



RIKEN *TECHNOS*

RIKEN TECHNOS GROUP

CSRReport

Corporate Social Responsibility Report

2015



RIKEN TECHNOS CORP.

Editorial Policy

As a company with a primary focus on the environment, RIKENTECHNOS GROUP has published its efforts and results in that regard commencing in October 2002 in the “Environmental Report,” and from 2005 in the “Environmental Management Report.” Since 2007, we have been committed to reporting our efforts towards realizing the RIKENTECHNOS GROUP corporate philosophy from the perspective of Corporate Social Responsibility, including social aspects, in an easy-to-understand way, in our “CSR Report.”

This ninth edition of the “CSR Report” has a Featured Article on a conversation between young employees of the company and President Shimizu. Please take note of our young human resources, who will be responsible for the future of RIKENTECHNOS.

Reporting Coverage

Period Covered

April 1, 2014 to March 31, 2015

In addition, some activities after April 1, 2015 are included.

Organizational Coverage

(Refer to pages 12 to 15 regarding the sites included.)

The organizations covered in the Environmental Responsibility section of this report are RIKENTECHNOS CORPORATION and the 19 group companies listed below. Some of the group companies are not included in some topics.

Group Companies Covered

- SHINKO ELECTRIC WIRE CO., LTD.
- KYOEI PLASTICS MFG CO., LTD.
- RIKENTECHNOS INTERNATIONAL CO., LTD.
- RIKEN CHEMICAL PRODUCTS CORPORATION
- RIKEN FABRO CORPORATION
- RIKEN (THAILAND) CO., LTD.
- RIKEN ELASTOMERS (THAILAND) CO., LTD.
- PT. RIKEN INDONESIA
- SHANGHAI RIKEN TECHNOS CORPORATION
- RIKENTECHNOS (JIANGSU) CORPORATION
- RIMTEC CORPORATION
- RIKEN ELASTOMERS CORPORATION
- RIKENTECHNOS VIETNAM CO., LTD.
- RIKENTECHNOS INTERNATIONAL PTE. LTD.
- RIKEN (SHANGHAI) CORPORATION
- RIKENTECHNOS INTERNATIONAL KOREA CORPORATION
- RIKENTECHNOS INTERNATIONAL VIETNAM CO., LTD.
- RIKEN U.S.A. CORPORATION
- RIKENTECHNOS EUROPE B.V.

Reporting Fields

This report describes the efforts of RIKENTECHNOS CORPORATION and its group companies in relation to their business, social and environmental responsibilities.

Reference Guidelines

The Environmental Reporting Guidelines (2007) and the Environmental Accounting Guidelines (2005) issued by the Ministry of the Environment of Japan, and ISO 26000 were referred to in the preparation of this report.

Date of Issue

September 2015 (scheduled date of next issue: September 2016)

History of Issue

FY	Name
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
September 2014	CSR Report 2014



About the Cover

The image on the cover of this report shows a fusion of the corporate mark of RIKENTECHNOS CORPORATION and lotus flowers in full bloom in Ho Chi Minh City, Vietnam, where RIKENTECHNOS INTERNATIONAL VIETNAM is located.

The corporate mark was changed in 2001, on the 50th anniversary of the company's establishment. Based on the "R" in RIKENTECHNOS, the mark represents the reliability of our core compound and film business, combined with the shape a bird's wing in flight to symbolize our flight into the future.

RIKENTECHNOS GROUP aims to conduct business together with all our stakeholders in a way that will help achieve a sustainable society.

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Our New Employees in 2015

Under the theme of, "Enjoy work, and be enthusiastic," which is included in our core values, we asked our new employees – who will be among those responsible for the future of RIKEN TECHNOS – to fill in the blank in the sentence: "If _____, I would be enthusiastic."



Through the abundant power of youth, we continuously provide new value and satisfaction to people, companies and society.

RIKEN TECHNOS has high expectations of the power of youth. Historically, it commenced as a startup company, and since then it has always progressed through young people's dynamism and sense of responsibility, which have also provided the energy for the company's subsequent evolution. Now, in its advancement to a new stage, what spirit of enterprise is driving the younger generation at RIKEN TECHNOS, and what great strides do they aspire to make?

On a bright summer's day in July 2015, we gathered together ten young people who have gained experience since entering the company, and have quietly grown into a reliable force, to ask them about their worries, joys, and passions in the workplace, and what they can do to contribute to RIKEN TECHNOS.

They spoke frankly, gathered around President Shimizu.



Discussion meeting attendees

Hiroshi Shimizu (Representative Director, President)

Masayuki Asano (Construction Products Material Business Unit)

Taisuke Yamamoto (Electronic Materials Business Unit)

Miki Matsumaru (Automotive Business Unit)

Takahide Seko (Medical & Consumer Goods Business Unit)

Choi Eunsuk (IT & Electronics Business Unit)

Justin Wong (Solution Business Unit)

Nanami Horiuchi (R&D Office 2, R&D Center)

Shoko Nakajima (R&D Office 6, R&D Center)

Nozomu Washio (R&D Office 7, R&D Center)

Osamu Kobayashi (RIKEN FABRO CORPORATION)

Rewards

First, we asked everyone about the times when their work makes them happy and brings them a sense of reward.

Seko This is my third year in medical-related sales. I find it rewarding when proposals I've made bring good results for both the customer and the company. Currently, a proposal of mine is on the verge of being adopted as a big item, and I'm expecting that will bring me an even greater sense of reward.

Asano As I have responsibility for construction products

material sales, my opportunities to visit customers by myself have finally increased. Recently, I took up a matter mentioned directly to me by a customer and made proposals together with the Technical Division. When the customer said "Yes, let's do it," I felt a great sense of reward.

Horiuchi I feel a sense of reward when I complete something new with customers because I can gain a lot of knowledge from them. Recently, a customer wrote about me in a survey comment, "Technology, sales, delivery – pass!" That made me happy.

Wong As I'm not yet very experienced, I'm going through the difficulties of learning from my mistakes. But I'm happy



when I occasionally get an order.

Yamamoto I work in Electronic Materials Business Unit sales. When I asked a customer who gave us a major order, “Why did you adopt my proposal?” he said, “I couldn’t resist Mr. Yamamoto’s enthusiasm.” I find it rewarding to be assessed not just as a company, but also as an individual.

Matsumaru This is my fourth year in sales. Two things bring me a sense of reward. The first is simply being useful to customers and making them happy. The second is being able to get a real sense of personal growth. When dealing with customers of my father’s generation, initially I have nothing in common with them, but when I’m facing them and talking to them every day, they open up to me. I’ve learned that, depending on your own feelings, you can also change the other person’s feelings.

Nakajima I work in the film development area, and there are a lot of issues that still can’t quite be solved just by combining conventional technologies. But then breakthroughs are eventually achieved through repeated experiments. That brings me a sense of reward, and seeing products that I have been involved with (refrigerators) lined up in stores also makes me very happy.

Washio Sometimes when I examine items in circulation

that are used as glass substitutes in optics applications and are said to be “such strong film!”, the product is actually our company’s film. Being involved with products that impress customers makes me genuinely happy.

Choi I work in sales of those glass replacement film, but as customers are accustomed to using glass products, there are a lot people who have a negative image of the new film materials. Even so, there are customers, including Korean companies making car navigation equipment, that are attracted to our company’s film and have invested in the processing equipment. I find it rewarding that an increased number of customers support our film and are working with us.

Kobayashi I’m responsible for sales to the food service industry in the newly-commenced RIKEN FABRO.*1 We’ve reached agreement for new supply



President Hiroshi Shimizu

*1 RIKEN TECHNOLOGIES acquired all the shares in Mitsui Chemicals Fabro, Inc. on October 1, 2012. Upon the combining of that company with the food wrapping film business of RIKEN TECHNOLOGIES, it made a new start as RIKEN FABRO CORPORATION.



Masayuki Asano



Taisuke Yamamoto



Miki Matsumaru



Takahide Seko



Choi Eunsuk

arrangements to major ramen and izakaya chains. As we can handle a variety of products, including food wrapping film, garbage bags, cooking paper and aluminum foil, we intend to work on things that could not be tackled by RIKEN TECHNOS.

President Shimizu At the same time as recognition of product value, it's important that you receive personal recognition from customers. I think that sums up what is meant by a sense of reward. For that reason, whether or not you can create person to person relationships, beyond the company to company relationships, will be very important in the future.

Needs and Wants

If we deepen mutual connections with customers, we will gain a better understanding of issues that are troubling them and how they want to do things.

Yamamoto I think that for small- to medium-sized enterprise customers, such as owners of traditional small factories, how you can earn their trust has been the key to success. Through visiting them many times, you develop mutual understanding, and then finally the "Now!" moment arises, when the time is right to make a sale. Isn't being able form that kind of clear view of things what sales is all about?

Asano My customer was satisfied with using the same materials for many years. They were fabricating pole cones for expressway median strips, but as the domestic market was in a state of saturation, their sales naturally fell. Observing that problem, I proposed new material with cost and performance advantages, and the customer began to incorporate the compound. Currently, even if a customer is not dissatisfied with anything in particular, I always try to look out for any good proposals I can make.

Kobayashi Last year, many cases of contamination were discovered in the food services and food processing

industries, in Japan and overseas. As a result, the industries investigated countermeasures. The Blue wrap sold by Riken Fabro has a blue coloring, so if pieces of the wrap are mixed in with the product, they will be noticed quickly. In that way, we provided a solution to a problem that was troubling our customers.

Choi A customer was satisfied with glass for communication device displays, and I wasn't able to overcome barriers just by introducing them to our REPTY® DC film glass substitute. Therefore, in conjunction with the development division, I agreed to make samples. By doing that, I communicated our feelings to the customer and, as a result, they actively considered the product.

President Shimizu If you don't find out what the customer wants, you're not doing your job. What do they need - what are they worried about - what do they specifically want at present, and what are they intending to do? For example, is the customer interested in the European market, or are they hoping to sell those products in America? To be able to draw out those sort of specific wants, person-to-person relationships, and creating those relationships, are the important things.

Washio When you're told that as a result of using our film, some sort of problem has occurred, you need to use your imagination to understand why that happened. To be honest, there have been cases in the past when I haven't had quite enough imagination. I hope to soon become a developer who can make proposals like "In this type of case, you can do it if you use this sort of processing method."

Nakajima I work in the development of decorative film for refrigerator doors. Processing methods for the doors, and the weight and temperature of the urethane foam used for insulating material, differ according to the customer. For that reason, I actually say to customers, face-to-face, "Let's do it this way" or "Let's do it that way." Sometimes I'm shown customers' machining lines, and sometimes I try to take apart their manufactured doors to see the issues for myself. I can't do it all on my own, so I collaborate with relevant persons.

Matsumaru I work in the sale of compounds for automotive products, and the price competition in that area is fierce. When you consider why there are users who will only have Apple's iPhones, even though the prices are so high, I think it's probably due to the excellent marketing. I always think that everyone should listen to what the customer says, with a sensitive perception of needs that correspond with widespread tastes.

President Shimizu Let's look at the words, "Create, forward, earn." "Creating" is determined by how creative you are. "Forwarding" is passing the baton on to the next person, with the consideration and concern that are characteristic qualities of Japanese people. When sales hands a job received from a customer on to manufacturing, to what extent has an easy-to-understand order been provided? To what extent has the person who developed the product communicated easily understood details to sales? If these sorts of matters are carried out properly one by one, the nurturing of a relationship of trust and a deep connection with the customer will result. "Create, forward, earn" – I think these simple words can actually be said to be the principles connecting companies, people and society.

Future Initiatives

While taking advantage of RIKEN TECHNOS' distinctive qualities and attractions, what sort of company should we aim to be? The group talked about future matters.

Matsumaru I think that one of the attractions of RIKEN TECHNOS is that the closeness between people. Whether from sales colleagues, the development division, or the purchasing division, I can quickly get an explanation of matters that I don't understand, and I myself feel that's the way it should be. On the other hand, a slightly unfortunate point I think is that we are too tied up by rules. Take documents for example. They have to go through this department and that department, and far too many

procedures. I often feel that it's such a waste of time. I'd like someone to do some traffic control.

Yamamoto It's easy to state your opinion to superiors, and when you give your opinion, it's taken positively. I think RIKEN TECHNOS is a company with good communication. On the other hand, it's sometimes quite conservative, like the electronic materials industry itself that I'm involved with. I'd like to get brave and put forward different opinions, so I can steadily break down that kind of atmosphere.

Washio One of the attractions of this company is that it has an atmosphere in which it is very easy to seek advice from people who are senior to you. When I come up against a technical barrier, people listen to me and give me advice, without a single unpleasant look. However, one issue for the future is ways of storing that sort of technical experience, in other words, digitization. I strongly feel that the question of how to digitize the important resources of company employees that have been accumulated by individuals and groups with specific skills during the company's long history is an important issue.

Nakajima I feel that, depending on the field, technology is not really being passed down. For that reason, I end up doing things such as investigating by myself, asking manufacturers, and doing my own experiments. I'd like to leave the experimental data and other information that I'm collecting now securely to the next generation.

President Shimizu When no technology has been accumulated, if I want to move ahead, I have to go back again and start from the beginning. In order to speed things up, we have to start work on that issue as soon as possible. If we don't make more requests to manufacturing partners for experimental data that the company can't verify, we won't readily get it. I'd like each division to learn more by communicating closely with their external partners.

Horiuchi I really like the fact that the company was initially a startup company that commenced from a small factory,



Justin Wong



Nanami Horiuchi



Shoko Nakajima



Nozomu Washio



Osamu Kobayashi

and that was one of the things that made me decide to join the company. It's wonderful that it has increased its profits and rapidly become a large company, but I think it would be unfortunate for the good qualities from when the company was established to disappear. The startup spirit won't survive if we don't have a free working environment.

Choi RIKEN TECHNOS operates very efficiently and effectively compared to the manufacturing company where I previously worked. I think it has kept the good qualities of a startup company.

Asano The development division does not simply develop products, sales does not simply sell products; that way of thinking is present throughout the whole company, perhaps because the startup spirit remains.

Wong The company's health and welfare benefits are great. Many of the allowances are good. By joining this company, I've become a resident of the global city of Tokyo, which has made me very happy.

Kobayashi I think that an attractive company is one that steadily responds to market needs and makes profits. I want a company where everyone is motivated, salaries increase, and everyone is happy.

Seko In my department, we talk a lot every day. Thanks to that, everyone is always heading in the same direction. Quickly talking things over and reaching conclusions, enables us to face the customers. I think that by adopting the business unit form, RIKEN TECHNOS has become an even more attractive company.

President Shimizu And there's also our solid business performance. Well done!

Lastly, a word from the President.

President Shimizu From this discussion with our young people, it's clear that the younger generation has the potential to change the company. I want everyone to be aware that they will create the next generation RIKEN TECHNOS. During our discussion, there were several anecdotes about the kindness of employees' seniors and those around them. One thing that worries me a little is that kindness is good, but it isn't the end of the matter. The company won't become strong just through kindness. When scolding is needed, scold, and when strict leadership is required, be strict. Strictness and kindness are not the words of a song, but I want everyone to be nurtured by that type of senior.

Company and industry shells will be broken down by the power of youth. While interacting with young people from customers and business partners, I want you to make sure to create those sorts of opportunities, and make bold changes. If we go forward in that way, our daily endeavors will undoubtedly lead to "Continuously providing new value and satisfaction to people, companies and society." I'm really looking forward to speaking with all our young employees. Next time, perhaps over a meal, I'd like to talk with you again about what we should do in the future to make the company even better.



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

Corporate Philosophy

We are a challenger. We are working to create a framework – with our Technical Division, Manufacturing Division, and Sales & Marketing Division all working together 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 compound processing technology. 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.

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

We carry out initiatives to reduce the environmental load at all stages, from our environmentally friendly product development to delivery to customers, and aim to contribute to preservation of the global environment through reduction of waste and CO₂ emissions, and other methods.

Our Values

(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.



Directors and Audit & Supervisory Board Member of RIKEN TECHNOS CORPORATION

Information Disclosure

We are making efforts to actively disclose the status of our activities and their outcomes, 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 various initiatives towards realizing the RIKEN TECHNOS GROUP corporate philosophy and our corporate social responsibility, and the results of those initiatives. 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

Our three-year mid-term business plan, which commenced in April 2013, entered its final year in April 2015. One of its major tasks is "Thorough cultivation of human resources."

