

About the Cover

Paulownia Blossoms

Eliminating greenhouse gas emissions and preventing global warming are issues that confront all living creatures. The flowering Paulownia on the cover was chosen to symbolize the realization of a low-carbon society and the carrying on of our beautiful environment into the next generation. The Paulownia, with its pale-pink blossoms, has winged seeds that scatter broadly, giving it a high germination rate.

Norito Shimura





RISO Ink
Japan's first emulsion ink



PRINT GOCCO
A simple personal card printer



RISOGRAPH ME935w
A digital duplicator capable of simultaneous two-color and automatic duplex printing



RISO-Graph
A copy device utilizing mimeography technology



RISOGRAPH 007
A model combining master-making and printing functions



ComColor 9150
A high-speed full color inkjet printer

RISO's Evolving Products

Established shortly after World War II as a mimeograph printing company, RISO KAGAKU developed Japan's first emulsion ink in 1954. Since that time, our development policy has been to "create fundamentally unique products." As a manufacturer of printing devices we have utilized original technologies to create a variety of unique products. Hereafter, we will continue to forge new paths in the field of paper communications.

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 version of the report we aimed to provide a precise and easy-to-understand overview of activities pursued in fiscal 2014.

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

*Regarding information published on the website, see page 25

● Scope

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

● Period Covered

This report covers fiscal 2014 (the fiscal year from April 1, 2013 to March 31, 2014).

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

● Japanese Publication Date

July 2014 Note: RISO plans to issue its next report in July 2015.

● Guidelines Used for Reference

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

● Major Changes during the Fiscal Year

- A new development base, the Riso Research and Design Center, was opened in June 2013.
- A sales subsidiary was established in Ukraine in December 2013.
- The ORPHIS EX series of high-speed color printers was awarded a grand prize for energy conservation in Japan.

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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.

Recently, the ORPHIS EX series of high-speed color printers, which were released in 2013, received the Energy Conservation Center Japan (ECCJ) Chairman's Prize, 2013 Energy Conservation Grand Prize. The ORPHIS EX series of full-color printers that realize low-cost printing at high speeds, combining economy with productivity. Improved energy-saving features allow for lower environmental burdens compared to previous models.

We are grateful to ECCJ for recognizing our products and environmental commitment. In the future, we will strive to continue developing attractive products that meet customer needs while reducing environmental burden.

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

July 2014

RISO's Environmental Policy

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

RISO Environmental Charter

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

RISO Environmental Protection Principles

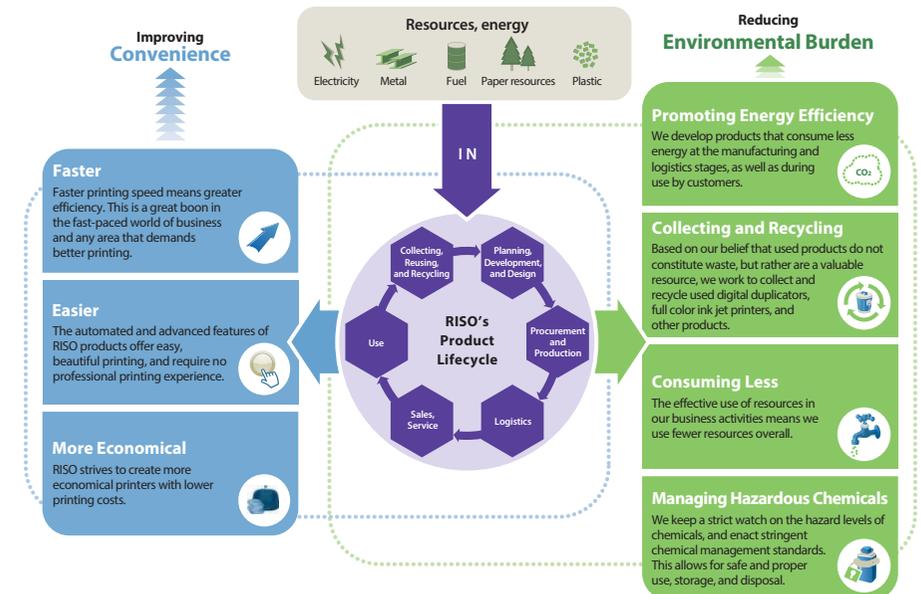
- 1. Development of Environment-Friendly Products**
When developing and designing products, we create and execute development policies that reduce the total environmental burden by considering the influence that respective product life stages have on the environment in the manufacturing, logistics, use, recycling and disposal phases.
- 2. Resource and Energy Saving**
We investigate the influence exerted on the environment by our business activities and try to save resources and energy to reduce environmental burdens.
- 3. Local Environmental Protection**
We observe local environmental regulations and investigate possible risks of contamination to prevent such occurrence in the case of an emergency, such as leakage.
- 4. Global Arrangements**
We also consider our influence on overseas local communities and environments when operating or exporting products, and we try to respond to the requests of local communities as faithfully as possible.
- 5. Continual Improvement**
We maintain a dynamic organization and system to establish environmental objectives and targets and always work to improve such systems.
- 6. Environmental Education and Information Disclosure**
We educate our employees and carry out publicity activities appropriately, in accordance with the "RISO Environmental Charter" and the principles detailed above, to help employees deepen their insight on environmental issues.
We also disclose information on environmental issues without hesitation and work on further reducing environmental burdens in cooperation with other community members.

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

Akira Hayama
President and C.E.O.

