

Consolidated Financial Results for the Three Months Ended June 30, 2017 [Japanese GAAP]



July 31, 2017

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, 2017
 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, 2017 (April 1, 2017 to June 30, 2017)

(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, 2017	54,189	7.4	647	—	778	—	532	—
Three Months ended June 30, 2016	50,435	(58)	(121)	—	(328)	—	(289)	—

(Note) Comprehensive income: Three Months ended June 30, 2017: ¥678 million [—%]
 Three Months ended June 30, 2016: ¥(896) million [—%]

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2017	12.29	12.25
Three Months ended June 30, 2016	(6.67)	—

Diluted profit per share for the three months ended June 30, 2016 is not presented because, although there were potential shares, a net loss per share was recorded.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2017	121,522	61,214	50.3	1,409.18
As of March 31, 2017	122,763	60,975	49.6	1,404.51

(Reference) Equity: As of June 30, 2017: ¥61,112 million
 As of March 31, 2017: ¥60,911 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2017	Yen —	Yen 11.00	Yen —	Yen 11.00	Yen 22.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		11.00	—	22.00	—

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

Since the Company will conduct a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017, the year-end dividend per share presented in the forecast for the fiscal year ending March 31, 2018 factors in the impact of the said share consolidation. The total amount of annual dividends is stated as “—”, as it may not be calculated as a simple sum. For details, refer to the section titled, “Explanation of the proper use of financial results forecast and other notes.”

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% 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	110,500	7.6	1,500	81.9	1,500	161.6	1,000	235.0	23.06
Full year	224,800	2.5	3,300	20.9	3,200	31.0	2,100	51.3	96.84

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

The amounts of profit per share in the consolidated financial results forecast for the fiscal year ending March 31, 2018 factors in the impact of the above share consolidation. For details, refer to the section titled, “Explanation of the proper use of financial results forecast and other notes.”

* 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, 2017: 45,649,955 shares
 - March 31, 2017: 45,649,955 shares
 - 2) Total number of treasury stock at the end of the period:
 - June 30, 2017: 2,282,447 shares
 - March 31, 2017: 2,281,216 shares
 - 3) Average number of shares during the period:
 - Three months ended June 30, 2017: 43,367,962 shares
 - Three months ended June 30, 2016: 43,338,853 shares

* These quarterly financial results are outside the scope of quarterly review procedures.

* 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.

(Dividends and financial results forecast after the share consolidation)

The Company will conduct a share consolidation (consolidation of two shares of common stock into one share) with the effective date of October 1, 2017 based on a resolution of the Company's 77th Ordinary General Meeting of Shareholders held on June 29, 2017. The forecasts of the dividends and consolidated financial results for the fiscal year ending March 31, 2018 without taking into consideration the impact of the share consolidation are as follows.

(1) Dividend forecast for the fiscal year ending March 31, 2018

Dividend per share

2nd quarter-end	¥11.00
Year end	¥11.00

(2) Consolidated financial results forecast for the fiscal year ending March 31, 2018

Profit per share

First half	¥23.06
Full year	¥48.42

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of June 30, 2017
<u>Assets</u>		
Current assets		
Cash and deposits	19,168	15,932
Notes and accounts receivable - trade	55,832	52,010
Electronically recorded monetary claims - operating	9,586	10,778
Securities	—	831
Merchandise and finished goods	18,670	22,327
Other	3,973	3,957
Allowance for doubtful accounts	(200)	(22)
Total current assets	<u>107,030</u>	<u>105,815</u>
Non-current assets		
Property, plant and equipment	4,883	4,833
Intangible assets	658	628
Investments and other assets		
Other	10,615	10,838
Allowance for doubtful accounts	(425)	(594)
Total investments and other assets	<u>10,190</u>	<u>10,244</u>
Total non-current assets	<u>15,732</u>	<u>15,707</u>
Total assets	<u>122,763</u>	<u>121,522</u>

