Fiscal 2006 Consolidated Interim Earnings Report

November 8, 2005

Company Name: RISO KAGAKU CORPORATION
Stock Code: 6413
(URL: http://www.riso.co.jp/)
Representative Director: Akira Hayama, President & CEO
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Board Meeting held to Approve the Results: November 8, 2005
US GAAPs Applied: No

Listed Market: JASDAQ
Headquarters: Tokyo

1. Consolidated Interim Results (April 1, 2005 to September 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 Half of FY2006	40,040	[2.8]	1,606	[- 42.5]	1,556	[- 45.5]
1st Half of FY2005	38,932	[- 1.7]	2,792	[- 14.8]	2,855	[26.7]
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 Half of FY2006	792	[-50.8]	59. 49	58. 89
1st Half of FY2005	1,609	[53.8]	118. 73	112. 56
FY 2005	3,280		238. 58	226. 12

(Notes)

1. Equity-method loss (millions of yen): 119 in 1st Half of FY2006, 3 in 1st Half of FY2005, and 243 in FY2005
2. Average no. of outstanding shares (Consolidated): 13,316,987 shares in 1st Half of FY2006
   13,557,957 shares in 1st Half of FY2005, and
   13,550,133 shares in FY2005
3. Changes in accounting standards: No
4. Percentage figures for net sales, operating income, recurring income and net income represent year-on-year changes.

(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
Sept. 30, 2005	113,440	66,356	58.5	4,995. 63
Sept. 30, 2004	107,780	64,811	60.1	4,780. 34
March 31, 2005	112,551	65,834	58.5	4,926. 74

(Notes)

No. of shares issued (Consolidated): 13,282,812 shares on Sept. 30, 2005, 13,557,854 shares on Sept. 30, 2004, and 13,353,010 shares on Mar. 31, 2005

(3) Consolidated Cash Flows (Millions of yen, rounded down)

	Operating Activities	Investing Activities	Financing Activities	Period-end Cash and Cash Equivalents
1st Half of FY2006	1,680	- 3,461	3	31,829
1st Half of FY2005	1,640	- 374	- 625	32,624
FY2005	6,282	- 3,267	- 1,431	33,526

(4) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 26 Equity-method non-consolidated subsidiaries: 0
Equity-method affiliates: 1

(5) Changes in Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: (New) 0 / (Excluded) 2 Equity-method affiliates: (New) 0 / (Excluded) 0

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

	Net Sales	Recurring Income	Net Income
Year-end Results	89,700	5,800	3,300

(Remarks) Projected net income per share at year-end: 124.22 yen

(Notes)

Following the decision of the meeting of the Board of Directors on August 30, 2005, each share of common stock held by shareholders registered at market closing time on September 30, 2005, is to be divided into two shares on November 18, 2005. The projected year-end net income per share given above has been calculated using the number of outstanding shares after this stock split.

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. Please refer to Page 9 for an explanation of the assumptions and factors upon which the forecasts are based.

Note:
The financial information appearing in this report is a translation of the original Japanese text into English and according to accounting standards and practices in Japan.

(1) Group Organization Structure

The Riso Group (RISO) consists of Riso Kagaku Corporation (the parent company), 27 subsidiaries, and 2 affiliated companies. The main business of the Group is the 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 the RISO members and their business territories.

RISO KAGAKU CORPORATION (Manufacture and sales)

<Subsidiaries in Japan>

Printing equipment - Sales and market research
RISO OKINAWA CO., LTD.
RISO TSUKUBA CO., LTD.
RISO CHIBA CO., LTD.
RISO SHIZUOKA CO., LTD.

Printing equipment - Sales and funded research and development
RISO VEC CO., LTD.

Real estate business and others
- Insurance
RISO AGENCY CO., LTD.

- Real estate

<Affiliated companies in Japan>

Printing equipment - Research and development, manufacture and sales
ORTEK CORPORATION

<Overseas subsidiaries>

Printing equipment - Sales and market research
RISO, INC.
RISO EUROPE LTD.
RISO (U.K.) LTD.
RISO (Deutschland) GmbH
RISO FRANCE S.A.
RISO IBERICA ,S.A.
RISOGRAPH ITALIA S.p.A.
RISO AFRICA (PTY) LTD.
RISO HONG KONG LTD.
RISO (Thailand) LTD.
RISO KOREA LTD.

Printing equipment - Manufacture and sales
RISO TECHNOLOGY ZHUHAI CO., LTD.
RISO INDUSTRIES (H.K.) LTD.

(2) Management Policies

1. Basic Management Policies
To expand profit in our core business “digital duplicating” and establish a foundation for growth through a new business “ink jet printing,” RISO has made a medium-term management plan, whose closing term is FY2007, and has been operating business accordingly.
By implementing this medium-term management plan, we aim to achieve consolidated sales of ¥100 billion and operating income margin of 10% at year-end in FY2007.

The basic objectives of the medium-term management plan, Riso Vision 07, are as follows.
(1) Accelerating new product development and strengthening development system;
(2) Making challenges for further expansion of digital duplicating business;
(3) Establishing a new inkjet printing business;
(4) Building the production and distribution system enabling low operation cost and inventory level;
(5) Fostering human resources capable of leading our future growth; and
(6) Operating business in compliance with the law and consideration of the environment.

2. Basic Policy for Earning Distribution
Our basic policy for earning distribution is to allocate an appropriate portion of earnings for a dividend in accordance with business results while retaining the remains to strengthen the corporate structure.
Following the above basic policy, we try to maintain appropriate dividend distribution in future as well. Besides, we regard share repurchase as a measure for allocation of earnings to shareholders. Regarding retained earnings, we will use them to enhance the operating results through improvement of the balance sheet, capital investment and research and development.

3. Measures Encouraging Individual Share Ownership
At a meeting of the Board of Directors on August 30, 2005, we decided to divide each share of common stock held by shareholders registered at market closing time on September 30, 2005, into two shares on November 18, 2005, to enhance the liquidity of the Company's stock and broaden its investor base.

4. Management Objectives
In FY2006, which is the second fiscal year of the current medium-term management plan, we are operating business focusing on the following 5 points.
(1) Expansion of inkjet business
(2) Sales expansion of one-pass two-color printers
(3) R&D, engineering and production operations in pursuit of overall optimization
(4) Quality enhancement of management mind
(5) Promotion of environment-conscious management and buildup of VCM system

RISO will aim to enhance own business performance by promoting the above-listed measures.

5. Basic Corporate Governance Policies and Procedures

[1] Basic Policies

We regard corporate governance as an essential for sound corporate management and acknowledge that compliance is in turn fundamental to corporate governance. Based on this recognition, we do not just comply with the laws and company rules but also respect social ethics and morals and operate business with the awareness of our position as a member of society.

