Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 14, 2026

Company name: Denyo Co., Ltd.
Stock exchange listing: Tokyo
Stock code: 6517 URL https://www.denyo.co.jp/
Representative: President Takanori Yoshinaga
Inquiries: Director & Managing Executive Officer Makoto Tanabe TEL 03-6861-1111
Scheduled date of ordinary general meeting of shareholders: June 26, 2026
Scheduled date to file Securities Report: June 25, 2026
Scheduled date to commence dividend payments: June 5, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	72,244	2.1	7,757	4.9	8,526	6.5	5,640	(0.1)
Year ended March 31, 2025	70,753	(3.3)	7,393	4.3	8,002	8.5	5,647	10.8

	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, 2026	276.51	—	7.1	8.2	10.7
Year ended March 31, 2025	274.02	—	7.5	7.9	10.4

(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, 2026	104,542	85,333	78.3	4,054.17
As of March 31, 2025	103,103	80,658	75.0	3,777.66

(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, 2026	4,475	(2,378)	(4,319)	22,128
Year ended March 31, 2025	7,315	(5,548)	(1,791)	24,497

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, 2025	–	30.00	–	45.00	75.00	1,598	27.4	2.1
Year ended March 31, 2026	–	45.00	–	55.00	100.00	2,109	36.2	7.6
Year ending March 31, 2027 (Forecast)	–	60.00	–	60.00	120.00		41.1	

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	35,000	9.9	3,000	38.3	3,300	33.3	2,200	36.0	108.99
Full year	74,500	3.1	8,000	3.1	8,700	2.0	5,900	4.6	292.29

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2026
(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: Yes
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, 2026	21,859,660 shares	As of March 31, 2025	22,859,660 shares

Number of treasury shares at the end of the period

As of March 31, 2026	1,674,468 shares	As of March 31, 2025	2,401,752 shares

Average number of shares during the period

Year ended March 31, 2026	20,399,714 shares	Year ended March 31, 2025	20,610,514 shares

Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	23,500	21,131
Notes receivable - trade	1,389	666
Electronically recorded monetary claims - operating	8,552	7,957
Accounts receivable - trade	13,760	15,679
Securities	998	998
Merchandise and finished goods	7,556	7,657
Work in process	2,381	2,079
Raw materials and supplies	7,711	8,313
Other	802	506
Allowance for doubtful accounts	(4)	(44)
Total current assets	66,647	64,946
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,016	23,177
Accumulated depreciation	(9,069)	(9,767)
Buildings and structures, net	13,947	13,409
Machinery, equipment and vehicles	11,892	12,187
Accumulated depreciation	(9,443)	(10,080)
Machinery, equipment and vehicles, net	2,449	2,107
Land	6,462	6,592
Construction in progress	317	276
Other	2,398	2,429
Accumulated depreciation	(2,031)	(2,091)
Other, net	366	338
Total property, plant and equipment	23,543	22,723
Intangible assets		
Right-of-use assets	573	547
Software	304	229
Other	446	1,570
Total intangible assets	1,324	2,347
Investments and other assets		
Investment securities	10,758	13,877
Long-term loans receivable	3	4
Deferred tax assets	598	428
Other	227	215
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,587	14,525
Total non-current assets	36,455	39,596
Total assets	103,103	104,542

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,439	7,468
Electronically recorded obligations - operating	2,349	891
Short-term borrowings	1,772	725
Accrued expenses	642	688
Income taxes payable	1,374	1,272
Provision for bonuses	763	736
Provision for bonuses for directors (and other officers)	82	69
Provision for product warranties	673	192
Other	1,477	1,676
Total current liabilities	17,575	13,720
Non-current liabilities		
Long-term borrowings	2,299	2,073
Lease liabilities	378	361
Deferred tax liabilities	1,817	2,513
Retirement benefit liability	362	529
Other	10	10
Total non-current liabilities	4,868	5,489
Total liabilities	22,444	19,209
Net assets		
Shareholders' equity		
Share capital	1,954	1,954
Capital surplus	1,788	1,754
Retained earnings	67,249	69,349
Treasury shares	(3,228)	(2,550)
Total shareholders' equity	67,764	70,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,000	7,129
Foreign currency translation adjustment	4,443	4,279
Remeasurements of defined benefit plans	75	(83)
Total accumulated other comprehensive income	9,518	11,326
Non-controlling interests	3,375	3,498
Total net assets	80,658	85,333
Total liabilities and net assets	103,103	104,542

