
**BRIEFING ON BUSINESS
RESULTS
- FY 2007 -**

**RISO KAGAKU
CORPORATION
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Summary of Business Result in FY 2007

Both sales and profits increased

- Net Sales
 - Up 3,260 million yen over the previous year
 - Inkjet business (ORPHIS)
 - Sales increased; considerably in Japan and Americas/Europe
 - Amounted to about 15% of consolidated sales
 - Digital duplicating business (RISOGRAPH)
 - Sales declined; slow in Europe and China
 - Foreign exchange impact
 - Contributed to about 2,300 million yen increase in net sales
- Operating Income
 - Increased by 560 million yen from the previous year

FY 2007 Performance Overview (1)

<Consolidated base>

(Millions of Yen)

		FY2006	FY2007	Difference: year-on-year Base	
				Amount	Rate of Change
Net Sales		87,601	90,863	3,261	3.7%
Gross Profit		45,249	46,410	1,160	2.6%
Operating Income		4,812	5,379	566	11.8%
Recurring Income		4,552	5,139	586	12.9%
Net Income		2,154	2,977	822	38.2%
Exchange Rates	Yen/US\$	113.31	117.02		
	Yen/EURO	137.86	150.09		

Summary of Business Result in FY 2007 (2)

Sales by Business Segments

(Millions of yen)

	Printing equipment-related business	Real estate business and others	Total
FY2007	89,744	1,118	90,863
Difference (amount)	3,249	11	3,262
Rate of Change (%)	3.8%	1.1%	3.7%
FY2006	86,494	1,106	87,601

Summary of Business Result in FY 2007 (3)

Sales by Region

— Actual value comparison —

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
FY2007	13,396	19,263	10,190	48,013	90,863
Difference (amount)	355	1,460	-136	1,582	3,261
Rate of Change(%)	2.7%	8.2%	-1.3%	3.4%	3.7%
FY2006	13,040	17,802	10,327	46,431	87,601

Summary of Business Result in FY 2007 (4)

Sales by Region

– Calculated with the exchange rate of the previous year –

(Millions of yen)

	Americas	Europe	Asia	Japan	Total
FY2007	12,971	17,923	9,628	48,013	88,537
Difference (amount)	-69	121	-699	1,582	936
Rate of Change(%)	-0.5%	0.7%	-6.8%	3.4%	1.1%
FY2006	13,040	17,802	10,327	46,431	87,601

Exchange Rate (Average of the period)	U.S.\$1.00	EURO1.00
FY2007	117.02yen	150.09yen
FY2006	113.31yen	137.86yen

Summary of Business Result in FY 2007 (5)

Operating Income by Geographic Area

(Millions of Yen)

	Americas	Europe	Asia	Japan	Inter-segment Elimination	Total
FY2007	-394	449	617	4,279	427	5,379
Difference (amount)	676	-100	12	-941	919	567
Rate of Change(%)	-	-18.2%	2.0%	-18.0%	-	11.8%
FY2006	-1,070	549	605	5,220	-492	4,812

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

FY 2007 Activity Overview (1)

Management Objectives for FY 2007

- Increasing market share and improving profitability in the digital duplicating business
- Accelerating sales of the ORPHIS (RISO) HC series
- Reorganizing the operation of the U.S. subsidiary
- Accelerating new product development and advancement of new business projects

FY 2007 Activity Overview (2) 【Digital Duplicating Business】

- Focuses of Digital Duplicating business
 - Increasing market share and improving profitability in the digital duplicating business
 - Sales expansion of one-pass two-color printer, RISOGRAPH MZ series
- Release of New Products
 - RISOGRAPH MZ970
 - High resolution one-pass two-color printer
 - RISO CZ180
 - Low priced model for emerging countries
- Results of Activities
 - Domestic
 - Continued strong. Model mix ratio of 2-color printers reached 18%.
 - Overseas
 - Slow in Europe and China
 - A sales subsidiary established in India, starting business in April, 2007.



RISOGRAPH MZ970



RISO CZ180

FY 2007 Activity Overview (3) 【Inkjet Business】

- Focuses of Inkjet business
 - Realizing acceleration of ORPHIS sales
- Release of New Products
 - Sales of ORPHIS count charge system started in Japan (May 2006)
- Results of Activities
 - Domestic
 - Number of Machine's sold : below target
 - However, sales increased due to strong ink sales
 - Overseas
 - Sales rose both in Americas and Europe



ORPHIS HC5500A/HC Offset Stacker/RISO Scanner HS2000

FY 2007 Activity Overview (4)

- Reorganizing the operations of the U.S. subsidiary
 - Completed management change at the U.S. subsidiary
 - Overall review of personnel costs and general expenses
- Other special events
 - Company share listed on the First Section of the Tokyo Stock Exchange (December 28, 2006).
 - Dividend increase of 10 yen
 - In addition to a dividend increase of 5 yen, a commemorative dividend of 5 yen per share to be paid celebrating the 60th year in business, making the final dividend for the year ending March 31, 2007, 40 yen per share.
 - Repurchase of own shares
 - Repurchased 100,000 share for 254 million yen
 - Repurchase and Cancellation of Convertible Bond
 - 2,584 million yen worth were executed

Summary of Medium-Term Management Plan “Riso Vision 07” (1)

The three-year management plan started in FY 2005 and ended in FY 2007.

