

# Financial Review for the Year Ended January 31, 2023

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 annual shareholders meeting : April 26, 2023  
 Due date of starting delivery of dividends : April 27, 2023  
 Due date of submitting of financial statement : April 26, 2023  
 Supplementary materials for the quarterly financial results : Yes  
 Investor conference for the quarterly financial results  
 (for security analysts and institutional investors) : Yes

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

## 1. Financial highlights for the year ended January 31, 2023 (2/1/2022-1/31/2023)

### (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	%
Year ended 1/31/23	129,912	15.9	4,693	107.9	4,477	86.5
Year ended 1/31/22	112,099	17.0	2,258	78.2	2,400	165.2

Note: Comprehensive income

Year ended 1/31/23: 3,729 million yen (85.0%)  
 Year ended 1/31/22: 2,015 million yen (316.5%)

	Profit attributable to owners of parent		Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended 1/31/23	3,056	63.1	151.46	151.23	7.0	5.6	3.6
Year ended 1/31/22	1,873	132.4	103.94	103.20	4.7	3.6	2.0

(Reference) Investment profit/loss on equity method:

Year ended 1/31/23: - million yen  
 Year ended 1/31/22: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 1/31/23	88,409	44,725	50.6	2,213.66
As of 1/31/22	72,652	42,309	58.2	2,130.47

(Reference) Equity

Year ended 1/31/23: 44,697 million yen

Year ended 1/31/22: 42,278 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 1/31/23	(2,553)	150	11,549	19,031
Year ended 1/31/22	(8,090)	2,554	6,872	9,204

2. Dividends

	Cash dividends per share			Total dividends Paid (Full Year)	Payout ratio	Dividends on equity
	Six months ended	Year ended	Total			
(Base date)	Yen	Yen	Yen	Millions of yen	%	%
Year ended 1/31/22	60.00	60.00	120.00	2,253	115.4	5.6
Year ended 1/31/23	50.00	60.00	110.00	2,221	72.6	5.1
Year ending 1/31/24 (Estimate)	60.00	60.00	120.00	—	44.1	—

3. Financial forecast for the year ending January 31, 2024 (2/1/2023-1/31/2024)

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 1/31/24	120,000	(7.6)	3,600	(23.3)	6,500	45.2	5,500	79.9	272.39

#### 4. Others

(1) Important changes in subsidiaries

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

Newly added: — Excluded: —

(2) Changes in principles, procedures and method of presentation for consolidated financial statements

① Changes in accounting policies: Yes

② Other changes: None

③ Change in accounting estimate: None

④ Restatement of revisions: None

(3) Number of shares outstanding (common shares)

① Number of shares of common shares issued as of:

(Including treasury shares)

January 31, 2023: 26,800,000 shares

January 31, 2022: 26,800,000 shares

② Number of shares of treasury shares:

January 31, 2023: 6,608,536 shares

January 31, 2022: 6,955,177 shares

③ Average number of shares outstanding as of:

January 31, 2023: 20,179,911 shares

January 31, 2022: 18,025,204 shares

(Reference) Non-consolidated financial review

1. Financial highlights for the year ended January 31, 2023 (2/1/2022-1/31/2023)

(1) 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	%
Year ended 1/31/23	94,297	15.5	3,498	105.2	3,264	51.9
Year ended 1/31/22	81,650	11.7	1,704	62.9	2,148	(11.2)

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Year ended 1/31/23	2,068	13.5	102.52	102.36
Year ended 1/31/22	1,823	(17.4)	101.16	100.44

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 1/31/23	76,341	39,729	52.0	1,966.22
As of 1/31/22	61,270	39,166	63.9	1,972.09

(Reference) Equity

Year ended 1/31/23: 39,700 million yen

Year ended 1/31/22: 39,135 million yen

Indication regarding the implementation status of auditing procedure

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

Caution on estimates for the year ending January 31, 2024

The above forecast was made based on the information available as of the date of this release. Actual results could significantly differ from the above forecast due to a variety of factors.

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

# Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2022	As of January 31, 2023
	Amount	Amount
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and deposits	9,204	19,031
Notes and accounts receivable – trade	28,663	—
Notes and accounts receivable – trade, and contract assets	—	30,966
Electronically recorded monetary claims – operating	3,494	3,886
Securities	500	—
Merchandise and finished goods	19,466	23,623
Work in process	122	174
Other	1,505	1,502
Allowance for doubtful accounts	(5)	(1)
<b>Total current assets</b>	<b>62,952</b>	<b>79,183</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Tools, furniture and fixtures, net	74	73
Land	5	5
Construction in progress	6	7
Other, net	132	139
<b>Total property, plant and equipment</b>	<b>219</b>	<b>226</b>
Intangible assets		
Goodwill	535	471
Other	297	361
<b>Total Intangible assets</b>	<b>832</b>	<b>832</b>
Investments and other assets		
Investment securities	5,721	5,406
Deferred tax assets	53	110
Retirement benefit asset	1,621	1,589
Other	1,737	1,642
Allowance for doubtful accounts	(485)	(582)
<b>Total investments and other assets</b>	<b>8,648</b>	<b>8,166</b>
<b>Total noncurrent assets</b>	<b>9,700</b>	<b>9,225</b>
<b>Total assets</b>	<b>72,652</b>	<b>88,409</b>

# Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2022	As of January 31, 2023
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	14,726	13,366
Short-term borrowings	11,763	25,817
Income taxes payable	427	1,423
Accrued consumption taxes	35	143
Provision for bonuses	560	857
Other	1,370	1,048
Total current liabilities	28,884	42,657
<b>Non-current liabilities</b>		
Deferred tax liabilities	865	603
Retirement benefit liability	321	316
Other	271	106
Total noncurrent liabilities	1,458	1,026
Total liabilities	30,342	43,683
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Share capital	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	31,164	32,000
Treasury shares	(17,978)	(17,068)
Total shareholders' equity	40,194	41,940
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,794	1,805
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	412	1,124
Remeasurements of defined benefit plans	(122)	(173)
Total accumulated other comprehensive income	2,083	2,756
<b>Share acquisition rights</b>	30	28
Total net assets	42,309	44,725
Total liabilities and net assets	72,652	88,409

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

(Consolidated Statement of Income)

(Millions of yen)

	Year ended January 31, 2022	Year ended January 31, 2023
	Amount	Amount
Net sales	112,099	129,912
Cost of sales	101,366	116,328
<b>Gross profit</b>	<b>10,732</b>	<b>13,583</b>
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	(3)
Salaries and bonuses	3,447	3,400
Provision for bonuses	504	746
Retirement benefit expenses	200	174
Rent expenses	399	414
Depreciation	149	145
Other	3,773	4,011
Total selling, general and administrative expenses	8,474	8,889
<b>Operating profit</b>	<b>2,258</b>	<b>4,693</b>
Non-operating income		
Interest income	18	43
Dividend income	105	113
Gain on investments in investment partnerships	134	6
Other	28	21
Total non-operating income	286	185
Non-operating expenses		
Interest expenses	90	185
Sales discounts	4	—
Foreign exchange losses	9	151
Loss on abandonment of non-current assets	3	2
Provision of allowance for doubtful accounts	—	54
Other	36	6
Total non-operating expenses	144	401
<b>Ordinary profit</b>	<b>2,400</b>	<b>4,477</b>
Extraordinary income		
Gain on sales of investment securities	291	—
Total extraordinary income	291	—
Extraordinary losses		
Loss on sales of investment securities	23	—
Loss on valuation of investment securities	—	105
Loss on valuation of shares of subsidiaries and associates	70	—
Provision of allowance for doubtful accounts	52	—
Settlement package	18	—
Total extraordinary losses	164	105
<b>Profit before income taxes</b>	<b>2,526</b>	<b>4,372</b>
Income taxes - current	545	1,595
Income taxes - deferred	107	(279)
Total income taxes	653	1,316
<b>Profit</b>	<b>1,873</b>	<b>3,056</b>
<b>Profit attributable to owners of parent</b>	<b>1,873</b>	<b>3,056</b>

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

(Consolidated Comprehensive Statement of Income)

(Millions of yen)

	Year ended January 31, 2022	Year ended January 31, 2023
	Amount	Amount
<b>Profit attributable to owners of parent</b>	1,873	3,056
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(324)	10
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	538	712
Remeasurements of defined benefit plans, net of tax	(71)	(51)
Total other comprehensive income	142	672
<b>Comprehensive income</b>	2,015	3,729
(Details)		
Comprehensive income attributable to owners of parent	2,015	3,729
Comprehensive income attributable to non-controlling interests	—	—



# Consolidated Statements of Changes in Net Assets

Previous period ( From February 1, 2021 to January 31, 2022 )

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	13,672	13,336	33,460	(24,461)	36,006
Changes during period					
Dividends of surplus			(3,142)		(3,142)
Profit attributable to owners of parent			1,873		1,873
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Exercise of share acquisition rights		(1,028)		6,430	5,401
Restricted stock payment		2		54	57
Transfer from retained earnings to capital surplus		1,025	(1,025)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	(2,295)	6,483	4,188
Balance at end of period	13,672	13,336	31,164	(17,978)	40,194

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remesurements of defined benefit plans		
Balance at the beginning of current period	2,119	(0)	(126)	(50)	43	37,992
Changes during period						
Dividends of surplus						(3,142)
Profit attributable to owners of parent						1,873
Purchase of treasury shares						(1)
Disposal of treasury shares						0
Exercise of share acquisition rights						5,401
Restricted stock payment						57
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	(324)	(0)	538	(71)	(13)	129
Total changes during period	(324)	(0)	538	(71)	(13)	4,317
Balance at end of period	1,794	(0)	412	(122)	30	42,309

