November 14, 2024

Company name: Diamond Electric Holdings Co., Ltd.
Representative: ONO YuuRi, President and CEO
(Securities code: 6699; Prime Market)
Inquiries: TOKUHARA Eishin,
Senior Managing Executive Officer, CFO
(Telephone: +81-6-6302-8211)

# Notice Concerning Recording of Non-operating Expenses, Differences between Forecast and Actual Results for the 2Q FY 2025 Mar, and Revision of Full-Year Earnings Forecast

Diamond Electric Holdings Co., Ltd ("the Company") hereby announces that it has recorded non-operating expenses (foreign exchange losses) for the second quarter of the fiscal year ending March 31, 2025 (from April 1, 2024 to September 30, 2024). In addition, there was a difference between the consolidated earnings forecast for the 2Q FY 2025 Mar announced on August 14, 2024 and the actual results announced today.

Accordingly, the Company has decided to revise its full-year consolidated earnings forecast for the FY 2025 Mar based on the latest business performance and outlook as follows.

1. Recording of Non-operating Expenses (Foreign Exchange Losses)

In the first quarter of the FY 2025 Mar, the Company recorded a foreign exchange gain of 722 million JPY. However, due to fluctuations in foreign exchange rates, the Company recorded a foreign exchange loss of 1.184 billion JPY in the second quarter of the fiscal year under review.

As a result, foreign exchange losses for the six months under review amounted to 461 million JPY.

This mainly resulted from the revaluation of foreign currency-denominated assets held by the Company and its consolidated subsidiaries at the exchange rate as of the end of the quarter, which may fluctuate depending on the future exchange rate situation.

2. Difference between Forecast and Actual Results

(1) Difference between Forecast and Actual Results for the 2Q (April 1, 2024 to September 30, 2024)

| | Net sales | Operating profit | Ordinary profit | Interim net profit attributable to owners of parent | Interim net profit per share |
|---|---|---|---|---|---|
| Previous forecast (A) | Million JPY<br>43,600 | Million JPY<br>- 50 | Million JPY<br>- 340 | Million JPY<br>- 870 | JPY<br>- 103.90 |
| Actual value (B) | 44,095 | 6 | - 704 | - 1,035 | - 123.62 |
| Change (B-A) | 495 | 56 | - 364 | - 165 | - |
| % change | 1.1 | - | - | - | - |

(2) Reason for the Difference

Overall sales landed almost as planned by sales increase thanks to the weak JPY, although sales in the Energy Solutions Business decreased affected by a slowdown in the market trend and the entry of overseas manufacturers into the market, the launch of new models was postponed by some customers in the Mobility Equipment Business, also a slight decrease in customer demand in the Home Electronics Business.

Operating profit exceeded the forecast by 56 million JPY through efforts such as cost reduction activities and more efficient R & D activities.

Ordinary profit was 364 million JPY lower than the forecast due to the posting of non-operating expenses of 461 million JPY in exchange losses resulting from exchange rate fluctuations, despite the impact of an increase in operating profit.

Interim net profit attributable to owners of parent remained 165 million JPY lower than the forecast as a decrease in tax expenses in line with a decrease in ordinary profit.

3. Revision of Consolidated Earnings Forecast

(1) Forecast of Consolidated Financial Results for the FY 2025 Mar (April 1, 2024 to March 31, 2025)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Net profit for the period per share |
|---|---|---|---|---|---|
| | Million JPY | Million JPY | Million JPY | Million JPY | JPY |
| Previous forecast (A) | 92,800 | 1,350 | 590 | - 200 | - 23.89 |
| Revised forecast (B) | 87,500 | 1,000 | 150 | - 500 | - 59.73 |
| Change (B-A) | - 5,300 | - 350 | - 440 | - 300 | - |
| % change | - 5.7 | - 25.9 | - 74.6 | - | - |
| (Reference) Results for the previous fiscal year (Fiscal year ended March 2024) | 93,334 | 230 | 1,313 | - 1,897 | - 226.59 |

(2) Reason for the revision

Based on the results for the 2Q FY 2025 Mar, net sales would significantly decrease from the previous forecast affected by postponement of new model launches by some customers in the Mobility Equipment Business, customer demand decrease in the Home Electronics Business, also by a slowdown in market trends and the entry of overseas manufacturers into the market in the Energy Solutions Business.

Operating profit is expected to be lower than the previous forecast as in the first half of this fiscal year by the impact of a significant decrease of the Mobility Equipment Business sales, despite the continuous efforts to make improvements in all businesses.

Ordinary profit is expected to fall below the previous forecast, affected by the operating profit decrease. Profit attributable to owners of parent may also fall below the previous forecast by the impact of the decrease in ordinary profit and the associated tax expense review. Therefore, the forecast has been revised downward.

*Note: This document is a translation of the original Japanese version. In the event of any discrepancy between the meaning or wording of the English version and the Japanese version, the meaning or wording of the Japanese version shall prevail.*