

I. 2Q FY2026/3 Financial Results
(Fiscal Year Ending March 31, 2026)

Summary of 2Q FY2026/3 (P/L)	...	01
Operating Profit Analysis	...	02
Performance by Segment	...	03
Summary of 2Q FY2026/3 (B/S)	...	04
Consolidated CF	...	05
Capital Investment and R&D Expense	...	06
Sales Summary by Region	...	07

II. 2Q FY2026/3 Financial Performance

2Q FY2026/3 Financial Performance (2Q Plan vs 2Q Actual)	...	08
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III. FY2026/3 Annual Profit Forecast

FY2025/3 Annual Profit Forecast (Previous Forecast vs 2Q Revised Forecast)	...	09
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Diamond Electric Holdings Co., Ltd.
Tokyo Stock Exchange Prime Market 6699
November 2025

Summary of 2Q FY2026/3 (P/L)

- **Mobility Equipment:** Sales and profit increased mainly due to higher production of internal combustion engine (ICE) vehicles in the U.S. and China.
- **Energy Solutions:** Sales increased as demand recovered, despite downward pressure from intensified competition by the entry of overseas manufacturers and customer inventory adjustments. Profit increased due to improvements in material cost ratio, etc.
- **Home Electronics:** Sales declined due to weaker air conditioner demand in India caused by a cool summer, despite higher demand from domestic customers. Profit increased driven by an improved sales mix and progress in labor-saving manufacturing automation.
- **Other Topics:**
 - Recorded a foreign exchange gain of JPY 162M (vs. JPY 461M loss in the same period last year).
 - Interest expenses rose to JPY 517M due to higher financial costs (vs. JPY 362M in the same period last year).
 - Corporate taxes recorded JPY 622M (vs. JPY 536M in the same period last year).

(Millions of JPY)	2025/03/2Q		2026/03/2Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
Net Sales	44,095	100.0%	46,628	100.0%	2,532	5.7%
Mobility Equipment	16,801	38.1%	19,279	41.3%	2,477	14.7%
Energy Solutions	11,143	25.3%	11,995	25.7%	851	7.6%
Home Electronics	15,609	35.4%	14,825	31.8%	-783	-5.0%
Others	541	1.2%	528	1.1%	-12	-2.3%
Operating Profit	6	0.0%	1,388	3.0%	1,382	-
Mobility Equipment	-184	-0.4%	566	1.2%	751	-
Energy Solutions	952	2.2%	1,313	2.8%	361	37.9%
Home Electronics	490	1.1%	627	1.3%	137	27.9%
Others	-203	-0.5%	-58	-0.1%	144	-
Common	-1,049	-2.4%	-1,061	-2.3%	-11	-
Ordinary Profit	-704	-1.6%	1,146	2.5%	1,851	-
Net Profit	-1,035	-2.3%	425	0.9%	1,460	-
ROE	-10.5%		3.7%		14.2pt	
Operating Profit Ratio	0.0%		3.0%		3.0pt	

