

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)



August 4, 2022

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: August 5, 2022  
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	12,791	6.8	336	(60.3)	410	(52.2)	260	(55.1)
Three months ended June 30, 2021	11,973	(8.4)	847	(22.7)	857	(29.4)	581	(31.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	12.59		–	
Three months ended June 30, 2021	27.87		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	80,530	64,128	76.6
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	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	23.00	–	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
Six months ending September 30, 2022	26,000	4.7	1,300	(19.5)	1,500	(11.2)	1,000	(14.8)	48.26
Full year	57,500	4.2	3,900	6.7	4,200	4.2	2,800	1.7	135.14

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	22,859,660 shares	As of March 31, 2022	22,859,660 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	2,137,378 shares	As of March 31, 2022	2,140,078 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, 2022	20,719,612 shares	Three months ended June 30, 2021	20,855,713 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	22,358	23,649
Notes receivable - trade	4,102	2,873
Electronically recorded monetary claims - operating	4,306	4,770
Accounts receivable - trade	11,856	8,950
Securities	999	999
Merchandise and finished goods	5,086	5,210
Work in process	1,724	2,607
Raw materials and supplies	6,049	7,160
Other	392	518
Allowance for doubtful accounts	(4)	(3)
Total current assets	56,872	56,735
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,140	7,225
Machinery, equipment and vehicles, net	2,011	1,926
Land	5,066	5,074
Construction in progress	319	323
Other, net	226	228
Total property, plant and equipment	14,764	14,778
Intangible assets	694	697
Investments and other assets		
Investment securities	8,092	7,941
Deferred tax assets	226	228
Other	127	150
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	8,443	8,318
Total non-current assets	23,902	23,794
Total assets	80,774	80,530

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,026	8,039
Electronically recorded obligations - operating	2,554	2,583
Short-term borrowings	210	210
Accrued expenses	553	1,142
Income taxes payable	404	202
Provision for bonuses	642	386
Provision for bonuses for directors (and other officers)	66	16
Provision for product warranties	98	93
Other	713	969
<b>Total current liabilities</b>	<b>14,269</b>	<b>13,643</b>
<b>Non-current liabilities</b>		
Long-term borrowings	856	956
Lease liabilities	283	295
Deferred tax liabilities	1,113	1,027
Retirement benefit liability	458	446
Other	31	31
<b>Total non-current liabilities</b>	<b>2,744</b>	<b>2,758</b>
<b>Total liabilities</b>	<b>17,013</b>	<b>16,401</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	56,223
Treasury shares	(2,598)	(2,596)
<b>Total shareholders' equity</b>	<b>57,645</b>	<b>57,370</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,209	3,133
Foreign currency translation adjustment	591	1,161
Remeasurements of defined benefit plans	(33)	(18)
<b>Total accumulated other comprehensive income</b>	<b>3,766</b>	<b>4,277</b>
<b>Non-controlling interests</b>	<b>2,348</b>	<b>2,481</b>
<b>Total net assets</b>	<b>63,760</b>	<b>64,128</b>
<b>Total liabilities and net assets</b>	<b>80,774</b>	<b>80,530</b>

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	11,973	12,791
Cost of sales	9,176	10,283
Gross profit	2,797	2,508
Selling, general and administrative expenses	1,950	2,171
Operating profit	847	336
Non-operating income		
Interest income	10	11
Dividend income	59	82
Rental income from buildings	20	20
Other	17	5
Total non-operating income	108	120
Non-operating expenses		
Interest expenses	12	5
Foreign exchange losses	60	2
Share of loss of entities accounted for using equity method	19	28
Other	4	9
Total non-operating expenses	97	46
Ordinary profit	857	410
Extraordinary income		
Gain on sale of non-current assets	0	–
Gain on sale of investment securities	25	14
Total extraordinary income	26	14
Extraordinary losses		
Loss on disposal of non-current assets	35	0
Total extraordinary losses	35	0
Profit before income taxes	848	424
Income taxes - current	307	236
Income taxes - deferred	(41)	(61)
Total income taxes	265	174
Profit	582	249
Profit attributable to		
Profit attributable to owners of parent	581	260
Profit (loss) attributable to non-controlling interests	1	(11)
Other comprehensive income		
Valuation difference on available-for-sale securities	(211)	(75)
Foreign currency translation adjustment	868	714
Remeasurements of defined benefit plans, net of tax	2	15
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	660	654
Comprehensive income	1,243	904
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,122	771
Comprehensive income attributable to non-controlling interests	120	133

## 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, 2021	June 30, 2022	Change	%
Generators	9,343	10,232	888	9.5
Welders	1,170	1,158	(12)	(1.0)
Compressors	221	162	(58)	(26.6)
Others	1,237	1,237	0	0.0
Revenue from contracts with customers	11,973	12,791	817	6.8
Other revenue	-	-	-	-
Net sales to external customers	11,973	12,791	817	6.8

(2) Sales results by region

(Millions of yen)

Region	Three months ended	Three months ended	Year-on-year	
	June 30, 2021	June 30, 2022	Change	%
Japan	7,385	6,581	(804)	(10.9)
Overseas	4,588	6,210	1,622	35.4
North/Central America	2,798	4,149	1,351	48.3
Asia	1,077	1,539	462	42.9
Others	712	521	(190)	(26.8)
Revenue from contracts with customers	11,973	12,791	817	6.8
Other revenue	-	-	-	-
Net sales to external customers	11,973	12,791	817	6.8