



# **Briefing on Business Results**

## **- for the Six Months of FY2021-**

(From April 1, 2020 to September 30, 2020)

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**RISO KAGAKU CORPORATION**

November 2020

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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

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- 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 September 30, 2020)

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- 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 3,480
- Group Subsidiaries 27 (Domestic: 2 Overseas: 25)



## 1.2 Business Outline and Domains

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### Printing equipment business

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



ORPHIS  
GD9630

### Others

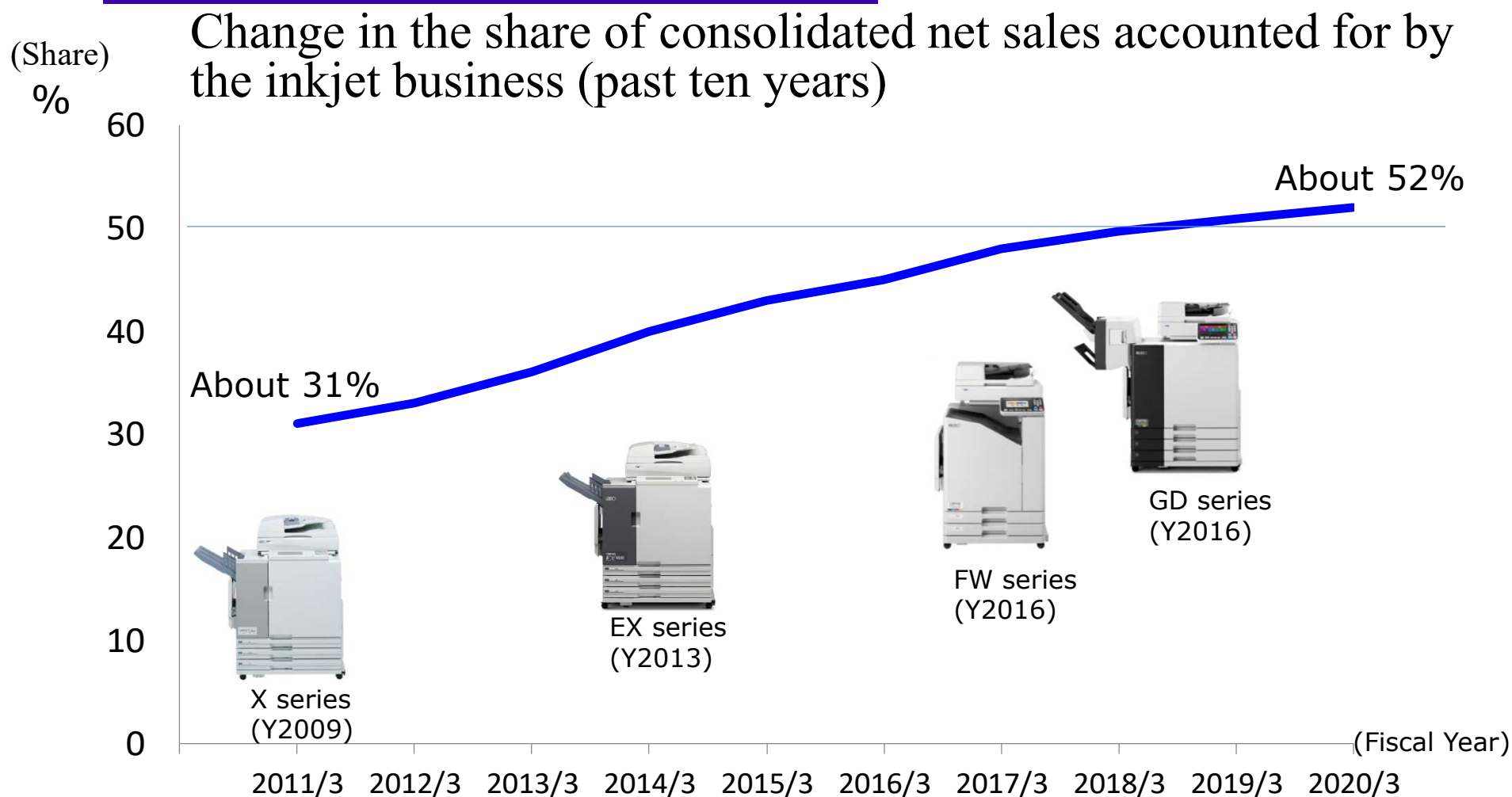
- Real Estate Business
- Print creating business