The featured article in this year's CSR Report is a frank discussion with young employees who will be responsible for the future RIKEN TECHNOS about the kinds of issues they currently intend to tackle, and how to realize the company's mission of "Continuously providing new value and satisfaction to people, companies and society." I believe that their attitude of facing customers with sincerity, while experiencing joys and worries, and also their positive energy, will support Japan in the future, and we will work towards achieving thorough cultivation of our human resources.

Furthermore, to accomplish the targets of our three-year mid-term business plan, we will also tackle the other major tasks, support our customers' leading-edge technology and continue taking on challenges in the world of materials.

Outline of RIKEN TECHNOS GROUP

Corporate Profile (As of March 31, 2015)

Company Name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	JPY 8,514 million
President	Hiroshi Shimizu
Number of Employees	Consolidated 1,714 employees, Non-consolidated 658 employees
Head Office	2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, 101-8336, Japan (Relocated on September 28, 2015)

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

RIKEN TECHNOS CORPORATION operates business in Japan and internationally based on comprehensive plastics processing technology, which has been developed since the beginning with three core business: Compound, Film, and Food Wrapping Film. RIKEN TECHNOS CORPORATION, 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 CORPORATION was established as "RIKEN VINYL INDUSTORY CO., LTD." (former company name) in 1951 to produce and sell the Poly Vinyl Chloride (PVC) compound.

Compound Business

Compounds are resin-based mixed 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 Business

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 Business

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 Results

Difficult conditions continued in FY 2014 due to the impact of the consumption tax increase and major changes to crude oil prices. However, RIKEN TECHNOS GROUP increased its revenue, largely through expanded sales in the overseas compound products business, mainly in the U.S.A. and Asia. Although consolidated operating income decreased, consolidated ordinary income increased to a record high.

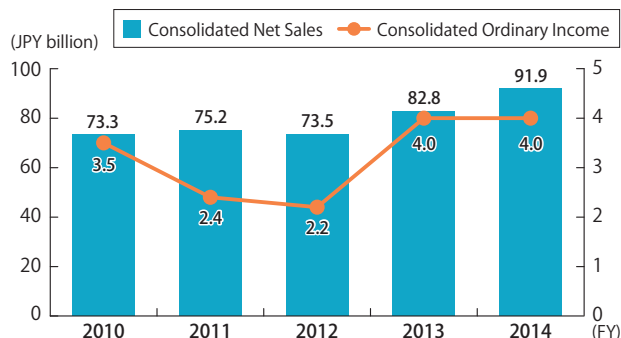
*For details of business results, please visit the "IR" page on our website.

● FY 2014 Financial Results

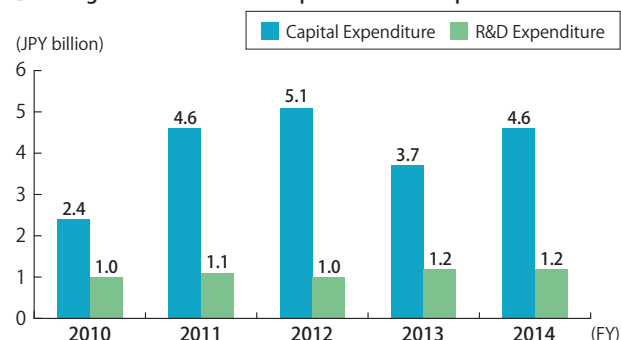
(JPY billion)

	Consolidated	Non-consolidated
Net Sales	91.9	43.1
Operating Income	3.6	1.1
Ordinary Income	4.0	2.3
Net Income	1.9	1.7

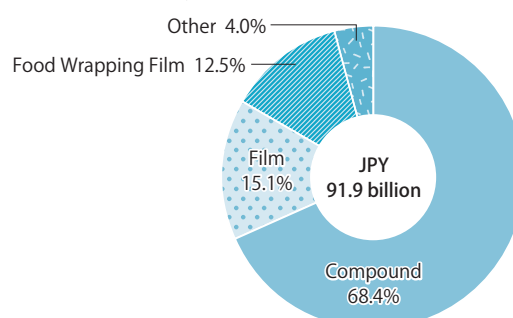
Changes in Consolidated Financial Results



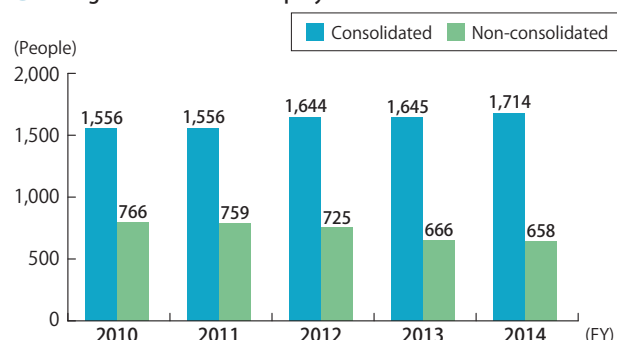
Changes in Consolidated Capital and R&D Expenditure



Consolidated Sales by Segment



Changes in Number of Employees



Mid-Term Business Plan

The three year mid-term business plan, which commenced in April 2013, entered its final stage in FY 2015. To achieve our final targets, we will realize solutions to our major tasks through initiatives that create dimensional change, rather than just extending existing practices, in accordance with our corporate policy, "Dimensional Change – Global, Speeding-up some more-." We are working to increase collaboration between our domestic and overseas sites, enhance systems for enabling the stable supply of RIKEN TECHNOS products globally, and launch new products and streamline production through the integration of technology and manufacturing, based on sales systems reorganized by market.

*For details of business results, please visit the "IR" page on our website.

(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 vision of future.

Major Tasks

1 Further global expansion of compound business

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

2 Drastic reorganization of film business

Work towards goals such as optimizing production and establishment of overseas production sites, as well as marketing high-functionality products to build a high-profit structure, while expanding surplus in our main business.

3 Construction of optimal sales promotion system

Since April 2014, in order to build an optimal sales promotion system, we have implemented organizational changes to move from a product-specific sales system to a market-specific sales system. In this way, we are enhancing our "Market Oriented" activities.

4 Commercialization of solution business

Build new business models including services 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 our group companies to foster the "ability to deal with all tasks with enthusiasm and thoroughness."

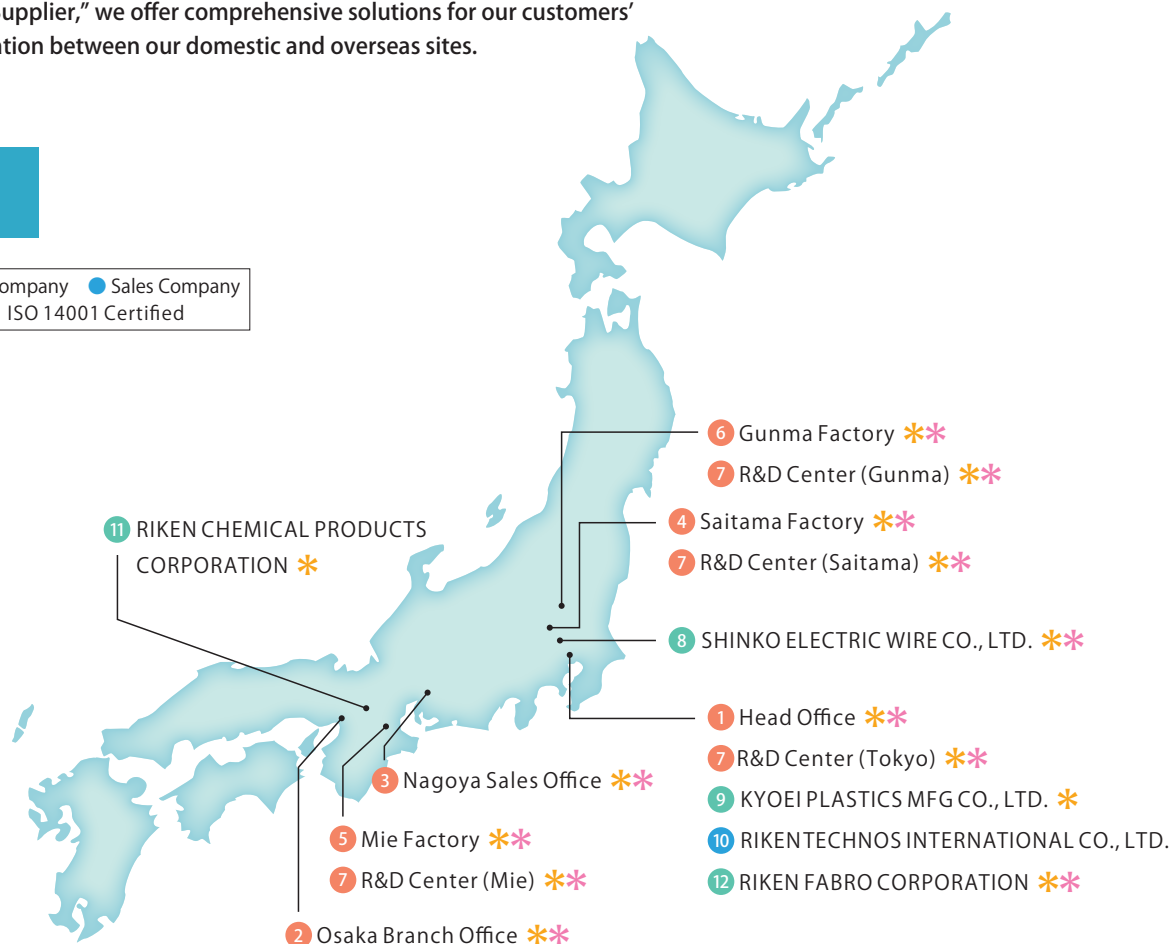
Networks

RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 19 affiliated companies. We have actively cultivated markets within Japan and overseas since the establishment of the company, and have worked to spread the RIKEN TECHNOS brand. As a "Material Solution Supplier," we offer comprehensive solutions for our customers' issues through collaboration between our domestic and overseas sites.

Japan

● Site ● Manufacturing Company ● Sales Company
 * ISO 9001 Certified * ISO 14001 Certified

As of September 2015



RIKEN TECHNOS CORPORATION Sites 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

RIKEN TECHNOS CORPORATION Site	Main Business Fields	Address
① Head Office	Corporate organization, Sales and marketing	Chiyoda-ku, Tokyo
② Osaka Branch Office	Sales and marketing	Osaka-shi, Osaka
③ Nagoya Sales Office	Sales and 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-functionality film under a clean environment	Ota-shi, Gunma
⑦ R&D Center	R&D and technical support for domestic and overseas sites	Ota-ku, Tokyo Fukaya-shi, Saitama Kameyama-shi, Mie Ota-shi, Gunma

Affiliated Companies in Japan	Main Business Fields	Address	Capital Stock	Shareholding
⑧ SHINKO ELECTRIC WIRE CO., LTD.	Manufacturing and sale of electric wire and cables	Iruma-shi, Saitama	JPY 48 million	100%
⑨ KYOEI PLASTICS MFG CO., LTD.	Molding synthetic resin products and product sales	Chiyoda-ku, Tokyo	JPY 24 million	100%
⑩ RIKEN TECHNOS INTERNATIONAL CO., LTD.	Sales of synthetic resin processed products	Chiyoda-ku, Tokyo	JPY 10 million	100%
⑪ RIKEN CHEMICAL PRODUCTS CORPORATION	Manufacturing and sale of compounds	Konan-shi, Shiga	JPY 300 million	100%
⑫ RIKEN FABRO CORPORATION	Manufacturing and sale of food wrapping films, consumer and miscellaneous goods	Chiyoda-ku, Tokyo	JPY 200 million	100%

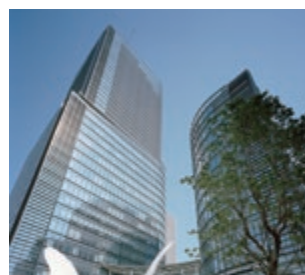
Head offices only are shown for affiliated companies in Japan.



⑧ SHINKO ELECTRIC WIRE CO., LTD.



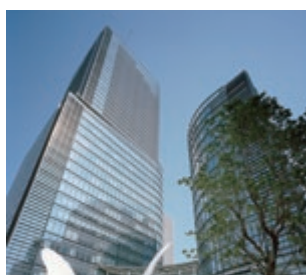
⑨ KYOEI PLASTICS MFG CO., LTD.



⑩ RIKEN TECHNOS INTERNATIONAL CO., LTD.



⑪ RIKEN CHEMICAL PRODUCTS CORPORATION



⑫ RIKEN FABRO CORPORATION

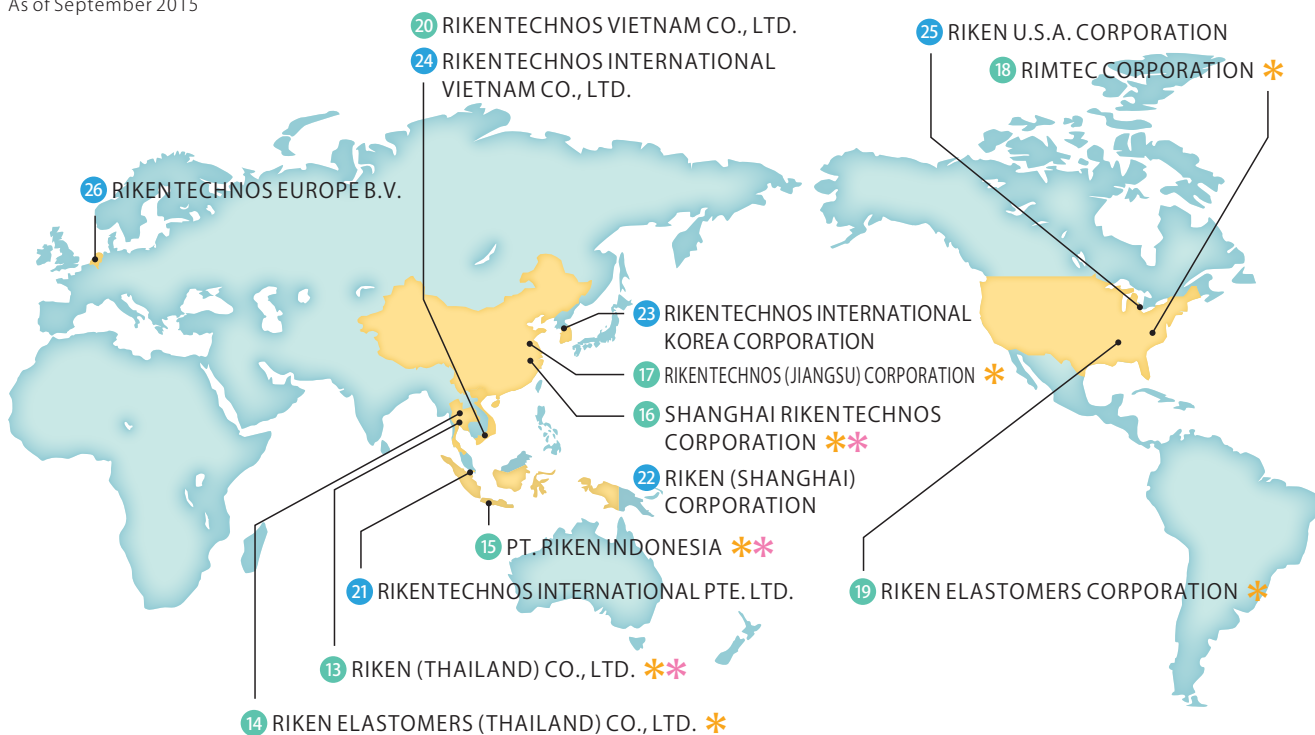
Networks

RIKENTECHNOS GROUP has 14 affiliated companies overseas and provides high quality RIKENTECHNOS products worldwide.

