

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

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 of ordinary general meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 27, 2022
 Scheduled date to commence dividend payments: June 27, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	78,372	12.4	5,122	87.8	6,529	51.0	4,329	130.2
Year ended March 31, 2021	69,720	(17.5)	2,728	(47.9)	4,323	(27.5)	1,880	(46.5)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	433.47	432.42	5.6	5.8	6.5
Year ended March 31, 2021	189.05	188.47	2.6	4.0	3.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	115,707	87,082	70.1	8,109.98
As of March 31, 2021	110,544	80,142	67.7	7,507.92

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	6,418	(3,819)	(1,522)	13,886
Year ended March 31, 2021	7,388	(2,912)	(1,515)	12,114

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	35.00	—	55.00	90.00	896	47.6	1.2
Year ended March 31, 2022	—	60.00	—	60.00	120.00	1,200	27.7	1.5
Year ending March 31, 2023 (Forecast)	—	60.00	—	60.00	120.00		35.3	

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	82,000	4.6	5,000	(2.4)	6,100	(6.6)	3,400	(21.5)	340.39

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	10,648,466 shares	As of March 31, 2021	10,648,466 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	645,730 shares	As of March 31, 2021	685,072 shares
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Average number of shares during the period

Year ended March 31, 2022	9,988,492 shares	Year ended March 31, 2021	9,948,091 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	12,612	16,209
Notes and accounts receivable - trade	20,396	–
Notes and accounts receivable - trade, and contract assets	–	19,830
Merchandise and finished goods	8,667	9,927
Work in process	3,595	3,342
Raw materials and supplies	2,398	3,277
Other	1,135	1,077
Allowance for doubtful accounts	(38)	(37)
Total current assets	48,766	53,627
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,770	10,518
Machinery, equipment and vehicles, net	12,152	11,782
Land	2,634	2,592
Construction in progress	1,885	1,233
Other, net	1,231	1,056
Total property, plant and equipment	28,674	27,184
Intangible assets		
Leased assets	2,461	2,057
Other	552	485
Total intangible assets	3,014	2,542
Investments and other assets		
Investment securities	21,954	23,957
Deferred tax assets	1,297	1,271
Retirement benefit asset	5,766	5,930
Insurance funds	58	58
Other	1,043	1,164
Allowance for doubtful accounts	(30)	(29)
Total investments and other assets	30,089	32,353
Total non-current assets	61,778	62,080
Total assets	110,544	115,707

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,608	8,690
Current portion of long-term loans payable	7,000	–
Income taxes payable	562	1,468
Provision for bonuses	1,588	1,734
Other	5,786	4,393
Total current liabilities	24,546	16,287
Non-current liabilities		
Long-term borrowings	3,000	10,000
Retirement benefit liability	1,498	1,503
Provision for product warranties	302	288
Provision for environmental measures	12	12
Other	1,042	532
Total non-current liabilities	5,855	12,337
Total liabilities	30,402	28,624
Net assets		
Shareholders' equity		
Share capital	8,573	8,573
Capital surplus	7,119	7,119
Retained earnings	61,411	64,526
Treasury shares	(3,074)	(2,894)
Total shareholders' equity	74,030	77,324
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	501	1,045
Deferred gains or losses on hedges	(12)	(60)
Foreign currency translation adjustment	(2,066)	622
Remeasurements of defined benefit plans	2,351	2,189
Total accumulated other comprehensive income	774	3,797
Share acquisition rights	120	97
Non-controlling interests	5,217	5,863
Total net assets	80,142	87,082
Total liabilities and net assets	110,544	115,707

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	69,720	78,372
Cost of sales	55,174	60,927
Gross profit	14,545	17,444
Selling, general and administrative expenses		
Freight and packing costs	1,780	2,014
Sales commission	171	42
Provision for retirement benefits for directors (and other officers)	85	13
Provision for bonuses	702	819
Remuneration, salaries and allowances for directors (and other officers)	3,693	3,557
Retirement benefit expenses	172	92
Research and development expenses	870	938
Other	4,341	4,844
Total selling, general and administrative expenses	11,817	12,322
Operating profit	2,728	5,122
Non-operating income		
Interest and dividend income	337	408
Share of profit of entities accounted for using equity method	666	868
Foreign exchange gains	22	95
Dividend income of life insurance	161	112
Compensation income	185	–
Subsidy income	446	24
Other	191	192
Total non-operating income	2,012	1,702
Non-operating expenses		
Interest expenses	105	106
Loss on disposal of non-current assets	93	140
Other	217	49
Total non-operating expenses	416	295
Ordinary profit	4,323	6,529
Extraordinary income		
Gain on sale of non-current assets	413	535
Gain on sale of investment securities	9	13
Total extraordinary income	422	548
Extraordinary losses		
Business restructuring cost	659	–
Loss on retirement of non-current assets	89	58
Loss of factory shutdown	91	–
Impairment losses	421	61
Loss on sale of investment securities	64	–
Total extraordinary losses	1,326	120
Profit before income taxes	3,420	6,957
Income taxes - current	1,142	2,183
Income taxes - deferred	522	150
Total income taxes	1,665	2,334
Profit	1,755	4,623
Profit (loss) attributable to non-controlling interests	(125)	293
Profit attributable to owners of parent	1,880	4,329

