

Financial Statements

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(Fiscal Year ending March 2025)

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Diamond Electric Holdings Co., Ltd.

Tokyo Stock Exchange Prime Market 6699

Nov 2024

Summary of 2Q FY2025/3 (P/L)

- **Mobility Equipment:** Revenue increased mainly by foreign exchange effects and customer demand increase in China. Profit increased due to improved material cost ratio.
- **Energy Solutions:** Sales increased but no significant recovery. Profit decreased by deteriorated material cost ratio caused by sales mix.
- **Home Electronics:** Revenue increased by foreign exchange effects but declined through business segment change and demands of major customers. Profit however increased due to material cost ratio improvement by sales mix and other factors.
- **Other Topics:** 1) Recorded exchange loss of 461 mil JPY due to the appreciation of JPY compared to the end of the previous fiscal year (exchange gain of 1.06 bn JPY in the previous fiscal year).
2) Recorded gain on sales of fixed assets of 244 mil JPY as extraordinary income, and income taxes of 536 mil JPY (464 mil JPY in the previous fiscal year).

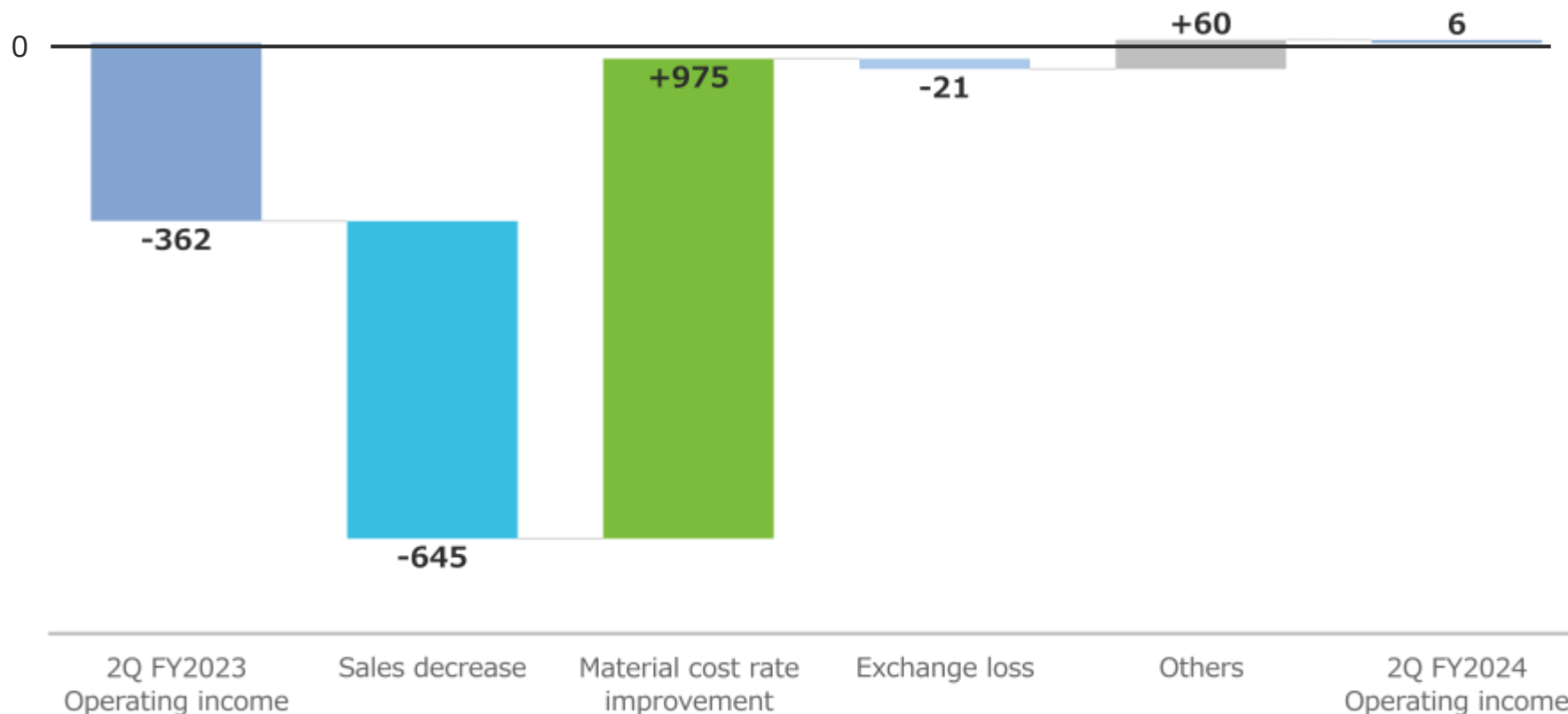
(Millions of JPY)	2024/03/2Q		2025/03/2Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
Net Sales	44,978	100.0%	44,095	100.0%	-883	-2.0%
Mobility Equipment	15,672	34.8%	16,801	38.1%	+1,128	+7.2%
Energy Solutions	10,752	23.9%	11,143	25.3%	+390	+3.6%
Home Electronics	17,939	39.9%	15,609	35.4%	-2,330	-13.0%
Others	613	1.4%	541	1.2%	-72	-11.8%
Operating income	-362	-0.8%	6	0.0%	+368	-
Mobility Equipment	-682	-1.5%	-184	-0.4%	+497	-
Energy Solutions	1,039	2.3%	952	2.2%	-86	-8.3%
Home Electronics	398	0.9%	490	1.1%	+92	+23.1%
Others	-50	-0.1%	-203	-0.5%	-152	-
Common	-1,068	-2.4%	-1,049	-2.4%	+18	-
Ordinary profit	494	1.1%	-704	-1.6%	-1,199	-
Net Income	-188	-0.4%	-1,035	-2.3%	-846	-
R O E	-1.7%		-10.5%		-8.8pt	
Operating Profit Ratio	-0.8%		0.0%		+0.8pt	