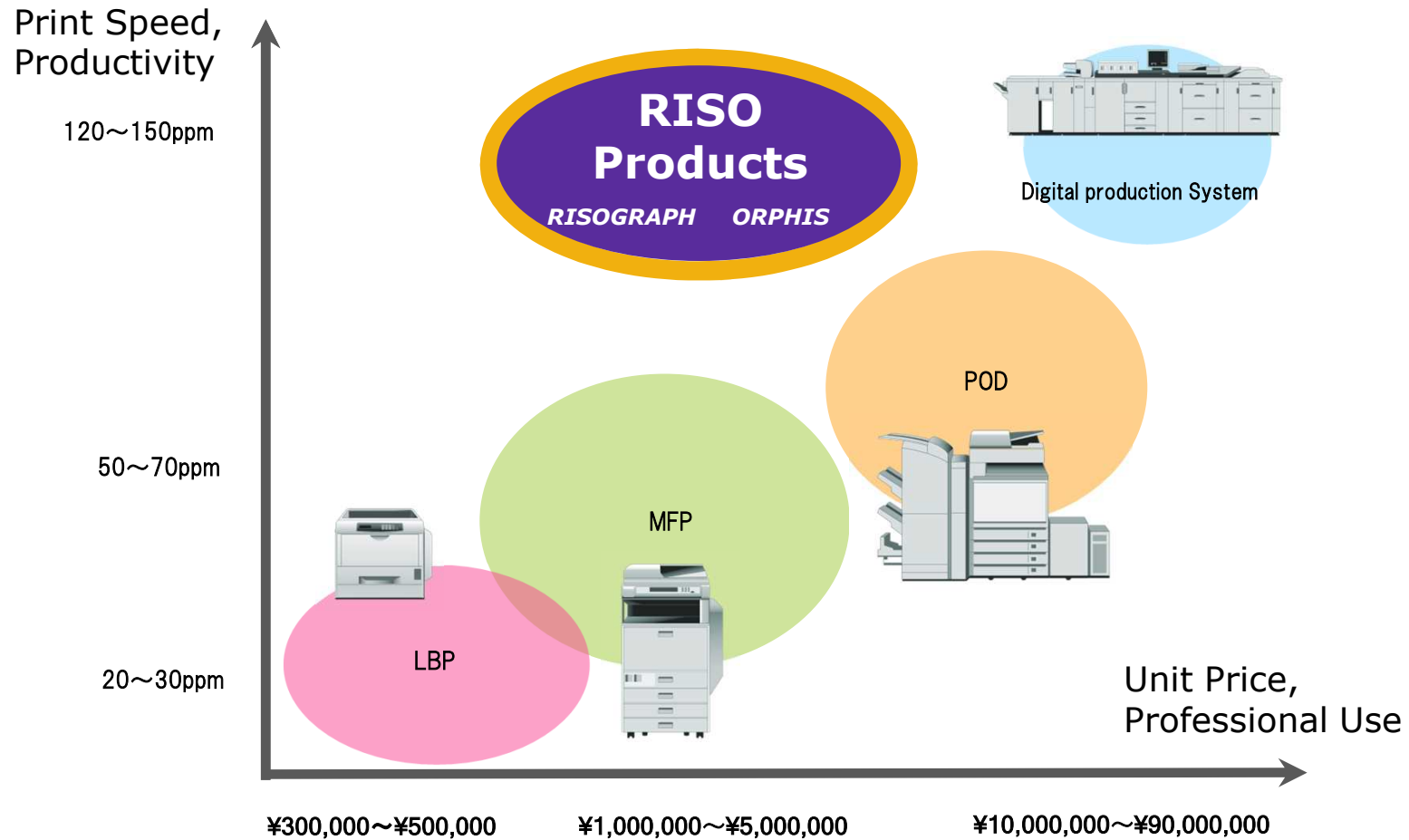
RISOGRAPH  
MF935W



# 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**



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

## **2 First Half of FY2021 Consolidated Financial Results**

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- 2.1 Performance Overview
- 2.2 Results by Segment



## 2.1 First Half of FY2021 - Performance Overview

- Net sales decreased 24.1% and operating losses were 574 million yen.
- If exchange rate effects are excluded, net sales decreased 23.1% .

