

DAISHINKU CORP.

Summary of Financial Results for the First Quarter Ended June 30, 2025

Tokyo, August 12, 2025 - Daishinku Corp. today announced its consolidated financial results for the first quarter ended June 30, 2025.

1. Operating Results for the First Quarter ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Figures in % are a comparisons with the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended June 30, 2025	9,376	(4.6)	70	(83.1)	(541)	-	(439)	-
Three months ended June 30, 2024	9,827	5.5	416	(19.6)	836	(20.4)	379	(13.6)

Note: Comprehensive income Three months ended June 30, 2025 ; 27 Yen-million, Three months ended June 30, 2024 ; 1,894 Yen-million

	Net income per share	Net income per share after adjustment with potential shares
	Yen	Yen
Three months ended June 30, 2025	(13.83)	-
Three months ended June 30, 2024	11.77	-

(2) Consolidated financial status

	Total assets	Net assets	Stockholders' equity ratio
	Millions of Yen	Millions of Yen	%
Three months ended June 30, 2025	90,584	44,532	40.0
Year ended March 31, 2025	89,890	45,219	41.2

ref. Stockholders' equity : As of June 30, 2025 ; 36,238 Yen-million, As of March 31, 2025 ; 37,054 Yen-million

2. Dividends

	Dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
(Results)	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	-	14.00	-	14.00	28.00
Year ending March 31, 2026	-				
(Forecast)		14.00	-	14.00	28.00
Year ending March 31, 2026					

Note: Revision of dividend forecast for during this period: None

3. Forecast for the fiscal year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Figures in % are a comparisons with the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Year ending March 31, 2026	41,000	6.2	2,000	118.6	1,000	142.4	500	75.1	15.73

Note: Revision of the fiscal year result forecast for during this period: None

4. Notes

(1) Changes for important subsidiaries during this period : None

(2) Application of particular accounting procedures to preparation of
quarterly consolidated financial statements: Applicable

(3) Changes in accounting policies and changes or restatement of accounting estimates

- | | |
|--|------|
| 1. Changes in accounting policies related to accounting standard revisions | None |
| 2. Other changes in accounting policies | None |
| 3. Changes in accounting estimates | None |
| 4. Modified restatements | None |

(4) Outstanding shares (Common shares)

- | | | | |
|--|-------------------|------------------------|-------------------|
| 1. Number of shares outstanding (including treasury stock) | | | |
| As of June 30, 2025 : | 32,138,881 shares | As of March 31, 2025 : | 32,138,881 shares |
| 2. Number of treasury stock | | | |
| As of June 30, 2025 : | 362,270 shares | As of March 31, 2025 : | 362,270 shares |
| 3. Average number of shares during the period | | | |
| April-June 2025 : | 31,776,611 shares | April-June 2024 : | 32,277,336 shares |

* The forecasts are based on assumptions of the future economic environment using the data available at the time of disclosure. Actual earnings may differ from the forecasts, due to a range of factors.

Overview of Operating Results for the First Quarter Ended June 30, 2025

In the global economy, during the first quarter of the current fiscal year (April 1, 2025 to June 30, 2025), the global economy faced increasing uncertainty both domestically and internationally. In Japan, although capital investment remained weak, personal consumption stayed resilient, and the economy continued on a moderate recovery path. In contrast, in the United States and China, personal consumption showed sluggish growth, and the pace of economic recovery generally slowed. Moreover, geopolitical risks and concerns over the impact of U.S. tariff policies contributed to ongoing uncertainty.

In this environment, in the markets relevant to DAISHINKU CORP. and its affiliates, the automotive market remained firm. However, in the telecommunications market, price competition intensified in the TCXO market, where demand for GPS/GNSS applications is strong. The industrial market continued to adjust due to sluggish capital investment. In addition, factors such as the sharp appreciation of the New Taiwan Dollar against the U.S. Dollar had an impact on business performance. As a result, net sales amounted to 9,376 million yen (down 4.6% year on year). With regard to profits, the sharp appreciation of the New Taiwan Dollar led to a decline in earnings at our Taiwanese subsidiary, which in turn affected consolidated profit. As a result, operating profit was 70 million yen (down 83.1% year on year). In addition, a foreign exchange loss of 590 million yen was recorded as a non-operating expense, resulting in an ordinary loss of 541 million yen (compared to an ordinary profit of 836 million yen in the same period of the previous year). Net loss attributable to owners of the parent was 439 million yen (compared to net income attributable to owners of the parent of 379 million yen in the same period of the previous year).

Operating results by segment are as follows.