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	70,753	72,244
Cost of sales	52,963	54,302
Gross profit	17,790	17,941
Selling, general and administrative expenses	10,396	10,183
Operating profit	7,393	7,757
Non-operating income		
Interest income	193	265
Dividend income	281	289
Rental income from buildings	108	110
Foreign exchange gains	26	60
Share of profit of entities accounted for using equity method	70	88
Miscellaneous income	50	70
Total non-operating income	729	884
Non-operating expenses		
Interest expenses	97	71
Commitment fees	6	29
Rental costs	3	3
Miscellaneous losses	12	11
Total non-operating expenses	120	115
Ordinary profit	8,002	8,526
Extraordinary income		
Gain on sale of non-current assets	4	22
Gain on sale of investment securities	352	31
Total extraordinary income	357	54
Extraordinary losses		
Loss on disposal of non-current assets	26	43
Total extraordinary losses	26	43
Profit before income taxes	8,333	8,537
Income taxes - current	2,603	2,624
Income taxes - deferred	(243)	(0)
Total income taxes	2,360	2,623
Profit	5,972	5,913
Profit attributable to		
Profit attributable to owners of parent	5,647	5,640
Profit attributable to non-controlling interests	325	272
Other comprehensive income		
Valuation difference on available-for-sale securities	(541)	2,122
Foreign currency translation adjustment	1,432	(194)
Remeasurements of defined benefit plans, net of tax	166	(158)
Share of other comprehensive income of entities accounted for using equity method	0	5
Total other comprehensive income	1,059	1,775
Comprehensive income	7,032	7,689
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,492	7,447
Comprehensive income attributable to non-controlling interests	539	241

Consolidated statements of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,954	1,788	63,102	(2,704)	64,141
Changes during period					
Dividends of surplus			(1,500)		(1,500)
Profit attributable to owners of parent			5,647		5,647
Purchase of treasury shares				(539)	(539)
Disposal of treasury shares				14	14
Disposal of treasury shares to stock benefit trust					—
Cancellation of treasury sharess					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,147	(524)	3,622
Balance at end of period	1,954	1,788	67,249	(3,228)	67,764

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,541	3,224	(91)	8,673	3,027	75,843
Changes during period						
Dividends of surplus						(1,500)
Profit attributable to owners of parent						5,647
Purchase of treasury shares						(539)
Disposal of treasury shares						14
Disposal of treasury shares to stock benefit trust						—
Cancellation of treasury sharess						—
Net changes in items other than shareholders' equity	(540)	1,218	166	844	348	1,193
Total changes during period	(540)	1,218	166	844	348	4,815
Balance at end of period	5,000	4,443	75	9,518	3,375	80,658

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,954	1,788	67,249	(3,228)	67,764
Changes during period					
Dividends of surplus			(1,911)		(1,911)
Profit attributable to owners of parent			5,640		5,640
Purchase of treasury shares				(1,001)	(1,001)
Disposal of treasury shares				16	16
Disposal of treasury shares to stock benefit trust		25		(25)	―
Cancellation of treasury sharess		(59)	(1,630)	1,689	―
Net changes in items other than shareholders' equity					
Total changes during period	―	(34)	2,099	678	2,744
Balance at end of period	1,954	1,754	69,349	(2,550)	70,508

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,000	4,443	75	9,518	3,375	80,658
Changes during period						
Dividends of surplus						(1,911)
Profit attributable to owners of parent						5,640
Purchase of treasury shares						(1,001)
Disposal of treasury shares						16
Disposal of treasury shares to stock benefit trust						―
Cancellation of treasury sharess						―
Net changes in items other than shareholders' equity	2,128	(163)	(158)	1,807	123	1,930
Total changes during period	2,128	(163)	(158)	1,807	123	4,674
Balance at end of period	7,129	4,279	(83)	11,326	3,498	85,333

