

About the Cover

Seed: Konara (Quercus serrata)

This year's cover continues on last year's theme of seeds as a symbol of a recycle-based society. The illustration is of an acorn from the konara (*Quercus serrata*) tree. The konara is a deciduous tree of the Fagaceae (beech) family and grows in forests throughout Japan. Since ancient times, the konara has been vital to humans: used as charcoal, for growing shiitake mushrooms, to make furniture, and to produce starch for food for rural people. We feel it symbolizes the beauty and wonder of nature.

Norito Shinmura

The Quest for “RISO”

Our Name Means “Ideals”



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

Corporate Data (as of March 31, 2012)

Corporate name	RISO KAGAKU CORPORATION
Established	September 2, 1946
Incorporated	January 25, 1955
Head office	5-34-7 Shiba, Minato-ku, Tokyo 108-8385, Japan
Paid-in capital	¥14,114 million
Financial results (consolidated basis)	Net sales: ¥74,847 million Net income: ¥2,886 million (Fiscal year ended March 31, 2012)
Number of employees	3,237 (RISO Group)
Subsidiaries	24 companies (domestic: 2; overseas: 22)

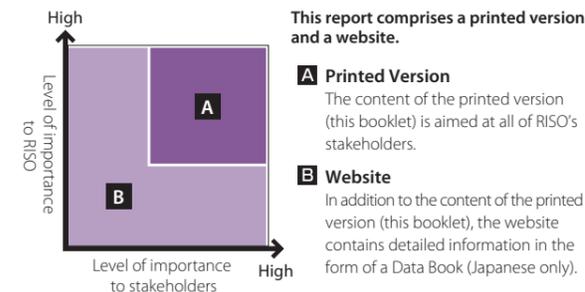
Milestones in RISO’s Environmental Protection Activities

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

Editorial Policy

Since the issue of our first Environmental Report in 2004, RISO has published regular reports on its environmental protection activities. As part of a larger initiative to communicate in an easy-to-understand manner how the Company’s relationships with the environment and society are reflected in its management, the title was changed to Sustainability Report in 2006. To give readers learning about the Company for the first time an overview of our activities, in this year’s report we have added a new section, “RISO Products” (Page 9) that both streamline printing and reduce the environmental burden. It provides a simple summary of features and areas of use of our major products. This year’s report also introduces environmental protection activities in terms of the flow of corporate operations such as development, production, and logistics. We have strived to keep the content simple, in part by summarizing calendar-year data related to topics such as CO₂ emissions and recycling in the “Facts” section in the second half of the report. For more detailed data, see the Data Book (Japanese only) section of the website (<http://www.riso.co.jp/>). As with past reports, color universal design standards were incorporated into the production of the report to ensure readability and comprehensibility.

Printed and Website Versions of Report



Scope

This report covers all Japanese domestic worksites and sales facilities of RISO KAGAKU CORPORATION and RISO OKINAWA CORPORATION. For overseas operations, this report covers environmental burden data at manufacturing worksites of the RISO Group, as well as certain power, fuel (including Company-owned vehicle fuel), and water consumption at non-manufacturing worksites. Note: Detailed information about the report’s scope can be found in the “Facts” section.

Period Covered

This report covers fiscal 2012 (the fiscal year from April 1, 2011 to March 31, 2012). Note: Certain initiatives that fall outside this period have also been included in this report.

Japanese Publication Date

August 2012
Note: RISO plans to issue its next report in July 2013.

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Message from the President



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

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

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

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

August 2012

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

RISO's Environmental Policy

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

RISO Environmental Charter

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

RISO Environmental Protection Principles

1. Development of Environment-Friendly Products

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

2. Resource and Energy Saving

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

3. Local Environmental Protection

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

4. Global Arrangements

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

5. Continual Improvement

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

6. Environmental Education and Information Disclosure

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

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

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

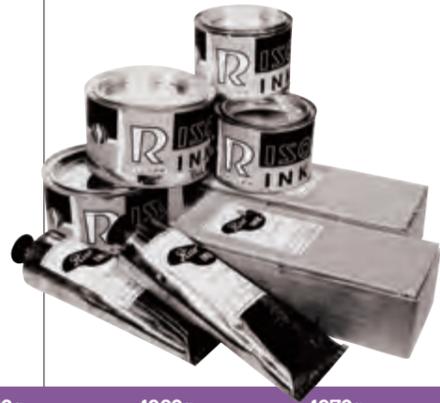
Akira Hayama
President and C.E.O.

Our History is Our Philosophy: "Create Fundamentally Unique Products"

1954

First in Japan RISO Released Emulsion Ink

Originally developed only for in-house use, RISO's emulsion ink garnered a superb reputation, prompting the Company to build a new ink production plant to produce ink for sale. By producing and sourcing ink on its own, RISO was on the path to becoming a manufacturer of printing equipment.



1984

Printing Robot Full-Auto Duplicator RISOGRAPH 007 Released

A printer with the ease-of-operation of a copier, this first-of-its-kind integrated printing system allowed anyone to easily print high volumes at high speeds.

2003

High-Speed Color Printer RISO HC5000 Released

RISO aimed to give the ultimate in speed, economy, and convenience when it introduced RISO HC5000 high-speed color printers. The HC5000 is the ideal color printing solution.



1977

Personal Card Printer Print GOCCO Released

The Print GOCCO was born of the desire to develop home-use printing equipment. Countless consumers loved this product because it allowed them to easily create colorful greeting and invitation cards.



From mimeographing to printing equipment manufacturer, RISO's relentless development quest led it to blaze new trails in the field of printing.

"Create Fundamentally Unique Products." This development philosophy, passed down through successive generations at RISO, is embodied in "RISO INK", Japan's first emulsion ink. Before RISO developed this emulsion ink, printing ink had to be imported and supply was unreliable. RISO believed that the only way to ensure stable supplies of ink was to make it ourselves. As foolhardy as this idea seemed, after a year and a half of trial and error, RISO succeeded in developing the first made-in-Japan emulsion ink. This exemplifies how RISO's relentless quest for development gives birth to unique products.

Bringing Value to People Worldwide

In Europe

Expression through Printing

RISO fosters expressiveness and high-speed, economical, and effective communication in business and education through its two-color and full color printing solutions.



In the United States

Maximizing Cost Performance

The ComColor series offers high-speed printing in a range of fields, including stationery for large-volume public utility bills, a multitude of different kinds of ledger sheets, and even sheet-fed printing—all at a low running cost.



In China

All Kinds of Paper Needs

A variety of paper types can be found around the world. RISO products offer consistent printing solutions for all kinds of paper.



Printing is a vital medium of information. RISO fosters communication among people around the globe.

In January 1986, RISO established its first overseas subsidiary, RISO INC., in Massachusetts in the United States. Today, the RISO Group operates 22 overseas subsidiaries throughout Europe, Asia, Africa, and beyond and ships to a faithful customer base in more than 180 countries and regions.

Improving Convenience while Reducing the Environmental Burden

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

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



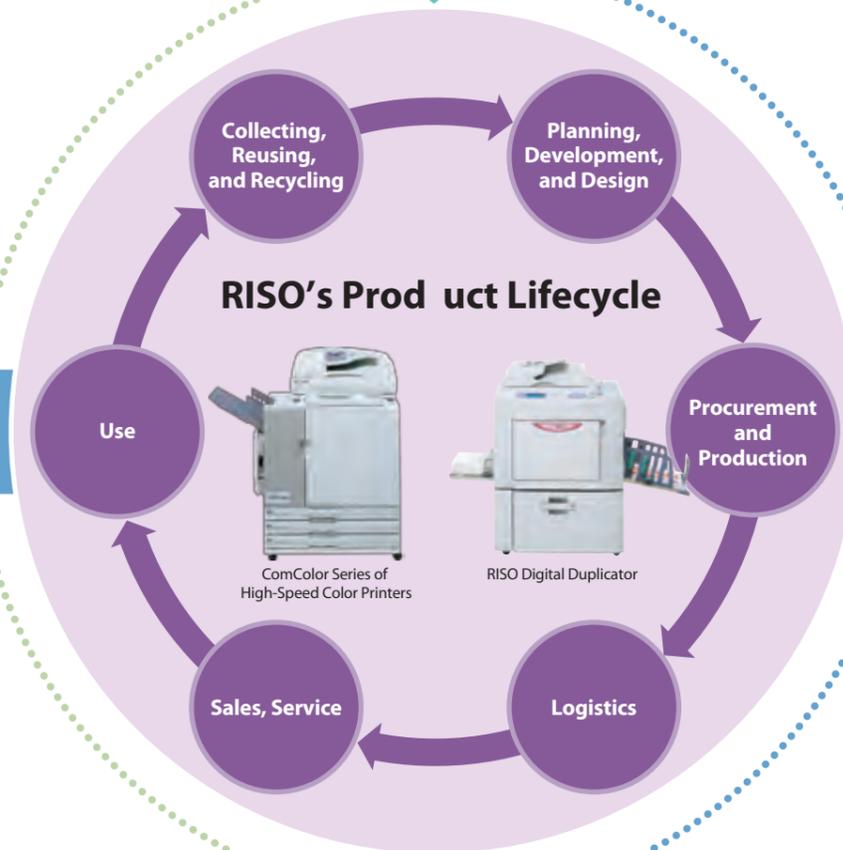
Improving Convenience

Reducing the Environmental Burden

Faster
Faster printing speed means greater work efficiency. This is a big help for the fast-paced world of business, as well as many other printing needs.

Easier
You hardly have to be a printing expert to enjoy the ease and beauty provided by the automation and advanced features of RISO products.

More Economical
We work to reduce printing costs so we can offer you greater economy in a printer.

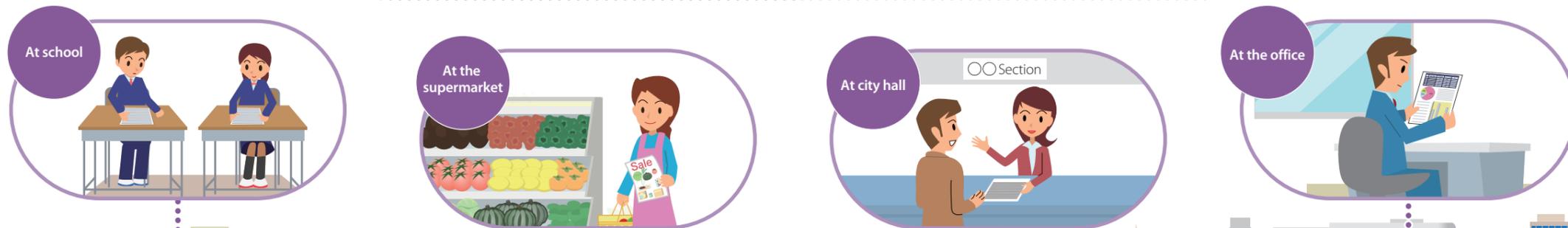


Promoting Energy Efficiency
We develop products that consume less energy at the manufacturing and logistics stages, as well as during use by customers.

Collecting and Recycling
Based on our belief that used products do not constitute waste, but rather are a valuable resource, we work to collect and recycle used digital duplicators, high-speed color printers, and other products.

Consuming Less
The effective use of resources in our business activities means we use fewer resources overall.

Managing Hazardous Chemicals
We keep a strict watch on the hazard levels of chemicals, and we have management standards to do so. This allows for safe and proper use, storage, and disposal.



