Sustainability Report 2008

RISO

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About This Report

Editorial Policy

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

Scope of the Report

This report encompasses the activities of the Company's sales branches, plants, R&D facilities and certain subsidiaries located in Japan. It does not include the activities of the following domestic subsidiaries: RISO KAGAKU LABORATORY CORP, RISO VEC CORPORATION, RISO AGENCY CORPORATION, and Kubota Office Machine Co., Ltd.

Turning to the Group's overseas network, all of RISO's offshore production facilities, including the Zhuhai Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. in China, are included within the scope of environmental burden data.

Looking ahead, from fiscal 2010, the Company plans to disclose environmental burden data for non-production bases located overseas.

Period Covered

This report covers fiscal 2008 (the fiscal year from April 1, 2007 to March 31, 2008).

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

Focus of the Report

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

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

Publication Date

July 2008

RISO plans to issue its next report in July 2009.

Inquiries

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Tel. +81-29-889-2527

Other Major Publicly Disclosed Documents

RISO regularly posts its business and financial reports on its Website.
URL http://www.riso.co.jp/

Environmental Reporting Guidelines

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A Message from the President

Akira Hayama
President and CEO
RISO KAGAKU CORPORATION

The Hokkaido Toyako Summit will be held in 2008 focusing on several key issues, including the global environment.

Amid steady growth in the world's population, the global community is increasingly recognizing the need to effectively utilize limited natural resources and for each and every individual to contribute to sustainable development.

Against this backdrop, RISO KAGAKU CORPORATION is guided by the RISO Environmental Charter, a basic philosophy that emphasizes efforts that contribute to global environmental protection and initiatives that ensure a sound environment for the next generation. Conscious of the influence exerted on the global environment by the Company's business activities, RISO actively promotes Companywide initiatives that help to reduce environmental burden.

As a part of its environmental efforts throughout fiscal 2008, RISO worked diligently to promote the recycling and safe disposal of waste. Buoyed by these endeavors, the Company achieved substantial improvements in its rate of final waste disposal.

Regrettably, we were unable to meet our reduction target in connection with CO_2 emissions generated by our ongoing business activities. Nevertheless, RISO successfully reduced carbon dioxide omissions produced by its domestic operations by 80 tons in the fiscal year under review.

Turning to its green procurement activities, the Company established and continues to develop an environmentally conscious materials and components purchasing framework in partnership with its suppliers.

From an overall business activity perspective, RISO has taken proactive steps to establish and install a financial reporting internal control system that adequately addresses those requirements prescribed under Japan's Corporation Law and Financial Instruments and Exchange Law.

At the same time, the Company has worked tirelessly to consistently improve its RISO Compliance Guidelines. Our goals are to ensure that each and every employee throughout RISO's global network is familiar with the Group's action guidelines, and based on this set of commonly shared principles, strictly adheres to generally accepted social ethics and morals as an integral member of the local community.

In order to address the expectations of society and to engender a sense of confidence and trust, the RISO Group recognizes the importance of transparency throughout its global compliance network and structure. In this context, we continue to place considerable emphasis on strict adherence to laws and regulations, management activities that identify and address critical issues and timely and relevant information disclosure.

Through these means, we are working diligently to ensure the highest quality in global environmental management.

As we move forward, we would appreciate the candid opinions and comments of all stakeholders and ask for their continued support and understanding as we work toward our goals.

June 2008

Summary of RISO KAGAKU

(As of March 31, 2008)

Corporate Data

Corporate name	RISO KAGAKU CORPORATION
Established	September 2, 1946
Incorporated	January 25, 1955
Head office	5-34-7 Shiba, Minato-ku, Tokyo 108-8385, Japan
Paid-in capital	¥14,114 million
Number of employees	3,244 (RISO Group)
Subsidiaries	24 companies (domestic: 5; overseas: 19)

Principal Businesses

Development, manufacture and marketing of digital duplicators, printers and other printing equipment as well as inks, masters and other related consumables

Significant Managerial Changes during the Reporting Term

None

Market

The RISOGRAPH digital duplicators have found applications in a variety of settings, including government offices, private companies, local community offices, schools and churches.

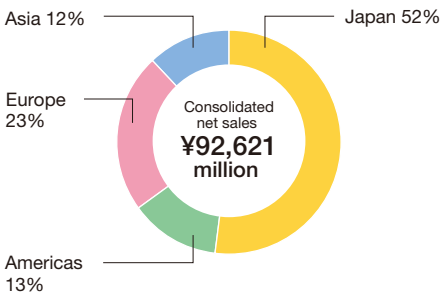
These digital duplicators accommodate various printing needs, enabling the production of business memos, educational materials, direct mail and other sales promotion tools, reports and manuals. They support a wide range of printing services.

Currently, the RISOGRAPH digital duplicators are used in more than 150 countries throughout the world.

As shown in the pie chart below, 52% of RISOGRAPH net sales were from domestic sales and the rest from overseas sales in fiscal 2008.

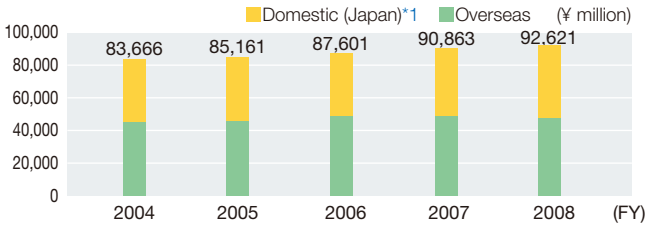
By customer, 50%, 39% and 11% of domestic RISOGRAPH net sales were from sales to private companies, schools and government offices, respectively, according to a RISO survey carried out during fiscal 2008.

Net Sales by Region (FY2008)



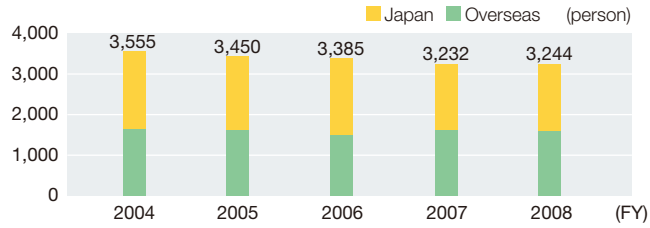
Business Performance

Net Sales (Consolidated)

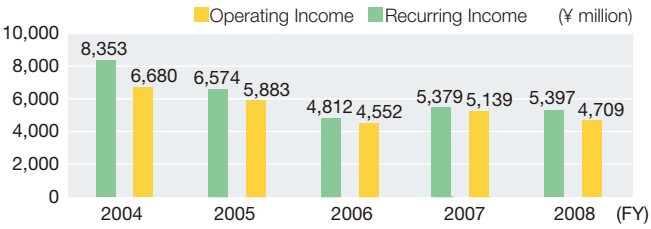


*1: Domestic (Japan) consolidated net sales represent net sales in conjunction with sales in Japan and through sales representatives in Asia.

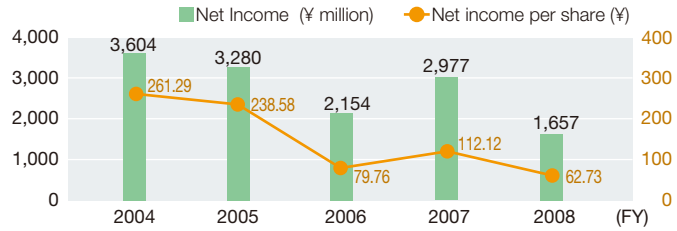
Number of Employees (Consolidated, Year-End)



Operating Income/Recurring Income (Consolidated)

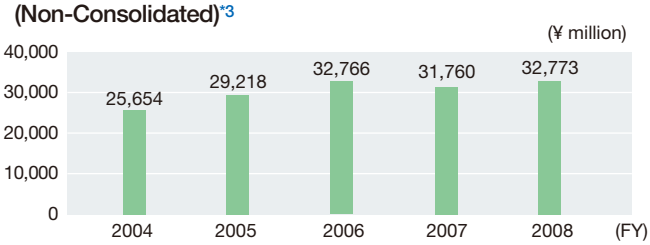


Net Income/Net Income per Share (Consolidated)



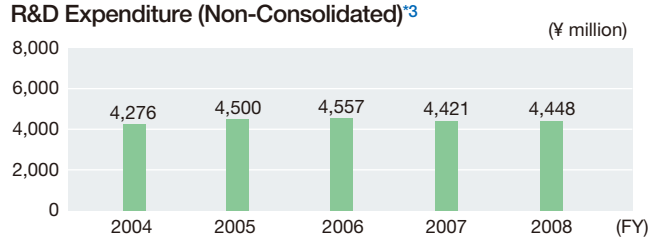
RISO implemented a stock split on November 18, 2005, dividing each share of common stock into two shares.

Amount of Production (Cost of Goods Manufactured)*2 (Non-Consolidated)*3



*2: Cost of goods manufactured is provided as amount of production.
*3: Non-consolidated amount of production excludes subsidiaries and affiliates.

R&D Expenditure (Non-Consolidated)*3



*3: Non-consolidated amount of production excludes subsidiaries and affiliates.

Domestic and Overseas Network

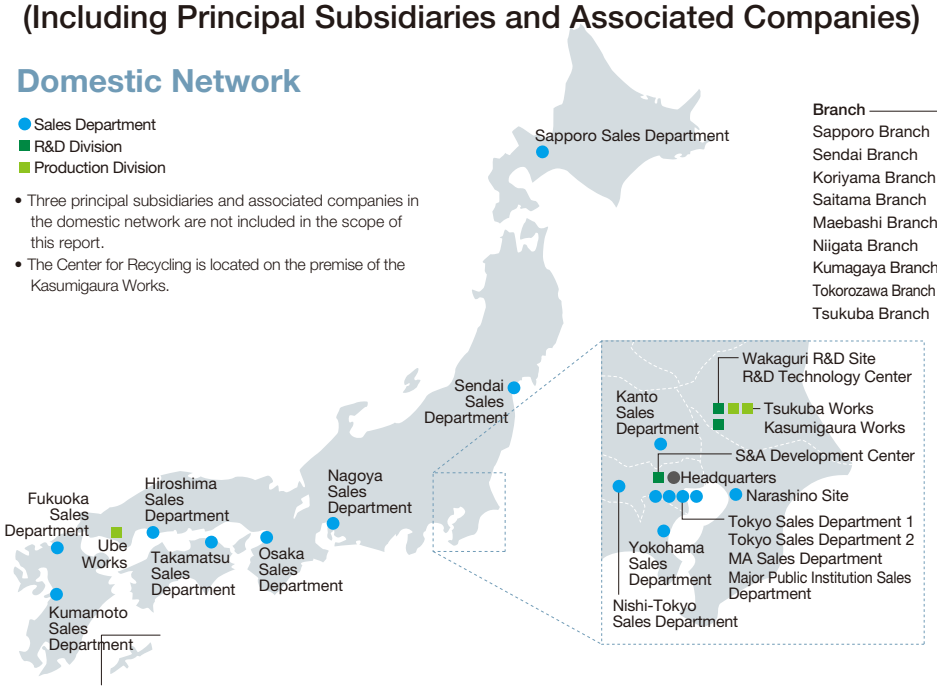
(As of March 31, 2008)

(Including Principal Subsidiaries and Associated Companies)

Domestic Network

- Sales Department
- R&D Division
- Production Division

- Three principal subsidiaries and associated companies in the domestic network are not included in the scope of this report.
- The Center for Recycling is located on the premise of the Kasumigaura Works.



Branch

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

Sales Subsidiary
RISO OKINAWA CORPORATION

Principal Subsidiaries
RISO AGENCY CORPORATION
RISO VEC CORPORATION

Associated Companies
RISO EDUCATIONAL FOUNDATION

Headquarters

Production Division

Tsukuba Works

Major Production Items
Digital duplicators and peripherals
High-speed color printers and peripherals

Kasumigaura Works

Major Production Items
Color inks and masters for digital duplicators
Inks for high-speed color printers

Ube Works

Major Production Items
Black inks and masters for digital duplicators

R&D Division

K&I Development Center (Wakaguri R&D Site)

R&D Technology Center

Overseas Network

- Subsidiaries

Subsidiaries

RISO, INC.
(Boston, the United States)

RISO EUROPE LTD.
(London, the United Kingdom)

RISO FRANCE S.A.
(Lyon, France)

RISO (Deutschland) GmbH.
(Hamburg, Germany)

RISO (Thailand) LTD.
(Bangkok, Thailand)

RISO TECHNOLOGY ZHUHAI CO., LTD ZHUHAI FACTORY
(Zhuhai, China)

Major Production Items
Digital duplicators

Principal Products and Services

Based on a development philosophy—encapsulated in “Create fundamentally unique products”—that has remained unchanged since the Company’s foundation, RISO has developed a wide-range of products and services.

Products for Business

High-Speed Color Printers

RISOHC5500

Inkjet color printer that enables full-color printing at a speed of up to 120 sheets per minute*.
Realizes unprecedentedly low running costs for a color printer thanks to RISO’s proprietary oil-based pigment ink and ComColor™ Standard color profile.

* When set for standard continuous transverse printing of single-sided A4-size paper and connected to RISO Auto-Control Stacking Tray.

HC Finisher System

Multifunctional finisher specifically designed for RISOHC5500. Fitted with standard features, such as a stapling function with a maximum capacity of 100 sheets* and two- or four-hole punch, enables significant energy savings when carrying out multiple-circulation output processing tasks.

* When using paper for RISO HC IJ (smaller than A4 size).

RISOGRAPH series

RISOGRAPH MZ970

High-definition digital duplicator capable of printing two colors simultaneously at a maximum speed of 150 sheets per minute*.
Enables two-color printing of a variety of easily divided originals thanks to simple lot printing and digitizer software functions being fitted as standard.

* When in high-speed mode.

RISOGRAPH RZ977

Digital duplicator that realizes a maximum printing speed of 180 sheets per minute* and a high resolution of 600dpi.
Markedly improves operability thanks to, for example, its RISO i Quality System, which maintains consistent printing quality and appropriate supply management.

* When in high-speed mode, straight paper feed.

RISOGRAPH EZ570

Equipped with a function that prints digital data files saved to a USB memory.
Enables printing from a RISOGRAPH even when not connected to a PC or network.
Has enhanced security and also features improved authentication function to prevent leaks of important documents.

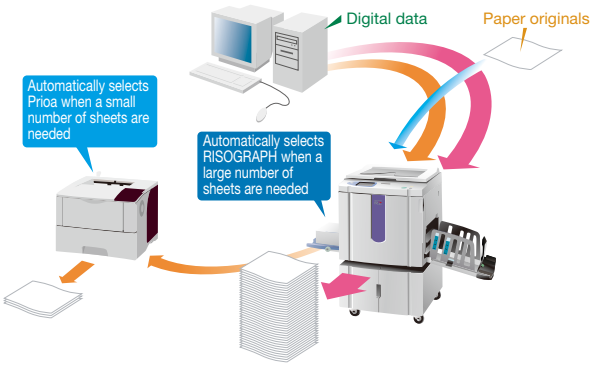
RISOGRAPH RE Series (recycled product)

Rather than disposing of RISOGRAPHs that have reached the end of their useful service lives, the RISOGRAPH RE Series features recycling-compatible digital duplicators that are delivered to customers on the basis of repeated collection and recycling.
RISO only ships products that meet its rigorous product quality criteria.

Prioa Series

A page printer that realizes unprecedentedly low running costs thanks to its long-life amorphous silicon drum.
Compatible with the RISO Hybrid Print System; Well suited to short print runs.

RISO Hybrid Print System



A system that realizes low-cost printing and automatically selects the RISOGRAPH according to the number of sorting break settings, even when printing paper originals and digital data, in cases where a RISOGRAPH and Prioa are connected in networks.

Consumable products

RISO HC Ink

RISO SOYINK / RISO HC Ink

RISO provides all kinds of supply products that are developed and produced to match its printers' product features.
"RISO SOYINK" is an environment-friendly ink, using soybean oil, a vegetal oil.
RISO SOYINK is "Soy Seal certified" since it conforms with the standard of the American Soybean Association for the contents ratio of soy oil.
Specifically intended for use with the RISOHC5500 high-speed color printer, RISO HC ink conforms to the Law on Promoting Green Purchasing.
Realizes the collection and recycling of used ink bottles, thus providing further proof of RISO's high regard for the environment.

Various application software

Enhancing printing software applications for specific uses, such as gift, ceremonial, print shop and real estate businesses.
Loaded with useful know-how that helps to improve business efficiency.

Products for personal use

scamo (personal handheld scanner)

A new concept in handy scanners that enables the original to be viewed from above during scanning.
Makes great, original cards from cherished materials.

Screen Master Platemaker

RISO SP400D Digital Screen Platemaker

Screen Master platemaker makes screen printing easy.
Used primarily by print shops for T-shirt printing services and small lot, point-of-purchase (POP) production.

Print-Techno Shops

A RISO-developed printing service under its "community-based print shops" concept.
Helping to create customers' close-at-hand printed material, such as fliers, newsletters, business cards and welcome letters, through directly managed or contract stores.

