



Briefing on Business Results

- FY2022-

(From April 1, 2021 to March 31, 2022)

RISO KAGAKU CORPORATION

May 27, 2022

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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, 2022)

- 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 2,970
- Group Subsidiaries 26 (Domestic: 3 Overseas: 23)



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
GL9730

Real Estate Business

Others

- Print creating business
- Digital communicating business

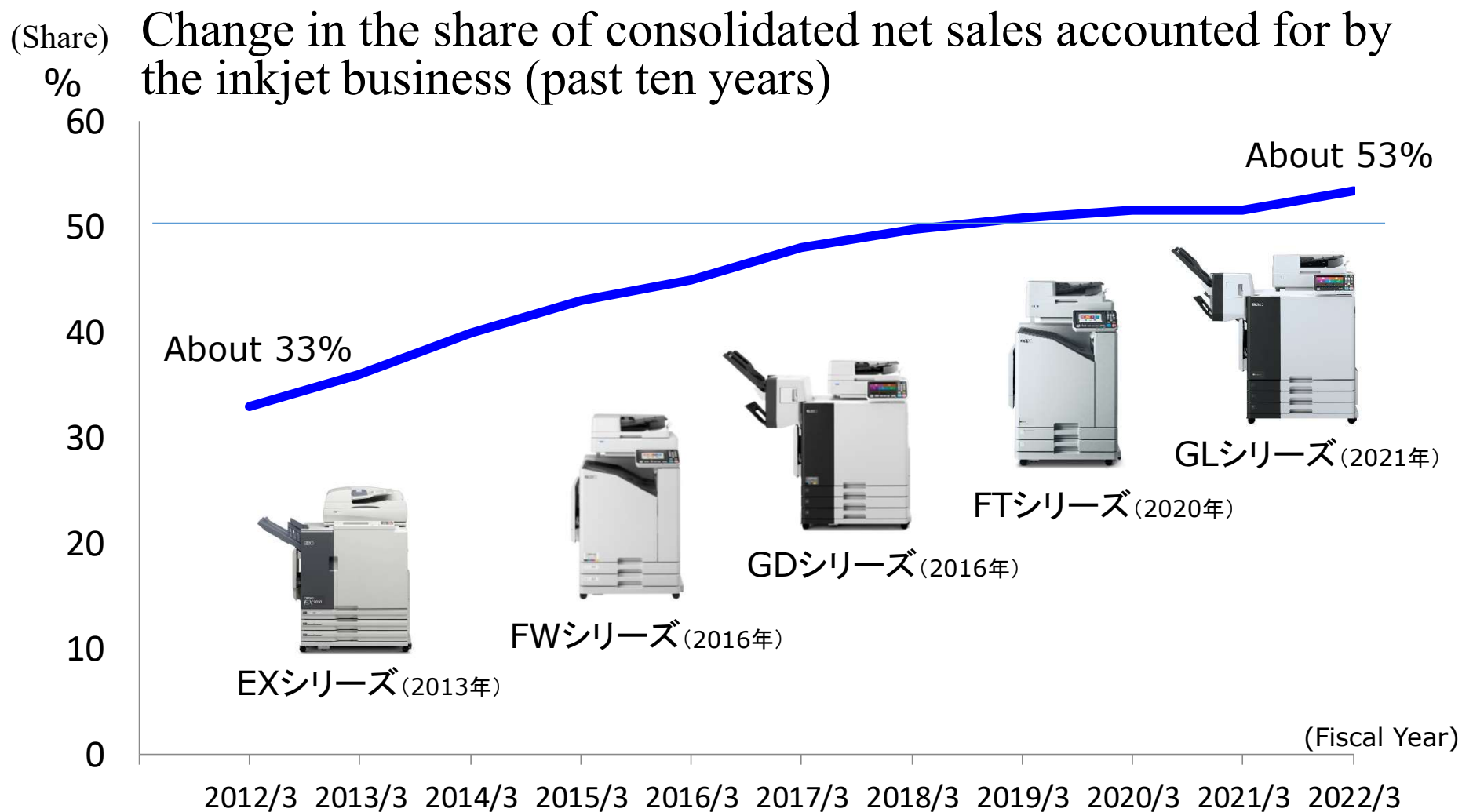


RISOGRAPH
MH935W

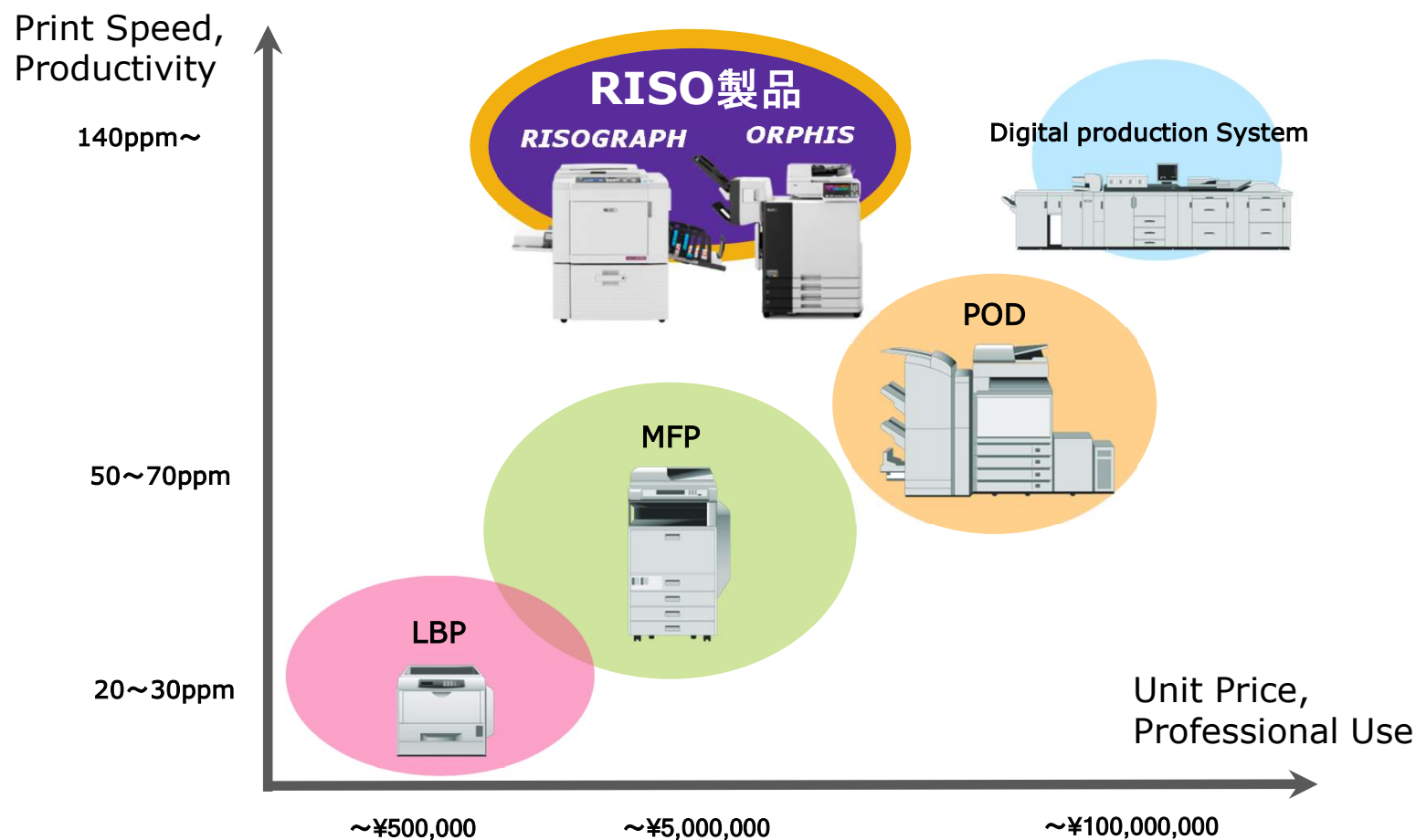
Because the real estate business that had previously been part of Other has grown in importance, from the previous consolidated fiscal year we changed the method of presentation so as to disclose it as a reportable segment.



