

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: RIKEN CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6462 URL <https://www.riken.co.jp/>
 Representative: President Yasunori Maekawa
 Inquiries: General Manager of Accounting Department Takuya Ohashi TEL 03-3230-3911
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	63,740	8.8	3,253	(27.3)	4,923	(10.5)	3,166	(2.0)
Nine months ended December 31, 2021	58,590	19.8	4,478	735.6	5,500	179.6	3,231	148.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	316.62		315.89	
Nine months ended December 31, 2021	323.69		322.89	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	122,905	94,572	71.3	8,761.76
As of March 31, 2022	115,707	87,082	70.1	8,109.98

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	60.00	–	60.00	120.00
Year ending March 31, 2023	–	60.00	–		
Year ending March 31, 2023 (Forecast)				60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	84,000	7.2	4,500	(12.1)	6,000	(8.1)	3,500	(19.2)	350.40

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2022	10,648,466 shares	As of March 31, 2022	10,648,466 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	646,165 shares	As of March 31, 2022	645,730 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	10,002,588 shares	Nine months ended December 31, 2021	9,984,195 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	16,209	18,492
Notes and accounts receivable - trade, and contract assets	19,830	22,526
Merchandise and finished goods	9,927	10,737
Work in process	3,342	3,801
Raw materials and supplies	3,277	3,798
Other	1,077	2,176
Allowance for doubtful accounts	(37)	(42)
Total current assets	53,627	61,489
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,518	10,877
Machinery, equipment and vehicles, net	11,782	11,787
Land	2,592	2,661
Construction in progress	1,233	1,722
Other, net	1,056	1,095
Total property, plant and equipment	27,184	28,145
Intangible assets		
Leased assets	2,057	1,753
Other	485	566
Total intangible assets	2,542	2,320
Investments and other assets		
Investment securities	23,957	22,449
Deferred tax assets	1,271	1,381
Retirement benefit asset	5,930	6,008
Insurance funds	58	60
Other	1,164	1,054
Allowance for doubtful accounts	(29)	(4)
Total investments and other assets	32,353	30,949
Total non-current assets	62,080	61,415
Total assets	115,707	122,905

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,690	9,428
Current portion of long-term borrowings	—	3,000
Income taxes payable	1,468	556
Provision for bonuses	1,734	928
Other	4,393	4,926
Total current liabilities	16,287	18,840
Non-current liabilities		
Long-term borrowings	10,000	7,000
Retirement benefit liability	1,503	1,750
Provision for product warranties	288	288
Provision for environmental measures	12	11
Other	532	442
Total non-current liabilities	12,337	9,492
Total liabilities	28,624	28,332
Net assets		
Shareholders' equity		
Share capital	8,573	8,573
Capital surplus	7,119	7,119
Retained earnings	64,526	66,492
Treasury shares	(2,894)	(2,895)
Total shareholders' equity	77,324	79,290
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,045	1,072
Deferred gains or losses on hedges	(60)	25
Foreign currency translation adjustment	622	5,432
Remeasurements of defined benefit plans	2,189	1,817
Total accumulated other comprehensive income	3,797	8,347
Share acquisition rights	97	97
Non-controlling interests	5,863	6,837
Total net assets	87,082	94,572
Total liabilities and net assets	115,707	122,905

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	58,590	63,740
Cost of sales	45,088	51,069
Gross profit	13,502	12,671
Selling, general and administrative expenses	9,024	9,417
Operating profit	4,478	3,253
Non-operating income		
Interest and dividend income	373	505
Foreign exchange gains	21	21
Share of profit of entities accounted for using equity method	652	1,018
Dividend income of life insurance	112	159
Subsidy income	18	8
Other	150	152
Total non-operating income	1,328	1,866
Non-operating expenses		
Interest expenses	73	72
Other	232	124
Total non-operating expenses	305	196
Ordinary profit	5,500	4,923
Extraordinary income		
Gain on sale of non-current assets	571	28
Gain on sale of investment securities	13	—
Total extraordinary income	584	28
Extraordinary losses		
Loss on retirement of non-current assets	28	10
Loss on sale of non-current assets	—	0
Impairment losses	—	28
System failure response costs	—	139
Total extraordinary losses	28	179
Profit before income taxes	6,057	4,773
Income taxes - current	1,030	1,139
Income taxes - deferred	1,618	57
Total income taxes	2,649	1,197
Profit	3,408	3,575
Profit attributable to non-controlling interests	176	408
Profit attributable to owners of parent	3,231	3,166

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,408	3,575
Other comprehensive income		
Valuation difference on available-for-sale securities	479	(91)
Deferred gains or losses on hedges	(11)	86
Foreign currency translation adjustment	1,692	4,669
Remeasurements of defined benefit plans, net of tax	(383)	(389)
Share of other comprehensive income of entities accounted for using equity method	152	998
Total other comprehensive income	1,929	5,274
Comprehensive income	5,337	8,849
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,871	7,717
Comprehensive income attributable to non-controlling interests	465	1,132