

Consolidated Financial Review for the First Quarter Ended April 30, 2023 [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
 Inquiries: Masayuki Takahashi, Executive General Manager, Administration Headquarters
 Tel: +81-3-3543-7711 E-mail: irmanager@ryoyo.co.jp

Due date of submitting of quarterly financial statement : June 9, 2023
 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, 2023 (2/1/2023-4/30/2023)

(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	%
Three months ended 4/30/23	32,586	4.8	1,197	2.9	5,250	364.3
Three months ended 4/30/22	31,098	17.5	1,164	154.7	1,130	109.3

Note: Comprehensive income

Three months ended 4/30/23: 5,433 million yen (422.0%)

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

	Profit attributable to owners of parent		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Three months ended 4/30/23	4,923	493.9	243.85	243.49
Three months ended 4/30/22	829	95.7	41.17	41.10

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 4/30/23	95,840	48,945	51.0	2,422.69
As of 1/31/23	88,409	44,725	50.6	2,213.66

(Reference) Equity

Year ended 4/30/23: 48,917 million yen

Year ended 1/31/23: 44,697 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 1/31/23	—	50.00	—	60.00	110.00
Year ending 1/31/24	—	—	—	—	—
Year ending 1/31/24 (Estimate)	—	80.00	—	80.00	160.00

Note: Revision to dividend forecast for this period: Yes

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	128,000	(1.5)	4,300	(8.4)	8,900	98.8	7,500	145.4	371.45

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: 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, 2023: 26,800,000 shares
January 31, 2023: 26,800,000 shares
 - ② Number of shares of treasury shares:
April 30, 2023: 6,608,687 shares
January 31, 2023: 6,608,536 shares
 - ③ Average number of shares outstanding as of:
April 30, 2023: 20,191,385 shares
April 30, 2022: 20,136,725 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, 2024

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, 2023	As of April 30, 2023
	Amount	Amount
(Assets)		
Current Assets		
Cash and deposits	19,031	9,477
Notes and accounts receivable – trade, and contract assets	30,966	29,616
Electronically recorded monetary claims – operating	3,886	3,715
Merchandise and finished goods	23,623	20,481
Work in process	174	157
Other	1,502	1,443
Allowance for doubtful accounts	(1)	(1)
Total current assets	79,183	64,890
Non-current assets		
Property, plant and equipment	226	209
Intangible assets		
Goodwill	471	455
Other	361	389
Total intangible assets	832	844
Investments and other assets		
Investment securities	5,308	5,992
Shares of subsidiaries and associates	97	21,096
Deferred tax assets	110	75
Retirement benefit asset	1,589	1,617
Other	1,642	1,768
Allowance for doubtful accounts	(582)	(655)
Total investments and other assets	8,166	29,895
Total non-current assets	9,225	30,949
Total assets	88,409	95,840

Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2023	As of April 30, 2023
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable – trade	13,366	14,072
Short-term borrowings	25,817	28,137
Income taxes payable	1,423	527
Accrued consumption taxes	143	448
Provision for bonuses	857	1,133
Other	1,048	1,447
Total current liabilities	42,657	45,766
Non-current liabilities		
Deferred tax liabilities	603	722
Retirement benefit liability	316	311
Other	106	93
Total non-current liabilities	1,026	1,128
Total liabilities	43,683	46,894
(Net assets)		
Shareholders' equity		
Share capital	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	32,000	35,711
Treasury shares	(17,068)	(17,069)
Total shareholders' equity	41,940	45,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,805	2,258
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	1,124	1,179
Remeasurements of defined benefit plans	(173)	(171)
Total accumulated other comprehensive income	2,756	3,266
Share acquisition rights	28	28
Total net assets	44,725	48,945
Total liabilities and net assets	88,409	95,840

Consolidated Statements of Income

(Millions of yen)

	Three months ended April 30, 2022	Three months ended April 30, 2023
	Amount	Amount
Net sales	31,098	32,586
Cost of sales	27,815	28,962
Gross profit	3,283	3,624
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(0)	61
Salaries and bonuses	732	745
Provision for bonuses	280	371
Retirement benefit expenses	42	49
Rent expenses	105	102
Depreciation	36	33
Other	921	1,061
Total selling, general and administrative expenses	2,119	2,426
Operating profit	1,164	1,197
Non-operating income		
Interest income	4	11
Dividend income	0	0
Gain on investments in investment partnerships	3	0
Share of profit of entities accounted for using equity method	—	4,213
Other	6	5
Total non-operating income	15	4,231
Non-operating expenses		
Interest expenses	19	90
Foreign exchange losses	18	82
Loss on abandonment of non-current assets	2	0
Other	7	5
Total non-operating expenses	48	178
Ordinary profit	1,130	5,250
Profit before income taxes	1,130	5,250
Income taxes - current	387	373
Income taxes - deferred	(85)	(46)
Total income taxes	301	327
Profit	829	4,923
Profit attributable to owners of parent	829	4,923

Consolidated Statements of Income and Consolidated Comprehensive Statements of Income

(Consolidated Comprehensive Statement of Income)

(Millions of yen)

	Three months ended April 30, 2022	Three months ended April 30, 2023
	Amount	Amount
Profit attributable to owners of parent	829	4,923
Other comprehensive income		
Valuation difference on available-for-sale securities	(107)	453
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	323	54
Remeasurements of defined benefit plans, net of tax	(3)	2
Total other comprehensive income	211	509
Comprehensive income	1,040	5,433
(Details)		
Comprehensive income attributable to owners of parent	1,040	5,433
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Sales by Product

(Millions of yen)

	Three months ended April 30, 2022		Three months ended April 30, 2023		Increase (Decrease)
	Amount	Composition (%)	Amount	Composition (%)	
Semiconductors/Devices	17,763	57.1	17,249	52.9	(514)
ICT/Solutions	13,334	42.9	15,336	47.1	2,001
Total	31,098	100.0	32,586	100.0	1,487