

I. 3Q FY2025/3 Financial Results

(Fiscal Year Ending March 31, 2025)

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Diamond Electric Holdings Co., Ltd.
Tokyo Stock Exchange Prime Market 6699

February 2025

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

- **Mobility Equipment:** Sales increased mainly due to yen depreciation and higher customer demand in China, while profit improved thanks to a better material cost ratio.
- **Energy Solutions:** Sales and profit increased due to a business segment reclassification.
- **Home Electronics:** Although sales increased due to foreign exchange effects, revenue growth was offset by the segment reclassification and decreased demand from major customers. However, profit increased slightly due to improved material cost ratios resulting from sales mix changes.
- **Other Topics:**
 - Yen depreciation led to a JPY 462M foreign exchange gain (JPY 563M in the previous year).
 - Corporate taxes: JPY 1,106M (JPY 520M in the previous year).
 - Product warranty provision: JPY 1,123M in the previous year.

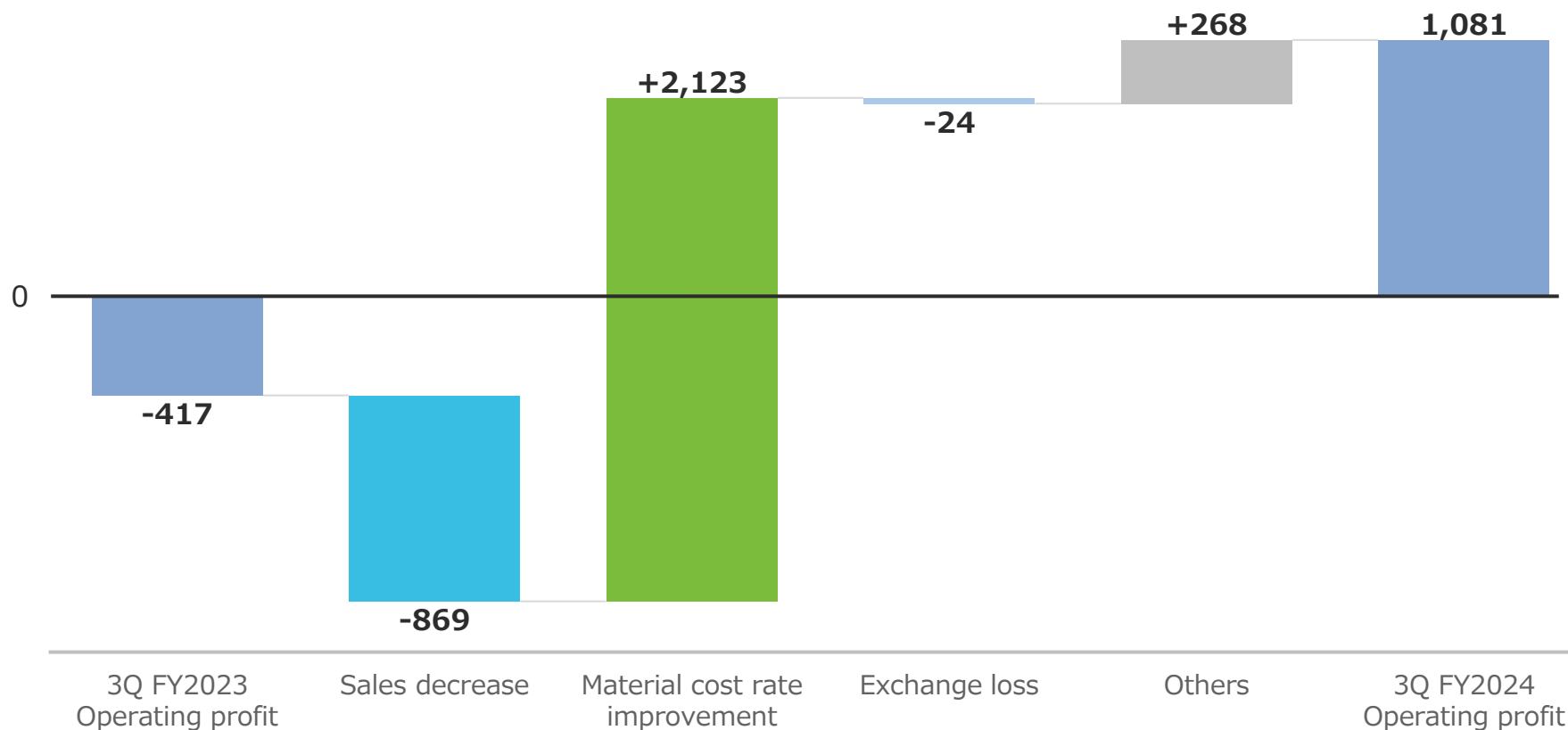
(Millions of JPY)	2024/03/3Q		2025/03/3Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
Net Sales	68,657	100.0%	67,208	100.0%	-1,448	-2.1%
Mobility Equipment	24,341	35.5%	25,231	37.5%	890	3.7%
Energy Solutions	16,546	24.1%	17,664	26.3%	1,118	6.8%
Home Electronics	26,846	39.1%	23,459	34.9%	-3,386	-12.6%
Others	922	1.3%	852	1.3%	-70	-7.6%
Operating Profit	-417	-0.6%	1,081	1.6%	1,498	-
Mobility Equipment	-917	-1.3%	262	0.4%	1,180	-
Energy Solutions	1,472	2.1%	1,805	2.7%	332	22.6%
Home Electronics	687	1.0%	771	1.1%	83	12.2%
Others	-104	-0.2%	-224	-0.3%	-120	-
Common	-1,555	-2.3%	-1,533	-2.3%	22	-
Ordinary Profit	-140	-0.2%	1,128	1.7%	1,269	-
Net Profit	-1,855	-2.7%	3	0.0%	1,859	-
ROE	-17.9%		0.0%		17.9pt	
Operating Profit Ratio	-0.6%		1.6%		2.2pt	

