

January 29, 2021

**Consolidated Financial Results**  
**for the Nine Months of the Fiscal Year Ending March 31, 2021**  
**<under Japanese GAAP>**

Company name: **RISO KAGAKU CORPORATION**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 6413  
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Scheduled date to file Quarterly Report: February 9, 2021  
 Scheduled date of dividend payment commencement: —  
 Preparation of supplementary information on quarterly business results: None  
 Holding of briefing on quarterly business results: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

**1. Consolidated performance for the six months of the fiscal year ending March 31, 2021**  
**(from April 1, 2020 to December 31, 2020)**

**(1) Consolidated operating results (cumulative)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	47,478	(17.6)	(47)	—	214	(87.8)	(215)	—
December 31, 2019	57,606	(4.1)	1,749	(28.3)	1,749	(27.6)	738	(59.0)

Note: Comprehensive Income

Nine months ended December 31, 2020: 134million yen / (86.0) %

Nine months ended December 31, 2019: 955 million yen / (32.6) %

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2020	(6.20)	—
December 31, 2019	20.85	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2020	79,418	57,489	72.4
March 31, 2020	80,224	57,876	72.1

Reference: Shareholders' Equity As of December 31, 2020: 57,489 million yen As of March 31, 2020: 57,876 million yen

## 2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	0.00	—	15.00	15.00
Fiscal year ending March 31, 2021	—	0.00	—		
Fiscal year ending March 31, 2021 (Forecasts)				15.00	15.00

Note: Revisions to the forecasts of cash dividends in the current quarter: None

## 3. Forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Fiscal year ending March 31, 2021	66,500	(14.8)	1,000	(60.7)	1,200	(50.8)	500 (26.8)	14.41

Note: Revisions to the forecasts in the current quarter: Yes

#### 4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Adoption of peculiar accounting methods for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatement
- Changes due to revisions to accounting standards and other regulations: None
  - Changes due to other reasons: None
  - Changes in accounting estimates: None
  - Restatement: None

(4) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2020	47,406,332 shares
As of March 31, 2020	47,406,332 shares

- b. Number of treasury stock at the end of the period

As of December 31, 2020	12,699,263 shares
As of March 31, 2020	12,699,181 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	34,707,113 shares
Nine months ended December 31, 2019	35,406,710 shares

\* These financial results are outside the scope of audit by a certified public accountant or an audit firm.

\* Proper use of the forecasts, and other special matters

The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company. These statements 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.

## Attached Materials

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# 1. Qualitative Information regarding Consolidated Results for the Nine Months

## (1) Explanation on consolidated operating results

The RISO Group (RISO) formulated the Seventh Medium term Management Plan (RISO Vision 22) with the final fiscal year of the period ending March 31, 2022, and followed its medium term management policy of “Enhance profitability by expanding the inkjet business and improving efficiency on a Group wide basis”.

Progress by quarter in the first nine months of FY2021 was as follows. In the first quarter of FY2021, the impact of the spread of COVID-19 resulted in net sales of 13,455 million yen, and an operating loss of 678 million yen. After the second quarter of FY2021 the impact of the pandemic continued, but in comparison to the first quarter, sales increased, resulting in net sales of 16,735 million yen and operating income of 104 million yen in the second quarter, and resulting in net sales of 17,287 million yen and operating income of 526 million yen in the third quarter.

Net sales was 47,478 million yen (down 17.6% year on year), operating losses were 47 million yen (compared to operating income of 1,749 million yen in the same period of the previous fiscal year), and ordinary income were 214 million yen (down 87.8% year on year). Income from employment-related subsidies, settlement received and other items were recorded as extraordinary income. Structural reform expenses of 1,241 million yen associated with the reorganization and streamlining of consolidated subsidiary RISO TECHNOLOGY CHINA CO., LTD. was recorded as extraordinary loss. And a refund of income taxes paid in the past was also received, resulting in loss attributable to owners of parent of 215 million yen (compared to profit attributable to owners of parent of 738 million yen in the same period of the previous fiscal year).

The average exchange rates during the current consolidated three months period were 106.11 yen (a 2.56 yen appreciation of the yen year on year) for the US dollar and 122.38 yen (a 1.33 yen depreciation of the yen year on year) for the euro.

Results by segment are as follows:

### a. Printing equipment business

RISO, as part of its printing equipment business, engages in the inkjet business, principally with its ORPHIS high-speed color printers, as well as the digital duplicating business, consisting mainly of its RISOGRAPH digital duplicators.

Net sales for the printing equipment business were 46,571 million yen (down 17.7% year on year). Operating losses were 387 million yen (compared to operating income of 1,357 million yen in the same period of the previous fiscal year).

#### Japan

In the inkjet business and the digital duplicating business, net sales fell below the previous year's level. Overall sales were 25,552 million yen (down 17.3% year on year). Operating income were 133 million yen (down 92.1% year on year).

