

I. 1Q FY2024 Financial Results

(Fiscal Year Ending March 31, 2025)

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Diamond Electric Holdings Co., Ltd.

Tokyo Stock Exchange Prime Market 6699

Aug 2024

Summary of 1Q Fiscal Year 2024 (FY2025/03) P/L

- **Mobility Equipment:** Revenue increased mostly by increased customer demand in China; profit increased through unit price improvements and cost reduction activities.
- **Energy Solutions:** Material cost ratio worsened due to sales mix but profit slightly increased due to insurance recovery and other activities.
- **Home Electronics:** Sales decreased significantly due to change in business segment and impact on demand from major customers. Profit increased slightly due to sales mix and change in business segment.
- **Other Topics:**
 1. Recorded foreign exchange gains of 722 million JPY due to the depreciation of JPY (FY2023:792 mil JPY).
 2. Recorded 725 mil JPY income taxes as the income before income taxes raised, associated with the rise in income. (FY2023: 332 mil JPY)

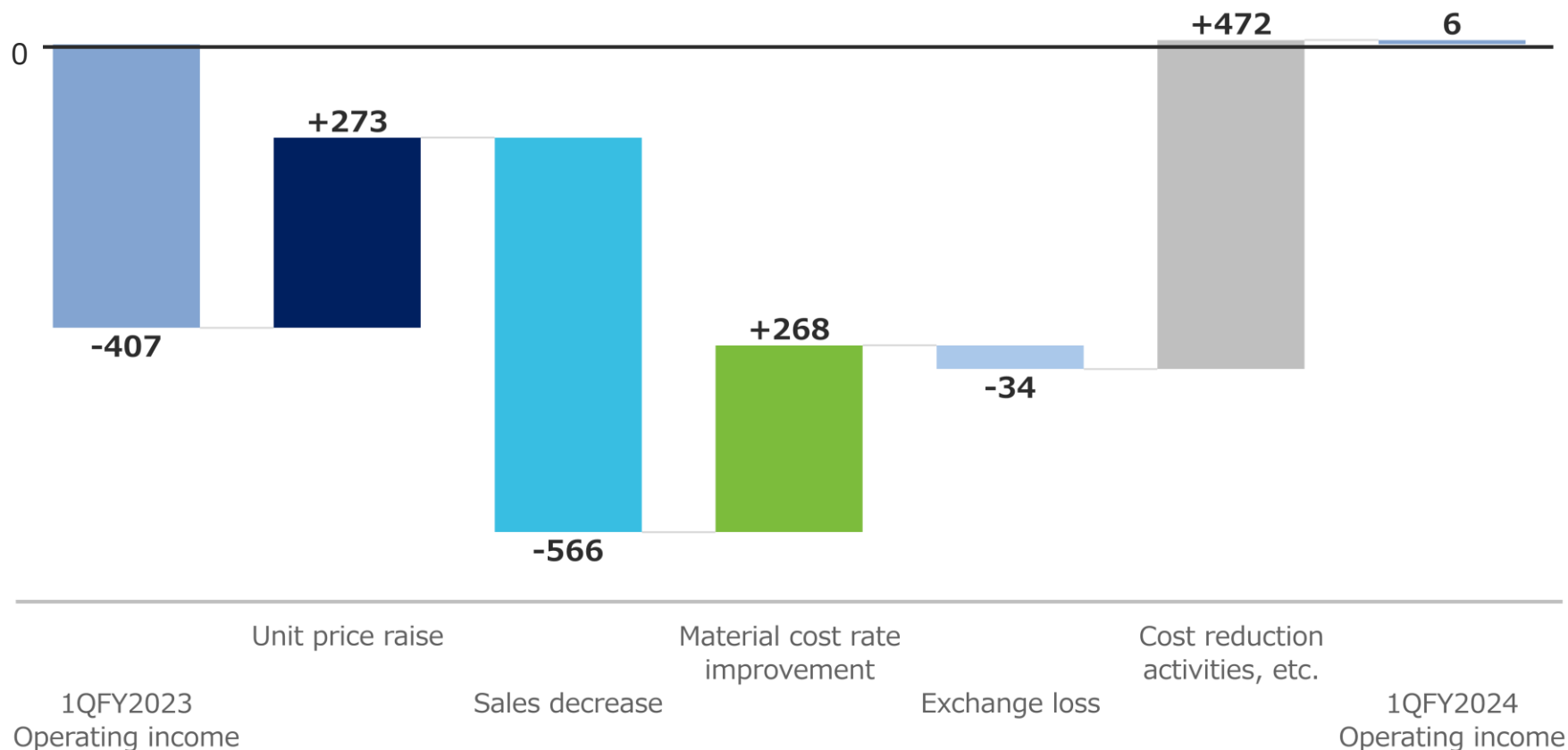
(Millions of JPY)	2024/03/1Q		2025/03/1Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
Net Sales	22,110	100.0%	21,318	100.0%	-792	-3.6%
Mobility Equipment	7,409	33.5%	8,020	37.6%	611	8.3%
Energy Solutions	5,200	23.5%	5,222	24.5%	22	0.4%
Home Electronics	9,187	41.6%	7,845	36.8%	-1,342	-14.6%
Others	313	1.4%	229	1.1%	-83	-26.6%
Operating income	-407	-1.8%	6	0.0%	413	-
Mobility Equipment	-477	-2.2%	-96	-0.5%	380	-
Energy Solutions	523	2.4%	579	2.7%	55	10.7%
Home Electronics	164	0.7%	180	0.8%	15	9.2%
Others	-30	-0.1%	-120	-0.6%	-90	-
Common	-587	-2.7%	-535	-2.5%	51	-
Ordinary profit	279	1.3%	629	3.0%	350	125.3%
Net Income	-77	-0.3%	-118	-0.6%	-41	-
R O E	-0.7%		-1.1%		-0.4pt	
Operating Profit Ratio	-1.8%		0.0%		1.8pt	

