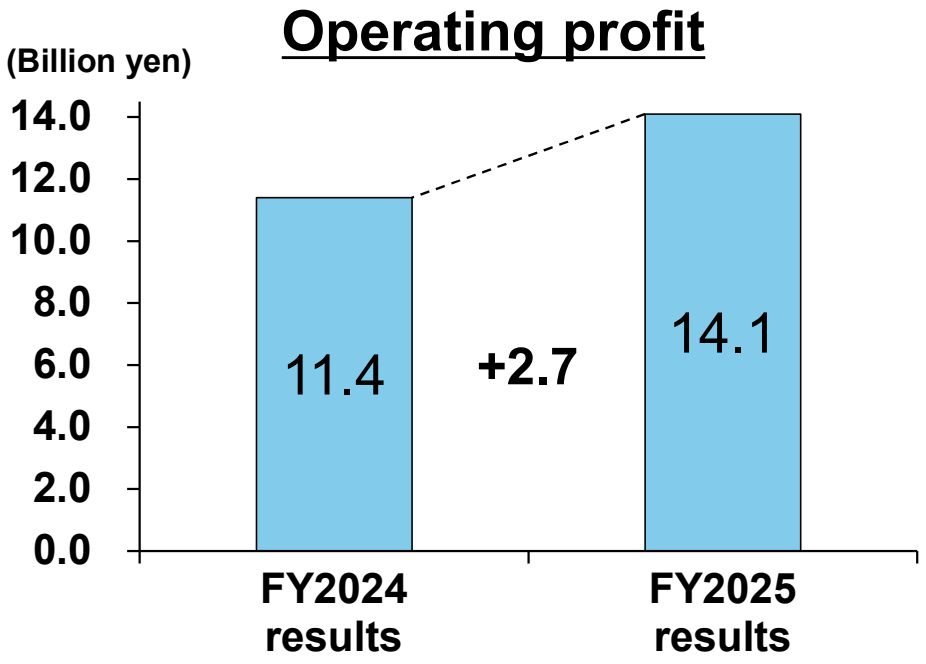
*1 Advanced expenses: development funds -0.5, depreciation -0.4

*2 Cost reduction effects: material cost savings +1.3, increased productivity +0.4, efficiency improvement in indirect operations +0.9

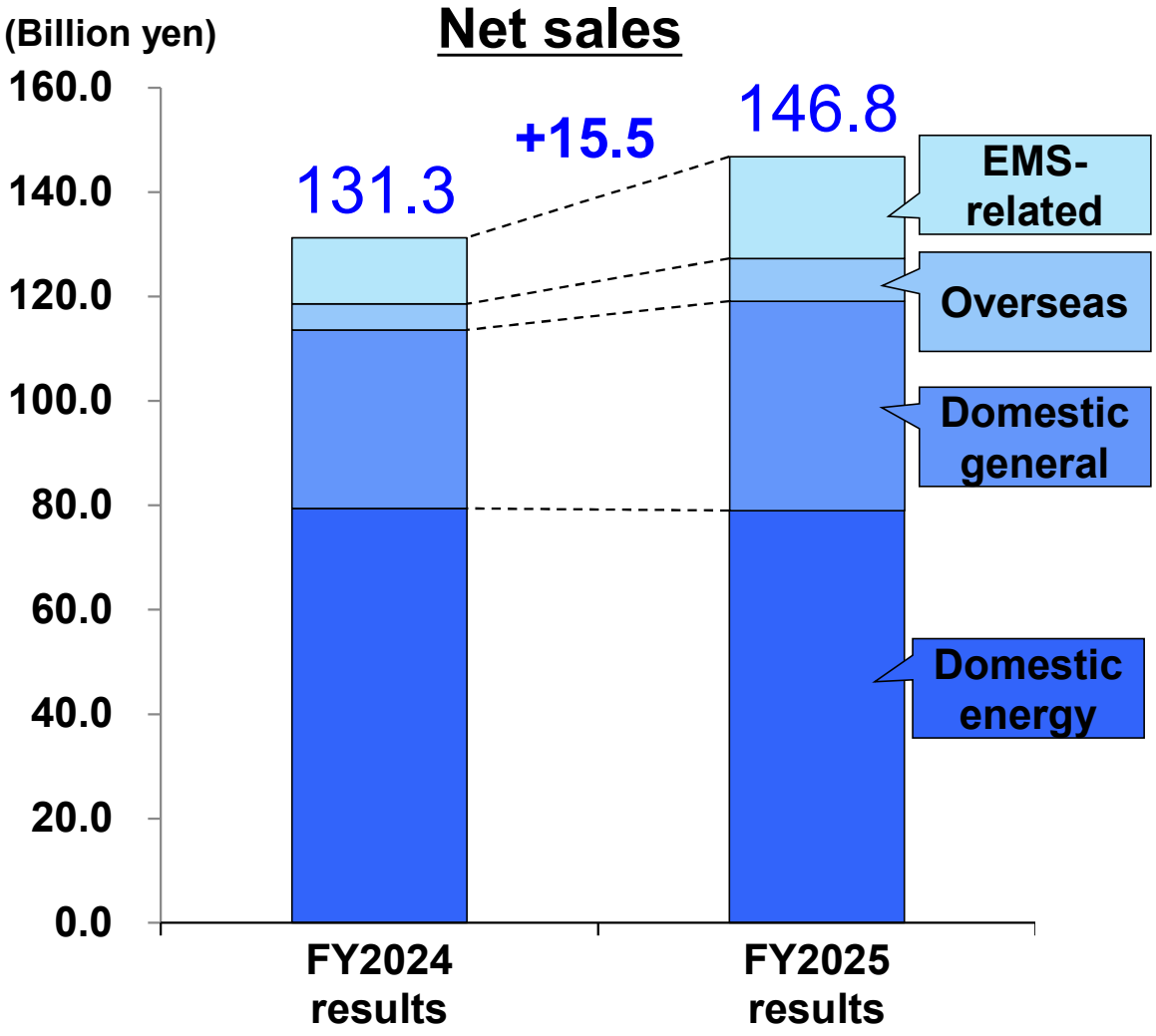
Energy Management Segment: Net Sales and Operating Profit



- Sales and profit increased, driven by growing demand for storage battery systems owing to the expansion of the power supply-demand adjustment market along with the extensive adoption of renewable energy, in addition to strong investment in the replacement of power receiving and distribution systems for plants in Japan, among other factors.



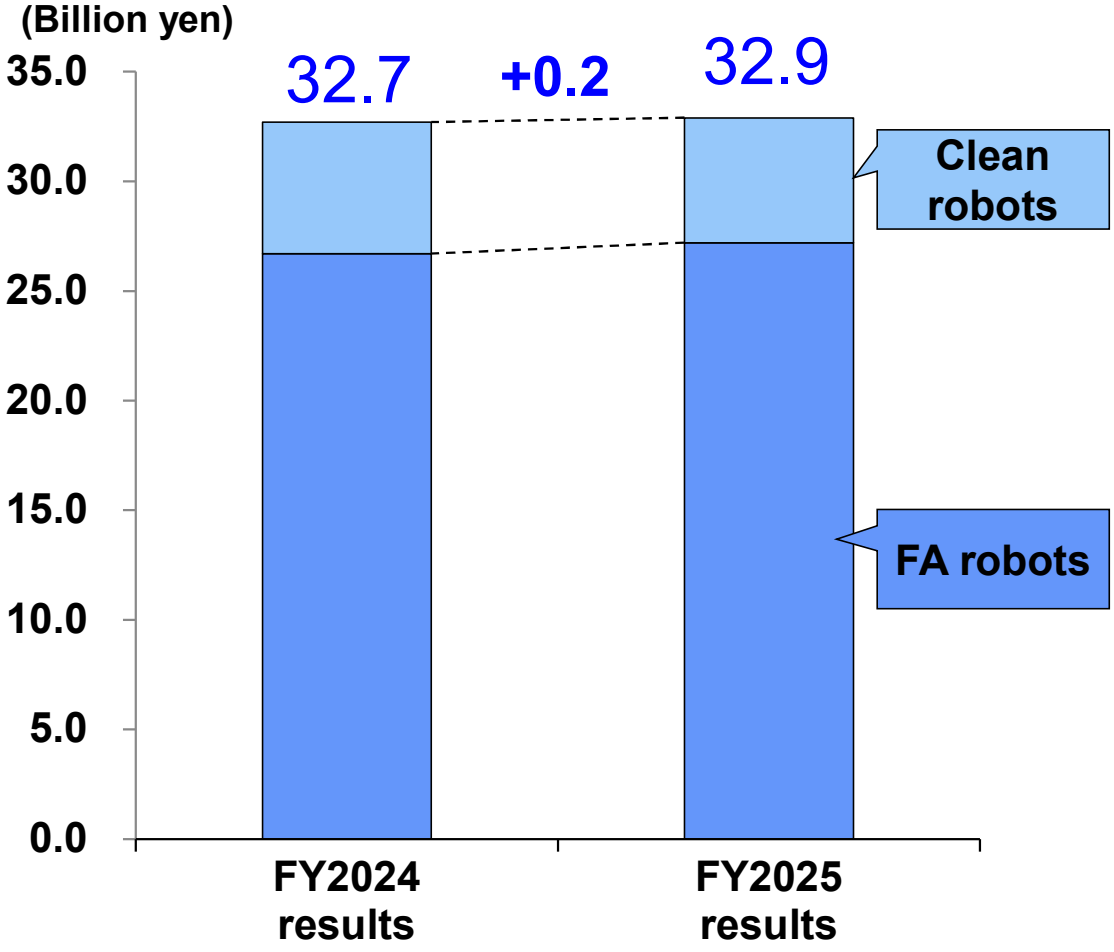
Energy Management Segment: Orders Received



- Orders for Domestic general increased due to renewal investments, renewable energy-related investments and growing demand for data centers.
- Orders for EMS-related increased due to a significant increase in orders for energy storage facilities.

