

Supplementary Information for FY2008 (Year Ended March 31, 2008)

May 12, 2008

**RISO KAGAKU CORPORATION**

## 1. Sales Performance (by Geographic Area)

(Million yen, %)

	FY2007 (Year Ended Mar. 31, 2007)			FY2008 (Year Ended Mar. 31, 2008)			Change			Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Year- on-year	Impact of exchange rate	
Total sales	90,863	100.0	1.27	92,621	100.0	1.23	1,757	1.9	844	· Sales increased 1.0% if recalculated by exchange rate of the previous term.
Printing equipment-related business	89,744	98.8	1.27	91,508	98.8	1.23	1,763	2.0	844	
Japan	46,895	51.6	1.01	47,135	50.9	1.00	239	0.5	-	· Sales of RISOGRAPH decreased; sales of ORPHIS steady in supplies sales.
Overseas	42,849	47.2	1.79	44,373	47.9	1.62	1,523	3.6	844	· Sales increased 1.6% if recalculated by exchange rate of the previous term.
Americas	13,396	14.7	1.94	12,133	13.1	1.75	(1,262)	(9.4)	(291)	· Sales of RISOGRAPH below previous year's level; sales of ORPHIS also below target. · Sales decreased 7.3% if recalculated by exchange rate of the previous term.
Europe	19,263	21.2	1.80	21,528	23.2	1.56	2,265	11.8	1,194	· Sales of RISOGRAPH below previous year's level in industrialized countries, but sales of ORPHIS grew particularly in France and U.K. subsidiaries. · Sales increased 5.6% if recalculated by exchange rate of the previous term.
Asia	10,190	11.2	1.61	10,711	11.6	1.59	521	5.1	(59)	· Sales of RISOGRAPH remained high as planned particularly in Southeast Asia, surpassing previous year's figures. · Sales increased 5.7% if recalculated by exchange rate of the previous term.
Real estate business and others	1,118	1.2	1.02	1,112	1.2	1.02	(5)	(0.5)	-	· Both real estates and insurance agency businesses went as planned.

### Exchange rate

	FY2007 (Year Ended Mar. 31, 2007)	FY2008 (Year Ended Mar. 31, 2008)
One dollar	117.02	114.28
One euro	150.09	161.53

## 2. Statements of Income Results (Consolidated Data)

(Million yen, %)

	FY2007 (Year Ended Mar. 31, 2007)			FY2008 (Year Ended Mar. 31, 2008)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Rate of change	
Net sales	90,863	100.0	1.27	92,621	100.0	1.23	1,757	1.9	· Impact of foreign exchange rate: Plus 844 million yen
Cost of sales	44,452	48.9		45,624	49.3		1,172	2.6	
Gross profit	46,410	51.1	1.47	46,996	50.7	1.46	585	1.3	
Selling, general and administrative expenses	41,031	45.2		41,598	44.9		566	1.4	· Personnel expenses 1.4% up and general expenses 1.4% up (advertisement and distribution expenses increased)
Operating income	5,379	5.9	1.30	5,397	5.8	1.22	18	0.3	· Impact of foreign exchange rate: Plus 193 million yen
Other income	736	0.8		950	1.0		214	29.1	
Interest income	187			341					
Dividend income	66			42					
Equity method gains	81			79					
Exchange profits	-			-					
Others	400			485					
Other expenses	975	1.1		1,638	1.8		662	67.8	
Interest expenses	623			579					
Equity method losses	-			-					
Exchange losses	133			875					
Losses on disposal of fixed assets	117			99					
Others	101			83					
Recurring income	5,139	5.7	1.15	4,709	5.1	1.19	(429)	(8.4)	
Extraordinary gain	-			-					
Extraordinary loss	-			339					· Compensation payment according to an award of arbitration in South Korea
Income before income taxes	5,139	5.7		4,370	4.7		(768)	(15.0)	· 800 million yen of corporate income tax and other tax adjustments incurred (68million yen in previous year)
Net income	2,977	3.3	0.98	1,657	1.8	(10.62)	(1,319)	(44.3)	
Capital expenditure	5,594	-	1.22	8,278	-	1.15	2,684	48.0	· Purchsed land in Tsukuba City, Ibaraki pref. for development centers (3,100 million yen)
Depreciation	5,222	-	1.27	5,452	-	1.29	230	4.4	
Number of employees	3,232	-	2.07	3,241	-	2.01	9	0.3	· The number of employees fell 27 in Americas, 24 in China. · The number of employees at Riso Kagaku Corporation alone was 1616 at the end of FY2008, an increase of 55 compared to the end of FY2007
Breakdown of key selling, general and administrative expenses									(Million yen, %)
Sales promotion fees	1,738			1,251			(487)	(28.0)	
Advertisement expenses	1,460			1,667			207	14.2	
Reserch and development expenses	4,352			4,377			25	0.6	

