

Supplementary Information of Consolidated Financial Result
for FY2009 (Year Ended March 31, 2009)

May 11, 2009

RISO KAGAKU CORPORATION

1. Sales Performance (by Geographic Area)

(Million yen, %)

	FY2008 (Year Ended Mar. 31, 2008)			FY2009 (Year Ended Mar. 31, 2009)			Change			Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Year- on-year	Impact of exchange rate	
Total sales	92,621	100.0	1.23	83,774	100.0	1.22	(8,846)	(9.6)	(5,964)	· Sales decreased 3.1% if recalculated by exchange rate of the previous term.
Printing equipment-related business	91,508	98.8	1.23	82,604	98.6	1.23	(8,904)	(9.7)	(5,964)	
Japan	47,135	50.9	1.00	46,627	55.7	1.00	(508)	(1.1)	(4)	· Sales of Digital duplication business decreased. Inkjet business steady.
Overseas	44,373	47.9	1.62	35,976	42.9	1.72	(8,397)	(18.9)	(5,959)	· Sales decreased by 5.5% if recalculated by exchange rate of the previous term.
Americas	12,133	13.1	1.75	9,910	11.8	2.13	(2,222)	(18.3)	(1,357)	· Digital duplicating business sluggish, IJ business increased. Sales decreased by 7.1% if recalculated by exchange rate of the previous term.
Europe	21,528	23.2	1.56	16,086	19.2	1.56	(5,442)	(25.3)	(2,814)	· Digital duplicating business and IJ business fell after 2Q. Sales below previous year. Sales decreased by 12.2% if recalculated by exchange rate of the previous term.
Asia	10,711	11.6	1.59	9,979	11.9	1.68	(731)	(6.8)	(1,788)	· Digital duplication business steady in SE Asia and China, but impacted by foreign exchange fluctuation. Sales rose by 9.7% if recalculated by exchange rate of the previous term.
Real estate business and others	1,112	1.2	1.02	1,170	1.4	1.02	58	5.2	-	· Both real estate business and insurance agency businesses went as planned.

Exchange rate

	FY2008 (Year Ended Mar. 31, 2008)	FY2009 (Year Ended Mar. 31, 2009)
One dollar	114.28	100.54
One euro	161.53	143.48

2. Statements of Income Results (Consolidated Data)

(Million yen, %)

	FY2008 (Year Ended Mar. 31, 2008)			FY2009 (Year Ended Mar. 31, 2009)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Rate of change	
Net sales	92,621	100.0	1.23	83,774	100.0	1.22	(8,846)	(9.6)	Impact of foreign exchange: Minus 5,964 million yen
Cost of sales	45,624	49.3		43,885	52.4		(1,739)	(3.8)	
Gross profit	46,996	50.7	1.46	39,888	47.6	1.48	(7,107)	(15.1)	Due to negative impact of foreign exchange and decline of sales at digital duplication business,
Selling, general and administrative expenses	41,598	44.9		40,802	48.7		(796)	(1.9)	Personal expenses down by 1.3% and general expenses down by 2.5%.
Operating income	5,397	5.8	1.22	(913)	(1.1)	0.70	(6,310)	(116.9)	Impact of foreign exchange: Minus 991 million yen
Other income	950	1.0		1,105	1.3		154	16.3	
Interest income	341			285			(56)	(16.4)	
Dividend income	42			44			2	4.8	
Equity method gains	79			310			231	292.4	
Others	485			465			(20)	(4.1)	
Other expenses	1,638	1.8		887	1.1		(750)	(45.8)	
Interest expenses	579			438			(141)	(24.4)	
Exchange losses	875			241			(633)	(72.5)	
Losses on disposal of fixed assets	99			115			15	16.2	
Others	83			92			9	10.8	
Recurring income	4,709	5.1	1.19	(695)	(0.8)	0.48	(5,405)	(114.8)	
Extraordinary gain	-			1,820			1,820	-	Income of insurance return
Extraordinary loss	339			421			81	24.2	Loss on valuation of investment securities and loss on revision of retirement benefit plan
Income before income taxes	4,370	4.7		704	0.8		(3,666)	(83.9)	
Net income	1,657	1.8	(10.62)	(641)	(0.8)	0.15	(2,299)	(138.7)	
Capital expenditure	8,278	-	1.15	5,591	-	1.12	(2,687)	(32.5)	
Depreciation	5,452	-	1.29	5,440	-	1.19	(12)	(0.2)	
Number of employees	3,241	-	2.01	3,227	-	1.92	(14)	(0.4)	The number of employees fell 68 in Americas, 33 in Europe. The number of employees at Riso Kagaku Corporation alone was 1,681 at end of March 2009, an increase of 65 compared to the end of the previous year.

