

# Results Briefing for the First Quarter (Feb.–Apr.) of the Fiscal Year Ending January 31, 2024

**May 31, 2023**

**RYOYO ELECTRO CORPORATION**

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

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

# Basic Agreement for Management Integration

Aiming for management integration in April 2024

Announcement on May 15, 2023

Concluded a basic agreement for management integration

Announcement on March 9, 2023

Acquired additional shares of Ryosan and made it an equity-method affiliate

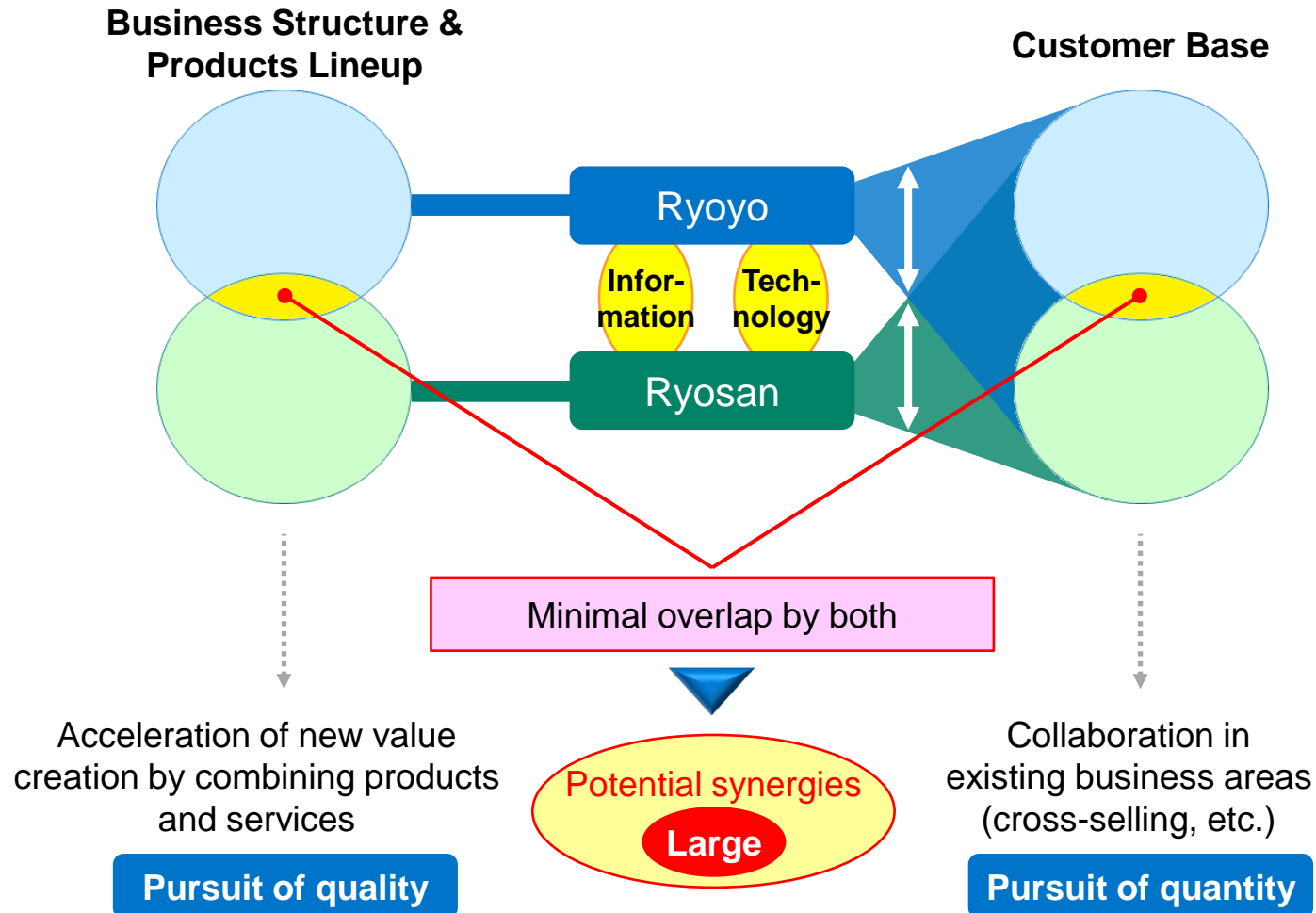
Announcement on February 7, 2023

Acquired 18.71% of Ryosan shares (percentage of voting rights)

Spring 2022

Started discussions on potential business synergies

Working to make the most of both companies' various management resources:  
Outstanding relationships with customers, products and solutions



# Overview of the First Quarter of the Fiscal Year Ending January 2024

## Outlook for the fiscal year ending January 2024

Adjustment from semiconductor market boom

Reduction of marginal gains due to exchange rate fluctuations

Ending of large-lot business

A severe business environment is assumed due to changes in external factors and factors unique to Ryoyo

This fiscal year will show the results of past reforms and various measures.