An Overview of the Company's Environmental Conservation

RISO considers the environment throughout entire product lifecycles, from procurement, design, development and production to use, reuse, recycling and disposal.

Procurement

→ P22

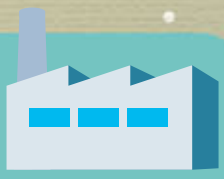
RISO develops safe products by selecting environment-friendly raw materials and components.

FY08 Achievements

- Completed study of chemical substances used in high-speed color printers, digital duplicators, page printers and related consumables, which include inks, masters and toners.
- Established a system to manage information relating to chemical substances and began administrating the system.

Production

→ P23~25



RISO adheres to resource- and energy-efficient production activities based on the fundamental concept of manufacturing products on demand in a timely manner and required volume.

FY08 Achievements

- Reduced energy consumption by 1.3% from the fiscal 2007 level.
- Reduced CO_2 emissions by 51 tons from the fiscal 2007 level.
- Improved the recycling rate by 13 points from the fiscal 2007 level despite a 7% increase in total waste generation.

Design/ Development

→ P20~21

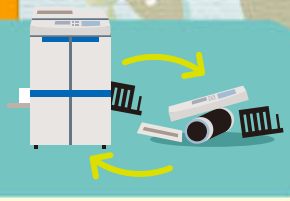
RISO designs and develops environment-friendly products, with due consideration given to their environmental impact in production, use, recycling and disposal.

FY08 Achievements

- Released the RISOGRAPH RZ6 series of high-speed digital duplicators boasting higher energy efficiency than conventional models.

Reuse/ Recycling

→ P28



RISO has established a recycling workflow to maximize resource uses while promoting the reuse and recycling of components and products through stringent quality inspection in Japan.

FY08 Achievements

- In terms of weight, reused 91% and recycled 8% of each digital duplicator recovered.

Disposal

RISO is working to minimize the volume of landfill.

Logistics/ Marketing

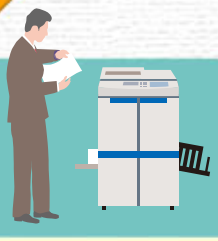
→ P26~27

RISO also works to reduce CO_2 emissions and waste generation in its logistics and marketing operations by promoting efficient logistics operations and modal shift and increasing the use of returnable pallets.

FY08 Achievements

- Reduced CO_2 emissions associated with contracted transport by 79 tons from the fiscal 2007 level.
- RISO's Ube Distribution Center received a Modal Shift Excellent Shipper Award from the Chugoku Green Transport Partnership Council.

Use



→ P21

RISO develops and provides environment-friendly products that enable users to reduce energy consumption.

FY08 Achievements

- Released the RISOGRAPH RZ6 series of high-speed digital duplicators boasting higher energy efficiency than conventional models.
- The RISOGRAPH RZ/MZ series of high-speed digital duplicators qualified for the International Energy Star Program promoted by the Environmental Protection Agency (EPA) .

Recovery

→ P19,28

Based on the concept, "Used products are not waste, but precious resources," RISO strives to recover used products from customers and recycle them in Japan.

FY08 Achievements

- Improved the recovery and recycling rate for used digital duplicators and ink bottles by 3% from the fiscal 2007 level.

Corporate Governance

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

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

Corporate Governance System

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

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

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

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

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

Furthermore, RISO has established an Internal Auditing Department as its internal audit division and implements accounting and business audits for its plants, sales departments, branches and subsidiaries in accordance with the Internal Audit Regulations.

Approach toward Optimization of Financial Reporting

In September 2006, RISO commenced optimization of its financial reporting, as required by Japan's Corporation Law and the Financial Instruments and Exchange Law (J-SOX Act).

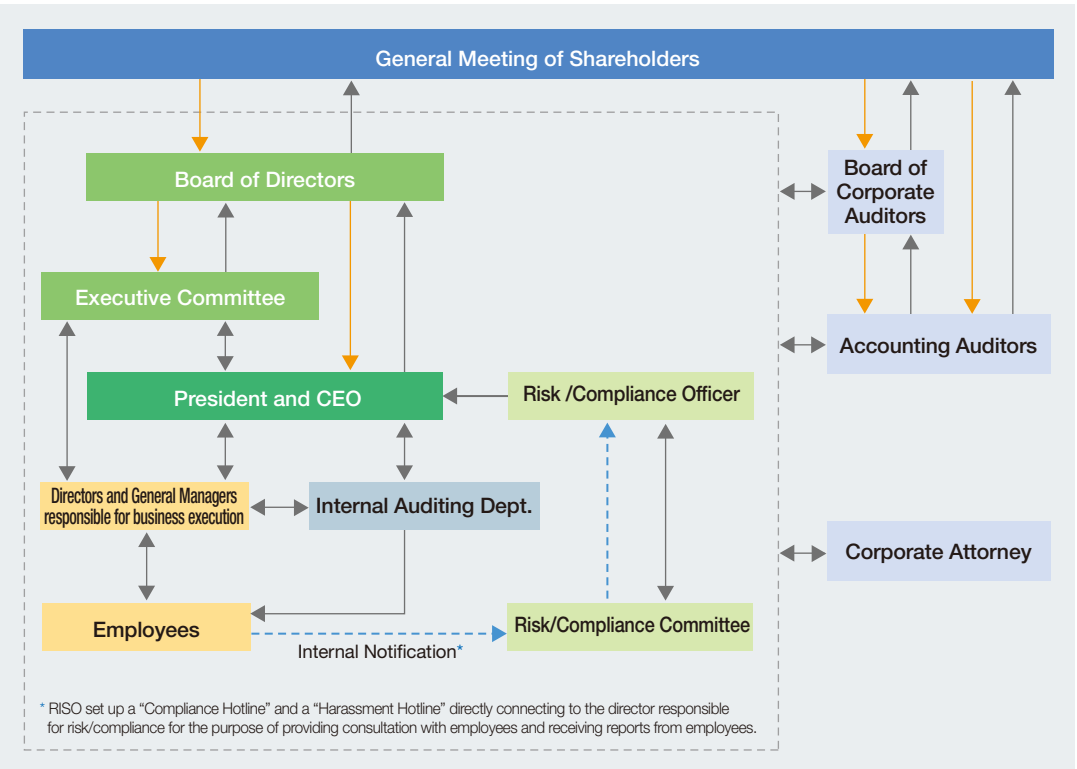
Initially kicked off as a project with six members, RISO established an Internal Control Department in April 2007 to engage in matters relating to internal control on a full-time basis.

Based on the overall plan approved at the Board of Directors Meeting in February 2007, RISO endeavored to develop an internal control system, and this was completed in March 2008.

Together with this, an Information Disclosure Committee chaired by the Information Disclosure Officer examines errors in disclosed materials regarding financial reporting to correct and ensure the appropriateness of such information.

Corporate Governance Structure

Relationship between RISO's corporate organization and internal control system



Strict Observance of Compliance

RISO emphasizes compliance as the basis of business management. RISO complies with laws and Company regulations and respects corporate ethics and morals in carrying out its business activities, based on an awareness of its position as a member of society.

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

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

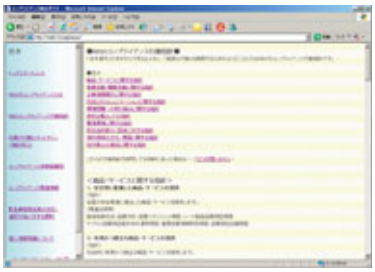
Compliance Education and Training

The Compliance Handbook is distributed so that all executives and employees understand and are able to implement the Top Executive Declaration and the RISO Compliance Guidelines.

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

In November 2007, RISO adopted e-learning and implemented all-around compliance education and self-evaluation for all employees.

The results of the self-evaluation are reflected in compliance program policies in order to achieve more rigorous compliance.



Screen shot of corporate Intranet

Risk Management

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

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

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

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

The Risk Compliance Committee identifies risks and evaluates the Company's degree of exposure to those risks in case they arise and identifies those risks that would have a major impact on the RISO Group.

By instituting individual risk management programs to address major risks that have been identified, RISO works to reduce and avoid risks and promotes the integrated management of risk.

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

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

In fiscal 2008, no environment-related accidents or states of emergency occurred.

Information Risk Countermeasures

Information risk is one risk that can have a major impact on business activities.

The destruction, alteration or external leak of confidential and personal information held by the RISO Group would cause substantial losses for the Group.

RISO had previously established an information management project team and has taken measures to handle those information-related risks.

Note 1: Compliance Management Rules

Establishes guidelines for promoting compliance.

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

Note 2: RISO Compliance Guidelines

Establishes 25 action guidelines that employees must follow.
Furthermore, if you are unable to decide whether a behavior is proper or not in light of the Compliance Action Guidelines, ask yourself the following five questions.

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

Environmental Management System

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

•Environmental Management System
A government system to consistently reduce environmental burdens based on the PDCA (Plan-Do-Check-Action) cycle.

•ISO 14001
An international standard for environmental management.

Environmental Charter

RISO established the "RISO Environmental Charter" and the "RISO Environmental Protection Principles" in August 1998 to clearly demonstrate its environmental approach as a business entity and to promote Companywide environmental protection activities.

Upon the acquisition of ISO 14001 integrated certification for the entire Company in fiscal 2007, the Company revised a part of the "RISO Environmental Protection Principles."

RISO Environmental Charter

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

RISO Environmental Protection Principles

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

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

Akira Hayama
President & C.E.O.

System for Promoting Environmental Protection Activities

At RISO, the president, as the chief executive, appoints a General Administrator for Environmental Issues who is responsible for the establishment, execution, practice and improvement of the environmental management system for the whole corporation.

The General Administrator for Environmental Issues is also a chairman of the Environmental Promotion Board, which is the lower branch of the Executive Committee, and promotes the environmental protection activities of the whole company, working to reduce the Company's environmental burden.

The Environmental Promotion Board investigates plans, deliberates, and makes determinations on the various issues across departments and then offers its decision to the management board, when necessary.

RISO KAGAKU CORPORATION's environmental protection activities are unique due to the performance as a task force of each environmental activity by both the headquarters and facilities/subsidiaries, based on their specific circumstances and characteristics. Such cooperation by individuals forms the total environmental management system to enhance our environmental performance as an environmental management system-oriented corporation.

The Production Division and the Research and Development Division, which handle a wide range of chemical substances and have a substantial environmental burden, are managed with a focus on manufacturing. The Sales Division is managed with a focus on sales, such as customer communication and helping customers with environmental activities. These activities have been integrated and formed into basic Company rules and principles to coordinate the policy, purpose and target of our environmental management system.

Environmental management review

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

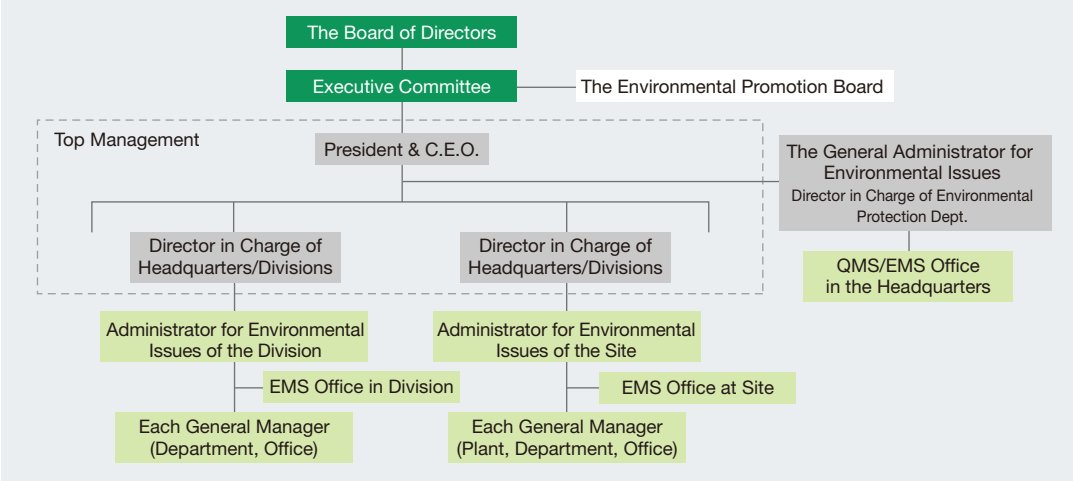
At the Management Review meeting, management validates and reviews the management system itself. In addition, it determines policies and objectives and sets the direction of all activities.

The Quality and Environmental Management Review was held on November 20, 2007 in the presence of the President & CEO, and the evaluation of fiscal 2008 quality and environmental activity performance and future efforts were discussed at this review.

Results of the Fiscal 2008 Management Review (Environmental)

- Based on progress made toward environmental goals in fiscal 2008, in order to further promote activities in this area, RISO has set environmental goals for fiscal 2009.
- The President & CEO has instructed the Research & Development Division and Production Division to adopt EMS/QMS in order to further improve safety and security. He wanted the Domestic Sales Division, which has many offices, to create a business culture that promotes the activities that headquarters pushes forward. In order to promote global activities, he has instructed the International Sales Division to come up with a methodology that keeps them conscious of the overseas sales offices, and to maintain a vision and advance toward their goals.

Total Environmental Management Organization



Environmental Management System

Note 1: RISO Group sites covered by the integrated ISO 14001 certification

Headquarters
R&D Division
(including related sites and Intellectual Property Department)
Domestic Sales Division
International Sales Division
Production Division, Tsukuba Works
Production Division, Kasumigaura Works
Production Division, Ube Works

Note 2: Corrugated walls

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

The Achievement of ISO 14001 Certification

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

In December 2004, RISO KAGAKU CORPORATION started to establish a general environmental management system for the whole company, to integrate activities by facility/subsidiary and acquire ISO certification individually.

We succeeded in gradually broadening the scope of ISO certification—the integrated certification now covering our head office—to cover, the domestic marketing office, including 52 sales branches, as well as our seven engineering and manufacturing sites.

We will continue our environmental protection activities and make improvements to their content.

Monitoring and Measurement

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

Asbestos Survey Results

The Company conducted an asbestos survey in fiscal 2006 and confirmed that no asbestos is utilized in the manufacture and sale of its products.

In conjunction with building contractors, further surveys were carried out into whether asbestos was used, for example, in the spray painting of buildings. Excluding cement-hardened corrugated walls (See Note 2), the Company was again able to confirm that no asbestos was present.

Response to soil contamination

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

The Tsukuba and Ube works were built in industrial complexes under the respective jurisdictions of Tsukuba and Ube in 1981 and 1986.

Geological and topographical surveys were carried out, and the soil was checked to ensure that there would be no impact on underground water before the construction of each of RISO's plants.

In November 2006, a soil contamination research survey was conducted at the Kasumigaura Works to confirm that there were no problems and to build up a picture of past soil contamination risk, including any risk prior to the commencement of operations.

During operations, all sites go to great lengths to control chemical substances, carry out thorough inspections of their facilities and prevent soil pollution.

Environmental Audits

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

Internal Environmental Audits

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

In addition to organizing and analyzing audit results and subsequent improvements from internal environmental audits, top management issues management reviews covering whether or not the Company's EMS is functioning effectively. It also deliberates on matters designed to bring about improvements, and these are connected to advancements in environmental management itself.

Environmental Compliance Status

As a result of monitoring and assessing the level of compliance with relevant environmental laws and regulations during fiscal 2008, RISO concluded that it has remained compliant with these laws and regulations, except for the case of the falsified de-inked pulp content ratio for its recycled paper products.

RISO has received neither any administrative guidance from governmental bodies with respect to environmental laws and regulations nor any environment-related complaints from the local communities in which it operates.

Falsified De-Inked Pulp Content Ratio

In January 2008, RISO found out that the actual de-inked pulp content ratio of its recycled paper products differed from the ratio disclosed in their specifications.

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

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

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

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

*As of the date of RISO's release of substitute products in February 2008, the paper manufacturers had not yet made a final decision on the frameworks. On April 4, 2008, the Committee for Examining the De-inked Pulp Content Ratio under the auspices of the Japan Paper Association (JPA) announced the establishment of a system and checklists to verify the de-inked pulp content ratio. The administration of the system and checklists began on July 1, 2008.
In accordance with the system and checklists, RISO will continually conduct due diligence in auditing paper mills operated by paper manufacturers in order to confirm that they are implementing initiatives to secure required product specifications.

Environment-Friendly Product Inspection

In response to the aforementioned incident, RISO has reviewed its SOYINK products and recycled plastic-based components and products against their individual product specifications. The review results have revealed that none of the specifications of these RISO products has been falsified.

Environmental Education

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

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

In fiscal 2008, RISO conducted its Basic Environmental Education Program for all employees at its business bases nationwide via e-learning. This initiative allowed them to complete the program efficiently.

RISO Environmental Education Programs

Type	Events (times)	Participants (person)	Hours (aggregate)
Basic Environmental Education Program (e-learning)	1	1,726	1,295
Basic Environmental Education Program	3	52	130
EMS enhancement program	2	3	21
External EMS qualification program	1	10	70
Internal auditor training	5	105	305
EMS activity program (waste sorting)	8	132	82
Accident/emergency drill	14	144	77
Disaster drill	7	1,153	1,039
External seminars (legal, etc.)	13	17	72
Legal qualification program	1	2	6
Business skill program	2	50	37
Advanced business skill program	7	126	177
Workplace health and safety program	1	13	39
Total	65	3,533	3,349

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

Environmental Accounting

With the aim of taking an environmental approach in an efficient and effective manner, RISO introduced environmental accounting to quantitatively acknowledge the costs and effects of its environmental preservation activities as well as the economic impact from such activities.