Consolidated statements 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	8,333	8,537
Depreciation	1,397	1,912
Increase (decrease) in retirement benefit liability	(2)	(54)
Increase (decrease) in provision for product warranties	482	(481)
Increase (decrease) in provision for bonuses	49	(27)
Increase (decrease) in provision for bonuses for directors (and other officers)	5	(12)
Increase (decrease) in allowance for doubtful accounts	(2)	36
Interest and dividend income	(474)	(554)
Interest expenses	97	71
Share of loss (profit) of entities accounted for using equity method	(70)	(88)
Loss (gain) on sale of investment securities	(352)	(31)
Loss (gain) on sale of non-current assets	17	(20)
Loss (gain) on disposal of non-current assets	3	41
Decrease (increase) in trade receivables	2,893	(542)
Decrease (increase) in inventories	869	(442)
Increase (decrease) in trade payables	(3,124)	(2,443)
Other, net	(607)	807
Subtotal	9,515	6,707
Interest and dividends received	487	566
Interest paid	(100)	(71)
Income taxes paid	(2,586)	(2,726)
Net cash provided by (used in) operating activities	7,315	4,475
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,781)	(952)
Purchase of intangible assets	(271)	(1,453)
Purchase of investment securities	(3)	(2)
Proceeds from sale of investment securities	461	38
Loan advances	(3)	(2)
Proceeds from collection of loans receivable	1	1
Net decrease (increase) in time deposits	12	—
Other, net	37	(7)
Net cash provided by (used in) investing activities	(5,548)	(2,378)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,721)	—
Proceeds from long-term borrowings	2,243	—
Repayments of long-term borrowings	(154)	(1,272)
Purchase of treasury shares	(539)	(1,001)
Dividends paid	(1,500)	(1,911)
Dividends paid to non-controlling interests	(95)	(118)
Other, net	(23)	(15)
Net cash provided by (used in) financing activities	(1,791)	(4,319)
Effect of exchange rate change on cash and cash equivalents	492	(146)
Net increase (decrease) in cash and cash equivalents	468	(2,368)
Cash and cash equivalents at beginning of period	24,029	24,497
Cash and cash equivalents at end of period	24,497	22,128

Segment Information

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Company's Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group mainly manufactures and sells industrial electrical machineries. In Japan, the Company and Nishihatsu Co., Ltd. are in charge of manufacturing and sales of the products, and Denyo Kosan Co., Ltd. is in charge of sales of spare parts, etc. In overseas, local subsidiaries are in charge of management in their respective country locations. Each local subsidiary is an independent management unit that formulates comprehensive regional strategies for the products it handles and conducts business activities. Therefore, the Group's consists of geographic segments based on sales structure that are "Japan", "America", "Asia" and "Europe". The composition of each reportable segment is as follows:

Reportable segment	Main company name (Country name)
Japan	The Company, Nishihatsu Co., Ltd., Denyo Kosan Co., Ltd.
America	Denyo Manufacturing Corporation (United States of America)
Asia	Denyo United Machinery Pte. Ltd. (Singapore), Denyo Vietnam Co., Ltd. (Vietnam)
Europe	Denyo Europe B.V. (Netherlands)

2. Information on calculation methods for net sales, profit or loss, assets and other components by reportable segment

The accounting method applied for each reportable segment is almost the same as that described in "Significant accounting policies for preparation of consolidated financial statements" of the recent annual securities report.

Inventories are stated at cost after devaluation of the book value based on a decline in profitability.

The figures for profit of reportable segments are based on operating profit.

