

Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 <under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6413
 URL: <http://www.riso.co.jp/english/>
 Representative: Akira Hayama, President & CEO
 Inquiries: Kihachiro Endo, Managing Director and General Manager of Corporate Headquarters
 TEL: +81-3-5441-6611 (from overseas)

Scheduled date of Regular General Meeting of Shareholders: June 24, 2015
 Scheduled date of dividend payment commencement: June 25, 2015
 Scheduled date to file Securities Report: June 25, 2015
 Preparation of supplementary information on business results: Yes
 Holding of briefing on business results: Yes (for analysts, in Japanese)

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

1. Consolidated performance for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2015	85,674	2.1	6,839	3.8	6,999	(2.7)	5,624	22.8
March 31, 2014	83,938	11.2	6,588	34.2	7,192	30.5	4,578	(5.1)

Note: Comprehensive income

Fiscal year ended March 31, 2015: 7,936 million yen / 35.9% Fiscal year ended March 31, 2014: 5,838 million yen / (12.5%)

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
March 31, 2015	136.99	—	8.4	7.5	8.0
March 31, 2014	105.07	—	7.0	7.7	7.8

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2015: — million yen Fiscal year ended March 31, 2014: — million yen

A two-for-one split of its common shares was conducted on January 1, 2015. As a result, net income per share stated above was calculated based on the assumption that the two-for-one stock split took place at the beginning of the fiscal year ended March 31, 2014.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	94,338	68,946	73.1	1,707.61
March 31, 2014	91,740	64,804	70.6	1,549.16

Reference: Shareholders' equity as of March 31, 2015: 68,946 million yen As of March 31, 2014: 64,804 million yen

A two-for-one split of its common shares was conducted on January 1, 2015. As a result, net assets per share stated above were calculated based on the assumption that the two-for-one stock split took place at the beginning of the fiscal year ended March 31, 2014.

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2015	8,650	(1,403)	(4,261)	18,127
March 31, 2014	4,393	(5,212)	(6,814)	14,580

2. Cash dividends

	Cash dividends per share					Total dividends (annual)	Dividend pay-out ratio (consolidated)	Net assets-to dividend ratio (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million of yen	%	%
Fiscal year ended March 31, 2014	–	0.00	–	60.00	60.00	1,254	28.6	2.0
Fiscal year ended March 31, 2015	–	0.00	–	45.00	45.00	1,816	32.8	2.8
Fiscal year ending March 31, 2016 (Forecast)	–	0.00	–	60.00	60.00		42.2	

The Company conducted a two-for-one split of its common shares on January 1, 2015. Actual dividend amounts for the year ended March 31, 2014 have been stated on a basis prior to the said stock split.

3. Forecasts for the fiscal year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	41,940	4.6	3,030	5.5	3,140	2.2	2,080	(6.1)	51.52
Fiscal year ending March 31, 2016	88,900	3.8	7,990	16.8	8,160	16.6	5,740	2.1	142.16

4. Others

- (1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies / changes in accounting estimates / restatement
- Changes due to revisions to accounting standards and other regulations: Yes
 - Changes due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement: None

Note: For details, please see page 15, (Changes in Accounting Principles).”

(3) Number of issued shares (common stock)

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

As of March 31, 2015	47,406,332 shares
As of March 31, 2014	47,406,332 shares

- b. Number of treasury stock at the end of the period

As of March 31, 2015	7,030,392 shares
As of March 31, 2014	5,574,354 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2015	41,056,821 shares
Fiscal year ended March 31, 2014	43,582,029 shares

A two-for-one split of its common shares was conducted on January 1, 2015. As a result, number of issued share stated above was calculated based on the assumption that the two-for-one stock split took place at the beginning of the fiscal year ended March 31, 2014

* Indication regarding execution of audit procedures

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

* Proper use of the forecasts, and other special matters

The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company. 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.

