

May 7, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: NIHON DENGI CO.,LTD
 Listing: Tokyo Stock Exchange
 Securities code: 1723
 URL: <https://www.nihondengi.co.jp/>
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 25, 2026
 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, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	46,371	7.7	11,821	29.6	12,126	30.3	8,442	31.6
March 31, 2025	43,061	10.7	9,120	46.0	9,307	47.2	6,414	37.3

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥9,621 million [47.0%]
 For the fiscal year ended March 31, 2025: ¥6,546 million [21.9%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2026	132.49	-	19.6	21.3	25.5
March 31, 2025	100.71	-	17.3	18.8	21.2

Note: The stock split was conducted at a ratio of 2 shares to 1 common stock on January 1, 2025, and 4 shares to 1 common stock on April 1, 2026. Assuming that these stock splits took place at the beginning of the previous fiscal year, net income per share is calculated.

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	61,099	46,857	76.7	735.21
March 31, 2025	52,886	39,495	74.7	620.02

Reference: Equity
 As of March 31, 2026: ¥46,857 million
 As of March 31, 2025: ¥39,495 million

Note: The stock split was conducted at a ratio of 2 shares to 1 common stock on January 1, 2025, and 4 shares to 1 common stock on April 1, 2026. Assuming that these stock splits took place at the beginning of the previous fiscal year, net assets per share are calculated.

(3) Consolidated cash flows

Fiscal year ended	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
March 31, 2026	11,045	(5,820)	(2,385)	13,585
March 31, 2025	8,135	(4,280)	(1,640)	10,746

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, 2025	-	82.00	-	81.00	-	1,949	30.3	5.3
Fiscal year ended March 31, 2026	-	61.00	-	99.00	160.00	2,574	30.2	5.9
Fiscal year ending March 31, 2027 (Forecast)	-	20.00	-	36.00	56.00		41.0	

1) As of January 1, 2025, we have conducted a stock split at the ratio of 2 shares to 1 share of common stock.

For dividends paid prior to the fiscal year ending March 31, 2025 with a record date of September 30, 2024, the amount of actual dividends before the stock split is stated. The annual dividend per share for the total of the fiscal year ending March 31, 2025 is not shown because a simple comparison is not possible due to the implementation of the stock split.

2) As of April 1, 2026, we have conducted a stock split in the ratio of 4 shares to 1 common share.

For dividends paid prior to the fiscal year ending March 31, 2026, the actual amount of dividends before the stock split is described.

3) The dividend per share for the fiscal year ending March 31, 2025, which takes into account these stock splits, is 10.25 yen at the end of the second quarter and 20.25 yen at the end of the fiscal year, for a total of 30.50 yen, and 15.25 yen at the end of the second quarter and 24.75 yen at the end of the fiscal year ending March 31, 2026, for a total of 40.00 yen.

4) Dividends for the fiscal year ending March 31, 2027 (forecast) are based on the number of shares after the stock split effective April 1, 2026, taking into account the impact of the stock split, and are expected to increase by ¥16.00 compared to the fiscal year ending March 31, 2026.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2027	51,500	11.1	12,500	5.7	12,700	4.7	8,700	3.0	136.51

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, 2026	65,580,000 shares
As of March 31, 2025	65,580,000 shares

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

As of March 31, 2026	1,847,188 shares
As of March 31, 2025	1,879,536 shares

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

Fiscal year ended March 31, 2026	63,724,389 shares
Fiscal year ended March 31, 2025	63,692,596 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) The Company has conducted a stock split at the ratio of 2 shares to 1 common stock on January 1, 2025, and 4 shares for 1 common stock on April 1, 2026. Assuming that these stock splits were carried out 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, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	45,805	7.2	11,680	28.5	11,986	29.2	8,347	30.4
March 31, 2025	42,736	10.9	9,089	45.4	9,277	46.6	6,401	36.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	130.99	-
March 31, 2025	100.51	-

Note: The stock split was conducted at a ratio of 2 shares to 1 common stock on January 1, 2025, and 4 shares to 1 common stock on April 1, 2026. Assuming that these stock splits took place at the beginning of the previous fiscal year, net income per share is calculated.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	60,804	46,809	77.0	734.46
March 31, 2025	52,785	39,542	74.9	620.76

Reference: Equity

As of March 31, 2026:	¥46,809 million
As of March 31, 2025:	¥39,542 million

Note: The stock split was conducted at a ratio of 2 shares to 1 common stock on January 1, 2025, and 4 shares to 1 common stock on April 1, 2026. Assuming that these stock splits took place at the beginning of the previous fiscal year, net assets per share are calculated.

"Reasons for the difference between non-consolidated financial results and the financial results of the previous fiscal year"

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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	7,947	10,588
Notes receivable, accounts receivable from completed construction contracts and other	11,120	11,259
Electronically recorded monetary claims - operating	3,756	2,868
Lease receivables	671	571
Securities	7,588	9,331
Costs on construction contracts in progress	839	756
Other inventories	17	20
Other	740	563
Allowance for doubtful accounts	(0)	(0)
Total current assets	32,681	35,959
Non-current assets		
Property, plant and equipment		
Buildings and structures	760	815
Machinery, vehicles, tools, furniture and fixtures	896	900
Land	293	2,566
Other	-	18
Accumulated depreciation	(1,077)	(1,114)
Total property, plant and equipment	872	3,187
Intangible assets		
Software	572	396
Other	256	372
Total intangible assets	828	768
Investments and other assets		
Investment securities	15,262	17,685
Deferred tax assets	655	335
Other	2,589	3,165
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	18,503	21,183
Total non-current assets	20,205	25,139
Total assets	52,886	61,099

