

Fiscal 2007 1st Quarterly Report of Consolidated Results



August 2, 2006

Company Name: RISO KAGAKU CORPORATION
 Stock Code: 6413
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Listed Market: JASDAQ
 Headquarters: Tokyo

1. Drafting Notes of Quarterly Financial Statements

- 1) Simplified Accounting Methods Applied : Yes
 - The simplified tax effect accounting has been applied for tax expenses.
- 2) Changes in Accounting Standards from the Previous Fiscal Year : No
- 3) Changes in Scope of Consolidation and Application of Equity Method : Yes
 - 3 companies have been excluded from the scope of consolidation.

2. Consolidated Quarterly Results (April 1, 2006 to June 30, 2006)

(1) Consolidated Operating Results (Millions of yen, rounded down)

| | Net Sales | | Operating Income | | Recurring Income | |
|-----------------------|-----------------|---------|------------------|------------|------------------|------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 1st Quarter of FY2007 | 21,350 | [7.3] | 1,488 | [53.4] | 1,614 | [59.8] |
| 1st Quarter of FY2006 | 19,898 | [2.2] | 970 | [- 30.8] | 1,010 | [- 31.3] |
| FY 2006 | 87,601 | | 4,812 | | 4,552 | |

| | Net Income | | Net Income Per Share | | Diluted Net Income Per Share | |
|-----------------------|-----------------|-----------|----------------------|--|------------------------------|--|
| | Millions of yen | % | Yen | | Yen | |
| 1st Quarter of FY2007 | 965 | [47.8] | 36. 35 | | 34. 17 | |
| 1st Quarter of FY2006 | 653 | [- 6.1] | 48. 95 | | 46. 82 | |
| FY 2006 | 2,154 | | 79. 76 | | 77. 22 | |

(Notes)

- The percentages given in the above table indicate year-on-year changes for the corresponding period.
- The Company conducted a 2-for-1 stock split for its common shares on November 18, 2005. The net income per share and the net income per share after adjustment of potential common shares (diluted net income per share) for the term ended March 2006 were calculated assuming that the stock split was conducted at the beginning of the term. Assuming that the stock split was conducted at the beginning of the previous term, quarterly net income per share will become 24.47 yen, and the diluted quarterly net income per share will become 23.41 yen for the first quarter of the term ended March 2006.

< Overview of Consolidated Operating Results >

Consolidated sales for the first quarter amounted to ¥21.35 billion (up 7.3% from the same term the previous year). On the domestic market, besides the steadily performing RISOGRAPH series, the ORPHIS series also scored solid sales.

On overseas markets, the Company managed to expand sales owing to the effect of the launch of ORPHIS and the impact of exchange rate fluctuation.

At the profit stage, bolstered by brisk sales, operating income came to ¥1.488 billion (up 53.4%), recurring income amounted to ¥1.614 billion (up 59.8%), and net income for the first quarter came to ¥965 million (up 47.8%).

(2) Consolidated Financial Position (Millions of yen, rounded down)

| | Total Assets | Shareholders' Equity | Equity Ratio | Book Value Per Share |
|----------------|-----------------|----------------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| June 30, 2006 | 116,144 | 68,922 | 59.2 | 2,588. 71 |
| June 30, 2005 | 111,625 | 65,376 | 58.6 | 4,921. 80 |
| March 31, 2006 | 118,446 | 68,978 | 58.2 | 2,595. 28 |

(Notes)

The Company conducted a 2-for-1 stock split for its common shares on November 18, 2005. Assuming that the stock split was conducted at the beginning of the previous term, net assets per share will become ¥2,460.90 for the first quarter of the term ended March 2006.

(3) Consolidated Cash Flows

(Millions of yen, rounded down)

| | Operating Activities | Investing Activities | Financing Activities | Period-end Cash and Cash Equivalents |
|-----------------------|----------------------|----------------------|----------------------|--------------------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| 1st Quarter of FY2007 | 2,108 | - 12 | - 846 | 33,927 |
| 1st Quarter of FY2006 | 1,682 | - 64 | - 559 | 34,595 |
| FY 2006 | 6,365 | - 6,539 | - 903 | 32,697 |

< Overview of Consolidated Financial Positions >

The financial positions at the end of the first term under review in comparison with the end of the previous fiscal year are as follows. Total assets decreased ¥2,302 million (down 1.9% from the previous term), net assets were down ¥205 million (decline of 0.3%), and the shareholders' equity ratio came to 59.2%.

