

# Consolidated Financial Results for the Three Months Ended June 30, 2018 [Japanese GAAP]



July 31, 2018

Company name: Ryoden Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 8084  
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 Scheduled date of filing quarterly securities report: August 10, 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 Three Months Ended June 30, 2018 (April 1, 2018 to June 30, 2018)

(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                             | %   |
| Three months ended June 30, 2018 | 57,664      | 6.4 | 697              | 7.7 | 786             | 1.1 | 539                                     | 1.2 |
| Three months ended June 30, 2017 | 54,189      | 7.4 | 647              | —   | 778             | —   | 532                                     | —   |

(Note) Comprehensive income: Three Months ended June 30, 2018: ¥117 million [(82.8)%]  
 Three Months ended June 30, 2017: ¥678 million [—%]

|                                  | Profit per share | Diluted profit per share |
|----------------------------------|------------------|--------------------------|
|                                  | Yen              | Yen                      |
| Three months ended June 30, 2018 | 24.86            | 24.77                    |
| Three months ended June 30, 2017 | 24.58            | 24.51                    |

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 June 30, 2018  | 129,710      | 63,650      | 49.0         | 2,928.00             |
| As of March 31, 2018 | 133,710      | 64,057      | 47.8         | 2,948.86             |

(Reference) Equity: As of June 30, 2018: ¥63,518 million  
 As of March 31, 2018: ¥63,971 million

## 2. Dividends

|  | Annual dividends |                 |                 |              |          |
|--|------------------|-----------------|-----------------|--------------|----------|
|  | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end     | Total    |
| Fiscal year ended March 31, 2018             | Yen<br>—         | Yen<br>11.00    | Yen<br>—        | Yen<br>26.00 | Yen<br>— |
| Fiscal year ending March 31, 2019            | —                |                 |                 |              |          |
| Fiscal year ending March 31, 2019 (Forecast) |                  | 28.00           | —               | 24.00        | 52.00    |

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

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, for the fiscal year ended March 31, 2018, the dividend per share for the 2nd quarter-end indicates the amount before the consolidation, and the dividend per share for year-end indicates the amount after the consolidation. The total amount of annual dividends is stated as “—”.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% 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              |
| First half | 118,400     | 6.0 | 2,300            | 12.6 | 2,400           | 7.3 | 1,650                                   | 8.4 | 76.06            |
| Full year  | 237,000     | 0.2 | 5,200            | 2.4  | 5,400           | 6.8 | 3,700                                   | 3.1 | 170.56           |

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

**\* 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):
    - June 30, 2018: 22,824,977 shares
    - March 31, 2018: 22,824,977 shares
  - 2) Total number of treasury stock at the end of the period:
    - June 30, 2018: 1,131,343 shares
    - March 31, 2018: 1,131,243 shares
  - 3) Average number of shares during the period:
    - Three months ended June 30, 2018: 21,693,684 shares
    - Three months ended June 30, 2017: 21,683,980 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, average number of shares during the period for the three months ended June 30, 2017 was 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 by certified public accountant or audit firm.

## (1) Consolidated Balance Sheets

(Million yen)

|   | As of March 31, 2018 | As of June 30, 2018 |
|---|----------------------|---------------------|
| Assets  |                      |                     |
| Current assets                                      |                      |                     |
| Cash and deposits                                   | 14,128               | 12,936              |
| Notes and accounts receivable - trade               | 58,573               | 55,426              |
| Electronically recorded monetary claims - operating | 15,243               | 15,040              |
| Securities  | 247                  | 500                 |
| Merchandise and finished goods                      | 25,336               | 27,254              |
| Other   | 4,735                | 3,098               |
| Allowance for doubtful accounts                     | (26)                 | (25)                |
| Total current assets                                | 118,237              | 114,231             |
| Non-current assets                                  |                      |                     |
| Property, plant and equipment                       | 4,702                | 4,658               |
| Intangible assets                                   | 680                  | 668                 |
| Investments and other assets                        |                      |                     |
| Other   | 10,583               | 10,588              |
| Allowance for doubtful accounts                     | (494)                | (435)               |
| Total investments and other assets                  | 10,089               | 10,153              |
| Total non-current assets                            | 15,472               | 15,479              |
| Total assets  | 133,710              | 129,710             |

(Million yen)

|   | As of March 31, 2018 | As of June 30, 2018 |
|---|----------------------|---------------------|
| <b>Liabilities</b>                                    |                      |                     |
| <b>Current liabilities</b>                            |                      |                     |
| Notes and accounts payable - trade                    | 45,399               | 42,830              |
| Electronically recorded obligations - operating       | 12,464               | 12,444              |
| Short-term loans payable                              | 795                  | 1,130               |
| Income taxes payable                                  | 1,405                | 379                 |
| Other   | 3,551                | 3,442               |
| <b>Total current liabilities</b>                      | <b>63,615</b>        | <b>60,227</b>       |
| <b>Non-current liabilities</b>                        |                      |                     |
| Net defined benefit liability                         | 4,718                | 4,661               |
| Other   | 1,317                | 1,170               |
| <b>Total non-current liabilities</b>                  | <b>6,036</b>         | <b>5,832</b>        |
| <b>Total liabilities</b>                              | <b>69,652</b>        | <b>66,059</b>       |
| <b>Net assets</b>                                     |                      |                     |
| <b>Shareholders' equity</b>                           |                      |                     |
| Capital stock   | 10,334               | 10,334              |
| Capital surplus                                       | 7,399                | 7,399               |
| Retained earnings                                     | 45,340               | 45,309              |
| Treasury shares                                       | (850)                | (850)               |
| <b>Total shareholders' equity</b>                     | <b>62,224</b>        | <b>62,193</b>       |
| <b>Accumulated other comprehensive income</b>         |                      |                     |
| Valuation difference on available-for-sale securities | 2,305                | 2,173               |
| Foreign currency translation adjustment               | 710                  | 363                 |
| Remeasurements of defined benefit plans               | (1,267)              | (1,211)             |
| <b>Total accumulated other comprehensive income</b>   | <b>1,747</b>         | <b>1,325</b>        |
| Share acquisition rights                              | 86                   | 131                 |
| <b>Total net assets</b>                               | <b>64,057</b>        | <b>63,650</b>       |
| <b>Total liabilities and net assets</b>               | <b>133,710</b>       | <b>129,710</b>      |

