

May 7, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: NIHON DENGI CO.,LTD
 Listing: Tokyo Stock Exchange
 Securities code: 1723
 URL: <https://www.nihondengi.co.jp/>
 Representative: SHIMADA RYOSUKE, PRESIDENT
 Inquiries: KOBAYASHI YOSHIAKI, DIRECTOR,EXECUTIVE OFFICER, DIVISION DIRECTOR OF PLANNING &ADMINISTRATION DIVISION,ADMINISTRATIVE MANAGER
 Telephone: +81-3-5624-1100
 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date to commence dividend payments: June 27, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	43,061	10.7	9,120	46.0	9,307	47.2	6,414	37.3
March 31, 2024	38,894	13.4	6,248	38.8	6,324	37.1	4,672	47.5

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥6,546 million [21.9%]
 For the fiscal year ended March 31, 2024: ¥5,370 million [72.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	402.83	-	17.3	18.8	21.2
March 31, 2024	292.91	-	14.3	14.2	16.1

Note: As of January 1, 2025, we have implemented a stock split at the ratio of 2 shares to 1 share of common stock. Assuming that the stock split occurred at the beginning of the previous fiscal year, net income per share is calculated.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	52,886	39,495	74.7	2,480.06
March 31, 2024	46,021	34,460	74.9	2,164.75

Reference: Equity
 As of March 31, 2025: ¥39,495 million
 As of March 31, 2024: ¥34,460 million

Note: As of January 1, 2025, we have implemented a stock split at the ratio of 2 shares to 1 share of common stock. Assuming that the stock split occurred at the beginning of the previous fiscal year, net assets per share are calculated.

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	8,135	(4,280)	(1,640)	10,746
March 31, 2024	4,272	(2,117)	(2,111)	8,530

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	76.00	-	108.00	184.00	1,479	31.4	4.5
Fiscal year ended March 31, 2025	-	82.00	-	81.00	-	1,949	30.3	5.3
Fiscal year ending March 31, 2026 (Forecast)		61.00		71.00	132.00		32.6	

1) Breakdown of year-end dividends for the fiscal year ending March 31, 2024: Ordinary dividend 88.00 yen, commemorative dividend 20.00 yen
2) As of January 1, 2025, we have conducted a stock split at the ratio of 2 shares to 1 share of common stock.
3) For the fiscal year ending March 2024 and the end of the second quarter of the fiscal year ending March 2025, the actual amount of dividends before the stock split is described.
4) The annual dividend per share for the total of the fiscal year ending March 31, 2025 is not shown because it is not possible to make a simple comparison due to the implementation of the stock split, but the annual dividend per share based on the stock split basis is 244 yen.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	43,500	1.0	9,200	0.9	9,400	1.0	6,450	0.6	405.02

Note: Since the Group conducts annual business management, the consolidated earnings forecast for the second quarter (cumulative) is omitted.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2025	16,395,000 shares
As of March 31, 2024	16,395,000 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	469,884 shares
As of March 31, 2024	476,216 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	15,923,149 shares
Fiscal year ended March 31, 2024	15,952,572 shares

Note:

- 1) The number of treasury shares at the end of the fiscal year and the number of treasury shares to be deducted for the calculation of the average number of shares during the period include the Company's shares held by the trust account of the J-ESOP.
- 2) As of January 1, 2025, we have conducted a stock split at the ratio of 2 shares to 1 share of common stock. Assuming that the stock split occurred at the beginning of the previous fiscal year, the number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares during the period are calculated.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	42,736	10.9	9,089	45.4	9,277	46.6	6,401	36.3
March 31, 2024	38,526	13.7	6,252	39.5	6,329	37.8	4,698	48.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	402.03	-
March 31, 2024	294.50	-

Note: As of January 1, 2025, we have implemented a stock split at the ratio of 2 shares to 1 share of common stock. Assuming that the stock split occurred at the beginning of the previous fiscal year, net income per share is calculated.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	52,785	39,542	74.9	2,483.05
March 31, 2024	45,887	34,520	75.2	2,168.54

Reference: Equity

As of March 31, 2025: ¥39,542 million
As of March 31, 2024: ¥34,520 million

Note: As of January 1, 2025, we have implemented a stock split at the ratio of 2 shares to 1 share of common stock. Assuming that the stock split occurred at the beginning of the previous fiscal year, net assets per share are calculated.

