



RIKEN TECHNOS

RIKEN TECHNOS GROUP

CSR Report

Corporate Social Responsibility Report

2014



RIKEN TECHNOS CORP.

Editorial Policy

RIKEN TECHNOS GROUP 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, and with an inclusion of the societal aspect, as the "CSR Report," to communicate our activities to all stakeholders. This eighth edition of "CSR Report" includes a special issue on "Market Oriented." We will introduce future activities we will undertake which is centered on our business policy, "Dimensional Change."

Reporting Coverage

Period Covered

April 1, 2013 to March 31, 2014

In addition, some activities after April 1, 2014 are included.

Organization Coverage

(Please refer to page 20 to 23 regarding the sites.)

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

Some of the affiliated companies are not included in some cases.

Affiliated Companies Covered

- SHINKO ELECTRIC WIRE CO., LTD.
- KYOEI PLASTICS MFG CO., LTD.
- RIKEN TECHNOS INTERNATIONAL CO., LTD.
- RIKEN CHEMICAL PRODUCTS CORPORATION
- RIKEN FABRO CORPORATION
- 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.
- RIKEN (SHANGHAI) CORPORATION
- RIKEN ELASTOMERS (THAILAND) CO., LTD.
- RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION
- RIKEN TECHNOS INTERNATIONAL PTE. LTD.

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 Guidelines (2012) and Environmental Reporting Guidelines (2007) are issued by Ministry of the Environment of Japan. (Please refer to our website regarding the comparison with Environmental Reporting Guidelines)

Date of Issue

September 2014 (scheduled date of the next issue: October 2015)

History of Issue

Date of issue	Name
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
October 2011	CSR Report 2011
October 2012	CSR Report 2012
September 2013	CSR Report 2013



About the Cover

This report cover image shows an integration of the corporate mark of RIKEN TECHNOS CORPORATION and the "Field of Tulips", which are in their full glory in Amsterdam, the Netherlands, where RIKEN TECHNOS EUROPE B.V. 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 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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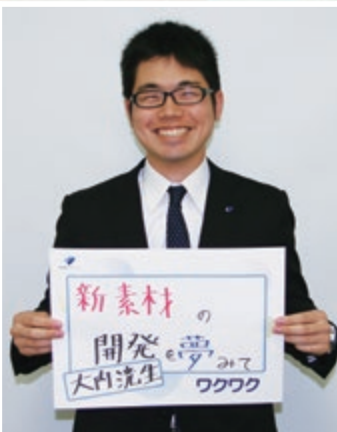
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Our new employees in 2014

Under the theme of, "Enjoy work, and be enthusiastic," which is in our core values, we asked our young employees – who are the future of RIKENTECHNOS – to fill in the blank in the sentence: "If _____, I would be enthusiastic."





Discussion meeting

RIKEN TECHNOS, the company that supports various industries through its unique technology

“RIKEN TECHNOS’s Quality,” “RIKEN TECHNOS’s Technology,” and what lies ahead ———

We devote ourselves to continue providing society with new found values and happiness.

Taking our 60th anniversary as an opportunity, this passage compiles our mission described in the “RIKEN TECHNOS WAY.”

Though we have provided society with compound processing technology involving vinyl chloride to thermoplastic resin, after half a century in our undertakings, what meaning have we brought to society?

Furthermore, what sort of value will we realize and continue provide in the future?

Lead by our president, Shimizu, the manager of our new business unit explains his passion in his endeavor.





Manufacturing and business unit system

▶ Thank you everyone for taking the time in your busy schedules. I would like to discuss the topic on the connection our company holds with society. First, could I have you explain the business unit system that has been newly implemented in April, and its aim and objectives anticipated in the future.

President Shimizu The primary objective is to adapt to the changing market by consolidating technology and production. From now on, instead of individually completing one's business activities alone, we must find a way to connect these activities to efforts towards opening up new markets. As Peter Drucker said, the most important aspect in enterprise

activities is marketing and innovation. In order to undertake these things, we must fully utilize organizational strength in marketing. Until now, our motto was "RIKEN TECHNOS's Quality" and "RIKEN TECHNOS's Technology." However, in recent times, though quality is a determining factor for product differentiation, we've realized we can not compete in the market by focusing solely on this idea. Therefore we've decided to rethink the way we open new markets by focusing on the demands of the customer. What is important is how we arrange the collective voice of our customers and what kind of value we can add to our

products. In other words, it all depends on if we can discover market where we can capitalize our company's strongpoints. I believe that that is the primary objective of a business unit.

▶ How is this system different from the conventional "divisional system"?

President Shimizu I believe this system is essentially similar to the divisional system. The only difference is that is the use of words that signify our focus on the "Market Oriented." The way I see it, our ability to have been able to open new fields of



Hiroshi Shimizu
Representative Director President

Discussion meeting attendances

Hiroshi Shimizu (Representative Director President)
Shunichi Ueyama (Associate Director, Medical & Consumer Goods Business Unit Manager)
Yoshiaki Shimamura (Construction Products Material Business Unit Manager)
Keijirou Daikuhara (Automotive Business Unit Manager)
Masumi Terakawa (Electronic Materials Business Unit Manager)
Hirofumi Otani (Director and IT & Electronics Business Unit Manager)
Michihisa Tasaka (Director and Solution Business Unit Manager)

Observers:

Masamitsu Sumiyoshi (Representative Director Managing Director, General Manager of Sales & Marketing Division)
Yukiteru Minowa (Associate Director, Compound Planning Coordination Department Manager)
Yoshiaki Iwamoto (Associate Director, Film Planning Coordination Department Manager)

Moderator:

Corporate Planning Office

Discussion meeting

RIKEN TECHNOS, the company that supports various industries through its unique technology

business and enter various markets is owed to the efforts of each individual. Our engineers participate in marketing, our sales associates participate in engineering, both partake in production, and then we present the result to the customer to undertake the creation of a product. I believe the business unit is the organizational philosophy for deepening the sense of unity.

A look back on RIKEN TECHNOS's Technology that has had an impact on society

► As you mentioned earlier, RIKEN TECHNOS has been about quality and technology. Can you provide any examples of products manufactured by RIKEN TECHNOS that stands out for its superiority or contribution to society?

Shimamura Speaking of compounds, I would like to raise resin frames from our field in building materials as an example. Switching the material used for window frames from aluminum to PVC increased the effectiveness of insulation capability and energy saving. It also prevents mildew to a degree. Although the

demands for this product was high in the northern parts of Japan to begin with, following the Great Eastern Japan Earthquake Disaster, the need for energy efficiency increased and has led to its prominent distribution farther and farther south. I believe it had a significant influence on society.

President Shimizu In our field in the film industry, we had a case where we switched to using film instead of film for wooden finishing. We came up with the idea and the processing method with a major household electronics company.

Shimamura That's right. By providing printing manufacturers with our plastic film, household furniture and electronics such as speakers could be given beautiful wooden designs. Up until we came up with the idea, mass amounts chemical solvents had to be used, or wood had to be acquired through logging precious trees. This was seen a serious issue.

Terakawa I want to mention the covering for electrical wires, which I am in charge of. Although it is true that they all look the same, we utilize a unique technique called compound processing technology, and this sets our company apart. In 1984, the Nippon Telegraph and

Telephone Public Corporation (Now NTT), which was located in Setagaya, Tokyo, had an accident where wires set fire. Parts of the metropolitan were paralyzed due to this incident. Shortly after, our company developed fire-resistant electric cables. I believe this has greatly contributed to the safety and reliability of infrastructures.

Ueyama Our company produces many medical products that protect the lives of people such as blood bags, transparent tubes, and gaskets. These products must satisfy rigid standards and so we are extremely thorough with safe and secure practices in research and quality management.

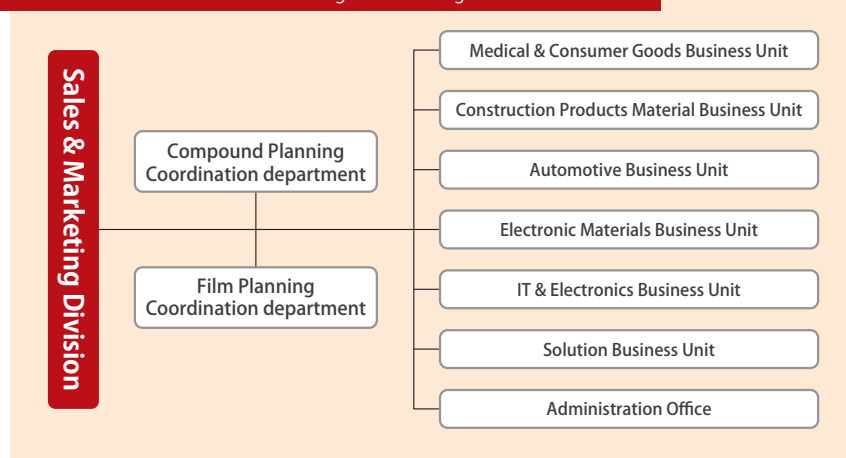
► So it seems that RIKEN TECHNOS has served a role in society in a way that fitting each era.

Daikuhara For the Automobile Business Unit, I would like to raise PVC and elastomer compounds used around the car windows and doors as an example. 20 years ago, when dioxins were seen as a problem and automobile manufacturers were discussing the use of another material, we suggested the use of elastomer compounds and succeeded in doing so. As a result, the body of automobiles became lighter, leading to automobiles having better mileage and the reduction of CO₂. We were able to make a great contribution from an environmental perspective.

President Shimizu When Mr. Tasaka was working in the technology division, he solidified the base technology in processing elastomers. This is what led us to be able to work with materials other than PVC.

Otani The keywords in our company's innovation is lighter, safer, and more

RIKEN TECHNOS Sales & Marketing Division Organization Chart



secure. I especially want to mention the contribution we’ve provided for electric wires used in automobiles. The material used to cover FCC (Flexible Flat Cables) is a vital component to protecting lives. Our company’s film with its advanced safety design is highly rated in the market and put to great use. In addition, due to demands from the market for lighter covering material for wire harnesses used for automobiles, the thickness has been reduced from 0.5mm to 0.1mm. We developed a material that sustained strength even if it is thinner and received positive reviews. This material is now used worldwide. In this field, the technology of RIKEN TECHNOS is being effectively utilized. Japan has traditionally puts an emphasis on compactness and flexibility, and RIKEN TECHNOS has contributed to add to this cultural ideology.

Tasaka The product that I remember the most is the earphones around when I began working for this company. They told me it was a product of RIKEN TECHNOS, but when I looked, it was not the cord but the 3mm rings that bound the 2 cords that was the company product.

It isn’t a part that draws attention, but RIKEN TECHNOS produces hundreds of thousands of these from just 25kg of compound. I wondered, “Where does it say RIKEN VINYL INDUSTRY CO. LTD.*?” but it wasn’t written anywhere. That was when it first hit me, that RIKEN TECHNOS products are in widespread use in various places in society.

Recently, while searching for fields that RIKEN TECHNOS has yet to enter, I learned about flooring and the exterior of buildings. We began selling a product in the hot country, Thailand, called “Heat Insulating Paint” that is applied to the roofs of houses. The local people, who first



Yoshiaki Shimamura
Construction Products Material Business Unit Manager



Masumi Terakawa
Electronic Materials Business Unit Manager



Keijirou Daikuhara
Automotive Business Unit Manager



Shunnichi Ueyama
Associate Director, Medical & Consumer Goods Business Unit



Hirofumi Otani
Director, IT & Electronics Business Unit Manager



Michihisa Tasaka
Director, Solution Business Unit Manager

Discussion meeting

RIKEN TECHNOS, the company that supports various industries through its unique technology



said that insulation was unnecessary, entered a room with the paint applied to the roof and asked, "Is this room air-conditioned?" The reputation of RIKEN TECHNOS's paint spread, and house after house began implementing its use.

*RIKEN VINYL INDUSTRY CO. LTD.:
Company name up to year 2001 since founding.

Otani We drew out the hidden demands within the market and customers. Innovation that hits the right spot like this requires a lot of energy. We have to look farther and farther into future.

"Market Oriented" means to "begin a story" together with customers.

► It can be said that looking farther and farther into the future is the culture of RIKEN TECHNOS.



President Shimizu This kind of culture and spiritual feature has been cultivated over the years by successive company presidents, and is repeatedly explained. That is how our employees are brought up. I have also followed suit, and it has left me keenly aware of the gravity to directly telling my thoughts and ideas to division and section managers as well as overseas affiliates.

► So, ideas are established by repeatedly explaining them to others.



President Shimizu I believe so. I think that a company president's job is to persistently explain an idea over and over again. (laughs)

► What are your thoughts on future training systems and educational programs?

President Shimizu I believe the basis is to thoroughly train our personnel to build their strength. I won’t tolerate any dropouts. (laughs) One thing I want to immediately improve is English speaking skills to accommodate the globalization of our company. To achieve this goal, I would like to have permanent teachers within the company so we can speak to them anytime.

Otani This is a part of the “3-year Global Human Resources Plan.” In reality, we have already tripled the number of employees going overseas. We have clients and business connections involving raw materials in other countries, so we have no other choice but to send employees overseas.

President Shimizu We are in the day and age where doing so is a necessity. The responsibility imposed on the manager of each business unit is to draw out strategies which achieve large-scale objective that will determine how our company will proceed in the future, and act as producer that organizes each division. I believe the basis of this role lies in the idea of “Market Oriented.”

Otani We frequently go to our customers for presentation. When we do, instead of just explaining the technology, we focus on clearly explaining our way of thinking to the client. Our clients can agree and anticipate working with us. The customer can feel that they can trust RIKEN TECHNOS. That is the real beginning.

Shimamura Only a handful of the products we sell are from our catalog. Most of our products are created through the exchange of opinions and discussions with clients, and that is where we find business.

Otani We “begin a story” together with our clients. What I mean is, we create a product for the first time and share the dream of purveying such specification into society. I believe that this is “Market Oriented.”

Tasaka The opposite of “Market Oriented” is “Product Out”, where we push to appeal that our products have spectacular qualities. This, however, does not work well in Japan. That is why “Market Oriented” is more suitable. We first need a kind of guide; an individual that can tactfully lead a

customer from their perspective.

Shimamura Just as we touched on earlier, my unit is a mix that works with both compounds and films. We must make full use of the advantage of working as a single unit. Our clients who use also have a need for compounds, and the reverse must be true in that clients who use compounds want to use films as well. I would like to find more of this type of “1+1=∞” chemistry between business fields.

Terakawa The field of electrical materials and cables often involves dealing with infrastructure, and has been a division that operates as an organization since early times. In order to compete with leading Japanese companies and plutocratic groups, information must be acquired as an organization.

President Shimizu It all boils down to the human relationship. From a strategic perspective, relationships where we can tell each other, “Hey, I have some great information so you should come over!” can broaden the horizons for business.



At the head office on July, 2014

Discussion meeting

RIKEN TECHNOS, the company that supports various industries through its unique technology

“Market Oriented” and communication hold a close relationship.

Daikuhara For automobiles, procuring parts across regions has become common in recent years. Since we have begun to operate as a business unit, we have been able to do so across the world instead of only Japan. This is a visible result. We can take the approach of, “This next automobile, though it’s just a model change, we draw out which team, where to focus, and how ultimately acquire the deal.” In my business unit, our representatives are specialized and learn more and more about a certain field. I believe we have set a foundation for the specialization of an expertise.

Ueyama In medicine, the field of healthcare possesses a lot of possibility. For example, providing “comfort” in things such as germ-resistant pillows. Although the use of compounds is presently mainstream, we are researching the possibilities and investigating new markets. We hope to be able to supply these products for multiple applications, and create a new form of working together.

If we get caught up in achieving short term goals, we will lose sight of the reality of the market.

► Today, we have you participating as an observer from the marketing division. Could you join the discussion on the “Market Oriented” now?

Minowa After switching to the business unit system, it has become evident that we are further exploring business opportunities in our industry. I believe it has clarified responsibility and authority. Taking this as an opportunity, I hope that

the business units will exceed their boundaries and learn how to become cross functional. Even with new business strategies or investments in equipment, issues that cannot be solved by a single business unit will always arise.

Iwamoto Recently, I believe the word “strategy” is being frequently mentioned. Just as Mr. Minowa stated, I believe we must acquire a firm grasp on the schematics of the industry, understand one’s position and where the customer is headed, and strategically undertake business activities.