# Consolidated Statements of Changes in Net Assets

Current period ( From February 1, 2022 to January 31, 2023 )

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	13,672	13,336	31,164	(17,978)	40,194
Changes during period					
Dividends of surplus			(2,200)		(2,200)
Profit attributable to owners of parent			3,056		3,056
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Exercise of share acquisition rights		(210)		848	638
Restricted stock payment		(13)		62	48
Change in scope of consolidation			204		204
Transfer from retained earnings to capital surplus		224	(224)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	835	909	1,745
Balance at end of period	13,672	13,336	32,000	(17,068)	41,940

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedge	Foreign currency translation adjustment	Remesurements of defined benefit plans		
Balance at the beginning of current period	1,794	(0)	412	(122)	30	42,309
Changes during period						
Dividends from surplus						(2,200)
Profit attributable to owners of parent						3,056
Purchase of treasury shares						(1)
Disposal of treasury shares						0
Exercise of share acquisition rights						638
Restricted stock payment						48
Change in scope of consolidation						204
Transfer from retained earnings to capital surplus						—
Net changes of items other than shareholders' equity	10	0	712	(51)	(2)	670
Total changes during period	10	0	712	(51)	(2)	2,416
Balance at end of period	1,805	0	1,124	(173)	28	44,725

# Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended January 31, 2022	Year ended January 31, 2023
	Amount	Amount
<b>I. Cash flows from operating activities</b>		
Profit before income taxes	2,526	4,372
Depreciation	178	179
Amortization of goodwill	64	64
Loss (gain) on sales and retirement of non-current assets	3	2
Share-based remuneration expenses	57	40
Loss (gain) on investments in investment partnerships	(134)	(6)
Foreign exchange losses (gains)	57	(112)
Increase (decrease) in provisions	120	346
Increase (decrease) in retirement benefit liability	15	11
Interest and dividend income	(123)	(157)
Interest expenses	90	185
Loss (gain) on sales of investment securities	(267)	—
Loss (gain) on valuation of investment securities	—	105
Loss on valuation of shares of subsidiaries and associates	70	—
Settlement package	18	—
Decrease (increase) in trade receivables	(5,832)	(1,193)
Decrease (increase) in inventories	(7,527)	(3,505)
Increase (decrease) in trade payables	3,054	(2,070)
Increase (decrease) in accrued consumption taxes	(197)	105
Other, net	(359)	(261)
Subtotal	(8,184)	(1,894)
Interest and dividends received	127	148
Interest paid	(88)	(179)
Settlement package paid	(9)	—
Income taxes (paid) refund	64	(628)
Net cash provided by (used in) operating activities	(8,090)	(2,553)
<b>II. Cash flows from investing activities</b>		
Payments into time deposits	—	(1,460)
Proceeds from withdrawal of time deposits	—	1,460
Proceeds from redemption of securities	500	500
Purchase of property, plant and equipment and intangible assets	(152)	(260)
Proceeds from sales of property, plant and equipment and intangible assets	1	1
Purchase of investment securities	(112)	(7)
Proceeds from sales of investment securities	2,267	—
Proceeds from sale of shares of subsidiaries and associates	—	0
Loan advances to subsidiaries and associates	—	(60)
Proceeds from distributions from investment partnerships	127	19
Purchase of insurance funds	(165)	(140)
Proceeds from cancellation of insurance funds	187	101
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(99)	—
Other, net	2	(2)
Net cash provided by (used in) investing activities	2,554	150
<b>III. Cash flows from financing activities</b>		
Proceeds from short-term borrowings	96,452	193,365
Repayments of short-term borrowings	(91,799)	(180,224)
Dividends paid	(3,133)	(2,195)
Purchase of treasury shares	(1)	(1)
Proceeds from sales of treasury shares	0	0
Proceeds from issuance of share acquisition rights	19	—
Proceeds from disposal of treasury shares from exercise of subscription rights to shares	5,369	636
Repayments of lease obligations	(34)	(30)
Net cash provided by (used in) financing activities	6,872	11,549
<b>IV. Effect of exchange rate change on cash and cash equivalents</b>	223	348
<b>V. Net increase (decrease) in cash and cash equivalents</b>	1,559	9,494
<b>VI. Cash and cash equivalents at beginning of period</b>	7,644	9,204
<b>VII. Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation</b>	—	332
<b>VIII. Cash and cash equivalents at end of period</b>	9,204	19,031

## Consolidated Sales by Product

(Millions of yen)

	Year ended January 31, 2022		Year ended January 31, 2023		Increase (Decrease)
	Amount	Composition (%)	Amount	Composition (%)	
Semiconductors/Devices	63,793	56.9	79,151	60.9	15,357
ICT/Solutions	48,305	43.1	50,760	39.1	2,455
Total	112,099	100.0	129,912	100.0	17,812