Breakdown of key selling, general and administrative expenses

(Million yen, %)

Sales promotion fees	1,251			1,238			(13)	(1.0)	
Advertisement expenses	1,667			1,521			(146)	(8.8)	
Research and development expenses	4,377			5,115			738	16.9	Developed a new product, ORPHIS X series 3 models

3 . Balance Sheet Results (Consolidated Data)

(Million yen, %)

	FY2008 (As of Mar. 31, 2008)			FY2009 (As of Mar. 31, 2009)			Change		Remarks
	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Rate of change	
Current assets	70,381	61.3	1.30	54,797	56.2	1.39	(15,583)	(22.1)	
Cash and deposits	24,913			20,583			(4,330)		· Decrease due to redemption of Convertible Bond.
Notes and accounts receivable	16,147			13,900			(2,247)		
Marketable securities	12,273			3,281			(8,992)		· Sold government securities and bonds; applied the proceeds to the redemption of CB
Inventories	12,977			-					
Merchandise and finished goods	-			11,871					
Work in process	-			812					
Raw materials and supplies	-			1,345					
Deferred tax assets (short)	2,670			745			(1,924)		
Others	1,709			2,556			846		
Allowance for doubtful receivables (short)	(311)			(298)			13		
Fixed assets	44,413	38.7	0.86	42,647	43.8	0.86	(1,766)	(4.0)	
Tangible fixed assets	33,014	28.8	1.05	32,492	33.3	1.04	(521)	(1.6)	
Buildings and structures	7,676			7,344			(331)		
Machinery, equipment and vehicles	1,655			1,299			(355)		
Tools, furniture and fixtures	1,497			1,787			289		
Land	18,053			18,053			(0)		
Others	4,131			4,008			(123)		
Intangible fixed assets	2,309	2.0	1.41	2,307	2.4	1.02	(1)	(0.1)	
Software	1,807			1,971			164		
Others	501			336			(165)		
Investments and other securities	9,089	7.9	0.49	7,846	8.1	0.48	(1,243)	(13.7)	
Investment in securities	2,279			1,718			(560)		
Long-term advances	299			160			(138)		
Deferred tax assets (long)	1,217			2,193			975		
Others	5,559			4,019			(1,539)		
Allowance for doubtful receivables (long)	(265)			(245)			19		
Total assets	114,795	100.0	1.08	97,444	100.0	1.09	(17,350)	(15.1)	

3 . Balance Sheet Results (Consolidated Data)

(Million yen, %)

	FY2008 (As of Mar. 31, 2008)			FY2009 (As of Mar. 31, 2009)			Change		Remarks
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non- consolidated	Amount	Consolidated/ non- consolidated	
Current liabilities	41,472	36.1	1.24	26,972	27.7	1.39	(14,500)	(35.0)	
Notes and accounts payable	14,205			14,311			105		
Short-term loans	5,389			5,368			(21)		
Long-term bank borrowings due within one year	9			9			(0)		
CB with scheduled maturity in a year	13,286			-			(13,286)		·Redeemed "2nd Unsecured CB" on March 31, 2009.
Accrued taxes	942			99			(843)		
Accrued bonuses	1,559			1,470			(89)		
Accrued directors' bonuses	28			-			(28)		
Accrued warranty costs	125			137			12		
Others	5,925			5,575			(349)		
Long-term liabilities	3,526	3.1	1.07	4,988	5.1	0.74	1,461	41.5	
Convertible bonds	-			-			-		
Long-term bank borrowings	98			83			(15)		
Employees' retirement allowances	2,785			3,278			493		
Directors' retirement allowances	229			242			12		
Others	412			1,384			971		
Total liabilities	44,998	39.2	1.23	31,960	32.8	1.22	(13,038)	(29.0)	
Shareholders' equity	68,815	59.9	1.00	66,325	68.1	1.06	(2,489)	(3.6)	
Common stock	14,114			14,114			-		
Capital surplus	14,779			14,779			(0)		
Retained earnings	43,131			38,816			(4,314)		
Treasury stock	(3,210)			(1,386)			1,824		·Repurchase of 572,000 treasury stocks and retire 1,410,000 stocks.
Other comprehensive income	815	0.7	0.98	(1,021)	(1.0)	(3.36)	(1,836)	(225.3)	
Net unrealized holding gains or losses on securities	831			304			(527)		·Decline in invested stock prices
Foreign currency translation adjustments	(16)			(1,324)			(1,308)		·Decrease due to yen appreciation
Minority interests	165	0.1	-	179	0.2	-	13	(0.4)	
Total net assets	69,796	60.8	1.00	65,484	67.2	1.04	(4,312)	(6.2)	
Total liabilities and net assets	114,795	100.0	1.08	97,444	100.0	1.09	(17,350)	(15.1)	

