

Corporate Social Responsibility Report





RIKEN TECHNOS CORP.

Editorial Policy

This CSR Report (since October 2007), the successor series to the "Environmental Report" (since October 2002) and "Environmental Management Report" (since October 2005), presents RIKEN TECHNOS GROUP's commitments and results for the achievement of our philosophy from the perspective of Corporate Social Responsibility (CSR).

This edition has a special issue on various CSR activities at our domestic manufacturing sites.

Reporting Coverage

Period Covered

April 1, 2007 to March 31, 2008

In addition, some issues after April 1, 2008 are included.

Organization Coverage (Please refer to pages 6 to 7 about the sites)

The organization covered in the environmental reports in this report is RIKEN TECHNOS CORPORATION and the following 12 affiliated companies. Some of the affiliated companies are not included in some cases.

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Reporting Fields

This report describes the efforts of RIKEN TECHNOS CORPORATION and the affiliated companies in relation to the economic activity, social responsibility and environmental responsibility.

Referenced Guidelines

Environmental Reporting Guidelines (Fiscal Year 2007 Version) and Environmental Accounting Guidelines 2005 issued by Ministry of the Environment of Japan.

(Please refer to pages 55 to 56 for the comparison with Environmental Reporting Guidelines)

Date of Issue

October 2008

(scheduled date of the next issue: October 2009)

History of Issue

Date of issue	Name	
October 2002	Environmental Report 2002	
September 2003	Environmental Report 2003	
October 2004	Environmental Report 2004	
October 2005	Environmental Management Report 2005	
October 2006	Environmental Management Report 2006	
October 2007	CSR Report 2007	

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About the Cover

This report cover image shows an integration of the corporate mark of RIKEN TECHNOS CORPORATION and the primrose *sakura so*, which is the symbol flower of Saitama Prefecture, where our main factory is located.

The corporate mark was changed simultaneously with the corporate name changed in commemoration of the 50th anniversary of its foundation, symbolizing the reliability of our core business, namely compound and film and the pulse to the future by using the shape of a flapping elastic wing.

RIKEN TECHNOS GROUP is aiming for the achievement of a sustainable society with all our stakeholders and acting on its own initiative.

Message from the President



RIKEN VINYL INDUSTRY CO., LTD., the former company name of RIKEN TECHNOS CORPORATION, started up in 1951 as a venture business having a great dream for possibilities in Polyvinyl Chloride (PVC), but its existing base was only blending technologies of PVC developed in a small laboratory in a university.

As the name "RIKEN" shows, we originated from RIKEN (Rikagaku Kenkyusho). As the same as lots of companies originated from RIKEN, we have been expanding and developing our business by providing society with new value-added products based on our new technologies and by having understanding of our enterprise value from society.

While the values people required have been varied with progress of society, we have been meeting such demands through the development of products by using the properties of various resins including PVC to advantage. The background of the change of our corporate name simultaneously with the 50th anniversary of our foundation in 2001 was that we have been willing to continue providing the values required by society through our products based on our new compounding technology all the time and contributing to the sustainable progress of our society.

We shall never forget our group philosophy, "Achieve a sustainable enhancement of enterprise value through fair and profitable business activity," in our business activities.

As the President, I explain this philosophy concretely as follows;

- The enterprise is a public institution. RIKEN TECHNOS GROUP, as a good member of society, complies with all laws, regulations and rules and contributes to the development of society.
- 2. The effort to tackle environmental issues is the common issue of human beings. RIKEN TECHNOS GROUP, while using lots of resin, takes high-level measures to protect environment; including the development of environmentally conscious products and the acquisition of manufacturing technologies to reduce negative environmental impact.

3. RIKEN TECHNOS GROUP trains its employees continuously to embody this philosophy.

We engage that our philosophy mentioned above is our foundation of our business management. This "RIKEN TECHNOS GROUP CSR Report," the second issue of the CSR Report, presents our commitments and results for the achievement of our philosophy. In particular, as a feature in this report, we report various activities approaching our philosophy in each RIKEN TECHNOS manufacturing site, because we deem manufacturing sites as the most important base of a manufacturer. It would be greatly appreciated if you read this report and send us your frank opinion.

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Representative Director, President RIKEN TECHNOS CORPORATION

Management Policy

RIKEN TECHNOS' mission is to build a high-value-added business structure leveraging its strong processing technologies, with a management vision of establishing the RIKEN TECHNOS brand as a Material Solution Supplier creating unique and individualized value and building a stable position both in Japan and internationally. RIKEN TECHNOS will continue to promote a more global strategy and provide our group's high quality products to customers increasingly all over the world, based on three core businesses: Compound (Creation of new markets and new business possibilities), Film (Development through high and innovative processing technologies), and Food Wrapping Film (Enlargement and strengthening of business alliances).

Outline of RIKEN TECHNOS GROUP

Company Name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	¥8,514 million
President	Koichi Kinoshita
Number of Employees	838
Head Office	3-11-5, Nihonbashi-Honcho, Chuo-ku, Tokyo 103-8438, Japan

RIKEN TECHNOS was established as "RIKEN VINYL INDUSTRY CO., LTD." (original company name) in 1951 to produce and sell the Polyvinyl Chloride (PVC) compound.

The company name was changed to "RIKEN TECHNOS CORPORATION" (a melding of the words "RIKEN," "TECHNOLOGY" and "SUPPLIER") in 2001, the 50th anniversary of the foundation.

RIKEN TECHNOS operates business in Japan and internationally based on comprehensive plastics processing technology which has been cultivated since the foundation, with three core businesses: Compound, Film and Food Wrapping Film. RIKEN TECHNOS, as a "Material Solution Supplier," produces high quality products and technologies to meet increasingly diverse and sophisticated needs of customers and society.

Compound Division

Corporate Profile

Business Field

Compounds are mixtures of base resin with several different additives, thereby giving them novel properties. Compounds are mainly used in extrusion and injection molding.

Major Products

Polyvinyl Chloride Compounds, Thermoplastic Elastomers, Electro-conductive Compounds, Anti-static Compounds and Biomass Plastics Compounds, etc.

Film Division

The high quality film is produced through optimum formulas for novel properties of blended resin. Moreover, by laminating some films and coating functional paint on the surface of films, we improve design and functionality of the films.

Major Products

Thermo-formable Foil, Steel Laminating Film, Polyester Type Film, IR (Infrared) Cut Film, Decorative Film for Glazing, and Optical Display Film, etc.

Consolidated Financial Results

Food Wrapping Film Division

As the first company developed the food wrapping film used PVC resin in Japan, we produce wraps ranging from domestic use to commercial use through pursuing quality and efficiency and developing wraps suited for food and automatic packaging machines.

Major Products

Polyvinyl Chloride Types Wrap and Poly Olefin Type Wraps, etc.Anti-static Compounds and Biomass Plastics Compounds, etc.

Financial Results

Detailed information is available on the page "Financial/IR" of our website.

FY2007 Financ	(JPY million)	
	Consolidated	Non-consolidated
Net Sales	77,403	48,842
Operating Income	1,417	391
Ordinary Income	1,544	540
Net Loss	-1,833	-1,713

6.0-

5.0-

4.0-3.0 3.0

2.0

1.0

1.2

FY2003

Capital and R&D Expenditure

4.5

1.3

FY2005

4.4

1.4

FY2006

Capital Expenditure 🔲 R&D Expenditure

3.7

1.3

FY2004

20 FY2003 FY2004 FY2005

(JPY billion)

1.5

FY2007

5.3







FY2003 FY2004 FY2005 FY2006 FY2007

Outline of RIKEN TECHNOS GROUP

Medium-term Business Plan "Plan ff Phase II "

RIKEN TECHNOS has prepared the group's new business plan, "Plan ff Phase II," from April 2006 to March 2009, and has been practicing it since April 2006.

Setting our direction for the innovation as "Globalization of PVC product business" and "Development of high functional product business," we are practicing to establish the foundation for the future in order to lead our group to excellent one with high enterprise value in three years.

The Gist of "Plan ff Phase I"

${f U}$ Enhancement of Self-Management of Three Divisions and Creation of the New Business Models

Each division sets the business direction as follows and will actively invest management resources into the business and develop it.

- Compound Division ——— Creation of new markets and new business possibilities
 - Being first to market by leveraging our technical capabilities to develop products quickly, expanding global businesses, and achieving customer satisfaction.
- Film Division Development through high and innovative processing technologies
 - Harnessing technical strengths ranging from film forming to further value-adding processing to create differentiating products and increase profits.
- Food Wrapping Film Division Enlargement and strengthening of business alliances
 Expanding and strengthening collaboration both in Japan and internationally, to build a solid foundation to the No. 1 manufacturer in Asia.

2 Practice of Corporate Reformation Based on Human Resources Development

We will create system and framework for human resources development which promote our employees so that they can carry out innovation for further growth of our company along with the social and technical progress.

3 Reinforcement of Technical Potential

We will invest our management resources in various fields, from the production section to research and development section, due to establish the appropriate "Production System" of the manufacturer, and we will pursue the drastic reinforcement of technical potential.

The Objectives of "Plan ff Phase I"



Capital Investment Plan







Details of Capital Investment Plan



RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 12 affiliated companies.

We have actively cultivated overseas markets since our establishment and aimed to establish the RIKEN TECHNOS brand. As a "Material Solution Supplier," we offer one-stop solutions for our customers' issues through collaboration between domestic and foreign facilities.





Osaka Branch Office



Nagoya Sales Office



Mie Factory

Head Office



Gunma Factory

Material R&D Center

Film R&D Center

Shanghai Representative Office

RIKEN TECHNOS CORPORATION's Site	Address	Main Business Field		
Head Office	3-11-5, NIHONBASHI-HONCHO, CHUO-KU, TOKYO 103-8438, JAPAN	Headquarters, sales & marketing of compound, film and food wrapping film		
Osaka Branch Office	4-11-23, NISHITENMA, KITA-KU, OSAKA-SHI, OSAKA 530-0047, JAPAN	Sales & marketing of compound, film and food wrapping film		
O Nagoya Sales Office	2-9-3, SAKAE, NAKA-KU, NAGOYA-SHI, AICHI 460-0008, JAPAN	Sales & marketing of compound and food wrapping film		
4 Saitama Factory	2058, OKA, FUKAYA-SHI, SAITAMA 360-0295, JAPAN	Manufacture of compound, film and food wrapping film		
6 Mie Factory	522, SUGAUCHI-CHO, KAMEYAMA-SHI, MIE 519-0132, JAPAN	Manufacture of compound, film and food wrapping film		
6 Gunma Factory	451-12, KAMITAJIMA-CHO, OTA-SHI, GUNMA 373-0044, JAPAN	Manufacture of high functionally film within a clean environment		
Material R&D Center	2-37-1, MINAMIROKUGO, OTA-KU, TOKYO 144-0045, JAPAN	Research and development of compound, and technical support to domestic and overseas facilities		
8 Film R&D Center	2058, OKA, FUKAYA-SHI, SAITAMA 360-0295, JAPAN	Research and development of film, and technical support to domestic and overseas facilities		
 Shanghai Representative Office 	ROOM 10A89 SHANGHAI MART, No. 2299, YAN AN ROAD (W), SHANGHAI 20336 CHINA	Liaison Office (market research for film and quality and technical support to customers)		

Affiliated Companies in Japan	Address	Capital Stock	Shareholdings	Main Business Field
10 SHINKO ELECTRIC WIRE CO., LTD.	14-6, NIHONBASHI- KODENMACHO, CHUO-KU, TOKYO 103-0001, JAPAN	JPY 48 million	100%	Manufacture and sales of electric wire and cable
10 KYOEI PLASTICS MFG CO., LTD.	7-16, NIHONBASHI- KODENMACHO, CHUO-KU, TOKYO 103-0001, JAPAN	JPY 24 million	100%	Manufacture and sales of profile extrusion plastic products
2 KANEKON CO., LTD.	4-2-4, SHINBASHI, MINATO-KU, TOKYO 105-0004, JAPAN	JPY 10 million	100%	Sales of compound and film
13 M-I CHEMICALS CO., LTD.	2-4, OIKE-CHO, KONAN-SHI, SHIGA 520-3213, JAPAN	JPY 300 million	100%	Manufacture and sales of PVC compound

Affiliated companies in Japan are listed head offices only.





RIKEN (THAILAND) CO., LTD.



P.T. RIKEN ASAHI PLASTICS INDONESIA



SHANGHAI RIKEN TECHNOS CORPORATION



RIKEN TECHNOS (JIANG SU) CORPORATION





RIKEN U.S.A. CORPOATION



RIMTEC CORPORATION



RIKEN ELASTOMERS CORPORATION



RIKEN TECHNOS EUROPE B.V.

Overseas Affiliated Companies	Address	Capital Stock	Shareholdings	Main Business Field
RIKEN (THAILAND) CO., LTD.	143 Moo 5 Bangkadi industrial park, tivanond road, Bangkadi, muang-pathumthani, pathumthani 12000 Thailand	THB 120 million	40%	Manufacture and sales of PVC compound
P.T. RIKEN ASAHI PLASTICS INDONESIA	MM2100 INDUSTRIAL TOWN BLOK H-9, CIKARANG BARAT BEKASI 17520 WEST JAVA, INDONESIA	USD 4.7 million	55%	Manufacture and sales of PVC compound
⁽⁶⁾ SHANGHAI RIKEN TECHNOS CORPORATION	No. 3700 JINDU ROAD, MINHANG DISTRICT, SHANGHAI 201108 CHINA	USD 5.5 million	70%	Manufacture and sales of PVC compound
RIKEN TECHNOS (JIANG SU) CORPORATION	HUANG TANG INDUSTRIAL PARK, XIA KE TOWN, JIANGYIN CITY, JIANGSU PROVINCE, 214407 CHINA	USD 5 million	61%	Manufacture and sales of food wrapping film
^(B) RIKEN U.S.A. CORPOATION	1702 BEVERLY ROAD, BURLINGTON, NJ 08016, U.S.A.	USD 7.4 million	100%	Sales & marketing of film
RIMTEC CORPORATION	1702 BEVERLY ROAD, BURLINGTON, NJ 08016, U.S.A.	USD 10 million	51%	Manufacture and sales of PVC compound
²⁰ RIKEN ELASTOMERS CORPORATION	340 RIKEN COURT, HOPKINSVILLE, KY 42240, U.S.A.	USD 10 million	60%	Manufacture and sales of high functionally compound
BIKEN TECHNOS EUROPE B.V.	BURGEMEESTER STRMANWEG 105 1101AA AMSTERDAM ZUID- OOST, THE NETHERLANDS	EUR 400 thousand	100%	Sales & marketing of film

RIKEN TECHNOS GROUP Business Field and Major Products





Feature: Frontline Report of RIKEN TECHNOS CORPORATION

We focus on our manufacturing sites, the Saitama Factory, Mie Factory and Gunma Division, as the maker's "Frontlines," and report their various activities.

The Main Factory of RIKEN TECHNOS GROUP **RIKEN TECHNOS CORPORATION** Saitama Factory

Location	2058 Oka, Fukaya-shi, Saitama, Japan	
Site area	Factory No. 1 38,057 m ² Factory No. 2 28,380 m ²	
Commencement of operation	December 1968	
Number of employees	386 (as of March 31, 2008)	
Business field	Compound, Film and Food Wrapping Film made from various thermoplastic resin including PVC	
Certificate of ISO	ISO 9001 and ISO 14001	

The Factory Policy

"Reconstruction of the Saitama Factory"

(1) The speedy accomplishment of "Plan ff Phase $I\!\!I$ "

- 2 The reinforcement of improving and succeeding to production techniques and skills
- ③ Active factory management with an awareness of "Makevisible'

*Achieve the goal by accomplishing each management program surely!

