



RIKEN *TECHNOS*

RIKEN TECHNOS GROUP

Corporate Social Responsibility Report

2011



RIKEN TECHNOS CORP.

Editorial Policy

RIKEN TECHNOS began presenting the environmental perspective of our business' activities and achievements in October 2002 as the "Environmental Report." Then in October 2005 we published it as our "Environmental Management Report." Since 2007, we have been reporting our efforts and results in working to achieve our company philosophy and commitment, with an inclusion of the societal aspect, as the "CSR Report," to communicate our activities to all stakeholders.

This fifth edition of the "CSR Report" is a special anniversary issue, celebrating the 60th year of RIKEN TECHNOS by reflecting back on our 60 years of history.

Reporting Coverage

Period Covered

April 1, 2010 to March 31, 2011

In addition, some activities after April 1, 2011 are included.

Organization Coverage

(Please refer to page 28 and 29 regarding the sites.)

The organization covered in this environmental report is RIKEN TECHNOS CORPORATION and the twelve following affiliated companies.

Some of the affiliated companies are not included.

Affiliated Companies Covered

- SHINKO ELECTRIC WIRE CO., LTD.
- KYOEI PLASTICS MFG CO., LTD.
- KANEKON CO., LTD.
- M-I CHEMICALS CO., LTD.
- RIKEN (THAILAND) CO., LTD.
- PT. RIKEN INDONESIA
- SHANGHAI RIKEN TECHNOS CORPORATION
- RIKEN TECHNOS (JIANG SU) CORPORATION
- RIKEN U.S.A. CORPORATION
- RIMTEC CORPORATION
- RIKEN ELASTOMERS CORPORATION
- RIKEN TECHNOS EUROPE B.V.

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 (2007) and Environmental Accounting Guidelines (2005) are issued by the Ministry of Environment of Japan.

(Please refer to our website regarding the Environmental Reporting Guidelines)

Date of Issue

October 2011 (scheduled date of the next issue: October 2012)

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
October 2008	CSR Report 2008
October 2009	CSR Report 2009
October 2010	CSR Report 2010



About the Cover

This report cover image shows an integration of the corporate mark of RIKEN TECHNOS CORPORATION and the Rajapruet, the representative flower of Thailand, where RIKEN (THAILAND) CO., LTD. is located.

The corporate mark was changed when the corporation's name was changed in commemoration of the 50th anniversary of the company being founded. Based on the "R" of RIKEN TECHNOS, the mark is meant to symbolize the reliability of our core business, namely compound and film, and the shape of the sweeping wing of a bird in flight which symbolizes our flight into the future. RIKEN TECHNOS GROUP, along with all our stakeholders, aims to conduct business in a way that will help achieve a sustainable society.



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We Are Proud of Our 60 Years of History. Aiming to become a Centennial Business by the RIKEN TECHNOS WAY

Celebrating our 60th Anniversary, Supported by Our Stakeholders

● New Corporate Philosophy Introduced As “RIKEN TECHNOS WAY”

Founded in 1951 as RIKEN VINYL INDUSTRY CO., Ltd., this year RIKEN TECHNOS CORPORATION celebrates its 60th anniversary. We would like to convey our heartfelt thanks for your support throughout, without which our present-day growth would not have been possible.

Looking back over our sixty-year history, we observe that the path we have trodden has not always been easy. We have experienced ups and downs, and had many challenges to overcome along the way. I believe that our sixty years of existence as RIKEN TECHNOS is due in part to the mental fortitude that has been passed down from person to person over the years. We have decided to take this opportunity of celebrating our 60th year to redefine and clearly state this legacy of mental fortitude among all the employees, in the form of a new corporate philosophy: “RIKEN TECHNOS WAY.”

● Reaffirming “RIKEN-ness”

While formulating RIKEN TECHNOS WAY with our employees, we reviewed the evolution of RIKEN TECHNOS from its founding to present-day existence, and retraced the RIKEN-ness that has been slowly yet carefully cultivated. Put simply, RIKEN-ness signifies a merger of technology, trust and challenge. As heirs to this valuable spirit, we will confidently stride forward into the future. We now seek to leap into a centennial business while deepening the ties of trust with our stakeholders.

● “Proper Development; Efficient Manufacturing; Reliable Selling”

The concept of RIKEN TECHNOS WAY is put in to action by practicing “Proper Development; Efficient Manufacturing; Reliable Selling.” We started as a venture business relying solely on “Our Team and Our Technology.” Therefore we have been bringing up “The Roots of Manufacturing” since establishment.

It is our responsibility to get back to the “The Roots of Manufacturing”; to practice “Proper Development; Efficient Manufacturing; Reliable Selling.”

The nation of Japan is facing the obstacle of rehabilitation, resulting from the Great East Japan Earthquake that broke out on March 11, 2011. We are ready to tackle challenges with our customers while striving to work through these difficult times, and open up new horizons for the future. With this goal in mind,

we would like to ask your kind support.

New Corporate Philosophy “RIKEN TECHNOS WAY”

Following is an outline of our mission, which forms the essential core of the RIKEN TECHNOS WAY, created in celebration of our 60th year since founding. The term “mission” refers to the *raison d'être* of RIKEN TECHNOS, and its purpose.

● Mission

We are a challenger that harnesses the power of science to improve the quality of life and create a safe, affluent society. We continuously provide new value and satisfaction to people, companies and society through our original and superior formulations and manufacturing technologies of multiple resins.

Guiding Principles of Management

● We Are a “Challenging Manufacturer”

We work to create a framework-with our technical division, manufacturing division and sales division all working together-built around the core of technology, in line with the principles of the RIKEN TECHNOS WAY. More specifically, we continue to pursue our globalization policy at a higher level, to build a better value-added corporate structure that leverages our advanced processing technologies. We are committed to delivering advanced, high-quality products created by RIKEN TECHNOS Group to more customers around the world. It is our mission as a challenging manufacturer to think outside the box, and take on any challenges along the way.



RIKEN TECHNOS CORPORATION Directors and Statutory Auditors

Management Policy on the Environment

● Legal Chemical Substances Control

RIKENTECHNOS Group implements stringent environmental management policies; not merely obeying the laws and regulations relating to chemical substances control, but by setting our own additional criteria and objectives.

● Reduction of the Environmental Load

Our objectives aim to contribute to global environmental management; for example, the reduction of the environmental load, CO₂ emissions, and industrial waste at every stage, from product design to production and delivery.

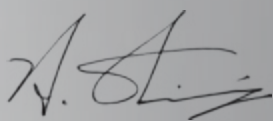
● Information Disclosure

We are making efforts to actively disclose our activities in order to gain the understanding of our stakeholders, especially that of the residents around our factories.

● CSR Report by RIKENTECHNOS Group

This CSR report describes our commitments and our results in achieving our philosophy.

It would be greatly appreciated if you would read this report to gain a better understanding of our company's activities, and give us your honest feedback.



Hiroshi Shimizu

Representative Director, President
RIKENTECHNOS CORPORATION



This year, your loyal support has enabled RIKEN TECHNOS CORPORATION to welcome the 60th anniversary of its existence. We have taken this opportunity to formulate a new corporate philosophy: the "RIKEN TECHNOS WAY." RIKEN TECHNOS WAY reaffirms and redefines the spirit of venture and other legacies of RIKEN-ness that has been emphasized since the beginning, and adds the new directions in vision and growth, realized by the three concepts of: mission, our value, and basics. This not only creates a frame of reference for the employees in making value judgments, but also helps in developing practical action plans to help guide RIKEN TECHNOS Group with confidence.

Mission

The term "mission" refers to the raison d'être of RIKEN TECHNOS and its purpose.

We are a challenger that harnesses the power of science to improve the quality of life and create a safe, affluent society.

We continuously provide new value and satisfaction to people, companies and society through our original and superior formulations and manufacturing technologies of multiple resins.

"We are a challenger" means:

RIKEN TECHNOS Identity (raison d'être)

"that harnesses the power of science to improve the quality of life and creates a safe, affluent society." means:

The nature of what RIKEN TECHNOS has done and what it continues to do

"We continuously provide new value and satisfaction to people, companies and society" means:

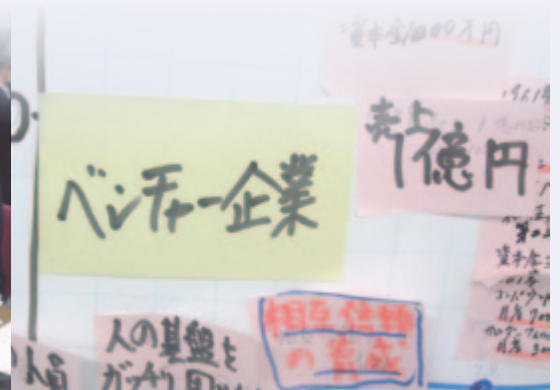
Our Value (Contribution)

"through our original and superior" means:

Standard of Quality to Attain

"formulations and manufacturing technologies of multiple resins" means:

Our Expertise (Strength)





Our Value

Our Value signifies the basic sense of value that is to be shared by all members of RIKEN TECHNOS Group.

We establish a bond of trust and work for the mutual benefit of all.

We create new value.

We continually push ourselves to achieve more.

We enjoy our work and love what we do.

We work together to find solutions and produce the best results for everyone.

RIKEN TECHNOS WAY

Our Value
Fundamental Values

Basic Action
Action Guidelines

Mission
Purpose and Significance

Interview with Mr. Shimizu, President



Q What prompted the formulation of "RIKEN TECHNOS WAY"?

A In the past, our corporate philosophy had been an implicit understanding, rather than a written policy. However, this seems to cause younger generations to feel dubious. I felt we needed to clearly delineate the strengths of our company which have motivated customers to choose the RIKEN TECHNOS brand since its founding, and the policies we need to stand by for as long as RIKEN TECHNOS exists.

Q How has "RIKEN TECHNOS WAY" formulated?

A Company executives and employees worked together for about six months to compile RIKEN TECHNOS WAY. We reviewed the evolution of RIKEN TECHNOS, from its founding to present-day existence, and spent a significant amount of time discussing the direction in which we wanted to continue developing RIKEN TECHNOS.

Q The term "a challenger" leaves a significant impression; what does this term convey?

A The spirit of venture has always been our strength; the RIKEN-ness that has been maintained since founding. As a challenger, we not only manufacture but also take on challenges to create something new. We will continue to challenge the norm and think outside the box in order to leap forward in to the future.

Q How will you communicate the concept of RIKEN TECHNOS WAY to the employees, in order to lead to practical action?

A We believe that as we continue to implement our mid-term management plan of "Proper Development; Efficient Manufacturing; Reliable Selling," and maintain the framework of our technical division, manufacturing division and sales division working together, the RIKEN TECHNOS WAY will gain better understanding from the employees and communicate the concept at a deeper level.



Feature Article

RIKENTECHNOS

Steps Made over the Last 60 Years

The Legacy of “The Spirit of Manufacturing”

This year marks the 60th anniversary of our founding back in 1951. Without the valuable support from all our stakeholders, the present-day success of RIKENTECHNOS would not have been possible. The feature article in this report offers a 60-year retrospective review of the evolution of RIKENTECHNOS and its dedicated commitment to “The Spirit of Manufacturing,” even when encountered by challenges during difficult times. We would like to express our sincerest thanks to you and ask for your continued support of RIKENTECHNOS.

1951 to 1959

Haneda, Ota-ku, Tokyo The Beginnings of “The Roots of Manufacturing”

The RIKEN Foundation, and PVC (Polyvinyl Chloride) Resins

Very few people remember a corporate group, called “RIKEN Industrial Group,” which existed during the pre-war period. The RIKEN Industrial Group, also known as the “RIKEN Konzern,” was an association of enterprises, instituted to raise research funds for the RIKEN Foundation, staffed by many of Japan's best scientists.

After the end of the war in 1945, GHQ enforced the policy of decentralizing certain Japanese enterprises to prohibit monopolies, and dissolved one Zaibatsu after another. The RIKEN Konzern was no exception to dissolution.

Riken Gosei Jushi Kabushiki Gaisha, then a producer of phenol resins, was one of the companies that survived after the dissolution. (This company was later renamed Showa Highpolymer Co., Ltd. and merged with Showa Denko K.K. in 2011)

Shoichiro Imatomi, the president of the company during this time, being confident of the future potentials of PVC resins, decided to work towards commercialization, sending researchers to the Tokyo Institute of Technology to commence research into formulations technology for thermoplastic resins, including PVC resins.

In 1951, two years after the start of the research, RIKEN Vinyl Industry came into being as a fully owned subsidiary of Riken Gosei Jushi Kabushiki Gaisha.

Kicking Off as a Venture Business Solely Relying on “People and Technology”

RIKEN Vinyl Industry Co., Ltd. kicked off as a small back-street workshop in an area covering a little over 70 square meters in Haneda, Ota-ku,

Tokyo. An offspring from the RIKEN Foundation, the company was capitalized, but it was only appraised value of old manufacturing equipment given by its parent. With a staff of little more than 10 employees, the company had to share an office rented by another firm on the second floor of a small building in Kotohira-cho, Minato-ku. For such a venture business, there was nothing for it to rely on but its “people and technology.”

The core of the technology was the proprietary composition and formulations technology. PVC compounds manufactured by RIKEN Vinyl Industry started out as material being used in the making of sundry goods, such as watch bands and belts. However, as the customizable formulations technology of PVC compounds penetrated its way into a growing number of applications, including electrical wires, RIKEN Vinyl Industry stayed current with the trend of the times, and managed to return to profitability by the third year of its founding. In 1955, it launched Kamata Factory as part of its continuing growth, and joined the ranks

of Japan's leading PVC compound manufacturers. While the company grew as a manufacturing force, as a venture company with very few employees, its “people” were the main asset. Therefore, in order to lay the foundation of placing value on the “people,” with the goal to “have all employees gain management-level skills,” the company continued to emphasize its belief that “a company is a gathering of individuals, and better corporate business performance benefit individuals' happiness, as well as profit the shareholders.”



▲ Entrance to Kamata Factory just after relocation



▲ The first automobile purchased at RIKEN

▼ A hot-spring trip to Hakone with board members invited from the parent company Riken Gosei Jushi Kabushiki Gaisha



Fire at Kamata Factory

With the rapid growth of Japan's economy, the demand for PVC resin products continued to rise, and RIKEN Vinyl Industry expanded its facilities to meet this demand, leading to the steady increase in sales.

In the thirteenth year of establishment, amid the successful expansion of business, the accident occurred. In the dawn of September 16, 1964, a

fire broke out at Kamata Factory. The flames destroyed the manufacturing factory and the raw material warehouse, and the employees braced themselves for the end of their company. However, then Senior Managing Director Ryoza Nagai gathered the employees at 8A.M. the following morning and announced that "Now is our chance to modernize our factory." It was only a week later, when RIKEN Vinyl Industry resumed production.

▼A picture of Kamata Factory on fire

1960 to 1970

A fire breaks out Turning a Crises into Opportunity

Establishing the three businesses that become the main pillars of the enterprise

The company developed Japan's first food wrapping film made of PVC resins in 1966 and celebrated the 15th anniversary of its founding the following year, with better corporate performance than that of the pre-fire years. Around this time, the framework for the three

sectors of business that later became the pillars RIKEN TECHNOS - compound products, film products manufactured on the calendaring equipment introduced in 1956, and food wrapping film products - began to take shape.

▼First Factory Constructed



Mr. Yoshihiro Komiya

(Compound Sales Department, General Manager and Full-Time Corporate Auditor)

Since joining the company 1961, I spent most of my time working in the sales department. The company had a difficult time managing cash flow in the early days, so much so that the senior staff would make deliveries to customers with bags loaded with compound products on their backs, then promptly return to the company with the bags filled with the cash received on delivery, including all the small change. Back at the office, everyone would stop what they were doing to count and calculate the cash received, then someone would immediately go deposit everything at the bank. This is what I heard. One of the most difficult times of my career was

during the material shortages caused by the oil crisis. I made another set of business cards as a procurement representative, and along with my work as a sales representative, I went around trying to collect raw materials. A time that gave me great joy as a salesperson was when we received high evaluation for our products in an overseas market, leading to a sole distributorship contract. Whenever we were in trouble, the momentum to keep going came from the employees working together to pursue their duties faithfully. I was very blessed to receive lots of help from our great senior staff and wonderful customers.

Essays



Mr. Hitoshi Kamata

(Second-Generation Materials Purchasing Department General Manager)

I joined the company in 1953. At that time, PVC resin was put in bags containing 10 kg, with two such bags enclosed in a wooden case. PVC resin was so valuable in those days that we would rake up and use any spilled resin. I can still remember the determined expression on Senior Managing Director Nagai's face after the Kamata Factory fire. Rebuilding our company and devising a production line that would make the workflow more efficient was a difficult, but rewarding task. As a result, not only did we restore our factory in a surprisingly short period, but modernized it at the same time, and made it possible to fulfill our responsibility of delivering to our customers.

Real Sense of Trust Is Born

There were two impetuses that motivated our employees to work towards restoration. One was the trust and support showed by our customers and partners. Our customers, who had praised RIKEN Vinyl Industry's products, not only patiently waited for the supply of products to resume after it had been interrupted by the fire, but sent gifts of condolence to the Kamata Factory almost daily; so frequently that a liquor shop in the neighborhood ran out of merchandise. Our business partners gave us a lot of support in the installation of new equipment. Another impetus was the effort of each of our employees. As everyone worked desperately to rebuild the factory, solidarity among the employees was firmly established. The factory fire, a major business crisis, instead became the trigger in building a real sense of trust with customers and employees alike.

Essays

Plastic Materials Support Japan's Economic Growth

Among the about 10 variations of thermoplastic resins then in commercial use, the PVC resin was the only one that could not be used in its original form. However, to look at it differently, the PVC resin possessed excellent properties that allowed the material's characteristics to be varied in any desired way when supplemented with additives. This was where RIKEN Vinyl Industry's formulations and processing technology best demonstrated its utility, boosting the PVC resin to a position of being a resin material indispensable to our everyday lives. Like creating a new dish in

cooking, by adding a different ingredient, each one of the products developed boasted a different use or performance, and RIKEN Vinyl Industry's products began to permeate the market, contributing to the improvement of Japanese society.

Over 10,000 Types of Compound Products

Compounds augmented with various properties, such as electrical insulation, cold resistance, shock resistance, oil resistance, fire retardancy, heat resistance, weather resistance and chemical resistance, were utilized to a wide variety of applications, including electric wires, auto parts, home appliance parts, medical products, non-toxic toys and interior materials for refrigerators.

Film Products That Challenged Competition in a High-Tech Field

With the descent of the full-fledged television era around 1955 to 1965 and after, we succeeded in developing exterior films for acoustic gear cabinets, opening a paint substitute market ahead of our competitors.

Closely Sticking "RIKEN Wraps"

The PVC resin-based RIKEN wrap, with its superior adhesibility, supported the preservation of food in Japan, starting from professional applications, such as restaurants and supermarkets, and extending to general households, with the growing use of refrigerators and microwaves.

This is how RIKEN Vinyl Industry, living up to its name, pioneered the PVC resin processing methods, supporting the Japanese industry in an invisible manner.



▲ Mie Factory just completed

Improving Manufacturing Infrastructures, Getting Closer to Customer Needs, and Enhancing Our Technology

To build an infrastructure that could support the expanding product line-up, and the growing customer demands, in 1968, Okabe Factory (now Saitama Factory) was commissioned into service on a piece of land purchased in Okabe Village, Osato-gun, Saitama Prefecture (now Fukaya City, Saitama Prefecture). In 1973, Mie Factory started operation. In 1974, the company was listed on the first section of both the Tokyo and Nagoya Stock Exchanges.

In order to build further trust in "The Technology of RIKEN," we developed customer needs and seeds and kept technical service representatives that worked closely with customers, and provided post-delivery consultation services. Naturally, there were some complaints, but we faced the realities of the problems, which led to the development of new technologies and spurred on the evolution of formulations and processing technology.



▲ Okabe Factory under construction

▼ Nagoya Office (left) and Osaka Office (right) in 1987

Essays

Mr. Tadashi Takami

(First-Generation and General Manager of Mie Factory, First-Generation General Manager of Film Development Center)



Since it was during a period of rapid economic growth that the Okabe Factory started operation, we had a hard time recruiting employees. The factory was located on a peaceful plot of land surrounded by mulberry fields, but this often caused the factory to be plagued by different noises, drainage problems, and damages caused by insect infestations.

When Mie Factory was established, its machinery and equipment could not be run at 100% utilization capacity, due to the influence of the oil crisis. There were times we had to boost the employee morale and motivation by conducting study sessions.

We owed the completion of the Processing Technology Laboratory, from the construction of the building to the installation of testing apparatus, to RIKEN. We also received support from both inside and outside the company in deciding how to concentrate on priority themes.