(Japan)

In Japan, net sales were 1,876 million yen, an increase of 41 million yen, or up 2.2%, year on year mainly due to higher net sales in the automotive and consumer markets. Its segment profit was 48 million yen, a decrease of 42 million yen, or down 46.5%, year on year mainly due to an increase in fixed costs and SG&A expenses.

(North America)

In North America, net sales were 645 million yen, an increase of 30 million yen, or up 4.9%, year on year mainly due to higher net sales in the industrial and telecommunications markets. Its segment profit was 15 million yen, an increase of 5 million yen, or up 53.9%, year on year.

(Europe)

In Europe, net sales were 1,042 million yen, an increase of 29 million yen, or up 2.9%, year on year mainly due to higher net sales in the automotive market. Its segment profit was 27 million yen, an increase of 14 million yen, or up 116.2%, year on year.

(China)

In China, net sales were 3,044 million yen, a decrease of 30 million yen, or down 1.0%, year on year mainly due to lower net sales in the telecommunications market. Its segment profit was 28 million yen, an increase of 62 million yen from the same period of the previous year (segment loss of 34 million yen in the same period of the previous year), mainly due to the impact of increased operations.

(Taiwan)

In Taiwan, net sales were 2,158 million yen, a decrease of 468 million yen, or down 17.8%, year on year mainly due to lower net sales in the telecommunications and consumer markets as well as the impact of the sharp appreciation of the New Taiwan Dollar against the U.S. Dollar. Its segment profit was 10 million yen, a decrease of 445 million yen, or down 97.8%, year on year.

(Asia)

In Asia, net sales were 609 million yen, a decrease of 52 million yen, or down 7.9%, year on year mainly due to lower net sales in the automotive and industrial markets. Its segment loss was 99 million yen, a decrease of 128 million yen from the same period of the previous year (segment profit of 29 million yen in the same period of the previous year).

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	As of March 31, 2025	Three months ended June 30, 2025
Assets		
Current assets		
Cash and deposits	18,707,732	17,702,095
Notes and accounts receivable - trade, and contract assets	9,070,680	9,333,542
Merchandise and finished goods	5,180,147	5,037,454
Work in process	6,353,313	7,005,819
Raw materials and supplies	6,492,699	8,046,807
Other	3,141,882	2,337,094
Allowance for doubtful accounts	(12,081)	(12,983)
Total current assets	48,934,375	49,449,831
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,798,139	9,710,964
Machinery, equipment and vehicles, net	11,734,961	11,438,293
Tools, furniture and fixtures, net	1,247,794	1,247,326
Land	5,962,024	6,024,188
Leased assets, net	362,570	311,807
Construction in progress	5,787,115	6,120,561
Total property, plant and equipment	34,892,605	34,853,141
Intangible assets	990,070	938,446
Investments and other assets		
Investment securities	2,759,028	2,929,365
Long-term loans receivable	899	894
Retirement benefit asset	1,461,200	1,520,717
Deferred tax assets	531,987	545,720
Other	348,327	374,673
Allowance for doubtful accounts	(27,800)	(27,800)
Total investments and other assets	5,073,644	5,343,571
Total non-current assets	40,956,320	41,135,159
Total assets	89,890,695	90,584,991

(Unit: Thousands of yen)

	As of March 31, 2025	Three months ended June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,378,663	3,638,897
Short-term borrowings	8,455,985	11,503,278
Current portion of long-term borrowings	8,485,282	8,394,240
Lease liabilities	116,168	91,241
Accounts payable - other	2,056,325	1,843,425
Income taxes payable	473,468	193,795
Contract liabilities	330	—
Provision for bonuses	710,743	376,999
Other	1,197,570	1,670,263
Total current liabilities	24,874,535	27,712,141
Non-current liabilities		
Long-term borrowings	16,335,798	14,889,517
Lease liabilities	254,074	229,055
Deferred tax liabilities	1,809,276	1,852,683
Retirement benefit liability	1,150,031	1,120,808
Asset retirement obligations	27,518	22,728
Other	219,466	225,859
Total non-current liabilities	19,796,165	18,340,653
Total liabilities	44,670,701	46,052,795
Net assets		
Shareholders' equity		
Share capital	19,344,883	19,344,883
Capital surplus	5,795,140	5,795,140
Retained earnings	6,185,572	5,301,237
Treasury shares	(182,714)	(182,714)
Total shareholders' equity	31,142,881	30,258,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	502,670	505,170
Foreign currency translation adjustment	4,733,023	4,812,816
Remeasurements of defined benefit plans	676,331	661,481
Total accumulated other comprehensive income	5,912,025	5,979,468
Non-controlling interests	8,165,086	8,294,180
Total net assets	45,219,993	44,532,195
Total liabilities and net assets	89,890,695	90,584,991