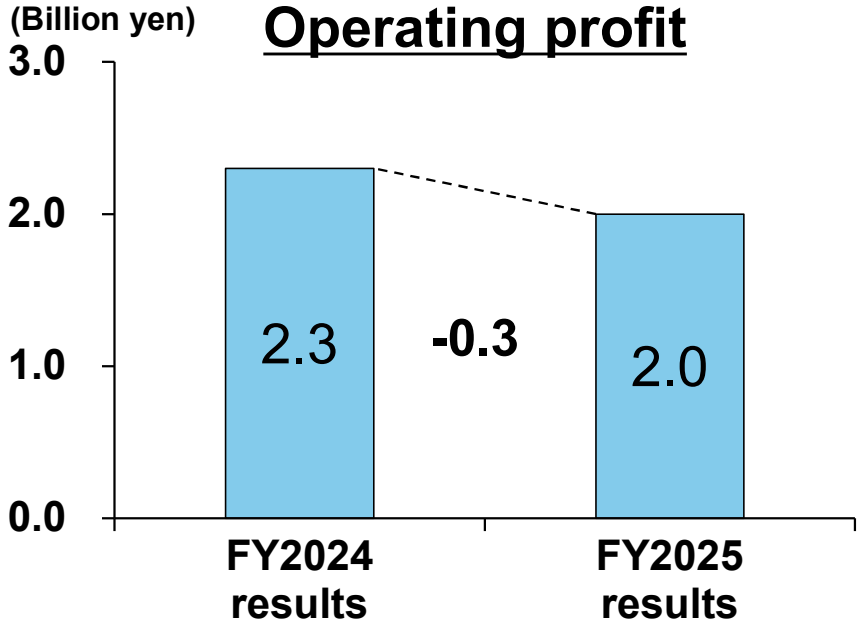
Factory Automation Segment: Net Sales and Operating Profit

Net sales

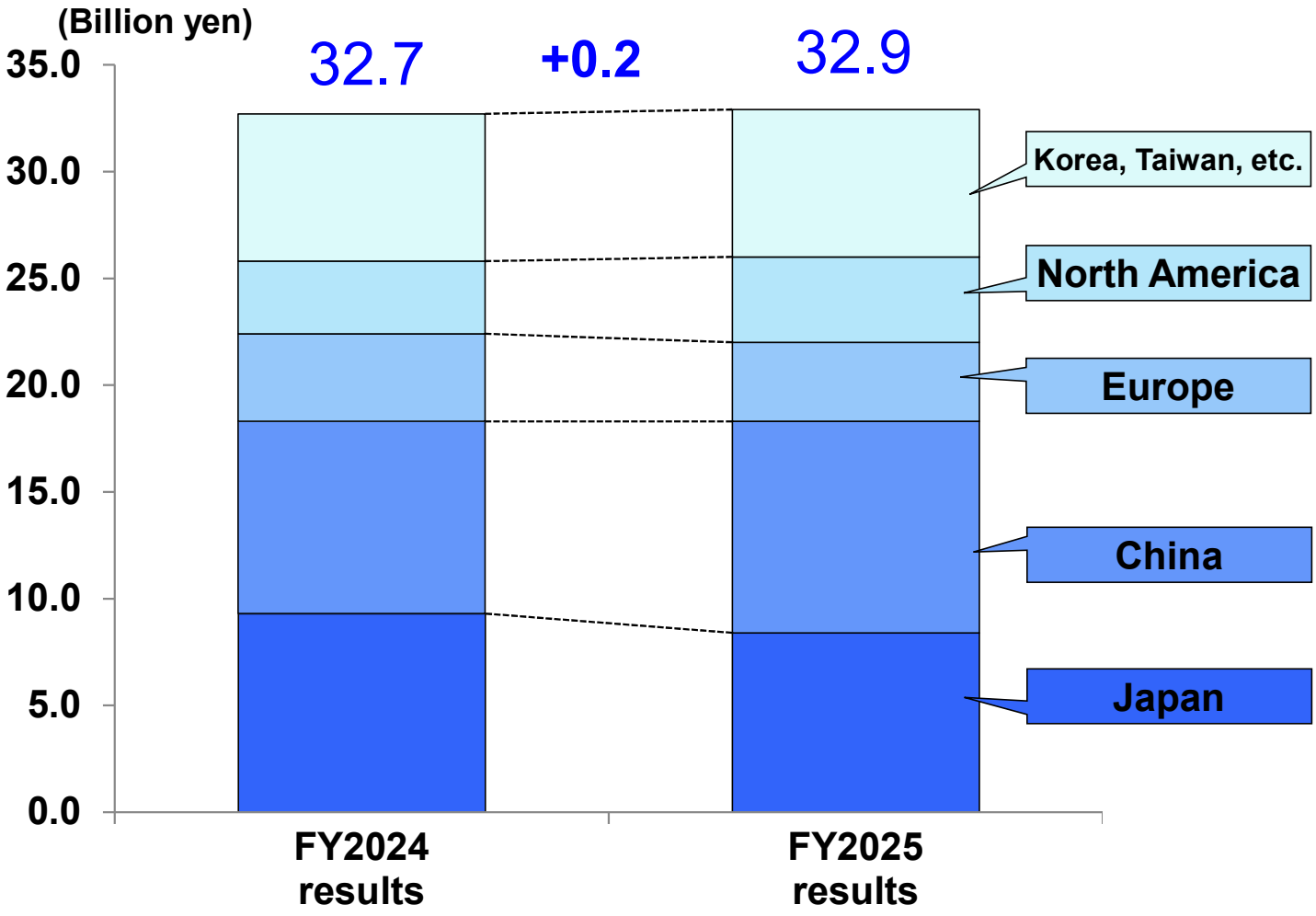


- Sales increased, reflecting the results of development of new customers in the U.S. and China.
- Operating profit decreased, partly due to a decrease in the number of profitable projects.

Operating profit

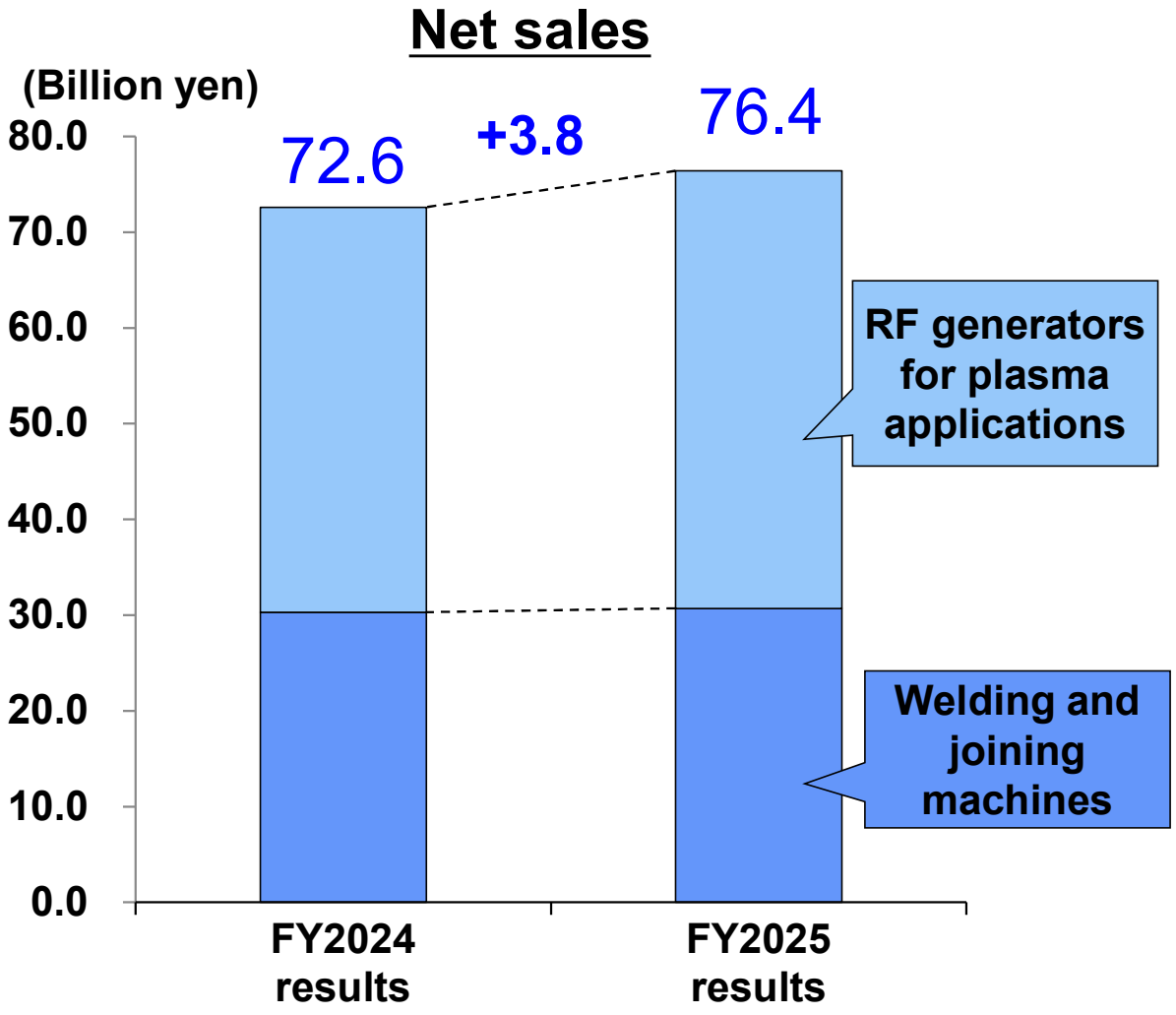


Factory Automation: Net Sales by Region

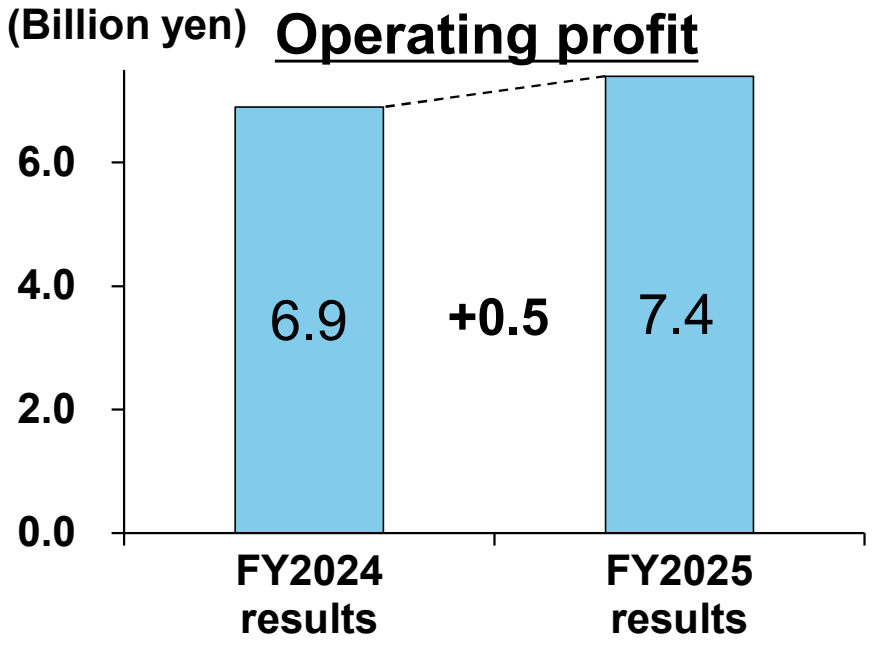


- While investments remained suppressed in Japan and Europe, sales in other regions increased.

