

May 10, 2019

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 <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 of Regular General Meeting of Shareholders: June 25, 2019
 Scheduled date of dividend payment commencement: June 26, 2019
 Scheduled date to file Securities Report: June 26, 2019
 Preparation of supplementary information on business results: Yes
 Holding of briefing on business results: Yes (for analysts, in Japanese)

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

1. Consolidated performance for the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	83,900	(1.9)	3,771	(2.5)	3,660	(6.9)	2,771	(8.6)
March 31, 2018	85,507	3.0	3,870	(3.1)	3,931	(4.8)	3,033	11.3

Note: Comprehensive income

Fiscal year ended March 31, 2019: 2,840 million yen / (19.8)% Fiscal year ended March 31, 2018: 3,539 million yen / 11.8%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	76.76	—	4.4	4.1	4.5
March 31, 2018	81.98	—	4.7	4.4	4.5

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2019: — million yen Fiscal year ended March 31, 2018: — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2019	87,158	62,248	71.4	1,738.48
March 31, 2018	90,089	63,810	70.8	1,738.62

Reference: Shareholders' equity As of March 31, 2019: 62,248 million yen As of March 31, 2018: 63,810 million yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	7,207	(1,429)	(4,813)	18,545
March 31, 2018	8,287	(1,334)	(4,062)	17,652

2. Cash dividends

	Cash dividends per share					Total dividends (annual)	Dividend pay-out ratio (consolidated)	Net assets-to dividend ratio (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million of yen	%	%
Fiscal year ended March 31, 2018	—	0.00	—	60.00	60.00	2,202	73.2	3.5
Fiscal year ended March 31, 2019	—	0.00	—	60.00	60.00	2,148	78.2	3.5
Fiscal year ending March 31, 2020 (Forecast)	—	0.00	—	60.00	60.00		97.7	

3. Forecasts for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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
Six months ending September 30, 2019	39,500	(1.5)	1,300	(24.9)	1,300	(21.6)	900 (34.1)	25.14
Fiscal year ending March 31, 2020	83,300	(0.7)	3,100	(17.8)	3,100	(15.3)	2,200 (20.6)	61.44

4. Others

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies / changes in accounting estimates / restatement

- a. Changes due to revisions to accounting standards and other regulations: None
- b. Changes due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement: None

(3) Number of issued shares (common stock)

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

As of March 31, 2019	47,406,332 shares
As of March 31, 2018	47,406,332 shares

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

As of March 31, 2019	11,599,991 shares
As of March 31, 2018	10,704,867 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2019	36,107,406 shares
Fiscal year ended March 31, 2018	37,003,280 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

Index

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of financial position for the Fiscal Year under Review	4
(3) Overview of cash flows for the Fiscal Year under Review	4
(4) Business outlook for the next fiscal year	4
(5) Basic Policy for Earning Distribution and Current and Next Fiscal Year Dividends	5
(6) Explanation on research and development activities	5
2. Management Policies	5
(1) Basic Managerial Policies and Medium to Long-Term Business Strategy	5
(2) Issues to Address.....	6
3. Basic policy on the selection of accounting standards	6
4. Consolidated Financial Statements.....	7
(1) Consolidated balance sheets	7
(2) Consolidated statements of (comprehensive) income.....	9
(Consolidated statements of income)	9
(Consolidated statements of comprehensive income)	10
(3) Consolidated statements of changes in net assets	11
(4) Consolidated statements of cash flows	13
(Segment Information)	15
(Subsequent events).....	16

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

The RISO Group (RISO) formulated the Sixth Medium-term Management Plan (RISO Vision 19) with the final fiscal year of the period ending March 31, 2019, and followed its medium-term management policy of “accomplishing the growth of the number of machine installations by taking full advantage of RISO’s utmost unique products to ensure a stable revenue & profit growth”.

In the fiscal year under review, net sales decreased and operating income decreased year on year.