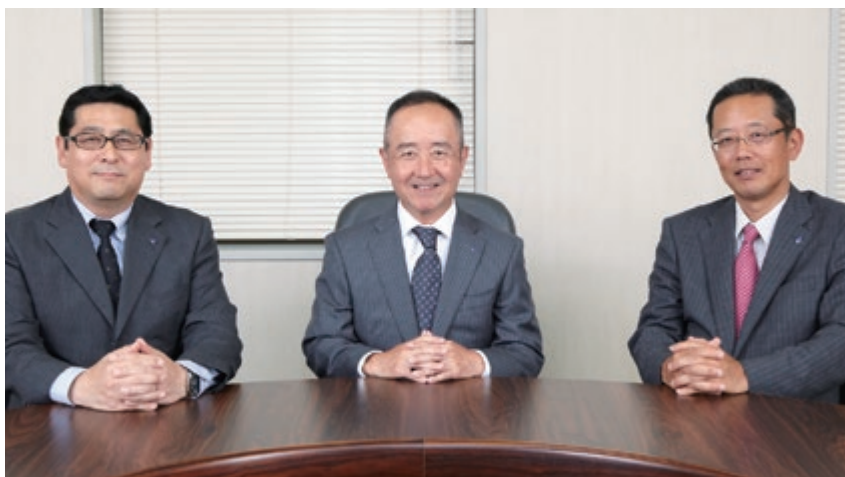
When looking down upon our strategy, all the units can be used as a strong advantage. If this can be achieved, I think that new possibilities will emerge.

Sumiyoshi I would like to point out that our market is not only comprised of customers that purchase materials from RIKEN TECHNOS. What I mean by this is that we also provide the intermediary materials to clients and clients sell products that are made from these materials. These customers sell them to their customers, and those customers then sell their products to their customers. This is how a market is formed. This is why we must gather information from customers of our customers and customers of their customers we can’t

really call it “Market Oriented.” Though we have just begun, I would like to run the marketing division with this attitude.

President Shimizu In our company, we have the marketing strategy committee, technological strategy committee and manufacturing strategy committee. If these committees could be used effectively to work cross functionally and share information, I believe that efforts would become more integral. Another factor, in order for operations to be undertaken in a speedy manner, is the requirement of the ability to work closely with other corporations. In the end, business is just a connection between people. It all depends if we can realize a sort of intimacy with our clients. “We establish a bond of trust and work for the mutual benefit of all.” and “We create new value.” written in the corporate philosophy “RIKEN TECHNOS WAY” are really the basic sense of values that are required for “Market Oriented.”

► The connection between people; “new values” are truly created by “the sense of trust.” I understand now that the “Market Oriented” means to focus on this idea more than ever. Thank you for providing the time to speak on topic.



Observers from left in the picture: Yoshiaki Iwamoto, Masamitsu Sumiyoshi, Yukiteru Minowa

RIKEN TECHNOS WAY

Mission

(representation of the company's mission and raison d'être)

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

Our Value

(representing our basic sense of values)

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.

The Corporate Philosophy

We are a Challenger. We are working to create a framework -with our technical division, manufacturing division, and sales division all working together built around a core of technology, in line with the principles of the RIKEN TECHNOS WAY. More specifically, we are continuing 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 free from any stereotype, and take on any challenges along the way.



Directors and Audit & Supervisory Board Member of RIKEN TECHNOS CORPORATION

Management Policy on the Environment

Legal Chemical Substances Control

The RIKEN TECHNOS GROUP implements stringent environmental management policies, not merely by obeying the laws and regulations relating to chemical substances control, but by setting our own additional criteria and objectives.

Reduction of Environmental Load

Our objectives are to contribute to global environmental management, for example, the reduction of 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 RIKEN TECHNOS GROUP

This CSR report describes our commitments and 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.

Message from the President

Hiroshi Shimizu

Representative Director President
RIKEN TECHNOS CORPORATION



In April of 2014, we revised the marketing organization aimed to "Build an optimal system for the advancement of marketing," one of the major themes within the 3-year mid-term business plan. In revising the organization, we put a great focus on the "Market Oriented" and switched from an organizational system based on products to one that is based on the field of the market, so that we can be more effective in answering to demands. In the beginning of this CSR, as RIKEN TECHNOS now strives for the "Market Oriented" after half a century since founding, we spoke to business unit managers about their past experiences and how they incorporate them into new endeavors. Our idea was that a conversational format would make it easier to gain insight on the policies of each of our company's business divisions. The RIKEN TECHNOS GROUP including the marketing division will make effort to solve issues of our customers by all employees as a whole.

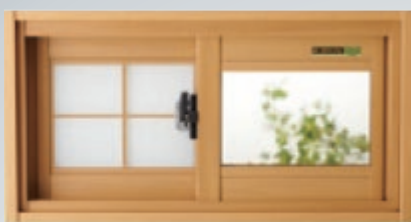
Striving for Market Oriented

From **automobiles, construction, medicine, life materials, information technology, telephone wires** to **food wrapping**, we at RIKEN TECHNOS have contributed to various industries in the world with materials for over 60 years. We will continue to add value to our products that meet the needs of customers, and provide new value and joy. To achieve our goal, RIKEN TECHNOS will strive for further intimacy with customers.

Construction Products Material Market

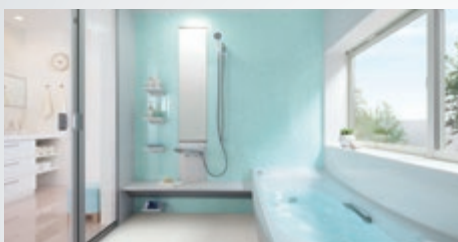
Realizing energy efficiency and an atmosphere with tasteful design

Starting with insulation, materials with various qualities will realize energy efficiency. In addition we will provide interior building materials that have important functionalities, such as heightened cleanability, while also having a rich design.



■ Insulation Window Frames

Because our window frames made of hard compounds that have exceptional insulation capabilities and airtightness, we believe they will gain greater popularity in the future for its ability to contribute to energy efficiency.



■ Walls for modular bathrooms

The film made by RIKEN TECHNOS is widely used in walls of modular bathrooms, which continues to evolve in a way unique to Japan. Not only can we add various designs such as beautiful glazing or a stone finish, but the surface is resilient to chemicals and dirt, making it easy to clean as well.



■ Components for interior and exterior decormaterials

A lot of components used for interior finishing is made of foamed compounds. These materials are durable and light, and adds excellent dirt-resistant surface capabilities. The material can also beautifully mimic wood finishing.

Voice of
our sales representative



Hiroshi Kawashima

Group leader,
Tokyo Sales & Marketing Group,
Construction Products Material
Business Unit

In the Construction Products Material Business Unit, we practice close-client marketing to accurately grasp the needs of customers. We will enhance designability to create a rich living atmosphere by utilizing those materials that have functions such as insulation, energy-saving properties, and dirt-resistance. Furthermore, in order to solve obstacles that clients face, we are pushing to develop materials with better productivity and finding ways to create merits for our clients.

Wire and Cable Materials Market

Our products will protect electricity procurement systems in the harshest environments

RIKENTECHNOS's covering material for electric power cables have high safety feature and robustness.

Our role is to protect infrastructures with durable materials.

We will continue to develop light, thin and durable materials.



Flexible flat cables

RIKENTECHNOS leads in global market share for flexible flat cables used in airbags of automobiles. Our company's film has high resistance to heat and wear.



Power cables

Our company's durable and high-quality compounds are used for covering materials in developing nations. They greatly contribute to the supplying electricity as cable covering.

Covering material for electric power cables

We also provide cable covering materials that is vital to solar power generation systems.

These materials have excellent heat-resistance and weather resistance, and effectively transfer generated electricity.

Voice of
our sales representative



Yasurou Ito

Group leader,
Tokyo Sales & Marketing Group,
Electronic Materials Business
Unit

The products we handle in the Electronic Materials Business Unit are power cable covering materials, engineering plastic materials, and films used for other electrical materials. Power cables branch out into several fields such as automobiles, renewable energy sources, home electrical appliances, and equipment. Our engineering plastic materials are specifically designed for the use in automobiles, and we also handle materials to substitute metals. As for films, they are mainly FCC films and conductive films. The picture is that of the commercialized solar energy plant at the Gunma Factory. Our company's cable materials are used there. We will ensure that we come up with proposals in response to the needs in every commercial market and industry, and further contribute to society.

Automotive Market

Lightening automobile with materials

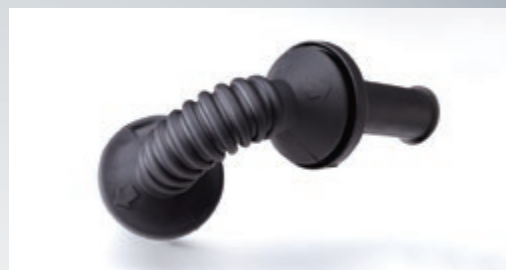
Striving for even lighter materials.

We will make each component lighter and strive to enhance fuel efficiency, and also realize a stylish design.



■ Glass Run Channel

The windows of automobiles are framed in a component called the glass run channel. Elastomer is used in its material. By using elastomer, the glass run channel is lighter, cheaper, and has better recyclability compared to rubber.



■ Grommet

This component is used to bundle wire harnesses that run inside the interior of a vehicle and protect them from damage and water. By using our company's elastomer compounds, weight reduction can be achieved by substituting metal parts. In addition, elastomer can be easily colored.



■ Decorative Film for Automobile Interiors RIVIC®

In addition to coming in the same color and designs of conventional decorative films, The new decorative film called RIVIC® can produce a new design that has never been seen before through the combination of surface texture (=embossed).

Voice of
our sales representative



Naganori Masubuchi

Group leader,
Tokyo Sales & Marketing Group,
Automotive Business Unit

In the automotive business unit, we not only undertake development with parts manufacturers, but also with automotive manufactures and continue to provide new values and happiness to the automotive industry. Elastomers produced by RIKEN TECHNOS contribute to, automobiles being made lighter and having better fuel economy.

In addition, by controlling the surface texture of films used for automobiles, we are able to depict various designs and textures.

Medical and Healthcare Market

Medical Safety

Materials that not only ensure safety, but also have high stability.

We pursue providing stable, high quality materials. We also strive to provide comfort in the lives of our customers.



■ Tubes for Medical Application

Our company's PVC compounds are used in various medical instruments such as blood bags and transfusion tubes. Our customers use these with the reassurance that they are manufactured under special management. In addition, by having the base of production in 3 plants located in Japan, Thailand and Indonesia, we have built a system that can stably procure these materials.



■ Syringe Gasket Stopper

Elastomers are used in the stopper section of a syringe gasket. It allows for the smooth ejection of liquids and reduces the workload of healthcare professionals.



■ Cushion Material for Pillow

Elastomers were adopted as cushioning material for pillows. The pillows can be washed whole and the cushion pipes do not stick together when put through high temperature drying processes. The pipes do not make noises when they rub together and enable undisturbed sleep.

Voice of
our sales representative



Hisao Sakai

Group leader,
Tokyo Sales & Marketing Group,
Medical & Consumer Goods
Business Unit

In the field of healthcare that we are involved in, we bear in mind the notion of "Security and Safety," "Improving work efficiency for healthcare professionals," and "the comfort of patients." Through the implementation of Market Oriented, we grasp the needs at worksites and reflect them in our development of products. We support the medical professionals and their patients around the world by providing essential materials. Our mission lies in being the mediator between them.

Information Processing Equipment Market

The desire to support advanced technology

Making information processing equipment more durable and their displays more vivid.

By controlling light with materials and evolving the materials themselves, we challenge in creating displays that do not crack.



■ Optical films

We produce various products for optical film.



■ REPTY® DC100

We are developing the REPTY®DC100 which is a film that can be used in place of a glass screen. It is both light and durable, and by taking advantage its ability to bend, we can apply it to various displays.

Voice of our sales representative



Now Hyekeun

Group leader,
Tokyo Sales & Marketing Group,
IT & Electronics Business Unit

Our business unit, which core business involves electronic materials, will take the "Market Oriented" conception into full practice. We put our focus on the 3 policies for customer satisfaction –"friendly, reassuring, and considerate"– and develop the business for "REPTY®DC100" which is the strongest glass replacement film in the world and various window films. We will plan customer satisfaction business and drive business activities with "Enthusiastic and Thorough" and "the speed of light."

The endeavor towards new markets

Taking advantage of coating formulation technology

We desire to help society with products that do not held back by the fixed concepts of compounds and films.

The product that was realized by this notion is a one that utilizes coating formulation technology, which has been cultivated in coating technology of film products.

■ Coating for Aluminum Exterior Cladding

The appearance of aluminum cladding has the tendency to deteriorate over time due to white rust and dirt. Our company's cladding for aluminum exteriors elegantly renew the appearance and protect the cladding for extended periods of time. Application is easy; the desired area for application is polished, washed, and then our company's coating can be applied. Because this product water-based special resin coating, it does not require the use of solvents and is excellent for keeping work environments free of contaminants.



Before application



After application



■ Thermal Barrier and Corrosion Coating for Chemical Tank

The hot summer temperatures is the nemesis of chemical products. For this reason, workers spray gallons upon gallons of coolant on chemical tanks during hot seasons. By using our company's thermal barrier and rust resistant coating, tank temperatures can be kept from rising leading to the elimination of the need for coolant. The product is applicable to materials hard to coat such as stainless steel and preserves the visibility of printing on the tank with its rust-resistant properties. It also contributes to the reduction of utility costs that stem from the use of coolants.

Voice of our sales representative



Toshirou Ito

Group leader,
Sales & Marketing Group,
Solution Business Unit

In the solutions business unit, we are developing coating materials such as thermal barrier coating, dust scattering prevention agents, and UV cured floor coating for enhancement of comfort in living environments and protection of the natural environment. Based on the "Market Oriented", we design each type of coating to suit the needs of our customer. We will continue to provide our customers with "luxury, security and comfort" and direct our efforts towards customer satisfaction.

Food Wrapping Film Market

It keeps food fresh. Our wrap protects the taste and freshness.

Ever since we developed the first PVC food wrap in Japan in 1966, many industries (supermarkets, restaurants, etc.) and households have been longtime patrons of our products.

We continue to develop wraps that fit various needs of our customers.



RIKEN WRAP®

This wrap sticks tightly to dishes. This wrap is valued in many scenes such as delivery services that handle soupy foods.



F.O.R. WRAP

Of currently commercial wrapping films, heatproof temperature of F.O.R. WRAP is 180°C which is the No.1 in the industry.

NON-WINDING BACK WRAP

Prevents the wrapping film from non-winding back by attaching the dedicated string.



Miss Yuina Nakano

Started selling the NON-WINDING BACK WRAP

Yuina Nakano, a girl of elementary school 5th grade (at that time) of boys and girls invention club in Machida City, invented the "Non-sticking Wrap". Based on her idea, we commercialized the NON-WINDING BACK WRAP. It is an idea product to prevent a wrapping film from unwinding and sticking to the roll after using it. It was an idea suddenly came up with when she was helping her mother in the kitchen. She was awarded many prizes such as "Encouragement Prize of All Japan Schoolchildren Invention and Ingenuity Exhibition."

Her idea empathized with the feelings of household wives, and so we stepped forward to commercialize the product in effort to alleviate frustration felt by customers.

Started selling the product from August, 2014.

Outline of RIKEN TECHNOS GROUP

Corporate Profile (As of March 31, 2014)

Company name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	JPY 8,514 million
President	Hiroshi Shimizu
Number of Employees	Consolidated 1,645 employees, Individual 797 employees
Head Office	3-11-5, Nihonbashi-Honcho, Chuo-ku, Tokyo 103-8438, Japan

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 businesses: Compound, Film, and Food Wrapping Film. RIKEN TECHNOS, as a "challenger that harnesses 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.

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

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, window decoration film, 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 Type Wraps and Poly Olefin Type Wraps etc.



Financial Result

In FY 2013, our company group increased revenues by fully incorporating demands for recovery in the global automobile industry and last minute demands before the consumer tax increase in Japan. In addition, our Thailand-based affiliated company that was affected by the Thai floods has recovered in both revenues and income. Furthermore, in October 2013, our sales and profits have increased thanks to acquiring 100% ownership of RIKEN FABRO CORPORATION.

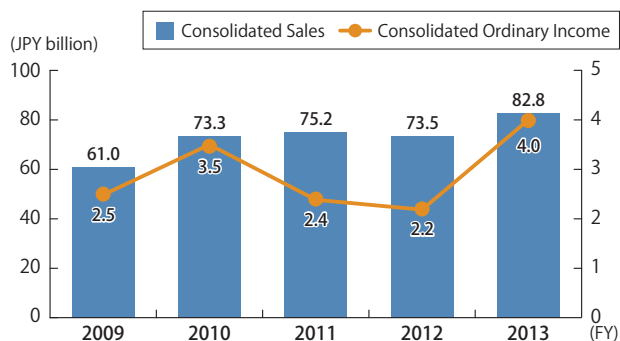
*For details on business results, please visit "IR" on our homepage.