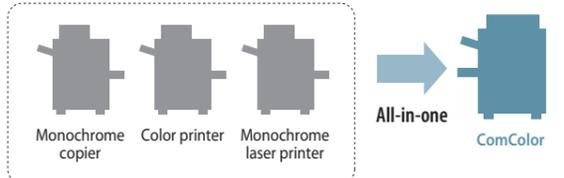
More Convenient and Environment-Friendly ComColor and RISO Digital Duplicators Revolutionize Printing Work



ComColor Series of High-Speed Color Printers

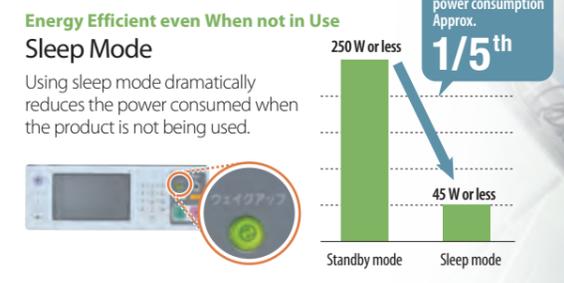
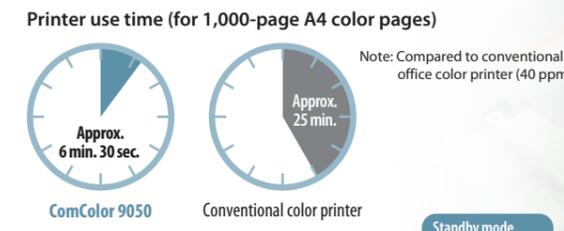
Reduced Printing Cost and CO₂ Emissions

The ComColor Series can be used instead of using multiple copiers and printers. Its advanced functions and low running costs reduce printing expenses and CO₂ emissions.



Streamlined Work, Greater Energy Efficiency

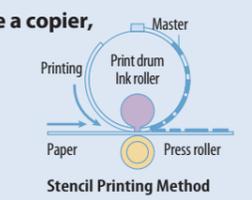
With a maximum printing speed of 150 ppm, users can spend less time printing even large color 1,000-page jobs on A4 paper. Less time printing means more streamlined work processes and greater energy efficiency.



What's a RISO Digital Duplicator?

A RISO digital duplicator is a printer. Unlike a copier, it can print with minimal electricity.

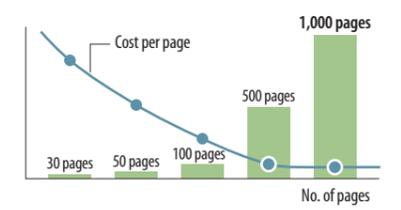
A RISO digital duplicator uses the stencil printing method in which ink is forced through holes to print. Unlike a copier, which applies toner page by page, a RISO digital duplicator can carry out large print jobs using very little electricity.



RISO Digital Duplicator

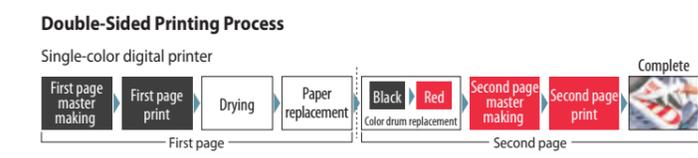
Multiple Prints and Low Running Cost

A RISO digital duplicator prints from a master. So the more prints that are made from a single master, the lower the cost of each page. The more prints, the more economical it is.



Easy Operation and Shorter Printing Time

As easy to operate as a copier, a RISO digital duplicator requires no time to place paper or wait for copies to dry, and it offers double-sided and two-color printing. All this adds up to streamlined printing.



* Marketed only in Japan.

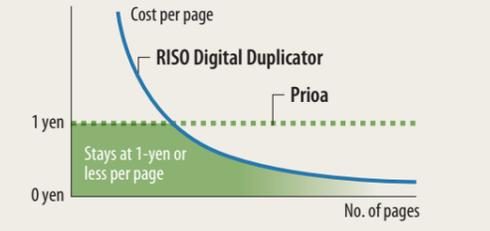
TOPICS

RISO Hybrid Print System

By combining the RISO digital duplicator, which offers lower cost per page the more you print, with the Prio^a, a printer offering 1-yen-per-page printing, the system allows the user to select the RISO digital duplicator for large print jobs, and the Prio^a for small print jobs. By printing jobs in the most efficient way depending on the number of pages, this system offers printing costs of 1 yen per page or less^b.



RISO Hybrid Print System



^a Marketed only in Japan.
^b For Prio^a: A4 paper, 5% ink coverage, not including paper cost. For RISO digital duplicator: A4 paper, 10% ink coverage, single master, not including paper cost.

GOCCOPRO 100

This digital screen maker offers low-cost, speedy master making in a compact package. It's also easy to operate. By using it with the RISO Digital Screen Master, screen ink, or other accessories, you can print on a variety of materials including cloth, plastic, wood, paper, and metal.



GOCCOPRO 100

Consumables

Ink

RISO has a range of inks such as RISO SOYINK, made with plant-based soy oil, or the eco-certified RISO X Ink (Japanese equivalent of the ComColor Ink).



RISO SOYINK

RISO X Ink

Eco Paper*

RISO offers a range of paper, including types compliant with Japan's Law on Promoting Green Purchasing.



Eco Paper

* Marketed only in Japan.



Planning, Development, and Design

R&D Technology Center

Create Fundamentally Unique Products in an Environment-Friendly Way

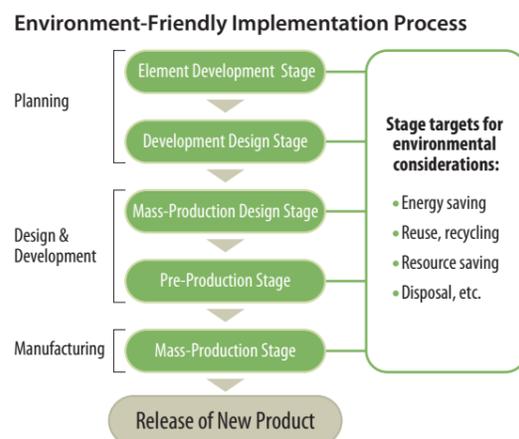
Applying our development philosophy of “Create Fundamentally Unique Products,” RISO is working to develop products that help innovate printing work. We have developed systems to ensure we consider the environmental impact of our products right from the start of the development and design process.

Only Products Certified at All Stages Make it to Market

Development follows our original new product implementation process to ensure reliable on-time manufacture and sales of products to meet customer requirements for performance, safety, and environmental friendliness.

The implementation process comprises five stages to product release, each with stage targets covering standards and key deliverables. Only products that meet the standards and deliverables criteria for each stage target go on to the next, and any issues found are dealt with at each stage. This ensures steady and reliable product development.

Since only products that get through the assessment process make it to market, our customers can be assured of consistently reliable printing.



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

Minimal Environmental Burden, from Customer Use to Product Disposal

Duplicators meet a range of print needs in offices, stores, schools, and elsewhere. To operate, duplicators consume electricity, paper, ink, and other resources, so we develop products with a keen consideration for the environment—the need for the product to save energy and resources during operation. We also design products to be reused and recycled at the end of their service life. This ensures maximum use of resources and minimal garbage in the environment.

The various design and development departments of RISO also boost product development by sharing all relevant information related to parts materials, control circuit power consumption, and chemical substances used in products, as well as environment-related laws and regulations in different countries.

<p>Energy Saving Reducing electricity consumption with sleep mode</p>	<p>Designed for Recycling</p> <p>Recycled materials used for the master ejection box</p> <p>Material labeling for separation of resin parts</p>
<p>Reduction of Hazardous Chemical Substances</p> <p>Hexavalent chromium-free plate</p> <p>Lead-free solder</p>	<p>Environmental Label Certification</p> <p>Eco Mark Program*1</p> <p>International Energy Star Program*2</p>

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

TOPICS RISO MV Series Earns Certification Under China's Ten Circle Environmental Labeling Program

Like its made-in-Japan products, RISO KAGAKU strives to have products it manufactures and sells outside Japan earn environmental labels.

One example is Ten Circle*, an environmental labeling program in China. RISO KAGAKU's XUE YIN BAO and the RISO RV9790C were certified for this program in 2010, followed by the RISO MV Series in 2011.

*Ten Circle: An environmental labeling program established by the Chinese government in 1993. It is run and managed by the China Environmental United Certification Center of the State Environmental Protection Administration. To earn certification, a product must meet standards established across the full range of life cycle stages, including manufacture, use, collection, and reuse, and the manufacturer must undergo a series of regular on-site plant inspections.



RISO MV9790C



Certification for China's Ten Circle environmental labeling program



Tsukuba Plant

Procurement and Production

High Quality, Thorough Manufacturing, Nothing Wasted

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

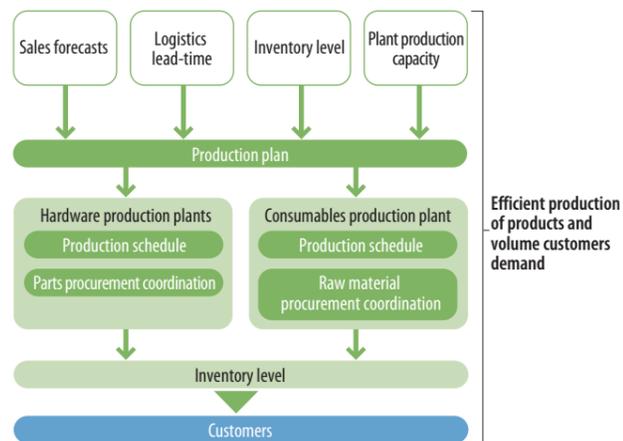
Manufacturing on Demand

Over the years, we have passed on a manufacturing tradition that consists of precise production of high-quality products and reliable delivery to customers. This is the RISO manufacturing spirit.

By making high-quality products according to customer needs, and in a time- and resource-saving manner, we carry out effective manufacturing that is customer- and environment-friendly.

Making the most of our integrated, in-house manufacturing facilities for making everything from printers to consumables such as ink and masters, RISO will continue to make its production system increasingly effective and efficient.

On-Demand Production System: How it Works



See the following pages for more details.

- Input/Output by Operational Process (Page 32)
- Input/Output at Overseas Production Bases (Page 33)
- Water Consumption (Data book on website*)
- Specific Final Waste Disposal Rates for Industrial and General Waste (Data book on website*)

*Japanese only

Environment-Friendly Products, Made with Minimal Environmental Burden

Unless all of the parts and units that make up a printer are environment friendly, then the product can't be called "green." We scrutinize every product part, no matter how small, to ensure that it contains as much recyclable material and as little hazardous substance as possible.

At RISO's three production sites in Japan, the Tsukuba Works, Kasumigaura Works, and Ube Works, the Company is eliminating every facet of wasted energy and resources by installing highly energy-efficient equipment, lighting, and air conditioning.



Energy-efficient heat exchanger

TOPICS Production Line for ComColor Series Completed at Tsukuba Plant

In August 2011, RISO completed the production line for the ComColor Series of high-speed color printers at the Tsukuba Plant. Equipped with a clean room, this production line carries out manufacturing of highly precise and accurate inkjet systems.

Under its motto of quality first, RISO will continue to offer a stable supply of products that customers can use with confidence.