Overseas

● Manufacturing Company ● Sales Company
 * ISO 9001 Certified * ISO 14001 Certified

As of September 2015



Overseas Affiliated Companies



13 RIKEN (THAILAND) CO., LTD.



14 RIKEN ELASTOMERS (THAILAND) CO., LTD.



15 PT. RIKEN INDONESIA



16 SHANGHAI RIKENTECHNOS CORPORATION



17 RIKENTECHNOS (JIANGSU) CORPORATION



18 RIMTEC CORPORATION



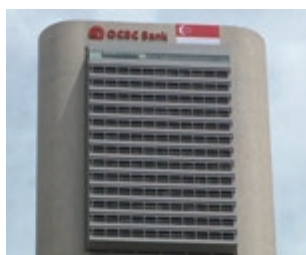
19 RIKEN ELASTOMERS CORPORATION



20 RIKENTECHNOS VIETNAM CO., LTD.

Overseas Affiliated Companies	Main Business Fields	Address	Capital Stock	Shareholding
¹³ RIKEN (THAILAND) CO., LTD.	Manufacturing and sale of compounds	Pathum Thani, Thailand	THB 120 million	40%
¹⁴ RIKEN ELASTOMERS (THAILAND) CO., LTD.	Manufacturing and sale of high-functionality plastic compounds	Ayutthaya, Thailand	THB 300 million	100%
¹⁵ PT. RIKEN INDONESIA	Manufacturing and sale of compounds	West Java, Indonesia	USD 10 million	61.84%
¹⁶ SHANGHAI RIKEN TECHNOS CORPORATION	Manufacturing and sale of compounds	Shanghai, China	USD 7.5 million	70%
¹⁷ RIKEN TECHNOS (JIANGSU) CORPORATION	Manufacturing and sale of food wrapping films	Jiangsu Province, China	USD 13.5 million	92.59%
¹⁸ RIMTEC CORPORATION	Manufacturing and sale of compounds	New Jersey, U.S.A.	USD 10 million	51%
¹⁹ RIKEN ELASTOMERS CORPORATION	Manufacturing and sale of high-functionality plastic compounds	Kentucky, U.S.A.	USD 15.1 million	100%
²⁰ RIKEN TECHNOS VIETNAM CO., LTD.	Manufacturing and sale of compounds	Binh Duong, Vietnam	USD 10 million	100%
²¹ RIKEN TECHNOS INTERNATIONAL PTE. LTD.	Supervision of sales companies Wholesaling and import/export of plastic products	Republic of Singapore	SGD 2.19 million	100%
²² RIKEN (SHANGHAI) CORPORATION	Wholesaling and import/export of plastic products	Shanghai, China	RMB 5 million	100% (50%)
²³ RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	Wholesaling and import/export of plastic products	Seoul, Republic of Korea	KRW 600 million	100% (50%)
²⁴ RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.	Wholesaling and import/export of plastic products	Ho Chi Minh City, Vietnam	USD 100 thousand	100% (100%)
²⁵ RIKEN U.S.A. CORPORATION	Sales and marketing of functional film products	Michigan, U.S.A.	USD 3.9 million	100%
²⁶ RIKEN TECHNOS EUROPE B.V.	Sales and marketing of functional film products	Amsterdam Zuidooost, The Netherlands	EUR 400 thousand	100%

The figures in () in the shareholding column are the ratios of indirectly owned shares, held by RIKEN TECHNOS subsidiaries.



²¹ RIKEN TECHNOS INTERNATIONAL PTE. LTD.



²² RIKEN (SHANGHAI) CORPORATION



²³ RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION



²⁴ RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.



²⁵ RIKEN U.S.A. CORPORATION



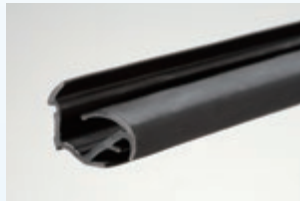
²⁶ RIKEN TECHNOS EUROPE B.V.

RIKEN TECHNOS GROUP Products

RIKEN TECHNOS GROUP products are manufactured for various uses that are part of everyday life.

Automotive (Exterior) Products

- Various molding compounds and films
- Compound for glass run channels
- Compound for wire harnesses
- Compound for grommets



Automotive (Interior) Products

- Compound for seat belt covers
- Film for windows
- Compound for shift knobs
- Film for interior panels



Construction Products Material Products

- High grade wall covering film
- Compound for insulating window frames
- Surface decorative film for kitchen and other uses
- Film for bathroom walls



- Compound for construction products materials and components



Handrails



Curtain boxes



Waist-high partition walls

Medical and Healthcare Products

- Compound for syringe gasket stoppers
- Compound for blood tubing
- Compound for cushion material for pillows
- Compound for transfusion tubes



Electrical Equipment Materials Products

- Compound for coating electric wires for equipment



- Compound for solar cable coating



- Film for flexible flat cables



Electronic Materials Products

- Film for Display Devices (REPTY® DC100)



Consumer Goods Products

- Compound for pen grips



- Film for tree grafting



- Compound for records



- Compound for suction hoses



- ETF elastomer® sheet for bags



Food Wrapping Products

- Wrap for Home Use and Commercial Use
- RIKEN BIG WRAP®



- Blue wrap



- F.O.R. WRAP®



- Cooking Paper (Soft)



- Garbage bags



Corporate Governance

Message from the Director



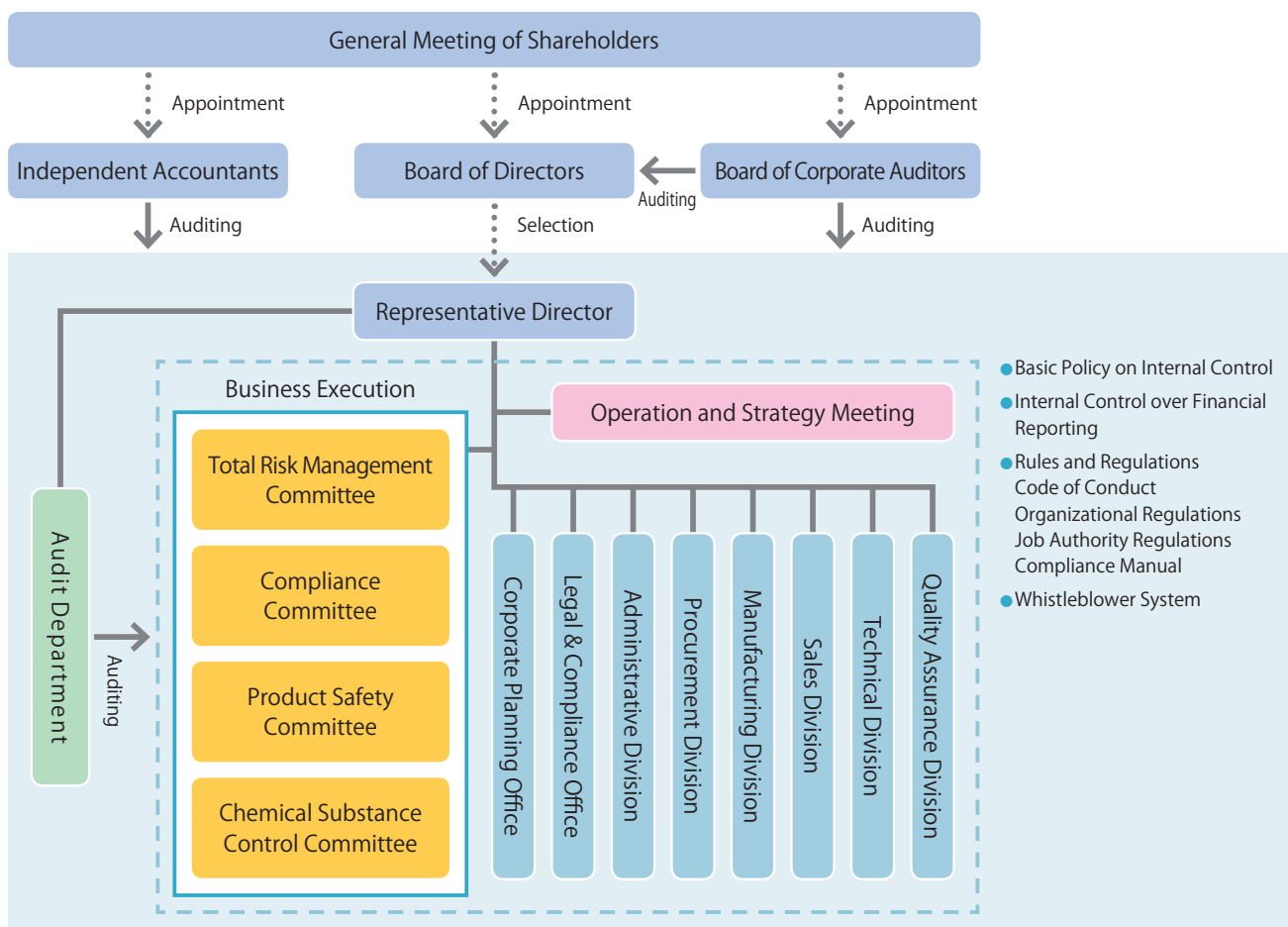
Hiroshi Nemoto

Director
RIKEN TECHNOS CORPORATION

Due to the commencement of the amendments to the Companies Act in May 2015, and the establishment of the Tokyo Stock Exchange's Corporate Governance Code in June 2015, Japanese companies are required to have stronger governance systems and internal control systems, which is also a common trend worldwide. In that environment, in order to accomplish sustained growth and fulfill its social responsibilities, it is essential for RIKEN TECHNOS GROUP, which has developed manufacturing and sales operations in Japan and eight countries around the world, to build effective corporate governance systems and internal control systems across the whole of the Group. As an outside director, utilizing the knowledge acquired through my previous employment history, and valuing the standpoints of shareholders, business partners and consumers, I will do my utmost to develop and strengthen those systems.

Corporate Governance System

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



RIKEN TECHNOS GROUP Code of Conduct

To ensure that RIKEN TECHNOS GROUP is trusted by society, we established the RIKEN TECHNOS GROUP Code of Conduct as our basic policy for promoting corporate social responsibility, and all directors and employees carry out their business activities in

accordance with that Code. We also created cards summarizing the Code of Conduct. Each employee carries a card and endeavors to practice the standards in the Code of Conduct.
(<http://www.rikentechnos.co.jp/e/CompanyInfo/corporatebehaviormorms.html>)

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

The Policy on Internal Control Systems was established to ensure the implementation of the RIKEN TECHNOS GROUP Code of Conduct.

Highlighted below are matters pertaining to each of the Group companies that should be noted in relation to corporate governance, including matters of particular importance in the

amendments to the Companies Act, which commenced in May 2015.

For further details, visit the RIKEN TECHNOS website or the Corporate Governance Information Search on the website of the Tokyo Stock Exchange.

Systems to ensure the performance of directors' and employees' duties in compliance with laws and regulations and the Articles of Incorporation

- All the directors, including the Representative Director and President, ensure that all officers and employees are aware of the fundamental importance of compliance in all business activities with the RIKEN TECHNOS GROUP Code of Conduct, laws and regulations and the Articles of Incorporation.
- The general manager of the Legal & Compliance Office is appointed as the Chairperson of the Compliance Committee, and details of the Committee's activities are appropriately reported to the Board of Directors. In addition, the Legal & Compliance Office provides compliance training to all officers and employees.
- Group companies have no relationships whatsoever with any anti-social forces and organizations that threaten the stability and order of civil society. Furthermore, they resolutely refuse to yield to any unreasonable demands by anti-social forces and organizations.

Systems to ensure proper business operations in Group companies

- As the department responsible for management of the company's subsidiaries, the Corporate Planning Office is in charge of providing guidance on development of internal control systems and thorough information sharing in the company's subsidiaries.
- The Corporate Planning Office manages and supervises the company's subsidiaries, based on the Consolidated Subsidiaries Management Regulations, to ensure that reporting to the company and approvals by the company are appropriately carried out. Risks of loss are also managed by the Corporate Planning Office through that management and supervision.
- The Legal & Compliance Office makes the RIKEN TECHNOS GROUP Compliance Manual widely known to officers and employees of all the Group companies, and works to develop the Group companies' compliance systems and resolve problems.
- The Audit Department conducts regular business audits of each of the Group companies, and ensures that all the companies' business activities comply with laws and regulations, and are effectively administered in accordance with management standards. It also carries out inspections and assessments to determine whether management standards are functioning appropriately for the purpose of achieving management targets.

Internal Control over Financial Reporting

RIKEN TECHNOS GROUP has created a basic policy for developing, applying, and evaluating internal control over financial reporting, in accordance with the Financial Instruments and Exchange Act, and the policy has been applied since the settlement of accounts period in March 2009.

RIKEN TECHNOS GROUP's internal control over financial reporting in the March 2015 settlement of accounts period was found to be effective, and the internal control report was submitted 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 accessed from the Corporate Governance Information Search on the website of the Tokyo Stock Exchange.

Independent Directors

In accordance with Rule 436-2 of the Tokyo Stock Exchange Regulations, RIKEN TECHNOS has three independent officers (one outside director and two outside auditors).

Whistleblower Hotline

RIKEN TECHNOS has whistleblower regulations and has established a whistleblower hotline which employees can use to report or receive advice about possible breaches of laws, regulations or rules. In addition, in May 2015, a new system was established for third party contact through a law firm. Anonymity is ensured to prevent informers being identified within the company, and rigorous measures are taken to make sure that no detriment is suffered by informers.

Information Security

RIKEN TECHNOS tries to minimize information security risks through access restriction, data encryption and other methods. In addition, we have installed the latest protection system against unauthorized access.

To protect personal information, we have established and enforce the Basic Regulations on the Protection of Personal Information, and the Rules for Handling of Personal Information, in accordance with the Act on the Protection of Personal Information.

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 Division



Masamitsu Sumiyoshi

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

The Sales & Marketing Division promotes initiatives with customers through market orientation.

The Division values partnerships with customers. We are constantly aware of the need to identify market trends and respond quickly and precisely to changes in the market. We aim to contribute to customers’ development by means of our products and proposals. Through initiatives with our customers, our six business units – Construction Products Material, Electronic Materials, Automotive, Medical & Consumer Goods, IT & Electronics and Solution – in conjunction with the Technical Division, Manufacturing Division and Quality Assurance Division, provide improved quality of life and a safe, affluent society in the respective markets.

Message from the General Manager of Technical Division



Hirofumi Otani

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

Together with our customers, the Technical Division develops new products that “create value” and “begin a story.” We supply new products at the “speed of light” through our relationships with markets, customers and a wide variety of companies.

We pursue challenges so that we can continue providing new value and joy and always impress our customers.

Collaborative developments with entrepreneurs are also sought to help create cutting-edge innovations.

Expositions

To promote its products more widely to customers, RIKEN TECHNOS opens exhibition booths at expositions.

“6th FilmTech Japan”

Date : April 8 to 10, 2015
Location : Tokyo Big Sight

“Automotive Engineering Exposition 2015”

Date : May 20 to 22, 2015
Location : Pacifico Yokohama



“FilmTech Japan” booth



Our employees at the “Automotive Engineering Exposition 2015”

Customer Feedback

Since its establishment, RIKEN TECHNOS has been able to develop through the support of its many customers. We will continue to listen sincerely to customer feedback, and fulfill our role as a material solution supplier.

Junji Iida

Managing Director
Yamaichi kako Co., Ltd.

I joined Yamaichi kako more than 40 years ago, and since that time, have had a long association with RIKEN TECHNOS, primarily with its compound products. Usually contact with suppliers is only through sales staff, but in the case of RIKEN TECHNOS, I can also communicate and exchange information directly with technical personnel. Thanks to your abundant testing facilities and accurate back data, as well as strong technical capabilities, I have been able to maintain a long association with your company. To be honest, for a time responses from your company were slow. However, the organization changed, and now it responds quickly and smoothly. Going forward, I intend to take advantage of new functional materials introduced by RIKEN TECHNOS when our company launches new products. I wish your company all the best for its future development.



Benedetto Borrometi

Member of the Board
Micronex (Italy)

My relationship with RIKEN TECHNOS started in 2004 and it has been interesting, positive and fruitful. Two main points to be reported: RIKEN TECHNOS products and people. Products by RIKEN TECHNOS are high quality, very distinctive from those by competitors, as a market leader. Customers appreciate this high quality level. RIKEN TECHNOS R&D has shown its creativity developing new colors and decor, stimulating the market. Also participation in selected expos contributed to making the name of RIKEN TECHNOS more well-known. I had the chance to meet and to work with several RIKEN TECHNOS people and I have to say that it always has been easy to establish productive business cooperation as well as personal friendships. Market situation has changed in the last few years due to more competitors from different countries, but I am confident that RIKEN will be in a condition to recover its position as market leader.



