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## Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

Company name: Diamond Electric Holdings Co., Ltd.

Stock exchange listing: Tokyo

Code number: 6699

URL: <https://www.diaelec-hd.co.jp>

Representative: ONO YuuRi

President and CEO

Contact: TOKUHARA Eishin

Senior Managing Executive Officer, CFO

Phone: +81-6-6302-8211

Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 28, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Fiscal year ended March 31, 2024	93,334	2.4	230	-	1,313	-	(1,897)	-
March 31, 2023	91,106	19.5	(1,187)	-	(817)	-	(1,075)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ (513) million [ -%]  
Fiscal year ended March 31, 2023: ¥ (388) million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2024	JPY (226.59)	JPY -	% (18.1)	% 1.6	% 0.2
March 31, 2023	(139.52)	-	(10.3)	(1.1)	(1.3)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ 95 million  
Fiscal year ended March 31, 2023: ¥ 60 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2024	Millions of JPY 82,032	Millions of JPY 10,280	% 12.4	JPY 1,211.21
March 31, 2023	78,727	10,903	13.7	1,287.38

(Reference) Equity: As of March 31, 2024: ¥ 10,141 million  
As of March 31, 2023: ¥ 10,779 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2024	Millions of JPY 2,122	Millions of JPY (4,009)	Millions of JPY 125	Millions of JPY 7,987
March 31, 2023	(3,491)	(2,839)	4,909	9,589

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	JPY	JPY	JPY	JPY	JPY	Millions of JPY	%	%
March 31, 2023	-	12.50	-	12.50	25.00	215	-	1.9
March 31, 2024	-	0.00	-	12.50	12.50	113	-	1.0
Fiscal year ending								
March 31, 2025 (Forecast)	-	0.00	-	25.00	25.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	44,800	(0.4)	(600)	-	(930)	-	(970)	-	(115.85)
Full year	94,000	0.7	800	246.6	0	(100.0)	(300)	-	(35.83)

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

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

1) Changes in accounting policies due to the revision of accounting standards: No

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

3) Changes in accounting estimates: None

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):

March 31, 2024: 9,128,001 shares

March 31, 2023: 9,128,001 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 755,182 shares

March 31, 2023: 754,749 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 8,373,089 shares

Fiscal Year ended March 31, 2023: 7,706,146 shares

Consolidated Financial Statements  
Consolidated Balance Sheets

(Millions of Japanese yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,640	8,097
Notes receivable - trade	796	483
Accounts receivable - trade	14,026	14,275
Electronically recorded monetary claims - operating	526	809
Securities	106	60
Merchandise and finished goods	5,500	5,275
Work in process	1,487	1,453
Raw materials and supplies	15,442	17,356
Other	4,546	4,933
Allowance for doubtful accounts	-	(3)
<b>Total current assets</b>	<b>52,074</b>	<b>52,742</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,164	6,275
Machinery, equipment and vehicles, net	5,431	5,383
Land	3,488	3,646
Construction in progress	2,747	3,766
Other, net	1,685	1,469
<b>Total property, plant and equipment</b>	<b>18,516</b>	<b>20,541</b>
Intangible assets		
Goodwill	33	27
Other	547	627
<b>Total intangible assets</b>	<b>581</b>	<b>654</b>
Investments and other assets		
Investment securities	2,970	2,935
Long-term loans receivable	5	15
Deferred tax assets	727	667
Retirement benefit asset	221	177
Other	3,850	4,519
Allowance for doubtful accounts	(220)	(220)
<b>Total investments and other assets</b>	<b>7,554</b>	<b>8,094</b>
<b>Total non-current assets</b>	<b>26,652</b>	<b>29,290</b>
<b>Total assets</b>	<b>78,727</b>	<b>82,032</b>

