

Consolidated Financial Results
for the Nine Months of the Fiscal Year Ending March 31, 2013
<under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 6413
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Scheduled date to file Quarterly Report: February 13, 2013
Scheduled date of dividend payment commencement: –
Preparation of supplementary information on quarterly business results: None
Holding of briefing on quarterly business results: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the nine months of the fiscal year ending March 31, 2013
(from April 1, 2012 to December 31, 2012)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2012	52,917	(1.1)	2,875	33.4	3,241	55.0	2,020	9.4
December 31, 2011	53,532	(3.5)	2,155	(28.6)	2,091	(34.0)	1,847	(35.3)

Note: Comprehensive Income

Nine months ended December 31, 2012: 2,585 million yen / 467.3%

Nine months ended December 31, 2011: 455 million yen / (66.3)%

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2012	85.90	–
December 31, 2011	74.71	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2012	89,155	62,444	70.0
March 31, 2012	89,697	61,825	68.9

Reference: Shareholders' Equity As of December 31, 2012: 62,444 million yen As of March 31, 2012: 61,825 million yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	–	0.00	–	40.00	40.00
Fiscal year ending March 31, 2013	–	0.00	–		
Fiscal year ending March 31, 2013 (Forecasts)				50.00	50.00

Note: Revisions to the forecasts of cash dividends in the current quarter: None

3. Forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2013	74,000	(1.1)	4,500	11.1	4,600	6.7	4,300	49.0	183.10

Note: Revisions to the forecasts in the current quarter: None

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Adoption of peculiar accounting methods for quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatement
- Changes due to revisions to accounting standards and other regulations: Yes
 - Changes due to other reasons: None
 - Changes in accounting estimates: Yes
 - Restatement: None

Note: Changes in accounting policies, changes in accounting estimates, and restatement for preparing the quarterly consolidated financial statements described in the section of “Summary of changes in accounting policies, changes in accounting estimates and restatement”

(4) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2012	25,703,166 shares
As of March 31, 2012	25,703,166 shares

- b. Number of treasury stock at the end of the period

As of December 31, 2012	2,338,258 shares
As of March 31, 2012	1,546,848 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2012	23,524,380 shares
Nine months ended December 31, 2011	24,730,713 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act are in progress.

* Proper use of the forecasts, and other special matters

The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company. These statements do not purport that the Company pledges to achieve such performance. Actual business may differ substantially from the forecasts due to various factors in the future.

Attached Materials

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1. Qualitative Information regarding Consolidated Results for the Nine Months

(1) Qualitative information regarding consolidated operating results

The Riso Group (RISO) has been following its medium-term management policy of achieving strong growth by gaining new customers in the printing equipment business.

Sales in the printing equipment business for the current nine months were about the same level year on year, however the effect of the strong yen against the euro resulted in a decline in overall sales against the previous year. In terms of profits, operating income increased due to a decrease in the cost of sales in the inkjet business.

As a result, net sales were 52,917 million yen (down 1.1% year on year), operating income was 2,875 million yen (up 33.4% year on year), ordinary income was 3,241 million yen (up 55.0% year on year), and net income amounted to 2,020 million yen (up 9.4% year on year).

The average exchange rates during the current consolidated nine months period were 80.00 yen (a 0.99 yen depreciation of the yen year on year) for the US dollar and 102.17 yen (a 8.47 yen appreciation of the yen year on year) for the euro. Results by segment are as follows:

a. Printing equipment business

RISO, as part of its printing equipment business, engages in the inkjet business, principally with its ORPHIS high-speed color printers, as well as the digital duplicating business, consisting mainly of its RISOGRAPH digital duplicators. Sales in the inkjet business were favorable, but declined in the digital duplicating business. Due to factors including the impact of foreign exchange rates, net sales in the printing equipment business were 51,674 million yen (down 1.0% year on year) and operating income was 2,490 million yen (up 43.2% year on year).

Japan

Although sales in the digital duplicating business declined, sales in the inkjet business were favorable. Net sales were 33,122 million yen (up 0.8% year on year) and operating income was 3,767 million yen (up 26.1% year on year).

The Americas

Sales were firm in the inkjet business, however sales declined in the digital duplicating business. Net sales fell below figures for the previous fiscal year at 3,438 million yen (down 9.9% year on year). Operating loss was 536 million yen (compared with operating loss of 864 million yen in the same period of the previous fiscal year), due to a reduction in selling, general and administrative expenses.