Annick Surprenant

President
Thermovision (Canada)

Our relationship with RIKEN U.S.A./RIKEN TECHNOS started as soon as my father established our company in 1990. We have developed an expertise that specializes in the manufacturing of high-end doors, accessories, and furniture components with state-of-the-art equipment and a 50,000 square feet facility. Thermovision has extensive production capabilities that use cutting edge technology. RIKEN TECHNOS' thermofoil materials are key to our success. Thermovision and RIKEN TECHNOS were involved in the INTEGRA program by Uniboard, the leading board manufacturer in North America. The INTEGRA program is the first to have a matching program in melamine boards, 3D laminates, HPL, edge banding, etc., which is an innovative program in the market and is still in effect. RIKEN TECHNOS' quality materials contributed a lot to the success of the program. We would like to work with RIKEN U.S.A./RIKEN TECHNOS more to grow together as a partner with RIKEN TECHNOS' avant-garde products.



Undertaking New Challenges

The following are some new products developed by RIKEN TECHNOS.

Adhesive compound OGMER®

OGMER® is a compound that can adhere to cyclic polyolefins and polar resins. Combining gas barrier characteristics and transparency, it can be processed into multilayer film. We are seeking to develop its use in the pharmaceutical, food and industrial fields.

ETF elastomer® sheet

ETF elastomer® is a highly crosslinked styrene elastomer. We digitized pleasant tactile sensations felt by people, and based on that data, succeeded in developing material with a touch that warm like wood, smooth like silk, and soft like leather. At the same time as having a smooth, pleasant feel, ETF elastomer® is a functionally superior elastomer sheet with resistance to chemicals, heat and weather.



Bag made with ETF elastomer® sheet



Color variations of ETF elastomer® sheet

Relationship to Customers

Product Quality Assurance

Message from the General Manager of Quality Assurance Division



Takashi Shimada

Director, General Manager of
Quality Assurance Division
RIKEN TECHNOS CORPORATION

The activities of the Quality Assurance Division are based on our quality policy, which is “always focusing on customer first and quality first to provide highly reliable products and services.”

We have worked to organize the Quality Assurance Division and enhance the global supply system so that the same RIKEN TECHNOS quality can be provided worldwide. With the goal of “realizing zero defects and zero industrial accidents by enthusiasm and thoroughness,” we improved ISO 9001 systems through quality audits in our domestic and overseas affiliated companies, and implemented promotion of the 5S activities. As a result, we have been able to increase quality awareness and improve customer satisfaction.

Also, we are improving product creation that is in harmony with the environment and reducing environmentally hazardous substances and waste.

RIKEN TECHNOS utilizes ISO 9001 ^{*1} systems. Each production site has a product quality assurance section and carries out thorough quality control over the whole process from acceptance of raw materials until delivery of products. Additionally, we strive to improve product quality by holding Quality Improvement Committee meetings in each production site and division every

month to control defective products, improvement measures, and the status of implementation of improvements.

Also, starting at the product development stage, to satisfy customer requirements, we focus on material designs that can provide stable product quality, and are actively developing new materials and other products that are environment-responsive.

Product Development Safety Considerations

◆ Handling of Product Liability

Product safety is the responsibility of manufacturers, and we have been keeping this in mind since the company was established. Also, in January 1995, taking advantage of the opportunity provided by the establishment of the Product Liability Law, ^{*2} we initiated systems to prevent the occurrence of PL problems, and are working to further enhance product safety.

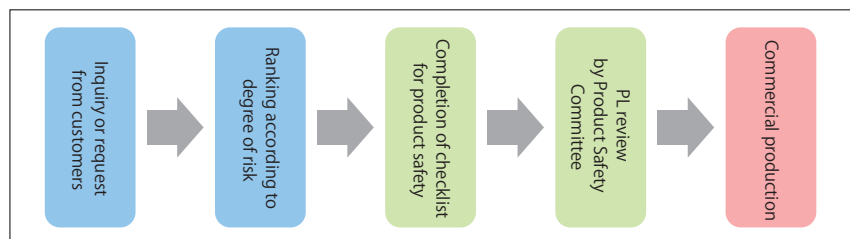
Product Safety Policy (according to Product Safety Standards)

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

● Organization of Product Safety



● Procedure for Judgment about Product Safety



Strict Control of Chemical Substances for Safety

◆ Protection of production lines from contamination by specified chemical substances

Our production lines are designed to prevent contamination by specified chemical substances regulated by ELV and RoHS commission directives.

◆ Chemical Substances Management Committee

We have established Chemical Substances Management Guidelines, and prohibit the use not only of chemical substances banned by

laws and regulations, but also those subject to Type I and Type II Monitoring stated by the Chemical Substances Control Law. We have also voluntarily reduced the use of chemical substances that should be avoided in terms of occupational safety and health.

^{*1} ISO 9001: International standards for quality management systems, which can be used for responding to organizations' customer and market needs through quality assurance of products and services.

^{*2} Product Liability Law: Established in Japan in July 1995.

We greatly appreciate the support of our shareholders.

We do hope you will give us further support and encouragement in the future.

Disclosing Information

We have always practiced prompt, precise and fair information disclosure from the shareholders' and investors' points of view. We try to actively disclose information beyond the timely disclosure standards of the Tokyo Stock Exchange to increase general understanding of our business activities and strategies. Also, we have finance and IR pages on our website, and promptly post information, such as financial results summaries, timely disclosure material, and securities reports, on the site after disclosure.

Policy on Distribution of Profits

RIKENTECHNOS has always endeavored to continue paying stable dividends. To maintain adequate internal reserves for actively developing the business and provide return of profits to all shareholders, the effective use of surplus, including purchasing of the company's own shares, is decided upon after full consideration by the Board of Directors. With respect to dividends for the fiscal year ended March 2015, as in the previous year, dividends of JPY 5 per share were paid, providing annual dividends of JPY 9 per share, including interim dividends.

Fiscal Year (Record Date)	Dividend per Share		
	Interim	Year End	Annual
FY 2010 (March 31, 2011)	JPY 4.00	JPY 4.00	JPY 8.00
FY 2011 (March 31, 2012)	JPY 4.00	JPY 5.00	JPY 9.00
FY 2012 (March 31, 2013)	JPY 4.00	JPY 5.00	JPY 9.00
FY 2013 (March 31, 2014)	JPY 4.00	JPY 5.00	JPY 9.00
FY 2014 (March 31, 2015)	JPY 4.00	JPY 5.00	JPY 9.00

Issuing of Convertible Bonds

On March 19, 2015, we issued yen-denominated convertible bonds to raise 4 billion yen. The bonds have a five year maturity period with redemption in 2020, and are zero interest rate zero-coupon bonds, providing for interest rate increases in the future. Also, by setting a conversion value exceeding the current price at the time of issuing, the dilution of earnings per share is reduced, while taking existing shareholders into consideration. Increases in equity capital through conversion to shares using own company shares held by the company are also possible.

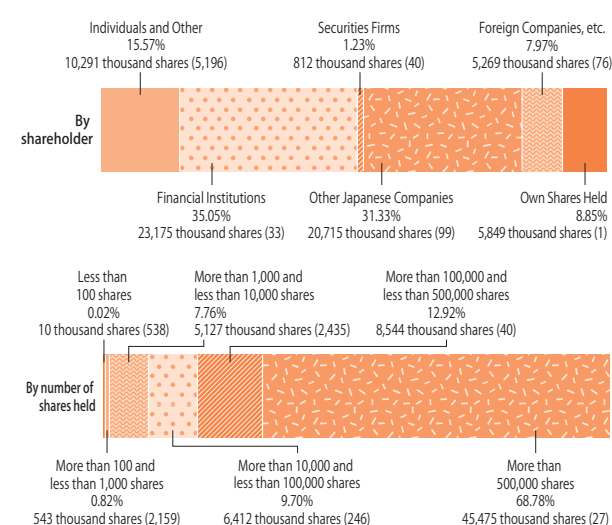
The funds raised will be used to increase capital for capital investment in overseas subsidiaries, capital investment in the Gunma factory, and repaying borrowings incurred when the RIKEN FABRO CORPORATION shares were acquired.

Status of Shares and Shareholder Composition (As of March 31, 2015)

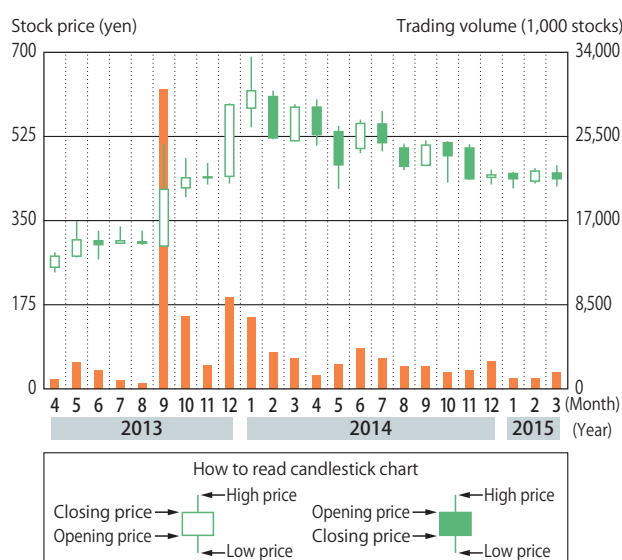
● Status of Shares

Total amount of authorized shares	236,000,000
Total amount of issued shares	66,113,819
Total number of shareholders	5,445

● Status of shares by shareholder and number of shares held



● Trends in stock price and trading volume



Relationship to Business Partners

RIKENTECHNOS GROUP endeavors to build better environmental management systems and quality management systems, including in the supply chain.

In addition, to reduce costs, we are expanding our procurement contacts and working to achieve competitive materials procurement.

Message from the General Manager of Procurement Division



Takeshi Sugie

Associate Director, General Manager
of Procurement Division and
Purchasing Department
RIKENTECHNOS CORPORATION

The Procurement Division carries out its activities pertaining to procurement and logistics while receiving various proposals and cooperation on a daily basis from many of our business partners. Various issues are dealt with including quality, safety, supply and cost, and we work to establish partnerships with our business partners based on mutual trust to enable us to have long term dealings with them. In addition, to provide for global procurement and delivery of raw materials in line with the expansion of our overseas sites, as well as BCP measures, we actively provide opportunities for new dealings, whether in Japan or overseas. In order to realize the company's mission of "continuously providing new value and satisfaction to people, companies and society," we work diligently to establish mutually beneficial relationships with all our business partners.

Procurement Policy

1 Fair Procurement Transactions and Selection

We deal with our business partners on an equal footing, offering fair and impartial access opportunities. Ordinarily, we purchase from multiple sources.

2 Creation of Partnerships

We maintain good relationships with our partners, respect human dignity, and avoid unfair discrimination.

3 Observance of Relevant Laws and Regulations and Self-management

We take care in the handling of confidential information with our business partners, observe social norms and relevant laws and regulations, and purchase material in accordance with the "RIKENTECHNOS GROUP Green Procurement Standard."

4 Business Partners' Status

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

Procurement System

The Purchasing Department of our Head Office Procurement Division and the Purchasing Section in each factory carry out purchasing operations.

Procurement Responsibilities

Purchasing Department Integrated purchasing of raw materials, negative films, fuel, packaging materials, materials related to expensive equipment, etc.

Each Factory's Purchasing Section Consumables, inventory goods, materials related to equipment, etc.

Supply Chain Management

In order to supply safer and more reliable products to our customers, RIKENTECHNOS CORPORATION is making efforts to build better environmental and quality management systems, with the cooperation of our business partners, including our supply chain. In FY 2014, we carried out quality audits including environmental matters of 15 of our raw material suppliers, manufacturing contractors, transport contractors, and industrial waste processing contractors, and improvements were made with their cooperation.

RIKENTECHNOS GROUP Green Procurement Standard

In order to provide eco-friendly products, it is indispensable to procure raw materials and secondary materials that place a reduced burden on the environment.

RIKENTECHNOS formulated its "Green Procurement Standard" regarding environment-related substances in FY 2004 and published it on the company's website. We added the affiliated companies within the scope of this standard and changed it to "RIKENTECHNOS GROUP Green Procurement Standard" in August, 2009.

We also formulated the "Green Purchasing Standard" with regard to the purchasing of office supplies such as stationery and OA equipment. We promote the purchasing of eco-friendly products to the extent possible.

* For details, please visit our company website.

Scope of Application

Materials that our products are directly composed of such as resin, plasticizer, stabilizer, filler, impact modifier, pigment, film sheet materials, coating materials, and adhesive materials, and also secondary materials such as packaging materials, release paper, etc.

Requirements

- Establishment of environmental management systems for business partners
- Achievement of environmental performance related to matters such as the management of environment-related substances
- Investigation and reporting on the environment-related substances

Business Partner Feedback

Mamoru Kadokura
President
Kaneka Corporation



RIKENTECHNOS and our company were established at around the same time, and have since been mutually involved in the PVC business over a long period. It started with the adoption of our PVC impact modifiers at your company's Kamata factory, followed by the commencement of deliveries of our PVC resin. As well as having the advantage of its technical strength in Japan, RIKENTECHNOS has rapidly developed its business globally. Our company is also a chemicals manufacturer that has expanded quickly overseas, and you could say that "technology" and "global" are common keywords of both RIKENTECHNOS and our company. Currently, our local factories are providing direct deliveries to your company's factories in North America and Asia. RIKENTECHNOS is also considering new global expansion. We will work to strengthen our raw materials and impact modifier technology so that we continue to be chosen by RIKENTECHNOS as a global partner.

Michitaka Sawada
Representative Director
Kao Corporation



We have been dealing with RIKENTECHNOS for many years in your company's mainstay business area of PVC compounds. Your company's PVC compound business is rated highly and trusted in the global market due to your technological strength and product development capabilities. In order to respond to the need in the automotive field for fuel saving by reduction in the weight of wire harnesses, and in the medical field for high quality PVC compound technology with improved usability, we supply various types of plant derived, natural alcohol based resin additives. We hope to continue working with your company towards its aims of product development in harmony with society and the environment, and to be able to contribute to new value creation through our company's chemical products.

Masaaki Ito
Representative Director and President
Kuraray Co., Ltd.



Our company has many dealings with your company in North America and Asia due to your active global development, but our dealings with RIKENTECHNOS date back to the launching of our thermoplastic elastomer products in early 1990. At the initial stage of commercialization, we were able to participate in your company's creative use development processes, and were confident of the future potential of that market. In particular, your company's development policies aimed at market needs and environmentally friendly products and your visionary technical capacities became a guide for technical development directions in our elastomer business. Allow me to take this opportunity to express our deep gratitude for that assistance. Looking ahead, we hope to continue contributing to your company's ability to provide socially and environmentally friendly products and services.

specified by RIKENTECHNOS CORPORATION, and submission of "Measurement data of RoHS 6 substances" and "Chemical substances content information sheet"

Implementation

We will procure raw materials and secondary materials that do not contain banned environment-related substances, or those with determined amounts of controlled substances. In addition, we may request business partners to change to raw materials and secondary materials that are assessed to be safer and more environmentally friendly.

Green Purchasing Standard

Scope of Application

Paper and other stationery, copying machines, PCs and other OA

equipment, automobiles, etc. that are purchased or leased at our head office, branch offices, sales offices, factories and R&D centers.

Requirements

Must satisfy standards in accordance with the Act Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchasing Law) of low burden on the environment and absence of hazardous substances.

Operation

We actively ask our business partners to introduce us to environmentally friendly products.

Environmental Actions Taken in the Logistics Process

- We aim to increase carrying efficiency by using an automatic dispatching system.
- We aim to increase the ratio of loading trips to total trips by using vehicles returning from delivery.
- We are eliminating and consolidating logistics hubs.
- We will fulfill our responsibly as a specified consigner in accordance

with the Energy Saving Act. Our objective is to reduce our yearly energy consumption rate by 1% over the medium to long term.

- By collecting pallets from users, we aim to reduce the numbers used and promote the transition to plastic pallets to conserve timber resources.
- We will participate in green logistics promotion projects.

Active Pursuit of Quality and Safety

- We recommend that our transportation partners obtain ISO 9001 certification and G-Mark certification (business with excellent safety standards).

Kameyama Kyuso K.K.

