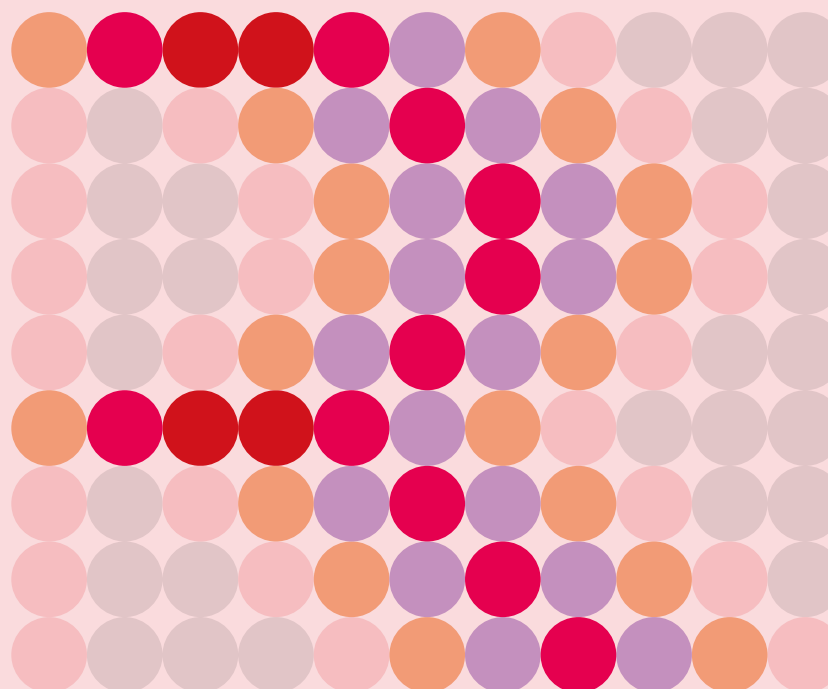




# Annual Review 2018



# Fiscal 2018 Comes to a Close

President Akira Hayama provides an overview of fiscal 2018.



Akira Hayama, President & CEO

I am pleased to have this opportunity to present our shareholders with the RISO Report 2018.

In fiscal 2018, the second year of The Sixth Medium-term Management Plan "RISO Vision 19," we carried out our business activities based on our management policy "Take full advantage of new products to accomplish the increase of the number of machine installations while resolving medium- and long-term management challenges."

### Net Sales Increase 3.0% from the Previous Fiscal Year

Looking at RISO's operating results for fiscal 2018 on a consolidated basis, net sales were ¥85,507 million (up 3.0% year on year), operating income was ¥3,870 million (down 3.1% year on year) and profit attributable to owners of parent was ¥3,033 million (up 11.3% year on year). When excluding the impact of the depreciation of the yen, net sales were up 0.6% and remained at virtually the same level as in the previous fiscal year while operating income decreased 22.5%.

Net sales in the digital duplicating business increased 3.0% from the previous year to ¥84,293 million due to the effects of the launch of new products in 2016 in the inkjet business and the depreciation of the yen. Sales in Japan declined 1.2% from the previous fiscal year to ¥47,244 million and overseas net sales increased 9.0% to ¥37,049 million. Overseas, although net sales declined 2.8% year on year in the Americas, net sales increased 12.7% in Europe and rose 10.0% in Asia, as RISO achieved double-digit growth in both these regions.

For the fiscal year, the overseas net sales ratio was up approximately 2 percentage points from the

## To Our Shareholders

previous fiscal year to 43.3%. The inkjet business accounted for almost 50% of consolidated net sales.

### ORPHIS Sales Trend Firmly in Japan and Overseas

In the inkjet business, RISO worked to expand sales of two series of new products launched in 2016 in its ORPHIS high-speed color printers as well as actively exhibited products at its own exhibitions and other exhibitions in Japan and overseas and proposed unique solutions not offered by any other company.

The ORPHIS FW series of compact-size models are ideal for use in offices while the top-of-the-line GD series combines high durability with the world's fastest print speed of 160 color pages per minute. RISO achieved growth in sales by offering products matched to customer needs.

### Launch of the RISOGGRAPH MF Series, RISOGGRAPH SF Series and GOCCOPRO QS2536

Regarding the digital duplicating business, in October 2017 RISO launched a total of six top-of-the-line models of RISOGGRAPH digital duplicators that include four models in the new RISOGGRAPH MF series (two-color printers) and two models in the RISOGGRAPH SF series (one-color printers). Besides two-color printing, the RISOGGRAPH MF935W model can perform high-speed duplex printing on paper sizes up to A3. The RISOGGRAPH SF939G/939 models realize the world's fastest print speed of 190 pages per minute. These new series contributed to RISO's net sales in Japan and overseas.