Operating Income Analysis

- Although sales decreased due to the impact of customer demand, however operating income improved by 413 million JPY through improvement in the material cost ratio from the sales mix, cost reduction activities, and insurance recoveries.

Operating Income

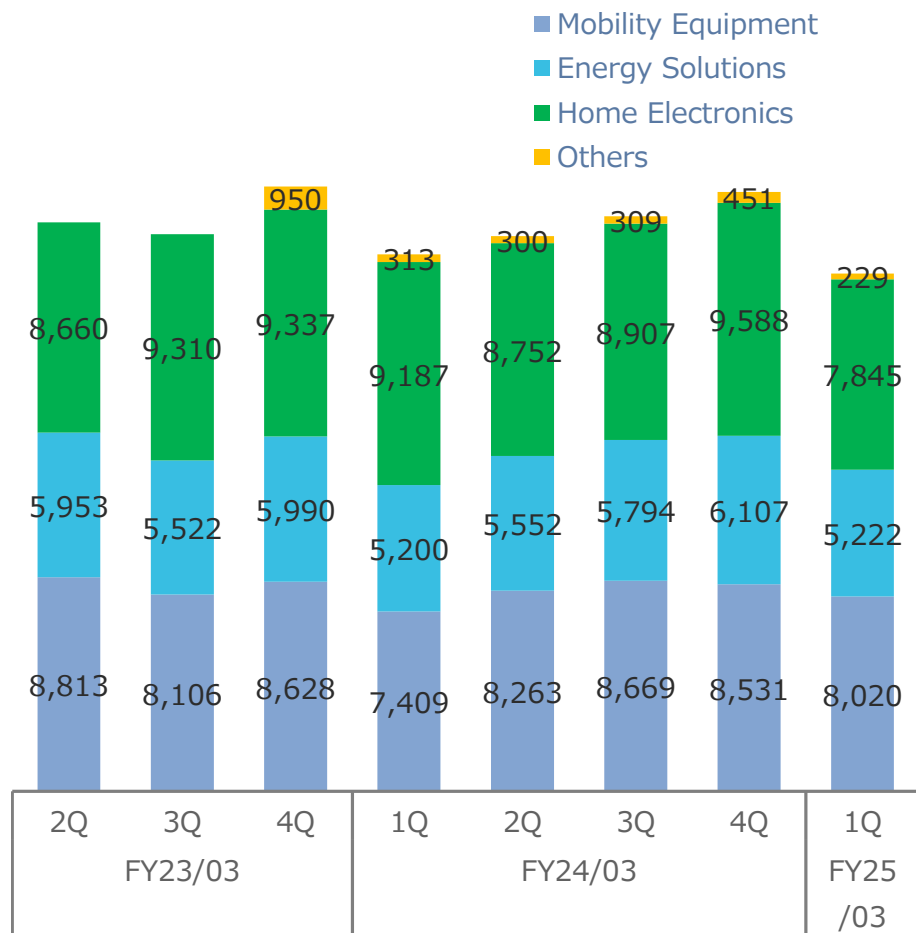
(Millions of JPY)