【Management Objectives】

Establish a foundation for growth through a new business (Inkjet) while expanding profit in core business (Digital Duplicating)

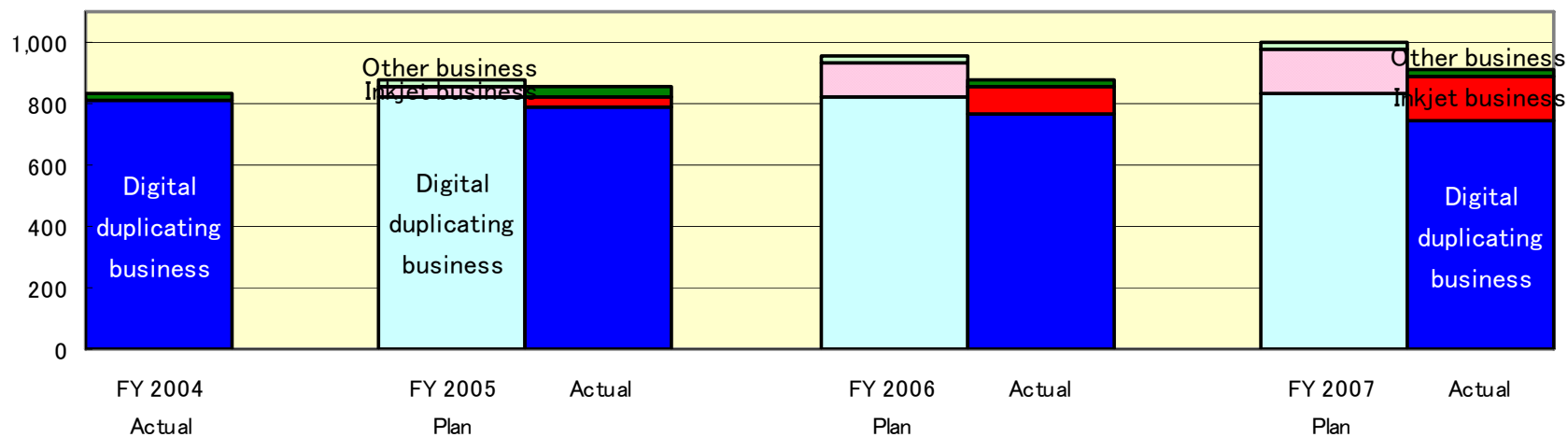
【Basic Policies】

1. Accelerating new product development and strengthening development system
2. Making challenges for further expansion of digital duplicating business
3. Establishing a new inkjet printing business
4. Building the production and distribution system enabling low operation cost and inventory level
5. Fostering human resources capable of leading our future growth
6. Operating business in compliance with the law and consideration of the environment.

We aim to achieve consolidated sales of 100 billion yen and operating income margin of 10% at the year-end in FY2007.

Summary of Medium-Term Management Plan “Riso Vision 07” (2)

Unit: ¥100 million



Summary of Medium-Term Management Plan “Riso Vision 07” (3)

- Accelerating new product development and strengthening development system
 - Release of new products Released in
 - Digital Duplicating Business
 - RISOGRAPH MZ series (One-pass two-color printer) Dec. 2004
 - RISOGRAPH RZ330 (Digital printer) May 2005
 - RISOGRAPH RZ7/9 series (Digital printer) Sept. 2005
 - RISOGRAPH MZ970 (One-pass two-color printer) April 2006
 - RISO CZ180 (Digital printer) Feb. 2007
 - Inkjet Business
 - ORPHIS Multi-Function Finisher (High-speed full-color printer) July 2005
 - ORPHIS HC5500 (High-speed full-color printer) Nov. 2005
- Making challenges for further expansion of digital duplicating business
 - Despite efforts made to expand the digital duplicating business, sales declined for three consecutive periods
 - Domestic: One-pass two-color printer increased, but overall sales declined
 - Overseas: Competitions in China getting keener; Sales by European subsidiaries slow

Summary of Medium-Term Management Plan“Riso Vision 07” (4)

- Establishing a new inkjet printing business
 - Established the foundation of a new business
 - Printer unit sales below target
 - Ink sales remained strong
- Building the production and distribution system enabling low operation cost and inventory level
 - Launched VCM project; now in operation

3rd Medium-Term Management Plan “Riso Vision 10” (1)

【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 businesses
4. Making investments in development, engineering and manufacturing in anticipation of the 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” (2)