(Millions of Japanese yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,928	10,002
Electronically recorded obligations - operating	6,994	5,818
Contract liabilities	4,209	4,832
Short-term borrowings	18,729	20,222
Current portion of bonds payable	-	270
Current portion of long-term borrowings	3,890	5,787
Lease liabilities	420	659
Accounts payable - other	2,152	2,241
Income taxes payable	40	525
Provision for bonuses	197	524
Provision for product warranties	442	429
Provision for product compensation	539	2,250
Other	995	1,619
Total current liabilities	48,542	55,183
Non-current liabilities		
Bonds payable	1,000	830
Long-term borrowings	15,610	12,576
Lease liabilities	966	1,540
Long-term accounts payable - other	159	82
Retirement benefit liability	604	473
Asset retirement obligations	222	227
Deferred tax liabilities	575	698
Long-term unearned revenue	127	124
Other	15	15
Total non-current liabilities	19,281	16,568
Total liabilities	67,823	71,752
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,236	1,236
Capital surplus	10,330	8,142
Retained earnings	(375)	(198)
Treasury shares	(1,685)	(1,670)
Total shareholders' equity	9,505	7,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7)	44
Foreign currency translation adjustment	1,346	2,513
Remeasurements of defined benefit plans	(64)	74
Total accumulated other comprehensive income	1,273	2,631
Share acquisition rights	9	-
Non-controlling interests	114	138
Total net assets	10,903	10,280
Total liabilities and net assets	78,727	82,032

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of Japanese yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	91,106	93,334
Cost of sales	79,858	80,797
Gross profit	11,248	12,536
Selling, general and administrative expenses	12,435	12,306
Operating profit (loss)	(1,187)	230
Non-operating income		
Interest income	13	31
Dividend income	23	25
Foreign exchange gains	802	1,467
Subsidy income	21	36
Share of profit of entities accounted for using equity method	60	95
Other	148	185
Total non-operating income	1,069	1,841
Non-operating expenses		
Interest expenses	387	556
Commission expenses	201	98
Other	109	103
Total non-operating expenses	699	758
Ordinary profit (loss)	(817)	1,313
Extraordinary income		
Gain on sale of non-current assets	7	14
Gain on bargain purchase	252	-
Compensation income	-	98
Other	12	20
Total extraordinary income	271	133
Extraordinary losses		
Loss on sale of non-current assets	0	76
Loss on retirement of non-current assets	6	2
Loss on valuation of investment securities	59	220
Impairment losses	-	60
Provision for product defect compensation	248	1,710
Loss on revision of retirement benefit plan	44	-
Loss on debt forgiveness to subsidiaries and affiliates	-	35
Other	0	45
Total extraordinary losses	360	2,151
Loss before income taxes	(906)	(704)
Income taxes - current	144	991
Income taxes - deferred	11	176
Total income taxes	155	1,167
Loss	(1,061)	(1,871)
Profit attributable to non-controlling interests	13	25
Loss attributable to owners of parent	(1,075)	(1,897)

Consolidated Statements of Comprehensive Income

(Millions of Japanese yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Loss	(1,061)	(1,871)
Other comprehensive income		
Valuation difference on available-for-sale securities	65	52
Foreign currency translation adjustment	704	1,074
Remeasurements of defined benefit plans, net of tax	(127)	138
Share of other comprehensive income of entities accounted for using equity method	31	92
Total other comprehensive income	673	1,358
Comprehensive income	(388)	(513)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(401)	(539)
Comprehensive income attributable to non-controlling interests	13	25

Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2023

(Millions of Japanese yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	654	9,716	901	(1,797)	9,474
Changes during period					
Issuance of new shares - exercise of share acquisition rights	581	581			1,163
Transfer from capital surplus to retained earnings					-
Loss attributable to owners of parent			(1,075)		(1,075)
Dividends of surplus			(201)		(201)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		32		112	145
Net changes in items other than shareholders' equity					
Total changes during period	581	614	(1,277)	112	31
Balance at end of period	1,236	10,330	(375)	(1,685)	9,505

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(72)	610	62	600	1	100	10,176
Changes during period							
Issuance of new shares - exercise of share acquisition rights							1,163
Transfer from capital surplus to retained earnings							-
Loss attributable to owners of parent							(1,075)
Dividends of surplus							(201)
Purchase of treasury shares							(0)
Disposal of treasury shares							145
Net changes in items other than shareholders' equity	64	735	(127)	673	8	13	695
Total changes during period	64	735	(127)	673	8	13	727
Balance at end of period	(7)	1,346	(64)	1,273	9	114	10,903

