

Sustainability Report
2013



The Quest for “RISO”

Our Name Means “Ideals”

In September 1946, a 22-year-old man erected the “RISO” company sign with nothing more in his possession than a single mimeograph machine. This young man was RISO founder Noboru Hayama. With Japan in chaos and people struggling to feed themselves, Hayama began business determined to achieve his ideals, or “riso” in Japanese. “People should not lose their ideals because then there would be no future for Japan as a nation. Thus, we must always pursue our ideals to ensure the future.” Ever since, based on its development philosophy to “Create fundamentally unique products,” RISO has continued to come out with products that make printing more user-friendly and convenient.



Corporate Data (As of March 31, 2013)

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
Financial results (consolidated basis)	Net sales: ¥75,455 million Net income: ¥4,827 million (Fiscal year ended March 31, 2013)
Number of employees	3,586 (RISO Group)
Subsidiaries	25 companies (domestic: 2; overseas: 23)

Principal Businesses

RISO's principal businesses include the development, production, sale and maintenance of high-speed color printers based on highly functional inkjet technologies, and digital duplicators based on stencil printing technologies. We use our proprietary technologies to offer revolutionary print-work solutions.

Guidelines Used for Reference

- GRI “Sustainability Reporting Guidelines (2006)”
- Ministry of the Environment “Environmental Reporting Guidelines 2012”

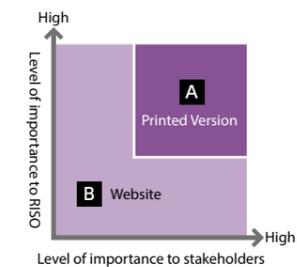
Editorial Policy

Since the issue of our first Environmental Report in 2004, RISO has published regular reports on its environmental protection activities. As part of a larger initiative to communicate in an easy-to-understand manner how the Company's relationships with the environment and society are reflected in its management, the title was changed to Sustainability Report in 2006. In this year's report, we have included a special section on the improvements to environmental- and user-friendliness offered by our new ComColor series line of products, as well as information on activities by Group subsidiaries outside of Japan. Additionally, in order to familiarize new readers with operations at RISO KAGAKU, we have included coverage on our approach to environmental conservation organized according to the flow of corporate activities, such as development, production and logistics. As with past reports, color universal design standards were incorporated into the production of the report to ensure readability and comprehensibility. We have striven to keep the content of this booklet as simple as possible. For more detailed information, please visit our website (<http://www.riso.co.jp/english/>).

Printed and Website Versions of Report

This report comprises a printed version and a website.

- A** The content of the printed version (this booklet) is aimed at all of RISO's stakeholders.
- B** In addition to the content of the printed version (this booklet), the website contains detailed information in the form of a Data Book (Japanese only).



Other Communication Tools

Website, Corporate Profile, PR magazine, Annual Review, securities/internal controls reports, financial results

Scope

This report covers all Japanese domestic worksites and sales facilities of RISO KAGAKU CORPORATION and RISO OKINAWA CORPORATION. For overseas operations, this report covers environmental burden data at manufacturing worksites of the RISO Group as well as certain power, fuel (including Company-owned vehicle fuel), and water consumption at non-manufacturing worksites.

Note: Detailed information about the report's scope can be found in the “Facts” section.

Period Covered

This report covers fiscal 2013 (the fiscal year from April 1, 2012 to March 31, 2013).

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

Japanese Publication Date

July 2013

Note: RISO plans to issue its next report in July 2014.

Major Changes during the Fiscal Year

- Our manufacturing subsidiary in Thailand went into operation from April 2012. Additionally, a consolidated subsidiary was established in Shenzhen, China, switching over from consignment to in-house production, with production commencing in July.
- From July 2012 we began introducing returnable pallets for shipping of our ComColor series full color ink jet printers in Japan.
- In early 2013 we commenced sales of our new ComColor series full color ink jet printer line.

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

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

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

To embody this philosophy, in January we released our new series of ORPHIS (Japanese equivalent of the ComColor), full color ink jet printers in Japan. Our third-generation ORPHIS EX series, in addition to the characteristic high-speed and cost-saving features of previous models, the ORPHIS EX series, the new ComColor series also features increased expandabilities, for a lineup offering customers more utility than ever before. The series also offers greater energy saving than previous models, and helps to reduce resource consumption through compatibility with light-weight papers.

As a development-driven company, we will continue to strive to create environmentally friendly products that will be welcomed in countries and regions throughout the world. We will also strive to reduce environmental impact from our operations, not only at our plants, but across all stages of business.

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

July 2013

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

RISO Environmental Charter

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

RISO Environmental Protection Principles

1. Development of Environment-Friendly Products

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

2. Resource and Energy Saving

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

3. Local Environmental Protection

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

4. Global Arrangements

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

5. Continual Improvement

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

6. Environmental Education and Information Disclosure

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

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

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

Akira Hayama
President and C.E.O.

Milestones in RISO's Environmental Protection Activities

- 1992** ● Established Environmental Committee.
● Commenced ink bottle collection and thermal recycling.
- 1998** ● Established Recycle Center.
- 2000** ● Tsukuba Works obtained ISO 14001 certification.
- 2001** ● Launched RISO SOYINK.
- 2004** ● RISO publishes its first Environmental Report.
- 2005** ● RISO RZ series digital duplicators obtain Eco Mark environmental label.
- 2006** ● Obtained company-wide single registration of ISO 14001 certification at domestic business sites.
RISO Group Environmental Objectives and Targets established.
- 2008** ● ORPHIS X Series (Japanese equivalent of the ComColor series) obtained the Eco Mark environmental label.
Achieved conformance to International Energy Star.
Registered as compliant with Law on Promoting Green Purchasing.
● RISO publishes its first Environmental Report in English.
- 2010** ● RISOGRAPH SD series (Japanese models) obtained the Eco Mark environmental label.
Achieved conformance to International Energy Star.
Registered as compliant with Law on Promoting Green Purchasing.

ISO 14001 Certification

In recognition of sustained implementation of environmental conservation measures across all business operations, in December 2006 RISO KAGAKU acquired company-wide ISO 14001 environmental management certification. Four out of five overseas Group company production sites have also acquired certification.



Main Products

ComColor Full Color Ink Jet Printers

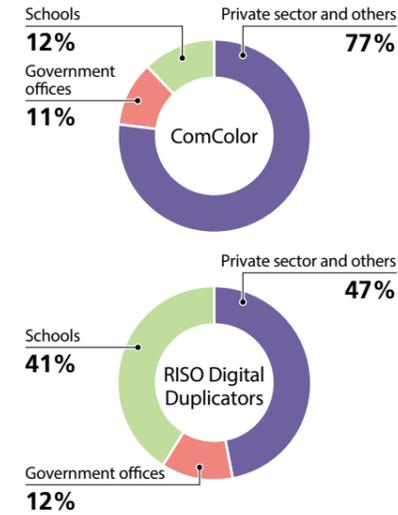
Ink jet printers for business use, capable of high-speed printing of multi-page color documents at low running costs.



RISO Digital Duplicators

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

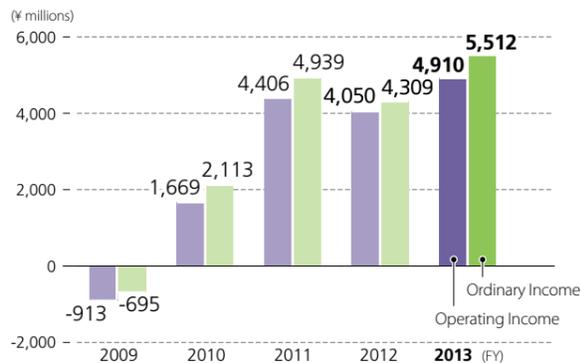
Japan Sales Breakdown by End Users (FY2013)



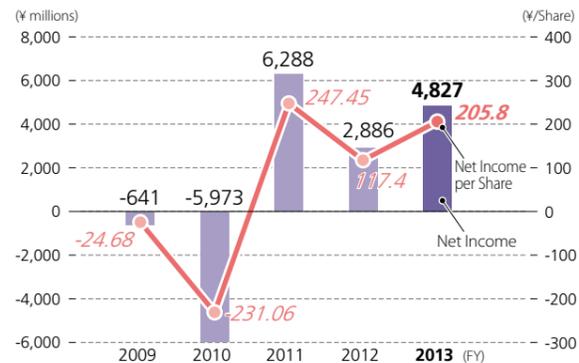
Facts and Figures

Note: Amounts less than the unit expressed are omitted.

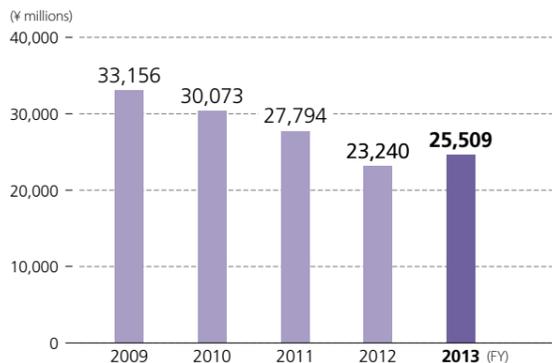
Operating Income / Ordinary Income (Consolidated Basis)



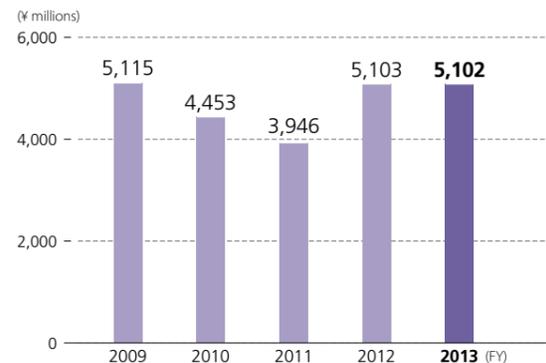
Net Income / Net Income per Share (Consolidated Basis)



Production Output (Cost of Goods Manufactured for Period under Review)^{*1} (Non-Consolidated Basis)^{*2}

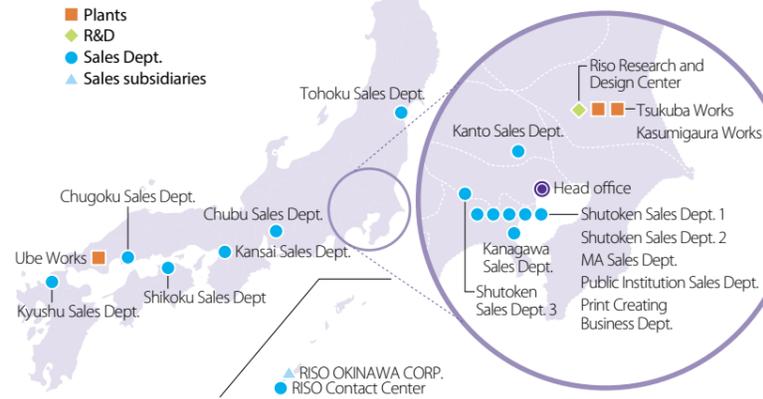


R&D Expenditure (Consolidated Basis)