ComColor production line at the Tsukuba Plant



Tsukuba Distribution Center

Logistics

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

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

Streamlining and Systematizing Logistics

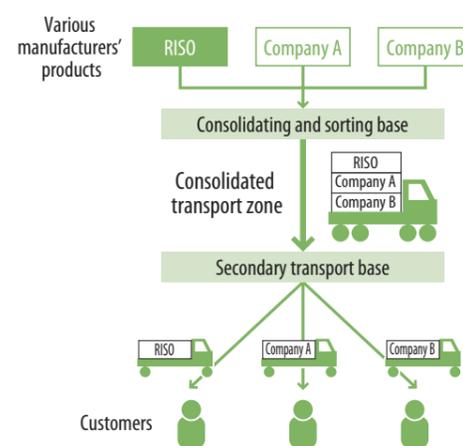
Logistics must be streamlined and systematized if products are to be delivered to customers on schedule. RISO works to optimize logistics by linking various means of transport throughout Japan and around the world.

We carry out consolidated transport* with a number of other companies to improve load efficiency and optimize deliveries and thus reduce fuel consumption. In our plants and sales networks outside of Japan as well, we are using supply chain management to ensure smooth logistics in which inventory is maintained at the optimal level. This helps eliminate distribution delays, as well as the need for emergency air shipments, and the result is lower costs and a lower environmental burden.

We also work to streamline transport and procurement at plants by having trucks make regularly scheduled rounds at nearby suppliers to pick up parts and raw materials while at the same time returning empty boxes.

*Only in Japan.

Consolidated Transport: How it Works



See the following pages for more details.

- Breakdown of Contracted Transport Volume and Modal Shift Rate in Japanese Domestic Operation (Page 34)
- Utilization Rate of Returnable Racks and Reduction in Use of Disposable Packaging (Page 34)
- Breakdown of CO₂ Emissions from Contracted Transport (Data book on website*)
- Fuel Consumption (Diesel) and Cumulative CO₂ Reductions from Consolidated Transport (Data book on website*)

*Japanese only

Reducing the Environmental Burden during Logistics

We are doing everything possible to streamline logistics and eliminate wasted time and resources so that we can reduce CO₂ emissions and thus our environmental impact.

In Japan, we are reducing the use of disposable packaging materials such as cardboard and styrofoam by using returnable racks and metal racks when shipping products. In China, we have increased the loading rate, reduced transport energy, and decreased waste by shrinking packaging for digital duplicators.



Shipping with returnable racks



Collected returnable racks

TOPICS Switching to LED Lighting in the Logistics Warehouse

In December 2011, the Tsukuba Distribution Center switched its interior lighting to LED, which uses far less electricity than mercury lamps. Mercury lamps take time to become bright after being switched on, so they need to be on all the time during plant operation. But with LED lighting, power consumption is lower due to the difference in the light source, and lights only need to be on where and when they are needed. This means reduced power consumption.



LED lighting



Sales, Service, and Communication

Head office showroom

Valuing Customer Communication

In addition to pursuing sales and service activities to deepen communication with customers, RISO is working to enhance its ability to propose solutions that meet customer needs.

We are also striving to better earn customers' trust through the appropriate disclosure of product information.

A Focus on Close Communication with Customers

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

Our maintenance and service departments strive to provide speedy repair and maintenance services that keep RISO products in top shape and of maximum use to customers. And to improve their ability to provide these services, they boost their knowledge and skills through group training, e-learning, and other education.



International Graphic Arts Show 2011 in Tokyo

Speedy, Environment-Friendly Sales and Service

The RISO Contact Center* manages the locations of all maintenance and service engineers so that they can be dispatched as quickly as possible and customers have to wait for as short a time as possible.

We have also introduced hybrids and power-assisted bicycles so that sales and service calls can be conducted with minimal environmental impact.

*Located in Japan. Offering service for Japanese customers.



Hybrids used for sales and service calls

TOPICS Developing New Products and Expanding the Scope of Materials in Response to the Needs of Customers and Society

Since the Great East Japan Earthquake of March 2011, homes and businesses in Japan have been required to save energy whenever possible. To help in this effort, RISO has introduced a peak shift power printing system that allows use of stored night-time power during the daytime.

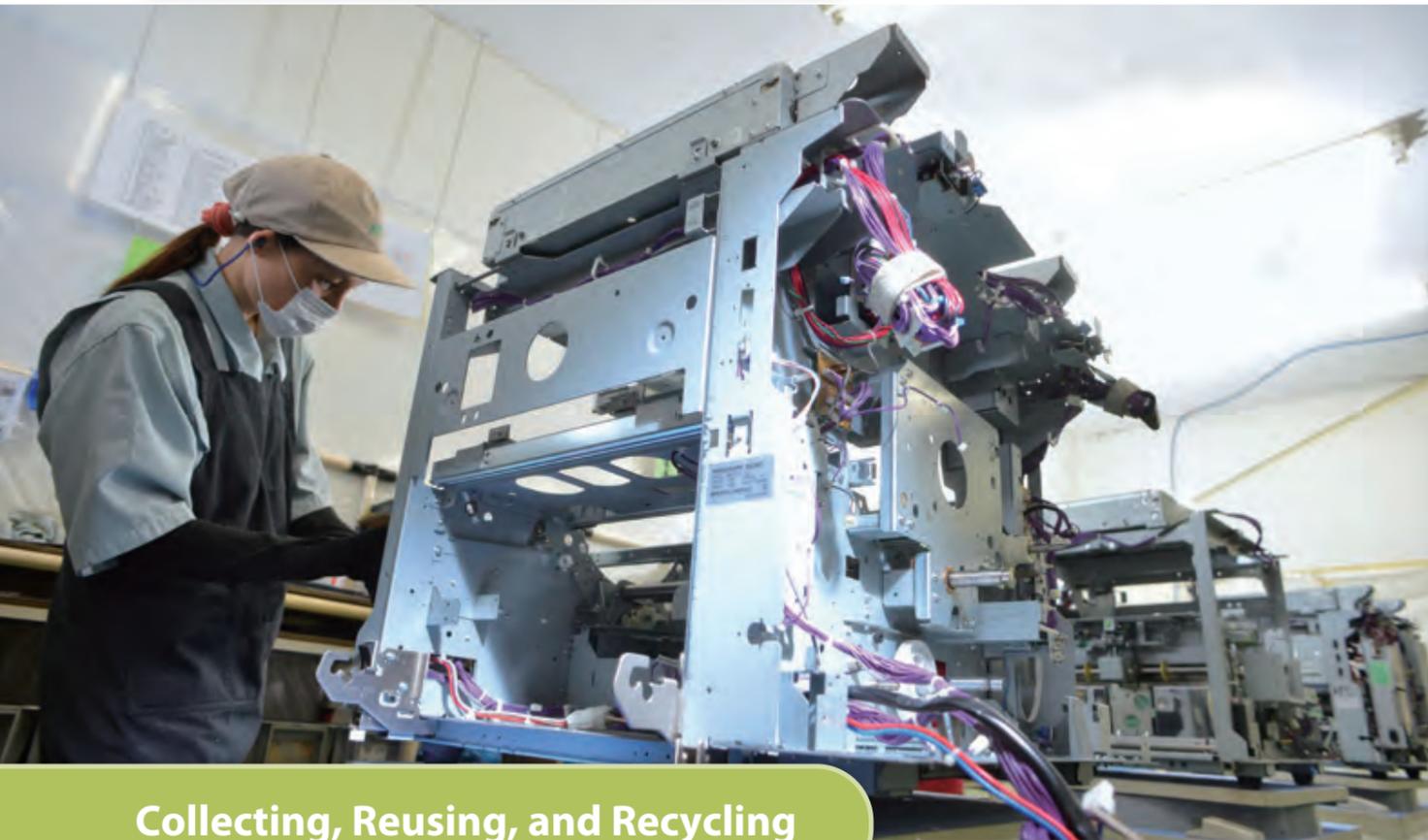
And with customers increasingly concerned about energy efficiency, RISO offers LED lighting, which saves energy in the workplace.



Peak shift power printing system



LED lighting



Collecting, Reusing, and Recycling

Center for Recycling

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

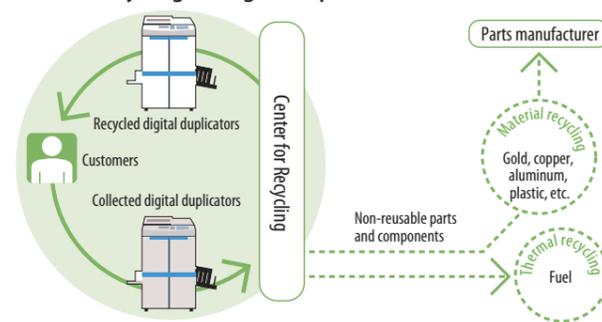
Based on our belief that used products are valuable resources in their own right, RISO actively and efficiently collects, reuses, and recycles used products.

Treating Used Products as Valuable Resources

We collect and reuse digital duplicators, which are disassembled at our Center for Recycling and separated into reusable parts and consumable parts.* Consumable parts are replaced with new parts, while reusable parts are inspected in accordance with RISO's quality assurance standards. Parts that meet those standards are cleaned, washed, and used again in products.

*Conducted only in Japan.

Flow of Recycling for Digital Duplicators



Disassembly

Cleaning

Washing

Reassembly

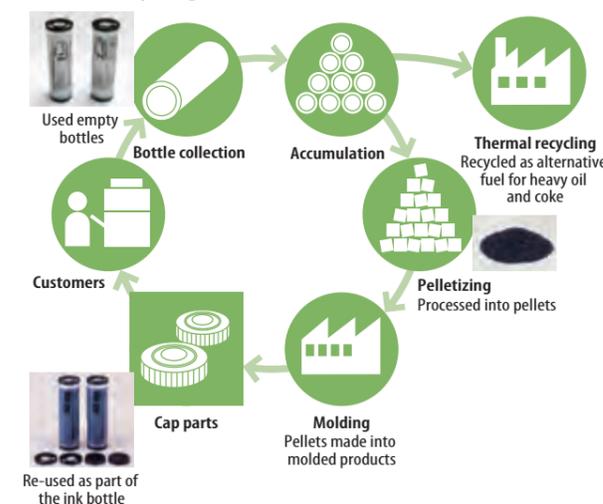
TOPICS Recycling Ink Bottles into Promotional Shopping Bags

After being collected by our consumables collection program, used ink bottles are processed into small pellets and recycled as ink bottle parts. As well, a portion of the pellets is used to make shopping bags. These bags are used as sales promotion items and communicate the message that we should reduce the amount of waste we generate while making the most efficient use possible of the Earth's precious resources and energy.

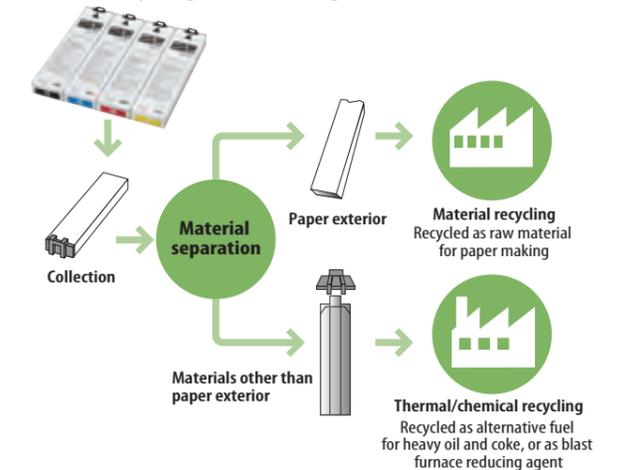


Shopping bags made from recycled ink bottles

Flow of Recycling for Ink Bottles



Flow of Recycling of Ink Cartridges



See the following pages for more details.