(Millions of Yen)

|   | FY2020<br>1st half | FY2021<br>1st half | Difference<br>(year-on-year) |         | Calculated with<br>exchange rates of<br>the previous year |
|---|--------------------|--------------------|------------------------------|---------|---|
|   |                    |                    | Amount                       | Growth% | Growth%   |
| Net sales                                       | 39,754             | 30,191             | ▲9,562                       | ▲24.1%  | ▲23.1%  |
| Gross profit                                    | 22,880             | 16,808             | ▲6,072                       | ▲26.5%  | ▲25.4%  |
| (Gross profit ratio)                            | (57.6%)            | (55.7%)            |                              |         |   |
| Selling, general and<br>administrative expenses | 20,772             | 17,382             | ▲3,389                       | ▲16.3%  | ▲15.7%  |
| Operating income                                | 2,108              | ▲574               | ▲2,682                       | -       | —   |
| (Operating income ratio)                        | (5.3%)             | (▲1.9%)            |                              |         |   |
| Ordinary income                                 | 2,003              | ▲454               | ▲2,458                       | -       |   |
| Profit attributable to the<br>owner of parent   | 1,068              | 469                | ▲599                         | ▲56.1%  |   |
| Average<br>Exchange<br>rates                    | 1US\$              | 108.63             | 106.92                       |         |   |
|   | 1Euro              | 121.42             | 121.30                       |         |   |



## 2.2 First Half of FY2021 - Results by Segment

### Net sales

(Millions of Yen)

|                             | FY2020 |        | FY2021 |        | Difference |        |
|-----------------------------|--------|--------|--------|--------|------------|--------|
|                             | Amount | Ratio  | Amount | Ratio  | Amount     | Growth |
| Net sales                   | 39,754 | 100.0% | 30,191 | 100.0% | ▲9,562     | ▲24.1% |
| Printing equipment business | 39,084 | 98.3%  | 29,593 | 98.0%  | ▲9,490     | ▲24.3% |
| Japan                       | 22,402 | 56.4%  | 16,768 | 55.5%  | ▲5,634     | ▲25.2% |
| Overseas                    | 16,681 | 42.0%  | 12,825 | 42.5%  | ▲3,856     | ▲23.1% |
| Americas                    | 2,443  | 6.1%   | 1,372  | 4.5%   | ▲1,071     | ▲43.8% |
| Europe                      | 6,886  | 17.3%  | 4,833  | 16.0%  | ▲2,053     | ▲29.8% |
| Asia                        | 7,352  | 18.5%  | 6,620  | 21.9%  | ▲731       | ▲10.0% |
| Others                      | 669    | 1.7%   | 597    | 2.0%   | ▲71        | ▲10.7% |



## 2.2 First Half of FY2021 - Results by Segment

### Operating income

(Millions of Yen)

|                             | FY2020<br>1st half | FY2021<br>1st half | Difference |        |
|-----------------------------|--------------------|--------------------|------------|--------|
|                             |                    |                    | Amount     | Growth |
| Operating income            | 2,108              | ▲574               | ▲2,682     | —      |
| Printing equipment business | 1,834              | ▲819               | ▲2,653     | —      |
| Japan                       | 1,899              | ▲197               | ▲2,096     | —      |
| Overseas                    | ▲64                | ▲621               | ▲557       | —      |
| Americas                    | ▲403               | ▲493               | ▲90        | —      |
| Europe                      | 3                  | ▲291               | ▲295       | —      |
| Asia                        | 334                | 163                | ▲171       | ▲51.2% |
| Others                      | 273                | 245                | ▲28        | ▲10.4% |



## 2.2 First Half of FY2021 - Results by Segment

(Millions of Yen)

### Net sales

|                             | FY2021 1Q | FY2021 2Q | Difference |
|-----------------------------|-----------|-----------|------------|
| Net sales                   | 13,455    | 16,735    | +3,280     |
| Printing equipment business | 13,202    | 16,391    | +3,189     |
| Japan                       | 7,596     | 9,171     | +1,574     |
| Overseas                    | 5,605     | 7,220     | +1,614     |
| Americas                    | 608       | 763       | +154       |
| Europe                      | 2,033     | 2,799     | +766       |
| Asia                        | 2,963     | 3,657     | +694       |
| Others                      | 253       | 344       | +90        |