I remember how keenly I felt the difficulty of marketing products in a way that made it easy and understandable for customers.

All for the Customers



1971
to 1988

Delivering Japanese Quality to the World from Early On

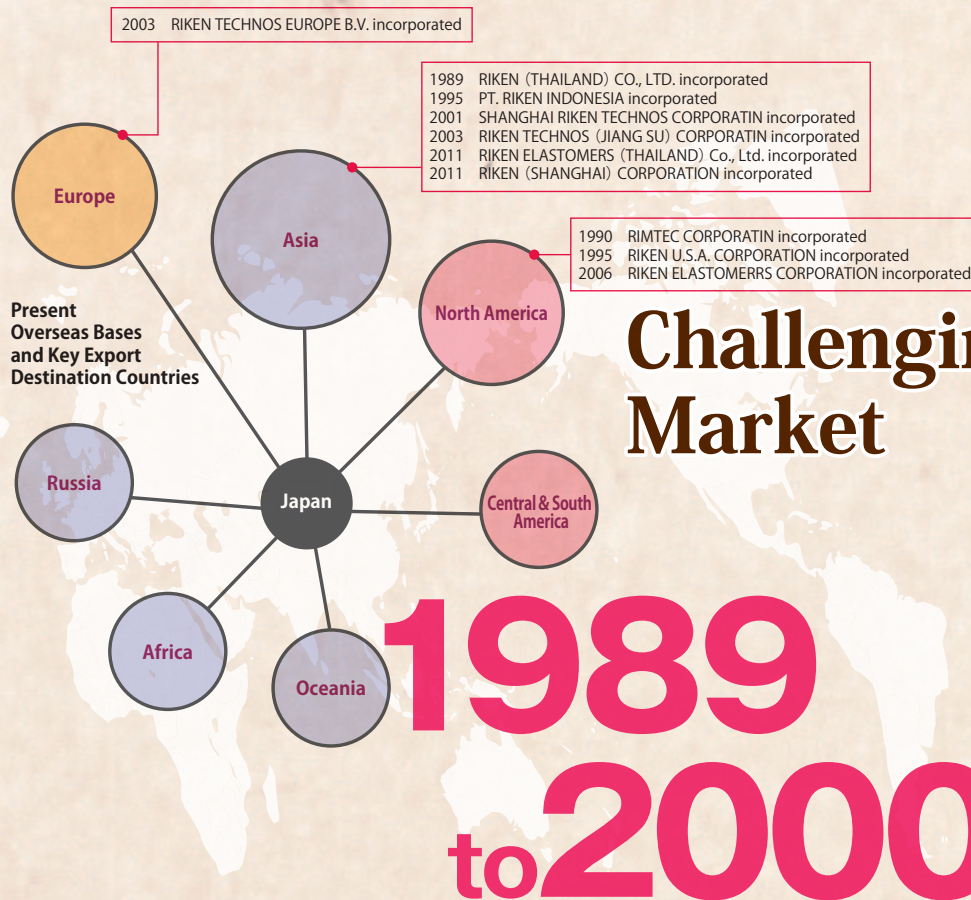
The first company president Shoichiro Imatomi had long kept an eye on the potentials of overseas expansion, taking a tour of the U.S. plastics industry in 1957. In 1958, compounds were exported to Korea, Taiwan and China. By the 15th year of our founding, RIKEN Vinyl Compound had been represented across South-East Asia, as well as exports reaching North and South America and Africa.

RIKEN TECHNOS was the first Japanese manufacture to export window shade films -developed after three years of devoted research

by our entire technical staff - to the U.S.A. Subsequently, films for window shade were marketed in Asia, North America, Europe and other nations to target specific applications, such as building materials and flat cables.



▲ A hose manufacturing factory that uses RIKEN compounds in Ceylon (now Sri Lanka)



Challenging the Global Market



▲ A view of manufacturing assembly strings for wicker chair using RIKEN compounds in Thailand

Full-scale Globalization

As we set out in a sales tour of the global market, Thailand was the first country we ventured into, not only as a mere sales base but as a full-fledged manufacturing base. What led us to this overseas expansion was an invitation from one of our customers. In those days, Japanese enterprises had started making forays into the overseas market, but were experiencing difficulty in procuring good-quality materials locally.

In 1989, RIKEN(THAILAND) CO., LTD., was founded as our first overseas compound production base. We then began to establish a chain of production and sales bases overseas; in

the U.S.A. (RIMTEC CORPORATION), Europe (European Representative Office, now RIKEN TECHNOS EUROPE B.V.), Indonesia (PT. RIKEN ASAHI PLASTICS INDONESIA, now PT. RIKEN INDONESIA) and China (Shanghai Representative Office), in order to set up structures that could address customer needs faster. Currently, all these companies, including RIKEN (THAILAND) CO., LTD., are deeply rooted in their respective countries and are continuing to grow. We can honestly say that without customer trust, this project would not have been made possible.

Essays



Mr. Yoshihisa Torisu

(First-Generation General Manager of Polymer Research Laboratory)

When I joined the company in 1961, I invested extensively in research activities for technical development purposes. As we were equipped with a complete set of testing and analytical apparatus, we were able to pick up on some discoveries that we had previously missed. As we enter into our 60th year, I would like to say that each of our employees has his or her own valuable life to live. We need to think of the life lived by another as one of your own. When I served as director at the Mie Factory, labor accidents weighed more on my mind than financial deficits.

The "trust in our company," built over the last 60 years could be lost instantly, with one moment of inattention. I would like to encourage you all to keep growing, with care and attention, to realize an ideal company of full of dreams.

Essays



Mr. Tadao Takano

(Fifth-Generation General Manager of Okabe Factory)

When I served as director and general manager at Okabe Factory, the factory operation was at its peak, with all its lines being run at 100% capacity. The film, originally developed as a refrigerator door surface material, had come into popular use as a paint substitute. I remember that the product was so well-designed that it could not be reproduced by other companies, and satisfied many designers with its high value-adding capabilities, making a sizable contribution to the factory profits.

Moreover, all the employees at Okabe Factory worked earnestly in a small-group TPM (Total Productive Maintenance) action program to facilitate 100% capacity factory operations.

2001 to 2007



RIKEN TECHNOS

Material Solution Supplier

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

RIKEN TECHNOS Comes into Existence

Environmental Issues and Unavoidable Decline of PVC Usage

As PVC based products continued to gain growing popularity in the world, the dioxin problems suddenly surfaced in the latter half of the 1990s. Rumors saying "PVC is detrimental to the environment" disseminated instantly through the media. Be it a mistaken notion or not, there was no way of checking the general trend of moving away from PVC usage. However, we had already been preparing to widen product line-up. While seeking to expand markets in Japan and abroad, we had established the Polymer Research Laboratory and the Film Development Center in 1984 as core organs to build a more solid, more advanced research and development framework (these two facilities have now merged into the R&D Center). The Polymer Research Laboratory focused on basic researches on non-PVC materials, while the Film Development Center pursued advanced processing technologies. Despite our initial challenges in our development efforts, non-PVC-based special compounds (called "fine compounds") began to win gradual market recognition. A technical framework began to steadily take shape, with a looming prospect of commercialization, in line with the trend in declining PVC usage.

▼ Analysis center equipped with advanced analytical equipment indispensable to development activity



"RIKEN TECHNOS" is Born

Reflecting the trend in the world market, the share of PVC based products in our total sales fell below 50% in 2001, making the company name "RIKEN Vinyl Industry" no longer appropriate for our line of business. At the 50th anniversary of our founding, therefore, the company was named "RIKEN TECHNOS" to mark a fresh start for the 21st century.

The company name "RIKEN TECHNOS" was chosen from among the suggestions submitted by employees. The project members spent the majority of their time to define the criteria for screening the company name suggestions. We felt that if the "criteria" was worked out by thoroughly discussing the future concept of RIKEN for the 21st century, and what our line of business should be, the fitting company name would automatically emerge.

Thus the company, newly reborn as RIKEN TECHNOS, began to forge its way as a "Material Solution Supplier," ready to offer solutions by proposing materials and processing technologies.

Developing a New Market

Reborn as RIKEN TECHNOS, we continue to pursue new markets and face challenges.

● Establishing a Manufacturing Base in China

In 2001, SHANGHAI RIKEN TECHNOS CORPORATIN was incorporated as a PVC resin compound manufacturing base in China, in the wake of rapid growth following the introduction of a market economy system. We started a production base that would serve broad industries, including automobiles and electric wires. In 2003, RIKEN TECHNOS(JIANG SU) CORPORATIN was founded as the first overseas wrap manufacturing base.

▼ A press presentation of the inauguration of SHANGHAI RIKEN TECHNOS CORPORATIN



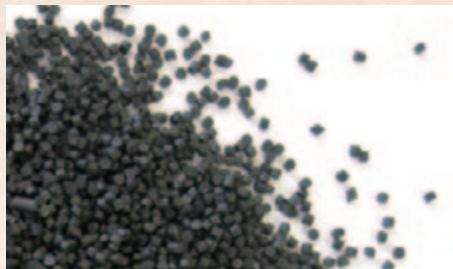
▼ Cutting the tape at the opening ceremony of RIKEN TECHNOS(JIANG SU) CORPORATIN



●Elastomer Compound Business Expansion

While we had been pursuing the development of special compounds to prepare for the continuing decline in PVC usage, the compound business had expanded into an elastomer business to such an extent that, in 2006, RIKEN ELASTOMERS CORPORATION was incorporated as the first elastomer manufacturing base in the U.S.A.

▼Elastomer compounds



▼RIKEN ELASTOMERS CORPORATION



●The Challenge of Becoming a Non-PVC Film Business

Non-PVC-based film products had also been in development, in preparation for the decline in PVC usage.

We succeeded in developing an olefin

film (RIVEST TPO®) around 1995 and, two years later, a polyester film (RIVESTAR®). Both products have been widely used for building material, home appliance parts and other applications.

In 2005, Gunma Factory started operation, equipped with a precision coating facility to take better advantage of our new processing technology; taking on the challenge of breaking into the electronics industry under the clean environment movement.

Thus at the beginning of the 21st century, the demand for plastic materials other than the PVC increased drastically in Japan and Europe.



▲RIVESTAR



▲The completion ceremony of Gunma Factory

2001 to 2007

Material Solution Supplier



About the Company Name "RIKEN TECHNOS"

The company name "RIKEN TECHNOS" was taken from "RIKEN TECHNOLOGY SUPPLIER." It represents our commitment to refine the technology we have developed so far to take it to an even higher level, to overcome the hurdles and take great steps into the next 50 years to come.

The corporate mark is based on the letter "R" out of RIKEN TECHNOS, and is combined with visual images of our core products, compounds and films, to represent "trust" in the form of graceful wings flying into the future. The corporate color is the "RIKEN Blue." It signifies the technology-oriented heart of RIKEN TECHNOS that treasures individuality and aims for the future.

Essays



Mr. Yukinobu Masano

(Fifth-Generation President)

I think that RIKEN TECHNOS is truly a good company. I have never regretted having worked for RIKEN TECHNOS.

After joining the company, I was assigned to work on developing rigid compounds. In those days, exible compounds were so dominant that we had to start from scratch to develop rigid compounds. Despite being a new recruit, I was assigned a job, but I happened to cause damage to manufacturing equipment during a prototyping process, due to a product design error. I prepared for instant dismissal, and felt the heavy responsibility and the burden of paying for the damaged equipment. However, instead of blaming me, my supervisor simply asked "So,

what's the next move?" I felt so relieved, and also greatly impacted, realizing that this is the character of RIKEN Vinyl Industry.

It is the character of RIKEN TECHNOS to continue striving for success despite repeated failures. While I was serving my term as president at the time of the 50th anniversary, we renamed the company. The letter "S" at the end of RIKEN TECHNOS represents the three words that begin with S - Supplier, Solution and Service - which show our stance towards our customers. I hope that RIKEN TECHNOS will continue in its devoted pursuit of technology, and in building a corporate structure that supports this pursuit.

Is PVC Detrimental to the Environment?

This is a totally mistaken notion. The chlorine-containing PVC is said to generate dioxin when incinerated at a low temperature. Other substances that contain chlorine, such as meat, fish, and wood, will also emit dioxin if they are incinerated at a low temperature. However, when these substances are incinerated at a high temperature, there is no generation of dioxin, and as Japan's incineration facilities are well-equipped, low-temperature can be avoided.

While plastic materials are made of petroleum for the most part, 60% of PVC is composed of chlorine extracted from salt. Therefore PVC can be said eco-friendly in terms of effective utilization of limited petroleum resources.

The Roots of Manufacturing Overcoming Crisis

With the advent of the 21st century, the previous way and scheme of thinking began to diversify and transform at an unprecedented rate. A symbolic event is the series of terrorist attacks in the U.S.A. in 2001. The rise of emerging nations drove concentrated investment in specific industries, with the influx of speculative money was observed in various markets, as a result of a global money glut. Under such circumstances, a global recession was triggered by the Lehman Shock in 2008, putting RIKEN TECHNOS in distress.

In this context, we came up with an extremely simple management concept - "Proper Development; Efficient Manufacturing; Reliable Selling" - by redefining RIKEN's original identity, or "The Roots of Manufacturing."

The implementation of this management concept is supported by a sense of trust shared by all the people (stakeholders) connected to RIKEN TECHNOS. Without trust, the management concept of "Proper Development; Efficient Manufacturing; Reliable Selling" could not be put into practice.

In line with this management concept, the Technical and Manufacturing Divisions were newly instituted, and began to work in closer conjunction with the Sales Division. In this way, RIKEN TECHNOS achieved V-shaped recovery by 2009.

New Corporate Philosophy Formulation of "RIKEN TECHNOS WAY"

Not a few number of present employees have experienced hearing a customer or partner say "That is very 'RIKEN.'" Over a long period of 60 years, the corporate climate and mental backbone

of the company seem to have solidified into a distinct "RIKEN-ness". In looking back over the evolution of RIKEN TECHNOS as it celebrates its 60th anniversary this year, it has been nothing but a sequence of challenges - the kind of challenges no one person can take on, but can be overcome by customers, partners and employees working in a unified effort. There is nothing showy about our line of products or our history of development activity, but the employees are proud of having been able to support industries in Japan and in other parts of the world in an obscure manner. At this 60th anniversary of our founding, the new corporate philosophy "RIKEN TECHNOS WAY" has been formulated to pass on the merits of this "RIKEN-ness" from generation to generation. We will continue making our way as a challenging manufacture - RIKEN TECHNOS.

2008 to 2011



Back to "The Roots of Manufacturing" "RIKEN TECHNOS WAY" Opens Up New Horizons of Future Vision

1 1949

Nov. Started basic research on PVC compounding technology at Tokyo Institute of Technology.



The name plate of the front gate of RIKEN



Mr. Masatoshi OKOCHI who was the RIKEN Foundation's third president and established the RIKEN Konzern

2 1951

March Established Riken Vinyl Ind. Co., Ltd., with capital of JPY 2 million.

June Started PVC compound production at Haneda in Ota-ku, Tokyo.



First machine for 9 inch roll installed

6 1966

Became the first company in Japan to develop food wrapping film made by PVC.



7 1968

Dec. Installed film extrusion equipment and started operation at Okabe Factory.



8 1969

Nov. Installed PVC compounding & film calendaring equipment at Okabe Factory.

11 1974

June "Riken Vinyl Ind." listed on first section of Tokyo-Nagoya Stock Exchanges.

12 1979

Oct. Opened Nagoya Sales Office.



13 1980

March Opened Fukuoka Sales Office. (Closed in Dec. 2007)

April Installed 3rd level processing line for film calendaring at Okabe Factory.

June Installed film extrusion equipment at Mie Factory.

17 1990

Feb. Established RIMTEC CORPORATION in U.S.A. (consolidated subsidiary at present)



Dec. Installed film calendaring equipment at Mie Factory.

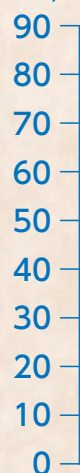
18 1993

Developed poly olefin type food wrap for household use.

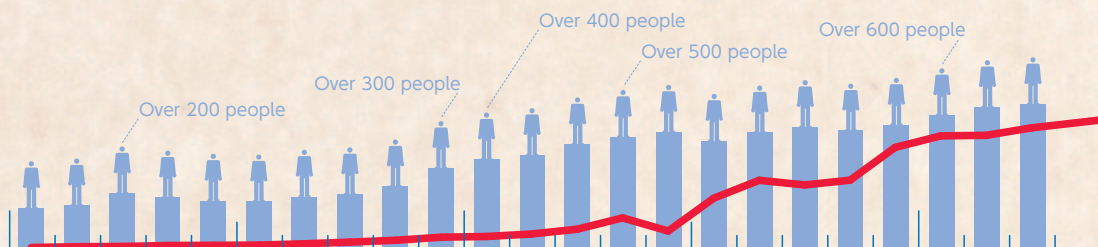
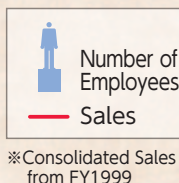


(JPY billion)

Sales



The 60 Years of History at RIKEN TECHNOS CORP.



1950

1

Initiation and pre-dawn of Riken Vinyl Corporation

1960

5

Business foundation establishment

1970

9

Domestic business foundation establishment

1980

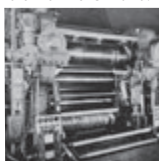
12 13

3 1955

Oct. Purchased a factory in Kamata, Ota-ku; transferred and expanded compounding equipment.

4 1956

Dec. Installed the film calendaring equipment at Kamata Factory and film extrusion equipment at Haneda factory. Became the number one company of PVC compound production in Japan, and third in the world.



The process of film calendaring

5 1961

Oct. "Riken Vinyl Ind." is listed on second section of Tokyo Stock Exchange.

9 1970

June "Riken Vinyl Ind." is listed on second section of Nagoya Stock Exchange.

10 1973

April Opened Osaka Sales Office. (reorganized to Osaka Branch Office in April, 1982.)



Dec. Installed PVC compounding equipment and started operation at Mie Factory.



14 1984

April Opened Polymer Research Lab & Film Development Center. (R & D Center at present by integration.)

15 1987

March Installed fine compound equipment at Mie Factory.

16 1989

April Established RIKEN (THAILAND) Co., Ltd. (Consolidated subsidiary at present)



19 1994

Started sales of thermoplastic elastomer.

June Installed 3rd level processing line for film calendaring at Okabe Factory.

20 1995

April Established P. T. RIKEN ASAHI PLASTICS INDONESIA (current name: PT. RIKEN INDONESIA; consolidated subsidiary at present) Established representative office in Netherland.



20 1995

May Established RIKEN U.S.A CORPORATION.(consolidated subsidiary at present)



Oct. Integrated Production Div. of Kamata Factory to Okabe and Mie Factories.

21 1998

Compound Div. obtained ISO9001.

22 1999

May Opened Shanghai Representative Office in P. R. China.Film Div. obtained ISO9001.

23 2000

Manufacturing Div. obtained ISO9001.

25 2002

RIKEN TECHNOS CORPORATION obtained ISO14001.

26 2003

May Delisted from 1st section of Nagoya Stock Exchange. Established RIKEN TECHNOS EUROPE B.V. (consolidated subsidiary at present)



Aug. Established RIKEN TECHNOS (JIANG SU) CORPORATION. (consolidated subsidiary at present)



28 2006

April Changed Polymer Research Lab to Polymer Development Center and Film Research Lab to Film Development Center.

