

RISO KAGAKU CORPORATION

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Sustainability
Report

2015



About the Cover

Camellia

Eliminating greenhouse gas emissions and preventing global warming are issues that confront all living creatures. The flowering camellia on the cover was chosen to symbolize the realization of a low-carbon society and the carrying on of our beautiful environment into the next generation. The bright red color of the flower attracts the birds that pollinate the camellia. It is a robust, evergreen plant, sprouting flowers even in winter and in the shade. In Japan, it flourishes over a wide area, from Okinawa to Aomori.

Norito Shinmura

Fast and economical high-volume printing

Three Core Technologies of RISO

The ComColor high-speed, full-color inkjet printer and the RISO digital duplicator represent two of RISO's flagship products. Based on our development policy of "create fundamentally unique products," we have never stopped developing the technologies behind our unique printing solutions.



High-speed paper feeding technology

Realizing high-speed, high-quality printing requires technology for precisely controlling the paper. RISO's paper feeding technology ensures not just high-speed, accurate paper feeding, it also allows printers to handle a wide range of paper types and thicknesses and carry out complex post-printing processes like collation and binding.



Faster color printing

ComColor high-speed, full-color inkjet printer

Fast, low-cost, high-volume printing

RISO digital duplicator using stencil printing

Ink development technology

In 1954, RISO developed Japan's first emulsion ink, RISO Ink. Since then, we have continued to pursue the development of products that live up to the features RISO is known for, coming out with emulsion ink for RISO digital duplicators that offers both image quality and fast drying, and oil-based pigment ink suitable for the high-speed printing of the ComColor.



Printing process optimization technology

RISO has assembled the optimal technologies for printing processes by matching its hardware (such as printers) with consumables like ink and other supplies. Through technologies incorporating all relevant fields including chemistry, machinery, electricity, and software, we provide customers with the printing quality they demand.



For details, visit our website.
http://www.riso.co.jp/english/tech_portal/core/

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Editorial Policy

Since the issue of its first Environmental Report in 2004, RISO has published regular reports on its environmental protection activities. As part of a larger initiative to communicate in an easy-to-understand manner how the Company's relationships with the environment and society are reflected in its management, the title was changed to Sustainability Report in 2006.

In this version of the report we aimed to provide a precise and easy-to-understand overview of activities pursued in fiscal 2015.

As with past reports, color universal design standards were incorporated into the production of the report to ensure readability and comprehensibility. For information we were unable to include in this version or for past information, see the RISO website (<http://www.riso.co.jp/english/>). More in-depth statistics are included in the Data Book, which is also available via the website.

Note: Regarding information published on the website, see p.21.

● Scope

This report covers all Japanese domestic worksites and sales facilities belonging to RISO KAGAKU CORPORATION and RISO OKINAWA CORPORATION. For overseas operations, this report covers data on environmental burdens at manufacturing sites belonging to the RISO Group as well as certain power, fuel (including Company-owned vehicle fuel), and water consumption related data for non-manufacturing sites. The scope of data calculation may differ on a case-by-case basis. For details, see each listing.

● Period Covered

This report covers fiscal 2015 (the fiscal year from April 1, 2014 to March 31, 2015).

Note: Certain initiatives that fall outside this period have also been included in this report.

● Japanese Publication Date

July 2015 Note: RISO plans to issue its next report in July 2016.

● Guidelines Used for Reference

- GRI "Sustainability Reporting Guidelines (G4)"
- Ministry of the Environment "Environmental Reporting Guidelines 2012"

● Major Changes during the Fiscal Year

- In April 2014, production of RISO digital duplicators began at the new plant in Thailand.
- In May 2014, we released the RISO SE series with a printing speed of 185 ppm.
- In February 2015, our 2014 Sustainability Report received an award of excellence in the environmental reporting category in the 18th Environmental Communication Awards, sponsored by the Global Environmental Forum in Japan.



Akira Hayama
President and C.E.O.
RISO KAGAKU CORPORATION

Providing Products and Services that Improve Customer Convenience while Reducing Environmental Burdens

Guided by the RISO Environmental Charter, which emphasizes contributing to global environmental protection and ensuring a sound environment for the next generation, RISO strives to reduce the environmental burdens associated with its operations.

In the course of our operations as a manufacturer, including the development, production, and sale of products, as well as in our customers' use of our products, we consume natural resources and generate waste. We believe that it is our responsibility to recognize this fact, and to create and continue to supply our customers with products and services that improve convenience while reducing environmental burdens.

In May 2014, we released the RISO SE series, the industry's fastest digital duplicator. With eco-mode functions for reducing electricity consumption and an ink-saving mode that maintains print quality while using less ink, the SE series offers customers improved productivity while reducing environmental burdens.

This report outlines our environmental initiatives, our relationships with customers and other stakeholders, and our compliance and corporate governance framework—which is the very bedrock on which all the structures of our corporate activities are built. As always, we appreciate you taking the time to read through this report and invite your candid feedback.

July 2015

RISO's Environmental Policy

RISO has established the RISO Environmental Charter and the RISO Environmental Protection Principles as clear statements of the Company's stance on environmental initiatives. These declarations serve to guide our company-wide environmental protection program.

RISO Environmental Charter

RISO resolutely acknowledges its membership in the global community, while following a basic philosophy of contributing to society through the development of excellent products. RISO endeavors to contribute to global environmental protection in order to bestow a fair and sound environment to coming generations.

RISO Environmental Protection Principles

1. Development of Environment-Friendly Products

When developing and designing products, we create and execute development policies that reduce the total environmental burden by considering the influence that respective product life stages have on the environment in the manufacturing, logistics, use, recycling, and disposal phases.

2. Resource and Energy Saving

We investigate the influence exerted on the environment by our business activities and try to save resources and energy to reduce environmental burdens.

3. Local Environmental Protection

We observe local environmental regulations and investigate possible risks of contamination to prevent such occurrence in the case of an emergency, such as leakage.