4 . Statements of Cash Flows (1)

(Million yen, %)

	FY2008 (Year Ended Mar. 31, 2008)	FY2009 (Year Ended Mar. 31, 2009)	Remarks
	Amount	Amount	
I Cash flows from operating activities			
Income before income taxes	4,370	704	
Depreciation	2,772	2,947	
Depreciation of goodwill	141	(4)	
Equity method losses (profits)	(79)	(310)	
Increase (decrease) in employees' retirement allowances	(325)	493	
Increase (decrease) in directors' retirement allowances	(61)	12	
Increase (decrease) in accrued directors' bonuses	(21)	(28)	
Increase (decrease) in allowance for doubtful receivables	(391)	33	
Interest and dividends receivable	(384)	(329)	
Insurance return	-	(1,820)	
Interest payable	579	438	
Exchange losses (profits)	36	667	
Loss on sales of investment in securities (profit on sales)	-	83	
Compensation payments	339	-	
Decrease (increase) in accounts receivable	994	1,733	
Decrease (increase) in inventories	(31)	(2,095)	
Increase (decrease) in accounts payable	(477)	885	
Increase (decrease) in accrued expenses	(25)	(309)	
Others, net	201	197	
Subtotal	7,637	3,298	
Interest and dividends received	383	411	
Interest paid	(583)	(441)	
Compensation paid	(339)	-	
Income taxes paid	(2,605)	(1,183)	
Net cash provided by operating activities	4,491	2,084	

4. Statements of Cash Flows (2)

(Million yen, %)

	FY2008 (Year Ended Mar.31, 2008)	FY2009 (Year Ended Mar.31, 2009)	Remarks
	Amount	Amount	
II Cash flows from investing activities			
Increase in time deposits	(1,881)	(31)	
Decrease in time deposits	1,504	536	
Payments for purchase of marketable securities	(300)	(3)	
Proceeds from sale of marketable securities	4,495	300	
Payments for acquisition of tangible fixed assets	(4,699)	(2,088)	
Payments for acquisition of intangible fixed assets	(786)	(1,028)	
Payments for purchase of investment securities	(3,012)	(136)	
Proceeds from sale of investment securities	509	5,500	· Sales of government securities etc.
Increase in loans receivable	(168)	(27)	
Decrease in loans receivable	69	164	
Proceeds from maturity of insurance funds	-	3,447	
Others, net	(219)	(458)	
Net cash provided by (used in) investing activities	(4,489)	6,174	
III Cash flows from financing activities			
Net increase (decrease) in short-term loans	403	444	
Proceeds from long-term bank borrowings	24	2	
Repayments of long-term bank borrowings	(24)	(17)	
Payments for redemption of corporate bonds	(816)	(13,325)	· Redeemed "2nd Unsecured CB" on March 31, 2009.
Payments for purchase of treasury stock	(341)	(665)	· Repurchase of 572,000 treasury stocks
Repayments of lease obligations	-	(121)	
Cash dividends paid	(1,058)	(1,049)	· Paid annual dividend: 40 yen per share
Others, net	(0)	(0)	
Net cash provided (used in) financing activities	(1,814)	(14,733)	
Effect of exchange rate changes on cash and cash equivalent	(427)	(707)	
Increase (decrease) in cash and cash equivalents	(2,239)	(7,181)	
Cash and cash equivalents, beginning of year	32,667	30,427	
Cash and cash equivalents, end of year	30,427	23,246	

5. Results for FY2009 (Year Ended Mar. 31, 2009) and Forecasts for FY2010 (Year Ending Mar. 31, 2010)

Consolidated, full year

(Million yen, %)