### Semiconductors & devices

- Contribution by new products and new commercial rights  
Communications equipment, power and display devices, and sensors, etc.
- Active cultivation of business outside Japan

### ICT & solutions

- Further enhancement of service business
- Focus on the medical field  
Support for everything from manufacturing to kitting and equipment installation

Promotion of a circular business model for semiconductors, ICT devices, and services

Creation of unique solutions for last-mile delivery  
(Voice recognition, IoT platforms, etc.)

Pursuing business synergies with Ryosan

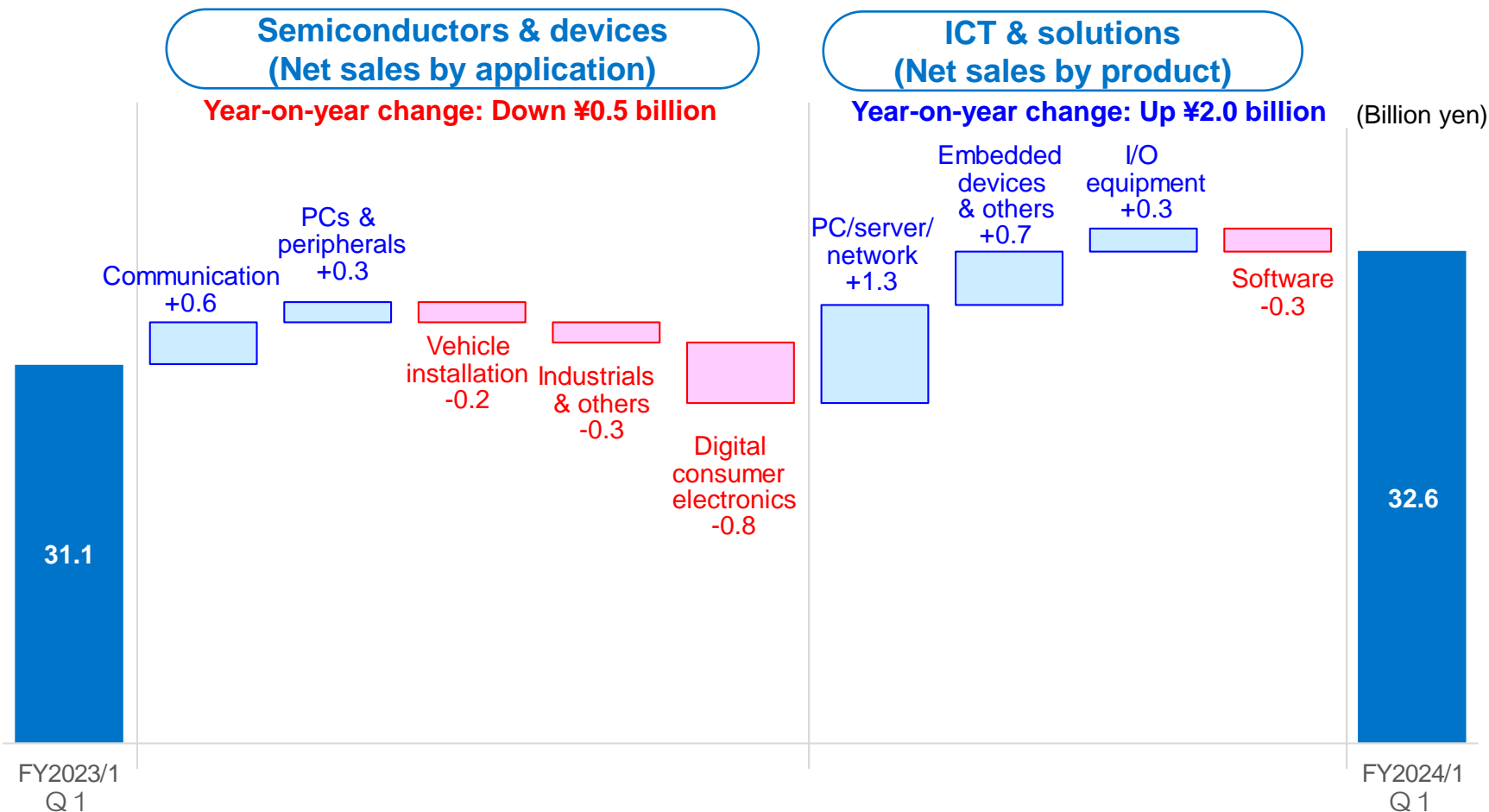
Both sales and profits grew year on year despite a challenging business environment anticipated at the beginning of Q1.