Operating Profit Analysis

- Sales declined primarily due to lower customer demand in the Home Electronics Business.
- Material cost ratio improved mainly due to sales mix changes and cost reductions from production consolidation in the Mobility Equipment Business.
- Operating profit improved by JPY 1,498M.

Operating profit

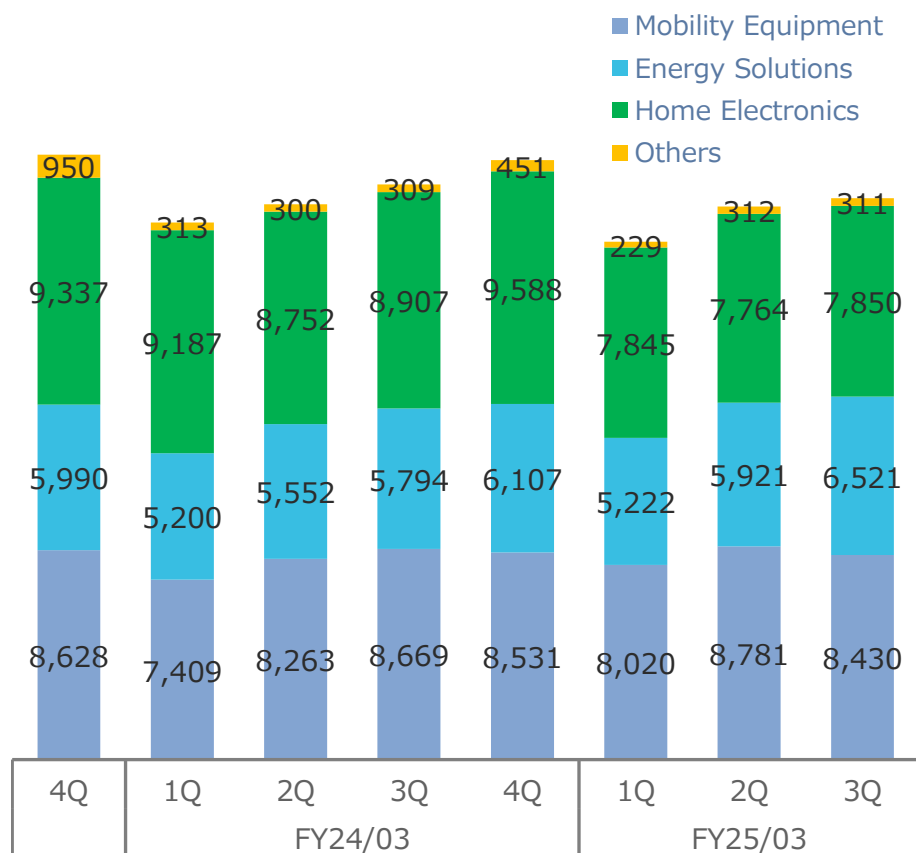
(Millions of JPY)



