



# **Briefing on Business Results**

## **- FY2020-**

(From April 1, 2019 to March 31, 2020)

---

**RISO KAGAKU CORPORATION**

May, 2020

# Table of Contents

---

1. Corporate Data	Slide	2
2. FY2020 Consolidated Financial Results	Slide	7
3. FY2020 Activity Overview	Slide	13
4. Forecast for FY2021	Slide	20
5. Shareholders Return	Slide	22

## ■ Notes on the descriptions in this briefing

The amounts indicated have been rounded down to a million yen unless otherwise noted.

## ■ A note on the description relating to forecasts

The following statements, including forecasts, contained in these materials are based on information currently available to the Company. Actual business may differ substantially from the forecasts due to various factors in the future.



# 1 Corporate Data

---

- 1.1 Corporate Data
- 1.2 Business Outline and Domains
- 1.3 Change in the Inkjet Business'  
Share of Consolidated Net Sales
- 1.4 Market Position of RISO  
Products

# 1.1 Corporate Data (as of March 31, 2020)

---

- Corporate Name RISO KAGAKU CORPORATION
- President & CEO Akira Hayama
- Head Office 5-34-7 Shiba, Minato-ku, Tokyo 108-8385, Japan
- Established September 2, 1946
- Incorporated January 25, 1955
- Paid-in Capital ¥14,114,985,384
- Group Employees 3,549
- Group Subsidiaries 28 (Domestic: 2 Overseas: 26)