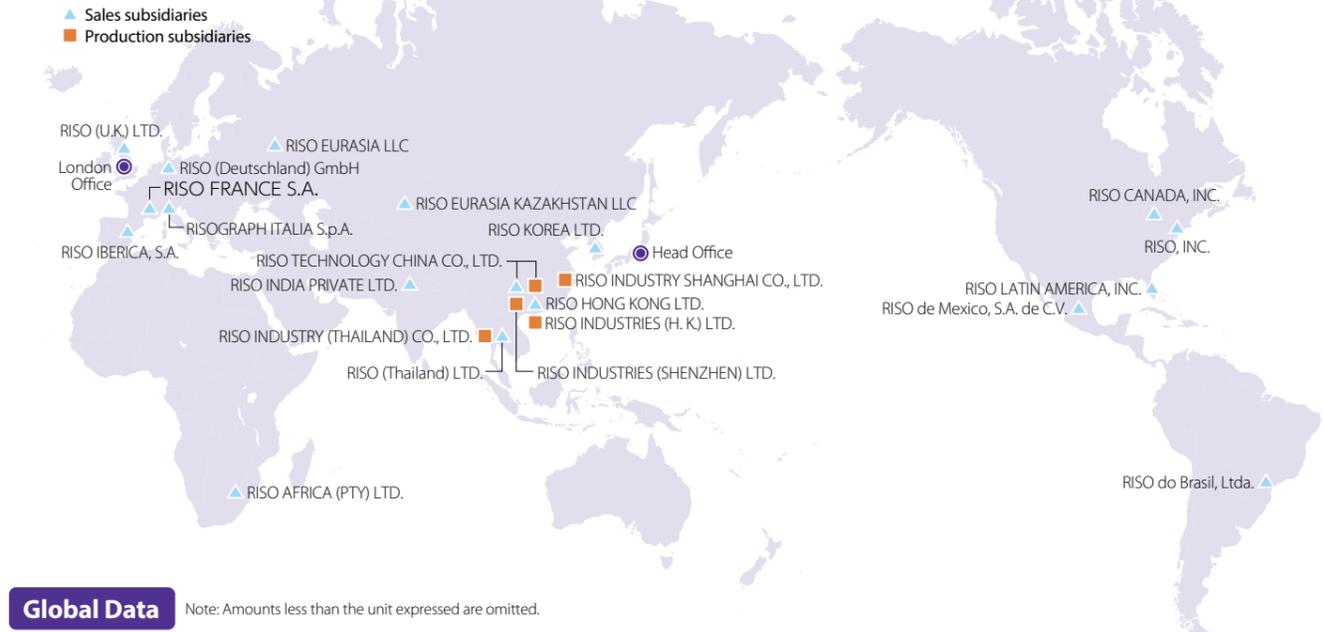


Worldwide Facilities (as of June 25, 2013)

Domestic facilities



Overseas facilities



Note: Riso Research and Design Center was established in June 2013 through the integration of four research and development locations (K&I Development Center, S&A Tsukuba Site, the Kasumigaura Annex, and the R&D Technology Center).

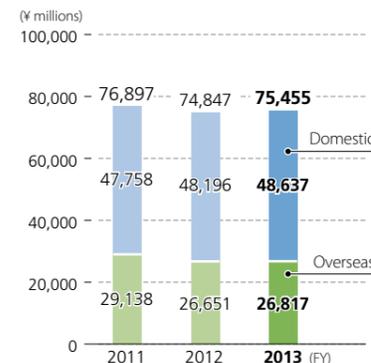
Branches		
Sapporo Branch	Shibuya Branch	Osaka Branch
Sendai Branch	Hachioji Branch	Higashi-Osaka Branch
Koriyama Branch	Mitaka Branch	Sakai Branch
Saitama Branch	Machida Branch	Nara Branch
Kumagaya Branch	Tachikawa Branch	Kyoto Branch
Tokorozawa Branch	Yokohama Branch	Kobe Branch
Tsukuba Branch	Yokohama-Konan Branch	Takamatsu Branch
Niigata Branch	Kawasaki Branch	Hiroshima Branch
Maebashi Branch	Atsugi Branch	Okayama Branch
Nihonbashi Branch	Nagoya Branch	Fukuoka Branch
Asakusa Branch	Mikawa Branch	Kitakyushu Branch
Mita Branch	Shizuoka Branch	Kumamoto Branch
Chiba Branch	Hamamatsu Branch	Kagoshima Branch
Funabashi Branch	Gifu Branch	
Matsudo Branch	Kanazawa Branch	
Shinjuku Branch	Mie Branch	
Ikebukuro Branch	Kita-Osaka Branch	

Sales subsidiaries	
	RISO OKINAWA CORP.

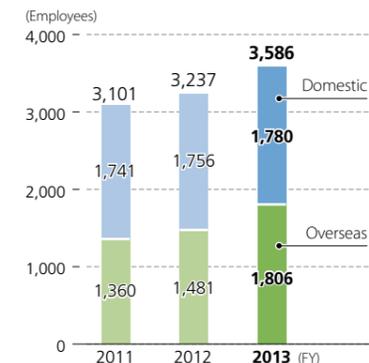
Global Data

Note: Amounts less than the unit expressed are omitted.

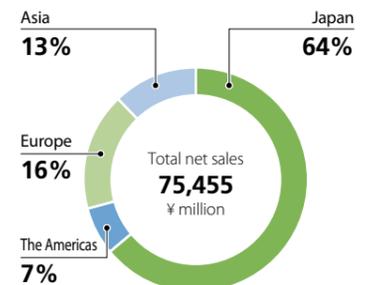
Net Sales (Consolidated Basis)



Number of Employees at Year-End (Group)



Sales by Region (FY2013)

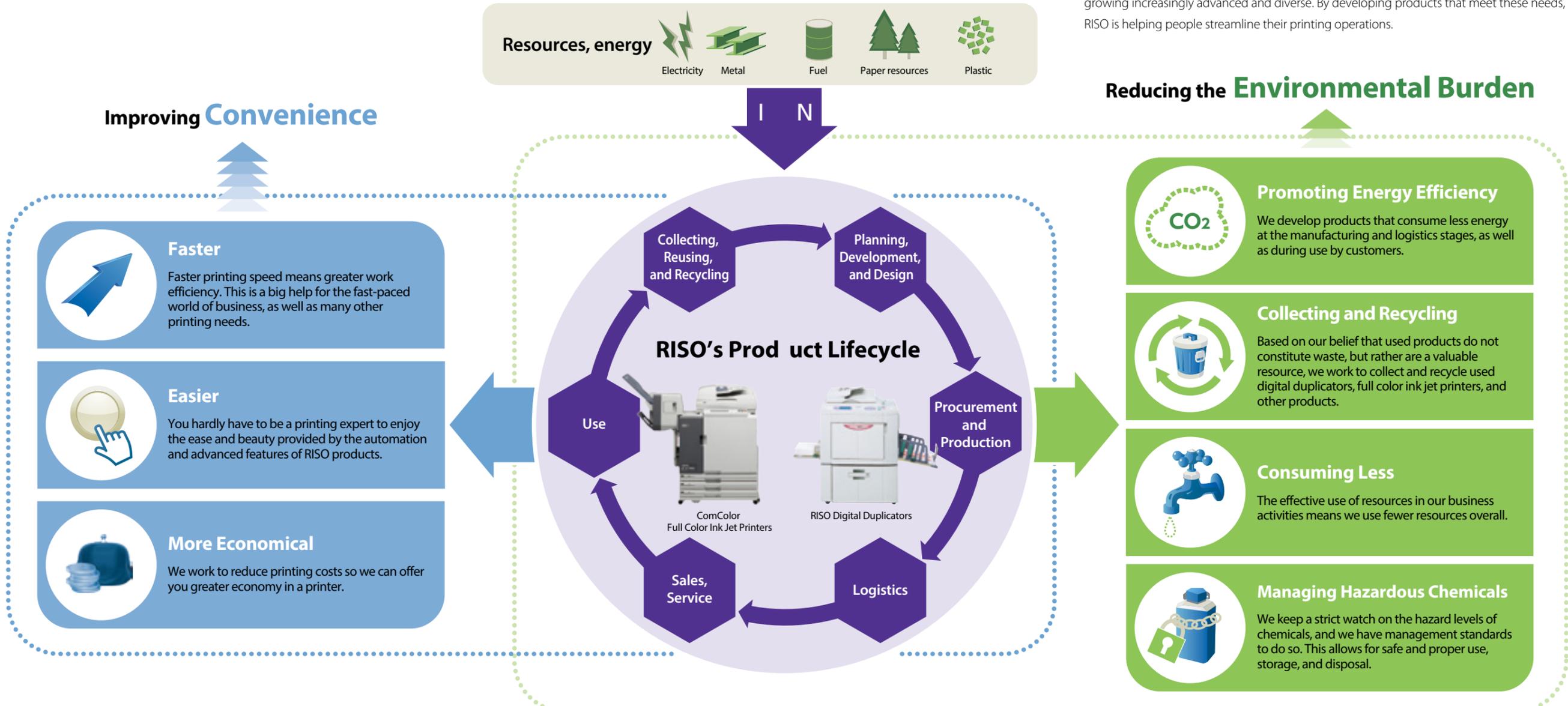


*1 Production output (cost of goods manufactured): The cost of goods manufactured is provided as a measure of production output.
*2 Non-consolidated basis: Figures exclude subsidiaries and affiliates.

Improving Convenience while Reducing the Environmental Burden

Developing products that streamline printing operations while reducing the environmental burden throughout the entire lifecycle.

Faster, easier, and more economical, as well as environment-friendly—printing needs are growing increasingly advanced and diverse. By developing products that meet these needs, RISO is helping people streamline their printing operations.



Full Color Ink Jet Printer New ComColor Series

Released early 2013, the new ComColor series offers improved environmental- and user-friendliness.

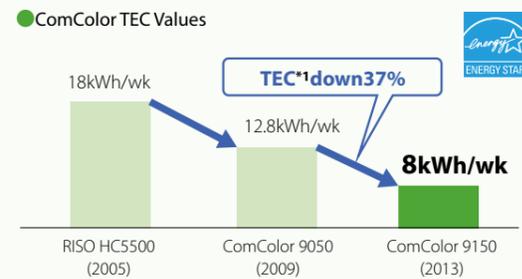


Environmentally Friendly

Energy and Resources

Weekly energy use down 37%

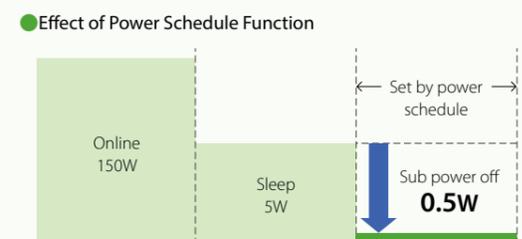
The ComColor series offers greatly reduced TEC^{*1} (printer energy consumption) values.



*1 TEC value: Typical weekly energy consumption value (regular operation and sleep/off: 5 days/wk + sleep/off: 2 days/wk).

Greater Energy Saving through Power Schedule Function

The power schedule function, configurable by day and time, automatically switches sub power on or off to reduce power consumption to under 0.5W during downtime.

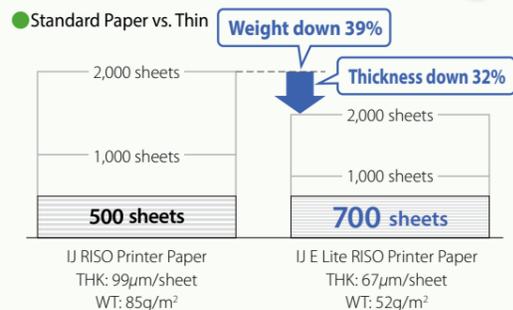


Save Resources with Thinner Light-weight Paper

The ComColor series is compatible with thin light-weight paper, for reduced document storage space and less energy consumption due to shipping.



IJ E Lite RISO Printer Paper (only sold in Japan)



User Friendliness

A Range of Features for In-house Printing

Efficient High-volume Printing

High Capacity Feeder/Stacker

The High Capacity Feeder/Stacker can handle up to 4,000 pages at once, reducing the hassle of supplying paper during large print jobs.



