

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**  
 Listing: Tokyo Stock Exchange Prime Market  
 Stock code: 6413  
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Scheduled date of Regular General Meeting of Shareholders: June 25, 2024  
 Scheduled date of dividend payment commencement: June 26, 2024  
 Scheduled date to file Securities Report: June 26, 2024  
 Preparation of supplementary information on business results: Yes  
 Holding of briefing on business results: Yes (Recorded video of briefing on business results scheduled for distribution)

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

### 1. Consolidated performance for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	74,602	(0.1)	5,256	(11.7)	6,202	0.0	4,831	4.5
March 31, 2023	74,655	7.7	5,955	43.0	6,201	33.5	4,624	29.2

Note: Comprehensive income

Fiscal year ended March 31, 2024: 8,104 million yen / 47.4%    Fiscal year ended March 31, 2023: 5,498 million yen / 3.9%

	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, 2024	145.48	—	7.4	7.2	7.0
March 31, 2023	137.72	—	7.3	7.4	8.0

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2024: — million yen    Fiscal year ended March 31, 2023: — 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, 2024	88,628	66,893	75.5	2,036.34
March 31, 2023	84,773	64,296	75.8	1,924.95

Reference: Shareholders' equity As of March 31, 2024: 66,893 million yen As of March 31, 2023: 64,296 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, 2024	6,482	(1,305)	(5,602)	20,088
March 31, 2023	5,644	(742)	(4,443)	19,676

## 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, 2023	–	0.00	–	120.00	120.00	4,008	87.1	6.3
Fiscal year ended March 31, 2024	–	0.00	–	100.00	100.00	3,284	68.7	5.0
Fiscal year ending March 31, 2025 (Forecast)	–	0.00	–	100.00	100.00		89.8	

## 3. Forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	36,500	4.8	1,900	3.2	1,900	(18.9)	1,600	(14.5)	47.93
Fiscal year ending March 31, 2025	78,300	5.0	4,900	(6.8)	5,100	(17.8)	3,700	(23.4)	111.40

#### 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
- Changes due to revisions to accounting standards and other regulations: Yes
  - Changes due to other reasons: None
  - Changes in accounting estimates: None
  - Restatement: None

Note: For details, refer to “4. Consolidated Financial Statements and Notes (5) Notes regarding the consolidated financial statements (Changes in accounting policies)” on p. 13 of the attached materials.

(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, 2024	36,000,000 shares
As of March 31, 2023	40,000,000 shares

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

As of March 31, 2024	3,150,398 shares
As of March 31, 2023	6,598,364 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2024	33,213,486 shares
Fiscal year ended March 31, 2023	33,581,361 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.

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## 1. Overview of Operating Results

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

The RISO Group (RISO) formulated the Eighth Medium term Management Plan (RISO Vision 25) with the final fiscal year of the period ending March 31, 2025, and followed its medium term management policy of “1. Expand IJ business 2. Establish a solid customer oriented sales planning structure”.

In the fiscal year under review, net sales and operating income decreased compared to the previous fiscal year, while profit attributable to owners of parent increased.

Net sales were 74,602 million yen (down 0.1% year on year), operating income was 5,256 million yen (down 11.7% year on year), and due to the recording of foreign exchange gains, and other items, ordinary income was 6,202 million yen (up 0.0% year on year). Profit attributable to owners of parent was 4,831 million yen (up 4.5% year on year), mainly due to the recording of a gain on revision of retirement benefit plan of 432 million yen under extraordinary income.

The average exchange rates during the current consolidated fiscal year under review were 144.62 yen (a 9.15 yen depreciation of the yen year on year) for the US dollar and 156.80 yen (a 15.83 yen depreciation of the yen year on year) for the euro.

