

Consolidated Financial Results
for the Three Months of the Fiscal Year Ending March 31, 2012
<under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6413
 URL: <http://www.riso.co.jp/english/>
 Representative: Akira Hayama, President & CEO
 Inquiries: Kihachiro Endo, Director
 TEL: +81-3-5441-6611 (from overseas)

Scheduled date to file Quarterly Report: August 9, 2011
 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 three months of the fiscal year ending March 31, 2012
(from April 1, 2011 to June 30, 2011)

(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	%
Three months ended								
June 30, 2011	18,396	(4.8)	721	(39.3)	773	(31.6)	700	(39.2)
June 30, 2010	19,321	2.0	1,189	208.7	1,130	61.4	1,153	275.2

Reference: Comprehensive Income As of June 30, 2011: 419 million yen As of June 30, 2010: 70 million yen

Three months ended	Net income per share	Diluted net income per share
	Yen	Yen
June 30, 2011	27.76	–
June 30, 2010	44.88	–

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2011	87,869	61,252	69.7
March 31, 2011	89,854	62,095	69.1

Reference: Equity As of June 30, 2011: 61,252 million yen As of March 31, 2011: 62,095 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, 2011	–	0.00	–	50.00	50.00
Fiscal year ending March 31, 2012	–				
Fiscal year ending March 31, 2012 (Forecasts)		0.00	–	40.00	40.00

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

3. Forecasts for the fiscal year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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
Six months ending September 30, 2011	35,900	(4.2)	1,200	(35.1)	1,250	(36.1)	1,300	(28.3)	51.51
Fiscal year ending March 31, 2012	75,700	(1.6)	3,600	(18.3)	3,550	(28.1)	3,500	(44.3)	138.68

Note: Revisions to the forecasts in the current quarter: Yes

4. Others

(1) Changes in significant subsidiaries during the current quarter: None

Note: Changes in specified subsidiaries resulting in the change in scope of consolidation during the current quarter

(2) Application of simplified accounting and special accounting: None

Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation

a. Changes due to revisions to accounting standards and other regulations: None

b. Changes due to other reasons: None

c. Changes in accounting estimates: None

d. Re-statement: None

Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements described in the section of "Summary of changes in accounting policies, procedures, and methods of presentation"

(4) Number of issued shares (common stock)

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

As of June 30, 2011	25,703,166 shares
As of March 31, 2011	25,703,166 shares

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

As of June 30, 2011	465,608 shares
As of March 31, 2011	465,585 shares

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

Three months ended June 30, 2011	25,237,570 shares
Three months ended June 30, 2010	25,696,060 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. Actual business may differ substantially from the forecasts due to various factors in the future.

Attached Materials

Index

1. Qualitative Information regarding Consolidated Results for the Three Months.....	2
(1) Qualitative information regarding consolidated operating results.....	2
(2) Qualitative information regarding consolidated financial position.....	3
(3) Qualitative information regarding forecasts	4
2. Consolidated Financial Statements.....	5
(1) Consolidated quarterly balance sheets.....	5
(2) Consolidated quarterly statements of (comprehensive) income	7
(3) Notes on premise of going concern	9
(4) Segment information	9
(5) Notes on significant changes in the amount of shareholders' equity	9
(6) Subsequent events.....	9

1. Qualitative Information regarding Consolidated Results for the Three Months

(1) Qualitative information regarding consolidated operating results

The Riso Group (RISO) is striving to improve its profitability with a focus on achieving a sound growth by acquiring new customers in the printing equipment business as the essential objective.

In RISO's consolidated operating results for the first three months, although sales in Japan from the printing equipment business were roughly the same as the corresponding period of the previous fiscal year, sales for the same business overall were down year on year due to the struggling overseas sales and the effect of foreign exchange rates. As for profit, although the cost of sales was lower as a result of the inkjet business becoming independently operated by the Company effective from the current period, there was an increase in selling, general and administrative expenses mainly due to expenses related to the amortization of goodwill and an increase in research and development expenses. As a result, net sales were 18,396 million yen (down 4.8% year on year), operating income amounted to 721 million yen (down 39.3% year on year), ordinary income was 773 million yen (down 31.6% year on year) and net income amounted to 700 million yen (down 39.2% year on year).

