

I. Financial Results for the Fiscal Year Ending March 31, 2023

Financial Results for FYE Mar. 2023 (P/L)	...	01
Analysis of Factors Affecting Changes in Operating Income	...	02
Quarterly Results by Segment	...	03
Financial Results for FYE Mar. 2023 (B/S)	...	04
Consolidated Cash Flow	...	05
R&D and Capital Investment	...	06
Summary of Financial Results by Region	...	07

II. Financial Results for the Fourth Quarter of the Fiscal Year Ending March 2023

Results for FYE Mar. 2023 (Previous Forecast vs. 4Q Results)	...	08
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Diamond Electric Holdings Co., Ltd.

Tokyo Stock Exchange Prime Market 6699
May 2023

Financial Results for FYE Mar. 2023 (P/L)

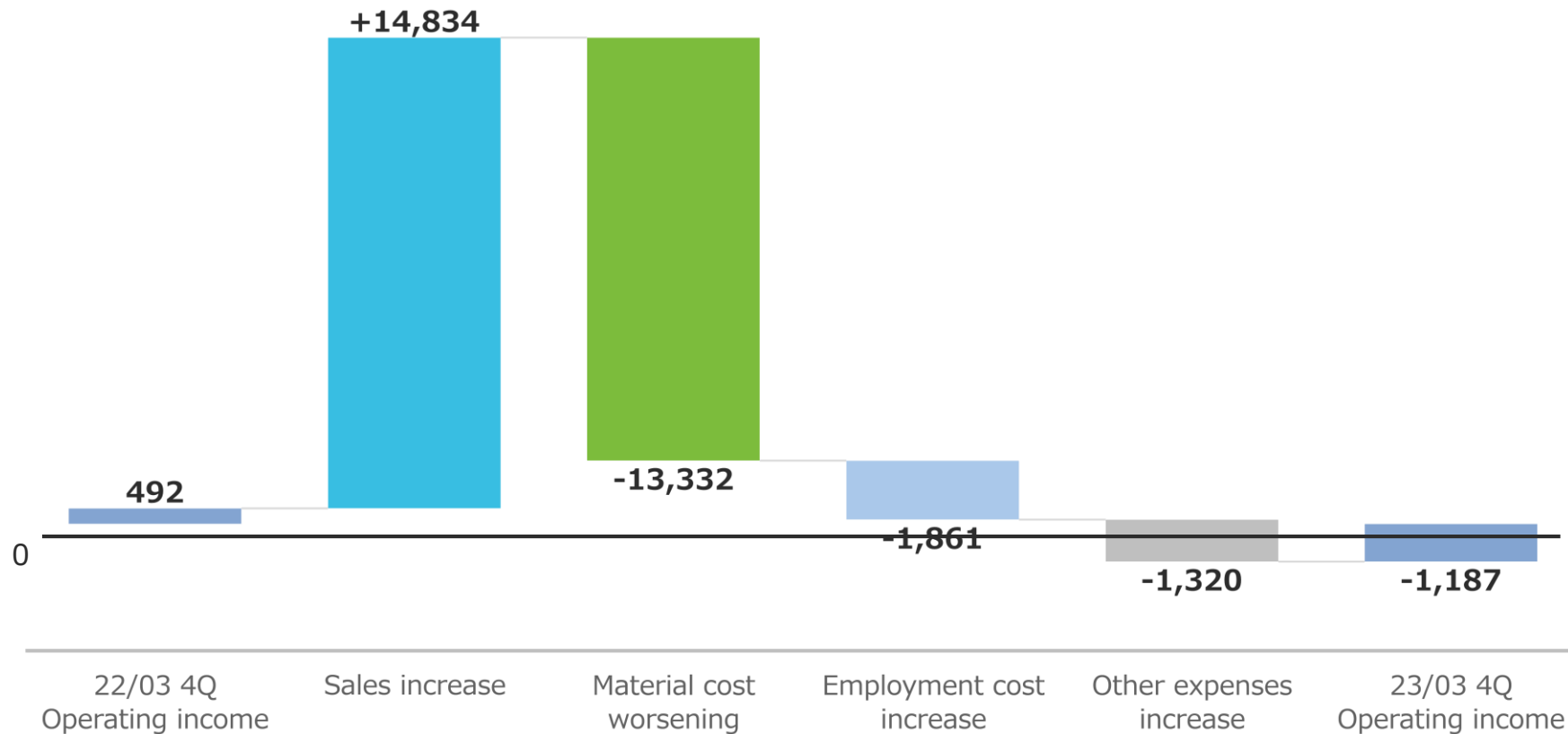
- Mobility Equipment Business : Recovery from last year's sales decline, sales increased but profits decreased due to the impact of rising material prices and other factors.
- Energy Solutions Business : Revenue and profit decreased affected by the impact of material cost raise and production stagnation from difficulties in procuring materials.
- Home Electronics Business : Sales and profits increased through global sales despite the impact of material cost raise and other factors.
- Current fiscal year : Extraordinary income of 250 million JPY which is a negative goodwill caused from new consolidated group.
- The previous fiscal year : Foreign exchange gain of 950 million JPY; non-operating income through yen depreciation. / Gain on debt cancellation of 550 million JPY, extraordinary income due to exemption from PPP loan repayment.

