

Fiscal 2006 1st Quarterly Report of Consolidated Results



August 5, 2005

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 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
 - A company has been excluded from the scope of consolidation.

2. Consolidated Quarterly Results (April 1, 2005 to June 30, 2005)

(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 FY2006	19,898	[2.2]	970	[- 30.8]	1,010	[- 31.3]
1st Quarter of FY2005	19,477	[- 3.9]	1,402	[- 26.1]	1,470	[- 21.7]
FY 2005	85,161		6,574		5,883	

	Net Income		Net Income Per Share		Diluted Net Income Per Share	
	Millions of yen	%	Yen		Yen	
1st Quarter of FY2006	653	[- 6.1]	48. 95		46. 82	
1st Quarter of FY2005	695	[- 31.5]	51. 33		49. 00	
FY 2005	3,280		238. 58		226. 12	

(Notes)

- The percentages given in the above table indicate year-on-year changes for the corresponding period.

< Overview of Consolidated Operating Results >

The operating results in the 1st quarter of fiscal 2006 were favorable in Japan, owing to the sales expansion of the full color inkjet printer, RISO HC5000, in spite of the below-plan unit sales of digital duplicators. They were in good form in overseas markets as well because of the positive effects of exchange rate fluctuation and the favorable acceptance of the new full color inkjet printer in markets.

As a result, the consolidated net sales for this quarterly period amounted to ¥19,898 million (2.2% rise on a year-to-year comparison). As for incomes, the consolidated operating income for the same period amounted to ¥970 million (30.8% drop on a year-to-year comparison), recurring income ¥1,010 million (31.3% drop) and net income ¥653 million (6.1% drop), due to the increase of expenses for sales promotion of new products.

(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, 2005	111,625	65,376	58.6	4,921. 80
June 30, 2004	105,611	63,899	60.5	4,713. 03
March 31, 2005	112,551	65,834	58.5	4,926. 74

(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 FY2006	1,682	- 64	- 559	34,595
1st Quarter of FY2005	1,481	- 749	- 794	31,832
FY 2005	6,282	- 3,267	- 1,431	33,526

< Overview of Consolidated Financial Positions >

The financial positions at the end of this quarterly period changed as given below since the previous fiscal year end. The total assets decreased ¥925 million and the shareholders' equity dropped ¥458 million, causing the equity ratio to be 58.6%. The main contributing factors of the above financial position change are 1,068-million-yen increase in cash and deposits, 1,299-million-yen rise in inventories and 3,420-million-yen drop in notes and accounts receivable, on assets' side, while they are 763-million-yen increase in notes and accounts payable, 667-million-yen rise in short-term loans, 827-million-yen decrease in accrued bonuses and 723-million-yen drop in accrued taxes, on liabilities' side. These changes mainly resulted from seasonal influence.

Cash Flows From Operating Activities

Operating activities provided ¥1,682 million as net cash. This position resulted from both the main cash inflows of ¥1,010 million as income before income taxes and of ¥3,638 million as decrease in accounts receivable, and the main cash outflows of ¥827 million as decrease in accrued bonuses, of ¥1,243 million as payment of corporate income taxes and of ¥1,210 million as increase in inventories.

Cash Flows From Investing Activities

Investing activities used ¥64 million as net cash. This position resulted from the main cash inflows of ¥590 million as sales of marketable securities and the main cash outflows of ¥579 million as acquisition of tangible fixed assets.

Cash Flows From Financing Activities

Financing activities used ¥559 million as net cash. This position resulted from the main cash outflow of ¥801 million as payment of dividends.

3. Forecast for FY 2006 (April 1, 2005 to March 31, 2006) (Millions of yen, rounded down)

	Net Sales	Recurring Income	Net Income
	Millions of yen	Millions of yen	Millions of yen
Interim Results	40,800	1,900	1,050
Year-end Results	89,700	5,800	3,300

(Notes)

- The forecast FY2006 net income per share is 248.44 yen.

