

Consolidated Financial Results for the Six Months Ended September 30, 2020 [Japanese GAAP]



October 29, 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: Hirozou Tomomori, General Manager, General Affairs Department

Phone: +81-3-5396-6111

Scheduled date of filing quarterly securities report: November 13, 2020

Scheduled date of commencing dividend payments: December 4, 2020

Availability of supplementary briefing material on quarterly financial results: Yes (Japanese only)

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

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(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, 2020	92,715	(19.5)	1,228	(55.9)	1,348	(52.6)	1,072	(44.7)
Six months ended September 30, 2019	115,233	(2.3)	2,783	17.7	2,845	21.6	1,938	20.3

(Note) Comprehensive income: Six months ended September 30, 2020: ¥1,170 million [(35.2)%]

Six months ended September 30, 2019: ¥1,804 million [17.0%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended September 30, 2020	49.35	49.08
Six months ended September 30, 2019	89.28	88.86

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2020	117,021	68,176	58.1	3,127.78
As of March 31, 2020	128,304	67,557	52.5	3,104.00

(Reference) Equity: As of September 30, 2020: ¥68,016 million

As of March 31, 2020: ¥67,415 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2020	Yen —	Yen 28.00	Yen —	Yen 28.00	Yen 56.00
Fiscal year ending March 31, 2021	—	28.00			
Fiscal year ending March 31, 2021 (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, 2021 (April 1, 2020 to March 31, 2021)

(% 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
	204,000	(11.3)	4,000	(28.0)	4,000	(30.5)	3,000	(22.3)	138.04

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, 2020: 22,824,977 shares
March 31, 2020: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
September 30, 2020: 1,079,141 shares
March 31, 2020: 1,105,965 shares
 - 3) Average number of shares during the period:
Six months ended September 30, 2020: 21,732,444 shares
Six months ended September 30, 2019: 21,709,854 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, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	20,174	22,423
Notes and accounts receivable - trade	53,028	40,995
Electronically recorded monetary claims - operating	16,626	13,514
Securities	—	500
Merchandise and finished goods	20,857	23,077
Other	2,906	2,332
Allowance for doubtful accounts	(27)	(16)
Total current assets	113,565	102,825
Non-current assets		
Property, plant and equipment	4,122	3,924
Intangible assets	623	584
Investments and other assets		
Other	10,432	10,112
Allowance for doubtful accounts	(439)	(425)
Total investments and other assets	9,993	9,686
Total non-current assets	14,738	14,195
Total assets	128,304	117,021

(Million yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,064	27,592
Electronically recorded obligations - operating	10,332	10,948
Short-term borrowings	246	363
Income taxes payable	1,127	667
Other	3,974	3,340
Total current liabilities	54,745	42,912
Non-current liabilities		
Retirement benefit liability	4,875	4,790
Other	1,125	1,141
Total non-current liabilities	6,001	5,932
Total liabilities	60,746	48,844
Net assets		
Shareholders' equity		
Share capital	10,334	10,334
Capital surplus	7,419	7,437
Retained earnings	50,544	51,009
Treasury shares	(832)	(812)
Total shareholders' equity	67,465	67,968
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,060	1,246
Foreign currency translation adjustment	314	114
Remeasurements of defined benefit plans	(1,425)	(1,313)
Total accumulated other comprehensive income	(49)	47
Share acquisition rights	142	160
Total net assets	67,557	68,176
Total liabilities and net assets	128,304	117,021

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

(Million yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Net sales	115,233	92,715
Cost of sales	102,496	82,254
Gross profit	12,737	10,460
Selling, general and administrative expenses	9,954	9,232
Operating profit	2,783	1,228
Non-operating income		
Interest income	30	23
Dividend income	68	68
Share of profit of entities accounted for using equity method	27	23
Other	62	96
Total non-operating income	188	212
Non-operating expenses		
Interest expenses	19	12
Sales discounts	23	19
Foreign exchange losses	63	52
Loss on sales of trade receivables	10	3
Other	10	5
Total non-operating expenses	127	92
Ordinary profit	2,845	1,348
Extraordinary income		
Gain on sales of investment securities	6	—
Gain on sales of shares of subsidiaries and associates	—	199
Gain on sales of non-current assets	—	55
Total extraordinary income	6	254
Profit before income taxes	2,851	1,602
Income taxes	913	530
Profit	1,938	1,072
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,938	1,072

Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Profit	1,938	1,072
Other comprehensive income		
Valuation difference on available-for-sale securities	(63)	185
Foreign currency translation adjustment	(193)	(199)
Remeasurements of defined benefit plans, net of tax	122	111
Total other comprehensive income	(133)	97
Comprehensive income	1,804	1,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,804	1,170
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	2,851	1,602
Depreciation	263	210
Increase (decrease) in allowance for doubtful accounts	(7)	(10)
Interest and dividend income	(98)	(92)
Interest expenses	19	12
Share of loss (profit) of entities accounted for using equity method	(27)	(23)
Loss (gain) on sales of non-current assets	—	(55)
Loss (gain) on sales of shares of subsidiaries and associates	—	(199)
Decrease (increase) in trade receivables	6,033	14,959
Decrease (increase) in inventories	2,597	(2,321)
Increase (decrease) in trade payables	(7,321)	(10,659)
Other, net	177	148
Subtotal	4,486	3,571
Interest and dividends received	139	112
Interest paid	(19)	(12)
Income taxes paid	(939)	(983)
Net cash provided by (used in) operating activities	3,667	2,687
Cash flows from investing activities		
Proceeds from redemption of securities	100	—
Purchase of property, plant and equipment	(58)	(63)
Proceeds from sales of property, plant and equipment	0	210
Purchase of intangible assets	(49)	(34)
Purchase of investment securities	(493)	(168)
Proceeds from sales of investment securities	21	452
Other, net	(65)	279
Net cash provided by (used in) investing activities	(545)	675
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(750)	132
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(607)	(607)
Net cash provided by (used in) financing activities	(1,358)	(475)
Effect of exchange rate change on cash and cash equivalents	(130)	(139)
Net increase (decrease) in cash and cash equivalents	1,633	2,748
Cash and cash equivalents at beginning of period	17,107	20,165
Cash and cash equivalents at end of period	18,741	22,914