(Millions of JPY)	2022/03/4Q		2023/03/4Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
Net Sales	76,271	100.0%	91,106	100.0%	+14,834	+19.5%
Mobility Equipment	27,504	36.1%	33,110	36.3%	+5,606	+20.4%
Energy Solutions	21,932	28.8%	21,820	24.0%	-112	-0.5%
Home Electronics	26,834	35.2%	35,225	38.7%	+8,390	+31.3%
Other	-	-	950	1.0%	+950	-
Operating income	492	0.6%	-1,187	-1.3%	-1,679	-
Mobility Equipment	-1,564	-2.1%	-2,938	-3.2%	-1,374	-
Energy Solutions	3,787	5.0%	2,428	2.7%	-1,358	-35.9%
Home Electronics	277	0.4%	1,423	1.6%	+1,146	+413.2%
Other	-	-	-24	-0.0%	-24	-
Common	-2,007	-2.6%	-2,076	-2.3%	-68	-
Ordinary profit	1,268	1.7%	-817	-0.9%	-2,086	-
Net Income	1,287	1.7%	-1,075	-1.2%	-2,362	-
ROE	12.8%		-10.0%		-22.8pt	
Operating Profit Ratio	0.6%		-1.3%		-1.9pt	

- Notable contribution to sales by Mobility Equipment Business which recovered from the impact of COVID-19 during the previous period, also notable growth of air conditioner components sales in the global market. Operating income decreased on the other hand due to a deterioration in the cost of sales ratio by worldwide raw material price raise, also transportation cost increase.

