

## Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2024 <under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**  
 Listing: Tokyo Stock Exchange Prime Market  
 Stock code: 6413  
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Scheduled date to file Quarterly Report: August 8, 2023  
 Scheduled date of dividend payment commencement: –  
 Preparation of supplementary information on quarterly business results: None  
 Holding of briefing on quarterly business results: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated performance for the three months of the fiscal year ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	16,787	(2.7)	902	(33.5)	1,263	(24.2)	1,048	(11.0)
June 30, 2022	17,258	3.6	1,356	32.2	1,666	44.5	1,177	15.9

Note: Comprehensive Income

Three months ended June 30, 2023: 2,178 million yen / (13.7) %

Three months ended June 30, 2022: 2,524 million yen / 142.4 %

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended		
June 30, 2023	31.38	–
June 30, 2022	34.94	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	81,145	62,466	77.0
March 31, 2023	84,773	64,296	75.8

Reference: Shareholders' Equity As of June 30, 2023: 62,466 million yen As of March 31, 2023: 64,296 million yen

## 2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	120.00	120.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecasts)		0.00	–	95.00	95.00

(Note) Revisions to the forecasts of cash dividends in the current quarter: None

## 3. Forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	33,800	(3.6)	1,500	(37.3)	1,500	(42.2)	1,300	(35.1)	38.92
Fiscal year ending March 31, 2024	72,100	(3.4)	4,000	(32.8)	4,100	(33.9)	3,200	(30.8)	95.80

(Note) Revisions to the forecasts in the current quarter: None

#### 4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Adoption of peculiar accounting methods for quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and restatement

a. Changes due to revisions to accounting standards and other regulations: None

b. Changes due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement: None

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2023	36,000,000 shares
As of March 31, 2023	40,000,000 shares

b. Number of treasury stock at the end of the period

As of June 30, 2023	2,598,398 shares
As of March 31, 2023	6,598,364 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	33,401,617 shares
Three months ended June 30, 2022	33,714,490 shares

\* These financial results are outside the scope of audit by a certified public accountant or an audit firm.

\* Proper use of the forecasts, and other special matters

The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company. These statements do not purport that the Company pledges to achieve such performance. Actual business may differ substantially from the forecasts due to various factors in the future.

## Attached Materials

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## 1. Qualitative Information regarding Consolidated Results for the Three Months

### (1) Explanation on consolidated operating results

The RISO Group (RISO) formulated the Eighth Medium term Management Plan (RISO Vision 25) with the final fiscal year of the period ending March 31, 2025, and followed its medium term management policy of “1. Expand IJ business 2. Establish a solid customer oriented sales planning structure”.

Both sales and income decreased in the first quarter of the fiscal year under review compared with the same period of the previous year.

Net sales were 16,787 million yen (down 2.7% year on year), operating income was 902 million yen (down 33.5% year on year), and ordinary income was 1,263 million yen (down 24.2% year on year), due to the recording of a 432 million yen gain on revision of the retirement benefit plan under extraordinary income, profit attributable to owners of parent was 1,048 million yen (down 11.0% year on year).

The average exchange rates during the current consolidated three months period were 137.37 yen (a 7.80 yen depreciation of the yen year on year) for the US dollar and 149.47 yen (a 11.35 yen depreciation of the yen year on year) for the euro.

Results by segment are as follows:

#### a. Printing equipment business

RISO, as part of its printing equipment business, engages in the inkjet business, principally with its ORPHIS high-speed color printers, as well as the digital duplicating business, consisting mainly of its RISOGRAPH digital duplicators.

In the printing equipment business, despite the effects of the depreciation of the yen during the first three months of the fiscal year ending March 31, 2024, both sales and income decreased compared to the same period in the previous year, with net sales of 16,359 million yen (down 3.1% year on year), and segment profit of 753 million yen (down 38.1% year on year). This was primarily due to a surge in demand at the end of the previous fiscal year, prior to price revisions in Japan in April 2023, and its subsequent drop-off leading to a decline in sales.

In Japan, sales for both the inkjet business and the digital duplicating business decline the same period of the previous year. Overseas, sales in the inkjet business exceeded the same period of the previous year, and sales in the digital duplicating business decline the same period of the previous year. Net sales in Japan were 7,822 million yen (down 5.1% year on year), in the Americas were 1,300 million yen (up 3.3% year on year), in Europe were 4,100 million yen (up 5.9% year on year), and in Asia were 3,136 million yen (down 10.3% year on year).

