

Supplementary Information of Consolidated Financial Results
for FY2010 (Year Ended March 31, 2010)

May 10, 2010

RISO KAGAKU CORPORATION

1. Sales Performance (by Geographic Area)

(Million yen, %)

	FY2009 (Year Ended Mar. 31, 2009)			FY2010 (Year Ended Mar. 31, 2010)			Change			Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Year- on-year	Impact of exchange rate	
Total sales	83,774	100.0	1.22	78,469	100.0	1.19	(5,304)	(6.3)	(2,532)	• Sales decreased 3.3% if recalculated by exchange rate of the previous term.
Printing equipment-related business	82,604	98.6	1.23	77,254	98.5	1.19	(5,350)	(6.5)	(2,532)	
Japan	46,627	55.7	1.00	46,346	59.1	1.00	(280)	(0.6)	—	• Sales of Digital duplication business decreased. Inkjet business steady.
Overseas	35,976	42.9	1.72	30,907	39.4	1.65	(5,069)	(14.1)	(2,532)	• Sales decreased by 7.1% if recalculated by exchange rate of the previous term.
Americas	9,910	11.8	2.13	7,961	10.1	1.62	(1,949)	(19.7)	(658)	• Sales decreased by 13.2% if recalculated by exchange rate of the previous term.
Europe	16,086	19.2	1.56	13,980	17.8	1.71	(2,105)	(13.1)	(1,279)	• Sales decreased by 5.1% if recalculated by exchange rate of the previous term.
Asia	9,979	11.9	1.68	8,964	11.4	1.59	(1,014)	(10.2)	(595)	• Sales decreased by 4.2% if recalculated by exchange rate of the previous term.
Real estate business and others	1,170	1.4	1.02	1,215	1.5	1.01	45	3.9	—	

● Exchange rate

	FY2009 (Year Ended Mar. 31, 2009)	FY2010 (Year Ended Mar. 31, 2010)
One dollar	100.54	92.85
One euro	143.48	131.15

2. Statements of Income Results (Consolidated Data)

(Million yen, %)									
	FY2009 (Year Ended Mar. 31, 2009)			FY2010 (Year Ended Mar. 31, 2010)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Rate of change	
Net sales	83,774	100.0	1.22	78,469	100.0	1.19	(5,304)	(6.3)	•Impact of foreign exchange: Minus 2,532 million yen
Cost of sales	43,885	52.4		40,053	51.0		(3,831)	(8.7)	
Gross profit	39,888	47.6	1.48	38,416	49.0	1.45	(1,472)	(3.7)	
Selling, general and administrative expenses	40,802	48.7		36,746	46.8		(4,055)	(9.9)	•Personnel expenses down by 8.1% and general expenses down by 11.8%.
Operating income	(913)	(1.1)	0.70	1,669	2.1	2.97	2,582	—	
Non-operating income	1,105	1.3		1,073	1.4		(31)	(2.9)	
Interest income	285			161			(123)	(43.2)	
Dividends income	44			29			(15)	(33.6)	
Equity in earnings of affiliates	310			634			323	104.3	
Other	465			247			(217)	(46.7)	
Non-operating expenses	887	1.1		629	0.8		(258)	(29.1)	
Interest expenses	438			117			(320)	(73.2)	
Foreign exchange losses	241			261			19	7.9	
Loss on retirement of noncurrent assets	115			188			72	63.2	
Other	92			62			(29)	31.9	
Ordinary income	(695)	(0.8)	0.48	2,113	2.7	2.25	2,808	—	
Extraordinary income	1,820	2.2		311	0.4		(1,509)	(82.9)	
Extraordinary loss	421	0.5		6,384	8.1		5,963	1,416.5	•Special premiums upon withdrawal from the pension fund :5,835 million yen •Business structure improvement cost for Riso,Inc. :402 million yen
Income before income taxes	704	0.8		(3,960)	(5.0)		(4,664)	(662.5)	
Net income	(641)	(0.8)	0.15	(5,937)	(7.6)	1.05	(5,295)	—	
Capital expenditure	5,591	—	1.12	4,992	—	1.16	(599)	(10.7)	
Depreciation	5,440	—	1.19	5,670	—	1.19	230	4.2	
Number of employees	3,227	—	1.92	3,140	—	1.84	(87)	(2.7)	•The number of employees fell 64 in Americas, 31 in Europe. •The number of employees at Riso Kagaku Corporation alone was 1,709 at end of March 2010,an increase of 28 compared to the end of the previous year.
●Breakdown of key selling, general and administrative expenses (Million yen, %)									
Sales promotion fees	1,238			1,124			(113)	(9.2)	
Advertisement expenses	1,521			1,008			(513)	(33.7)	•Terminated TV commercial at the end of September 2009
Research and development expenses	5,115			4,453			(662)	(13.0)	