※ 1 USD = JPY152.78

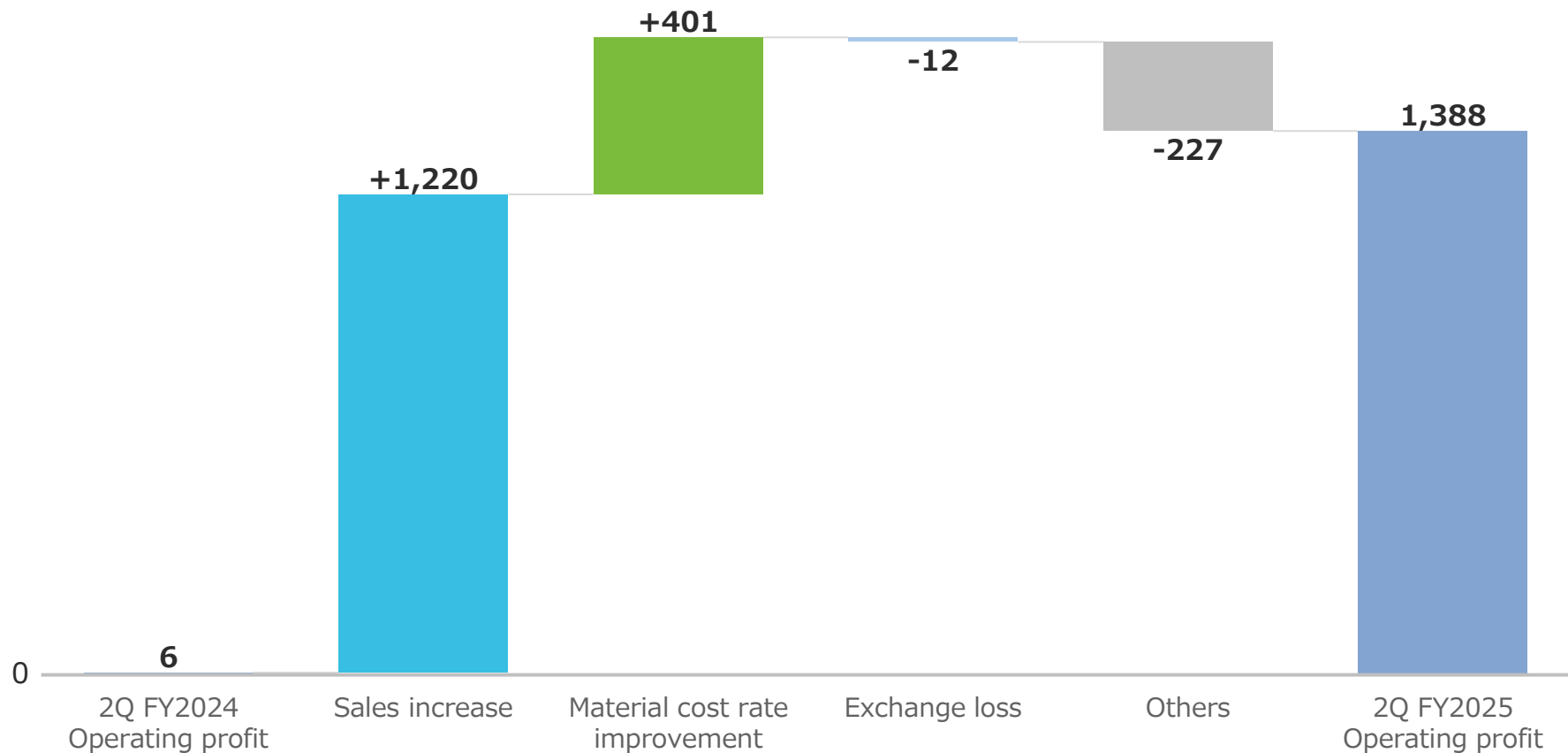
※ 1 USD = JPY146.03

Operating Profit Analysis

- Increase in net sales: Mainly attributable to higher demand from customers in the Mobility Equipment Business.
- Improvement in material cost ratio: Primarily due to improvements in the Energy Solutions and Home Electronics businesses.
- Other: Mainly increase in costs associated with increased production in the Mobility Equipment Business.

Operating profit

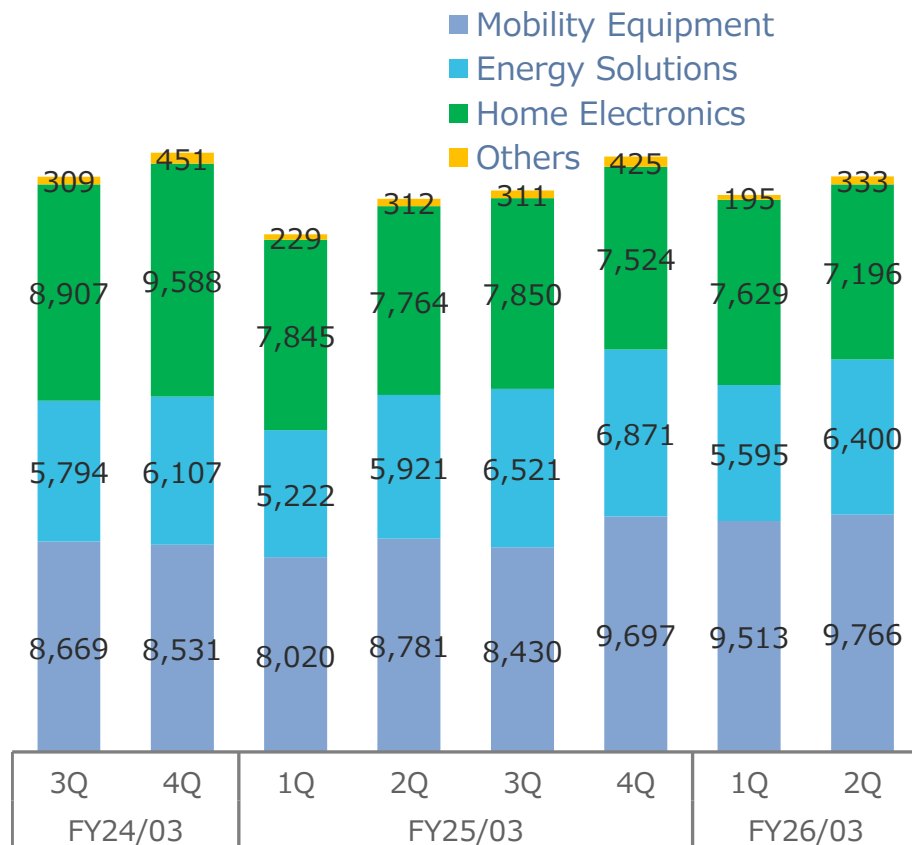
(Millions of JPY)