- Gross profit margin improved in addition to increased net sales mainly due to growth in ICT-related business.
- Increase in ordinary profit and profit attributable to owners of parent expanded due to a gain on bargain purchase (¥4.21 billion) recorded as non-operating profit.

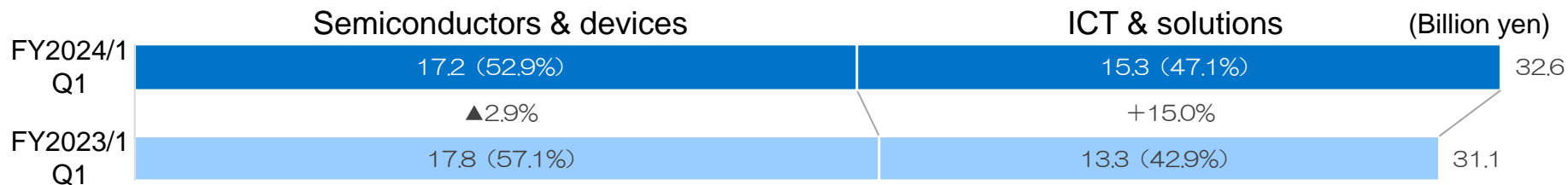
(Billion yen)	FY2023/1*	FY2024/1*	YoY Change	
	Q1 Result	Q1 Result		%
Net sales	31.1	32.6	+1.5	+4.8%
Gross profit	3.28	3.62	+0.34	+10.4%
(%)	10.6%	11.1%		
Selling, general and administrative expenses	2.12	2.43	+0.31	+14.5%
Operating profit	1.16	1.20	+0.03	+2.9%
(%)	3.7%	3.7%		
Ordinary profit	1.13	5.25	+4.12	+364.3%
Profit attributable to owners of parent	0.83	4.92	+4.09	+493.9%

\*FY2023/1: Fiscal year ended January 2023    FY2024/1: Fiscal year ending January 2024

- Semiconductors & devices: Partially impacted by an adjustment from the market boom in the previous fiscal year and a decline in TV sales, but the decline in sales was limited to a small extent due to the expansion of sales for communication devices and OA equipment.
- ICT & solutions: Sales remained robust owing partly to capturing demand related to the online eligibility verification system.

