

Consolidated Financial Results for the Fiscal Year Ended 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 of Regular General Meeting of Shareholders: June 26, 2012
 Scheduled date of dividend payment commencement: June 27, 2012
 Scheduled date to file Securities Report: June 27, 2012
 Preparation of supplementary information on business results: Yes
 Holding of briefing on business results: Yes (for analysts, in Japanese)

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

1. Consolidated performance for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	74,847	(2.7)	4,050	(8.1)	4,309	(12.8)	2,886	(54.1)
March 31, 2011	76,897	(2.0)	4,406	164.0	4,939	133.7	6,288	—

Note: Comprehensive income

Fiscal year ended March 31, 2012: 2,492 million yen / (51.0%) Fiscal year ended March 31, 2011: 5,091 million yen / —%

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
March 31, 2012	117.40	—	4.7	4.8	5.4
March 31, 2011	247.45	—	10.4	5.5	5.7

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2012: — million yen Fiscal year ended March 31, 2011: 358 million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2012	89,697	61,825	68.9	2,559.40
March 31, 2011	89,854	62,095	69.1	2,460.43

Reference: Shareholders' equity As of March 31, 2012: 61,825 million yen As of March 31, 2011: 62,095 million yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2012	8,945	(2,212)	(2,773)	20,976
March 31, 2011	6,362	(3,006)	(3,622)	17,130

2. Cash dividends

	Cash dividends per share					Total dividends (annual)	Dividend pay-out ratio (consolidated)	Net assets-to dividend ratio (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million of yen	%	%
Fiscal year ended March 31, 2011	–	0.00	–	50.00	50.00	1,261	20.2	2.1
Fiscal year ended March 31, 2012	–	0.00	–	40.00	40.00	966	34.1	1.6
Fiscal year ending March 31, 2013 (Forecast)	–	0.00	–	50.00	50.00		40.3	

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
Six months ending September 30, 2012	35,700	(0.7)	1,000	(21.7)	1,050	(4.1)	800	(20.8)	33.12
Fiscal year ending March 31, 2013	75,800	1.3	2,750	(32.1)	2,800	(35.0)	3,000	3.9	124.19

4. Others

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Excluded: one company (Name: ORTEK CORPORATION)

(2) 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

(3) Number of issued shares (common stock)

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

As of March 31, 2012	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 March 31, 2012	1,546,848 shares
As of March 31, 2011	465,585 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2012	24,587,899 shares
Fiscal year ended March 31, 2011	25,412,325 shares

* Indication regarding execution of audit procedures

This financial results report is not subject to the audit procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this financial results report, the audit procedures for financial statements 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. Business Results

(1) Analysis of Results

a. Results of the fiscal year under review

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. In the fiscal year under review, RISO strove to achieve its essential objectives of overcoming the destabilizing factors caused by the earthquake and its aftermath, and energizing its sales activities to strengthen its profit structure. Effective March 31, 2011, the Company terminated a joint business with Olympus Corporation and established a system that conducts both manufacturing and development of inkjet printers on a stand-alone basis.

On the sales front, although sales in Japan from the printing equipment business were firm, sales for the same business overall were down year on year due to struggling overseas sales and the effect of foreign exchange. As for profit, although the cost of sales was lower as a result of switching to in-house manufacturing of the inkjet printers from August, 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 74,847 million yen (down 2.7% year on year), operating income amounted to 4,050 million yen (down 8.1% year on year), ordinary income was 4,309 million yen (down 12.8% year on year) and net income amounted to 2,886 million yen (down 54.1% year on year). The effect on business results from the Great East Japan Earthquake was slight for the fiscal year under review.

Please note that the average exchange rates over the fiscal year under review were 79.08 yen (a 6.64 yen appreciation of the yen year on year) for the US dollar and 108.98 yen (a 4.14 yen appreciation of the yen year on year) for the euro.

