
**BRIEFING ON BUSINESS
RESULTS
FOR THE SIX MONTHS OF FY2009**

(From April 1, 2008 to September 30, 2008)

RISO KAGAKU CORPORATION
November 7, 2008

Table of Contents

1. Performance Overview – 1st Half of FY 2009	Slide 3
2. Summary of Business Results– 1st Half of FY 2009	Slides 4 ~ 8
3. Activity Overview – 1st Half of FY 2009	Slides 9~14
4. Forecast for FY 2009	Slides 15~16
5. Progress of Medium-Term Management Plan	Slides 17~22

- Notes on the descriptions in this briefing

In this document, the six month consolidated accounting period is described as “first half” for the sake of simplicity.

The amounts indicated have been rounded down to a million yen.

- A note on the descriptions relating to forecasts

The forward-looking statements, including forecast, contained in these materials are based on information currently available to the Company. Actual business may differ substantially from the forecasts due to various factors in the future.

Performance Overview - 1st Half of FY 2009

Sales and profits declined

- Net Sales
 - Down ¥970 million compared to the same period last year
 - Inkjet business (high-speed color printer)
 - Remained steady in Japan and the Americas. Sales slowed in Europe during the 2nd quarter
 - Represented 24% of consolidated sales
 - Digital duplicating business (digital printer)
 - Strong in Asia and Africa; slow in Europe and the Americas; overall sales declined
 - Unfavorable exchange rates resulted in a drop in sales by ¥1,700 million
- Operating Income
 - Profits decreased by ¥1,590 million due to a drop in digital duplicating business sales and increased sales expenses
 - Unfavorable exchange rates reduced profits by ¥300 million

Summary of Business Results - 1st Half of FY 2009 (1)

(Millions of Yen)

Consolidated Base

		1st Half of FY 2008	1st Half of FY 2009	Difference: Year-on-Year Base	
				Amount	Rate of Change
Net Sales		43,535	42,627	-907	-2.1%
Gross Profit		22,580	21,193	-1,387	-6.1%
Operating Income		2,279	689	-1,590	-69.8%
Recurring Income		2,358	883	-1,474	-62.5%
Net Income		1,321	192	-1,128	-85.4%
Exchange Rates	Yen/US\$	119.33	106.11		
	Yen/Euro	162.30	162.68		

Summary of Business Results - 1st Half of FY 2009 (2)

Sales by Business Segment

(Millions of Yen)

	Printing equipment- related business	Real estate business and others	Total
1st Half of FY 2009	42,068	559	42,627
Difference (amt)	-911	3	-907
Rate of Change (%)	-2.1%	0.5%	-2.1%
1st Half of FY 2008	42,979	556	43,535

Summary of Business Results - 1st Half of FY 2009 (3)

Sales by Region

- Actual value comparison -

(Millions of Yen)

	Americas	Europe	Asia	Japan	Total
1st Half of FY 2009	5,515	9,182	5,226	22,703	42,627
Difference (amt)	-703	-639	-150	585	-907
Rate of Change (%)	-11.3%	-6.5%	-2.8%	2.6%	-2.1%
1st Half of FY 2008	6,218	9,821	5,376	22,118	43,535

Summary of Business Results - 1st Half of FY 2009 (4)

Sales by Region

– Calculated with the exchange rate of the 1st Half of the previous year –

(Millions of Yen)

	Americas	Europe	Asia	Japan	Total
1st Half of FY2009	6,202	9,605	5,809	22,703	44,319
Difference (amt)	-16	-216	433	585	784
Rate of Change (%)	-0.3%	-2.2%	8.1%	2.6%	1.8%
1st Half of FY2008	6,218	9,821	5,376	22,118	43,535

Exchange Rate (average of the period)	US\$1.00	Euro1.00
1st Half of FY2009	¥106.11	¥162.68
1st Half of FY2008	¥119.33	¥162.30

Summary of Business Results – 1st Half of FY 2009 (5)

Operating Income by Geographic Area

(Millions of Yen)

	Americas	Europe	Asia	Japan	Inter-segment Elimination	Total
1st Half of FY2009	-366	-479	311	809	414	689
Difference (amt)	-88	-644	-68	-1,406	615	-1,590
Rate of Change (%)	-	-	-17.9%	-63.5%	-	-69.8%
1st Half of FY2008	-278	165	379	2,215	-201	2,279

NB: Operating income from the sales to Asian dealers was included in Japan.