In the print creating business, in September 2017 RISO launched the GOCCOPRO QS2536, a top-end model in the GOCCOPRO series of digital screen makers. The GOCCOPRO QS2536 adopts a newly developed line thermal head and realizes high-resolution platemaking. The GOCCOPRO QS2536 is

capable of handling large-sized frames that can be installed on automatic T-shirt printers, which are used widely overseas in the screen printing industry. These digital screen makers are being utilized extensively at print shops engaged in T-shirt printing.

### The Sixth Medium-term Management Plan "RISO Vision 19"

(April 1, 2016 - March 31, 2019)

#### Management Objectives

Accomplish the growth of the number of machine installations by taking full advantage of RISO's utmost unique products to ensure a stable revenue & profit growth

#### Priority Actions

- 1 Gain new customers and increase the consumable profit which is the lifeline to pursue RISO's future business
- 2 Take on the challenge to create new business and pursue every technological possibility by the R&D Division
- 3 Provide opportunities for long-term human resource developments for younger generations and improve organization structures within the Production Division
- 4 Develop human resources to enhance the managerial and leadership performance by enriching RISO corporate culture, which will enable RISO employees to bring out their ability at full potential

#### Financial Targets

(Fiscal Year Ending March 2019)

Consolidated net sales:	¥85 billion
Consolidated operating income:	¥7 billion
ROE:	7%

\* Exchange rates: 1 U.S. dollar: ¥108.00 1 euro: ¥122.00

## To Our Shareholders

### Pursuing the Potentials of High-Speed Full-Color Inkjet Printers

RISO is proactively undertaking initiatives toward cultivating new business. These efforts include carrying out verification activities for deploying high-speed full-color inkjet printers in the data print market. To ascertain market responses and needs, during fiscal 2018 RISO once again displayed the RISO T2 cut-sheet printer concept model as a reference exhibit at exhibitions in countries worldwide, including France, the United Kingdom, the United States and China, where it attracted the widespread interest of customers.



RISO T2 (cut-sheet printer)

### Year-End Dividends of ¥60.00

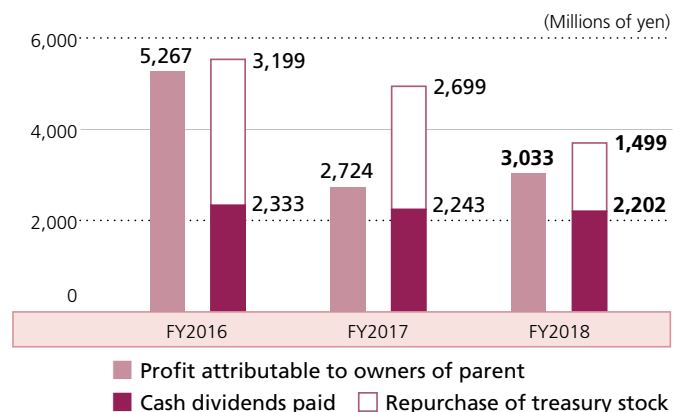
RISO's basic policy for the distribution of earnings to shareholders consists of two policies, namely, allocate an appropriate portion of earnings as a dividend in accordance with business results while retaining the means to strengthen the corporate structure and strive to make continued, stable dividend payments. RISO also considers the repurchasing of shares as a measure for allocating earnings to shareholders and acquires treasury stock in consideration of stock price levels and market trends.

In accordance with the above basic policy, we distribute annual dividends from surplus once a year at the end of the fiscal year. Additionally, we appropriately acquire treasury stock while considering stock price levels and market trends.

In fiscal 2018, year-end cash dividends per share were maintained at ¥60.00, the same as in the previous year. The payout ratio was 73.2% and the total return ratio was 122.0%.

During the fiscal year, RISO acquired a total of 686,700 shares of treasury stock at a cost of ¥1,499 million.

### Shareholder return



# To Our Shareholders

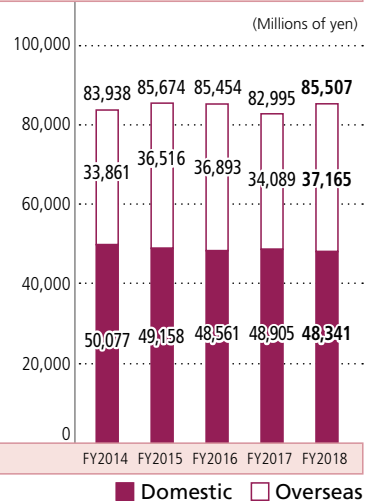
## Financial Highlights (Consolidated basis)

Note: Amounts less than the unit expressed are omitted.