Factors affecting operating income

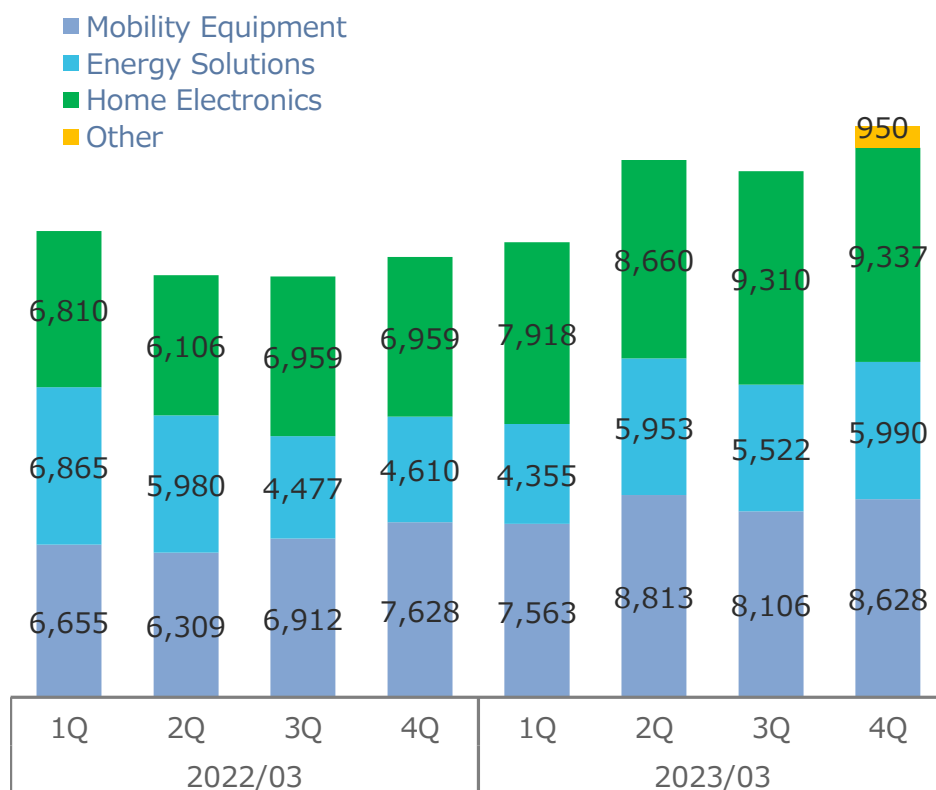
(Millions of JPY)



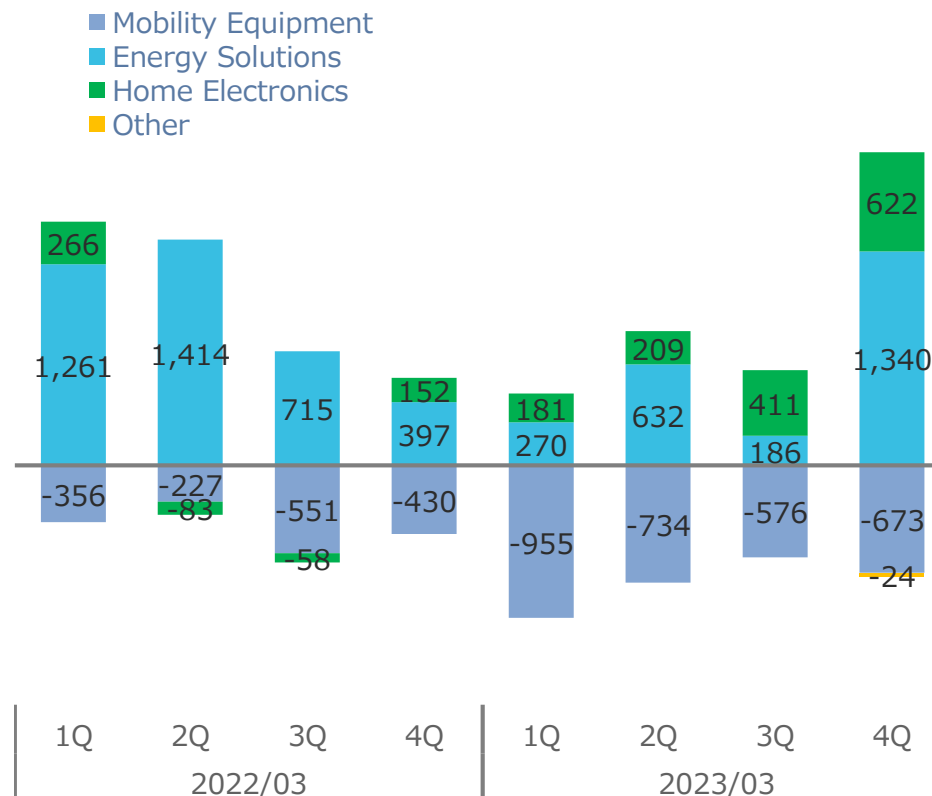
Quarterly Results by Segment

- Mobility Equipment Business :** Cost deterioration continued from the second half of the previous fiscal year due to high material prices, etc., but has been improving gradually since the second quarter of the current fiscal year.
- Energy Solution Business :** Show sign of sales recovery from the fourth quarter of the current fiscal year, also production stagnation caused by semiconductor shortages continued from the second half of the previous fiscal year was resolved in the third quarter of the current fiscal year.
- Home Electronics Business :** Revenue and profit increased quarter by quarter due to improved global sales despite the impact of rising material costs.