Activity Overview - 1st Half of FY 2009

Management Objectives for FY 2009, 2nd Year of the Medium-Term Management Plan

- Executing product development with the next generation in mind
- Establishing a profit base in the inkjet business
- Securing profit in the digital duplicating business
- Revitalizing overseas subsidiaries and implementing their internal reformation

Activity Overview - 1st Half of FY 2009 (1)

- Executing product development with the next generation in mind.



“New Product” ORPHIS X9050

- Inkjet Business (high-speed color printer)
 - Launch of a new product, ORPHIS X series, during 2nd half
 - World’s fastest high-speed printer; 150 sheets per minute
 - Low running cost
 - All-in-one compact design
 - Launch dates
 - In Japan ▪▪▪ expected date: Feb. 2009
 - Overseas ▪▪▪ Starting April 2009

Activity Overview - First Half of FY 2009 (2)

- Establishing a profit base in the inkjet business.
 - Accelerated hardware installation

Results of Activities



ORPHIS HC5500A/HC Offset Stacker/RISO Scanner
HS2000

- Domestic
 - Increased printer sales
 - Expansion of ink and ORPHIS count charge system sales
 - Created Market Development Dept. for new application markets
- Overseas
 - France: 2nd Quarter sales slowed despite increased sales in Europe
 - The Americas: increased sales, as planned

Activity Overview - First Half of FY 2009 (3)

■ Securing profit in the digital duplicating business.

– Expand customer base

– Launch of New Products

- RISOGRAPH RZ430
 - Economy model for B4 size paper
 - For small-scale businesses



RISOGRAPH RZ430

Results of Activities

- Domestic
 - Printer sales went according to plan, but targets were lower compared to the previous year
 - Supplies sales continued to decline and overall sales dropped
- Overseas
 - African, Indian, and Korean markets experienced growth
 - Total sales declined in the Americas despite increase in printer sales, due to drop in supplies sales
 - In Europe, sales in industrialized countries, Russia, and Eastern Europe decreased

Activity Overview - First Half of FY 2009 (4)

- Revitalizing overseas subsidiaries and implementing their internal reformation.
 - Reorganizing the operations of the U.S. subsidiary
 - Matters undertaken:
 - Accelerate printer sales in the inkjet sector
 - Strengthen sales in the digital duplicating sector
 - Review of sales channels in Central/South America
 - Results:
 - Sales in the inkjet business met targets
 - Digital duplicating sales declined due to increased sales of low-priced models coupled with the drop in supplies sales
 - Posted operational losses totaling ¥366 million

Activity Overview - First Half of FY 2009 (5)

- Other special events:
 - Sales of Print Gocco printer discontinued
 - Repurchasing own shares and retirement of treasury stock
 - Repurchased 172,300 shares (0.61% of total number of shares issued) in the amount of ¥2.44 million
 - 1.41 million shares (5.03% of total number of shares issued) were retired on July 1, 2008

Forecast for FY 2009 (1)

(Millions of yen)

	FY2008 Actual	FY2009 Forecast	Difference: Year-on-Year Base	
			Amount	Rate of change
Net Sales	92,621	89,400	-3,221	-3.5%
Operating Income	5,397	1,360	-4,037	-74.8%
Recurring Income	4,709	3,110	-1,599	-34.0%
Net Income	1,657	1,500	-157	-9.5%
Consolidated ROE	2.4%	2.2%		
Operating Income Margin	5.8%	1.5%		
Exchange Rate (avg. of the period)	Yen/US\$	114.28	103.00	
	Yen/Euro	161.53	150.00	

Forecast for FY 2009 (2) — Precondition —

■ Assumed Exchange Rate

1 US Dollar: 103 Yen

1 Euro : 150 Yen

■ Financial Impact in Exchange Rate Fluctuation

(when the value of the yen shifts 1 yen in the full term)

	Net Sales	Operating Income
Yen/US\$	170 million yen	40 million yen
Yen/Euro	110 million yen	60 million yen