### Net sales

(Fiscal year ended March 31, 2018)

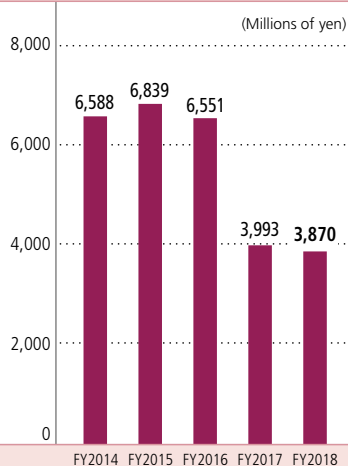
**¥85,507 million**



### Operating income

(Fiscal year ended March 31, 2018)

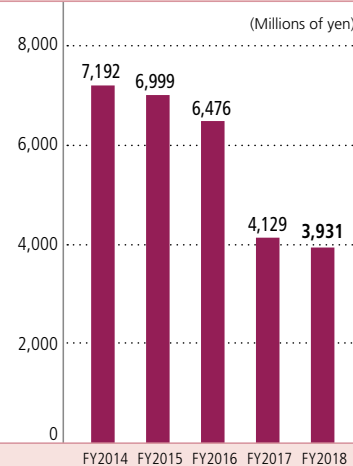
**¥3,870 million**



### Ordinary income

(Fiscal year ended March 31, 2018)

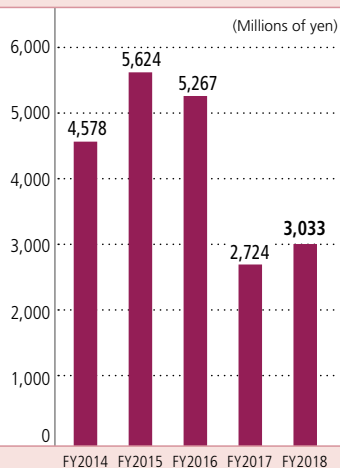
**¥3,931 million**



### Profit attributable to owners of parent

(Fiscal year ended March 31, 2018)

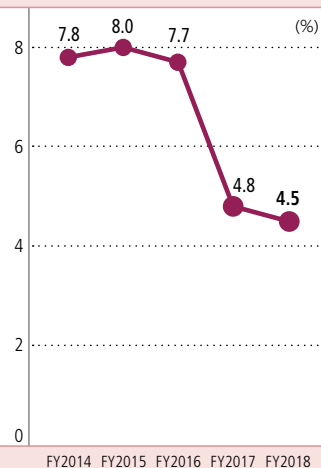
**¥3,033 million**



### Operating income margin

(Fiscal year ended March 31, 2018)

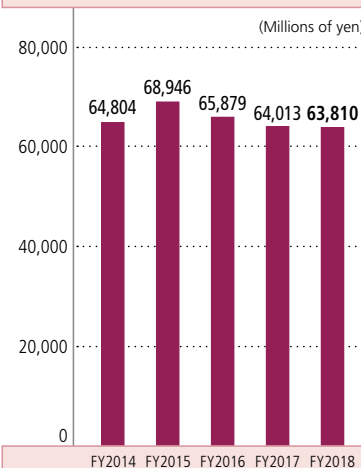
**4.5%**



### Net assets

(Fiscal year ended March 31, 2018)

**¥63,810 million**



# The Sixth Medium-term Management Plan “RISO Vision 19” and Policies and Earnings Forecast for Fiscal 2019

President Akira Hayama explains The Sixth Medium-term Management Plan “RISO Vision 19” and the management policies, business development and earnings forecast for fiscal 2019, the final year of the plan.



Akira Hayama, President & CEO

## Strengthening the Corporate Structure over the Medium and Long Term

Under The Sixth Medium-term Management Plan “RISO Vision 19,” the management objective we have set is to “Accomplish the growth of the number of machine installations by taking full advantage of RISO’s utmost unique products to ensure a stable revenue & profit growth.” Our numerical targets for the final fiscal year are consolidated net sales of ¥85 billion, consolidated operating income of ¥7 billion and ROE of 7%.

In fiscal 2019, the final year of “RISO Vision 19,” our management policies will be “Focus on the growth of the number of machine installations, while strengthening the corporate structure over the medium- and long-term.” In keeping with this policy, we will deploy our own unique products with applications in large-volume printing in offices as we strive to expand our business.

Fiscal 2018 marks the 15th year since sales of ORPHIS high-speed color printers commenced in 2003. During the past 15 years, RISO’s inkjet business has continued to record solid growth and accounted

Management Policies for  
Fiscal Year Ending March 31, 2019

Focus on the growth of the number of machine installations, while strengthening the corporate structure over the medium- and long-term.

## To Our Shareholders

for almost 50% of consolidated net sales in fiscal 2018.

For details please refer to RISO Products on page 13.



ORPHIS GD9630

### Planning to Maintain Year-End Dividends at the Previous Year's ¥60.00

Regarding business results for fiscal 2019, RISO forecasts net sales of ¥85,500 million, about the same level as in the previous fiscal year; operating income of ¥3,800 million, down 1.8%; and profit attributable to owners of parent of ¥2,400 million. The operating income margin is forecast to be 4.4%.

Regarding the forecast for year-end dividends in fiscal 2019, in view of business results during the year and our financial condition, RISO plans to maintain cash dividends per share at ¥60.00. Additionally, on May 8, 2018, RISO announced a repurchase of treasury stock and from May 18 through June 15, 2018 RISO repurchased 540,000 shares of treasury stock with an upper limit cost of ¥1,000 million.

