Financial Results Briefing for the First Half Ended September 30, 2025 (FY2026 Q2)

November 26, 2025
DAISHINKU CORP. (Code: 6962)

Director, Managing Executive Officer and General Manager
Kohei Hasegawa

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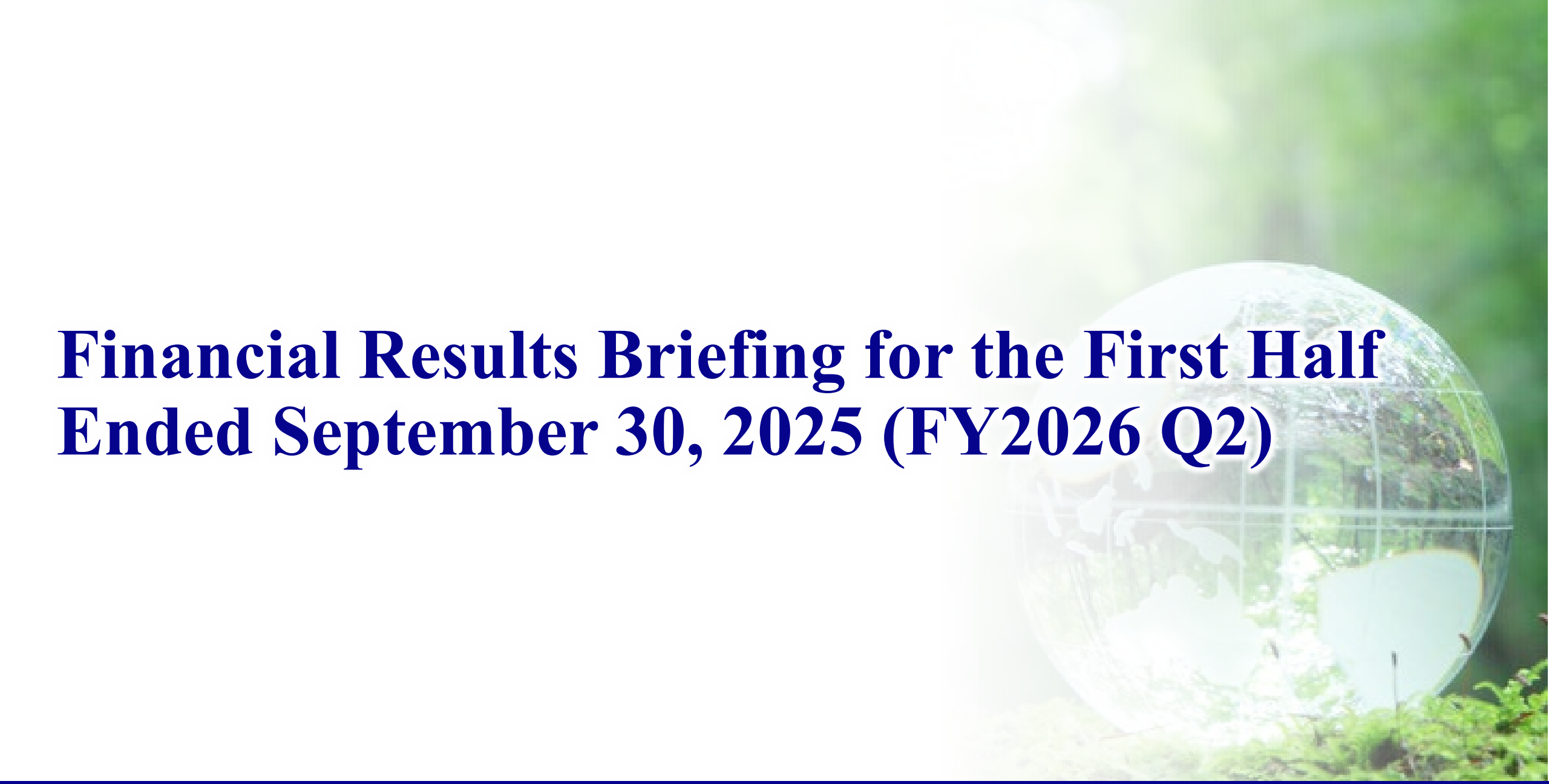


KDS
DAISHINKU CORP.

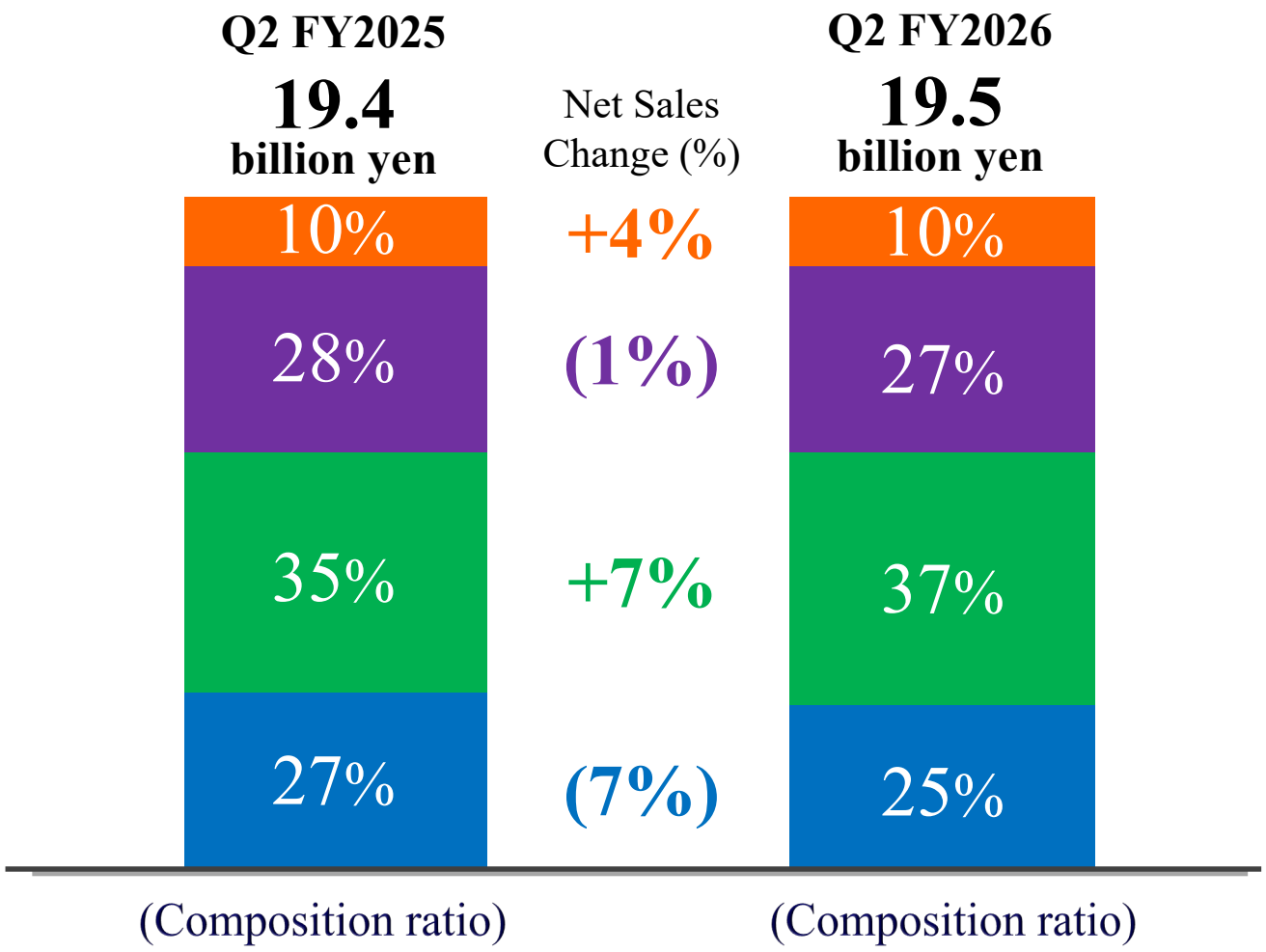
Financial Performance for Q2 FY2026 (YoY)