● FY 2013 Financial Result

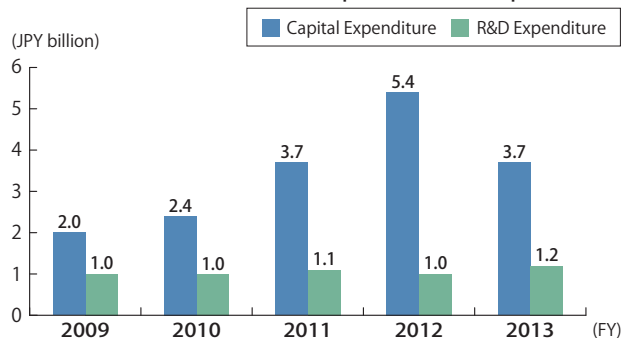
(JPY billion)

	Consolidated	Non-consolidated
Net Sales	82.8	42.7
Operating Income	3.7	1.6
Ordinary Income	4.0	2.9
Net Income	1.9	1.9

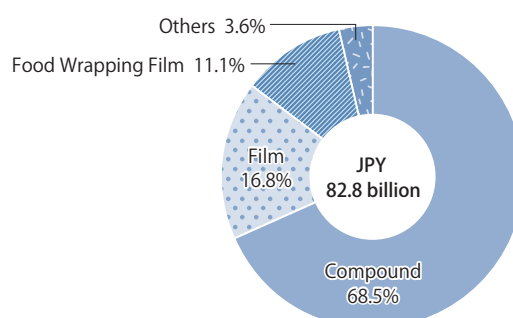
Transition of Consolidated Financial Results



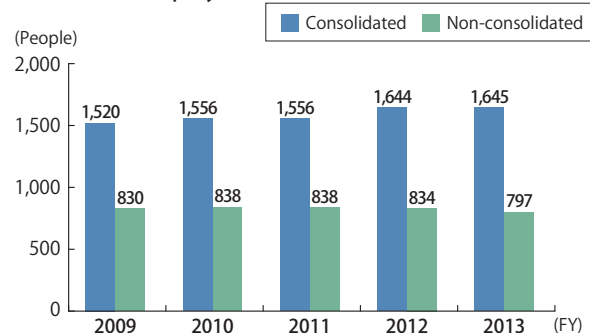
Transition of Consolidated Capital and R&D Expenditure



Sales Component Proportion Ratio by Geographic Segment



Number of Employees



Mid-Term Business Plan

Since launching in April 2013, the 3-year mid-term business plan kicked off successfully. Although consolidated net sales fell short of their goals, consolidated ordinary income outperformed its goals. The whole company will carry on its unified effort through fiscal 2014, the second phase of the program, to approach solutions to specific tasks in accordance with the corporate policy of "Dimensional Change – Global, Speeding-up some more –." The last year of the 3-year mid-term business plan will be dedicated to capturing and addressing diversified customer needs more precisely and faster than ever in a bid to bolster our management infrastructure.

*For details on business results, please visit "IR" on our homepage.

(Consolidated base)	FY 2015 Target (Final FY)
Consolidated Net Sales	JPY 100 billion
Consolidated Operating Income	JPY 7 billion
Consolidated Ordinary Income	JPY 7 billion
Consolidated Net Income	JPY 4 billion



This is a visual representation of the concept "Dimensional Change," or "Multidimensional Approaches." It depicts the way discrete points are linked together to form lines and the lines are linked together to form a plane, all in a speedy manner, to move towards a single perspective of future.

Major tasks

1 Further global expansion of compound business

Pursues further global expansion to elevate our global presence mainly in the prioritized market segments of automotive and medical healthcare.

2 Drastic recovery of film business

Work to approach such goals as optimizing production and realizing overseas production sites while marketing high-functionality products to build a high-profit structure.

3 Construction of optimal sales promotion system

Migrate from product-specific sales to market-centric sales to optimize sales promotion and reinforce the "Market Oriented" activities.

4 Commercialization of solution business

Build new business models free from the constraints of product forms.

5 Thorough cultivation of human resources

Endeavor to develop human resources capable of acting globally while helping all employees at the member firms of the RIKEN TECHNOS GROUP foster "competency to deal with anything with enthusiasm and get it done thoroughly."

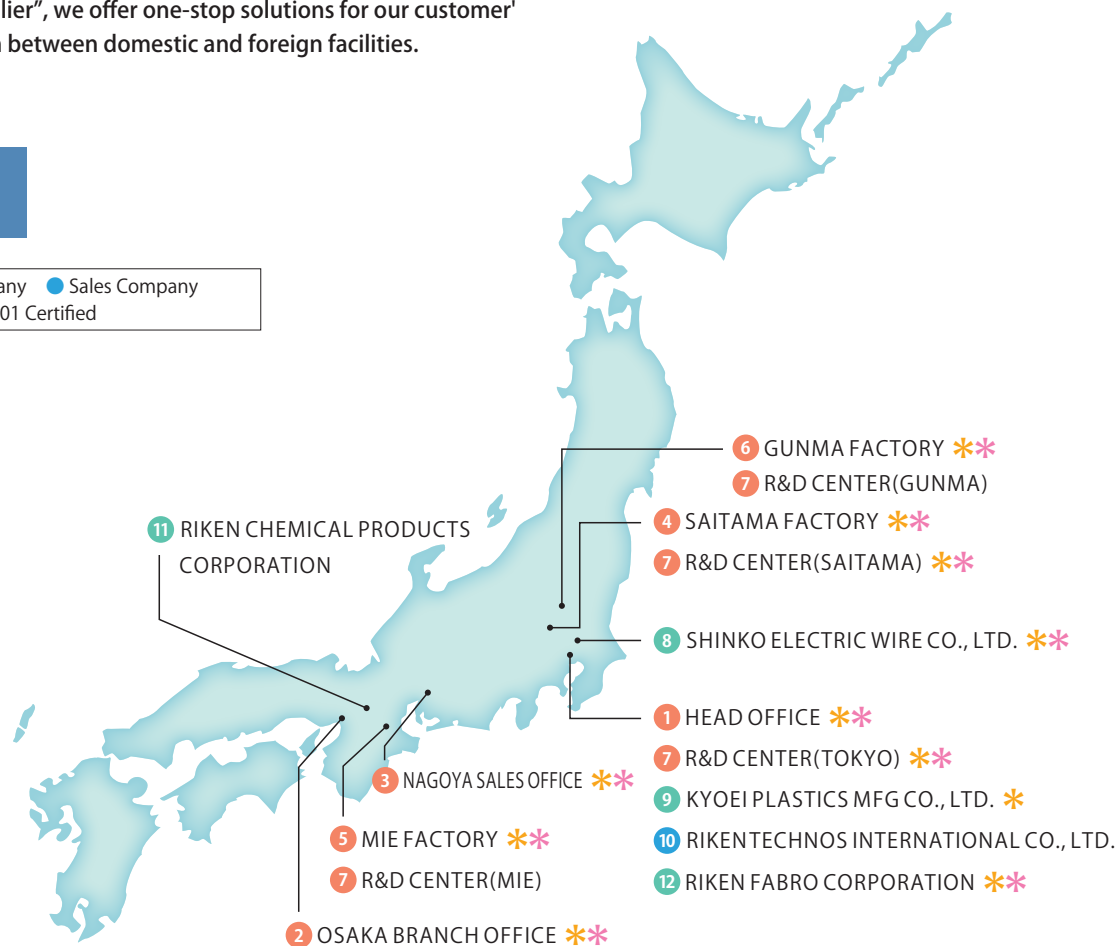
Networks

RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 17 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 customer' issues through collaboration between domestic and foreign facilities.

In Japan

● Site ● Manufacturing Company ● Sales Company
 * ISO9001 Certified * ISO14001 Certified

As of 1 September 2014



RIKEN TECHNOS CORPORATION's Site and Affiliated Companies in JAPAN



1 HEAD OFFICE



2 OSAKA BRANCH OFFICE



3 NAGOYA SALES OFFICE



4 SAITAMA FACTORY



5 MIE FACTORY



6 GUNMA FACTORY



7 R&D CENTER

Site of RIKENTECHNOS CORPORATION	Main Business Field	Address
① HEAD OFFICE	Corporate mechanism, Marketing	CHUO-KU, TOKYO
② OSAKA BRANCH OFFICE	Marketing	OSAKA-SHI, OSAKA
③ NAGOYA SALES OFFICE	Marketing	NAGOYA-SHI, AICHI
④ SAITAMA FACTORY	Manufacturing of compound and film products	FUKAYA-SHI, SAITAMA
⑤ MIE FACTORY	Manufacturing of compound and film products	KAMEYAMA-SHI, MIE
⑥ GUNMA FACTORY	Manufacturing of high functional film under a clean environment	OTA-SHI, GUNMA
⑦ R&D CENTER	R&D and technological support for domestic and overseas sites	OTA-KU, TOKYO FUKAYA-SHI, SAITAMA KAMEYAMA-SHI, MIE OTA-SHI, GUNMA

Affiliated Companies in Japan	Main Business Field	Address	Capital Stock	Share Holding
⑧ SHINKO ELECTRIC WIRE CO., LTD.	Manufacturing and sales of electric wire and cable	IRUMA-SHI, SAITAMA	JPY 48 million	100%
⑨ KYOEI PLASTICS MFG CO., LTD.	Molding sythetic resin product and sales of product	CHUO-KU, TOKYO	JPY 24 million	100%
⑩ RIKENTECHNOS INTERNATIONAL CO., LTD.	Sales of synthetic resin processed products	CHUO-KU, TOKYO	JPY 10 million	100%
⑪ RIKEN CHEMICAL PRODUCTS CORPORATION	Manufacturing and sales of compound	KONAN-SHI, SHIGA	JPY 300 million	100%
⑫ RIKEN FABRO CORPORATION	Manufacturing and sales of food wrapping films, consumer and miscellaneous goods	CHIYODA-KU, TOKYO	JPY 200 million	100%

Affiliated companies in Japan are listed head offices only.



⑧ SHINKO ELECTRIC WIRE CO., LTD.



⑨ KYOEI PLASTICS MFG CO., LTD.



⑩ RIKENTECHNOS INTERNATIONAL CO., LTD.



⑪ RIKEN CHEMICAL PRODUCTS CORPORATION



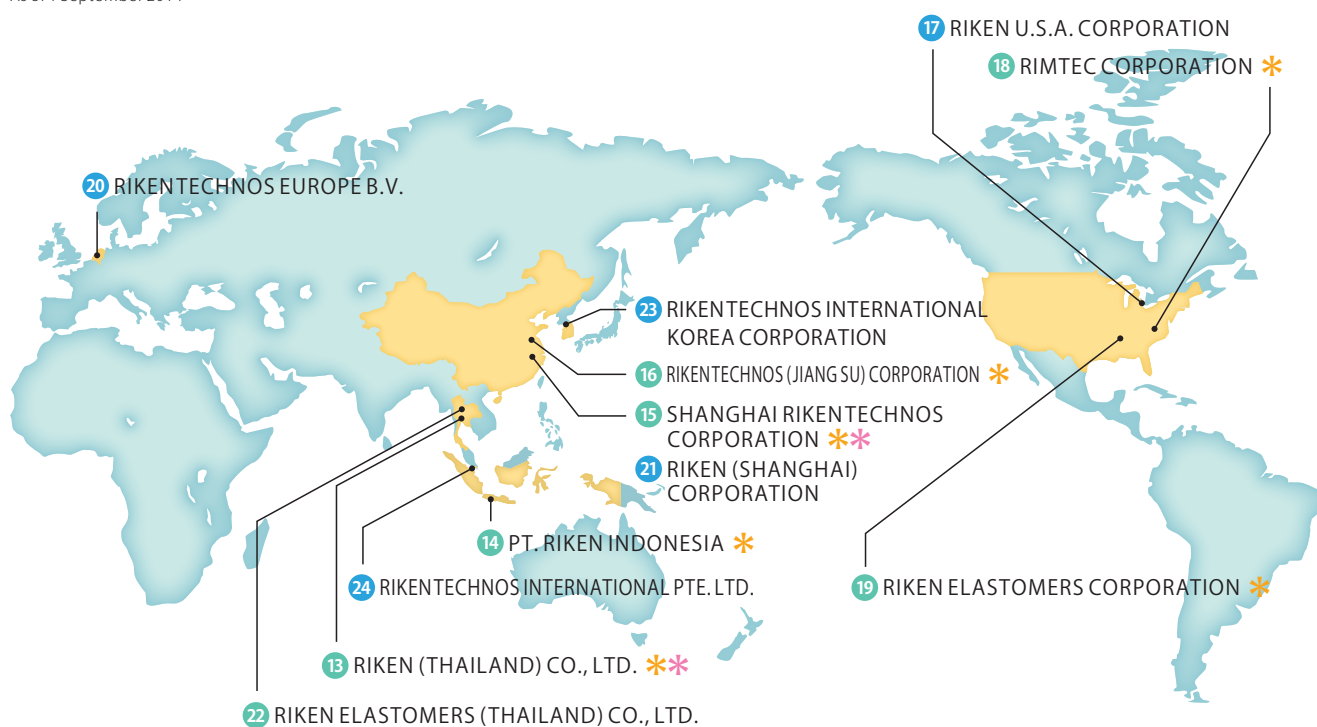
⑫ RIKEN FABRO CORPORATION

RIKEN TECHNOS GROUP has 12 affiliated companies overseas and provides high-quality RIKEN TECHNOS products worldwide.

Overseas

● Manufacturing Company ● Sales Company
 * ISO9001 Certified * ISO14001 Certified

As of 1 September 2014



Overseas Affiliated Companies



13 RIKEN (THAILAND) CO., LTD.



14 PT. RIKEN INDONESIA



15 SHANGHAI RIKEN TECHNOS CORPORATION



16 RIKEN TECHNOS (JIANG SU) CORPORATION



17 RIKEN U.S.A. CORPORATION



18 RIMTEC CORPORATION

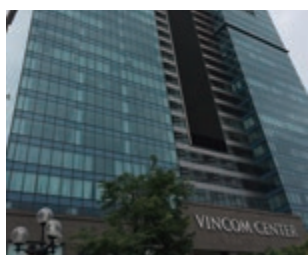


19 RIKEN ELASTOMERS CORPORATION



20 RIKEN TECHNOS EUROPE B.V.

Overseas Affiliated Companies	Main Business Field	Address	Capital Stock	Share Holding
13 RIKEN (THAILAND) CO., LTD.	Manufacturing and sales of PVC compound	PATHUMTHANI, THAILAND	THB 120 million	40%
14 PT. RIKEN INDONESIA	Manufacturing and sales of PVC compound	WEST JAVA, INDONESIA	USD 10 million	62%
15 SHANGHAI RIKEN TECHNOLOGIES CORPORATION	Manufacturing and sales of PVC compound	SHANGHAI, CHINA	USD 7.5 million	70%
16 RIKEN TECHNOLOGIES (JIANG SU) CORPORATION	Manufacturing and sales of PVC compound	JINAGSU PROVINCE, CHINA	USD 13.5 million	91%
17 RIKEN U.S.A. CORPORATION	Sales and marketing of functional film products	New Jersey, U.S.A.	USD 3.9 million	100%
18 RIMTEC CORPORATION	Manufacturing and sales of PVC compound	New Jersey, U.S.A.	USD 10 million	51%
19 RIKEN ELASTOMERS CORPORATION	Manufacturing and sales of high functional compound	Kentucky, U.S.A.	USD 10 million	100%
20 RIKEN TECHNOLOGIES EUROPE B.V.	Sales and marketing of functional film products	AMSTERDAM, THE NETHERLANDS	EU 400 thousand	100%
21 RIKEN (SHANGHAI) CORPORATION	Import, export, and marketing of plastic products	SHANGHAI, CHINA	RMB 5 million	100%
22 RIKEN ELASTOMERS (THAILAND) CO., LTD.	Manufacturing and sales of high functional plastic compounds	AYUTTHAYA, THAILAND	THB 300 million	100%
23 RIKEN TECHNOLOGIES INTERNATIONAL KOREA CORPORATION	Wholesale, imports and exports plastic products	Seoul city, Republic of Korea	600 million Korean Won	100%
24 RIKEN TECHNOLOGIES INTERNATIONAL PTE. LTD.	Coordination of overseas sales companies Wholesale and Import/Export of Plastic Products	Republic of Singapore	1 million Singapore Dollar	100%

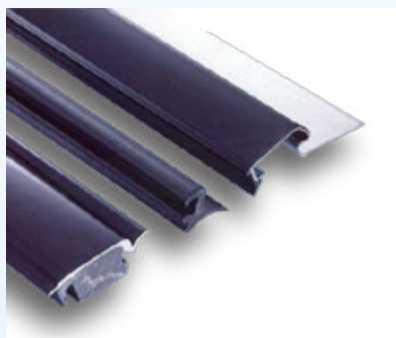
**21** RIKEN (SHANGHAI) CORPORATION**22** RIKEN ELASTOMERS (THAILAND) CO., LTD.**23** RIKEN TECHNOLOGIES INTERNATIONAL KOREA CORPORATION**24** RIKEN TECHNOLOGIES INTERNATIONAL PTE. LTD.

