
Financial Results Briefing for FY2024 (Fiscal Year Ended March 31, 2025)

DAIHEN Corporation

June 3, 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. FY2024 Results**
- 2. FY2025 Financial Results Forecast**
- 3. Progress on the FY2026 Medium-Term Plan Initiatives**
- 4. Capital Policy and Cash Flow**

FY2024 Results

FY2024 Results

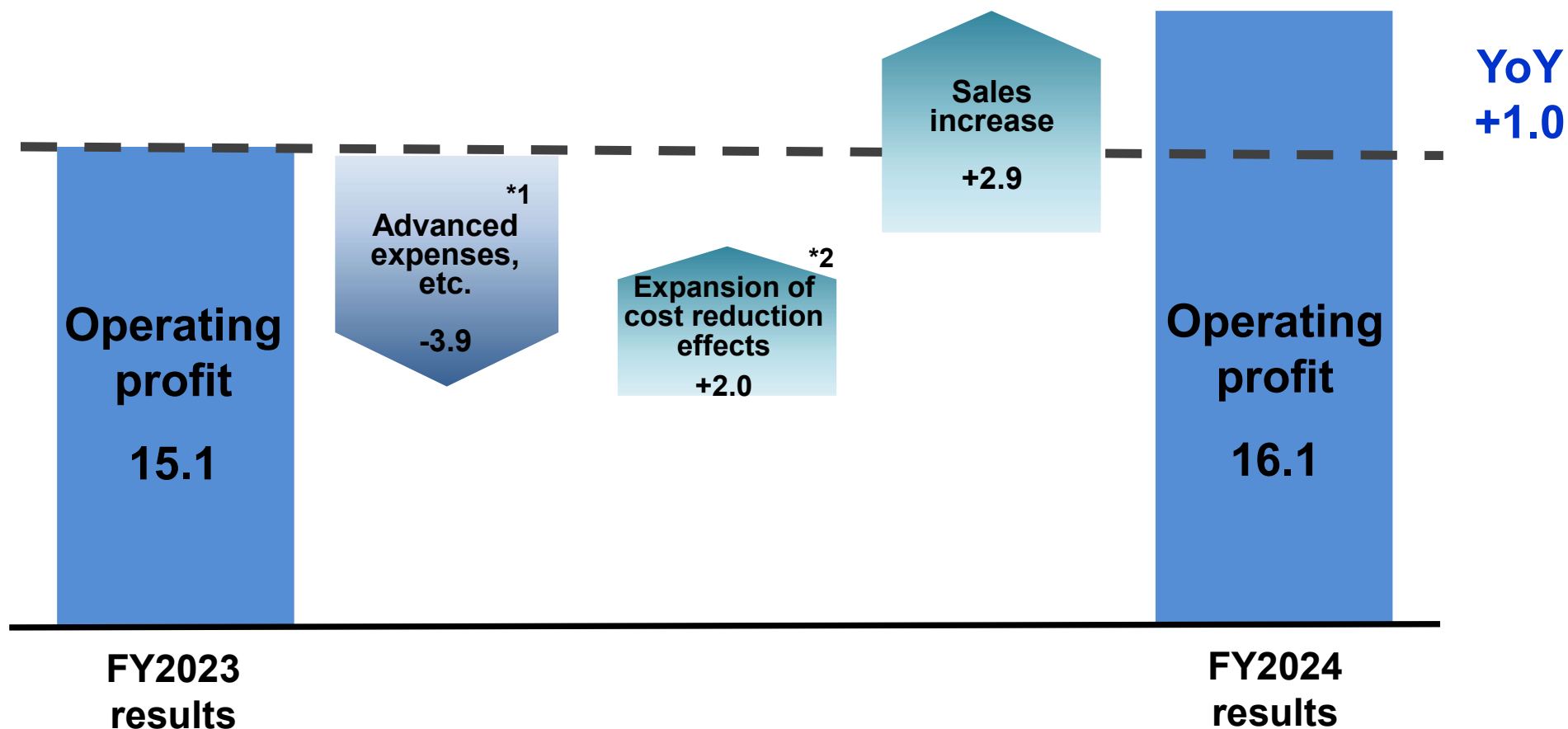
(Billion yen)

	FY2023 results		FY2024 results		YoY		FY2024 forecast	
	(1)	(2)	(2)-(1)	Change	(3)	Change	(3)	Change
Net sales	188.5	226.3	+37.8	+20.0%	205.0	+10.4%		
1 Energy Management	97.6	120.8	+23.2	+23.8%	106.0	+14.0%		
2 Factory Automation	34.8	32.7	-2.1	-6%	31.0	+5.7%		
3 Material Processing	55.9	72.6	+16.7	+29.9%	68.0	+6.8%		
Operating profit	8.0% 15.1	7.1% 16.1	1.0	+6.8%	7.8% 16.0	+1.1%		
Ordinary profit	8.5% 16.0	7.6% 17.1	1.1	+6.8%	8.2% 16.8	+2.3%		
Profit attributable to owners of parent	8.7% 16.4	5.3% 11.9	-4.5	-27.5%	5.9% 12.0	-0.3%		
ROE	※ 13.3%	8.8%	-4.5 Pt					
Dividend per share	165 yen	165 yen	±0 yen					
Dividend payout ratio	24.5%	33.4%						

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

FY2024 Factors for Changes in Operating Profit (YoY)

(Billion yen)



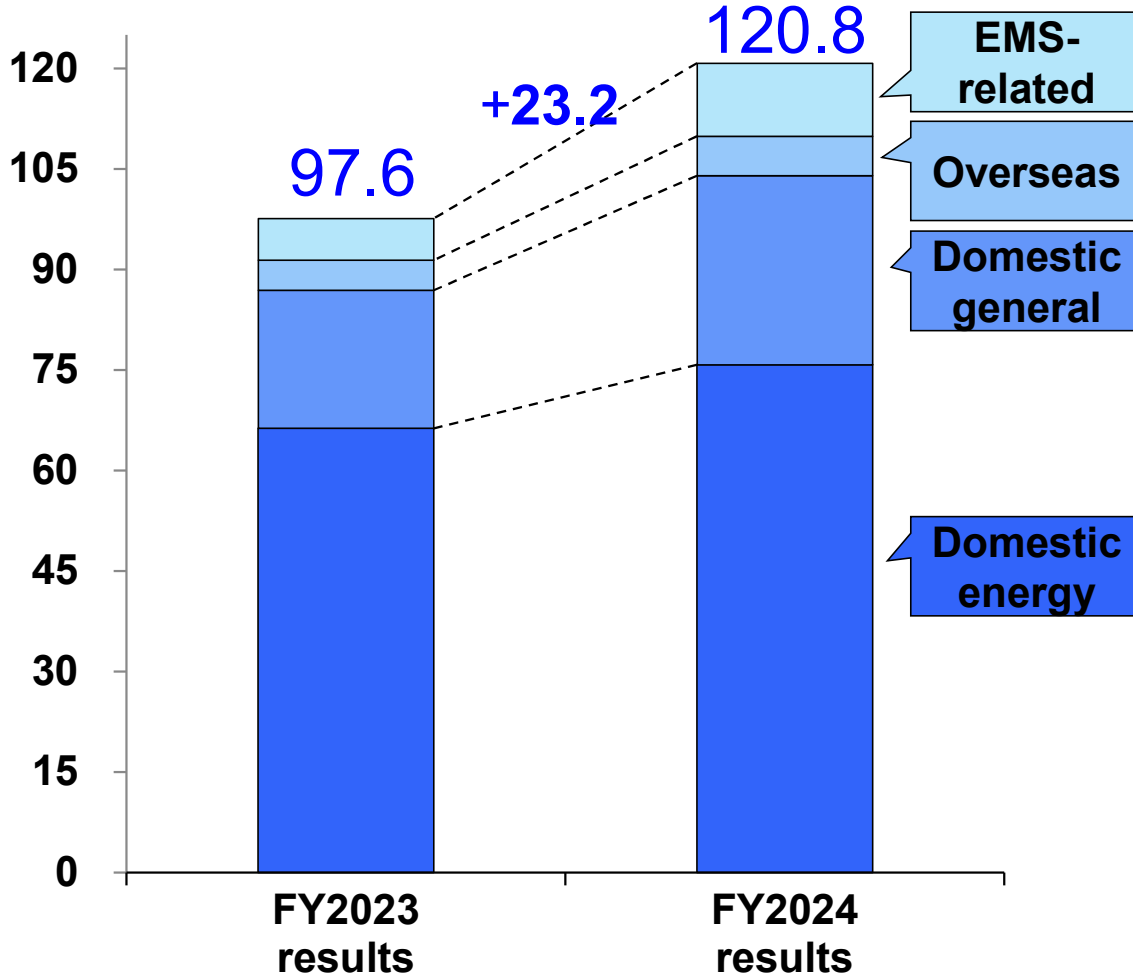
*1 Advanced expenses, etc.: development funds -0.9, depreciation -0.6, advertising -0.1, wage increases, etc. -2.3

*2 Cost reduction effects: material cost savings +1.2, increased productivity +0.2, efficiency improvement in indirect operations +0.6

Energy Management Segment: Net Sales and Operating Profit

(Billion yen)