< Overview of Consolidated Result Forecast >

The forecast FY2006 interim consolidated results have been changed as shown above. The reasons for the above changes are described in details on "Notice Regarding Changes in Forecast FY2006 Interim Consolidated Results" released simultaneously with this report on August 5, 2005.

As for the fiscal 2006 consolidated result forecast, which was released on May 12, 2005, 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 cash flows
- Segment information

Quarterly Consolidated Financial Statements

[1] Brief Quarterly Consolidated Balance Sheets

Item	1st Quarter of FY 2006 (As of June 30, 2005)	1st Quarter of FY 2005 (As of June 30, 2004)	Year-over-Year Change		FY2005 (As of March 31, 2005)
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)
(ASSETS)					
I Current assets					
1. Cash and deposits	32,740	30,377	2,362	+ 7.8	31,671
2. Notes and accounts receivable	14,877	13,549	1,327	+ 9.8	18,297
3. Marketable securities	2,200	2,799	(599)	- 21.4	2,200
4. Inventories	13,964	11,872	2,091	+ 17.6	12,664
5. Deferred tax assets (short)	2,615	2,658	(42)	- 1.6	2,457
6. Others	1,703	1,546	157	+ 10.2	1,499
Allowance for doubtful receivables (short)	(1,222)	(944)	(278)	+ 29.5	- 1,190
Total current assets	66,878	61,860	5,018	+ 8.1	67,601
II Fixed assets					
1. Tangible fixed assets					
(1) Buildings and structures	8,612	8,812	(200)	- 2.3	8,595
(2) Machinery, equipment and vehicles	2,069	1,806	263	+ 14.6	2,021
(3) Tools, furniture and fixtures	2,654	2,362	292	+ 12.4	2,376
(4) Land	14,899	14,899	—	—	14,899
(5) Construction in progress	51	54	(2)	- 5.2	62
(6) Others	4,669	4,654	15	+ 0.3	4,514
Total tangible fixed assets	32,955	32,588	367	+ 1.1	32,469
2. Intangible fixed assets					
(1) Trade rights	362	406	(43)	- 10.8	362
(2) Software	1,053	1,214	(161)	- 13.3	1,134
(3) Consolidated adjustment account	20	59	(39)	- 66.0	42
(4) Others	584	399	185	+ 46.3	513
Total intangible fixed assets	2,020	2,079	(58)	- 2.8	2,052
3. Investments and other securities					
(1) Investment in securities	3,613	3,933	(319)	- 8.1	4,283
(2) Long-term advances	301	352	(50)	- 14.3	290
(3) Deferred tax assets (long)	1,454	1,297	156	+ 12.1	1,424
(4) Others	4,472	3,789	682	+ 18.0	4,724
Allowance for doubtful receivables (long)	(72)	(290)	218	- 75.1	(296)
Total investments and other securities	9,770	9,082	687	+ 7.6	10,427
Total fixed assets	44,747	43,751	996	+ 2.3	44,950
Total assets	111,625	105,611	6,014	+ 5.7	112,551

Item	1st Quarter of FY 2006 (As of June 30, 2005)	1st Quarter of FY 2005 (As of June 30, 2004)	Year-over-Year Change		FY2005 (As of March 31, 2005)
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)
(LIABILITIES)					
I Current liabilities					
1. Notes and accounts payable	12,120	10,004	2,116	+ 21.2	11,357
2. Short-term loans	5,959	4,965	954	+ 20.0	5,292
3. Long-term bank borrowings due within one year	67	67	(0)	- 0.1	69
4. Accrued taxes	569	703	(134)	- 19.1	1,292
5. Accrued bonuses	804	813	(8)	- 1.0	1,632
6. Accrued warranty costs	52	29	22	+77.3	44
7. Others	5,668	4,315	1,353	+31.4	5,995
Total current liabilities	25,244	20,899	4,344	+20.8	25,685
II Long-term liabilities					
1. Convertible bonds	16,915	16,915	—	—	16,915
2. Long-term bank borrowings	142	243	(100)	- 41.4	169
3. Employees' retirement allowances	2,944	2,811	133	+ 4.7	2,970
4. Directors' retirement allowances	213	250	(37)	- 14.9	279
5. Equity-method liabilities	356	178	178	+ 100.2	263
6. Others	297	281	16	+ 5.8	287
Total long-term liabilities	20,870	20,679	190	+ 0.9	20,885
Total liabilities	46,114	41,579	4,534	+ 10.9	46,570
(MINORITY INTERESTS)					
Minority interests	135	132	2	+ 2.0	146
(SHAREHOLDERS' EQUITY)					
I Common stock	14,114	14,114	—	—	14,114
II Capital reserve	14,779	14,779	0	0.0	14,779
III Retained earnings	38,883	36,493	2,389	+ 6.5	39,078
IV Net unrealized holding gains or losses on securities	929	883	45	+ 5.2	976
V Foreign currency translation adjustments	(716)	(969)	252	- 26.1	(802)
VI Treasury stock	(2,613)	(1,402)	(1,211)	+ 86.4	(2,311)
Total shareholders' equity	65,376	63,899	1,476	+ 2.3	65,834
Total liabilities, minority interests and shareholders' equity	111,625	105,611	6,014	+ 5.7	112,551