4. Global Arrangements

We also consider our influence on overseas local communities and environments when operating or exporting products, and we try to respond to the requests of local communities as faithfully as possible.

5. Continual Improvement

We maintain a dynamic organization and system to establish environmental objectives and targets and always work to improve such systems.

6. Environmental Education and Information Disclosure

We educate our employees and carry out publicity activities appropriately, in accordance with the "RISO Environmental Charter" and the principles detailed above, to help employees deepen their insight on environmental issues.

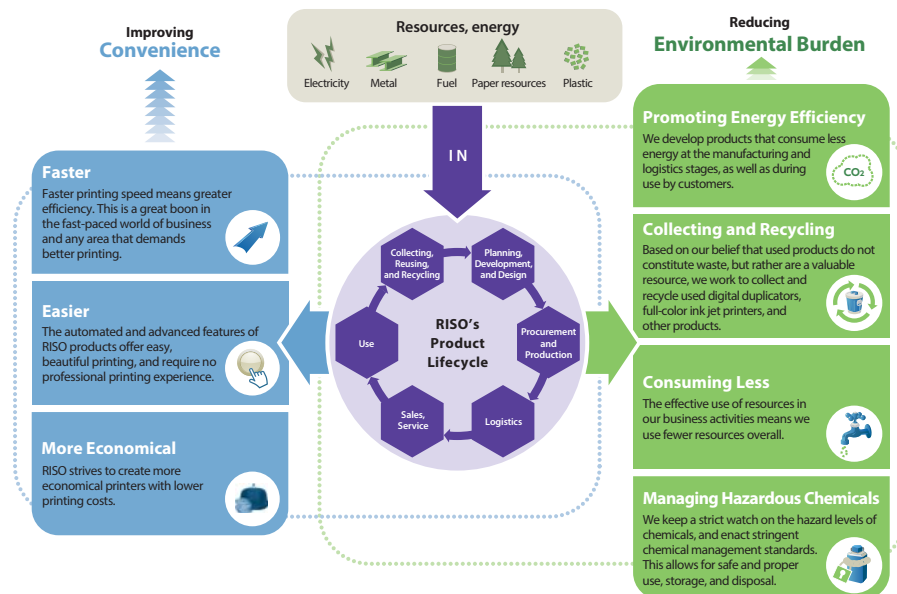
We also disclose information on environmental issues without hesitation and work on further reducing environmental burdens in cooperation with other community members.

Established on August 28, 1998
Revised on April 1, 2007

Akira Hayama
President and C.E.O.

Approach to Environmental Protection

Improving Convenience while Reducing the Environmental Burden



Bringing Unique Printing Solutions to the World

RISO KAGAKU operates a global production and sales network. We use high-speed inkjet technology and digital stencil print technology to pursue customer satisfaction in over 180 countries and regions throughout the world.

Corporate Profile (As of March 31, 2015)

Corporate name	RISO KAGAKU CORPORATION	Financial results (consolidated basis)	Net sales: ¥85,674 million Net income: ¥5,624 million (Fiscal year ended March 31, 2015)
Established	September 2, 1946	Number of employees	3,549 (RISO Group)
Incorporated	January 25, 1955	Subsidiaries	26 companies (domestic: 2; overseas: 24)
Head office	5-34-7 Shiba, Minato-ku, Tokyo 108-8385, Japan		
Paid-in capital	¥14,114 million		

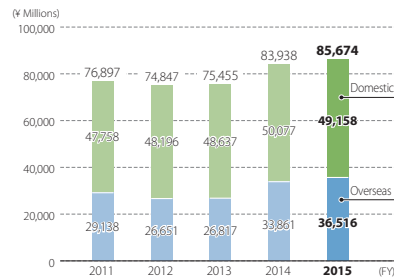
Worldwide Facilities (as of March 31, 2015)



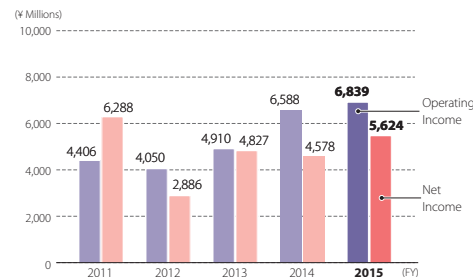
Corporate Data

Note: Amounts less than the unit expressed are omitted.

Net Sales (Consolidated Basis)



Operating Income/Net Income (Consolidated Basis)



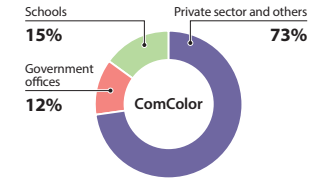
Main Products

ComColor Full-color Ink Jet Printers

Ink jet printers for business use, capable of high-speed printing of high-volume color documents at low running costs.

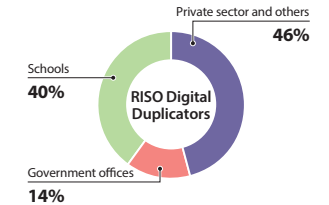


Japan Sales Breakdown by End Users (FY2015)



RISO Digital Duplicators

High-speed digital duplicators that combine proprietary RISO technologies based on the principles of stencil printing. The more prints that are made from a single master, the lower the cost of each page.

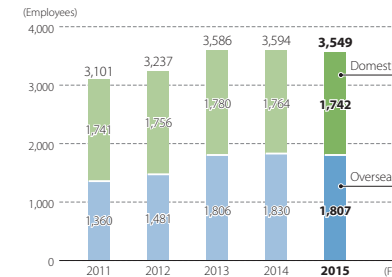


GOCCOPRO Digital Screen-Maker

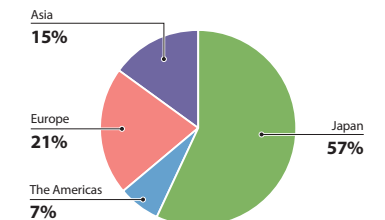
Digital screen-maker that uses a fully dry process, with no water or chemicals. As simple as using a printer, for creation of precise, high-resolution masters.



