

 RISO KAGAKU CORPORATION

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Sustainability
Report

2011

RISO

To the Reader

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.

To give readers learning about the Company for the first time an overview of our activities, in this year's report we have added a new section, "Products That Both Streamline Printing and Reduce Environmental Burdens." It provides a simple summary of features and areas of use of our major products.

This year's report also introduces environmental protection activities in terms of the flow of corporate operations such as development, production, and logistics. We have strived to keep the content simple, in part by summarizing calendar-year data related to topics such as CO₂ emissions and recycling in the "Facts" section in the second half of the report. For more detailed data, see the Data Book (Japanese only) section of the website (<http://www.riso.co.jp/>).

As with past reports, color universal design standards were incorporated into the production of the report to ensure readability and comprehensibility.

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.

*Detailed information about the report's scope can be found in the "Facts" section.

Period Covered

This report covers fiscal 2011 (the fiscal year from April 1, 2010 to March 31, 2011).

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

Japanese Publication Date

August 2011 *RISO plans to issue its next report in July 2012.



About This Mark

This mark indicates that data related to the content in question can be found in the "Facts" section. In the "Facts" section, pages that include content related to the data in question are indicated.

Corporate Data (As of March 31, 2011)

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: ¥76,897 million Net income: ¥6,288 million (Fiscal year ended March 31, 2011)
Number of employees	3,101 (RISO Group)
Subsidiaries	26 companies (domestic: 5; overseas: 21)

Milestones in RISO's Environmental Protection Activities

- 2000 Tsukuba Works receives ISO 14001 certification.
- 2001 Ube Works receives ISO 14001 certification.
- 2002 The Environmental Promotion Board is created to facilitate companywide discussion of environmental issues.
- 2004 RISO publishes its first Environmental Report.
- 2005 Five Domestic Sales Division worksites receive ISO 14001 certification.
- 2006 All domestic sites receive ISO 14001 integrated certification.
RISO Group Environmental Objectives and Targets established.

About the Cover



Tsukubane Seeds

Nature has the ability to heal itself, an important concept to understanding that recovery is possible. Seeds are one manifestation of this capability, and I chose to use them as a symbol of the realization of a sustainable, recycling-oriented society. The seeds shown on the cover are from the Tsukubane, a deciduous shrub of the Santalaceae family, that is mainly found on the main island of Japan. I feel its appealing shuttlecock-like shape expresses the beauty and gentleness of nature.

Norito Shinmura

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Message from the President



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.

Going forward, as a development-driven company we will continue to create environment-friendly products by refining technologies that streamline printing, while at the same time reducing the environmental burden of these operations.

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.

August 2011

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

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 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.

Products That Both Streamline Printing and Reduce Environmental Burdens

RISO develops, manufactures, and sells digital duplicators and high-speed color printers. We strive to meet the full range of our customers' printing needs by providing environment-friendly products that deliver high-speed, high-volume printing at a low running cost, with intuitive easy-to-use operation.

Used in a Broad Range of Settings

ComColor high-speed color printers and RISO digital duplicators are typical of our products, in that they are used in a broad range of settings, including by corporations, schools, national and local governments, supermarkets, and print shops, in Japan and in more

than 150 countries and regions worldwide. RISO will continue to provide next generation products and services designed to meet markets' increasingly diverse printing and communication needs.



RISO Digital Duplicators

RISO digital duplicators use stencil printing techniques to create holes in a master and then force ink through the holes to transfer the image to paper. By automating master making, master attachment to and removal from the print drum and ink supply and other processes, these systems enable fast printing with simple operation.

Digital duplicators do not need a heater to fuse toner since they do not use toner, helping to control heat dissipation in offices. In addition, they can be used immediately after being turned on and can print documents at high speeds, making it possible to shorten the time they use electricity. Some models help save energy and resources by incorporating an auto power-off function, which

automatically turns off the system when it has been left in the standby mode for a predetermined period of time, and an ink saving mode, which limits the amount of ink used by the device.



RISO MZ1070



ComColor 9050

ComColor Series of High-Speed Color Printers

ComColor is a series of inkjet-type color printers. By using four rows of line inkjet printheads, high-precision paper handling technology, and specially formulated ink, ComColor delivers the world's fastest* printing speeds. At the same time, functions such as sleep mode, which minimizes power consumption when the device is not being used, help save energy.

*ComColor 9050, single-sided A4 long-edge feed, continuous printing with standard mode, using RISO face-down mode. Among single-sheet, office-use color printers available as of May 2011 (research by RISO).

TOPICS

● RISO Launches RISOGRAPH SD Series

The RISOGRAPH SD series (Japanese equivalent of the RISO RZ10 series), which was launched in October 2010 and includes five models that feature functionality designed to meet a broad range of customer needs and performance parameters, is capable of high-speed printing at up to 180 sheets per minute.* The series, which can also be used to quickly and easily output digital data from a USB memory stick, reproduces images with a high level of sharpness and detail. These models offer environmental performance on a par with previous RISO digital duplicators series offerings, including instant-on usability, an energy saving mode, and an ink saving mode. The environment-friendly approach extends to consumables, including the use of soy ink and recycling of used ink bottles.

*During high-speed mode operation.



Environmental labeling of the RISO SD series



*Only marketed in Japan.

● RISO Printers Earn Certification in the "Ten Circle" China Environmental Labeling Program

In 2010, two digital duplicators manufactured and sold in China earned certification under the "Ten Circle" program (the XUE YIN BAO on July 8, 2010, and the RISO RV9790C on December 10, 2010). This Chinese environmental labeling program consists of a mark adopted by the Chinese Environmental Labeling Product Certification Committee (currently the State Environmental Protection Administration's China Environmental United Certification Center). To earn certification, a product must meet standards established across the full range of life cycle stages, including manufacture, use, collection, and reuse, and the manufacturer must undergo a series of regular on-site plant inspections. RISO is committed to ensuring the environmental friendliness of products manufactured and sold overseas, and to attaining the appropriate local environmental labeling certification.



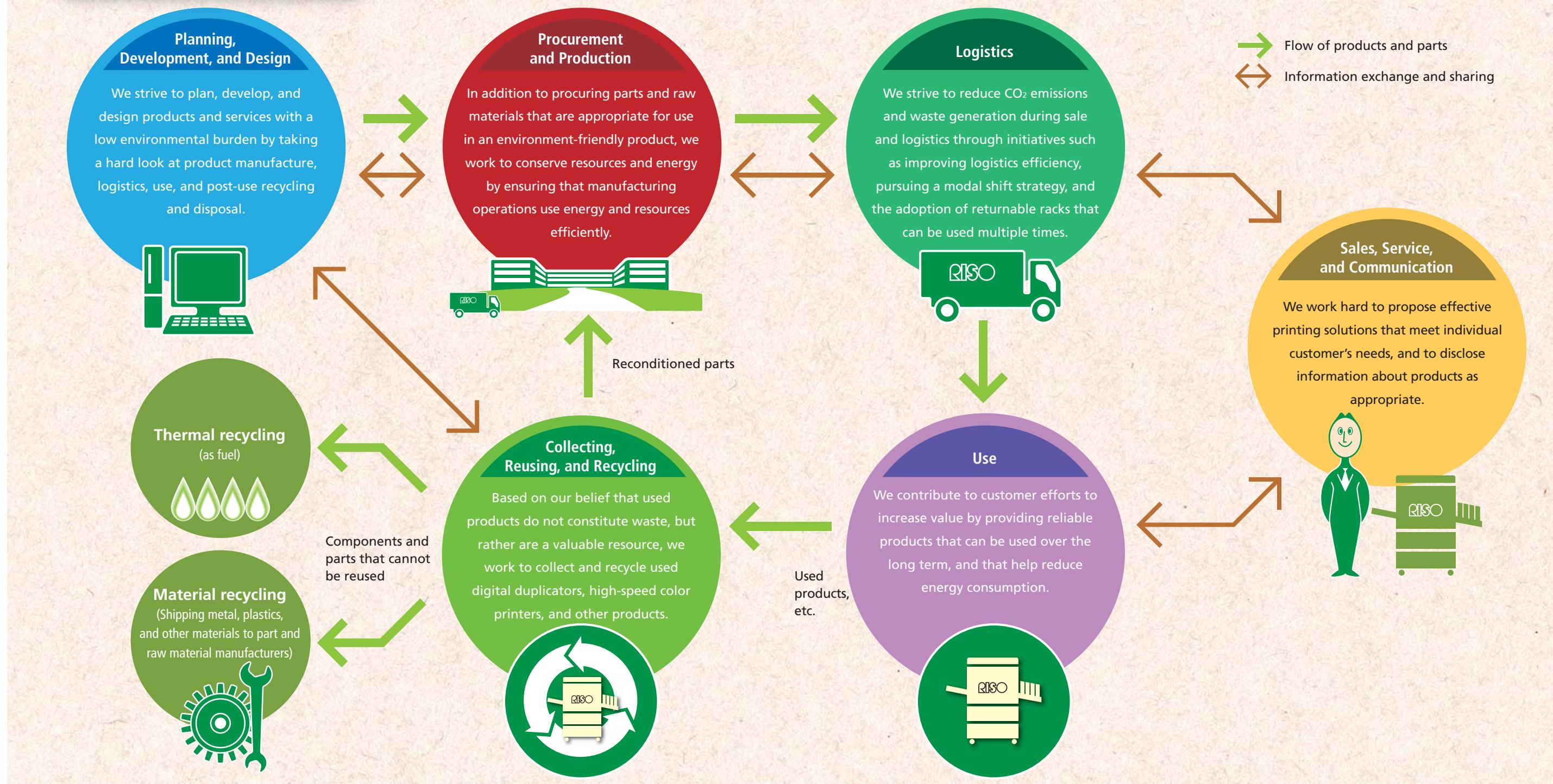
XUE YIN BAO,
a product designed specifically
for the Chinese market



"Ten Circle"
China environmental
labeling program

Environmental Protection through Corporate Activities

RISO pursues environmental protection across all of its corporate activities, from the development, design, and production stages to logistics, sales, service, and beyond. We strive to bring environmental considerations to bear throughout the product life cycle, for example by working to reduce the environmental burden associated with customer use of our products, and actively working to reuse and recycle products.





Environmental Protection through Corporate Activities

Planning, Development, and Design

Applying our development philosophy of "Creating 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 development and design process.

Systems to Ensure We Consider Environmental Impact Starting at the Development Stage

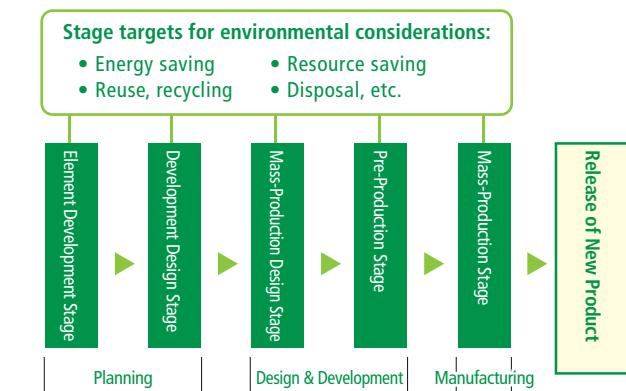
A proprietary new product implementation process guides the development of new products at RISO to ensure reliable, on-time manufacture and sales of the product.

