
**BRIEFING ON BUSINESS
RESULTS
- FY 2008 -**

**RISO KAGAKU
CORPORATION
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Summary of Business Result in FY 2008

Sales up, profits down

- Net Sales
 - Up 1,757 million yen over the previous year
 - Inkjet business (ORPHIS)
 - Driven by Europe (particularly France & U.K.), sales increased
 - Amounted to about 20% of consolidated sales
 - Digital duplicating business (RISOGRAPH)
 - Overall sales decreased due to weak sales in industrialized countries despite growth in Asia
 - Foreign exchange impact
 - Contributed to net sales increase by about 800 million yen
- Operating Income
 - Remained around the same level as the previous year
- Net Income
 - Substantially decreased due to exchange loss, extraordinary loss and write-offs of deferred tax assets.

FY 2008 Performance Overview (1)

Consolidated
Base

(Millions of Yen)

	FY2007	FY2008	Difference: year-on-year Base	
			Amount	Rate of Change
Net Sales	90,863	92,621	1,757	1.9%
Gross Profit	46,410	46,996	585	1.3%
Operating Income	5,379	5,397	18	0.3%
Recurring Income	5,139	4,709	-429	-8.4%
Net Income	2,977	1,657	-1,319	-44.3%
Exchange Rates	Yen/US\$	117.02	114.28	
	Yen/EURO	150.09	161.53	



Summary of Business Result in FY 2008 (2)

Sales by Business Segments

(Millions of Yen)

	Printing equipment-related business	Real estate business and others	Total
FY2008	91,508	1,112	92,621
Difference (amt)	1,763	-5	1,757
Rate of Change (%)	2.0%	-0.5%	1.9%
FY2007	89,744	1,118	90,863

Summary of Business Result in FY 2008 (3)

Sales by Region

– Actual value comparison –

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
FY2008	12,133	21,528	10,711	48,247	92,621
Difference (amt)	-1,262	2,265	521	233	1,757
Rate of Change(%)	-9.4%	11.8%	5.1%	0.5%	1.9%
FY2007	13,396	19,263	10,190	48,013	90,863

Summary of Business Result in FY 2008 (4)

Sales by Region

– Calculated with the exchange rate of the previous year –

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
FY2008	12,424	20,334	10,770	48,247	91,775
Difference (amt)	-972	1,071	580	234	912
Rate of Change(%)	-7.3%	5.6%	5.7%	0.5%	1.0%
FY2007	13,396	19,263	10,190	48,013	90,863

Exchange Rate (Average of the period)	U.S.\$1.00	EURO1.00
FY2008	114.28yen	161.53yen
FY2007	117.02yen	150.09yen

Summary of Business Result in FY 2007 (5)

Operating Income by Geographic Area

(Millions of yen)

	Americas	Europe	Asia	Japan	Inter-segment Elimination	Total
FY2008	-1,237	467	690	4,546	930	5,397
Difference (amt)	-843	17	73	267	503	18
Rate of Change(%)	-	3.9%	11.9%	6.3%	117.8%	0.3%
FY2007	-394	449	617	4,279	427	5,379

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

FY 2008 Activity Overview (1)

Management Objectives 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

FY 2008 Activity Overview (2)

- Digital duplicating business – Release of New Products (RISOGRAPH)
 - Gaining new customers
- RISOGRAPH RZ670/630
 - With upgraded printing and security function
 - Sales began in August 2007 in Japan

- Results of Activities

- Domestic
 - Installation of one-pass two-color printer in private-sector market increasing.
 - Printer sales exceeded the number of units sold in the previous year; supplies sales declined.
- Overseas
 - Driven by Asia & Africa, machine sales topped the number of units sold in the previous year
 - Sales of supplies declined in total dragged by the weakness in the industrialized countries.



RISOGRAPH RZ670

FY 2008 Activity Overview (3)

- Inkjet business (ORPHIS)
 - Increased new installation of hardware



ORPHIS HC5500A/HC Offset Stacker/RISO Scanner HS2000

- Release of New Products
 - ComuColor Express IS700C, multiple function controller introduced in Japan (May 2007)
 - IC Card authentication kit introduced in Japan (August 2007)
- Results of Activities
 - Domestic
 - Installations at local authorities and Government local agencies increasing
 - Sales of ink and ORPHIS count charge system strong
 - Reinforcing direct sales training
 - Overseas
 - Driven by France and U.K., Europe remains strong
 - ORPHIS count charge system released in Americas (February 2008)

FY 2008 Activity Overview (4)

