



Annual Review 2015



Net Sales Increase for the Third Consecutive Year

President Akira Hayama provides an overview of fiscal 2015, the second year of the Fifth Medium-term Management Plan “RISO Vision 16.”



Akira Hayama, President & CEO

Favorable Sales in the Inkjet Business

Looking at RISO’s operating results for fiscal 2015, net sales increased 2.1% to ¥85,674 million, operating income rose 3.8% to ¥6,839 million and net income increased 22.8% to ¥5,624 million.

We achieved an increase in net sales for the third consecutive year thanks to favorable sales in the inkjet business. Sales in Japan decreased due to the negative reaction following the increased demand at the end of the previous fiscal year prior to the consumption tax rate increase. Nevertheless, overseas sales rose on the back of strong sales in the inkjet business in Europe and Asia. The overseas sales ratio was 42.6%, up 2.3 percentage points from the previous fiscal year. The inkjet business accounted for 43% of net sales, an increase of 3 percentage points from the previous fiscal year.

Operating income increased owing to improved earnings overseas in addition to the impact of the weakening of the yen. Net income increased due to lower income taxes resulting from a reappraisal of deferred tax assets at the U.S. subsidiary and the sale of under-utilized real estate for which impairment losses had been recorded in previous years.

Expand New Sales Channels and Acquire New Accounts Worldwide

Our management policy under Medium-term Management Plan “RISO Vision 16” is to “Energize corporate activities through individual ideas and action to expand sales channels and gain new customers worldwide.” Based on this management policy, during fiscal 2015, the second year of the plan,



To Our Shareholders

we promoted Management Policies for the Fiscal Year Ending March 31, 2015.

The first policy is “Concentrate on increasing the MIF (machines in field) by promoting both the development of new sales channels and the acquisition of new accounts.” In this area, we emphasized the superiority of ORPHIS high-speed color printers, the chief feature of which is a maximum print speed of 150 pages per minute, and worked to expand sales channels and cultivate new markets for these printers in Japan and overseas.

For the policy of “Achieve increased sales and profit by organizing a proper overseas sales structure,” we expanded and upgraded our overseas sales network while strengthening our structure for providing support from the head office and worked to invigorate sales promotion activities and cultivate demand. As a result of these efforts, we achieved steady growth in our overseas inkjet business and recorded an increase in sales over the previous year, as higher sales in Europe and Asia made a particularly solid contribution.

At the operating income level, we recorded increases in both Europe and Asia. In Europe, profitability improved due to solid sales of hardware and steady growth in consumables in the inkjet business, and operating income increased sharply over the previous fiscal year to ¥1,105 million. In Asia, operating income increased 28.9% from the previous year to ¥636 million due to the effect of exchange rates.



ORPHIS EX9050 equipped with Perfect Binder system

Regarding “Shift to a new production structure by reorganizing production facilities,” we completed the construction of the Rojana plant in Ayutthaya, Thailand, in March 2014, finished the transfer of facilities from a previously rented plant and commenced production of RISOGRAPH hardware at the new plant from April. RISO presently carries out overseas production in both China and Thailand and will strive to optimize its production structure in the future as well.

In Japan, we transferred production of ORPHIS consumables from the Kasumigaura Works to the Tsukuba Works in May 2014.

Fifth Medium-term Management Plan “RISO Vision 16”

(April 1, 2013 – March 31, 2016)

Management Policy

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

Priority Actions

1. Expand RISO business by strengthening overseas sales planning/promotions
2. Increase new inkjet hardware installations by expanding and reinforcing sales channels
3. Maintain revenue in the digital duplicating business by focusing customer management
4. Establish a new production structure and prepare for a changing environment
5. Take on the challenge to create new businesses
6. Involvement of all employees to challenge beyond individual potential to be more involved in RISO business



To Our Shareholders

Focusing on Proposals for Expandability Tailored to Usage

In the inkjet business, we worked to expand sales of the ORPHIS in Japan and overseas and also focused on proposals for expandability tailored to specific applications. We also actively cultivated new markets by offering a lineup of unique solutions that include the “Wrapping Envelope Finisher,” “Perfect Binder” and “High Capacity Stacker”.

In the digital duplicating business, in May 2014 RISO launched worldwide sales of a total of nine new models in two high-end RISOGRAPH digital duplicator series, namely the RISOGRAPH ME series and RISOGRAPH SE series. The SE series features a high-speed print mode and can print at a maximum speed of 185 pages per minute, the industry’s fastest print speed, and is earning high acclaim in Japan and overseas. While taking advantage of the superiority of these products, we enhanced our support for customers in each area and worked to expand sales routes and improve earnings.

Year-end Dividends Raised by ¥15.00 to ¥45.00

RISO’s basic policy for the distribution of earnings is to allocate an appropriate portion of earnings as a dividend in accordance with business results while retaining the means to strengthen the corporate

