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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 8, 2025

Company name: DAIHEN Corporation

Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange

Stock exchange code: 6622

URL: <https://www.daihen.co.jp/>

Representative: Shoichiro Minomo, President and Chief Executive Officer

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Scheduled date of annual general meeting of shareholders: June 26, 2025

Scheduled date of commencing dividend payments: June 27, 2025

Scheduled date of filing securities report: June 25, 2025

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 -March 31, 2025)

(1) Consolidated Operating Results (% 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	%
Fiscal year ended March 31, 2025	226,375	20.0	16,174	6.8	17,182	6.8	11,961	(27.5)
March 31, 2024	188,571	1.8	15,145	(8.6)	16,082	(8.9)	16,494	25.0

(Note) Comprehensive income: Fiscal year ended March 31, 2025: 12,430 million yen [(51.5) %]

Fiscal year ended March 31, 2024: 25,608 million yen [49.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	493.31	—	8.8	6.1	7.1
March 31, 2024	673.20	—	13.3	6.6	8.0

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2025: 7 million yen

Fiscal year ended March 31, 2024: 235 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	290,234	153,285	47.7	5,788.62
As of March 31, 2024	277,200	148,595	48.4	5,493.67

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

As of March 31, 2024: 134,136 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2025	24,010	(9,601)	(5,981)	28,855
March 31, 2024	(8,993)	(10,564)	25,954	22,077

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	82.50	—	82.50	165.00	4,045	24.5	3.3
Fiscal year ended March 31, 2025	—	82.50	—	82.50	165.00	3,995	33.4	2.9
Fiscal year ending March 31, 2026 (Forecast)	—	84.00	—	84.00	168.00		30.9	

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
First half	100,000	4.1	5,000	(1.3)	5,000	(13.3)	3,500	146.42
Full year	230,000	1.6	17,000	5.1	17,500	1.8	13,000	543.84

* Notes:

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

Newly included: 1 company (OTC DAIHEN INDIA Pvt. Ltd.), Excluded: — ()

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

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

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

4) Retrospective restatement: None

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

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

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

As of March 31, 2024: 25,603,291 shares

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

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

As of March 31, 2024: 1,186,740 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2025: 24,246,649 shares

Fiscal year ended March 31, 2024: 24,502,083 shares

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

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.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)****(1) Non-consolidated Operating Results** (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	150,697	12.6	5,498	(15.6)	7,215	(11.2)	6,302	(12.0)
March 31, 2024	133,835	(4.7)	6,512	(41.7)	8,126	(38.1)	7,166	(31.7)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	259.94	—
March 31, 2024	291.48	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	170,369	62,015	36.4	2,594.36
As of March 31, 2024	162,852	63,801	39.2	2,613.03

(Reference) Equity: As of March 31, 2025: 62,015 million yen
As of March 31, 2024: 63,801 million yen

<Reasons for the discrepancy between latest results and those of the previous fiscal year on a non-consolidated basis>

Net sales increased due to strong electrical infrastructure-related and semiconductor-related investments. However, operating profit, ordinary profit, and profit decreased year-on-year partly due to advance investments for business expansion.

* These consolidated financial results are outside the scope of audits by certified public accountants or an audit firm.

*** 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.

Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,327	30,354
Notes and accounts receivable - trade	57,746	55,477
Merchandise and finished goods	30,679	31,329
Work in process	16,793	19,573
Raw materials and supplies	51,540	50,805
Other	7,666	7,283
Allowance for doubtful accounts	(785)	(1,255)
Total current assets	186,968	193,568
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,870	60,626
Accumulated depreciation	(36,229)	(37,696)
Buildings and structures, net	20,640	22,929
Machinery, equipment and vehicles	55,956	59,514
Accumulated depreciation	(47,705)	(49,806)
Machinery, equipment and vehicles, net	8,251	9,708
Tools, furniture and fixtures	17,329	18,056
Accumulated depreciation	(15,279)	(15,747)
Tools, furniture and fixtures, net	2,049	2,309
Land	13,161	13,693
Leased assets	1,476	1,577
Accumulated depreciation	(1,130)	(1,208)
Leased assets, net	345	368
Construction in progress	4,437	4,011
Total property, plant and equipment	48,886	53,021
Intangible assets		
Goodwill	591	525
Software	2,055	2,354
Other	2,334	2,187
Total intangible assets	4,982	5,067
Investments and other assets		
Investment securities	14,536	15,980
Investments in capital	700	681
Long-term prepaid expenses	393	338
Retirement benefit asset	17,649	18,507
Deferred tax assets	1,370	1,387
Other	1,758	1,712
Allowance for doubtful accounts	(45)	(29)
Total investments and other assets	36,362	38,577
Total non-current assets	90,231	96,666
Total assets	277,200	290,234

