

Results Briefing for the First Nine Months (Feb.–Oct.) of the Fiscal Year Ending January 31, 2023

November 29, 2022

Ryoyo Electro Corporation

Prime Market, Tokyo Stock Exchange (Ticker Code: 8068)

<https://www.ryoyo.co.jp/en/>

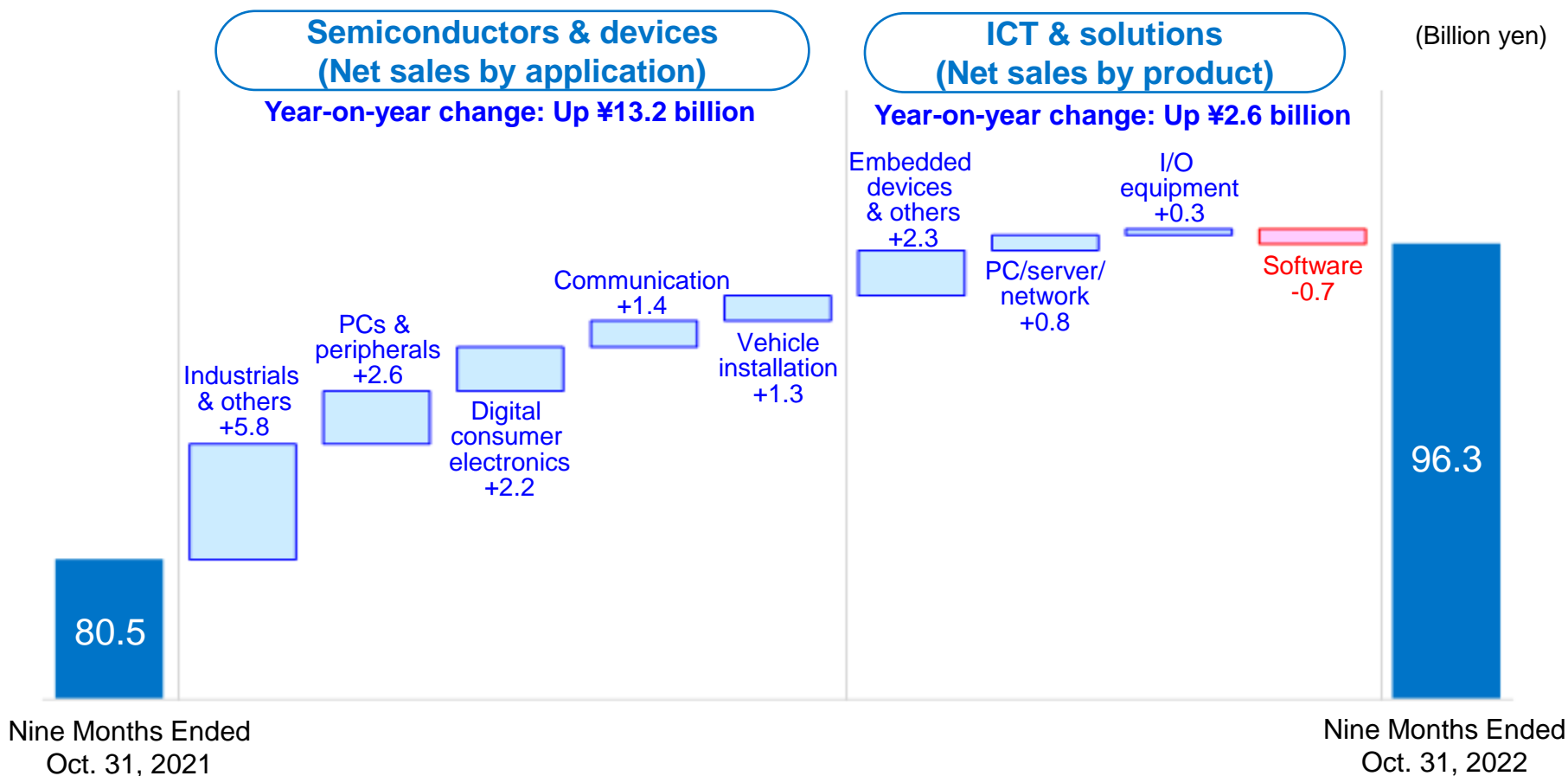
Overview of the First Nine Months of the Fiscal Year Ending January 2023