Approach to Environmental Protection

Improving Convenience while Reducing the Environmental Burden



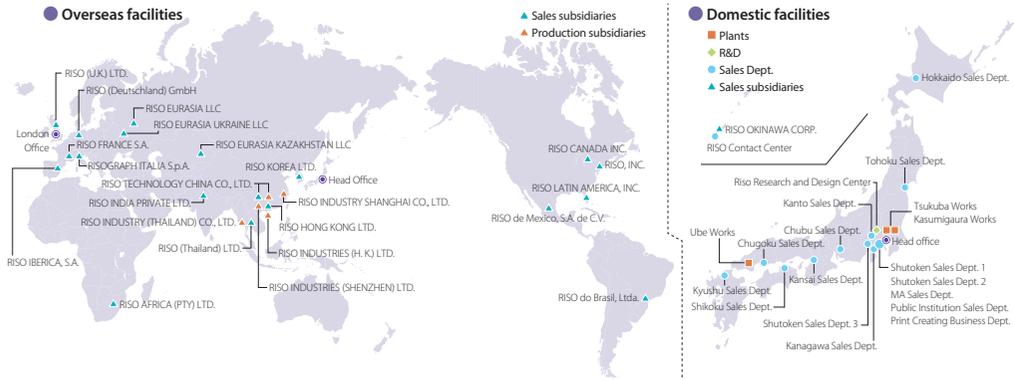
Bringing Unique Printing Solutions to the World

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

Corporate Profile (As of March 31, 2014)

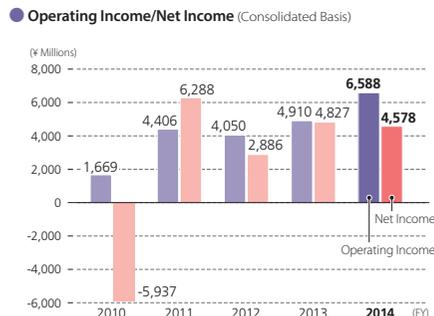
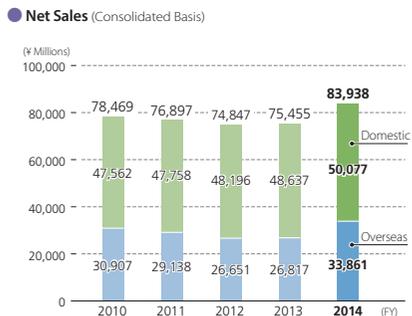
Corporate name	RISO KAGAKU CORPORATION	Financial results (consolidated basis)	Net sales: ¥83,938 million Net income: ¥4,578 million (Fiscal year ended March 31, 2014)
Established	September 2, 1946	Number of employees	3,594 (RISO Group)
Incorporated	January 25, 1955	Subsidiaries	26 companies (domestic: 2; overseas: 24)
Head office	5-34-7 Shiba, Minato-ku, Tokyo 108-8385, Japan		
Paid-in capital	¥14,114 million		

Worldwide Facilities (as of March 31, 2014)



Corporate Data

Note: Amounts less than the unit expressed are omitted.



Main Products

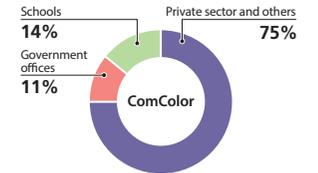
ComColor

Full Color Ink Jet Printers
For the related article see [page 7](#)

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



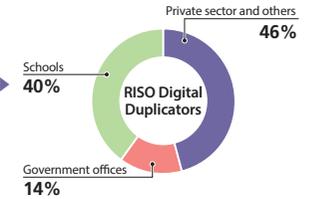
Japan Sales Breakdown by End Users (FY2014)



RISO Digital Duplicators

For the related article see [page 11](#)

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



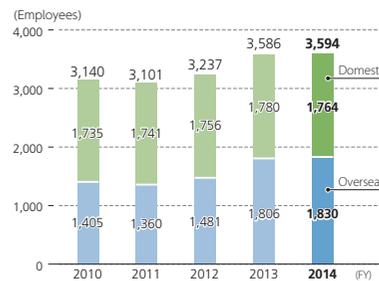
GOCCOPRO

Digital Screen Maker For the related article see [page 15](#)

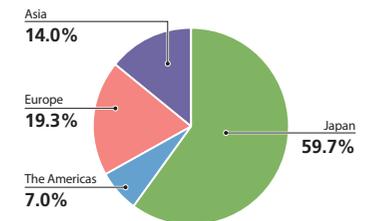
Digital screen maker that uses a fully dry process, with no water or chemicals. As simple as using a printer, for creation of precise, high-resolution masters.



Number of Employees at Year-End (Group)



Sales Ratio by Region (FY2014)





The ComColor has been the world's fastest printer for 10 years running*. How did we manage to combine high-speed, high-performance printing with lower energy and resource consumption?

*2003 RISO HC5000: Max. 105 ppm. 2005 RISO HC5500 series: Max. 120 ppm. 2009 ComColor series/2013 NewComColor series: Max. 150 ppm. Regarding cut-sheet office color printers currently for sale, as of January 2014 the ComColor 9150/9110 is the world's fastest, with print speeds of 150 ppm (using single-sided A4 long-edge feed, standard-setting continuous printing, and the standard output tray) (Source: RISO data).



Special Report 1 |

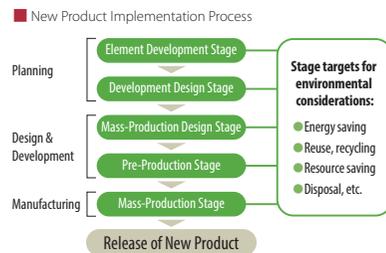
Combining High-Speed Printing and Reduced Environmental Burdens



We followed a development policy of "creating fundamentally unique products" and utilized our foundation in environmentally friendly manufacturing.

A Development Policy of "Creating Fundamentally Unique Products"

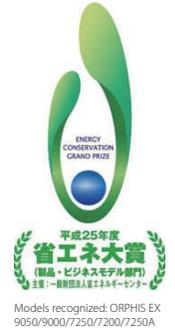
At RISO KAGAKU, we follow a development policy of "creating fundamentally unique products." This includes constantly innovating products for environmental performance. From planning to production, we set important environmental targets during each stage of product development. Only products which clear these stage targets make their way to market.



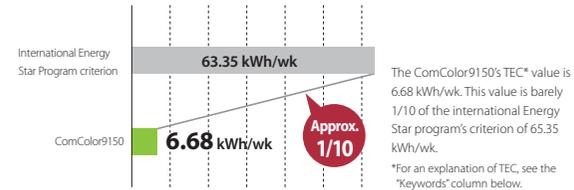
Note: When proceeding to the next stage, a stage transition assessment meeting is held.

Environmental consideration earns the ORPHIS EX series (the Japanese version of the ComColor series) a grand prize in energy conservation.

