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About This Report

Editorial Policy

As in previous years, RISO KAGAKU CORPORATION has outlined certain of its key initiatives in an easy-to-understand manner covering each of the three environmental, economic and social perspectives.

Sustainability Report 2009 systematically explains RISO's environmental protection activities in line with the six RISO Environmental Protection Principles set forth under the RISO Environmental Charter. Furthermore, this report features "Environmental Considerations in RISO Products"—an area where RISO places exceptional emphasis.

In addition, the Facts section provides detailed information on RISO's environmental accounting, environmental burden data, business performance and business network.

Scope of the Report

This report covers all Japanese domestic business offices and sales branches of RISO KAGAKU CORPORATION and RISO OKINAWA CORPORATION.

It also covers all of the four overseas production bases of the RISO Group, including RISO TECHNOLOGY ZHUHAI CO., LTD. ZHUHAI FACTORY in China, for the calculation of environmental burden data.

From this report, RISO has started to disclose basic environmental load data—namely, consumption of electricity, fuels (including those used by company vehicles) and water—relating to its overseas non-production bases. Please refer to the Facts section for details.

Period Covered

This report covers fiscal 2009 (the fiscal year from April 1, 2008 to March 31, 2009).

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

Focus of the Report

This Report outlines certain of the Company's activities from each of the three environmental, economic and social perspectives.

Note: Discrepancies between the scope of environmental and social data are clearly identified.

Publication Date

July 2009

RISO plans to issue its next report in July 2010.

Inquiries

Environmental Activity Promotion Dept. RISO KAGAKU CORPORATION
Tel.: +81-29-889-2527

Other Major Publicly Disclosed Documents

RISO regularly posts its business and financial reports on its Website.

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



A Message from the President

Against this backdrop, RISO KAGAKU CORPORATION is guided by the RISO Environmental Charter, a basic philosophy that emphasizes efforts that contribute to global environmental protection and initiatives that ensure a sound environment for the next generation.

Conscious of the influence exerted on the global environment by the Company's business activities, RISO actively promotes Companywide initiatives that help to reduce environmental burden.

In the entire lifecycle of RISO products—encompassing development, manufacture, marketing, and sales, as well as use by customers—certain natural resources are consumed, and various wastes are generated.

Fully aware of this fact, we believe that it is the RISO Group's mission to create products and services that improve convenience for customers and reduce the environmental burden of their office activities, as well as to continue to consistently provide such products and services.

In February 2009, RISO released the ORPHIS X series(Japanese model for the ComColor series) of new, high-speed, full-color printers in Japan.

One example of the series, the ComColor 9050, has been designed to reduce the unit size and weight by 30% compared with previous models. Still, its printing speed has been improved to enable the printing of 150 sheets per minute, while its running costs have been slashed successfully.

As a development-driven company, RISO will continue to bolster its technologies to allow its customers to reduce the environmental burden of their operations and to enhance the efficiency of their printing routines. Through such an approach, the Company will keep developing environment-friendly products for customers worldwide.

We have prepared Sustainability Report 2009 to communicate our environmental initiatives to a wide range of stakeholders in a reader-friendly and detailed manner.

In addition to our environmental protection activities, this report introduces the Company's corporate governance, compliance and social contribution activities.

We sincerely hope that through this report our stakeholders worldwide will understand the RISO Group better. And we would certainly appreciate your candid feedback on our overall activities.



Akira Hayama

President and CEO
RISO KAGAKU CORPORATION

Jul.09

Much faster and more cost-effective— RISO is offering a variety of unique printing solutions that accommodate wide-ranging customer needs.

RISO has created many exclusive products and services, pursuant to its development policy of “Creating Unique Products.”

The Company’s mainstay products are the ComColor series of high-speed color printers and the RISO digital duplicators. These products dramatically improve the efficiency of printing routines in offices.

These and other RISO products are working diligently—around you and in many other locations throughout the world—to support communication through printed materials.

Around You

RISO printers are widely used for printing materials with which most people frequently come into contact. Such materials include educational materials used at schools, business memos circulated in offices, circulars, direct mail and community newspapers.

In Offices

Important Meeting Materials



“I need to quickly prepare materials containing information to be announced today.”

One hundred sets of a three-page document are required. A 30-sheet-per-minute printer takes 10 minutes, while ComColor 9050 takes only two minutes.

! Speedy printing contributes to efficient business operations.



Full Color ink jet Printers

The ComColor series printers are capable of high-speed, low-cost output of a large volume of color documents. For example, the new ComColor 9050 printer can print a maximum of 150 sheets per minute, contributing to ever-more-efficient printing routines in offices.

At Schools

Notices, Educational Materials, etc.



“I want to present important information using effective coloring.”

ComColor printers and RISO digital duplicators (MZ series) can produce impressive and appealing materials through multi-color printing at low cost.

! Full- and two-color printing helps deliver the message.



For Sports

Flash Reports,

“We would like to deliver the results events as quickly as possible.”

ComColor printers and RISO digital duplicators can print flash reports and extras on the spot, where sports events take place.

! Immediacy-oriented printing can be performed.

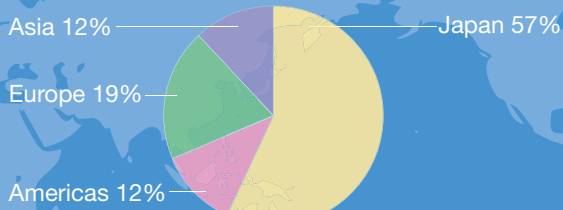
Corporate Data (As of March 31, 2009)

Corporate name	RISO KAGAKU CORPORATION
Established	September 2, 1946
Incorporated	January 25, 1955
Head office	5-34-7 Shiba, Minato-ku, Tokyo 108-8385, Japan
Paid-in capital	¥14,114 million
Number of employees	3,227 (RISO Group)
Subsidiaries	24 companies (domestic: 5; overseas: 19)

At Worldwide Locations

RISO products are widely used at government offices, corporate offices, schools, churches, print shops and other settings in over 150 countries.

Net Sales by Region (FY2009)



Consolidated net sales **¥83,744 million**



Digital duplicators

The RISO digital duplicators is a range of digital duplicators. RISO digital duplicators are optimal for high-volume photocopying or printing of the same original, while also being capable of photocopying or printing with alternative colors through the replacement of the drum unit.



Extras

of dynamic and exciting sports



At Stores

Fliers, Direct Mail



“I want to print fliers and direct mail more frequently and efficiently.”

ComColor printers and RISO digital duplicators are capable of the speedy printing of fliers and direct mail at required times and in required quantities.

! Flexible and versatile printing contributes to reinforcing relationships between stores and customers.



Environmental Considerations in RISO Products

1. The ComColor Series

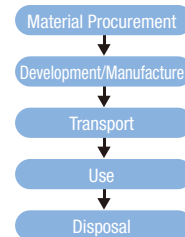
CO₂ emissions over the ComColor series' lifecycle have been reduced by 40%.*

* Compared with RISO's conventional models

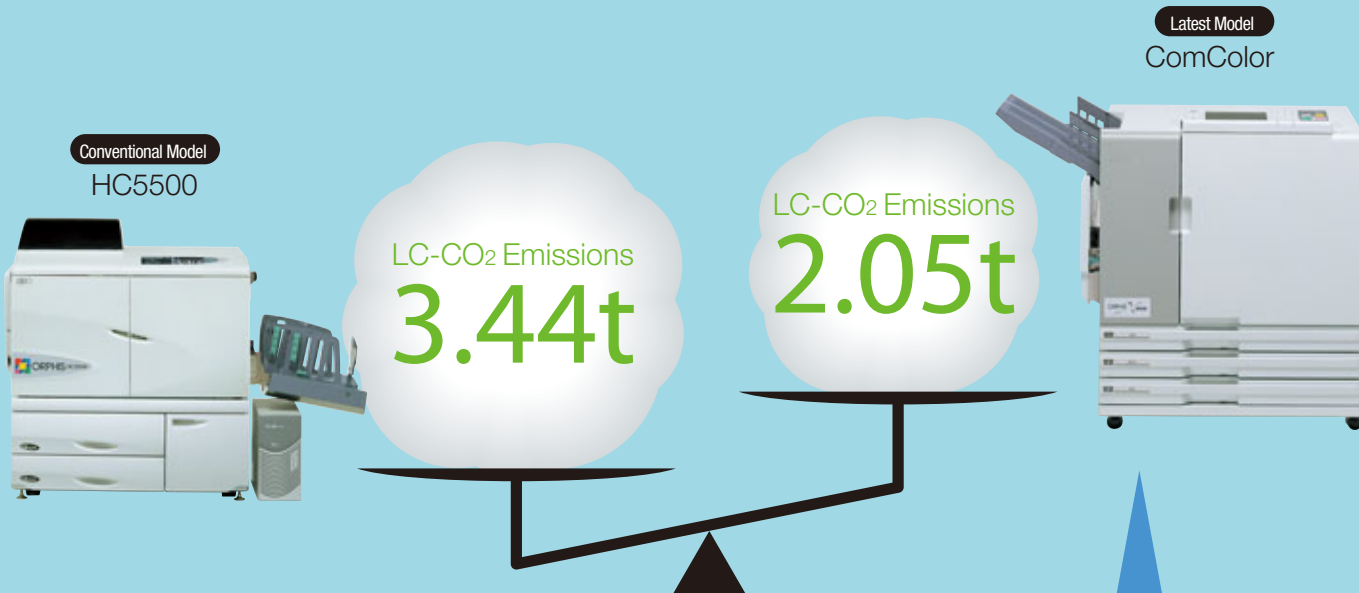
RISO is working to reduce the environmental burden of its products throughout their entire lifecycles, from development, manufacture, and sales and marketing to use and disposal. Take the ComColor series digital printers for example. Compared with the previous HC series, the ComColor series not only offers improved basic performance, but it also achieves a 40% reduction in LC-CO₂ emissions.*

* Lifecycle CO₂ emissions: CO₂ emissions converted from the environmental burden of a product over its entire lifecycle

Product Lifecycle



Comparison of Per-Unit LC-CO₂ Emissions



Note: The calculation of LC-CO₂ emissions is based on the LC-CO₂ analysis (lifecycle assessment [LCA]) conducted by RISO.

ComColor Offers Higher Performance

ComColor 9050 realizes higher printing speed, reduces per-sheet printing costs and lowers environmental burden over its lifecycle.
 printing speed: 120ppm to 150ppm*
 cost per page: ¥2.5 to ¥2.05.**

* A4 long-edge feed, simplex, continuous printing, plain paper and connected to RISO Face Down Tray.

** A4 simplex, RISO color standard original (cyan, magenta, yellow, black total cover ratio 20%) in standard mode.

Our Office, Fully Equipped with ComColor 7250

At Fujitsu, we are increasingly using color documents, such as proposals for our clients and direct mail informing people of our seminars. In line with this trend, we have faced the issue of improving the performance of the printers in our office and simultaneously reducing printing costs.

HC 5500, a conventional RISO model that we introduced in 2006, has enabled us to significantly reduce printing costs. In view of this success, we replaced a total of six multifunction devices that we had been using—namely, two color devices and four monochrome devices—with five ComColor 7250 printers at the end of March 2009.

In our office, about 300 people, particularly sales personnel, are using the new printers. Thanks to the printing speed of 120 sheets per minute, we don't get the feeling at all that we are actually using a smaller number of printers. Also, now that we have five color-capable devices, we are no longer required to wait for time-consuming color printing, a situation that we encountered so often when we had only two color-capable devices in our office. Another benefit was that we are now using every printer equally, averaging the workload on each machine.

Turning to ComColor functions, our colleagues seem to like the function of mixed size originals both which enables to scan and combine A3 and A4 sized originals into a single document with 2-fold, since such a format is often used with administrative materials. In addition, they are speaking highly of the function of creating PDF files directly by scanning paper documents.

As stated before, the device replacement work took place in March—one of the busiest months in Japan. However, RISO's sales people and technical staff provided us with meticulous services, allowing us to smoothly introduce the new machines in our office without major troubles. We are truly grateful for their efforts. In closing, we are very satisfied with RISO products and have very high expectations for RISO to continue to develop new products with enhanced functions.

User's Comments

Mr. Hiroyuki Fukunaga
 Manager, Manufacturing Industry
 Sales Dept. 2, Metropolitan
 Manufacturing Industry Sales Div,
 Fujitsu Limited

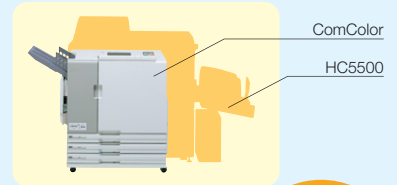


Approx.
105 kg
 Reduction
 in Weight

Factor 1

High-Speed Printing with a Slim Body

While enabling the printing of 150 sheets per minute, ComColor comes in a slim body measuring only 122 cm in width. Compared with the HC5500, the unit weight and CO₂ emissions have been reduced by approximately 105 kg and 0.29 tons (38%), respectively.



Approx.
75 g
 Reduction in
 Cartridge
 Weight

Factor 2

Cardboard Material and Ink Spout Used for Ink Cartridges

The use of highly recyclable cardboard material and ink spout resulted in the decreased use of resin for ink cartridges, reducing per-cartridge weight and LC-CO₂ emissions by approximately 75 g and 13.4 kg (74%), respectively.



Approx.
2,504 kWh
 Reduction in
 Lifecycle Power
 Consumption

Factor 3

Comprehensive Reduction in Power Consumption

Through the reduction in electricity required for printing operations and the optimization of recovery time and power consumption after switching from the sleep mode, the lifecycle power consumption and LC-CO₂ emissions have been reduced by approximately 2,504kWh and 1.02 tons (46%), respectively.

LC-CO₂ Emissions

1.39t*
 Reduced

*1.39 tons of CO₂?

This amount equals the amount of CO₂ absorbed by one-hundred, 80-year-old Japanese cedar trees during a year.

Contributing to Reduced Environmental Burden through Our Proprietary Printing Technologies

Adhering to its development policy of "Creating Unique Products," RISO has constantly developed proprietary printing technologies to date. These technologies have taken on a tangible form in our RISOGRAPH systems and FORCEJET technology.

By applying these and other technologies in our products and providing these products to our customers, we are contributing to the preservation of the global environment. I believe that this is the very mission of RISO's Research and Development Division.

We have long conducted lifecycle assessment (LCA) for our products. Based on the LCA outcome, we have designed and developed the ComColor series by incorporating precise initiatives aimed at efficiently reducing the environmental load of the new product line.

These initiatives proved effective, enabling the new series to boast high-speed printing capability of A4, full-color 150 ppm, simplex. In addition, we succeeded in reducing the unit weight and the use of natural resources in the manufacture of ink cartridges as well as in improving energy-saving performance.

Always stepping forward, we will continue to design and develop new products that provide our customers with solutions for preserving the global environment.

RISO's Comments

Mr. Hidenori Fujioka
 Director and General Manager of
 Research and Development
 Division,
 Riso Kagaku Corporation



Environmental Considerations in RISO Products

2. RISO digital duplicators

**“Used products are not waste, but precious resources” in RISO’s view.
Based on this view, RISO is administering its internal recycling system.**

RISO maintains a recycling system whereby we collect used printers or empty ink bottles, in a concerted move toward a recycle-oriented society.

For example, RISO reuses and recycles 99% of all the components of a used RISOGRAPH RE33P digital duplicator. *

*only marketed in Japan.

Recycling of Digital Duplicators



Collected

Center for Recycling



Disassembly



Washing



Cleaning



Reassembly

Aiming to Realize Zero Waste Generation

RISO established the Center for Recycling in 1998 as an internal organization that exclusively produces digital duplicators based on used products. More specifically, the Center for Recycling disassembles used digital duplicators, recycles reusable components, replaces consumable components, and reassembles and makes necessary adjustments to reassembled products.

Through the production of recycled products from 1998 to March 31, 2009, RISO has reduced CO₂ emissions by 7,000 tons, when compared with the situation wherein the Company had not undertaken recycled product production at all and continued to manufacture brand-new products.* Also, before fiscal 2009, RISO had only undertaken the recycled product production of monochrome models. From that fiscal year, however, the Company started the recycled product production of two-color models. In addition to the recycling of digital duplicators, we have started providing a supply of reused parts and components for maintenance purposes. Looking ahead, we will work diligently to fulfill our corporate social responsibility of passing on a healthy, rich natural environment to generations to come through the promotion of recycling activities aimed at achieving zero waste generation.

* RISO estimate based on data disclosed by the Ecoleaf Program of the Japan Environmental Management Association for Industry (JEMAI)

RISO's Comments

Mr. Hisanobu Sugita
General Manager,
Center for Recycling,
Riso Kagaku Corporation



Contributing to Environmental Protection through Comprehensive Transport Services

In 1984, RISO launched RISOGRAPH 007 that integrated the plate-making and printing functions into one unit. Due to the integrated functions, the unit weight increased, and accordingly, the burden of transporting RISO products grew. In response to the situation that RISO faced at that time, we made a proposal on transporting RISO products using our trucks, which were equipped with a power lift. Since then, we have continued to build a strong business partnership with RISO.

At the beginning, we only accepted product transport operations from RISO. However, in line with RISO's strategy to facilitate more efficient product transport, we have gradually established a new workflow. Based on this workflow, we conduct product adjustment and peripheral assembly and then deliver finished products directly to RISO customers. The establishment of such a workflow has enabled RISO and us to improve the quality of customer services, particularly through the shorter time required for product delivery. Furthermore, the elimination of redundant processes has contributed to the reduction of environmental burden of overall product transport operations conducted by RISO and us.

We pick up used products as we deliver new products to RISO customers. Going beyond the role of a mere transporter, we are providing comprehensive support to RISO. More specifically, we undertake the storage of used products recovered, manage information on product transport/recovery status, forward used products recovered to materials collection centers and select machines to be sent to recycling.

We are committed to contributing to RISO's recycling system. To this end, we will further reinforce our partnership with RISO and enhance the efficiency of our own services, thereby bolstering our contribution to environmental protection.

Business Partner's Comment

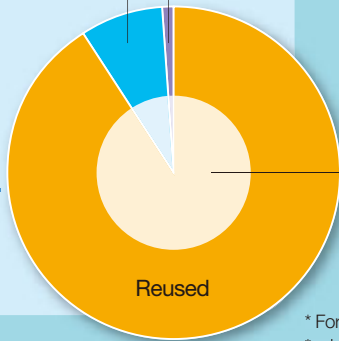
Mr. Koumei Sunazaki
President,
Hisago Service Co., Ltd.



Inspection

Recycled

Disposed



Breakdown of Used Printers Recovered by Post-Recovery Processes

* For RISOGRAPH RE33P*
*only marketed in Japan.



Recycled



91%
Reused



8%
Recycled



1%
Disposed

The Company's Environmental Conservation

RISO has established an Environmental Management System for the whole corporation based on the "RISO Environmental Charter" and the "RISO Environmental Protection Principles" and now promotes environmental protection actively in its daily corporate operations worldwide.

