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May 15, 2026

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## Notice Concerning Recording of Non-Operating Income and Extraordinary Losses, and Differences Between Consolidated Financial Forecasts and Actual Results for the FY2026/3

Diamond Electric Holdings Co., Ltd. (“the Company”) hereby announces that it has recorded non-operating income (foreign exchange gains) and extraordinary losses for the cumulative fourth quarter (full year, “4Q”) of the fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026, “FY2026/3”). In addition, the Company reports that differences have arisen between the consolidated financial forecasts for FY2026/3, previously announced on February 12, 2026, and the actual results disclosed today.

### 1. Recording of Non-Operating Income (Foreign Exchange Gains)

While the Company recorded a foreign exchange gain of JPY 542 million during the cumulative third quarter of FY2026/3, fluctuations in exchange rates led to an additional foreign exchange gain of JPY 281 million in the 4Q consolidated accounting period.

As a result, the total foreign exchange gain for the cumulative 4Q amounted to JPY 824 million. This gain primarily resulted from the year-end revaluation of foreign currency-denominated assets held by the Company and its consolidated subsidiaries at the current exchange rate.

### 2. Recording of Extraordinary Losses

#### (1) Provision for Product Warranties

During the 4Q of the consolidated FY2026/3, the Company recorded an extraordinary loss (provision for product warranties) of JPY 524 million. This follows further progress in negotiations regarding the sharing of costs related to market recall measures in China within the Mobility Equipment Business. As of the end of the current fiscal year, a certain outlook has been established regarding these cost-sharing negotiations, and discussions are continuing toward a final agreement.

#### (2) Impairment Losses

The Company assessed the future recoverability of business assets held by its consolidated subsidiaries—specifically in the Home Electronics Business of Diamond Zebra Electric Co., Ltd., the Other Business of Diamond Craft Co., Ltd., and the Mobility Equipment Business of Diamond Electric Hungary Kft.—in accordance with the **Accounting Standard for Impairment of Fixed Assets**. As a result, the Company reduced the book value of a portion of these fixed assets to their recoverable amount and recorded JPY 441 million as an extraordinary loss (impairment loss).

### 3. Differences Between Consolidated Financial Forecasts and Actual Results

#### (1) Differences Between Consolidated Financial Forecasts and Actual Results for FY2026/3 (April 1, 2025 - March 31, 2026)

	Net Sales	Operating Profit	Ordinary Profit	Net Income Attributable to Owners of Parent	Earnings Per Share
	JPY Million	JPY Million	JPY Million	JPY Million	JPY
Previous Forecast (A)	95,000	2,100	1,700	600	70.92
Actual Results (B)	96,768	2,753	2,738	819	94.1
Difference (B-A)	1,768	653	1,038	219	—
Rate of Change (%)	1.9	31.1	61.1	36.6	—
(Ref.) Previous FY Results (FYE Mar 2025)	91,724	2,270	1,467	411	49.14

#### 4. Reasons for Differences

Net sales landed generally in line with forecasts across all business segments as a result of factoring in exchange rate fluctuations.

Operating profit exceeded the performance forecast by JPY 653 million, driven by a group-wide commitment to "Monozukuri" (manufacturing excellence), led by the annual **Shacho's Audit** (President's comprehensive inspection) conducted at all factories, where **Comrades\*** across the Company's global organization united to work together. We promoted labor-saving initiatives "saving labor for 100 and spiritual refinement for 1,000" to reinforce and "thicken" our quality assurance framework. To **meet customer-required quality standards**, we dedicated our heart and soul, working day and night with a relentless and aggressive spirit to implement measures to improve profitability, such as defect elimination, cost reduction, and expense control.

In addition, as a quick response to the changing external environment, we worked to recover costs related to additional U.S. tariffs, and to resolve procurement and supply issues related to rare earth regulations in China.

Ordinary profit exceeded the forecast by JPY 1,038 million due to the increase in operating profit and the impact of foreign exchange fluctuations.

Net income attributable to owners of the parent company exceeded the forecast by JPY 219 million, resulting in a profitable period. This achievement was driven by the increase in ordinary profit, which offset the recording of extraordinary losses, including JPY 524 million for product warranty losses related to market recalls in China within the Mobility Equipment Business and JPY 441 million for impairment losses on fixed assets mainly at our Hungarian base.

\***Comrades**: We intentionally call employees "Comrades" as they are far more than colleagues or teammates: we have overcome fierce struggles against all odds in the past and now fight for a bright future, powered by our Scrum of Fire, a symbol of passionate and unbreakable unity.