Results by segment are as follows:

- 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 went well in the inkjet business. In the digital duplicating business, sales were down from the previous fiscal year. As a result, net sales in the printing equipment business totaled 73,149 million yen (down 2.7% year on year), partly due to the impact of the appreciated yen, and operating income amounted to 3,528 million yen (down 7.8% 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 46,572 million yen. Operating income was 5,150 million yen (up 24.2% 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 5,177 million yen (down 23.3% year on year), partly due to the impact of foreign exchange rates, and operating loss amounted to 1,110 million yen (compared with an operating loss of 1,582 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 previous fiscal year. As a result, net sales totaled 12,390 million yen (down 6.2% year on year), partly due to the impact of foreign exchange rates, and operating loss was 897 million yen (compared with an operating income of 0 million yen in the same period of the previous fiscal year).

Asia

Due to the effect of foreign exchange rates, net sales totaled 9,008 million yen (down 1.6% year on year). Operating income was 386 million yen (down 69.3% year on year), partly due to increase of selling expenses.

- 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 1,698 million yen (down 0.4% year on year) and operating income amounted to 521 million yen (down 10.3% year on year).

b. Business outlook for the next fiscal year

Because of the strong yen and struggling overseas sales, RISO reported a decline in consolidated net sales for four fiscal years in succession. In the next fiscal year, however, RISO aims to achieve an increase in net sales by expanding the inkjet business while maintaining steady sales in the digital duplicating business. For the next fiscal year, RISO is forecasting net sales of 75,800 million yen. As for profit, RISO is forecasting that an increase in research and development expenses to develop new products and an increase in selling expenses to expand overseas sales will result in operating income of 2,750 million yen, ordinary income of 2,800 million yen and net income of 3,000 million yen.

In the above forecast, we use the exchange rate of 82 yen against the US dollar and 107 yen against the euro.

(2) Analysis of Financial Position

a. Assets, liabilities and net assets

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

Total assets and net assets decreased 157 million yen and 269 million yen, respectively.

The main changes in the assets portion include an increase of 4,634 million yen in short-term investment securities, in contrast to decreases of 2,370 million yen in merchandise and finished goods, 1,094 million yen in deferred tax assets, 240 million yen in buildings and structures, net, 179 million yen in tools, furniture and fixtures, 196 million yen in land, and 624 million yen in goodwill. In the liabilities portion, there was an increase of 1,967 million yen in other current liabilities, in contrast to decreases of 1,169 million yen in notes and accounts payable-trade, 430 million yen in income taxes payable and 131 million yen in long-term deferred tax liabilities.

b. Cash flows

Cash and cash equivalents (“cash”) at the end of the fiscal year under review increased by 3,846 million yen year on year to 20,976 million yen.

The positions and contributing factors of each cash flow in the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 8,945 million yen (up 40.6% year on year). This is mainly attributable to income before income taxes and minority interests of 4,280 million yen, depreciation and amortization of 2,319 million yen, amortization of goodwill of 659 million yen, a decrease in inventories of 1,307 million yen, an increase in accounts payable-other of 1,189 million yen, a decrease in notes and accounts payable-trade of 1,037 million yen, and income taxes paid of 832 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 2,212 million yen (down 26.4% year on year). This is primarily the result of the expense of 869 million yen for the purchase of property, plant and equipment, the expense of 1,158 million yen for the purchase of intangible assets, and proceeds from transfer of business of 110 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,773 million yen (down 23.4% 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) Basic Policy for Earning Distribution and Current and Next Fiscal Year Dividends

Our basic policy for the distribution of earnings to shareholders is the allocation of an appropriate portion of earnings as a dividend in accordance with business results while retaining the means to strengthen the corporate structure. RISO will strive to provide a stable dividend based on this policy and distribute annual dividends from surplus once a year at the end of every fiscal year. Also, we regard the repurchasing of shares as a measure for allocating earnings to shareholders and will effectuate it taking into account stock price levels and market trends.

