

# Consolidated Financial Review for the Third Quarter Ended October 31, 2023 [Japanese standards] (Consolidated)

Company name:	<b>RYOYO ELECTRO CORPORATION</b>
Headquarters address:	12-22 Tsukiji 1-chome, Chuo-ku, Tokyo 104-8408 Japan
URL:	<a href="https://www.ryoyo.co.jp">https://www.ryoyo.co.jp</a>
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 12, 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 third quarter ended October 31, 2023 (2/1/2023-10/31/2023)

### (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 %
Nine months ended 10/31/23	95,581 (0.7)	3,221 (12.4)	7,688 107.2
Nine months ended 10/31/22	96,268 19.7	3,676 143.9	3,711 126.2

Note: Comprehensive income

Nine months ended 10/31/23: 8,611 million yen (129.9%)

Nine months ended 10/31/22: 3,746 million yen (111.2%)

	Profit attributable to owners of parent	Net income per share	Fully diluted net income per share
	Millions of yen %	Yen	Yen
Nine months ended 10/31/23	6,589 144.7	326.19	325.70
Nine months ended 10/31/22	2,693 123.2	133.50	133.30

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of 10/31/23	103,328	50,557	48.9	2,500.06
As of 1/31/23	88,409	44,725	50.6	2,213.66

(Reference) Equity

As of 10/31/23: 50,528 million yen

As of 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	—	80.00	—	—	—
Year ending 1/31/24 (Estimate)	—	—	—	100.00	180.00

Note: Revision to dividend forecast for this period: None

## 3. Financial forecast for the year ending March 31, 2024 (2/1/2023–3/31/2024)

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 3/31/24	150,000	—	4,600	—	9,200	—	7,180	—	355.39

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)  
October 31, 2023: 26,800,000 shares  
January 31, 2023: 26,800,000 shares
  - ② Number of shares of treasury shares:  
October 31, 2023: 6,588,942 shares  
January 31, 2023: 6,608,536 shares
  - ③ Average number of shares outstanding as of:  
October 31, 2023: 20,202,949 shares  
October 31, 2022: 20,175,304 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 March 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 October 31, 2023
	Amount	Amount
<b>(Assets)</b>		
<b>Current Assets</b>		
Cash and deposits	19,031	17,902
Notes and accounts receivable – trade, and contract assets	30,966	28,988
Electronically recorded monetary claims – operating	3,886	3,195
Merchandise and finished goods	23,623	19,490
Work in process	174	283
Other	1,502	1,383
Allowance for doubtful accounts	(1)	(1)
Total current assets	79,183	71,242
<b>Non-current assets</b>		
Property, plant and equipment	226	232
Intangible assets		
Goodwill	471	423
Other	361	581
Total intangible assets	832	1,004
Investments and other assets		
Investment securities	5,308	5,877
Shares of subsidiaries and associates	97	22,111
Deferred tax assets	110	79
Retirement benefit asset	1,589	1,636
Other	1,642	1,844
Allowance for doubtful accounts	(582)	(700)
Total investments and other assets	8,166	30,848
Total non-current assets	9,225	32,085
Total assets	88,409	103,328

# Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2023	As of October 31, 2023
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	13,366	13,660
Short-term borrowings	25,817	34,770
Income taxes payable	1,423	187
Accrued consumption taxes	143	714
Provision for bonuses	857	703
Other	1,048	1,355
Total current liabilities	42,657	51,391
<b>Non-current liabilities</b>		
Deferred tax liabilities	603	958
Retirement benefit liability	316	306
Other	106	114
Total non-current liabilities	1,026	1,379
Total liabilities	43,683	52,770
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Share capital	13,672	13,672
Capital surplus	13,336	13,336
Retained earnings	32,000	35,760
Treasury shares	(17,068)	(17,018)
Total shareholders' equity	41,940	45,750
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,805	2,299
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	1,124	2,646
Remeasurements of defined benefit plans	(173)	(168)
Total accumulated other comprehensive income	2,756	4,778
<b>Share acquisition rights</b>	28	28
Total net assets	44,725	50,557
Total liabilities and net assets	88,409	103,328

# Consolidated Statements of Income

(Millions of yen)

	Nine months ended October 31, 2022	Nine months ended October 31, 2023
	Amount	Amount
Net sales	96,268	95,581
Cost of sales	86,138	85,519
<b>Gross profit</b>	<b>10,130</b>	<b>10,062</b>
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(3)	69
Salaries and bonuses	2,351	2,461
Provision for bonuses	672	634
Retirement benefit expenses	130	148
Rent expenses	311	308
Depreciation	106	105
Other	2,884	3,112
Total selling, general and administrative expenses	6,454	6,840
<b>Operating profit</b>	<b>3,676</b>	<b>3,221</b>
Non-operating income		
Interest income	23	53
Dividend income	75	76
Foreign exchange gains	27	—
Share of profit of entities accounted for using equity method	—	4,878
Other	24	15
Total non-operating income	151	5,024
Non-operating expenses		
Interest expenses	103	290
Foreign exchange losses	—	206
Loss on abandonment of non-current assets	2	0
Other	10	60
Total non-operating expenses	116	558
<b>Ordinary profit</b>	<b>3,711</b>	<b>7,688</b>
Extraordinary income		
Gain on sale of investment securities	—	11
Reversal of allowance for doubtful accounts	—	22
Total extraordinary income	—	33
Extraordinary losses		
Management Integration related expenses	—	124
Total extraordinary losses	—	124
<b>Profit before income taxes</b>	<b>3,711</b>	<b>7,597</b>
Income taxes - current	1,220	797
Income taxes - deferred	(202)	209
Total income taxes	1,017	1,007
<b>Profit</b>	<b>2,693</b>	<b>6,589</b>
<b>Profit attributable to owners of parent</b>	<b>2,693</b>	<b>6,589</b>

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

(Consolidated Comprehensive Statement of Income)

(Millions of yen)

	Nine months ended October 31, 2022	Nine months ended October 31, 2023
	Amount	Amount
<b>Profit attributable to owners of parent</b>	2,693	6,589
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(190)	403
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	1,256	838
Remeasurements of defined benefit plans, net of tax	(11)	6
Share of other comprehensive income of entities accounted for using equity method	—	773
Total other comprehensive income	1,052	2,021
<b>Comprehensive income</b>	<b>3,746</b>	<b>8,611</b>
(Details)		
Comprehensive income attributable to owners of parent	3,746	8,611
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated Sales by Product

(Millions of yen)

	Nine months ended October 31, 2022		Nine months ended October 31, 2023		Increase (Decrease)
	Amount	Composition (%)	Amount	Composition (%)	
Semiconductors/Devices	58,965	61.3	56,766	59.4	(2,199)
ICT/Solutions	37,303	38.7	38,815	40.6	1,512
Total	96,268	100.0	95,581	100.0	(686)