

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)



August 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 commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	16,708	(0.8)	1,716	72.2	1,920	63.2	1,259	56.3
Three months ended June 30, 2023	16,836	31.6	996	196.0	1,177	186.9	806	208.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	61.02	–
Three months ended June 30, 2023	39.07	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	99,135	77,507	75.0
As of March 31, 2024	100,540	75,843	72.4

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, 2024	–	24.00	–	40.00	64.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	30.00	–	40.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	34,000	(0.6)	2,300	6.1	2,400	4.1	1,600	0.1	77.49
Full year	74,000	1.2	6,700	(5.5)	7,000	(5.1)	4,700	(7.8)	227.62

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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 June 30, 2024	22,859,660 shares	As of March 31, 2024	22,859,660 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	2,211,552 shares	As of March 31, 2024	2,211,496 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	20,648,126 shares	Three months ended June 30, 2023	20,632,797 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	23,041	21,201
Notes receivable - trade	2,207	2,727
Electronically recorded monetary claims - operating	9,136	9,138
Accounts receivable - trade	14,702	12,741
Securities	999	999
Merchandise and finished goods	5,760	7,453
Work in process	2,714	2,580
Raw materials and supplies	9,313	8,806
Other	366	537
Allowance for doubtful accounts	(4)	(4)
Total current assets	68,239	66,182
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,438	8,392
Machinery, equipment and vehicles, net	1,506	1,491
Land	6,499	6,509
Construction in progress	2,530	2,365
Other, net	198	217
Total property, plant and equipment	19,172	18,976
Intangible assets	968	973
Investments and other assets		
Investment securities	11,599	12,470
Deferred tax assets	379	352
Other	183	180
Allowance for doubtful accounts	(2)	(0)
Total investments and other assets	12,159	13,003
Total non-current assets	32,301	32,952
Total assets	100,540	99,135

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,950	8,466
Electronically recorded obligations - operating	3,652	3,143
Short-term borrowings	2,265	1,238
Accrued expenses	704	1,387
Income taxes payable	1,344	798
Provision for bonuses	714	456
Provision for bonuses for directors (and other officers)	77	22
Provision for product warranties	191	185
Other	1,376	1,257
Total current liabilities	20,275	16,957
Non-current liabilities		
Long-term borrowings	1,423	1,467
Lease liabilities	349	347
Deferred tax liabilities	2,046	2,243
Retirement benefit liability	592	602
Other	10	10
Total non-current liabilities	4,421	4,670
Total liabilities	24,697	21,628
Net assets		
Shareholders' equity		
Share capital	1,954	1,954
Capital surplus	1,788	1,788
Retained earnings	63,102	63,504
Treasury shares	(2,704)	(2,704)
Total shareholders' equity	64,141	64,544
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,541	6,155
Foreign currency translation adjustment	3,224	3,714
Remeasurements of defined benefit plans	(91)	(85)
Total accumulated other comprehensive income	8,673	9,785
Non-controlling interests	3,027	3,177
Total net assets	75,843	77,507
Total liabilities and net assets	100,540	99,135

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	16,836	16,708
Cost of sales	13,489	12,620
Gross profit	3,347	4,088
Selling, general and administrative expenses	2,350	2,372
Operating profit	996	1,716
Non-operating income		
Interest income	26	31
Dividend income	93	117
Rental income from buildings	20	26
Foreign exchange gains	56	44
Share of profit of entities accounted for using equity method	–	0
Other	18	9
Total non-operating income	215	230
Non-operating expenses		
Interest expenses	22	22
Share of loss of entities accounted for using equity method	8	–
Other	4	2
Total non-operating expenses	34	25
Ordinary profit	1,177	1,920
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	0	–
Total extraordinary income	3	0
Extraordinary losses		
Loss on disposal of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	1,180	1,918
Income taxes - current	440	574
Income taxes - deferred	(102)	(38)
Total income taxes	337	536
Profit	842	1,382
Profit attributable to		
Profit attributable to owners of parent	806	1,259
Profit attributable to non-controlling interests	36	122
Other comprehensive income		
Valuation difference on available-for-sale securities	587	613
Foreign currency translation adjustment	(21)	613
Remeasurements of defined benefit plans, net of tax	3	6
Share of other comprehensive income of entities accounted for using equity method	2	1
Total other comprehensive income	572	1,234
Comprehensive income	1,415	2,617
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,356	2,371
Comprehensive income attributable to non-controlling interests	59	246

Revenue Recognition

[Breakdown of Revenue from Contracts with Customers]

(1) Sales results by product

(Millions of yen)

Product	Three months ended	Three months ended	Year-on-year	
	June 30, 2023	June 30, 2024	Change	%
Generators	14,396	13,886	(510)	(3.5)
Welders	991	1,087	95	9.7
Compressors	192	233	40	21.3
Others	1,256	1,501	245	19.5
Revenue from contracts with customers	16,836	16,708	(127)	(0.8)
Other revenue	—	—	—	—
Net sales to external customers	16,836	16,708	(127)	(0.8)

(2) Sales results by region

(Millions of yen)

Region	Three months ended	Three months ended	Year-on-year	
	June 30, 2023	June 30, 2024	Change	%
Japan	7,243	8,155	912	12.6
Overseas	9,593	8,553	(1,040)	(10.8)
North/Central America	7,118	6,214	(904)	(12.7)
Asia	1,549	1,693	144	9.3
Others	925	645	(280)	(30.3)
Revenue from contracts with customers	16,836	16,708	(127)	(0.8)
Other revenue	—	—	—	—
Net sales to external customers	16,836	16,708	(127)	(0.8)