

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results  
for the Nine Months Ended December 31, 2022  
(Based on Japanese GAAP)**



February 9, 2023

Company name: Denyo Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6517 URL: <https://www.denyo.co.jp/>  
 Representative: President Shoichi Shiratori  
 Inquiries: Director & Senior Executive Officer Makoto Tanabe TEL 03-6861-1111  
 Scheduled date to file Quarterly Securities Report: February 10, 2023  
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	46,183	17.1	2,751	12.0	2,818	3.9	1,994	5.0
Nine months ended December 31, 2021	39,449	1.2	2,456	(28.4)	2,711	(26.1)	1,900	(23.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	96.34		–	
Nine months ended December 31, 2021	91.10		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	89,102	68,120	73.2
As of March 31, 2022	80,774	63,760	76.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	22.00	–	25.00	47.00
Year ending March 31, 2023	–	23.00	–		
Year ending March 31, 2023 (Forecast)				25.00	48.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	60,000	8.8	3,400	(6.9)	3,500	(13.1)	2,400	(12.8)	115.80

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022  
(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, 2022	22,859,660 shares	As of March 31, 2022	22,859,660 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	2,232,933 shares	As of March 31, 2022	2,140,078 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	20,707,208 shares	Nine months ended December 31, 2021	20,862,583 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	22,358	21,692
Notes receivable - trade	4,102	3,667
Electronically recorded monetary claims - operating	4,306	4,368
Accounts receivable - trade	11,856	13,930
Securities	999	999
Merchandise and finished goods	5,086	4,731
Work in process	1,724	2,680
Raw materials and supplies	6,049	9,734
Other	392	724
Allowance for doubtful accounts	(4)	(4)
<b>Total current assets</b>	<b>56,872</b>	<b>62,526</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	7,140	7,509
Machinery, equipment and vehicles, net	2,011	1,807
Land	5,066	6,310
Construction in progress	319	1,228
Other, net	226	205
<b>Total property, plant and equipment</b>	<b>14,764</b>	<b>17,061</b>
Intangible assets	694	796
<b>Investments and other assets</b>		
Investment securities	8,092	8,355
Deferred tax assets	226	207
Other	127	157
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>8,443</b>	<b>8,717</b>
<b>Total non-current assets</b>	<b>23,902</b>	<b>26,575</b>
<b>Total assets</b>	<b>80,774</b>	<b>89,102</b>

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,026	11,725
Electronically recorded obligations - operating	2,554	3,408
Short-term borrowings	210	210
Accrued expenses	553	718
Income taxes payable	404	84
Provision for bonuses	642	393
Provision for bonuses for directors (and other officers)	66	46
Provision for product warranties	98	102
Other	713	1,329
<b>Total current liabilities</b>	<b>14,269</b>	<b>18,018</b>
<b>Non-current liabilities</b>		
Long-term borrowings	856	928
Lease liabilities	283	327
Deferred tax liabilities	1,113	1,188
Retirement benefit liability	458	508
Other	31	10
<b>Total non-current liabilities</b>	<b>2,744</b>	<b>2,963</b>
<b>Total liabilities</b>	<b>17,013</b>	<b>20,982</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,954	1,954
Capital surplus	1,788	1,788
Retained earnings	56,500	57,462
Treasury shares	(2,598)	(2,724)
<b>Total shareholders' equity</b>	<b>57,645</b>	<b>58,481</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,209	3,312
Foreign currency translation adjustment	591	3,460
Remeasurements of defined benefit plans	(33)	(26)
<b>Total accumulated other comprehensive income</b>	<b>3,766</b>	<b>6,746</b>
<b>Non-controlling interests</b>	<b>2,348</b>	<b>2,892</b>
<b>Total net assets</b>	<b>63,760</b>	<b>68,120</b>
<b>Total liabilities and net assets</b>	<b>80,774</b>	<b>89,102</b>

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	39,449	46,183
Cost of sales	30,915	36,883
Gross profit	8,534	9,300
Selling, general and administrative expenses	6,078	6,549
Operating profit	2,456	2,751
Non-operating income		
Interest income	30	37
Dividend income	139	185
Rental income from buildings	61	61
Foreign exchange gains	11	–
Share of profit of entities accounted for using equity method	15	152
Other	43	30
Total non-operating income	302	467
Non-operating expenses		
Interest expenses	31	33
Foreign exchange losses	–	347
Other	15	19
Total non-operating expenses	47	400
Ordinary profit	2,711	2,818
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	28	39
Total extraordinary income	29	39
Extraordinary losses		
Loss on disposal of non-current assets	38	1
Total extraordinary losses	38	1
Profit before income taxes	2,702	2,856
Income taxes - current	683	796
Income taxes - deferred	112	57
Total income taxes	795	853
Profit	1,906	2,002
Profit attributable to		
Profit attributable to owners of parent	1,900	1,994
Profit attributable to non-controlling interests	5	7
Other comprehensive income		
Valuation difference on available-for-sale securities	(231)	101
Foreign currency translation adjustment	940	3,407
Remeasurements of defined benefit plans, net of tax	8	7
Share of other comprehensive income of entities accounted for using equity method	(0)	1
Total other comprehensive income	716	3,518
Comprehensive income	2,623	5,520
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,473	4,974
Comprehensive income attributable to non-controlling interests	149	545

## Revenue Recognition

[Breakdown of Revenue from Contracts with Customers]

(1) Sales results by product

(Millions of yen)

Product	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Year-on-year	
			Change	%
Generators	31,085	38,289	7,204	23.2
Welders	3,619	3,325	(293)	(8.1)
Compressors	588	573	(15)	(2.6)
Others	4,157	3,995	(161)	(3.9)
Revenue from contracts with customers	39,449	46,183	6,733	17.1
Other revenue	—	—	—	—
Net sales to external customers	39,449	46,183	6,733	17.1

(2) Sales results by region

(Millions of yen)

Region	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Year-on-year	
			Change	%
Japan	24,624	23,665	(959)	(3.9)
Overseas	14,825	22,518	7,692	51.9
North/Central America	9,248	15,694	6,445	69.7
Asia	3,287	4,909	1,622	49.4
Others	2,289	1,914	(375)	(16.4)
Revenue from contracts with customers	39,449	46,183	6,733	17.1
Other revenue	—	—	—	—
Net sales to external customers	39,449	46,183	6,733	17.1