The Energy Conservation Center Japan (ECCJ), Energy Conservation Grand Prize recognizes businesses, factories and offices that promote energy conservation in Japan, as well as products and business models that display exceptional energy efficiency. The ORPHIS EX series (the Japanese version of the ComColor series) combines high productivity with economical printing, and reduces environmental burdens through lower power consumption and compatibility with thin lightweight paper. It also has a range of optional add-ons that meet the increasingly diverse needs of businesses for in-house printing and greatly increase overall productivity. The ORPHIS EX series was awarded the 2013 ECCJ Energy Conservation Grand Prize in recognition of these features.



Comparison of TEC Values



Employee Voices Product Development and the ECCJ Award



"Developing high-speed paper transfer systems for thin lightweight paper was very technologically demanding, but we were able to succeed without making compromises."

Koji Nakayama
OR Business R&D Dept. General Manager
Research & Development Division, P&D Center

"It's a very attractive product, offering not only impressive environmental performance but also convenience and usability."

Tatsuya Kasai
General Manager
Environmental Activity Promotion Dept.



"The issue we faced was how far we could reduce energy consumption without sacrificing speed."

Atsushi Takata
OR Business R&D Dept. Leader
Research & Development Division, P&D Center



"We're very happy to have been publicly recognized for our achievements in energy efficiency."

Hiroyuki Okada
Environmental Activity Promotion Section 2
Environmental Activity Promotion Dept.

Keywords TEC Values

TEC is a way of measuring a printer's energy efficiency.

TEC stands for Typical Electricity Consumption. It is a standard used by the international Energy Star program for energy-efficiency office equipment. TEC values for printers measure the total energy consumption in a typical week (consisting of switching between regular operation and sleep/off for 5 days a week and staying in sleep/off steadily for 2 days a week). Only products with energy efficiency above and beyond TEC standards* are permitted to display the Energy Star service mark.

*Standard values are calculated according to the product's printing speed.



The technology behind the ComColor series, which combines high-speed printing with reduced environmental burdens.

In the following sections we will introduce some of the energy- and resource-saving technologies found in the ComColor series.

Key FORCEJET™ Technology Combines High-Speed Printing with Energy Efficiency

The ComColor is equipped with four wide in-line inkjet heads capable of printing A3-wide short-edge in a single pass. "FORCEJET™" high-speed inkjet technology combines precise and rapid paper transfer mechanisms with RISO-developed special fast-drying ink. This allows for high-volume printing at speeds of up to 150 ppm¹. Additionally, the first print takes less than 5 seconds². Reducing the amount of time the printer is in use contributes to greater work efficiency and lower energy consumption.



*1 For ComColor9150/9110. A4 long-edge feed, simplex, continuous printing in standard mode, standard tray, using standard output tray. For ComColor7150/7110, speed is Max. 120 ppm.

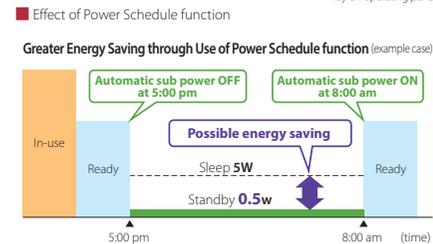
*2 Time from receipt of job to output. A4 long-edge feed, simplex, standard paper feed tray, standard output tray.

Greater Energy Efficiency through Meticulous Power-Saving Features

The ComColor series includes meticulous power-saving features to prevent energy from being wasted when the printer is not in use. For instance, the series is equipped with an auto sleep function that automatically switches the printer to low power mode when it hasn't been in use for a period of time. It also comes equipped with a Power Schedule function that reduces power to 0.5 W or less during set days and times.

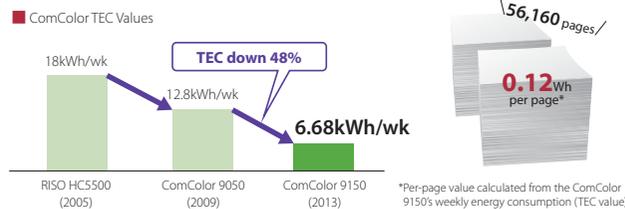


Power Schedule Lamp and Wake Up Key on operating panel



Leading Printer for Energy Efficiency per Page Printed

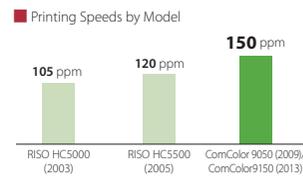
Compared to previous models, TEC values for the NewComColor series have been reduced by 48%. The ComColor is a leading printer for energy efficiency per page printed.



Topics ComColor: the World's Fastest Printer for 10 Years Running

At RISO, we strive to improve convenience while reducing environmental burdens.

RISO HC color printers, the forerunners to the ComColor series, were released in 2003 to meet the need for high-speed printing of multi-page color documents at low running costs. Since release we have constantly striven to improve basic features while also reducing environmental burdens. From the original RISO HC to the 2013 NewComColor series, for 10 years running we have continuously innovated, reducing energy consumption while remaining the world's fastest printer.

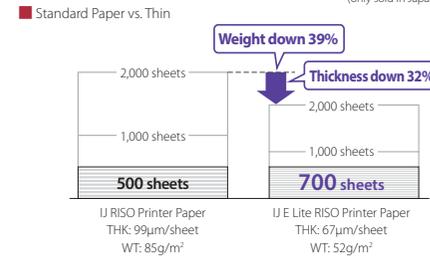


Save Resources with Thinner, Lighter-Weight Paper

The NewComColor series offers high-speed printing that is compatible with thin lightweight paper, which was previously difficult to feed. Thinner, lighter-weight paper conserves resources, requires less storage space for documents, and reduces energy consumption during shipping due to its lower weight.



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



Development of New Ink for Thin Lightweight Paper

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



A Range of Options to Get the Most from High-Speed, High-Volume Printing

A variety of optional add-ons are available that meet a range of printing needs and enhance the NewComColor's high-speed, high-volume functionality. This includes add-ons that facilitate on-demand printing, raising printing efficiency and allowing users to print what they need, when they need it. On-demand printing also conserves resources by eliminating wasted print-outs.

Complies with a Range of Environmental Labels and Regulations

From energy-saving design to recyclability, the ComColor series complies throughout its lifecycle with regulations and standards for the reduction of environmental burdens. The ComColor has acquired a range of environmental certifications.