[2] Current Procedures

(1) Directors, board of directors, auditors and board of auditors

The board of directors is composed of 12 directors and holds regular monthly board meetings and extra board meetings if required to make decisions on various management issues. Among the said 12 board members, an outside director (a lawyer) is included, approved at the 51st general shareholders meeting held on June 24, 2005.

The board of auditors is composed of 2 full-time auditors and 2 part-time outside ones (public accountants), and is conducting the audit fairly and objectively. While they all generally attend the meetings held by the board of directors, the full-time auditors also attend the executive committees and other important internal meetings, to surely check the management operations by directors.

(2) Accounting audit

We are under audit contract with KPMG AZSA & Co. to retain the accounting auditor required by the Commercial Law in Japan and to undergo the auditing stipulated by the Securities and Exchange Law in Japan. No special interest exists between our company and the above-mentioned auditing firm or its ordinary partners conducting the auditing.

(3) Officers' remuneration and audit fee (in FY2005)

The officers' remuneration and the audit fee paid in FY2005 are as follows.

- Officers' remuneration

  For directors: ¥180 million

  For auditors: ¥20 million

  * The above amount of payment does not include the portion corresponding to the employee's salaries of directors having duties in an employee's capacity.

- Audit fee

  For audit certification by contract: ¥26 million

  For other services: ¥5 million

(4) Internal auditing and others

We place the audit department under the direct command of CEO for internal control. In addition, to make the compliance mind root deeply in the company, we have instituted the "compliance management codes" installing CEO as superintendent, appointed a director in charge of supervising compliance program performance and reform and distributed a compliance handbook to all company members, with a high regard for compliance.

(5) Lawyers

Regarding legal issues, we request professional advice and counseling to the lawyer under advisory contract when required.

(6) Outside directors' and auditors' interests with the Company, such as personal, capital and transactional relationships

[Outside directors]

Name	Personal Relationship	Capital or Transactional Relationship
Aizo Murakami	Brother-in-law of Nobuo Kawai, Senior Managing Director	Company's advisory lawyer

[Outside auditors]

None

(7) Enhancement of timely disclosure
We actively make timely information disclosure and post such information as earnings reports, timely-disclosed information and closing account announcement on the Company's web site (http://www.riso.co.jp) to ensure the transparency of management.

(8) Acquirement of ratings
2 rating companies, Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc., provide us with the ratings determined through professional evaluation of our management performance. We will draw upon them to improve management while enhancing its transparency and financial strength.

6. Parent-company-related Issues

None

(3) Business Results and Financial Positions

1. Business Results

In the past half of this fiscal year, the Japanese economy was on a recovering trend, led by strong capital investment and healthy revenue increase, in spite of escalating prices of oil and material, such as iron and steel. When we turn our eyes to other countries, the economy in U.S. remained favorable, propped up by increasing housing investment and consumer spending growth fueled by improved employment situation. In Europe, the economy slowed down due to weakening consumer spending in UK but it kept brisk in the euro zone. In Asia, on the other hand, the economy has been expanding, energized by steady export increase and growing capital investment in China.
Under such a global economic climate, RISO introduced 6 models of high-end digital printers, RISOGRAPH RZ7/RZ9 Series, which realized an ultra-high print speed of 180 copies per minute for the first time in the corresponding digital printer market. As for the marketing of high-speed full-color printers, we launched ORPHIS (RISO) HC5000 HG Model, which can process data two to four times faster than the corresponding standard model, and HC Finisher System, which can be connected to the above HG Model and is equipped with stapling and punching devices.
In July this year, besides, a new product category for Eco Mark certification, which is authorized by Japan Environment Association, was dedicatedly created for digital printers, enabling two RISOGRAPH models, RISOGRAPH RZ570 and RZ530, to be granted Eco Mark certification.

The above-mentioned operations have led the consolidated net sales for this interim period to an increase of ¥1,108 million (2.8%) year-on-year to ¥40,040 million, given sales expansion of the high-speed full-color printer, ORPHIS HC5000, in spite of year-on-year sales decrease of digital printers both in Japan and overseas.
Gross profit dropped ¥204 million (1.0%) year-on-year to ¥21,141 million as the result of lowered average sale prices of digital printers and slow sales growth of their supplies. Selling, general and administrative expenses rose 5.3% year-on-year to ¥19,534 million, due to increase of advertising expenses for new product promotion. As a result, operating income decreased 42.5% year-on-year to ¥1,606 million.
As for recurring income, it also dropped 45.5% year-on-year to ¥1,556 million, affected by the record of the equity-method loss relating to ORTEK CORPORATION.
As a result, net income decreased 50.8% year-on-year to ¥792 million.

The business results in the respective segments by geographical area are as follows:

(1) Japan - Total domestic sales and Asian dealer sales
Domestic sales expanded, supported by favorable effects of the marketing of high-speed full-color printers, ORPHIS HC5000, while the sales of digital printers were lower than in the same period of the previous fiscal year. Asian dealer sales, in addition, almost reached the projected level. As a result, net sales rose 1.8% year-on-year to ¥22,159 million, including the amount gained through real estate and miscellaneous businesses, but operating income decreased 29.4% year-on-year to ¥1,840 million due to the increase of prior investment on advertisement of new products.

(2) The Americas - Total American subsidiaries' sales

In the Americas, net sales increased 0.4% year-on-year to ¥6,123 million, favored by positive effects of new product launch compensating for the performance level of direct sales which has not reached a given target. As for profits, gross profit was lower than in the same period of the previous fiscal year, affected by lowered average sale prices of digital printers and slow sales growth of their supplies. As a result, operating income recorded a deficit of ¥519 million.

(3) Europe - Total European subsidiaries' sales

In Europe, the overall sales were steady, propped up by favorable effects of the introduction of high-speed full-color printers, ORPHIS HC5000, and strong performance in France, despite the below-the-target sales results in UK, the Middle East and Eastern Europe. As a result, net sales rose 8.2% year-on-year to ¥7,880 million but operating income dropped 8.0% year-on-year to ¥129 million, burdened with increased operation cost attributed to new product launch.

(4) Asia - Total Asian subsidiaries' sales including Chinese ones

In Southeast Asian and Chinese markets, sales performance was strong, given positive effects of new product launch. As a result, net sales increased 2.3% year-on-year to ¥3,876 million. Besides, operating income jumped 180.4% year-on-year to ¥352 million, effectively promoted by profit-oriented marketing policies and the improved performance of manufacturing subsidiaries.

