

Consolidated Financial Results
for the Nine 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: February 7, 2012
 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, 2012
(from April 1, 2011 to December 31, 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	%
Nine months ended								
December 31, 2011	53,532	(3.5)	2,155	(28.6)	2,091	(34.0)	1,847	(35.3)
December 31, 2010	55,482	(1.6)	3,016	926.0	3,169	472.1	2,854	–

Note: Comprehensive Income

Nine months ended December 31, 2011: 455 million yen / (66.3)% Nine months ended December 31, 2010: 1,351 million yen / -%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended		
December 31, 2011	74.71	–
December 31, 2010	112.09	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2011	84,000	59,788	71.2
March 31, 2011	89,854	62,095	69.1

Reference: Shareholders' Equity As of December 31, 2011: 59,788 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)

(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 December 31, 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 December 31, 2011	1,546,848 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)

Nine months ended December 31, 2011	24,730,713 shares
Nine months ended December 31, 2010	25,469,493 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 Nine 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 nine 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 53,532 million yen (down 3.5% year on year), operating income amounted to 2,155 million yen (down 28.6% year on year), ordinary income was 2,091 million yen (down 34.0% year on year) and net income amounted to 1,847 million yen (down 35.3% year on year).

Please note that the average exchange rate over the current nine months was 79.01 yen (a 7.84 yen appreciation of the yen year on year) for the US dollar and 110.64 yen (a 2.67 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. Sales went well in the inkjet business. In the digital duplicating business, sales were down from the same period of the previous fiscal year. As a result, net sales in the printing equipment business totaled 52,222 million yen (down 3.5% year on year), partly due to the impact of foreign exchange rates, and operating income amounted to 1,738 million yen (down 31.7% year on year).

Japan

Sales in the digital duplicating business decreased while sales in the inkjet business were strong. Net sales rose 0.9% year on year to 32,872 million yen. Operating income was 2,987 million yen (up 13.8% year on year), boosted by the 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 3,816 million yen (down 26.3%), partly due to the impact of foreign exchange rates, and operating loss amounted to 864 million yen (compared with an operating loss of 1,022 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 9,117 million yen (down 6.2% year on year), and operating loss was 559 million yen (compared with an operating income of 93 million yen in the same period of the previous fiscal year).

Asia

Due to the effect of foreign exchange rates, net sales totaled 6,416 million yen (down 3.5% year on year). Operating income was 174 million yen (down 79.4% year on year), partly due to increase of selling 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 for the real estate business and others were 1,309 million yen (down 4.1% year on year) and operating income amounted to 416 million yen (down 11.4% 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 5,854 million yen to 84,000 million yen, while net assets declined 2,306 million yen to 59,788 million yen. As a result, the equity ratio moved up 2.1 points to 71.2%.

The main changes in the assets portion include decreases of 3,338 million yen in notes and accounts receivable-trade, 1,478 million yen in merchandise and finished goods, and 493 million yen in goodwill. In the liabilities portion, there were decreases of 2,149 million yen in notes and accounts payable-trade, 257 million yen in income taxes payable, and 758 million yen in provision for bonuses.

(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 nine 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 December 31, 2011
Assets		
Current assets		
Cash and deposits	13,780	13,579
Notes and accounts receivable-trade	13,881	10,543
Short-term investment securities	4,096	4,851
Merchandise and finished goods	11,287	9,809
Work in process	416	561
Raw materials and supplies	1,230	1,785
Deferred tax assets	2,495	2,211
Other	2,561	1,827
Allowance for doubtful accounts	(485)	(282)
Total current assets	49,263	44,886
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,900	17,976
Accumulated depreciation	(11,530)	(11,733)
Buildings and structures, net	6,369	6,243
Machinery, equipment and vehicles	7,170	6,979
Accumulated depreciation	(6,232)	(6,140)
Machinery, equipment and vehicles, net	937	839
Tools, furniture and fixtures	15,189	14,842
Accumulated depreciation	(14,486)	(14,279)
Tools, furniture and fixtures, net	702	562
Land	17,139	17,139
Lease assets	344	327
Accumulated depreciation	(212)	(175)
Lease assets, net	132	152
Construction in progress	83	263
Other	11,911	10,970
Accumulated depreciation	(8,835)	(8,326)
Other, net	3,076	2,644
Total property, plant and equipment	28,442	27,845
Intangible assets		
Goodwill	2,633	2,139
Software	1,552	1,366
Other	3,129	3,249
Total intangible assets	7,315	6,755
Investments and other assets		
Investment securities	1,572	1,297
Long-term loans receivable	123	261
Other	3,265	3,055
Allowance for doubtful accounts	(126)	(101)
Total investments and other assets	4,833	4,512
Total noncurrent assets	40,591	39,114
Total assets	89,854	84,000

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,366	10,216
Short-term loans payable	2,160	2,009
Current portion of long-term loans payable	3	2
Income taxes payable	720	463
Provision for bonuses	1,550	792
Provision for directors' bonuses	60	52
Provision for product warranties	136	100
Other	5,268	5,357
Total current liabilities	22,267	18,994
Noncurrent liabilities		
Long-term loans payable	53	51
Deferred tax liabilities	767	641
Provision for retirement benefits	3,597	3,691
Provision for loss on litigation	65	53
Other	1,008	779
Total noncurrent liabilities	5,492	5,216
Total liabilities	27,759	24,211
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	36,249	36,835
Treasury stock	(511)	(2,011)
Total shareholders' equity	64,633	63,718
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(282)
Foreign currency translation adjustment	(2,516)	(3,647)
Total accumulated other comprehensive income	(2,538)	(3,930)
Total net assets	62,095	59,788
Total liabilities and net assets	89,854	84,000

(2) Consolidated quarterly statements of (comprehensive) income

(Consolidated quarterly statements of income)

	(Millions of yen)	
	Third Quarter ended December 31, 2010 (From April 1, 2010 to December 31, 2010)	Third Quarter ended December 31, 2011 (From April 1, 2011 to December 31, 2011)
Net sales	55,482	53,532
Cost of sales	27,313	24,323
Gross profit	28,169	29,208
Selling, general and administrative expenses	25,152	27,053
Operating income	3,016	2,155
Non-operating income		
Interest income	141	120
Dividends income	37	32
Equity in earnings of affiliates	260	-
Other	270	271
Total non-operating income	710	424
Non-operating expenses		
Interest expenses	58	38
Foreign exchange losses	321	323
Other	176	126
Total non-operating expenses	556	488
Ordinary income	3,169	2,091
Extraordinary income		
Gain on transfer of goodwill	-	263
Gain on transfer of business	-	110
Total extraordinary income	-	373
Income before income taxes and minority interests	3,169	2,464
Income taxes	314	617
Income before minority interests	2,854	1,847
Net income	2,854	1,847

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Third quarter ended December 31, 2010 (From April 1, 2010 to December 31, 2010)	Third quarter ended December 31, 2011 (From April 1, 2011 to December 31, 2011)
Income before minority interests	2,854	1,847
Other comprehensive income		
Valuation difference on available-for-sale securities	(145)	(260)
Foreign currency translation adjustment	(1,358)	(1,131)
Total other comprehensive income	(1,503)	(1,391)
Comprehensive income	1,351	455
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,351	455
Comprehensive income attributable to minority interests	—	—

(3) Notes on premise of going concern

No items to report

(4) Segment information

1. Third quarter ended December 31, 2010 (from April 1, 2010 to December 31, 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	32,567	5,178	9,721	6,648	54,116	1,365	55,482
Segment income (loss)	2,625	(1,022)	93	848	2,545	470	3,016

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. 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 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

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