

## Consolidated Financial Results for the Nine 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: February 14, 2024  
 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 nine months of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	52,955	0.0	3,197	(11.8)	3,691	(2.1)	2,842	0.2
December 31, 2022	52,942	8.2	3,626	54.7	3,771	43.4	2,836	37.4

Note: Comprehensive Income

Nine months ended December 31, 2023: 4,001 million yen / 13.3 %

Nine months ended December 31, 2022: 3,530 million yen / 48.0 %

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended		
December 31, 2023	85.36	–
December 31, 2022	84.38	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	82,535	63,332	76.7
March 31, 2023	84,773	64,296	75.8

Reference: Shareholders' Equity As of December 31, 2023: 63,332 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	–	0.00	–		
Fiscal year ending March 31, 2024 (Forecasts)				100.00	100.00

(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
Fiscal year ending March 31, 2024	73,300	(1.8)	4,500	(24.4)	5,100	(17.8)	3,900	(15.7)	117.05

(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
- Changes due to revisions to accounting standards and other regulations: None
  - Changes due to other reasons: None
  - Changes in accounting estimates: None
  - 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 December 31, 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 December 31, 2023	2,981,298 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)

Nine months ended December 31, 2023	33,303,030 shares
Nine months ended December 31, 2022	33,614,126 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 Nine 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”.

Consolidated net sales in the nine months of the fiscal year ending March 31, 2024 were flat year on year, and operating income decreased compared with the same period of the previous year.

Net sales were 52,955 million yen (up 0.0% year on year), operating income was 3,197 million yen (down 11.8% year on year), and ordinary income was 3,691 million yen (down 2.1% year on year). A gain on revision of retirement benefit plan of 432 million yen was recorded under extraordinary income. Profit attributable to owners of parent was 2,842 million yen (up 0.2% year on year).

The average exchange rates during the current consolidated nine months period were 143.29 yen (a 6.78 yen depreciation of the yen year on year) for the US dollar and 155.29 yen (a 14.70 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 period under review, net sales were 51,669 million yen (down 0.1% year on year), and segment profit was 2,747 million yen (down 12.6% year on year), a year-on-year decrease. This was 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 in the inkjet business were flat year on year, and sales in 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 23,688 million yen (down 4.7% year on year), in the Americas were 4,300 million yen (up 4.5% year on year), in Europe were 12,670 million yen (up 8.0% year on year), and in Asia were 11,009 million yen (down 0.1% 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 818 million yen (down 0.4% year on year), and segment profit was 578 million yen (down 3.4% year on year).

#### c. Others

RISO operates the print creating business, the digital communication business, and the application software business as well as printing equipment business and real estate business. Net sales in the others were 467 million yen (up 14.0% year on year), and segment loss was 127 million yen (compared to segment loss of 116 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 2,237 million yen to 82,535 million yen, while net assets fell 963 million yen to 63,332 million yen.

The main changes in the assets section were increases of 313 million yen in merchandise and finished goods, and 746 million yen in investment securities, respectively, while notes and accounts receivable–trade decreased by 3,332 million yen. In the liabilities section, notes and accounts payable–trade increased by 101 million yen, while income taxes payable decreased by 1,036 million yen. In net assets, retained earnings, and treasury shares respectively decreased by 7,809 million yen and 5,687 million yen, while foreign currency translation adjustment increased by 852 million yen.

As a result, the equity ratio moved up 0.9 points to 76.7%.

## **(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 November 2, 2023.

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

Expenses for RISO's research and development activities in the current quarter totaled 3,354 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 December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	19,551	18,847
Notes and accounts receivable - trade	13,544	10,211
Securities	1,110	1,150
Merchandise and finished goods	8,763	9,076
Work in process	713	796
Raw materials and supplies	2,398	2,507
Other	1,783	2,647
Allowance for doubtful accounts	(232)	(220)
Total current assets	47,632	45,018
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,805	22,969
Accumulated depreciation	(15,664)	(16,119)
Buildings and structures, net	7,141	6,849
Machinery, equipment and vehicles	6,902	6,938
Accumulated depreciation	(6,285)	(6,372)
Machinery, equipment and vehicles, net	617	566
Tools, furniture and fixtures	13,320	13,317
Accumulated depreciation	(12,765)	(12,787)
Tools, furniture and fixtures, net	555	529
Land	17,679	17,703
Leased assets	470	310
Accumulated depreciation	(144)	(147)
Leased assets, net	326	162
Construction in progress	14	42
Other	9,993	9,632
Accumulated depreciation	(7,929)	(7,479)
Other, net	2,064	2,152
Total property, plant and equipment	28,399	28,007
Intangible assets		
Software	996	1,092
Other	83	100
Total intangible assets	1,079	1,192
Investments and other assets		
Investment securities	2,008	2,755
Long-term loans receivable	12	11
Deferred tax assets	1,762	1,232
Retirement benefit asset	551	817
Other	3,332	3,507
Allowance for doubtful accounts	(4)	(7)
Total investments and other assets	7,662	8,317
Total non-current assets	37,141	37,517
<b>Total assets</b>	<b>84,773</b>	<b>82,535</b>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,189	9,291
Short-term borrowings	33	14
Current portion of long-term borrowings	1	1
Income taxes payable	1,330	293
Provision for bonuses	1,675	906
Provision for bonuses for directors (and other officers)	50	58
Provision for product warranties	29	18
Other	6,670	7,117
<b>Total current liabilities</b>	<b>18,979</b>	<b>17,701</b>
Non-current liabilities		
Long-term borrowings	9	8
Deferred tax liabilities	—	25
Retirement benefit liability	717	753
Other	770	713
<b>Total non-current liabilities</b>	<b>1,497</b>	<b>1,501</b>
<b>Total liabilities</b>	<b>20,477</b>	<b>19,203</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	43,231	35,421
Treasury shares	(10,960)	(5,273)
<b>Total shareholders' equity</b>	<b>61,165</b>	<b>59,042</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	659	1,178
Foreign currency translation adjustment	1,530	2,382
Remeasurements of defined benefit plans	940	728
<b>Total accumulated other comprehensive income</b>	<b>3,131</b>	<b>4,289</b>
<b>Total net assets</b>	<b>64,296</b>	<b>63,332</b>
<b>Total liabilities and net assets</b>	<b>84,773</b>	<b>82,535</b>



