

RIKEN TECHNOS CORPORATION

Financial and Management Results
Briefing for Fiscal Year
Ended March 2023

May 19, 2023



RIKEN TECHNOS



Overview of Financial Results

Contents

Segment Overview

Medium- and Long- Term Initiatives



1. Overview of Financial Results

Overview of Financial Results

Segment Overview

Medium- and Long-Term Initiatives

Summary of Consolidated Financial Results for the Year Ended March 2023

| 1. Overview of Financial Results

(Unit: million yen)

	Actual results for the year ended March 2022	Actual results for the year ended March 2023	Year on Year (YoY) change	YoY percentage change	Forecasts for the year ended March 2023*
Net sales	109,923	123,497	13,574	12.3%	125,000
Gross profit	18,915	20,351	1,436	7.6%	-
Operating profit	6,292	7,506	1,214	19.3%	7,100
Ordinary profit	6,889	7,964	1,075	15.6%	7,600
Profit attributable to owners of parent	3,941	4,557	616	15.6%	4,000
Basic earnings per share	62.47	72.11	9.6	15.4%	63.28
ROS(%)	5.7	6.1	0.4	-	5.7

Naphtha price in the year ended March 2023: 76,600 yen/KL;
average exchange rate: 130.78 yen/USD

*Upwardly adjusted figures as
of October 31, 2022

- Revenue and profit increased due to measures to pass on raw material price hikes to product prices and the effects of yen depreciation.
- Net sales and all profit measures of the fiscal year set **all-time highs**.

Net Sales by Segment

| 1. Overview of Financial Results

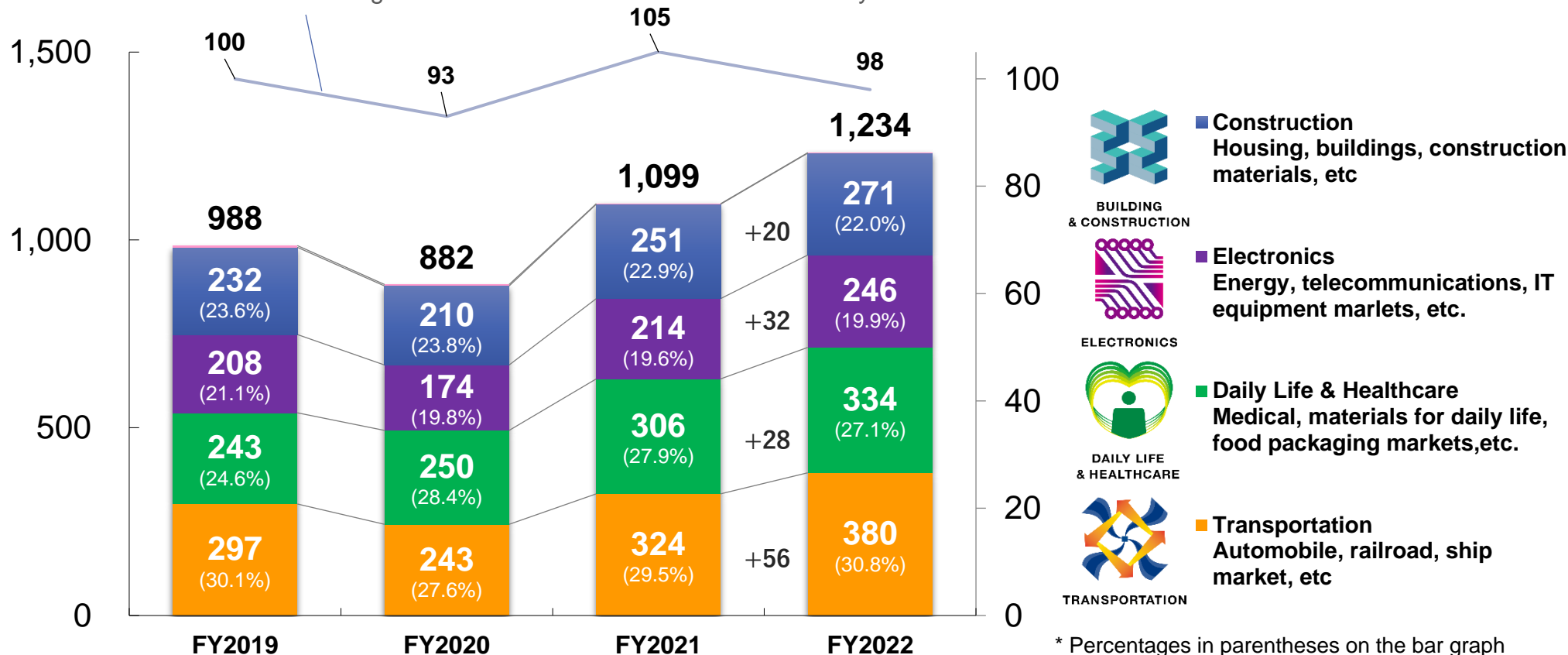
Net sales for the year ended
March 2023

123.4 billion yen

**13.5 billion yen increase from the same term of previous year
(12.3% increase)**

(100 million yen)

Change in sales volume with volume for the fiscal year ended March 2020 set to 100



* Percentages in parentheses on the bar graph indicate each segment's share of overall results

- As called for in the strategy of the Medium-term Business Plan, the share corresponding to the Transportation segment increased.

Net Sales by Region

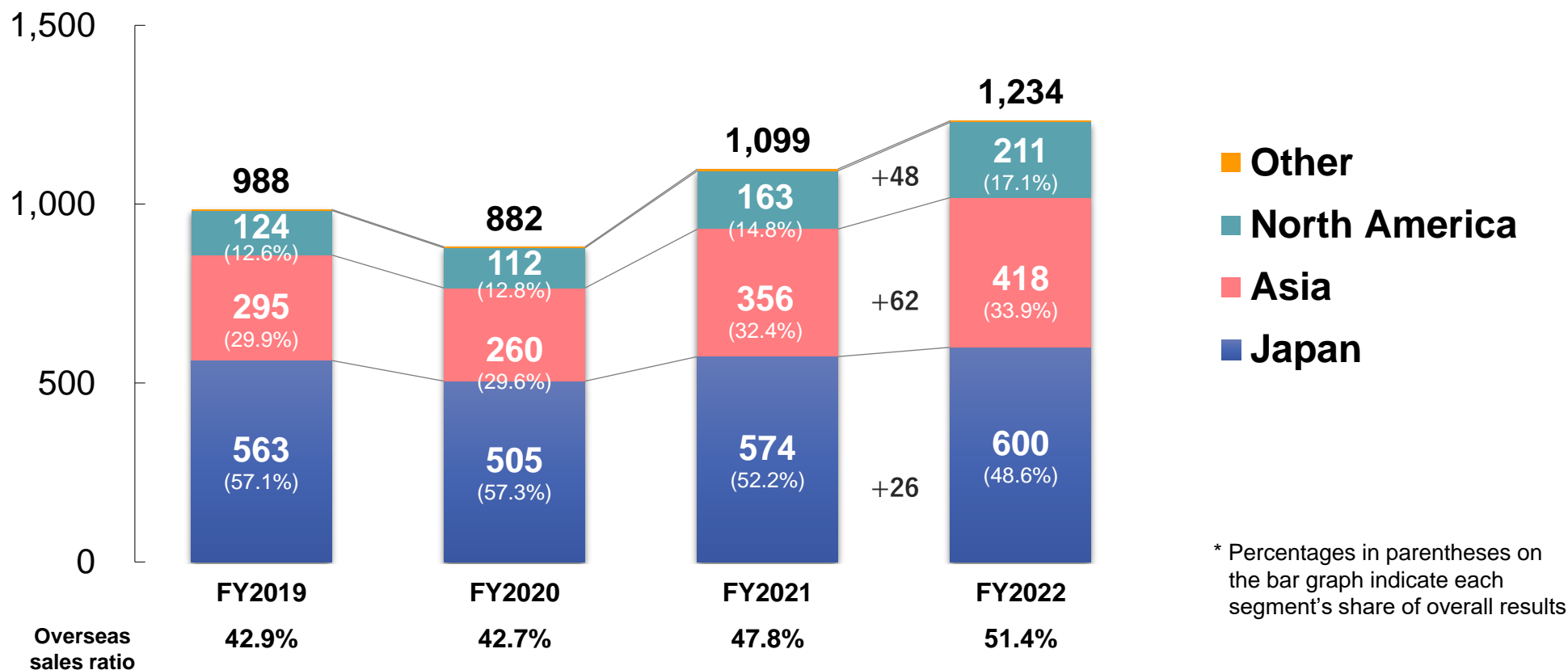
| 1. Overview of Financial Results

Net sales for the year ended
March 2023

123.4 billion yen

13.5 billion yen increase from the same term of previous year
(12.3% increase)

(100 million yen)

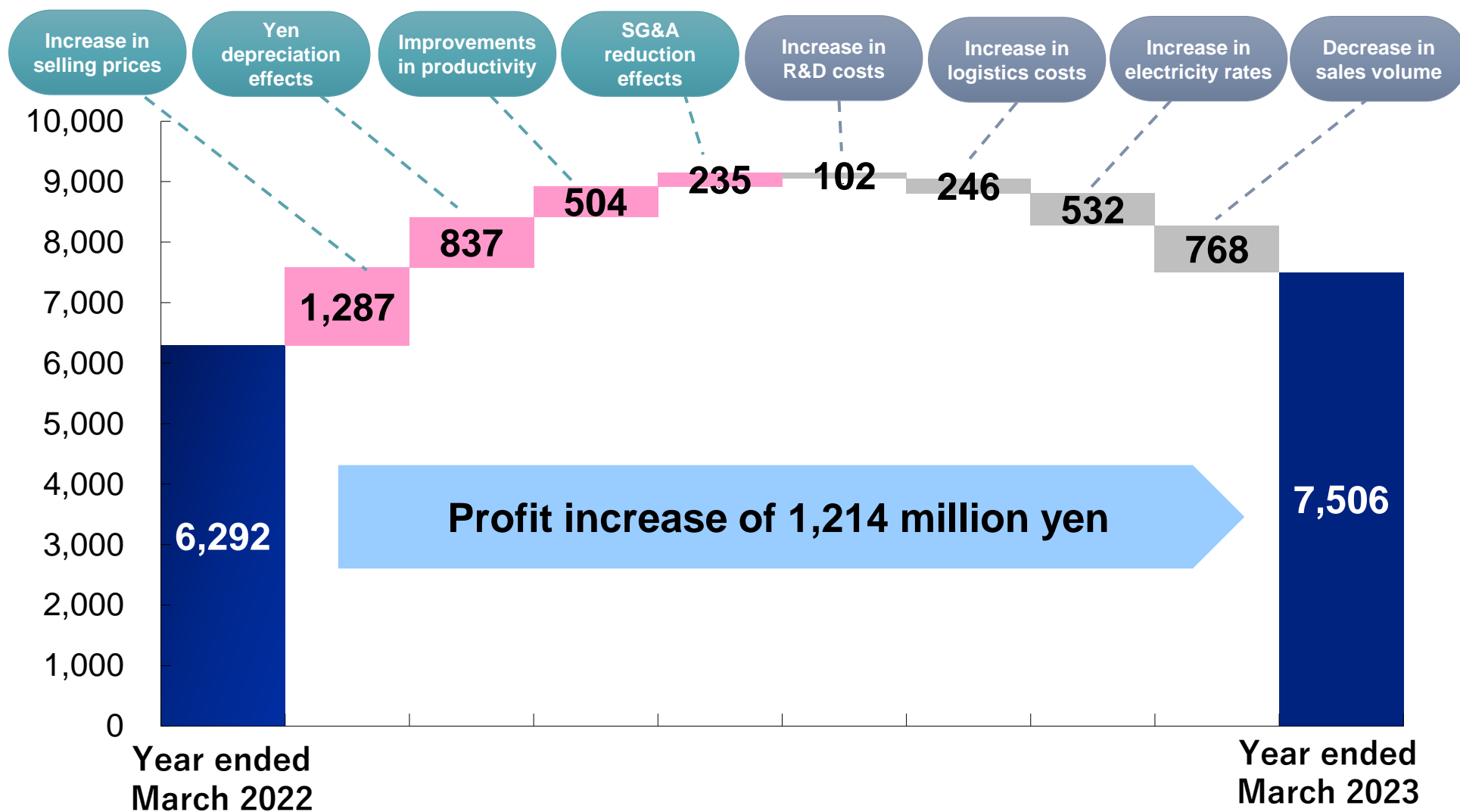


➤ Overseas sales ratio exceeded the Medium-term Business Plan target of 50%.

