

**Supplementary Information of Consolidated Financial Results**  
for the Six Months of the FY2011 (April 1, 2010 - September 30, 2010)

November 5, 2010

**RISO KAGAKU CORPORATION**

## 1. Sales Performance

※Beginning this term, segmentation by business and geographical location has been changed. Therefore, business results for FY2010 has been recalculated by a simplified method in line with the criteria of this term.

(unit: millions of yen,%)

	second quarter ended September 30, 2009			second quarter ended September 30, 2010			Change			Remarks
	Amount	Breakdown	Consolidated / non-consolidated	Amount	Breakdown	Consolidated / non-consolidated	Amount	Year-on-year	Impact of exchange rate	
Total sales	37,377	100.0	1.19	37,455	100.0	1.18	78	0.2	△ 1,333	• Sales increased 3.8% if recalculated by exchange rate of the previous term.
Printing equipment business	36,559	97.8	1.19	36,636	97.8	1.19	77	0.2	△ 1,333	
Japan	21,530	57.6	1.00	22,019	58.8	1.00	488	2.3	—	• Inkjet business showed positive results. • Sales in the digital duplicating business continue to decrease, however, the decreasing trend is modest.
Overseas	15,029	40.2	1.64	14,617	39.0	1.64	△ 411	△ 2.7	△ 1,333	• Sales increased 6.1% if recalculated by exchange rate of the previous term.
Americas	4,166	11.1	1.59	3,717	9.9	2.28	△ 448	△ 10.8	△ 273	• Sales of digital duplicating business decreased. • Sales decreased 4.2% if recalculated by exchange rate of the previous term.
Europe	6,607	17.7	1.76	6,397	17.1	1.46	△ 209	△ 3.2	△ 894	• Although sales of digital duplicating business decreased, inkjet business increased substantially. • Sales increased 10.3% if recalculated by exchange rate of the previous term.
Asia	4,255	11.4	1.52	4,502	12.0	1.54	246	5.8	△ 167	• Sales of digital duplicating business increased on a year-to-year comparison • Sales increased 9.7% if recalculated by exchange rate of the previous term.
Real estate business and others	818	2.2	1.02	818	2.2	1.02	0	0.1	—	• Real estate business and others has performed generally as planned.

● Exchange rate

(units: yen)

	six months ended September 30, 2009	six months ended September 30, 2010
One dollar	95.49	88.95
One euro	133.16	113.85

• a 6.54 yen appreciation of the yen year on year

• a 19.31 yen appreciation of the yen year on year

## 2. Statements of Income Results (Consolidated Data)

(unit: millions of yen,%)

	second quarter ended September 30, 2009			second quarter ended September 30, 2010			Change		Remarks
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Rate of change	
Net sales	37,377	100.0	1.19	37,455	100.0	1.18	78	0.2	•Impact of foreign exchange: Minus 1,333 million yen
Cost of sales	19,738	52.8	1.04	18,902	50.5	1.06	△ 836	△ 4.2	
Gross profit	17,638	47.2	1.43	18,553	49.5	1.34	914	5.2	
Selling, general and administrative expenses	18,070	48.3	1.39	16,704	44.6	1.40	△ 1,365	△ 7.6	•Personnel expenses down by 2.0% and general expenses down by 13.6%.
Operating income (loss)	△ 431	△ 1.2	1.01	1,848	4.9	0.96	2,280	—	•Impact of foreign exchange: Minus 643 million yen
Non-operating income	603	1.6		464	1.2		△ 139	△ 23.1	
Interest income	87	0.2		102	0.3		14	17.2	
Dividends income	22	0.1		27	0.1		4	22.7	
Equity in earnings of affiliates	359	1.0		147	0.4		△ 211	△ 59.1	
Others	133	0.4		186	0.5		53	39.8	
Non-operating expenses	421	1.1		356	1.0		△ 65	△ 15.4	
Interest expenses	63	0.2		41	0.1		△ 21	△ 34.9	
Foreign exchange losses	202	0.5		222	0.6		19	9.9	
Loss on retirement of noncurrent assets	136	0.4		—	—		△ 136	—	
Others	19	0.1		92	0.2		72	384.2	
Ordinary income (loss)	△ 250	△ 0.7	0.63	1,956	5.2	0.62	2,206	—	
Extraordinary income	28	0.1		—	—		△ 28	—	
Extraordinary loss	5,903	15.8		—	—		△ 5,903	—	•Special premiums upon withdrawal from the pension fund in FY2010: 5,835 million yen
Income (loss) before income taxes and minority interest	△ 6,125	△ 16.4		1,956	5.2		8,081	—	
Net income (loss)	△ 9,476	△ 25.4	1.09	1,812	4.8	0.62	11,289	—	

Capital expenditure	3,075	8.2		1,794	4.8		△ 1,281	△ 41.7	
Depreciation	2,608	7.0		2,335	6.2		△ 273	△ 10.5	
Number of employees	3,261	—		3,171	—		△ 90	—	•Reduction of personnel in Americas and China •The number of employees at Riso Kagaku Corporation alone was 1,744 at end of Sep. 2010, an increase of 26 compared to the same period of the previous year.

