

1Q FY2022 Financial Results

(Fiscal Year ended March 2023)

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DIAMOND ELECTRIC HOLDINGS Co., Ltd.

Tokyo Stock Exchange Prime section 6699

Aug 2022

Summary of 1Q Fiscal Year ended March 2023 (P/L)

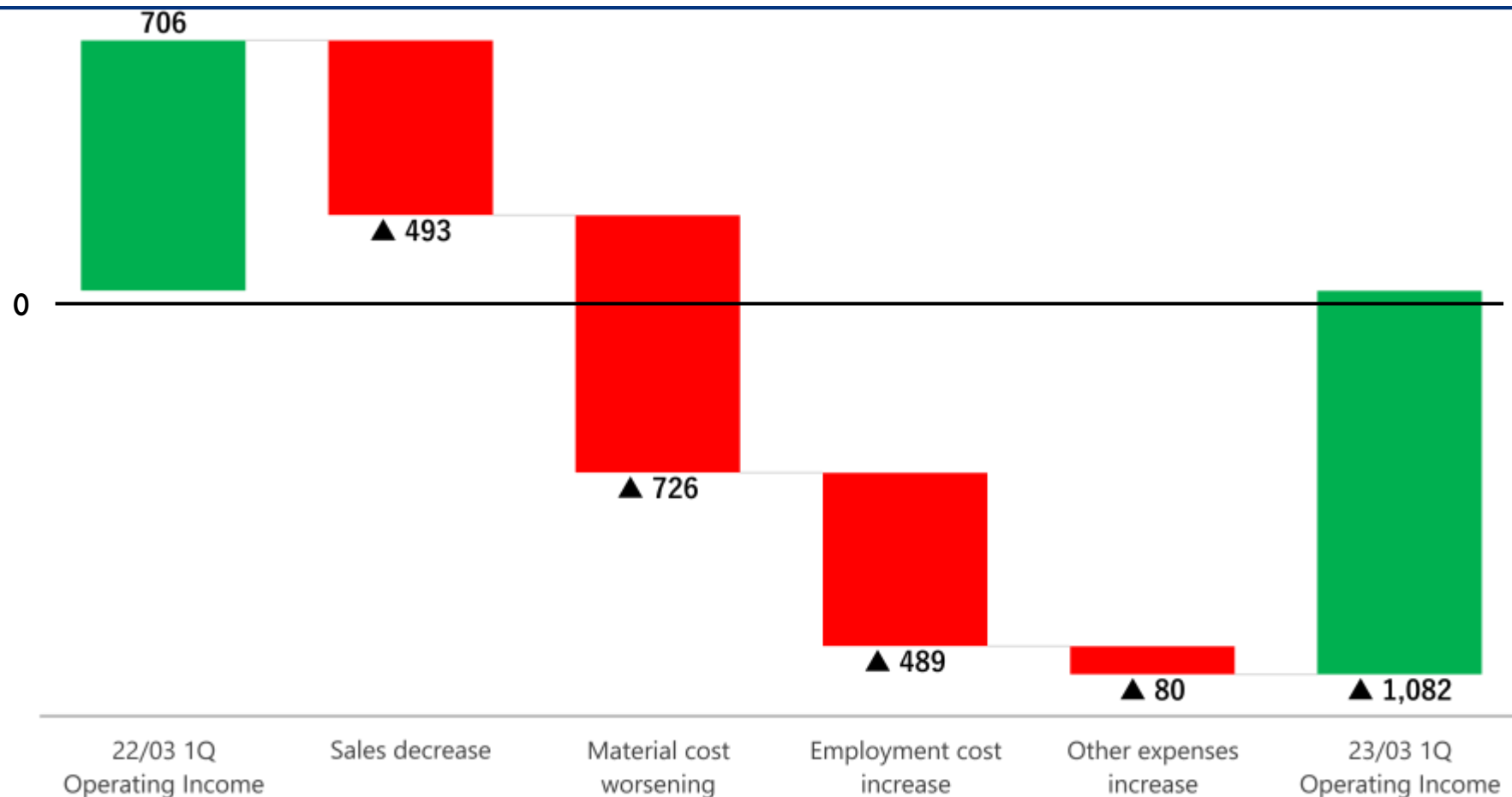
- Sales decreased from the previous fiscal year 1Q, in addition operating income deteriorated significantly due to the high raw material prices and other factors.
- Both sales and income declined in the Energy Solutions business, while resulting sales increase and profit decrease in the Mobility Equipment and Home Electronics business.