High Capacity Stacker Wrapping Envelope Finisher

Equipped with a Range of Resource-Efficient Features

The NewComColor series comes equipped with a range of features that help prevent wasted paper and ink and otherwise conserve resources.



Perfect Binder

Q Question

What happens to empty ink bottles and used products after they are collected?



Special Report 2 | Recycling Used Products

A Answer

In order to reduce waste as far as possible, we strive to reuse and recycle products in a variety of fashions.

Aiming for 100% Recycling Rate

RISO began tracking its recycling rate in fiscal 2004. We carefully sort and reutilize collected used products (ink bottles, ink cartridges, printers), and have maintained a recycling rate of over 99% since fiscal 2009.



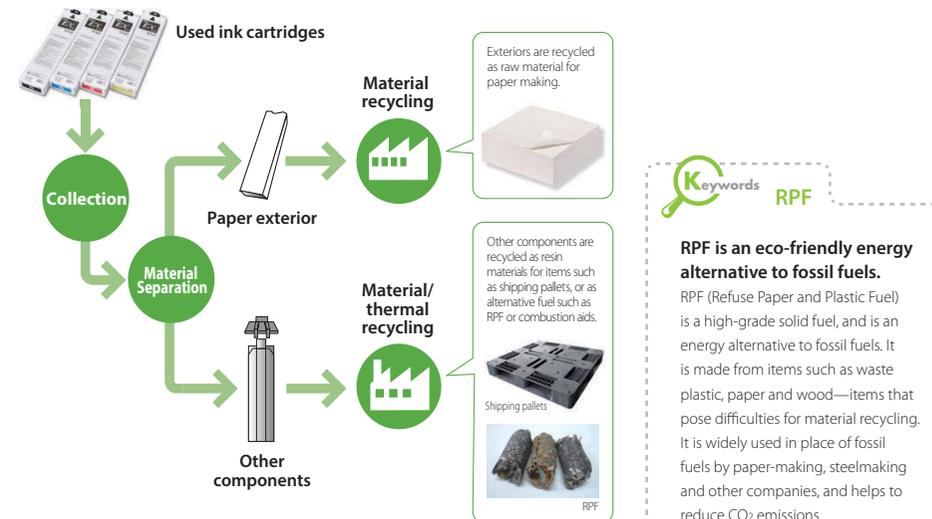
Used Ink bottles and cartridges are collected and reused as raw materials or fuel.

We collect used ink bottles and cartridges from the market in Japan. After collection, we strive to recycle these items as either materials (raw materials) or thermal (fuel) recycling.

Flow of Recycling for Ink Bottles



Flow of Recycling for Ink Cartridges



Keywords RPF

RPF is an eco-friendly energy alternative to fossil fuels.
RPF (Refuse Paper and Plastic Fuel) is a high-grade solid fuel, and is an energy alternative to fossil fuels. It is made from items such as waste plastic, paper and wood—items that pose difficulties for material recycling. It is widely used in place of fossil fuels by paper-making, steelmaking and other companies, and helps to reduce CO₂ emissions.



Used RISO digital duplicators are a precious resource, and are reused and recycled in a variety of fashions including as parts or as fuel.

Used RISO digital duplicators are collected, and parts which satisfy RISO KAGAKU quality standards are reutilized in refurbished products. Only products which meet the same standards as new devices make their way to customers' hands. Parts that cannot be reused are recycled as raw materials or fuel.

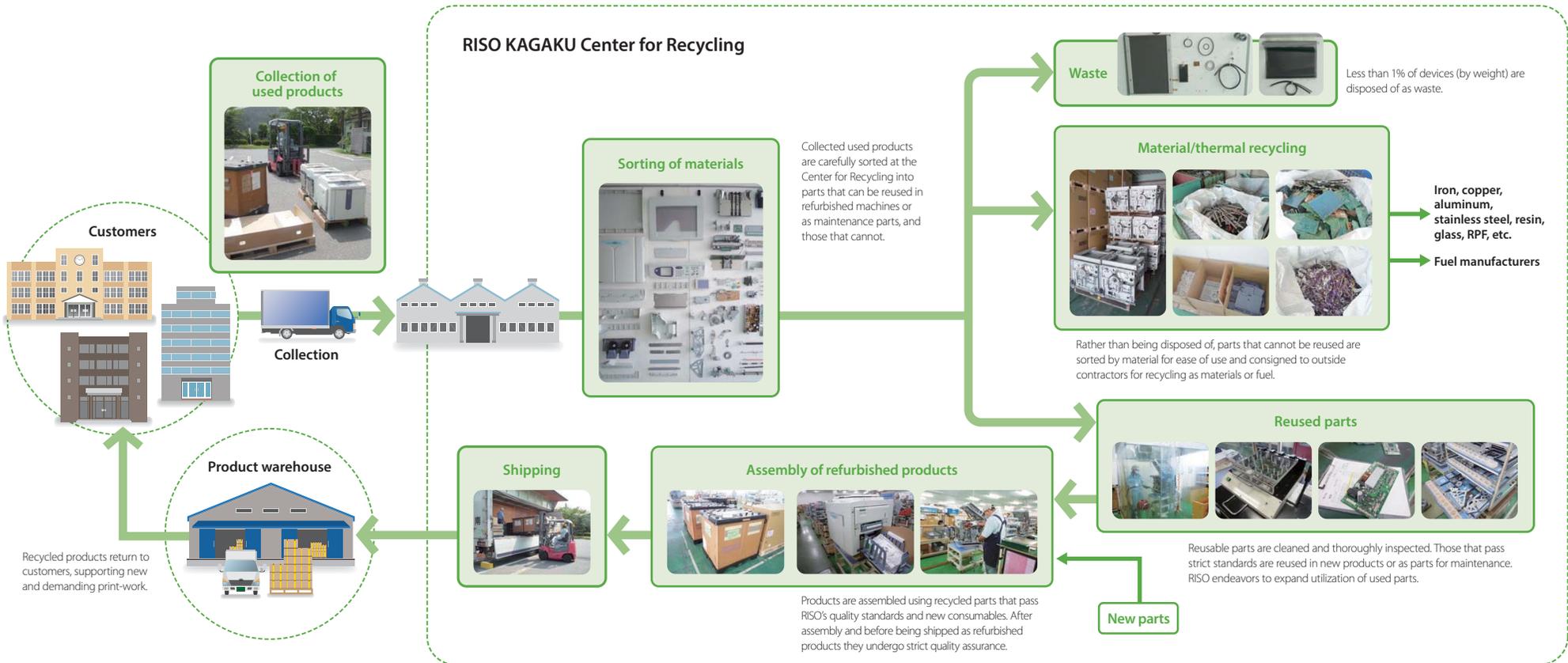
Developer Voices Aiming for Zero Waste from Products