Higher revenues and lower profits (Operating profit)

Unit: Millions of Yen	Q2 FY2025	Q2 FY2026	YoY Change		YoY Change (%)
Net Sales	19,438	19,591	153	↑	0.8%
Operating profit	443	179	(264)	↓	(59.5%)
Ordinary profit	(550)	(91)	459	↑	-
Profit attributable to owners of parent	(498)	(320)	178	↑	-
USD average rate (yen)	152.78	146.02	(6.76)	↓	

Sales by Market (YoY)

Strong sales for the AM applications



IM: Industrial market
AM: Automotive market
CM: Consumer market
TM: Telecommunications market

I M

YoY recovery despite prolonged sluggishness of FA/robot applications

C M

Somewhat weak sales for PC-related applications

A M

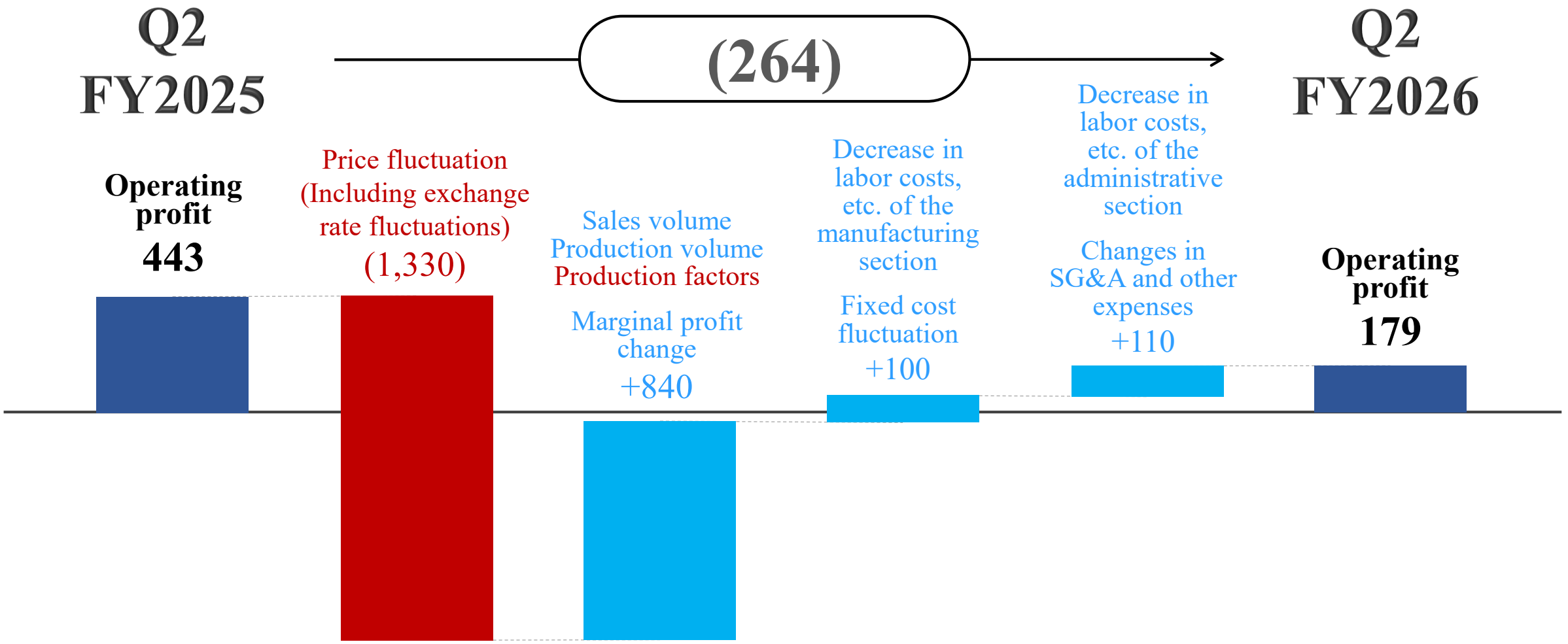
Increased demand outside North America
Strong sales in the overall market

T M

Sluggish sales due to supply shortages caused by machine problems

Operating Profit Analysis (YoY)

Unit: Millions of yen



Decreased operating profit due to surging material costs, exchange rate fluctuations, and machine problems

Financial Performance for Q2 FY2026 (QoQ)