Concerning the year-end dividend for the fiscal year under review, we plan to pay 40 yen per share, in line with the initial dividend forecast. With respect to the purchase of treasury stock, the Company paid 1,499 million yen to purchase 1,081,000 shares during the period August to September 2011.

For the next fiscal year, because business results have been generally stable over the past few years, we plan to pay a dividend of 50 yen per share.

2. Status of the Corporate Group

The Riso Group (RISO) consists of the Company, 24 subsidiaries, and 1 affiliated company. The main business of the Group is the development, manufacture and sale of printing equipment, as well as related market research. The Group also operates a real estate business and an insurance agency.

The following shows the relationship of main RISO members and their business territories.

RISO KAGAKU CORPORATION (Manufacture and sales)

<Subsidiaries in Japan>

Printing equipment - Sales

RISO OKINAWA CORPORATION

<Overseas subsidiaries>

Printing equipment - Sales and market research

RISO, INC.

RISO LATIN AMERICA, INC.

RISO (U.K.) LTD.

RISO (Deutschland) GmbH

RISO FRANCE S.A.

RISO IBERICA, S.A.

RISOGRAPH ITALIA S.p.A.

RISO EURASIA LLC

RISO AFRICA (PTY) LTD.

RISO HONG KONG LTD.

RISO (Thailand) LTD.

RISO INDIA PRIVATE LTD.

RISO KOREA LTD.

Printing equipment - Manufacture and sales

RISO (CHINA) TECHNOLOGY CO., LTD.

Printing equipment - Manufacture

RISO INDUSTRIES (H.K.) LTD.

RISO INDUSTRY (Thailand) CO., LTD.

Note: RISO TECHNOLOGY ZHUHAI CO., LTD changed its name to RISO (CHINA) TECHNOLOGY CO., LTD. on December 1, 2011.

3. Management Policies

(1) Basic Managerial Policies and Medium to Long-Term Business Strategy

RISO has formulated its fourth medium-term management plan (RISO Vision 13), whose final year ends in March 31, 2013, and is striving to improve its profitability with a focus on achieving strong growth by gaining new customers in the printing equipment business as the essential objective.

<Basic Policies in the Fourth Medium-Term Management Plan “RISO Vision 13”>

The aim of RISO Vision 13 is to realize strong growth by gaining new customers through the optimum utilization of corporate resources in order to re-establish a stable profit-making business model.

a. Develop, cultivate and strengthen sales channels in the inkjet business

Aiming to strengthen its sales force, RISO is focusing on developing sales channels with a strong sales force in specific locations and business fields while working to provide appropriate sales assistance by making group-wide sharing of sales information possible.

b. Build up both the product planning system and sales planning system on a global basis

Aiming to provide products that suit the needs in the market, RISO is strengthening overseas marketing functions and better reflecting market needs in product planning. We are also promoting proposal based sales that are sensitive to the regional preferences and scope of use of customers.

c. Conduct a dynamic review of both the manufacturing system as well as the structure of selling, general and administrative expenses

Aiming to lower the ratio of selling and administrative expenses to net sales, RISO is striving to energize and streamline sales activities on a group-wide basis. In addition, aiming to realize profitability that is not vulnerable to the effect of foreign exchange, RISO is reviewing its manufacturing system and working to further reduce costs.

(2) Business Performance Target

RISO aims to increase new customers in markets where there is demand for high-page-volume printing, and realize a stable revenue structure.

Although RISO's consolidated net sales target for the fiscal year ending March 31, 2013 was initially set at 83.0 billion yen in the fourth medium-term management plan (RISO Vision 13), we consider that it will now be difficult to achieve this target because the yen has strengthened further than initially planned for and overseas sales are struggling. On the other hand, we expect to realize our operating income target of 2.5 billion yen for each of the three fiscal years of this medium-term management plan. RISO shall strive to expand net sales in the fiscal year ending March 31, 2013.