- Quantity of Used Products and Consumables Collected*¹ (Page 34)
- Recycling*¹ of Used Products (Page 34)
- Specific Final Waste Disposal Rates for Industrial and General Waste (Data book on website*²)

*¹ Conducted only in Japan.

*² Japanese only

Recycling of Consumables

In Japan, we aggressively collect and recycle ink bottles and cartridges. Instead of disposing of consumables, we have a disposal contractor recycle them using material recycling or thermal recycling.

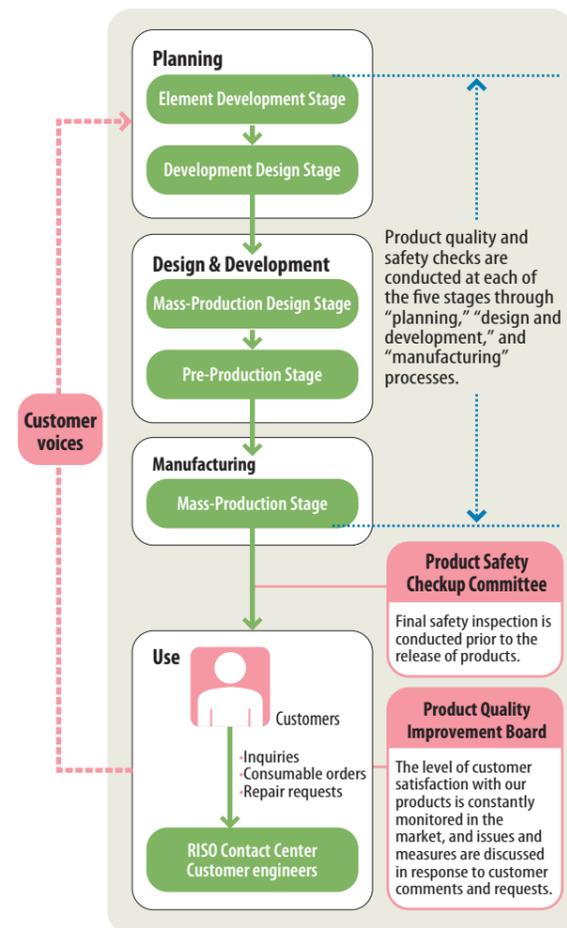
With Customers

Basic Approach

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

Sharing Customer Feedback Company-Wide to Boost Quality

We consider the quality of everyday operations to be an important aspect of the quality that we provide customers. In our effort to supply customers with the very best products and services, we are working to develop mechanisms for measuring and evaluating operational quality.



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

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

The RISO Contact Center provides a range of user support including responding to customer inquiries, taking and filling consumable orders, and responding to repair requests. By acting as the single window between RISO and customers, the center ensures speedy and accurate handling of orders and requests.

The RISO Contact Center also collects and analyzes customer requests and opinions, with the results going to relevant RISO departments. This shared information helps reduce product-related problems and improve product design.

*Located in Japan. Offering service for Japanese customers.



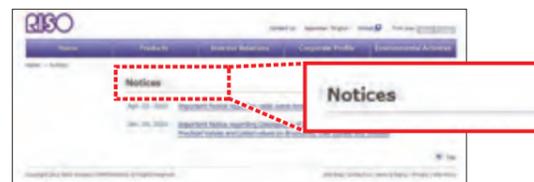
RISO Contact Center

Publicizing Important Product Information

Through its website, RISO informs customers of product quality and safety concerns. In 2011, there were no such concerns that needed to be reported to customers.

In the case of a product quality or safety concern arising, RISO reviews its management process and works to prevent recurrence.

Our goal is to ensure that customers can use our products with confidence and satisfaction.



[Web](http://www.riso.co.jp/c/english/notices/) Details are available in the "Notices" section of the RISO website.

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

With Suppliers

Basic Approach

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

Quality Standards for Suppliers and Procured Items

The parts, raw materials, and auxiliary materials (adhesives, solder, paint, and other substances used in production) that make up a RISO product must meet certain standards. We require our suppliers not only to comply with environment-related laws and regulations and abide by RISO in-house rules for environmental substances, but also to build and manage an environmental management system (EMS) in line with standards such as ISO 14001.

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

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



Suppliers learn about the RISO KAGAKU Group Green Procurement Standard

Responding to the Discovery of Non-Compliant Parts or Materials

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

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

We also regularly inspect parts from our suppliers using X-ray fluorescent analysis. None have ever been found to be non-compliant.



Inspection for chemicals contained in products

RISO's Response to the Great East Japan Earthquake

RISO Resumes Orders with Suppliers Hurt by the Earthquake

During the period when we could not source certain parts or materials from some of those suppliers affected by the March 2011 earthquake and tsunami, we used other suppliers to temporarily procure items that we confirmed were of equal quality to those from our original suppliers. This allowed us to continue supplying our customers with products and consumables.

Once our previous suppliers had gotten their business back up and running following the disaster, we resumed sourcing from them.

With Shareholders and Investors

Basic Approach

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

Enhancing Communication

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

For shareholders' meetings, RISO prepares visually effective materials using graphs and photos. Through these materials and other measures, we strive to communicate business results and other information in a shareholder-friendly manner. The Company also publishes biannual business reports summarizing the status of its business, and sends these reports to shareholders.



General meeting of shareholders

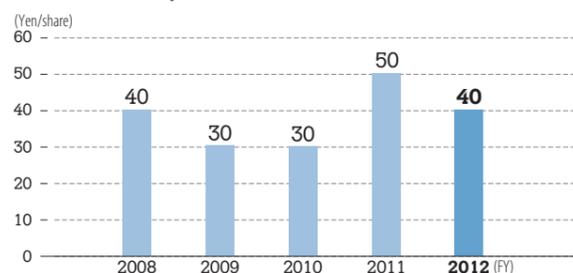
Disclosing Information in a Timely and Appropriate Manner

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

Maintaining Stable Dividend Payouts

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

Cash Dividends per Share



RISO's Response to the Great East Japan Earthquake

ComColor Printers and RISO Digital Duplicators Help Relay Information

The Great East Japan Earthquake of March 2011 affected many of our customers in the northeast of Japan. ComColor printers were used to print out notices from the local gas authorities about the dangers of gas leaks. As well, at local newspaper offices, staff put out newspapers using RISO Digital Duplicators for distribution at emergency shelters with information on things like supplies provisions and traffic news. Meanwhile, RISO employees used bicycles gathered on short notice to distribute ink and paper and thus help customers distribute information and ease the worries of victims of the disaster.



RISO employees visit customers by bicycle

With Local Communities

Basic Approach

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

Cooperating with an Environmental Education Program Focused on Printing

Since fiscal 2005, RISO has helped with an environmental education program offered by Masugata Junior High School. In fiscal 2012, we participated in an environmental education workshop held in December at the school focusing on energy.

Under the theme of "experiencing eco-friendly printing and learning printing in past and present," the workshop taught students about stencil printing and initiatives to reduce the environmental burden of printing. In addition, a hands-on session offered students the opportunity to experience the entire process from plate-making to printing a newspaper by using mimeograph and RISO Digital Duplicator printing techniques.



Energy-themed environmental education workshop

Supporting Sports and Cultural Events

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

During 2011, RISO provided a ComColor to the fifth Global Classrooms in Japan event, where it was lauded for its ability to carry out fast, efficient printing of various documents to be distributed during the event.

The RISO GOCCOPRO 100 Digital Screen Maker was recently used to make posters at a reconstruction-themed event in Tohoku, the area stricken by the March 2011 earthquake and tsunami. The event was organized by a group supporting employment opportunities for young people.



Japan Model United Nations



Making posters supporting disaster recovery following the Great East Japan Earthquake

RISO's Response to the Great East Japan Earthquake

Special Repair Service for Products Damaged in the Disaster

RISO provided free repairs to customers who still wanted to use ComColor printers and RISO digital duplicators damaged in the disaster, as well as equipment on loan to use until their products were repaired.

Disaster-Relief Donations

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

Also, in three prefectures (Mie, Nara, and Wakayama) particularly hard hit by a recent typhoon, RISO donated a total of ¥1 million to aid stricken citizens.

With Employees

Basic Approach

Behind RISO's far-ranging operations you'll find a workforce of talented employees. Because RISO believes that employee growth leads to company growth, it strives to create a worker-friendly environment. Specifically, the Company offers employees the opportunity to strengthen and develop their capabilities while at the same time building a corporate culture in which employees are able to tackle a variety of challenges and realize personal growth.

Helping Employees to Develop Capabilities through Various Training Programs

RISO offers employees a range of educational and training opportunities, including position-specific training, department-specific specialized education, and age-specific career planning and life planning programs. All of these programs are built around on-the-job training (OJT).

RISO also has a system of financial support for employees studying to acquire licenses and take government certification exams that are specified by the Company. Under this system for supporting employees eager to improve their skills, those who are successful in these endeavors are given monetary rewards for their efforts. There are also other incentive programs that reward employees for their motivation and creativity.



Awarding employees in an incentive program

Far-Ranging Environmental Education Programs Covering Introductory to Specialized Content

RISO offers a range of environmental education and training programs to enhance the environmental awareness of its employees and promote environmental protection activities, from basic environmental education programs to specialized programs such as internal quality and environmental auditor training and an external EMS certification program.

We also focus on raising employee awareness on a daily basis, for example by posting information about environmental policies and departmental initiatives on site and on department bulletin boards, and making information available on the Company intranet, including data with companywide relevance and information about progress toward achieving environmental objectives and targets.

In 2011, all employees had e-learning covering everything from basic environmental education to internal quality and environmental auditor training and various on-the-job training.



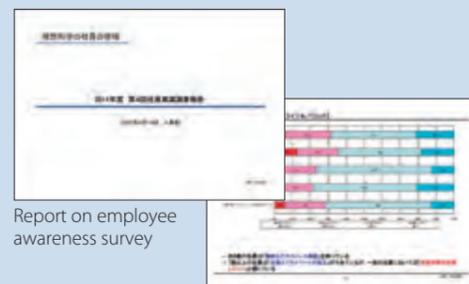
Internal quality and environmental auditor training

TOPICS

Employee Awareness Surveys

RISO conducts employee awareness surveys once every three years. The latest one was conducted on January 16 and 17, 2012, on the Company intranet for 1,700 employees.

The survey showed a high level of satisfaction with workplace atmosphere and educational programs, as well as a desire to attain a work-life balance.



Report on employee awareness survey

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

From time to time, employees want to change their working hours and responsibilities for various reasons, including marriage, childbirth, childcare, and the need to provide nursing care for family members. To allow such employees to have an optimal balance between their work responsibilities and private lives, RISO has established various employee benefits and leave programs, including flextime work, a childcare leave system, and a child/family member nursing care leave system.

In March 2012, we held seminars to help employees using the childcare leave system make a smooth return to the workplace.



Seminar for employees returning to work after using the childcare leave system

Helping Employees Balance Child-Rearing and Work Responsibilities

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

In fiscal 2012, 32 employees used the childcare leave system, including two male employees, for a total of 2,834 days of leave. The number of employees using the reduced-hours work system totaled 34 for the same period.

In 2011, the Tokyo Labor Bureau certified RISO as a company with outstanding support for child-rearing employees. This certification entitles the company to use a logo called Kurumin from Japan's Ministry of Health, Labour and Welfare.



See the following pages for more details.