RIKEN TECHNOS GROUP Business Field and Major Products

Products of RIKEN TECHNOS GROUP are manufactures to be used in various ways and as part of your everyday life.

Compound Products

- Automotive Exterior Materials
(Various Molding Compounds)



- Automotive Interior Materials
(Shift Lever Knob Grips, etc.)



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



- Interior Materials for Construction
(Baseboard, Materials for Stair, etc.)



- Food Application
(Cap Liner, etc.)



- Consumer Goods
(Stationary, etc.)



- Medical
(Tubes, etc.)

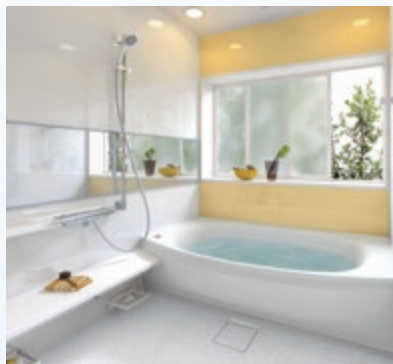


Film Products

● Surface Decorative Film for Kitchen and Furniture



● Film for Bathroom Walls



● Film for Automotive Interior



● Film for Window(RIVEX®, OPTIA®)



● Film for Grafting Tree



Food Wrapping Products

- For Home Use
- For Commercial Use



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



RIKENCURL can be easily pulled out of its box when opened



Corporate Governance

Message from the Director

As the RIKEN TECHNOS GROUP has stretched its sphere of manufacture and sales from Japan to include seven countries the world over, it is faced with a constantly evolving management climate amid huge waves of socioeconomic evolution both at home and abroad. Fulfilling the social responsibility expected of a global business group while realizing sustained growth coupled with soundness and profitability makes it imperative to build a scheme of corporate governance and an internal control system. As a director, I am resolved to leverage the knowledge I have acquired so far through my past career and supervise the managers and the management decision-making process with due regard given to the perspectives of our shareholders, suppliers, consumers and more to keep up and even build up the scheme of corporate governance and the internal control system in pursuit of better preciseness and effectiveness.

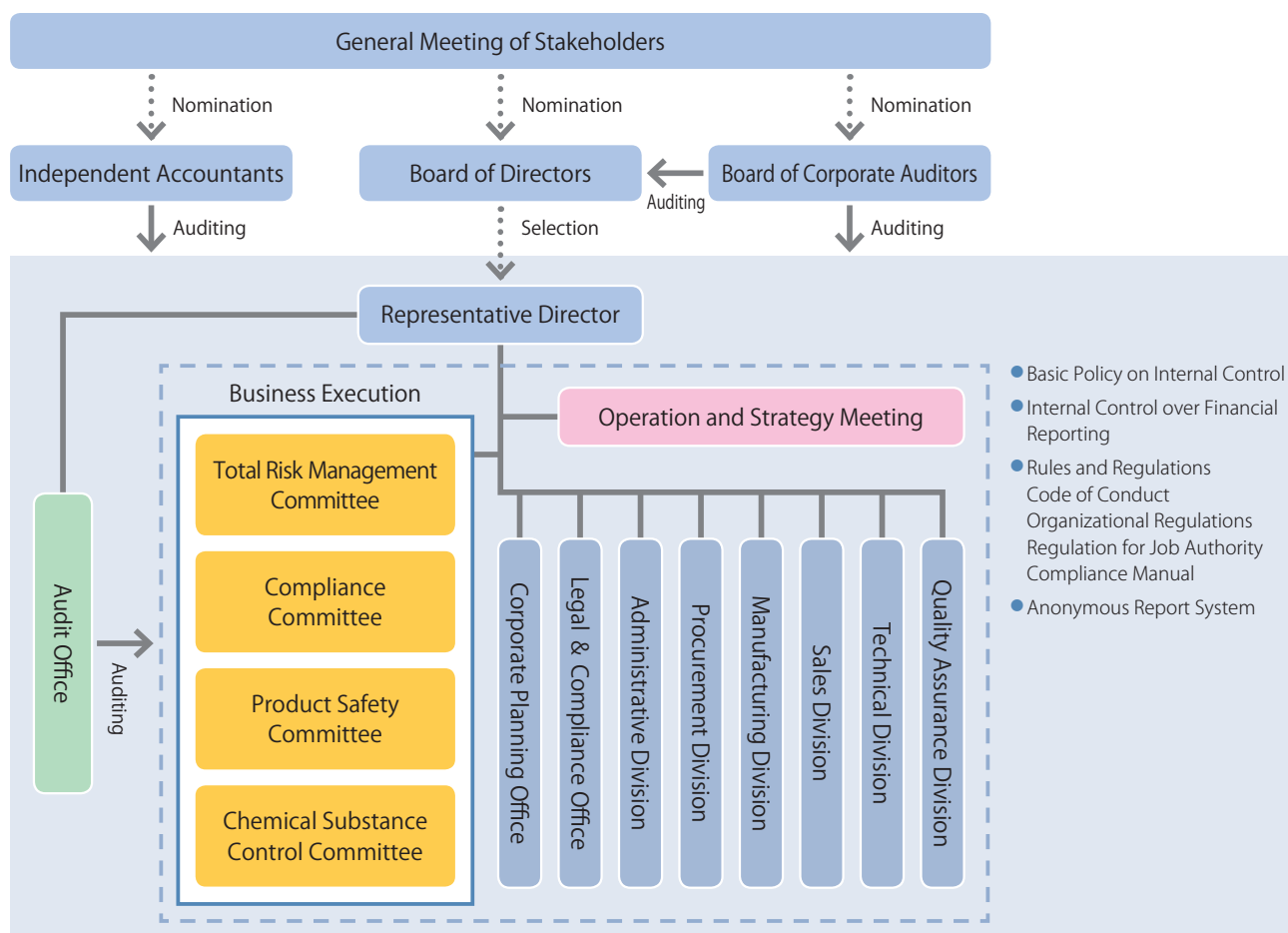


Hiroshi Nemoto

Director
RIKEN TECHNOS CORPORATION

Corporate Governance System

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.

(<http://www.rikentechnos.co.jp/CompanyInfo/corporatebehaviornorms.html>)

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 and 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 system 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 Internal Control System, and to ensure that the all divisions are given the same information, in both quality and quantity to make certain that the 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 a 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 2014 period was deemed effective; therefore RIKEN TECHNOS submitted the internal control report to the Financial Services Agency.

Report on Corporate Governance

RIKEN TECHNOS appropriately discloses reports on corporate governance. The latest version of the report can be found on “Corporate Governance Information Service” on the homepage of the Tokyo Stock Exchange.

Independent Directors

According to § 436-2 of Tokyo Stock Exchange regulation, RIKEN TECHNOS has three independent directors (one director and two audit & supervisory board members).

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 of the following (but not limited to): ID and password login systems to PCs; limitation in access permission, according to the importance 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 “Regulation for Handling of Personal Information,” in accordance with the Personal Information Protection Act in Japan enforced in April 2005.

Relationship to Customers

As a "Challenger that harnesses the power of science," RIKEN TECHNOS develops and provides products that fulfil customer needs. We focus on safety and quality, and work to strengthen our management over chemical substances.

Message from the General Manager of Sales & Marketing Division

The Sales & Marketing Division has been reorganized to start new steps in pace with its customers. Its six business units - Construction Products Material, Electronic Materials, Automotive, Medical & Consumer Goods, IT & Electronics and Solution - provide competitive products of value to their customers from viewpoints of the customers and their markets. In addition, the Sales & Marketing Division wishes to deliver not only product offerings but new values and joys to its customers through its presentation of various proposals by working in conjunction with the Engineering Division and the Quality Assurance Division. It also wishes to build bright futures ahead by pacing with its customers.



Masamitsu Sumiyoshi

Representative Director Managing Director and General Manager of Sales & Marketing Division
RIKEN TECHNOS CORPORATION

Message from the General Manager of Technical Division

The RIKEN TECHNOS Technical Division drives a customer delight development move in which developers directly listen to what customers have to say and come up with product solutions to deliver emotion to them. The value of RIKEN TECHNOS is an index of customer emotion, and new products won't mean a thing unless they delight the market. We will continue sharing the performance, quality, pricing and delivery time goals sought by markets with our customers to continue providing market-competitive high-value-added product solutions. Collaborative developments with entrepreneurs will also be pursued to help create cutting-edge innovations.



Hirofumi Otani

Director, General Manager of Technical Division and IT & Electronics Business Unit Manager
RIKEN TECHNOS CORPORATION

Endeavoring New Challenges

This report introduces new products exhibited at the "High Performance Film Exposition and "Automotive Engineering Exposition."

High Performance Film Exposition

"5th High Performance Film Exposition"

Date : April 16 to 18, 2014 Location : Tokyo Big Site

Aiming to widely promote RIKEN TECHNOS high performance film products, we opened a exhibition booth at the High Performance Film Exhibition. High performance film products exhibited at the Exposition are as follows.



Our employees at the exhibition

■ AQUATECT®

This is a highly hydrophilic functional film. The hydrophilic film surface repels stains, such as water scales. Water drops (causing fogging) adhering to mirror or glass surfaces in a bathroom are turned into water screens and washed away to keep a comfortable field of vision.



Differences in vision made by surface hydrophilicity

The effects of AQUATECT® upon glass surfaces splashed with water were verified. An untreated glass surface on the left, a filmed glass surface on the right.



Glass substitute film
REPTY® DC100



Takafumi Nozawa

Group 1 Chief Research Engineer
R&D Office 6, R&D Center, Technical Division

The present concept of exhibition is "Challenging New Possibilities with New Technologies." Optic films, vehicle decorative films and highly functional and eco-friendly building materials put on display attracted much visitor attention. Encouraged by this success, our sales and technology personnel are working together to uncover new needs, develop relations with new customers and so on.

Introduction of New Products "2014 Automotive Engineering Exposition"

"2014 Automotive Engineering Exposition"

Date : May 22 to 24, 2014 Location : Pacifico Yokohama

RIKEN TECHNOS as a "a challenger that harnesses the power of science," we utilize the latest technology, respond to diversifying needs, and develop various products in the automobile industry. Here is an introduction of the products put on display.

■ Functional rubber substitute TPV

This compound features drastically enhanced oil resistance when compared with traditional TPV formulations. Less liable to swelling from oils and lower in specific gravity to make for lighter weight.



Our employees
at the exhibition

How the exhibition
looks



Yoshimitsu Aoyama

Tokyo Sales & Marketing Group
Automotive Business Unit,
Sales & Marketing Division

This is our ninth exhibition at the "Automotive Engineering Exposition." Our exhibition focusing on the three fields of compounds, namely, interiors and exteriors, rubber substitutes and electric materials, and on design films grabbed attention from many visitors. Sales campaigns will be set into motion to deliver our products to those customers willing to buy ours.

Relationship to Customers

Product Quality Assurance

Message from the General Manager of Quality Assurance Division

Our quality policy, which is "always focusing on customer first and quality first to provide highly reliable products and services", is the goal of our activities. Also, we will provide products which can be produced efficiently and used by our customers with confidence. As the Quality Assurance Division, we established a system to deliver "global RIKEN TECHNOS quality" to our customers growing worldwide. We will provide products that can contribute to our customers from any of our centers. Also, we are improving product creation that is in harmony with the environment and reducing environmentally hazardous substances and waste.



Takashi Shimada

Director, General Manager of
Quality Assurance Division
RIKEN TECHNOS CORPORATION

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.

Product Development Safety Considerations

Product Liability (PL * 2) Correspondence

Product safety is the responsibility of manufacturers, even beyond that of legislation, and we have been keeping this in mind since 1995. However, taking advantage of the timing of when the Product Liability Law * 3 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.

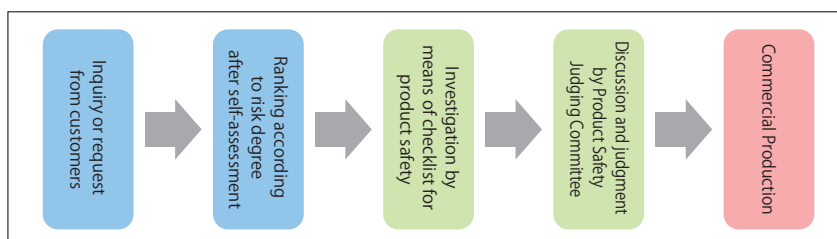
Product Safety Policy (According to Product Safety Standard)

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

Organization of Product Security



Procedure of Judgment about Product Safety



Strict Control of Chemical Substances for Safety

Protection of Production Line from contamination of specified chemical substances

We expanded the raw material auto-way 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 also established a Chemical Substances

Management Criterion, and declared our intent to prohibit the use of chemical substances not only banned by the laws and regulations but also subject to Type I and Type II Monitoring stated by Chemical Substances Control Law, and voluntarily reduced the use of suspicious substances that should be avoided in terms of occupational safety and health.

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

* 2 PL: Product Liability

* 3 Product Liability Law: Established in Japan in July 1995.

Relationship to Shareholders

We greatly appreciate the supports from our shareholders.

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 material for timely disclosure, on the site after disclosure.

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 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. For the dividends for March of 2014, we paid JPY 5 per stock same as the last year and JPY 9 per stock for annual dividends with the mid-term dividend included.

Fiscal Year (Record Date)	Dividend Per Share		
	Mid-term	End-of-term	Annual
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
FY2012 (The end of March 2012)	JPY 4.00	JPY 5.00	JPY 9.00
FY2013 (The end of March 2013)	JPY 4.00	JPY 5.00	JPY 9.00
FY2014 (The end of March 2014)	JPY 4.00	JPY 5.00	JPY 9.00

Changed the share unit number

RIKEN TECHNOS is creating an environment more conducive to investments from investors, improving the liquidity of our company's shares and expanding the investor base and in the spirit of the "Aggregation of Trading Units Action Plan" released by all domestic stock exchanges, the share unit number was changed from 1,000 shares to 100 shares from July 1, 2014.

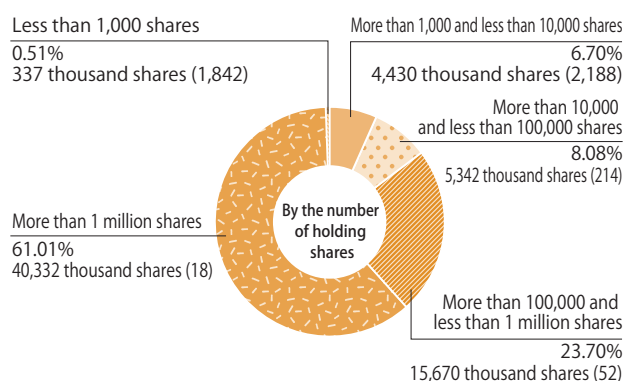
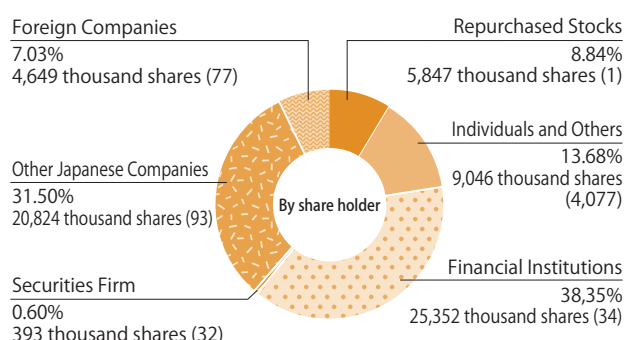
Along with the change of share units, some company statutes were also changed.

