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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: Riken Vitamin Co., Ltd.
 Listing: Tokyo Stock Exchange
 Stock code: 4526 URL <https://www.rikenvitamin.jp/>
 Representative: Kazuhiko Yamaki, President and Representative Director
 Inquiries: Yuichi Nakagawa, General Manager of Corporate Planning Department, Chief Manager of Corporate Planning
 Division
 Telephone: 03-5362-1315
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 12, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	88,750	12.0	7,158	22.6	7,723	24.9	6,414	(70.3)
Year ended March 31, 2022	79,231	1.9	5,840	327.2	6,182	274.1	21,582	—

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥6,398 million [(70.6)%]
 For the fiscal year ended March 31, 2022: ¥21,756 million [—%]

	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, 2023	195.51	—	9.3	7.4	8.1
Year ended March 31, 2022	657.98	—	38.3	5.9	7.4

(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, 2023	105,223	71,371	67.8	2,174.39
As of March 31, 2022	102,660	66,539	64.8	2,027.84

Reference: Equity As of March 31, 2023: ¥71,345 million
 As of March 31, 2022: ¥66,519 million

(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, 2023	7,835	(2,034)	(4,578)	16,656
Year ended March 31, 2022	6,823	(3,661)	(7,565)	15,064

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, 2022	—	21.00	—	25.00	46.00	1,517	7.0	2.7
Year ended March 31, 2023	—	23.00	—	36.00	59.00	1,946	30.2	2.8
Year ending March 31, 2024 (Forecast)	—	29.50	—	29.50	59.00		34.6	

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
Six months ending September 30, 2023	45,500	4.3	3,200	(10.0)	3,400	(18.1)	2,600	(17.4)	79.24
Full year	92,000	3.7	6,800	(5.0)	7,200	(6.8)	5,600	(12.7)	170.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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:

No

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, 2023	33,705,100 shares	As of March 31, 2022	40,705,100 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	893,316 shares	As of March 31, 2022	7,901,659 shares
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Average number of shares during the period

Year ended March 31, 2023	32,806,814 shares	Year ended March 31, 2022	32,800,724 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	17,302	19,155
Notes and accounts receivable - trade	18,073	19,151
Electronically recorded monetary claims - operating	643	967
Merchandise and finished goods	7,338	8,550
Work in process	3,289	3,955
Raw materials and supplies	4,449	5,230
Other	1,694	1,117
Allowance for doubtful accounts	(1)	(2)
Total current assets	52,790	58,126
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,458	12,840
Machinery, equipment and vehicles, net	8,855	7,841
Tools, furniture and fixtures, net	1,048	956
Land	1,802	1,822
Construction in progress	264	175
Total property, plant and equipment	25,428	23,637
Intangible assets		
Software	252	199
Other	445	446
Total intangible assets	698	645
Investments and other assets		
Investment securities	19,142	17,862
Long-term loans receivable	1	0
Deferred tax assets	474	475
Retirement benefit asset	3,278	3,553
Other	848	925
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	23,742	22,813
Total non-current assets	49,869	47,096
Total assets	102,660	105,223

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,168	7,660
Electronically recorded obligations - operating	528	597
Short-term borrowings	3,674	3,306
Accrued expenses	3,457	3,598
Income taxes payable	226	1,163
Provision for bonuses	1,160	1,158
Provision for bonuses for directors (and other officers)	39	52
Other	1,964	1,385
Total current liabilities	18,221	18,924
Non-current liabilities		
Long-term borrowings	13,860	11,254
Deferred tax liabilities	2,038	1,579
Provision for stock based compensation	107	163
Retirement benefit liability	209	230
Other	1,684	1,698
Total non-current liabilities	17,900	14,927
Total liabilities	36,121	33,851
Net assets		
Shareholders' equity		
Share capital	2,537	2,537
Capital surplus	3,072	2,466
Retained earnings	65,426	58,729
Treasury shares	(13,785)	(1,633)
Total shareholders' equity	57,251	62,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,304	6,488
Deferred gains or losses on hedges	5	2
Foreign currency translation adjustment	1,287	2,220
Remeasurements of defined benefit plans	670	533
Total accumulated other comprehensive income	9,268	9,245
Non-controlling interests	19	26
Total net assets	66,539	71,371
Total liabilities and net assets	102,660	105,223

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

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	79,231	88,750
Cost of sales	53,666	61,506
Gross profit	25,564	27,244
Selling, general and administrative expenses	19,723	20,085
Operating profit	5,840	7,158
Non-operating income		
Interest income	40	105
Dividend income	408	431
Rental income	60	60
Foreign exchange gains	82	42
Other	175	160
Total non-operating income	766	800
Non-operating expenses		
Interest expenses	178	132
Loss on valuation of derivatives	113	–
Commission expenses	116	26
Bad debt expenses	–	32
Other	15	45
Total non-operating expenses	424	236
Ordinary profit	6,182	7,723
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	2,201	184
Subsidy income	65	9
Gain on sales of investments in capital of subsidiaries and associates	12,076	–
Total extraordinary income	14,343	194
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	61	57
Loss on sale of investment securities	0	0
Loss on valuation of investment securities	0	0
Sales of investments in capital of subsidiaries and associates expenses	150	–
Total extraordinary losses	213	60
Profit before income taxes	20,313	7,857
Income taxes - current	560	1,469
Income taxes - deferred	(1,845)	(29)
Total income taxes	(1,285)	1,440
Profit	21,598	6,417
Profit attributable to non-controlling interests	16	3
Profit attributable to owners of parent	21,582	6,414

