

Consolidated Financial Results
for the Three Months of the Fiscal Year Ending March 31, 2013
<under Japanese GAAP>

Company name: **RISO KAGAKU CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6413
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Scheduled date to file Quarterly Report: August 9, 2012
 Scheduled date of dividend payment commencement: –
 Preparation of supplementary information on quarterly business results: None
 Holding of briefing on quarterly business results: None

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

1. Consolidated performance for the three months of the fiscal year ending March 31, 2013
(from April 1, 2012 to June 30, 2012)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2012	17,801	(3.2)	1,035	43.4	968	25.2	867	23.9
June 30, 2011	18,396	(4.8)	721	(39.3)	773	(31.6)	700	(39.2)

Note : Comprehensive Income

Three months ended June 30, 2012 : (30) million yen / -% Three months ended June 30, 2011 : 419 million yen / 493.4%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended		
June 30, 2012	36.40	–
June 30, 2011	27.76	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2012	85,668	59,829	69.8
March 31, 2012	89,697	61,825	68.9

Reference : Shareholders' Equity As of June 30, 2012 : 59,829 million yen As of March 31, 2012 : 61,825 million yen

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	–	0.00	–	40.00	40.00
Fiscal year ending March 31, 2013	–				
Fiscal year ending March 31, 2013 (Forecasts)		0.00	–	50.00	50.00

Note : Revisions to the forecasts of cash dividends in the current quarter : None

3. Forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(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, 2012	35,700	(0.7)	1,800	41.0	1,700	55.2	1,400	38.5	59.31
Fiscal year ending March 31, 2013	74,000	(1.1)	3,600	(11.1)	3,500	(18.8)	3,500	21.2	149.03

Note : Revisions to the forecasts in the current quarter : Yes

4. Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Adoption of peculiar accounting methods for quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates and restatement
- Changes due to revisions to accounting standards and other regulations : Yes
 - Changes due to other reasons : None
 - Changes in accounting estimates : Yes
 - Restatement : None

Note: Changes in accounting policies, changes in accounting estimates, and restatement for preparing the quarterly consolidated financial statements described in the section of “Summary of changes in accounting policies, changes in accounting estimates, and restatement”

(4) Number of issued shares (common stock)

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

As of June 30, 2012	25,703,166 shares
As of March 31, 2012	25,703,166 shares

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

As of June 30, 2012	2,338,248 shares
As of March 31, 2012	1,546,848 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2012	23,846,812 shares
Three months ended June 30, 2011	25,237,570 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act 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

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1. Qualitative Information regarding Consolidated Results for the Three Months

(1) Qualitative information regarding consolidated operating results

The Riso Group (RISO) has been following its medium-term management policy of achieving strong growth by gaining new customers in the printing equipment business.

In RISO's consolidated operating results for the current three months, although sales in Japan were firm, net sales were down year on year due to the effect of the continuing strong yen and struggling overseas sales. As for profit, operating income increased because gross profit increased due to cost reductions in the inkjet business and selling, general and administrative expenses decreased. As a result, net sales were 17,801 million yen (down 3.2% year on year), operating income amounted to 1,035 million yen (up 43.4% year on year), ordinary income was 968 million yen (up 25.2% year on year) and net income amounted to 867 million yen (up 23.9% year on year).

Please note that the average exchange rates over the current three months were 80.20 yen (a 1.54 yen appreciation of the yen year on year) for the US dollar and 102.91 yen (a 14.49 yen appreciation of the yen year on year) for the euro.

Results by segment are as follows:

a. 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. In the inkjet business, sales fared well overall as a result of favorable sales in Japan and sales growth in Asia. Sales in the digital duplicating business were down year on year mainly owing to continuing sales decline in the developed countries. As a result, net sales in the printing equipment business totaled 17,435 million yen (down 3.2% year on year), partly due to the impact of foreign exchange rates, and operating income amounted to 926 million yen (up 52.0% year on year).

Japan

Sales in the digital duplicating business decreased while sales in the inkjet business rose favorably. Net sales stood at 11,332 million yen (up 1.8% year on year), and operating income amounted to 1,359 million yen (up 48.4% year on year).

The Americas

Since sales channel development in the inkjet business slowed and consumable sales in the digital duplicating business decreased, overall sales were considerably down year on year. As a result, net sales stood at 1,056 million yen (down 23.7% year on year), and operating loss amounted to 275 million yen (compared with an operating loss of 232 million yen in the same period of the previous fiscal year).