3. Balance Sheet Results (Consolidated Data)

(Million yen, %)

	FY2009 (As of Mar. 31, 2009)			FY2010 (As of Mar. 31, 2010)			Change		Remarks
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Rate of change	
Current assets	54,797	56.2	1.39	49,571	56.1	1.43	(5,225)	(9.5)	
Cash and deposits	20,583			13,656			(6,926)		•Decrease due to expenses paid on withdrawal from employees' pension fund
Notes and accounts receivable-trad	13,900			14,221			321		
Short-term investment securities	3,281			4,969			1,688		
Merchandise and finished goods	11,871			11,591			(280)		
Work in process	812			403			(408)		
Raw materials and supplies	1,345			1,276			(68)		
Deferred tax assets (short)	745			1,548			802		
Other	2,556			2,355			(200)		
Allowance for doubtful accounts	(298)			(451)			(152)		
Noncurrent assets	42,647	43.8	0.86	38,863	43.9	0.84	(3,783)	(8.9)	
Property, plant and equipment	32,492	33.3	1.04	30,469	34.5	1.05	(2,023)	(6.2)	
Buildings and structures,net	7,344			6,754			(589)		
Machinery, equipment and vehicles,net	1,299			1,169			(130)		
Tools, furniture and fixtures,net	1,787			1,169			(618)		
Land	18,053			17,139			(913)		•Sold the land in Narashino City, Chiba Prefecture
Lease assets,net	237			170			(66)		
Construction in progress	98			92			(6)		
Other	3,672			3,973			300		
Intangible assets	2,307	2.4	1.41	2,296	2.6	1.11	(11)	(0.5)	
Software	1,971			1,749			(221)		
Other	336			547			210		
Investments and other securities	7,846	8.1	0.48	6,097	6.9	0.40	(1,748)	(22.3)	
Investment securities	1,718			1,767			48		
Long-term loans receivable	160			149			(11)		
Deferred tax assets (long)	2,193			—			(2,193)		•Reversed as a result of reexamination of the recoverability
Other	4,019			4,343			324		
Allowance for doubtful accounts	(245)			(163)			82		
Total assets	97,444	100.0	1.09	88,434	100.0	1.09	(9,009)	(9.2)	

3. Balance Sheet Results (Consolidated Data)

(Million yen, %)

	FY2009 (As of Mar. 31, 2009)			FY2010 (As of Mar. 31, 2010)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Consolidated/ non- consolidated	
Current liabilities	26,972	27.7	1.39	25,005	28.3	1.42	(1,966)	(7.3)	
Notes and accounts payable-trade	14,311			13,055			(1,256)		
Short-term loans payable	5,368			4,832			(535)		
Current portion of Long-term loans payable	9			5			(3)		
Income taxes payable	99			316			217		
Provision for bonuses	1,470			1,370			(99)		
Provision for product warranties	137			135			(2)		
Other	5,575			5,288			(287)		
Noncurrent liabilities	4,988	5.1	0.74	5,153	5.8	0.77	165	3.3	
Long-term loans payable	83			68			(14)		
Deferred tax liabilities	—			215			215		
Provision for retirement benefits	3,278			3,524			245		
Provision for directors' retirement benefits	242			—			(242)		
Provision for loss on litigation	—			66			66		
Other	1,384			1,278			(105)		
Total liabilities	31,960	32.8	1.22	30,159	34.1	1.24	(1,801)	(5.6)	
Shareholders' equity	66,325	68.1	1.06	59,616	67.4	1.06	(6,708)	(10.1)	
Capital stock	14,114			14,114			—		
Capital surplus	14,779			14,779			—		
Retained earnings	38,816			32,108			(6,708)		
Treasury stock	(1,386)			(1,386)			(0)		
Valuation and translation adjustments	(1,020)	(1.0)	(3.36)	(1,340)	(1.5)	(5.10)	(320)		
Valuation difference on available-for-sale securities	304			263			(40)		
Foreign currency translation adjustments	(1,324)			(1,604)			(279)		
Minority interests	179	0.2	—	—		—	(179)		
Total net assets	65,484	67.2	1.04	58,275	65.9	1.03	(7,208)	(11.0)	
Total liabilities and net assets	97,444	100.0	1.09	88,434	100.0	1.09	(9,009)	(9.2)	