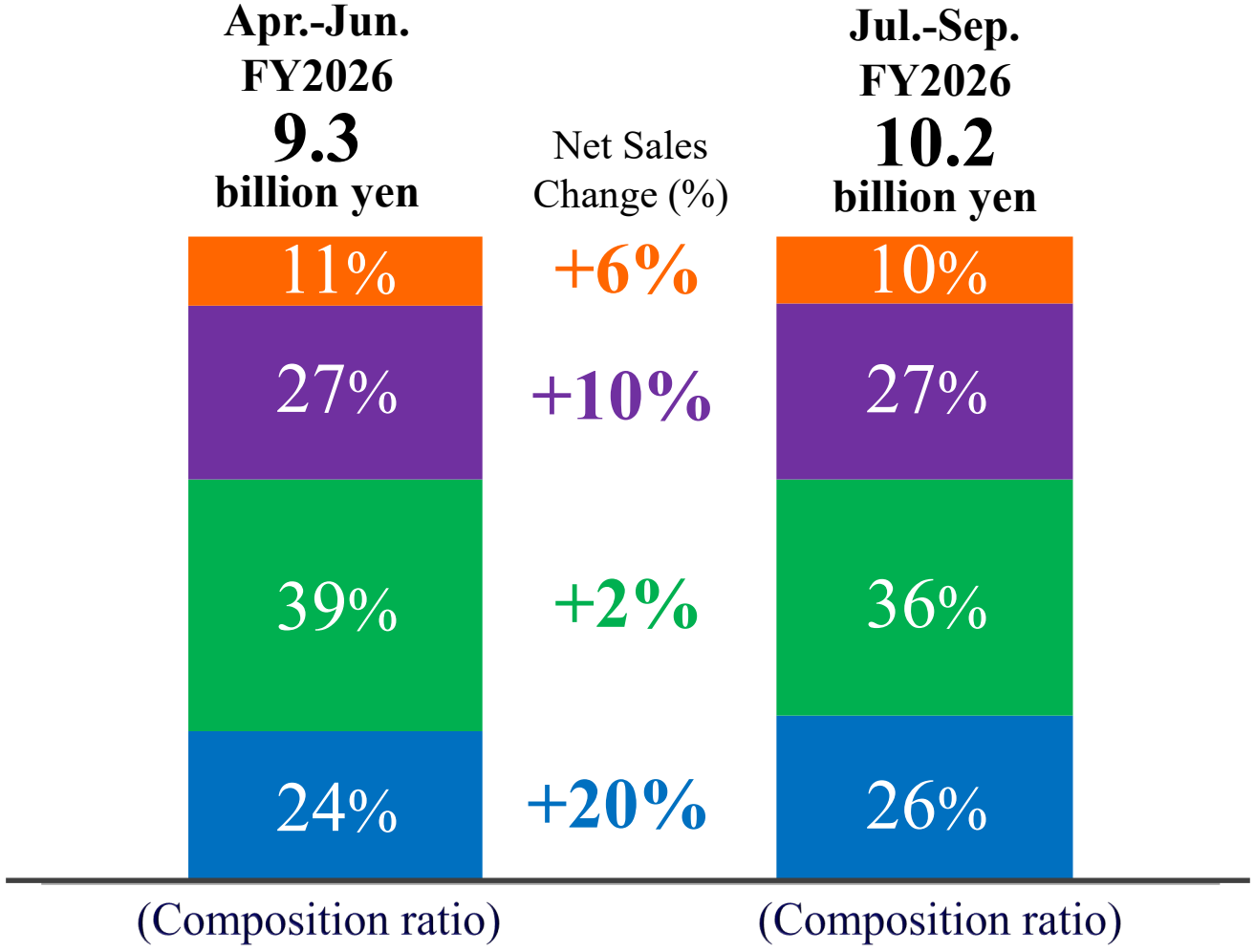
Higher revenues and profits

Unit: Millions of Yen	Apr.-Jun. FY2026	Jul.-Sep. FY2026	QoQ Change		QoQ Change (%)
Net Sales	9,376	10,214	838	↑	8.9%
Operating profit	70	109	39	↑	55.5%
Ordinary profit	(541)	449	990	↑	-
Profit attributable to owners of parent	(439)	119	558	↑	-
USD average rate (yen)	144.59	147.46	2.87	↑	

Sales by Market (QoQ)

Double-digit growth for TM/CM applications

IM: Industrial market　　CM: Consumer market
AM: Automotive market　　TM: Telecommunications market



IM

Strong sales for HEMS-related applications, including smart meters

CM

Strong sales for drones and game consoles

AM

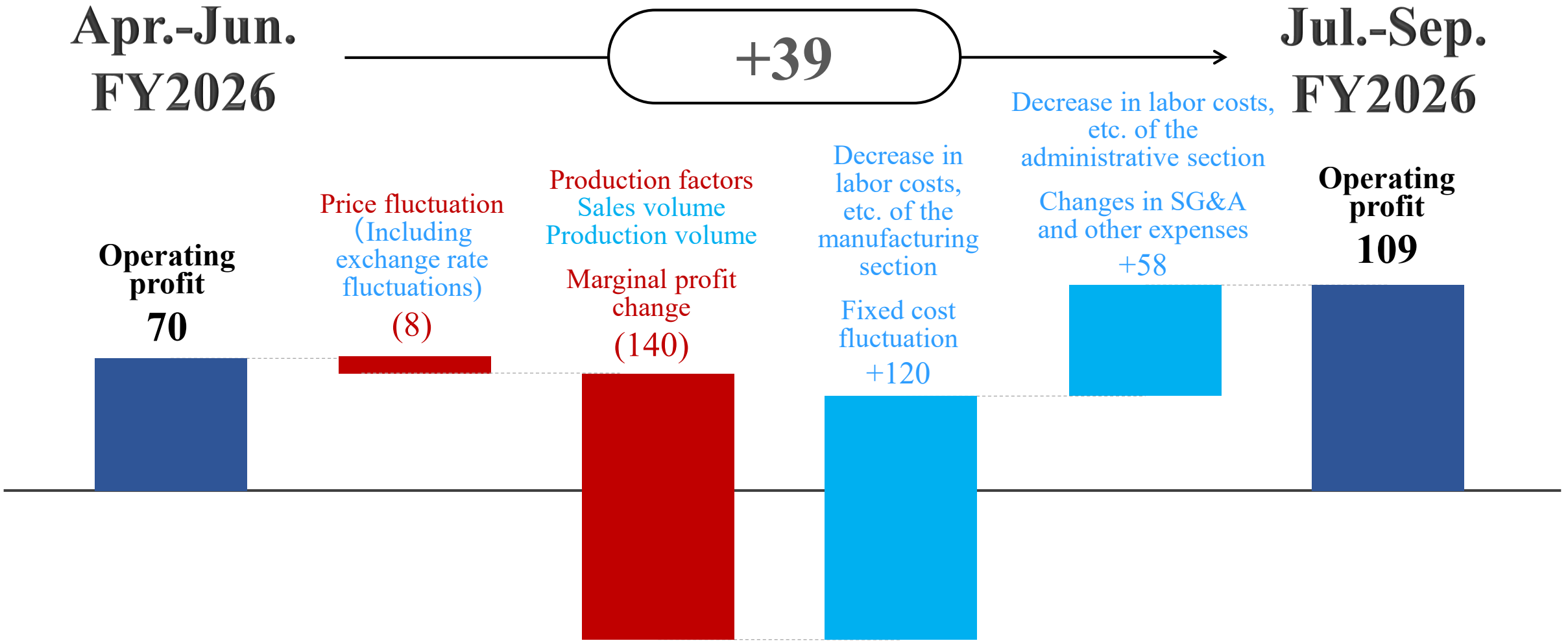
Supply shortages for some products due to orders exceeding production capacity, etc.