Number of Employees at Year-End (Group)



Sales Ratio by Region (FY2015)



Realizing a Low-Carbon Society

Let's look at what RISO is doing to reduce CO₂ emissions through its business activities.



Cumulative CO₂ Emissions*1 and Global Warming

Number of Years Until Average Atmospheric Temperature Has Risen by More Than 2°C

30 Years

The amount of cumulative CO₂ emissions is proportional to atmospheric temperature rise. There are fears of huge repercussions if the world's average temperature rises more than 2°C above what it was before the Industrial Revolution. In 2011, CO₂ emissions resulting from the burning of fossil fuel were approximately 10GtC. At this pace of emissions, it will only be another 30 years before cumulative CO₂ emissions*2 will have caused the atmospheric temperature to have risen more than 2°C above what it was prior to the Industrial Revolution*3.

*1 Total anthropogenic CO₂ released into the atmosphere so far.
 *2 More than 50% probability.
 *3 The average temperature between 1861 and 1880.
 Source: Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC)

Striving for Energy Savings During Product Use

➔ Built-In Functions Save Energy in Every Possible Way

The ComColor is equipped with functions for saving energy in every way. The auto sleep function and the auto backlight off function switch the printer to low power mode when the printer is not in use for a certain length of time. This reduces power consumption in ready mode to 150W or less and power consumption in sleep mode to 5W or less. With the power schedule function, the sub power can be set to turn automatically on or off during set days and times, thus reducing power consumption to as little as 0.5W.



Power schedule lamp and wake up key on the operating panel

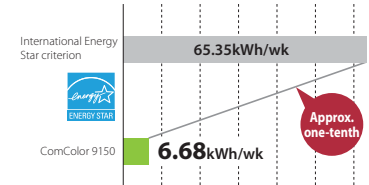
Screen for setting power schedule

➔ Improve TEC Value, an Indicator of Environmental Performance

RISO strives to reduce the TEC value*1, the amount of electricity consumed during product use. The ORPHIS EX series (the ComColor series for overseas), released in 2013, has a 48% lower TEC value than its predecessor ComColor product. The minimum TEC value needed to meet the requirements of international Energy Star (a program for rating the power efficiency of electrical office equipment) is an electricity consumption of 65.35kWh per week. The ComColor 9150 achieves a TEC value of 6.68kWh per week, only about one-tenth the Energy Star criterion. Energy performance improvement efforts like this helped RISO win the 2013 Energy Conservation Grand Prize*2.

*1 TEC: Typical Electricity Consumption. The TEC values for printers measure the total energy consumption in a typical week (consisting of switching between regular operation and sleep/off for five days a week and staying in sleep/off mode for two days a week).
 *2 Sponsor: Energy Conservation Center Japan (ECCJ)

● TEC value comparison



2013 Energy Conservation Grand Prize ceremony

Print Using Stored Electricity While Saving Energy

➔ Use Electricity Stored at Night to Print During the Day

The RISO Peak Shift Print System allows customers to carry out daytime printing with a RISO digital duplicator using electricity stored overnight. This means they can save electricity while carrying out the printing jobs they need, even during the daytime in summer and winter when electricity is in short supply. And by storing electricity, printing can be carried out with this stored electricity during power blackouts caused by natural disasters, making the Peak Shift Print System ideal for use in places like evacuation centers. (Only in Japan)



Reducing Environmental Burden in Our Daily Business

→ Green Curtain Reduces Room Temperature

We have built green curtains at our sites in Ube, Kasumigaura, and Tsukuba to keep building room temperatures down and save electricity. Consisting of a net on which cling plants such as morning glory and bitter melon, these green curtains cover certain building walls at these locations. Besides helping RISO save electricity at its business sites, these green curtains show the local communities that the company is serious about protecting the environment.



Green curtain (erected at Ube Works, Kasumigaura Works, and Tsukuba Works)

→ Installing Energy-Efficient LED Lighting

We have been gradually switching to using energy-efficient LED lighting at our sites. Other efforts to save lighting-related electricity in every way possible include installing sensor-activated lighting that detects the motion of people, and eliminating excess lighting so that we are using only as much lighting as is needed to provide the necessary visibility.



LED lighting

Sensor-activated lighting

→ Promoting Renewable Energy

The RISO Research and Design Center uses equipment that helps reduce environmental burden. The center has installed solar power and wind power generating facilities, as well as a heat pump that uses geothermal energy. Inside the building, we have installed a solar power tracking device as part of efforts to make use of renewable energy in every way possible.



Solar power tracking device

Hybrid energy system combining wind turbines and solar panels

Geothermal power

→ Promoting "Cool Biz"

At RISO, we practice "cool biz", the concept of wearing cool, light clothing at work in summer. For example, we set the air conditioning temperature at 28°C and have employees forego their neckties and jackets while working. This is one way that we are using less electricity and helping curb global warming. We also take part in a new climate change campaign called "Fun to share" sponsored by Japan's Ministry of the Environment. The aim of this campaign is to build a low-carbon society by having companies, local communities, and individuals cooperate in sharing and disseminating the latest information.



In-house poster promotes "cool biz"



→ Eco-Cars as Company Vehicles

RISO uses Company vehicles to conduct sales and service activities. We are switching wherever possible to vehicles that emit as little CO₂ as possible into the atmosphere. In fiscal 2015 as well, we are switching to more fuel-efficient cars.



We use eco-cars as Company vehicles

Topics

Meeting Requirements of New Fluorocarbon Law

RISO is ready to comply with the Act on Rational Use and Proper Management of Fluorocarbons, which went into effect in Japan in April 2015. There are 12 RISO sites with products designated as class 1 specified products* under this act. We have built a fluorocarbon management system under which we have made lists of the equipment covered by the act, formulated a periodic inspection plan according to the rated output of motors used in compressors, and drawn up rules for reporting fluorocarbon leaks depending on the leaked amounts.

