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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]



May 11, 2026

Company name: DAIHEN Corporation

Stock exchange listing: Tokyo Stock Exchange, Fukuoka Stock Exchange

Stock exchange code: 6622

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

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Scheduled date of annual general meeting of shareholders: June 24, 2026

Scheduled date of commencing dividend payments: June 25, 2026

Scheduled date of filing securities report: June 19, 2026

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, 2026 (April 1, 2025 -March 31, 2026)

(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, 2026	237,735	5.0	18,778	16.1	20,100	17.0	14,108	18.0
March 31, 2025	226,375	20.0	16,174	6.8	17,182	6.8	11,961	(27.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2026: 24,945 million yen [100.7%]

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

	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, 2026	591.35	—	9.7	6.6	7.9
March 31, 2025	493.31	—	8.8	6.1	7.1

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

Fiscal year ended March 31, 2026: 42 million yen

Fiscal year ended March 31, 2025: 7 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, 2026	320,175	170,746	48.1	6,524.83
As of March 31, 2025	290,234	153,285	47.7	5,788.62

(Reference) Equity: As of March 31, 2026: 154,030 million yen

As of March 31, 2025: 138,371 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, 2026	4,944	(10,842)	7,473	32,626
March 31, 2025	24,010	(9,601)	(5,981)	28,855

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, 2025	—	82.50	—	82.50	165.00	3,995	33.4	2.9
Fiscal year ended March 31, 2026	—	84.00	—	96.00	180.00	4,294	30.4	2.9
Fiscal year ending March 31, 2027 (Forecast)	—	105.00	—	105.00	210.00		30.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% 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	125,000	18.8	9,000	29.8	9,500	20.3	6,000	16.0	254.16
Full year	280,000	17.8	25,000	33.1	25,500	26.9	16,500	16.9	698.95

* 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) 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 “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” on page 17 of the attachments.

(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, 2026: 24,903,291 shares

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

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

As of March 31, 2026: 1,296,477 shares

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

3) Average number of shares during the period:

Fiscal year ended March 31, 2026: 23,858,478 shares

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

(Note) The total number of treasury shares at the end of the period includes 112,100 shares of the Company as of March 31, 2026 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.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)****(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, 2026	158,152	4.9	4,880	(11.2)	8,391	16.3	8,707	38.2
March 31, 2025	150,697	12.6	5,498	(15.6)	7,215	(11.2)	6,302	(12.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	364.97	—
March 31, 2025	259.94	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	186,463	64,452	34.6	2,730.27
As of March 31, 2025	170,369	62,015	36.4	2,594.36

(Reference) Equity: As of March 31, 2026: 64,452 million yen
As of March 31, 2025: 62,015 million yen

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

The discrepancy between latest results and those of the previous fiscal year is mainly due to the recording of a gain on sale of investment securities as extraordinary income resulting from the sale of strategic shareholdings in the fiscal year ended March 31, 2026.

* 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. For details on the earnings forecasts of the Company, please see "1. Overview of Operating Results, etc. (4) Future Outlook" on page 4 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The performance of DAIHEN Corporation (the “Company”) and its subsidiaries (collectively, the “DAIHEN Group”) for the fiscal year ended March 31, 2026 (the “fiscal year under review”) was orders received of 271,330 million yen (up 12.6% year-on-year) and net sales of 237,735 million yen (up 5.0% year-on-year), reflecting the increased capital investment of electrical infrastructure-related and semiconductor-related companies. In income results, operating profit was 18,778 million yen (up 16.1% year-on-year), ordinary profit was 20,100 million yen (up 17.0% year-on-year), and profit attributable to owners of parent was 14,108 million yen (up 18.0% 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 128,220 million yen (up 6.1% year-on-year) and operating profit was 14,165 million yen (up 23.4% year-on-year), 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.

2) Factory Automation

Net sales were 32,933 million yen (up 0.5% 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. Operating profit was 1,971 million yen (down 13.4% year-on-year) due to a decrease in the number of profitable projects, among other factors.

3) Material Processing

Net sales were 76,426 million yen (up 5.2% year-on-year) and operating profit was 7,422 million yen (up 6.3% year-on-year), supported by a high level of investment in advanced semiconductors on the back of growing demand for highly functional semiconductor devices used in data centers amid the growing use of generative AI.