### Operating income

|                             | FY2021 1Q | FY2021 2Q | Difference |
|-----------------------------|-----------|-----------|------------|
| Operating income            | ▲ 678     | 104       | +782       |
| Printing equipment business | ▲ 778     | ▲ 41      | +737       |
| Japan                       | ▲ 174     | ▲ 23      | +150       |
| Overseas                    | ▲ 604     | ▲ 17      | +586       |
| Americas                    | ▲ 296     | ▲ 196     | +99        |
| Europe                      | ▲ 351     | 59        | +410       |
| Asia                        | 43        | 119       | +75        |
| Others                      | 99        | 145       | +45        |



### **3 Activity in the Fiscal Year Ending March 31, 2021**

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- 3.1 The 7th Medium-term Management Plan  
“RISO Vision 22”
- 3.2 Management Policies for FY2021
- 3.3 Activity in the Fiscal Year Ending  
March 31, 2021

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

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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

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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

“VALEZUS” :A new brand of high-speed inkjet printers for the production printing market



## 3.3 Activity in the Fiscal Year Ending March 31,2021

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### ■ Inkjet Business

We will release 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 Activity in the Fiscal Year Ending March 31,2021

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### ■ Print Creating Business

Digital screen maker “GOCCOPRO QS1836 ” will launch in spring 2021.

- The heat from a thermal head perforates a screen master that is used to make prints.
- A3 size compatible model. In addition to the conventional model "GOCCOPRO QS2536" (A2 size), the product lineup has been strengthened.



GOCCOPRO QS1836

## 3.2 FY2019 - Activity Overview

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### ■ R&D facilities "RISO R&D Center II"

■ Location: Tsukuba City, Ibaraki Prefecture

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

■ Investment amount:  
approximately 3,550 million yen

■ Opening date: July 2020



RISO R&D Center II

## **4 Forecast for FY2021**

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## 4. Forecast for FY2021①

- The consolidated forecasts for the fiscal year ending March 31, 2021 are changed as follows.

(Millions of Yen)

|  | FY2020<br>Actual | FY2021<br>Revised<br>forecast | Difference |        |
|--|------------------|-------------------------------|------------|--------|
|  |                  |                               | Amount     | Growth |
| Net sales                                  | 78,066           | 63,900                        | ▲14,166    | ▲18.1% |
| Operating income                           | 2,543            | 400                           | ▲2,143     | ▲84.3% |
| Ordinary income                            | 2,440            | 500                           | ▲1,940     | ▲79.5% |
| Profit attributable to the owner of parent | 683              | ▲300                          | ▲983       | —      |
| Operating income margin                    | 3.3%             | 0.6%                          |            |        |

Average exchange rates

|       |         |         |
|-------|---------|---------|
| 1US\$ | ¥108.74 | ¥105.00 |
| 1EURO | ¥120.82 | ¥120.00 |



## 4. Forecast for FY2021②

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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.



## **5 Shareholders Return**

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## 5. Shareholders Return-Basic Policy

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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

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■ We have changed the year-end dividend forecast for the current fiscal year from the previous forecast of “no dividend to be paid” to ¥15 per share.

|   | Fiscal year ended March 31, 2021<br>Cash dividends per share |
|---|--|
| Previous forecast<br>(Announced on May 15, 2020)    | ¥0   |
| Revised forecast<br>(Announced on November 5, 2020) | ¥15  |



