



SEMIANNUAL REPORT 2002

For the six-month period ended September 30, 2001

RIKEN CORPORATION

Cautionary Note Regarding Forward-Looking Statements

This document includes forward-looking statements that are predictions expressed as the Company's beliefs, plans, strategies and management objectives for future performance based on past expenses, income, profits and other factors. In essence, these forward-looking statements carry a degree of uncertainty, and various factors could cause actual results to differ from predictions that are either expressed or implied.

To Our Shareholders

Riken Corporation presents this semiannual report of business performance for the six-month period ended September 30, 2001.

Operating Environment

During the period under review, the global economy slowed down due mainly to the rapid U.S. economic downturn. The Japanese recession deteriorated owing to further capital investment retrenchments and slowed personal consumption.

In the Company's business field, global automobile production remained unchanged under weak demand in the U.S. automobile market. Car production in Japan decreased 2.8% to 4.76 million cars due to decreased exports despite unchanged domestic sales of 2.8 million cars. The construction and housing industries in Japan were weak. Because of a drop in private house sales, housing starts decreased to 610 thousand units. Floor space of non-housing construction starts declined 15.8%.

Under these operational conditions, we strove to bolster competitiveness in core products such as piston rings and camshafts. However, owing to inevitable effects of the economic downturn, net sales decreased 3.6% to ¥33.83 billion. Although we devoted ourselves to streamlining to offset declined sales, operating income of ¥2.70 billion was recorded, resulting in net income of ¥1.48 billion.

Review of Operations

(1) Vehicular parts segment

Our vehicular parts segment provides piston rings, valve-train parts and cast-iron products. For the period under the review, this segment was affected by slowdowns of car sales in Japan as well as low export demands for the U.S. and European markets. Overseas sales surged thanks to increased market share in piston rings employing our surface treatment technology that meets needs for light weight and better gas mileage and thanks to expanded sales for after-markets in the Middle East. Meanwhile, other engine parts and cast-iron products for car suspensions were deeply affected by sales price slides. As a result, sales in this segment decreased 1.8% to ¥24.32 billion. Owing to Group-wide streamlining efforts, operating income reached ¥2.31 billion, increasing 2.9%.

(2) Construction products and services segment

This segment deals mainly in pipe-fitting products. By introducing high-demand fittings for stainless steel pipes, we strove to expand sales and broaden our customer base. However, an

unfavorable operational environment persisted because of severer than expected drops in the construction and housing industries. Although sales in this segment declined 12.4% to ¥2.83 billion, Group-wide productivity improvement initiatives resulted in the reduction of operating loss to ¥46 million.

(3) Other products and services segment

Sales for our products, ranging from industrial furnaces to shield rooms and anechoic chambers protecting against electromagnetic waves, stayed robust. Drops in facility demands for the overseas market, however, dragged overall sales in this segment down to ¥6.68 billion, decreasing 5.9%. Operating income totaled ¥434 million, declining 36.4%.

Outlook

The deterioration in the U.S. economy since the attacks in September causes concern for the global economy. A European economic downturn is projected because of capital investment restraints. It is also forecast that Asian countries could face drops in exporting. In Japan, as companies' profits continue to worsen and exports decrease under weak economic conditions in foreign markets, a further contraction in capital investment is expected. With a further reduction in public investment on the horizon and little hope of a raise in consumer spending resulting from a gloomy employment and income environment, no trigger for economic turnaround is yet expected.

In the automobile industry, domestic car production will unavoidably be less than 10 million units due to saturation in the world auto markets and downswings in production schedules despite the favorable effects of new models. In the construction and housing industries, no demand revival is expected owing to the erosion of exceptional initial demand from a special tax reduction and concern for the future of the economy.

Amid this harsh operating environment, for fiscal 2001, Riken will continue making efforts to expand sales while implementing business restructuring. We will pursue global expansion of the vehicular parts segment through products meeting environmental needs and total customer satisfaction. Especially in piston rings, we are proceeding to incorporate our first European manufacturing joint venture in order to expand our business base in Europe. We are aiming to attain net sales of ¥67.5 billion for the fiscal year ending March 31, 2002.

