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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

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 Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 26, 2023

Scheduled date of filing annual securities report: June 26, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

#### (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	%
Fiscal year ended March 31, 2023	91,106	19.5	(1,187)	-	(817)	-	(1,075)	-
March 31, 2022	76,271	8.0	492	(78.1)	1,268	(48.7)	1,287	-

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ (388) million [ -%]  
Fiscal year ended March 31, 2022: ¥ 2,164 million [ 134.9%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2023	Yen (139.52)	Yen -	% (10.3)	% (1.1)	% (1.3)
March 31, 2022	179.04	-	15.0	1.9	0.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 60 million  
Fiscal year ended March 31, 2022: ¥ 73 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2023	Million yen 78,727	Million yen 10,903	% 13.7	Yen 1,287.38
March 31, 2022	68,727	10,176	14.7	1,380.52

(Reference) Equity: As of March 31, 2023: ¥ 10,779 million  
As of March 31, 2022: ¥ 10,074 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2023	Million yen (3,491)	Million yen (2,839)	Million yen 4,909	Million yen 9,589
March 31, 2022	(4,388)	(3,866)	3,232	10,739

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	12.50	-	12.50	25.00	200	14.0	2.1
March 31, 2023	-	12.50	-	12.50	25.00	215	-	1.9
Fiscal year ending								
March 31, 2024 (Forecast)	-	12.50	-	12.50	25.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% 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
Six months ended September 30, 2023	47,900	10.7	100	-	(120)	-	(220)	-	(28.55)
Full year	98,000	7.6	850	-	450	-	210	-	27.25

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

New - (Company name: )

Exclusion: - (Company name: )

(2) 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

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

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

March 31, 2023: 9,128,001 shares

March 31, 2022: 8,153,401 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 754,749 shares

March 31, 2022: 855,676 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 7,706,146 shares

Fiscal Year ended March 31, 2022: 7,192,140 shares

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of March 31,2023
<b>Assets</b>		
Current assets		
Cash and deposits	10,745	9,640
Notes receivable - trade	774	796
Accounts receivable - trade	12,126	14,026
Electronically recorded monetary claims - operating	551	526
Securities	97	106
Merchandise and finished goods	4,683	5,500
Work in process	1,234	1,487
Raw materials and supplies	12,169	15,442
Other	3,640	4,546
Allowance for doubtful accounts	(3)	-
<b>Total current assets</b>	<b>46,019</b>	<b>52,074</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,504	5,164
Machinery, equipment and vehicles, net	4,779	5,431
Land	3,306	3,488
Construction in progress	2,005	2,747
Other, net	851	1,685
<b>Total property, plant and equipment</b>	<b>15,447</b>	<b>18,516</b>
Intangible assets		
Goodwill	40	33
Other	394	547
<b>Total intangible assets</b>	<b>435</b>	<b>581</b>
Investments and other assets		
Investment securities	2,908	2,970
Long-term loans receivable	10	5
Deferred tax assets	740	727
Retirement benefit asset	457	221
Other	2,929	3,850
Allowance for doubtful accounts	(220)	(220)
<b>Total investments and other assets</b>	<b>6,826</b>	<b>7,554</b>
<b>Total non-current assets</b>	<b>22,708</b>	<b>26,652</b>
<b>Total assets</b>	<b>68,727</b>	<b>78,727</b>

(Million yen)