TM

Double-digit growth mainly for smartphones and GPS/GNSS modules

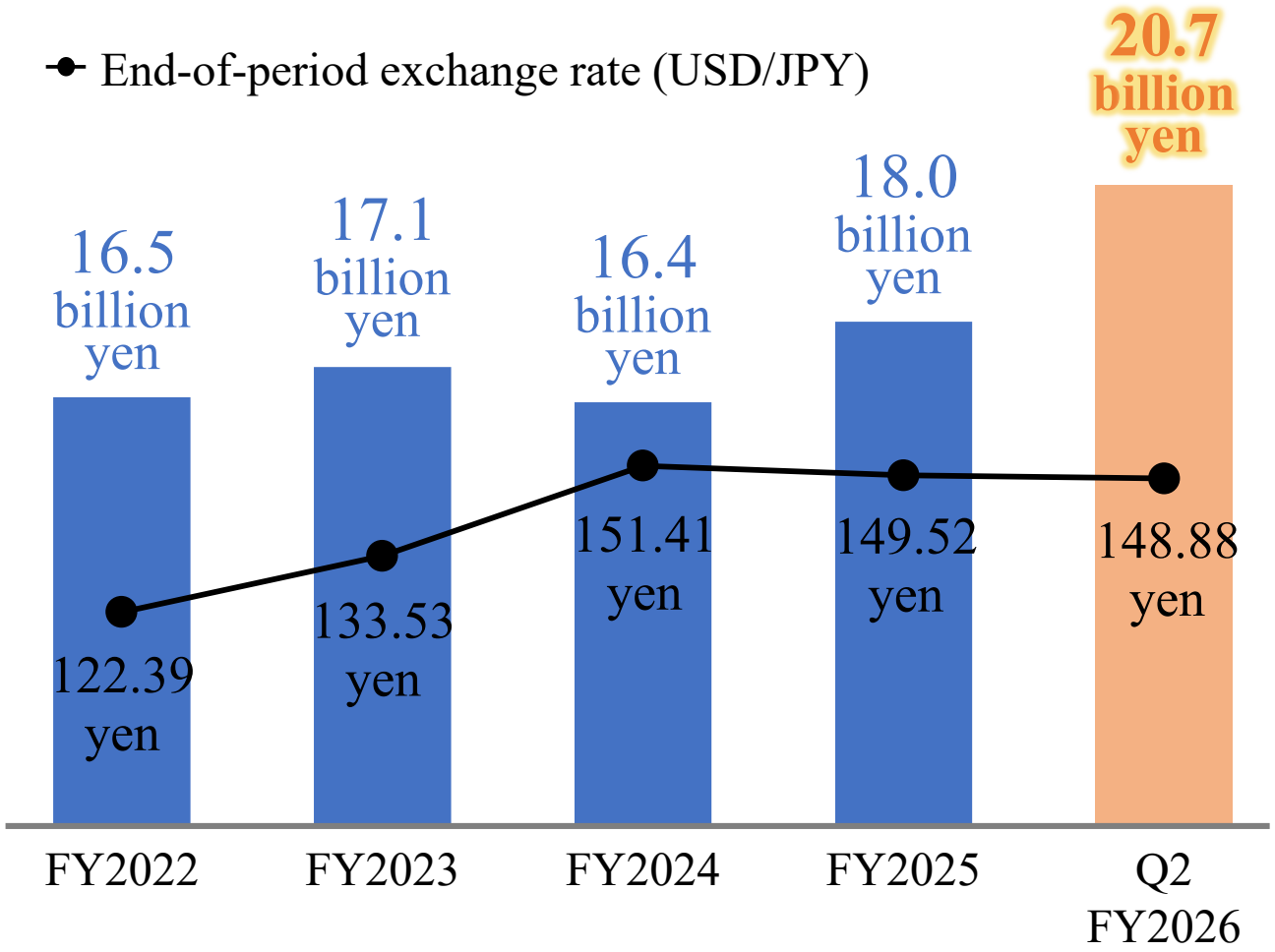
Operating Profit Analysis (QoQ)

Unit: Millions of yen



Increased operating profit due to labor cost reduction, etc. despite surging material costs and ongoing supply shortages

Inventory Trends



Q2 FY2026

Compared to the end of the previous fiscal year: +2.7 billion yen (FX rate impact: +0.3 billion yen)

■ **Mainly an increase in raw materials: The increase is attributed to the surging unit prices for parts and materials (gold).**

Increased inventory YoY mainly due to the impact of surging unit prices for materials

Capital Expenditures/Depreciation/R&D Expenses

Unit: Millions of yen

YoY

	Q2 FY2025	Q2 FY2026	Change
Capital Expenditures	* 5,999	1,129	(4,870)
Depreciation	1,978	2,006	28
R&D Expenses	1,037	974	(63)

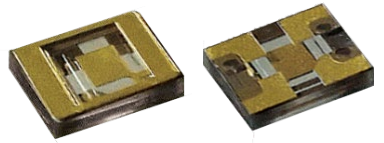
* The company invested in capital expenditures in line with completion of the headquarters and plant during the same period in the previous year.

QoQ

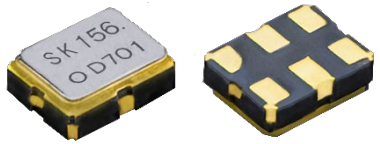
	Apr.-Jun. FY2025	Jul.-Sep. FY2026	Change
Capital Expenditures	564	565	1
Depreciation	995	1,011	16
R&D Expenses	521	453	(68)

Investments made in the Arkh-related business

Arkh.3G



Arkh.2G



Full-Year Forecast for FY2026

Unit: Millions of yen

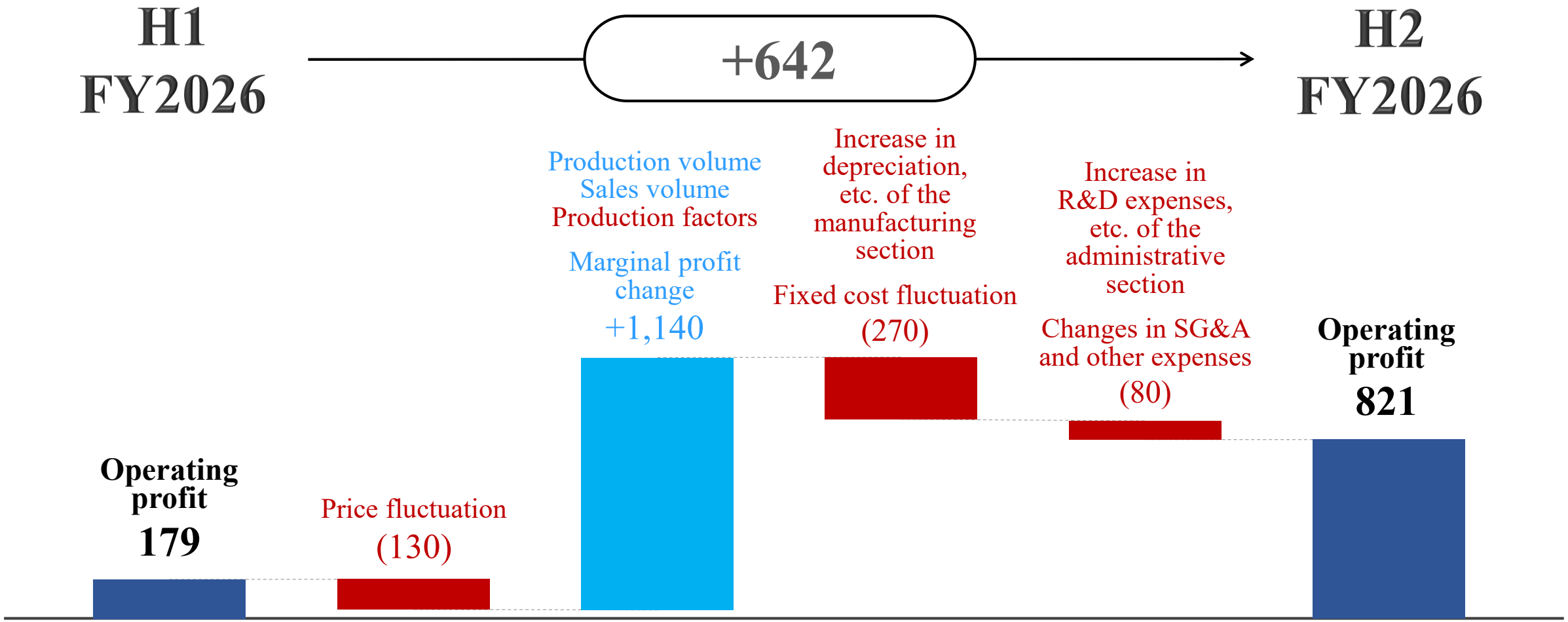
	FY2026 Initial Plan	FY2026 Revised Plan	Change
Net Sales	41,000	40,000	(1,000)
Operating profit	2,000	1,000	(1,000)
Ordinary profit	1,000	500	(500)
Profit attributable to owners of parent	500	300	(200)
Capital Expenditures	9,000	8,200	(800)
Depreciation	4,500	4,500	0
R&D Expenses	2,300	2,300	0
USD average rate (yen)	140.00	146.00	6.00