We strive to improve profitability through continuous streamlining measures such as Company-wide supply chain management and better fund management through the introduction of a cash management system that helps to reduce Group-wide funded debt. For the fiscal year ending March 31, 2002, we are projecting operating income of ¥5.2 billion, down from the previous year level due to slow sales. We are, however, forecasting a record-high net income of

¥3.2 billion thanks to no projection for the current fiscal year for writing off unfunded pension liabilities posted in a one-time extraordinary loss for the previous year.

For the second half of fiscal 2001, we are projecting foreign currency exchange rates of ¥120 = U.S.\$1.00 (¥121 = U.S.\$1.00 in the first half), ¥50 = 1 deutsche mark (¥54 = 1 deutsche mark in the first half).

December 2001

A handwritten signature in black ink, appearing to read 'K. Oguchi', with a stylized flourish at the end.

Kunihiko Oguchi
President

Riken Corporation and Consolidated Subsidiaries
Semiannual Consolidated Balance Sheets (Unaudited)

	September 30,		
	2001	2000	2001
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Assets			
Current assets:			
Cash and cash equivalents	¥ 7,722	¥12,556	\$ 64,891
Time deposits	243	176	2,042
Notes and accounts receivable	19,347	20,270	162,580
Less allowance for doubtful receivable	(60)	(59)	(504)
Marketable securities	6	4	50
Inventories	8,528	7,872	71,664
Deferred tax assets	629	618	5,286
Other current assets	771	830	6,479
Total current assets	<u>37,188</u>	<u>42,269</u>	<u>312,504</u>
Noncurrent assets:			
Property, plant and equipment, <i>(Notes 3 and 4)</i> :			
Land	3,288	3,258	27,630
Buildings	8,356	9,129	70,218
Machinery and equipment	12,199	12,102	102,513
Construction in progress	1,047	598	8,798
Total property, plant and equipment	<u>24,891</u>	<u>25,089</u>	<u>209,168</u>
Investments in unconsolidated subsidiaries and affiliates	2,304	1,733	19,361
Investments in other securities	1,643	1,689	13,807
Deferred tax assets	5,935	5,506	49,874
Other noncurrent assets	2,472	2,697	20,773
Total noncurrent assets	<u>37,246</u>	<u>36,716</u>	<u>312,992</u>
Total assets	<u>¥74,435</u>	<u>¥78,985</u>	<u>\$625,504</u>

	September 30,		
	2001	2000	2001
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Liabilities, minority interests and shareholders' equity			
Current liabilities:			
Notes and accounts payable	¥11,750	¥11,377	\$ 98,739
Short-term debt	14,495	15,830	121,807
Current portion of long-term debt	–	4,999	–
Accrued income taxes	1,047	1,205	8,798
Accrued expenses and other current liabilities	5,789	6,030	48,647
Total current liabilities	33,082	39,444	278,000
Long-term liabilities:			
Long-term debt	10,295	11,860	86,513
Deferred tax liabilities	12	26	101
Accrued retirement benefits	7,245	7,757	60,882
Excess of net assets acquired over cost	147	116	1,235
Other long-term liabilities	7	26	59
Total long-term liabilities	17,709	19,787	148,815
Minority interests in consolidated subsidiaries	206	311	1,731
Shareholders' equity:			
Common stock, ¥50 par value :	8,573	8,573	72,042
Authorized - 196,525,000 shares			
Issued and outstanding – 106,484,667 shares at September 30, 2001 and 2000			
Capital surplus	6,604	6,604	55,496
Retained earnings	10,297	6,217	86,529
Unrealized holding gains on other securities	5	–	42
Translation adjustments	(1,242)	(1,952)	(10,437)
Less treasury common stock	(801)	(0)	(6,731)
Total shareholders' equity	23,437	19,442	196,950
Contingent liabilities <i>(Note 5)</i>			
Total liabilities, minority interests and shareholders' equity	¥74,435	¥78,985	\$625,504

The accompanying notes are an integral part of these statements.

