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Consolidated Financial Results for the Nine Months Ended December 31, 2025 [Japanese GAAP]



February 3, 2026

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 Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange
 Stock exchange code: 6622
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 Scheduled date of commencing dividend payments: -
 Availability of supplementary explanatory materials on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2025 (April 1, 2025 – December 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2025	163,423	4.9	12,478	21.7	13,878	23.5	9,366	22.4
December 31, 2024	155,825	22.5	10,256	31.2	11,241	32.0	7,653	(32.1)

(Note) Comprehensive income: Nine months ended December 31, 2025: 17,026 million yen [53.8%]
 Nine months ended December 31, 2024: 11,069 million yen [(18.3)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	391.82	—
December 31, 2024	314.76	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2025	304,248	166,381	49.4
As of March 31, 2025	290,234	153,285	47.7

(Reference) Equity: As of December 31, 2025: 150,330 million yen
 As of March 31, 2025: 138,371 million yen

2. Dividends

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

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	235,000	3.8	18,500	14.4	19,000	10.6	14,000	17.0	585.61

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (DAIHEN MEXICO S.A. de C.V.), Excluded: – ()

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

(Note) For details, please see “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 8 of the attachments.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) For details, please see “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)” on page 8 of the attachments.

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2025: 25,203,291 shares

As of March 31, 2025: 25,203,291 shares

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

As of December 31, 2025: 1,296,125 shares

As of March 31, 2025: 1,299,159 shares

3) Average number of shares during the period:

Nine months ended December 31, 2025: 23,906,438 shares

Nine months ended December 31, 2024: 24,316,413 shares

(Note) The total number of treasury shares at the end of the period includes 112,300 shares of the Company as of December 31, 2025 and 113,500 shares of the Company as of March 31, 2025 held by the employee stock benefit trust.

In addition, the treasury shares deducted for calculating the average number of shares during the period include shares of the Company held by the trust.

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

*** Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain premises that the Company deems to be reasonable. Actual financial results, etc. may differ significantly due to a wide range of factors. For details on the earnings forecasts of the Company, please see “1. Overview of Operating Results, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attachments.

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1. Overview of Operating Results, etc.

(1) Explanation of Quarterly Operating Results

The performance of DAIHEN Corporation (the “Company”) and its subsidiaries (collectively, the “DAIHEN Group”) for the nine months ended December 31, 2025 was orders received of 197,567 million yen (up 10.9% year-on-year) and net sales of 163,423 million yen (up 4.9% year-on-year), reflecting the strong electrical infrastructure-related and semiconductor-related investment. In income results, operating profit was 12,478 million yen (up 21.7% year-on-year), ordinary profit was 13,878 million yen (up 23.5% year-on-year), and profit attributable to owners of parent was 9,366 million yen (up 22.4% year-on-year), driven by higher net sales and the effects of cost reduction measures.

The performance of each segment is as follows.

1) Energy Management

Net sales were 86,659 million yen (up 3.4% year-on-year) and operating profit was 9,634 million yen (up 20.2% year-on-year), driven by growing demand for power receiving and distribution systems against the backdrop of expansion of investment in renewable energy and construction of new data centers, among other factors.

2) Factory Automation

Net sales were 22,570 million yen (up 5.0% year-on-year) and operating profit was 738 million yen (up 9.9% year-on-year), reflecting the results of development of new customers in the U.S., China, etc., despite continued postponement of investments related to the automobile sector in Japan and Europe.

3) Material Processing

Net sales were 54,084 million yen (up 7.2% year-on-year) and operating profit was 5,461 million yen (up 10.6% year-on-year), supported by a high level of demand for RF generator systems driven by growing investment in advanced semiconductors for generative AI.

4) Other

Net sales were 149 million yen and operating profit was 13 million yen. There were no significant changes from the corresponding period of the previous year.

(Reference) Performance by Segment

(Million yen)

Segment	Orders Received		Net Sales		Operating Profit	
	Amount	YoY change	Amount	YoY change	Amount	YoY change
Energy Management	111,297	+18.2%	86,659	+3.4%	9,634	+20.2%
Factory Automation	26,019	(1.5)%	22,570	+5.0%	738	+9.9%
Material Processing	60,100	+4.8%	54,084	+7.2%	5,461	+10.6%
Other	149	+3.7%	149	+3.7%	13	(55.5)%
Company Total	197,567	+10.9%	163,423	+4.9%	12,478	+21.7%

(2) Explanation of Quarterly Financial Position

Total assets at the end of the nine months ended December 31, 2025 increased by 14,013 million yen from the end of the previous fiscal year to 304,248 million yen. This is primarily attributable to increases in inventories and buildings and structures, while notes and accounts receivable - trade decreased.