Looking at major increases and decreases, in assets, cash and deposits rose ¥1,836 million (up 6.0%), and notes and accounts receivable declined ¥3,123 million (down 18.5%). In liabilities, notes and accounts payable were down ¥516 million (down 3.9%), the accrued bonuses were reduced ¥815 million (down 48.5%) and accrued taxes fell ¥976 million (down 55.0%). These changes are mainly attributable to seasonal factors.

Cash Flows From Operating Activities

Net cash generated as a result of operating activities increased 25.3% from the same term the previous year to ¥2,108 million, chiefly reflecting income before income taxes of ¥1,614 million for the first quarter (increase of 59.8%), a decline in accounts receivable of ¥3,078 million (decrease of 15.4%), a reduction in the allowance for accrued bonuses of ¥812 million (decrease of 1.8%) and income taxes paid of ¥1,419 million (increase of 14.2%)

Cash Flows From Investing Activities

Net cash used as a result of investing activities fell 80.7% to ¥12 million, primarily because of income of ¥600 million on the sale of investment securities (increase of 1.5%) and expenditure of ¥526 million (decline of 9.2%) on the acquisition of tangible fixed assets.

Cash Flows From Financing Activities

Net cash used as a result of financing activities rose 51.3% to ¥846 million, primarily owing to expenditure of ¥796 million (decrease of 0.6%) on the payment of dividends.

3. Forecast for FY 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen, rounded down)

| | Net Sales | Recurring Income | Net Income |
|------------------|-----------------|------------------|-----------------|
| | Millions of yen | Millions of yen | Millions of yen |
| Interim Results | 42,150 | 1,870 | 1,000 |
| Year-end Results | 89,900 | 4,700 | 2,900 |

(Notes)

- The forecast FY2007 net income per share is 109.16 yen.

< Overview of Consolidated Result Forecast >

The Company has revised its interim consolidated result forecast for the term ended March 2007 as shown above. The reasons for the changes are described in details on "Notice Regarding Changes in Forecast FY2007 Interim Result" released simultaneously with this report on August 2, 2006.

As for the fiscal 2007 consolidated result forecast, which was released on May 11, 2006, no change has been made to it.

[NOTES]

The above forecasts are based on beliefs and assumptions of management in light of information currently available to it at the time of announcement and are subject to a number of uncertainties that may affect future results. A number of factors could cause actual results to differ materially from forecasts.

[Attached Documents]

- Brief quarterly consolidated balance sheets
- Brief quarterly consolidated statements of income
- Quarterly consolidated surplus statements
- Quarterly consolidated statements of shareholders' equity
- Quarterly consolidated statements of cash flows
- Segment information