## (reference data)

(Millions of Yen)

|   | FY2021<br>Forecast |                       |                     | FY2020<br>Actual |                       |
|---|--------------------|-----------------------|---------------------|------------------|-----------------------|
|   | Amount             | Ratio to<br>net sales | Difference<br>(YOY) | Amount           | Ratio to<br>net sales |
| Net sales                                     | 63,900             | 100.0%                | ▲18.1%              | 78,066           | 100.0%                |
| Printing equipment business                   | 62,600             | 98.0%                 | ▲18.4%              | 76,704           | 98.3%                 |
| Japan   | 36,800             | 57.6%                 | ▲15.1%              | 43,370           | 55.6%                 |
| Americas                                      | 2,700              | 4.2%                  | ▲44.1%              | 4,832            | 6.2%                  |
| Europe  | 10,700             | 16.7%                 | ▲23.6%              | 14,003           | 17.9%                 |
| Asia  | 12,400             | 19.4%                 | ▲14.5%              | 14,498           | 18.6%                 |
| Real estate business & others                 | 1,300              | 2.0%                  | ▲4.5%               | 1,361            | 1.7%                  |
| Gross profit                                  | 36,300             | 56.8%                 | ▲18.1%              | 44,296           | 56.7%                 |
| Selling, general &<br>administrative expenses | 35,900             | 56.2%                 | ▲14.0%              | 41,752           | 53.5%                 |
| Operating Income                              | 400                | 0.6%                  | ▲84.3%              | 2,543            | 3.3%                  |
| Ordinary Income                               | 500                | 0.8%                  | ▲79.5%              | 2,440            | 3.1%                  |
| Profit attributable to the<br>owner of parent | ▲300               | -0.5%                 | —                   | 683              | 0.9%                  |



## (reference data)

(Millions of Yen)

|  | FY2020  |         |         |         | FY2021  |         |
|--|---------|---------|---------|---------|---------|---------|
|  | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      |
| Net sales                                    | 19,105  | 20,648  | 17,852  | 20,459  | 13,455  | 16,735  |
| Gross profit                                 | 11,442  | 11,437  | 10,240  | 11,175  | 7,748   | 9,059   |
| (Gross profit ratio)                         | (59.9%) | (55.4%) | (57.4%) | (54.6%) | (57.6%) | (54.1%) |
| Selling, general and administrative expenses | 10,484  | 10,287  | 10,599  | 10,380  | 8,426   | 8,955   |
| Operating income                             | 957     | 1,150   | ▲358    | 794     | ▲678    | 104     |
| (Operating income ratio)                     | (5.0%)  | (5.6%)  | —       | (3.9%)  | —       | (0.6%)  |
| Ordinary income                              | 971     | 1,032   | ▲253    | 690     | ▲605    | 150     |
| Profit attributable to the owner of parent   | 605     | 463     | ▲330    | ▲54     | 46      | 422     |



## (reference data)

### Net Sales

(Millions of Yen)

|                             | FY2020 |        |        |        | FY2021 |        |
|-----------------------------|--------|--------|--------|--------|--------|--------|
|                             | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     |
| Printing equipment business | 18,785 | 20,299 | 17,495 | 20,123 | 13,202 | 16,391 |
| Japan                       | 10,215 | 12,187 | 8,486  | 12,480 | 7,596  | 9,171  |
| Overseas                    | 8,569  | 8,112  | 9,009  | 7,642  | 5,605  | 7,220  |
| Americas                    | 1,152  | 1,290  | 1,123  | 1,265  | 608    | 763    |
| Europe                      | 3,521  | 3,364  | 3,689  | 3,427  | 2,033  | 2,799  |
| Asia                        | 3,894  | 3,458  | 4,196  | 2,948  | 2,963  | 3,657  |
| Others                      | 320    | 348    | 356    | 335    | 253    | 344    |

### Operating Income

(Millions of Yen)

|                             | FY2020 |       |      |      | FY2021 |      |
|-----------------------------|--------|-------|------|------|--------|------|
|                             | 1Q     | 2Q    | 3Q   | 4Q   | 1Q     | 2Q   |
| Printing equipment business | 823    | 1,011 | ▲476 | 663  | ▲778   | ▲41  |
| Japan                       | 726    | 1,173 | ▲208 | 994  | ▲174   | ▲23  |
| Overseas                    | 97     | ▲161  | ▲268 | ▲330 | ▲604   | ▲17  |
| Americas                    | ▲204   | ▲198  | ▲325 | ▲231 | ▲296   | ▲196 |
| Europe                      | 37     | ▲33   | ▲100 | 9    | ▲351   | 59   |
| Asia                        | 264    | 69    | 157  | ▲108 | 43     | 119  |
| Others                      | 134    | 138   | 117  | 130  | 99     | 145  |