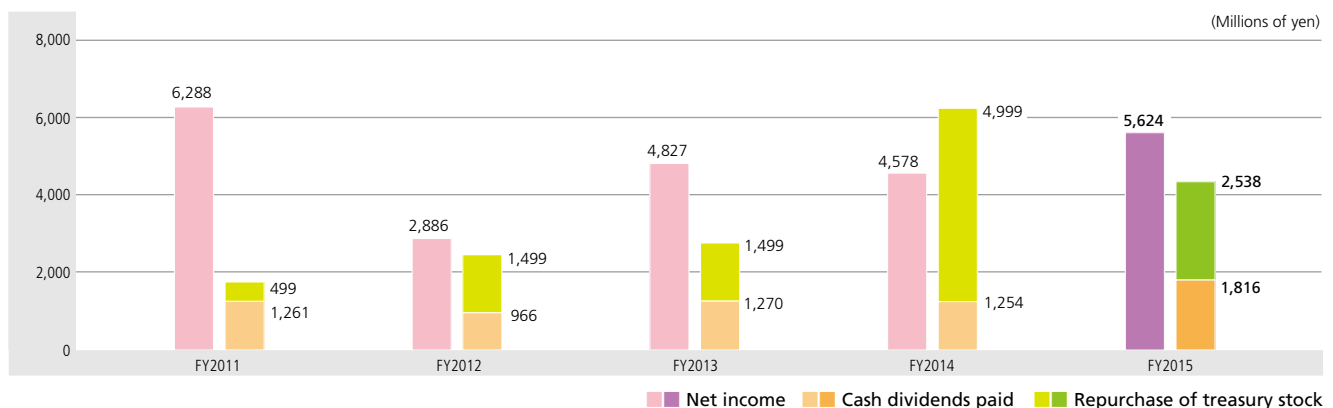
structure and strive to make continued, stable dividend payments. Additionally, we regard the repurchasing of treasury stock as a measure for allocating earnings to shareholders and will effectuate repurchases and retirements taking into account stock price levels and market trends. In principle, we retire treasury stock held.

Regarding the distribution of earnings to shareholders during the period of the current Fifth Medium-term Management Plan “RISO Vision 16,” the Company will pay dividends reflecting operating results in accordance with its basic policy and will increase the distribution of earnings when operating results are strong.

In fiscal 2015, year-end cash dividends per share were raised ¥15.00 from the previous fiscal year to ¥45.00. For three consecutive years, from fiscal 2013 through fiscal 2015, the Company’s net income has exceeded ¥4.0 billion. In view of these solid results and our financial condition, we reconsidered the standard for stable dividends mentioned in our basic policy for the distribution of earnings and decided to increase dividends.

RISO implemented a two-for-one stock split for the Company’s common shares with an effective date of January 1, 2015. This was aimed at increasing the liquidity of the Company’s shares and expanding its shareholder base.

Shareholder return





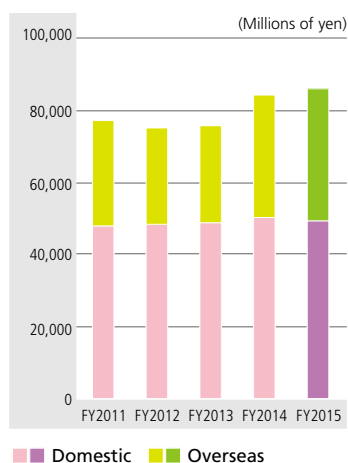
Financial Highlights (Consolidated basis)

Note: Amounts less than the unit expressed are omitted.

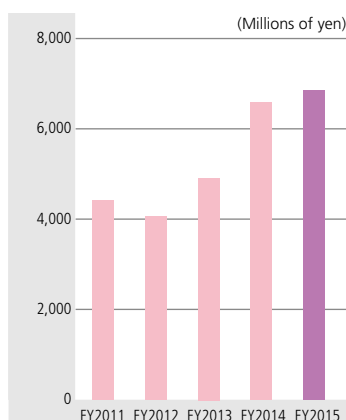
(Millions of yen)

| | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
|-----------------------------|--------|--------|--------|--------|--------|
| Net sales | 76,897 | 74,847 | 75,455 | 83,938 | 85,674 |
| Domestic | 47,758 | 48,196 | 48,637 | 50,077 | 49,158 |
| Overseas | 29,138 | 26,651 | 26,817 | 33,861 | 36,516 |
| Operating income | 4,406 | 4,050 | 4,910 | 6,588 | 6,839 |
| Ordinary income | 4,939 | 4,309 | 5,512 | 7,192 | 6,999 |
| Net income | 6,288 | 2,886 | 4,827 | 4,578 | 5,624 |
| Operating income margin (%) | 5.7 | 5.4 | 6.5 | 7.8 | 8.0 |
| Net assets | 62,095 | 61,825 | 66,033 | 64,804 | 68,946 |