Material Processing Segment: Net Sales and Operating Profit



- Sales and profit for RF generators for plasma applications increased, supported by a high level of investment in advanced semiconductors for generative AI.



FY2026 Financial Results Forecast

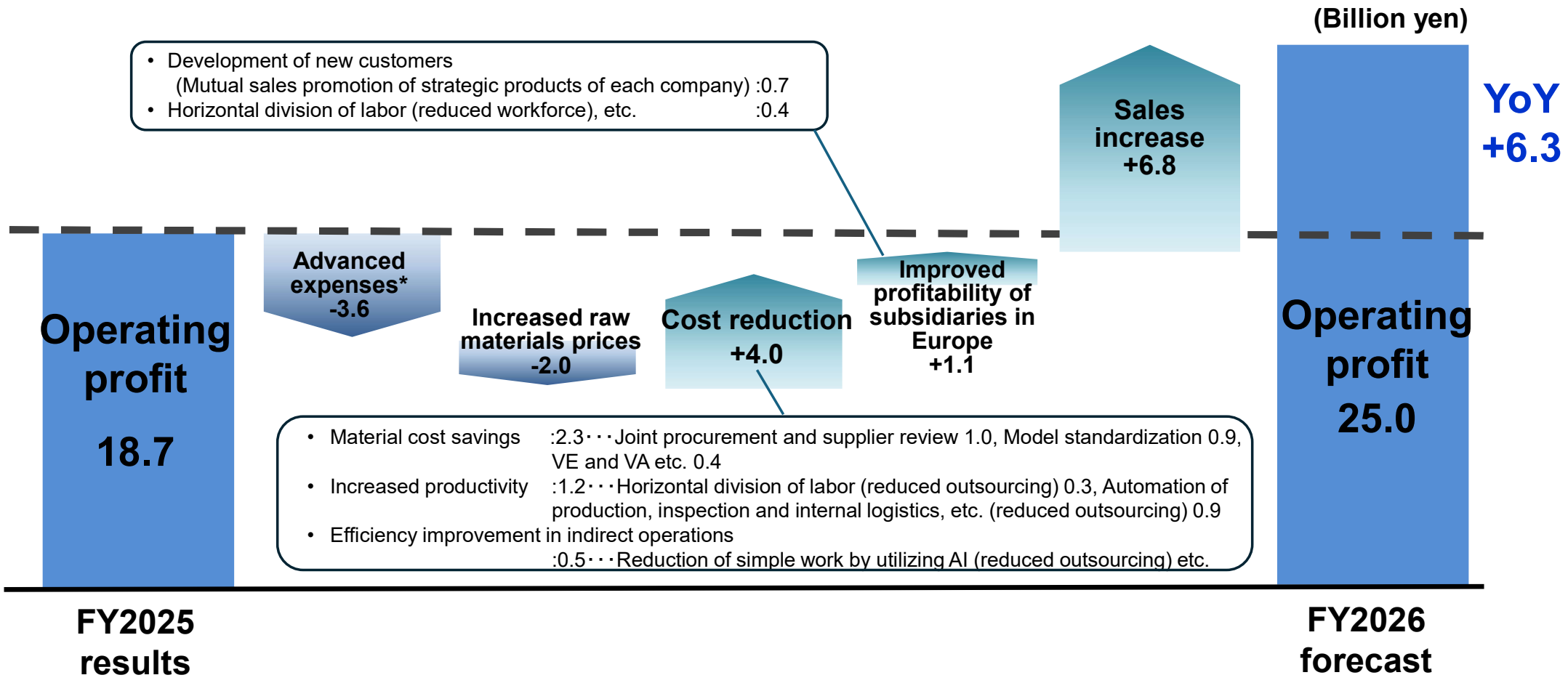
Full-Year Financial Results Forecast

- **Net sales and profits in all categories are expected to reach record highs, and the FY2026 Medium-Term Plan Targets are expected to be achieved.**

(Billion yen)

	FY2025 results (1)		FY2026 forecast (2)		YoY (2)-(1)	YoY Changes (2)/(1)	FY2026 Plan	
Net sales		**237.7**		**280.0**	**+42.3**	**+17.8%**		**250.0**
Operating profit	7.9%	**18.7**	8.9%	**25.0**	**+6.3**	**+33.1%**	10.0%	**25.0**
Ordinary profit	8.5%	**20.1**	9.1%	**25.5**	**+5.4**	**+26.9%**		
Profit attributable to owners of parent	5.9%	**14.1**	5.9%	**16.5**	**+2.4**	**+16.9%**		
Investment in development		**7.5**		**8.7**	**+1.2**	**+16.0%**		
Capital investment		**13.4**		**14.5**	**+1.1**	**+8.2%**		
Depreciation		**6.9**		**9.3**	**+2.4**	**+34.8%**		

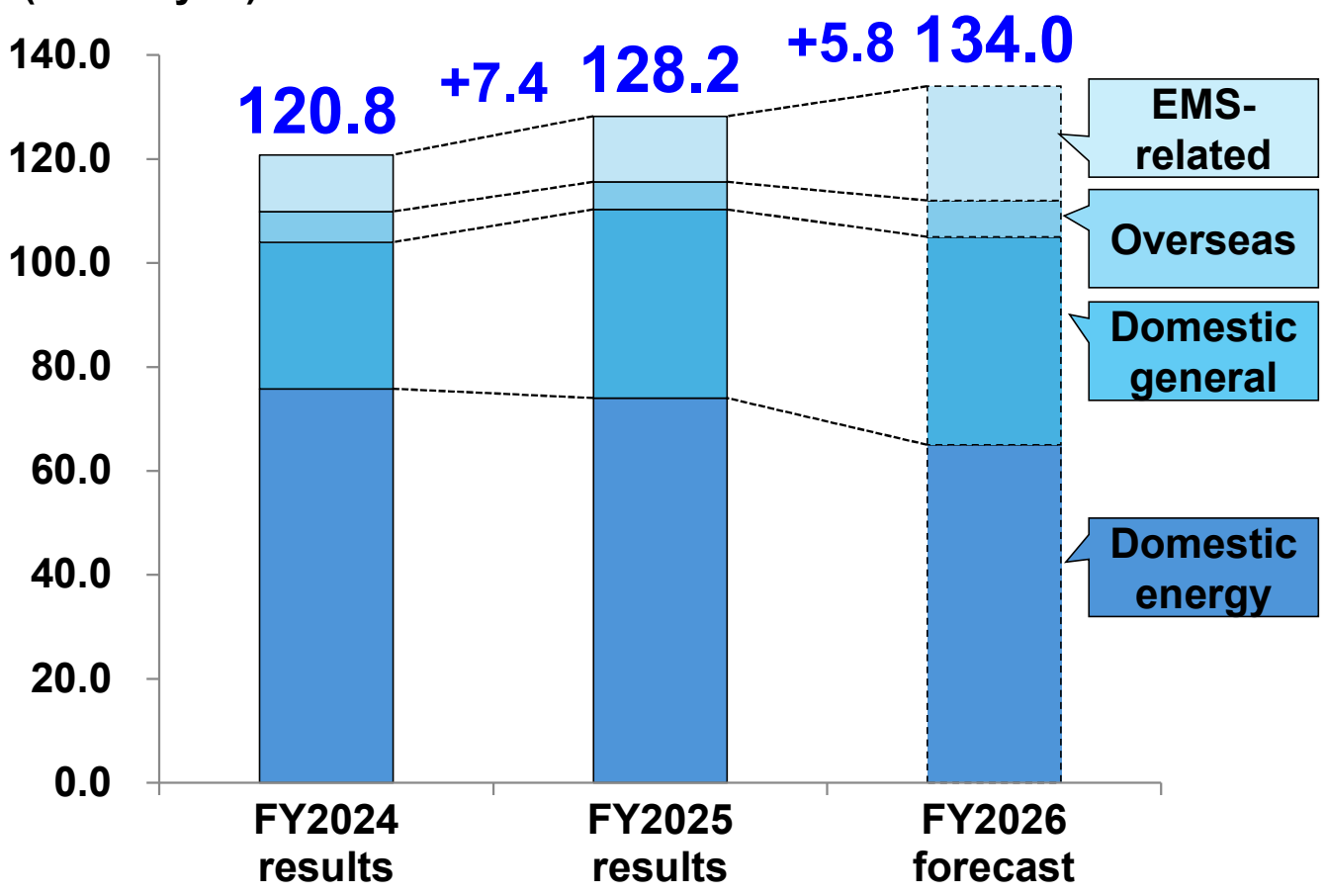
FY2026 Financial Results Forecast: Factors for Changes in Operating Profit



