



Briefing on Business Results

- FY2021-

(From April 1, 2020 to March 31, 2021)

RISO KAGAKU CORPORATION

May 20, 2021

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■ 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, 2021)

- 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 3,110
- Group Subsidiaries 27 (Domestic: 3 Overseas: 24)

1.2 Business Outline and Domains

Printing equipment business

- Inkjet Business:
Full Color Inkjet Printer **ORPHIS**
- Digital Duplicating Business:
High Speed Digital Duplicator **RISOGRAPH**



ORPHIS
GD9630

Real Estate Business

Others

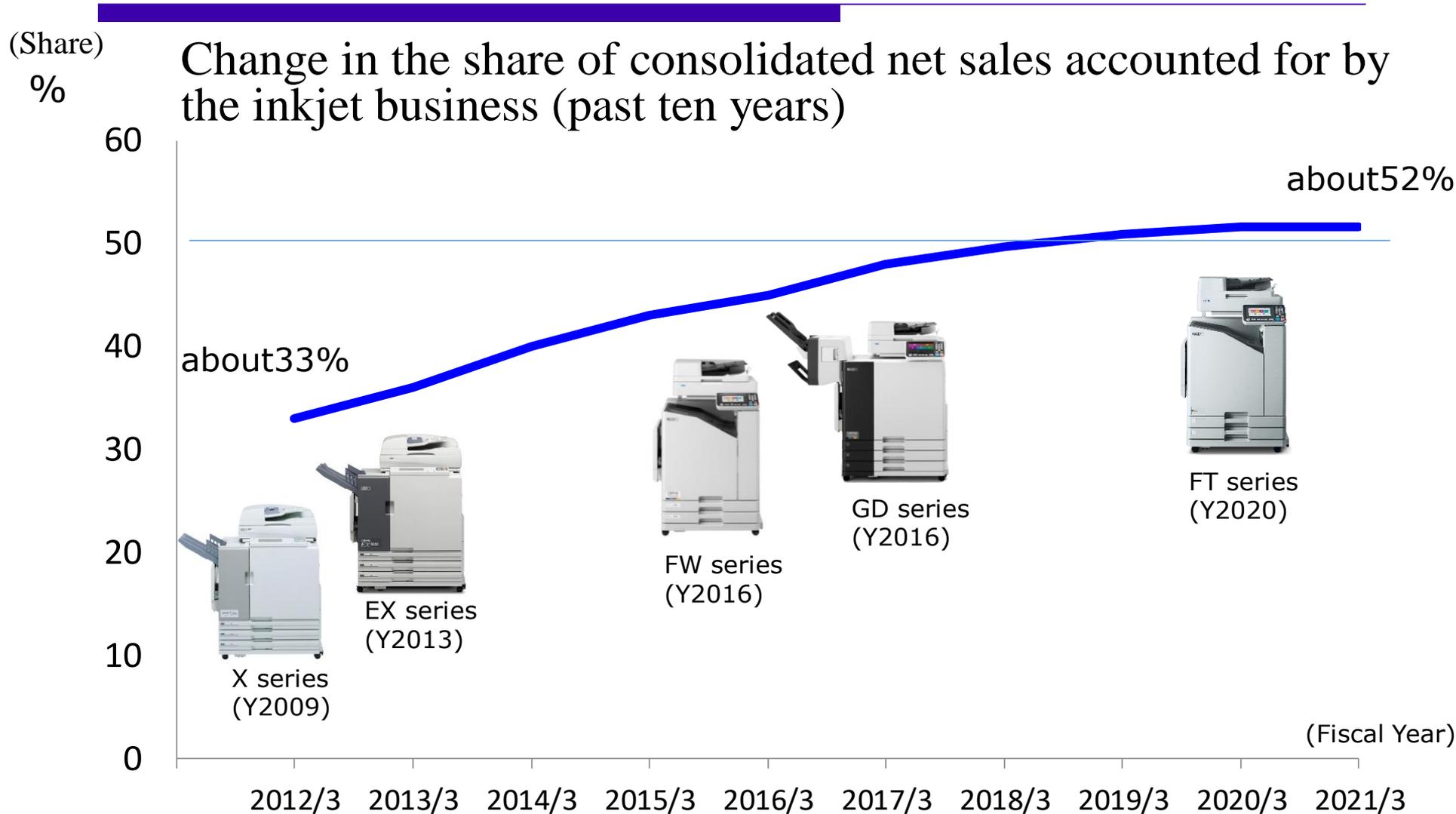
- Print creating business
- Digital communicating business