RISO established the "RISO Environmental Charter" and the "RISO Environmental Protection Principles" in August 1998 to clearly demonstrate its environmental approach.

The RISO Environmental Protection Principles serve as practical guidelines for promoting environmental protection activities.

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 total environmental burden by considering the influence that respective product life stages have on the environment in the manufacturing, distribution, 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 & C.E.O.



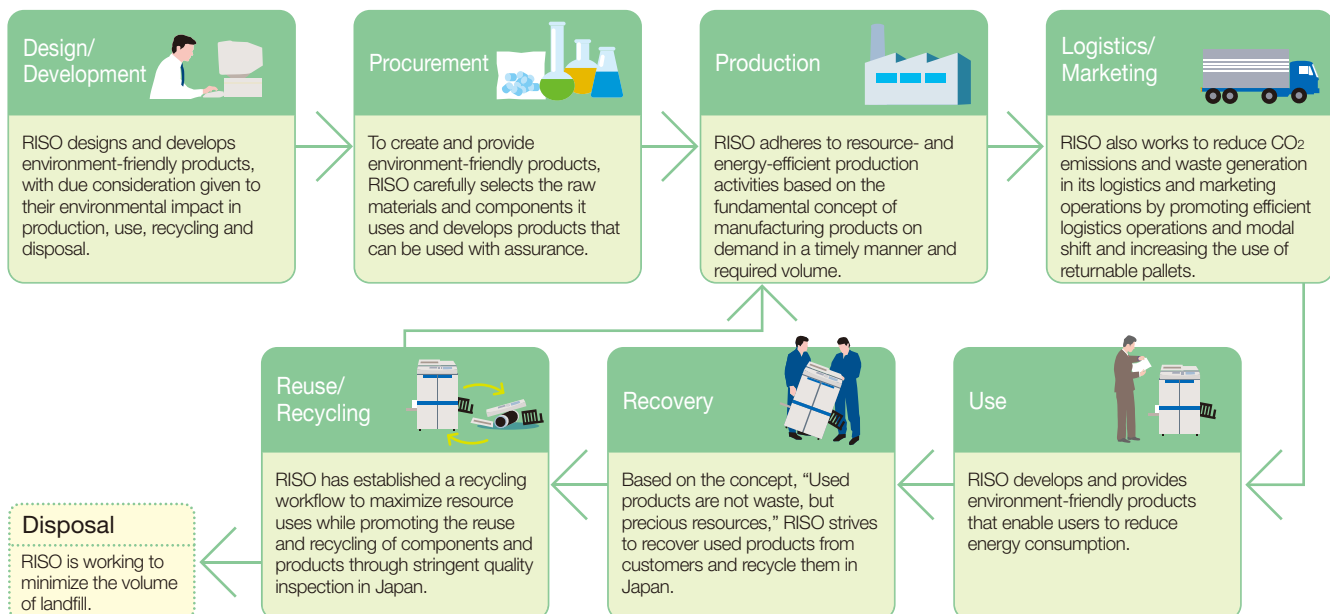
RISO Environmental Protection Principles and Achievements in Fiscal 2009

Pursuant to the RISO Environmental Protection Principles, RISO is proactively striving to reduce the environmental burden of its activities and products.

The following table shows our major activities and achievements during fiscal 2009.

RISO Environmental Protection Principles	FY09 Achievements	Page in this Report
1. Development of environment-friendly products	Completed the development of and released the ComColor series	P.4-5
2. Resource and energy saving	Recovered a total of 2,573 tons of used products and achieved a recycling rate of 98%	P.13
	Reduced CO ₂ emissions in Japan by 2.1% year on year to 9,478 tons	P.14
3. Local environmental protection	Caused no major accidents or violations regarding environmental laws and regulations	P.16
	Faced no penalties or administrative guidance by governmental organizations	P.16
4. Global arrangements	Completed preliminary registration of certain substances used in our products in line with EU REACH Regulation	P.18
5. Continual improvement	Set Companywide environmental targets and implemented related initiatives to achieve the targets	P.22-23
6. Environmental education and information disclosure	Conducted internal auditor training to improve the quality of business processes and thereby reduce the environmental burden of corporate activities	P.23-24
	Offered new recruits and mid-career employees Basic Environmental Education Programs (e-learning)	P.24
	Published <i>Sustainability Report 2008</i>	P.24
	Renewed the "Environmental Activities" section of the RISO English website	P.24
	Obtained environmental label certifications (Eco Mark Program, International Energy Star Program, China Environmental Labeling Program [Type II], Taiwan Green Mark Program)	P.25

An Overview of the Company's Environmental Conservation



1. Development of environment-friendly products

RISO endeavors to reduce the environmental burden of its products throughout their entire lifecycle, from design and development to production, distribution, customer use, recycling and disposal.

Policy on Research & Development

RISO's development and design philosophy is to "Create Fundamentally Unique Products." Over the years, RISO has developed a wide range of products that provide advanced print solutions based on its unique print technology, as typified by the RISOGRAH System.

In addition, RISO is aggressively undertaking R&D activities in new fields, including inkjet technology. Inkjet technology has been applied in the Company's new line of high-speed color inkjet printers, the ComColor series.

Such an aggressive R&D stance has produced tangible results, enabling RISO to develop the latest RISO EZ series digital duplicators with a design that reduces the product's environmental burden, as well as other environment-friendly products, such as RISO SOYINK.

Installation of an Administrator for Environment-friendly Design

With the aim of incorporating thorough environmental considerations in its products, RISO has established an administrator for environmental issues and administrators for environment-friendly design. The administrator for environmental issues is in charge of securing the appropriate administration of the Company's environmental management system (EMS). The administrators for environment-friendly design are exclusively tasked with the management of environmental initiatives regarding RISO products.

Also, the administrators for environment-friendly design ensure that environmental design requirements and goals are accurately incorporated into product development, while monitoring the progress of individual projects so that the plan-do-check-act (PDCA) cycle can effectively function for these projects.

To create a comprehensive structure, RISO has appointed an administrator for environment-friendly design for each of such processes as research/basic technology development, design and development for mass production and software development.

Also, the Company has appointed a deputy administrator for environment-friendly design, who coordinates and manages the progress of individual product development projects.

Such an integrated structure allows the Company to accurately control not only quality, costs and delivery deadlines but also the progress of environment-friendly design in each stage of development and production.

Process for Implementing Environmental Considerations into Products

RISO assigns five stages—from product planning to mass production.

In each of these five stages, RISO sets targets for such items as environmental considerations, product quality, costs and schedule. By monitoring the progress of these targets, we make decisions on whether we can proceed to the next stage.

Stage targets for environmental considerations include energy and resource saving, reuse, recycling and disposal.

Process for Implementing Environmental Considerations

Stage targets for environmental considerations: Energy saving, resource saving, reuse, recycling, disposal, etc.

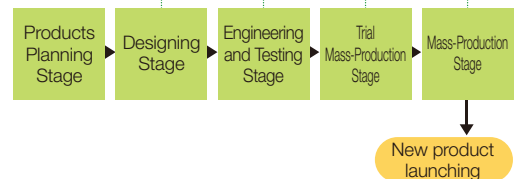
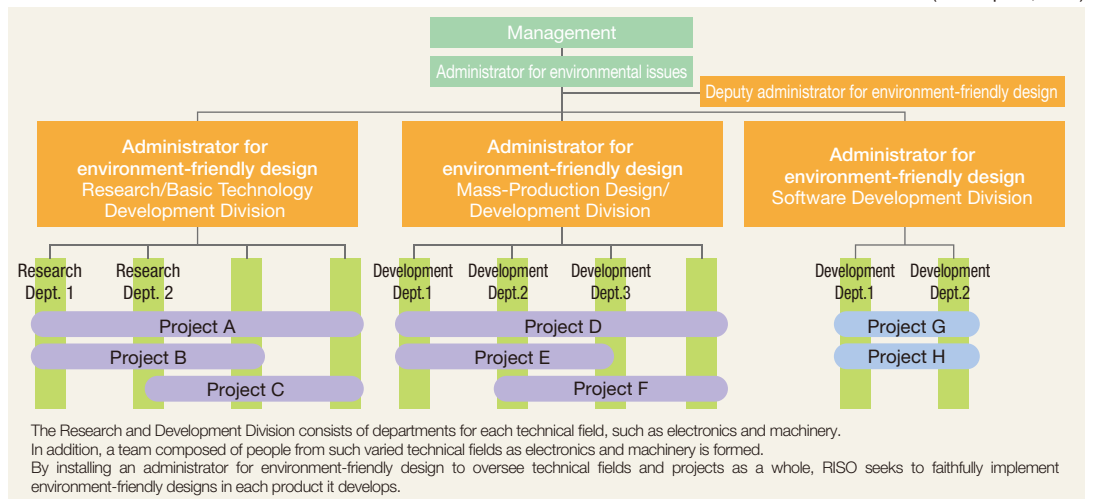


Diagram of the Research and Development Division's EMS Structure

(As of April 1, 2009)





TOPICS

RISO's Ecological Approach in Products

The ComColor color printers boast the world's highest printing speed* among office-use color printers.

Meanwhile, the RISO digital duplicators are widely used in government offices, corporations, educational institutions and other settings in more than 150 countries throughout the world.

RISO's printers and duplicators help reduce the environmental burden of activities in those settings as they are capable of processing many documents with a small amount of electricity.

"More conveniently, more environment-friendly"—we always seek to realize such use of our products by customers and, accordingly, tackle the design and development of products.

* A4 long-edge feed, simplex, continuous printing in standard mode, based on office color printers using cut sheet commercially available as of May 2009.

(Source:RISO data)



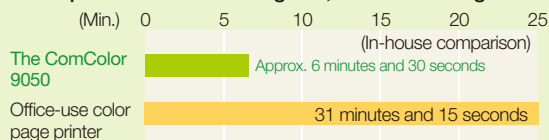
Ecological Features of the ComColor Series

FORCEJET technology enables quicker printing. Power consumption has been also reduced.

ComColor is capable of full-color, simplex printing of a maximum of 150 ppm,* or full-color, duplex 75ppm.** It is also capable of printing one-thousand pages of A4-size color documents in just six minutes and 30 seconds.

While improving the printing speed, RISO has succeeded in reducing the electricity required for printing operations. This has resulted in a reduction in energy consumption per sheet of printed materials. FORCEJET technology underpins such high-speed, high-volume printing.

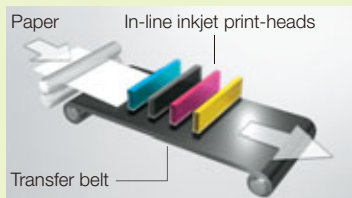
Time Required for Color Printing of 1,000 A4-Size Pages***



Conventional inkjet printers employ ordinary print-heads, which usually make several sets of a reciprocal motion to print. On the other hand, ComColor uses in-line inkjet print-heads on which four wide heads for four colors are arranged in parallel.

Printing paper is fed under fixed print-heads, which discharge ink droplets onto the paper. This mechanism enables simultaneous wide-area printing.

This print-head mechanism, coupled with a stable paper feed mechanism, has enabled high-speed printing on ComColor.



* For the ComColor 9050, with standard-mode, continuous, with A4 long-edge feed printing of simplex,continuous printing in standard mode. Please note, however, that the printing speed varies depending on the tray and function used.

** For the ComColor 9050, with standard-mode, continuous, with A4 long-edge feed,continuous printing in standard mode. Please note, however, that the printing speed varies depending on the tray and function used.

*** Comparison of the ComColor 9050 with a RISO office-use color page printer, which is capable of printing 32 ppm in standard-mode, continuous, simplex full-color printing of A4 long-edge feed using a Face Down Tray



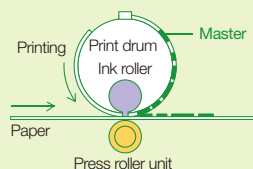
Ecological Features of RISO Digital Duplicators

In stencil printing, inks go through perforations to make prints. Thanks to this mechanism, stencil printing does not require heat in fusing inks onto paper and therefore is environment friendly.

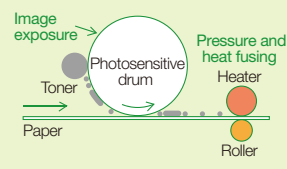
The RISO Digital Duplicators employ this mechanism. More specifically, they create a plate by making perforations on a master, and inks are applied onto paper through these perforations.

Since RISO Digital Duplicators does not use toners, it is not equipped with a heater to fuse toners onto paper. This feature realizes printing with a small amount of electricity consumption.

RISO Digital Duplicators (Stencil Printing)



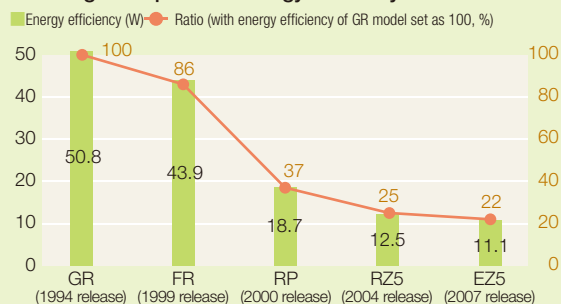
Electrophotographic Printing



For the RISO Digital Duplicators, we are continuously taking on the challenge of reducing power consumption.

When comparing the RISOGRAF GR series released 15 years ago with the latest RISO EZ5 series, power consumption has been actually reduced by approximately 80%.

RISO Digital Duplicators energy efficiency*



* The figures in the graph above are calculated in accordance with the calculation method for digital duplicators defined under the Law on Promoting Green Purchasing B4-compatible model

2. Resource and energy saving

RISO investigates the impact of its business activities on the environment and works to save resources and energy, thereby reducing its overall environmental burden.

Note 1: 3R

Reduce

Term representing the idea of suppressing waste generation through the efficient use of waste in production, distribution and product application

Reuse

Term representing the idea of reusing waste as products, components and resources through the recovery, refurbishment and inspection of used products

Recycle

Term representing the idea of treating and processing waste for renewed uses, often for uses different from the original use

Note 2: Waste

RISO considers all unwanted substances generated from its operational processes, including valuable resources and resources to be recycled or reused, as wastes.

Volume reused

The volume reused is presented as the weight of matter reused, including the volume of matter that is recycled and reused as raw materials and components of RISO products.

Note 3: Specific final waste disposal rate

RISO calculates the amount of specific final waste disposal as the total of the amount of waste incinerated, the residue and ashes resulting from recycling processes and used for landfill, and other waste used directly for landfill. Then, RISO calculates the specific final waste disposal rate as the ratio of the specific final waste disposal amount to the total waste it generates, including valuable and recyclable substances.

RISO recognizes the incineration of waste as an inefficient treatment of resources. Therefore, the amount of waste incinerated is included in the amount of other waste directly used for landfill.

RISO uses these voluntary indicators to promote the efficient and effective use of resources.

Note 4 Control Manifest for Industrial Waste

Stipulated under the Waste Management and Public Cleansing Law of Japan, this is a form to be used for ensuring the appropriate waste processing. The term "manifest" has been derived from "cargo manifest" or "load manifest."

Waste Reduction

RISO promotes 3R activities (see Note 1) to reduce waste (see Note 2) generated through its operations. In particular, the Company focuses on the reduction of the amount of waste that is not recycled and is used for landfill.

Reducing Industrial Waste

Having prioritizing the recycling of used RISO products, RISO has enhanced its schedule management so that it can efficiently conduct used product recycling even during seasons that are busy with recycling processes. As a result, the specific final waste disposal rate (see Note 3) for industrial waste stood at 3.1% for fiscal 2009.

Although we have not been able to accomplish a Companywide environmental goal of "3.0% or lower," we have improved the rate by 3.3 percentage points compared with that in fiscal 2008.

For fiscal 2010, ending March 31, 2010, RISO has set an even more ambitious goal of achieving a specific final waste disposal rate for industrial waste of 1.0% of lower. Accordingly, we will step up efforts to reduce and maximize the effective use of waste.

Reducing General Waste

RISO also worked to reduce the generation of general waste during fiscal 2009 through such initiatives as stringent separation of waste. As a result, fiscal 2009 marked a year-on-year decrease of 0.4 of a percentage point in the specific final waste disposal rate for general waste, which stood at 4.7%.

As with industrial waste, we have set a fiscal 2010 goal for the specific final waste disposal rate for general waste of 1.0% or lower, much more ambitious than the goal of 3.0% or lower for fiscal 2009. To achieve this goal, we are bolstering activities in related areas.

Specific Final Waste Disposal Rates for Industrial and General Waste



Scope of data calculation: Industrial and general waste (including valuable resources and recyclable materials) generated at the Tsukuba Works, Ube Works, Kasumigaura Works, R&D Division and Shibaura Office; volume of all used RISO products recovered in Japan; volume of materials recycled; and volume of materials for other treatment processes

On-Site Auditing of Waste Treatment Contractors

With the aim of promoting appropriate waste treatment, RISO audits waste treatment contractors.

In these audits, RISO employees physically visit contractors of recycling and treatment once or more a year. The audits involve general inspection based on relevant contracts as well as on-site inspection for reception and storage conditions.

The Company also inspects the management and administration of these contractors' control manifests for industrial waste (see Note 4). In the case of inappropriate operations or conduct, we instruct the parties concerned to take corrective measures.

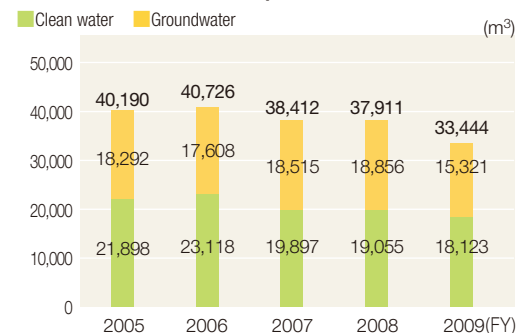
No problems, such as contract violation and inappropriate storage conditions, were found through audits of recycling and waste treatment contractors during fiscal 2009.

Reducing Water Consumption

Of the water used at RISO's production bases, approximately 30% is used for the raw materials of products and as raw water for boiler steam. The rest, 70%, is for nonindustrial use.

Attributable to our water-saving efforts and production cutbacks, water consumption in fiscal 2009 declined 12% from fiscal 2008.

Trend in Water Consumption

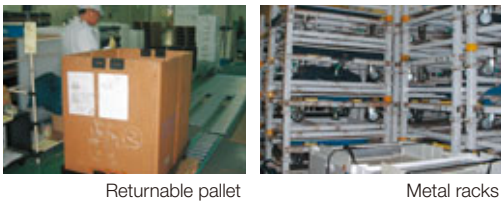


Scope of calculation: Tsukuba Works, Ube Works, Kasumigaura Works, R&D Technology Center

Reduced One-way Packaging

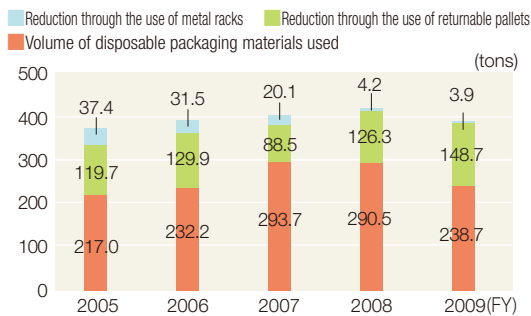
As part of efforts to reduce waste generation in logistics operations, RISO is increasing the use of returnable pallets and metal racks, while decreasing the use of cardboard, Styrofoam and other disposable packaging materials.