* Advanced expenses: development funds -1.2, depreciation -2.4

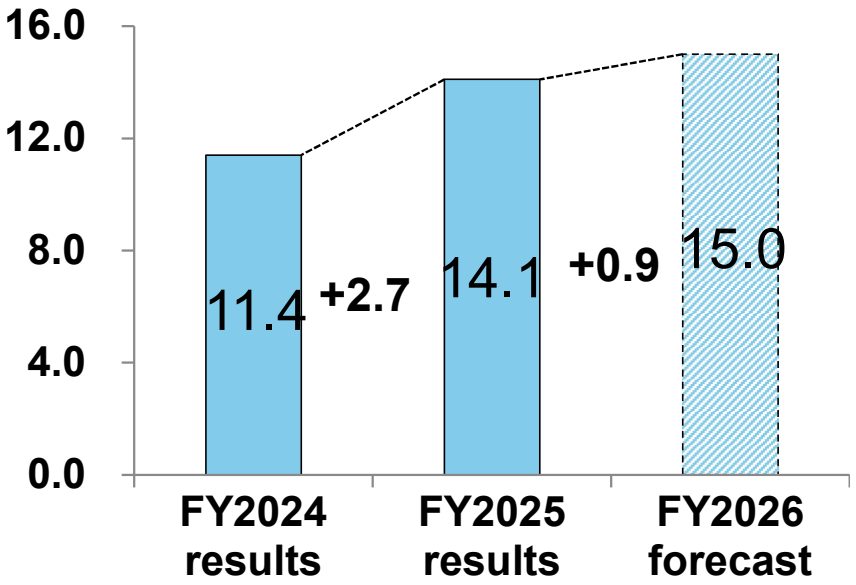
Energy Management Segment

Net sales



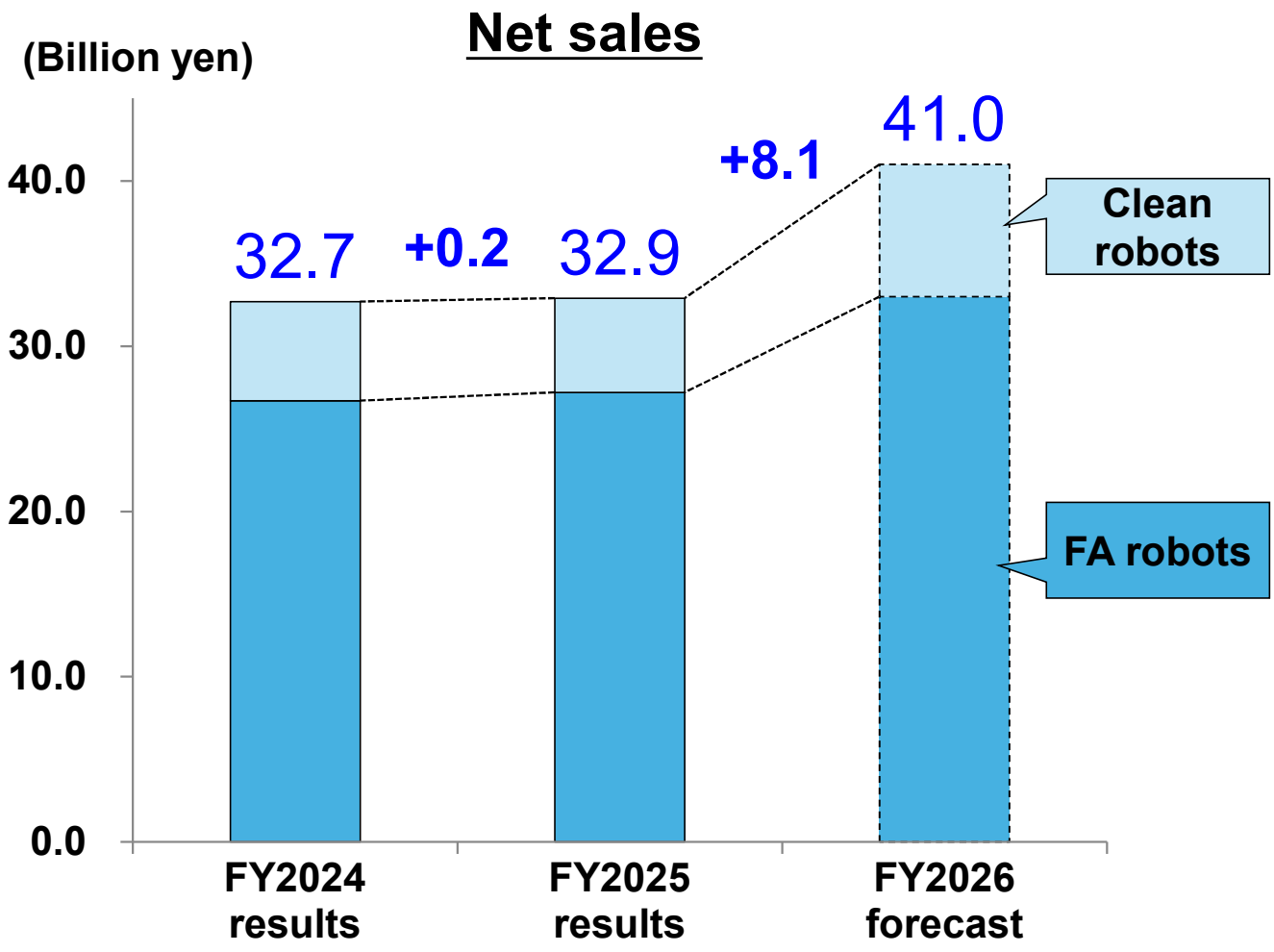
- Although renewal investment by power companies may decrease, sales are expected to increase due to higher sales of storage battery systems, etc. owing to the further expansion of data centers and renewable energy.
- Profit is expected to increase as expanded cost reduction efforts offset higher depreciation expenses.

Operating profit



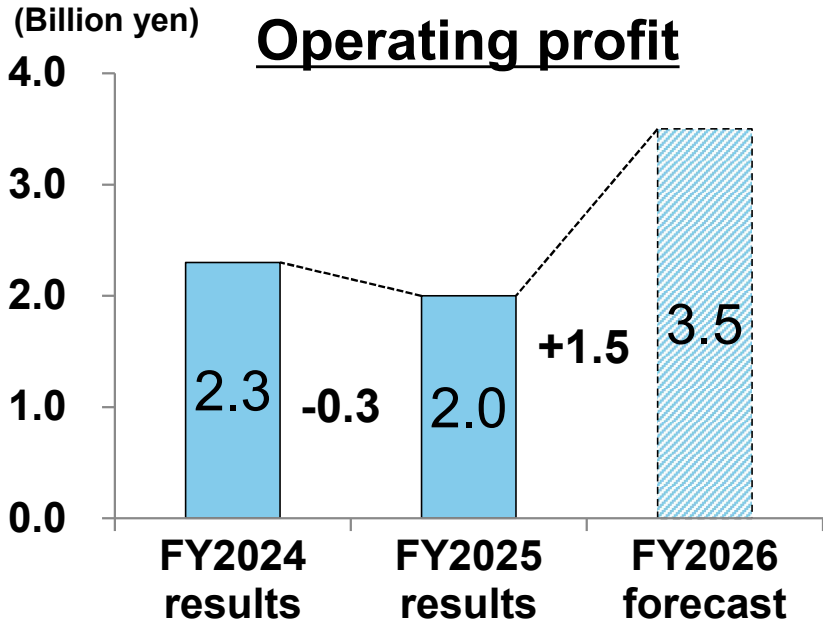
Factory Automation Segment

Net sales



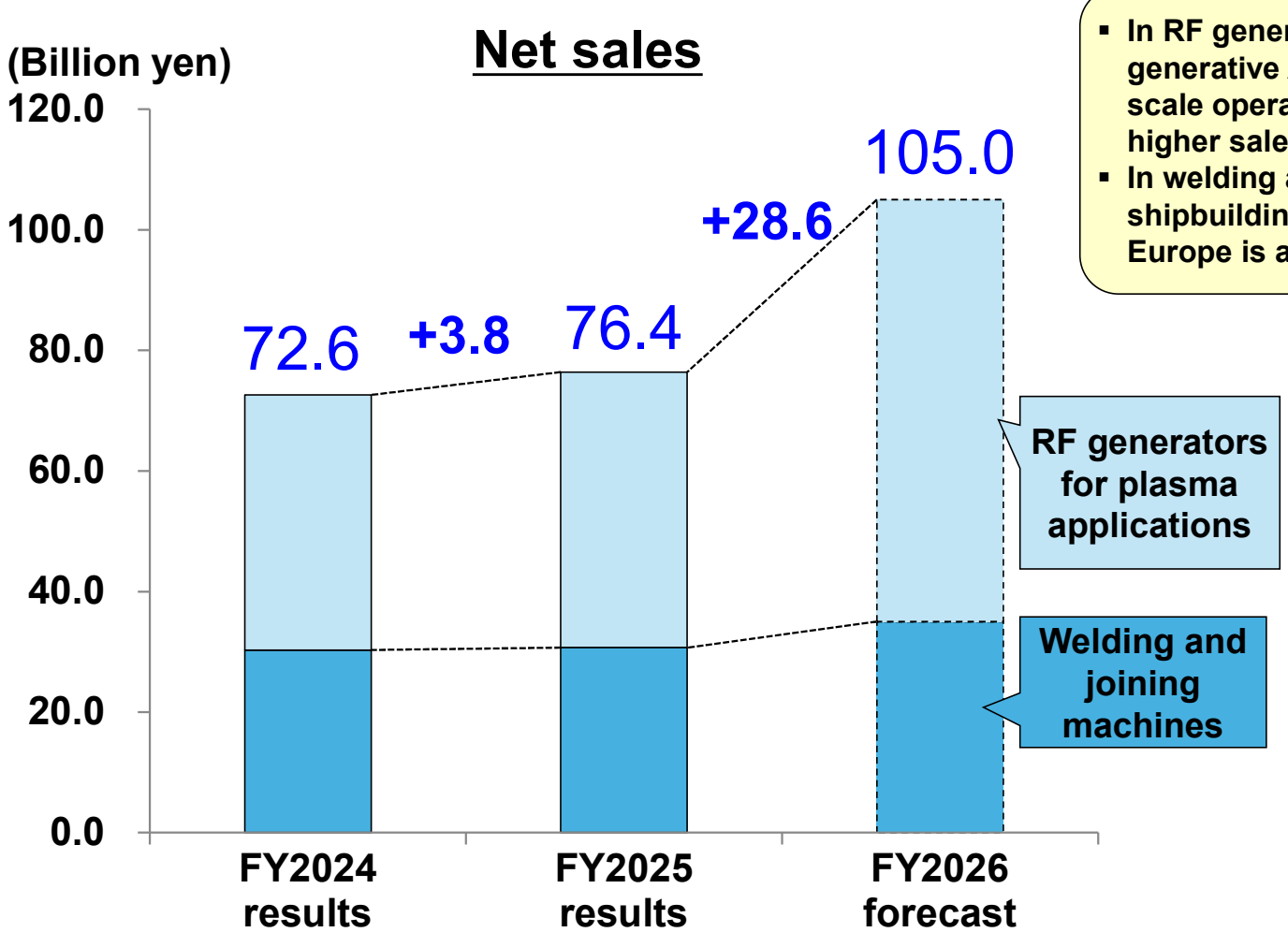
- In FA robots, sales are expected to increase due to recovery in production automation investments.
- In Clean robots, sales are expected to increase due to growing demand for transport robots for advanced packaging.
- Improved profitability of subsidiaries in Europe is expected to contribute to profit growth.

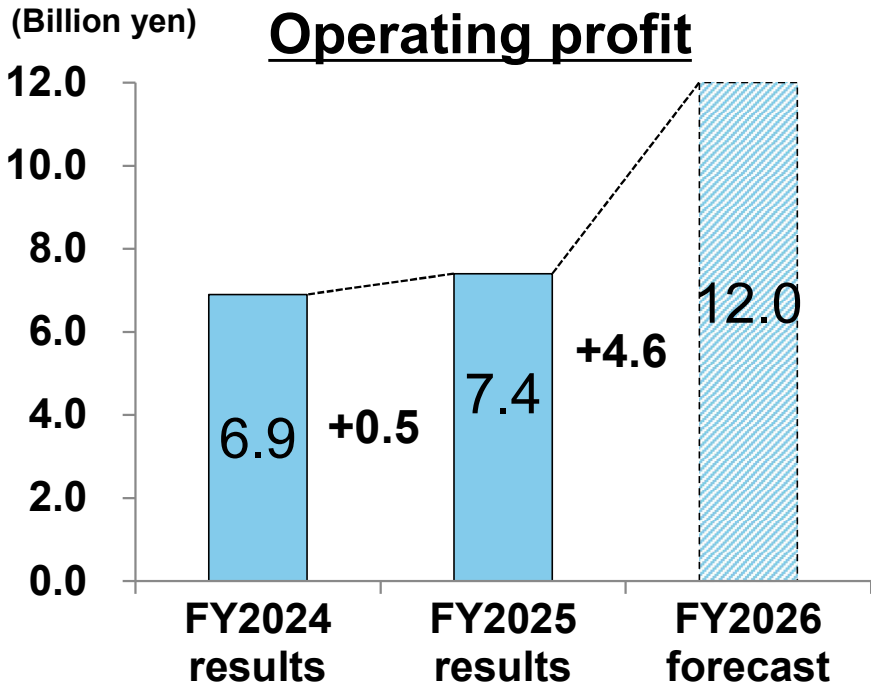
Operating profit



Material Processing Segment

- In RF generators for plasma applications, demand related to generative AI and data centers is expected to increase, and full-scale operation of the new plant is expected to contribute to higher sales and profit.
- In welding and joining machines, increased demand related to shipbuilding in Japan and building and railway construction in Europe is also expected to contribute to improved performance.





