

# **Briefing on Business Results for the Six Months of FY2013**

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(From April 1, 2012 to September 30, 2012)

**RISO KAGAKU CORPORATION**

November 5, 2012

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■ The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company. These statements do not purport that the Company pledges to achieve such performance. Actual business may differ substantially from the forecasts due to various factors in the future.

# First Half of FY2013 Performance Overview

- Sales decreased owing to foreign exchange impact
- Income increased because of cost reduction in inkjet business

(Millions of Yen)

		First Half of FY2013	First Half of FY2012	Difference (year-on-year)		Calculated with exchange rates of the previous year
				Amount	Growth%	Growth%
Net sales		35,268	35,944	-675	-1.9%	0.1%
Gross profit		20,058	19,320	738	3.8%	7.8%
Selling, general and administrative expenses		17,855	18,043	-188	-1.0%	0.4%
Operating income		2,203	1,276	926	72.6%	112.0%
Ordinary income		2,192	1,095	1,096	100.1%	
Net income		1,644	1,010	633	62.7%	
Exchange Rates	Yen/US\$	79.41	79.82			
	Yen/Euro	100.64	113.79			



# First Half of FY2013 Performance Overview

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## Net sales

### Decreased owing to foreign exchange impact

- Sales: ¥35,268 million, down ¥675 million YOY (forexc impact: minus 713million)
- Inkjet business up 4.6% YOY (increased in Japan and China)
- digital duplicating business down 5.2% YOY (firm in Russia, Africa, the Middle East and China, while overall sales decreased)
- Inkjet business represents 35% of consolidated sales
- Overseas sales represent 33.6% (down 2.4 points YOY)

## Gross profit

### Increased because of sales cost reduction in inkjet business

- Gross profit: ¥20,058 million, up ¥738 million YOY
- Cost of sales decreased due to the independent operation of the inkjet business
- Gross profit ratio: 56.9% (up 3.1 points YOY)



# First Half of FY2013 Performance Overview

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## Selling, general and administrative exp.

### Decreased

- SG&A: ¥17,855 million, down ¥188 million YOY
- SG&A ratio: 50.6% (up 0.4 points YOY)

## Operating income

### Increased

- Operating income: ¥2,203 million, up ¥926 million YOY
- Operating income ratio: 6.2% (up 2.6 points YOY)



# First Half of FY2013 Performance Overview

Net Sales		(Millions of Yen)				
	First Half of FY2013		First Half of FY2012		Difference	
	Amount	Ratio	Amount	Ratio	Amount	Growth
Printing equipment business	34,513	97.9%	35,168	97.8%	-654	-1.9%
Japan	22,491	63.8%	22,254	61.9%	236	1.1%
Americas	2,263	6.4%	2,758	7.7%	-494	-17.9%
Europe	5,432	15.4%	5,927	16.5%	-494	-8.3%
Asia	4,325	12.3%	4,228	11.8%	97	2.3%
Real estate business & others	754	2.1%	775	2.2%	-20	-2.7%

Operating Income		(Millions of Yen)				
	First Half of FY2013		First Half of FY2012		Difference	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Growth
Printing equipment business	1,961	5.6%	1,042	2.9%	919	88.2%
Japan	2,493	7.1%	1,771	4.9%	721	40.7%
Americas	-352	-	-547	-	195	-
Europe	-336	-	-439	-	102	-
Asia	157	0.4%	257	0.7%	-99	-38.8%
Real estate business & others	241	0.7%	233	0.7%	7	3.2%



# Management Policy for FY 2013

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## ■ Management Policy for FY 2013

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

## ■ Main Focuses for FY2013

- (1) Increase the number of inkjet printers operating in the market
- (2) Maintain steady sales in the digital duplicating business
- (3) Make a smooth transition to the new hardware production system



# First Half of FY2013 Activity Overview

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- Launched three new models for the RISOGRAPH SD series in May
  - Renewed main lineups of the RISOGRAPH series
  - Enhanced environmental performance of all models through installation of ECO mode function
  - Acquired certification of color universal designs



RISOGRAPH SD5630



# First Half of FY2013 Activity Overview

■ Commenced full-scale operation of new plants at overseas production subsidiaries

- RISO INDUSTRY (THAILAND) : Rojyana Plant (Ayutthaya, Thailand)  
→ Commenced production in April
- RISO INDUSTRIES (SHENZHEN) : Shenzhen Plant (Guangdong, China)  
→ Commenced production in July

Will manufacture virtually all RISOGRAPH models overseas



Rojyana Plant



Shenzhen Plant



# First Half of FY2013 Activity Overview

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- Start construction of R&D facility in Tsukuba
  - To integrate 4 facilities of R&D Division in Ibaraki prefecture into one facility in Tsukuba city to shorten development period by improved efficiency
  - Completion : May, 2013



Image upon completion

# First Half of FY2013 Activity Overview

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## ■ Purchase of Treasury Stock

- Purchase Period :From May 17, 2012 to June 1, 2012
- Number of shares purchased :791,400 shares
- Total purchase cost :¥999million

# Tasks in the second half of FY2013

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- Cultivate and strengthen sales channels for expansion of overseas sales
  - Continue to reinforce sales subsidiaries
  
- Launch the ORPHIS EX series beginning in January in Japan
  - Expand functions utilizing ORPHIS's high speed and economic efficiency
    - Added function of supporting in-house applications for self- mailing as well as binding



# Forecast for FY2013

(Millions of Yen)

	<b>FY2013 Forecast</b>	<b>FY2012 Actual</b>	<b>Difference</b>	
			Amount	Growth
Net sales	74,000	74,847	-847	-1.1%
Operating income	4,500	4,050	449	11.1%
Ordinary income	4,600	4,309	290	6.7%
Net income	4,300	2,886	1,413	49.0%
Operating income margin	6.1%	5.4%		
Consolidated ROE	6.9%	4.7%		
Exchange Rates				
Yen/US \$	79.00	79.08		
Yen/EURO	100.00	108.98		

# Forecast for FY2013 - Precondition -

## ■ Assumed exchange rate

FY2012	First Half Actual	Second Half Assumed	Full-Year Assumed
1 US\$	¥ 79.82	¥ 78.00	¥ 79.00
1 Euro	¥100.64	¥99.00	¥100.00

## ■ Impact of fluctuation of exchange rate (¥1/term)

(when the value of the yen shifts 1 yen in the full term)

	Net sales	Operating income
Yen/US\$	130 million yen	11 million yen
Yen/Euro	80 million yen	55 million yen