

Consolidated Financial Results for the Nine Months Ended December 31, 2024 <under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**
 Listing: Tokyo Stock Exchange Prime Market
 Stock code: 6413
 URL: <https://www.riso.co.jp/english/>
 Representative: Akira Hayama, President & CEO
 Inquiries: Yoshiomi Narumiya, General Manager of Corporate Headquarters
 TEL: +81-3-5441-6611 (from overseas)

Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	57,087	7.8	4,275	33.7	4,572	23.9	2,699	(5.0)
December 31, 2023	52,955	0.0	3,197	(11.8)	3,691	(2.1)	2,842	0.2

Note: Comprehensive Income

Nine months ended December 31, 2024: 3,585 million yen / (10.4)%

Nine months ended December 31, 2023: 4,001 million yen /13.3%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2024	41.35	—
December 31, 2023	42.68	—

(Note) The Company conducted a two-for-one split of its common shares on January 1, 2025. As a result, net income per share stated above was calculated based on the assumption that the two-for-one stock split took place at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	88,692	65,493	73.8
March 31, 2024	88,628	66,893	75.5

Reference: Equity As of December 31, 2024: 65,493 million yen As of March 31, 2024: 66,893 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	0.00	–	100.00	100.00
Fiscal year ending March 31, 2025	–	0.00	–		
Fiscal year ending March 31, 2025 (Forecasts)				50.00	50.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

The Company conducted a two-for-one split of its common shares on January 1, 2025. Actual dividend amounts for the year ended March 31, 2024 have been stated on a basis prior to said stock split.

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
Fiscal year ending March 31, 2025	80,500	7.9	6,500	23.7	6,600	6.4	4,200	(13.1)	64.33

(Note) Revisions to the forecasts in the current quarter: None

The Company conducted a two-for-one split of its common shares on January 1, 2025. Forecast for net income per share on a consolidated basis has been calculated based on the number of issued shares (excluding treasury stock) after said stock split.

4. Others

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (RISO Technologies Corporation)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2024	72,000,000 shares
As of March 31, 2024	72,000,000 shares

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

As of December 31, 2024	7,306,916 shares
As of March 31, 2024	6,300,796 shares

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

Nine months ended December 31, 2024	65,290,553 shares
Nine months ended December 31, 2023	66,606,061 shares

The Company conducted a two-for-one split of its common shares on January 1, 2025. As a result number of issued share stated above was calculated based on the assumption that the two-for-one stock split took place at the beginning of the fiscal year ended March 31, 2024.

* Review of the attached consolidated quarterly financial statements by a certified public accountant or audit firm: None

* 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.

* Other noteworthy matters

The Company conducted a two-for-one split of its common shares on January 1, 2025.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Semi-annual Period 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”.

During the nine months ended December 31, 2024, the Group incorporated and began operating the inkjet head business transferred from Toshiba Tec Corporation effective July 1, 2024.

Additionally, starting in the second quarter, we established a new reporting segment called the Printing Equipment-Related Business. This segment includes the existing Printing Equipment Business and the Inkjet Head Business, which began operations in July.

For the nine months ended December 31, 2024, both net sales and operating income increased year on year. This was attributed to the depreciation of the yen compared to the same period of the previous year and steady sales performance in the Printing Equipment-Related Business. Profit attributable to owners of parent decreased due to the recording of extraordinary losses of 496 million yen in structural reform costs at RISO TECHNOLOGY CHINA CO., LTD, a consolidated subsidiary of the Company.

Net sales were 57,087 million yen (up 7.8% year on year), operating income was 4,275 million yen (up 33.7% year on year), ordinary income was 4,572 million yen (up 23.9% year on year), and profit attributable to owners of parent was 2,699 million yen (down 5.0% year on year).

The average exchange rates during the current consolidated nine months period were 152.57 yen (a 9.28 yen depreciation of the yen year on year) for the US dollar and 164.83 yen (a 9.54 yen depreciation of the yen year on year) for the euro.

Results by segment are as follows:

a. Printing equipment-related business

The Group operates a printing equipment-related business, comprising the Printing Equipment Business and the Inkjet Head Business. Within the Printing Equipment Business, we operate the inkjet business, principally with its ORPHIS high-speed inkjet printers, as well as the digital duplicating business, consisting mainly of its RISOGRAPH digital duplicators.

