

Consolidated Financial Results
for the Six 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
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Scheduled date to file Quarterly Report: November 10, 2011
 Scheduled date of dividend payment commencement: –
 Preparation of supplementary information on quarterly business results: Yes
 Holding of briefing on quarterly business results: Yes (for analysts, in Japanese)

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

1. Consolidated performance for the six months of the fiscal year ending March 31, 2012
(from April 1, 2011 to September 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	%
Six months ended								
September 30, 2011	35,944	(4.0)	1,276	(31.0)	1,095	(44.0)	1,010	(44.2)
September 30, 2010	37,455	0.2	1,848	–	1,956	–	1,812	–

Note: Comprehensive Income

Six months ended September 30, 2011: (192) million yen / -% Six months ended September 30, 2010: 399 million yen / -%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended		
September 30, 2011	40.39	–
September 30, 2010	70.83	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2011	82,762	59,141	71.5
March 31, 2011	89,854	62,095	69.1

Reference: Shareholders' Equity As of September 30, 2011: 59,141 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	–	0.00			
Fiscal year ending March 31, 2012 (Forecasts)			–	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
Fiscal year ending March 31, 2012	75,700	(1.6)	3,600	(18.3)	3,550	(28.1)	3,500	(44.3)	142.35

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): Yes

Excluded: one company (Name: ORTEK CORPORATION)

Note: For more details, please see "2. Other Information (1) Changes in significant subsidiaries during the six months" on page 4 of Attached Materials

(2) Adoption of peculiar accounting methods for quarterly consolidated financial statements: None

(3) Changes in accounting policies / changes in accounting estimates / restatement

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. Restatement: None

(4) Number of issued shares (common stock)

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

As of September 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 September 30, 2011	1,546,656 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)

Six months ended September 30, 2011	25,019,399 shares
Six months ended September 30, 2010	25,585,851 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

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1. Qualitative Information regarding Consolidated Results for the Six 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 current six months, although sales in Japan from the printing equipment business were firm, 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 fiscal year, there was an increase in selling, general and administrative expenses due to expenses related to the amortization of goodwill and an increase in research and development expenses. As a result, net sales were 35,944 million yen (down 4.0% year on year), operating income amounted to 1,276 million yen (down 31.0% year on year), ordinary income was 1,095 million yen (down 44.0% year on year) and net income amounted to 1,010 million yen (down 44.2% year on year).

Please note that the average exchange rate over the current six months was 79.82 yen (a 9.13 yen appreciation of the yen year on year) for the US dollar and 113.79 yen (a 0.06 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 printers. In the inkjet business, although sales struggled in the Americas, sales were strong in Japan and firm in Europe. In the digital duplicating business, sales in every region were down from the same period of the previous fiscal year. As a result, net sales in the printing equipment business totaled 35,168 million yen (down 4.0% year on year), partly due to the impact of foreign exchange rates, and operating income amounted to 1,042 million yen (down 32.4% year on year).

Japan

Sales in the digital duplicating business decreased while sales in the inkjet business were strong. Net sales rose 1.1% year on year to 22,254 million yen. Operating income was 1,771 million yen (up 14.1% year on year), boosted by increased sales of ORPHIS and a reduction in the cost of sales in the inkjet business.

The Americas

Gross profit fell because of decreases in sales in both the inkjet business and digital duplicating business. However, by reducing selling, general and administrative expenses through business restructuring, the bottom line was improved. As a result, net sales totaled 2,758 million yen (down 25.8%), partly due to the impact of foreign exchange rates, and operating loss amounted to 547 million yen (compared with an operating loss of 747 million yen in the same period of the previous fiscal year).

Europe

Although sales in the inkjet business were firm, sales in the digital duplicating business decreased from the same period of the previous fiscal year. As a result, net sales totaled 5,927 million yen (down 7.4% year on year), and operating loss was 439 million yen (compared with an operating income of 146 million yen in the same period of the previous fiscal year).

Asia

Due to the effect of foreign exchange rates, net sales totaled 4,228 million yen (down 6.1% year on year). Operating income was 257 million yen (down 56.3% 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 775 million yen (down 5.3% year on year) and operating income amounted to 233 million yen (down 23.8% 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 7,092 million yen to 82,762 million yen, while net assets declined 2,954 million yen to 59,141 million yen. As a result, the equity ratio moved up 2.4 points to 71.5%.