Please note that the average exchange rate over the current three months was 81.74 yen (a 10.27 yen appreciation of the yen year on year) for the US dollar and 117.40 yen (a 0.41 yen depreciation 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 printers. In the inkjet business, although sales fared well in Japan, overall they were slightly down compared with the same period of the previous fiscal year as a result of weakened sales in the Americas and Europe. Sales in the digital duplicating business were down from the same period a year ago. As a result, net sales in the printing equipment business totaled 18,018 million yen (down 4.7% year on year), partly due to the impact of foreign exchange rates, and operating income amounted to 609 million yen (down 40.8% year on year).

Japan

Sales in the digital duplicating business decreased while sales in the inkjet business rose favorably. Net sales stood at 11,130 million yen (0.0% increase year on year) and operating income amounted to 916 million yen (down 3.0% year on year).

The Americas

Although sales from the North American subsidiary decreased, the implementation of business restructuring improved profitability at the operating income level. As a result net sales stood at ¥1,384 million yen (down 26.4%) and operating loss amounted to 232 million yen (compared with an operating loss of 401 million yen in the same period of the previous fiscal year).

Europe

Since sales in the inkjet business slowed in the developed countries while sales in the digital duplicating business weakened slightly in the emerging countries, overall sales were down compared with the same period of the previous fiscal year. As a result net sales stood at 3,310 million yen (down 5.5% year on year), and operating loss was 264 million yen (compared with an operating income of 91 million yen in the same period of the previous fiscal year).

Asia

Sales in the digital duplicating business were lower than the same period of the previous fiscal year. Net sales stood at 2,192 million yen (down 8.7% year on year) and operating income amounted to 190 million yen (down 51.9% year on year).

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 for the real estate business and others were 378 million yen (down 7.7% year on year) and operating income amounted to 112 million yen (down 29.7% 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 1,984 million yen to 87,869 million yen, while net assets declined 842 million yen to 61,252 million yen. As a result, the equity ratio moved up 0.6 points to 69.7%.

The main changes in the assets portion include an increase of 2,451 million yen in short-term investment securities, in contrast to decreases of 1,513 million yen in cash and deposits, 2,223 million yen in notes and accounts receivable-trade and 164 million yen in goodwill.

In the liabilities portion, there were decreases in notes and accounts payable-trade of 160 million yen, income taxes payable of 259 million yen and provision for bonuses of 741 million yen.

(3) Qualitative information regarding forecasts

The consolidated forecasts for the fiscal year ending March 31, 2012, which were released on May 9, 2011, are changed as follows.

- a. Changes to the forecast figures for the six months ending September 30, 2011
(April 1, 2011 to September 30, 2011)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts	36,570	600	660	840	33.28 yen
Revised forecasts	35,900	1,200	1,250	1,300	51.51 yen
Difference	(670)	600	590	460	–
Percentage change	(1.8)	100.0	89.4	54.8	–
(Reference) Actual results of the six months ended September 30, 2010	37,455	1,848	1,956	1,812	70.83 yen

- b. Changes to the full-year forecast figures for the fiscal year ending March 31, 2012
(April 1, 2011 to March 31, 2012)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts	77,700	2,500	2,510	2,530	100.25 yen
Revised forecasts	75,700	3,600	3,550	3,500	138.68 yen
Difference	(2,000)	1,100	1,040	970	–
Percentage change	(2.6)	44.0	41.4	38.3	–
(Reference) Actual results of the fiscal year ended March 31, 2011	76,897	4,406	4,939	6,288	247.45 yen

Reasons for changes

Net sales in the printing equipment business for the first quarter were lower than planned due to the struggling overseas sales. Net sales for the six month period are expected to be lower than the previous forecast due to the decreased overseas sales and the impact of foreign exchange rates. Operating income, ordinary income and net income for the first six months are expected to exceed those of the previous forecast due to increased gross profit in the digital duplicating business in Japan and because selling, general and administrative expenses are expected to be lower than planned.

Full-year net sales are also expected to be lower than the previous forecast due to the decreased overseas sales and the impact of foreign exchange rates. In the meantime, full-year operating income, ordinary income and net income are expected to be higher than the previous forecast because selling, general and administrative expenses are expected to remain lower than planned in the second six months of the fiscal year.

(Reference)

The full-year exchange rates were changed to 80 yen and 112 yen against the US dollar and euro, respectively. They were estimated at 86 yen and 115 yen respectively at the beginning of the fiscal year.