The State of Shares and Shareholders Distribution (As of March 31, 2014)

The State of Shares

Total amount of issuable shares	236,000,000
Total amount of issued shares	66,113,819
Total number of shareholders	4,314

The state of shares by share holder and by the number of holding shares



Trends in stock price and trading volume



Relationship to Business Partners

RIKEN TECHNOS GROUP makes effort to build a better management environment system and quality management system. In addition, we are expanding our points of purchase to reduce costs and working to achieve competitive purchasing power.

Message from the General Manager of Procurement Division

We acknowledge the various proposals and cooperation always offered by our clients. In recent years, the diversity of raw material sources, including BCP measures, were further increased due to natural disasters, plant accidents, energy reform, and geopolitical risks. Also, global expansion which is becoming border-less is apparent in various events. Under these circumstances, to provide fair opportunities to new business relationships whether domestic or international for items that match in quality, safety, supply or cost, we are working to enable longer-term business relationships while establishing partnerships based on mutual trust with our business partners. To realize the "continued provision of new value and joy to corporations, people, and society", we hope to grow and develop with our business partners in a win-win relation.



Takeshi Sugie
Associate Director, General Manager
of Procurement Division and
Purchasing Department
RIKEN TECHNOS CORPORATION

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 "RIKEN TECHNOS GROUP Green Procurement Standard".

4 Business Partners' State of Affairs

We take "technological strength", "competitiveness" and "managerial effectiveness" into consideration when procuring materials.

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.

Division in charge of Purchasing

Purchasing Department Raw materials, negative films, fuel, packaging, materials related to valuable facilities for integrated purchasing

Respective Factory Operation Divisions Expendable materials, inventory materials, materials related to facilities etc.

supplier, entrusted manufacturer, transporter, and industrial waste processing company, with their cooperation.

RIKEN TECHNOS GROUP Green Procurement Standard

In order to provide eco-friendly products, it is indispensable to procure raw materials and secondary materials with the least environmental burden.

The RIKEN TECHNOS formulated the "Green Procurement Standard" regarding the environment related substances in FY 2004 and posted on the homepage.

We added the affiliated companies within the scope of this standard and changed it to "RIKEN TECHNOS GROUP Green Procurement Standard" on August, 2009.

We also formulated the "Green Purchase Standard" to purchase the office supplies such as stationeries and business machines. We further the purchase of eco-friendly products to the extent possible.

* For details, please visit our company homepage.

Supply Chain Management

In order to supply safer and more reliable products to our customers, RIKEN TECHNOS 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 2013, we carried out our quality and environment inspection with 21 of our business partners, including our raw material

■ Scope of Application

Materials those compose our product directly such as resin, plasticizer, stabilizer, filler, impact modifier, pigment, film sheet materials, coating materials, adhesive materials and also include the packing materials, release paper, etc.

■ Requirements

- Establishment of environmental management systems for business partners
- Achievement for environmental performance related to those such as the management of environment related substances
- To investigate and report about the environment-related substances specified by RIKEN TECHNOS CORPORATION and submitting "Information of measured value or max content of RoHS 6 substances" and "Information sheet of Chemical substances."

■ Implementation

We will procure base materials and secondary materials that do not contain banned environment-related substances, or the amounts of controlled substances are determined. In addition, we may request for business partners to transition base materials and secondary materials to safer and with less environmental load.

■ Green Purchase Standard

● Scope of Application

Purchased or borrowed office supplies such as paper products, and etc., copying machines, OA equipment for PCs, and automobiles at our head office, branch offices, and R&D centers.

● Requirements

Must satisfy standards the "Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities" (Green Purchasing Law) with little environmental strain and without hazardous substances.

● Operation

We actively request for customers to introduce us to environmentally friendly products.

Environmental Actions Taken in the Distribution Process

- We aim to increase carrying efficiency by using a automatic dispatching system.
- We aim to increase the ratio of loading trips to total trips by using automobiles returning from delivery.
- We are eliminating and consolidating logistics hubs.
- We will fulfill our responsibly as a specified consigner in accordance to the energy saving law. Our objective is to reduce our yearly energy consumption rate by 1% over a mid and long term period.
- By collecting pallets from users, we aim to reduce the numbers used and promote the transition to plastic ones for the preservation of timber resources.
- We will participate in the green procurement promotion project.

■ 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, 2015

ISO9001 Certificate

Registration date : May 9, 2003

Expiration date : May 8, 2015

For MOTEGI CO., LTD.



G-Mark Certificate

Registration date : December 20, 2007

Expiration date : December 31, 2015

ISO9001 Certificate

Registration date : March 10, 2000

Expiration date : April 1, 2016

ISO14001 Certificate

Registration date : October 29, 2004

Expiration date : October 28, 2016

● Transportation Volume and CO₂ Generated Amount

Transportation	FY2011 Result	FY2012 Result	FY2013 Result
Transportation Volume (t-Km)	31,320,000	31,301,000	28,189,000
CO ₂ Generated Amount (t-CO ₂)	5,438	5,433	4,911

Relationship to Society

RIKEN TECHNOS 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)
- Internships
- Support of Fukaya City Okabe Cosmos Festival
- Support of Fukaya City Okabe Fureai Carnival
- Support of Fukaya City half marathon race
- Support of Summer Festival held by neighborhood community association
- Support of Okabe district sports fest
- Acceptance of neighborhood elementary students for a factory tour
- Acceptance of neighborhood junior high school students for a workplace experience
- Sponsoring local community grand golf tournament
- Blood Donation (twice a year)



Image Character of Fukaya City, Saitama Prefecture "fukkachan"



Saitama Factory: Children's Festival



Saitama Factory: Conducted a factory tour for elementary school students



Saitama Factory in-house fire fighting team participated in the "Indoor fire hydrant operation drill by in-house fire fighting team" staged by Fukaya City "Bureau of Fire Prevention and Public Safety" and "Fire Department Headquarters"

At Mita Factory

- Conduct a group meeting and a factory tour with residents living near the factory (Once two years)
- Provide work experience opportunities for junior high school and high school students
- Support and participation in the Kameyama City Ekiden relay
- Support and participation in the Kameyama City Summer Evening Festival
- Support for the Sekiyado Summer Evening Fireworks Festival
- Donation to Children's Festival held by local communities
- Conduct a blood donation in the factory (twice a year)
- Provided exhibits to the Kameyama Highway Oasis Museum
- Donation to Red Feather Community Chest (once a year)
- Support to Music Festival in Kameyama city (Kameyama Music Jamboree)
- Community traffic patrols around the factory area
- Participated in the 52th Traffic Safety National Campaign Central Convention Received the Traffic Safety Group Achievement Award (43 groups nationwide)
- Acceptance of high school students for a factory tour



Mie Factory: Ekiden relay



Mie Factory: Summer Evening Festival

■ At Gunma Factory

- Support of summer festival sponsored by the local government

■ At R&D Center (Tokyo)

- Cooperation with local town assembly for cherry tree planting activities
- Participation in local community marathon race



Local community marathon race



R&D Center (Tokyo): Tree planting ceremony

Protecting the Environment

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

■ At Saitama Factory

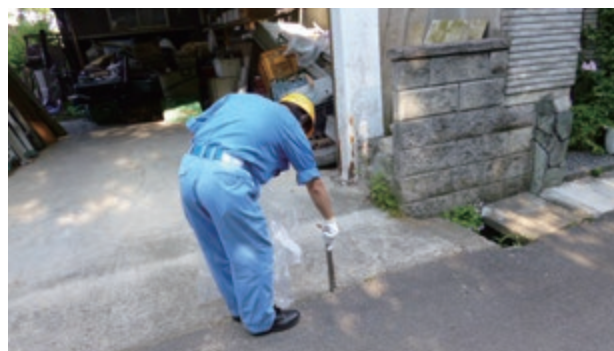
- Clean up around the factory (once a month)
- Clean up for the road from the factory to JR Okabe station (twice a year)
- Reduction of waste by separating garbage
- Enforce car idling reduction plan among suppliers and workers



Saitama Factory: Clean up around the factory

■ At Mie Factory

- Cleanup the road around Mie Factory and river bed (twice a year).
- Participation in volunteer cleanup activities held by Kameyama City (twice a year) ("Cleanup Operation of River and Sea" and "Campaign to Stop Illegal Dumping")
- Contribution to the "Green Fund" by Mie Prefecture Tree Planting Promotion Association (twice a year: spring and fall)
Lead by: National Land Afforestation Promotion Organization
- Support to "Woods of Kameyama Ecology" and volunteer in forest maintenance (4 times a year)
- Participation in



Mie Factory: Clean up around the factory

Relationship to Society



Mie Factory: Illegal dumping eradication campaign

■ At Gunma Factory

- Clean up around the factory at bimonthly safety patrol
- Separating and disposing garbage for recycling
- Promotion of energy-saving activities
- Use of solar power, a renewable energy source
- Contribution to reduce CO₂ in the broad sense by selling electric power generated from photovoltaic power generation facility

■ R&D Center (Tokyo)

- Clean up around the center (twice a year)
- Separating and disposing garbage for recycling
- Promotion of energy-saving activities(throughout the year)



R&D Center (Tokyo): Beautification campaign

Contribution to Society

In the US, the employees of RIMTEC CORPORATION and RIKEN ELASTOMERS CORPORATION support the fund-raising campaign "The United Way" * 1 and contribute to it every year. RIKEN ELASTOMERS CORPORATION in the U.S. is providing donations to the "BackPack Program, * 2" which provides food for children who affected by poverty.



Laura Thomas, an employee of RIKEN ELASTOMERS CORPORATION
She was active as leader in the fund-raising campaign "The United Way".



Hosted a cardboard canoe competition (canoes are all made of no longer needed cardboards)

RIKEN ELASTOMERS CORPORATION donated no longer needed cardboards to the Hopkinsville Junior High school to support the cardboard canoe competition. High school students designed and assembled canoes by themselves. Three high schools participated in the competition. RIKEN ELASTOMERS is contributing to community education as part of crafting project.



Linda Keller, an employee of RIKEN ELASTOMERS CORPORATION.
Standing by cardboards for donation



Cardboard canoe competition

* 1 A large US charity established in 1918.

* 2 BackPack program: The organization that does various types of volunteer work to help families in need.



Career Fair at Elementary School

Employees of RIKEN ELASTOMERS CORPORATION participate in the Career Fair at the Pembroke Elementary School. An employee visits the school and explains many aspects of campus life for children and helps them prepare for their career.



Laura Thomas, an employee of RIKEN ELASTOMERS CORPORATION participated in "Career Fair"



Pembroke Elementary School

Internship

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 process and facility maintenance.

The following is the summary of a student job participation program at the Saitama Factory conducted in 2014. Participants were given a hands-on experience with film products, household wrap manufacturing processes, and practical training at the engineering department.

Saitama Factory: Saitama Prefecture
Kumagaya technical high school

Student representative, Electrical engineering major

I've participated in a 4-day internship.

I participated in on the job training from the first to third day in the Film Production Division and from the fourth day I joined the Engineering division which manages and maintains machines within the plant.

At the film production site, they taught me about products that become the base material for wallpaper. In film production I was surprised by the strict inspections. They used special machines and optics to inspect the thickness of film as well as fine scratches and contamination that escapes the confirmation of the naked eye. I was impressed by the amount of time and effort poured into creating a single product. Everyone was polite and nice despite teaching us in the midst of such strict operations and I was able to carry out tasks without nervousness when packaging film and sampling.

These four days were very eye-opening and gave me valuable experience.



Students participating at the Saitama Factory

Saitama Factory: Saitama Prefecture
Kumagaya technical high school

Student representative, Mechanical engineering major

I had a lot of valuable experiences during the four days of my internships.

The first three days I was given the task of sampling the film produced. It was my first time doing these tasks but the person in charge who instructed me was very nice to me and I was able to complete work without making any mistakes.

On the fourth day I was allowed to do replace the bearings of motors for engineering tasks. We listened to sound of failed motors then we disassembled the motors, replaced the bearings and then listened to the sound again. It was a fun experience disassembling motors for the first time.

I will not forget the experience of these four days and it will prove invaluable in my future career.



Students participating at the Saitama Factory

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

At RIKEN TECHNOS, we are engaged in fulfilling the company policy of "Dimensional Change - Global, Speeding-up some more-" part of the new 3-year mid-term business plan begun from April 2013. The biggest issue for management headquarters is the "fostering and strengthening of global human resources". This does not involve simply strengthening the language abilities of staff but for every single member of the staff to internalize our group policy in different environments involving language, culture and values to fulfill the objectives of a team that acts with a sense of "strong empowerment" to fulfill a "truly global member". Our objective is to create a "global company" and we will work together to foster employees that evolve together.



Junji Irie

Director, General Manager of Administrative Division and General Manager of General Affairs Division
RIKEN TECHNOS CORPORATION

Training Manager

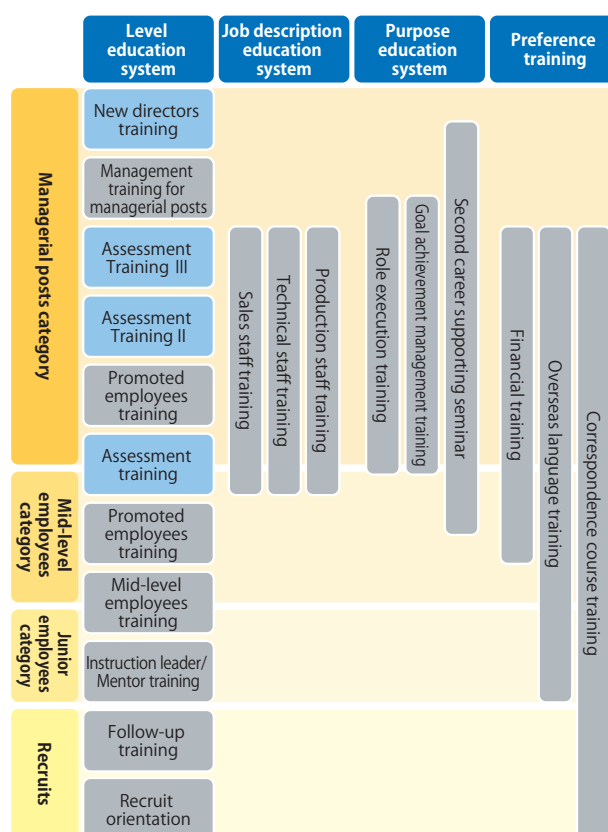
We are in the process of conducting "Organization Management Training" for our assistant managers. In order to learn how to think

strategically and how to process management work, 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 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 Program



Training Cruise

Employees of RIKENTECHNOS participate in the training cruise hosted by the Japan Business Federation every year. Through the training cruise, each of them learns the roles as a leader and has an opportunity to mingle with various people beyond the framework of his/her company. This year, 4 employees participated in the training cruise.



Training cruise ship "Pacific Venus"



Team-forming ceremony on the ship



Tetsuharu Kibe

Chief, Film Production Section 1,
Saitama Factory

I am very grateful for being given the opportunity to participate in the training cruise. The training taught me perseverance, initiative, cooperation, understanding and leadership. It is not easy for unacquainted people from various specialties and generations to strive for a common objective but it taught me how leadership can bring people together. I will internalize these lessons within the company. I hope these training cruises will continue to be carried out.



Katsutoshi Hishiyama

Film Production Section 2,
Saitama Factory

The eight days of living together in the confined space of the ship with people from various walks of life gave me a precious opportunity for introspection through "mutual encouragement", "cooperation", and "honest communication." I am very grateful for the opportunity to have such a precious experience. I would like many others to have the same precious experience through this training. Thank you very much.



Hisashi Kataoka

Chief, Compound Production Section 2,
Mie Factory

This training cruise taught me the difficulty of working toward a common goal as a group under extraordinary circumstances. To carry out these tasks smoothly requires communication and cooperation. This process reinforced the importance of the RIKENTECHNOS WAY. I am grateful for the precious experiences gained through these eight days, thank you very much.



Masaaki Konuma

Film Production Section,
Gunma Factory

Thank you for giving me the opportunity to participate in the 49th training cruise. It was my first experience participating in such a large-scale training exercise and I had lots of doubts going in. However, being able to communicate with people from various walks of life was a valuable experience and these eight days gave me a chance to learn about myself through the training. I hope to actively utilize the things I learned through training on the job.

Relationship to Employees

Inheriting "The Sprit of Manufacturing"

RIKENTECHNOS 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 October 2012, three interns have come from PT. RIKEN INDONESIA in Indonesia to receive training at Mie Factory.



