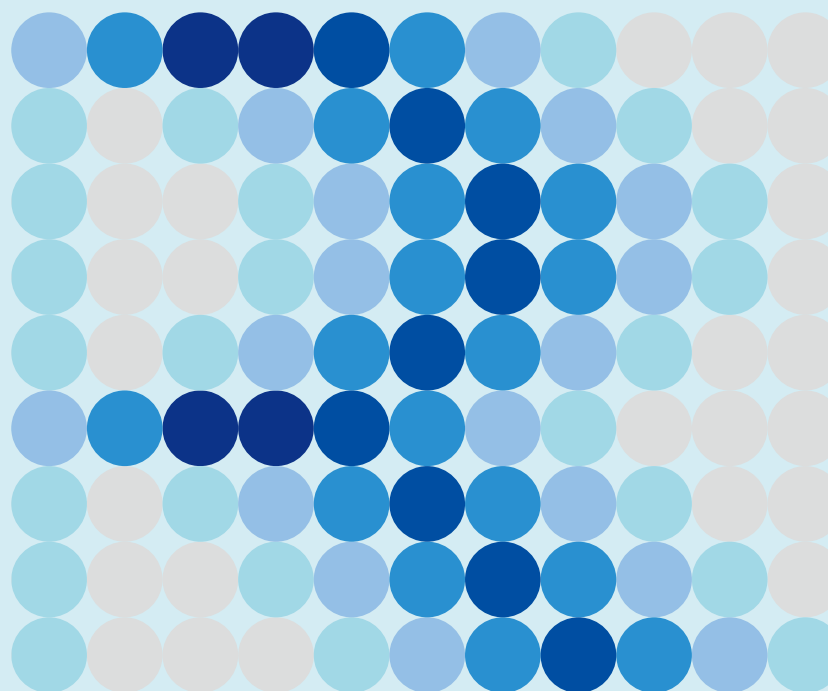




# Annual Review 2017



# Fiscal 2017 Comes to a Close

President Akira Hayama provides an overview of fiscal 2017.



Akira Hayama, President & CEO

### Solid Results Supported by the Introduction of New Products in the Inkjet Business

Looking at RISO's operating results for fiscal 2017 on a consolidated basis, net sales were ¥82,995 million (down 2.9% year on year), operating income was ¥3,993 million (down 39.0% year on year) and profit attributable to owners of parent was ¥2,724 million (down 48.3% year on year).

During fiscal 2017, domestic and overseas sales were favorable due to the introduction of new products in the inkjet business. Despite an increase in domestic net sales, overseas net sales declined due to the effects of exchange rates. However, total net sales increased when excluding the effects of exchange rates. Operating income fell below that of the previous year because of increases in depreciation and sales expenses, both of which were due to the introduction of new products, and because of the effects of exchange rates.

For the fiscal year, the overseas net sales ratio was 41%. The inkjet business accounted for 48% of net sales, an increase of 3.0 percentage points from the previous fiscal year.

### Strengthened Sales Activities throughout the World

During fiscal 2017, based on the management objective of The Sixth Medium-term Management Plan "RISO Vision 19," RISO set two management policies, namely (1) Ensure successful launching and sales expansion of the new products by R&D, Production and Sales Divisions and (2) Accomplish the growth of the number of machine installations by taking full advantage of new products. In working to realize these policies, we introduced new products in the inkjet business and in the digital duplicating

## To Our Shareholders

business and proactively displayed these at exhibitions in Japan and overseas. RISO also held RISO FUTURE LIVE!, which are new products exhibitions for the domestic market, at seven locations across Japan and these attracted over 10,000 corporate customers.

Net sales for the printing equipment business were down 2.7% year on year. Despite a 1.2% increase in domestic net sales from the previous year, overseas net sales declined by 7.6% year on year. Although overseas net sales declined due to the effects of exchange rates, local sales in local currency terms increased over the previous year in the various regions of the Americas, Europe and Asia.

To strengthen its R&D capabilities, during the fiscal year RISO acquired land for new R&D facilities in Tsukuba City, Ibaraki Prefecture.