2. Financial Positions

Consolidated financial positions changed as described below when checked at the end of this interim period, compared with those at the end of the previous fiscal year.
Total assets increased ¥889 million and shareholders' equity ¥521 million respectively, leading equity ratio to 58.8%.
This position change resulted mainly from the increase of ¥2,496 million in inventories and of ¥2,951 million in investment in securities and the decrease of ¥1,373 million in cash and deposits and of ¥3,180 million in notes and accounts receivable, when looking at the assets side of the balance sheets. When looking at the liabilities side, on the other side, it corresponded to the increase of ¥1,421 million in short-term loans and the decrease of ¥588 million in accrued taxes.

Interim Consolidated Cash Flows

Cash and cash equivalents decreased ¥1,697 million to ¥31,829 million when calculated on September 30, 2005, compared with the corresponding value on March 31, 2005.

The cash flows from the respective categorized activities in this interim period are described below, including their contributing factors.

Cash Flows from Operating Activities

Operating activities provided ¥1,680 million as net cash, in succession to the acquisition of ¥1,640-million net cash in the same period of the previous year. This position resulted from both the main cash inflows of ¥1,556 million as income before income taxes, of ¥1,524 million as depreciation and of ¥3,670 million as decrease in accounts receivable, and the main cash outflows of ¥2,122 million as increase in inventories and of ¥1,364 million as payment of corporate income taxes.

Cash Flows from Investing Activities
Investing activities used ¥3,461 million as net cash, in succession to the use of ¥374-million net cash in the same period of the previous year. This position resulted from the main cash outflows of ¥1,029 million as acquisition of tangible fixed assets and of ¥2,999 million as purchase of investment securities.

Cash Flows from Financing Activities
Financing activities acquired ¥3 million as net cash, in contrast to the use of ¥625-million net cash in the same period of the previous year. This position resulted from both the main cash inflows of ¥1,151 million as net increase in short-term loans and the main cash outflows of ¥302 million as repurchase of own shares and of ¥801 million as payment of dividends.

3. Business Outlook in Fiscal Year 2006

The Japanese economy is expected to continue gradual recovery, even with concerns about a decline in corporate profits triggered by escalating prices of oil and steel. On the other hand, the future global economy will presumably remain unpredictable, given suspected economic slowdown in U.S. and China.
Under this business environment, RISO will work with full energy on the major issues raised in the aforementioned medium-term management plan, "Riso Vision 07."
We expect net sales will increase through the sales expansion of digital printers and ORPHIS (RISO) HC inkjet printers in Japan. In the Americas, we will improve business performance by expanding the sales of one-pass two-color digital printers, RISOGRAPH MZ series, and RISOGRAPH RZ9 series printers. In Europe, continuous strengthening of direct sales structures will probably contribute to sales increase and we assume that the same result will be enjoyed through the strengthening and expansion of sales networks in Asia.
Summarizing the prospect of the performance in FY2006, net sales are expected to increase 5.3% year-on-year to ¥89,700 million, recurring income drop 1.4% to ¥5,800 million and net income rise 0.6% to ¥3,300 million.
In the above prospect, we use the exchange rates of ¥109 against the US dollar and ¥135 against the Euro.

4. Risk Factors in Business

RISO is subject to the following risk factors which will probably affect its own business performance, stock price and financial positions. The future-related assumptions we make in the descriptions below are based on the data and information available at the end of this interim period.

(1) Exchange rate fluctuation
About 50% of total sales volume is realized overseas in our printer-related business. The amounts booked in local currency, such as sales, expenses and assets, in each overseas region are converted to Japanese yen when preparing consolidated financial statements. These amounts could be different after finally converted to Japanese yen, depending on the exchange rate applied at conversion, even if they are constant in local currency. Especially concerning US dollar and Euro, in which our major overseas sales amounts are booked, their depreciation against Japanese yen has negative effects on our business results while their appreciation against the same has positive ones on them.

(2) Technological innovation

Our core business is the development, manufacturing and sales of office digital printers. If an innovative technology that competes against digital duplicating appears under this environment, in particular, our products could fall behind the times. In case we cannot appropriately anticipate changes in the market and develop attractive products, our future growth and profitability could be lowered, adversely affecting our business results and financial positions.

(3) Intensifying competition

Among competitive products of office digital printers, which are our core products, are assumed to be included other brand digital printers with corresponding digital duplicating technology and other office equipment marketed in the same fields, such as copiers, laser-beam printers and inkjet printers. Though RISO is one of the leading companies that manufacture and market high-quality and high-valued added printers and their supplies, the intensifying competitions for lower product prices as well as performance could have adverse effects on our business results and financial positions.

(4) Product defects

RISO is manufacturing office digital printers and their supplies in the plants located in Ibaraki and Yamaguchi areas in Japan and some additional areas in China, giving top priority to quality control. However, there is no absolute guarantee that serious defects never occur in our products. Such product defects as lead to recall or product-liability compensation, even though we have a product-liability insurance policy with forethought, could require large additional costs and exert unfavorable effects on our company value, causing sales to drop and adversely affecting our business results and financial positions.

(5) Accounting and taxation system changes

Unexpected changes of existing accounting standards or taxation system or unexpected adoption of new ones could have adverse effects on our business results and financial positions. Besides, the difference of our views on tax declaration from tax authorities could force a heavier tax burden on us than expected.

(6) Natural disasters and accidents

When our facilities, such as manufacturing sites, suffer catastrophic damages from natural disasters, such as earthquake, or such accidents as fire, our operations could be suspended, causing sales to drop due to delay in production and delivery. Besides, large expenses could be required to restore the damaged facilities.

(4) Interim Consolidated Financial Statements

[1] Interim Consolidated Balance Sheets

	1st Half of FY 2005 (As of Sept. 30, 2004)			1st Half of FY 2006 (As of Sept. 30, 2005)			FY 2005 (As of Mar. 31, 2005)		
Item	Amount (Millions of yen)		(%)	Amount (Millions of yen)		(%)	Amount (Millions of yen)		(%)
(ASSETS)									
Ⅰ Current assets									
1. Cash and deposits		31,169			30,298			31,671	
2. Notes and accounts receivable		14,429			15,117			18,297	
3. Marketable securities		1,800			1,876			2,200	
4. Inventories		13,117			15,161			12,664	
5. Deferred tax assets (short)		2,553			2,434			2,457	
6. Others		1,487			1,664			1,499	
Allowance for doubtful receivables (short)		(972)			(1,263)			(1,190)	
Total current assets		63,583	59.0		65,289	57.6		67,601	60.1
Ⅱ Fixed assets									
1. Tangible fixed assets									
(1) Buildings and structures	8,709			8,521			8,595		
(2) Machinery, equipment and vehicles	2,215			1,975			2,021		
(3) Tools, furniture and fixtures	2,561			2,622			2,376		
(4) Land	14,899			14,899			14,899		
(5) Construction in progress	61			37			62		
(6) Others	4,671	33,118		4,825	32,882		4,514	32,469	
2. Intangible fixed assets									
(1) Trade rights	403			368			362		
(2) Software	1,154			1,133			1,134		
(3) Consolidated adjustment account	51			15			42		
(4) Others	459	2,068		698	2,216		513	2,052	
3. Investments and other securities									
(1) Investment in securities	3,298			7,234			4,283		
(2) Long-term advances	315			291			290		
(3) Deferred tax assets (long)	1,618			1,103			1,424		
(4) Others	4,085			4,495			4,724		
Allowance for doubtful receivables (long)	(309)	9,008		(71)	13,053		(296)	10,427	
Total fixed assets		44,196	41.0		48,151	42.4		44,950	39.9
Total assets		107,780	100.0		113,440	100.0		112,551	100.0