(Millions of JPY)	2023/03/1Q	2022/03/1Q		
	Actual	Actual	Variance	Variance %
Net Sales	19,837	20,331	▲ 494	▲ 2.4%
Mobility Equipment	7,563	6,655	908	13.6%
Energy Solutions	4,355	6,865	▲ 2,510	▲ 36.6%
Home Electronics	7,918	6,810	1,108	16.3%
Gross profit	2,259	3,333	▲ 1,074	▲ 32.2%
Mobility Equipment	147	562	▲ 415	▲ 73.8%
Energy Solutions	1,127	1,854	▲ 727	▲ 39.2%
Home Electronics	985	916	69	7.5%
Operating income	▲ 1,082	706	▲ 1,788	▲ 253.3%
Mobility Equipment	▲ 955	▲ 356	▲ 599	-
Energy Solutions	270	1,261	▲ 991	▲ 78.6%
Home Electronics	181	266	▲ 85	▲ 32.0%
Other	▲ 577	▲ 465	▲ 112	-
Ordinary profit	▲ 205	645	▲ 850	▲ 131.8%
Net Income	▲ 351	699	▲ 1,050	▲ 150.2%
ROE	▲ 3.4%	8.9%		
Operating Profit Ratio	▲ 5.5%	3.5%		

Operating Income Analysis

- Operating income declined sharply due to lower sales and a deteriorating cost of sales ratio caused by soaring raw material prices and transportation costs worldwide.

Factors of Increase/Decrease in Operating Income (Millions of JPY)



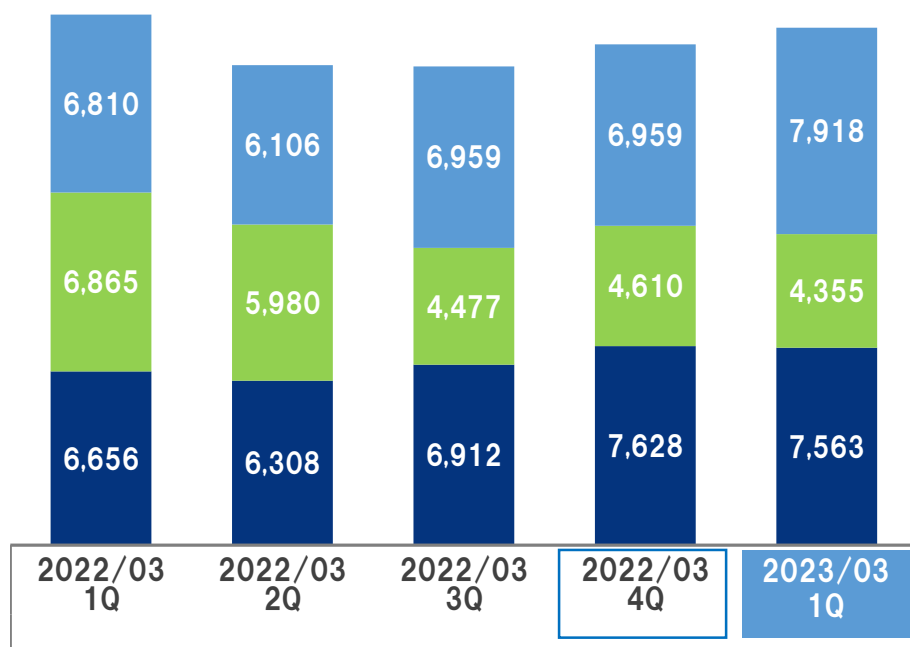
Performance by Segment

NOTE Segment has been changed from the fiscal year ending March 31, 2020: segments have been partially changed from 3Q 2022/03, and figures for 2Q 2022/03 have been retroactively adjusted.

- **Mobility Equipment:** Decrease due to higher raw material prices and logistics costs caused by parts shortages.
(2023/03/1Q vs 2022/03/4Q)
- **Energy Solution:** Decrease due to lower sales caused by supply constraints of electronic components.
(2023/03/1Q vs 2022/03/4Q)
- **Home Electronics:** Increase due to higher global sales of components for cooling and heating equipment.
(2023/03/1Q vs 2022/03/4Q)

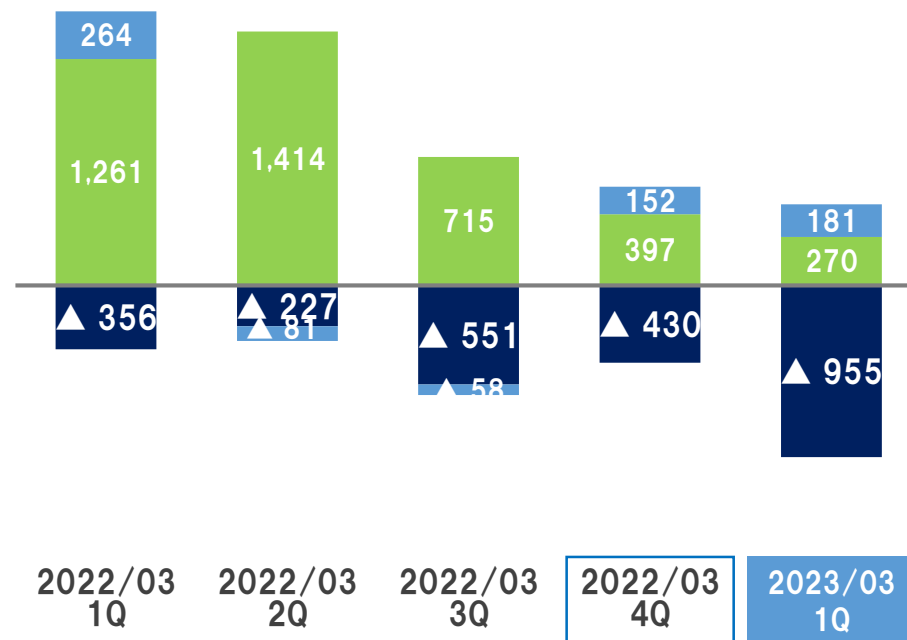
Segment Sales (By Quarter, Millions of JPY)

