November 29, 2022

Consolidated Financial Review for the Third Quarter Ended October 31, 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
Company representative: Moritaka Nakamura, President & Chief Executive Officer
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Due date of submitting of quarterly financial statement : December 8, 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 third quarter ended October 31, 2022 (2/1/2022-10/31/2022)

(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	%
Nine months ended 10/31/22	96,268	19.7	3,676	143.9	3,711	126.2
Nine months ended 10/31/21	80,455	15.5	1,507	79.0	1,640	240.4

Note: Comprehensive income
Nine months ended 10/31/22: 3,746 million yen (111.2%)
Nine months ended 10/31/21: 1,773 million yen (—%)

	Profit attributable to owners of parent		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Nine months ended 10/31/22	2,693	123.2	133.50	133.30
Nine months ended 10/31/21	1,206	179.7	68.39	64.59

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 10/31/22	83,256	44,743	53.7	2,213.93
As of 1/31/22	72,652	42,309	58.2	2,130.47

(Reference) Equity
As of 10/31/22: 44,714 million yen
As of 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	—	50.00	—	—	—
Year ending 1/31/23 (Estimate)	—	—	—	60.00	110.00

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	123,000 9.7	4,200 86.0	4,000 66.6	2,800 49.4	138.78

Note: Revisions to financial forecast for this period: Yes

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)
October 31,2022: 26,800,000 shares
January 31,2022: 26,800,000 shares
② Number of shares of treasury shares:
October 31,2022: 6,602,976 shares
January 31,2022: 6,955,177 shares
③ Average number of shares outstanding as of:
October 31,2022: 20,175,304 shares
October 31,2021: 17,647,021 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 October 31, 2022
	Amount	Amount
(Assets)		
Current Assets		
Cash and deposits	9,204	10,036
Notes and accounts receivable - trade	28,663	33,683
Electronically recorded monetary claims - operating	3,494	3,370
Securities	500	—
Merchandise and finished goods	19,466	25,841
Work in process	122	125
Other	1,505	1,105
Allowance for doubtful accounts	(5)	(1)
Total current assets	62,952	74,161
Non-current assets		
Property, plant and equipment	219	230
Intangible assets		
Goodwill	535	487
Other	297	331
Total intangible assets	832	818
Investments and other assets		
Investment securities	5,721	5,220
Deferred tax assets	53	62
Retirement benefit asset	1,621	1,620
Other	1,737	1,676
Allowance for doubtful accounts	(485)	(533)
Total investments and other assets	8,648	8,046
Total non-current assets	9,700	9,095
Total assets	72,652	83,256

Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2022	As of October 31, 2022
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	14,726	16,541
Short-term borrowings	11,763	17,273
Income taxes payable	427	1,234
Accrued consumption taxes	35	27
Provision for bonuses	560	776
Other	1,370	1,629
Total current liabilities	28,884	37,483
Non-current liabilities		
Deferred tax liabilities	865	560
Retirement benefit liability	321	312
Other	271	155
Total non-current liabilities	1,458	1,029
Total liabilities	30,342	38,513
(Net assets)		
Shareholders' equity		
Share capital	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	31,164	31,637
Treasury shares	(17,978)	(17,067)
Total shareholders' equity	40,194	41,578
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,794	1,603
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	412	1,669
Remeasurements of defined benefit plans	(122)	(134)
Total accumulated other comprehensive income	2,083	3,136
Share acquisition rights	30	28
Total net assets	42,309	44,743
Total liabilities and net assets	72,652	83,256

Consolidated Statements of Income

(Millions of yen)

	Nine months ended October 31, 2021	Nine months ended October 31, 2022
	Amount	Amount
Net sales	80,455	96,268
Cost of sales	72,872	86,138
Gross profit	**7,582**	**10,130**
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	(3)
Salaries and bonuses	2,341	2,351
Provision for bonuses	488	672
Retirement benefit expenses	143	130
Rent expenses	299	311
Depreciation	111	106
Other	2,691	2,884
Total selling, general and administrative expenses	6,075	6,454
Operating profit	**1,507**	**3,676**
Non-operating income		
Interest income	14	23
Dividend income	67	75
Foreign exchange gains	3	27
Gain on investments in investment partnerships	125	6
Other	25	17
Total non-operating income	236	151
Non-operating expenses		
Interest expenses	66	103
Sales discounts	4	—
Commission expenses	7	0
Loss on abandonment of non-current assets	2	2
Other	23	10
Total non-operating expenses	103	116
Ordinary profit	**1,640**	**3,711**
Extraordinary income		
Gain on sale of investment securities	24	—
Total extraordinary income	24	—
Extraordinary losses		
Loss on sale of investment securities	23	—
Total extraordinary losses	23	—
Profit before income taxes	**1,641**	**3,711**
Income taxes - current	410	1,220
Income taxes - deferred	23	(202)
Total income taxes	434	1,017
Profit	**1,206**	**2,693**
Profit attributable to owners of parent	**1,206**	**2,693**

Consolidated Statements of Income and Consolidated Comprehensive Statements of Income

(Consolidated Comprehensive Statement of Income) (Millions of yen)

	Nine months ended October 31, 2021	Nine months ended October 31, 2022
	Amount	Amount
Profit attributable to owners of parent	1,206	2,693
Other comprehensive income		
Valuation difference on available-for-sale securities	262	(190)
Deferred gains or losses on hedges	0	(1)
Foreign currency translation adjustment	315	1,256
Remeasurements of defined benefit plans, net of tax	(12)	(11)
Total other comprehensive income	566	1,052
Comprehensive income	1,773	3,746
(Details)		
Comprehensive income attributable to owners of parent	1,773	3,746
Comprehensive income attributable to non-controlling interests	―	―

Consolidated Sales by Product

(Millions of yen)

	Nine months ended October 31, 2021		Nine months ended October 31, 2022		Increase (Decrease)
	Amount	Composition(%)	Amount	Composition(%)	
Semiconductors/Devices	45,723	56.8	58,965	61.3	13,241
ICT/Solutions	34,732	43.2	37,303	38.7	2,571
Total	80,455	100.0	96,268	100.0	15,813