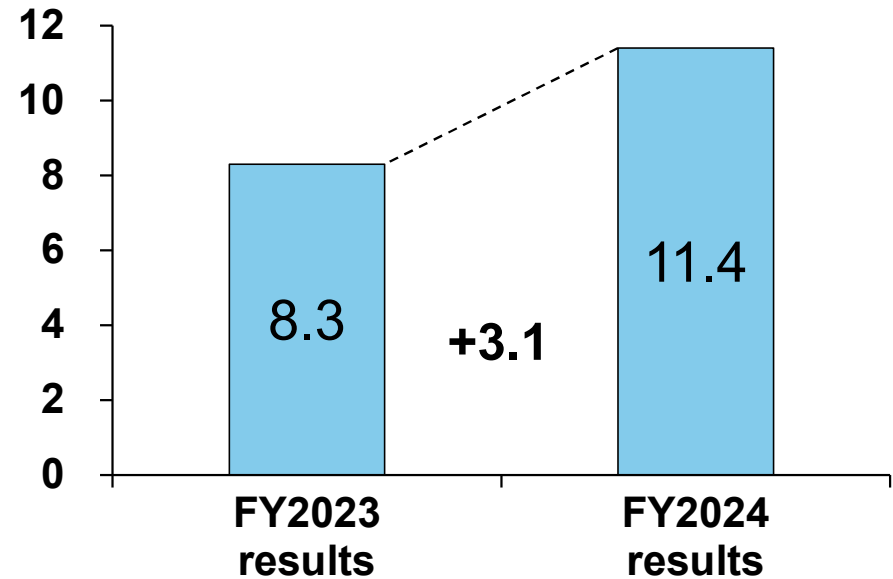
Net sales



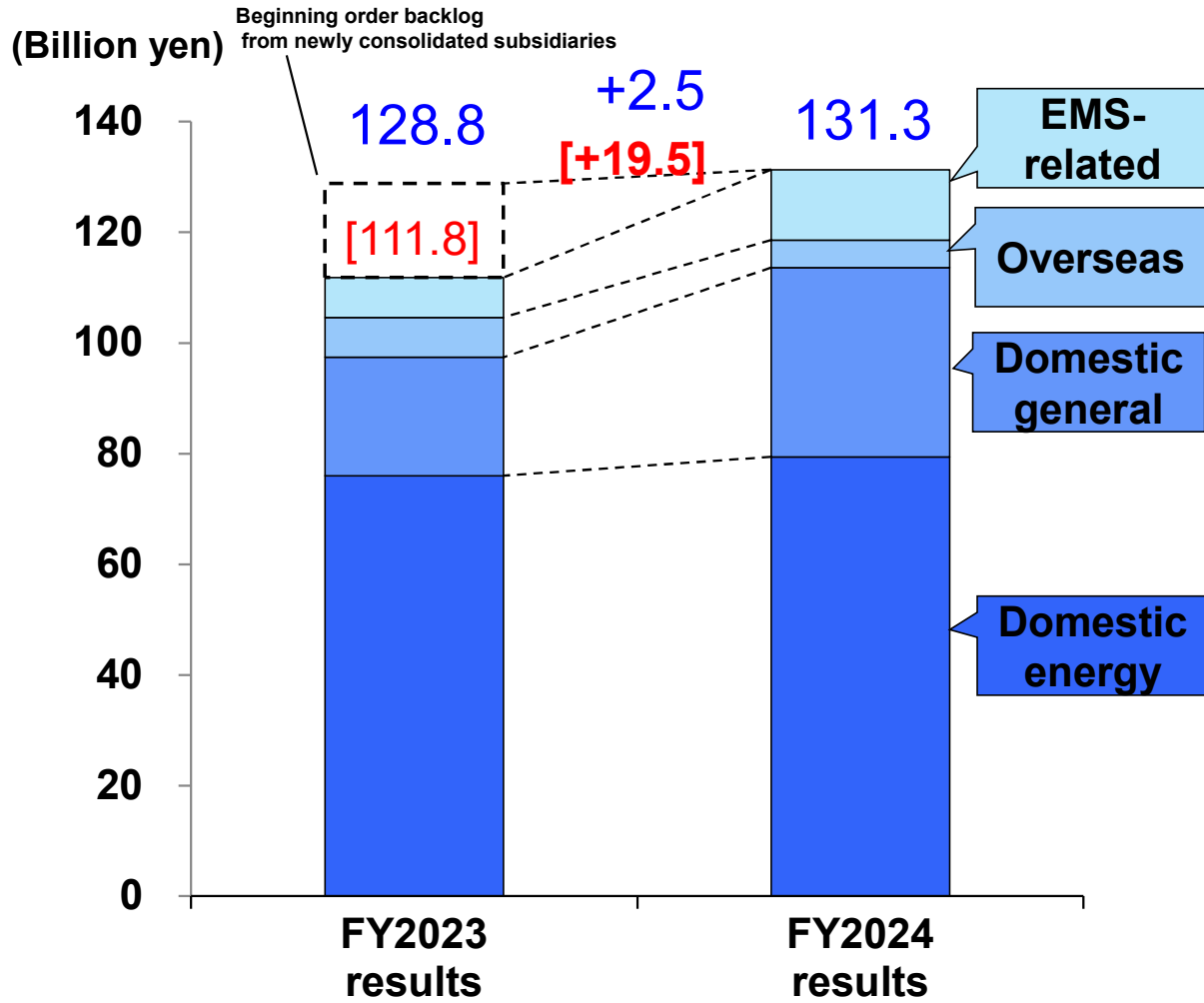
■ Sales and profit increased due to increases in sales of power distribution products, and power-receiving facilities for plants, storage battery systems, as well as the impact of new consolidation (Tohoku Electric Manufacturing and SHIHEN TECHNICAL).

(Billion yen)

Operating profit

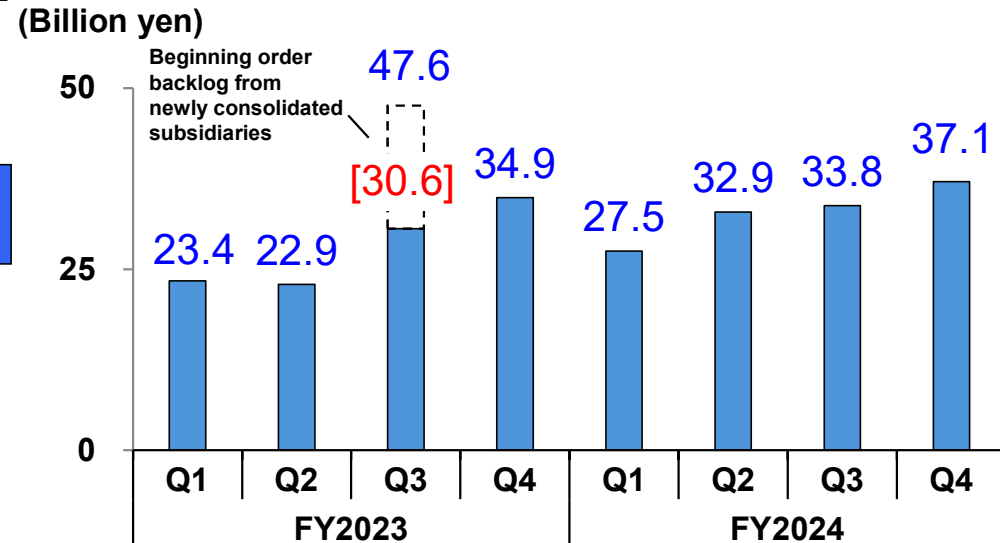


Energy Management Segment: Orders Received



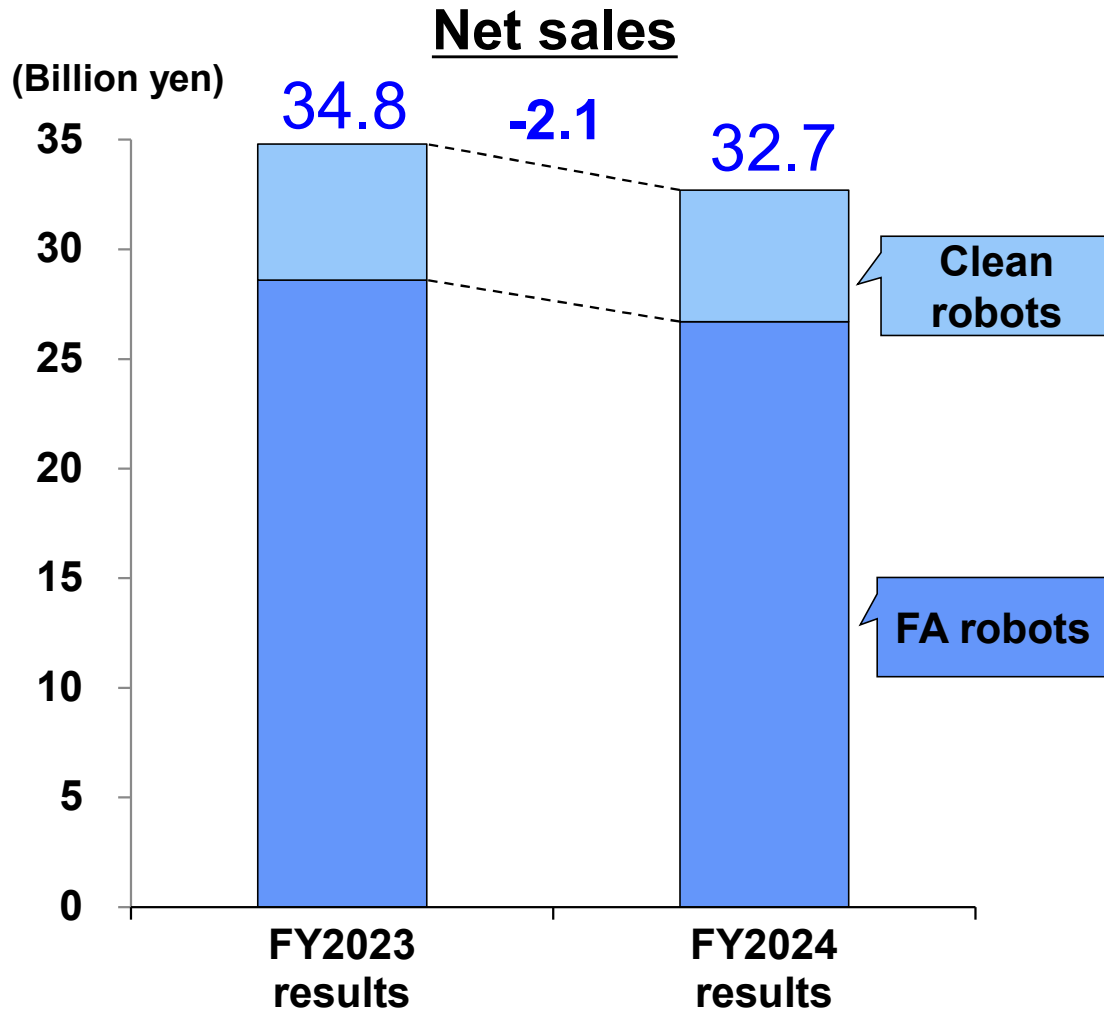
Orders received also increased significantly excluding the impact of the beginning order backlog from prior-year consolidation.

Quarterly orders received

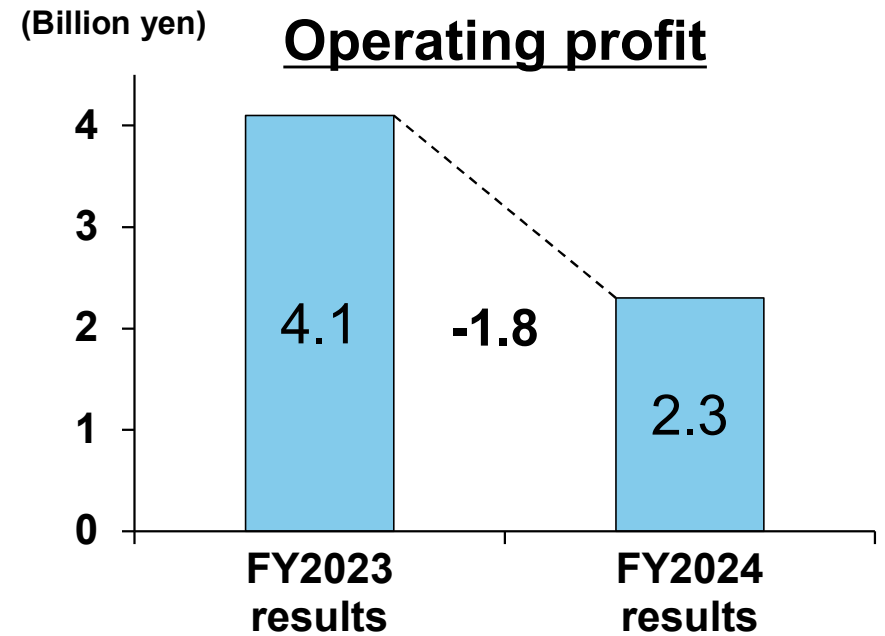


Numbers in [] indicate total order backlog excluding the beginning order backlog from newly consolidated subsidiaries.

Factory Automation Segment: Net Sales and Operating Profit

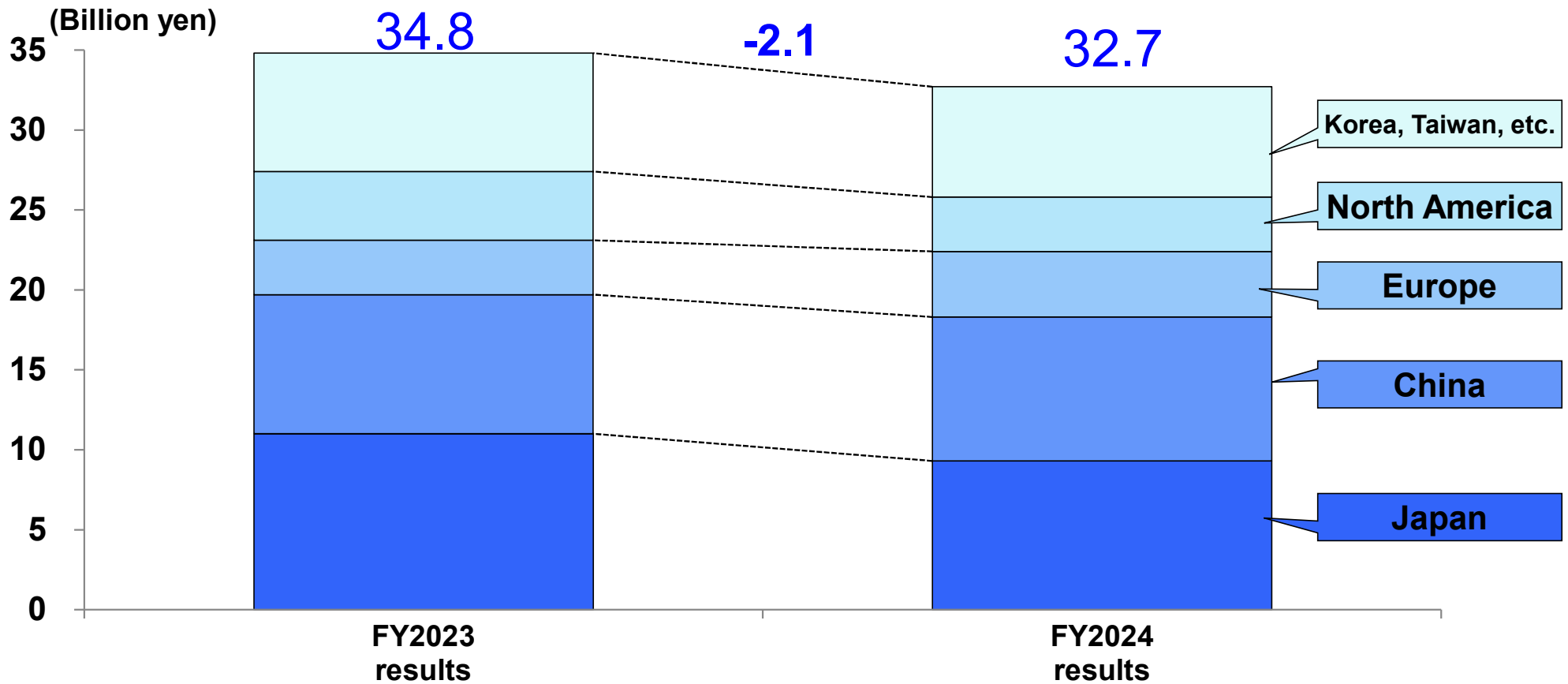


- Sales decreased as automobile-related investments were postponed both in Japan and overseas.
- Operating profit decreased mainly due to advanced expenses for business expansion.



