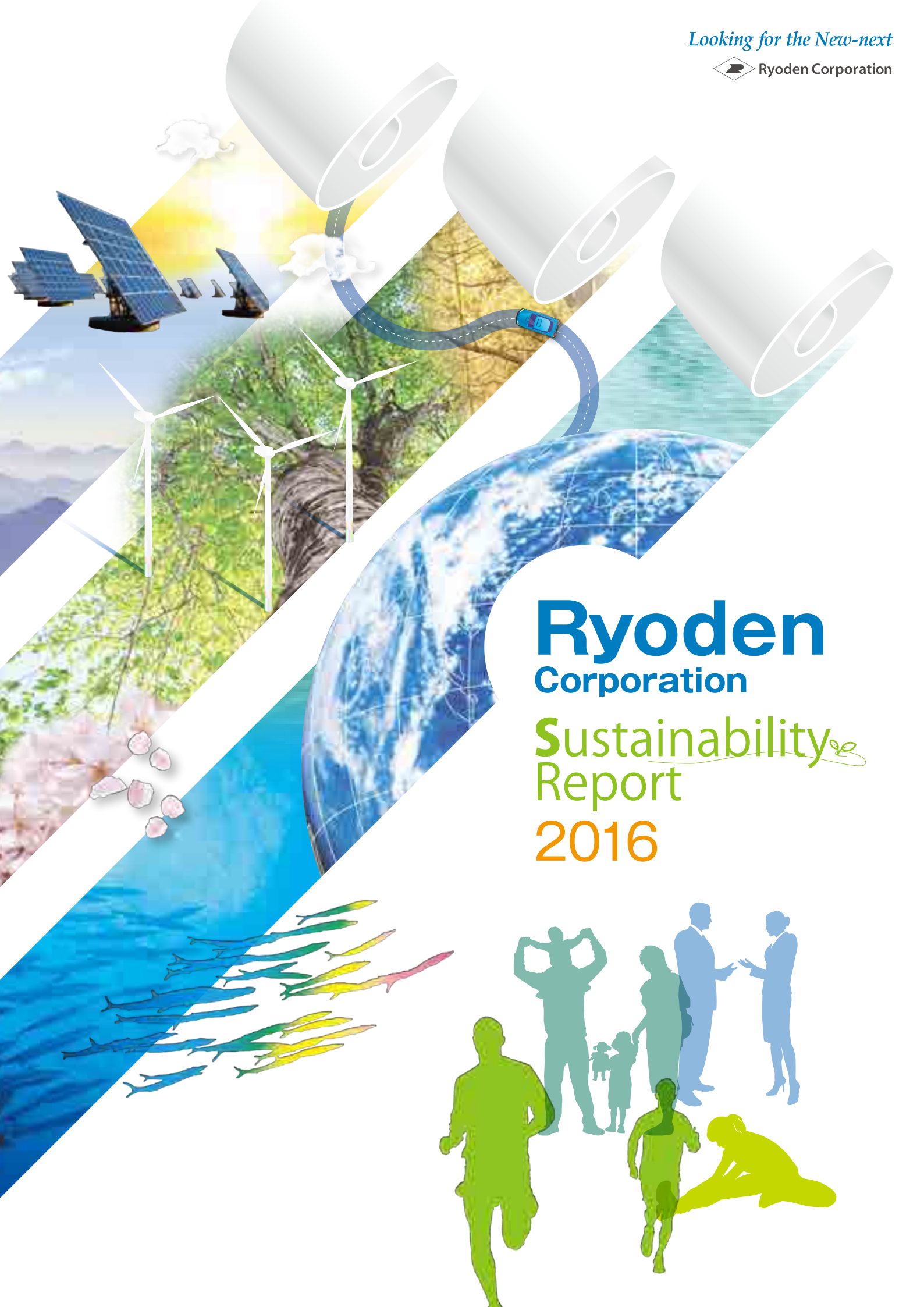


Looking for the New-next



Ryoden Corporation

Sustainability Report 2016



CSR Activities in Ryoden Corporation Group

The Ryoden Corporation Group is committed to offering the best solutions to meet the needs of our customers while helping to conserve the global environment and promote people's health through its business activities.

We also engage in a wide range of CSR activities, contributing to society as a member of the community and creating a workplace where people from many different backgrounds can pursue careers.

Aiming to be an "environment and health-oriented company," the Ryoden Corporation Group is committed to taking action for building a sustainable society.



CONTENTS

| | |
|---|----|
| CSR Activities in Ryoden Corporation Group | 02 |
| CONTENTS | 03 |
| Editorial Policy | 03 |
| Message from the CEO | 04 |
| Management Principles | 04 |
| Business Activities | 05 |
| CSR Policy | 06 |
| Overview of Our Business | 07 |
| Corporate Governance | 08 |
| Environmental Management Organization and History of Environmental Activities | 09 |
| Feature : Ryoden Corporation Solutions | |
| Feature Ryoden Corporation Solutions | 10 |
| Feature To Build a Sustainable Society | 12 |
| Feature To Support Business Growth | 13 |
| Feature To Enhance Food Safety | 14 |
| Feature To Save Human Lives | 15 |
| Global Environment Initiatives | |
| Results of Environmental Activities in FY 2015 | 16 |
| FY 2015 Environmental Accounting Report | 17 |
| Chemical Substance Management in Ryoden Corporation Group | 18 |
| Further Globalization of Ryoden Corporation Group | 18 |
| Environmental Activities in FY 2016 | 19 |
| Social Contributions | |
| Biodiversity Preservation Projects | 20 |
| With Our Employees | |
| Our Responsibility to Employees and Their Families | 22 |

Editorial Policy

Our environmental philosophy is to pass on the environment in a better condition to future generations with whom we share the global environment.

This report has been drawn up to inform our stakeholders about the Ryoden Corporation Group's CSR activities, including our environmental programs, which may be difficult to gauge from descriptions of our business activities alone.

This report is designed to be easier to read and to deliver our messages more clearly and precisely, by minimizing the use of jargon and technical terms.

We hope this report helps our stakeholders to better understand the Ryoden Corporation Group.

Message from the CEO

Last fiscal year, uncertainty about the future of the global economy grew rapidly despite the firm growth of the US economy, largely due to slowdowns in China and other emerging economies and the plummeting oil prices.

Also, the Japanese economy stalled as the recovery in capacity investment faltered amid stagnating exports and production, hit by the rapid appreciation of the yen and falling share prices caused by the slowdown in overseas economies and concerns about the delayed interest rate rise in the US.

The Ryoden Corporation Group saw its profit decline last year in the factory automation system business, despite robust production in the machine tool industry, as production stagnated in semiconductor and LCD-related manufacturing equipment and capacity investment remained flat in automotive and photovoltaics. Our profit also declined in the electronics industry: the robust sales of industrial equipment in Japan earlier in the year, particularly for factory automation and energy-saving businesses, levelled off in the second

half of the year, as the sales of devices for automotive remained strong in North America but slumped in Japan.

Under these circumstances, we have expanded our operation at 10 offices in Japan, converted our representative office in India into a subsidiary, wound up Ryosho Electronics Shenzhen and established a Shenzhen Branch of Ryosho Electronics (Shanghai), in order to explore the needs and accelerate the process of offering effective solutions by working more closely with customers. We have also worked constantly to achieve this objective, including through information-sharing sessions at various locations, and enhanced collaboration with our customers and solution partners.

Under the recognition that our business cannot survive without environmental consciousness, the Ryoden Corporation Group will work closely with customers and provide the best solutions including energy management system with our partner companies which have relationship of mutual trust.

Moreover, we are going forward with globalization of environmental activities to

advance characteristic business that incorporates environmental activities by expanding certification scope of ISO14001 certified in Japan to overseas

Our Singapore, Hong Kong, Thailand, China and Taiwan offices have already done, and the German office is aiming to do so by the end of the year.

In addition to the environment, we adopted “health” as a new important keyword to drive our business. Accordingly, we have established a new Healthcare Division in the Solution Business Headquarters to create business in response to the reforms of the health service.

This January, the 19th Nikkei Environmental Management Survey rated us tenth among non-manufacturing trading firms for the third straight year. We believe our environmental management was highly valued and will strengthen that still further with using new ISO14001 standards effectively.

Through all these activities, we will share values of environment and health with all employees and work toward the enterprise which promotes these values.



CEO

Management Principle

- Address the changes in society, striving for stability and progress in corporate management, while contributing to the community.
- Act through sincere marketing activities and the supply of progressive technology, to win the trust and expectations of customers.
- Respect the character and individuality of each employee, nurturing human resources high in specialization, innovative spirit and creativity.

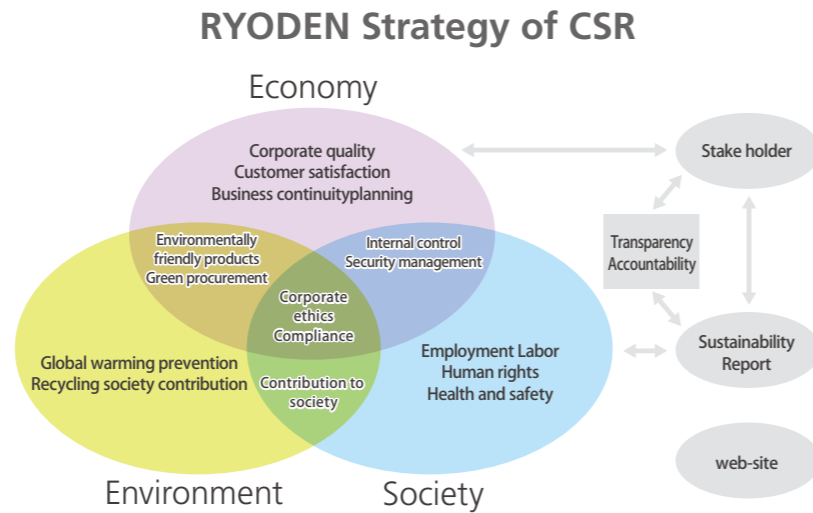
Ryoden aspires to be a winning company of the time with the above mentioned guiding spirit as the core of its philosophy.