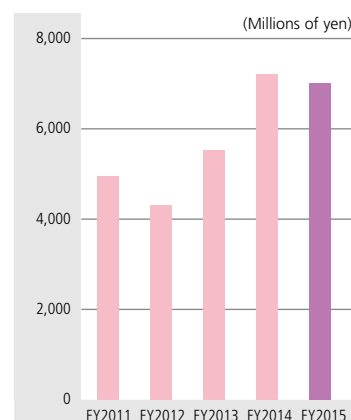
Net sales



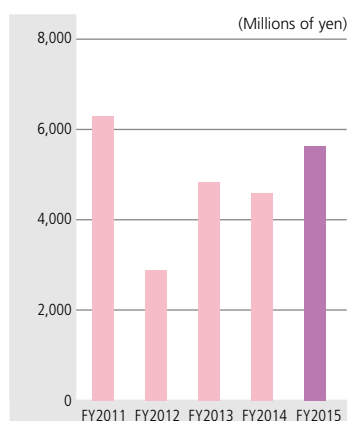
Operating income



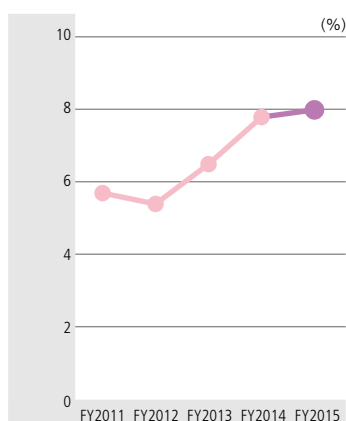
Ordinary income



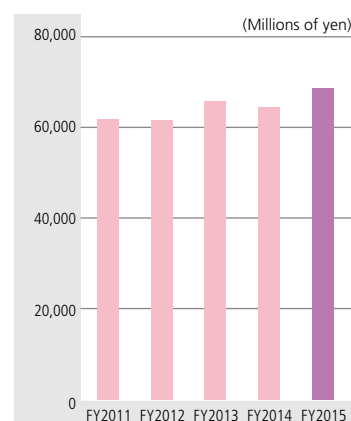
Net income



Operating income margin



Net assets





Focus on Acquiring New Accounts and Aim to Expand Overseas Business

President Akira Hayama explains RISO's policies and measures for fiscal 2016, the final year of the Fifth Medium-term Management Plan "RISO Vision 16," and also comments on future business development.



Akira Hayama, President & CEO

Promote Rapid Market Development Mainly in Potential Regions

In fiscal 2016, we will actively promote the following business policies and continue to focus on developing new markets and acquiring new accounts throughout the world as well as on expanding our overseas business, which is our most important task.

On the sales front, we will work to increase the number of MIF (machines in field) worldwide. In particular, overseas we will develop markets with a sense of speed and expand our business, mainly in potential regions where RISO can expect to expand its share of business. In line with these efforts, in April 2015 we established RISO (SG) PTE. LTD., a local sales subsidiary, with the aim of expanding sales in our printing equipment business in the Singapore market. The company will commence operations in July 2015.

Turning to production, we will proceed to the next phase of a new production structure. In recent years, RISO has undertaken a massive rebuilding of its production structure that can be regarded as a "manufacturing renaissance." Beginning with the in-house production of inkjet printer hardware, our production structure has changed dramatically over

Management Policies for the Fiscal Year Ending March 31, 2016

(April 1, 2015 - March 31, 2016)

1. Expand new sales channels and acquire new accounts worldwide
2. Accelerate RISO overseas business by focusing on potential regions
3. Develop next-generation products
4. Proceed to the next phase of the new production structure
5. Focus on human resource development to enhance the managerial and leadership capabilities of RISO employees



To Our Shareholders

the past four to five years. These changes include the establishment of production subsidiaries in Thailand and China, the relocation of the Shanghai Plant, the operation of our own Rojana plant in Thailand and the transfer of production of inkjet printer consumables to the Tsukuba Works.

In fiscal 2016 as well, we intend to establish a production structure capable of responding flexibly to changes in the environment with the aim of further enhancing the efficiency of production and stabilizing product supplies.

Aim for Increased Sales and Profit in Fiscal 2016 through Growth in the Inkjet Business

By actively implementing these measures, for fiscal 2016 RISO forecasts net sales of ¥88,900 million, operating income of ¥7,990 million and net income of ¥5,740 million.

RISO expects to achieve growth in sales, mainly in the Americas and Asia, and to record a 3.8% increase in overall sales compared with the previous fiscal year. Although selling, general and administrative (SG&A) expenses are expected to rise over the

previous year due to increased expenses accompanying a growth in sales, operating income is forecast to increase 16.8% owing to continued growth in profits centering on the inkjet business. The operating income margin is forecast to rise 1.0 percentage point from the previous year to 9.0%.

The amortization of goodwill that arose as a result of the transfer of the inkjet business to the Company in March 2011 amounted to ¥658 million in fiscal 2015. However, the amortization of goodwill came to an end in March 2015.

Regarding the forecast for year-end dividends in fiscal 2016, in view of these business results and our financial condition, RISO plans to increase cash dividends per share by ¥15.00 to ¥60.00. Additionally, on May 8, 2015, RISO announced a repurchase of treasury stock and from May 19 through June 2, 2015, RISO purchased 414,000 shares of treasury stock at a cost of ¥999 million.

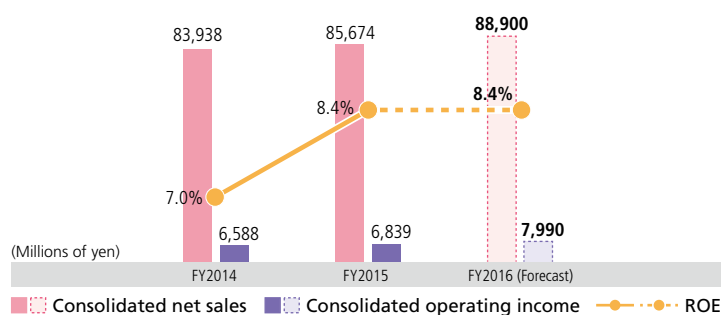
Going forward, RISO will work to further raise its corporate value through its unique products and services. In closing, I would like to ask our shareholders for their continued support.

