

Consolidated Financial Results for the Nine Months Ended December 31, 2019 [Japanese GAAP]



January 31, 2020

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
 URL: <https://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: February 14, 2020

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, 2019 (April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	169,940	(4.4)	3,663	4.3	3,785	6.3	2,621	7.4
Nine months ended December 31, 2018	177,738	2.9	3,514	4.2	3,559	(1.8)	2,441	(1.5)

(Note) Comprehensive income: Nine months ended December 31, 2019: ¥2,874 million [77.8%]

Nine months ended December 31, 2018: ¥1,616 million [(52.5)%]

	Profit per share	Diluted profit per share
	Yen	Yen
Nine months ended December 31, 2019	120.73	120.17
Nine months ended December 31, 2018	112.52	112.11

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2019	130,034	67,423	51.7	3,097.79
As of March 31, 2019	132,729	65,716	49.4	3,022.78

(Reference) Equity: As of December 31, 2019: ¥67,281 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	233,600	(2.8)	5,300	(5.8)	5,300	(6.2)	3,700	(0.9)	170.40

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):
December 31, 2019: 22,824,977 shares
March 31, 2019: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
December 31, 2019: 1,105,733 shares
March 31, 2019: 1,124,755 shares
 - 3) Average number of shares during the period:
Nine months ended December 31, 2019: 21,713,029 shares
Nine months ended December 31, 2018: 21,698,259 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 December 31, 2019
Assets		
Current assets		
Cash and deposits	17,117	21,027
Notes and accounts receivable - trade	57,688	50,478
Electronically recorded monetary claims - operating	16,013	16,847
Securities	44	1,000
Merchandise and finished goods	23,784	22,711
Other	3,140	2,539
Allowance for doubtful accounts	(35)	(26)
Total current assets	117,753	114,578
Non-current assets		
Property, plant and equipment	4,580	4,486
Intangible assets	673	610
Investments and other assets		
Other	10,150	10,783
Allowance for doubtful accounts	(427)	(425)
Total investments and other assets	9,722	10,358
Total non-current assets	14,976	15,455
Total assets	132,729	130,034

(Million yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,031	40,788
Electronically recorded obligations - operating	10,842	11,600
Short-term borrowings	1,358	258
Income taxes payable	1,035	367
Other	3,948	3,991
Total current liabilities	61,216	57,006
Non-current liabilities		
Retirement benefit liability	4,667	4,488
Other	1,129	1,116
Total non-current liabilities	5,797	5,604
Total liabilities	67,013	62,610
Net assets		
Shareholders' equity		
Share capital	10,334	10,334
Capital surplus	7,405	7,419
Retained earnings	47,900	49,306
Treasury shares	(846)	(832)
Total shareholders' equity	64,793	66,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,650	2,006
Foreign currency translation adjustment	405	117
Remeasurements of defined benefit plans	(1,254)	(1,069)
Total accumulated other comprehensive income	800	1,054
Share acquisition rights	121	142
Total net assets	65,716	67,423
Total liabilities and net assets	132,729	130,034

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

(Million yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Net sales	177,738	169,940
Cost of sales	159,546	151,373
Gross profit	18,192	18,567
Selling, general and administrative expenses	14,678	14,903
Operating profit	3,514	3,663
Non-operating income		
Interest income	50	42
Dividend income	114	119
Share of profit of entities accounted for using equity method	41	53
Other	188	83
Total non-operating income	396	298
Non-operating expenses		
Interest expenses	27	26
Sales discounts	41	38
Foreign exchange losses	233	82
Loss on sales of trade receivables	26	12
Other	21	17
Total non-operating expenses	350	176
Ordinary profit	3,559	3,785
Extraordinary income		
Gain on sales of investment securities	8	22
Total extraordinary income	8	22
Profit before income taxes	3,568	3,808
Income taxes	1,126	1,186
Profit	2,441	2,621
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,441	2,621

Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Profit	2,441	2,621
Other comprehensive income		
Valuation difference on available-for-sale securities	(890)	356
Foreign currency translation adjustment	(101)	(287)
Remeasurements of defined benefit plans, net of tax	167	184
Total other comprehensive income	(824)	253
Comprehensive income	1,616	2,874
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,616	2,874
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31, 2018	For the nine months ended December 31, 2019
Cash flows from operating activities		
Profit before income taxes	3,568	3,808
Depreciation	365	402
Increase (decrease) in allowance for doubtful accounts	(38)	(7)
Interest and dividend income	(165)	(161)
Interest expenses	27	26
Share of loss (profit) of entities accounted for using equity method	(41)	(53)
Decrease (increase) in trade receivables	4,940	6,203
Decrease (increase) in inventories	(2,049)	914
Increase (decrease) in trade payables	(3,814)	(2,272)
Other, net	2,286	580
Subtotal	5,078	9,441
Interest and dividends received	171	205
Interest paid	(26)	(26)
Income taxes paid	(1,995)	(1,778)
Net cash provided by (used in) operating activities	3,227	7,841
Cash flows from investing activities		
Proceeds from redemption of securities	101	200
Purchase of property, plant and equipment	(130)	(104)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(101)	(91)
Purchase of investment securities	(410)	(527)
Proceeds from sales of investment securities	24	74
Decrease (increase) in short-term loans receivable	(58)	—
Other, net	14	(72)
Net cash provided by (used in) investing activities	(559)	(521)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	799	(985)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,143)	(1,188)
Net cash provided by (used in) financing activities	(344)	(2,173)
Effect of exchange rate change on cash and cash equivalents	(104)	(235)
Net increase (decrease) in cash and cash equivalents	2,219	4,910
Cash and cash equivalents at beginning of period	14,112	17,107
Cash and cash equivalents at end of period	16,331	22,018