



This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. RIKEN TECHNOS CORPORATION assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

RIKEN TECHNOS CORPORATION

Financial Results Briefing for the Fiscal Year Ended March 2022

May 20, 2022

Overview of financial results for FY ended March 2022



Summary of consolidated financial results for FY ended March 2022

Units: Million Yen,

Account	FY ended March 2022	FY ended March 2021	Variance (amount)	Variance (%)
Net sales	109,923	88,224	+21,699	+24.6%
Gross profit	18,915	16,814	+2,101	+12.5%
Operating profit	6,292	5,313	+979	+18.4%
Ordinary profit	6,889	5,652	+1,237	+21.9%
Profit attributable to owners of parent	3,941	3,234	+707	+21.9%
Earnings per share	62.47	51.22	+11.25	+22.0%
ROS	5.7%	6.0%	- 0.3%	-
ROE	7.1%	6.3%	+0.8%	-

***Net sales and each measure of profit were all-time high marks.**

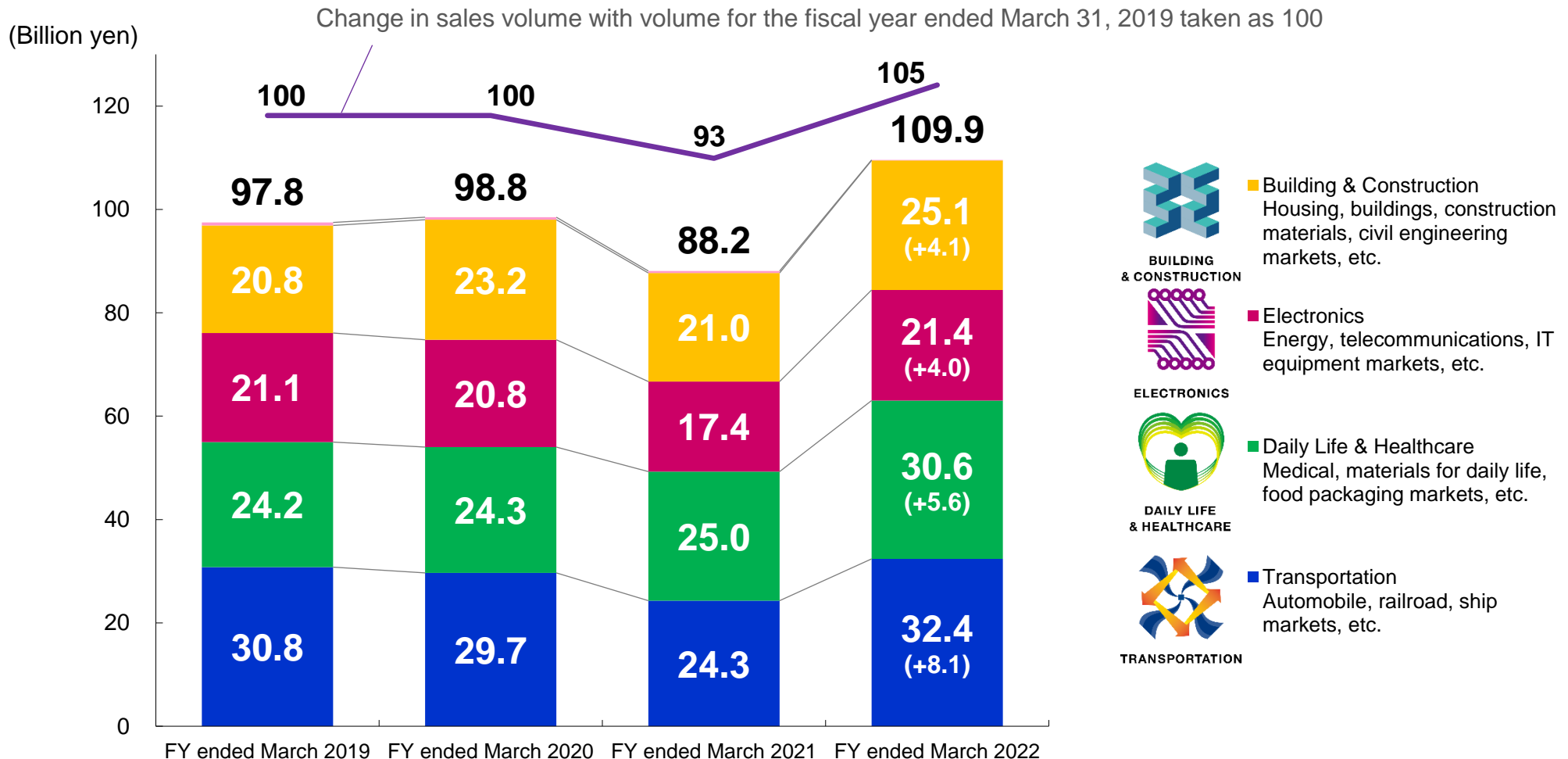


Net sales by segment

Net sales for FY ended
March 2022

109.9 billion yen

21.6 billion yen increase from the
previous fiscal year (24.6% increase)