(2) Consolidated Statements of Income

(Unit: Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	9,827,276	9,376,622
Cost of sales	7,428,444	7,291,526
Gross profit	2,398,832	2,085,096
Selling, general and administrative expenses	1,982,359	2,014,648
Operating profit	416,472	70,448
Non-operating income		
Interest income	57,654	61,558
Dividend income	37,454	14,953
Foreign exchange gains	463,522	—
Other	42,855	62,633
Total non-operating income	601,487	139,145
Non-operating expenses		
Interest expenses	75,518	87,408
Foreign exchange losses	—	590,226
Compensation expenses	39,078	—
Other	66,391	73,316
Total non-operating expenses	180,988	750,950
Ordinary profit (loss)	836,971	(541,357)
Extraordinary income		
Gain on sale of non-current assets	2,780	0
Gain on sale of investment securities	322,588	—
Total extraordinary income	325,368	0
Extraordinary losses		
Loss on sale of non-current assets	2,395	—
Loss on retirement of non-current assets	0	0
Total extraordinary losses	2,395	0
Profit (loss) before income taxes	1,159,944	(541,356)
Income taxes - current	152,718	129,304
Income taxes - deferred	326,300	(48,771)
Total income taxes	479,018	80,533
Profit (loss)	680,925	(621,889)
Profit (loss) attributable to non-controlling interests	300,962	(182,427)
Profit (loss) attributable to owners of parent	379,963	(439,462)

(3) Consolidated statement of comprehensive income

(Unit: Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	680,925	(621,889)
Other comprehensive income		
Valuation difference on available-for-sale securities	(229,801)	(3,482)
Foreign currency translation adjustment	1,461,581	390,857
Remeasurements of defined benefit plans, net of tax	(18,318)	262,313
Total other comprehensive income	1,213,460	649,688
Comprehensive income	1,894,386	27,799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,354,989	(96,854)
Comprehensive income attributable to non-controlling interests	539,397	124,653

Segment Information

1. Information on the amount of net sales, profit or loss and disaggregation of revenue by reportable segments

The first quarter ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(Unit: Thousands of yen)

	Reportable segments							Adjustments (Note 1)	Carrying amount on consolidated financial statements (Note 2)
	Japan	North America (Note 3)	Europe (Note 3)	China	Taiwan	Asia (Note 3)	Total		
Net Sales									
Sales to external customers	1,835,489	614,885	1,013,620	3,074,920	2,627,127	661,232	9,827,276	—	9,827,276
Intersegment sales or transfers	5,535,920	16,491	—	972,808	845,237	1,783,727	9,154,184	(9,154,184)	—
Total	7,371,410	631,376	1,013,620	4,047,729	3,472,364	2,444,959	18,981,461	(9,154,184)	9,827,276
Segment profit (loss)	90,489	10,363	12,685	(34,369)	455,155	29,186	563,512	(147,040)	416,472

Note1: The adjustment in segment profit (loss) of (147,040) thousand yen includes intersegment transactions eliminations of 2,725 thousand yen and other adjustments of (149,765) thousand yen.

Note2: Segment profit (loss) is adjusted to operating profit in the consolidated statements of income.

Note3: The breakdown of the main countries or regions belonging to each segment other than Japan, China, and Taiwan is as follows.

- 1) North America - United States
- 2) Europe - Germany
- 3) Asia - Indonesia, Singapore and Thailand

2. Information on the amount of net sales, profit or loss and disaggregation of revenue by reportable segments

The first quarter ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(Thousands of yen)

	Reportable segments							Adjustments (Note 1)	Carrying amount on consolidated financial statements (Note 2)
	Japan	North America (Note 3)	Europe (Note 3)	China	Taiwan	Asia (Note 3)	Total		
Net Sales									
Sales to external customers	1,876,582	645,276	1,042,895	3,044,238	2,158,514	609,113	9,376,622	—	9,376,622
Intersegment sales or transfers	5,235,448	6,705	568	871,461	1,087,314	1,494,655	8,696,154	(8,696,154)	—
Total	7,112,031	651,982	1,043,464	3,915,699	3,245,828	2,103,769	18,072,776	(8,696,154)	9,376,622
Segment profit (loss)	48,453	15,948	27,430	28,509	10,027	(99,011)	31,358	39,090	70,448

Note1: The adjustment in segment profit (loss) of 39,090 thousand yen includes intersegment transactions eliminations of 2,334 thousand yen and other adjustments of 36,756 thousand yen.

Note2: Segment profit (loss) is adjusted to operating profit in the consolidated statements of income.

Note3: The breakdown of the main countries or regions belonging to each segment other than Japan, China, and Taiwan is as follows.

- 1) North America - United States
- 2) Europe - Germany
- 3) Asia - Indonesia, Singapore and Thailand