#### The Americas

In the inkjet business and the digital duplicating business, net sales fell below the previous year's level. Overall sales were 2,106 million yen (down 41.0% year on year). Operating losses were 741 million yen (compared to operating losses of 728 million yen in the same period of the previous fiscal year).

#### Europe

In the inkjet business and the digital duplicating business, net sales fell below the previous year's level. Overall sales were 8,232 million yen (down 22.2% year on year). Operating losses were 345 million yen (compared to operating losses of 97 million yen in the same period of the previous fiscal year).

#### Asia

In the inkjet business and the digital duplicating business, net sales fell below the previous year's level. Overall sales were 10,681 million yen (down 7.5% year on year). Operating income was 566 million yen (up 15.2% year on year).

b. Others

RISO operates a real estate business and a print creating business as well as printing equipment business. Net sales in the others were 906 million yen (down 11.6% year on year), and operating income was 339 million yen (down 13.2% year on year).

**(2) Explanation on consolidated financial position**

Assets, Liabilities, Net assets

The financial position of RISO at the end of the current quarter compared to the end of the previous fiscal year is as follows.

Total assets fell 806 million yen to 79,418million yen, while net assets fell 386 million yen to 57,489 million yen.

The main changes in the assets portion include an increase of 5,298 million yen in cash and deposits, in contrast to decreases of 3,599 million yen in notes and accounts receivable-trade, 2,699 million yen in short-term investment securities. In the liabilities portion, there were increase of 672 million yen in other current liabilities, in contrast to decreases of 429 million yen in short-term loans payable, 871 million yen in provision for bonuses. In the net assets portion, there were decreases of 735 million yen in retained earnings, in contrast to increases of 213 million yen in foreign currency translation adjustment.

As a result, the equity ratio moved up 0.3points to 72.4%.

### (3) Explanation on future estimates information pertaining to consolidated earnings forecasts

The consolidated forecasts for the fiscal year ending March 31, 2021, released on November 5, 2020, are changed as follows.

Changes to the full-year forecast figures for the fiscal year ending March 31, 2021  
(April 1, 2020 to March 31, 2021)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecasts	63,900	400	500	(300)	(8.64) yen
Revised forecasts	66,500	1,000	1,200	500	14.41 yen
Difference	2,600	600	700	800	—
Percentage change	4.1	150.0	140.0	—	—
(Reference)					
Actual results of the fiscal year ended March 31, 2020	78,066	2,543	2,440	683	19.38 yen

#### Reasons for changes

In the first quarter of the fiscal year ending March 31, 2021, the impact of the spread of novel coronavirus infectious disease (COVID-19) resulted in an operating loss of 678 million yen. However, in the second and third quarters, the Group posted respective operating incomes of 104 million yen and 526 million yen.

We intend to reorganize and streamline consolidated subsidiary RISO TECHNOLOGY CHINA CO., LTD., in order to enhance profitability, sustain growth and operate the company more efficiently. As a consequence, an extraordinary loss of 1,241 million yen was recorded in the third quarter of the fiscal year ending March 31, 2021. We assume a continued impact from COVID-19 going forward, but we expect profits to improve in the fourth quarter relative to the outlook at the time of the previous announcement, 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.

### (4) Explanation on research and development activities

Expenses for RISO's research and development activities in the current nine months totaled 3,581 million yen. The main R&D activities were in the printing equipment business.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	13,019	18,318
Notes and accounts receivable-trade	13,236	9,637
Short-term investment securities	2,700	0
Merchandise and finished goods	8,450	9,397
Work in process	870	764
Raw materials and supplies	1,946	1,754
Other	2,089	1,891
Allowance for doubtful accounts	(286)	(339)
Total current assets	42,027	41,423
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	20,967	22,462
Accumulated depreciation	(14,036)	(14,379)
Buildings and structures, net	6,931	8,083
Machinery, equipment and vehicles	6,932	7,008
Accumulated depreciation	(5,736)	(5,973)
Machinery, equipment and vehicles, net	1,196	1,034
Tools, furniture and fixtures	14,356	14,218
Accumulated depreciation	(13,522)	(13,294)
Tools, furniture and fixtures, net	833	924
Land	17,641	17,648
Lease assets	518	478
Accumulated depreciation	(271)	(286)
Lease assets, net	246	191
Construction in progress	1,144	29
Other	10,840	10,601
Accumulated depreciation	(7,586)	(7,604)
Other, net	3,254	2,996
Total property, plant and equipment	31,249	30,908
Intangible assets		
Software	979	824
Other	101	179
Total intangible assets	1,080	1,004
Investments and other assets		
Investment securities	1,145	1,207
Long-term loans receivable	17	16
Deferred tax assets	1,705	1,802
Other	3,004	3,061
Allowance for doubtful accounts	(4)	(5)
Total investments and other assets	5,867	6,081
Total noncurrent assets	38,197	37,994
Total assets	80,224	79,418



