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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 8, 2025

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 of ordinary general meeting of shareholders: June 27, 2025
 Scheduled date to file Securities Report: June 26, 2025
 Scheduled date to commence dividend payments: June 6, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

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	%
Year ended March 31, 2025	70,753	(3.3)	7,393	4.3	8,002	8.5	5,647	10.8
Year ended March 31, 2024	73,140	13.7	7,089	45.4	7,378	42.4	5,095	40.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	274.02	—	7.5	7.9	10.4
Year ended March 31, 2024	246.83	—	7.3	7.8	9.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	103,103	80,658	75.0	3,777.66
As of March 31, 2024	100,540	75,843	72.4	3,526.50

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	7,315	(5,548)	(1,791)	24,497
Year ended March 31, 2024	4,176	(1,835)	(819)	24,029

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	24.00	—	40.00	64.00	1,371	25.9	1.9
Year ended March 31, 2025	—	30.00	—	45.00	75.00	1,598	27.4	2.1
Year ending March 31, 2026 (Forecast)	—	35.00	—	45.00	80.00		32.1	

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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, 2025	34,000	(0.1)	2,700	(12.6)	2,900	(15.4)	2,000	(12.8)	97.76
Full year	72,000	1.8	7,300	(1.3)	7,700	(3.8)	5,100	(9.7)	249.29

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2025

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2025	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 March 31, 2025	2,401,752 shares	As of March 31, 2024	2,211,496 shares
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Average number of shares during the period

Year ended March 31, 2025	20,610,514 shares	Year ended March 31, 2024	20,642,176 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,041	23,500
Notes receivable - trade	2,207	1,389
Electronically recorded monetary claims - operating	9,136	8,552
Accounts receivable - trade	14,702	13,760
Securities	999	998
Merchandise and finished goods	5,760	7,556
Work in process	2,714	2,381
Raw materials and supplies	9,313	7,711
Other	366	802
Allowance for doubtful accounts	(4)	(4)
Total current assets	68,239	66,647
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,861	23,016
Accumulated depreciation	(8,423)	(9,069)
Buildings and structures, net	8,438	13,947
Machinery, equipment and vehicles	9,913	11,892
Accumulated depreciation	(8,407)	(9,443)
Machinery, equipment and vehicles, net	1,506	2,449
Land	6,499	6,462
Construction in progress	2,530	317
Other	2,109	2,398
Accumulated depreciation	(1,911)	(2,031)
Other, net	198	366
Total property, plant and equipment	19,172	23,543
Intangible assets		
Right-of-use assets	655	573
Software	170	304
Other	142	446
Total intangible assets	968	1,324
Investments and other assets		
Investment securities	11,599	10,758
Long-term loans receivable	1	3
Deferred tax assets	379	598
Other	182	227
Allowance for doubtful accounts	(2)	(0)
Total investments and other assets	12,159	11,587
Total non-current assets	32,301	36,455
Total assets	100,540	103,103

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,950	8,439
Electronically recorded obligations - operating	3,652	2,349
Short-term borrowings	2,265	1,772
Accrued expenses	704	642
Income taxes payable	1,344	1,374
Provision for bonuses	714	763
Provision for bonuses for directors (and other officers)	77	82
Provision for product warranties	191	673
Other	1,376	1,477
Total current liabilities	20,275	17,575
Non-current liabilities		
Long-term borrowings	1,423	2,299
Lease liabilities	349	378
Deferred tax liabilities	2,046	1,817
Retirement benefit liability	592	362
Other	10	10
Total non-current liabilities	4,421	4,868
Total liabilities	24,697	22,444
Net assets		
Shareholders' equity		
Share capital	1,954	1,954
Capital surplus	1,788	1,788
Retained earnings	63,102	67,249
Treasury shares	(2,704)	(3,228)
Total shareholders' equity	64,141	67,764
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,541	5,000
Foreign currency translation adjustment	3,224	4,443
Remeasurements of defined benefit plans	(91)	75
Total accumulated other comprehensive income	8,673	9,518
Non-controlling interests	3,027	3,375
Total net assets	75,843	80,658
Total liabilities and net assets	100,540	103,103

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	73,140	70,753
Cost of sales	56,910	52,963
Gross profit	16,229	17,790
Selling, general and administrative expenses	9,140	10,396
Operating profit	7,089	7,393
Non-operating income		
Interest income	114	193
Dividend income	233	281
Rental income from buildings	91	108
Foreign exchange gains	—	26
Share of profit of entities accounted for using equity method	54	70
Miscellaneous income	48	50
Total non-operating income	543	729
Non-operating expenses		
Interest expenses	98	97
Commitment fees	7	6
Rental costs	3	3
Foreign exchange losses	141	—
Miscellaneous losses	4	12
Total non-operating expenses	255	120
Ordinary profit	7,378	8,002
Extraordinary income		
Gain on sale of non-current assets	6	4
Gain on sale of investment securities	0	352
Total extraordinary income	7	357
Extraordinary losses		
Loss on disposal of non-current assets	47	26
Total extraordinary losses	47	26
Profit before income taxes	7,338	8,333
Income taxes - current	2,246	2,603
Income taxes - deferred	(87)	(243)
Total income taxes	2,158	2,360
Profit	5,179	5,972
Profit attributable to		
Profit attributable to owners of parent	5,095	5,647
Profit attributable to non-controlling interests	83	325
Other comprehensive income		
Valuation difference on available-for-sale securities	2,034	(541)
Foreign currency translation adjustment	1,119	1,432
Remeasurements of defined benefit plans, net of tax	(40)	166
Share of other comprehensive income of entities accounted for using equity method	6	0
Total other comprehensive income	3,119	1,059
Comprehensive income	8,299	7,032
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,998	6,492
Comprehensive income attributable to non-controlling interests	300	539

Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,954	1,788	59,100	(2,720)	60,123
Changes during period					
Dividends of surplus			(1,093)		(1,093)
Profit attributable to owners of parent			5,095		5,095
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				17	17
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,001	16	4,018
Balance at end of period	1,954	1,788	63,102	(2,704)	64,141

	Accumulated other comprehensive income				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	3,500	2,322	(51)	5,770	2,764	68,658
Changes during period						
Dividends of surplus						(1,093)
Profit attributable to owners of parent						5,095
Purchase of treasury shares						(1)
Disposal of treasury shares						17
Net changes in items other than shareholders' equity	2,041	902	(40)	2,903	262	3,166
Total changes during period	2,041	902	(40)	2,903	262	7,184
Balance at end of period	5,541	3,224	(91)	8,673	3,027	75,843

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,954	1,788	63,102	(2,704)	64,141
Changes during period					
Dividends of surplus			(1,500)		(1,500)
Profit attributable to owners of parent			5,647		5,647
Purchase of treasury shares				(539)	(539)
Disposal of treasury shares				14	14
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,147	(524)	3,622
Balance at end of period	1,954	1,788	67,249	(3,228)	67,764

	Accumulated other comprehensive income				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	5,541	3,224	(91)	8,673	3,027	75,843
Changes during period						
Dividends of surplus						(1,500)
Profit attributable to owners of parent						5,647
Purchase of treasury shares						(539)
Disposal of treasury shares						14
Net changes in items other than shareholders' equity	(540)	1,218	166	844	348	1,193
Total changes during period	(540)	1,218	166	844	348	4,815
Balance at end of period	5,000	4,443	75	9,518	3,375	80,658

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,338	8,333
Depreciation	1,227	1,397
Increase (decrease) in retirement benefit liability	8	(2)
Increase (decrease) in provision for product warranties	92	482
Increase (decrease) in provision for bonuses	47	49
Increase (decrease) in provision for bonuses for directors (and other officers)	13	5
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Interest and dividend income	(348)	(474)
Interest expenses	98	97
Share of loss (profit) of entities accounted for using equity method	(54)	(70)
Loss (gain) on sale of investment securities	(0)	(352)
Loss (gain) on sale of non-current assets	(4)	17
Loss (gain) on disposal of non-current assets	45	3
Decrease (increase) in trade receivables	(3,611)	2,893
Decrease (increase) in inventories	(792)	869
Increase (decrease) in trade payables	501	(3,124)
Other, net	956	(607)
Subtotal	5,517	9,515
Interest and dividends received	355	487
Interest paid	(96)	(100)
Income taxes paid	(1,598)	(2,586)
Net cash provided by (used in) operating activities	4,176	7,315
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,656)	(5,781)
Purchase of intangible assets	(165)	(271)
Purchase of investment securities	(3)	(3)
Proceeds from sale of investment securities	51	461
Loan advances	(0)	(3)
Proceeds from collection of loans receivable	0	1
Net decrease (increase) in time deposits	(13)	12
Other, net	(48)	37
Net cash provided by (used in) investing activities	(1,835)	(5,548)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	381	(1,721)
Proceeds from long-term borrowings	–	2,243
Repayments of long-term borrowings	(66)	(154)
Purchase of treasury shares	(1)	(539)
Dividends paid	(1,093)	(1,500)
Dividends paid to non-controlling interests	(37)	(95)
Other, net	(2)	(23)
Net cash provided by (used in) financing activities	(819)	(1,791)
Effect of exchange rate change on cash and cash equivalents	177	492
Net increase (decrease) in cash and cash equivalents	1,698	468
Cash and cash equivalents at beginning of period	22,331	24,029
Cash and cash equivalents at end of period	24,029	24,497

Segment Information

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Company's Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group mainly manufactures and sells industrial electrical machineries. In Japan, the Company and Nishihatsu Co., Ltd. are in charge of manufacturing and sales of the products, and Denyo Kosan Co., Ltd. is in charge of sales of spare parts, etc. In overseas, local subsidiaries are in charge of management in their respective country locations. Each local subsidiary is an independent management unit that formulates comprehensive regional strategies for the products it handles and conducts business activities.

