

Consolidated Financial Results for the Six Months Ended September 30, 2018 [Japanese GAAP]



October 31, 2018

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
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Scheduled date of filing quarterly securities report: November 14, 2018
 Scheduled date of commencing dividend payments: December 10, 2018
 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 Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 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	%
Six months ended September 30, 2018	117,939	5.6	2,364	15.8	2,340	4.7	1,610	5.9
Six months ended September 30, 2017	111,711	8.8	2,043	147.8	2,236	290.0	1,521	409.8

(Note) Comprehensive income: Six Months ended September 30, 2018: ¥1,542 million [(21.4)%]
 Six Months ended September 30, 2017: ¥1,961 million [—%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended September 30, 2018	74.25	73.97
Six months ended September 30, 2017	70.17	69.96

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 September 30, 2018	131,641	65,081	49.3	2,993.48
As of March 31, 2018	133,710	64,057	47.8	2,948.86

(Reference) Equity: As of September 30, 2018: ¥64,960 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	170.53

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, 2018: 22,824,977 shares
March 31, 2018: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
September 30, 2018: 1,124,398 shares
March 31, 2018: 1,131,243 shares
 - 3) Average number of shares during the period:
Six months ended September 30, 2018: 21,697,124 shares
Six months ended September 30, 2017: 21,689,218 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 six months ended September 30, 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 September 30, 2018
Assets		
Current assets		
Cash and deposits	14,128	17,908
Notes and accounts receivable - trade	58,573	55,013
Electronically recorded monetary claims - operating	15,243	12,829
Securities	247	500
Merchandise and finished goods	25,336	26,718
Other	4,735	2,928
Allowance for doubtful accounts	(26)	(24)
Total current assets	118,237	115,873
Non-current assets		
Property, plant and equipment	4,702	4,673
Intangible assets	680	689
Investments and other assets		
Other	10,583	10,835
Allowance for doubtful accounts	(494)	(429)
Total investments and other assets	10,089	10,405
Total non-current assets	15,472	15,767
Total assets	133,710	131,641

(Million yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,399	43,533
Electronically recorded obligations - operating	12,464	11,472
Short-term loans payable	795	1,277
Income taxes payable	1,405	883
Other	3,551	3,644
Total current liabilities	63,615	60,811
Non-current liabilities		
Net defined benefit liability	4,718	4,628
Other	1,317	1,120
Total non-current liabilities	6,036	5,749
Total liabilities	69,652	66,560
Net assets		
Shareholders' equity		
Capital stock	10,334	10,334
Capital surplus	7,399	7,405
Retained earnings	45,340	46,387
Treasury shares	(850)	(845)
Total shareholders' equity	62,224	63,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,305	2,385
Foreign currency translation adjustment	710	449
Remeasurements of defined benefit plans	(1,267)	(1,156)
Total accumulated other comprehensive income	1,747	1,678
Share acquisition rights	86	121
Total net assets	64,057	65,081
Total liabilities and net assets	133,710	131,641

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

(Million yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Net sales	111,711	117,939
Cost of sales	100,191	105,768
Gross profit	11,519	12,170
Selling, general and administrative expenses	9,476	9,805
Operating profit	2,043	2,364
Non-operating income		
Interest income	25	31
Dividend income	75	67
Share of profit of entities accounted for using equity method	16	20
Foreign exchange gains	61	—
Other	101	91
Total non-operating income	279	211
Non-operating expenses		
Interest expenses	14	15
Sales discounts	46	26
Foreign exchange losses	—	155
Loss on sales of accounts receivable	19	19
Other	6	18
Total non-operating expenses	86	236
Ordinary profit	2,236	2,340
Extraordinary income		
Gain on sales of investment securities	—	8
Total extraordinary income	—	8
Profit before income taxes	2,236	2,348
Income taxes	714	737
Profit	1,521	1,610
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,521	1,610

Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Profit	1,521	1,610
Other comprehensive income		
Valuation difference on available-for-sale securities	515	80
Foreign currency translation adjustment	(171)	(261)
Remeasurements of defined benefit plans, net of tax	95	111
Total other comprehensive income	439	(68)
Comprehensive income	1,961	1,542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,961	1,542
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	2,236	2,348
Depreciation	245	237
Increase (decrease) in allowance for doubtful accounts	4	(37)
Interest and dividend income	(101)	(99)
Interest expenses	14	15
Share of loss (profit) of entities accounted for using equity method	(16)	(20)
Decrease (increase) in notes and accounts receivable - trade	(514)	6,189
Decrease (increase) in inventories	(5,705)	(1,530)
Increase (decrease) in notes and accounts payable - trade	2,203	(2,709)
Other, net	(559)	1,547
Subtotal	(2,193)	5,942
Interest and dividend income received	111	103
Interest expenses paid	(13)	(15)
Income taxes paid	(148)	(1,230)
Net cash provided by (used in) operating activities	(2,245)	4,799
Cash flows from investing activities		
Proceeds from redemption of securities	—	101
Purchase of property, plant and equipment	(63)	(72)
Proceeds from sales of property, plant and equipment	2	0
Purchase of intangible assets	(183)	(67)
Purchase of investment securities	(198)	(253)
Proceeds from sales of investment securities	159	19
Decrease (increase) in short-term loans receivable	(16)	—
Other, net	68	16
Net cash provided by (used in) investing activities	(231)	(255)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(390)	520
Net decrease (increase) in treasury shares	(1)	0
Cash dividends paid	(477)	(564)
Net cash provided by (used in) financing activities	(869)	(44)
Effect of exchange rate change on cash and cash equivalents	(109)	(214)
Net increase (decrease) in cash and cash equivalents	(3,455)	4,285
Cash and cash equivalents at beginning of period	19,163	14,112
Cash and cash equivalents at end of period	15,707	18,398