In fiscal 2009, the returnable pallet utilization rate was 38%. This figure represents a 148.7-ton reduction of disposable packaging materials.



Returnable pallet Metal racks

Volume of Disposable Packaging Materials Used, Reductions through the Use of Returnable Pallets and Metal Racks



Scope of data calculation: Products (digital duplicators) shipped out from the Tsukuba Distribution Center to RISO's marketing bases, sales representatives and customers nationwide

Recovery and Recycling of Used Products

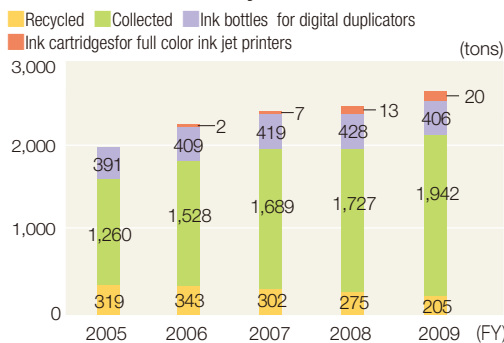
In fiscal 2009, the volume of used RISO products recovered totaled 2,573 tons, up 130 tons year on year. The volume of final disposal (landfill) decreased 54 tons year on year to 58 tons, as a result of promoting the recycling of those used products recovered.

The recycling rate combining reuse and recycling stood at 98%, representing a year-on-year improvement of 3.0 percentage points.

As an additional initiative to promote the recovery and recycling of used RISO products overseas, the Company conducted studies on actual conditions and needs at each overseas base during fiscal 2009.

Based on the findings of the studies, and in line with local laws, regulations and societal demands, we have decided to start constructing a framework for used

Breakdown of Recovery Used Products



Scope of Calculation : the amount of used RISO products in Japan, excluding rental equipment returned or reused by different users without refurbishment.

product recovery and recycling in China and South Korea in fiscal 2010.

In addition, RISO is currently working to standardize its recovery and recycling practices in Japan and plans to file an application and obtain a certification for the wide-area implementation of the standardized practices during fiscal 2010.

Recycling of Digital Duplicators

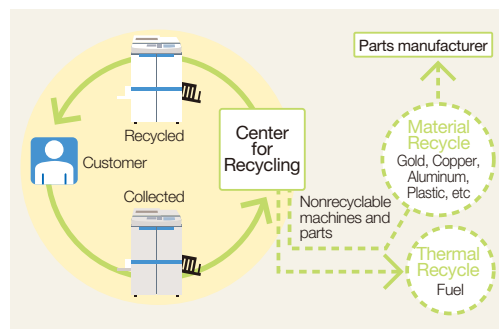
RISO collects used digital duplicators, which are then dismantled and divided into consumables and reusable components.

Though the consumables are replaced, the reusable components are inspected under RISO's quality assurance standards, with only accepted components being reassembled in new printers after cleaning and repainting.

Finished digital duplicators undergo rigorous testing prior to shipment as recycled products.

The non-reusables are sent to subcontractors for resource recovery.

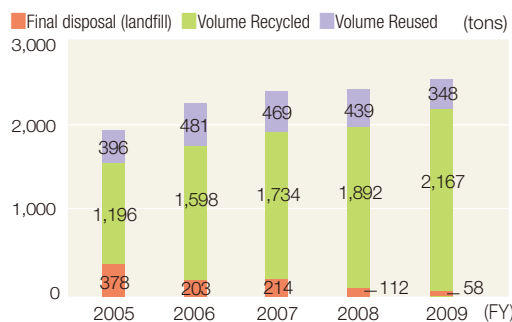
Flow Chart of Recycling Digital Duplicators



Material Recycling of Ink Bottles and Ink Cartridges

RISO collects used empty ink bottles and ink cartridges from users in Japan for material recycling (see Note 5) or chemical recycling (see Note 6), to effectively utilize resources.

Breakdown of Used Products Recovered by Post-Recovery Processes



Scope of data calculation: Volume of used products reused and recycled and the final waste disposal amount, excluding rental equipment returned or reused by different users without refurbishment

Note 5: Material Recycling:

Generally, recycling consists of two techniques: material recycling and thermal recycling. Material recycling refers to the processing of waste into more reusable materials. These recycled materials are used in new products.

Note 6: Chemical Recycling

The plastics industry classifies material recycling into two subcategories: "material recycling" and "chemical recycling." Chemical recycling involves turning waste plastics back into carbon monoxide and other chemicals for reuse. In general, the process of making blast furnace feedstock based on recycled chemicals, as well as liquefaction and gasification, are considered to be chemical recycling.

2. Resource and energy saving

Energy breakdown

Conversion to fuel energy based on Article 3 of Cabinet Order for Law Concerning the Promotion of Measures to Cope with Global Warming (revised on March 24, 2006)
 Bunker A: 39.1 MJ/L
 Gasoline: 34.6 MJ/L
 LPG: 50.2MJ/kg
 Kerosene: 37.7 MJ/L
 Procured power (daytime): 9.97MJ/kwh

CO₂ Conversion of Energy

RISO uses the conversion factor contained in Article 3 of Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised on March 24, 2006) to convert energy consumption to greenhouse gas (CO₂) emissions.

Conversion factor

Electricity: 0.555kg CO₂/kwh
 LPG:3.00 kg-CO₂/kg
 Bunker A: 2.71kg-CO₂/L
 Gasoline: 2.32 kg-CO₂/L
 Kerosene:2.49 kg-CO₂/L

Note1: Modal Shift

Although this generally indicates a shift in transportation mode, more specifically it means a changeover from truck and air transport to rail and sea transport in order to reduce greenhouse gases and nitrogen oxide emissions into the environment.

Modal shift rate = domestic product contracted transport volumes (tkm) by rail and sea ÷ domestic product contracted transport volumes (tkm)

Note 2: Law Concerning the Rational Use of Energy

With the revision of the Law Concerning the Rational Use of Energy in March 2006, specific shippers with an annual 30 million tkm of contracted shipments of cargo were required (from 2008) to submit and implement an action plan for reporting the previous year's record of contracted shipments and improve transport efficiency as well as reduce CO₂ emissions.

Approach to Energy Saving

RISO promotes energy-saving practices as well as activities aimed at reducing CO₂ emissions on a Companywide basis to contribute to global warming prevention.

In fiscal 2009, as an environmental goal, RISO set the target of reducing CO₂ emissions per unit of net sales* for all RISO Group operations in Japan** to 0.1231 or lower (or reducing CO₂ emissions by 94 tons from the fiscal 2008 figure). To achieve this goal, the Company continued to step up its energy-saving efforts as well as activities consistent with the characteristics of each department.

Adhering to the concept of manufacturing products in demand in a timely manner and in required volume, RISO's production departments engage in lean manufacturing operations that effectively use resources and energy.

Also, RISO avoids introducing high-volume, high-speed production facilities at the same time. Instead, when necessary, the Company introduces facilities in a stepwise manner to respond to the exact demand level while developing in-house facilities as much as possible based on its know-how and expertise.

In fact, when expanding its production facilities for a new product in fiscal 2009, the Company adhered to such policies and, accordingly, kept the scale of new facilities compact, making them as energy-efficient as possible.

Offices at the Company's head office and at the Sales Division, our employees participated in a "so called Cool Biz, no tie/no jacket" campaign, while the Logistics Department promoted modal shift (see Note 1).

As explained above, the entire Company tackled CO₂ emission reduction during fiscal 2009. Despite such an

effort, CO₂ emissions per unit of net sales for fiscal 2009 stood at 0.1384, meaning that RISO was not able to accomplish its goal for CO₂ emission reduction. However, in terms of CO₂ emissions, the Company achieved a 195-ton reduction from the fiscal 2008 level.

* CO₂ emissions per unit of net sales = CO₂ emissions ÷ non-consolidated net sales in Japan (unit: t-CO₂/million of yen)

** Scope of data calculation: Energy consumption, fuel consumption by company vehicles, contracted transport volume under the control of the Logistics Department and CO₂ emissions from these activities at all RISO business bases in Japan

Reduced Contracted Transport Volume and CO₂ Emissions

RISO does not fall under the category of "specific shippers" defined under the Law Concerning the Rational Use of Energy (see Note 2). However, with the aim of reducing the environmental burden of its product transport, the Company endeavors to grasp the exact volume of contracted transport, thereby working to reduce CO₂ emissions from these operations.

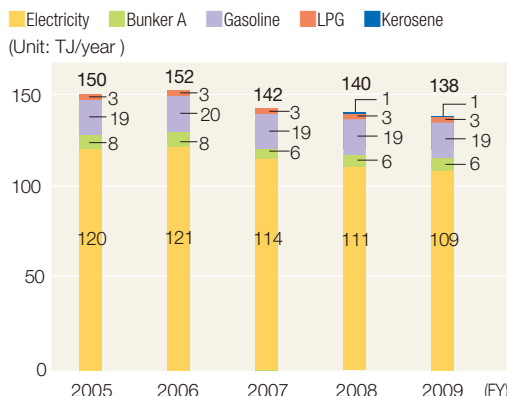
In fiscal 2009, with respect to products such as printers that had been delivered to Hokkaido from the Tsukuba Distribution Center, the segment of transportation by sea from Sendai (Miyagi Prefecture) and Tomakomai was shifted to Oarai (Ibaraki Prefecture) and Tomakomai, and the ratio of the distance of sea transport was increased, with a total modal shift carried out.

As a result, the volume of RISO's contracted transport in Japan during fiscal 2009 totaled 12.21 million tkm, and resultant CO₂ emissions stood at 2,208 t-CO₂.

Compared with fiscal 2008, the modal shift rate improved. However, the volume of small-lot transport—which demonstrates a low full-load ratio among all types of truck transport—and waste transport increased. Accordingly, RISO was able to reduce CO₂ emissions associated with contracted transport in Japan by only one t-CO₂.

RISO's Energy Consumption in Japan

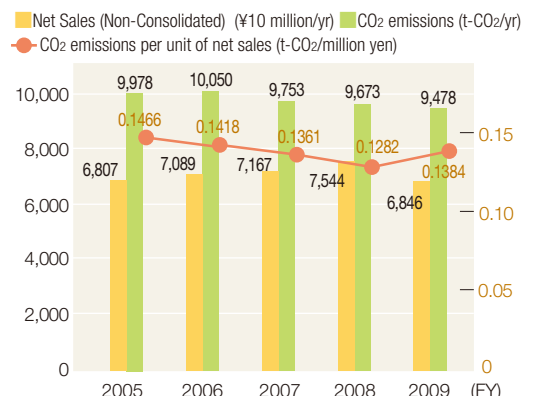
(Excluding contracted transport operations)



Scope of data calculation: Energy consumption at all RISO business bases in Japan, excluding that associated with contracted transport operations

RISO's CO₂ Emissions in Japan and Unit of Net Sales

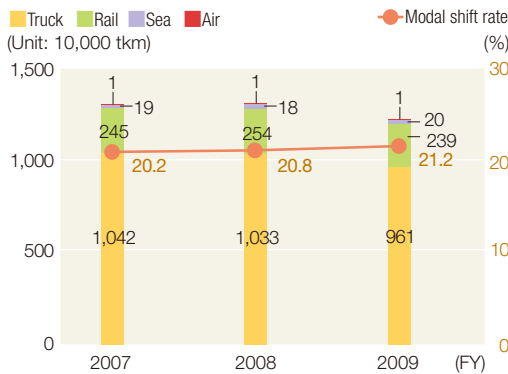
(CO₂ emissions associated with energy consumption, fuel consumption by company vehicles and contracted transport operations at all RISO business bases in Japan)



Scope of calculation: Energy consumption by all RISO domestic sites, fuel consumption by company vehicles, the amount of contracted transport by the Logistics Dept., as well as resultant CO₂ emissions from these activities.

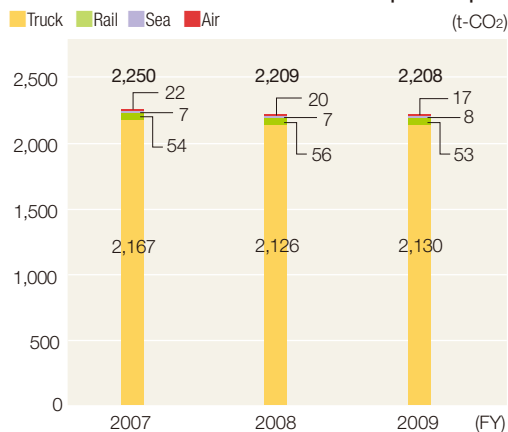


Breakdown of RISO's Contracted Transport by Mode and Modal Shift Rate



Scope of data calculation: Volume of contracted transport (of products, components, raw materials, waste and used products) in Japan by the Logistics Dept., Sales Dept., plants and the Center for Recycling

CO₂ Emissions from RISO's Contracted Transport in Japan



Scope of data calculation: Volume of contracted transport (of products, components, raw materials, waste and used products) in Japan by the Logistics Dept., Sales Dept., plants and the Center for Recycling

Consolidated Transport

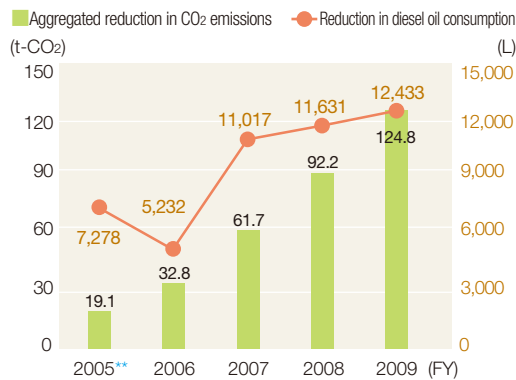
RISO and Cleanup Co., Ltd. together started the implementation of a consolidated transport strategy based on the Strategic Logistics Information Model (SLIM) (see Note 3) in October 2003.

This joint initiative has contributed to improved transport efficiency, effectively reducing fuel consumption per unit of freight transportation (tkm).

In fiscal 2009, RISO was able to reduce diesel oil-equivalent fuel consumption by 12,433 liters from the fiscal 2004 level, which was a figure recorded prior to the introduction of SLIM.

The conversion of an aggregate total of reduction in diesel oil-equivalent fuel consumption into CO₂ emissions* reveals that RISO has reduced CO₂ emissions by 124.8 tons since the introduction of SLIM.

Reduction in Diesel Oil Consumption through Consolidated Transport and Aggregate Reduction in CO₂ Emissions



* CO₂ emissions conversion based on the conversion factor for diesel oil (2.62kg-CO₂/L) defined under Article 3 of the Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised March 24, 2006)

** Data for fiscal 2005 is for a 16-month period from October 2003, when RISO started consolidated transport.

Conversion of CO₂ emissions involving contracted transport

Method for calculating energy consumption involving contracted transport (Public Notice No. 66 of the Ministry of Economy, Trade and Industry of March 29, 2006)
 Method for Calculating CO₂ Emissions in the Logistics Field—Joint Guidelines Ver2.0 (Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism)
 Air Transport: 1.49kgCO₂/tkm
 Marine Transport: 0.039kgCO₂/tkm
 Railway Transport: 0.022kgCO₂/tkm
 Truck transport is based on the ton-kilo method contained in the Law Concerning the Rational Use of Energy, revised in March 2006.

Note3: SLIM

* SLIM (Strategic Logistics Information Model): Based on this model, the Strategic Logistics Partners (SLP) Community Information Center centrally manages delivery and other information collected from corporate clients to improve the full load ratio and the operational efficiency of logistics operations in general. Corporate clients can check delivery time, shipment weight and volume and other information via the Internet. (Source: Cargo News No. 3071)

Initiatives at Offices and Sales Departments

Each department at RISO's head office is promoting energy- and resource-saving efforts, which are centered on reducing overtime hours through improved business efficiency.

Offices at the Company's head office and all sales branches implemented a trial "Cool Biz" campaign in July 2008. Shortly after that trial, and after obtaining approval of related departments and all employees, the head office and sales branches implemented a full-fledged "Cool Biz" campaign.

Before the actual implementation, the Company clearly explained to its employees at the head office and to the sales departments the purpose of the campaign. At the same time, we provided them with guidelines regarding adequate "Cool Biz" appearance while posting a notice for visitors. After thorough preparations and the trial implementation, employees and related departments gave approval and high evaluation for the campaign. Accordingly, we advanced to the full-fledged campaign, which extended from August 25 to September 30, 2008.

In view of the success of the campaign and other energy-saving initiatives, RISO started to participate on a Companywide scale in the Team Minus 6% campaign promoted by the Ministry of the Environment.

3. Local environmental protection

RISO goes beyond merely observing environmental laws and regulations of the Japanese government and local municipalities. Specifically, the Company works to identify the risk of pollution and contamination in preparation for possible accidents and other emergencies, while striving to prevent such risks from materializing.

Note1 : Corrugated walls

Though corrugated walls are said not to be the cause of airborne asbestos, the decision was made to take adequate precautions to prevent the scattering of asbestos dust when dismantling and removing them.

Monitoring and Measurement

RISO performs periodic mandatory monitoring and measurement of air, water, noise and vibration, as well as of environmental burden items, such as energy consumption, water usage, and volume of industrial waste disposal. These are carried out not only to comply with the regulations for environmental quality standards, but also to build up a picture of actual environmental impact and to evaluate the results of our environmental burden reduction activities.

In actual monitoring, each works sets its own thresholds for these environmental burden items and implements countermeasures in advance as necessary. In this way, the Company is working to prevent each environmental burden item from exceeding its threshold.

Response to soil contamination

RISO's production bases conduct thorough management of chemical substances and careful inspection of facilities to prevent soil contamination.

To date, there have been no instances of soil contamination problems, such as chemical drainage water outflows or penetration into the soil, at any of the Company's production sites.

Asbestos Use

The Company has conducted an asbestos survey and confirmed that no asbestos is utilized in the manufacture and sale of its products. In cooperation with building contractors, further surveys were carried out into whether asbestos was used, for example, in the spray painting of buildings. Excluding cement-hardened corrugated walls (see Note 1), the Company was again able to confirm that no asbestos was present.

In fiscal 2009, RISO assessed the status of its compliance with laws and regulations. The results showed that the Company is complying with all laws and regulations, except for the case of falsified de-inked pulp content ratio, explained below.

With regard to environmental laws and regulations, RISO has neither faced penalty charges nor received

Environmental Compliance Status

administrative advice from any governmental organization. Furthermore, the Company has not received any environment-related complaints from neighbors of its business bases.

