

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 14, 2023

Company name: Diamond Electric Holdings Co., Ltd.

Stock exchange listing: Tokyo

Code number: 6699

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

Representative: ONO YuruRi

President and CEO

Contact: TOKUHARA Eishin

Senior Managing Executive Officer, CFO

Phone: 06-6302-8211

Scheduled date of filing quarterly securities report: February 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

I. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	66,201	16.0	(2,011)	-	(1,994)	-	(2,049)	-
December 31, 2021	57,075	13.8	892	0.4	960	39.5	753	-

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ (1,132) million [-%]
 Nine months ended December 31, 2021: ¥ 1,139 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	(273.20)	-
December 31, 2021	105.26	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2022	76,007	9,962	12.9	1,198.81
March 31, 2022	68,727	10,176	14.7	1,380.52

(Reference) Equity: As of December 31, 2022: ¥ 9,841 million
 As of March 31, 2022: ¥ 10,074 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	12.50	-	12.50	25.00
Fiscal year ending March 31, 2023	-	12.50	-		
Fiscal year ending March 31, 2023 (Forecast)				12.50	25.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	90,500	18.7	(1,000)	-	(1,000)	-	(1,200)	-	(159.95)

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): None

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: None

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022: 8,964,301 shares

March 31, 2022: 8,153,401 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 754,659 shares

March 31, 2022: 855,676 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 7,502,540 shares

Nine months ended December 31, 2021: 7,157,582 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	10,745	10,135
Notes and accounts receivable - trade	12,900	13,924
Electronically recorded monetary claims - operating	551	1,293
Securities	97	106
Merchandise and finished goods	4,683	6,263
Work in process	1,234	1,549
Raw materials and supplies	12,169	14,352
Other	3,640	3,991
Allowance for doubtful accounts	(3)	(3)
Total current assets	46,019	51,612
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,504	4,587
Machinery, equipment and vehicles, net	4,779	5,633
Land	3,306	3,375
Construction in progress	2,005	1,771
Other, net	851	926
Total property, plant and equipment	15,447	16,294
Intangible assets		
Goodwill	40	35
Other	394	542
Total intangible assets	435	578
Investments and other assets		
Investment securities	2,908	3,138
Long-term loans receivable	10	9
Deferred tax assets	740	912
Retirement benefit asset	457	298
Other	2,929	3,383
Allowance for doubtful accounts	(220)	(220)
Total investments and other assets	6,826	7,522
Total non-current assets	22,708	24,394
Total assets	68,727	76,007

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,792	10,223
Electronically recorded obligations - operating	5,239	6,690
Contract liabilities	4,383	4,283
Short-term borrowings	14,405	18,190
Current portion of long-term borrowings	3,409	2,292
Lease liabilities	189	233
Accounts payable - other	1,547	1,709
Income taxes payable	221	9
Provision for bonuses	503	162
Provision for product warranties	453	477
Provision for product compensation	291	292
Other	869	1,295
Total current liabilities	40,307	45,862
Non-current liabilities		
Bonds payable	-	1,000
Long-term borrowings	15,602	16,325
Lease liabilities	750	1,011
Retirement benefit liability	845	849
Asset retirement obligations	218	221
Deferred tax liabilities	656	612
Long-term unearned revenue	152	146
Other	19	15
Total non-current liabilities	18,244	20,182
Total liabilities	58,551	66,044
Net assets		
Shareholders' equity		
Share capital	654	1,136
Capital surplus	9,716	10,231
Retained earnings	901	(1,350)
Treasury shares	(1,797)	(1,685)
Total shareholders' equity	9,474	8,332
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(72)	(60)
Foreign currency translation adjustment	610	1,673
Remeasurements of defined benefit plans	62	(103)
Total accumulated other comprehensive income	600	1,509
Share acquisition rights	1	12
Non-controlling interests	100	108
Total net assets	10,176	9,962
Total liabilities and net assets	68,727	76,007

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	57,075	66,201
Cost of sales	48,262	58,028
Gross profit	8,812	8,172
Selling, general and administrative expenses	7,920	10,184
Operating profit (loss)	892	(2,011)
Non-operating income		
Interest income	15	8
Dividend income	19	20
Foreign exchange gains	239	480
Subsidy income	9	15
Share of profit of entities accounted for using equity method	49	53
Other	92	63
Total non-operating income	425	641
Non-operating expenses		
Interest expenses	173	295
Commission expenses	92	168
Other	91	161
Total non-operating expenses	357	624
Ordinary profit (loss)	960	(1,994)
Extraordinary income		
Gain on sale of non-current assets	10	4
Gain on forgiveness of debts	558	-
Gain on forgiveness of lease obligations	102	-
Other	5	6
Total extraordinary income	676	11
Extraordinary losses		
Loss on sale of non-current assets	11	0
Loss on retirement of non-current assets	4	4
Amortization of prior service cost	67	-
Loss on liquidation of subsidiaries	59	-
Other	7	0
Total extraordinary losses	150	5
Profit (loss) before income taxes	1,486	(1,989)
Income taxes	752	52
Profit (loss)	734	(2,041)
Profit (loss) attributable to non-controlling interests	(19)	8
Profit (loss) attributable to owners of parent	753	(2,049)

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit (loss)	734	(2,041)
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	11
Foreign currency translation adjustment	385	934
Remeasurements of defined benefit plans, net of tax	(12)	(166)
Share of other comprehensive income of entities accounted for using equity method	50	128
Total other comprehensive income	404	909
Comprehensive income	1,139	(1,132)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,158	(1,140)
Comprehensive income attributable to non-controlling interests	(19)	8