(3) Issues to Address

In the printing equipment business, which is RISO's mainstay business, the inkjet business is growing, but the digital duplicating business is continuing to follow a trend of decline. A key issue for RISO to address is to accelerate the speed of growth in the inkjet business and maintain and recover in the digital duplicating business. In addition, while the level of overseas sales remains low, we recognize the urgency of our efforts to construct and cultivate overseas sales channels.

Operating under these circumstances, in the year ending March 31, 2013, the final year of the fourth medium-term management plan, RISO will pursue the following management policies.

<Management Policies for Fiscal Year Ending March 31, 2013>

Achieve sales increase by expanding the inkjet business and maintaining digital duplicating business.

a. Increase the number of inkjet printers operating in the market

RISO will focus on establishing sales channels, strengthening sales training and energizing sales activities. In addition, we will strive to develop new markets by proposing new applications.

b. Maintain steady sales in the digital duplicating business

While enhancing user support for existing customers, RISO will strive to energize sales channels in key markets.

c. Make a smooth transition to the new hardware production system

By the end of the fiscal year ending March 31, 2013, RISO will transfer hardware production of all digital duplicators to its factories in China and Thailand. In China, we aim to switch our production, which is currently consignment based, to a wholly owned company to convert to in-house manufacturing.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	13,780	13,377
Notes and accounts receivable-trade	13,881	14,240
Short-term investment securities	4,096	8,731
Merchandise and finished goods	11,287	8,916
Work in process	416	548
Raw materials and supplies	1,230	1,928
Deferred tax assets	2,495	1,400
Other	2,561	1,840
Allowance for doubtful accounts	(485)	(275)
Total current assets	49,263	50,707
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,900	17,982
Accumulated depreciation	(11,530)	(11,853)
Buildings and structures, net	6,369	6,129
Machinery, equipment and vehicles	7,170	7,114
Accumulated depreciation	(6,232)	(6,192)
Machinery, equipment and vehicles, net	937	921
Tools, furniture and fixtures	15,189	14,841
Accumulated depreciation	(14,486)	(14,318)
Tools, furniture and fixtures, net	702	522
Land	17,139	16,943
Lease assets	344	328
Accumulated depreciation	(212)	(183)
Lease assets, net	132	145
Construction in progress	83	427
Other	11,911	10,964
Accumulated depreciation	(8,835)	(8,515)
Other, net	3,076	2,449
Total property, plant and equipment	28,442	27,540
Intangible assets		
Goodwill	2,633	2,009
Software	1,552	2,303
Other	3,129	2,397
Total intangible assets	7,315	6,709
Investments and other assets		
Investment securities	1,572	1,463
Long-term loans receivable	123	239
Other	3,265	3,142
Allowance for doubtful accounts	(126)	(104)
Total investments and other assets	4,833	4,740
Total noncurrent assets	40,591	38,989
Total assets	89,854	89,697

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,366	11,197
Short-term loans payable	2,160	2,227
Current portion of long-term loans payable	3	2
Income taxes payable	720	290
Provision for bonuses	1,550	1,578
Provision for directors' bonuses	60	50
Provision for product warranties	136	93
Other	5,268	7,235
Total current liabilities	22,267	22,676
Noncurrent liabilities		
Long-term loans payable	53	38
Deferred tax liabilities	767	636
Provision for retirement benefits	3,597	3,691
Provision for loss on litigation	65	57
Other	1,008	771
Total noncurrent liabilities	5,492	5,195
Total liabilities	27,759	27,872
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	36,249	37,874
Treasury stock	(511)	(2,011)
Total shareholders' equity	64,633	64,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(107)
Foreign currency translation adjustment	(2,516)	(2,825)
Total accumulated other comprehensive income	(2,538)	(2,932)
Total net assets	62,095	61,825
Total liabilities and net assets	89,854	89,697