Appendix P.2 "1. For the same reasons as those described in "Summary of Operating Results, etc.," there is a discrepancy between the actual figures for the previous fiscal year and the current fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P.2 "1. Summary of Business Results, etc."

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,930	7,947
Notes receivable, accounts receivable from completed construction contracts and other	9,879	11,120
Electronically recorded monetary claims - operating	4,374	3,756
Lease receivables	768	671
Securities	5,899	7,588
Costs on construction contracts in progress	1,024	839
Other inventories	21	17
Other	391	740
Allowance for doubtful accounts	(0)	(0)
Total current assets	28,289	32,681
Non-current assets		
Property, plant and equipment		
Buildings and structures	743	760
Machinery, vehicles, tools, furniture and fixtures	826	896
Land	293	293
Accumulated depreciation	(990)	(1,077)
Total property, plant and equipment	872	872
Intangible assets		
Goodwill	23	-
Software	628	572
Other	103	256
Total intangible assets	755	828
Investments and other assets		
Investment securities	13,285	15,262
Deferred tax assets	614	655
Other	2,207	2,589
Allowance for doubtful accounts	(2)	(3)
Total investments and other assets	16,103	18,503
Total non-current assets	17,732	20,205
Total assets	46,021	52,886

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,171	3,861
Income taxes payable	1,076	2,078
Accrued expenses	3,805	4,297
Advances received on construction contracts in progress	1,041	1,634
Provision for warranties for completed construction	26	23
Provision for loss on construction contracts	-	1
Other	1,260	411
Total current liabilities	10,382	12,308
Non-current liabilities		
Lease liabilities	658	543
Retirement benefit liability	161	150
Provision for share awards	55	111
Asset retirement obligations	84	84
Other	219	192
Total non-current liabilities	1,179	1,083
Total liabilities	11,561	13,391
Net assets		
Shareholders' equity		
Share capital	470	470
Capital surplus	483	491
Retained earnings	32,969	37,856
Treasury shares	(761)	(752)
Total shareholders' equity	33,162	38,065
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,297	1,429
Total accumulated other comprehensive income	1,297	1,429
Total net assets	34,460	39,495
Total liabilities and net assets	46,021	52,886

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	38,894	43,061
Cost of sales	24,357	24,404
Gross profit	14,536	18,656
Selling, general and administrative expenses		
Employees' salaries and allowances	4,208	4,463
Retirement benefit expenses	98	97
Legal welfare expenses	564	608
Rent expenses on land and buildings	594	597
Depreciation	350	384
Other	2,471	3,384
Total selling, general and administrative expenses	8,288	9,536
Operating profit	6,248	9,120
Non-operating income		
Interest income	37	61
Dividend income	58	94
Dividend income of insurance	17	1
Other	27	32
Total non-operating income	140	191
Non-operating expenses		
Loss on valuation of derivatives	-	2
Loss on valuation of membership	9	-
Loss on cancellation of insurance policies	52	-
Other	2	1
Total non-operating expenses	64	3
Ordinary profit	6,324	9,307
Extraordinary losses		
Loss on retirement of non-current assets	13	1
Loss on valuation of investment securities	-	165
Total extraordinary losses	13	167
Profit before income taxes	6,311	9,139
Income taxes - current	1,762	2,851
Income taxes - deferred	(124)	(126)
Total income taxes	1,638	2,725
Profit	4,672	6,414
Profit attributable to owners of parent	4,672	6,414

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,672	6,414
Other comprehensive income		
Valuation difference on available-for-sale securities	697	131
Total other comprehensive income	697	131
Comprehensive income	5,370	6,546
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,370	6,546

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	470	327	30,045	(365)	30,477	599	599	31,077
Dividends of surplus			(1,748)		(1,748)			(1,748)
Profit attributable to owners of parent			4,672		4,672			4,672
Purchase of treasury shares				(560)	(560)			(560)
Disposal of treasury shares		156		164	321			321
Net changes in items other than shareholders' equity						697	697	697
Total changes during period	-	156	2,924	(395)	2,685	697	697	3,382
Balance at end of period	470	483	32,969	(761)	33,162	1,297	1,297	34,460

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	470	483	32,969	(761)	33,162	1,297	1,297	34,460
Dividends of surplus			(1,527)		(1,527)			(1,527)
Profit attributable to owners of parent			6,414		6,414			6,414
Purchase of treasury shares				(0)	(0)			(0)
Disposal of treasury shares		7		9	16			16
Net changes in items other than shareholders' equity						131	131	131
Total changes during period	-	7	4,886	9	4,903	131	131	5,035
Balance at end of period	470	491	37,856	(752)	38,065	1,429	1,429	39,495