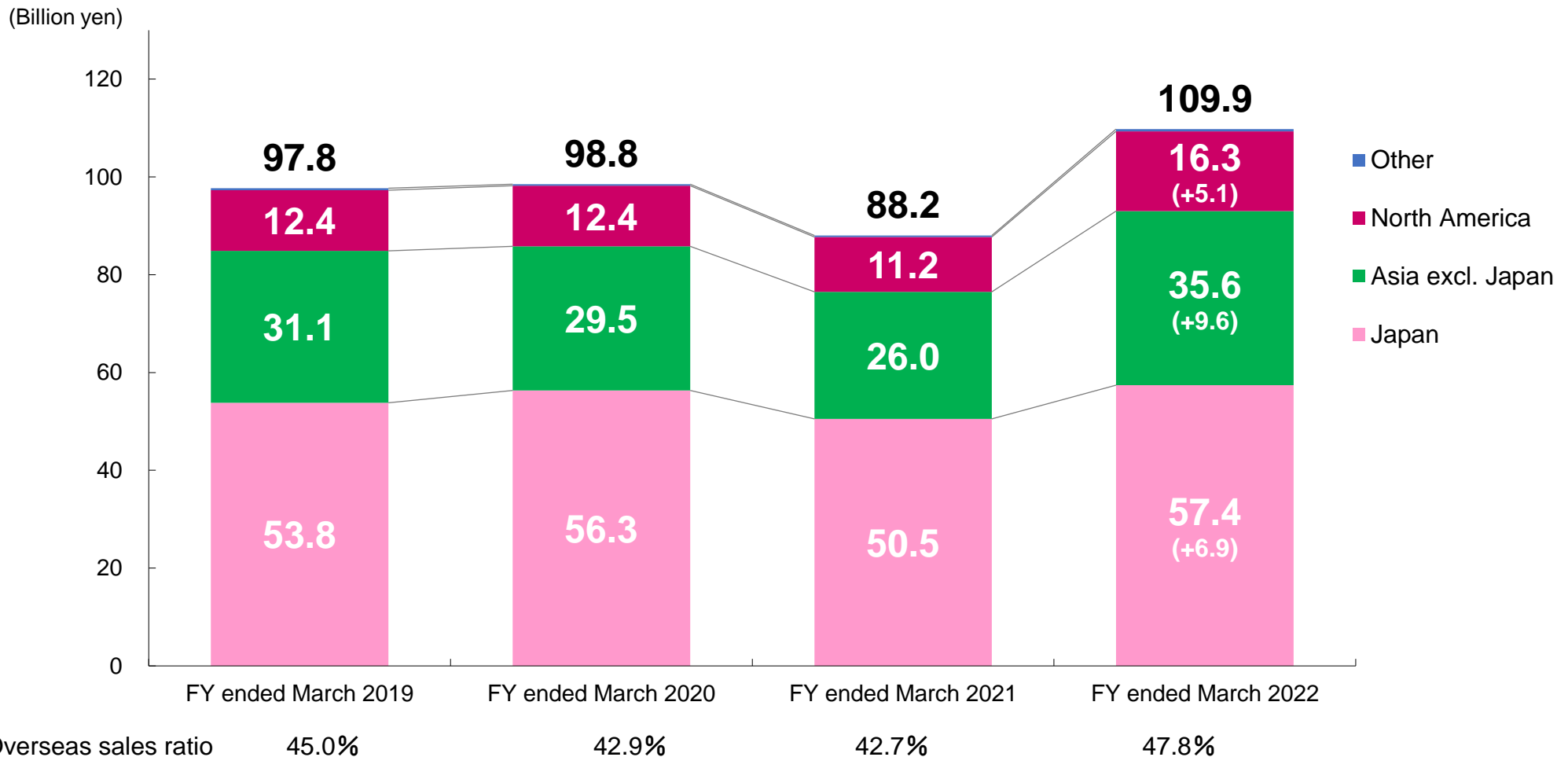


Net sales by region

Net sales for FY ended
March 2022

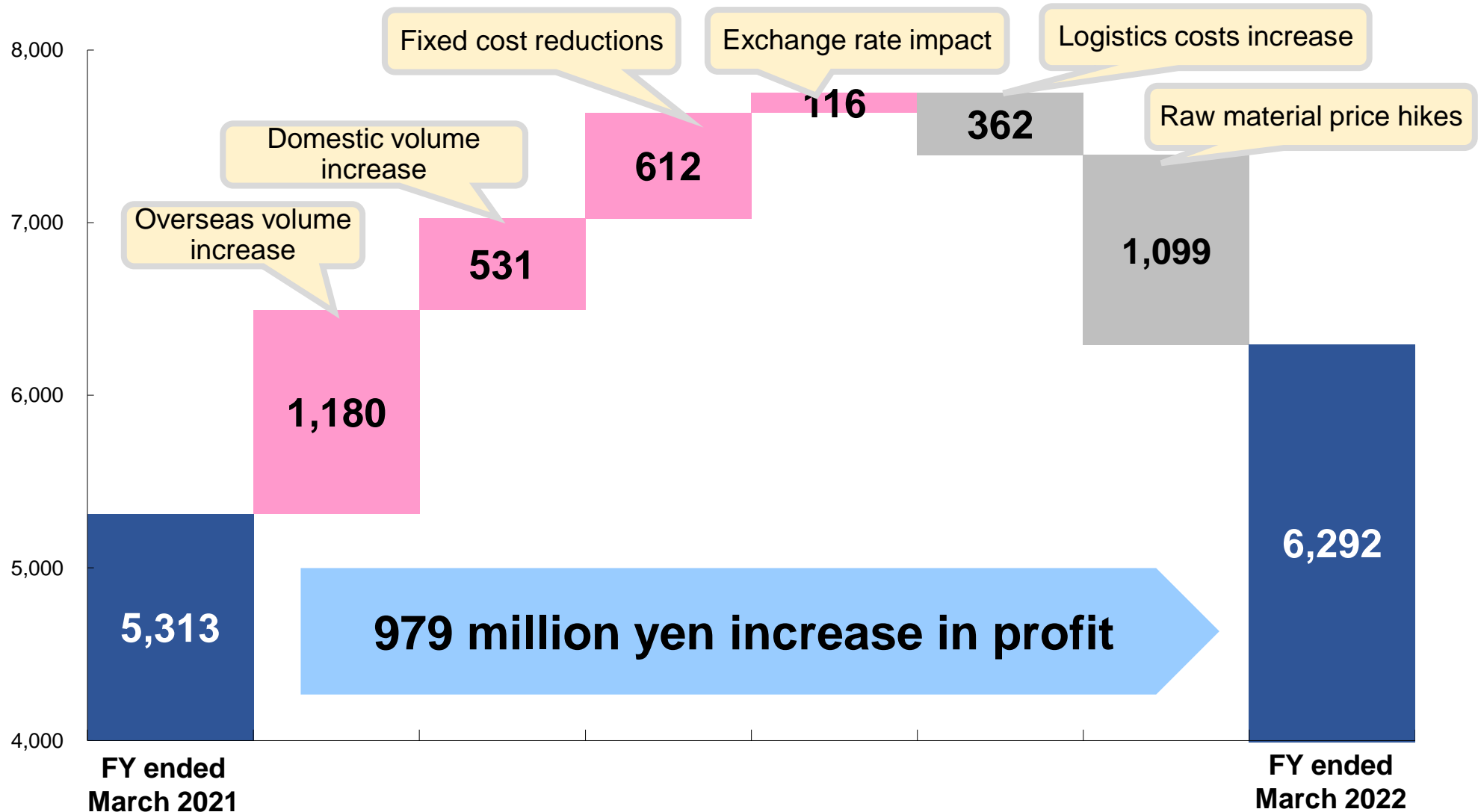
109.9 billion yen

21.6 billion yen increase from the
previous fiscal year (24.6% increase)



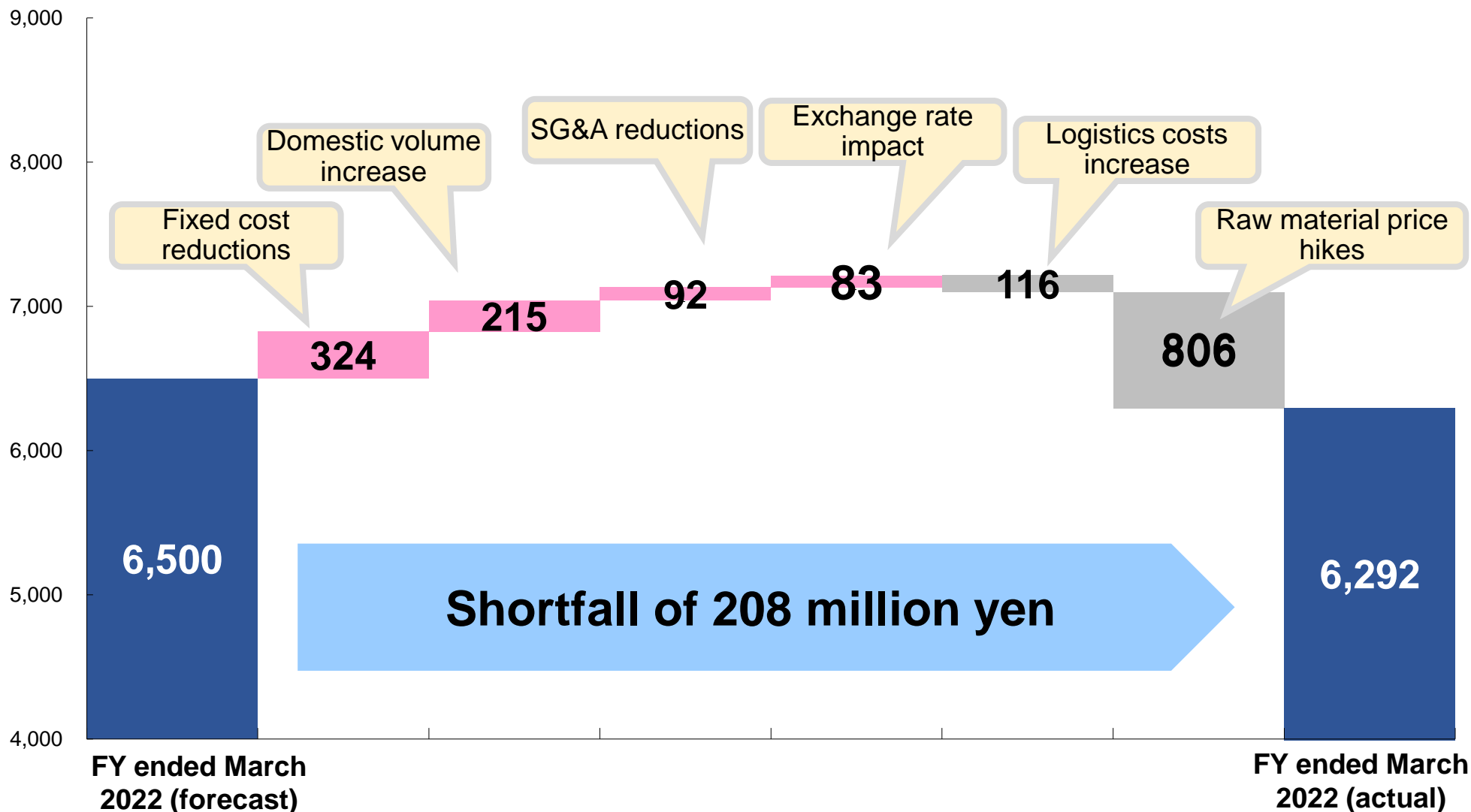
Analysis of factors underlying difference in operating profit compared to previous year

Unit: Million yen



Analysis of factors underlying difference in operating profit compared to forecast

Unit: Million yen



Consolidated balance sheet and cash flow statement

Consolidated balance sheet

Total assets

102,641 million yen

Increase of 7,432 million yen from the end of the previous fiscal year

Current assets 65,118 million yen

Non-current assets 37,522 million yen

Total liabilities

37,192 million yen
Increase of 3,060 million yen from the end of the previous fiscal year

Total net assets

65,448 million yen
Increase of 4,371 million yen from the end of the previous fiscal year

Consolidated statement of cash flows

Unit: Million yen

	FY ended March 2022	Variance
Operating CF	4,572	- 4,815
Investing CF	(2,438)	+564
Financing CF	(2,946)	- 149
Increase/ decrease	(403)	- 3,672
Balance at end of fiscal year	20,677	- 403

