

1Q FY2023 Financial Results

(Fiscal Year ending March 2024)

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Diamond Electric Holdings Co., Ltd.

Tokyo Stock Exchange Prime section 6699

Aug 2023

Summary of 1Q Fiscal Year ended March 2024 (P/L)

- **Mobility Equipment:** Sales decreased by less customer demand, while profit increased through progress in passing on raw material price hikes to clients.
- **Energy Solution:** Both sales and profit increased as production stagnation caused by part/material procurement difficulty was resolved.
- **Home Electronics:** Sales increased reflecting significant growth in global selling, but profit decreased due to deteriorated material cost ratio caused by delayed price pass-on.
- **Other topics:**
 - Foreign exchange gains of 790 million JPY recorded as non-operating income affected by the weak JPY (960 MM JPY in the previous year).
 - Income taxes of 330 million yen (160 million yen in the previous year) were recorded due to an increase in income before income taxes resulting from higher income.

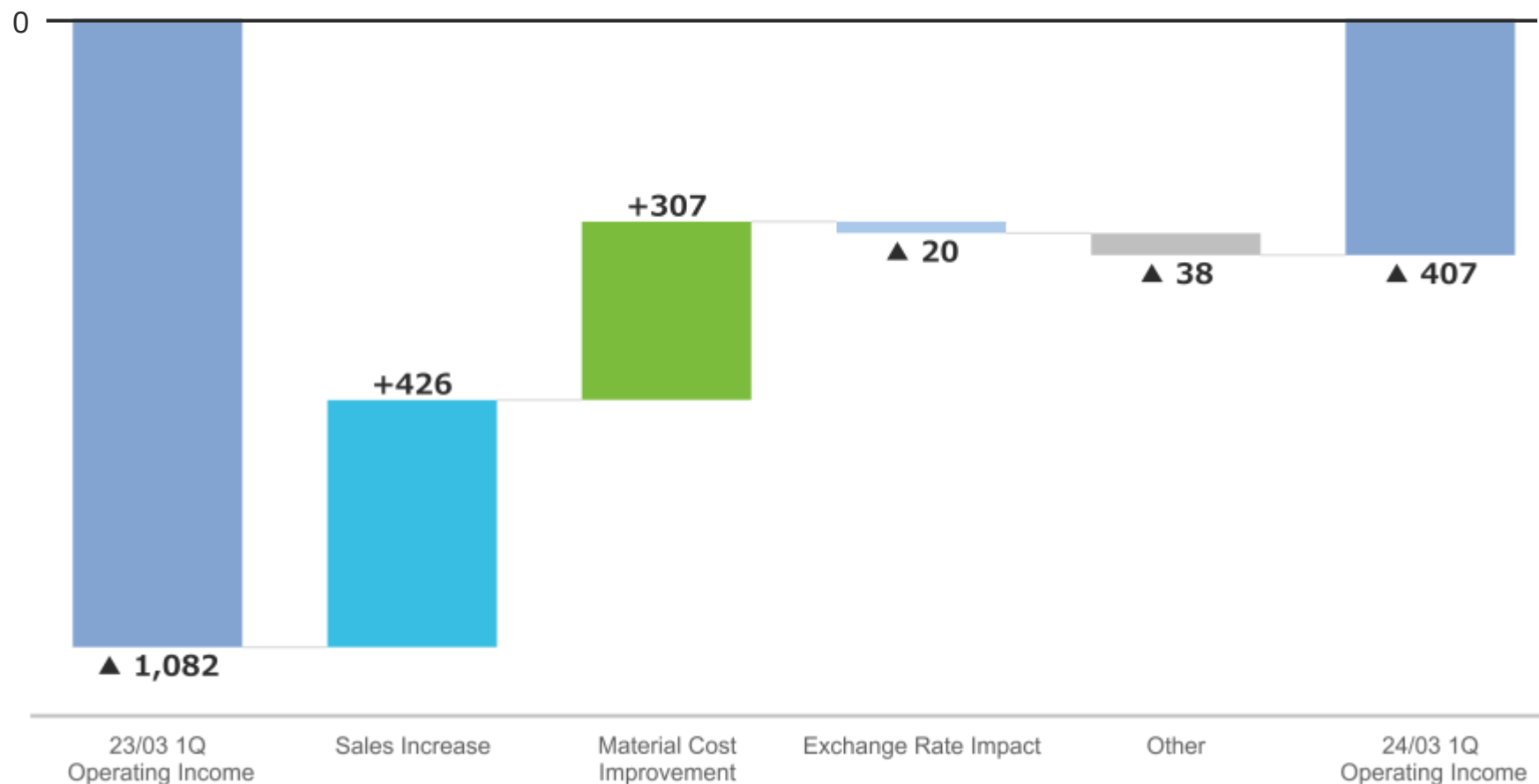
(Millions of JPY)	2023/03/1Q		2024/03/1Q			
	Actual	Ratio %	Actual	Ratio %	Variance	Variance %
Net Sales	19,837	100.0%	22,110	100.0%	+2,272	+11.5%
Mobility Equipment	7,563	38.1%	7,409	33.5%	▲154	▲2.0%
Energy Solutions	4,355	22.0%	5,200	23.5%	+845	+19.4%
Home Electronics	7,918	39.9%	9,187	41.6%	+1,268	+16.0%
Other	-	-	313	1.4%	313	-
Operating income	▲1,082	▲5.5%	▲407	▲1.8%	+675	-
Mobility Equipment	▲955	▲4.8%	▲477	▲2.2%	+478	-
Energy Solutions	270	1.4%	523	2.4%	+252	+93.5%
Home Electronics	181	0.9%	164	0.7%	▲16	▲9.0%
Other	-	-	▲30	▲0.1%	▲30	-
Common	▲577	▲2.9%	▲587	▲2.7%	▲9	-
Ordinary profit	▲205	▲1.0%	279	1.3%	+484	-
Net Income	▲351	▲1.8%	▲77	▲0.3%	+273	-
R O E	▲3.4%		▲0.7%		2.7pt	
Operating Profit Ratio	▲5.5%		▲1.8%		3.7pt	