4) Other

Net sales were 200 million yen and operating profit was 12 million yen. There were no significant changes from the previous fiscal year.

(Reference) Performance by Segment

(Million yen)

Segment	Orders Received		Order Backlog		Net Sales		Operating Profit	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Energy Management	146,800	+11.8%	108,685	+20.6%	128,220	+6.1%	14,165	+23.4%
Factory Automation	35,450	+3.8%	7,745	+49.2%	32,933	+0.5%	1,971	(13.4)%
Material Processing	88,879	+17.8%	26,515	+88.7%	76,426	+5.2%	7,422	+6.3%
Other	200	+4.5%	—	—	200	+4.5%	12	(61.6)%
Company Total	271,330	+12.6%	142,946	+30.7%	237,735	+5.0%	18,778	+16.1%

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased by 29,940 million yen from the end of the previous fiscal year to 320,175 million yen. This is primarily attributable to increases in cash and deposits and inventories as well as an increase in property, plant and equipment including buildings and structures.

Total liabilities at the end of the fiscal year under review increased by 12,479 million yen from the end of the previous fiscal year to 149,428 million yen. This is primarily attributable to an increase in borrowings, despite decreases in notes and accounts payable - trade and electronically recorded obligations - operating.

Total net assets at the end of the fiscal year under review increased by 17,461 million yen from the end of the previous fiscal year to 170,746 million yen. This is primarily attributable to increases in retained earnings and foreign currency translation adjustment. The equity ratio increased by 0.4 percentage points from 47.7% to 48.1%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review increased by 3,770 million yen from the end of the previous fiscal year to 32,626 million yen.

(Cash flows from operating activities)

Cash flows from operating activities resulted in a cash inflow of 4,944 million yen primarily due to profit before income taxes, a decrease of 19,066 million yen compared with the previous fiscal year due to an increase in trade receivables and a decrease in trade payables, etc.

(Cash flows from investing activities)

Cash flows from investing activities resulted in a cash outflow of 10,842 million yen primarily due to purchase of property, plant and equipment, a decrease of 1,240 million yen compared with the previous fiscal year.

(Cash flows from financing activities)

Cash flows from financing activities resulted in a cash inflow of 7,473 million yen primarily due to an increase in short-term borrowings, an increase of 13,455 million yen compared with the previous fiscal year.

(Reference) Changes in Cash Flow-related Indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	51.2	53.5	48.4	47.7	48.1
Equity ratio based on market value (%)	53.3	51.1	82.0	52.1	82.4
Ratio of interest- bearing liabilities to cash flows (year)	2.2	—	—	2.9	17.1
Interest coverage ratio (times)	45.9	—	—	26.6	4.5

(Note) Equity ratio: equity/total assets
 Equity ratio based on market value: market capitalization/total assets
 Ratio of interest-bearing liabilities to cash flows: interest-bearing liabilities/cash flows
 Interest coverage ratio: cash flows/interest payments

- * Each indicator is calculated based on consolidated financial figures.
- * Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (after excluding treasury shares).
- * Cash flows are the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing liabilities are all liabilities on the consolidated balance sheets for which interest is being paid. For interest payments, the amount of interest paid in the consolidated statements of cash flows is used.
- * The ratio of interest-bearing liabilities to cash flows and the interest coverage ratio are not shown for the fiscal year ended March 31, 2023 and for the fiscal year ended March 31, 2024, because the cash flows from operating activities were negative.

(4) Future Outlook

Concerning the outlook for the future, while uncertainty exists around the risks of higher raw material prices caused by the Middle East situation, semiconductor-related investments are expected to steadily increase owing to the growing use of generative AI and the expansion of data center-related demand. In addition, growing demand for storage battery systems with the extensive adoption of renewable energy as well as strong needs for labor saving and automation at production sites on the back of labor shortage are expected.

Under this business environment, the Company will be committed to strengthening each business and improving its performance by intensifying initiatives for cost reductions such as improving efficiency in production and indirect operations through the use of generative AI and production automation for appropriation for investment in development that contributes to solving social issues in a focused manner.

The consolidated financial results forecast for the fiscal year ending March 31, 2027 at this point is as follows.