Europe

While the inkjet business remained firm, sales declined against the previous fiscal year due to the effect of foreign exchange rates. Net sales were 8,600 million yen (down 5.7% year on year), while operating loss was 776 million yen (compared with operating loss of 559 million yen in the same period of the previous fiscal year).

Asia

Sales were firm, mainly in China, with net sales reaching 6,512 million yen (up 1.5% year on year). Operating income was 36 million yen (down 79.1% year on year) due to increases in selling, general and administrative expenses.

b. Real estate business and others

RISO operates a real estate business focusing on leasing of the Omotesando Building and Shin-Osaka Building as well as a print creating business, mainly engaged in the print service business.

Net sales in the real estate and others were 1,242 million yen (down 5.1% year on year), and operating income was 385 million yen (down 7.5% year on year).

(2) Qualitative information regarding consolidated financial position

The financial position of RISO at the end of the current quarter compared to the end of the previous fiscal year is as follows.

Total assets fell 542 million yen to 89,155 million yen, while net assets increased 618 million yen to 62,444 million yen. As a result, the equity ratio moved up 1.1 points to 70.0%.

The main changes in the assets portion include an increase of 2,590 million yen in construction in progress, in contrast to decreases of 3,438 million yen in notes and accounts receivable-trade. In the liabilities portion, there was an increase of 1,022 million yen in income taxes payable, in contrast to decreases of 756 million yen in provision for bonuses and 1,402 million yen in other current liabilities.

(3) Qualitative information regarding forecasts

There has been no revision to the consolidated forecasts for the fiscal year ending March 31, 2013, which were released on November 2, 2012.

2. Matters Regarding Summary Information (Notes)

(1) Changes in accounting policies, changes in accounting estimates and restatement

Changes in accounting policies for items that are difficult to distinguish from changes in accounting estimates

Following the revision of the Corporation Tax Act, the Company and its domestic consolidated subsidiaries applied the depreciation method in compliance with the revised Corporation Tax Act to property, plant and equipment acquired on or after April 1, 2012, from the current first quarter.

As a result of this change, operating income, ordinary income, and income before income taxes and minority interests for the current nine months have each increased 58 million yen in comparison with the previous method.

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	13,377	12,966
Notes and accounts receivable-trade	14,240	10,801
Short-term investment securities	8,731	8,285
Merchandise and finished goods	8,916	10,549
Work in process	548	535
Raw materials and supplies	1,928	2,212
Deferred tax assets	1,400	1,551
Other	1,840	1,548
Allowance for doubtful accounts	(275)	(267)
Total current assets	50,707	48,184
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,982	18,193
Accumulated depreciation	(11,853)	(12,164)
Buildings and structures, net	6,129	6,028
Machinery, equipment and vehicles	7,114	7,375
Accumulated depreciation	(6,192)	(6,379)
Machinery, equipment and vehicles, net	921	995
Tools, furniture and fixtures	14,841	14,893
Accumulated depreciation	(14,318)	(13,996)
Tools, furniture and fixtures, net	522	896
Land	16,943	17,129
Lease assets	328	261
Accumulated depreciation	(183)	(118)
Lease assets, net	145	142
Construction in progress	427	3,018
Other	10,964	10,057
Accumulated depreciation	(8,515)	(7,766)
Other, net	2,449	2,291
Total property, plant and equipment	27,540	30,502
Intangible assets		
Goodwill	2,009	1,509
Software	2,303	2,420
Other	2,397	1,919
Total intangible assets	6,709	5,849
Investments and other assets		
Investment securities	1,463	1,408
Long-term loans receivable	239	195
Other	3,142	3,080
Allowance for doubtful accounts	(104)	(66)
Total investments and other assets	4,740	4,618
Total noncurrent assets	38,989	40,970
Total assets	89,697	89,155

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,197	10,864
Short-term loans payable	2,227	2,673
Current portion of long-term loans payable	2	2
Income taxes payable	290	1,313
Provision for bonuses	1,578	822
Provision for directors' bonuses	50	64
Provision for product warranties	93	61
Other	7,235	5,832
Total current liabilities	22,676	21,635
Noncurrent liabilities		
Long-term loans payable	38	36
Deferred tax liabilities	636	601
Provision for retirement benefits	3,691	3,769
Provision for loss on litigation	57	-
Other	771	667
Total noncurrent liabilities	5,195	5,074
Total liabilities	27,872	26,710
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	37,874	38,929
Treasury stock	(2,011)	(3,011)
Total shareholders' equity	64,757	64,812
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(135)
Foreign currency translation adjustment	(2,825)	(2,232)
Total accumulated other comprehensive income	(2,932)	(2,367)
Total net assets	61,825	62,444
Total liabilities and net assets	89,697	89,155