Operating Income Analysis

- Net sales: recovery in sales of power conditioners in Japan, significant global sales increase of air conditioner components.
- Operating income: increased, due to the material cost ratio improvement as a result of progress in passing on the impact of raw material price hikes.

Factors of Increase/Decrease in Operating Income

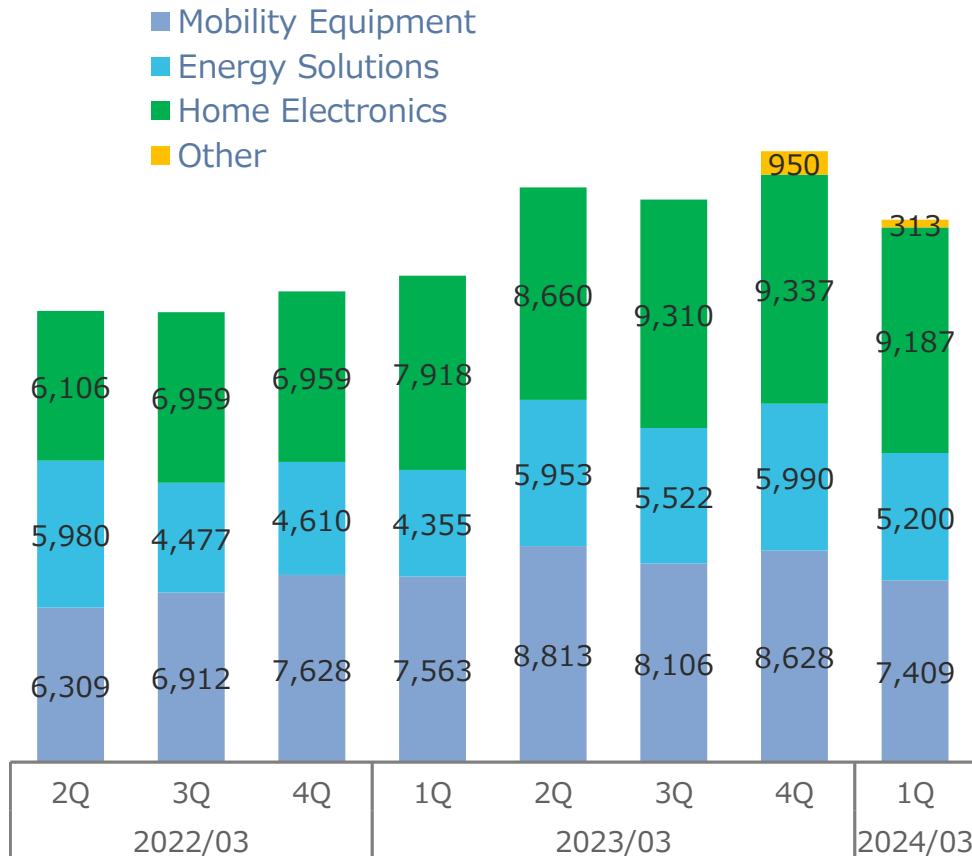
(Millions of JPY)