Net sales was 83,900 million yen (down 1.9% year on year), operating income was 3,771 million yen (down 2.5% year on year), ordinary income was 3,660 million yen (down 6.9% year on year) and profit attributable to the owners of parent was to 2,771 million yen (down 8.6% year on year) .

The average exchange rates during the consolidated fiscal year under review were 110.91 yen (a 0.06 yen depreciation of the yen year on year) for the US dollar and 128.41 yen (a 1.29 yen appreciation of the yen year on year) for the euro.

Results by segment are as follows:

- 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.

In the inkjet business, net sales remain unchanged from the previous year. In the digital duplicating business, however, the downward trend in net sales continued.

Excluding the effects of foreign exchange rates, gross profit recorded an increase over the previous year’s level, and while selling, general and administrative expenses remained unchanged from the previous year, operating income fell below the previous year’ level due to the effects of the yen’s appreciation.

Net sales for the printing equipment business were 82,556 million yen (down 2.1% year on year). Operating income was 3,268 million yen (down 6.3% year on year).

Japan

In the inkjet business, net sales fell below the previous year’s level slightly. In the digital duplicating business, net sales fell below the previous year’s level. Overall sales were 45,123 million yen (down 4.5% year on year). Operating income was 2,660 million yen (down 15.4% year on year).

The Americas

In the inkjet business, net sales fell below the previous year’s level slightly. In the digital duplicating business, net sales fell below the previous year’s level. Overall sales were 5,214 million yen (down 5.4 % year on year). Operating losses were 749 million yen (compared to operating losses of 557 million yen in the same period of the previous fiscal year).

Europe

In the inkjet business, hardware sales remain unchanged from the previous year, and net sales remain unchanged from the previous year. In the digital duplicating business, net sales remain unchanged from the previous year. Overall sales were 15,999 million yen (up 0.5% year on year). Operating income was 576 million (up 79.0% year on year).

Asia

In the inkjet business, hardware sales increased, and net sales rose year on year. In the digital duplicating business, net sales rose year on year. Overall sales were 16,219 million yen (up 3.9% year on year). Operating income was 781 million yen (up 29.8% year on year).

- Others

RISO operates a real estate business and a print creating business as well as printing equipment business. Net sales in the others were 1,343 million yen (up 10.7% year on year), and operating income was 503 million yen (up 32.2% year on year).

(2) Overview of financial position for the Fiscal Year under Review

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

Total assets decreased 2,930 million yen and net assets decreased 1,561 million yen.

The main changes in the assets portion include increases of 312 million yen in cash and deposits and 599 million yen in short-term investment securities, in contrast to decreases of 801 million yen in notes and accounts receivable-trade, 797 million yen in merchandise and finished goods, 232 million yen in raw materials and supplies, 352 million yen in buildings and structures, 326 million yen in investment securities and 222 million yen in deferred tax assets. In the liabilities portion, there were decrease of 1,257 million yen in notes and accounts payable-trade, 278 million yen in short-term loans payable and 456 million yen in net defined benefit liability.

(3) Overview of cash flows for the Fiscal Year under Review

Cash and cash equivalents (“cash”) at the end of the fiscal year under review increased by 893 million yen year on year to 18,545 million yen.

The positions and contributing factors of each cash flow in the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 7,207 million yen (down 13.0% year on year). This is mainly attributable to profit before income taxes of 3,935 million yen, depreciation and amortization of 4,913 million yen, a decrease in notes and accounts receivable – trade of 749 million yen, a decrease in inventories of 928 million yen, a decrease in notes and accounts payable-trade of 1,115 million yen, and income taxes paid of 1,029 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,429 million yen (up 7.1% year on year). This is primarily the result of a 1,269 million yen expense for payments into time deposits, 1,265 million yen in proceeds from withdrawal of time deposits, the expense of 1,092 million yen for the purchase of property, plant and equipment and the expense of 357 million yen for purchase of intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities was 4,813 million yen (up 18.5% year on year). The result mainly reflects an expense of 2,199 million yen for the purchase of treasury stock, and payments of 2,201 million yen for cash dividends.

