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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)



February 10, 2016

Company name: Denyo Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6517 URL <http://www.denyo.co.jp/>
 Representative: President Shigeru Koga
 Inquiries: Director & Managing Executive Officer Shoichi Shiratori TEL 03-6861-1111
 Scheduled date to file Quarterly Securities Report: February 12, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2015 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	36,633	(2.6)	2,696	(21.2)	3,034	(18.0)	2,093	(16.0)
Nine months ended December 31, 2014	37,629	5.6	3,421	2.8	3,702	2.0	2,492	4.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2015	97.95	–
Nine months ended December 31, 2014	115.82	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	66,941	50,116	72.1
As of March 31, 2015	67,324	49,195	70.3

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, 2015	–	12.00	–	16.00	28.00
Year ending March 31, 2016	–	14.00	–	–	–
Year ending March 31, 2016 (Forecast)	–	–	–	14.00	28.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	51,000	(2.4)	4,000	(25.2)	4,300	(25.3)	3,000	(22.2)	140.36

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015
(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: Yes
- 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, 2015	22,859,660 shares	As of March 31, 2015	22,859,660 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	1,484,758 shares	As of March 31, 2015	1,491,904 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, 2015	21,372,581 shares	Nine months ended December 31, 2014	21,516,552 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	10,676	10,757
Notes and accounts receivable - trade	19,175	18,510
Securities	99	99
Merchandise and finished goods	5,213	5,402
Work in process	894	1,068
Raw materials and supplies	3,954	4,033
Other	885	966
Allowance for doubtful accounts	(43)	(29)
Total current assets	40,856	40,809
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,386	7,513
Machinery, equipment and vehicles, net	2,262	2,926
Land	4,862	4,850
Construction in progress	1,079	0
Other, net	217	237
Total property, plant and equipment	15,807	15,527
Intangible assets	519	568
Investments and other assets		
Investment securities	9,947	9,636
Other	196	405
Allowance for doubtful accounts	(2)	(5)
Total investments and other assets	10,141	10,036
Total non-current assets	26,468	26,131
Total assets	67,324	66,941

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,206	10,267
Short-term loans payable	632	332
Accrued expenses	720	609
Income taxes payable	518	115
Provision for bonuses	699	379
Provision for directors' bonuses	110	37
Provision for product warranties	89	103
Other	418	455
Total current liabilities	13,396	12,300
Non-current liabilities		
Long-term loans payable	1,202	1,205
Deferred tax liabilities	2,194	2,089
Net defined benefit liability	470	457
Other	864	771
Total non-current liabilities	4,732	4,524
Total liabilities	18,128	16,824
Net assets		
Shareholders' equity		
Capital stock	1,954	1,954
Capital surplus	1,754	1,779
Retained earnings	39,873	41,299
Treasury shares	(1,359)	(1,380)
Total shareholders' equity	42,223	43,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,034	3,813
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	1,086	775
Remeasurements of defined benefit plans	(9)	(6)
Total accumulated other comprehensive income	5,112	4,582
Non-controlling interests	1,859	1,880
Total net assets	49,195	50,116
Total liabilities and net assets	67,324	66,941

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

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	37,629	36,633
Cost of sales	28,424	27,897
Gross profit	9,205	8,736
Selling, general and administrative expenses	5,784	6,039
Operating income	3,421	2,696
Non-operating income		
Interest income	30	16
Dividend income	118	125
House rent income	42	67
Share of profit of entities accounted for using equity method	40	48
Foreign exchange gains	52	6
Subsidy income	10	112
Other	50	21
Total non-operating income	345	400
Non-operating expenses		
Interest expenses	32	30
Sales discounts	20	16
Other	12	15
Total non-operating expenses	64	62
Ordinary income	3,702	3,034
Extraordinary income		
Gain on sales of non-current assets	0	314
Gain on sales of investment securities	299	–
Total extraordinary income	300	314
Extraordinary losses		
Loss on disposal of non-current assets	1	0
Total extraordinary losses	1	0
Income before income taxes and minority interests	4,000	3,348
Income taxes - current	1,132	871
Income taxes - deferred	227	161
Total income taxes	1,359	1,033
Profit	2,640	2,314
Profit attributable to		
Profit attributable to owners of parent	2,492	2,093
Profit attributable to non-controlling interests	148	221
Other comprehensive income		
Valuation difference on available-for-sale securities	606	(220)
Deferred gains or losses on hedges	–	(1)
Foreign currency translation adjustment	(32)	(428)
Remeasurements of defined benefit plans, net of tax	(3)	2
Share of other comprehensive income of entities accounted for using equity method	1	(0)
Total other comprehensive income	571	(648)
Comprehensive income	3,211	1,666
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,999	1,563
Comprehensive income attributable to non-controlling interests	212	103

Supplementary information

(1) Sales results by product

(Millions of yen)

Product	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Generators	28,616	27,703
Welders	4,344	3,955
Compressors	838	786
Others	3,830	4,187
Total	37,629	36,633

(2) Sales results by region

(Millions of yen)

Region	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Japan	22,192	20,994
North/Central America	8,322	7,339
Asia	4,937	5,589
Others	2,176	2,709
Total	37,629	36,633