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 (Development)
2. Innovate distributor sales and expand sales in new areas (Sales)
3. Pursue automation and build an optimal production system (Production)
4. Enhance human capital based on a long-term human resource development plan (Human Resources)

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

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.)	15.9 (+0.9)*	20.8 (+1.8)*	35.0 (+5.0)*		55.0
	Renewable energy storage battery systems for selfconsumption					
	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	4.8 (-1.2)*	6.6 (-2.4)*	15.0		25.0
	Enhance lineup of collaborative robots					
	De-skilling joining machines					
Promote digitalization	Energy-saving generators for semiconductor manufacturing equipment	8.2 (-0.8)*	13.0 (+1.0)*	25.0		45.0
	Space-saving robots for semiconductor manufacturing equipment					
	Plasma sources for chamber cleaning					
Total		28.9 (-1.1)*	40.4 (+0.4)*	75.0 (+5.0)*		125.0

*Figures in parentheses represent comparisons with the initial plan.

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

Realize decarbonated society

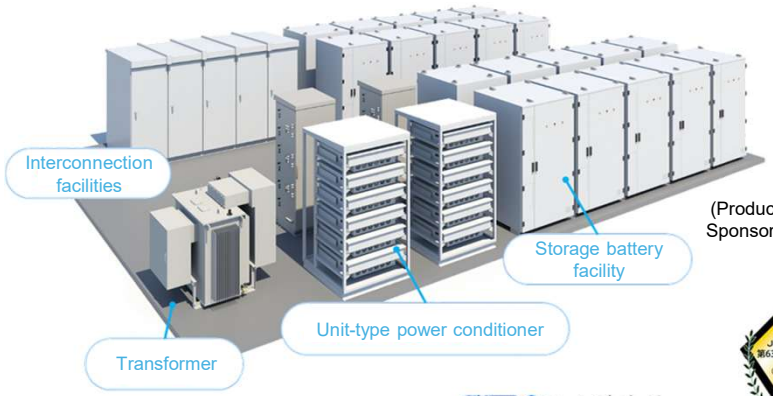
[Market Environment]

- 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.

=> Supply agreements concluded with Sun Village for over 70 projects in FY2026

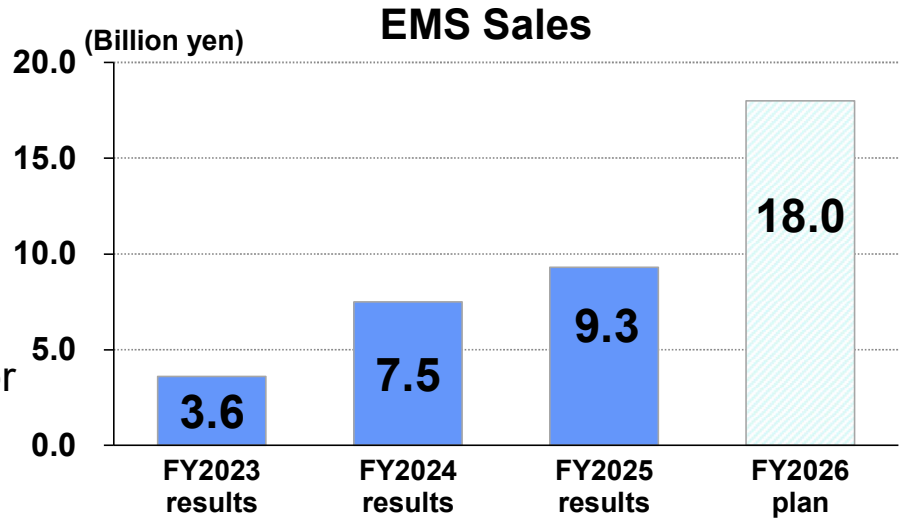


令和７年度 新エネ大賞

(Products and services category)
Sponsor: New Energy Foundation

モノづくり部品大賞

JECA FAIR 2024 第63回 製品コンクール 受賞



- ✓ **Can be delivered separately.**
- ✓ **Low-noise design helps reduce the costs of noise mitigation measures for neighboring communities.**
- ✓ **Obtained a label of conformance to "JC-STAR★1," a security scheme for IoT products.**
  (Mandatory as a grid interconnection technical requirement from April 2027 onward)
- ✓ **Concluded a supply agreement for stationary batteries with CATL (August 2025).**
- ✓ **Received a Chief Judge's Special Award at the 2025 New Energy Awards.**

JC-STAR*

*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

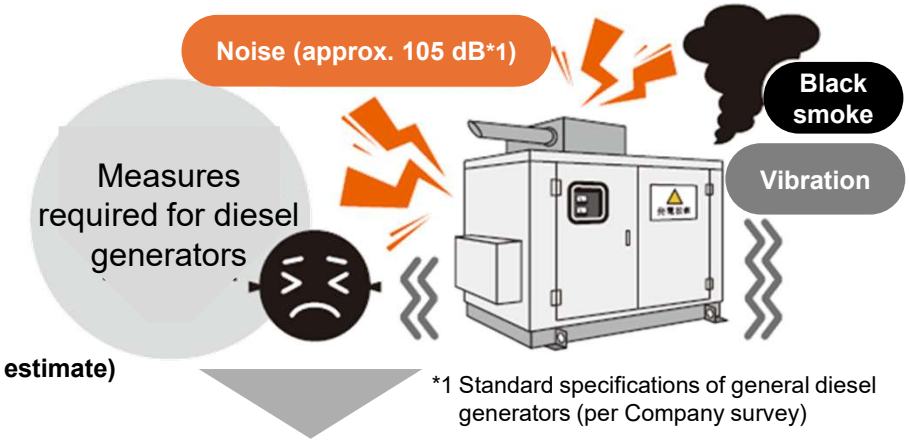
Realize decarbonated society

Storage Battery Package for Disaster Prevention (Start of Orders from December 2025)

[Market Environment]

- 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).

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



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

[Features (Comparison with Emergency Generators)]

First and only fire service certification in Japan (January 2026)

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.

✓ Japan Resilience Award 2026
"Prime Minister's Award" received (April 21, 2026)

Increasing Production Capacity in Response to Growing Power Demand (Energy Management)

[Market Environment]

- The expansion of power-receiving facilities and substations is anticipated due to new 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.

[Production Integration of Industrial Oil-Immersed Power Transformers (SHIHEN TECHNICAL)]

- The production of industrial oil-immersed transformers currently manufactured at DAIHEN Electric Machine Corporation (Osaka) will be integrated into SHIHEN TECHNICAL Corporation (Kagawa).
- 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.

Image of the New Plant of Industrial Oil-Immersed Power Transformers

1.7 times previous levels
(Operations to commence in October 2026)

[Construction of a New Plant in the Large Transformer Plant (Mie Plant)]

- Rising demand for substation equipment driven by growing investment in renewable energy, increasing construction of data centers and other facilities, and renewal investment by power companies

=> Reinforcement to double the production capacity of large transformers

Site planned for the new plant
Mie Business Office

FY2026: **1.2** times previous levels
(Enhanced facilities and workforce)
FY2027: **1.5** times previous levels
(New plant Phase 1 to be completed)
FY2029: **2.0** times previous levels
(New plant Phase 2 to be completed)

Advance the development of a highly efficient production system by maximizing group synergies, including capacity expansion investments by affiliated companies.

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

Eliminate labor shortages

Physical AI-powered robot

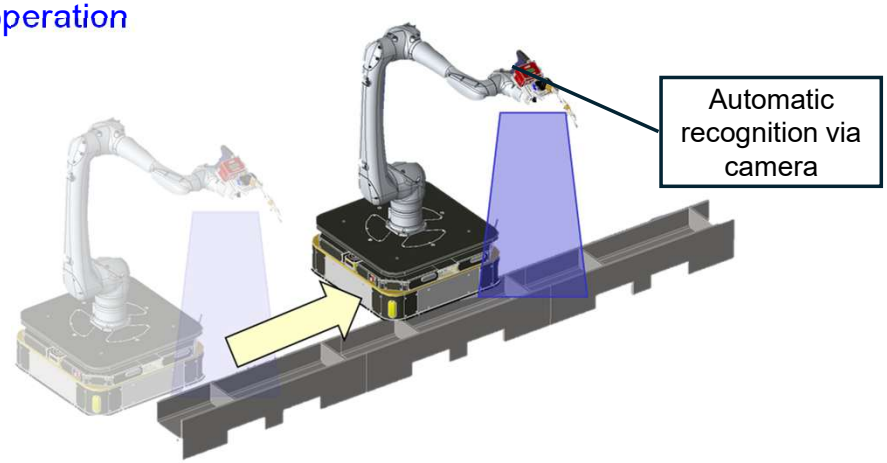
- Robots are expected to be introduced into areas where they have not traditionally been used.