We have divided the process into five stages extending from development to sales, and established standards that new products must meet (quality including environmental considerations, cost, performance, etc.) as well as key deliverables (manufacturing and sales procedures, specifications, etc.) as targets for each stage.

Before proceeding to the next stage, the responsible department holds a stage transition assessment board meeting to verify that targets for the stage have been properly met and, if any defects are found, review the design, cost, and schedule. This approach allows us to implement

environment-friendly features such as energy consumption, chemical content management, and ease of recycling in a consistent manner.

New Product Implementation Process



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

Examples of Environment-Friendly Practices

Starting with the planning, design, and development stages, we take into account limits on the use of certain designated hazardous substances as well as material labeling for recycling.



Column

Developing New Products in Compliance with Environmental Regulations

The departments responsible for design and development assure compliance with product-related environmental regulations in countries worldwide through collaboration and the sharing of data about parts materials, control circuit power consumption, chemical substances used in ink, and other parameters. Research into regulatory trends also plays an important role in product development planning.





Environmental Protection through Corporate Activities

Procurement and Production

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.

Manufacturing on Demand

RISO has inherited a manufacturing philosophy that consists of precise production of high-quality products and delivering them to customers in a reliable manner.

In keeping with this philosophy, our manufacturing departments strive to manufacture and supply products in an efficient manner based on the principle of manufacturing on demand, an approach that involves matching the product mix, timing, and quantity to demand. By augment-

ing our integrated, in-house manufacturing capabilities which allow us to manufacture everything from printers to consumables such as ink and masters, with data including sales forecasts from sales departments worldwide and logistics, manufacturing, and inventory information, we have developed an on-demand production system capable of supplying the products customers need when they need them.

On-Demand Production System

Production plans are developed based on sales forecasts provided by sales departments as well as logistics lead-time, inventory level, production capacity, and other data.

Our plant coordinates details such as production lines, models, and daily production volume based on the production plan to create a production schedule and work order chart, allowing products to be

manufactured as needed. By specifying detailed information right down to the date and time by which parts are needed when placing orders based on order units and lead times for individual parts, we are able to procure parts in the quantities needed for production in an efficient, streamlined manner.



Column

Bringing Japanese Manufacturing Technologies to China

Taking advantage of the manufacturing expertise and production systems refined at our flagship plant in Japan, we have developed a production line capable of efficient manufacturing in China.

Currently, KZ and CV/CZ series digital duplicators manufactured at our plant in China are assembled on the same production line. Workers efficiently manufacture multiple models in a limited work area while achieving a level of quality that is on par with Japan.



Environmental Protection through Corporate Activities

Logistics

To reduce CO₂ emissions generated during product transport, RISO is working to streamline logistics through consolidated transport and a modal shift* strategy. We are also reducing waste by shrinking product packaging and conserving resources.

*An initiative to control CO₂ emissions by changing the means by which freight is transported.

■ Reducing CO₂ Emissions by Streamlining and Systematizing Logistics

We are working to reduce CO₂ emissions in an effort to lower the environmental burden associated with the transport of our products.

Since 2003, we have been working with Cleanup Co., Ltd. to reduce fuel consumption by improving loading efficiency and optimizing deliveries through a multi-company consolidated transport system that makes use of SLIM*. The entire shipping process is streamlined by loading products and other freight owned by the shipper on outbound shipments for increased loading efficiency, while inbound (return) shipments are used to collect used products and returnable racks. We are also working to streamline transport and procurement at the plant by having trucks make regularly scheduled rounds at nearby suppliers to pick up parts and raw materials while returning empty product boxes. Furthermore, we began a modal shift

strategy emphasizing rail transport in 2002, and we augmented this effort in 2009 by embarking on an initiative focusing on transport by ship.

*SLIM (Strategic Logistics Information Model): A program that summarizes delivery and other data at the SLP (Strategic Logistics Partners) Research Information Center, where it is centrally managed in an effort to improve loading and operating efficiency by allowing shippers to verify data such as delivery times, shipment quantities, and shipment volumes to destinations including branches, sales offices, distributors, and stores

Facts page 32

- Graph 1** Breakdown of CO₂ Emissions from Contracted Transport
- Graph 2** Fuel Consumption (Diesel) and Cumulative CO₂ Reductions from Consolidated Transport
- Graph 3** Breakdown of Contracted Transport Volume and Modal Shift Rate



■ Reducing Waste by Shrinking Product Packaging and Conserving Resources

In Japan, we are reducing use of disposable packaging materials such as cardboard and styrofoam by using returnable racks and metal racks when shipping products.

In China, we have increased the loading rate, reduced transport energy, and decreased waste by shrinking packaging for digital duplicators.

Facts page 32

- Graph 4** Utilization Rate of Returnable Racks and Reduction in Use of Disposable Packaging



Column

Reassessing Logistics Routes in China to Reduce Environmental Burdens

We have successfully reduced the environmental burden of our operations in China by shortening logistics routes and simplifying freight transfer procedures. Going forward, we will work to make similar improvements to the logistics routes by which we supply products to customers in countries worldwide.





Environmental Protection through Corporate Activities

Sales, Service, and 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.



■ Deepening Communication with Customers

Our sales departments introduce products and make proposals to empower more customers to streamline their printing operations. We are working aggressively to deepen communication with customers by actively visiting customers on a regular basis, offering explanations of functionality at tradeshows demonstrating our products, and holding seminars so that we can effectively recommend the best possible products that meet customers' printing needs.

In addition to striving to provide speedy repair and maintenance

services so that we can better serve customers by ensuring that the products they have purchased operate in an optimal state at all times, our maintenance and service departments work continuously to improve their knowledge and skills through group training, e-learning, and other means.



■ Collecting and Analyzing Information in Japan and Overseas

We analyze market trends as well as customer requests and opinions both in Japan and overseas, and leverage the results to improve product design and lower the incidence of problems with our products.

In Japan, we have created the RISO Contact Center as a comprehensive customer support center. Employees respond quickly and precisely to inquiries, consumables orders, and repair requests from customers. In

overseas markets, we take local culture and characteristics into account in all our sales and service activities.



RISO Contact Center

■ Actively Acquiring the Right to Display Environmental Labeling and Appropriate Disclosure of Product Information

RISO actively works to earn certification under environmental labeling initiatives such as Eco Mark and the international Energy Star program. Information about registered products is available on our website.

<http://www.riso.co.jp/eco/label/list.html> (Japanese only)

We also provide products in overseas markets that comply with programs such as the international Energy Star program, China Environmental Labeling Program (see page 5), and the Taiwan Green Mark Program.

Environment-Friendly Design of RISO Products (for Japanese Market)

Name	Website address
The Energy Conservation Center, Japan	http://www.asiaecc-col.eccj.or.jp/index.html
System for providing information about procurement of items designated by the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Law on Promoting Green Purchasing)	http://www.env.go.jp/policy/hozon/green/g-law/gpl-db/index.html (Japanese only)
Eco Mark Office, Japan Environmental Association	http://www.ecomark.jp/english/index.html
Green Purchasing Network	http://www.gpn.jp/English/index.html
Green Station (Japan Environment Association)	http://www.greenstation.net/ (Japanese only)



Environmental Protection through Corporate Activities

Collecting, Reusing, and Recycling

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

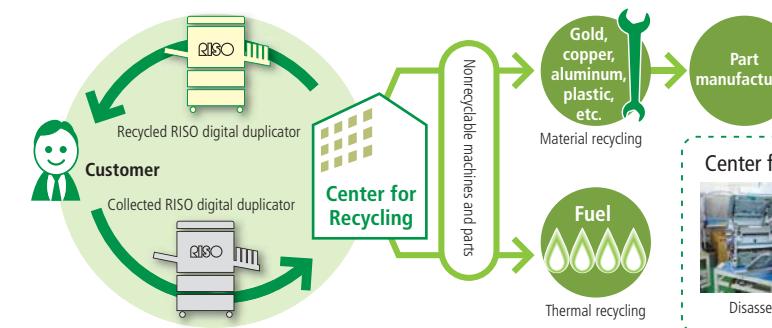


Treating Used Products as Valuable Resources

In addition to collecting and reusing used digital duplicators, we actively collect and recycle used ink bottles.

Digital duplicators collected from the market are disassembled 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 meet those standards are cleaned, washed, and used again in products, which are subject to a rigorous quality check,

Digital Duplicator Recycling Process



Facts pages 32 and 33

- Graph 5** Quantity of Used Products and Consumables Collected
- Graph 6** Recycling of Used Products and Recycling Rate
- Graph 7** Specific Final Waste Disposal Rates for Industrial and General Waste



Overseas Market Initiatives Addressing Used Products

We also collect and recycle used products in overseas markets as appropriate given local laws and societal demand. In South Korea, these efforts parallel collection and recycling mechanisms put in place

by the national government. During fiscal 2011, we began preparations to launch collection and recycling programs in China.

Column

Recycling Ink Bottles into Promotional Shopping Bags

After being collected by our consumables collection program, used ink bottles are processed into small pellets and recycled as ink bottle parts. During 2010, we used recycled plastic from used ink bottles to manufacture promotional shopping bags.

The bags are being used to communicate the need to reduce waste and use limited resources and energy carefully, as well as to promote RISO's environmental protection initiatives.

Driving Force: Initiatives Created to Enable Continual Improvement

RISO pursues continual improvement by creating organizational entities and systems with responsibility for environmental management and establishing environmental objectives and targets.

Structure for Promoting Environmental Protection Activities

Building an Environmental Management System Based on Operational Characteristics

RISO continually strives to improve its companywide environmental management system (EMS) in all its operations. The president serves as the chief executive in charge of pursuing environmental protection activities, which are based on the RISO Environmental Charter and the RISO Environmental Protection Principles. These activities are pursued through a

companywide EMS, which is designed to achieve improvements in environmental performance throughout the company, as well as an EMS for head office and various company sites that address issues on the specific conditions pertinent to local operations.