Environmental Accounting Report

Term: Fiscal 2008 (April 1, 2007 to March 31, 2008)
Scope of Calculation: All of RISO KAGAKU CORPORATION's domestic sites (Tsukuba Works, Kasumigaura Works, Ube Works, R&D Technology Center, Wakaguri R&D Site, Narashino Service Center, Head Office and domestic sales branches)
For RISO's sales network, "resource conservation and recycling" as well as "EMS establishment and maintenance activities" are in the scope of calculation.

(Thousands of yen)

Activities	Classification	Environmental Protection Activities	Investment	Cost	Economic Effect	Actions
Global Warming Prevention Measure	・Reduction of fuel consumption ・Reduction of electricity consumption	・Modal shifting ・Introduction of energy-saving equipment	3,327	4,680	2,110	・CO_2 Reduction during transportation ・Reduction of electricity consumption
Promotion of Resource Conservation and Recycling	・Recycling of used products ・Recycling of wastes ・Safe disposal of wastes	・Recovery and recycling of used products ・Separation and recycling of wastes		484,103	506,259	・Cost reduction through reuse ・Improvement of resource recovery ratio
Environmental Communication	・Publication of product environmental data ・Publication of environmental activities	・Acquisition of environmental label certification ・Publication of the environmental report ・Participation in events and exhibitions		28,379		・Acquisition of certifications under the Eco Mark Program ・Participation in Eco-Products Exhibition
Green Areas	・Clean-up and maintainance of green areas	・Clean-up and maintenance of green areas		6,907		
Observation of laws (pollution control, environmental pollution control)	・Observation of laws (water, the atmosphere)	・Wastewater control ・Gas emissions control ・Inspection and maintenance of facilities	4	11,930		
Green Procurement	・Collection of data relating to raw materials and components and registration of such data on the green lists			3,278		・Establishment of Environmental Information System for raw materials and components.
EMS establishment and maintenance activities	・ISO ・Investigation of the latest laws and regulations	・Acquisition and maintenance of ISO 14001 certification ・Check of the latest laws and regulations		5,486		・Maintenance of the validity of ISO 14001 certification
Total			3,331	544,763	508,369	

Calculation Method and Idea

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

Ideally, the environmental protection costs relating to environment-friendly design should be listed in the chart above. However, due to the difficulty in accurately classifying such costs, total R&D costs are disclosed on page 2 of this report.

Concerning Economic Effects

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

Environmental Accounting Results for Fiscal 2008 and the Past Three Years

"Status of Environmental Accounting" for fiscal 2008 does not differ substantially from the figures in fiscal 2007. However, the economic effect ratio in fiscal 2008 decreased 10 percentage points year on year.

This was attributable to the increase in costs relating to the recovery and recycling of used products in RISO's resource conservation and recycling activities, while the amount of materials for reuse declined (see the Recovery, Reuse and Recycling section in page 19). In addition, a decrease in the number of efficient measures taken against global warming affected the result.

By activity category, costs relating to environmental communication recorded the second highest level of all in fiscal 2008.

This was due to the increase in costs for the acquisition of various environmental label certifications.

Though there is a fluctuation in costs and economic effect by activity category or classification, RISO will accurately understand the economic effect from the relationship between investment and costs to achieve better results.

Status of Environmental Accounting
(Comparison of figures excluding development costs such as environmental design for products)

(Thousands of yen)

	FY2006	FY2007	FY2008
Costs (investment + actual costs)	967,428	543,675	548,094
Economic effect	50,047	559,270 (39,920)*	508,369 (47,257)*
Economic effect ratio (%)	5	103 (7)*	93 (9)*

* ( ) are calculated on the assumption that there is no economic effect from the production of equipment from recycled materials

Resource Conservation and Recycling

(Thousands of yen)

	FY2006	FY2007	FY2008
Costs (investment + actual costs)	894,688	479,047	484,103
Economic effect	42,332	552,809 (33,459)*	506,259 (45,147)*
Economic effect ratio (%)	5	115 (7)*	105 (9)*

* ( ) are calculated on the assumption that there is no economic effect from the production of equipment from recycled materials

Global Warming Prevention Measures

(Thousands of yen)

	FY2006	FY2007	FY2008
Costs (investment + actual costs)	35,080	7,787	8,007
Economic effect	7,715	6,461	2,110
Economic effect ratio (%)	22	83	26

Environmental Communication

In order to widely communicate its environment-related efforts to society, RISO discloses information through its sustainability report and on its website. At the same time, RISO participates in environmental events and introduces people to its environment-friendly products.

Publication of Sustainability Reports

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

The report contains a questionnaire for obtaining customer feedback, which will be used in the production of next year's report.

RISO has received 27 replies to a questionnaire in "Sustainability Report 2007," published in July 2007. The replies to this questionnaire are reflected in the current report.

Sustainability Report 2007

Questionnaire Feedback

•Opinions

"I would like to hear more employee comments, just like column "VOICE", in each item. "
"There was not enough visual information."
We heard back from readers about their expectations and received words of encouragement, including a desire on the part of readers to see improvements in CSR and greater promotion of recycling in our activities.

↓

•Response

In fiscal 2008, RISO published a supplier's comments. Visual elements will also be added to make it more reader friendly. This fiscal year we added illustrations to give a complete picture of the Company's environmental protection activities.

In addition, based on feedback, indices and explanatory notes have been added and reviewed.

RISO will continue to enhance its activities.

Introduction of Web Site

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

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

Exhibitions at Environmental Events

In fiscal 2008, RISO exhibited at the Eco-Products 2007 Exhibition, Enviro-Shiga 2007 and ENEX2008* to introduce the Company's environment-friendly products and environmental efforts.

*At ENEX2008, RISO only displayed and distributed its sustainability report.

Eco-Products 2007 Exhibition

Eco-Products Exhibition is an exhibition that started out in 1999 for the purpose of promoting eco-products and developing new business opportunities, and it has grown to be one of the largest environment-related events in Japan.

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

The theme of Eco Products 2007 was "Diet CO_2," and more than 600 companies and organizations, including non-profit, academic and governmental organizations, exhibited there.

RISO's theme was "RISO Eco-tour 2007 Environment-friendly RISOGRAPH." We prepared five sections of our booth to present our approach to environmental protection.

RISO Booth

Enviro-Shiga 2007

This year Enviro-Shiga marks its 10th year as an environmental industry trade show.

Held from October 24–26, the theme of the exhibition was "The Forefront of Environmental Business—A Challenge to Stop Global Warming."

RISO co-exhibited with distribution agent Kobayashi Jimuki and introduced the RISOHC5500 Ultra-High-Speed Color Printer and a system for the recovery and recycling of used RISOGRAPH RE33X.

Environmental Performance

Environmental Burden

RISO strives to compile quantitative data concerning the environmental burden of its operations with a focus on the entire product lifecycle, from design, development and production to transport, sale, recovery, reuse and recycling.
In particular, RISO places exceptional emphasis on reducing its environmental burden in production operations and product use and disposal.

FY08 Environmental Performance

With the aim of more clearly grasping the environmental burden of its operations, RISO started to include data on the amount of contracted transport of products and services and the resultant CO_2 emissions in the calculation for fiscal 2007 and thereafter.

Also, the Company started to include data on high-speed color printers, which are experiencing a rapid increase in production volume, in the category of its mainstay products considered for data calculation. Accordingly, data—namely, the amount of raw materials used in RISO mainstay products and the output volume of these products—for fiscal 2007 and thereafter has been amended.

RISO accelerated efforts to recover and recycle used products during fiscal 2008. As a result, the Company increased the volume of RISO products recovered by 1.0% year on year while reducing the volume of final waste disposal for landfill to 59%. CO_2 emissions from RISO's operations decreased 27 tons* year on year.

RISO is committed to continuously promoting activities to reduce the environmental burden of its operations.

*RISO excluded fuel consumption by company vehicles from data calculation for the "Development and Designing" and "Production" categories in the table, "Input/Output by Operational Process," on page 19. Therefore, the figures for these categories do not add up to the figures of CO_2 emissions per unit of net sales, which include fuel consumption by company vehicles and are set as Companywide environmental goals.

INPUT

		FY07	FY08	Change from FY07 (%)
Breakdown of energy consumption				
Electricity	(10,000 kWh/yr)	901	902	100
LPG	(t/yr)	56	62	111
Bunker A	(kl/yr)	154	155	101
Gasoline	(kl/yr)	527	538	102
(Volume of contracted transport	[10,000 tkm])	1,321	1,305	99
Water consumption	(m^3)	41,621	40,551	97
Metal	(t)	2,104	2,319	110
Plastic	(t)	1,655	1,651	100
Glass	(t)	36	39	108
Paper	(t)	3,274	3,170	97
Other	(t)	4,397	4,404	100
Subtotal		53,087	52,134	98
PRTR substances	(t)	2.8	2.6	93
Volume recovered	(t)	2,417	2,443	101

OUTPUT

		FY07	FY08	Change from FY07 (%)
CO_2 emissions	(t-CO_2/yr)	9,097	9,070*	100
Electricity	(t-CO_2/yr)	5,001	5,007	100
LPG	(t-CO_2/yr)	168	186	111
Bunker A	(t-CO_2/yr)	417	420	101
Gasoline	(t-CO_2/yr)	1,223	1,248	102
(Volume of contracted transport	[t-CO_2/yr])	2,288	2,209	97
Water drainage	(m^3)	28,236	27,360	97
Steam, water, etc. emissions	(m^3)	9,611	8,300	86
Products[*5]	(t)	15240	16,474	108
Subtotal		53,087	52,134	98
PRTR substance emissions into the air	(kg)	169	12	7
PRTR substance emissions into the water	(kg)	0	0	—
PRTR substance emissions into the soil	(kg)	3	2	67
PRTR substances transferred as waste	(kg)	18	36	200
Waste generation[*1]	(t)	3,576	3,670	103
Volume transferred to recycling processes[*7]	(t)	469	439	94
Volume recycled[*2]	(t)	2,659	3,007	113
Other[*3]	(t)	206	81	39
Final disposal (landfill)[*4]	(t)	242	143	59

Scope of Calculation: The table of "Input/Output by Operational Process" on page 19.
Subject of Calculation: Japan

- Energy consumption and resultant CO_2 emissions, water consumption and wastewater discharge, and waste generation in the process of product development, designing, and production.
- Volume of row materials used, PRTR substances used, transferred, and emitted in the process of product manufacturing. Fuel consumption and resultant CO_2 emissions of vehicles used for sales.
- Volumes of used products' recovery, reuse, recycling, and waste generation.

*Excluding energy consumption and resultant CO_2 emissions in the headquarters and the domestic sales sites.

CO_2 emissions calculation

In the conversion of energy consumption into greenhouse gas (CO_2) emissions, RISO uses the following conversion factors defined under Article 3 of the Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised March 24, 2006).
Electricity: 0.555 kgCO_2/kWh; gasoline: 2.32 kgCO_2/l; Bunker A: 2.71 kgCO_2/l; LPG: 3.00 kgCO_2/kg

Input/Output by Operational Process

Development and Designing

Scope of Calculation
R&D Technology Center (at Tsukuba Works)
K&I Development Center (at Wakaguri R&D Site)
S&A Development Center (in Tokuei Building)

* The volumes of water consumption and wastewater cannot be calculated separately for the R&D Technology Center. These volumes are included in the total figure for Tsukuba Works provided in the "Production" section below.

Energy consumption and CO_2 emissions at the product development stage ▸P20～21

INPUT		FY07	FY08	Change from FY07 (%)
Breakdown of energy consumption				
Electricity	(10,000 kWh/yr)	236	250	106
LPG	(t/yr)	7	7	100
Water consumption	(m^3)	3,209	2,640	82

OUTPUT		FY07	FY08	Change from FY07 (%)
CO_2 emissions	(t-CO_2/yr)	1,331	1,409	106
Electricity	(t-CO_2/yr)	1,310	1,388	106
LPG	(t-CO_2/yr)	21	21	100
Water drainage	(m^3)	3,209	2,640	82
Waste generation*1	(t)	103	99	96
Volume recycled*2	(t)	98	92	94
Other*3	(t)	4	6	150
Final disposal (landfill)*4	(t)	1	1	100

Production

Scope of Calculation
Tsukuba Works (excluding R&D Technology Center),
Ube Works, Kasumigaura Works

Volume of raw materials used, energy consumption, CO_2 emissions and waste generation in the process of major product*5 manufacturing ▸P23～25

INPUT		FY07	FY08	Change from FY07 (%)
Breakdown of energy consumption				
Electricity	(10,000 kWh/yr)	665	652	98
LPG	(t/yr)	49	55	112
Bunker A	(kl/yr)	154	155	101
Water consumption	(m^3)	38,412	37,911	99
Metal	(t)	2,104	2,319	110
Plastic	(t)	1,655	1,651	100
Glass	(t)	36	39	108
Paper	(t)	3,274	3,170	97
Other	(t)	4,397	4,404	100
Subtotal		49,878	49,494	99
PRTR substances	(t)	2.8	2.6	93

OUTPUT		FY07	FY08	Change from FY07 (%)
CO_2 emissions	(t-CO_2/yr)	4,255	4,204	99
Electricity	(10,000 kWh/yr)	3,691	3,619	98
LPG	(t/yr)	147	165	112
Bunker A	(kl/yr)	417	420	101
Water drainage	(m^3)	25,027	24,720	99
Steam, water, etc. emissions	(m^3)	9611	8,300	86
Products*5	(t)	15,240	16,474	108
Subtotal		49,878	49,494	99
PRTR substance emissions into the air	(kg)	169	12	7
PRTR substance emissions into the water	(kg)	0	0	
PRTR substance emissions into the soil	(kg)	3	2	67
PRTR substances transferred as waste	(kg)	18	36	200
Waste generation*1	(t)	1,056	1,128	107
Volume recycled*2	(t)	827	1,023	124
Other*3	(t)	202	75	37
Final disposal (landfill)*4	(t)	27	30	111

Sales

Scope of Calculation
Domestic branches and subsidiaries

Fuel consumption and CO_2 emissions of vehicles used for sales and maintenance service activities for customers ▸P26～27

INPUT		FY07	FY08	Change from FY07 (%)
Breakdown of energy consumption				
Gasoline	(kl/yr)	528	538	102
Volume of contracted transport*6				
(Volume of contracted transport	[10,000 t-km])	1,321	1,305	99

OUTPUT		FY07	FY08	Change from FY07 (%)
CO_2 emissions	(t-CO_2/yr)			
Gasoline	(t-CO_2/yr)	1,223	1,223	102
(Volume of contracted tranport	[t-CO_2/yr])	2,288	2,209	97

Recovery, Reuse and Recycling

Scope of Calculation
Used products in Japan

Volumes of used products' recovery, reuse and recycling. Though RISO is promoting the effective use of recovered products, a part of such recovered products goes for landfill disposal. ▸P28

INPUT		FY07	FY08	Change from FY07 (%)
Volume recovered	(t)	2,417	2,443	101

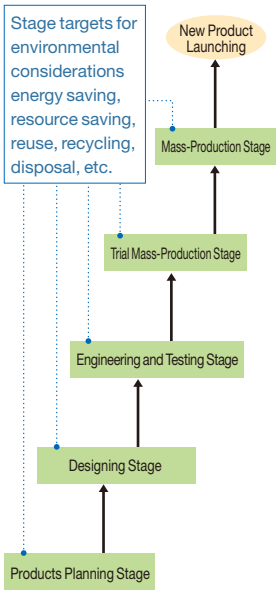
OUTPUT		FY07	FY08	Change from FY07 (%)
Waste generation*1	(t)	2,417	2,443	101
Volume transferred to recycling processes*7	(t)	469	439	94
Volume recycled*2	(t)	1,734	1,892	109
Other*3	(t)	0	0	—
Final disposal (landfill)*4	(t)	214	112	52

*1 Waste generation: RISO considers all unwanted substances generated from its operational processes, including valuable resources and resources to be recycled or reused, as wastes.
*2 Volume recycled: Total volume of materials for recycling and thermal recycling, including valuable resources. The volume to be reused in operational processes is excluded.
*3 Other: The volume of materials for recycling and gas emissions from incineration
*4 Final disposal (landfill): The volume to be disposed of in landfill sites, which includes residues and incinerated ash from intermediate process recycling.
*5 Major products: The RISO HC Series high-speed color printer is added to the major product lineup, retroactive to fiscal 2007. This is on the back of its increased production volume in fiscal 2008.
*6 The volumes of contracted transport and CO_2 emissions from such transport are listed retroactive to fiscal 2007 as RISO is now able to conduct a year on year comparison.
*7 Volume transferred to recycling processes: The amount of recycled materials to be reused as raw materials in operational processes

Approach to Product Development and Design

By designing and developing RISO products from the product planning stage—taking into account the product lifecycle—RISO contributes to the reduction of the environmental burden of customers who use its products.