Total liabilities at the end of the nine months ended December 31, 2025 increased by 917 million yen from the end of the previous fiscal year to 137,866 million yen. This is primarily attributable to an increase in borrowings, while notes and accounts payable - trade and provision for bonuses decreased.

Total net assets at the end of the nine months ended December 31, 2025 increased by 13,096 million yen from the end of the previous fiscal year to 166,381 million yen. This is primarily attributable to increases in retained earnings and foreign currency translation adjustment. The equity ratio increased by 1.7 percentage points from 47.7% to 49.4%.

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

No changes have been made to the consolidated financial results forecast for the full year ending March 31, 2026 announced on November 6, 2025. Should a revision of the consolidated financial results forecast become necessary, the Company will promptly disclose it.

(Note) The average exchange rate assumed for the period from January 1, 2026 to March 31, 2026 is the same as the rate announced on May 8, 2025 (145 yen per US dollar).

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	30,354	31,626
Notes and accounts receivable - trade	55,477	45,584
Merchandise and finished goods	31,329	40,698
Work in process	19,573	23,209
Raw materials and supplies	50,805	50,716
Other	7,283	10,135
Allowance for doubtful accounts	(1,255)	(2,377)
Total current assets	193,568	199,593
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,929	25,116
Machinery, equipment and vehicles, net	9,708	10,579
Tools, furniture and fixtures, net	2,309	2,689
Land	13,693	13,847
Leased assets, net	368	397
Construction in progress	4,011	5,757
Total property, plant and equipment	53,021	58,389
Intangible assets		
Goodwill	525	539
Software	2,354	2,276
Other	2,187	2,477
Total intangible assets	5,067	5,293
Investments and other assets		
Investment securities	15,980	18,458
Investments in capital	681	682
Long-term prepaid expenses	338	366
Retirement benefit asset	18,507	18,122
Deferred tax assets	1,387	1,503
Other	1,712	1,868
Allowance for doubtful accounts	(29)	(29)
Total investments and other assets	38,577	40,973
Total non-current assets	96,666	104,655
Total assets	290,234	304,248

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,581	17,259
Electronically recorded obligations - operating	15,264	12,294
Short-term borrowings	23,885	33,766
Current portion of long-term borrowings	6,037	8,136
Lease liabilities	122	134
Income taxes payable	3,510	1,920
Provision for bonuses	5,144	2,059
Provision for bonuses for directors (and other officers)	143	54
Provision for loss on construction contracts	165	157
Other	11,035	13,670
Total current liabilities	86,891	89,455
Non-current liabilities		
Long-term borrowings	38,668	37,117
Lease liabilities	232	291
Deferred tax liabilities	4,426	5,168
Provision for retirement benefits for directors (and other officers)	103	84
Provision for loss on guarantees	613	—
Provision for share awards	163	397
Provision for construction expenses related to earthquake resistance renovation	563	437
Provision for product safety measures	2	2
Retirement benefit liability	3,265	2,936
Asset retirement obligations	121	121
Other	1,897	1,854
Total non-current liabilities	50,057	48,411
Total liabilities	136,949	137,866
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,074	10,083
Retained earnings	101,796	107,329
Treasury shares	(4,926)	(4,914)
Total shareholders' equity	117,540	123,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,039	7,885
Deferred gains or losses on hedges	—	(8)
Foreign currency translation adjustment	9,293	14,356
Remeasurements of defined benefit plans	5,497	5,002
Total accumulated other comprehensive income	20,831	27,235
Non-controlling interests	14,913	16,051
Total net assets	153,285	166,381
Total liabilities and net assets	290,234	304,248

