

# Consolidated Financial Review for the First Quarter Ended April 30, 2021 [Japanese standards] (Consolidated)

Company name: **RYOYO ELECTRO CORPORATION**  
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 URL: <https://www.ryoyo.co.jp>  
 Stock exchange listing: Tokyo Stock Exchange 1st Section  
 Code number: 8068  
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Due date of submitting of quarterly financial statement : June 10, 2021  
 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, 2021 (2/1/2021-4/30/2021)

### (1) Consolidated operating results

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

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended 4/30/21	26,459	5.8	457	(10.6)	540	2.9
Three months ended 4/30/20	25,000	(9.3)	511	(17.2)	525	(16.7)

Note: Comprehensive income

Three months ended 4/30/21: 1,124 million yen ( -%)  
 Three months ended 4/30/20: (381) million yen ( -%)

	Profit attributable to owners of parent		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Three months ended 4/30/21	423	14.0	24.44	24.37
Three months ended 4/30/20	371	(14.0)	15.13	15.05

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 4/30/21	60,557	37,035	61.1	2,133.75
As of 1/31/21	59,336	37,992	64.0	2,188.90

(Reference) Equity

Year ended 4/30/21: 36,991 million yen  
 Year ended 1/31/21: 37,948 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 1/31/21	—	60.00	—	120.00	180.00
Year ending 1/31/22	—	—	—	—	—
Year ending 1/31/22 (Estimate)	—	60.00	—	60.00	120.00

Note: Revision to dividend forecast for this period: None

## 3. Financial forecast for the year ending January 31, 2022 (2/1/2021-1/31/2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending 1/31/22	100,000	4.4	2,000	57.9	1,950	115.4	1,350	67.5	77.87

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: None
  - ② Other changes: None
  - ③ Changes in accounting estimate: None
  - ④ Restatement of revisions: None
- (4) Number of shares outstanding (common shares)
  - ① Number of shares of common shares issued as of:  
(Including treasury shares)  
April 30, 2021: 26,800,000 shares  
January 31, 2021: 26,800,000 shares
  - ② Number of shares of treasury shares:  
April 30, 2021: 9,463,526 shares  
January 31, 2021: 9,463,367 shares
  - ③ Average number of shares outstanding as of:  
April 30, 2021: 17,336,618 shares  
April 30, 2020: 24,572,687 shares

#### Indication regarding the implementation status of the quarterly review procedure

This Financial Review is not subject to audit procedure under the Financial Instruments and Exchange Act.

#### Caution on forecast for the year ending January 31, 2022

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, 2021	As of April 30, 2021
	Amount	Amount
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and deposits	7,644	10,107
Notes and accounts receivable - trade	25,484	24,913
Securities	999	1,003
Merchandise and finished goods	11,614	12,447
Work in process	150	8
Other	1,535	1,628
Allowance for doubtful accounts	(6)	(4)
Total current assets	47,423	50,104
<b>Non-current assets</b>		
Property, plant and equipment	214	204
Intangible assets		
Goodwill	599	583
Other	245	236
Total Intangible assets	844	819
Investments and other assets		
Investment securities	8,143	6,747
Deferred tax assets	39	53
Retirement benefit asset	1,520	1,538
Other	1,804	1,532
Allowance for doubtful accounts	(653)	(444)
Total investments and other assets	10,854	9,428
Total non-current assets	11,913	10,453
Total assets	59,336	60,557

# Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2021	As of April 30, 2021
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	11,263	9,798
Short-term borrowings	6,637	9,859
Income taxes payable	92	166
Accrued consumption taxes	231	222
Provision for bonuses	264	472
Other	1,335	1,412
Total current liabilities	19,825	21,932
<b>Non-current liabilities</b>		
Long-term borrowings	79	70
Deferred tax liabilities	919	1,014
Retirement benefit liability	212	213
Other	308	290
Total non-current liabilities	1,518	1,589
Total liabilities	21,344	23,521
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	33,460	31,803
Treasury shares	(24,461)	(24,462)
Total shareholders' equity	36,006	34,349
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,119	2,466
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(126)	231
Remeasurements of defined benefit plans	(50)	(55)
Total accumulated other comprehensive income	1,941	2,642
<b>Share acquisition rights</b>	43	43
Total net assets	37,992	37,035
Total liabilities and net assets	59,336	60,557

# Consolidated Statements of Income

(Millions of yen)

	Three months ended April 30, 2020	Three months ended April 30, 2021
	Amount	Amount
Net sales	25,000	26,459
Cost of sales	22,482	23,986
<b>Gross profit</b>	<b>2,517</b>	<b>2,472</b>
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	(0)
Salaries and bonuses	737	724
Provision for bonuses	163	201
Retirement benefit expenses	21	47
Rent expenses	97	100
Depreciation	65	40
Other	921	900
Total selling, general and administrative expenses	2,006	2,015
<b>Operating profit</b>	<b>511</b>	<b>457</b>
Non-operating income		
Interest income	9	4
Dividend income	10	0
Purchase discounts	1	0
Foreign exchange gains	—	97
Gain on investments in investment partnerships	3	3
Other	9	12
Total non-operating income	35	118
Non-operating expenses		
Interest expenses	3	25
Sales discounts	6	2
Foreign exchange losses	7	—
Loss on abandonment of non-current assets	0	—
Commission expenses	4	1
Other	0	5
Total non-operating expenses	21	35
<b>Ordinary profit</b>	<b>525</b>	<b>540</b>
Extraordinary income		
Gain on sales of investment securities	19	24
Gain on contribution of securities to retirement benefit trust	47	—
Total extraordinary income	67	24
Extraordinary losses		
Loss on sales of investment securities	4	23
Settlement package	39	—
Total extraordinary losses	43	23
<b>Profit before income taxes</b>	<b>549</b>	<b>541</b>
Income taxes – current	168	187
Income taxes – deferred	8	(69)
Total income taxes	177	117
<b>Profit</b>	<b>371</b>	<b>423</b>
<b>Profit attributable to owners of parent</b>	<b>371</b>	<b>423</b>

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

(Consolidated Comprehensive Statement of Income)

(Millions of yen)

	Three months ended April 30, 2020	Three months ended April 30, 2021
	Amount	Amount
<b>Profit attributable to owners of parent</b>	371	423
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(709)	346
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(36)	357
Remeasurements of defined benefit plans, net of tax	(8)	(4)
Total other comprehensive income	(753)	700
<b>Comprehensive income</b>	(381)	1,124
(Details)		
Comprehensive income attributable to owners of parent	(381)	1,124
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated Sales by Product

(Millions of yen)

	Three months ended April 30, 2020		Three months ended April 30, 2021		Increase (Decrease)
	Amount	Composition (%)	Amount	Composition (%)	
Semiconductors/Devices	11,016	44.1	13,505	51.0	2,488
ICT/Solutions	13,983	55.9	12,953	49.0	(1,029)
Total	25,000	100.0	26,459	100.0	1,458