[Translation]

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	21,598	6,417
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,021)	(816)
Deferred gains or losses on hedges	2	(2)
Foreign currency translation adjustment	1,260	936
Remeasurements of defined benefit plans, net of tax	(82)	(137)
Total other comprehensive income	158	(19)
Comprehensive income	21,756	6,398
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,737	6,391
Comprehensive income attributable to non-controlling interests	19	6

[Translation]

Consolidated statements of changes in equity

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	2,537	3,079	45,230	(13,804)	37,043
Changes during period					
Dividends of surplus			(1,385)		(1,385)
Profit attributable to owners of parent			21,582		21,582
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(7)			(7)
Disposal of treasury shares by stocks payment trust				19	19
Net changes in items other than shareholders' equity					
Total changes during period	-	(7)	20,196	18	20,207
Balance at end of period	2,537	3,072	65,426	(13,785)	57,251

	Accumulated other comprehensive income					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	8,326	3	29	753	9,113	517	46,674
Changes during period							
Dividends of surplus							(1,385)
Profit attributable to owners of parent							21,582
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(7)
Disposal of treasury shares by stocks payment trust							19
Net changes in items other than shareholders' equity	(1,021)	2	1,257	(82)	155	(497)	(342)
Total changes during period	(1,021)	2	1,257	(82)	155	(497)	19,864
Balance at end of period	7,304	5	1,287	670	9,268	19	66,539

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,537	3,072	65,426	(13,785)	57,251
Changes during period					
Dividends of surplus			(1,583)		(1,583)
Profit attributable to owners of parent			6,414		6,414
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		(605)	(11,527)	12,133	–
Disposal of treasury shares by stocks payment trust				18	18
Net changes in items other than shareholders' equity					
Total changes during period	–	(605)	(6,697)	12,151	4,848
Balance at end of period	2,537	2,466	58,729	(1,633)	62,099

	Accumulated other comprehensive income					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	7,304	5	1,287	670	9,268	19	66,539
Changes during period							
Dividends of surplus							(1,583)
Profit attributable to owners of parent							6,414
Purchase of treasury shares							(0)
Cancellation of treasury shares							–
Disposal of treasury shares by stocks payment trust							18
Net changes in items other than shareholders' equity	(816)	(2)	933	(137)	(22)	6	(15)
Total changes during period	(816)	(2)	933	(137)	(22)	6	4,832
Balance at end of period	6,488	2	2,220	533	9,245	26	71,371

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	20,313	7,857
Depreciation	3,736	3,718
Sales of investments in capital of subsidiaries and associates expenses	150	–
Increase (decrease) in allowance for doubtful accounts	508	0
Increase (decrease) in provision for bonuses	81	(10)
Increase (decrease) in provision for bonuses for directors (and other officers)	6	12
Increase (decrease) in net defined benefit asset and liability	(539)	(451)
Increase(decrease)in provision for share-based compensation	70	74
Interest and dividend income	(448)	(537)
Interest expenses	178	132
Foreign exchange losses (gains)	(116)	(37)
Loss (gain) on valuation of derivatives	113	–
Loss (gain) on sale of non-current assets	0	0
Loss on retirement of non-current assets	61	57
Loss (gain) on sale of investment securities	(2,201)	(183)
Loss (gain) on valuation of investment securities	0	0
Gain on sales of investments in capital of subsidiaries and affiliates	(12,076)	–
Decrease (increase) in trade receivables	(947)	(1,140)
Decrease (increase) in inventories	(1,427)	(2,459)
Increase (decrease) in trade payables	952	456
Other, net	141	278
Subtotal	8,559	7,769
Interest and dividends received	448	521
Interest paid	(274)	(127)
Income taxes paid	(1,909)	(327)
Net cash provided by (used in) operating activities	6,823	7,835
Cash flows from investing activities		
Payments into time deposits	(3,088)	(3,528)
Proceeds from withdrawal of time deposits	1,544	3,361
Purchase of property, plant and equipment	(3,250)	(2,112)
Proceeds from sale of property, plant and equipment	1	2
Payments for retirement of property, plant and equipment	(23)	(40)
Purchase of intangible assets	(110)	(15)
Purchase of investment securities	(490)	(16)
Proceeds from sale of investment securities	2,651	304
Payments for cancellation of derivatives	(500)	–
Payments for sales of investments in capital of subsidiaries and affiliates resulting in change in scope of consolidation	(445)	–
Other, net	51	10
Net cash provided by (used in) investing activities	(3,661)	(2,034)

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,585)	(370)
Proceeds from long-term borrowings	18,237	–
Repayments of long-term borrowings	(14,289)	(2,606)
Dividends paid	(1,385)	(1,582)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(521)	–
Other, net	(21)	(18)
Net cash provided by (used in) financing activities	(7,565)	(4,578)
Effect of exchange rate change on cash and cash equivalents	811	369
Net increase (decrease) in cash and cash equivalents	(3,591)	1,592
Cash and cash equivalents at beginning of period	18,655	15,064
Cash and cash equivalents at end of period	15,064	16,656