### Actively Promoting the ORPHIS FW Series, GD Series and RISOGRAPH SF Series

In the inkjet business, we have made our ORPHIS high-speed color printers available in two series and proactively promoted these for large-volume printing in offices. In March 2016, we launched the ORPHIS FW series models, which are compact in size and thus ideal for office use, while in September, we launched the ORPHIS GD series that realizes high productivity by achieving the world's fastest color printing speed of 160 pages per minute and improving durability. The ORPHIS GD series also targets demand for light printing production.

In January 2017, the ORPHIS FW series won the Product of the Year award at Eco Mark Award 2016 sponsored by the Japan Environment Association. This series earned the award in recognition of our technological capabilities that achieved reductions in total volatile organic compounds (TVOC), which was regarded as difficult to realize in high-speed printers, in addition to RISO's long years of efforts toward developing eco-products and promoting product recycling. RISO is pleased to earn high

acclaim for its approach to the development of products that attain compatibility between product performance and environmental performance.

In the digital duplicating business, in August 2016 we commenced sales of the RISOGRAPH SF series of general-use digital duplicators, which significantly

### 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

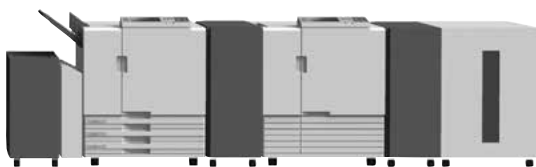
enhances basic performance such as productivity, image features and operability, and successively introduced these in markets throughout the world. For stencil ink, we use RISO INK F type (black), the world's first rice ink that uses domestically produced rice bran oil.

### Development Concept Models Displayed as Reference Exhibits

RISO is pursuing possibilities in new businesses as well. As development concept models, RISO displayed two inkjet printer models as reference exhibits, namely the RISO T1 full-color inkjet printer for business forms using roll paper and the RISO T2 high-speed full-color inkjet printer using cut sheet, at drupa 2016, the largest printing equipment exhibition in the world, held in Germany in June 2016, as well as at GRAPH EXPO 2016, in the United States in September 2016.



RISO T1 (roll-paper printer)



RISO T2 (cut-sheet printer)

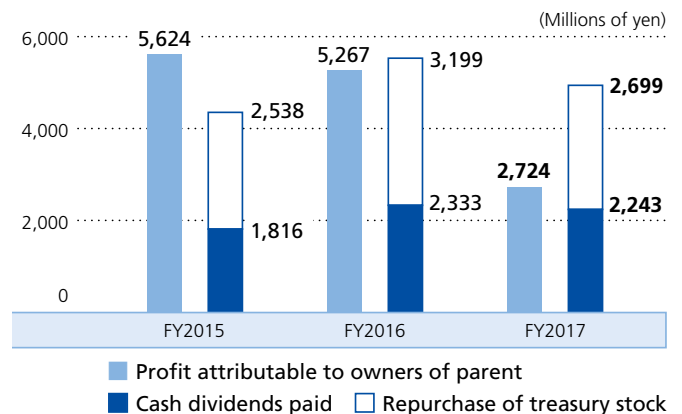
### Year-End Dividends of ¥60.00

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.

Our basic approach is to distribute annual dividends from surplus once a year at the end of the fiscal year and to appropriately acquire treasury stock while considering stock price levels and market trends and then retire treasury stock, as a general rule.

### Shareholder return



In fiscal 2017, year-end cash dividends per share were maintained at ¥60.00, the same as in the previous year. The payout ratio was 84.0% and the total return ratio was 181.4%. During the fiscal year, RISO acquired a total of 1,499,800 shares of treasury stock at a cost of ¥2,699 million.

Fiscal 2017 also marked the important milestone of RISO's 70th anniversary. RISO was able to celebrate its 70th anniversary thanks to the warm support of our stakeholders, to whom I wish to express my deepest appreciation.

# To Our Shareholders

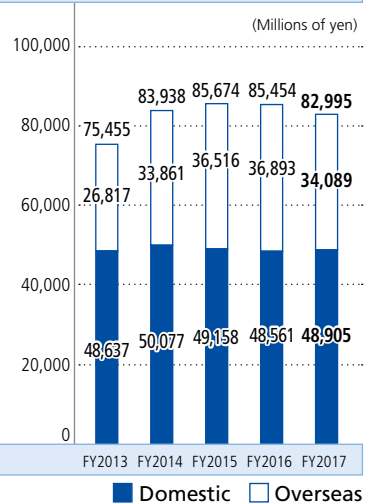
## Financial Highlights (Consolidated basis)

Note: Amounts less than the unit expressed are omitted.