Attached Materials

Index

1. Business Results	2
(1) Analysis of Results.....	2
(2) Analysis of Financial Position.....	4
(3) Basic Policy for Earning Distribution and Current and Next Fiscal Year Dividends.....	4
2. Status of the Corporate Groupe	5
3. Management Policies.....	6
(1) Basic Managerial Policies and Medium to Long-Term Business Strategy	6
(2) Business Performance Target	6
(3) Issues to Address.....	6
4. Basic policy on the selection of accounting standards.....	7
5. Consolidated Financial Statements	8
(1) Consolidated balance sheets.....	8
(2) Consolidated statements of (comprehensive) income	10
(Consolidated statements of income).....	10
(Consolidated statements of comprehensive income).....	11
(3) Consolidated statements of changes in net assets	12
(4) Consolidated statements of cash flows	14
(Changes in Accounting Principles)	15
(Segment Information).....	16
(Subsequent events).....	20

1. Business Results

(1) Analysis of Results

a. Results of the fiscal year under review

The RISO Group (RISO) has formulated the Fifth Medium-term Management Plan (RISO Vision 16) with the final fiscal year of the period ending March 31, 2016, and has been following its medium-term management policy of expanding sales channels and gaining new customers worldwide. Based on this policy, the Company has focused this fiscal year on gaining new customers, while striving to expand its sales channels and cultivate new applications. The Company has also worked on expanding income from overseas businesses. As a result, inkjet business sales performed well in Europe and Asia and overall net sales grew for the third consecutive fiscal year. Improved profitability in Europe and the effects of the weaker yen resulted in an increase in operating income.

In the consolidated fiscal year under review, net sales were 85,674 million yen (up 2.1% year on year), operating income was 6,839 million yen (up 3.8% year on year), and ordinary income was 6,999 million yen (down 2.7% year on year). Net income was 5,624 million yen (up 22.8% year on year) due to lower income taxes, caused among other things by a reappraisal of deferred tax assets at the US subsidiary and the disposal of under-utilized real estate.

The average exchange rates during the consolidated fiscal year under review were 109.93 yen (a 9.69 yen depreciation of the yen year-on-year) for the US dollar and 138.77 yen (a 4.40 yen depreciation of the yen year-on-year) for the euro.

Results by segment are as follows:

- Printing equipment business

RISO, as part of its printing equipment business, engages in the inkjet business, principally with its ORPHIS high-speed color printers, as well as the digital duplicating business, consisting mainly of its RISOGRAPH digital duplicators.

Sales in the Inkjet business grew both in the domestic and overseas market, which made up for the decrease in sales of the digital duplicating business. Net Sales in the printing equipment business were 84,195 million yen (up 2.2% year on year), and operating income was 6,415 million yen (up 4.6% year on year).

Japan

In the inkjet business, higher sales of high-end models, optional equipment and consumables boosted net sales. Meanwhile, net sales in the digital duplicating business decreased, partly due to the negative reaction following the increased demand at the end of the previous fiscal year prior to the consumption tax rate increase. Net sales were 47,778 million yen (down 1.8 year on year), operating income was 5,208 yen (down 13.9% year on year).

The Americas

In the inkjet business, sales of hardware are rising but sales of consumables failed to grow, and net sales declined. Net sales in the digital duplicating business continue to decrease, either. Net sales increased above the previous year's figure to become 5,797 million yen (up 1.2% year on year) due to the effect of exchange rates. Operating loss was 534 million yen (compared with an operating loss of 415 million yen in the previous year).

Europe

In the inkjet business, steady sales of hardware and consumables in France and the United Kingdom drove Europe-wide sales. Meanwhile net sales in the digital duplicating business decreased. Net sales were 17,547 million yen (up 8.4% year on year), and operating income increased significantly above the previous year's

figure due to improved profitability, reaching 1,105 million yen (compared with an operating income of 5 million yen in the previous year).

Asia

In the inkjet business, net sales increased significantly due to an expansion of our sales channels in China. In the digital duplicating business, sales were strong in some countries but net sales declined. Net sales were 13,072 million yen (up 11.0% year on year). Operating income exceeded the previous year's figure due to the effect of exchange rates, reaching 636 million yen (up 28.9% year on year).

- Real estate business and others

RISO operates a real estate business focusing on leasing of the Omotesando Building and Shin-Osaka Building as well as a print creating business. Net sales for the real estate business and others were 1,478 million yen (down 6.4% year on year) and operating income amounted to 423 million yen (down 7.1% year on year).

b. Business outlook for the next fiscal year

RISO will continue to focus on gaining new customers and strive to expand sales channel worldwide. It will also push for rapid expansion in the overseas businesses, mainly in potential regions where the Company can expect to grow its market share.