Segment Sales (Quarterly, Millions of JPY)



Segment Profit (Quarterly, Millions of JPY)



Financial Results for FYE Mar. 2023 (B/S)

- Inventory increased due to procuring components in forecast of higher sales and against the backdrop of difficulties in procuring materials.
- Increase in fixed assets due to investment in new businesses in Mobility Equipment Business (North America, China, etc.)
- Interest-bearing debt increased due to new borrowings and issuance of bonds to secure capital investment and working capital.

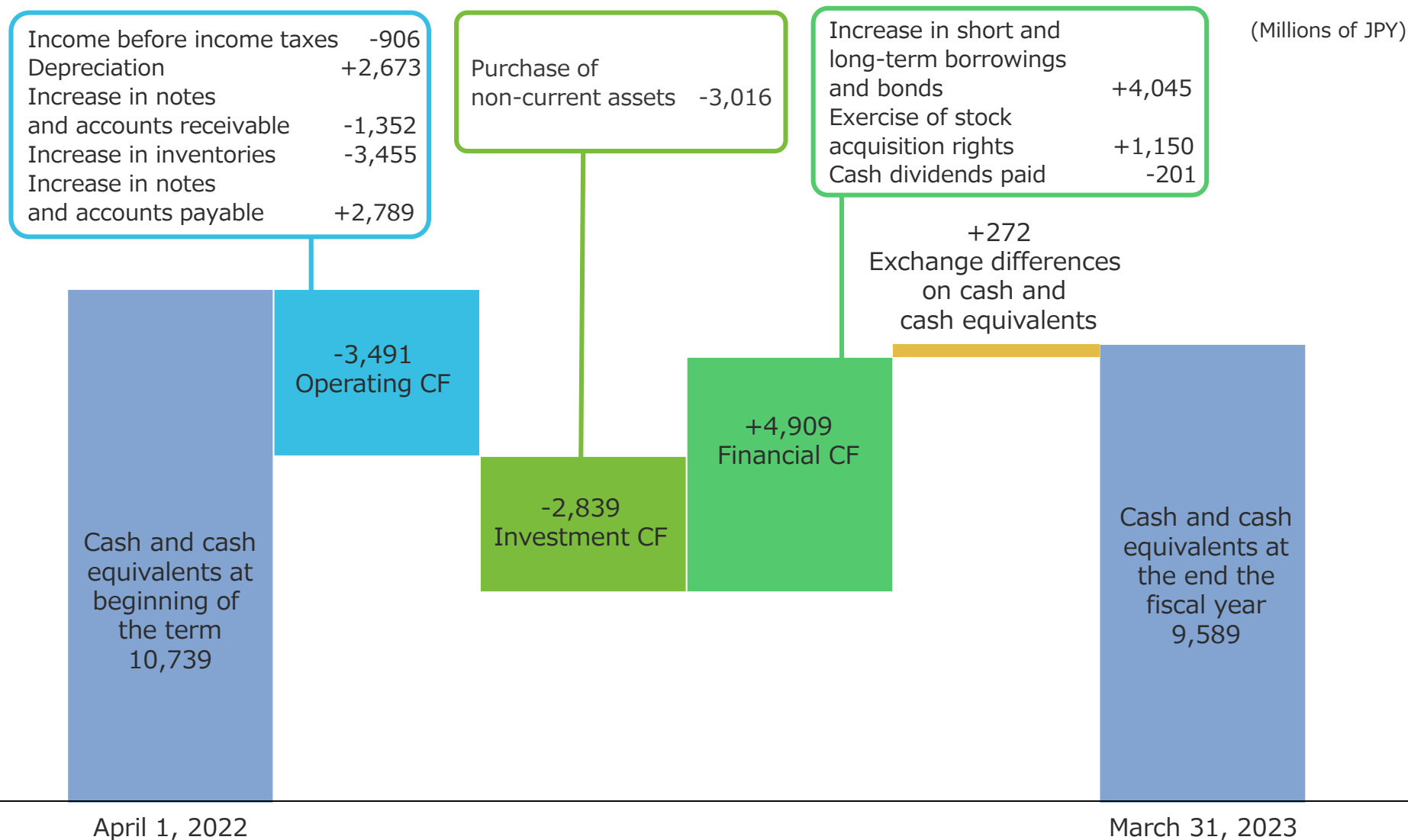
(Millions of JPY)	2022/03/4Q	2023/03/4Q	Variance
	Actual	Actual	
Current Assets	46,019	52,074	+6,055
Cash and deposits	10,745	9,640	-1,105
Notes and accounts receivable-trade	12,900	14,823	+1,923
Inventories*	18,087	22,429	+4,342
Non-Current Assets	22,708	26,652	+3,944
Property, plant and equipment	15,447	18,516	+3,069
Total Assets	68,727	78,727	+10,000
Notes and accounts payable-trade	8,792	9,928	+1,136
Electronically recorded obligations-operating	5,239	6,994	+1,755
Liability with Interest**	34,357	40,617	+6,260
Total Liabilities	58,551	67,823	+9,272
Equity	10,074	10,779	+705
Equity Ratio	14.7%	13.7%	-1.0pt
Net Assets	10,176	10,903	+727

