

Consolidated Financial Results for the Six Months Ended September 30, 2017 [Japanese GAAP]



October 31, 2017

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
 URL: <http://www.ryoden.co.jp/>
 Representative: Nobuo Shogaki, President & CEO
 Contact: Satoru Uno, General Manager, General Affairs Department
 Phone: +81-3-5396-6111
 Scheduled date of filing quarterly securities report: November 14, 2017
 Scheduled date of commencing dividend payments: December 8, 2017
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2017	111,711	8.8	2,043	147.8	2,236	290.0	1,521	409.8
Six months ended September 30, 2016	102,650	(7.3)	824	(55.4)	573	(68.9)	298	(70.8)

(Note) Comprehensive income: Six Months ended September 30, 2017: ¥1,961 million [—%]
 Six Months ended September 30, 2016: ¥(880) million [—%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended September 30, 2017	70.17	69.96
Six months ended September 30, 2016	13.77	13.74

The Company conducted a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017. Accordingly, profit per share and diluted profit per share were calculated on the assumption that the Company conducted the share consolidation at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2017	127,250	62,496	49.0	2,876.79
As of March 31, 2017	122,763	60,975	49.6	2,809.01

(Reference) Equity: As of September 30, 2017: ¥62,410 million
 As of March 31, 2017: ¥60,911 million

The Company conducted a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017. Accordingly, net assets per share were calculated on the assumption that the Company conducted the share consolidation at the beginning of the previous consolidated fiscal year.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2017	Yen —	Yen 11.00	Yen —	Yen 11.00	Yen 22.00
Fiscal year ending March 31, 2018	—	11.00			
Fiscal year ending March 31, 2018 (Forecast)			—	22.00	—

Note: Revision from the most recently announced dividend forecast: No

Since the Company conducted a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017, the year-end dividend per share presented in the forecast for the fiscal year ending March 31, 2018 factors in the impact of the said share consolidation. The total amount of annual dividends is stated as “—”. For details, refer to the section titled, “Explanation of the proper use of financial results forecast and other notes.”

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	227,500	3.8	3,600	31.9	3,700	51.5	2,500	80.1	115.26

Note: Revision from the most recently announced financial results forecast: No

The amount of profit per share in the consolidated financial results forecast for the fiscal year ending March 31, 2018 factors in the impact of the above share consolidation. For details, refer to the section titled, “Explanation of the proper use of financial results forecast and other notes.”

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury stock):
 - September 30, 2017: 22,824,977 shares
 - March 31, 2017: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
 - September 30, 2017: 1,130,571 shares
 - March 31, 2017: 1,140,608 shares
 - 3) Average number of shares during the period:
 - Six months ended September 30, 2017: 21,689,218 shares
 - Six months ended September 30, 2016: 21,675,617 shares

The Company conducted a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017. Accordingly, total number of issued shares at the end of the period, total number of treasury stock at the end of the period, and average number of shares during the period were calculated on the assumption that the Company conducted the share consolidation at the beginning of the previous consolidated fiscal year.

* These quarterly financial results are outside the scope of quarterly review procedures.

* Explanation of the proper use of financial results forecast and other notes

The statements concerning future performance presented in this document are prepared based on currently available information and certain preconditions which the Company believes to be reasonable at this time. Actual results may be different from any projections presented herein due to various factors.

(Dividends and financial results forecast after the share consolidation)

The Company conducted a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017 based on a resolution of the Company's 77th Ordinary General Meeting of Shareholders held on June 29, 2017. The forecasts of the dividends and consolidated financial results for the fiscal year ending March 31, 2018 without taking into consideration the impact of the share consolidation are as follows.