Going forward, RISO will work to further raise its corporate value through its unique products and services. In closing, I would like to ask our shareholders for their continued support.

#### Forecast for FY2019

		FY2019 Forecast	FY2018 Actual	Difference	
				Amount	Growth
Net sales	(Millions of yen)	85,500	85,507	(7)	(0.0)%
Operating income	(Millions of yen)	3,800	3,870	(70)	(1.8)%
Ordinary income	(Millions of yen)	3,800	3,931	(131)	(3.3)%
Profit attributable to owners of parent	(Millions of yen)	2,400	3,033	(633)	(20.9)%
Operating income margin	(%)	4.4	4.5		

Note: FY2019 assumed exchange rates: ¥105 to the U.S. dollar, ¥130 to the euro

# Consolidated Financial Statements

Notes: Amounts less than the unit expressed are omitted.

These financial statements show major items only.

## Balance Sheets

### ASSETS

(Millions of yen)

Item	FY2017 (As of Mar. 31, 2017)	FY2018 (As of Mar. 31, 2018)
<b>Current assets</b>	<b>¥47,134</b>	<b>¥50,654</b>
Cash and deposits	15,058	17,047
Notes and accounts receivable—trade	15,393	16,047
Short-term investment securities	900	1,400
Inventories	12,045	12,514
Deferred tax assets	2,011	1,982
Other	1,982	1,956
Allowance for doubtful accounts	(257)	(293)
<b>Noncurrent assets</b>	<b>40,854</b>	<b>39,434</b>
<b>Total property, plant and equipment</b>	<b>33,026</b>	<b>32,393</b>
Buildings and structures, net	8,185	7,703
Machinery, equipment and vehicles, net	1,375	1,463
Tools, furniture and fixtures, net	1,302	942
Land	17,623	17,632
Other	4,539	4,651
<b>Intangible assets</b>	<b>1,916</b>	<b>1,541</b>
Software	1,261	1,213
Other	655	328
<b>Investments and other assets</b>	<b>5,911</b>	<b>5,498</b>
Investment securities	1,981	1,789
Deferred tax assets	809	718
Other	3,162	3,033
Allowance for doubtful accounts	(41)	(42)
<b>Total assets</b>	<b>¥87,988</b>	<b>¥90,089</b>

Note: Total amount of depreciation of tangible fixed assets for fiscal 2018 was ¥41,118 million.

**Point 1**  
**Cash and deposits and**  
**Notes and accounts**  
**receivable—trade**

The last day of fiscal 2018 was on a bank holiday and this affected cash and deposits and notes and accounts receivable—trade.



# Consolidated Financial Statements

## LIABILITIES

(Millions of yen)

Item	FY2017 (As of Mar. 31, 2017)	FY2018 (As of Mar. 31, 2018)
<b>Current liabilities</b>	<b>¥21,194</b>	<b>¥23,861</b>
Notes and accounts payable—trade	11,568	12,803
Short-term loans payable	1,322	1,100
Current portion of long-term loans payable	1	1
Income taxes payable	311	547
Provision for bonuses	1,707	1,749
Other	6,282	7,659
<b>Noncurrent liabilities</b>	<b>2,781</b>	<b>2,417</b>
Long-term loans payable	17	15
Net defined benefit liability	2,359	1,781
Other	405	620
<b>Total liabilities</b>	<b>¥23,975</b>	<b>¥26,279</b>

## NET ASSETS

(Millions of yen)

Item	FY2017 (As of Mar. 31, 2017)	FY2018 (As of Mar. 31, 2018)
<b>Shareholders' equity</b>	<b>¥65,198</b>	<b>¥64,488</b>
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	50,678	51,468
Treasury stock	(14,375)	(15,874)
<b>Total accumulated other comprehensive income</b>	<b>(1,184)</b>	<b>(678)</b>
Valuation difference on available-for-sale securities	483	304
Foreign currency translation adjustment	(549)	(389)
Remeasurements of defined benefit plans	(1,118)	(593)
<b>Total net assets</b>	<b>¥64,013</b>	<b>¥63,810</b>
<b>Total liabilities and net assets</b>	<b>¥87,988</b>	<b>¥90,089</b>

**Point ②**  
Notes and accounts payable—trade

The last day of fiscal 2018 was on a bank holiday and this affected notes and accounts payable—trade.

**Point ③**  
Treasury stock

A total of 686,700 shares of treasury stock amounting to ¥1,499 million were acquired during fiscal 2018.