June Established RIKEN ELASTOMERS CORPORATION, in the United States.(consolidated subsidiary at present)



29 2007

May Wholly owned M-I CHEMICALS CO.,LTD. (consolidated subsidiary at present)



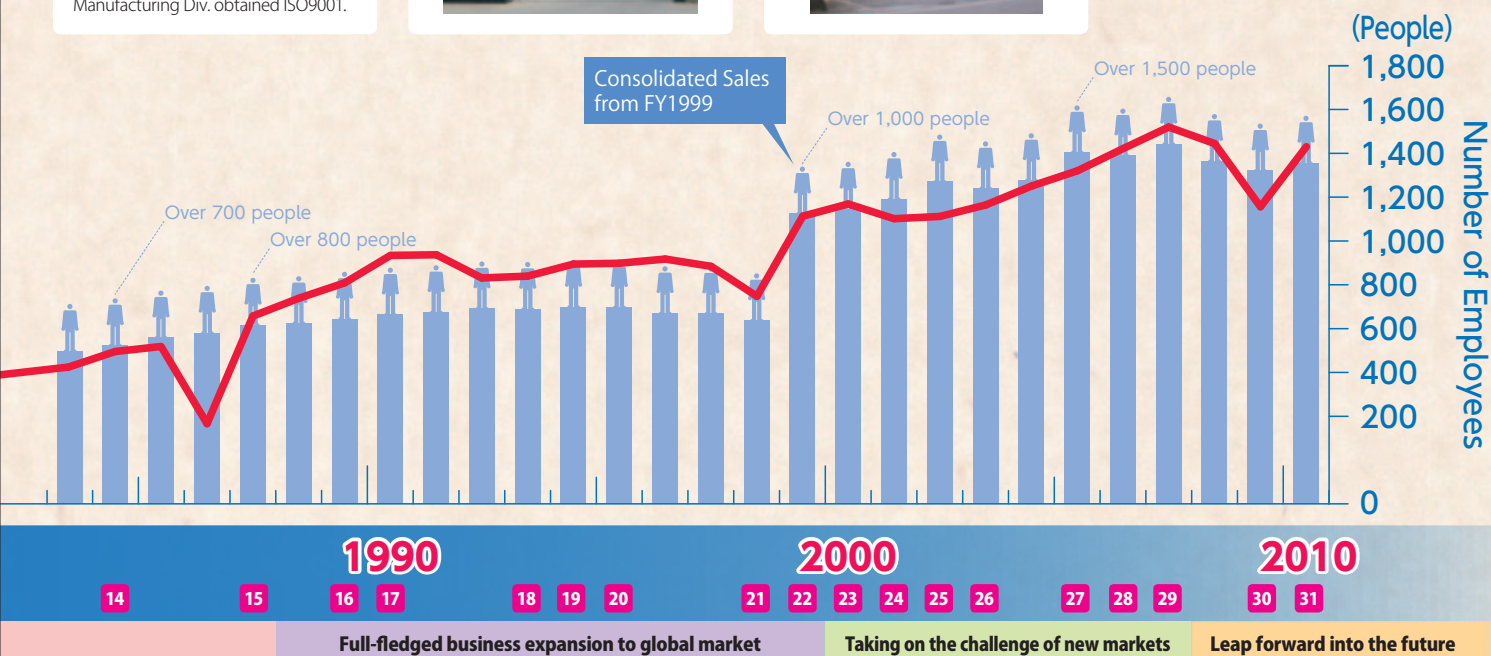
29 2007

Dec. Wholly owned SHINKO ELECTRIC WIRE CO.,LTD. (consolidated subsidiary at present)



30 2009

April Integrated Polymer Development Center and Film Development Center to R & D Center(Tokyo and Saitama).



24 2001

Aug. Established SHANGHAI RIKEN TECHNOS CORPORATION. (consolidated subsidiary at present)



Oct. Changed the company name to RIKEN TECHNOS CORPORATION.



Nov. Okabe Factory, Mie Factory and Film Research Lab obtained ISO14001.

27 2005

Oct. Installed Clean Coater equipment and started operation at Gunma Factory.



28 2006

Jan. Changed the name of Okabe Factory to Saitama Factory.

29 2007

Aug. Wholly owned KYOEI PLASTIC MFG CO.,LTD. (consolidated subsidiary at present)



Oct. Wholly owned KANEKON CO.,LTD. (consolidated subsidiary at present)



31 2010

April Renamed P.T. RIKEN ASAHI PLASTICS INDONESIA to PT. RIKEN INDONESIA P.T.



Sept. Moved R & D Center(Tokyo) to a new building in adjoining land.



History of Compound Products

1950

1960

1970

1980

1990

Flexible PVC Compound

1951 Started production of PVC compounds at Haneda in Ota-ku, Tokyo.

Belt, watch band, beach balls

1964 Applied to wave preventing buoys for swimming meets at the Tokyo Olympics.

1 Leonir®(rubber elasticity)

2 For injection material, hose having oil resistance

3 Medical(for medical products)

TPEE type elastomer



Rigid PVC Compound

For injection materials

For special forms

4 Plastic window frames with fire retardant



PVC compound for wire and cable



Heat-resistant material

7 Telephone cord (trial approval)
Cable for telephone having impact resistance
Cable used in Siberia having cold resistance

UL plug

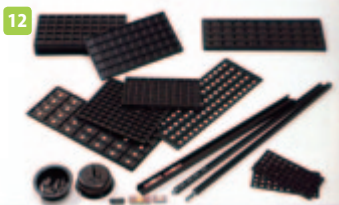
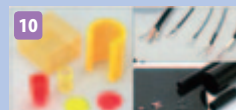


Leolinks®
Registered trademark as PVC resin for electric insulation

Thermoplastic Elastomer

1994 Started sale of Thermoplastic Elastomer. 8
Various types are developed according to customer requests.

Leostomer®
Actymer®
Trinity®
Oleflex®
Actymer G®



Conductivity and antielectricity compounds

12 SUPEROME®
Conductivity compound with carbon contained

Leoaloy®

Special Compound

10 Heat variable colored compound

11 Light variable colored compound



Commodity type plastics compound

ABS

PP

PS

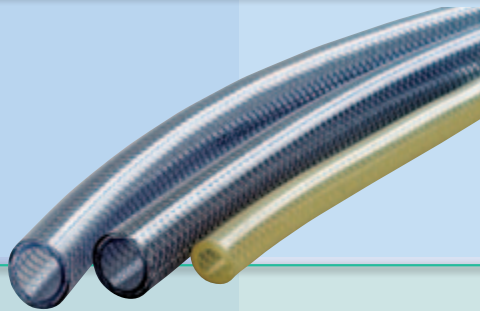
Foaming Polyester Heat-resistant polyester

Heat-resistant non - halogen compound

2000

2010

RIKENT TECHNOS has been developing Flexible PVC compound for 60 years, making it easily processable by any machine. It is widely used in automobiles, interior materials, appliances, medical equipment, tableware, toys, consumer goods, etc.



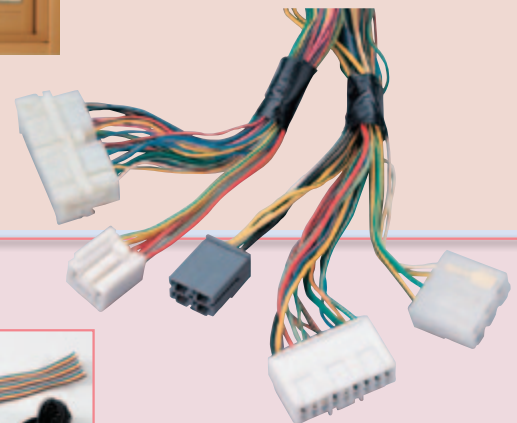
5 Reforest®

This is a new material made by mixing wood powder and plastics having both the wood texture and useful plastic properties.



Rigid compound is widely used in heat insulation sashes, gaskets, pipes, interior materials, etc.

6 For insulation sash of interior window



9 Leostomer® SE



Biomass compound
Made from biomass material

13 STATICMASTER®

Used for components used in the clean room, electronic parts carrying case, lens trays, etc. Thermoplastic for forming, which can be used in iontophoresis, CB, CF or surfactant are not used for STATICMASTER®. It is not a coating or surface treatment such as deposition. Therefore this material can cope with "low out-gassing" and "low pollution," and is required for semiconductors, electronic parts, and optical parts.



History of Product Development at RIKEN TECHNOS

History of Film Products

1950

1960

1970

1980

1990

Decorative film for interior, TPO Film, PET Film

1956 Installation of film calendering equipment at Kamata Factory. PVC film went on sale. Developed film products for commutation of celluloid. Used as interior material for refrigerators.



Decorative film becomes a big seller as an alternative way of paint to appliance cabinets.

1960 Developed film for window shades and started to export it to U.S.A.

1 For TV & stereo set cabinets
For furniture



2 For interior and wall covering

3 For desks

4 For edge tape



Film for sticker

10 Film for sticker Used for sign plate instead of paint

Film for steel lamination

11 For bathroom walls



Developed wall panels for bathrooms instead of tile walls. Riken film can be used in the harsh environment of a bathroom.



12 VTR cabinets

13 For Exterior

14 For refrigerator doors
Developed film instead of paint. You can easily change colors and also enjoy printed designs.

Film for flexible flat cable

17 For Cable Developed film for flexible flat cables by coating technology

IR cut film, Window film

Developed PVC window film.

Film for automotive

For dashboards

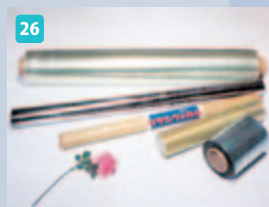


Wrapping film for yard goods

25 General use

Tape, Lamination

26 Extrusion film



27 For lamination



Around 1980
Developed shutter sheet.

Dicing film

Developed PVC film for IC.

Medical and tableware



28 Developed graft film

Photo was supplied by Agilis Co., Ltd.

2000

2010

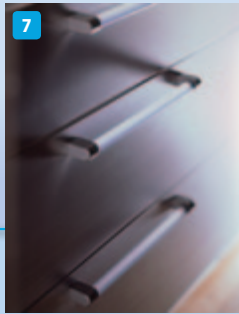
1995 Non PVC film, Olefin type film
RIVEST TPO® developed.

1997 Non PVC film, Polyester type film
RIVESTAR® developed. 7

RIVESTAR®

High quality brushed
stainless hairline design film
with matte finish

Film for cabinets have been widely used,
especially for furniture, kitchen cabinets,
audio speaker boxes, etc.
Also used for wall panels.



15 For refrigerator doors 16 For refrigerator doors
Film for steel lamination has various designs,
like metallic, brushed hairline stainless finish, etc.



RIVEX®
Developed window film for automobiles.
Various grades developed,
like UV protection, IR protection, etc.

20 OPTIA®
Decorative film for glass with
UV protection



Film for Display Panels

21 Products manufactured in a clean room

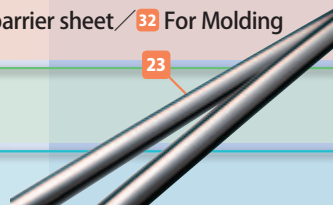
Coating technology developed in a clean room made it possible to
break into the optical market.

For interior and exterior

24 Decorative film for interior

Thermal barrier sheet was developed as an energy
saving material. Applied to the roof of a bus.
(Discontinued in 2005)

22 Thermal barrier sheet 32 For Molding



Beginning of 1990 Started developing non PVC dicing film for electronics components manufacturing.

29 For medical

30 Food packaging



* Discontinued in 2005

Media film for inkjet printing

31 Media film for inkjet printing

* Discontinued in 2005



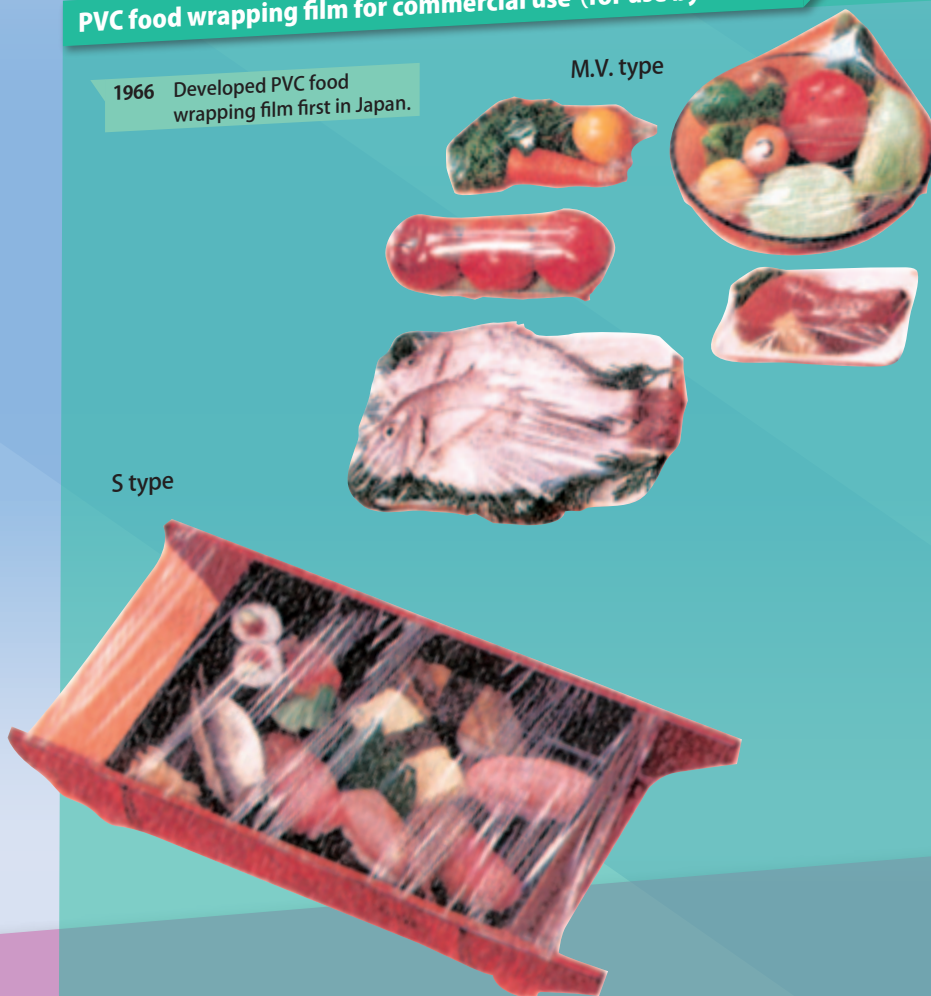
History of Food Wrapping Film Products

PVC food wrapping film for commercial use (for use by hands)

1966 Developed PVC food wrapping film first in Japan.

M.V. type

S type



PVC food wrapping film for commercial use (for use by machines)

1973 Started sale of Food wrapping film for machines.

Installation of automatic wrapping machine in supermarkets. Helped avoid increase in labor costs.



PVC food wrapping film for household and commercial use

Around 1972, Food wrapping film made in sizes 20m and 100m went on sale.



Gift package with cutter



Olefin type food wrapping film (for use by hand)

Olefin type food wrapping film (for use by machines)

1960



Started sale of "BIG WRAP"
The first product in Japan
with attractive packaging

Olefin type Heat resistant Food Wrapping Film

1992 Developed Olefin type food wrapping film.

Developed according to the requests for non PVC food wrapping film. Heat resistant up to 180°C which is NO.1 in the market.

2003 Established RIKEN TECHNOS (JIANG SU) CORPORATION.

Manufacture food wrapping film for commercial use.

Food wrapping film for household use



2010

2000

1990

1980

1970



Outline of RIKEN TECHNOS GROUP

Corporate Profile (As of March 31, 2011)

Company Name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	JPY 8,514 million
President	Hiroshi Shimizu
Number of Employees	766
Head Office	3-11-5, Nihonbashi-Honcho, Chuo-ku, Tokyo 103-8438, Japan

Business Field

RIKEN TECHNOS was established as "RIKEN VINYL INDUSTRY CO., LTD." (former company name) in 1951 to produce and sell the Poly Vinyl 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 company founding.

RIKEN TECHNOS operates business in Japan and internationally based on comprehensive plastics processing technology, which has been developed since the beginning with three core business : Compound, Film, and Food Wrapping Film.

RIKEN TECHNOS, as a "challenging manufacturer using the power of science" based on the new corporate philosophy introduced as "RIKEN TECHNOS WAY," produces high quality products and technologies to meet the increasingly diverse and sophisticated needs of our customers and of society.

Compound Division

Compounds are mixtures resin-based with several different additives, which produce novel properties. Compounds are mainly used in extrusion and injection molding.

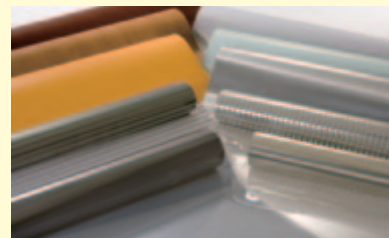
- **Major Products**
Polyvinyl Chloride Compounds, Thermoplastic Elastomers, Electro-conductive Compounds, Anti-static Compounds and Biomass Plastics Compounds etc.



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**
Film for Interiors and Furnishings, Steel Laminating Film, Polyester Type Film, IR cutting film, Decorative Film for Glazing, Film for Optical Instruments etc.



Food Wrapping Film Division

As the first company in Japan to develop food wrapping film used PVC resin, we produce a variety of wraps that range from home use to commercial use -that have both quality and function- and have been developing wraps suited for food and automatic packaging machines.

- **Major Products**
Polyvinyl Chloride Types Wrap and Poly Olefin Type Wraps etc.



New Mid-term Business Plan

New Mid-term Business Plan

We started the New Mid-term Business Plan in April 2010. The core of the principle is, "To be reborn as a powerful and energetic manufacturing corporation based on mutual trust, while remembering The Roots of Manufacturing."

As one aspect of our PVC compound business expansion plan, in the November of 2010, we purchased a factory in Ohmi-city of Shiga Prefecture for manufacturing PVC compound for domestic medical use. In April 2011, we were commissioned PVC compound business from Zeon Kasei Co., LTD.

In the Asia market, we established RIKEN (SHANGHAI) CORPORATION, which sells film products and other plastic products, and also established RIKEN ELASTOMERS (THAILAND) CO., LTD.

Celebrating the 60th anniversary by setting a new corporate principle, the "RIKEN TECHNOS WAY," we seek to advance even faster in tackling the main themes of management challenges.

Main themes

1. Reforming the business fundamentals

Reform the business system, including the management process and by developing human resources.

2. Expanding the business to create products with high-level functions and profit.

Be innovative to expand the business to create products with high-level functions and greater profit.

3. Globalization of all aspects of RIKEN TECHNOS' business

Establish the system quickly, in order to gain business opportunities in emerging regions.

Financial Result

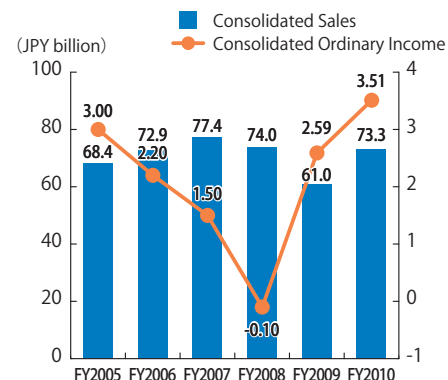
Detailed information is available on the page "Financial/IR" on our website.

FY 2010 Financial Result

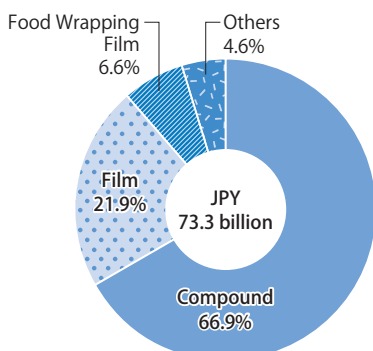
(JPY billion)

	Consolidated	Non-consolidated
Net Sales	73.3	46.8
Operating Income	3.46	1.51
Ordinary Income	3.51	1.90
Net Income	2.06	1.65

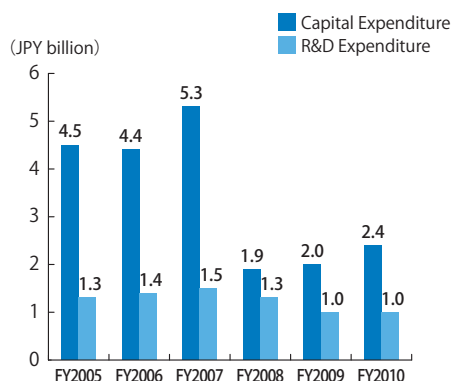
Transition of Consolidated Financial Result



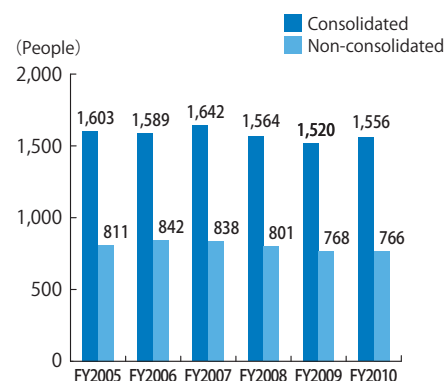
Sales Component Proportion Ratio by Geographic Segment



Capital and R&D Expenditure



Number of Employees



RIKEN TECHNOS GROUP Business Field and Major Products

Our products are manufactured to be used in various ways and as a part of your everyday life.

Compound Products

- **Automotive**
(Exterior Moldings, Shift Lever Knobs)



- **Wire and Cable**
(Automotive, Building Materials, Flat Cables, Appliance Wires)



- **Electronic and Optical Components**
(IC Carriers, Sealing materials)



Materials of Packing for Semiconductor



- **Interior Materials** (Window Frames, Gaskets)



- **Consumer Goods** (LP Records, Stationary)



Eraser

- **Medical Equipment and Tableware**
(Tubes, Container Seals, Toys)



Compound products of RIKEN TECHNOS are used as sealing materials for containers





Film Products

- Interiors and Furnishings
- Steel Lamination for Appliances and Bathrooms
- Flexible Flat Cables
- Film for Optical Instruments
- Glass Glazing for Buildings
- Glass Glazing for Automotives
- Film for Processing Semiconductors
- Electronic Parts
- For Solar Cells



"OPTIA," a decorative glass glazing film



Film for cabinets with the appearance of brushed stainless



Film for steel lamination for bathroom walls



Film for Optical Instrument

Food Wrapping Products

- For Home use
- For Commercial Use



"RIKEN WRAP" sticks to tableware so tightly that even liquid is difficult to spill



Networks

RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 14 affiliated companies. We have actively cultivated overseas markets since the beginning of operations, and worked 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.