- (1) Dividend forecast for the fiscal year ending March 31, 2018
Dividend per share Year end ¥11.00
- (2) Consolidated financial results forecast for the fiscal year ending March 31, 2018
Profit per share Full year ¥57.63

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	19,168	14,722
Notes and accounts receivable - trade	55,832	53,097
Electronically recorded monetary claims - operating	9,586	12,777
Securities	—	1,414
Merchandise and finished goods	18,670	24,322
Other	3,973	5,222
Allowance for doubtful accounts	(200)	(23)
Total current assets	107,030	111,532
Non-current assets		
Property, plant and equipment	4,883	4,803
Intangible assets	658	674
Investments and other assets		
Other	10,615	10,831
Allowance for doubtful accounts	(425)	(591)
Total investments and other assets	10,190	10,240
Total non-current assets	15,732	15,717
Total assets	122,763	127,250

(Million yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,529	41,683
Electronically recorded obligations - operating	10,489	12,485
Short-term loans payable	761	364
Income taxes payable	263	828
Other	2,996	3,582
Total current liabilities	56,039	58,944
Non-current liabilities		
Net defined benefit liability	4,579	4,601
Other	1,168	1,208
Total non-current liabilities	5,748	5,809
Total liabilities	61,787	64,754
Net assets		
Shareholders' equity		
Capital stock	10,334	10,334
Capital surplus	7,392	7,399
Retained earnings	42,705	43,750
Treasury shares	(855)	(849)
Total shareholders' equity	59,576	60,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,003	2,518
Foreign currency translation adjustment	661	490
Remeasurements of defined benefit plans	(1,329)	(1,234)
Total accumulated other comprehensive income	1,334	1,774
Subscription rights to shares	63	86
Total net assets	60,975	62,496
Total liabilities and net assets	122,763	127,250

(2) Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Net sales	102,650	111,711
Cost of sales	92,303	100,191
Gross profit	10,347	11,519
Selling, general and administrative expenses	9,522	9,476
Operating profit	824	2,043
Non-operating income		
Interest income	26	25
Dividend income	66	75
Foreign exchange gains	—	61
Share of profit of entities accounted for using equity method	23	16
Other	125	101
Total non-operating income	242	279
Non-operating expenses		
Interest expenses	21	14
Sales discounts	50	46
Foreign exchange losses	358	—
Loss on sales of accounts receivable	20	19
Other	42	6
Total non-operating expenses	493	86
Ordinary profit	573	2,236
Extraordinary income		
Gain on sales of investment securities	73	—
Total extraordinary income	73	—
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	53	—
Total extraordinary losses	53	—
Profit before income taxes	593	2,236
Income taxes	295	714
Profit	298	1,521
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	298	1,521

Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Profit	298	1,521
Other comprehensive income		
Valuation difference on available-for-sale securities	33	515
Foreign currency translation adjustment	(1,278)	(171)
Remeasurements of defined benefit plans, net of tax	66	95
Total other comprehensive income	(1,178)	439
Comprehensive income	(880)	1,961
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(880)	1,961
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	593	2,236
Depreciation	268	245
Increase (decrease) in allowance for doubtful accounts	3	4
Interest and dividend income	(93)	(101)
Interest expenses	21	14
Share of (profit) loss of entities accounted for using equity method	(23)	(16)
Decrease (increase) in notes and accounts receivable - trade	2,132	(514)
Decrease (increase) in inventories	2,233	(5,705)
Increase (decrease) in notes and accounts payable - trade	73	2,203
Other, net	848	(559)
Subtotal	6,059	(2,193)
Interest and dividend income received	117	111
Interest expenses paid	(21)	(13)
Income taxes paid	(663)	(148)
Net cash provided by (used in) operating activities	5,491	(2,245)
Cash flows from investing activities		
Proceeds from redemption of securities	953	—
Purchase of property, plant and equipment	(171)	(63)
Proceeds from sales of property, plant and equipment	1	2
Purchase of intangible assets	(37)	(183)
Purchase of investment securities	(242)	(198)
Proceeds from sales of investment securities	589	159
Decrease (increase) in short-term loans receivable	(51)	(16)
Other, net	156	68
Net cash provided by (used in) investing activities	1,197	(231)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(215)	(390)
Net decrease (increase) in treasury shares	(1)	(1)
Cash dividends paid	(563)	(477)
Net cash provided by (used in) financing activities	(780)	(869)
Effect of exchange rate change on cash and cash equivalents	(857)	(109)
Net increase (decrease) in cash and cash equivalents	5,050	(3,455)
Cash and cash equivalents at beginning of period	16,660	19,163
Increase in cash and cash equivalents from newly consolidated subsidiary	12	—
Cash and cash equivalents at end of period	21,723	15,707