The main changes in the assets portion include decreases of 2,918 million yen in cash and deposits, 2,496 million yen in notes and accounts receivable-trade and 1,811 million yen in merchandise and finished goods. In the liabilities portion, there were decreases of 2,919 million yen in notes and accounts payable-trade, 183 million yen in short-term loans payable and 269 million yen in income taxes payable.

(Cash flows)

Net cash provided by operating activities was 2,295 million yen (down 26.6% year on year). This is mainly attributable to income before income taxes and minority interests of 1,433 million yen, depreciation and amortization of 1,135 million yen, a decrease in notes and accounts receivable-trade of 1,754 million yen, a decrease in inventories of 637 million yen and a decrease in notes and accounts payable-trade of 2,427 million yen.

Net cash used in investing activities was 634 million yen (compared to 116 million yen of net cash provided in the same period of the previous fiscal year). This is primarily the result of the expenses of 691 million yen for payments into time deposits, 429 million yen for the purchase of property, plant and equipment, 484 million yen for the purchase of intangible assets, and proceeds from withdrawal of time deposits of 902 million yen.

Net cash used in financing activities was 2,796 million yen (down 9.0% year on year). The result mainly reflects an expense of 1,499 million yen for the purchase of treasury stock, and payments of 1,262 million yen for cash dividends.

(3) Qualitative information regarding forecasts

There has been no revision to the consolidated forecasts for the fiscal year ending March 31, 2012, which were released on July 29, 2011.

2. Other Information

(1) Changes in significant subsidiaries during the six months

ORTEK CORPORATION, which was a consolidated subsidiary of the Company at the end of the previous fiscal year, was merged into the Company by absorption-type merger conducted on September 30, 2011, whereby the Company was the surviving company and ORTEK CORPORATION, a specified subsidiary of the Company, was the dissolving company. Accordingly, the aforesaid specified subsidiary was dissolved.

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and deposits	13,780	10,862
Notes and accounts receivable-trade	13,881	11,385
Short-term investment securities	4,096	5,213
Merchandise and finished goods	11,287	9,476
Work in process	416	473
Raw materials and supplies	1,230	1,646
Deferred tax assets	2,495	2,351
Other	2,561	1,956
Allowance for doubtful accounts	(485)	(433)
Total current assets	49,263	42,933
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,900	17,948
Accumulated depreciation	(11,530)	(11,647)
Buildings and structures, net	6,369	6,300
Machinery, equipment and vehicles	7,170	6,963
Accumulated depreciation	(6,232)	(6,125)
Machinery, equipment and vehicles, net	937	837
Tools, furniture and fixtures	15,189	14,839
Accumulated depreciation	(14,486)	(14,230)
Tools, furniture and fixtures, net	702	608
Land	17,139	17,139
Lease assets	344	317
Accumulated depreciation	(212)	(170)
Lease assets, net	132	147
Construction in progress	83	249
Other	11,911	11,422
Accumulated depreciation	(8,835)	(8,517)
Other, net	3,076	2,905
Total property, plant and equipment	28,442	28,188
Intangible assets		
Goodwill	2,633	2,304
Software	1,552	1,432
Other	3,129	3,181
Total intangible assets	7,315	6,917
Investments and other assets		
Investment securities	1,572	1,473
Long-term loans receivable	123	256
Other	3,265	3,099
Allowance for doubtful accounts	(126)	(105)
Total investments and other assets	4,833	4,723
Total noncurrent assets	40,591	39,829
Total assets	89,854	82,762

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,366	9,446
Short-term loans payable	2,160	1,977
Current portion of long-term loans payable	3	3
Income taxes payable	720	451
Provision for bonuses	1,550	1,585
Provision for directors' bonuses	60	35
Provision for product warranties	136	105
Other	5,268	4,699
Total current liabilities	22,267	18,305
Noncurrent liabilities		
Long-term loans payable	53	51
Deferred tax liabilities	767	720
Provision for retirement benefits	3,597	3,654
Provision for loss on litigation	65	53
Other	1,008	836
Total noncurrent liabilities	5,492	5,316
Total liabilities	27,759	23,621
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	36,249	35,998
Treasury stock	(511)	(2,011)
Total shareholders' equity	64,633	62,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(110)
Foreign currency translation adjustment	(2,516)	(3,630)
Total accumulated other comprehensive income	(2,538)	(3,740)
Total net assets	62,095	59,141
Total liabilities and net assets	89,854	82,762