Characteristics of the Factory

The Saitama Factory is located in Fukaya-shi, Saitama Prefecture, the northern part of the Kanto Plain, and is the central production site of not only the metropolitan area but also all parts of Japan. The factory also has the function as the main factory of RIKEN TECHNOS GROUP.





Message from the General Manager of the Factory



Shunichi Isaki Director, General Manager of the Saitama Factory **RIKEN TECHNOS CORPORATION**

The Saitama Factory is the main factory of RIKEN TECHNOS GROUP and has the function of the central facility offering onestop solutions for our customers' issues through collaboration with domestic and international facilities as a "Material Solution Supplier." The Saitama Factory produces compound, film and food wrapping film which are the products of three core businesses of RIKEN TECHNOS CORPORATION.

We have positioned safety and environmental preservation as the most important issue. For example, regarding safety, we offer employees workplaces where any industrial accident shall not occur and our employees can work free from care. We promote security through activities of risk assessment and fail safe onward based on 5S*. Regarding environmental preservation, we understand that it is absolutely necessary to preserve the environment for the sustainable existence of a company, and to practice preserving the environment.

In addition, the Saitama Factory is adjacent to a residential area, so we understand it is necessary to duly consider neighborhood inhabitants and the environment for the sustainable operation of the factory.

We report our activities, such as the measures for environmental preservation, safety and health and relationship to society.

*5S: In Japanese, Seiri (order), Seiton (arrangement), Seisou (neatness), Seiketsu (cleanness), Shitsuke (self-discripline).

Environmental Preservation Activity

At the Saitama Factory, we give consideration for the environment the highest priority, because, as a plastic processing manufacturer, we use a wide variety of resins and chemical substances including PVC. As the activities for ISO 14001, we promote zero emission, reduction of CO_2 (carbon dioxide) and reinforcement of chemical substances. Especially, we contribute our remarkable reduction of industrial waste and CO_2 every year to reduce the total amount of them in the Company.

Industrial Waste



Promotion System

Environmental	Sectional Committee for Industrial Waste Management	Reduction of industrial waste, separating waste according to type and disposal
	Sectional Committee for Energy Management	Energy saving and reduction of CO ₂
Committee	Sectional Committee for Environmental Management	Measures against noise, environmental measurement, and observation
	Disaster Prevention Committee	Disaster prevention measures and evacuation training

Emission of Greenhouse Gas



FY2000 FY2001 FY2002 FY2003 FY2004 FY2005 FY2006 FY2007

Chemical Substances

		FY2	005	FY20	006	FY2007	
	Chemical Substances	Atmospheric Emissions (t)		Atmospheric Emissions (t)		Atmospheric Emissions (t)	Waste Transfer Amount (t)
1	bis-(2-ethlylhexyl) adipate	0.00	0.08	0.00	0.05	0.00	0.04
2	antimony and its compounds	0.00	0.18	0.00	0.11	0.00	0.06
3	chromium and chromium (${\rm I\!I}$) compounds *1	-	-	0.00	0.00	-	-
4	1,4-dioxane ^{*2}	1.70	0.0	0.48	0.00		
5	organotin compounds	0.00	0.17	0.00	0.10	0.00	0.08
6	toluene	93.00	0.07	6.50	0.06	5.30	0.07
7	lead and its compounds	0.00	0.24	0.00	0.18	0.00	0.17
8	di-n-octyl phthalate	0.00	1.10	0.00	0.55	0.00	0.45
9	bis-(2-ethlylhexyl) phthalate	0.58	4.70	0.63	3.10	0.60	2.30

^{*1} The duty of report arose in FY2006 because of over 1 ton consumption of chromium and chromium (III).

Prevention of Environmental Pollution

Waste	water froi	n the Sc	iitan	na I	Fact	ory	Ana	lyzed	date: Ju	ıly 26, 200	7	

Observing and Measuring Items	Standards by Law and Regulation	Environmental Standards	Actual Measurement
PH	$5.8{\sim}8.6$	6.5~8.5	6.9
BOD	25mg/l or less	2.0mg/l or less	2.0mg/l
SS	60mg/l or less	25.0mg/l or less	2.0mg/l
lead	0.1mg/l or less	0.01mg/l or less	under 0.005mg/l
dichloromethane	0.2mg/l	0.02mg/l or less	under 0.002mg/l

All items fulfill laws, regulations and our voluntary control.

According to laws, regulations and our voluntary control, we measure regularly items, including exhaust gas, wastewater, groundwater, noise, odor, radiation and dust.

Water Analysis of Wastewater from the Saitama Factory and Groundwater

According to laws and regulations, we analyze regularly wastewater from the Saitama Factory and groundwater. Those fulfill laws and regulations.

Groundwater Analyzed date: April 19, 2007

	Standards by Law Drinking Water- and Regulation Quality Standard		Actual Analysis			
			Well No. 1	Well No. 2		
cadmium	0.01mg/& or less	0.01mg/l or less	under 0.001mg/l	under 0.001mg/l		
chromium (VI)	0.05mg/l or less	0.05mg/l or less	under 0.04mg/l	under 0.04mg/l		
lead	0.01mg/l or less	0.05mg/l or less	under 0.005mg/l	under 0.005mg/l		
dichloromethane	0.02mg/l or less	0.02mg/l or less	under 0.002mg/l	under 0.002mg/l		
1,1,1-trichloroethane	1mg/l or less	0.30mg/l or less	under 0.1mg/l	under 0.1mg/l		

^{*2} The consumption of 1,4-dioxane was zero in FY2007.

Measurement of Noise around the Borderline of the Lot

We measure regularly noise, because the Saitama Factory is adjacent to a residential area.

Factory No. 1 Noise Measurement

Measuring date: November 27, 20	(E	Decibels)			
Measuring Point	1		3		5
Actual Measurement	50	47	48	50	48

Standard by laws and regulations: 55 decibel or less (daytime)

Factory No. 2 Noise Measurement

Measuring date: April 24, 2007 2:00 pm								
Measuring Point (1) (2) (3) (4) (5) (6)								
Actual Measurement	52	49	51	56	49	54		

*The actual measurement at measuring point No. 4 includes the external factor. (Noise of river water overflowing a barrage.)

Energy Saving Measures

We take measures regarding energy saving of facilities. Principally, the Engineering Department selects energy saving type facilities when installing or replacing the facilities.

As other measures, we, mainly the Sectional Committee for Energy Management, practice activities reducing uselessness by promoting energy saving activities at each section.

Safety and Health Activity

We promote the safety and health activities, including various education and training such as safety patrol and risk assessment, by complying with OSHMS* according to a management program which each section sets at the beginning of the fiscal year. Through promoting these activities, we are aiming for no industrial accidents. The active risk assessment activities at the Saitama Factory contribute to prevention of industrial accidents. The activity and progress of each section is reported at the Safety and Health Committee held every month. We grasp the progress and status of management through the internal auditing held several times a year by members of the Sectional Committee of internal auditing.

*OSHMS: Occupational Safety and Health Management System, whose goal is the improvement of safety and health level in each site in accordance with the Guidelines on Occupational Safety and Health Management System. It is the system to promote occupational safety and health management subjectively and continuously.

Safety and Health Committee

Safety and Health	Sectional Committee of Risk Assessment	Risk assessment activity, examination of facility safety
	Sectional Committee of Surveillance	Safety Voluntary Audit, Safety Patrol
Comminee	Radiation Safety Committee	Prevention of radiation hazard

Safety Patrol



Each section sets and achieves annual goals of risk assessment activity. We practice the activity not only by choosing problems in daily work but also by regular safety patrol at each section, and such activity gives us a positive outcome.



Industrial Accident at the Saitama Factory

Fiscal Year	01	02	03	04	05	06	07
Industrial Accident Leave Number of cases	4	6	1	2	1	0	1

Result of Risk Assessment

Fiscal Year	04	05	06	07
Number of assessment	106	112	122	148

Other Activities

We hold the emergency medical training program and fire drill several times a year by obtaining the cooperation of Fukaya-shi fire department as a part of the safety and health activities. On instructions of Fukaya-shi fire department, we participate in the training of indoor hydrant operation and have good results every year.





Local Communication by the Saitama Factory

The Saitama Factory, as a member of the local society, willingly communicates with communities through our cooperation and participation in various events. For example, participating in and supporting volunteer works and community events, giving neighboring citizens the opportunities of the factory tour, and giving students opportunities to experience actual work as a part of education.

Factory Tour

We gave 11 local high school students the opportunity of the factory tour and gave 24 local elementary school students the opportunity to experience actual work as an off-campus activity "the town exploration" in 2007. These students were amazed at our chemical plants that they have never seen before, and looked around the factory cautiously. In addition, while we explained our products, they listened with their interest.





Communities' Environment Beautification Activity around the Factory

As a volunteer activity, we clean the road from the factory to JR Okabe station, employees use it when they commute, twice a year and the area around the factory twice a month.

Support for Community Events

We willingly communicate with communities through our cooperation and participation in various events. We cooperated and joined various community events and adjacent areas' festivals for children in 2007; including the "Cosmos festival," "Okabe interchange carnival," "Fukaya city marathon," "Festival held by the Okabe chamber of commerce and industry," "Okabe area athletics meets" and ground golf.





Feature: Saitama Factory

Internship

We give college, university and graduated students the opportunity of internship to experience actual work at the factory and to let them know the manufacturing process of the plastic products. Moreover, we hope the internship will be their future reference to choose their occupation. We accepted six students in 2007.





We give consideration for people including neighboring citizens and employees and for the environment the highest priority and will continue various activities mentioned above.

The Mother Factory of Global Business Strategy RIKEN TECHNOS CORPORATION Mie Factory

Location	522 Sugauchi-cho, Kameyama-shi, Mie, Japan
Site area	53,019 m ²
Commencement of operation	December 1973
Number of employees	269 (as of March 31, 2008)
Business field	Compound, Film and Food Wrapping Film made from various thermoplastic resin including PVC
Certificate of ISO	ISO 9001 and ISO 14001

The Factory Policy

The prosperity of our customers is an essential treasure. We produce excellent products eagerly. Keeping everything in order is the ground rule of safety operation. We brighten up the workplace by complying with orders and rules.

Characteristics of the Factory

The Mie Factory is located in Kameyama-shi, Mie Prefecture, which is the roots of the Suzuka Mountains, and is abundant in nature and scenic spots. The factory is not only the manufacturing site for the western part of Japan but also the manufacturing and development site of products, mainly Thermoplastic Elastomer Compound, for automotive vehicles industries.

The factory also has the function as the mother factory of global business strategy.



The front of the office of the Mie Factory

Message from the General Manager of the Factory



Ken Yokohashi Associate Director, General Manager of the Mie Factory RIKEN TECHNOS CORPORATION

The Mie Factory is one of three manufacturing sites of RIKEN TECHNOS CORPORATION and is operated as one of the most important factories of RIKEN TECHNOS CORPORATION.

Recently it becomes absolutely necessary for a company to comply with the social order and rules including business ethics for the sustainable existence.

We practice not only manufacturing but also developing new products and production technologies. Around the factory there is abundant nature, but the factory is also adjacent to houses. We understand that it is necessary to duly consider the environment including neighborhood inhabitants for the sustainable operation of the factory.

We aim at using resources effectually, and at practicing continuously the following activities:

- 1) Reduction of industrial waste
- 2) Reduction of emission of greenhouse gas
- 3) Reduction of environmental management substances
- 4) Promotion of green procurement

In addition, we measure regularly wastewater from the factory, noise and dust around the borderline of the lot and analyze the measurement. We disclose such activities for the environment in the round-table conference with a committee of neighborhood inhabitants held regularly.

We report our activities regarding environment and safety that we have practiced since April 2007.

Environmental Preservation Activity

In the activities meeting the demand of ISO 14001, especially we practice reducing CO₂ and industrial waste and reinforcing the management of chemical substances at the Mie Factory. In particular for the reduction of industrial waste, the industrial waste represented 0.28% of total production. We practice several activities to achieve zero emission.

Industrial Waste



Chemical Substances

According to laws, regulations and our voluntary control, we measure regularly items, including exhaust gas, wastewater, groundwater, noise, odor,

All items fulfill laws, regulations and

Water Analysis of Wastewater from the Mie Factory and Groundwater We set stronger regulation than laws and regulations at the Mie Factory. According to our voluntary control,

we analyze regularly wastewater from the Mie Factory and groundwater. Those

fulfill our voluntary control.

radiation and dust.

our voluntary control.

Chemical Substances		FY20	005	FY20	006	FY2007	
		Atmospheric Emissions (t)		Atmospheric Emissions (t)		Atmospheric Emissions (t)	Waste Transfer Amount (t)
1	bis-(2-ethlylhexyl) adipate	0.00	0.33	0.00	0.41	0.00	0.24
2	antimony and its compounds	0.00	0.67	0.00	0.60	0.00	0.54
3	organotin compounds	0.00	0.02	0.00	0.03	0.00	0.03
4	decabromodiphenyl ether ^{*1}	0.00	0.01	-	-	-	-
5	lead and its compounds	0.00	0.42	0.00	0.52	0.00	0.34
6	di-n-octyl phthalate	0.00	0.55	0.00	0.36	0.00	0.35
7	bis-(2-ethlylhexyl) phthalate	0.76	11.00	0.66	9.80	0.76	7.90
8	boron and its compounds	0.00	0.01	0.00	0.02	0.00	0.01
9	maleic anhydride ^{*2}	-	-	_	_	0.00	0.01
10	2,3-epoxypropyl methacrylate ^{*2}	-	-	-	-	0.00	0.01

Prevention of Environmental Pollution

Wastewater from the Mie Factory

Observing and Measuring Items	Standards by Law and Regulation	Standards by Voluntary Control	Actual Measurement	Analyzed Date	
PH	$5.8{\sim}8.6$	6.5~8.2	8.2		
BOD	10mg/l or less	9.5mg/l or less	8.7mg/ℓ		
COD	160mg∕ℓ or less	20mg/l or less	6.6mg/ <i>l</i>	January 15, 2008	
SS	10mg/l or less	9.5mg/l or less	3.4mg/ℓ	Juliuary 13, 2008	
n-hexane	$1mg/\ell$ or less	0.6mg/l or less	under 0.5mg/l		
coliform group	1500/cm ³ or less	100/cm ³ or less	6/cm ³		
lead	0.1mg/l or less	0.01 mg/ ℓ or less	0.007mg/l	July 12 2008	
dichloromethane	0.2mg/l	$0.02 \text{mg}/\ell \text{ or less}$	under 0.02mg/l	July 12, 2008	

Groundwater Analyzed date: April 19, 2007

	Standards by Law and Regulation	Standards by Voluntary Control	Actual Analysis
cadmium	0.01mg/ ℓ or less	0.001mg/ ℓ or less	under 0.001mg/l
chromium (VI)	0.05 mg/ ℓ or less	0.005mg/ ℓ or less	under 0.005mg/l
lead	0.01mg/ ℓ or less	0.005mg/ ℓ or less	under $0.001 \text{mg}/\ell$
dichloromethane	0.02mg/l or less	0.001mg/& or less	under 0.001mg/l
1,1,1-trichloroethane	1mg/ℓ or less	0.001mg/l or less	under 0.001mg/l

We promote the progress management once every two months by the Environmental Measure Committee to maintain and improve these environmental preservation activities, and the clarification and improvement of issues by environmental patrolling mutually every section at the factory.