#### b. Real estate business

The Group's real estate business consists of the leasing of buildings. Net sales in the real estate business were 267 million yen (down 2.3% year on year), and segment profit was 193 million yen (down 5.1% year on year).

#### c. Others

RISO operates a print creating business and a digital communication business as well as printing equipment business and real estate business. Net sales in the others were 160 million yen (up 49.2% year on year), and segment loss was 44 million yen (compared to segment loss of 64 million yen in the same period of the previous fiscal year).

### (2) Explanation on consolidated financial position

The financial position of RISO at the end of the current quarter compared to the end of the previous fiscal year is as follows.

Total assets fell 3,628 million yen to 81,145 million yen, while net assets fell 1,829 million yen to 62,466 million

yen.

The main areas of change in the assets section were notes and accounts receivable - trade decreased by 3,508 million yen. In the liabilities section, income taxes payable, and provision for bonuses decreased by 1,006 million yen and 754 million yen, respectively. In net assets, retained earnings, and treasury shares decreased by 9,604 million yen and 6,644 million yen, respectively, foreign currency translation adjustment increased by 999 million yen.

As a result, the equity ratio moved up 1.1 points to 77.0%.

### **(3) Explanation on future estimates information pertaining to consolidated earnings forecasts**

There has been no revision to the consolidated forecasts for the fiscal year ending March 31, 2024, which were released on May 9, 2023.

### **(4) Explanation on research and development activities**

Expenses for RISO's research and development activities in the current quarter totaled 1,147 million yen. The main R&D activities were in the printing equipment business.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	19,551	17,731
Notes and accounts receivable - trade	13,544	10,035
Securities	1,110	1,151
Merchandise and finished goods	8,763	9,651
Work in process	713	881
Raw materials and supplies	2,398	2,448
Other	1,783	2,145
Allowance for doubtful accounts	(232)	(240)
Total current assets	47,632	43,805
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,805	22,893
Accumulated depreciation	(15,664)	(15,849)
Buildings and structures, net	7,141	7,043
Machinery, equipment and vehicles	6,902	6,989
Accumulated depreciation	(6,285)	(6,383)
Machinery, equipment and vehicles, net	617	605
Tools, furniture and fixtures	13,320	13,520
Accumulated depreciation	(12,765)	(12,955)
Tools, furniture and fixtures, net	555	565
Land	17,679	17,699
Leased assets	470	281
Accumulated depreciation	(144)	(155)
Leased assets, net	326	126
Construction in progress	14	18
Other	9,993	9,992
Accumulated depreciation	(7,929)	(7,838)
Other, net	2,064	2,153
Total property, plant and equipment	28,399	28,213
Intangible assets		
Software	996	993
Other	83	108
Total intangible assets	1,079	1,102
Investments and other assets		
Investment securities	2,008	2,396
Long-term loans receivable	12	12
Deferred tax assets	1,762	1,216
Retirement benefit asset	551	834
Other	3,332	3,567
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	7,662	8,023
Total non-current assets	37,141	37,339
<b>Total assets</b>	<b>84,773</b>	<b>81,145</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,189	8,871
Short-term borrowings	33	14
Current portion of long-term borrowings	1	1
Income taxes payable	1,330	323
Provision for bonuses	1,675	921
Provision for bonuses for directors (and other officers)	50	16
Provision for product warranties	29	30
Other	6,670	6,975
Total current liabilities	18,979	17,153
Non-current liabilities		
Long-term borrowings	9	9
Retirement benefit liability	717	730
Other	770	785
Total non-current liabilities	1,497	1,525
Total liabilities	20,477	18,678
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	43,231	33,626
Treasury shares	(10,960)	(4,316)
Total shareholders' equity	61,165	58,205
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	659	929
Foreign currency translation adjustment	1,530	2,530
Remeasurements of defined benefit plans	940	801
Total accumulated other comprehensive income	3,131	4,261
Total net assets	64,296	62,466
<b>Total liabilities and net assets</b>	<b>84,773</b>	<b>81,145</b>