### 3 . Balance Sheet Results (Consolidated Data)

(Million yen, %)

	FY2007 (As of Mar. 31, 2007)			FY2008 (As of Mar. 31, 2008)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Rate of change	
Current assets	73,619	60.8	1.31	70,381	61.3	1.30	(3,237)	(4.4)	
Cash and deposits	29,572			24,913			(4,658)		· Decrease due to the purchase of land (3,100 mil. yen), redemption of bonds (800 mil. yen) and repurchase of treasury stock (300 mil. yen).
Notes and accounts receivable	17,570			16,147			(1,422)		· Decrease in account receivables at U.S. subsidiary; Closing date of the previous fiscal year was on bank holiday
Marketable securities	8,040			12,273			4,233		· Transferred some accounts from "Investment in securities" account.
Inventories	13,914			12,977			(936)		· Reduced inventories at subsidiaries (mainly U.S. subsidiary).
Deferred tax assets (short)	2,782			2,670			(111)		
Others	1,977			1,709			(268)		
Allowance for doubtful receivables (short)	(238)			(311)			(73)		
Fixed assets	47,430	39.2	0.84	44,413	38.7	0.86	(3,016)	(6.4)	
Tangible fixed assets	31,296	25.9	1.07	33,014	28.8	1.05	1,718	5.5	
Buildings and structures	8,022			7,676			(346)		· Decreased due to depreciation
Machinery, equipment and vehicles	1,982			1,655			(326)		· Decreased by disposal of manufacturing equipment
Tools, furniture and fixtures	1,714			1,497			(216)		· Decreased due to depreciation
Land	14,873			18,053			3,180		· Purchase of land in Tsukuba City, Ibaraki pref. for development centers
Others	4,703			4,131			(571)		
Intangible fixed assets	2,459	2.0	1.41	2,309	2.0	1.11	(150)	(6.1)	
Software	1,774			1,807			32		
Others	685			501			(183)		
Investments and other securities	13,674	11.3	0.55	9,089	7.9	0.49	(4,584)	(33.5)	
Investment in securities	7,266			2,279			(4,987)		· Some accounts transferred to "Marketable securities"; Revaluation by market prices (1,900 million yen)
Long-term advances	209			299			90		
Deferred tax assets (long)	848			1,217			368		
Others	6,157			5,559			(597)		
Allowance for doubtful receivables (long)	(807)			(265)			541		
<b>Total assets</b>	<b>121,049</b>	<b>100.0</b>	<b>1.07</b>	<b>114,795</b>	<b>100.0</b>	<b>1.08</b>	<b>(6,254)</b>	<b>(5.2)</b>	

### 3 . Balance Sheet Results (Consolidated Data)

(Million yen, %)

	FY2007 (As of Mar. 31, 2007)			FY2008 (As of Mar. 31, 2008)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Consolidated/ non- consolidated	
Current liabilities	31,492	26.0	1.39	41,472	36.1	1.24	9,980	31.7	
Notes and accounts payable	15,444			14,205			(1,239)		· Closing date of the previous fiscal year was on bank holiday
Short-term loans	5,805			5,389			(415)		
Long-term bank borrowings due within one year	9			9			0		
Current portion of convertible bonds	-			13,286			13,286		· Redemption of "2nd Unsecured CB" scheduled on Mar. 31, 2009.
Accrued taxes	1,695			942			(752)		
Accrued bonuses	1,680			1,559			(120)		
Accrued directors' bonuses	50			28			(21)		
Accrued warranty costs	103			125			22		
Others	6,704			5,925			(778)		
Long-term liabilities	18,202	15.0	1.01	3,526	3.1	1.07	(14,676)	(80.6)	
Convertible bonds	14,091			-			(14,091)		· Repurchase and cancellation of Convertible Bond (800 million yen) · Transfer to "CB with scheduled maturity in a year" account
Long-term bank borrowings	104			98			(5)		
Employees' retirement allowances	3,111			2,785			(325)		
Directors' retirement allowances	290			229			(61)		
Others	605			412			(193)		
Total liabilities	49,694	41.1	1.22	44,998	39.2	1.23	(4,696)	(9.4)	
Shareholders' equity	68,557	56.6	0.98	68,815	59.9	1.00	257	0.4	
Common stock	14,114			14,114			-		
Capital surplus	14,779			14,779			-		
Retained earnings	42,532			43,131			599		
Treasury stock	(2,868)			(3,210)			(342)		· Repurchase of 196,000 treasury stocks
Other comprehensive income	2,630	2.2	1.54	815	0.7	0.98	(1,814)	(69.0)	
Net unrealized holding gains or losses on securities	1,706			831			(875)		· Decline in invested stock prices
Foreign currency translation adjustments	923			(16)			(939)		· Decrease due to yen appreciation
Minority interests	166	0.1	-	165	0.1	-	(0)	(0.4)	
Total net assets	71,354	58.9	0.99	69,796	60.8	1.00	(1,558)	(2.2)	
Total liabilities and net assets	121,049	100.0	1.07	114,795	100.0	1.08	(6,254)	(5.2)	