1. Quarterly Consolidated Financial Statements

[1] Brief Quarterly Consolidated Balance Sheet

| Item | 1st Quarter of FY 2007 (As of June 30, 2006) | 1st Quarter of FY 2006 (As of June 30, 2005) | Year-over-Year Change | | FY2006 (As of March 31, 2006) |
|---|---|---|-----------------------------|-------------------|---------------------------------------|
| | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Percentage (%) | Amount (Millions of yen) |
| (ASSETS) | | | | | |
| Current assets | | | | | |
| 1. Cash and deposits | 32,571 | 32,740 | (169) | (0.5) | 30,734 |
| 2. Notes and accounts receivable | 13,794 | 14,877 | (1,083) | (7.3) | 16,917 |
| 3. Marketable securities | 2,699 | 2,200 | 499 | 22.7 | 3,311 |
| 4. Inventories | 15,119 | 13,964 | 1,155 | 8.3 | 15,037 |
| 5. Deferred tax assets (short) | 2,559 | 2,615 | (56) | (2.1) | 2,717 |
| 6. Others | 1,876 | 1,703 | 172 | 10.1 | 1,421 |
| Allowance for doubtful receivables (short) | (249) | (1,222) | 973 | (79.6) | (294) |
| Total current assets | 68,370 | 66,878 | 1,492 | 2.2 | 69,846 |
| Fixed assets | | | | | |
| 1. Tangible fixed assets | | | | | |
| (1) Buildings and structures | 8,232 | 8,612 | (379) | (4.4) | 8,333 |
| (2) Machinery, equipment and vehicles | 1,795 | 2,069 | (274) | (13.2) | 1,847 |
| (3) Tools, furniture and fixtures | 2,106 | 2,654 | (548) | (20.6) | 2,313 |
| (4) Land | 14,873 | 14,899 | (25) | (0.2) | 14,873 |
| (5) Construction in progress | 62 | 51 | 10 | 21.2 | 53 |
| (6) Others | 4,761 | 4,669 | 92 | 2.0 | 4,614 |
| Total tangible fixed assets | 31,831 | 32,955 | (1,124) | (3.4) | 32,037 |
| 2. Intangible fixed assets | | | | | |
| (1) Goodwill | 343 | - | 343 | - | - |
| (2) Trade rights | - | 362 | (362) | (100.0) | 363 |
| (3) Software | 1,535 | 1,053 | 482 | 45.8 | 1,403 |
| (4) Consolidated adjustment account | - | 20 | (20) | (100.0) | 6 |
| (5) Others | 401 | 584 | (183) | (31.4) | 559 |
| Total intangible fixed assets | 2,281 | 2,020 | 260 | 12.9 | 2,332 |
| 3. Investments and other securities | | | | | |
| (1) Investment in securities | 8,056 | 3,613 | 4,442 | 122.9 | 8,704 |
| (2) Long-term advances | 271 | 301 | (30) | (10.1) | 284 |
| (3) Deferred tax assets (long) | 801 | 1,454 | (653) | (44.9) | 616 |
| (4) Others | 5,535 | 4,472 | 1,063 | 23.8 | 5,656 |
| Allowance for doubtful receivables (long) | (1,003) | (72) | (930) | 1,285.6 | (1,030) |
| Total investments and other securities | 13,661 | 9,770 | 3,890 | 39.8 | 14,229 |
| Total fixed assets | 47,773 | 44,747 | 3,026 | 6.8 | 48,599 |
| Total assets | 116,144 | 111,625 | 4,518 | 4.0 | 118,446 |

| | 1st Quarter of FY 2007 (As of June 30, 2006) | 1st Quarter of FY 2006 (As of June 30, 2005) | Year-over-Year Change | | FY2006 (As of March 31, 2006) |
|---|---|---|-----------------------------|-------------------|---------------------------------------|
| Item | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Percentage (%) | Amount (Millions of yen) |
| (LIABILITIES) | | | | | |
| Current liabilities | | | | | |
| 1. Notes and accounts payable | 12,634 | 12,120 | 513 | 4.2 | 13,150 |
| 2. Short-term loans | 6,142 | 5,959 | 182 | 3.1 | 6,305 |
| 3. Long-term bank borrowings due within one year | 35 | 67 | (32) | (47.3) | 51 |
| 4. Accrued taxes | 798 | 569 | 229 | 40.2 | 1,774 |
| 5. Accrued bonuses | 864 | 804 | 60 | 7.5 | 1,680 |
| 6. Accrued warranty costs | 86 | 52 | 34 | 65.1 | 80 |
| 7. Others | 5,699 | 5,668 | 30 | 0.5 | 5,406 |
| Total current liabilities | 26,262 | 25,244 | 1,017 | 4.0 | 28,449 |
| Long-term liabilities | | | | | |
| 1. Convertible bonds | 16,675 | 16,915 | (240) | (1.4) | 16,675 |
| 2. Long-term bank borrowings | 109 | 142 | (32) | (23.1) | 112 |
| 3. Employees' retirement allowances | 3,063 | 2,944 | 118 | 4.0 | 3,062 |
| 4. Directors' retirement allowances | 258 | 213 | 44 | 21.0 | 246 |
| 5. Equity-method liabilities | 552 | 356 | 195 | 54.9 | 460 |
| 6. Others | 301 | 297 | 3 | 1.3 | 312 |
| Total long-term liabilities | 20,960 | 20,870 | 90 | 0.4 | 20,869 |
| Total liabilities | 47,222 | 46,114 | 1,107 | 2.4 | 49,318 |
| (MINORITY INTERESTS) | | | | | |
| Minority interests | - | 135 | - | - | 149 |
| (SHAREHOLDERS' EQUITY) | | | | | |
| Common stock | - | 14,114 | - | - | 14,114 |
| Capital reserve | - | 14,779 | - | - | 14,779 |
| Retained earnings | - | 38,883 | - | - | 40,384 |
| Net unrealized holding gains or losses on securities | - | 929 | - | - | 2,205 |
| Foreign currency translation adjustments | - | (716) | - | - | 108 |
| Treasury stock | - | (2,613) | - | - | (2,614) |
| Total shareholders' equity | - | 65,376 | - | - | 68,978 |
| Total liabilities, minority interests and shareholders' equity | - | 111,625 | - | - | 118,446 |
| (Net Asset) | | | | | |
| Shareholders' Equity | | | | | |
| Common stock | 14,114 | - | - | - | - |
| Capital reserve | 14,779 | - | - | - | - |
| Retained earnings | 40,520 | - | - | - | - |
| Treasury Stock | (2,614) | - | - | - | - |
| Total shareholders' equity | 66,800 | - | - | - | - |
| Other comprehensive income | | | | | |
| Net unrealized holding gains or losses on securities | 1,879 | - | - | - | - |
| Foreign currency translation adjustments | 90 | - | - | - | - |
| Total other comprehensive income | 1,970 | - | - | - | - |
| Minority interests | 151 | - | - | - | - |
| Total net assets | 68,922 | - | - | - | - |
| Total liabilities and net assets | 116,144 | - | - | - | - |