FY2000 FY2001 FY2002 FY2003 FY2004 FY2005 FY2006 FY2007

*1 It was not necessary to report in FY2006 because of below 1 ton consumption of decabromodiphenyl

*2 The duty to report arose in FY2007 because of over 1 ton consumption of maleic anhydride and 2,3-epoxypropyl methacrylate.

ether.

Measurement of Noise and Dust around the Borderline of the Lot

We measure noise and dust regularly, because the Mie Factory is adjacent to a regional area.

Measuring Point of Noise



Noise Measurement

Measuring date: November 29, 2007						(D	ecibels)		
	Measuri	ng Point	1	2	3	(4)	(5)	6	\overline{O}
	Actual	7:00 am	45	47	49	45	45	47	50
	Measurement	10:00 pm	46	48	49	47	45	45	50

Standard by Laws and regulations: 55 decibel or less (daytime)

Dust Measurement (Voluntary Control)

Measuring date: From January 9 to 30, 2008

	Outlier	Standard	Actual Measurement
The particle number of PVC at point No. 1 and No. 7	200 or more	100 or less	17
The particle number of PVC at point No. 4 and No. 6	500 or more	200 or less	34
The particle number of PVC at point A	100 or more	50 or less	16
The particle number of PVC at point B	100 or more	50 or less	12
The particle number of PVC at point C	100 or more	50 or less	7

Unit: The amount of dust per 25cm²

Energy Saving Measures

We, principally the Engineering Department, identify the inefficient facilities from all facilities and replace such facilities with the energy saving type at all times. We changed 49 mercury lamps, two compressors, and four air conditioners in 2007.

As other measures, we, mainly the Energy Management Committee, practice activities not only for the replacement of facilities, but also for the reduction of inefficiency by promoting energy saving activities at each section.

Safety and Health Activity

We promote the safety and health activities, including various education, training, safety patrol and risk assessment, by complying with OSHMS* according to the management program which each section sets at the beginning of the fiscal year. Especially, the risk assessment activity is promoted actively at the Mie Factory and it has contributed to the reduction of industrial accidents. The activity and progress of each



section is reported at the Safety and Health Committee meeting held every month. We promote the safety and health activities continuously by grasping the progress and status

Industrial Accident at the Mie Factory

Fiscal Year	01	02	03	04	05	06	07
Industrial Accident Leave	3	3	2	0	1	0	1

Result of Risk Assessment

Fiscal Year	04	05	06	07
The first half of the fiscal year	87	62	123	114
The second half of the fiscal year	36	34	158	130
Total	123	96	281	244

of management through internal auditing held twice in a year by member of the Sectional Committee of internal auditing.

*OSHMS: Occupational Safety and Health Management System, whose goal is the improvement of the safety and health level in each site in accordance with the Guidelines on Occupational Safety and Health Management System. It is the system to promote occupational safety and health management subjectively and continuously.

Safety Patrol

We promote the risk assessment activity, as one of the safety and healthy activities, in order to achieve the goal of a working place without industrial accidents by improving facility's problems and workers' working behavior, and practicing regular safety patrol.

Other Activities

As one of the safety and healthy activities, we practice the traffic safety patrol around the factory six times a year. Moreover, we

have a lecturer on traffic safety and training program about emergency lifesaving with the cooperation of the Kameyama Police Office and the Kameyama Fire

Station.





Local Communication of the Mie Factory

The Mie Factory, as a member of the local society, willingly communicates with communities through our cooperation and participation in various events, giving neighboring citizens the opportunities of the factory tour, and giving students opportunities to experience actual work as a part of education. We also hold a regular round-table conference with neighboring citizens. Through the discussion about not only environmental issues but also wide subjects, we gain their understanding of our business activities.

Factory Tour





We gave 30 local high school students the opportunity of the factory tour. These students were surprised to find that our products were processed as to utilization in various ways and served to enrich their life. In addition, as the Chamber of Committee and Industry of Kameyama introduces the factory tour at the Mie Factory in its guidebooks and website, we have visitors from everywhere in Japan.

Study through Actual Work Experience

We give the opportunity to study through actual work experience for local junior high school and high school at any time. Two junior high school students and two high school students in Kameyama and two high school students in Yokkaichi visited us in 2007.



Communities' Environment Beautification Activity around the Factory

As a volunteer activity, we clean the road around the factory and riverbed open space twice a year.



Support for Community Events

We willingly communicate with communities through our cooperation and participation in various events. We cooperated with and joined various community events in 2007, including the "Kameyama City summer evening festival," "Kameyama City Seki-shuku summer firework festival," "Kameyama City Ekiden relay," and a portable shrine for children in the neighboring community.







The Division Tapping New Markets RIKEN TECHNOS CORPORATION Gunma Division

Message from the General Manager of the Division



Tadayuki Sakurada Director, General Manager of the Gunma Division RIKEN TECHNOS CORPORATION

We practice various business activities on the basis of our group philosophy "Achieve a sustainable enhancement of enterprise value through fair and profitable business activity." Especially, RIKEN TECHNOS GROUP in a body practices the environmental preservation activity every day according to our environmental statement and policy and ISO 14001.

In accordance with such RIKEN TECHNOS GROUP policy, we obtained ISO 14001 in November 2006 and practice several activities actively; more specifically, (1) reduction of CO₂ (carbon dioxide), (2) reduction of industrial waste, (3) reinforcement of management of chemical substances, and (4) development of the environmental awareness products. We promote various activities; for example, energy saving activity, reduction of inferior products, productivity improvement, reduction of industrial waste by strict classification of industrial waste according to type, reinforcement of management of the chemical substances and reduction of utilization of specified chemical substances. We also aim to develop the environmental awareness products; for example, the product development without using chemical substances which we decided to restrict or reduce the utilization of such as organic solvent, and the sale of adiabatic or IR (infrared rays) cut film.

Moreover, we practice the environmental preservation activities regularly; such as water analysis of industrial wastewater, analysis of the gas emitted from the boiler, radiation measurement, VOC (volatile organic compound) measurement and noise and vibration measurement around the border line of the lot. Although the Gunma Division is located in an industrial area, it is close to a residential area. We consider the environment fully, keep close contact with the neighboring community and support the community events voluntarily.

We report our activities of environmental preservation and occupational safety and health. Please send us a frank opinion, and we would like to use such opinion to advantage in our division operation in order to gain understanding from society.

History



As the new factory of RIKEN TECHNOS CORPORATION in 30 years, the Gunma Factory began

construction in Ota-okino-kamitajima industrial area, Ota-shi, Gunma Prefecture in October 2004, in order to manufacture precise coating film in the clean environment. We started the operation in October 2005 and we have developed and made film for glazing and optical film experimentally. We could run optical film business favorably in April 2007, and we started to mass-produce and commercially manufacture optical film. In May 2008, the Gunma Factory changed its name to the Gunma Division as an independent division under the direct control of the President in order to react quickly to the precision film market, which is in constant flux, in collaboration with engineers, operators and sales staff.

Ota City, where the Gunma Division located, is in the northern part of the Kanto Plain and the southeastern part of Gunma Prefecture (139°E longitude, 36°N latitude), and it has a population of 210,000. The city, noted for mainly FUJI HEAVY INDUSTRIES LTD., is one of the leading industrial cities in the northern Kanto District.

Ota City was approved for its framework for a special zone of education in English in April 2003 as the first case of the special zones for structural reform by the Japanese government. The framework is as follows: Ota City and the private sector together will establish a school integrating three all levels, elementary through high school; classes are conducted entirely in English with the exception of national language class (Imagination Education in English). A lot of educators' eyes, not only Japanese but also overseas, are focused on this advanced educational framework.

In addition, there are many Chinese fried noodle houses in Ota. The Ota Tourist Association promotes the city as a "yakisoba (Chinese fried noodle) town" and Chinese fried noodles served in these houses in Ota are famous as "Ota Yakisoba (fried noodles)."



Reduction of CO₂

The sophisticated clean room maintenance is necessary to produce optical film in the Gunma Division. We promote improvement activity, mainly reducing energy (electricity and heavy oil) consumed by air conditioners to keep the clean room.

Energy Consumption		Monthly ave	rage in FY2007		
		Electricity (MHW)	Amount (thousand JPY)	Heavy oil (kℓ)	Amount (thousand JPY)
	Gunma Division	289.0	4,026	80.0	5,190
	Saitama Factory	2,621	30,285	186.0	12,126
	Mie Factory	3,067	32,488	100.0	6.519

Production and Amount of Emission of CO2





Target of Reduction

Progress of

Improvement

Reduce 5%	compared w	ith FY2007/	(daily consumption)
*FY2007 3-3	shifts work	FY2008 4-3	shifts work
Electricity	-2.0 MHW		
Heavy oil	-0.6kl		

The change of fuel from heavy oil A to town gas (From January to December in 2007)

- a.3 through flow boilers
- b. 1 heat accumulation device to eliminate odor c. Construction for setting the valve connecting to town gas in August 2008

Energy saving activity

- a.Change the combination exhaust air and combustion fan in the boiler house to inverter type
- b.Promotion of auto-lighting switch
- c. Rationalization of operation of device to eliminate odor
- Keep in-core temperature 500°C while standby mode
 Stop the device while cleaning the clean room
- d.Check the air conditioner's temperature in each clean room
- Corridor, corridor for maintenance, clean warehouse
- e. Rationalization of operation of dehumidifier system

In 2008, we will promote energy saving activity further, and productivity improvement and eradication of in-process defective products by fixing each film manufacturing condition.

Reducing Industrial Waste

In the Gunma Division, we practice improving activity to achieve the environmental purposes and targets on the basis of the environmental policy.

Gunma Division Environmental Purpose	Reduction of CO ₂	Reduction of Industrial Waste	Management of Chemical Substances	Development of the Environmental Awareness Products
Each section environmental target	•Energy saving activity •Reduce defective products •Improve productivity	•Reduce defective products •Reduce burnable waste by strict classification of industrial waste	 Reduce utilization of toluene Reduce keeping dangerous substances Manage MSDS (material safety data sheet) of raw materials 	 Develop one new environmental awareness product or more Promote the sale of the environmental awareness products

The Gunma Division, completed in August 2005, started massproducing some products and trial manufacturing two months after the completion, and started commercial manufacturing optical film in April 2007. The production is increasing favorably. Coming along with the increase of production, industrial waste is also increasing. Therefore, we promote following activities as the measures to reduce industrial waste.

- Reduce industrial waste by improving yield rates of production and film breadth with improvement of manufacturing process
- 2) Promote recycling material by strict classification of industrial waste
- 3) Sell industrial waste to the industrial waste dealer by opening a gate for new industrial waste dealers
- 4) Reduce industrial waste by simplifying packing to the extent available to reduce the packing materials

The amount of industrial waste was 1.6 tons in 2007, the same amount as 2006. The amount of recycling was 231.5 tons, an increase of 97.4% compared with 2006 (117.3 tons).

Recycling and Industrial Waste



Quality Assurance and Quality Control (QAQC)



We, the Gunma Division, established the QAQC system according to RIKEN TECHNOS GROUP quality policy, "produce highly reliable products by keeping 'customer first, quality first' in mind," and we manage quality control to meet customers' strict quality requirements.

We place a special inspector

at the coating process and we manage quality control on the basis of center value control by attributes testing simultaneous with production to examine the optical property which is the most important quality characteristic.

We set all products observation system by high-performance optical fault detecter and we produce excellent surface film.

At the shipment process, we examine the film surface of each production lot strictly by using a special light source.

At the performance inspection process, we analyze each property; optical property, physical property and adhesive property, to meet

customers' specifications. We will develop our statistical analysis by using data which we obtain through inspections mentioned above.

We aim to improve our product quality to meet customers' quality requirements and are making steady progress.



Reinforcement of Management of Chemical Substances

We manage chemical substances, all of the process from product development to industrial waste treatment in order to decrease the environmental load.

We select raw material by considering law and regulations—Law Concerning the Evaluation of Chemical Substances and Regulation of Their Manufacturing, etc., Industrial Safety and Health Law, and PRTR (pollutant



release and transfer register) system—uses, customers' requirements and policy of RIKEN TECHNOS CORPORATION.

We purchase the raw materials in accordance with our green product procurement to



prevent blending with chemical substances that we do not intend. We request suppliers to give us MSDS (Material Safety Data Sheet), analytical data of substances and certification concerning the raw materials we purchase to make sure the raw materials include no substances that we do not intend. If we find nonconformity with our requirements, we request suppliers to correct their materials and check their improvement according to our request for corrective action.

In accordance with the management mentioned above, we present new optical film for display in 2007 on the basis of the environmental awareness product standard* of RIKEN TECHNOS CORPORATION. We aim to develop the environmental awareness products continuously.

* The environmental awareness product standard of RIKEN TECHNOS CORPORATION: products do not include chemical substances restricted by Chemical Substances Management Guidelines.

Safety and Health Activity

We promote the safety and health activity in accordance with our safety and health management program.

Fail-safe and risk assessment of facilities, of operation, of working environment (workers' health), and of material (toxic substances)

2. Compliance with Laws and Regulations

We hold a Safety and Health Committee meeting every month, execute safety patrol, voluntary and legal regular safety inspection of forklift truck and crane, check the observance with laws and regulations, and measurement of working environment.

3. Safety and Health Education

Safety and health training for recruits and transferred persons, training program every month for employees



Each section has the safety and health management program and practice activity according to the program. We also promote improvement in health.

We have not had any industrial accidents from January 2007 to March 2008 (for a year and three months). But we had an accident in April 2008, fortunately the accident was so light that workers did not take any leave. We took a sound measure against the cause of the accident. We promote safety and health activity to achieve no industrial accidents.

For Customers

We always manufacture products from the viewpoint of customers by improving cost, quality, safety and service of our products.



sales staff, we provide our customers with innovative and safe products just in time.

The Gunma Division will

- 1 be a new excellent manufacturing site free from any prejudice and convention.
- 2 improve quickly in cost, quality, safety and service of our precision film including optical film.

In Conclusion

We promote development and sales of the environmental awareness products and energy saving products, and reduction of the environmental pollutant with the slogan, "Do everything through teamwork." We aim to contribute to society through our business activities. We are willing to establish a close relationship with the local community.



Social Responsibility

Corporate Governance and Compliance



RIKEN TECHNOS GROUP believes that the corporate social responsibility is the practice of our group philosophy "Achieve a sustainable enhancement of enterprise value through fair and profitable business activity," and promotes establishment of the system to ensure our foundation of all business activities, "fair business activity."

We set "RIKEN TECHNOS GORUP Code of Conduct" as a basic policy and "the Basic Policy on Internal Control System" as a specific guideline. We engage ourselves to establish a solid corporate governance system in accordance with these policies and guideline.

We aim to obtain understanding from society through active and appropriate disclosure while we are establishing such a system including corporate governance education.



Corporate Governance Philosophy

The chart shown on the right is the RIKEN TECHNOS Corporate Governance System.

RIKEN TECHNOS GROUP Code of Conduct

企業行動規範

● 個人情報の保護に十分配慮し、顧客の満足と信頼を獲得します。

4 ひとり一人の従業員を尊重し、安全で働き易い環境を確保します。

2 公正・透明・自由な競争ならびに適正な取引を行います。

3 企業情報は、積極的かつ公正に開示します。

環境問題に自主的・積極的に取り組みます。 6 社会貢献に積極的に取り組みます。

反社会的勢力には断固として対決します。 8 国際的な事業活動には、国際ルール・現地の法律を遵守します。

7

RIKEN TECHNOS GROUP established the "RIKEN TECHNOS GROUP Code of Conduct" in April 2005. We declare that all directors and employees promote business activities in accordance with laws and regulations, social norms and internal rules. We also declare that we

RIKEN TEG	リケンテクノスグループ企業行動規範
公正な) 私たちは	基本宣言 私たは、この企業行動規範を遵守し 鏡やや適正な取引を通して企業活動することを誓います。 、この企業行動規範に反するような行為を見つけた場合は、 すみやかに適切な報告を行い改善に努めます。
署名日	
従業員署名	

direct all our energies to establish the business ethics of RIKEN TECHNOS GROUP and the compliance management system.