* Commercial-use air conditioners and refrigeration equipment that are filled with fluorocarbons as refrigerants

2

Realizing a Recycling-Oriented Society

Let's look at what RISO is doing in the areas of products, services, and manufacturing in order to contribute to a society that doesn't waste resources.



Ever-Increasing Waste

Forecast for Global Waste Generation (Against 2010)

More than double

Economic advancement and population growth come with increases in the amount of waste generated around the world. The amount of waste generated worldwide in 2050 is forecast at more than double* the amount in 2010. People strive to protect living environments by reducing the amount of waste generated and recycling the waste that is generated.

* Figure taken from *Worldwide Waste Generation Estimates and Future Predictions, 2011 Edition*
Source: *Annual Report on the Environment, Sound Material-Cycle Society and the Biodiversity in Japan 2015*

Product shipped using a returnable rack

Recycling Ink Bottles and Paper

→ Recycling Returnable Bottles

We collect used ink bottles for RISO digital duplicators and pelletize them as recycled resin. These pellets are formed into a range of different plastic products and used to make a part of certain RISO products, or to make promotional goods or shipping pallets.



→ Safely Recycling Confidential Documents

RISO uses a paper recycling box service for ensuring that all confidential documents are safely disposed of and recycled. Documents are placed into locked boxes, and specially appointed staff are in charge of collecting the documents and taking them to processing facilities where they are erased before being recycled into things like cardboard boxes and envelopes.

Confidential documents

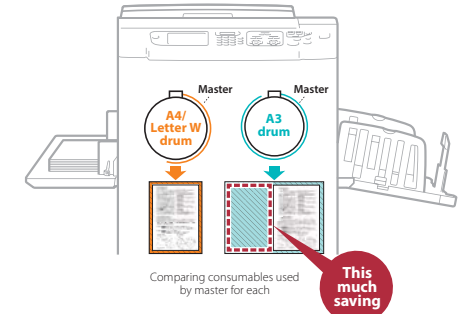


Incorporating Resource-Saving Functions

→ Using an A4/Letter W Drum Means Savings on Master

The RISO ME series of digital duplicators has two drums built in, allowing them to carry out two-color printing and single-color printing in a single pass. For single-color printing, by setting both an A4/Letter W drum and an A3 drum simultaneously, the duplicator automatically selects the drum. When printing originals of A4-sized or smaller, the A4-size drum allows the master to be used much more efficiently compared to the A3-sized drum.

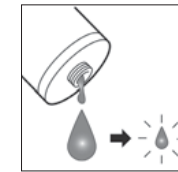
● Duplicator with A4/Letter W drum and A3 drum both installed



→ Ink-Saving Mode

RISO digital duplicators employ an ink-saving mode for saving consumables. This feature gives users the kind of printing quality they expect from RISO while reducing ink consumption by approximately 20%*.

* Actual savings depend on factors like printing mode and type of original.

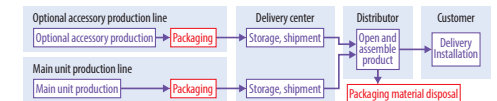


Reducing Packaging Material During Product Delivery

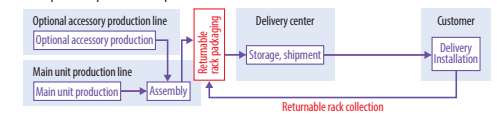
→ Optional Accessories Assembled and Sent From Factory

We aim to use resources efficiently throughout the entire supply chain. One way we do this is by attaching optional accessories at the factory. Previously, when customers ordered a ComColor inkjet printer, the main unit and accompanying optional accessories were packaged and shipped separately. Now, by bundling the optional accessories with the main unit at the factory and shipping them using a returnable rack, there is less packaging material to be disposed of. (Only in Japan)

● Previous product shipment flow



● Improved product shipment flow



Topics

Promoting Use of Recycled Paper with Point Exchange Program

We have a point exchange program for the recycled paper (called RISO Environmental Paper RISO no Tomo II) that we make to provide optimal printing quality with RISO digital duplicators. Users can collect the (RISO no Tomo) labels attached to the packaging and exchange these for their preferred RISO printing paper. (Only in Japan)



Environmental and Social Contributions at RISO's Rojana Plant in Thailand

Let's take a look at RISO's efforts to live in harmony with the natural environment and local communities around the world based on RISO's Environmental Policy.



In 2012, RISO established RISO INDUSTRY (THAILAND) CO., LTD. in the Rojana Industrial Park in Ayutthaya province, Thailand. The Rojana Plant produces one of RISO's flagship products, RISO digital duplicators. Operations began at a new plant in April 2014. Here, we carry out the stable manufacture and provision of products of the same high quality as those RISO makes in Japan, while at the same time protecting the environment and supporting local culture.



Saving Energy

The Rojana Plant in Thailand works to save energy, mainly through reducing energy consumption. Part of the roof of the parts storage area of the plant is a skylight that eliminates the need to use artificial lighting during the day. Employees in every part of the plant do everything possible to reduce energy usage; for example, air conditioning temperature is set to 25°C as a rule, and workplace lights are turned off when employees leave to take a break.



Skylight on the plant roof



Air conditioning temperature is set to 25°C



Resource-Saving Activities

The Rojana Plant conducts thorough collection and separation of cardboard for recycling purposes. Cardboard that has been used for packaging incoming parts is not strong enough to be reused as is, so this cardboard is recycled. The cardboard used for packaging products shipped out of the Rojana Plant is built strong enough to withstand marine transport, so it can be shipped as is from Japan back to Thailand to be reused.



Collection and separation of cardboard

Flood Damage Measures

Having learned from the lessons of the 2011 floods in Thailand, RISO's Rojana Plant has business continuity plans (BCPs) in place, which include measures against flood damage throughout the premises. The new plant's floor surface is 1.6 meters higher than the roads in the Rojana Industrial Park. Electrical equipment such as distribution boards is installed much higher than the water level at times of flooding. And rooms with equipment such as 3D measuring instruments that are difficult to move are placed well above floor level so that they are not damaged in case of building flooding. Other measures in case of flooding include emergency storage space for things like parts and equipment.