Falsified De-inked Pulp Content Ratio

In January 2008, RISO found out that the actual de-inked

pulp content ratio of its recycled paper products differed from the ratio disclosed in their specifications.

The Company took immediate action in response to this incident, temporarily suspending the sale of applicable products and switching to substitute products in February the same year.

During the period of this turmoil, RISO tentatively shipped these mislabeled products only to certain customers who understood the nature of the problem and agreed to purchase them. The Company implemented this provisional measure to avoid market disruption.

In addition, the Company disclosed all of the measures it had implemented with regard to this incident through its Website, while also reporting them to relevant government bodies and eco-label-related organizations.

This incident was caused due to the lack of a proper framework to check the de-inked pulp content ratio that appears in the specifications of applicable products.

Prior to the sale of substitute products, RISO confirmed with paper manufacturers, which supply the Company with recycled paper products, that they would establish frameworks to enable them to achieve required product specifications without fail. Their initiatives in this regard would include the monitoring and recording of the de-inked pulp content ratio at their paper mills.*

In April 2008, the Committee for Examining the De-inked Pulp Content Ratio under the Japan Paper Association (JPA) announced a De-inked Pulp Content Ratio Verification Program* and released checklists to be used in the verification processes.

In line with the program and the checklists, RISO conducted audits on two paper mills of a paper manufacturer in May and July 2008.

In the audit, we checked the status at those paper mills of managing the de-inked pulp content ratio, as well as various records and documents. The audit revealed that the de-inked pulp content is in conformity with the specifications of paper products, and we physically confirmed that the paper manufacturer had established a framework under which de-inked pulp content can be continuously and adequately controlled.

RISO will regularly conduct similar audits of the paper manufacturer once a year.

*Under this program, the de-inked pulp content ratio in printing paper is verified. The program sets forth various guidelines, including verification methods, checklists to be used by auditors and the storage life of certifications and other documents.



Training and Educational Programs for Accidents and Emergencies

Environmental risks in RISO's business activities include fires caused by accidents, earthquakes and other natural disasters, oil leakage due to facilities failure, and water and soil contamination.

To better prepare the Company for such risks, RISO's individual works conduct comprehensive disaster training for possible fires and earthquakes every year.

In addition, they conduct training for process- and operation-specific emergencies, such as oil leakage.

Issues and problems identified through these training programs are attended and solved through the review of emergency action plans, enhancement of emergency gears and improvement of facilities and equipment. In this way, we are working to minimize the possibility of such risks materializing as well as the impact should they materialize.

Chemical Substance Handling Management

RISO requests each supplier to provide MSDS (See Note 2) to verify the characteristics of each substance, including toxicity, handling precautions, storage and disposal methods, in order to ensure proper handling. Based on such investigation, RISO established specific standards to facilitate the safe use and storage of these chemicals.

Cutting off PRTR Listed Substances

RISO is investigating the environmental release and transfer of toxic chemicals listed in PRTR. (See Note3) Based on this investigation, RISO examines the possibility of reducing toxic releases, or switching to alternatives, so that total releases and transfers during the manufacturing process are minimized.

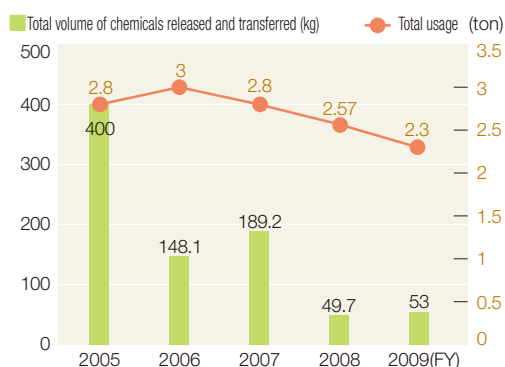
Total usage of PRTR-designated chemical substance in fiscal 2009 was 2.3 tons, a decrease of 0.27 ton compared with fiscal 2008.

Total volume of released and transferred PRTR-listed substances in fiscal 2009 increased 7% compared with the figure in fiscal 2008.

Taking a closer look, the volume of PRTR-listed substances released as waste through loss in manufacturing processes decreased. On the other hand, the use of chemicals in non-manufacturing processes, such as in floor refinishing paint, increased, resulting in an increase in the volume of PRTR-listed substances released into the atmosphere.

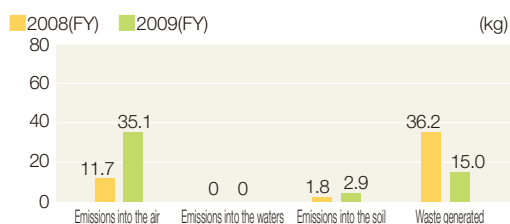
By constantly considering the use of alternative substances, the Company will strive to reduce the use of PRTR-listed substances.

Consumption, Release and Transfer of PRTR-Designated Chemical Substances



Scope of calculation: Tsukuba Works, Ube Works, Kasumigaura Works and R&D Technology Center
 * The graph above shows data based on the results of environmental inspections with regard to the release and transfer of substances that RISO handled 1 kg or more in weight on an annual basis.

Volume of PRTR-Designated Chemical Substances Released and Transferred



Breakdown of released and transferred volume

	Emissions into the air		Emissions into the waters		Emissions into the soil		Waste generated		Total	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Toluene	3.6	21.6	—	—	—	—	—	—	3.6	21.6
Xylene	8.1	13.5	—	—	—	—	—	—	8.1	13.5
Bisphenol-A type liquid epoxy resin	—	—	—	—	—	—	—	2.0	—	2.0
Di-n-butyl phthalate	—	—	—	—	—	—	10.5	3.7	10.5	3.7
Polyoxyethylene alkyl ether	—	—	—	—	—	—	15.6	2.9	15.6	2.9
Boron and its compounds	—	—	—	—	—	—	10	6.4	10	6.4
Molybdenum compound	—	—	—	—	—	—	0.1	—	0.1	—
DEP	—	—	—	—	1.8	2.9	—	—	1.8	2.9
Total	11.7	35.1	0.0	0.0	1.8	2.9	36.2	15.0	49.7	53.0

* — represents no handling/release/transfer of toxic chemicals. Figures are rounded off to two decimal places.

Note 2: MSDS (Material Safety Data Sheet)

A MSDS is a form containing data regarding the properties of a particular substance, provided by the suppliers of such substances, containing certain chemicals when they are sold or transferred to another party.

Note3: PRTR (Pollutant Release and Transfer Register)

The PRTR is a system aimed at preventing environmental hazards through control of the corporations that deal with potentially harmful materials. The PRTR is an environmental database or inventory of potentially harmful releases into the air, water or soil. Also included in the database are wastes transferred for treatment and disposal from the site of their production. Corporations do this of their own accord, reviewing such data themselves, reporting to relevant administrative organs or publishing the information.

4. Global arrangements

RISO considers its influence on overseas local communities and environments when operating or exporting products, and it tries to respond to the requests of local communities as faithfully as possible.

Note 1 : Eco-Stage

A type of environmental management system.

Note 2 RoHS Directive

The EU's directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment restricts the use of six hazardous materials.

Note 3 EU REACH Regulation

The EU's directive of registration, evaluation, authorization and restriction of chemicals requires the appropriate registration and control of chemical substances according to the quantity used. The directive also stipulates different control standards for different quantity ranges and toxicity levels.

Green Procurement

RISO has been pursuing green procurement systems to provide environment-friendly products.

To lessen the environmental burden, environmental considerations must also be applied to the components and materials of the products.

To cope with such requirements, RISO has specified its principles and standards in the "Riso Kagaku Group Green Procurement Standard." In accordance with this standard, RISO requests that suppliers not only apply environmental considerations to the components and materials they deliver, but also establish an environmental management system. They are requested to acquire certification of their EMS, such as ISO 14001 or Eco-Stage, so that the proper control is maintained and enhanced.

Currently, 90% of the Company's business partners in Japan and overseas have established their own EMS. Through the administration of their EMS, these business partners are managing chemical substances.

RISO has requested those business partners that have not established their EMS to establish it or to acquire third-party certifications, such as ISO 14001 and ECO-STAGE EMS certification (see Note 1). Also, the Company has been assisting these business partners in acquiring these certifications since 2007.

To date, nine business partners have acquired the ECO-STAGE EMS certification, and with this acquisition, all of RISO's business partners have acquired such certification as of March 31, 2009, as the Company had originally planned.

For those business partners that have not obtained third-party EMS-related certification, RISO has audited their green procurement status. Through such audits, the Company has confirmed that these business partners have satisfied the standards of controlling chemical substances defined under the Riso Kagaku Group Green Procurement Standard.

During fiscal 2009, RISO audited 14 domestic business partners and nine overseas business partners for their green procurement status. The audit results revealed that all of these business partners have satisfied the Company's standards.

RISO will continue to implement green procurement audits for its business partners.

Riso Kagaku Group Green Procurement Standard (main points):

1. Positive attitude for improvement of environmental protection.
2. Observation of applicable environmental regulations and laws.
3. Elimination of materials prohibited by the company standard from the production process and from the material procurement operations.

Management of Chemical Substances

Considerations of RISO Products

The entire world is witnessing the accelerated development of laws and regulations regarding chemical substance control. The content of such laws and regulations have become constantly more stringent since the implementation of the EU RoHS Directive (see Note 2).

In response to this trend, RISO introduced a Product Environmental Data System in fiscal 2009. This system facilitates the effective management of various hazardous chemical substances present in a large number of raw materials and components used in our products.

In addition, the Company is working to ensure its compliance with the EU REACH Regulation (see Note 3), which took effect in June 2007.

During fiscal 2009, we conducted studies on the chemical substances used in our products and undertook the preliminary registration of substances regulated under the REACH Regulation.

In step with these activities, the Company has conducted studies on the raw materials and components that it uses for substances of very high concern (SVHC) and substances described in the pre-candidate list, which are designated under the REACH Regulation. Through the appropriate management of applicable substances, we will promote necessary registrations and filings by the designated deadlines.

Cooperating with Suppliers

RISO effectively limits the use of hazardous chemical substances in its products. To this end, the Company has prohibited the use of 15 substances and has approved the use of nine other substances, but only with particular caution.

With the aim of effectively controlling the use of such substances in the raw materials and components that it uses, RISO asks its suppliers for thorough control of applicable chemical substances.

Environmental Performance of Global Bases

The RISO Group is accelerating activities to lessen the environmental burden of Groupwide operations.

These activities involve the accurate understanding of the environmental burden of Groupwide operations and the effective promotion of initiatives aimed at reducing the environmental burden of the Company's global operation bases. More specifically, we started to collect the environmental burden data of our overseas production bases in fiscal 2008 and of our overseas non-production bases in fiscal 2009. Tables on the following page show the results of data collection.



VOICE!



Akio Kadowaki
General Manager
Shanghai Plant
RISO TECHNOLOGY
ZHUHAI CO., LTD.

Acquisition of ISO 14001 Certification

At a RISO Technology Zhuhai Co. Ltd. Shanghai Plant, we started preparations for the acquisition of the ISO 14001 certification in October 2008. After receiving two external audits, we finally acquired the certification in May 2009. Our top priority in preparation processes was to enhance the environmental awareness of our employees and to disseminate the meaning of acquiring this certification throughout the branch plant.

As various media report, the awareness of environmental preservation and eco-friendly waste processing is still weak in China. This is the very reason that we thought it is important for our employees to first understand RISO's environmental approach and product reliability in winning the continued patronage of customers.

The schedule for the acquisition of the certification was really tight, keeping the staff involved extremely busy. However, the team in charge drove the efforts at the branch plant, and all employees here joined force to accomplish one shared goal. Thanks to their endeavors, we have been able to efficiently promote the activities necessary to produce a satisfactory outcome.

Also, while promoting relevant activities, we have been able to identify other issues and problems in our operations and come up with countermeasures for such difficulties. These unexpected by-products have helped us improve overall operations at our branch plant.

We previously obtained the ISO 9001 certification for our quality management system. With the acquisition of the ISO 14001 certification for our EMS, I am expecting to see an additional enhancement of the branch plant's operations in terms of compliance with environmental laws and regulations as well as minimization of environmental risks, such as those for pollution. We are committed to continuously reinforcing activities to improve our QMS and EMS and are thereby constantly aiming for higher goals.

Calculation of CO₂ emissions for overseas bases

Electricity: Used 1.0119 of 0.9421 kg-CO₂/kWh, depending on the region.

CO₂ emissions from electricity consumption are calculated based on the China Electric Power Statistical Yearbook (2000 – 2006), the China Energy Statistical Yearbook (2004 – 2006) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

In the conversion of fuel consumption into CO₂ emissions, RISO used individual conversion factors for each fuel type, as defined under Article 3 of the Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised March 24, 2006).

Environmental Burden of Overseas Non-Production Bases

Energy Consumption	
Electricity	1,830 (MWh/yr)
Heavy oil	2 kℓ
Natural gas	20 Km ³
Fuel consumption of company vehicles	
Gasoline	801 kℓ
Diesel oil	147 kℓ
Water Consumption	
Clean water	10,305 m ³

Scope of calculation: Overseas 13 subsidiaries of RISO group (RISO, INC., RISO FRANCE S.A., RISO (Deutschland) GmbH, RISO EUROPE LTD., RISO (U.K.) LTD., RISO IBERICA,S.A., RISOGRAF ITALIA S.p.A, RISO AFRICA (PTY) LTD., RISO KOREA LTD., RISO HONG KONG LTD., RISO (Thailand) LTD., RISO INDIA PRIVATE LIMITED. Non-production base of RISO TECHNOLOGY ZHUHAI CO.,LTD.)

Environmental Burden of Overseas Production Bases

INPUT	FY08	FY09	Change from FY08 (%)
Breakdown of Energy Consumption			
Electricity (MWh/yr)	1,190	1,130	95
LPG (t/yr)	0.3	0	0
Bunker A (kl/yr)	8.3	4	48
Kerosene (kl/yr)	0.1	0	0
Diesel oil (kl/yr)	6.6	4.5	68
Gasoline (kl/yr)	31.2	27.8	89
Water consumption (m³)	13,972	11,921	85
Metal (t)	3,050	2,406	79
Plastic (t)	901	859	95
Glass (t)	28	2	7
Paper (t)	542	624	115
Other (t)	1,150	1,561	136
Subtotal	19,643	17,373	88

OUTPUT	FY08	FY09	Change from FY08 (%)
CO₂ emissions (t-CO₂/yr)			
Electricity (t-CO ₂ /yr)	1,302	1,214	93
LPG (t-CO ₂ /yr)	1	0	0
Bunker A (t-CO ₂ /yr)	22	11	50
Kerosene (t-CO ₂ /yr)	0	0	—
Diesel oil (t-CO ₂ /yr)	17	12	71
Gasoline (t-CO ₂ /yr)	72	64	89
Water drainage (m³)	13,476	11,460	85
Steam, water, etc. emissions (m³)	0	0	—
Products (t)	6,167	5,913	96
Subtotal	19,643	17,373	88
Waste generation*1 (t)	97.2	87.4	90
Volume transferred to recycling processes*2 (t)	0	0	—
Volume recycled*3 (t)	75.3	73.9	98
Other*4 (t)	18	5.3	29
Final disposal (landfill)*5 (t)	3.9	2.3	59

*1 Waste generation: RISO considers all unwanted substances generated from its operational processes, including valuable resources and resources to be recycled or reused, as waste.
 *2 Volume transferred to recycling processes: The amount of recycled materials to be reused as raw materials in operational processes.
 *3 Volume recycled: Total volume of materials for recycling and thermal recycling, including valuable resources. The volume to be reused in operational processes is excluded.
 *4 Other: The amount of decrease in gas emissions from recycling and incineration and other waste that cannot be clearly classified.
 *5 Final disposal (landfill): The volume to be disposed of in landfill sites, which includes residues and incinerated ash from intermediate process recycling.

Scope of calculation: All overseas production bases within the RISO Group, including the Zhuhai Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. in China
 Subject of calculation: Energy consumption and the resultant CO₂ emissions, water consumption and wastewater and waste generation
 Materials used in production, fuel consumption by company vehicles and resultant CO₂ emissions
 * Data relating to contracted transport, energy consumption by the Sales Division and resultant CO₂ emissions is not included.

5. Continual improvement

RISO maintains a dynamic organization and system to establish environmental objectives and targets and always works to improve them.

Note 1 Management Review

RISO's management reviews the Company's management systems for appropriateness and effectiveness. Based on the findings through such reviews, management determines the direction of Companywide environmental activities by formulating policies and setting goals.

System for Promoting Environmental Protection Activities

At RISO, the President & CEO serves as the chief executive in charge of promoting environmental protection activities. The president also appoints a General Administrator for Environmental Issues who is responsible for the establishment, execution, practice and improvement of the environmental management system (EMS) for the entire Company.

The General Administrator for Environmental Issues hosts the Environmental Promotion Board, which is the lower branch of the Executive Committee, and promotes the environmental protection activities of the entire Company.

The Environmental Promotion Board holds ordinary bimonthly meetings as well as extraordinary meetings as necessary. At these meetings, the board studies various issues across departments while deliberating on, making decisions on and formulating countermeasures. The board then offers its opinions to the Executive Committee on an as-required basis.

RISO use a Companywide EMS in combination with an EMS for its head office and business offices to promote environmental protection activities.

Under the Companywide EMS, RISO sets basic environmental rules, Companywide environmental objectives and targets in line with the RISO Environmental Charter and the RISO Environmental Protection Principles. Based on these rules, objectives and targets, the entire Company is working to improve its Companywide environmental performance.

Under the EMS for the head office and business

offices, each office takes specific approaches congruent to the characteristics of its workplaces and operations.

The Production Division and the Research and Development Division, which handle a wide range of chemical substances, administer the EMS with particular focus given to careful handling and management of chemical substances. Meanwhile, the Sales Division and the Corporate Headquarters at the head office use their EMS to enhance communication with customers and improve the quality of operations.