- Revitalize overseas subsidiaries and implement their internal reformation
 - Reorganizing the operations of the U.S. subsidiary
 - Matters undertaken:
 - Change of management at the U.S. subsidiary (under new management from April 2007)
 - Overall review of personnel costs and general expenses
 - Review of direct sales centers
 - Results:
 - Increased inkjet sales could not offset the drop in digital duplicating sales, therefore overall sales decreased
 - Despite curbed selling and administrative expenses, operational losses grew because of the falling profit in the digital duplicating business

FY 2008 Activity Overview (5)

- Other special events
 - Purchase of fixed assets
 - Purchased commercial land in Tsukuba City, Ibaraki prefecture for the purpose of consolidating development centers for 3,180 million yen
 - Scheduled to be completed in May 2010
 - Repurchase of own shares
 - Repurchased 196,300 shares (0.69% of total number of issued shares) for 341 million yen
 - Repurchase and cancellation of Convertible Bonds
 - 850 million yen's worth were executed

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



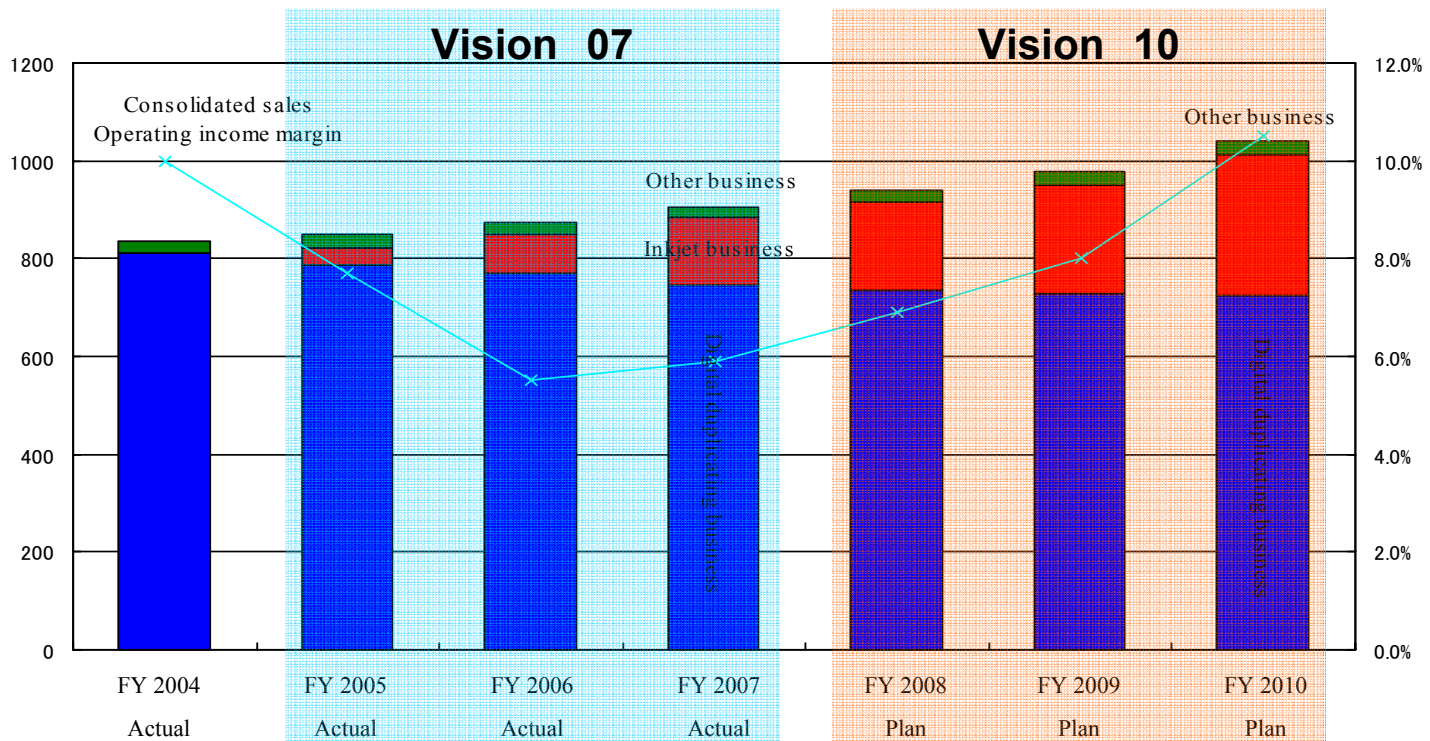
3rd Medium-Term Management Plan “Riso Vision 10”

Main focuses

- Accelerating our hardware installation in the inkjet business
 - 1) Promotion of ORPHIS count charge system
 - 2) Promotion of hardware installation to high volume customers

- Gaining new customers in the digital duplicating business
 - 1) Increase sales in the industrialized countries with high value-added models
 - 2) Promote sales emphasizing the basic models in the emerging countries

