

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 25, 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: February 13, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	20,056	4.0	2,112	19.1	2,207	19.3	1,504	3.6
Nine months ended December 31, 2021	19,293	9.3	1,773	16.6	1,850	15.5	1,452	33.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	187.89	–
Nine months ended December 31, 2021	181.35	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	38,513	29,296	76.1
As of March 31, 2022	38,571	28,865	74.8

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, 2022	–	10.00	–	104.00	114.00
Year ending March 31, 2023	–	10.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	140.00	150.00

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
Full year	33,500	5.8	4,100	0.6	4,150	0.3	2,870	(5.3)	358.32

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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: 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, 2022	8,197,500 shares	As of March 31, 2022	8,197,500 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	187,097 shares	As of March 31, 2022	189,399 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, 2022	8,009,432 shares	Nine months ended December 31, 2021	8,007,181 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	5,259	4,359
Notes receivable, accounts receivable from completed construction contracts and other	8,244	6,313
Electronically recorded monetary claims - operating	3,528	3,144
Securities	6,294	5,893
Costs on construction contracts in progress	800	2,416
Other inventories	22	42
Other	1,156	1,714
Allowance for doubtful accounts	(1)	(1)
Total current assets	25,305	23,883
Non-current assets		
Property, plant and equipment	895	873
Intangible assets	1,075	912
Investments and other assets		
Investment securities	8,994	10,848
Other	2,310	1,997
Allowance for doubtful accounts	(8)	(3)
Total investments and other assets	11,295	12,843
Total non-current assets	13,265	14,629
Total assets	38,571	38,513
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,749	3,774
Income taxes payable	702	2
Advances received on construction contracts in progress	1,347	3,113
Provision for warranties for completed construction	27	28
Provision for loss on construction contracts	28	12
Other	3,098	1,498
Total current liabilities	8,953	8,427
Non-current liabilities		
Retirement benefit liability	156	159
Asset retirement obligations	83	83
Other	511	545
Total non-current liabilities	751	789
Total liabilities	9,705	9,217
Net assets		
Shareholders' equity		
Share capital	470	470
Capital surplus	323	327
Retained earnings	27,790	28,382
Treasury shares	(370)	(365)
Total shareholders' equity	28,215	28,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	650	481
Total accumulated other comprehensive income	650	481
Total net assets	28,865	29,296
Total liabilities and net assets	38,571	38,513

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, 2021	Nine months ended December 31, 2022
Net sales	19,293	20,056
Cost of sales	13,041	13,402
Gross profit	6,251	6,654
Selling, general and administrative expenses	4,477	4,542
Operating profit	1,773	2,112
Non-operating income		
Interest income	14	17
Dividend income	47	52
Other	15	28
Total non-operating income	76	99
Non-operating expenses		
Loss on cancellation of insurance policies	—	2
Other	—	1
Total non-operating expenses	—	3
Ordinary profit	1,850	2,207
Extraordinary income		
Gain on sale of non-current assets	286	—
Gain on sale of investment securities	2	5
Total extraordinary income	288	5
Extraordinary losses		
Loss on retirement of non-current assets	10	—
Total extraordinary losses	10	—
Profit before income taxes	2,129	2,213
Income taxes - current	41	77
Income taxes - deferred	636	630
Total income taxes	677	708
Profit	1,452	1,504
Profit attributable to owners of parent	1,452	1,504

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,452	1,504
Other comprehensive income		
Valuation difference on available-for-sale securities	135	(169)
Remeasurements of defined benefit plans, net of tax	(0)	—
Total other comprehensive income	134	(169)
Comprehensive income	1,586	1,335
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,586	1,335