Item	1st Half of FY 2005 (As of Sept. 30, 2004) Amount (Millions of yen)	(%)	1st Half of FY 2006 (As of Sept. 30, 2005) Amount (Millions of yen)	(%)	FY 2005 (As of Mar. 31, 2005) Amount (Millions of yen)	(%)
(LIABILITIES)						
Ⅰ Current liabilities						
1. Notes and accounts payable	9,343		11,820		11,357	
2. Short-term loans	5,274		6,713		5,292	
3. Long-term bank borrowings due within one year	71		69		69	
4. Accrued taxes	1,092		704		1,292	
5. Accrued bonuses	1,555		1,555		1,632	
6. Accrued warranty costs	38		65		44	
7. Others	4,738		4,942		5,995	
Total current liabilities	22,115	20.6	25,870	22.8	25,685	22.8
Ⅱ Long-term liabilities						
1. Convertible bonds	16,915		16,915		16,915	
2. Long-term bank borrowings	218		127		169	
3. Employees' retirement allowances	2,869		3,007		2,970	
4. Directors' retirement allowances	260		223		279	
5. Equity-method debt	151		481		263	
6. Others	295		318		287	
Total long-term liabilities	20,711	19.2	21,073	18.6	20,885	18.6
Total liabilities	42,826	39.8	46,943	41.4	46,570	41.4
(MINORITY INTERESTS)						
Minority interests	142	0.1	141	0.1	146	0.1
(SHAREHOLDERS' EQUITY)						
Ⅰ Common stock	14,114	13.1	14,114	12.5	14,114	12.5
Ⅱ Capital reserve	14,779	13.7	14,779	13.0	14,779	13.1
Ⅲ Retained earnings	37,407	34.7	39,021	34.4	39,078	34.7
Ⅳ Net unrealized holding gains or losses on securities	567	0.5	1,488	1.3	976	0.9
Ⅴ Foreign currency translation adjustments	(655)	(0.6)	(434)	(0.4)	(802)	(0.7)
Ⅵ Treasury stock	(1,402)	(1.3)	(2,614)	(2.3)	(2,311)	(2.0)
Total shareholders' equity	64,811	60.1	66,356	58.5	65,834	58.5
Total liabilities, minority interests and shareholders' equity	107,780	100.0	113,440	100.0	112,551	100.0

[2] Interim Consolidated Statements of Income

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004) Amount (Millions of yen)		(%)	1st Half of FY 2006 (6 months ended Sept. 30, 2005) Amount (Millions of yen)		(%)	FY 2005 (Year ended Mar. 31, 2005) Amount (Millions of yen)		(%)
Ⅰ Net sales		38,932	100.0		40,040	100.0		85,161	100.0
Ⅱ Cost of sales		17,585	45.2		18,898	47.2		39,859	46.8
Gross profit		21,346	54.8		21,141	52.8		45,302	53.2
Ⅲ Selling, general and administrative expenses		18,554	47.7		19,534	48.8		38,727	45.5
Operating income		2,792	7.1		1,606	4.0		6,574	7.7
Ⅳ Other income									
1. Interest income	46			46			89		
2. Dividend income	41			55			62		
3. Gains on sale of investment securities	—			82			—		
4. Exchange profits	183			97			—		
5. Others	195	467	1.2	164	447	1.1	378	530	0.6
Ⅴ Other expenses									
1. Interest expenses	227			275			468		
2. Equity method losses	3			119			243		
3. Exchange losses	—			—			110		
4. Losses on sale of fixed assets	52			34			213		
5. Others	119	403	1.0	68	497	1.2	186	1,221	1.4
Recurring income		2,855	7.3		1,556	3.9		5,883	6.9
Income before income taxes		2,855	7.3		1,556	3.9		5,883	6.9
Corporate income tax and other tax expenses	1,184			775			2,526		
Corporate income tax and other tax adjustments	54	1,239	3.2	(18)	757	1.9	61	2,587	3.0
Minority interest in net income of consolidated subsidiaries		6	0.0		6	0.0		15	0.0
Net income		1,609	4.1		792	2.0		3,280	3.9

[3] Interim Consolidated Surplus Statements

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004) Amount (Millions of yen)		1st Half of FY 2006 (6 months ended Sept. 30, 2005) Amount (Millions of yen)		FY 2005 (Year ended Mar. 31, 2005) 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	0	—	—	0	0
Ⅲ Capital reserve carried forward		14,779		14,779		14,779
(RETAINED EARNINGS)						
Ⅰ Retained earnings brought forward		36,673		39,078		36,673
Ⅱ Increases						
1. Net income	1,609	1,609	792	792	3,280	3,280
Ⅲ Decreases						
1. Dividends	813		801		813	
2. Bonuses to directors	62	875	48	849	62	875
Ⅳ Retained earnings carried forward		37,407		39,021		39,078