# 1.2 Business Outline and Domains

## Printing equipment business

- Inkjet Business:  
Full Color Inkjet Printer **ORPHIS**



ORPHIS  
GD9630

- Digital Duplicating Business:  
High Speed Digital Duplicator **RISOGRAPH**

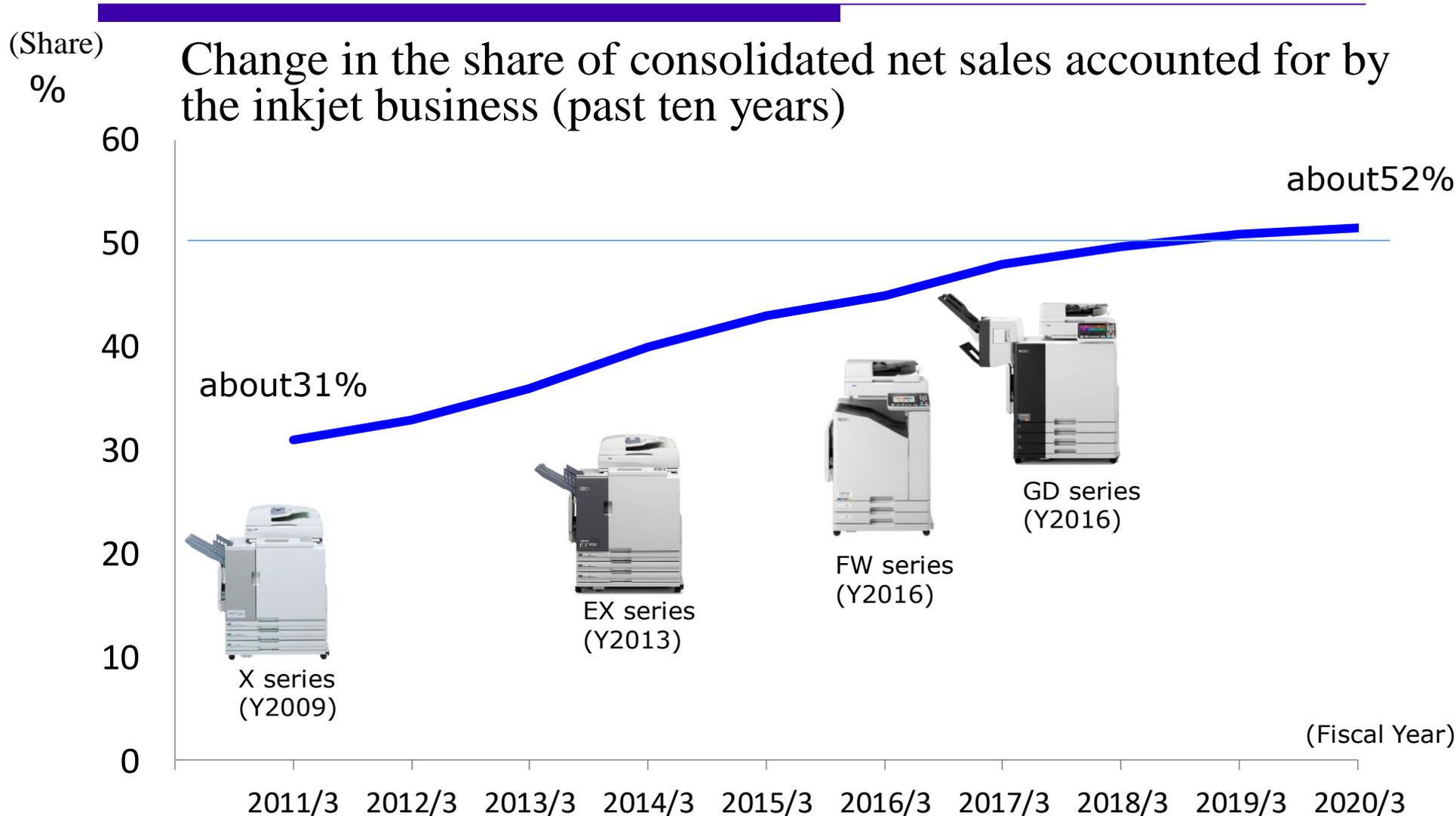


RISOGRAPH  
MF935W

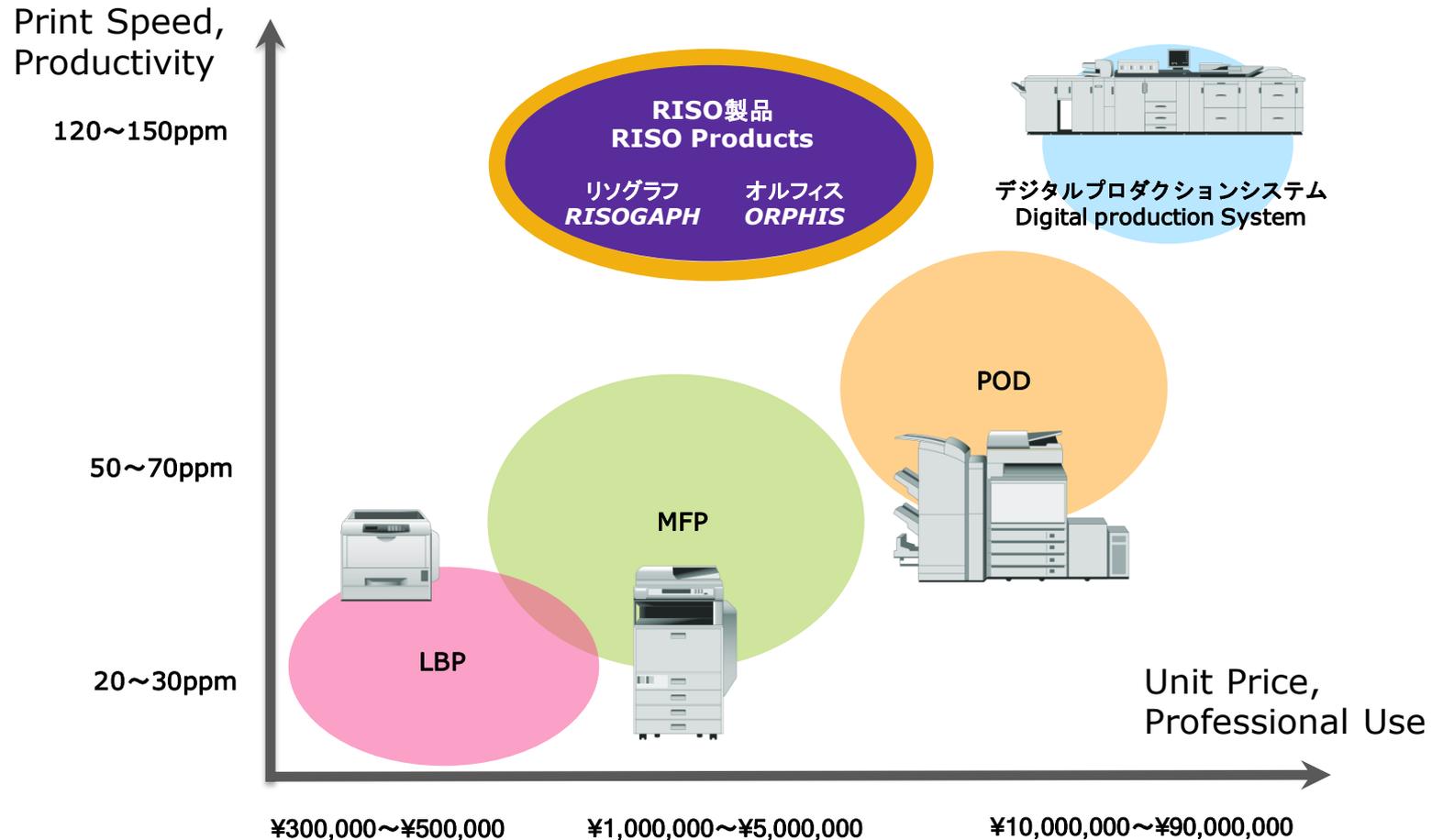
## Others

- Real Estate Business
- Print creating business

# 1.3 Change in the Inkjet Business' Share of Consolidated Net Sales



# 1.4 Market Position of RISO Products



**Deployment of original products with fast printing speed, low running cost, and easy operation as their strengths**



## **2 FY2020**

# **Consolidated Financial Results**

---

- 2.1 Performance Overview
- 2.2 Results by Segment
- 2.3 FY2020 - Points
- 2.4 Consolidated Balance Sheet

## 2.1 FY2020 - Performance Overview

(Millions of Yen)

		FY2019	FY2020	Difference (year-on-year)		Calculated with exchange rates of the previous year
				Amount	Growth %	Growth%
Net sales		83,900	78,066	▲5,834	▲7.0%	▲4.9%
Gross profit		47,611	44,296	▲3,315	▲7.0%	▲4.1%
	(Gross profit ratio)	(56.7%)	(56.7%)			
Selling, general and administrative expenses		43,839	41,752	▲2,087	▲4.8%	▲3.3%
Operating income		3,771	2,543	▲1,228	▲32.6%	▲13.7%
	(Operating income ratio)	(4.5%)	(3.3%)			
Ordinary income		3,660	2,440	▲1,220	▲33.3%	
Profit attributable to the owner of parent		2,771	683	▲2,088	▲75.3%	
Average exchange rates	1US\$	110.91	108.74			
	1Euro	128.41	120.82			

## 2.2 FY2020 - Results by Region

### Net sales

(Millions of Yen)

	FY2019		FY2020		Difference	
	Amount	Ratio	Amount	Ratio	Amount	Growth
Printing equipment business	82,556	98.4%	76,704	98.3%	▲5,852	▲7.1%
Japan	45,123	53.8%	43,370	55.6%	▲1,753	▲3.9%