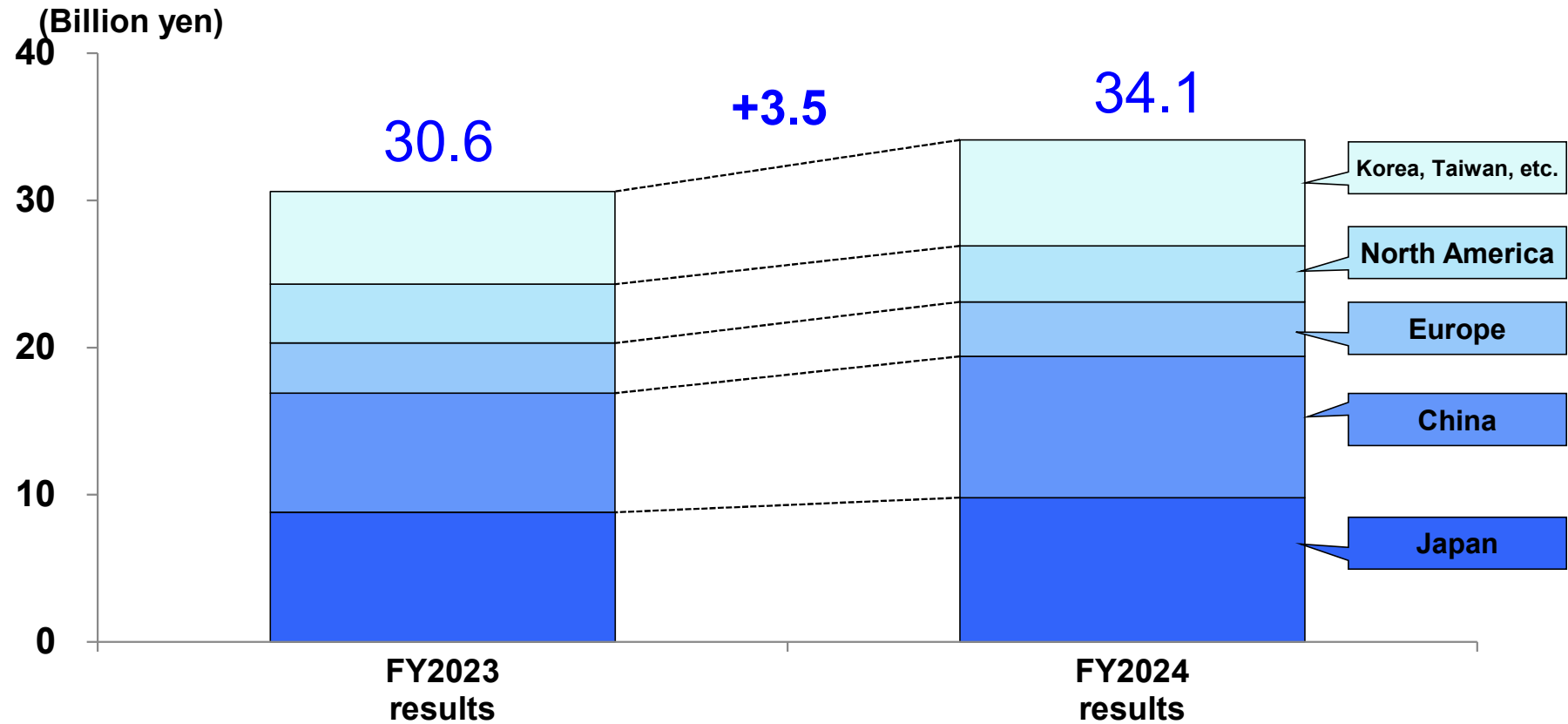
Factory Automation: Net Sales by Region

- Decline in most regions due to sluggish automobile-related investments; increase in Europe driven by consolidation of Lorch Schweißtechnik GmbH.



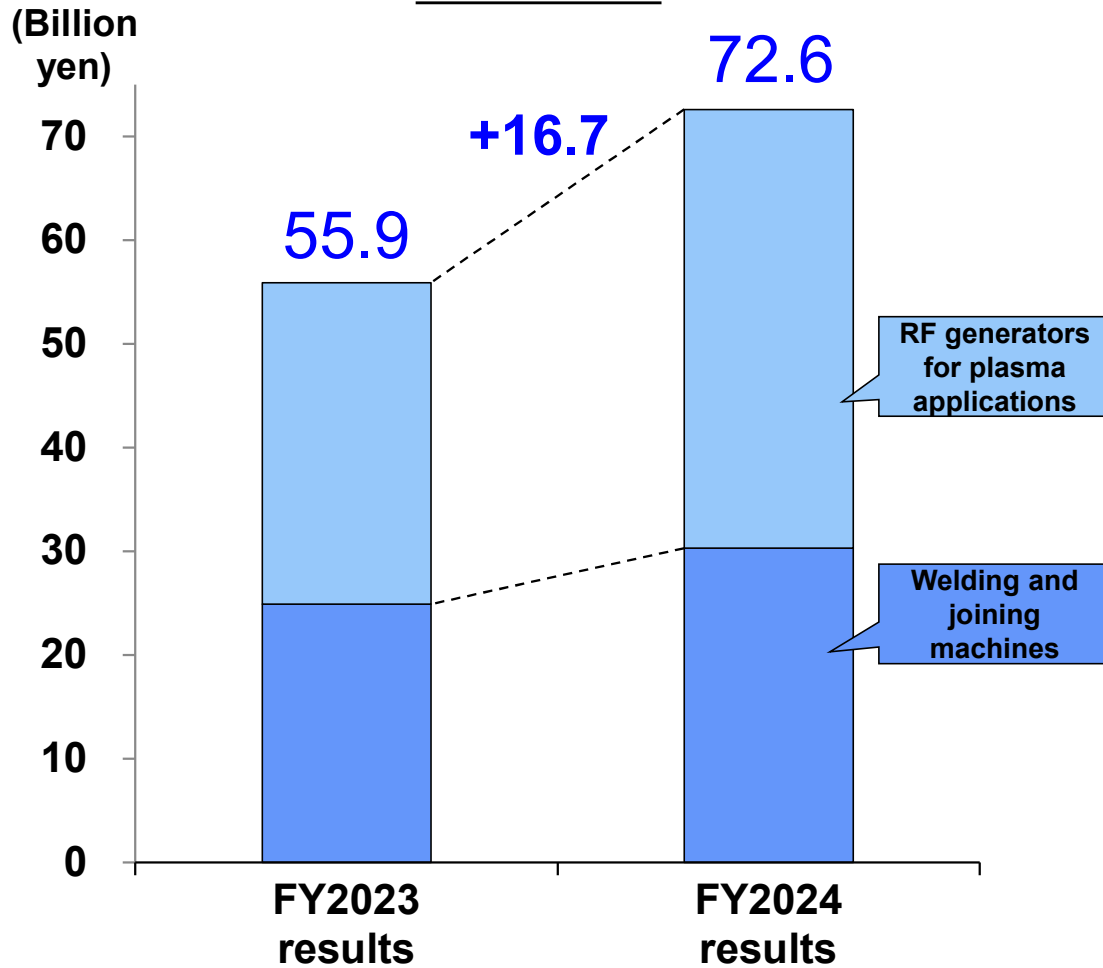
Factory Automation: Orders Received by Region

- Signs of recovery in production automation investments, particularly in Japan and other Asian countries



Material Processing Segment: Net Sales and Operating Profit

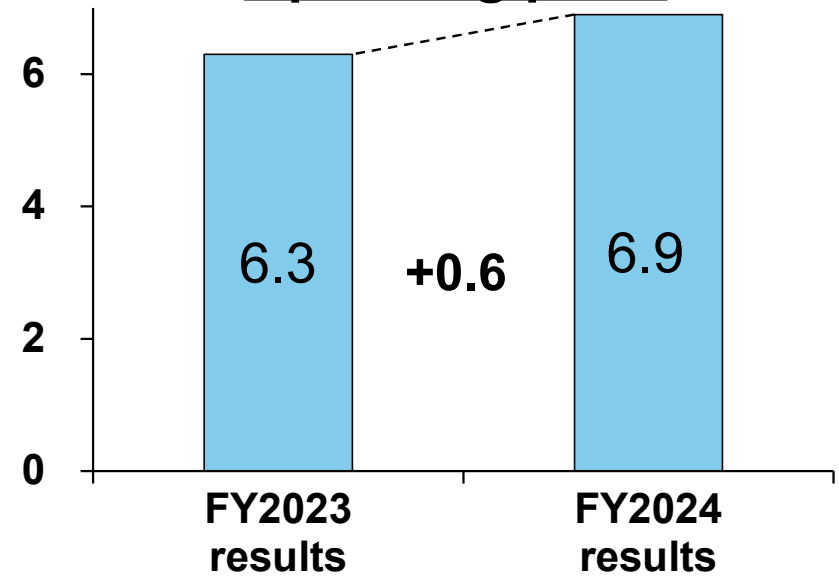
Net sales



- Demand for RF generators for plasma applications remained strong due to continued investment in advanced semiconductors for generative AI
- Welding and joining increased with the consolidation of Lorch as a subsidiary
- Despite upfront exp. (goodwill and depreciation, etc.), profit increased due to increased sales

(Billion yen)