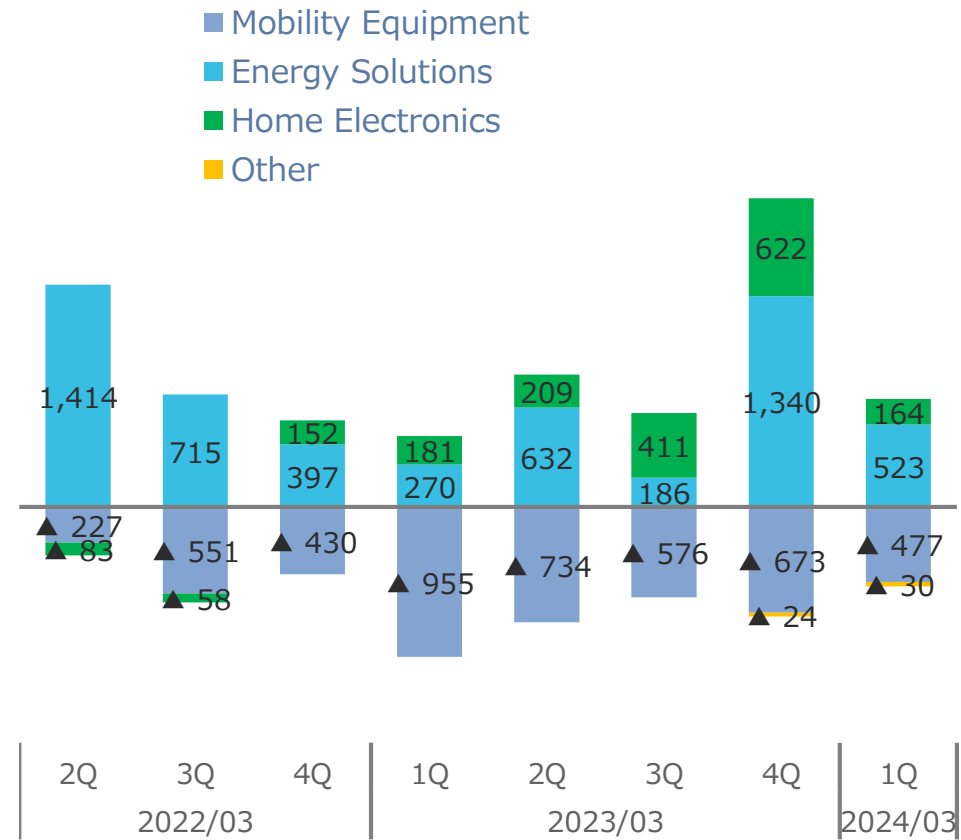
Performance by Segment

- Mobility Equipment: cost rate is improving as the impact of raw material price hikes is mostly passed on to prices.
- Energy Solutions: production stagnation caused by the shortage of semiconductors which persisted for two fiscal years has been resolved, now working to further restore customer trust.
- Home Electronics: Global sales remained strong, however material cost ratio worsened due to delayed price pass-on.

Segment Sales (By Quarter, Millions of JPY)



Segment Profit (By Quarter, Millions of JPY)



Summary of 1Q Fiscal Year ended March 2024 (B/S)

- Inventories increased due to stock increase in anticipation of higher sales.
- Fixed assets increased due to investment in production boost for major U.S. customers in the Automotive Equipment business and consolidation of production bases in Thailand.
- Interest-bearing debt increased due to new borrowings aimed at securing capital investment funds and working capital.