Note 1: Process for Implementing Environmental Considerations



Policy on Research & Development

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

RISO takes an aggressive approach to R&D for new technologies in the field of inkjet printers, and these technologies have been adopted in its "RISOHC5500" high-speed color inkjet printer.

RISO has an unbroken tradition of providing the best solutions for a wide range of customer printing demands and developing advanced printing systems required for the next generation, including its latest model, the RISOGRPAH RZ6 series, which has been designed to reduce environmental burden, and RISO SOYINK, another environment-friendly product.

Process for Implementing Environmental Considerations into Products

RISO assigns five stages—from product planning to mass production (See Note 1). Targets are set and environmental considerations are introduced in each of the five stages.

Such stage targets include quality, cost, schedule and environmental considerations. Environmental considerations include energy-saving, resource-saving, reuse/recycling, and disposal. These environmental considerations are implemented without fail, as the process is conscientiously followed and the targets are steadily cleared.

Installation of an Administrator for Environment-friendly Design

RISO has installed an administrator for environment-friendly design into the Research and Development Division's EMS structure.

The administrator for environment-friendly design assumes the role of managing the task of ensuring that individual environment-friendly product design requirements and targets are incorporated without fail in the development of individual products and of performing progress management to ensure that PDCA activities are steadily implemented.

The goal of installing an administrator for environment-friendly design is to fully ensure that products are made ever-more environment friendly.

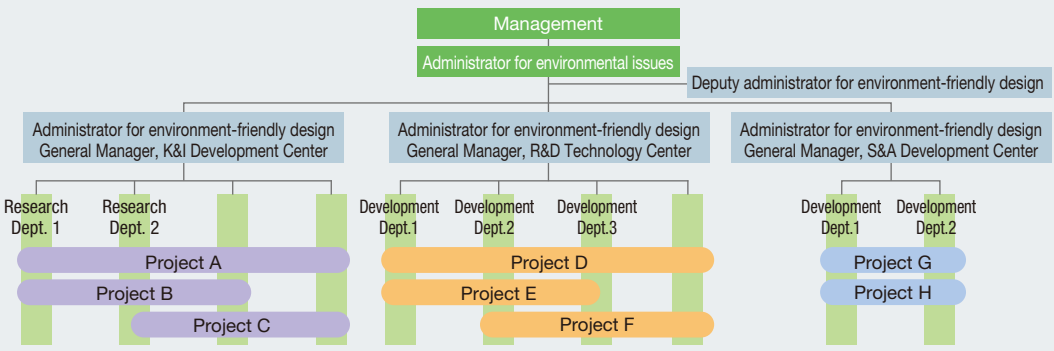
This is not the administrator for environmental issues that manages the EMS status of operation activities; rather, this person manages activities that contribute to making products more environment friendly.

With respect to environmental considerations for products, an administrator for environment-friendly design has been installed in each different field, including hardware development and software development. At the same time, RISO has installed a deputy administrator for environment-friendly design who is responsible for progress management for each stage target (See Note 1).

This enables RISO to incorporate environment-friendly designs for EMS within QMS process management and conduct an integrated operation (See the Diagram below).

Diagram of the Research and Development Division's EMS Structure

(As of April 1, 2008)



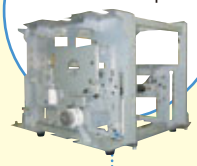
The Research and Development Division consists of departments for each technical field, such as electronics and machinery.
In addition, a team composed of people from such varied technical fields as electronics and machinery is formed.
By installing an administrator for environment-friendly design to oversee technical fields and projects as a whole, RISO seeks to faithfully implement environment-friendly designs in each product it develops.

Environmental Considerations for RISO Products

A mainstay RISO product, the RISOGRAPH digital duplicator, has been used in a variety of settings, including government and corporate offices and schools. The RISOGRAPH digital duplicator is packed with advanced technologies and reveals the engineers' passion for reducing the environmental burden of the product.

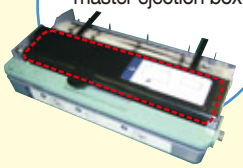
Mercury-free LED backlight

RoHS Directive-compliant, chromium-free plate



RoHS Directive-compliant trivalent chromate screws

Recycled materials used for the master ejection box



RoHS Directive-compliant lead-free solder

Mostly halogen-free plastic components

Holes for easy-to-peel stickers

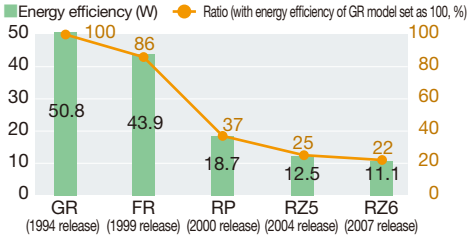
Peel by poking with a screwdriver

Recycling code number for sorting plastic components

Compliant with the Eco Mark Program and the International Energy Star Program

Amazing energy efficiency

RISOGRAPH series energy efficiency*



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

- Ink-saving mode
- Head and tail caps based on materials recycled from used ink bottles
- Reduced ink thickness for smoother printing
- Environment-friendly SOYINK

Approach to Procurement

To provide products that reflect consideration given to the environment, RISO continues its efforts to procure materials and components with less environmental burden.

Note 1: Eco-Stage
A type of environmental management system.

Green Procurement

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

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

To cope with such requirements, RISO has specified its principles and standards in the "RISO KAGAKU Group Green Procurement Standard." In accordance with this standard, RISO requests that suppliers not only apply environmental considerations to the components and materials they deliver, but also establish an environmental management system. They are requested to acquire certification of their EMS, such as ISO 14001 or Eco-Stage (See Note 1), so that the proper control is maintained and enhanced.

Currently 85% of RISO's suppliers both in Japan and overseas have completed the establishment of an environmental management system, and 10% of them is either establishing or planning to establish such a system.

RISO supports its suppliers in setting up environmental management systems.

Such support activities have helped eight suppliers acquire Eco-Stage EMS certification since 2007.

RISO will continue to take the initiative in setting up environmental management systems.

Management of Chemical Substances

RISO designates chemical substances that possibly impact human health and the ecosystem in accordance with the Japan Green Procurement Survey Standardization Initiative (JGPSSI) guidelines. Given the fact that human health and the ecosystem are within the scope of green procurement, RISO has conducted examinations of product materials and components since December 2005.

Initially, RISO simply identified the existence of chemical substances in its products. Currently, we have expanded the scope and the control of such chemical substances.

In October 2007, RISO completed investigation of chemical substance inclusion in its high-speed color printers, digital duplicators, page printers and related supplies (inks, masters and toners).

Leveraging such information acquired from its own investigations, RISO has promptly responded to stakeholders' inquiries, having established a chemical substance information administration system to provide feedback on environment-friendly design in May 2007.

To that end, RISO has taken a phased approach to commencing operations of the chemical substance information administration system from April 2008.

Spurred by such initiatives, RISO will promote green procurement in tandem with its suppliers to offer eco-friendly products.

RISO KAGAKU Group Green Procurement Standard (main points):

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

VOICE !

HIDAKA DENKI WORKS CO., LTD.
President
Kenichi Machida

Acquisition of Eco-Stage Certification

Over the past few years, we have been asked by clients to acquire environmental management system certification as a condition for doing business with them.

On such occasion, RISO KAGAKU CORPORATION introduced us to various institutions for ISO 14001 and EMS certification. After careful screening of the information provided, we decided to aim for Eco-Stage 1 certification.

With five grades, Eco-Stage makes it easy for a company to improve its environmental management level. In addition, Eco-Stage provides consulting services so that companies can attain the certification even if they have little knowledge of environmental management systems. This was a decisive factor for us in choosing Eco-Stage.

When we actually commenced activities, however, there were a number of unfamiliar terms such as "PDCA," and we spent a large amount of time on basic environmental education for employees.

Through these efforts in developing and operating an environmental management system, we have realized not only its importance in terms of concern for the environment, but also the advantages it provides in other areas, including the reduction of oil use, the improvement of business operations and the reinforcement of our corporate structure.

Thanks to RISO, we were able to acquire Eco-Stage 1 in June 2007. Furthermore, we are aiming to acquire Eco-Stage 2 or ISO 14001 Certification.

Finally, I would like to express our heartfelt gratitude to RISO KAGAKU CORPORATION for its recommendations and support for our establishment of an environmental management system based on its philosophy of "Quality products are made through good partnerships with suppliers."

Approach to Manufacturing

RISO's basic approach is to "manufacture products on demand in a timely manner and required volume," and to manufacture in such a way that resources and energy are not wasted and the environment is preserved.

Approach to Energy Saving

Production Site Activities

Electricity accounts for the largest portion of total energy consumed at RISO's production bases.

Accordingly, reducing electrical consumption not only contributes to energy savings, but also to reducing CO_2 emissions during the electric power generation process, helping to prevent global warming.

Each RISO business office carries out various energy-saving practices, such as reducing electrical consumption.

As a result, energy savings in fiscal 2008 were 1.3% year-on-year.

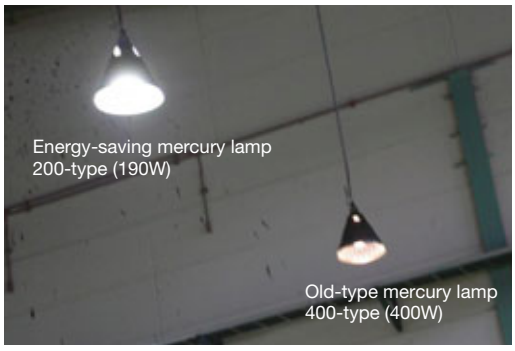
In fiscal 2008, as an environmental target, RISO set CO_2 emissions per unit cost of production to 0.1276 or below (a 180t year-on-year reduction in CO_2 emissions) for all production sites.

While RISO was unable to achieve this target, it did achieve CO_2 per unit cost of production of 0.1283, a 4% year-on-year (0.1340) increase, and reduced CO_2 emissions by 51t.

Along with its steady and continuing energy savings and business improvement efforts of the past, RISO replaced the previous lighting at its distribution center warehouse buildings and Kasumigaura Works' ink production plant with new lighting that has inverter-equipped, energy-saving 190W stabilizers. The replacements achieved brightness equal to or greater than the previous 400W lighting.

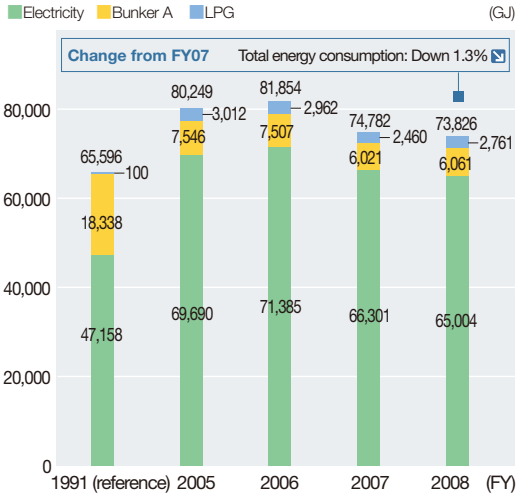
The Company also improved operating efficiency by switching to loop-shaped compressor pipes, saved electricity by installing inverters in the water-cooling circulation pumps and altered the switching system to enable the lighting of desired areas only.

These efforts at cutting total energy consumption led to CO_2 emission reductions. RISO will continue its improvement efforts in fiscal 2009.



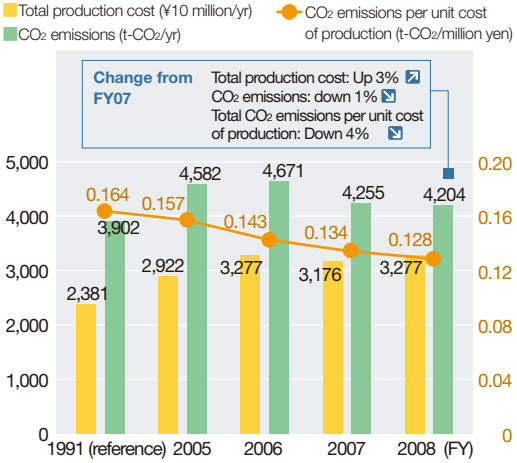
*A photo taken during construction to verify results

Trend in Energy Consumption of Domestic Production Sites



Change in CO_2 Emissions at Domestic Production Sites and Total CO_2 Emissions per Unit Cost of Production

CO_2 emissions linked to energy consumption at three sites (excluding fuel consumption of company vehicles)



Scope of calculation: Energy consumption (excluding fuel consumption of company vehicles) related to production at Tsukuba, Ube, and Kasumigaura works and resulting in CO_2 emissions

• Energy breakdown

Conversion to fuel energy based on Article 3 of Cabinet Order for Law Concerning the Promotion of Measures to Cope with Global Warming (revised on March 24, 2006).

Bunker A: 39.1 MJ/L

LPG: 50.2MJ/kg

Procured power (daytime): 9.97MJ/kwh

• CO_2 Conversion of Energy

RISO uses the conversion factor contained in Article 3 of Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised on March 24, 2006) to convert energy consumption to greenhouse gas (CO_2) emissions.

Conversion factor

Electricity: 0.555kg CO_2/kwh

Gasoline: 2.32kg CO_2/L

Bunker A: 2.71kg CO_2/L

LPG: 3:00kg CO_2/kg

City gas: 2.01kg CO_2/m^3

Approach to Manufacturing

Note 1: 3R

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

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

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

Note 2: Waste
RISO considers all unwanted substances generated from its operational processes, including valuable resources and resources to be recycled or reused, as wastes.

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

• Volume recycled
The volume recycled indicates the total of the amount of materials and thermal energy recycled and reused, excluding the volume of matter that is recycled and reused as raw materials and components of RISO products.

Note 3:
Specific final waste disposal rate
RISO calculates the amount of specific final waste disposal as the total of the amount of waste incinerated, the residue and ashes resulting from recycling processes and used for landfill, and other waste used directly for landfill. Then, RISO calculates the specific final waste disposal rate as the ratio of the specific final waste disposal amount to the total waste it generates, including valuable and recyclable substances.
RISO recognizes the incineration of waste as an inefficient treatment of resources. Therefore, the amount of waste incinerated is included in the amount of other waste directly used for landfill.
RISO uses these voluntary indicators to promote the efficient and effective use of resources. (Related indicator: Landfill waste volume [see page 19])

Waste Reduction

RISO promotes 3R activities (See Note 1) to reduce waste (See Note 2) generated through its operations.

In fiscal 2008, RISO's three major production bases generated a total of 1,128 tons of waste, representing a year-on-year increase of 72 tons (7%).

Behind this increase was the introduction of a new shipment procedure for products manufactured in China and imported to Japan for domestic distribution. Through this new procedure, aimed at reducing the environmental burden of its distribution operations, RISO opens these packaged products at its Tsukuba Distribution Center to remove the packaging materials and then ships them out on returnable pallets.

Meanwhile, the Company has advanced its efforts to improve the recycling rate, for example, by shifting to more recycling-oriented waste treatment methods and contractors. As a result, the rate was 91% in fiscal 2008, up 13 percentage points year-on-year.

In addition, for fiscal 2008, RISO promoted activities under the Companywide environmental goal of decreasing the specific final waste disposal rates (See Note 3) for both industrial and general waste generated in Japan[*2] to 5% or lower. As a result, the Company was able to achieve the rate of 6.4% for industrial waste, an improvement of 8.2 percentage points from the fiscal 2007 level[*1]. With regard to general waste, the Company almost achieved its goal, recording a rate of 5.1%.

For fiscal 2009, RISO has set more ambitious goals, namely, to decrease the rates for both industrial and general waste generated in Japan[*2] to 3% or less. Toward accomplishing these goals, we are accelerating the reduction and effective use of waste.

*1 The rate was listed as 14.5% on page 24 of "Sustainability Report 2007." It has been corrected to 14.6%.
*2 The scope of data calculation is described in the section "Environmental Goals and Achievements" on pages 10 and 11 of this report.

On-Site Auditing and Manifest Management of Intermediary Treatment Contractors and Final Disposal Sites

RISO is promoting waste recycling and appropriate waste treatment.

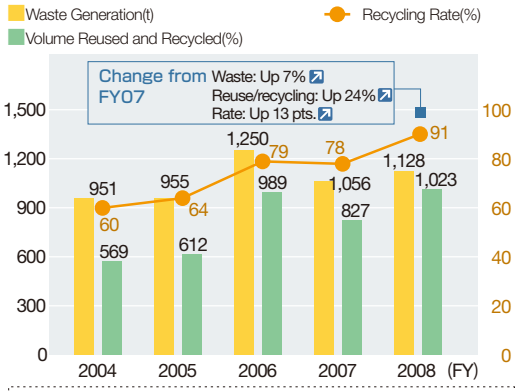
More specifically, the Company conducts necessary audits to ensure that waste recycling is performed in accordance with relevant contracts and that intermediary treatment contractors and final disposal sites are performing their duties in an adequate manner. In these audits, RISO employees physically visit contractors of recycling, intermediary treatment and final disposal. The audits involve general inspection based on relevant contracts as well as on-site inspection for reception and storage conditions.