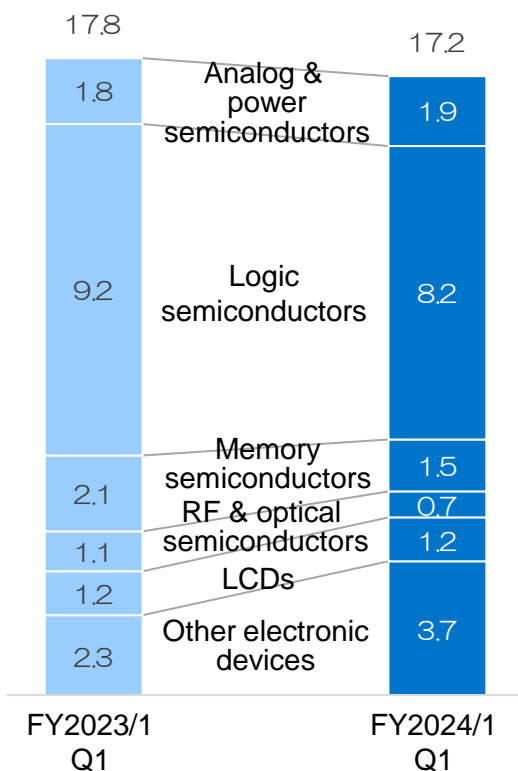




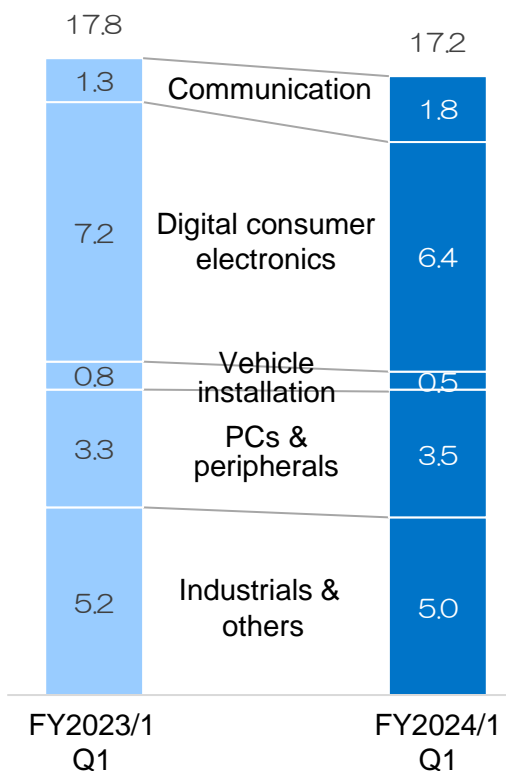


## Semiconductors & devices

### Net sales by product

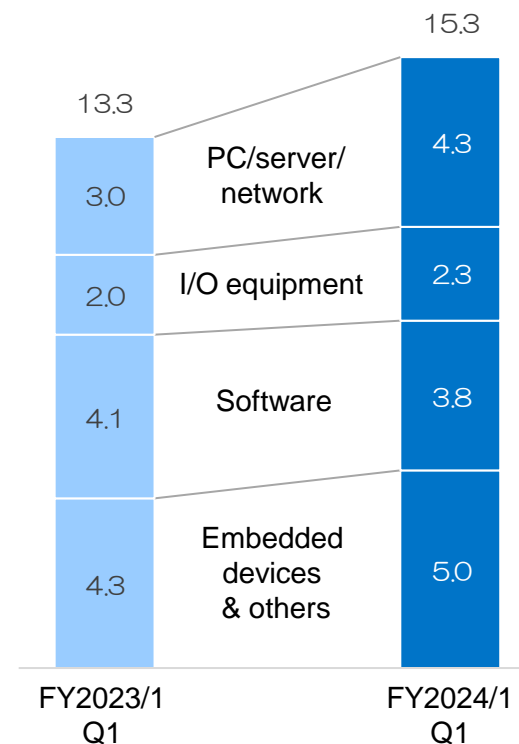


### Net sales by application



## ICT & solutions

### Net sales by product



**Business Plan for the Fiscal Year  
Ending January 31, 2024**

# Profit/loss: Annual targets

- Annual targets for net sales, gross profit and operating profit are revised upward based on Q1 results and current business trends.
- Gains from making Ryosan an equity-method affiliate are reflected as shown in the table below.