#### 4 . Statements of Cash Flows (1)

(Million yen, %)

	FY2007 (Year Ended Mar. 31, 2007)	FY2008 (Year Ended Mar. 31, 2008)	Remarks
	Amount	Amount	
I Cash flows from operating activities			
Income before income taxes	5,139	4,370	
Depreciation	2,767	2,772	
Depreciation of goodwill	84	141	
Equity method losses (profits)	(81)	(79)	
Increase (decrease) in employees' retirement allowances	48	(325)	
Increase (decrease) in directors' retirement allowances	43	(61)	
Increase (decrease) in accrued directors' bonuses	50	(21)	
Increase (decrease) in allowance for doubtful receivables	(279)	(391)	
Interest and dividends receivable	(254)	(384)	
Interest payable	623	579	
Exchange losses (profits)	183	36	
Loss on sales of investment in securities (profit on sales)	-	-	
Compensation payments	-	339	· Compensation payment according to an award of arbitration in South Korea
Decrease (increase) in accounts receivable	77	994	· Closing date of the previous fiscal year was on bank holiday
Decrease (increase) in inventories	1,616	(31)	
Increase (decrease) in accounts payable	1,926	(477)	· Closing date of the previous fiscal year was on bank holiday
Increase (decrease) in accrued expenses	623	(25)	· Closing date of the previous fiscal year was on bank holiday
Directors' bonuses paid	(33)	-	
Others, net	65	201	
Subtotal	12,601	7,637	
Interest and dividends received	249	383	
Interest paid	(633)	(583)	
Compensation paid	-	(339)	· Compensation payment according to an award of arbitration in South Korea
Income taxes paid	(2,165)	(2,605)	
Net cash provided by operating activities	10,053	4,491	

#### 4 . Statements of Cash Flows (2)

(Million yen, %)			
	FY2007 (Year Ended Mar.31, 2007)	FY2008 (Year Ended Mar.31, 2008)	Remarks
	Amount	Amount	
<b>II Cash flows from investing activities</b>			
Increase in time deposits	(891)	(1,881)	
Decrease in time deposits	12	1,504	
Payments for purchase of marketable securities	(2,500)	(300)	
Proceeds from sale of marketable securities	2,300	4,495	
Payments for acquisition of tangible fixed assets	(1,442)	(4,699)	· Purchased land in Tsukuba City, Ibaraki pref. for development centers (3,100 million yen)
Payments for acquisition of intangible fixed assets	(940)	(786)	
Payments for purchase of investment securities	(3,000)	(3,012)	
Proceeds from sale of investment securities	600	509	
Increase in loans receivable	(27)	(168)	
Decrease in loans receivable	86	69	
Others, net	(240)	(219)	
Net cash provided by (used in) investing activities	(6,043)	(4,489)	
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans	(559)	403	
Proceeds from long-term bank borrowings	8	24	
Repayments of long-term bank borrowings	(60)	(24)	
Payments for redemption of corporate bonds	(2,631)	(816)	· Repurchase and cancellation of Convertible Bonds
Payments for purchase of treasury stock	(254)	(341)	· Repurchase of 196,000 treasury stocks
Cash dividends paid	(796)	(1,058)	· Annual dividend: 40 yen per share
Others, net	0	(0)	
Net cash provided (used in) financing activities	(4,293)	(1,814)	
Effect of exchange rate changes on cash and cash equivalents	252	(427)	
Increase (decrease) in cash and cash equivalents	(30)	(2,239)	
Cash and cash equivalents, beginning of year	32,697	32,667	
Cash and cash equivalents, end of year	32,667	30,427	

5. Results for FY2008 (Year Ended Mar. 31, 2008) and Forecasts for FY2009 (Year Ending Mar. 31, 2009)

Consolidated, full year (Million yen, %)

