

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)



February 8, 2024

Company name: Denyo Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6517 URL <https://www.denyo.co.jp/>  
 Representative: President Takanori Yoshinaga  
 Inquiries: Director & Managing Executive Officer Makoto Tanabe TEL 03-6861-1111  
 Scheduled date to file Quarterly Securities Report: February 9, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	53,351	15.5	3,886	41.3	4,080	44.8	2,828	41.8
Nine months ended December 31, 2022	46,183	17.1	2,751	12.0	2,818	3.9	1,994	5.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	137.02	–
Nine months ended December 31, 2022	96.34	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	99,210	74,058	71.6
As of March 31, 2023	89,744	68,658	73.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	23.00	–	27.00	50.00
Year ending March 31, 2024	–	24.00	–		
Year ending March 31, 2024 (Forecast)				29.00	53.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	69,500	8.1	5,300	8.7	5,600	8.1	3,800	4.6	184.10

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2023	22,859,660 shares	As of March 31, 2023	22,859,660 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	2,211,414 shares	As of March 31, 2023	2,226,890 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	20,640,198 shares	Nine months ended December 31, 2022	20,707,208 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	21,331	24,960
Notes receivable - trade	3,021	2,164
Electronically recorded monetary claims - operating	4,864	7,431
Accounts receivable - trade	14,172	13,635
Securities	999	999
Merchandise and finished goods	5,243	5,568
Work in process	2,103	2,567
Raw materials and supplies	9,066	10,191
Other	719	491
Allowance for doubtful accounts	(4)	(4)
Total current assets	61,517	68,006
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,211	8,485
Machinery, equipment and vehicles, net	1,716	1,631
Land	6,494	6,512
Construction in progress	1,643	1,947
Other, net	211	206
Total property, plant and equipment	18,278	18,783
Intangible assets	831	928
Investments and other assets		
Investment securities	8,669	10,982
Deferred tax assets	286	343
Other	163	168
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	9,118	11,491
Total non-current assets	28,227	31,204
Total assets	89,744	99,210

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,047	12,047
Electronically recorded obligations - operating	2,690	3,563
Short-term borrowings	1,882	2,271
Accrued expenses	577	797
Income taxes payable	671	453
Provision for bonuses	666	418
Provision for bonuses for directors (and other officers)	63	55
Provision for product warranties	99	129
Other	1,001	1,216
Total current liabilities	17,700	20,953
Non-current liabilities		
Long-term borrowings	1,365	1,374
Lease liabilities	328	360
Deferred tax liabilities	1,167	1,950
Retirement benefit liability	513	502
Other	10	10
Total non-current liabilities	3,385	4,198
<b>Total liabilities</b>	<b>21,085</b>	<b>25,152</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,954	1,954
Capital surplus	1,788	1,788
Retained earnings	59,100	60,835
Treasury shares	(2,720)	(2,703)
Total shareholders' equity	60,123	61,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,500	5,127
Foreign currency translation adjustment	2,322	4,034
Remeasurements of defined benefit plans	(51)	(39)
Total accumulated other comprehensive income	5,770	9,122
Non-controlling interests	2,764	3,060
<b>Total net assets</b>	<b>68,658</b>	<b>74,058</b>
<b>Total liabilities and net assets</b>	<b>89,744</b>	<b>99,210</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	46,183	53,351
Cost of sales	36,883	42,614
Gross profit	9,300	10,736
Selling, general and administrative expenses	6,549	6,850
Operating profit	2,751	3,886
Non-operating income		
Interest income	37	85
Dividend income	185	200
Rental income from buildings	61	65
Share of profit of entities accounted for using equity method	152	32
Other	30	39
Total non-operating income	467	423
Non-operating expenses		
Interest expenses	33	73
Foreign exchange losses	347	145
Other	19	9
Total non-operating expenses	400	229
Ordinary profit	2,818	4,080
Extraordinary income		
Gain on sale of non-current assets	0	6
Gain on sale of investment securities	39	0
Total extraordinary income	39	7
Extraordinary losses		
Loss on disposal of non-current assets	1	38
Total extraordinary losses	1	38
Profit before income taxes	2,856	4,049
Income taxes - current	796	1,188
Income taxes - deferred	57	23
Total income taxes	853	1,211
Profit	2,002	2,837
Profit attributable to		
Profit attributable to owners of parent	1,994	2,828
Profit attributable to non-controlling interests	7	9
Other comprehensive income		
Valuation difference on available-for-sale securities	101	1,621
Foreign currency translation adjustment	3,407	2,037
Remeasurements of defined benefit plans, net of tax	7	11
Share of other comprehensive income of entities accounted for using equity method	1	6
Total other comprehensive income	3,518	3,676
Comprehensive income	5,520	6,514
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,974	6,180
Comprehensive income attributable to non-controlling interests	545	334

## Revenue Recognition

[Breakdown of Revenue from Contracts with Customers]

(1) Sales results by product

(Millions of yen)

Product	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year-on-year	
			Change	%
Generators	38,289	44,998	6,709	17.5
Welders	3,325	3,225	(100)	(3.0)
Compressors	573	523	(49)	(8.6)
Others	3,995	4,604	608	15.2
Revenue from contracts with customers	46,183	53,351	7,168	15.5
Other revenue	—	—	—	—
Net sales to external customers	46,183	53,351	7,168	15.5

(2) Sales results by region

(Millions of yen)

Region	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year-on-year	
			Change	%
Japan	23,665	26,379	2,714	11.5
Overseas	22,518	26,972	4,454	19.8
North/Central America	15,694	19,473	3,779	24.1
Asia	4,909	5,167	257	5.2
Others	1,914	2,331	417	21.8
Revenue from contracts with customers	46,183	53,351	7,168	15.5
Other revenue	—	—	—	—
Net sales to external customers	46,183	53,351	7,168	15.5