	(Million yen)	(YoY change, %)
Net sales	280,000	+17.8
Operating profit	25,000	+33.1
Ordinary profit	25,500	+26.9
Profit attributable to owners of parent	16,500	+16.9

(Note) The Company assumes an average exchange rate of 157 yen per US dollar for the period from April 1, 2026 to March 31, 2027.

(5) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years

The Company has set a policy of returning profits to our stakeholders, with a dividend payout ratio of 30% or more as a basic policy.

The Company plans to pay an annual dividend of 180 yen per common share of the Company (year-end dividend of 96.0 yen per share) for the fiscal year under review, based on the policy above.

Regarding the forecast for dividends for the next fiscal year, after comprehensively taking into account the above policy and the financial situation, the Company plans to pay an annual dividend of 210 yen per share, including an interim dividend of 105 yen.

2. Basic Stance on the Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements by term and the comparability among companies, the Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP.

With regard to International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	30,354	34,160
Notes and accounts receivable - trade	55,477	58,508
Merchandise and finished goods	31,329	39,094
Work in process	19,573	22,483
Raw materials and supplies	50,805	47,634
Other	7,283	7,998
Allowance for doubtful accounts	(1,255)	(51)
Total current assets	193,568	209,829
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,626	65,416
Accumulated depreciation	(37,696)	(39,197)
Buildings and structures, net	22,929	26,218
Machinery, equipment and vehicles	59,514	65,489
Accumulated depreciation	(49,806)	(52,360)
Machinery, equipment and vehicles, net	9,708	13,129
Tools, furniture and fixtures	18,056	19,413
Accumulated depreciation	(15,747)	(16,623)
Tools, furniture and fixtures, net	2,309	2,789
Land	13,693	13,891
Leased assets	1,577	1,682
Accumulated depreciation	(1,208)	(1,302)
Leased assets, net	368	380
Construction in progress	4,011	3,782
Total property, plant and equipment	53,021	60,192
Intangible assets		
Goodwill	525	517
Software	2,354	2,319
Other	2,187	2,445
Total intangible assets	5,067	5,282
Investments and other assets		
Investment securities	15,980	17,676
Investments in capital	681	509
Long-term prepaid expenses	338	348
Retirement benefit asset	18,507	23,026
Deferred tax assets	1,387	1,527
Other	1,712	4,343
Allowance for doubtful accounts	(29)	(2,562)
Total investments and other assets	38,577	44,870
Total non-current assets	96,666	110,346
Total assets	290,234	320,175

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,581	20,417
Electronically recorded obligations - operating	15,264	8,759
Short-term borrowings	23,885	39,939
Current portion of long-term borrowings	6,037	8,057
Lease liabilities	122	129
Income taxes payable	3,510	5,699
Provision for bonuses	5,144	5,459
Provision for bonuses for directors (and other officers)	143	151
Provision for loss on construction contracts	165	160
Other	11,035	13,052
Total current liabilities	86,891	101,828
Non-current liabilities		
Long-term borrowings	38,668	36,652
Lease liabilities	232	263
Deferred tax liabilities	4,426	4,516
Provision for retirement benefits for directors (and other officers)	103	88
Provision for loss on guarantees	613	—
Provision for share awards	163	476
Provision for construction expenses related to earthquake resistance renovation	563	282
Provision for product safety measures	2	—
Retirement benefit liability	3,265	2,885
Asset retirement obligations	121	179
Other	1,897	2,254
Total non-current liabilities	50,057	47,599
Total liabilities	136,949	149,428
Net assets		
Shareholders' equity		
Share capital	10,596	10,596
Capital surplus	10,074	10,074
Retained earnings	101,796	110,610
Treasury shares	(4,926)	(6,995)
Total shareholders' equity	117,540	124,286
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,039	7,572
Foreign currency translation adjustment	9,293	14,516
Remeasurements of defined benefit plans	5,497	7,654
Total accumulated other comprehensive income	20,831	29,743
Non-controlling interests	14,913	16,716
Total net assets	153,285	170,746
Total liabilities and net assets	290,234	320,175