Business Activities

- 1 Adhere to laws and regulations
- 2 Aim for growth with profit
- 3 Take responsibility towards the society as a global company
- 4 Individuals should create their own views, and together create an energetic organization.
- 5 Ensure respect toward the individual's personality and uniqueness, and engage in personal development to attain high goals.
- 6 Management and the managers should fulfill their responsibilities.

CSR Policy

The Ryoden Corporation Group places a high priority on helping global environmental preservation through business activities. For this purpose, our business activities are founded on our Environmental Basic Philosophy and Environmental Policy. The Ryoden Corporation Group will remain dedicated to passing on a healthier global environment to future generations.



Environmental Basic Philosophy

Ryoden Trading Group understands that we own global environment with future people, so the succession of better global environment to next generation is our great subject, and also positive concern to global environment is our important mission in operation. Ryoden, as a technical business firm, develops our business to numbers of fields by providing components (parts, individual equipment), solutions (proposal-based systems) and so on. While implementing our management

philosophy that is including "Operation for social contribution and customer reliability", we carry out action for environment as one of most important issue. Ryoden positively promote deals of parts, products, system, solution, and service that are considered for environment. Also we make much effort toward reducing the environmental load by our operation, managing chemical substances, and concerning to biological diversity.

Environmental Policy

Ryoden Trading Group makes an effort for continuous improvement of environment management system that is constructed and managed based on basic philosophy about global environment maintenance. We will implement our operation according to the following policy.

1 We observe environmental laws and respond to social or customer request on environmental maintenance.

- 1) Reducing of environmental load by adopting environment management system
- 2) Appropriate reporting managed on chemical substances management system
- 3) Enhancement of contribution to society with considering biological diversity

2 We perform the following items as important environmental themes and review them regularly.

- 1) Positive dealing of parts, products, system (energy management system built around the solar power generations etc.), solutions (environmental solutions, etc.), and service that are effective in environmental maintenance
- 2) Thoroughgoing environmental management of offices and cars, restraint / proper control / proper disposal of wastes, implementing effective action for saving energy / saving resources / prevention of environmental pollution
- 3) Preliminarily planned investment to reduce environmental load in all-round equipments required on job

3 We thoroughly inform Environmental Basic Philosophy and Environmental Policy to all employees and all people mainly engaged to Ryoden. And we carry out education and enlightenment for all employees to recognize and implement this.

Environmental Policy will be reviewed regularly and revised in case of need.

4 We inform our policy and related information to our supplier / subcontractor / subsidiary, and then we get their understanding and cooperation.

5 Ordinary people can show our Environmental Basic Philosophy and Environmental Policy by publication or Internet.

※ Our company name in English has been changed to Ryoden Corporation since June 29th 2016.

April 28th, 2016
 President
 Nobuo SHOGAKI

Overview of Our Business

Outline of Company

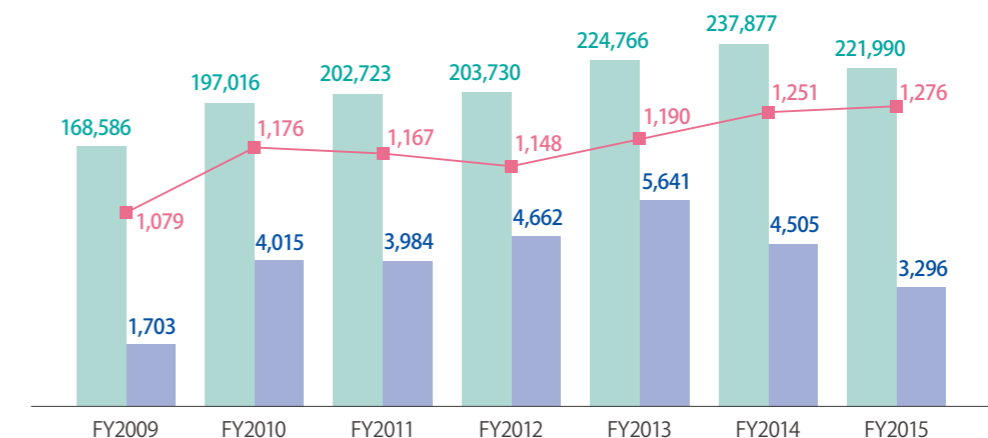
- Firm name : Ryoden Corporation
- Head office : 3-15-15 Higashi Ikebukuro, Toshima-ku, Tokyo 170-8448
- Representative : President Nobuo SHOGAKI
- Establishment : April 22, 1947
- Capital : ¥10.334 billion (as of March 31, 2016)
- Sales (consolidated) : ¥221,990billion (FY2015)
- Main products : Sale of electronics and electronic equipment, data communications equipment, industrial equipment, construction and environmental equipment, etc.
- Employees : 1,033 (as of March 31, 2016)
- Group employees : 1,276 (as of March 31, 2016)

Overview of Our Business

Uncertainty about the future of the global economy grew rapidly despite the firm growth of the US economy, largely due to slowdowns in China and other emerging economies and the plummeting oil prices. In Japan, some companies are suffering falling profits amid stagnating exports and production, hit by the rapid appreciation of the yen and falling share prices caused by the slowdown in overseas economies and concerns about the delayed interest rate rise in the US. Indeed, the Japanese economy has stalled as the recovery in capacity investment is slowing due to the prevailing wait-and-see attitude among companies. Among our trading partners, the robust performance of the industrial equipment and energy-saving industries earlier in the year levelled off in the second half. Our sales to the automotive industry remained strong in North America, but slumped throughout the year in Japan, China and ASEAN countries. Under these circumstances, we took concrete action to evolve into a "global solution provider" offering value to customers worldwide in the final year of our mid-term

management plan called GSP•15 (Global Strategy Plan 2015). Thus, we expanded our operation at 10 offices in Japan, converted our representative office in India into a subsidiary, wound up Ryosho Electronics Shenzhen and established a Shenzhen Branch of Ryosho Electronics (Shanghai), all in an attempt to identify the needs and challenges facing our customers by working more closely with them, and to accelerate the process of finding effective solutions. We have also worked constantly to achieve this objective, including through information-sharing sessions, and enhanced collaboration with our customers and solution partners at various locations. Furthermore, we mobilized the whole Group to accelerate solution business initiatives and enhance our engagement with sales channels, but this effort was affected by the rapid deterioration of market conditions in the second half of the fiscal year largely due to the slowing Chinese economy. These moves translated into the following business results.

Business Performance(Consolidated) Sales(¥1 million) Ordinary profit(¥1 million) Personnel



Corporate Governance

Effective implementation of corporate governance is crucial to continuously boosting enterprise value. In accordance with the Group's Business Activities, we take a wide range of measures in an effort to ensure the transparency, ethicality, and accountability of our business and disclose information.

Corporate Governance

Under our Management Principles, the Business Activities stipulate that all officers and employees of Ryoden Corporation and its Group companies will "promote the development of corporate governance which is beneficial and adequate for business management." We carry out a wide range of measures to ensure the transparency, ethicality and accountability of our business, information disclosure, compliance with laws, regulations and rules, and the development of a governance system required by the Corporate Governance Code.

Ryoden Corporation's Board of Directors, which consists of seventeen directors (including three outside directors) and meets regularly once a month, decides on important business matters and oversees the conduct of company operations.

The outside directors provide advice on the conduct of operations from an independent standpoint and act as a check on the others. In addition, we will newly appoint an independent outside director in the 77th year to strengthen the effectiveness of our chain of command.

The Board of Directors decides on matters of the utmost

importance for Ryoden Corporation and its Group and oversees the performance of duties by the directors. In order to ensure transparency of management and rapid decision-making, the Executive Committee, comprising key directors and other executives, deliberates on crucial matters for Ryoden Corporation and its Group from diverse perspectives, with the attendance of the standing corporate auditors to ensure that discussions are proper.

Ryoden Corporation's Audit & Supervisory Board consists of two standing members and two external members. They attend the meetings of the Board of Directors as well as other key meetings under the audit policy and audit plan drawn up by the Audit & Supervisory Board, and audit and oversee legal compliance by the directors in performing their duties, verifying reports from directors and employees of Ryoden Corporation and its Group and conducting investigations into the business operation and financial standing of each company.

To ensure that audits are properly conducted, they also regularly exchange information and views with the company's internal auditing arm and financial auditor.

System of internal controls

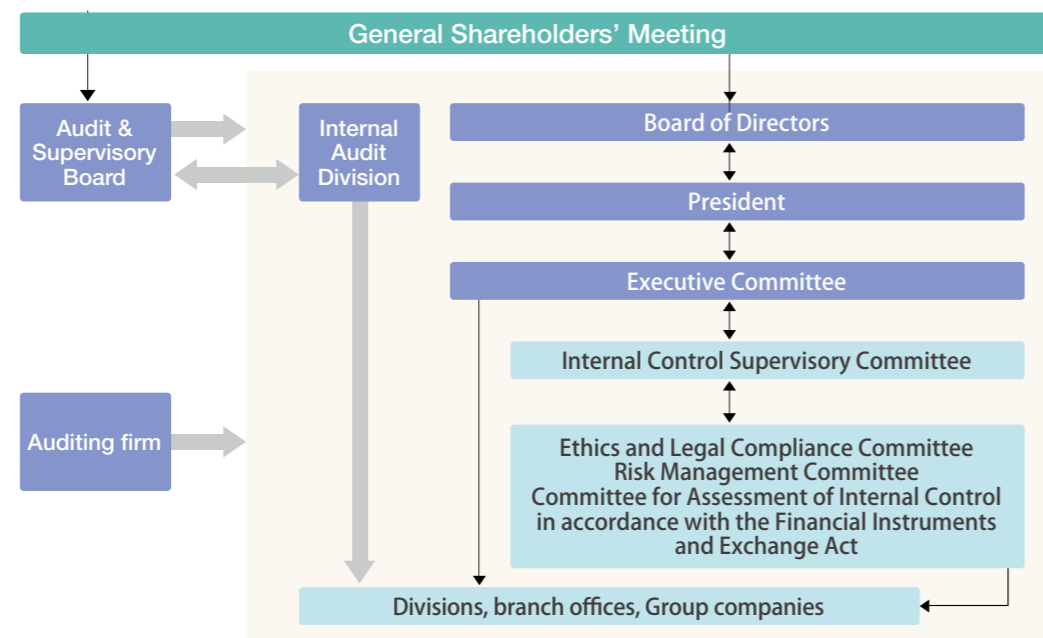
Ryoden Corporation's Internal Control Supervisory Committee, made up of the directors with titles, discusses basic policy on internal controls and verifies the activities of other committees.