Segment overview



TRANSPORTATION



**DAILY LIFE
& HEALTHCARE**



ELECTRONICS

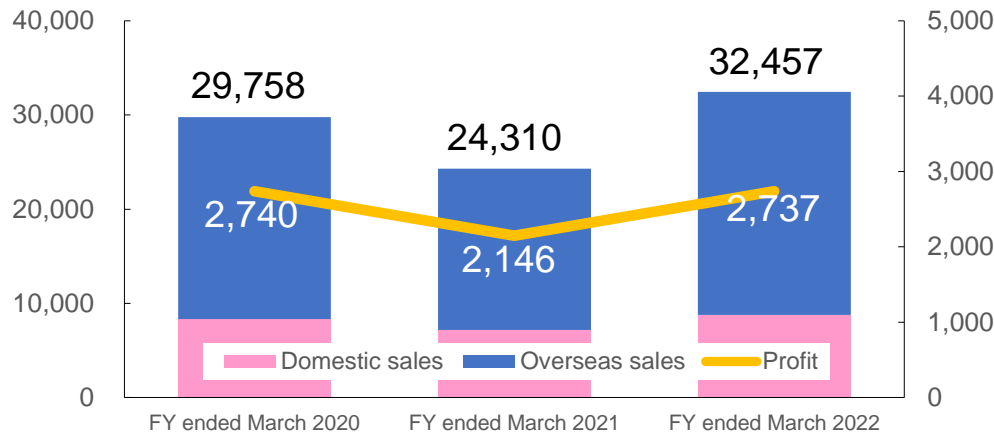


**BUILDING
& CONSTRUCTION**

I Transportation (TR)

(Unit: Million yen)

Medium-term business plan targets: Net sales 36.7 billion yen, operating profit 3.5 billion yen



Actual results for FY ended March 2022

8,146 million yen revenue increase **590** million yen profit increase

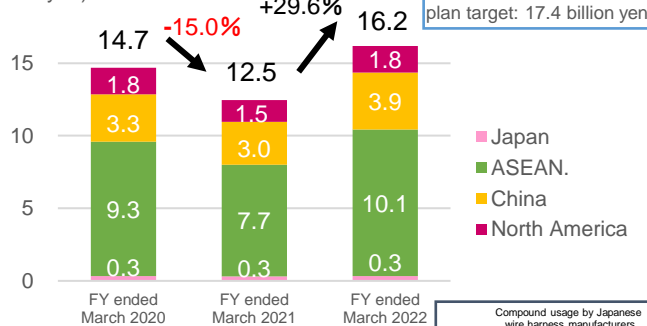
33.5% YoY increase

27.5% YoY increase

- In Japan, although the automotive market fell to 93% of the previous year, revenue grew due to higher sales of elastomer compounds.
- Overseas, automotive market revenue climbed as part of a recovery from the impact of COVID-19; compound sales rose.
- Segment profit increased due to higher domestic sales.

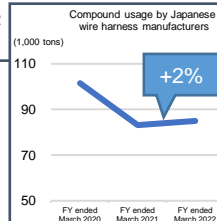
Sales of compounds for automotive electrical components

(Billion yen)



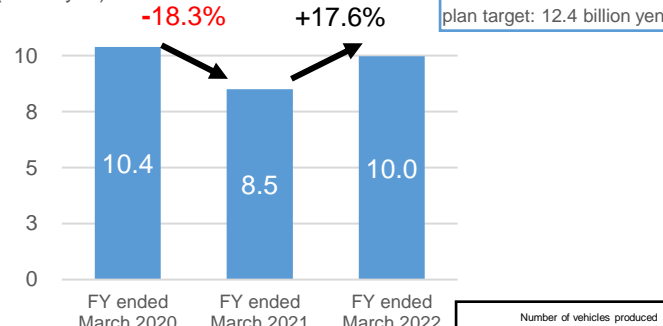
Medium-term business plan target: 17.4 billion yen

- Market recovery in global production by Japanese automakers
- Revenue increased due to higher sales volumes of thin-walled electric wires in ASEAN.



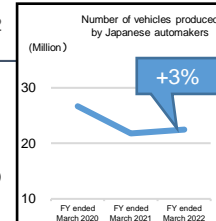
Sales of compounds for automobile interiors and exteriors

(Billion yen)



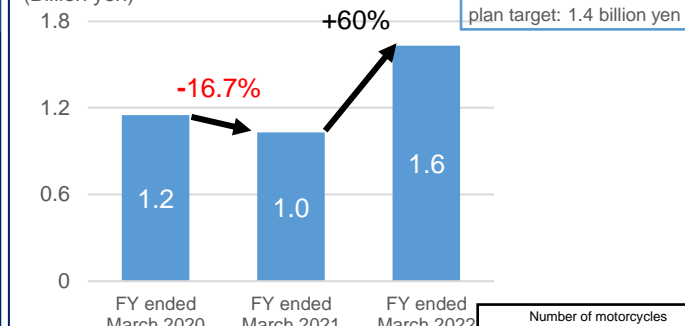
Medium-term business plan target: 12.4 billion yen

- Modest recovery in global production by Japanese automakers
- Revenue in Japan increased due to expanded sales of compounds for sealing parts to major customers.