(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,618	9,740
Short-term loans payable	825	396
Current portion of long-term loans payable	1	1
Income taxes payable	132	222
Provision for bonuses	1,766	895
Provision for product warranties	54	21
Other	7,419	8,091
Total current liabilities	19,818	19,368
Noncurrent liabilities		
Long-term loans payable	12	11
Net defined benefit liability	1,759	1,879
Other	757	668
Total noncurrent liabilities	2,530	2,559
Total liabilities	22,348	21,928
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	50,573	49,837
Treasury shares	(20,074)	(20,074)
Total shareholders' equity	59,393	58,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24	79
Foreign currency translation adjustment	(1,231)	(1,018)
Remeasurements of defined benefit plans	(309)	(228)
Total accumulated other comprehensive income	(1,517)	(1,167)
Total net assets	57,876	57,489
Total liabilities and net assets	80,224	79,418

## (2) Consolidated quarterly statements of (comprehensive) income

### (Consolidated quarterly statements of income)

	(Millions of yen)	
	Third Quarter ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Third Quarter ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
Net sales	57,606	47,478
Cost of sales	24,485	20,896
Gross profit	33,121	26,582
Selling, general and administrative expenses	31,371	26,629
Operating income (loss)	1,749	(47)
Non-operating income		
Interest income	89	82
Dividends income	57	59
Foreign exchange gains	—	22
Other	125	166
Total non-operating income	271	331
Non-operating expenses		
Interest expenses	47	32
Foreign exchange losses	166	—
Loss on retirement of noncurrent assets	18	18
Other	38	18
Total non-operating expenses	271	69
Ordinary income	1,749	214
Extraordinary income		
Subsidy income	—	373
Settlement received	—	336
Gain on transfer of goodwill	—	85
Total extraordinary income	—	795
Extraordinary losses		
Business restructuring expenses	—	※1,241
Loss on valuation of investment securities	329	—
Dismantlement expenses	58	—
Impairment loss	52	—
Total extraordinary losses	440	1,241
Profit (loss) before income taxes	1,309	(231)
Income taxes	571	223
Refund of income taxes for prior periods	—	(240)
Profit (loss)	738	(215)
Profit (loss) attributable to owners of parent	738	(215)

**(Consolidated quarterly statements of comprehensive income)**

	(Millions of yen)	
	Third Quarter ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Third Quarter ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
Profit (loss)	738	(215)
Other comprehensive income		
Valuation difference on available-for-sale securities	364	55
Foreign currency translation adjustment	(188)	213
Remeasurements of defined benefit plans	40	80
Total other comprehensive income	217	349
Comprehensive income	955	134
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	955	134
Comprehensive income attributable to non-controlling interests	—	—

### (3) Notes on quarterly consolidated financial statements

#### (Notes on premise of going concern)

No items to report

#### (Notes on significant changes in the amount of shareholders' equity)

No items to report.

#### (Additional information)

(Accounting estimates in relation to the impact of novel coronavirus infectious disease (COVID-19))

There have been no material changes to the hypothesis, which includes the timing of the resolution of the COVID-19 issue, described in "Accounting estimates in relation to the impact of novel coronavirus infectious disease (COVID-19)" section of the "Additional information" section of the securities report for the previous fiscal year.

#### (Quarterly balance sheet-related)

\*Structural reform expenses

Structural reform expenses associated with the reorganization and streamlining of consolidated subsidiary RISO TECHNOLOGY CHINA CO., LTD. have been recorded. The main components of structural reform expenses are economic compensation payments and other items.

#### (Segment information)

##### 1. Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business	Others (Note: 1)	Adjustments	Total
Net sales:				
Outside customers	56,580	1,025	—	57,606
Inter-segment	—	—	—	—
Total	56,580	1,025	—	57,606
Segment income	1,357	391	—	1,749

- Notes:
1. "Others" includes real estate business and print creating business.
  2. Total amount of segment income coincides with the operating income in the consolidated statements of income.
  3. The breakdown by region in the printing equipment business is as follows.

(Millions of yen)

	Printing equipment business				
	Japan	The Americas	Europe	Asia	Total
Sales	30,889	3,566	10,575	11,549	56,580
Operating income (loss)	1,691	(728)	(97)	491	1,357

## 2. Nine months ended December 31, 2020(from April 1, 2020 to December 31, 2020)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business	Others (Note: 1)	Adjustments	Total
Net sales:				
Outside customers	46,571	906	—	47,478
Inter-segment	—	—	—	—
Total	46,571	906	—	47,478
Segment income (loss)	(387)	339	—	(47)

- Notes: 1. "Others" includes real estate business and print creating business.  
2. Total amount of segment income (loss) coincides with the operating loss in the consolidated statements of income.  
3. The breakdown by region in the printing equipment business is as follows.

(Millions of yen)

	Printing equipment business				
	Japan	The Americas	Europe	Asia	Total
Sales	25,552	2,106	8,232	10,681	46,571
Operating income (loss)	133	(741)	(345)	566	(387)