# Consolidated Financial Statements

## Statements of Income

(Millions of yen)

Item	FY2017 (Year ended Mar. 31, 2017)	FY2018 (Year ended Mar. 31, 2018)
<b>Net sales</b>	<b>¥82,995</b>	<b>¥85,507</b>
Printing equipment business	81,826	84,293
Japan	47,839	47,244
Americas	5,671	5,512
Europe	14,126	15,921
Asia	14,190	15,615
Others	1,168	1,213
Cost of sales	36,341	37,918
Gross profit	46,654	47,588
Selling, general and administrative expenses	42,660	43,718
<b>Operating income</b>	<b>3,993</b>	<b>3,870</b>
Non-operating income	384	420
Non-operating expenses	248	359
<b>Ordinary income</b>	<b>4,129</b>	<b>3,931</b>
Extraordinary income	88	136
Extraordinary loss	191	99
<b>Income before income taxes and minority interests</b>	<b>4,026</b>	<b>3,968</b>
Income taxes	1,302	936
<b>Profit attributable to owners of parent</b>	<b>¥ 2,724</b>	<b>¥ 3,033</b>

### Point 4 Net sales

Net sales increased ¥2,511 million versus the previous fiscal year. RISO recorded double-digit growth in sales in Europe and Asia from the previous fiscal year.

### Point 5 Selling, general and administrative expenses

Although R&D expenses decreased, selling expenses for new products in Europe and Asia increased.

### Point 6 Profit attributable to owners of parent

Profit attributable to owners of parent increased ¥309 million from the previous fiscal year due to such factors as a decline in income taxes.

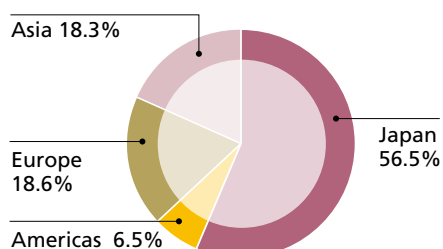
## Statements of Cash Flows

(Millions of yen)

Item	FY2017 (Year ended Mar. 31, 2017)	FY2018 (Year ended Mar. 31, 2018)
Net cash provided by (used in) operating activities	¥ 5,618	¥ 8,287
Net cash provided by (used in) investment activities	(4,805)	(1,334)
Net cash provided by (used in) financing activities	(5,378)	(4,062)
Effect of exchange rate change on cash and cash equivalents	(121)	60
Net increase (decrease) in cash and cash equivalents	(4,687)	2,951
Cash and cash equivalents at beginning of period	19,388	14,701
Cash and cash equivalents at end of period	¥14,701	¥17,652

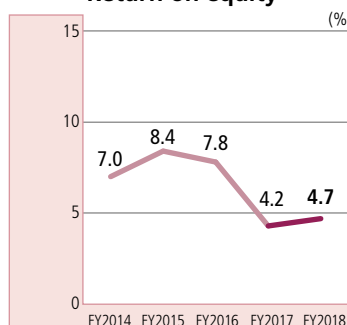
### Sales by region

(Fiscal year ended March 31, 2018)



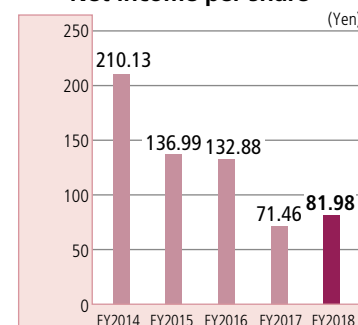
### Return on equity

(%)



### Net income per share

(Yen)



Note: Effective January 1, 2015, each share of common stock was split into two shares.

### RISO Displays Its Products at Its Own Exhibitions and at Various Events in Japan and Overseas

To allow numerous customers to experience its products, RISO displays its products at its own exhibitions and at various events in Japan and overseas.

RISO held its own product exhibition, RISO FUTURE LIVE!, from June 2017 through March 2018 in regions throughout Japan. At this exhibition, we exhibited ORPHIS high-speed color printers together with the RISOGGRAPH series of digital duplicators and proposed a wide range of usage methods.

In Japan, RISO displayed its products at a variety of exhibitions that included the SMART FACTORY Expo sponsored by Reed Exhibitions Japan Ltd. in January 2018 and page2018, which is an event sponsored by the Japan Association of Graphic Arts Technology, in February 2018.

Overseas, RISO also emphasized the appeal of its own products at numerous exhibitions. Among these, in September 2017 RISO displayed its products at PRINT 17, one of the world's four largest printing equipment exhibitions, held in Chicago, Illinois, in the United States.

### RISO Holds Environmental Learning Workshops at Kanagawa Sohgo High School

On March 19, 2018, the 16th Environmental Symposium was held at Kanagawa Sohgo High School in Kanagawa Prefecture. RISO employees held classes as environmental learning workshops to allow participants to experience printing using RISOGGRAPH digital duplicators. Based on the theme "Familiar Ecology," classes on environmentally conscious printing and the Eco market were held on two occasions and approximately 60 students attended the workshops. Students who used a wattmeter to measure electric power usage during printing gained a true sense of the energy-saving performance of the RISOGGRAPH.



SMART FACTORY Expo (Tokyo, Ariake, Tokyo Big Site)



The classes allowed participants to experience printing at the 16th Environmental Symposium.