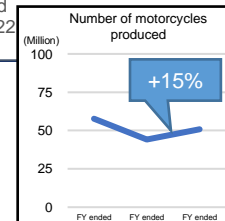
Sales of compounds for motorcycle parts

(Billion yen)



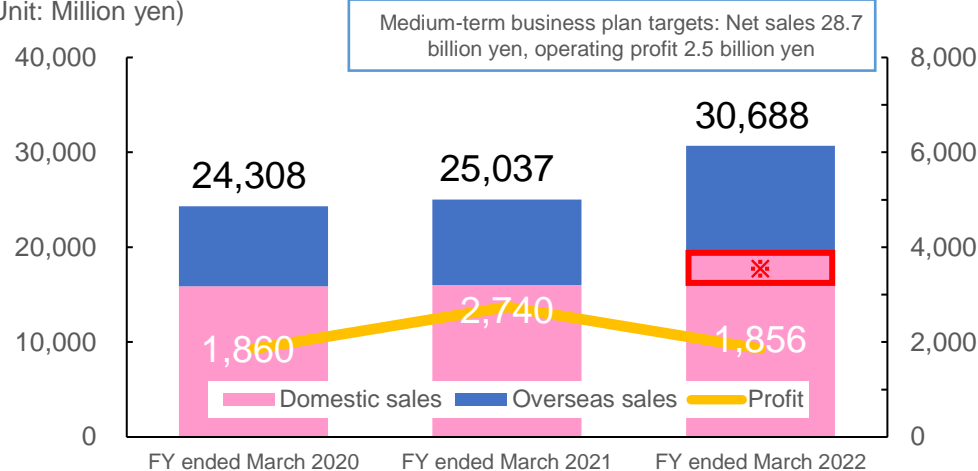
Medium-term business plan target: 1.4 billion yen

- Modest recovery in motorcycle production
- Revenue increased due to capture of new customers in ASEAN.



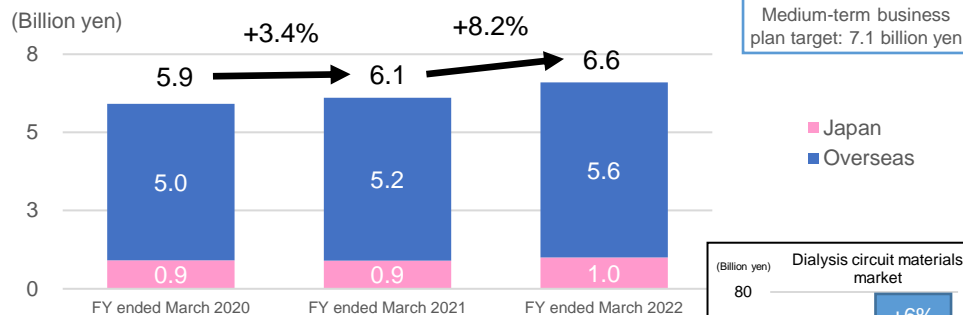
II Daily Life & Healthcare (DH)

(Unit: Million yen)

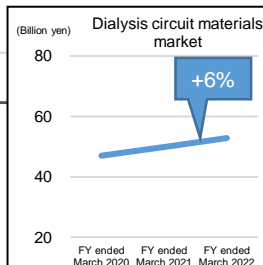


* The year ended March 31, 2022 includes sales for former consolidated subsidiary Riken Fabro for the three months from January to March 2022, which were recorded by RIKEN TECHNOS following Riken Fabro's absorption.

Sales of medical compounds and film



- Revenue in Japan grew with expanding sales of high-performance elastomer compounds to new customers.
- Overseas, sales volume declined due to the shutdown of customer plants as a result of COVID-19; revenue rose due to the effects of price increases for certain products.



Actual results for FY ended March 2022

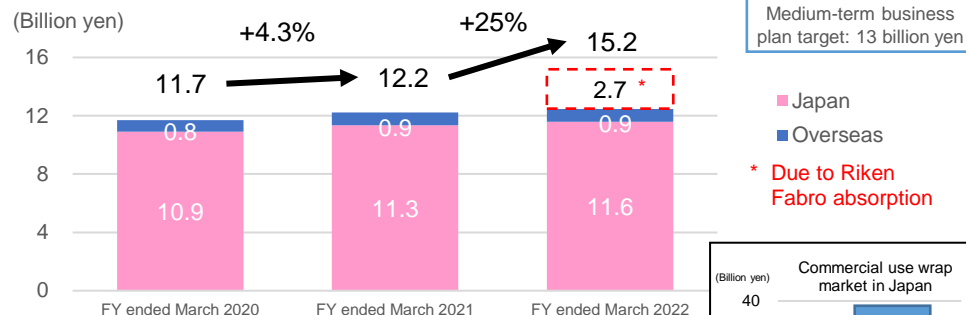
5,651 million yen revenue increase **884** million yen profit decrease

22.6% YoY increase

32.3% YoY decrease

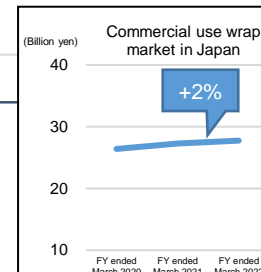
- In Japan, business is recovering from the impact of COVID-19. Sales rose for compounds in the materials-for-daily-life market, films for the media and signage field, and commercial-use wrap in the food wrapping materials market, leading to revenue growth.
- Overseas, business is recovering from the impact of COVID-19. Sales rose for PVC compounds for the medical and materials-for-daily-life markets, leading to overall revenue growth.
- Segment profit declined due to delays in passing on higher raw material prices.

Sales of food wrapping materials (including three months of Riken Fabro sales due to its absorption)



* Due to Riken Fabro absorption

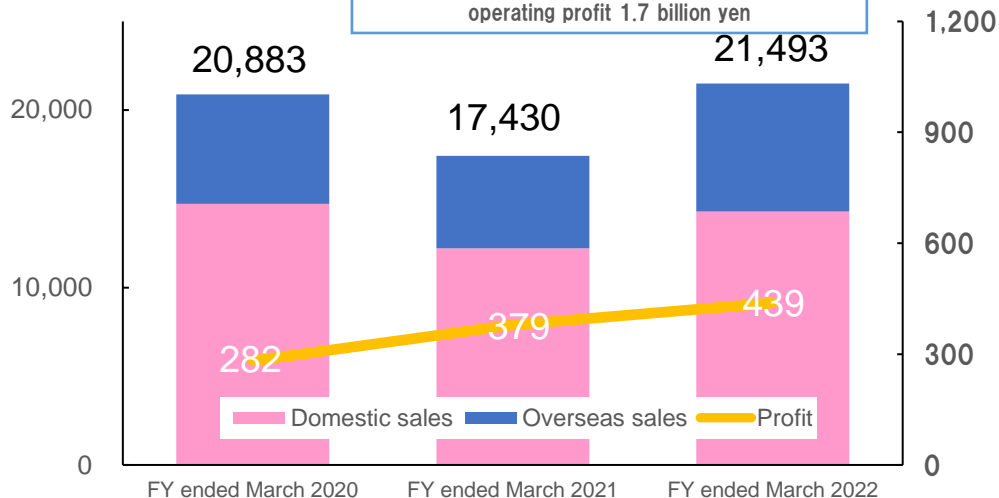
- Revenue from commercial-use wrap increased due to the steady capture of demand associated with COVID-19 in home dining.
- Revenue from small roll wrap increased due to expanded sales of home use wrap to large retail stores and recovery in the food services market.