Automated Printing, Folding, Insertion and Sealing

Wrapping Envelope Finisher

One-stop handling from printing to insertion and sealing of letters and direct mailings, eliminating time-consuming manual labor.



In-House Creation of Thick Booklets

Perfect Binder

Automated printing and binding of manuals and catalogues. Handle short print runs, variations and revisions in-house in less time.



Safe, stable Earthquake proofing

Custom stoppers for the casters are available, helping to protect against the heavy printer moving dangerously during an earthquake.



Benefits

Benefit 1 Efficient and diverse printing reduces both labor and costs

With high-speed printing, full automation, and reduced energy consumption, the ComColor series makes in-house production possible with efficient printing and finishing that reduces costs and labor.

Benefit 2 Reduces waste of high-volume printing and revisions

When outsourcing large print jobs, it is difficult to avoid wasteful excess stock. ComColor series allows for on-demand in-house printing of a variety of documents, reducing waste from excess stock.

Benefit 3 Less stock means reduced storage space

The storage space used for printed documents is an important management resource that should be put to best use. ComColor series allows for high-speed printing of only the necessary copies, eliminating stock and storage space. Even with documents that must be stored for long periods, use of thin paper helps to reduce necessary space.

Feedback Developer Voices

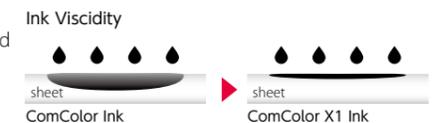


K&I Development Center Research and Development Division
Hiroyasu Kato Tomohiko Shimoda Teruaki Okawa

Tackling High-speed Thin Paper Printing

During development of the new ComColor, in addition to high-speed printing we focused on the use of previously difficult thin papers. We were able to make high-speed printing with thin paper a reality by addressing design issues such as a more precise paper transfer mechanism and smooth acceleration and deceleration of rollers. These improvements to the conveyance mechanism also contributed to quieter operation (see Topics, p.17).

Proprietary development of ComColor oil-based pigment ink for duplex printing, with improved viscosity, also helps to support thin paper printing.



Environmental Protection through Corporate Activities

Environmentally Friendly Product Design (R&D Technology Center)

ComColor production line (Tsukuba Plant)



Create Fundamentally Unique Products in an Environment-Friendly Way

Applying our development philosophy of "Create Fundamentally Unique Products," RISO is working to develop products that help innovate printing work. We have developed systems to ensure we consider the environmental impact of our products right from the start of the planning, development and design stages.



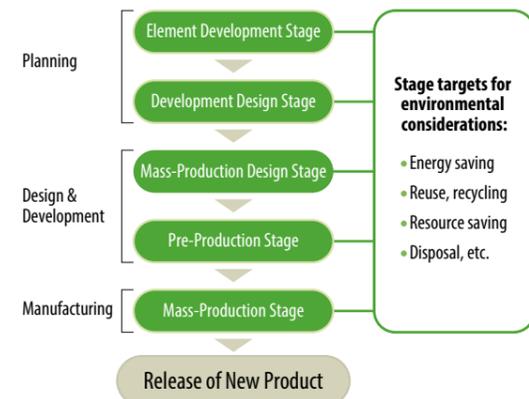
Eliminating Waste and Enacting Rigorous Quality Controls

To ensure customers can use our products with confidence and peace of mind, RISO procures environment-friendly parts and raw materials, and bases the manufacturing process on rigorous quality control. We also work to save resources and energy by using a streamlined production system.

Only Products Certified at All Stages Make It to Market

Development follows our original new product implementation process to ensure reliable on-time manufacture and sales of products to meet customer requirements for performance, safety, and environmental friendliness. The implementation process comprises five stages to product release, each with stage targets covering standards and key deliverables. Only products that meet targets move on to the next stage and make it to market.

New Product Implementation Process



Note: When proceeding to the next stage, a stage transition assessment board meeting is held.

Minimal Environmental Burden, from Customer Use to Product Disposal

We strive to reduce the consumption of resources during printing, including electricity, paper and ink. In order to avoid wasting resources, we focus on designs that not only reduce energy and resources during use, but which also allow for effective reuse and recycling after product disposal. The various design and development departments of RISO streamline product development by sharing relevant information on parts materials, control circuit power consumption, and chemical substances used in products, as well as on environmental laws and regulations in different countries.

Examples of Environmental Friendliness

Energy Saving

Reducing electricity consumption with sleep mode

Designed for Recycling

Recycled materials used for the master ejection box

Material labeling for separation of resin parts

Reduction of Hazardous Chemical Substances

Hexavalent chromium-free plate

Lead-free solder

Environmental Label Certification

Eco Mark Program^{*1}

International Energy Star Program^{*2}

*1 An eco-label on products that are certified as environment-friendly because of their reduced environmental burden throughout the entire product lifecycle.
*2 An environmental label on products that meet the criteria of the International Energy Star Program, an energy-efficiency standard for office equipment.

Topics

Reducing Energy Consumption during Printing (Eco Mode)

In addition to the energy-saving features previously available in standby mode, the new RISO EZ series models, released in 2012, also offer an Eco Mode, which saves energy by decreasing LCD panel brightness and printing pressure compared to standard printing mode. Eco Mode improves energy efficiency^{*3} by approximately 3% over standard mode.

*3 Measured according to standards for products designated under the Law on Promoting Green Purchasing, and Eco Mark standards.

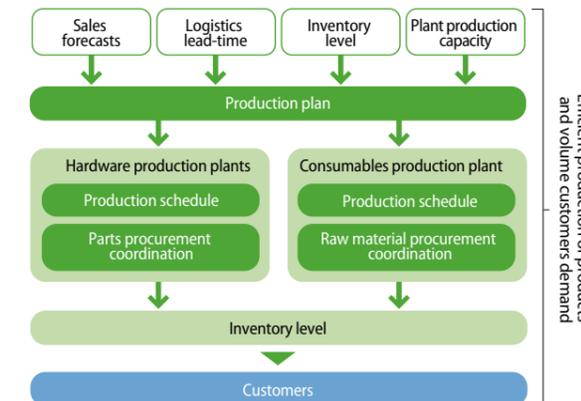


LCD touch panel during Eco Mode

Manufacturing on Demand

Over the years, we have passed on a manufacturing tradition that consists of precise production of high-quality products and reliable delivery to customers. This is the RISO manufacturing spirit. By making high-quality products according to customer needs, and in a time- and resource-saving manner, we carry out effective manufacturing that is customer- and environment-friendly. Making the most of our integrated, in-house manufacturing facilities for making everything from printers to consumables such as ink and masters, RISO will continue to make its production system increasingly effective and efficient.

On-Demand Production System: How it Works



Environment-Friendly Products, Made with Minimal Environmental Burden

Environmental consideration goes into each of the many parts and units that make up our products. We scrutinize every part, no matter how small, to ensure that it contains as much recyclable material and as little hazardous substance as possible. At RISO's three production sites in Japan, the Tsukuba Works, Kasumigaura Works, and Ube Works, the Company is eliminating every facet of wasted energy and resources by installing highly energy-efficient equipment, lighting, and air conditioning.



Inspection for chemicals contained in products (Tsukuba Plant)

Increasing Energy Efficiency at Ube Plant

At the Ube Plant, we have reexamined our use of heating and cooling for the plant and equipment. After examining the operational status of equipment and investigating ways to improve energy efficiency, we installed a high-efficiency cold water heat pump chiller^{*4}, scaled down the fuel oil boiler, and implemented new schemes for areas and times of operation. As a result, the yearly energy cost^{*5} of heating and cooling was reduced by 61.7%^{*6}.

*4 Equipment for controlling the temperature of a variety of devices through the circulation of a heating medium such as water.
*5 The cost of fuel oil and electricity consumed for heating and cooling, as well as the cost of contract electricity.
*6 Compared to fiscal 2008 data.



Seiichiro Akagawa
Machinery & Equipment Maintenance Section
Ube Plant

Topics

Expanding Environmentally Friendly Production Worldwide

In fiscal 2013 RISO INDUSTRY (THAILAND) CO., LTD. was established in Ayutthaya, Thailand, and production started at the new plant. Additionally, RISO INDUSTRY (SHENZHEN) LTD., in the Guangdong province of China, was switched to an in-house manufacturing base for overseas subsidiaries.

Environmentally friendly production is being implemented at all five overseas RISO production sites, including these two.

- RISO INDUSTRY SHANGHAI CO., LTD.
- RISO INDUSTRIES (H.K.) LTD.
- RISO INDUSTRY (SHENZHEN) LTD.
- RISO TECHNOLOGY CHINA CO., LTD.
- RISO INDUSTRY (THAILAND) CO., LTD.



Tsukuba Distribution Center



Logistics

Delivering Products to Customers in a Reliable and Environment-Friendly Manner

Besides offering reliable product delivery to customers, RISO reduces the environmental burden during product transport through streamlined logistics and energy- and resource-saving measures.



New product announcement and exhibition



Sales, Service, and Communication

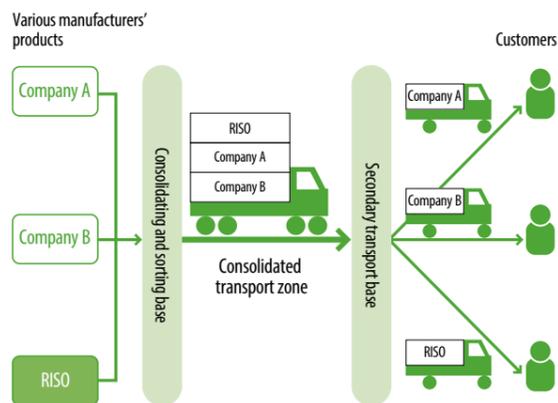
Valuing Customer Communication

In addition to pursuing sales and service activities to deepen communication with customers, RISO is working to enhance its ability to propose solutions that meet customer needs. We are also striving to better earn customers' trust through the appropriate disclosure of product information.

Streamlining and Systematizing Logistics

We work on a variety of fronts to optimize our logistics system for delivering products to our customers. One method we pursue is consolidated transport with multiple companies. Combining products from multiple companies in a single truck allows us to raise shipping efficiency and reduce fuel consumption. We are also pursuing better SCM (Supply Chain Management) to avoid under- or over-stocking when shipping products to overseas plants and sales networks, eliminating airplane shipping according to stocking so as to reduce both costs and environmental burden.

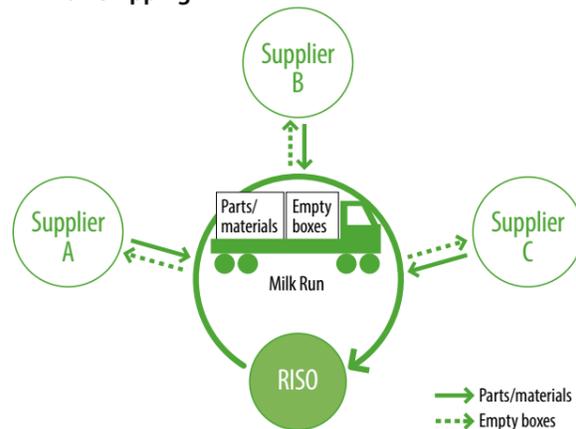
Consolidated Transport: How it Works



Conserving Valuable Resources during Logistics

In addition to product shipping, we pursue environmental friendliness during logistics operations related to procurement and production. We strive to reuse resources, making consolidated rounds to suppliers to collect parts and materials, and returning empty boxes after delivery. We also strive to reduce waste due to shipping with overseas bases. For instance, we reuse packing materials from the delivery of products to Japanese customers when sending parts to overseas plants.