Overseas	37,432	44.6%	33,334	42.7%	▲4,098	▲10.9%
Americas	5,214	6.2%	4,832	6.2%	▲381	▲7.3%
Europe	15,999	19.1%	14,003	17.9%	▲1,996	▲12.5%
Asia	16,219	19.3%	14,498	18.6%	▲1,720	▲10.6%
Others	1,343	1.6%	1,361	1.7%	18	1.3%

## 2.2 FY2020 - Results by Region

### Operating income

(Millions of Yen)

	FY2019	FY2020	Difference	
			Amount	Growth
Printing equipment business	3,268	2,021	▲1,246	-38.1%
Japan	2,660	2,686	+26	+1.0%
Overseas	608	▲664	▲1,272	—
Americas	▲749	▲959	▲210	—
Europe	576	▲87	▲663	—
Asia	781	383	▲398	-51.0%
Others	503	521	18	3.7%

## 2.3 FY2020 - Points

---

- Net sales decreased and operating income decreased year on year.
- Net sales decreased 7.0% and operating income decreased 32.6% year on year.  
(If exchange rate effects are excluded, net sales decreased 4.9% and operating income decreased 13.7% year on year.)
- Sales fell as a result of the spread of the novel coronavirus infectious disease (COVID-19) in the fourth quarter, and sales posted year on year declined.
- In Japan the inkjet business and the digital duplicating business both saw a last-minute surge in demand in the second quarter, notably for high-margin products, ahead of the consumption tax increase, but in reaction to this surge, the third and fourth quarters recorded declines in demand. Our analysis suggests that this decline in reaction to the earlier surge more or less ran its course in the fourth quarter.
- Posting of an extraordinary loss in the form of losses on revaluation of investment securities and the like (approx. 440 million yen). In addition, as a result of considering the possibility of recovering deferred tax assets related to the elimination of unrealized gains, deferred tax assets were reversed (approx. 500 million yen).