(4) Business outlook for the next fiscal year

In order to expand its stable revenue and profit growth, RISO will continue launching high-speed color printers and digital duplicators worldwide and working to gain new customers and expand sales channels.

RISO forecasts that, in the next fiscal year, the increase tendency in sales in the inkjet business and the decrease tendency in sales in the digital duplicating business will continue, resulting in net sales of 83,300 million yen, a figure similar to that in the previous year. On the profit front, the Company forecasts operating income of 3,100 million yen (down 17.8% year on year), ordinary income of 3,100 million yen (down 15.3% year on year), and profit attributable to owners of parent of 2,200 million yen (down 20.6% year on year).

The aforementioned forecast is premised on the exchange rates of 110 yen against US dollar and 125 yen against the euro.

(5) Basic Policy for Earning Distribution and Current and Next Fiscal Year Dividends

As for distribution of earnings to shareholders, the Company sets the two policies as below as Basic Policies:

- (1) Allocate an appropriate portion of earnings as a dividend in accordance with business result while retaining the means to strengthen the corporate structure; and
- (2) Strive to make continued, stable dividend payments.

Based on the Basic Policies, the Company will distribute annual dividends from surplus once a year at the end of every fiscal year. Also, we regard the repurchasing of shares as a measure for allocating earnings to shareholders and will effectuate it taking into account stock price levels and market trends.

The Company plans to pay a year-end dividend of 60 yen per share.

With regard to treasury stock, the Company purchased a total of 895,100 shares for 2,199 million yen.

In accordance with the Basic Policies, the Company plans to pay a dividend of 60 yen per share for the next fiscal year.

(6) Explanation on research and development activities

Expenses for RISO's research and development activities in the current nine months totaled 5,556 million yen. The main R&D activities were in the printing equipment business.

2. Management Policies

(1) Basic Managerial Policies and Medium to Long-Term Business Strategy

The RISO Group formulated and worked on the Sixth Medium-term Management Plan (RISO Vision 19)—a three-year plan with the final fiscal year of the period ending March 31, 2019.

<Basic Policies in the Sixth Medium-Term Management Plan "RISO Vision 19">

Accomplish the growth of the number of machine installation by taking full advantage of RISO's utmost unique products to ensure a stable revenue & profit growth

1. Gain new customers and increase the consumable profit which is the lifeline to pursue RISO's future business
2. Take on the challenge to create new business and pursue every technological possibility by the R&D Division
3. Provide opportunities for long-term human resource developments for younger-generations and improve organization structures within the Production Division
4. Develop human resources to enhance the managerial and leadership performance by enriching RISO corporate culture which will enable RISO employees to bring out their ability at full potential

《Financial targets》

Consolidated net sales: ¥85 billion, Consolidated operating income: ¥7 billion, ROE: 7%

*Exchange rates: 1US dollar: ¥108.00, 1euro: ¥122.00

During the period of the Sixth Medium-term Management Plan (RISO Vision 19), RISO worked on increasing the number of machine installation. While sales in the digital duplicating business declined, the inkjet business recorded a growth of sales. In the fiscal year under review, which is the final fiscal year of the plan, consolidated net sales came to 83.9 billion yen, consolidated operating income was 3.7 billion yen, and ROE was 4.4%.

The RISO Group formulated the Seventh Medium-term Management Plan (RISO Vision 22) with the fiscal year ending March 31, 2022 as the final fiscal year of the plan. The plan will be implemented from the fiscal year ending March 31, 2020.

<Basic Policies in the Sixth Medium-Term Management Plan "RISO Vision 22">

《Management Objectives》

Enhance profitability by expanding IJ business and improving efficiency on a Group-wide basis

《Priority Action》

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 targets》

Consolidated net sales: ¥86 billion, Consolidated operating income: ¥4.1 billion

*Exchange rates: 1US dollar: ¥110.00, 1euro: ¥125.00

(2) Issues to Address

In the printing equipment business, which is RISO's mainstay business, the inkjet business is growing, but the digital duplicating business is continuing to follow a trend of decline. A key issue for RISO to address is to accelerate the speed of growth in the inkjet business and maintain in the digital duplicating business.