Milk Run Shipping



Topics

Returnable Shipping Pallets for ORPHIS

At RISO, we are reducing the use of disposable packaging materials such as cardboard and styrofoam by using returnable materials when shipping products. In 2012 we expanded the use of returnable pallets. In addition to their previous use for Risograph digital duplicators, returnable pallets were added for a portion of shipping for ORPHIS full color ink jet printers in Japan.



Shipping of ORPHIS printers using returnable pallets. Pallets can be folded to small size for return after shipping.

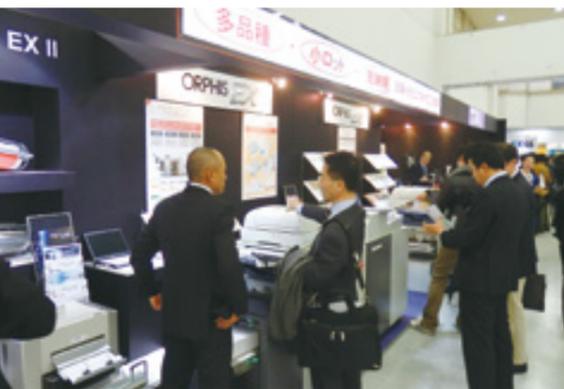
Topics

RISO Overseas Subsidiaries Executive Conference

In July 2012, management from the head office and 24 executive members from overseas sales subsidiaries gathered together for the RISO Overseas Subsidiaries Executive Conference held in Tokyo. The conference was an opportunity to strengthen Group solidarity through reaffirmation of management guidelines, and to share information to better respond to the tumultuous international situation and market needs. Utilizing our global networks, RISO will continue to improve services and pursue strategies for growth.



RISO Overseas Subsidiaries Executive Conference



page2013 exhibition



A demo car in use in Korea



Bangkok Training Center



Disassembly of used products
(Center for Recycling)



Collecting, Reusing,
and Recycling

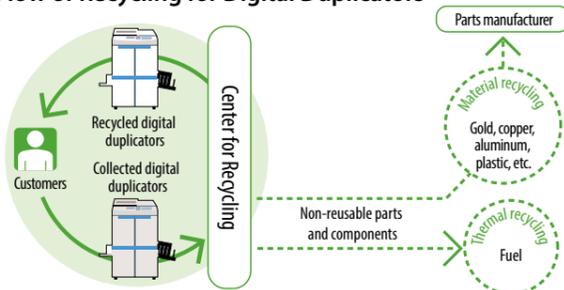
Collecting Used Products from Customers for Recycling to Ensure that Nothing is Wasted

Based on our belief that used products are valuable resources in their own right, RISO actively and efficiently collects, reuses, and recycles used products.

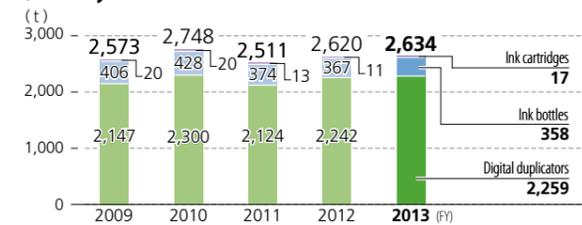
Treating Used Products as Valuable Resources

Used digital duplicators are collected for disassembly at our Center for Recycling, and separated into reusable parts and consumable parts. Consumable parts are replaced with new parts, while reusable parts are inspected in accordance with RISO's quality assurance standards. Parts that pass inspection are cleaned, washed, and reused.

Flow of Recycling for Digital Duplicators



Quantity of Used Products and Consumables Collected

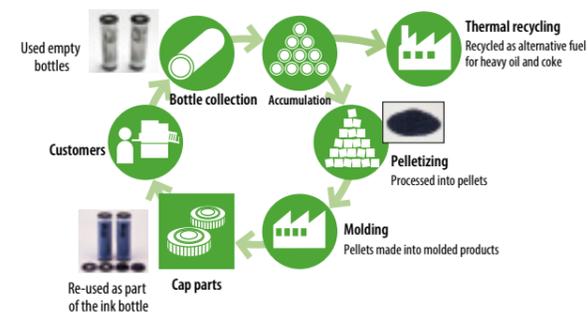


Scope of calculation: Volume of contracted transport (of products, components, raw materials, waste and used products) in Japan by the Logistics Dept., Sales Dept., plants and the Center for Recycling.

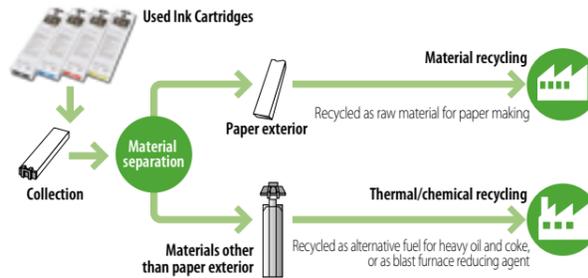
Recycling of Consumables

In Japan, we aggressively collect and recycle ink bottles and cartridges. These collected consumables are handled by outside contractors, who recycle them using material or thermal recycling.

Flow of Recycling for Ink Bottles



Flow of Recycling of Ink Cartridges



Synergy and Integrated Development through Consolidation of Development Departments

In June 2013, RISO KAGAKU CORPORATION opened the new Riso Research and Design Center. The center consolidates four development departments that were formerly dispersed throughout Ibaraki Prefecture. It was established with two objectives in mind: providing a nurturing environment for developers to think and express ideas freely, and enhancing development efficiency by encouraging communication.

With the synergy born of better communication, and integrated development of everything from hardware to consumables such as ink and masters, and software, the center is able to meet the needs of customers worldwide.

Safety, Sustainability, and Savings

Following on the lessons learned after the Great East Japan Earthquake of March 2011, we are making special efforts to have adequate safety and business continuity plans in place in the event of an earthquake or similar disaster. We are also pursuing sustained energy-saving measures that are of use during both times of emergency and regular operations.

In terms of environmental friendliness, we are striving to reduce CO₂ emissions and energy consumption through efficient, state-of-the-art renewable energy facilities and machinery.

In terms of safety and business continuity plans, we are pursuing safety in construction through earthquake-resistant and low-shake buildings. To ensure business continuity during disaster, we are also installing private power facilities and sewage storage tanks.



A communication space, to promote a free exchange of ideas surpassing organizational frameworks



Open and spacious atrium, stretching from the 2nd to 7th floor



Solar panels installed on roof and sun tracking device to bring natural light indoors



Private power facility



Wind power generator



Geothermal heatpump equipment

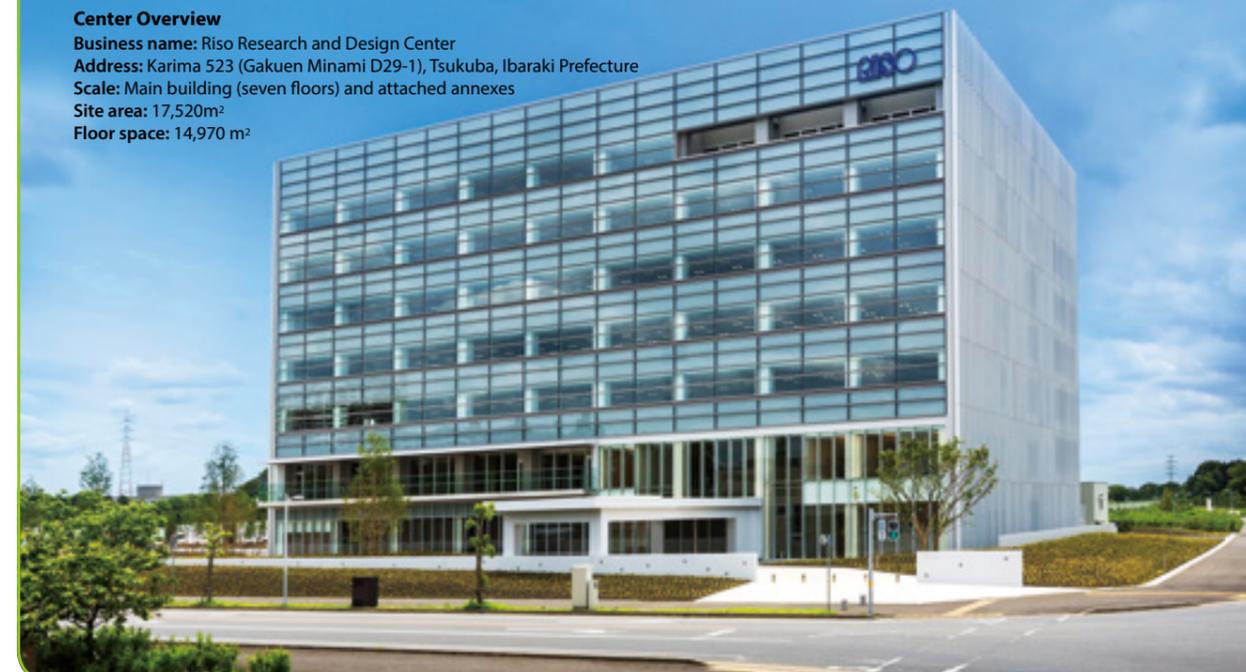
Close-up

Creation of the Riso Research and Design Center

A new integrated design center, creating innovations unprecedented worldwide

Center Overview

Business name: Riso Research and Design Center
Address: Karima 523 (Gakuen Minami D29-1), Tsukuba, Ibaraki Prefecture
Scale: Main building (seven floors) and attached annexes
Site area: 17,520m²
Floor space: 14,970 m²



Topics

Overseas Collection and Recycling

In France, since 2012 RISO has been contracting with CONIBI, a resource recycling firm established through joint investment with major business machine manufacturers, to strengthen collection and recycling of ink bottles and cartridges.

In Thailand we collect used ink bottles and recycle them into items such as flowerpots and chairs. We then donate these items to schools and other organizations, who are happy to receive them (see Topics, p.20).



CONIBI recycling box

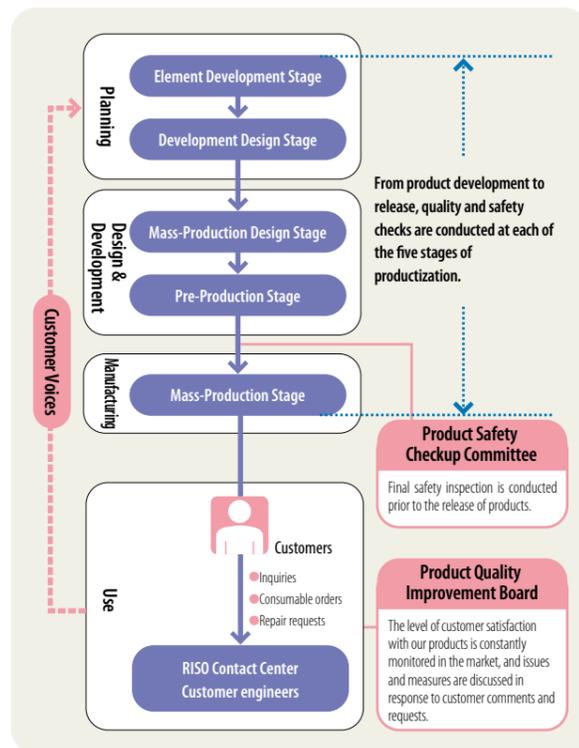
With Customers

Basic Approach

Under its customer-first policy, RISO is constantly improving on its ability to come out with products and services that give customers confidence and satisfaction. Based on this policy, the development, production, and sales departments work together to enhance quality from the customer's perspective.

Sharing Customer Feedback Company-Wide to Boost Quality

In everything from product features and performance to services such as maintenance and support, we believe it is imperative to deliver absolute quality to our customers. We share customer feedback and requests with all departments, and strive to achieve customer satisfaction by raising the quality of our products and operations.