### Net sales

(Fiscal year ended March 31, 2017)

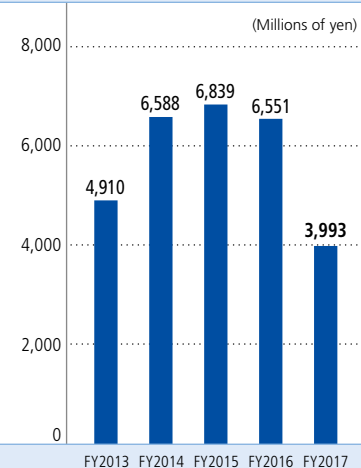
¥ **82,995** million



### Operating income

(Fiscal year ended March 31, 2017)

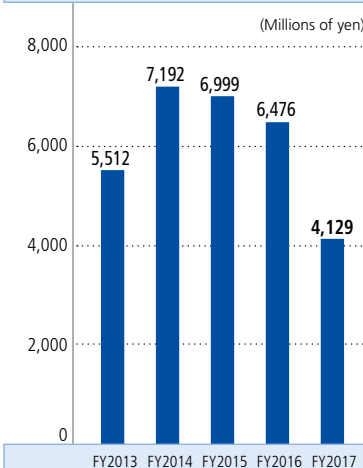
¥ **3,993** million



### Ordinary income

(Fiscal year ended March 31, 2017)

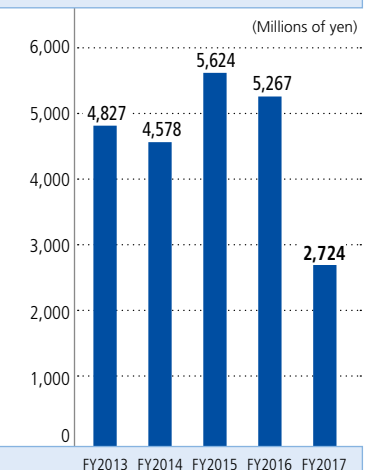
¥ **4,129** million



### Profit attributable to owners of parent

(Fiscal year ended March 31, 2017)

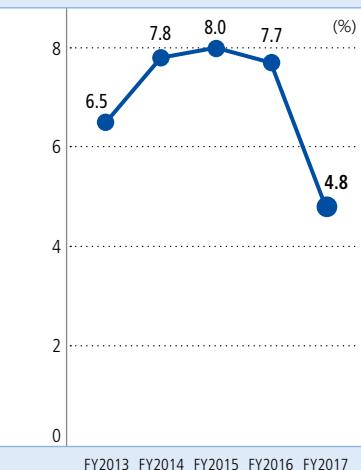
¥ **2,724** million



### Operating income margin

(Fiscal year ended March 31, 2017)

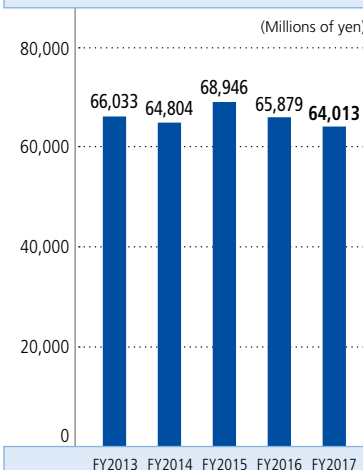
**4.8** %



### Net assets

(Fiscal year ended March 31, 2017)

¥ **64,013** million



## The Sixth Medium-term Management Plan “RISO Vision 19” and Policies and Earnings Forecast for Fiscal 2018

President Akira Hayama explains The Sixth Medium-term Management Plan “RISO Vision 19” and the management policies, business development and earnings forecast for fiscal 2018, which will be the second year of the plan.



Akira Hayama, President & CEO

### Take Full Advantage of New Products to Accomplish the Increase of the number of machine installations

The management objective of The Sixth Medium-term Management Plan “RISO Vision 19” 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.” The 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 2018, the second year of RISO Vision 19, our management policy will be “Take full advantage of new products to accomplish the increase of the number of machine installations while resolving medium- and long-term management challenges.” In keeping with this policy, RISO will continue to focus on sales activities to expand machine installations in markets worldwide. Amid ongoing changes in the market environment, RISO will continue to strengthen its unique products for use in large-volume printing in offices.

