

I. 1Q FY2026/3 Financial Results

(Fiscal Year Ending March 31, 2026)

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Diamond Electric Holdings Co., Ltd.  
Tokyo Stock Exchange Prime Market 6699  
August 2025

# Summary of 1Q FY2026/3 (P/L)

- **Mobility Equipment:** Increase in both sales and profit, primarily driven by increased production of internal combustion engine (ICE) vehicles in the U.S. and China.
- **Energy Solutions:** Revenue slightly increased by demand recovery, despite downward pressure from the market share expansion of overseas manufacturers and inventory adjustments by customers. Profit decreased due to lower insurance recovery.
- **Home Electronics:** Revenue slightly decreased by continued slump in European demand, despite an increase in demand from domestic customers. Profit slightly increased due to improved sales mix and progress in labor-saving manufacturing.
- **Other Topics:**
  - Impact of foreign exchange during the period was minimal (compared to a forex JPY 722M in the previous FY)
  - Interest expenses rose to JPY 251M due to higher financial costs (JPY 149M in the previous FY)
  - Corporate taxes: JPY 170M (JPY 725M in the previous FY)

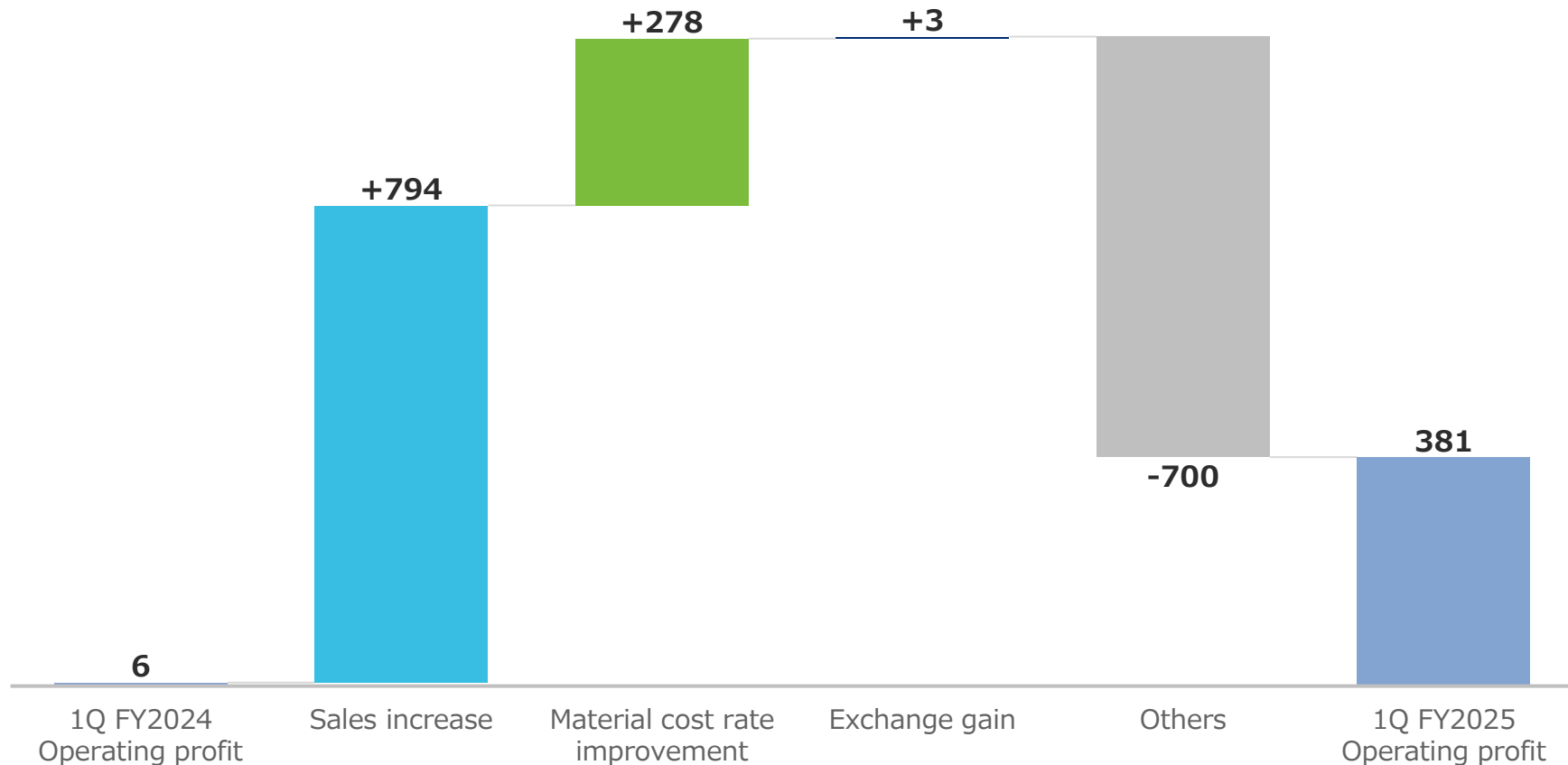
(Millions of JPY)	2025/03/1Q		2026/03/1Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
<b>Net Sales</b>	<b>21,318</b>	<b>100.0%</b>	<b>22,933</b>	<b>100.0%</b>	<b>1,615</b>	<b>7.6%</b>
Mobility Equipment	8,020	37.6%	9,513	41.5%	1,492	18.6%
Energy Solutions	5,222	24.5%	5,595	24.4%	372	7.1%
Home Electronics	7,845	36.8%	7,629	33.3%	-215	-2.8%
Others	229	1.1%	195	0.9%	-33	-14.7%
<b>Operating Profit</b>	<b>6</b>	<b>0.0%</b>	<b>381</b>	<b>1.7%</b>	<b>375</b>	<b>5,964.7%</b>
Mobility Equipment	-96	-0.5%	403	1.8%	499	-
Energy Solutions	579	2.7%	321	1.4%	-257	-44.5%
Home Electronics	180	0.8%	267	1.2%	87	48.4%
Others	-120	-0.6%	-65	-0.3%	55	-
Common	-535	-2.5%	-544	-2.4%	-8	-
<b>Ordinary Profit</b>	<b>629</b>	<b>3.0%</b>	<b>172</b>	<b>0.8%</b>	<b>-456</b>	<b>-72.6%</b>
<b>Net Profit</b>	<b>-118</b>	<b>-0.6%</b>	<b>-0</b>	<b>-0.0%</b>	<b>118</b>	<b>-</b>
ROE	-1.1%		-0.0%		1.1pt	
Operating Profit Ratio	0.0%		1.7%		1.7pt	