Randy Oktalydarman

PT. RIKEN INDONESIA

When speaking of Japan, I think of an advanced industrialized country.

There are many people in my country who wish to work in Japan. It is difficult for Indonesians to find jobs in Japan. Therefore, to be able to work in Japan has been a privileged experience for me.

The first time I worked with Japanese people, I was worried that I would have communication problems, but instead my Japanese colleagues were very encouraging and they made me want to work harder and study Japanese much more.

Also, Japanese people comply with company rules for safety's sake. Moreover, they are quick and efficient workers. Someday, when I return to Indonesia, I wish to work efficiently like the Japanese.



Suherman Sapri Samin

PT. RIKEN INDONESIA

When I came to Japan, my first impression was that it was a clean country. Not a trace of litter was in sight.

Japanese people are very good at adhering to social regulations. What's more, Japan is a very safe country where I am able to leave my house without having to feel fear. At the RIKENTECHNOS Mie Factory, everyone is very kind and everyone abide by the company rules. If I don't understand something at work, my colleagues teach me without hesitation. Japanese people adhere to regulations in order to guarantee their own safety. Therefore, being able to work in Japan has been great.



Ika Supriatna

PT. RIKEN INDONESIA

When I first arrived in Japan, it was very cold.

What struck me was that the roads were very clean, without a trace of litter. A year and eight months have passed since I arrived in Japan. Life in Japan has been great. Japan is very safe, and I never feel threatened wherever and whenever I go out. No matter where they are, Japanese people are very earnest and adhere to rules. For example, at work they always use the safety equipment, and they arrive on-site 10 minutes in advance. They also have a unique culture. When greeting each other they bow, when entering a house they take off their shoes, when eating noodles they make slurping noises. Japanese culture is very unique amongst the entire world.

Child Care Support

Leave-of-Absence System for Child-Care

Employees (male and 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. Currently three employees are utilizing this system.

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 and kindergarten schedules. This system can be used until the children begin elementary school. Currently two employees are utilizing this system.

Diversity of Employees

We respect the diversity, personality and individuality of employees, and consider human rights and giving equal employment opportunities. Our company implements various initiatives in order for female employees to be active in business.

Currently, some of our female employees have achieved managerial positions which helps promote diversity in our work force. We are also actively engaged in recruiting overseas employees.

Re-employment System

Re-hiring skilled employees who are willing to work after our official retirement age of 60 years old, offer merit to both the employee and our company: for the company, by utilizing the technological skills and know-how of the employee; for the employee, a stable income. Therefore we introduced the re-employment system in 2006. This system was recently amended; previously, the employment age was only up to the age of 63, but extended up to 65 years old in the amendment of April 1, 2009.

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. We will show some examples of awards.

Engraining Corporate Philosophy

In order to engrain our corporate philosophy, the "RIKENTECHNOS WAY", in our employees, the company has incorporated 4 systems. One of them is the "Thank You Card", which is being introduced to the overseas sites as well, in order for employees to express gratitude to one another. We also commend employees who have received the most Thank You Cards.



Mr. Kenji Funakoshi, Personnel Group, General Affairs Department being awarded by president Shimizu. He received the most Thank You Cards during FY2013.



Thank You Card boxes installed at RINKEN (THAILAND) Co., LTD.



A Thank You Card, Rintec Corporation, USA.

Safety and Health Activities

Concept of Safety and Health Activities

RIKENTECHNOS, based on the concept of human dignity, considers occupational health and safety as the most important basis in business operation, and strives to sustain and improve a healthy and safe working environment.

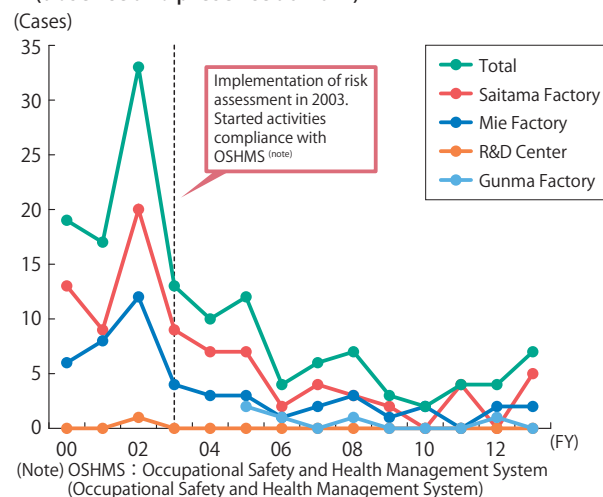
Eradication of Dangers and Cause for Hazards through Risk Assessment

After implementing risk assessment in 2003, improvement in prevention took root. Through such an improvement, danger and harmful factors hidden in workplaces become separated and eliminated, and risks are cut down. 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.

Total Industrial Accidents

The number of industrial accidents amounted to 2 cases in 2010, 4 cases in 2011, 4 cases in 2012, and regrettably 7 cases in 2013. In response to the increase of industrial accidents, we will re-lecture "KYT(danger prediction training)", "risk assessment", "fail-safe and fool-proof", "promotion of pointing and calling out", "facility safety review procedure" and so on. We will review the "safety awareness survey" and "risk assessment work standards". We will enhance the safety and health patrols as well.

Trend in Industrial Accidents throughout the Company (absence and presence at work)



Prevention of Industrial Accidents Caused by Human Errors

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

Why do humans make mistakes and cause errors? We clarify the root cause for the human error, and adopt precautionary measures in basic safety and protect against incorrect operation.

Relationship to Employees

Message from the Director

In FY2014, in order to reinforce the relationship between company and employees,

RIKEN (THAILAND) CO., LTD. awarded scholarships to the children of the employees, as in previous years. This year marks the sixth year of the scholarship system. After a strict and impartial selection process, 13 applicants were awarded the scholarship. We invited the awarded sons and daughters to attend the Scholarship Award Ceremony, and also conducted a tour of their parents' workplace. We received thank you letters from the children and introduce some of them in this report. The thank you letters are posted in the office, and the employees have been heart-warmed by the cute messages. Starting with this scholarship system we will further enrich our company-employee relationship.



Yoshitaka Okouchi

Director,
RIKEN TECHNOS CORPORATION
Managing Director, RIKEN
(THAILAND) CO., LTD.

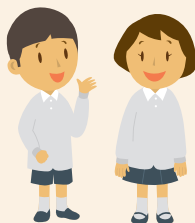
Scholarship System

At RIKEN (THAILAND) CO., LTD., we award scholarships to the children of the employees to help employees by promoting

education for their children. In FY 2014, 13 children were awarded.

Scholarship Awarded Children 2014 at RIKEN (THAILAND) CO., LTD.

Scholarship Awarded Students



Kittiphop Bualuang



Third grade student

father =
Mr. Chetta Bualuang
Logistic Raw Material Operator

Thitima Meeutsar



Third grade student

father =
Mr. Poowadon Meeutsar
QA. Senior Technician

Sutima Thubsai



Third grade student

mother =
Mrs. Walairat Somapee
Logistic Finished Goods Senior Officer

Natanon Phuento



Third grade student

father =
Mr. Manoch Phuengto
Logistic Raw Material Senior Foreman

Chalantorn Umpai



Third grade student

father =
Mr. Prawit Umpai
QA Senior Technician

Janejira Teerapong



Fourth grade student

mother =
Mrs. Narumol Rungchaipaiboonsuk
Production Center Senior Officer

Vipavee Poviphak



Fourth grade student

father =
Mr. Virut Phoviphak
Medical Senior Process Operator

Sayamol Kamdee



Fifth grade student

father =
Mr. Thanawuth Kamdee
Medical Senior Process Operator

Rinrada Sangmanee



Sixth grade student

mother =
Mrs. Juthamard Khunthaworn
Import-19 Bis Officer

Natchaya Wongcharoentavorn



Sixth grade student

mother =
Mrs. Sunantha Jaicharoen
General Affairs Staff

Tawanchai Srijuisai



Sixth grade student

father =
Mr. Surasak Srijuisai
Medical Senior Process Operator

Antika Angkahard



Eighth grade student

father =
Mr. Chusit Angkahard
Electrical Senior Foreman

Rasavadee Khudfun

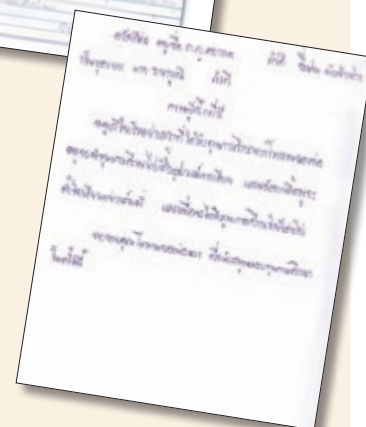
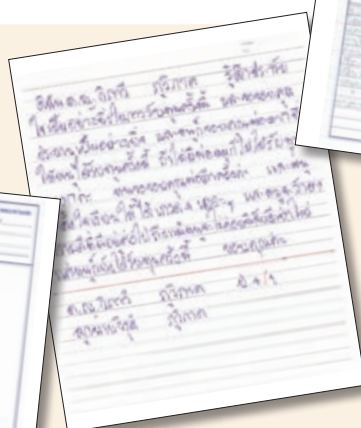
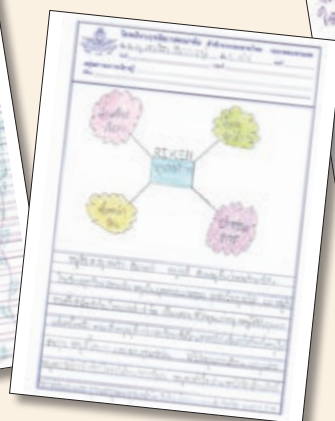
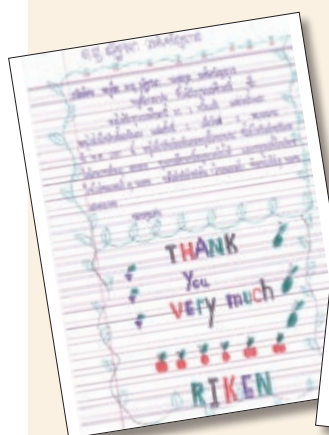


Vocational school student

mother =
Mrs. Panlakha Khudfun
Engineering Senior Officer



Messages from the Children



- Hello, my name is Natchaya. My family name is Wongcharoentavorn.
I am very happy to receive this scholarship. I have received this scholarship twice. The first time, I didn't apply for it myself. The second time, on May 5th, 2014, I went to the interview by myself. It was a lot of fun to go on my own. I was able to meet many people. I will use this scholarship. I will study hard to earn good grades. I pray that RIKEN (THAILAND) will remain profitable and wealthy.
Thank you very much.
Natchaya Wongcharoentavorn

- I am Vipavee Poviphak. Receiving the scholarship has made a big impression on me. Thank you Mr. President. Thank you father, for giving me the opportunity to be awarded this scholarship. Since, if it wasn't for my father, I wouldn't have been able to receive a scholarship. I will study hard to get lots of high grades. I will defend my strengths. Thank you.
Vipavee Poviphak (Fourth grade student)

- I'm glad to receive a scholarship from my father's company. I was also given some snacks, as well as a lift home! I will study more in order to be awarded a scholarship again. Thank you very much.
Natanon Phuento
Atom(nickname)

- My name is Janejira Teerapong. I'm ten years old. I'm in fourth grade at Rittiyawannalai school. I'm the child of Narumol Rungchaipaiboonsuk. My mother works at RIKEN (THAILAND) which awarded me this scholarship. When I was in second grade, I once received this scholarship. This is my second time being awarded the scholarship.
I am very happy. Thank you for the scholarship. I will use it to study. I want to study seriously and be a good child and a good student. Thank you so much, RIKEN (THAILAND) CO., LTD.
Janejira Teerapong

- Hello. I'm Sutima Thubsai. I'm the child of Walairat Somapee and Mr. Anuchit Thubsai. I'm in third grade.
I like painting, dancing, and Thai dance. I am very thankful for receiving the scholarship this year. I will use it for additional computer studies. The rest of the money, I will use to make myself a pair of glasses. I will also study mathematics at Kumon.
I am grateful that my mother's company promotes education for children.
Sutima Thubsai

Environmental Management and Action Plans

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, RIKEN TECHNOS CORPORATION established an environmental management system, and all members of RIKEN TECHNOS CORPORATION work to implement the following principles.

- 1 Through all business activities, RIKEN TECHNOS CORPORATION improves the environmental management levels and prevention of environmental pollution by not only observing all environmental regulations and mutual agreements but also setting our own rules and regulations voluntarily.
- 2 RIKEN TECHNOS 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 RIKEN TECHNOS reduces the influence against the global-environment 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 RIKEN TECHNOS CORPORATION continues the activity approaching the protection of the environment by establishing documents including the Environmental Statement and Environmental Policy, and educating employees.
- 5 RIKEN TECHNOS CORPORATION 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 RIKEN TECHNOS CORPORATION 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 each site.
- 7 RIKEN TECHNOS CORPORATION aims to obtain confidence and understanding from society through the appropriate and accurate information disclosure.

Certification of ISO14001

All of our company divisions have set environmental policies and have obtained this certification.

We strive to establish our company as an enterprise that responds to the trust of all stakeholders through operating with

environmentally conscious approach and contributing to building a prosperous society.

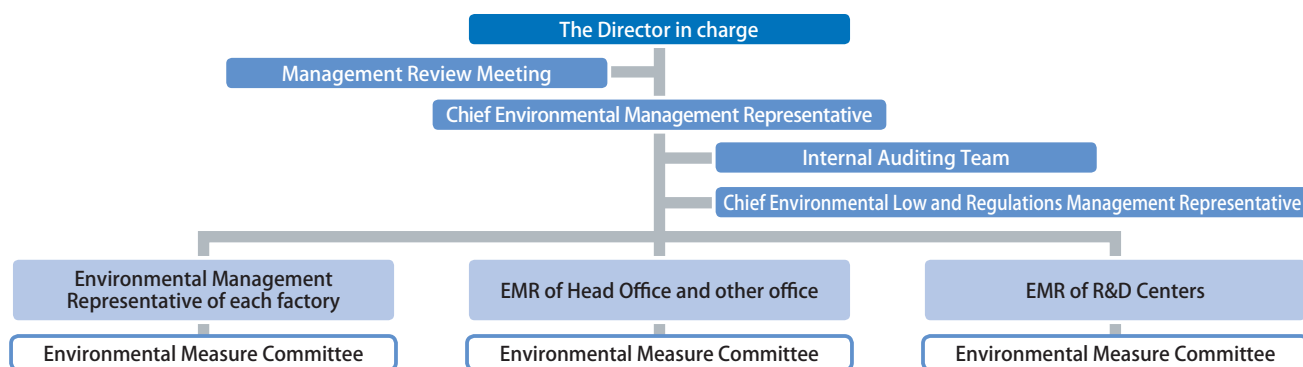
Initial Registration: October 31, 2001

Date of Expiration: August 30, 2016

Environmental Management System

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.



System for Implementation

Here we will introduce the primary meetings, committees, members and their roles.

Meeting, Committee	Members	Function
Management Review Meeting	All Directors, Chief Environmental Management Representative	Assessment of policy, purpose and the Environmental Management System
Internal Auditing Team	Qualified Internal Auditor	Audit of compatibility
Environmental Measure Committee	Environmental Management Representative, General Manager of each Division, Committee Member at each site	Setup of Environmental Purpose and Target, deliberation of improvement and prevention, and deliberation of environmental problem

The Role for the Chief Environmental Management Representative and Environmental Management Representatives

We have clarified the responsibility each site and general management for the entire company.

Representative Name	Name of Executive Post	Role
Chief Environmental Management Representative	General Manager of Management System department	Establishment, operation and maintenance of the Environmental Management System for the entire company
Environmental Management Representative	Site Manager (General Manager of Factory etc.)	Establishment, operation and maintenance of the Environmental Management System for each site
Chief Environmental Laws and Regulations Management Representative	Chief Environmental Laws and Regulations Management Representative	Management of environmental laws and regulations

Environmental Audit Systems

(1) Internal Audit

Under the direction of the chief responsible for environmental management, internal audits are carried out for the environmental management system including quality, product safety, and chemical substance management annually by approximately 100 internal auditors. In fiscal 2013, audits were carried out in 68 divisions and 34 requests for corrective measures were issued and there were 175 guidance cases including observed items. The situation included many items regarding document management and records management. The management system will continue to be improved and steadily carried out through the implementation of corrective measures.