Results by segment are as follows:

#### a. Printing equipment business

RISO group, 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 printing equipment business, despite the effects of the depreciation of the yen, net sales and segment profit decreased compared to the previous fiscal year. Net sales were 72,874 million yen (down 0.2% year on year), and segment profit was 4,646 million yen (down 12.7% year on year). This was due to a surge in demand at the end of the previous fiscal year, prior to price revisions in Japan in April 2023, and its subsequent drop-off leading to a decline in sales.

In Japan, sales in both the inkjet business and the digital duplicating business declined compared to the previous fiscal year. Overseas, sales in both the inkjet business and the digital duplicating business exceeded the previous fiscal year.

Net sales in Japan were 34,623 million yen (down 6.3% year on year), in the Americas were 5,737 million yen (up 5.0% year on year), in Europe were 17,335 million yen (up 8.8% year on year), and in Asia were 15,177 million yen (up 3.5% year on year).

#### b. Real estate business

The Group's real estate business consists of the leasing of buildings. Net sales in the real estate business were 1,094 million yen (down 0.1% year on year), and segment profit was 761 million yen (down 4.4% year on year).

#### c. Others

RISO operates the print creating business, the digital communication business, and the application software business, which manages the new service “Yomiyasu.” as well as printing equipment business and real estate business. Net sales in the others were 633 million yen (up 19.8% year on year), and segment loss was 152 million yen (compared to segment loss of 165 million yen in the previous fiscal 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 increased 3,855 million yen to 88,628 million yen, while net assets increased 2,596 million yen to 66,893 million yen.

The main changes in the assets section were increases of 1,261 million yen in cash and deposits, 1,512 million yen in investment securities, and 1,488 million yen in retirement benefit asset, respectively, while merchandise and finished goods decreased by 915 million yen. In the liabilities section, other current liabilities increased by 1,358 million yen. In net assets, retained earnings and treasury shares respectively decreased by 5,820 million yen and 5,144 million yen, while valuation difference on available-for-sale securities and foreign currency translation adjustment increased by 1,050 million yen and 1,577 million yen, respectively.

As a result, the equity ratio decreased by 0.4 points to 75.5%

## **(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 412 million yen year on year to 20,088 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 6,482 million yen (up 14.8% year on year). This is mainly attributable to profit before income taxes of 6,695 million yen, depreciation of 2,714 million yen, a decrease in inventories of 1,606 million yen, a decrease in trade payables of 937 million yen, and income taxes paid of 2,311 million yen.

### **(Cash flows from investing activities)**

Net cash used in investing activities was 1,305 million yen (up 76.0% year on year). This is primarily the result of the 348 million yen for the purchase of property, plant and equipment, 585 million yen for the purchase of intangible assets.

### **(Cash flows from financing activities)**

Net cash used in financing activities was 5,602 million yen (up 26.1% year on year). The result mainly reflects an expense of 1,499 million yen for the purchase of treasury stock, and payments of 4,005 million yen for cash dividends.

## **(4) Business outlook for the next fiscal year**

The Company expects the outlook for the environment in which it operates to remain uncertain going forward due to concerns about the economic impact of global geopolitical tensions and fluctuations in interest and exchange rates.

For the fiscal year ending March 31, 2025 (from April 1, 2024, to March 31, 2025), consolidated forecasts are net sales of 78,300 million yen, operating income of 4,900 million yen, ordinary income of 5,100 million yen, and profit attributable to owners of parent of 3,700 million yen.

The aforementioned forecast is premised on the exchange rates of 145 yen against US dollar and 155 yen against the euro.

From July, the Company plans to acquire the inkjet head business of Toshiba Tec Corporation and Tec Precision Co., Ltd. and commence operations.

Net sales are expected to increase by 3,600 million yen compared to the previous fiscal year due to increased overseas sales in the printing equipment business and the commencement of external sales of inkjet heads starting from July. Sales in Japan are expected to remain at the same level as the previous fiscal year.

