

I. 3Q FY2023 Financial Results

(Fiscal Year Ending March 31, 2024)

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Tokyo Stock Exchange Prime Market 6699

Feb 2024

Summary of 3Q Fiscal Year 2023 (FY2024/03) P/L

- **Mobility Equipment:** Net sales decreased by partial sales termination, but income increased through unit price improvement and cost reduction efforts.
- **Energy Solutions:** Both sales and income increased thanks to the resolution of production stagnation caused by the components procurement difficulties.
- **Home Electronics:** Net sales pushed up by global sales increase, but profit decreased due to the deteriorated material cost ratio.
- **Other Topics:**
 1. 563 million JPY Foreign exchange gains was recorded affected by the depreciation of JPY (3Q_FY2022:480 mil JPY).
 2. Additional provision of 1,123 million JPY for product warranties related to market recalls.
 3. Income taxes of 520 million JPY recorded increase in pre-tax profit reflecting the increased profit (3Q_FY2022: 52 mil JPY).

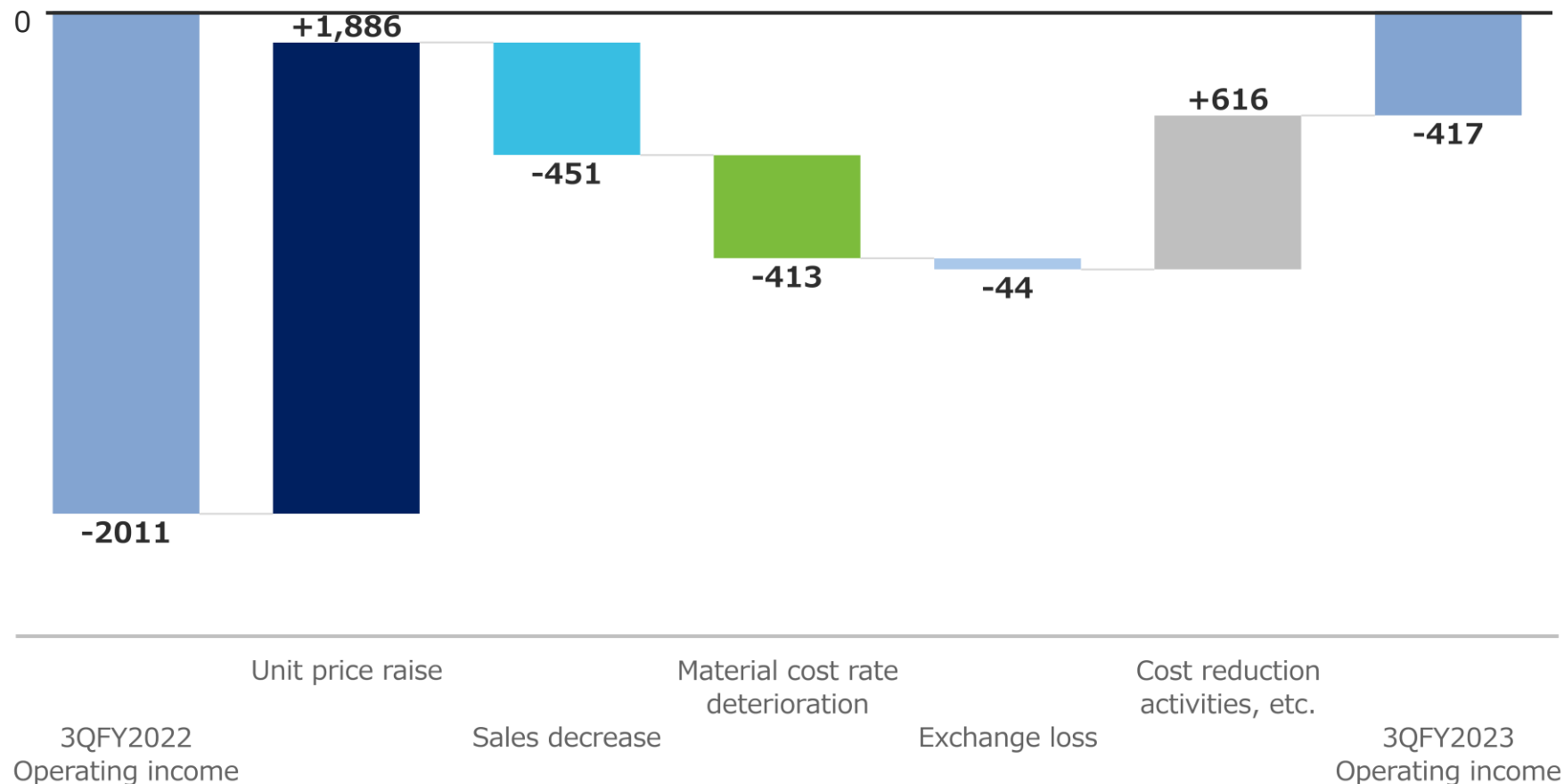