Assigning an Administrator for Environment-Friendly Design

We have created the position of administrator for environment-friendly design and delegated responsibility for managing the process of incorporating environmental considerations in new product design. The administrator for environment-friendly design verifies that the requirements

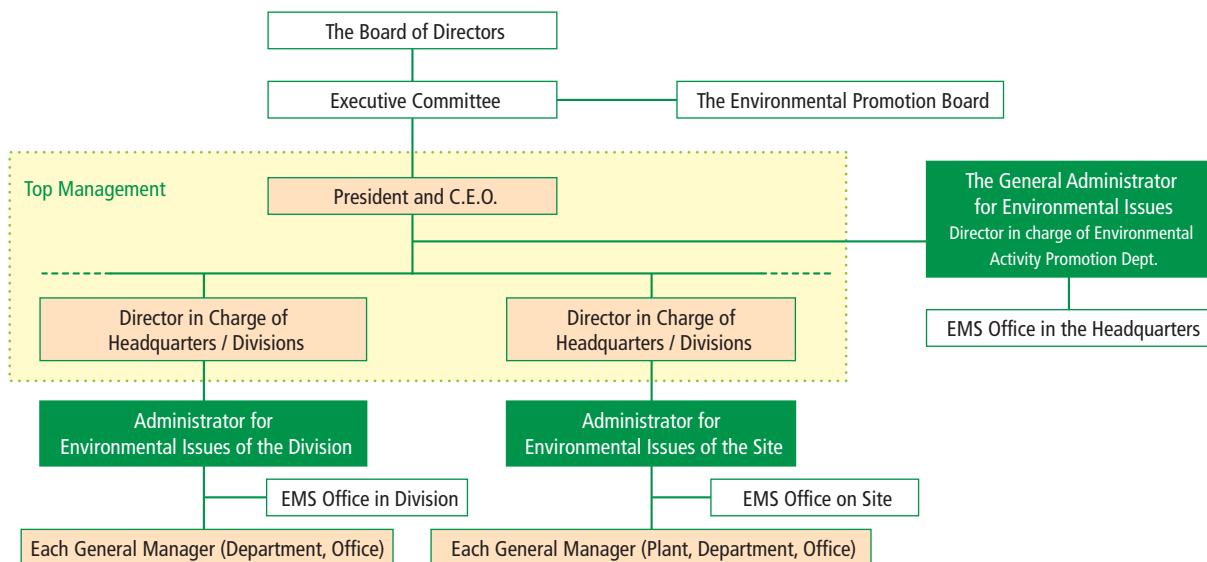
and objectives of environment-friendly design are applied in the development of individual products and otherwise manages the process to ensure that products reflect environmental considerations.

Practical EMS Implementation

The EMS for the head office and local sites addresses issues as appropriate given the particular characteristics of the head office and each site. For example, because they handle a variety of chemical substances, the production divisions and the Research and Development Division focus on the careful management of chemical substances, while the Sales Division and Corporate Headquarters at the head office emphasize communication

with customers and operational improvements. This EMS serves to align the efforts of all departments and offices to address companywide issues, while individual departments and offices address their own issues through activities rooted in their particular operational responsibilities. In this way, RISO takes a practical approach to the implementation of its EMS.

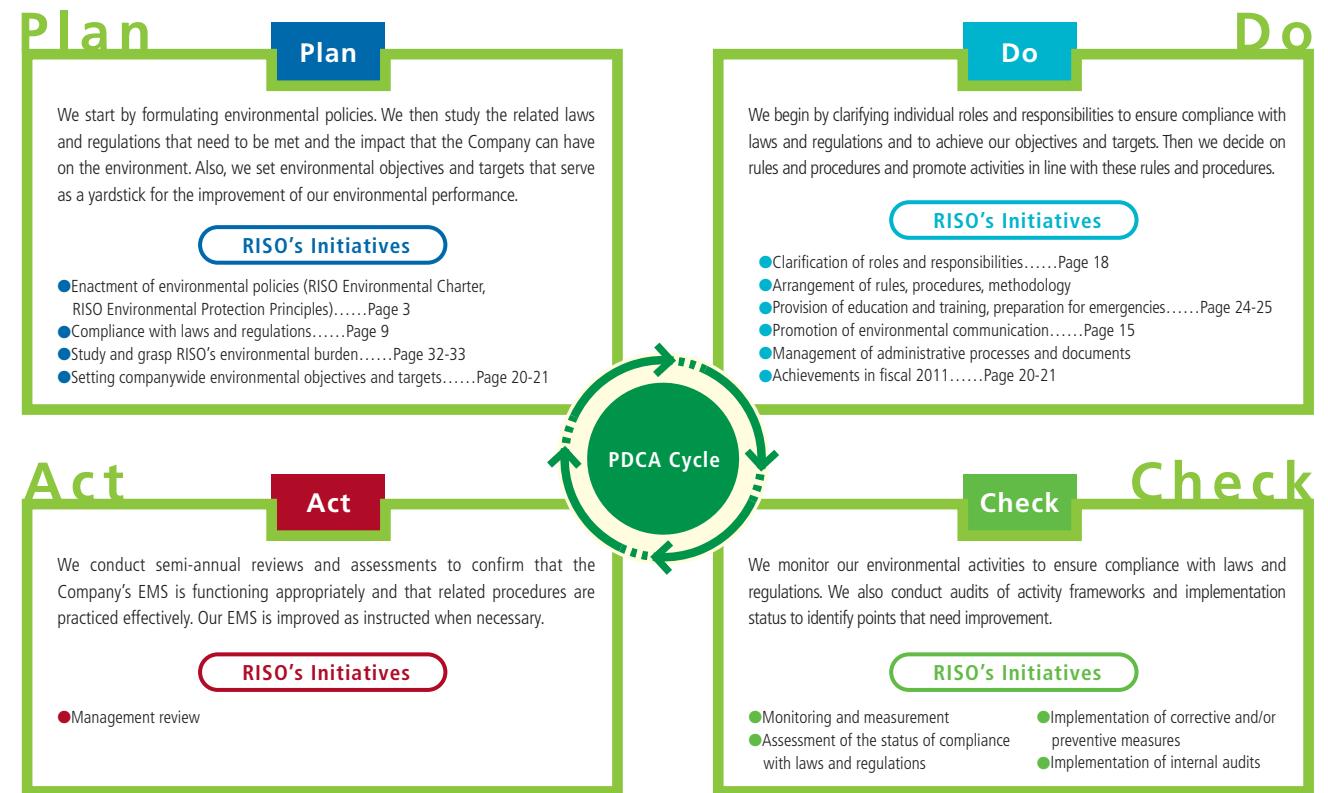
Environmental Management Organization



Continual Improvement through EMS

Continual Improvement Realized through a PDCA Cycle

RISO is working to achieve the continual improvement of its EMS by operating an effective PDCA cycle.



Column

Participating in the Challenge 25 Campaign

Since December 2005, RISO has been working to conserve energy by establishing medium- and long-term CO₂ reduction and per-unit improvement targets. In March 2010, in order to accelerate our ongoing initiatives in this area, we formulated a medium- and long-term energy conservation plan with 2015 as its end date. We have also been pursuing an active and systematic program of investment, for example by deploying energy saving equipment and updating older equipment with high-efficiency replacements.

Departments responsible for office work, including our head office and sales departments, as well as employees' families, have been participating in the Challenge 25 Campaign, Japan's national effort to encourage awareness of the need to conserve energy and resources in daily life and to pursue practical reductions in CO₂ emissions. This program reflects an effort to transform Japan's national Team Minus 6% program, which focused on preventing global warming, into a more general movement to reduce CO₂ emissions. RISO has called on employees throughout the company to take concrete steps to lower CO₂ emissions.

Environmental Targets and Achievements

RISO Group Environmental Objectives and Targets

Achievements in Fiscal 2011

RISO has been working to reduce the environmental burden imposed by its operations and to improve its environmental management system (EMS) by establishing companywide objectives and targets since December 2005. In addition to managing progress toward achieving those objectives and targets, we review the extent to which we are meeting

our objectives as necessary. In March 2010, we stepped back, reflected on five years of progress, and made significant revisions to our company-wide environmental objectives and targets. The table on page 21 shows RISO's fiscal 2011 targets and achievements as well as the Company's environmental objectives and targets from fiscal 2012 onward.

Reduction of Total CO₂ Emissions and Per-Unit CO₂ Emissions

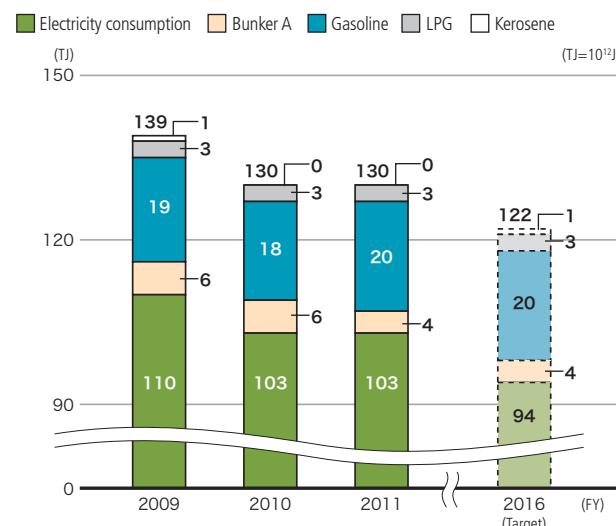
During fiscal 2011, we actively worked to save energy and reduce CO₂ emissions in accordance with the Medium- and Long-term Energy Conservation Plan, including by replacing boilers and high-voltage transformers, applying thermal barrier paint, and switching to energy saving lighting. Despite these efforts, an unusually hot summer and intensely cold winter combined to drive up electricity consumption from the previous year,

especially at sales facilities. At the same time, sales and production volume fell year over year, preventing us from achieving our targets for both CO₂ emissions reduction and per-unit CO₂ emissions reduction.

In fiscal 2012, we will continue to work aggressively to save energy and reduce CO₂ emissions by focusing on reducing power consumption as a whole and at peak times.

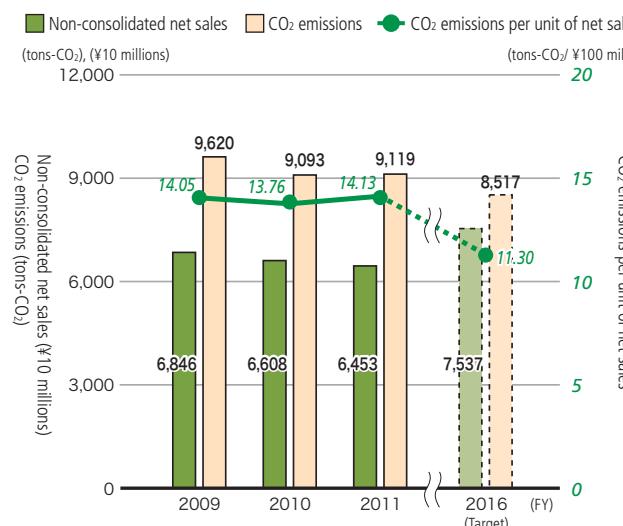
RISO conducted an emergency review of the Medium- and Long-term Energy Conservation Plan in response to the power supply shortage in the aftermath of the Great East Japan Earthquake of March 2011. As a result of this review, we changed and/or brought forward action policies in an effort to shift our focus to reducing power consumption. Targets remain unchanged, and we remain committed to saving energy and reducing CO₂ emissions.

