

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 7, 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 of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	38,894	13.4	6,248	38.8	6,324	37.1	4,672	47.5
Year ended March 31, 2023	34,308	8.3	4,502	10.5	4,613	11.5	3,167	4.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	585.83	–	14.3	14.2	16.1
Year ended March 31, 2023	395.48	–	10.6	11.3	13.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	46,021	34,460	74.9	4,329.50
As of March 31, 2023	43,290	31,077	71.8	3,879.63

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	4,272	(2,117)	(2,111)	8,530
Year ended March 31, 2023	3,518	(2,201)	(989)	8,487

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	10.00	–	142.00	152.00	1,217	38.4	4.1
Year ended March 31, 2024	–	76.00	–	108.00	184.00	1,479	31.4	4.5
Year ending March 31, 2025 (Forecast)	–	82.00	–	94.00	176.00		32.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	41,500	6.7	6,200	(0.8)	6,300	(0.4)	4,300	(8.0)	540.24

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	238,108 shares	As of March 31, 2023	187,097 shares
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Average number of shares during the period

Year ended March 31, 2024	7,976,286 shares	Year ended March 31, 2023	8,009,672 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,087	5,930
Notes receivable, accounts receivable from completed construction contracts and other	9,962	9,879
Electronically recorded monetary claims - operating	4,520	4,374
Lease receivables	401	768
Securities	5,398	5,899
Costs on construction contracts in progress	1,044	1,024
Other inventories	34	21
Other	336	391
Allowance for doubtful accounts	(0)	(0)
Total current assets	27,784	28,289
Non-current assets		
Property, plant and equipment		
Buildings and structures	714	743
Machinery, vehicles, tools, furniture and fixtures	782	826
Land	293	293
Accumulated depreciation	(927)	(990)
Total property, plant and equipment	862	872
Intangible assets		
Goodwill	47	23
Software	734	628
Other	96	103
Total intangible assets	878	755
Investments and other assets		
Investment securities	11,024	13,285
Deferred tax assets	797	614
Other	1,945	2,207
Allowance for doubtful accounts	(3)	(2)
Total investments and other assets	13,764	16,103
Total non-current assets	15,505	17,732
Total assets	43,290	46,021

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,834	3,171
Income taxes payable	994	1,076
Accrued expenses	3,359	3,805
Advances received on construction contracts in progress	1,518	1,041
Provision for warranties for completed construction	20	26
Provision for loss on construction contracts	6	–
Other	696	1,260
Total current liabilities	11,431	10,382
Non-current liabilities		
Lease liabilities	343	658
Retirement benefit liability	159	161
Provision for share awards	–	55
Asset retirement obligations	84	84
Other	193	219
Total non-current liabilities	781	1,179
Total liabilities	12,212	11,561
Net assets		
Shareholders' equity		
Share capital	470	470
Capital surplus	327	483
Retained earnings	30,045	32,969
Treasury shares	(365)	(761)
Total shareholders' equity	30,477	33,162
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	599	1,297
Total accumulated other comprehensive income	599	1,297
Total net assets	31,077	34,460
Total liabilities and net assets	43,290	46,021

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	34,308	38,894
Cost of sales	22,705	24,357
Gross profit	11,603	14,536
Selling, general and administrative expenses		
Employees' salaries and allowances	3,533	4,208
Retirement benefit expenses	93	98
Legal welfare expenses	537	564
Rent expenses on land and buildings	578	594
Depreciation	328	350
Other	2,029	2,471
Total selling, general and administrative expenses	7,100	8,288
Operating profit	4,502	6,248
Non-operating income		
Interest income	25	37
Dividend income	53	58
Dividend income of insurance	7	17
Other	28	27
Total non-operating income	114	140
Non-operating expenses		
Loss on valuation of membership	–	9
Loss on cancellation of insurance policies	2	52
Other	1	2
Total non-operating expenses	4	64
Ordinary profit	4,613	6,324
Extraordinary income		
Gain on sale of investment securities	5	–
Total extraordinary income	5	–
Extraordinary losses		
Loss on retirement of non-current assets	4	13
Loss on sale of investment securities	4	–
Total extraordinary losses	8	13
Profit before income taxes	4,610	6,311
Income taxes - current	1,551	1,762
Income taxes - deferred	(109)	(124)
Total income taxes	1,442	1,638
Profit	3,167	4,672
Profit attributable to owners of parent	3,167	4,672