- Environmental Education Programs (Page 34)
- Number of Employees Using the Childcare Leave System and Reduced- Hours Work System (Page 34)
- Industrial Accidents: Frequency and Severity Rate (Data book on website*)
- Overtime Hours and Number of Workdays Lost (Data book on website*)

*Japanese only

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

To prepare for earthquakes and accidents, each RISO site holds an annual comprehensive disaster prevention exercise simulating a fire or similar incident. We also hold emergency response exercises simulating incidents such as oil spills for particular processes and types of work.

Issues and problems identified through these exercises are addressed by such means as reassessment of emergency action plans, addition of equipment, and improvement of facilities. By repeatedly holding exercises, we ensure our employees' ability to respond quickly and appropriately in the event of an earthquake or accident.



Drill in using an automated external defibrillator (AED)

Ensuring Workplace Health and Safety

RISO has established an Occupational Health and Safety Committee at each production site to spearhead efforts to prevent accidents and disasters through the maintenance of clean and safe workplaces, the identification and improvement of safety issues, and the promotion of voluntary safety activities*.

In addition, the Company's intranet features a "Health and Safety" section, which is used to raise employee awareness of health and safety issues.

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

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



Workplace health and safety inspection patrol

Environmental Management

Basic Approach

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

Fiscal 2016 Environmental Objectives (Medium-Term Targets)

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

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

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

Energy Consumption in Japan and per Unit of Net Sales



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

Reduction of Total CO₂ Emissions (Compared to Fiscal 2006)

Throughout our domestic Japanese operations, we will:

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

For all domestic production sites, we will:

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

CO₂ Emissions in Japan and per Unit of Net Sales



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

Reduction of CO₂ Emissions and Energy Consumption

In fiscal 2012, we made large investments to save energy in response to the tight energy supply situation resulting from the Great East Japan Earthquake. These include high-efficiency upgrades for equipment such as air conditioning, freezers, and lighting, and the application of heat-reflecting paint on Company building roofs (see Environmental Accounting, page 35). We also strove for energy efficiency in work processes: efforts included having employees wear light and cool clothing in summer, using natural ventilation and naturally cooling greenery

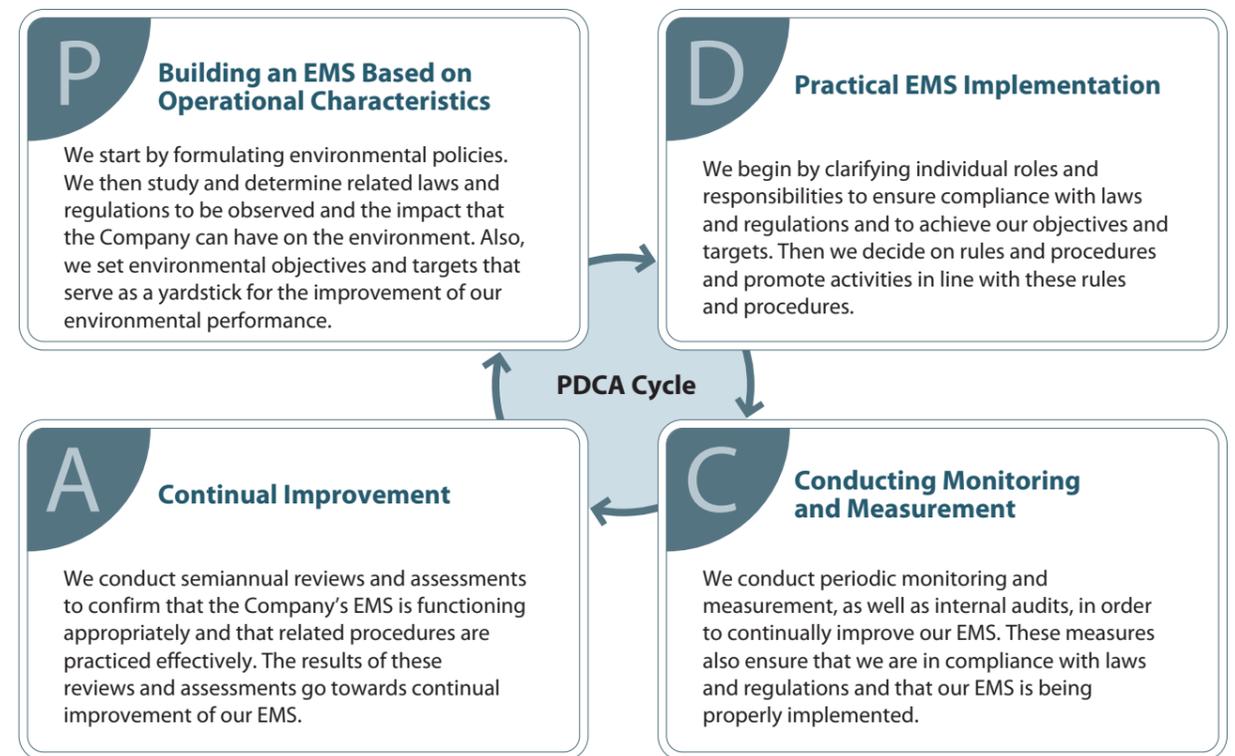
around buildings, and concentrating employees in fewer work places.

These efforts allowed us to achieve fiscal 2012 energy consumption in Japan of 2,556 kl of crude oil, down 309 kl from the previous year. CO₂ emissions were 8,437 tons-CO₂, down 682 tons-CO₂. Energy consumption per unit of net sales was 4.03 kl/100 million yen, a 9% improvement (0.41 kl/100 million yen) over the previous year, and CO₂ emissions per unit of net sales were 13.29 tons-CO₂/million yen, a 6% improvement (0.84 tons-CO₂/100 million yen).

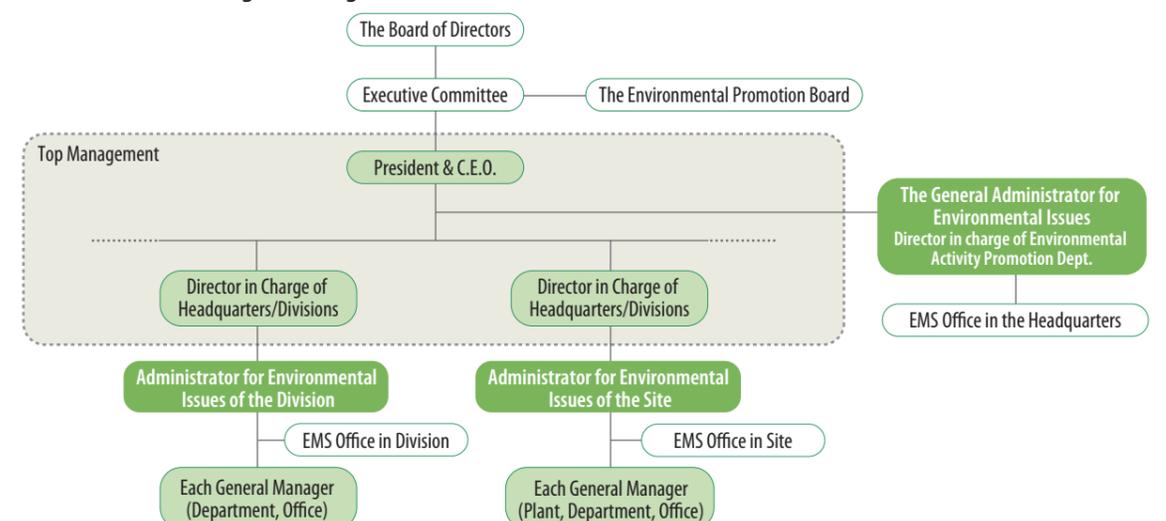
RISO will continue to do all it can to reduce its environmental burden.

Continual Improvement Realized through a PDCA Cycle

RISO is working to achieve the continual improvement of its environmental management system (EMS) by operating an effective PDCA cycle.



Total Environmental Management Organization



Overview of Environmental Burden

RISO strives to get a statistical overview of its environmental burden throughout the entire product lifecycle: product design and development, production, sales, logistics, use, collecting, reusing, and recycling.

We are well aware of the importance of reducing the environmental burden of production, product use, and product disposal.

FY2012 Environmental Performance

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

The Great East Japan Earthquake of March 2011 resulted in a tight energy supply situation in Japan. In response, for fiscal 2012 RISO has had to focus on energy efficiency through measures such as bringing forward these energy targets.

To achieve these targets earlier, the Company has been conducting high-efficiency upgrades to air conditioning, refrigeration, lighting, and other equipment, as well as carrying our other measures such as applying heat-reflecting

paint on Company building roofs (see Environmental Accounting, page 35). These efforts resulted in energy consumption of 934 MWh, down 12% over the previous fiscal year, and CO₂ emissions of 545 tons-CO₂, down 7%.

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

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

Scope of calculation: For the table "Input/Output by Operational Process" on the following page
Calculation target: Japanese domestic operations

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

INPUT

	FY2011	FY2012	Compared to FY2011 (%)
Energy consumption			
Electricity (MWh/yr)	7,892	6,958	88
LPG (t/yr)	64	83	130
Bunker A (kl/yr)	114	96	84
Gasoline (kl/yr)	554	542	98
Volume of contracted transport*6 (10,000 t-km)	1,139	1,119	98
Water consumption (m ³)	32,808	33,831	103
Metals (t)	1,412	1,406	100
Plastic (t)	1,365	1,323	97
Glass (t)	16	18	113
Paper (t)	2,801	2,659	95
Other (t)	4,060	3,832	94
Subtotal	42,462	43,069	101
PRTR-regulated substances (t)	23.5	18.5	79
Volume collected (t)	2,511	2,620	104

OUTPUT

	FY2011	FY2012	Compared to FY2011 (%)
CO ₂ emissions (t-CO ₂ /yr)	8,375	7,830	93
Electricity (t-CO ₂ /yr)	4,380	3,862	88
LPG (t-CO ₂ /yr)	192	249	130
Bunker A (t-CO ₂ /yr)	309	260	84
Gasoline (t-CO ₂ /yr)	1,309	1,275	97
Volume of contracted transport*6 (t-CO ₂ /yr)	2,185	2,184	100
Water drainage (m ³)	22,397	23,745	106
Steam, water, and related emissions (m ³)	6,039	6,046	100
Products*5 (t)	14,026	13,278	95
Subtotal	42,462	43,069	101
PRTR substance emissions into the air (kg)	2	2	100
PRTR substance emissions into the water (kg)	0	0	-
PRTR substance emissions into the soil (kg)	5	4	80
PRTR substances transferred as waste (kg)	166	100	60
Waste generation*1 (t)	3,606	3,754	104
Volume transferred to recycling processes*7 (t)	414	405	98
Volume recycled*2 (t)	3,128	3,292	105
Other*3 (t)	40	14	35
Final disposal (landfill)*4 (t)	24	43	179
Recycling rate (%)	98.2	98.5	

• CO₂ Emissions Calculations

Electricity: 0.555 kg-CO₂/kW; gasoline: 2.32 kg-CO₂/l; bunker A: 2.71 kg-CO₂/l; LPG: 3.00 kg-CO₂/kg
(The March 2010 revision to the Law Concerning the Promotion of Measures to Cope with Global Warming requires in principle that the conversion factors for electricity announced by individual power companies be used. However, we are using a conversion factor of 0.555 kg-CO₂/kWh for electricity to ensure consistent data.)

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

Note 1: Significant increase because the large air conditioner at the Tsukuba Works was upgraded to an LPG direct-fired absorption chiller type system in June 2011.
Note 2: Significant decrease because the Ube Works upgraded its boiler (August 2010) and its plant air conditioning (November 2011; from steam to an energy-efficient type system).
Note 3: Because one of RISO's industrial waste treatment contractors went out of business after the earthquake, we had to switch to another contractor, which could not recycle incinerated ash.