### Start of Free e-Mail Delivery Service for Teachers Using the ORPHIS and RISOGRAPH That Provides Newspaper Learning Materials to Elementary School Students

In April 2018, RISO commenced a free e-mail delivery service, which is aimed at elementary school teachers who use RISO printers, that provides *Yomitoki* worksheet teaching materials for understanding newspapers. This service strives to raise children's interest in society and improve their reading comprehension and expressive capabilities. Worksheet materials combine articles from the *Asahi Elementary School Student Newspaper* published by Asahi Gakusei Shinbunsha with a specialized learning format. The worksheets are then converted into PDF files and sent weekly free of charge to teachers who register for this service. The teaching materials target upper-grade elementary school students with content in accordance with new government curriculum guidelines scheduled to begin in two years.

Using ORPHIS high-speed color printers or RISOGRAPH digital duplicators, teachers can print worksheet teaching materials and distribute these to children. Students engage in approximately 15-to-20 minutes of learning that consists of reading the newspaper articles, writing the 5Ws and 1H, and describing their impressions and opinions. These materials will have a wide range of uses that include morning studies, integrated studies, and Japanese language and social studies class materials and homework.

RISO will continue to provide products and services that support children's education.



Children learn using the *Yomitoki* worksheet for understanding newspapers.

### RISO Renews Club Official Sponsor Contract with the Kashima Antlers

RISO has renewed its sponsorship of a professional association football club, the Kashima Antlers, as a club official sponsor. As with the previous season, the RISO logo mark will be emblazoned on the lower edge of the backside of the players' uniforms. In February 2018, the Kashima Antlers kickoff party for the season was held at a hotel in Tokyo, and RISO was presented with a pennant from team member Hitoshi Sogahata.



@Kashima Antlers

Pennant presentation at the Kashima Antlers kickoff party for the season

#### Kashima Antlers

Based in Japan's Kashima City (approximately 80km northeast of Tokyo) in Ibaraki Prefecture, the Kashima Antlers are a club team and member of the JAPAN PROFESSIONAL FOOTBALL LEAGUE (J-League). The team has been a J-League member since the establishment of

the league in 1992. The Antlers have won the most titles (19 times) in Japan and many of its athletes have played for Japan's national teams. Former Brazil representative Zico has also been a member of the Antlers, both as a player and a coach.



## RISO Products

# History of the ORPHIS High-Speed Color Printer

ORPHIS printers have continually evolved while pursuing customer needs. This year marks the 15th year of the ORPHIS since sales were launched in December 2003.

Here, we introduce some of the ways the ORPHIS, which has continued to extend its record for the world's highest print speeds, has benefitted users.



ORPHIS HC5000 high-speed color printer (launched in 2003)

### 2003~2012

## The Birth of Business Printers That Made Color Printing Easily Accessible

In the latter half of the 1990s monochrome printers were the main type of printers used in offices. At that time color printers had high printing unit costs and were still out of reach. The ORPHIS HC5000 high-speed color printer was developed based on the desire to make costly and time-consuming color printing more affordable and easy to use.

As examples of its benefits, this printer significantly raised the visual appeal and enhanced the readability of documents and written plans previously printed in monochrome. Meanwhile, the ORPHIS X series launched in 2009 features enhanced variable printing functions for content that differs for each page of output, such as for business forms and direct mail items. The introduction of these printers led to the creation of new print solutions.



ORPHIS EX9050 equipped with Perfect Binder (launched in 2013)

### 2013~2018

## Responding to Diverse Needs That Include Creating Sealed Documents and Bookbinding

Responding to various print needs, RISO has expanded and upgraded the options on its EX series of printers, which were introduced in 2013 to address diverse needs. The Wrapping Envelope Finisher automatically performs tasks ranging from printing to enclosing and sealing and is used for creating sealed documents such as health examination results at health examination centers and student report cards at tutoring schools. In addition, the Perfect Binder that automatically performs tasks from printing to bookbinding is useful for creating manuals and catalogs. In this manner, the ORPHIS provides strong support for numerous customers. Moreover, many users have expressed their appreciation that the ORPHIS and its options have helped reduce their print costs and work times and enhanced efficiency.

Furthermore, the ORPHIS also focuses on improving environmental performance. Reflecting the success of these efforts, in 2013 the ORPHIS EX series of high-speed color printers earned the Chairman Prize of ECCJ at the Energy Conservation Grand Prize and the ORPHIS FW series launched in 2016 earned a Product of the Year Award at Eco Mark Award 2016.



ORPHIS FW series earned a Product of the Year Award at Eco Mark Award 2016 (launched in 2016)

## RISO Customers

This section introduces users of the ORPHIS high-speed color printer and RISOGRAFH digital duplicator. Here we introduce the Happy Road Ohyama Shopping District Promotion Association and Jack Co., Ltd.

