

# Consolidated Financial Review for the First Quarter Ended April 30, 2022 [Japanese standards] (Consolidated)

Company name: RYOYO ELECTRO CORPORATION  
 Headquarters address: 12-22 Tsukiji 1-chome, Chuo-ku, Tokyo 104-8408 Japan  
 URL: <https://www.ryoyo.co.jp>  
 Stock exchange listing: Tokyo Stock Exchange Prime Section  
 Code number: 8068  
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Due date of submitting of quarterly financial statement : June 9, 2022  
 Due date of starting delivery of dividends : -  
 Supplementary materials for the quarterly financial results : Yes  
 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, 2022 (2/1/2022-4/30/2022)

### (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 4/30/22	31,098	17.5	1,164	154.7	1,130	109.3
Three months ended 4/30/21	26,459	5.8	457	(10.6)	540	2.9

Note: Comprehensive income

Three months ended 4/30/22: 1,040 million yen (-7.4%)

Three months ended 4/30/21: 1,124 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 4/30/22	829	95.7	41.17	41.10
Three months ended 4/30/21	423	14.0	24.44	24.37

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 4/30/22	73,251	42,999	58.7	2,130.12
As of 1/31/22	72,652	42,309	58.2	2,130.47

(Reference) Equity

Year ended 4/30/22: 42,971 million yen

Year ended 1/31/22: 42,278 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 1/31/22	—	60.00	—	60.00	120.00
Year ending 1/31/23	—	—	—	—	—
Year ending 1/31/23 (Estimate)	—	50.00	—	50.00	100.00

Note: Revision to dividend forecast for this period: None

## 3. Financial forecast for the year ending January 31, 2023 (2/1/2022–1/31/2023)

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 1/31/23	100,000	(10.8)	2,300	1.9	2,200	(8.4)	1,530	(18.3)	75.98

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: 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, 2022: 26,800,000 shares  
January 31, 2022: 26,800,000 shares
  - ② Number of shares of treasury shares:  
April 30, 2022: 6,626,847 shares  
January 31, 2022: 6,955,177 shares
  - ③ Average number of shares outstanding as of:  
April 30, 2022: 20,136,725 shares  
April 30, 2021: 17,336,618 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, 2023

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, 2022	As of April 30, 2022
	Amount	Amount
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and deposits	9,204	7,907
Notes and accounts receivable – trade	28,663	30,913
Electronically recorded monetary claims – operating	3,494	3,906
Securities	500	—
Merchandise and finished goods	19,466	19,832
Work in process	122	71
Other	1,505	1,353
Allowance for doubtful accounts	(5)	(5)
Total current assets	62,952	63,979
<b>Non-current assets</b>		
Property, plant and equipment	219	227
Intangible assets		
Goodwill	535	519
Other	297	308
Total intangible assets	832	828
Investments and other assets		
Investment securities	5,721	5,349
Deferred tax assets	53	52
Retirement benefit asset	1,621	1,624
Other	1,737	1,708
Allowance for doubtful accounts	(485)	(518)
Total investments and other assets	8,648	8,216
Total non-current assets	9,700	9,272
Total assets	72,652	73,251

## Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2022	As of April 30, 2022
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	14,726	16,350
Short-term borrowings	11,763	9,279
Income taxes payable	427	524
Accrued consumption taxes	35	241
Provision for bonuses	560	816
Other	1,370	1,730
Total current liabilities	28,884	28,943
<b>Non-current liabilities</b>		
Deferred tax liabilities	865	718
Retirement benefit liability	321	318
Other	271	270
Total non-current liabilities	1,458	1,308
Total liabilities	30,342	30,251
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Share capital	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	31,164	30,796
Treasury shares	(17,978)	(17,129)
Total shareholders' equity	40,194	40,675
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,794	1,686
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	412	736
Remeasurements of defined benefit plans	(122)	(126)
Total accumulated other comprehensive income	2,083	2,295
<b>Share acquisition rights</b>	30	28
Total net assets	42,309	42,999
Total liabilities and net assets	72,652	73,251

# Consolidated Statements of Income

(Millions of yen)

	Three months ended April 30, 2021	Three months ended April 30, 2022
	Amount	Amount
Net sales	26,459	31,098
Cost of sales	23,986	27,815
<b>Gross profit</b>	<b>2,472</b>	<b>3,283</b>
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	(0)
Salaries and bonuses	724	732
Provision for bonuses	201	280
Retirement benefit expenses	47	42
Rent expenses	100	105
Depreciation	40	36
Other	900	921
Total selling, general and administrative expenses	2,015	2,119
<b>Operating profit</b>	<b>457</b>	<b>1,164</b>
Non-operating income		
Interest income	4	4
Dividend income	0	0
Purchase discounts	0	0
Foreign exchange gains	97	—
Gain on investments in investment partnerships	3	3
Other	12	6
Total non-operating income	118	15
Non-operating expenses		
Interest expenses	25	19
Sales discounts	2	—
Foreign exchange losses	—	18
Loss on abandonment of non-current assets	—	2
Commission expenses	1	0
Other	5	7
Total non-operating expenses	35	48
<b>Ordinary profit</b>	<b>540</b>	<b>1,130</b>
Extraordinary income		
Gain on sales of investment securities	24	—
Total extraordinary income	24	—
Extraordinary losses		
Loss on sales of investment securities	23	—
Total extraordinary losses	23	—
<b>Profit before income taxes</b>	<b>541</b>	<b>1,130</b>
Income taxes - current	187	387
Income taxes - deferred	(69)	(85)
Total income taxes	117	301
<b>Profit</b>	<b>423</b>	<b>829</b>
<b>Profit attributable to owners of parent</b>	<b>423</b>	<b>829</b>

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

(Consolidated Comprehensive Statement of Income)

(Millions of yen)

	Three months ended April 30, 2021	Three months ended April 30, 2022
	Amount	Amount
<b>Profit attributable to owners of parent</b>	423	829
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	346	(107)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	357	323
Remeasurements of defined benefit plans, net of tax	(4)	(3)
Total other comprehensive income	700	211
<b>Comprehensive income</b>	1,124	1,040
(Details)		
Comprehensive income attributable to owners of parent	1,124	1,040
Comprehensive income attributable to non-controlling inter	—	—

## Consolidated Sales by Product

(Millions of yen)

	Three months ended April 30, 2021		Three months ended April 30, 2022		Increase (Decrease)
	Amount	Composition (%)	Amount	Composition (%)	
Semiconductors/Devices	13,505	51.0	17,763	57.1	4,258
ICT/Solutions	12,953	49.0	13,334	42.9	380
Total	26,459	100.0	31,098	100.0	4,639