Riken Corporation and Consolidated Subsidiaries

Semiannual Consolidated Statements of Operations (Unaudited)

	Six-month period ended September 30,		
	2001	2000	2001
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Net sales	¥33,834	¥35,090	\$284,319
Cost of sales	25,952	27,056	218,084
Gross profit	<u>7,881</u>	<u>8,033</u>	<u>66,227</u>
Selling, general and administrative expenses	<u>5,177</u>	<u>5,254</u>	<u>43,504</u>
Operating income	<u>2,704</u>	<u>2,778</u>	<u>22,723</u>
Other income (expenses):			
Interest and dividend income	204	218	1,714
Interest expense	(253)	(264)	(2,126)
Equity in earnings of investees	121	119	1,017
Loss on disposal of inventories	(105)	(79)	(882)
Gain on reversal of allowance for doubtful receivables	2	109	17
Gain from contribution of securities to retirement benefit trust	–	3,619	–
Devaluation of investment in securities	(58)	(257)	(487)
Amortization of net retirement benefit obligation at transition	–	(16,158)	–
Other, net	<u>(284)</u>	<u>(157)</u>	<u>(2,387)</u>
Income (loss) before income taxes and minority interests	2,330	(10,071)	19,580
Income taxes:			
Current	976	1,177	8,202
Deferred	<u>(98)</u>	<u>(5,397)</u>	<u>(824)</u>
	878	(4,219)	7,378
Minority interests in earnings of consolidated subsidiaries	<u>36</u>	<u>82</u>	<u>303</u>
Net income (loss) <i>(Note 8)</i>	<u>¥ 1,489</u>	<u>¥ (5,769)</u>	<u>\$ 12,513</u>

The accompanying notes are an integral part of these statements.

Riken Corporation and Consolidated Subsidiaries

Semiannual Consolidated Statements of Shareholders' Equity (Unaudited)

	Six-month period ended September 30,		
	2001	2000	2001
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Common stock			
Beginning balance	¥ 8,573	¥ 8,573	\$ 72,042
Ending balance	<u>¥ 8,573</u>	<u>¥ 8,573</u>	<u>\$ 72,042</u>
Capital surplus			
Beginning balance	¥ 6,604	¥ 6,604	\$ 55,496
Ending balance	<u>¥ 6,604</u>	<u>¥ 6,604</u>	<u>\$ 55,496</u>
Retained earnings			
Beginning balance	¥ 9,157	¥12,363	\$ 76,950
Add:			
Net income (loss)	1,489	(5,769)	12,513
Adjustment for inclusion in consolidation or equity method of accounting	211	183	1,773
Deduct:			
Cash dividends applicable to six-month period	(532)	(532)	(4,471)
Bonuses to directors and statutory auditors	(28)	(28)	(235)
Ending balance	<u>¥10,297</u>	<u>¥ 6,217</u>	<u>\$ 86,529</u>
Unrealized holding gains on other securities			
Beginning balance	¥ –	¥ –	\$ –
Net change during six-month period	5	–	42
Ending balance	<u>¥ 5</u>	<u>¥ –</u>	<u>\$ 42</u>
Translation adjustments			
Beginning balance	¥ (1,652)	¥ –	\$(13,882)
Net change during six-month period	410	(1,952)	3,445
Ending balance	<u>¥ (1,242)</u>	<u>¥ (1,952)</u>	<u>\$(10,437)</u>

The accompanying notes are an integral part of these statements.

Riken Corporation and Consolidated Subsidiaries

Semiannual Consolidated Statements of Cash Flows (Unaudited)