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,755	4,623
Other comprehensive income		
Valuation difference on available-for-sale securities	1,939	561
Deferred gains or losses on hedges	(2)	(44)
Foreign currency translation adjustment	(624)	2,461
Remeasurements of defined benefit plans, net of tax	2,338	(210)
Share of other comprehensive income of entities accounted for using equity method	(82)	707
Total other comprehensive income	3,568	3,476
Comprehensive income	5,323	8,099
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,563	7,317
Comprehensive income attributable to non-controlling interests	(239)	782

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,573	6,984	60,642	(3,284)	72,915
Changes during period					
Dividends of surplus			(1,042)		(1,042)
Profit attributable to owners of parent			1,880		1,880
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(1)	(68)	211	142
Change in ownership interest of parent due to transactions with non-controlling interests		136			136
Net changes in items other than shareholders' equity					
Total changes during period	–	135	769	209	1,114
Balance at end of period	8,573	7,119	61,411	(3,074)	74,030

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(1,470)	(8)	(1,459)	29	(2,908)	169	5,727	75,905
Changes during period								
Dividends of surplus								(1,042)
Profit attributable to owners of parent								1,880
Purchase of treasury shares								(1)
Disposal of treasury shares								142
Change in ownership interest of parent due to transactions with non-controlling interests								136
Net changes in items other than shareholders' equity	1,971	(4)	(607)	2,321	3,682	(49)	(509)	3,122
Total changes during period	1,971	(4)	(607)	2,321	3,682	(49)	(509)	4,237
Balance at end of period	501	(12)	(2,066)	2,351	774	120	5,217	80,142

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,573	7,119	61,411	(3,074)	74,030
Changes during period					
Dividends of surplus			(1,148)		(1,148)
Profit attributable to owners of parent			4,329		4,329
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares			(67)	181	114
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,114	179	3,294
Balance at end of period	8,573	7,119	64,526	(2,894)	77,324

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	501	(12)	(2,066)	2,351	774	120	5,217	80,142
Changes during period								
Dividends of surplus								(1,148)
Profit attributable to owners of parent								4,329
Purchase of treasury shares								(2)
Disposal of treasury shares								114
Change in ownership interest of parent due to transactions with non-controlling interests								
Net changes in items other than shareholders' equity	544	(48)	2,689	(162)	3,023	(23)	645	3,645
Total changes during period	544	(48)	2,689	(162)	3,023	(23)	645	6,940
Balance at end of period	1,045	(60)	622	2,189	3,797	97	5,863	87,082

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,420	6,957
Depreciation	4,924	5,035
Impairment losses	421	61
Share of loss (profit) of entities accounted for using equity method	(666)	(868)
Increase (decrease) in retirement benefit liability	(136)	(53)
Decrease (increase) in retirement benefit asset	(4,209)	(163)
Increase (decrease) in allowance for doubtful accounts	(17)	(2)
Increase (decrease) in provision for product warranties	(3)	(13)
Subsidy income	(446)	(24)
Interest and dividend income	(337)	(408)
Interest expenses	105	106
Loss (gain) on sale of investment securities	55	(13)
Loss on retirement of non-current assets	89	58
Loss (gain) on sale of non-current assets	(413)	(535)
Decrease (increase) in trade receivables	133	–
Decrease (increase) in trade receivables and contract assets	–	1,063
Decrease (increase) in inventories	930	(1,407)
Increase (decrease) in trade payables	(403)	(1,245)
Other, net	3,668	(1,726)
Subtotal	7,113	6,820
Proceeds from subsidy income	445	24
Interest and dividends received	675	965
Interest paid	(105)	(108)
Income taxes paid	(741)	(1,283)
Net cash provided by (used in) operating activities	7,388	6,418
Cash flows from investing activities		
Net decrease (increase) in time deposits	(173)	(1,661)
Purchase of property, plant and equipment	(3,256)	(2,411)
Proceeds from sale of property, plant and equipment	426	702
Purchase of intangible assets	(89)	(79)
Purchase of investment securities	(192)	(174)
Proceeds from sale and redemption of investment securities	402	15
Loan advances	(438)	(478)
Proceeds from collection of loans receivable	558	353
Proceeds from cancellation of insurance funds	53	–
Other payments	(211)	(115)
Other proceeds	8	30
Net cash provided by (used in) investing activities	(2,912)	(3,819)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	–	7,000
Repayments of long-term borrowings	–	(7,000)
Repayments of lease liabilities	(228)	(242)
Purchase of treasury shares	(1)	(2)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(1,044)	(1,148)
Dividends paid to non-controlling interests	(230)	(128)
Other, net	(9)	–
Net cash provided by (used in) financing activities	(1,515)	(1,522)
Effect of exchange rate change on cash and cash equivalents	(147)	694
Net increase (decrease) in cash and cash equivalents	2,813	1,771
Cash and cash equivalents at beginning of period	9,301	12,114
Cash and cash equivalents at end of period	12,114	13,886