Operating profit



FY2025 Financial Results Forecast

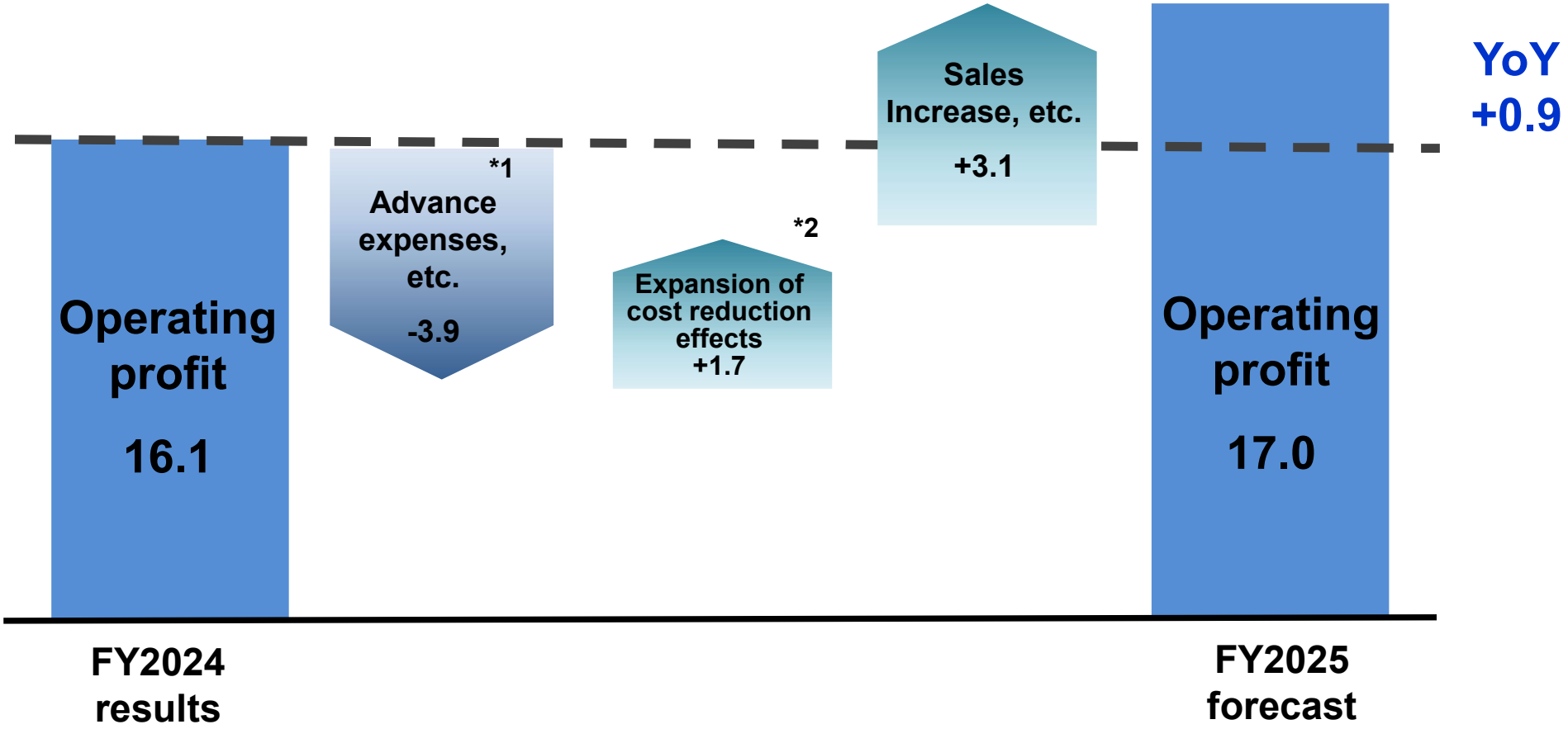
Full-Year Financial Results Forecast

(Billion yen)

	FY2024		FY2025		YoY	
	results (1)		forecast (2)		(2)-(1)	Changes (2)/(1)
Net sales		226.3		230.0	+3.7	+1.6%
1 Energy Management		120.8		119.0	-1.8	-1.5%
2 Factory Automation		32.7		34.0	+1.3	+3.7%
3 Material Processing		72.6		77.0	+4.4	+6.0%
Operating profit	7.1%	16.1	7.4%	17.0	+0.9	+5.1%
Ordinary profit	7.6%	17.1	7.6%	17.5	+0.4	+1.9%
Profit attributable to owners of parent	5.3%	11.9	5.7%	13.0	+1.1	+8.7%
ROE		8.8%		9.1%	+0.3 pt	
Dividend per share		165		168	+3 yen	
Payout ratio		33.4%		30.9%		

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

(Billion yen)



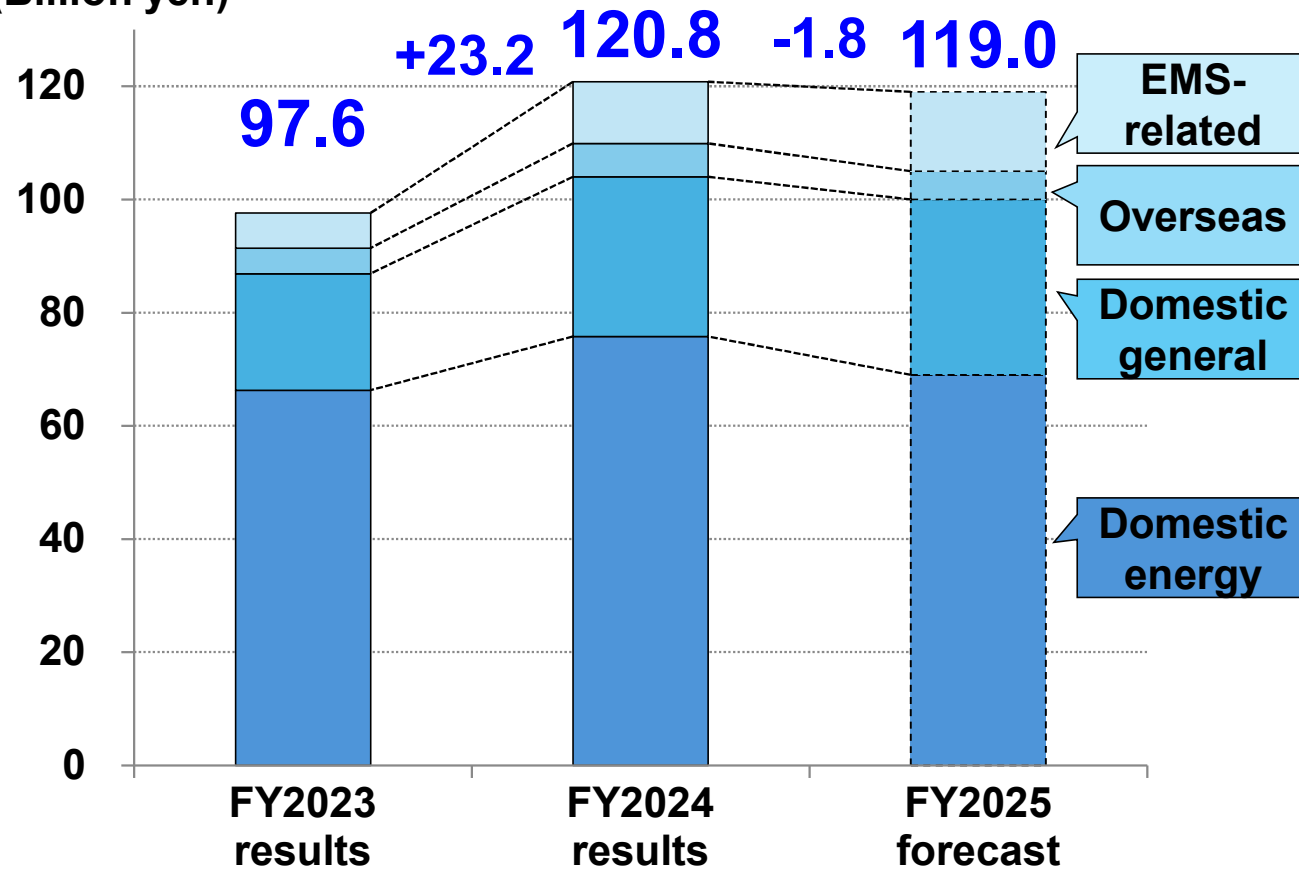
*1 Advanced expenses, etc.: Development funds -1.0, depreciation -1.4, advertising -0.3, wage increases, etc. -1.2

*2 Cost reduction effects: Material cost savings +1.1, increased productivity +0.4, efficiency improvement in indirect operations +0.2

Energy Management Segment

Net sales

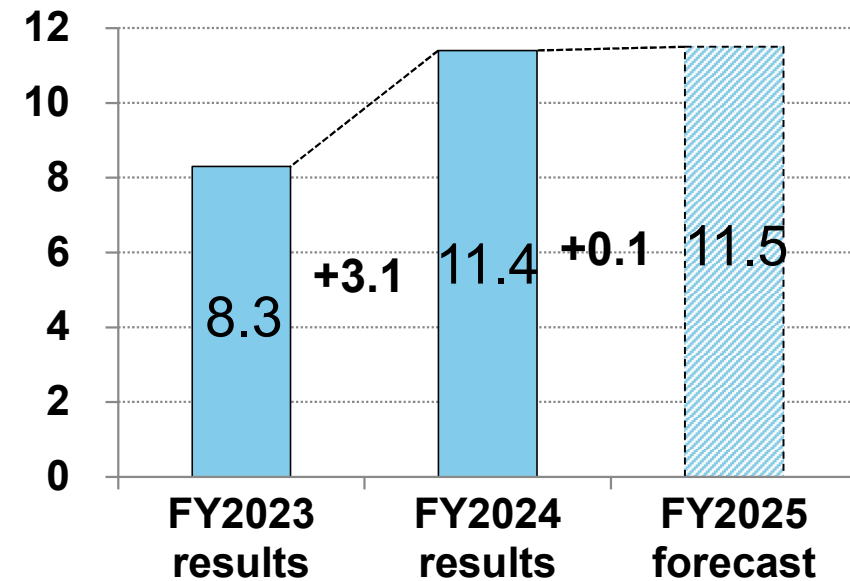
(Billion yen)



- While renewable energy-related investments remain firm, sales are expected to decline due to a reactionary drop following increased renewal investments by power companies in the previous year.
- Operating profit is expected to increase slightly, supported by cost reduction effects and other factors.

Operating profit

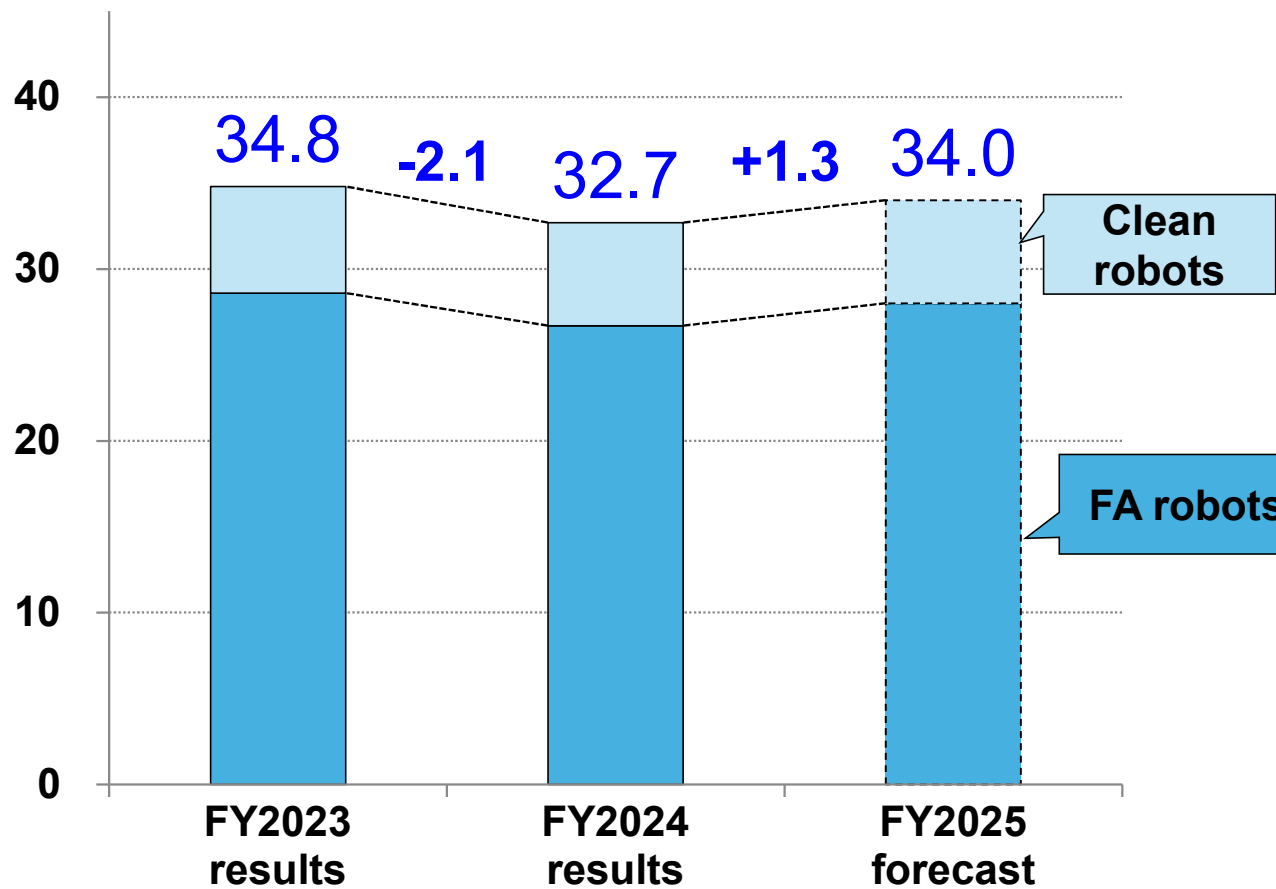
(Billion yen)