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

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	226,375	237,735
Cost of sales	162,515	169,218
Gross profit	63,860	68,517
Selling, general and administrative expenses		
Freight and packing costs	5,841	5,780
Travel, transportation and communication expenses	1,356	1,387
Salaries and allowances and welfare expenses	16,040	16,446
Provision for bonuses	2,449	2,510
Provision for bonuses for directors (and other officers)	143	151
Provision for retirement benefits for directors (and other officers)	19	20
Retirement benefit expenses	(269)	(404)
Depreciation	1,892	2,035
Research and development expenses	6,153	6,465
Amortization of goodwill	68	73
Other	13,989	15,271
Total selling, general and administrative expenses	47,686	49,738
Operating profit	16,174	18,778
Non-operating income		
Interest income	189	204
Dividend income	586	769
Share of profit of entities accounted for using equity method	7	42
Foreign exchange gains	47	969
Rental income from land and buildings	231	237
Gain on sale of scraps	337	415
Subsidy income	779	320
Other	569	616
Total non-operating income	2,749	3,576
Non-operating expenses		
Interest expenses	904	1,106
Loss on retirement of non-current assets	94	166
Compensation expenses for damage	124	—
Other	618	981
Total non-operating expenses	1,740	2,254
Ordinary profit	17,182	20,100

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	1,111	3,324
Reversal of provision for loss on guarantees	151	613
Total extraordinary income	1,263	3,938
Extraordinary losses		
Provision of allowance for doubtful accounts	477	1,340
Loss on liquidation of subsidiaries and associates	—	351
Extra payments for early retirements	38	180
Loss on valuation of investments in capital of subsidiaries and associates	—	172
Loss on valuation of shares of subsidiaries and associates	—	134
Impairment losses	—	116
Loss on revision of retirement benefit plan	96	—
Total extraordinary losses	612	2,295
Profit before income taxes	17,833	21,743
Income taxes - current	5,192	8,162
Income taxes - deferred	(281)	(2,065)
Total income taxes	4,910	6,096
Profit	12,922	15,646
Profit attributable to non-controlling interests	961	1,537
Profit attributable to owners of parent	11,961	14,108

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	12,922	15,646
Other comprehensive income		
Valuation difference on available-for-sale securities	(167)	1,687
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	68	5,216
Remeasurements of defined benefit plans, net of tax	(395)	2,387
Share of other comprehensive income of entities accounted for using equity method	2	7
Total other comprehensive income	(491)	9,298
Comprehensive income	12,430	24,945
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,565	23,003
Comprehensive income attributable to non-controlling interests	864	1,942

(3) Consolidated Statements of Changes in Equity

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
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
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

For the fiscal year ended March 31, 2026

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,596	10,074	101,796	(4,926)	117,540
Changes during period					
Dividends of surplus			(3,999)		(3,999)
Profit attributable to owners of parent			14,108		14,108
Adjustments due to change in the fiscal period of consolidated subsidiaries					—
Purchase of treasury shares				(3,560)	(3,560)
Disposal of treasury shares		8		23	31
Cancellation of treasury shares		(1,468)		1,468	—
Changes in equity of parent from transaction of non controlling interest					—
Transfer to capital surplus from retained earnings		1,460	(1,460)		—
Change in scope of consolidation			165		165
Additional purchase of shares of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	8,814	(2,068)	6,745
Balance at end of period	10,596	10,074	110,610	(6,995)	124,286

	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	6,039	—	9,293	5,497	20,831	14,913	153,285
Changes during period							
Dividends of surplus							(3,999)
Profit attributable to owners of parent							14,108
Adjustments due to change in the fiscal period of consolidated subsidiaries							—
Purchase of treasury shares							(3,560)
Disposal of treasury shares							31
Cancellation of treasury shares							—
Changes in equity of parent from transaction of non controlling interest							—
Transfer to capital surplus from retained earnings							—
Change in scope of consolidation							165
Additional purchase of shares of consolidated subsidiaries							—
Net changes in items other than shareholders' equity	1,532	—	5,223	2,156	8,912	1,802	10,715
Total changes during period	1,532	—	5,223	2,156	8,912	1,802	17,461
Balance at end of period	7,572	—	14,516	7,654	29,743	16,716	170,746