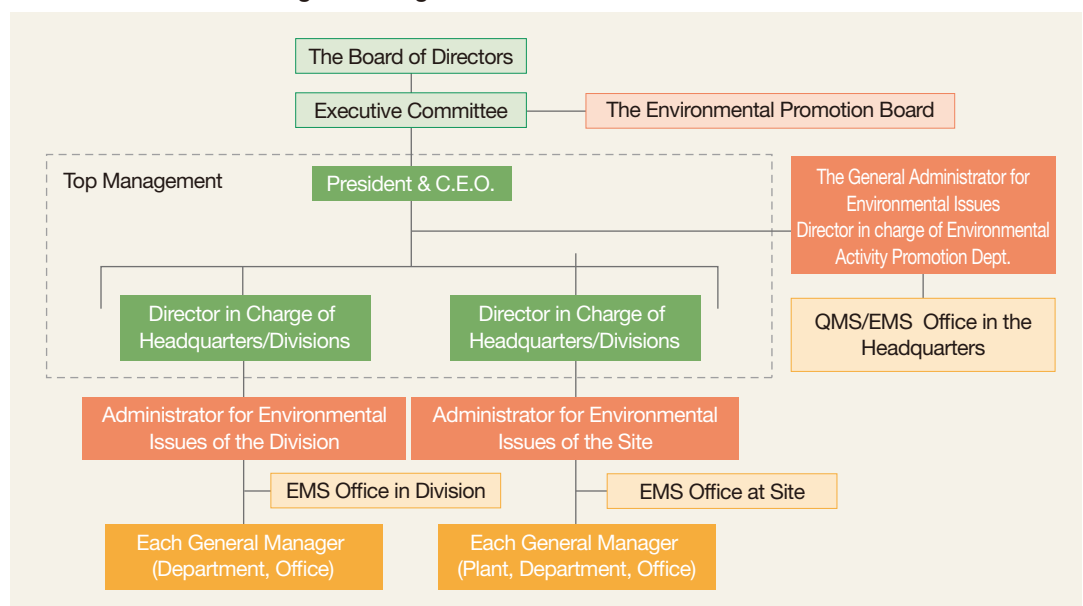
Based on such an organizational structure, RISO is implementing practical environmental management. In other words, RISO tackles Companywide issues and problems by joining the forces of all departments and offices, while individual departments and offices work on their own issues and problems through their own approaches.

Environmental Management Review

To improve the efficiency of management system operations, RISO is promoting the integrated operation of the environmental management system and the quality management system. At the same time, RISO is conducting Management Review (see Note 1) meetings from the perspective of environment and quality.

The Quality and Environmental Management Review was held on November 19, 2008 in the presence of the President & CEO, and the evaluation of fiscal 2009 quality and environmental activity performance and future efforts were discussed at this review.

Total Environmental Management Organization





Results of the Fiscal 2009 Management Review (Environmental)

- Based on progress made toward environmental goals in fiscal 2009, RISO has set environmental goals for fiscal 2010.
- “RISO’s energy-saving activities, related risks and countermeasures” was reported and deliberated through the Environmental Management Review. After the deliberation, the Company decided to continue its energy-saving activities.

The Achievement of ISO 14001 Certification

RISO KAGAKU CORPORATION acquired integrated ISO 14001 certification, the international standard for environmental management systems, covering all its domestic facilities (see Note 1) on December 21, 2006.

In September 2008, with the aim of improving the efficiency of integrated administration of its QMS and EMS, RISO moved the schedule for an ISO 14001 inspection forward by one year and accordingly underwent QMS and EMS inspections at the same time. Both QMS and EMS certifications were renewed, effective through December 17, 2011.

Currently, all domestic business offices and sites—excluding the RISO Contact Center (Naha City, Okinawa Prefecture) opened in February 2009—of RISO KAGAKU CORPORATION and RISO OKINAWA CORPORATION have acquired the ISO 14001 certification. The RISO Contact Center is scheduled to acquire the certification during fiscal 2010.

Overseas, the Shanghai Branch Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. acquired the ISO 14001 certification in May 2009. This means that three of all four RISO production bases overseas have acquired the certification to date.

RISO (SHANGHAI) INTERNATIONAL TRADING CO., LTD. is advancing the establishment of an EMS. However, RISO has no intention of applying for the certification for the time being because this Shanghai base is small in scale.

Also, RISO has no plan to apply for the ISO 14001 certification for its non-production bases and sales subsidiaries overseas.

Environmental Audits

RISO KAGAKU CORPORATION conducts two types of environmental audits. Both internal and external environmental audits are aimed at continuous EMS improvements and retention of the ISO 14001 certification. The Company uses ISO 14001 certification bodies in its external environmental audits.

Internal Environmental Audits

Internal environment audits at RISO take two forms. One audit covers activities in every department and section of a division or site. Taking a Companywide perspective, the other takes the form of audits into the management status of the Company’s environmental activities being carried out by the administrators responsible for environmental issues at each division or site, as well as their respective on-site EMS offices.

With the aim of realizing more efficient and effective internal environmental audits, RISO introduced a self-check sheet system in fiscal 2009.

The self-check sheet system helps individual departments self-evaluate their activities in line with designated rules and regulations prior to actual audits.

Prior self-evaluation also contributes to shortening the time required for actual audits, and that saved time can be used for identifying issues and problems. Accordingly, we have received more advice concerning the improvement of business quality and performance.

Environmental Activities of the Domestic Sales Division

As explained before, RISO aggressively promotes the recovery of used products. In this initiative, collaboration and cooperation among marketing frontlines and recovery centers located throughout Japan are indispensable.

During fiscal 2009, the Company introduced a Transport Order System. Connecting RISO and nationwide recovery centers online, this system organizes operations for product transport and used product pickup by giving necessary directions to related parties. The system has enabled the accurate management of records on used products recovered from customers, covering everything from pickup through to recycling processes.

These activities have enabled RISO to conduct smoother recycling processes throughout fiscal 2009. In fact, the system has made a significant contribution to the Company’s efforts in achieving the environmental goal of “reducing the specific final waste disposal rate for industrial waste to 3.0% or lower.” (See page 22 for details.)

Also, during fiscal 2009, the Sales Division has striven to accomplish the environmental goal of “promoting the sale of environment-friendly digital duplicators.” The achievement rate for this goal stood at 67.7%.

5. Continual improvement

Assessment of Fiscal 2009 Achievements and Future Issues

In an effort to implement environmental activities on a Companywide basis, RISO started to set Companywide objectives and goals to reduce environmental burden and improve the Environmental Management System (EMS) in December 2005.

The table to the left shows RISO's environmental objectives, goals and achievements in fiscal 2009 as well as goals for fiscal 2010.

Prevention of global warming

RISO accomplished the goal in terms of reducing CO₂ emissions per unit cost of production. However, the Company was not able to achieve the goal in terms of reducing CO₂ emissions per unit of net sales. This was attributable to an unexpectedly significant fall in net sales, despite a year-on-year decline in CO₂ emissions.

Saving resources

The Company was able to reduce the final waste disposal rate for industrial waste to the target level for fiscal 2009. However, we have not been able to reduce the final waste disposal rate for general waste to the target level.

These results were primarily attributable to a change in the classification of fully recyclable, waste wood-based pallets under the Waste Disposal and Public Cleansing Law of Japan. More specifically, the classification of those pallets has been changed from general waste to industrial waste.

The Company has conducted studies on the status of used product recovery and recycling at its overseas bases. Based on the studies, we have decided to start the construction of a framework for used product recovery and recycling in China and South Korea from fiscal 2010.

In Japan, we have already established such a framework and have accordingly put its administration on track. RISO is currently working to standardize its recovery and recycling practices in Japan and plans to file an application and obtain a certification for the wide-area implementation of the standardized practices.

Management of Hazardous Chemical Substances

EDuring fiscal 2009, RISO conducted studies on the chemical substances used in its products that are regulated by the EU REACH Regulation and has consequently determined which of those require preliminary registration under the regulation. The Company completed the preliminary registration of applicable chemical substances in December 2008. From now on, we will advance activities aimed at realizing the registration of these substances.

Environmental Objective	FY09 Environmental Goal
Prevention of global warming Reduction of CO ₂ emissions	
In fiscal 2011, improve total CO ₂ emissions per unit cost of production at production bases by 36% compared with fiscal 2001 ^{*1}	Reduce total CO ₂ emissions per unit cost of production at production sites to 0.1261 or lower (fiscal 2001 figure: 0.1927) (Reduce CO ₂ emissions by 7t from fiscal 2008 figure)
In fiscal 2011, improve CO ₂ emissions per unit of net sales for all RISO Group operations in Japan by 18% compared with fiscal 2005 ^{*1}	Reduce CO ₂ emissions per unit of net sales for all RISO Group operations in Japan to 0.1231 or lower (fiscal 2005 figure: 0.1466) (Reduce CO ₂ emissions by 94t from fiscal 2008 figure)
Saving resources Reduction of final waste disposal rate	
By bringing about a reduction in the final waste disposal rate, achieve a specific final waste disposal amount (landfill amount + net incineration amount) for a total waste generation (including valuable resources and recyclable material) of 1% or lower in the fiscal year ending March 31, 2010.	Reduce the specific final waste disposal rate for industrial waste for all RISO Group operations in Japan ^{*1} to 3% or lower.
	Reduce the specific final waste disposal rate for general waste for all RISO Group operations in Japan ^{*1} to 3% or lower.
Saving resources Recovery and recycling of used products	
Implement improvements to the recovery rate of used products (machines, ink bottles) and promote recycling.	Examine the viability of recovering and recycling used products overseas and formulate action plans after fiscal 2010.
	—
Elimination of hazardous substances/Reduction of environmental risk Control of chemical substances	
Develop systems and schemes capable of responses in accordance with laws and regulations governing chemical substances.	Conduct study of chemical substances used in RISO products in accordance with the EU REACH Regulation. If necessary, RISO will apply for preliminary registration of applicable chemical substances between June and December 2008.
Sales of environment-friendly products Expansion of sales of environment-friendly products	
Expand sales of environment-friendly products.	Promote sale of environment-friendly digital duplicators.
Ongoing EMS improvements Establishment of RISO Group Environmental Promotion System	
Set up EMS at all principal sites in Japan and overseas by the end of fiscal 2008, promote environmental protection activities.	Establish a framework to closely monitor fiscal 2009 environmental burden data for overseas plants by the end of fiscal 2009.
Environmental communication Enhancement of Environmental communication	
Expand RISO Supporter by appropriate and proactive disclosure of information, thereby bringing about improved stakeholder satisfaction levels.	Publish "Sustainability Report 2008," providing more information on RISO's social contribution activities. With sustainability reports as the core communication vehicle, reinforce the Company's environmental communications, including the revision and posting of environmental information on the RISO English Website.
Environmental education Enhancement of Environmental education	
Improve employees' understanding of the environment and their skills related to activities geared toward the environment.	Focus on reducing environmental burden by improving the quality and efficiency of operational processes, formulate plans for internal auditor and general manager training and conduct such training during fiscal 2008.



Rating symbols: ○: Satisfactory; △: Improved; ×: Unsatisfactory

FY09 Achievements	Rating	FY10 Environmental Goal	Scope and Subject of Calculation (FY09)	Related Pages
For all RISO production bases, CO ₂ emissions per unit cost of production were 0.1223, and CO ₂ emissions decreased 168 tons from the fiscal 2008 level. RISO was able to achieve the goal set for these reductions.	○	Reduce total CO ₂ emissions per unit cost of production at production sites to 0.1248 or lower (fiscal 2001 figure: 0.1927) (Reduce CO ₂ emissions by 65t from fiscal 2009 figure)	Energy (electricity and fuel) consumption by the three domestic production sites (Tsukuba, Ube and Kasumigaura) and resultant CO ₂ emissions, excluding the R&D Technology Center within the Tsukuba works and fuel consumption by company vehicles.	P.14
For RISO's operations in Japan, CO ₂ emissions per unit of net sales were 0.1384, and CO ₂ emissions decreased 195 tons from the fiscal 2008 level. RISO was unable to achieve the goal set for these reductions.	△	Reduce CO ₂ emissions per unit of net sales for all RISO Group operations in Japan to 0.1219 or lower (fiscal 2005 figure: 0.1466) (Reduce CO ₂ emissions by 334t from fiscal 2009 figure)	Energy consumption by all RISO domestic sites, fuel consumption by company vehicles, the amount of contracted transport for products and services managed by the Logistics Dept. , as well as resultant CO ₂ emissions from these activities. Use non-consolidated net sales for calculation.	P.14
For all industrial waste generated by RISO in Japan, the specific final waste disposal rate ² was 3.1%, not meeting the fiscal 2009 goal. However, the rate improved 3.3 percentage points from the 14.6% recorded in fiscal 2008.	△	Reduce the specific final waste disposal rate for industrial waste for all RISO Group operations in Japan ¹ to 1% or lower.	Industrial waste generated by the Tsukuba works, Ube works, Kasumigaura works, Research & Development Division and Shibaura works, including emissions of valuable and recyclable substances; the amount of used RISO products recovered, recycled or treated otherwise, excluding rental equipment returned or reused by different users without refurbishment.	P.12
For all general waste generated by RISO in Japan, the specific final waste disposal rate [*] was 4.7%, not meeting the fiscal 2009 goal. The rate improved 0.4 of a percentage point from the 5.1% recorded in fiscal 2008.	△	Reduce the specific final waste disposal rate for general waste for all RISO Group operations in Japan ¹ to 1% or lower.	General waste generated by the Tsukuba works, Ube works, Kasumigaura works, Research & Development Division and Shibaura office.	P.12
RISO conducted studies on the status at its overseas business bases and decided to start constructing a framework for used product recovery and recycling from fiscal 2010 in China and South Korea.	○	Complete the construction of a framework for used product recovery and recycling in China and South Korea by March 31, 2010.	Worldwide sales territories of the RISO Group (excluding Japan)	P.13
—	—	Obtain a certification for the Japan wide-area implementation of the standardized framework and practices of used product recovery and recycling by March 31, 2010.	—	P.13
contained in products				
RISO conducted studies on the chemical substances used in its products that are regulated by the EU REACH Regulation and has consequently determined which of those require preliminary registration under the regulation. The Company completed the preliminary registration of applicable chemical substances in December 2008.	○	Fiscal 2009 was the final year for activities with set goals. From fiscal 2010 onward, pursue continuous improvements through the administration of the established systems and schemes.	Global procurement of raw materials and components for RISO products; providers of these raw materials and components (currently, Japan and China only)	P.18
RISO was unable to accomplish the fiscal 2009 goal. Achievement rate: 67.7% (YoY: 94.2%)	×	Promote sale of environment-friendly digital duplicators.	Japanese markets. RISO printing equipment, including OEM products, and among these, those that comply with the Law on Promoting Green Purchasing.	P.21
RISO completed a framework to grasp the environmental load data of its overseas production bases. The Shanghai Branch Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. in China acquired the ISO 14001 certification in May 2009. (Inspection in February 2009)	○	Fiscal 2009 was the final year for activities with set goals. From fiscal 2010 onward, pursue continuous improvements through the administration of the established systems and schemes.	Operations of the RISO Group, including domestic and overseas subsidiaries, throughout the world.	P.19
Sustainability Report 2008 was published in Japanese on July 15, 2008. Third-party evaluation of the report was favorable. RISO revised the "Environmental Activities" section on its English Website on May 23, 2008. Sustainability Report 2008 was translated into English.	○	Fiscal 2009 was the final year for activities with set goals. From fiscal 2010 onward, pursue continuous improvements through the administration of the established systems and schemes.	Japan.	P.24
RISO conducted internal auditor training to improve the quality of environmental audits. However, training for non-auditing general managers (managerial staff) has been postponed until fiscal 2010.	△	Fiscal 2009 was the final year for activities with set goals. From fiscal 2010 onward, pursue continuous improvements through the administration of the established systems and schemes.	RISO KAGAKU CORPORATION employees.	P.24

¹ Specific final waste disposal rate : RISO calculates the amount of specific final waste disposal as the total of the amount of waste incinerated, the residue and ashes resulting from recycling processes and used for landfill, and other waste used directly for landfill. Then, RISO calculates the specific final waste disposal rate as the ratio of the specific final waste disposal amount to the total waste it generates, including valuable and recyclable substances. RISO recognizes the incineration of waste as an inefficient treatment of resources. Therefore, the amount of waste incinerated is included in the amount of other waste directly used for landfill.

6. Environmental education and information disclosure

We actively implement educational programs to deepen employee insight on environmental issues. We also openly disclose information on environmental issues without hesitation and aim to further reduce environmental burden in cooperation with other community members.

Environmental Education

RISO provides environmental education programs for its employees to raise their environmental awareness and promote their proactive activities to help protect the environment. These programs nurture participants' in-depth insight into environmental regulations and in-house environmental audit procedures.

In addition, the Company works to disseminate its environmental policy while announcing the status of department-specific activities as well as Companywide environmental data, objectives and goals in a timely manner. Specific initiatives to enable such announcements and dissemination include the use of easy-to-access bulletin boards in plants and offices and the Company's intranet.

In fiscal 2009, we implemented our Basic Environmental Education Program in an e-learning format for 330 individuals, encompassing new and mid-career employees as well as those who have not taken this program previously.

RISO Environmental Education Programs (Fiscal 2009)

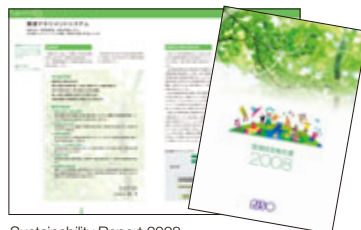
Type	Events (times)	Participants (person)	Hours (aggregate)
Basic Environmental Education Program (e-learning)	1	330	247.5
Basic Environmental Education Program	11	35	22.5
Internal auditor training	6	134	578.6
EMS activity program (waste sorting)	12	208	257.3
Accident/emergency drill	13	116	99
Disaster drill	5	834	831.8
Legal qualification program	1	1	0
Business skill program	12	58	32
Advanced business skill program	6	221	744
Workplace health and safety program	2	36	22.3
Total	69	1,973	2,835

* The table above only shows data relating to environmental programs.

Publication of Sustainability Reports:

RISO issued its first environmental report ("Environmental Report 2004") in August 2004. Since then, RISO has issued reports annually to introduce others to its environmental and social contribution efforts. (Available only in Japanese)

The report contains a questionnaire for obtaining customer feedback, which



Sustainability Report 2008

will be used in the production of next year's report. RISO has received 12 replies to a questionnaire in Sustainability Report 2008, published in July 2008. The replies to this questionnaire are reflected in the current report.

Questionnaire Feedback

• Summary of Responses

Responses regarding "Reader-friendliness" in the questionnaire for Sustainability Report 2008 are as follows.

Very easy to understand: 4 people

Easy to understand: 6 people

Difficult to understand: 1 person

Very difficult to understand: 1 person

• Opinions

"I felt that this report was somewhat technical overall, or too formal. I would like to see it written in a simpler manner."

"I would like to know how products are used."

These are examples of the feedback we received.

• RISO's Reaction

Taking into account reader feedback during the drafting of this report, the "Special Features" section uses an easy-to-understand visual format to showcase the environmental aspects of a new product and the recovery and recycling of used products.

The "Summary of RISO KAGAKU CORPORATION" section features illustrations to explain the overview of the Company's business and graphs to display the use of RISO products and RISO's market share.

In addition, we revised the pagination of this report and organized explanations, achievements and reporting in accordance with items of our environmental policies (RISO Environmental Charter and RISO Environmental Protection Principles) while compiling detailed data in the "Facts" section found in the second half of this report.

Introduction of Web Site

RISO's efforts to address the environment are also explained on its Web site. Aside from containing various kinds of environmental information, including products that conform to the Law on Promoting Green Purchasing, reports can be downloaded in PDF format.

We also updated our English Website in May 2008.



Japanese Website: <http://www.riso.co.jp/eco/>

English Website: <http://www.riso.co.jp/english/eco/>



Participation in Environmental Events

We actively participate in environmental events in order to communicate our environmental initiatives to a wider cross section of society.

