

Consolidated Financial Results for the Nine Months Ended December 31, 2018 [Japanese GAAP]



January 31, 2019

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
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Scheduled date of filing quarterly securities report: February 14, 2019

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, 2018 (April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	177,738	2.9	3,514	4.2	3,559	(1.8)	2,441	(1.5)
Nine months ended December 31, 2017	172,651	11.3	3,371	136.8	3,625	201.4	2,478	223.4

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

Nine months ended December 31, 2017: ¥3,403 million [—%]

	Profit per share	Diluted profit per share
	Yen	Yen
Nine months ended December 31, 2018	112.52	112.11
Nine months ended December 31, 2017	114.25	113.92

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, 2018	129,770	64,547	49.6	2,968.91
As of March 31, 2018	133,710	64,057	47.8	2,948.86

(Reference) Equity: As of December 31, 2018: ¥64,426 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 —	Yen 11.00	Yen —	Yen 26.00	Yen —
Fiscal year ending March 31, 2019	—	28.00	—		
Fiscal year ending March 31, 2019 (Forecast)				24.00	52.00

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

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
Full year	237,000	0.2	5,200	2.4	5,400	6.8	3,700	3.1	170.52

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, 2018: 22,824,977 shares
March 31, 2018: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
December 31, 2018: 1,124,499 shares
March 31, 2018: 1,131,243 shares
 - 3) Average number of shares during the period:
Nine months ended December 31, 2018: 21,698,259 shares
Nine months ended December 31, 2017: 21,690,863 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 nine months ended December 31, 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.

* 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, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	14,128	15,842
Notes and accounts receivable - trade	58,573	54,111
Electronically recorded monetary claims - operating	15,243	14,705
Securities	247	572
Merchandise and finished goods	25,336	27,343
Other	4,735	2,420
Allowance for doubtful accounts	(26)	(25)
Total current assets	118,237	114,970
Non-current assets		
Property, plant and equipment	4,702	4,631
Intangible assets	680	657
Investments and other assets		
Other	10,583	9,936
Allowance for doubtful accounts	(494)	(425)
Total investments and other assets	10,089	9,511
Total non-current assets	15,472	14,799
Total assets	133,710	129,770

(Million yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,399	42,811
Electronically recorded obligations - operating	12,464	11,090
Short-term loans payable	795	1,574
Income taxes payable	1,405	438
Other	3,551	3,614
Total current liabilities	63,615	59,530
Non-current liabilities		
Net defined benefit liability	4,718	4,566
Other	1,317	1,126
Total non-current liabilities	6,036	5,692
Total liabilities	69,652	65,222
Net assets		
Shareholders' equity		
Capital stock	10,334	10,334
Capital surplus	7,399	7,405
Retained earnings	45,340	46,609
Treasury shares	(850)	(845)
Total shareholders' equity	62,224	63,503
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,305	1,414
Foreign currency translation adjustment	710	608
Remeasurements of defined benefit plans	(1,267)	(1,100)
Total accumulated other comprehensive income	1,747	922
Share acquisition rights	86	121
Total net assets	64,057	64,547
Total liabilities and net assets	133,710	129,770

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

(Million yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Net sales	172,651	177,738
Cost of sales	154,973	159,546
Gross profit	17,678	18,192
Selling, general and administrative expenses	14,306	14,678
Operating profit	3,371	3,514
Non-operating income		
Interest income	36	50
Dividend income	127	114
Share of profit of entities accounted for using equity method	34	41
Foreign exchange gains	42	—
Other	145	188
Total non-operating income	384	396
Non-operating expenses		
Interest expenses	21	27
Sales discounts	69	41
Foreign exchange losses	—	233
Loss on sales of accounts receivable	29	26
Other	11	21
Total non-operating expenses	131	350
Ordinary profit	3,625	3,559
Extraordinary income		
Gain on sales of investment securities	1	8
Total extraordinary income	1	8
Profit before income taxes	3,626	3,568
Income taxes	1,148	1,126
Profit	2,478	2,441
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,478	2,441

Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Profit	2,478	2,441
Other comprehensive income		
Valuation difference on available-for-sale securities	827	(890)
Foreign currency translation adjustment	(44)	(101)
Remeasurements of defined benefit plans, net of tax	142	167
Total other comprehensive income	925	(824)
Comprehensive income	3,403	1,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,403	1,616
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Cash flows from operating activities		
Profit before income taxes	3,626	3,568
Depreciation	378	365
Increase (decrease) in allowance for doubtful accounts	4	(38)
Interest and dividend income	(163)	(165)
Interest expenses	21	27
Share of loss (profit) of entities accounted for using equity method	(34)	(41)
Decrease (increase) in notes and accounts receivable - trade	(3,743)	4,940
Decrease (increase) in inventories	(7,654)	(2,049)
Increase (decrease) in notes and accounts payable - trade	4,198	(3,814)
Other, net	(836)	2,286
Subtotal	(4,203)	5,078
Interest and dividend income received	178	171
Interest expenses paid	(19)	(26)
Income taxes paid	(525)	(1,995)
Net cash provided by (used in) operating activities	(4,570)	3,227
Cash flows from investing activities		
Proceeds from redemption of securities	—	101
Purchase of property, plant and equipment	(88)	(130)
Proceeds from sales of property, plant and equipment	2	0
Purchase of intangible assets	(243)	(101)
Purchase of investment securities	(422)	(410)
Proceeds from sales of investment securities	534	24
Decrease (increase) in short-term loans receivable	(16)	(58)
Other, net	94	14
Net cash provided by (used in) investing activities	(140)	(559)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	121	799
Net decrease (increase) in treasury shares	(2)	(0)
Cash dividends paid	(930)	(1,143)
Net cash provided by (used in) financing activities	(811)	(344)
Effect of exchange rate change on cash and cash equivalents	(34)	(104)
Net increase (decrease) in cash and cash equivalents	(5,556)	2,219
Cash and cash equivalents at beginning of period	19,163	14,112
Cash and cash equivalents at end of period	13,607	16,331