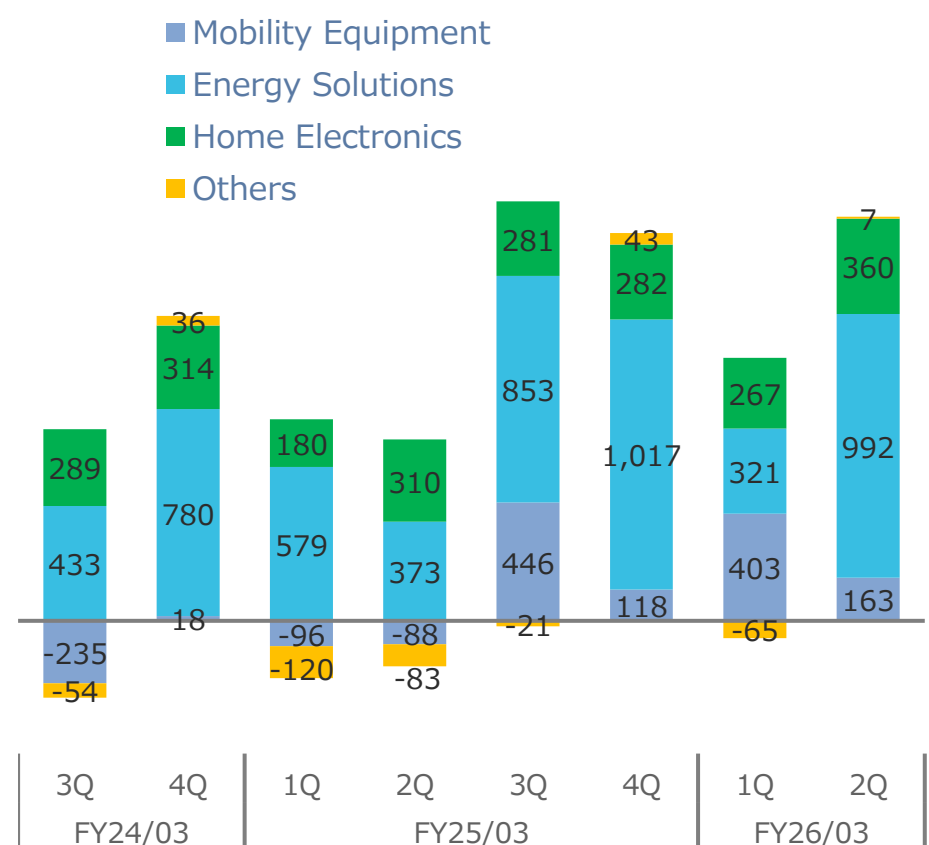
Performance by Segment

- **Mobility Equipment :** Sales trending upwards due to higher customer demand. 2Q profit declined owing to tariffs and rare earth issues.
- **Energy Solutions :** Sales on a recovery trend since the previous fiscal year. 2Q profit increased from 1Q (QoQ) due to higher sales and an increase in insurance recoveries.
- **Home Electronics:** Sales and profit both remained flat.

Sales by Segment (Quarterly, Millions JPY)



Profit by Segment (Quarterly, Millions JPY)



Summary of 2Q Financial Results for FY2026/3 (B/S)

- Inventories: Increased by JPY 773M, mainly due to the impact of the cool summer in India and rare earth-related issues.
- Non-current assets decreased by JPY 494M, property, plant and equipment decreased by JPY 903M due to depreciation, while long-term prepaid expenses increased by JPY 365M.
- Liability with interest: Decreased by JPY 160M (breakdown: JPY +1.70B in borrowings, JPY -1.47B in scheduled repayments, JPY -260M in bond redemptions).