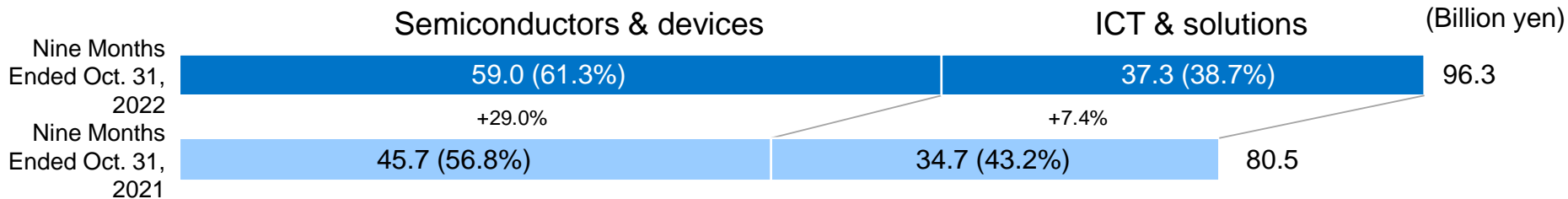
Both sales and profits increased significantly year on year, supported by favorable demand and the impact of yen depreciation, especially in the semiconductor-related business.

- Net sales of semiconductors & devices and ICT & solutions both grew year on year (details on next page).
- Operating profit, ordinary profit and profit attributable to owners of parent more than doubled year on year.

(Billion yen)	Nine Months Ended Oct. 31, 2021 Result	Nine Months Ended Oct. 31, 2022 Result	YoY Change	
				%
Net sales	80.5	96.3	+15.8	+19.7%
Gross profit	7.58	10.13	+2.55	+33.6%
(%)	9.4%	10.5%		
Selling, general and administrative expenses	6.08	6.45	+0.38	+6.2%
Operating profit	1.51	3.68	+2.17	+143.9%
(%)	1.9%	3.8%		
Ordinary profit	1.64	3.71	+2.07	+126.2%
Profit attributable to owners of parent	1.21	2.69	+1.49	+123.2%

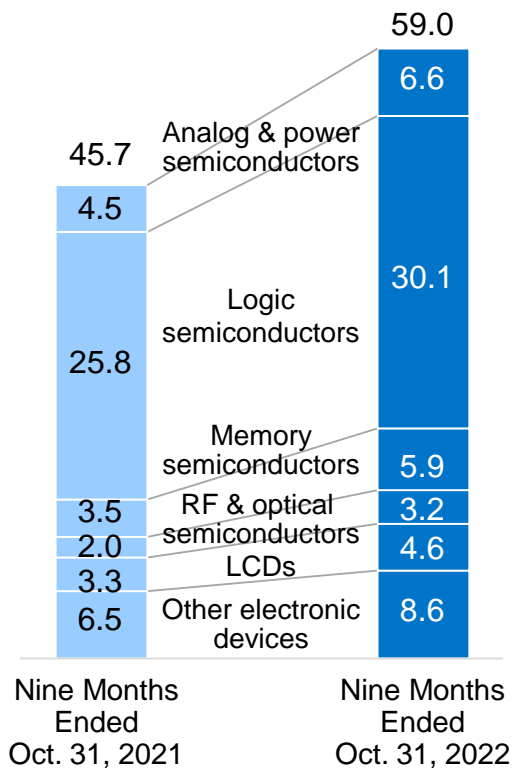
- Semiconductors & devices sales increased year on year in all applications. Sales were strong in industrials & others and PCs & peripherals, in addition to spot projects despite component shortages.
- In ICT and solutions, sales of all products remained at high levels, except for software, which was impacted by the change in the Accounting Standard for Revenue Recognition. (Impact on software: Approx. -¥1.5 billion)



