November 13, 2026

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(Securities code: 6699; Standard Market)
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Notice Concerning Recording of Non-operating Expenses and Differences Between Financial Forecast and Actual Consolidated Results for 2Q FY2027/3

Diamond Electric Holdings Co., Ltd. (“the Company”) hereby announces that it has recorded non-operating expenses (foreign exchange losses) for the second quarter cumulative period (hereinafter “2Q cumulative”) of the of the fiscal year ending March 31, 2027 (“FY2027/3”) covering the period from April 1, 2026, to September 30, 2026. In addition, differences have arisen between the consolidated financial forecast for the consolidated 2Q cumulative of FY2027/3, announced on May 15, 2026, and the actual results disclosed today, as described below.

1. Recording of Non-operating Expenses (Foreign Exchange Losses)

During the first quarter cumulative period (hereinafter “1Q cumulative”) of FY2027/3, the Company recorded a foreign exchange loss of JPY 109 million, and due to fluctuations in foreign exchange rates, it recorded a further foreign exchange loss of JPY 490 million in the 2Q (three months) under review.

As a result, the foreign exchange loss for the 2Q cumulative under review amounted to JPY 599 million.

This primarily reflects the revaluation of foreign currency-denominated assets held by the Company and its consolidated subsidiaries at the exchange rate as of the end of the quarter, and is subject to change depending on future foreign exchange market conditions.

2. Difference Between Consolidated Financial Forecast and Actual Results

(1) Difference Between Forecast and Actual Results for 2Q Cumulative of FY2027/3 (April 1, 2026 to September 30, 2026)

	Net Sales	Operating Profit	Ordinary Profit	Interim net profit attributable to owners of the parent	Interim net profit per share
Previous Forecast (A)	Million JPY 48,100	Million JPY 600	Million JPY -170	Million JPY -420	JPY -48.23
Actual Results (B)	50,578	1,088	146	-167	-14.06
Amount of Change (B-A)	2,478	488	317	252	-
Rate of Change (%)	5.2	81.4	-	-	-
(Reference) Results for the corresponding period (2Q Cumulative of FY2026/3)	46,628	1,388	1,146	425	50.46

(2) Reasons for the Difference

Net sales:

In Mobility Equipment Business, the Company benefited from increased production of vehicles equipped with internal combustion engines (ICE) in China and the United States, and from the depreciation of the yen.

In Home Electronics Business, last-minute demand for air-conditioning equipment increased ahead of the revision of Japan's energy-saving standards.

Although sales in the Energy Solutions Business were negatively affected by the delay in obtaining the new cybersecurity standard certification (JC-STAR★), this was offset as a whole, resulting in net sales exceeding the previously announced forecast by JPY 2,478 million.

Operating profit:

Profitability improved as a result of continued measures by our Comrades* around the world, including defect elimination, cost reduction, and expense control, to thoroughly "Meet Customer Quality Standards," centered on the Shacho's Audit (President's comprehensive inspection) conducted at all factories. In addition, along with improvements in market response costs in Energy Solutions Business, and despite the impact of U.S. tariffs in the Mobility Equipment Business, the Company promoted business restructuring and improved earnings structures through company-wide Customer Interface Creation led by top-level sales engagement. As a result, operating profit exceeded the previously announced forecast by JPY 488 million.

Ordinary profit:

Although a foreign exchange loss of JPY 599 million was recorded as a non-operating expense due to exchange rate fluctuations, ordinary profit exceeded the previously announced forecast by JPY 317 million and turned to a profit, owing to the substantial growth in operating profit.

Interim profit attributable to owners of parent:

In addition to the increase in ordinary profit, the recording of a gain on sale of investment securities of JPY 143 million as extraordinary income absorbed the impact of recording tax expenses of JPY 415 million, resulting in interim profit exceeding the previously announced forecast by JPY 252 million.

*Comrade: We intentionally call employees with this word, why because we would like to express our people are more than co-workers or teammates.

Note: This document is a translation of the original Japanese version. In the event of any discrepancies in meaning or wording between the English and Japanese versions, the Japanese version shall prevail.