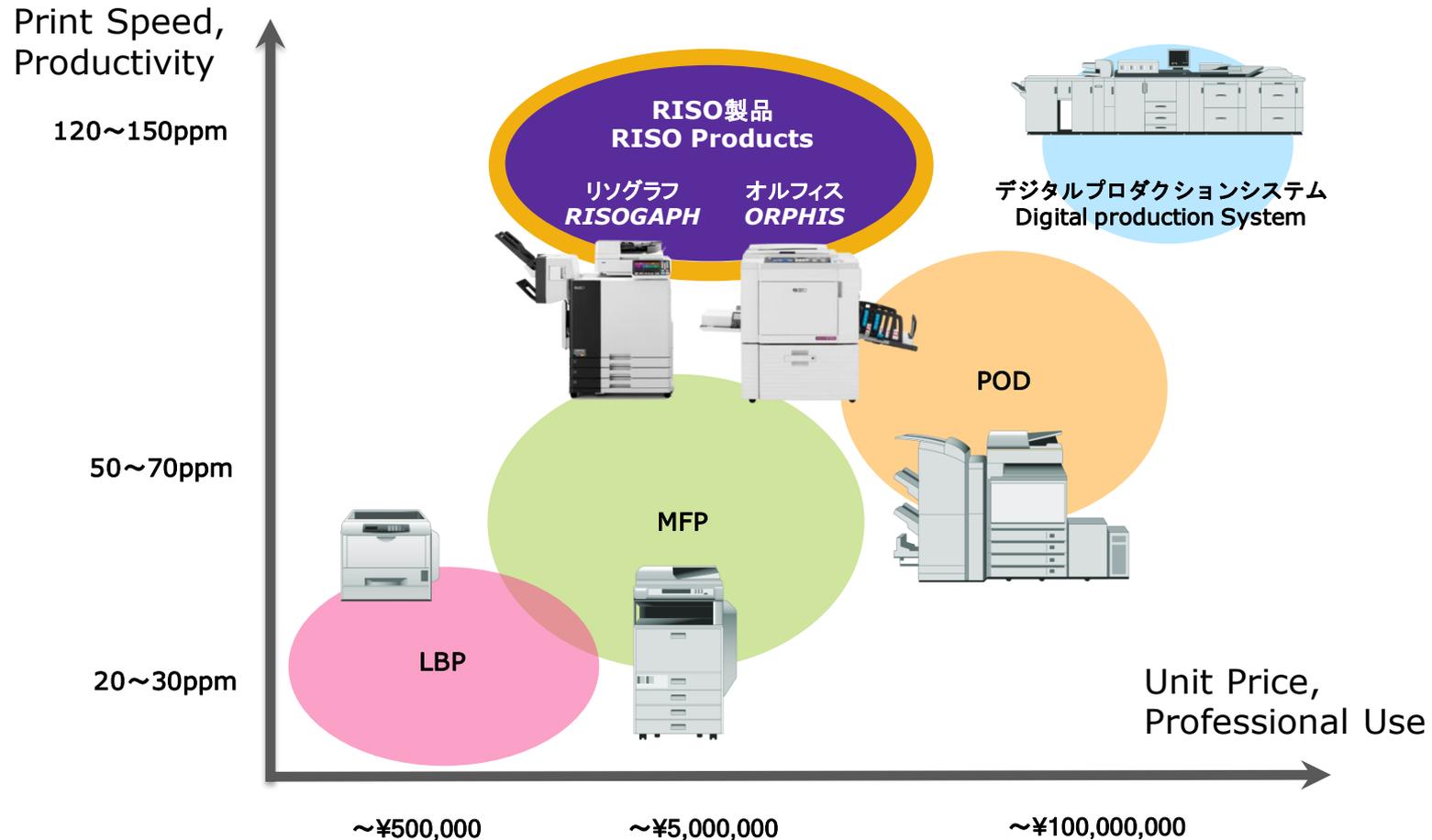
RISOGRAPH
MF935W

Because the real estate business that had previously been part of Other has grown in importance, in the fiscal year under review we changed the method of presentation so as to disclose it as a reportable segment.