Operating Income Analysis

- Operating income improved by 368 mil JPY due to an improvement in material cost ratio through sales mix etc., while sales decreased due to the impact of customer demand in Home Electronics business.

Operating Income

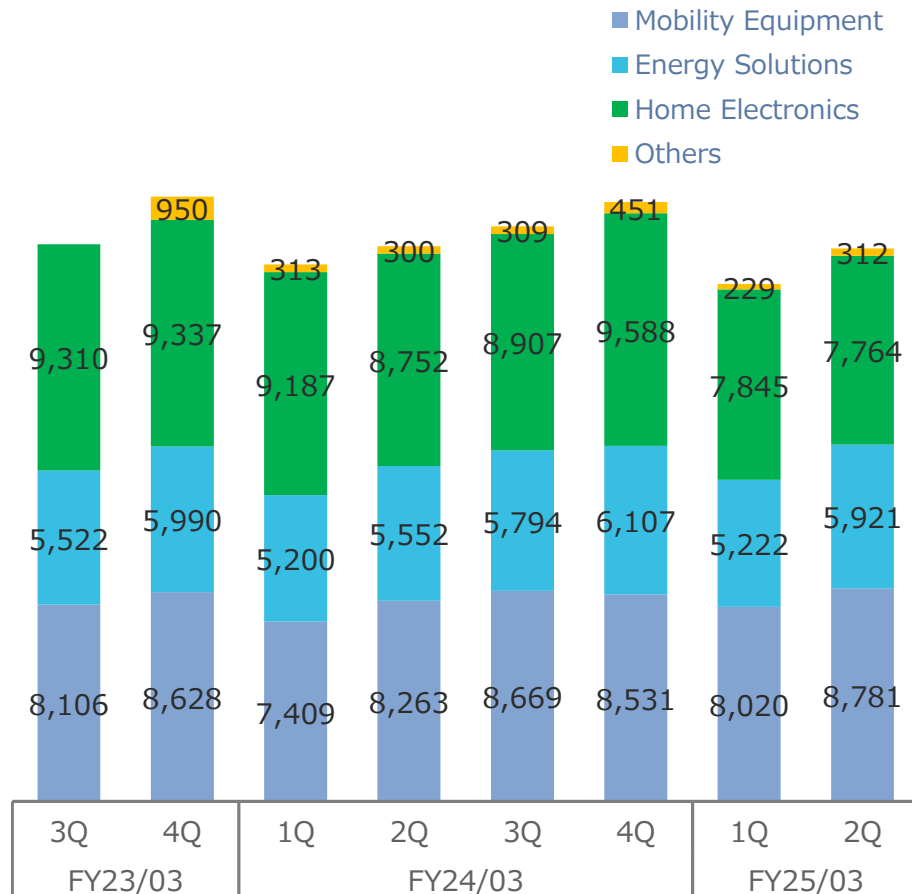
(Millions of JPY)