## 2.4 FY2020- Consolidated Balance Sheet

(millions of Yen)

Items	FY2019	FY2020	Items	FY2019	FY2020
Current assets	47,875	42,027	Current liabilities	22,871	19,818
Cash and deposits	17,359	13,019	Notes and accounts payable-trade	11,546	9,618
Notes and accounts receivable-trade	15,246	13,236	Income taxes payable	679	132
Short-term investment securities	2,000	2,700	Other	10,646	10,067
Merchandise and finished goods	8,604	8,450	Noncurrent liabilities	2,038	2,530
Work in process	830	870	Net defined benefit liability	1,324	1,759
Raw materials and supplies	1,988	1,946	Other	714	770
Other	1,846	1,802	<b>Total liabilities</b>	<b>24,909</b>	<b>22,348</b>
Noncurrent assets	39,283	38,197	Shareholders' equity	62,858	59,393
Total property, plant and equipment	31,199	31,249	Retained earnings	52,038	50,573
Intangible assets	1,113	1,080	Treasury stock	△ 18,074	△ 20,074
Investments and other assets	6,969	5,867	Other	28,894	28,894
			Accumulated other comprehensive assets	△ 609	△ 1,517
			<b>Total net assets</b>	<b>62,248</b>	<b>57,876</b>
<b>Total assets</b>	<b>87,158</b>	<b>80,224</b>	<b>Total liabilities and net assets</b>	<b>87,158</b>	<b>80,224</b>

\* Equity Ratio FY2020:72.1% FY2019:71.4%



## **3 FY2020 Activity Overview**

---

- 3.1 The 7th Medium-term Management Plan  
“RISO Vision 22”
- 3.2 Management Policies for FY2021
- 3.3 FY2020  
- Activity Overview

# 3.1 The 7th Medium-term Management Plan “RISO Vision 22”

---

The 7th Medium-term Management Plan “RISO Vision 22” (From April 1, 2019 to March 31, 2022)

## <Management Objectives>

Enhance profitability by expanding IJ business and improving efficiency on a Group-wide basis

## <Priority Actions>

### 1. Japanese Domestic Sales

Business Improve profit by focusing on sales to high-volume prospects and regenerating division’s culture

### 2. Overseas Sales

Business Increase profit by strengthening the sales in potential area and market segments as well as improving unprofitable subsidiaries

### 3. Research and Development

Take on the challenge to create new business by developing customer-orientated products

### 4. Production

Proceed with transformations of procurement and manufacturing systems by pursuing the improvement of the production management

### 5. Corporate Planning

Strengthen the corporate planning function by renovating the management structure and approaches

## <Financial Target>

Consolidated net sales: ¥86 billion Consolidated operating income: ¥4.1 billion

\*Exchange rates: 1 US dollar: ¥110.00 1 euro: ¥125.00

## 3.2 Management Policies for FY2021

---

Achieve the following targets while dealing with the global crisis caused by the spread of the Coronavirus.

1. Strengthen both IJ and RG Business, Expand VALEZUS Business
2. Regenerate the (Domestic) Sales Division's culture and improve unprofitable overseas subsidiaries

## 3.3 FY2020 - Activity Overview

---

### ■ New Brand “VALEZUS”

A new brand of high-speed inkjet printers for the production printing market

“VALEZUS T2100” launched in fall 2019 \* Launched first in North America and Europe

- Capable of high-speed color printing at 320 ppm on A4-sized paper
- Sales promoted for applications such as business form printing



VALEZUS T2100

## 3.3 FY2020 - Activity Overview

---

### ■ New RISOGRAPH product

We will release RISOGRAPH SF II series, 4 models, in July 2019.

- Improved convenience of standard models
- The first in the industry to acquire the “ink green mark” for digital duplicator ink



RISOGRAPH SF935 II



## 3.3 FY2020 - Activity Overview

---

### ■ Print Creating Business

Compact digital screen maker “MiScreen a4” launched in September 2019

- A screen maker that enables simple and easy screen printing onto surfaces such as cloth
- Oriented toward a wide range of creators, from professionals to amateurs



MiScreen a4

## 3.3 FY2020 - Activity Overview

---

### ■ Construction of R&D facilities

■ Location: Tsukuba City, Ibaraki Prefecture

■ Construction purpose: to create an environment for new business development

■ Construction cost:  
approximately 1.6 billion yen

■ Completion of construction:  
scheduled for June 2020



Image of the completed R&D facilities

## 4 Forecast for FY2021

---

## 4 Forecast for FY2021

- At this point it is not clear when the issue of COVID-19 will be resolved, and it is difficult to make a reasonable calculation of the impact on the Group's results.
- We have drawn up earnings forecasts for the next fiscal year based on the hypothesis that business activity both in Japan and overseas will be significantly affected by COVID-19 in the first and second quarters, but that there will be a gradual recovery from the third quarter onwards.