RISO forecasts net sales of 88,900 million yen (up 3.8% year on year) in the next fiscal year. Sales-related costs are forecast to rise, leading to higher selling, general and administrative expenses, but due to higher profits from the inkjet business, the outlook is for operating income of 7,990 million yen (up 16.8% year on year), ordinary income of 8,160 million yen (up 16.6% year on year), and net income of 5,740 million yen (up 2.1% year on year).

The amortization of goodwill that arose as a result of the transfer of the inkjet business to the Company in March 2011 came to an end in March 2015. Moreover, the aforementioned goodwill amortized in the consolidated fiscal year under review came to 658 million yen.

The aforementioned forecast is premised on the exchange rates of 118 yen against US dollar and 138 yen against the euro.

(2) Analysis of Financial Position

a. Assets, liabilities and net assets

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

Total assets and net assets increased 2,598 million yen and 4,141 million yen, respectively.

The main changes in the assets portion include increases of 1,174 million yen in cash and deposits, 2,243 million yen in short-term investment securities and 745 million yen in buildings and structures, in contrast to decreases of 944 million yen in construction in progress and 669 million yen in goodwill. In the liabilities portion, there was an increase of 763 million yen in notes and accounts payable-trade, in contrast to decreases of 798 million yen in income taxes payable and 2,311 million yen in net defined benefit liability.

b. Cash flows

Cash and cash equivalents (“cash”) at the end of the fiscal year under review increased by 3,546 million yen year on year to 18,127 million yen.

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

(Cash flows from operating activities)

Net cash provided by operating activities was 8,650 million yen (up 96.9% year on year). This is mainly attributable to income before income taxes and minority interests of 7,021 million yen, depreciation and amortization of 2,945 million yen, amortization of goodwill of 668 million yen, an increase in accounts payable-other of 934 million yen, a decrease in net defined benefit liability of 1,158 million yen, and income taxes paid of 2,526 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,403 million yen (down 73.1% year on year). This is primarily the result of a 1,709 million yen expense for payments into time deposits, the expense of 1,418 million yen for the purchase of property, plant and equipment, the expense of 638 million yen for the purchase of intangible assets and 2,365 million yen in proceeds from withdrawal of time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was 4,261 million yen (down 37.5% year on year). The result mainly reflects an expense of 2,538 million yen for the purchase of treasury stock, and payments of 1,255 million yen for cash dividends.

(3) Basic Policy for Earning Distribution and Current and Next Fiscal Year Dividends

As for distribution of earnings to shareholders, the Company sets the two policies as below as Basic Policies:

- (1) Allocate an appropriate portion of earnings as a dividend in accordance with business result while retaining the means to strengthen the corporate structure; and
- (2) Strive to make continued, stable dividend payments.

Based on the Basic Policies, the Company will distribute annual dividends from surplus once a year at the end of every fiscal year. Also, we regard the repurchasing of shares as a measure for allocating earnings to shareholders and will effectuate it taking into account stock price levels and market trends.

As for the Company's results, net income has exceeded 4,000 million yen for the third consecutive fiscal year, from

the fiscal year ended on March 31, 2012 to the fiscal year under review. In light of these results and the Company's financial condition, the standard for stable dividends payments set in the Basic Policies has been reconsidered. For the fiscal year under review, the Company plans to pay a year-end dividend of 45 yen per share, representing an increase of 15 yen over the previous year.

With regard to treasury stock, the Company purchased a total of 727,600 shares for 2,538 million yen during the fiscal year under review. These shares were purchased before the stock split implemented on January 1, 2015.

With respect to distributions of earnings to shareholders during the period of the Fifth Medium-Term Management Plan (RISO Vision 16), in accordance with the Basic Policies, the Company follows the principle of paying a dividend reflecting operating results, and will increase its distribution of profits when operating results are strong. Based on this, the Company plans to pay a dividend of 60 yen per share for the next fiscal year.

The Company will also continue to conduct acquisitions of treasury stock as appropriate. As a general rule, the Company will retire treasury stock that it holds.

2. Status of the Corporate Group

The RISO Group (RISO) consists of the Company and 26 subsidiaries. The main business of the Group is the development, manufacture and sale of printing equipment, as well as related market research. The Group also operates a real estate business and an insurance agency.