In addition to the Eco-Products 2008 Exhibition and Enviro-Shiga 2008, RISO exhibited at the Tohoku Eco-Products Exhibition 2008 and the Kankyo Manga (“Environmental Cartoon”) Exhibition in fiscal 2009 to introduce the Company’s environment-friendly products and environmental efforts.

Eco-Products 2007 Exhibition

Eco-Products Exhibition is an exhibition that started out in 1999, and it has grown to be one of the largest environment-related events in Japan.

RISO has participated in this exhibition every year since its start.

The exhibition, “We can do it!: eco-lifestyle with a 50% reduction,” was held over a three-day period from December 11 to 13, 2008, featuring exhibits from over 750 organizations and groups, including businesses, non-profit organizations and academic and governmental organizations from a variety of fields.

RISO displayed the print-on-demand ORPHIS HC5500 printer’s three environment-friendly features— saves time, paper and stock—through exhibit panels and a printing demonstration.

Enviro-Shiga 2008

Enviro-Shiga 2008 is an environmental industry tradeshow that will reach its 11th anniversary this year. In fiscal 2009, this event was held over three days between November 5 and 7 with the theme: This Is Where New Environmental Businesses Are Born.

RISO exhibited the environment-friendly features of the RISO digital duplicators and the print-on-demand HC5500 printer jointly with Kobayashi Jimuki.

Tohoku Eco-Products Exhibition 2008

Tohoku Eco-Products Exhibition 2008 is the Tohoku region’s largest environmental exhibition. At the event, which was held from October 9 to 11, 2008, RISO exhibited such products as the print-on-demand HC5500 printer, while introducing its used product recovery framework for the RISOGRAPH RE33Z digital duplicator* and RISO SOYINK.

*Marketed only in Japan.

Kankyo Manga Exhibition

Held from May 13 to 25, 2008 and hosted by the Association of Manga Artists for the Protection of the Environment, the Kankyo Manga Exhibition displays

environment-themed manga artwork.

RISO cooperated with the organizers of this exhibition while displaying illustrations of its environmental initiatives.

Disclosing Environmental Labeling Information

Based on the increasing need for environment-friendly products, RISO has been obtaining environmental labels for its products, while promoting the proactive disclosure of information.

RISO provides products in Japan that comply with the Law on Promoting Green Purchasing (see Note 1), Eco Mark Program (see Note 2) and the International Energy Star Program (see Note 3).

In addition to the Company Website, information on environmental labels obtained for RISO products is available on the Websites of the Energy Conservation Center, the Ministry of the Environment (a database of eco-friendly goods and services under the Law on Promoting Green Purchasing), the Japan Environment Association Eco Mark Office, the Green Purchasing Network and Green Station. This information can also be found in catalogs that feature Eco-Mark products.

RISO products sold overseas correspond to the International Energy Star Program, the Taiwan Green Mark Program (see Note 4) and the China Environmental Labeling Program [Type II] (see Note 5).

Information contained on environmental labels for RISO products sold globally is available on the Websites of local subsidiaries as well as those of overseas environmental organizations.



Products that qualify for environmental labels
<http://www.riso.co.jp/english/eco/label/>



International Energy Star Program



Eco-Mark



Taiwan Green Mark Program



China Environmental Labeling Program [Type II]

Note 1: Law on Promoting Green Purchasing-Compliant Products

Specified product procurement items and criteria for products that are compliant with the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Law on Promoting Green Purchasing)

Note 2: Eco-Mark Products

Products certified by the Japan Environment Association in recognition of their usefulness in preserving the environment by decreasing environmental burden throughout the product lifecycle, from manufacturing to disposal.

Note 3: International Energy Star Program

Involving seven countries and regions worldwide, this is an international program that promotes energy saving in office machines.

The program sets standards in terms of the power consumption of office machines in each of the operation, sleep and OFF modes, and it certifies only those machines ranked among the top 25% of all entries. Products that meet these standards are allowed to display the International Energy Star Program Logo. (From the ECCJ website)

Note 4: Taiwan Green Mark Program

The Taiwan Green Mark Program, which is equivalent to Japan’s Eco Mark Program, began in 1992 under the management of the Environment and Development Foundation (EDF), an organization commissioned by Taiwan’s Environmental Protection Administration. Designated as a “Type I” environmental label in Taiwan, this program grants certifications as an independent third party.

Note 5: China Environmental Labeling Program [Type II]

This environmental label program began in China in 1994 and is administered by the Ministry of Environmental Protection. The China Environmental Labeling Program [Type II] is one in which approval to use these labels is granted if a company’s environmental proclamation meets ISO14021 standards following a review conducted on the basis of this proclamation.

Social Initiatives

For Customers

Offering high-quality products and services that can be used with assurance, RISO is striving for better communication with its customers to enhance customer satisfaction.

Note 1: ISO 9001

TAn international standard for quality management systems

Scope of ISO 9001 certification

RISO KAGAKU CORPORATION

Headquarters*: (including Narashino Service Center, Shimbashi-site and Shibaura Office)

Domestic Sales Division

International Sales Division

Research & Development Division*

Production Division (including

Tsukuba Works, Ube Works and

Kasumigaura Works)

* Some organizations are excluded from the scope of ISO 9001 certification.

RISO TECHNOLOGY ZHUHAI CO., LTD

Quality Activities

Adhering to its fundamental philosophy of taking the customer's point of view, RISO engages in the provision of high-quality products and services.

In addition, RISO regards its management and daily business operations as representing an important quality that is embodied in the products and services that are provided to its customers. The Company has thus acquired ISO 9001 certification (See Note 1) and promotes the establishment of a framework to accurately gauge and assess the quality of its operations.

In accordance with its basic philosophy and attitudes toward quality, RISO established the RISO Quality Policy, which is followed on a Companywide basis.

RISO Quality Policy

Having as its basic philosophy contributing to society through the development of quality products, RISO will make Companywide efforts to promote the formulation of a corporate structure to consistently provide high-quality products and services.

Accordingly, RISO drew up the following quality policy:

1. In order to flexibly respond to changing social and market environments, RISO will predict future trends to offer next-generation products and services.
2. RISO will offer reliable products and services with assured quality and safety, while thoroughly cutting costs and strictly meeting delivery dates.
3. Placing the top priority on its customers, RISO will offer products and services that provide customer satisfaction.
4. Strictly complying with laws and regulations, RISO will make ongoing efforts to enhance the effectiveness of its quality management system.

Enacted: October 1, 2002

Revised: April 1, 2007

Akira Hayama

President & C.E.O.

RISO KAGAKU CORPORATION

Ensuring Product Safety

In accordance with the Guidelines for Formulating Voluntary Action Plans Regarding Product Safety issued by the Ministry of Economy, Trade and Industry, RISO is working to strengthen its control structure to ensure product safety.

As part of such efforts, the Company established a Product Safety Checkup Committee in May 2008. Composed of related departments, this committee

conducts the final confirmation of the safety of new products prior to their launch.

In addition, we have established a framework under which accidents at customers' workplaces and complaints from customers are reported immediately to us, and feedback is consequently provided to our design and development departments.

Furthermore, in line with the implementation of the Consumer Product Safety Law in Japan, RISO reinforced its internal education programs focusing on the safety of consumers.

These initiatives have improved the awareness of our employees regarding the importance of feedback from customers on product safety. Also, the number of reports from the market relating to problems with safety of RISO products increased from seven in fiscal 2008 to 13 in fiscal 2009.

Communication with Customers

RISO Contact Center Opened

At RISO, user support services are increasingly becoming diversified and complicated. In response to such an environment, RISO has integrated its four-pronged user support services—namely, hardware support, software support, consumables order reception and counter services—into a RISO Contact Center located in Okinawa Prefecture. Having started operations in February 2009, the RISO Contact Center is helping us to further enhance our already-established, reliable, user-support structure.

We are proactively reflecting user feedback and requests received by the RISO Contact Center in our activities, aiming to improve customer satisfaction.

User questions and inquiries regarding RISO products and services can be made through the "Contact Us" page on the Company's Website or through a toll-free phone service in Japan (fee-based service for some regions).

 The "Contact Us" page on the Company's Website
http://www.riso.co.jp/english/home/info_form.html



RISO Contact Center



Implementation of Customer Satisfaction Survey

RISO reflects customer feedback in its products and services and, in order to improve customer satisfaction, has been conducting customer satisfaction surveys.

In fiscal 2009, the Company conducted a customer satisfaction survey for in France, the United Kingdom, Spain, the United States, and Hong Kong.

Through the survey, many respondents have commented that RISO products have contributed to improving operational efficiency and reducing printing costs as well as to creating well-organized, colorful documents that are easier to read.

Meanwhile, we have received a customer comment that the RISO Website does not provide sufficient information regarding product troubleshooting. At the same time, the survey has revealed that customers show different levels of satisfaction in the Company's sales representatives, depending on the country. Naturally, these are matters to be attended to and improved.

To effectively reflect such customer feedback and comments in its business activities, RISO is constantly working to improve the methods used in its customer satisfaction survey.

In addition to customer satisfaction surveys, we value the customer voices that we gather through our sales and service representatives and the RISO Contact Center, thereby helping to continuously enhance the quality of our products and services.

Personal Information Protection Activities

In order to properly protect personal information entrusted to RISO—by, for example, its customers, business partners and shareholders—RISO has instituted a Personal Information Protection Policy and taken reasonable protective measures to guard against the use of personal information for purposes other than those intended, as well as against the leak, loss and damage of said information.

This protection system conforms to JISQ15001 (Personal information protection management systems—Requirements) (see Note 2), and authorization to use the privacy mark was received from the Japan Information Processing Development Corporation (JIPDEC) on March 9, 2004, and extended in 2008.

In order to thoroughly protect customer information, rules concerning personal information protection have been posted on the Company's Intranet and every year employees receive training in the handling of personal information.

During fiscal 2009, the Company set new rules concerning personal information protection to strengthen personal information management. These new rules include detailed procedures for destroying unnecessary

personal information as well as standards in selecting contractors who process waste that contain any type of personal information.

Note 2: JISQ15001

Established in 1999 for the purpose of protecting personal information, JISQ15001 is the standard based on which Japan's Personal Information Protection Act was enacted. Voluntary efforts are important in the protection of personal information in business activities; therefore RISO have put in place an integrated, Companywide management system framework and established the requisite conditions.

Principles of personal data protection

We, RISO KAGAKU CORPORATION, engage in business activities that contribute to further development of society in communications culture by researching, developing and supplying such products, which will touch and make a strong impression on our customers.

Personal information of our customers, corporate clients, shareholders, employees and other stakeholders that we handle in the process of fulfilling our business is an important asset for both of our stakeholders and us. Recognizing that we have an obligation to treat such personal information appropriately, we will use our best endeavor to protect such personal information based on the following principles:

1. We collect, use and provide your personal information only to the extent necessary for achieving our business objectives.
2. We collect your personal information only when we receive your agreement after specifying the purpose of collecting your personal information depending on each circumstance and/or method of collection or when we notify you of or announce publicly the purpose of use, or when the purpose of use is clear from the circumstances in which your personal information is collected.
3. We never use your personal information, for any purposes other than those specified or are clear from the circumstances in which your personal information is collected. And we will use our best endeavor to take possible measures to ensure that your personal information will not be used for any other purposes than those mentioned above.
4. We never provide your personal information to any third party, save that we have reasonable backgrounds such as your prior consent or any requirements to do so by any law and/or regulation.
5. We use our best endeavor to take reasonable preventive countermeasures against any loss, leakage or damage of your personal information in order to ensure security thereof. In the case of an unforeseen accident, we use our best endeavor to take an appropriate collective action.
6. At your request, we will respond conscientiously and swiftly to your inquiry, such as questions about your personal information or any requests for disclosure or any claim about your personal information.
7. We obey any laws, regulations and/or orders relating to personal information protection.
8. We use our best endeavor to enhance acknowledgment of our company staff about importance of personal information protection through education and enlightenment.
9. We use our best endeavor to manage personal information properly by appointing a responsible person at each department concerned.
10. We continuously improve our compliance program related to personal information protection.

Established on March 12, 2003
Revised on April 8, 2008
Akira Hayama
President & C.E.O.
RISO KAGAKU CORPORATIO

For Shareholders and Investors

Offering high-quality products and services that can be used with assurance, RISO is striving for better communication with its customers to enhance customer satisfaction.

Note 1: Information Disclosure Procedures

Formulated October 1, 2007

- Systems to enable timely and accurate disclosure of management-related information—both legally required and voluntary—and procedures for the administration of the systems
- Roles of the Information Disclosure Committee (established in June 2006), including the collection of information and the preparation of opinions and reports for the Company's top management regarding disclosure decisions, content and timing
- Decision-making processes regarding the use of EDINET or TDnet, depending on the type of information

Communications with Shareholders

With the aim of allowing its shareholders to thoroughly examine agenda items to be discussed at a general meeting of shareholders, RISO sends out convocation letters to them at least three weeks before the meeting date. This facilitates smooth execution of their voting rights.

For shareholders' meetings, RISO prepares visually effective materials using graphs and photos. Through these materials and other measures, we strive to communicate our business results and other information in a shareholder-friendly manner.

IR Activities

As timely, reliable and proactive information disclosure is of particular importance in corporate activities, RISO posts its Information Disclosure Policy on its Website. With the aim of maintaining a structure that enables the effective implementation of this policy, the Company administers its Information Disclosure Procedures (see Note 1).

The Company discloses financial and stock information on its Web site by posting financial results, conference materials and business reports for individual investors. Meanwhile, the Company holds annual conferences for analysts and institutional investors after the announcement of interim and full-year results.

At these conferences, RISO's president gives a presentation, and audio narrations from the presentation are distributed through the RISO Website (Japanese only). Also, as of April 1, 2008, RISO renewed its Website by

reorganizing the overall site for better information accessibility and improving the "Corporate Profile" section.

Dividend Policy

In distributing earnings to shareholders, RISO adheres to its basic policy of allocating an appropriate portion of earnings as a dividend in accordance with business results while retaining the means to strengthen its corporate structure. The Company strives to provide a stable dividend based on this policy.

For fiscal 2008, RISO posted a non-consolidated net loss. However, with particular emphasis placed on continuing stable dividend payouts, and with due consideration given to its current financial standing and business outlook for fiscal 2010, the Company paid a per-share dividend totaling ¥40.

As a result, the consolidated payout ratio for fiscal 2009 stood at 63.8%, while the consolidated dividend on equity ratio (DOE) was 1.5%.

RISO views repurchases of its own shares as a means of distributing earnings. Prior to conducting share repurchases, the Company gives due consideration to stock price levels and market conditions.

Based on this concept, in fiscal 2009 RISO repurchased a total of 572,000 shares from the market for a total repurchase price of ¥665 million.

Also, the Company retired 1,410,000 of its own shares—approximately 5% of the total number of shares issued—in July 2008.

We plan to strategically repurchase and retire our own shares, taking into account the balance of treasury stock and future financing policies.

Information Disclosure Policy

1. Basic Policy

RISO shall adhere to fair information disclosure in accordance with the Financial Instruments and Exchange Law and other relevant laws and regulations as well as with disclosure-related stock exchange regulations.

Even outside of these legal requirements and regulations, the Company strives to proactively disclose information that is deemed useful to enable shareholders and investors to build a better understanding.

2. Information Disclosure Methods

Depending on the type of information, RISO shall disclose information through either the Electronic Disclosure for Investors' Network (EDINET) of the Financial Services Agency (FSA) or the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange (TSE).

In the case of disclosures via TDnet, RISO shall announce information to media organizations through the Kabuto Club, TSE's press club, and then post the information on its Web site.

3. Disclaimer Regarding Forward-Looking Statements

Documents and Web site content published by RISO include performance forecasts, plans, future strategies, goals and other forward-looking statements.

RISO prepares such statements, excluding historical facts, based on information available to it as of the date of their preparation. A myriad risks and uncertainties, including changes in economic and business environments, may cause actual results to differ from these statements.

4. Quiet Period

With the aim of preventing leaks of information relating to its financial results and thereby achieving fair disclosure, RISO defines the period between the day immediately following the closing dates (including those for quarterly and interim periods) and the dates of public announcements as quiet periods. During such periods, the Company shall refrain from making comments and answering questions regarding its financial results.



For Local Communities

RISO will promote reliable corporate activities through the communication with local communities.

Social Contribution Activities

RISO understands the true meaning of being an integral member of the global community. Based on this understanding, the Company provides students with opportunities to learn about environment-friendly printing—an area of expertise for the Company. Through this and other social contribution activities, we aim to help pass on a sound natural environment to future generations.

Environmental Learning Support

RISO views printing as an important form of communication. Using the opportunities provided by its participation and cooperation in environmental education, learning sessions, and seminars at schools, RISO disseminates information relating to environment-friendly printing.

RISO gives presentations about the environment to students and introduces environmental learning tools and educational programs to teachers.

Case 1 Kawasaki Municipal Masugata Junior High School, Kanagawa Prefecture

RISO has cooperated on the environmental education program at Masugata Junior High School since 2004. In fiscal 2009, RISO cooperated on and participated in Masugata Junior High School's energy environmental education workshop and forum held on December 19, 2008.

Following a "printing" theme, which is closely related to RISO's business, the Company gave a presentation to students about the role of printing in effective communication, the natural resources used in printing, and printing with low environmental burden.

In addition, RISO presented a mimeograph—an invention of Thomas Alva Edison—by means of a hands-on session, disseminating the importance of environmental protection.

Case 2 Koshigaya Municipal Obukuro-Higashi Elementary School, Saitama Prefecture

On June 10, 2008, a public environmental event, dubbed Eco Festival, was held at Obukuro-Higashi Elementary School. Twenty organizations and corporations participated in this event.

At the event, RISO made a presentation on the theme of environment-friendly printers and SOYINK, explaining to students and other attendees the difference between petroleum- and soybean oil-based inks in terms of resource consumption as well as the recycling of used ink bottles.

Also, as a hands-on session using RISO SOYINK, we distributed business cards on which each attendee's environmental action plan was printed, as a commemorative item.

Communicating with Local Communities

Recognizing the importance of communication with local communities, RISO proactively conducts community-based social contribution activities.

In Japan, RISO employees visit landowners and neighbors of the Company's plants and other business bases twice a year and hear their complaints and requests. The Company reflects these complaints and comments in its business and other activities in order to effect constant improvements.

Also, as a member of corporate networks in each region where it operates, RISO actively participates in regional cleanup activities and traffic safety campaigns. Through collaboration with other corporations and local communities, the Company is contributing to the improvement of the overall environment in these communities.



Cleanup activities

Donating/Sponsored Activities

To establish a better society RISO makes donations to various organizations that conduct disaster recovery, educational support and environmental preservation activities.

In April, 2008, RISO donated a RISO digital duplicator to commemorate the opening of a Japanese school in Shenzhen, China.

Also, to aid disaster relief efforts for the Szechuan earthquake that occurred in May 2008, RISO had collected a total of ¥4.74 million from its Groupwide employees as of July 16, 2008. The money collected has been donated through the Japanese Red Cross Society, the China Red Cross Society Zhuhai, an educational fund based in Chengdu, Szechuan Province, China and other philanthropic organizations.