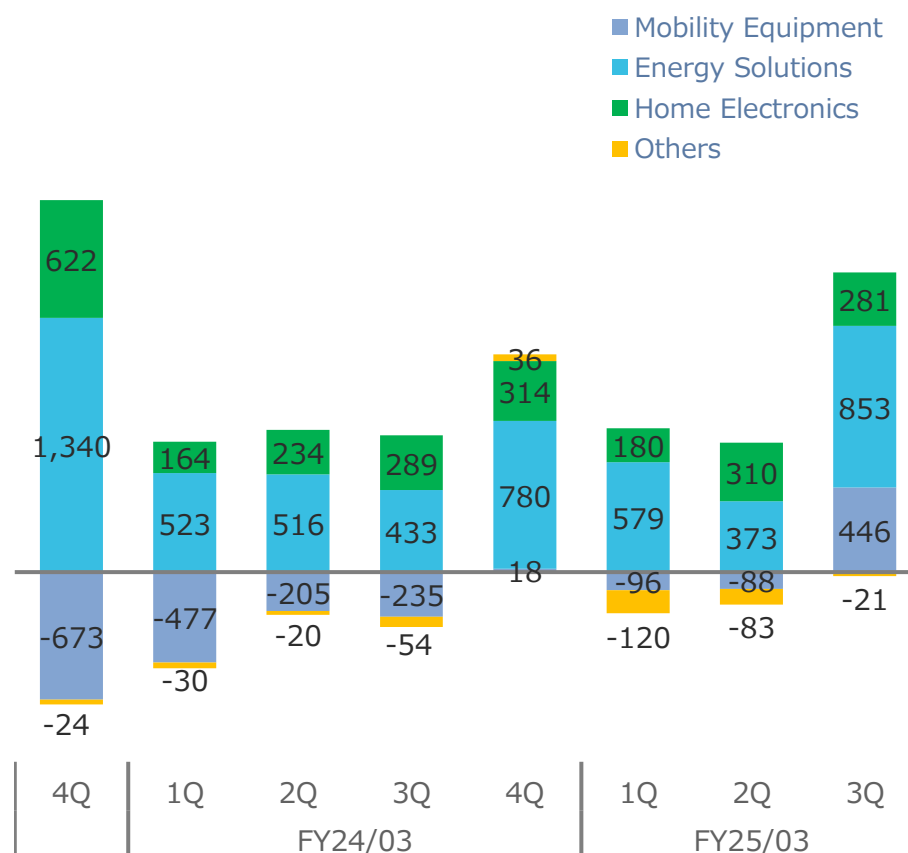
Performance by Segment

- Mobility Equipment:** Sales increased due to foreign exchange effects, and profitability improved due to improved material cost ratios, turning profitable in 3Q.
- Energy Solutions:** Sales and profits increased due to the impact of business segment reclassification.
- Home Electronics:** Sales declined due to business segment reclassification and decreased demand from major customers. Profit remained stable due to improved material cost ratios from sales mix optimization.

Sales by Segment (Quarterly, Millions of JPY)



Profit by Segment (Quarterly, Millions of JPY)



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

- **Notes and Accounts Receivable:** Decreased by JPY 2,546M, of which JPY 2,000M was due to asset securitization.
- **Inventories:** Increased by JPY 2,100M, incl a JPY 700M rise due to exchange rate fluctuations and a JPY 1,400M actual increase.

(Millions of JPY)	2024/03/4Q	2025/03/3Q	Variance
	Actual	Actual	
Current Assets	52,742	53,016	274
Cash and deposits	8,097	9,652	1,554
Notes and accounts receivable-trade	14,759	12,212	-2,546
Inventories*	24,085	26,185	2,100
Non-Current Assets	29,290	28,553	-737
Property, plant and equipment	20,541	19,615	-926
Total Assets	82,032	81,569	-463
Notes and accounts payable-trade	10,002	10,407	405
Electronically recorded obligations-operating	5,818	5,448	-369
Liability with Interest**	41,885	40,070	-1,815
Total Liabilities	71,752	70,683	-1,068
Equity	10,141	10,726	584
Equity Ratio	12.4%	13.1%	0.7pt
Net Assets	10,280	10,885	605

*Inventories = Merchandise & finished goods + Work in progress + Raw materials & 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

R&D Expense and Capital Investment

- The primary factor behind the decline in capital expenditures was last year's investment to support increased production for major U.S. customers and the consolidation of production sites in Thailand.

