

Consolidated Financial Results for the Six Months Ended September 30, 2019 [Japanese GAAP]



October 31, 2019

Company name: Ryoden Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 8084

URL: <https://www.ryoden.co.jp/>

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Scheduled date of filing quarterly securities report: November 14, 2019

Scheduled date of commencing dividend payments: December 6, 2019

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(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, 2019	115,233	(2.3)	2,783	17.7	2,845	21.6	1,938	20.3
Six months ended September 30, 2018	117,939	5.6	2,364	15.8	2,340	4.7	1,610	5.9

(Note) Comprehensive income: Six months ended September 30, 2019: ¥1,804 million [17.0%]

Six months ended September 30, 2018: ¥1,542 million [(21.4)%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended September 30, 2019	89.28	88.86
Six months ended September 30, 2018	74.25	73.97

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2019	125,212	66,962	53.4	3,076.50
As of March 31, 2019	132,729	65,716	49.4	3,022.78

(Reference) Equity: As of September 30, 2019: ¥66,820 million

As of March 31, 2019: ¥65,594 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen —	Yen 28.00	Yen —	Yen 28.00	Yen 56.00
Fiscal year ending March 31, 2020	—	28.00			
Fiscal year ending March 31, 2020 (Forecast)			—	28.00	56.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	233,600	(2.8)	5,300	(5.8)	5,300	(6.2)	3,700	(0.9)	170.43

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):
September 30, 2019: 22,824,977 shares
March 31, 2019: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
September 30, 2019: 1,105,457 shares
March 31, 2019: 1,124,755 shares
 - 3) Average number of shares during the period:
Six months ended September 30, 2019: 21,709,854 shares
Six months ended September 30, 2018: 21,697,124 shares

* These quarterly financial results are outside the scope of quarterly review procedures by certified public accountant or audit firm.

* 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.

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	17,117	17,750
Notes and accounts receivable - trade	57,688	52,090
Electronically recorded monetary claims - operating	16,013	15,383
Securities	44	1,000
Merchandise and finished goods	23,784	21,072
Other	3,140	2,711
Allowance for doubtful accounts	(35)	(25)
Total current assets	117,753	109,982
Non-current assets		
Property, plant and equipment	4,580	4,551
Intangible assets	673	633
Investments and other assets		
Other	10,150	10,474
Allowance for doubtful accounts	(427)	(429)
Total investments and other assets	9,722	10,045
Total non-current assets	14,976	15,230
Total assets	132,729	125,212

(Million yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,031	38,469
Electronically recorded obligations - operating	10,842	8,916
Short-term borrowings	1,358	533
Income taxes payable	1,035	998
Other	3,948	3,686
Total current liabilities	61,216	52,604
Non-current liabilities		
Retirement benefit liability	4,667	4,533
Other	1,129	1,113
Total non-current liabilities	5,797	5,646
Total liabilities	67,013	58,250
Net assets		
Shareholders' equity		
Share capital	10,334	10,334
Capital surplus	7,405	7,419
Retained earnings	47,900	49,231
Treasury shares	(846)	(831)
Total shareholders' equity	64,793	66,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,650	1,587
Foreign currency translation adjustment	405	211
Remeasurements of defined benefit plans	(1,254)	(1,131)
Total accumulated other comprehensive income	800	667
Share acquisition rights	121	142
Total net assets	65,716	66,962
Total liabilities and net assets	132,729	125,212

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

(Million yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Net sales	117,939	115,233
Cost of sales	105,768	102,496
Gross profit	12,170	12,737
Selling, general and administrative expenses	9,805	9,954
Operating profit	2,364	2,783
Non-operating income		
Interest income	31	30
Dividend income	67	68
Share of profit of entities accounted for using equity method	20	27
Other	91	62
Total non-operating income	211	188
Non-operating expenses		
Interest expenses	15	19
Sales discounts	26	23
Foreign exchange losses	155	63
Loss on sales of trade receivables	19	10
Other	18	10
Total non-operating expenses	236	127
Ordinary profit	2,340	2,845
Extraordinary income		
Gain on sales of investment securities	8	6
Total extraordinary income	8	6
Profit before income taxes	2,348	2,851
Income taxes	737	913
Profit	1,610	1,938
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,610	1,938

Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Profit	1,610	1,938
Other comprehensive income		
Valuation difference on available-for-sale securities	80	(63)
Foreign currency translation adjustment	(261)	(193)
Remeasurements of defined benefit plans, net of tax	111	122
Total other comprehensive income	(68)	(133)
Comprehensive income	1,542	1,804
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,542	1,804
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	2,348	2,851
Depreciation	237	263
Increase (decrease) in allowance for doubtful accounts	(37)	(7)
Interest and dividend income	(99)	(98)
Interest expenses	15	19
Share of loss (profit) of entities accounted for using equity method	(20)	(27)
Decrease (increase) in trade receivables	6,189	6,033
Decrease (increase) in inventories	(1,530)	2,597
Increase (decrease) in trade payables	(2,709)	(7,321)
Other, net	1,547	177
Subtotal	5,942	4,486
Interest and dividends received	103	139
Interest paid	(15)	(19)
Income taxes paid	(1,230)	(939)
Net cash provided by (used in) operating activities	4,799	3,667
Cash flows from investing activities		
Proceeds from redemption of securities	101	100
Purchase of property, plant and equipment	(72)	(58)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(67)	(49)
Purchase of investment securities	(253)	(493)
Proceeds from sales of investment securities	19	21
Other, net	16	(65)
Net cash provided by (used in) investing activities	(255)	(545)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	520	(750)
Net decrease (increase) in treasury shares	0	(0)
Dividends paid	(564)	(607)
Net cash provided by (used in) financing activities	(44)	(1,358)
Effect of exchange rate change on cash and cash equivalents	(214)	(130)
Net increase (decrease) in cash and cash equivalents	4,285	1,633
Cash and cash equivalents at beginning of period	14,112	17,107
Cash and cash equivalents at end of period	18,398	18,741