Therefore, the Group's consists of geographic segments based on sales structure that are "Japan", "America", "Asia" and "Europe". The composition of each reportable segment is as follows:

Reportable segment	Main company name (Country name)
Japan	The Company, Nishihatsu Co., Ltd., Denyo Kosan Co., Ltd.
America	Denyo Manufacturing Corporation (United States of America)
Asia	Denyo United Machinery Pte. Ltd. (Singapore), Denyo Vietnam Co., Ltd. (Vietnam)
Europe	Denyo Europe B.V. (Netherlands)

2. Information on calculation methods for net sales, profit or loss, assets and other components by reportable segment

The accounting method applied for each reportable segment is the same as that described in "Significant accounting policies for preparation of consolidated financial statements" of the recent annual securities report.

Inventories are stated at cost after devaluation of the book value based on a decline in profitability.

The figures for profit of reportable segments are based on operating profit.

Intersegment net sales or transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, liabilities and other items by reportable segments

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Adjustments (Note)	Amount recorded in the consolidated statements of income and comprehensive income
	Japan	America	Asia	Europe	Total		
Net sales							
Net sales to outside customers	48,629	19,717	3,919	873	73,140	—	73,140
Intersegment net sales or transfers	5,574	677	6,167	6	12,426	(12,426)	—
Total	54,204	20,395	10,086	880	85,567	(12,426)	73,140
Segment profit [Operating profit]	4,236	1,227	784	75	6,324	765	7,089
Segment assets	81,523	11,257	13,439	746	106,967	(6,426)	100,540
Other items							
Depreciation	713	221	292	0	1,227	—	1,227
Investment in entities accounted for using equity method	1,117	—	—	—	1,117	—	1,117
Increase in property, plant and equipment and intangible assets	1,696	171	44	—	1,913	—	1,913

(Notes) 1. The adjustments of segment profit include inventory adjustments related to intersegment transactions.

2. The adjustments of segment assets include offsetting elimination of receivables among reportable segments.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments					Adjustments (Note)	Amount recorded in the consolidated statements of income and comprehensive income
	Japan	America	Asia	Europe	Total		
Net sales							
Net sales to outside customers	49,664	16,249	4,474	364	70,753	—	70,753
Intersegment net sales or transfers	5,103	312	5,013	15	10,444	(10,444)	—
Total	54,767	16,562	9,487	380	81,198	(10,444)	70,753
Segment profit (loss) [Operating profit (loss)]	4,566	1,668	643	(3)	6,876	517	7,393
Segment assets	81,538	12,425	13,334	634	107,933	(4,830)	103,103
Other items							
Depreciation	916	197	284	0	1,397	—	1,397
Investment in entities accounted for using equity method	1,160	—	—	—	1,160	—	1,160
Increase in property, plant and equipment and intangible assets	6,094	58	79	—	6,231	(12)	6,218

(Notes) 1. The adjustments of segment profit(loss) include inventory adjustments related to intersegment transactions.

2. The adjustments of segment assets include offsetting elimination of receivables among reportable segments.

[Related Information]

Fiscal year ended March 31, 2024

1. Information by product and service

This information has been omitted as net sales to outside customers in a single product/service category is more than 90% of net sales in consolidated statements of income and comprehensive income.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North/Central America	Asia	Europe	Total
38,389	25,230	6,642	2,877	73,140

(Note) Net sales are classified by country or region based on the location of each customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Asia	Europe	Total
14,998	1,352	2,821	0	19,172

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Multiquip Inc.	19,717	America

Fiscal year ended March 31, 2025

1. Information by product and service

This information has been omitted as net sales to outside customers in a single product/service category is more than 90% of net sales in consolidated statements of income and comprehensive income.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North/Central America	Asia	Europe	Total
42,158	19,336	6,568	2,690	70,753

(Note) Net sales are classified by country or region based on the location of each customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Asia	Europe	Total
19,678	1,368	2,496	0	23,543

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Multiquip Inc.	16,249	America

[Information on impairment loss of non-current assets by each reportable segment]

Not applicable.

[Information on amortization of goodwill and unamortized balance by each reportable segment]

Not applicable.

[Information on gain on bargain purchase by each reportable segment]

Not applicable.

Revenue Recognition

[Breakdown of Revenue from Contracts with Customers]

(1) Sales results by product

(Millions of yen)

Product	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year-on-year	
			Change	%
Generators	61,487	58,539	(2,948)	(4.8)
Welders	4,437	4,645	207	4.7
Compressors	693	903	209	30.1
Others	6,521	6,666	145	2.2
Revenue from contracts with customers	73,140	70,753	(2,386)	(3.3)
Other revenue	—	—	—	—
Net sales to external customers	73,140	70,753	(2,386)	(3.3)

(2) Sales results by region

(Millions of yen)

Region	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year-on-year	
			Change	%
Japan	38,389	42,158	3,768	9.8
Overseas	34,750	28,595	(6,155)	(17.7)
North/Central America	25,230	19,336	(5,894)	(23.4)
Asia	6,642	6,568	(74)	(1.1)
Others	2,877	2,690	(186)	(6.5)
Revenue from contracts with customers	73,140	70,753	(2,386)	(3.3)
Other revenue	—	—	—	—
Net sales to external customers	73,140	70,753	(2,386)	(3.3)