In addition, RISO recognizes that the Group's medium- to long-term management challenge is to adapt to changes in the business environment and to change to a corporate structure that is efficient and strong.

RISO will deploy worldwide sales efforts that highlight the features of new products, in order to achieve medium to long-term growth for the RISO Group. It will also undertake development aimed at the creation of new businesses.

RISO has formulated its seventh Medium-term Management Plan. RISO's Management Policy for the Fiscal Year Ending March 31, 2020, which is the final year of the aforementioned plan, is as follows.

<Management Policies for Fiscal Year Ending March 31, 2020>

1. Expand IJ Business and strengthen RG Business
2. Strengthen the corporate planning function to improve Group efficiency

3. Basic policy on the selection of accounting standards

Due to convergence with international accounting standards, Japanese accounting standards have attained high quality and compare favorably in international terms. As they are considered the equal of international accounting standards, RISO applies Japanese accounting standards.

With regard to adopting international accounting standards in future, the Company will respond appropriately based on due consideration of both domestic and international circumstances.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	17,047	17,359
Notes and accounts receivable-trade	16,047	15,246
Short-term investment securities	1,400	2,000
Merchandise and finished goods	9,402	8,604
Work in process	891	830
Raw materials and supplies	2,220	1,988
Other	1,956	2,126
Allowance for doubtful accounts	(293)	(279)
Total current assets	48,672	47,875
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	20,909	21,078
Accumulated depreciation	(13,206)	(13,727)
Buildings and structures, net	7,703	7,351
Machinery, equipment and vehicles	6,786	6,881
Accumulated depreciation	(5,323)	(5,597)
Machinery, equipment and vehicles, net	1,463	1,284
Tools, furniture and fixtures	16,381	14,888
Accumulated depreciation	(15,438)	(14,075)
Tools, furniture and fixtures, net	942	813
Land	17,632	17,651
Lease assets	520	463
Accumulated depreciation	(239)	(197)
Lease assets, net	280	266
Construction in progress	54	142
Other	11,226	11,120
Accumulated depreciation	(6,910)	(7,429)
Other, net	4,316	3,690
Total property, plant and equipment	32,393	31,199
Intangible assets		
Software	1,213	1,065
Other	328	48
Total intangible assets	1,541	1,113
Investments and other assets		
Investment securities	1,789	1,463
Long-term loans receivable	21	19
Deferred tax assets	2,701	2,478
Other	3,011	3,017
Allowance for doubtful accounts	(42)	(8)
Total investments and other assets	7,481	6,969
Total noncurrent assets	41,416	39,283
Total assets	90,089	87,158

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,803	11,546
Short-term loans payable	1,100	821
Current portion of long-term loans payable	1	1
Income taxes payable	547	679
Provision for bonuses	1,749	1,760
Provision for directors' bonuses	40	38
Provision for product warranties	87	38
Other	7,531	7,987
Total current liabilities	23,861	22,871
Noncurrent liabilities		
Long-term loans payable	15	14
Net defined benefit liability	1,781	1,324
Other	620	699
Total noncurrent liabilities	2,417	2,038
Total liabilities	26,279	24,909
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	51,468	52,038
Treasury shares	(15,874)	(18,074)
Total shareholders' equity	64,488	62,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	(12)
Foreign currency translation adjustment	(389)	(478)
Remeasurements of defined benefit plans	(593)	(118)
Total accumulated other comprehensive income	(678)	(609)
Total net assets	63,810	62,248
Total liabilities and net assets	90,089	87,158