G-Mark Certification

Registration date: January 19, 2007

Expiration date: January 18, 2017

ISO 9001 Certification

Registration date: May 9, 2003

Expiration date: May 8, 2018

Motegi Co., Ltd.

G-Mark Certification

Registration date: December 20, 2007

Expiration date: December 31, 2015

ISO 9001 Certification

Registration date: March 10, 2000

Expiration date: April 1, 2016

ISO 14001 Certification

Registration date: October 29, 2004

Expiration date: April 1, 2016

Transportation Volume and CO₂ Amount Generated

Transportation	FY 2012Result	FY 2013Result	FY 2014Result
Transportation Volume(tkm)	31,301,000	28,189,000	25,248,700
CO ₂ Amount Generated(t-CO ₂)	5,433	4,911	4,400

Relationship to Society

RIKEN TECHNOS GROUP is involved in various activities with the local community surrounding each site to promote harmonious coexistence and understanding of our business activities by the community.

Interaction with the Local Community

◆ Saitama Factory

- Conduct a group meeting with residents living near the factory (once a year)
- Conduct workplace experience for junior high school and high school students
- Support for Fukaya City Okabe Cosmos Festival
- Support for Fukaya City Okabe Fureai Carnival
- Support for and participation in Fukaya City half marathon race
- Support for Summer Festival held by neighborhood community association
- Support for Fukaya City Okabe district sports festival
- Sponsoring local community grand golf tournament
- Blood donation (twice a year)
- Clean up around the factory to the nearest railway station
- Participation in the "Indoor fire hydrant operation drill by in-house firefighting team" staged by Fukaya City Bureau of Fire Prevention and Public Safety and Fire Department Headquarters



Mascot of Fukaya City,
Saitama Prefecture
"Fukkachan"



Saitama Factory: Children's portable shrine



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



Participation in Fukaya City half marathon race



Saitama Factory: Visit from the mayor of Fukaya City for promotion of the Fukaya City mascot, "Fukkachan"

◆ Mie Factory

- Host a group meeting and a factory tour for residents living near the factory (Once every two years)
- Conduct workplace experience for junior high school and high school students
- Support for and participation in the Kameyama City Summer Evening Festival and the Kameyama City Ekiden relay
- Support for the Sekiyado Summer Evening Fireworks Festival
- Donation to Children's Festival held by local community association
- Conduct blood donations in the factory (twice a year)
- Provided exhibits to the Kameyama Highway Oasis Museum
- Donation to Red Feather Community Chest (once a year)
- Support for music festival in Kameyama City (Kameyama Music Jamboree)
- Conducting traffic patrols around the factory area
- Support for the Menmen Well-Being Festa 2015 (a "barrier-free heart activity")
- At the 53rd Traffic Safety National Campaign Central Convention, received a Traffic Safety Group Achievement Award (44 groups nationwide)
- Host a factory tour for high school students



Mie Factory: Kameyama City Summer Evening Festival



Mie Factory: Children's portable shrine



Mie Factory: Traffic patrols

◆ Gunma Factory

- Support for summer festival sponsored by the local government

◆ R&D Center (Tokyo)

- Support for Minami-Rokugo 2-chome Association Festival

◆ Head Office

- Providing votive lanterns to the Ebisu Shrine Festival held in conjunction with the bettarazuke (daikon pickles) market



Bettarazuke market

Protecting the Local Environment

We participate in various volunteer activities that help to protect the environment.

◆ Saitama Factory

- Clean up around the factory (once a month)
- Clean up along the road from the factory to Okabe railway station (twice a year)
- Reduction of waste by separating garbage
- Providing guidance on car idling reduction for suppliers and workers



Saitama Factory: Clean up around the factory

◆ Mie Factory

- Clean up the road around Mie factory and river bed (twice a year)
- Participation in volunteer cleanup activities held by Kameyama City (twice a year) ("River and Sea Cleanup Operation" and "Campaign to Stop Illegal Dumping")
- Contribution to the "Green Fund" (twice a year: spring and fall) Sponsored by the Mie Land Afforestation Promotion Organization
- Support for "Kameyama Forests Ecology" forest environmental maintenance activities, and participation in forest environmental maintenance volunteer activities (four times a year)
- Participation in the Ministry of the Environment's Light-Down Campaign



Mie Factory: Campaign to Stop Illegal Dumping

Relationship to Society



Mie Factory: Kameyama Forests Ecology forest environmental maintenance activities



Mie Factory: Clean up around the factory

◆ Gunma Factory

- Clean up around the factory at the time of safety patrols (bimonthly)
- Separating and disposing of garbage for recycling
- Promotion of energy-saving activities
- Use of solar power generated renewable energy
- Contribution to CO₂ reduction in the broad sense by selling electric power generated from photovoltaic power generation facility

◆ R&D Center (Tokyo)

- Clean up around the R&D center (twice a year)
- Separating and disposing of garbage for recycling
- Promotion of energy-saving activities (throughout the year)
- Complete disposal of all PCB wastes

Contribution to Society

In the U.S., employees of RIMTEC CORPORATION and RIKEN ELASTOMERS CORPORATION participate in the United Way*1 fund-raising campaign each year.

Also, employees of RIKEN ELASTOMERS CORPORATION in the U.S.

contribute to society by conducting various activities as members of the local chamber of commerce, as well as participating in and contributing to educational activities in schools.

Receipt of a small to medium enterprises award from United Way

The U.S. RIKEN ELASTOMERS CORPORATION received a small to medium enterprises mutual support award from United Way. In her speech, Pennyrile United Way's Jennifer Maddux said that "RIKEN ELASTOMERS CORPORATION's contribution has been increasing each year. Also, giving its employees the opportunity to participate in United Way activities, including Laura Thomas's leadership, have been the basis for this year's award."



Jennifer Maddux visited RIKEN ELASTOMERS CORPORATION to present the award to President Kajiyama

*1 United Way: America's largest charitable organization.

*2 Gateway Academy: An organization that supports children

Activities at Gateway Academy*2

RIKEN ELASTOMERS CORPORATION's Laura Thomas and Gerald Bennett participated in a project organized by Gateway Academy. The theme of the project was "Bridge Design," and it was aimed at teaching mathematics, engineering, English and other skills. The students carried out model making, discussed procedures and calculated costs.

Laura Thomas said, "I believe that Gateway Academy initiatives, which are aimed at technological innovation, will provide us and other local companies with promising human resources for the future. I hope we will continue to provide both individual and monetary support to the Academy."

Internships

We are proactive in hosting workplace experience and internship programs for high school students who will be the workers of the future in society. The programs are offered at both the Saitama

and Mie factories, which offer hands-on experiences with film manufacturing processes and equipment maintenance.

The following are summaries of student workplace experience programs at the Saitama factory conducted in January 2015. Participants were given hands-on experience in film products, household wrap manufacturing processes, and engineering activities.

Saitama Factory: Saitama Prefectural Kumagaya Technical High School

Student representative, Electrical engineering studies

I participated in a four-day internship. I spent the first three days collecting samples of manufactured film and carrying out packaging work in the Film Production Division. The person supervising me taught me in a very kind way from the start, so I didn't feel as confused on the second and third days as on the first day. During the internship period, I ate lunch in the staff canteen, and the food was delicious and filling. I completed the four days safely, without any injuries, and had a very satisfying time. I won't forget the things I experienced during the internship and the things that I learned, and I'll refer to them when I'm considering my future career.



Workplace experience at the Saitama Factory

Saitama Factory: Saitama Prefectural Kumagaya Technical High School

Student representative, Mechanical engineering studies

I was able to learn lots of things during my internship. When I learned that RIKENTECHNOS had accepted me, I looked into what type of company it is before beginning my internship. I found that it is a larger business than I imagined, and I was a little unsure of whether I'd really be able to work there. When I started the internship, I was nervous, but as the company's employees taught me in a kind and polite way, I was able to do my work without feeling tense. My work was mainly film packing. It was hard to prevent looseness and creasing, and when I saw how quickly and neatly the company employees carried out the packaging, I was really impressed. There were lots of things that surprised me when I learned about the film production process. Those four days were extremely satisfying. I'm very grateful to the Administration Department, the Film Production Section 2, the Engineering Division and the other company employees who looked after me.



Workplace experience at the Saitama Factory

Relationship to Employees

RIKENTECHNOS GROUP aims to have each employee “attain personal growth through his or her job,” and in order to create a better working environment, a number of different programs have been established.

Message from the General Manager of Administrative Division



Junji Irie

Director, General Manager of
Administrative Division and General
Manager of General Affairs Division
RIKENTECHNOS CORPORATION

In FY 2015, the last fiscal year of the RIKENTECHNOS three-year mid-term business plan, one of our major tasks has been to achieve “thorough cultivation of human resources.”

In order to “foster and strengthen global human resources,” which is an important element of support for global development, we endeavour to create opportunities for employees to gain various types of overseas work experience and challenges. This applies regardless of the employee’s age, and in all the divisions, not just the technical, sales & marketing, and manufacturing divisions. Currently, around 40 Japanese employees are continuously stationed in our group’s overseas sites, and opportunities for many employees to become involved in overseas work, including business trips, are steadily increasing. At the same time, I get a real feeling that employees’ awareness of a “barrier between Japan and overseas” is decreasing. By advocating for a true “global = borderless” company, we are striving to increase the corporate value of the RIKENTECHNOS GROUP.

Management Training

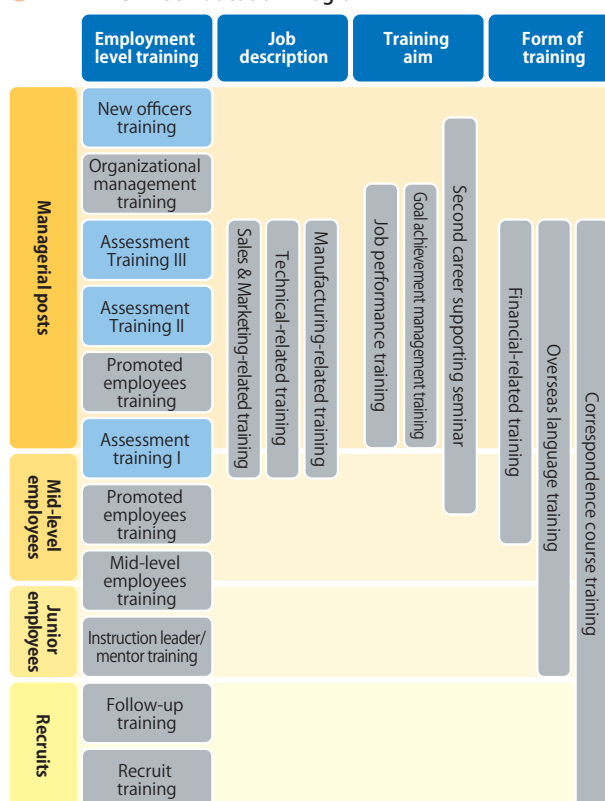
We conduct “Organization Management Training” for our assistant managers. With the aim of enabling them to acquire strategic

thinking and process management skills, we are implementing “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 encouraging dedicated workers, under the slogan, “We support employees who aim to grow!” As a part of these measures, we have introduced a personal assessment program, with an interview process to understand the desires, requests 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, creative, and practical. Additionally, to ensure that each employee can carry out his or her role, a job performance assessment program has been introduced into the personnel system to encourage employees to “grow through their work.” By means of these activities, we aim to achieve the creation of a high value-added corporate foundation through the growth of each employee.

RIKENTECHNOS Education Program





Personal computer class at the Saitama Factory. Classes are attended mainly by manufacturing division employees, who have few opportunities for using PCs, and are aimed at improving work efficiency.



Beginner level English conversation course at Mie Factory. Teacher (Benjamin) with students.

Inheriting "The Spirit 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 2014, three trainees

have come from PT. RIKEN INDONESIA in Indonesia to receive training at the Mie Factory.



JAFAR SHODIK
PT. RIKEN INDONESIA

I have learned many things here, and I would like to also apply them in Indonesia after I return home.

For example, in Japan, safety rules are followed, the 5S activities are done well, and improvements are continuously being made. 5S activities are things like clearly garbage into different types, and keeping spare parts in order so they are easy to find. Also, we clean the workshop. To keep people safe, signs to avoid injuries are put up in hazardous places.

As Japan is an advanced country, there are many people who want to work here. I think I am lucky to be one of those people who is able to learn skills in Japan.



SUR YADI
PT. RIKEN INDONESIA

When I came to RIKENTECHNOS, I was really surprised. Everything is quite different from RIKEN INDONESIA. For example, work is easy to do here because

there are robots. Cleaning is simple, even by yourself. Because there are no robots in RIKEN INDONESIA, even two people are not enough at cleaning time. All the people in the company here work in similar ways. Even people in general affairs and administration do cleaning. Before I worked at RIKENTECHNOS, I'd never seen that happening. I was impressed. Also, it's hard for me to explain in words but, because I've had a lot of new experiences, and because people in the company are always considerate towards me, I'm really very happy. And I'm grateful.



SOLI HIN
PT. RIKEN INDONESIA

RIKENTECHNOS is a big, excellent company. It has a variety of machines and products, and its factories are spacious and clean.

The 5S rules are used, and Improvements are always being made to increase product quality. Everybody in the company is very nice. I've received practical training and I've worked hard during my two years in Japan.



Trainees are welcomed to the Mie Factory



Japanese language class

Relationship to Employees

Support for Raising Children

◆ Leave of Absence System for Childcare

Employees (males included) can take 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 have been utilizing this system.



Kuniko Taira

Management Group
R&D Center, Technical Division

I was granted maternity and childcare leave, and returned to work in April after four months' leave. At first, I was worried about managing both work and child raising, but I was allowed to reduce my working hours, and if my child suddenly gets sick or there is some other such problem, the company understands and cooperates with my needs. I'm very grateful for being able to work in such an environment. I'm really busy every day, but each day is much more fulfilling than before. It's good that I'm able to grow with my child while enjoying both work and childcare.

◆ Shorter Working Hours System for Childcare

Employees with childcare responsibilities are entitled to reduce their working hours to six hours a day. They can choose their manner of working to suit home and nursery school schedules, and other individual circumstances. This system can be used until the children begin elementary school. Currently, three employees have been utilizing this system.



Mamiko Yamada

R&D Office 5
R&D Center, Technical Division

I returned to work after taking maternity and childcare leave for one year and five months. I have time constraints due to my two hours' reduction in working hours, but I'm doing the same work as a developer as I was before my child was born. The stimulation I get from the sense of achievement from my work and the human relationships also helps me to cope emotionally with child raising. My daughter is now thoroughly comfortable with nursery school, and amazes me every day by the things that she remembers, both good and bad. It can be hard at times, but every day is fulfilling. I'm really thankful for the cooperation of my colleagues at work and my husband.

Diversity of Employees

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

and currently some of our female employees have achieved managerial positions. We are also actively engaged in recruiting overseas employees.

Re-employment System

Having employees working beyond our official retirement age of 60 years old offers benefits to both the employees and our company. For the company, it facilitates the transfer of technical

skills, and for employees, it provides financial security. Therefore, we introduced a re-employment system from FY 2006, aimed at union members and management.

Commendation System

We have established commendation regulations and an employee inventions system. Commendations are given for improvement suggestions and inventions, which help to improve work

efficiency, reform business structures or enhance employee motivation.

Engraining Our Corporate Philosophy

The company has established four systems for engraining our corporate philosophy, the "RIKENTECHNOS WAY," among our employees. One of them is the "Challenge Project" system, the first of which started in 2012 and was completed in March 2015. The results have been recognized in commendations given by the President. In addition, the "Thank You Card" system, in which employees express their feelings of gratitude to each other, is also being introduced in our overseas sites. We also give commendations to employees who have received the most Thank You Cards.



Presentation to officers for the first Challenge Project



Project members of the first Challenge Project receive commendations from President Shimizu. From left are Toshiyuki Yajima (Saitama Group, Engineering Department), Rikuo Shimizu (Project leader, R&D Office 3, R&D Center, Technical Division), President Shimizu, and Yasuhiro Torii (Compound Production Section 2, Mie Factory).



Ayami Kohinata (Computer System Development Department) receives an award from President Shimizu. "I receive work requests from the company employees, but I actually handle them with members of the Computer System Development Department and people who are senior to me. Anyway, I'm really happy to receive this award!" Ms. Kohinata was given the largest number of "Thank You Cards" in FY 2014.