	Six-month period ended September 30,		
	2001	2000	2001
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Operating activities			
Income (loss) before income taxes and minority interests	¥ 2,330	¥(10,071)	\$ 19,580
Depreciation and amortization	1,856	1,979	15,597
Equity in earnings of investees	(121)	(119)	(1,017)
Amortization of net retirement benefit obligation at transition	–	16,158	–
Gain from contribution of securities to retirement benefit trust	–	(3,619)	–
Reversal of accrued retirement benefits	(384)	–	(3,227)
Reversal of provision for loss on investments	–	(103)	–
Reversal of provision for allowance for doubtful receivables	(1)	(110)	(8)
Loss on devaluation of securities	58	257	487
Decrease (increase) in notes and accounts receivable	1,947	(110)	16,361
Increase in inventories	(720)	(142)	(6,050)
Decrease in notes and accounts payable	(398)	(323)	(3,345)
Decrease in notes receivable discounted	(184)	(82)	(1,546)
Other, net	108	130	908
Subtotal	<u>4,492</u>	<u>3,842</u>	<u>37,748</u>
Interest received	202	220	1,697
Interest paid	(240)	(265)	(2,017)
Income taxes paid	(3,050)	(195)	(25,630)
Net cash provided by operating activities	<u>1,403</u>	<u>3,603</u>	<u>11,790</u>
Investing activities			
Additions to property, plant and equipment	(1,700)	(1,275)	(14,286)
Proceeds from sales of property, plant and equipment	197	59	1,655
Proceeds from sales of investments in securities	0	1,115	7
Additions to investments in securities	(2)	(1,116)	(17)
Other, net	116	99	975
Net cash used in investing activities	<u>(1,388)</u>	<u>(1,117)</u>	<u>(11,664)</u>
Financing activities			
Proceeds of short-term bank loans	5,699	7,265	47,891
Repayments of short-term bank loans	(5,807)	(7,894)	(48,798)
Proceeds of long-term bank loans	78	64	655
Repayments of long-term bank loans	(530)	(566)	(4,454)
Cash dividends paid	(532)	(532)	(4,471)
Acquisition of treasury stock	(818)	(9)	(6,874)
Proceeds from sales of treasury stock	17	8	143
Net cash used in financing activities	<u>(1,894)</u>	<u>(1,663)</u>	<u>(15,916)</u>
Effect of exchange rate changes on cash and cash equivalents	269	79	2,261
Net (decrease) increase in cash and cash equivalents	<u>(1,609)</u>	<u>901</u>	<u>(13,521)</u>
Cash and cash equivalents at beginning of six-month period	9,331	11,555	78,412
Increase in cash and cash equivalents due to inclusion in consolidation	–	99	–
Cash and cash equivalents at end of six-month period	<u>¥ 7,722</u>	<u>¥ 12,556</u>	<u>\$ 64,891</u>

The accompanying notes are an integral part of these statements.

Riken Corporation and Consolidated Subsidiaries

Notes to Semiannual Consolidated Financial Statements (Unaudited)

September 30, 2001

1. Summary of Significant Accounting Policies

(a) Basis of presentation

Riken Corporation (the "Company") and its domestic subsidiaries maintain their books of account in conformity with the financial accounting standards of Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required under the Securities and Exchange Law of Japan and have been prepared in accordance with accounting principles and practices generally accepted in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

As permitted by the regulations under the Securities and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts.

(b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliated companies

The accompanying consolidated financial statements include the accounts of the Company and any significant subsidiaries and affiliates controlled directly or indirectly by the Company. Subsidiaries and affiliates over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated.

The excess of cost over the underlying equity in net assets at the dates of acquisition of the major consolidated subsidiaries is charged to income for the five years by the straight-line method.

Investments in unconsolidated subsidiaries and affiliates, not accounted for by the equity method, are stated at cost or less.

1. Summary of Significant Accounting Policies (continued)

(c) Translation of foreign currencies

Accounts of foreign consolidated subsidiaries are translated into yen as follows: All assets, liabilities, retained earnings at the balance sheet date and items in the statement of operations including net income, at the rate of exchange in effect at the balance sheet date; capital stock, at historical rates; and dividends paid, at the rate of exchange in effect when paid.

The Company has presented translation adjustments as a component of shareholders' equity and minority interests in consolidated subsidiaries (instead of as a component of assets or liabilities) in its consolidated financial statements.

(d) Cash equivalents

The Company and its consolidated subsidiaries substantially consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(e) Securities

Until the year ended March 31, 2001, marketable securities classified as other securities are carried at cost except for securities written down the investments to reflect is impairment.

A new accounting standard for financial instruments, which became effective April 1, 2001, requires the other securities be carried at fair value. The effect of this change is not significant.

(f) Inventories

Inventories are stated at cost, cost being determined mainly by the average method.