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 FY2022

Consolidated Financial Results

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

2.1 FY2022 - Performance Overview

(Millions of Yen)

		FY2021	FY2022	Difference (year-on-year)		Calculated with exchange rates of the previous year
				Amount	Growth %	Growth%
Net sales		68,434	69,313	879	1.3%	▲2.2%
Gross profit		37,873	39,065	1,191	3.1%	▲1.6%
	(Gross profit ratio)	(55.3%)	(56.4%)			
Selling, general and administrative expenses		36,478	34,900	▲1,578	▲4.3%	▲6.3%
Operating income		1,395	4,164	2,769	198.5%	121.3%
	(Operating income ratio)	(2.0%)	(6.0%)			
Ordinary income		1,925	4,644	2,718	141.2%	
Profit attributable to the owner of parent		1,651	3,578	1,926	116.6%	
Average exchange rates	1US\$	¥106.06	¥112.38			
	1Euro	¥123.70	¥130.56			



2.2 FY2022 - Results by Segment

Net sales

(Millions of Yen)

	FY2021		FY2022		Difference	
	Amount	Ratio	Amount	Ratio	Amount	Growth
Net Sales	68,434	100.0%	69,313	100.0%	879	1.3%
Printing equipment business	67,063	98.0%	67,834	97.9%	770	1.1%
Japan	37,604	55.0%	35,849	51.7%	▲1,755	▲4.7%
Overseas	29,459	43.0%	31,984	46.1%	2,525	8.6%
Americas	2,898	4.2%	4,063	5.9%	1,164	40.2%
Europe	11,757	17.2%	14,495	20.9%	2,737	23.3%
Asia	14,802	21.6%	13,425	19.4%	▲1,377	▲9.3%
Real Estate Business	1,014	1.5%	1,094	1.6%	79	7.9%
Others	355	0.5%	384	0.5%	29	8.3%

Because the real estate business that had previously been part of Other has grown in importance, from the previous consolidated fiscal year 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, 2021.



2.2 FY2022 - Results by Segment

Operating income

(Millions of Yen)

	FY2021	FY2022	Difference	
			Amount	Growth
Operating income	1,395	4,164	2,769	198.5%
Printing equipment business	817	3,560	2,742	335.6%
Real estate business	702	794	92	13.2%
Others	▲124	▲190	▲65	—

Because the real estate business that had previously been part of Other has grown in importance, from the previous consolidated fiscal year 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, 2021.



2.3 FY2022- Consolidated Balance Sheet

(millions of Yen)

Items	FY2021	FY2022	Items	FY2021	FY2022
Current assets	44,241	45,274	Current liabilities	19,366	18,084
Cash and deposits	18,523	19,353	Notes and accounts payable-trade	9,522	8,454
Notes and accounts receivable-trade	13,578	12,504	Income taxes payable	490	1,080
Short-term investment securities	0	400	Other	9,353	8,549
Merchandise and finished goods	8,292	8,444	Noncurrent liabilities	1,329	772
Work in process	823	758	Net defined benefit liability	616	157
Raw materials and supplies	1,601	2,332	Other	712	614
Other	1,420	1,479	Total liabilities	20,695	18,857
Noncurrent assets	37,523	36,555	Shareholders' equity	60,524	60,714
Total property, plant and equipment	30,273	28,874	Capital stock	14,114	14,114
Intangible assets	1,025	1,031	Capital surplus	14,779	14,779
Investments and other assets	6,224	6,649	Retained earnings	47,900	41,979
			Treasury shares	△ 16,270	△ 10,160
			Accumulated other comprehensive assets	544	2,257
			Total net assets	61,069	62,971
Total assets	81,764	81,829	Total liabilities and net assets	81,764	81,829

* Equity Ratio FY2021:74.7% FY2022:77.0%



3 FY2022 Activity Overview

- 3.1 Management Policies for FY2022
- 3.2 FY2022
- Activity Overview

3.1 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.



3.2 FY2022 - Activity Overview

■ Inkjet Business

We will release Full Color Inkjet Printer ORPHIS GL series in December 2021.

- Capable of high-speed color printing at 165 ppm



ORPHIS GL9730



3.2 FY2022 - Activity Overview

■ Digital Duplicator Business

We will release Digital Duplicator RISO MH series in December 2021.