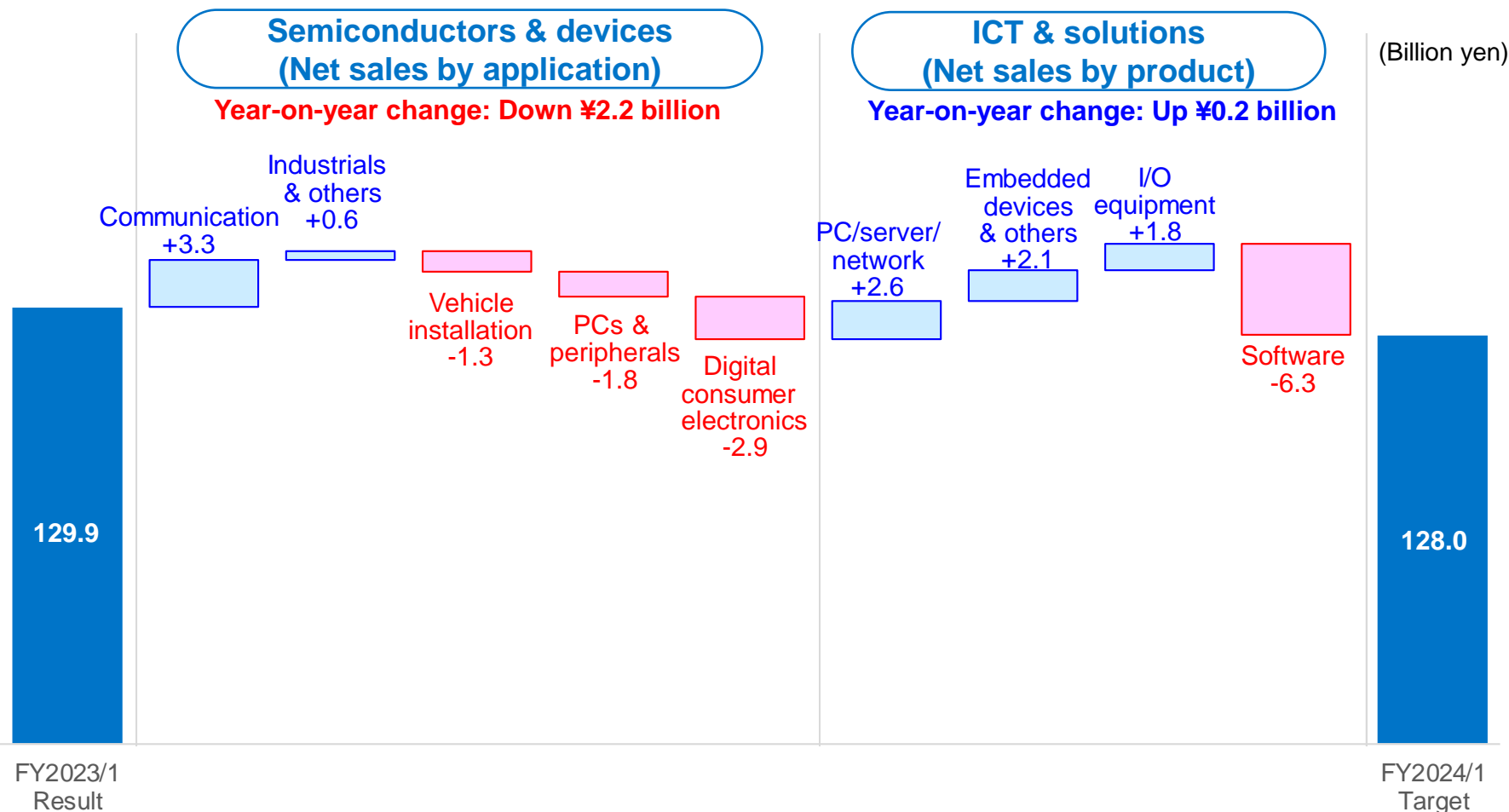
	Initial Target	Revised Target	Difference
Gain on bargain purchase	3.10	4.21	+1.11
Equity in earnings (losses) of affiliates	(Not factored)	0.75	+0.75

- Profit attributable to owners of parent is expected to reach the highest figure ever since the company's establishment.

(Billion yen)	FY2023/1*	FY2024/1*		YoY Change		Change from Initial Target	
	Result	Revised Target	Initial Target	Difference	%	Difference	%
Net sales	129.9	128.0	120.0	-1.9	-1.5%	+8.0	+6.7%
Gross profit	13.58	13.65	12.80	+0.07	+0.5%	+0.85	+6.6%
(%)	10.5%	10.7%	10.7%				
Selling, general and administrative expenses	8.89	9.35	9.20	+0.46	+5.2%	+0.15	+1.6%
Operating profit	4.69	4.30	3.60	-0.39	-8.4%	+0.70	+19.4%
(%)	3.6%	3.4%	3.0%				
Ordinary profit	4.48	8.90	6.50	+4.42	+98.8%	+2.40	+36.9%
Profit attributable to owners of parent	3.06	7.50	5.50	+4.44	+145.4%	+2.00	+36.4%
ROE	7.0%	15.4%	12.1%				

\* FY2023/1: Fiscal year ended January 2023  
FY2024/1: Fiscal year ending January 2024

- Semiconductor & devices: Will likely benefit from the startup of mobile device projects, but will be impacted by an adjustment following the market boom in the previous fiscal year, and a decline in TV sales.
- ICT & solutions: Sales are expected to increase year on year, as the decrease in software due to the end of large-lot businesses will be offset by solid growth in other products.