Intersegment net sales or transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, liabilities and other items by reportable segments

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments					Adjustments (Note)	Amount recorded in the consolidated statements of income and comprehensive income
	Japan	America	Asia	Europe	Total		
Net sales							
Net sales to outside customers	49,664	16,249	4,474	364	70,753	—	70,753
Intersegment net sales or transfers	5,103	312	5,013	15	10,444	(10,444)	—
Total	54,767	16,562	9,487	380	81,198	(10,444)	70,753
Segment profit (loss) [Operating profit (loss)]	4,566	1,668	643	(3)	6,876	517	7,393
Segment assets	81,538	12,425	13,334	634	107,933	(4,830)	103,103
Other items							
Depreciation	916	197	284	0	1,397	—	1,397
Investment in entities accounted for using equity method	1,160	—	—	—	1,160	—	1,160
Increase in property, plant and equipment and intangible assets	6,094	58	79	—	6,231	(12)	6,218

(Notes) 1. The adjustments of segment profit(loss) include inventory adjustments related to intersegment transactions.

2. The adjustments of segment assets include offsetting elimination of receivables among reportable segments.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments					Adjustments (Note)	Amount recorded in the consolidated statements of income and comprehensive income
	Japan	America	Asia	Europe	Total		
Net sales							
Net sales to outside customers	50,684	17,157	4,110	291	72,244	―	72,244
Intersegment net sales or transfers	5,819	430	4,918	6	11,174	(11,174)	―
Total	56,504	17,587	9,029	297	83,418	(11,174)	72,244
Segment profit (loss) [Operating profit (loss)]	5,267	1,650	450	(57)	7,310	447	7,757
Segment assets	82,385	14,424	13,118	722	110,650	(6,108)	104,542
Other items							
Depreciation	1,453	186	272	0	1,912	(0)	1,912
Investment in entities accounted for using equity method	1,223	―	―	―	1,223	―	1,223
Increase in property, plant and equipment and intangible assets	2,056	82	51	0	2,190	(16)	2,173

(Notes) 1. The adjustments of segment profit(loss) include inventory adjustments related to intersegment transactions.
2. The adjustments of segment assets include offsetting elimination of receivables among reportable segments.

[Related Information]

Fiscal year ended March 31, 2025

1. Information by product and service

This information has been omitted as net sales to outside customers in a single product/service category is more than 90% of net sales in consolidated statements of income and comprehensive income.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North/Central America	Asia	Europe	Total
42,158	19,336	6,568	2,690	70,753

(Note) Net sales are classified by country or region based on the location of each customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Asia	Europe	Total
19,678	1,368	2,496	0	23,543

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Multiquip Inc.	16,249	America

Fiscal year ended March 31, 2026

1. Information by product and service

This information has been omitted as net sales to outside customers in a single product/service category is more than 90% of net sales in consolidated statements of income and comprehensive income.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North/Central America	Asia	Europe	Total
40,853	22,475	6,585	2,329	72,244

(Note) Net sales are classified by country or region based on the location of each customer.

(2) Property, plant and equipment

(Millions of yen)

Japan	America	Asia	Europe	Total
19,214	1,245	2,262	0	22,723

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Multiquip Inc.	17,157	America

[Information on impairment loss of non-current assets by each reportable segment]

Not applicable.

[Information on amortization of goodwill and unamortized balance by each reportable segment]

Not applicable.

[Information on gain on bargain purchase by each reportable segment]

Not applicable.

Revenue Recongnition

[Breakdown of Revenue from Contracts with Customers]

(1) Sales results by product

(Millions of yen)

Product	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Year-on-year	
			Change	%
Generators	58,539	59,527	988	1.7
Welders	4,645	4,897	251	5.4
Compressors	903	726	(176)	(19.6)
Others	6,666	7,093	426	6.4
Revenue from contracts with customers	70,753	72,244	1,490	2.1
Other revenue	—	—	—	—
Net sales to external customers	70,753	72,244	1,490	2.1

(2) Sales results by region

(Millions of yen)

Region	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Year-on-year	
			Change	%
Japan	42,158	40,853	(1,305)	(3.1)
Overseas	28,595	31,390	2,795	9.8
North/Central America	19,336	22,475	3,138	16.2
Asia	6,568	6,585	16	0.3
Others	2,690	2,329	(360)	(13.4)
Revenue from contracts with customers	70,753	72,244	1,490	2.1
Other revenue	—	—	—	—
Net sales to external customers	70,753	72,244	1,490	2.1