Although selling, general and administrative expenses, including goodwill, will increase due to the business integration, it will take a certain period of time for the effects of the integration to become apparent. Additionally, selling expenses and development costs are expected to increase. As a result, operating income for the next fiscal year is projected to decrease by 350 million yen. Furthermore, while there were temporary factors contributing to increased profits in the fiscal year under review, such as 1,000 million yen in non-operating income and 400

million yen in extraordinary income, these are not anticipated in the next fiscal year. Consequently, profit attributable to owners of parent is forecast to decrease by 1,100 million yen.

Forward-looking statements made in these materials in relation to consolidated forecasts, etc. are based on information available to the Company at the time the statements were made, as well as on certain assumptions deemed reasonable at the time. Actual results, etc. may differ from forecasts for a variety of reasons.

## **(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.

(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.

During the period (from April 1, 2022 to March 31, 2025) of the Eighth Medium term Management Plan (RISO Vision 25), the company will work to return profits to shareholders, aiming to achieve a total return ratio of at least 100% in the aggregate over the this period in order to improve capital efficiency through the reduction of shareholders' equity.

Based on the Basic Policies above, the Company purchased a total of 552,000 shares of treasury stock at 1,499 million yen. The Company plans year-end dividend of 100 yen per share for the fiscal year under review. In accordance with the Basic Policies, the Company plans to pay a dividend of 100 yen per share for the next fiscal year.

## **(6) Explanation on research and development activities**

Expenses for RISO's research and development activities in FY2024 totaled 4,538 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 (RISO) formulated a three-year plan, the Eighth Medium term Management Plan (RISO Vision 25) with the final fiscal year of the period ending March 31, 2025, and are following.

<The 8th Medium-Term Management Plan "RISO Vision 25">  
《Management Objectives》

1. Expand IJ business
2. Establish a solid customer oriented sales planning structure

### **(2) Issues to Address**

In the Group's mainstay printing equipment business, we understand that improving the profitability of the inkjet business is a key issue. We also recognize that the medium- to long-term management issue for the Group is adapting to changes in the business environment and creating a lean and efficient corporate structure.

In order to achieve medium- to long-term growth for the Group, we will expand worldwide marketing activities that highlight the distinctiveness of our products. We will engage in activities aimed at the creation of new businesses.

In the fiscal year ending March 31, 2025, which comprises the final year of the 8th Medium-term Management Plan (RISO Vision 25), the following matters will be implemented as management policies.

<Management Policies for Fiscal Year Ending March 31, 2025>

Continue to improve and maintain sound management in the IJ business while developing new business.

### **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, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	19,551	20,812
Notes receivable - trade	1,077	1,374
Accounts receivable - trade	12,466	12,624
Securities	1,110	676
Merchandise and finished goods	8,763	7,848
Work in process	713	828
Raw materials and supplies	2,398	2,485
Other	1,783	2,840
Allowance for doubtful accounts	(232)	(208)
Total current assets	47,632	49,283
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,805	23,280
Accumulated depreciation	(15,664)	(16,271)
Buildings and structures, net	7,141	7,008
Machinery, equipment and vehicles	6,902	7,042
Accumulated depreciation	(6,285)	(6,395)
Machinery, equipment and vehicles, net	617	647
Tools, furniture and fixtures	13,320	13,419
Accumulated depreciation	(12,765)	(12,889)
Tools, furniture and fixtures, net	555	529
Land	17,679	17,725
Leased assets	470	295
Accumulated depreciation	(144)	(147)
Leased assets, net	326	147
Construction in progress	14	6
Other	9,993	9,512
Accumulated depreciation	(7,929)	(7,577)
Other, net	2,064	1,935
Total property, plant and equipment	28,399	28,000
Intangible assets		
Software	996	1,125
Other	83	107
Total intangible assets	1,079	1,232
Investments and other assets		
Investment securities	2,008	3,520
Long-term loans receivable	12	11
Deferred tax assets	1,762	1,015
Retirement benefit asset	551	2,039
Other	3,332	3,534
Allowance for doubtful accounts	(4)	(9)
Total investments and other assets	7,662	10,112
Total non-current assets	37,141	39,345
Total assets	84,773	88,628