| (Millions of JPY) | 2023/03/3Q | | 2024/03/3Q | | | |
|-------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | Actual | Ratio % | Actual | Ratio % | Variance | Variance % |
| Net Sales | 66,201 | 100.0% | 68,657 | 100.0% | 2,456 | 3.7% |
| Mobility Equipment | 24,482 | 37.0% | 24,341 | 35.5% | -141 | -0.6% |
| Energy Solutions | 15,830 | 23.9% | 16,546 | 24.1% | 716 | 4.5% |
| Home Electronics | 25,888 | 39.1% | 26,846 | 39.1% | 958 | 3.7% |
| Others | - | - | 922 | 1.3% | 922 | - |
| Operating income | -2,011 | -3.0% | -417 | -0.6% | 1,594 | - |
| Mobility Equipment | -2,265 | -3.4% | -917 | -1.3% | 1,347 | - |
| Energy Solutions | 1,088 | 1.6% | 1,472 | 2.1% | 383 | 35.2% |
| Home Electronics | 801 | 1.2% | 687 | 1.0% | -114 | -14.2% |
| Others | - | - | -104 | -0.2% | -104 | - |
| Common | -1,637 | -2.5% | -1,555 | -2.3% | 81 | - |
| Ordinary profit | -1,994 | -3.0% | -140 | -0.2% | 1,854 | - |
| Net Income | -2,049 | -3.1% | -1,855 | -2.7% | 193 | - |
| R O E | -20.6% | | -17.9% | | 2.7pt | |
| Operating Profit Ratio | -3.0% | | -0.6% | | 2.4pt | |

