

Overview of Value Creation

Long-term Vision and Materiality Topics

Long-term Vision

Amidst a drastically changing business environment the Group has been working to achieve its long-term vision, "aiming to become the leading provider of comfort for all living spaces" since 2016, and has formulated a medium-term business plan and strategy, and is implementing a variety of measures.

The long-term vision incorporates the concept of delivering optimal solutions (comfort) through our businesses to "all living spaces," including those areas of society we will become involved with in the future, in addition to existing business areas and stakeholders.

Mission (Mission and Purpose)

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

Long-term Vision

"Aiming to become the leading provider of comfort for all living spaces"

Materiality Topics

Important (materiality) topics for realization of the long-term vision reflecting considerations such as the medium- to long-term conditions of the Group's business environment, social issues, and the needs of stakeholders.

Medium-term Business Plan



Measures That Support the Four Strategies



Materiality

The RIKEN TECHNOS GROUP recognizes that responding to issues surrounding sustainability is important. By incorporating these issues into our management, we seek to help realize a sustainable society and enhance our enterprise value. In March 2023, we identified important topics (materiality) toward realization of the long-term vision, reflecting considerations such as the medium- to long-term conditions of the Group's business environment, social issues, and the needs of stakeholders.

Process for Identification of Materiality Topics

Review of Environmental Changes, Social Issues, and Stakeholder Needs

The Sustainability Committee secretariat, which comprises members selected from the respective divisions, played a central role in identifying relevant key topics with reference to various guidelines, key performance indicators (KPIs), and other information regarding the Sustainable Development Goals (SDGs) and the environment, society, and governance (ESG) to review changes to the Group's medium- to long-term business environment, social issues, and needs of stakeholders and others.

Candidate Selection

Candidate materiality topics for the Group to address were selected based on the key topics identified.

Candidate Evaluation

The candidate topics selected were assessed for materiality along the two axes of importance to the Group and importance to stakeholders.

Deliberation at the Various Levels

Roundtable discussions were held among directors and executive officers for identification of materiality topics by management, including outside directors. Participants discussed the individual candidate materiality topics and their importance. Similar discussions were held in roundtable talks by department managers and those in equivalent posts.

Preparation of Materiality Matrix

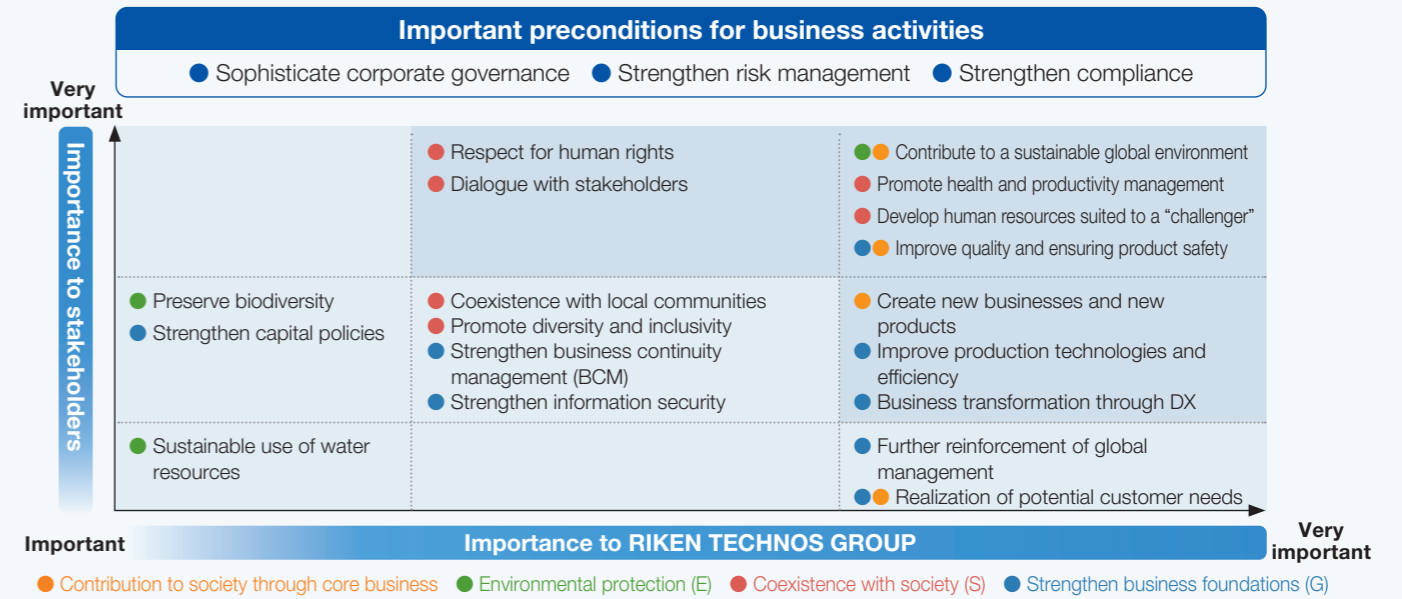
Based on the details of the discussions above, the Sustainability Committee revised and made additions to candidate materiality topics and prepared a materiality matrix.