Safety and Health Activities

Concept of Safety and Health Activities

RIKENTECHNOS, based on respect for people, considers occupational health and safety to be the most important foundation in business operations, and strives to maintain and improve a healthy and safe working environment.

Eradication of Causes of Dangers and Hazards through Risk Assessments

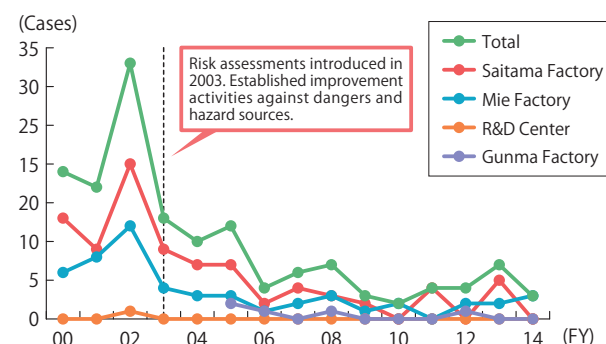
Following the introduction of risk assessments in 2003, prevention improvement activities were established to reduce potential dangers and hazards in the workplace through elimination and separation.

All employees work to achieve "Zero accidents" from "Zero risks" by participating in safety awareness and risks and systems improvement activities.

Total Industrial Accidents

The number of industrial accidents in recent years was four cases in 2012, six cases in FY 2013, and three cases in FY 2014

Companywide Trends in Industrial Accidents (absences and non-absences)



Review of Activities

In FY 2014, we focused on reeducation and a review of pointing and calling practices through safety awareness surveys of workers and safety video educational materials. Going forward, we will focus on education on using dangerous equipment, chemicals management, and getting workers accustomed to pointing and calling.

Prevention of Accidents Caused by Human Error

To achieve the ultimate goals of "Zero accidents" from "Zero risks" in the future, we are trying to prevent accidents liable to be caused by human factors.

Why do humans make mistakes? We investigate the actual cause of human errors, and take basic safety and preventive measures to predict and guard against incorrect use.

Relationship to Employees

Message from the Director



Yoshitaka Okouchi

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

RIKEN (THAILAND) CO., LTD.

Strengthening the relationship with its employees

In order to strengthen the relationship between the company and its employees, each year RIKEN (THAILAND) CO., LTD. awards scholarships to children of employees, aimed at increasing the children's desire to study. The scholarships are awarded after a strict and impartial assessment process. This year, 13 applicants received scholarships, and an award ceremony was conducted at the factory. In addition, we received thank you letters from the children, which are displayed at the factory. Receiving the children's simple messages also encourages the employees to aim for their own "growth through work."

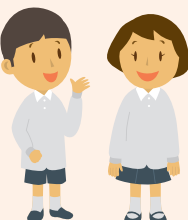
Scholarships System

RIKEN (THAILAND) CO., LTD. has established a scholarships system to support the education of children of its employees.

This year is the system's seventh year, and 13 children were awarded scholarships in FY 2015.

Children awarded scholarships in FY 2015 by RIKEN (THAILAND) CO., LTD.

Children Awarded Scholarships



**Pattaporn
Bupachart**



First
grade
student

Father =
Mr. Satis Pantong
Production/Medical

**Kongkiat
Hongkanak**



Second
grade
student

Father =
Mr. Chanyatis Hongkanak
Technical/R&D

**Supichaya
Butpetch**



Second
grade
student

Father =
Mr. Sapod Keangkoa
Personnel & GA/GA.

**Julaporn
Sinlapawong**



Third
grade
student

Father =
Mr. Ramet Sinlapawong
Production/Medical

**Lalana
Kampichit**



Third
grade
student

Father =
Mr. Wichai Kampichit
Logistic/Finished Goods

**Kittiphop
Ruksunchat**



Third
grade
student

Father =
Mr. Metee Ruksunchat
Production/Medical

**Chanya
Thongtong**



Fourth
grade
student

Father =
Mr. Kreangsak Thongtong
Production/Medical

**Suriwat
Chomchuen**



Fourth
grade
student

Father =
Mr. Tanongsak Chomchuen
Production/General

**Chopaka
Laopiday**



Fourth
grade
student

Father =
Mr. Anocha Laopiday
Technical/QA

**Nattanicha
Phumkornsarn**



Fourth
grade
student

Father =
Mr. Arthit Phumkornsarn
Production/Medical

**Sarocho
Choomchart**



Eighth
grade
student

Father =
Mr. Montree Choomchart
Production/Medical

**Pornsinee
Koonlan**



Twelfth
grade
student

Father =
Mr. Prairoj Koonlan
Production/General

**Panitnart
Chansa-nga-ngam**



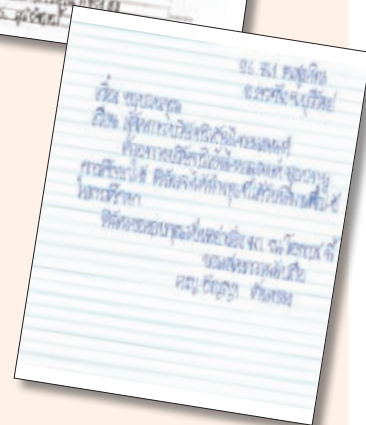
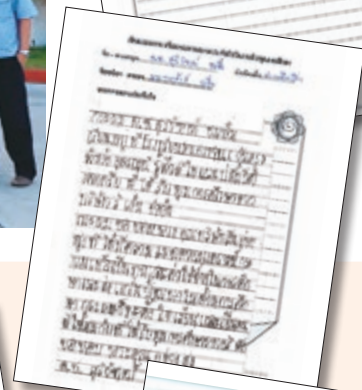
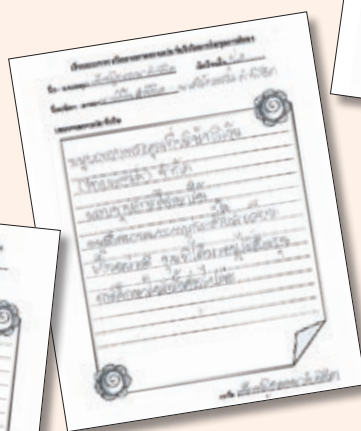
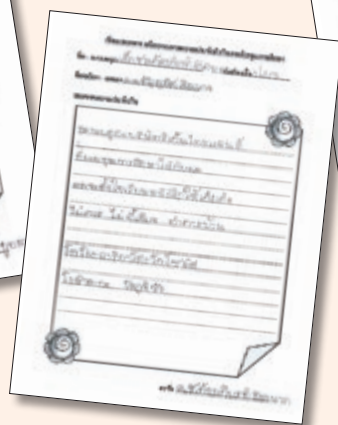
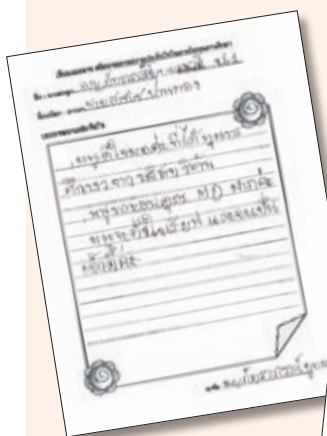
Twelfth
grade
student

Father =
Mr. Wasan Chansa-nga-ngam
Production/Medical



Scholarships Award Ceremony 2015

Messages from the Children



- I am very happy to receive this scholarship from RIKEN. Thank you very much, Mr. M.D. I will study as hard as I can and be a good girl.
Pattraporn Bupachart

- My name is Suriwat Chomchuen. I am studying at the Nong Han (Wangkru) School in Udon Thani Province. I am very happy to receive a scholarship from RIKEN. I am really grateful to the company for kindly giving it to me. This scholarship will provide money for my studies. I will be able to pay for my studies, so it will help my studies. I will study as hard as I can, and I will be a good boy who deserves the scholarship the company has given me. Thank you so much.
Suriwat Chomchuen

- Thank you very much for the scholarship I have received from RIKEN (THAILAND). I am very happy. I will study as hard as I can. I will save the scholarship money for my next studies.
Lalana Kampichit

- As RIKEN (THAILAND) has given me a scholarship, I will use the scholarship money I have received for my studies. I am very grateful for this scholarship.
Chanya Thongtong

- Thank you very much, RIKEN (THAILAND), for giving me a scholarship. I want to be really good at my studies so I will study as hard as I can, listen to what my father and mother tell me, and do my homework without being lazy.
Kongkiat Hongkanak

- My name is Panitnart Chansa-nga-ngam. Thank you so much, RIKEN (THAILAND), for giving me a scholarship. I was happy and very thrilled. I will use the scholarship as well as possible, and I will keep getting good grades. This scholarship project is a good project. I am impressed by it as it is useful in many ways like making things easier for parents, supporting children's learning, and motivating children to study. I hope this good project will be continued. Thank you very much.
Panitnart Chansa-nga-ngam

- Thank you very much for giving me a scholarship. I will study as hard as I can and be a good girl for my mother and father.
Supichaya Butpetch

Environmental Management Action

Environmental Policy

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

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

ISO 14001 Certification

Our Environmental Policy has been established, and all our company divisions have obtained this certification.

Initial Registration: October 31, 2001

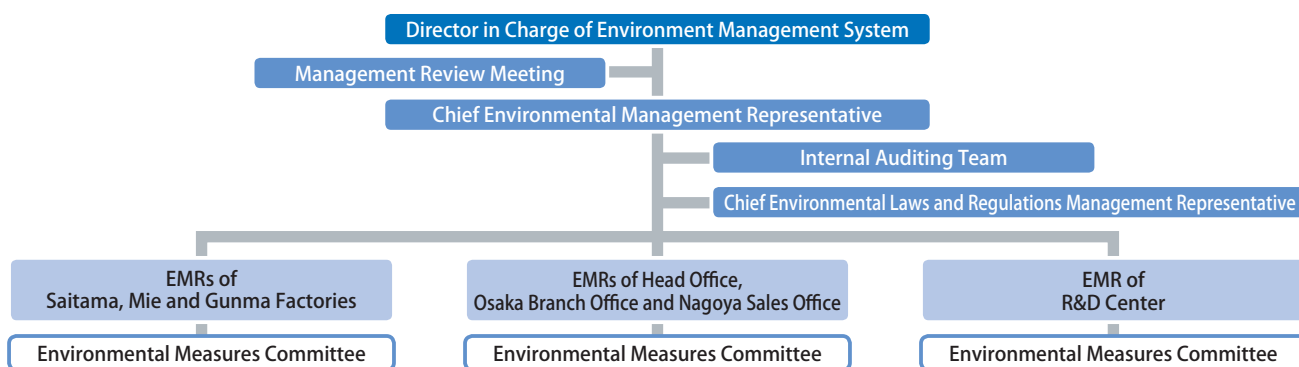
Date of Expiration: August 30, 2016

Through environmentally-conscious corporate activities, we strive to establish our company as an enterprise that contributes to the realization of a prosperous society and responds to the trust of all its stakeholders.

Environmental Management System

Environmental Management System Organization Chart

The Director in Charge heads up the system and the Chief Environmental Management Representative is appointed to establish the environmental management system under his direction by designating an Environmental Management Representative (EMR) at each site.



Implementation of System

The primary meetings and committees in relation to the environment, and the members and functions are as follows.

Meeting, Committee	Members	Functions
Management Review Meeting	All directors, Chief Environmental Management Representative	Environmental policy, objectives and the environmental management system
Internal Auditing Team	Qualified internal auditors	Compatibility Audit
Environmental Measures Committee	Environmental Management Representative, general manager of each division, committee members at each site	Setting of environmental objectives and targets, deliberation on corrective and preventive actions, and deliberation on environmental problems

Role of the Chief Environmental Management Representative and Environmental Management Representatives

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

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

Environmental Audit Systems

(1) Internal Audits

Under the direction of the Chief Environmental Management Representative, internal audits of the environmental management system, including quality, product safety, and chemical substances management are carried out annually by approximately 100 internal auditors. In FY 2014, audits were carried out in 59 departments, 21 requests for corrective actions were issued, and there were 105 issues pointed out, including matters for monitoring. Among them were a number of cases relating to inadequate document management. We are continuing to improve and enforce the management system through the implementation of corrective actions.

(2) External Audits

Periodical audits were conducted at our Head Office and the Saitama Factory site by Nippon Kaiji Kentei Quality Assurance Ltd., an external certification body. In FY 2014, one minor nonconformance issue and five issues requiring improvement were pointed out. In relation to equipment inspection, we undertook supervisor education and proper labeling of waste disposal containers.

In addition, appropriate improvements were made with regard to the issues that were pointed out.

Emergency Response

We have created an emergency response list for every site and division, based on possible emergency situations, and conduct regular training sessions.

We buy and use as raw materials many chemical substances designated as dangerous by the Fire and Disaster Management Act. For that reason, one of our primary concerns is to prevent discharge of chemical substances to outside company sites and fires caused by dangerous flammable substances. In FY 2014, we had a minor leakage of resin, but it did not extend to outside the factory, and it was handled as instructed in training.

Status of Employees' Environmental Education and Awareness-Raising

Since FY 2008, we have made a practice of distributing the "Eco-life Day" questionnaire to our employees and their families about their daily lives in order to raise awareness regarding energy conservation and global warming (reduction of CO₂ emissions). In FY 2014, we received many responses from employees and their families (1,474 in summer and 1,480 in winter). The results of the questionnaires showed average CO₂ reductions per person of 760g-CO₂/day in summer and 960g-CO₂/day in winter. In addition, we distributed the CSR report to every employee to increase understanding of how results of each individual's activities have an impact on the entire company.

	Participants (persons)	Amount of Reduction (g-CO ₂ /person per day)
Summer of FY 2012	1,341	723
Winter of FY 2012	1,211	835
Summer of FY 2013	1,432	837
Winter of FY 2013	1,576	750
Summer of FY 2014	1,474	760
Winter of FY 2014	1,480	960

Environmental Laws and Agreements related to Our Business Activities

We have clarified the environmental laws and agreements to be complied with by each production site and office and summarized them in the Environmental Laws Application Standards, and we stringently comply with environmental laws. As a result of our actions in FY 2014, we had no violations of environmental laws and agreements.

Number of Environmental Laws and Agreements to be Complied with at Each Site

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

Message from the General Manager of Manufacturing Division



Michihisa Tasaka

Director, General Manager of
Manufacturing Division and Solution
Business Unit Manager
RIKEN TECHNOS CORPORATION

In order to strengthen its manufacturing capability, RIKEN TECHNOS promotes the creation of a culture of challenging by innovative manufacturing methods and the fostering of human resources who can also be successful overseas.

The Manufacturing Division has implemented initiatives for improving working environments and increase energy efficiency that incorporate awareness of the need for stimulation of our human resources. This year, we have again worked to strengthen our manufacturing capability, with the continuing objectives of "Zero work-related injuries, zero defects and zero major failures." Also, though increased automation of existing facilities, and reviews of workability from operators' perspectives, with the aim of "doubling speed and halving costs," we are challenging competitors by fierce cost competitiveness as well as improving quality.

In addition, at each factory, we are promoting multi-skills development in order to implement labor saving in production, and we are accelerating the fostering of global human resources capable of exchanging information with overseas sites in order to increase awareness of competitive improvement activities.

Environmental Objectives and Performance in FY 2014

We promoted improvement activities by setting yearly environmental objectives consistent with the business environment, based in the company's Environmental Policy. We also made companywide cross-sectional efforts, in particular to promote reduction of CO₂ emissions, reduce the amount of our

industrial waste output, and reinforce chemical substances management.

In FY 2014, a total 101 objectives were set throughout respective divisions in the entire company and 74 (73%) of them were achieved. Details are as follows:

(1) Reduction of Energy Use

Number of Objectives Set	Achieved Objectives	Objectives	Results
38	30(79%)	(1) Reduction of electricity usage per gross production (2) Reduction of heavy oil usage per gross production (3) Reduction of CO ₂ emissions per gross production (4) Reduction of total CO ₂ emissions	by 2% compared to FY 2012 by 2% compared to FY 2012 by 2% compared to FY 2012 by 2% compared to FY 2012 (1) 2.9% reduction (2) 2.4% reduction (3) 5.0% increase* (4) 7.6% increase* * Due to a major increase in the size of the conversion factor for electricity to CO ₂ emissions.