Factory Automation Segment

Net sales

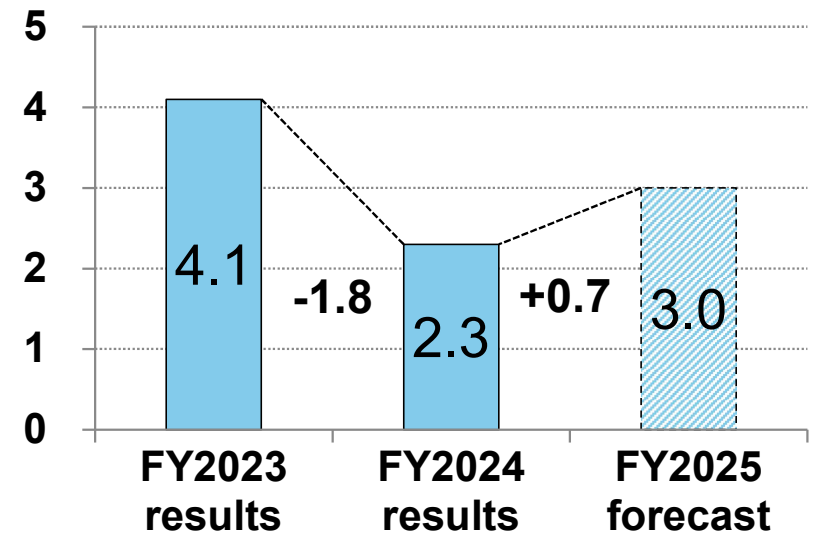
(Billion yen)



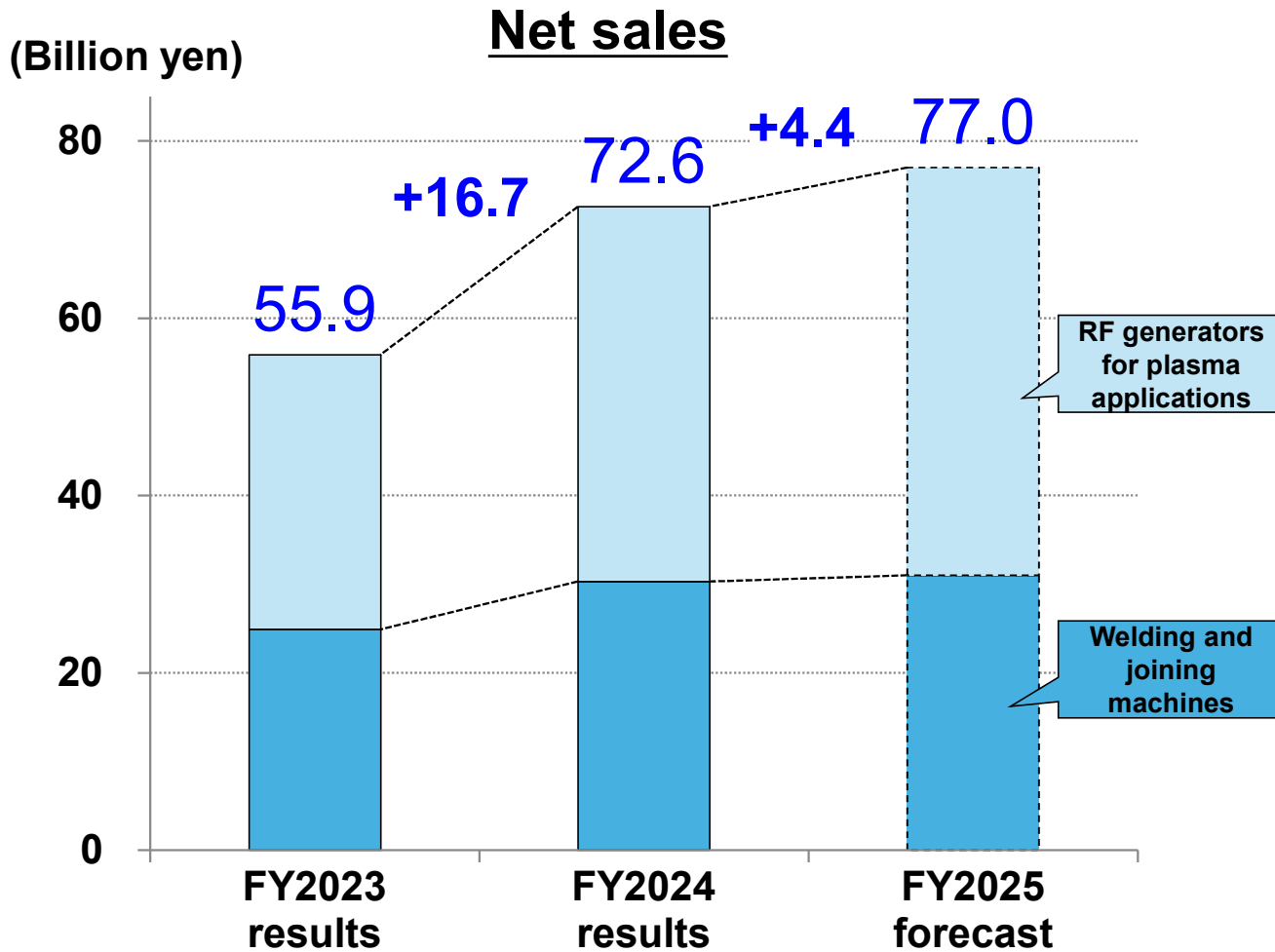
- Underlying demand for production automation remains strong, supported by expanded subsidies in Japan.
- Sales and profit are expected to increase due to a rebound from the previous downturn.

Operating profit

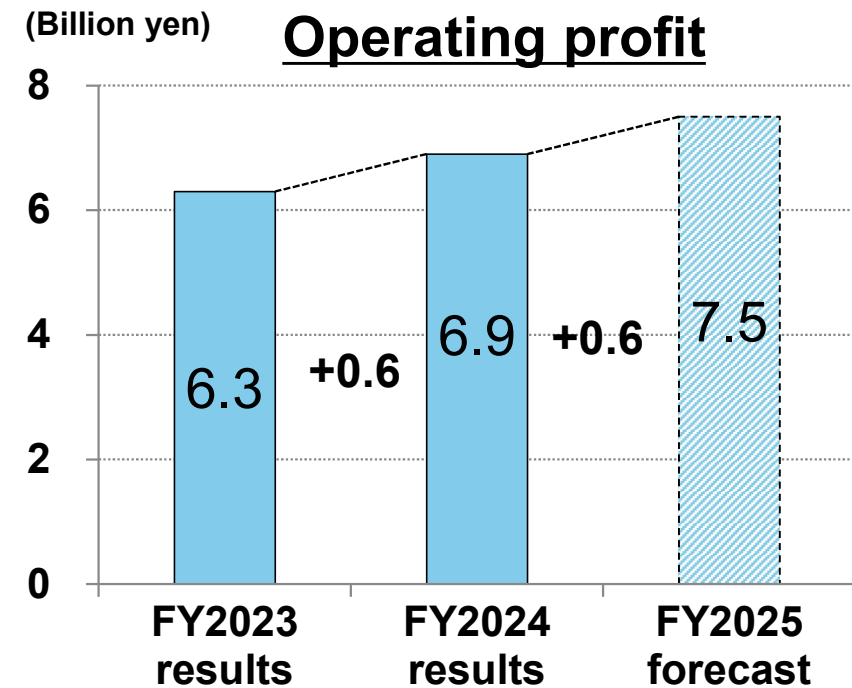
(Billion yen)



Material Processing Segment



- Semiconductor-related investments remain solid, driving increased demand for RF generators for plasma applications.
- Sales in welding and joining are expected to grow through synergies with Lorch.



Progress on the FY2026 Medium-Term Plan Initiatives

Medium-Term Plan for FY2026

Our vision

A company that actively contributes to solving societal issues

Basic policies

Expand the scope of development that contributes to solving societal issues

- Realize decarbonized society
- Eliminate labor shortages
- Promote digitalization

Growth Strategies

Our vision

A company that actively contributes to solving societal issues 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 societal issues
- 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

	(FY2024 results)	FY2026 plan	FY2030 plan
Net sales	(226.3 billion yen)	250.0 billion yen or more	300.0 billion yen or more
Ratio of operating profit to net sales	(7.1%)	10% or more	12% or more
ROE	(8.8%)	12% or more	12% or more
Development funds ratio	(4.0%)	6% or more	6% or more
Payout ratio	(33.4%)	30% or more	30% or more

Non-financial targets

CO₂ emissions (Scope 1 + 2): 46% reduction from FY2013 by FY2027
 CO₂ emissions (Scope 3): 25% reduction from FY2020 by FY2030

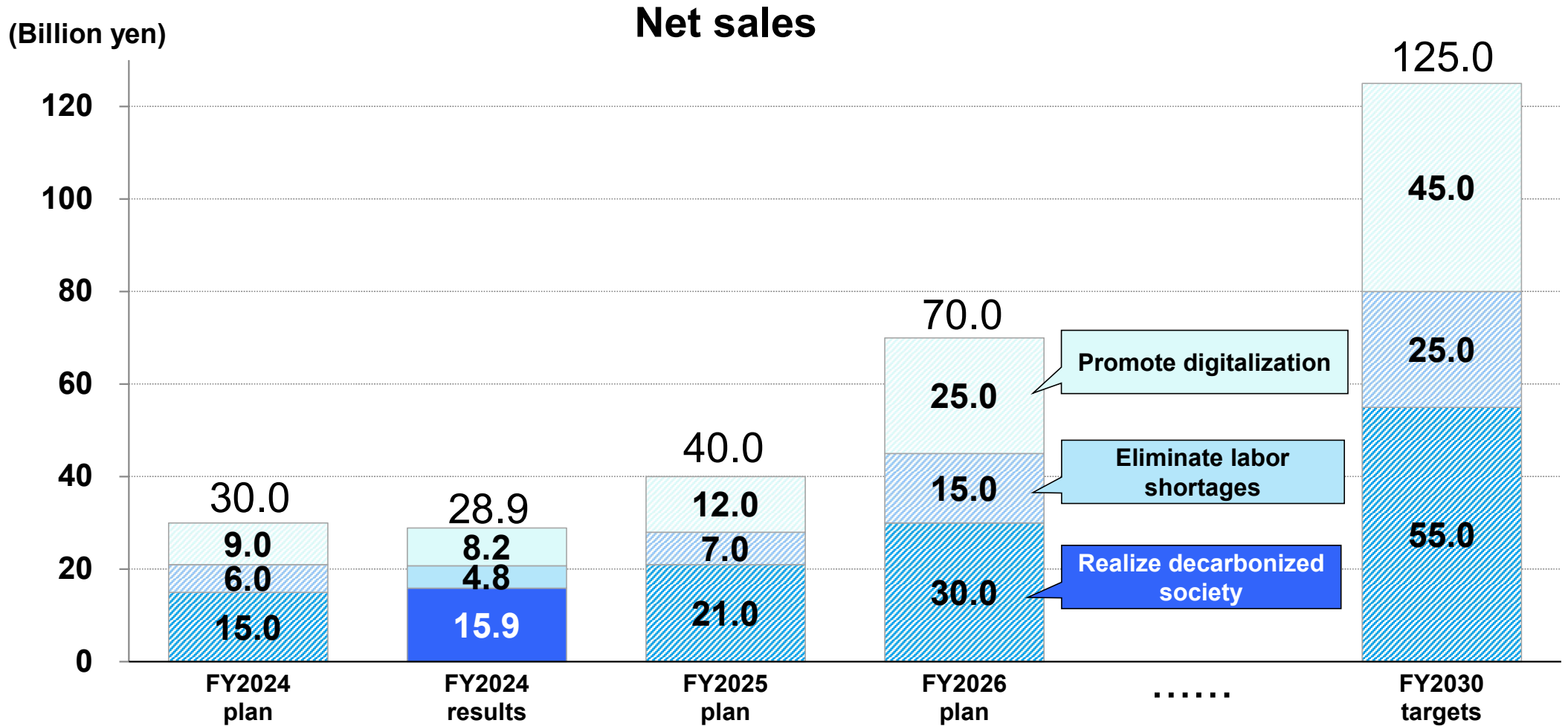
Themes for Expanding the Scope of Development that Contributes to Solving Societal Issues

(Billion yen)

Societal issues	Main development themes	Net sales targets			FY 2030
		FY 2024	FY 2025	FY 2026	
Realize decarbonated society	Next-generation power distribution-related equipment (DC power distribution, etc.)	15.0	21.0 (+2.0)*	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	40.0	70.0	125.0

*Figures in parentheses represent comparisons with the initial plan.