RISO's Energy Consumption in Japan (Excluding Contracted Transport Operations)



Scope of calculation: Energy consumption at all RISO business bases (non-consolidated) in Japan, excluding that associated with contracted transport operations

RISO's 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 2016 Environmental Objectives

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%.

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%.

Fiscal 2011 Environmental Targets and Achievements, and Fiscal 2012 Environmental Targets

	Reduce CO ₂ emissions (compared to fiscal 2006)		Reduce energy consumption (crude oil-equivalent) (compared to fiscal 2006)
	All domestic operations	Total for all domestic production sites	
Fiscal 2011 environmental targets	(1) Reduce emissions by 12% (Reduce to 8,807 t-CO ₂ or lower) (2) Improve emissions per unit of net sales by 9% (Improve to 0.1286 t-CO ₂ /million yen or lower)	(1) Reduce emissions by 21.6% (Reduce to 3,650 t-CO ₂ or lower) (2) Improve emissions per unit cost of production* by 18% (Improve to 0.1168 t-CO ₂ /million yen or lower)	(1) Reduce consumption by 18% (Reduce to 2,794 kL or lower) (2) Improve consumption per unit of net sales by 15% (Improve to 40.9 l/million yen or lower)
Fiscal 2011 activity results	(1) Reduced by 9.7% (9,119 t-CO ₂) (2) Improved by 1% (0.1413 t-CO ₂ /million yen)	(1) Reduced by 21% (3,694 t-CO ₂) (2) Improved by 7% (0.1330 t-CO ₂ /million yen)	(1) Reduced by 15% (2,865 kL) (2) Improved by 7% (44.4 l/million yen)
Rating	×	×	×
Fiscal 2012 environmental targets	(1) Reduce emissions by 10.1% (Reduce to 9,080 t-CO ₂ or lower) (2) Improve emissions per unit of net sales by 11% (Improve to 0.1255 t-CO ₂ /million yen or lower)	(1) Reduce emissions by 22.1% (Reduce to 3,630 t-CO ₂ or lower) (2) Improve emissions per unit cost of production* by 20% (Improve to 0.1134 t-CO ₂ /million yen or lower)	(1) Reduce consumption by 16% (Reduce to 2,834 kL or lower) (2) Improve consumption per unit of net sales by 18% (Improve to 39.5 l/million yen or lower)

Rating symbols: ○: Achieved; △: Improved; ×: Not Achieved

*The unit cost of production includes the unit cost of all RISO products in fiscal 2011.

*Environmental targets for areas other than prevention of global warming are listed in the Data Book (Japanese only).

With Customers

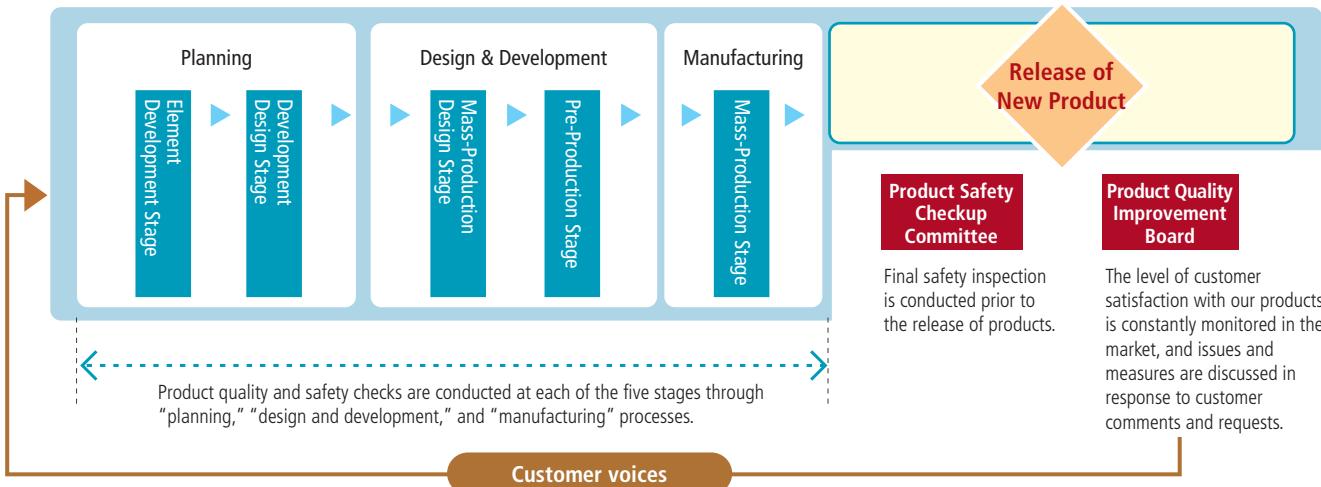
Basic Approach to Engagement with Customers

RISO embraces a customer-first philosophy and adopts a quality policy of developing systems to offer products and services that provide customers with confidence and satisfaction, and has been working to enhance these systems throughout the Company. Based on this policy, the development, production, and sales departments work together to enhance quality from the customer's perspective.

Initiative to Evaluate and Improve Quality

Enhancing the Quality Management System

We consider the quality of everyday operations to be an important aspect of the quality that we provide customers in our effort to supply high-quality products and services, and we are working to develop mechanisms for measuring and evaluating operational quality. During fiscal 2011, we launched activities to review the application of customer requests to our business, enhance product safety management, and visualize quality costs.



Sharing and Applying Customer Feedback to Improve Quality

RISO has developed systems to share customer feedback received by the RISO Contact Center and customer engineers, who are in direct customer contact, with the development and production departments to help improve product quality. Steps to address feedback that is deemed as particularly important or urgent are finalized by the Product Quality Improvement Board.

Publicizing Important Product Information

RISO provides information about product quality and safety to customers through its website and other media.

When RISO found out that certain products manufactured between June 2009 and February 2010 could emit radio waves exceeding its quality control criterion, we disclosed the fact and our countermeasures*. RISO reviews its management process and works to prevent a recurrence to ensure customers can use its products with confidence and satisfaction.



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

With Shareholders and Investors

Basic Approach to Engagement with Shareholders and Investors

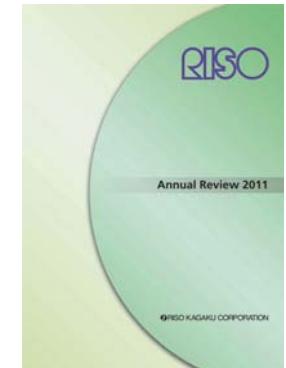
In addition to working to enhance communication with shareholders and investors, RISO has set down an Information Disclosure Policy to ensure that information is made available in a timely and appropriate manner.

Communicating with Shareholders and Investors

General Meeting of Shareholders Initiatives

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 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.

For shareholders' meetings, RISO prepares visually effective materials using graphs and photos. 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.



Annual review for shareholders and investors



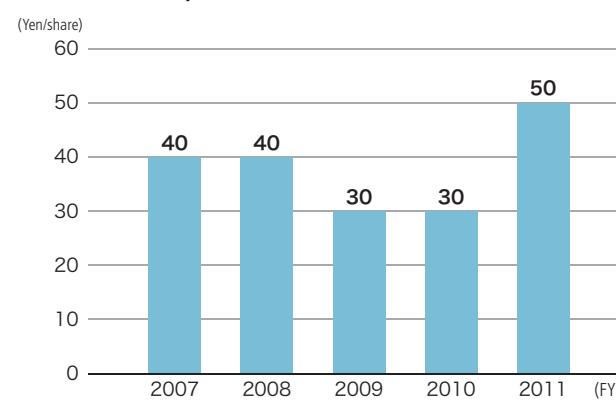
RISO website "Investor Relations"
<http://www.riso.co.jp/english/home/kabu/>

Maintaining Stable Dividend Payouts

Returning Earnings to Shareholders

In keeping with our basic earnings distribution policy of "allocating an appropriate portion of earnings as dividends in line with business results, while retaining the means to strengthen the corporate structure," RISO strives to maintain stable dividend payouts.

Cash Dividends per Share



With Employees

Basic Approach to Engagement with Employees

Behind RISO's far-ranging operations you'll find a workforce of talented employees. RISO believes that the ability of our employees to work energetically and develop their skills is an essential prerequisite for the Company's sustainable growth. Based on this approach, the Company strives to provide employee-friendly workplace environments. Specifically, the Company offers employees the opportunity to strengthen and develop their capabilities. At the same time, we are striving to establish a corporate culture in which employees are able to pursue creative activities, tackle a variety of challenges, and realize personal growth.

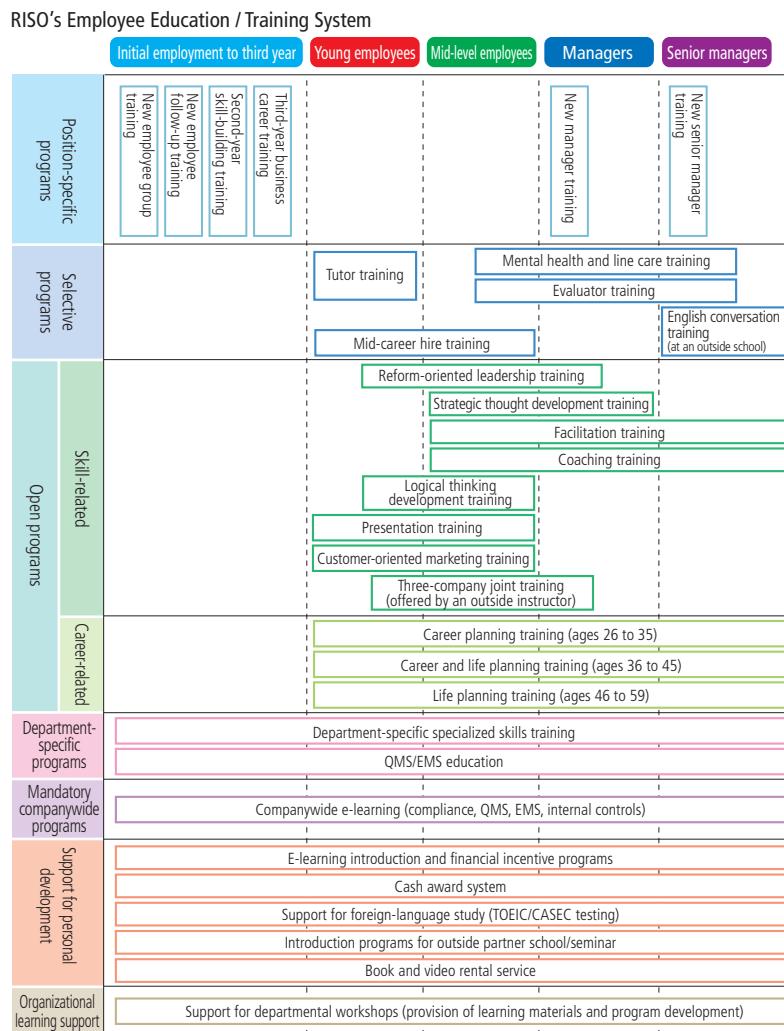
Support Systems to Enhance Employees' Development

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).