[2] Brief Quarterly Consolidated Statements of Income

| Item | 1st Quarter of FY 2007 (As of June 30, 2006) | 1st Quarter of FY 2006 (As of June 30, 2005) | Year-over-Year Change | | FY2006 (As of March 31, 2006) |
|--|---|---|-----------------------------|-------------------|---------------------------------------|
| | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Percentage (%) | Amount (Millions of yen) |
| Net sales | 21,350 | 19,898 | 1,452 | 7.3 | 87,601 |
| Cost of sales | 9,865 | 9,174 | 690 | 7.5 | 42,351 |
| Gross profit | 11,484 | 10,723 | 761 | 7.1 | 45,249 |
| Selling, general and administrative expenses | 9,996 | 9,753 | 243 | 2.5 | 40,437 |
| Operating income | 1,488 | 970 | 518 | 53.4 | 4,812 |
| Other income | | | | | |
| 1. Interest income | 34 | 24 | 9 | 38.5 | 106 |
| 2. Dividend income | 48 | 55 | (7) | (13.7) | 70 |
| 3. Gains on sales of investment securities | - | - | - | - | 82 |
| 4. Equity method gains | 95 | 64 | 30 | 47.1 | - |
| 5. Exchange gains | - | - | - | - | 183 |
| 6. Others | 144 | 106 | 37 | 35.2 | 353 |
| Total other income | 322 | 252 | 70 | 27.8 | 798 |
| Other expenses | | | | | |
| 1. Interest expenses | 155 | 130 | 25 | 19.3 | 601 |
| 2. Equity method losses | - | - | - | - | 222 |
| 3. Exchange losses | 13 | 1 | 12 | 1,146.9 | - |
| 4. Losses on sale of fixed assets | 22 | 27 | (5) | (18.6) | 135 |
| 5. Others | 3 | 52 | (48) | (92.7) | 98 |
| Total other expenses | 195 | 211 | (15) | (7.4) | 1,058 |
| Recurring income | 1,614 | 1,010 | 604 | 59.8 | 4,552 |
| Extraordinary loss | | | | | |
| Impairment losses | - | - | - | - | 25 |
| Income before income taxes | 1,614 | 1,010 | 604 | 59.8 | 4,527 |
| Corporate income tax and other tax expenses | 643 | 352 | 291 | 82.5 | 2,364 |
| Minority interest in net income of consolidated subsidiaries | 5 | 4 | 0 | 17.8 | 7 |
| Net income | 965 | 653 | 312 | 47.8 | 2,154 |