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 FY2021 Consolidated Financial Results

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

2.1 FY2021 - Performance Overview

(Millions of Yen)

		FY2020	FY2021	Difference (year-on-year)		Calculated with exchange rates of the previous year
				Amount	Growth %	Growth%
Net sales		78,066	68,434	▲9,631	▲12.3%	▲11.9%
Gross profit		44,296	37,873	▲6,422	▲14.5%	▲14.1%
	(Gross profit ratio)	(56.7%)	(55.3%)			
Selling, general and administrative expenses		41,752	36,478	▲5,273	▲12.6%	▲12.5%
Operating income		2,543	1,395	▲1,148	▲45.2%	▲40.9%
	(Operating income ratio)	(3.3%)	(2.0%)			
Ordinary income		2,440	1,925	▲514	▲21.1%	
Profit attributable to the owner of parent		683	1,651	968	141.7%	
Average exchange rates	1US\$	108.74	106.06			
	1Euro	120.82	123.70			

2.1 FY2021 - Performance Overview

(Millions of yen)

Operating income	1,395
Non-operating income	621
Non-operating expenses	▲ 91
Ordinary income	1,925
Extraordinary income	973
Extraordinary losses	▲ 1,259
Income taxes - current	▲ 668
Income taxes - deferred	433
Refund of income taxes for prior periods	246
Profit	1,651

Foreign exchange gains (246 million yen), etc.

Income from employment-related subsidies (406 million yen), settlement received (336 million yen), etc.

Structural reform expenses related to RISO TECHNOLOGY CHINA CO., LTD.: -1,259 million yen

Deferred tax assets associated with the elimination of unrealized gains, etc.

2.2 FY2021 - Results by Segment

Net sales

(Millions of Yen)

	FY2020		FY2021		Difference	
	Amount	Ratio	Amount	Ratio	Amount	Growth
Net Sales	78,066	100.0%	68,434	100.0%	▲9,631	▲12.3%
Printing equipment business	76,635	98.2%	67,063	98.0%	▲9,572	▲12.5%
Japan	43,370	55.6%	37,604	55.0%	▲5,765	▲13.3%
Overseas	33,265	42.7%	29,459	43.1%	▲3,806	▲11.4%
Americas	4,832	6.2%	2,898	4.2%	▲1,934	▲40.0%
Europe	13,945	17.9%	11,757	17.2%	▲2,187	▲15.7%
Asia	14,487	18.6%	14,802	21.6%	315	2.2%
Real Estate Business	1,057	1.4%	1,014	1.5%	▲42	▲4.0%
Others	373	0.5%	355	0.5%	▲17	▲4.8%

Because the real estate business that had previously been part of Other has grown in importance, in the fiscal year under review we changed the method of presentation so as to disclose it as a reportable segment. In addition, beginning in the fiscal year under review, certain products that were previously included in the printing equipment business category have been moved to Other. In this table, the post-change categories have also been applied to the figures presented for the fiscal year ended March 31, 2020.

2.2 FY2021 - Results by Segment

Operating income

(Millions of Yen)

	FY2020	FY2021	Difference	
			Amount	Growth
Operating Income	2,543	1,395	▲1,148	▲45.2%
Printing equipment business	1,951	817	▲1,134	▲58.1%
Japan	2,686	1,223	▲1,462	▲54.4%
Overseas	▲734	▲406	328	—
Americas	▲959	▲1,006	▲46	—
Europe	▲134	▲503	▲369	—
Asia	359	1,103	744	206.9%
Real Estate Business	785	702	▲82	▲10.5%
Others	▲192	▲124	68	—

Because the real estate business that had previously been part of Other has grown in importance, in the fiscal year under review we changed the method of presentation so as to disclose it as a reportable segment. In addition, beginning in the fiscal year under review, certain products that were previously included in the printing equipment business category have been moved to Other. In this table, the post-change categories have also been applied to the figures presented for the fiscal year ended March 31, 2020.