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

RISO KAGAKU CORPORATION (Manufacture and sales)

<Subsidiaries in Japan>

Printing equipment - Sales

RISO OKINAWA CORPORATION

<Overseas subsidiaries>

Printing equipment - Sales and market research

RISO, INC.

RISO LATIN AMERICA, INC.

RISO (U.K.) LTD.

RISO (Deutschland) GmbH

RISO FRANCE S.A.

RISO IBERICA, S.A.

RISOGRAPH ITALIA S.p.A.

RISO EURASIA LLC

RISO AFRICA (PTY) LTD.

RISO HONG KONG LTD.

RISO (Thailand) LTD.

RISO INDIA PRIVATE LTD.

RISO KOREA LTD.

Printing equipment - Manufacture and sales

RISO (CHINA) TECHNOLOGY CO., LTD.

Printing equipment - Manufacture

RISO INDUSTRIES (H.K.) LTD.

RISO INDUSTRY (Thailand) CO., LTD.

RISO INDUSTRY SHANGHAI CO., LTD.

3. Management Policies

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

The RISO Group is focused on expanding sales channels and gaining new customers, and has formulated the Fifth Medium-term Management Plan (RISO Vision 16)—a three-year plan with the final fiscal year of the period ending March 31, 2016—which it is following accordingly.

<Basic Policies in the Fifth Medium-Term Management Plan “RISO Vision 16”>

Energize corporate activities through individual ideas and action to expand sales channels and gain new customers worldwide

- a. Expand RISO business by strengthening overseas sales planning/promotions
The Company recognizes expansion of overseas business as the most important task for RISO. Through worldwide sharing of the sales principles and sales know-how cultivated in Japan, RISO will aim to strengthen the group sales-planning function and thereby expand its overseas business.
- b. Increase new inkjet hardware installations by expanding and reinforcing sales channels. In the inkjet business, by aggressively investing to expand sales channels, strengthening sales training, and implementing sales promotion activities to promote the superiority of its products, RISO will strive to acquire new customers.
- c. Maintain revenue in the digital duplicating business by focusing customer management
In the digital duplicating business, by improving customer satisfaction and by aggressively implementing sales promotion activities in the strategic regions overseas with promising demand in the digital duplicating business, the Group will strive to maintain profits.
- d. Establish a new production structure and prepare for a changing environment
RISO will work to improve production efficiency and reduce costs, as well as to construct a production structure capable of responding to future increases in production.
- e. Take on the challenge to create new businesses
- f. Involvement of all employees to challenge beyond individual potential to be more involved in RISO business

(2) Business Performance Target

In the fifth Medium-term Management Plan (RISO Vision 16), RISO has set the following figures as financial targets in the fiscal year ending in March 31, 2016.

Consolidated net sales: ¥86 billion, Consolidated operating income: ¥7 billion, ROE: 7%

*Exchange rates: 1US dollar: ¥90.00, 1euro: ¥116.00

(3) Issues to Address

In the printing equipment business, which is RISO’s mainstay business, the inkjet business is growing, but the digital duplicating business is continuing to follow a trend of decline. A key issue for RISO to address is to accelerate the speed of growth in the inkjet business and maintain and recover in the digital duplicating business. The RISO Group considers the launch of new businesses as essential for achieving medium- to long-term growth.

Under these circumstances, for the fiscal year of the period ending March 31, 2016, which will be the final year of the Fifth Medium-Term Management Plan, RISO will continue its operations with the following items as management policies.

<Management Policies for the Fiscal Year Ending March 31, 2016>

a) Expand new sales channels and acquire new accounts worldwide

Focusing on "expanding sales channels and gaining new customers worldwide," which is a management objective of the Fifth Medium-Term Management Plan, the Company will strive again this fiscal year to increase new machine installations in the market.

b) Accelerate RISO overseas business by focusing on potential regions

By strengthening the sales forces of its subsidiaries in potential regions and improving their financial structure, the Company will work on expanding revenues in its overseas businesses.

c) Develop next-generation products

d) Proceed to the next phase of the new production structure

e) Focus on human resource development to enhance the managerial and leadership capabilities of RISO employees

4. Basic policy on the selection of accounting standards

Due to convergence with international accounting standards, Japanese accounting standards have attained high quality and compare favorably in international terms. As they are considered the equal of international accounting standards, RISO applies Japanese accounting standards.