(2) External Audits

Audits were conducted for all sites through renewal audits by NIPPON KAIJI QUALITY ASSURANCE LTD., an external certification body. In fiscal 2013, there was guidance for 12 minor nonconformance issues and 24 issues requiring improvement. Regarding guidance for the usage, etc., of appropriate reports for environmental information, improvements were made. Also, in fiscal 2013, there were 11 inspections from customers. For the 23 issues pointed out by customer audits, improvements were carried out and reported back.

Emergency Response

We issue an emergency response manual at every site and division, based on the possible emergency situations and hold regular training sessions. 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 the leakage of chemical substances to the outside and fires caused by dangerous flammable substances. In FY2013, we had a minor leakage of resin and oil, but did not reach outside of the factory and all tasks were handled as taught in training.

Environmental Education for Employees and Status of Promoting Edification

Since FY2008, we have made a practice of distributing the "Eco-life Day" questionnaire to our employees and their families in order to raise awareness regarding the importance of energy conservation and global warming. In FY2013, we received many (summer: 1,432, winter: 1,576) responses from employees and their families. The results of the questionnaires showed that CO₂ reduction of 837g-CO₂/day in the summer and 750g-CO₂/day. In addition, we handed out this CSR report to every member of a company, and edified the understanding of the effects of activity results of each individual has on the entire company.

	Participants (persons)	Amount of Reduction (g- CO ₂ /person and day)
Summer of 2011	1,083	962
Winter of 2011	899	840
Summer of 2012	1,341	723
Winter of 2012	1,211	835
Summer of 2013	1,432	837
Winter of 2013	1,576	750

Environmental Laws and Agreements related to Our Business Activities

Environment laws and agreements 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 a result of our activity in FY2013, we had no violation of environmental laws and agreement.

● The number of Environmental Laws and Agreements for Each Site to be observed

Saitama Factory	36	Osaka Branch Office	4
Mie Factory	33	Nagoya Sales Office	5
Gunma Factory	28	R&D Center	24
Head Office	4		

Summary of Environmental Action Plans and Results

Message from the General Manager of Manufacturing Division

RIKENTECHNOS is promoting the creation of an environment that fosters a spirit to try innovative manufacturing methods to strengthen creative force.

The manufacturing unit is aiming to reduce manufacturing energy with innovation by achieving the three year goal of "doubling speed and halving cost".

For this term, the compound Production unit will undertake cost reductions through productivity improvements with the pursuit of marginal performance for existing facilities, the film manufacturing unit will improve production efficiency and reduce costs through the fusion of existing facilities with new facilities, and the engineering unit will deploy highly efficient facilities and reduce energy loss, all from an innovation perspective. In addition, each plant will continue to make efforts to reduce the volume of waste and contribute to the beautification of the local region.



Michihisa Tasaka
Director, General Manager of
Manufacturing Div. and Solution
Business Unit Manager
RIKENTECHNOS CORPORATION

Environmental Objectives and the Performance in FY2013

We promoted the improvement activities by setting yearly objectives that match the business environment by referring to the environmental policy. We mainly promoted reduction of CO₂ emissions, reduction in the amount of produced industrial waste,

and reinforced chemical substances management. In FY2013, a total 158 objectives were set throughout respective divisions in the entire company and 117 (74%) of them were achieved. Details are as follows:

● (1) Reduction of CO₂ Emissions

Number of Set Objectives	Achieved Objectives	Objectives	Results
76	54 (71%)	Total amount of emissions reduced: 5% less than FY2008 levels Reduction of CO ₂ per gross production: 5% less than FY2008 levels	The FY2013 CO ₂ emissions amounted to 35,426t-CO ₂ , 11% greater than FY 2008 levels. Reduction of CO ₂ per gross production: 0.395t-CO ₂ /Product (t), 23% less than FY2008 levels

"Adjusted emission factors converted from greenhouse gas emission volume reflecting Kyoto Mechanism credits, volume reductions before nationally certified emissions, etc." were announced and CO₂ emission volumes after fiscal 2010 were recalculated in accordance with this. In the future, activities will focus the goal of energy consumption reductions that are not affected by fluctuations in emission factors. In fiscal 2013, heat and electricity used as a proportion of production volume were reduced by approximately 11% against fiscal 2008.

● (2) Reduction in Industrial Waste Discharge

Number of Set Objectives	Achieved Objectives	Objectives	Results
30	23 (77%)	Simple industrial waste discharge per gross production: 0.3% or below Total industrial waste discharge per gross production: 4% or below.	Simple waste volume is 0.14% of total production and total waste volume compared to production volume is 4.09% and we are eager achieve our goals early.

● (3) ① Reinforcement of Chemical Substance Management and ② Development of Environment-conscious Products

	Number of Set Objectives	Achieved Objectives	Objectives	Results
①	39	36 (92%)	Reduction or ban of uniquely specified chemical substances. Development of Environment-conscious Products.	Usage of chemical substances categorized as Class I (on PRTR Law) was 2,255t, 81% less compared FY2001 levels.
②	13	4 (31%)		

* Simple industrial waste discharge: waste discharges simply buried and burnt.

Status of Environmental Load

The main environmental strain caused by our business activities are due to industrial waste, greenhouse gas (CO₂) emission, and the transport and discharge of chemical substances. We are working for the reduction of dispersion and proper management of various substances. The following data is the status of RIKENTECHNOS itself.

● CO₂ Load Related to Production of Major Products (FY2013)

INPUT		OUTPUT	
Raw material (including paint and coating)	79,800t	Compound Products	60,900t
Packing material	2,500t	Film products	10,600t
Electricity	67,100MWh	Wrapping products	8,100t
Heavy oils	3,380kl	Industrial waste	3,600t
Tap water	135,000m ³	Amount of sewage	214,100m ³
Ground water	121,000m ³		
Water for industrial use	10,700m ³		

Amount of CO ₂ emission (t-CO ₂ /t)	
Compound	0.19
Film	0.80
Packaging wrap	0.22

Saving Energy and Reducing Greenhouse Gas Emission

Two factories, Saitama and Mie, are identified as Type 1 energy control factories, and the Gunma Factory is identified as a Type 2 energy control factory. The primary greenhouse gas emitted by our business activities is CO₂. We are working to achieve our objective of reducing 5% of emissions from FY2008 levels by FY2013. We promote energy-saving tactics, such as the improvement in efficiency of operating facilities, using demand control *1 for air conditioning, preventing industrial compressed air and steam leakage, etc. Furthermore, chlorofluorocarbon, one of the greenhouse gases *2 used for air conditioning refrigerant, is strictly controlled to prevent leakage while in use and after disposal.

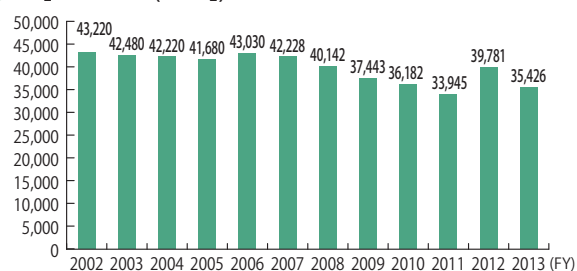
The heat and electricity volume used in fiscal 2013 increased approximately 1% compared to fiscal 2008. At the end of fiscal 2012, solar power equipment, a renewable energy source, was

introduced in the land adjacent to the Gunma plant. In fiscal 2013, approximately 75,000kWh/year was supplied to our Gunma plant and approximately 761,000kWh/year of electricity was sold off.



Solar power plant of RIKEN TECHNOS CORPORATION
(within the facility of Gunma Plant)

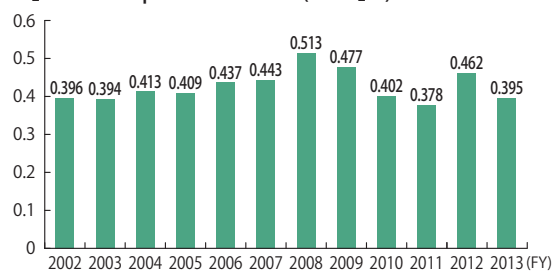
CO₂ Emission (t-CO₂)



*The value is based on emission factors after adjustments from fiscal 2010.

- * 1 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.
- * 2 Total emission of greenhouse gas is an estimated quantity of CO₂ emitted which is calculated by consumption of electricity and fuel oil used at the Saitama Factory, Mie Factory, Gunma Factory, R&D Centers and Head Office, as well as each site. CO₂ emissions from the head office have been added since 2005, and emissions of each business site since FY2008. CO₂ discharged by fuel consumed by logistics is omitted.

CO₂ Emission per Production (t-CO₂/t)



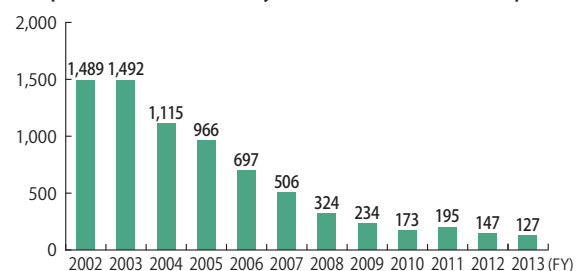
Reducing Industrial Waste

Our company considers the reduction of landfill and incineration waste generated in the manufacturing stage as a main goal of environmental management activities and in fiscal 2013, the new goal of "keeping simple waste volume under 0.3% as a share of total production and total waste volume under 4% of production volume" was established. 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 into recyclable material, RPF (Refuse Paper and Plastic Fuel), raw cement material, etc. for effective re-use.

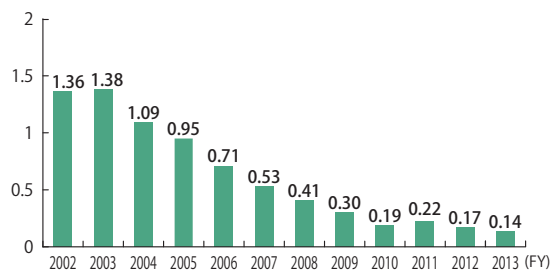
As a result, the total quantity of simple industrial waste disposed by landfill or incineration was reduced by 94.0%, from 2,255t (in FY2000) to 127t (in FY2013).

Simple Industrial Waste by Landfill and Thermal Disposal (t)



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

Production Ratio (%)



Summary of Environmental Action Plans and Results

The Appropriate Management of Chemical Substances

In the past our company has been managing chemical substances in accordance to laws such as the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., Industrial Health and Safety Act, and Fire and Disaster Management Act.

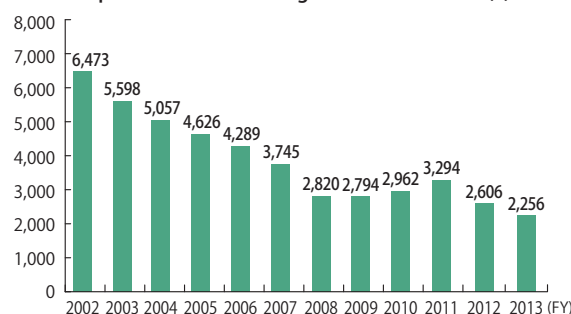
In fiscal 1999 a measurement system was established to enable thorough management and a framework that can handle the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law) enacted in April 2001 was established.

In October 2009, the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof was amended and enacted, including changes to the types of chemical substances under PRTR.

Therefore, the usage and emission volume of newly subjected chemical substances were totaled beginning fiscal 2010 and in fiscal 2011, methylnaphthalene usage volume contained in A heavy oil was also added. In fiscal 2011, one of our group

companies, RIKEN (THAILAND) CO., LTD., were affected by flood disasters and production assistance was implemented in Japan. As a result, the usage volume of chemical substances designated as class I under the PRTR Law increased dramatically by 3,294 tons but consistently declined in fiscal 2012 and 2013. There were 22 different types of Class 1 chemical substances used in 2013. Out of the 22, there were 7 types with more than 1 ton used, which was reported to the government.

Consumption of Class I Designated Chemicals (t)



Storing PCB Waste

In July 2001, the "Act on Special Measures concerning Promotion of Proper Treatment of Polychlorinated Biphenyl (PCB) Wastes" (Special Measures ACT on PCB * 1) was enforced. To improve management control over the entire Group, in 2005 we moved six pieces of PCB scrap equipment that were stored at affiliate companies to the Saitama Factory for storage. In August of 2012, waste materials with high concentration of PCB stored at the R&D center (Kamata) were treated at a government-designated waste treatment facility. At the Saitama factory and Mie factory, there are mainly high voltage condensers as PCB waste materials, we properly stored and controlled those waste materials. We plan to dispose of them properly in sequence. In addition, because there is a high probability that heavy electrical machinery from before

1989 used insulating oil containing small amounts of PCB, one by one we are examining and analysing all condensers and transformers currently in use.

Sites	PCB Wastes	Storage Method
Saitama Factory	High voltage condensers: 15 (high concentration) High voltage transformers: 2 (low concentration) Waste water and oil containing PCB: 1,446L (low concentration)	Kept in iron containers
Mie Factory	High voltage transformers: 4 (low concentration) Waste oil containing PCB: 350L (low concentration) PCB component wastes: 300g (low concentration)	Kept in iron containers

Preventing Stock Pollution and Environmental Pollution

In 2001, during the investigation over all factories and offices, we found soil pollution at the Kamata Factory (presently R&D Center, Tokyo). Since then we have conducted regular examinations and soil modification. The land was sold in August 2011 in a pollution-free state, completed through soil modification. Meanwhile, the R&D Center was moved to the neighboring building where soil pollution was also found. A section of this land is currently quarantined in order to prevent the diffusion of pollutants. We implement routine measurements of environmental items

according to 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 gain support and understanding from our surrounding communities.

* 1 PCB: Polychlorinated Biphenyl

Responding to Specified Chemical Substance Restrictions

For raw materials management, to improve measures in response to Europe's REACH * 1 as well as regulatory changes regarding chemical substances in Japan, chemical substance ingredient information sheets were created and from August 2009 and information on RoHS6 substance measurement data and content information for chemical substances under regulation, including trace residual chemicals were also collected. Also, application to affiliated companies were clarified as part of the "RIKEN TECHNOS GROUP Procurement Standards."

It is the mission of manufacturers to provide products that are safe and secure to customers and ensuring the safety of chemical substances used is considered one of the main issues our company and a "Chemical Substance Management Committee"

was newly established in fiscal 2006 in response to company-wide organizational specific chemical substance regulations.

A "Chemical Substance Management Standard" was established and in addition to chemical substances prohibited from manufacturing and usage by law, chemical substances under the Chemical Substances Control Law are also prohibited from usage and products considered safer to avoid from the point of labor safety and health for chemical substances such as toluene and lead were clearly marked for proactive reductions. Also, chemical substances newly under consideration for usage are subject to reviews and a framework for providing products where safety comes first was established through company-wide efforts.

Biodiversity

We will work to eliminate the usage of Class I and II Specified Chemicals Substances in the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and reduce the usage of Class I Chemical Substance designated by the PRTR Law. Additionally, adhere to the Air Pollution Control Act, Water

Pollution Control Act, Industrial Health and Safety Act etc. and make considerations towards the effects on people and the ecosystem in the development of products, manufacture, and marketing.

Environmental Accounting

We have been disclosing accounting data from our environmental preservation activities since FY2006.

Criteria for Environmental Accounting in 2013

- (1) Accounting Coverage : RIKEN TECHNOS CORPORATION (individual)
- (2) Period Covered : April 1, 2013 to March 31, 2014
- (3) Referenced Guideline : "Environmental Accounting Guideline (2005 Edition)"
(Issued by the Ministry of the Environment of Japan in February 2005)

Summary of Environmental Accounting in FY2013

Environmental preservation costs for 2013 was approximately JPY 1.03 billion. Investment amount was approximately JPY 50 million, and expenses mounted by JPY 980 million. Investment items are the costs for pollution prevention, global environment 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 the environment preservation was R&D costs for environment-conscious products, which amounted to approximately JPY 860 million.

As the environmental protection effect resulting from activities, the final waste disposal volume was 127t, which is a 20t reduction from last year due to the promotion of reducing waste and recycling. Also, for CO₂ emissions, continued energy-saving activities led to a reduction of 4,355t- for CO₂ compared to last year for a total of 35,426t- CO₂.

An economic effect equivalent to approximately 35 million yen from cost reductions and others due to security sales, energy savings, etc., from waste plastics, etc. was achieved.

* 1 REACH: Regulation related to the registration, evaluation, authorization and restriction of chemicals.