* Inventories = merchandise and finished goods + work in process + raw materials and supplies

** Interest-bearing debt = Short-term borrowings + Bonds due within one year + Long-term borrowings to be repaid within one year + Bonds + Long-term borrowings + Lease obligations

Consolidated Cash Flow

- Free cash flow of -6.33 billion JPY, improved from -8.25 billion JPY in 4Q FYE Mar. 2022 (+1.92 billion yen)



- The increase in depreciation was mainly due to the start of new orders in Mobility Equipment Business in the previous fiscal year.

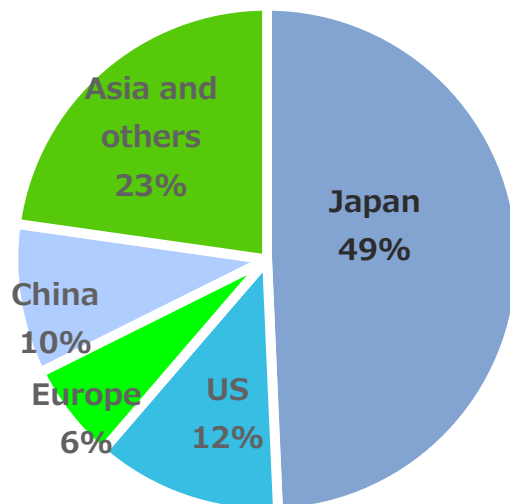
(Millions of JPY)	2022/03/4Q	2023/03/4Q		
	Actual	Actual	Variance	Variance %
Capital Investment	3,488	3,195	-293	-9.2%
Mobility Equipment	2,239	2,370	+131	+5.5%
Energy Solutions	178	214	+36	+16.8%
Home Electronics	1,002	330	-672	-203.6%
Other	-	5	+5	-
Common	68	274	+206	+75.2%
R&D Expenses	2,923	2,631	-292	-11.1%
Mobility Equipment	810	593	-217	-36.6%
Energy Solutions	1,487	1,511	+24	+1.6%
Home Electronics	523	385	-138	-35.8%
Other	-	-	-	-
Common	102	140	+38	+27.1%
Depreciation	2,169	2,673	+504	+18.9%
Mobility Equipment	1,485	1,824	+339	+18.6%
Energy Solutions	139	170	+31	+18.2%
Home Electronics	502	549	+47	+8.6%
Other	-	69	+69	-
Common	41	58	+17	+29.3%