[2] Brief Quarterly Consolidated Statements of Income

Item	1st Quarter of FY 2006 (3 months ended June 30, 2005)	1st Quarter of FY 2005 (3 months ended June 30, 2004)	Year-over-Year Change		FY2005 (Year ended Mar. 31, 2005)
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Percentage (%)	Amount (Millions of yen)
I Net sales	19,898	19,477	420	+ 2.2	85,161
II Cost of sales	9,174	8,736	438	+ 5.0	39,859
Gross profit	10,723	10,740	(17)	- 0.2	45,302
III Selling, general and administrative expenses	9,753	9,338	415	+ 4.4	38,727
Operating income	970	1,402	(432)	- 30.8	6,574
IV Other income	252	254	(2)	- 0.9	530
1. Interest income	24	25	(0)	- 2.9	89
2. Dividend income	55	41	14	+ 35.0	62
3. Equity method gains	64	—	64	—	—
4. Exchange gains	—	64	(64)	—	—
5. Others	106	123	(16)	- 13.6	378
V Other expenses	211	186	25	+ 13.6	1,221
1. Interest expenses	130	113	16	+ 14.5	468
2. Equity method losses	—	14	(14)	—	243
3. Exchange losses	1	—	1	—	110
4. Losses on sale of fixed assets	27	11	16	+ 142.7	213
5. Others	52	46	5	+ 12.1	186
Recurring income	1,010	1,470	(460)	- 31.3	5,883
Income before income taxes	1,010	1,470	(460)	- 31.3	5,883
Corporate income tax and other tax expenses	352	774	(421)	- 54.5	2,587
Minority interest in net income of consolidated subsidiaries	4	0	4	+ 1,050.2	15
Net income	653	695	(42)	- 6.1	3,280

[3] Quarterly Consolidated Surplus Statements

Item	1st Quarter of FY 2006 (3 months ended June 30, 2005)	1st Quarter of FY 2005 (3 months ended June 30, 2004)	FY2005 (Year ended Mar. 31, 2005)	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
(CAPITAL RESERVE)				
I Capital reserve brought forward		14,779	14,779	14,779
II Increases				
1. Gains on retirement of treasury stock	—	—	—	0
III Capital reserve carried forward		14,779	14,779	14,779
(RETAINED EARNINGS)				
I Retained earnings brought forward		39,078	36,673	36,673
II Increases				
1. Net income	653	653	695	3,280
III Decreases				
1. Dividends	801		813	813
2. Bonuses to directors	48	849	62	62
IV Retained earnings carried forward		38,883	36,493	39,078