RIKEN TECHNOS CORPORATION's Site and Affiliated Companies in JAPAN



1 Head Office



4 Saitama Factory



8 R&D Center (Saitama)



11 Kyoei Plastics MFG Co., LTD.



13 M-I Chemicals Co., LTD.



5 Mie Factory



9 Shanghai Representative Office



12 Kanekon Co., LTD.



2 Osaka Branch Office



6 Gunma Factory



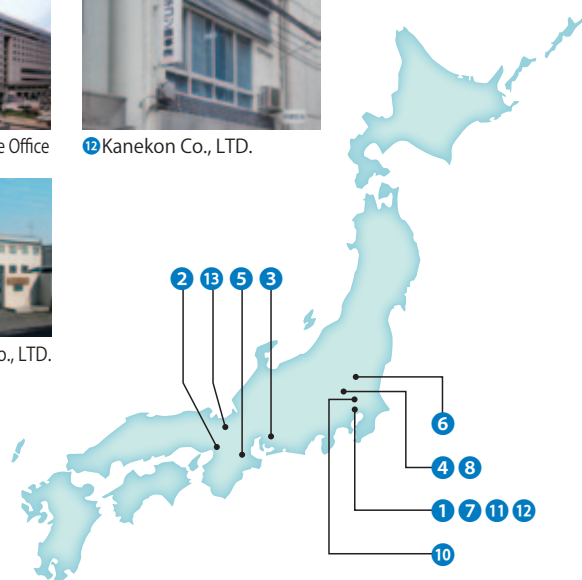
10 Shinko Electric Wire Co., LTD.



3 Nagoya Sales Office



7 R&D Center (Tokyo)



Site of RIKEN TECHNOS CORPORATION	Main Business Field	Address
1 Head Office	Headquarters, sales & marketing of compound, film and food wrapping film	CHUO-KU, TOKYO
2 Osaka Branch Office	Sales & marketing of compound, film and food wrapping film	OSAKA-SHI, OSAKA
3 Nagoya Sales Office	Sales & marketing of compound and food wrapping film	NAGOYA-SHI, AICHI
4 Saitama Factory	Manufacturing of compound, film and food wrapping film	FUKAYA-SHI, SAITAMA
5 Mie Factory	Manufacturing of compound, film and food wrapping film	KAMEYAMA-SHI, MIE
6 Gunma Factory	Manufacturing of high functional film under a clean environment	OTA-SHI, GUNMA
7 R&D Center (Tokyo)	Research and development of compound, and technical support to domestic and overseas facilities	OTA-KU, TOKYO
8 R&D Center (Saitama)	Research and development of film, and technical support to domestic and overseas facilities	FUKAYA-SHI, SAITAMA
9 Shanghai Representative Office	Liaison Office (market research for film and quality/technical support to customers)	SHANGHAI, CHINA

Affiliated Companies in Japan	Main Business Field	Address	Capital Stock	Shareholdings
10 SHINKO ELECTRIC WIRE CO., LTD.	Manufacturing and sales of electric wire and cable	IRUMA-SHI, SAITAMA	JPY48 million	100%
11 KYOEI PLASTICS MFG CO., LTD.	Manufacturing and sales of profile extrusion plastic products	CHUO-KU, TOKYO	JPY24 million	100%
12 KANEKON CO., LTD.	Sales of compound and film	MINATO-KU, TOKYO	JPY10 million	100%
13 M-I CHEMICALS CO., LTD.	Manufacturing and sales of compound	KONAN-SHI, SHIGA	JPY300 million	100%

Affiliated companies in Japan are listed head offices only.

Overseas Affiliated Companies



14 RIKEN (THAILAND) CO., LTD.



15 PT. RIKEN INDONESIA



16 SHANGHAI RIKEN TECHNOS CORPORATION



17 RIKEN TECHNOS (JIANG SU) CORPORATION



18 RIKEN U.S.A. CORPORATION



19 RIMTEC CORPORATION



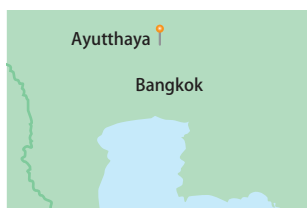
20 RIKEN ELASTOMERS CORPORATION



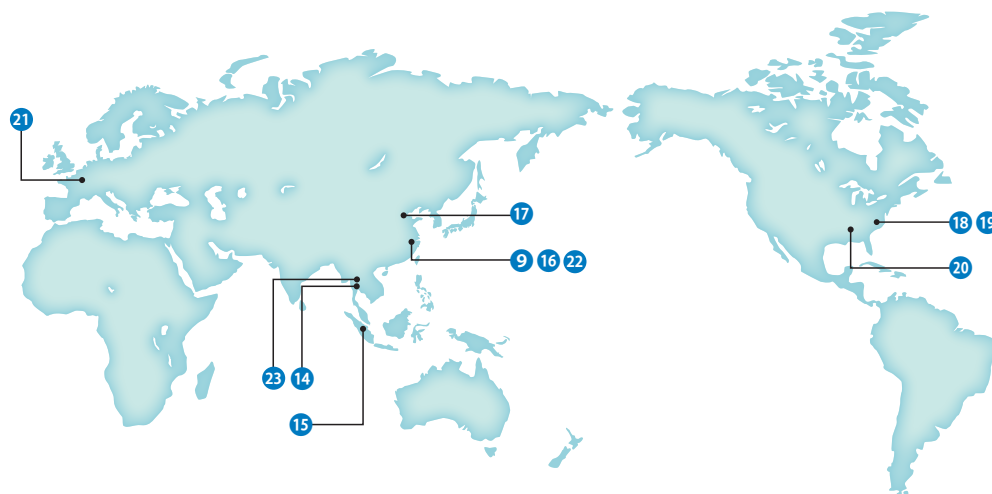
21 RIKEN TECHNOS EUROPE B.V.



22 RIKEN (SHANGHAI) CORPORATION



23 RIKEN ELASTOMERS (THAILAND) CO., LTD.



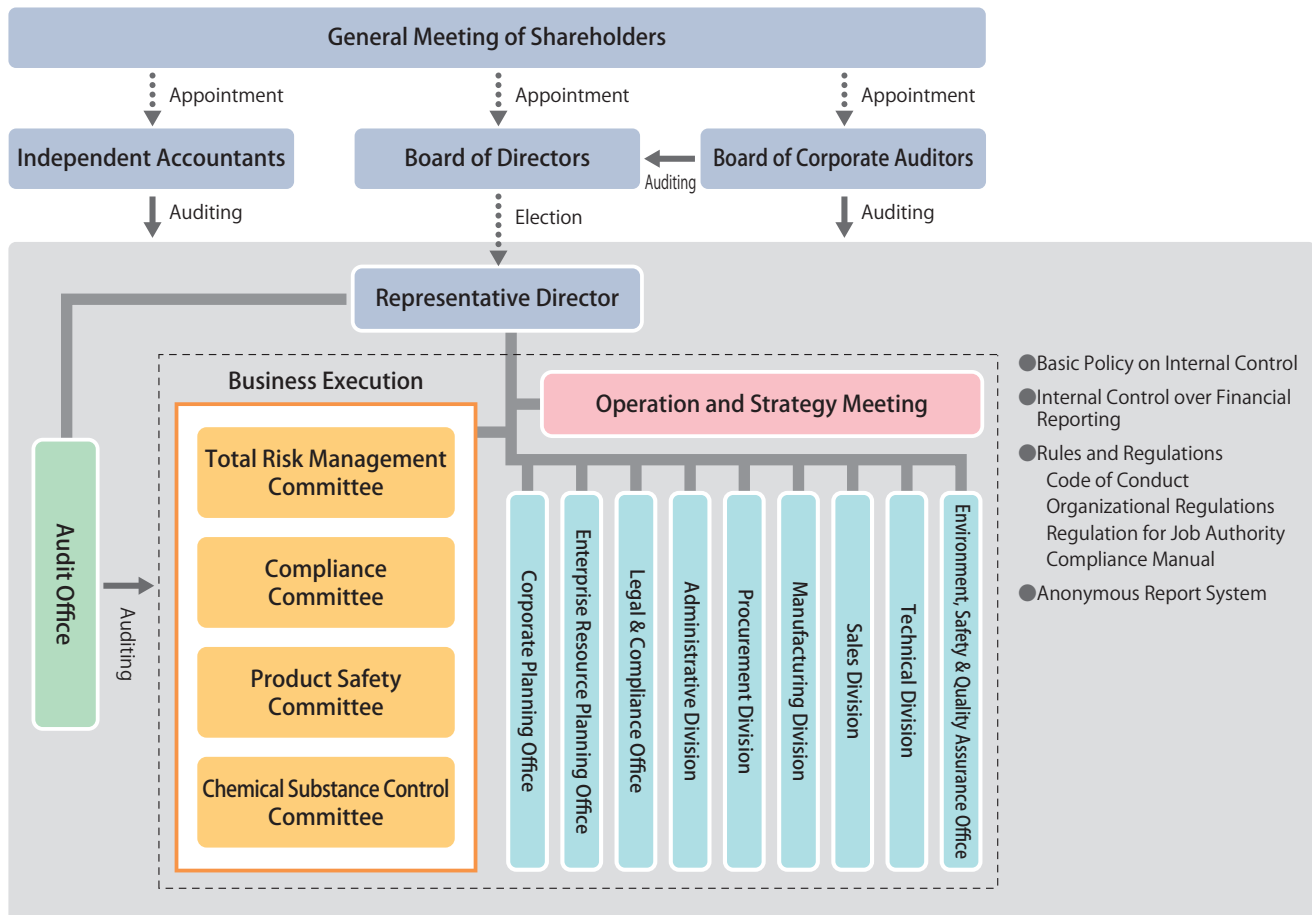
As of August 31, 2011

Overseas Affiliated Companies	Address	Address	Capital Stock	Shareholdings
14 RIKEN (THAILAND) CO., LTD.	Manufacturing and sales of PVC compound	PATHUMTHANI, THAILAND	THB 120 million	40%
15 PT. RIKEN INDONESIA	Manufacturing and sales of PVC compound	WEST JAVA, INDONESIA	US\$ 5.7 million	62%
16 SHANGHAI RIKEN TECHNOS CORPORATION	Manufacturing and sales of PVC compound	SHANGHAI, CHINA	US\$ 7.5 million	70%
17 RIKEN TECHNOS (JIANG SU) CORPORATION	Manufacturing and sales of food wrapping film	JIANGSU PROVINCE, CHINA	US\$ 13.5 million	91%
18 RIKEN U.S.A. CORPORATION	Sales & marketing of film	NJ, U.S.A.	US\$ 7.4 million	100%
19 RIMTEC CORPORATION	Manufacturing and sales of PVC compound	NJ, U.S.A.	US\$ 10 million	51%
20 RIKEN ELASTOMERS CORPORATION	Manufacturing and sales of high functionally compound	KY, U.S.A.	US\$ 10 million	100%
21 RIKEN TECHNOS EUROPE B.V.	Sales & marketing of film	AMSTERDAM, THE NETHERLAND	€400 thousand	100%
22 RIKEN (SHANGHAI) CORPORATION	Import, export, and marketing of plastic products	SHANGHAI, CHINA	RMB 5.0 million	100%
23 RIKEN ELASTOMERS (THAILAND) CO., LTD.	Selling and manufacturing of high-functionality compounds	AYUTTHAYA, THAILAND	THB 300 million	99.9%

Corporate Governance

Corporate Governance

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



RIKEN TECHNOS GROUP Code of Conduct

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 direct all our energies to establish the business ethics of

RIKEN TECHNOS GROUP in compliance with the management system.

In addition, we made pocket-size cards summarizing the Code of Conduct. Each employee carries a card and practices the Code of Conduct.

リケンテクノスグループ企業行動規範

基本宣言

私たちは、この企業行動規範を遵守し
公正な競争や適正な取引を通して企業活動することを誓います。
私たちは、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

企業行動規範

- 1 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。
- 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。
- 4 ひとり一人の従業員を尊重し、安全で働きやすい環境を確保します。
- 5 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。
- 7 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。

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

Within the "RIKEN TECHNOS GROUP Code of Conduct" over the entire company, we established the "Policy on Internal Control

System" in May 2006. We highlighted the following items as the top priority.

1. System to ensure directors' and employees' perform duties in compliance with laws and Article of Incorporation

All directors make known to every employee that observing the Code of Conduct and ensuring that performance of duties are in compliance with laws and the Article of Incorporation is of top priority in all business activities. However, the Compliance Committee manages the entire company overall, while the department in charge of legal affairs gives the directors and employees instructions necessary for compliance with laws and regulations, and we have also established the Anonymous Report System. In addition, we declare that we do not have relationships with antisocial organizations.

2. Rules and systems for Risk Management

We established the Total Risk Management Committee, chaired by the President, in order to prevent and reduce the effects of various potential risks; in particular, the risks that could have a large effect on the business. We are in the process of developing an action plan in case such events occur.

3. Systems to ensure proper business operation of RIKEN TECHNOS GROUP

The department in charge of corporate planning has been given the responsibility to instruct the entire company in how to establish a policy on the Internal Control System, and to ensure that the all divisions are given the same information, in both quality and quantity, to make certain that correct business operation is conducted over the entire company.

4. System to ensure audits are conducted independently and effectively

The Corporate Auditors must confirm that corporate decisions are being made appropriately, by attending important meetings, and by examining the minutes and the written applications for an approach taken from the meetings, both of which are automatically submitted to them. In order to ensure that the audits conducted by the Corporate Auditors are executed effectively, the Corporate Auditors hold regular meetings with the Representative Directors to exchange ideas and information. We communicate with the auditors every six months, and the auditors are entitled to interview any director and employee any time, at their discretion. The Audit Office, established in April 2004, is in charge of internal auditing. In order 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," from the perspective of six elements, namely "Control Environment," "Risks Assessment," "Control Activities," "Information and Communication," "Monitoring," and "Use of IT."

Internal Control over Financial Reporting

RIKEN TECHNOS GROUP devised a policy to maintain, run, and evaluate internal control over financial reporting, based on Financial Instruments and Exchange ACT, which went into effect starting with the settlement of accounts for the March 2009 period.

RIKEN TECHNOS GROUP's internal control over financial reporting for the March 2011 period was deemed effective; therefore RIKEN TECHNOS submitted the internal control report to the Financial Services Agency.

Independent Directors

According to § 436-2 of Tokyo Stock Exchange Regulation, RIKEN TECHNOS has two independent directors.

Anonymous Report System

Through an anonymous report hotline that goes directly to the Audit Office, our employees can easily report or receive advice regarding any suspicious activities contrary to the laws, rules, and regulations, including "RIKEN TECHNOS GROUP Code of Conduct." To prevent informers from suffering any negative effects for being an informant, the anonymity and privacy of the informers are strictly protected.

Information Security

RIKEN TECHNOS tries to minimize information security risks by means following (but not limited to) : ID and password login system to PCs; limitation in access permission, according to the importance of data; and if necessary, encryption of data. In addition, we have installed the latest protection system against illegal external access.

To protect personal information, we established the "Statue of Personal Information Protection," and detailed regulations in the "Regulations for Handling of Personal Information," in accordance with the Personal Information Protection Act in Japan enforced in April 2005.

Relationship to Customers

RIKEN TECHNOS works to develop and deliver products that guarantee customer satisfaction, as a "challenger that harnesses the power of science."
We value product safety and quality and adhere to stringent chemical substances control standards.

Message from the Head of the Sales Division



Fumiyoshi Murakami

Representative Director and
Senior Managing Director
Head of Sales Division
RIKEN TECHNOS CORPORATION

Entering Our 60th Year, with the Support from Our Customers

We have continually been encouraged by our customers and worked alongside them over the past 60 years. There have been times when we had to emphasize "Perseverance," but because of this, each member of the company has a sense of unity, a shared goal, and a feeling of trust that spurs us on to continue improving our company, helping us overcome many "Difficulties."

As our company aims to become a centennial enterprise, the Sales Division will redouble its effort in building even better relations with our customers. As stated in the RIKEN TECHNOS WAY, it is our company's mission to become a global leader in providing new value and satisfaction to people, companies and society.

The starting point for all of our sales representatives, in Europe, the U.S.A., Thailand, Indonesia, China and other parts of the world, as well as Japan's Sales Division, is to think about why our customers continue to use and purchase our products - quality products that customers can use with confidence, with reasonable pricing, dependable sales staff, and easy-to-use product services. We will continue to give our best efforts in delivering satisfaction to all our stakeholders.

Voices from Customers

Blessed with support from many customers since its inauguration, RIKEN TECHNOS is able to celebrate its 60th anniversary this year. Here is a review of the voices from some of our long-standing customers, with our heartfelt gratitude.

Mr. Masao Sugita

Representative Director, Chairman
Sugita Densen Co., Ltd.

Our business relationship with RIKEN TECHNOS started through a trading company, Kanekon Co., Ltd. Since then we have worked with you for close to 50 years. When we were founded in 1953, during a recession, there were a number of family-run wire manufacturing companies. As one of these small family businesses, we at Sugita Densen would often experience difficulty procuring compound materials, as such compounds were known to sell for more money in Europe and the U.S.S.R. It was RIKEN TECHNOS that offered us a helping hand at that time, by introducing to us a new wire compound. We still remember that time with gratitude. We hope to continue in our long-standing business relationship.



Mr. Tetsutomo Yamaguchi

Chairman
MIYAMA DENSEN CO., LTD.

We have been working with RIKEN TECHNOS for over 40 years. Miyama Densen was established in 1963, when we were under-financed and just managing with our processing assignments. At that time, when we were fortunate enough to receive a large order from a certain major manufacturer, we were such a small electric wire manufacturing shop that suppliers were reluctant to do business with us, saying that they would "only sell to us in batches of 100 kg, paid in cash." When I returned to the shop after hearing such discouraging terms, there was a business card waiting for me, which was from your company. You truly helped us in times of difficulty, ready to sell to us in any quantity, starting from a single bag (25 kg). Not forgetting our company's initial difficulties, it is my sincere hope that we carry on this business relationship in a way that is mutually beneficial, and helps in contributing to society.



Customer Satisfaction

Each year, RIKEN TECHNOS tries to gain insight into customer satisfaction levels, based on customer complaint ratios, market shares, development request figures and other data. In 2009 and 2010, we conducted customer satisfaction surveys to get direct opinions from our customers.

We would like to thank our customers for responding to our 36-item questionnaire and for sharing their valuable opinions. To the right is a summary of the survey data. We will be diligent in taking the information and applying the findings in developing QCDT activities for manufacturing, with both sales and technical staff working together to come up with speedy responses to whatever queries our customers may have, including questions regarding lead times for different products. We are working to achieve even better customer satisfaction.

Customer Questionnaire

		FY2009 (Responses: 61 firms)	FY2010 (Responses: 78 firms)
Overall average		3.58	3.75
Products	Delivery	3.71	3.85
	Product quality	3.81	3.99
	Pricing	3.23	3.45
Sales	Contact	3.80	4.05
	Call and communication	3.65	3.81
Technology	New development	3.46	3.56
Quality assurance	Customer complaint handling	3.48	3.75
Responses to chemical substances control		3.72	3.76

(Five-level rating, with the five points being the highest and three being the standard)

Mr. Kiyoshi Kaito
Representative Director, President
Sanyo Co., Ltd.



We have been in business with RIKEN TECHNOS for over 50 years, with both my father and myself having served as Chairman of the Association of Corporate Shareholders. At the beginning of our business exchanges, we mainly purchased large quantities of product films for toys, such as those used for making beach balls. Since then, our transactions have expanded to broader applications, such as window pane films and building films. We eagerly hope and expect that RIKEN TECHNOS will continue to demonstrate the strength of its technology, derived from its R&D programs, to make further leaps in business performance and favorable developments in its stock price to bolster continued prosperity.

Mr. Yukiya Nakagawa
Representative Director
Nakagawa Chemical, Inc.



In the mid-1960s, when we first developed cut-out sheets as "paste-on color material," the usual method of color application was done by painting with a brush. Innovative techniques are not easily accepted by skilled craftsmen in the construction market; therefore it took a fair amount of time for our new way of paint application to gain popularity. However, 45 years later, the method of pasting on color is a matter of course. Two key elements necessary for making the cut-out sheet materials are color and films. Without the aid of your advanced technical capabilities, corporate culture of integrity, and our 40-year-old ties of mutual trust, we would not have been able to see our cutting sheet brand as it is today. We thank you, and pray for your continued success and prosperity.