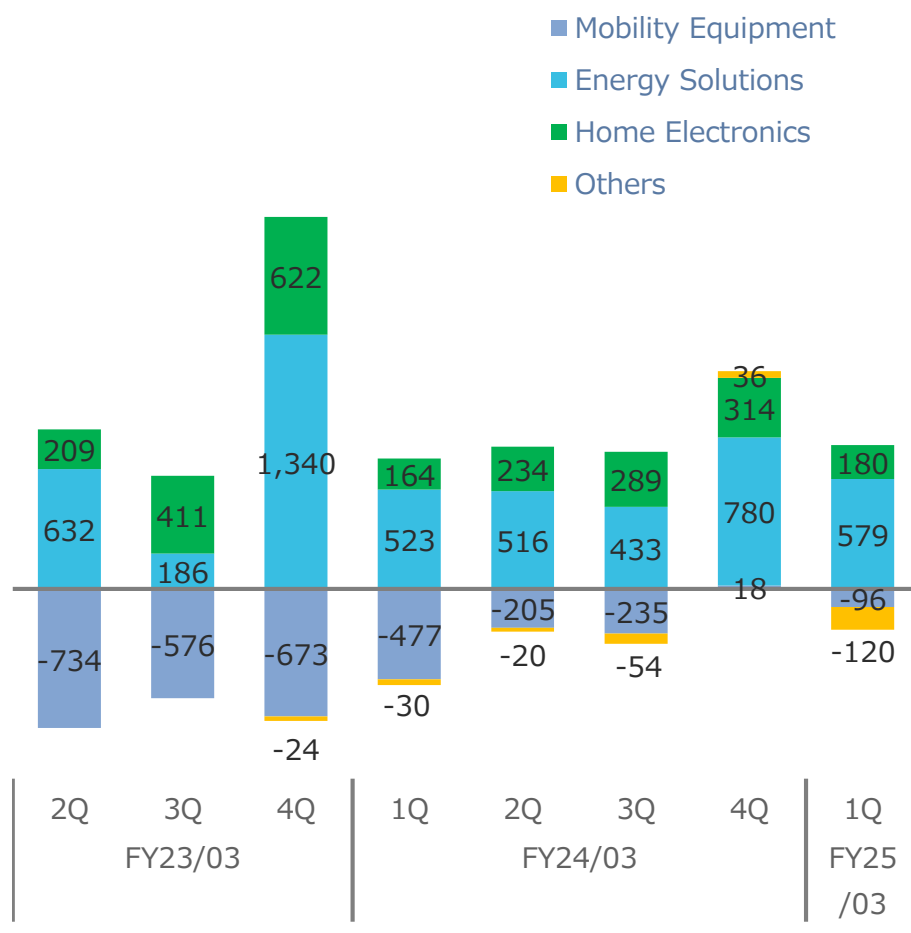
Performance by Segment

- **Mobility Equipment:** Cost to sales ratio is improving through unit price improvement and cost reduction.
- **Energy Solutions:** Sales and profit decreased due to the impact of the slowdown in the market.
- **Home Electronics:** Sales and profit decreased by the change in business segment and decrease in demand from major customers.