2. Consolidated Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011 (Summary)
Assets		
Current assets		
Cash and deposits	13,780	12,266
Notes and accounts receivable-trade	13,881	11,658
Short-term investment securities	4,096	6,547
Merchandise and finished goods	11,287	11,255
Work in process	416	425
Raw materials and supplies	1,230	1,132
Deferred tax assets	2,495	2,478
Other	2,561	2,652
Allowance for doubtful accounts	(485)	(486)
Total current assets	49,263	47,930
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,900	17,931
Accumulated depreciation	(11,530)	(11,606)
Buildings and structures, net	6,369	6,324
Machinery, equipment and vehicles	7,170	7,055
Accumulated depreciation	(6,232)	(6,160)
Machinery, equipment and vehicles, net	937	895
Tools, furniture and fixtures	15,189	15,189
Accumulated depreciation	(14,486)	(14,527)
Tools, furniture and fixtures, net	702	662
Land	17,139	17,139
Lease assets	344	337
Accumulated depreciation	(212)	(206)
Lease assets, net	132	130
Construction in progress	83	92
Other	11,911	11,755
Accumulated depreciation	(8,835)	(8,690)
Other, net	3,076	3,065
Total property, plant and equipment	28,442	28,309
Intangible assets		
Goodwill	2,633	2,468
Software	1,552	1,468
Other	3,129	3,134
Total intangible assets	7,315	7,071
Investments and other assets		
Investment securities	1,572	1,537
Long-term loans receivable	123	130
Other	3,265	3,005
Allowance for doubtful accounts	(126)	(115)
Total investments and other assets	4,833	4,558
Total noncurrent assets	40,591	39,939
Total assets	89,854	87,869

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011 (Summary)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,366	12,206
Short-term loans payable	2,160	2,217
Current portion of long-term loans payable	3	3
Income taxes payable	720	461
Provision for bonuses	1,550	808
Provision for directors' bonuses	60	12
Provision for product warranties	136	114
Other	5,268	5,360
Total current liabilities	22,267	21,185
Noncurrent liabilities		
Long-term loans payable	53	52
Deferred tax liabilities	767	753
Provision for retirement benefits	3,597	3,628
Provision for loss on litigation	65	65
Other	1,008	932
Total noncurrent liabilities	5,492	5,432
Total liabilities	27,759	26,617
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	36,249	35,688
Treasury stock	(511)	(511)
Total shareholders' equity	64,633	64,071
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(21)	(55)
Foreign currency translation adjustment	(2,516)	(2,764)
Total accumulated other comprehensive income	(2,538)	(2,819)
Total net assets	62,095	61,252
Total liabilities and net assets	89,854	87,869

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

	(Millions of yen)	
	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Net sales	19,321	18,396
Cost of sales	9,649	8,339
Gross profit	9,671	10,057
Selling, general and administrative expenses	8,482	9,335
Operating income	1,189	721
Non-operating income		
Interest income	44	44
Dividends income	27	22
Equity in earnings of affiliates	65	-
Other	124	99
Total non-operating income	262	166
Non-operating expenses		
Interest expenses	23	12
Foreign exchange losses	253	81
Other	45	20
Total non-operating expenses	321	115
Ordinary income	1,130	773
Extraordinary income		
Gain on transfer of business	-	110
Gain on transfer of goodwill	-	55
Total extraordinary income	-	165
Income before income taxes and minority interests	1,130	938
Income taxes	(23)	237
Income before minority interests	1,153	700
Net income	1,153	700

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Three months ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Income before minority interests	1,153	700
Other comprehensive income		
Valuation difference on available-for-sale securities	(274)	(33)
Foreign currency translation adjustment	(808)	(248)
Total other comprehensive income	(1,082)	(281)
Comprehensive income	70	419
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	70	419
Comprehensive income attributable to minority interests	-	-

(3) Notes on premise of going concern

No items to report

(4) Segment information

1. Three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

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	11,128	1,881	3,501	2,401	18,911	409	19,321
Segment income (loss)	944	(401)	91	396	1,030	159	1,189

Notes: 1. Real estate business and others includes real estate business, print creating business and insurance agency 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. Three months ended June 30, 2011 (from April 1, 2011 to June 30, 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	11,130	1,384	3,310	2,192	18,018	378	18,396
Segment income (loss)	916	(232)	(264)	190	609	112	721

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.

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

No items to report.

(6) Subsequent events

The Company's Board of Directors resolved at the meeting held on July 29, 2011 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.

- (1) Type of shares to be purchased: Common stock of the Company
- (2) Number of shares to be purchased: Up to 850,000 shares

- (3) Total purchase cost: Up to 1,000,000,000 yen
(4) Purchase period: From August 10, 2011 to September 22, 2011