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

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	76,897	74,847
Cost of sales	38,273	34,259
Gross profit	38,624	40,588
Selling, general and administrative expenses	34,217	36,538
Operating income	4,406	4,050
Non-operating income		
Interest income	201	156
Dividends income	37	32
Equity in earnings of affiliates	358	–
Other	353	356
Total non-operating income	951	545
Non-operating expenses		
Interest expenses	91	47
Foreign exchange losses	166	146
Loss on retirement of noncurrent assets	71	30
Other	88	61
Total non-operating expenses	418	286
Ordinary income	4,939	4,309
Extraordinary income		
Gain on transfer of goodwill	–	263
Gain on transfer of business	–	110
Insurance return	35	43
Gain on step acquisitions	1,293	–
Total extraordinary income	1,328	417
Extraordinary loss		
Impairment loss	–	210
Loss on factory restructurings	–	143
Business structure improvement expenses	194	93
Total extraordinary losses	194	447
Income before income taxes and minority interests	6,073	4,280
Income taxes-current	564	430
Income taxes for prior periods	44	–
Income taxes-deferred	(823)	962
Total income taxes	(214)	1,393
Income before minority interests	6,288	2,886
Net income	6,288	2,886

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	6,288	2,886
Other comprehensive income		
Valuation difference on available-for-sale securities	(284)	(85)
Foreign currency translation adjustment	(912)	(308)
Total other comprehensive income	(1,197)	(394)
Comprehensive income	5,091	2,492
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,091	2,492
Comprehensive income attributable to minority interests	-	-

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	14,114	14,114
Balance at the end of current period	14,114	14,114
Capital surplus		
Balance at the beginning of current period	14,779	14,779
Balance at the end of current period	14,779	14,779
Retained earnings		
Balance at the beginning of current period	32,108	36,249
Changes of items during the period		
Dividends from surplus	(770)	(1,261)
Net income	6,288	2,886
Retirement of treasury stock	(1,375)	-
Total changes of items during the period	4,141	1,624
Balance at the end of current period	36,249	37,874
Treasury stock		
Balance at the beginning of current period	(1,386)	(511)
Changes of items during the period		
Purchase of treasury stock	(500)	(1,500)
Retirement of treasury stock	1,375	-
Total changes of items during the period	875	(1,500)
Balance at the end of current period	(511)	(2,011)
Total shareholders' equity		
Balance at the beginning of current period	59,616	64,633
Changes of items during the period		
Dividends from surplus	(770)	(1,261)
Net income	6,288	2,886
Purchase of treasury stock	(500)	(1,500)
Retirement of treasury stock	-	-
Total changes of items during the period	5,016	124
Balance at the end of current period	64,633	64,757

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	263	(21)
Changes of items during the period		
Net changes of items other than shareholders' equity	(284)	(85)
Total changes of items during the period	(284)	(85)
Balance at the end of current period	(21)	(107)
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,604)	(2,516)
Changes of items during the period		
Net changes of items other than shareholders' equity	(912)	(308)
Total changes of items during the period	(912)	(308)
Balance at the end of current period	(2,516)	(2,825)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(1,340)	(2,538)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,197)	(394)
Total changes of items during the period	(1,197)	(394)
Balance at the end of current period	(2,538)	(2,932)
Total net assets		
Balance at the beginning of current period	58,275	62,095
Changes of items during the period		
Dividends from surplus	(770)	(1,261)
Net income	6,288	2,886
Purchase of treasury stock	(500)	(1,500)
Retirement of treasury stock	-	-
Net changes of items other than shareholders' equity	(1,197)	(394)
Total changes of items during the period	3,819	(269)
Balance at the end of current period	62,095	61,825