In addition, we also made pocketable cards summarizing the Code of Conduct. Each employee carries the card with him/her, and practices the Code of Conduct to gain reliance and sympathy from society.

Adjustment of the Management System in Accordance with Basic Policy on the Internal Control System

RIKEN TECHNOS established "RIKEN TECHNOS GROUP Code of Conduct" as a basic policy in order to secure reliance of society and respond to corporate social responsibility, and declared that we run our business through fair competition and trade. While we have urged establishment of the Code of Conduct all over the Group, we set "The Basic Policy on Internal Control System" in May 2006 to fulfill what we declared. We are adjusting our management system in accordance with this basic policy.

Since "The Basic Policy on Internal Control System" covers a wide variety of items to be accomplished, we picked up the following items as the top priority.

 System to ensure the performance of directors' and employees' duty in compliance with laws and the Articles of Incorporation 	While all directors make giving our business activities a top priority known to all employees, to observe the Code of Conduct and to ensure the performance of their duty in compliance with laws and the Articles of Incorporation, the Compliance Committee manages all over the Company, the department in charge of legal affairs gives all directors and employees instruction in necessity of compliance with laws and regulations, and we establish the Anonymous Report System. In addition, we declare that we exclude a relationship to antisocial organizations decisively.
2. Rules and systems for risk management	We establish the Total Risk Management Committee, chaired by the President, in order to prevent the occurrence in advance and reduce the influence of specified seven risks among various potential risks in our business activities which exercise a great influence on the management and we are considering how we act if the risks could occur.
3. Systems to ensure the appropriateness of business operations of RIKEN TECHNOS GROUP	The department in charge of corporate planning has the responsibility to instruct to establish Basic Policy on the Internal Control System in the whole group and to let the group companies have the same information in quality and quantity so that all of our group can ensure the appropriate business operation.
4. System to ensure that audits are executed independently and effectively	The Corporate Auditors confirm that the material decisions are made appropriately through the attendance at important meeting and examination of the minutes of these meetings and the written applications for a approach both of which are automatically submitted to them. In order to establish the system to ensure that the audits of the Corporate Auditors are executed effectively, the Corporate Auditors arrange meeting with the Representative Directors regularly to exchange ideas and information with each other, and are entitled to make interviews at any time with any directors and employees at discretion. The Audit Office, established in April 2004, takes charge of the internal auditing. Owing to achieve the purpose of Internal Control, such as "Effectiveness and Efficiency of Operations," "Reliability of Financial Reporting," "Compliance with Applicable Laws and Regulations" and "Safeguarding of Assets," mainly from the point of view of six elements, namely "Control Environment," "Risks Assessment," "Control Activities," "Information and Communication," "Monitoring" and "Use of IT."

Incident of Fireproof Film

Anonymous Report System

Information Security

In the process of making a report on an investigation by the Japanese government, Ministry of Land, Infrastructure, Transport and Tourism about actual conditions of approvals for the structure and the mechanics concerning fireproofing in 2007, we found that one of our films corresponded to an item of the investigation "sold the product which had the different specification from the one which the Minister had approved." The matter was that we have sold the approved film with the different width from the approval. It came from our mistake that we have forgotten to make an application for fireproof film with the width concerned to the Ministry. We disclosed the matter on our website immediately. After receiving the fireproof certificate from the authorized test institution, we newly applied and got the approval for the film concerned from the Ministry. We regret that our mistake resulted in offending against our compliance system. We strengthened our compliance management to prevent such a matter from happening again.

RIKEN TECHNOS set the Anonymous Report System in April 2005. Through the anonymous report hotline direct to the Audit Office, our employees can easily report or consult about any suspicious activities contrary to laws and rules and regulations including "RIKEN TECHNOS GROUP Code of Conduct." To prevent informers from suffering any disadvantage, anonymity and privacy of the informers are strictly protected.

While Information Technology, such as the Internet, has been progressing noticeably, the risks, for example, leaking of important information including the personal information and the illegal access form outside, have been increasing.

RIKEN TECHNOS tries to minimize such risks by means of the following but not limited to; double passwords login system of PC; access permission according to the importance of data; encryption of data, if necessary. In addition, we have installed the latest protection system against illegal access from outside.

To practice personal information protection, we set "Basic Provision of Personal Information Protection" according to the Personal Information on Protection Act in Japan enforced in April 2005.

Relationship to Customers and Business Partners

For Our Customers

Product Quality Assurance

RIKEN TECHNOS regards the assurance of products' safety and quality as one of the most important issues for us as a manufacturer. The needs of safety and quality have been increasing more and more and varying greatly. We make certain of the assurance of chemical materials that we are using and pursue manufacturing to increase customers' relief and satisfaction.

We introduce the mechanism of ISO 9001 all over the group by cross-sectional method. Each production site has its own QA/QC (Quality assurance/ Quality Control) Section which pursues the quality control in a whole process, such as the grasp on customers' request for the products' quality, designing, production and products delivery. Additionally, we are striving to improve products' quality by holding the Quality Improvement Committee per production site or division every month to control defective products and the state of practicing improvement measures.

The Production Liability Law in Japan was put in force in 1995 and we have been taking various actions, mainly under control of the Product Safety Committee, to assure the safety of our products further.

In developing new products we focus on reduction of environmental load using for example, new materials suitable for recycle.

Supply Chain Management

We promote the establishment of solid environmental management system and quality management system including supply chain management by obtaining our business partners' cooperation in order to supply safer and more reliable products to our customers.

We audited 22 business partners—raw material supplier, processing deal agreed manufacturer, shipper, industrial waste dealer—on quality including environment in cooperation with them in 2007.

Especially, raw material suppliers inform us of the information regarding chemical substances in accordance with our green procurement criterion. And we inform our customers such information timely and properly.



Purchase Policy	To supply products which fully satisfy customers' requests, it is necessary that our business partners including our suppliers make effort for quality improvement, cos reduction as well as innovation of technology just as we do. Through this cooperation, we and our business partners can create good partnership based on mutual trust, which brings, I believe, both parties development and prosperity.	
	 Fair Purchase Trade and Selection We are dealing with our business partners in an equal playing field, offering them unprejudiced, fair and open bid occasions. Ordinarily, we purchase from multiple correspondents. Creation of Partnership We respect human dignity and endeavor not to differentiate unfairly based on a good relationship with correspondents. Observance of Relevant Laws and Self-management In purchase affairs, we observe the social and relevant laws and regulations by paying enough attention to the treatment of the mutual secret matter. We purchase materials in accordance with the green procurement standards we have set, in terms of environmental preservation. Correspondents' Conditions 	
	We consider following conditions of our correspondents in case of a purchase. "Technical Potential"— the state-of-the-art in technologies, manufacturing capacity and sales force "Competitiveness" — price, stable supply and proposal to cut costs "Management"— management conditions, affiliation, the position and reputation in the industry segment and cooperation on sales of our products	
Purchase System	The Purchasing Department in the headquarters and the Purchasing Section in each factory take charge of the purchasing affairs. The Purchasing Department purchases various kinds of materials, such as raw	

materials, fuel and packaging materials.

The Purchasing Section at each site purchases materials each factory consumes, such as consumable goods and stored goods.

Additionally, each Purchasing Section arranges equipment purchase with each factory, however the Purchasing Department negotiates on the price when it exceeds some extent with the high-priced equipment of all purchase.

Relationship to Shareholders

General Shareholders Meeting

Information Disclosure

The State of Shares

(as of March 31, 2008)

(as of March 31, 2008)

Shareholders Distribution

We hold a general shareholders meeting in June every year. We regard a general shareholders meeting as the occasion of candid dialogue between the shareholders and our Executives.

Accordingly, we strive to answer questions from shareholders precisely and explicitly to facilitate their understanding of RIKEN TECHNOS.

We always appropriately practice prompt, precise and fair information disclosure from the shareholders' and investors' point of view. We try disclosing actively beyond the disclosure

standards of the Tokyo Stock Exchange to increase their understanding of our business activities and strategies. Also, we have pages for finance and IR on our website, and promptly put the information, such as the

website, and promptly put the information, such as the financial statements and the material for timely disclosure, on it after disclosure (press release).

We disclosed the outline of our new three-year business plan, "Plan ff Phase II," and put it on the website in 2006.



The total amount of issuable shares236,000,000The total amount of issued shares66,113,819The number of shareholders5,815

Annual Report



Basic Policy on Distribution of Profits

For the benefit of our shareholders it has been our basic policy to pay dividends stably and continuously. Regarding distribution of the profits including purchase of our own stocks, it is decided through our board meeting to fulfill both requirements, namely, benefit of our shareholders and sufficient foundation for further investment.

Fiscal Year	Di	ividend Per Sha	Payout Ratio	Dividend on Equity	
(Record Date)	Mid-term	End-of-term	Annual	(Consolidated)	Ratio (Consolidated)
FY2004 (The end of March 2005)	JPY 3.00	JPY 3.00	JPY 6.00	43.0%	1.2%
FY2005 (The end of March 2006)	JPY 3.00	JPY 3.00	JPY 6.00	25.1%	1.1%
FY2006 (The end of March 2006)	JPY 3.00	JPY 5.00	JPY 8.00	21.2%	1.4%
FY2007 (The end of March 2007)	JPY 4.00	JPY 4.00	JPY 8.00	49.5%	1.3%
FY2008 (The end of March 2007)	JPY 4.00	JPY 4.00	JPY 8.00	-	1.4%

Local Communication of Our Sites

RIKEN TECHNOS GROUP promotes various activities for the coexistence and the coprosperity with the neighboring society of its each site.

We aim to obtain the understanding for our business activity from neighboring societies through round-table conference, factory trip, environment beautification activities around factories and support for community events. We give students opportunities to experience actual work as a part of education. We hope that their experience contributes to broaden their social horizons.

Activities of our affiliated companies in Japan: SHINKO ELECTRIC WIRE CO., LTD. participated in various events held by Iruma City—for example, a road safety campaign and festivals—and cleaning activity in the industrial park through the industrial park conference which SHINKO ELECTRIC belongs to; KYOEI PLASTICS MFG CO., LTD. participated in a fire brigade in the Shirakawa Factory, supported and sponsored for a neighborhood association of juvenile wholesome cultivation in the Ibaraki Factory; and M-I CHEMICALS CO., LTD. belongs to the regional industrial estate conference and participated voluntarily in an environment, safety and health activity held by the conference.

Activities of our overseas affiliated companies: RIKEN (THAILAND) CO., LTD., in Thailand, promoted the environmental protection activity as a member of "ecology project" promoted by the Ministry of Technology, Bangkadi City and Bangkadi Industrial Park; P.T. RIKEN ASAHI PLASTICS INDONESIA, in Indonesia, participated in various activities—mainly in the industrial park including factory tour—and the environmental and social activity in the Bekasi area; and RIKEN ELASTOMERS CORPORATION (REC), in the US, hosted the leadership team from the local high schools. This group of high school students from four area high schools visited the REC's facility and participated in plant tours and a question and answer session following presentations by the President and Vice President of REC.

Donation of Tubes for the Kidney Dialyzers

RIKEN (THAILAND) CO., LTD. donated 174 sets of tubes for the kidney dialyzers to the Pathumthani hospital in Pathumthani in December 2007 where the headquarters and factory are located. The tubes are used for the kidney disease patients who can hardly receive continuous medical treatment for economical reasons. The company donates the tubes every year.



C o m m e n t

Yoshitaka Okochi Managing Director RIKEN (THAILAND) CO., LTD.

The medical compound is one of the primary products of RIKEN (THAILAND) CO., LTD. We donate the tubes every year in collaboration with our customer buying our medical compound. Yoshitaka Okochi (in the front row, the first from the left)





Donation to the Sichuan Earthquake

To the Sichuan earthquake occurred on May 12, 2008, SHANGHAI RIKEN TECHNOS CORPORATION donated purse of the company and the employees together through the Red Cross, RIKEN TECHNOS (JIANG SU) CORPORATION donated purse of the company through the local government.

Our sympathies are with the devastated victims. We hope that the devastated victims and area rise from the disaster soon.

Social Contribution by the Employees' Voluntary Activities

In the US, the employees of RIMTEC CORPORATION support the fund-raising campaign "The United Way* of Burlington County Campaign" and they contribute to it every year. The 40 nonprofit institutions organize the campaign and they distribute the fund-raising to the health for individuals and the social services.

RIKEN ELASTOMERS CORPORATION (REC) is also a strong supporter of the United Way. REC had 100 percent employee giving for the 2008 campaign. REC received several awards from the United Way, one of which was the Best New Campaign Award.

*The United Way: a large US charity, established in 1918, with branches in nearly 1,500 cities and towns. It has campaigns once a year to collect money which is then divided among local charities and organizations.

Internship

We give students of universities and graduate schools the opportunity of internship to let them obtain a sense of intimacy with chemical industry through the experience of the manufacturing process of the plastic products. They can enjoy manufacturing by processing resins. Also, it is a good occasion for them to learn the attitude as a member of society and a research engineer through the communication with our research engineers.

In foreign countries, RIKEN TECHNOS (JIANG SU) CORPORATION in China also accepts internship students. (One probationer was trained from June 2005 and another probationer has been training from April 2007.)

<mark>C</mark> o m m e n t

Takashi Ori Personnel Group, General Affairs Department RIKEN TECHNOS CORPORATION

The characteristic of our internship program is, through making some of our products, the participants have the chance to feel what it is like to

work in R&D. Also it is a great educational experience for

employees by teaching the participants.



Takashi Ori (in the front row, the first from the right)



Trade Fair and Exhibition

We regularly participate in the various exhibitions held in Japan and foreign countries in order to introduce our products worldwide. For example, we introduced our products in the exhibitions in Japan in 2007: the Compound Division, "AUTOMOTIVE ENGINEERING

EXPOSITION 2007", "SEMICON JAPAN 2007" and "INTERNEPCON JAPAN 2007"; the Film Division, "JAPAN TEX 2007" and "JAPAN SHOP 2007."





INTERNEPCON JAPAN 2007

AUTOMOTIVE ENGINEERING EXPOSITION 2007

International Contribution

We had dispatched our engineers to our foreign affiliated companies and the local company in Thailand to support their production technologies improvement and audit their production lines. We consider the technical support and training for local staff by our engineers dispatched contribute to improve the production technology and production efficiency of the companies, which in turn contribute to develop the industry in the countries.

C o m m e n t

Shinji Sakakibara Group No. 1, Engineering Department RIKEN TECHNOS CORPORATION

One of the tasks of Group No. 1 of the Engineering Department I belong to is the technical support for our affiliated companies in Japan and foreign countries. I supported the new production line installation in RIKEN (THAILAND) CO., LTD. (RT) in collaboration with staff of RT and the local engineering company. It was my first business trip abroad.

In the process from construction to commercial manufacturing, I tried to instruct the local staff not

only about the instruction of each device, but also about the purposes, importance, timing,

- procedures and definite standards of each device along the schedule of the new production line
- installation.

Shinji Sakakibara (center)

Although I could not speak English and Thai

well, I think I could communicate with the local staff through working together.