1 Expand the Scope of Development that Contributes to Solving Societal Issues



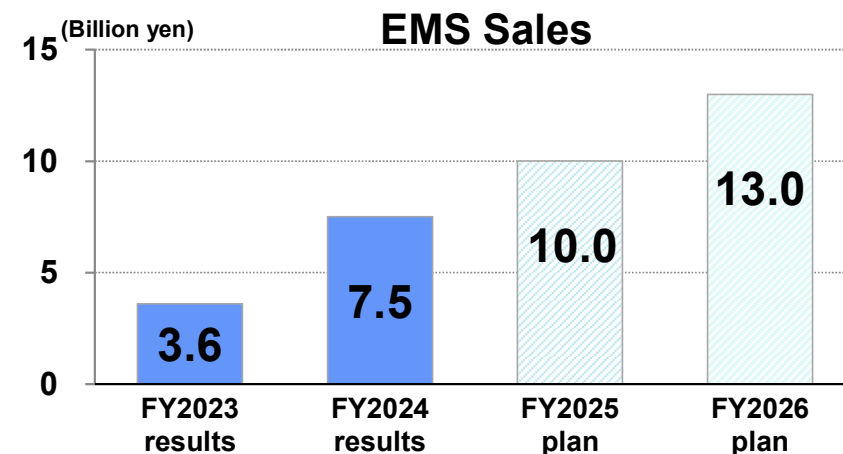
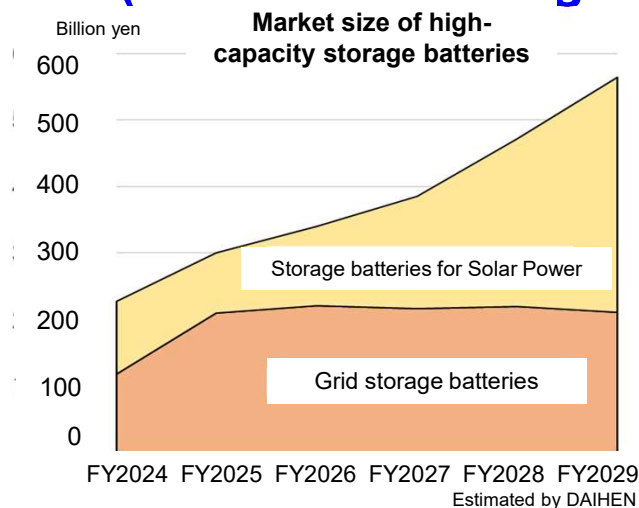
Expand the Scope of Development that Contributes to Solving Societal Issues

Realize decarbonated society

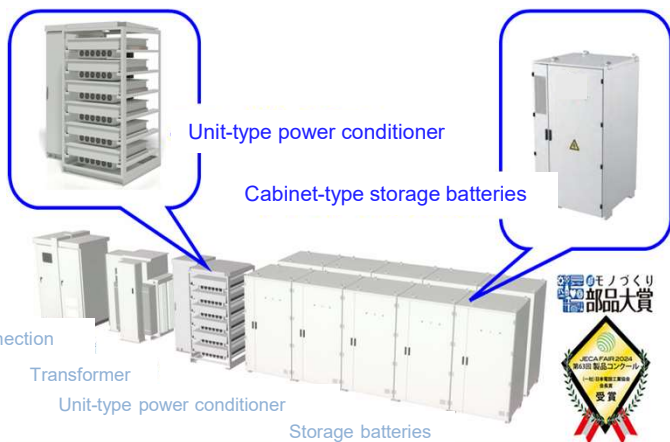
Energy Management System (EMS) supporting renewable energy

[Market Environment]

- Rising demand for storage battery installations, driven by supply-demand balancing needs and output curtailment issues at solar power plants.



[Key Features of Our Products]



Key Feature (1)

Can be co-located with existing solar power plants

- Synergy Link is capable of controlling third-party solar power conditioners as well

Key Feature (2)

Space-saving

- Makes effective use of limited space at existing solar power plants
- Can be transported and installed in remote locations with narrow access roads, such as mountainous areas

Key Feature (3)

Low noise emissions

Can be installed in urban locations

Company Comparison (Note) Researched by DAIHEN

Company A	Company B	DAIHEN
90dB	80dB	70.3dB

Expand the Scope of Development that Contributes to Solving Societal Issues

Realize decarbonated society

EV Charging infrastructure equipment and systems

[Market Environment]

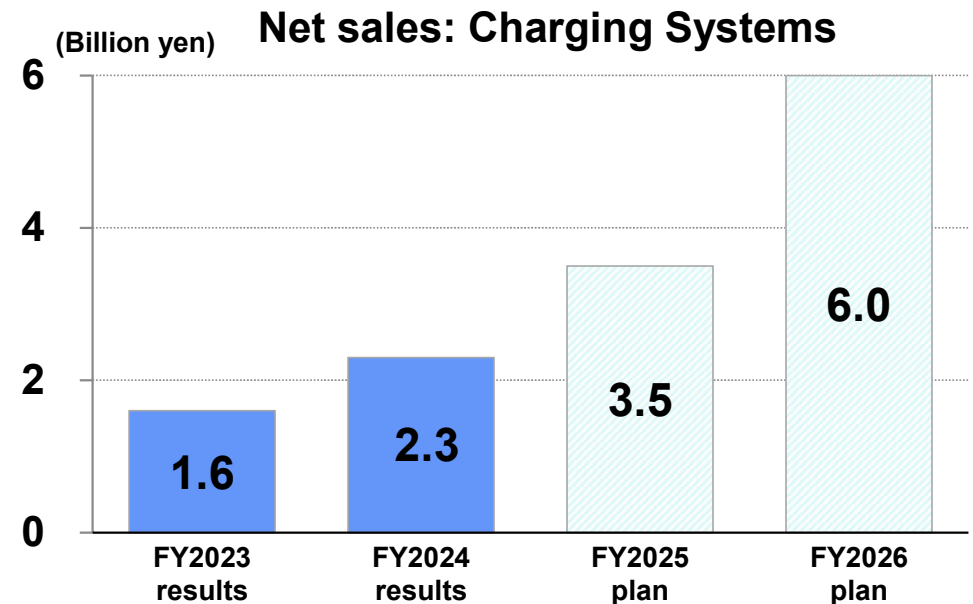
- Plug-in charging market: Subsidies equivalent to those of the previous year have been granted for public-use infrastructure (e.g., highways and commercial facilities) as well as for commercial vehicles such as EV buses and trucks. Replacement and new installation of charging infrastructure—mainly high-capacity units—are steadily progressing.
- Wireless charging market: With the full-scale launch of the Ministry of the Environment's commissioned demonstration projects, the number of real-world operational cases is increasing through collaboration with commercial vehicle manufacturers.

[<Japan's First> Launch of ultra-quick charger compatible with multiple voltages]

Conventional quick chargers are not capable of 750V charging



Product lineup of models capable of simultaneously charging EVs with different voltage levels



Expand the Scope of Development that Contributes to Solving Societal Issues

Eliminate labor shortages

[Market Environment]

- Despite uncertainties stemming from U.S. tariff policies, 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.

[Enhance lineup of collaborative robots and autonomous mobile robots]

- Increase our global market share by offering a product lineup tailored to customer needs.

Collaborative robots

- Industry-leading long reach (within its class)
- Improved operability of direct teaching function
- Equipped with high-speed mode"



Welding use



Multi-purpose applications
such as handling
VC8
May 2025 release

VC4 series

Already released

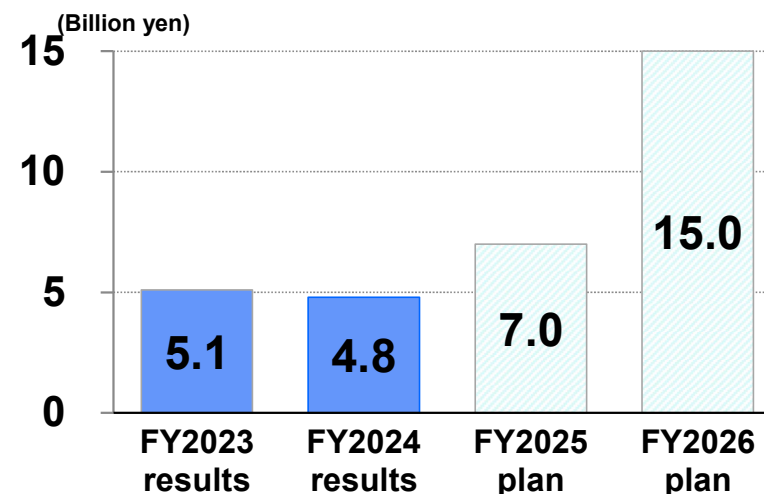
Autonomous mobile robots

- Launch of fully redesigned 500 kg payload model
- Achieve industry-leading precision and compact size (within its class), expanding potential application scenarios
- Capable of various transport modes including lift-up and towing



500 kg payload type "AiTrans500"

Net sales: Eliminate labor shortages



Market Environment for Semiconductor Manufacturing Equipment

RF generator systems

- In FY2025, investments related to generative AI are expected to remain strong. Further growth is anticipated in FY2026, driven by the introduction of new technologies for advanced logic and memory, as well as plans for new semiconductor plant construction.

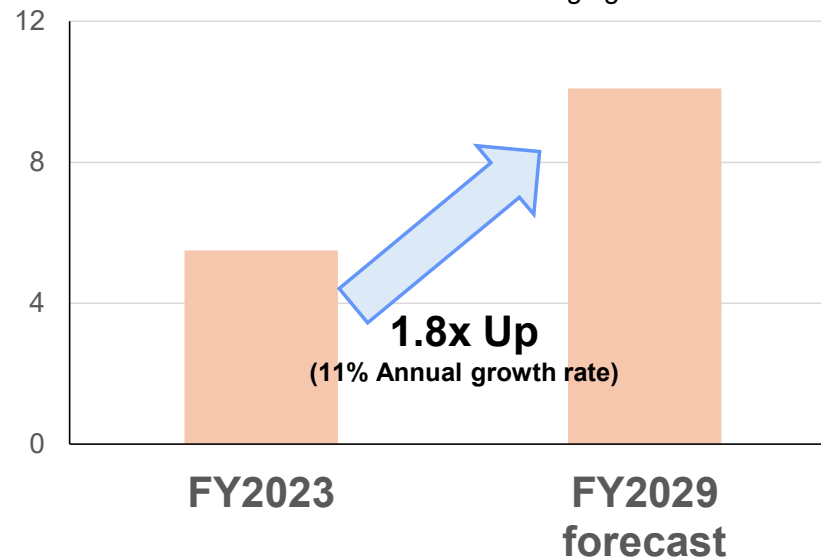
Clean transfer robots

- The advanced packaging market—including technologies such as FOPLP, which enable semiconductor miniaturization and cost reduction—is projected to grow at an annual rate of 11% from 2023 to 2029, reaching approximately 10 trillion yen by 2029.