(2) Consolidated quarterly statements of (comprehensive) income**(Consolidated quarterly statements of income)**

	(Millions of yen)	
	Third Quarter ended December 31, 2011 (From April 1, 2011 to December 31, 2011)	Third Quarter ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
Net sales	53,532	52,917
Cost of sales	24,323	22,845
Gross profit	29,208	30,072
Selling, general and administrative expenses	27,053	27,196
Operating income	2,155	2,875
Non-operating income		
Interest income	120	111
Dividends income	32	32
Foreign exchange gains	-	38
Other	271	302
Total non-operating income	424	484
Non-operating expenses		
Interest expenses	38	40
Foreign exchange losses	323	-
Loss on retirement of noncurrent assets	24	32
Other	102	45
Total non-operating expenses	488	118
Ordinary income	2,091	3,241
Extraordinary income		
Gain on transfer of goodwill	263	22
Gain on transfer of business	110	-
Total extraordinary income	373	22
Extraordinary loss		
Business structure improvement expenses	-	101
Total extraordinary losses	-	101
Income before income taxes and minority interests	2,464	3,162
Income taxes	617	1,141
Income before minority interests	1,847	2,020
Net income	1,847	2,020

(Consolidated quarterly statements of comprehensive income)

	(Millions of yen)	
	Third quarter ended December 31, 2011 (From April 1, 2011 to December 31, 2011)	Third quarter ended December 31, 2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	1,847	2,020
Other comprehensive income		
Valuation difference on available-for-sale securities	(260)	(28)
Foreign currency translation adjustment	(1,131)	592
Total other comprehensive income	(1,391)	564
Comprehensive income	455	2,585
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	455	2,585
Comprehensive income attributable to minority interests	-	-

(3) Notes on premise of going concern

No items to report

(4) Notes on significant changes in the amount of shareholders' equity

The Company purchased treasury stock during the current third quarter. As a result, treasury stock increased 999 million yen during the third quarter and amounted to 3,011 million yen at the end of the current third quarter.

(5) Segment information

1. Third quarter ended December 31, 2011 (from April 1, 2011 to December 31, 2011)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	32,872	3,816	9,117	6,416	52,222	1,309	53,532
Segment income (loss)	2,987	(864)	(559)	174	1,738	416	2,155

Notes: 1. Real estate business and others includes real estate business, print creating business.

2. The main countries and areas included in each segment for the printing equipment business are as follows:

- (1) The Americas U.S. and Canada
- (2) Europe Germany, United Kingdom and France
- (3) Asia China, Thailand, South Korea and India

3. The total amount of segment income (loss) is same as the operating income amount on the consolidated quarterly statement of income.

2. Third quarter ended December 31, 2012 (from April 1, 2012 to December 31, 2012)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	33,122	3,438	8,600	6,512	51,674	1,242	52,917
Segment income (loss)	3,767	(536)	(776)	36	2,490	385	2,875

Notes: 1. Real estate business and others includes real estate business and print creating business.

2. The main countries and areas included in each segment for the printing equipment business are as follows:

- (1) The Americas U.S. and Canada
- (2) Europe Germany, United Kingdom and France
- (3) Asia China, Thailand, South Korea and India

3. The total amount of segment income (loss) is same as the operating income amount on the consolidated quarterly statement of income.

(6) Significant Subsequent Event

(Retirement of Treasury Stock)

The Company's Board of Directors resolved at the meeting held on January 31, 2013 to retire treasury stock as described below, pursuant to the provisions of Article 178 of the Corporation Law.

Details of the retirement of treasury stock were as follows.

- | | |
|---|-----------------------------|
| (1) Type of shares to be retired: | Common stock of the Company |
| (2) Number of shares to be retired: | 2,000,000 shares |
| (3) Scheduled date of retirement: | February 7, 2013 |
| (4) Total number of issued shares after retirement: | 23,703,166 shares |

(Purchase of Treasury Stock)

The Company's Board of Directors resolved at the meeting held on January 31, 2013 to purchase treasury stock as described below, pursuant to the provisions of Article 156 of the Corporate Law as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Law.

Details of the purchase of treasury stock were as follows.

- | | |
|---------------------------------------|---|
| (1) Type of shares to be purchased: | Common stock of the Company |
| (2) Number of shares to be purchased: | Up to 300,000 shares |
| (3) Total purchase cost: | Up to 500,000,000 yen |
| (4) Purchase period: | From February 12, 2013 to March 5, 2013 |