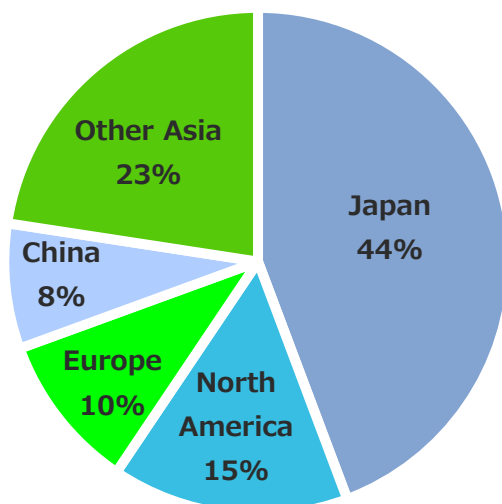
(Millions of JPY)	2024/03/3Q	2025/03/3Q		
	Actual	Actual	Variance	Variance %
Capital Investment	3,188	989	-2,199	-69.0%
Mobility Equipment	2,730	356	-2,374	-87.0%
Energy Solutions	152	96	-56	-36.8%
Home Electronics	77	208	131	170.1%
Others	59	128	69	116.9%
Common	168	198	30	17.9%
R&D Expenses	2,053	2,433	380	18.5%
Mobility Equipment	397	754	357	89.9%
Energy Solutions	1,326	1,316	-10	-0.8%
Home Electronics	285	339	54	18.9%
Others	-	-	-	-
Common	44	23	-21	-47.7%
Depreciation	2,010	2,255	245	12.2%
Mobility Equipment	1,348	1,641	293	21.7%
Energy Solutions	69	53	-16	-23.2%
Home Electronics	414	397	-17	-4.1%
Others	106	88	-18	-17.0%
Common	71	74	3	4.2%

Sales Summary by Region

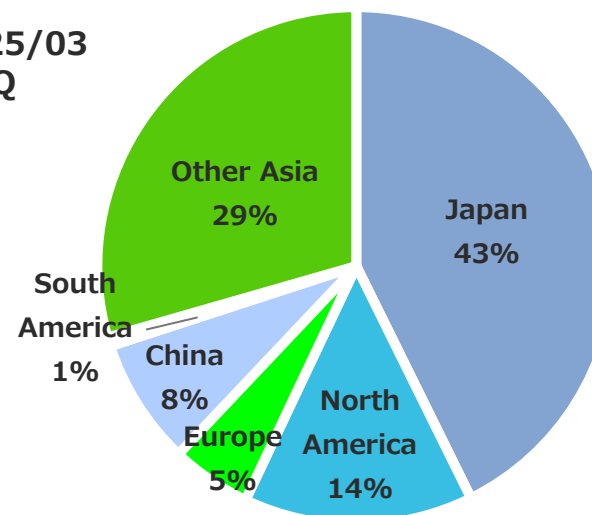
- **Japan:** Declined in sales in the Home Electronics Business due to lower demand from major customers.
- **Europe:** Declined in sales in the Home Electronics Business due to a significant drop in heat pump demand.
- **Others:** Increased in sales in the Home Electronics Business due to a recovery in transformer demand in Vietnam and Thailand, along with rising demand for air-conditioning-related products in India.