2.4 FY2021- Consolidated Balance Sheet

(millions of Yen)

Items	FY2020	FY2021	Items	FY2020	FY2021
Current assets	42,027	44,241	Current liabilities	19,818	19,366
Cash and deposits	13,019	18,523	Notes and accounts payable-trade	9,618	9,522
Notes and accounts receivable-trade	13,236	13,578	Income taxes payable	132	490
Short-term investment securities	2,700	0	Other	10,067	9,353
Merchandise and finished goods	8,450	8,292	Noncurrent liabilities	2,530	1,329
Work in process	870	823	Net defined benefit liability	1,759	616
Raw materials and supplies	1,946	1,601	Other	770	712
Other	1,802	1,420	Total liabilities	22,348	20,695
Noncurrent assets	38,197	37,523	Shareholders' equity	59,393	60,524
Total property, plant and equipment	31,249	30,273	Capital stock	14,114	14,114
Intangible assets	1,080	1,025	Capital surplus	14,779	14,779
Investments and other assets	5,867	6,224	Retained earnings	50,573	47,900
			Treasury shares	△ 20,074	△ 16,270
			Accumulated other comprehensive assets	△ 1,517	544
			Total net assets	57,876	61,069
Total assets	80,224	81,764	Total liabilities and net assets	80,224	81,764



3 FY2021 Activity Overview

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

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 FY2021 - Activity Overview

■ Inkjet Business

We released Full Color Inkjet Printer ORPHIS FT series in October 2020.

- Compact size that is easy to install in the office
- Capable of high-speed color printing at 140 ppm



ORPHIS FT5430

3.3 FY2021 - Activity Overview

- “VALEZUS T2100” launched in March 2021 in Japan
 - High-speed inkjet printers for the production printing market
 - Capable of high-speed color printing at 320 ppm on A4-sized paper
 - Sales promoted for applications such as business form printing



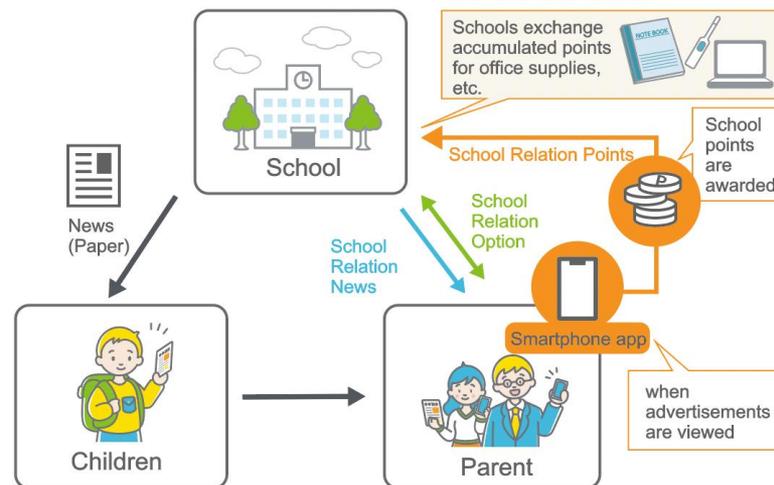
VALEZUS T2100

3.3 FY2021 - Activity Overview

■ Digital Communication Business

April 2021 Began “School Relation” service

- Smartphone app-based solutions service aimed at schools
- School Relation News (Launched in April 2021)
Distributes news from the school to the smartphones of parents (free of charge)
- School Relation Points (Launched in September 2021)
When advertisements that are distributed with the news are viewed by parents, the school is awarded points. Schools exchange points for office supplies, etc.



3.3 FY2021 - Activity Overview

Implementation of structural reform at consolidated subsidiary.

Implementation of structural reform at consolidated subsidiary RISO TECHNOLOGY CHINA CO., LTD.

1. Objective

To enhance the profitability of RISO TECHNOLOGY CHINA CO., LTD.

2. Overview of structural reform implementation

In order to sustain growth and operate the company efficiently, we seek to reorganize and streamline this subsidiary with the aim of enhancing profitability.

3. Business outlook

We expect to record an extraordinary loss of approximately 1,300 million yen for the fiscal year ending March 31, 2021.

4 Forecast for FY2022

- 4.1 Management Policies for FY2022
- 4.2 Forecast for FY2022

4.1 Management Policies for FY2022

Focus on recovery of FY20/21 sales trend while dealing with the global crises caused by Coronavirus.