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,189	9,254
Short-term borrowings	33	15
Current portion of long-term borrowings	1	1
Income taxes payable	1,330	834
Provision for bonuses	1,675	1,766
Provision for bonuses for directors (and other officers)	50	49
Provision for product warranties	29	17
Other	6,670	8,029
Total current liabilities	18,979	19,966
Non-current liabilities		
Long-term borrowings	9	8
Deferred tax liabilities	—	34
Retirement benefit liability	717	729
Other	770	995
Total non-current liabilities	1,497	1,769
Total liabilities	20,477	21,735
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	43,231	37,410
Treasury shares	(10,960)	(5,815)
Total shareholders' equity	61,165	60,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	659	1,709
Foreign currency translation adjustment	1,530	3,108
Remeasurements of defined benefit plans	940	1,585
Total accumulated other comprehensive income	3,131	6,403
Total net assets	64,296	66,893
Total liabilities and net assets	84,773	88,628

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	74,655	74,602
Cost of sales	32,589	31,643
Gross profit	42,065	42,959
Selling, general and administrative expenses	36,110	37,702
Operating profit	5,955	5,256
Non-operating income		
Interest income	145	158
Dividend income	77	91
Foreign exchange gains	—	459
Other	203	297
Total non-operating income	426	1,006
Non-operating expenses		
Interest expenses	24	9
Foreign exchange losses	106	—
Loss on retirement of non-current assets	21	19
Other	28	31
Total non-operating expenses	180	60
Ordinary profit	6,201	6,202
Extraordinary income		
Gain on revision of retirement benefit plan	—	432
Insurance return	153	59
Total extraordinary income	153	492
Profit before income taxes	6,355	6,695
Income taxes - current	1,917	1,820
Income taxes - deferred	(187)	43
Total income taxes	1,730	1,863
Profit	4,624	4,831
Profit attributable to owners of parent	4,624	4,831

**(Consolidated Statements of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,624	4,831
Other comprehensive income		
Valuation difference on available-for-sale securities	236	1,050
Foreign currency translation adjustment	748	1,577
Remeasurements of defined benefit plans, net of tax	(112)	644
Total other comprehensive income	873	3,272
Comprehensive income	5,498	8,104
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,498	8,104
Comprehensive income attributable to non-controlling interests	—	—

**(3) Consolidated statements of changes in net assets****Fiscal year ended March 31, 2023**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,114	14,779	41,979	(10,160)	60,714
Changes during period					
Dividends of surplus			(3,373)		(3,373)
Profit attributable to owners of parent			4,624		4,624
Purchase of treasury shares				(800)	(800)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,251	(800)	450
Balance at end of period	14,114	14,779	43,231	(10,960)	61,165

	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	
Balance at beginning of period	422	781	1,053	2,257	62,971
Changes during period					
Dividends of surplus					(3,373)
Profit attributable to owners of parent					4,624
Purchase of treasury shares					(800)
Net changes in items other than shareholders' equity	236	748	(112)	873	873
Total changes during period	236	748	(112)	873	1,324
Balance at end of period	659	1,530	940	3,131	64,296

## Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,114	14,779	43,231	△10,960	61,165
Changes during period					
Dividends of surplus			(4,008)		(4,008)
Profit attributable to owners of parent			4,831		4,831
Purchase of treasury shares				(1,499)	(1,499)
Cancellation of treasury shares			(6,644)	6,644	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(5,820)	5,144	(675)
Balance at end of period	14,114	14,779	37,410	(5,815)	60,489

	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	
Balance at beginning of period	659	1,530	940	3,131	64,296
Changes during period					
Dividends of surplus					(4,008)
Profit attributable to owners of parent					4,831
Purchase of treasury shares					(1,499)
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity	1,050	1,577	644	3,272	3,272
Total changes during period	1,050	1,577	644	3,272	2,596
Balance at end of period	1,709	3,108	1,585	6,403	66,893