Europe

Sales in the inkjet business were about the same level year on year, while sales in the digital duplicating business were slightly down year on year. Impacted by the appreciation of the yen against the euro, net sales totaled 2,888 million yen (down 12.7% year on year), and operating loss was 201 million yen (compared with an operating loss of 264 million yen in the same period of the previous fiscal year).

Asia

While sales in the digital duplicating business were down year on year in all regions except China, sales in the inkjet business grew, and overall sales were about the same level year on year. Partly due to the impact of foreign exchange rates, net sales totaled 2,158 million yen (down 1.6% year on year). As for profit, operating income was 44 million yen (down 76.9% year on year), mainly due to an increase in expenses related to inkjet sales in China.

b. 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, mainly engaged in the print service business.

Net sales for the real estate business and others were 365 million yen (down 3.2% year on year), and operating income amounted to 108 million yen (down 3.3% year on year).

(2) Qualitative information regarding consolidated financial position

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

Total assets fell 4,029 million yen to 85,668 million yen, while net assets declined 1,996 million yen to 59,829 million yen. As a result, the equity ratio moved up 0.9 points to 69.8%.

The main changes in the assets portion include an increase of 1,285 million yen in construction in progress, in contrast to decreases of 1,879 million yen in cash and deposits, 2,804 million yen in notes and accounts receivable-trade and 572 million yen in short-term investment securities.

In the liabilities portion, there were decreases in provision for bonuses of 763 million yen and other current liabilities of 1,303 million yen.

(3) Qualitative information regarding forecasts

The consolidated forecasts for the fiscal year ending March 31, 2013, which were released on May 8, 2012, are changed as follows.

- a. Changes to the forecast figures for the six months ending September 30, 2012
(April 1, 2012 to September 30, 2012)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts	35,700	1,000	1,050	800	33.12 yen
Revised forecasts	35,700	1,800	1,700	1,400	59.31 yen
Difference	–	800	650	600	–
Percentage change	–	80.0	61.9	75.0	–
(Reference) Actual results of the six months ended September 30, 2011	35,944	1,276	1,095	1,010	40.39 yen

- b. Changes to the full-year forecast figures for the fiscal year ending March 31, 2013
(April 1, 2012 to March 31, 2013)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts	75,800	2,750	2,800	3,000	124.19 yen
Revised forecasts	74,000	3,600	3,500	3,500	149.03 yen
Difference	(1,800)	850	700	500	–
Percentage change	(2.4)	30.9	25.0	16.7	–
(Reference) Actual results of the fiscal year ended March 31, 2012	74,847	4,050	4,309	2,886	117.40 yen

Reasons for changes

In the current three months, gross profit increased due to cost reductions in the inkjet business and selling, general and administrative expenses decreased. Consequently operating income was higher than planned. As these factors are expected to remain in the second quarter, operating income, ordinary income and net income for the six months are expected to be higher than the previous forecast.

Concerning the full-year forecast, net sales are expected to be lower than the previous forecast because the estimated exchange rates for July onwards were changed to 78 yen and 96 yen against the US dollar and euro, respectively. As for profits, however, because gross profit is expected to increase owing to favorable sales in Japan, operating income, ordinary income and net income are expected to be higher than the previous forecast.

(Reference)

Because the estimated exchange rates for July onwards were changed to 78 yen and 96 yen against the US dollar and euro, respectively, the estimated exchange rates for the full-year forecast are now 79 yen and 98 yen against the US dollar and euro, respectively. In the previous forecast, the full-year exchange rates were 82 yen and 107 yen against the US dollar and euro, respectively.

2. Matters Regarding Summary Information (Notes)

(1) Changes in accounting policies, changes in accounting estimates and restatement

Changes in accounting policies for items that are difficult to distinguish from changes in accounting estimates

Following the revision of the Corporation Tax Act, the Company and its domestic consolidated subsidiaries applied the depreciation method in compliance with the revised Corporation Tax Act to property, plant and equipment acquired on or after April 1, 2012, from the current first quarter.

As a result of this change, operating income, ordinary income, and income before income taxes and minority interests for the current three months have each increased 8 million yen in comparison with the previous method.