[3] Quarterly consolidated statements of shareholders' equity

| | 1st Quarter of FY 2007 (As of June 30, 2006) | | | | |
|--|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Shareholders' equity | | | | |
| | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) |
| Balance March 31, 2006 | 14,114 | 14,779 | 40,384 | (2,614) | 66,664 |
| Changes during the period | | | | | |
| Cash dividends declared | | | (796) | | (796) |
| Bonuses to directors | | | (33) | | (33) |
| Net income for 1Q | | | 965 | | 965 |
| Changes in other than shareholders' equity during the period | | | | | |
| Total changes of the period | - | - | 135 | - | 135 |
| Balance June 30, 2006 | 14,114 | 14,779 | 40,520 | (2,614) | 66,800 |

| | 1st Quarter of FY 2007 (As of June 30, 2006) | | | | |
|--|--|--|----------------------------------|-------------------------------|-------------------------------|
| | Other comprehensive income | | | Minority interests | Total net assets |
| | Net unrealized holding gains or losses on securities | Foreign currency translation adjustments | Total other comprehensive income | | |
| | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) |
| Balance March 31, 2006 | 2,205 | 108 | 2,313 | 149 | 69,127 |
| Changes during the period | | | | | |
| Cash dividends declared | | | | | (796) |
| Bonuses to directors | | | | | (33) |
| Net income for 1Q | | | | | 965 |
| Changes in other than shareholders' equity during the period | (325) | (18) | (343) | 1 | (341) |
| Total changes of the period | (325) | (18) | (343) | 1 | (205) |
| Balance June 30, 2006 | 1,879 | 90 | 1,970 | 151 | 68,922 |

[4] Quarterly Consolidated Surplus Statements

| Item | 1st Quarter of FY 2006 (3 months ended June 30, 2005) | | FY2005 (Year ended Mar. 31, 2005) | |
|---|--|--------|--|--------|
| | Amount (Millions of yen) | | Amount (Millions of yen) | |
| (CAPITAL RESERVE) | | | | |
| Capital reserve brought forward | | 14,779 | | 14,779 |
| Increases | | | | |
| 1. Gains on retirement of treasury stock | - | | 0 | |
| 2. Issuance of new stocks converted from convertible bond | - | - | 0 | 0 |
| Capital reserve carried forward | | 14,779 | | 14,779 |
| (RETAINED EARNINGS) | | | | |
| Retained earnings brought forward | | 39,078 | | 39,078 |
| Increases | | | | |
| 1. Net income | 653 | 653 | 2,154 | 2,154 |
| Decreases | | | | |
| 1. Dividends | 801 | | 801 | |
| 2. Bonuses to directors | 48 | 849 | 48 | 849 |
| Retained earnings carried forward | | 38,883 | | 40,384 |