The printing equipment-related business recorded net sales of 55,799 million yen (up 8.0% year on year) and segment profit of 4,041 million yen (up 47.1% year on year) during the nine months ended December 31, 2024, showing increases in both sales and profit compared to the same period of the previous year. In Japan, while sales had decreased in the same period of the previous year due to a softening of demand after a surge in demand prior to price revisions of consumables, sales in the nine months under review exceeded those in the same period of the previous year, as there was no such impact. Overseas, sales increased year on year due to the positive effect of yen depreciation in exchange rates. Additionally, the inkjet head business, which began operations in July 2024, contributed to increased net sales. Excluding the softening of a surge in demand prior to price revisions in Japan during the same period of the previous year, the start of the inkjet head business, and foreign exchange effects, the period under review showed results roughly comparable to the same period of the previous year.

Net sales in Japan amounted to 25,596 million yen (up 8.1% year on year), while overseas net sales reached 30,202 million yen (up 7.9% 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 773 million yen (down 5.6% year on year), and segment profit was 495 million yen (down 14.4% year on year).

c. Others

RISO operates the print creating business, the digital communication business, and the application software business, among others as well as printing equipment-related business and real estate business.

Net sales in the others were 515 million yen (up 10.2% year on year), and segment loss was 260 million yen (compared to segment loss of 127 million yen in the same period of the previous fiscal year).

(2) Overview of financial position for the Quarter under Review

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 increased 64 million yen to 88,692 million yen, while net assets fell 1,399 million yen to 65,493 million yen.

The main changes in the assets section were increases of 959 million yen in merchandise and finished goods and 2,443 million yen in goodwill, respectively, while cash and deposits decreased by 5,135 million yen and notes and accounts receivable–trade decreased by 3,274 million yen. In liabilities, short-term borrowings increased by 1,403 million yen, long-term borrowings increased by 2,624 million yen, and notes and accounts payable–trade decreased by 2,502 million yen. In net assets, retained earnings decreased by 585 million yen, while treasury shares increased by 1,700 million yen and foreign currency translation adjustments increased by 787 million yen. As a result, the equity ratio decreased by 1.6 points to 73.8%.

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

There has been no revision to the consolidated forecasts for the fiscal year ending March 31, 2025, which were released on November 1, 2024.

2. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	20,812	15,677
Notes and accounts receivable - trade	13,999	10,724
Securities	676	222
Merchandise and finished goods	7,848	8,807
Work in process	828	857
Raw materials and supplies	2,485	2,628
Other	2,840	3,211
Allowance for doubtful accounts	(208)	(190)
Total current assets	49,283	41,938
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,280	23,962
Accumulated depreciation	(16,271)	(16,815)
Buildings and structures, net	7,008	7,147
Machinery, equipment and vehicles	7,042	7,560
Accumulated depreciation	(6,395)	(6,586)
Machinery, equipment and vehicles, net	647	973
Tools, furniture and fixtures	13,419	13,169
Accumulated depreciation	(12,889)	(12,404)
Tools, furniture and fixtures, net	529	764
Land	17,725	17,757
Leased assets	295	317
Accumulated depreciation	(147)	(118)
Leased assets, net	147	199
Construction in progress	6	636
Other	9,512	9,497
Accumulated depreciation	(7,577)	(7,482)
Other, net	1,935	2,015
Total property, plant and equipment	28,000	29,494
Intangible assets		
Goodwill	—	2,443
Software	1,125	1,345
Other	107	1,994
Total intangible assets	1,232	5,783
Investments and other assets		
Investment securities	3,520	3,965
Long-term loans receivable	11	11
Deferred tax assets	1,015	1,963
Retirement benefit asset	2,039	2,035
Other	3,534	3,513
Allowance for doubtful accounts	(9)	(13)
Total investments and other assets	10,112	11,476
Total non-current assets	39,345	46,754
Total assets	88,628	88,692

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,254	6,751
Short-term borrowings	15	1,418
Current portion of long-term borrowings	1	376
Income taxes payable	834	373
Provision for bonuses	1,766	1,076
Provision for bonuses for directors (and other officers)	49	63
Provision for product warranties	17	24
Other	8,029	8,330
Total current liabilities	19,966	18,415
Non-current liabilities		
Long-term borrowings	8	2,632
Deferred tax liabilities	34	36
Retirement benefit liability	729	790
Other	995	1,324
Total non-current liabilities	1,769	4,783
Total liabilities	21,735	23,199
Net assets		
Shareholders' equity		
Share capital	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	37,410	36,825
Treasury shares	(5,815)	(7,516)
Total shareholders' equity	60,489	58,203
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,709	2,016
Foreign currency translation adjustment	3,108	3,895
Remeasurements of defined benefit plans	1,585	1,377
Total accumulated other comprehensive income	6,403	7,289
Total net assets	66,893	65,493
Total liabilities and net assets	88,628	88,692