RISO Vision 16 Business Results and Forecast

Numerical Targets

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

(Exchange rates: ¥90 to the U.S. dollar, ¥116 to the euro)



Forecast for FY2016

| | | FY2016 Forecast | FY2015 Actual | Difference | |
|-------------------------|-------------------|-----------------|---------------|------------|--------|
| | | | | Amount | Growth |
| Net sales | (Millions of yen) | 88,900 | 85,674 | 3,225 | 3.8% |
| Operating income | (Millions of yen) | 7,990 | 6,839 | 1,150 | 16.8% |
| Ordinary income | (Millions of yen) | 8,160 | 6,999 | 1,160 | 16.6% |
| Net income | (Millions of yen) | 5,740 | 5,624 | 115 | 2.1% |
| Operating income margin | (%) | 9.0 | 8.0 | | |

Note: FY2016 assumed exchange rates: ¥118 to the U.S. dollar, ¥130 to the euro



Consolidated Financial Statements

Notes: Amounts less than the unit expressed are omitted. These financial statements show major items only.

Balance Sheets

ASSETS

(Millions of yen)

| Item | FY2014 (As of Mar. 31, 2014) | FY2015 (As of Mar. 31, 2015) |
|--|---------------------------------|---------------------------------|
| Current assets | ¥47,780 | ¥51,988 |
| Cash and deposits | 12,899 | 14,074 |
| Notes and accounts receivable—trade | 15,596 | 15,877 |
| Short-term investment securities | 2,876 | 5,120 |
| Inventories | 12,633 | 12,763 |
| Other | 4,112 | 4,488 |
| Allowance for doubtful accounts | (338) | (335) |
| Noncurrent assets | 43,960 | 42,350 |
| Total property, plant and equipment | 32,742 | 32,790 |
| Buildings and structures, net | 9,221 | 9,967 |
| Machinery, equipment and vehicles, net | 829 | 980 |
| Land | 17,071 | 17,031 |
| Other | 5,620 | 4,810 |
| Intangible assets | 4,586 | 3,299 |
| Goodwill | 679 | 9 |
| Software | 2,232 | 1,965 |
| Other | 1,674 | 1,324 |
| Investments and other assets | 6,631 | 6,260 |
| Investment securities | 1,945 | 2,260 |
| Other | 4,747 | 4,050 |
| Allowance for doubtful accounts | (61) | (51) |
| Total assets | ¥91,740 | ¥94,338 |

Note: Total amount of depreciation of tangible fixed assets for fiscal 2015 was ¥39,242 million.

POINT ① Goodwill

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.

LIABILITIES

(Millions of yen)

| Item | FY2014 (As of Mar. 31, 2014) | FY2015 (As of Mar. 31, 2015) |
|--|---------------------------------|---------------------------------|
| Current liabilities | ¥21,819 | ¥22,682 |
| 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 |
| Other | 9,641 | 9,773 |
| Noncurrent liabilities | 5,117 | 2,709 |
| Long-term loans payable | 33 | 27 |
| Net defined benefit liability | 4,589 | 2,277 |
| Other | 495 | 404 |
| Total liabilities | ¥26,936 | ¥25,392 |

NET ASSETS

(Millions of yen)

| Item | FY2014 (As of Mar. 31, 2014) | FY2015 (As of Mar. 31, 2015) |
|---|---------------------------------|---------------------------------|
| Shareholders' equity | ¥65,426 | ¥67,255 |
| 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 accumulated other comprehensive income | (622) | 1,690 |
| Valuation difference on available-for-sale securities | 343 | 629 |
| Foreign currency translation adjustment | (169) | 1,114 |
| Remeasurements of defined benefit plans | (796) | (53) |
| Total net assets | ¥64,804 | ¥68,946 |
| Total liabilities and net assets | ¥91,740 | ¥94,338 |

POINT ②
Net defined benefit liability

Net defined benefit liability declined ¥2,311 million due to an increase in premiums and a rise in pension plan asset investment yields.

POINT ③
Treasury stock

A total of 727,600 shares of treasury stock amounting to ¥2,538 million were acquired during fiscal 2015.



Statements of Income

(Millions of yen)

| Item | FY2014 (Year ended Mar. 31, 2014) | FY2015 (Year ended Mar. 31, 2015) |
|--|---|---|
| Net sales | ¥83,938 | ¥85,674 |
| Printing equipment business | 82,358 | 84,195 |
| Japan | 48,662 | 47,778 |
| Americas | 5,728 | 5,797 |
| Europe | 16,191 | 17,547 |
| Asia | 11,777 | 13,072 |
| Real estate business and others | 1,579 | 1,478 |
| 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 | 832 | 350 |
| Non-operating expenses | 228 | 189 |
| Ordinary income | 7,192 | 6,999 |
| Extraordinary income | 70 | 81 |
| Extraordinary loss | 144 | 59 |
| Income before income taxes and minority interests | 7,119 | 7,021 |
| Income taxes | 2,540 | 1,397 |
| Net income | ¥ 4,578 | ¥ 5,624 |

Point ④ Net sales

Net sales increased ¥1,736 million versus the previous fiscal year amid favorable sales in the inkjet business. Of this amount, the effect of foreign exchange rates amounted to ¥1,873 million.

Point ⑤ Selling, general and administrative expenses

Selling, general and administrative expenses increased ¥1,931 million versus the previous fiscal year. This was due mainly to an increase in R&D expenses and personnel expenses as well as the effect of foreign exchange rates.

