

Contribution through Core Business

# Improve Quality and Ensuring of Product Safety

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## Promoting DX to Improve Quality and Product Safety

To further deepen our Product Quality Policy "Supply reliable products and services under the concept of Customer-First and Best Quality", we will leverage information about past cases of manufacturing defects, build up a global bank of big data regarding quality that is available for use by consolidated affiliated companies, including overseas companies, and promote quality improvements in our design and production processes (DR/FMEA\*). Our Environmental Policy seeks to take environmental effects into consideration, protect the environment, and realize a sustainable society. To further deepen this policy, we will engage in environmental investment, share information with members of the local community, and work to create a pleasant manufacturing work environment, led by efforts by our Environment Committee.



\* Design review (DR): Method used to identify issues in each process, evaluate validity, and determine whether the next process can be initiated  
Failure mode and effects analysis (FMEA): Method used to envision potential abnormalities based on edge conditions in each process and to minimize product quality deviations

## Quality Assurance Structure

Led by our Product Quality Policy "Supply reliable products and services under the concept of Customer-First and Best Quality", we engage in manufacturing in compliance with ISO 9001. Thorough quality control over entire processes, from acceptance of raw materials to delivery of products, is conducted by carrying out quality improvement activities in collaboration with all of our production sites, including overseas sites, every week. In addition to preventing the reoccurrence of past defects, we perform root cause analysis and share information regarding new defects.

## Quality Improvement Activities

In FY2021, we introduced sensing technologies to visualize change points. This enabled us to discover abnormalities in production processes. Combined with the AI-based shipping inspections we introduced in 2020, these sensing technologies have helped improve our preventive activities, which seek to eliminate defective products or minimize their production.

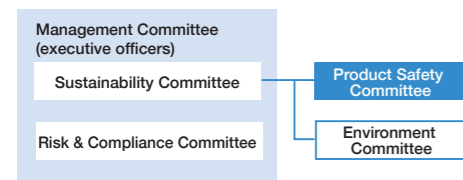
In FY2022, we optimized our digitized tool for discovering quality change points (our Quality Navigator) based on past manufacturing defect case examples, and we prepared a foundation for using big data in global quality control.

## Improvement of Product Safety

Product safety is the responsibility of manufacturers, and we have kept this in mind since RIKEN TECHNOS was established. We are further enhancing our product safety measures and complying with the Japanese Product Liability Act. We have not had a single product liability issue with any of our products for which product liability is a special concern (our products for medical use or our products which have received public certification, such as UL certification).

In FY2022, we merged the Product Safety Committee and Chemical Substance Control Committee to establish the new Product Safety Committee. The committee is conducting activities to identify and reduce our risks, including risks involving product liability and chemical substances.

### Organization of Product Safety



### Procedure for Product Safety Inspections



**Takeshi Sugie**  
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## Aiming to Achieve Sustainable Material Procurement through Overall Optimization

RIKEN TECHNOS constantly receives a wide range proposals and cooperation from business partners related to procurement and logistics. We comprehensively evaluate quality, price, stable procurement, technical capability, environmental, and safety initiatives and build partnerships based on mutual trust. This makes it possible for us to respond to changes in the market and environment. We are promoting efforts to optimize the entire Group's raw material procurement. Accurately assessing social changes is also important for achieving sustainable business growth. That is why we select suppliers based on SDGs considerations and engage in activities for responding to changes in the logistics environment, such as the "2024 logistics problem."



## Procurement Structure

To supply safer and more reliable products to our customers, RIKEN TECHNOS is making efforts to build better environmental and quality management systems, including our supply chain, with the cooperation of our business partners, in accordance with our Procurement Policy. We also promote

the establishment of sustainable supply chains by issuing requests for environmental cooperation and using various communication tools based on our Environmental Policy and Green Procurement Standard. In addition, we are expanding our procurement contacts and working to achieve competitive raw materials procurement to continually reduce costs.

## Procurement Policy

<b>1 Fair procurement transactions and selection</b>	We deal with our business partners on an equal footing, offering fair and impartial access opportunities. Ordinarily, we purchase from multiple sources. During selection, whether in Japan or overseas, we consider competitive quality, price, and environmental friendliness from a global perspective.
<b>2 Creation of partnerships</b>	We maintain good relationships with our business partners, respect human dignity, and avoid unfair discrimination.
<b>3 Observance of relevant laws and regulations and self-management</b>	We take care with confidential information from our business partners and procure with a focus on the social norms and relevant laws in each country.
<b>4 Realization of a sustainable society</b>	In our procurement, we actively use biomass raw materials and promote further switching over from conventional raw materials to contribute to achieving the SDGs and respond to climate change.
<b>5 Respect for human rights and elimination of unfair discrimination</b>	In conflict and high-risk regions, we do not procure or engage in transactions involving mineral resources that contribute to conflicts or which are obtained through unlawful labor (such as child labor or labor which involves the infringement of human rights).

## Actions in Logistics Processes

In FY2022, our logistics departments carried out quality audits, including audits of environmental matters, for two transportation partners.

In April 2024, the Act on the Arrangement of Related Acts to Promote Work Style Reform will limit the maximum number of overtime hours that can be worked by drivers in what is being called the "2024 logistics problem." To address this, we

are revising our transportation structures, which will include batch delivery, the reorganization of delivery sites, and modal shifting. These changes will improve delivery efficiency and cut CO<sub>2</sub> emissions.

We will also promote the collection of pallets to reduce the amount of new pallet procurement and the transition to plastic pallets to protect forests.