At the same time, plan new business strategies.

4.2 Forecast for FY2022

(Millions of Yen)

	FY2020 Actual	FY2021 Forecast	Difference	
			Amount	Growth
Net sales	68,434	70,700	2,266	3.3%
Operating income	1,395	2,900	1,505	107.9%
Ordinary income	1,925	2,900	975	50.6%
Profit attributable to the owner of parent	1,651	2,300	649	39.2%
Operating income margin	2.0%	4.1%		

Average exchange rates

1US\$	106.06	105.00
1EURO	123.70	127.00

4.2 Forecast for FY2022

■ Impact of fluctuation of exchange rate

(¥1/term):reference

	Net sales	Operating income
US\$	134 million yen	34 million yen
Euro	71 million yen	38 million yen

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 FY2021 : 40 yen per share

5. Shareholders Return

■ Retirement of Treasury Stock

- Type of shares to be retired : Common stock of the Company
- Number of shares to be retired : 2,406,332 shares
(5.07% of total shares issued before retirement)
- Total number of issued shares (including treasury stock)
As of March 31, 2020 : 47,406,332 shares
As of March 31, 2021 : 45,000,000 shares
- Scheduled date of retirement : March 31, 2021

5. Shareholders Return

■ Dividend Forecast for FY2022 : 48 yen per share

■ Purchase of Treasury Stock (Announced on May 14, 2021)

- Number of shares to be purchased : Up to 600,000 shares
- Total purchase cost : Up to 800 million yen
- Purchase Period : From May 26,2021
to July 9,2021

5. Shareholders Return

(Millions of Yen)

	FY2019	FY2020	FY2021
Profit attributable to the owner of parent	2,771	683	1,651
<i>Cash dividends per share (Yen)</i>	60	15	40
Cash dividends paid(A)	2,148	520	1,388
Repurchase of treasury stock (B)	2,199	1,999	—
Total return (A)+(B)	4,347	2,519	1,388

Payout ratio	78.2%	77.4%	84.0%
Total return ratio	156.9%	368.8%	84.0%

(reference data)

(Millions of Yen)

	FY2022 2 nd half Forecast			FY2021 2 nd half Actual	
	Amount	Ratio to net sales	Difference (YOY)	Amount	Ratio to net sales
Net sales	33,200	100.0%	10.0%	30,191	100.0%
Printing equipment business	32,400	97.6%	9.5%	29,593	98.0%
Japan	18,300	55.1%	9.1%	16,768	55.5%
Americas	1,700	5.1%	23.9%	1,372	4.5%
Europe	6,300	19.0%	30.4%	4,833	16.0%
Asia	6,100	18.4%	▲7.9%	6,620	21.9%
Real estate business & others	800	2.4%	33.8%	597	2.0%
Gross profit	18,700	56.3%	11.3%	16,808	55.7%
Selling, general & administrative expenses	17,800	53.6%	2.4%	17,382	57.6%
Operating Income	900	2.7%	—	▲574	—
Ordinary Income	900	2.7%	—	▲454	—
Profit attributable to the owner of parent	700	2.1%	49.1%	469	1.6%



(reference data)

(Millions of Yen)

	FY2022 Forecast			FY2021 Actual	
	Amount	Ratio to net sales	Difference (YOY)	Amount	Ratio to net sales
Net sales	70,700	100.0%	3.3%	68,434	100.0%
Printing equipment business	68,900	97.5%	2.7%	67,063	98.0%
Japan	38,100	53.9%	1.3%	37,604	55.0%
Americas	3,600	5.1%	24.2%	2,898	4.2%
Europe	13,800	19.5%	17.4%	11,757	17.2%
Asia	13,400	19.0%	▲9.5%	14,802	21.6%
Real estate business & others	1,800	2.5%	31.3%	1,370	2.0%
Gross profit	39,700	56.2%	4.8%	37,873	55.3%
Selling, general & administrative expenses	36,800	52.1%	0.9%	36,478	53.3%
Operating Income	2,900	4.1%	107.9%	1,395	2.0%
Ordinary Income	2,900	4.1%	50.6%	1,925	2.8%
Profit attributable to the owner of parent	2,300	3.3%	39.2%	1,651	2.4%