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,040	21,581
Electronically recorded obligations - operating	15,410	15,264
Short-term borrowings	30,192	23,885
Current portion of long-term borrowings	5,121	6,037
Lease liabilities	90	122
Income taxes payable	2,184	3,510
Provision for bonuses	3,285	5,144
Provision for bonuses for directors (and other officers)	78	143
Provision for loss on construction contracts	122	165
Other	10,111	11,035
Total current liabilities	86,638	86,891
Non-current liabilities		
Long-term borrowings	30,850	38,668
Lease liabilities	197	232
Deferred tax liabilities	4,855	4,426
Provision for retirement benefits for directors (and other officers)	109	103
Provision for loss on guarantees	765	613
Provision for share awards	—	163
Provision for construction expenses related to earthquake resistance renovation	578	563
Provision for product safety measures	3	2
Retirement benefit liability	2,954	3,265
Asset retirement obligations	108	121
Other	1,542	1,897
Total non-current liabilities	41,965	50,057
Total liabilities	128,604	136,949
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,010	10,074
Retained earnings	94,767	101,796
Treasury shares	(2,349)	(4,926)
Total shareholders' equity	113,025	117,540
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,208	6,039
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	9,104	9,293
Remeasurements of defined benefit plans	5,798	5,497
Total accumulated other comprehensive income	21,110	20,831
Non-controlling interests	14,459	14,913
Total net assets	148,595	153,285
Total liabilities and net assets	277,200	290,234

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	188,571	226,375
Cost of sales	135,166	162,515
Gross profit	53,404	63,860
Selling, general and administrative expenses		
Freight and packing costs	5,116	5,841
Travel, transportation and communication expenses	1,217	1,356
Salaries and allowances and welfare expenses	12,654	16,040
Provision for bonuses	1,537	2,449
Provision for bonuses for directors (and other officers)	78	143
Provision for retirement benefits for directors (and other officers)	16	19
Retirement benefit expenses	18	(269)
Depreciation	1,475	1,892
Research and development expenses	5,356	6,153
Amortization of goodwill	—	68
Other	10,787	13,989
Total selling, general and administrative expenses	38,259	47,686
Operating profit	15,145	16,174
Non-operating income		
Interest income	169	189
Dividend income	303	586
Share of profit of entities accounted for using equity method	235	7
Foreign exchange gains	443	47
Rental income from land and buildings	215	231
Gain on sale of scraps	253	337
Subsidy income	187	779
Other	403	569
Total non-operating income	2,211	2,749
Non-operating expenses		
Interest expenses	523	904
Loss on retirement of non-current assets	52	94
Compensation expenses for damage	45	124
Other	652	618
Total non-operating expenses	1,274	1,740
Ordinary profit	16,082	17,182

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	264	1,111
Reversal of provision for loss on guarantees	—	151
Gain on bargain purchase	9,919	—
Total extraordinary income	10,184	1,263
Extraordinary losses		
Provision of allowance for doubtful accounts	277	477
Loss on revision of retirement benefit plan	98	96
Extra payments for early retirements	—	38
Loss on step acquisitions	4,600	—
Provision for loss on guarantees	113	—
Total extraordinary losses	5,089	612
Profit before income taxes	21,178	17,833
Income taxes - current	3,899	5,192
Income taxes - deferred	384	(281)
Total income taxes	4,284	4,910
Profit	16,893	12,922
Profit attributable to non-controlling interests	399	961
Profit attributable to owners of parent	16,494	11,961

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	16,893	12,922
Other comprehensive income		
Valuation difference on available-for-sale securities	2,385	(167)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	2,789	68
Remeasurements of defined benefit plans, net of tax	3,479	(395)
Share of other comprehensive income of entities accounted for using equity method	60	2
Total other comprehensive income	8,714	(491)
Comprehensive income	25,608	12,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,946	11,565
Comprehensive income attributable to non-controlling interests	661	864

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,596	10,042	85,393	(4,822)	101,208
Changes during period					
Dividends of surplus			(4,172)		(4,172)
Profit attributable to owners of parent			16,494		16,494
Adjustments due to change in the fiscal period of consolidated subsidiaries					—
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		12		6	18
Cancellation of treasury shares		(3,002)		3,002	—
Changes in equity of parent from transaction of non controlling interest		11			11
Transfer to capital surplus from retained earnings		2,947	(2,947)		—
Change in scope of consolidation					—
Additional purchase of shares of consolidated subsidiaries					—
Increase interests of parent company stock held by consolidated subsidiaries				(524)	(524)
Net changes in items other than shareholders' equity					
Total changes during period	—	(31)	9,374	2,473	11,816
Balance at end of period	10,596	10,010	94,767	(2,349)	113,025

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,820	—	6,321	2,448	12,591	6,104	119,905
Changes during period							
Dividends of surplus							(4,172)
Profit attributable to owners of parent							16,494
Adjustments due to change in the fiscal period of consolidated subsidiaries							—
Purchase of treasury shares							(11)
Disposal of treasury shares							18
Cancellation of treasury shares							—
Changes in equity of parent from transaction of non controlling interest							11
Transfer to capital surplus from retained earnings							—
Change in scope of consolidation							—
Additional purchase of shares of consolidated subsidiaries							—
Increase interests of parent company stock held by consolidated subsidiaries							(524)
Net changes in items other than shareholders' equity	2,387	(0)	2,782	3,350	8,519	8,354	16,874
Total changes during period	2,387	(0)	2,782	3,350	8,519	8,354	28,690
Balance at end of period	6,208	(0)	9,104	5,798	21,110	14,459	148,595

