
**BRIEFING ON BUSINESS
RESULTS
- FY 2009 -**

**RISO KAGAKU
CORPORATION
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Summary of Business Result in FY 2009 (1)

Sales declined substantially

- **Net Sales down**
 - Down 8,846 million yen over the previous year
 - Foreign exchange impact: minus 6,000 million yen
 - Digital duplicating business (RISOGRAPH)
 - Strong in Asia, sluggish in Europe, Americas and domestic; overall decreased
 - Inkjet business (ORPHIS)
 - Domestic and Americas up; Europe below previous year
 - Amounted to about 24% of consolidated sales

Summary of Business Result in FY 2009 (2)

Posted operating loss, net loss for the term

- **Operating Loss**
 - Gross profit decreased due to drop in sales at Digital Duplicating business; operating income decreased by 6,310 million yen.
 - Foreign exchange impact: minus about 1,000 million yen
 - Operating loss: 913 million yen

- **Net Loss for the term**
 - Extraordinary gain: 1,800 million yen (income of insurance return)
 - Extraordinary loss: 400 million yen (loss on revision of retirement benefit plan; loss on evaluation of investment securities)
 - Net loss for the term: 641 million yen

FY 2009 Performance Overview (1)

Consolidated
Base

(Millions of Yen)

		FY2008	FY2009	Difference: year-on-year Base	
				Amount	Rate of Change
Net Sales		92,621	83,774	-8,846	-9.6%
Gross Profit		46,996	39,888	-7,107	-15.1%
Operating	Income	5,397	-913	-6,310	—
Recurring	Income	4,709	-695	-5,405	—
Net Income		1,657	-641	-2,299	—
Exchange Rates	Yen/US\$	114.28	100.54		
	Yen/EURO	161.53	143.48		



FY 2009 Performance Overview (2)

Sales by Business Segments

(Millions of Yen)

	Printing equipment- related business	Real estate business and others	Total
FY2009	82,604	1,170	83,774
Difference (amt)	-8,904	58	-8,846
Rate of Change (%)	-9.7%	5.2%	-9.6%
FY2008	91,508	1,112	92,621

FY 2009 Performance Overview (3)

Sales by Region

– Actual value comparison –

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
FY2009	9,910	16,086	9,979	47,797	83,774
Difference (amt)	-2,222	-5,442	-731	-449	-8,846
Rate of Change(%)	-18.3%	-25.3 %	-6.8 %	-0.9 %	-9.6 %
FY2008	12,133	21,528	10,711	48,247	92,621

FY 2009 Performance Overview (4)

Sales by Region

– Calculated with the exchange rate of the previous year –

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
FY2009	11,268	18,900	11,753	47,817	89,738
Difference (amt)	−865	−2,628	1,042	−430	−2,883
Rate of Change(%)	−7.1%	−12.2%	9.7%	−0.8%	−3.1%
FY2008	12,133	21,528	10,711	48,247	92,621

Exchange Rate (Average of the period)	U.S.\$1.00	EURO1.00
FY2009	100.54yen	143.48yen
FY2008	114.28yen	161.53yen

FY 2009 Performance Overview (5)

Operating Income by Geographic Area

(Millions of yen)

	Americas	Europe	Asia	Japan	Inter-segment Elimination	Total
FY2009	-681	-1,491	378	-1,010	1,892	-913
Difference (amt)	555	-1,959	-312	-5,556	961	-6,310
Rate of Change(%)	—	—	-45.2%	—	—	—
FY2008	-1,237	467	690	4,546	930	5,397

Note: Operating income from the sales to Asian dealers was included in Japan.

FY 2009 Activity Overview (1)

Main focuses for FY 2009

- Executing product development with the next generation in mind
- Establishing a profit base in the inkjet business
- Securing profit in the digital duplicating business
- Revitalizing overseas subsidiaries and implementing their internal reformation

FY 2009 Activity Overview (2)

- Executing product development with the next generation in mind.