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
Assets		
Current assets		
Cash and deposits	13,377	11,497
Notes and accounts receivable-trade	14,240	11,435
Short-term investment securities	8,731	8,158
Merchandise and finished goods	8,916	9,034
Work in process	548	687
Raw materials and supplies	1,928	1,819
Deferred tax assets	1,400	1,490
Other	1,840	1,913
Allowance for doubtful accounts	(275)	(266)
Total current assets	50,707	45,771
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	17,982	18,091
Accumulated depreciation	(11,853)	(11,936)
Buildings and structures, net	6,129	6,154
Machinery, equipment and vehicles	7,114	7,038
Accumulated depreciation	(6,192)	(6,162)
Machinery, equipment and vehicles, net	921	876
Tools, furniture and fixtures	14,841	14,844
Accumulated depreciation	(14,318)	(14,266)
Tools, furniture and fixtures, net	522	577
Land	16,943	16,943
Lease assets	328	341
Accumulated depreciation	(183)	(189)
Lease assets, net	145	151
Construction in progress	427	1,713
Other	10,964	10,698
Accumulated depreciation	(8,515)	(8,224)
Other, net	2,449	2,473
Total property, plant and equipment	27,540	28,890
Intangible assets		
Goodwill	2,009	1,839
Software	2,303	2,270
Other	2,397	2,327
Total intangible assets	6,709	6,436
Investments and other assets		
Investment securities	1,463	1,279
Long-term loans receivable	239	238
Other	3,142	3,145
Allowance for doubtful accounts	(104)	(93)
Total investments and other assets	4,740	4,569
Total noncurrent assets	38,989	39,896
Total assets	89,697	85,668

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,197	11,157
Short-term loans payable	2,227	2,384
Current portion of long-term loans payable	2	2
Income taxes payable	290	376
Provision for bonuses	1,578	814
Provision for directors' bonuses	50	15
Provision for product warranties	93	87
Other	7,235	5,932
Total current liabilities	22,676	20,770
Noncurrent liabilities		
Long-term loans payable	38	37
Deferred tax liabilities	636	607
Provision for retirement benefits	3,691	3,719
Provision for loss on litigation	57	-
Other	771	702
Total noncurrent liabilities	5,195	5,067
Total liabilities	27,872	25,838
Net assets		
Shareholders' equity		
Capital stock	14,114	14,114
Capital surplus	14,779	14,779
Retained earnings	37,874	37,776
Treasury stock	(2,011)	(3,011)
Total shareholders' equity	64,757	63,659
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(285)
Foreign currency translation adjustment	(2,825)	(3,545)
Total accumulated other comprehensive income	(2,932)	(3,830)
Total net assets	61,825	59,829
Total liabilities and net assets	89,697	85,668

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

	(Millions of yen)	
	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Net sales	18,396	17,801
Cost of sales	8,339	7,659
Gross profit	10,057	10,142
Selling, general and administrative expenses	9,335	9,107
Operating income	721	1,035
Non-operating income		
Interest income	44	43
Dividends income	22	21
Other	99	105
Total non-operating income	166	170
Non-operating expenses		
Interest expenses	12	13
Foreign exchange losses	81	197
Other	20	26
Total non-operating expenses	115	237
Ordinary income	773	968
Extraordinary income		
Gain on transfer of goodwill	55	22
Gain on transfer of business	110	-
Total extraordinary income	165	22
Income before income taxes and minority interests	938	990
Income taxes	237	122
Income before minority interests	700	867
Net income	700	867

(Consolidated quarterly statements of comprehensive income)

	(Millions of yen)	
	Three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)	Three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)
Income before minority interests	700	867
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	(178)
Foreign currency translation adjustment	(248)	(720)
Total other comprehensive income	(281)	(898)
Comprehensive income	419	(30)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	419	(30)
Comprehensive income attributable to minority interests	-	-

(3) Notes on premise of going concern

No items to report

(4) Notes on significant changes in the amount of shareholders' equity

The Company purchased treasury stock during the current first quarter. As a result, treasury stock increased 999 million yen during the first quarter and amounted to 3,011 million yen at the end of the current first quarter.

(5) Segment information

1. Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	11,130	1,384	3,310	2,192	18,018	378	18,396
Segment income (loss)	916	(232)	(264)	190	609	112	721

Notes: 1. Real estate business and others includes real estate business, 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 same as the operating income amount on the consolidated quarterly statement of income.

2. Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)

Information on sales and income or loss for each reportable segment

(Millions of yen)

	Printing equipment business					Real estate business and others	Total
	Japan	The Americas	Europe	Asia	Total		
Sales	11,332	1,056	2,888	2,158	17,435	365	17,801
Segment income (loss)	1,359	(275)	(201)	44	926	108	1,035

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 same as the operating income amount on the consolidated quarterly statement of income.