III Electronics (EL)

(Unit: Million yen)

Medium-term plan targets: Net sales 25.5 billion yen,
operating profit 1.7 billion yen



Actual results for FY ended March 2022

4,063 million yen revenue increase

59 million yen profit increase

23.3% YoY increase

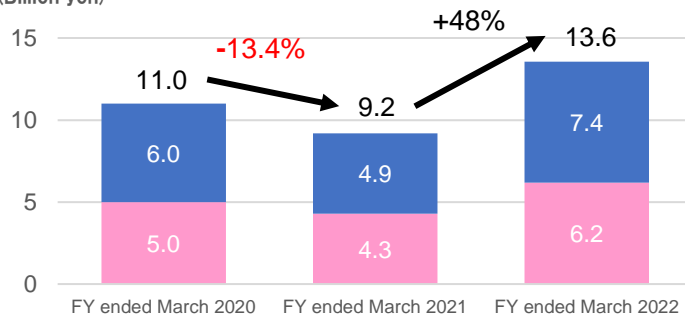
15.8% YoY increase

- Revenue in Japan increased due to recovery from the impact of COVID-19 and higher sales of compounds in the energy and telecommunications markets.
- Overseas, revenue increased due to recovery from the impact of COVID-19 and higher sales of PVC compounds.
- Segment profit increased due to higher sales.

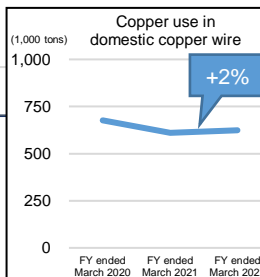
Sales of PVC compounds for electric wires

(Billion yen)

Medium-term business plan target: 10.7 billion yen



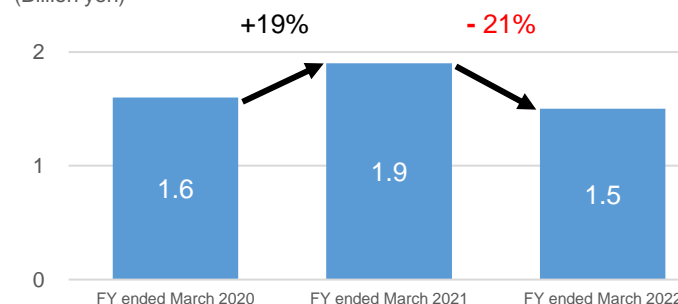
- In Japan, the energy market entered a recovery trend, and revenue grew following acceptance of our streamlining proposals to customers, boosting sales of PVC compounds.
- Overseas, revenue increased due to higher sales of PVC compounds in ASEAN and North America.



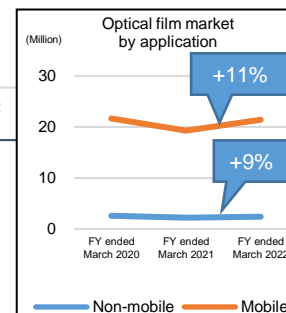
Sales of optical film

(Billion yen)

Medium-term business plan target: 3.2 billion yen



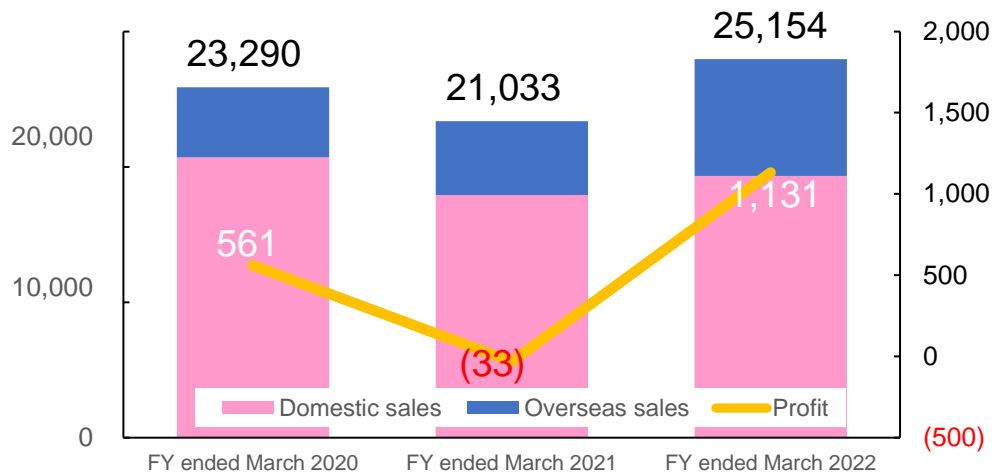
- Sales of ICE-μ thermal barrier film grew due to higher automobile production in ASEAN, but revenue declined due to discontinuation of the model used in an existing large-scale mobile project and a lull in demand for RIKEGUARD.