* The assumed average USD exchange rate for the second half of the year is 146.00 yen.

Full-year plan revised due to the impact of surging material costs that is expected to continue

Operating Profit Analysis (H2 Forecast)

Unit: Millions of yen



Increased marginal profit due to operating profit generation

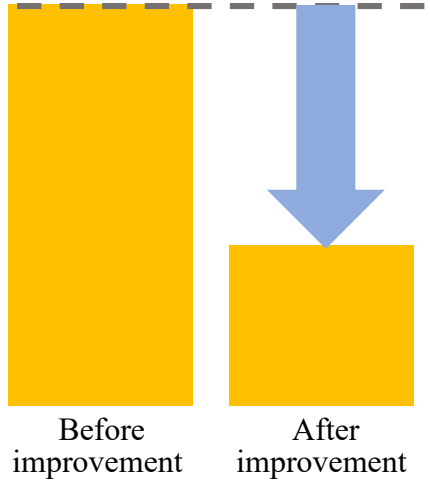
Mitigation of Exchange Rate Risk

Arrangement for reducing the transaction balance for sales subsidiaries

Reduce subsidiaries' outstanding payables (shorten the payment period)
through a capital injection from the parent company,
thereby lowering the parent company's outstanding receivables in foreign currencies

▶ **Mitigation of exchange rate risk**

Reduction in parent company's assets
(outstanding receivables in foreign currencies)(concept diagram)



Shorten the collection period
through a capital injection
Lower outstanding receivables
in foreign currencies

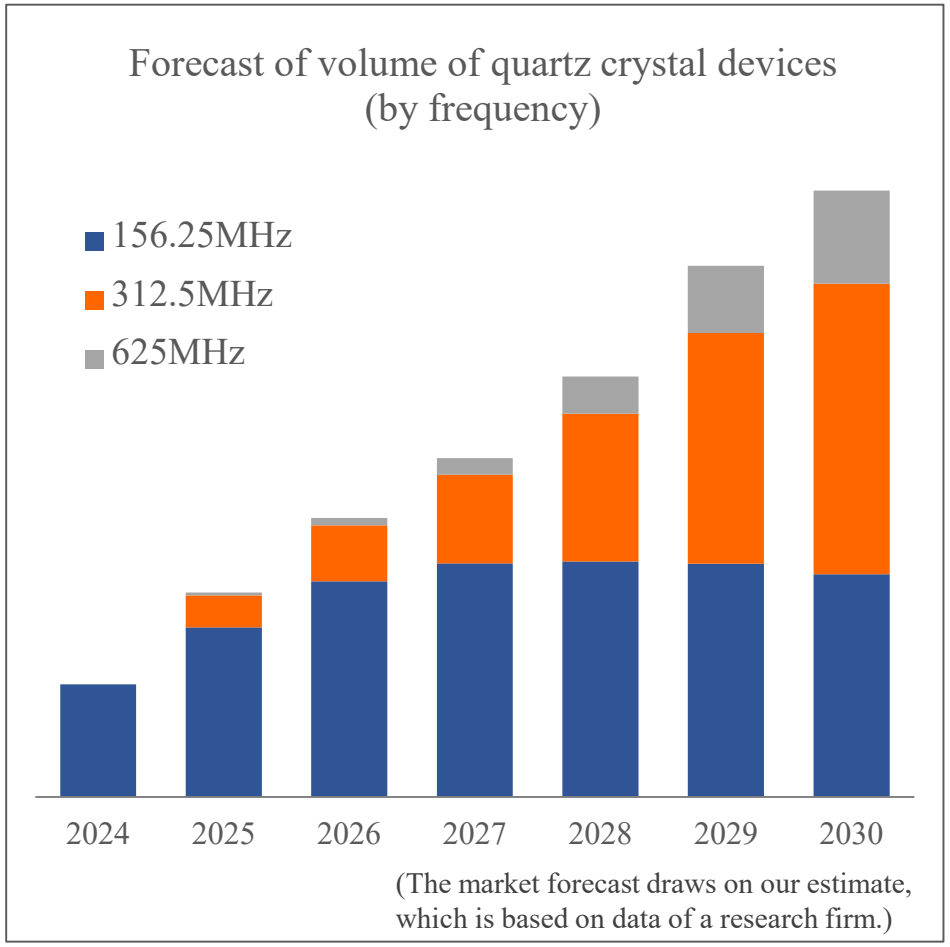
Reduce the exchange rate risk

The exchange rate sensitivity
(impact on non-operating profit and loss)
decreased to 30 million yen
from 70 million yen
(as of the end of September 2025)
due to the improvement.

Lower volatility in ordinary profit/current net profit, leading to more stable profit and loss

Full-Scale Operation of the Arkh Series

Focus Domain: Differential Oscillators for Optical Transceivers



Optical Transceivers

Communication devices that enable two-way conversion between optical and electrical signals.

They are essential for AI data centers that must process large volumes of data and require high-speed communication environments.

Quartz crystal devices with higher operating frequencies are required as AI data centers shift toward high-speed, high-volume communications.

Mainstream frequencies will likely be 156.25 MHz to 312.5 MHz.