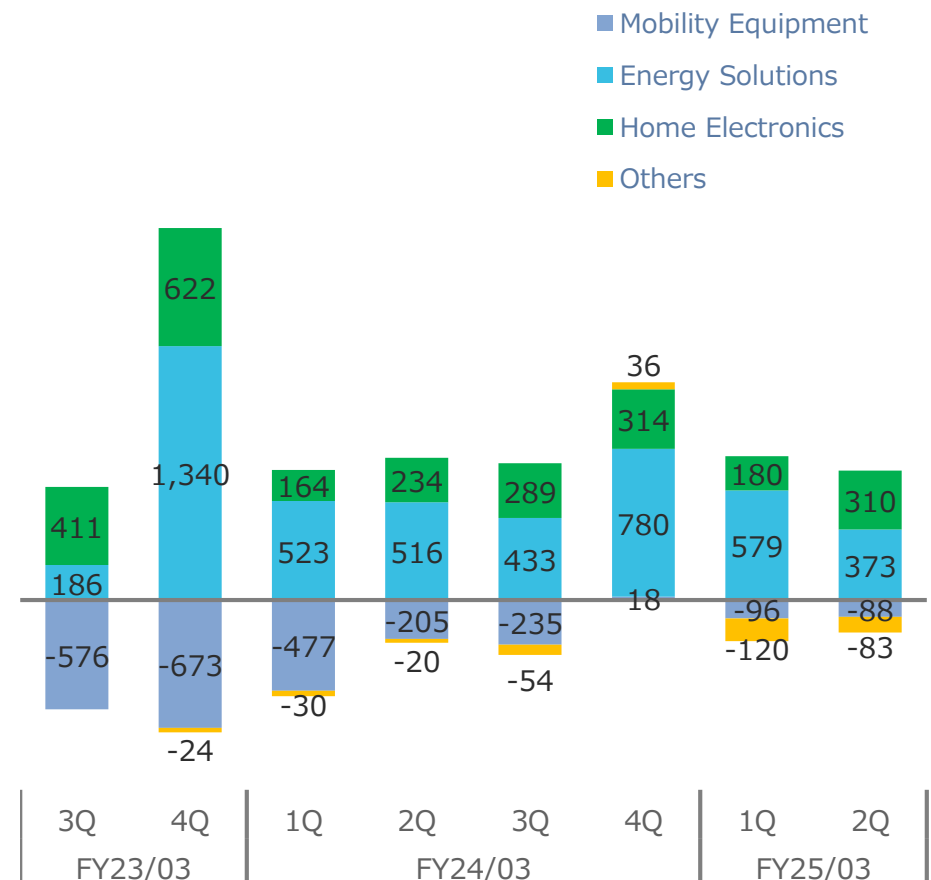
Performance by Segment

- Mobility Equipment:** Net sales increased due to foreign exchange effects, and the deficit is narrowing by improved material cost ratios.
- Energy Solutions:** Sales increased due to change in business segments, however profits are on a downward trend due to the sales mix.
- Home Electronics:** Profits are on an upward trend due to sales mix, while sales declined by change in business segments and lower demand from major customers.

Segment Sales (Quarterly, Millions of JPY)



Segment profit (Quarterly, Millions of JPY)



Summary of 2Q FY2025/3 (B/S)

- Of the 2.5 bn JPY decrease in notes and accounts receivable, 2.0 bn JPY was due to liquidation of receivables.
- Inventories increased by 550 mil JPY, of which 260 mil JPY by the impact of exchange rate fluctuations, so the effective increase was 290 mil JPY.