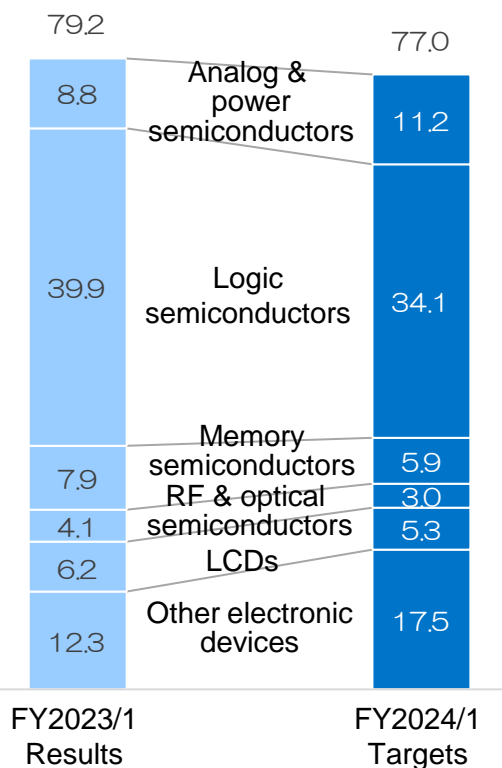


# Supplement : Net sales by product

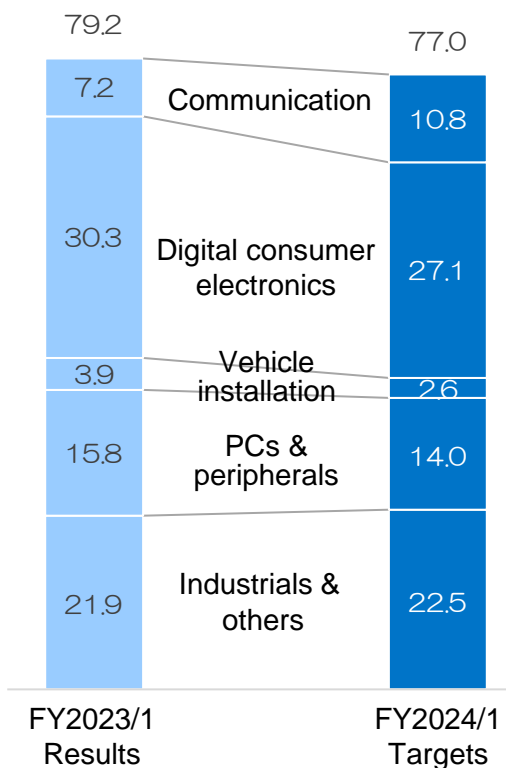


## Semiconductors & devices

### Net sales by product

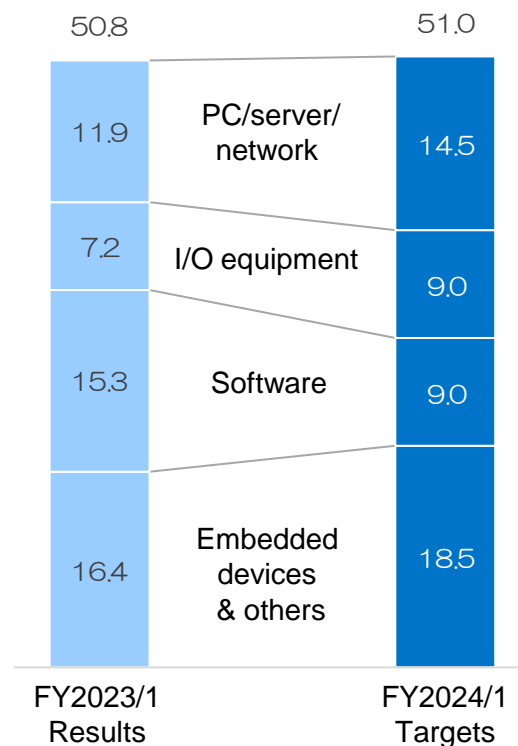


### Net sales by application





## ICT & solutions

### Net sales by product



- Dividend policy: Aim for a dividend on equity (DOE) of 5%.
- Based on the outlook for record-high profit attributable to owners of parent, the company raised its planned dividend per share from 120 yen to 160 yen (up ¥50 year on year).

		Dividend per Share (Yen)		
		Interim (Q2)	Year-End	Full Year
FY2024/1*	<b>(Revised plan)</b>	80	80	160
	(Initial plan )	60	60	120
FY2023/1*	(Result)	50	60	110

 Increase dividend by ¥40  
 Increase dividend by ¥10

Expected indicators based on performance forecast and dividend forecast

		ROE	Dividend Payout Ratio	DOE
FY2024/1*	<b>(Revised forecast)</b>	15.4%	43.1%	6.6%
	(Initial forecast )	12.1%	44.1%	5.2%
FY2023/1*	(Result)	7.0%	72.6%	5.1%

\*FY2023/1: Fiscal year ended January 2023 FY2024/1: Fiscal year ending January 2024

## 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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