Relationship to Customers

Taking On New Challenges (Automotive Engineering Exposition)

RIKENTECHNOS is developing an extensive array of products tailored to fit a variety of needs by using our cutting-edge technologies as a “challenger that harnesses the power of science.”

In response to customer demand, we are also developing products in the automotive field. In this report, we offer a glimpse of the products put on display at the 2011 Automotive Engineering Exposition, an advanced information dissemination forum for the automotive industry.



Automotive Engineering Exposition Booth

Decreasing Weight and Recycling

◆ Automotive exteriors

Automotive molding materials were once dominated by PVC, but as auto manufacturers worked to decrease overall weight and improve recycling, the material of choice has shifted to elastomers. Among RIKENTECHNOS' elastomer products, Leostomer[®] and Actymer[®] are extensively used in roof, window, and belt moldings due to these materials' properties, such as weather resistance, appearance and ease of filling. More recently, these elastomers are increasingly being used for exterior injection parts that affect aerodynamics, in order to improve fuel efficiency. Along with machinability, these materials are characterized by the ability to prevail in colder temperatures to suit applications in cold regions, while maintaining its rigidity to withstand winds and heat.

Exterior parts



◆ Automotive interiors

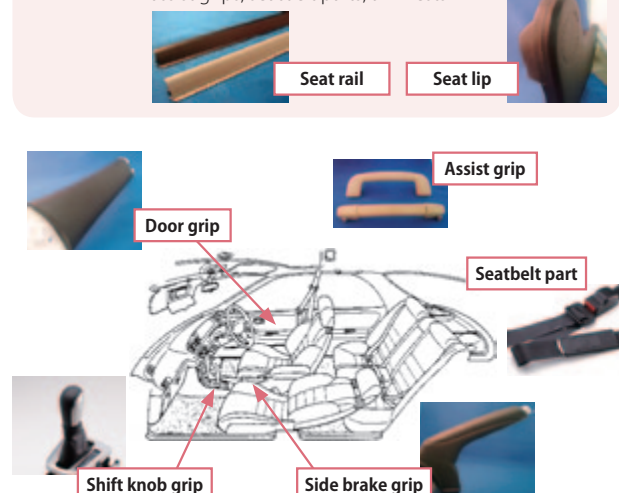
RIKENTECHNOS elastomers are used in the manufacture of interior parts such as assist grips, door grips, shift knobs, parking brake grips, and in double-molded parts, such as seat lips and seat rails. Leostomer[®] and Actymer[®], both with excellent toning properties, are extensively used in seatbelt members. Interior parts call for weather resistance, wear resistance and oil resistance, as well as a comfortable texture and feel. RIKENTECHNOS has developed a styrene base elastomer that offers urethane base elastomer-like feel and wear resistance that is over 30% lighter than PVC.

Interior parts

Wear- and oil-resistant, comfortable-to-touch RIKEN elastomers

Materials : TPS, TPO, TPU and PVC family

Applications : Shift knob grips, side brake grips, seat lips, seat rails, assist grips, seatbelt parts, arm rests





◆ Elastomer as a Rubber Substitute

The development of vulcanized rubber substitutes as functional parts is also in progress. We have succeeded in developing grommet materials that offer the flexibility and long-term heat resistance equivalent to that of vulcanized rubber, at a weight that is over 22% lighter. This eco-friendly rubber substitute product also cuts the CO₂ emissions to one fourth of what vulcanized rubber emits, according to LCA (life cycle assessment) calculations.



Grommet Material

◆ Recyclable Sealing Parts with All-Plastics Composition

Plastic parts are said to account for around 10% of all the materials used in automobiles. Among them, sealing parts are essential as the flexible members.

A flexible grade of Actymer[®] G, marketed in 2005, is an example of a product that aimed to be a recyclable, all-plastics composition sealing part. With excellent high-temperature characteristics not found in existing TPE and TPV, this product

opened the door to a new type of sealing parts, previously dominated by vulcanized rubber. The product is characterized most significantly by the fact that it is over 30% lighter and more resistant to corrosion than traditional vulcanized rubber seals. As the all-plastics composition of sealing parts makes it 100% recyclable, we are currently researching a possibility of creating floor mats from the recycled materials.



Automotive Engineering Exposition Recycling

Design

The ornament panel, which accentuates the interiors of an automobile, is a part that is continually being developed, for differentiated designs and quality of texture. RIKEN TECHNOS has developed an automotive interior embossed decorative sheet, using the design film technology from the building material and home appliance fields. Not only is the embossed decorative sheet designed to feature a color tone and print pattern, it can also be surface-embossed to reproduce the texture of a wooden material, aluminum material, CFRP, etc. to suit the customer's needs. RIKEN TECHNOS pursues innovative designs to create new potentials for automotive interiors.



Automotive Interior Embossed Decorative Sheet

Exposition Summary

2011 Automotive Engineering Exposition

Open : May 18 to 20, 2011

Place : Pacifico Yokohama

Relationship to Customers

Product Quality Assurance

We introduced the mechanism of ISO9001^{*1} over the entire group by a cross-sectional method. Each production site has its own QA/QC (Quality Assurance/Quality Control) Section that tracks the quality control over the whole process, including the understanding of customer request regarding product quality, design, production and product delivery. Additionally, we are

striving to improve product quality by having the Quality Improvement Committee on each production site or division every month to control defective products and the implementation status of practicing improvement measures. In developing new products we are focusing on the reduction of environmental load.

Strict control of chemical substances for safety

◆ Protection of Production Line from contamination of specified chemical substances

We expanded the raw material auto-weigh system in the production line and reviewed the working procedure, in order to protect the production line from contamination by chemical substances regulated by ELV and RoHS commission directive.

◆ Chemical Substances Management Committee

In 2006 we established the "Chemical Substances Management Committee." We established a Chemical Substances Management Criterion, and declared our intent to prohibit the use of chemical substances according to not only the laws and regulations but also voluntary restraints decided by our committee, and voluntarily reduced the use of suspicious substances such as lead and nonyl phenol, though usage of these substances are not prohibited by law.

Product Development Safety Considerations

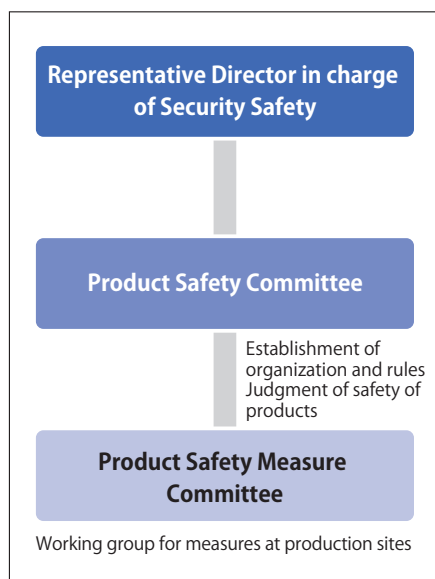
◆ Product Liability Correspondence

Product safety is the responsibility of the manufacturers, even beyond that of legislation, and we have been keeping this in mind since before 1995. However, taking advantage of the timing of when the Product Liability Law^{*2} was established, we initiated a system to prevent the occurrence of problems due to product liability in January 1995. The Product Safety Committee heads up the management team that works to secure product safety.

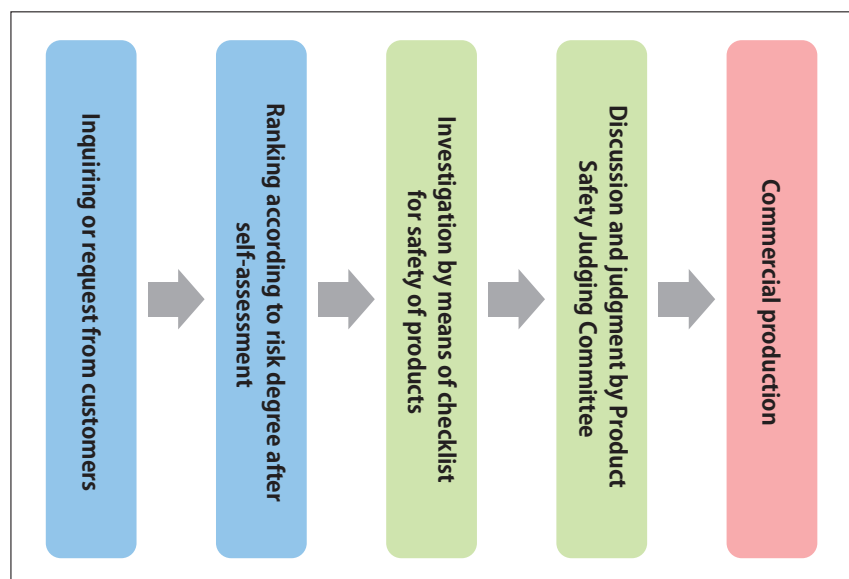
Product Safety Policy (According to Product Safety Standard)

We secure product safety from the product development stage to the delivery to customers in order to prevent occurrence of liability issues.

Organization of Product Security



Procedure of Judgment about Safety of Products



*1 ISO9001: Quality Management System by International Organization for Standardization

*2 Product Liability Law: established in 1995 in Japan

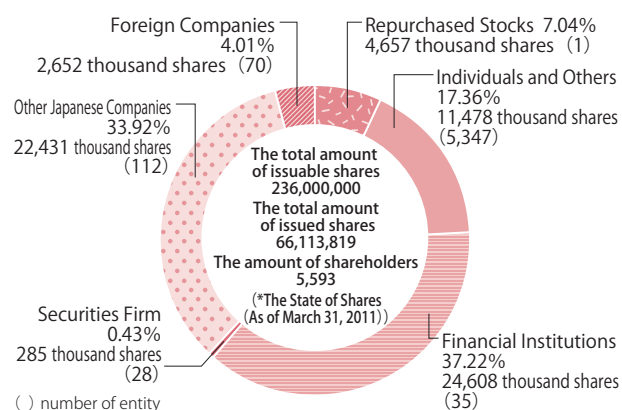
Relationship to Shareholders

We really appreciate the supports from share holders.
We do hope you will give us further guidance and encouragement in the future.

Disclosing Information

We have always practiced prompt, precise and fair information disclosure from the shareholders' and investors' point of view. We try to actively disclose information beyond the disclosure standards of the Tokyo Stock Exchange to increase general understanding of our business activities and strategies. Also, we have finance and IR pages posted on our website, and promptly post updated information, such as the financial statements and the material for timely disclosure, on the site after disclosure (press release).

The State of Shares and Shareholders Distribution



Policy on Distribution of Profits

For the benefit of our shareholders, it has been our policy to pay dividends consistently and continuously. Regarding the distribution of the profits, including purchase of our own stocks, it

has been decided by our board meeting to fulfill both requirements, namely, benefit our shareholders and lay a sufficient foundation for further investment.

Fiscal Year (Record Date)	Dividend Per Share		
	Mid-term	End-of-term	Annual
FY2008 (The end of March 2008)	JPY 4.00	JPY 4.00	JPY 8.00
FY2009 (The end of March 2009)	JPY 4.00	JPY 2.00	JPY 6.00
FY2010 (The end of March 2010)	JPY 3.00	JPY 3.00	JPY 6.00
FY2011 (The end of March 2011)	JPY 4.00	JPY 4.00	JPY 8.00

Relationship to Business Partners

RIKENTECHNOS Corp. makes effort to build a good environment and quality system. Additionally, we are making effort to get competitive purchasing power for cost reduction, by maintaining a wide-open purchase window.

Message from the General Manager of Purchasing Division



Shinetsu Kudo

Managing Director, General
Manager of Procurement Division
RIKENTECHNOS CORPORATION

Cooperation brings mutual growth and prosperity.

First, we would like to express our deepest sympathy for The Tohoku Earthquake victims, and we sincerely hope for a swift recovery of the affected areas.

After the Tohoku Earthquake disrupted our supply chain, our company had a difficult time in procuring raw material. The great support we received from our business partners made it possible for us to procure raw materials after the disaster. As we celebrate our 60th anniversary this year, we recognize that these strong partnerships built on trust cultivated over the years, are what allow us to triumph over adversity. We truly appreciate to our business partners.

Even as we continue in our efforts to improve quality, cost reduction of raw materials, and develop new technologies, our ultimate aim is to attain even greater mutual growth and prosperity, through cooperation with our business partners.

Purchasing Policy

① Fair Purchase Trade and Selection

We deal with our business partners on an equal playing field, offering unprejudiced, fair and open-bidding. Ordinarily, we purchase from multiple sources.

② Creation of Partnership

We based our business on having a good relationship with our partners, respecting human dignity, and endeavoring to not discriminate unfairly.

③ Observance of Relevant Laws and Self-management

In purchase affairs, we observe the social and relevant laws and regulations by practicing discretion with confidential matters. In terms of environmental preservation, we purchase material in accordance with the "RIKENTECHNOS Group Green Procurement Standard".

④ Condition of Business Partners

We take into consideration the following items in selecting business partners from whom we purchase: "Technical Potential," "Competitiveness" and "Management."

Purchasing System

The Purchasing Department, as well as the Purchasing Section in each factory, takes charge of purchasing affairs. The Purchasing Section at each site buys the material that the site uses, such as consumable goods and stored goods.

Supply Chain Management

In order to supply safer and more reliable products to our customers, RIKENTECHNOS Corporation is making efforts to help build a good environment and a quality system with the cooperation of our business partners, including our supply chain. In 2010, we carried out our quality and environment inspection with twenty-five of our business partners, including our raw material supplier, entrusted manufacturer, transporter, and industrial waste processing company, with their cooperation.

RIKEN TECHNOS Group Green Procurement Standard

Since August 2009, the scope of "RIKEN TECHNOS Group Green Procurement Standard" has been broadened to include affiliates.

To find out more, please visit our website.

Voices from Our Partners

RIKEN TECHNOS is supported by a number of business partners along the way, from outsourcing of materials to initial development. Following are messages we received from some of our business partners to commemorate our 60th year of enterprise.

Mr. Chihiro Kanagawa

**Representative Director,
Chairman
Shin-Etsu Chemical Co., Ltd.**



I would like to send you my sincerest congratulations on the 60th anniversary of your incorporation. In 1982, while I was working on the project of rebuilding Japan's PVC business amid

economic recessions triggered by the second wave of the oil crises, I was honored by a chance to work with RIKEN TECHNOS. The economic climate made Japan's PVC business difficult, but my encounter with your company, with your surpassing PVC compound expertise, encouraged me in my efforts to rebuild Japan's PVC business.

Your company has taken a positive stance towards global expansion from early on, expanding your business to cover the U.S.A. and Asia. It is my great honor to have been able to do business with you both at home and abroad for many years. I would like to take this opportunity to extend my heartfelt thanks to your company.

With the onset of the 21st century, Japan has been faced with a number of difficult challenges, including emerging developing nations, resource issues, the rising yen and rehabilitation from the great earthquakes. The power of the manufacturing industry, equipped with excellent technology, is needed in Japan, to maintain its prosperity despite its current circumstances. Your company possesses the world's most advanced development and engineering capabilities in the field of synthetic resin treatment with its focus on PVC compounds. I am confident that RIKEN TECHNOS, now 60 years old, will continue making great leaps forward and improving your unrivaled technologies to offer driving impetus to the Japanese economy.

Mr. Kunihiro Sakurai

**Representative Director,
President
ADEKA Corporation**



Please accept my heartfelt congratulations on the 60th anniversary of your founding. We have been doing business with you for nearly half a century, during which we have developed polyester plasticizer and stabilizer technologies in line with advances in the resin treatment technology, which you pioneered. I feel grateful to you, particularly for your "approaches aimed at reducing environmental loads, including the development of products conscious of both market needs and the environment," which has inspired our technological development of eco-friendly products, such as unleaded stabilizers.

We are determined to double our efforts as a faithful partner in support of your new steps towards business expansion, as you work toward higher levels of developing and refining community- and environment-conscious products and technology.

Mr. Katsutaro Inabata

**Representative Director,
President
Inabata & Co., Ltd.**



I would like to offer my congratulations for the 60th anniversary of your business. We have been in business with RIKEN TECHNOS for a span that stretches-without interruption-for over half a century, for which we are deeply grateful. Currently we work with RIKEN TECHNOS in broader aspects of the business, from delivering resin materials and optical films to marketing your compound products. We place our utmost confidence in your management policy, which takes active corporate social responsibility for the environment and for other needs of the society, as well as in your advanced technical capabilities that enable you to develop new products before your competitors in the industry. It is our intention to grow with you and contribute to society, by continuing in this great partnership.

Relationship to Business Partners

Environmental Actions Taken in the Distribution Process

- Improving loading efficiency by the automatic transportation management system
- Improving ratio of loading trips to total trips by bringing back materials on trucks returning from delivery
- Elimination and consolidation of freight transport hubs
- Fulfilling set requirements, as one of the specified shippers, under the provisions of the Act Concerning the Rational Use of Energy (Energy Conservation Law). Our goal is to achieve our mid- and long-term targets of an annual rate of 1% reduction per unit of energy consumption.
- Decreasing the number of the pallets purchased by collecting pallets from customers and promoting the change in materials used to make pallets, from wood to plastic, for the protection of forest resources.
- Participation in the Green Logistics Promotion Business
- ◆ **Active pursuit of Quality and Safety**
- We recommend our transportation partners to obtain the certification of ISO9001 and G-Mark (safety excellence enterprise).

For Kameyama-kyuso

G-Mark Certificate

Registration date : January 19, 2009

Expiration date : January 18, 2013

ISO9001 Certificate

Registration date : May 9, 2003

Expiration date : May 8, 2012

For MOTEGI CO., LTD.

G-Mark Certificate

Registration date : December 20, 2007

Expiration date : December 31, 2011

ISO9001 Certificate

Registration date : March 10, 2000

Expiration date : April 1, 2013

ISO14001 Certificate

Registration date : October 29, 2004

Expiration date : October 28, 2013

Mr. Kenji Iwasa

Representative Director,
President
Kameyama-kyuso



Our business relationship with RIKEN TECHNOS dates back to 1973, when the Mie Factory started operation. As an expert in logistics, we will pursue better logistics quality and come up with various proposals, including how to cut costs, while finding approaches directed at environmental preservation, such as fuel-efficient driving, in an effort to support further expansion of your business.

Mr. Etsuo Motegi

Representative Director
Motegi Corporation



We have been in business with RIKEN TECHNOS since the construction of its Saitama Factory in 1968; working hand-in-hand to tide over a chain of global recessions. We are currently in charge of all aspects of logistics at the Saitama Factory and the Gunma Factory. We are committed to delivering RIKEN TECHNOS products to your customers on a "Quality First" principle, and to achieving mutual corporate growth while addressing the socioeconomic and environmental issues that vary daily.

Relationship to Society

RIKENTECHNOS GROUP is involved in various activities with the local community surrounding each site, to promote mutual prosperity as we coexist, and to obtain understanding for our business activity from the community.

Communication with the Local Community

◆ At Saitama Factory

- Conduct a group meeting with residents living near the factory (Once a year)
- Support and participate in local events (Cosmos Festival, Fukaya City Half-marathon, Okabe Fureai Carnival, Ground Golf Event, etc.)
- Internships
- Support the festival held by the Okabe chamber of commerce and industry
- Blood donation (twice a year)
- Participate in the indoor fire hydrant usage training conducted by the Fire Department Headquarters of Fukaya city
- Support the Sports Festival in Okabe region
- Support the Junior High School Education Association



Saitama Factory supported and its' employees participated in Fukaya City Half-marathon



Employees from Saitama Factory participated in the indoor fire hydrant usage training

◆ At Mie Factory

- Conduct a group meeting and a factory tour with residents living near the factory (twice a year)
- Support and participate in Kameyama City Ekiden relay and Summer Evening Festival
- Provide work experience opportunities for junior high school and high school students
- Factory tours
- Contribute to a children's parade in the neighboring community
- Blood donation (twice a year)
- Donate to Red Feather Community Chest (once a year)
- Supply exhibits for Kameyama high-way oasis
- Support the Kameyama music festival, "Kameyama Music Jamboree"

◆ Gunma Factory

- Support and contribute food wrap to the Summer Festival, held by the Gunma chamber of commerce and industry



Mie Factory supported and its' employees participated in Kameyama City Ekiden relay



Mie Factory supported and its' employees participated in Summer Evening Festival

Relationship to Society

Protecting the Environment

We participate in various volunteer activities that help protecting the environment.