[4] Interim Consolidated Statements of Cash Flows

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004) Amount (Millions of yen)	1st Half of FY 2006 (6 months ended Sept. 30, 2005) Amount (Millions of yen)	FY 2005 (Year ended Mar. 31, 2005) Amount (Millions of yen)
Ⅰ Cash flows from operating activities			
Income before income taxes	2,855	1,556	5,883
Depreciation	1,287	1,524	2,948
Amortization of adjustments on consolidated accounts	8	10	17
Equity method losses	3	119	243
Increase in employees' retirement allowances	145	37	245
Decrease in directors' retirement allowances	(48)	(55)	(28)
Increase (decrease) in allowance for doubtful receivables	118	(191)	337
Interest and dividends receivable	(88)	(101)	(151)
Interest payable	227	275	468
Exchange losses	73	133	109
Losses (gains) on sale of investment securities	1	(82)	0
Decrease (increase) in accounts receivable	2,203	3,670	(1,767)
Increase in inventories	(1,358)	(2,122)	(1,048)
Increase (decrease) in accounts payable	(1,365)	190	700
Increase (decrease) in accrued expenses	(618)	(893)	750
Directors' bonuses paid	(62)	(48)	(62)
Others, net	(138)	(805)	557
Subtotal	3,245	3,215	9,204
Interest and dividends received	88	101	151
Interest paid	(232)	(271)	(471)
Income taxes paid	(1,459)	(1,364)	(2,602)
Net cash provided by (used in) operating activities	1,640	1,680	6,282
Ⅱ Cash flows from investing activities			
Increase in time deposits	(307)	(1)	(716)
Decrease in time deposits	6	0	9
Payments for purchase of marketable securities	―	―	(300)
Proceeds from sale of marketable securities	999	―	1,299
Payments for acquisition of tangible fixed assets	(786)	(1,029)	(2,253)
Payments for acquisition of intangible fixed assets	(219)	(474)	(679)
Payments for purchase of investment securities	(300)	(2,999)	(603)
Proceeds from sale of investment securities	101	994	101
Increase in loans receivable	(16)	(38)	(42)
Decrease in loans receivable	80	42	128
Others, net	68	44	(209)
Net cash provided by (used in) investing activities	(374)	(3,461)	(3,267)
Ⅲ Cash flows from financing activities			
Net increase in short-term loans	227	1,151	377
Proceeds from long-term bank borrowings	―	2	4
Repayments of long-term bank borrowings	(39)	(46)	(90)
Payments for repurchase of own shares	(0)	(302)	(909)
Cash dividends paid	(813)	(801)	(813)
Others, net	0	―	0
Net cash provided by (used in) financing activities	(625)	3	(1,431)
Ⅳ Effect of exchange rate changes on cash and cash equivalents	150	79	109
Ⅴ Increase (decrease) in cash and cash equivalents	791	(1,697)	1,693
Ⅵ Cash and cash equivalents, beginning of year	31,832	33,526	31,832
Ⅶ Cash and cash equivalents, end of year	32,624	31,829	33,526

Significant Notes in Preparation of Consolidated Financial Statements

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 28 Principal ones are as follows: RISO, INC., RISO (Deutschland) GmbH, RISO FRANCE S.A., and RISO TECHNOLOGY ZHUHAI CO., LTD. Kubota Office Machine Limited was acquired on July 30, 2004 and consolidated during the 1st half of fiscal 2005. (2) List of non-consolidated subsidiaries RISO IRELAND LABORATORY LTD. (Reason of non-consolidation) The listed subsidiary is small in size and its main financial indexes, such as total assets, net sales, net income (calculated by equity method), and retained earnings (calculated by equity method), have no significant effect on the interim consolidated financial statement.	(2) Number of consolidated subsidiaries: 26 Principal ones are as follows: RISO, INC., RISO (Deutschland) GmbH, RISO FRANCE S.A., and RISO TECHNOLOGY ZHUHAI CO., LTD. Two ex-consolidated subsidiaries, RISO CHINA LTD. and RISO PSS Shimbashi, were excluded from consolidation because they were liquidated during the 1st half of fiscal 2006. (2) List of non-consolidated subsidiaries Same as left	(1) Number of consolidated subsidiaries: 28 Principal ones are as follows: RISO, INC., RISO (Deutschland) GmbH, RISO FRANCE S.A., and RISO TECHNOLOGY ZHUHAI CO., LTD. Kubota Office Machine Limited was acquired on July 30, 2004 and consolidated during the fiscal 2005. (2) List of non-consolidated subsidiaries RISO IRELAND LABORATORY LTD. (Reason of non-consolidation) The listed subsidiary is small in size and its main financial indexes, such as total assets, net sales, net income (calculated by equity method), and retained earnings (calculated by equity method), have no significant effect on the consolidated financial statement.
2. Application of the equity method	(1) Number of affiliated companies accounted for by the equity method: 1 ORTEK CORPORATION (2) RISO IRELAND LABORATORY LTD., a non-consolidated subsidiary, and AVENIR CO., LTD., an affiliate, are not accounted for by the equity method because their performances made no remarkable result and have no significant effect on the interim consolidated financial statements, given their net income (calculated by equity method) and retained earnings (calculated by equity method).	(1) Number of affiliated companies accounted for by the equity method: 1 ORTEK CORPORATION (2) Same as left	(1) Number of affiliated companies accounted for by the equity method: 1 ORTEK CORPORATION (2) RISO IRELAND LABORATORY LTD., a non-consolidated subsidiary, and AVENIR CO., LTD., an affiliate, are not accounted for by the equity method because their performances made no remarkable result and have no significant effect on the consolidated financial statements, given their net income (calculated by equity method) and retained earnings (calculated by equity method).

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
3. Fiscal year for consolidated subsidiaries	The interim accounting period of the subsidiaries listed below ends on June 30. RISO DE MEXICO S.A., RISO TECHNOLOGY ZHUHAI CO., LTD. , and RISO (SHANGHAI) INTERNATIONAL TRADING CO., LTD. The interim accounting period of the subsidiaries listed below ends on December 31. Kubota Office Machine Limited Interim consolidated financial statements are prepared, applying provisional interim financial statements in the accounting period ending on September 30 for these subsidiaries.	Same as left	The accounting period of the subsidiaries listed below ends on December 31. RISO DE MEXICO S.A., RISO TECHNOLOGY ZHUHAI CO., LTD. , and RISO (SHANGHAI) INTERNATIONAL TRADING CO., LTD. The accounting period of the subsidiaries listed below ends on June 30. Kubota Office Machine Limited Consolidated financial statements are prepared, applying provisional financial statements in the accounting period ending on March 31 for these subsidiaries.
4. Significant accounting policies	(1) Valuation standards and accounting treatment for important assets 1. Marketable securities - Other marketable securities with market quotations Stated at market value, determined by the market price as of the end of the interim period, with unrealized gains or losses reported in shareholders' equity and selling price determined by the moving-average method. - Other marketable securities without market quotations Stated at cost determined by the moving-average method. 2. Derivatives Stated at market value 3. Inventories Stated at cost, primarily determined by the moving-average method	(1) Valuation standards and accounting treatment for important assets 1. Marketable securities - Other marketable securities with market quotations Same as left - Other marketable securities without market quotations Same as left 2. Derivatives Same as left 3. Inventories Same as left	(1) Valuation standards and accounting treatment for important assets 1. Marketable securities - Other marketable securities with market quotations Stated at market value, determined by the market price as of the end of the accounting period, with unrealized gains or losses reported in shareholders' equity and selling price determined by the moving-average method. - Other marketable securities without market quotations Same as left 2. Derivatives Same as left 3. Inventories Same as left
	(2) Depreciation rules of important depreciable assets 1. Tangible fixed assets Buildings, excluding fixtures, are depreciated using the straight-line method. Other tangible fixed assets are primarily depreciated by the declining-balance method. 2. Intangible fixed assets They are primarily depreciated using the straight-line method. Proprietary software is depreciated using the straight-line method over 5-year period of use.	(2) Depreciation rules of important depreciable assets 1. Tangible fixed assets Same as left 2. Intangible fixed assets Same as left	(2) Depreciation rules of important depreciable assets 1. Tangible fixed assets Same as left 2. Intangible fixed assets Same as left