Approval of Materiality Topics by Management

The content of the materiality matrix was approved by the Board of Directors.

Materiality Matrix

The importance of candidate materiality topics was evaluated, and those with high importance to both RIKEN TECHNOS GROUP and stakeholders were identified as materiality topics.



Materiality Topic KPIs

From the materiality topics identified, the Group established the following 9 indicators and targets (KPIs) of particular importance to the Group. We strive to realize the long-term vision by repeating the plan-do-check-act (PDCA) cycle and by promoting efforts to achieve our targets and managing the progress of these activities.

Materiality Topics	Standards for Evaluation (KPIs)	Results	Medium- to Long-term Targets		Relevant SDGs
		FY2022	FY2024	FY2030	
Contribute to a sustainable global environment	Achieving CO ₂ emissions reduction targets for 2030 (non-consolidated)	41,139 t	35,446 t	24,139 t (46.2% decrease compared to FY2019)	13, 15, 17
	Carbon neutral by 2050 (Group)	86,220 t	—	—	14, 15, 17
Promote health and productivity management	Ratio of total waste to total production (non-consolidated)	3.44%	3.3% or less	3.0% or less	12, 13
	Occupational injuries requiring time off work (domestic) ^{*1}	0	0	0	3, 8
	Percentage of Employees Undergoing Specified Health Examinations (domestic)	88.9%	90%	90%	3
Develop human resources suited to a "challenger"	Percentage of Employees Provided Specified Health Guidance (domestic)	52.5%	55%	60%	3
	Training cost per employee (non-consolidated)	45,000 yen	117,000 yen	140,000 yen	8
Improve quality and ensuring product safety	Serious quality incidents requiring recalls (non-consolidated)	0	0	0	8, 12, 13
	Serious violations of legal and regulatory compliance regarding use of chemical substances (non-consolidated)	0	0	0	8, 12, 13
Create new businesses and new products	Numbers of patents applications (non-consolidated)	8	45 (cumulative FY2022-2024)	210 (cumulative FY2022-2030)	8, 9
	Numbers of collaborations with external parties (non-consolidated)	4	10 (cumulative FY2022-2030)	35 (cumulative FY2022-2030)	8, 9
Improve production technologies and efficiency	Production capacity (non-consolidated)	-3% (vs. FY2021)	+10% (vs. FY2021)	+33% (vs. FY2021)	9, 12
Business transformation through DX	Development of MI human resources (non-consolidated)	—	9 persons	20 persons	8, 9
	DX training for all employees (non-consolidated)	—	100% attendance	100% attendance	8, 9
Respect for human rights	Human rights and compliance training for all employees (domestic)	60% ^{*2}	100% attendance	100% attendance	8, 10, 16
	Conduct ESG survey to suppliers (non-consolidated)	Once/year	Once/year	Once/year	8, 12
Dialogue with stakeholders	Meetings with investors and existing shareholders (non-consolidated)	104 companies	140 or more companies/year	200 or more companies/year	8, 10
	Conduct satisfaction survey to customers and suppliers (non-consolidated)	Once/year	Once/year	Once/year	8, 10

*1 Industrial Accidents which require the sending of a worker casualty report

*2 Calculated based on the number of attendees for compliance training, including training on discrimination and harassment (excluding attendees of on-demand training)