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	17,833	21,743
Depreciation	6,497	6,871
Impairment losses	—	116
Amortization of goodwill	68	73
Increase (decrease) in allowance for doubtful accounts	453	1,315
Increase (decrease) in provision for bonuses	1,857	297
Increase (decrease) in provision for loss on construction contracts	43	(5)
Increase (decrease) in provision for loss on guarantees	(151)	(613)
Increase (decrease) in provision for construction expenses related to earthquake resistance renovation	(14)	(280)
Increase (decrease) in provision for product safety measures	(0)	(2)
Increase (decrease) in retirement benefit liability	370	(256)
Decrease (increase) in retirement benefit asset	(1,495)	(1,114)
Interest and dividend income	(775)	(973)
Interest expenses	904	1,106
Share of loss (profit) of entities accounted for using equity method	(7)	(42)
Loss (gain) on sale of investment securities	(1,111)	(3,324)
Loss on valuation of investments in capital of subsidiaries and associates	—	172
Loss (gain) on liquidation of subsidiaries and associates	—	351
Loss on valuation of shares of subsidiaries and associates	—	134
Compensation expenses for damage	124	—
Subsidy income	(779)	(320)
Decrease (increase) in trade receivables	2,505	(1,246)
Decrease (increase) in inventories	(1,751)	(4,917)
Increase (decrease) in trade payables	932	(9,344)
Other, net	1,454	1,260
Subtotal	26,956	10,999
Interest and dividends received	790	906
Interest paid	(902)	(1,103)
Subsidies received	779	320
Payment for compensatory damages cost	(124)	—
Income taxes paid	(3,490)	(6,178)
Net cash provided by (used in) operating activities	24,010	4,944
Cash flows from investing activities		
Net decrease (increase) in time deposits	31	(34)
Purchase of property, plant and equipment	(7,950)	(12,374)
Proceeds from sale of property, plant and equipment	78	75
Purchase of intangible assets	(792)	(793)
Purchase of investment securities	(8)	(9)
Proceeds from sale of investment securities	1,457	4,107
Net decrease (increase) in short-term loans receivable	(359)	(468)
Long-term loan advances	(60)	(1,275)
Purchase of shares of subsidiaries	(1,990)	(15)
Other, net	(7)	(53)
Net cash provided by (used in) investing activities	(9,601)	(10,842)

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,367)	15,387
Proceeds from long-term borrowings	14,068	6,009
Repayments of long-term borrowings	(5,302)	(6,114)
Repayments of lease liabilities	(117)	(160)
Purchase of treasury shares	(3,900)	(3,560)
Dividends paid	(4,023)	(3,987)
Other, net	(336)	(99)
Net cash provided by (used in) financing activities	(5,981)	7,473
Effect of exchange rate change on cash and cash equivalents	(600)	2,087
Net increase (decrease) in cash and cash equivalents	7,826	3,662
Cash and cash equivalents at beginning of period	22,077	28,855
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	164	108
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	28,855	32,626

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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 fiscal year under review.

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 fiscal year as the beginning balance for the fiscal year under review, and applies the weighted average cost method from the beginning of the fiscal year under review to the future.

The impact of this change in accounting policy is immaterial.

(Segment information, etc.)

[Segment information]

1. Outline of reportable segments

The reportable segments of the Company are determined from those which can provide separate financial information, and are regularly reviewed by the Board of Directors to determine the allocation of management resources and to evaluate performance among the constituent units of the Company.

The Company has employed a business division system and each business division formulates comprehensive domestic and overseas strategies for the products and services it handles and conducts business activities.

Accordingly, with the business divisions as a basis, the Company set “Energy Management,” “Factory Automation,” and “Material Processing” as its reportable segments based on three technology domains.

The main products comprising each reportable segment and their explanation are as follows.

	Main products
Energy Management	Transformers
	Power receiving and distribution systems
	Control and telecommunications equipment
	Charging systems
	Dispersed power equipment, etc.
Factory Automation	Industrial robots
	Clean transfer robots
Material Processing	Welding machines
	Plasma cutting machines
	RF generators for plasma applications

Energy Management:	Area that aims to support electrical infrastructure and contribute to the achievement of a decarbonized society through equipment, systems, and other products that support expansion of the utilization of renewable energy, in addition to conventional power products for electric power companies and general private sectors.
Factory Automation:	Area that aims to contribute to the automation and labor-saving in plants around the world with various industrial robots, such as those for handling, assembling, and processing and with transfer systems, in addition to welding robots that are the Company’s strength.
Material Processing:	Area that aims to develop businesses in a wide range of processing fields, such as precise joining, cutting, film formation, surface treatment, and shaping of metals, semiconductors, and plastic materials through technologies that highly precisely control various energy sources.