Sales by Region (%)

FY2024/03
3Q



FY2025/03
3Q



Results by Region

(Millions of JPY)	2022/03/3Q	2023/03/3Q	2024/03/3Q	2025/03/3Q		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	28,973	29,968	30,399	28,696	-1,703	-5.6%
North America	6,514	9,072	10,398	9,640	-758	-7.3%
South America	0	0	0	377	377	-
Europe	3,733	4,294	6,874	3,368	-3,506	-51.0%
China	5,433	7,211	5,480	5,333	-147	-2.7%
Other Asia	12,419	15,654	15,504	19,791	4,287	27.7%

3Q FY2025/3 Financial Performance (Previous Forecast vs 3Q Actual)

- The Mobility Equipment and Home Electronics Businesses saw sales growth due to yen depreciation. Higher demand from major customers boosted sales in Home Electronics, while rising demand from certain customers drove growth in Energy Solutions. Additionally, cost improvements from production consolidation lifted operating profit above the revised forecast.
- Ordinary profit exceeded the revised forecast, driven by higher operating profit and a JPY 462M foreign exchange gain from exchange rate fluctuations.

(Millions of JPY)	2025/03 Previous Forecast		2025/03 Actual			
	3Q Forecast (As of Nov. 14)	Ratio %	3Q Actual	Ratio %	Variance	Variance %
Net Sales	63,550	100.0%	67,208	100.0%	3,658	5.8%
Mobility Equipment	23,748	37.4%	25,231	37.5%	1,483	6.2%
Energy Solutions	17,369	27.3%	17,664	26.3%	295	1.7%
Home Electronics	21,684	34.1%	23,459	34.9%	1,775	8.2%
Others	747	1.2%	852	1.3%	104	14.0%
Operating income	274	0.4%	1,081	1.6%	807	294.4%
Mobility Equipment	-158	-0.2%	262	0.4%	420	-
Energy Solutions	1,510	2.4%	1,805	2.7%	294	19.5%
Home Electronics	608	1.0%	771	1.1%	162	26.7%
Others	-200	-0.3%	-224	-0.3%	-23	-
Common	-1,486	-2.3%	-1,533	-2.3%	-46	-
Ordinary profit	-249	-0.4%	1,128	1.7%	1,378	-
Net Income	-685	-1.1%	3	0.0%	689	-
ROE	-6.8%		0.0%		6.8pt	
Operating Profit Ratio	0.4%		1.6%		1.2pt	
Capital Investment	1,009		989		-20	-2.0%
R&D Expenses	2,562		2,433		-128	-5.0%
Depreciation	2,273		2,255		-18	-0.8%

※ 1 USD = JPY 139.00

※ 1 USD = JPY 152.64

FY2025/3 Annual Profit Forecast (Previous Forecast vs 3Q Revised Forecast)

- **Sales:** Expected to increase in the Mobility Equipment and Home Electronics Businesses, reflecting the latest foreign exchange effects.
- **Operating Profit:** Expected to rise by JPY 300M due to cost improvements from production consolidation and foreign exchange fluctuations.
- **Ordinary Profit & Net Profit:** Expected to exceed the previous forecast due to higher operating profit.

(Millions of JPY)	2025/03 Previous Forecast		2025/03 3Q Revised Forecast			
	Annual Forecast (As of Nov. 14)	Ratio %	Annual Forecast (As of Feb. 14)	Ratio %	Variance	Variance %
Net Sales	87,500	100.0%	91,300	100.0%	3,800	4.3%
Mobility Equipment	32,800	37.5%	34,600	37.9%	1,800	5.5%
Energy Solutions	24,700	28.2%	24,700	27.1%	-	-
Home Electronics	28,800	32.9%	30,800	33.7%	2,000	6.9%
Others	1,200	1.4%	1,200	1.3%	-	-
Operating income	1,000	1.1%	1,300	1.4%	300	30.0%
Mobility Equipment	0	0.0%	300	0.3%	300	-
Energy Solutions	2,400	2.7%	2,400	2.6%	-	-
Home Electronics	800	0.9%	900	1.0%	100	12.5%
Others	-200	-0.2%	-250	-0.3%	-50	-
Common	-2,000	-2.3%	-2,050	-2.2%	-50	-
Ordinary profit	150	0.2%	500	0.5%	350	233.3%
Net Income	-500	-0.6%	-450	-0.5%	50	-
ROE	-4.9%		-4.4%		0.5pt	
Operating Profit Ratio	1.1%		1.4%		0.3pt	
Capital Investment	1,300		1,300		-	-
R&D Expenses	3,500		3,500		-	-
Depreciation	3,100		3,100		-	-

※ 1 USD = JPY 139.00

※ 1 USD = JPY 152.64