With regard to adopting international accounting standards in future, the Company will respond appropriately based on due consideration of both domestic and international circumstances.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	12,899	14,074
Notes and accounts receivable-trade	15,596	15,877
Short-term investment securities	2,876	5,120
Merchandise and finished goods	9,781	9,232
Work in process	479	606
Raw materials and supplies	2,373	2,924
Deferred tax assets	2,132	2,406
Other	1,979	2,082
Allowance for doubtful accounts	(338)	(335)
Total current assets	47,780	51,988
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	21,938	22,355
Accumulated depreciation	(12,716)	(12,387)
Buildings and structures, net	9,221	9,967
Machinery, equipment and vehicles	6,095	6,153
Accumulated depreciation	(5,266)	(5,173)
Machinery, equipment and vehicles, net	829	980
Tools, furniture and fixtures	16,164	16,181
Accumulated depreciation	(15,156)	(15,252)
Tools, furniture and fixtures, net	1,008	929
Land	17,071	17,031
Lease assets	356	356
Accumulated depreciation	(151)	(192)
Lease assets, net	205	163
Construction in progress	1,300	355
Other	9,692	9,598
Accumulated depreciation	(6,585)	(6,237)
Other, net	3,106	3,361
Total property, plant and equipment	32,742	32,790
Intangible assets		
Goodwill	679	9
Software	2,232	1,965
Other	1,674	1,324
Total intangible assets	4,586	3,299
Investments and other assets		
Investment securities	1,945	2,260
Long-term loans receivable	182	120
Deferred tax assets	1,142	811
Other	3,422	3,118
Allowance for doubtful accounts	(61)	(51)
Total investments and other assets	6,631	6,260
Total noncurrent assets	43,960	42,350
Total assets	91,740	94,338

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,560	10,323
Short-term loans payable	2,615	2,586
Current portion of long-term loans payable	2	2
Income taxes payable	1,286	488
Provision for bonuses	1,657	1,682
Provision for directors' bonuses	93	83
Provision for product warranties	53	34
Other	6,550	7,482
Total current liabilities	21,819	22,682
Noncurrent liabilities		
Long-term loans payable	33	27
Net defined benefit liability	4,589	2,277
Other	495	404
Total noncurrent liabilities	5,117	2,709
Total liabilities	26,936	25,392
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	42,467	46,837
Treasury stock	(5,935)	(8,475)
Total shareholders' equity	65,426	67,255
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	343	629
Foreign currency translation adjustment	(169)	1,114
Remeasurements of defined benefit plans	(796)	(53)
Total accumulated other comprehensive income	(622)	1,690
Total net assets	64,804	68,946
Total liabilities and net assets	91,740	94,338

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	83,938	85,674
Cost of sales	36,181	35,734
Gross profit	47,756	49,939
Selling, general and administrative expenses	41,168	43,100
Operating income	6,588	6,839
Non-operating income		
Interest income	137	139
Dividends income	35	46
Foreign exchange gains	396	–
Other	262	164
Total non-operating income	832	350
Non-operating expenses		
Interest expenses	62	65
Foreign exchange losses	–	20
Loss on retirement of noncurrent assets	83	55
Other	81	48
Total non-operating expenses	228	189
Ordinary income	7,192	6,999
Extraordinary income		
Insurance return	25	81
Gain on transfer of goodwill	45	–
Total extraordinary income	70	81
Extraordinary loss		
Impairment loss	111	59
Business structure improvement expenses	33	–
Total extraordinary losses	144	59
Income before income taxes and minority interests	7,119	7,021
Income taxes-current	2,469	1,719
Income taxes-deferred	70	(321)
Total income taxes	2,540	1,397
Income before minority interests	4,578	5,624
Net income	4,578	5,624

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	4,578	5,624
Other comprehensive income		
Valuation difference on available-for-sale securities	94	285
Foreign currency translation adjustment	1,164	1,283
Remeasurements of defined benefit plans	–	743
Total other comprehensive income	1,259	2,312
Comprehensive income	5,838	7,936
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,838	7,936
Comprehensive income attributable to minority interests	–	–

