

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

Company name: Riken Vitamin Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4526 URL <https://www.rikenvitamin.jp/>
 Representative: President and Representative Director Kazuhiko Yamaki
 General Manager, Corporate Planning
 Inquiries: Department Wataru Ikeda TEL 03-5362-1315
 Scheduled date of ordinary general meeting of shareholders: June 22, 2021
 Scheduled date to file Securities Report: June 22, 2021
 Scheduled date to commence dividend payments: June 23, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	77,722	(6.3)	1,367	(74.2)	1,652	(67.2)	(1,618)	–
Year ended March 31, 2020	82,974	(6.8)	5,307	15.9	5,045	15.0	(8,933)	–

	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, 2021	(49.36)	–	–	1.6	1.8
Year ended March 31, 2020	(272.48)	–	–	4.8	6.4

(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, 2021	106,535	46,674	43.3	1,407.47
As of March 31, 2020	101,853	46,789	45.5	1,411.87

(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, 2021	7,625	(2,288)	(180)	18,655
Year ended March 31, 2020	5,850	(4,282)	(3,051)	13,604

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, 2020	–	40.50	–	43.50	84.00	1,385	–	2.6
Year ended March 31, 2021	–	21.00	–	21.00	42.00	1,385	–	3.0
Year ending March 31, 2022 (Forecast)	–	21.00	–	21.00	42.00		49.2	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	36,500	—	1,300	—	1,300	—	700	—	21.34
Full year	75,000	—	4,000	—	4,000	—	2,800	—	85.38

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	40,705,100 shares	As of March 31, 2020	40,705,100 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	7,910,379 shares	As of March 31, 2020	7,912,872 shares
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Average number of shares during the period

Year ended March 31, 2021	32,793,702 shares	Year ended March 31, 2020	32,787,647 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	14,538	19,230
Notes and accounts receivable - trade	18,832	17,808
Electronically recorded monetary claims - operating	620	625
Merchandise and finished goods	7,072	6,111
Work in process	3,474	3,428
Raw materials and supplies	6,356	4,748
Other	1,725	1,497
Allowance for doubtful accounts	(105)	(122)
Total current assets	52,515	53,326
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,774	13,664
Machinery, equipment and vehicles, net	10,095	9,371
Tools, furniture and fixtures, net	1,080	1,148
Land	1,751	1,758
Construction in progress	1,300	1,918
Total property, plant and equipment	28,003	27,861
Intangible assets		
Software	206	224
Other	460	456
Total intangible assets	667	681
Investments and other assets		
Investment securities	17,537	20,573
Long-term loans receivable	4	2
Deferred tax assets	429	371
Retirement benefit asset	1,353	2,869
Other	2,779	2,326
Allowance for doubtful accounts	(1,438)	(1,477)
Total investments and other assets	20,666	24,667
Total non-current assets	49,337	53,209
Total assets	101,853	106,535

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,778	6,059
Electronically recorded obligations - operating	463	518
Short-term borrowings	9,276	23,920
Accrued expenses	3,730	3,743
Income taxes payable	748	1,307
Suspense receipt	12,348	14,296
Provision for bonuses	1,105	1,066
Provision for bonuses for directors (and other officers)	41	32
Other	1,698	1,867
Total current liabilities	36,191	52,812
Non-current liabilities		
Long-term borrowings	13,870	451
Deferred tax liabilities	2,607	4,285
Provision for stock based compensation	40	56
Retirement benefit liability	207	219
Other	2,146	2,035
Total non-current liabilities	18,872	7,048
Total liabilities	55,064	59,861
Net assets		
Shareholders' equity		
Share capital	2,537	2,537
Capital surplus	3,079	3,079
Retained earnings	48,259	45,230
Treasury shares	(13,809)	(13,804)
Total shareholders' equity	40,067	37,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,966	8,326
Deferred gains or losses on hedges	1	3
Foreign currency translation adjustment	676	29
Remeasurements of defined benefit plans	(414)	753
Total accumulated other comprehensive income	6,230	9,113
Non-controlling interests	490	517
Total net assets	46,789	46,674
Total liabilities and net assets	101,853	106,535

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	82,974	77,722
Cost of sales	56,595	55,711
Gross profit	26,378	22,010
Selling, general and administrative expenses	21,071	20,643
Operating profit	5,307	1,367
Non-operating income		
Interest income	54	32
Dividend income	384	384
Rental income	57	59
Foreign exchange gains	–	513
Gain on valuation of derivatives	304	–
Other	128	272
Total non-operating income	928	1,262
Non-operating expenses		
Interest expenses	727	665
Foreign exchange losses	332	–
Loss on valuation of derivatives	–	231
Other	131	79
Total non-operating expenses	1,190	976
Ordinary profit	5,045	1,652
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	201	304
Subsidy income	20	21
Compensation for forced relocation	–	100
Total extraordinary income	224	426
Extraordinary losses		
Loss on sale of non-current assets	1	4
Loss on retirement of non-current assets	115	107
Loss on tax purpose reduction entry of non-current assets	–	21
Loss on valuation of investment securities	81	1
Head office relocation expenses	–	116
Special investigation expenses	–	239
Loss on business about processed marine products	12,050	1,596
Total extraordinary losses	12,249	2,086
Loss before income taxes	(6,979)	(7)
Income taxes - current	1,786	1,411
Income taxes - deferred	118	191
Total income taxes	1,904	1,603
Loss	(8,884)	(1,610)
Profit attributable to non-controlling interests	49	8
Loss attributable to owners of parent	(8,933)	(1,618)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Loss	(8,884)	(1,610)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,965)	2,360
Deferred gains or losses on hedges	(2)	2
Foreign currency translation adjustment	(14)	(619)
Remeasurements of defined benefit plans, net of tax	(215)	1,167
Total other comprehensive income	(2,198)	2,910
Comprehensive income	(11,082)	1,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,093)	1,264
Comprehensive income attributable to non-controlling interests	11	36