In addition to these activities, during fiscal 2009, RISO extended its support to various organizations, including the RISO EDUCATIONAL FOUNDATION (See Note1); a number of educational institutions; an NPO that engages in the distribution of the Midori no Komichi Environment Diary (see Note 2) and the promotion of the Kids' ISO Program (See Note3); and the Tokyo Metropolitan Government.



Donation of a RISO digital duplicator

Note 1: RISO EDUCATIONAL FOUNDATION

Dedicated to establishing heartfelt communication at schools, in households and in local communities, RISO EDUCATIONAL FOUNDATION conducts activities in pursuit of educational methods that foster well-rounded characters as well as better classroom communication.

Major activities include holding the "Sodate Print Communication" contest, promoting printing equipment, as well as research and study regarding printing media.

Note 2: Midori no Komichi Environment Diary

This is an environmental project run by Green Cross Japan. Midori no Komichi Environment Diary notebooks are distributed to elementary school students. The students who receive a notebook keep a diary to help them to proactively learn about the environment. The project aims to make the younger generation act with a clear awareness of environmental protection.

Note 3: Kids' ISO Program

An environmental education program authorized by the International Organization for Standardization (ISO) and promoted by the International Art & Technology Cooperation Organization (ArTech) both in Japan and overseas.

In Japan, Kids' ISO Program is supported by the Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology and the Japanese National Commission for UNESCO. Overseas, it is sponsored by the United Nations University and the UN Environment Program.

The Tokyo Metropolitan Government, which has been promoting the Kids' ISO Program for senior children at elementary school since 2005, offers learning materials that enable students to gain first-hand experience of environmental management and measures against global warming.

Agreeing with the Tokyo Metropolitan Government's idea to promote Kids' ISO Program, RISO makes a donation as a sponsor company.

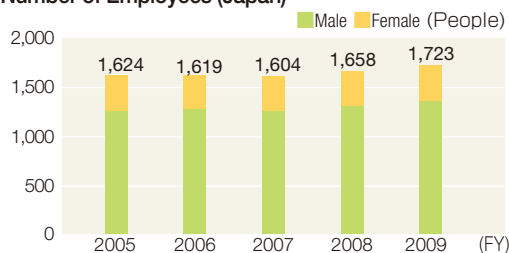
For Employees

Regarding each and every one of RISO employees as an indispensable asset, the Company works to nurture its human resources and maintain employee-friendly workplace environments.

Employment

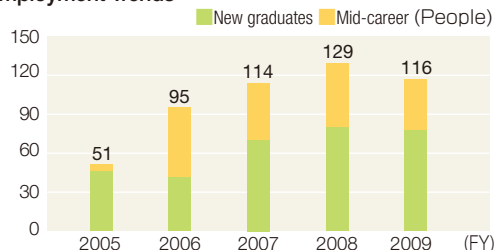
Of RISO's domestic employees in fiscal 2009, 79% were male and 21% female. Remaining in compliance with the Law for Equal Employment Opportunity for Men and Women and other labor-related laws and regulations, RISO is steadfast in the appropriate employment of its employees.

Number of Employees (Japan)



* The data presented in the graph above is based on regular employees, part-time employees, temporary employees and contract employees, including those seconded to sales subsidiaries and expatriates at overseas locations but excluding those who retired as of March 31 of each fiscal year.

Employment Trends



* The data presented in the graph above excludes part-time employees and temporary employees reemployed after their retirement.

Post-Retirement Reemployment System

In cases where retiring employees in good health have attained a certain level of performance and have expressed a desire to continue working after retirement, RISO reemploys them on condition that they agree with the new assignments and working conditions that the Company offers them.

As of March 31, 2009, RISO has reemployed a total of nine retired workers.

Senior Employee Employment System

In April 2007, RISO formulated and began to administer its Senior Professional Contract Employment Guidelines. These guidelines enable the external hiring of people aged between 55 and 64 who possess exceptional skills and experience.

Personnel and Other Systems

Since the introduction of the current ability-based grade system in 1998, RISO has worked to promote the self-development of its employees through objective

management and performance evaluations. Meanwhile, the Company is endeavoring to create workplace environments in which each employee can display his or her capabilities to the full.

Also, RISO has established various leave systems. Under these systems, RISO employees can use their leave for family nursing care.

Childcare Leave System

In 1992, RISO established a childcare leave system, which both male and female employees are entitled to use. In addition, employees with children aged two and younger are eligible to use a short-time working system.

During fiscal 2009, a total of 28 employees used the childcare leave system. These 28 employees collectively used a total of 2,816 leave days under the system. The number of employees using the reduced-hours work system totaled 22 for the same period.

Supporting Child-Rearing Employees

In February 2009, RISO started a program to support employees who are engaged in child-rearing.

Employees taking maternal or child-rearing leave tend to struggle with loneliness, as they are separated from their company and organization.

Some employees try very hard to balance their child-rearing and work responsibilities, often experiencing the new worry of losing a good work-life balance.

In response to situations such as these that are faced by its employees, RISO has created a program for employees who are going through the experience of childbirth or child-rearing. Through this program, such employees can mingle with one and other, providing mutual, psychological support.

Many participants of the program have commented, "Balancing child-rearing and work responsibilities is harder than you think. This program really helps, particularly through the promotion of communication among employees with similar experience."

In-House Awards System

As a development-driven company, RISO established a special incentive system in June 2001 to encourage its employees to be creative and innovative. Under this system, the previous fiscal year is set as the evaluation period. The Company honors employees who have significantly contributed to its performance by presenting prizes in line with internal rules.

In fiscal 2009, 42 awards were given to a total of 132 employees, in recognition of improvement activities on the production frontlines, new product development using innovative ideas and technologies, and marketing activities based on unique know-how.



Education System

In addition to on-the-job training (OJT) provided through daily operations for business skill upgrading, RISO offers its employees a variety of education and training opportunities. These include position- and department-specific education and training as well as age group-specific programs to enable employees to make career and life plans.

Also, by providing e-learning programs aimed at employee self-development, the Company is supporting efficient and effective learning.

In fiscal 2007, RISO established a cash award system for employees who acquire qualifications and certifications. This system is aimed at financially supporting enthusiastic employees and encouraging them to develop and improve their business and other specialized skills.

Based on this system, when an employee acquires a specified qualification or certification, the Company provides a cash award ranging from ¥3,000 to ¥120,000, depending on the type of qualification and certification. During fiscal 2009, RISO presented a total of 140 awards.

Employee Awareness Survey

With the aim of improving employee satisfaction with the Company and facilitating workplace communication, RISO conducts the Employee Awareness Survey every three years.

In fiscal 2009, the third survey was conducted, and approximately 90% of all RISO employees contributed effective responses.

Compared with the past two surveys, employee satisfaction with RISO has generally improved. Of particular note: about 90% of all the respondents commented that they would like to keep working for RISO.

Promotion of Employee Health

Medical Checkups and Mental Health Management

RISO supports employees in their health management by providing opportunities to take general health checkups, lifestyle-related disease checkups and comprehensive medical exams.

Also recognizing the importance of employees' mental health, the Company has conducted mental health surveys and established counseling services.

As both physical and mental health are required to work with vitality, the Company offered its employees the opportunity to receive a mental health checkup during fiscal 2009. More specifically, we provided our employees

with e-learning programs to find out about mental health issues (see Note 1).

These e-learning programs are offered in two versions: one for managerial personnel and the other focusing on mental self-care for general and temporary personnel. A total of 561 employees participated in the program during fiscal 2009.

RISO's Intranet provides a page dedicated to occupational health and safety. The Company uses the page's content to educate its employees and disseminate the importance of the subjects covered.

Occupational Health and Safety

RISO has established an Occupational Health and Safety Committee at each of its production bases. With the committees serving as front-line drivers, the Company is working to prevent accidents and disasters through the maintenance of clean and safe workplaces, the identification and improvement of safety issues and the promotion of voluntary safety activities. (See Note 1.)

During fiscal 2009, 5 industrial accidents occurred at RISO's domestic business bases, representing a year-on-year decrease of 6, for a frequency rate of 1.40 and a severity rate of 0.00 (see Note 3).

During the same period, the number of work-days lost due to industrial accidents at domestic business bases was zero. This figure shows that industrial accidents at RISO are becoming increasingly minor in scale and number.

Note 1: Mental health management

Mental health management involves activities to promote mental health as well as to prevent and treat mental disorders.

Note 2: Voluntary safety activities

Activities to ensure employee safety by addressing risky behavior and other safety issues identified through actual experiences.

Note 3:

• Frequency rate

This rate indicates the frequency of accidents and disasters that have occurred with the number of deaths and injuries per 1 million working hours.

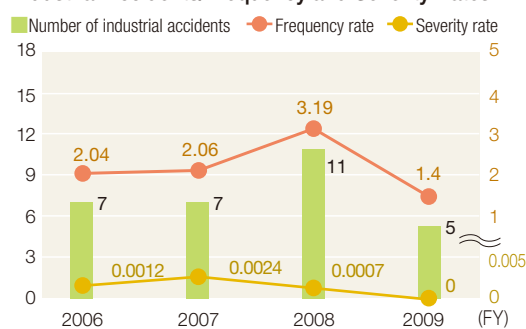
The average frequency rate for principal industries nationwide was 1.75, while that for the manufacturing industry alone was 1.12. (Source: 2008 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare)

• Severity rate

This rate indicates the severity of industrial accidents and disasters with the number of work-days lost per 1,000 working hours.

The average severity rate for principal industries nationwide was 0.10, while that for the manufacturing industry alone was 0.10. (Source: 2008 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare)

Industrial Accidents/Frequency and Severity Rates



Aggregate working hours (hour)



Corporate Governance/Compliance

RISO acknowledges that corporate governance is a key issue for healthy business management.

Corporate Governance

Corporate governance is generally regarded as a management system to maintain healthy and efficient business activities.

Corporate Governance System

RISO adopts a governance system for a corporate auditor governance model company.

Managerial decisions are made based on deliberations at the monthly Board of Directors' meetings and extraordinary Board of Directors' meetings held when necessary.

In addition, business execution status is reported based on the decision-making standards stipulated in the regulations for decision-making procedure.

Decision-making for business execution is conducted in accordance with deliberation at an Executive Committee meeting held twice a month, or by the president, individual directors or general manager depending on the decision-making standards.

The Board of Corporate Auditors is comprised of two standing corporate auditors and two part-time external corporate auditors (two CPAs) for fair and objective auditing.

All corporate auditors shall participate in the Board of Directors' meetings in principle. Together with this, standing corporate auditors shall attend each important in-house meeting, including Executive Committee meetings, to fully audit executive function.

Furthermore, RISO has established an Internal Auditing Department as its internal audit division and implements accounting and business audits for its plants, sales

departments, branches and subsidiaries in accordance with the Internal Audit Regulations.

Internal Control over Financial Reporting

With the aim of maintaining the reliability of its financial reporting in accordance with the stipulations of the Financial Instruments and Exchange Law, RISO self-evaluated its internal control structure in fiscal 2009.

Specifically, in June 2008, RISO's Board of Directors approved the Policies and Plans Concerning Internal Control Self-Evaluation. The scope and procedures of the self-evaluation were in line with these policies and plans.

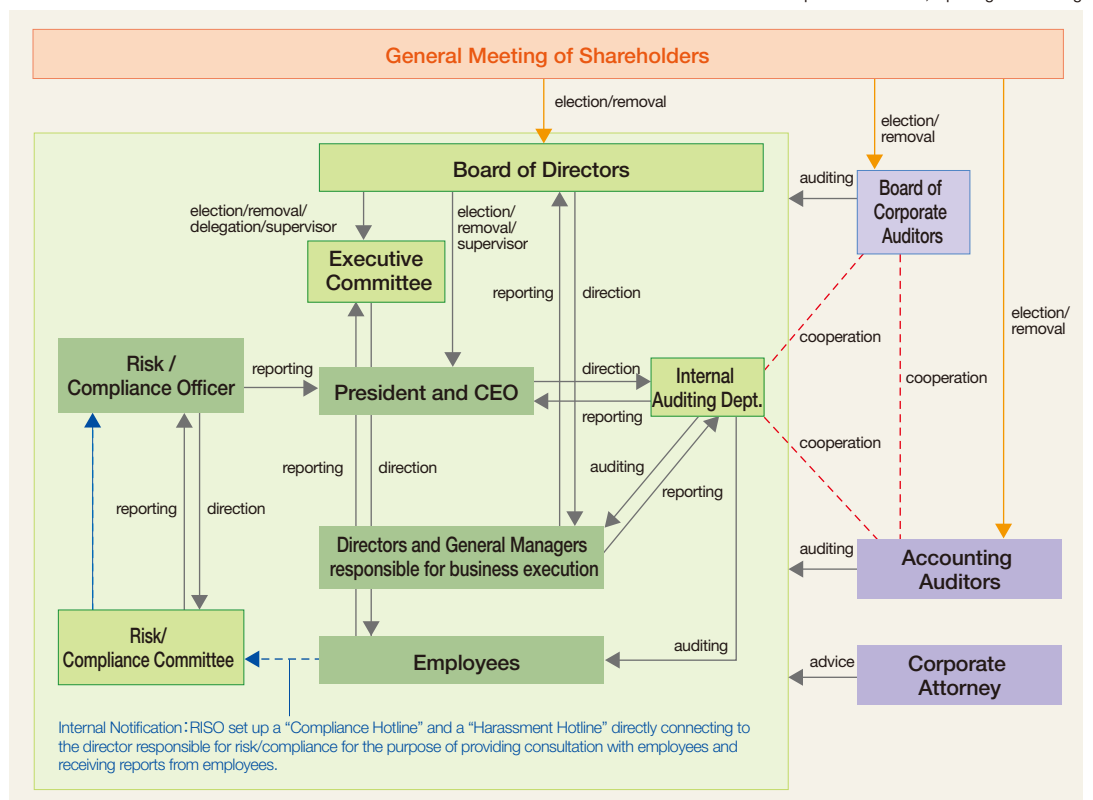
Prior to actual self-evaluation processes, the Company selected internal evaluators from related departments and formed an Internal Control Self-Evaluation Project Team consisting of these evaluators under the direction of the Internal Control Promotion Office.

The Company plans to organize an Internal Control Self-Evaluation Project Team every year as the main promoter of related initiatives.

The results of the self-evaluation showed that there are no significant deficiencies that may have serious impact on the financial reporting of the entire RISO Group (RISO KAGAKU CORPORATION and its affiliates) as of March 31, 2009. Accordingly, RISO has concluded that the internal control over financial reporting at the RISO Group

Corporate Governance Structure

Relationship between RISO's corporate organization and internal control system





has been effective, as of the same date.

Also, the results of the said self-evaluation are audited by the Company's accounting auditor, KPMG AZSA & Co., who also serves as the auditor of RISO's internal control over financial reporting.

RISO disclosed the results of the self-evaluation and external audit in June 2009 through the Japanese publication of a management's report on internal control over financial reporting and through an independent auditor's report on internal control over financial control.

Strict Observance of Compliance

RISO emphasizes compliance as the basis of business management. Specifically, in conducting business activities based on the idea that it is an integral member of society, RISO promotes compliance not only by conforming to laws and Company regulations but also by respecting corporate ethics and morals.

Specifically, based on the "Compliance Management Rules"(See Note 1), the Board of Directors selects a person to be in charge of risk and compliance, and under that person's direction. The Risk/Compliance Committee is established to promote its compliance activities.

In April 2008, RISO revised the wording and content of the "RISO Compliance Guidelines"(See Note 2) and publicized the revisions so that RISO Group employees are able to take compliance action based on a common understanding.

Compliance Education and Training

RISO distributes the Compliance Handbook to all executives and employees so that they can understand and implement the Top Executive Declaration and the RISO Compliance Guidelines.

In addition, a compliance page has been posted on the corporate Intranet that addresses sample compliance cases that could arise within the Company and explains specific points at issue so that appropriate compliance action can be taken by employees.

In addition, in September 2008, the Company conducted an e-learning program for all full-time executives and employees to disseminate the importance of regulating insider trading and to allow them to exercise proper judgment to avoid insider trading.

Risk Management

Recognizing that there are various risks that interfere with Company operations, managing such risks in an integrated and rational manner comprises rigorous compliance, and it is one of management's most important tasks.

Pursuant to the provisions under the Corporation Law,

RISO has instituted "Rules for Managing the Risk of Loss" based on a resolution of its Board of Directors. At the same time, the Company is developing a system for the integrated management of various risks the RISO Group is facing.

With respect to important business and affairs of the Company, including major investments, the divisions that execute operations and related divisions analyze risks associated with their execution of operations, and after studying appropriate risk countermeasures, discuss and make decisions about them at the Executive Committee and Board of Directors' meetings.

Furthermore, the Company established the Risk/Compliance Committee to respond to various risks the RISO Group is facing.

The Risk and Compliance Committee identifies risks while analyzing and evaluating the Company's degree of exposure to those risks in case they arise. Based on this analysis and evaluation, RISO creates a "risk map."

Using this risk map, we identify those risks that would have a major impact on the RISO Group. For any major risks identified, we formulate and implement individual risk management programs. This approach enables us to minimize and avoid risks and to promote integrated risk management.

Specific activities that RISO started in fiscal 2009 in line with these risk management programs include the establishment of a personal information management system and the preparation of manuals for counteractions in the event of earthquakes and other major disasters.

At the same time, at its production sites, RISO has established the Disaster Prevention Committee, headed by the business manager, which is working to prevent environmental pollution and operational disasters.

The Disaster Prevention Committee establishes an annual action plan for sites that are involved in disaster prevention and is working to reduce risk through the implementation of comprehensive disaster training—assuming the outbreak of fires and earthquakes—identification and improvement of unsafe locations and unsafe behavior, maintenance of equipment, drafting accident and emergency response plans and training implementation.

In fiscal 2009, no environment-related accidents or states of emergency occurred.

Information Risk Countermeasures

Information risk is one risk that can have a major impact on business activities. The destruction, alteration or external leak of confidential and personal information held by the RISO Group would cause substantial losses for the Group.

RISO had previously established an Information Management Committee and has taken measures to handle those information-related risks.

Note 1: Compliance Management Rules

Establishes guidelines for promoting compliance

- As the officer bearing ultimate responsibility, the President & CEO declares as his Top Executive Declaration that the Company is working to implement compliance programs, make continuous improvements and maintain compliance.
- Executives and employees are to follow the RISO Compliance Guidelines.
- Implementation of compliance programs and an organizational structure that includes a director, in charge of risk management and compliance issues, and a committee, for performing constant improvements.
- Compliance program includes an action plan, compliance education, compliance internal audits and compliance assessment.
- Internal reporting ("Compliance Hotline" and "Harassment Hotline") system.

Note 2: RISO Compliance Guidelines

Establishes 27 action guidelines that employees must follow. Furthermore, if you are unable to decide whether a behavior is proper or not in light of the Compliance Action Guidelines, ask yourself the following five questions.