Analysis of Factors Underlying YoY Change in Operating Profit

1. Overview of Financial Results

(Unit: million yen)



Consolidated Balance Sheet

| 1. Overview of Financial Results

(Unit: million yen)

	March 31, 2022	March 31, 2023	Increase/ decrease		March 31, 2022	March 31, 2023	Increase/ decrease
Current assets	65,118	71,667	6,549	Liabilities	37,192	39,837	2,645
Cash and deposits	20,702	23,481	2,779	Current liabilities	31,409	33,876	2,467
Trade receivables	26,344	28,495	2,151	Non-current liabilities	5,783	5,961	178
Inventories	17,404	18,734	1,330	Net assets	65,448	72,165	6,717
Other	668	956	288	Share capital	8,514	8,514	-
Non-current assets	37,522	40,334	2,812	Capital surplus	6,597	6,597	-
Property, plant, and equipment	25,136	27,077	1,941	Retained earnings	38,200	41,463	3,263
Intangible assets	2,106	2,286	180	Other	4,449	6,621	2,172
Investments and other assets	10,279	10,970	691	Non-controlling interests	7,686	8,969	1,283
Total assets	102,641	112,002	9,361	Total liabilities and net assets	102,641	112,002	9,361

- Increase in cash and deposits due to increase in operating CF
- Increase in trade receivables, inventories, and trade payables due to higher raw material prices
- Interest-bearing debt: 10,578 million yen

Consolidated Statement of Cash Flows

| 1. Overview of Financial Results

(Unit: million yen)

	Year ended March 2022	Year ended March 2023	Increase/ Decrease
a. Cash flows from operating activities	4,572	8,524	3,952
b. Cash flows from investing activities	▲ 2,438	▲ 3,955	▲ 1,517
Purchase of property, plant, and equipment	▲ 2,280	▲ 3,675	▲ 1,395
Purchase of intangible assets	▲ 455	▲ 311	144
Other	298	31	▲ 267
c. Free cash flow (a + b)	2,134	4,569	2,435
d. Cash flows from financing activities	▲ 2,946	▲ 2,335	611
e. Other	407	543	136
Net increase/decrease in cash and cash equivalents (c + d + e)	▲ 403	2,777	3,180
Cash and cash equivalents at end of period	20,677	23,454	2,777

➤ Cash and deposits increased due to the generation of operating cash flow significantly exceeding investments.

Consolidated Earnings Forecast for the Year Ending March 2024

| 1. Overview of Financial Results

(Unit: million yen)

	Actual results for year ended March 2023	Earnings forecast for year ending Mach 2024	Compared to previous year	
			Difference	Growth rate
Net sales	123,497	128,000	4,503	3.6%
Operating profit	7,506	7,600	94	1.3%
Ordinary profit	7,964	7,800	▲ 164	▲ 2.1%
Profit attributable to owners of parent	4,557	4,500	▲ 57	▲ 1.3%
Basic earnings per share (yen)	72.11	71.14	▲ 0.97	▲ 1.3%
ROS (%)	6.1	5.9	▲ 0.2	-
ROE (%)	7.5	7.0	▲ 0.5	-

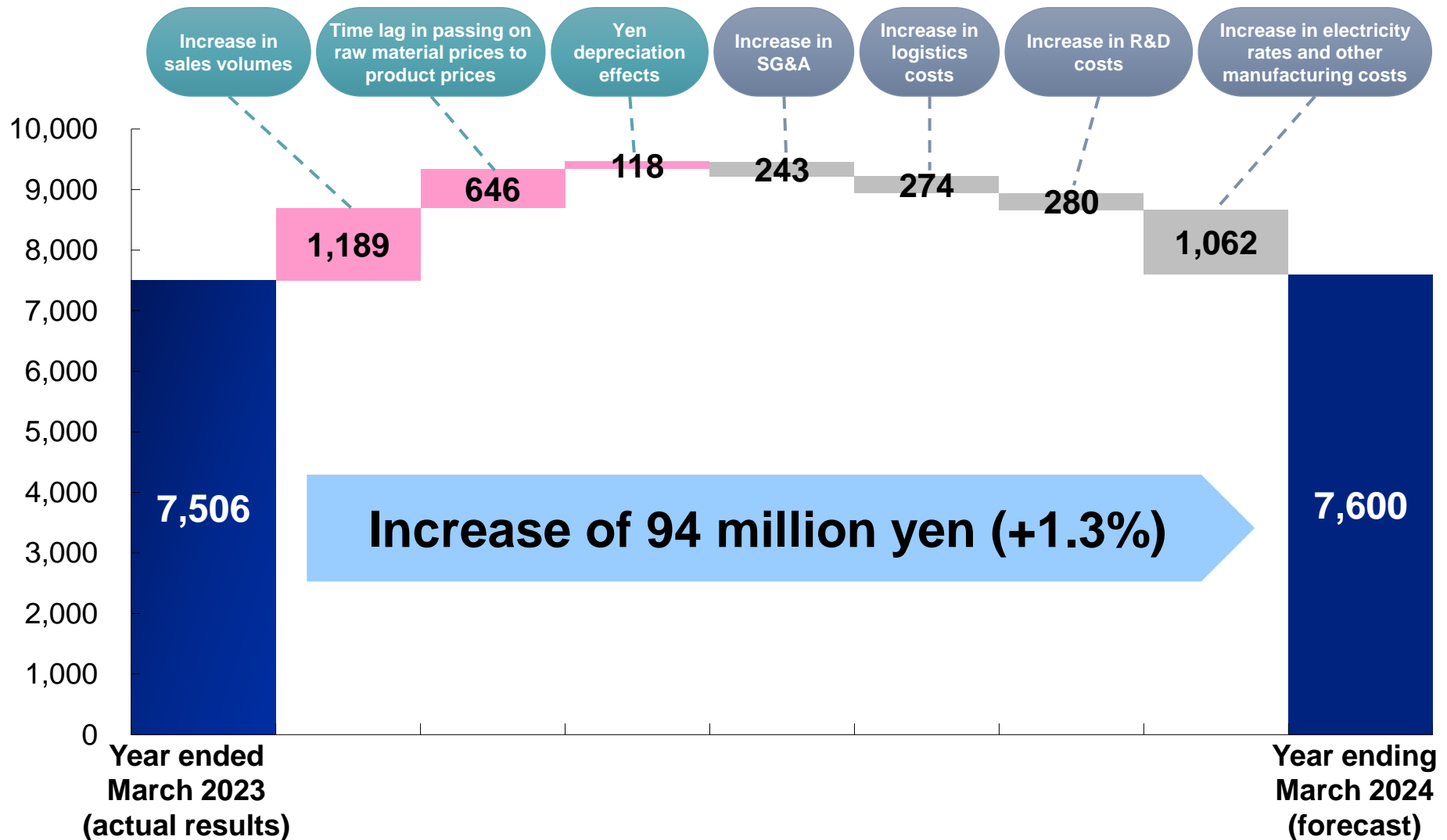
Projected domestic naphtha price: 70,000 yen/KL; projected exchange rate: 133 yen/USD

- Net sales should set new record highs as demand grows in each segment.
- Profits should stay largely unchanged at each stage, due in part to rising costs, including electricity rates.

Analysis of factors underlying change in operating profit for year ending March 2024 (forecast)

| 1. Overview of Financial Results

(Unit: million yen)