Management Policy for  
Fiscal Year Ending March 31, 2018

Take full advantage of new products to accomplish the increase of the number of machine installations while resolving medium- and long-term management challenges

## To Our Shareholders

In the inkjet business, RISO will carry out sales activities taking advantage of the respective features of the two series of the ORPHIS, namely the ORPHIS GD series and the ORPHIS FW series, both of which became available in 2016. In the digital duplicating business, RISO will promote sales of the general-use RISOGRAPH SF series launched in August 2016.



ORPHIS GD9630

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

By implementing these measures, for fiscal 2018 RISO forecasts net sales of ¥83,500 million, operating income of ¥4,400 million, ordinary income of ¥4,400 million and profit attributable to owners of parent of ¥3,000 million. Net sales are forecast to increase 0.6% and operating income is expected to increase 10.2% due in part to the impact of a decrease in depreciation expenses. The operating income margin is forecast to be 5.3%.

Regarding the forecast for year-end dividends in fiscal 2018, in view of these business results and our financial condition, RISO plans to maintain cash dividends per share at ¥60.00. Additionally, on May 9, 2017, RISO announced a repurchase of treasury stock and from May 19 through June 2, 2017 RISO purchased 311,900 shares of treasury stock at a cost of ¥699 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 FY2018

		FY2018 Forecast	FY2017 Actual	Difference	
				Amount	Growth
Net sales	(Millions of yen)	83,500	82,995	504	0.6%
Operating income	(Millions of yen)	4,400	3,993	406	10.2%
Ordinary income	(Millions of yen)	4,400	4,129	270	6.6%
Profit attributable to owners of parent	(Millions of yen)	3,000	2,724	275	10.1%
Operating income margin	(%)	5.3	4.8		

Note: FY2018 assumed exchange rates: ¥109 to the U.S. dollar, ¥116 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	FY2016 (As of Mar. 31, 2016)	FY2017 (As of Mar. 31, 2017)
<b>Current assets</b>	<b>¥50,938</b>	<b>¥47,134</b>
Cash and deposits	16,943	15,058
Notes and accounts receivable—trade	15,257	15,393
Short-term investment securities	3,430	900
Inventories	11,199	12,045
Other	4,407	3,993
Allowance for doubtful accounts	(300)	(257)
<b>Noncurrent assets</b>	<b>40,730</b>	<b>40,854</b>
<b>Total property, plant and equipment</b>	<b>32,343</b>	<b>33,026</b>
Buildings and structures, net	8,701	8,185
Machinery, equipment and vehicles, net	1,444	1,375
Land	15,921	17,623
Other	6,276	5,841
<b>Intangible assets</b>	<b>2,671</b>	<b>1,916</b>
Goodwill	83	—
Software	1,582	1,261
Other	1,006	655
<b>Investments and other assets</b>	<b>5,715</b>	<b>5,911</b>
Investment securities	1,604	1,981
Other	4,162	3,972
Allowance for doubtful accounts	(51)	(41)
<b>Total assets</b>	<b>¥91,669</b>	<b>¥87,988</b>

Note: Total amount of depreciation of tangible fixed assets for fiscal 2017 was ¥39,989 million.

#### Point ① Cash and deposits and Short-term investment securities

A portion of cash and deposits and short-term investment securities was appropriated for the acquisition of treasury stock, the payment of dividends and the acquisition of land.

#### Point ② Land

Land was acquired in Tsukuba City, Ibaraki Prefecture, for the purpose of strengthening R&D.



# Consolidated Financial Statements

## LIABILITIES

(Millions of yen)

Item	FY2016 (As of Mar. 31, 2016)	FY2017 (As of Mar. 31, 2017)
<b>Current liabilities</b>	<b>¥22,198</b>	<b>¥21,194</b>
Notes and accounts payable—trade	10,538	11,568
Short-term loans payable	1,620	1,322
Current portion of long-term loans payable	1	1
Other	10,037	8,301
<b>Noncurrent liabilities</b>	<b>3,591</b>	<b>2,781</b>
Long-term loans payable	18	17
Net defined benefit liability	3,130	2,359
Other	442	405
<b>Total liabilities</b>	<b>¥25,789</b>	<b>¥23,975</b>