[Our initiatives] (Planned for phased market launch from the second half of FY2026 onward)

AI arc welding robot

- Robot, tools, and pre-trained AI integrated into a complete system, delivered as a one-stop welding solution
- Development of AI for workpiece recognition
- Development of skill-free AI for arc welding

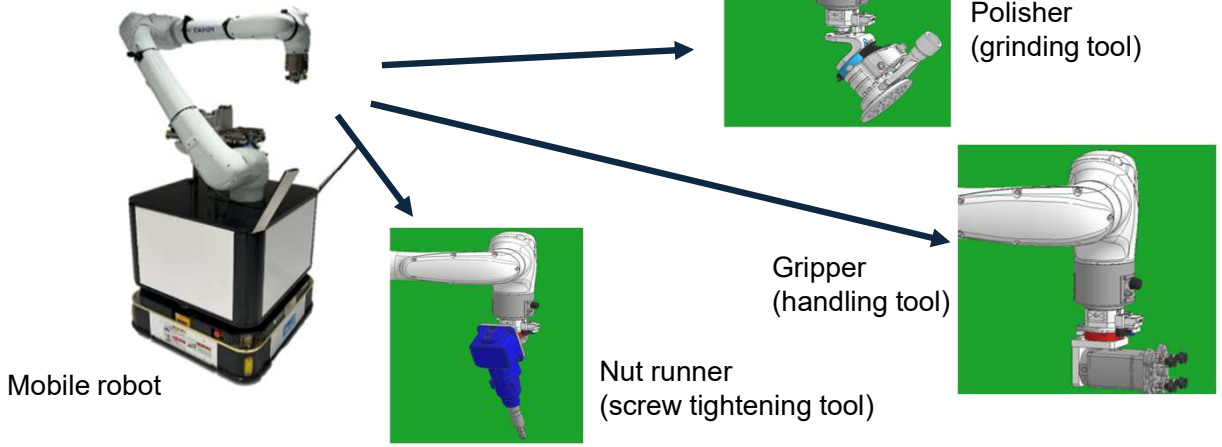
=>Welding automation through teach-less and skill-free operation



AI mobile robot

- AI-based autonomous path generation (mobile robot)
- Mobile robot combining a multi-role collaborative robot and a mobile robot in a single unit

[Extensive tool lineup]



Market Environment for Semiconductor Manufacturing Equipment

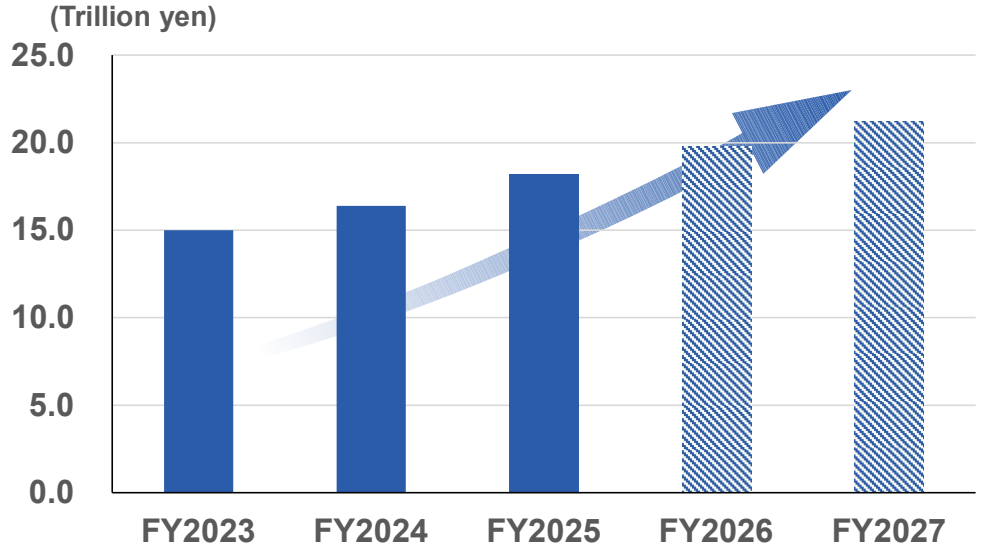
RF generator systems

- Investments will be led by advanced logic and memory for generative AI and data centers, and the market is projected to remain robust through FY2026 and onward.

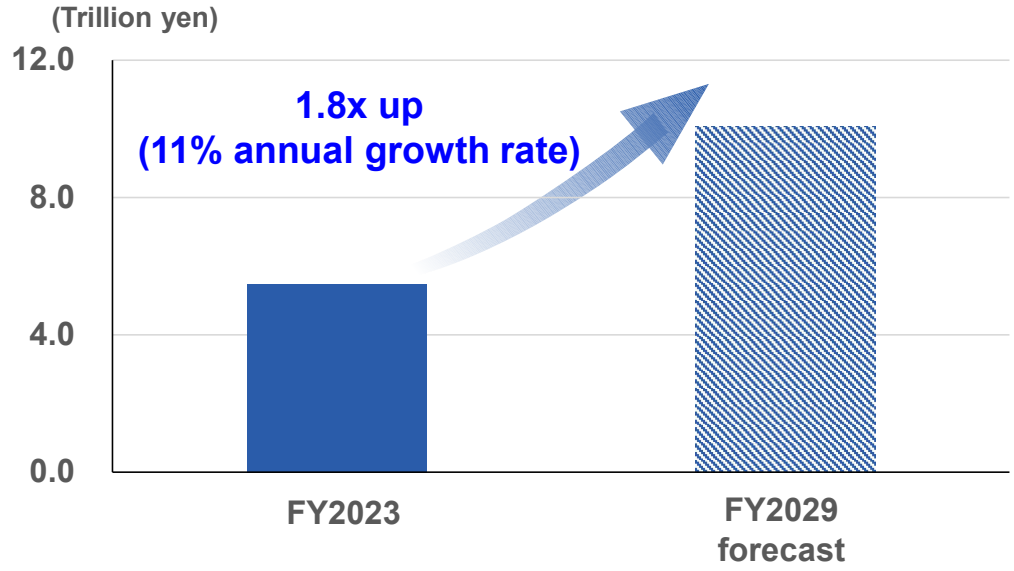
Clean transfer robots

- The advanced packaging market, including FOPLP, is projected to grow at an annual rate of 11% from 2023 to 2029, reaching 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: 157 JPY/USD
*2: Prepared based on forecasts by Yole Intelligence; exchange rate: 157 JPY/USD

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

Promote digitalization

[Our initiatives]

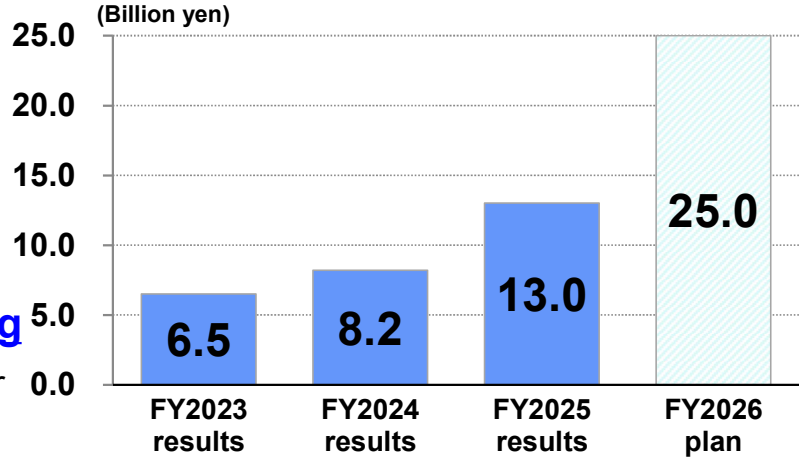
RF generator systems

- 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*.

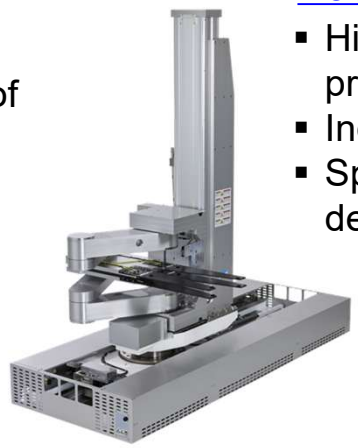
Net sales: Promote digitalization



Robots for atmospheric environment

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

=> Adopted as a standard installation by major manufacturers in Japan and Taiwan

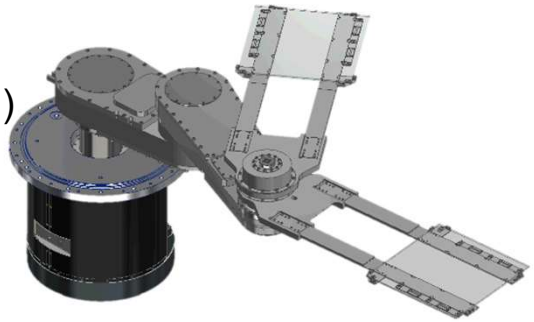


500/600 mm Panel transport

Robots for vacuum environment

- High-speed, low-vibration, and high-precision transport
- Industry-leading high payload (20 kg)
- Space-saving design realized by developing a SCARA-type robot

=> Supplied to major domestic manufacturers



500/600 mm Panel transport

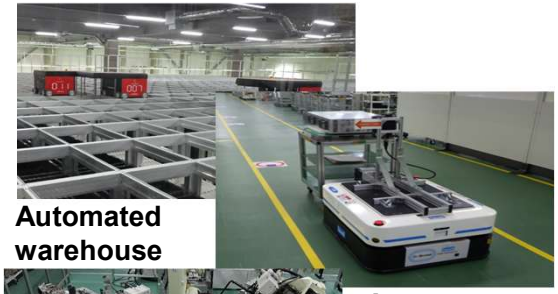
*FOPLP (Fan-Out Panel Level Package):A technology that is one of the advanced packaging techniques, achieving miniaturization and high integration by forming wiring layers that connect semiconductor chips and printed circuit boards on a square-shaped substrate.

Production Capacity Expansion in Response to Growing Semiconductor-Related Markets (Material Processing)

■ RF generator system plant

- In FY2026, production volume is expected to exceed the previous peak due to expansion of the semiconductor-related market. => Strengthen production and inspection lines and advance the development of a system capable of responding to future market growth.

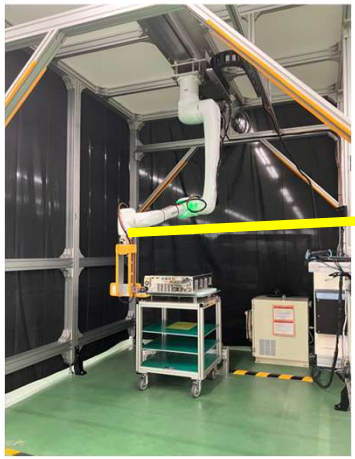
FY2024



Autonomous mobile robots

Automation of inspection and assembly

FY2025



Automation of product appearance photography

Production capacity:
1.4 times previous levels

FY2026

Further expansion of production and inspection equipment => **2.0** times previous levels
(Full-scale operation scheduled from second half)

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

Others

[Japan's first] Entry into next-generation metal additive manufacturing "WAAM*1" business (May 2026)

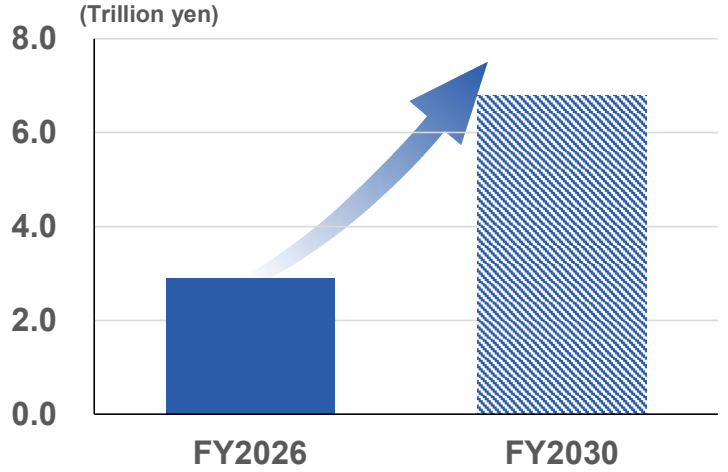
[Market environment]

- Demand for additive manufacturing is expected to grow in industries such as aerospace and marine.