	Results FY2008 (Year ended Mar. 31, 2008)			Forecasts FY2009 (Year ending Mar. 31, 2009)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	92,621	100.0	1.23	93,500	100.0	1.24	0.9
Printing equipment-related business	91,508	98.8	1.23	92,370	98.8	1.24	0.9
Japan	47,135	50.9	1.00	48,385	51.7	1.01	2.7
Overseas	44,373	47.9	1.62	43,985	47.0	1.68	(0.9)
Americas	12,133	13.1	1.75	11,280	12.1	2.16	(7.0)
Europe	21,528	23.2	1.56	22,310	23.9	1.53	3.6
Asia	10,711	11.6	1.59	10,395	11.1	1.61	(3.0)
Real estate business and others	1,112	1.2	1.02	1,130	1.2	1.01	1.6
Operating income	5,397	5.8	1.22	3,600	3.9	5.14	(33.3)
Recurring income	4,709	5.1	1.19	5,430	5.8	2.05	15.3
Net income	1,657	1.8	(10.62)	3,560	3.8	2.16	114.8
Capital expenditure	8,278	-		7,200	-		(13.0)
Depreciation	5,452	-		6,000	-		10.1

Closing rate	Average exchange rate for the period 114.28 yen against dollar, 161.53 yen against euro	Average exchange rate for the period 114.00 yen against dollar, 152.00 yen against euro
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Consolidated, first half of the year (Million yen, %)

	Interim results FY2008 (Year ended March 31, 2008)			Interim forecasts FY2009 (Year ended March 31, 2009)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	43,535	100.0	1.23	42,400	100.0	1.20	(2.6)
Printing equipment-related business	42,979	98.7	1.23	41,850	98.7	1.20	(2.6)
Japan	21,007	48.3	0.98	22,345	52.7	1.01	6.4
Overseas	21,416	49.2	1.60	19,505	46.0	1.55	(8.9)
Americas	6,218	14.3	1.55	5,150	12.1	1.97	(17.2)
Europe	9,821	22.6	1.71	9,680	22.8	1.35	(1.4)
Asia	5,376	12.3	1.49	4,675	11.0	1.69	(13.0)
Real estate business and others	556	1.3	1.02	550	1.3	1.00	(1.1)
Operating income	2,279	5.3	1.05	1,300	3.1	130.00	(43.0)
Recurring income	2,358	5.4	0.98	1,390	3.3	11.58	(41.1)
Net income	1,321	3.0	4.42	710	1.7	3.09	(46.3)

Closing rate	Average exchange rate for the period 119.33 yen for dollar, 162.30 yen for euro	Average exchange rate for the period 100.00 yen for dollar, 152.00 yen for euro
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Non-consolidated, full year (Million yen, %)

	Results FY2008 (Year ending Mar. 31, 2008)			Forecasts FY2009 (Year ending Mar. 31, 2009)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	75,437	100.0		75,500	100.0		0.1
Printing equipment-related business	74,346	98.6		74,380	98.5		0.0
Japan	46,903	62.2		48,140	63.8		2.6
Overseas	27,443	36.4		26,240	34.8		(4.4)
Americas	6,921	9.2		5,230	6.9		(24.4)
Europe	13,795	18.3		14,550	19.3		5.5
Asia	6,727	8.9		6,460	8.6		(4.0)
Real estate business and others	1,091	1.4		1,120	1.5		2.7
Operating income	4,438	5.9		700	0.9		(84.2)
Recurring income	3,967	5.3		2,650	3.5		(33.2)
Net income	(156)	(0.2)		1,650	2.2		-

Non-consolidated, first half of the year (Million yen, %)

	Interim results FY2008 (Year ended March 31, 2008)			Interim forecasts FY2009 (Year ended March 31, 2009)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	35,354	100.0		35,300	100.0		(0.2)
Printing equipment-related business	34,812	98.5		34,750	98.4		(0.2)
Japan	21,466	60.7		22,175	62.8		3.3
Overseas	13,344	37.7		12,575	35.6		(5.8)
Americas	4,006	11.3		2,620	7.4		(34.6)
Europe	5,727	16.2		7,190	20.4		25.5
Asia	3,611	10.2		2,765	8.9		(23.4)
Real estate business and others	546	1.5		550	1.6		0.7
Operating income	2,164	6.1		10	0.0		(99.5)
Recurring income	2,401	6.8		120	0.3		(95.0)
Net income	299	0.8		230	0.7		(23.1)