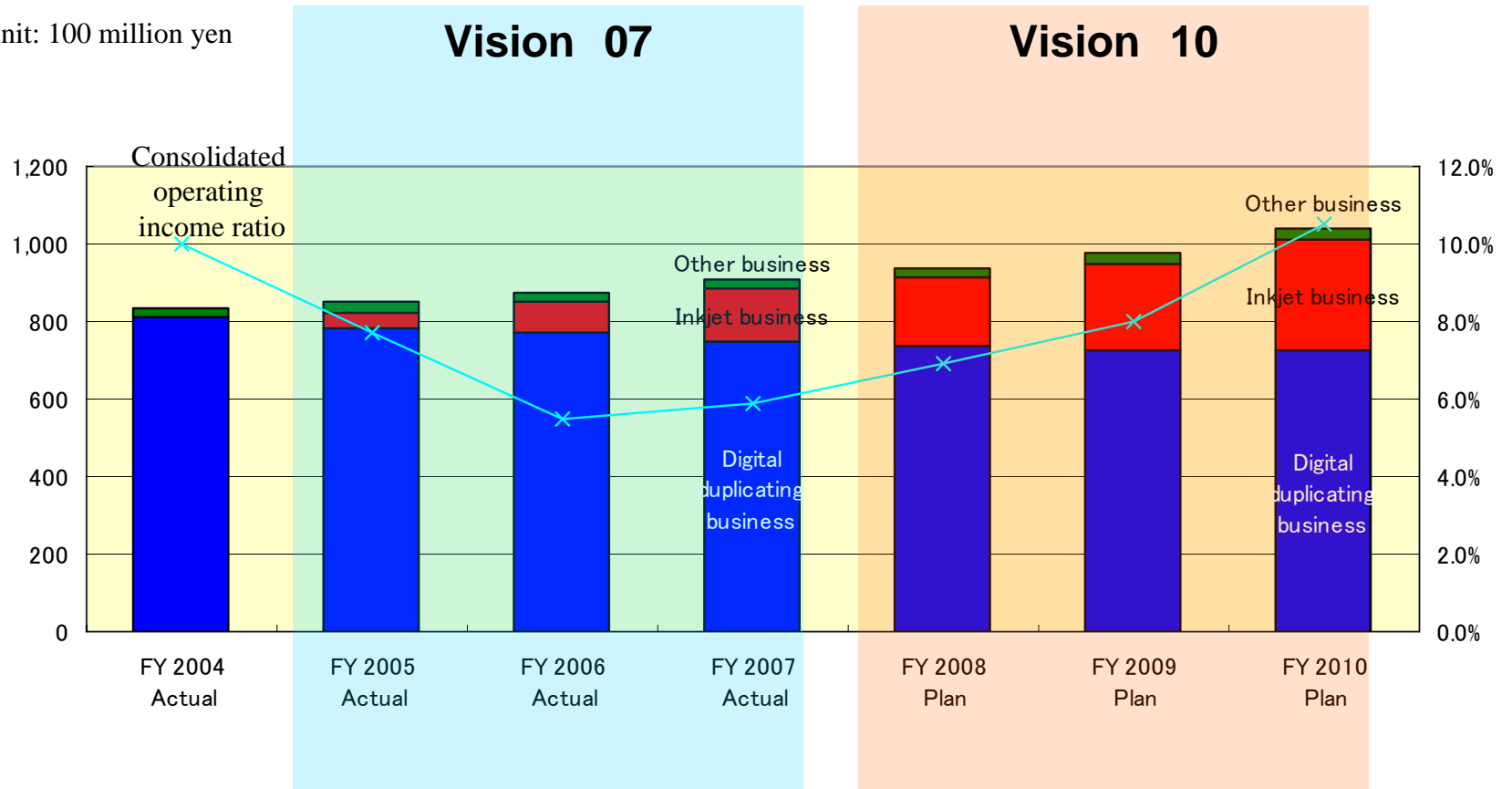
- Accelerating our hardware installation in the inkjet business
 - 1) Promotion of ORPHIS count charge system (in Japan)
 - 2) Promotion of hardware installation to high volume customers

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

- Creating new businesses that could be our future core businesses
 - 1) Promotion of consumer business
 - 2) Initiate new businesses

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

Unit: 100 million yen



Note: Other business (Real estate, Print Creating)

Main focuses for FY 2008

- Strengthening direct sales and providing RISO dealers with appropriate
- Revitalizing overseas subsidiaries and implement their internal reformation
- Establishing the foundation of new businesses
- Aiming higher product quality and increased safety in manufacturing operations
- Establishing and promoting an Internal Control System

Forecast for FY 2008

<Consolidated Base>

(Millions of Yen)

	FY2007 Actual	FY2008 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	Yen/US\$	117.02	113.00	
	Yen/EURO	150.09	152.00	

Forecast for FY 2008 – Precondition –

■ Assumed Exchange Rate

1 Dollar: 113.00 Yen

1 Euro : 152.00 Yen

■ Financial Effects of 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	50 million yen
Yen/EURO	100 million yen	60 million yen