IV Building & Construction (BC)

(Unit: Million yen)

Medium-term business plan targets: Net sales 24.1 billion yen, operating profit 0.8 billion yen



Actual results for FY ended March 2022

4,120 million yen revenue increase 1,164 million yen profit increase

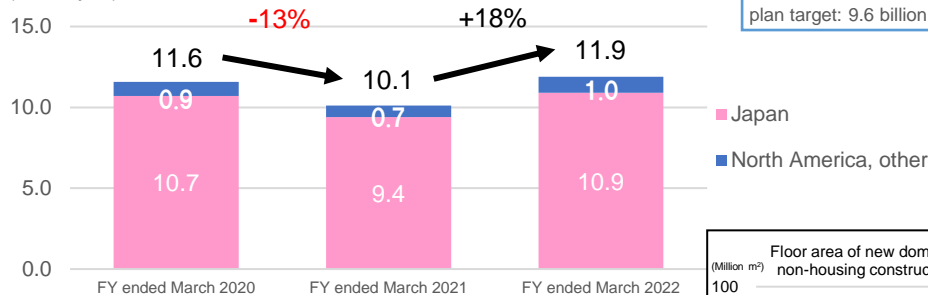
19.6% YoY increase

YoY change: n/a

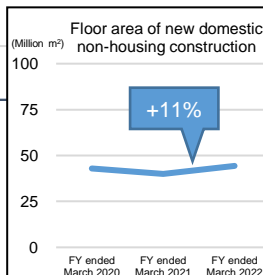
- Revenue in Japan increased due to recovery from the impact of COVID-19 and higher sales of compounds and film to the housing and non-housing markets.
- Overseas, revenue increased due to higher sales of compounds and films to the housing market, which was buoyed by the US economic recovery.
- Segment profit turned positive as a result of increased sales of both compounds and films.

Interior film sales

(Billion yen)



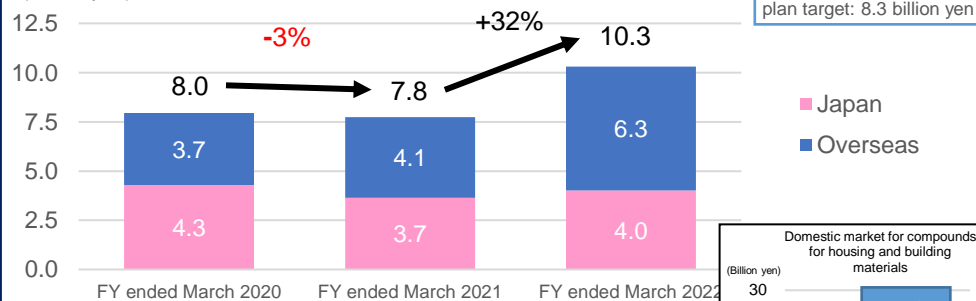
Medium-term business plan target: 9.6 billion yen



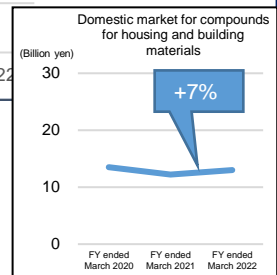
- Revenue in Japan increased due to the adoption of new designs and new functional products in the non-housing market as market conditions improved.
- Overseas, revenue increased due to a strong US housing market and sales of newly designed products.

Sales of compounds for housing and construction materials

(Billion yen)



Medium-term business plan target: 8.3 billion yen



- In Japan, detached housing sales recovered from the previous year, and sales of rigid PVC increased, leading to increased revenue.
- Overseas, revenue increased due to expansion of demand in the US housing market and higher sales of PVC compounds, especially in Thailand.

Shareholder returns - Dividends

Dividend policy

We will **strive to achieve a consolidated dividend payout ratio of around 30%** and will pay stable dividends, accounting for future business investment and capital adequacy.

(yen)

	Interim	Year-end	Full-year	Annual dividend payout ratio (consolidated)	Dividend on equity (%)
FY ended March 2020	8.00	8.00	16.00	33.3	2.1
FY ended March 2021	4.00	12.00	16.00	31.2	1.9
FY ended March 2022*	8.00	11.00	19.00	30.4	2.2

* The annual dividend for the fiscal year ended March 2022 was 19 yen, an increase of 3 yen from the previous year. The dividend for the fiscal year ended March 2022 included a 70th anniversary commemorative dividend of 1 yen.

Financial Performance forecasts for FY ending March 2023



Consolidated earnings forecasts for year ending March 2023

Account	Actual results for FY ended March 2022	Earnings forecasts for FY ending March 2023	Variance
Net sales	109,923	125,000	+13.7%
Operating profit	6,292	6,500	+3.3%
Ordinary profit	6,889	6,500	- 5.6%
Profit attributable to owners of parent	3,941	3,300	- 16.3%
Earnings per share (yen)	62.47	52.26	- 16.3%
ROS	5.7%	5.2%	-

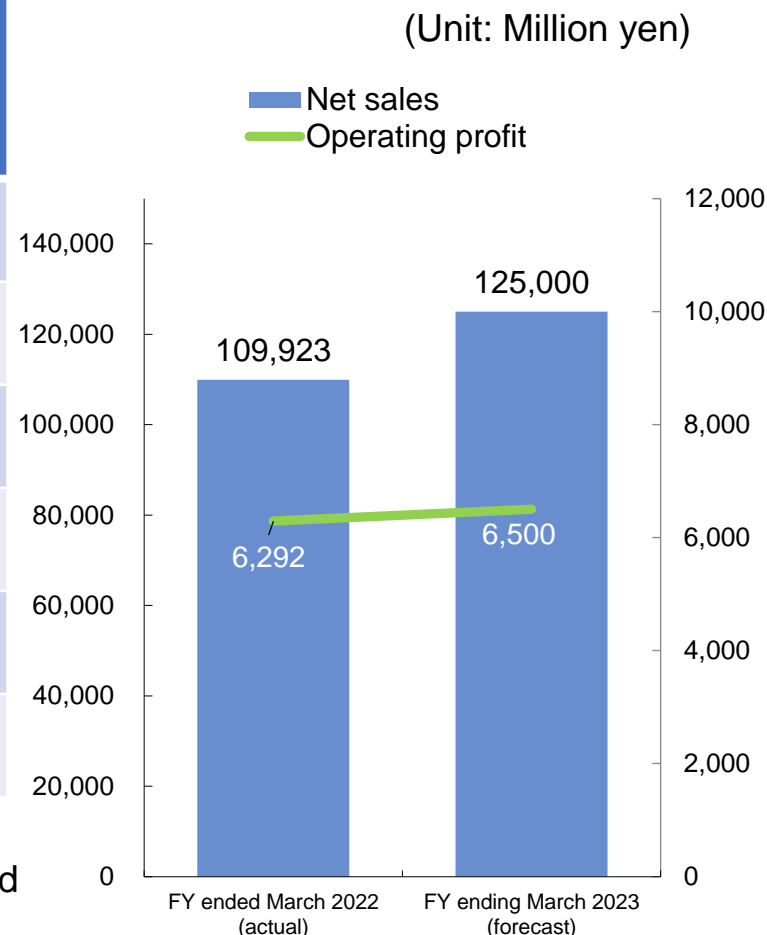
[Key points behind earnings forecasts]