(g) Property, plant and equipment and depreciation

Depreciation of buildings and of machinery and equipment is determined mainly by the declining-balance method, except for buildings acquired in Japan subsequent to March 31, 1998 on which depreciation is computed by the straight-line method, at rates based on the estimated useful lives of the respective assets.

(h) Leases

Noncancelable lease transactions are primarily accounted for as operating leases (whether such leases are classified as operating or finance leases) except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

1. Summary of Significant Accounting Policies (continued)

(i) Retirement benefits

Accrued retirement benefits at September 30, 2001 have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of September 30, 2001, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees. Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees.

(j) Income taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

2. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience and has been made, as a matter of arithmetic computation only, at ¥119 = U.S.\$1.00, the approximate rate of exchange on September 30, 2001. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

3. Depreciation

Depreciation of property, plant and equipment for the six-month period ended September 30, 2001 and 2000 amounted to ¥1,723 million (\$14,479 thousand) and ¥1,814 million, respectively.

Accumulated depreciation of property, plant and equipment at September 30, 2001 and 2000 amounted to ¥57,798 million (\$485,697 thousand) and ¥56,847 million, respectively.

4. Pledged assets

As of September 30,2001	¥8,740 million (U.S.\$73,445 thousand)
As of September 30,2000	¥8,661 million

5. Contingent Liabilities

At September 30, 2001, the Company and its consolidated subsidiaries had the following contingent liabilities:

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
As endorser of trade notes discounted and endorsed	¥ 972	\$ 8,168
As guarantor of indebtedness of:		
Employees	212	1,782
Affiliated companies	309	2,597
Other	115	966
	<u>¥1,609</u>	<u>\$13,521</u>

6. Leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property as of September 30, 2001 and 2000, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	September 30,		
	2001	2000	2001
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Acquisition costs:			
Machinery and equipment	¥2,453	¥2,387	\$20,613
Other assets	258	345	2,168
	<u>¥2,711</u>	<u>¥2,733</u>	<u>\$22,782</u>
Accumulated depreciation:			
Machinery and equipment	¥1,053	¥1,079	\$ 8,849
Other assets	144	192	1,210
	<u>¥1,198</u>	<u>¥1,272</u>	<u>\$10,067</u>
Net book value:			
Machinery and equipment	¥1,399	¥1,308	\$11,756
Other assets	113	152	950
	<u>¥1,513</u>	<u>¥1,461</u>	<u>\$12,714</u>

Lease payments relating to finance leases accounted for as operating leases amounted to ¥215 million (\$1,807 thousand) and ¥230 million, which were equal to the depreciation expense of the leased assets computed by the straight-line method over the lease terms, for the six-month period ended September 30, 2001 and 2000, respectively.

6. Leases (continued)

Future minimum lease payments (including the interest portion thereon) subsequent to September 30, 2001 for finance leases accounted for as operating leases are summarized as follows:

Six-month period ending September 30,	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2002	¥ 376	\$ 3,160
2003 and thereafter	1,137	9,555
Total	¥1,513	\$12,714

7. Segment Information

(a) Business segments

The business segments information for the Company and its subsidiaries for the six-month period ended September 30, 2001 and 2000 is summarized as follows:

	Six-month period ended September 30, 2001				Eliminations or corporate	Consoli- dated
	Automobile	Construction	Other	Total		
	<i>(Millions of yen)</i>					
Sales:						
Sales to third parties	¥24,321	¥2,831	¥6,681	¥33,834	¥ -	¥33,834
Intersegment sales and transfers	-	-	-	-	(-)	-
Total	24,321	2,831	6,681	33,834	(-)	33,834
Operating expenses	22,004	2,877	6,247	31,129	(-)	31,129
Operating income (loss)	¥ 2,316	¥ (46)	¥ 434	¥ 2,704	¥ (-)	¥ 2,704
	Six-month period ended September 30, 2001					
	Automobile	Construction	Other	Total	Eliminations or corporate	Consoli- dated
	<i>(Thousands of U.S. dollar)</i>					
Sales:						
Sales to third parties	\$204,378	\$23,790	\$56,143	\$284,319	\$ -	\$284,319
Intersegment sales and transfers	-	-	-	-	(-)	-
Total	204,378	23,790	56,143	284,319	(-)	284,319
Operating expenses	184,908	24,176	52,496	261,588	(-)	261,588
Operating income (loss)	\$ 19,462	\$ (387)	\$ 3,647	\$ 22,723	\$ (-)	\$ 22,723