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	155,825	163,423
Cost of sales	110,614	115,128
Gross profit	45,211	48,295
Selling, general and administrative expenses	34,954	35,817
Operating profit	10,256	12,478
Non-operating income		
Interest and dividend income	698	881
Foreign exchange gains	189	660
Subsidy income	431	315
Other	873	899
Total non-operating income	2,192	2,757
Non-operating expenses		
Interest expenses	627	783
Compensation expenses for damage	119	—
Other	460	574
Total non-operating expenses	1,207	1,357
Ordinary profit	11,241	13,878
Extraordinary income		
Gain on sale of investment securities	681	1,171
Reversal of provision for loss on guarantees	120	613
Total extraordinary income	802	1,785
Extraordinary losses		
Provision of allowance for doubtful accounts	315	1,115
Extra payments for early retirements	—	81
Loss on revision of retirement benefit plan	96	—
Total extraordinary losses	411	1,196
Profit before income taxes	11,632	14,467
Income taxes	3,312	3,993
Profit	8,319	10,473
Profit attributable to non-controlling interests	665	1,106
Profit attributable to owners of parent	7,653	9,366

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	8,319	10,473
Other comprehensive income		
Valuation difference on available-for-sale securities	468	1,955
Deferred gains or losses on hedges	(3)	(8)
Foreign currency translation adjustment	2,792	5,047
Remeasurements of defined benefit plans, net of tax	(513)	(452)
Share of other comprehensive income of entities accounted for using equity method	6	10
Total other comprehensive income	2,750	6,553
Comprehensive income	11,069	17,026
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,409	15,753
Comprehensive income attributable to non-controlling interests	660	1,273

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

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

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

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

- Calculation of tax expenses

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

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

(Changes in accounting policies)

- Change in inventory valuation method

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

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

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

The impact of this change in accounting policy is immaterial.

(Segment information, etc.)

I. For the nine months ended December 31, 2024

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

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	83,810	21,441	50,429	155,681	144	155,825
Inter-segment net sales or transfers	—	49	4	54	—	54
Total	83,810	21,491	50,433	155,735	144	155,880
Segment profit	8,018	671	4,938	13,628	31	13,659

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

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

(Million yen)

Profit	Amount
Reportable Segment Total	13,628
Profit in “Other” category	31
Elimination of inter-segment transactions	1
Company-wide expenses (Note)	(3,404)
Operating profit in Quarterly Consolidated Statements of Income	10,256

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

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

(Material changes in goodwill amount)

For the business combination with Lorch Schweißtechnik GmbH, which was executed on January 1, 2024 (Date of the Business Combination), provisional accounting treatment was applied in the previous fiscal year and has since been finalized during the six months ended September 30, 2025. Due to this finalization, the amount of goodwill in Material Processing has decreased by 1,449 million yen.

II. For the nine months ended December 31, 2025

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

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	86,659	22,534	54,080	163,274	149	163,423
Inter-segment net sales or transfers	—	36	4	40	—	40
Total	86,659	22,570	54,084	163,314	149	163,464
Segment profit	9,634	738	5,461	15,834	13	15,848

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

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

(Million yen)

Profit	Amount
Reportable Segment Total	15,834
Profit in “Other” category	13
Elimination of inter-segment transactions	(0)
Company-wide expenses (Note)	(3,369)
Operating profit in Quarterly Consolidated Statements of Income	12,478

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

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

Not applicable.

(Notes to the statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2025 have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as follows.

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation	4,787	4,878
Amortization of goodwill	51	54

(Revenue recognition)

Information that disaggregates revenue from contracts with customers

For the nine months ended December 31, 2024

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Japan	79,449	5,602	37,868	122,921	5	122,926
North America	—	1,880	1,800	3,681	—	3,681
Asia	4,361	10,750	5,692	20,803	—	20,803
Other	0	3,207	5,067	8,274	—	8,274
Revenue from contracts with customers	83,810	21,441	50,429	155,681	5	155,686
Other revenue	—	—	—	—	138	138
Net sales to outside customers	83,810	21,441	50,429	155,681	144	155,825

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

For the nine months ended December 31, 2025

(Million yen)

	Reportable segment				Other (Note)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Japan	82,768	5,141	40,345	128,255	5	128,260
North America	—	2,415	2,621	5,037	—	5,037
Asia	3,890	11,840	5,896	21,628	—	21,628
Other	—	3,137	5,215	8,353	—	8,353
Revenue from contracts with customers	86,659	22,534	54,080	163,274	5	163,279
Other revenue	—	—	—	—	144	144
Net sales to outside customers	86,659	22,534	54,080	163,274	149	163,423

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