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
	(3) Accounting rules for major allowances and accruals 1. Allowance for doubtful receivables For ordinary accounts receivable, the estimated credit loss is calculated based on historic default rate and declared as allowance, while it is determined, estimating the default rate individually, for such specific accounts receivable as those with lower credit.	(3) Accounting rules for major allowances and accruals 1. Allowance for doubtful receivables Same as left	(3) Accounting rules for major allowances and accruals 1. Allowance for doubtful receivables Same as left
	2. Accrued bonuses The amount which is expected to be paid as employees' bonuses in the corresponding accounting period is posted as accrued bonuses in the following group companies: parent company, all domestic subsidiaries and several overseas ones.	2. Accrued bonuses Same as left	2. Accrued bonuses Same as left
	3. Accrued warranty costs The amount which is expected to be paid for repair parts used in the products under warranty in the corresponding accounting period is posted as accrued warranty costs, calculated based on the actual expense record in the previous years, in the parent company but not in other group companies.	3. Accrued warranty costs Same as left	3. Accrued warranty costs Same as left
	4. Employees' retirement allowances The amount estimated to be reserved for employees' retirement benefit funds in the corresponding interim accounting period is posted as employees' retirement allowances, calculated based on the projected retirement benefit obligation and pension assets at the end of the current fiscal year, in the parent company and several overseas subsidiaries. The actuarial losses realized in the corresponding accounting period for the said allowances are amortized over the following fiscal years (15 years at the maximum), whose period is not beyond the average remaining service years of employees calculated at the end of the corresponding fiscal year, in the declining-balance method.	4. Employees' retirement allowances Same as left	4. Employees' retirement allowances The expected amount of employees' retirement benefit obligation and pension assets at the end of the corresponding fiscal year is posted as employees' retirement allowances, in the parent company and several overseas subsidiaries. The actuarial losses realized in the corresponding accounting period for the said allowances are amortized over the following fiscal years (15 years at the maximum), whose period is not beyond the average remaining service years of employees calculated at the end of the corresponding fiscal year, in the declining-balance method.

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
	5. Directors' retirement allowances The amount that is required to be paid as rewards to directors on retirement at the end of the corresponding interim accounting period is posted as directors' retirement allowances, as prescribed in the internal regulations, in the parent company.	5. Directors' retirement allowances The amount that is required to be paid as rewards to directors and operating officers on retirement at the end of the corresponding interim accounting period is posted as directors' retirement allowances, as prescribed in the internal regulations, in the parent company.	5. Directors' retirement allowances The amount that is required to be paid as rewards to directors on retirement at the end of the corresponding accounting period is posted as directors' retirement allowances, as prescribed in the internal regulations, in the parent company.
	(4) Conversion rules of main items in foreign currencies Monetary assets and liabilities denominated in foreign currencies are translated using the spot exchange rates at the interim balance sheet date. The resulting exchange gains or losses are declared as income or expenses. The assets and liabilities of consolidated overseas subsidiaries are translated into yen amounts using the spot exchange rates at the interim balance sheet date, while their incomes and expenses are converted into yen amounts with the average exchange rates during the corresponding interim accounting period. The resulting exchange gains or losses are listed under foreign currency translation adjustments in shareholders' equity.	(4) Conversion rules of main items in foreign currencies Same as left	(4) Conversion rules of main items in foreign currencies Monetary assets and liabilities denominated in foreign currencies are translated using the spot exchange rates at the balance sheet date. The resulting exchange gains or losses are declared as income or expenses. The assets and liabilities of consolidated overseas subsidiaries are translated into yen amounts using the spot exchange rates at the balance sheet date, while their incomes and expenses are converted into yen amounts with the average exchange rates during the corresponding accounting period. The resulting exchange gains or losses are listed under foreign currency translation adjustments in shareholders' equity.
	(5) Transaction of main lease accounts Finance lease contracts are processed according to the accounting rules of operating lease ones, excluding those transferring the ownership of the leased assets to lessees at the end of the lease term. In some consolidated overseas subsidiaries, they are processed according to the accounting rules of ordinary sales transaction, in compliance with the accounting principles in the countries concerned.	(5) Transaction of main lease accounts Same as left	(5) Transaction of main lease accounts Same as left
	(6) Other essential accounting rules required for drafting the Interim Consolidated Financial Statements Transaction of consumption taxes Consumption tax and local consumption tax are excluded from the reported amounts.	(6) Other essential accounting rules required for drafting the Interim Consolidated Financial Statements Transaction of consumption taxes Same as left	(6) Other essential accounting rules required for drafting the Consolidated Financial Statements Transaction of consumption taxes Same as left

Item	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
5. Scope of cash and cash equivalents in the Consolidated statements of cash flows	Cash and cash equivalents in the Consolidated statements of cash flows are composed of the following items: cash on hand, demand deposits and highly liquid short-term investment with maturity of less than 3 months which are exposed to minimal risks of value fluctuations.	Same as left	Same as left

Significant Procedure Changes in Preparation of Consolidated Financial Statements

1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
(None)	［Accounting standards for impairment loss on fixed assets］ The accounting standards for impairment loss on fixed assets (which were drafted by the Business Accounting Council on August 9, 2002) and its application guidelines (which were stated in the Item 6, Application Guidelines of Business Accounting Standards, drafted on October 31, 2003) have been applied when preparing consolidated financial statements since this interim accounting period. This accounting procedure change has no effect on consolidated statements of income.	(None)

Reclassification

1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)
［Interim consolidated statements of income］ The losses on sale of fixed assets, which amounted to ¥46 million in the interim accounting period ending on September 2003 and were included in “Others” under “Other expenses,” are shown separately on the corresponding income statements because they have exceeded 10% of the total amount of other expenses.	(None)

Notes on Consolidated Balance Sheets

1st Half of FY 2005 (As of Sept. 30, 2004)	1st Half of FY 2006 (As of Sept. 30, 2005)	FY 2005 (As of Mar. 31, 2005)
1. The amount of accumulated depreciation on tangible fixed assets is ¥35,916 million.	1. The amount of accumulated depreciation on tangible fixed assets is ¥38,415 million.	1. The amount of accumulated depreciation on tangible fixed assets is ¥37,265 million.
2. Contingent liabilities (None)	2. Contingent liabilities (None)	2. Contingent liabilities Guaranty of liabilities for bank loans made by other group companies than consolidated subsidiaries <Guaranteed> AVENIR CO., LTD ¥30 million