### ●Breakdown of key selling, general and administrative expenses

Sales promotion fees	530	1.4		410	1.1		△ 119	△ 22.5	
Advertisement expenses	403	1.1		259	0.7		△ 144	△ 35.7	
Research and development expenses	2,324	6.2		1,931	5.2		△ 392	△ 16.9	

### 3. Balance Sheet Results (Consolidated Data)

(unit: millions of yen,%)

	As of March 31, 2010 (Summary)			As of September 30, 2010			Change		Remarks
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Rate of change	
Current assets	49,571	56.1	1.43	46,035	55.3	1.30	△ 3,535	△ 7.1	
Cash and deposits	13,656			11,914			△ 1,741		
Notes and accounts receivable-trade	14,221			11,690			△ 2,530		
Short-term investment securities	4,969			5,992			1,022		
Merchandise and finished goods	11,591			10,870			△ 720		
Work in process	403			486			83		
Raw materials and supplies	1,276			1,223			△ 53		
Deferred tax assets	1,548			1,606			57		
Other	2,355			2,718			362		
Allowance for doubtful accounts	△ 451			△ 467			△ 16		
Noncurrent assets	38,863	43.9	0.84	37,240	44.7	0.83	△ 1,623	△ 4.2	
Property, plant and equipment	30,469	34.5	1.05	29,756	35.7	1.05	△ 712	△ 2.3	
Buildings and structures, net	6,754			6,566			△ 188		
Machinery, equipment and vehicles, net	1,169			1,044			△ 125		
Tools, furniture and fixtures, net	1,169			965			△ 203		
Land	17,139			17,139			—		
Lease assets, net	170			173			2		
Construction in progress	92			89			△ 3		
Other, net	3,973			3,778			△ 194		
Intangible assets	2,296	2.6	1.11	2,363	2.8	1.08	67	2.9	
Software	1,749			1,581			△ 167		
Other	547			782			234		
Investments and other assets	6,097	6.9	0.40	5,120	6.1	0.36	△ 977	△ 16.0	
Investment securities	1,767			1,379			△ 388		
Long-term loans receivable	149			146			△ 3		
Other	4,343			3,740			△ 603		
Allowance for doubtful accounts	△ 163			△ 146			17		
<b>Total assets</b>	<b>88,434</b>	<b>100.0</b>	<b>1.09</b>	<b>83,276</b>	<b>100.0</b>	<b>1.04</b>	<b>△ 5,158</b>	<b>△ 5.8</b>	

### 3. Balance Sheet Results (Consolidated Data)

(unit: millions of yen,%)

	As of March 31, 2010 (Summary)			As of September 30, 2010			Change		Remarks
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Rate of change	
Current liabilities	25,005	28.3	1.42	20,900	25.1	1.30	△ 4,104	△ 16.4	
Notes and accounts payable-trade	13,055			11,751			△ 1,303		•Repaid loans payable in U.S. sales subsidiary
Short-term loans payable	4,832			2,735			△ 2,097		
Current portion of long-term loans payable	5			4			△ 1		
Income taxes payable	316			230			△ 85		
Provision for bonuses	1,370			1,585			214		
Provision for directors' bonuses	—			15			—		
Provision for product warranties	135			167			31		
Other	5,288			4,410			△ 877		
Noncurrent liabilities	5,153	5.8	0.77	4,971	6.0	0.77	△ 182	△ 3.5	
Long-term loans payable	68			57			△ 11		
Deferred tax liabilities	215			80			△ 135		
Provision for retirement benefits	3,524			3,562			38		
Provision for loss on litigation	66			63			△ 3		
Other	1,278			1,207			△ 70		
Total liabilities	30,159	34.1	1.24	25,872	31.1	1.15	△ 4,286	△ 14.2	
Shareholders' equity	59,616	67.4	1.06	60,158	72.2	1.04	541	0.9	
Capital stock	14,114			14,114			0		•Treasury stock was purchased and retired.
Capital surplus	14,779			14,779			0		
Retained earnings	32,108			31,774			△ 334		
Treasury stock	△ 1,386			△ 510			875		
Valuation and translation adjustments	△ 1,340	△ 1.5	△ 5.10	△ 2,754	△ 3.3	28.99	△ 1,413	105.5	
Valuation difference on available-for-sale securities	263			△ 95			△ 358		
Foreign currency translation adjustment	△ 1,604			△ 2,659			△ 1,054		
Total net assets	58,275	65.9	1.03	57,404	68.9	0.99	△ 871	△ 1.5	
Total liabilities and net assets	88,434	100.0	1.09	83,276	100.0	1.04	△ 5,158	△ 5.8	

