

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 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 Division Takuya Ohashi TEL 03-3230-3911
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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 | % |
| Three months ended June 30, 2023 | 25,415 | 27.2 | 912 | (12.2) | 1,897 | 10.4 | 1,532 | 46.3 |
| Three months ended June 30, 2022 | 19,982 | (1.4) | 1,039 | (52.3) | 1,719 | (31.7) | 1,047 | (44.9) |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2023 | 152.56 | 152.21 |
| Three months ended June 30, 2022 | 104.69 | 104.45 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2023 | 137,529 | 97,161 | 66.5 | 9,097.84 |
| As of March 31, 2023 | 123,728 | 94,983 | 71.5 | 8,810.30 |

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, 2023 | – | 60.00 | – | 60.00 | 120.00 |
| Year ending March 31, 2024 | – | | | | |
| Year ending March 31, 2024 (Forecast) | | 60.00 | – | – | 60.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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 | 101,000 | 16.9 | 5,100 | 9.1 | 6,400 | (13.2) | 4,300 | (0.4) | 429.76 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 June 30, 2023 | 10,688,866 shares | As of March 31, 2023 | 10,688,866 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2023 | 635,745 shares | As of March 31, 2023 | 646,482 shares |
|---------------------|----------------|----------------------|----------------|

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

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2023 | 10,045,014 shares | Three months ended June 30, 2022 | 10,002,706 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2023 | As of June 30, 2023 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 23,818 | 19,143 |
| Notes and accounts receivable - trade, and contract assets | 21,962 | 26,150 |
| Merchandise and finished goods | 10,598 | 13,609 |
| Work in process | 3,649 | 4,965 |
| Raw materials and supplies | 3,738 | 4,530 |
| Other | 2,611 | 2,209 |
| Allowance for doubtful accounts | (57) | (58) |
| Total current assets | 66,321 | 70,550 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 10,475 | 10,944 |
| Machinery, equipment and vehicles, net | 10,329 | 10,930 |
| Land | 2,514 | 5,085 |
| Construction in progress | 1,830 | 1,985 |
| Other, net | 985 | 1,193 |
| Total property, plant and equipment | 26,135 | 30,138 |
| Intangible assets | | |
| Leased assets | 1,652 | 1,551 |
| Other | 595 | 729 |
| Total intangible assets | 2,248 | 2,281 |
| Investments and other assets | | |
| Investment securities | 23,144 | 27,085 |
| Deferred tax assets | 1,205 | 1,193 |
| Retirement benefit asset | 3,576 | 5,140 |
| Insurance funds | 61 | 62 |
| Other | 1,038 | 1,081 |
| Allowance for doubtful accounts | (4) | (4) |
| Total investments and other assets | 29,022 | 34,559 |
| Total non-current assets | 57,406 | 66,979 |
| Total assets | 123,728 | 137,529 |

(Millions of yen)

| | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 9,881 | 12,292 |
| Short-term borrowings | — | 150 |
| Current portion of long-term borrowings | 3,000 | 3,000 |
| Income taxes payable | 512 | 324 |
| Provision for bonuses | 1,713 | 1,051 |
| Other | 3,956 | 7,916 |
| Total current liabilities | 19,063 | 24,735 |
| Non-current liabilities | | |
| Long-term borrowings | 7,000 | 10,000 |
| Retirement benefit liability | 1,293 | 1,706 |
| Provision for product warranties | 285 | 285 |
| Provision for environmental measures | 9 | 9 |
| Other | 1,093 | 3,631 |
| Total non-current liabilities | 9,681 | 15,632 |
| Total liabilities | 28,745 | 40,367 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 8,627 | 8,627 |
| Capital surplus | 7,178 | 7,354 |
| Retained earnings | 67,644 | 68,574 |
| Treasury shares | (2,896) | (2,847) |
| Total shareholders' equity | 80,554 | 81,708 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,908 | 3,280 |
| Deferred gains or losses on hedges | 10 | (132) |
| Foreign currency translation adjustment | 3,474 | 4,560 |
| Remeasurements of defined benefit plans | 2,529 | 2,044 |
| Total accumulated other comprehensive income | 7,922 | 9,753 |
| Share acquisition rights | 97 | 51 |
| Non-controlling interests | 6,409 | 5,648 |
| Total net assets | 94,983 | 97,161 |
| Total liabilities and net assets | 123,728 | 137,529 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 19,982 | 25,415 |
| Cost of sales | 15,898 | 20,658 |
| Gross profit | 4,084 | 4,756 |
| Selling, general and administrative expenses | 3,045 | 3,844 |
| Operating profit | 1,039 | 912 |
| Non-operating income | | |
| Interest and dividend income | 216 | 264 |
| Foreign exchange gains | 156 | 228 |
| Share of profit of entities accounted for using equity method | 314 | 442 |
| Subsidy income | 8 | 0 |
| Insurance claim income | — | 70 |
| Other | 39 | 59 |
| Total non-operating income | 734 | 1,065 |
| Non-operating expenses | | |
| Interest expenses | 24 | 33 |
| Other | 30 | 46 |
| Total non-operating expenses | 54 | 79 |
| Ordinary profit | 1,719 | 1,897 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 8 | 0 |
| Total extraordinary income | 8 | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 9 | 43 |
| Loss on sale of non-current assets | 0 | 0 |
| Impairment losses | — | 73 |
| Total extraordinary losses | 9 | 117 |
| Profit before income taxes | 1,718 | 1,780 |
| Income taxes - current | 393 | 273 |
| Income taxes - deferred | 128 | 178 |
| Total income taxes | 521 | 452 |
| Profit | 1,196 | 1,328 |
| Profit (loss) attributable to non-controlling interests | 148 | (203) |
| Profit attributable to owners of parent | 1,047 | 1,532 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,196 | 1,328 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (414) | 1,427 |
| Deferred gains or losses on hedges | (48) | (145) |
| Foreign currency translation adjustment | 1,623 | 595 |
| Remeasurements of defined benefit plans, net of tax | (130) | (489) |
| Share of other comprehensive income of entities accounted for using equity method | 968 | 628 |
| Total other comprehensive income | 1,997 | 2,016 |
| Comprehensive income | 3,193 | 3,344 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,737 | 3,363 |
| Comprehensive income attributable to non-controlling interests | 456 | (18) |