

February 25, 2011

Company name: **RISO KAGAKU CORPORATION**  
Listing: First Section of the Tokyo Stock Exchange  
Stock code: 6413  
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## **Notice Concerning Acquisition of Part of Business and Acquisition of Shares (Subsidiarization) Following the Termination of Joint-Venture Contract**

Riso Kagaku Corporation (the “Company”), at a meeting of the Board of Directors held on February 25, 2011, resolved to terminate the joint-venture contract with Olympus Corporation and to acquire part of business operations of Olympus Corporation and that company’s consolidated subsidiary Okaya Olympus Co., Ltd. It was also resolved to acquire the shares of joint-venture company ORTEK CORPORATION that are owned by Olympus Corporation. The details are as follows.

### 1. Reason for the above matter

The Company and Olympus Corporation established ORTEK CORPORATION as a joint-venture between the two companies in September 2003 and the two companies have been conducting joint development of inkjet printers. However, to realize greater efficiency in business development, the two companies have agreed to terminate the joint-venture contract.

Following this agreement on the termination of the joint-venture contract, it was decided that the Company will acquire part of business operations of Olympus Corporation and Okaya Olympus Co., Ltd. (hereinafter the “Business Acquisition”) and acquire all the shares of ORTEK CORPORATION held by Olympus corporation (share ownership of 50%) (hereinafter the “Share Acquisition”; when the Share Acquisition and the Business Acquisition are hereinafter discussed as a collective transaction, it shall be called the “Transaction”).

As a result of the above actions, the Company will independently conduct the office-use inkjet printer business that up until now has been conducted jointly by the Company and the Olympus Group.

In addition, ORTEK CORPORATION, currently an affiliate of the Company under the equity method, will become a wholly-owned subsidiary of the Company.

### 2. Price and settlement method of the Transaction

Total price: 3,818 million yen (Business Acquisition: 1,708 million yen; Share Acquisition:  
2,110 million yen)

Settlement method: cash transaction

### 3. Overview of the Business Acquisition

#### (1) Details of the business departments to be acquired

Office-use inkjet printer related business operated by Olympus Corporation and Okaya Olympus Co., Ltd.

## (2) Operating results of the business department to be acquired (fiscal year ended March 31, 2010)

(Millions of yen)

	Olympus Corporation	Okaya Olympus Co., Ltd.
Net sales	9,245	6,484
Gross profit	2,059	284
Operating income	672	227

\* A large portion of the net sales of Okaya Olympus Co., Ltd. is sales to Olympus Corporation.

## (3) Items of assets to be acquired and liabilities to be assumed

Assets to be acquired and liabilities to be assumed through the Business Acquisition include production systems and equipment, patents and rights to obtain patents, production know-how, and other technology-related assets such as design documents etc. They do not include trade accounts receivable, inventories, trade accounts payable, and employees.

## (4) Price and settlement method of the Business Acquisition

Acquisition price: 1,708 million yen

Settlement method: cash transaction

## (5) Overview of the counterparties

## 1) Olympus Corporation

(1) Company name	Olympus Corporation	
(2) Location	Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan	
(3) Representative (name and title)	Tsuyoshi Kikukawa, Representative Director and President	
(4) Business lines	Manufacture and sales of precision machineries and instruments	
(5) Capital	48,332 million yen (As of March 31, 2010)	
(6) Established	October 12, 1919	
(7) Net assets	216,891 million yen	
(8) Total assets	1,152,227 million yen	
(9) Major shareholders and their respective share	Nippon Life Insurance Company 8.26% The Master Trust Bank of Japan, Ltd. (Trust account) 5.73% (As of March 31, 2010)	
(10) Relationships between the Company and Olympus Corporation	Capital relationships	The Company owns 50,000 shares of Olympus Corporation. In addition, the Company and Olympus Corporation each own a 50% share in ORTEK CORPORATION.
	Personal relationships	There are no direct personal relationships between the Company and Olympus Corporation, but directors and personnel from each company have been seconded to serve as directors at ORTEK CORPORATION.

	Business relationships	Business transactions are conducted between the Company and Olympus Corporation concerning the sales of printing equipment. In addition, both companies outsource development to, and pay royalty payments to ORTEK CORPORATION.
	Current status as a related party	Olympus Corporation does not fall under the category of related party of the Company. However, ORTEK CORPORATION falls under the category of related party of the Company.