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	85,507	83,900
Cost of sales	37,918	36,288
Gross profit	47,588	47,611
Selling, general and administrative expenses	43,718	43,839
Operating income	3,870	3,771
Non-operating income		
Interest income	96	119
Dividends income	51	53
Other	272	169
Total non-operating income	420	342
Non-operating expenses		
Interest expenses	70	68
Foreign exchange losses	194	272
Loss on retirement of noncurrent assets	59	61
Other	34	50
Total non-operating expenses	359	453
Ordinary income	3,931	3,660
Extraordinary income		
Settlement received	—	216
Insurance return	106	58
Gain on sales of investment securities	30	—
Total extraordinary income	136	275
Extraordinary loss		
Impairment loss	99	—
Total extraordinary losses	99	—
Profit (loss) before income taxes	3,968	3,935
Income taxes-current	1,054	1,150
Income taxes-deferred	(118)	13
Total income taxes	935	1,164
Profit	3,033	2,771
Profit attributable to owners of parent	3,033	2,771

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	3,033	2,771
Other comprehensive income		
Valuation difference on available-for-sale securities	(179)	(316)
Foreign currency translation adjustment	160	(89)
Remeasurements of defined benefit plans	525	474
Total other comprehensive income	506	68
Comprehensive income	3,539	2,840
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,539	2,840
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in net assets

	Fiscal year ended March 31, 2018				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Balance at the beginning of current period	14,114	14,779	50,678	(14,375)	65,198
Changes of items during the period					
Dividends from surplus			(2,243)		(2,243)
Profit attributable to owners of parent			3,033		3,033
Purchase of treasury shares				(1,499)	(1,499)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	790	(1,499)	(709)
Balance at the end of current period	14,114	14,779	51,468	(15,874)	64,488

	Fiscal year ended March 31, 2018				
	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Balance at the beginning of current period	483	(549)	(1,118)	(1,184)	64,013
Changes of items during the period					
Dividends from surplus					(2,243)
Profit attributable to owners of parent					3,033
Purchase of treasury shares					(1,499)
Net changes of items other than shareholders' equity	(179)	160	525	506	506
Total changes of items during the period	(179)	160	525	506	(203)
Balance at the end of current period	304	(389)	(593)	(678)	63,810

	Fiscal year ended March 31, 2019				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Balance at the beginning of current period	14,114	14,779	51,468	(15,874)	64,488
Changes of items during the period					
Dividends from surplus			(2,202)		(2,202)
Profit attributable to owners of parent			2,771		2,771
Purchase of treasury shares				(2,199)	(2,199)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	569	(2,199)	(1,630)
Balance at the end of current period	14,114	14,779	52,038	(18,074)	62,858

	Fiscal year ended March 31, 2019				
	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Balance at the beginning of current period	304	(389)	(593)	(678)	63,810
Changes of items during the period					
Dividends from surplus					(2,202)
Profit attributable to owners of parent					2,771
Purchase of treasury shares					(2,199)
Net changes of items other than shareholders' equity	(316)	(89)	474	68	68
Total changes of items during the period	(316)	(89)	474	68	(1,561)
Balance at the end of current period	(12)	(478)	(118)	(609)	62,248