Statements of Cash Flows

(Millions of yen)

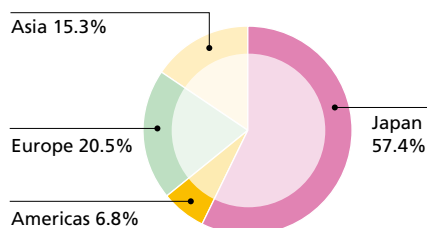
| Item | FY2014 (Year ended Mar. 31, 2014) | FY2015 (Year ended Mar. 31, 2015) |
|---|---|---|
| Net cash provided by (used in) operating activities | ¥ 4,393 | ¥ 8,650 |
| Net cash provided by (used in) investment activities | (5,212) | (1,403) |
| Net cash provided by (used in) financing activities | (6,814) | (4,291) |
| 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 |

Point ⑥ Income taxes

Income taxes decreased due to a reevaluation of deferred tax assets.

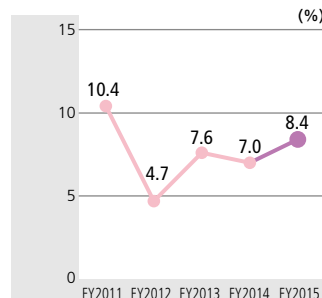
Sales by region

(Fiscal year ended March 31, 2015)



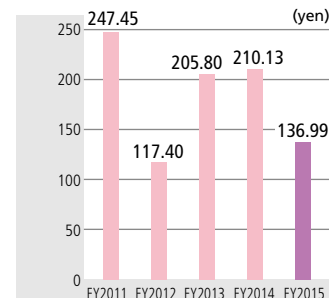
Return on equity

(%)



Net income per share

(yen)



Note: Effective January 1, 2015, each share of common stock was split into two shares.



RISO Demonstrates Products at Various Fairs and Events in Japan and Overseas

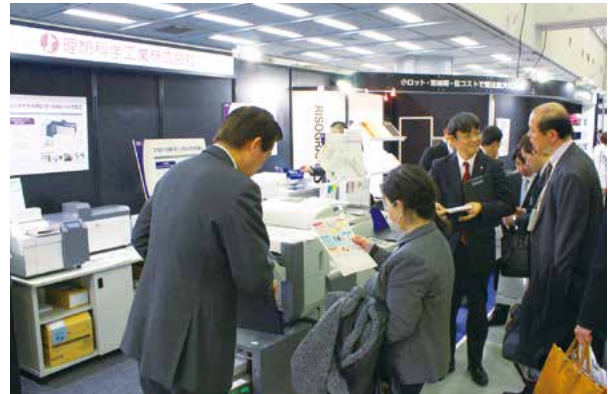
To allow as many people as possible to experience its products, RISO demonstrates its products at various fairs and events in Japan and overseas and also sponsors its own exhibitions in regions across Japan.

Japan

From December 2014 through March 2015, RISO held exhibitions, which mainly included RISO Print Festa, at 182 locations across Japan. At these events, RISO brought together and demonstrated its ORPHIS high-speed printers and RISOGRAPH digital duplicators and proposed a wide range of usage methods.

Regarding fairs and events, RISO demonstrated its products at a variety of specialized exhibitions. These include Material Handling & Logistics Exhibition Logis-Tech Tokyo 2014, the largest distribution and logistics-related exhibition in Asia held in September 2014; Computerization of Local Authorities Promotion Fair 2014 held in October 2014 with the aim of promoting digital government administration at local governments; and "page 2015," an event sponsored by the Japan Association of Graphic Arts Technology (JAGAT) held in February 2015. At these events, RISO emphasized the

appeal of solutions such as enhancing efficiency and reducing the costs of printing business forms using the ORPHIS as well as the in-house production of printed matter. We also made proposals for two-color printing using RISOGRAPH digital duplicators.



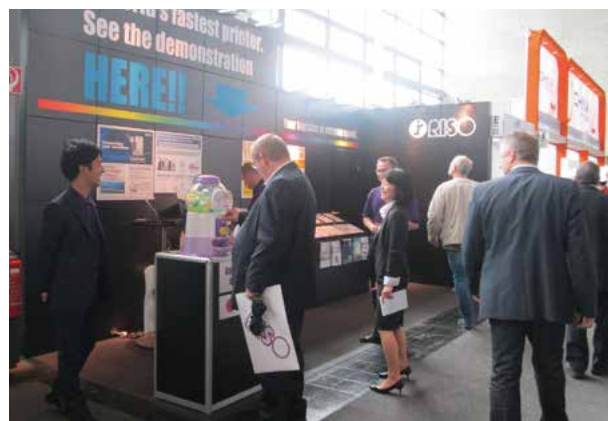
"page 2015" (Tokyo)

Overseas

RISO also demonstrated its products at CeMAT2014 held in Hannover, Germany, in May 2014. CeMAT2014 is the world's largest exhibition in the field of logistics, and the most recent exhibition featured the participation of companies from 43 countries and attracted a total of 53,500 visitors. RISO exhibited the ORPHIS series to make proposals such as for enhancing work efficiency and reducing expenses through the high-speed output of various types of business forms. The high print speed and durability of the ORPHIS attracted a great deal of interest throughout the exhibition.

Also, in November 2014, RISO exhibited products at PRINT CHINA 2014 (All in Print China 2014), the country's largest international printing equipment trade show that was held at the Shanghai New International Expo Center. At this show, Chinese and overseas companies

exhibited their latest printing equipment and services and RISO proposed the ORPHIS, which drew considerable attention for its costs per print and speed as well as its diverse options.