“New Product” ORPHIS X9050

- Inkjet Business (ORPHIS)
 - Launch of a new product, ORPHIS X series, during 2nd half
 - World’s fastest high-speed printer; 150 pages per minute
 - Low running cost
 - All-in-one compact design
 - Improve usability
 - Launch dates
 - Domestic ▪▪▪ Feb. 2009 (two models)
 May 2009 (one model)
 - Overseas ▪▪▪ May 2009
- *launch sequentially

FY 2009 Activity Overview (3)

- Establishing a profit base in the inkjet business.
 - Accelerated hardware installation



ORPHIS HC5500A/HC Offset Stacker/RISO Scanner
HS2000

Results of Activities

- Domestic
 - Increased printer sales
 - Expansion of ink and ORPHIS count charge system sales
 - Created Market Development Dept. for new application markets
- Overseas
 - Europe; sales declined in the second half of year
 - The Americas: increased sales, as planned

FY 2009 Activity Overview (4)

■ Securing profit in the digital duplicating business.

– Expand customer base

– Launch of New Products

- RISOGRAPH RZ430
 - Economy model for B4 size paper
 - For small-scale businesses



RISOGRAPH RZ430

Results of Activities

- Domestic
 - Printer sales below previous year; supplies sales continued to decline.
 - Overall sales decreased.
- Overseas
 - India, Korea increased.
 - In Americas, printer sales increased in the 1st half year but declined in the 2nd half. Supplies sales also dropped; overall sales decreased.
 - In Europe, sales decreased in developed countries, Russia and Eastern Europe.

FY 2009 Activity Overview (5)

- Revitalizing overseas subsidiaries and implementing their internal reformation.
 - Reorganizing the operations of the U.S. subsidiary
 - Accelerate printer sales in the inkjet sector
 - Strengthen sales in the digital duplicating sector
 - A thorough revision of positioning and management team of administrative subsidiary in Europe
 - Strengthen the relationship between headquarters and sales subsidiaries

FY 2009 Activity Overview (6)

- Other special events:
 - Sales of Print Gocco printer discontinued on June 30, 2008
 - RISO Contact Center opened on February 2, 2009

Main activities:

- Hardware support
 - Software support
 - Taking orders for supplies
 - Telephone Marketing
- Decrease of Directors' remunerations
 - Postponed construction of the R&D facility until after 2010



RISO Contact Center in Okinawa

3rd Medium-Term Management Plan “Riso Vision” 10

【Management Objectives】

By realizing that gaining new customers is a key issue in both the inkjet and digital duplicating business, we will tackle the task, and we aim to achieve:

Consolidated sales of 100 billion yen

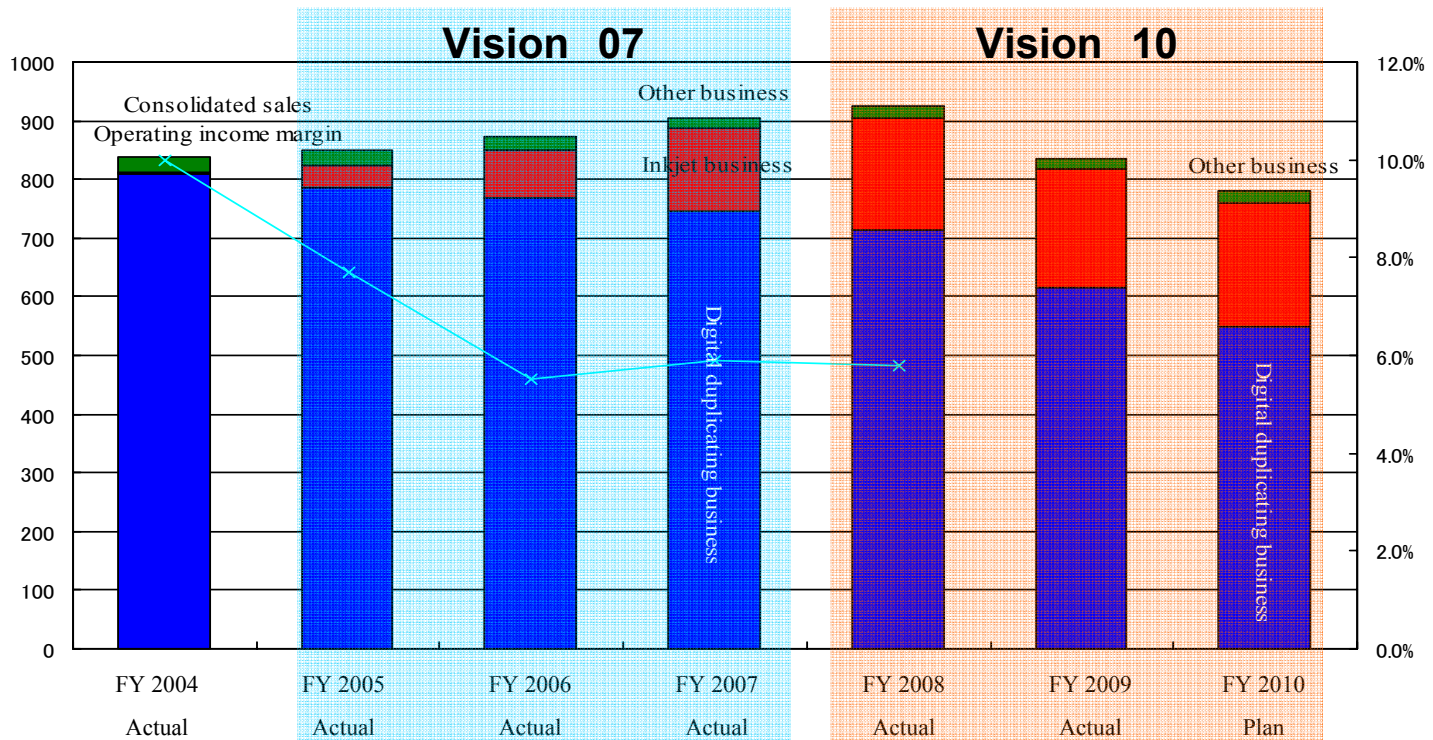
Operating income margin of 10%

【Basic Objectives】

1. Accelerating our hardware installation in the inkjet business
2. Gaining new customers in the digital duplicating business
3. Creating new businesses that could be our future core business
4. Making investments in development, engineering and manufacturing in anticipation of changes in businesses
5. Creating a corporate culture that will nurture future leaders
6. Increasing corporate value through the promotion of CSR activities

3rd Medium-Term Management Plan “Riso Vision 10”

—Current Forecast—



US Dollar	114.28	100.54	88.00
EURO	161.53	143.48	117.00

Main focuses for FY 2010

Main focuses of this term; Final Year of the 3rd Medium-term Management Plan

■ Increase the profit through sales of high value-added models

- Increase market by releasing new models; strengthen direct sales and review policy on sales channels.

■ Cost reduction by enhancing production efficiency and increasing purchasing power

- Review overseas production rates, promote in-house manufacturing, enhance overseas procurement rate.

■ Promote development planning for high value-added models required by the market

- Review product planning process to rapidly meet customers needs.

■ Invest expenses intensively in the main focus subjects and trim the others thoroughly

- Invest expense intensively toward important concerns such as the formulation of key items in the enhancement of performance, the improvement of overseas subsidiary operating results, the development of new products.
- Make a general revision of expenses and implement thorough trimming.

Forecast for FY 2010

(Millions of yen)

		FY2009 Actual	FY2010 Forecast	Difference Year-on-year Base	
				Amount	Rate of change
Net Sales		83,774	78,000	-5,774	-3.5%
Operating Loss		-913	-2,410	-1,496	—
Recurring Loss		-695	-2,040	-1,344	—
Net Loss		-641	-2,260	-1,618	—
Consolidated ROE		—	—		
Operating Income Margin		—	—		
Exchange Rate	Yen/US\$	100.54	88.00		
	Yen/EURO	143.48	117.00		

Forecast for FY 2010 – Precondition –

■ Assumed Exchange Rate

1 Dollar: 88.00 Yen

1 Euro : 117.00 Yen

■ Impact of fluctuation of exchange rate (¥1/term)

(when the value of the yen shifts 1 yen in the full term)

	Net Sales	Operating Income
Yen/US\$	150 million yen	50 million yen
Yen/EURO	90 million yen	53 million yen

Shareholders return