Distribution board

Room housing 3D measuring instruments

Business Activities in Respect of Local Culture

At RISO INDUSTRY (THAILAND) CO., LTD., we strive to conduct operations in consideration of local religion, culture, and customs and with respect for the human rights of employees.

During plant construction, we prayed for the safety and prosperity of the business with ceremonies presided over by a Buddhist priest and a Brahman priest. We also constructed the Spirit House on the plant premises to give employees a place to express their religious faith.



Spirit House at the Rojana Plant

Pursuit of Quality

Spreading the RISO Way of Manufacturing

We want all customers to be glad that they chose RISO products. That's why we doggedly pursue quality at all of our worldwide production sites. At the Rojana Plant in Thailand, RISO digital duplicators are assembled under the strictest technical supervision, using the same level of inspection standards as at RISO in Japan for jigs* and finished items. Besides being certified for ISO 9001 and ISO 14001, we do everything possible to ensure that the RISO way of manufacturing is a part of every production site, whatever the local language or culture.

* Implements used to ensure that things like parts and tools are accurately placed during work so that all products are made precisely and uniformly



In order to fulfill our responsibilities to society, we do everything possible to communicate and closely coordinate with stakeholders in implementing a variety of activities.



Customer Satisfaction

Telephone Customer Support Extended to Saturdays

Since April 2014, RISO has been providing customer support by telephone on Saturdays, in addition to Monday–Friday service, so that customers all over Japan can use their RISO products with peace of mind on Saturdays as well.

This means that private schools, real estate agents, ceremonial event companies, and other businesses get the RISO product support they need when working Saturdays. (Only in Japan)

Competition Improves CE Techniques and Support

Our customer engineers (CEs) are indispensable to building a relationship of trust with customers. They are responsible not only for swiftly carrying out repairs, maintenance, and inspections, but also proposing ideas to make customers' printing environments better. The RISO Technical Championship is a competition that gives the CEs better specialized knowledge, technical prowess, and customer interaction skills. The 12th edition of this competition took place in February 2015, with 26 finalists selected from about 1,200 competitors in regional playoffs vying to be the best in Japan. Participants faced off in contests in which they solved mechanical problems within a set time, took a written test, and gave a speech.



The practical mechanical problem-solving part of the RISO Technical Championship

Remote Monitoring of Equipment Prevents and Quickly Solves Problems

The RISO Remote Agent is a support tool that, via the Internet, determines the state of a customer's ComColor series printer and sends this to a maintenance server to ensure high-quality maintenance. When the RISO Remote Agent sends an error report to the maintenance server, the RISO Contact Center will phone the customer, thus ensuring quick response and solutions to problems.



* Supplies: Consumable such as ink and paper

Technical Training at Overseas Sites Ensures High-Level Service

RISO has been shipping more and more ComColor inkjet (IJ) printers in recent years to customers in Asian countries, and demand is expected to continue increasing. We have IJ technical workshop for overseas bases so that we can provide a high level of technical service to our worldwide customers. In September 2014, 20 participants from 10 companies (subsidiaries and retailers in Asian countries) shared technical information and know-how at a training session.



At Asia IJ technical workshop



Building Fulfilling Work Environments

Caring for Employees' Mental Health

RISO supports employees' mental health with the goal of keeping them happy, mentally stable, and able to maintain their own sound state of mind. In fiscal 2015, we held a mental health management certification seminar, with 36 people taking part.

We help RISO employees who want to earn official certification in mental health management (level III) by providing them with study sessions and practice tests. The goal is to give employees qualifications so that they can help other employees manage their stress, recognize mental health issues, and maintain their mental well-being. And under our Employee Assistance Program, employees and their family members are provided with help from counseling specialists on personal problems that may affect their job performance. Such counseling is strictly confidential.

Employee Awareness Surveys Measure Workplace Satisfaction

Employee awareness surveys are conducted once every three years in order to improve employees' job satisfaction and promote communication within the workplace. In the fiscal 2015 survey, in addition to questions on satisfaction with the company, bosses, the workplace, and the job, employees were asked questions such as their opinion on overtime and how they think RISO is doing as far as diversity. In addition to high marks for satisfaction with the Company, the survey showed that many employees feel that their jobs provide them with the opportunity for self growth.

Seminars Help Employees Make Smooth Return to Workplace While Continuing to Care for Children

Every year we hold seminars to allay the worries of employees hoping to return to the workplace after having a baby. The seminar provides consultation and advice from employees who have already had children and come back to work, and it is aimed at RISO female employees who plan to use a support program for women taking time off work to care for their first child. The fiscal 2015 session was held at the RISO Research and Design Center and was joined by 13 participants who were either planning to return to work after having a child or had already done so. About the seminar, participants planning to return to work commented that it made them look forward to returning to work and that they were inspired by seeing the experience of those who had already done so.



Support seminar on returning to work

Voice

Double Medalist at Para-Sports Tournament Thanks to Workplace Support

Noboru Kitajima
Manufacturing Section 2, Tsukuba Plant

At the 14th Japanese Para-Sports Tournament (held November 2014 in Nagasaki), I won both the 25- and 50-meter freestyle swimming events for hearing impaired, setting a tournament record in the 25-meter swim. I was able to accomplish this thanks to my bosses and workplace colleagues, who helped me get my work done so that I would have enough time to train.





Members of the Community

Green Curtain at Ube Plant Wins Award

As part of everyday methods toward conserving energy and helping to prevent global warming we have been cultivating a green curtain at the Ube Plant. The curtain consists of bitter gourd. The 15m wide by 5m tall curtain, which covers the south wall of the administrative building up to the second floor, received the highest honor in the businesses division of the 2014 Green Curtain Contest sponsored by the city of Ube.