## NET ASSETS

(Millions of yen)

Item	FY2016 (As of Mar. 31, 2016)	FY2017 (As of Mar. 31, 2017)
<b>Shareholders' equity</b>	<b>¥67,506</b>	<b>¥65,198</b>
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	50,287	50,678
Treasury stock	(11,675)	(14,375)
<b>Total accumulated other comprehensive income</b>	<b>(1,627)</b>	<b>(1,184)</b>
Valuation difference on available-for-sale securities	137	483
Foreign currency translation adjustment	(246)	(549)
Remeasurements of defined benefit plans	(1,518)	(1,118)
<b>Total net assets</b>	<b>¥65,879</b>	<b>¥64,013</b>
<b>Total liabilities and net assets</b>	<b>¥91,669</b>	<b>¥87,988</b>

# Consolidated Financial Statements

## Statements of Income

(Millions of yen)

Item	FY2016 (Year ended Mar. 31, 2016)	FY2017 (Year ended Mar. 31, 2017)
<b>Net sales</b>	<b>¥85,454</b>	<b>¥82,995</b>
Printing equipment business	84,063	81,826
Japan	47,276	47,839
Americas	6,195	5,671
Europe	15,555	14,126
Asia	15,035	14,190
Real estate business and others	1,391	1,168
Cost of sales	35,640	36,341
Gross profit	49,814	46,654
Selling, general and administrative expenses	43,262	42,660
<b>Operating income</b>	<b>6,551</b>	<b>3,993</b>
Non-operating income	373	384
Non-operating expenses	449	248
<b>Ordinary income</b>	<b>6,476</b>	<b>4,129</b>
Extraordinary income	1,645	88
Extraordinary loss	465	191
<b>Income before income taxes and minority interests</b>	<b>7,655</b>	<b>4,026</b>
Income taxes	2,388	1,302
<b>Profit attributable to owners of parent</b>	<b>¥ 5,267</b>	<b>¥ 2,724</b>

### Point ③ Net sales

Net sales decreased ¥2,459 million versus the previous fiscal year. Excluding the effects of exchange rates, net sales increased 2.9% from the previous year.

### Point ④ Cost of sales

Depreciation and other expenses increased due to the introduction of new products.

### Point ⑤ Selling, general and administrative expenses

Although selling expenses for new products increased, research and development expenditures decreased. Selling, general and administrative expenses declined from the previous year to due to the effects of exchange rates.

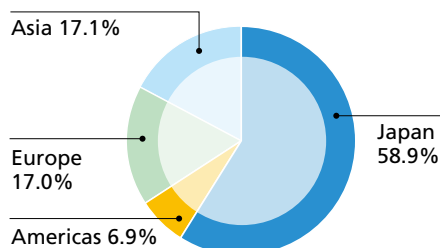
## Statements of Cash Flows

(Millions of yen)

Item	FY2016 (Year ended Mar. 31, 2016)	FY2017 (Year ended Mar. 31, 2017)
Net cash provided by (used in) operating activities	¥ 8,681	¥ 5,618
Net cash provided by (used in) investment activities	(952)	(4,805)
Net cash provided by (used in) financing activities	(5,902)	(5,378)
Effect of exchange rate change on cash and cash equivalents	(565)	(121)
Net increase (decrease) in cash and cash equivalents	1,260	(4,687)
Cash and cash equivalents at beginning of period	18,127	19,388
Cash and cash equivalents at end of period	¥19,388	¥14,701

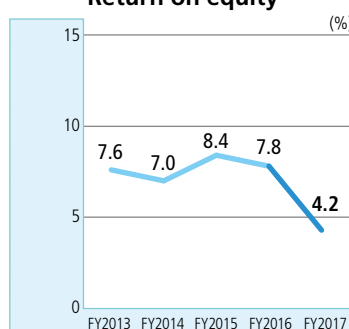
### Sales by region

(Fiscal year ended March 31, 2017)



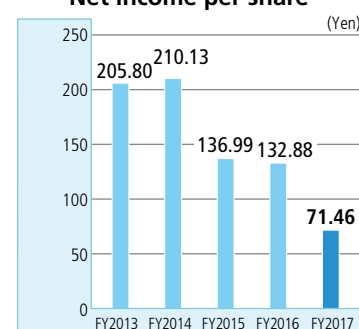
### Return on equity

(%)



### Net income per share

(Yen)



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

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

To allow numerous customers to experience its products, RISO holds its own exhibitions in regions across Japan and displays its products at a variety of events in Japan and overseas.

