

# Consolidated Financial Review

## for the First Quarter Ended April 30, 2013

### [Japanese standards] (Consolidated)

Company name: **RYOYO ELECTRO CORPORATION**  
 Headquarters address: 12-22 Tsukiji 1-chome, Chuo-ku, Tokyo 104-8408 Japan  
 URL: <http://www.ryoyo.co.jp>  
 Stock exchange listing: Tokyo Stock Exchange 1st Section  
 Code number: 8068  
 Company representative: Takayoshi Oouchi, President  
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Due date of submitting of quarterly financial statement: June 12, 2013

Due date of starting delivery of dividends: -

Supplementary materials for the quarterly financial results: None

Investor conference for the quarterly financial results: None

Note: Figures are rounded down to the nearest million yen.

#### 1. Financial highlights for the first quarter ended April 30, 2013 (2/1/2013-4/30/2013)

##### (1) Consolidated operating results

Note: Percentages indicated changes from the same period of previous year.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended 4/30/13	20,461	(8.4)	412	(9.7)	478	8.5
Three months ended 4/30/12	22,326	1.9	457	2.7	441	(11.0)

Note: Comprehensive income

Three months ended 4/30/13: 1,010 million yen (122.9%)

Three months ended 4/30/12: 453 million yen ( 5.9%)

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Three months ended 4/30/13	317	42.1	12.30	12.26
Three months ended 4/30/12	223	(37.0)	8.65	—

##### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 4/30/13	73,475	61,926	84.2	2,395.81
As of 1/31/13	72,490	61,303	84.5	2,371.67

(Reference) Equity

Year ended 4/30/13: 61,876 million yen

Year ended 1/31/13: 61,252 million yen

## 2. Dividends

	Three months ended	Six months ended	Nine months ended	Year ended	Total
(Base date)	Yen	Yen	Yen	Yen	Yen
Year ended 1/31/13	—	15.00	—	15.00	30.00
Year ending 1/31/14	—	—	—	—	—
Year ending 1/31/14 (Estimate)	—	15.00	—	15.00	30.00

Note: Revision to dividend forecast for this period: None

## 3. Financial forecast for the year ending January 31, 2014 (2/1/2013–1/31/2014)

Note: Percentages indicated changes from the same period of previous year.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending 7/31/13	44,000	(1.5)	450	(1.9)	550	11.8	350	46.3	13.55
Year ending 1/31/14	90,000	3.2	1,100	52.3	1,300	42.9	800	88.8	30.98

Note: Revisions to financial forecast for this period: None

#### 4. Others

(1) Important changes in subsidiaries

(Change on specific subsidiaries with changes in scope of consolidation): None

Newly added: — Excluded: —

(2) Use of simplified accounting method and special accounting policy for the quarterly consolidated financial reporting: None

(3) Changes in principles, procedures and method of presentation for the quarterly consolidated financial statements

① Changes in accounting policies: Yes

② Other changes: None

③ Changes in accounting estimate: Yes

④ Restatement of revisions: None

(4) Number of shares outstanding (common stock)

① Number of shares of common stock issued as of:

(Including treasury stock)

April 30, 2013: 28,800,000 shares

January 31, 2013: 28,800,000 shares

② Number of shares of treasury stock as of:

April 30, 2013: 2,973,218 shares

January 31, 2013: 2,973,074 shares

③ Average number of shares outstanding as of:

April 30, 2013: 25,826,825 shares

April 30, 2012: 25,827,635 shares

Indication regarding the implementation status of the quarterly review procedure

The review procedure of the quarterly financial statement based on the Financial Instruments and Exchange Act is not completed at the time of disclosure of this financial result.

Caution on forecast for the year ending January 31, 2014

Forecasts regarding future performance in these materials are based on information available to management at the time this report was prepared. Actual results may differ significantly from these statements for a number of reasons.

※ This financial review is only the translation of Japanese version.

# Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2013	As of April 30, 2013
	Amount	Amount
<b>( Assets )</b>		
<b>Current Assets</b>		
Cash and deposits	13,226	14,587
Notes and accounts receivable-trade	23,295	23,140
Short-term investment securities	10,999	9,000
Merchandise and finished goods	11,348	12,755
Deferred tax assets	119	183
Other	583	802
Allowance for doubtful accounts	(20)	(13)
Total current assets	59,551	60,455
<b>Noncurrent assets</b>		
Property, plant and equipment	265	257
Intangible assets	602	606
Investments and other assets		
Investment securities	10,884	10,948
Other	1,188	1,210
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	12,070	12,156
Total noncurrent assets	12,938	13,020
Total assets	72,490	73,475

# Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2013	As of April 30, 2013
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	8,937	8,954
Income taxes payable	180	230
Accrued consumption taxes	21	5
Provision for bonuses	110	228
Other	904	900
Total current liabilities	10,153	10,319
<b>Noncurrent liabilities</b>		
Provision for retirement benefits	889	896
Deferred tax liabilities	46	236
Other	95	95
Total noncurrent liabilities	1,032	1,229
Total liabilities	11,186	11,548
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	37,987	37,917
Treasury stock	(3,295)	(3,295)
Total shareholders' equity	61,700	61,630
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	514	846
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(962)	(600)
Total accumulated other comprehensive income	(447)	245
<b>Subscription rights to shares</b>	50	50
Total net assets	61,303	61,926
Total liabilities and net assets	72,490	73,475

# Consolidated Statements of Income

(Millions of yen)

	Three months ended April 30, 2012	Three months ended April 30, 2013
	Amount	Amount
Net sales	22,326	20,461
Cost of sales	20,260	18,473
<b>Gross profit</b>	<b>2,065</b>	<b>1,988</b>
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	3	(7)
Salaries and bonuses	599	608
Provision for bonuses	95	117
Retirement benefit expenses	46	34
Rent expenses	111	89
Depreciation	31	46
Other	721	688
Total selling, general and administrative expenses	1,608	1,575
<b>Operating income</b>	<b>457</b>	<b>412</b>
Non-operating income		
Interest income	35	39
Dividends income	2	10
Purchase discounts	2	2
Foreign exchange gains	—	8
Other	9	6
Total non-operating income	51	67
Non-operating expenses		
Sales discounts	0	0
Foreign exchange losses	64	—
Loss on abandonment of noncurrent assets	2	0
Other	0	0
Total non-operating expenses	67	1
<b>Ordinary income</b>	<b>441</b>	<b>478</b>
<b>Income before income taxes and minority interests</b>	<b>441</b>	<b>478</b>
Income taxes—current	245	218
Income taxes—deferred	(28)	(57)
Total income taxes	217	160
<b>Income before minority interests</b>	<b>223</b>	<b>317</b>
<b>Net income</b>	<b>223</b>	<b>317</b>

## Consolidated Statements of Income and Consolidated Comprehensive Statements of Income

(Consolidated Comprehensive Statement of Income)

(Millions of yen)

	Three months ended April 30, 2012	Three months ended April 30, 2013
	Amount	Amount
<b>Income before minority interests</b>	223	317
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	51	332
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	177	361
Total other comprehensive income	229	693
<b>Comprehensive income</b>	453	1,010
(Details)		
Comprehensive income attributable to owners of the parent	453	1,010
Comprehensive income attributable to minority interests	—	—

## Consolidated Sales by Product

(Millions of yen)

	Three months ended April 30, 2012		Three months ended April 30, 2013		Increase (Decrease)
	Amount	Composition (%)	Amount	Composition (%)	
(Semiconductors)					
Integrated Circuits	7,999	35.9	6,856	33.5	(1,142)
Discrete Electronic Components	3,464	15.5	3,596	17.6	131
Sub total	11,464	51.4	10,453	51.1	(1,010)
Computer Systems and Peripherals	8,940	40.0	7,975	39.0	(965)
Electronic Devices	1,921	8.6	2,033	9.9	111
Total	22,326	100.0	20,461	100.0	(1,864)