Input/Output by Operational Process

Operational process	INPUT			OUTPUT			
	FY2011	FY2012	Compared to FY2011 (%)	FY2011	FY2012	Compared to FY2011 (%)	
Design and development ▶ Pages 11-12	Energy consumption and CO ₂ emissions at the product development stage						
Scope of calculation: R&D Technology Center (at Tsukuba Works) Wakaguri R&D Site S&A Tsukuba Site (in the Mitsui Building) Shiba Plaza Note: Water consumption and water drainage volumes cannot be calculated separately for the R&D Technology Center. This data is included in the total figure for the Tsukuba Works as provided in the "Production" section below.	Energy consumption			CO ₂ emissions (t-CO ₂ /yr)			
Breakdown: Electricity consumption (MWh/yr)	2,135	1,665	78	Breakdown: Electricity (t-CO ₂ /yr)	1,185	924	78
LPG (t/yr)	7	4	57	LPG (t-CO ₂ /yr)	21	12	57
Water consumption (m ³)	4,032	3,901	97	Water drainage (m ³)	4,032	3,901	97
				Waste generation*1 (t)	143	230	161
				Breakdown: Volume recycled*2 (t)	142	229	161
				Other*3 (t)	1	1	100
				Final disposal (landfill)*4 (t)	0	0	-
Production ▶ Pages 13-14	Volume of raw materials used, energy consumption, CO ₂ emissions, and waste generation in the process of major product*5 manufacturing						
Scope of calculation: Tsukuba Works (excluding the R&D Technology Center) Ube Works, Kasumigaura Works	Energy consumption			CO ₂ emissions (t-CO ₂ /yr)			
Electricity consumption (MWh/yr)	5,757	5,293	92	Breakdown: Electricity (t-CO ₂ /yr)	3,195	2,938	92
Breakdown: LPG (t/yr)	57	79	139	LPG (t-CO ₂ /yr)	171	237	139
Bunker A (kl/yr)	114	96	84	Bunker A (t-CO ₂ /yr)	309	260	84
Water consumption (m ³)	28,776	29,930	104	Water drainage (m ³)	18,365	19,844	108
Metals (t)	1,412	1,406	100	Steam, water, and related emissions (m ³)	6,039	6,046	100
Plastic (t)	1,365	1,323	97	Products*5 (t)	14,026	13,278	95
Glass (t)	16	18	113				
Paper (t)	2,801	2,659	95				
Other (t)	4,060	3,832	94				
Subtotal	38,430	39,168	102	Subtotal	38,430	39,168	102
PRTR-regulated substances (t)	23.5	18.5	79	PRTR substance emissions into the air (kg)	2	2	100
				PRTR substance emissions into the water (kg)	0	0	-
				PRTR substance emissions into the soil (kg)	5	4	80
				PRTR substance transferred as waste (kg)	166	100	60
				Waste generation*1 (t)	952	904	95
				Breakdown: Volume recycled*2 (t)	909	870	96
				Other*3 (t)	39	13	33
				Final disposal (landfill)*4 (t)	4	21	525
Sales ▶ Pages 17-18	Fuel consumption and CO ₂ emissions of vehicles used for customer sales and maintenance service activities						
Scope of calculation: Japanese domestic marketing branches and subsidiaries	Energy consumption			CO ₂ emissions			
Gasoline (kl/yr)	554	542	98	Gasoline (t-CO ₂ /yr)	1,309	1,275	97
Volume of contracted transport*6				Contracted transport (t-CO ₂ /yr)	2,185	2,184	100
Volume of contracted transport (10,000 t-km)	1,139	1,119	98				
Collecting, reusing, and recycling ▶ Pages 19-20	Volume of use products* collected, reused, and recycled. Although RISO promotes the effective use of collected products, some collected products are processed for landfill disposal						
Scope of calculation: Used products in Japan	Volume collected (t)			Waste generation*1 (t)			
	2,511	2,620	104		2,511	2,620	104
				Breakdown: Volume transferred to recycling processes*7 (t)	414	405	98
				Volume recycled*2 (t)	2,077	2,193	106
				Other*3 (t)	0	0	-
				Final disposal (landfill)*4 (t)	20	22	110

For *1-7, see page 31.

Environmental Burden at Overseas Worksites

The RISO Group, which operates 22 overseas subsidiaries, is involved in sales and service operations in more than 180 countries. The Group's efforts to reduce the environmental burden extend to its overseas subsidiaries. As a result of efforts in fiscal 2012 to save energy and resources, despite a production volume increase of 1%, energy consumption and CO₂ emissions went down by 13%, volume recycled from waste generation increased by 16%, and final disposal to landfill was down 60%.

Input/Output at Overseas Production Bases

Scope of calculation: RISO Group overseas manufacturing worksites (excluding RISO INDUSTRY (THAILAND) CO., LTD.)
 Subject of calculation: Energy consumption and resulting CO₂ emissions, water consumption, water drainage, and waste generation.
 Materials used in production, fuel consumption by Company-owned vehicles, and resulting CO₂ emissions.
 Data relating to contracted transport and energy consumption by the Sales Division and resulting CO₂ emissions is not included.

INPUT		FY2011	FY2012	Compared to FY2011 (%)
Energy consumption (GJ/yr)		10,982	9,574	87
Electricity (GJ/yr)		9,725	8,466	87
Bunker A (GJ/yr)		8	8	100
Kerosene (GJ/yr)		1	0	-
Diesel (GJ/yr)		0	0	-
Gasoline (GJ/yr)		1,248	1,100	88
Water consumption (m ³)		9,488	8,607	91
Metals (t)		2,469	2,593	105
Plastic (t)		861	903	105
Glass (t)		9	10	111
Paper (t)		417	683	164
Other (t)		1,648	1,320	80
Subtotal		14,892	14,116	95

OUTPUT		FY2011	FY2012	Compared to FY2011 (%)
CO ₂ emissions (t-CO ₂ /yr)		1,061	924	87
Electricity (t-CO ₂ /yr)		976	849	87
Bunker A (t-CO ₂ /yr)		1	1	100
Kerosene (t-CO ₂ /yr)		0	0	-
Diesel (t-CO ₂ /yr)		0	0	-
Gasoline (t-CO ₂ /yr)		84	74	88
Water drainage (m ³)		9,008	8,202	91
Steam, water, and related emissions (m ³)		0	0	-
Products (t)		5,884	5,914	101
Subtotal		14,892	14,116	95
Waste generation*1 (t)		81	82	101
Volume transferred to recycling processes*2 (t)		25	22	88
Volume recycled*3 (t)		43	50	116
Other*4 (t)		8	8	100
Final disposal (landfill)*5 (t)		5	2	40

*1 Water generation: RISO classifies all unwanted substances generated from its operational process, 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 volume of substances and materials that are difficult to quantify or categorize by the type of processing, such as those released as gases through recycling and incineration.
 *5 Final disposal (landfill): The volume to be disposed of in landfill sites, which includes residues and incinerated ash from intermediate processing such as recycling.

Input/Output at Overseas non-production Bases

Scope of calculation: London Office, 12 overseas subsidiaries of RISO Group (RISO, INC., RISO FRANCE S.A., RISO (Deutschland) GmbH, RISO (U.K.) LTD., RISO IBERICA, S.A., RISOGRAPH ITALIA S.p.A., RISO AFRICA (PTY) LTD., RISO KOREA LTD., RISO HONG KONG LTD., RISO (Thailand) LTD., RISO INDIA PRIVATE LTD., RISO TECHNOLOGY CHINA CO., LTD.)

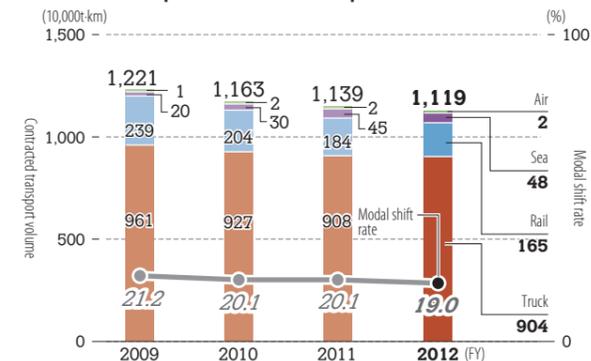
INPUT		FY2011	FY2012	Compared to FY2011 (%)
Per-unit energy consumption (GJ/employee)*1		62.8*2	52	83
Energy consumption (GJ/yr)		29,582*2	27,502	93
Electricity (GJ/yr)		13,702	12,853	94
Natural gas (GJ/yr)		528	405	77
Gasoline (GJ/yr)		10,636*2	10,287	97
Diesel (GJ/yr)		4,716	3,957	84
Water consumption (m ³)		5,690*3	4,407	77

OUTPUT		FY2011	FY2012	Compared to FY2011 (%)
Per-unit CO ₂ emissions (t-CO ₂ /employee)*1		3.84*2	3.33	87
CO ₂ emissions (t-CO ₂ /yr)		1,808*2	1,761	97
Electricity (t-CO ₂ /yr)		747	781	105
Natural gas (t-CO ₂ /yr)		25	19	76
Gasoline (t-CO ₂ /yr)		713*2	690	97
Diesel (t-CO ₂ /yr)		323	271	84
Water drainage (m ³)		5,690*3	4,407	77

*1 Due to dynamic changes in locations and workforce as well as to difficulties in conducting surveys at overseas non-production bases, RISO used the number of employees as the denominator in the calculation to obtain each per-unit figure for use in tracking efficiency. There are still some improvements we can make in areas like scope and accuracy of calculation, but we have improved tracking efficiency.
 *2 It was discovered that there was a unit conversion error in reporting the gasoline consumption of RISO, INC. This was corrected retroactive to fiscal 2011.
 *3 It was discovered that there was a unit conversion error in reporting the water consumption and water drainage of RISO, INC. and RISO INDIA. This was corrected retroactive to fiscal 2011.