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	58,571	(13,831)	50,356
Changes during period					
Dividends of surplus			(1,377)		(1,377)
Loss attributable to owners of parent			(8,933)		(8,933)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares by stocks payment trust				23	23
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(10,311)	22	(10,288)
Balance at end of period	2,537	3,079	48,259	(13,809)	40,067

	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	7,931	3	654	(198)	8,390	482	59,229
Changes during period							
Dividends of surplus							(1,377)
Loss attributable to owners of parent							(8,933)
Purchase of treasury shares							(1)
Disposal of treasury shares by stocks payment trust							23
Net changes in items other than shareholders' equity	(1,965)	(1)	22	(215)	(2,159)	8	(2,151)
Total changes during period	(1,965)	(1)	22	(215)	(2,159)	8	(12,440)
Balance at end of period	5,966	1	676	(414)	6,230	490	46,789

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	2,537	3,079	48,259	(13,809)	40,067
Changes during period					
Dividends of surplus			(1,410)		(1,410)
Loss attributable to owners of parent			(1,618)		(1,618)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Disposal of treasury shares by stocks payment trust				5	5
Net changes in items other than shareholders' equity					
Total changes during period	-	0	(3,029)	5	(3,023)
Balance at end of period	2,537	3,079	45,230	(13,804)	37,043

	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	5,966	1	676	(414)	6,230	490	46,789
Changes during period							
Dividends of surplus							(1,410)
Loss attributable to owners of parent							(1,618)
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Disposal of treasury shares by stocks payment trust							5
Net changes in items other than shareholders' equity	2,360	2	(647)	1,167	2,882	26	2,909
Total changes during period	2,360	2	(647)	1,167	2,882	26	(114)
Balance at end of period	8,326	3	29	753	9,113	517	46,674

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Loss before income taxes	(6,979)	(7)
Depreciation	4,072	3,955
Loss on business about processed marine products	12,050	1,596
Increase (decrease) in allowance for doubtful accounts	103	33
Increase (decrease) in provision for bonuses	8	(42)
Increase (decrease) in provision for bonuses for directors (and other officers)	(13)	(9)
Increase (decrease) in net defined benefit asset and liability	(177)	179
Increase(decrease)in provision for share-based compensation	27	21
Interest and dividend income	(438)	(417)
Interest expenses	727	665
Foreign exchange losses (gains)	507	(612)
Loss (gain) on valuation of derivatives	(304)	231
Loss (gain) on sale of non-current assets	(0)	4
Loss on retirement of non-current assets	18	72
Loss on tax purpose reduction entry of non-current assets	–	21
Loss (gain) on sale of investment securities	(201)	(304)
Loss (gain) on valuation of investment securities	81	1
Decrease (increase) in trade receivables	2,821	1,070
Decrease (increase) in inventories	(1,084)	2,672
Increase (decrease) in trade payables	(2,799)	(271)
Other, net	(1,199)	274
Subtotal	7,219	9,133
Interest and dividends received	443	422
Interest paid	(712)	(706)
Received from xSuspense receipt	11,747	1,729
Payments for business about processed marine products	(10,904)	(2,026)
Income taxes paid	(1,942)	(926)
Net cash provided by (used in) operating activities	5,850	7,625
Cash flows from investing activities		
Payments into time deposits	(1,690)	(1,247)
Proceeds from withdrawal of time deposits	2,155	1,615
Purchase of property, plant and equipment	(5,275)	(3,697)
Proceeds from sale of property, plant and equipment	3	15
Purchase of intangible assets	(111)	(73)
Payments for asset retirement obligations	–	(104)
Purchase of investment securities	(257)	(116)
Proceeds from sale of investment securities	229	482
Proceeds from redemption of investment securities	600	300
Proceeds from refund of leasehold and guarantee deposits	–	509
Other, net	63	28
Net cash provided by (used in) investing activities	(4,282)	(2,288)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(311)	3,314
Proceeds from long-term borrowings	687	–
Repayments of long-term borrowings	(2,027)	(2,057)
Dividends paid	(1,376)	(1,410)
Purchase of treasury shares	(1)	(0)
Proceeds from disposal of treasury shares	–	0
Other, net	(23)	(27)
Net cash provided by (used in) financing activities	(3,051)	(180)
Effect of exchange rate change on cash and cash equivalents	(69)	(105)
Net increase (decrease) in cash and cash equivalents	(1,553)	5,051
Cash and cash equivalents at beginning of period	15,157	13,604
Cash and cash equivalents at end of period	13,604	18,655