The Company also inspects the management and administration of these contractors' manifests. In the case of inappropriate operations or conduct, we instruct the parties concerned to take corrective measures.

Audit results are reported at Management Review meetings, and accordingly, necessary measures are implemented.

No problems were found through audits of recycling and waste treatment contractors during fiscal 2008.

Waste Generation/Volume Reused and Recycled/Recycling Rate



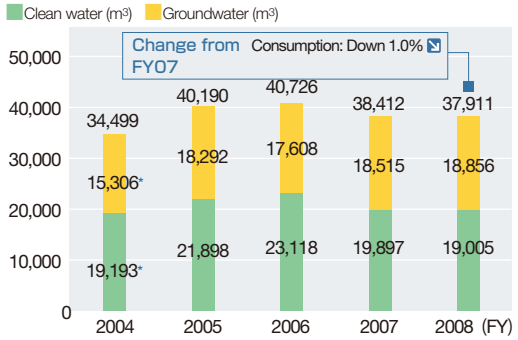
Scope of calculation: Tsukuba Works, Ube Works, Kasumigaura Works

Water Consumption

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

As a result of its water-saving efforts, we were able to reduce water consumption by 1.0% year-on-year. RISO are committed to accelerating its water-saving efforts.

Trend in Water Consumption



* In "Sustainability Report 2007," the data for clean water and groundwater had been transposed. The graph above shows the correct data.

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

Management of Chemicals

Many of RISO's products contain various chemicals, and the manufacturing process also requires such chemicals.

RISO requests each supplier to provide MSDS (See Note 4) to verify the characteristics of each substance, including toxicity, handling precautions, storage and disposal methods, in order to ensure proper handling. Based on such investigation, RISO established specific standards to facilitate the safe use and storage of these chemicals.

Prevention of accidents and hazards is accomplished by educating the employees who handle, store or control chemicals, in addition to establishing applicable procedures. This achieves not only the safety and health of employees, but it also preserves the ambient environment.

Cutting off PRTR Listed Substances

RISO is investigating the environmental release and transfer of toxic chemicals listed in PRTR (See Note 5). Based on this investigation, RISO examines the possibility of reducing toxic releases, or switching to alternatives, so that total releases and transfers during the manufacturing process are minimized.

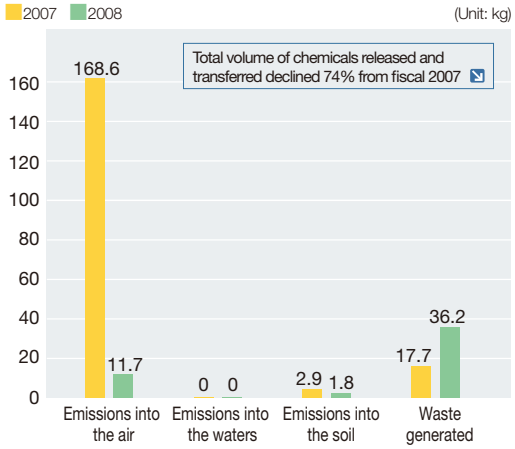
Total usage of PRTR-designated chemical substance in fiscal 2008 was 2.57 tons, a decrease of 0.23 ton compared with fiscal 2007.

Total volume of released and transferred chemicals in fiscal 2008 dropped 74% compared with the figure in fiscal 2007. In particular, emissions into the air decreased substantially.

Such emissions into the air are not from RISO's usual manufacturing process, but from the use of floor refinishing paint.

Currently, RISO is striving to switch to floor painting materials with less PRTR-designated substances (from paint containing xylene and ethylbenzene used in fiscal 2007 to one containing toluene and xylene in fiscal 2008) as well as to reduce its usage. RISO will make continuous efforts to minimize the use of PRTR-designated substances by switching from possible toxic substances to substitute materials.

The Volume of Pollutant Release and Transfer Register (PRTR)-Designated Chemical Substances



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

* The graph above shows data based on the results of environmental inspections with regard to the release and transfer of substances that RISO handled 1 kg or more in weight on an annual basis.

Breakdown of released and transferred volume

(Unit: kg)

	Emissions into the air		Emissions into the waters		Emissions into the soil		Waste generated	
	2007	2008	2007	2008	2007	2008	2007	2008
Toluene	—	3.6	—	—	—	—	—	—
Xylene	96.6	8.1	—	—	—	—	—	—
Bisphenol-A type liquid epoxy resin	—	—	—	—	—	—	—	—
DEP	—	—	—	—	2.9	1.8	—	—
Boron and its compounds	—	—	—	—	—	—	8.5	10
Di-n-butyl phthalate	—	—	—	—	—	—	5.1	10.5
Polyoxyethylene alkyl ether	—	—	—	—	—	—	4.1	15.6
Molybdenum compound	—	—	—	—	—	—	—	0.1
n-Butyl methacrylate	—	—	—	—	—	—	—	—
Methyl methacrylate	—	—	—	—	—	—	—	—
Ethylbenzene	72.0	—	—	—	—	—	—	—
Vinyl acetate	—	—	—	—	—	—	—	—
Total	168.6	11.7	—	—	2.9	1.8	17.7	36.2

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

Note 4: MSDS (Material Safety Data Sheet)

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

Note 5: PRTR (Pollutant Release and Transfer Register)

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

Approach to Sales and Logistics

RISO is working to reduce CO_2 emissions and waste from sales and logistics operations by shifting to modes of transportation that have a low environmental burden (modal shift) and by employing reusable packing materials.

Note 1: Revised Law Concerning the Rational Use of Energy

With the revision of the Law Concerning the Rational Use of Energy in March 2006, specific shippers with an annual 30 million tkm of contracted shipments of cargo were required (from 2008) to submit and implement an action plan for reporting the previous year's record of contracted shipments and improve transport efficiency as well as reduce CO_2 emissions.

• CO_2 Conversion of Energy

The conversion factors contained in Article 3 of Cabinet Order for Law Concerning the Promotion of Measures to Cope with Global Warming (revised on March 24, 2006) are used for converting energy consumption to CO_2 emissions.

Conversion Factors

Electricity: 0.555kg CO_2/kwh
Gasoline: 2.32kg CO_2/L
Light oil: 2.62kg CO_2/L
Bunker A: 2.7kg CO_2/L
LPG: 3.00 kg CO_2/kg
City gas: 2.01kg CO_2/m^3
Conversion of CO_2 emissions involving contracted transport
Method for calculating energy consumption involving contracted transport (Public Notice No. 66 of the Ministry of Economy, Trade and Industry of March 29, 2006)
Method for Calculating CO_2 Emissions in the Logistics Field—Joint Guidelines Ver2.0 (Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism)
Air Transport: 1.49kgCO_2/tkm
Marine Transport: 0.039kgCO_2/tkm
Railway Transport: 0.022kgCO_2/tkm
Truck transport is based on the ton-kilo method contained in the Law Concerning the Rational Use of Energy, revised in March 2006. (However, the fiscal 2007 Logistics Division's aggregate performance average of 0.159kgCO_2/tkm was applied prior to fiscal years before and inclusive of fiscal 2006.)

Note 2: Modal Shift

Although this generally indicates a shift in transportation mode, more specifically it means a changeover from truck and air transport to rail and sea transport in order to reduce greenhouse gases and nitrogen oxide emissions into the environment.
Modal shift rate = domestic product contracted transport volumes (tkm) by rail and sea ÷ domestic product contracted transport volumes (tkm)

Understanding Contracted Transport Volume and CO_2 Emissions

In fiscal 2007, in response to revisions to the Law Concerning the Rational Use of Energy (See Note 1), RISO began operation of a system capable of more accurately gauging contracted transport volume. Ever since April 2006, the Company has been calculating contracted transport volume and the resulting CO_2 emissions.

Contracted transport volume in fiscal 2008 was 13,050,000tkm. This resulted in 2,209t-CO_2 emissions, a 79t year-on-year decrease.

RISO is taking a number of steps to reduce the environmental burden associated with freight transportation, especially in the Logistics Dept, which handles approximately 90% of contracted transport volume.

Modal Shift Activities

RISO has been promoting a modal shift (See Note 2) to change the mode of transportation from main truck supply routes to rail, sea and other modes of transportation that have a low environmental burden.

The fiscal 2008 modal shift rate improved one percentage point to 23%.

In fiscal 2008, the transport of ink and masters destined for Hokkaido that had previously been transported along rail and truck routes from the Ube Distribution Center has been changed to rail transport routes only.

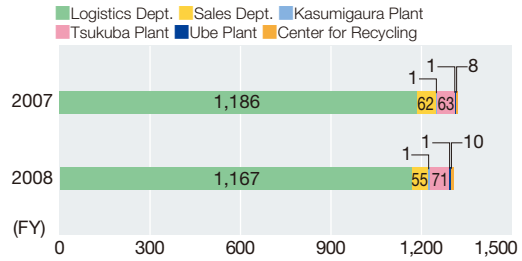
With respect to products such as printers that had been delivered to Hokkaido from the Tsukuba Distribution Center, the segment of transportation by sea from Aomori and Hakodate was shifted to Sendai and Tomakomai, and the ratio of the distance of sea transport was increased, with a total modal shift carried out.

In October 2007, in the midst of a series of efforts, RISO's Ube Distribution Center received its second Modal Shift Excellent Shipper Award from the Chugoku Green Transport Partnership Council, following its 2002 award. RISO will continue to reduce the environmental burden associated with transportation.

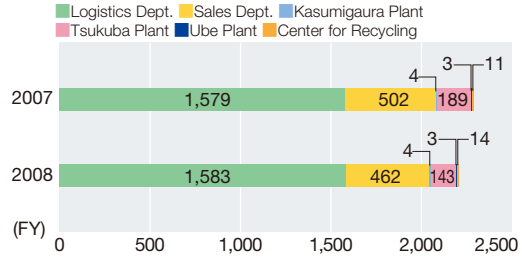
* The modal shift rate of contracted transport under the control of the Logistics Dept. in fiscal 2008 rose by one percentage point. Despite a 190,000tkm reduction in transportation volume, CO_2 emissions increased by 38t. In CO_2 emission calculations based on an improved ton/kilometer method for truck contracted transport volumes, an increasing number of contracted shippers are providing load factor performance data because of increased application of the actual load factor from the deemed load factor (which is set high). The change in the CO_2 emissions rate performance average for transportation volume from 0.159kgCO_2/tkm in fiscal 2007 to 0.168 kgCO_2/tkm in fiscal 2008 has had an impact.

Total Domestic Contracted Transport Volume (by governing division)

Contracted Transport Volume Breakdown (tkm)

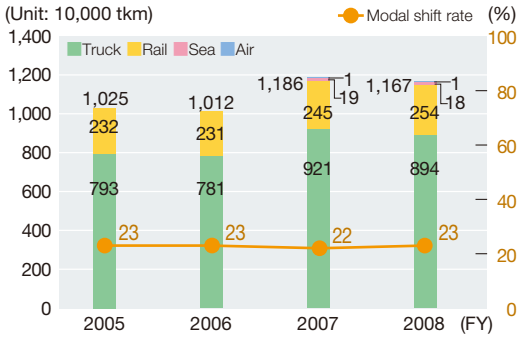


Breakdown of CO_2 Emissions (t-CO_2)

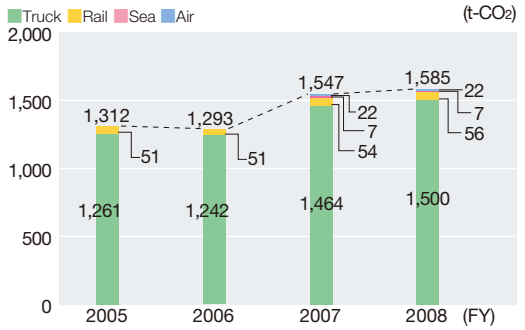


Contracted Transport Volume and CO_2 Emissions for Logistics Dept.

Contracted Transport Volume and Modal Shift



CO_2 Emissions from Contracted Transport by Transportation Mode



Scope of calculation: Domestic contracted transport

* Performance for fiscal 2007 and 2008 is based on the data aggregation method contained in the Law Concerning the Rational Use of Energy, revised in 2006. Prior to fiscal 2006, performance was based on a rough method that aggregated bulk product transport only for products up to 2005. Because rail transportation volume prior to fiscal 2006 was deemed a container load capacity of 5 t/container, it was amended by dividing 4.05 by 5 based on an average actual load tonnage capacity of 4.05t/container in fiscal 2007.
Air transport from fiscal 2007 and after was the small-lot transport of service parts.

Consolidated Transport

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

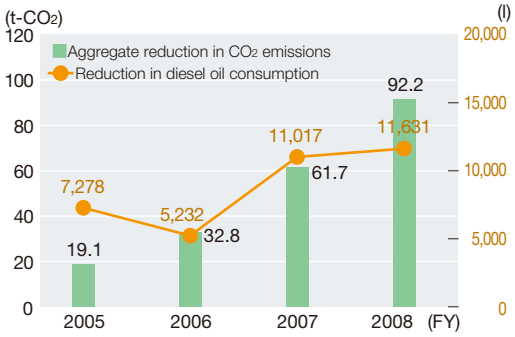
Improving transport efficiency leads to the reduction of fuel consumption per ton-km.

In fiscal 2008, RISO was able to reduce diesel oil-equivalent fuel consumption by 11,631 liters from the fiscal 2004 level, which was a figure recorded prior to the introduction of SLIM.

The conversion of this figure into CO_2 emissions* reveals that RISO has reduced an aggregate total of 92.2 tons of CO_2 emissions since the introduction of SLIM.

*CO_2 emissions conversion based on the conversion factor for diesel oil (2.62kg-CO_2/l) defined under Article 3 of the Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised March 24, 2006)

Reduction in Fuel (Diesel Oil) Consumption through Consolidated Transport and Aggregate Reduction in CO_2 emissions



Shipment of Cleanup Co., Ltd. products

Introduction of Low-Emission Vehicles

To contribute to the prevention of global warming and air pollution, RISO is increasingly switching its company vehicles to low-emission vehicles (LEVs).

As of the end of fiscal 2008, among the 487 commercial vehicles it owns, 438 vehicles are LEVs. The LEV ratio is 89.9%, an improvement of 0.8 of a percentage point from fiscal 2007.

Reduced One-way Packaging

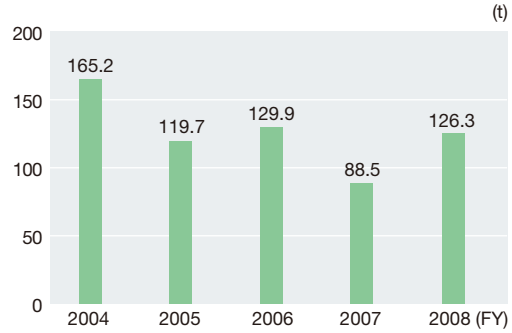
RISO is working to reduce waste generated in its logistics operations. In more specific terms, the Company is increasing the use of returnable pallets and metal racks while reducing the use of cardboard and other packaging materials made from Styrofoam.

In fiscal 2008, the returnable pallet utilization rate was 30%. This figure represents a 126.3-ton reduction of disposable packaging materials.

Returnable pallet

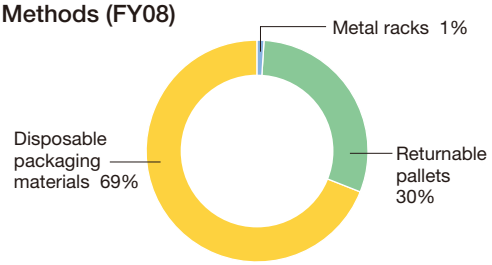
Metal racks

Reduction of One-way Packaging in Line with the Increased Use of Returnable Pallets



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

Breakdown of Product Packaging Methods (FY08)



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

Note 3: SLIM

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

Approach to Product Recycling

"Used products are not wastes but precious resources" in RISO's view. We thus maintain a recycling system whereby we collect used printers or empty ink bottles, in a concerted move toward a recycle-oriented society.

Note 1: Material Recycling
Generally, recycling consists of two techniques, material recycling and thermal recycling. The plastics industry carries out "material recycling" and "chemical recycling,", with the latter positioned as blast furnace feedstock and for liquefaction or gasification.

Note 2: Chemical Recycling
As a new recycling method, which involves turning waste plastics back into chemicals for reuse, chemical recycling is as yet not widely known.

Recycling of Used Products

In fiscal 2008, RISO increased recovery and recycling volume of used products by 2% for digital duplicators, 2% for ink bottles and 3% in total compared with the fiscal 2007 figure (see graph, right).

RISO will continue to expand recovery and recycling of used products.

Recycling of Digital Duplicators

RISO collects used digital duplicators, which are then dismantled and divided into consumables and reusable components. Though the consumables are replaced, the reusable components are inspected under RISO's quality assurance standards, with only accepted components being reassembled in new printers after cleaning and repainting. Finished digital duplicators undergo rigorous testing prior to shipment as recycled products.