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

	(Millions of yen)	
	Second Quarter ended September 30, 2010 (From April 1, 2010 to September 30, 2010)	Second Quarter ended September 30, 2011 (From April 1, 2011 to September 30, 2011)
Net sales	37,455	35,944
Cost of sales	18,902	16,623
Gross profit	18,553	19,320
Selling, general and administrative expenses	16,704	18,043
Operating income	1,848	1,276
Non-operating income		
Interest income	102	82
Dividends income	27	22
Equity in earnings of affiliates	147	-
Other	186	195
Total non-operating income	464	300
Non-operating expenses		
Interest expenses	41	25
Foreign exchange losses	222	377
Other	92	78
Total non-operating expenses	356	481
Ordinary income	1,956	1,095
Extraordinary income		
Gain on transfer of goodwill	-	228
Gain on transfer of business	-	110
Total extraordinary income	-	338
Income before income taxes and minority interests	1,956	1,433
Income taxes	143	423
Income before minority interests	1,812	1,010
Net income	1,812	1,010

(Consolidated quarterly statements of comprehensive income)

	(Millions of yen)	
	Second quarter ended September 30, 2010 (From April 1, 2010 to September 30, 2010)	Second quarter ended September 30, 2011 (From April 1, 2011 to September 30, 2011)
Income before minority interests	1,812	1,010
Other comprehensive income		
Valuation difference on available-for-sale securities	(358)	(88)
Foreign currency translation adjustment	(1,054)	(1,113)
Total other comprehensive income	(1,413)	(1,202)
Comprehensive income	399	(192)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	399	(192)
Comprehensive income attributable to minority interests	-	-

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Second quarter ended September 30, 2010 (From April 1, 2010 to September 30, 2010)	Second quarter ended September 30, 2011 (From April 1, 2011 to September 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,956	1,433
Depreciation and amortization	1,247	1,135
Amortization of goodwill	–	329
Equity in (earnings) losses of affiliates	(147)	–
Increase (decrease) in provision for retirement benefits	38	56
Increase (decrease) in allowance for doubtful accounts	42	(17)
Interest and dividends income	(130)	(104)
Interest expenses	41	25
Foreign exchange losses (gains)	153	85
Loss (gain) on transfer of business	–	(110)
Decrease (increase) in notes and accounts receivable-trade	1,932	1,754
Decrease (increase) in inventories	34	637
Increase (decrease) in notes and accounts payable-trade	(808)	(2,427)
Increase (decrease) in accounts payable-other	(509)	(269)
Other, net	(513)	230
Subtotal	3,338	2,759
Interest and dividends income received	126	103
Interest expenses paid	(37)	(26)
Income taxes paid	(320)	(568)
Income taxes refund	18	27
Net cash provided by (used in) operating activities	3,126	2,295
Net cash provided by (used in) investing activities		
Payments into time deposits	(597)	(691)
Proceeds from withdrawal of time deposits	840	902
Purchase of property, plant and equipment	(395)	(429)
Proceeds from sales of property, plant and equipment	6	10
Purchase of intangible assets	(533)	(484)
Payments of loans receivable	(0)	(23)
Collection of loans receivable	26	4
Proceeds from transfer of business	–	110
Other, net	770	(34)
Net cash provided by (used in) investing activities	116	(634)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,746)	9
Repayment of long-term loans payable	(13)	(1)
Purchase of treasury stock	(499)	(1,499)
Cash dividends paid	(771)	(1,262)
Other, net	(43)	(42)
Net cash provided by (used in) financing activities	(3,074)	(2,796)
Effect of exchange rate change on cash and cash equivalents	(597)	(592)
Net increase (decrease) in cash and cash equivalents	(429)	(1,727)
Cash and cash equivalents at beginning of period	17,910	17,130
Cash and cash equivalents at end of period	17,481	15,402

(4) Notes on premise of going concern

No items to report

(5) Segment information

1. Second quarter ended September 30, 2010 (from April 1, 2010 to September 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	22,019	3,717	6,397	4,502	36,636	818	37,455
Segment income (loss)	1,552	(747)	146	589	1,541	306	1,848

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. Second quarter ended September 30, 2011 (from April 1, 2011 to September 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	22,254	2,758	5,927	4,228	35,168	775	35,944
Segment income (loss)	1,771	(547)	(439)	257	1,042	233	1,276

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

The Company purchased treasury stock during the current second quarter. As a result, treasury stock increased 1,500 million yen during the second quarter and amounted to 2,011 million yen at the end of the current second quarter.