	As of March 31,2022	As of March 31,2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,792	9,928
Electronically recorded obligations - operating	5,239	6,994
Contract liabilities	4,383	4,209
Short-term borrowings	14,405	18,729
Current portion of long-term borrowings	3,409	3,890
Lease liabilities	189	420
Accounts payable - other	1,547	2,152
Income taxes payable	221	40
Provision for bonuses	503	197
Provision for product warranties	453	442
Provision for product compensation	291	539
Other	869	995
<b>Total current liabilities</b>	<b>40,307</b>	<b>48,542</b>
<b>Non-current liabilities</b>		
Bonds payable	-	1,000
Long-term borrowings	15,602	15,610
Lease liabilities	750	966
Long-term accounts payable - other	5	159
Retirement benefit liability	845	604
Asset retirement obligations	218	222
Deferred tax liabilities	656	575
Long-term unearned revenue	152	127
Other	13	15
<b>Total non-current liabilities</b>	<b>18,244</b>	<b>19,281</b>
<b>Total liabilities</b>	<b>58,551</b>	<b>67,823</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	654	1,236
Capital surplus	9,716	10,330
Retained earnings	901	(375)
Treasury shares	(1,797)	(1,685)
<b>Total shareholders' equity</b>	<b>9,474</b>	<b>9,505</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(72)	(7)
Foreign currency translation adjustment	610	1,346
Remeasurements of defined benefit plans	62	(64)
<b>Total accumulated other comprehensive income</b>	<b>600</b>	<b>1,273</b>
Share acquisition rights	1	9
Non-controlling interests	100	114
<b>Total net assets</b>	<b>10,176</b>	<b>10,903</b>
<b>Total liabilities and net assets</b>	<b>68,727</b>	<b>78,727</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales	76,271	91,106
Cost of sales	65,149	79,858
Gross profit	11,122	11,248
Selling, general and administrative expenses	10,630	12,435
Operating profit (loss)	492	(1,187)
Non-operating income		
Interest income	18	13
Dividend income	26	23
Foreign exchange gains	950	802
Subsidy income	20	21
Share of profit of entities accounted for using equity method	73	60
Other	141	148
Total non-operating income	1,231	1,069
Non-operating expenses		
Interest expenses	223	387
Commission expenses	136	201
Other	95	109
Total non-operating expenses	455	699
Ordinary profit (loss)	1,268	(817)
Extraordinary income		
Gain on sale of non-current assets	16	7
Gain on bargain purchase	-	252
Gain on sale of investment securities	3	-
Gain on forgiveness of debts	565	-
Gain on forgiveness of lease obligations	103	-
Other	9	12
Total extraordinary income	698	271
Extraordinary losses		
Loss on sale of non-current assets	11	0
Loss on retirement of non-current assets	34	6
Loss on valuation of shares of subsidiaries	-	59
Loss on revision of retirement benefit plan	-	44
Product compensation loss	290	248
Loss on valuation of investment securities	3	-
Amortization of prior service cost	67	-
Loss on liquidation of subsidiaries	59	-
Settlement payments	74	-
Other	7	0
Total extraordinary losses	550	360
Profit (loss) before income taxes	1,416	(906)
Income taxes - current	454	144
Income taxes - deferred	(308)	11
Total income taxes	146	155
Profit (loss)	1,270	(1,061)
Profit (loss) attributable to non-controlling interests	(16)	13
Profit (loss) attributable to owners of parent	1,287	(1,075)

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Profit (loss)	1,270	(1,061)
Other comprehensive income		
Valuation difference on available-for-sale securities	(59)	65
Foreign currency translation adjustment	872	704
Remeasurements of defined benefit plans, net of tax	(41)	(127)
Share of other comprehensive income of entities accounted for using equity method	123	31
Total other comprehensive income	893	673
Comprehensive income	2,164	(388)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,181	(401)
Comprehensive income attributable to non-controlling interests	(16)	13

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	200	8,339	(199)	(997)	7,343
Changes during period					
Issuance of new shares	453	453			907
Profit (loss) attributable to owners of parent			1,287		1,287
Dividends of surplus			(186)		(186)
Purchase of treasury shares				(1,650)	(1,650)
Disposal of treasury shares		923		849	1,772
Net changes in items other than shareholders' equity					
Total changes during period	453	1,376	1,101	(800)	2,131
Balance at end of period	654	9,716	901	(1,797)	9,474

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(12)	(385)	104	(293)	17	118	7,185
Changes during period							
Issuance of new shares							907
Profit (loss) attributable to owners of parent							1,287
Dividends of surplus							(186)
Purchase of treasury shares							(1,650)
Disposal of treasury shares							1,772
Net changes in items other than shareholders' equity	(59)	995	(41)	893	(16)	(18)	859
Total changes during period	(59)	995	(41)	893	(16)	(18)	2,990
Balance at end of period	(72)	610	62	600	1	100	10,176