[5] Quarterly Consolidated Statements of Cash Flows

| | 1st Quarter of FY 2007 (As of June 30, 2006) | 1st Quarter of FY 2006 (As of June 30, 2005) | FY2006 (As of March 31, 2006) |
|--|---|---|------------------------------------|
| Item | Amount (Millions of yen) | Amount (Millions of yen) | Amount (Millions of yen) |
| Cash flows from operating activities | | | |
| Income before income taxes | 1,614 | 1,010 | 4,527 |
| Depreciation | 668 | 690 | 3,318 |
| Depreciation of goodwill | 21 | - | - |
| Amortization of adjustments on consolidated accounts | - | 5 | 19 |
| Equity method losses (profits) | (95) | (64) | 222 |
| Increase (decrease) in employees' retirement allowances | 0 | (25) | 92 |
| Increase (decrease) in directors' retirement allowances | 11 | (66) | (32) |
| Increase (decrease) in allowance for doubtful receivables | (39) | (199) | (252) |
| Increase (decrease) in accrued bonuses | (812) | (827) | - |
| Interest and dividends receivable | (82) | (80) | (177) |
| Interest payable | 155 | 130 | 601 |
| Exchange losses (profits) | (11) | 82 | 321 |
| Losses on sale of investment securities (profits) | - | 0 | (82) |
| Decrease (increase) in accounts receivable | 3,078 | 3,638 | 1,359 |
| Decrease (increase) in inventories | (194) | (1,210) | (1,519) |
| Increase (decrease) in accounts payable | (513) | 753 | 1,229 |
| Increase (decrease) in accrued expenses | (306) | (717) | (806) |
| Directors' bonuses paid | (33) | (48) | (48) |
| Others, net | 151 | (107) | 183 |
| Subtotal | 3,611 | 2,965 | 8,956 |
| Interest and dividends received | 82 | 80 | 177 |
| Interest paid | (165) | (120) | (586) |
| Income taxes paid | (1,419) | (1,243) | (2,181) |
| Net cash provided by operating activities | 2,108 | 1,682 | 6,365 |
| Cash flows from investing activities | | | |
| Increase in time deposits | (0) | (0) | (308) |
| Decrease in time deposits | 4 | 0 | 400 |
| Payments for purchase of marketable securities | - | - | (1,300) |
| Proceeds from sale of marketable securities | - | - | 300 |
| Payments for acquisition of tangible fixed assets | (526) | (579) | (2,188) |
| Payments for acquisition of intangible fixed assets | (150) | (129) | (957) |
| Payments for purchase of investment securities | (0) | - | (3,261) |
| Proceeds from sale of investment securities | 600 | 590 | 994 |
| Increase in loans receivable | (11) | (19) | (43) |
| Decrease in loans receivable | 22 | 11 | 57 |
| Others, net | 49 | 62 | (233) |
| Net cash used in investing activities | (12) | (64) | (6,539) |
| Cash flows from financing activities | | | |
| Net increase (decrease) in short-term loans | (32) | 570 | 517 |
| Proceeds from long-term bank borrowings | - | - | 12 |
| Repayments of long-term bank borrowings | (17) | (27) | (89) |
| Payments for redemption of corporate bonds | - | - | (239) |
| Payment for purchase of treasury stock | - | (301) | (302) |
| Cash dividends paid | (796) | (801) | (801) |
| Others, net | - | - | 0 |
| Net cash used in financing activities | (846) | (559) | (903) |
| Effect of exchange rate changes on cash and cash equivalents | (19) | 11 | 248 |
| Increase (decrease) in cash and cash equivalents | 1,229 | 1,068 | (828) |
| Cash and cash equivalents, beginning of term | 32,697 | 33,526 | 33,526 |
| Cash and cash equivalents, end of term | 33,927 | 34,595 | 32,697 |

2. Segment Information

[1]Segment Information by Business

- 1st Quarter of FY2007 (3 months ended June 30, 2006) -

(Millions of yen)

| | Printing equipment-related business | Real estate business and others | Total | Inter-segment Elimination | Consolidated |
|-----------------------------|---|------------------------------------|--------|------------------------------|--------------|
| Sales and operating income | | | | | |
| (1) External customer sales | 21,072 | 277 | 21,350 | - | 21,350 |
| (2) Inter-segment sales | - | 19 | 19 | (19) | - |
| [Total] | 21,072 | 297 | 21,370 | (19) | 21,350 |
| Costs and expenses | 19,797 | 84 | 19,881 | (19) | 19,862 |
| Operating income | 1,275 | 213 | 1,488 | - | 1,488 |

- 1st Quarter of FY2006 (3 months ended June 30, 2005) -

(Millions of yen)

| | Printing equipment-related business | Real estate business and others | Total | Inter-segment Elimination | Consolidated |
|-----------------------------|---|------------------------------------|--------|------------------------------|--------------|
| Sales and operating income | | | | | |
| (1) External customer sales | 19,618 | 280 | 19,898 | - | 19,898 |
| (2) Inter-segment sales | - | 15 | 15 | (15) | - |
| [Total] | 19,618 | 295 | 19,913 | (15) | 19,898 |
| Costs and expenses | 18,863 | 80 | 18,943 | (15) | 18,928 |
| Operating income | 754 | 215 | 970 | - | 970 |

- FY2006 (12 months ended March 31, 2006) -

(Millions of yen)

| | Printing equipment-related business | Real estate business and others | Total | Inter-segment Elimination | Consolidated |
|-----------------------------|---|------------------------------------|--------|------------------------------|--------------|
| Sales and operating income | | | | | |
| (1) External customer sales | 86,494 | 1,106 | 87,601 | - | 87,601 |
| (2) Inter-segment sales | - | 74 | 74 | (74) | - |
| [Total] | 86,494 | 1,181 | 87,676 | (74) | 87,601 |
| Costs and expenses | 82,512 | 351 | 82,863 | (74) | 82,788 |
| Operating income | 3,982 | 829 | 4,812 | - | 4,812 |