(Only a few quartz crystal device manufacturers can meet these needs.)

An ideal opportunity to expand sales of the Arkh.2G, which is cost-competitive and suitable for high-frequency applications

Cost Advantages of the Arkh.2G in Ultra-High Frequency Bands

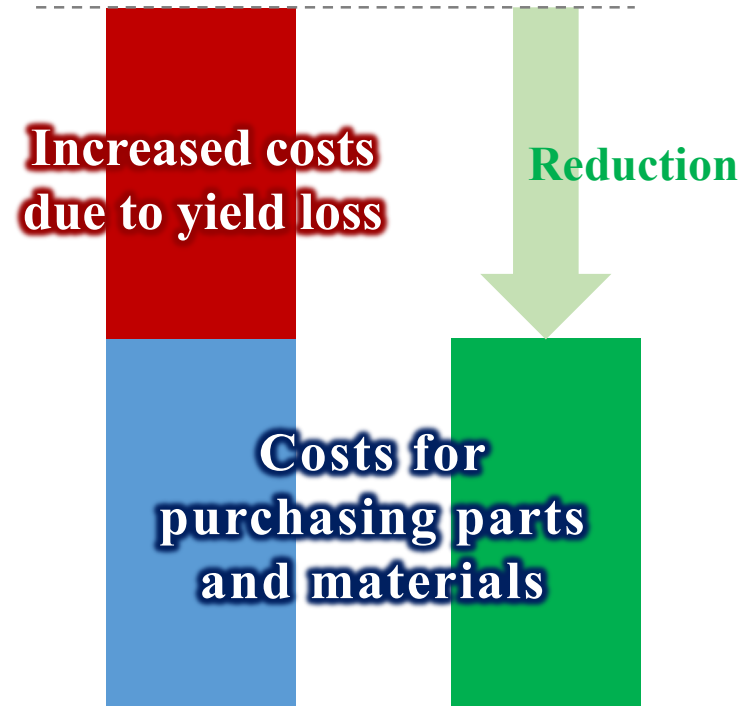
The same appearance and size as those of conventional products

Minimal obstacles for customers

Arkh.2G

Conventional products

Internal structure/cost structure different from those of conventional products



Conventional products

Increased costs due to yield loss caused by installation of crystal blanks and subsequent inspection after IC mounting

Arkh.2G

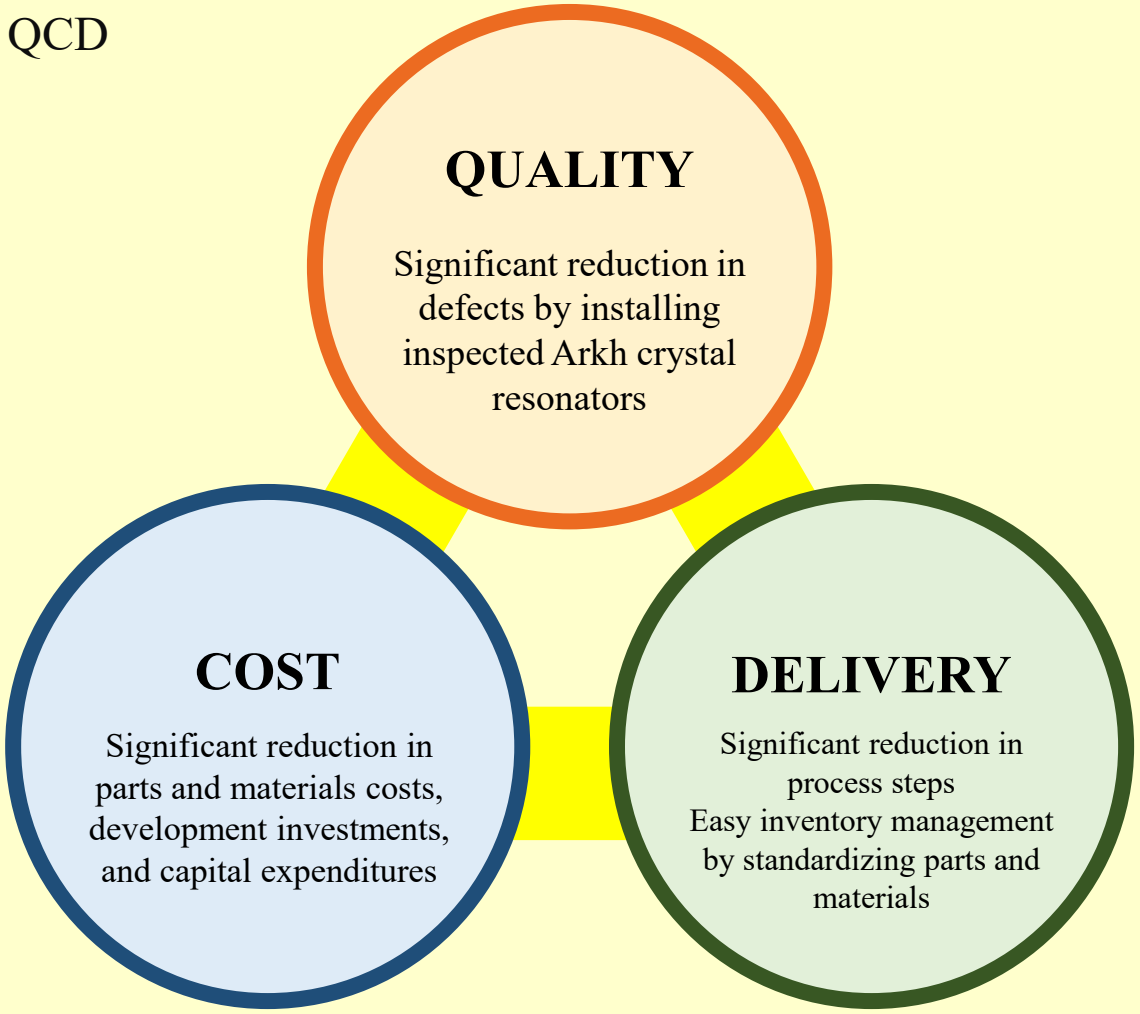
Installation of inspected Arkh series crystal resonators instead of crystal blanks

Cost advantages achieved by reducing yield loss after IC mounting (yield of over 99%/based on our estimate)

Sales expansion into the optical transceiver market by leveraging the advantages

Performance Advantages of the Arkh.2G Structure

QCD



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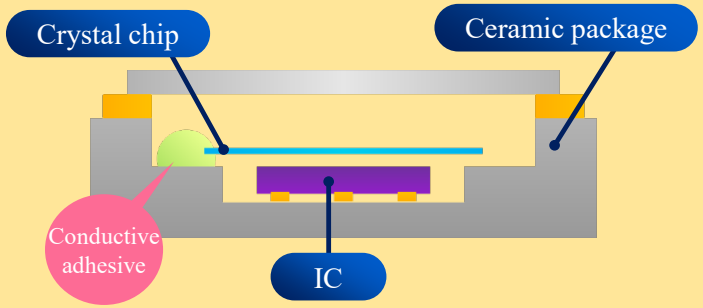
Aging characteristics