We have also established the Committee for Assessment of Internal Control in accordance with the Financial Instruments and Exchange Act, Risk Management Committee and Ethics and Legal Compliance Committee

to direct and supervise the whole Group on business continuity, better compliance and enhanced information security.

※ For information on our Basic Policy on Design of Internal Control Systems, please see the notice on partial amendment of the Basic Policy on Design of Internal Control Systems, posted on the IR News page of the company's website on 27 April 2015.

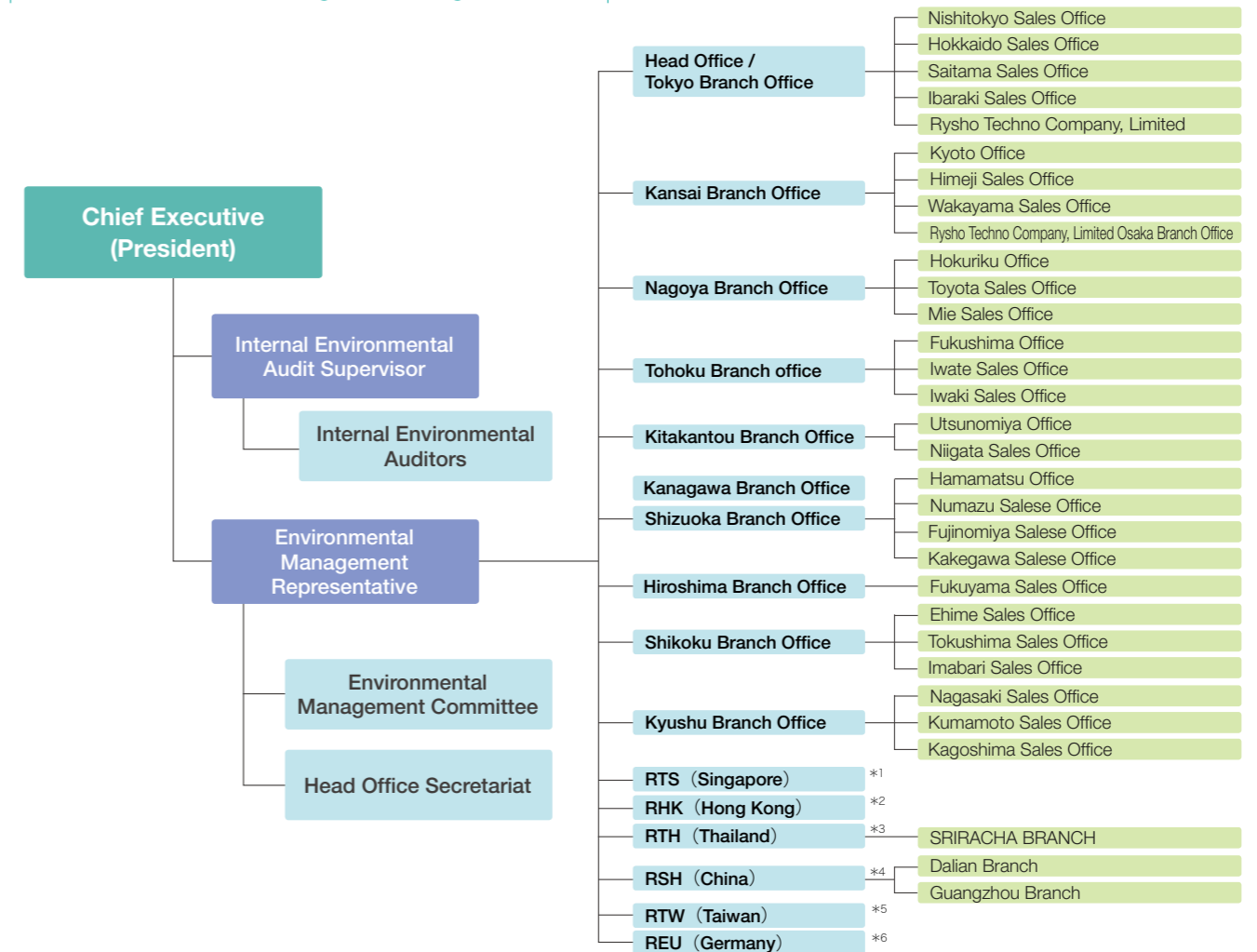
Ryoden Corporation's Corporate Governance Structure



Environmental Management Organization and History of Environmental Activities

The Ryoden Corporation Group has established a cross-divisional environmental management organization to promote environmentally responsible management on a group-wide basis. With the President himself acting as the chief executive, the organization operates at 47 sites in Japan and around the world promoting environmental measures.

Environmental Management Organization



History of Environmental Activities

- Dec. 2001** Acquisition of ISO 14001 certification by Head Office, Tokyo Branch Office, Kansai Branch Office, Nagoya Branch Office, Ryoko
- Dec. 2002** ISO14001 certification is extended to all offices in Japan
- Jun. 2003** Publication of first Environmental Report (now the Sustainability Report)
- Dec. 2004** ISO14001 certification is extended to Ryosho Techno as a Ryoden Trading Group company
- Aug. 2005** Implementation of Environmental Activity Awareness Survey
- Apr. 2006** Implementation of Household Environment Accounting
- Sep. 2006** Establishment of Senior Auditor Qualification System
- Oct. 2006** Initial meeting of the Auditor Leader Conference
- May. 2007** Commencement of company-wide social contribution activities
- Jan. 2012** Ranked 11th in the trading company category of the 15th Nikkei Environmental Management Survey
- Sep. 2012** Publication of Sustainability Report (English / Chinese version)
- Dec. 2013** The Ryoden Trading Group's ISO 14001 certification is extended to Singaporean subsidiary RTS¹
- Jan. 2014** Ranked 10th in the trading company category of 17th Nikkei Environmental Management Survey

- Mar. 2014** Solar power generation begins at sites in Kurihara, Miyagi Prefecture, at the North Kanto Branch Office, and at the Hamamatsu Sales Office
- Mar. 2014** Ryoden participates in the Fukushima Sakura Project
- Dec. 2014** The Ryoden Trading Group's ISO 14001 certification is extended to Hong Kong subsidiary RHK² and Thai subsidiary RTH³
- Jan. 2015** Ranked 10th in the trading company category of 18th Nikkei Environmental Management Survey
- Dec. 2015** The Ryoden Trading Group's ISO 14001 certification is extended to Chinese subsidiary RSH⁴ and Taiwanese subsidiary RTW⁵
- Jan. 2016** Ranked 10th in the trading company category of 19th Nikkei Environmental Management Survey
- Apr. 2016** REU⁶ in Germany launches environmental activities

* 1 Stands for Ryosho Techno Singapore Private Limited.
 * 2 Stands for Ryosho Hong Kong Company, Limited.
 * 3 Stands for Ryosho (Thailand) Company, Limited.
 * 4 Stands for Ryosho Electronics (Shanghai) Company, Limited.
 * 5 Stands for Ryosho Taiwan Company, Limited.
 * 6 Stands for Ryosho Europe GmbH

※ Our company name in English has been changed to Ryoden Corporation since June 29th 2016.



Feature

Ryoden Corporation Solutions



The Ryoden Corporation Group is working with our trusted partner companies to offer the best solutions to address customer needs and challenges in the field, which are identified through our close relationships with customers. We are committed to meeting the demands of customers and society and helping to conserve the global environment and promote human health by focusing on five areas: EMS and the environment, safety and security, production facilities, industrial refrigeration/heating, and building instrumentation.

EMS and the Environment

We contribute to the improvement of energy efficiency and conservation of the global environment through proposals for photovoltaics and other renewable energy sources, water, air and other environmental sensing, and next-generation energy utilizing hydrogen.

- ◎Renewable energy
- ◎Environmental sensing
- ◎Next-generation energy



Safety and Security

With the aim of helping to ensure safety and security for people and society through our business activities, we carry out various initiatives including for improving food safety, supporting disaster prevention and reduction, and effective post-disaster medical services in the field.

- ◎Safety measures at food factories
- ◎Disaster prevention/reduction
- ◎Medical/health care

Production Facilities

We propose total packages of services ranging from efficiency and labor-saving at production sites to production management, traceability, cost reduction, inspection/safety systems and assessment/testing systems, in line with the business profile and needs of customers.

- ◎Production management
- ◎Factory automation (FA)
- ◎Inspection/safety ◎Assessment/testing

Ryoden Corporation helps to conserve the global environment and promote human health through its business activities.



EMS and the Environment

Industrial Refrigeration/Heating

Leveraging our technological prowess and expertise, we propose, design and construct sophisticated air-conditioning systems including for production facilities and testing booths. Building on our experience, we also propose and support the operation of plant factories, which are attracting global attention as a new crop production system.

