
**BRIEFING ON BUSINESS
RESULTS
- 1st Half of FY 2008 -**

**RISO KAGAKU
CORPORATION
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Management Policy (1)

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

【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

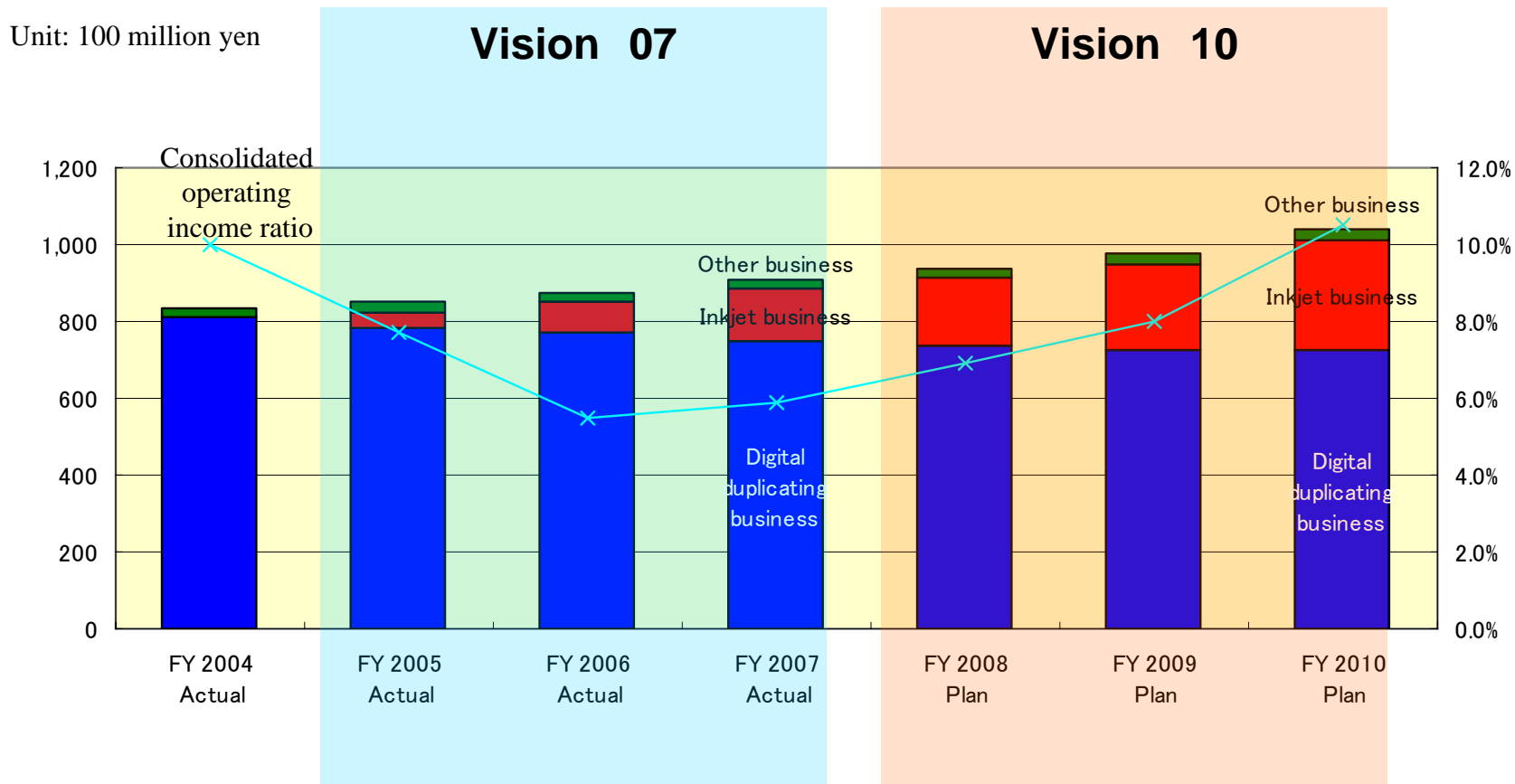
Operating income margin of 10%

【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

Management Policy (2)

3rd Medium-Term Management Plan "Riso Vision 10"



Note: Other business (Real estate, Print Creating)

Management Policy (3)

Main focuses for FY 2008

- Strengthening direct sales and providing RISO dealers with appropriate support
- Revitalizing overseas subsidiaries and implementing their internal reformation
- Establishing the foundation of new businesses
- Aiming for higher product quality and increased safety in manufacturing operations
- Establishing and promoting an internal control system

Performance Overview – 1st Half of FY 2008

Both sales and profits increased

- Net Sales
 - Increased by 930 million yen over the same period the previous year
 - Inkjet business (ORPHIS)
 - Still strong in Europe
 - Amounted to about 19% of consolidated sales
 - Digital duplicating business (RISOGRAPH)
 - Strong in Asia, but sales declined in Japan and Americas/Europe
 - Foreign exchange impact
 - Contributed to about 1,500 million yen increase in net sales
- Operating Income
 - Remained at the same level as in the same period the previous year

Summary of Business Results – 1st Half of FY 2008 (1)

<Consolidated base>

(Millions of Yen)

