

**Third party verification report for
the “RISO KAGAKU CORPORATION Sustainability Report 2016”**

RISO KAGAKU CORPORATION
Mr. Akira Hayama, President

July 15 2016
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 2016” 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.

2. Verification process

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

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

Our verification process includes on-site audits of the ISO9001 and ISO14001 management system, document verification of the organization’s draft report, on-site verification of the reporting issues, and confirmation of the organization’s final draft after implemented corrective actions. The verification process, corrective action requests from the verification, corrective action implemented by the organization, and reporting of corrective actions are carefully examined. Information of ISO registration status is available on our website at <http://www.tuv.com/>.

As the result of above-mentioned processes, the verification body judged that it had obtained reasonable information to conclude.

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

- Sites visited for this verification: Tsukuba Works

- Sites visited for ISO 9001 and ISO14001 audit: Corporate-Division (Tamachi/Corporate, Tsukuba/ Quality Assurance Dept., Environmental Activity Promotion Dept., Riso Research & Design Center/Intellectual Property Dept.), Print Creating Business Dept. - Division (Shinbashi), International Sales Division (Tamachi (Tokuei), /Overseas Technical Dept.) , Domestic Sales Division - sites (Tamachi, Tamachi (Tokuei)/Engineering Administration Dept., CR Support Dept. Okinawa Contact Center, Shibaura/Sales Education Dept.), Research & Development Division • sites (Tamachi/ R&D Planning Dept.), Production Division - sites (Tsukuba/Tsukuba Plant • 1st Engineering Dept. • 2nd Engineering Dept. • Production Planning Dept. • Logistics Dept. • Procurement Center, Kasumigaura/ Kasumigaura Plant • Center for Recycling • Logistics Dept. Spare Parts Center, Ube/Ube Plant • Logistics Dept. Ube Distribution Center), Real Estate Business Dept.

3. Conclusion

As a result of the verification that was performed in a planned manner, the verification team concludes that the "RISO KAGAKU CORPORATION Sustainability Report 2016" 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.

4. Verification opinion

【General evaluation】

With its environmental management information as its focal point of non-financial information disclosure, and its effort to make CSR related information more substantial, the organization has been providing "Riso" (ideal) products to its users, while promoting its environmental consciousness throughout phases including raw material, manufacturing, use of products, waste disposal, reuse and recycle. As the organization observes its 70th anniversary, looking back through its past products, it is hoped that the organization continuously manufactures "Riso" products, with its attitude being maintained.

The "R&D of the ink" which is one of the organization's core technology, shows the organization's attitude pursuing Riso products; that is a gradual shift to rice bran oil from soy bean oil which is required for ink. This shift enables the organization not just to respond to a food problem where there is a competing demand of soy bean as a food, but also to help reduce CO2 emissions during transportation by procuring domestically produced rice bran.

The organization's efforts on responding to social accountability from various aspects should be appreciated.

【 Environment】

It is evident that PDCA based environmental management is steadily implemented according to the articles on page 18 of the report and the figure 1 in the data book. Among others, the organization's determination to improve energy consumption in basic unit deserves to be praised despite expected increase of energy consumption in FY2016 because of production increase, advanced investment for development and so on.

Regarding accuracy of data in collecting, aggregating and reporting processes, reliability of the accuracy has been fully confirmed. One example is that there tends to be difficulties in communicating with overseas offices though, if the data has a difference of 10%, compared with the previous year, explanation for the reason is required, which is good. Moreover, from this year's report, data of collected hardware products is shown in actual measured value while a figure of an average value multiplied by the number of collected hardware was reported in the past (it has been verified that the gap between the two is $\pm 1\%$). What is appreciated is that the organization has a system to investigate the root cause and to take actions to prevent recurrence after correcting a numerical value which turned out to be incorrect.

In addition to the explanation of improvement, it is also appreciated that the organization discloses negative factors to ensure its accountabilities, which often can be found in the report. Further continual improvement with its thorough implementation of PDCA cycle is very much expected.

For future expectations, it is hoped that the organization will further promote its environmentally friendly products in the global market and carry out its environmentally friendly management to further reduce environmental load from the perspective on a global scale.

【 Social initiative】

The organization has started to distribute a booklet of this report to all employees in Japan. Ink used for printing is rice ink derived from rice bran as mentioned above. There has been increasing interest towards environmental consciousness in products and individual employees came to recognize the importance of understanding environmental management and eco-friendliness about their products. Therefore, it can be positively seen that the organization places much consideration on readers; universal design as an example.

From now on, together with production sites and sales offices overseas, in order to grow further, the organization will actively involve employees overseas, while enhancing effectiveness of initiatives taken there, and eventually will better provide CSR information including website information so that readers can be more familiarized with.

【 Environmental accounting 】

It is hoped that with its effectively maintained environmental accounting data aggregation process, the organization will provide information on merits and risks utilizing the application of environment accounting, such as currency information to express environmental risks in key business and sites, currency evaluation to show environmentally friendly performance related information and so on.