## 2) Okaya Olympus Co., Ltd.

(1) Company name	Okaya Olympus Co., Ltd.	
(2) Location	6666 Inatomi, Tatsuno-machi, Kamiina-gun, Nagano, Japan	
(3) Representative (name and title)	Kiyoshi Miyazawa, Representative Director and President	
(4) Business lines	Production of high-speed inkjet printers and industrial endoscopes	
(5) Capital	30 million yen (As of March 31, 2010)	
(6) Established	July 7, 1981	
(7) Net assets	1,066 million yen	
(8) Total assets	4,747 million yen	
(9) Major shareholders and their respective share	Olympus Corporation	100%
	(As of March 31, 2010)	
(10) Relationships between the Company and Okaya Olympus Co., Ltd.	Capital relationships	No capital relationships exist between the Company and Okaya Olympus Co., Ltd.
	Personal relationships	No personal relationships exist between the Company and Okaya Olympus Co., Ltd.
	Business relationships	Business transactions are conducted between the Company and Okaya Olympus Co., Ltd. concerning the sales of printing equipment.
	Current status as a related party	Okaya Olympus Co., Ltd. does not fall under the category of related party of the Company.

## 4. Overview of the Share Acquisition

### (1) Details of changing subsidiary (ORTEK CORPORATION)

(1) Company name	ORTEK CORPORATION	
(2) Location	Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan	
(3) Representatives (names and titles)	Yoshihiko Masakawa, Representative Director and Chairman Hidenori Fujioka, Representative Director and President	
(4) Business lines	Planning, development, manufacture and sales of inkjet technology products (Printers)	
(5) Capital	490 million yen (As of March 31, 2010)	
(6) Established	September 12, 2003	
(7) Major shareholders and their respective share	Olympus Corporation	50%
	Riso Kagaku Corporation	50%

(8) Relationships between the Company and ORTEK CORPORATION	Capital relationships	The Company has a 50% share ownership in ORTEK CORPORATION, making it an equity method affiliate of the Company.		
	Personal relationships	One Director and one employee of the Company are Directors of ORTEK CORPORATION, and one employee of the Company is an Outside Corporate Auditor of ORTEK CORPORATION.		
	Business relationships	Transactions relating to development outsourcing and payment of royalties exist between the Company and ORTEK CORPORATION.		
	Current status as a related party	ORTEK CORPORATION falls under the category of related party of the Company.		
(9) Operating results and financial position of last three years (Millions of yen)				
	Fiscal year	FY 2008	FY 2009	FY 2010
	Net assets	(936)	(313)	954
	Total assets	1,153	1,280	1,837
	Net assets per share	(47,755) yen	(15,969) yen	48,673 yen
	Net sales	1,581	2,070	1,738
	Operating income	179	637	1,370
	Ordinary income	159	623	1,357
	Net income	159	623	1,267
	Net income per share	8,112 yen	31,786 yen	64,643 yen
	Dividends per share	0 yen	0 yen	0 yen

(2) Number of shares to be acquired and acquisition price; and ownership before and after acquisition

(1) Ownership before the change	9,800 shares (Number of voting rights: 9,800) (Ownership ratio: 50%)
(2) Number of shares to be acquired	9,800 shares (Number of voting rights: 9,800) (Ratio of outstanding shares: 50%) (Acquisition price: 2,110 million yen)
(3) Ownership after the change	19,600 shares (Number of voting rights: 19,600) (Ownership ratio: 100%)

(3) Overview of the counterparty

Olympus Corporation (See above “3. Overview of the Business Acquisition; (5) Overview of the counterparties.”)

#### 5. Schedule for the Transaction

(1) Resolution of Board of Directors	February 25, 2011
(2) Conclusion of agreement for transfer of shares and transfer of business	February 25, 2011
(3) Date of share delivery and business acquisition	March 31, 2011

Because the Business Acquisition is the acquisition of part of a business, the requirements stipulated in Article 467 paragraph (1) of the Corporate Law do not apply, and the Business Acquisition will be conducted without obtaining approval of a General Meeting of Shareholders.

#### 6. Overview of accounting treatment

The Company plans to account for the Transaction by treating it as an acquisition based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, revised 2008) and it expects to recognize positive goodwill. Because intensive examination is still underway, specific details concerning actual amounts will be provided upon the determination.

#### 7. Future outlook

The impact that the Transaction will have on the business earnings of the fiscal year ending March 31, 2011 is still being examined and this information will be provided upon the determination.

#### <Reference>

Consolidated earnings forecasts of the current period (announced January 31, 2011) and actual consolidated earnings results of the previous fiscal year

(Millions of yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income
Consolidated earnings forecasts of the fiscal year ending March 31, 2011	78,000	3,200	3,300	3,000
Actual consolidated earnings results of the fiscal year ended March 31, 2010	78,469	1,669	2,113	(5,937)