### ORPHIS

#### ORPHIS Contributes to the Vibrancy of a Shopping Arcade



Happy Road Ohyama Shopping District Promotion Association (Itabashi-ku, Tokyo)

Happy Road Ohyama shopping district is a vibrant shopping arcade that bustles with an average of 34,000 people passing through each day. The Happy Road Ohyama Shopping

District Promotion Association serves as the secretariat for the shopping arcade. The ORPHIS GD plays a major role at the association in printing announcement flyers for the shopping arcade's various seasonal events and numerous product fairs. Moreover, the association has made this printer available for a fee-based copy service for its approximately 200 member stores and the general public. Also, the printer can be used by individual stores for printing flyers and thus makes a major contribution to the vibrancy of the shopping arcade.

A satisfied staff member explains, "ORPHIS realizes incomparably fast printing speeds and vivid image quality using five colors of ink. The time-saving in printing paged-publications with the staple function is especially outstanding."

### RISOGRAFH

#### Conveying the Appeal of RISOGRAFH Art



Jack Co., Ltd. (Shibuya-ku, Tokyo)

Jack Co., Ltd. operates "16 (Sixteen)," a shop that handles apparel and books and has adjoining gallery space. As a means for allowing artists to express themselves, the shop

provides a venue for works, such as self-created small-lot printed zines and posters. The RISOGRAFH is being used for printing these creations.

Mr. Kazuma Ogata, a member of the PR Department and also an active artist, has high acclaim for expressive powers that utilize the features of the RISOGRAFH's stencil printing. Mr. Ogata explains, "I'm able to express my own personality with a flavor resembling a woodblock print and the fun of coloring when overlaying." He adds that people look at his artwork and then ask with keen interest, "How did you print that?" In this manner, the RISOGRAFH also stimulates creativity in young artists. There will be growing attention focused on what types of new cultures will be created here in the future.

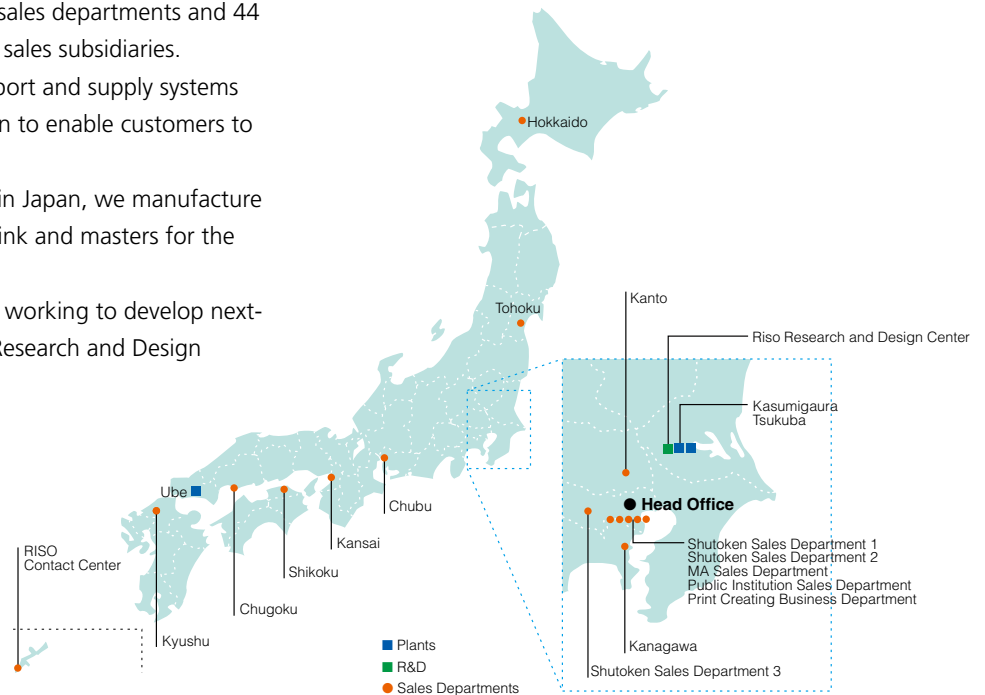
# RISO Network (As of June 26, 2018)

## Facilities in Japan

RISO's sales network encompasses 14 sales departments and 44 sales branches and 2 offices as well as sales subsidiaries. Additionally, we provide technical support and supply systems for consumables throughout the nation to enable customers to use our products with assurance.

At our three manufacturing bases in Japan, we manufacture hardware and ink for the ORPHIS and ink and masters for the RISOGRAPH.

Our development departments are working to develop next-generation RISO products at the Riso Research and Design Center in Ibaraki Prefecture.



## Global Network

Our wide-spanning network, centering on 26 overseas subsidiaries, engages in sales of ORPHIS and RISOGRAPH hardware, provides technical support and also supplies consumables. RISOGRAPH hardware is produced at the manufacturing plants of RISO INDUSTRIES (SHENZHEN) LTD. and RISO TECHNOLOGY CHINA CO., LTD. in China and RISO INDUSTRY (THAILAND) CO., LTD. in Thailand.