Segment Sales (Quarterly, Millions of JPY)



Segment profit (Quarterly, Millions of JPY)



Summary of 1Q Fiscal Year 2024 (FY2025/03) B/S

- 2.0 billion JPY out of the 3.4 billion JPY decrease in notes and accounts receivable caused by liquidation of receivables
- Inventories increased by 1.2 billion JPY, of which 764 million JPY from the impact of JPY depreciation, so 436 million JPY in real terms.

(Millions of JPY)	Previous 2024/03/4Q	Current 2025/03/1Q	Variance
	Actual	Actual	
Current Assets	52,742	51,586	-1,156
Cash and deposits	8,097	10,001	1,904
Notes and accounts receivable-trade	14,759	11,356	-3,402
Inventories*	24,085	25,286	1,200
Non-Current Assets	29,290	29,450	160
Property, plant and equipment	20,541	20,925	384
Total Assets	82,032	81,037	-995
Notes and accounts payable-trade	10,002	9,130	-871
Electronically recorded obligations-operating	5,818	4,682	-1,135
Liability with Interest**	41,885	41,455	-430
Total Liabilities	71,752	70,127	-1,624
Equity	10,141	10,762	621
Equity Ratio	12.4%	13.3%	0.9pt
Net Assets	10,280	10,909	629

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

** Interest-bearing debt = Short-term debt + Current portion of bonds + Current portion of long-term debt + Bonds + Long-term debt + Lease obligations.

R&D Expenses and Capital Investment

- The main factors behind the decrease in capital investment: production increase for major customers in the U.S. and the consolidation of production bases in Thailand in the previous fiscal year.

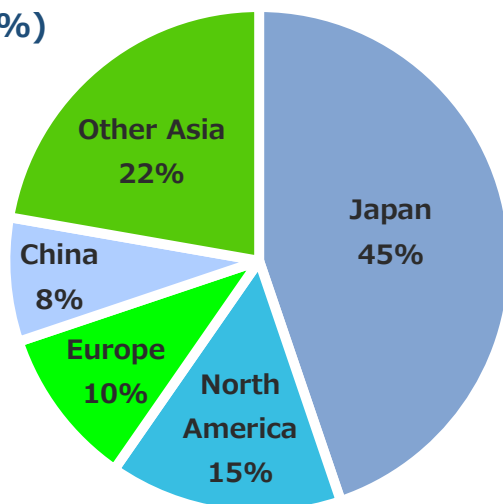
(Millions of JPY)	2024/03/1Q	2025/03/1Q		
	Actual	Actual	Variance	Variance %
Capital Investment	1,199	695	-504	-42.0%
Mobility Equipment	1,057	547	-510	-48.2%
Energy Solutions	0	51	51	-
Home Electronics	103	44	-59	-57.3%
Others	39	51	12	30.8%
Common	0	0	0	-
R&D Expenses	668	778	110	16.5%
Mobility Equipment	142	246	104	73.2%
Energy Solutions	404	413	9	2.2%
Home Electronics	105	114	9	8.6%
Others	0	0	0	-
Common	16	4	-12	-75.0%
Depreciation	662	773	111	16.8%
Mobility Equipment	417	562	145	34.8%
Energy Solutions	50	38	-12	-24.0%
Home Electronics	140	117	-23	-16.4%
Others	33	31	-2	-6.1%
Common	22	24	2	9.1%