- Capable of high-speed two-color printing at 150 ppm



RISO MH935W



3.2 FY2022 - Activity Overview

■ Purchase of Treasury Stock

- Total Number of shares purchased during FY2022 : 970,500 shares
(About 2.15% of total shares issued)
- Total purchase cost during FY2022 : 1,999 million yen

■ Retirement of Treasury Stock

- Number of shares to be retired : 5,000,000 shares
(11.11% of total shares issued before retirement)
- Total number of issued shares (including treasury stock)
- As of March 31, 2022 : 40,000,000 shares
- Scheduled date of retirement : February 7, 2022



4 Reviwe the 7th Medium-term Management Plan “ RISO Vision 22”

4. Revive 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



4. Revive the 7th Medium-term Management Plan “RISO Vision 22”

The 6th Medium-term
Management Plan

The 7th Medium-term
Management Plan

RISO Vision 19

RISO Vision 22

(100 Millions of Yen)

Fiscal year ended	March31, 2019 (A)	March31, 2020	March31, 2021	March31, 2022 (B)	B - A
Net sales	839	780	684	693	▲146
Gross profit	476	442	378	390	▲86
Selling, general and administrative expenses	438	417	364	349	▲89
Operating income	37	25	13	41	4
Profit attributable to the owner of parent	27	6	16	35	8
Operating income ratio	4.4%	3.3%	2.0%	6.0%	1.6pts
Average exchange rates	1US\$	¥110.85	¥108.74	¥106.06	¥112.38
	1Euro	¥128.44	¥120.82	¥123.70	¥130.56



RISO KAGAKU CORPORATION
<https://www.riso.co.jp>

The Company began applying the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidance from the beginning of the consolidated fiscal year under review. Accordingly, all figures for the fiscal year ended March 31, 2022, are figures after application of the said standard and guidance.

4. Revive the 7th Medium-term Management Plan “RISO Vision 22”

※ Comparison between FYE March 2022 and FYE March 2019

Net sales

- Net sales decreased by 14.6 billion yen (Japan : down 9.2 billion yen Overseas : down 5.4billion yen)
 - Impact of revenue declines in the digital duplicating business, the effect of COVID-19 on sales activities, and other factors
 - In the inkjet business, we intensified sales efforts regarding customers in the production printing market

Gross profit

- Gross profit decreased by 8.6 billion yen

Selling, general and administrative expenses

- Selling, general and administrative expenses decreased by 8.9 billion yen
 - Effects of improvements such as structural reforms at Chinese sales subsidiary , and enhanced profitability at the Americas sales subsidiary

Operating income

- Operating income increased by 400 million yen, reaching the level of three fiscal years previously
- Operating income ratio increased 1.6 points.



4. Revive the 7th Medium-term Management Plan “RISO Vision 22”

Comparison between FYE March 2022 and FYE March 2019

- Revenue declines in the digital duplicating business and the effect of COVID-19 on sales activities, etc. led to a significant fall in net sales
- In the inkjet business, we intensified sales efforts to customers in the production printing market, and made progress in improving profitability for the Group as a whole through structural reforms to sales subsidiaries and other measures, succeeding in reaching the level of operating income recorded three years previously



5 The 8th Medium-term Management Plan “RISO Vision 25”

- 5.1 The 8th Medium-term Management Plan
“RISO Vision 25”
- 5.2 Management Policies for FY2023

5.1 The 8th Medium-term Management Plan “RISO Vision 25”

The 8th Medium-term Management Plan “RISO Vision 25”

(From April 1, 2022 to March 31, 2025)

<Management Objectives>

1. Expand IJ business
2. Establish a solid customer oriented sales planning structure



5.2 Management Policies for FY2023

Focus on the following five points
to achieve the Medium-term Management Plan (RISO Vision 25)

1. Corporate Headquarters
Strengthen planning abilities and management awareness
2. Japanese Domestic Sales Business
Improve the organization quality
3. Overseas Sales Business
Improve the consolidated operating margin
4. Production
Pursue the improvement of the production management
5. Research and Development
Seek developments of new businesses



6 Forecast for FY2023

6. Forecast for FY2023

(Millions of Yen)