7. Segment Information (continued)

(a) Business segments (continued)

	Six-month period ended September 30, 2000				Eliminations or corporate	Consoli dated
	Automobile	Construction	Other	Total		
	<i>(Millions of yen)</i>					
Sales:						
Sales to third parties	¥24,762	¥3,230	¥7,097	¥35,090	¥ -	¥35,090
Intersegment sales and transfers	-	-	-	-	(-)	-
Total	24,762	3,230	7,097	35,090	(-)	35,090
Operating expenses	22,513	3,383	6,414	32,311	(-)	32,311
Operating income (loss)	¥ 2,249	¥ (153)	¥ 682	¥ 2,778	¥ (-)	¥ 2,778

(b) Geographical segment

As net sales of the Japan constituted more than 90% of the consolidated totals for the six-month period ended September 30, 2001 and 2000, the geographical segment information has been omitted.

(c) Overseas sales

Overseas sales, which include export sales of the Company and its domestic subsidiaries and sales (other than exports to Japan) of the foreign subsidiaries, for the six-month period ended September 30, 2001 and 2000 are summarized as follows:

As overseas sales of each segment constituted less than 10% of the consolidated totals for the six-month period ended September 30, 2001, the overseas sales information has been omitted.

	Six-month period ended September 30, 2001	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Overseas sales	¥ 8,091	\$ 67,992
Consolidated net sales	33,834	284,319
Overseas sales as a percentage of consolidated net sales	23.9%	23.9%

	Six-month period ended September 30, 2000			
	North America	Asia	Other	Total
Overseas sales	¥1,878	¥3,508	¥2,668	¥ 8,055
Consolidated net sales				35,090
Overseas sales as a percentage of consolidated net sales	5.4%	10.0%	7.6%	23.0%

8. Amounts Per Share

The computation of basic net income (loss) per share is based on the weighted average number of shares of common stock outstanding during each six-month period.

Net assets per share are based on the number of shares outstanding at six-month period end.

	2001	2000	2001
	<i>(Yen)</i>		<i>(U.S. dollars)</i>
Net income (loss)	¥ 14.10	¥ (54.18)	\$0.118
Net assets	224.25	182.59	1.884

Corporate Information (As of September 30, 2001)

Board of Directors

Chairman

Seiji Nemoto

President

Kunihiko Oguchi

Vice President

Toshinaga Koizumi

Managing Directors

Fumio Kiyota

Masaki Munakata

Koichi Yamazaki

Directors

Junji Shirogane

Satoshi Hoshihara

Michio Furuta

Noritada Okano

Haruhiko Watanabe

Yukiko Nakanouchi

Auditors

Junshichi Nakao

Takio Shibano

Takashi Ishitani

Shigekazu Kamiki

Overseas Network

Taiwan Riken Ind. Co., Ltd.

P. T. Pakarti Riken Indonesia

Siam Riken Ind. Co., Ltd.

Riken of Korea Inc.

Xiamen Riken Ind. Co., Ltd.

Riken of America, Inc.

Riken Metal Products Corp.

Allied Ring Corporation

Euro-Riken GmbH

Riken España, S.A.

Corporate Data

Reestablished

December 1, 1949

Head Office

13-5, Kudan-kita 1-chome, Chiyoda-ku,

Tokyo 102-8202, Japan

Tel 81-3-3230-3911

Fax 81-3-3230-3919

Capital

¥8.5 billion

Number of Employees

1,634

Transfer Agent of Common Stock

The Chuo Mitsui Trust & Banking Co., Ltd.

7-1, Kyobashi 1-chome, Chuo-ku

Tokyo 104-8345, Japan

RIKEN

RIKEN CORPORATION

13-5,Kudan-kita 1-chome,
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