(Millions of Yen)

	FY2020 2nd half	FY2021 2nd half	Difference	
	Actual	Forecast	Amount	Growth
Net sales	39,754	26,600	▲13,154	▲33.1%
Operating income	2,108	▲3,200	▲5,308	—
	FY2020	FY2021	Difference	
	Actual	Forecast	Amount	Growth
Net sales	78,066	62,800	▲15,266	▲19.6%
Operating income	2,543	▲3,400	▲5,943	—

### Average exchange rates

1US\$	108.74	105.00
1EURO	120.82	115.00

# 5 Shareholders Return

---



# 5. Shareholders Return-Basic Policy

---

Basic policy for the distribution of earnings

■ Allocate an appropriate portion of earnings in accordance with our business results while continuing to strengthen our corporate structure

■ Strive to provide a stable dividend

\*Consider the repurchasing of shares as a measure for allocating earnings to shareholders, and acquire treasury stock in consideration of market trends

1. Dividend: Distribute annual dividends from surplus once a year at the end of fiscal year
2. Purchase and retirement of treasury stock:
  - Acquire treasury stock in consideration of market trends
  - Retire treasury stock, as a general rule

## 5. Shareholders Return

■ Dividend Forecast for FY2020 : 15 yen per share

■ Purchase of Treasury Stock:

- Total Number of shares purchased during FY2020 : 1,099,100 shares
- Total purchase cost during FY2020 : 1,999 million yen

	FY2020			
	From May 21, 2019 to June 6, 2019	From August 20, 2019 To September 5, 2019	From November 13, 2019 to November 26, 2019	From February 12, 2020 To February 28, 2020
Number of shares purchased	289,400 shares	284,700 shares	259,200 shares	265,800 shares
Purchase cost	499 million yen	499 million yen	499 million yen	499 million yen

# 5. Shareholders Return

---

■ Dividend Forecast for FY2021 : not be paid

## 5. Shareholders Return

(Millions of Yen)

	FY2018	FY2019	FY2020
Profit attributable to the owner of parent	3,033	2,771	683
<i>Cash dividends per share (Yen)</i>	60	60	15
Cash dividends paid(A)	2,202	2,148	520
Repurchase of treasury stock (B)	1,499	2,199	1,999
<b>Total return (A)+(B)</b>	3,701	4,347	2,519

Payout ratio	73.2%	78.2%	77.4%
Total return ratio	122.0%	156.9%	368.8%

## (reference data)

(Millions of Yen)

	FY2019				FY2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	20,564	19,528	19,963	23,843	19,105	20,648	17,852	20,459
Gross profit	12,198	10,793	11,878	12,740	11,442	11,437	10,240	11,175
(Gross profit ratio)	(59.3%)	(55.3%)	(59.5%)	(53.4%)	(59.9%)	(55.4%)	(57.4%)	(54.6%)
Selling, general and administrative expenses	10,803	10,458	11,168	11,408	10,484	10,287	10,599	10,380
Operating income	1,395	334	710	1,331	957	1,150	▲358	794
(Operating income ratio)	(6.8%)	(1.7%)	(3.6%)	(5.6%)	(5.0%)	(5.6%)	—	(3.9%)
Ordinary income	1,344	314	759	1,242	971	1,032	▲253	690
Profit attributable to the owner of parent	1,042	322	436	969	605	463	▲330	▲54



## (reference data)

### Net sales

(Millions of Yen)

	FY2019				FY2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Printing equipment business	20,218	19,204	19,618	23,515	18,785	20,299	17,495	20,123
Japan	10,918	10,786	9,899	13,518	10,215	12,187	8,486	12,480
Overseas	9,299	8,417	9,719	9,996	8,569	8,112	9,009	7,642
Americas	1,238	1,306	1,261	1,407	1,152	1,290	1,123	1,265
Europe	4,079	3,536	3,998	4,385	3,521	3,364	3,689	3,427
Asia	3,981	3,573	4,459	4,203	3,894	3,458	4,196	2,948
Others	345	324	344	328	320	348	356	335

### Operating income

(Millions of Yen)

	FY2019				FY2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Printing equipment business	1,266	197	585	1,218	823	1,011	▲476	663
Japan	913	209	438	1,098	726	1,173	▲208	994
Overseas	353	▲11	146	119	97	▲161	▲268	▲330
Americas	▲227	▲182	▲226	▲112	▲204	▲198	▲325	▲231
Europe	270	105	120	79	37	▲33	▲100	9
Asia	310	65	252	152	264	69	157	▲108
Others	128	137	124	112	134	138	117	130