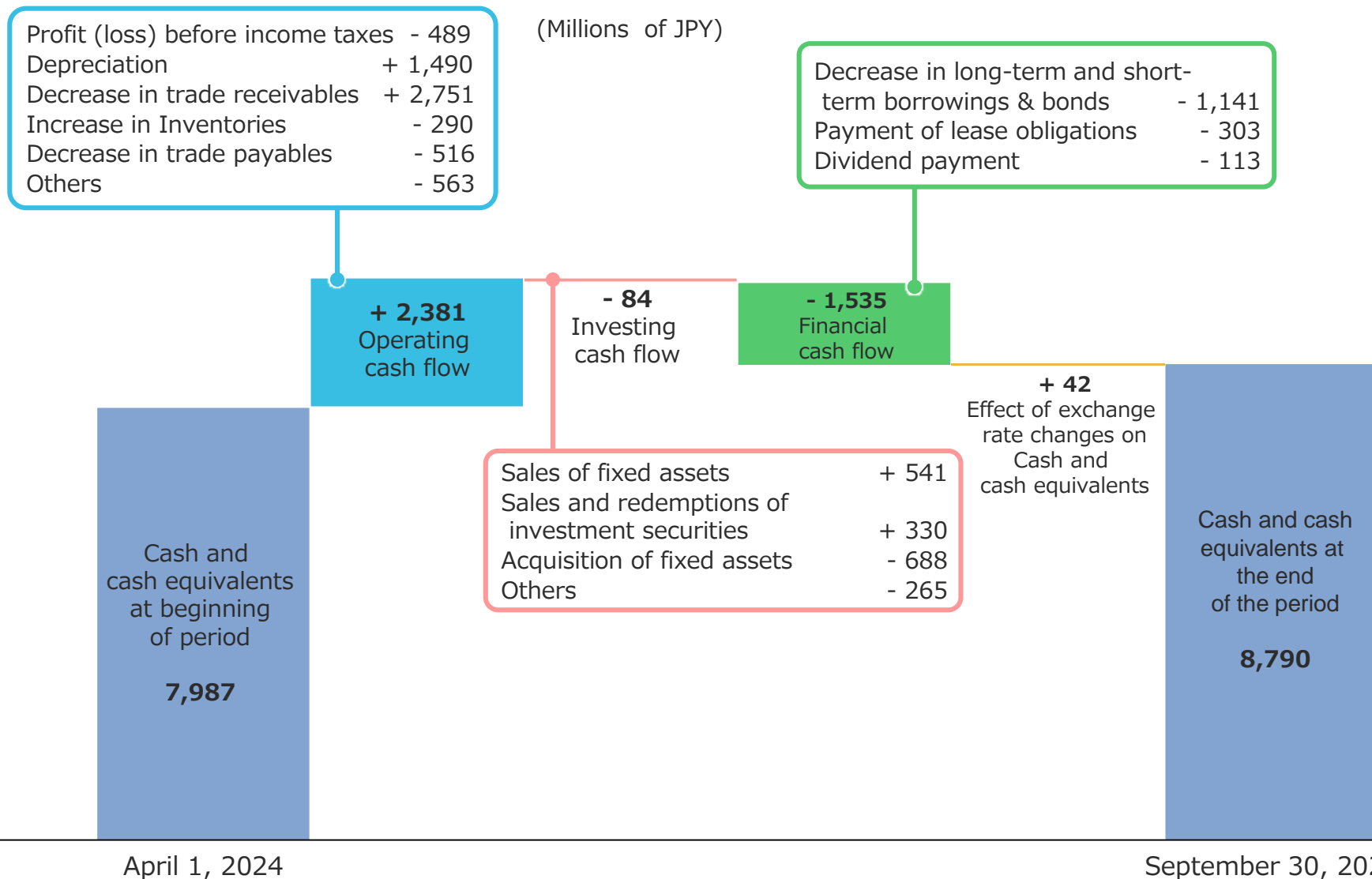
(Millions of JPY)	2024/03/4Q	2025/03/2Q	Variance
	Actual	Actual	
Current Assets	52,742	50,607	-2,134
Cash and deposits	8,097	9,110	1,012
Notes and accounts receivable-trade	14,759	12,251	-2,507
Inventories*	24,085	24,640	555
Non-Current Assets	29,290	28,305	-984
Property, plant and equipment	20,541	19,538	-1,003
Total Assets	82,032	78,913	-3,118
Notes and accounts payable-trade	10,002	10,199	197
Electronically recorded obligations-operating	5,818	4,278	-1,539
Liability with Interest**	41,885	40,493	-1,392
Total Liabilities	71,752	69,149	-2,603
Equity	10,141	9,615	-525
Equity Ratio	12.4%	12.2%	-0.2pt
Net Assets	10,280	9,764	-515

*Inventories = Merchandise and finished goods + Work in process + Raw materials and supplies.