		1st Half of FY 2007	1st Half of FY 2008	Difference: year-on-year Base	
				Amount	Rate of Change
Net Sales		42,601	43,535	933	2.2%
Gross Profit		21,966	22,580	614	2.8%
Operating	Income	2,280	2,279	-0	-0.0%
Recurring	Income	2,250	2,358	107	4.8%
Net Income		1,292	1,321	29	2.2%
Exchange Rates	Yen/US\$	115.38	119.33		
	Yen/EURO	145.97	162.30		

Summary of Business Results – 1st Half of FY 2008 (2)

Sales by Business Segments

(Millions of yen)

	Printing equipment-related business	Real estate business and others	Total
1st Half of FY2008	42,979	556	43,535
Difference	936	-2	933
Rate of Change	2.2%	-0.4%	2.2%
1st Half of FY2007	42,042	558	42,601

Summary of Business Results – 1st Half of FY 2008 (3)

Sales by Region

– Actual value comparison –

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
1st Half of FY2008	6,218	9,821	5,376	22,118	43,535
Difference	-501	1,235	545	-345	933
Rate of Change	-7.5%	14.4%	11.3%	-1.5%	2.2%
1st Half of FY2007	6,720	8,586	4,830	22,464	42,601

Summary of Business Results – 1st Half of FY 2008 (4)

Sales by Regions

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

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
1st Half of FY2008	6,013	8,952	4,955	22,118	42,038
Difference	-707	366	125	-345	-562
Rate of Change	-10.5%	4.3%	2.6%	-1.5%	-1.3%
1st Half of FY2007	6,720	8,586	4,830	22,464	42,601

Exchange Rate (Average of the period)	U.S.\$1.00	EURO1.00
1st Half of FY2008	119.33yen	162.30yen
1st Half of FY2007	115.38yen	145.97yen

Summary of Business Results – 1st Half of FY 2008 (5)

Operating Income by Geographic Area

(Millions of Yen)

	Americas	Europe	Asia	Japan	Inter-segment Elimination	Total
1st Half of FY2008	-278	165	379	2,215	-201	2,279
Difference	-141	-11	-9	639	-477	-0
Rate of Change	-	-6.3%	-2.3%	40.5%	-	-0.0%
1st Half of FY2007	-137	176	388	1,576	276	2,280

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

1st Half of FY 2008 Activity Overview (1)

- Strengthening direct sales and providing RISO dealers with appropriate support (Japan)
 - Spreading our direct sales strength over to RISO dealers
 - Reinforcing direct sales manager training

- Revitalizing overseas subsidiaries and implementing their internal reformation
 - Prompting reorganization of the U.S. subsidiary
 - Consolidating the control system of European subsidiaries

1st Half of FY 2008 Activity Overview (2)

- Digital Duplicating business (Risograph)

- Gaining new customers

- Release of new products

- RISOGRAPH RZ670/630

- With upgraded printing and security function

- Launched in August (Japan)

- Results of Activities

- Domestic

- Printer sales exceeded the number of units sold in the same period of the previous year

- Consumable sales decreased

- Overseas

- Driven by Asia/Africa, machine sales topped the number of units sold during the same period of the previous year

- Sales of Supplies strong in Asia, but declined in total

- A sales subsidiary in India has started business



RISOGRAPH RZ670

1st Half of FY 2008 Activity Overview (3)

- Inkjet business (ORPHIS)
 - Increased new installation of hardware
 - Release of new products
 - ComuColor Express IS700C, multiple function controller introduced in May (Japan)
 - IC Card authentication kit introduced in August (Japan)
 - Results of Activities
 - Domestic
 - Sales of inking and print-charge system increased
 - Overseas
 - Driven by French and U.K. subsidiaries, Europe continued strong



ORPHIS HC5500A/HC Offset Stacker/RISO Scanner HS2000

1st Half of FY 2008 Activity Overview (4)

- Other topics
 - Print Creating business
 - SCAMO, personal handy scanner, introduced in May
 - Prices and number of pieces in packaging for Print Gocco related consumables revised in August
 - Craft bag printing system targeted for business users in the marking market introduced in October



SCAMO beam (left) and SCAMO (right)



Master making unit RISO IP-PM670-KR (left) and Printer RISO IP-PP1200-KR

Forecast for the FY 2008 (1)

<Consolidated Base>

(Millions of Yen)

	FY 2007 Actual	FY 2008 Forecast	Difference Year-on-year Base	
			Amount	Rate of Change
Net Sales	90,863	94,000	3,136	3.5%
Operating Income	5,379	6,520	1,140	21.2%
Recurring Income	5,139	6,170	1,030	20.1%
Net Income	2,977	3,840	862	29.0%
Consolidated ROE	4.2%	5.3%		
Operating Income Margin	5.9%	6.9%		
Exchange Rate (Average of the period)	Yen/US\$	117.02	117.00	
	Yen/EURO	150.09	162.00	

Forecast for FY 2008 (2) – Precondition –

■ Assumed Exchange Rate

1 Dollar: 117.00 Yen

1 Euro : 162.00 Yen

■ Financial Effects in Exchange Rate Fluctuation

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

	Net Sales	Operating Income
Yen/US\$	180 million yen	60 million yen
Yen/EURO	100 million yen	50 million yen