[2]Segment Information by Geographic Area

- 1st Quarter of FY2007 (3 months ended June 30, 2006) -

(Millions of yen)

| | Japan | Americas | Europe | Asia | Total | Inter-segment Elimination | Consolidated |
|-----------------------------------|--------|----------|--------|-------|--------|---------------------------|--------------|
| Sales and operating income (loss) | | | | | | | |
| (1) External customer sales | 11,829 | 2,975 | 4,700 | 1,845 | 21,350 | - | 21,350 |
| (2) Inter-segment sales | 4,628 | 1 | 132 | 1,899 | 6,661 | (6,661) | - |
| [Total] | 16,457 | 2,976 | 4,833 | 3,744 | 28,012 | (6,661) | 21,350 |
| Costs and expenses | 15,451 | 3,151 | 4,689 | 3,556 | 26,847 | (6,985) | 19,862 |
| Operating income (losses) | 1,006 | (174) | 143 | 188 | 1,164 | 324 | 1,488 |

- 1st Quarter of FY2006 (3 months ended June 30, 2005) -

(Millions of yen)

| | Japan | Americas | Europe | Asia | Total | Inter-segment Elimination | Consolidated |
|-----------------------------------|--------|----------|--------|-------|--------|---------------------------|--------------|
| Sales and operating income (loss) | | | | | | | |
| (1) External customer sales | 10,845 | 2,824 | 4,332 | 1,895 | 19,898 | - | 19,898 |
| (2) Inter-segment sales | 5,676 | 1 | 118 | 2,110 | 7,907 | (7,907) | - |
| [Total] | 16,522 | 2,826 | 4,451 | 4,005 | 27,806 | (7,907) | 19,898 |
| Costs and expenses | 15,293 | 3,066 | 4,302 | 3,852 | 26,514 | (7,586) | 18,928 |
| Operating income (losses) | 1,229 | (240) | 148 | 153 | 1,291 | (321) | 970 |

- FY2006 (12 months ended March 31, 2006) -

(Millions of yen)

| | Japan | Americas | Europe | Asia | Total | Inter-segment Elimination | Consolidated |
|-----------------------------------|--------|----------|--------|--------|---------|---------------------------|--------------|
| Sales and operating income (loss) | | | | | | | |
| (1) External customer sales | 48,913 | 13,040 | 17,670 | 7,977 | 87,601 | - | 87,601 |
| (2) Inter-segment sales | 22,747 | 2 | 491 | 9,566 | 32,808 | (32,808) | - |
| [Total] | 71,661 | 13,042 | 18,161 | 17,544 | 120,410 | (32,808) | 87,601 |
| Costs and expenses | 66,440 | 14,113 | 17,611 | 16,939 | 115,105 | (32,316) | 82,788 |
| Operating income (losses) | 5,220 | (1,070) | 549 | 605 | 5,304 | (492) | 4,812 |

[3]Overseas Segment Sales Data

- 1st Quarter of FY2007 (3 months ended June 30, 2006) -

| | Americas | Europe | Asia | Total |
|---|----------|--------|-------|--------|
| Overseas sales (Millions of yen) | 2,975 | 4,765 | 2,323 | 10,063 |
| Consolidated net sales (Millions of yen) | - | - | - | 21,350 |
| Ratio of overseas sales in consolidated net sales (%) | 13.9 | 22.3 | 10.9 | 47.1 |

- 1st Quarter of FY2006 (3 months ended June 30, 2005) -

| | Americas | Europe | Asia | Total |
|---|----------|--------|-------|--------|
| Overseas sales (Millions of yen) | 2,824 | 4,363 | 2,364 | 9,553 |
| Consolidated net sales (Millions of yen) | - | - | - | 19,898 |
| Ratio of overseas sales in consolidated net sales (%) | 14.2 | 21.9 | 11.9 | 48.0 |

- FY2005 (12 months ended March 31, 2006) -

| | Americas | Europe | Asia | Total |
|---|----------|--------|--------|--------|
| Overseas sales (Millions of yen) | 13,040 | 17,802 | 10,327 | 41,170 |
| Consolidated net sales (Millions of yen) | - | - | - | 87,601 |
| Ratio of overseas sales in consolidated net sales (%) | 14.9 | 20.3 | 11.8 | 47.0 |