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,355	6,695
Depreciation	2,819	2,714
Decrease (increase) in retirement benefit asset	(207)	(154)
Increase (decrease) in retirement benefit liability	357	3
Increase (decrease) in provision for bonuses for directors (and other officers)	10	(1)
Increase (decrease) in allowance for doubtful accounts	(48)	(41)
Interest and dividend income	(223)	(249)
Interest expenses	24	9
Foreign exchange losses (gains)	(265)	(341)
Gain on revision of retirement benefit plan	—	(432)
Gain on maturity of insurance contract	(153)	(59)
Decrease (increase) in trade receivables	(653)	486
Decrease (increase) in inventories	(7)	1,606
Increase (decrease) in trade payables	447	(937)
Increase (decrease) in accounts payable - other	126	158
Increase (decrease) in accrued consumption taxes	(13)	(49)
Other, net	(1,452)	(847)
Subtotal	7,115	8,559
Interest and dividends received	223	243
Interest paid	(24)	(9)
Income taxes paid	(1,671)	(2,311)
Income taxes refund	2	0
Net cash provided by (used in) operating activities	5,644	6,482
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,748)	(1,764)
Proceeds from withdrawal of time deposits	1,703	1,386
Purchase of property, plant and equipment	(447)	(348)
Proceeds from sale of property, plant and equipment	51	21
Purchase of intangible assets	(455)	(585)
Proceeds from maturity of insurance funds	298	120
Other, net	(142)	(134)
Net cash provided by (used in) investing activities	(742)	(1,305)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(204)	(21)
Repayments of long-term borrowings	(1)	(1)
Purchase of treasury shares	(799)	(1,499)
Repayments of lease liabilities	(65)	(73)
Dividends paid	(3,371)	(4,005)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(4,443)	(5,602)
Effect of exchange rate change on cash and cash equivalents	383	838
Net increase (decrease) in cash and cash equivalents	842	412
Cash and cash equivalents at beginning of period	18,834	19,676
Cash and cash equivalents at end of period	19,676	20,088

**(5) Notes on consolidated financial statements**

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

No items to report

**(Changes in accounting policies)**

(Application of Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

Effective from the beginning of the first quarter of the fiscal year under review, the Company has applied the “Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ PITF No. 43, August 26, 2022). There has been no effect from this on the financial statements of the fiscal year under review.

**(Segment Information)**

1. Reportable segments

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

Business units for each product and service are located in the headquarters of the Company, with each business unit formulating comprehensive strategies for the products and services that they handle in both domestic and overseas markets, and engaging in business activities accordingly.

During the current fiscal year, we began operating an application software service with the objective of providing applications and services that make use of data analysis.

Accordingly, the operations of the company are now classified into the printing equipment business, the real estate business, the print creating business, the digital communication business, and the application software business.

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, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Printing equipment Business	Real estate Business	Others	Adjustments	Total
Net sales:					
Revenues from external customers	73,030	1,095	528	—	74,655
Transactions with other segments	0	—	—	(0)	—
Total	73,030	1,095	528	(0)	74,655
Segment profit (loss)	5,323	796	(165)	—	5,955
Other items					
Depreciation	2,712	73	33	—	2,819

Notes: 1. The business segment “Others” encompasses businesses not included in the reportable segments, and includes the print creating business and the digital communication business.

2. Total amount of segment profit (loss) coincides with the operating income in the consolidated statements of income.

3. Assets and liabilities at the segment level are not taken into consideration when determining the allocation of management resources or when evaluating results and thus are not presented here.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Printing equipment Business	Real estate Business	Others	Adjustments	Total
Net sales:					
Revenues from external customers	72,874	1,094	633	—	74,602
Transactions with other segments	0	—	—	(0)	—
Total	72,874	1,094	633	(0)	74,602
Segment profit (loss)	4,646	761	(152)	—	5,256
Other items					
Depreciation	2,566	81	66	—	2,714

Notes: 1. The business segment “Others” encompasses businesses not included in the reportable segments, and includes the print creating business and the digital communication business, and the application software business.