In addition, the Company offers various personal development programs to support employees who are interested in developing their capabilities and skills. As of fiscal 2011, a total of 200 awards have been granted under a program created in fiscal 2007, which provides cash awards to employees who earn certain certifications or pass certain skill tests designated by the Company.



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 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

Facts page 33

Table 8 Environmental Education Programs (Fiscal 2011)



Assistance in Achieving Work-Life Balance

Employee Benefit Programs and Leave Systems

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 addition, the Company helps employees reduce overtime hours and achieve a certain level of work-life balance through such measures as introducing a "No Overtime" day, using posters to promote reduced overtime hours, and broadcasting PA announcements concerning related initiatives.

Helping Employees Balance Child-Rearing and Work Responsibilities

In 1992, RISO established a childcare leave system for use by both male and female employees. In addition, a reduced-hours work system allows employees who have children less than three years old to shorten their work hours or change clock-in times, helping them balance their child-rearing and work responsibilities.

In fiscal 2011, 28 employees used the childcare leave system, including 2 male employees, for a total of 2,799 days of leave. The

number of employees using the reduced-hours work system totaled 28 for the same period.

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Graph 9 Number of Employees Using the Childcare Leave System



Creation of a Safe and Employee-friendly Work Environment

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.

Issues and problems identified through these exercises are 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.

Ensuring Workplace Health and Safety

RISO has established an Occupational Health and Safety Committee 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 activities*. In addition, the Company's intranet features a "Health and Safety" section which is used to raise employee awareness of health and safety issues.

In fiscal 2011, seven industrial accidents occurred at domestic RISO sites, a year-on-year decrease of one, for a frequency rate[†] of 1.98 and a

severity rate[‡] of 0.0. The number of workdays lost due to industrial accidents at domestic sites was zero, unchanged from the previous year.

RISO has also created procedure manuals for the management of chemical substances, and the Company is working to educate employees in the proper handling, storage, and management of these materials.

Facts page 33

Graph 10 Industrial Accidents: Frequency and Severity Rate



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

*2 Frequency rate: This rate indicates the frequency of accidents and disasters that have occurred as the number of deaths and injuries per 1 million working hours.

*3 Severity rate: This rate indicates the severity of industrial accidents and disasters as the number of workdays lost per 1,000 working hours.

With Suppliers

Basic Approach to Engagement with Suppliers

To help develop, manufacture, sell, and recycle environment-friendly products, RISO works to procure parts, raw materials, and other supplies that are characterized by low environmental burdens. We require the suppliers who are the focus of this procurement activity to comply with all environmental laws and ordinances, as well as regulations on substances with potential environmental ramifications as defined by the RISO KAGAKU Group Green Procurement Standard. We strive to achieve a consistent level of environmental protection through partnerships with suppliers.

Procurement Initiatives

Quality Standards for Suppliers and Procured Items

RISO requires that suppliers delivering parts, raw materials, and auxiliary materials (adhesives, solder, paint, and other substances used in production) develop and implement an environmental management system (EMS) such as that defined by ISO 14001. We also help them earn EcoStage* certification. We have established the RISO KAGAKU Group Green Procurement Standard for delivered parts, raw materials,

and auxiliary materials, and we require that suppliers comply with environmental laws and ordinances, as well as our own regulations on substances with potential environmental ramifications.

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

Commitment to Not Incorporate, Use, or Produce Harmful Substances

In keeping with our principle of "not accepting products and materials that contain hazardous chemical substances" and "not using hazardous chemical substances in our manufacturing processes," we formulated the RISO KAGAKU Group Green Procurement Standard in 2005. We register information about chemical substances contained in purchased parts and materials in a database and conduct sampling inspections at the time of delivery. In fiscal 2009, we began conducting green procurement audits of suppliers to verify their compliance with the management standards for chemical substances required by the

Procurement Standard. In fiscal 2011, we revised the Procurement Standard to ensure compliance with environmental regulations worldwide, as well as revisions to the EU REACH regulation*, strengthening management of product chemical substances from the perspective of compliance and control of environmental burdens.

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

Responding to the Discovery of Non-Compliant Parts or Materials

In the event a part or material is found to be non-compliant, for example because it contains a prohibited substance, or such a part or material is feared to have been delivered, we require suppliers to report the fact to RISO immediately, prevent shipment of the item, and strive to prevent a recurrence of the problem.

When we receive information about a non-compliant part or material from a supplier, we immediately share the information inside the Company, investigate the incident, and take necessary action. If a product with compromised quality or safety has been shipped to the market, we identify and implement a mechanism for communicating the relevant facts to customers through our website and other media.



Holding a briefing on the RISO KAGAKU Group Green Procurement Standard for suppliers

With Local Communities

Basic Approach to Engagement with Local Communities

RISO strives to earn the trust of and work in partnership with local communities. We actively pursue communication and offer support in ways appropriate for our business.

Cooperation

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 December 2010, we participated in an environmental education workshop at the school focusing on energy.

In the workshop, which looked at how to make an environment-themed newspaper while studying past and present printing techniques, students learned about stencil printing and initiatives to reduce the environmental burden of printing.

In addition, a hands-on session offered students the opportunity to experience plate-making and printing processes by using mimeograph printing techniques to produce an ecologically themed newspaper.



Energy-themed environmental education workshop

Supporting Sports and Cultural Events

Thanks to their high-speed performance, RISO digital duplicator and ComColor series are used to print flash reports and extras at various sports and cultural events that attract large numbers of spectators.

During 2010, RISO loaned a ComColor to the fourth Global Classrooms in Japan event, where it was used to print and distribute various documents created during the event to participants. Participants praised the speed of those printers.



Model United Nations

Donations

Disaster-Relief Donations

RISO donated a total of ¥5 million in disaster-relief funds to prefectural disaster task forces in areas struck by the Great East Japan Earthquake to aid in the rescue of victims and the recovery of affected communities.

Management Structures

For a corporation to maintain sustainable growth, it must be managed in a sound manner so that the organization is appreciated and trusted by society. While endeavoring to facilitate correct understanding of its basic management policy on the part of stakeholders, RISO constantly strives to strengthen its corporate governance, compliance, and risk management.

Corporate Governance

Putting in Place Sound and Transparent Management Structures

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.

Managerial decisions are made at monthly and extraordinary meetings of the Board of Directors. Operational decisions are based on deliberations of the Executive Committee, which meets twice monthly. They are made in response to requests for decisions circulated in keeping with Company rules that outline decision-making standards, as well as the decisions of representative directors, officers with operational responsibilities, and department managers, in keeping with those decision-making standards.

The nine-member Board of Directors consists of one representative director, two managing directors, and six directors. The Board of Auditors,

which consists of two standing corporate auditors and two part-time external corporate auditors, conducts audits from a fair and objective standpoint. All corporate auditors attend Board of Directors meetings, and standing corporate auditors attend important meetings, including Executive Committee sessions, so that they are able to fully audit directors' execution of their operational responsibilities.

In addition, the Company has established the Internal Controls Dept. to develop and evaluate internal control systems related to internal audits and financial reporting. Plants, sales facilities, subsidiaries, and other entities are subject to internal accounting and operational audits in keeping with the Company's Internal Audit Rules.

The Company seeks advice and guidance as necessary from an attorney with whom it has entered into a contract to advise on legal issues.

Evaluating Internal Control Systems

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

The results of these self-evaluations showed that internal controls related to financial reporting were functioning effectively for the entire RISO Group (RISO KAGAKU CORPORATION and its affiliates) as of

Compliance

Pursing Compliance Based on Compliance Management Rules

RISO emphasizes compliance as the basis of business management. Specifically, in conducting business activities based on the idea that it is an integral member of society, RISO pursues compliance not only by conforming to laws and Company regulations, but also by respecting corporate ethics and morals. In doing so, the Company develops and continuously implements compliance programs that clearly define organizational structures, as well as whistle-blowing frameworks, in

keeping with its Compliance Management Rules.

A fiscal 2011 evaluation of legal and legislative monitoring, measurement, and compliance found no issues, and no fines or administrative guidance procedures were imposed on the Company by any government agency. In addition, no complaints concerning the environment were received from residents living near Company facilities.

Operation of the Whistle-Blowers' Hotline

Inquiries and reports relating to compliance and harassment issues that are received through the whistle-blowers' hotline are examined

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. In fiscal 2011, we continued an initiative begun during the previous year to make available e-learning materials that address sample compliance cases that could arise within the Company, and explain specific points at issue, so that employees can take appropriate compliance action.

by the Company's Risk/Compliance Officer and the Risk/Compliance Committee.



Example e-learning screen

Risk Management

Implementation of Risk-Specific Countermeasures

Pursuant to the provisions of Japan's Companies Act, RISO has instituted a series of Rules for Managing the Risk of Loss based on a resolution of its Board of Directors. At the same time, the Company is developing a system for integrating the management of various risks faced by the RISO Group.

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. We have also created a Risk/Compliance Committee to address various risks faced by the RISO Group. The Committee identifies risks, analyzes and evaluates the Company's degree of exposure to those risks in case they arise, and creates a risk map in response.

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

While some RISO production and sales facilities were damaged in the Great East Japan Earthquake that struck in March 2011, we were able to quickly restore systems for providing products and services to customers. Recognizing that concerns remain about potential effects on production of interruptions to the supply chain and power shortages, we are striving to ensure a stable supply of products to customers by taking all necessary measures, including the procurement of substitute parts.

losses for the Group, its partners, and other involved parties. To better address and minimize information risk, RISO has established an Information Management Committee.

Overview of Environmental Burdens

FY2011 Environmental Performance

During fiscal 2011, RISO set the medium- and long-term targets of reducing companywide energy consumption and CO₂ emissions by 23% and 15%, respectively, by fiscal 2016 compared with fiscal 2006 levels. We have also been pursuing an active and systematic program of investment, for example by deploying energy saving equipment and updating older equipment with high-efficiency replacements (see "Environmental Accounting" on page 34).

As a result, fiscal 2011 CO₂ emissions fell by 48 t-CO₂ from the previous year, despite the unusually hot summer and intensively cold winter. 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 burdens of our operations.

Note: Because fuel consumption by Company-owned vehicles has been excluded from the design and development and production processes under "Input/Output by Operational Process," these figures differ from the companywide CO₂ emissions and CO₂ emissions per unit of net sales targets (see page 20), which include fuel consumption by Company-owned vehicles.

Scope of calculation: For the table "Inputs/Outputs by Operational Process" on the following page

Calculation target: Japanese domestic operations

- Energy consumption and resulting CO₂ emissions, water consumption, water drainage, and waste generation during product development, design, and production
- Materials used in production; PRTR-regulated substance use, transfers, and releases; and gasoline consumption and resulting CO₂ emissions by Company-owned vehicles used in sales
- Used RISO products collected, reused, and recycled and resulting waste
- Excludes energy consumption by the Head Office and Sales Division and resulting CO₂ emissions.