#### Japan

From June 2016 through March 2017, RISO held its own product exhibitions, including RISO FUTURE LIVE!, at 254 locations across Japan. At RISO FUTURE LIVE!, we exhibited the ORPHIS GD series and ORPHIS FW series of high-speed color printers that were newly launched in 2016, along with the RISOGRAPH SF series of digital duplicators, as we introduced a wide range of usage methods.

RISO also displayed its products at a variety of specialized exhibitions. These included Logis-Tech Tokyo 2016, the largest-class distribution and logistics-related exhibition in Asia held in September 2016, and eCommerce EXPO 2017, the largest ecommerce specialized event in Japan held in February 2017. Also in February 2017, RISO displayed products at page2017, which is sponsored by the Japan Association of Graphic Arts Technology, and proposed solutions that enable high-speed output and low printing costs and that enhance business efficiency.



RISO FUTURE LIVE! (belle salle, Tokyo, Nihonbashi)

#### Overseas

RISO displayed its products at drupa 2016, the largest printing equipment exhibition in the world, held in Düsseldorf, Germany, from May 31 to June 10, 2016. Besides its new product lineup of high-speed color printers and digital duplicators, RISO also showcased two reference exhibits as development concept models. These consisted of the RISO T1 full-color inkjet printer that uses newly developed roll paper for business form printing and the RISO T2 high-speed full-color cut-sheet inkjet printer. During the 11-day event, persons from approximately 1,600 companies visited RISO's exhibition space as numerous industry participants visited the exhibition. Additionally, RISO displayed its products at GRAPH EXPO 2016, a printing exhibition held in the U.S. state of Florida in September 2016. In this manner, RISO emphasized the appeal of its products at numerous events.



drupa 2016 (Düsseldorf, Germany)

### Collaboration with World Co., Ltd. at Yomiuriland Goodjoba!!

RISO collaborated with World Co., Ltd., a partner company of Goodjoba!!, an indoor amusement area at Yomiuriland. Specifically, RISO and World held two workshops, the “T-Shirt Design Contest” and “Original Tote Bag Making” using GOCCOPRO digital screen makers. The “T-Shirt Design Contest” was held from March 18 to March 20, 2017. For this contest, 163 t-shirts were created and an outstanding t-shirt was selected from among these after undergoing a strict judging process. The “Original Tote Bag Making” workshop was held from March 21 to April 9, 2017. This workshop bustled with families who engaged in screen printing of the Yomiuriland mascot characters “Good” and “Lucky” onto tote bags.



“T-Shirt Design Contest”

### 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 2017, 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 Mu Kanazaki.

#### 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.



©1992 K.A.F.C



©Kashima Antlers  
Kashima Antlers kickoff party for the season

# ORPHIS FW Series Earns Product of the Year Award at Eco Mark Award 2016



Guided by the RISO Environmental Charter, which emphasizes “contributing to global environmental protection and ensuring a beautiful and sound environment for the next generation,” RISO strives to reduce the environmental burdens associated with its operations.

Here we introduce the award earned by the ORPHIS FW series.

## ORPHIS FW Series Acclaimed for Various Efforts

The ORPHIS FW series won the Product of the Year award at Eco Mark Award 2016 sponsored by the Japan Environment Association. Eco Mark\*1 is Japan’s only third-party certified Type I environmental labeling system based on ISO standards. Product of the Year selects and commends especially outstanding products from among Eco Mark certified products that were certified in fiscal 2015-2016. The award recognizes contributions to “resource conservation and resource circulation” and “limiting and controlling hazardous substances.”

The recent award was presented based on high acclaim for promoting product recycling and for reducing the dissipation of total volatile organic compounds (TVOC)\*2, which was regarded as difficult to realize in high-speed printers. To reduce the dissipation of TVOC, the research and manufacturing teams worked in unison and re-evaluated the materials used in the ORPHIS FW

series as well as the manufacturing process and through these efforts achieved reductions to a level significantly below TVOC standards.