Operating Income Analysis

- Operating income improved by 1.59 billion JPY through increase in unit selling price by passing on soaring raw material prices in the Mobility Equipment business and company-wide productivity improvements, despite a worsening material cost ratio due to high procurement costs and sales mix.

Factors of Increase/Decrease in Operating Income

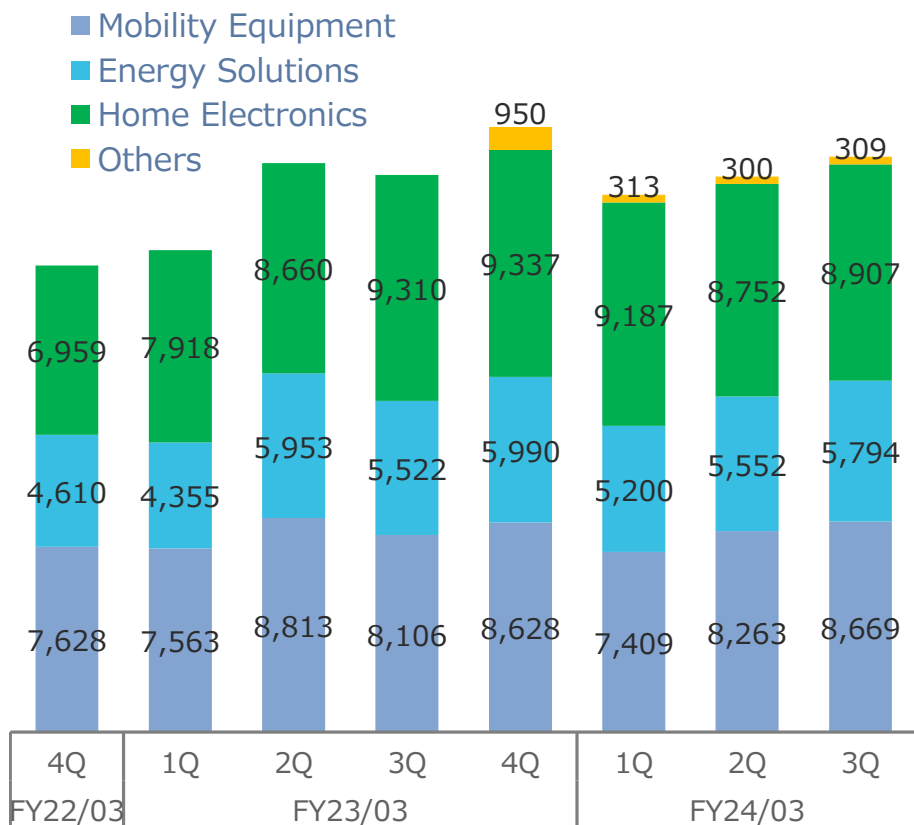
(Millions of JPY)



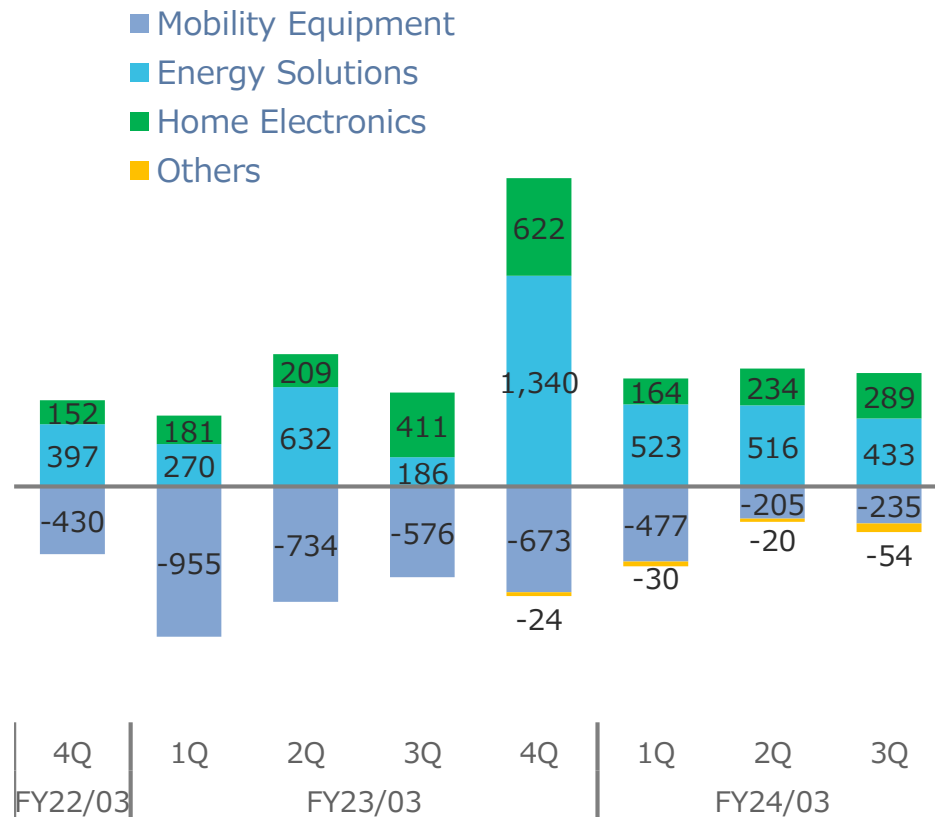
Performance by Segment

- **Automotive Equipment:** Cost to sales ratio has been improving through efforts such as unit price improvement and cost reduction.
- **Energy Solutions:** Sales are returning to the strong period as customer confidence is restoring, but profit margin deteriorated due to worsening material cost ratio.
- **Home Electronics:** Sales peaked in the previous 4Q and remained weak affected by inventory adjustments by customers, etc. and profit margin deteriorated due to worsening material cost ratio.