INPUTS

	FY2010	FY2011	Compared to FY10 (%)
Breakdown of energy consumption			
Electricity (MWh/yr)	8,010	7,892	99
LPG (t/yr)	53	64	121
Bunker A (kl/yr)	148	114	77
Gasoline (kl/yr)	516	554	107
Volume of contracted transport ⁶ (10,000 t-km)	1,163	1,139	98
Water consumption (m ³)	34,099	32,808	96
Metals (t)	1,820	1,412	78
Plastic (t)	1,466	1,365	93
Glass (t)	25	16	64
Paper (t)	2,747	2,801	102
Other (t)	4,009	4,060	101
Subtotal	44,166	42,462	96
PRTR-regulated substances (t)	2.2	23.5	(See Note 1) 1,068
Volume collected (t)	2,748	2,511	91

CO₂: Emissions Calculations

Electricity: 0.555 kg-CO₂/kWh; gasoline: 2.32 kg-CO₂/l; bunker A: 2.71 kg-CO₂/l; LPG: 3.00 kg-CO₂/kg

(The March 2010 revision to the Law Concerning the Promotion of Measures to Cope with Global Warming requires in principle that the conversion factors for electricity announced by individual power companies be used. However, we are using a conversion factor of 0.555 kg-CO₂/kWh for electricity to ensure consistent data.)

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

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

³ Other (waste generation): The volume of gas emissions from recycling processing and incineration

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

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

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

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

Note 1: Figures have increased dramatically due to the designation of BHT as a reportable substance (as a Class I designated chemical substance) starting in October 2010.

When the effects of this change are excluded, the total volume handled fell 0.1 t from fiscal 2010, while total emissions and transfer volume fell 1.7 kg.

Inputs/Outputs by Operational Process (FY2011)

Operational process	INPUTS			OUTPUTS				
	FY2010	FY2011	Compared to FY10 (%)	FY2010	FY2011	Compared to FY10 (%)		
Design and development ► Page 8-9								
Scope of calculation: R&D Technology Center (at Tsukuba Works) Wakagiri R&D Site S&A Tsukuba Site (in the Mitsui Building) Shiba Plaza	Energy consumption Breakdown: Electricity consumption (MWh/yr) LPG Water consumption (m ³)	2,263 7 2,891	2,135 7 4,032	94 100 139	CO ₂ emissions (t-CO ₂ /yr) Breakdown: Electricity (t-CO ₂ /yr) LPG (t-CO ₂ /yr) Water drainage (m ³) Waste generation ¹ (t) Breakdown: Volume recycled ² (t) Other ³ (t) Final disposal (landfill) ⁴ (t)	1,277 1,256 21 2,891 239 235 1 3	1,206 1,185 21 4,032 143 142 1 0	94 94 100 139 60 60 100 0
Production ► Page 10-11								
Scope of calculation: Tsukuba Works (excluding the R&D Technology Center) Ube Works, Kasumigaura Works	Energy consumption Electricity consumption (MWh/yr) LPG Bunker A (kl/yr)	5,747 46 148	5,757 57 114	100 124 77	CO ₂ emissions (t-CO ₂ /yr) Electricity (t-CO ₂ /yr) LPG (t-CO ₂ /yr) Bunker A (t-CO ₂ /yr)	3,729 3,190 138 401	3,675 3,195 171 309	99 100 124 77
Water consumption (m ³)	31,208	28,776	92	Water drainage (m ³)	20,936	18,365	88	
Metals (t)	1,820	1,412	78	Steam, water, and related emissions (m ³)	5,989	6,039	101	
Plastic (t)	1,466	1,365	93	Products ⁵ (t)	14,350	14,026	98	
Glass (t)	25	16	64					
Paper (t)	2,747	2,801	102					
Other (t)	4,009	4,060	101					
Subtotal	41,275	38,430	93	Subtotal	41,275	38,430	93	
PRTR-regulated substances (t)	2.2	23.5	(See Note 1) 1,068	PRTR substance emissions into the air (kg) PRTR substance emissions into the water (kg) PRTR substance emissions into the soil (kg) PRTR substances transferred as waste (kg)	4 0 2 21	2 0 5 166	50 - 250 (See Note 1) 790	
Water drainage (m ³)	23,827	22,397	94	Waste generation ¹ (t) Breakdown: Volume recycled ² (t) Other ³ (t) Final disposal (landfill) ⁴ (t)	998 975 16 7	952 909 39 4	95 93 244 57	
Steam, water, and related emissions (m ³)	5,989	6,039	101					
Products ⁵ (t)	14,350	14,026	98					
Subtotal	44,166	42,462	96					
PRTR substance emissions into the air (kg)	4	2	50					
PRTR substance emissions into the water (kg)	0	0	-					
PRTR substance emissions into the soil (kg)	2	5	250					
PRTR substances transferred as waste (kg)	21	166	(See Note 1) 790					
Waste generation ¹ (t)	3,985	3,606	90					
Volume transferred to recycling processes ⁷ (t)	403	414	103					
Volume recycled ² (t)	3,532	3,128	89					
Other ³ (t)	17	40	235					
Final disposal (landfill) ⁴ (t)	33	24	73					
Recycling rate	98.7	98.2						
Sales ► Page 14-15								
Scope of calculation: Japanese domestic marketing branches and subsidiaries	Energy consumption Gasoline (kl/yr)	516	554	107	CO ₂ emissions Gasoline (t-CO ₂ /yr)	1,228	1,309	107
Volume of contracted transport ⁶	Volume of contracted transport (10,000 t-km)	1,163	1,139	98	Contracted transport (t-CO ₂ /yr)	2,189	2,185	100
Collecting, reusing, and recycling ► Page 16-17								
Scope of calculation: Used products in Japan	Volume collected (t)	2,748	2,511	91	Volumes of used products' collected, reused, and recycled. Although RISO promotes the effective use of collected products, some collected products are processed for landfill disposal.			
Volume collected (t)					Waste generation ¹ (t)	2,748	2,511	91
					Volume transferred to recycling processes ⁷ (t)	403	414	103
					Volume recycled ² (t)	2,322	2,077	89
					Other ³ (t)	0	0	-
					Final disposal (landfill) ⁴ (t)	23	20	87

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

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

³ Other (waste generation): The volume of gas emissions from recycling processing and incineration

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

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

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

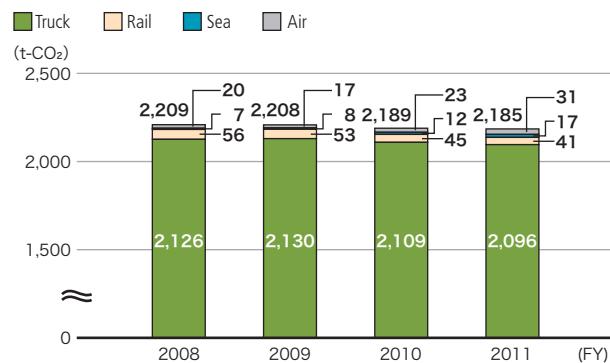
⁷ Volume transferred to recycling processes: The amount of recycled materials to be reused as raw materials in operational processes

Note 1: Figures have increased dramatically due to the designation of BHT as a reportable substance (as a Class I designated chemical substance) starting in October 2010.

When the effects of this change are excluded, the total volume handled fell 0.1 t from fiscal 2010, while total emissions and transfer volume fell 1.7 kg.

Environmental and Social Data

Graph 1 Breakdown of CO₂ Emissions from Contracted Transport

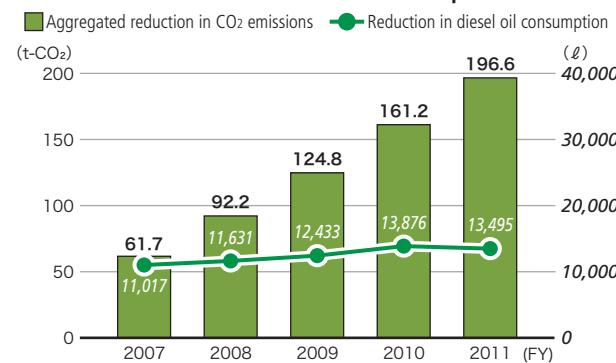


Scope of calculation: CO₂ emissions attributable to contracted transport (of products, components, raw materials, waste and used products) in Japan by the Logistics Dept., Sales Dept., plants and the Center for Recycling

We are striving to reduce the environmental burden associated with transportation of products to lower CO₂ emissions.

► Page 13 "Reducing CO₂ Emissions by Streamlining and Systematizing Logistics"

Graph 2 Fuel Consumption (Diesel) and Cumulative CO₂ Reductions from Consolidated Transport

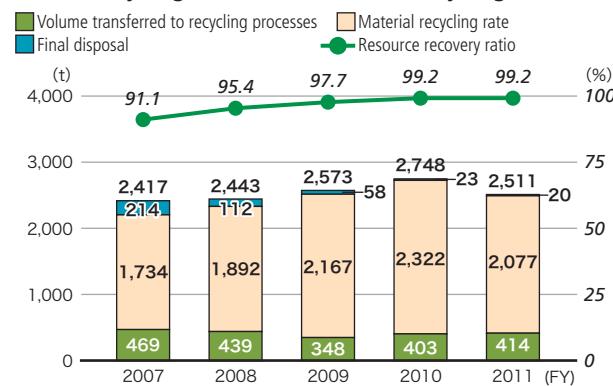


Scope of calculation: Consolidated transport conducted in Japan; based on the conversion factor of 2.62 kg-CO₂/liter for diesel

We are striving to improve loading efficiency and streamline overall transport operations by using consolidated transport.

► Page 13 "Reducing CO₂ Emissions by Streamlining and Systematizing Logistics"

Graph 6 Recycling of Used Products and Recycling Rate

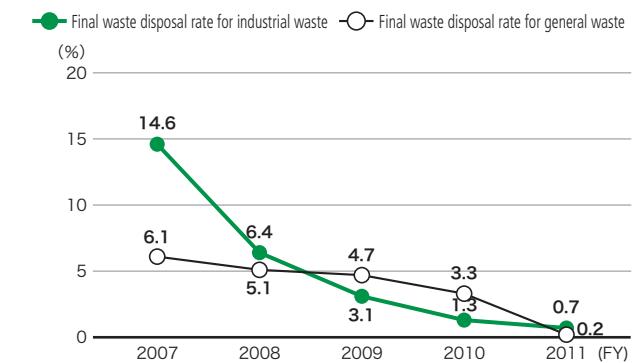


Scope of calculation: The amount of used RISO products in Japan (excluding second-hand digital duplicators that are returned or collected and then used as rental equipment)

We are striving to recycle parts that cannot be reused.