RISO KAGAKU's recycling efforts began 22 years ago with the collection of used ink bottles. Since that time we have established a recycling flow for consumables, and in 1998 also opened the Center for Recycling for recycling printers. Because printers have a wide range of components, sorting them for reuse and recycling is very involved. Through careful diligence, however, we have succeeded in achieving a recycling rate of over 99%. In the future we would like to step up initiatives even further, and help contribute to the creation of a recycling society.



Ryuichi Kaibe Environmental Activity Promotion Section 1 Environmental Activity Promotion Dept.
Ichiro Matsuo Recycling Production Section Center for Recycling
Koichi Yuhara Recycling Planning Section Center for Recycling

Recycling Flow of Digital Duplicators





The GOCCOPRO digitizes the silkscreen making process. How is this different from previous emulsion screen-making?

Special Report 3 |

Revolutionizing Silkscreen Printing



The digital method is a clean process that does not produce waste water. It is also a simpler and speedier way to create screens.

The GOCCOPRO Has Garnered Praise Both in Japan and Abroad

Released in February 2014, the GOCCOPRO QS200 has been exhibited at expos in four countries outside Japan.

The new product, which has an increased image area and better registration for multi-colored printing, garnered praise from screen-printing professionals overseas for its environmental friendliness and ability to make screen-making easier.



Overseas expo



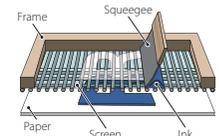
Introducing a completely dry process, requiring no water usage.

Because the GOCCOPRO series does not utilize emulsion no washing is required, meaning it does not produce waste water. The series allows for compact, speedy creation of screens. Photo exposure and drying are also unnecessary, significantly shortening the screen-making process.

Keywords Silkscreen Printing

Print on any surface, regardless of material.

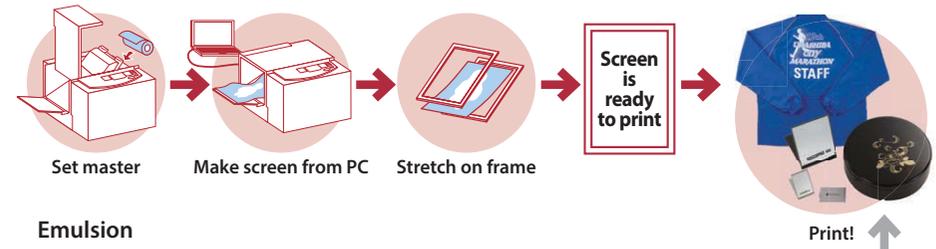
Silkscreen printing is one form of mimeographic printing. Pores are placed onto a screen, and printing is carried out by pressing ink through those pores. Screen printing can be used for a variety of materials, including not only paper but also glass, plastic, composite resins, metal, fabric and vinyl.



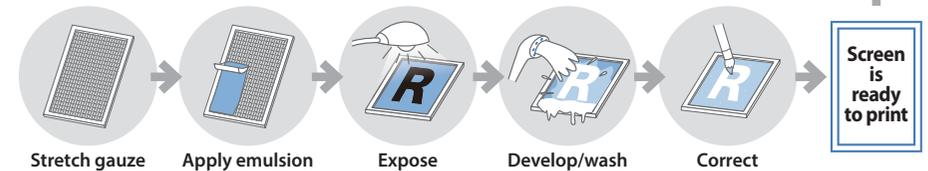
Difference Between Digital and Emulsion Screen-Making Processes

- **Easy operation** Screens can be made directly from PC data. Does not require special skills.
- **Environmentally friendly** ... Does not utilize emulsion, therefore requires no washing and does not produce waste water.
- **Speedy** Screen-making is speedy and similar to using a printer, with no photo exposure or drying.

GOCCOPRO 100 digital screen-making process



Emulsion



Topics RISO STUDIO Customer Communication Space in Japan

Regular workshops are held to give visitors the opportunity to make silkscreen prints using the GOCCOPRO. The workshops are a fun chance to experience creating products with original designs with the easy-to-use GOCCOPRO.



Information on the workshops can be found online! <http://www.riso.co.jp/ps/> (Japanese only)

Environmental Activities 2013

Bringing customers products with minimal environmental impact.

At RISO we strive to reduce environmental burdens throughout our operations. This includes challenging ourselves to conserve energy and resources at all stages, from product development, design and production to logistics and sales.

Development/Production Sites

Solar and Wind Generators in Operation at the Riso Research and Design Center

A hybrid energy generation system combining wind turbines and solar panels has been installed at the Riso Research and Design Center, which was opened in 2013. Utilizing two natural energy sources allows the system to respond flexibly to changes in capacity due to weather.



Hybrid power generation system

Green Curtain at Ube Plant Wins Award

As part of everyday methods toward conserving energy and helping to prevent global warming we cultivate a green curtain at the Ube Plant. The curtain consists of bitter melon and morning glory vines. The 15m wide by 6.5m tall curtain, which covers the entire south wall of the administrative building up to the second floor, received an award for excellence in the businesses division of the 2013 Green Curtain Contest sponsored by Ube City.



Green curtain



Products

Development of Environmentally Friendly Products

We recently released the GOCCOPRO QS200 digital screen maker. Unlike emulsion screen-making, the GOCCORRO QS200 does not require chemicals or water and greatly speeds up the screen-making process. We also released the Prioa LP2100DN, a new monochrome laser printer model with a TEC value¹ approximately 23% lower than previous models. Furthermore, we devised the RISO Peak Shift Print System, which allows customers to carry out daytime printing using electricity stored overnight.