**Interest-bearing debt = short-term loans payable + current portion of bonds + current portion of long-term loans payable + bonds + long-term loans payable + lease obligations.

Status of Consolidated CF

- Free cash flow improved from - 1.88 billion JPY in the FY 2024/3 to +2.29 billion JPY (+4.18 billion JPY).



R&D Expense and Capital Investment

- Main reasons for the decrease in capital investment were investments made in the previous fiscal year responding to increased production for major customers in the U.S. and consolidation of production bases in Thailand.

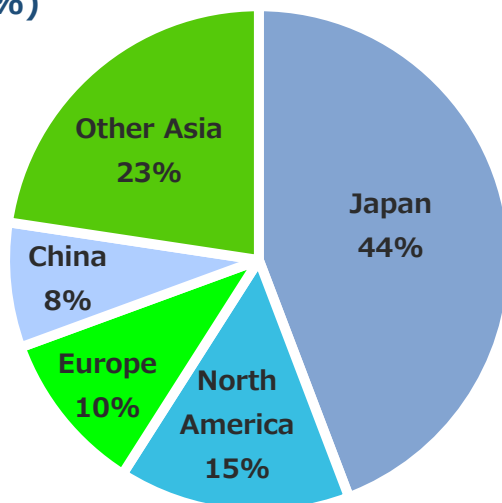
(Millions of JPY)	2024/03/2Q	2025/03/2Q		
	Actual	Actual	Variance	Variance %
Capital Investment	2,465	729	-1,736	-70.4%
Mobility Equipment	2,130	304	-1,826	-85.7%
Energy Solutions	37	81	44	118.9%
Home Electronics	124	70	-54	-43.5%
Others	38	75	37	97.4%
Common	134	198	64	47.9%
R&D Expenses	1,374	1,603	229	16.7%
Mobility Equipment	268	511	243	90.7%
Energy Solutions	866	860	-6	-0.7%
Home Electronics	206	216	10	4.9%
Others	-	-	-	-
Common	32	14	-18	-56.3%
Depreciation	1,313	1,490	177	13.5%
Mobility Equipment	862	1,128	266	30.9%
Energy Solutions	45	10	-35	-77.8%
Home Electronics	290	241	-49	-16.9%
Others	70	60	-10	-14.3%
Common	45	48	3	6.7%

Summary of Geographic Sales

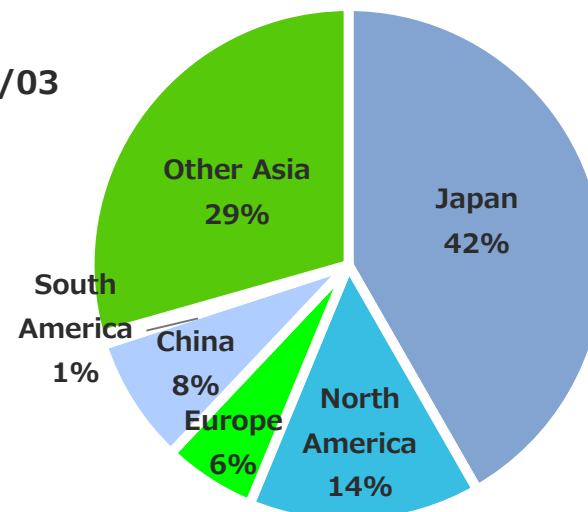
- Japan: Sales of Home Electronics business decreased due to a decline in demand from major customers.
- Europe: Sales of Home Electronics business decreased due to a significant decline in demand for heat pumps.
- Other Asia: Sales of Home Electronics business increased due to a recovery in demand for transformers and other products in Vietnam and Thailand, also increased demand for air conditioning-related products in India.

Net Sales by Region (%)

FY2024/03
2Q



FY2025/03
2Q



Results by Region

(Millions of JPY)	2022/03/2Q	2023/03/2Q	2024/03/2Q	2025/03/2Q		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	20,334	19,431	19,888	18,397	-1,491	-7.5%
North America	4,320	6,252	6,660	6,401	-259	-3.9%
South America	0	0	0	268	268	-
Europe	2,685	2,835	4,669	2,559	-2,110	-45.2%
China	3,490	4,657	3,584	3,503	-81	-2.3%
Other Asia	7,895	10,087	10,174	12,964	2,790	27.4%

2Q FY2025/3 Financial Performance (Previous forecast vs 2Q Actual)

- Revenue increased in the Mobility Equipment and Home Electronics businesses thanks to JPY depreciation despite a decline in customer demand. Meanwhile, sales decreased in the Energy Solutions business by the impact of market slowdown and the entry of overseas manufacturers, but operating income exceeded the revised forecast through cost reduction activities, etc.
- Ordinary profit fell below the revised forecast due to the foreign exchange loss of 461 mil JPY, caused by the impact of exchange rate fluctuations.