# Operating Profit Analysis

- Increase in **Net Sales** was mainly owing to higher customer demand in the **Mobility Equipment** business.
- Improvement in **Material Cost Ratio** was primarily due to the effects of improved sales mix in the **Mobility Equipment** business and the **Home Electronics** business.
- **Other Factors:** Increase in costs due to higher production in the **Mobility Equipment** business and a decrease in insurance recovery in the **Energy Solutions** business.

## Operating profit

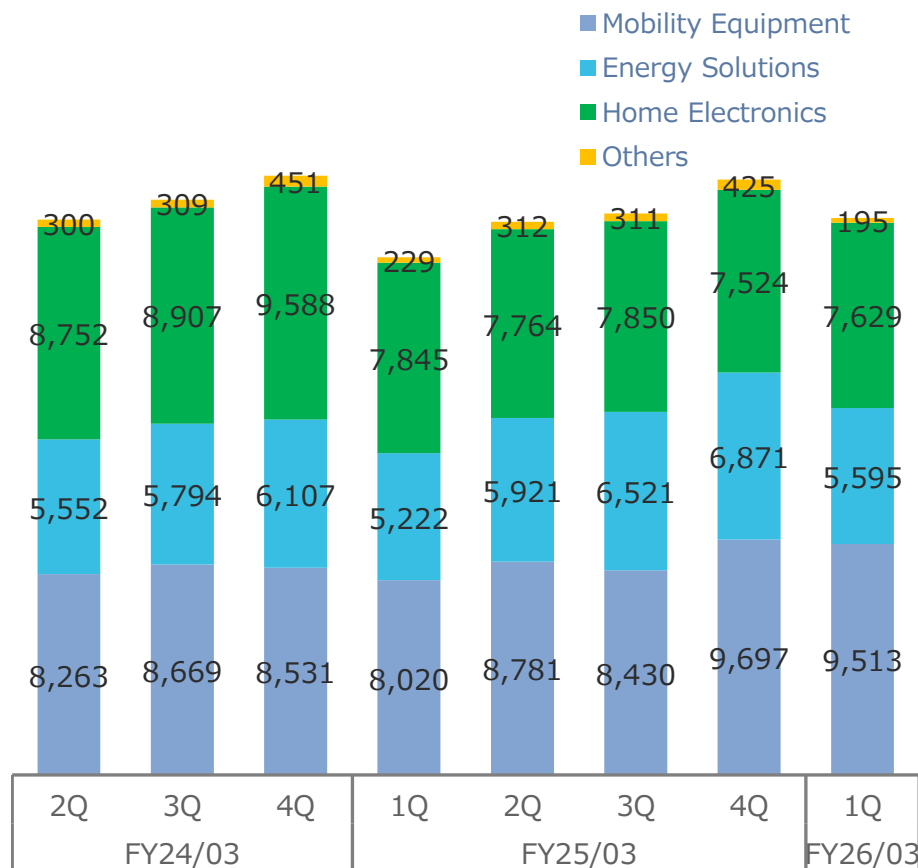
(Millions JPY)