*1 TEC value: Typical weekly energy consumption value (regular operation and sleep/off: 5 days/wk; sleep/off: 2 days/wk).
*2 Marketed only in Japan

Ube Plant Roof Coated in Heat-Reflecting Paint

A variety of capital investments are carried out at our manufacturing sites to raise the energy efficiency of facilities and equipment. This includes introducing heat-reflecting paint for building surfaces to prevent temperature rises caused by the powerful rays of the sun. The paint, which was first applied to the Tsukuba Plant in 2012, has now been applied to the Ube Plant as well.



Roof with heat-reflecting paint



Sales and Service

Striving to Conserve Resources and Provide Swift Service

We aim for low environmental burden in our operations while also striving to improve services offered to our customers. In 2013 in Japan we introduced a new system to utilize smart devices for dispatch work such as maintenance and delivery visits to customer sites. The system allows customer engineers throughout the country to access digital versions of manuals, technical documentation and customer information at any time, eliminating the need to carry around large numbers of paper documents. Work reports can also be filled out online, which increases efficiency while also eliminating paper and reducing environmental burdens.

We are similarly focused on conserving resources and offering faster



Use of smart devices



Ordering consumables online

service during customer orders. Consumables such as ink, masters and paper, which were previously handled by phone and fax, can now be ordered online.

To reduce environmental burdens during in-house operations we also actively promote use of web conferencing, which helps eliminate the need for employees to travel between sites.



Web conferencing

Procurement and Logistics

Optimizing Shipment Routes for Consumables

In order to reduce environmental burdens and provide stable delivery of products, we strive for the best mix of transportation methods and routes, including truck, ferry and rail. For instance, when shipping consumables produced at the Ube Plant to different regions, we use ferry for regular long-distance shipments to warehouses in the east Japan and Hokkaido regions and trucks for customer orders. We also increase loading efficiency and reduce environmental burdens by picking up new items along the route to effectively utilize the empty space created after delivery (empty ink bottles, collected products, parts, etc.).



Engagement with Society 2013

Members of the Community

In order to fulfill our responsibilities to society we actively communicate with stakeholders and implement a variety of activities.



Customer Satisfaction

Contest to Raise Technical Skill Levels

Customer engineers (CEs) are responsible not only for swiftly carrying out repairs, maintenance and inspections, but also proposing ideas to make customers' printing environments better. CE training is vital in creating a relationship of trust with customers, which is why RISO holds the RISO Technical Competition. To raise CE skill levels throughout the Group, top engineers from qualifying rounds in the United States, Europe and

Asia gather to compete in a world championship held every 2 years. The last world championship was held in November 2013, with qualifying candidates pitting their technical prowess against each other.



RISO Technical Competition 2013

Incorporating Customer Feedback into Quality Improvements

Customer feedback received by salespeople and CEs is shared throughout the company and used to improve products and services. As one example, in 2013 we strengthened printer management software for large-scale networks



IC card verification

where printers are accessed by a large number of users, such as at schools and government offices. Previously, the ComColor high-speed color printer was managed using serial information contained on IC cards. In response to customer feedback, however, we have begun offering new software that can coordinate with the user management systems already in place at schools, government offices and other institutions.

Strengthened Support for Customer Inquiries

Our website is a convenient and important tool for customer support. We recently improved the Frequently Asked Questions (FAQ) section of the website, adding information on new products and making contents easier to search.

Additionally, the RISO Contact Center, which is responsible for customer support, has been strengthening its ability to offer more meticulous service. Examples include the ability to verify problems using the same environment as customers so as to offer swift

and accurate responses, and the ability to swiftly dispatch staff when issues cannot be solved by phone.



FAQ page (Japanese only)

Details can be found under the "support" section of our website. <http://www.riso.co.jp/faq/> (Japanese only)



Building Fulfilling Work Environments

Supporting Work and Childcare Balance

In 2011 RISO earned the Kurumin Mark from the Ministry of Health, Labour and Welfare's Tokyo Branch. The mark certifies RISO as a company that supports the child-rearing efforts of its employees. Certification was renewed in fiscal 2014.

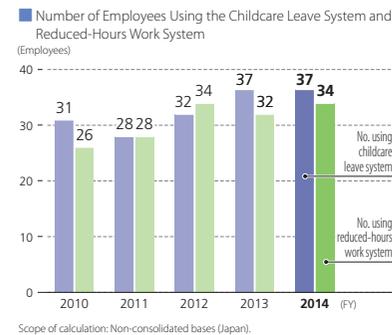


Kurumin mark

At RISO we have a childcare leave system in place that both female and male employees are encouraged to take advantage of. Employees with children under

three can also take advantage of shortened and flexible work hours. In fiscal 2014, 37 employees (including 3 male employees) took leave, amounting to 3,172 total leave days. 34 employees took advantage of the reduced-hours work system.

We also held seminars to help support those returning from leave. At the seminar held in March 2014, employees planning to return from leave received advice from colleagues who had previously returned from leave, such as tips on balancing work and childcare, or how to manage daily life after returning.



Support seminar on returning to work

Supporting Women in the Workplace with Career Training

We introduced a Career Design Training for Women program in 2011 to help support our female employees. 24 employees participated in the Women's Career Training Event Held in 2013, which included courses on "How to Increase Motivation," "Acquiring a Leadership Style" and "Identifying Your Own Career Path in the Midst of a Changing Environment." In the future, we will continue striving to make this program as effective as possible.



Women's Career Training Event



Earning the Trust of Local Citizens

Kasumigaura and Tsukuba Plants Recognized for Hazardous Substance Safety Excellence

On October 25, 2013, the Kasumigaura and Tsukuba plants were recognized for safety excellence in the management and handling of hazardous substance defined by law. The Kasumigaura Plant was awarded the Chairman's Prize from the Ibaraki Association for Safety

of Hazardous Materials, and the Tsukuba Plant received the Chairman's Prize from the Amimachi Association for Safety of Hazardous Materials. We will continue to work to ensure public safety and prevent accidents involving harmful substances.



Award ceremony



Members of the Community

Environmental Education Focused Around Issues of Printing

Since fiscal 2005, RISO has participated in an environmental education program offered by Masugata Junior High School. On November 29, 2013, we visited the school as part of an educational workshop on energy and the environment.