◆ At Saitama Factory

- Clean up around the factory (once a month)
- Clean up the road from the factory to JR Okabe station (twice a year)
- Pursue complete separation and disposition of waste
- Enforce car idling reduction plan among suppliers and workers
- Participate in adjacent drainage association
- Participate in zero garbage campaign conducted by the neighborhood community association

◆ At Mie Factory

- Clean up the road around Mie factory and river bed (twice a year)
- Volunteer for clean up held by Kameyama city (twice a year)
- Support “Clean Up Operation of River and Sea” and “Campaign to Stop Illegal Dumping” (twice a year) and contribute to the “Green Fund” by Mie Prefecture Tree Planting Promotion Association
- Support “Woods of Kameyama Ecology” and volunteer for forest maintenance (once a quarter)
- Participate in the “Light Down Campaign” by the Ministry of Environment

◆ At Gunma Factory

- Regular patrol by Safety and Sanitation Committee and clean up around factory
- Sorting and recycling garbage
- Employees participate in clean up and resource recovery in their residential areas



Employees from Saitama Factory cleaning up around the factory



Employees from Mie Factory cleaning up around the factory



Contribution to Society

In the US, the employees of RIMTEC CORPORATION and RIKEN ELASTOMERS support the fund-raising campaign “The United Way*1” and contribute to it every year.

*1 The United Way: a large US charity, established in 1918.



Activities of The Boy Scouts which RIKEN U.S.A. participates in.

Internships

We are proactive in hosting job participation and internship programs for children and students who are looking ahead for their futures. The programs are offered at both Saitama and Mie factories, which offer hands-on experiences with household wrap manufacturing and other processes.



Student Participation in Saitama Factory



Two photos above show students participating at the Mie Factory

Following is the summary of a student participation program at Saitama Factory conducted in January 2011. Participants were given a hands-on experience with film products, household wrap manufacturing processes, and engineering.

Voice of Student Participant in Saitama Factory Saitama Kumagaya Technical High School

People at RIKEN TECHNOS kindly instructed me, so I was able to understand how to do the work correctly and fulfill my job successfully. I realized both the difficulties involved and the importance in manufacturing wrap, as I watched and learned the manufacturing process. I had a very valuable experience in the four days that I interned, and will use this experience to help me in my future endeavors.

Voice of Student Participant in Saitama Factory Saitama Kumagaya Technical High School

I took part in the manufacturing process of products by rewinding film products to inspect them, then in wrapping the products. I also took part in taking apart an engine and then rebuilding it; and though I had never before seen some of the tools used, and though the work was difficult, I enjoyed it. The four-day internship taught me the importance and difficulty of doing a job, and gave me an experience I would not be able to get at school. Thank you so much.

Relationship to Employees

RIKEN TECHNOS Group aims to have each employee “attain personal growth through his or her job,” and in order to create a better work environment, a number of different programs have been made available.

Message from the General Manager of Administrative Division



Makoto Kumanomido

Director and General Manager of
Administrative Division
RIKEN TECHNOS CORPORATION

The keywords are

“responsibility,” “trust,” “challenge” and “teamwork.”

RIKEN TECHNOS celebrates the 60th anniversary of its founding this year. Since last autumn, during the corporate philosophy review project in which every employees participated, I realized all over again that the growth of RIKEN TECHNOS has been driven by the strong sense of responsibility cherished by each of our employees, and by the teamwork based on mutual trust which fuels continual efforts to overcome challenges. We work to build an environment and a system that enables all of our employees to take on new and difficult challenges with excitement and a positive attitude.

Inheriting “The Sprit of Manufacturing”

RIKEN TECHNOS provides training to the local staff hired by our overseas affiliates to ensure that products of uniform quality can be produced in any country. Since 2010, three interns have come from PT. RIKEN INDONESIA in Indonesia to receive training at Mie Factory.

Mr. DENNY RAMDANY

PT. RIKEN INDONESIA



I came to Japan at the recommendation of PT. RIKEN INDONESIA, to make my whole family happy. I have encountered many surprises since I came to Japan, but have an overall impression that Japan is a very safe and clean country. Everyone at RIKEN TECHNOS work in a very disciplined way. When I return to Indonesia two years later, I would like to take back the discipline and expertise demonstrated by my Japanese colleagues and apply these principles at PT. RIKEN INDONESIA. I believe that someday PT. RIKEN INDONESIA will be able to attain the same level of growth that Japan has attained.

Mr. ABDUL KODIR Jaelani

PT. RIKEN INDONESIA



When I first came to Japan, I had nothing but anxieties. However, as my colleagues and supervisors kindly and repeatedly taught me how to do my work, answered my questions, and helped me in many other ways, I slowly learned how to live my life at my own pace. Consequently, all three of us successfully passed the certification test on equipment maintenance conducted in May 2011, much to my delight.

Mr. SUPRIJANTO

PT. RIKEN INDONESIA



About one year has passed since I came to Japan. During this time I learned about the Japanese culture, about how Japanese people think about and do their jobs, and tasted Japanese cuisine while making great friends. I still sometimes struggle with Japan's humid climate and language barriers, but I am determined to grow day by day so I can go back home to Indonesia with my head held high at the conclusion of the training period.

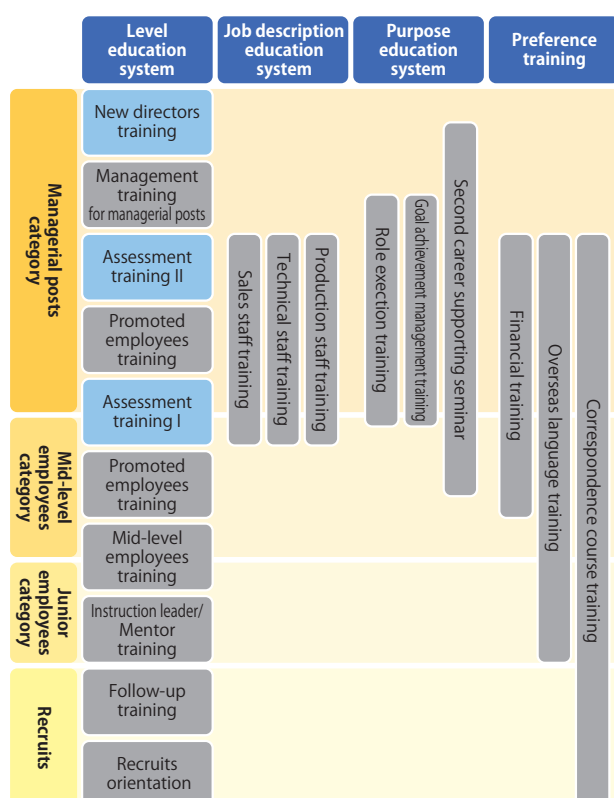
Training Managers

We are in the process of conducting "Organization Management Training" for our assistant managers. In order to learn how to think strategically and how process management works, we are applying "Action Learning" to help each project succeed.

Concept of Developing Human Resources

The growth of a company is supported by the growth of each of its employees. We are building a system that fosters mutual growth for both the company and its employees by supporting dedicated workers, under the slogan, "We support employees who aim to grow!" As a part of this system, we have introduced a voluntary application program, with an interview process to assess the hopes and aspirations of each employee, in order to create a better environment for growth. We describe our ideal employee as being a person who is independent, able to create, and able to implement. Additionally, to ensure that each employee can carry out his or her role well, a job performance assessment program has been introduced into the personnel system to encourage employees to "grow through work." All these activities aim to build a better value-added corporate structure through the growth of each employee.

RIKEN TECHNOS Education System



Mr. Kazumasa Hashizume

Film Making Section,
Gunma Factory



The general objective of this training cruise was, "creating a strong organization, and a passionate workplace." Through this training session I learned many pointers that can be applied to improve my workplace.

In order to create a "strong organization, and a passionate workplace," my goal now is to form a team of people who share similar aspirations, who help each other, and who respect each other.

I am very thankful for the opportunity to acquire such a valuable experience.



Training Cruise Session

Child Care Support

◆ Leave-of-Absence System for Child-Care

Employees (male, as well as female) are granted a leave for up to two years. The first three days of the leave are paid, and the system has been made more accessible to male employees.

◆ Shorter-Working-Hour System for Child-Care

Employees raising children are entitled to cut their working hours up to six hours a day. They are free to tailor their work hours to suit home or kindergarten schedules. This system can be used until the children start elementary school.

Ms. Sayaka Yoshioka

Corporate Planning Office



I work shorter hours while raising my two-and-a-half-year-old daughter. I am very grateful for the consideration of the people around me, as I can manage to have a job, as well as be able to respond to emergency situations for my child, such as sudden fever. Though I live a very busy life, it is very rewarding to be able to raise a child without having to quit my job. I will continue to give my best efforts to both my child and my job.

Relationship to Employees

Diversity of Employees

We respect the diversity, personality and individuality of employees, and consider human rights and giving equal employment opportunities. Though we implement various practices so that female employees can be active in business, regrettably, we currently do not have any female managers and directors now.

Re-employment System

Re-hiring skilled employees who are willing to work after our official retirement age of 60 years old, allows both parties to enjoy some clear advantages: for the company, by utilizing the technological skills and know-how of the employee; for the employee, a stable income. Therefore we introduced the reemployment system in 2006. This system was recently amended; previously the employment age was only up to the age of 63, but the system was amended in April 2009 to extend the employment age up to 65 years old.

Recognition System

We have introduced the Internal Recognition Rule and the Recognition & Compensation System, which recognizes and compensates our employees for innovative proposals and inventions.

Members of Mr. Satomi's Manufacturing Group

Mie Factory
RIKEN TECHNOS CORPORATION

We all appreciated being awarded the certificate of recognition for raising profitability by improvement of productivity. We will continue to do our best to stabilize product quality and improve productivity.



Back row, from the left: Mr. Satomi, Mr. Nishimura, Mr. Matsushita/
Front row, from the left: Mr. Imoto, Mr. Uchida

Safety and Health Activity

◆ Concept of Safety and Health Activity

RIKEN TECHNOS considers each worker a "person without substitute," and aim to establish a safe and worry-free workplace.

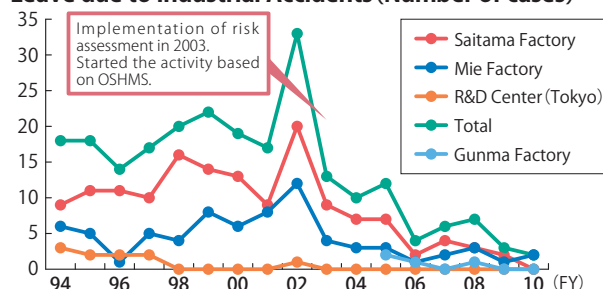
◆ Eradication of Dangers and Risk Assessment

After implementing risk assessment in 2003, improvement in prevention took root. Everyone cooperated to achieve not only the goal of "No industrial accident," but also the goal of "No risk," which aims to implement improvements in advance.

◆ Reduced Industrial Accidents and Significant Results

We had two industrial accidents in 2010. It was the least number of accidents recorded for one year, since the start of company operation (three accidents occurred in 2009). Of special note is that in 2010, for the first time since its establishment, no accidents occurred during the year at Saitama factory. We believe this is the result of our efforts to improve safety and health activities.

Leave due to Industrial Accidents (Number of cases)



◆ Prevention of Industrial Accidents Caused by Human Errors

To achieve the ultimate goals of "No industrial accident," and "No risk," we try to prevent accidents liable to be caused by human errors.

We clarify the root cause for the human error, and we adopt precautionary measures in basic safety and protect against incorrect use.

◆ Emergency Response

We issue an emergency response manual at every site and section, based on possible emergency situations, and conduct regular training. As we buy and use many chemical substances and materials designated as dangerous by the Fire and Disaster Management Act, one of our primary concerns is to prevent chemical substance leakage to the outside and fires caused by dangerous flammable substances. Due to our training, despite the leakage of a small quantity of resin and plasticizer, we were able to prevent the leakage from spreading outside the factory.

Scholarship System

RIKEN (THAILAND) CO., LTD. has a scholarship system for children.
In FY2011, seven elementary school students and three junior

high school students were awarded.

Scholarship Award Ceremony FY2011 by RIKEN (THAILAND) CO., LTD. Awarded 10 students.



Wiparat Mingtrakoon

First-grade student

mother= Ms. Lukkhanaporn Kotta
Technical Section



Narinya Bangnoi

Fourth-grade student

father = Mr. Kumphon Bangnoi
Manufacturing Section



Chirakorn Roekkamyee

First-grade student

mother = Ms. Krittayakorn Roekkamyee
Logistics Section



Thipparat Boonchoowit

Sixth-grade student

father = Mr. Thepharit Bunchoowit
Manufacturing Section



Nichapat Kamhong

Second-grade student

father= Mr. Sarawuth Kamhong
Manufacturing Section



Weera Sae-ad-eium

Seventh-grade student

father = Mr. Janut Sae-ad-eium
Medical Product Manufacturing Section



Sayamon Kamdee

Second-grade student

father = Mr. Thanawuth Kamdee
Medical Product Manufacturing Section



Panitnart Chansa-nga-ngam

Eighth-grade student

father = Mr. Wasan Chansa-nga-ngam
Medical Product Manufacturing Section



Chotaman Thonthong

Second-grade student

father = Mr. Kreangsak Thontong
Medical Product Manufacturing Section



Napasorn Metathamrong

Eighth-grade student

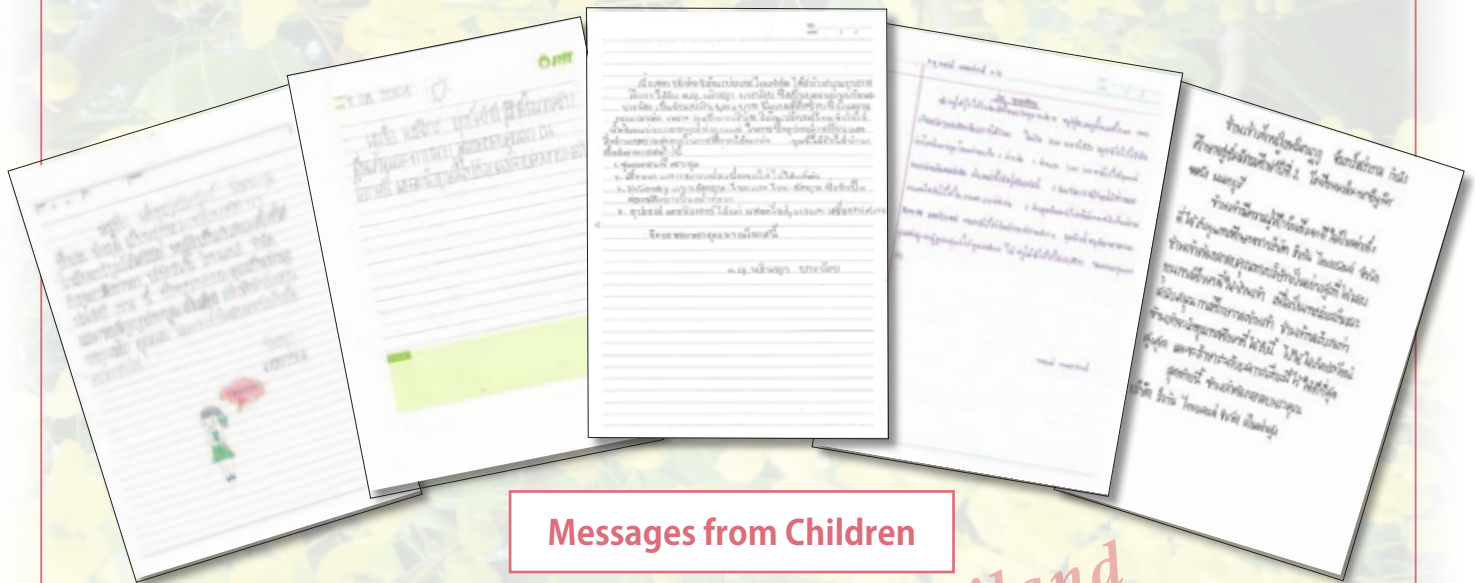
mother = Ms. Suchavalee Phoprasit
Logistics Section

◆ Awarding Ceremony on 7th July, 2011

Wiparat Mingtrakoon and Chirakorn Roekkamyee, the students of BORIBOONSILRANGSIT Elementary School, received the scholarship from Mr. Minowa of RIKEN (THAILAND) CO., LTD.



Relationship to Employees



Messages from Children

From Thailand

- I am Wiparat Mingtrakoon, nicknamed "Nonmuk". I am a first-grade pupil at BORIBOONSILRANGSIT Elementary School. I was very happy to be awarded the 2011 scholarship by RIKEN (THAILAND) CO., LTD.; thank you so much. I promise to become a good girl, listen to what my father and mother say to me, and study diligently for the sake of my future.

Nonmuk
July 6, 2011

- My name is Chirakorn Roekkamyee. I was most delighted, though I am embarrassed about being so nervous. I am grateful for the scholarship, which will help finance the school expenses my mother pays.

July 7, 2011

- My name is Panitnart Chansa-nga-ngam, a eighth-grade student at Horwang Nonthaburi School. I am happy to have a scholarship granted by RIKEN (THAILAND) CO., LTD. to further my learning. I will use the scholarship to the best of my abilities, and work to keep up my grades. Lastly, I would like to dedicate my thanks to RIKEN (THAILAND) CO., LTD.

- I am Narinya Bangnoi, a child of Kumphon Bangnoi, and I thank RIKEN (THAILAND) CO., LTD. for granting a scholarship of 3,000 baht. The scholarship alleviated my father and mother's load considerably. I have spent the money for the following purposes:
 1. Girl Scout uniform
 2. Shirt and pants for playing sports, as I have outgrown my previous clothes
 3. English-to-Thai and Thai-to-English dictionaries, both essential to my studies
 4. Computer gear, such as USB flash memory drive and printer
 Again, I would like to extend my heartfelt thanks.

Narinya Bangnoi

- Regarding the Scholarship
I was overjoyed to learn that I had been chosen to receive the scholarship, because this was my first time to be awarded a scholarship. I will use the 3,000 baht awarded by dividing it in three separate sums, and use it all to the best advantage.
 1. The first sum of 1,000 baht will be given to my mother, who recommended that I apply for this scholarship.
 2. The next sum will be put in savings, to be used in times of difficulty.
 3. The last sum will be used to buy things needed for my studies.
 Finally, I would like to express my sincerest gratitude for granting me this scholarship. Thank you.

Napasorn Metathamrong, eighth-grade student

(Translated into Japanese by local Japanese staff)

Public Relations Activities

RIKENTECHNOS is engaged in PR activities designed to raise its commercial value, as well as promote understanding of our company. Some highlights of these activities are introduced below.

Great East Japan Earthquakes

We would like to extend our sincerest sympathy to those who have suffered damages from the Great East Japan Earthquakes of March 11, as well as our deepest condolences to those who have perished in the quakes.

As we imagine the difficulties surrounding the lives of those who survived the earthquakes, we pray for their health and that they will be able to return to their regular lifestyles as soon as possible,

and for the speedy restoration of the quake-affected regions.

RIKENTECHNOS donated 10 million yen in March 2011 through the Central Community Chest of Japan to aid the victims and help restore the affected communities.

The company also shipped 10-million-yen worth of food wrap to the affected communities to support the victims' lives.

President Shimizu TV appearance on BS TBS "Turning Point – A Shrewd Man's Choice"

RIKENTECHNOS President Shimizu made a TV appearance in March 2011. During the program Shimizu explained RIKENTECHNOS' "roots of manufacturing," "venturing spirit," and "employee development," to describe the type of company RIKENTECHNOS is striving to become.




Shimizu, President Seichi Kanise, Host Saeko Ishida, Announcer

TV program : BS TBS "Turning Point – A Shrewd Man's Choice"
The program can also be viewed on our Website.

Commercial Airing

Starting in June 2011, a commercial to promote the brand image of RIKENTECHNOS CORPORATION has been airing to celebrate the 60th anniversary of our founding.

Five-second commercial for RIKENTECHNOS CORPORATION "R"



NA:

Presented by
RIKENTECHNOS
CORPORATION,
a challenger that
harnesses the
power of science.

Commercial storyboard

Program Presented : TBS "Sunday Japan Soon on the Air"

Coverage Time : 9:54 to 10:00 every Sunday

District Covered : Kanto District (Tokyo, Kanagawa, Saitama,
Chiba, Gunma, Ibaraki, Tochigi)

Environmental Management and Action Plans

Certification of ISO 14001

All of our Company's divisions have obtained this certification and are striving to establish our company as an enterprise in which all stakeholders can place their confidence by operating with an environmentally conscientious approach, and by working to

contribute towards building a prosperous society.

First registration: October 31, 2001

The term of validity: August 30, 2013

Environmental Policy

Environmental Policy

For all our business activities, we take into consideration the effects on the environment. To protect the environment and realize a sustainable community, RIKENTECHNOS established an environmental management system, and all members of RIKENTECHNOS work to implement the following principles.

