

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 29, 2024

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: February 13, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	25,023	24.8	3,923	85.8	4,038	82.9	2,750	82.7
Nine months ended December 31, 2022	20,056	4.0	2,112	19.1	2,207	19.3	1,504	3.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	344.55		–	
Nine months ended December 31, 2022	187.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	41,851	32,278	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 nine months ended December 31, 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 December 31, 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 December 31, 2023	238,107 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)

Nine months ended December 31, 2023	7,981,875 shares	Nine months ended December 31, 2022	8,009,432 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,087	3,800
Notes receivable, accounts receivable from completed construction contracts and other	9,962	7,064
Electronically recorded monetary claims - operating	4,520	4,139
Securities	5,398	5,799
Costs on construction contracts in progress	1,044	2,414
Other inventories	34	42
Other	737	1,860
Allowance for doubtful accounts	(0)	(0)
Total current assets	27,784	25,120
Non-current assets		
Property, plant and equipment	862	872
Intangible assets	878	748
Investments and other assets		
Investment securities	11,024	12,969
Other	2,742	2,143
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	13,764	15,110
Total non-current assets	15,505	16,731
Total assets	43,290	41,851
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,834	3,412
Income taxes payable	994	2
Advances received on construction contracts in progress	1,518	3,134
Provision for warranties for completed construction	20	24
Provision for loss on construction contracts	6	-
Other	4,056	1,664
Total current liabilities	11,431	8,237
Non-current liabilities		
Retirement benefit liability	159	155
Provision for share awards	-	41
Asset retirement obligations	84	84
Other	537	1,054
Total non-current liabilities	781	1,335
Total liabilities	12,212	9,573

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	470	470
Capital surplus	327	483
Retained earnings	30,045	31,047
Treasury shares	(365)	(761)
Total shareholders' equity	30,477	31,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	1,038
Total accumulated other comprehensive income	599	1,038
Total net assets	31,077	32,278
Total liabilities and net assets	43,290	41,851

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	20,056	25,023
Cost of sales	13,402	15,969
Gross profit	6,654	9,054
Selling, general and administrative expenses	4,542	5,131
Operating profit	2,112	3,923
Non-operating income		
Interest income	17	26
Dividend income	52	57
Other	28	30
Total non-operating income	99	115
Non-operating expenses		
Loss on cancellation of insurance policies	2	–
Other	1	–
Total non-operating expenses	3	–
Ordinary profit	2,207	4,038
Extraordinary income		
Gain on sale of investment securities	5	–
Total extraordinary income	5	–
Extraordinary losses		
Loss on retirement of non-current assets	–	13
Total extraordinary losses	–	13
Profit before income taxes	2,213	4,025
Income taxes - current	77	527
Income taxes - deferred	630	747
Total income taxes	708	1,274
Profit	1,504	2,750
Profit attributable to owners of parent	1,504	2,750

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,504	2,750
Other comprehensive income		
Valuation difference on available-for-sale securities	(169)	438
Total other comprehensive income	(169)	438
Comprehensive income	1,335	3,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,335	3,188