A green curtain, which received the highest honor in the 2014 Green Curtain Contest

ComColor Helps Operation of Japan Model United Nations

RISO helped the success of the 8th Japan Model United Nations meeting (held November 2014 in Tokyo), an event aimed at fostering young globally minded people in Japan. The high school students played the parts of ambassadors of the world's countries, debating in English, and coming up with resolutions and amendments, all of which needed to be quickly printed out and distributed, a feat made possible thanks to the high-speed printing technologies of the ComColor.



At the Japan Model United Nations meeting

RISO Employees Lead Lessons at School

Since fiscal 2005, RISO has participated in an environmental education program offered by Masugata Junior High School, located in Kawasaki, Kanagawa Prefecture. On November 28, 2014, we participated in the school's environmental education workshop, where our employees led lessons for 29 students in the history of stencil printing and environmentally friendly printing methods. Participants also learned firsthand about how far printing technology has come as they watched a demonstration of a newspaper being made using mimeograph and a RISO digital duplicator.



School visit to Masugata Junior High

Social Contribution Activities Around Japan

● Proceeds from Employee Cafeteria Go to Charity

To make it easy for employees at the Ube Plant to contribute to society, since April 2014 some of the proceeds from certain menu items in the employee cafeteria are donated to charity. The money collected has so far been donated to a project under the Akaihane Kyodo Bokin charity organization, which benefits elderly dementia patients and other groups.



The proceeds from this employee cafeteria lunch go to charity

● Monetary Donation to Victims of Hiroshima Rainstorm

RISO donated 1 million yen to the city of Hiroshima to aid recovery of the areas and people afflicted by heavy rains that damaged parts of Hiroshima in August 2014.

● Monetary Donation to Nepal Earthquake Victims

To aid victims of the earthquake that struck Nepal in April 2015, RISO donated 1 million yen through the Japan Platform, an international emergency humanitarian aid organization.

● Cleanup Activities Near RISO Sites

Since 2010, RISO employees have taken part in a cleanup event in Shibuya ward in Tokyo held on the "Day of Shibuya" (April 28 this year). The cleanup was held twice in fiscal 2015, in April and on October 7, in order to better beautify the area as Tokyo sees an increasing number of tourists in the run-up to the 2020 Tokyo Olympics. On both days, employees of RISO's Shibuya branch helped clean up the area around Shibuya Station.



RISO employees at the Shibuya ward cleanup event

Overseas Activities 2014

Around the world, RISO conducts activities related to environmental protection, education, and culture in order to keep close communication with its local customers and to local communities.



In Thailand

Donating Recycled Planters to High School

RISO Thailand collects used ink bottles from RISO digital duplicators and recycles them into planters as a way to make business more efficient and contribute to society. In fiscal 2015, during the High School Director Conference, held in Nakhon Ratchasima Province, these recycled planters were given to conference attendees who visited the exhibition room.



Planters made from used ink bottles



In France

Participating in Resource Recycling Consortium CONIBI

RISO FRANCE has been a member of CONIBI, a resource recycling consortium established through joint investment with major business machine manufacturers, to strengthen collection and recycling of ink bottles and cartridges. Since starting this service in 2012, over 12,000 RISO used ink bottles and cartridges have been collected.



Box for collecting used consumables to be recycled



In Korea

Cleanup Activities in Tourist Areas

Since 2010, RISO KOREA has held cleanup and environmental protection activities whenever possible at popular tourist spots. On November 14, 2014, employees of the company went to Cheonggyesan Mountain on the outskirts of Seoul to remove invasive plants that are threatening local biodiversity and to pick up litter on the hiking trails.



RISO KOREA employees at a cleanup activity



In USA

Promoting the Ease of RISO's Silkscreen Making and Image Quality

In October 2014 in Nevada, USA, RISO took part in SGIA EXPO 2014, North America's largest printing trade show, where it exhibited the GOCCOPRO digital screen maker. Under the slogan "Never Been So Easy," demonstrations were held in English and Spanish to promote to the North American market the ease, speed, and environmental performance of the GOCCOPRO.



SGIA EXPO 2014

Earning the Trust and Appreciation of Society through Sound Corporate Management

We strive for continuous improvement of our management system, which serves as a foundation for development and allows us to fulfill our corporate social responsibilities.

Corporate Governance/Compliance/Risk Management

Spreading Compliance Awareness Through Monthly Newsletter

RISO has begun publishing a monthly newsletter called "RISO Compliance News" aimed at disseminating compliance as an integral part of corporate culture. All RISO employees can gain basic knowledge and learn cautionary points from this easy-to-understand publication that raises common compliance risk issues such as harassment, using social media, and insider trading using illustrations and case studies.

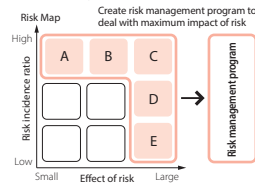
Information Security Risk Measures Protect RISO's Business Activities

Information security risk has the potential to have a major impact on our business activities. The destruction, alteration, or external disclosure of confidential or personal information held by the RISO Group could cause substantial losses for the Group, its partners, and other involved parties. To better address and minimize information risk, RISO has established an Information Management Committee.