(2) Consolidated quarterly statements of (comprehensive) income

(Consolidated quarterly statements of income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	52,955	57,087
Cost of sales	22,245	23,070
Gross profit	30,710	34,017
Selling, general and administrative expenses	27,512	29,741
Operating profit	3,197	4,275
Non-operating income		
Interest income	97	184
Dividend income	91	119
Foreign exchange gains	184	—
Other	160	146
Total non-operating income	535	451
Non-operating expenses		
Interest expenses	7	35
Foreign exchange losses	—	64
Loss on retirement of non-current assets	16	16
Other	18	37
Total non-operating expenses	41	154
Ordinary profit	3,691	4,572
Extraordinary income		
Gain on revision of retirement benefit plan	432	—
Total extraordinary income	432	—
Extraordinary losses		
Business restructuring expenses	—	496
Total extraordinary losses	—	496
Profit before income taxes	4,124	4,075
Income taxes	1,281	1,375
Profit	2,842	2,699
Profit attributable to owners of parent	2,842	2,699

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	2,842	2,699
Other comprehensive income		
Valuation difference on available-for-sale securities	519	307
Foreign currency translation adjustment	852	787
Remeasurements of defined benefit plans, net of tax	(212)	(208)
Total other comprehensive income	1,158	886
Comprehensive income	4,001	3,585
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,001	3,585
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes on quarterly consolidated financial statements

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and related standards)

We have applied the “Accounting Standard for Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and related standards from the beginning of the three months of the fiscal year ending March 31, 2025.

Regarding the revision related to the classification of income taxes (taxation on other comprehensive income), we have followed the transitional treatment specified in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment specified in the proviso of Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

Additionally, regarding the revision related to the treatment in consolidated financial statements of deferred gains or losses for tax purposes arising from the sale of subsidiaries’ shares between consolidated companies, we have applied the 2022 Revised Guidance from the beginning of the three months of the fiscal year ending March 31, 2025. This change in accounting policy has been applied retrospectively, and the quarterly and yearly consolidated financial statements for the previous fiscal year have been restated accordingly. This change in accounting policy has no impact on the quarterly and yearly consolidated financial statements for the previous fiscal year.

(Segment information)

1. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business	Real estate Business	Others	Adjustments	Total
Net sales:					
Outside customers	51,669	818	467	—	52,955
Inter-segment	0	—	—	(0)	—
Total	51,669	818	467	(0)	52,955
Segment profit (loss)	2,747	578	(127)	—	3,197

- Notes: 1. The business segment “Others” encompasses businesses not included in the reportable segments, and includes the print creating business, the digital communication business, and the application software business.
2. Total amount of segment income (loss) coincides with the operating loss in the consolidated statements of income.

2. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment-related business	Real estate Business	Others	Adjustments	Total
Net sales:					
Outside customers	55,799	773	515	—	57,087
Inter-segment	0	—	—	(0)	—
Total	55,799	773	515	(0)	57,087
Segment profit (loss)	4,041	495	(260)	—	4,275

- Notes: 1. The printing equipment-related business includes both the printing equipment business and the inkjet head business.
2. The business segment “Others” encompasses businesses not included in the reportable segments, and includes the print creating business, the digital communication business and the application software business, among others.
3. Total amount of segment income (loss) coincides with the operating income in the semi-annual consolidated statements of income.

Information concerning Impairment Loss on Non-current Assets or Goodwill by Reportable Segment**(Significant Changes in the Amount of Goodwill)**

In the Printing Equipment-Related Business segment, we have recorded goodwill from the first half of the fiscal year following the succession of the inkjet head business through a company split (absorption-type split) from Toshiba Tec Corporation and its consolidated subsidiary Tec Precision Co., Ltd. to RISO Technologies Corporation, a newly established subsidiary of the Company. The increase in goodwill from this event amounted to 2,715 million yen for the period under review.

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

During the nine months of the fiscal year ending March 31, 2025, the Company acquired treasury stock. As a result, treasury stock increased by 1,699 million yen during the period, and the balance of treasury stock at the end of the period was 7,516 million yen.

(Notes on premise of going concern)

No items to report

(Notes on quarterly consolidated cash flow statement)

We have not prepared a quarterly consolidated cash flow statement for the nine months of the fiscal year ending March 31, 2025. Furthermore, depreciation (including amortization of intangible assets excluding goodwill) and goodwill amortization for the period under review are as follows:

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	1,987 million yen	2,231 million yen
Goodwill amortization	- million yen	271 million yen