Summary of Financial Results by Region

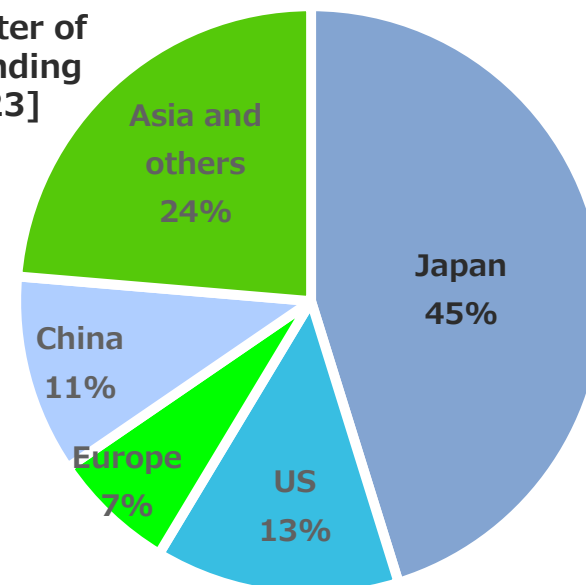
- Overseas sales increased in the US and Asia due to recovery from sluggish production of Mobility Equipment and Home Electronics Business due to the impact of COVID-19 from the previous fiscal year and the impact of yen depreciation.
- Sales in Japan increased due to strong sales to key customers in Home Electronics Business.

Net Sales by Region (%)

[Fourth quarter of fiscal year ending March 2022]



[Fourth quarter of fiscal year ending March 2023]



Results by Region

(Millions of JPY)	4Q FYE Mar. 2020	4Q FYE Mar. 2021	4Q FYE Mar. 2022	4Q FYE Mar. 2023		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	31,286	38,808	37,606	41,179	3,573	+9.5%
US	9,609	7,482	9,151	12,228	3,077	+33.6%
Europe	5,368	4,193	4,837	6,219	1,382	+28.6%
China	6,739	6,023	7,321	9,922	2,601	+35.5%
Asia and others	18,008	14,131	17,354	21,556	4,202	+24.2%

Results for FYE Mar. 2023 (Previous Forecast vs. 4Q Results)

- Net sales exceeded previous forecast due to strong sales to key customers, improvement of sales unit price. However, Operating income fell short of previous forecast due to impact of the lower-than-expected sales recovery in Energy Solution Business.

(Millions of JPY)	FY2022 Forecast (As of Feb. 14)	Ratio %	FY2022 Results	Ratio %	Variance	Variance %
Net Sales	90,500	100.0%	91,106	100.0%	606	+0.7%
Mobility Equipment	32,800	36.2%	33,110	36.3%	310	+0.9%
Energy Solutions	23,200	25.6%	21,820	24.0%	-1,379	-5.9%
Home Electronics	34,500	38.1%	35,225	38.7%	725	+2.1%
Other	0	0.0%	950	1.0%	950	-
Operating income	-1,000	-1.1%	-1,187	-1.3%	-187	-
Mobility Equipment	-2,750	-3.0%	-2,938	-3.2%	-188	-
Energy Solutions	2,700	3.0%	2,428	2.7%	-271	-10.1%
Home Electronics	1,250	1.4%	1,423	1.6%	173	+13.9%
Other	0	0.0%	-24	0.0%	-24	-
Common	-2,200	-2.4%	-2,076	-2.3%	123	-
Ordinary profit	-1,000	-1.1%	-817	-0.9%	182	-
Net Income	-1,200	-1.3%	-1,075	-1.2%	124	-
R O E	-11.4%		-10.0%		+1.4pt	
Operating Profit Ratio	-1.1%		-1.3%		-0.2pt	
Capital Investment	4,083		3,195		-888	-21.7%
R&D Expenses	2,959		2,631		-328	-11.1%
Depreciation	2,694		2,673		-20	-0.8%