Feedback is obtained through the RISO Contact Center and customer engineers. This feedback is shared with the development and production departments to help improve products. Crucial and urgent measures in response to customer feedback are finalized by the Product Quality Improvement Board.

Customer Feedback: Respond to It, Use It RISO Contact Center*1

The RISO Contact Center provides a range of customer support, including responding to inquiries, taking and filling consumable orders, and responding to repair requests. In order to offer a fast and tailored response, all customer support is handled by the Contact Center. In 2012, the center also began offering support to retailers in Japan. Additionally, the center collects and analyzes the requests and feedback received from customers, sharing these results throughout the company in order to help improve our products.



RISO Contact Center

*1 Located in Japan. Offering service for Japanese customers.

Publicizing Important Product Information

Through its website, RISO informs customers of product quality and safety concerns. In fiscal 2013, there were no such concerns that needed to be reported to customers. Our goal in sharing pertinent information is to ensure that customers can use our products with confidence and satisfaction.

Details are available in the "Notices" section of the RISO website: <http://www.riso.co.jp/c/english/notices/>

With Suppliers

Basic Approach

To help develop, manufacture, sell, and recycle environment-friendly products, RISO works in partnership with suppliers to procure parts, raw materials, and other supplies with a low environmental impact.

Quality Standards for Suppliers and Procured Items

The parts, raw materials, and auxiliary materials (adhesives, solder, paint, and other substances used in production) that make up a RISO product must meet certain standards. We require our suppliers not only to comply with environment-related laws and regulations and abide by RISO in-house rules for environmental substances, but also to build and manage an environmental management system (EMS) in line with standards such as ISO 14001. In order to promote thorough adoption and understanding of procurement policies and standards, we hold Green Procurement Information Sessions in Japan and China.

And we help suppliers that do not have an EMS in place earn EcoStage*2 certification so that our entire supply chain is as green as possible.

*2 EcoStage: A type of EMS. The EcoStage Institute in Japan provides EMS assessments and certifications.



Suppliers learn about the RISO KAGAKU Group Green Procurement Standard

Improving Quality through Overseas Supplier Inspections and Partnerships

Parts are sourced locally at overseas plants. Working with the quality control departments at RISO INDUSTRIES (SHENZHEN) LTD., RISO INDUSTRIES (H.K.) LTD. which are responsible for overseeing procurement in China, carries out inspections of suppliers for which improvements to quality are necessary, providing them with guidance on policies and management systems. In the future, we will continue to partner with suppliers, working to constantly improve quality and eliminate the risk of defective parts.



Supplier inspection in China

Topics

Incorporating Customer Feedback into New Products

A rich variety of customer feedback, received by the sales department and customer engineers, was incorporated into development of the new ComColor series, released early, 2013. Design improvements have been made to features such as the cooling fans and paper transfer mechanisms that run during printing or standby mode, to make them quieter and more friendly to the ear.



Improvements to paper transfer conveyance mechanism

Topics

Sessions Held on Filling Out of Information Sheets on Chemical Substances Contained in Products (Japan and China)

In countries and regions worldwide, environmental regulations increasingly require that chemical substances be appropriately managed throughout a product's lifecycle, and that information on contained substances be disclosed. At RISO, we utilize information exchange sheet AIS³, which are endorsed by JAMP (the Joint Article Management Promotion-consortium), and comply with chemical substance disclosure obligations as described under REACH (Registration, Evaluation, Authorization and Restriction of Chemicals). In 2012, we held sessions on the creation of AIS for suppliers in Japan and China, in order to help build a more accurate and efficient system for the collection of information.

*3 An information exchange sheet for disclosure of information on chemical substances contained in products. The sheets are used to transmit information downstream in the supplier chain, with entries for "weight", "part", "material", "presence of regulated substances, material name, quantity and concentration per articles" and other important information.



Materials used in AIS information sessions

With Shareholders and Investors

Basic Approach

In addition to working to enhance communication with shareholders and investors, RISO has set down an Information Disclosure Policy to ensure that information is made available in a timely and appropriate manner.

Enhancing Communication

To enable shareholders to thoroughly examine agenda items to be discussed at the general meeting of shareholders, RISO sends out convocation letters at least three weeks in advance, enabling the smooth execution of voting rights. In addition, we schedule shareholders' meetings outside of concentrated days so that they do not conflict with the shareholders meetings of other companies to enable more shareholders to attend. We also give priority to the convenience of shareholders when we select the location for the meeting.

During shareholders' meetings, RISO utilizes an assortment of graphs and diagrams. Through these materials and other measures, we strive to communicate business results and other information in a shareholder-friendly manner. The Company also publishes biannual business reports summarizing the status of its business, and sends these reports to shareholders.



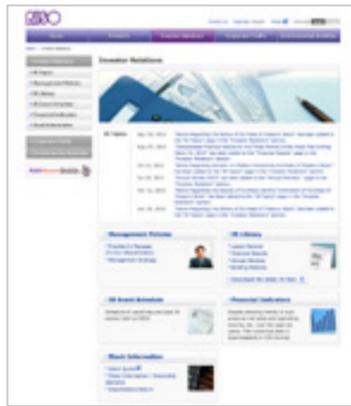
59th Shareholders' Meeting



Annual Review

Disclosing Information in a Timely and Appropriate Manner

In line with its belief that timely, appropriate, and proactive information disclosure is an important corporate responsibility, RISO discloses financial and stock information on its website by posting documents such as financial results, conference materials, and business reports for individual investors. The Company also holds biannual conferences for analysts and institutional investors after the announcement of interim and full-year results.

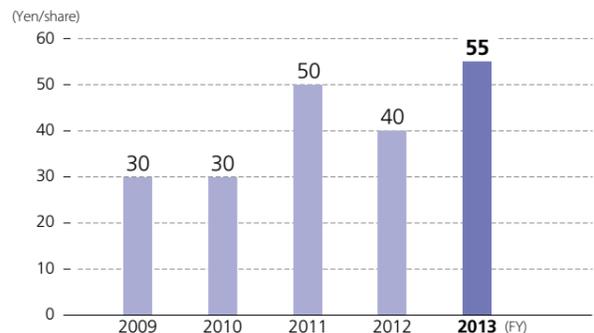


Investor relations site: <http://www.riso.co.jp/english/ir/>

Maintaining Stable Dividend Payouts that Reflect Financial Results

Regarding distribution of profits to our shareholders, in accordance with our basic policies, to "allocate an appropriate portion of earnings as a dividend in accordance with business result, while retaining the means to strengthen the corporate structure," and "strive to make continued, stable dividend payments," we distribute annual dividends from surplus once per year, at end of term.

Cash Dividends per Share



With Local Communities

Basic Approach

By strengthening communication with local communities, RISO earns citizens' trust and supports the general public through its business activities.

Cooperating with an Environmental Education Program Focused on Printing

Since fiscal 2005, RISO has helped with an environmental education program offered by Masugata Junior High School. In November of fiscal 2013, we held Environmental Workshops on the theme of "Studying the Past and Present of Printing with a Hands-on Approach to Environmentally Friendly Printing." 35 junior high school students, from grades seven to nine, participated, learning about the history of printing and environmentally friendly printing methods. As a practical element of the lessons, the children created their own newspapers using mimeograph and RISO Digital Duplicator printing, giving them hands-on experience in printing processes and evolutions in printing.



Environmental Workshop

Contributing to Society through Our Products

RISO uses its long history as a manufacturer of printing machines as the underpinning to a variety of measures for contributing to society. As one example of these initiatives, we lend out our products for sporting and cultural events. In 2012 we provided Global Classrooms in Japan with high-speed ComColor color printers, which were used to print out a variety of documents used during the event. Student and organizers appreciated the ComColor's extraordinary speed.

We also cooperate with the Photo Reproduction Project (Shinchimachi, Fukushima Prefecture) and Omoide Salvage (Yamamoto, Miyagi Prefecture). These programs help people who lost photographs in the Great East Japan Earthquake and Tsunami of 2011 by using the albums of friends and relatives to reproduce precious mementos. RISO provides the programs with book-binding devices, which are used to reproduce items such as yearbooks.



Global Classrooms in Japan

Photo Reproduction Project

Topics

Contributing to Society Overseas

As members of the local community, we also carry out initiatives at overseas Group subsidiaries. At RISO (Thailand) LTD., used ink bottles are collected and recycled to make chairs, which are then donated to underprivileged local schools, and since 2009 we have been donating recycled flower pots. Additionally, at RISO AFRICA (PTY) LTD. we actively support a number of organizations and programs dedicated to protecting local wildlife and forests, including South Africa's longest-running and most established conservation society, WESSA (the Wildlife and Environment Society of SA).



Donation of Recycled Flower Pots in Thailand

With Employees

Basic Approach

Behind RISO's far-ranging operations, you'll find a workforce of talented employees. Because RISO believes that employee growth leads to company growth, the Company offers employees the opportunity to strengthen and develop their capabilities, building a corporate culture in which employees are able to tackle a variety of challenges and realize personal growth. In addition, we strive to create positive workplaces for our employees.

Helping Employees to Develop Capabilities through Various Training Programs

RISO offers employees a range of educational and training opportunities, including position-specific training, department-specific specialized education, and age-specific career planning and life planning programs. All of these programs are built around on-the-job training (OJT). RISO also has a system of financial support for employees studying to acquire licenses and take government certification exams that are specified by the Company. Under this system for supporting employees eager to improve their skills, those who are successful in these endeavors are given monetary rewards for their efforts. In order to raise employee drive and creativity, we have also established an improvement suggestion system and an employee incentive system. Through these systems, every year, during a presentation of results, we recognize outstanding ideas and efforts on the part of our employees.



Improvement Suggestions Presentation of Results

Far-Ranging Environmental Education Programs Covering Introductory to Specialized Content

RISO offers a range of environmental education and training programs to enhance the environmental awareness of its employees and promote environmental protection activities, from basic environmental education programs to specialized programs such as internal quality and environmental auditor training and an external EMS certification program. We also focus on raising employee awareness on a daily basis, for example by posting information about environmental policies and departmental initiatives on site and on department bulletin boards, and making information available on the Company intranet, including data with companywide relevance and information about progress toward achieving environmental objectives and targets. Since fiscal 2012, all employees engage in e-learning on topics including basic environmental education, internal quality and environmental auditor training, and job training.

Environmental Education Programs (Fiscal 2013)

Type of education	Events (times)	Participants (employees)	Hours (aggregate)
Basic environmental education program (e-learning)	1	1,714	1,112
Basic environmental education program	19	493	397
Internal auditor training	3	61	66
EMS activity program (waste sorting, etc.)	9	165	138
Special environmental education program	1	12	6
Accident/emergency drill	12	99	114
Disaster drill	4	594	622
Advanced business skill program	6	180	580
Business skill program	9	9	66
Workplace health and safety program	2	8	19
Total	66	3,335	3,120

Scope of calculation: Educational and training programs provided at RISO's domestic sites in Japan. Note: Table includes data for programs with an environmental focus.

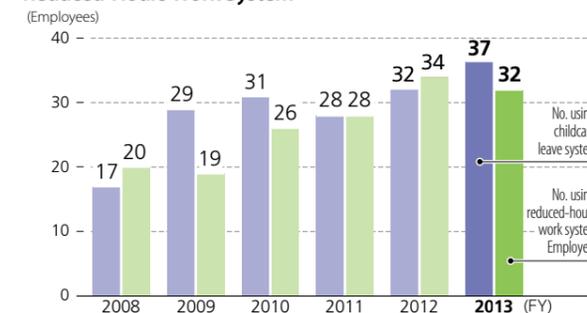
Benefit Programs and Leave Systems Help Employees Attain a Work-Life Balance

From time to time, employees want to change their working hours and responsibilities for various reasons, including marriage, childbirth, childcare, and the need to provide nursing care for family members. To allow such employees to have an optimal balance between their work responsibilities and private lives, RISO has established various employee benefits and leave programs, including flextime work, a childcare leave system, and a child/family member nursing care leave system. In the 2013 fiscal year, we held support seminars for employees taking childcare leave who plan to return to work. Employees were able to receive advice on issues and concerns felt after returning to work from senior members who have taken leave in the past.