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

### (Consolidated quarterly statements of income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	52,942	52,955
Cost of sales	23,064	22,245
Gross profit	29,877	30,710
Selling, general and administrative expenses	26,251	27,512
Operating profit	3,626	3,197
Non-operating income		
Interest income	98	97
Dividend income	77	91
Foreign exchange gains	—	184
Other	163	160
Total non-operating income	339	535
Non-operating expenses		
Interest expenses	19	7
Foreign exchange losses	138	—
Loss on retirement of non-current assets	18	16
Other	17	18
Total non-operating expenses	194	41
Ordinary profit	3,771	3,691
Extraordinary income		
Gain on revision of retirement benefit plan	—	432
Insurance return	82	—
Total extraordinary income	82	432
Profit before income taxes	3,854	4,124
Income taxes	1,018	1,281
Profit	2,836	2,842
Profit attributable to owners of parent	2,836	2,842

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	2,836	2,842
Other comprehensive income		
Valuation difference on available-for-sale securities	259	519
Foreign currency translation adjustment	535	852
Remeasurements of defined benefit plans, net of tax	(100)	(212)
Total other comprehensive income	694	1,158
Comprehensive income	3,530	4,001
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,530	4,001
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, retained earnings and treasury shares decreased by 6,644 million yen each. Furthermore, based on resolutions of the Board of Directors on August 1, 2023, and November 2, 2023, the Company purchased 382,900 treasury shares. As a result, treasury shares increased by 957 million yen during the period under review, and came to 5,273 million yen at the end of the period under review.

#### **(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 six months 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.

##### **(Establishment of Subsidiaries)**

At a meeting held on January 30, 2024, the Board of Directors resolved the following matters in relation to the establishing of a subsidiary in accordance with the decision taken on December 22, 2023

- (1) Name: RISO Technologies Corporation
- (2) Address: 5-34-7 Shiba, Minato-ku, Tokyo
- (3) Title and Name of Representative: Kenji Oshima, Representative Director
- (4) Main Business: Development, manufacture, sale, etc. of inkjet heads and related products
- (5) Share Capital: JPY 400 million
- (6) Date of Establishment: April 1, 2024
- (7) Major Shareholder and Its Shareholding Ratio: RISO KAGAKU CORPORATION 100%

## (Segment information)

### 1. Overview of reportable segments

The reportable segments of the Company are the constituent units for which separate financial information is obtainable, and the Board of Directors periodically conducts examinations of these segments to determine the allocation of management resources and evaluate performance.

Business units for each product and service are located in the headquarters of the Company, with each business unit formulating comprehensive strategies for the products and services that they handle in both domestic and overseas markets, and engaging in business activities accordingly.

During the current fiscal year, we began operating an application software service with the objective of providing applications and services that make use of data analysis.

Accordingly, the operations of the company are now classified into the printing equipment business, the real estate business, the print creating business, the digital communication business, and the application software business.

### 2. Nine months ended December 31, 2022(from April 1, 2022 to December 31, 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	51,709	821	410	—	52,942
Inter-segment	0	—	—	(0)	—
Total	51,709	821	410	(0)	52,942
Segment profit (loss)	3,144	599	(116)	—	3,626

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 coincides with the operating income in the consolidated statements of income.

### 3. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	51,669	818	467	—	52,955
Inter-segment	0	—	—	(0)	—
Total	51,669	818	467	(0)	52,955
Segment profit (loss)	2,747	578	(127)	—	3,197

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

2. Total amount of segment income (loss) coincides with the operating loss 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 January 30, 2024 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 200,000 shares

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

(5) Purchase period: From February 14, 2024 to March 22, 2024

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