2. Segment Overview

Overview of
Financial Results

Segment Overview

Medium- and Long-
Term Initiatives



Transportation



Wire Harnesses



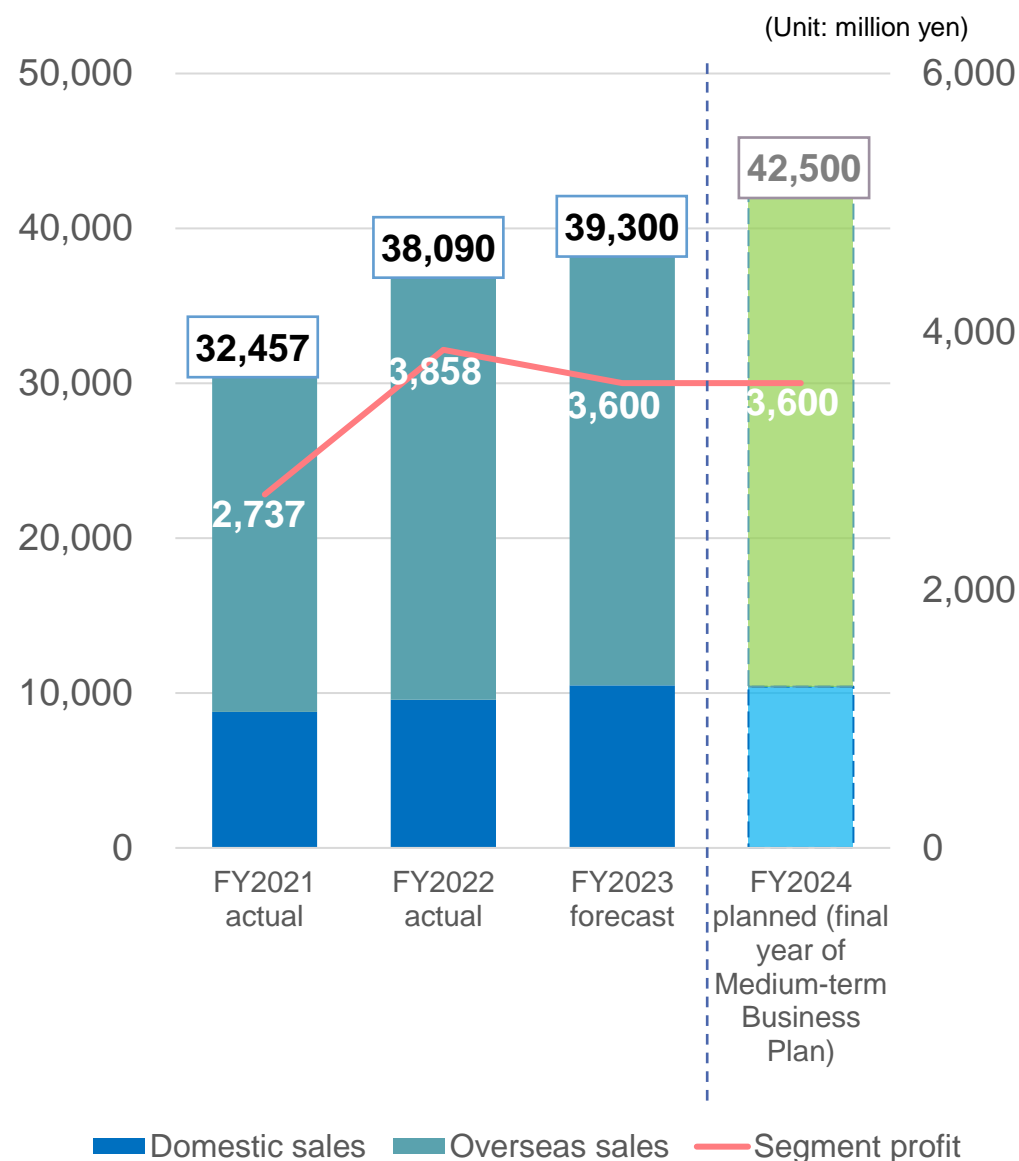
Molded Parts for Automobiles

Transportation



TRANSPORTATION

| 2. Segment Overview



Actual results for
the year ended
March 2023

5,633 million yen revenue increase (+17.4%)
1,121 million yen profit increase (+40.9%)

- Sales increased as domestic and overseas automobile production recovered and raw material price hikes were passed on to product prices.
- Segment profits grew due to expanding sales in Japan and overseas.

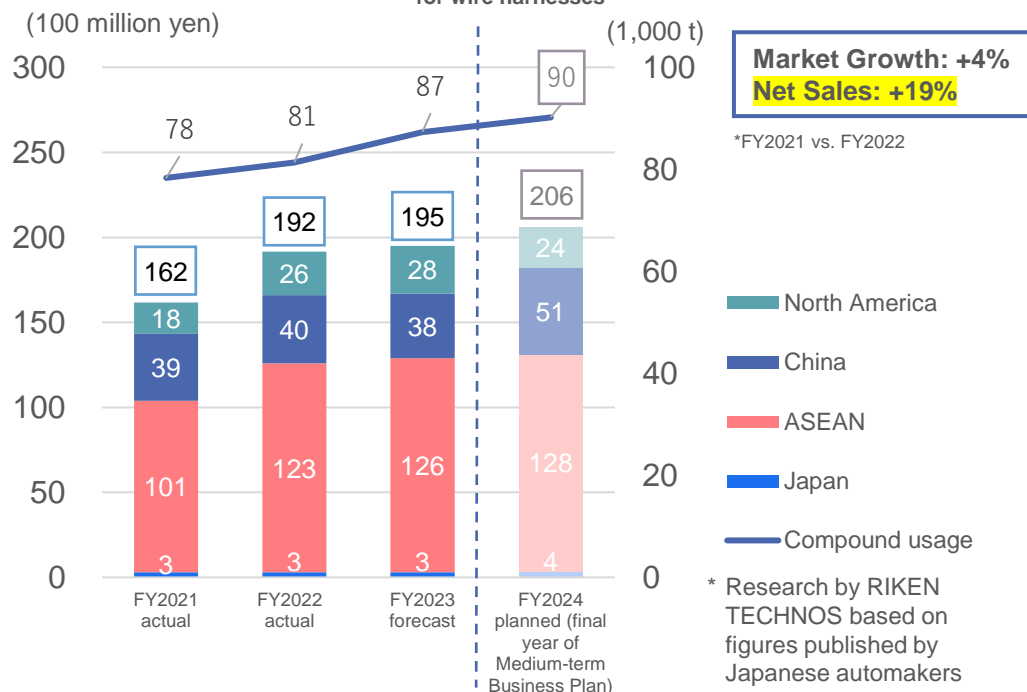
Forecast for the
fiscal year ending
March 2024

1,210 million yen revenue increase (+3.2%)
258 million yen profit decrease (▲6.7%)

- Sales are forecast to increase as domestic and overseas automobile production recovers and sales of sealing parts and functional parts grow.
- Segment profits are forecast to decrease due in part to the negative impacts of rising electricity rates and other manufacturing costs.

Focus Area ① Wire Harnesses

Regional compound use by Japanese wire harness manufacturers and our sales of compounds for wire harnesses



Full-year results for the year ended March 2023

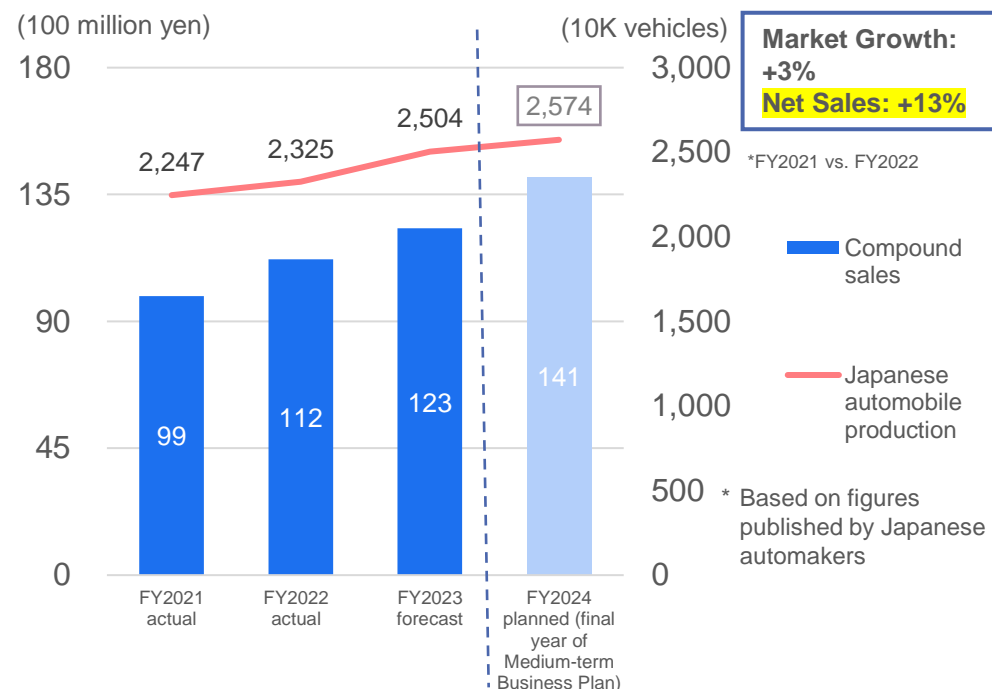
- Sales grew due in part to efforts to pass on raw material price hikes to product prices.
- We made progress in boosting sales of thin-walled electric wires.

Full-year measures for the year ending March 2024

- Automobile production is projected to grow by about 7% YoY. We plan to capture growing demand from Japanese automakers, centered on ASEAN.
- Efforts to further boost sales of thin-walled electric wires

Focus Area ② Molded Parts for Automobiles

Japanese automobile production and sales of compounds for automotive molded parts



Full-year results for the year ended March 2023

- Sales increased to major Japanese makers of sealing parts in Japan, ASEAN, China, India, and elsewhere.
- Functional parts and materials used by customers in Japan were deployed worldwide.
- We made progress on securing new deals for functional parts (parts and materials for exterior INJ and EVs).

Full-year measures for the year ending March 2024

- Boost sales of molding and sealing materials (expanding adoption by major Japanese customers and pursuing overseas development)
- Boost sales of functional materials and pursuing overseas development; promote material conversion and rubber substitution

Daily Life & Healthcare



Medical (PVC)



Rubber Substitutes

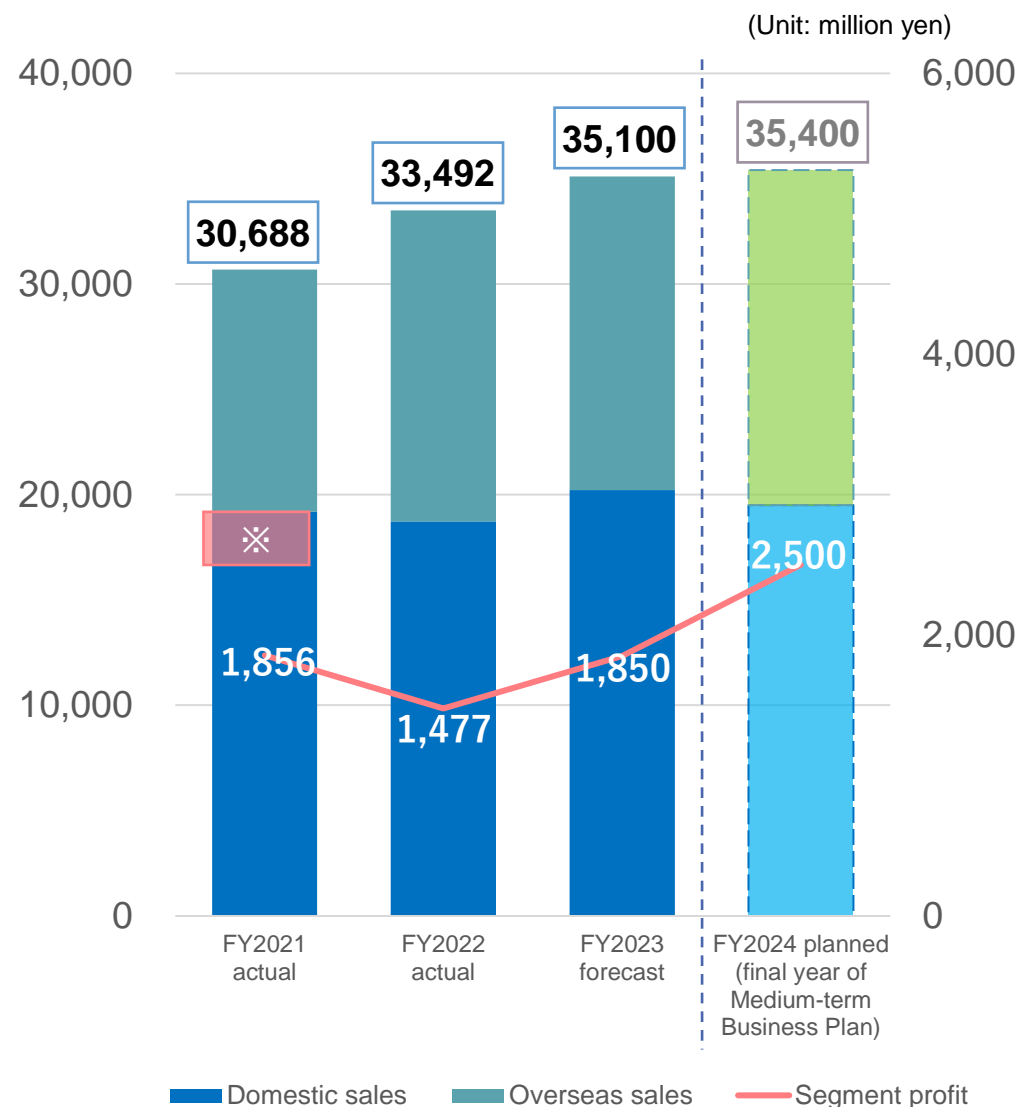


Environmentally Friendly
Materials *p. 36

Daily Life & Healthcare



| 2. Segment Overview



Actual results for
the year ended
March 2023

2,804 million yen revenue increase (+9.1%)

379 million yen profit decrease (▲20.4%)

- Domestic sales increased due to expanded sales of compounds in medical and lifestyle materials markets.
- Overseas sales increased due to growth in sales of compounds in ASEAN medical markets.
- Segment profits declined due to delays in passing on raw material price hikes to product prices for food wrapping materials in the first half.