2. Method of calculating net sales, profit (loss), assets, and other by reportable segment

Accounting methods for business segments reported are generally the same as those used for preparing Consolidated Financial Statements.

Reportable segment profit figures are based on operating profit. Inter-segment income and transfers are based on market prices.

3. Information on net sales, profit (loss), assets, and other by reportable segment

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other (Note 1)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	120,815	32,719	72,649	226,184	191	226,375
Inter-segment net sales or transfers	—	54	7	61	—	61
Total	120,815	32,773	72,657	226,246	191	226,437
Segment profit	11,477	2,275	6,985	20,737	33	20,771
Segment assets	128,036	47,473	91,729	267,239	1,073	268,313
Other						
Depreciation (Note 2)	3,100	881	1,736	5,717	—	5,717
Amortization of goodwill	—	—	68	68	—	68
Increase in property, plant and equipment, and intangible assets (Notes 3 and 4)	4,664	963	2,296	7,924	—	7,924

- (Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.
2. “Depreciation” includes amortization of long-term prepaid expenses.
3. “Increase in property, plant and equipment and intangible assets” includes an increase in long-term prepaid expenses.
4. “Increase in property, plant and equipment and intangible assets” does not include an increase associated with the new consolidation.

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment				Other (Note 1)	Total
	Energy Management	Factory Automation	Material Processing	Total		
Net sales						
Net sales to outside customers	128,220	32,896	76,419	237,535	200	237,735
Inter-segment net sales or transfers	—	37	7	44	—	44
Total	128,220	32,933	76,426	237,580	200	237,780
Segment profit	14,165	1,971	7,422	23,558	12	23,571
Segment assets	147,590	48,889	95,557	292,037	1,152	293,189
Other						
Depreciation (Note 2)	3,314	965	1,844	6,125	22	6,147
Amortization of goodwill	—	—	73	73	—	73
Increase in property, plant and equipment, and intangible assets (Notes 3 and 4)	8,527	995	1,780	11,303	8	11,312

- (Notes) 1. “Other” refers to business segments not included in the reportable segments and includes the real estate leasing business, etc.
2. “Depreciation” includes amortization of long-term prepaid expenses.
3. “Increase in property, plant and equipment and intangible assets” includes an increase in long-term prepaid expenses.
4. “Increase in property, plant and equipment and intangible assets” does not include an increase associated with the new consolidation.

4. Information on the difference between total amounts of reportable segments and the amounts recorded in the Consolidated Financial Statements and the main contents of the difference (matters concerning variation adjustment)

(Million yen)

Net sales	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable Segment Total	226,246	237,580
Net sales in “Other” category	191	200
Elimination of inter-segment transactions	(61)	(44)
Net sales in consolidated financial statements	226,375	237,735

(Million yen)

Profit	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable Segment Total	20,737	23,558
Profit in “Other” category	33	12
Elimination of inter-segment transactions	1	(0)
Company-wide expenses (Note)	(4,598)	(4,792)
Operating profit in consolidated financial statements	16,174	18,778

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

(Million yen)

Assets	As of March 31, 2025	As of March 31, 2026
Reportable Segment Total	267,239	292,037
Assets in “Other” category	1,073	1,152
Company-wide assets (Note)	22,128	27,211
Other adjustments	(206)	(226)
Total assets in consolidated financial statements	290,234	320,175

(Note) “Company-wide assets” are mainly land and buildings of the head office and long-term investment funds (investment securities) of the filing company, etc. that do not belong to the reportable segments.

(Million yen)

Other	Reportable Segment Total		Other		Adjustments (Note)		Amounts recorded in the Consolidated Financial Statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	5,717	6,125	—	22	779	723	6,497	6,871
Amortization of goodwill	68	73	—	—	—	—	68	73
Increase in property, plant and equipment, and intangible assets	7,924	11,303	—	8	1,768	2,086	9,693	13,398

(Note) Adjustments of increase in property, plant and equipment, and intangible assets are investments in company-wide seismic retrofitting and information systems, etc.