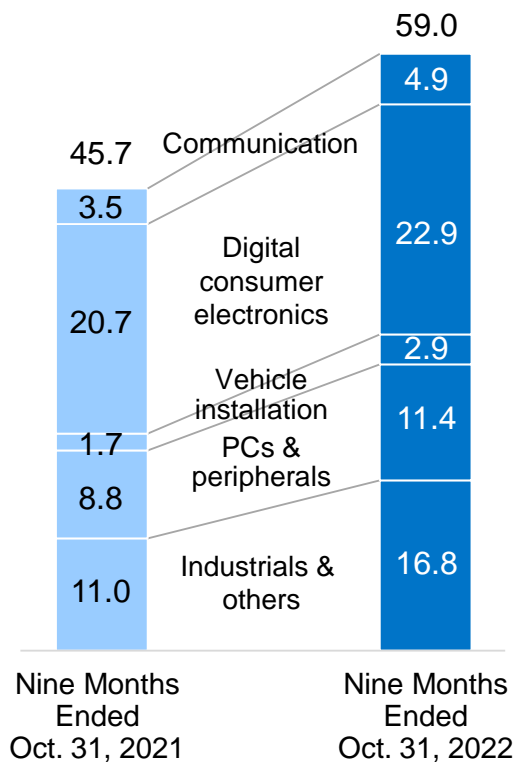


Semiconductors & devices

Net sales by product

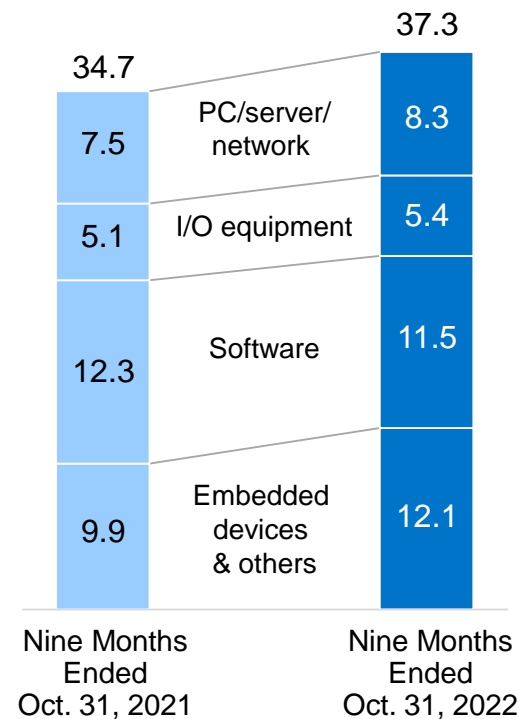


Net sales by application

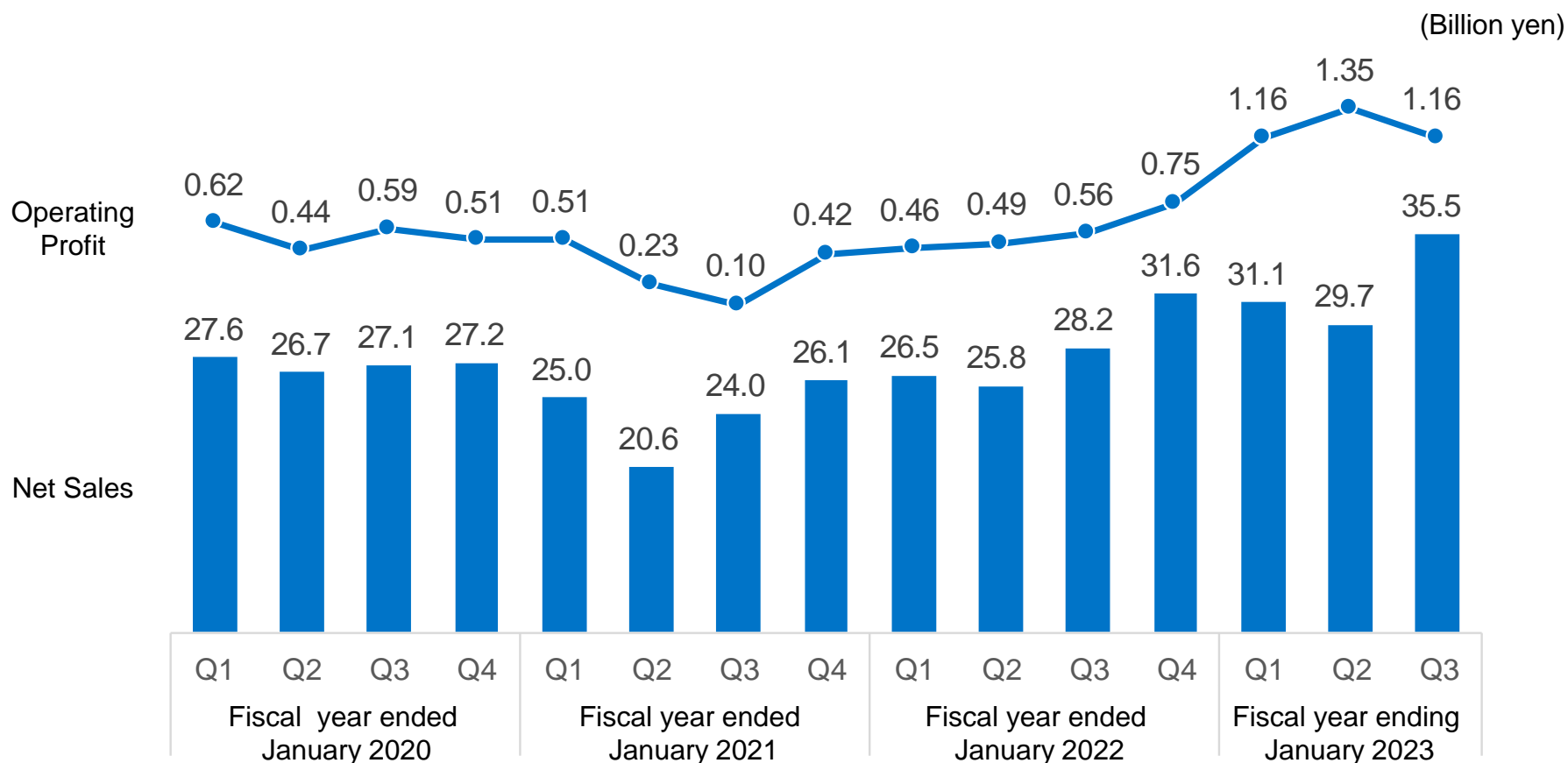


ICT & solutions

Net sales by product



- Quarterly net sales continued to remain at a high level: For the third quarter of the fiscal year ending January 2023, sales grew to over ¥35 billion partly due to expansion of sales for digital consumer electronics and communication devices.
- Quarterly operating income exceeded ¥1 billion in each quarter of the fiscal year ending January 2023.



**Business Plan for the Fiscal Year Ending
January 31, 2023**

Revised upward for the second time in the fiscal year despite uncertain outlook.