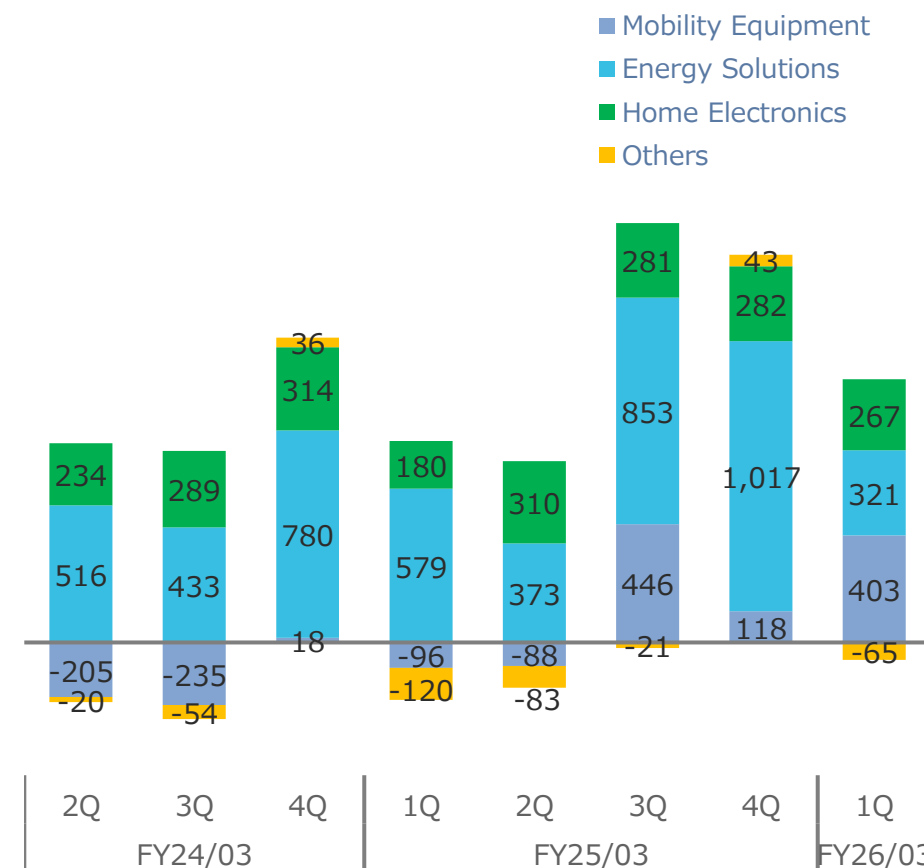
# Performance by Segment

- **Mobility Equipment:** Both sales and profit are on an upward trend driven by increased customer demand.
- **Energy Solutions:** While net sales has been on a recovery trend from the previous FY, profit for the 1Q declined due to a decrease in insurance recovery.
- **Home Electronics:** Both net sales and profit have remained flat.

Sales by Segment (Quarterly, Millions JPY)



Profit by Segment (Quarterly, Millions JPY)



# Summary of 1Q FY2026/3 (B/S)

- **Inventories** increased by JPY 39M, including a decrease of JPY 333M due to exchange rate fluctuations, resulting in an actual increase of JPY 372M.
- **Fixed Assets** decreased by JPY 375M: JPY 811M decrease from the depreciation of **Property, plant and equipment**, offset by a JPY 391M increase from the fair value assessment.
- **Interest-bearing Liabilities** increased by JPY 611M: JPY 120M decrease from foreign exchange fluctuations, JPY 1.8B increase in borrowings and JPY 1.07B decrease from scheduled repayments.