Our corporate approach toward realizing compatibility between high performance and environmental performance, as exemplified by our top-of-the-line ORPHIS GD series that attains the world’s fastest printing speeds, also earned acclaim. In the future as well, RISO will continue to carry out environmentally friendly manufacturing in Japan and overseas.

\*1: Eco Mark is implemented by the Japan Environment Association as Japan’s only third-party certified Type I environmental labeling system based on ISO standards. The system establishes and announces certification criteria for each product category and targets a wide range of products (goods and services).

\*2: VOC is an acronym for volatile organic compounds. The World Health Organization (WHO) defines VOCs as “a general term for organic compounds existing in a gaseous state in the atmosphere that have boiling points between 50–260°C.” Specified VOC dispersed into the atmosphere from building materials, paints and adhesives is one cause of photochemical smog and the sick-building syndrome.



ORPHIS FW5230



### Evaluation Comment



Mr. Osamu Uno  
Director General of the  
Secretariat,  
Japan Environment  
Association

By making its utmost development efforts, RISO has attained its objective of surpassing the new standard for the Eco Mark. Moreover, the ORPHIS FW series of inkjet printers became the first imaging equipment to obtain Germany’s Blue Angel mutual recognition environmental label. The recent obtaining of the Blue Angel label is an outstanding achievement in the sense that Japan is leading the way in global environmental standards. In this way, I hope the Eco Mark program and companies can step forward together.

## RISO Customers

This section introduces ORPHIS and RISOGRAPH users. Here we introduce a staff member from the Hometown PR Section of the Agriculture and Forestry Commerce Department of the Kanoya City Office and a person from Mt. JEANS Nasu.

### ORPHIS

#### Valuable Job-Ready Capabilities Not Found in Other Products



Hometown PR Section of the Agriculture and Forestry Commerce Department of the Kanoya City Office (Kanoya City, Kagoshima Prefecture)

The Hometown PR Section of the Agriculture and Forestry Commerce Department handles the “Furusato Nozei” (hometown tax payment scheme) inside the Kanoya City Office

in Kanoya City, a central city with a flourishing agriculture and livestock industry on the Osumi Peninsula, Kagoshima Prefecture. The City Office introduced an ORPHIS printer equipped with a Wrapping Envelope Finisher for the purpose of streamlining its printing and dispatch operations.

Office personnel must accurately enclose, seal and send necessary documents that include individualized notifications and thank-you letters to each respective “Furusato Nozei” applicant. We are told that previously this job was an extremely difficult task that needed to be performed entirely by hand, which took a four-person staff over one day to mail more than 2,000 items. In contrast, following the introduction of the ORPHIS, one person now handles this job, which takes approximately one hour. A satisfied staff member tells us: “The improvement in operational efficiency is clearly evident and there have been few troubles. I think this printer is superb. We can’t find any other printer with the same functions. This printer has valuable job-ready capabilities.”

### RISOGRAPH

#### RISOGRAPH Plays a Key Role in Innovative Approaches to Ensure the Enjoyment of Customers



Mt. JEANS Nasu (Nasu Town, Nasu District, Tochigi Prefecture)

Mt. JEANS Nasu is a popular ski resort situated in Nasu Town, Tochigi Prefecture. Numerous customers visit this resort year round to enjoy skiing, mountain climbing and viewing the autumn leaves. Mt. JEANS Nasu uses the RISOGRAPH SF series for self-producing lift (gondola) tickets that are indispensable for moving around within the resort area. The resort prepares lift tickets for adults, children and even for pets, and these tickets have been well-received. The person in charge explains the benefits of the RISOGRAPH. “Outsourcing our printing requires us to place large-volume orders. With the RISOGRAPH, however, we can print multiple types of tickets little by little and divide our printing in a highly versatile manner.” Mt. JEANS Nasu also provides careful education and training using the RISOGRAPH SF to print manuals and safety measure materials that are distributed to part-time staff in winter. The RISOGRAPH plays a key role in various innovative approaches that allow guests to safely enjoy the resort.