- Assumption of higher prices for key raw materials such as PVC resin and plasticizers due to soaring domestic naphtha prices; assumption that these raw materials prices will remain at high levels

- Passing on raw material price increases to product prices

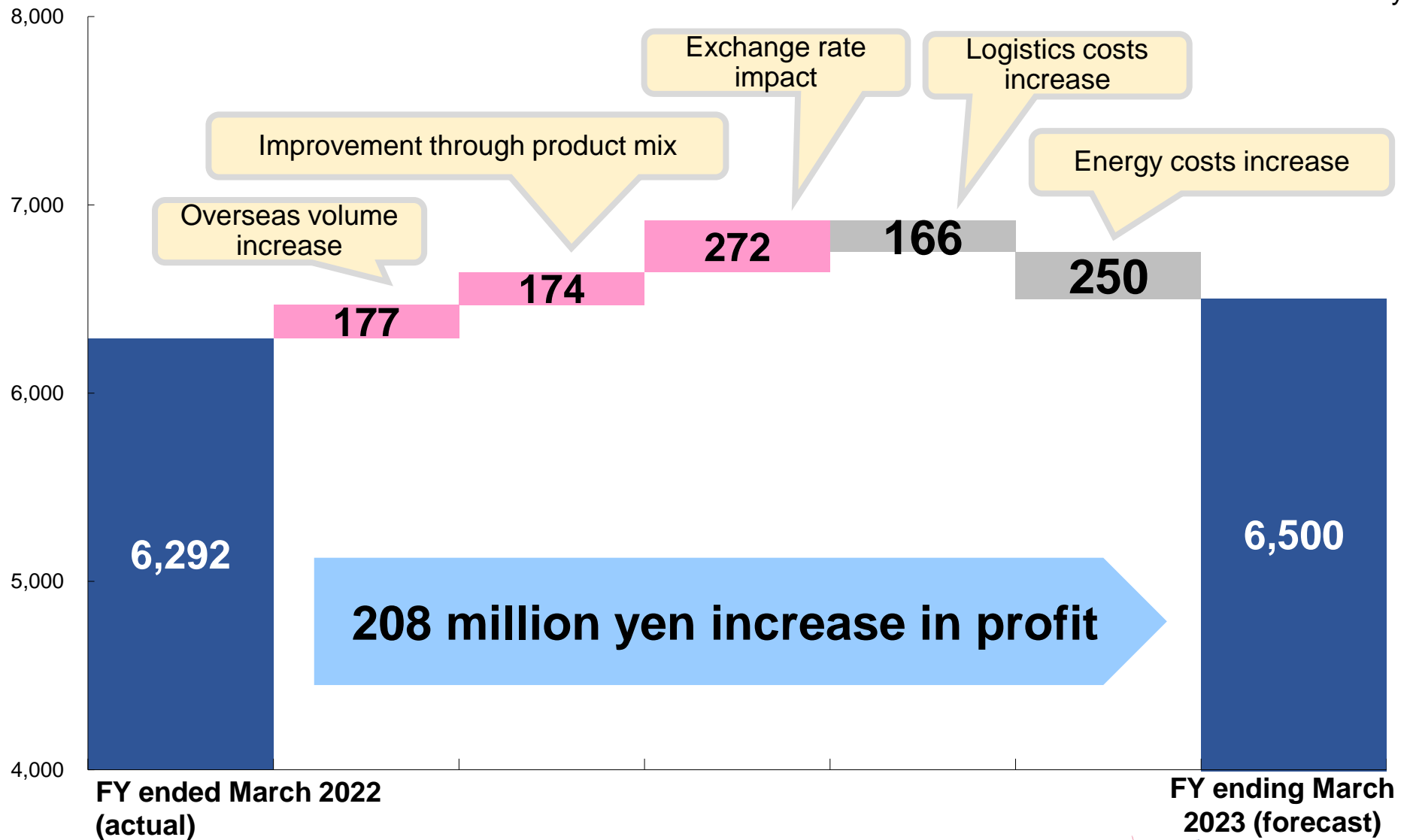
Assumed domestic naphtha price: 82,000 yen/kl

Assumed exchange rate: 117 yen/USD



Analysis of factors underlying difference in operating profit forecast (FY ending March 2023) compared to previous year

Unit: Million yen



Disclaimer

Plans, projections, strategies, and other statements that are not historical facts presented in this document constitute forward-looking statements based on information available at the time of preparation and involve various risks and uncertainties. Actual results may differ significantly from these projections due to changes in the business environment and other factors. Furthermore, information presented in this document concerning companies other than our company or our group companies is based on publicly available information. We do not guarantee the accuracy of such information.

For inquiries, please contact:
webmaster@rikentechnos.co.jp
Accounting Dept.