(Million yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,529	39,867
Electronically recorded obligations - operating	10,489	10,971
Short-term loans payable	761	510
Income taxes payable	263	334
Other	2,996	2,869
Total current liabilities	56,039	54,553
Non-current liabilities		
Net defined benefit liability	4,579	4,597
Other	1,168	1,158
Total non-current liabilities	5,748	5,755
Total liabilities	61,787	60,308
Net assets		
Shareholders' equity		
Capital stock	10,334	10,334
Capital surplus	7,392	7,392
Retained earnings	42,705	42,761
Treasury shares	(855)	(856)
Total shareholders' equity	59,576	59,631
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,003	2,331
Foreign currency translation adjustment	661	430
Remeasurements of defined benefit plans	(1,329)	(1,282)
Total accumulated other comprehensive income	1,334	1,480
Subscription rights to shares	63	101
Total net assets	60,975	61,214
Total liabilities and net assets	122,763	121,522

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

(Million yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Net sales	50,435	54,189
Cost of sales	45,648	48,764
Gross profit	4,787	5,424
Selling, general and administrative expenses	4,909	4,776
Operating profit (loss)	(121)	647
Non-operating income		
Interest income	12	10
Dividend income	58	60
Insurance income	37	—
Share of profit of entities accounted for using equity method	40	38
Foreign exchange gains	—	37
Other	34	36
Total non-operating income	184	183
Non-operating expenses		
Interest expenses	12	7
Sales discounts	27	26
Foreign exchange losses	286	—
Other	65	19
Total non-operating expenses	391	52
Ordinary profit (loss)	(328)	778
Extraordinary income		
Gain on sales of investment securities	10	—
Total extraordinary income	10	—
Profit (loss) before income taxes	(318)	778
Total income taxes	(29)	245
Profit (loss)	(289)	532
Profit attributable to non-controlling interests	—	—
Profit (loss) attributable to owners of parent	(289)	532

Consolidated Statements of Comprehensive Income

(Million yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Profit (loss)	(289)	532
Other comprehensive income		
Valuation difference on available-for-sale securities	(121)	328
Foreign currency translation adjustment	(518)	(230)
Remeasurements of defined benefit plans, net of tax	33	47
Total other comprehensive income	(607)	145
Comprehensive income	(896)	678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(896)	678
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	(318)	778
Depreciation	128	120
Increase (decrease) in allowance for doubtful accounts	2	5
Interest and dividend income	(71)	(70)
Interest expenses	12	7
Share of (profit) loss of entities accounted for using equity method	(40)	(38)
Decrease (increase) in notes and accounts receivable - trade	3,473	2,541
Decrease (increase) in inventories	647	(3,747)
Increase (decrease) in notes and accounts payable - trade	(1,791)	(979)
Other, net	1,069	(357)
Subtotal	3,111	(1,739)
Interest and dividend income received	91	81
Interest expenses paid	(10)	(6)
Income taxes paid	(594)	(131)
Net cash provided by (used in) operating activities	2,597	(1,796)
Cash flows from investing activities		
Proceeds from redemption of securities	553	—
Purchase of property, plant and equipment	(137)	(17)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(30)	(88)
Purchase of investment securities	(1)	(174)
Proceeds from sales of investment securities	21	126
Decrease (increase) in short-term loans receivable	(56)	—
Other, net	80	21
Net cash provided by (used in) investing activities	430	(131)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(21)	(230)
Net decrease (increase) in treasury shares	0	0
Cash dividends paid	(530)	(453)
Net cash provided by (used in) financing activities	(552)	(684)
Effect of exchange rate change on cash and cash equivalents	(329)	(132)
Net increase (decrease) in cash and cash equivalents	2,145	(2,745)
Cash and cash equivalents at beginning of period	16,660	19,163
Increase in cash and cash equivalents from newly consolidated subsidiary	12	—
Cash and cash equivalents at end of period	18,818	16,417