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	6,311	9,139
Depreciation	388	426
Amortization of goodwill	23	23
Increase (decrease) in retirement benefit liability	1	(11)
Increase (decrease) in provision for warranties for completed construction	5	(3)
Increase (decrease) in provision for loss on construction contracts	(6)	1
Increase (decrease) in provision for share awards	55	55
Interest and dividend income	(95)	(156)
Loss (gain) on valuation of investment securities	-	165
Decrease (increase) in trade receivables	297	(574)
Decrease (increase) in costs on construction contracts in progress	19	185
Decrease (increase) in inventories	12	4
Increase (decrease) in trade payables	(1,662)	689
Increase (decrease) in advances received on construction contracts in progress	(476)	593
Other, net	995	(667)
Subtotal	5,870	9,872
Interest and dividends received	98	153
Income taxes paid	(1,696)	(1,889)
Net cash provided by (used in) operating activities	4,272	8,135
Cash flows from investing activities		
Payments into time deposits	(400)	-
Purchase of securities	(999)	(2,547)
Proceeds from redemption of securities	1,199	1,050
Purchase of property, plant and equipment	(107)	(125)
Purchase of intangible assets	(129)	(356)
Purchase of investment securities	(2,464)	(3,463)
Proceeds from sale of investment securities	-	50
Proceeds from redemption of investment securities	700	1,500
Purchase of insurance funds	(609)	(152)
Proceeds from cancellation of insurance funds	726	8
Payments of leasehold and guarantee deposits	(52)	(247)
Other, net	20	3
Net cash provided by (used in) investing activities	(2,117)	(4,280)
Cash flows from financing activities		
Proceeds from disposal of treasury shares	304	-
Purchase of treasury shares	(560)	(0)
Repayments of lease liabilities	(107)	(110)
Dividends paid	(1,748)	(1,529)
Net cash provided by (used in) financing activities	(2,111)	(1,640)
Net increase (decrease) in cash and cash equivalents	43	2,215
Cash and cash equivalents at beginning of period	8,487	8,530
Cash and cash equivalents at end of period	8,530	10,746

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group is comprised of segments by business type that take into account market similarities, and the two reporting segments are "Air Conditioning Instrumentation-related Business" and "Industrial Systems-related Business."

The Air Conditioning Instrumentation Business designs, constructs, maintains, and inspects automatic air conditioning control systems for non-residential buildings such as office buildings, factories, hospitals, research institutes, schools, and commercial facilities, as well as sells equipment for automatic control of air conditioning, such as automatic control panels, sensors, and thermostats. The Industrial Systems Business engages in instrumentation work and various automatic control work for factories and various conveyance lines, and is mainly engaged in the installation and maintenance of various FA machines, sales and maintenance of production management systems, etc., as well as control equipment such as controllers, flow meters, and industrial valves.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting principles and procedures employed to prepare consolidated financial statements.

Segment assets and liabilities are not included in the list because they are not included in the determination of the allocation of management resources and the evaluation of business performance.

3. Information on the amount of sales, profits or other items for each reporting segment.

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Building Automation	Factory Automation, Process Automation	Total		
Sales					
Revenues from external customers	34,864	4,029	38,894	-	38,894
Transactions with other segments	-	-	-	-	-
Total	34,864	4,029	38,894	-	38,894
Segment Profit	9,659	256	9,916	(3,668)	6,248
Other items					
Depreciation	46	20	66	321	388
Amortization of goodwill	-	23	23	-	23

Note: 1. Segment profit adjustment of (3,668) million yen is a company-wide expense. Corporate expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

2. Segment profit is adjusted to operating income in consolidated financial statements.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Building Automation	Factory Automation, Process Automation	Total		
Sales					
Revenues from external customers	39,367	3,694	43,061	-	43,061
Transactions with other segments	-	-	-	-	-
Total	39,367	3,694	43,061	-	43,061
Segment Profit	13,540	428	13,969	(4,849)	9,120
Other items					
Depreciation	52	21	73	352	426
Amortization of goodwill	-	23	23	-	23

Note: 1. Segment profit adjustment of (4,849) million yen is a company-wide expense. Corporate expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

2. Segment profit is adjusted to operating income in consolidated financial statements.