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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 11, 2022

Company name: Diamond Electric Holdings Co., Ltd.

Stock exchange listing: Tokyo

Code number: 6699

URL: <https://www.diaelec-hd.co.jp>

Representative: ONO YuuRi

President and CEO

Contact: TOKUHARA Eishin

Senior Managing Executive Officer, CFO

Phone: 06-6302-8211

Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: December 05, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	43,263	11.7	(1,583)	-	(220)	-	(580)	-
September 30, 2021	38,726	28.0	1,272	-	1,161	-	981	-

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 469 million [ (56.5)% ]  
Six months ended September 30, 2021: ¥ 1,079 million [ -% ]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	(79.04)	-
September 30, 2021	138.56	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2022	75,721	10,733	14.0	1,430.42
March 31, 2022	68,727	10,176	14.7	1,380.52

(Reference) Equity: As of September 30, 2022: ¥ 10,608 million  
As of March 31, 2022: ¥ 10,074 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	12.50	-	12.50	25.00
Fiscal year ending March 31, 2023	-	12.50			
Fiscal year ending March 31, 2023 (Forecast)			-	12.50	25.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend - yen

Special dividend - yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	92,000	20.6	700	42.2	1,700	34.0	1,200	(6.8)	163.50

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): None

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022: 8,171,301 shares

March 31, 2022: 8,153,401 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 754,584 shares

March 31, 2022: 855,676 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 7,339,542 shares

Six months ended September 30, 2021: 7,087,087 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	10,745	10,875
Notes and accounts receivable - trade	12,900	15,080
Electronically recorded monetary claims - operating	551	855
Securities	97	115
Merchandise and finished goods	4,683	5,354
Work in process	1,234	1,587
Raw materials and supplies	12,169	13,475
Other	3,640	3,521
Allowance for doubtful accounts	(3)	(9)
Total current assets	46,019	50,856
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,504	4,852
Machinery, equipment and vehicles, net	4,779	4,837
Land	3,306	3,388
Construction in progress	2,005	2,841
Other, net	851	962
Total property, plant and equipment	15,447	16,882
Intangible assets		
Goodwill	40	37
Other	394	538
Total intangible assets	435	575
Investments and other assets		
Investment securities	2,908	3,182
Long-term loans receivable	10	10
Deferred tax assets	740	911
Retirement benefit asset	457	298
Other	2,929	3,225
Allowance for doubtful accounts	(220)	(220)
Total investments and other assets	6,826	7,407
Total non-current assets	22,708	24,865
Total assets	68,727	75,721

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,792	9,482
Electronically recorded obligations - operating	5,239	4,917
Contract liabilities	4,383	4,332
Short-term borrowings	14,405	16,629
Current portion of long-term borrowings	3,409	3,764
Lease liabilities	189	237
Accounts payable - other	1,547	1,686
Income taxes payable	221	431
Provision for bonuses	503	830
Provision for product warranties	453	429
Provision for product compensation	291	292
Other	869	1,168
<b>Total current liabilities</b>	<b>40,307</b>	<b>44,204</b>
Non-current liabilities		
Bonds payable	-	1,000
Long-term borrowings	15,602	16,705
Lease liabilities	750	1,142
Retirement benefit liability	845	882
Asset retirement obligations	218	220
Deferred tax liabilities	656	673
Long-term unearned revenue	152	139
Other	19	20
<b>Total non-current liabilities</b>	<b>18,244</b>	<b>20,784</b>
<b>Total liabilities</b>	<b>58,551</b>	<b>64,988</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	654	664
Capital surplus	9,716	9,759
Retained earnings	901	220
Treasury shares	(1,797)	(1,685)
<b>Total shareholders' equity</b>	<b>9,474</b>	<b>8,959</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(72)	(59)
Foreign currency translation adjustment	610	1,808
Remeasurements of defined benefit plans	62	(100)
<b>Total accumulated other comprehensive income</b>	<b>600</b>	<b>1,649</b>
Share acquisition rights	1	22
Non-controlling interests	100	101
<b>Total net assets</b>	<b>10,176</b>	<b>10,733</b>
<b>Total liabilities and net assets</b>	<b>68,727</b>	<b>75,721</b>