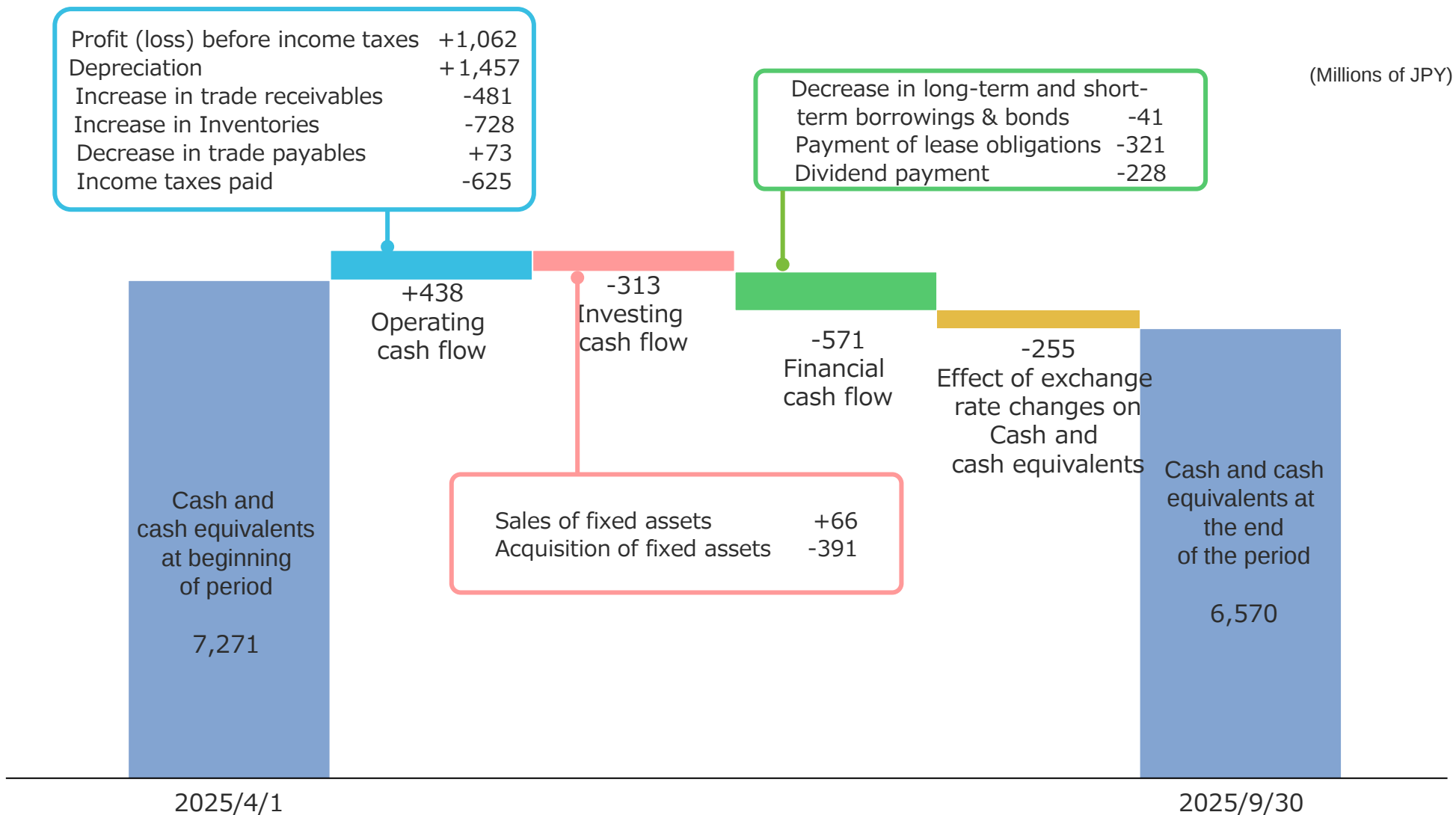
(Millions of JPY)	2025/03/4Q	2026/03/2Q	Variance
	Actual	Actual	
Current Assets	50,928	51,259	331
Cash and deposits	7,492	6,782	-710
Notes and accounts receivable-trade	13,156	13,424	267
Inventories*	24,719	25,493	773
Non-Current Assets	28,350	27,856	-494
Property, plant and equipment	19,002	18,099	-903
Total Assets	79,278	79,115	-162
Notes and accounts payable-trade	10,059	10,344	284
Electronically recorded obligations-operating	4,532	4,470	-61
Liability with Interest**	38,474	38,311	-163
Total Liabilities	67,725	67,541	-183
Equity	11,390	11,396	6
Equity Ratio	14.4%	14.4%	0.0pt
Net Assets	11,553	11,573	20

*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

Consolidated CF

- Free cash flow improved from JPY 2,949M in FY 2024 to + JPY 125M in FY2025, marking an decrease of JPY 2,824M.