The purpose of the workshop was to raise student's awareness of the environment. Guest lecturers were invited from companies and organizations to give talks and carry out hands-on lessons related to energy conservation and environmental issues.

RISO's lesson involved creating an environmental newspaper using mimeograph presses and a RISO digital duplicator. Through this hands-on approach students learned about the history of printing and environmentally friendly printing methods.



School visit to Masugata Junior High

Social Contribution Activities

Disaster Relief

RISO donated ¥1 million yen to the Japanese Red Cross Society in support of disaster relief for Typhoon 30, which struck the Philippines on November 8, 2013.

Local Cleanup

During "Day of Shibuya," a ward-wide cleanup event that was held on April 26, 2013, five members from RISO's



Shibuya Day local cleanup activities

Shibuya branch participated in cleanup activities around Shibuya Station. The event is based on "Building a Beautiful Shibuya Together," an ordinance passed

by Shibuya Ward in 1998 that encourages citizens, businesses and government to work together to beautify Shibuya. The Shibuya branch has participated since 2010.

Eco-Cap Campaign

RISO participates in an Eco-Cap campaign to collect caps from PET beverage bottles and use the proceeds to help fund vaccinations for children in developing countries.

In fiscal 2014 we utilized RISO's existing collection and recycling routes for the campaign, cooperating with our partners to collect and transport the caps without additional cost.



Eco-Cap collection



Overseas Activities 2013

Implementing Community-Centered Activities in Regions Worldwide

Capitalizing on our company's advantages, we strive to grasp the needs of each region and proactively implement activities that contribute to education, culture and environmental conservation.



France

RISO FRANCE

RISO FRANCE promotes local sports, and is a sponsor of the SMV Handball Club France Division Two Championships. RISO FRANCE also promotes other sports, utilizing the advantages of RISO products to help create printed materials necessary for events, such as administrative documents, newsletters and event PR tools.



China

RISO INDUSTRIES (SHENZHEN)

Cardboard generated at the Shenzhen plant is sorted and collected. Since production in China began 13 years ago we have treated cardboard as a valuable resource, consigning collected cardboard to contractors for effective recycling.



Korea

RISO KOREA

RISO KOREA carries out a "Clean Campaign," to cleanup areas such as tourists sites and cultural assets sites where large crowds gather. In June 2013 RISO KOREA carried out cleanup at Namhansanseong in Gyeonggi Province, which is a location that many Korean citizens hold dear to their heart.



South Africa

RISO AFRICA

RISO AFRICA offers the Risolar (with solar power pedestal) for areas of the country where the power supply infrastructure is not sufficient. The combination of an energy efficient RISO printer and a compact solar battery system makes printing possible even in regions where stable electricity supplies are difficult.



Thailand

RISO Thailand

RISO Thailand collects and recycles used ink bottles to create chairs that are then donated to schools in economically challenged areas. In 2009 RISO Thailand also began donating flower pots created from recycled materials.



United States/United Kingdom/Thailand

In order to strengthen service overseas, training centers were established at subsidiaries in the United States, the United Kingdom and Thailand. At these centers local staff carry out training programs to increase the technical and sales skills of overseas Group companies and distributors.



Earning the Trust and Appreciation of Society through Sound Corporate Management

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

Corporate Governance/Compliance/Risk Management

Corporate Headquarters Established as Core of International Operations

Expanding overseas business is one of the priority objectives set in RISO's fifth medium-term management plan, which went into effect in the fiscal year ended March 31, 2014. A corporate headquarters has been established to help achieve this goal. The corporate headquarters will be core in promoting

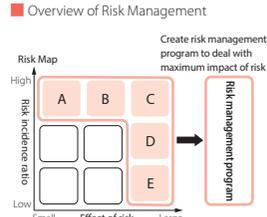
cross-sectional, globally motivated coordination and optimizing Group operations. Through the headquarters we will strive to strengthen organizational foundations to respond to changes in the environment and grow as a business.

Strengthening Compliance Structures, with Risk/Compliance Committee at Core

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.

Directly connected to the officers in charge, the Risk/Compliance Committee was established to continuously improve and strengthen compliance education and risk management. The committee also works to ensure the effectiveness of compliance

and anti-harassment measures, for instance by operating an internal whistleblower hotline for employee consultation or reporting that protects the privacy of informants.



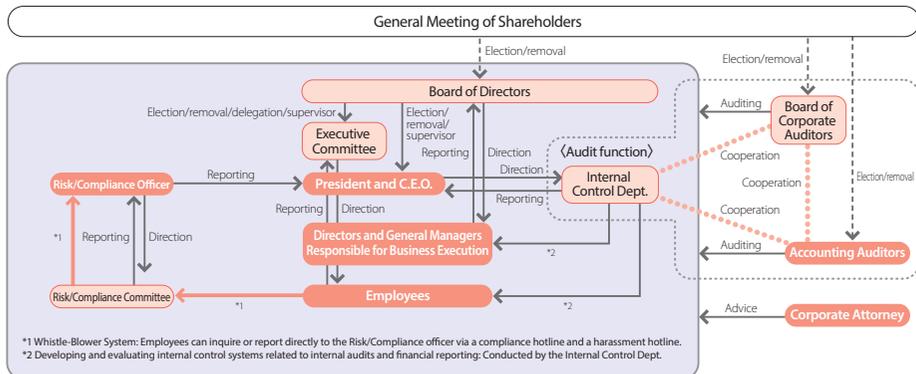
Safeguarding Operations through Information Risk Countermeasures

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.

■ Corporate Governance Structure

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



Environmental Management Cycle

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

Compliance with Laws and Regulations

A fiscal 2014 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.

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

Fiscal 2016 Environmental Objectives (Medium-Term Targets)

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

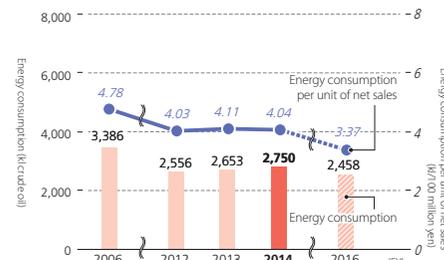
■ Reducing Energy Consumption (Crude Oil-Equivalent) (Compared to Fiscal 2006)

- Throughout our domestic Japanese operations (nonconsolidated), we will:
- ▶ Reduce energy consumption by 23%.
 - ▶ Improve energy consumption per unit of net sales by 30%.