- ◎Sophisticated air-conditioning systems
- ◎Plant factories

Building Instrumentation

Demand for automatic control of buildings is increasing for energy conservation and safety purposes. The Ryoden Corporation Group proposes systems for total management and efficient operation of lighting, air conditioning and security in commercial facilities, factories and office buildings.

- ◎Building instrumentation

To Build a Sustainable Society

Conservation of the global environment is a challenge that requires a global effort to build a sustainable society. The Ryoden Corporation Group is helping to reduce the burden on the global environment through its business activities, including support for the introduction of photovoltaics and other renewable energy sources and proposals for next-generation energy utilizing hydrogen.

One-stop support for introduction of photovoltaic systems

Demand has been increasing for photovoltaics for various reasons, including falling costs and energy security in the event of disaster. The Ryoden Corporation Group provides customers with one-stop services to help plan, design, construct and operate various photovoltaic power plants ranging from small-scale to mega-solar facilities to meet their needs. We also offer services to maintain stable power generation over the long term, including a string monitoring system to detect any defective photovoltaic panels and a system to identify the malfunctioning part in a defective panel with a drone-mounted thermographic camera. In order to deliver those cutting-edge services, the Ryoden Corporation Group has constructed three photovoltaic plants at Kurihara (Miyagi Prefecture), Maebashi (Gunma Prefecture) and Hamamatsu (Shizuoka Prefecture) to launch its own power generation business. Thus, we ensure that quality services are provided to customers by making constant improvements through demonstration experiments at our own power plants by leveraging advanced technologies, including remote monitoring of power generation from the Head Office building.



Case example: Photovoltaic facilities installed on the roof of a building

Photovoltaic power generation by Ryoden Corporation Group

| Plant | Kurihara (Miyagi Pref.) | Maebashi (Gunma Pref.) | Hamamatsu (Shizuoka Pref.) |
|--------------|-------------------------|------------------------|----------------------------|
| Power output | 2,000 kW | 37 kW | 50 kW |



Ryoden Corporation Kurihara Power Plant (Miyagi Prefecture)

Proposal of next-generation energy using clean hydrogen

While chemical energy sources such as oil and coal are easy to store and transport, renewable energy from photovoltaics and wind power generation is typically difficult to store, as it is only available in the form of electricity. It is essential to solve this challenge if we are to expand the use of renewable energy in the future. Thus, developed countries, particularly Germany, have embarked upon R&D and demonstration experiments on the storage of electric energy. Meanwhile, the Ryoden Corporation Group, working with partner companies, has proposed the use of magnesium hydride (MgH₂, or HydroMag[®]) to store electricity in the form of hydrogen, which is attracting attention as a clean energy source. Capable of safely storing a huge amount of hydrogen at ordinary temperatures and pressures and releasing the stored hydrogen by just adding water, HydroMag[®] is highly acclaimed as a next-generation energy source both in Japan and abroad.



Portable HydroMag generator "Magpopo"



Magnesium hydride (MgH₂, or HydroMag[®]) HydroMag[®] is a registered trademark of Biocoke Lab Co., Ltd.

To Support Business Growth

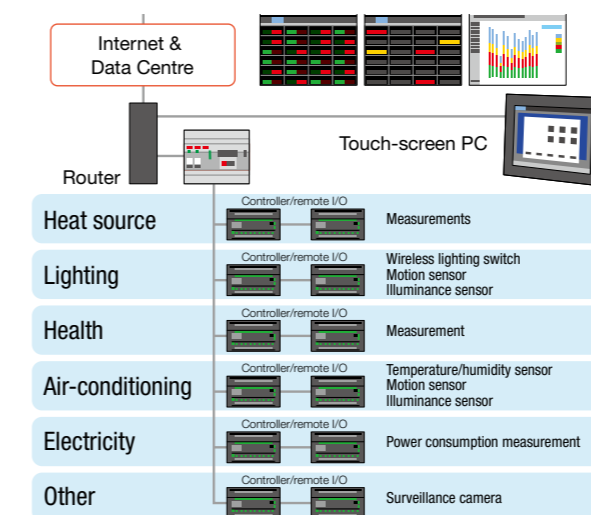
Since the Great East Japan Earthquake, efforts have been accelerating in offices and production plants to introduce business continuity planning (BCP) for energy conservation and disaster preparedness. The Ryoden Corporation Group provides support for optimal energy management systems (EMS) and BCP to meet the needs of each customer.

Total support for energy efficiency in offices and production plants

Energy-saving efforts are essential not only for conserving the global environment but also for cutting costs, and many customers consider that now is the time for energy conservation. The first of those efforts is the "visualization of energy," or measurement of energy consumption. Analyzing the data obtained from the detailed visualization of energy, the Ryoden Corporation Group makes proposals including the introduction of energy-efficient devices such as LED lighting to replace existing facilities and equipment. Combining air-conditioning/lighting facilities with an entrance/exit control system, we also propose an energy management system (EMS) to support energy-saving efforts, turning on/off the lighting around a desk depending on the presence or absence of the user, and making sure that air-conditioning and lighting are turned off when the last person leaves the room. Thus, we are providing comprehensive support for energy conservation in various offices and production plants, regardless of their size.



Head Office showroom



Proposing an EMS that reconciles energy efficiency with comfort

Strong support for business continuity planning (BCP) to ensure disaster preparedness

In recent years, a wide range of people have come to recognize the importance of business continuity planning (BCP) in minimizing the impact of disasters and accidents on business, and ensuring prompt resumption of operations. One of the key concepts of BCP is to minimize the damage in case of disaster. The Ryoden Corporation Group makes various proposals to protect businesses from disasters, including for a seismic isolation device for precision equipment, a floor cover-like quake-absorbing system and a system capable of detecting fire in a rack at an early stage. Another key objective of BCP is to expedite post-disaster resumption of business, which requires a secure power supply. The Ryoden Corporation Group proposes optimal solutions suited to the business profile and needs of customers, including uninterruptible power-supply systems (UPS) that can continue to supply power for a certain period of time after the external power supply is interrupted, an emergency off-grid generation facility and a container-shaped diesel generator.



Container-shaped data center



CT examination car with a container-shaped diesel generator: Kumamoto City Hospital (emergency aid provided in the aftermath of the Kumamoto Earthquake)

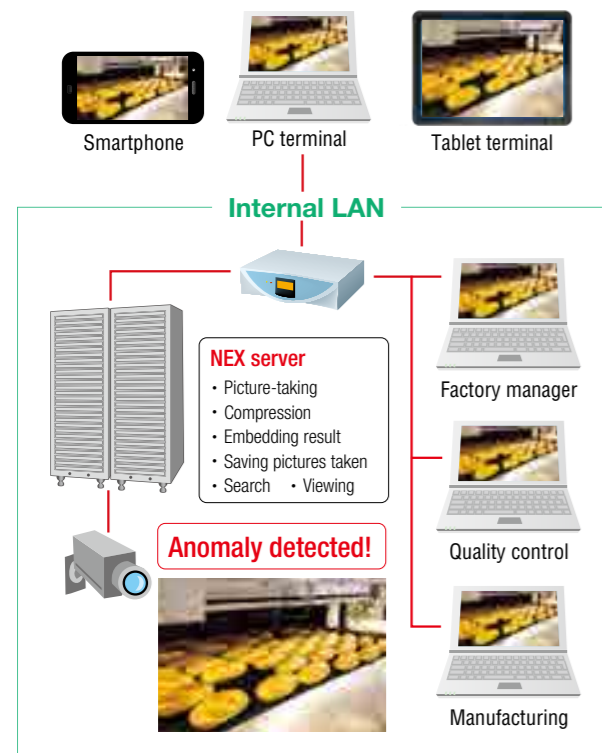
To Enhance Food Safety

Food is a very basic need of humans, and supporting food safety through business is one of the key missions of the Ryoden Corporation Group. The Group is taking various actions to improve food safety for current and future generations.

Protecting food safety by preventing outflow of contaminated products

Food contamination destroys the credibility of the manufacturer and undermines food safety for consumers. Prevention of such incidents requires not only measures against contamination such as the introduction of clean rooms and sanitary management of the manufacturing environment, but also a robust mechanism to prevent any contaminated product from reaching the market. Thus, the Ryoden Corporation Group proposes a system allowing sanitary managers immediately to view any anomaly detected by a sensor, by linking the contamination-detecting sensor with a monitoring camera. By "visualizing" whether appropriate action has been taken at the manufacturing line to resolve the problem detected by the sensor, outflow of the contaminated product may be prevented well in advance. This system is currently being used and is highly valued by more than 100 customers.

Easy, intuitive operations for search, replay, fast forward and rewind



Improving future food safety through artificial-lighting plant factories

"Artificial-lighting plant factory" refers to a system of producing crops by managing and controlling the temperature, illumination, culture fluid and other conditions of the facility at the optimal levels. It has the merit of ensuring the stable supply of crops without depending on seasonal and weather conditions. Plant factories are attracting global attention as an effective production system to address concerns about food crises, and are also expected to create jobs. The Ryoden Corporation Group leverages its experience and expertise accumulated through its flagship business areas – factory automation systems, industrial refrigeration/heating and electronic devices – to provide efficient and optimal plant factory production systems. We can handle everything, from assisting the development of a plant factory business and the introduction of equipment, such as self-developed LEDs for accelerated cultivation and a centralized management system, to construction, consulting on plant growth and maintenance services. The Ryoden Corporation Group will continue to improve food safety for the future, including through the deployment of plant factories.



Artificial-lighting plant factory



LED for accelerated cultivation developed by Ryoden Corporation Group



Total plant factory solution ranging from support for business development to maintenance services

To Save Human Lives

Helping save human lives from disasters and supporting the improvement of life-saving medical care in the field are also key activities of the Ryoden Corporation Group. Refining its technology developed over the years, the Ryoden Corporation Group is poised to meet the demands of society.

