

November 1, 2019

Company name: **RISO KAGAKU CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6413
 Representative: Akira Hayama, President & CEO
 Inquiries: Shoichi Ikejima, Managing Director and General Manager of Corporate Headquarters
 TEL: +81-3-5441-6611 (from overseas)

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 and the dividend forecasts released on May 10, 2019.

Particulars

●Revisions to earnings forecasts

Revisions of figures in consolidated earnings forecasts for the fiscal year ending March 31, 2020
(April 1, 2019 – March 31, 2020)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	83,300	3,100	3,100	2,200	61.44 yen
Revised forecast (B)	81,000	3,000	2,900	1,700	48.03 yen
Amount of increase/decrease (B-A)	△2,300	△100	△200	△500	
Percentage of increase/decrease (%)	△2.8	△3.2	△6.5	△22.7	
(Ref.) Previous fiscal year results (fiscal year ended March 31, 2019)	83,900	3,771	3,660	2,771	76.76 yen

Reasons for revision

During the first six months of the fiscal year ending March 31, 2020, operating income and ordinary income increased by 21.9% and 20.8% year on year, respectively. The increases are largely attributable to a situation where sales of products generating high profit margins largely exceeded our initial assumptions due to the surge in demand materializing before the consumption tax hike took effect, and despite adverse effects of a strong yen. The Company posted extraordinary losses of approximately 440 million yen, particularly in the form of losses on revaluation of investment securities. As a result, profit attributable to owners of parent decreased by 21.7%.

The surge in demand is likely to bring about a subsequent decrease in demand from the third quarter onward. Meanwhile, going forward, we expect the Japanese yen to remain stronger than initially anticipated. In terms of the Company’s full-year results, we foresee lower results with respect to each of the income statement items in comparison with our previous forecast due to revisions made to exchange rate forecasts.

Our forecasts have been calculated based on anticipated full-year exchange rates of 108 Japanese yen to the US dollar and 120 Japanese yen to the euro.

(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 10, 2019)	—	—	—	60.00	60.00
Revised forecast	—	—	—	48.00	48.00
Actual in current fiscal year	—	—	—		
Actual in previous fiscal year (fiscal year ended March 31, 2019)	—	—	—	60.00	60.00

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 our corporate structure.
- (2) We will strive to provide a stable dividend.

In accordance with this earnings revision, the Company has changed the amount it expects to pay as a year-end dividend to 48 yen per share, from the previously estimated amount of 60 yen per share announced on May 10, 2019.