Forecast for the
fiscal year ending
March 2024

1,608 million yen revenue increase (+4.8%)

373 million yen profit increase (+25.3%)

- Domestic sales are forecast to grow due to expanded sales of compounds in medical and lifestyle materials markets as well as expanded sales of food wrapping materials attributable to recovery in demand for restaurants.
- Overseas sales are forecast to increase due to higher sales of compounds, centered on medical markets.
- Segment profits are forecast to grow due to expanding domestic and overseas sales. This is despite the effects of increasing electricity rates and other manufacturing costs.

* FY2021 figures include sales of Riken Fabro for the three-month period January-March 2022 recorded by RIKEN TECHNOS after the absorption of that consolidated subsidiary.

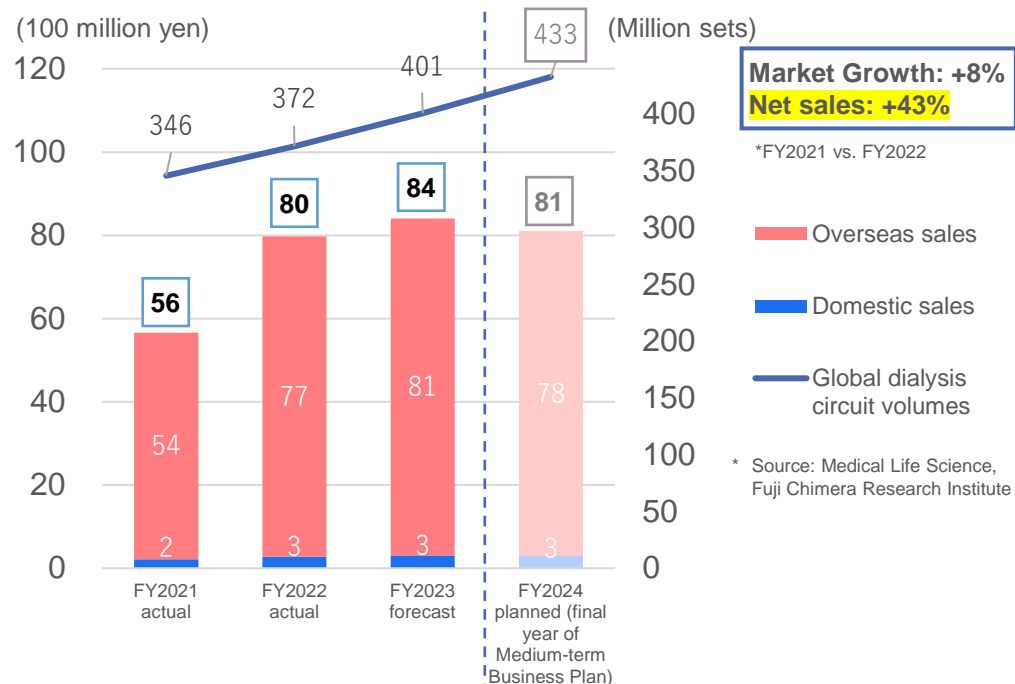
Daily Life & Healthcare



| 2. Segment Overview

Focus Area ① Medical (PVC)

Global dialysis circuit sales volumes and our sales of medical PVC compounds



Full-year results for the year ended March 2023

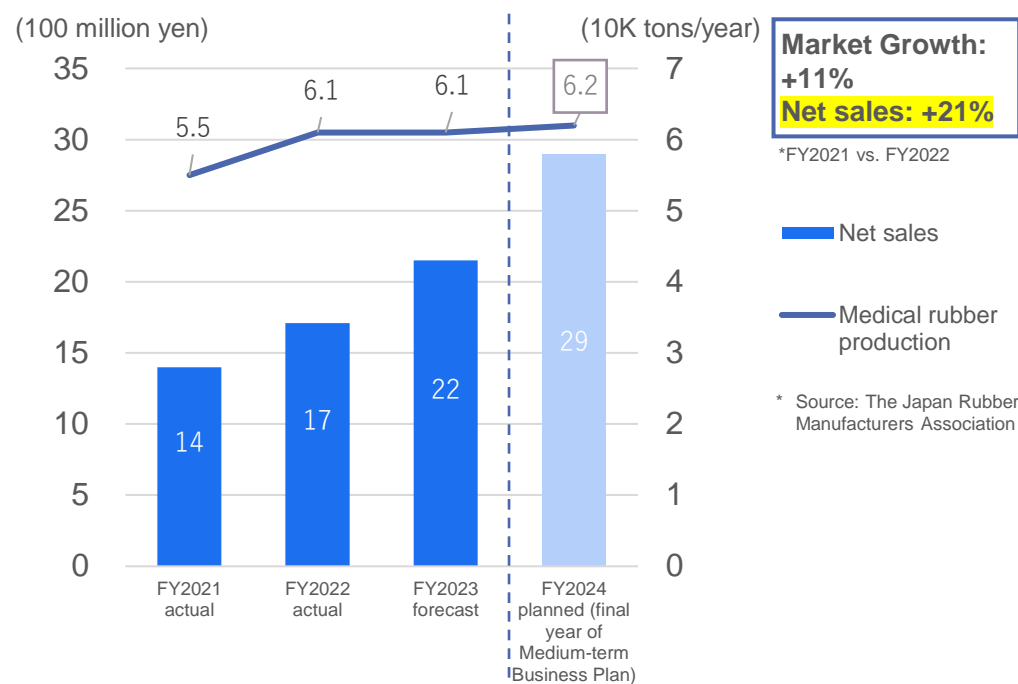
- Sales grew due to increased sales of medical PVC compounds in ASEAN and passing on of raw material price hikes to product prices.

Full-year measures for the year ending March 2024

- Boost sales in ASEAN centered on Japanese customers. Sales for the main application of dialysis circuits are projected to grow by about 8%.
- Develop new non-Japanese customers; boost sales in ASEAN.

Focus Area ② Rubber Substitutes

Domestic medical rubber production and our sales of rubber substitute compounds



Full-year results for the year ended March 2023

- Sales grew due to the increase in new sales of elastomer compounds for medical use and in sales of elastomers for food markets.

Full-year measures for the year ending March 2024

- Boost domestic sales of newly adopted elastomer compounds for medical use and in lifestyle materials markets, centered on articles for everyday use.
- Overseas, develop new sales of elastomer to lifestyle materials markets in Thailand.

Electronics



Electric Power and Industrial Wires



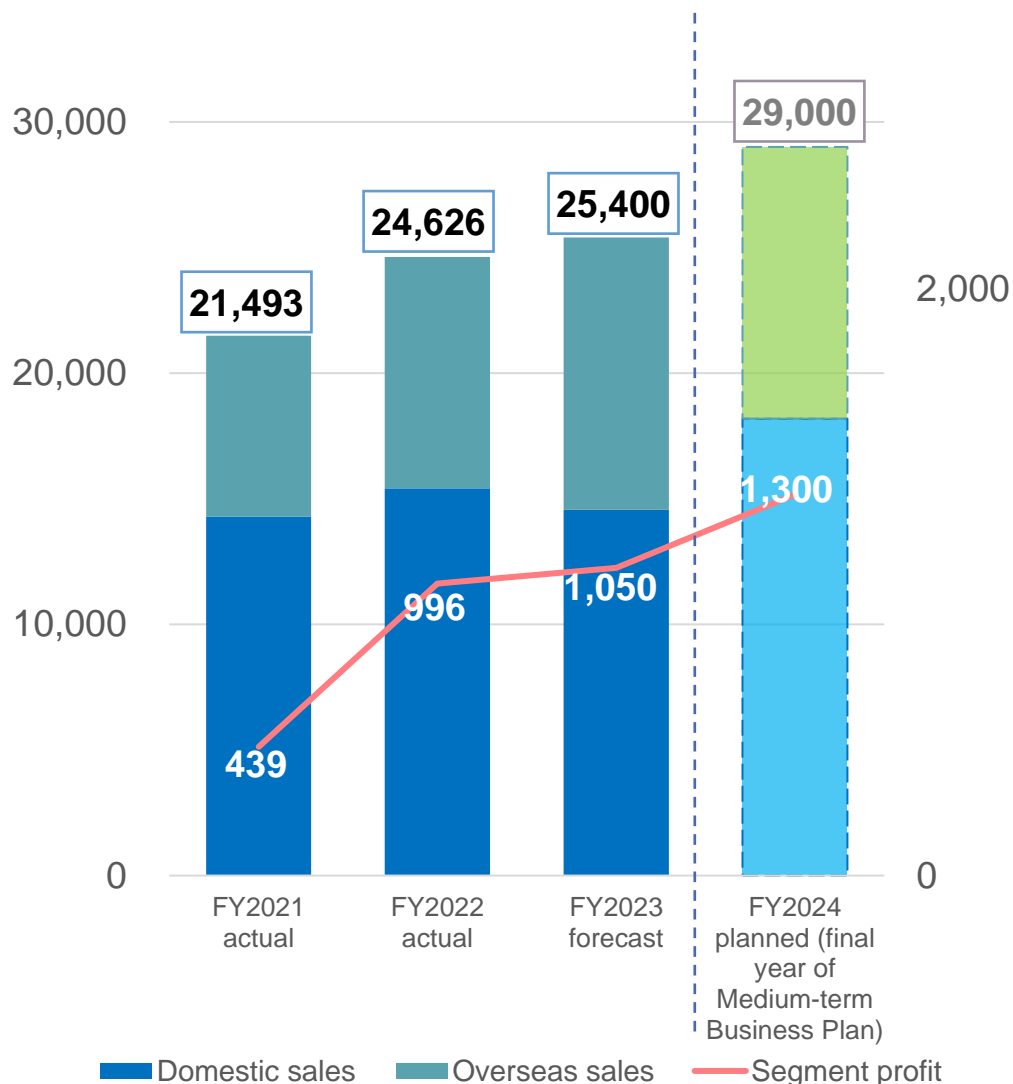
Telecommunications



Optical Films



(Unit: million yen)



Actual results for the year ended March 2023

3,133 million yen revenue increase (+14.6%)
557 million yen profit increase (+127.0%)

- Domestic sales increased due to higher sales of PVC compounds for electric power and industrial wires market and telecommunications market.
- Overseas sales increased due to higher sales of PVC compounds in North America and ASEAN.
- Segment profits grew due to higher sales both domestically and overseas.