Segment Sales (Quarterly, Millions of JPY)



Segment Profit (Quarterly, Millions of JPY)



Summary of 3Q Fiscal Year 2023 (FY2024/03) B/S

- Inventories increased by 1.5 billion JPY: 802 mil JPY affected by the depreciation of JPY so 698 mil JPY in real terms.
- Fixed assets increased due to investments to increased production for major U.S. customers in Mobility Equipment business and for consolidating production bases in Thailand.
- Interest-bearing debt increased due to new borrowings purposing to secure funds for capital investment and operating capital.

| (Millions of JPY) | Previous 2023/03/4Q | Current 2024/03/3Q | Variance |
|---|---------------------|--------------------|--------------|
| | Actual | Actual | |
| Current Assets | 52,074 | 52,879 | 804 |
| Cash and deposits | 9,640 | 10,193 | 553 |
| Notes and accounts receivable-trade | 14,823 | 12,704 | -2,119 |
| Inventories* | 22,429 | 23,929 | 1,500 |
| Non-Current Assets | 26,652 | 28,847 | 2,194 |
| Property, plant and equipment | 18,516 | 19,999 | 1,482 |
| Total Assets | 78,727 | 81,726 | 2,999 |
| Notes and accounts payable-trade | 9,928 | 10,503 | 574 |
| Electronically recorded obligations-operating | 6,994 | 5,961 | -1,032 |
| Liability with Interest** | 40,617 | 41,905 | 1,288 |
| Total Liabilities | 67,823 | 71,637 | 3,813 |
| Equity | 10,779 | 9,953 | -826 |
| Equity Ratio | 13.7% | 12.2% | -1.5pt |
| Net Assets | 10,903 | 10,089 | -814 |

* 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

- Main reasons for the increase in capital investment were increased investment in response to increased production for major U.S. customers and consolidation of production bases in Thailand.

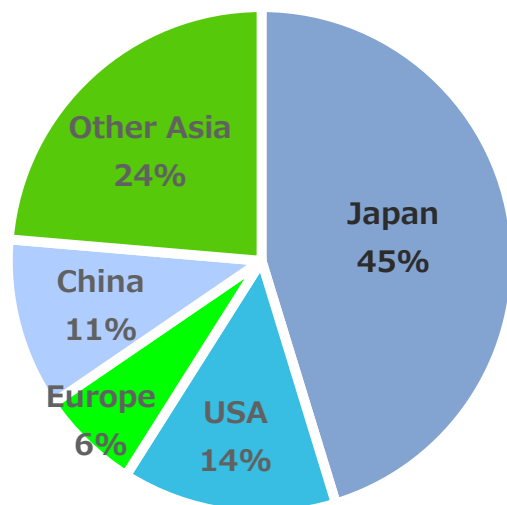
| (Millions of JPY) | 2023/03/3Q | 2024/03/3Q | | |
|---------------------------|--------------|--------------|--------------|---------------|
| | Actual | Actual | Variance | Variance % |
| Capital Investment | 1,348 | 3,188 | 1,840 | 136.5% |
| Mobility Equipment | 928 | 2,730 | 1,802 | 194.2% |
| Energy Solutions | 153 | 152 | -1 | -0.7% |
| Home Electronics | 212 | 77 | -135 | -63.7% |
| Others | - | 59 | 59 | - |
| Common | 53 | 168 | 115 | 217.0% |
| R&D Expenses | 2,038 | 2,053 | 15 | 0.7% |
| Mobility Equipment | 453 | 397 | -56 | -12.4% |
| Energy Solutions | 1,144 | 1,326 | 182 | 15.9% |
| Home Electronics | 338 | 285 | -53 | -15.7% |
| Others | - | - | - | - |
| Common | 101 | 44 | -57 | -56.4% |
| Depreciation | 1,935 | 2,010 | 75 | 3.9% |
| Mobility Equipment | 1,344 | 1,348 | 4 | 0.3% |
| Energy Solutions | 89 | 69 | -20 | -22.5% |
| Home Electronics | 443 | 414 | -29 | -6.5% |
| Others | - | 106 | 106 | - |
| Common | 59 | 71 | 12 | 20.3% |