Notes on Consolidated Statements of Income

1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
1. The main items of "Selling, general and administrative expenses" and their amounts are given below. [Item] [Amount] (millions of yen) Employees' salaries and bonuses 5,447 Provision for employees' retirement allowances 337 Provision for directors' retirement allowances 21 Provision for bonuses 1,265 Provision for doubtful receivables 75 Research and development expenses 2,166	1. The main items of "Selling, general and administrative expenses" and their amounts are given below. [Item] [Amount] (millions of yen) Employees' salaries and bonuses 5,513 Provision for employees' retirement allowances 231 Provision for directors' retirement allowances 21 Provision for bonuses 1,269 Provision for doubtful receivables 26 Research and development expenses 2,327	1. The main items of "Selling, general and administrative expenses" and their amounts are given below. [Item] [Amount] (millions of yen) Employees' salaries and bonuses 12,242 Provision for employees' retirement allowances 613 Provision for directors' retirement allowances 40 Provision for bonuses 1,345 Provision for doubtful receivables 303 Research and development expenses 4,331

Notes on Consolidated Statements of Cash Flows

1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
Reconciliation between interim balance sheet accounts and term-end balance of cash and cash equivalents (As of September 30, 2004) [Item] [Amount] (Millions of yen) Cash and deposits 31,169 Time deposits with maturity of more than 3 months (45) Short-term investment (marketable securities) with maturity of 3 months or less from the acquisition date 1,500 Cash and cash equivalents 32,624	Reconciliation between interim balance sheet accounts and term-end balance of cash and cash equivalents (As of September 30, 2005) [Item] [Amount] (Millions of yen) Cash and deposits 30,298 Time deposits with maturity of more than 3 months (45) Short-term investment (marketable securities) with maturity of 3 months or less from the acquisition date 1,576 Cash and cash equivalents 31,829	Reconciliation between balance sheet accounts and term-end balance of cash and cash equivalents (As of March 31, 2005) [Item] [Amount] (Millions of yen) Cash and deposits 31,671 Time deposits with maturity of more than 3 months (45) Short-term investment (marketable securities) with maturity of 3 months or less from the acquisition date 1,900 Cash and cash equivalents 33,526

Segment Information

[Segment Information by Business]

- 1st Half of FY 2005 (6 months ended September 30, 2004) - (Millions of yen)

	Printing equipment-related business	Real estate business and others	Total	Inter-segment Elimination	Consolidated
Sales					
(1) External customer sales	38,359	572	38,932	—	38,932
(2) Inter-segment sales	—	35	35	(35)	—
[Total]	38,359	608	38,967	(35)	38,932
Costs and expenses	35,937	237	36,175	(35)	36,140
Operating income	2,421	370	2,792	—	2,792

- 1st Half of FY 2006 (6 months ended September 30, 2005) - (Millions of yen)

	Printing equipment-related business	Real estate business and others	Total	Inter-segment Elimination	Consolidated
Sales					
(1) External customer sales	39,486	554	40,040	—	40,040
(2) Inter-segment sales	—	37	37	(37)	—
[Total]	39,486	591	40,077	(37)	40,040
Costs and expenses	38,311	159	38,471	(37)	38,433
Operating income	1,174	431	1,606	—	1,606

- FY 2005 (Year ended March 31, 2005) - (Millions of yen)

	Printing equipment-related business	Real estate business and others	Total	Inter-segment Elimination	Consolidated
Sales					
(1) External customer sales	84,010	1,151	85,161	—	85,161
(2) Inter-segment sales	—	63	63	(63)	—
[Total]	84,010	1,214	85,224	(63)	85,161
Costs and expenses	78,186	463	78,650	(63)	78,586
Operating income	5,823	751	6,574	—	6,574

Note: 1. The given business segments are based on the segmentation for internal management.

2. The main operations in each business segment are as follows:
   (1) Printing equipment-related business: Manufacturing and sales of printing equipment
   (2) Real estate business and others: Lease of real estate

3. All costs and expenses are allocated to the respective business segments without leaving unallocated ones.

[Segment Information by Geographic Area]

- 1st Half of FY 2005 (6 months ended September 30, 2004) - (Millions of yen)

	Japan	Americas	Europe	Asia	Total	Inter-segment Elimination	Consolidated
Sales							
(1) External customer sales	21,762	6,096	7,282	3,790	38,932	—	38,932
(2) Inter-segment sales	9,609	0	227	3,827	13,665	(13,665)	—
[Total]	31,372	6,096	7,510	7,618	52,597	(13,665)	38,932
Costs and expenses	28,765	6,265	7,369	7,492	49,893	(13,753)	36,140
Operating income (losses)	2,606	(168)	140	125	2,704	87	2,792

- 1st Half of FY 2006 (6 months ended September 30, 2005) - (Millions of yen)

	Japan	Americas	Europe	Asia	Total	Inter-segment Elimination	Consolidated
Sales							
(1) External customer sales	22,159	6,123	7,880	3,876	40,040	—	40,040
(2) Inter-segment sales	10,869	1	229	4,799	15,900	(15,900)	—
[Total]	33,028	6,125	8,110	8,675	55,940	(15,900)	40,040
Costs and expenses	31,188	6,645	7,981	8,323	54,138	(15,705)	38,433
Operating income (losses)	1,840	(519)	129	352	1,802	(195)	1,606

- FY 2005 (Year ended March 31, 2005) - (Millions of yen)

	Japan	Americas	Europe	Asia	Total	Inter-segment Elimination	Consolidated
Sales							
(1) External customer sales	47,590	13,099	16,832	7,638	85,161	—	85,161
(2) Inter-segment sales	21,158	1	485	7,984	29,629	(29,629)	—
[Total]	68,749	13,100	17,318	15,623	114,791	(29,629)	85,161
Costs and expenses	62,737	13,480	16,572	15,232	108,023	(29,436)	78,586
Operating income (losses)	6,011	(379)	745	390	6,768	(193)	6,574

Note: 1. The above geographic segments are classified by geographic proximity.
2. The main countries included in each geographic segment are as follows:
(1) Americas – U.S. and Canada
(2) Europe – Germany, United Kingdom and France
(3) Asia – China and Thailand
3. All costs and expenses are allocated to the respective geographic segments without leaving unallocated ones.