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,073	4,280
Depreciation and amortization	2,528	2,319
Impairment loss	–	210
Amortization of goodwill	(0)	659
Equity in (earnings) losses of affiliates	(358)	–
Loss (gain) on step acquisitions	(1,293)	–
Increase (decrease) in provision for retirement benefits	73	94
Increase (decrease) in provision for directors' bonuses	60	(10)
Increase (decrease) in allowance for doubtful accounts	30	(206)
Interest and dividends income	(238)	(188)
Gain on maturity of insurance contract	(35)	(43)
Interest expenses	91	47
Foreign exchange losses (gains)	249	176
Loss (gain) on transfer of business	–	(110)
Decrease (increase) in notes and accounts receivable-trade	(165)	(547)
Decrease (increase) in inventories	(242)	1,307
Increase (decrease) in notes and accounts payable-trade	(226)	(1,037)
Increase (decrease) in accounts payable-other	98	1,189
Other, net	133	1,468
Subtotal	6,777	9,608
Interest and dividends income received	241	187
Interest expenses paid	(88)	(45)
Income taxes paid	(590)	(832)
Income taxes refund	21	27
Net cash provided by (used in) operating activities	6,362	8,945
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,263)	(1,519)
Proceeds from withdrawal of time deposits	1,203	1,198
Purchase of property, plant and equipment	(632)	(869)
Proceeds from sales of property, plant and equipment	11	19
Purchase of intangible assets	(1,015)	(1,158)
Purchase of investment securities	(147)	–
Proceeds from sales of investment securities	24	13
Payments of loans receivable	(0)	(23)
Collection of loans receivable	16	23
Proceeds from maturity of insurance funds	69	87
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(124)	–
Proceeds from transfer of business	–	110
Payments for transfer of business	(1,711)	–
Other, net	562	(94)
Net cash provided by (used in) investing activities	(3,006)	(2,212)

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,241)	85
Repayment of long-term loans payable	(17)	(16)
Purchase of treasury stock	(499)	(1,499)
Repayments of lease obligations	(93)	(79)
Cash dividends paid	(771)	(1,262)
Other, net	2	(0)
Net cash provided by (used in) financing activities	(3,622)	(2,773)
Effect of exchange rate change on cash and cash equivalents	(512)	(113)
Net increase (decrease) in cash and cash equivalents	(780)	3,846
Cash and cash equivalents at beginning of period	17,910	17,130
Cash and cash equivalents at end of period	17,130	20,976

(Segment Information)

a. Segment information

1. Reportable segments

Reportable segments of the Company are constituent units for which separate financial information is obtainable, and the Board of Directors periodically conducts examinations of these segments to determine the distribution of management resources and evaluate performance.

The Company's business is classified into the printing equipment business and real estate business and others, and domestic sales for the printing equipment business are effected by the Company's Sales Division and two regional subsidiaries. Overseas sales are effected by local entities in each country under the control of the Company's International Sales Division in the Americas, Europe and Asia. Local entities in each country constitute independent business units and business activities are undertaken with respect to products handled with comprehensive strategies formulated in collaboration with the Company's International Sales Division for each respective region.

Consequently, the Company's printing equipment business is made up of four reportable segments according to geography, namely "Japan," "The Americas," "Europe," and "Asia," based on the Company's sales framework.

2. Methods to determine the amounts of sales, income or loss, assets, liabilities and other items

The accounting method for the business segments that are reported is largely the same as the one for the consolidated financial statements.

Figures for reportable segment profit are on the basis of operating income.

For information regarding assets, liabilities and other items for each reportable segment, the Company has production bases in Japan and China for the printing equipment business, and in terms of production activities, as the manufacture of products is carried out in those countries for all geographical areas of the printing equipment business, it is difficult to allocate assets and the like relating to production to specific regions. In addition, as real estate business and others is mainly real estate leasing, as a rule it does not have increases or decreases in assets. As a result, we carry out performance evaluations for each of these businesses mainly on the basis of profit and loss information, and information on assets, liabilities and the like is not disclosed as it is not treated as information central to the distribution of management resources and performance evaluation.

3. Information on sales and income or loss for each reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	46,082	6,747	13,203	9,157	75,191	1,705	76,897
Segment income (loss)	4,147	(1,582)	0	1,259	3,825	581	4,406

(TRANSLATION FOR REFERENCE ONLY)

- 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 the same as the amount of operating income on the consolidated statements of income.