► Page 17 "Treating Used Products as Valuable Resources"

Graph 7 Specific Final Waste Disposal Rates for Industrial and General Waste*



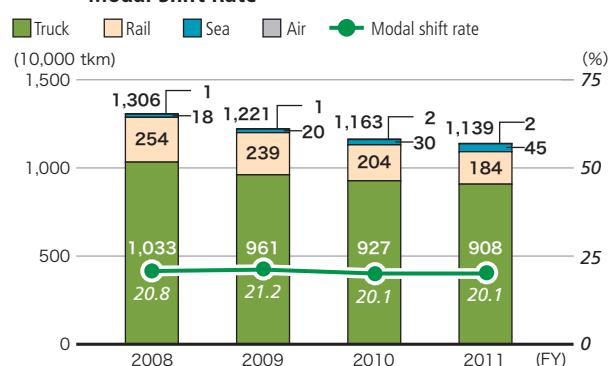
Scope of calculation: Industrial and general waste (including valuable resources and recyclable materials) generated at the Tsukuba Works, Ube Works, Kasumigaura Works, R&D Division, and Shibaura Office; volume of all used RISO products collected in Japan, materials recycled, and materials for other treatment processes (excluding rental equipment returned or reused by different users without refurbishment)

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

We are striving to minimize final disposal (landfill).

► Page 17 "Treating Used Products as Valuable Resources"

Graph 3 Breakdown of Contracted Transport Volume and Modal Shift Rate



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

We are pursuing a modal shift strategy that increases the efficiency of marine transport.

► Page 13 "Reducing CO₂ Emissions by Streamlining and Systematizing Logistics"

Graph 4 Utilization Rate of Returnable Racks and Reduction in Use of Disposable Packaging



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

We are reducing consumption of materials such as cardboard and styrofoam

► Page 13 "Reducing Waste by Shrinking Product Packaging and Conserving Resources"

Table 8 Environmental Education Programs (Fiscal 2011)

Type of education	Events (times)	Participants (employees)	Hours (aggregate)
Basic environmental education program (e-learning)	2	1,856	1,131
Basic environmental education program	26	745	2,046
Internal auditor training	3	70	202
EMS enhancement education/training	1	10	75
EMS activity program (waste sorting, etc.)	13	357	379
Special environmental education program	5	148	516
Accident/emergency drill	13	666	3,256
Disaster drill	5	724	642
Advanced business skill program	11	234	730
Business skill program	3	3	18
Workplace health and safety program	6	35	52
Total	88	4,848	9,047

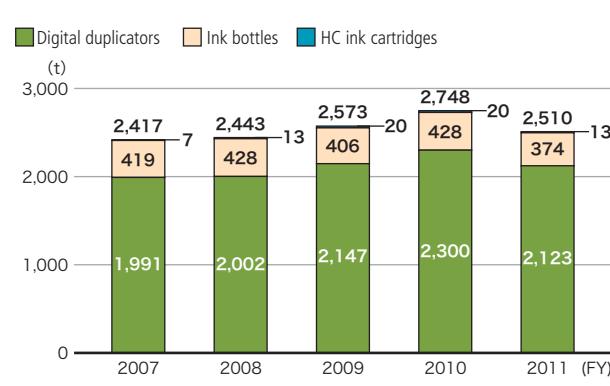
Scope of calculation: Educational and training programs provided at RISO's domestic sites in Japan

*Table includes data for programs with an environmental focus.

We offered basic environmental education, internal auditor training, and other educational programs directly linked to operations.

► Page 24 "Far-Ranging Environmental Education Programs Covering Introductory to Specialized Content"

Graph 5 Quantity of Used Products and Consumables Collected

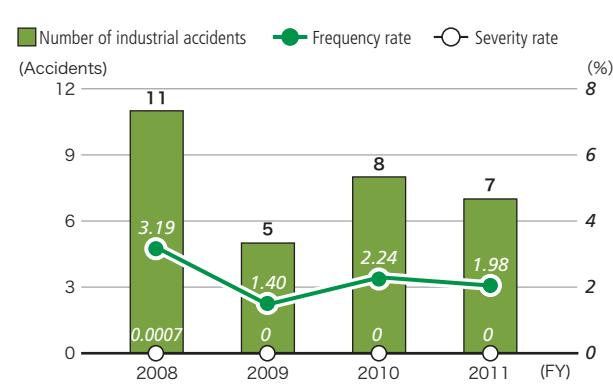


Scope of calculation: The amount of used RISO products in Japan (excluding second-hand digital duplicators that are returned or collected and then used as rental equipment)

We are working to efficiently collect used products and consumables.

► Page 17 "Treating Used Products as Valuable Resources"

Graph 10 Industrial Accidents: Frequency and Severity Rate

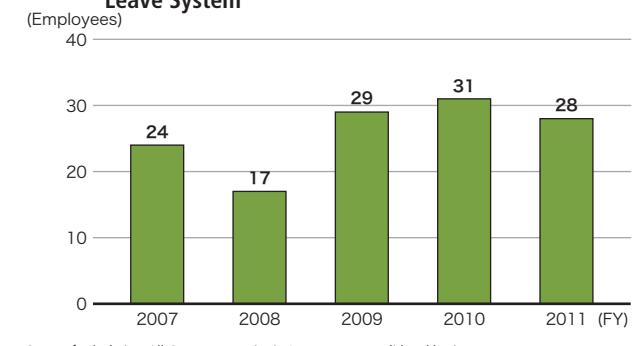


Reporting entities: All Group companies in Japan, non-consolidated basis

The number of workdays lost due to industrial accidents at domestic sites was zero, unchanged from the previous year.

► Page 25 "Ensuring Workplace Health and Safety"

Graph 9 Number of Employees Using the Childcare Leave System



Scope of calculation: All Group companies in Japan, non-consolidated basis

In fiscal 2011, 28 employees (including two males) took advantage of RISO's childcare leave system, which was created in 1992.

► Page 25 "Helping Employees Balance Child-Rearing and Work Responsibilities"

Environmental Accounting

Environmental Burdens at Overseas Worksites

Environmental Accounting Results for Fiscal 2011 and the Past Three Years

As a part of our effort to implement global warming prevention measures, we engaged in an active program of investments during fiscal 2011. They included replacing boilers and switching to energy-efficient, high-voltage transformers and lighting. As a result, total environmental protection costs (as the sum of investments and actual costs) increased approximately ¥78 million from fiscal 2010, while total economic effects increased approximately ¥76 million.

Term: Fiscal 2011 (April 1, 2010 to March 31, 2011)

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 in the scope of calculation.

Activities	Classification	Environmental protection activities	(Thousands of yen)			Actions
			Investment	Cost	Economic effect	
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	91,853	22	4,101	•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 wastes	0	503,887	569,839	•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	0	11,828	0	•Acquisition of certification under the Eco Mark program •Publication of Sustainability Report 2010, website revisions, etc.
Green areas	•Clean-up and maintenance of green areas	•Clean-up and maintenance of green areas	0	1,828	0	
Legal compliance (pollution control measures, environmental pollution control)	•Compliance activities (water, air, etc.)	•Water drainage management •Gas emissions management •Inspection and maintenance of facilities	0	12,732	0	
Green procurement	•Collection and registration of environmental data relating to raw materials and parts		0	20,366	0	•Implementation of an environmental information system covering REACH and other regulations
EMS establishment and maintenance activities	•ISO •Assessment of legal and regulatory trends	•Acquisition and maintenance of ISO 14001 certification •Monitoring of laws and regulations	0	4,796	0	•Maintenance of the validity of ISO 14001:2004 certification
Total			91,853	555,459	573,940	

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 decrease, both of which are considered to be actual effects (as they are calculated using actual figures), and not on presumed or estimated effects.

• Ideally, the environmental protection costs relating to environment-friendly design should be listed in the chart above. However, due to the difficulty in accurately distinguishing which costs are directly related to environmental protection, the trend data presented on page 36 is based on total R&D expenditures.

Status of Environmental Accounting

(Comparison of Figures Excluding Development Costs such as Environmental Design for Products) (Thousands of yen)

	FY2007	FY2008	FY2009	FY2010	FY2011
Costs (investment + actual costs) (thousands of yen)	543,675	548,094	543,946	569,450	647,312
Economic effects (thousands of yen)	559,270	508,369	399,158	497,727	573,940
Economic effect ratio	103%	93%	73%	87%	89%

Breakdown of Costs (Investment + Actual Costs)

(Thousands of yen)

	FY2007	FY2008	FY2009	FY2010	FY2011
Global warming prevention measures	7,787	8,007	145	67	91,875
Promotion of resource conservation and recycling	479,047	484,103	481,278	520,529	503,887
Environmental communication	18,470	28,379	26,522	12,899	11,828
Green areas	7,285	6,903	7,271	1,570	1,828
Legal compliance	19,654	11,934	14,405	15,548	12,732
Green procurement	2,240	3,278	2,552	14,092	20,366
EMS establishment and maintenance activities	9,192	5,486	11,773	4,745	4,796

Breakdown of Economic Effects

(Thousands of yen)

	FY2007	FY2008	FY2009	FY2010	FY2011
Global warming prevention measures	6,461	2,110	3,163	4,401	4,101
Promotion of resource conservation and recycling	552,809	506,259	395,995	493,326	569,839

Five categorized activities, including environmental communication, had no economic effects.

The RISO Group, which operates 17 overseas subsidiaries, is involved in sales and service operations in more than 150 countries. The Group's efforts to reduce environmental burdens extend to its overseas subsidiaries.

Environmental Burden of Overseas Non-Production Bases

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

INPUTS

	FY2010	FY2011	Compared to FY10 (%)
Per-unit energy consumption (GJ/employee)*1	62.2 *2	61.3	99
Energy consumption (GJ/yr)	32,407	28,866	89
Electricity (GJ/yr)	14,845	13,702	92
Natural gas (GJ/yr)	780	528	68
Gasoline (GJ/yr)	11,550	9,920	86
Diesel (GJ/yr)	5,232	4,716	90
Water consumption (m ³)	9,904	15,878 *3	160

OUTPUTS

	FY2010	FY2011	Compared to FY10 (%)
Per-unit CO ₂ emissions (t-CO ₂ /employee)*1	3.87 *2	3.74	97
CO ₂ emissions (t-CO ₂ /yr)	1,974	1,760	89
Electricity (t-CO ₂ /yr)	805	747	93
Natural gas (t-CO ₂ /yr)	37	25	68
Gasoline (t-CO ₂ /yr)	774	665	86
Diesel (t-CO ₂ /yr)	358	323	90
Water drainage (m ³)	9,904	15,878 *3	160

*1 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.

*2 The number of employees at RISO TECHNOLOGY ZHUHAI CO., LTD., (an overseas subsidiary) was incorrectly reported in last year's (FY2010) report. For FY2010, per-unit energy consumption was 62.2 (instead of the reported value of 66.3), and per-unit CO₂ emissions were 3.87 (instead of the reported 4.04).

*3 Water consumption and water drainage have increased by approximately 6,000 m³. Approximately 3,000 m³ of this increase was attributable to the effect of a site relocation that allowed statistical record-keeping to be initiated (RISO AFRICA (PTY) LTD.), and approximately 3,000 m³ was due to increases in personnel and activities (RISO INDIA PRIVATE LIMITED).