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	3,968	3,935
Depreciation and amortization	5,493	4,913
Impairment loss	99	—
Increase (decrease) in net defined benefit liability	168	226
Increase (decrease) in provision for directors' bonuses	(10)	(2)
Increase (decrease) in allowance for doubtful accounts	33	(47)
Interest and dividends income	(147)	(172)
Gain on maturity of insurance contract	(106)	(58)
Interest expenses	70	68
Loss (gain) on sales of property, plant and equipment	(30)	—
Foreign exchange losses (gains)	(34)	57
Settlement received	—	(216)
Decrease (increase) in notes and accounts receivable-trade	(471)	749
Decrease (increase) in inventories	(278)	928
Increase (decrease) in notes and accounts payable-trade	1,077	(1,115)
Increase (decrease) in accounts payable-other	738	322
Other, net	(1,604)	(1,672)
Subtotal	8,965	7,917
Interest and dividends income received	147	172
Interest expenses paid	(70)	(69)
Settlement package received	—	216
Income taxes paid	(758)	(1,029)
Income taxes refund	3	—
Net cash provided by (used in) operating activities	8,287	7,207
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,956)	(1,269)
Proceeds from withdrawal of time deposits	2,333	1,265
Purchase of property, plant and equipment	(1,563)	(1,092)
Proceeds from sales of property, plant and equipment	53	32
Purchase of intangible assets	(507)	(357)
Proceeds from sales of investment securities	41	—
Payments of loans receivable	(0)	—
Collection of loans receivable	1	2
Proceeds from maturity of insurance funds	213	120
Other, net	50	(130)
Net cash provided by (used in) investing activities	(1,334)	(1,429)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(214)	(296)
Repayment of long-term loans payable	(1)	(1)
Purchase of treasury shares	(1,499)	(2,199)
Repayments of lease obligations	(102)	(114)
Cash dividends paid	(2,243)	(2,201)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(4,062)	(4,813)
Effect of exchange rate change on cash and cash equivalents	60	(70)
Net increase (decrease) in cash and cash equivalents	2,951	893
Cash and cash equivalents at beginning of period	14,701	17,652
Cash and cash equivalents at end of period	17,652	18,545

(Segment Information)

(Segment information)

1. Reportable segments

Reportable segments of the Company are constituent units for which separate financial information is obtainable, and the Board of Directors periodically conducts examinations of these segments to determine the distribution of management resources and evaluate performance.

The Company's business is classified into the printing equipment business, real estate business and print creating business and domestic sales for the printing equipment business are effected by the Company's Sales Division and two regional subsidiaries. Overseas sales are effected by local entities in each country under the control of the Company's International Sales Division in the Americas, Europe and Asia. Local entities in each country constitute independent business units and business activities are undertaken with respect to products handled with comprehensive strategies formulated in collaboration with the Company's International Sales Division for each respective region.

2. Methods to determine the amounts of sales, income or loss, assets, liabilities and other items

The accounting method for the business segments that are reported is largely the same as the one for the consolidated financial statements.

Figures for reportable segment profit are on the basis of operating income.

3. Information on sales and income or loss for each reportable segment

Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Printing equipment Business	Others (Note: 1)	Adjustments	Total
Net sales:				
Outside customers	84,293	1,213	—	85,507
Inter-segment	—	—	—	—
Total	84,293	1,213	—	85,507
Segment income	3,489	380	—	3,870
Other items				
Depreciation	5,423	69	—	5,493

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	47,244	5,512	15,921	15,615	84,293
Operating income (loss)	3,143	(577)	321	602	3,489

Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Printing equipment Business	Others (Note: 1)	Adjustments	Total
Net sales:				
Outside customers	82,556	1,343	—	83,900
Inter-segment	—	—	—	—
Total	82,556	1,343	—	83,900
Segment income	3,268	503	—	3,771
Other items				
Depreciation	4,844	69	—	4,913

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	45,123	5,214	15,999	16,219	82,556
Operating income (loss)	2,660	(749)	576	781	3,268

(Subsequent event)

(Purchase of Treasury Stock)

RISO KAGAKU CORPORATION (the "Company") announced that its Board of Directors resolved at the meeting held on May 10, 2019 to purchase treasury stock as described below, pursuant to the provisions of Article 156 of the Corporate Law as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Law.

- | | |
|--|---|
| (1) Reason for purchase of treasury stock: | The Company will conduct the purchase of treasury stock to carry out capital management that allows the Company to respond quickly to changes in the business environment and to distribute earnings to shareholders. |
| (2) Type of shares to be purchased: | Common stock of the Company |
| (3) Number of shares to be purchased: | Up to 350,000 shares |
| (4) Total purchase cost: | Up to 500,000,000 yen |
| (5) Purchase period: | From May 21, 2019 to June 14, 2019 |
| (6) Purchase method: | Purchased on the Tokyo Stock Exchange |