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	38,726	43,263
Cost of sales	32,424	38,079
Gross profit	6,302	5,184
Selling, general and administrative expenses	5,030	6,767
Operating profit (loss)	1,272	(1,583)
Non-operating income		
Interest income	11	4
Dividend income	13	14
Foreign exchange gains	-	1,586
Subsidy income	7	13
Share of profit of entities accounted for using equity method	9	59
Other	65	44
Total non-operating income	106	1,721
Non-operating expenses		
Interest expenses	114	170
Foreign exchange losses	2	-
Commission expenses	43	73
Other	57	116
Total non-operating expenses	218	359
Ordinary profit (loss)	1,161	(220)
Extraordinary income		
Gain on sale of non-current assets	9	2
Gain on forgiveness of debts	332	-
Gain on forgiveness of lease obligations	101	-
Other	4	6
Total extraordinary income	448	9
Extraordinary losses		
Loss on sale of non-current assets	8	0
Loss on retirement of non-current assets	0	2
Amortization of prior service cost	67	-
Loss on liquidation of subsidiaries	59	-
Total extraordinary losses	135	2
Profit (loss) before income taxes	1,473	(213)
Income taxes	502	365
Profit (loss)	971	(579)
Profit (loss) attributable to non-controlling interests	(10)	0
Profit (loss) attributable to owners of parent	981	(580)

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit (loss)	971	(579)
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	13
Foreign currency translation adjustment	142	1,092
Remeasurements of defined benefit plans, net of tax	(45)	(163)
Share of other comprehensive income of entities accounted for using equity method	18	105
Total other comprehensive income	108	1,048
Comprehensive income	1,079	469
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,090	468
Comprehensive income attributable to non-controlling interests	(10)	0

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	1,473	(213)
Depreciation	1,067	1,230
Loss on liquidation of subsidiaries	59	-
Gain on forgiveness of debt	(332)	-
Gain on forgiveness of lease obligations	(101)	-
Increase (decrease) in allowance for doubtful accounts	(1)	4
Increase (decrease) in provision for bonuses	225	307
Increase (decrease) in provision for product warranties	(26)	(24)
Increase (decrease) in provision for compensation for product	-	1
Increase (decrease) in retirement benefit liability	44	43
Interest and dividend income	(25)	(18)
Interest expenses	114	170
Foreign exchange losses (gains)	(18)	(1,096)
Share of loss (profit) of entities accounted for using equity method	(9)	(59)
Decrease (increase) in trade receivables	1,647	(1,601)
Decrease (increase) in inventories	(1,931)	(1,249)
Increase (decrease) in trade payables	(588)	126
Increase (decrease) in accounts payable - other	(319)	187
Increase (decrease) in contract liabilities	233	(51)
Decrease (increase) in long-term prepaid expenses	(565)	(288)
Increase (decrease) in long-term unearned revenue	(18)	(25)
Other, net	(618)	(660)
Subtotal	308	(3,215)
Interest and dividends received	23	18
Interest paid	(115)	(188)
Income taxes refund	2	-
Income taxes paid	(440)	(108)
Net cash provided by (used in) operating activities	(219)	(3,494)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,070)	(821)
Proceeds from sale of property, plant and equipment	8	7
Purchase of intangible assets	(30)	(192)
Purchase of investment securities	(6)	(0)
Proceeds from redemption of investment securities	44	44
Loan advances	(2)	(1)
Proceeds from collection of loans receivable	1	1
Purchase of shares of subsidiaries and associates	(77)	(94)
Other, net	16	66
Net cash provided by (used in) investing activities	(2,116)	(989)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	124	2,406
Proceeds from long-term borrowings	5,635	1,848
Repayments of long-term borrowings	(4,172)	(1,100)
Proceeds from issuance of bonds	-	972
Redemption of bonds	(15)	-
Proceeds from disposal of treasury shares	1,646	0
Purchase of treasury shares	(1,649)	(0)
Proceeds from sale and leaseback transactions	8	206
Repayments of finance lease liabilities	(210)	(111)
Dividends paid	(86)	(100)
Proceeds from issuance of share acquisition rights	-	22
Proceeds from issuance of shares resulting from exercise of share acquisition rights	890	20
Other, net	(10)	(1)
Net cash provided by (used in) financing activities	2,161	4,163
Effect of exchange rate change on cash and cash equivalents	33	450
Net increase (decrease) in cash and cash equivalents	(141)	130
Cash and cash equivalents at beginning of period	15,412	10,739
Cash and cash equivalents at end of period	15,270	10,869