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,861	3,288
Income taxes payable	2,078	2,633
Accrued expenses	4,297	4,046
Advances received on construction contracts in progress	1,634	1,338
Provision for warranties for completed construction	23	24
Provision for loss on construction contracts	1	-
Other	411	1,831
Total current liabilities	12,308	13,162
Non-current liabilities		
Lease liabilities	543	482
Retirement benefit liability	150	157
Provision for share awards	111	158
Asset retirement obligations	84	85
Other	192	196
Total non-current liabilities	1,083	1,079
Total liabilities	13,391	14,241
Net assets		
Shareholders' equity		
Share capital	470	470
Capital surplus	491	502
Retained earnings	37,856	44,015
Treasury shares	(752)	(739)
Total shareholders' equity	38,065	44,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,429	2,608
Total accumulated other comprehensive income	1,429	2,608
Total net assets	39,495	46,857
Total liabilities and net assets	52,886	61,099

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	43,061	46,371
Cost of sales	24,404	24,408
Gross profit	18,656	21,963
Selling, general and administrative expenses		
Employees' salaries and allowances	4,463	4,513
Retirement benefit expenses	97	102
Legal welfare expenses	608	654
Rent expenses on land and buildings	597	644
Depreciation	384	405
Other	3,384	3,820
Total selling, general and administrative expenses	9,536	10,141
Operating profit	9,120	11,821
Non-operating income		
Interest income	61	112
Dividend income	94	118
Other	34	77
Total non-operating income	191	308
Non-operating expenses		
Loss on valuation of derivatives	2	2
Other	1	1
Total non-operating expenses	3	3
Ordinary profit	9,307	12,126
Extraordinary income		
Gain on sale of investment securities	-	26
Total extraordinary income	-	26
Extraordinary losses		
Loss on retirement of non-current assets	1	8
Loss on valuation of investment securities	165	1
Total extraordinary losses	167	9
Profit before income taxes	9,139	12,143
Income taxes - current	2,851	3,922
Income taxes - deferred	(126)	(222)
Total income taxes	2,725	3,700
Profit	6,414	8,442
Profit attributable to owners of parent	6,414	8,442

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	6,414	8,442
Other comprehensive income		
Valuation difference on available-for-sale securities	131	1,178
Total other comprehensive income	131	1,178
Comprehensive income	6,546	9,621
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,546	9,621

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
Changes during period								
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 changes in equity

Fiscal year ended March 31, 2026

(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	491	37,856	(752)	38,065	1,429	1,429	39,495
Changes during period								
Dividends of surplus			(2,284)		(2,284)			(2,284)
Profit attributable to owners of parent			8,442		8,442			8,442
Purchase of treasury shares				(0)	(0)			(0)
Disposal of treasury shares		10		13	24			24
Net changes in items other than shareholders' equity						1,178	1,178	1,178
Total changes during period	-	10	6,158	13	6,183	1,178	1,178	7,361
Balance at end of period	470	502	44,015	(739)	44,248	2,608	2,608	46,857

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	9,139	12,143
Depreciation	426	461
Amortization of goodwill	23	-
Increase (decrease) in retirement benefit liability	(11)	6
Increase (decrease) in provision for warranties for completed construction	(3)	1
Increase (decrease) in provision for loss on construction contracts	1	(1)
Increase (decrease) in provision for share awards	55	47
Interest and dividend income	(156)	(230)
Loss (gain) on sale of investment securities	-	(26)
Loss (gain) on valuation of investment securities	165	1
Decrease (increase) in trade receivables	(574)	937
Decrease (increase) in costs on construction contracts in progress	185	82
Decrease (increase) in inventories	4	(2)
Increase (decrease) in trade payables	689	(572)
Increase (decrease) in advances received on construction contracts in progress	593	(296)
Other, net	(667)	1,632
Subtotal	9,872	14,182
Interest and dividends received	153	246
Income taxes paid	(1,889)	(3,383)
Net cash provided by (used in) operating activities	8,135	11,045
Cash flows from investing activities		
Purchase of securities	(2,547)	(2,197)
Proceeds from redemption of securities	1,050	1,100
Purchase of property, plant and equipment	(125)	(2,474)
Purchase of intangible assets	(356)	(256)
Purchase of investment securities	(3,463)	(2,416)
Proceeds from sale of investment securities	50	36
Proceeds from redemption of investment securities	1,500	1,150
Purchase of insurance funds	(152)	(152)
Proceeds from cancellation of insurance funds	8	-
Payments of leasehold and guarantee deposits	(247)	(737)
Other, net	3	125
Net cash provided by (used in) investing activities	(4,280)	(5,820)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(110)	(102)
Dividends paid	(1,529)	(2,282)
Net cash provided by (used in) financing activities	(1,640)	(2,385)
Net increase (decrease) in cash and cash equivalents	2,215	2,839
Cash and cash equivalents at beginning of period	8,530	10,746
Cash and cash equivalents at end of period	10,746	13,585

(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, 2024 to March 31, 2025)

(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.

The current fiscal year (April 1, 2025 to March 31, 2026)

(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	41,697	4,674	46,371	-	46,371
Transactions with other segments	-	-	-	-	-
Total	41,697	4,674	46,371	-	46,371
Segment Profit	16,563	867	17,431	(5,609)	11,821
Other items					
Depreciation	55	32	87	374	461
Amortization of goodwill	-	-	-	-	-

Note: 1. Segment profit adjustment of (5,609) 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.