Environmental Burden of Overseas Production Bases

Scope of calculation: All overseas production bases within the RISO Group, including the Zhuhai Plant of RISO TECHNOLOGY ZHUHAI CO., LTD., in China

Subject of calculation: Energy consumption and resulting CO₂ emissions, water consumption, water drainage, and waste generation

Materials used in production, fuel consumption by Company-owned vehicles, and resulting CO₂ emissions

Data relating to contracted transport and energy consumption by the Sales Division and resulting CO₂ emissions is not included.

INPUTS

	FY2010	FY2011	Compared to FY10 (%)
Energy consumption (GJ/yr)	11,534	10,982	95
Electricity (GJ/yr)	10,147	9,725	96
Bunker A (GJ/yr)	82	8	10
Kerosene (GJ/yr)	0	1	-
Diesel (GJ/yr)	0	0	-
Gasoline (GJ/yr)	1,305	1,248	96

OUTPUTS

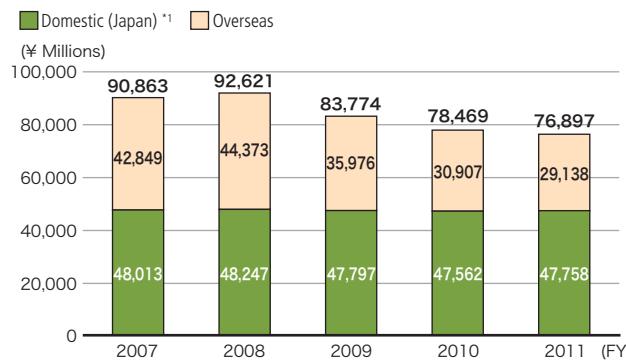
	FY2010	FY2011	Compared to FY10 (%)
CO ₂ emissions (t-CO ₂ /yr)	1,111	1,061	95
Electricity (t-CO ₂ /yr)	1,017	976	96
Bunker A (t-CO ₂ /yr)	6	1	17
Kerosene (t-CO ₂ /yr)	0	0	-
Diesel (t-CO ₂ /yr)	0	0	-
Gasoline (t-CO ₂ /yr)	88	84	95

Water consumption (m³)

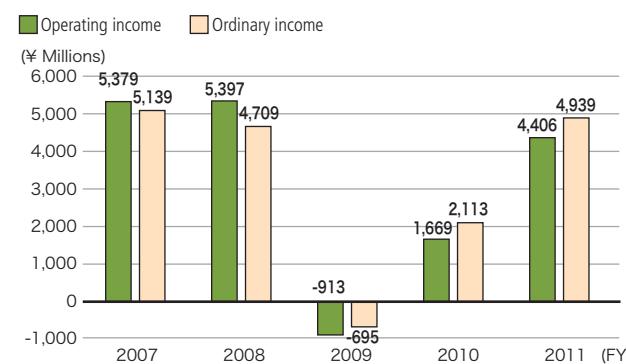
Metals (t)	10,850	9,488	
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Facts and Figures

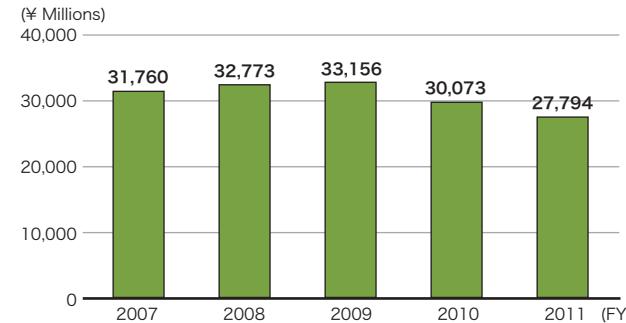
Net Sales (Consolidated Basis)



Operating Income / Ordinary Income (Consolidated Basis)



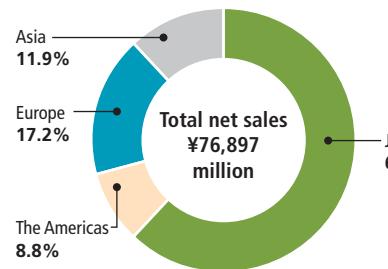
Production Output (Cost of Goods Manufactured for Period under Review)² (Non-Consolidated Basis)³



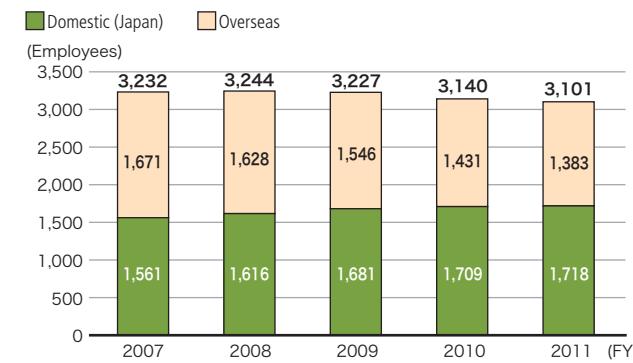
² Production output (cost of goods manufactured): The cost of goods manufactured is provided as a measure of production output.

³ Non-consolidated basis: Figures exclude subsidiaries and affiliates.

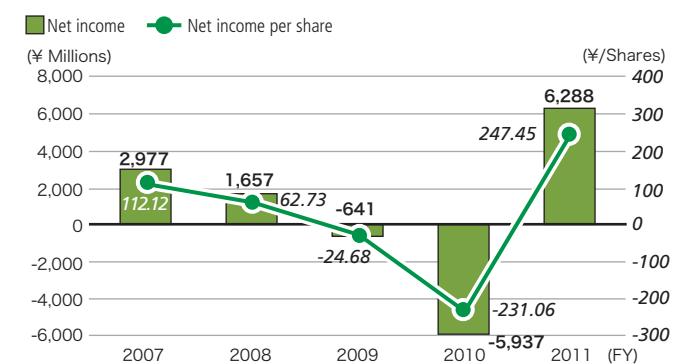
Sales by Region (FY2011)



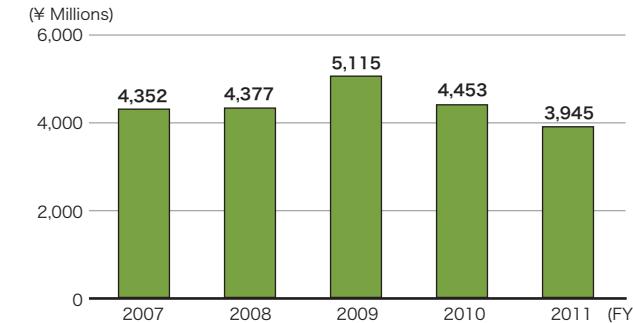
Number of Employees at Year-End (Group)



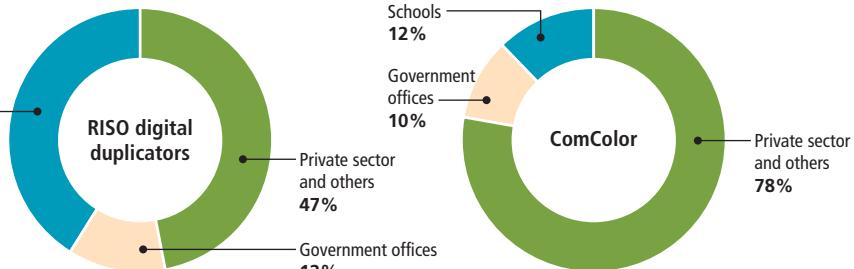
Net Income / Net Income per Share (Consolidated Basis)



R&D Expenditure (Consolidated Basis)



Japan Sales Breakdown by End Users (FY2011)



* Amounts less than the unit expressed are omitted.

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 2011, the Company used TÜV Rheinland Japan Ltd., the same evaluator that conducted the third-party evaluation of Sustainability Report 2010. 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 2011"

RISO KAGAKU CORPORATION
Mr. Akira Hayama, President

July 22, 2011
TÜV Rheinland Japan Ltd.
Michael Jungnitch, President

1. Scope, Purpose, Subject, 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 2011" and the "data book" (on the website) 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.

The verification has been performed in accordance with the Ministry of Environment's "Environmental Reporting Guidelines and Environmental Reporting Standard" and GRI's "Sustainability Reporting Guideline".

The statement in the verification, however, 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 2011" and the "data book" (on the website) 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

There is a significant change in the editorial policy for the Sustainability Report 2011, compared to the 2010 report. The policy to "deliver clear and easy-to-understand messages" is reflected throughout the report booklet.

In the meantime, as the Organization's social activity standard is expected to be high, it needs to continuously improve from the following perspectives.

- Analyzing more deeply "policy, process, achievement and future directions" in taking initiatives as the environmental accounting and social responsibility activities.
- Identifying "key messages" appropriately from the result of the analysis for each initiative and disclosing them without missing any part.
- Seeking to satisfy both "precise disclosure" and "easy-to-understand communication tool" for better implementation of [accountability] regarding the environmental accounting and social responsibility activities.

It is necessary for the Organization, which is required to disclose information at higher level, to give deep consideration about the messages to convey and to continuously implement a detailed communication strategy, in order to meet the expectation from society.

— Environmental Activity —

Although "processes" are implemented in line with the corporate activities, making it easier to understand them, the "outcomes" from improvement activities in eco-friendly products and services, and production activities that should be called as green production are not sufficiently reported.

Accuracy of the environmental performance data providing reliable evidence of the environmental management, was enhanced in a process for the Organization to implement the environmental management on a global scale. In addition, data collection system that is capable of comparing with the data over the years was introduced. Experience and gained know-how in aggregating data should be highly appreciated.

The Organization determined to continuously promote the mid-and-long term environmental management plan created in March 2010 without change after investigating the impact from the Great East Japan Earthquake in March 2011. It is hoped that the environmental management of the Organization will move forward even more.

— Social Initiatives —

Regarding the disclosure items in the sustainability report, initiatives reflecting the view point of corporate social responsibility are essential. In order to describe the Organization's CSR, what kind of activity the Organization is taking is very important. Therefore, discussion of CSR procurement which is deeply related to green procurement and bio-diversity has gained attention. Strategic initiatives and information disclosure in the progress of the environmental management are expected to be performed.

Furthermore, relationship with employees in sites overseas and contribution to society in regions where the Organization develops its business are the focal points as management of the Organization aims to progress global business implementation. In that sense, disclosure of detailed initiatives is also expected.

— Environmental Accounting —

The process of aggregating data in the environmental accounting has been well maintained and performed over the years. Experienced data collection method developed over time is highly appreciated.

The trend from the actual initiatives such as the "capital investment based on the energy saving plan" can be gained from the aggregated data of the environmental accounting, which indicates the environmental accounting comes to play a role in supporting the whole of the environmental performance data. Further improvement including how to disclose the information is expected.