Capital Investment and R&D Expense

- Capital investment, R&D expenses and depreciation expenses were all generally flat.

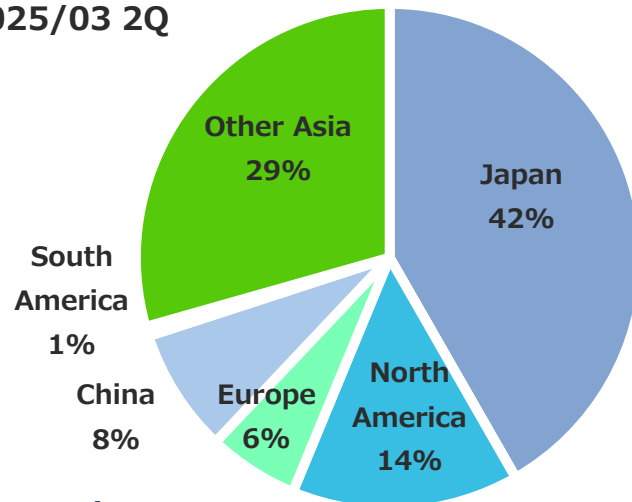
(Millions of JPY)	2025/03/2Q	2026/03/2Q		
	Actual	Actual	Variance	Variance %
Capital Investment	729	722	-7	-1.0%
Mobility Equipment	304	343	39	12.8%
Energy Solutions	81	142	61	75.3%
Home Electronics	70	61	-9	-12.9%
Others	75	15	-60	-80.0%
Common	198	159	-39	-19.7%
R&D Expenses	1,603	1,624	21	1.3%
Mobility Equipment	511	562	51	10.0%
Energy Solutions	860	867	7	0.8%
Home Electronics	216	185	-31	-14.4%
Others	-	-	-	-
Common	14	9	-5	-35.7%
Depreciation	1,490	1,457	-33	-2.2%
Mobility Equipment	1,128	991	-137	-12.1%
Energy Solutions	10	99	89	890.0%
Home Electronics	241	271	30	12.4%
Others	60	39	-21	-35.0%
Common	48	55	7	14.6%

Sales Summary by Region

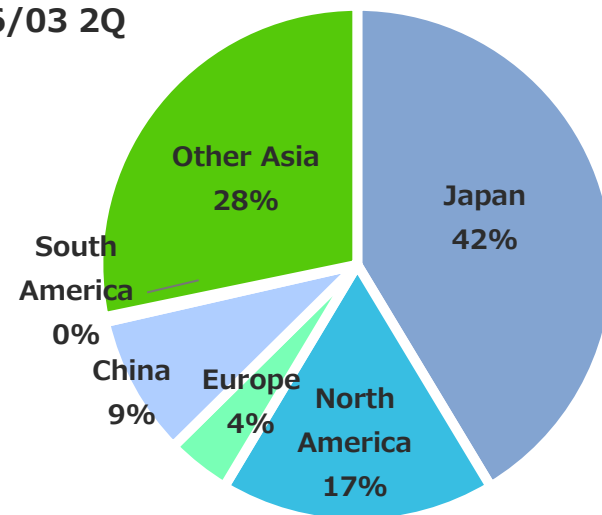
- Japan: Customer demand increased across all business segments.
- North America and China: Sales increased in the Mobility Equipment Business driven by higher production of ICE vehicles amid a slowdown in demand for electric vehicles.
- Europe: Sales declined in the Mobility Equipment Business due to the phase-out (EOL) of certain products.