Summary of Geographic Sales

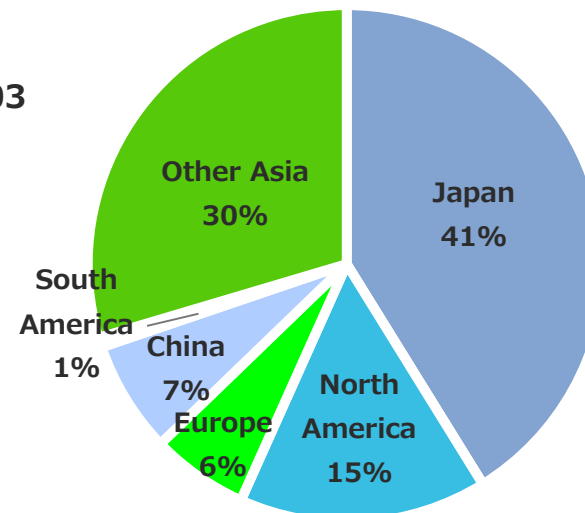
- **Japan:** component sales of Home Electronics decreased due to a decline in demand from major customers.
- **Europe:** component sales of Home Electronics declined due to a sharp drop in demand for heat pumps.
- **Asia and Others:** component sales of Home Electronics decreased in India due to the launch of new business by major customers.

Net Sales by Region (%)

FY2024/03
1Q



FY2025/03
1Q



Results by Region

(Millions of JPY)	2022/03/1Q	2023/03/1Q	2024/03/1Q	2025/03/1Q		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	10,837	8,597	9,901	8,778	-1,123	-11.3%
North America	2,170	2,773	3,289	3,309	20	0.6%
South America	-	-	-	130	130	-
Europe	1,459	1,466	2,250	1,296	-954	-42.4%
China	1,662	2,312	1,749	1,493	-256	-14.6%
Other Asia	4,201	4,688	4,919	6,309	1,390	28.3%

FY2024 Annual Profit Forecast (Initial Forecast vs 1Q Revised Forecast)

- Net sales decreased in Mobility Equipment Business by the impact of declining customer demand and in Energy Solutions Business due to the impact of slowing market trends, however operation income increased by 550 million JPY through unit price improvements and cost reduction activities.
- Net income improved by 100 million JPY due to a revision of tax expenses resulting from an increase in operating income.

(Millions of JPY)	FY2025/03 Initial Plan			2025/03 1Q Revised Forecast				
	Initial 2Q Plan	Initial Annual Plan	Ratio %	2Q Forecast (as of Aug.14)	Annual Forecast (as of Aug.14)	Ratio %	Variance	Variance %
Net Sales	44,800	94,000	100.0%	43,600	92,800	100.0%	-1,200	-1.3%
Mobility Equipment	17,000	36,000	38.3%	16,400	35,400	38.1%	-600	-1.7%
Energy Solutions	12,400	27,000	28.7%	11,600	26,200	28.2%	-800	-3.0%
Home Electronics	14,850	29,700	31.6%	14,930	29,780	32.1%	80	0.3%
Others	550	1,300	1.4%	670	1,420	1.5%	120	9.2%
Operating income	-600	800	0.9%	-50	1,350	1.5%	550	68.8%
Mobility Equipment	-500	250	0.3%	-140	610	0.7%	360	144.0%
Energy Solutions	800	2,200	2.3%	900	2,300	2.5%	100	4.5%
Home Electronics	215	500	0.5%	320	605	0.7%	105	21.0%
Others	5	50	0.1%	-30	15	0.0%	-35	-70.0%
Common	-1,120	-2,200	-2.3%	-1,100	-2,180	-2.3%	20	-
Ordinary profit	-930	0	0.0%	-340	590	0.6%	590	-
Net Income	-970	-300	-0.3%	-870	-200	-0.2%	100	-
R O E	-10.0%	-3.2%		-8.6%	-1.9%		1.3pt	
Operating Profit Ratio	-1.3%	0.9%		-0.1%	1.5%		0.6pt	
Capital Investment	2,948	4,340		2,948	4,340		-	-
R&D Expenses	2,220	4,296		2,220	4,296		-	-
Depreciation	1,686	3,509		1,686	3,509		-	-

※ 1 USD = 139.00 JPY

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