

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 2, 2023

Company name: NIHON DENGI CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 1723 URL <https://www.nihondengi.co.jp/>
 Representative: PRESIDENT SHIMADA RYOSUKE
 DIRECTOR, SENIOR EXECUTIVE
 OFFICER,
 Inquiries: DIVISION DIRECTOR OF PLANNING & TAKAMI HIROKAZU TEL 03-5624-1100
 ADMINISTRATION DIVISION
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	15,584	34.8	1,748	186.7	1,824	170.7	1,234	174.1
Six months ended September 30, 2022	11,562	(5.2)	609	(34.2)	674	(31.1)	450	(47.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	154.50		-	
Six months ended September 30, 2022	56.26		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	40,517	31,250	77.1
As of March 31, 2023	43,290	31,077	71.8

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, 2023	-	10.00	-	142.00	152.00
Year ending March 31, 2024	-	76.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	84.00	160.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	36,500	6.4	4,750	5.5	4,850	5.1	3,300	4.2	413.73

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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 September 30, 2023	8,197,500 shares	As of March 31, 2023	8,197,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	238,196 shares	As of March 31, 2023	187,097 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	7,993,197 shares	Six months ended September 30, 2022	8,008,944 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	6,087	5,242
Notes receivable, accounts receivable from completed construction contracts and other	9,962	5,956
Electronically recorded monetary claims - operating	4,520	3,992
Securities	5,398	5,499
Costs on construction contracts in progress	1,044	1,902
Other inventories	34	37
Other	737	1,428
Allowance for doubtful accounts	(0)	(0)
Total current assets	27,784	24,058
Non-current assets		
Property, plant and equipment	862	866
Intangible assets	878	760
Investments and other assets		
Investment securities	11,024	12,686
Other	2,742	2,148
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	13,764	14,832
Total non-current assets	15,505	16,458
Total assets	43,290	40,517
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,834	3,746
Income taxes payable	994	53
Advances received on construction contracts in progress	1,518	2,439
Provision for warranties for completed construction	20	23
Provision for loss on construction contracts	6	0
Other	4,056	1,852
Total current liabilities	11,431	8,115
Non-current liabilities		
Retirement benefit liability	159	155
Provision for share awards	–	27
Asset retirement obligations	84	84
Other	537	884
Total non-current liabilities	781	1,151
Total liabilities	12,212	9,267
Net assets		
Shareholders' equity		
Share capital	470	470
Capital surplus	327	483
Retained earnings	30,045	30,143
Treasury shares	(365)	(761)
Total shareholders' equity	30,477	30,335
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	914
Total accumulated other comprehensive income	599	914
Total net assets	31,077	31,250
Total liabilities and net assets	43,290	40,517

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	11,562	15,584
Cost of sales	7,946	10,484
Gross profit	3,616	5,100
Selling, general and administrative expenses	3,006	3,352
Operating profit	609	1,748
Non-operating income		
Interest income	10	16
Dividend income	33	35
Other	23	24
Total non-operating income	67	76
Non-operating expenses		
Loss on cancellation of insurance policies	2	–
Other	0	–
Total non-operating expenses	3	–
Ordinary profit	674	1,824
Extraordinary income		
Gain on sale of investment securities	5	–
Total extraordinary income	5	–
Profit before income taxes	679	1,824
Income taxes - current	4	4
Income taxes - deferred	225	585
Total income taxes	229	589
Profit	450	1,234
Profit attributable to owners of parent	450	1,234

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	450	1,234
Other comprehensive income		
Valuation difference on available-for-sale securities	(107)	314
Total other comprehensive income	(107)	314
Comprehensive income	343	1,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	343	1,549