Saving people's lives from localized torrential rainstorms and other flood disasters

Recent years have seen an increasing number of localized torrential rainstorms that affect very specific areas in a short time, sometimes causing severe floods and fatalities. The Ryoden Corporation Group is working with Yamanashi, Fukushima, Okinawa and other prefectural governments to protect residents against localized torrential rain and other flood disasters. As part of this effort, we are seeking to issue early warnings for evacuation of local residents with a new pluviometer that estimates precipitation from the sound of the falling rain, rather than measuring precipitation in a fixed amount of time. We are currently at the demonstration stage of this initiative, in collaboration with local governments. Looking ahead, we hope to provide real-time information by linking the pluviometer with a monitoring camera, thus making it possible to send images of the river as soon as precipitation exceeds a predetermined level, for example.

Disaster prevention/reduction – Illustration of system structure



Offering first large UPS for radiological equipment in Japan

The Ryoden Corporation Group provides total support for medical care in the field, ranging from disaster risk reduction to energy management and sale/leasing of medical equipment and IT systems. Some proposals are unique to the Ryoden Corporation Group.

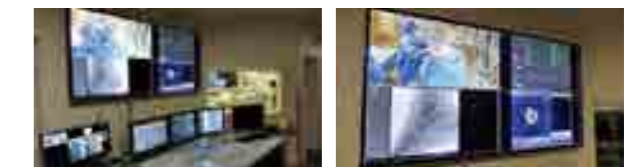
Angiographic examination image recording/distributing system

This is an unprecedented, ground-breaking system capable of harmonizing the time axes for the CINE^{※1}, IVUS^{※2}, polygraph and patient monitoring camera images, essential for angiographic examination, and distributing them live on a single split-screen monitor.

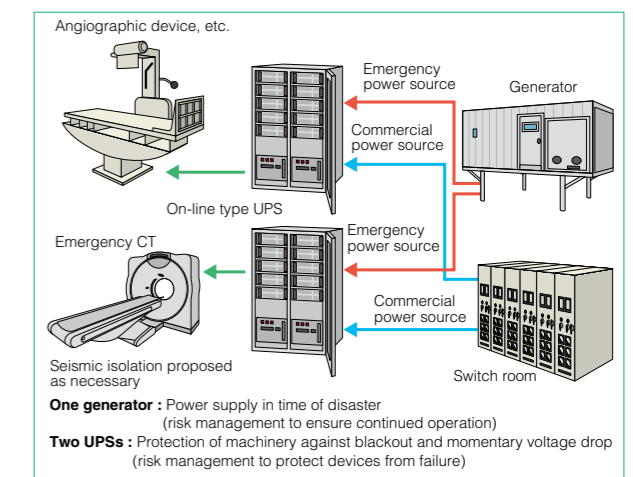
Large uninterruptible power-supply system (UPS) for radiological equipment

There was no backup power source for CTs or MRIs available in Japan until the Ryoden Corporation Group released the first large UPS for radiological equipment. Thus, it is now possible to secure a backup power source for radiological equipment in case of a blackout due to disaster.

※1 CINE: Diagnostic image technique showing heart motion throughout the cardiac cycle in a movie consisting of 16-40 images
 ※2 IVUS: Intravascular ultrasound



Example of a system for recording/distributing angiographic examination images (Katsura Hospital, Kyoto Social Welfare Foundation)



Large UPS for radiological equipment to secure backup power source in case of disaster-induced blackout

Results of Environmental Activities in FY 2015

Integration of Business Process and Environmental Activities

We selected those business activities that are beneficial to the global environment, and conducted an environmental impact assessment on the business plan of each office. Ryoden Corporation's environmental objectives have been set regarding the business activities thus identified (56 objectives companywide).

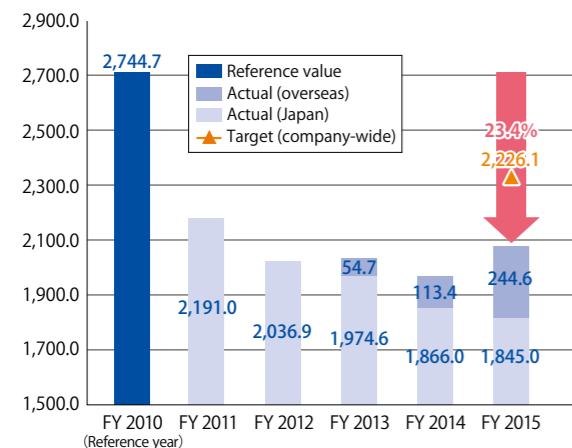
| Number of objectives | Objectives achieved | Objectives missed |
|----------------------|---------------------|-------------------|
| 56 | 47 | 9 |

| Office | Business activities set as environmental objectives |
|---------------------|--|
| Head Office / Tokyo | Enhance environmental management (investment in environmental equipment) |
| | Expand sales of CMOS sensors including car-mounted camera + 11 other objectives |
| Kansai | Expand sales of air-conditioners using CFCs with reduced GWP (annual sales volume) |
| | Sale of high-efficiency motors/INVs (annual sales) + 10 other objectives |
| Nagoya | Number of negotiations by all Branch Offices on environmental products and on business for environmental products + one other objective |
| Tohoku | Photovoltaic equipment sales volume (cumulative) + two other objectives |
| Kitakantou | Expand sales of AHUs manufactured by Kubota (annual purchase amount) + two other objectives |
| Shizuoka | Additional negotiations on new energy (photovoltaic/wind-power generation) and environmental business (EcoCute) + three other objectives |
| Hiroshima | Proposals to major customers for energy conservation support systems and traceability systems + two other objectives |
| Shikoku | Number of negotiations on solution projects + one other objective |
| Kyushu | Proposal for device capable of realizing efficient main circuit (large-capacity inverter) + three other objectives |
| RTS (Singapore) | Proposal for replacement of mercury lamps with high-ceiling LED lighting + one other objective |
| RHK (Hong Kong) | Proposal to local companies and Japanese SCM factories for environmental products |
| RTH (Thailand) | Proposal for energy-saving product category + one other objective |
| RSH (Shanghai) | Win automation business particularly with automotive and electric machinery/electronics customers + three other objectives |
| RTW (Taiwan) | Promptly build business model by identifying customer needs for wireless power supply system |

Environmentally Friendly Offices

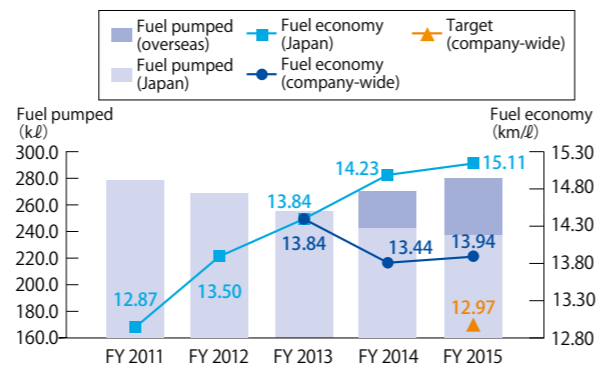
Reduce electricity use

Target : 18.4% reduction from FY 2010 level = 2,226.1Mwh
Actual : 23.4% reduction from FY 2010 level = 2,089.6Mwh



Improve the fuel economy of commercial vehicles

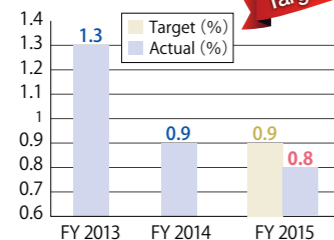
Target : improve by 5.0% over 12.97km/ℓ FY 2011 level
Results Company-wide : 12.8% improvement(13.94km/ℓ)
In Japan : 17.4% improvement(15.11km/ℓ)



Reduce percentage of waste disposed of as landfill

Target : Dispose of less than 0.9% as landfill

Actual : 0.8% disposed of as landfill



Use of paper products from properly managed forests

Objective : Use of paper products from properly managed forests
Result : 100% use of paper products from properly managed forests for copying in all offices

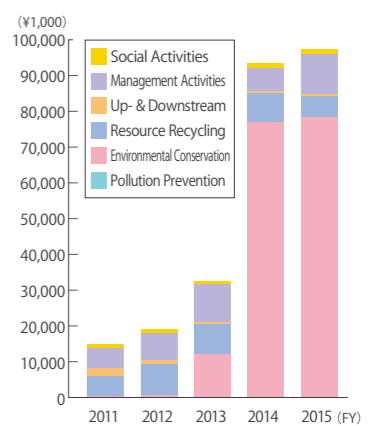


FY 2015 Environmental Accounting Report

1. Environmental Conservation Costs

| Category | Scope | Cost (¥1,000) | |
|--|---|--|---|
| Business Area Costs | Pollution Prevention Costs | Water Pollution Prevention Costs, etc. 34 | |
| | Environmental Conservation Costs | Energy Conservation Measures, Global Warming Prevention Costs, etc. | 7,269 |
| | | Depreciation expenses of photovoltaic power plant | 70,760 |
| | Resource Recycling Costs | Industrial Waste Transportation & Disposal Consignment Costs | 6,060 |
| | | Industrial Waste Storage Area Maintenance Costs | 0 |
| | Up- and Downstream Costs | Green Procurement Support, etc. | 654 |
| | | Management Costs | ISO 14001 Certification Maintenance Costs |
| | Internal Audit Costs | | 546 |
| | Creation of Environmental Reports & Other | | 7,491 |
| | Social Activity Costs | Environmental activities underpinning costs of overseas subsidiaries | 2,714 |
| Environmental Conservation Costs Associated with Social Activities (Donations to Environmental Conservation Groups, Aid Costs, etc.) | | 1,078 | |
| Environmental Damage Countermeasure Costs | Environmental Damage-Related Costs | 0 | |
| | Management Costs | Labor Costs for Environmental Activity Promotion | 38,141 |
| Total | | 98,687 | |