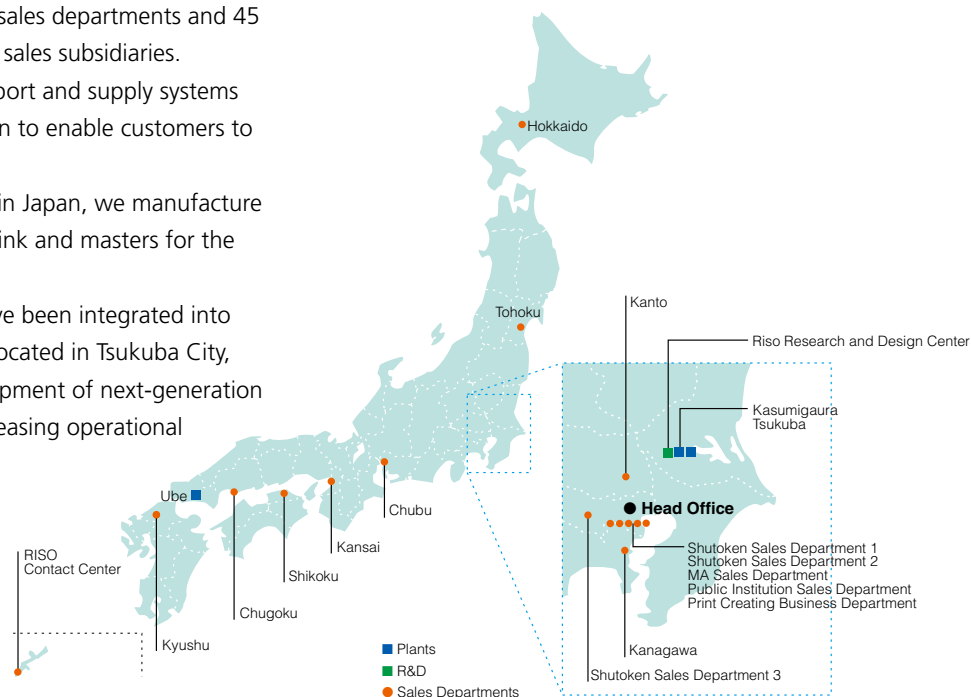
# RISO Network (As of June 27, 2017)

## Facilities in Japan

RISO's sales network encompasses 14 sales departments and 45 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 RISOGRAF.

Our development departments have been integrated into the Riso Research and Design Center located in Tsukuba City, Ibaraki Prefecture, in which the development of next-generation RISO products is carried out while increasing operational efficiency.



## Global Network

Our wide-spanning network, centering on 26 overseas subsidiaries, engages in sales of ORPHIS and RISOGRAF hardware, provides technical support and also supplies consumables. RISOGRAF 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 3,500 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.

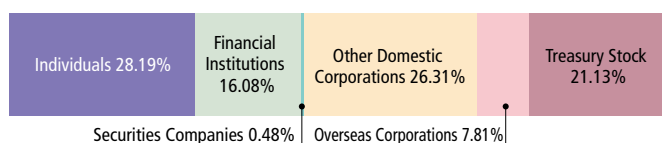
- RISOGRAF ITALIA S.R.L.
- RISO EURASIA LLC
- RISO EURASIA KAZAKHSTAN LLC
- RISO EURASIA UKRAINE LLC
- RISO TURKEY BASKI COZUMLERI A.S.
- RISO AFRICA (PTY) LTD.
- RISO INDUSTRIES (H.K.) LTD.
- RISO INDUSTRIES (SHENZHEN) LTD.
- RISO TECHNOLOGY CHINA CO., LTD.

- 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, 2017)

<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>	2,604 (A decrease of 427 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	10,018	21.13
RISO Limited	4,941	10.42
Riso Educational Foundation	2,661	5.61
Akatsuki Kosan Co., Ltd.	1,959	4.13
RISO KAGAKU CORPORATION Employees' Shareholding Association	1,623	3.43
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
Osamu Hayama	1,194	2.52
Takashi Hayama	1,180	2.49
Akira Hayama	1,179	2.49
Mariko Ito	1,134	2.39

### Repurchase of Treasury Stock

During fiscal 2017, RISO repurchased treasury stock as detailed below.

Number of shares repurchased: 1,499,800 shares

Total repurchased amount: ¥2,699 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, 2017)
<b>Number of employees</b>	1,716 (3,604 for the RISO Group) (As of March 31, 2017)
<b>Subsidiaries</b>	28 companies (domestic: 2; overseas: 26) (As of March 31, 2017)

### Board of Directors and Auditors (As of June 27, 2017)

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

Note: "\*" refers to outside director 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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