## (2) Consolidated quarterly statements of (comprehensive) income

### (Consolidated quarterly statements of income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	17,258	16,787
Cost of sales	7,407	6,938
Gross profit	9,851	9,848
Selling, general and administrative expenses	8,494	8,946
Operating profit	1,356	902
Non-operating income		
Interest income	44	26
Dividend income	37	44
Foreign exchange gains	181	234
Other	62	70
Total non-operating income	326	375
Non-operating expenses		
Interest expenses	10	2
Loss on retirement of non-current assets	1	3
Other	5	8
Total non-operating expenses	16	14
Ordinary profit	1,666	1,263
Extraordinary income		
Gain on revision of retirement benefit plan	—	432
Total extraordinary income	—	432
Profit before income taxes	1,666	1,695
Income taxes	488	647
Profit	1,177	1,048
Profit attributable to owners of parent	1,177	1,048

**(Consolidated quarterly statements of comprehensive income)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,177	1,048
Other comprehensive income		
Valuation difference on available-for-sale securities	78	269
Foreign currency translation adjustment	1,301	999
Remeasurements of defined benefit plans, net of tax	(33)	(139)
Total other comprehensive income	1,346	1,130
Comprehensive income	2,524	2,178
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,524	2,178
Comprehensive income attributable to non-controlling interests	—	—

### **(3) Notes on quarterly consolidated financial statements**

#### **(Notes on premise of going concern)**

No items to report

#### **(Notes on significant changes in the amount of shareholders' equity)**

Based on the resolution of the Board of Directors held on May 9, 2023, the Company retired 4,000,000 shares of treasury stock on May 19, 2023. As a result, during the first three months of the fiscal year ending March 31, 2024, retained earnings and treasury stock each decreased by 6,644 million yen. At the end of the same period, retained earnings were 33,626 million yen, and treasury stock was 4,316 million yen.

#### **(Additional information)**

(Transfer of Retirement Benefit Plans)

On April 1, 2023, the Company transferred a portion of its defined benefit pension plan to a defined contribution pension plan. Due to this transfer, the Company applied the "Guidance on Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1, December 16, 2016) and "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (PITF No. 2, February 7, 2007) and has treated the portion transferred to the defined contribution pension plan as a partial termination of the retirement benefit plan.

In connection with this, during the first quarter of the fiscal year under review, the Company recorded a gain on revision of the retirement benefit plan of 432 million yen under extraordinary income.

(Segment information)

1. Three months ended June 30, 2022(from April 1, 2022 to June 30, 2022)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business	Real estate Business	Others	Adjustments	Total
Net sales:					
Outside customers	16,876	273	107	—	17,258
Inter-segment	—	—	—	—	—
Total	16,876	273	107	—	17,258
Segment profit (loss)	1,217	203	(64)	—	1,356

Notes: 1. The business segment “Others” encompasses businesses not included in the reportable segments, and includes the print creating business and the digital communication business.

2. Total amount of segment income (loss) coincides with the operating income in the consolidated statements of income.

2. Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business	Real estate Business	Others	Adjustments	Total
Net sales:					
Outside customers	16,359	267	160	—	16,787
Inter-segment	0	—	—	(0)	—
Total	16,359	267	160	(0)	16,787
Segment profit (loss)	753	193	(44)	—	902

Notes: 1. The business segment “Others” encompasses businesses not included in the reportable segments, and includes the print creating business and the digital communication business.

2. Total amount of segment income (loss) coincides with the operating income in the consolidated statements of income.

**(Subsequent event)**

(Purchase of Treasury Stock)

RISO KAGAKU CORPORATION (the “Company”) announced that its Board of Directors resolved at the meeting held on August 1, 2023 to purchase treasury stock as described below, pursuant to the provisions of Article 156 of the Corporate Law as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Law.

(1) Reason for purchase of treasury stock:

The Company will conduct the purchase of treasury stock to carry out capital management that allows the Company to respond quickly to changes in the business environment and to distribute earnings to shareholders.

(2) Type of shares to be purchased: Common stock of the Company

(3) Number of shares to be purchased: Up to 250,000 shares

(4) Total purchase cost: Up to 500,000,000 yen

(5) Purchase period: From August 21, 2023 to October 27, 2023

(6) Purchase method: Purchased on the Tokyo Stock Exchange