Shifts in Environmental Preservation Costs

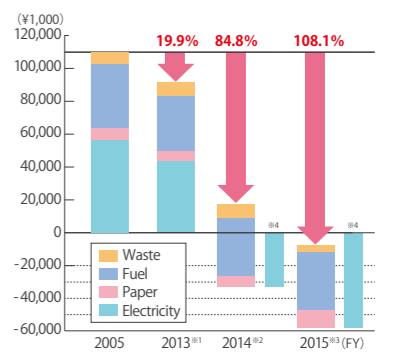


Includes photovoltaic facilities since 2013

2. Economic Effect of Environmental Conservation

| Category | Scope | Costs Reduced (¥1,000) | |
|-------------------------------|---|---------------------------|--------------------------|
| | | Results (Before Revision) | Results (After Revision) |
| Business Area Effect | Environmental Conservation Costs | 6,915 | 15,283 |
| | Sales of photovoltaic power | 102,545 | 102,545 |
| | Copy Paper Usage Reduction Effect | -316 | -316 |
| | Vehicle Fuel Reduction Effect | 5,353 | 4,403 |
| Resource Recycling Costs | Industrial Waste Generation and Disposal Reduction Effect | 1,315 | 1,315 |
| | Effect of Sale of Recycled Components | 48 | 48 |
| Up- & Downstream Effects | Green Procurement Effect | 0 | 0 |
| Management Activities Effects | Effect of Optimizing Management Activities | 0 | 0 |
| Total | | 115,860 | 123,278 |

Trends in Economic of All Environmental Conservation Activities



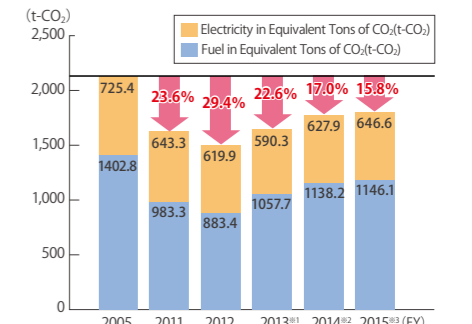
※ 1 2013 figures include RTS.
※ 2 2014 figures include RTS, RHK, and RTH.
※ 3 2015 figures include RTS, RHK, RTH, RSH and RTW.
※ 4 2014 and 2015 figures include sale of photovoltaic electricity.
Electricity = Power consumed - Power sold

■ Sales from business activities identified as environmental objectives for FY 2015: ¥16.5 billion

3. Global Warming(CO₂ Emissions)Reduction Effects due to Environmental Conservation Activities

| Unit | t-CO ₂ |
|--|-------------------|
| CO ₂ emissions from electricity consumption | 1,146 |
| CO ₂ emissions from gasoline consumption | 647 |

Transitions in greenhouse gas emissions



※ 1 2013 figures include RTS.
※ 2 2014 figures include RTS, RHK, and RTH.
※ 3 2015 figures include RTS, RHK, RTH, RSH and RTW.

Chemical Substance Management in Ryoden Corporation Group

1. Over 25,000 information disclosures per year

The management of chemical substances is a corporate responsibility and entails efforts throughout the supply chain. The Ryoden Corporation Group focuses on appropriate management and smooth disclosure of information on chemical substances in products. The number of information disclosures has been increasing year by year, from 9,880 in FY 2011 to over 25,000 in FY 2015.

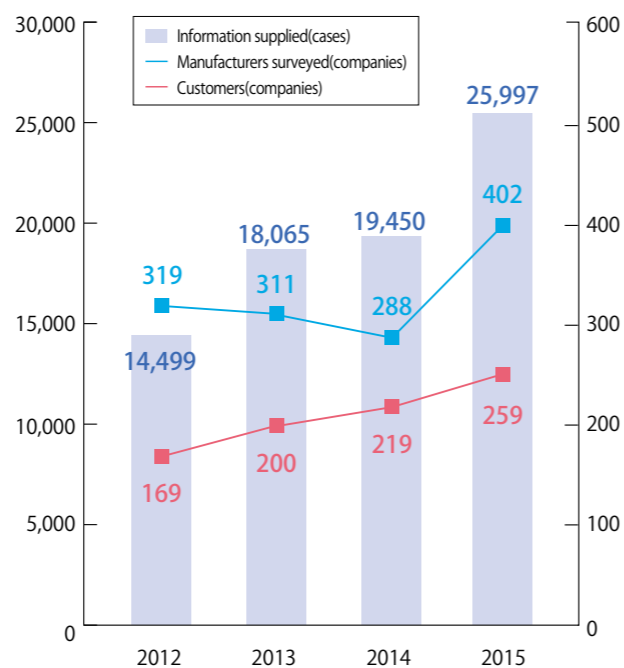
2. Activities to “listen to live opinions”

In FY 2015, we visited 17 customers and suppliers in total to listen to their “real opinions” and integrate them into the activities of the Ryoden Corporation Group, thus improving the services provided. We will seek to further improve our activities by prioritizing communication with our customers and suppliers.

3. Getting ready for chemSHERPA

The Ryoden Corporation Group meets the various needs of customers, including for AIS data, JGP files, JAMA sheets, ICP data and non-use warranty. We also comply with JAMP-GP (electric machinery/electronics industry) and IMDS (automotive industry). Since the existing AIS data and JGP files are to be converted into a new information scheme “chemSHERPA” by April 2018, we have started preparations for transitioning to chemSHERPA by participating in seminars and organizing internal training sessions.

CMS Group Customer Initiatives



Information on conflict minerals
150 disclosures to 52 clients

Further Globalization of the Ryoden Corporation Group

We launched the Overseas Business Promotion Headquarters on 1 April 2016. The Headquarters will implement various programs with clearly identified roles and challenges to accelerate and grow our overseas business including ongoing solutions.

1. Basic roles and priorities

| Basic role | Priority |
|--|--|
| (1) Planning, promotion and follow-up of overseas business strategy | |
| 1) Office-specific business plan Sum-up and follow-up | Prompt and precise understanding and visualization of office activities |
| 2) Planning of common strategy and policy | Support for transformation from the existing SCM-focused trading company structure into an engineering organization structure (support provided to overseas offices) Support for the planning of customer and partnering strategies |
| 3) Optimal allocation of managerial resources (human, physical, financial) | Prioritized investment of human, physical and financial resources |
| 4) Sum-up of office configuration planning (addition and consolidation) | Clarification of the positioning of each region and office, and establishment of a medium-term configuration plan and policy |
| (2) Enhancement of governance (centralized risk management) | |
| 1) Personnel management | Optimal allocation of Japanese staff and further improvements to the system for the growth and treatment of local staff |
| 2) Compliance | Extension of our corporate ethics and legal compliance philosophy to overseas offices |
| 3) Credit management | Enhancement and efficiency of credit management through systems |
| 4) Fund management | Visualization and efficient management of global funds |
| (3) Common | |
| Enhanced collaboration with Mitsubishi Electric Corporation and its group companies, and reinforcement of overseas business as a group company | |
| Strengthening of our presence in each region through support for advertising | |



● indicates overseas office of the Ryoden Corporation Group.

Environmental Activities in FY 2016

Our environmental activities in FY 2016 will revolve around the following three cores.

Business activities as environmental objectives

The Ryoden Corporation Group engages in a wide variety of environmental activities, some of which are being promoted as environmental objectives (total of 62 objectives).

| Office | Unit | activities |
|---------------------|--|--|
| Head office / Tokyo | Business headquarter | Sales of system solution |
| | General affair dept. | Enhancement of environmental management |
| | | Development of social contribution activity |
| | HR dept. | Operation improvement of HR system (POSITIVE) |
| | Account/Internal audit | Expansion of new contract for electronic bills |
| | Data processing & system | Release of KSR system |
| | Solution Engineering Administration Division | Enhancement of sales for Mitsubishi power device |
| | Solution Engineering Administration Division | Enhancement of sales for micro computer for P_co. |
| | Electrical Device | Enhancement of sales for CMOS sensors such as camera in automotive (low-power) |
| | Ecology & Facilities Sect.1 | Enhancement of sales for high efficiency type of A/C for building power saving |
| | Ecology & Facilities Sect.2 | Expanding business for environmental products |
| | Factory Automation | Generation of new business |
| | General affair dept. (Tokyo Branch) | Improvement of operation efficiency |
| Ryosho-Techno | Making a compliance thoroughly | |
| Kansai | General affair dept. | Correct of Eco-friendly cap, postage stamps, etc. Global environment conservation activity |
| | Ecology & Facilities Sect.1 | Enhancement of sales for A/C which has less GWP refrigerant gas |
| | Ecology & Facilities Sect.2 | Enhancement of sales for machinerom-less elevator |
| | Factory Automation | Enhancement of Sales for high-efficiency motor and INV |
| | Electrical Device | Enhancement of sales for small/low power micro-computer |
| | Kyoto | Correct of Eco-friendly cap, postage stamps, etc. Participation in clean up activity in Kyoto |
| | Factory Automation (Kyoto Office) | Enhancement of Sales for high-efficiency motor and INV |
| | Ryosyo-Thechno | Correct of Eco-friendly cap, postage stamps, etc. Clean up activity of the park close to the office |
| Nagoya | All | The number of business related to environment products The activity to preserve rural villages |
| | Branch | Ongoing environmental preservation activity |
| Touhoku | Fukushima office | Sales of solar power related |
| | | Sales of energy monitoring instrument |
| North-Kanto | All | Enhancement of Sales for Air Handling Unit in Kubota |
| | | Social contribution activity |
| | | Eco-friendly cap activity |