#### 4. Statements of Cash Flow (1)

(unit: millions of yen)

	second quarter ended September 30, 2009	second quarter ended September 30, 2010	Remarks	FY2009 (Year ended Mar. 31, 2010)
	Amount	Amount		Amount
I Net cash provided by (used in) operating activities				
Income(loss) before income taxes and minority interests	△ 6,125	1,956		△ 3,960
Depreciation and amortization	1,467	1,247		3,158
Impairment loss	—	—		79
Amortization of goodwill	—	—		△ 3
Equity in (earnings) losses of affiliates	△ 359	△ 147		△ 634
Increase (decrease) in provision for retirement benefits	157	38		245
Increase (decrease) in provision for directors' retirement benefits	△ 70	—		△ 70
Increase (decrease) in allowance for doubtful accounts	△ 2	42		69
Increase (decrease) in provision for loss on litigation	67	—		66
Interest and dividends income	△ 110	△ 130		△ 191
Gain on maturity of insurance contract	—	—		△ 102
Interest expenses	63	41		117
Foreign exchange losses (gains)	△ 28	153		5
Expenses paid on withdrawal from employees' pension fund	—	—		5,835
Decrease (increase) in notes and accounts receivable-trade	2,034	1,932		△ 307
Decrease (increase) in inventories	1,057	34		595
Increase (decrease) in notes and accounts payable-trade	△ 2,256	△ 808		△ 1,120
Increase (decrease) in accounts payable-other	5,212	△ 509	*Increased last year due to withdrawal from the pension fund	△ 107
Other, net	△ 264	△ 513		214
Subtotal	841	3,338		3,889
Interest and dividends income received	112	126		190
Interest expenses paid	△ 63	△ 37		△ 117
Expenses paid on withdrawal from employees' pension fund	—	—		△ 5,835
Income taxes paid	△ 156	△ 320		△ 257
Income taxes refund	152	18		161
Net cash provided by (used in) operating activities	885	3,126		△ 1,969

#### 4. Statements of Cash Flow (2)

(unit: millions of yen)				
	second quarter ended September 30, 2009	second quarter ended September 30, 2010	Remarks	FY2009 (Year ended Mar. 31, 2010)
	Amount	Amount		Amount
<b>II Net cash provided by (used in) investing activities</b>				
Payments into time deposits	△ 442	△ 597		△ 1,042
Proceeds from withdrawal of time deposits	315	840		914
Purchase of property, plant and equipment	△ 764	△ 395		△ 1,660
Proceeds from sales of property, plant and equipment	—	6		980
Purchase of intangible assets	△ 317	△ 533		△ 639
Purchase of investment securities	—	—		△ 85
Proceeds from sales of investment securities	—	—		1
Payments of loans receivable	△ 125	△ 0		△ 97
Collection of loans receivable	67	26		104
Proceeds from maturity of insurance funds	—	—		201
Other, net	131	770		△ 575
Net cash provided by (used in) investing activities	△ 1,133	116		△ 1,898
<b>III Net cash provided by (used in) financing activities</b>				
Net increase (decrease) in short-term loans payable	161	△ 1,746	•Repaid loans payable in U.S. sales subsidiary	△ 359
Repayment of long-term loans payable	△ 4	△ 13		△ 19
Purchase of treasury stock	—	△ 499		—
Repayment of lease obligations	—	—		△ 101
Cash dividends paid	△ 769	△ 771		△ 770
Other, net	△ 52	△ 43		△ 0
Net cash provided by (used in) financing activities	△ 665	△ 3,074		△ 1,250
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	△ 185	△ 597		△ 217
<b>V Net increase (decrease) in cash and cash equivalents</b>	△ 1,099	△ 429		△ 5,336
<b>VI Cash and cash equivalents, at beginning of period</b>	23,246	17,910		23,246
<b>VII Cash and cash equivalents, at end of period</b>	22,146	17,481		17,910

## 5. Financial Results for six months of FY2011(ended Sep. 30, 2010) and Forecast for FY2011 (year ending Mar. 31, 2011)

※Beginning this term, segmentation by business and geographical location has been changed. Therefore, business results for FY2010 has been recalculated by a simplified method in line with the criteria of this term.