Forecast for the fiscal year ending March 2024

774 million yen revenue increase (+3.1%)
54 million yen profit increase (+5.4%)

- Domestic sales are forecast to increase for the year despite unfavorable market conditions for electric power and industrial wires.
- Overseas sales are forecast to increase due to expanded sales of PVC compounds for telecommunications and for robotic factory automation.
- Segment profits are forecast to grow due to higher sales, both domestically and overseas.

Electronics

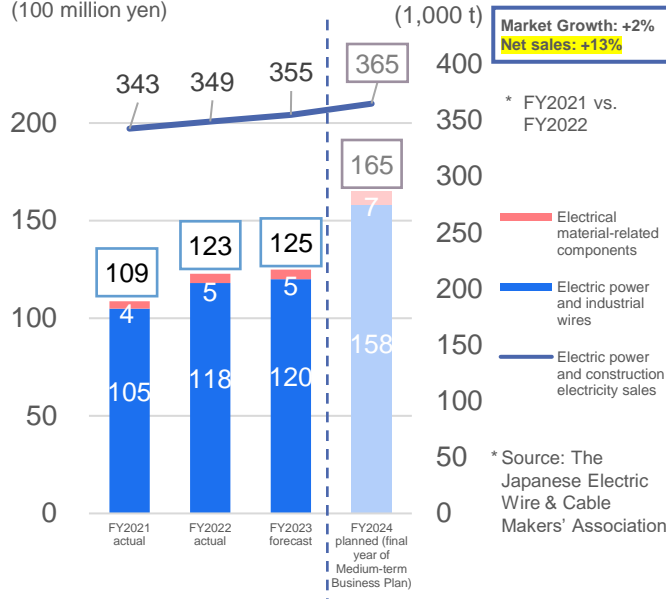


ELECTRONICS

| 2. Segment Overview

Focus Area ① Electric Power and Industrial Wires

Domestic electric power and construction electricity market wire copper volumes and our sales of compounds
(100 million yen)



Full-year results for the year ended March 2023

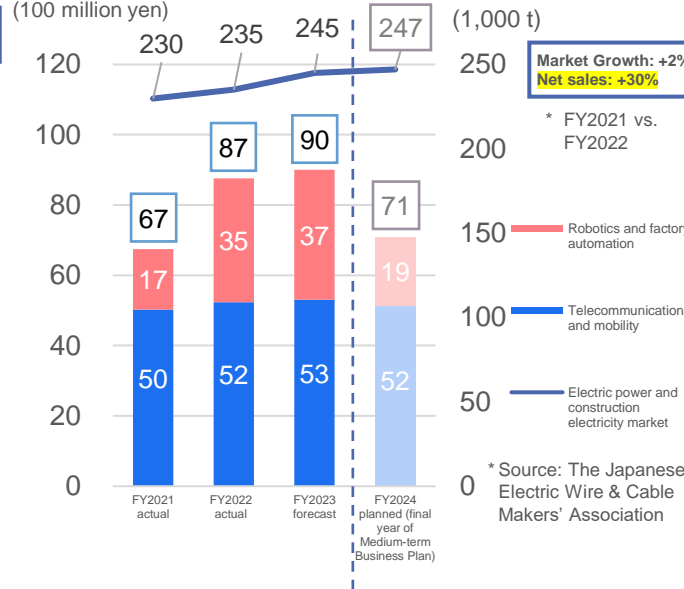
- Expanded domestic market share through shares wrested from competitors and replacement of work done in-house by customers
- Made progress on new customer research for electric power and industrial wires in ASEAN.
- Established tin-free ACS formulation, initiated market research

Full-year measures for the year ending March 2024

- Replace competitors and in-house work by customers in Japan
- Boost foreign sales based on sales strategies for non-Japanese customers for electric power and industrial wires

Focus Area ② Telecommunications

Domestic telecommunications market wire copper volumes and our sales of compounds
(100 million yen)



Full-year results for the year ended March 2023

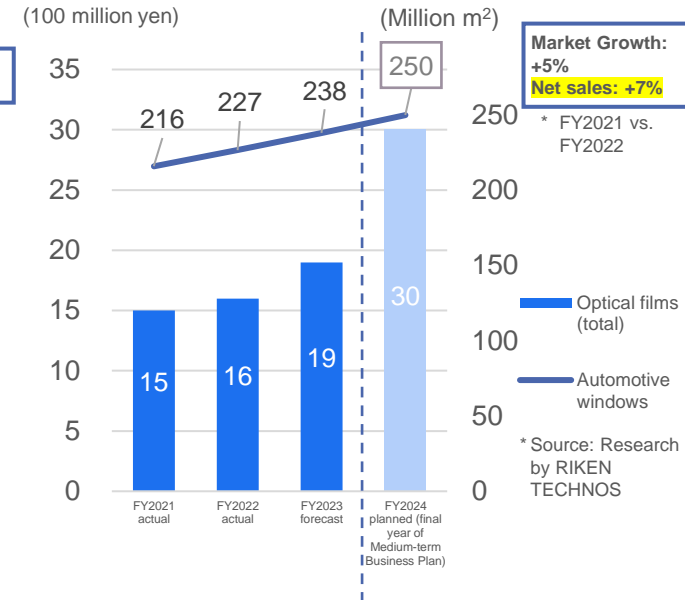
- Expanded sales in the domestic and overseas robotics FA cable markets
- Launched sales of FFC for EV vehicles
- Launched sales of EV charging cables in the North American market

Full-year measures for the year ending March 2024

- Boost sales by formulating sales strategies for EV charging cables in European and Asian markets, in addition to North America.
- Boost sales in overseas markets by formulating sales strategies for robotics FA cables.

Focus Area ③ Optical films

Automotive glass substitute film demand and our sales of optical films
(100 million yen)



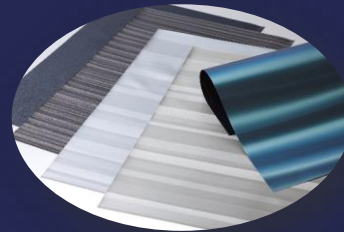
Full-year results for the year ended March 2023

- Favorable sales in the growing segment of automotive thermal barrier films led to 7% sales growth from last year.

Full-year measures for the year ending March 2024

- Concentrate on strengthening support for existing dealers and establishing new dealers for automotive thermal barrier films as brand penetration advances thanks to growing sales.
- Target stable sales for semiconductor use over the medium to long term by promoting evaluations by new users, which had stagnated during COVID-19.

Building & Construction



Construction Films



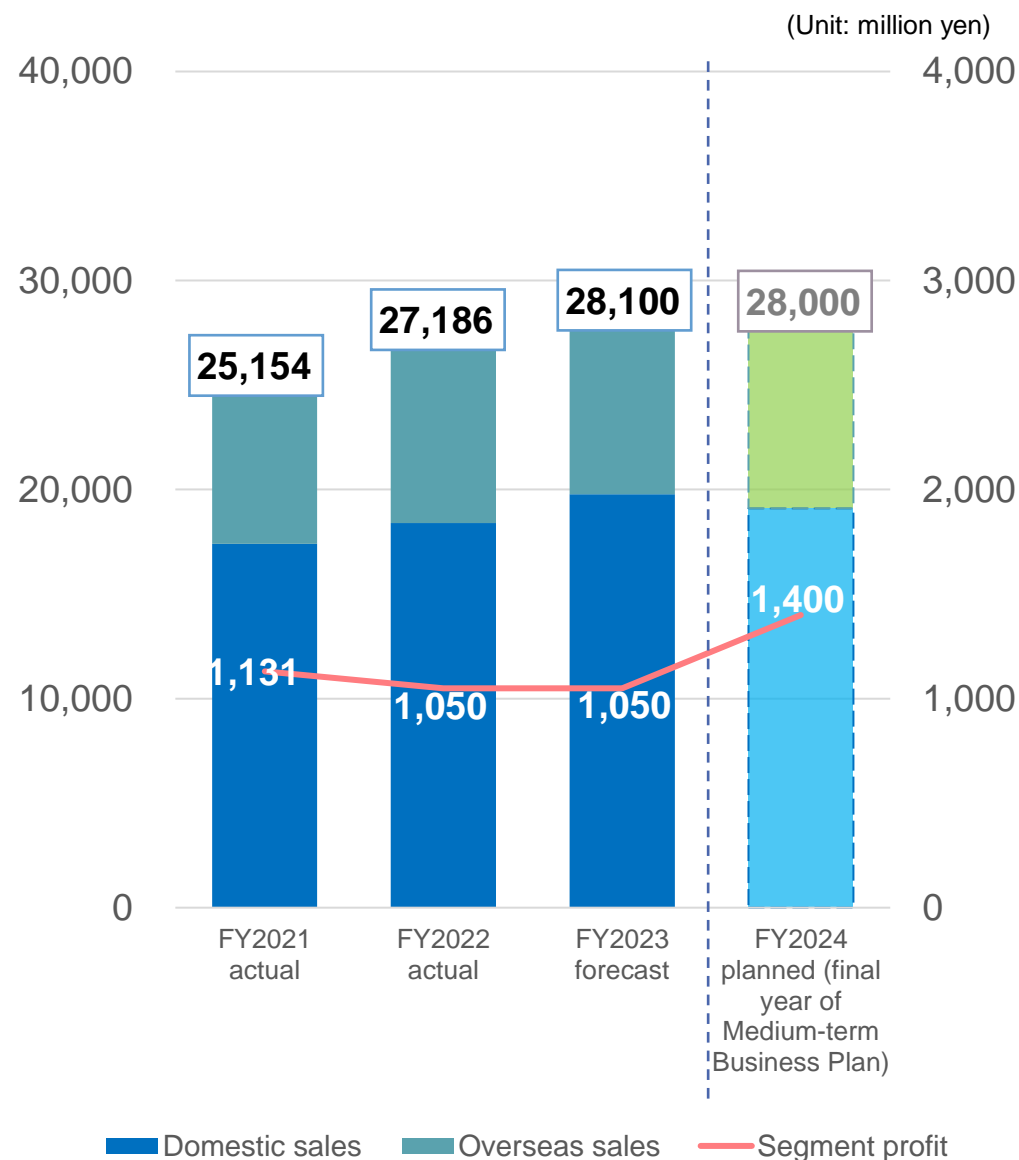
Housing and Building
Materials

Building & Construction



BUILDING
& CONSTRUCTION

| 2. Segment Overview



Actual results for the year ended March 2023

2,032 million yen revenue increase (+8.1%)
81 million yen profit decrease (▲7.1%)

- Domestic sales grew thanks to increased sales of PVC compounds for resin sashes attributable to the Japanese government's campaign to promote energy conservation in homes in 2023. This was despite stagnant housing starts.
- Overseas sales grew due to expanding sales of PVC compounds in North America.
- Segment profits declined due to lower domestic sales of films and delays in passing on raw material prices to product prices.