(Related information)

For the fiscal year ended March 31, 2025

1. Information by product and service

This is omitted as the product and service categories are the same as the reportable segment categories.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	North America	Asia	Other	Total
179,791	5,755	29,510	11,319	226,375

(Note) Net sales are based on the location of customers and are categorized by country or region.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Asia		Other	Total
			Thailand		
43,440	317	5,650	3,584	3,612	53,021

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
Tokyo Electron Miyagi Ltd.	35,913	Material Processing
The Kansai Electric Power Company, Incorporated (Note)	25,119	Energy Management

(Note) Net sales to Kansai Transmission and Distribution, Inc., which belongs to the same corporate group of The Kansai Electric Power Company, Incorporated, are aggregated.

For the fiscal year ended March 31, 2026

1. Information by product and service

This is omitted as the product and service categories are the same as the reportable segment categories.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	North America	Asia	Other	Total
188,749	7,318	30,505	11,162	237,735

(Note) Net sales are based on the location of customers and are categorized by country or region.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Asia		Other	Total
			Thailand		
49,953	328	5,957	3,853	3,952	60,192

3. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment
Tokyo Electron Miyagi Ltd.	38,332	Material Processing
The Kansai Electric Power Company, Incorporated (Note)	23,435	Energy Management

(Note) Net sales to Kansai Transmission and Distribution, Inc., which belongs to the same corporate group of The Kansai Electric Power Company, Incorporated, are aggregated.

[Information on impairment loss on non-current assets by reportable segment]

For the fiscal year ended March 31, 2025

Not applicable.

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment				Other	Company-wide/Elimination	Total
	Energy Management	Factory Automation	Material Processing	Total			
Impairment loss	116	—	—	116	—	—	116

[Information on amortization and unamortized balance of goodwill by reportable segment]

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other	Company-wide/Elimination	Total
	Energy Management	Factory Automation	Material Processing	Total			
(Goodwill)							
Amortization amount	—	—	68	68	—	—	68
Unamortized balance	—	—	525	525	—	—	525

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment				Other	Company-wide/Elimination	Total
	Energy Management	Factory Automation	Material Processing	Total			
(Goodwill)							
Amortization amount	—	—	73	73	—	—	73
Unamortized balance	—	—	517	517	—	—	517

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended March 31, 2025

Not applicable.

For the fiscal year ended March 31, 2026

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	5,788.62 yen	6,524.83 yen
Basic earnings per share	493.31 yen	591.35 yen

(Notes) 1. Diluted earnings per share are not presented as there is no share outstanding with dilutive effect.

2. The basis for the calculation of basic earnings per share is as follows.

Category	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent (Million yen)	11,961	14,108
Amount not attributable to shareholders of common shares (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	11,961	14,108
Average number of common shares (Shares)	24,246,649	23,858,478

3. The basis for the calculation of net assets per share is as follows.

Category	As of March 31, 2025	As of March 31, 2026
Total net assets (Million yen)	153,285	170,746
Amount deducted from total net assets (Million yen)	14,913	16,716
[of which, non-controlling interests (Million yen)]	[14,913]	[16,716]
Year-end net assets related to common shares (Million yen)	138,371	154,030
Number of common shares at year-end used to calculate net assets per share (Shares)	23,904,132	23,606,814

4. The Company has implemented the employee stock benefit trust. Shares of the Company held in the trust account are included in the treasury shares deducted for calculating the average number of shares during the period for the calculation of basic earnings per share. They are also included in the treasury shares deducted from the total number of issued shares at the end of the period for the calculation of net assets per share.

The average number of treasury shares deducted during the period for the calculation of basic earnings per share is 104,350 shares for the fiscal year ended March 31, 2025, and 112,492 shares for the fiscal year ended March 31, 2026. The number of treasury shares deducted at the end of the period for the calculation of net assets per share is 113,500 shares for the fiscal year ended March 31, 2025, and 112,100 shares for the fiscal year ended March 31, 2026.

(Significant subsequent events)

Not applicable.