4. Statements of Cash Flows (1)

(Million yen)

	FY2009 (Year Ended Mar. 31, 2009)	FY2010 (Year Ended Mar. 31, 2010)	Remarks
	Amount	Amount	
I Net cash provided by operating activities			
Income (loss) before income taxes and minority interests	704	(3,960)	
Depreciation and amortization	2,947	3,158	
Impairment loss	—	79	
Amortization of goodwill	(4)	(3)	
Equity in losses of affiliates (earnings)	(310)	(634)	
Increase (decrease) in provision for retirement benefits	493	245	
Increase (decrease) in provision for directors' retirement benefits	12	(70)	
Increase (decrease) in provision for directors' bonuses	(28)	—	
Increase (decrease) in allowance for doubtful accounts	33	69	
Increase (decrease) in provision for loss on litigation	—	66	
Interest and dividends income	(329)	(191)	
Gain on maturity of insurance contract	(1,820)	(102)	
Interest expenses	438	117	
Foreign exchange losses (gains)	667	5	
Expenses paid on withdrawal from employees' pension fund	—	5,835	
Loss (gain) on valuation of investment securities	83	—	
Decrease (increase) in notes and accounts receivable-trade	1,733	(307)	
Decrease (increase) in inventories	(2,095)	595	
Increase (decrease) in notes and accounts payable-trade	885	(1,120)	
Increase (decrease) in accounts payable-other	(309)	(107)	
Other, net	197	214	
Subtotal	3,298	3,889	
Interest and dividends income received	411	190	
Interest expenses paid	(441)	(117)	
Expenses paid on withdrawal from employees' pension fund	—	(5,835)	
Income taxes paid	(1,183)	(257)	
Income taxes refund	—	161	
Net cash provided by (used in) operating activities	2,084	(1,969)	

4. Statements of Cash Flows (2)

(Million yen)			
	FY2009 (Year Ended Mar.31, 2009)	FY2010 (Year Ended Mar.31, 2010)	Remarks
	Amount	Amount	
II Net cash provided by investing activities			
Payments into time deposits	(31)	(1,042)	
Proceeds from withdrawal of time deposits	536	914	
Purchase of short-time investment securities	(3)	—	
Proceeds from sales of short-time investment securities	300	—	
Purchase of property, plant and equipment	(2,088)	(1,660)	
Proceeds from sales of property, plant and equipment	—	980	• Sold the land and buildings in Narashino City, Chiba Prefecture
Purchase of intangible assets	(1,028)	(639)	
Purchase of investment securities	(136)	(85)	
Proceeds from sales of investment securities	5,500	1	
Payments of loans receivable	(27)	(97)	
Collection loans receivable	164	104	
Proceeds from maturity of insurance funds	3,447	201	
Other, net	(458)	(575)	
Net cash provided by (used in) investing activities	6,174	(1,898)	
III Net cash provided by financing activities			
Net increase (decrease) in short-term loans payable	444	(359)	
Proceeds from long-term loans payable	2	—	
Repayment of long-term bank borrowings	(17)	(19)	
Redemption of bonds	(13,325)	—	
Purchase of treasury stock	(665)	—	
Repayment of lease obligations	(121)	(101)	
Cash dividends paid	(1,049)	(770)	• Paid annual dividend: 30 yen per share
Other, net	(0)	(0)	
Net cash provided by (used in) financing activities	(14,733)	(1,250)	
IV Effect of exchange rate changes on cash and cash equivalents	(707)	(217)	
V Increase (decrease) in cash and cash equivalents	(7,181)	(5,336)	• Decrease due to expenses paid on withdrawal from employees' pension fund
VI Cash and cash equivalents, beginning of period	30,427	23,246	
VII Cash and cash equivalents, end of period	23,246	17,910	

5. Results for FY2010 (Year Ended Mar. 31, 2010) and Forecasts for FY2011 (Year Ending Mar. 31, 2011)

Consolidated, full year

(Million yen, %)