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	46,572	5,177	12,390	9,008	73,149	1,698	74,847
Segment income (loss)	5,150	(1,110)	(897)	386	3,528	521	4,050

- 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 the same as the amount of operating income on the consolidated statements of income.

b. Pertinent information

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

1. Information for each product and service

This item is omitted as it duplicates the information disclosed in segment information.

2. Information by each region

(1) Sales

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
47,758	6,772	13,203	9,162	76,897

Notes: Net sales are classified according to country or region, based on the domicile of customers.

The main countries or regions belonging to each classification are as follows.

The Americas: U.S. and Canada

Europe: Germany, United Kingdom and France

Asia: China, Thailand, South Korea and India

(2) Property, plant and equipment

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
27,316	562	129	433	28,442

3. Information by each major customer

The Company's printing equipment business and real estate business and others make sales to an unspecified number of general customers. As there is no particular customer that accounts for 10% or more of sales, the disclosure of information by major customer is omitted.

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

1. Information for each product and service

This item is omitted as it duplicates the information disclosed in segment information.

2. Information by each region

(1) Sales

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
48,196	5,231	12,390	9,029	74,847

Notes: Net sales are classified according to country or region, based on the domicile of customers.

The main countries or regions belonging to each classification are as follows.

The Americas: U.S. and Canada

Europe: Germany, United Kingdom and France

Asia: China, Thailand, South Korea and India

(2) Property, plant and equipment

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
26,199	331	155	854	27,540

3. Information by each major customer

The Company's printing equipment business and real estate business and others make sales to an unspecified number of general customers. As there is no particular customer that accounts for 10% or more of sales, the disclosure of information by major customer is omitted.

c. Information on impairment loss on noncurrent assets for each reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

No items to report

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Impairment loss	210	-	210

Notes: Impairment loss in the printing equipment business is not shown for each segment by geographic area, as it is the balance for the entire printing equipment business and is not allocated to specific geographic area.

d. Information on amortization of goodwill and remaining goodwill balance for each reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Amortized amount in current period	-	(0)	(0)
Balance at the end of current period	2,633	-	2,633

Notes: The balance of goodwill at the end of the current period in the printing equipment business is not shown for each segment by geographic area, as it is the balance for the entire printing equipment business and is not allocated to specific geographic area.

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Amortized amount in current period	659	-	659
Balance at the end of current period	2,009	-	2,009

Notes: The balance of goodwill at the end of the current period in the printing equipment business is not shown for each segment by geographic area, as it is the balance for the entire printing equipment business and is not allocated to specific geographic area.

e. Information on gain on negative goodwill for each reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

No items to report

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

No items to report

(Regarding business combinations, etc.)

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

Transactions under common control, etc.

(1) Outline of transaction

a. Name of target business and business lines

Name of business: Printing equipment business

Business lines: Planning, development, manufacture and sales of inkjet technology products
(Printers)

b. Date of business combination

September 30, 2011

c. Legal form of business combination

Absorption-type merger whereby ORTEK CORPORATION was the dissolving company and Riso Kagaku Corporation was the surviving company.

d. Company name after combination

There is no change in the company name following the combination.

e. Other matters concerning the transaction

The Company acquired part of business operations of the Olympus Group and made ORTEK CORPORATION, which was a joint-venture between the Company and Olympus Corporation, a wholly owned subsidiary of the Company, and proceeded to independently operate the inkjet business.

The Company then decided to merge ORTEK CORPORATION with itself by absorption-type merger with the aim of operating the inkjet business more efficiently by combining the intellectual property and know-how owned by ORTEK CORPORATION with those of the Company.

(2) Overview of accounting treatment used for the transaction

The transaction was accounted for by treating it as a transaction under common control based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

(Subsequent events)

The Company’s Board of Directors resolved at the meeting held on May 8, 2012 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 800,000 shares
- (3) Total purchase cost: Up to 1,000,000,000 yen
- (4) Purchase period: From May 17, 2012 to June 15, 2012