Sales by Region (%)

FY2025/03 2Q



FY2026/03 2Q



Results by Region

(Millions of JPY)	2023/03/2Q	2024/03/2Q	2025/03/2Q	2026/03/2Q		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	19,431	19,888	18,397	19,293	896	4.9%
North America	6,252	6,660	6,401	8,027	1,626	25.4%
South America	0	0	268	146	-122	-45.5%
Europe	2,835	4,669	2,559	1,869	-690	-27.0%
China	4,657	3,584	3,503	4,117	614	17.5%
Other Asia	10,087	10,174	12,964	13,173	209	1.6%

2Q FY2026/3 Financial Performance (2Q Plan vs 2Q Actual)

- **Mobility Equipment:** Sales and profit increased mainly due to higher production of ICE vehicles mainly in the U.S. and China, despite impacts from tariffs..
- **Energy Solutions :** Sales decreased due to market share expansion by overseas manufacturers and delays in replacement sales. Profit remained flat due to factors such as reductions in R&D expenses.
- **Home Electronics:** Sales increased driven by higher demand from major customers. Profit increased due to cost-reduction initiatives, despite a deterioration in material cost ratio.
- **Other Topics:** Ordinary profit increased significantly, reflecting higher operating profit and positive impacts from the weaker JPY.

(Millions of JPY)	2026/03 Initial Plan		2026/03 Actual			
	2Q Plan	Ratio %	2Q Actual	Ratio %	Variance	Variance %
Net Sales	46,400	100.0%	46,628	100.0%	228	0.5%
Mobility Equipment	17,500	37.7%	19,279	41.3%	1,779	10.2%
Energy Solutions	14,200	30.6%	11,995	25.7%	-2,204	-15.5%
Home Electronics	14,100	30.4%	14,825	31.8%	725	5.1%
Others	600	1.3%	528	1.1%	-71	-11.9%
Operating Profit	750	1.6%	1,388	3.0%	638	85.2%
Mobility Equipment	120	0.3%	566	1.2%	446	372.2%
Energy Solutions	1,300	2.8%	1,313	2.8%	13	1.1%
Home Electronics	420	0.9%	627	1.3%	207	49.5%
Others	0	0.0%	-58	-0.1%	-58	-
Common	-1,090	-2.3%	-1,061	-2.3%	28	-
Ordinary Profit	130	0.3%	1,146	2.5%	1,016	782.1%
Net Profit	-60	-0.1%	425	0.9%	485	-
ROE	-0.5%		3.7%		4.2pt	
Operating Profit Ratio	1.6%		3.0%		1.4pt	
Capital Investment	2,411		722		-1,689	-70.1%
R&D Expenses	2,249		1,624		-624	-27.8%
Depreciation	1,520		1,457		-62	-4.1%

※ 1 USD = JPY133.00

※ 1 USD = JPY146.03

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FY2026/3 Annual Profit Forecast (Previous Forecast vs 2Q Revised Forecast)

- Net sales is revised downward: while production of in the Mobility Equipment Business continues to rise, the Energy Solutions Business is expected to face challenging conditions similar to 1H by the entry of overseas manufacturers. Operating profit maintained at the previous forecast level, reflecting progress in improvements like R&D expense control and cost reduction, etc.
- Ordinary profit is expected to exceed the previous forecast, reflecting the impact of foreign exchange fluctuations.
- Net profit is expected to exceed the previous forecast, despite an anticipated increase in tax expenses resulting from higher ordinary profit.

(Millions of JPY)	2026/03 Previous Forecast		2026/03 2Q Revised Forecast			
	Annual Forecast (as of May.28)	Ratio %	Annual Forecast (as of Nov.14)	Ratio %	Variance	Variance %
Net Sales	94,300	100.0%	91,700	100.0%	-2,600	-2.8%
Mobility Equipment	35,000	37.1%	36,950	40.3%	1,950	5.6%
Energy Solutions	29,000	30.8%	24,550	26.8%	-4,450	-15.3%
Home Electronics	29,000	30.8%	29,200	31.8%	200	0.7%
Others	1,300	1.4%	1,000	1.1%	-300	-23.1%
Operating Profit	2,000	2.1%	2,000	2.2%	-	-
Mobility Equipment	450	0.5%	920	1.0%	470	104.4%
Energy Solutions	2,700	2.9%	2,350	2.6%	-350	-13.0%
Home Electronics	1,000	1.1%	1,000	1.1%	-	-
Others	0	0.0%	-120	-0.1%	-120	-
Common	-2,150	-2.3%	-2,150	-2.3%	-	-
Ordinary profit	800	0.8%	1,150	1.3%	350	43.8%
Net Profit	250	0.3%	380	0.4%	130	52.0%
ROE	2.2%		3.8%		1.5pt	
Operating Profit Ratio	2.1%		2.2%		0.1pt	
Capital Investment	4,465		2,200		-2,265	-50.7%
R&D Expenses	4,372		3,820		-551	-12.6%
Depreciation	3,205		3,140		-65	-2.0%

※ 1 USD = JPY133.00

※ 1 USD = JPY139.00