2. Total amount of segment profit (loss) coincides with the operating income in the consolidated statements of income.

3. Assets and liabilities at the segment level are not taken into consideration when determining the allocation of management resources or when evaluating results and thus are not presented here.

**(Subsequent event)**

## 1. Establishment of a subsidiary

The Company announced that, at a meeting of the Board of Directors held on January 30, 2024, we resolved to establish a subsidiary as shown below, and it was established on April 1, 2024.

## (1) Overview of Subsidiary

a. Name	RISO Technologies Corporation
b. Address	5-34-7 Shiba, Minato-ku, Tokyo
c. Title and Name of Representative	Kenji Oshima, Representative Director
d. Main Business	Development, manufacture, sale, etc. of inkjet heads and related products
e. Share Capital	JPY 400 million
f. Date of Establishment	April 1, 2024
g. Major Shareholder and Its Shareholding Ratio	RISO KAGAKU CORPORATION: 100%

## 2. Execution of a Significant Agreement

On December 22, 2023, the Company entered into an agreement with Toshiba Tec Corporation (“Toshiba Tec”) and its consolidated subsidiary, Tec Precision Co., Ltd. (“TPI”), whereby RISO Technologies Corporation (“RISO Technologies”), a newly established subsidiary of the Company, will acquire the inkjet head business conducted by Toshiba Tec and TPI (the “Target Business”) through a company split (an absorption-type company split; the “Absorption-Type Company Split”).

In order to implement the Absorption-Type Company Split, RISO Technologies, the succeeding company, resolved at its shareholders’ meeting on April 23, 2024, to enter into absorption-type company split agreements with Toshiba Tec and TPI, and executed such absorption-type company split agreements on the same date.

The outline of the Absorption-Type Company Split is as follows.

## (1) Purpose of the Absorption-Type Company Split

By succeeding to the Target Business, inkjet head technology will be added to the printing system and ink technologies that the Company already possesses. The RISO Group will leverage this collective strength, and aim to efficiently operate the printing equipment business and enhance the performance and quality of its products. In addition, the RISO Group will position the sale of inkjet heads conducted by the Target Business as a new business and work toward new growth.

## (2) Schedule of the Absorption-Type Company Split

Decision on establishment of subsidiary	December 22, 2023
Decision on execution of the Definitive Agreement	December 22, 2023
Execution of the Definitive Agreement	December 22, 2023
Establishment of the RISO Technologies Corporation as succeeding company	April 1, 2024
Execution of the Absorption-Type Company Split Agreements	April 23, 2024
Effectuation of the Absorption-Type Company Split	July 1, 2024 (scheduled)

(Note) The above schedule is the planned schedule as of the date of this release, but it may be changed in the future upon consultation with Toshiba Tec and TPI.

## (3) Method of the Absorption-Type Company Split

This is an absorption-type company split in which the RISO Technologies will be the succeeding company and Toshiba Tec and TPI will be the splitting companies.

## (4) Details of allotment pertaining to the Absorption-Type Company Split

As the consideration for the Absorption-Type Company Split, RISO Technologies as the succeeding company will transfer money in the amount of JPY 6,436 million to Toshiba Tec and TPI.

The amount of money to be transferred to Toshiba Tec and TPI respectively will be JPY 6,114 million and

JPY 322 million.

(5) Basis for the Details of the Allotment Pertaining to the Absorption-Type Company Split

a. Basis and reason for details of the allotment

The amount of money calculated for delivery by the RISO Technologies as the succeeding company in the Absorption-Type Company Split, has been agreed as a fair and reasonable price upon consultation between the parties.

b. Matters concerning calculation

No valuation report concerning the Absorption-Type Company Split has been obtained from a valuation institution.