"CeMAT 2014" (Hannover, Germany)

RISO Earns Two Environmental Awards

In its Environmental Charter, RISO endeavors to “contribute to global environmental protection in order to bestow a fair and sound environment to coming generations” and undertakes its business activities based on this concept. RISO recently earned two awards in recognition of these efforts to contribute to the environment.

Specifically, RISO’s Ube Plant earned the Most Outstanding Award in the business category of the 2014 Green Curtain Contest sponsored by Ube City, Yamaguchi Prefecture. Additionally, the Japanese-language edition of our *Sustainability Report 2014* published in 2014 earned an Award for Excellence in the environmental reporting category of the 18th Environmental Communication Awards sponsored by the Ministry of the Environment and the Global Environmental Forum.

Encouraged by these awards, RISO will continue to undertake business activities for reducing the burden on the environment in the future as well.



A 15m-wide, 5m-high bitter melon garden was set up on the south side of the administrative building of the Ube Plant.

Environmental Class Held at Masugata Junior High School

In November 2014, RISO participated in the Fiscal 2014 Educational Workshop on Energy and the Environment at Masugata Junior High School in Kawasaki, Kanagawa Prefecture, and held an environmental class at this event. Students participating in this class were able to gain a real sense of the evolution of printing by experiencing processes ranging from creating a manuscript for mimeographs to actual printing.

Monetary Donations Made for the Nepal Earthquake

RISO donated ¥1 million in relief money to assist victims and rebuild devastated regions following the Nepal earthquake that occurred in April 2015.



Educational Workshop on Energy and the Environment



Expressive Powers and Stability of RISOGRAPH Ink

Emulsion ink, which is comprised of oil and water, is used in the RISOGRAPH. In 1954, RISO became the first company in Japan to develop emulsion ink. Here, we introduce RISOGRAPH ink, which represents the origin of RISO's manufacturing.



1954
RISO INK



Now
RISO INK E Type HG

Does Not Dry inside the RISOGRAPH and Dries Immediately on Application When Printing

The RISOGRAPH attaches the proofed master to the drum, extrudes ink from the inside of the printing drum onto the paper and performs high-speed printing. During the wait for printing, the RISOGRAPH's emulsion ink, which disperses water within the oil, prevents vaporization inside the printing drum by covering the water with oil. The water is then absorbed by the paper at the same instant as printing and the pigment and oil content are affixed to the surface of the paper.

RISO is harmonizing these characteristics of emulsion ink with the mechanisms of the RISOGRAPH's high-speed printing and is carrying out development of unique inks that express fine images with stable quality.

A Wide Variety of Color Variations and Outstanding Environmental Compatibility

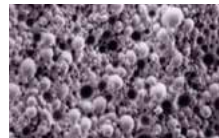
RISOGRAPH ink is available in an abundance of variations encompassing 17 standard colors, 50 custom colors, plus special order-made colors prepared according to customer orders. Moreover, these inks are also outstanding in terms of environmental compatibility. RISO INK is a soy ink* that uses soy oil, a plant-derived material. RISO collects used ink bottles and recycles and processes these into plastic product raw materials.

*Note: Order-made colors or other colors might not be available in soy inks.

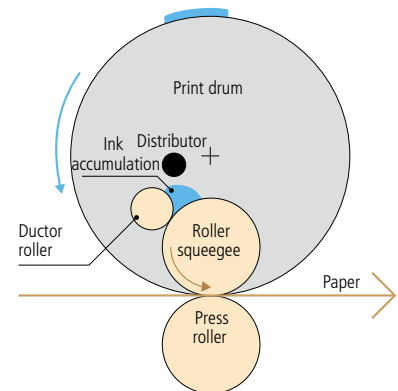
RISOGRAPH Automatic Inking System

The RISOGRAPH automatically adjusts the pressure with the press rollers according to the print speed and adjusts the amount of ink transfer.

Enlarged photograph of emulsion ink



1 micron



Easy-to-Use 17 Standard Colors

| | | | |
|------------|-------------|-------------------|--------------------|
| Red | Bright red | RISO marine red | Burgundy red |
| Brown | Yellow | Green | Teal green |
| Blue | Medium blue | RISO federal blue | Purple |
| Light gray | Gray | Fluorescent pink | Fluorescent orange |
| | | | Black |

Color numbers

A wide selection of custom colors—50 colors



Note: Color samples differ from actual colors.



RISO Customers

Case studies of customers using ORPHIS or RISOGRAPH products in Japan are introduced in this section. At this time, we will introduce the Community Welfare Promotion Department of the Kanagawa Prefecture Council of Social Welfare and Yomiuri Center Sanbu/Inaba Shimbun Distribution Limited Company.

ORPHIS

Creates Positive Changes That Extend beyond Enhanced Operational Efficiency



Community Welfare Promotion Department of Kanagawa Prefecture Council of Social Welfare (Yokohama City, Kanagawa Prefecture)

The Community Welfare Promotion Department of the Kanagawa Prefecture Council of Social Welfare is an organization that supports and undertakes welfare-related volunteer activities by residents of Kanagawa Prefecture. This organization introduced the ORPHIS to improve its printing environment and carries out black-and-white printing to disseminate various information within its budget.

Among its support operations, volunteer-related lecture courses and training require large volume printing. Besides printing notification flyers and placing these in related facilities, the department also prepares as many as 30 resumes for each participant. "Work that took three hours before introducing the ORPHIS can now be completed in just one hour," the person in charge notes with a smile. This customer is also pleased that by enhancing work efficiency, the department realized a structure conducive to spurring the rapid creation of new ideas. Without a doubt, the ORPHIS appears to be creating positive changes that extend beyond enhanced operational efficiency.