(3) Consolidated statements of changes in net assets

	Fiscal year ended March 31, 2014				
	Shareholders' equity				
	Capital stock	Capital surplus	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 at the beginning of current period	14,114	14,779	39,159	(935)	67,118
Changes of items during the period					
Dividends from surplus			(1,270)		(1,270)
Net income			4,578		4,578
Purchase of treasury stock				(4,999)	(4,999)
Net changes of items other than shareholders' equity					
Total changes of items during the period			3,307	(4,999)	(1,691)
Balance at the end of current period	14,114	14,779	42,467	(5,935)	65,426

	Fiscal year ended March 31, 2014				
	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Balance at the beginning of current period	249	(1,334)	—	(1,085)	66,033
Changes of items during the period					
Dividends from surplus					(1,270)
Net income					4,578
Purchase of treasury stock					(4,999)
Net changes of items other than shareholders' equity	94	1,164	(796)	462	462
Total changes of items during the period	94	1,164	(796)	462	(1,229)
Balance at the end of current period	343	(169)	(796)	(622)	64,804

	Fiscal year ended March 31, 2015				
	Shareholders' equity				
	Capital stock	Capital surplus	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 at the beginning of current period	14,114	14,779	42,467	(5,935)	65,426
Changes of items during the period					
Dividends from surplus			(1,254)		(1,254)
Net income			5,624		5,624
Purchase of treasury stock				(2,539)	(2,539)
Net changes of items other than shareholders' equity					
Total changes of items during the period			4,369	(2,539)	1,829
Balance at the end of current period	14,114	14,779	46,837	(8,475)	67,255

	Fiscal year ended March 31, 2015				
	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Balance at the beginning of current period	343	(169)	(796)	(622)	64,804
Changes of items during the period					
Dividends from surplus					(1,254)
Net income					5,624
Purchase of treasury stock					(2,539)
Net changes of items other than shareholders' equity	285	1,283	743	2,312	2,312
Total changes of items during the period	285	1,283	743	2,312	4,141
Balance at the end of current period	629	1,114	(53)	1,690	68,946

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,119	7,021
Depreciation and amortization	3,084	2,945
Impairment loss	111	59
Amortization of goodwill	668	668
Increase (decrease) in provision for retirement benefits	(3,814)	–
Increase (decrease) in net defined benefit liability	4,584	(1,158)
Increase (decrease) in provision for directors' bonuses	27	(10)
Increase (decrease) in allowance for doubtful accounts	26	(45)
Interest and dividends income	(173)	(186)
Gain on maturity of insurance contract	(25)	(48)
Interest expenses	62	65
Foreign exchange losses (gains)	(509)	(276)
Decrease (increase) in notes and accounts receivable-trade	172	312
Decrease (increase) in inventories	351	274
Increase (decrease) in notes and accounts payable-trade	(2,249)	95
Increase (decrease) in accounts payable-other	(686)	934
Other, net	(903)	403
Subtotal	7,845	11,055
Interest and dividends income received	173	187
Interest expenses paid	(63)	(66)
Income taxes paid	(3,563)	(2,526)
Net cash provided by (used in) operating activities	4,393	8,650
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,834)	(1,709)
Proceeds from withdrawal of time deposits	1,878	2,365
Purchase of property, plant and equipment	(4,299)	(1,418)
Proceeds from sales of property, plant and equipment	27	108
Purchase of intangible assets	(872)	(638)
Proceeds from sales of investment securities	21	11
Payments of loans receivable	–	(0)
Collection of loans receivable	3	5
Proceeds from maturity of insurance funds	51	136
Other, net	(188)	(265)
Net cash provided by (used in) investing activities	(5,212)	(1,403)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(476)	(381)
Repayment of long-term loans payable	(2)	(5)
Purchase of treasury stock	(4,999)	(2,538)
Repayments of lease obligations	(68)	(78)
Cash dividends paid	(1,270)	(1,255)
Other, net	2	(1)
Net cash provided by (used in) financing activities	(6,814)	(4,261)
Effect of exchange rate change on cash and cash equivalents	601	560
Net increase (decrease) in cash and cash equivalents	(7,032)	3,546
Cash and cash equivalents at beginning of period	21,612	14,580
Cash and cash equivalents at end of period	14,580	18,127

(Changes in Accounting Principles)

(Application of accounting standards for retirement benefits)

The Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012), and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015), as stipulated in the body text of Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of Guidance on Accounting Standard for Retirement Benefits, have been applied from the consolidated fiscal year under review. The Company has reconsidered the calculation methods for retirement benefit obligations and service costs and the attribution method for projected retirement benefit obligations has been changed from the service period basis to the projected benefit method. In addition, the calculation method for the discount rate has been changed from one based on remaining service years to a simple weighted average discount rate.