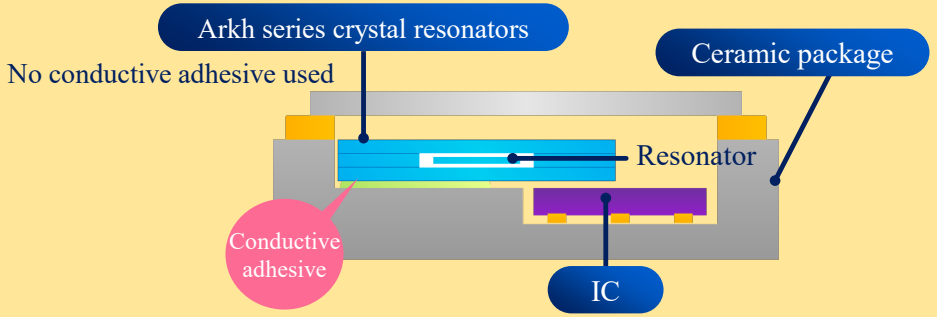
◆ **Conventional products**

Age deterioration occurs due to materials outgassed from the adhesive, which is used for securing the quartz crystal elements.



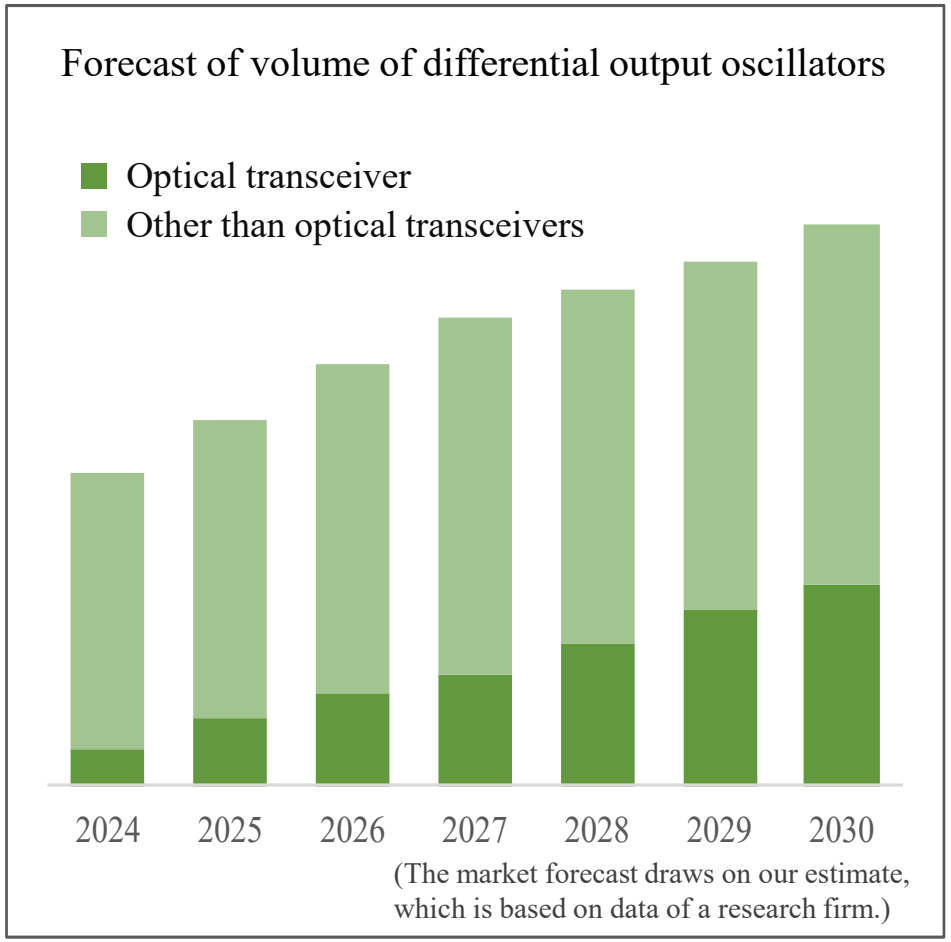
◆ Arkh.2G

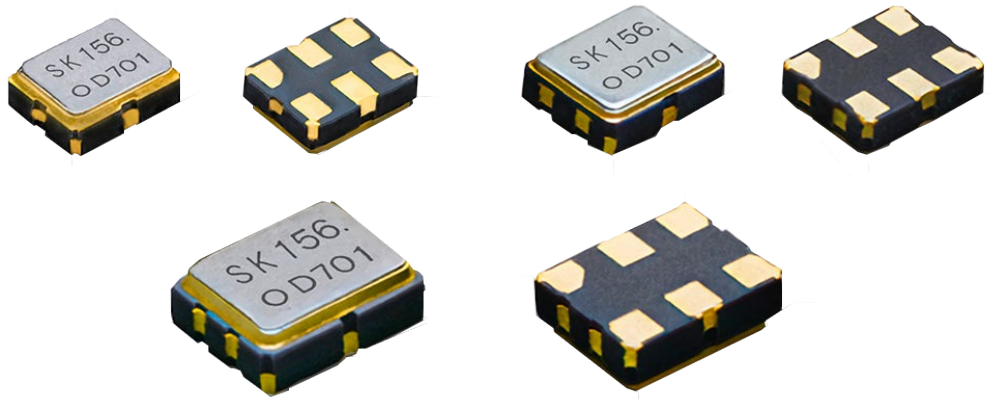
The adhesive is used outside the Arkh crystal resonator package.
Thus, the resonator is immune to materials outgassed from the adhesive.



Significant improvements over conventional QCD in addition to high stability

Driving Adoption of the Arkh Differential Oscillators





Demand for differential output oscillators for optical transceivers will continue to grow steadily at a CAGR of 32% in line with the shift toward higher frequencies.

Demand for differential output oscillators used outside optical transceiver applications will also grow at a CAGR of 5%.
They are expected to be increasingly used for in-vehicle and server applications.

Sales expansion into markets other than optical transceivers by broadening the lineup

Rollout of the Arkh Series by Leveraging the Advantages

"Small, lightweight, and inexpensive products" → Further cost reduction through miniaturization

◆ **Arkh miniaturization**
From size 1008 to size 0806
The number of producible crystal chips per wafer increases **1.4-fold**.