Support seminar on returning to work

Number of Employees Using the Childcare Leave System and Reduced-Hours Work System



Scope of calculation: Non-consolidated bases (Japan).

Preparing for Emergencies such as Earthquakes and Accidents through Exercises and Education

To prepare for earthquakes and accidents, each RISO site holds an annual comprehensive disaster prevention exercise simulating a fire or similar incident. We also hold emergency response exercises simulating incidents such as oil spills for particular processes and types of work. In fiscal 2013, drills simulating leaks were held at the Ube Works, and issues and problems identified were addressed by such means as reassessment of emergency action plans, addition of equipment, and improvement of facilities. By repeatedly holding exercises, we ensure our employees' ability to respond quickly and appropriately in the event of an earthquake or accident.

Additionally, to have as many employees prepared in the case of an emergency as possible, we are also carrying out AED (automated external defibrillator) training.



Drill in using an AED

Ensuring Workplace Health and Safety

RISO has established Occupational Health and Safety Committees at each production site to spearhead efforts 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 activities². In addition, the Company's intranet features a "Health and Safety" section, which is used to raise employee awareness of health and safety issues. RISO has also created procedure manuals and instituted training for employees involved in the handling, storage, and management of chemical substances.

² Voluntary safety activities: Activities to ensure employee safety by addressing risky behavior and other safety issues as identified through actual experiences.



Workplace health and safety inspection patrol

Topics

Thailand Plant Employees QC Circle

RISO INDUSTRY (THAILAND) CO., LTD. was established in 2012 as an overseas manufacturing base. QC¹ circle activities, designed to raise the quality of operations through creativity and ingenuity, are being implemented throughout the Thailand plant. The circle holds regular presentations, where they share developments and focus on issues such as "eliminating mistakes during manufacturing" and "reducing waste produced by the plant."

¹Quality Control



QC Circle Presentation

Topics

Career Design Training for Women

The new personnel system, adopted in October 2010, encourages all employees to consider and manage their individual career paths. In August 2012, as a first step in cultivating this work culture, we held Career Design Training for Women. The training focused on female employees because, traditionally, the impact of life events on work time and style has been stronger for women. The goal of the training was to encourage participants to be aware of professional possibilities, and to design careers with their futures in mind, taking an active interest in personal productivity.



Career Design Training for Women

Management Structures

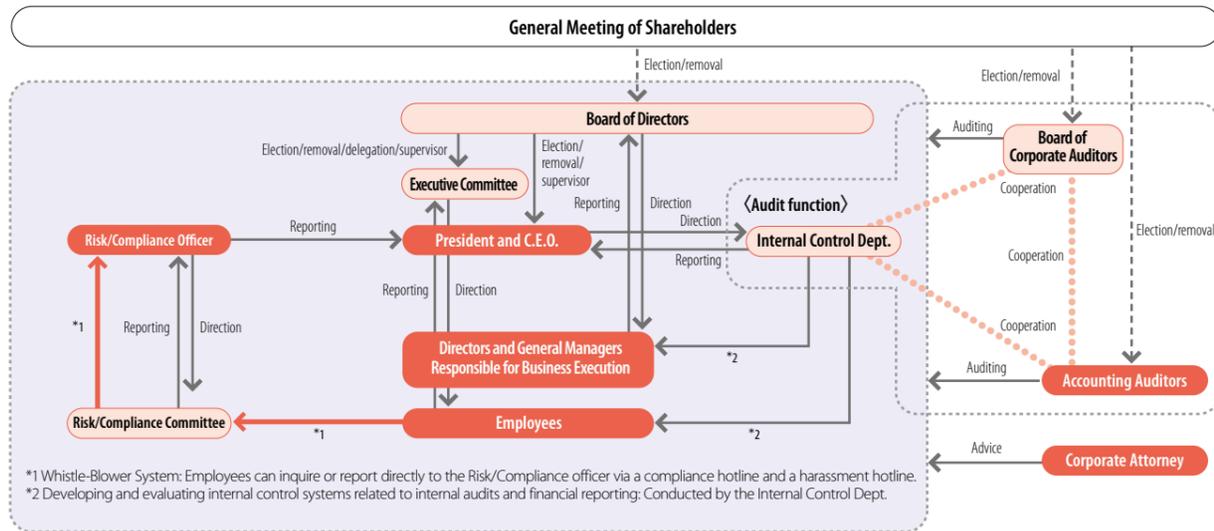
Basic Approach

For a corporation to maintain sustainable growth, it must be managed in a sound manner so that it is appreciated and trusted by society. In order to maintain effective corporate governance, RISO strives continuously to improve and strengthen its compliance education and risk management by conducting external audits on internal control system evaluation results.

Corporate Governance

Corporate Governance Structure

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



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

Details are available in the Governance/Internal Controls section of the RISO website: <http://www.riso.co.jp/ir/> (Japanese only)

Outside Directors Appointed to Ensure Sound Mechanisms

RISO has adopted a governance system in which the Board of Directors makes important decisions concerning the fulfillment of directors' operational responsibilities subject to the supervision of corporate auditors. Since June 2012, the Board of Directors has included outside directors (independent officers) who are removed from any conflict of interest with the general shareholders, for more sound and transparent governance mechanisms.

RISO has established the Internal Control Dept. to carry out the development and evaluation of internal control systems. This department carries out internal accounting and operational audits of plants, sales facilities, subsidiaries, and other entities in line with the Company's Internal Audit Rules. Additionally, we have established an internal reporting hotline, which helps to guarantee privacy for whistleblowers, while also providing a space for employees to receive advice and report on issues of compliance and harassment.

Evaluating Internal Control Systems

With the aim of maintaining the appropriateness of its financial reporting in keeping with the stipulations of the Financial Instruments and Exchange Law, RISO continues to enhance the internal controls that ensure the reliability of financial reporting. In fiscal 2009, the Company began conducting self-evaluations of its internal control structures.

The results of these self-evaluations showed that the financial reporting-related internal controls were functioning effectively for the entire RISO Group (RISO KAGAKU CORPORATION and its affiliates) as of March 31, 2013. In addition, the results of self-evaluations are audited by the Company's accounting auditor, KPMG AZSA LLC. RISO disclosed and reported the results of the self-evaluation and external audit in June 2013 through the Japanese publication of the management's report on internal controls on financial reporting, and through an independent auditor's report on internal controls on financial control.

Additionally, RISO constantly strives to enhance corporate governance, and in April 2013 established a newly reorganized corporate headquarters with the aim of strengthening all Group controls.

Compliance

Adherence to Compliance Management Rules

RISO emphasizes compliance as the foundation of business management. In conducting business activities as a good corporate citizen, RISO pursues compliance not just by conforming to laws and Company regulations, but also by respecting corporate ethics and morals. As an example of its continuing efforts on this front, based on its Compliance Management Rules, the Company runs compliance programs that clearly define aspects such as its executional structure and whistle-blowing framework.

A fiscal 2013 evaluation of legal and legislative monitoring, measurement, and compliance found RISO compliant in all areas. There were also no fines or warnings issued by regulatory authorities, and no complaints concerning the environment from residents living near Company facilities.

Ongoing Implementation of Compliance Education and Awareness-Raising Activities

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

Regular and ongoing training is also carried out, with a variety of model cases related to compliance introduced through e-learning so that employees can understand the issues at stake and conduct themselves accordingly. In fiscal 2013 training was expanded further, with programs related to internal controls added to those on compliance.

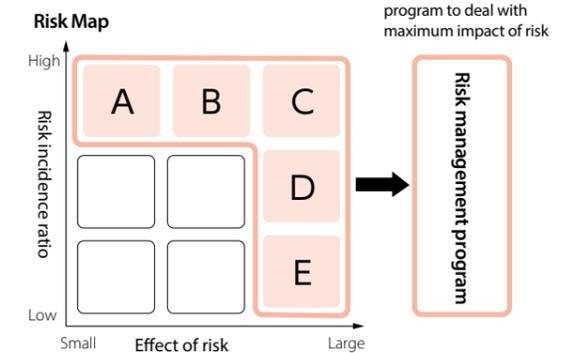


Risk Management

Implementation of Risk Management Countermeasures

Pursuant to the provisions of Japan's Companies Act, RISO has instituted a series of Rules for Managing the Risk of Loss. The Executive Committee and Board of Directors discuss and make decisions related to risks associated with important Company operations after analyzing those risks and studying countermeasures. The Risk/Compliance Committee analyzes and assesses the various risks facing the RISO Group and creates a risk map as a guide to dealing with these. Using this risk map, we identify those risks with the potential to have a major impact on Group management then formulate and implement individual risk management programs. This approach enables us to minimize and avoid risks and to implement integrated risk management.

Overview of Risk Management



Countermeasures for Information Risk

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

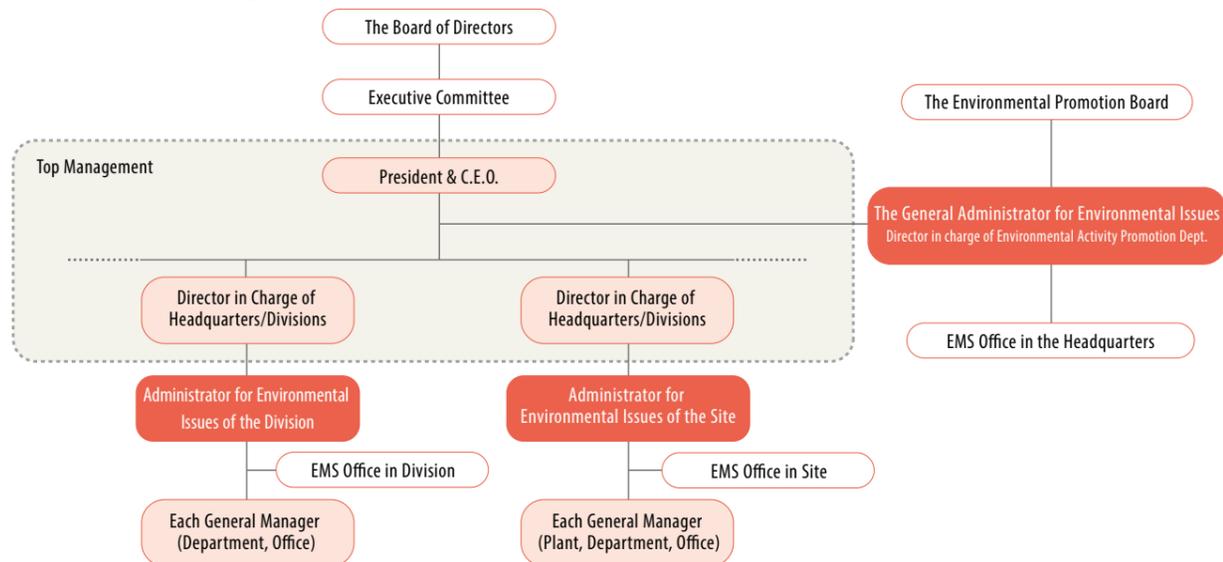
Environmental Management

Basic Approach

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

Environmental Management Organization

Total Environmental Management Organization



Addressing Important Issues via the Environmental Promotion Board

RISO has been carrying out environmental conservation activities since 1992, when the predecessor to the Environmental Promotion Board, the Environmental Committee, was established. In 2002 the committee became the Environmental Promotion Board, and initiatives were strengthened. Additionally, in 2012, subcommittees were established to address three major issues related to the environment: "energy conservation," "environmentally-friendly product design" and "waste, reuse and recycling." The committees meet for discussions in order to develop concrete solutions and promote rapid consensus throughout the company.