(2) Reduction in Industrial Waste

Number of Objectives Set	Achieved Objectives	Objectives	Results
27	18(67%)	Landfill and combustible industrial waste amounts per gross production: 0.3% or below Total industrial waste amount per gross production: 4% or below	As the landfill and combustible waste amount per total gross production was 0.13%, achieving our objective, while the total waste amount per gross production was 4.15%, we will make further efforts to reduce waste.

(3) ① Reinforcement of Chemical Substances Management and ② Development of Environmentally-friendly Products

	Number of Objectives Set	Achieved Objectives	Objectives	Results
①	16	15(94%)	Reduction of use of independently specified chemical substances, and development of environmentally-friendly products.	Usage of chemical substances designated as Class I under the Act on Confirmation, etc. of Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law) was 1,970t in FY 2014, a 12% reduction compared FY 2013 levels.
②	20	11(55%)		

* Simple industrial waste: waste that was simply added to landfill or incinerated.

Status of RIKEN TECHNOS Environmental Load

The main types of environmental burdens caused by our business activities are due to industrial waste output, greenhouse gas (CO₂) emissions, and the transport and discharge of chemical substances. We are working on the reduction of emissions and proper management of various substances. The following data is the status of the companywide environmental load of RIKEN TECHNOS itself (by substance).

● CO₂ Load Per One Ton of Products Produced (FY 2014)

INPUT		OUTPUT	
Raw material (including paint, etc.)	81,000t	Compound products	59,000t
Packaging material	3,000t	Film products	13,500t
Electricity	65,600MWh	Packaging wrap products	7,000t
Heavy oils	3,260kl	General waste	3,600t
Tap water	137,000m ³	Amount of sewage	268,000m ³
Ground water	160,000m ³		
Water for industrial use	9,800m ³		

Amount of CO ₂ emissions (t-CO ₂ /t)	
Compound	0.24
Film	0.95
Packaging wrap	0.24

Saving Energy and Reducing Greenhouse Gas Emissions

Two factories, Saitama and Mie, are designated as Type 1 energy control factories, and the Gunma Factory is designated as a Type 2 energy control factory.

The primary greenhouse gas ^{*1} emitted by our business activities is CO₂.

The air conditioning refrigerant Freon is also a greenhouse gas and is rigorously managed to prevent leakage at the time of its use or disposal.

We promote energy-saving tactics, such as improvement in efficiency of operating facilities, using heat storage-type deodorizing furnaces, using demand control ^{*2} for air conditioning, and preventing leakage of compressed air and steam for industrial use.

Over many years, CO₂ emissions reduction has been our principal objective. Due to a recent major change in the size of the electricity to CO₂ conversion factor, from FY 2014, we have worked

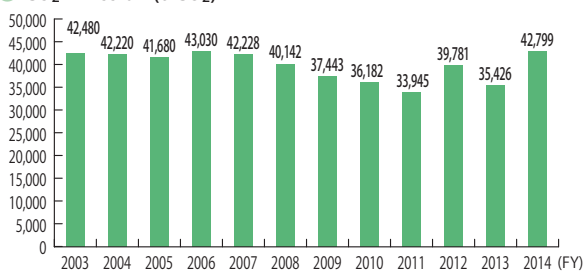
to achieve the objective of 1% reduction each year, with FY 2012 as the base year, in energy use per gross production. The volume of electricity used in FY 2014 decreased by 2.9% compared to FY 2012, and the volume of heavy oils used per gross production decreased by 2.4%.

At the end of FY 2012, solar power equipment, a renewable energy source, was introduced in the land adjacent to the Gunma Factory. In FY 2014, 72,679 kWh/year was supplied to our Gunma Factory and 728,748 kWh/year of electricity was sold off.



Solar power plant of
RIKEN TECHNOS CORPORATION
(within the Gunma Factory site)

CO₂ Emission (t-CO₂)

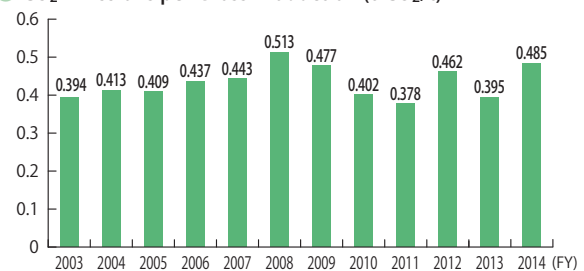


* The value is based on emission factors after adjustments from FY 2010.

^{*1} Greenhouse gas is indicated in the quantity of CO₂ calculated to be emitted by consumption of electricity and heavy oils consumed at the Saitama Factory, Mie Factory, Gunma Factory, R&D Center and Head Office, as well as each sales site. CO₂ emissions from Head Office have been added since FY 2005, and emissions of each sales site have been added since FY 2008. CO₂ emissions from fuel consumed by logistics are omitted.

^{*2} Air conditioning demand control is a method of reducing electricity consumption by automatically stopping compressors when a maximum value of agreed with the supplier is approached.

CO₂ Emissions per Gross Production (t-CO₂/t)



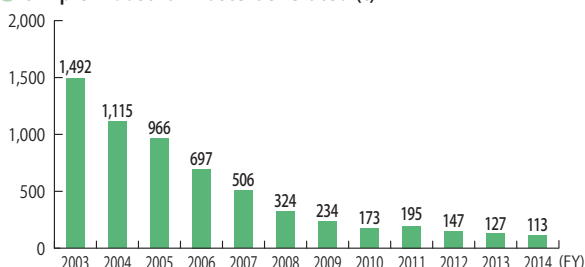
Reducing Industrial Waste

Our company considers the reduction of landfill and incineration of waste generated in the manufacturing stage as a main goal of environmental management activities, and in FY 2013 the new goal of "keeping simple waste volume under 0.3% as a share of gross production, and total waste amount under 4% of gross production" was established. We are promoting restraint in generating waste by improving yields in our production

processes, as well as strictly separating generated waste into material recycling, thermal recycling, Refuse Plastic Fuel (RPF), raw cement material, etc. for conversion to effective use.

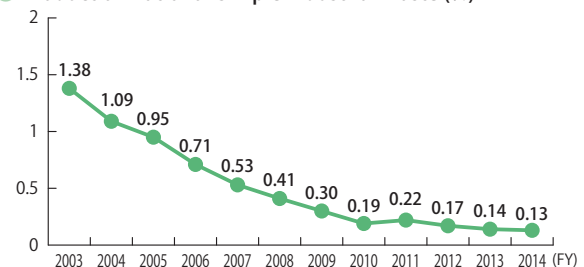
As a result, the total quantity of industrial waste disposed of by means of landfill or incineration was reduced by approximately 95.0%, from 2,255t (in FY 2000) to 113t (in FY 2014).

Simple Industrial Waste Generated (t)



* Sites: Three factories (Saitama, Mie, and Gunma), and R&D Center

Production Ratio for Simple Industrial Waste (%)



Summary of Environmental Action

Appropriate Management of Chemical Substances

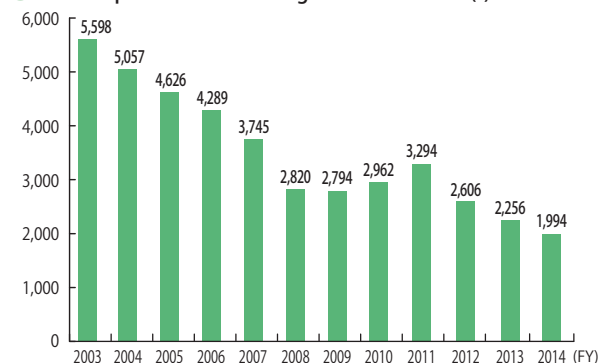
In the past, our company has been managing chemical substances in accordance with laws such as the Chemical Substances Control Law, the Industrial Safety and Health Act, and the Fire Services Act.

In FY 1999 a totalization system was established to enable thorough management, and a system was created for responding to the Act on Confirmation, etc. of Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law), which came into force in April 2001.

In October 2009, the PRTR Law was amended, including changes made to the types of chemicals subject to the PRTR Law. Consequently, the usage and emission volumes of newly subject chemical substances were totaled, beginning in FY 2010, and in FY 2011, the usage volume of methylnaphthalene contained in A heavy oil was added. In FY 2011, one of our group companies, RIKEN (THAILAND) CO., LTD., was 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 3,294t, but has declined since FY 2012. There were 23 different types of Class I chemical substances used in FY 2014. Among them, eight types with usage of more than one ton were 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) came into force. To improve management control over the entire group, in FY 2005 we moved six pieces of scrap equipment containing PCB that were held by affiliated companies to the Saitama Factory for storage. The status of storage and treatment at the Saitama Factory, Mie Factory and R&D Center (Tokyo) are shown in the following table. In addition, because there is a high probability that heavy electrical equipment from before 1989 used insulating oil containing small amounts of PCB, we are examining and analyzing all condensers and transformers currently in use.

Site	PCB Wastes	Status of Storage and Treatment
Saitama Factory	High voltage condensers: 15 (high concentration)	Kept in iron containers Awaiting communication on treatment from the government
	High voltage transformers: 2 (low concentration)	Kept in iron containers Planned treatment during FY 2015
	Waste water and oil containing PCB: 1,446 L (low concentration)	Kept in iron containers Planned treatment during FY 2015
Mie Factory	High voltage transformers: 4 (low concentration)	Treatment completed in FY 2014
	Waste oil containing PCB: 350 L (low concentration)	
	PCB component wastes: 300 g (low concentration)	
R&D Center (Tokyo)	High voltage condensers: 12 (high concentration)	Treatment completed in FY 2013
	High voltage transformers: 1 (low concentration)	
	Waste oil containing PCB: 330 L (low concentration)	
	PCB component wastes: 15 kg (low concentration)	

Preventing Stock Pollution and Environmental Pollution

In 2001, as a result of investigations at each of our factories and offices, we found soil contamination at the former Kamata factory. We subsequently continued to improve the soil and monitor its condition. The land was sold in FY 2011 in a contamination-free state, through soil works. Meanwhile, the R&D Center was moved to the neighboring building where soil contamination was also found. Measures are being taken in part of this land to prevent the diffusion of contaminants.

We implement routine measurements of environmental items at

each site in accordance with laws and regulations as well as our own regulations monitoring.

The items include exhaust gas, groundwater, noise, vibration, bad odors, radiation, and dusts, with particular concern for noise pollution. We conduct regular meetings with residents around our sites, in which we disclose results from our environmental measured values and internal examinations in order to promote understanding of our business activities.

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 information on RoHS6 substance measurement data and content information for chemical substances under regulation, including trace residual chemicals, have also been collected. Also, the application of these measures to affiliated companies was clarified as part of the "RIKEN TECHNOS GROUP Procurement Standards." It is the mission of manufacturers to provide safe and reliable products to customers, and ensuring the safety of chemical substances used is considered to be one of the main concerns of our company. In FY 2006, a "Chemical Substances Management

Committee" was newly established as a companywide organization. Also, a "Chemical Substances Management Standard" was established and, in addition to chemical substances prohibited by law from being manufactured and used, we decided to prohibit the use of chemical substances marked for monitoring under the Chemical Substances Control Law. We also clearly declared our intention to reduce the use of chemical substances such as lead and toluene that are not prohibited from usage but are considered safer to avoid from the point of view of industrial safety and health. Also, chemical substances newly under consideration for usage are subject to reviews, and a framework for providing products where safety comes first has been established companywide.

Biodiversity

We are working to eliminate the usage of Classes I and II Specified Chemical Substances and Monitoring Substances under the Chemical Substances Control Law, and reduce the usage of chemical substances designated as Class I under the PRTR Law. Additionally, we comply with the Air Pollution Control Act, Water

Pollution Control Act, Industrial Safety and Health Act, and other laws, and take into consideration the effects on people and ecosystems in developing, manufacturing, and marketing our products.

Environmental Accounting

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

Criteria for Environmental Accounting in FY 2014

- (1) Accounting Coverage : RIKEN TECHNOS CORPORATION (non-consolidated)
- (2) Period Covered : April 1, 2014 to March 31, 2015
- (3) Referenced Guidelines : "Environmental Accounting Guideline (2005 Edition)"
(Issued by the Japanese Ministry of the Environment in February 2005)

Summary of Environmental Accounting in FY 2014

In FY 2014, the amount invested in environmental preservation costs was approximately JPY 40 million, and expenses were approximately JPY 1.02 billion, making a total of approximately JPY 1.06 billion. Investment amounts are the costs for pollution prevention, global environmental preservation, and resources recycling. Expenses included a cost analysis to comply with the RoHS Directive, and ISO maintenance activities. A very large proportion of the costs, amounting to approximately JPY 880 million, was for R&D expenses for environmentally-friendly products.

As the environmental preservation effect resulting from our activities, the final waste disposal volume was 113t, which is a 14t reduction from last year due to the promotion of waste reduction

and recycling. Also, with regard to CO₂ emissions, continuous energy-saving activities were conducted, but there was an increase of 7,373t-CO₂ compared to last year, making a total of 42,799t-CO₂. This is due to a major increase in the size of the conversion factor for electricity to CO₂ emissions. Our electricity consumption rate (electricity use MWh/Product (t)) was reduced by 0.7% compared to last year, and our heavy oils consumption rate (heavy oils use KL/Product (t)) was reduced by 1.8% compared to last year.

An economic effect of approximately JPY 10 million was achieved from cost reductions through sales for value, energy savings from waste plastics, and other factors.

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

Summary of Environmental Action

Environmental Preservation Costs

JPY 1,000

Category	Content of Activities on Examined	Total Amount Invested ^{*1}	Expenses ^{*2}
1. Business area costs		40,495	105,852
* Pollution prevention costs	Construction for noise prevention measures, maintenance of scatter prevention equipment	(7,175)	(60,249)
* Global environmental preservation costs	Installation and improvement of energy-saving equipment	(33,320)	(0)
* Resources recycling costs	Disposal of industrial waste, recycling, etc.	(0)	(45,603)
2. Upstream/Downstream costs	Analysis of products containing chemical substances	0	15,560
	Outsourcing recycling of containers and packaging, etc.	0	0
3. Administration costs	Issuing of CSR Report, maintenance of ISO (including external audit), analysis of drainage and VOC, maintenance of greenbelt at each site	0	17,094
4. R&D costs	Research and development of environmentally-friendly products	0	887,042
5. Social activity costs	Beautification of areas around our sites, donations	0	977
6. Environmental damage countermeasures costs	Soil investigation and improvement	0	1,060
Total		40,495	1,027,585

Environmental Preservation Effects

Environmental Preservation Effect Category	Environmental Performance Indicators	FY 2013	FY 2014
Environmental preservation effect related to resources input into business activities	Total energy input volume (GJ)	791,610	771,617
	Energy input by type	Electricity (MWh)	67,182
		Heavy oils (KL)	3,388
		Kerosene (KL)	0
		Gasoline (KL)	47
		Light oils (KL)	10
	Input of PRTR-controlled substances (t)	2,265	1,970
	Water resources input	Tap water (m³)	135,000
		Groundwater (m³)	121,000
		Water for industrial use (m³)	10,700
Environmental preservation effect related to waste or environmental burdens originating from business activities	Greenhouse gas emissions (t-CO ₂)	35,426	42,799
	Volume of PRTR-controlled substances discharged (t)	5.8	6.2
	Volume of PRTR-controlled substances transported (t)	8.8	5.1
	Total waste discharge volume (t)	3,600	3,600
	Final waste disposal volume (t)	127	113
	Water waste volume (m³)	214,100	268,000
Environmental preservation effect related to commodities and services produced by business activities	Volume of containers and packaging used (t)	2,500	3,000
Other environmental preservation effects	Volume from transportation of products (t-km)	28,189,435	25,253,894
	Volume of CO ₂ emission associated with transportation (t)	4,911	4,394

Economic Effect Associated with Environmental Preservation Activity

JPY 1,000

Economic Effect	Amount	
	FY 2013	FY 2014
Benefit from recycling plastic, paper waste, etc.	5,930	4,761
Expenses reduced by energy-saving activities	29,504	5,851
Total	35,434	10,612

Asset Retirement Obligations

As of March 31, 2015 JPY 1,000

Asset Retirement Obligations accounting began on April 1, 2010. Asset Retirement Obligations in accordance with environment-related laws are currently as follows.

