

August 25, 2009

Company Name: RISO KAGAKU CORPORATION  
Listed Market: Tokyo Stock Exchange (First Section)  
Stock Code: 6413 (URL: <http://www.riso.co.jp/>)  
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**Notice Regarding Extraordinary Loss Associated with Withdrawal from Pension Fund,  
Reversal of Deferred Tax Assets and Changes in the Forecasts**

Riso Kagaku Corporation (the “Company”), which participates in the Welfare Pension Fund of Tokyo Bungu Kogyo (Tokyo Stationery Industries), hereinafter the “Pension Fund,” has resolved, at a meeting of its Board of Directors held on August 25, 2009, to withdraw from the Pension Fund. The Company expects to record an extraordinary loss and a reversal of deferred tax assets associated with the withdrawal, as described below.

The Company also announced that, in light of current business trends, changes were made to the forecasts for the fiscal year ending March 31, 2010 (April 1, 2009 to March 31, 2010; including for six months and full-year results), which were released on May 8, 2009, as described below.

1. Extraordinary loss associated with the withdrawal from the Pension Fund

(1) Reason for withdrawal

The Company participates in the Pension Fund for the purpose of increasing the pension benefits of its employees. The Pension Fund is in a situation where the ratio of pension benefit recipients is showing an increasing trend compared with the number of participants and it is paying out more than the amount of premiums it is receiving. In addition, deteriorating asset management conditions have resulted in a deficit in the amount of pension assets with respect to pension liabilities and, in an effort to eliminate that deficit, the Pension Fund is charging a special premium. Because the burden on the Company imposed by that special premium may increase in the future, there is the possibility that same will have a negative impact on our operating results. For this reason, we have decided to withdraw from the Pension Fund. The additional portion of the fund will be transferred to the Company’s own corporate pension plan.

(2) Withdrawal period

The Company plans to submit an application to the Pension Fund for withdrawal at the end of September of this year, which will be confirmed by resolution of its Board of Delegates and upon the approval of the Ministry of Health, Labour and Welfare.

(3) Effect on earnings

As a result of the withdrawal from the Pension Fund, the Company projects an expenditure of approximately ¥6.0 billion as special premiums at withdrawal. The amount shall be recorded as an extraordinary loss for the six months of the fiscal year ending March 31, 2010 (April 1, 2009

to September 30, 2009).

This expense shall be made from funds on hand.

## 2. Reversal of deferred tax assets

In light of the recording of an extraordinary loss associated with the withdrawal from the Pension Fund, we have carefully examined the recoverability of deferred tax assets and, as a result, expect the reversal of approximately ¥2.7 billion in deferred tax assets. The amount shall be recorded as income taxes adjustments (tax expenses) for the six months of the fiscal year ending March 31, 2010 (April 1, 2009 to September 30, 2009).

## 3. Changes in the consolidated forecasts for the fiscal year ending March 31, 2010

### (1) Changes in the six months forecasts (April 1, 2009 to September 30, 2009)

(Millions of yen, rounded down)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts	36,820	(1,200)	(1,100)	(1,230)	(47.87) yen
Revised forecasts	37,500	50	400	(8,500)	(330.79) yen
Difference	680	1,250	1,500	(7,270)	-
Percentage change	1.8%	-	-	-	-
(Reference) Actual results of the six months ended September 30, 2008	42,627	689	883	192	7.38 yen

### (2) Changes in the full-year forecasts (April 1, 2009 to March 31, 2010)

(Millions of yen, rounded down)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts	78,000	(2,410)	(2,040)	(2,260)	(87.95) yen
Revised forecasts	80,900	(500)	(400)	(9,200)	(358.03) yen
Difference	2,900	1,910	1,640	(6,940)	-
Percentage change	3.7%	-	-	-	-
(Reference) Actual results of the fiscal year ended March 31, 2009	83,774	(913)	(695)	(641)	(24.68) yen

#### 4. Reasons for changes

[Six months]

Regarding net sales, we expect a slight increase from the previous forecasts because of a revision of the foreign exchange rates projected for the second quarter and beyond due to the lower-than-expected depreciation of the yen.

With respect to earnings, we expect operating income and ordinary income to exceed previous forecasts thanks to the recording of foreign exchange gains and success in our attempts to control selling and administrative expenses in the first quarter based on one of our policies for the current fiscal year, “Concentrating expenditures on main focus subjects and trimming other costs thoroughly.” However, as mentioned above, due to the approximately ¥6.0 billion extraordinary loss associated with the withdrawal from the Pension Fund and the ¥2.7 billion expected in income taxes adjustments (tax expenses) as a result of the reversal of deferred tax assets, the Company expects net income to be significantly lower than previous forecasts.

[Full-year]

Regarding net sales, we expect an increase from the previous forecasts because of a revision of the foreign exchange rates projected for the second quarter and beyond.

With respect to earnings, we expect increases in both operating income and ordinary income from an increase in net sales and future cost-cutting effects. However, net income is projected to fall significantly shorter than previous forecasts due to the extraordinary loss and income taxes adjustments (tax expenses) to be incurred in the six months.

(Reference)

Full-year foreign exchange rates for the US dollar and euro were estimated at ¥88 and ¥117, respectively, at the beginning of the fiscal year. A revision of the rates for the second quarter and beyond resulted in a change in our average rates estimate for the full-year to ¥91 and ¥129, respectively.

(Note)

The above forecasts are based on beliefs and assumptions of management in light of information currently available to it at the time of announcement and are subject to a number of uncertainties that may affect future results. A number of factors could cause actual results to differ materially from the forecasts.