Over 3,600 RISO Group employees value communication with customers and provide customer support in the respective countries where we operate.



### Main subsidiaries

RISO, INC.  
RISO CANADA, INC.  
RISO LATIN AMERICA, INC.  
RISO de Mexico, S.A. de C.V.  
RISO do Brasil Ltda.  
RISO (U.K.) LTD.  
RISO (Deutschland) GmbH  
RISO FRANCE S.A.  
RISO IBERICA, S.A.

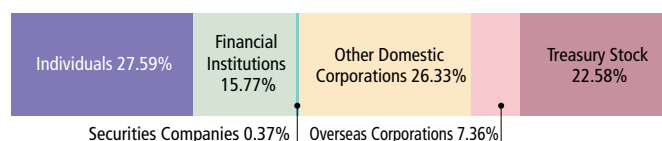
RISOGRAPH ITALIA S.R.L.  
RISO EURASIA LLC  
RISO EURASIA KAZAKHSTAN LLC  
RISO EURASIA UKRAINE LLC  
RISO TURKEY BASKI COZUMLERI A.S.  
RISO AFRICA (PTY) LTD.  
RISO INDUSTRIES (H.K.) LTD.  
RISO INDUSTRIES (SHENZHEN) LTD.  
RISO TECHNOLOGY CHINA CO., LTD.

RISO INDUSTRY SHANGHAI CO., LTD.  
RISO HONG KONG LTD.  
RISO (Thailand) LTD.  
RISO INDUSTRY (THAILAND) CO., LTD  
RISO INDIA PRIVATE LTD.  
RISO KOREA LTD.  
RISO (SG) PTE. LTD.

## Stock Information (As of March 31, 2018)

<b>Number of shares:</b>	135,680,000 (No change from the end of the previous period)
<b>Number of shares issued:</b>	47,406,332 (No change from the end of the previous period)
<b>Number of shareholders:</b>	2,402 (A decrease of 202 persons from the end of the previous period)

### Breakdown of stock ownership



Major Shareholders (Top 10 Shareholders)	Number of shares owned (thousands of shares)	Shareholding ratio (%)
RISO KAGAKU CORPORATION	10,704	22.58
RISO Limited	4,941	10.42
Riso Educational Foundation	2,661	5.61
Akatsuki Kosan Co., Ltd.	1,959	4.13
Trust & Custody Services Bank, Ltd. as trustee for the Tokyo Tomin Bank, Ltd. Retirement Benefit Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	1,567	3.31
RISO KAGAKU CORPORATION Employees' Shareholding Association	1,563	3.30
Osamu Hayama	1,194	2.52
Takashi Hayama	1,180	2.49
Akira Hayama	1,155	2.44
Mariko Ito	1,104	2.33

Note: On May 1, 2018 Tokyo Tomin Bank, Ltd. merged with Yachiyo Bank, Ltd. and ShinGinko Tokyo, Limited and became Kiraboshi Bank, Ltd.

### Repurchase of Treasury Stock

During fiscal 2018, RISO repurchased treasury stock as detailed below.

Number of shares repurchased:	686,700 shares
Total repurchased amount:	¥1,499 million

## Corporate Data

<b>Corporate name</b>	RISO KAGAKU CORPORATION
<b>Head office</b>	5-34-7 Shiba, Minato-ku, Tokyo 108-8385 Japan
<b>Established</b>	September 2, 1946
<b>Incorporated</b>	January 25, 1955
<b>Paid-in capital</b>	¥14,114,985,384 (As of March 31, 2018)
<b>Number of employees</b>	1,743 (3,638 for the RISO Group) (As of March 31, 2018)
<b>Subsidiaries</b>	28 companies (domestic: 2; overseas: 26) (As of March 31, 2018)

### Board of Directors and Auditors (As of June 26, 2018)

President & CEO (Representative Director)	Akira Hayama
Director	Yoshiomi Narumiya
Director	Shoichi Ikejima
Director	Yasunobu Takahashi
Director	Kenji Oshima
Director	Toshiaki Yatabe*
Director	Shigekazu Torikai*
Standing Auditor	Yasuo Tazawa
Standing Auditor	Nobuyoshi Shirai
Auditor	Yoshinari Iizuka*
Auditor	Shinji Hatta*

Note: "\*" refers to outside directors and outside auditors, as stipulated under Item 15 and 16 of Article 2 of the Corporate Law.

The financial information appearing in this review is a translation of the original Japanese text into English and is based on generally accepted accounting standards and practices in Japan.

### Forward-looking Statements

Forecasts of future performance contained in forward-looking statements are based on Riso Kagaku Corporation's current expectations, estimates and assessment of the markets in which it operates. A number of factors, many beyond the Company's control, could cause actual results to differ materially from the forecasts contained in these statements.

## RISO KAGAKU CORPORATION

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