I stayed in Thailand almost for a month from before the completion of the construction to starting the production. We could install and start the operation of the new production line according to schedule without any industrial accident and injury by the efforts of the staff of RT and dispatched engineers of RIKEN TECHNOS.

I will retrace this business trip, think "What am I lacking?" and then I will use this experience in my work from now.



Concept of Human Resource Development

A progress of a firm comes from how each employee develop oneself. The personnel group adopted a slogan "We support employees who aim to develop!" and we support those who are making effort to develop themselves, which in the end, brings us a total progress to our group. To accomplish our goal of mutual progress between the company and the employees, we carry out private interviews with many employees, in order to understand thoughts and wishes of



each person and to reflect their ideas to generate a motivating atmosphere in the company.

Also we put up three important elements of a model employee: "autonomous" "creative" "practice" and introduced so-called "Role-Action-Evaluation" in the human resource system so that employees are able to develop themselves through their roles in the work place.

Through these activities, each employee will develop and with the strengthened human resources, we will achieve the goal of our medium-term business plan "Plan ff Phase II" to be a high-value-added corporation.

Personnel Group, General Affairs Department RIKEN TECHNOS CORPORATION

Enlargement of Employees' Ability Development Support System

We integrate our previous ability development system into "RIKEN TECHNOS training program." This program is composed of four education systems; classified the trainings by age and post, "Level"; fulfilling individual career forming by enhancing professionalization, "Job description," "Purpose" and "Preference."

We decided the slogan "We support employees who aim to develop!" and to concentrate on the classified trainings "Level" and "Preference."

RIKEN TECHNOS Training System



We have started "management training for managerial posts" targeted for managerial posts since April 2007. We support them to enhance "leadership ability" and "subordinates instruction ability" to cultivate their roles, responsibility and knowledge which they should have acquired as the managerial posts in order to keep on winning in the extremely changing management environment.

Occasion for Starting Up Employees

We have introduced the so-called Mentor System since April 2006 to support our recruiting more efficiently. A Mentor, appointed among our employees whose working career is between two and eight years, takes care of them not only in working but also in the private lives. On the other hand, this program gives a good opportunity for a Mentor to develop herself/himself.

Overseas Language Training Program

While globalization of business is expanding, we have started since April 2007 the overseas language training program to develop employees who could promote the business globally. The employees on the training are striving to acquire the ability of English and cross-cultural communication at the language schools and our affiliated company in the US.

C o m m e n t

Tomohiro Takahashi Architectural Materials Development Group Film R&D Center RIKEN TECHNOS CORPORATION

I had been to the town called "Ann Arbor" in Michigan in the US from September 7, 2007 to December 23, 2007 for overseas language training. The town is located in the west of Detroit which is well known as a Motor City and it takes about an hour by car from Detroit city. There is heavy snow during winter season because of the cold winds coming from the Great Lakes.

During this training term, English lessons were held every day until morning to evening in the language school. For sure at the first time English surroundings was quite difficult. The reason for this is that you can imagine things you hear and you speak was all in English. It takes about two weeks to get used to the surroundings. Then linguistic barriers were eliminated, and English could be spoken automatically. In my case, a lot of useful words and expressions for business situation could be learned through the tutorial sessions. This tutorial session was individual program, including discussion and writing English essays every day.

On the other hand there were many difficulties for living, particularly in acquiring the study environment and internet access. In contrast these issues improve my English skills through solving problems by cooperating and dealing with my



friends and my roommates.

Although the main purpose of this language training was improving English skills, the importance of voluntarily effort for solving problems was learned. One significant spirit to make new living in different countries was intention which is "To be active!" Additionally, self-assertion was necessary to take advantages in American environment in which "No assertion brings no win."

While my staying in the US, I had the opportunity to visit one of our US material supplier. Presentations and discussions were given from each side about base material which we normally applied for our foil products. It was great chance to realize several problems in both sides during meeting and experiment.

Precious thing, of which I learned in the training, absolutely be applied to my work from now on. It was a great pleasure for me to have this overseas training.

The Development of the Overseas Local Staff

We have actively cultivated overseas markets since establishment. We have aimed to achieve penetration of the RIKEN TECHNOS brand and have built a solid foundation for overseas businesses. For the future step of "Globalization of PVC Product Business," one of the targets of our medium-term business plan, it is essential that the overseas local staff understand completely our philosophy on the quality and manufacturing.

We hold training for overseas local staff in our factories and R&D centers in Japan every year.

From September to October, we trained three Thai staff of RIKEN (THAILAND) CO., LTD. in the Saitama Factory. And recently, in May 2008, we trained a US staff of RIKEN ELASTOMERS in the Mie Factory. It also a good opportunity for the employees of RIKEN TECHNOS, since they are motivated through training the local staff from the overseas affiliated companies in spite of deference of mother tongue and culture.

Comment

Toshihiko Miyamura Compound Production Section No. 2 Mie Factory RIKEN TECHNOS CORPORATION

We receive many trainees from foreign countries in the Mie Factory as a mother factory of overseas affiliated companies. And we visit affiliated companies to instruct the local staff in production technology.

We received a trainee from RIKEN ELASTOMES CORPORATION (REC) in May 2008 The Compound Production Section No. 2

produces Thermoplastic Elastomer (TPE) compound of which market is increasing, and has the function of expanding our TPE compound production technology to our overseas affiliated companies. It was the third time receiving trainees form REC and total four trainees from REC have been trained in the Mie Factory.

I mainly instructed a trainee this time. I always feel the difference of the culture and the national

character, when we receive trainees from foreign

countries. Though the phrase is often used, I really



Toshihiko Miyamura (in the front row, center)

felt that through the instruction. I think the thorough training with the understanding of the differences of the culture and the national character each other leads to the improvement of production technology. I hope the trained staff in Japan will become the nucleus of the overseas affiliated company and improve their production technology remarkably in the future. We also aim to improve our production technology so as not to be gotten ahead of by them.

I believe that working hard by competing with RIKEN TECHNOS and our overseas affiliated companies each other leads to the development of a whole of RIKEN TECHNOS GROUP.

C o m m e n t

Tim Farmer Production Supervisor RIKEN ELASTOMERS CORPORATION

I visited the RIKEN TECHNOS Mie plant on May 17–25. My goal was to see plant operations and production processes in order to gain knowledge to help further the growth of the RIKEN ELASTOMERS plant in the US. I have the greatest respect for all the RIKEN TECHNOS employees. Everyone was nice and treated me great. The teamwork and dedication that the RIKEN TECHNOS employees have is fantastic. It was my first trip to Japan, and I want to thank everyone who Tim Farmer (the second from the left)

helped to make my trip a great one. I will have to say that I was

amazed at how different the culture was. I want to personally thank RIKEN TECHNOS for allowing me to visit such a great company and meet so many nice people. I hope to use what I learned during my time in Japan to help make RIKEN ELASTOMERS CORP. a better company. I am honored to work for such a great organization.



Topics

RIMTEC CORPORATION in the US was awarded a grant for its customized training programs from the New Jersey Department of Labor.



Atsuo Shinoda President/COO RIMTEC CORPORATION

RIMTEC CORPORATION has been established since 1990. As RIMTEC's basic policy from 2000 to the present, we develop our customized training programs every year, the purpose is to improve the performance of our company by training our employees, and having them implement skills and competencies throughout the organization.

Through the theme we put great emphasis on developing different customized training programs every year to improve and enhance employees' skills in order to achieve the targets set. We basically (1) identify and set each target for the company,

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History of RIMTEC CORPORATION Training



division/department, and individual; (2) know and are responsible for achieving each target; (3) introduced and implemented the PDCA cycle; and (4) monitor, strengthen, and check our PDCA cycle. Each year we set our training programs, and our training objectives for our Executives, Managers/Supervisors, Non-Managers/Supervisors, and Union.

At the base of our training programs there is our philosophy: we offer employees training programs that provide high quality training to enhance skills, and knowledge to improve performance. We want our employees to contribute to the company for the long term in order to build a solid company. We believe, the key factor which makes a company strong and efficient is that each employee puts a high value on the organization. We believe in developing and building our employees' skills and knowledge each year to contribute to our bottom line.

We have received from the New Jersey Department of Labor our customized training grants twice in order to enhance and develop our educational programs for our employees.

Reaction to the Law for Measures to Support the Development of the Next Generation

We set the first-term action plan as follows according to "the Law for Measures to Support the Development of Next Generation" (the Next Generation Law) which came into force in April 2005.

Leave-of-Absence for Child Care System

The employees are entitled to take the leave-of-absence for child care within two years (the legal standard is one and a half years) and the male employees also can take it. We extended its term so that their children readily enter nursery schools.

Additionally, we regard the first three days as paid leave so that male employees take easily this system.

The State of Taking the Leave-of-Absence before and after Childbirth and for Child Care

Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
Number of employees	0	1	1	1	0

Child Care Short-Time Work System

The employees taking care of their children can shorten their working hours down to six and a half hours a day. They can choose the way of working according to individual circumstances including domestic reasons and the nursery schools. This system is available until children go to the elementary schools from this year on.

Topics

Interview with Working Mothers

Interviewees:

Naomi Hattori (NH) Quality Assurance Section, Mie Factory, RIKEN TECHNOS CORPORATION)

Mami Mizukoshi (MM) Quality Assurance Section, Mie Factory, RIKEN TECHNOS CORPORATION

TM: Thank you for your time. I planed this interview to develop the Leave-of-Absence for Child Care System and to create the working place where women can work easily by giving the Company feedback about the opinion of taker of the leave-of-absence for child care.

Both of you have two children. Did you take the leave-of-absence for child care twice?

- NH: I took it only once, when I give a birth to my first child. I took the leave-of-absence before and after childbirth for my second child. My parents' house is near my house, so my parents took care of my children.
- MM: I took it for both of my children. The first, I have been absent for a year. The second, I have been absent for two years by taking the leaveof-absence for child care system for a year and a half and leave-of-absence for the general reason for half a year. I could take care of my second child by myself longer than my first child. I felt that to bring up children to some extent makes children strong. As a result of that, it is easy to bring up children.
- TM: It is amazing that you felt such differences while you brought up your children. By the way, did you have any anxiety on the occasion of taking the leave-of-absent for child care?
- NH: I could hardly have information about the Company. When I went to the office, I was confused because of the personnel transfers and change of systems during my absence.
 Especially, I was much confused about the ISO system introduced into our office during my absence.
- TM: ISO is one of the most important issues for us as a manufacturing company. I understand that it was very hard for you to treat ISO without enough information and knowledge at that time. And I also understand your position. Everybody will be surprised, if they do not know the personnel transfers or change of systems that have occurred during their absence. Though it is difficult to inform every change during the absence, for example, is it better to send the person on the leave-of-absence our in-house journal printed from our intranet?
- MM: The in-house journal on the intranet was started during my recent absence. Only sending the

Interviewer:

Tomomi Matsumaru (TM) Corporate Plannning Office, RIKEN TECHNOS CORPORATION





(Left) Naomi Hattori (Right) Mami Mizukoshi

Tomomi Matsumaru

in-house journal is better than before. During the leave-of-absence for child care, it is difficult to obtain any information about the company.

- TM: Thank you for your valuable comment. I will provide the departments concerned with feedback on that. Though we will be on a different topic from the leave-of-absence for child care, what do you think is the most important point for the compatibility of work with child care?
- MM: I think it is difficult to work without my parents' support. I can ask my parents to take care of my children while I work, because my parents' house is near my house. But there are many women who cannot work, because they do not have such a working environment.

In addition, obtaining understanding from family is important and obtaining understanding and cooperation from colleagues at work is also very important.

- NH: I cannot work without my parents' support, either. If the company gives us half-holidays, it will be a great help for the compatibility of work with child. We cannot work flextime in some cases.
- MM: I think so too.
- TM: It will be an agenda to discuss in the future. Lastly, please give a word of advice to the person who will take the leave-of-absence for child care in the future.
- NH: I hope male employees will use the leave-ofabsence for the child care system. It might be a good opportunity for the father to understand the difficulty of child care. I wish them to be a strong supporter of the compatibility of work with child care.
- MM: I hope so, too. I understand it is difficult to take the leave-of-absence for child care system for male employees, though. In addition, I hope female employees also will take this system actively and will continue their career in the Company.
- TM: Lastly, I want to thank all of you for your cooperation. I, as a person who takes charge of CSR and as a woman, will give the department concerned feedback about this interview and I will work on the Company to develop the child care support system.

Re-Employing System

To hire the skilled employees who are willing to work after our official retirement age of 60 years old, both parties find an apparent merit; for a company, because of technology and knowhow that they have acquired and for the employees, because of stable income. Therefore we have introduced the re-employing system which is applied for those employees. However, the application of this system targets those who are 63 years old now, so we are planning to extend the age to 65 years old finally in accordance with the guideline of the law.

Diversity of Employees

We respect the diversity, personality and individuality of employees, and consider human rights and giving equal employment opportunities. We practice various activities that female employees can be active in business. But regrettably, we, except our affiliated companies, do not have any female managers and directors now.

C o m m e n t

Sayaka Yoshioka Planning & Design Group Film Planning & Management Department Film Division RIKEN TECHNOS CORPORATION

I belong to the Planning & Design Group of the Film Division. I mainly frame an idea of new products and make a presentation on our products and conduct market research. I often make a Sayaka Yoshioka (the second from the left)

business trip not only in Japan but also to foreign countries. I struggle with my tasks everyday to meet our customers' demands.



C o m m e n t

Reyrey Son

Overseas Sales Group Overseas Film Sales Department Film Division RIKEN TECHNOS CORPORATION

I came to Japan from Changchun, Jilin, China to study abroad about seven years ago. After graduation from university in Nagano, Japan, I entered RIKEN TECHNOS CORPORATION in April 2007.

After in-house training at a factory for three months, I was assigned to the Business Management Group of the Film Division and I have learned about the Film Division there through practicing my job.

Since I was transferred to the Overseas Sales Group of the Film Division in January 2008, I have been bending to my task as the only female sales representative of the company.

Here, I experienced the difficulty of the sale of our film products after I understood their complicated production process, because I have not mastered



Japanese at the same level as the native Japanese yet; and besides my subject in university was human sciences.

I believe that I can overcome difficulties by enjoying working. I always receive the support and encouragement of my superior and colleagues who act as an encouragement to me to enhance my performance, so that I have decided to continue working here vigorously.

While globalization is proceeding further, our company channels its energies into foreign operations. I fix my eyes on the large market in China. I continue working hard to fulfill the expectation of the company and I want to tap the Chinese market by myself in the future.

Awards System

We have introduced the Internal Award Rule and the Award & Compensation System which awards and compensates our employees for their innovative proposal and invention.

In 2007, the working amelioration proposals are 778 in the Saitama Factory and 1,603 in the Mie Factory. The working amelioration proposals are connected with the uplift of the employees' eagerness for a amelioration.

Additionally, the following awards were presented in 2007; three awards were given for contribution to the business performances and 18 awards for contribution to developing new products.



We are the group of manufacturers that process various plastics. We implement the environment management at a high level, not only by obeying the laws and the regulations relating to chemical substances control but also by setting our own criteria and objectives. We are aiming at contribution to global environmental maintenance through achieving the objectives, for example, reduction of environmental load at every stage from product design until production and delivery, reduction of CO_2 emissions and industrial waste. In addition, we are making efforts to get comprehension of the stakeholders, especially regional residents around our factories by disclosing actively the performance of our activity.

Management Basic Policy of Environment

Our basic policy is "the high value added nature of business based on the high processing technology" as a Material Solution Supplier that provides customers for solution of themes with the fusion of our accumulated processing technology and new technology.