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

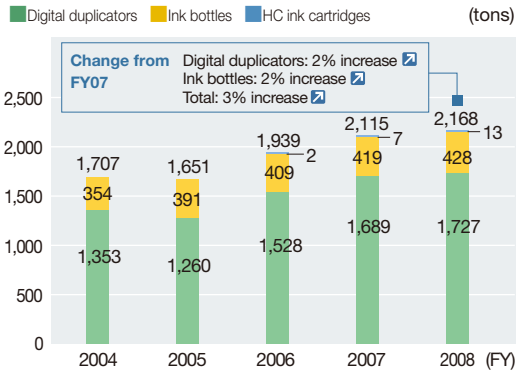
In fiscal 2008, RISO reused 91% of components and recycled 8% of components that could not be reused (ratio by weight) per digital duplicator recovered from the market.

Breakdown of reuse and recycling of all digital duplicator components

Material Recycling of Ink Bottles and Ink Cartridges

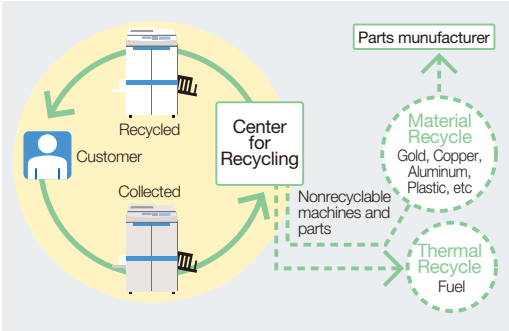
RISO collects used empty ink bottles and ink cartridges from users in Japan for material recycling (See Note 1) or chemical recycling (See Note 2), to effectively utilize resources.

Achievement of Recovery and Recycling of Used Products

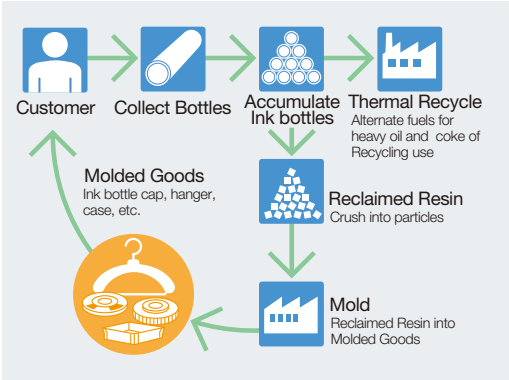


Scope of Calculation: The amount of used RISO products in Japan, excluding rental equipment returned or reused by different users without refurbishment.

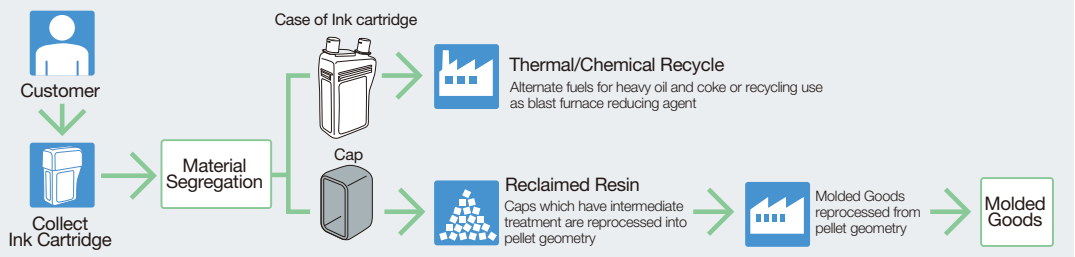
Flow Chart of Recycling Digital Duplicators



Flow Chart of Recycling Ink Bottles



Flow Chart of Recycling HC5000 / HC5500 Ink cartridges



Approach to Office Activities

RISO also promotes various environment-friendly activities in offices, including sales branches and service stations, in order to help reduce the environmental burden.

Environmental Burden Reduction Activities of Offices

RISO has established approximately fifty sales branches throughout Japan, which consume electricity, gas and other energy, as well as water.

Although this consumption is low when compared with its manufacturing and development activities, the majority of RISO's employees are working at these sales branches. Along with education for raising environmental awareness, RISO is undertaking a wide range of efforts including the reduction of waste through rigorous sorting, reduction in paper consumption through operations review, and green procurement practices.

Environmental Burden of Offices (Fiscal 2008)

Scope of calculation:	Domestic sales branches including headquarters
Electricity consumption:	2,080,000 kwh
LPG consumption:	743kg
City gas consumption:	368m^3
Water consumption:	3,180m^3

* Data for shared facilities that are difficult to calculate (especially water, as well as electricity that is included in the shared facility service fee) have not been counted.

Environmental Activities of the Sales Division

In 2006, the Sales Division had obtained ISO 14001 certification at all of its domestic sales branches.

As one of its environmental activities for fiscal 2008, RISO worked toward its environmental target of “Achieving its fiscal 2008 sales target for products (machinery) that comply with the Law on Promoting Green Purchasing,” and substantially exceeded it by 9%.

By March 31, 2008, RISO had already built and commenced operation of a “system for the recovery and recycling of used products from domestic sales agents.”

Corporate Headquarters’ Environmental Activities

To effectively utilize resources, every division at corporate headquarters is undertaking efforts to sort waste material and reduce consumption of printing paper.

One example of such an activity in fiscal 2008 was a joint effort of every division on the 8th floor* to reduce the amount of printing paper consumed on the 8th floor of the headquarters by 3% over fiscal 2007. In the end, the target was exceeded, and consumption was reduced by 8.4% (from 4,971kg in fiscal 2007 to 4,551kg in fiscal 2008).

Headquarters is leasing several floors in a single building.

In order to sort waste material and recycle resources, RISO, which leases business facilities, is working together with a building cleaning company to weigh and record each type of waste material (the job of the building cleaning company), which will then be tabulated, analyzed and managed by RISO.

The weighing and recording of waste material is spreading throughout the building, as another company that shares the same building has also done this.

* Every division on the 8th floor: General Affairs Dept, Corporate Public Relations Dept, Corporate Planning Dept, Internal Control Dept, Financing & Accounting Dept, Real Estate Business Dept, Personnel Dept, President's Office, Internal Auditing Dept.

Promoting Green Purchasing

When purchasing stationery and office supplies, RISO purchases them only after referencing product information to ensure that they comply with the Law on Promoting Green Purchasing and/or have the Eco Mark.

Total Value of Green Purchasing

(Fiscal 2008) (¥1,000)

Business Offices	Total Value of Procurement (Ratio)	
Offices (Sales branches including headquarters)	5,211	(29.7%)
Tsukuba Works	984	(97.1%)
Ube Works	499	(5.9%)
Kasumigaura Works	38	(—*)

* The procurement total, which is the denominator, has not been defined or calculated.

Approach to Overseas Activities

The RISO Group has 19 overseas subsidiaries, which provide RISO products and services in more than 150 countries. In sync with their Japanese counterparts, each of these overseas subsidiaries is promoting activities to reduce the environmental burden of their operations.

• Calculation of CO_2 emissions for overseas bases

CO_2 emissions from electricity consumption are calculated based on the China Electric Power Statistical Yearbook (2000 – 2006), the China Energy Statistical Yearbook (2004 – 2006) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
In the conversion of fuel consumption into CO_2 emissions, RISO used individual conversion factors for each fuel type, as defined under Article 3 of the Cabinet Order for the Law Concerning the Promotion of Measures to Cope with Global Warming (revised March 24, 2006).

Environmental Performance of Overseas Production Bases

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

As part of such efforts, the Zhuhai Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. in China acquired ISO 14001 certification in March 2008.

Previously, individual overseas subsidiaries and production bases had promoted their own environmental activities. This approach, however, prevented the RISO Group from sufficiently grasping the Groupwide environmental burden data.

Reflecting on this situation, RISO collected the environmental burden data for its overseas production bases in fiscal 2008, as shown in the tables below.

Looking ahead, the RISO Group will work to collect and understand the basic environmental burden data for overseas non-production bases while using such data for activities to reduce the environmental burden on a global operation basis. In this way, we are facilitating more efficient and effective environmental activities.

VOICE !

Zhuhai Plant
Production management Department
Quality Control Section
(EMS office)
Xiao Li Hong (right)
Che Zhen Fu (left)

Acquisition of ISO 14001 Certification and Environmental Activities

The Zhuhai Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. started preparations for acquiring ISO 14001 certification in April 2007.

With the aim of promoting our plant-wide environmental activities, we have established an environmental management system (EMS) office, and staff members of the office have served as the driving force in building an effective EMS structure.

These efforts bore fruit, despite one non-compliant item identified in certification audits, allowing us to acquire the certification in March 2008 after receiving confirmation of our corrective measures for the said item.

At present, we are advancing our environmental activities with the goal of improving the industrial waste recycling rate.

To this end, we are adhering to a stringent waste sorting policy while monitoring post-sorting waste treatment. Through these initiatives, we are aiming to reduce the environmental burden of our operations.

Meanwhile, we recognize that it is indispensable for us to strengthen and disseminate our environment-related knowledge in the promotion of more effective environmental activities.

Based on this recognition, we provide plant employees with opportunities to participate in internal and external environmental education programs. These efforts are expected to produce concrete results. More specifically, we expect enhanced environmental awareness throughout the plant and more vigorous environmental activities.

Environmental Burden of Overseas Production Bases

INPUT		2008
Breakdown of Energy Consumption		
Electricity	(10,000 kWh/yr)	119
LPG	(t/yr)	0.3
Bunker A	(kl/yr)	8.3
Kerosene	(kl/yr)	0.1
Diesel oil	(kl/yr)	6.6
Gasoline	(kl/yr)	31.2
Water consumption	(m^3)	13,972
Metal	(t)	3,050
Plastic	(t)	901
Glass	(t)	28
Paper	(t)	542
Other	(t)	1,150
Subtotal		19,643

OUTPUT		2008
CO_2 emissions	**(t-CO_2/yr)**	1,302
Electricity	(t-CO_2/yr)	1,190
LPG	(t-CO_2/yr)	1
Bunker A	(t-CO_2/yr)	22
Kerosene	(t-CO_2/yr)	0
Diesel oil	(t-CO_2/yr)	17
Gasoline	(t-CO_2/yr)	72
Water drainage	(m^3)	13,476
Steam, water, etc. emissions	(m^3)	0
Products	(t)	6,167
Subtotal		19,643
Waste generation[*1]	**(t)**	97.2
Volume transferred to recycling processes[*2]	(t)	0
Volume recycled[*3]	(t)	75.3
Other[*4]	(t)	18
Final disposal (landfill)[*5]	(t)	3.9

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

Scope of calculation: All overseas production bases within the RISO Group, including the Zhuhai Plant of RISO TECHNOLOGY ZHUHAI CO., LTD. in China
Subject of calculation: Energy consumption and the resultant CO_2 emissions, water consumption and wastewater and waste generation
Materials used in production, fuel consumption by company vehicles and resultant CO_2 emissions
* Data relating to contracted transport, energy consumption by the Sales Division and resultant CO_2 emissions is not included.

Environmental Data for Principal Business Offices

Tsukuba Works

Scope of Calculation: Tsukuba Works, including R&D Technology Center

Overview

Address	127-7 Taninosawa, Fukuda, Ami-machi, Inashiki-gun, Ibaraki-ken, Japan
Commencement of Operations	October 1981
Site Area	97,000 m^2 (equivalent in area to two Tokyo Dome-sized stadia)
Total Floor Space	29,326 m^2 (Registration modified in April 2007)
Number of Employees	355 (As of March 31, 2008)

Major Products

- Digital duplicators and peripherals
- High-speed color printers and peripherals

Registration of Specified Facilities

- Facilities that generate smoke (boilers), as specified under the Air Pollution Control Law
- Facilities specified in the ordinance regarding the prevention of eutrophication in Kasumigaura: Purification tank
- Facilities specified in the Vibration Control Law: Hydraulic and mechanical presses, air compressors, shear cutters, circular saw machines

Major Environmental Activities

- ISO 14001: Certification updated in December 2007
- Environmental design activities, including measures in response to the RoHS Directive
- Implementation of green procurement
- Reduction of waste generation and promotion of recycling
- Reduction of CO_2 emissions through energy conservation
- Recycling of used ink bottles
- Promotion of green purchasing

Environment-Related Data

- Electricity Consumption : 2,899,000 kWh(103% of FY07 figure)
- Total waste generation : 615.8 tons*(121% of FY07 figure)
- Final disposal (landfill) : 1.4 tons*(70% of FY07 figure)
- Waste recycling rate : 99.80%(Up 1.2 percentage points from FY07)
- Water consumption : 11,888 m^3 (clean water only)(96% of FY07 figure)
- Wastewater volume : 11,888m^3(96% of FY07 figure)
- Annual biochemical oxygen demand (BOD) emissions : 26.7kg/yr(127% of FY07 figure)(Calculated by multiplying average concentration by annual wastewater volume)
- Annual nitrogen emissions : 129.6kg/yr(95% of FY07 figure)(Calculated by multiplying average concentration by annual wastewater volume)
- Annual phosphorus emissions : 8.3kg/yr(67% of FY07 figure)(Calculated by multiplying average concentration by annual wastewater volume)

* RISO promoted the use of returnable pallets in the transport of Chinese-made products in order to reduce the environmental burden after these products reach the market. As a result, total waste generation at RISO increased. Also, final landfill volume decreased thanks to RISO's recycling efforts. (See p. 24)

Major Environmental Burden Data

Wastewater quality

Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
Hydrogen ion concentration*	pH	6.0-8.2	6.11~8.09	7.6	7.4
Chemical oxygen demand (COD)	mg/l	10.0	9.0	10	8
Biochemical oxygen demand (BOD)	mg/l	10.0	9.0	4	2.25
Suspended substances	mg/l	15.0	13.5	8	2.5
n-Hexane extracts content (mineral oil)	mg/l	3.0	2.7	1	1
n-Hexane extracts content (animal/vegetable oils and fats)	mg/l	5.0	4.5	1	1
Coliform bacteria count	Coliform group/ml	1000.0	900.0	0	0
Nitrogen content	mg/l	15.0	13.5	13.5	10.9
Phosphorus content	mg/l	2.0	1.8	1.4	0.7

Wastewater from Tsukuba Works is drained into the public waters.
Regulation values are set in accordance with the Water Pollution Control Law, the ordinance regarding the prevention of eutrophication in Kasumigaura as well as the pollution control agreement made and entered into between RISO and Ami-machi.

* In April, COD increased due to the breakdown of the purification tank's filter pump (the pump was repaired the following month). Therefore RISO revised its facility management process: In addition to the regular inspection items, RISO added the monitoring of motor insulation resistance values so that the Company will be able to replace the motor before breakdown by looking at low insulation resistance values, if any.

Emissions into the air

Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
Sulfur oxide (SOx)	m^3N/hour	1.03	—	0.032	0.028
Nitrogen oxide (NOx)	volppm	180	—	84	45
Dust	g/m^3N	0.3	—	0.003	0.005

Environmental Data for Principal Business Offices

Kasumigaura Works

Scope of Calculation: Kasumigaura Works, including one department of the Research and Development Division and the Center for Recycling

Overview

Address	282-2 Ami, Ami-machi, Inashiki-gun, Ibaraki-ken, Japan
Commencement of Operations	August 1965
Site Area	28,265 m^2
Total Floor Space	16,821 m^2
Number of Employees	92 (As of March 31, 2008)

Major Products

- Color inks and masters for digital duplicators
- Inks for high-speed color printers

Registration of Specified Facilities

- Facilities that generate smoke (boilers), as specified under the Air Pollution Control Law
- Facilities as specified under the Noise/Vibration Control Law: machine tools, including compressors and shearings

Major Environmental Activities

- ISO 14001: Certification updated in December 2007
- Reduction of CO_2 emissions through energy conservation
- Reduction of waste generation and promotion of recycling
- Recycling of used printers

Environment-Related Data

- Electricity consumption : 1,923,000 kWh (103% of FY07 figure)
- Total waste generation : 282 tons* (70% of FY07 figure)
- Final disposal (landfill) : 7.8 tons* (41% of FY07 figure)
- Waste recycling rate : 80% (Up 30 pts. from FY07 figure)
- Water consumption : 17,838m^3 (Clean water: 3,161m^3; groundwater: 14,677m^3) (102% of FY07 figure)
- Wastewater volume : 8,826m^3 (105% of FY07 figure)
- Annual biochemical oxygen demand (BOD) emissions : 109kg/yr (138% of FY07 figure) (Calculated by multiplying average concentration by annual wastewater volume)
- Annual nitrogen emissions : 134kg/yr (Change from FY07: 101%) (Calculated by multiplying average concentration by annual wastewater volume)
- Annual phosphorous emissions : 18kg/yr (113% of FY07 figure)

*Reducing waste generation and promotion of recycling reduced final disposal and raised the recycling rate.

Major Environmental Burden Data

Wastewater quality

Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
Hydrogen ion concentration*	pH	5-9	—	7.6	7.3
Biochemical oxygen demand (BOD)	mg/ℓ	600.0	—	22.0	12.4
Suspended substances	mg/ℓ	600.0	—	13.0	9.9
n-Hexane extracts content (mineral oil)	mg/ℓ	5.0	—	Under 1	Under 1
n-Hexane extracts content (animal/vegetable oils and fats)	mg/ℓ	30.0	—	1.2	1.0
Nitrogen content	mg/ℓ	60.0	—	27.0	15.2
Phosphorous content	mg/ℓ	10.0	—	3.1	2.0

Wastewater from Kasumigaura Works is drained into the public sewage systems.
Regulation values are set in accordance with Tsuchiura City's Ordinance Regarding the Kasumigaura Basin's Sewage Systems.