(Millions of JPY)	2025/03 Previous Forecast		2025/03 Actual			
	2Q Forecast (as of Aug.14)	Ratio %	2Q Actual	Ratio %	Variance	Variance %
Net Sales	43,600	100.0%	44,095	100.0%	+495	+1.1%
Mobility Equipment	16,400	37.6%	16,801	38.1%	+401	+2.4%
Energy Solutions	11,600	26.6%	11,143	25.3%	-456	-3.9%
Home Electronics	14,930	34.2%	15,609	35.4%	+679	+4.5%
Others	670	1.5%	541	1.2%	-128	-19.2%
Operating income	-50	-0.1%	6	0.0%	+56	-
Mobility Equipment	-140	-0.3%	-184	▲0.4%	-44	-
Energy Solutions	900	2.1%	952	2.2%	+52	+5.9%
Home Electronics	320	0.7%	490	1.1%	+170	+53.4%
Others	-30	-0.1%	-203	▲0.5%	-173	-
Common	-1,100	-2.5%	-1,049	▲2.4%	+50	-
Ordinary profit	-340	-0.8%	-704	▲1.6%	-364	-
Net Income	-870	-2.0%	-1,035	▲2.3%	-165	-
ROE	-8.6%		-10.5%		-1.9pt	
Operating Profit Ratio	-0.1%		0.0%		+0.1pt	
Capital Investment	2,948		729		-2,218	-75.2%
R&D Expenses	2,220		1,603		-616	-27.8%
Depreciation	1,686		1,490		-195	-11.6%

* 1 USD = 139.00 JPY

* 1 USD = 152.78 JPY

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FY2025/3 Annual Profit Forecast (Previous forecast vs 2Q revised forecast)

- Sales are expected to decrease by the impact of delays in customer launches of new models in Mobility Equipment business, declined customer demand in Home Electronics business, and slowing market movement together with the entry of overseas manufacturers in Energy Solutions Business. Operating profit is expected to decline by 350 mil JPY affected by sales decrease in Mobility Equipment business while improvements are being made in all businesses as in the first half of the year.
- Ordinary profit and net profit are also expected to fall due to the impact of decrease in operating profit.

(Millions of JPY)	2025/03 Previous Forecast		2025/03 2Q Revised Forecast			
	Annual Forecast (as of Aug.14)	Ratio %	Annual Forecast (as of Nov.14)	Ratio %	Variance	Variance %
Net Sales	92,800	100.0%	87,500	100.0%	-5,300	-5.7%
Mobility Equipment	35,400	38.1%	32,800	37.5%	-2,600	-7.3%
Energy Solutions	26,200	28.2%	24,700	28.2%	-1,500	-5.7%
Home Electronics	29,780	32.1%	28,800	32.9%	-980	-3.3%
Others	1,420	1.5%	1,200	1.4%	-220	-15.5%
Operating income	1,350	1.5%	1,000	1.1%	-350	-25.9%
Mobility Equipment	610	0.7%	0	0.0%	-610	-100.0%
Energy Solutions	2,300	2.5%	2,400	2.7%	+100	+4.3%
Home Electronics	605	0.7%	800	0.9%	+195	+32.2%
Others	15	0.0%	-200	-0.2%	-215	-
Common	-2,180	-2.3%	-2,000	-2.3%	+180	-
Ordinary profit	590	0.6%	150	0.2%	-440	-74.6%
Net Income	-200	-0.2%	-500	-0.6%	-300	-
ROE	-1.9%		-4.9%		-3.0pt	
Operating Profit Ratio	1.5%		1.1%		-0.4pt	
Capital Investment	4,340		1,300		-3,040	-70.0%
R&D Expenses	4,296		3,500		-796	-18.5%
Depreciation	3,509		3,100		-409	-11.7%

* 1 USD = 139.00 JPY

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