### Consolidated, six months of the year

	Result (2009/09)		Result (2010/09)			
	FY2010 (Year ended Mar. 31, 2010)		FY2011 (Year ending Mar. 31, 2011)			
	Amount	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	y-o-y
Total sales	37,377	1.19	37,455	100.0	1.18	0.2
Printing equipment business	36,559	1.19	36,636	97.8	1.19	0.2
Japan	21,530	1.00	22,019	58.8	1.00	2.3
Overseas	15,029	1.64	14,617	39.0	1.64	△ 2.7
Americas	4,166	1.59	3,717	9.9	2.28	△ 10.8
Europe	6,607	1.76	6,397	17.1	1.46	△ 3.2
Asia	4,255	1.52	4,502	12.0	1.54	5.8
Real estate business and other	818	1.02	818	2.2	1.02	0.0
Operating income (loss)	△ 431	1.01	1,848	4.9	0.96	—
Ordinary income (loss)	△ 250	0.63	1,956	5.2	0.62	—
Net income (loss)	△ 9,476	1.09	1,812	4.8	0.62	—
Capital expenditure	3,075	—	1,794	4.8	—	△ 41.7
Depreciation	2,608	—	2,333	6.2	—	△ 10.5
Closing rate	Average exchange rate for the period 95.49 yen against dollar, 133.16 yen against euro		Average exchange rate for the period 88.95 yen for dollar, 113.85 yen for euro			

### Consolidated, full-year

	Result (2010/03)		Forecasts (2011/03)			
	FY2010 (Year ended Mar. 31, 2010)		FY2011 (Year ending Mar. 31, 2011)			
	Amount	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	y-o-y
Total sales	78,469	1.19	78,000	100.0	1.21	△ 0.6
Printing equipment business	76,648	1.19	76,248	97.8	1.22	△ 0.5
Japan	45,762	1.01	46,636	59.8	1.00	1.9
Overseas	30,886	1.65	29,612	38.0	1.82	△ 4.1
Americas	7,946	1.62	7,076	9.1	2.63	△ 10.9
Europe	13,980	1.71	13,498	17.3	1.66	△ 3.4
Asia	8,959	1.59	9,038	11.6	1.66	0.9
Real estate business and other	1,821	1.01	1,752	2.2	1.03	△ 3.8
Operating income (loss)	1,669	2.97	3,200	4.1	1.10	91.7
Ordinary income (loss)	2,113	2.25	3,300	4.2	0.80	56.2
Net income (loss)	△ 5,937	1.05	3,000	3.8	0.81	—
Capital expenditure	4,992	—	4,600	5.9	—	△ 7.9
Depreciation	5,670	—	5,600	7.2	—	△ 1.2
Closing rate	Average exchange rate for the period 92.85 yen against dollar, 131.15 yen against euro		Average exchange rate for the period 85.00 yen for dollar, 112.00 yen for euro			

### Non-consolidated, six months of the year

	Result (2009/09)		Result (2010/09)		
	FY2009 (Year ended Mar. 31, 2010)		FY2011 (Year ending Mar. 31, 2011)		
	Amount		Amount	Breakdown	y-o-y
Total sales	31,406		31,653	100.0	0.8
Printing equipment business	30,602		30,850	97.5	0.8
Japan	21,424		21,926	69.3	2.3
Overseas	9,177		8,924	28.2	△ 2.8
Americas	2,616		1,632	5.2	△ 37.6
Europe	3,752		4,376	13.8	16.6
Asia	2,808		2,914	9.2	3.8
Real estate business and others	804		802	2.5	△ 0.2
Operating income (loss)	△ 426		1,926	6.1	—
Ordinary income (loss)	△ 398		3,135	9.9	—
Net income (loss)	△ 8,701		2,921	9.2	—

### Non-consolidated, full-year

	Result (2010/03)		Forecasts (2011/03)		
	FY2010 (Year ended Mar. 31, 2010)		FY2011 (Year ending Mar. 31, 2011)		
	Amount		Amount	Breakdown	y-o-y
Total sales	66,081		64,400	100.0	△ 2.5
Printing equipment business	64,276		62,702	97.4	△ 2.4
Japan	45,533		46,418	72.1	1.9
Overseas	18,743		16,284	25.3	△ 13.1
Americas	4,919		2,692	4.2	△ 45.3
Europe	8,187		8,149	12.7	△ 0.5
Asia	5,635		5,444	8.5	△ 3.4
Real estate business and others	1,804		1,697	2.6	△ 5.9
Operating income (loss)	562		2,900	4.5	416.0
Ordinary income (loss)	938		4,100	6.4	337.1
Net income (loss)	△ 5,637		3,700	5.7	—