

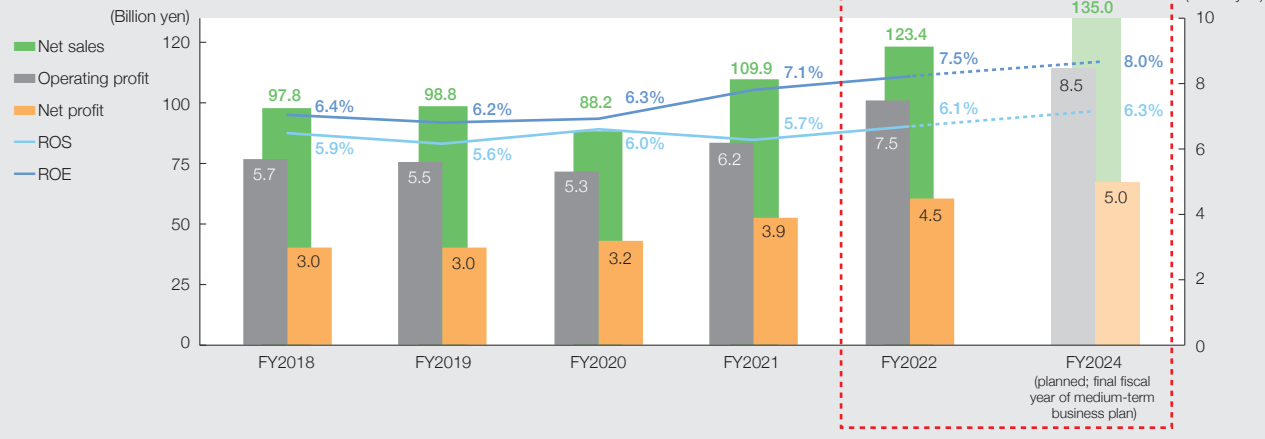
Medium-term Business Plan

In the three-year medium-term business plan that started in FY2022, we are working toward becoming the leading provider of comfort for all living spaces stated in the long-term vision with “Challenge Now for Change New 2024” as the management policy.

All employees are moving forward as one to promote the four strategies in this plan toward achieving the management indicators and accomplishing the plan.

Management Indicators

Net Sales, Operating Profit, Net Profit, ROS, and ROE



State of Progress

There are four strategies stated in this three-year medium-term business plan: two strategies to grow existing business and two strategies for future growth. In FY2022, the first year of the plan, we focused on establishing organizations and systems required for accomplishing measures based on these strategies.

The first strategy is to “intensify global management and generate synergies.” To pursue Group-wide optimization, we organized global sales and manufacturing meetings that connect domestic and overseas sites and shared information and issues. We also built global structures for quality assurance and procurement. Going forward, we will reinforce global cross-functional management centered on each division.

The second strategy is to “stay ahead of customers’ expectations.” To further strengthen and develop our strength and business model of understanding exactly what the customer wants and quickly providing a solution, we focused on the development of sales human resources with high capabilities in regard to strategic outlook. At R&D departments, we are developing human resources for materials informatics (MI)

and at the same time, have commenced full-scale system operation.

The third strategy is to “take on the challenge toward new businesses and products.” In October 2022, we established the Start-up Office for New Business Development as an organization directly under the president. The office is searching for themes that may lead to new businesses and products for our future. We also embarked on open innovation through academic-industrial partnerships as well as a review of development processes and implementation of intellectual property (IP) landscaping to generate IP.

The fourth strategy is to “Contribute to solving environmental and social issues.” We established a Sustainability Committee and worked on matters such as addressing climate change and identifying materiality topics. We are also working on the development of various products that help to reduce environmental load.

From the second year onward, we will further accelerate the implementation of the four strategies by strengthening and utilizing the organizations and systems established in the first year.

Four Strategies

Strategies to Grow Strengths of Businesses

Strategy 1 Intensify global management and generate synergies

- Capture an overwhelming market share in the important ASEAN region, and increase the number of fields in which we hold the leading share
- Expand business with global Japanese companies and local non-Japanese companies
- Establish strong foundation as a global company
- Further reinforce global cross-functional management by each division

Strategy 2 Stay ahead of customers’ expectations

- Further reinforce and develop our strengths and business models
- Anticipate potential customer needs and propose solutions through analyzing the market
- Speed up solution delivery (reorganize R&D structures, utilization of DX)
- Improve ability to serve customers by establishing the Film BU

Strategies for Future Growth

Strategy 3 Take on the challenge toward new businesses and products

- Build new business pillars that go beyond geographic expansion and meeting customer needs
- Establish structures that can fully utilize RIKEN TECHNOS’s technological strengths and reinforce R&D capabilities
- Generate new ideas by ensuring diversity in human resources.
- Establish structures, methodologies, and cultures that generate new businesses and products

Strategy 4 Contribute to solving environmental and social issues

- Develop and spread environmentally friendly products
- Reinforce sustainability implementation structures and various activities (climate change, circular economy, human rights issues, diversity, social contribution, etc.)
- Undertake initiatives toward becoming carbon neutral by 2050

Measures That Support the Four Strategies

We will focus on five major initiatives.

- (1) Capital investments in manufacturing facilities
- (2) Intellectual property and R&D investments
- (3) DX investments for improving efficiency of operations and developing working environments
- (4) Human capital investments
- (5) Reinforcement of governance structures

In particular, for (4) human capital investments, based on the approach that the growth of people is corporate growth itself, we will encourage the growth of each employee and establish workplace environments and a corporate culture where diverse human resources can play active roles.