

Consolidated Financial Results for the Nine Months Ended December 31, 2017 [Japanese GAAP]



January 31, 2018

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
 URL: <http://www.ryoden.co.jp/>
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 Scheduled date of filing quarterly securities report: February 14, 2018
 Scheduled date of commencing dividend payments: —
 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 Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	172,651	11.3	3,371	136.8	3,625	201.4	2,478	223.4
Nine months ended December 31, 2016	155,136	(5.2)	1,423	(38.2)	1,202	(48.4)	766	(33.3)

(Note) Comprehensive income: Nine months ended December 31, 2017: ¥3,403 million [—%]
 Nine months ended December 31, 2016: ¥27 million [(97.3)%]

	Profit per share	Diluted profit per share
	Yen	Yen
Nine months ended December 31, 2017	114.25	113.92
Nine months ended December 31, 2016	35.35	35.26

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 December 31, 2017	131,021	63,460	48.4	2,921.29
As of March 31, 2017	122,763	60,975	49.6	2,809.01

(Reference) Equity: As of December 31, 2017: ¥63,374 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)				26.00	—

Note: Revision from the most recently announced dividend forecast: Yes

The year-end dividend per share for the fiscal year ending March 31, 2018 consists of:

Ordinary dividend per share: ¥24.00

Commemorative dividend per share: ¥2.00

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.” In addition, for revisions in the dividend forecast, refer to “Notice Regarding Financial Results and Dividend Forecasts” released today.

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	233,300	6.4	4,500	64.8	4,800	96.5	3,200	130.5	147.53

Note: Revision from the most recently announced financial results forecast: Yes

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.” In addition, for revisions in the financial results forecast, refer to “Notice Regarding Financial Results and Dividend Forecasts” released today.

*** 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):
December 31, 2017: 22,824,977 shares
March 31, 2017: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
December 31, 2017: 1,130,964 shares
March 31, 2017: 1,140,608 shares
 - 3) Average number of shares during the period:
Nine months ended December 31, 2017: 21,690,863 shares
Nine months ended December 31, 2016: 21,677,332 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. For assumption of the forecasts and precautions, etc. when using forecasts, refer to “(3) Explanation Regarding Forward-looking Statements including Consolidated Financial Results Forecast” on P. 3 of the appendix.

(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	¥13.00
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- (2) Consolidated financial results forecast for the fiscal year ending March 31, 2018

Profit per share	Full year	¥73.76
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	19,168	12,622
Notes and accounts receivable - trade	55,832	55,358
Electronically recorded monetary claims - operating	9,586	13,837
Securities	—	1,471
Merchandise and finished goods	18,670	26,342
Other	3,973	5,487
Allowance for doubtful accounts	(200)	(25)
Total current assets	107,030	115,094
Non-current assets		
Property, plant and equipment	4,883	4,742
Intangible assets	658	698
Investments and other assets		
Other	10,615	11,076
Allowance for doubtful accounts	(425)	(590)
Total investments and other assets	10,190	10,485
Total non-current assets	15,732	15,926
Total assets	122,763	131,021

(Million yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,529	43,729
Electronically recorded obligations - operating	10,489	12,539
Short-term loans payable	761	892
Income taxes payable	263	822
Other	2,996	3,546
Total current liabilities	56,039	61,530
Non-current liabilities		
Net defined benefit liability	4,579	4,638
Other	1,168	1,391
Total non-current liabilities	5,748	6,030
Total liabilities	61,787	67,560
Net assets		
Shareholders' equity		
Capital stock	10,334	10,334
Capital surplus	7,392	7,399
Retained earnings	42,705	44,229
Treasury shares	(855)	(849)
Total shareholders' equity	59,576	61,114
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,003	2,830
Foreign currency translation adjustment	661	616
Remeasurements of defined benefit plans	(1,329)	(1,187)
Total accumulated other comprehensive income	1,334	2,260
Subscription rights to shares	63	86
Total net assets	60,975	63,460
Total liabilities and net assets	122,763	131,021

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

(Million yen)

	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net sales	155,136	172,651
Cost of sales	139,555	154,973
Gross profit	15,581	17,678
Selling, general and administrative expenses	14,157	14,306
Operating profit	1,423	3,371
Non-operating income		
Interest income	35	36
Dividend income	105	127
Foreign exchange gains	—	42
Share of profit of entities accounted for using equity method	37	34
Other	194	145
Total non-operating income	373	384
Non-operating expenses		
Interest expenses	29	21
Sales discounts	75	69
Foreign exchange losses	402	—
Loss on sales of accounts receivable	30	29
Other	57	11
Total non-operating expenses	594	131
Ordinary profit	1,202	3,625
Extraordinary income		
Gain on sales of investment securities	73	1
Total extraordinary income	73	1
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	56	—
Total extraordinary losses	56	—
Profit before income taxes	1,219	3,626
Income taxes	453	1,148
Profit	766	2,478
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	766	2,478

Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Profit	766	2,478
Other comprehensive income		
Valuation difference on available-for-sale securities	558	827
Foreign currency translation adjustment	(1,396)	(44)
Remeasurements of defined benefit plans, net of tax	99	142
Total other comprehensive income	(738)	925
Comprehensive income	27	3,403
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27	3,403
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Cash flows from operating activities		
Profit before income taxes	1,219	3,626
Depreciation	412	378
Increase (decrease) in allowance for doubtful accounts	7	4
Interest and dividend income	(141)	(163)
Interest expenses	29	21
Share of (profit) loss of entities accounted for using equity method	(37)	(34)
Decrease (increase) in notes and accounts receivable - trade	(449)	(3,743)
Decrease (increase) in inventories	2,693	(7,654)
Increase (decrease) in notes and accounts payable - trade	3,036	4,198
Other, net	1,241	(836)
Subtotal	8,012	(4,203)
Interest and dividend income received	167	178
Interest expenses paid	(27)	(19)
Income taxes paid	(1,240)	(525)
Net cash provided by (used in) operating activities	6,911	(4,570)
Cash flows from investing activities		
Proceeds from redemption of securities	953	—
Purchase of property, plant and equipment	(186)	(88)
Proceeds from sales of property, plant and equipment	1	2
Purchase of intangible assets	(113)	(243)
Purchase of investment securities	(511)	(422)
Proceeds from sales of investment securities	601	534
Decrease (increase) in short-term loans receivable	(58)	(16)
Other, net	112	94
Net cash provided by (used in) investing activities	798	(140)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(573)	121
Net decrease (increase) in treasury shares	(2)	(2)
Cash dividends paid	(1,013)	(930)
Net cash provided by (used in) financing activities	(1,589)	(811)
Effect of exchange rate change on cash and cash equivalents	(936)	(34)
Net increase (decrease) in cash and cash equivalents	5,183	(5,556)
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	21,856	13,607