[Our initiatives]

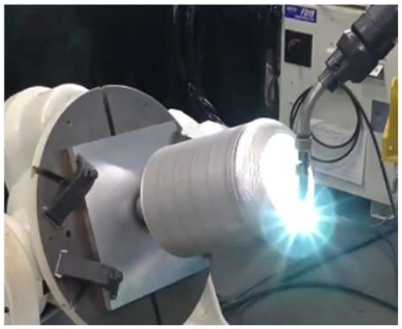
- Development of high-efficiency, high-precision fabrication systems applying our proprietary arc welding and robot technologies, equipped with fabrication support software
  => Achieving reductions in manufacturing processes, CO_2 emissions, and material loss for large and complex-shaped components

Metal Additive Manufacturing Market Outlook*2

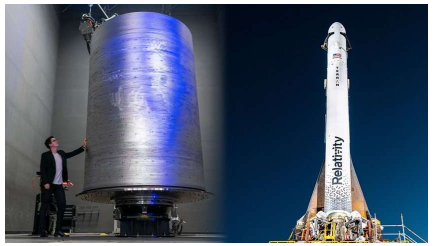


Metal Additive Manufacturing System "ArcBuilder 3D"

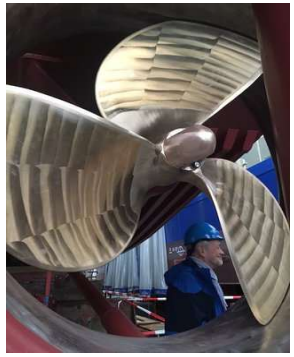
<Fabrication in progress>



<Application Examples>



Aerospace (rocket tank)



Marine vessel (propeller)

*1 WAAM (Wire-Arc Additive Manufacturing): A metal 3D printing technology that uses arc welding to deposit metal wire layer by layer
*2 Source: SDKI Analytics (2025)

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
  => 2% increase in domestic market share
- 70% reduction in same-class inventory
- Production person-hours cut via automation by 6,000 hours per year

[Second Series] **(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

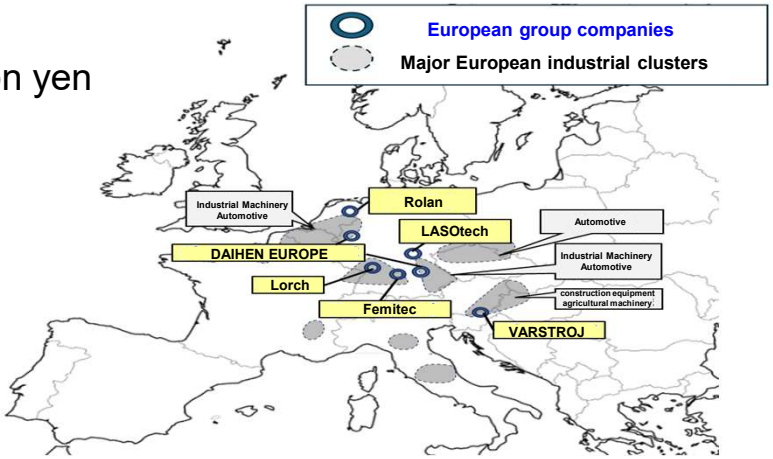
2 Innovate Distributor Sales and Expand Sales in New Areas

Expansion of Business in Europe and the U.S.

Business in Europe

<Net sales targets> FY2022 6.0 billion yen ➡ FY2026 **20.0** billion yen

- Aim to increase market share (establishing No. 1 position in Europe for welding peripheral systems) through mutual utilization of products and sales channels among the six European group companies, combined with enhanced and strengthened services based on customer needs for products and systems
- Promoting horizontal division of labor and joint procurement of components among European subsidiaries



Business in the U.S.

<Net sales targets> FY2022 5.2 billion yen ➡ FY2026 **8.0** billion yen

- Acquired Force Design, a U.S.-based SIer with a proven track record of delivering to major users and strong system proposal capabilities, in September 2024
- In FY2025, expanded sales to new customers in the U.S. Midwest, a key region for the automobile industry
- Going forward, aim to expand business through the establishment of new sites and development of new sales channels

3 Pursue Automation and Build an Optimal Production System

[Automation of transformer plant (Juso)]

FY2024

Automation of core assembly processes (prototype completed)

FY2025

Consolidation of production functions and automation of core and inspection processes at the pole-mounted transformer factory

=> 22% improvement in productivity

- **Full automation of the pole-mounted transformer factory at the Juso Business Office in FY2027**
- **Implement the Juso Business Office as a model factory and deploy it across group companies to maximize synergy**

3 Pursue Automation and Build an Optimal Production System

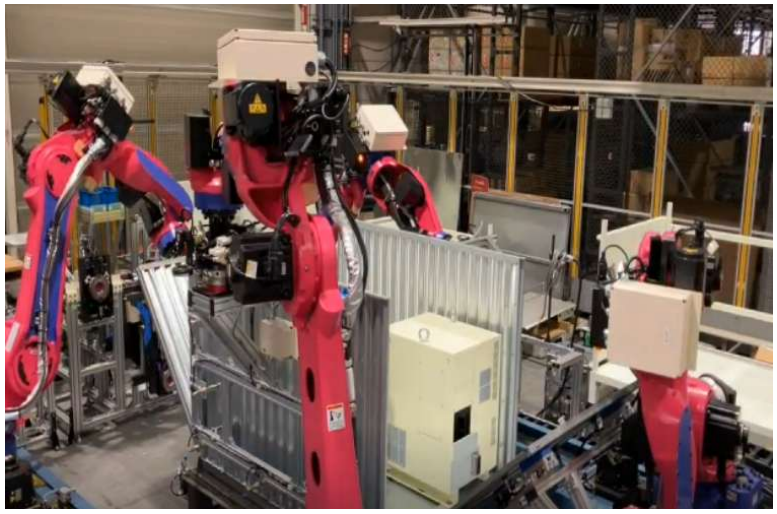
[Factory where robots manufacture robots (Rokko Business Office)]

Before FY2024

Robot assembly automation

=> 90% automation rate for assembly

FY2025



Automate interbay transportation, packaging, and shipping processes

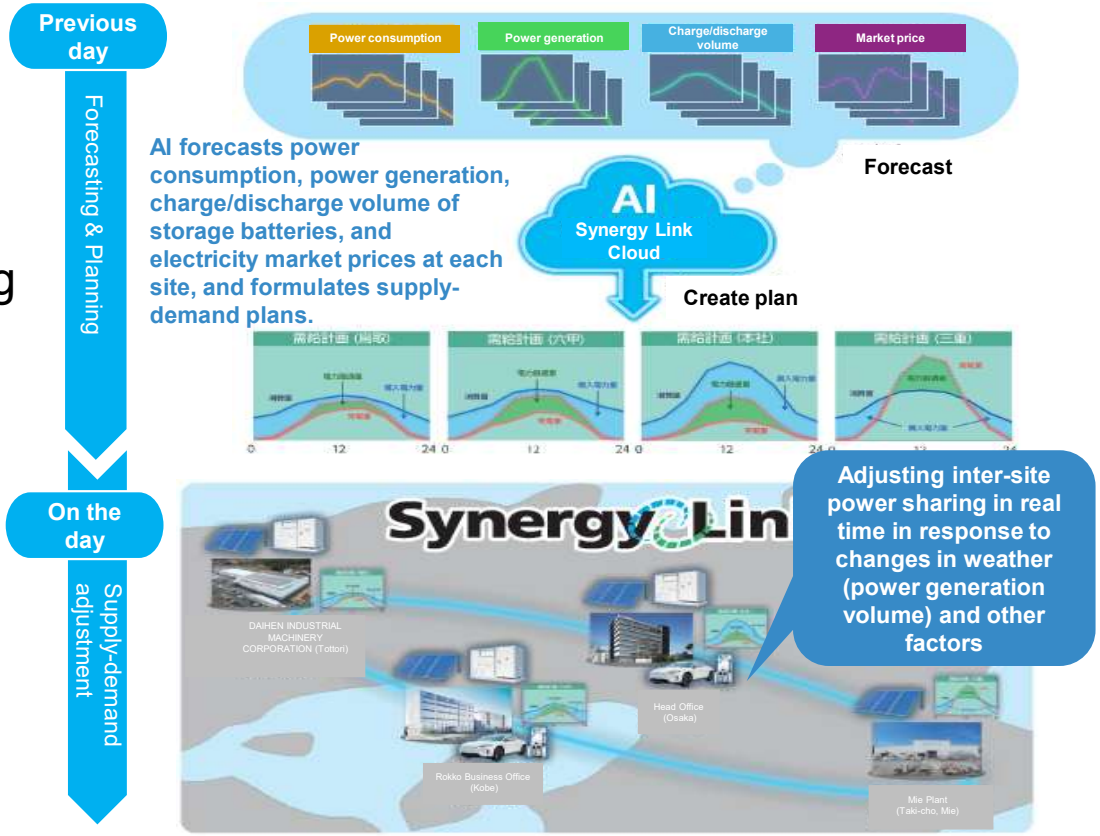
=> 75% automation rate for interbay logistics