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

(Million yen)

|  | For the three months<br>ended June 30, 2017 | For the three months<br>ended June 30, 2018 |
|--|---|---|
| Net sales  | 54,189                                      | 57,664                                      |
| Cost of sales  | 48,764                                      | 51,963                                      |
| Gross profit   | 5,424                                       | 5,701                                       |
| Selling, general and administrative expenses                     | 4,776                                       | 5,003                                       |
| Operating profit   | 647   | 697   |
| Non-operating income   |   |   |
| Interest income  | 10  | 12  |
| Dividend income  | 60  | 61  |
| Share of profit of entities accounted for using equity<br>method | 38  | 32  |
| Foreign exchange gains   | 37  | —   |
| Gain on valuation of investment securities                       | —   | 42  |
| Other  | 36  | 60  |
| Total non-operating income                                       | 183   | 209   |
| Non-operating expenses   |   |   |
| Interest expenses  | 7   | 7   |
| Sales discounts  | 26  | 14  |
| Foreign exchange losses  | —   | 48  |
| Other  | 19  | 50  |
| Total non-operating expenses                                     | 52  | 120   |
| Ordinary profit  | 778   | 786   |
| Extraordinary income   |   |   |
| Gain on sales of investment securities                           | —   | 8   |
| Total extraordinary income                                       | —   | 8   |
| Profit before income taxes                                       | 778   | 795   |
| Income taxes   | 245   | 255   |
| Profit   | 532   | 539   |
| Profit attributable to non-controlling interests                 | —   | —   |
| Profit attributable to owners of parent                          | 532   | 539   |

## Consolidated Statements of Comprehensive Income

(Million yen)

|  | For the three months<br>ended June 30, 2017 | For the three months<br>ended June 30, 2018 |
|--|---|---|
| Profit   | 532   | 539   |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | 328   | (131)                                       |
| Foreign currency translation adjustment                        | (230)                                       | (346)                                       |
| Remeasurements of defined benefit plans, net of tax            | 47  | 56  |
| Total other comprehensive income                               | 145   | (422)                                       |
| Comprehensive income   | 678   | 117   |
| Comprehensive income attributable to                           |   |   |
| Comprehensive income attributable to owners of parent          | 678   | 117   |
| Comprehensive income attributable to non-controlling interests | —   | —   |

## (3) Consolidated Statements of Cash Flows

(Million yen)

|  | For the three months<br>ended June 30, 2017 | For the three months<br>ended June 30, 2018 |
|--|---|---|
| Cash flows from operating activities                                     |   |   |
| Profit before income taxes   | 778   | 795   |
| Depreciation   | 120   | 115   |
| Increase (decrease) in allowance for doubtful accounts                   | 5   | (32)  |
| Interest and dividend income   | (70)  | (74)  |
| Interest expenses  | 7   | 7   |
| Share of loss (profit) of entities accounted for using equity method     | (38)  | (32)  |
| Decrease (increase) in notes and accounts receivable - trade             | 2,541                                       | 3,512                                       |
| Decrease (increase) in inventories                                       | (3,747)                                     | (2,117)                                     |
| Increase (decrease) in notes and accounts payable - trade                | (979)                                       | (2,274)                                     |
| Other, net   | (357)                                       | 1,157                                       |
| Subtotal   | (1,739)                                     | 1,056                                       |
| Interest and dividend income received                                    | 81  | 78  |
| Interest expenses paid   | (6)   | (6)   |
| Income taxes paid  | (131)                                       | (1,222)                                     |
| Net cash provided by (used in) operating activities                      | (1,796)                                     | (93)  |
| Cash flows from investing activities                                     |   |   |
| Proceeds from redemption of securities                                   | —   | 101   |
| Purchase of property, plant and equipment                                | (17)  | (31)  |
| Proceeds from sales of property, plant and equipment                     | 0   | 0   |
| Purchase of intangible assets  | (88)  | (35)  |
| Purchase of investment securities  | (174)                                       | (185)                                       |
| Proceeds from sales of investment securities                             | 126   | 12  |
| Other, net   | 21  | 5   |
| Net cash provided by (used in) investing activities                      | (131)                                       | (132)                                       |
| Cash flows from financing activities                                     |   |   |
| Net increase (decrease) in short-term loans payable                      | (230)                                       | 360   |
| Net decrease (increase) in treasury shares                               | 0   | 0   |
| Cash dividends paid  | (453)                                       | (538)                                       |
| Net cash provided by (used in) financing activities                      | (684)                                       | (178)                                       |
| Effect of exchange rate change on cash and cash equivalents              | (132)                                       | (282)                                       |
| Net increase (decrease) in cash and cash equivalents                     | (2,745)                                     | (685)                                       |
| Cash and cash equivalents at beginning of period                         | 19,163                                      | 14,112                                      |
| Increase in cash and cash equivalents from newly consolidated subsidiary | —   | —   |
| Cash and cash equivalents at end of period                               | 16,417                                      | 13,426                                      |