Emissions into the air

	Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
009 Boiler (Boiler No. 1)	Sulfur oxide (SOx)	m^{3}N/hour	1.1	0.05	0.02	0.015
	Nitrogen oxide (NOx)	volppm	180	165	88	80
	Dust	g/m^{3}N	0.3	0.03	0.01	0.01
010 Boiler (Boiler No. 2)	Sulfur oxide (SOx)	m^{3}N/hour	1.1	0.05	0.02	0.02
	Nitrogen oxide (NOx)	volppm	180	165	67	61.5
	Dust	g/m^{3}N	0.3	0.03	0.01	0.01
007 Boiler (Boiler No. 3)	Sulfur oxide (SOx)	m^{3}N/hour	1.1	0.05	0.04	0.03
	Nitrogen oxide (NOx)	volppm	180	165	92	89.5
	Dust	g/m^{3}N	0.3	0.03	0.02	0.015
008 Boiler (Boiler No. 4)	Sulfur oxide (SOx)	m^{3}N/hour	1.1	0.05	0.03	0.025
	Nitrogen oxide (NOx)	volppm	180	165	98	90
	Dust	g/m^{3}N	0.3	0.03	0.01	0.01

Ube Works

Scope of Calculation: Ube Works

Overview

Address: Setobara-Kougyou-danchi, Ube-shi, Yamaguchi-ken, Japan
Commencement of Operations: June 1986
Site Area: 75,871 m²
Total Floor Space: 15,598 m²
Number of Employees: 82 (As of March 31, 2008)

Major Products

Black inks and masters for digital duplicators

Registration of Specified Facilities

Facilities that generate smoke (boilers), as specified under the Air Pollution Control Law

Major Environmental Activities

- ISO 14001: Certification updated in December 2007
- Environmental design activities, including measures in response to the RoHS Directive
- Reduction of waste generation and promotion of recycling
- Reduction of CO_2 emissions through energy conservation
- Recycling of used ink bottles
- Promotion of green purchasing

Environment-Related Data

- Electricity consumption : 2,944,000 kWh (94% of FY07 figure)
- Total waste generation : 271.8 tons* (116% of FY07 figure)
- Final disposal (landfill) : 1.3 tons* (22% of FY07 figure)
- Waste recycling rate : 90%* (Up 70 pts. from FY07 figure)
- Water consumption : 8,185 m³ (Clean water: 4,006 m³; groundwater: 4,179 m³) (97% of FY07 figure)
- Wastewater volume : 4,006 m³ (95% of FY07 figure)
- Annual biochemical oxygen demand (BOD) emissions : 58kg/yr (149% of FY07 figure) (Calculated by multiplying average concentration by annual wastewater volume)

* During fiscal 2007, the Ube Works was required to change the method of treating waste ink from recycling to incineration for contractor reasons. The increased waste recycling rate is attributable to the use of a new recycling contractor.

Major Environmental Burden Data

Wastewater quality

Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
Hydrogen ion concentration	pH	5.8-8.6	5.8-8.6	7.6	7.3
Chemical oxygen demand (COD)	mg/ℓ	160	112	24	18.8
Biochemical oxygen demand (BOD)	mg/ℓ	160	112	18	14.4
Suspended substances	mg/ℓ	200	140	12	6.5
Coliform bacteria count	Coliform group/ml	3000	2100	25	4.2

Emissions into the air

Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
Sulfur oxide (SOx)	m³N/hour	0.602	0.355	0.130	0.101
Nitrogen oxide (NOx)	volppm	180	165	100	90
Dust	g/m³N	0.3	0.05	0.0027	0.0021

Wastewater from the Ube Works is drained into the public waters.
Regulation values are set in accordance with the Water Pollution Control Law and the Yamaguchi Prefecture Ordinance Regarding Pollution Control.

Wakaguri R&D Site

Scope of Calculation: Wakaguri R&D Site

Overview

Address: 1339-2 Wakaguri-nishikanda, Ami-machi, Inashiki-gun, Ibaraki-ken, Japan
Commencement of Operations: April 1990
Site Area: 6,710m²
Total Floor Space: 5,179m²
Number of Employees: 80 (As of March 31, 2008)

Major Environmental Activities

- ISO 14001: Certification updated December 2007
- Environmental design activities including measures in response to the RoHS Directive
- Reduction of CO_2 emissions through energy conservation
- Reduction of waste generation and promotion of recycling
- Promotion of green purchasing

Environment-Related Data

- Electricity consumption : 530,000 kWh (43% of FY07 figure)
- Total waste generation : 10 tons* (100% of FY07 figure)
- Final disposal (landfill) : 1.0 ton* (100% of FY07 figure)
- Waste recycling rate : 54% (Down 3 pts. from FY07 figure)
- Water consumption (clean water only) : 2,640 m³ (82% of FY07 figure)
- Wastewater volume : 2,640 m³ (82% of FY07 figure)
- Annual BOD emissions : 597 kg/yr (143% of FY07 figure) (Calculated by multiplying average concentration by annual wastewater volume)
- Annual nitrogen emissions : 75 kg/yr (71% of FY07 figure)
- Annual phosphorus emissions : 6 kg/yr (120% of FY07 figure)

Major Environmental Burden Data

Wastewater quality

Item	Unit	Regulation value	Voluntary target	Maximum value	Average value
Hydrogen ion concentration*	pH	5-9	5.4-8.6	8.6	6.8
Biochemical oxygen demand (BOD)	mg/ℓ	600	480	520	226
Suspended substances	mg/ℓ	600	480	99	58.8
n-Hexane extracts content (mineral oil)	mg/ℓ	5	4	1	1
n-Hexane extracts content (animal/vegetable oils and fats)	mg/ℓ	30	24	68*	23.8
Nitrogen content	mg/ℓ	60	48	53.3	28.3
Phosphorous content	mg/ℓ	10	8	5.7	2.2

Wastewater from the Wakaguri R&D Site is drained into the public sewage systems. Regulation values are set in accordance with the Ami-machi Ordinance Regarding Sewage Systems.
* The Wakaguri R&D Site promoted water-saving efforts in dishwashing at its company cafeteria. This initiative has produced the unexpected result of excessive animal/vegetable oil and fat content in its wastewater. The Wakaguri R&D Site has reported and consulted with Ami-machi town hall and is continuing to monitor wastewater quality.

Social Initiatives

For Customers

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

Note 1: ISO 9001

* ISO 9001: An international standard for quality management systems

•Scope of ISO 9001 certification

RISO KAGAKU CORPORATION
Headquarters*: (including Narashino Service Center, Shimbashi-site and Shibaura Office)
Domestic Sales Division (Shibaura Office,Tamachi-site and six branches in Tokyo: Mita, Asakusa, Nihonbashi, Shinjuku, Ikebukuro and Shibuya)
International Sales Division
Research & Development Division*
Production Division (including Tsukuba Works, Ube Works and Kasumigaura Works)
* Some organizations are excluded from the scope of ISO 9001 certification.
RISO TECHNOLOGY ZHUHAI CO., LTD

Note 2: Quality Management System:

A type of management system to consistently improve customer satisfaction and operational quality by implementing PDCA cycles.

Quality Activities

Adhering to its fundamental philosophy of taking the customer's point of view, RISO engages in the provision of high-quality products and services. In addition, RISO regards its management and daily business operations as themselves representing an important quality in terms of gaining and maintaining customer trust and a reputation for product assurance. The Company has thus acquired ISO 9001 certification (See Note 1) and makes ongoing improvements to the maintenance of its quality control structure.

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

RISO Quality Policy

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

Accordingly, RISO drew up the following quality policy:

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

Enacted: October 1, 2002
Revised: April 1, 2007
RISO KAGAKU CORPORATION
Akira Hayama
President & C.E.O.

Environmental / Quality Management Review Session

In its pursuit of efficient management systems, RISO is promoting comprehensive environmental/quality management system (See Note 2) operations and conducts simultaneous reviews of both management systems.

For management reviews, RISO executives inspect and review management system effectiveness. In addition, executives determine policies and goals for environmental/quality management systems to give direction for overall activities.

At the environmental/quality management review session held on November 20, 2007, RISO reviewed the achievements of its quality control and environmental activities for fiscal 2008, and discussed future activities with the participation of the president.

Summarizing the overall discussion, the president gave the following comment: "I would like the R&D Division and Production Division to enhance the quality of safety by utilizing the environmental/quality management systems. For the domestic sales network, I would like the headquarters to play a leading role in establishing a business culture at each and every branch of the domestic sales network. The International Sales Division must maintain a clear vision in its business operations with full concentration on each overseas base. This will facilitate the International Sales Division's global activities."

VOICE !

Quality Assurance Dept.
Quality Assurance Section
Jun Takakura

Taking the Customer's Point of View

Good products will be worthless if they are unsafe to use.

RISO's product evaluation items include a safety assessment to assure enhanced product safety for customers.

Focusing on possible product usage from the customer's point of view, RISO implements thorough product assessment and verification based on past examples.

In addition, RISO works to confirm and improve product safety by asking new users at random for a product performance evaluation. The Company believes it is important to ask for non-specialist evaluations and opinion.

RISO established a system to examine product material safety at the development and planning stage.

Communication with Customers

So that customers can use RISO products with assurance, the Company has established a RISO Call Center in both Tokyo and Osaka. Staff at the call centers immediately respond to customer requests, can explain how to use RISO products, handle problems and deal with a host of other issues.

Amid a rapidly evolving networked society, the Company has set up a system support structure for printer and PC interfaces so that customers can use RISO products more effectively.

In fiscal 2008, the call centers received 141,000 calls, a year-on-year increase of 10,000 calls.

Customers with questions about RISO products and services can access the "Contact Us" page at RISO's Web site and direct inquires about any RISO product by e-mail or telephone.

Implementation of Customer Satisfaction Survey

RISO reflects customer feedback in its products and services and, in order to improve customer satisfaction, has been conducting customer satisfaction surveys in Japan, Europe, the United States and Asia in two-year cycles fiscal 2004.

In fiscal 2008, the Company conducted a customer satisfaction survey for digital duplicators in the United Kingdom.

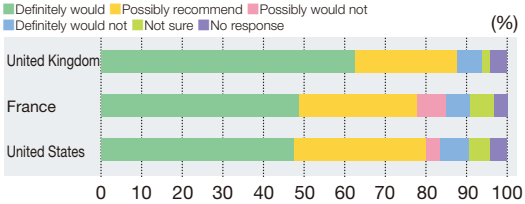
In that survey, RISO received the following dissatisfied response: "I called a serviceman but received poor responses and had to call back many times" The Company used this to bring about improvements to its sales and service activities.

RISO has also conducted numerous customer satisfaction surveys for its digital duplicators and HC Series high-speed color printers in the United Kingdom, France, and the United States.

To the question, "Would you recommend the HC Series to other people?" around 80% of the respondents in France and the United States said that they would; in the United Kingdom the figure was around 90%.

RISO periodically conducts customer satisfaction surveys with the goal of creating products that meet customer expectations.

"Would you recommend the HC Series to other people?"



Personal Information Protection Activities

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

This protection system conforms to JISQ15001 (Personal information protection management systems—Requirements) (See Note 3), and authorization to use the privacy mark was received from the Japan Information Processing Development Corporation (JIPDEC) on March 9, 2004, and extended in 2008.

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

Personal Information Protection Policy

1. When obtaining personal information, clearly establish the purpose of its use and confine its use to Company business purposes.
2. Clearly communicate the purpose of personal information use and obtain the information after gaining approval.
3. Personal information is not to be used for purposes other than those for which authorization has been given.
4. Personal information is not to be provided to third parties, except when prior approval has been given or when there are legitimate grounds.
5. To protect the security of personal information, reasonable preventive measures must be taken against the disclosure, loss or damage of personal information, and if for any reason an accident or unforeseen event should occur, corrective action is to be taken immediately.
6. Inquiries and requests for disclosure of personal information will be responded to cordially and with dispatch.
7. RISO obeys all laws, government-established guidelines and other regulations concerning the protection of personal information.
8. RISO works to raise employee awareness through educational activities regarding the protection of personal information.
9. For each division that handles personal information, RISO appoints an administrator in charge of properly managing applicable information.
10. RISO continuously improves its compliance program regarding the protection of personal information.

Enacted: March 12, 2003
Revised: April 1, 2007

RISO KAGAKU CORPORATION

Akira Hayama
President & C.E.O.

Note 3: JISQ15001
Established in 1999 for the purpose of protecting personal information, JISQ15001 became the standard when the Personal Information Protection Act was enacted. Voluntary efforts are important in the protection of personal information in business activities; therefore RISO have put in place an integrated, Companywide management system framework and established the requisite conditions.

For Shareholders and Investors

RISO continues to enhance communications with shareholders and investors while adhering to timely and accurate information disclosure.

Note 1: Information Disclosure Procedures Formulated October 1, 2007

The following items are stipulated in the Information Disclosure Procedures :

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

Communications with Shareholders

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

To maximize shareholder attendance, the Company utilizes conveniently located venues and intentionally selects different dates that do not conflict with those when most shareholders' meetings are simultaneously held in Japan.

In addition, RISO provides business reports twice a year to aid shareholders in building a better understanding of its business conditions.

The 53rd Ordinary General Meeting of Shareholders

IR Activities

As timely, reliable and proactive information disclosure is of particular importance in corporate activities, RISO continues to enhance its IR activities.

In October 2007, the Company formulated and posted its Information Disclosure Policy (Japanese only) on its Web site to clearly show its stance on information disclosure.

Also, to establish and maintain the structure required for effective implementation of the aforementioned policy, RISO formulated Information Disclosure Procedures (See Note 1) and began to administer these procedures in October 2007.

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

At these conferences, the Company's top executive provides explanations of business conditions and other information. Furthermore, RISO's redesigned Japanese Web site was launched on April 1, 2008. The redesign has upgraded the Web site's overall user friendliness and the Corporate Profile content.

Dividend Policy

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

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

Based on this concept, in fiscal 2008 RISO repurchased a total of 196,000 shares from the market for a total repurchase price of ¥341 million.

Information Disclosure Policy

1. **Basic Policy**
   RISO shall adhere to fair information disclosure in accordance with the Financial Instruments and Exchange Law and other relevant laws and regulations as well as with disclosure-related stock exchange regulations. Even outside of these legal requirements and regulations, the Company strives to proactively disclose information that is deemed useful to enable shareholders and investors to build a better understanding.

2. **Information Disclosure Methods**
   Depending on the type of information, RISO shall disclose information through either the Electronic Disclosure for Investors' NETwork (EDINET) of the Financial Services Agency (FSA) or the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange (TSE). In the case of disclosures via TDnet, RISO shall announce information to media organizations through the Kabuto Club, TSE's press club, and then post the information on its Web site.

3. **Disclaimer Regarding Forward-Looking Statements**
   Documents and Web site content published by RISO include performance forecasts, plans, future strategies, goals and other forward-looking statements. RISO prepares such statements, excluding historical facts, based on information available to it as of the date of their preparation. A myriad risks and uncertainties, including changes in economic and business environments, may cause actual results to differ from these statements.

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

Formulated October 1, 2007

For Local Communities

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

Social Contribution Activities

Environmental Learning Support

Using the opportunities provided by its participation and cooperation in environmental education at schools as well as in environmental learning sessions and seminars for adults, RISO gives presentations about the environment to students and introduces environmental learning tools and educational programs to teachers.

Case 1 Kawasaki Municipal Masugata Junior High School, Kanagawa Prefecture

RISO has cooperated on the environmental education program at Masugata Junior High School since 2004.

In fiscal 2008, RISO cooperated on and participated in Masugata Junior High School's environmental education workshop and forum held on December 20, 2007.

Following a "printing" theme, which is closely related to RISO's business, the Company gave a presentation to students about the role of printing, the earth resources used in the printing business, and printing with low environmental impact. In addition, RISO presented a mimeograph by means of a hands-on session.

RISO presentations

Case 2 Independent School Work Study Group of Shohoku, Kanagawa Prefecture

On August 4, 2007, an environmental workshop was held as a summer seminar of the Independent School Work Study Group of Shohoku, Kanagawa Prefecture at a meeting room and at a showroom at RISO headquarters.

On this occasion, RISO gave a presentation about its environmental initiatives and the latest duplicator.

Environmental workshop

Case 3 Gero Municipal Yuya Elementary School, Gifu Prefecture

On January 22, 2008, RISO visited Yuya Elementary School to offer a class about soybean ink in collaboration with its sales agency, Jim Brain Co., Ltd.

Under an "environment-friendly printing" theme, RISO carried out an experiment on making inks from soybean oil then gave schoolchildren printing experience with soy ink.

After the class, schoolchildren sent RISO reports in which they gave their impressions about the importance of environment-friendly printing and the ink-making experience.