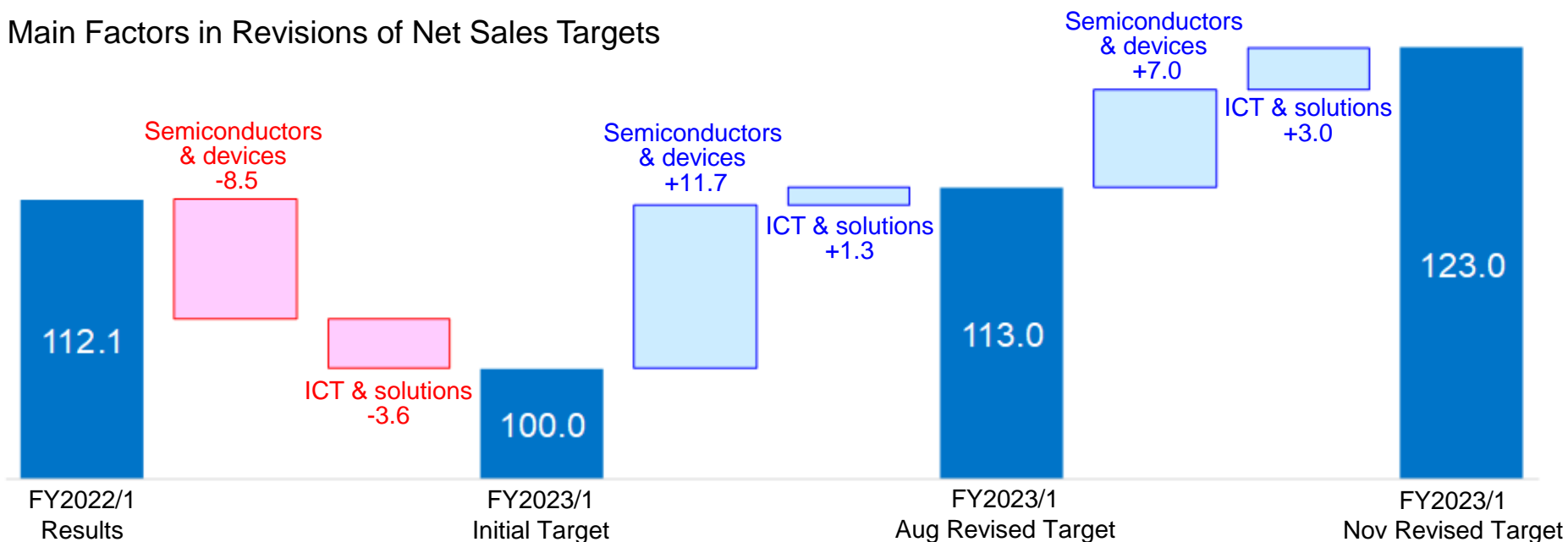
(Billion yen)	FY2022/1	FY2023/1		YoY Change		Compared to Aug Revised Target	
	Result	Aug. Revised Target	Nov. Revised Target		%		%
Net sales	112.1	113.0	123.0	+10.9	+9.7%	+10.0	+8.8%
Semiconductors & devices	63.8	67.0	74.0	+10.2	+16.0%	+7.0	+10.4%
ICT & solutions	48.3	46.0	49.0	+0.7	+1.4%	+3.0	+6.5%
Gross profit	10.73	12.35	13.10	+2.37	+22.1%	+0.75	+6.1%
(%)	9.6%	10.9%	10.7%				
Selling, general and administrative expenses	8.47	8.75	8.90	+0.43	+5.0%	+0.15	+1.7%
Operating profit	2.26	3.60	4.20	+1.94	+86.0%	+0.60	+16.7%
(%)	2.0%	3.2%	3.4%				
Ordinary profit	2.40	3.40	4.00	+1.60	+66.6%	+0.60	+17.6%
Profit attributable to owners of parent	1.87	2.35	2.80	+0.93	+49.4%	+0.45	+19.1%
ROE	4.7%	5.4%	6.4%				

FY2022/1: Fiscal year ended January 2022
FY2023/1: Fiscal year ending January 2023

Previous-year results and changes in current-year targets

(Billion yen) FY2022/1: Fiscal year ended January 2022 FY2023/1: Fiscal year ending January 2023	FY2022/1 Result	Change	FY2023/1 Initial Target	Change	FY2023/1 Aug. Revised Target	Change	FY2023/1 Nov. Revised Target
Net sales	112.1	-12.1	100.0	+13.0	113.0	+10.0	123.0
Gross profit (%)	10.73 9.6%	+0.07	10.80 10.8%	+1.55	12.35 10.9%	+0.75	13.10 10.7%
Selling, general and administrative expenses	8.47	+0.03	8.50	+0.25	8.75	+0.15	8.90
Operating profit (%)	2.26 2.0%	+0.04	2.30 2.3%	+1.30	3.60 3.2%	+0.60	4.20 3.4%
Ordinary profit	2.40	-0.20	2.20	+1.20	3.40	+0.60	4.00
Profit attributable to owners of parent	1.87	-0.34	1.53	+0.82	2.35	+0.45	2.80

Main Factors in Revisions of Net Sales Targets



- Dividend policy: Aim for a dividend on equity (DOE) of 5%.

		Dividend per Share (Yen)		
		Interim (Q2)	Year-End	Full Year
FY2023/1	Forecast	50	60	110
FY2022/1	Result	60	60	120

FY2022/1: Fiscal year ended January 2022 FY2023/1: Fiscal year ending January 2023

Expected indicators based on performance forecast and dividend forecast

	ROE	Dividend Payout Ratio	DOE
Initial target	Over 5.0%	Less than 100%	5.0%
Latest forecast	<u>6.4%</u>	<u>79.3%</u>	<u>5.1%</u>

Note

The business results and forecasts for the future contained in this presentation are based on certain assumptions deemed reasonable at the time of release. Actual results may differ from the original forecasts due to economic conditions and various other factors.

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