[4] Quarterly Consolidated Statements of Cash Flows

	1st Quarter of FY 2006 (3 months ended June 30, 2005)	1st Quarter of FY 2005 (3 months ended June 30, 2004)	FY2005 (Year ended Mar. 31, 2005)
Item	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
I Cash flows from operating activities			
Income before income taxes	1,010	1,470	5,883
Depreciation	690	618	2,948
Amortization of adjustments on consolidated accounts	5	4	17
Equity method losses (profits)	(64)	14	243
Increase (decrease) in employees' retirement allowances	(25)	87	245
Decrease in directors' retirement allowances	(66)	(58)	(28)
Increase (decrease) in allowance for doubtful receivables	(199)	85	337
Decrease in accrued bonuses	(827)	(838)	—
Interest and dividends receivable	(80)	(66)	(151)
Interest payable	130	113	468
Exchange losses	82	62	109
Losses on sale of investment securities	0	—	0
Decrease (increase) in accounts receivable	3,638	2,820	(1,767)
Increase in inventories	(1,210)	(378)	(1,048)
Increase (decrease) in accounts payable	753	(471)	700
Increase (decrease) in accrued expenses	(717)	(535)	750
Directors' bonuses paid	(48)	(62)	(62)
Others, net	(107)	54	557
Subtotal	2,965	2,920	9,204
Interest and dividends received	80	66	151
Interest paid	(120)	(107)	(471)
Income taxes paid	(1,243)	(1,398)	(2,602)
Net cash provided by operating activities	1,682	1,481	6,282
II Cash flows from investing activities			
Increase in time deposits	(0)	(0)	(716)
Decrease in time deposits	0	6	9
Payments for purchase of marketable securities	—	—	(300)
Proceeds from sale of marketable securities	—	—	1,299
Payments for acquisition of tangible fixed assets	(579)	(436)	(2,253)
Payments for acquisition of intangible fixed assets	(129)	(74)	(679)
Payments for purchase of investment securities	—	(300)	(603)
Proceeds from sale of investment securities	590	—	101
Increase in loans receivable	(19)	—	(42)
Decrease in loans receivable	11	25	128
Others, net	62	30	(209)
Net cash used in investing activities	(64)	(749)	(3,267)
III Cash flows from financing activities			
Net increase in short-term loans	570	38	377
Proceeds from long-term bank borrowings	—	—	4
Repayments of long-term bank borrowings	(27)	(18)	(90)
Payments for redemption of corporate bonds	(301)	—	(909)
Cash dividends paid	(801)	(813)	(813)
Others, net	—	—	0
Net cash used in financing activities	(559)	(794)	(1,431)
IV Effect of exchange rate changes on cash and cash equivalents	11	61	109
V Increase (decrease) in cash and cash equivalents	1,068	(0)	1,693
VI Cash and cash equivalents, beginning of term	33,526	31,832	31,832
VII Cash and cash equivalents, end of term	34,595	31,832	33,526

Segment Information

[Segment Information by Business]

- 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

- 1st Quarter of FY2005 (3 months ended June 30, 2004) - (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	19,189	288	19,477	—	19,477
(2) Inter-segment sales	—	17	17	(17)	—
[Total]	19,189	305	19,495	(17)	19,477
Costs and expenses	17,983	108	18,092	(17)	18,074
Operating income	1,205	196	1,402	—	1,402

[Segment Information by Geographic Area]

- 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

- 1st Quarter of FY2005 (3 months ended June 30, 2004) - (Millions of yen)

	Japan	Americas	Europe	Asia	Total	Inter-segment Elimination	Consolidated
Sales and operating income (loss)							
(1) External customer sales	10,781	2,817	3,880	1,997	19,477	—	19,477
(2) Inter-segment sales	4,439	0	128	1,460	6,029	(6,029)	—
[Total]	15,221	2,817	4,009	3,458	25,506	(6,029)	19,477
Costs and expenses	13,777	2,936	3,865	3,620	24,199	(6,124)	18,074
Operating income (losses)	1,443	(118)	144	(162)	1,307	95	1,402

[Overseas Segment Sales Data]

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

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

- 1st Quarter of FY2005 (3 months ended June 30, 2004) -

	Americas	Europe	Asia	Total
I Overseas sales (Millions of yen)	2,817	3,987	2,542	9,347
II Consolidated net sales (Millions of yen)	—	—	—	19,477
III Ratio of overseas sales in consolidated net sales (%)	14.5	20.5	13.1	48.0