(Millions of JPY)	2023/03/4Q	2024/03/1Q	Variance
	Actual	Actual	
Current Assets	52,074	50,362	▲1,712
Cash and deposits	9,640	7,854	▲1,786
Notes and accounts receivable-trade	14,823	13,869	▲954
Inventories*	22,429	23,350	+921
Non-Current Assets	26,652	27,692	+1,040
Property, plant and equipment	18,516	19,483	+967
Total Assets	78,727	78,055	▲672
Notes and accounts payable-trade	9,928	9,315	▲613
Electronically recorded obligations-operating	6,994	5,227	▲1,767
Liability with Interest**	40,617	41,643	+1,026
Total Liabilities	67,823	66,475	▲1,348
Equity	10,779	11,451	+672
Equity Ratio	13.7%	14.7%	+1.0pt
Net Assets	10,903	11,579	+676

* Inventories = Merchandise and finished goods + Work in process + Raw materials and supplies

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

R&D Expense and Capital Investment

- Main reasons for the capital investment increment: increased investment in production boost for major U.S. customers and consolidation of production bases in Thailand.

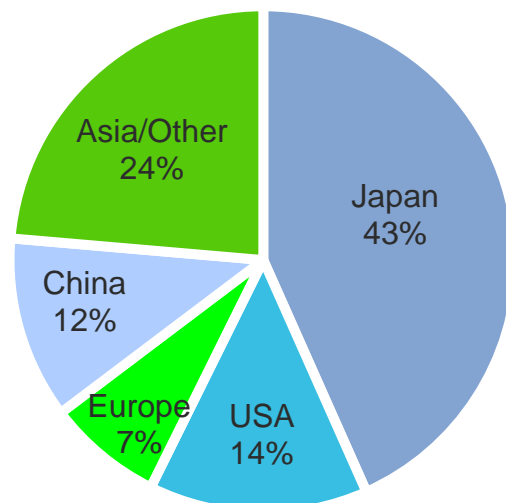
(Millions of JPY)	2023/03/1Q	2024/03/1Q		
	Actual	Actual	Variance	Variance %
Capital Investment	646	1,199	+553	+85.6%
Mobility Equipment	488	1,057	+569	+116.6%
Energy Solutions	17	-	▲ 17	-
Home Electronics	31	103	+72	+232.3%
Other	-	39	+39	-
Common	110	-	▲ 110	-
R&D Expenses	701	668	▲ 33	▲ 4.7%
Mobility Equipment	141	142	+1	+0.7%
Energy Solutions	366	404	+38	+10.4%
Home Electronics	165	105	▲ 60	▲ 36.4%
Other	-	-	-	-
Common	27	16	▲ 11	▲ 40.7%
Depreciation	624	662	+38	+6.1%
Mobility Equipment	437	417	▲ 20	▲ 4.6%
Energy Solutions	34	50	+16	+47.1%
Home Electronics	138	140	+2	+1.4%
Other	-	33	+33	-
Common	13	22	+9	+69.2%

Summary of Geographic Sales

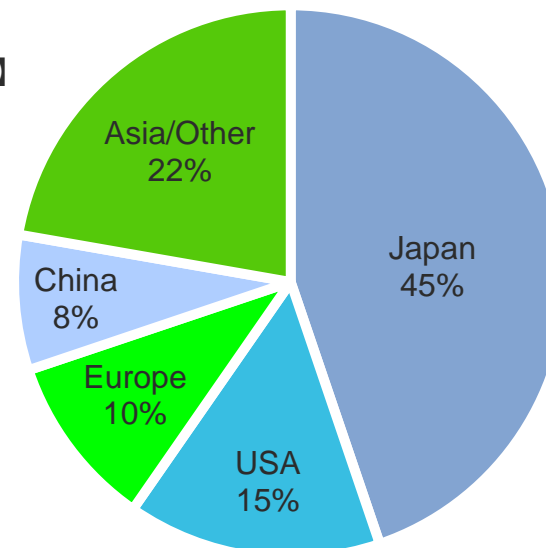
- Sales in Japan increased due to the elimination of stagnant production of power conditioners in the Energy Solutions business.
- Sales in the United States increased thanks to strong sales to major customers in the Mobility Equipment business.
- Sales in Europe increased due to strong sales of air conditioner components in the Home Electronics business.

Sales by Region (%)

【 2023/03/1Q 】



【 2024/03/1Q 】



Results by Region

(Millions of JPY)	2021/03/1Q	2022/03/1Q	2023/03/1Q	2024/03/1Q		
	Actual	Actual	Actual	Actual	Variance	Variance %
Japan	7,386	10,837	8,597	9,901	1,304	+15.2%
USA	1,061	2,170	2,773	3,289	516	+18.6%
Europe	1,254	1,459	1,466	2,250	784	+53.5%
China	1,304	1,662	2,312	1,749	▲563	▲24.4%
Asia/Other	2,236	4,201	4,688	4,919	231	+4.9%