RISOGRAPH

Disseminating Information That Brings Joy to Community Residents



Yomiuri Center Sanbu/Inaba Shimbun Distribution Limited Company (Sanbu City, Chiba Prefecture)

Established in 1953, Yomiuri Center Sanbu/Inaba Shimbun Distribution Limited Company is a long-standing newspaper distributor with operations deeply rooted in the local community. This company introduced a RISOGRAPH two-color digital duplicator with the aim of improving services as a way of giving back to its customers. Using this duplicator, it is providing customers with a variety of local community-focused detailed information such as printed notifications about used paper collection, train timetables for nearby stations, community information and job solicitations.

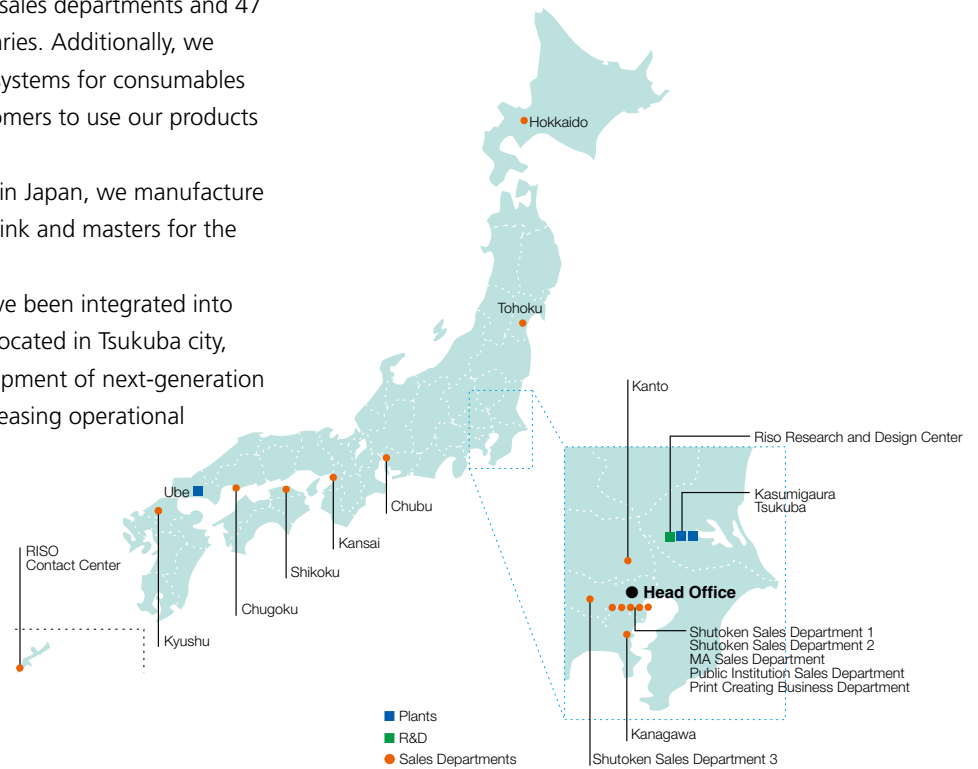
The manager of this distributor apparently came up with a number of ideas upon watching a demonstration of the RISOGRAPH and its two-color printing capabilities and subsequently decided to introduce this digital duplicator. He explains: "Two-color printing allows us to raise the appeal of information with almost no increase in cost compared with single-color printing while we can also distinguish ourselves from other newspaper distributors. We have also received praise from our customers, and in the future, I'd like to devise various ways of using this printer." It appears that the use of the RISOGRAPH will continue to expand the possibilities for providing information.

Facilities in Japan

RISO's sales network encompasses 14 sales departments and 47 sales branches as well as sales subsidiaries. Additionally, we provide technical support and supply systems for consumables throughout the nation to enable customers to use our products with assurance.

At our three manufacturing bases in Japan, we manufacture hardware and ink for the ORPHIS and ink and masters for the RISOGRAPH.

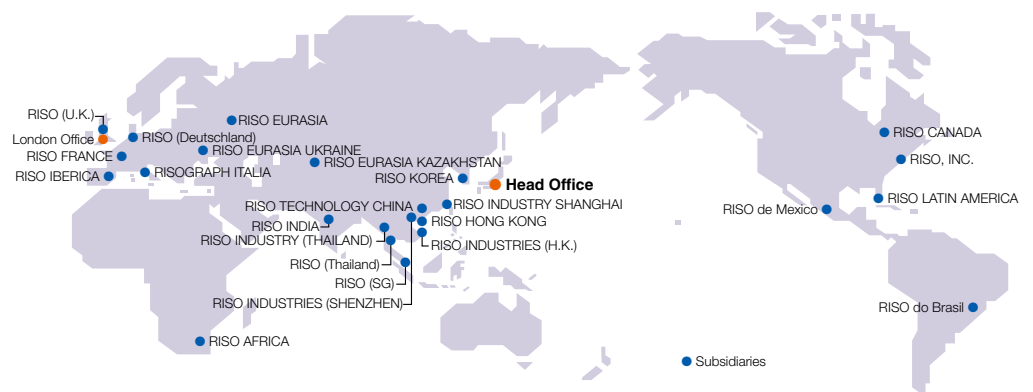
Our development departments have been integrated into the Riso Research and Design Center located in Tsukuba city, Ibaraki Prefecture, in which the development of next-generation RISO products is carried out while increasing operational efficiency.