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,236	10,330	(375)	(1,685)	9,505
Changes during period					
Issuance of new shares - exercise of share acquisition rights					-
Transfer from capital surplus to retained earnings		(2,074)	2,074		-
Loss attributable to owners of parent			(1,897)		(1,897)
Dividends of surplus		(113)		14	(98)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,187)	176	14	(1,996)
Balance at end of period	1,236	8,142	(198)	(1,670)	7,509

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(7)	1,346	(64)	1,273	9	114	10,903
Changes during period							
Issuance of new shares - exercise of share acquisition rights							-
Transfer from capital surplus to retained earnings							-
Loss attributable to owners of parent							(1,897)
Dividends of surplus							(98)
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	51	1,167	138	1,358	(9)	24	1,372
Total changes during period	51	1,167	138	1,358	(9)	24	(623)
Balance at end of period	44	2,513	74	2,631	-	138	10,280



## Consolidated Statements of Cash Flows

(Millions of Japanese yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Loss before income taxes	(906)	(704)
Depreciation	2,673	2,846
Loss (gain) on valuation of investment securities	59	220
Impairment losses	-	60
Loss on revision of retirement benefit plan	44	-
Gain on bargain purchase	(252)	-
Compensation income	-	98
Increase (decrease) in allowance for doubtful accounts	(10)	(3)
Increase (decrease) in provision for bonuses	(314)	315
Increase (decrease) in provision for product warranties	(11)	(12)
Increase (decrease) in provision for compensation for product	248	1,709
Increase (decrease) in retirement benefit liability	(60)	(140)
Interest and dividend income	(37)	(56)
Interest expenses	387	556
Foreign exchange losses (gains)	(529)	(346)
Share of loss (profit) of entities accounted for using equity method	(60)	(95)
Decrease (increase) in trade receivables	(1,352)	724
Decrease (increase) in inventories	(3,445)	(472)
Increase (decrease) in trade payables	2,789	(1,607)
Increase (decrease) in accounts payable - other	(197)	47
Increase (decrease) in Contract liabilities	(173)	622
Decrease (increase) in long-term prepaid expenses	(555)	(602)
Increase (decrease) in long-term unearned revenue	(37)	(15)
Other, net	(905)	(23)
Subtotal	(2,647)	3,120
Interest and dividends received	37	56
Interest paid	(445)	(514)
Income taxes paid	(437)	(539)
Net cash provided by (used in) operating activities	(3,491)	2,122
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,642)	(3,799)
Proceeds from sale of property, plant and equipment	10	18
Purchase of intangible assets	(374)	(249)
Proceeds from sale of intangible assets	-	6
Purchase of investment securities	(1)	(1)
Proceeds from redemption of investment securities	89	89
Proceeds from collection of loans receivable	3	4
Loan advances	(3)	(4)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	438	-
Other, net	(360)	(73)
Net cash provided by (used in) investing activities	(2,839)	(4,009)

(Millions of Japanese yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,542	1,077
Proceeds from long-term borrowings	2,390	2,850
Repayments of long-term borrowings	(3,859)	(4,048)
Proceeds from issuance of bonds	972	100
Proceeds from sale and leaseback transactions	247	626
Repayments of finance lease liabilities	(263)	(335)
Dividends paid	(201)	(113)
Proceeds from disposal of treasury shares	0	0
Purchase of treasury shares	(0)	(0)
Proceeds from issuance of share acquisition rights	22	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,150	-
Other, net	(92)	(30)
Net cash provided by (used in) financing activities	4,909	125
Effect of exchange rate change on cash and cash equivalents	272	158
Net increase (decrease) in cash and cash equivalents	(1,149)	(1,602)
Cash and cash equivalents at beginning of period	10,739	9,589
Cash and cash equivalents at end of period	9,589	7,987