- ① Through all business activities, RIKENTECHNOS improves the environmental management levels and the prevention of the environmental pollution by not only observing all environmental regulations and mutual agreements but also setting our own rules and regulations voluntarily.
- ② RIKENTECHNOS supplies the market with various plastics those are given priority on environment such as energy-saving, resource-saving, recycling, and low-influence to the ecological system.
- ③ RIKENTECHNOS reduces the influence against the global-environmental and the ecological system by eliminating wastefulness. We reduce the industrial waste by effective use of materials. We reduce CO₂ discharge by effort of saving energy.
- ④ RIKENTECHNOS continues the activity approaching the protection of the environment by establishing documents including Environmental Statement and the Environmental Policy, and educating employees.
- ⑤ RIKENTECHNOS sets the concrete purpose and numerical goal of which progress are self-assessed and managed properly to ensure the achievement of the Environmental Policy.
- ⑥ RIKENTECHNOS expands the above-mentioned activities to the activities of the relative companies to ensure the utmost consideration to the protection of the environment and the ecological system and the safety operation at the each site.
- ⑦ RIKENTECHNOS aims to obtain confidence and understanding from society through appropriate and accurate information disclosure.

Environmental Management System

System of Environmental Audit

(1) Internal Audit

Once a year, an internal audit for quality assurance and environmental management system is conducted by approximately 100 internal auditors with instructions from the CEMR. In 2010, an internal audit was conducted in 71 sections, resulting in 22 correction requirement reports, and 114 observed incidents. Most of the cases involved management of paperwork and management of records. We continue to work on improving the management system by corrective action.

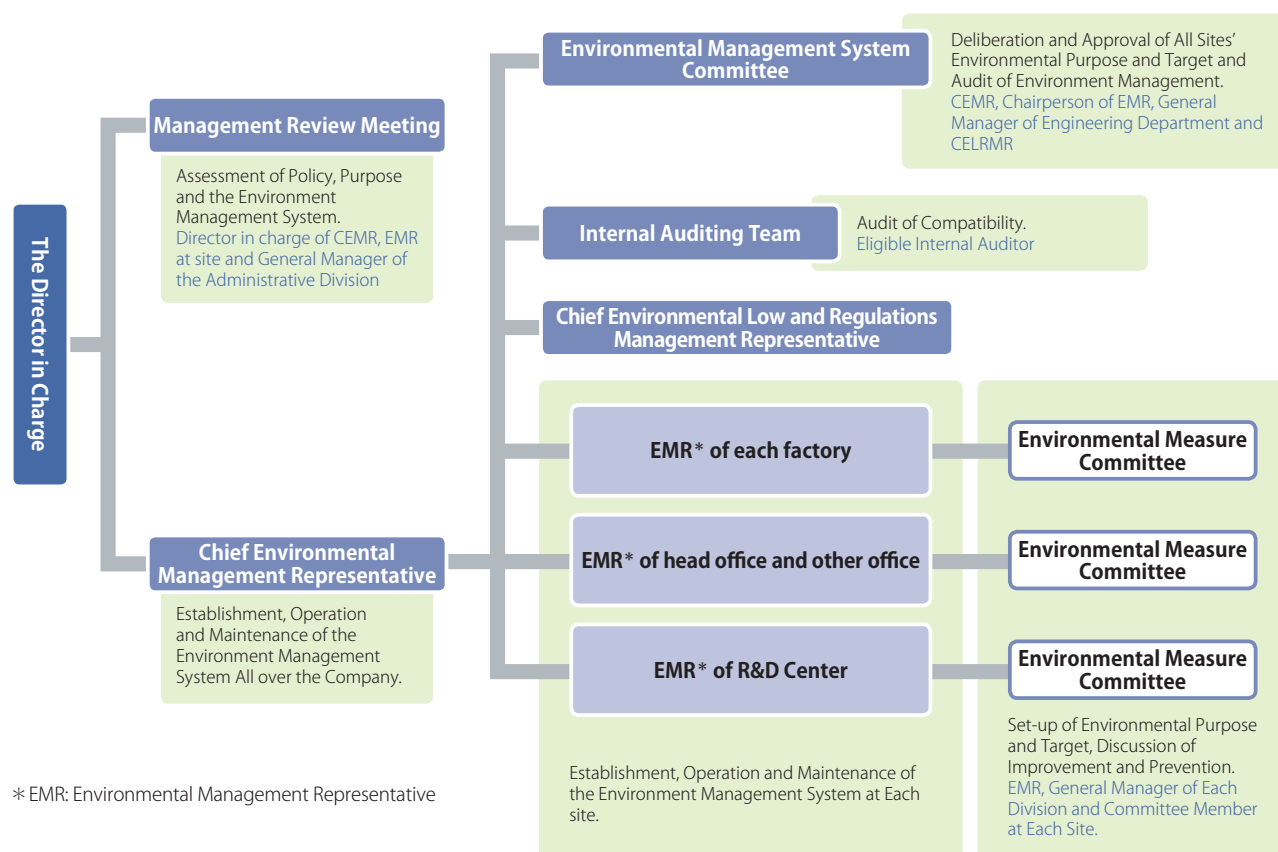
(2) External Audit

An external audit was conducted by NKKKQA at all sites. In 2010, five minor non-conformities and ten improvement items were noted by the auditor. A lack of environmental specifications for off-site facilities, insufficiency of factory drainage control measurement data, and inadequacy in awareness of waste oil storage quantity and the Fire and Disaster Management Act were also pointed out, which we have worked to improve. Also 14 of our customers audited us for environmental issues; definitions of tools used for cleaning, and pest control were requested.

Organization Chart of Environmental Management System

The Director in charge heads up the system and the Chief Environmental Management Representative (CEMR) is appointed to establish the environment management system under his

direction by designating an environmental management representative at each site.



Environmental Education for Employees

Since 2008, we have made a practice of distributing the "Eco-life Day" questionnaire to our employees and their families each summer, in order to raise awareness regarding the importance of energy conservation and global warming. In 2010 we received 945 responses (509 responses in 2008). From the results of the questionnaire, we found that the average amount of CO₂ reduction per person is 721g/day in summer seasons. In the

winter, seasonal environmental activities called "Challenge 25" were introduced, and information regarding "Warm Biz (Business-appropriate warm clothing)" and "Eco-drive (Environment-conscious driving)" were uploaded on the internal website. The CSR report was also handed to every member of the company to show how each person's efforts contributes to the bigger picture at RIKEN TECHNOS.

Environmental Laws and Agreements Related to Our Business Activities

Environment Laws and Agreement related to each factory and office are clarified and summarized as the standard of environment law, and we stringently enforce observance of the environment laws. As the result of our activity in 2010, we had no violation for Environment Laws and Agreement.

● The number of Environment Laws and Agreement for each site to be observed

Saitama Factory	29	Osaka Branch	2
Mie Factory	29	Nagoya Sales Office	2
Gunma Factory	26	R&D Center	20
Headquarters	3		

Summary of Environmental Action Plans and Results

Environmental Objectives and the Performance in 2010

We promoted the improvement activities by setting yearly objectives that matched the business environment by referring to the environmental policy. We mainly promoted reduction of CO₂ emissions, reduction of industrial waste discharge, and reinforced chemical substances management.

Objectives

	Objectives for 2010	Objectives for 2012
Reduction of CO ₂ emission	Reduced by 2% compared to 2008	Total Reduction of CO ₂ : Reduced by 4% compared to 2008 Reduction of CO ₂ per gross production: Reduced by 4% compared to 2008
Reduction of industrial waste discharge	0.5% ratio of simple industrial waste discharge to gross production	Simple industrial waste* discharge per gross production: 0.5% or below Gross industrial waste discharge per gross production: 5% or below
Reinforcement of chemical substances management	Reduce and/or stop usage of chemical substances specified by our company initiative Develop environment-conscious products.	

※ Simple industrial waste: Industrial wastes disposed by landfill or incineration.

We set a total of 162 objectives in 2010 and made effort to meet these goals. As production increased, CO₂ emission and waste discharge also increased. However, by improving productivity methods and installing energy-saving equipment, CO₂ emission and waste discharge per gross production ratios were reduced.

Achievement

	Number of Objectives Set	Number of Objectives Achieved	Note
Reduction of CO ₂ emission	62	34 (55%)	Due to increase in production, CO ₂ emission was 40,290t, a 0.1% increase from 2008. CO ₂ emission per gross production was 0.451t-CO ₂ /t, a 12% decrease from 2008.
Reduction of industrial waste discharge	33	14 (42%)	Objective for 2010 was achieved, with simple industrial waste discharge per gross production at 0.19% Gross industrial waste discharge per gross production was 5.12%
Chemical substances management	41	35 (85%)	Usage of chemical substances categorized as Type 1 was 2,952t, a 58% decrease from 2001.
Development of environment-conscious products	26	12 (46%)	
Total	162	95 (59%)	

Status of Environmental Load

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

CO₂ Load Related to Production of Major Products (FY2010)

INPUT		OUTPUT	
Raw material (including paint coating)	85,000t	Compound product	60,700t
Packing material	3,222t	Film products	13,200t
Electricity	70,100MWh	Food wrapping film products	6,600t
Heavy oil	3,590kl	Industrial waste	4,500t
Tap water	143,497m ³	Amount of drainage	336,743m ³
Ground water	191,139m ³		
Water for industrial use	14,778m ³		

Amount of CO ₂ emission (t-CO ₂ /t)	
Compound	0.22
Film	0.90
Food wrapping film	0.40

Reducing Industrial Waste

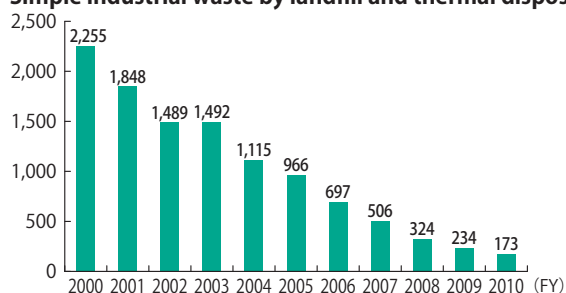
One of the main objectives of our environmental management activity is reduction of buried and burnt industrial waste that is generated during our production process. We set the goal of reducing industrial waste discharge from total production by 0.5% by 2012. We are not only promoting restraint in generating waste by improving our production processes, but also setting strict

classifications for generated waste, so that waste will be sorted in to recyclable material, RPF (Refuse Paper and Plastic Fuel), raw cement material, etc. for effective re-use.

As a result, the total quantity of simple industrial waste disposed by landfill or incineration was reduced by 92.3%, from 2,255t (in 2000) to 173t (in 2010.)

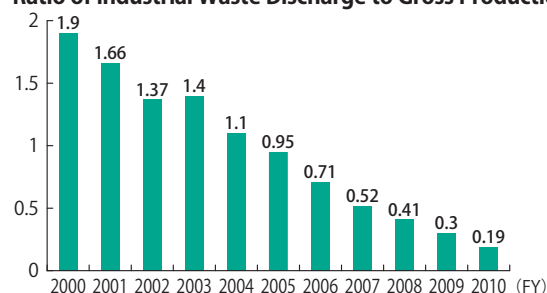


Simple industrial waste by landfill and thermal disposal (t)



* Site: Three factories, Saitama, Mie, and Gunma, R&D Center

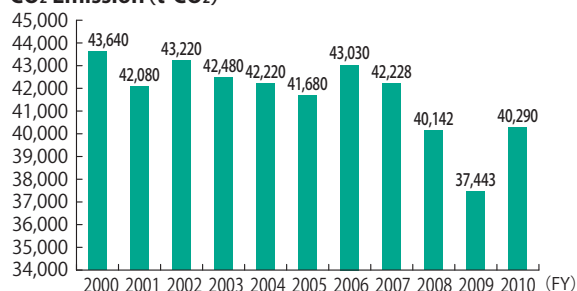
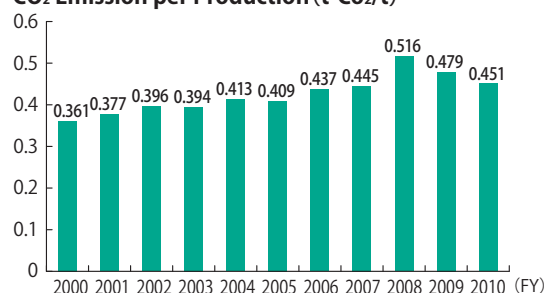
Ratio of Industrial Waste Discharge to Gross Production (t/t)



Saving Energy and Reducing Greenhouse Gas Emissions

Two factories, Saitama and Mie, are identified as Type 1 energy control factories, and Gunma factory is identified as the Type 2 energy control factory. The main greenhouse gas^{*1} generated by our business activities is CO₂. We are working to achieve our goal of “4% reduction from 2008 percentage in CO₂ emissions by 2012.” We promote energy-saving tactics, such as improving the efficiency of operating facilities, using demand control^{*2} for air

conditioning, preventing industrial compressed air and steam leakage, etc. Furthermore, chlorofluorocarbon, one of the greenhouse gases used for air conditioning refrigerant, is strictly controlled to prevent leakage while in use and after disposal. Results showed that total emission of CO₂ in 2010 was 40,290t which was a 6.8% reduction from 2002.

CO₂ Emission (t-CO₂)CO₂ Emission per Production (t-CO₂/t)

*1 Total emission of greenhouse gas is an estimated quantity of CO₂ discharge with is calculated by the consumption of electricity and fuel oil used at two factories, Saitama and Mie, the Gunma Division, the 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 increased 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.

The Appropriate Management of the Chemical Substances

With the revision in “Law Concerning the Evaluation of Chemical Substances and Regulation of Manufacturing, etc.,” the types of chemical substances categorized as Type 1 in the “Law of PRTR and Promotion of Chemical Management” were changed. Operation and calculation of discharge based on the new list started in 2010. The types of chemical substances we have calculated have not changed.

In 2010, the consumption of Chemical Substances Categorized as Type 1 in the “Law of PRTR and Promotion of Chemical Management” was 2,952t, a 58% decrease from 2001. We reduced the use of chemical substances categorized as Type 1 from 26 types of substances in 2008, to 23 in 2009, then to 22 in 2010. We reported seven types of chemical substances with consumption quantity of over one ton.

※ PRTR: Pollutant Release and Transfer Resister

Consumption of Chemical Substances Categorized to Type 1 (t)



Summary of Environmental Action Plans and Results

Storing PCB Waste

In June 2001, the "Law for Promotion of Correct Waste Disposal of Polychlorinated Biphenyl (PCB)" was enforced. Our Saitama Factory, Mie Factory, and R&D Center (Tokyo) store and control condensers as PCB waste. We plan to properly dispose the waste

at the processing institutions in the Kanto district and Kansai district. In 2005, six pieces of equipment containing PCB waste were transferred from our affiliated companies to the Saitama Factory, to ensure stricter management.

Sites	PCB Waste	Storage
Saitama Factory	High voltage condensers:15 High voltage transformers:2 Waste water and oil containing PCB: 1,446L	Kept in iron containers
R&D Center (Tokyo)	High voltage condensers:12 High voltage transformers:1 Waste oil containing PCB: 330L PCB components waste: 15kg	Kept in iron containers
Mie Factory	High voltage transformers:4 Waste oil containing PCB:350L PCB component waste: 300g	Kept in iron containers

Due to the strong possibility of electrical apparatuses made before 1989 contain PCB, we are re-examining and analyzing the condensers that are currently in use. At this point, 37 condensers have yet to be analyzed, while 7 transformers and reactors have been analyzed, and were found to contain a low quantity of PCB.

*1 PCB: Polychlorinated Biphenyl

Preventing Stock Pollution and Environmental Pollution

In 2001, during the investigation over all factories and offices, we found soil pollution at the Kamata Factory (the present R&D Center (Tokyo)). Since then we have conducted regular examinations and soil modification. The decision was made to sell this land by August 2011 in a pollution-free state, and to do so, we completed the soil modification process. Meanwhile, the R&D center (Tokyo) was moved to the neighboring building, where we also found soil pollution in the land. A section of this land is currently blocked off to prevent the diffusion of pollution. We implement routine measurements of environmental items according to the laws and regulations, as well as our own

regulations. The items measured are exhaust gas, drainage, groundwater, noise, vibration, smell, radioactive rays, dusts, etc., with particular concern for noise pollution. We conduct regular meetings with the residents around our facilities, where we disclose results from our environmental measurements and internal examinations, in order to be supported by our surrounding communities.

Responding to Specified Chemical Substance Restrictions

Regarding material control, in order to fully comply with the many set regulations, such as REACH in Europe, and regulations for chemical substances in Japan, we formulated a chemical substances information sheet, listing all the substances used by our company. Starting in August 2009, we decided to procure the

data analysis for the 6 substances of RoHS, as well as the trace amounts of remaining chemical substances, to be included in our chemical substances information sheet. We made this information sheet a part of our "RIKEN TECHNOS Group Green Procurement," which is applicable to all our affiliated companies.

Environmental Accounting

We have been disclosing accounting data from our environmental preservation activities since 2006.

Criteria for Environmental Accounting in 2010

- ① Accounting Coverage: RIKEN TECHNOS CORPORATION (non-consolidated)
- ② Period Covered: April 1, 2010 to March 31, 2011
- ③ Referenced Guideline: "Environmental Accounting Guidelines (2005 Edition)"
(Issued by the Ministry of the Environment of Japan in February 2005)

Summary of Environmental Accounting in 2010

Environmental preservation costs in 2010 was approximately JPY 1.05 billion. Investment amount was approximately JPY 60 million, and expenses amounted to JPY 990 million. Investment items are costs for pollution prevention, global environmental preservation, and circulation of resources. Expenses included a cost analysis to comply with the RoHS Directive, maintenance costs for ISO activity, and R&D costs for environment-conscious products, etc. One of the biggest costs in environmental preservation was R&D costs for environment-conscious products, which amounted to

approximately JPY 820 million.

Environmental preservation effects resulting from our activities were as follows: with the advancement in thermal recycling, the quantity of final disposed waste was reduced by 61 tons from the previous fiscal year. Due to increased production, total CO₂ emission amounted to 2,847 tons more than 2009.

The economic effect, from sale of valuable waste plastics and energy-saving efforts for cost reduction, was approximately JPY 9 million.

Environmental Preservation Cost

JPY 1,000

Category	Contents	Total Amount Invested	Expenses
1. Business area cost		63,951	125,274
* Pollution prevention cost	Construction for noise prevention equipment, maintenance of scatter prevention equipment	2,600	75,416
* Global environmental preservation cost	Installation and improvement of energy-saving equipment	61,351	0
* Resources circulation cost	Disposal of industrial waste, recycling, etc.	0	49,858
2. Upstream/Downstream cost	Analysis of products containing chemical substances	0	15,680
	Recycling of containers and packaging, etc.	0	108
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	14,330
4. R&D cost	Development of products that contribute to environmental preservation	0	819,200
5. Social activity cost	Beautification and landscape preservation of our sites, donations	0	694
6. Environmental damage recovery cost	None	0	19,325
Total		63,951	994,611

Environmental Preservation Effect

Environmental Preservation Effect Category	Environmental Performance Indicators		FY2009	FY2010
Environmental Preservation effect related to resources input into business activities	Total energy input volume (GJ)		760,706	828,900
	Energy input volume by type	Electricity (MWh)	64,020	70,172
		Heavy Oil (KL)	3,393	3,592
		Kerosene (KL)	0	0
		Gasoline (KL)	53	49
		Light oil (KL)	15	15
	Input volume of PRTR controlled substance (t)		2,794	2,952
	Input volume of water resource	Tap water (m ³)	151,554	143,497
		Ground water (m ³)	184,371	191,139
		Water for industrial use (m ³)	8,432	14,778
Environmental preservation effect related to waste or environmental impact originating from business activities	Emission of greenhouse gas (t-CO ₂)		37,443	40,290
	Volume of PRTR-controlled substances discharged (t)		4.1	2.6
	Volume of PRTR-controlled substances transferred (t)		12.5	11.7
	Total waste discharge volume (t)		4,429	4,579
	Final waste disposal volume (t)		234	173
	Water waste volume (m ³)		334,063	336,743
Environmental preservation effect related to goods and services produced by business activities	Volume of containers and packaging used (t)		3,327	3,222
Other environmental preservation effect	Volume from Transportation of products (tkm)		27,752,000	30,075,000
	Volume of CO ₂ emission associated with transportation (t)		4,790	5,220

Summary of Environmental Action Plans and Results

Economic Effect Associated with Environmental Preservation Activity

JPY 1,000

Economic Effect	Amount	
	FY2009	FY2010
Benefit from recycling plastic, paper, etc.	5,804	6,296
Expenses reduced by energy-saving activities	1,141	2,763
Total	6,944	9,059

Asset Retirement Obligations

As of March 31, 2011 JPY 1,000

Asset Retirement Obligations will start on April 1, 2010. RIKEN TECHNOS is preparing to comply with the accounting standards for Asset Retirement Obligations.