FY 2016 targets for Environment-friendly Offices

- Reduce electricity use:
Hold electricity use at the FY 2015 level (2,088,800 kWh) or below.
- Continue using paper products from properly managed forests:
Continue using paper products from properly managed forests and stop using paper for forms and sheets related to environmental activities
- Reduce percentage of waste disposed of as landfill:
Hold the percentage at the FY 2015 level (0.8%) or below
- Improve fuel economy of company vehicles:
Improve fuel economy by 1.3% from FY 2015 (14.2 km/ℓ or over)

| Office | Unit | activities |
|-----------|----------------------|---|
| Kanagawa | All | Promoting of beneficial business to environment |
| | | Decide and pursue environmental preservation activity |
| Shizuoka | Ecology & Facilities | Enhancement of business related to environment |
| | Factory Automation | Spread energy saving solution and environmental product |
| | Electrical Device | Negotiation excavation, accepting order and proposal for environment vehicle and environment business |
| | General affair dept. | Enlightenment by global environment conservation activity |
| Hiroshima | All | Sales high-efficiency transformer Ongoing social contribution activity |
| Shikoku | All | Sales of solution business Consider social contribution activity and execute |
| Kyusyu | All | Proposal of device for enhance energy saving to power supply unit |
| | | Proposal activity for building management of design office |
| | | Proposal activity for production management or inspection system in market of Kyusyu |
| | | Correct of Eco-friendly cap Social contribution activity |
| RTS | All | Proposal of environmental product Global environment conservation activity such as clean up of park |
| RHK | All | Selected customer and proposal energy saving product. Control hiatus availabilities |
| RTH | All | Proposal of energy saving products Global environment conservation activity such as clean up of park |
| RSH | Shanghai | Extending business to China for environment solution *The number of proposal |
| | Dalian | Consideration and execution of social contribution activity |
| | Guangzhou | Create products and expanding business Business development of environment solution |
| RTW | All | Expanding battery business by such as grasping needs and proposal |
| REU | All | Proposal of network system Proposal of high efficient sensor |

Social Contribution Projects

- Global environment activities :
Biodiversity Preservation Projects
- Participate in the Fukushima Sakura Project

Biodiversity Preservation Projects

This was the Group's ninth year of undertaking social contribution programs.
In FY 2015, a total of 742 employees and families participated in the various programs.

Head Office / Toyo Branch Office

Participation in the Tokyo Greenship Action program

Organized by Bureau of Environment, Tokyo Metropolitan Government

Held in May, February

Total participants 140

Outline

We participated in the Tokyo Greenship Action program organized by the Bureau of Environment, Tokyo Metropolitan Government to protect the natural environment in Kiyose Matsuyama. Working with the Bureau of Environment and the NPO "Association to Protect the Nature of Kiyose," we engaged in various activities such as replacing wooden fences and ropes, cutting trees for forest regeneration, clearing away fallen branches and observing nature.



Kansai Branch Office

Participation in the Adopt-a-River program

Organized by Osaka Prefectural Government

Held in July, December, March

Total participants 151

Outline

The number of projects implemented under the Adopt-a-River beautification program, which started in 2008, reached 20 in 2015. Each time, dozens of employees participated in the program, cleaning up the Kanzaki riverside. Many employees bring the whole family with them, including young children.



Kyoto Branch Office

Participation in the All-Kyoto Beautification Drive

Organized by Community Beautification Section, Environment Bureau, Kyoto Municipal Government

Held in November

Total participants 22

Outline

We participated in a large civic action organized by the mayor to make Kyoto a beautiful city of worldwide fame. Our employees and their families enjoyed clean-up activities, collaborating with participants from other companies and associations.



Kitakantou Branch Office

Cutting bamboo grass around the Kakumanbuchi Wetland on Mount Akagi

Organized by Committee for Preserving the Natural Environment of Mount Akagi

Held in November

Total participants 28

Outline

We helped cut bamboo grass around the Kakumanbuchi Wetland on Mount Akagi. The activity was intended to protect the natural environment characterized by Nikko day lilies and to make the nature trails safer. Despite the cold rainy weather, we managed to complete the task smoothly without injury. Mount Akagi has a special place in the hearts of Gunma's people. We hope to continue participating in this community-based project.



Utsunomiya Office

Maintenance of grounds of Shimotsuke Sanrakuen children's home

Organized by Kitakantou Branch Office, Shimotsuke Sanrakuen

Held in May

Total participants 19

Outline

We mowed grass on the baseball field of an orphanage to create a safe playground for the children. The orphanage is also our partner in welfare activities. Thus, this project is more than just an environmental activity.



Shizuoka Branch Office

Participation in the Shizuoka Adopt-a-River Program

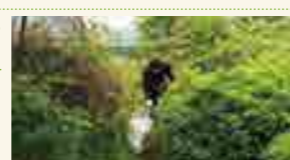
Organized by Shizuoka City

Held in May

Total participants 42

Outline

We continued contributing to the program, cleaning up the same area as last year. As this activity has become well-known within the office, we again focused on implementing the annual activity rather than on maximizing the number of participants. The amount of garbage collected has been increasing since we switched the cleanup area a few years ago. We intend to continue contributing effectively in this area.



Kyushu Branch Office

Participation in the Rhinoceros Beetle Forest conservation campaign

Organized by Independent project

Held in November

Total participants 19

Outline

We conducted an independent forest conservation activity in the Aburayama Natural Forest together with a volunteer group. This year, we raked up fallen leaves for about an hour and a half to clear a forest road and slope. Although there were fewer participants than usual, we hope to continue this project with as many participants as possible.



RTS

Participation in clean-up activity at Sungei Buloh West 2015

Organized by Renesas Singapore

Held in September

Total participants 8

Outline

We participated in an environmental cleanup activity organized by Renesas Singapore. Most of the coastline of Singapore has been reclaimed as a result of dramatic economic development in the past, with the exception of the Sungei Buloh West district, where we removed garbage to preserve the precious natural environment.



RSH

Weeding of a park near the office

Organized by Independent project

Held in March

Total participants 27

Outline

We removed weeds around the trees and in the lawn at a park near the office. Thanks to this environmental activity, which started in April last year, we became qualified for extended coverage of the Ryoden Corporation Group's ISO14001 certification. This activity has turned out to be very important as it has raised environmental awareness among the participants. We hope to continue the activity in the future.



fukushima
さくらプロジェクト

Fukushima Sakura Project, a Prayer for Reconstruction

The Fukushima Sakura Project is an initiative to distribute a new species of cherry tree, called Haruka, from Fukushima throughout the country as a symbol of the reconstruction from the earthquake. We are a proud sponsor of this project, as one of our social contribution programs. The Great East Japan Earthquake caused enormous damage that was unprecedented in scale, but over time, people have slowly lost interest. And yet in the affected regions, there are a great number of people still

living in evacuation shelters and suffering from the memory of missing family members. For us, the healthy growth and proliferation of the Haruka cherry tree is a reminder of the earthquake disaster and our commitment to continue to assist the victims. It takes several years to nurture a cherry sapling and even more years after the sapling is planted for it to start blossoming. Just as the Haruka grows slowly but surely, we will provide long-term aid to the reconstruction.

The Fukushima Sakura Project website ▶ <http://www.fukushimasakura.jp/>

Ryosho Techno Osaka Branch Office

Cleanup of a park near the office

Organized by Independent project

Held in June, November, March

Total participants 22

Outline

We clean up the area around our office and a nearby children's park three times a year. Although this activity is limited to a short time before the start of work, the seven or eight employees participating in the activity demonstrated our commitment to the beautification project to local residents, who appreciated our effort. We will continue the project as a regular community-based social contribution.



Nagoya Branch Office

Participation in the Nagoya Higashiyama Forest

Organized by Nagoya Higashiyama Forest Conservation Group with the cooperation of the City of Nagoya

Held in July, December

Total participants 128

Outline

Working with the Nagoya Higashiyama Forest Conservation Group, we are involved in activities to preserve the rural hillside landscape twice a year. This year, we set the challenge of clearing a bamboo grove and succeeded in letting the warm sunshine into the mountain area. The children of participating employees also enjoyed the chance to get close to nature, making bamboo toys.



Tohoku Branch Office

Participation in the Cosmo Earth Conscious Act Clean Campaign in Inawashiro

Organized by Cosmo Oil, Fukushima FM

Held in September

Total participants 12

Outline

We participated in a cleanup activity for the Cosmo Earth Conscious Act Clean Campaign in Inawashiro, organized by Cosmo Oil Co., Ltd. and sponsored by Fukushima FM. The "fish grabbing" and "potato digging" events held after the cleanup work gave the participating children a fun chance to engage with nature.



Hamamatsu Office

Participation in the Sea Turtle Nesting Beach Cleanup

Organized by City of Hamamatsu

Held in May

Total participants 18

Outline

We participated in a social contribution program organized by the Hamamatsu municipal government to keep the beach safe for sea turtles to lay eggs. Despite some problems, including the inflexibility of timing (second Sunday of May), employees are becoming increasingly keen to participate in this program as they recognize its significance.



Hiroshima Branch Office

Cleanup in the vicinity of the office

Organized by Independent project

Held in February

Total participants 23

Outline

This year, we implemented the first two-day project to clean up the area around the building housing the Hiroshima Branch Office. The Hiroshima Branch Office has also been participating in the annual volunteer program at Hiroshima Peace Memorial Park. Many employees joined in both projects. 23 employees, or over 80% of the workforce, participated in the cleanup project this year, even though it was held early in the morning.



Shikoku Branch Office

Weeding and cleanup (waste collection) of an irrigation channel in the vicinity of the office

Organized by Independent project

Held in March

Total participants 27

Outline

As with last year, the weeds around the irrigation channel were very dense, and some of the garbage found nearby had been dumped illegally. All of it was removed again this year by the hard-working participants. As always, we made a meaningful contribution this year with many participants including female employees and their families (children).



RTH

Cleanup of Jatujak Park

Organized by Independent project

Held in July

Total participants 27

Outline

We carried out our first social contribution activity with the cooperation of the Jatujak Park Administration Office. Despite the drizzle that started to fall during the activity, the participants worked hard to make the park look better, aware of the importance of keeping public places clean.