Forecast for the fiscal year ending March 2024

914 million yen revenue increase (+3.3%)
±0 million yen (±0.0%)

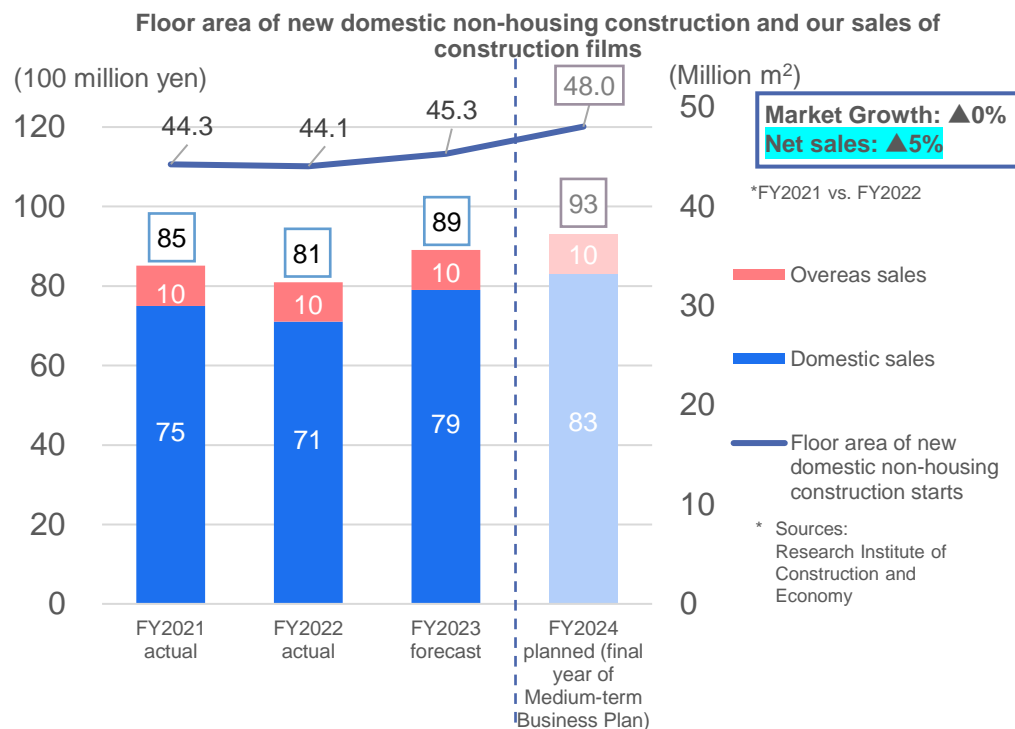
- Domestic sales are projected to grow thanks to higher sales centered on PVC compounds for resin sashes attributable to the Japanese government's campaign to promote energy conservation in homes in 2023 and success in meeting expanding post-COVID-19 remodeling demand with construction exterior films.
- Segment profits are forecast to remain largely unchanged due to in part to the impact of higher electricity rates and other manufacturing costs.

Building & Construction



| 2. Segment Overview

Focus Area ① Construction Film



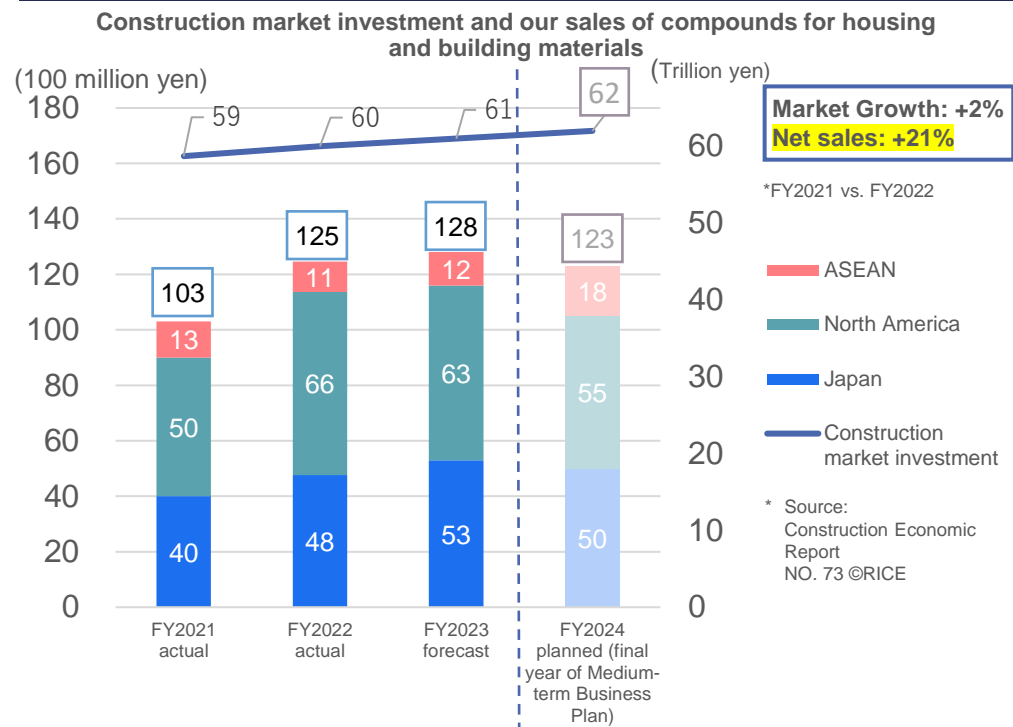
Full-year results for the year ended March 2023

- Domestic sales declined due to the weak housing market and inventory adjustments by major customers for construction film.
- Overseas sales remained largely unchanged. Film sales increased in North America but declined in other regions.

Full-year measures for the year ending March 2024

- Steadily boost sales of high-end wall coverings, centered on post-COVID store-remodeling demand in Japan.
- New sales growth for furniture applications overseas, in North America and China

Focus Area ② Housing and Building Materials



Full-year results for the year ended March 2023

- Domestic sales grew thanks to higher sales of PVC compounds for resin sashes, driven by the Japanese government's campaign to promote energy conservation in homes in 2023.
- Overseas sales grew thanks to progress with selling PVC compounds in North America.

Full-year measures for the year ending March 2024

- Boost sales of PVC compounds for resin sashes based on the campaign to promote energy conservation in homes in 2023.
- Boost sales of PVC compounds in ASEAN and North America.



3. Medium- and Long-Term Initiatives

Overview of
Financial Results

Segment Overview

**Medium- and Long-
Term Initiatives**

Medium- to Long-Term Vision

3. Medium- and Long-Term Initiatives

- The long-term vision is based on the RIKEN TECHNOS Group mission.
- The new Medium-term Business Plan was launched in FY2022 to achieve the long-term vision.

RIKEN TECHNOS' strengths
and business model

- The capacity to meet the needs of leading global customers
- Strong technical capabilities
 - Formulation design technology
 - Kneading technology
 - Calendering film forming technology

RIKEN TECHNOS' (medium- to long-term) business environment

Plastic reduction movement

Growing environmental awareness

Digitalization trend

Progress with EVs

Shrinking domestic market

Growth in Asia

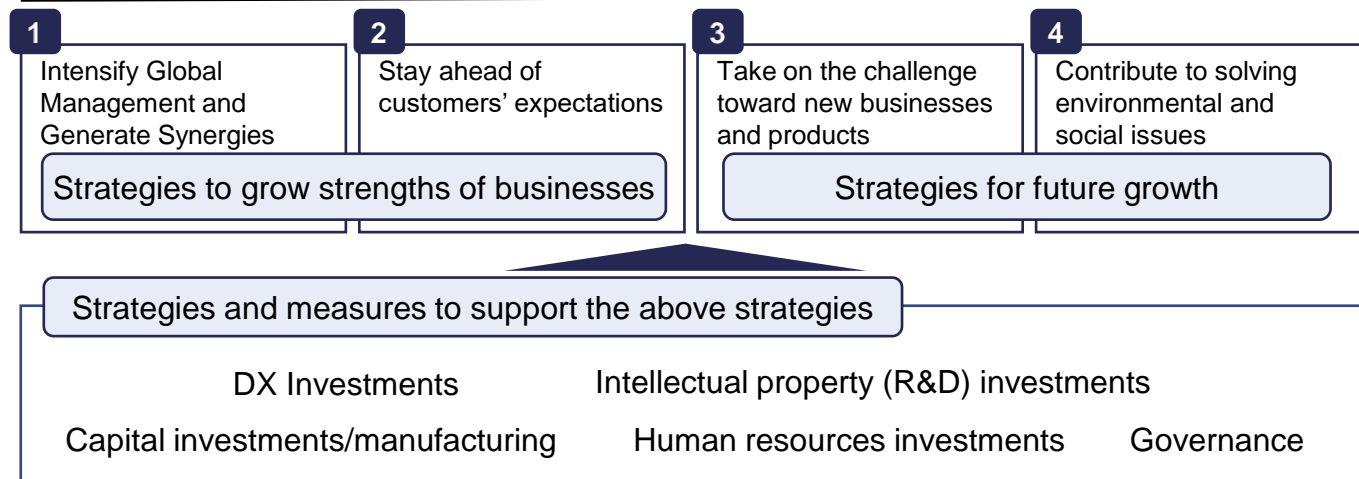
Mission (reason for existence)