Summary of Environmental Action Plans and Results

Environmental Preservation Cost

JPY 1,000

Category	Content of Activity on Examination Subjects	Total Amount Invested * 1	Expenses * 2
1. Business area cost		51,715	85,410
*Pollution prevention cost	Construction for noise prevention equipment, maintenance of scatter prevention equipment	6,184	46,183
*Global environmental preservation cost	Installation and improvement of energy-saving equipment	45,531	0
*Recourses circulation cost	Disposal of industrial waste, recycling, etc.	0	39,227
2. Upstream/Downstream cost	Analysis of products containing chemical substances	0	15,560
	Recycling of containers and packaging, etc.	0	0
3. Administration cost	Issuance of CSR Report, maintenance of ISO (including external audit), analysis of drainage and VOC, maintenance of greenbelt at each site	0	15,012
4. R&D cost	Development of products that contribute to environmental preservation	0	865,753
5. Social activity cost	Beautification and landscape preservation of our sites, donations	0	711
6. Environmental damage recovery cost	Soil investigation and improvement cost	0	0
Total		51,715	982,446

Environmental Preservation Effect

Environmental Preservation Effect Category	Environmental Performance Indicators	FY2012	FY2013
Environmental preservation effect related to recourses input into business activities	Total energy input volume (GJ)	774,177	791,610
	Energy input by type	Electricity (MWh)	65,861
		Heavy oil (KL)	3,270
		Kerosene (KL)	0
		Gasoline (KL)	45
		Light oils (KL)	13
	Input of PRTR-controlled substances (t)	2,606	2,265
	Water resource input	Tap water (m³)	126,219
		Ground water (m³)	158,093
		Water for industrial use (m³)	10,625
Environmental preservation effect related to waste or environmental impact originating from business activities	Emission of greenhouse gas (t-CO ₂)	41,822	44,333
	Volume of PRTR-controlled substances discharged (t)	3.6	5.8
	Volume of PRTR-controlled substances transported (t)	14.6	8.8
	Total waste discharge volume (t)	3,982	3,600
	Final waste disposal volume (t)	147	127
	Water waste volume (m³)	263,803	214,100
Environmental preservation effect related to goods and services produced by business activities	Volume of containers and packaging used (t)	2,900	2,500
Other environmental preservation effects	Volume from transportation of products (t-km)	31,301,114	28,189,435
	Volume of CO ₂ emission associated with transportation (t)	5,433	4,911

Economic Effect Associated with Environmental Preservation Activity

JPY 1,000

Economic Effect	Amount	
	FY2012	FY2013
Benefit from recycling plastic, paper, etc.	5,478	5,930
Expenses reduced by energy-saving activities	9,495	29,504
Total	14,973	35,434

Asset Retirement Obligations

As of March 31, 2014 JPY 1,000

Asset Retirement Obligations began in April 1, 2010. Asset Retirement Obligations refers to the laws related to the environment, current assessments are as follows.

Items	Expenses
Cost for restoring buildings	24,348
Cost of asbestos disposal	29,177
Cost of renewing equipment using PCB	3,903
Cost of soil modification of land	55,895
Total	113,323

* 1 Investment: The invested amount intended to be used for environmental preservation during a set period. Its effect endures for a number of set periods and is then calculated as the cost for that timeframe.

* 2 Cost: The cost or loss that occurs from the expenditure of funds or services intended for environmental preservation.

RIKEN TECHNOS GROUP Environmental Impact Data for Corporate Activities

RIKEN TECHNOS GROUP Environmental Impact Data by Factory

Saitama Factory

- Site area: 58,739 m²
- Description of business: Manufacturing of compound, film, and food wrapping film made from various thermoplastic resin, including PVC
- Number of employees: 235

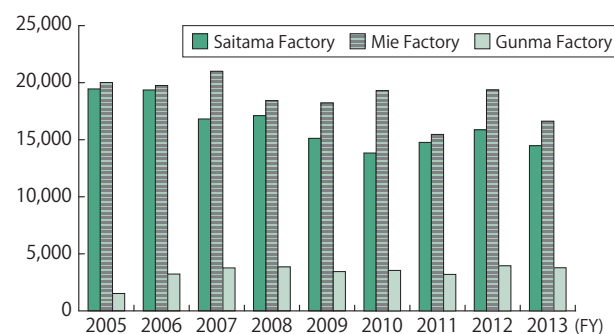
Mie Factory

- Site Area: 55,247 m²
- Description of business: Manufacturing of compound, film, and food wrapping film made from various thermoplastic resin, including PVC
- Employees: 218

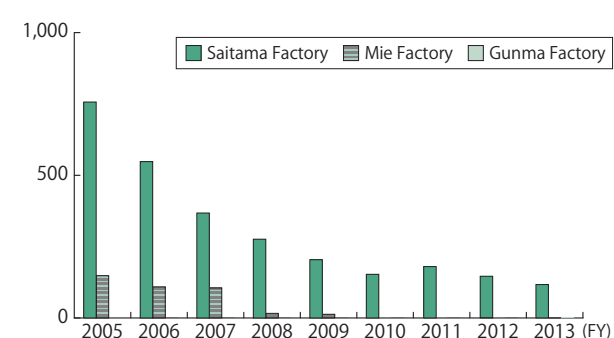
Gunma Factory

- Site area: 55,904 m²
- Description of business: Manufacturing and sales of high functional film in a clean environment
- Number of employees: 44

CO₂ Emissions (t-CO₂)



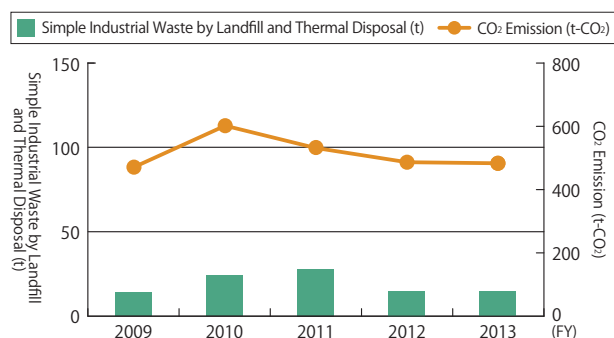
Simple Industrial Waste by Landfill and Thermal Disposal (t)



Environmental Impact Data for Affiliate Companies of RIKEN TECHNOS GROUP

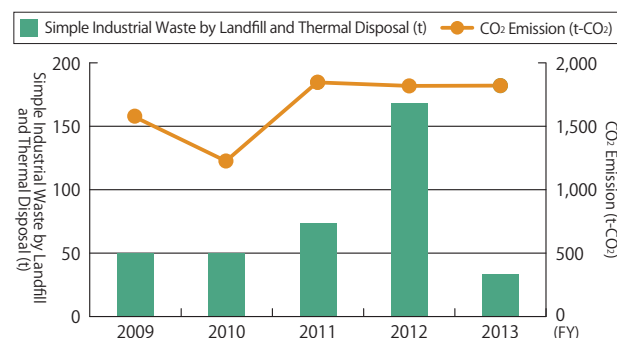
SHINKO ELECTRIC WIRE CO., LTD.

Employees: 68



KYOEI PLASTICS MFG CO., LTD.

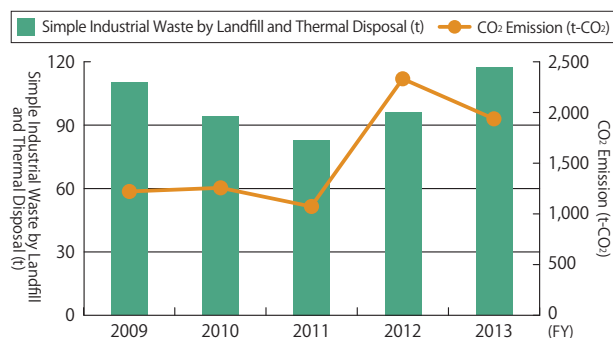
Employees: 50



Summary of Environmental Action Plans and Results

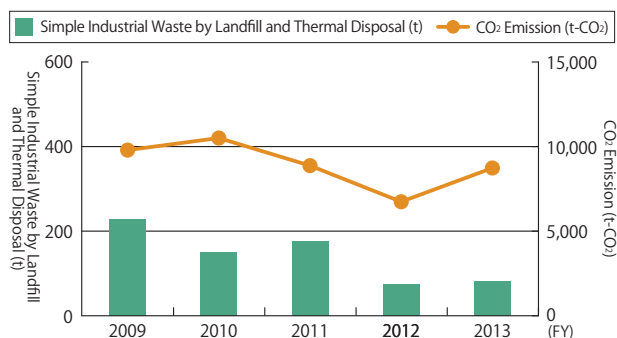
RIKEN CHEMICAL PRODUCTS CORPORATION

Employees: 55



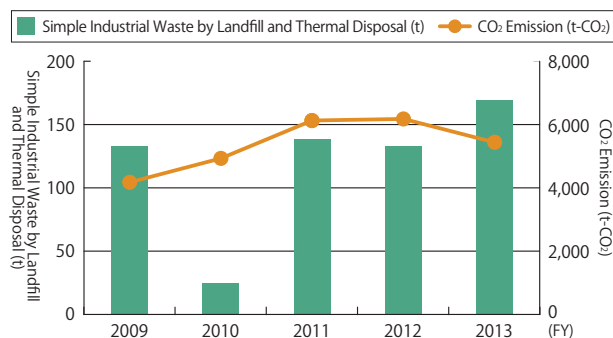
RIKEN (THAILAND) CO., LTD.

Employees: 202



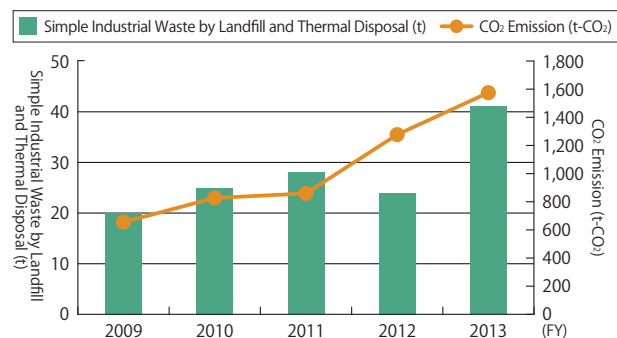
RIMTEC CORPORATION

Employees: 97



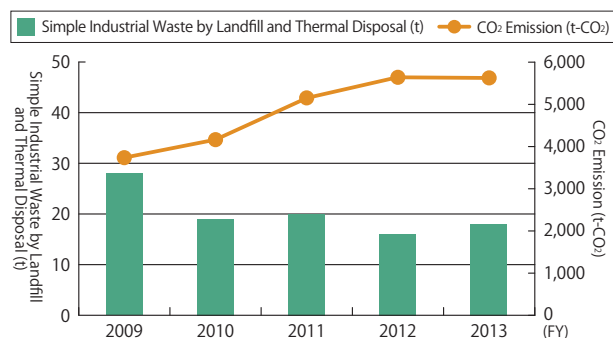
RIKEN ELASTOMERS CORPORATION

Employees: 20



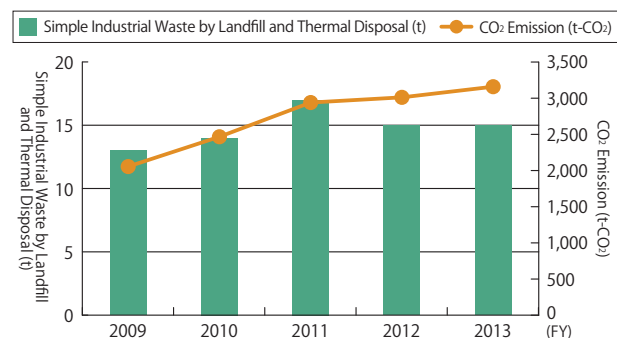
PT. RIKEN INDONESIA

Employees: 171



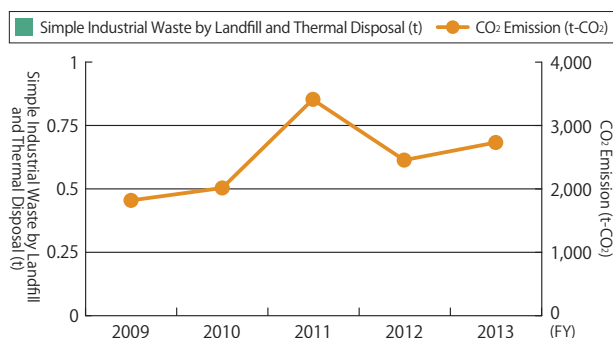
SHANGHAI RIKEN TECHNOS CORPORATION

Employees: 101



RIKENTECHNOS (JIANG SU) CORPORATION

Employees: 22



The Expert's Opinion



Masatoshi Ikari

Manager, Senior Consultant
Environmental Risk Sector
Consulting Department I
InterRisk Research Institute & Consulting, Inc.
(IRRIC)
Part-time lecturer of Seikei University

Assessment Points

- Quoting notable contributions from various persons in charge from the features article, the "Striving for Market Oriented", there are numerous comments that match the core values of RIKENTECHNOS such as "trusting and contributing to each other" and "creating new value" such as "for the solution of customer issues", "making good proposals for the needs of the market and industry that contribute to society", and "development according to customer needs". On the other hand, from the perspective of CSR, gaining the trust of stakeholders (the "responsibility" in CSR also means trust in addition to responsibility), it can be said that your company is striving to make contributions for the solution of issues faced by customers and society (example: improving energy-saving performance, high moisture and heat resistance and durability, further mass reductions, safety and security, etc.).
- This was indicated last year as a "highly regarded point" but carbon dioxide emissions, simple landfill combustion industrial waste generated, usage volume of first class designated chemical substances are on a declining trend for the past several years in terms of gross volume (absolute volume) and production ratio. We give high marks for the steady improvement of production efficiency and cost reduction at the production level through various efforts from an environmental perspective.

Improvement Points

- Company executives mention "advocating a global company" and the "global human resources three year plan" on various occasions. In fact, your company has 13 affiliated companies abroad and supply products around the world. In consideration of the current situation, relating (tying together) corporate policies and the seven core policies (organizational governance, human rights, labor practices, environment, fair business practices, consumer issues, community development and involvement) of the global standard in CSR reporting, ISO26000, I surmise that you are the stage where the composition of the CSR report should be reorganized along these core policies. However, I do not recommend short-term responses but a gradual transition in stages over several years.
- Regarding industrial accident cases, fiscal 2010 saw a reduction down to two cases but in fiscal 2011, 2012, and 2013 there were four, four, and seven cases respectively and for the breakdown there are five cases in a particular plant. We seek to disclose information on the overview of these industrial accidents, trends, cause analysis, along with corrective and preventative measures for the future.

Lastly

Regarding the inclusion of many stakeholder comments, including face pictures, from regular employees, new hires, domestic and international trainees, and the children of Thailand that received scholarships in addition to corporate executives, makes a very favorable impression since CSRs also function as communication tools. However, despite restrictions with publication space, we ask for consideration to include opinions on subjects such as "Market Oriented" from customers, who are one of the most important stakeholders, in the CSR.

Listening to Expert's Opinion

Hiroshi Shimizu

Representative Director President RIKENTECHNOS CORPORATION

As globalization accelerates, our company established four centers abroad, including sales companies, in the last five years and also actively expanded existing centers. In view of this situation, there is a need to promote measures according to ISO26000, which is a world standard for CSR as pointed out by Mr. Inokari and this is under preparations.

Also, regarding industrial accident cases, these are unfortunately

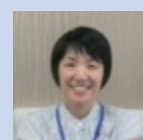
on the rise since 2010 and we are striving to disclose information about causes and corrective measures.

As a sincere response to Mr. Ikari's concerns, to "continue providing new values and joys to corporations, people, and society", we will continue to actively promote CSR activities and strive to establish a solid "relationship of trust" with all our stakeholders.



This report focused on introducing initiatives regarding "Market Oriented". The features introduced the roles played by our company's products (characteristics delivered to customers) in various markets. We hope that we could show you how our company's products support various industries. We look forward to receiving frank and candid opinions to this report.

Kazuaki Tokiwa, Director and General Manager of Corporate Planning Office:
Representative of the department in charge of report handling
Hideaki Aoki, Hiroyuki Mizuno, Hitoshi Kurihara: Management System department
Sayaka Yoshioka: Corporate Planning Office





RIKEN TECHNOS 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.

RIKEN TECHNOS CORP.

Corporate Planning Office

3-11-5, Nihonbashi-Honcho, Chuo-ku,
Tokyo 103-8438, Japan

TEL: +81-3-3663-7996 FAX: +81-3-3663-7997

URL: <http://www.rikentechnos.co.jp/>