In addition, through the company activity harmonized with environment, we are thinking of becoming a enterprise that all stakeholders can put confidence in, with our contribution to realization of an affluent society.



Environmental Statement and Policy

Environmental Statement

As a plastics processing company, RIKEN TECHNOS values environmental harmony by proposing materials and processing technologies that will maintain the earth's environment.

Environmental Policy

RIKEN TECHNOS has designed an environmental management system which allows concrete execution of its following principles.

- (1) In business, RIKEN TEHCNOS not only observes all environmental regulations and mutual agreements but also sets own rules and regulations voluntarily in order to improve the environmental management levels and the prevention of the environmental pollution.
- (2) After securing the safety of raw materials and the chemical substances, RIKEN TECHNOS supplies the market with various plastics which are environmentally aware, for example, energy conservation and resource-saving products.
- 3 In order to lighten the environmental load, RIKEN TECHNOS endeavors to reduce inefficiency as possible, develop more effective production system, minimize energy use, and reduce emissions both of CO₂ and industrial waste.
- (4) RIKEN TECHNOS educates its employees with the help of its own various documents including the Environmental Statement and the Environmental Policy so that it builds the continuous activity toward the protection of the environment.
- (5) To ensure the achievement of the Environmental Policy, RIKEN TECHNOS sets the concrete purpose and numerical goal of which progress are self-assessed and managed properly.
- (6) RIKEN TECHNOS conveys the above-mentioned activities to the whole corporate action of its group to ensure the utmost consideration to the environmental conservation and the safety operation at its each site.
- 🕜 RIKEN TECHNOS aims to obtain confidence and understanding from society through appropriate and accurate information disclodure.

Organization Chart of Environment Management System

Organization Chart of the **Environment Management System**

The Representative Director, Senior Managing Director takes the lead. A Chief Environmental Management Representative (CEMR) is appointed to establish the environment management system under his control by setting environmental management representatives at every site.



*EMR: Environmental Management Representative

Promotion System

We stipulate committees and conferences about environment management.

Committee / Conference	Member	Function and Purpose		
Management	Director in charge of CEMR, EMR	Assessment of Policy,		
Review Meeting	at site and General Manager of	Purpose and the Environment		
of the Environment	the Administrative Division	Management System		
Management System				
Internal Environment				
Auditing Team	Eligible Infernal Audifor	Audit of Compatibility		
	CEMR, Chairperson of EMC,	Deliberation and Approval of All		
FMCC	General Manager of Engineering	Sites' Environmental Purpose and		
EMSC	Department and CELRMR	Target and Audit of Environment		
		Management		
	EMR, General Manager of Each	Set-up of Environmental Purpose		
EMC	Division and Committeeman at	and Target, Discussion of		
	Each Division	Improvement and Prevention		

Role of CEMR and EMR

Certificate of ISO 14001

Representative	Position	Role	
	General Manager of	Establishment, Operation and	
CEMP	Environment, Safety & Quality	Maintenance of the Environment	
CEIVIK	Assurance Department	Management System All over the	
		Company	
		Establishment, Operation and	
	Each Site's Representative (Such	Maintenance of the Environment	
E/VIK	as Factory General Manager)	Management System of Each	
		Site	

Since establishment in 1951, we have been giving top priority to preventing pollution. The

1992 Rio Summit spurred a heightened importance of corporate environmental management. Amidst these circumstances, the ISO 14001 international standard for environmental management system was created in 1996. Based on the judgment that we also must further enhance its environment management, on October 31, 2001, we obtained ISO 14001 certification



The attestation of conformity

The first registration: October 31, 2001 The term of validity: August 30, 2010

at the Saitama Factory, the Mie Factory and the Film R&D Center through an inspection by Nippon Kaiji Kentei Quality Assurance Limited (NKKKQA). Currently, all of our company's divisions have obtained this certification and are carrying out environmental activities as part of our company-wide efforts.

System of Environmental Audit

Internal Audit

About 100 internal auditors audit once a year according to the instruction of the CEMR. We carried out the audit that put a stress on exhausitivity of environmental aspect at 85 posts



in 2007, and we found out that matching the management program to achieve the objectives with concrete measures of improvement was not enough, though the audit result was better than the result in 2006. It seemed that it was caused by insufficiencies of distilling the environmental aspect. We, mainly the ISO secretariat, continue to promote the reinforcement of management and instruction.

2 External Audit

We take an audit twice a year by NKKKQA. All sites took the renewal audit which is held every three years in 2007. As the result of the audit we had the indication that distilling environmental aspect did not reach to the level that had an effect on the environment. We improve our activity through the above-mentioned internal audit and continue promoting radical system operation.

Also, we had an audit of 12 customers in 2007. We generally gained high evaluation of customers through checking the state of chemical substances control concerned raw materials and indirect materials of our products.

The Environment, Safety & Quality Assurance Department is in charge of education of global and domestic environment and environment management system. We carry out education for new employees and employees of new sites that newly join the environment management system. We implemented new employee education, education of making management program, and product safety education in 2007.



Emergency Correspondence

Education of Environment for

Employees

We implement periodical training with identifying the emergency at every site and section, and issuing emergency correspondence manual. We cope with preventing chemical substances with leakage to outside, and cause by dangerous substances specified in the Fire Service Law as our most important theme, because we purchase and use a big quantity of chemical substances

and dangerous substances of the Fire Service Law as our raw materials.





Environment Laws and Agreements Related to Our Business Activities

Our three production sites, Saitama, Mie, and Gunma, abide by more than 15 kinds of environment laws and agreements related to our business activities, while R&D Centers abide by more than 14 kinds of them.

We had no violation of environment laws and agreements in 2007.

We identify environment laws and agreements to be observed as follows.

		Sites							
		Saitama Factory	Mie Factory	Gunma Division	Film R&D Center	Material R&D Center	Head Office	Osaka Branch Office	Nagoya Sales Office
1	Laws and Regulations				\bigcirc	\bigcirc			
<u> </u>	Noise Regulation Law	0	0		0	0			
2.	Vibration Regulation Law	0	0	0	0	0			
3.		0		0	0	0			
4.	ractory Location Law	0	0	0					
<u> </u>	Law for Combine Household Wastewater Treatment Facility	0	0	0					
0.	Law Concerning the Evaluation of Chemical Substances and Regulation of Their	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc			
7.	Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc			
	Substances and Fromoting improvements in Their Management	0	0	0	0	0			
0	Waste Management and Public Cleaning Law	0	\bigcirc	\bigcirc	\bigcirc	\bigcirc			
0.	Poisonous and Dolatorious Substances Control Law								
10	Fire Service Law	0	0	0	0	0			
11	Law Concerning the Rational Lise of Energy	0	0	0	0	0	\bigcirc		
12	Law for Promotion of Sorted Collection and Recycling of Containers and Packaging	$\overline{\bigcirc}$	0		$\overline{\bigcirc}$		0		
13	Law Concerning Prevention from Radiation Hazards Due to Radio-Isotopes, etc.	0	0	\bigcirc	\bigcirc				
14	Industrial Safety and Health Law ^{*1}	0	0	0	\bigcirc				
1.5	Air Pollution Control Law	0	0	0	\bigcirc	\bigcirc			
16.	Water Pollution Control Law	0	0	0	0				
17.	Law for Promotion of Correct Waste Disposal of Polycholoringted Biphenyls	0	0			0			
18.	Sewerage Law					0			
19.	Manual for Prevention of Resin and Pellet Leak ^{*2}	0	0		0	0			
20.	Saitama Prefecture Basic Environmental Ordinance	0			0				
21.	Saitama Prefecture Ordinance for Life and Environment Protection	0			0				
22.	Agreement of Round-table Conference with the Committee of Neighborhood Inhabitants	0							
23.	Mie Prefecture Basic Environmental Ordinance		0						
24.	Mie Prefecture Ordinance on Environmental Preservation		0						
25.	Kameyama City Pollution Control Ordinance		\bigcirc						
26.	Suzuka River Sewage Disposal Measure Conference Agreement		\bigcirc						
27.	Tokyo Metropolitan Basic Environmental Ordinance					\bigcirc			
28.	Tokyo Metropolitan Ordinance on Environmental Preservation					\bigcirc			
29.	Gunma Prefecture Basic Environmental Ordinance			\bigcirc					
30.	Gunma Prefecture Ordinance on Environmental Preservation			\bigcirc					
31.	Building Control Regulations*3						\bigcirc	\bigcirc	\bigcirc

*1 Only Ordinance on Prevention of Ionizing Radiation Hazards is picked up for us to be obeyed.

*2 The Japan Plastics Industry Federation's guideline on prevention of marine and river pollution by resin and pellet.

*3 Individual rules for tenants set by the owner of each building.

Environment Objectives and the Performance in 2007

Status of Environment

Load

We promote the improvement activities with setting yearly environment objectives matched with business circumstances referring to the environmental policy. We promote reduction of CO_2 emissions and industrial waste discharge and reinforcement of chemical substances management as the main theme for us.

Objectives

	Objectives in 2007	Long-Term Objectives			
Reduction of CO ₂ emission	Reduce by 7% compared with 2002	In 2010, reduce by 10% compared with 2002			
Reduction of industrial waste discharge	0.8% ratio of industrial waste discharge to gross production	In 2010, 0.5% ratio of industrial waste discharge to gross production			
Reinforcement of chemical substances management	Reduce and stop using the chemical substances according to independent control Develop environmental awareness products				

We all set 165 objectives in 2007. The results are as follows.

(Refer to details about environmental load data of each site on pages from 10 to 21)

	Number of Objectives	Number of Achievement	Note
Reduction of CO ₂ emission	48	36 (75%)	We reduced only by 2.3% compared with 2002 because the Gunma Division started the operation in 2006. We reduced by 1.9% compared with 2006.
Reduction of industrial waste discharge	45	34 (76%)	We reduced by 0.52% ratio of industrial waste discharge to gross production that already surpassed the objectives in 2009 and almost reached the objectives in 2010.
Chemical substances management	54	47 (87%)	We reduced by 5% of consumption of lead compound and by 21% of consumption of toluene compared with 2006. The use of
Development of environmental awareness products	18	11 (61%)	to stop using decabromodiphenyl ether. We practice the product development of biomass plastic and fuel-cell component.
Total	165	128 (78%)	· · ·

The main environment loads caused by our business activities are such as industrial waste discharge, greenhouse gas (CO₂) emissions and discharge and transportation of chemical substances. The following data are the status of RIKEN TECHNOS itself.

Load of CO₂ Related to Production of Major Products



Environmental Responsibility

Reduction of Industrial Waste

Industrial Waste

One of the main themes of our environment management activity is reduction of buried and burnt industrial waste that is generated during our production process. We set the objective that we will achieve reducing the industrial waste discharge by 0.5% on the gross production in 2010. We promote not only restraint of generating waste at our process with improving yield, but also strict classification of generated waste to utilize as material recycle, RPF (Refuse Paper and Plastic Fuel), and cement war material, etc.

As a result the total quantity of industrial waste was reduced by 77.6% from 2,255t (in2000) to 506t (in 2007).



Sites: Two factories, Saitama and Mie, the Gunma Division, the Material R&D Center and the Film R&D Center

Energy Saving and Reduction of the Greenhouse Gas Emissions

Two factories, Saitama and Mie, are identified as the Type I energy control appointment factory. The Gunma Division will be identified as the Type II energy control appointment factory in 2008. The main greenhouse gas⁻¹ generated by our business activities is CO₂. We promote energy saving such as improving efficiency of operating facilities, demand control⁻² of air conditioner, leakage prevention of industrial compressed air and steam, and so on. Chlorofluorocarbon is one of the greenhouse gases and used for refrigerant of air conditioner, and we control it not to leak while being used and when it is disposed.

As a result the total emission of CO_2 in 2007 was 42,230t which was reduced by 2.3%³ compared with 2002.

*1 Total emission of greenhouse gas is an estimated quantity of CO₂ discharged with is calculated by the consumption of electricity and fuel oil used at two factories, Saitama and Mie, the Gunma Division, the Material R&D Center, the Film R&D Center and Head Office. CO₂ discharged by transportation and at our branch and sales office is omitted and on the other hand that of our Head Office has been included in the above statistics since 2005.

*2 Demand control system made it possible to reduce electricity of air compressors by automatic stop and go operation to work them within the maximum electric power agreed with the supplier.

*3 We reduced only by 2.3% compared with 2002 because the Gunma Division stated the operation in 2006. We reduced by 1.9% compared with 2006.



CO₂ Emission per Sales



Ratio of Industrial Waste Discharge to Gross Production



FY2000 FY2001 FY2002 FY2003 FY2004 FY2005 FY2006 FY2007

The Appropriate Management of the Chemical Substances

We conventionally implement chemical substances management based on "Law Concerning the Evaluation of Chemical Substances and Regulation of Their Manufacturing, etc.," "Industrial Safety and Health Law," "Fire Serving Law," etc. "Law PRTR and Promotion of

Consumption of Chemical Substances Categorized to Type I



Chemical Management" was enforced on April 2001. We built up a count system in 1999 for thorough management.

F12001	F12002	F12003	F12004	F12005	F12000	F12007	

		FY2	006	FY2007		
	Chemical Substances	Atmospheric Emissions (t)	Waste Transfer Amount (t)	Atmospheric Emissions (t)	Waste Transfer Amount (t)	
1.	bis-(2-ethylhexyl) adipate	0.0	0.46	0.0	0.28	
2.	antimony and its compounds	0.0	0.71	0.0	0.60	
3.	chromium and chromium (${\mathbbm I}$) compounds	0.0	0.00	-	-	
4.	1,4-dioxane	0.5	0.00			
5.	organotin compounds	0.0	0.13	0.0	0.11	
6.	toluene	6.5	0.06	5.3	0.06	
7.	lead and its compounds	0.0	0.70	0.0	0.51	
8.	di-n-octyl phthalate	0.0	0.91	0.0	0.80	
9.	bis(2-ethylhexyl) phthalate	1.3	13.0	1.4	10.2	
10.	boron and its compounds	0.0	0.02	0.0	0.01	
11.	maleic anhydride	-	_	0.0	0.01	
12.	2,3-epoxypropyl methacrylate	_	_	0.0	0.01	

In 2007, we used 29 kinds of chemical substances categorized to Type I, and among them there were 10 substances of which usage exceeded one ton. The consumption of 1,4-dioxane was zero and the consumption of chromium and chromium (III) compounds was under one ton. Report about maleic anhydride and 2,3-epoxypropyl methacrylate was required because of consumption more than one ton. We aim to reduce the emission and transfer of substances corresponding PRTR by using alternative substance and installing exhaust gas treatment equipment, and so on.

Storing the PCB Waste

Prevention of Stock Pollution* and

Environmental Pollution

In July 2001, "Law for Promotion of Correct Waste Disposal of Polychlorinated Biphenyl (PCB)" was enforced. The Saitama Factory, the Mie Factory and the Material R&D Center store and control condensers as PCB waste. We plan proper disposal in the processing institution in the Kanto district and Kansai district. The Saitama Factory received six pieces of equipment which contain PCB waste from our affiliated companies to promote strict management during

Sites	PCB Waste	Storage
Saitama Factory	High voltage condensers: 17 Waste water and oil containing PCB: 1,446ℓ	Kept in iron containers Kept in the sealed drums in the steel- container
Material R&D Center	High voltage condensers: 12	Kept in iron containers
Mie Factory	High voltage transformers: 4 Waste oil containing PCB: 350 <i>l</i> PCB component waste: 300 g	Kept in iron containers Kept in the sealed drums in the steel-container Kept in the sealed drums in the steel-container

2005. As electrical apparatus made before 1989 has a strong possibility containing a particle of PCB, we examined condensers we are using again. As a result we found 41 condensers in the Saitama Factory and the Mie Factory and we report them to authority. We will practice their planned replacement and proper disposal.