These changes had no effect on liabilities or retained earnings related to retirement benefit obligations at the beginning of the consolidated fiscal year under review, or on operating income, ordinary income and income before income taxes and minority interests for the consolidated fiscal year under review.

(Segment Information)

(Segment information)

1. Reportable segments

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

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

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

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

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

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

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

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

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	48,662	5,728	16,191	11,777	82,358	1,579	83,938
Segment income (loss)	6,047	(415)	5	493	6,131	456	6,588

(TRANSLATION FOR REFERENCE ONLY)

- Notes: 1. Real estate business and others includes real estate business and print creating business.
2. The main countries and areas included in each segment for the printing equipment business are as follows:
- (1) The Americas U.S. and Canada
 - (2) Europe Germany, United Kingdom and France
 - (3) Asia China, Thailand, South Korea and India
3. The total amount of segment income (loss) is the same as the amount of operating income on the consolidated statements of income.

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	47,778	5,797	17,547	13,072	84,195	1,478	85,674
Segment income (loss)	5,208	(534)	1,105	636	6,415	423	6,839

- Notes: 1. Real estate business and others includes real estate business and print creating business.
2. The main countries and areas included in each segment for the printing equipment business are as follows:
- (1) The Americas U.S. and Canada
 - (2) Europe Germany, United Kingdom and France
 - (3) Asia China, Thailand, South Korea and India
3. The total amount of segment income (loss) is the same as the amount of operating income on the consolidated statements of income.

(Pertinent information)

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

1. Information for each product and service

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

2. Information by each region

(1) Sales

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
50,077	5,870	16,202	11,788	83,938

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

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

The Americas: U.S. and Canada

Europe: Germany, United Kingdom and France

Asia: China, Thailand, South Korea and India

(2) Property, plant and equipment

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
30,106	403	226	2,005	32,742

3. Information by each major customer

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

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

1. Information for each product and service

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

2. Information by each region

(1) Sales

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
49,158	5,883	17,551	13,081	85,674

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

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

The Americas: U.S. and Canada

Europe: Germany, United Kingdom and France

Asia: China, Thailand, South Korea and India

(2) Property, plant and equipment

(Millions of yen)

Japan	The Americas	Europe	Asia	Total
29,786	436	208	2,359	32,790

3. Information by each major customer

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

(Information on impairment loss on noncurrent assets for each reportable segment)

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Impairment loss	111	-	111

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

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Impairment loss	59	-	59

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

(Information on amortization of goodwill and remaining goodwill balance for each reportable segment)

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Amortized amount in current period	668	-	668
Balance at the end of current period	679	-	679

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

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Printing equipment business	Real estate business and others	Total
Amortized amount in current period	668	-	668
Balance at the end of current period	9	-	9

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

(Information on gain on negative goodwill for each reportable segment)

Fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

No items to report

Fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

No items to report

(Subsequent event)

(Purchase of Treasury Stock)

RISO KAGAKU CORPORATION (the “Company”) announced that its Board of Directors resolved at the meeting held on May 8, 2015 to purchase treasury stock as described below, pursuant to the provisions of Article 156 of the Corporate Law as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Law.

- | | |
|--|---|
| (1) Reason for purchase of treasury stock: | The Company will conduct the purchase of treasury stock to carry out capital management that allows the Company to respond quickly to changes in the business environment and to distribute earnings to shareholders. |
| (2) Type of shares to be purchased: | Common stock of the Company |
| (3) Number of shares to be purchased: | Up to 500,000 shares |
| (4) Total purchase cost: | Up to 1,000,000,000 yen |
| (5) Purchase period: | From May 19, 2015 to June 19, 2015 |
| (6) Purchase method: | Purchased on the Tokyo Stock Exchange |