For the fiscal year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,596	10,010	94,767	(2,349)	113,025
Changes during period					
Dividends of surplus			(4,028)		(4,028)
Profit attributable to owners of parent			11,961		11,961
Adjustments due to change in the fiscal period of consolidated subsidiaries			(173)		(173)
Purchase of treasury shares				(3,900)	(3,900)
Disposal of treasury shares		13		8	22
Cancellation of treasury shares		(1,315)		1,315	—
Changes in equity of parent from transaction of non controlling interest		2			2
Transfer to capital surplus from retained earnings		1,302	(1,302)		—
Change in scope of consolidation			571		571
Additional purchase of shares of consolidated subsidiaries		61			61
Increase interests of parent company stock held by consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	63	7,028	(2,576)	4,515
Balance at end of period	10,596	10,074	101,796	(4,926)	117,540

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,208	(0)	9,104	5,798	21,110	14,459	148,595
Changes during period							
Dividends of surplus							(4,028)
Profit attributable to owners of parent							11,961
Adjustments due to change in the fiscal period of consolidated subsidiaries							(173)
Purchase of treasury shares							(3,900)
Disposal of treasury shares							22
Cancellation of treasury shares							—
Changes in equity of parent from transaction of non controlling interest							2
Transfer to capital surplus from retained earnings							—
Change in scope of consolidation							571
Additional purchase of shares of consolidated subsidiaries							61
Increase interests of parent company stock held by consolidated subsidiaries							—
Net changes in items other than shareholders' equity	(168)	0	189	(301)	(279)	454	174
Total changes during period	(168)	0	189	(301)	(279)	454	4,689
Balance at end of period	6,039	—	9,293	5,497	20,831	14,913	153,285

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	21,178	17,833
Depreciation	5,324	6,497
Amortization of goodwill	—	68
Gain on bargain purchase	(9,919)	—
Loss on step acquisitions	4,600	—
Increase (decrease) in allowance for doubtful accounts	257	453
Increase (decrease) in provision for bonuses	(1,182)	1,857
Increase (decrease) in provision for loss on construction contracts	9	43
Increase (decrease) in provision for loss on guarantees	113	(151)
Increase (decrease) in provision for construction expenses related to earthquake resistance renovation	(43)	(14)
Increase (decrease) in provision for product safety measures	(1)	(0)
Increase (decrease) in retirement benefit liability	810	370
Decrease (increase) in retirement benefit asset	(234)	(1,495)
Interest and dividend income	(472)	(775)
Interest expenses	523	904
Share of loss (profit) of entities accounted for using equity method	(235)	(7)
Loss (gain) on sale of investment securities	(264)	(1,111)
Compensation expenses for damage	45	124
Subsidy income	(187)	(779)
Decrease (increase) in trade receivables	(2,889)	2,505
Decrease (increase) in inventories	(10,459)	(1,751)
Increase (decrease) in trade payables	(9,744)	932
Other, net	(1,108)	1,454
Subtotal	(3,880)	26,956
Interest and dividends received	493	790
Interest paid	(526)	(902)
Subsidies received	187	779
Payments for compensatory damage cost	(45)	(124)
Income taxes paid	(5,222)	(3,490)
Net cash provided by (used in) operating activities	(8,993)	24,010
Cash flows from investing activities		
Net decrease (increase) in time deposits	(400)	31
Purchase of property, plant and equipment	(6,912)	(7,950)
Proceeds from sale of property, plant and equipment	39	78
Purchase of intangible assets	(569)	(792)
Purchase of investment securities	(7)	(8)
Proceeds from sale of investment securities	305	1,457
Net decrease (increase) in short-term loans receivable	(277)	(359)
Purchase of shares of subsidiaries	—	(1,990)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,647)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	2,406	—
Purchase of equity of subsidiaries resulting in change in scope of consolidation	(2,631)	—
Other, net	(870)	(67)
Net cash provided by (used in) investing activities	(10,564)	(9,601)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,240	(6,367)
Proceeds from long-term borrowings	15,000	14,068
Repayments of long-term borrowings	(4,884)	(5,302)
Repayments of lease liabilities	(156)	(117)
Purchase of treasury shares	(11)	(3,900)
Dividends paid	(4,166)	(4,023)
Other, net	(66)	(336)
Net cash provided by (used in) financing activities	25,954	(5,981)
Effect of exchange rate change on cash and cash equivalents	827	(600)
Net increase (decrease) in cash and cash equivalents	7,224	7,826
Cash and cash equivalents at beginning of period	14,853	22,077
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	164
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	—	(1,213)
Cash and cash equivalents at end of period	22,077	28,855