Outlook for Semiconductor Manufacturing Equipment Market by Device Type*1

Device type			Device Market			Front-end manufacturing equipment market			
			2023	2024	2025	2023	2024	2025	2026
(1) Memory (Data storage)	NAND Flash Memory	Data Centers Servers PCs Smartphones	13.4	24.2 +81%	27.5 +13%	3.4	4.1 +22%	5.0 +23%	5.4 +8%
	DRAM								
(2) Logic (Processing)	Logic (Including MPUs)		37.0	41.8 +13%	47.5 +14%	8.5	8.5 -0.4%	8.7 +3%	10.1 +15%
	Foundry								
(3) Others (Analog devices etc.)		Automotive / Consumer Electronics / General Industrial Equipment	26.1	24.9 -4%	26.1 +5%	2.0	2.0 +3%	1.9 -9%	2.3 +27%
Total			76.4	90.9 +19%	101.1 +11%	13.9	14.6 +5%	15.6 +7%	17.8 +14%

Trillion yen Outlook for the Advanced Packaging Market*2



*1: Prepared based on forecasts by the World Semiconductor Trade Statistics (WSTS) and 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

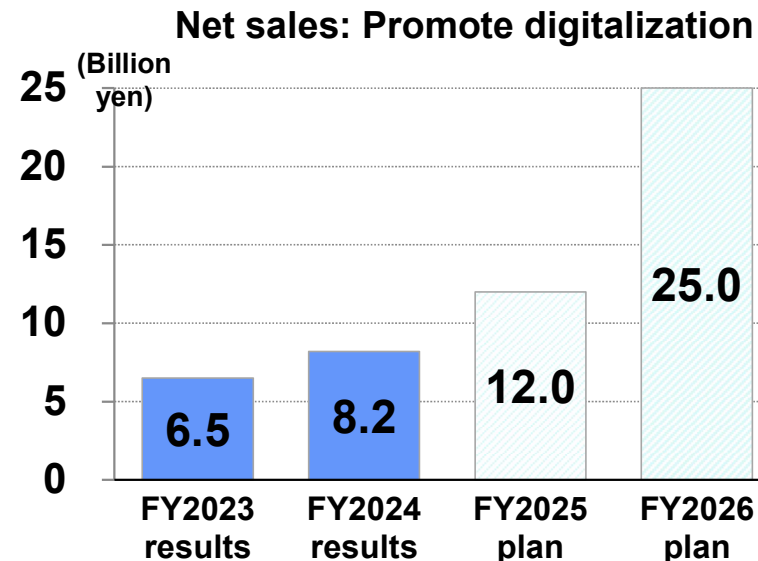
Expand the Scope of Development that Contributes to Solving Societal Issues

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 for bonding processes, which are expected to expand in the advanced packaging sector

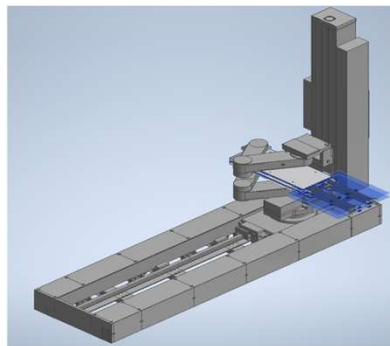


Accelerating market launch of transport robots for advanced packaging

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

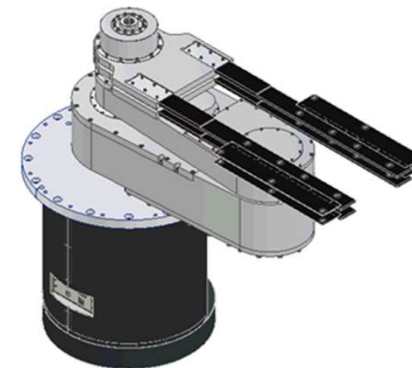
Robots for atmospheric environment

- Developed a **low-vibration, low-profile, long-stroke** robot
Scheduled for market launch in the first half of FY2025



Robots for vacuum environment

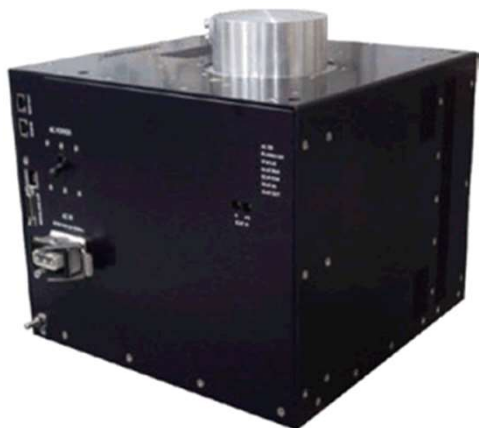
- Developed a **space-saving SCARA-type** robot
Scheduled for market launch in the second half of FY2025



*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.

Plasma sources

- We have developed and received orders for plasma sources for gas decomposition, for which demand is increasing in semiconductor and electronic component manufacturing plants, and for cleaning and removing excessively adhered films in chemical vapor deposition (CVD) systems used in semiconductor manufacturing.

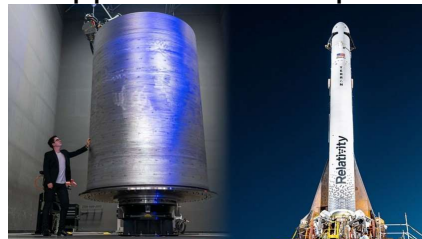


Plasma source for chamber cleaning

Wire Arc Metal 3D Printer (WAAM)

- The global market for additive manufacturing is expected to expand, with practical applications progressing in industries such as aerospace and marine.
(Approx. 15 trillion yen in 2033, five times the current level*)
- By providing high-efficiency and high-precision fabrication systems that leverage arc welding and robot control technologies, we aim to reduce the number of manufacturing processes, CO₂ emissions, and material loss for large and complex-shaped components.
- Scheduled for market launch in FY2026

<Application Examples>



Aerospace (rocket tank)



Power generation plant (turbine blade)



Marine vessel (propeller)

2 Innovate Distributor Sales and Expand Sales in New Areas

Strategy for expanding sales of standardized products

Welbee The Short Arc 350

- Received the “Main Award” in the 67th (2024) Top Ten New Products Awards
- Launched a high-end welding machine that integrates five models previously offered in the 350A welding machine lineup into a single model
- Achieved a reasonable price through cost reduction effects of model integration, contributing to an increase in market share



[New] Welbee The Short Arc 500

- Promote the integration of 500A high-current models for thick plate applications, including steel frames, bridges, and shipbuilding, from 25 models to 2 models, with the aim of further expanding sales
- Scheduled for market launch in the second half of FY2025

Key features

- **High-quality welding:** Outstanding arc stability achieved through new waveform control
- **Operability:** Equipped with an LCD control panel and a wide range of functions that support skill-less operation
- **Durability:** Excellent dust resistance and a structure designed for easy maintenance

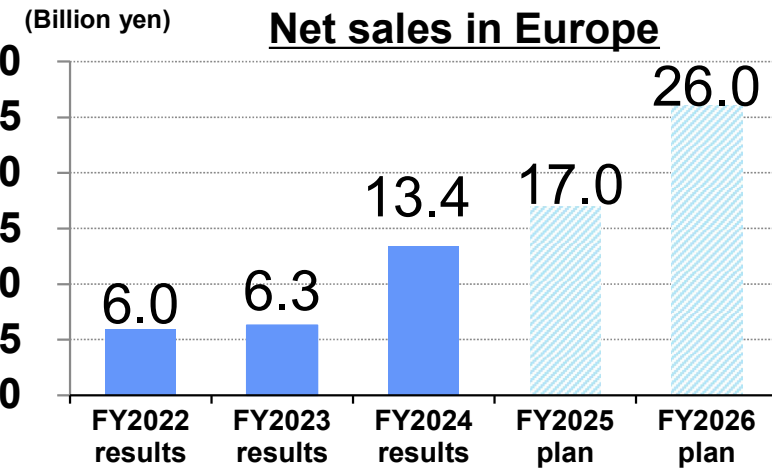


2 Innovate Distributor Sales and Expand Sales in New Areas

Expansion of Business
in Europe and the U.S.

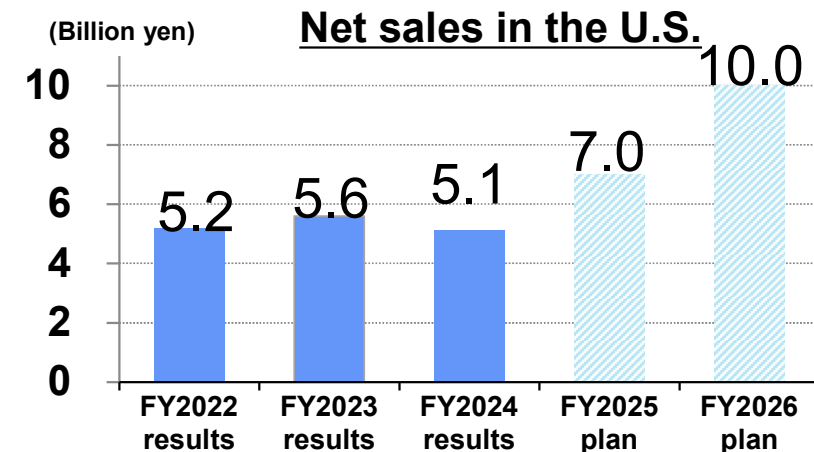
Business in Europe

- In FY2024, automobile-related investments tended to be postponed due to the economic downturn in Europe, but sales increased through the consolidation of Lorch.
- In FY2025, the construction equipment, agricultural machinery, and building materials industries are expected to perform relatively well.
- Aiming to expand our European business by leveraging the mutual use of products and sales channels of the six group companies acquired to date. In FY2026, we aim to establish the No. 1 position in Europe in the field of welding peripheral systems.



Business in the U.S.

- In FY2024, uncertainty in economic conditions led to a tendency to postpone automobile-related investments, resulting in a decline in sales.
- Investment recovery is expected in the second half of 2025.
- Aim to expand sales by leveraging Force Design, a U.S.-based Sler acquired in FY2024, to increase sales opportunities with new customers in the U.S. Midwest, a key region for the automobile industry.
- Plan to further expand our business by establishing new bases and developing new sales channels.



3 Pursue automation and build an optimal production system

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



Automation of core assembly processes that require a high level of skill

- Full automation of the pole-mounted transformer factory at the Juso Business Office in FY 2027
- 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

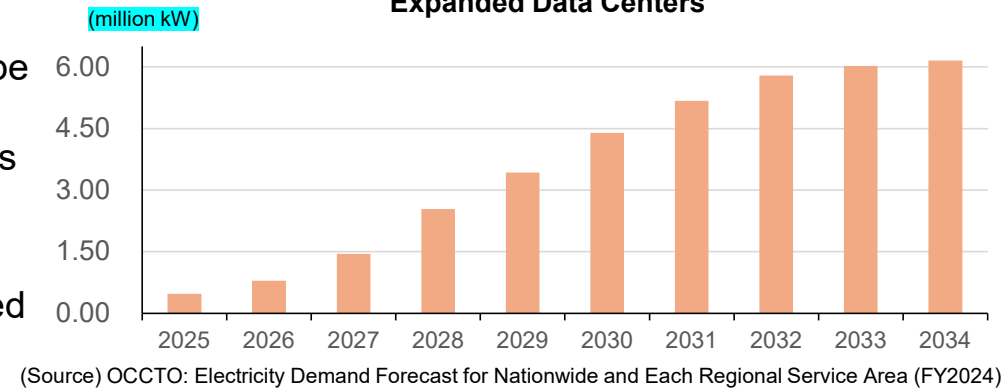
[Production integration of industrial oil-immersed power transformers (SHIHEN TECHNICAL)]

- The production of industrial oil-immersed transformers currently manufactured at DAIHEN Electric Machine Corporation (Osaka), a group subsidiary, will be integrated into SHIHEN TECHNICAL Corporation (Kagawa) to enhance production capacity and cost competitiveness.
 - ⇒ Aim to Contribute to expanding sales of renewable energy-related systems, for which demand is expected to grow.
 - * **Production capacity to increase 1.7 times the current level (capable of producing 2,900 units per year)**
 - * The new plant scheduled for completion in October 2026
- 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, for which demand is rapidly increasing.
- Aim to also increase production capacity for large transformers by approximately 1.3 times in stages starting with orders to be delivered in 2029 (received in the current fiscal year).