Summary of Geographic Sales

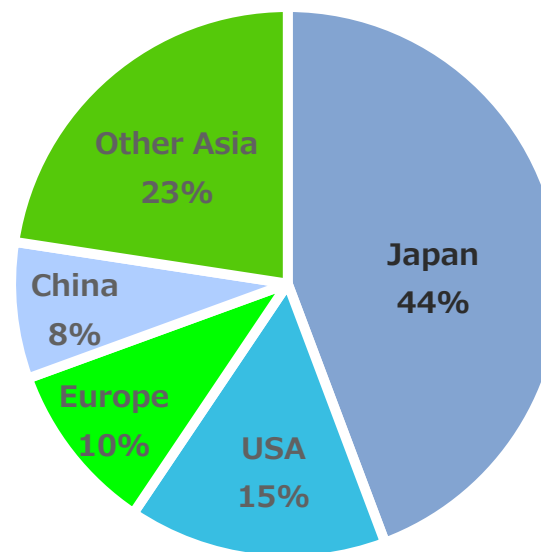
- **Japan:** Sales increased due to recovery in production of residential energy storage systems in Energy Solutions business.
- **USA:** Sales of ignition coils increased thanks to the launch of new models by major customers in the Mobility Equipment business.
- **Europe:** Sales of related components in Home Electronics business increased due to rising demand for heat pumps.

Net Sales by Region (%)

FY2023/03
3Q



FY2024/03
3Q



Results by Region

| (Millions of JPY) | 2021/03/3Q | 2022/03/3Q | 2023/03/3Q | 2024/03/3Q | | |
|-------------------|------------|------------|------------|------------|----------|------------|
| | Actual | Actual | Actual | Actual | Variance | Variance % |
| Japan | 27,891 | 28,973 | 29,968 | 30,399 | 431 | 1.4% |
| USA | 5,248 | 6,514 | 9,072 | 10,398 | 1,326 | 14.6% |
| Europe | 3,073 | 3,733 | 4,294 | 6,874 | 2,580 | 60.1% |
| China | 4,384 | 5,433 | 7,211 | 5,480 | -1,731 | -24.0% |
| Other Asia | 9,556 | 12,419 | 15,654 | 15,504 | -150 | -1.0% |

3Q FY2023 Financial Performance (Revised forecast vs Actual)

- While the Energy Solutions business is gaining a foothold to regain customer confidence, the sales plan was not achieved. On the other hand, operating income exceeded the revised forecast by price increase in Mobility Equipment and sales of electronic equipment exceeding the forecast.
- Net loss of 1.85 billion JPY was recorded as a result of a shortfall in ordinary income from the impact of exchange rates, also an additional provision of 934 million JPY for product compensation related to market recalls.