Full automation of all manufacturing processes by FY2029

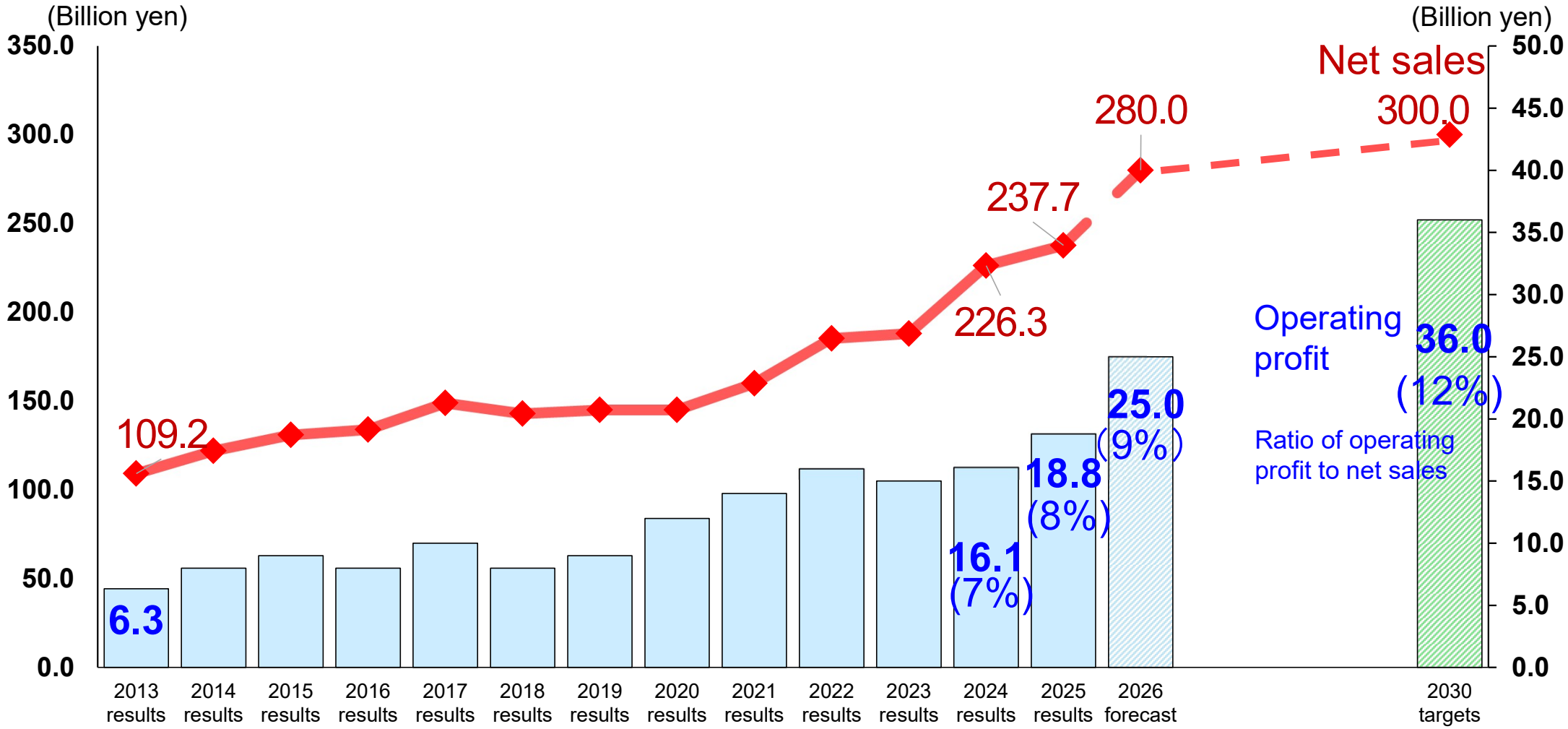
Initiatives to Reduce CO_2 Emissions at Our Sites and Creation of New Business

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**

- Introduced solar power generation and proprietary battery storage packages at major sites in Japan and overseas
  (26% reduction achieved in FY2025)
- Developing a multi-site power sharing system utilizing AI and EMS “Synergy Link,” advancing the utilization of surplus renewable energy from single sites, while also planning to commercialize it as a service
  => Demonstrating in-house to establish a new business model



Medium-Term Plan Targets



Capital Policy and Cash Flow

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

	FY2023 results	FY2024 results	FY2025 results	FY2026 forecast	FY2026 plan
Net sales	188.5 billion yen	226.3 billion yen	237.7 billion yen	280.0 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% (18.7 billion yen)	8.9% (25.0 billion yen)	10% or more (25.0 billion yen or more)
ROE	13.3%*	8.8%	9.7%	10.3%	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
  profit increase of 2% or more: payout of 0.5 months' salary and above
  profit increase of 5% or more: payout of 2.0 months' salary (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

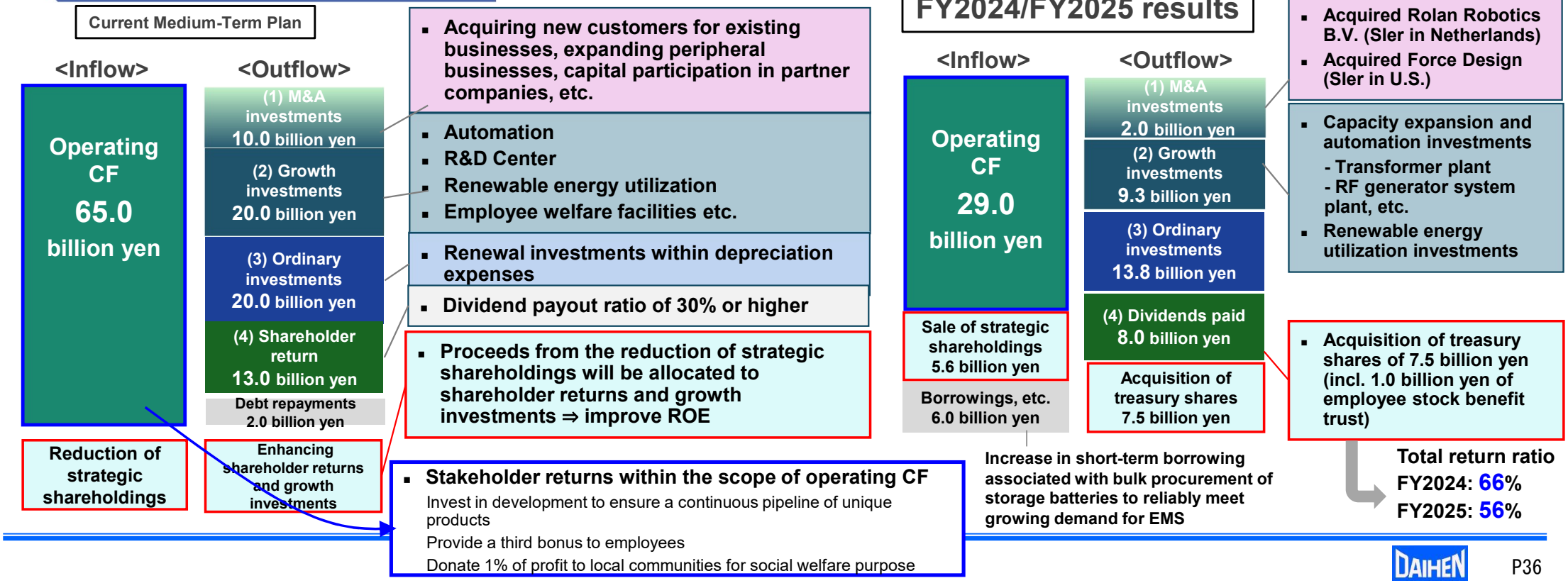
Capital Policy and Cash Flow

Basic policy on capital policy

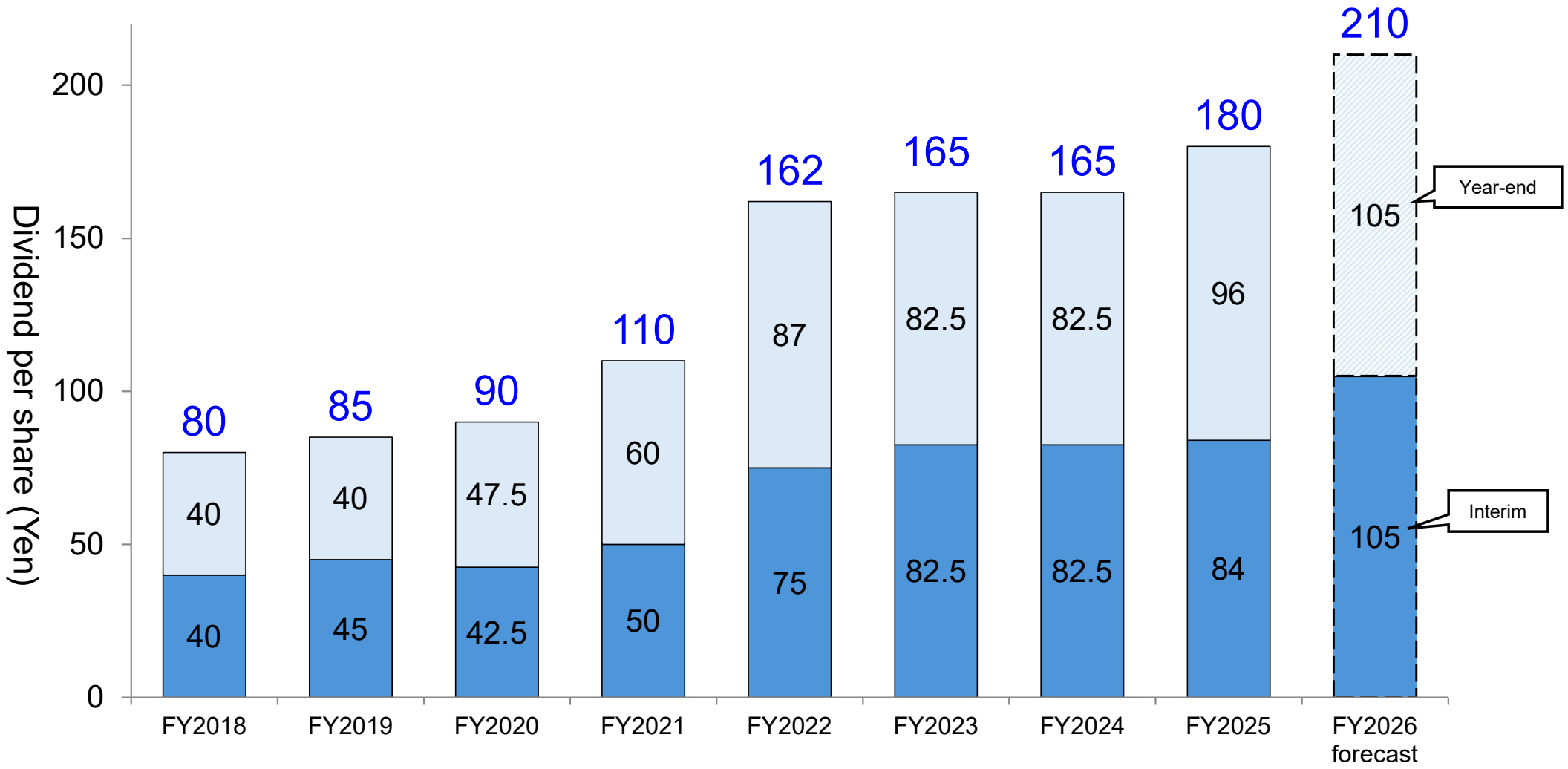
- Continue to pursue balanced return of profit to stakeholders in line with Targeted “Returns” and proactive investments

  => 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)



Dividends



* The year-end dividend for FY2025 is scheduled to be approved at the General Meeting of Shareholders in June 2026.

Notes 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**