Progress of Medium-Term Management Plan

3rd Medium-Term Management Plan “Riso Vision 10”

(Year ending March 31, 2008 – Year ending March 31, 2010)

【Management Objectives】

By realizing that gaining new customers is a key issue in both the inkjet and digital duplicating business, we will tackle the task, and we aim to achieve:

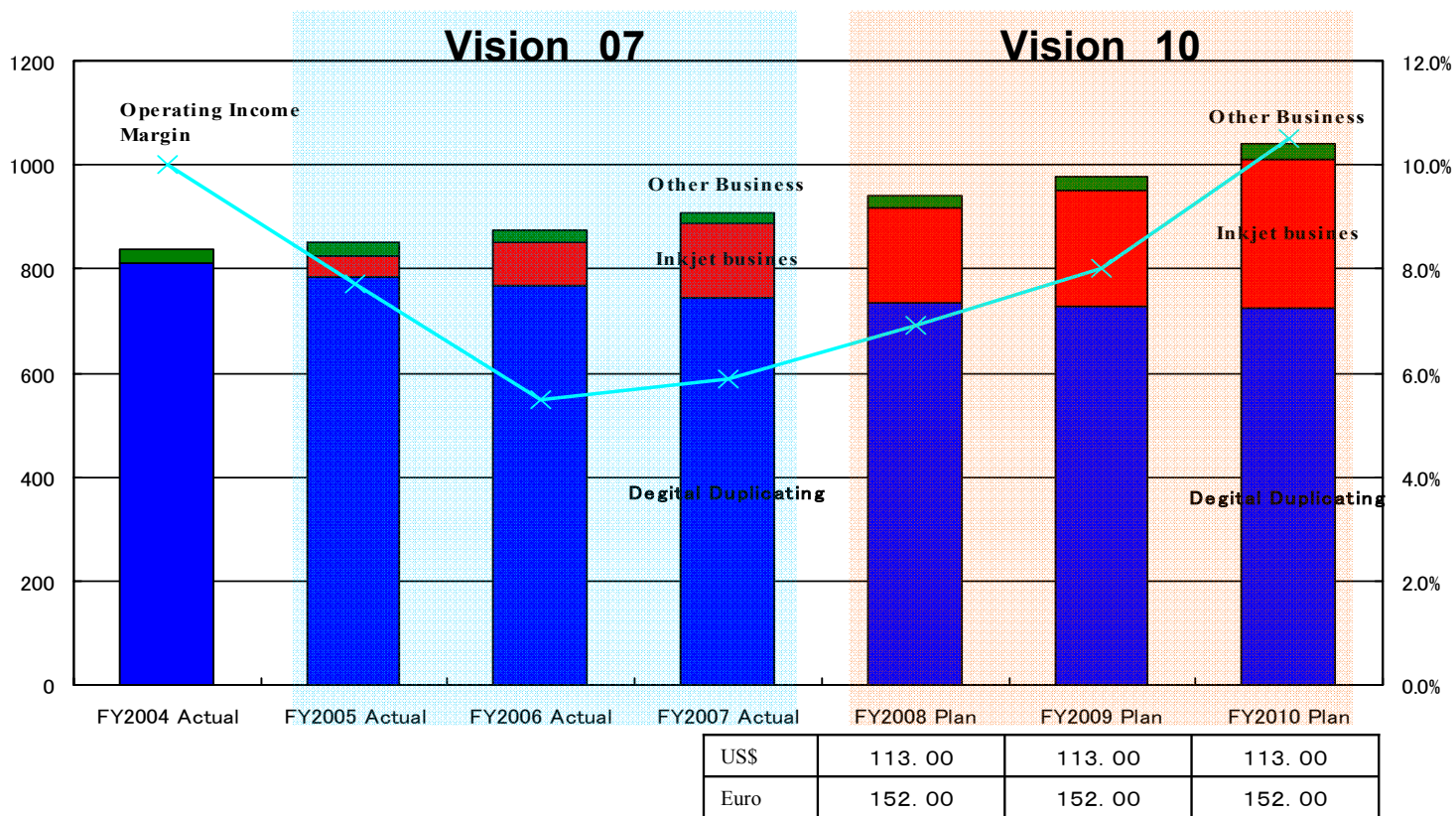
Consolidated sales of 100 billion yen

Operating income margin of 10%

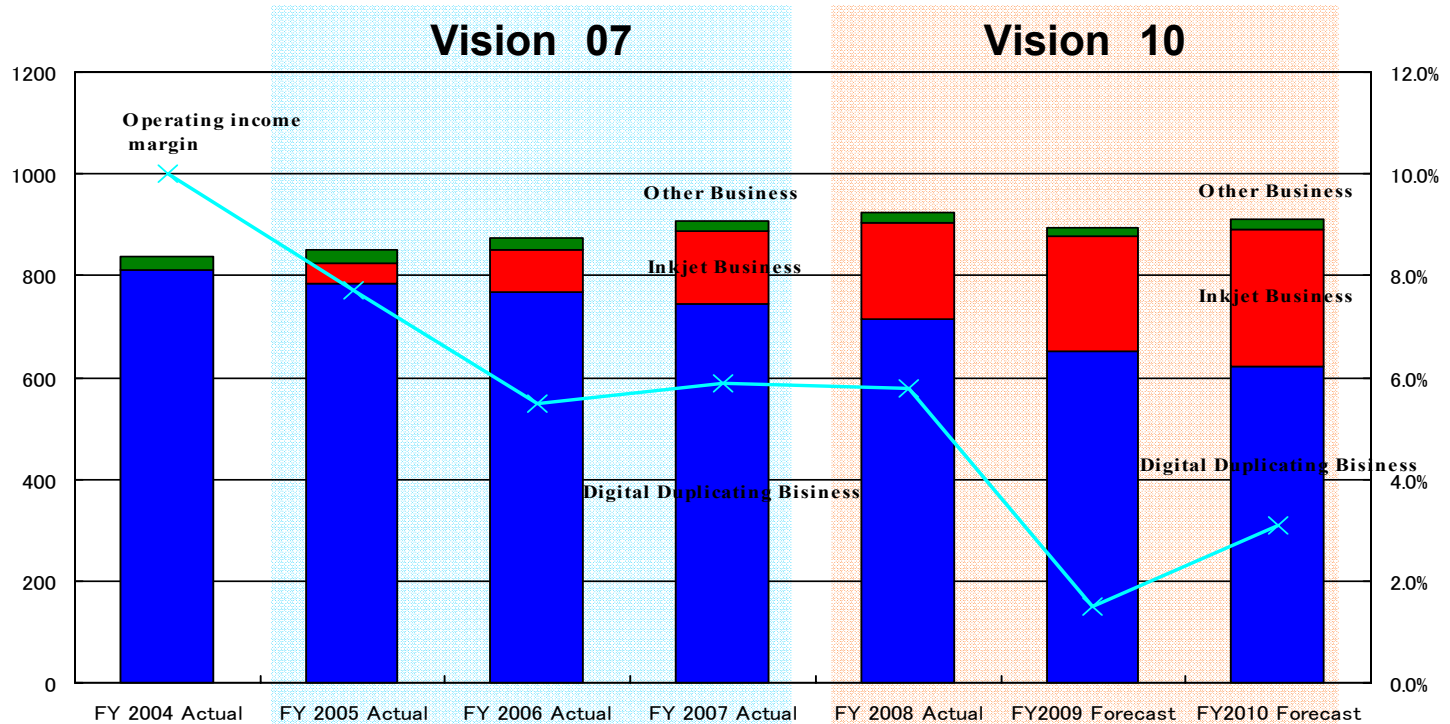
【Basic Objectives】

1. Accelerating our hardware installation in the inkjet business
2. Gaining new customers in the digital duplicating business
3. Creating new businesses that could be our future core business
4. Making investments in development, engineering and manufacturing in anticipation of changes in businesses
5. Creating a corporate culture that will nurture future leaders
6. Increasing corporate value through the promotion of CSR activities

3rd Mid-Term Management Plan “Riso Vision 10” –Original Plan–



3rd Medium-Term Management Plan “Riso Vision 10” – Current Forecast



US \$	114.28	103.00	100.00
EURO	161.53	150.00	137.00