We investigated the existence of three heavy metal substances (hexavalent chromium, cadmium, lead) and chlorinated organic cleaning agents (trichloroethylene, 1,1,1-trichloroethane, dichloromethane) at five points inside of each factory and site in 2001. As a result we found the pollution of soil in the Kamata Factory (the present Material R&D Center). We contracted for modification of soil with the contract money JPY 96,680,000 in 2004, and then we have been having regular examination and modifying soil by infusing agents.

We implement the periodic measurement of environmental items according to the laws and regulations, and our self-disposed regulation. The items are exhaust gas, drainage, groundwater, noise, vibration, smell, radioactive rays, dusts, etc. Especially we concern ourselves about noise. Each factory holds the regular round-table conference with the committee of neighboring inhabitants. We obtain their understanding successfully through accurate disclosure of the environmental data and on-the-spot inspection of the factory.

*Stock pollution means the accumulated pollution of soil and underground water caused by inappropriate treatment of hazardous substances.

Correspondence to the Specified Chemical Substances Restrictions

Correspondence of ELV Directive and RoHS Directive

The movement to restrict thee chemical substances composed products such as ELV Directive¹¹ and RoHS Directive²² of EU, and Proposition 65¹³ of California, USA, is activated. The electrical appliances such as TV were obliged to indicate the J-MOSS¹⁴ composition mark in Japan. In China also "Restriction of the use of certain Hazardous Substances in electrical and electronic equipment" enforced in March 2007 imposes the indication of specified chemical substances contained in the products. In Japan, they strengthen the management of the restricted chemical substances against parts and materials to be used between supply chain from material makers until assembly makers of automobiles, and electric and electrical appliances.

We reviewed and improved materials, manufacturing process, product inspection process to build up environment quality assurance system. We issued "Green Procurement Criterion⁵" about raw materials based on JGPSSI⁶ to request suppliers to investigate whether the material includes the restricted chemical substances or not, and to provide with non-use certification and Information sheet of specified chemical substances. In manufacturing process we added new automatic scaling equipment and changed the production line to prevent blending with the restricted chemical substances. In product inspection process we introduced Fluorescence X-ray Analyzers (XRF) at both factories, Saitama and Mie, to analyze the restricted chemical substances



every production lot of object products.

We have Inductively Coupled Plasma Atomic Emission Spectrometry (ICP-AES) at both the Material Characterization & Analysis Center and Mie Factory to implement detail analysis of products to reply to customers' requests in the Material R&D Center.



- *1 The Directive about the recycling of the abolished car which regulates use of cadmium, lead, chromium (VI) and mercury.
- *2 Restriction of the use of certain hazardous substances in electrical and electronic equipment which regulates the above-mentioned four materials and specific fire retardant agents containing bromine.
- *3 A law of state of California with regard to maintenance of drinking water, which obliges the indication of the hazardous chemical substances.
- *4 JIS C 0950, "the marking of presence of the specific chemical substances for electronic equipment." *5 Our internal rule about 24 chemical substances to be prohibited or investigated. This information is available on our website.
- *6 The abbreviation of Japan Green Procurement Survey Standardization Initiative, a voluntary organization purposing the standardization of the items of investigation in relation to the green procurement.

It is a mission of makers to provide customers with secure and safe products, and it is one of the main themes to secure the safety of our materials. So in 2006 we established the "Chemical Substance Control Committee" as an organization of our whole company. We revised "Chemical substances management criterion" drastically to identify the classification of substances: ban to use,¹¹ reduction,²² continual permission to use.

Furthermore we build up a system to provide products of safety priority through whole company by implementing examination of newly adopted chemical substances.

- *1 We prohibited the use of chemical substances according to not only the laws and regulations, but also our voluntary restraint decided by this committee.
- *2 We reduce voluntarily the use of suspicious chemical substances such as lead and nonyl phenol of which use is not prohibited by the laws.

Reinforcement of Safety

Substances

Management of Chemical

We disclose the accounting data of our environmental preservation activity in 2007.

Collecting Criterion of Environmental Accounting in 2007

Summary of Environmental Accounting in 2007

 Accounting Coverage 	RIKEN TECHNOS CORPORATION (non-consolidated basis)
Period Covered	April 1, 2007 to March 31, 2008
③ Referenced Guideline	"Environmental Accounting Guidelines (2005 Edition)"
	(Issued by Ministry of the Environment of Japan in February 2005)

Environmental preservation costs in 2007 amounted to about JPY 1,470 million. Investment was about JPY 25 million, and expenses were JPY 1,440 million. The items of investment are costs for prevention of pollution, global environmental preservation, and circulation of resources. Expenses were including analysis costs for RoHS Directive correspondence, maintenance costs for ISO activity, and R&D costs for environmental awareness products, etc. One of the largest portions of environmental preservation was R&D costs for environmental awareness products, which were about JPY 1,330 million.

Environmental preservation effects caused from our activities were the following. Reduction quantity of final disposed waste was 191 tons. Emission quantity of CO_2 was reduced 800 tons from 2006, because of our continuous improvement and decreasing production.

As economic effect, valuable sale of wasted plastic gave us about JPY 170 million.

Category	Contents	Total Amount Invested	Expenses
1. Business area cost		24,620	70,561
 Pollution prevention cost 	Construction for anti-noise, maintenance of scatter prevention equipment	5,410	36,620
 Global environmental preservation cost 	Installation and improvement of energy- saving equipment	19,210	0
 Recourses circulation cost 	Disposal of industrial waste, recycling, etc.	0	33,941
2. Upstream/downstream	Analysis of products containing chemical substances,	0	18,840
cost	recycling of containers and packaging, etc.	0	37
3. Administration cost	Issuance of CSR Report, maintenance of ISO (including external audit), analysis of drainage and VOC, maintenance of greenbelt at each site	0	15,143
4. R&D cost	Development of products that contribute to environmental preservation	0	1,331,968
5. Social activity cost	Beautification and landscape preservation of our sites, donations	0	927
6. Environmental damage cost	Soil modification expense	0	4,800
Total		24,620	1,442,276
			(JPY 1,000)

Environmental Preservation Effect

Environmental Preservation Cost

Category	Environmental	Unit	FY2006	FY2007	
	Total energy ir	GL	916,000	867,938	
		Electricity	MWH	75,833	73,431
	Energy input	Heavy oil	kl	4,278	4,397
Environmental	volume by	Kerosene	kl	28.5	0
preservation effect related	type	Gasoline	kl	81	66
to resources input into	<i>,</i> ,	Light oil	kl	2	15
business activities	Input volume c substances (PR	f specially controlled TR)	t	4,289	3,745
	Input volume	Tap water	m ³	168,702	174,297
	of water	Underground water	m ³	171,400	156,341
	resource	Water for industrial use	m ³	11,167	3,868
	Emission of greenhouse gas		t-CO ₂	43,030	42,230
Environmental	Volume of specially controlled substances discharged		t	8.3	6.7
to waste or environmental	Volume of specially controlled substances transferred		t	16.2	12.6
husiness activities	Total waste discharge volume		t	6,165	6,180
business delivines	Final waste dis	sposal volume	t	697	506
	Wastewater volume		m ³	317,518	310,750
Environmental preservation effect related to goods and services produced from business activities	Volume of con used	tainers and packaging	t	3,340	5,076
Other environmental preservation effect	Transport volume of products		tkm	32,383,000	30,558,340
	Volume of emission of	of CO ₂ associated with transport	t	52,753	50,640

Economical Effect Associated with Environmental Preservation Activity

Economic Effect		Amount	
		FY2007	
Benefit from recycling of plastic and paper waste, etc.	12,142	11,323	
Expense reduced by energy saving activities	7,991	5,672	
Total	20,133	16,995	
		(JPY 1,000)	

The Material R&D Center's Approach to Protecting the Environment

At the Material R&D Center, we work to strengthen our "total production power," which the manufacturing industry should have. We have been training and educating employees to enhance not only their techniques and skills of manufacturing, but also crisis management ability, to avoid the unexpected accident and to cope quickly with it.

Recently, the dilemmas between increment of the retirement of the baby boomers and inexperienced engineers for research and development against new markets, and also between improvement of productivity with reduction of industrial waste to protect the global environment, impel us to improve the pace and quality of our human resources training and education more than ever.

In such circumstances, we will not be able to survive in the market by only having an ability to develop new materials and being familiar with physical properties and appearance mechanism. We should have many staff with ability to get good results in the market.

Based on the slogan "Showing the way to go," we need to act actively through the whole "production" process considering global environmental issues including nature, ecosystem and resources. To deal with the change of the business environment surrounding manufacturers, it should be important to train employees who would be able to understand the overall essentials of "production" by acquiring awareness such as selecting materials which minimize the load on the environment, ensuring product safety, and gentle manufacturing process development for the workplace and the global environment.

We set up the following sections to develop the original and high-functional products that would catch up with the rapid technical innovation according to our business strategy.

- A section to develop new materials that meet the market needs in the future
- A section to develop new materials to meet the expanding market mainly such as automobiles, electrical cable, home appliances, and construction materials.
- A section to develop new materials to reduce the load against the environment.
- 4) A section for production engineering to improve the productivity.
- 5) A section for mold engineering to support customers.

We contribute to society along with this organization through developing the new products that do not emit pollutants, and the manufacturing processes that reduce the environmental load.

R&D Concept



Michihisa Tasaka General Manager Material R&D Center RIKEN TECHNOS CORPORATION

Examples of Developing Environmentally Aware Products and Developer Comments

Developed a Styrene Elastomer That Substitutes for Rubber Products Developed a Sophisticated TPV^{*1} "ACTIMER[®] G" with Wide Applications as a Substitute for Rubber Products

"ACTIMER[®] G", the dynamically cross-linked styrene thermoplastic elastomer with a macro-cross-linked rubber component dispersed in a plastic component, has durability and physical properties resembling vulcanized rubber and can be made into almost any shape by injection, extrusion and blow molding, the same as ordinary plastics. In addition, "ACTIMER[®] G" is ideal for recycling molding the same as ordinary plastics, because the deterioration of physical properties is small in the case of adding about 10% recycled material.

The great features of "ACTIMER[®] G" make it perfect fit for high-tech needs of expanding markets such as in the automotive field to cut overall costs by reducing material losses and shortening the production process-time. Moreover, the smaller specific gravity of this elastomer, compared with vulcanized rubber, reduces the weight of applications, and especially in automotive use this would improve gas mileage and reduce the consumption of petroleum.



Developed an Environmentally Compatible Compound That Prevents Electrostatic Charges

Developed Low-Outgassing Anti-Static Compound Called "STATICMASTER®" Having Many Sophisticated Functions and a Host of Applications Yuji Ishino

Materials containing carbon black or surface-active agent are popular to prevent static electricity in the field of the optical and low voltage devices. However, recently the influence on electronic parts caused by organic or inorganic compound resin contained has been a problem. "STATICMASTER®" is a long-lasting anti-static compound and clean material that shows low-pollution and lowoutgassing. "STATICMASTER®" is designed to be free from static charge for olefin and PET, which has been allegedly impossible.



"STATICMASTER®" can be molded by injection and extrusion, and also be made into many such shapes as sheet or film easily, so we believe that this compound meets diversified market needs.

Developed an Environmentally Aware Flame Retardant Compound Developed a Elastomer Having Sophisticated Functions and a Host of Applications as well as Being Halogenic-Free and Flame Retardant

Shinichi Kishimoto

Halogen (particularly bromine) flame-retardant resins are widely used in home appliances, office products and cell phones because of their excellent heat-resistance and low-price. However, regulations such as the WEEE^{*2} and RoHS directives in Europe, restricting toxic substances, make worldwide concern increased about lowering the environmental load caused by flame retardants themselves and flame-retardant resins. We have designed our halogen free and flame retardant thermoplastics with poly-olefin resin/metallic hydroxide

Polylactic acid is getting

and trash problem. Inferiority at

above-mentioned problems by

and the production process

more suitable to promote the

attention as a material to

as much as expected.

acid compound.





mainly, but the relative density of the material was heavy and there were limits of flexibility, mechanical properties, flame retardance, and so on. To solve these problems, we promote the development of halogen free and flame retardant thermoplastic compounds by newly using nonmetallic hydroxide, which brings excellent physical properties and fastness properties, the same as conventional halogen flame-retardant resins or more.

Developed an Environmentally Aware Vinyl Chloride Compound Wide Applications and Full Functions of Calcium-Zinc Based Vinyl Chloride Compounds

Kazuya Tsukada

As the conversion of lead stabilizer into calcium-zinc stabilizer is promoted surely, there is a problem (plate-out*3) with long-running production by using calcium-zinc stabilizer. We aim to improve the long-running production by searching into the occurrence mechanism of plate-out and revising formula of stabilizer.

Though environmentally friendly customers have agreed to change the product using an alternative to lead stabilizer, the other customers still protest against the change because of the excellent productivity of the product by using lead stabilizer. In addition to improving the long-running production, we promote the improvement of processability further with the optimized formula and the steady production process in order to get the other customers' agreement to replace the product having lead stabilizer.



The rigid PVC compound is commonly used for plastic window sash.

Developed an Environmentally Friendly Plastic Compound Sophisticated Biodegradable and Biomass Plastics Polymers

Ikuo Okoshi



*1 TPV = thermoplastic vulcanizates

- *2 WEEE directive is short for The Waste Electrical and Electronic Equipment Directive.
- *3 Plate out is the phenomenon in which the additive in a compound appears on the surface of a product made from the compound.



Junichi Mori General Manager Film R&D Center RIKEN TECHNOS CORPORATION

At the G8 Hokkaido Toyako Summit 2008, one of the biggest items on the agenda was the measures for controlling global warming. Especially, it was agreed that taking measures to reduce CO₂ is a matter of great urgency under the situation that the emission of CO₂ is said to be over the critical point. Plastic, which we handle, depends on petroleum highly, and it will be the cause of CO₂ emission if burned. Since plastic has such a problem, plastic will survive especially in the field where an alternative to plastic is impossible to use; therefore, it should be durable goods and the goods excellent in recycling. Developing in the fields of these uses is according to our product development policy. We think we should reinforce the research and development of the

R&D Concept

products concerning new energy aiming at the post-petroleum society, and should be positive to adopt and use materials made from nonpetroleum.

In the development of the existing fields, we will design our products by considering recycling. This is the basic point of resources saving to improve our yield rate, and to be the countermeasure against the rising price of crude petroleum. We will take measures quickly to improve the energy-saving production by reducing processes as much as possible, because we still have room to do so. We will research and develop useful products by considering fully the environmental load from raw material to rubbish disposal, including when to be used.