Costs	Expenses
Cost of restoring buildings	24,904
Cost of asbestos disposal from usage sites	29,642
Cost of renewing equipment using PCB	0
Cost of contaminated soil treatment	56,924
Total	111,470

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

*2 Expenses: The cost or loss that occurs from the consumption of goods and services intended for environmental preservation.

RIKEN TECHNOS GROUP Environmental Data

RIKEN TECHNOS GROUP Environmental Data by Factory

◆ Saitama Factory

- Site area: 58,739 m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Number of employees: 299

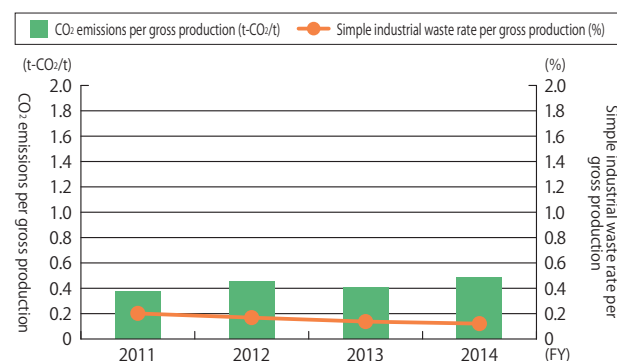
◆ Mie Factory

- Site Area: 55,247 m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Number of employees: 229

◆ Gunma Factory

- Site area: 55,904 m²
- Description of business: Manufacturing of high functional film in a clean environment
- Number of employees: 47

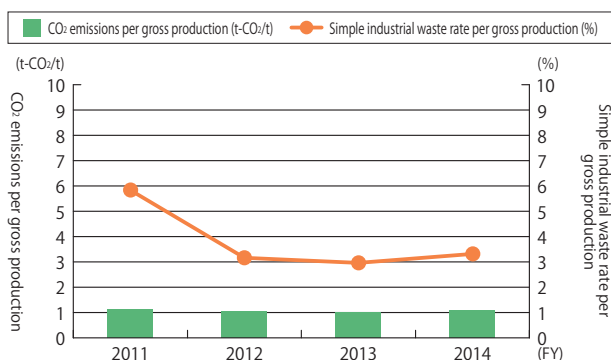
● CO₂ emissions production costs and simple industrial waste production costs (total for Saitama, Mie and Gunma factories)



Environmental Impact Data for Affiliate Companies of RIKEN TECHNOS GROUP

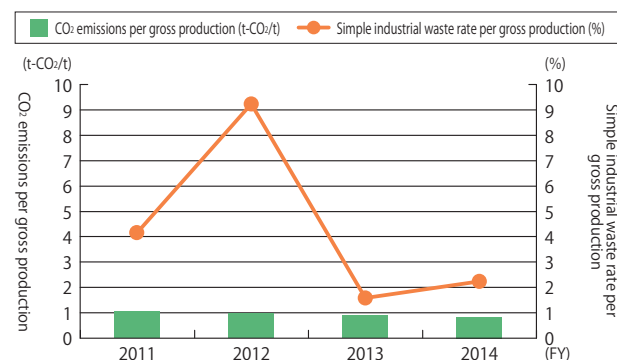
SHINKO ELECTRIC WIRE CO., LTD.

Employees: 66



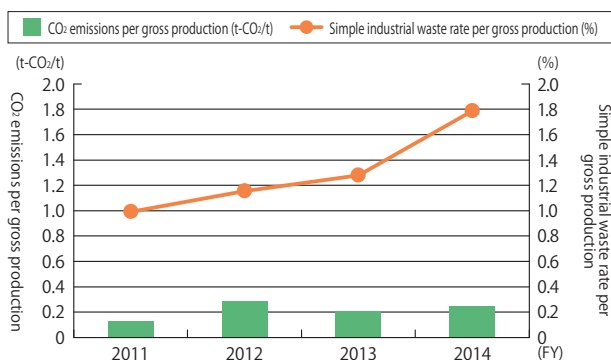
KYOEI PLASTICS MFG CO., LTD.

Employees: 50



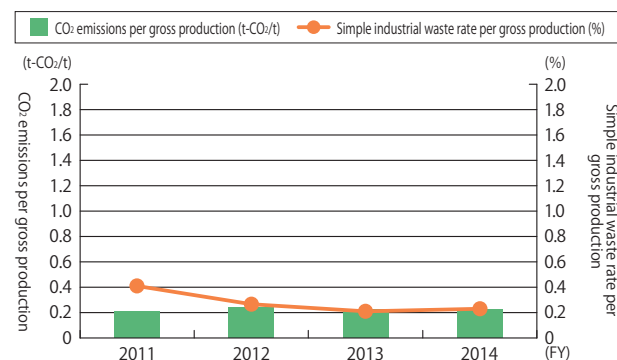
RIKEN CHEMICAL PRODUCTS CORPORATION

Employees: 54



RIKEN (THAILAND) CO., LTD.

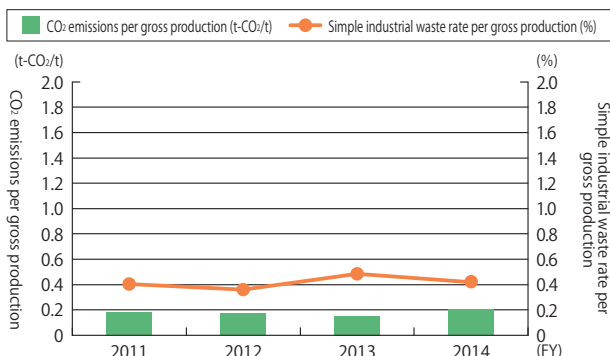
Employees: 216



Summary of Environmental Action

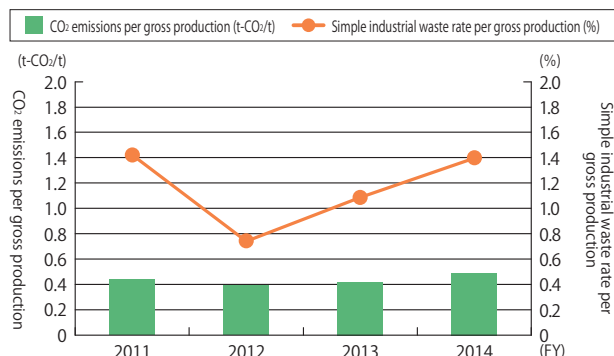
RIMTEC CORPORATION

Employees: 108



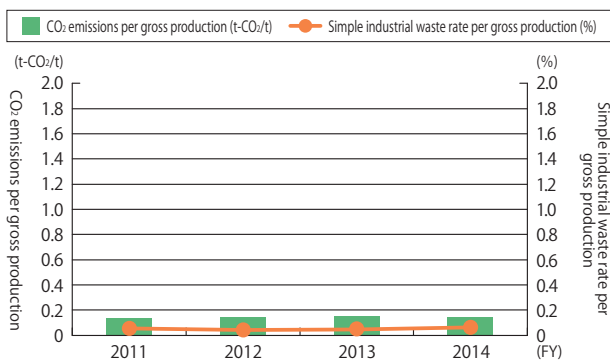
RIKEN ELASTOMERS CORPORATION

Employees: 25



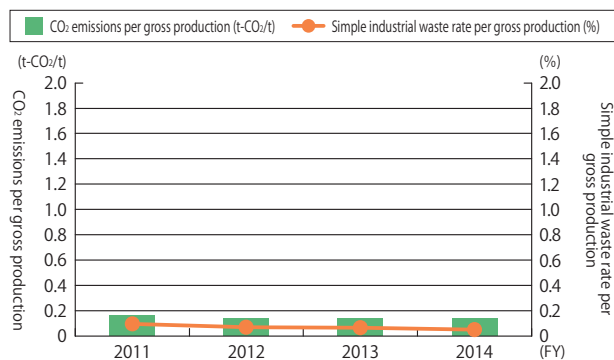
PT. RIKEN INDONESIA

Employees: 192



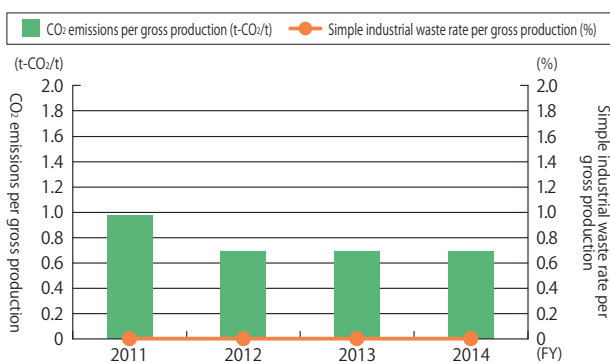
SHANGHAI RIKEN TECHNOS CORPORATION

Employees: 100



RIKEN TECHNOS (JIANGSU) CORPORATION

Employees: 30



The Expert's Opinion



Masatoshi Ikari

Manager, Senior Consultant
Environmental Risk Sec.
Corporate Risk Management Dept.
InterRisk Research Institute & Consulting, Inc.
(IRRIC)
Part-time lecturer at Seikei University

Assessment Points

- In my work, I read many CSR reports, and your company's inclusion of internal and external stakeholders in this year's CSR Report is much more wide-ranging than in other reports. Also, instead of just unilateral explanations from the company, each stakeholder has made a number of comments, allowing the "true colors" of RIKEN TECHNOS to be communicated more objectively to readers. As noted in my opinion last year, customers and business partners are featured many times, and your company's "Market Oriented" approach is praised.
- In FY 2015, the last fiscal year of the RIKEN TECHNOS three year mid-term business plan, one of the major tasks raised is "thorough cultivation of human resources." In this report, there are many comments relating to that issue from young employees (Featured Article: Discussion Meeting), local staff in overseas affiliated companies, and employees utilizing the available child raising support which provide a lot of information in that regard. From reading those comments, I can infer that the prescribed results are being achieved.
- As I also indicated in my assessment points in the previous two years, a highly regarded fact is that, while net sales are increasing, the volume of simple industrial waste and chemical substances subject to the PRTR Law has been declining in terms of total amount (absolute quantity) for a number of years.

Improvement Points

- The CSR information is not necessarily all limited to positive content. This report includes some negative information, such as a criticism

from a customer, the number of industrial accidents, a minor leakage of resin within a factory, and the handling of soil contamination that occurred previously. This type of approach to disclosure has been praised in recent years. Apart from that, I would like to see further disclosure of other negative information, such as whether there has been any serious product or quality complaints, and even if they are not serious, any problems in the handling of complaints, together with measures taken for rectification or improvement.

- Regarding the Environmental Responsibility section, I have read that, based on your company's Environmental Policy, objectives are quantified and achievement levels can be objectively evaluated, and you are working on the objectives while making continuous improvements in the PDCA cycle. On the other hand, with regard to the Social Responsibility section, I can understand that, unlike in the case of the Environmental Responsibility section, it is difficult to set numerical objectives. However, based on each of the relevant policies, I would like to see, for example, the setting of qualitative objectives, and devices to enable visualization of the PDCA cycle within the CSR Report.

Towards the Next Fiscal Year

- Recently the trend has been towards coordination and linkage between the mid-term business plan and the CSR initiatives. In the formulation of the next mid-term business plan, I would like to see CSR perspectives appropriately interwoven. In addition, as in the information given in this report on "thorough cultivation of human resources," I would like to see reporting, as needed, on the progress in that regard in the next CSR Report.
- In this CSR Report, the focus is on stakeholders, in other words, "People," and it is a very approachable report. On the other hand, the product characteristics of the company's multiple resins are introduced, and for the ordinary reader, this involves difficulties in understanding the hidden story of the development of the products and their technical superiority. For that reason, I would also like to see content with a focus on specific "Products" to demonstrate the company's startup spirit and market orientated ideas.

Listening to Expert's Opinion

Hiroshi Shimizu

Representative Director and President, RIKEN TECHNOS CORPORATION

At the same time as striving to accomplish our objectives in the final year of our three year mid-term business plan, we have started work on formulating our next three year mid-term business plan. In the process of formulating the plan, while reaffirming our foundation as a manufacturer dealing with chemicals, we will also make corrections and improvements as necessary with regard to the negative information referred to in this report. We are also giving consideration to the appropriate incorporation of CSR perspectives. We propose to actively address the question which

was pointed out by Mr. Ikari of communication of our company's superior technology to all our shareholders in an easy to understand way as a topic in future publications, including the CSR Report.

We sincerely accept Mr. Ikari's remarks, and we will keep on actively promoting our CSR activities, and striving to establish an even more solid relationship of trust with all our stakeholders, in order to "continuously provide new value and satisfaction to people, companies and society."

Editors' Postscript

This report included a Featured Article concerning a discussion meeting between President Shimizu and young employees. The cultivation of young employees is essential for continuously providing new value and satisfaction to people, companies and society through the formulations and manufacturing technologies of RIKEN TECHNOS. We hope that in seeing those young employees as they really are, readers will get a sense of the bright future of RIKEN TECHNOS. We look forward to receiving frank and candid opinions on this report.

Kazuaki Tokiwa: Director and General Manager of Corporate Planning Office,
Representative of the department in charge of this report
Hideaki Aoki, Koichi Inoue, Hitoshi Kurihara: Management System Department
Sayaka Yoshioka: Corporate Planning Office

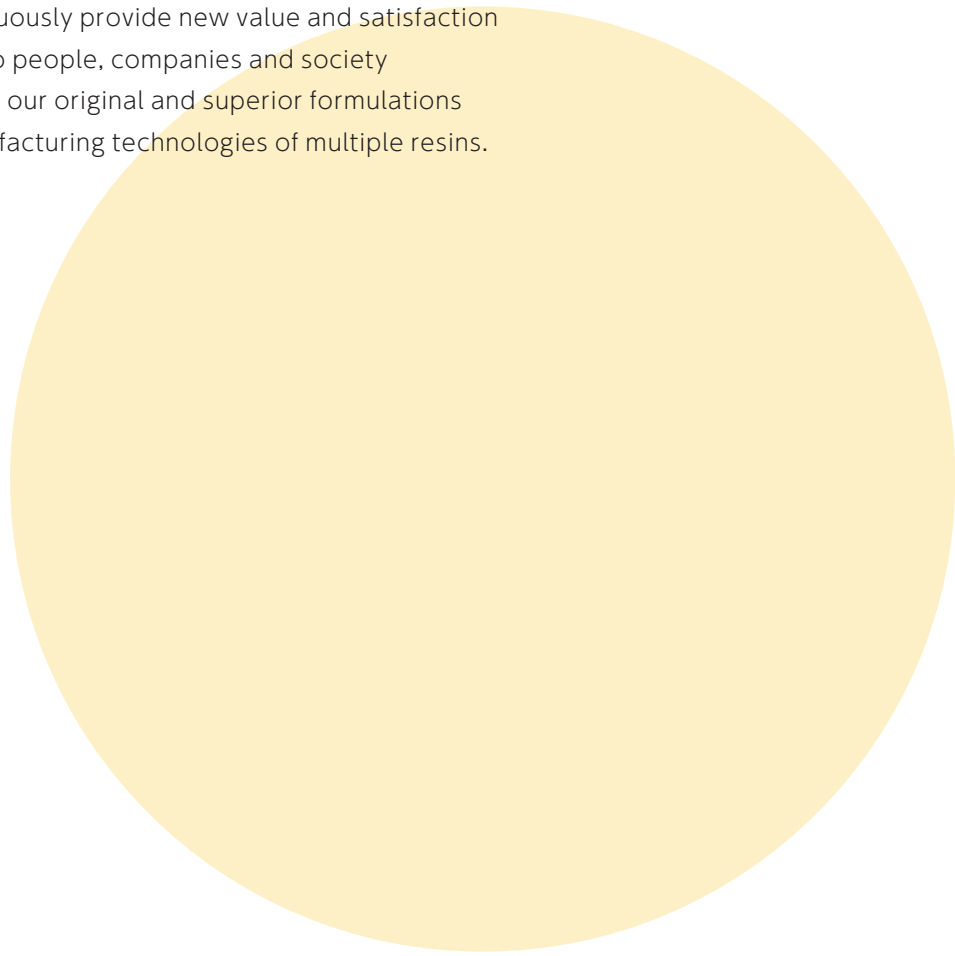




RIKEN TECHNOS WAY

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.

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