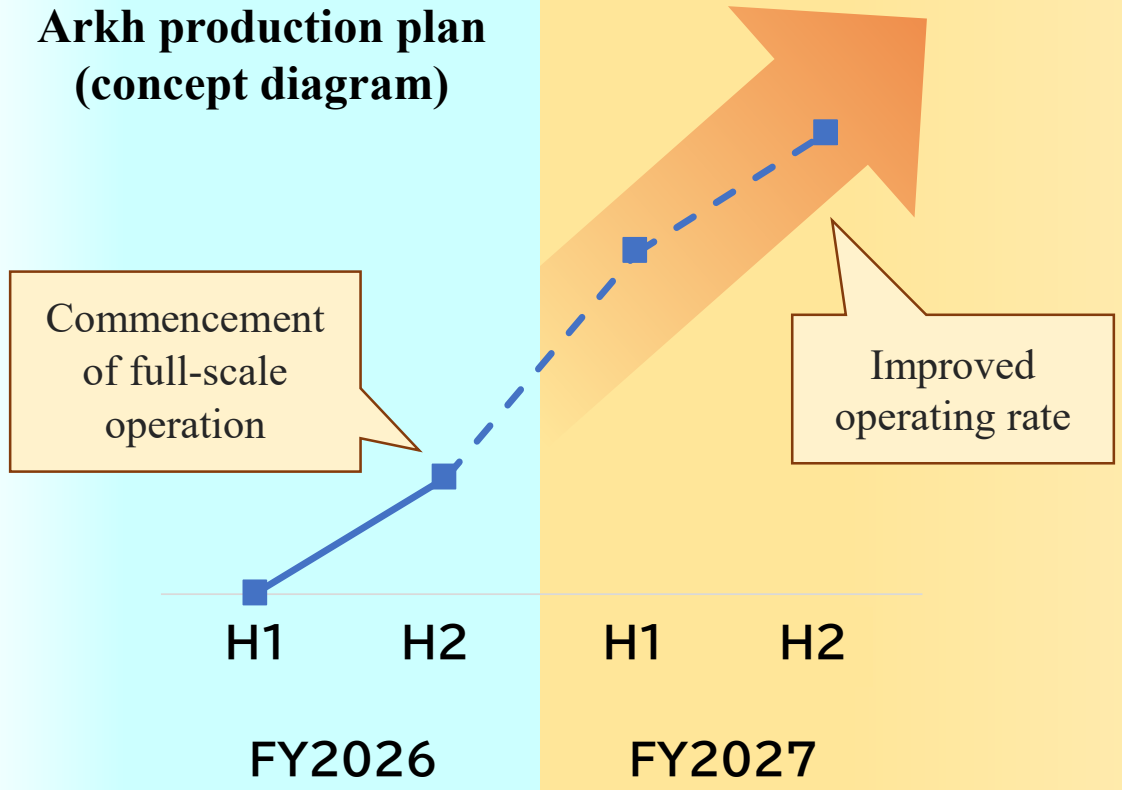
◆ **Wafer size increase**
From 4-inch to 6-inch
The number of producible crystal chips per wafer increases **2.0-fold**.

Rollout across all markets, including high-value-added differential oscillators as well as high-volume products, such as in-vehicle oscillators and high-frequency resonators for Wi-Fi applications, based on overwhelming cost advantages

Aiming to gain market share by leveraging overwhelming cost advantages

Arkh Series Full-Scale Operation to Begin in the Second Half of the Year

Arkh production plan (concept diagram)



Production lines scheduled to become operational at each site in the second half of the year
Implementing measures to improve the operating rate

(1) Manufacture inventory to fulfill orders in the next fiscal year and beyond
(2) Aim to raise the Arkh's revenue share

Starting mass production of the Arkh.3G/2G to fulfill orders in the next fiscal year

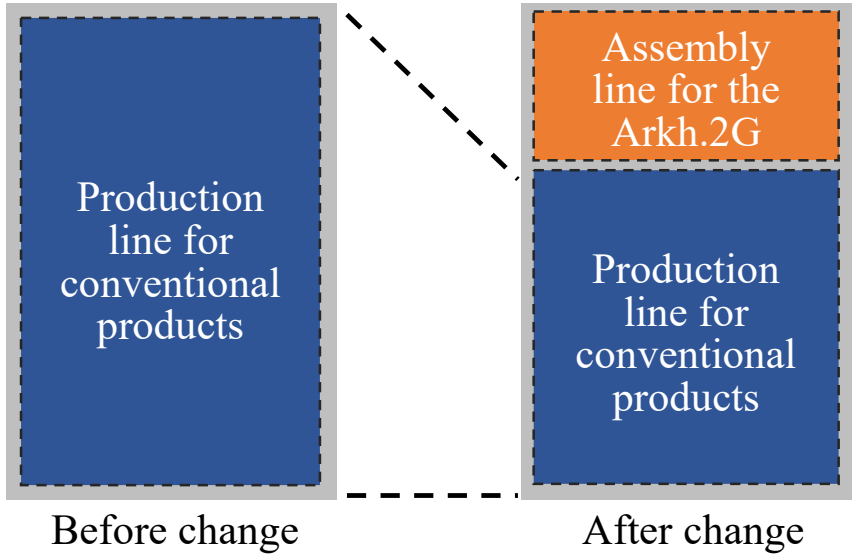
Demonstration: Improved Production Efficiency per Unit Area

In the Tokushima Production Div., the production efficiency of existing products has been improving, and a mass production system for the Arkh.2G is being established.

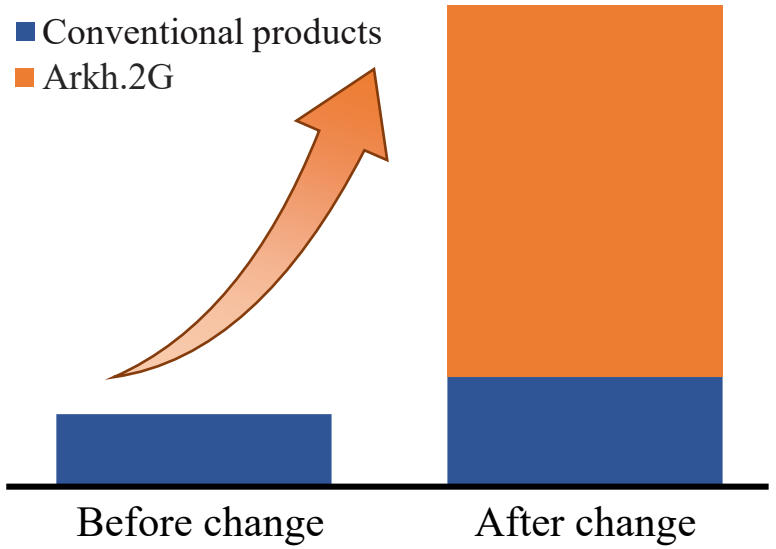
- The layout of the production line for conventional products is being changed to save space while maintaining the same production volume.
  → The production volume of conventional products per unit area is expected to increase **1.5-fold**.
- A new assembly line for the Arkh.2G is being built in the freed-up space.

The production volume per unit area is expected to increase about **7-fold.**

Production line layout change (concept diagram)



Increased production volume per unit area (concept diagram)



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Actual performance may differ significantly from forward-looking statements due to changes in business conditions and other factors.

In addition, we do not undertake any obligation to update and publish any forward-looking statements after the issuance of this material, except as required by applicable laws and regulations.