[Overseas Segment Sales Data]

- 1st Half of FY 2005 (6 months ended September 30, 2004) -

	Americas	Europe	Asia	Total
Ⅰ Overseas sales (Millions of yen)	6,096	7,446	4,913	18,457
Ⅱ Consolidated net sales (Millions of yen)	—	—	—	38,932
Ⅲ Ratio of overseas sales in consolidated net sales (%)	15.7	19.1	12.6	47.4

- 1st Half of FY 2006 (6 months ended September 30, 2005) -

	Americas	Europe	Asia	Total
Ⅰ Overseas sales (Millions of yen)	6,128	7,955	4,966	19,045
Ⅱ Consolidated net sales (Millions of yen)	—	—	—	40,040
Ⅲ Ratio of overseas sales in consolidated net sales (%)	15.3	19.9	12.4	47.6

- FY 2005 (Year ended March 31, 2005) -

	Americas	Europe	Asia	Total
Ⅰ Overseas sales (Millions of yen)	13,099	17,138	9,990	40,228
Ⅱ Consolidated net sales (Millions of yen)	—	—	—	85,161
Ⅲ Ratio of overseas sales in consolidated net sales (%)	15.4	20.1	11.7	47.2

Note: 1. The above geographic segments are classified by geographic proximity.
2. The main countries included in each geographic segment are as follows:
(1) Americas – U.S. and Canada
(2) Europe – Germany, United Kingdom and France
(3) Asia – China and Thailand
3. Overseas sales represent the sales realized outside Japan by the parent company and consolidated subsidiaries.

Notes on Lease Accounts

The notes on lease accounts are not disclosed according to the EDINET disclosure rules.

Notes on Marketable Securities

- 1st Half of FY 2005 (6 months ended September 30, 2004) -

1. Other marketable securities with market quotations (Millions of yen)

	Market value	Book value	Difference
(1) Shares	1,128	2,087	958
(2) Bonds			
National and local bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Others	197	196	(1)
Total	1,326	2,283	957

2. Main marketable securities without market quotations (Millions of yen)

	Book value
Other securities	
Corporate bonds	300
Cash trusts	1,500
Non-listed shares (excluding OTC shares)	1,014

- 1st Half of FY 2006 (6 months ended September 30, 2005) -

1. Other marketable securities with market quotations (Millions of yen)

	Market value	Book value	Difference
(1) Shares	1,107	3,623	2,515
(2) Bonds			
National and local bonds	2,999	2,994	(5)
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Others	—	—	—
Total	4,106	6,617	2,510

2. Main marketable securities without market quotations (Millions of yen)

	Book value
Other securities	
Corporate bonds	300
Cash trusts	1,000
Money management funds	400
Non-listed shares (excluding OTC shares)	617
Others	176

- FY 2005 (Year ended March 31, 2005) -

1. Other marketable securities with market quotations (Millions of yen)

	Market value	Book value	Difference
(1) Shares	1,128	2,778	1,649
(2) Bonds			
National and local bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Others	190	187	(2)
Total	1,319	2,966	1,646

2. Main marketable securities without market quotations (Millions of yen)

	Book value
Other securities	
Corporate bonds	300
Cash trusts	1,500
Money management funds	400
Non-listed shares (excluding OTC shares)	1,017
Others	300

Notes on Derivative Accounts

The notes on derivative accounts are not disclosed according to the EDINET disclosure rules.

Notes on Per-share Financial Data

1st Half of FY 2005 (6 months ended Sept. 30, 2004)		1st Half of FY 2006 (6 months ended Sept. 30, 2005)		FY 2005 (Year ended Mar. 31, 2005)	
Shareholders' equity per share	¥4,780.34	Shareholders' equity per share	¥4,995.63	Shareholders' equity per share	¥4,926.74
Net income per share	¥118.73	Net income per share	¥59.49	Net income per share	¥238.58
Diluted net income per share	¥112.56	Diluted net income per share	¥58.89	Diluted net income per share	¥226.12

Note: Net income per share and diluted net income per share were calculated using the following financial data.

	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
Item	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Net income per share			
Net income (Millions of yen)	1,609	792	3,280
Amount not available to common shareholders (Millions of yen)	—	—	48
- Directors' bonuses paid	—	—	(48)
Amount available to common shareholders (Millions of yen)	1,609	792	3,232
Average number of outstanding shares (Thousands of share)	13,557	13,316	13,550
Diluted net income per share			
Net income adjustment (Millions of yen)	75	75	150
- Interests paid after income taxes	(75)	(75)	(150)
Increase in common stock (Thousands of share)	1,411	1,411	1,411
- Convertible bonds	(1,411)	(1,411)	(1,411)
Dilutive securities not included in calculating diluted net income per share due to the absence of dilutive effect	—	—	—

Important Subsequent Events

1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
(None)	At a meeting of the Board of Directors on August 30, 2005, it was decided to implement a stock split, whose details are as described below. 1. Each share of common stock is to be divided into two shares on November 18, 2005. (1) Increase in number of shares due to a stock split Common stock 14,026,500 shares (2) Method of stock split Each share of common stock held by shareholders and beneficial shareholders on record at market closing time on September 30, 2005, is to be divided into two shares. 2. Initial date of dividend period October 1, 2005 * When it is assumed that this stock split was implemented at the beginning of the previous fiscal year or this fiscal year, the respective per-share financial data would be as shown in the table given below for the following accounting periods: 1st half of FY2005, FY2005 and 1st half of FY2006.	(None)

* Assumed Per-share Financial Data (if given the above-mentioned stock split)

1st Half of FY 2005 (6 months ended Sept. 30, 2004)		1st Half of FY 2006 (6 months ended Sept. 30, 2005)		FY 2005 (Year ended Mar. 31, 2005)	
Shareholders' equity per share	¥2,390.17	Shareholders' equity per share	¥2,497.82	Shareholders' equity per share	¥2,463.37
Net income per share	¥59.37	Net income per share	¥29.74	Net income per share	¥119.29
Diluted net income per share	¥56.28	Diluted net income per share	¥29.45	Diluted net income per share	¥113.06

(5) Production Record, Orders Received and Sales Results

[1] Production Record (Millions of yen)

Business Segment	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
Printing equipment-related business	27,755	28,889	59,868
Total	27,755	28,889	59,868

Note: 1. The factory prices are used as unit price in calculating the above figures.
2. The above figures do not include consumption tax.

[2] Orders Received

Orders received are not disclosed because they are scarce and contribute to a minimal share of production under the current forecast-based production process.

[3] Sales Results (Millions of yen)

Business Segment	1st Half of FY 2005 (6 months ended Sept. 30, 2004)	1st Half of FY 2006 (6 months ended Sept. 30, 2005)	FY 2005 (Year ended Mar. 31, 2005)
Printing equipment-related business	38,359	39,486	84,010
Real estate business and others	572	554	1,151
Total	38,932	40,040	85,161

Note: 1. Inter-segment transactions are offset.
2. Consumption taxes are not included in the above amounts.
3. Sales results are not broken down by account because we do not have such a specific account as covers 10% or more of the total sales in the corresponding accounting periods.