Strengthening Compliance Structures, with Risk/Compliance Committee at Core

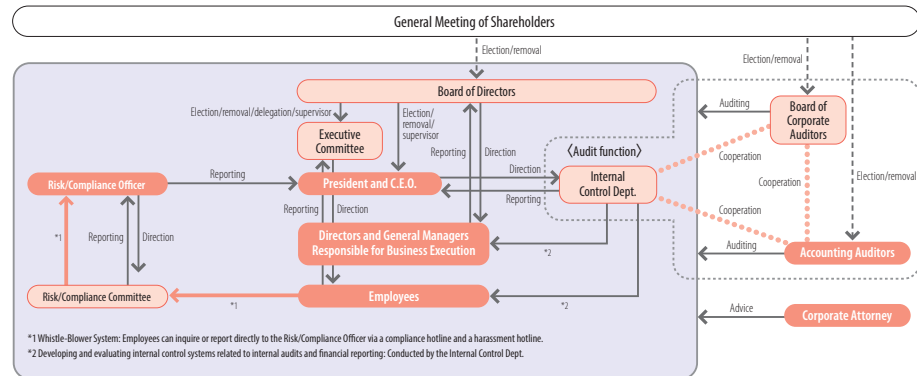
RISO has formulated its Regulations to Manage the Risk of Loss, which are based on Japan's Companies Act. For major business and work conducted by the company, the Executive Committee and the Board of Directors analyze associated risk and consider measures to deal with such risk, then decide which of these measures to implement. The Risk/Compliance Committee analyzes and assesses the effect that a range of risks will have on the RISO Group and creates "risk maps" to outline ways to deal with such risks. By formulating and implementing individual programs to deal with risks that could have a major impact on Group management, we strive to reduce and avoid risk as part of integrated, systematic, and constantly improving efforts.

Overview of Risk Management



Corporate Governance Structure

Relationship between RISO's corporate organization and internal control system (--- represents selection and delegation → represents direction, reporting and auditing)



*1 Whistle-Blower System: Employees can inquire or report directly to the Risk/Compliance Officer via a compliance hotline and a harassment hotline.
*2 Developing and evaluating internal control systems related to internal audits and financial reporting: Conducted by the Internal Control Dept.

Environmental Management Cycle

We maintain a dynamic organization and system to establish environmental objectives and targets and work constantly to improve such systems.

Compliance with Laws and Regulations

A fiscal 2015 evaluation of legal and legislative monitoring, measurement, and compliance found RISO compliant in all areas. There were also no fines or warnings issued by regulatory authorities, and no complaints concerning the environment from residents living near Company facilities.

Fiscal 2021 Environmental Objectives (Medium-Term Targets)

Details can be found under the "Environmental Initiatives/Environmental Management System" section of our website.
<http://www.riso.co.jp/english/eco/management/system.html>

RISO is participating in the "Action Plan for Commitment to a Low-Carbon Society," developed by electrical and electronic associations in Japan with the goal of having companies in the industry achieve growth while also implementing global warming measures. Based on this action plan, we have revised our targets for fiscal 2021. Towards these fiscal 2021 targets, we have also revised and set new fiscal 2016 environmental objectives (medium-term targets).

Reducing Energy Consumption (Crude Oil-Equivalent)

Throughout our domestic Japanese operations, we will:

- ▶ Reduce the energy consumption rate per unit of sales to 3.79 kJ/100 million yen or less by fiscal 2021

(The average annual rate of improvement in per-unit energy consumption between fiscal 2015 and fiscal 2021 is set at 1%. The target will have been achieved if the figure for fiscal 2021 is at least 7.73% greater than the base year of fiscal 2013.)

Reduction of Total CO₂ Emissions

Throughout our domestic Japanese operations, we will:

- ▶ Reduce the CO₂ emissions rate per unit of sales to 12.10 tons-CO₂/100 million yen or less by fiscal 2021

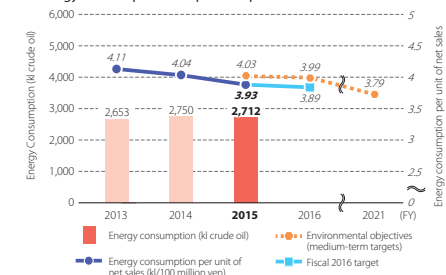
(This is the figure for energy consumption rate per unit of sales (3.79 kJ/100 million yen) converted to the CO₂ emissions rate per unit of sales, plus CO₂ emissions from distribution activities and RISO-owned vehicles.)

For all domestic production sites, we will:

- ▶ Reduce CO₂ emissions per unit cost of production to 11.50 tons-CO₂/100 million yen or less by fiscal 2021

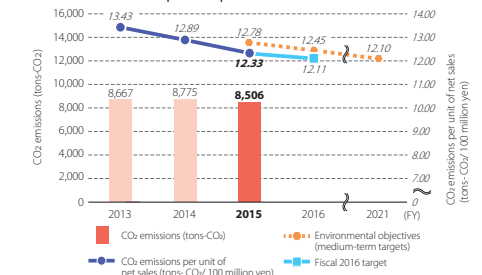
(This is the figure for energy consumption rate per unit of sales (3.79 kJ/100 million yen) converted to CO₂ emissions per unit cost of production.)

Energy Consumption in Japan and per Unit of Net Sales



Scope of calculation: Energy consumption at all RISO business bases (non-consolidated) in Japan (excluding contracted transport operations and Company-owned vehicle fuel). Based on non-consolidated net sales.

CO₂ Emissions in Japan and per Unit of Net Sales



Scope of calculation: CO₂ emissions attributable to energy consumption by all RISO domestic sites, fuel consumption by Company vehicles, contracted transport for products and services by the Logistics Dept.; based on non-consolidated net sales.

Fiscal 2015 Results

In fiscal 2015 we continued to pursue energy-saving initiatives, as we have done since fiscal 2012 when the Great East Japan Earthquake brought about shortages in power. This included proactive implementation of effective capital investments, such as upgrading to more energy-efficient air conditioners and lighting and applying heat-

reflective paint to roofs. The energy consumption rate per unit of sales improved by 3% compared to fiscal 2014, and the CO₂ emissions rate per unit of sales improved by 4%. In the future, we will implement the PDCA cycle as needed and continue to work toward lowering environmental burdens so that we can further improve on these results.

Details are available in the Databook section of the RISO website:
<http://www.riso.co.jp/eco/report/> (Japanese only)

Information Published on the Website

More detailed information on RISO's environmental management and business operations is available online.

Sustainability Report

<http://www.riso.co.jp/english/company/eco/report/>



● Sustainability Report (booklet version)

The booklet version (this version) of the Sustainability Report is available online in PDF and e-book format.



