

November 5, 2020

Company name: **RISO KAGAKU CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6413
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Notification of Revisions to Earnings Forecasts and Dividend Forecasts

RISO KAGAKU CORPORATION (the “Company”) announced that, in light of recent earnings trends, it has revised the earnings forecasts released on September 24, 2020 and the dividend forecasts released on May 15, 2020.

Particulars

●Revisions to earnings forecasts

Revisions of figures in consolidated earnings forecasts for the fiscal year ending March 31, 2021
 (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	—	—	—	—	—
Revised forecast (B)	63,900	400	500	(300)	(8.64) yen
Amount of increase/decrease (B-A)	—	—	—	—	
Percentage of increase/decrease (%)	—	—	—	—	
(Ref.) Previous fiscal year results (fiscal year ended March 31, 2020)	78,066	2,543	2,440	683	19.38 yen

Reasons for revision

Due to the impact of the spread of the novel coronavirus infectious disease (COVID-19), an operating loss of 678 million yen was recorded for the first quarter of the current fiscal year, but in the second quarter the Group posted operating income of 104 million yen.

We assume a continued impact from COVID-19 going forward, but we expect profits to improve further in the third quarter, and accordingly we have revised earnings forecasts for FY2021.

Our forecasts have been calculated based on anticipated full-year exchange rates of 105 Japanese yen to the US dollar and 120 Japanese yen to the euro.

We seek to reorganize and streamline consolidated subsidiary RISO TECHNOLOGY CHINA CO., LTD., in order to enhance profitability, sustain growth and operate the company efficiently. Following this, an extraordinary loss of approximately 1,300 million yen is scheduled to be recorded for the fiscal year ending March 31, 2021.

(Note) This document has been prepared based on information available to the Company as of the date of this document's release, and accordingly do not purport that the Company pledges to achieve such performance. Actual business may differ substantially from the forecasts due to various factors in the future.

●Revisions to dividend forecasts

(Millions of yen)

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
Previous forecast (released on May 15, 2020)	—	0.00	—	0.00	0.00
Revised forecast	—	—	—	15.00	15.00
Actual in current fiscal year	—	0.00	—		
Actual in previous fiscal year (fiscal year ended March 31, 2020)	—	0.00	—	15.00	15.00

Reasons for revision

The Company has adopted a basic policy consisting of the two following points with respect to distributing profits to its shareholders:

- (1) We will allocate an appropriate portion of earnings in accordance with our business results, while continuing to strengthen or corporate structure.
- (2) We will strive to provide a stable dividend.

The year-end dividend forecast published on May 15, 2020 was for no dividend to be paid, due to expectations of a deterioration in earnings caused by the spread of COVID-19.

In this latest consolidated forecast for FY2021, because an extraordinary loss of approximately 1,300 million yen associated with structural reform at the consolidated subsidiary is scheduled to be recorded, we project a loss attributable to owners of parent of 300 million yen.

However, we expect profits to improve from the third quarter onwards, reaching operating income of 400 million yen and ordinary income of 500 million yen for FY2021. For that reason, 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.