



February 14, 2024

Company name: Diamond Electric Holdings Co., Ltd.
Representative: ONO YuuRi, President and CEO
(Securities code: 6699; Prime Market)
Inquiries: TOKUHARA Eishin, Senior Managing
Executive Officer, CFO
(Telephone: +81-6-6302-8211)

Notice Concerning Recording of Non-operating Income and Extraordinary Loss, and Revision of Consolidated Earnings Forecast for the Full Year

Diamond Electric Holdings Co., Ltd. (“the Company”) recorded non-operating income (foreign exchange gains) and extraordinary losses for the third quarters of the fiscal year ending March 31, 2024 (April 1, 2023 to December 31, 2023). Accordingly, the Company has revised its full-year consolidated earnings forecast for the fiscal year ending March 31, 2024, which was announced on November 14, 2023, as follows.

1. Recording of non-operating income (foreign exchange gains)

The Company recorded a foreign exchange gain of 1.069 billion JPY in the second quarter of the fiscal year ending March 31, 2024. However, due to fluctuations in foreign exchange rates, the Company recorded a foreign exchange loss of 505 million JPY in the third quarter of the fiscal year under review.

As a result, foreign exchange gains for the third quarter of the current consolidated cumulative period were 563 million JPY.

2. Recording of Extraordinary Losses

In the second quarter of the current consolidated accounting period, the Company recorded an extraordinary loss (provision for reserve for product warranties) of 188 million JPY related to a recall measure in the market in the Mobility Equipment Business. Negotiations with the customer have progressed regarding the amount which was partially paid in advance by the Company on behalf of such measures, and there is a high possibility that the customer may not agree to bear some of the costs, the Company recorded an additional 934 million JPY in the third quarter of the current consolidated accounting period.

As a result, the provision for product warranty reserve for the third quarter of the current consolidated cumulative period amounted to 1.123 billion JPN.

The Company is still in negotiations with the customer regarding the amount for which the Company is paying for some of the expenses associated with this measure.

3. Revision of Consolidated Earnings Forecast

(1) Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating Income	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Million JPY 93,000	Million JPY 0	Million JPY 600	Million JPY - 160	JPY - 19.11
Revised forecast (B)	93,000	0	600	- 1,300	- 155.26
Change (B-A)	-	-	-	- 1,140	-
% change	-	-	-	-	-
(Reference: FY2023/03)	91,106	- 1,187	- 817	- 1,075	- 139.52

(2) Reason for the revision

Net sales, operating income, and ordinary income of the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2024, have not been revised as they have progressed in line with the previously announced earnings forecasts as of the end of the third quarter.

The forecast for net income attributable to owners of the parent company has been revised as it is expected to be lower than the previously announced earnings forecast, as a result of recording an extraordinary loss related to the market recall measure, the impact of exchange rates on the extraordinary loss, and reviewing tax expenses.

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