| (Millions of JPY) | FY2024/03 Revised Forecast | | FY2024/03 Actual | | | |
|-------------------------|----------------------------|---------------|------------------|---------------|---------------|--------------|
| | Revised 3Q Forecast | Ratio (%) | 3Q Actual | Ratio (%) | Variance | Variance (%) |
| Net Sales | 68,443 | 100.0% | 68,657 | 100.0% | 214 | 0.3% |
| Mobility Equipment | 24,042 | 35.1% | 24,341 | 35.5% | 298 | 1.2% |
| Energy Solutions | 17,055 | 24.9% | 16,546 | 24.1% | -509 | -3.0% |
| Home Electronics | 26,190 | 38.3% | 26,846 | 39.1% | 656 | 2.5% |
| Others | 1,154 | 1.7% | 922 | 1.3% | -231 | -20.1% |
| Operating Income | -500 | -0.7% | -417 | -0.6% | 83 | - |
| Mobility Equipment | -1,048 | -1.5% | -917 | -1.3% | 130 | - |
| Energy Solutions | 1,647 | 2.4% | 1,472 | 2.1% | -175 | -10.6% |
| Home Electronics | 501 | 0.7% | 687 | 1.0% | 185 | 37.0% |
| Others | -18 | 0.0% | -104 | -0.2% | -85 | - |
| Common | -1,583 | -2.3% | -1,555 | -2.3% | 28 | - |
| Ordinary Profit | 235 | 0.3% | -140 | -0.2% | -375 | - |
| Net Income | -493 | -0.7% | -1,855 | -2.7% | -1,362 | - |
| ROE | -4.9% | | -17.9% | | -13.0pt | |
| Operating Profit Ratio | -0.7% | | -0.6% | | 0.1pt | |
| Capital Investment | 3,168 | | 3,188 | | 19 | 0.6% |
| R&D Expenses | 2,230 | | 2,053 | | -176 | -7.9% |
| Depreciation | 2,226 | | 2,010 | | -215 | -9.7% |

* 1 USD = 141.07 JPY

* 1 USD = 143.33 JPY

FY2023 Annual Profit Forecast (2Q Revised forecast vs 3Q Revised forecast)

- Net loss was revised to 1.30 billion JPY due to an additional provision of 934 million JPY for product compensation related to market recalls.

| (Millions of JPY) | 2024/03 2Q Revised Forecast | | 2024/03 3Q Revised Forecast | | | |
|-------------------------|-----------------------------------|---------------|-----------------------------------|---------------|---------------|--------------|
| | Annual Forecast (as of Nov.14) | Ratio (%) | Annual Forecast (as of Feb.14) | Ratio (%) | Variance | Variance (%) |
| Net Sales | 93,000 | 100.0% | 93,000 | 100.0% | 0 | - |
| Mobility Equipment | 33,300 | 35.8% | 33,300 | 35.8% | 0 | - |
| Energy Solutions | 23,500 | 25.3% | 23,500 | 25.3% | 0 | - |
| Home Electronics | 34,300 | 36.9% | 34,300 | 36.9% | 0 | - |
| Others | 1,900 | 2.0% | 1,900 | 2.0% | 0 | - |
| Operating Income | 0 | 0.0% | 0 | 0.0% | 0 | - |
| Mobility Equipment | -1,100 | -1.2% | -1,100 | -1.2% | 0 | - |
| Energy Solutions | 2,450 | 2.6% | 2,450 | 2.6% | 0 | - |
| Home Electronics | 650 | 0.7% | 650 | 0.7% | 0 | - |
| Others | 100 | 0.1% | 100 | 0.1% | 0 | - |
| Common | -2,100 | -2.3% | -2,100 | -2.3% | 0 | - |
| Ordinary Profit | 600 | 0.6% | 600 | 0.6% | 0 | - |
| Net Income | -160 | -0.2% | -1,300 | -1.4% | -1,140 | - |
| ROE | -1.6% | | -12.5% | | -10.9pt | |
| Operating Profit Ratio | 0.0% | | 0.0% | | 0 | |
| Capital Investment | 3,715 | | 3,715 | | 0 | - |
| R&D Expenses | 3,174 | | 3,174 | | 0 | - |
| Depreciation | 2,983 | | 2,707 | | -276 | -9.3% |

* 1 USD = 141.07 JPY

* 1 USD = 143.33 JPY