	FY2022 Actual	FY2023 Forecast	Difference	
			Amount	Growth
Net sales	69,313	70,800	1,486	2.1%
Operating income	4,164	3,800	▲364	▲8.8%
Ordinary income	4,644	3,900	▲744	▲16.0%
Profit attributable to the owner of parent	3,578	2,800	▲788	▲21.8%
Operating income margin	6.0%	5.4%		

Average exchange rates

1US\$	¥112.38	¥120.00
1EURO	¥130.56	¥130.00



6. Forecast for FY2023

■ Impact of fluctuation of exchange rate

(¥1/term):reference

	Net sales	Operating income
US\$	142 million yen	40 million yen
Euro	67 million yen	35 million yen

7 Shareholders Return

7. Shareholders Return-Basic Policy

■ Basic policy for the distribution of earnings

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

(2) Strive to provide a stable dividend

※Based on the Basic Policies, the Company will distribute annual dividends from surplus once a year at the end of every fiscal year.

■ Purchase and retirement of treasury stock

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

(2) Retire treasury stock, as a general rule



7. Shareholders Return

■ Dividend Forecast for FY2022

100 yen per share

Breakdown of dividends for FY2022

- Ordinary dividend 60.00yen
- Dividend to commemorate 75th anniversary of the founding of the Company 40.00yen



7. Shareholders Return

■ Dividend Forecast for FY2023 : 60 yen per share

■ Purchase of Treasury Stock (Announced on May 13, 2022)

- Number of shares to be purchased : Up to 100,000 shares
- Total purchase cost : Up to 200 million yen
- Purchase Period : From May 27,2022
to June 23,2022



7. Shareholders Return

(Millions of Yen)

	FY2020	FY2021	FY2022
Profit attributable to the owner of parent	683	1,651	3,578
<i>Cash dividends per share (Yen)</i>	15	40	100
Cash dividends paid(A)	520	1,388	3,373
Repurchase of treasury stock (B)	1,999	—	1,999
Total return (A)+(B)	2,519	1,388	5,373

Payout ratio	77.4%	84.0%	95.1%
Total return ratio	368.8%	84.0%	150.2%



(reference data)

(Millions of Yen)

	FY2023 2 nd quarter Forecast			FY2022 2 nd quarter Actual	
	Amount	Ratio to net sales	Difference (YOY)	Amount	Ratio to net sales
Net sales	33,500	100.0%	3.7%	32,302	100.0%
Printing equipment business	32,700	97.6%	3.6%	31,559	97.7%
Japan	16,600	49.6%	0%	16,607	51.4%
Americas	2,200	6.6%	27.3%	1,728	5.4%
Europe	6,500	19.4%	-3.6%	6,742	20.9%
Asia	7,400	22.1%	14.2%	6,481	20.1%
Real estate business & others	800	2.4%	7.6%	743	2.3%
Gross profit	19,000	56.7%	4.6%	18,157	56.2%
Selling, general & administrative expenses	17,500	52.2%	4.4%	16,762	51.9%
Operating Income	1,500	4.5%	7.5%	1,395	4.3%
Ordinary Income	1,500	4.5%	-2.9%	1,544	4.8%
Profit attributable to the owner of parent	1,100	3.3%	-15.9%	1,307	4.0%



(reference data)

(Millions of Yen)

	FY2023 Forecast			FY2022 Actual	
	Amount	Ratio to net sales	Difference (YOY)	Amount	Ratio to net sales
Net sales	70,800	100.0%	2.1%	69,313	100.0%
Printing equipment business	69,100	97.6%	1.9%	67,834	97.9%
Japan	34,900	49.3%	-2.6%	35,849	51.7%
Americas	4,600	6.5%	13.2%	4,063	5.9%
Europe	14,000	19.8%	-3.4%	14,495	20.9%
Asia	15,600	22.0%	16.2%	13,425	19.4%
Real estate business & others	1,700	2.4%	14.9%	1,479	2.1%
Gross profit	39,900	56.4%	2.1%	39,065	56.4%
Selling, general & administrative expenses	36,100	51.0%	3.4%	34,900	50.4%
Operating Income	3,800	5.4%	-8.8%	4,164	6.0%
Ordinary Income	3,900	5.5%	-16.0%	4,644	6.7%
Profit attributable to the owner of parent	2,800	4.0%	-21.8%	3,578	5.2%