	Results (Mar.2010)			Forecasts (Mar.2011)			
	FY2010 (Year ended Mar. 31, 2010)			FY2011 (Year ending Mar. 31, 2011)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Year-on-year
Total sales	78,469	100.0	1.19	77,190	100.0	1.21	(1.6)
Printing equipment-related business	77,254	98.5	1.19	76,090	98.6	1.22	(1.5)
Japan	46,346	59.1	1.00	45,060	58.4	1.00	(2.8)
Overseas	30,907	39.4	1.65	31,030	40.2	1.76	0.4
Americas	7,961	10.1	1.62	8,330	10.8	1.91	4.6
Europe	13,980	17.8	1.71	13,830	17.9	1.74	(1.1)
Asia	8,964	11.4	1.59	8,870	11.5	1.65	(1.0)
Real estate business and others	1,215	1.5	1.01	1,100	1.4	1.03	(9.5)
Operating income	1,669	2.1	2.97	1,410	1.8	1.72	(15.5)
Ordinary income	2,113	2.7	2.25	1,620	2.1	0.74	(23.3)
Net income	(5,937)	(7.6)	1.05	1,570	2.0	0.72	—
Capital expenditure	4,992	—	—	4,600	—	—	(7.9)
Depreciation	5,670	—	—	5,600	—	—	(1.2)
Closing rate	Average exchange rate for the period 92.85 yen against dollar, 131.15 yen against euro			Average exchange rate for the period 89.00 yen against dollar, 122.00 yen against euro			

Consolidated, first half of the year

(Million yen, %)

	Interim results (Sep.2009)			Interim forecasts (Sep.2010)			
	FY2010 (Year ended March 31, 2010)			FY2011 (Year ending March 31, 2011)			
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Year-on-year
Total sales	37,377	100.0	1.19	35,490	100.0	1.21	(5.0)
Printing equipment-related business	36,768	98.4	1.19	34,940	98.5	1.21	(5.0)
Japan	21,735	58.2	1.00	20,740	58.4	1.01	(4.6)
Overseas	15,033	40.2	1.64	14,200	40.0	1.73	(5.5)
Americas	4,168	11.2	1.59	3,890	11.0	2.25	(6.7)
Europe	6,607	17.7	1.76	6,210	17.5	1.64	(6.0)
Asia	4,257	11.4	1.52	4,100	11.6	1.53	(3.7)
Real estate business and others	608	1.6	1.02	550	1.5	1.04	(9.5)
Operating income	(431)	(1.2)	1.01	20	0.1	0.50	—
Ordinary income	(250)	(0.7)	0.63	270	0.8	0.18	—
Net income	(9,476)	(25.4)	1.09	300	0.8	0.21	—
Capital expenditure	3,075	—	—	2,800	—	—	(8.9)
Depreciation	2,608	—	—	2,580	—	—	(1.1)
Closing rate	Average exchange rate for the period 95.49 yen for dollar, 133.16 yen for euro			Average exchange rate for the period 89.00 yen for dollar, 122.00 yen for euro			

Non-consolidated, full year

(Million yen, %)

	Results (Mar.2010)			Forecasts (Mar.2011)			
	FY2010 (Year ended Mar. 31, 2010)			FY2011 (Year ending Mar. 31, 2011)			
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Year-on-year
Total sales	66,081	100.0		63,590	100.0		(3.8)
Printing equipment-related business	64,879	98.2		62,520	98.3		(3.6)
Japan	46,135	69.8		44,840	70.5		(2.8)
Overseas	18,743	28.4		17,680	27.8		(5.7)
Americas	4,920	7.4		4,350	6.8		(11.6)
Europe	8,188	12.4		7,970	12.5		(2.7)
Asia	5,636	8.5		5,360	8.4		(4.9)
Real estate business and others	1,203	1.8		1,070	1.7		(11.1)
Operating income	562	0.9		820	1.3		45.9
Ordinary income	938	1.4		2,190	3.4		133.5
Net income	(5,637)	(8.5)		2,170	3.4		—

Non-consolidated, first half of the year

(Million yen, %)

	Interim results (Sep.2009)			Interim forecasts (Sep.2010)			
	FY2010 (Year ended March 31, 2010)			FY2011 (Year ending March 31, 2011)			
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Year-on-year
Total sales	31,406	100.0		29,340	100.0		(6.6)
Printing equipment-related business	30,812	98.1		28,810	98.2		(6.5)
Japan	21,635	68.9		20,620	70.3		(4.7)
Overseas	9,177	29.2		8,190	27.9		(10.8)
Americas	2,616	8.3		1,730	5.9		(33.9)
Europe	3,753	11.9		3,780	12.9		0.7
Asia	2,809	8.9		2,680	9.1		(4.6)
Real estate business and others	595	1.9		530	1.8		(10.9)
Operating income	(426)	(1.4)		40	0.1		—
Ordinary income	(398)	(1.3)		1,460	5.0		—
Net income	(8,701)	(27.7)		1,440	4.9		—