Global Network

Our wide-spanning network, centering on 25 overseas subsidiaries, engages in sales of ORPHIS and RISOGRAPH hardware, provides technical support and also supplies consumables. RISOGRAPH hardware is produced at the manufacturing plants of RISO INDUSTRIES (SHENZHEN) LTD. and RISO TECHNOLOGY CHINA CO., LTD. in China and RISO INDUSTRY (THAILAND) CO., LTD. in Thailand.

Over 3,500 RISO Group employees value communication with customers and provide customer support in the respective countries where we operate.



● Main subsidiaries

RISO, INC.
RISO CANADA INC.
RISO LATIN AMERICA, INC.
RISO de Mexico, S.A. de C.V.
RISO do Brasil Ltda.
RISO (U.K.) LTD.
RISO (Deutschland) GmbH
RISO FRANCE S.A.

RISO IBERICA, S.A.
RISOGRAPH ITALIA S.p.A.
RISO EURASIA LLC
RISO EURASIA KAZAKHSTAN LLC
RISO EURASIA UKRAINE LLC
RISO AFRICA (PTY) LTD.
RISO INDUSTRIES (H.K.) LTD.
RISO INDUSTRIES (SHENZHEN) LTD.

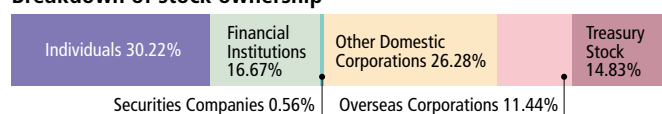
RISO TECHNOLOGY CHINA CO., LTD.
RISO INDUSTRY SHANGHAI CO., LTD.
RISO HONG KONG LTD.
RISO (Thailand) LTD.
RISO INDUSTRY (THAILAND) CO., LTD.
RISO INDIA PRIVATE LTD.
RISO KOREA LTD.
RISO (SG) PTE. LTD. (Established April 2015)

Number of shares: 135,680,000
(An increase of 67,840,000 shares from the end of the previous period)

Number of shares issued: 47,406,332
(An increase of 23,703,166 shares from the end of the previous period)

Number of shareholders: 2,686
(A decrease of eight persons from the end of the previous period)

Breakdown of stock ownership



| Major Shareholders (Top 10 Shareholders) | Number of shares owned (thousands of shares) | Shareholding ratio (%) |
|---|--|------------------------|
| RISO KAGAKU CORPORATION | 7,030 | 14.83 |
| RISO Limited | 4,941 | 10.42 |
| Riso Educational Foundation | 2,661 | 5.61 |
| Akatsuki Kosan Co., Ltd. | 1,934 | 4.08 |
| RISO KAGAKU CORPORATION Employees' Shareholding Association | 1,798 | 3.79 |
| Trust & Custody Services Bank, Ltd. as trustee for the Tokyo Tomin Bank, Ltd. Retirement Benefit Account re-entrusted by Mizuho Trust and Banking Co., Ltd. | 1,567 | 3.31 |
| Akira Hayama | 1,216 | 2.57 |
| Osamu Hayama | 1,194 | 2.52 |
| Takashi Hayama | 1,180 | 2.49 |
| Mariko Ito | 1,170 | 2.47 |

Repurchase of Treasury Stock

During fiscal 2015, RISO repurchased treasury stock as detailed below.

Number of shares repurchased: 727,600 shares

Total repurchased amount: ¥2,538 million

Stock Splits

Effective January 1, 2015, each share of common stock was split into two shares.

Corporate name RISO KAGAKU CORPORATION
Head office 5-34-7 Shiba, Minato-ku, Tokyo 108-8385 Japan

Established September 2, 1946

Incorporated January 25, 1955

Paid-in capital ¥14,114,985,384 (As of March 31, 2015)

Number of employees 1,724 (3,549 for the RISO Group)
(As of March 31, 2015)

Subsidiaries 26 companies (domestic: 2; overseas: 24)
(As of March 31, 2015)

Board of Directors and Auditors

(As of June 24, 2015)

| | |
|---|--------------------|
| President & CEO (Representative Director) | Akira Hayama |
| Managing Director | Yasuhiro Takahashi |
| Managing Director | Kihachiro Endo |
| Director | Yasunobu Takahashi |
| Director | Shoichi Ikejima |
| Director | Yoshiomi Narumiya |
| Director | Masahiro Ueda |
| Director | Soichiro Hashimoto |
| Director | Naoki Ujiie |
| Director | Toshiaki Kano |
| Director | Kyoshi Hayashi |
| Director | Kenji Oshima |
| Director | Soichiro Oku* |
| Standing Auditor | Yasuo Tazawa |
| Auditor | Yoshinari Iizuka* |
| Auditor | Shinji Hatta* |

Note: "*" refers to outside directors and outside auditors, as stipulated under Item 15 and 16 of Article 2 of the Corporate Law.

The financial information appearing in this review is a translation of the original Japanese text into English and is based on generally accepted accounting standards and practices in Japan.

Forward-looking Statements

Forecasts of future performance contained in forward-looking statements are based on Riso Kagaku Corporation's current expectations, estimates and assessment of the markets in which it operates. A number of factors, many beyond the Company's control, could cause actual results to differ materially from the forecasts contained in these statements.

 RISO KAGAKU CORPORATION

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<http://www.riso.co.jp/english/>