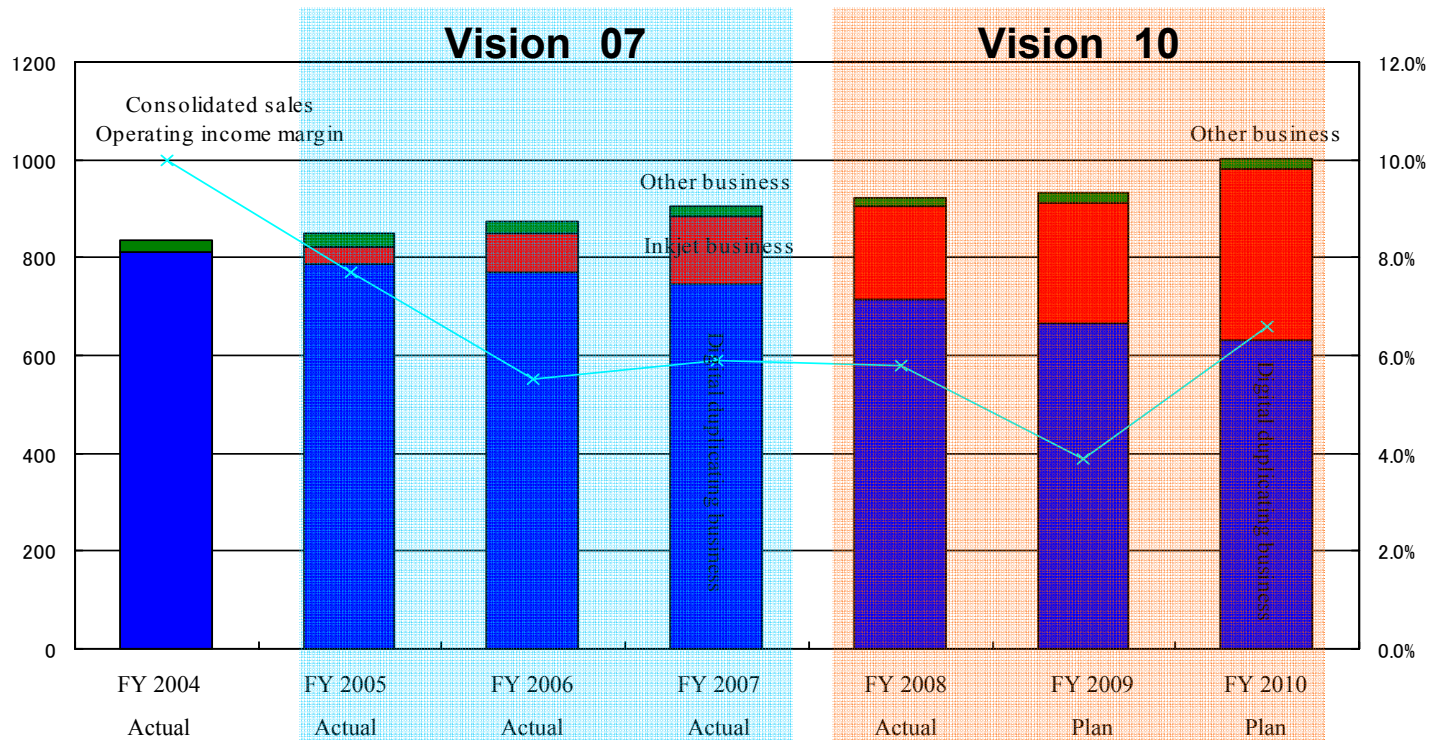
3rd Medium-Term Management Plan “Riso Vision 10” — Original Plan —



US Dollar	113. 00	113. 00	113. 00
EURO	152. 00	152. 00	152. 00

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

—Current Forecast—



US Dollar	114. 28	100. 00	100. 00
EURO	161. 53	152. 00	152. 00

Main focuses for FY 2009

- 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

Forecast for FY 2009

(Millions of yen)

		FY2008 Actual	FY2009 Forecast	Difference Year-on-year Base	
				Amount	Rate of change
Net Sales		92,621	93,500	879	0.9%
Operating Income		5,397	3,600	-1,797	-33.3%
Recurring Income		4,709	5,430	721	15.3%
Net Income		1,657	3,560	1,903	114.8%
Consolidated ROE		2.4%	4.9%		
Operating Income Margin		5.8%	3.9%		
Exchange Rate	Yen/US\$	114.28	100.00		
	Yen/EURO	161.53	152.00		

Forecast for FY 2009 – Precondition –

■ Assumed Exchange Rate

1 Dollar: 100.00 Yen

1 Euro : 152.00 Yen

■ Impact of fluctuation of exchange rate (¥1/term)

(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

Shareholders return