	Results			Forecasts			
	FY2009 (Year ending Mar. 31, 2009)			FY2010 (Year ending Mar. 31, 2010)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	83,774	100.0	1.22	78,000	100.0	1.17	(6.9)
Printing equipment-related business	82,604	98.6	1.23	76,800	98.5	1.18	(7.0)
Japan	46,627	55.7	1.00	46,400	59.5	1.01	(0.5)
Overseas	35,976	42.9	1.72	30,400	39.0	1.58	(15.5)
Americas	9,910	11.8	2.13	8,700	11.2	1.73	(12.2)
Europe	16,086	19.2	1.56	13,450	17.2	1.47	(16.4)
Asia	9,979	11.9	1.68	8,250	10.6	1.65	(17.3)
Real estate business and others	1,170	1.4	1.02	1,200	1.5	1.03	2.6
Operating income	(913)	(1.1)	0.70	(2,410)	(3.1)	0.66	-
Recurring income	(695)	(0.8)	0.48	(2,040)	(2.6)	0.56	-
Net income	(641)	(0.8)	0.15	(2,260)	(2.9)	0.63	-
Capital expenditure	5,591	-	-	6,000	-	-	7.3
Depreciation	5,440	-	-	6,000	-	-	10.3
Closing rate	Average exchange rate for the period 100.54 yen against dollar, 143.48 yen against euro			Average exchange rate for the period 88.00 yen against dollar, 117.00 yen against euro			

Consolidated, first half of the year

(Million yen, %)

	Interim results			Interim forecasts			
	FY2009 (Year ended March 31, 2009)			FY2010 (Year ended March 31, 2010)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	42,627	100.0	1.19	36,820	100.0	1.14	(13.6)
Printing equipment-related business	42,068	98.7	1.20	36,220	98.4	1.14	(13.9)
Japan	22,144	51.9	1.00	21,270	57.8	1.01	(3.9)
Overseas	19,924	46.7	1.52	14,950	40.6	1.40	(25.0)
Americas	5,515	12.9	1.77	4,405	12.0	1.29	(20.1)
Europe	9,182	21.5	1.36	6,660	18.1	1.36	(27.5)
Asia	5,226	12.3	1.61	3,885	10.6	1.64	(25.7)
Real estate business and others	559	1.3	1.02	600	1.6	1.03	7.3
Operating income	689	5.3	0.89	(1,200)	(3.3)	0.78	-
Recurring income	883	2.1	0.85	(1,100)	(3.0)	0.70	-
Net income	192	0.5	(2.70)	(1,230)	(3.3)	0.78	-
Capital expenditure	2,870	-	-	3,800	-	-	32.4
Depreciation	2,438	-	-	2,600	-	-	6.6
Closing rate	Average exchange rate for the period 106.11 yen for dollar, 162.68 yen for euro			Average exchange rate for the period 88.00 yen for dollar, 117.00 yen for euro			

Non-consolidated, full year

(Million yen, %)

	Results			Forecasts			
	FY2009 (Year ending Mar. 31, 2009)			FY2010 (Year ending Mar. 31, 2010)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	68,461	100.0		66,450	100.0		(2.9)
Printing equipment-related business	67,314	98.3		65,280	98.2		(3.0)
Japan	46,448	67.8		46,070	69.3		(0.8)
Overseas	20,866	30.5		19,210	28.9		(7.9)
Americas	4,647	6.8		5,040	7.6		8.5
Europe	10,285	15.0		9,170	13.8		(10.8)
Asia	5,934	8.7		5,000	7.5		(15.7)
Real estate business and others	1,147	1.7		1,170	1.8		2.0
Operating income	(1,300)	(1.9)		(3,640)	(5.5)		-
Recurring income	(1,433)	(2.1)		(3,640)	(5.5)		-
Net income	(4,225)	(6.2)		(3,570)	(5.4)		-

Non-consolidated, first half of the year

(Million yen, %)

	Interim results			Interim forecasts			
	FY2009 (Year ended March 31, 2009)			FY2010 (Year ended March 31, 2010)			
	Amount	Breakdown	Consolidated/ non-consolidated	Amount	Breakdown	Consolidated/ non-consolidated	Year-on-year
Total sales	35,728	100.0		32,390	100.0		(9.3)
Printing equipment-related business	35,179	98.5		31,810	98.2		(9.6)
Japan	22,065	61.8		21,110	65.2		(4.3)
Overseas	13,114	36.7		10,700	33.0		(18.4)
Americas	3,119	8.7		3,420	10.6		9.7
Europe	6,750	18.9		4,905	15.1		(27.3)
Asia	3,244	9.1		2,375	8.9		(26.8)
Real estate business and others	550	1.5		580	1.8		5.5
Operating income	776	2.2		(1,540)	(4.8)		-
Recurring income	1,039	2.9		(1,580)	(4.9)		-
Net income	(71)	(0.2)		(1,580)	(4.9)		-