(Millions of JPY)	2025/03/4Q	2026/03/1Q	
	Actual	Actual	Variance
Current Assets	50,928	51,396	468
Cash and deposits	7,492	8,282	789
Notes and accounts receivable-trade	13,156	12,907	-249
Inventories*	24,719	24,759	39
Non-Current Assets	28,350	27,975	-375
Property, plant and equipment	19,002	18,191	-811
<b>Total Assets</b>	<b>79,278</b>	<b>79,371</b>	<b>93</b>
Notes and accounts payable-trade	10,059	10,015	-44
Electronically recorded obligations-operating	4,532	4,353	-178
Liability with Interest**	38,474	39,086	611
<b>Total Liabilities</b>	<b>67,725</b>	<b>68,290</b>	<b>564</b>
Equity	11,390	10,915	-475
Equity Ratio	14.4%	13.8%	-0.6pt
<b>Net Assets</b>	<b>11,553</b>	<b>11,081</b>	<b>-471</b>

\*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 Expenses and Capital Investment

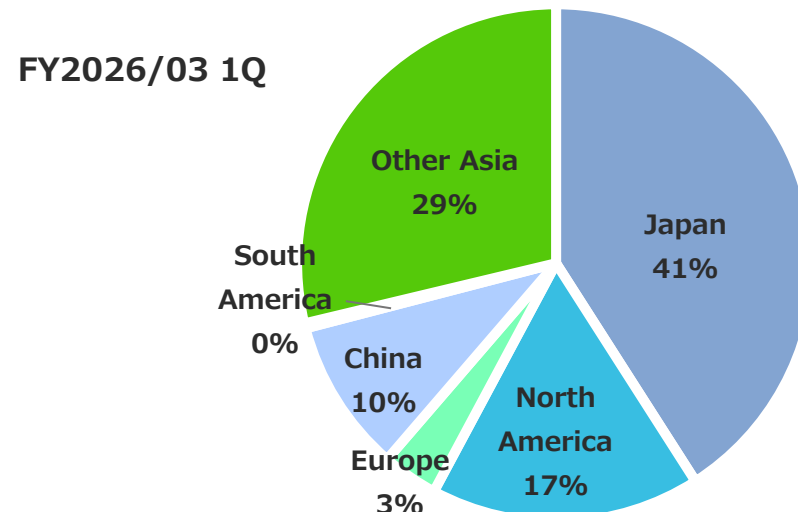
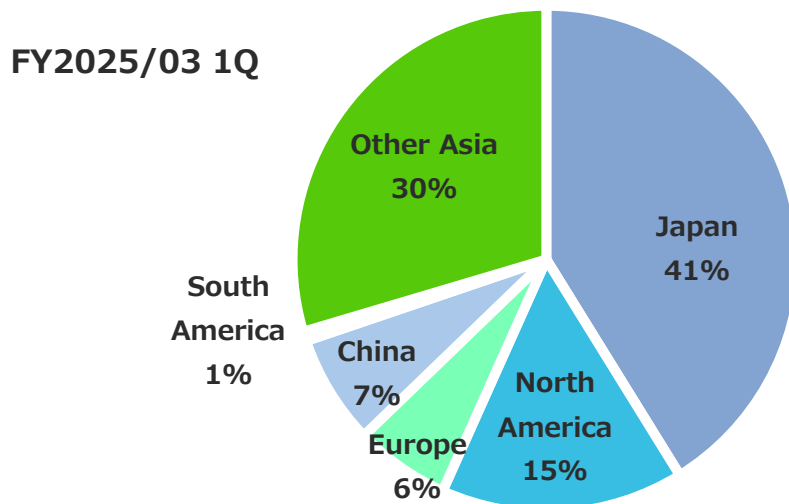
- The main reason for the decline in capital investment was that significant investments had been made in the previous FY to expand production capacity for major U.S. and Asia customers in the **Mobility Equipment**.