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,167	4,672
Other comprehensive income		
Valuation difference on available-for-sale securities	(50)	697
Total other comprehensive income	(50)	697
Comprehensive income	3,116	5,370
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,116	5,370

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	470	323	27,790	(370)	28,215
Changes during period					
Dividends of surplus			(912)		(912)
Profit attributable to owners of parent			3,167		3,167
Disposal of treasury shares		3		4	7
Net changes in items other than shareholders' equity					
Total changes during period	–	3	2,254	4	2,262
Balance at end of period	470	327	30,045	(365)	30,477

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	650	650	28,865
Changes during period			
Dividends of surplus			(912)
Profit attributable to owners of parent			3,167
Disposal of treasury shares			7
Net changes in items other than shareholders' equity	(50)	(50)	(50)
Total changes during period	(50)	(50)	2,211
Balance at end of period	599	599	31,077

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	470	327	30,045	(365)	30,477
Changes during period					
Dividends of surplus			(1,748)		(1,748)
Profit attributable to owners of parent			4,672		4,672
Purchase of treasury shares				(560)	(560)
Disposal of treasury shares		156		164	321
Net changes in items other than shareholders' equity					
Total changes during period	–	156	2,924	(395)	2,685
Balance at end of period	470	483	32,969	(761)	33,162

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	599	599	31,077
Changes during period			
Dividends of surplus			(1,748)
Profit attributable to owners of parent			4,672
Purchase of treasury shares			(560)
Disposal of treasury shares			321
Net changes in items other than shareholders' equity	697	697	697
Total changes during period	697	697	3,382
Balance at end of period	1,297	1,297	34,460

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,610	6,311
Depreciation	369	388
Amortization of goodwill	23	23
Increase (decrease) in retirement benefit liability	3	1
Increase (decrease) in provision for warranties for completed construction	(6)	5
Increase (decrease) in provision for loss on construction contracts	(21)	(6)
Increase (decrease) in provision for share awards	–	55
Interest and dividend income	(78)	(95)
Loss (gain) on sale of investment securities	(1)	–
Decrease (increase) in trade receivables	(2,419)	297
Decrease (increase) in costs on construction contracts in progress	(243)	19
Decrease (increase) in inventories	(11)	12
Increase (decrease) in trade payables	1,085	(1,662)
Increase (decrease) in advances received on construction contracts in progress	170	(476)
Other, net	1,212	995
Subtotal	4,694	5,870
Interest and dividends received	82	98
Income taxes paid	(1,257)	(1,696)
Net cash provided by (used in) operating activities	3,518	4,272
Cash flows from investing activities		
Payments into time deposits	–	(400)
Purchase of securities	(700)	(999)
Proceeds from redemption of securities	600	1,199
Purchase of property, plant and equipment	(75)	(107)
Purchase of intangible assets	(138)	(129)
Purchase of investment securities	(2,974)	(2,464)
Proceeds from sale of investment securities	100	–
Proceeds from redemption of investment securities	1,296	700
Purchase of insurance funds	(328)	(609)
Proceeds from cancellation of insurance funds	11	726
Payments of leasehold and guarantee deposits	(9)	(52)
Other, net	16	20
Net cash provided by (used in) investing activities	(2,201)	(2,117)
Cash flows from financing activities		
Proceeds from disposal of treasury shares	–	304
Purchase of treasury shares	–	(560)
Repayments of lease liabilities	(79)	(107)
Dividends paid	(910)	(1,748)
Net cash provided by (used in) financing activities	(989)	(2,111)
Net increase (decrease) in cash and cash equivalents	327	43
Cash and cash equivalents at beginning of period	8,159	8,487
Cash and cash equivalents at end of period	8,487	8,530