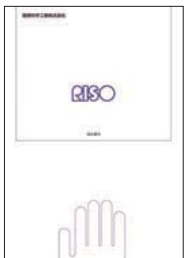
● Sustainability Report (data book) (Japanese only)

- > Environmental Data
- > Environmental Accounting
- > Environmental Data for Major Plants and Offices
- > Social Data
- > Environmental Reporting Guidelines Cross-Reference Chart



Our 2014 Sustainability Report received an award of excellence in the environmental reporting category in the 18th Environmental Communication Awards (sponsored by the Global Environmental Forum and Japan's Ministry of the Environment).

Other Disclosure and Communication Tools



● Corporate Profile



● Annual Reviews

- Corporate Governance Report (Japanese only)
- Financial Results
- Securities Report/Internal Controls Report (Japanese only)

The RISO Website

<http://www.riso.co.jp/english/>

In addition to product information, the website also includes the latest information and updates from RISO.



● Corporate Profile

- > Message from Management
- > Corporate Data
- > RISO's History
- > Creative Manufacturing
- > Facilities in Japan
- > Overseas Directory



● Environmental Activities

- > RISO's Basic Policy for Environmental Conservation
- > Environmental Conservation Efforts and Results
- > Environmental Label Certified Products
- > Environmental Report



● Engagement with Society (Japanese only)

- > Our Customers
- > Our Suppliers
- > Our Shareholders and Investors
- > Local Communities
- > Our Employees



● Investor Relations

- > Management Policies
- > IR Library
- > IR Event Schedule
- > Financial Indicators
- > Stock Information

A PR magazine focusing on various aspects of communication

● RISO no Uta (PR magazine) (Japanese only)



Third-Party Evaluation

With the aim of enhancing the reliability and objectivity of its sustainability reports, RISO asked a third party to offer opinions regarding report content and endeavored to incorporate those opinions into the production of the reports. This year we used TÜV Rheinland Japan Ltd., the same evaluator that conducted the third-party evaluation of last year's report. RISO continues to pursue accuracy and reader-friendliness in its sustainability reporting, while reinforcing the quality of information it discloses.

Third party verification report for the "RISO KAGAKU CORPORATION Sustainability Report 2015"



RISO KAGAKU CORPORATION
Mr. Akira Hayama, President

July 8, 2015
TUV Rheinland Japan Ltd.
Holger Kunz, President

1. Scope, purpose, target, procedure and conclusion of the verification

TUV Rheinland Japan Ltd. (hereinafter referred to as the verification body), as an independent third party, verified the "RISO KAGAKU CORPORATION Sustainability Report 2015" and the "Environmental Information on the web" prepared by RISO KAGAKU CORPORATION (hereinafter referred to as the organization) from the viewpoint of:

- Rational calculation methods, reliability of numerical values and adequacy of contents of the report in terms of the environmental report, environmental performance and environmental accounting
- Disclosure of all important information in environmental reporting

The purpose of the verification is to report the results including verification opinions.

Ministry of the Environment's "Environmental Reporting Guidelines, and Environmental Reporting Standard," and GRI's "Sustainability Reporting Guideline" were used as reference during the verification process. However, the statement does not imply certification or compliance with these guidelines.

As a result of the verification that was performed in a planned manner, the verification team concludes that the "RISO KAGAKU CORPORATION Sustainability Report 2015" and the "Environmental information on the web" provide accurate data in light of the environmental reporting guidelines that are generally considered adequate as principles of reporting, providing that the organization takes appropriate corrective actions that were required in the verification process.

2. Verification opinion

RISO KAGAKU CORPORATION Sustainability Report 2014 issued last year won a prize of Excellence Award of Environmental Communication Awards by the Global Environmental Forum. It is hoped that this could lead to further continual improvement for the organization to take higher level initiatives that society expects. The corporate governance code prepared by the Tokyo Stock Exchange encourages disclosure of non-financial information. Given the fact that the organization already has its platform of CSR disclosure mainly focusing on the environment, it is essential to determine "items to be enriched" and "items to be newly added" to prepare for ideal disclosure of non-financial information. Following three points are raised in the 2015 report, which indicates that the foundation for further enhancement is being established.

- A style to describe strongpoints mainly about environmental technology, and environmental contribution has been taking root, with three core technologies being mentioned
- Understanding of performance management system in terms of environmental accounting has been deepened
- Issues necessary to disclose such as realization of low carbon society and recycling-oriented society, and initiatives in overseas sites are covered

-Environment-

- Reliability of the aggregated data has been improved continuously. The organization grasps the past data that needs to be corrected and implements PDCA for further improvement in order to fulfill its accountability. Such an attitude is highly evaluated.
- The organization has made achievements through its continual improvement while setting higher targets in accordance with the mid-term plan. Although targets are not likely to be achieved despite its efforts, it is observed during the verification that the organization has established the mid-term plan for the next term before the end of FY2015 and has been taking environmental improvement actions in a loop of PDCA. However, coverage of efforts of the organization for that part may not be sufficient in this year's report, an issue for the future is to enrich dialogue with stakeholders.
- Receiving Excellence Award for the "Sustainability Report 2014" in the environmental reporting segment is highly appreciated.
- As of 1st June, 2015, the Corporate Governance Code has been applied. It is hoped that the report is to be fulfilled further and dialogue with stakeholders is to be promoted.

-Social initiative-

- Initiatives have been taken with CSR being considered and topics currently expected are covered. For further enhancement, expectations to the organization are:
- To convey key points clearly to readers regarding CSR through a set of processes beginning with design & development process
- To increase effectiveness of initiatives in overseas and convey the value clearly to readers
- To clearly appeal sustainability and vision that supports CSR management

-Environmental accounting-

The organization has been effectively maintaining the process of aggregating environmental accounting information and made significant positive impact on continual improvement for environmental management. Utilizing an application of environmental accounting principles, comparison between environmental performance and currency information, is expected.

End

Note: The full third-party report is available from the RISO website.