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

Basic strategies of the Medium-term Business Plan



Three-year Medium-term Business Plan

Management Policy



Challenge Now for Change New 2024 Challenge for Innovation

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

Four Strategies

Intensify Global Management and Generate Synergies

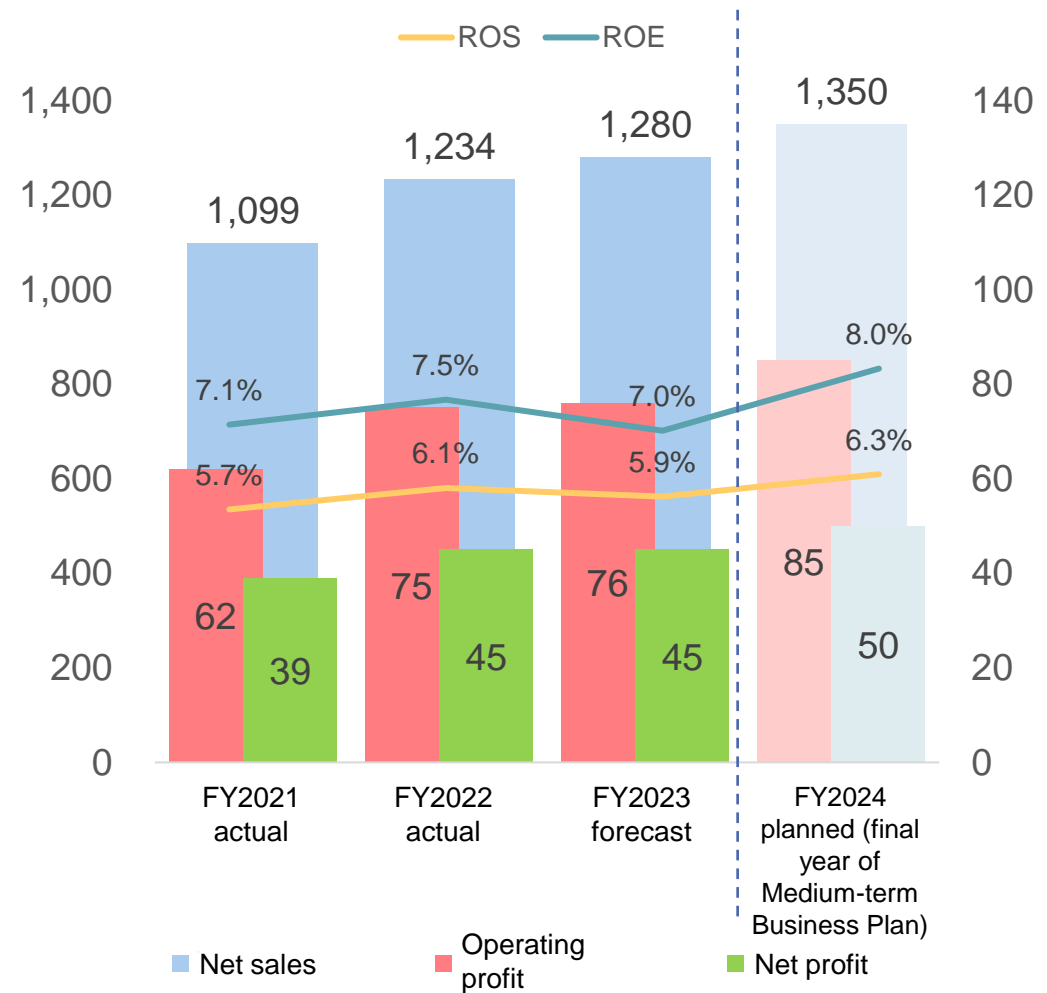
Stay ahead of customers' expectations

Take on the challenge toward new businesses and products

Contribute to solving environmental and social issues

3. Medium- and Long-Term Initiatives

(Unit: 100 million yen)



Assumptions

Plan for fiscal year ending March 2025

Naphtha price: 61,000 yen/KL Exchange rate: 114 yen/USD

Three-year Medium-term Business Plan (Results for FY2022, the initial year)

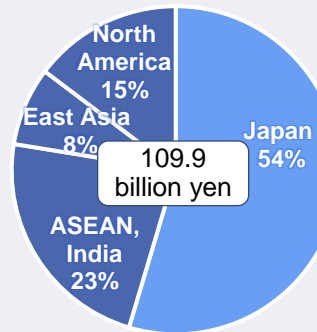
3. Medium- and Long-Term Initiatives

Strategy 1: Intensify global management and generate synergies.

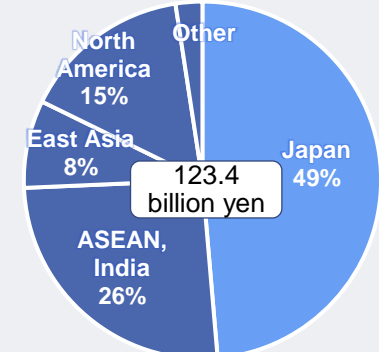
- Pursue Groupwide optimization through global sales/manufacturing meeting.
- Reinforce the global production system (Thailand, Vietnam, North America).
- Build a global quality control system (mechanization, automation).
- Build a global procurement system (establish and commence operation of the Global Procurement Department).
- Overseas sales ratio: 51.4%

Net sales by region

FY2021 net sales



FY2022 net sales



- ✓ Achieve the target overseas sales ratio of 50% under the Medium-term Business Plan in its first year.

Strategy 2: Stay ahead of customers' expectations.

- Develop and train sales human resources with high capabilities with regard to strategic outlook (internal/external training)
- Adopt and commence operation of materials informatics in R&D sections.
- Establish production systems to accelerate the provision of samples for customer evaluation (adopt state-of-the-art prototype machines).
- Carry out Companywide DX-promotion working-group activities and DX training.
- Reinforce the QC system through the firm establishment of design review (DR) operations.

Strategy 3: Take on the challenge toward new businesses and products.

- Promote the exploration of themes by establishing a Start-up Office for New Business Development.
- Launch open innovation through industry-academia partnerships.
- Enhance the R&D system (strengthen formulation technologies by integrating compound and film development efforts).
- Review development processes and implement IP landscaping to generate IP.
- Build structures under which diverse human resources can thrive (e.g., enhancing midcareer hiring and the hiring of non-Japanese personnel, career-track career development training for women, reviews of payroll systems).

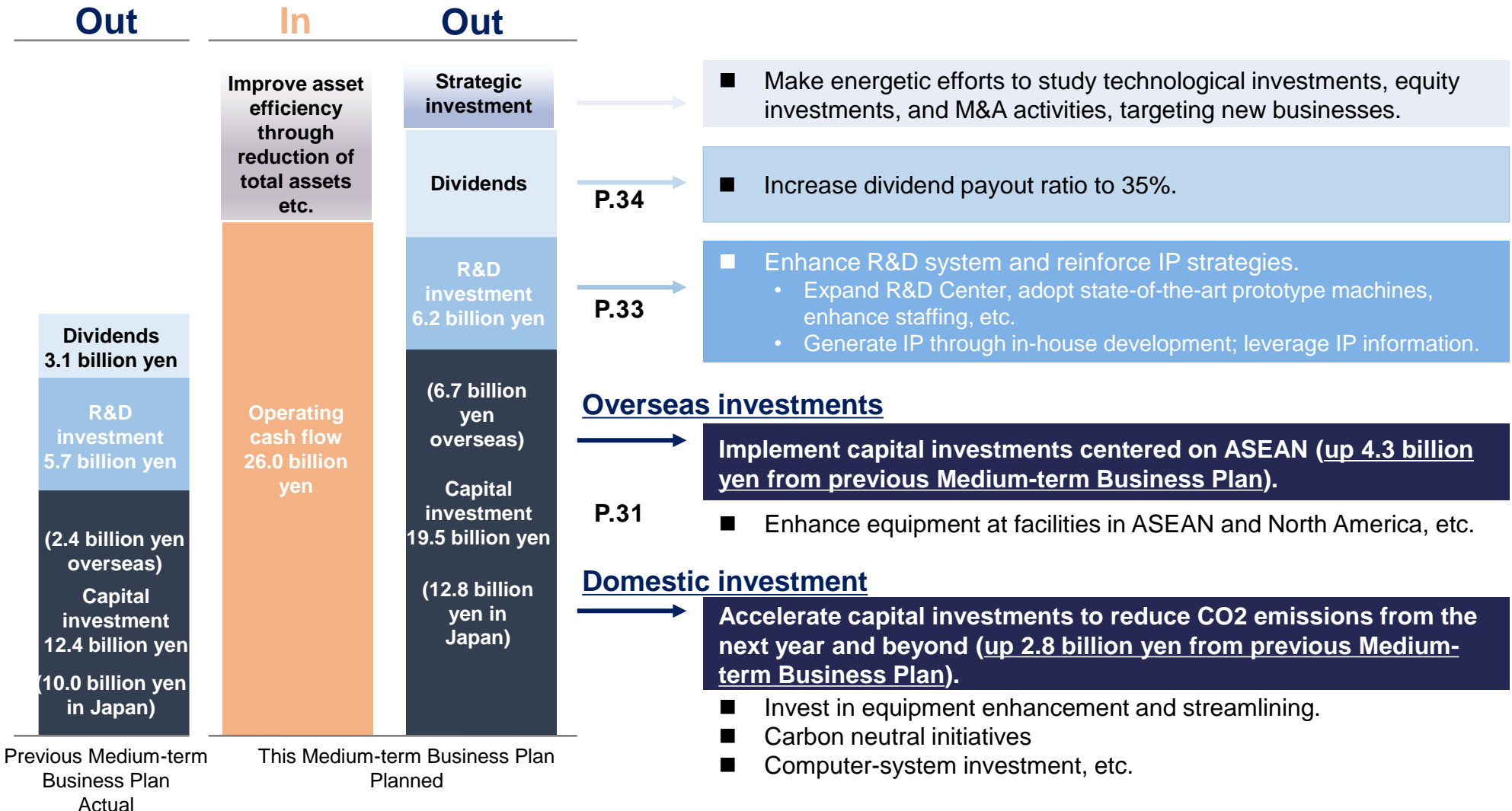
Strategy 4: Contribute to solving environmental and social issues.

- Establish a Sustainability Committee to address climate change and identify materiality topics.
- Develop and expand sales of environmentally-friendly products.
 - ▷ Market launch of RIKEBIO®; development of Natural RIKEBIO®
 - ▷ Expand adoption of rubber substitute elastomers.
 - ▷ Develop RIKEN WRAP BOTANICAL.
- Launch circular economy initiatives.
- Implement social contribution activities.

Financial Strategies Under the Medium-term Business Plan

| 3. Medium- and Long-Term Initiatives

- Increase corporate value through capital, R&D, and strategic investments, centered on operating cash flows.
- Dramatically increase capital investment from the previous Medium-term Business Plan (particularly overseas).



Investment (results and forecasts)

| 3. Medium- and Long-Term Initiatives

**Three-year Medium-term Business Plan:
19.5 billion yen**

Capital and System investment

(Unit: 100 million yen)	Major Projects	Total amount			Overseas ratio	Depreciation
			Domestic	Overseas		
FY2022 results	Expansion of facilities in ASEAN countries Reinforcement of facilities in Japan Domestic and overseas investment in streamlining	47	33	14	30%	31
FY2023 forecasts	Expansion of facilities in ASEAN and the US Expansion and reinforcement of facilities in Japan Domestic and overseas carbon neutral initiatives Domestic and overseas investment in streamlining Domestic and overseas IT systems investments	68	44	24	35%	34
FY2024 forecasts	Expansion of facilities in ASEAN and the US Expansion and reinforcement of facilities in Japan Domestic and overseas carbon neutral initiatives Domestic and overseas investment in streamlining Domestic and overseas IT systems investments	80	51	29	36%	36
Total		195	128	67	34%	

- ✓ Capital investments to reduce CO₂ emissions in Japan and overseas has been studied from the fiscal year ended March 2023. Initiatives are scheduled to begin next year.