For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	654	9,716	901	(1,797)	9,474
Changes during period					
Issuance of new shares	581	581			1,163
Profit (loss) attributable to owners of parent			(1,075)		(1,075)
Dividends of surplus			(201)		(201)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		32		112	145
Net changes in items other than shareholders' equity					
Total changes during period	581	614	(1,277)	112	31
Balance at end of period	1,236	10,330	(375)	(1,685)	9,505

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(72)	610	62	600	1	100	10,176
Changes during period							
Issuance of new shares							1,163
Profit (loss) attributable to owners of parent							(1,075)
Dividends of surplus							(201)
Purchase of treasury shares							(0)
Disposal of treasury shares							145
Net changes in items other than shareholders' equity	64	735	(127)	673	8	13	695
Total changes during period	64	735	(127)	673	8	13	727
Balance at end of period	(7)	1,346	(64)	1,273	9	114	10,903



## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	1,416	(906)
Depreciation	2,169	2,673
Loss on valuation of shares of subsidiaries	-	59
Gain on bargain purchase	-	(252)
Loss on revision of retirement benefit plan	-	44
Amortization of prior service cost	67	-
Loss on liquidation of subsidiaries	59	-
Settlement payments	74	-
Gain on forgiveness of debts	(565)	-
Gain on forgiveness of lease obligations	(103)	-
Increase (decrease) in allowance for doubtful accounts	(5)	(10)
Increase (decrease) in provision for bonuses	(68)	(314)
Increase (decrease) in provision for product warranties	(155)	(11)
Increase (decrease) in provision for compensation for product	290	248
Increase (decrease) in retirement benefit liability	25	(60)
Interest and dividend income	(45)	(37)
Interest expenses	223	387
Foreign exchange losses (gains)	(632)	(529)
Share of loss (profit) of entities accounted for using equity method	(73)	(60)
Decrease (increase) in trade receivables	1,384	(1,352)
Decrease (increase) in inventories	(4,410)	(3,445)
Increase (decrease) in trade payables	(934)	2,789
Increase (decrease) in accounts payable - other	(1,300)	(197)
Increase (decrease) in Contract liabilities	170	(173)
Decrease (increase) in long-term prepaid expenses	(881)	(555)
Increase (decrease) in long-term unearned revenue	(11)	(37)
Other, net	73	(905)
Subtotal	(3,230)	(2,647)
Interest and dividends received	45	37
Interest paid	(233)	(445)
Payments for Special retirement allowance	(475)	-
Income taxes paid	(494)	(437)
Net cash provided by (used in) operating activities	(4,388)	(3,491)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,475)	(2,642)
Proceeds from sale of property, plant and equipment	33	10
Purchase of intangible assets	(88)	(374)
Purchase of investment securities	(107)	(1)
Proceeds from redemption of investment securities	89	89
Proceeds from collection of loans receivable	3	3
Loan advances	(4)	(3)
Purchase of shares of subsidiaries and associates	(77)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	438
Other, net	(238)	(360)
Net cash provided by (used in) investing activities	(3,866)	(2,839)

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	111	3,871
Proceeds from long-term borrowings	16,943	4,213
Repayments of long-term borrowings	(14,037)	(5,011)
Proceeds from issuance of bonds	-	972
Redemption of bonds	(30)	-
Proceeds from sale and leaseback transactions	9	247
Repayments of finance lease liabilities	(302)	(263)
Dividends paid	(186)	(201)
Proceeds from disposal of treasury shares	1,646	0
Purchase of treasury shares	(1,650)	(0)
Proceeds from issuance of share acquisition rights	-	22
Proceeds from issuance of shares resulting from exercise of share acquisition rights	890	1,150
Other, net	(163)	(92)
<b>Net cash provided by (used in) financing activities</b>	<b>3,232</b>	<b>4,909</b>
Effect of exchange rate change on cash and cash equivalents	349	272
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,673)</b>	<b>(1,149)</b>
Cash and cash equivalents at beginning of period	15,412	10,739
<b>Cash and cash equivalents at end of period</b>	<b>10,739</b>	<b>9,589</b>