■ Reduction of Total CO₂ Emissions (Compared to Fiscal 2006)

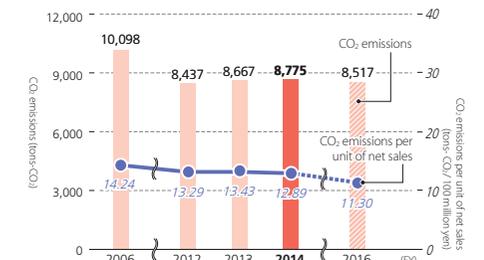
- Throughout our domestic Japanese operations, we will:
- ▶ Reduce CO₂ emissions by 15%.
 - ▶ Improve CO₂ emissions per unit of net sales by 20%.
- For all domestic production sites, we will:
- ▶ Reduce CO₂ emissions by 28%.
 - ▶ Improve CO₂ emissions per unit cost of production by 30%.

● Energy Consumption in Japan and per Unit of Net Sales



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

● CO₂ Emissions in Japan and per Unit of Net Sales



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

Fiscal 2014 Results

In fiscal 2014 we continued to pursue energy-saving initiatives, as we have done since fiscal 2012 when the Great East Japan Earthquake brought about shortages in power. This included proactive implementation of effective capital investments, such as upgrading to more energy-efficient air conditioners and lighting and applying heat-reflective paint to roofs.

In June 2013 the RISO Research and Design Center was newly

opened. The increase in floor space and development facilities led to a commensurate increase in energy consumption. As a result, company-wide (Japan) energy consumption and CO₂ emissions increased by 1% year-on-year. However, because sales were favorable the energy consumption rate per unit of sales improved by 2% compared to fiscal 2013, and the CO₂ emissions rate per unit of sales improved by 4%. In the future we will continue to work toward lowering environmental burdens.

Information Published on the Website

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

Sustainability Report



Sustainability Report (booklet version)

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

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



Sustainability Report (data book) (Japanese only)

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

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

RISO Website

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

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



Corporate Profile

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

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



Environmental Activities

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

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



Engagement with Society (Japanese only)

<http://www.riso.co.jp/company/employee/>

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



Investor Relations

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

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

Other Disclosure and Communication Tools



Corporate Profile

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



Annual Reviews

http://www.riso.co.jp/c/english/ir/library/business_report/

Corporate Governance Report (Japanese only)

<http://www.riso.co.jp/c/ir/management/governance.pdf>

Financial Results

http://www.riso.co.jp/c/english/ir/library/brief_announcement/

Securities Report/Internal Controls Report (Japanese only)

<http://www.riso.co.jp/c/ir/library/securities/>

A PR magazine focusing on various aspects of communication



Riso no Uta (PR magazine) (Japanese only)

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

Third-Party Evaluation

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

Third party verification report for the "RISO KAGAKU CORPORATION Sustainability Report 2014"



RISO KAGAKU CORPORATION
Mr. Akira Hayama, President

July 7, 2014
TUV Rheinland Japan Ltd.
Holger Kunz, President

1. Scope, purpose and target of the verification

TUV Rheinland Japan Ltd. (hereinafter referred to as the verification body), as an independent third party, verified the "RISO KAGAKU CORPORATION Sustainability Report 2014" and the "Environmental Information on the web" prepared by RISO KAGAKU CORPORATION (hereinafter referred to as the organization) from the view point of:

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

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

Ministry of 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 2014" 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. General evaluation

This report features "Energy Conservation Grand Prize to ORPHIS EX and the background of the award," "Initiatives for reuse of RISO Digital Duplicators" and "Environmental consideration in GOCCOPRO" as the information of importance. Putting these themes in this year's report in the booklet as focal points is appreciated as those important topics are what the organization would like as many people as possible to understand. It is hoped that the organization will further develop its multi-layered information disclosure structure by maintaining the current structure and by archiving detailed environmental data and long-term efforts of the organization as available data on the web, so that the report can be more useful and more readers can have better understanding of the organization.

-Environment-

Readers of the report have points of interest. One is whether they can see the organization's attitude to provide ecofriendly products for its further contribution to the society. The other is what kind of efforts made by the organization to reduce environmental load in manufacturing processes and the results. Those viewpoints were taken into consideration during the verification.

Firstly, ORPHIS EX awarded for energy conservation grand prize in the FY2013 and special feature regarding ecofriendly products enriched more than before indicate that the organization's

environmental management becomes successful, which deserves to be praised. There is an expectation that the organization will further maintain its principles to contribute to the society and to the environment through its products as a printing machine manufacturer.

Next, the reliability of the data and achievement for the reduction target for the environmental load were verified. As a result, it is evaluated that the reliable report has been created with the fact that data aggregation process has been continuously improved and data which should be corrected was corrected. It is hoped that the organization will further improve its process as both parties agreed that there is still room for improvement.

-Social initiative-

Consideration should be given not only to quality and environmental management but also to contribution to the region with the better understanding of the custom, human resource development, working habits and human rights in the region as the organization would be further required to take locally rooted initiatives and to disclose information of those activities, so as to establish local sales subsidiaries, local production sites and cooperative distribution network in the process of expanding the organization's business overseas.

In addition to this, like ecofriendly products featured in this year's report, the organization has products that can contribute to local society of the destination countries. There is an expectation that effective initiatives in overseas will be further encouraged.

-Environmental accounting-

It is hoped that the organization will continuously maintain its effective data aggregation process for environmental accounting to have further positive effects on the continual improvement of its environmental management. To enhance the effectiveness, collecting cost information including investment in ecofriendly equipment and facilities, and analyzing all costs are not enough.

As useful examples applying principles of environmental accounting come to be recommended in major guidelines both in Japan and overseas (making two economic effects compatible: one from wide range of energy and resource conservation in production activities and operation of equipment and facilities, and the other from reduction of the environmental load and cost and cost efficiency through the use of ecofriendly products), suitable initiatives to individual products with the consideration on the current organization's capability and the society's expectation are awaited.

End

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