RHK

Participation in the Hong Kong Cleanup program

Organized by Hong Kong government

Held in October

Total participants 22

Outline

In FY 2015, RHK participated for the first time in the Hong Kong Cleanup program organized by the Hong Kong government to clean up Butterfly Beach. We will continue this effort, backed by heightened interest in volunteering here in Hong Kong.



RTW

Participation in 2016 Guoshengpu Beach Cleanup Action program

Organized by Taiwan Environmental Information Association (TEIA)

Held in June

Total participants 7

Outline

As part of our environmental activities, we will participate in the 2016 Guoshengpu Beach Cleanup Action, to be held on 25 June (activities will include removing garbage from the coast, analyzing drifting waste and separating waste). The Action was originally planned in March but was postponed to June due to bad weather. RTW employees are looking forward to participating for the first time in environmental activities organized by the TEIA.

Our Responsibility to Employees and Their Families

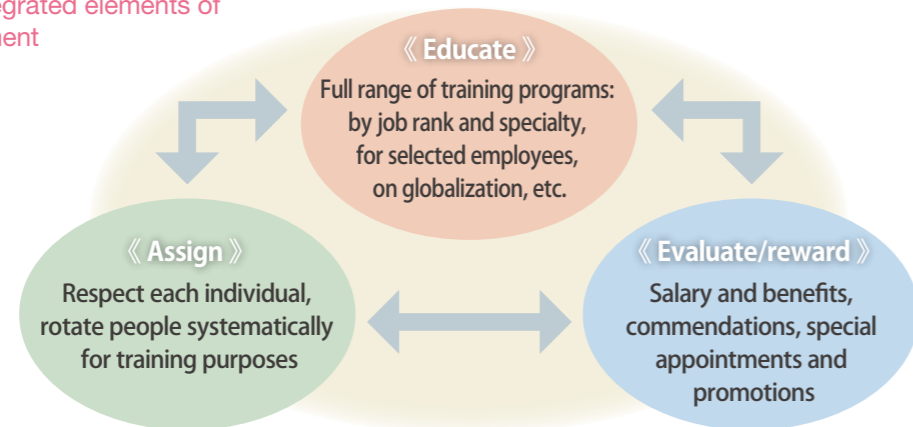
To provide a pleasant working environment where all employees feel at home, and to ensure that each finds their job rewarding, continues to grow through their work, and develops the skills to pursue their career on the world stage: those are the basic goals of Ryoden Corporation's human resources policy. To that end we respect the diversity of the people who work here, and make every effort to bring them and their families a greater sense of security.

Creating a rewarding workplace

Human resources management at Ryoden Corporation is underpinned by one basic principle: pursuing the maximum results for both employee and company. We seek to enable

our people to produce results and, through their work, to increase their own worth in their quest for individual self-fulfillment.

The three integrated elements of HR management



A system of rewards based on each person's skill level, function, and performance

We value not just quantitative outcomes but also accomplishment of qualitative behavioral process objectives, thereby nurturing a culture that enables employees to set

their sights high. We also draw up a separate training and assignment sheet on each employee to facilitate their personal development.

A multifaceted approach to education and training

We have a full range of off-the-job training programs based on education in the workplace through people's work.

These start with training for new hires and continue with various other training sessions, including those designed to improve personal and business skills by grade, to impart the expertise and skills required for the relevant position or task, and to provide technical education for strengthening

the solution business in partnership with the relevant division. Nurturing people with the ability to work globally is a top priority, and we are accelerating efforts to develop global staff with excellent communication skills by sending employees abroad on training programs and encouraging them to sit the TOEIC exam once a year.



English proficiency training

An off-JT program to improve English proficiency through group work with foreign nationals, thus promoting cross-cultural understanding and global communication skills



Team-building program for new employees

In a training facility deep in the mountains, new employees learn firsthand the indispensability of teamwork by tackling difficult assignments together while preparing their own meals. They also develop communication skills that will help them understand each other better.

Striking a work-life balance and embracing diversity

We are committed to creating a quality workplace where people at all stages of life, whether they are raising children, caring for family members, or are seniors, can work in security and fulfill their potential in their own way.

1 Creating a pleasant workplace for every kind of employee

Ryoden Corporation seeks to build flexible systems that can accommodate various working styles. For example, we extended the period of parental leave this year to facilitate the admission of children to child-care facilities. We also included three paid holidays in the parental leave period to help male employees take the leave. We intend to improve the system still further so that employees may work with a sense of security, including by increasing the paid leave that may be taken by the hour.

2 Educational program tailored to the employee's stage of life

We hold various seminars on life planning by employees. For example, we hold seminars on sound financial planning and career development for employees in their 30s. For those in their 50s, we explain post-retirement benefits and pension plans, in addition to life plan seminars to provide advice and support on a meaningful life after retirement at 60, life planning, health promotion, and household finances.



Life-planning seminar for 50-somethings

A seminar on retirement pay and the pension system, living a meaningful life after retirement, post-retirement life planning and financial planning, and improving fitness. Employees, many of whom bring their spouses, find it an enjoyable and fulfilling experience. The photo shows participants having fun doing calisthenics and working up a sweat.

Promoting employees' health

1. We organize annual health checkups to manage employees' health.
2. We introduced a mental health check program well before it became a legal requirement. This annual exercise covering all employees helps prevent mental problems and other disorders.
3. In order to help employees better enjoy their leisure time, we constantly make available our own recreation facilities (Lake Yamanaka and Kusatsu) as well as welfare facilities partnering with our offices to employees and their families at affordable prices.

4. We seek to promote health and communication among employees through offsite communities including club activities (baseball, tennis, etc.) and sports day.
5. We also have a "cafeteria plan" scheme, allowing employees freely to choose from various benefits including health, self-development, child and family care, leisure, etc. This scheme helps improve working conditions as we doubled the value of every point used for child and family care.

Voice of an employee



Toshio Kano

Administration & System Operation Section
Human Resources Department
Ryoden Corporation

Creating a workplace where each employee can work with vitality and in security

The Administration & System Operation Section of the Human Resources Department performs work such as calculating the salaries for all employees, handling social insurance, operating and managing the personnel management system, as well as managing occupational health and safety. When calculating salaries, we focus on accuracy and promptness, as regular salary payments provide job security for employees. Although it is a challenge to complete quickly all the procedures related to salaries and social insurance every month while complying with all legal changes that are introduced from time to time, it gives me a chance to learn. Ryoden Corporation will continue to evolve, aiming to become a "centenary company." We will play our part in creating and supporting a workplace where each employee can work with vitality and in security.

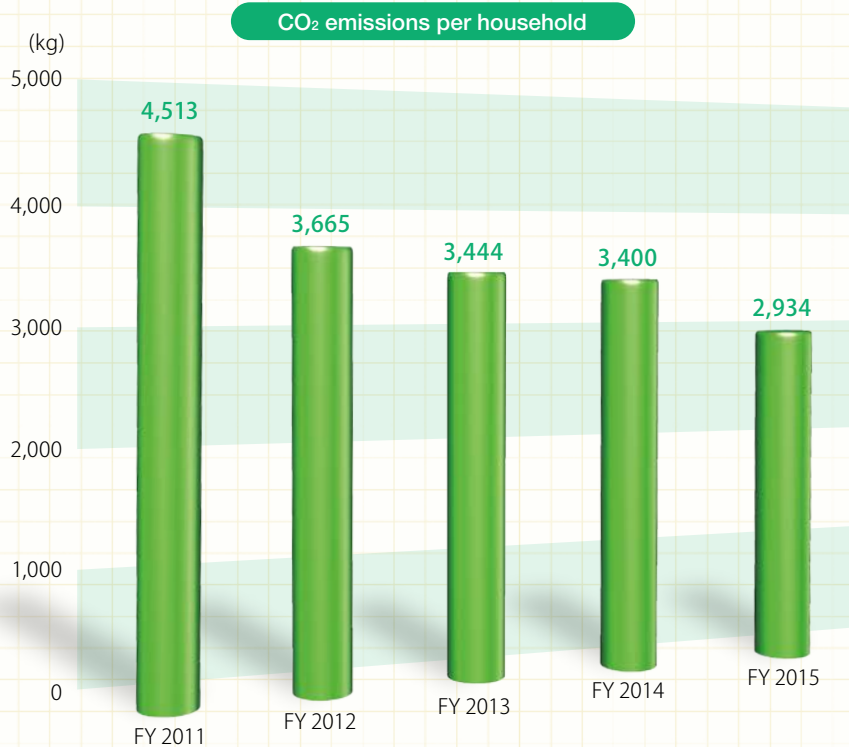
Household Environmental Accounting

As part of our effort to encourage environmentally conscious behavior at home, we invite our employees to participate in the annual “household environmental accounting” exercise to keep track of the total amount of electricity, gas, water, kerosene, and gasoline used at home and to convert it into equivalent carbon dioxide emissions.

By identifying the amount of CO₂ emitted from each household, “household environmental accounting” aims to encourage ecological and economical behavior through an ongoing review of living activities from an environmentally sound perspective.

The chart below shows the trend of CO₂ emissions per household over the five-year period since FY2011.

Employees have been pleased to find that the household environmental accounting practice has actually helped reduce utility bills.



No. 10^{!!!} among trading firms
in the 19th Nikkei Environmental Management Survey



Ryoden Corporation

3-15-15, Higashi Ikebukuro, Toshima-ku, Tokyo 170-8448
 TEL: +81-3-5396-6111 FAX: +81-3-5396-6448

<http://www.ryoden.co.jp>



This report was printed on FSC® Certified paper, which has been produced from responsibly managed forests.



This report was printed using superior biodegradable and deodorizing vegetable ink that facilitates recycling of printed matter.