Environmental and Social Data

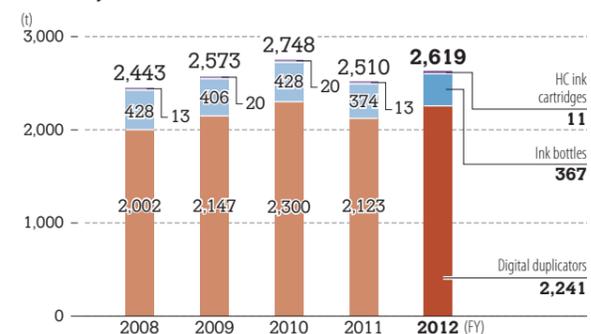
Graph 1
 Breakdown of Contracted Transport Volume and Modal Shift Rate in Japanese Domestic Operation



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

We are pursuing a modal shift strategy that increases the efficiency of marine transport.
 → **Page 15** Streamlining and Systematizing Logistics

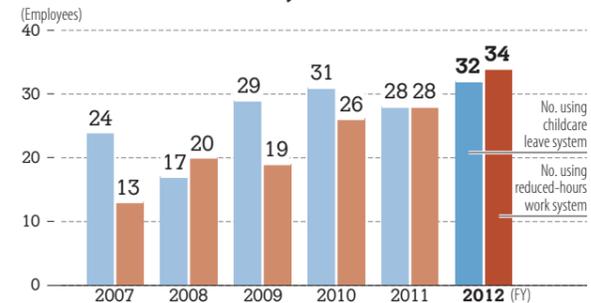
Graph 3
 Quantity of Used Products and Consumables Collected



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

We are working to efficiently collect used products and consumables. Overseas, as well, we are collecting and recycling items according to local laws and societal demand.
 → **Page 19** Treating Used Products as Valuable Resources

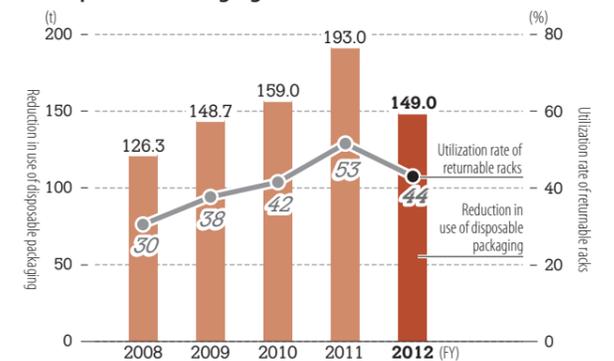
Graph 5
 Number of Employees Using the Childcare Leave System and Reduced-Hours Work System



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

For its success in furthering childcare leave, reduced-hours work, and other employee support systems, in fiscal 2012 RISO was certified as a company with outstanding support for child-rearing employees under Japan's Act on Advancement of Measures to Support Raising Next-Generation Children.
 → **Page 26** Helping Employees Balance Child-Rearing and Work Responsibilities

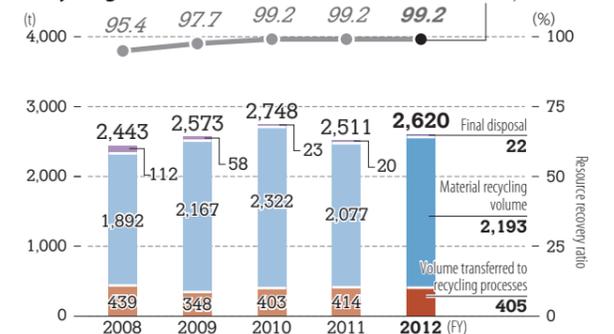
Graph 2
 Utilization Rate of Returnable Racks and Reduction in Use of Disposable Packaging



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

By using returnable racks, we have reduced the amount of disposable packaging such as cardboard and styrofoam.
 → **Page 16** Reducing the Environmental Burden during Logistics

Graph 4
 Recycling of Used Products



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

We are striving to increase the volume transferred to recycling processes by recycling used products, as well as recycle parts that cannot be reused.
 → **Page 20** Recycling of Consumables

Table 6
 Environmental Education Programs (Fiscal 2012)

Type of education	Events (times)	Participants (employees)	Hours (aggregate)
Basic environmental education program (e-learning)	1	1,853	1,112
Basic environmental education program	21	545	1,567
Internal auditor training	6	130	639
EMS activity program (waste sorting, etc.)	6	131	130
Special environmental education program	5	203	494
Accident/emergency drill	13	481	1,881
Disaster drill	4	595	622
Advanced business skill program	7	221	623
Business skill program	9	9	66
Workplace health and safety program	1	10	30
Total	73	4,178	7,164

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

We offered basic environmental education, internal auditor training, and other educational programs directly linked to operations.
 → **Page 25** Far-Ranging Environmental Education Programs Covering Introductory to Specialized Content

Environmental Accounting

Environmental Accounting Results for Fiscal 2012 and the Past Four Years

In fiscal 2012, we made large investments to save energy and contribute to curbing global warming in response to the tight energy supply situation resulting from the Great East Japan Earthquake. These include switching to high-efficiency air conditioning and refrigeration, and

applying heat-reflecting paint on Company building roofs. As a result, total environmental protection costs (as the sum of investments and actual costs) increased approximately ¥122 million, while total economic effects decreased approximately ¥73 million.

Term: Fiscal 2012 (April 1, 2011 to March 31, 2012)
 Scope of calculation: All of RISO KAGAKU CORPORATION's domestic sites in Japan (Tsukuba Works, Kasumigaura Works, Ube Works, R&D Technology Center, Wakaguri R&D Site, head office and domestic sales branches). For RISO's sales network, "resource conservation and recycling" as well as "EMS establishment and maintenance activities" are included in the scope of calculation.

Activities	Classification	Environmental protection activities	Investment	Cost	Economic effect	Actions
Global warming prevention measures	• Reduction of fuel consumption • Reduction of electricity consumption	• Replacement of boilers with high-efficiency models, pursuit of a modal shift strategy • Introduction of energy saving equipment	170,427	100	3,382	• Reduction of CO ₂ emissions during manufacture and product transport • Reduction of electricity consumption
Promotion of resource conservation and recycling	• Effective utilization of used products • Effective utilization of wastes • Safe disposal of wastes	• Collection and recycling of used products • Separation and recycling of waste		544,459	497,571	• Reduction of costs through reuse • Improvement of resource recovery rates
Environmental communication	• Publication of product environmental data • Publication of information about environmental initiatives	• Acquisition of environmental label certification • Publication of the environmental report • Participation in events and exhibitions		13,925		• Acquisition of certification under the Eco Mark program • Publication of Sustainability Report 2011, website revisions, etc.
Green areas	• Clean-up and maintenance of green areas	• Clean-up and maintenance of green areas		3,016		
Legal compliance (pollution control measures, environmental pollution control)	• Compliance activities (water, air, etc.)	• Water drainage management • Gas emissions management • Inspection and maintenance of facilities		18,391		
Green procurement	• Collection and registration of environmental data relating to raw materials and parts			11,367		• Implementation of an environmental information system covering REACH and other regulations
EMS establishment and maintenance activities	• ISO • Assessment of legal and regulatory trends	• Acquisition and maintenance of ISO 14001 certification • Monitoring of laws and regulations		7,944		• Maintenance of the validity of ISO 14001: 2004 certification
Total			170,427	599,202	500,953	

Calculation Method and Approach

- Our calculations of the environmental protection costs and the economic effects are basically made in keeping with the "Environmental Account Guidebook (2005)" of the Ministry of the Environment. However, the classification of costs is modified to our own standard. Also, expenses related to environmental protection costs do not include depreciation. The economic effects are based on income and cost decreases, both of which are considered to be actual effects (as they are calculated using actual figures), and not on presumed or estimated effects.
- Ideally, the environmental protection costs relating to environment-friendly design should be listed in the chart above. However, due to the difficulty in accurately distinguishing which costs are directly related to environmental protection, the trend data presented on page 36 is based on total R&D expenditures.

Status of Environmental Accounting

	FY2008	FY2009	FY2010	FY2011	FY2012
Costs (investment + actual costs) (thousands of yen)	548,094	543,946	569,450	647,312	769,629
Economic effects (thousands of yen)	508,369	399,158	497,727	573,940	500,953
Economic effect ratio	93%	73%	87%	89%	65%

Breakdown of Costs (Investment + Actual Costs)

	FY2008	FY2009	FY2010	FY2011	FY2012
Global warming prevention measures	8,007	145	67	91,875	170,527
Promotion of resource conservation and recycling	484,103	481,278	520,529	503,887	544,459
Environmental communication	28,379	26,522	12,899	11,828	13,925
Green areas	6,903	7,271	1,570	1,828	3,016
Legal compliance	11,934	14,405	15,548	12,732	18,391
Green procurement	3,278	2,552	14,092	20,366	11,367
EMS establishment and maintenance activities	5,486	11,773	4,745	4,796	7,944

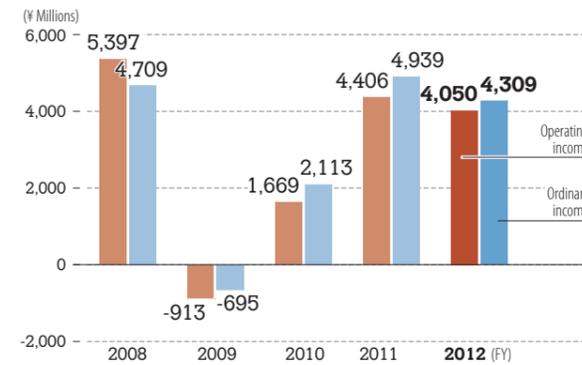
Breakdown of Economic Effects

	FY2008	FY2009	FY2010	FY2011	FY2012
Global warming prevention measures	2,110	3,163	4,401	4,101	3,382
Promotion of resource conservation and recycling	506,259	395,995	493,326	569,839	497,571

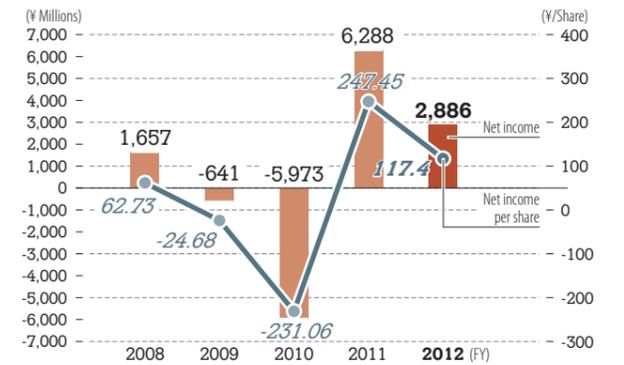
Five categorized activities, including environmental communication, had no economic effects.

Facts and Figures

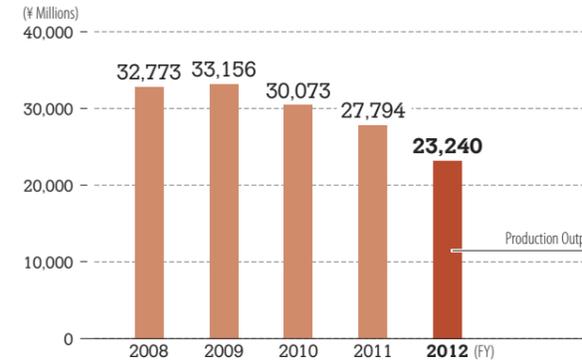
Operating Income / Ordinary Income (Consolidated Basis)



Net Income / Net Income per Share (Consolidated Basis)

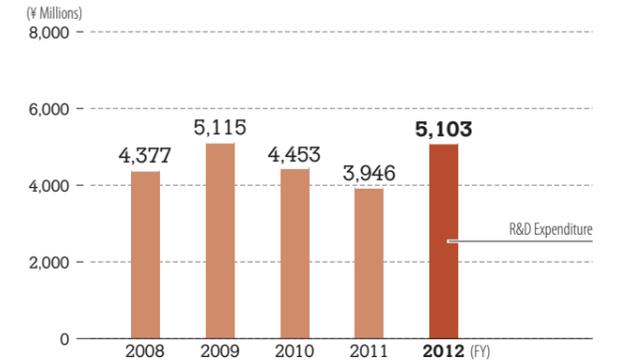


Production Output (Cost of Goods Manufactured for Period under Review)*1 (Non-Consolidated Basis)*2

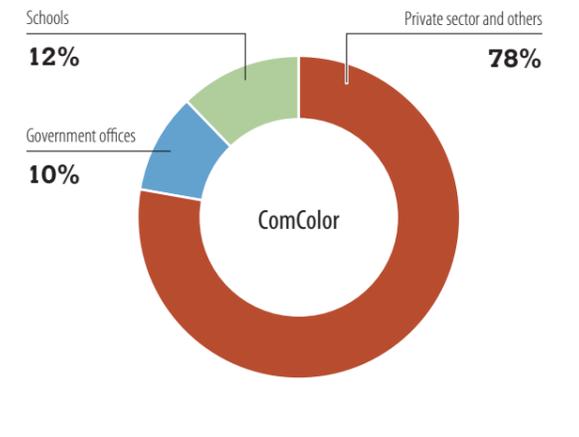
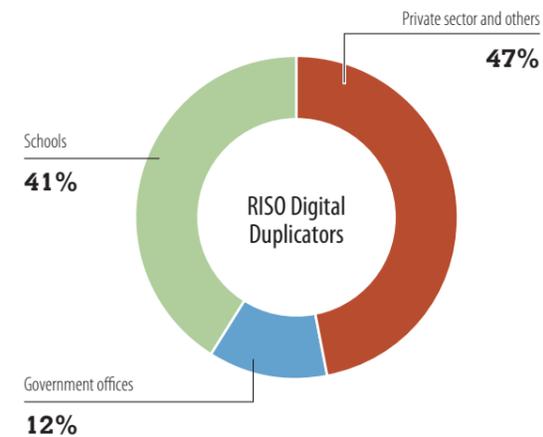


*1 Production output (cost of goods manufactured): The cost of goods manufactured is provided as a measure of production output.
 *2 Non-consolidated basis: Figures exclude subsidiaries and affiliates.