(Millions of JPY)	2025/03/1Q	2026/03/1Q		
	Actual	Actual	Variance	Variance %
<b>Capital Investment</b>	<b>695</b>	<b>269</b>	<b>-426</b>	<b>-61.3%</b>
Mobility Equipment	547	223	-324	-59.2%
Energy Solutions	51	8	-43	-84.3%
Home Electronics	44	30	-14	-31.8%
Others	51	4	-47	-92.2%
Common	-	2	2	-
<b>R&amp;D Expenses</b>	<b>778</b>	<b>827</b>	<b>49</b>	<b>6.3%</b>
Mobility Equipment	246	286	40	16.3%
Energy Solutions	413	441	28	6.8%
Home Electronics	114	96	-18	-15.8%
Others	-	-	-	-
Common	4	3	-1	-25.0%
<b>Depreciation</b>	<b>773</b>	<b>694</b>	<b>-79</b>	<b>-10.2%</b>
Mobility Equipment	562	506	-56	-10.0%
Energy Solutions	38	27	-11	-28.9%
Home Electronics	117	113	-4	-3.4%
Others	31	19	-12	-38.7%
Common	24	27	3	12.5%

# Sales Summary by Region

- **Japan:** Increased customer demand across all business segments.
- **North America & China:** Increased sales in the **Mobility Equipment** due to higher production of internal combustion engine (ICE) vehicles, driven by a slowdown in demand for electric vehicles (EVs).
- **Europe:** Decreased sales in the **Home Electronics** due to a drop in demand for heat pumps.

## Sales by Region (%)



## Results by Region

(Millions of JPY)	2023/03/1Q	2024/03/1Q	2025/03/1Q	2026/03/1Q		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	8,597	9,901	8,778	9,390	612	7.0%
North America	2,773	3,289	3,309	3,870	561	17.0%
South America	0	0	130	71	-59	-45.4%
Europe	1,466	2,250	1,296	801	-495	-38.2%
China	2,312	1,749	1,493	2,209	716	48.0%
Other Asia	4,688	4,919	6,309	6,590	281	4.5%

# 1Q FY2026/3 Financial Performance(1Q Plan vs 1Q Actual)

- **Mobility Equipment:** Saw increased revenue and profit, primarily driven by production hike of internal combustion engine (ICE) vehicles in the U.S. and China, which outweighed the negative impact of tariffs.
- **Energy Solutions:** Experienced a profit decrease due to lower revenue affected by the market share expansion of overseas manufacturers.
- **Home Electronics:** Posted higher profit due to increased demand from major customers, despite the effects of the sales mix.
- **Other topics:** Ordinary profit and Net profit both increased significantly, driven by higher operating profit and a smaller-than-expected impact from exchange rate impact.

(Millions of JPY)	2026/03 Initial Plan		2026/03 Actual			
	1Q Plan	Ratio %	1Q Actual	Ratio %	Variance	Variance %
<b>Net Sales</b>	<b>22,062</b>	<b>100.0%</b>	<b>22,933</b>	<b>100.0%</b>	<b>871</b>	<b>3.9%</b>
Mobility Equipment	8,591	38.9%	9,513	41.5%	922	10.7%
Energy Solutions	6,348	28.8%	5,595	24.4%	-753	-11.9%
Home Electronics	6,876	31.2%	7,629	33.3%	753	11.0%
Others	246	1.1%	195	0.9%	-50	-20.5%
<b>Operating Profit</b>	<b>33</b>	<b>0.2%</b>	<b>381</b>	<b>1.7%</b>	<b>348</b>	<b>1,039.7%</b>
Mobility Equipment	-18	-0.1%	403	1.8%	421	-
Energy Solutions	488	2.2%	321	1.4%	-167	-34.2%
Home Electronics	169	0.8%	267	1.2%	97	57.3%
Others	-48	-0.2%	-65	-0.3%	-16	-
Common	-557	-2.5%	-544	-2.4%	12	-
<b>Ordinary Profit</b>	<b>-284</b>	<b>-1.3%</b>	<b>172</b>	<b>0.8%</b>	<b>457</b>	<b>-</b>
<b>Net Profit</b>	<b>-352</b>	<b>-1.6%</b>	<b>-0</b>	<b>-0.0%</b>	<b>351</b>	<b>-</b>
ROE	-3.3%		-0.0%		3.3pt	
Operating Profit Ratio	0.1%		1.7%		1.6pt	
Capital Investment	1,063		269		-794	-74.7%
R&D Expenses	1,104		827		-276	-25.1%
Depreciation	743		694		-49	-6.7%

※ 1 USD = JPY133

※ 1 USD = JPY144.6