- Is "that behavior" in line with RISO policy?
- What would you think if another person displayed "that behavior"?
- Would your family or friends be ashamed if they knew about "that behavior"?
- How would it reflect on you if "that behavior" appeared in a newspaper story?
- Deep down in your heart, do you consider "that behavior" to be improper?

Environmental Burden

Scope of Calculation: The table of "Input/Output by Operational Process" on page 35.

Subject of Calculation: Japan

Energy consumption and resultant CO₂ emissions, water consumption and wastewater discharge, and waste generation in the process of product development, designing, and production.

INPUT

	FY08	FY09	Change from FY08 (%)
Breakdown of energy consumption			
Electricity (10,000 kWh/yr)	902	863	96
LPG (t/yr)	62	63	102
Bunker A (kl/yr)	155	150	97
Gasoline (kl/yr)	538	542	101
(Volume of contracted transport (10,000 tkm))	1,305	1,221	94
Water consumption (m ³)	40,551	36,580	90
Metal (t)	2,319	2,447	106
Plastic (t)	1,651	1,537	93
Glass (t)	39	29	74
Paper (t)	3,170	2,860	90
Other (t)	4,404	4,184	95
Subtotal	52,134	47,637	91
PRTR substances (t)	2.6	2.3	88
Volume recovered (t)	2,443	2,573	105

OUTPUT

	FY08	FY09	Change from FY08 (%)
CO₂ emissions (t-CO ₂ /yr)	9,070	8,851	98
Electricity (t-CO ₂ /yr)	5,007	4,790	96
LPG (t-CO ₂ /yr)	186	189	102
Bunker A (t-CO ₂ /yr)	420	407	97
Gasoline (t-CO ₂ /yr)	1,248	1,257	101
(Volume of contracted transport (t-CO ₂ /yr))	2,209	2,208	100
Water drainage (m ³)	27,360	24,635	90
Steam, water, etc. emissions (m ³)	8,300	7,436	90
Products⁵ (t)	16,474	15,566	94
Subtotal	52,134	47,637	91
PRTR substance emissions into the air (kg)	12	35	292
PRTR substance emissions into the water (kg)	0	0	—
PRTR substance emissions into the soil (kg)	2	3	150
PRTR substances transferred as waste (kg)	36	15	42
Waste generation¹ (t)	3,670	3,854	105
Volume transferred to recycling processes ⁷ (t)	439	348	79
Volume recycled ² (t)	3,007	3,396	113
Other ³ (t)	81	41	51
Final disposal (landfill) ⁴ (t)	143	69	48

CO₂ emissions calculation

In the conversion of energy consumption into greenhouse gas (CO₂) emissions, RISO uses the following conversion factors defined under Article 3 of the Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised March 24, 2006).

Electricity: 0.555 kgCO₂/kWh; gasoline: 2.32 kgCO₂/l; Bunker A: 2.71 kgCO₂/l; LPG: 3.00 kgCO₂/kg

FY09 Environmental Performance

RISO accelerated efforts to recover used RISO products during fiscal 2009. As a result, the volume of used products recovered during the period increased 5% from fiscal 2008.

RISO also stepped up efforts to recycle used RISO products. As a result, the volume of used products recycled increased 389 tons year on year, and the final waste disposal for landfill decreased 52% year on year.

CO₂ emissions decreased 219 tons from fiscal 2008, attributable to bolstered energy-saving initiatives and production cutbacks.

Looking ahead, RISO will continue to promote initiatives aimed at reducing the environmental burden of its overall activities. In doing so, the Company, as a manufacturer of digital printers and duplicators, recognizes that it is important to enhance environmental considerations in its products and to increase the recycling rate through product recovery, material reuse and recycling, as well as to reduce landfill waste volume.

* RISO excluded fuel consumption by company vehicles from data calculation for the "Development and Designing" and "Production" categories in the table, "Input/Output by Operational Process," on page 35. Therefore, the figures for these categories do not add up to the figures of CO₂ emissions per unit of net sales, which include fuel consumption by company vehicles and are set as Companywide environmental goals.

Input/Output by Operational Process

Operational Process	INPUT				OUTPUT			
		FY08	FY09	Change from FY08 (%)		FY08	FY09	Change from FY08 (%)
Development and Designing Scope of Calculation R&D Technology Center (at Tsukuba Works) K&I Development Center (at Wakaguri R&D Site) S&A Development Center (in Tokuei Building) * The volumes of water consumption and wastewater cannot be calculated separately for the R&D Technology Center. These volumes are included in the total figure for Tsukuba Works provided in the "Production" section below.	Energy consumption and CO ₂ emissions at the product development stage							
	Breakdown of energy consumption				CO ₂ emissions (t-CO ₂ /yr)			
	Electricity (10,000 kWh/yr)	250	241	96	Electricity (t-CO ₂ /yr)	1,409	1,350	96
	LPG (t/yr)	7	4	57	LPG (t-CO ₂ /yr)	21	12	57
	Water consumption (m ³)	2,640	3,136	119	Water drainage (m ³)	2,640	3,136	119
					Waste generation ^{*1} (t)	99	153	155
					Volume recycled ^{*2} (t)	92	149	162
					Other ^{*3} (t)	6	1	17
					Final disposal (landfill) ^{*4} (t)	1	3	300
	Production Scope of Calculation Tsukuba Works (excluding R&D Technology Center), Ube Works, Kasumigaura Works	Volume of raw materials used, energy consumption, CO ₂ emissions and waste generation in the process of major product ^{*5} manufacturing						
Breakdown of energy consumption				CO ₂ emissions (t-CO ₂ /yr)				
Electricity (10,000 kWh/yr)		652	622	95	Electricity (10,000 kWh/yr)	4,204	4,036	96
LPG (t/yr)		55	59	107	LPG (t/yr)	3,619	3,452	95
Bunker A (kl/yr)		155	150	97	LPG (t/yr)	165	177	107
Bunker A (kl/yr)		155	150	97	Bunker A (kl/yr)	420	407	97
Water consumption (m ³)		37,911	33,444	88	Water drainage (m ³)	24,720	21,499	87
Metal (t)		2,319	2,447	106	Steam, water, etc. emissions (m ³)	8,300	7,436	90
Plastic (t)		1,651	1,537	93	Products ^{*5} (t)	16,474	15,566	94
Glass (t)		39	29	74				
Paper (t)		3,170	2,860	90				
Other (t)		4,404	4,184	95				
Subtotal		49,494	44,501	90	Subtotal	49,494	44,501	90
PRTR substances (t)		2.6	2.3	88	PRTR substance emissions into the air (kg)	12	35	292
					PRTR substance emissions into the water (kg)	0	0	—
					PRTR substance emissions into the soil (kg)	2	3	150
					PRTR substances transferred as waste (kg)	36	15	42
				Waste generation ^{*1} (t)	1,128	1,128	100	
				Volume recycled ^{*2} (t)	1,023	1,080	106	
				Other ^{*3} (t)	75	40	53	
				Final disposal (landfill) ^{*4} (t)	30	8	27	
Sales Scope of Calculation Domestic branches and subsidiaries	Fuel consumption and CO ₂ emissions of vehicles used for sales and maintenance service activities for customers							
	Breakdown of energy consumption				CO ₂ emissions (t-CO ₂ /yr)			
	Gasoline (kl/yr)	538	542	101	Gasoline (t-CO ₂ /yr)	1,248	1,257	101
	Volume of contracted transport ^{*6} (Volume of contracted transport (10,000 t·km))	1,305	1,221	94	(Volume of contracted transport (t-CO ₂ /yr))	2,209	2,208	100
Recovery, Reuse and Recycling Scope of Calculation Used products in Japan	Volumes of used products' recovery, reuse and recycling Though RISO is promoting the effective use of recovered products, a part of such recovered products goes for landfill disposal.							
	Volume recovered (t)	2,443	2,573	105	Waste generation ^{*1} (t)	2,443	2,573	105
					Volume transferred to recycling processes ^{*7} (t)	439	348	79
					Volume recycled ^{*2} (t)	1,892	2,167	115
					Other ^{*3} (t)	0	0	—
					Final disposal (landfill) ^{*4} (t)	112	58	52

*1 Waste generation : RISO considers all unwanted substances generated from its operational processes, including valuable resources and resources to be recycled or reused, as wastes.

*2 Volume recycled : Total volume of materials for recycling and thermal recycling, including valuable resources. The volume to be reused in operational processes is excluded.

*3 Other : The volume of materials for recycling and gas emissions from incineration.

*4 Final disposal (landfill) : The volume to be disposed of in landfill sites, which includes residues and incinerated ash from intermediate process recycling.

*5 Major products: ComColor high-speed color printers, RISO digital duplicators, and inks, masters and other supply products for ComColor and RISO digital duplicators.

*6 Volume of contracted transport using external carriers: Volume of contracted transport (for delivery, procurement, recovery, etc.) of products, parts, used products and waste.

*7 Volume transferred to recycling processes : The amount of recycled materials to be reused as raw materials in operational processes.

Environmental Accounting

Environmental Accounting Report

Term: Fiscal 2009 (April 1, 2008 to March 31, 2009)

Scope of Calculation: Scope of calculation: All of RISO KAGAKU CORPORATION's domestic sites (Tsukuba Works, Kasumigaura Works, Ube Works, R&D Technology Center, Wakaguri R&D Site, Narashino Service Center, Head Office and domestic sales branches)
For RISO's sales network, "resource conservation and recycling" as well as "EMS establishment and maintenance activities" are in the scope of calculation.

(Thousands of yen)

Activities	Classification	Environmental Protection Activities	Investment	Cost	Economic Effect	Actions
Global Warming Prevention Measure	•Reduction of fuel consumption •Reduction of electricity consumption	•Modal shifting •Introduction of energy-saving equipment	145	0	3,163	•CO ₂ Reduction during transportation •Reduction of electricity consumption
Promotion of Resource Conservation and Recycling	•Recycling of used products •Recycling of wastes •Safe disposal of wastes	•Recovery and recycling of used products •Separation and recycling of wastes	3,250	478,028	395,995	•Cost reduction through reuse •Improvement of resource recovery ratio
Environmental Communication	•Publication of product environmental data •Publication of environmental activities	•Acquisition of environmental label certification •Publication of the environmental report •Participation in events and exhibitions	0	26,522	0	•Acquisition of certifications under the Eco Mark Program •Participation in Eco-Products Exhibition
Green Areas	•Clean-up and maintenance of green areas	•Clean-up and maintenance of green areas	0	7,271	0	
Observation of laws (pollution control, environmental pollution control)	•Observation of laws (water, the atmosphere)	•Wastewater control •Gas emissions control •Inspection and maintenance of facilities	0	14,405	0	
Green Procurement	•Collection of data relating to raw materials and components and registration of such data on the green lists		0	2,552	0	•Establishment of Environmental Information System for raw materials and components.
EMS establishment and maintenance activities	•ISO •Investigation of the latest laws and regulations	•Acquisition and maintenance of ISO 14001 certification •Check of the latest laws and regulations	0	11,773	0	•Maintenance of the validity of ISO 14001 certification
Total			3,395	540,551	399,158	

Calculation Method and Idea

Our calculations of the environmental protection costs and the economic effects are basically done in accordance with the "Environmental Account Guidebook (2005)" of the Ministry of the Environment. However, the classification of costs is modified to our own standard. Also, expenses related to environmental protection costs do not include depreciation. The economic effects are based on income and cost decrease, both of which are considered to be actual effects (as they are calculated using actual figures), and not on presumed or estimated effects.

Ideally, the environmental protection costs relating to environment-friendly design should be listed in the chart above. However, due to the difficulty in accurately classifying such costs, they are not listed here.

Concerning Economic Effects

* The economic effects in connection with recycled products have also been calculated since fiscal 2007.

Environmental Accounting Results for fiscal 2009 and the Past Three Years

RISO reduced its environmental protection costs in fiscal 2009, in comparison with fiscal 2008.

The breakdown by activity category does not show significant year-on-year change. Of particular note, however, is the fact that the volume of material reused, which provides a substantial economic effect, has declined in the recycling of used products. This situation has resulted in a decrease in the economic effect relating to resource conservation and recycling.

Meanwhile, costs associated with EMS establishment and maintenance activities increased year on year, primarily attributable to the acquisition of the ISO 14001 certification by a RISO plant in China.

The costs and economic effects in each activity category and classification tend to change every fiscal year. A good example of this would be the costs for global warming prevention measures—an activity category in which facility investments in one year often eliminate the need for additional investments for the following few years. By accurately grasping the amount of investments, costs and economic effects in each fiscal year, we will continue to implement effective environmental protection activities.

Status of Environmental Accounting

(Comparison of figures excluding development costs such as environmental design for products) (Thousands of yen)

	FY2007	FY2008	FY2009
Costs (investment + actual costs)	543,675	548,094	540,551
Economic effect	559,270	508,369	399,158
Economic effect ratio (%)	103	93	74

Breakdown of Costs (Investment + Actual Costs)

(Thousands of yen)

	FY2007	FY2008	FY2009
Global Warming Prevention Measure	7,787	8,007	145
Promotion of Resource Conservation and Recycling	479,047	484,103	481,278
Environmental Communication	18,470	28,379	26,522
Green Areas	7,285	6,903	7,271
Observation of laws	19,654	11,934	14,405
Green Procurement	2,240	3,278	2,552
EMS establishment and maintenance activities	9,192	5,486	11,773

Breakdown of Economic Effect

(Thousands of yen)

	FY2007	FY2008	FY2009
Global Warming Prevention Measure	6,461	2,110	3,163
Promotion of Resource Conservation and Recycling	552,809	506,259	395,995

Environmental communication and four other categorized activities do not have economic effects.

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.

For the "Sustainability Report 2008," the Company used TÜV Rheinland Japan Ltd., the same evaluator that conducted the third-party evaluation of the "Sustainability Report 2007."

Third party verification report regarding the "Riso Kagaku Corporation Sustainability Report 2009"

To Riso Kagaku Corporation
Mr. Akira Hayama, President



19th June, 2009
TUV Rheinland Japan Ltd.
Ralf Wilde, President



1. Scope, purpose and subject of verification

Riso Kagaku Corporation (hereinafter referred to as the organization) has prepared the "Riso Kagaku Corporation Sustainability Report 2009." TÜV Rheinland Japan Ltd. (hereinafter referred to as the verification body) has been commissioned as an independent third party to implement a specific and agreed-upon verification process with the purpose to confirm:

Rational calculation methods and the reliability of environmental reporting, performance and accounting information as well as the validity of statement.

Completeness of disclosure for significant environmental issues. The purpose of this verification is to report the results including a verification opinion.

Verification process

The following verification process has been performed based on the agreement with the organization.

- (1) Outline of environmental management: to understand and consider the organization's situation, overall condition of operation, and to select data items.
- (2) Process of data collection, calculation and reporting: basic information pertaining to environmental performance indicators and environmental accounting indicators, the data collection process and the calculation method were examined.
- (3) Accuracy of data: for the environmental performance indicators and the environmental accounting indicators, the accuracy of data and reliability of calculations have been assessed by comparing selected data with basic information, and confirming their consistency.
- (4) Correctness of reported information, Completeness of significant issues: information indicated in the report has been confirmed by interviews with responsible persons, on-site visit and comparison between internal and external information.

Our verification process includes on-site audits of the ISO14001 and ISO9001 management system, document verification of the organization's draft report, on-site verification of the reporting issues, confirmation of the organization's final draft after implemented corrective actions. The detail of our verification process including our corrective action requests, implemented corrective action by the organization, and reporting is disclosed in our home page at <http://www.tuv.com/>.

As the result of above-mentioned processes, the verification body judged that it had obtained reasonable information to conclude. Ministry of Environment's "Environmental Reporting Guidelines, and Environmental Reporting Standard," and GRI's "Sustainability Reporting Guideline" were considered during the verification process however, the statement does not imply certification or compliance with these guidelines.

2. Conclusion

The verification process has been performed as planned, and it was confirmed that corrective action requested during the verification has been properly implemented. As a result, the audit team concludes that the "Riso Kagaku Corporation Sustainability Report 2009" covers and correctly indicates important environmental information and that data processing and reporting are appropriately implemented based on the Ministry of Environment's "Environmental Reporting Guidelines."

3. Verification opinion

[General evaluation]

Disclosure level of the organization's env. sustainability has been considerably enhanced compared to that in the initial third party verification performed years ago. Great observation is that the organization has shifted to its editorial policy based on the "Six pillars of its Env. Principles" in the report 2009. Further improvement is expected in addition to the success of the shift.

Although the flow of environmental activities in accordance with processes, under the previous editorial policy, was clear to understand, there is an expectation the organization expresses its determination of promoting its initiatives more concretely by disseminating its basic policy of environmental activities, "Environmental Principles," and by disclosing detailed environmental activities to general public to understand more easily.

The verifier confirms its enthusiasm causing more concrete activities and respects the organization's sincere attitude towards "accountability."

[Environment related activities]

It is highly thought the organization has set higher targets for items in environmental management, disclosed the results even if it failed to achieve, and cause investigation and initiatives for improvement.

Many challenges to be addressed came to light. This means, however, the maturity level of the organization's environmental management has become even higher. It is expected that the organization is to be confident and proud of initiatives that it has been working on and to make further progress in following points.

1. Progress to include initiatives in overseas more in the report. Ex.) Calculation and disclosure of environmental load in non-production overseas sites.
2. Progress to carry out environmental activities and to explain those activities in sales.
3. Progress of interactive communication with stakeholders by proactively responding to voices from customers, business partners and employees, and to comments and improvement requests from returned questionnaires and to nonconformities raised in the third party verification.

[Social related activities]

It is expected that same as articles of interactive communication with stakeholders regarding products considered environment, the organization is to enrich "the perspective of customer satisfaction" and "the perspective of employee satisfaction" in the report.

Disclosing detailed information on communication with customers and employees as one example of CSR management is expected since initiatives related to communication have been steadily taken.

Consideration for stakeholders is evident by modifying the corporate governance structure chart and the like, to be easy to understand, in terms of compliance management. Thus, positive attitude towards information disclosure came to be observed.

With the governance system being organized, it is expected the system is to be more effective and management is to be highly transparent based on compliance, eventually the organization is to continuously gain trust from various fields.

[Environmental accounting]

The efforts of the organization to disclose expenditures (investments + expenses) and the trend of economic effects over the years as environmental accounting data are appreciated. The organization has been utilizing such data to make decisions to develop internal functions of the environmental accounting, which is appreciated and can be regarded as one example of utilizing the environmental accounting. As knowledge and experience has reached up to the level where the organization can make it work effectively in overseas sites, it is expected the organization proactively utilizes the environmental accounting.

Furthermore, accounting standards such as "accounting for asset retirement obligations" enforced in April 2010 are issued to reflect financial statements by converting environmental risks into numerical values, which influences the financial accounting. It is expected the organization will establish effective processes and work on issues while taking into account its past experiences.

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