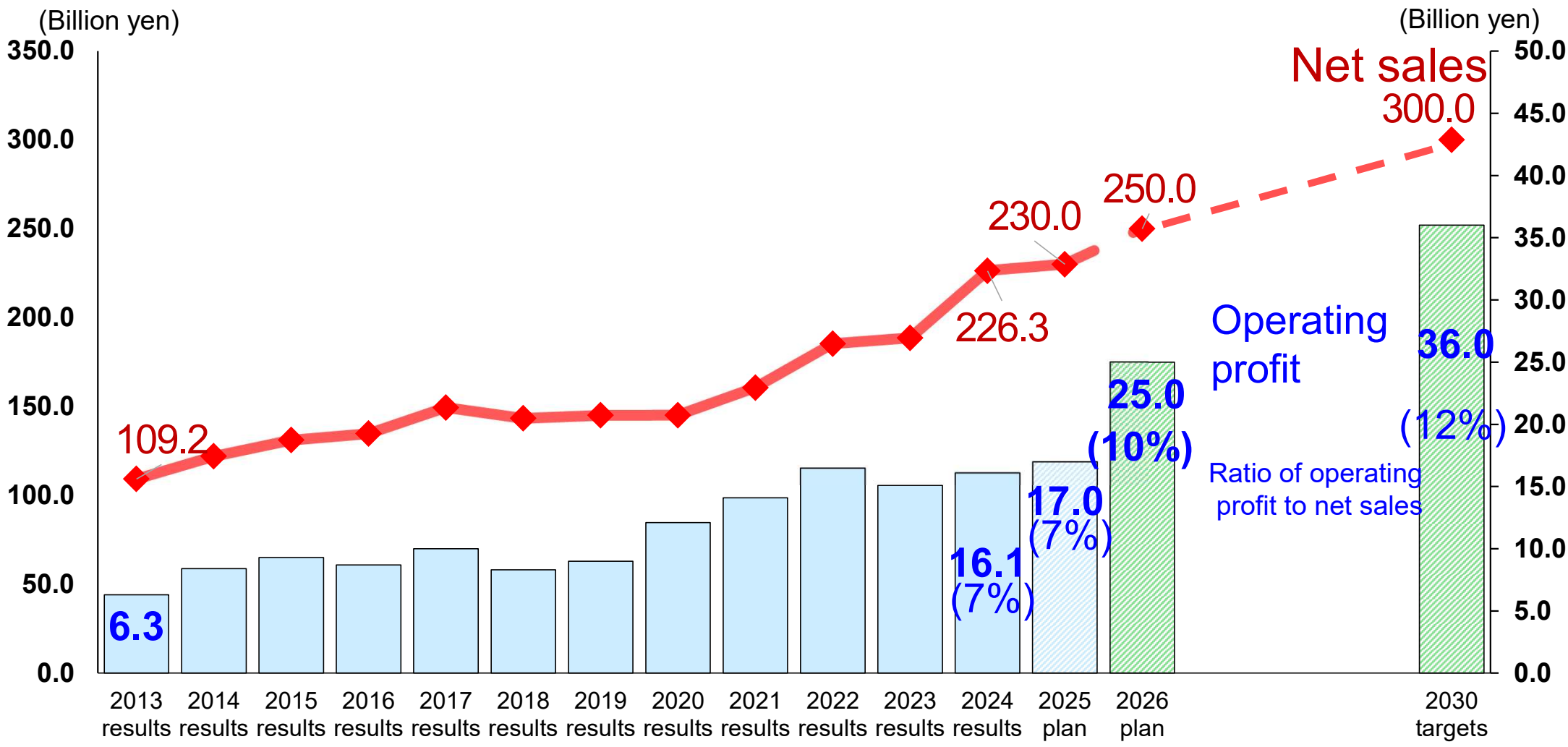


Image of the New Plant at SHIHEN TECHNICAL

Increase in Maximum Power Demand Due to New and Expanded Data Centers



Medium-Term Plan Targets



Capital Policy and Cash Flow

Returns to Stakeholders

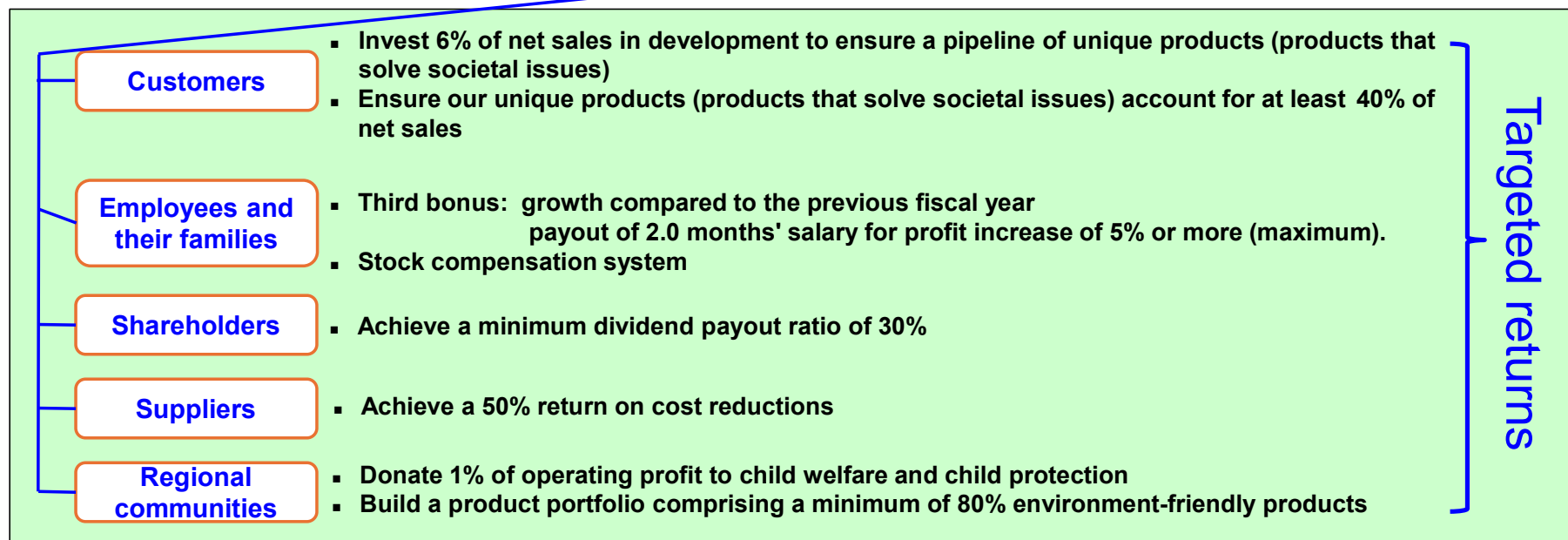
Balanced Return of Profit in Line with Targeted “Returns”

	FY2023 results	FY2024 results	FY2025 plan	FY2026 plan
Net sales	188.5 billion yen	226.3 billion yen	230.0 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)	7.4% (17.0 billion yen)	10% or more (25.0 billion yen or more)
ROE	13.3%*	8.8%	9.1%	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 Keiji Kobayashi, the 5th President



Capital Policy and Cash Flow

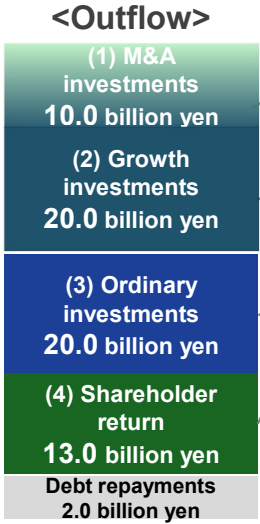
Basic policy on capital policy

- ◆ 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

Initial plan



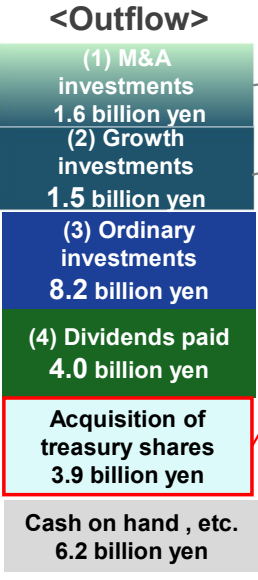
- Acquiring new customers for existing businesses, expanding peripheral businesses, capital participation in partner companies, etc.
- Automation
- R&D Center
- Renewable energy utilization
- Employee welfare facilities etc.
- Renewal investments within depreciation expenses
- Dividend payout ratio of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

Reduction of strategic shareholdings

Enhancing shareholder returns and growth investments

- **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

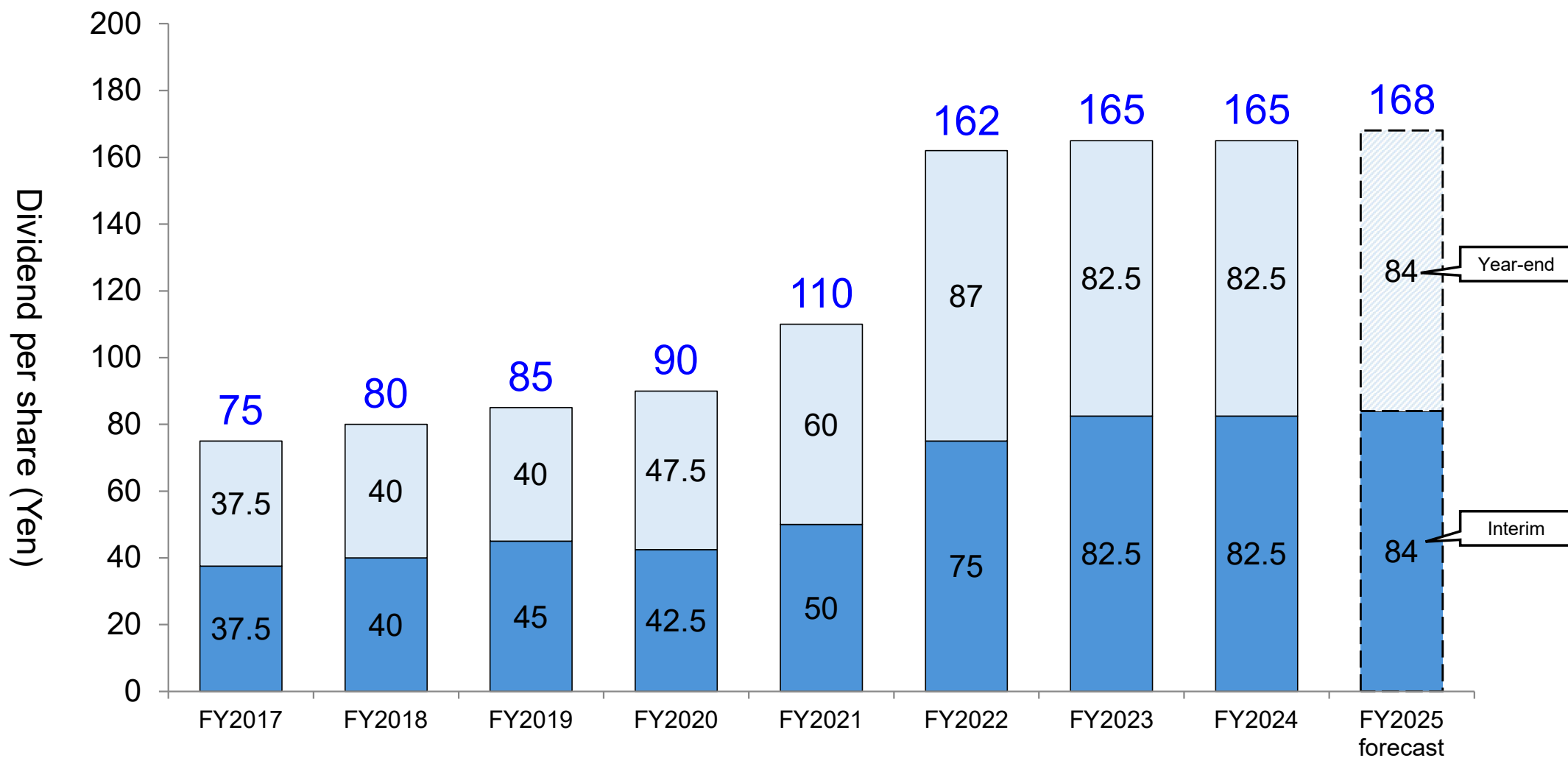
FY2024 results



- Acquired Rolan Robotics B.V. (Sler in Netherlands)
- Acquired Force Design (Sler in U.S.)
- Expansion of RF generator system plant (Total investment of approx. 3.8 billion yen), etc.
- Acquisition of treasury shares of 3.9 billion yen (incl. 1.0 billion yen of employee stock benefit trust)

As a result of dividend payments and the acquisition of treasury shares, **the total return ratio was approx. 66%**

Dividends



* The year-end dividend for FY2024 is scheduled to be approved at the General Meeting of Shareholders in June 2025.

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**