■ Home Electronics
■ Energy Solutions
■ Mobility Equipment



Segment Sales (By Quarter, Millions of JPY)

■ Home Electronics
■ Energy Solutions
■ Mobility Equipment



Summary of 1Q Fiscal Year ended March 2023 (B/S)

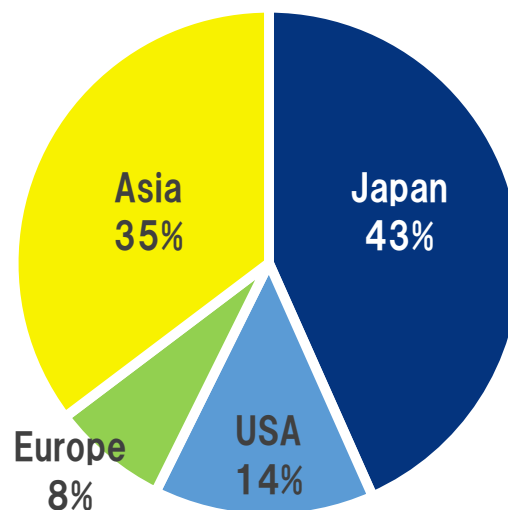
- Inventories (products and raw materials) increased for the purpose of production and sales from July onward.
- Fixed assets increased due to capital investment and plant expansion etc. for new automotive equipment business.
- Interest-bearing debt increased due to new borrowings aimed at securing capital investment fund for the group.

(Millions of JPY)	2023/03/1Q	2022/03/4Q	
	Actual	Actual	Variance
Current Assets	47,620	46,019	1,601
Cash and deposits	10,008	10,745	▲ 737
Notes and accounts receivable-trade	13,463	12,900	563
Inventories	20,510	18,087	2,423
Non-Current Assets	23,787	22,708	1,079
Property, plant and equipment	16,395	15,447	948
Total Assets	71,408	68,727	2,681
Notes and accounts payable-trade	9,556	8,792	764
Electronically recorded obligations-operating	4,604	5,239	▲ 635
Liability with Interest*	36,248	34,357	1,891
Total Liabilities	60,902	58,551	2,351
Equity	10,405	10,746	▲ 341
Equity Ratio	14.6%	15.5%	▲ 0.9pt
Net Assets	10,505	10,176	329

*Interest-bearing debt = Short-term debt + Current portion of bonds + Current portion of long-term debt + Bonds + Long-term debt + Lease obligations.

Summary of Geographic Sales

Sales by Region (%)



Results by Region

(Millions of JPY)	2023/03/1Q	2022/03/1Q			2021/03/1Q	2020/03/1Q
	Actual	Actual	Variance	Variance %	Actual	Actual
Japan	8,597	10,837	▲ 2,240	▲ 20.7%	7,386	7,608
USA	2,773	2,170	603	27.8%	1,061	3,258
Europe	1,466	1,459	7	0.5%	1,254	1,113
Asia	7,000	5,863	1,137	19.4%	3,540	6,965

R&D Expense and Capital Expenditure

- R&D expenses decreased due to postponement of development in the automotive equipment business.
- Depreciation increased due to the operation of newly ordered facilities in the automotive equipment business.

(Millions of JPY)	2023/03/1Q Actual	2022/03/1Q Plan	2022/03/1Q Actual	Variance Actual vs Plan	Variance Actual('23 vs'22)
<u>R&D Expenses</u>	<u>701</u>	<u>1,108</u>	<u>769</u>	<u>▲ 407</u>	<u>▲ 68</u>
Mobility Equipment	141	334	237	▲ 193	▲ 96
Energy Solutions	366	524	373	▲ 158	▲ 7
Home Electronics	165	229	126	▲ 64	39
Other	27	20	31	7	▲ 4
<u>Capital Investment</u>	<u>651</u>	<u>1,180</u>	<u>1,175</u>	<u>▲ 529</u>	<u>▲ 524</u>
Mobility Equipment	488	380	766	108	▲ 278
Energy Solutions	17	488	32	▲ 471	▲ 15
Home Electronics	31	210	369	▲ 179	▲ 338
Other	110	103	7	7	103
<u>Depreciation</u>	<u>624</u>	<u>638</u>	<u>515</u>	<u>▲ 14</u>	<u>109</u>
Mobility Equipment	437	377	358	60	79
Energy Solutions	34	103	35	▲ 69	▲ 1
Home Electronics	138	146	115	▲ 8	23
Other	13	13	6	0	7