Class about soybean ink

Donating/Sponsored Activities/Local Contribution Activities

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

During fiscal 2008, RISO extended its support to various organizations, including RISO EDUCATIONAL FOUNDATION (See Note 1); a number of educational institutions; an NPO that engages in the distribution of the Midori no Komichi Environment Diary and the promotion of the Kids' ISO Program (See Note 2); and the Tokyo Metropolitan Government.

Furthermore, RISO proactively engages in beautification activities around its plants and works, while contributing to traffic safety campaigns in local communities to foster better communications.

Cleanup activities (Tsukuba Works)

Note 1: RISO EDUCATIONAL FOUNDATION

Dedicated to establishing heartfelt communication at schools, in households and in local communities, RISO EDUCATIONAL FOUNDATION conducts activities in pursuit of educational methods that foster well-rounded characters as well as better classroom communication.
Major activities include holding the "Sodate Print Communication" contest, promoting printing equipment, as well as research and study regarding printing media.

Note 2: Kids' ISO Program

An environmental education program authorized by the International Organization for Standardization (ISO) and promoted by the International Art & Technology Cooperation Organization (ArTech) both in Japan and overseas.
In Japan, Kids' ISO Program is supported by the Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology and the Japanese National Commission for UNESCO. Overseas, it is sponsored by the United Nations University and the UN Environment Program.
The Tokyo Metropolitan Government, which has been promoting the Kids' ISO Program for senior children at elementary school since 2005, offers learning materials that enable students to gain first-hand experience of environmental management and measures against global warming. Agreeing with the Tokyo Metropolitan Government's idea to promote Kids' ISO Program, RISO makes a donation as a sponsor company.

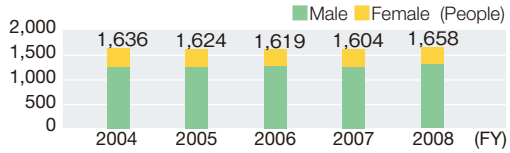
For Employees

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

Employment

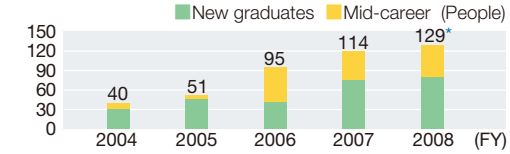
Of RISO's domestic employees in fiscal 2008, 79% were male and 21% female. Remaining in compliance with the Law for Equal Employment Opportunity for Men and Women and other labor-related laws and regulations, RISO is steadfast in the appropriate employment of its employees.

Number of Employees (Japan)



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

Employment Trends



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

Post-Retirement Reemployment System

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

Senior Employee Employment System

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

Personnel and Other Systems

Since the introduction of an ability-based grade system, RISO has worked to promote the self-development of its employees through objective management and performance evaluations. Meanwhile, the Company is endeavoring to create workplace environments in which each employee can display his or her capabilities to the full.

In addition, the Company strives to improve transparency in personnel evaluations by means of quarterly interviews between employees and their supervisors as well as evaluator training and evaluations.

Personnel System

Through the administration of its personnel system, RISO aims to nurture those of its human resources who can compete in a global setting. The Company believes that this will consequently enable it to grow into a stronger corporate entity.

The Company recognizes the functions of its personnel system as the following: (1) to nurture human resources; (2) to drive the entire Company forward in unison; (3) to allow individuals to leverage their personal advantages; and (4) to help the Company establish a foundation that promotes independent and vigorous activities among employees. The Company thus goes to great lengths to ensure that its employees are fairly and reasonably treated.

RISO's retirement benefit system has been designed to enable a clearer assessment of each employee's contribution to the Company over the period of their service. In more specific terms, each employee earns cumulative retirement benefit points each fiscal year.

Leave Systems

Childcare Leave System

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

Parent Nursing Leave System

In 1999, the Company implemented a parent nursing leave

VOICE !

General Manager,
Personnel Dept.
Yasunobu Takahashi

People Benefit from "Successful Experiences" and "Strengths-Focused Training"

RISO's approach to employee education is to fully support enthusiastic employees who desire to initiate their personal growth by experiencing a wide range of operations.

I would like to help them accomplish their desires by providing opportunities to gain a variety of experiences. This is possible at RISO, since it covers the entire product lifecycle from development to sales.

We provide assistance to our employees in implementing their individual growth strategies tailored to their characters and desires.

Achieving success in one assignment will boost confidence and provide impetus toward tackling the next. RISO strongly believes that successful experience empowers a person's steady growth.

Meanwhile, we focus on each employee's strong points when trying to foster our human resources. We believe that building on an individual's strengths produces maximum results for the Company as a whole.

Of course, everybody makes mistakes. But when our employees do make mistakes, we help them learn from them and encourage them to take responsibility. In a sense, the culture at RISO is akin to that of consolation matches in the world of sports.

RISO's strengths-focused training and its culture of learning from mistakes are rooted in the hope that the Company would like to see each employee standing on his or her own.

system that is applicable to both male and female employees.

Child Nursing Leave System

RISO has established a child nursing leave system for those employees with children who are not yet old enough to attend elementary school. When their children are injured or get sick, they are allowed to take additional leave in addition to their annual leave entitlement.

In-House Awards System

As a development-driven company, RISO established a special incentive system in June 2001 to encourage its employees to be creative and innovative. Under this system, the previous fiscal year is set as the evaluation period. The Company honors employees who have significantly contributed to its performance by presenting prizes in line with internal rules. In fiscal 2008, 43 awards were given to a total of 191 employees.

Education System

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

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

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

Based on this system, when an employee acquires a specified qualification or certification, the Company provides a cash award ranging from ¥3,000 to ¥120,000, depending on the type of qualification and certification. During fiscal 2008, RISO presented a total of 102 awards.

Occupational Health and Safety

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

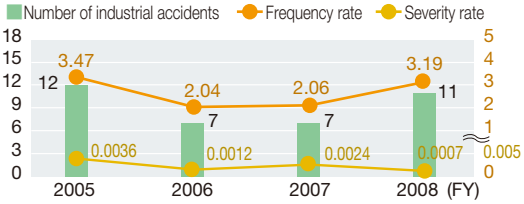
RISO has established an Occupational Health and Safety Committee at each of its production bases. With the committees serving as front-line drivers, the Company is working to prevent accidents and disasters through the maintenance of clean and safe workplaces, the identification and improvement of safety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

During fiscal 2008, 11 industrial accidents occurred at RISO's domestic business bases, for a frequency rate of 3.19 and a severity rate of 0.0007.

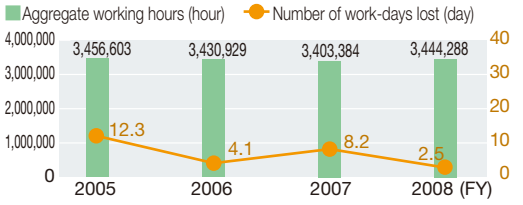
Although the number of accidents rose by four from the fiscal 2007 figure, the severity rate decreased 0.0017, representing an improvement in the overall severity of industrial accidents.

Meanwhile, the number of work-days lost due to industrial accidents at RISO's domestic business bases was 2.5 during fiscal 2008.

Industrial Accidents / Frequency and Severity Rates (See Note 2)



Aggregate working hours



Promotion of Employee Health

RISO takes extra care of its employees' health. As part of efforts to promote health matters and allow employees to reinvigorate themselves, the Company provides them with opportunities for regular medical checkups and to participate in various off-site activities, including casual get-togethers and sports events.

In March 2008, the Company distributed USB multi-function pedometers and health self-management software to employees aged 35 and older. The effective use of the pedometer and software is helping them maintain and improve their health conditions.

Medical Checkups and Mental Health Management (See Note 3)

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

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

In addition, the Company's Intranet offers information relating to mental health hotlines for those seeking counseling from external specialists.

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

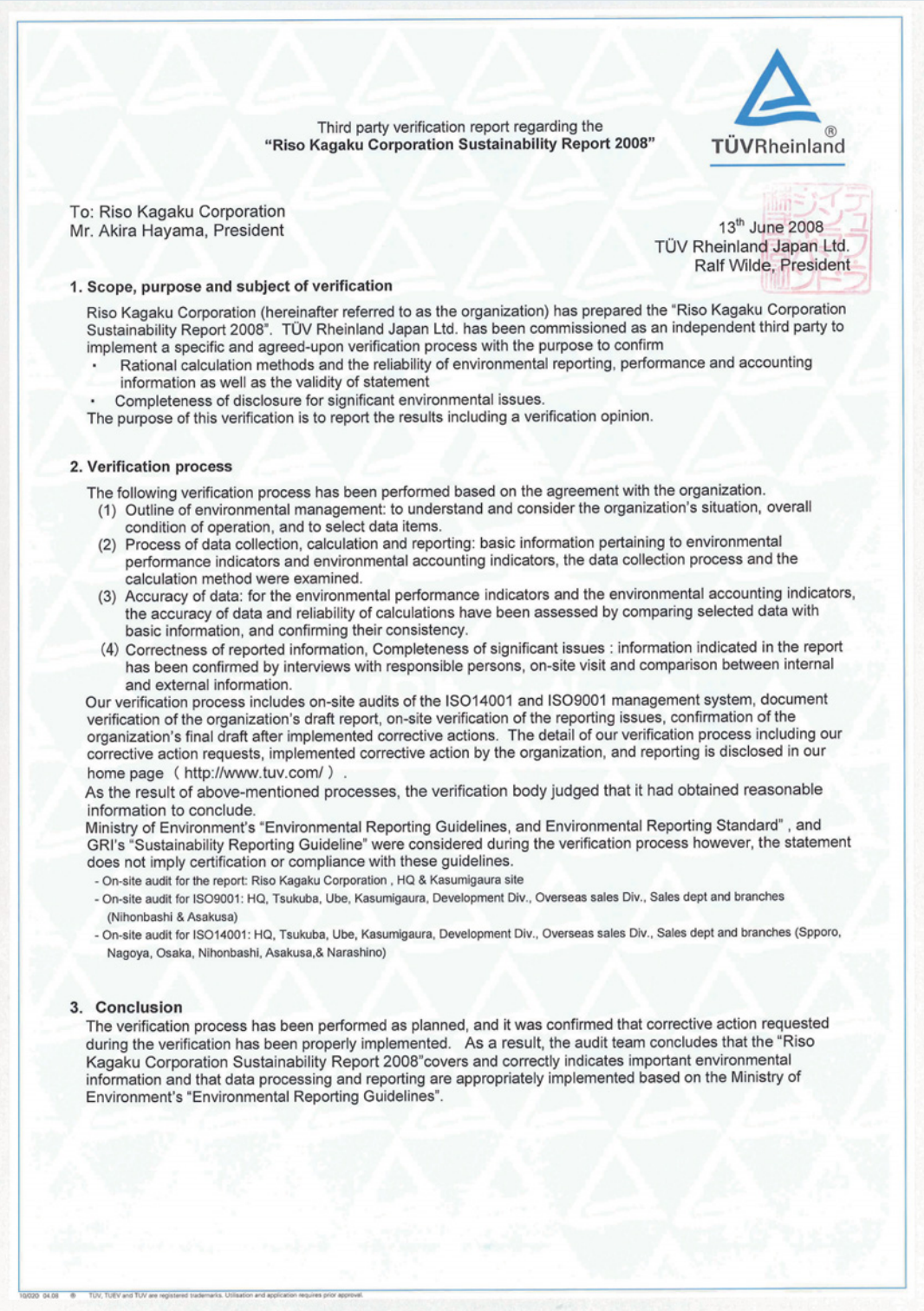
Note 2: Frequency rate
This rate indicates the frequency of accidents and disasters that have occurred with the number of deaths and injuries per 1 million working hours.
The average frequency rate for principal industries nationwide was 1.83, while that for the manufacturing industry alone was 1.09.
(Source: 2007 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare)

Note 2: Severity rate
This rate indicates the severity of industrial accidents and disasters with the number of work-days lost per 1,000 working hours.
The average severity rate for principal industries nationwide was 0.11, while that for the manufacturing industry alone was 0.10.
(Source: 2007 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare)

Note 3: Mental health management
Mental health management involves activities to promote mental health as well as to prevent and treat mental disorders.

Third-Party Evaluation

With the aim of enhancing the reliability and objectivity of its sustainability reports, RISO asked a third party to offer opinions regarding report content and endeavored to incorporate those opinions into the production of the reports.
For the "Sustainability Report 2008," the Company used TÜV Rheinland Japan Ltd., the same evaluator that conducted the third-party evaluation of the "Sustainability Report 2007."



Third party verification report regarding the
"Riso Kagaku Corporation Sustainability Report 2008"

TÜVRheinland®

To: Riso Kagaku Corporation
Mr. Akira Hayama, President

13th June 2008
TÜV Rheinland Japan Ltd.
Ralf Wilde, President

1. Scope, purpose and subject of verification

Riso Kagaku Corporation (hereinafter referred to as the organization) has prepared the "Riso Kagaku Corporation Sustainability Report 2008". TÜV Rheinland Japan Ltd. has been commissioned as an independent third party to implement a specific and agreed-upon verification process with the purpose to confirm

- Rational calculation methods and the reliability of environmental reporting, performance and accounting information as well as the validity of statement
- Completeness of disclosure for significant environmental issues.

The purpose of this verification is to report the results including a verification opinion.

2. Verification process

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

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

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

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

Ministry of Environment's "Environmental Reporting Guidelines, and Environmental Reporting Standard", and GRI's "Sustainability Reporting Guideline" were considered during the verification process however, the statement does not imply certification or compliance with these guidelines.

- On-site audit for the report: Riso Kagaku Corporation , HQ & Kasumigaura site
- On-site audit for ISO9001: HQ, Tsukuba, Ube, Kasumigaura, Development Div., Overseas sales Div., Sales dept and branches (Nihonbashi & Asakusa)
- On-site audit for ISO14001: HQ, Tsukuba, Ube, Kasumigaura, Development Div., Overseas sales Div., Sales dept and branches (Spporo, Nagoya, Osaka, Nihonbashi, Asakusa,& Narashino)

3. Conclusion

The verification process has been performed as planned, and it was confirmed that corrective action requested during the verification has been properly implemented. As a result, the audit team concludes that the "Riso Kagaku Corporation Sustainability Report 2008"covers and correctly indicates important environmental information and that data processing and reporting are appropriately implemented based on the Ministry of Environment's "Environmental Reporting Guidelines".

Through the evaluation processes, TÜV Rheinland Japan verified the scope and methods of data calculation. RISO has prepared its “Sustainability Report 2008” based on results of the TÜV Rheinland Japan evaluation.
Aiming for improved reporting accuracy and reader-friendliness, RISO will continuously work to enhance the quality of the information disclosed to its stakeholders.

TÜVRheinland®

4. Verification opinion

[General evaluation]

The organization's attitude toward continual improvement in the preparation process of the environmental management report and sincerity in disclosing information are highly appreciated. The foundation of the “Environmental management report” was established based on its steady and diligent effort. In particular, the company's sincere behaviour was shown in the following items.

1. The organization is earnestly addressing the issue regarding combination ratio in recycled paper as the matter to be improved.
2. The organization is making an effort to disclose its environmental activities for products to readers in an understandable manner.
3. The organization is aware of importance of ensuring legal compliance and transparency as a corporation.
4. The organization understands that overseas sites should be included as the scope of the report including information disclosure.

Step-by-step expansion of the scope should be considered as readers expect to see the organization's activities including overseas site as a corporate brand.

Directive and interactive communication with stakeholders should be promoted more positively in order that expectations and opinions from the society can be utilized for continual improvement in overall CSR activity.

[Environmental related activities]

Data was collected from various environmental improvement activities such as “energy saving, reduction of waste, usage of water and control of chemicals in the production-related activities” and clearly and closely stated in the report, including calculation methodology. The organization's sincere effort was observed.
Through unrelenting improvements, the verification body highly appreciate the following three issues; 1) not only unit of energy usage but also total quantity was reduced, 2) the problem relating to combination ratio of recycled paper was stated in a timely manner, and 3) collective data for environmental performance done in overseas production sites were carried for the first time.
From the content and method of information released in the form of the report, the organization's positive engagement in improvement was observed. Further development is expected.

[Social related activities]

Legal compliance is a fundamental element for a corporation to play its social responsibilities. The activity cannot be realized only by specific area or department and it needs to be taken care of in every scene in the company. The organization picked up the triad that is “Legal compliance, visibility, & transparency” from top management message. With the triad, in various aspects of environmental and CSR activities, the organization holds on to the principle that is compliance-conscious effort and disclosure in an understandable manner without distorting reality. The company's effort to compliance-oriented management based on the reality including cross-functional legal compliance education should be recognized by readers as a good example of inherent CSR management.

[Environmental accounting]

The verification body confirmed that environmental accounting system has been penetrated in each site of the defined scope and the system to extract environmental accounting data with verified materials based on understandability and clarity without misleading various stakeholders has been implemented.
Cost-effective analysis has been done in numeric terms based on the verification of economic effect by environmental conservation. As environmental management has influenced on the whole management more seriously, environmental accounting has been utilized as an essential tool.
It is expected that the scope of data collection is expanded as same as other items so that environmental accounting data that can contribute to development of environmental management including overseas sites can be released.

End

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