(6) Overview of the Companies Involved in the Absorption-Type Company Split

a. Overview of the splitting company (Toshiba Tec) (as of September 30, 2023)

Name	Toshiba Tec Corporation
Address	1-11-1 Osaki, Shinagawa-ku, Tokyo
Title and Name of Representative	Hironobu Nishikori, Representative Director, President and Chief Executive Officer
Main Business	Development, manufacture, sale, and maintenance services, etc., for POS systems, multifunction peripherals, Auto-ID systems, inkjet heads, and related products
Share Capital	JPY 39,970 million
Date of Establishment	February 21, 1950
Number of Shares Outstanding	57,629,140 share

b. Overview of the splitting company (TPI) (as of September 30, 2023)

Name	Tec Precision Co., Ltd.
Address	6-78 Minami-cho, Mishima-shi, Shizuoka-ken
Title and Name of Representative	Takeshi Goto, Representative Director, President and Chief Executive Officer
Main Business	Manufacture, etc. of inkjet heads and toner for multifunction peripherals
Share Capital	JPY 10 million
Date of Establishment	April 1, 1981
Number of Shares Outstanding	20,000 shares

(7) Overview of the succeeding company (RISO Technologies)

Name	RISO Technologies Corporation
Address	5-34-7 Shiba, Minato-ku, Tokyo
Title and Name of Representative	Kenji Oshima, Representative Director (Executive Officer of the Company)
Main Business	Development, manufacture, sale, etc. of inkjet heads and related products
Share Capital	JPY 400 million
Date of Establishment	April 1, 2024

(8) Overview of the Business to be Succeeded to by RISO Technologies

a. Details of the business to be succeeded to by RISO Technologies

	Toshiba Tec	TPI
Details of the business	Development, manufacture, sale, etc. of inkjet heads and related products	Manufacture, etc., of inkjet heads

b. Operating results of the business to be succeeded to by RISO Technologies (Fiscal year ended March 2023)

	Toshiba Tec	TPI
Net Sales	JPY 5,114 million	JPY 2,379 million
Operating Profit	JPY 1,016 million	JPY 15 million

(Note) The above table states the figures related to the Business as recorded in the respective non consolidated financial statements of Toshiba Tec and TPI, and does not take into account the intercompany transaction set-offs between Toshiba Tec and TPI.

- c. Asset and liability accounts to be succeeded to by RISO Technologies and the book values thereof (as of June 30, 2023)

Toshiba Tec

Assets		Liabilities	
Current Assets	JPY 252 million	Current Liabilities	-
Non-current Assets	JPY 895 million	Non-current Liabilities	JPY 507 million
Total	JPY 1,147 million	Total	JPY 507 million

TPI

Assets		Liabilities	
Current Assets	JPY 39 million	Current Liabilities	-
Non-current Assets	JPY 101 million	Non-current Liabilities	-
Total	JPY 140 million	Total	-

(Note) The information above has been calculated based on data as of June 30, 2023. The actual amounts of assets and liabilities to be split will be a figure that takes into account the increase or decrease up to the effective date. In addition, the information above shows the figures for the Target Business in the non-consolidated financial statements of Toshiba Tec and TPI, and does not take into account any offsetting of claims and obligations between Toshiba Tec and TPI or the elimination of any unrealized gains. Furthermore, the above amounts include assets and liabilities covered by the Target Business.

(9) Overview of Accounting Treatment

The Absorption-Type Company Split is expected to be classified as an “acquisition” under the Accounting Standards for Business Combination. The amount of goodwill associated with the accounting procedures in the said Standards will be approximately JPY 4,061 million and the amortization period will be 5 years.

3. Purchase of Treasury Stock

The Company announced that its Board of Directors resolved at the meeting held on May 9, 2024 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 200,000 shares
- (4) Total purchase cost: Up to 500,000,000 yen
- (5) Purchase period: From May 24, 2024 to June 21, 2024
- (6) Purchase method: Purchased on the Tokyo Stock Exchange