Asset Retirement Obligations refers to the laws related to the environment; current assessments are shown in the right-hand column.

Items	Expenses
Cost of restoring buildings	26,086
Cost of asbestosis disposal	37,627
Cost of renewing equipment using PCB	3,646
Cost of soil modification of land	52,917
Total	120,275

RIKEN TECHNOS GROUP Environmental Impact Data for Corporate Activities

Saitama Factory

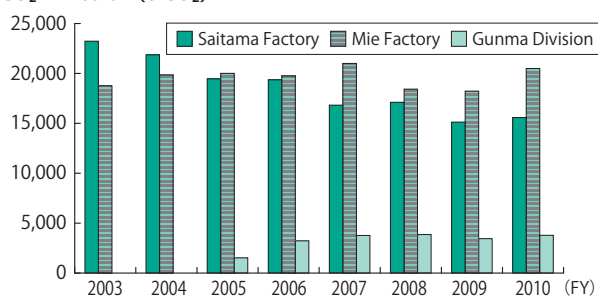
- Site area: 80,740m²
- Description of business: Manufacturing of Compound, Film, and Food Wrapping Film made from various thermoplastic resin, including PVC
- Number of employees: 293

Mie Factory

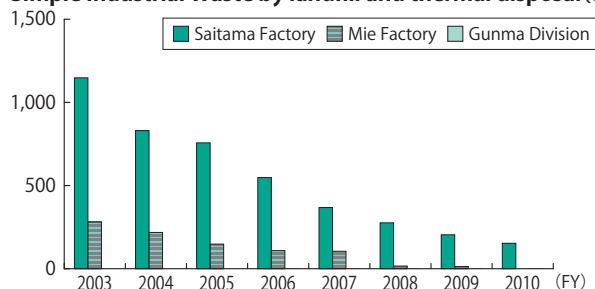
- Site area: 54,848m²
- Description of business: Manufacturing of Compound, Film, and Food Wrapping Film made from various thermoplastic resin, including PVC
- Number of employees: 249

Gunma Factory

- Site area: 55,903m²
- Description of business: Manufacturing and sales of High-Function Film, in a clean environment
- Number of employees: 34

CO₂ Emission (t-CO₂)

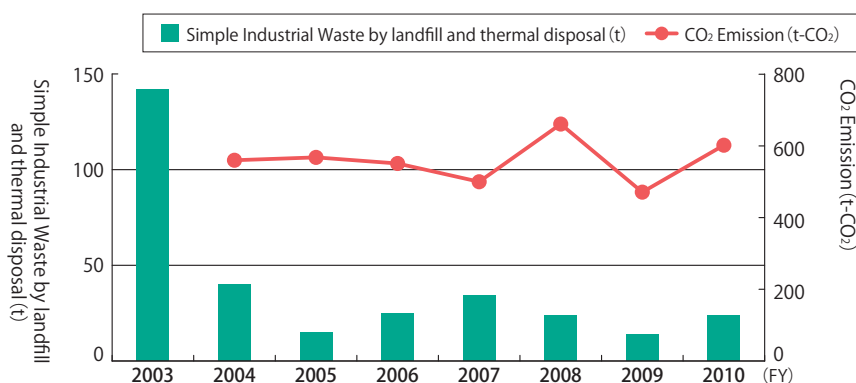
Simple Industrial Waste by landfill and thermal disposal (t)



SHINKO ELECTRIC WIRE CO., LTD.

- Description of business: Manufacturing and sales of electric wires and cables
- Company Profile

Capital	JPY 48 million
Number of employees	63

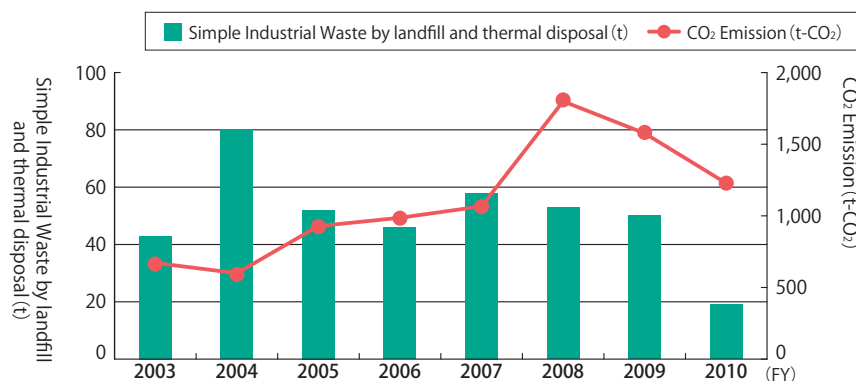


KYOEI PLASTICS MFG CO., LTD.

- Description of business :
Manufacturing and sales of profile
extrusion plastic products

- Company Profile

Capital	JPY 24 million
Number of employees	70

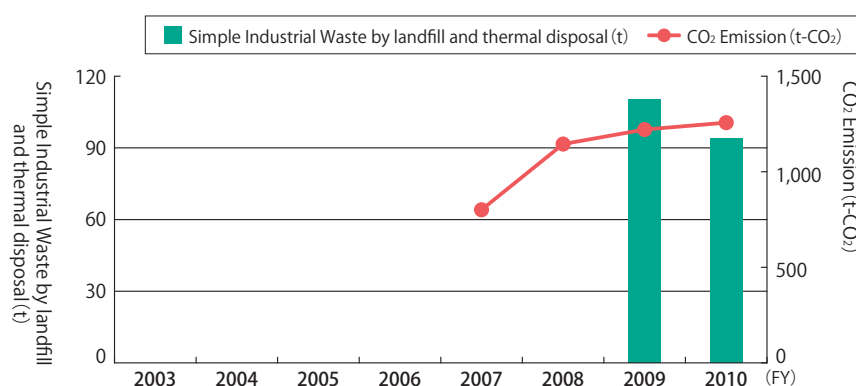


M-I CHEMICALS CO., LTD.

- Description of business :
Manufacturing and sales of
compound made from various
thermoplastic resin, including PVC

- Company Profile

Capital	JPY 300 million
Number of employees	45

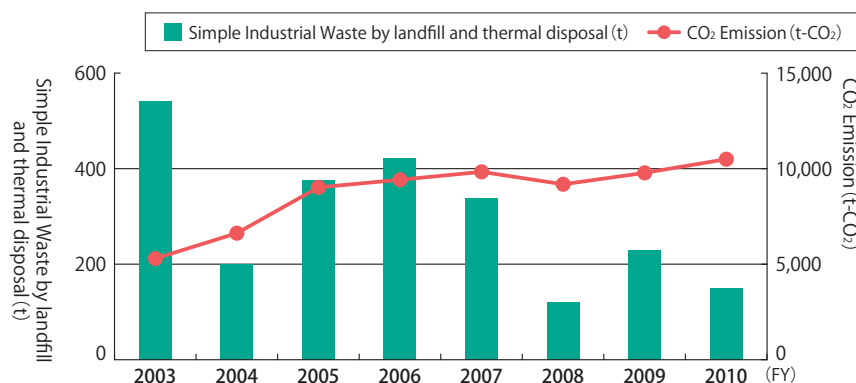


RIKEN (THAILAND) CO., LTD.

- Description of business :
Manufacturing and sales of
compound made from various
thermoplastic resin, including PVC

- Company Profile

Capital	THB 120 million
Number of employees	232

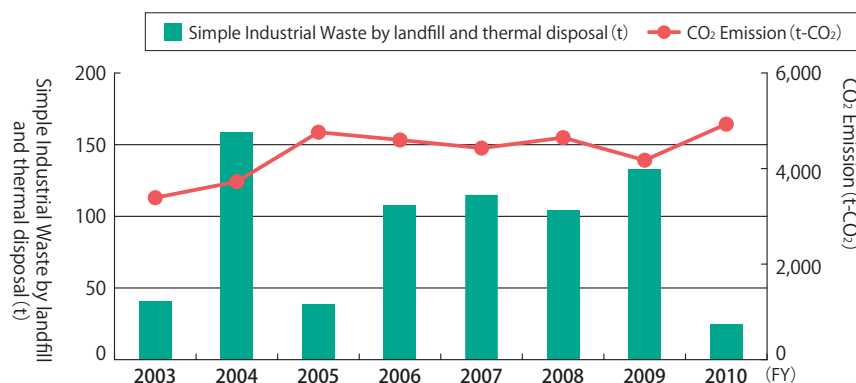


RIMTEC CORPORATION

- Description of business :
Manufacturing and sales of PVC
compound

- Company Profile

Capital	USD 10 million
Number of employees	93



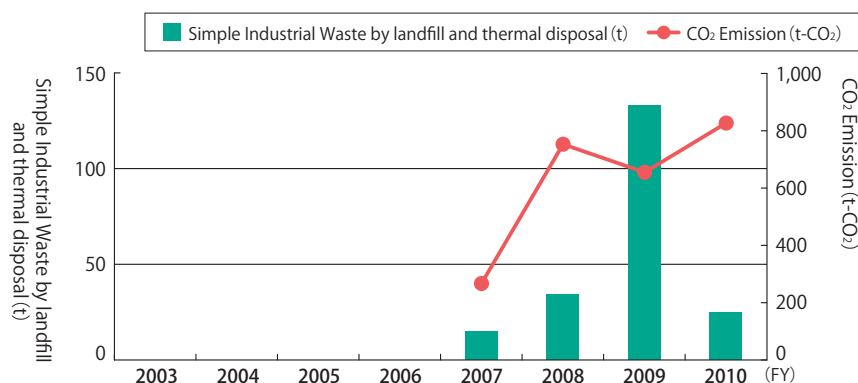
Summary of Environmental Action Plans and Results

RIKEN ELASTOMERS CORPORATION

- Description of business:
Manufacturing and sales of thermoplastic elastomer compound

Company Profile

Capital	USD 10 million
Number of employees	15

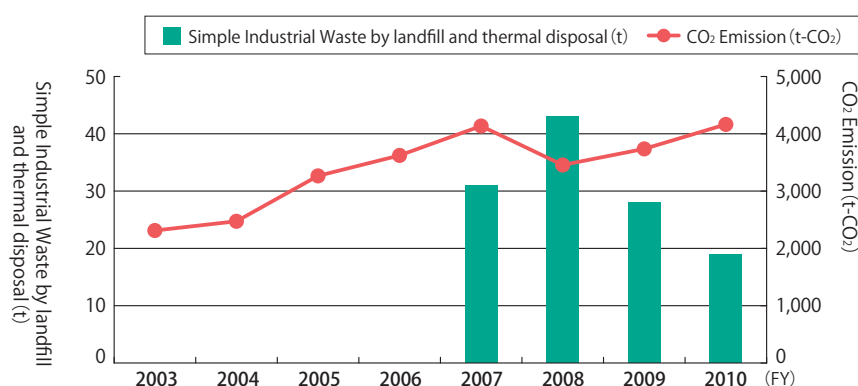


PT.RIKEN INDONESIA

- Description of business:
Manufacturing and sales of PVC compound

Company Profile

Capital	USD 5.7 million
Number of employees	146

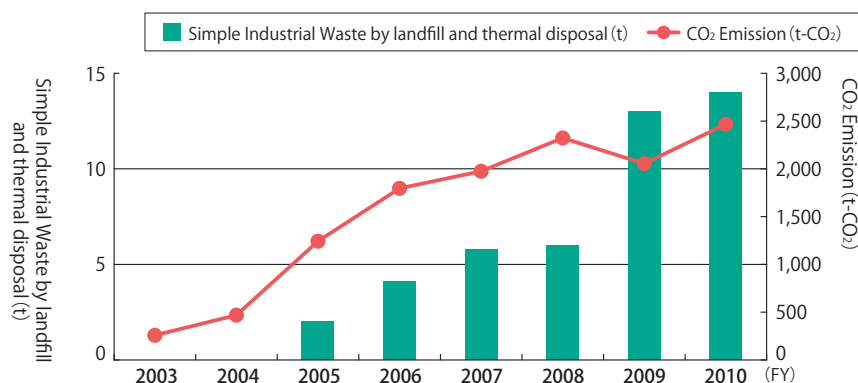


SHANGHAI RIKEN TECHNOS CORPORATION

- Description of business:
Manufacturing and sales of PVC compound

Company Profile

Capital	USD 7.5 million
Number of employees	97

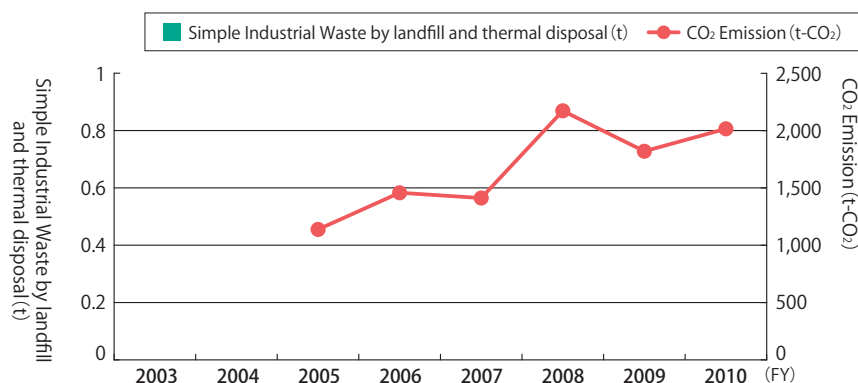


RIKEN TECHNOS (JIANG SU) CORPORATION

- Description of business:
Manufacturing and sales of food wrapping film

Company Profile

Capital	USD 1.35 million
Number of employees	53



The Expert's Opinion



Masatoshi Ikari

Manager, Chief Consultant
Environmental Risk Sector
Consulting Department I
InterRisk Research Institute & Consulting, Inc
Part-time lecturer of Seikei University

This is the fifth edition of the CSR Report by RIKEN TECHNOS GROUP, and a special issue, featuring the 60th anniversary of its founding. The feature article "Steps Made over the Last 60 Years" is a compilation of thoughts from senior employees that make for a truly worthwhile read. This issue also clearly explains how the new corporate philosophy "RIKEN TECHNOS WAY" was formulated, as the company continues striving to become a centennial enterprise, with the message from the President and other interviews. Picking out some keywords from these articles, such as, "customers," "business partners," and "employees," as well as "trust," proclaim the fact that RIKEN TECHNOS GROUP continues to work on CSR management.

What is noteworthy in the Social Responsibility Section of its issue is that, for the first time, the findings from a customer survey conducted to get an objective assessment of customer satisfaction have been reported.

Although it is not easy to evaluate the performance categorized to sociality numerically, it is recommended that a firm manages its CSR activities according to the numerical indicators, such as KPIs (Key Performance Indicators), and discloses the results evaluated thereby. Further, as this report is titled "RIKEN TECHNOS GROUP," it may be worth expanding the scope of CSR management and its KPIs to whole group companies (for example, from the Environment Responsibility section). From early on, this company has approached the global market, leaping into the position of a global material solution supplier. Therefore, as you assess the company from a global perspective, new key points and challenges in CSR management should come to light.

Lastly, information about CO₂ emissions and other KPIs have been faithfully and honestly disclosed. However, it is disappointing that your activities regarding the preservation of biodiversity—a section included in your environmental policy—have not been disclosed. Since both activities regarding energy conservation and those regarding chemical substances management contribute to the preservation of biodiversity, it is my recommendation that you analyze and recognize your actual position with regard to the "Relationships between Biodiversity and Businesses."

In Response to the Feedback

Hiroshi Shimizu

Representative Director, President
RIKEN TECHNOS CORPORATION

The fifth edition of the CSR Report has been issued as the special 60th anniversary edition. Without support from our stakeholders, we would not have been able to celebrate this diamond jubilee, and so we take this opportunity to thank you for your support.

In our special feature we included a retrospective review of RIKEN TECHNOS CORPORATION's 60 years of history. It is our hope that this issue will offer an insight into our faithful adherence to the lasting legacy of "The Spirit of Manufacturing," and the commitment of every employee at RIKEN TECHNOS GROUP to this time-honored creed.

Messages received from many of our customers and business partners are introduced in this issue. Along with that, findings from customer surveys are disclosed for the first time in this issue, in hopes that we will continue to gain our customers' trust. We are ready to listen to the opinions of our customers, with a sincere desire to tackle problems that may be pointed out by their feedback.

With our growing number of overseas sites, we will be concentrating more of our resources on attaining the concept of "CSR management from a global standpoint" as pointed out by Mr. Ikari. Further, we will disclose more information on our activities regarding "biodiversity" hereforth.

We will continue to be proactive in our CSR activities, using the expertise of RIKEN TECHNOS GROUP, to realize a world of affluence shared by all, while observing the global environment, as a challenger that harnesses the power of science."

● Editors' Postscript ●

Thanks to the support of our stakeholders, RIKEN TECHNOS is celebrating its 60th year.

As the special 60th anniversary issue of the CSR Report, this edition looks back over the 60 years of RIKEN TECHNOS. While compiling the report, I was again made aware of our company's devoted adherence to the RIKEN TECHNOS tradition of "The Spirit of Manufacturing." Putting together this report was not an easy task, but we hope that the outcome is a clear and comprehensible report.

Our goal for this report is that our readers would be able to better understand our CSR activities, and we would appreciate getting your honest feedback and valuable opinions.

(Hideaki Aoki, Jin Kurihara:
Environment, Safety & Quality
Management Office, Yutaka
Arai, Sayaka Yoshioka: Corporate
Planning Office)

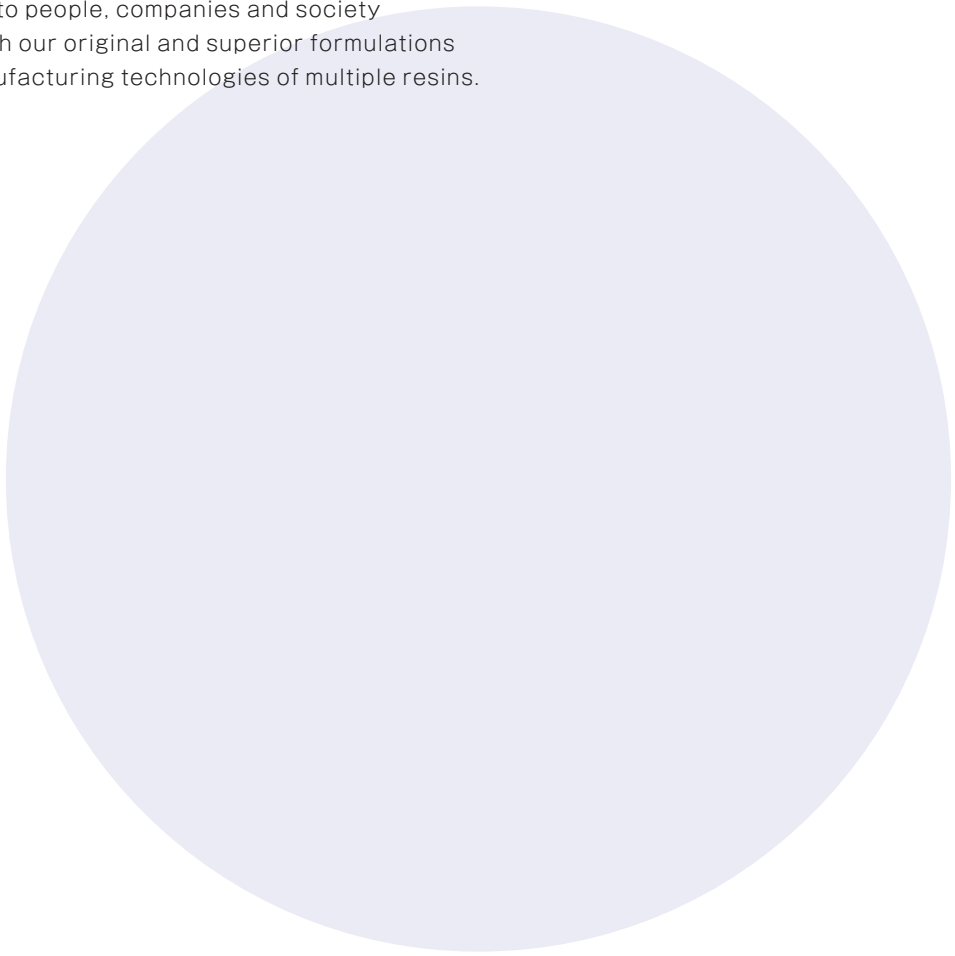


The representative of the departments edited this report: Makoto Kumanomido (Corporate Planning Office)



RIKENTECHNOS WAY

We are a challenger
that harnesses the power of science
to improve the quality of life
and create a safe, affluent society.
We continuously provide new value and satisfaction
to people, companies and society
through our original and superior formulations
and manufacturing technologies of multiple resins.



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