The Environmental Promotion Board, Waste, Reuse and Recycling Subcommittee

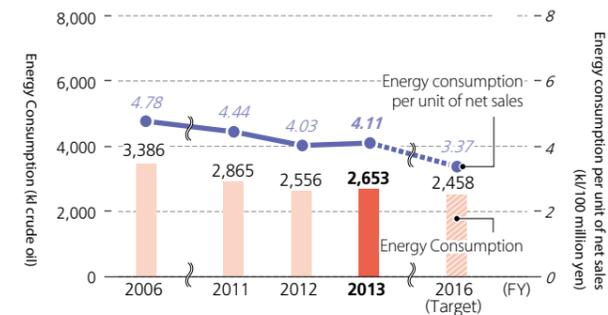
Fiscal 2016 Environmental Objectives (Medium-Term Targets)

Reducing Energy Consumption (Crude Oil-Equivalent) (Compared to Fiscal 2006)

Throughout our domestic Japanese operations (non-consolidated), we will:

- ▶ Reduce energy consumption by 23%.
- ▶ Improve energy consumption per unit of net sales by 30%.

Energy Consumption in Japan and per Unit of Net Sales



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

Reduction of Total CO₂ Emissions (Compared to Fiscal 2006)

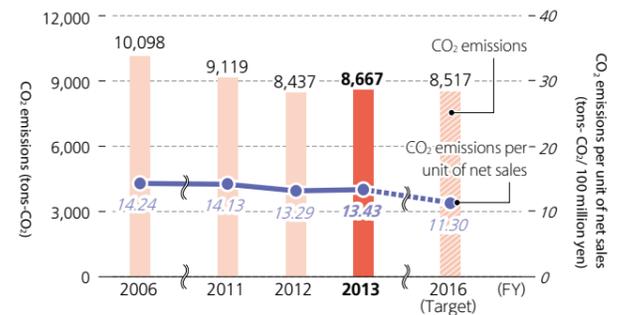
Throughout our domestic Japanese operations, we will:

- ▶ Reduce CO₂ emissions by 15%.
- ▶ Improve CO₂ emissions per unit of net sales by 20%.

For all domestic production sites, we will:

- ▶ Reduce CO₂ emissions by 28%.
- ▶ Improve CO₂ emissions per unit cost of production by 30%.

CO₂ Emissions in Japan and per Unit of Net Sales



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

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

Reduction of CO₂ Emissions and Energy Consumption

In fiscal 2013, we continued investments to save energy initiated in response to power restrictions resulting from the Great East Japan Earthquake in fiscal 2012. These included high-efficiency upgrades for equipment such as air-conditioning (see Feedback, p.12) and lighting, and the application of heat-reflecting paint on Company building roofs (see Environmental Accounting, p.29).

With improvements in the energy situation in fiscal 2013, restrictions on operation and maintenance (such as running times) of air-conditioning were lifted. Together with the operation of new production lines and an increase in overtime to launch new products, energy usage in operations increased, while the consumption rate worsened. Numbers improved, however, in comparison to fiscal 2011, the year before the Great East Japan Earthquake occurred, with the energy consumption rate at 93%, and CO₂ emissions per unit at 95%.



Introduction of highly efficient hot/cold water heat pump chiller (Ube Plant)



Heat-reflecting paint on plant roof (Tsukuba Plant)

Overview of Environmental Burden

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

At RISO we believe it is important to reduce environmental impact during production, use and disposal of our products. We strive to get a statistical overview of impact throughout the entire product lifecycle, including product design and development, production, sales, logistics, use, collection, reuse, and recycling.

In this year's report we revisited results in Japan from fiscal 2012, expanding the range of reporting to cover nearly all associated

impacts, with information on headquarter and sales division energy consumption, waste production and throughput, and the fuel consumption of all company cars. Additionally, results from fiscal 2013 for overseas production base RISO INDUSTRY (THAILAND) CO., LTD. and non-production bases RISO LATIN AMERICA, INC. and RISO EURASIA LLC were added to the scope of calculation.

FY2013 Environmental Performance

Since fiscal 2011, RISO has been working to achieve medium- and long-term targets of reducing company-wide energy consumption and CO₂ emissions by 23% and 15%, respectively, by fiscal 2016, compared with fiscal 2006 levels.

In fiscal 2013, as with fiscal 2012, energy conservation due to power restrictions brought about by the Great East Japan Earthquake remained a top priority.

We upgraded facilities to be more energy efficient, such as with improved air-conditioning units (see Feedback, p.12) and lighting, and carried out proactive investments such as the introduction of reflective paint for roofs (see Environmental Accounting, p.29). With improvements in the energy situation in

fiscal 2013, restrictions on operation and maintenance (such as running times) of air-conditioning were lifted. Together with the operation of new production lines and an increase in overtime to launch new products, energy usage in operations increased, while the consumption rate worsened. Numbers improved, however, in comparison to fiscal 2011, the year before the earthquake occurred, with the energy consumption rate at 93%, and CO₂ emissions per unit at 95% (see graph, p.26).

As a manufacturer we recognize the importance of providing environment-friendly products, improving the recycling rate by collecting, reusing, and recycling used products, and reducing the volume of waste subject to final disposal, and will redouble our efforts to lower the environmental burden of our operations.

Total Environmental Impacts in Japan: Input/Output

Scope of calculation: For the table "Input/Output by Operational Process," Japan, on the following page (p.28)
Calculation target: Japanese domestic operations. Energy consumption and resulting CO₂ emissions, water consumption, water drainage, and waste generation due to head office, sales, product development, design, and production. CO₂ emissions due to material input during production, domestic logistics and shipping, fuel consumption from company cars, and consignment shipping. Used RISO products collected, reused, and recycled, and resulting waste.

INPUT		2012	2013	Compared to FY2012 (%)
Energy consumption	GJ/year	151,234	154,625	102
Electricity	MWh	9,234	9,485	103
Bunker A	kℓ	96	93	97
LPG	t	87	108	124
Kerosene	kℓ	6	8	133
Municipal gas	1,000m ³	0	0	—
Gasoline	kℓ	542	551	102
Diesel oil	kℓ	7	6	86
Volume of contracted transport ¹	10,000t-km	1,119	1,110	99
Water consumption	m ³	38,179	38,066	100
Product parts/materials	t	9,238	9,114	99
Collected used products/waste generated ²	t	3,797	4,042	106
Collected used products	t	2,620	2,634	101
Waste generated ³	t	1,177	1,408	120

OUTPUT		2012	2013	Compared to FY2012 (%)
CO ₂ emissions	t-CO ₂ /year	9,158	9,352	102
Electricity	t-CO ₂ /year	5,124	5,266	103
Bunker A	t-CO ₂ /year	260	252	97
LPG	t-CO ₂ /year	261	323	124
Kerosene	t-CO ₂ /year	16	19	119
Municipal gas	t-CO ₂ /year	0	0	—
Gasoline	t-CO ₂ /year	1,296	1,309	101
Diesel oil	t-CO ₂ /year	17	16	94
Volume of contracted transport ¹	t-CO ₂ /year	2,184	2,167	99
Water drainage	m ³	28,093	27,716	99
Steam, water, and related emissions	m ³	6,046	6,207	103
Products ²	t	13,278	13,257	100
Collected used products/waste treated	t	3,797	4,042	106
Volume transferred to recycling processes ⁴	t	405	355	88
Volume recycled ⁵	t	3,334	3,636	109
Other ⁶	t	14	8	57
Final disposal (landfill) ⁷	t	44	43	98

*1 Volume of contracted transport using external carriers: Volume of contracted transport (for delivery, procurement, collection, etc.) of products, parts, used products, and waste.
*2 Major products: ComColor high-speed color printers, RISO digital duplicators, and inks, masters, and other supply products for ComColor and RISO digital duplicators
*3 Waste generation: RISO classifies all unwanted substances generated from its operational processes, including valuable resources and resources to be recycled or reused, as waste
*4 Volume transferred to recycling processes: The amount of recycled materials to be reused as raw materials in operational processes.
*5 Volume recycled: Total volume of materials for recycling and thermal recycling, including valuable resources. The volume to be reused in operational processes is excluded.
*6 Other (waste generation): The volume of gas emissions from recycling processing and incineration.
*7 Final disposal (landfill): The volume to be disposed of in landfill sites, which includes residues and incinerated ash from intermediate processing such as recycling.

CO₂ Emissions Calculations
Gasoline: 2.32kg-CO₂/l, fuel oil A: 2.71 kg-CO₂/l, LPG: 3.00 kg-CO₂/kg, consignment shipping: according to standards stipulated under the Law Concerning the Rational Use of Energy.
Electricity: For Japan, 0.555 kg-CO₂/kWh year-round. Overseas, values are converted according to IEA statistical data on each country.

Input/Output by Operational Process (Fiscal 2013)

INPUT		Compared to FY2012 (%)
Energy consumption	23,605 GJ/yr	102
Water consumption	4,691 m ³	108
Waste generated ³	49 t	114

Head Office/Sales
Energy use and CO₂ emission values are displayed for head office and sales sites.
Scope of calculation: RISO KAGAKU CORPORATION and RISO OKINAWA CORPORATION head offices, sales bases in Japan (waste only includes Tamachi and Shibaura sites)

OUTPUT		Compared to FY2012 (%)
CO ₂ emissions	1,318 t-CO ₂ /yr	102
Water drainage	4,691 m ³	108
Waste treated	49 t	114

INPUT		Compared to FY2012 (%)
Energy consumption	16,285 GJ/yr	99
Water consumption	4,407 m ³	113
Waste generated ³	323 t	140

Design and development
Energy consumption and CO₂ emissions at the product development stage.
Scope of calculation: R&D Technology Center (at Tsukuba Works), K&I Development Center
Note: Water consumption and water drainage volumes cannot be calculated separately for the R&D Technology Center. This data is included in the total figure for the Tsukuba Works as provided in the "Production" section below.

OUTPUT		Compared to FY2012 (%)
CO ₂ emissions	927 t-CO ₂ /yr	99
Water drainage	4,407 m ³	113
Waste treated	323 t	140

INPUT		Compared to FY2012 (%)
Energy consumption	63,135 GJ/yr	105
Water consumption	28,968 m ³	97
Product parts/materials	9,114 t	99
Waste generated ³	1,036 t	115

Production
Volume of raw materials used, energy consumption, CO₂ emissions, and waste generation in the process of major product² manufacturing.
Scope of calculation: Tsukuba Works (excluding the R&D Technology Center), Ube Works, Kasumigaura Works

OUTPUT		Compared to FY2012 (%)
CO ₂ emissions	3,615 t-CO ₂ /yr	105
Water drainage	18,618 m ³	94
Steam, water, and related emissions	6,207 m ³	103
Products ²	13,257 t	100
Waste treated	1,036 t	115

INPUT		Compared to FY2012 (%)
Energy consumption	51,600 GJ/yr	100

Sales/Logistics/Shipping
Fuel consumption and CO₂ emissions from company cars for customer sales and maintenance, product shipment, and energy usage and CO₂ emissions related to consignment shipping such as for collection and transport of used products are calculated.
Scope of calculation: Logistics and shipping in Japan, company cars

OUTPUT		Compared to FY2012 (%)
CO ₂ emissions	3,492 t-CO ₂ /yr	100

INPUT		Compared to FY2012 (%)
Used products collected	2,634 t	101

Collecting, reusing, and recycling
Volume of use products¹ collected, reused, and recycled. Although RISO promotes the effective use of collected products, some volume of collected goods, such as parts not suitable for recycling, are consigned to landfills.
Scope of calculation: Used products in Japan

OUTPUT		Compared to FY2012 (%)
Used products treated	2,634 t	101

Note: Explanations for significant changes over the previous year can be found on the website databook. (Japanese only)

Environmental Impact of Overseas Production/Non-production Bases: Input/Output (Fiscal 2013)

INPUT		Compared to FY2012 (%)
Energy consumption	13,052 GJ/yr	136
Water consumption	11,886 m ³	138
Product parts/materials	6,013 t	109
Waste generated ³	297 t	362

Overseas Production Bases
Material input, energy usage, CO₂ emissions and waste are displayed for overseas production bases.
Scope of calculation: All RISO Group overseas production bases; RISO TECHNOLOGY CHINA CO., LTD. Zhuhai Plant (inc. Shanghai branch plant), RISO INDUSTRIES (H.K.) LTD., RISO INDUSTRIES (SHENZHEN) LTD., RISO INDUSTRY SHANGHAI CO., LTD., RISO INDUSTRY (THAILAND) CO., LTD.