Examples of Developing Environmentally Aware Products and Developer Comments

Developed an Environmentally Aware Film for Interior Polyester Decoration Film "RIVESTAR[®]"

Our main products, polyvinyl chloride (PVC) sheets, have ever since been used as upholstery films, namely, indoor decoration films, due to the properties and the versatility of PVC in its design and process. However, the consciousness of health and environment has gotten keener in recent years. Therefore, plastic materials replacing PVC have been sought because harmful gases could be generated when the products of PVC are incinerated during its waste disposal. Scrutinizing and testing various resins for sheeting process repeatedly, we have found out PETG resin, the feature of which is very close to rigid PVC. Although there have still been some leftover problems like sheeting processability, we have

Shuji Kitahara



_____ RIVESTAR®

been able to create the PETG's product named "RIVESTAR[®]." Now that "RIVESTAR[®]" is being substituted for the PVC products, it is used as upholstery films with wide applications. Developed an Environmentally Aware Insulation Film Non-Halogen Insulation Films

Yutaka Sekine

As an application of our products, there are adhesive films with electrical insulation properties. When applied to electrical insulation, the films are required to have high performance of flame retardance as specification in order to guarantee the safety in use. In general, such chemicals as bromide (so-called halogen) compounds and antimony trioxide have been used as flame retardant agents for these films. However, the contents of harmful gases, which eventually come from the incomplete combustion of these agents, have drawn attention to the



Insulation film for flexible flat cable

damage of human bodies and the environment. As for the products of the next generation, we have developed the electrical insulation films that not only possess the high performance of flame retardance but also emit far less noxious gases when burned. On that step, though the technology has gotten harder to accomplish owing to our concept that utilizing these chemicals is forbidden, the new products with high performance have been created successfully. Besides, we have made contributions to easing the environmental issues through R&D activities so that the ventilation systems, which clarify VOC gases rising from organic solvents in factories, have been introduced and new products have been developed without the designated chemicals listed on the PRTR regulation. Procuring raw materials and subsidiary materials that have a lower load on the environment is necessary to supply environmental consideration products. We established "Green procurement criterion" on environment related substances in 2004, and opened it on our homepage.

Also, we established "Green purchasing criterion" on office supplies such as stationery and OA machinery, and promote feasible purchase of the eco products.

Scope Green Procurement Criterion Raw materials such as resin, plasticizer, stabilizer, filler, film matrix, 7 coating agents, and adhesives that constitute our products. And subsidiary material such as packing materials and release-paper. ーン調達基準 **Requirements** a. Establishment of supplier's environment management system b.Achievement of management performance about environment 0289:15 related substances NES:20049108018 NES:20049048018 c. Investigation and report about our appointed environment related リケンテクノス株式会社 substances, and providing "Non-use certification" and "Information sheet of specified chemical substances' Implementation We procure the raw materials and the subsidiary materials, only if (a) they contain no substances banned by the environment related regulations, and (b) when they contain the substances to be controlled, such content is identified. There could be a case in which we request to improve the materials to much safer ones, according to the evaluation results. Scope **Green Purchasing Criterion** Stationery, OA machinery such as photocopiers and personal computers, and automobiles that we purchase or lease. **Requirements** Satisfying a criterion to be of low environment load and not to contain harmful substances. according to the "Law concerning the promotion of procurement of Eco-Friendly Goods and Services by the States and Other Entities" (Green Purchasing Law). Implementation We request suppliers to introduce eco products positively. Argument of liability against damages caused from product defects made many developed **Product Development** nations establish a law concerning product liability. Japan also established the Product Liability

Product Development Considering Safety: Product Liability Correspondence Argument of liability against damages caused from product defects made many developed nations establish a law concerning product liability. Japan also established the Product Liability Law in July 1995. Product safety is the obligation of the manufacturers in spite of legislation, and we have been keeping this in mind since before 1995. On timing of establishment of the Product Liability Law, we started a system to prevent occurrence of problems as for product liability in January 1995. The Product Safety Committee is the top management to promote to secure product safety.

Product Safety Policy (According to Product Safety Standard)

We secure product safety from the product development stage until the delivery to customers to prevent occurrence of product liability problems.



Safety and Health Activity

According to the philosophy and policy such as the respect for employees and keeping safety first, we continue our safety and health activity governed by OSHMS (Occupational Safety and Health Management System) in order to provide employees with a working place where employees are free from accidents, keep good health and work comfortably.

Our safety and health activity has a continuous, effective and efficient self-improving system by the plan-do-check-action cycle



intended to prevent the risk which we judge to be the potential factor of the possible risk in the future, rather than just making an improvement after an accident.

We implement characteristic activities, for example; management program training and education, internal audit, safety patrol, risk assessment incorporating the conception on fail safe, sharing information, developing safe measures among the company.

Industrial accidents have been decreasing widely since introduction of the management system by the active improvement of working environment through risk assessment about





dangerous and harmful work.

In 2007, achievement of safety objectives was not good because of an industrial accident in the main factory. But we already took proper measures to prevent industrial accidents.

In 2008, we reviewed our activity in 2007 and we will educate our employees according to philosophy, policy and objective which directors decided in order to promote our activity further and enhance our safety and health level. Especially we will promote the improvement paying attention to risk related to human behavior. It is easy for human beings to forget and make a mistake. We practice our activities placing a special emphasis on prevention of accidents caused by unsafe behavior (human error).

Danger prevention training, which is the measure to prevent risk by predicting potential risk in the work with a keen sense, is taking root. We incorporate risk factors into risk assessment and promote the measures of risk reduction actively.

We believe that results of our abovementioned activities are manifest and we can achieve the ultimate goal "no industrial accidents."



Action to Environment in the Distribution

Environmental Preservation Activity

We operate distribution on outsourcing. The transport volume of our products was 32,383,000 tkm and the quantity of CO_2 emission with transportation was 52,753 tons in 2006. We recognize that the data are a large load on the environment, and we promote various activities of environmental preservation and quality safety with the tie-up transporters. As the result of 2007, the transport volume of our products was 30,558,340 tkm, and the quantity of CO₂ emission with transportation was 50,640 tons. The following are our activities.

- Improvement of the loading efficiency by devising the most suitable allocation of cars by the automatic allocation system.
- Improvement of cars using efficiency by taking over materials on returning cars after delivery.
- Improvement of efficiency by integrating the distribution points.
- Promotion of eco-driving under cooperation with the tie-up transporters. And recommendation to them to gain the certification of ISO 14001 or Green management.
- Promotion of modal shift.* We shifted product transportation of about 100 t from trucks to rail trains.
- Setting objective to reduce 1% of energy consumption based on the unit. On April 1, 2006, the revised law of energy saving was established and the report of setting an energy saving plan, energy consumption, energy consumption based on unit, and performance of implementing energy saving related to consignment transportation was imposed. We obey this law as a consigner to reduce energy consumption.
- Decreasing the number of pallet purchases by collecting pallets from customers. Promoting change of pallet materials from wood to plastic for protection of forest resources.
- *Modal shift: Changing the way of transportation due to lightening of the environmental load.

Quality and Safety Activity

We recommend tie-up transporters to gain the certification of ISO 9001 or G mark (safety excellent enterprise).



Q.

KAMEYAMA EXPRESS CO., LTD.

Environmental Responsibility

The following are the environmental impact data for each site's activities for our affiliated companies in Japan and overseas.

SHINKO ELECTORIC WIRE CO., LTD.

Business Field

Manufacture and sales of electric wire and cable

Outline of the Business

Outline of the Business

Capital Stock

Number of Employees

JPY 24 million

49

Capital Stock	JPY 48 million
Number of Employees	62

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	551	500
Unit Requirement (per sales)	t-CO ₂ / JPY million	0.214	0.193
Industrial Waste	t	25	33.7
Water Consumption	t	1,146	1,127
Law for PRTR and Promotion of Chemical Management		Subject of Restricted Chemical Substances 4 Emission 0, Transfer 0.25t	Subject of Restricted Chemical Substances 4 Emission 0, Transfer 0.27t

KYOEI PLASTICS MFG CO., LTD.

M-I CHEMICALS CO., LTD.

Business Field

Manufacture and sales of profile extrusion plastics

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	984	1,065
Unit Requirement (per sales)	t-CO ₂ / JPY million	0.868	1.065
Industrial Waste	t	46	58
Water Consumption	t	250	946
Law for PRTR and Promotion of Chemical Management		Subject of Restricted Chemical Substances 1 Emission 0. Transfer 0.1t	Subject of Restricted Chemical Substances 1 Emission 0. Transfer 0.02t

Reported the amount of the Shirakawa Factory in FY2006, the total amount of the Shirakawa Factory and Ibaraki Factory in FY2007

Business Field

Manufacture and sales of PVC compound

Outline of the Business

Capital Stock	JPY 300 million	
Number of Employees	33	

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	-	801
Unit Requirement (per sales)	t-CO ₂ / JPY million	-	1.655
Industrial Waste	t	-	107
Water Consumption	t	-	1.8
Law for PRTR and Promotion of Chemical Management		-	Subject of Restricted Chemical Substances 7 Emission 0, Transfer 4.1t

Joined RIKEN TECHNOS GROUP in May 2007

RIMTEC CORPORATION

Business Field

Manufacture and sales of PVC compound

Outline of the Business

Capital Stock	USD 10 million	
Number of Employees	100	

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	4,598	4,428
Unit Requirement (per sales)	t-CO ₂ / JPY million	0.064	0.612
Industrial Waste	t	108	115
Water Consumption	t	459,381	423,075
Chemical Substances with duty of notification in accordance with the law of United States		Subject of Restricted Chemical Substances 4	Subject of Restricted Chemical Substances 5

RIKEN ELASTOMERS CORPORATION

Business Field

Manufacture and sales of high functionally compound

Outline of the Business

Capital Stock	USD 10 million	
Number of Employees	13	

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	-	267
Unit Requirement (per sales)	t-CO ₂ / JPY million	-	3.036
Industrial Waste	t	-	15
Water Consumption	t	-	119
Chemical Substances with duty of notification in accordance with the law of United States		-	Subject of Restricted Chemical Substances 0

RIKEN (THAILAND) CO., LTD.

Business Field

Manufacture and sales of PVC compound

Outline of the Business

Capital Stock	THB 120 million
Number of Employees	236

Environmental Preservation Activities

Item	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	9,421	9,835
Unit Requirement (per sales)	t-CO ₂ / JPY million	1.134	1.106
Industrial Waste	t	422	338
Water Consumption	t	47,659	38,971
Law for PRTR and Promotion of Chemical Management		Subject of Restricted Chemical Substances 1	Subject of Restricted Chemical Substances 1

P.T. RIKEN ASAHI PLASTICS INDONESIA

Business Field

Manufacture and sales of PVC compound

Outline of the Business

Capital Stock	USD 4.7 million
Number of Employees	127

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	3,623	4,136
Unit Requirement (per sales)	t-CO ₂ / JPY million	1.159	1.034
Industrial Waste	t	0	0
Water Consumption	t	19,233	13,455
Law for PRTR and Promotion		Subject of Restricted	Subject of Restricted
of Chemical Management		Chemical Substances 2	Chemical Substances 2

Business Field

Manufacture and sales of PVC compound

Outline of the Business

Outline of the Business

Capital Stock

Number of Employees

Capital Stock	USD 5.5 million
Number of Employees	87

USD 5 million

70

Environmental Preservation Activities

Item	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	1,796	1,975
Unit Requirement (per sales)	t-CO ₂ / JPY million	1.538	1.157
Industrial Waste	t	57	64
Water Consumption	t	9,425	6,327
Law for PRTR and Promotion		Subject of Restricted	Subject of Restricted
of Chemical Management		Chemical Substances 2	Chemical Substances 2

RIKEN TECHNOS (JIANG SU) CORPORATION

SHANGHAI RIKEN TECHNOS

CORPORATION

Business Field

Manufacture and sales of food wrapping film

Environmental Preservation Activities

ltem	Unit	FY2006	FY2007
Emission of Greenhouse Gas	t-CO ₂	1,458	1,412
Unit Requirement (per sales)	t-CO ₂ / JPY million	2.541	2.899
Industrial Waste	t	0	0
Water Consumption	t	2,155	4,546
Law for PRTR and Promotion		Subject of Restricted	Subject of Restricted
of Chemical Management		Chemical Substances 0	Chemical Substances 0

Comparison with Environmental Reporting Guidelines (2007 Edition)/ Ministry of the Environment (Japanese Government)

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The Expert's Opinion



Masatoshi Ikari

Manager Senior Consultant Consulting Department 1 InterRisk Research Institute & Consulting,Inc.

CEAR Registered Environmental Lead Auditor

Part-time Lecturer at Seikei University

Hiroshi Shimizu

Representative Director Senior Managing Director This report is the second issue of the RIKEN TECHNOS GROUP CSR Report. "Message from the President" mentioned clearly (comprehensibly) three measures of the basic policy. According to the policy of the president that the group should regard a production site as a most important thing, this edition has a special feature on three domestic production sites. Therefore, this report might be popular and understandable for employees working at these sites. I want to regard highly the following articles; in the section of Social Responsibility, "Incident of Fireproof Film" reported about a breach of compliance caused by a procedural mistake; and in the section of Environmental Responsibility, "Prevention of Stock Pollution and Environmental Pollution" disclosed so-called negative information. I think that their posture in which they continue to disclose comprehensibly enhances the visibility of the Company as a public institution; for example, they disclose whether they have negative information or not, and they disclose the fact and the measures for the matter seriously in case they have negative information.

Regarding the section of Social Responsibility, "The State of Taking the Leave-of-Absence for Child Care" and "Interview with Working Mothers" made a favorable impression on me. In addition, they communicated their Safety and Health Activity and I could easily understand that the business activities of the Company were based on mutual respect between the Company and the employees. Regarding the section of Environmental Responsibility, I regard highly that "Environmental Objectives in 2007 and Long-Term Objectives," "Status of Environmental Load" and "The Amount of CO₂ Emission with Transportation" were mentioned.

Moreover, because the title of this report was "RIKEN TECHNOS GROUP CSR Report 2008," it will be expected that they will write numerical data with the boundary clearly in both the section Social Responsibility and Environmental Responsibility and the entire group will improve activity continuously according to the plan-do-check-act cycle with the awareness of conscious group management.

.....

In consideration that proper and accurate disclosure is essential to obtain understanding and support of all our stakeholders, we have reported on activities and results on the environment as the "Environmental Report" or "Environmental Management Report" since 2002 and issued the "CSR Report," which includes additional disclosure concerning corporate social responsibility, since 2007.

We have received some valuable opinion from Mr. Ikari since our first issue of the CSR Report. Receiving an expert's opinion is essential to improve our CSR activities and we will continue to have an expert checking our activities.

We are confident that the effort of a corporation to develop the business getting support from its stakeholders itself must be the achievement of our Corporate Social Responsibility. We promote our CSR activities by making use of the above-mentioned expert's opinion to fulfill the president's commitment (please refer to pages 2 to 3) in accordance with our group philosophy, "Achieve a sustainable enhancement of enterprise value through fair and profitable business activity."

Editor's Postscript

The CSR Report, the successor series to the "Environmental Report" (since 2002) and "Environmental Management Report" (since 2005), describes the entire business activities from the perspective of Corporate Social Responsibility (CSR).

This report is the second issue of CSR Report. We mentioned our business activities regarding to social, environmental and economic aspects unaffectedly and intelligibly in this report and we also mentioned various activities in our production site as the foundation of a manufacturer.



During the stage of hearing the activities of the entire RIKEN TECHNOS GROUP from each site domestic and foreign, we recognized that our activities have made progress since last year, though our activities and practices still left many things to be achieved. We promote our CSR activities to achieve the goal of a higher order.

It would be appreciated if you understand RIKEN TECHNOS GROUP CSR activities through this report and send us a frank opinion.

Hideaki Aoki

Environment, Safety & Quality Assurance Department

Tomomi Matsumaru Corporate Planning Office

The representative of the departments edited this report. Masato Koizumi Corporate Planning Office

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We are a "Material Solution Supplier," solving issues through the proposition of materials and processing technologies.

RIKEN TECHNOS CORPORATION

□ Corporate Planning Office 3-11-5, Nihonbashi-Honcho, Chuo-ku, Tokyo 103-8438, Japan TEL: +81-3-3663-7996 / FAX: +81-3-3663-7997 URL: http://www.rikentechnos.co.jp/



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