R&D Expenditure (Consolidated Basis)



Japan Sales Breakdown by End Users (FY2012)



Note: Amounts less than the unit expressed are omitted.

Third-Party Evaluation

With the aim of enhancing the reliability and objectivity of its sustainability reports, RISO asked a third party to offer opinions regarding report content and endeavored to incorporate those opinions into the production of the reports. For *Sustainability Report 2012*, the Company used TÜV Rheinland Japan Ltd., the same evaluator that conducted the third-party evaluation of *Sustainability Report 2011*. RISO continues to pursue accuracy and reader-friendliness in its sustainability reporting, while reinforcing the quality of information it discloses.

Third party verification report for the "RISO KAGAKU CORPORATION Sustainability Report 2012"

RISO KAGAKU CORPORATION
Mr. Akira Hayama, President



July 6, 2012
TÜV Rheinland Japan Ltd.
Michael Jungnitch, President

1. Scope, Purpose and Target, Process and Conclusion of the Verification

TÜV Rheinland Japan Ltd. (hereinafter referred to as the verification body), as an independent third party, verified the "RISO KAGAKU CORPORATION Sustainability Report 2012" and the "Environmental Information on the web" prepared by RISO KAGAKU CORPORATION (hereinafter referred to as the organization) from the view point of:

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

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

As a result of the verification that was performed in a planned manner, the verification team concludes that the "RISO KAGAKU CORPORATION Sustainability Report 2012" and the "Environmental information on the web" provide accurate data in light of the environmental reporting guidelines that are generally considered adequate as principles of reporting, providing that the organization takes appropriate corrective actions that were required in the verification process.

2. General Evaluation

Information has been provided since 2011, in two forms, the "booklet of sustainability report" and the "environmental information on the web", having individual roles. This is done by the efforts of the organization for better information disclosure while understanding the importance of listening to stakeholders' opinions and providing necessary information in a way that readers can easily understand. The "booklet" is compiled targeting a wide variety of readers as stakeholders while the "web information" providing detailed data in addition to the information in the booklet. It is hoped that the organization will make substantial contents in each topic freely accessible by readers so that they can understand the entire picture of environmental management of the organization.

Given the scale of overseas business, it would be better to consider whether the information related to overseas sites (both production and non-production) is sufficiently available, this would be a point to be continuously improved as well as points raised in the following items.

Environmental activity

The environmental performance data aggregation which is the base of environmental management has been highly reliable same as last year.

Although the level of data aggregation from its accumulated experience is high, in some part, it seems to depend on individual skills. The aggregation system to prevent data from being affected by human error or differences of personal skill level can be improved further.

Analysis of environmental management and accumulated experience of data aggregation have been taking root as well as praiseworthy attitude towards information disclosure.

- Attitude to correct errors of previous data and to explain the cause while providing corrected data
 - Attitude to explain why the environmental performance became worse
- With the expectation that the report will be enhanced further, following are proposals for the trend data from the past up to the present, specifying the increased environmental load arising from unusual circumstances, analysis assuming normal circumstances, and mentioning the future.
- Richer contents about initiatives for positive influence on the environment
 - Focusing on environmentally-friendly product implementation, appealing that the organization is a development-driven company

Social initiatives

Corporate governance, basic compliance, emergency risk management, procurement and supply chain, customer satisfaction and product development, relationship of employees and education, and contribution to local communities where the organization implements its business are covered in items related to corporate social responsibility as they are an integral part of environmental management.

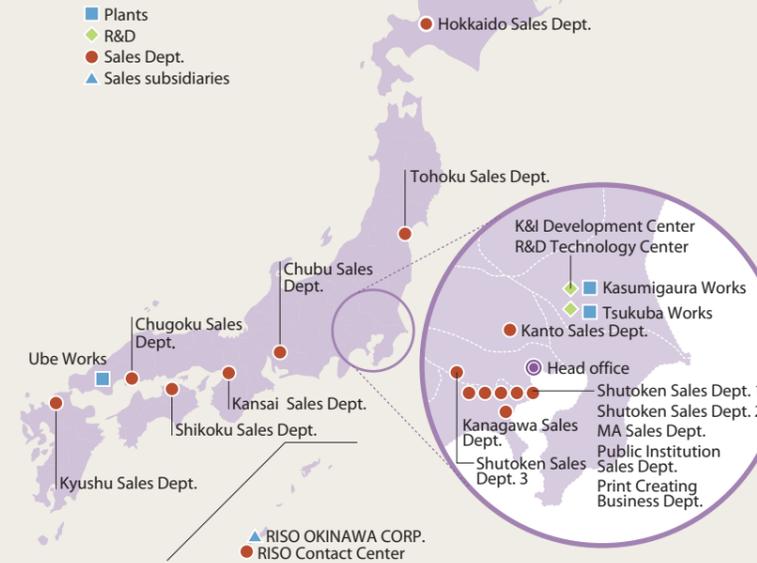
All necessary items which should be disclosed are available, however, there are few describing the relations with environmental management and the interrelation of issues. As there are some activities contributing to society that should be appreciated, it is hoped that the organization will further clarify initiatives to be taken in each area in accordance with the expectation from society, and focal points to be disclosed.

Environmental accounting

The organization brought forward its environmental investment plan in order to deal with energy saving efforts that were unexpected but required by the government after the nuclear power disaster. Although this influenced the environmental accounting, the organization maintains expected positive results based on its accumulated know-how. As challenges for the future in that area still remain same as the environmental performance data aggregation, it is necessary to consider actions to make the environmental accounting more effective. Moreover, revised part of "Environmental Reporting Guidelines 2012" which includes "linking between environmental management information and business activity/financial information" should be addressed so as to rebuild the framework of environmental accounting for further advancement.

Worldwide Facilities as of June 1, 2012

Domestic facilities

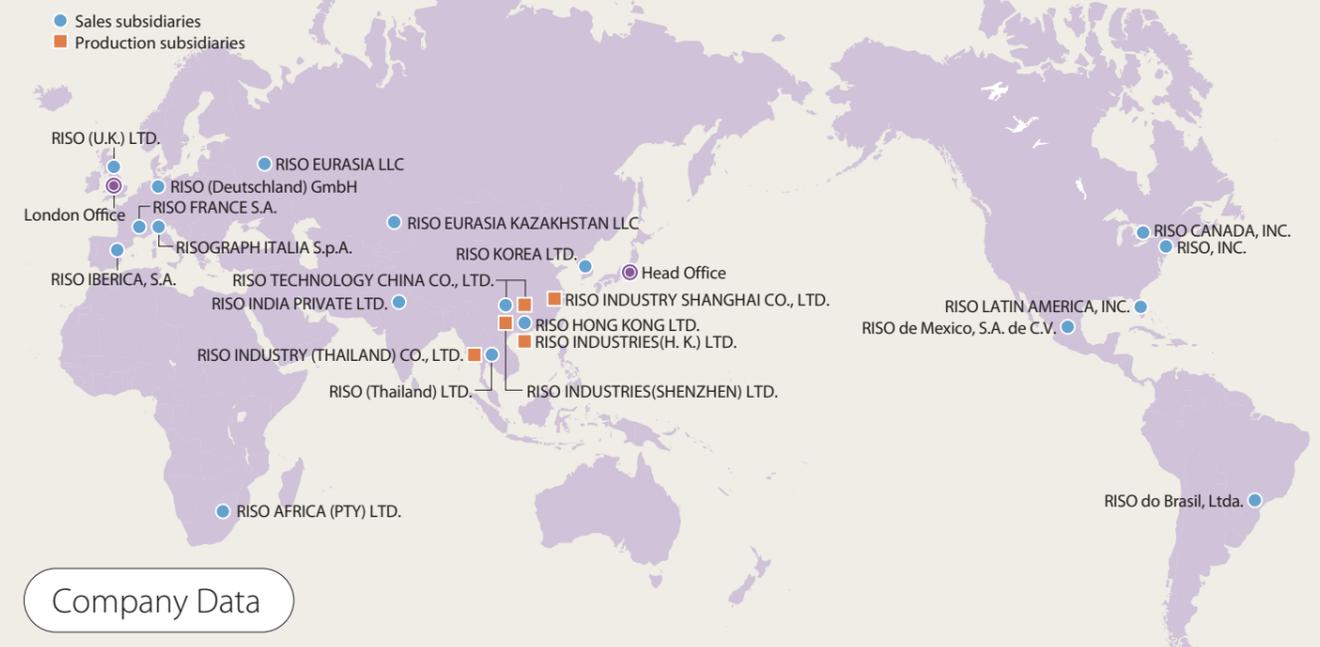


Branches

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

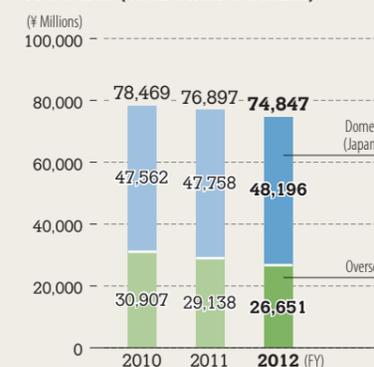
Sales subsidiaries
RISO OKINAWA CORP.

Overseas facilities

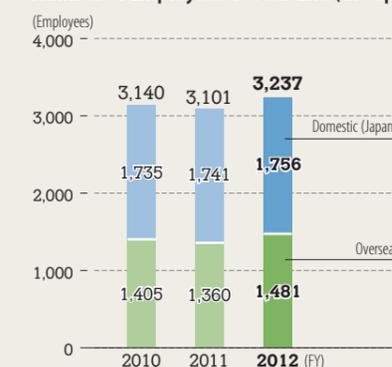


Company Data

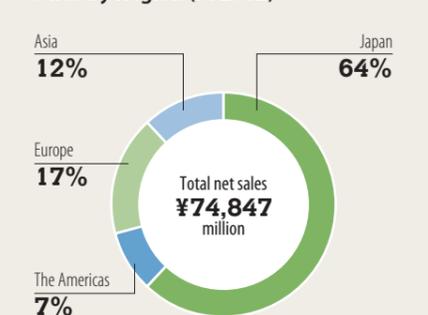
Net Sales (Consolidated Basis)



Number of Employees at Year-End (Group)



Sales by Region (FY2012)



*1 Domestic (Japan) net sales: Net sales in Japan and from Asian distributors.
Note: Amounts less than the unit expressed are omitted.