OUTPUT		Compared to FY2012 (%)
CO ₂ emissions	1,140 t-CO ₂ /yr	123
Water drainage	11,498 m ³	140
Steam, water, and related emissions	20 m ³	—
Products ²	6,381 t	108
Waste treated	297 t	362

INPUT		Compared to FY2012 (%)
Per-unit energy consumption ⁹	66.9 GJ/employee	129
Energy consumption	46,143 GJ/yr	168
Water consumption	2,696 m ³	61

Overseas Non-production Bases
Energy usage and CO₂ emissions for overseas subsidiary (non-production division) head office and sales bases are displayed.
Scope of calculation: 14 overseas subsidiary head office and sales bases⁸ (for details, see the website databook)
⁸Japanese only

OUTPUT		Compared to FY2012 (%)
Per-unit CO ₂ emissions ⁹	4.34 t-CO ₂ /employee	130
CO ₂ emissions	2,993 t-CO ₂ /yr	170
Water drainage	2,696 m ³	61

*8 When assessing environmental impact for overseas non-production bases principal data was collected from headquarters while supplementary data was collected from sales bases and other branches. The data capture ratio over stationed employees in fiscal 2014 was 50%. For data for fiscal 2013 and after, RISO LATIN AMERICA INC. and RISO EURASIA LLC were added to calculations.
*9 Due to dynamic changes in locations and workforce as well as to difficulties in conducting surveys at overseas non-production bases, RISO used the number of employees as the denominator in the calculation to obtain each per-unit figure for use in tracking efficiency.

Environmental Accounting

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

Conditions and Aggregate Results in Fiscal 2013

Compared to fiscal 2012, in which emergency measures were taken in response to energy shortages brought about by the Great East Japan Earthquake, global warming countermeasure costs (investment expenditures and expenses) in fiscal 2013 decreased by 130,002 thousand yen. However, we continued to carry out proactive investments, such as further upgrades to high efficiency air conditioning and lighting, and reflective painting of roofs. These measures led to

an increased economic effect of 838,000 yen. The production volume of reused machines decreased, leading to a decrease of 22,027 thousand yen in resource conservation/recycling promotion costs, and a decrease in economic effect of 102,584 thousand yen. In order to conserve resources and increase economic effect, we are currently working to expand use of reused parts. Additionally, due to increased emphasis on investigating trends in overseas laws and regulations, expenses related to compliance in fiscal 2013 increased by 6,612 thousand yen year-on-year.

Term: Fiscal 2013 (April 1, 2012 to March 31, 2013)
 Scope of calculation: All of RISO KAGAKU CORPORATION's domestic sites in Japan (Tsukuba Works, Kasumigaura Works, Ube Works, R&D Technology Center, Wakaguri R&D Site, head office and domestic sales branches). For RISO's sales network, "resource conservation and recycling" as well as "EMS establishment and maintenance activities" are included in the scope of calculation.

(Thousands of yen)

Activities	Classification	Environmental protection costs			Environmental protection effect	
		Environmental protection activities	Investment	Cost	Economic effect	Actions
Global warming prevention measures	• Reduction of fuel consumption • Reduction of electricity consumption	• Replacement of boilers with high-efficiency models, pursuit of a modal shift strategy • Introduction of energy-saving equipment	40,436	89	4,220	• Reduction of CO ₂ emissions during manufacture and product transport • Reduction of electricity consumption
Promotion of resource conservation and recycling	• Effective utilization of used products • Effective utilization of wastes • Safe disposal of wastes	• Collection and recycling of used products • Separation and recycling of waste		522,432	394,987	• Reduction of costs through reuse • Improvement of resource recovery rates
Environmental communication	• Publication of product environmental data • Publication of information about environmental initiatives	• Acquisition of environmental label certification • Publication of the environmental report • Participation in events and exhibitions		14,084		• Acquisition of certification under the Eco Mark program • Publication of Sustainability Report 2012, website revisions, etc.
Green areas	• Clean-up and maintenance of green areas	• Clean-up and maintenance of green areas		4,768		• Green area beautification, maintenance
Legal compliance (pollution control measures, environmental pollution control)	• Compliance activities (water, air, etc.) • Assessment of legal and regulatory trends	• Water drainage management • Gas emissions management • Inspection and maintenance of facilities • Monitoring of laws and regulations		25,003		• Environmental protection activities • Investigation into legal and regulatory trends in Japan and overseas
Green procurement	• Collection and registration of environmental data relating to raw materials and parts	• Implementation of an environmental information system covering REACH and other regulations		14,765		• Environmental information updates, operation and maintenance
EMS establishment and maintenance activities	• ISO	• Acquisition and maintenance of ISO 14001 certification		4,820		• Maintenance of the validity of ISO 14001:2004 certification
Total			40,436	585,961	399,207	

Calculation Method and Approach

• Our calculations of the environmental protection costs and the economic effects are basically made in keeping 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 decreases, 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 distinguishing which costs are directly related to environmental protection, the trend data presented on p.5 is based on total R&D expenditures.

Environmental Data

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

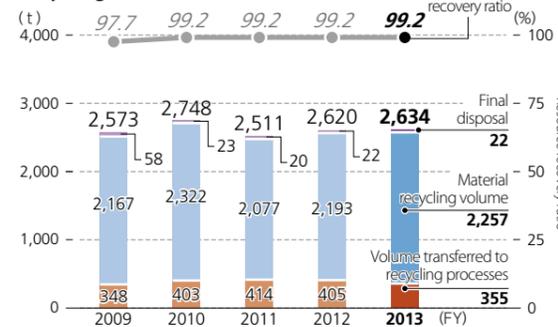
Utilization Rate of Returnable Racks and Reduction in Use of Disposable Packaging



Scope of calculation: Digital duplicators and full color ink jet printers shipped from the Tsukuba Distribution Center to RISO's Japanese marketing bases, sales representatives, and customers nationwide.

By using returnable racks, we have reduced the amount of disposable packaging such as cardboard and styrofoam. In fiscal 2013, while import of overseas production machines increased, revisions to the process of shipping via returnable racks led to a large decrease in utilization rate. Currently, we are aiming to increase the use of returnable packaging for ComColor products produced in Japan.

Recycling of Used Products



Scope of calculation: The amount of used RISO products in Japan (excluding second-hand digital duplicators that are returned or collected and then used as rental equipment).

We are striving to increase the volume transferred to recycling processes by recycling used products, as well as recycled parts that cannot be reused (see p.15).

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 Sustainability Report 2013, the Company used TÜV Rheinland Japan Ltd., the same evaluator that conducted the third-party evaluation of Sustainability Report 2012. RISO continues to pursue accuracy and reader-friendliness in its sustainability reporting, while reinforcing the quality of information it discloses.

Third-party verification report for the "RISO KAGAKU CORPORATION Sustainability Report 2013"



RISO KAGAKU CORPORATION
 Mr. Akira Hayama, President

July 3, 2013
 TÜV Rheinland Japan Ltd.
 Michael Jungnitch, President

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

TÜV Rheinland Japan Ltd. (hereinafter referred to as the verification body), as an independent third party, verified the "RISO KAGAKU CORPORATION Sustainability Report 2013" and the "Environmental Information on the web" prepared by RISO KAGAKU CORPORATION (hereinafter referred to as the organization) from the viewpoint of:

- Rational calculation methods, reliability of numerical values and adequacy of contents of the report in terms of the environmental report, environmental performance and environmental accounting
 - Disclosure of all important information in environmental reporting
- The purpose of the verification is to report the results including verification opinions.

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 used as reference during the verification process however, the statement does not imply certification or compliance with these guidelines.

As a result of the verification that was performed in a planned manner, the verification team concludes that the "RISO KAGAKU CORPORATION Sustainability Report 2013" and the "Environmental information on the web" provide accurate data in light of the environmental reporting guidelines that are generally considered adequate as principles of reporting, providing that the organization takes appropriate corrective actions that were required in the verification process.

2. Verification opinion

The report places emphasis on these four points: (1) eco-friendly product (2) promotion of R&D (3) enriched contents of activity and (4) disclosure expansion.

Regarding (1) and (2), they reflect the corporate attitude considering it a "development-driven company." What is appreciated is that the concept of environmental management and environmental friendliness is effectively delivered to readers as important information is concentrated in the special feature from the opening page through page 10. In the environmental conservation through business activities (p11-p16), eco-friendly consideration in the supply chain is mainly reported. The article (p16), "Riso Research and Design center" where research functions of the organization are centralized, shows the aspiration of the organization to make progress on the environmental conservation activities as a "development-driven company."

The information is made available in the booklet report to general public and on the web for detailed environmental data. The booklet report includes the topic (3) enriched contents of activity, while detailed numerical data on the web shows continual improvement by the organization addressing issues in the environmental management through (4) disclosure expansion.

Environment

For (1) eco-friendly product, the organization has put "ComColor series" and "RISOGRAPH SD series" which are more eco-friendly than the conventional series, into the market. Eco-mode and the timer for off-mode are taken into account from the energy saving viewpoint. In this way, further improvements have been made and one of which is the development of paper feed mechanism to use a lighter and thinner paper, which enables to use 30% thinner and lighter paper than before. This is highly evaluated that the organization plays the fundamental role to contribute to society and the environment through its products as a printer manufacturer.

Long-term efforts to reduce CO₂ emissions and energy use by 2020 have been made, showing good signs. Wide-ranging and detailed energy saving measures by introducing a chiller requiring less energy, heat blocking coating for plant roofs, motion detector lights for staircase and so on, are appreciated.

What is remarkable is that these improvements have been well managed through PDCA cycle. Clear indications such as (1) achieved, (2) not achieved or (3) not achieved but improved from the previous year, are made for the actual performance against the target and the result is reported in the booklet report (p26) and the website data (p1). When the target not achieved, the root cause was identified for further improvement. This indicates that the organization will continue to take actions for future improvement.

Social initiative

Compared with the previous year, there are more substantial articles for overseas sites. With its business going more global, there should be a wide range of stakeholders in local areas. Given that situation, it is expected that various activities of people including suppliers, local society, employees working for group companies overseas will be enriched more to disclose further information.

Environmental accounting

Data aggregating process for environmental accounting has been effectively maintained and has positive effect on continual improvement.

As the environmental reporting guideline 2012 recommends to disclose the "economic aspects in environmentally friendly business management," beyond the scope of the environmental accounting, the report on economic aspects that should be included in environmental/social information and cannot be fully covered in the company strategy/business performance information will be required. By doing so, while making steady progress, the organization can appeal to readers so that they are convinced it can grow socially in a sustainable manner.

End

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