Investments

3. Medium- and Long-Term Initiatives

Expanding PVC compound production facilities at RIKEN (THAILAND) CO., LTD.



- Constructing a new plant building, setting up a new production line, and expanding warehouse facilities

<Progress>

- ✓ Construction completed in February 2023
New line slated to begin in June 2023
- ✓ Investment: Approximately 1.5 billion yen



Expanding PVC compound production facilities at RIKEN VIETNAM CO., LTD.



- Constructing a new plant building, setting up a new production line, and expanding warehouse facilities

<Progress>

- ✓ Obtained permissions from authorities with jurisdiction over city planning in April 2023, about one year later than originally planned
- ✓ Work currently continues toward bringing the new line online in October 2024.
- ✓ Investment: Approximately 1.5 billion yen



Expanding PVC compound production facilities at RIKEN ELASTOMERS CORPORATION



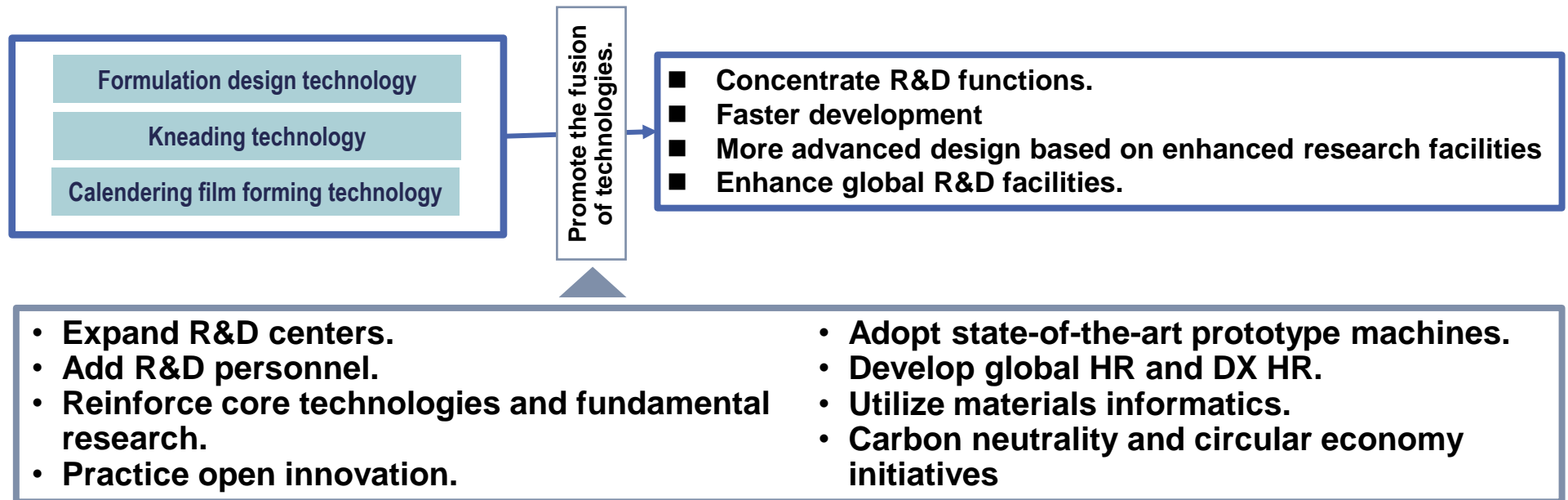
- Adding a new line in the existing building

<Progress>

- ✓ Scheduled to start operations in December 2024
- ✓ Investment: Approximately 1.5 billion yen

Enhancements of the R&D System

Reinforcing fundamental technologies to generate innovation



Strengthen IP strategies.

IP creation and deployment

Implement analyses incorporating IP information into business information.

- IP landscaping

R&D investments

Over the period of the Medium-term Business Plan: 6.2 billion yen

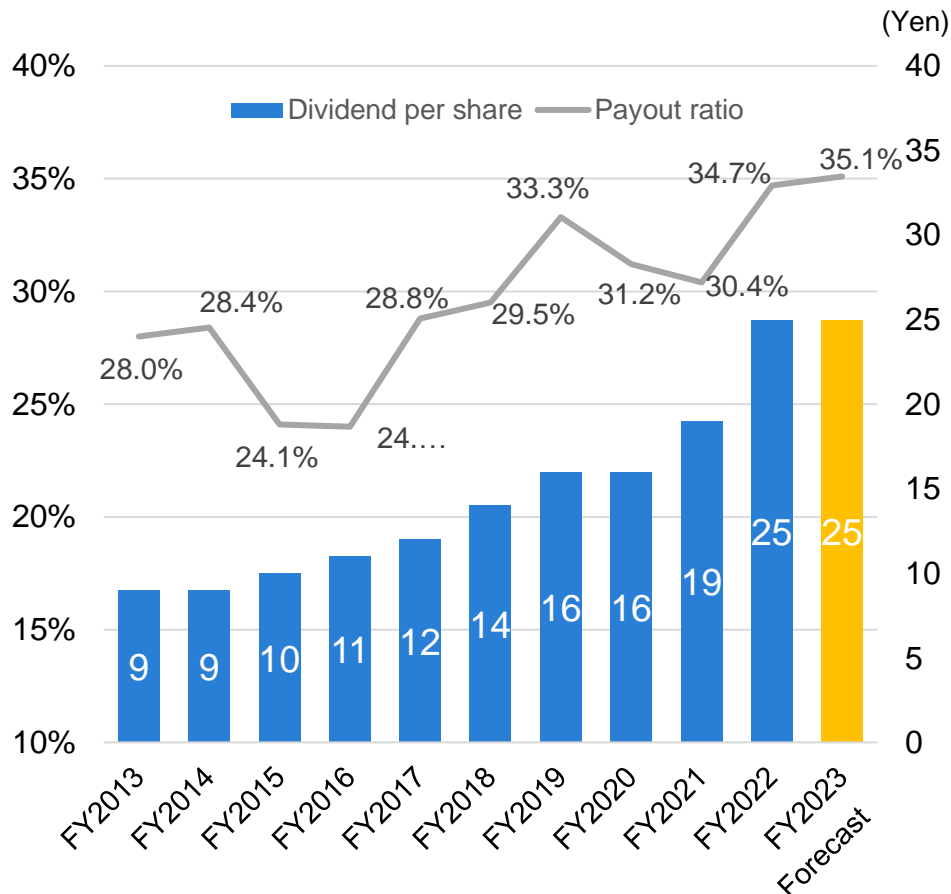
- Rapid development of products that delight customers
- Transform to a development approach leveraging DX.

Shareholder Returns

| 3. Medium- and Long-Term Initiatives

- **Paying stable dividends while seeking a balance between financial standing and business**
- **Consolidated dividend payout ratio increased from 30% to 35% beginning in FY2022**

Dividend payout ratio and dividend trend



Dividend Policy

Consolidated dividend payout ratio increased from 30% to 35%

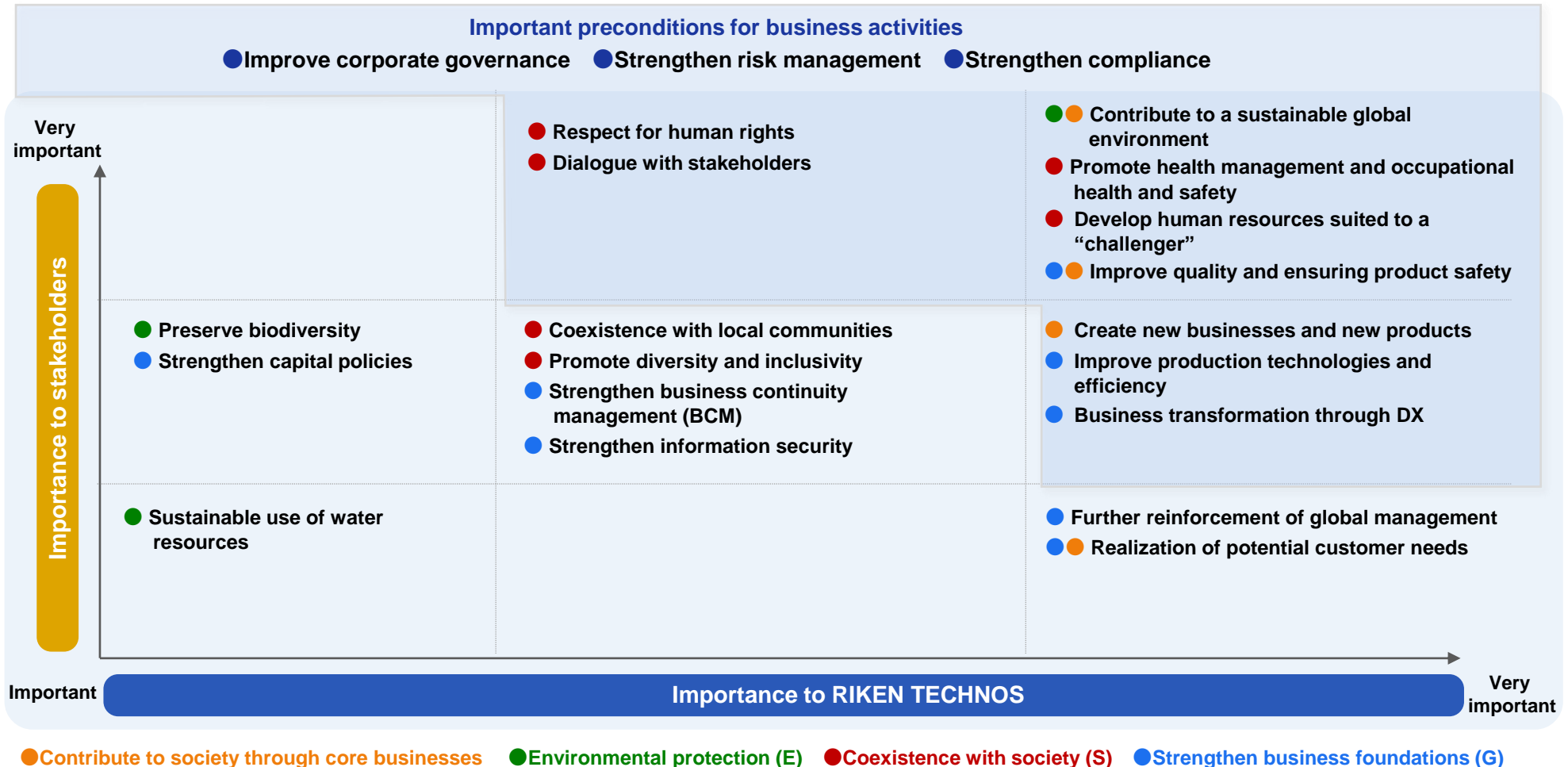
- We will strive to pay stable dividends, duly accounting for future business investment and capital adequacy and strive to achieve a consolidated dividend payout ratio of around 35%.

Projected dividend for current FY

- Dividends for FY2022 **raised by six yen** from 19 to **25 yen** (six yen above initial forecasts)
- Initial forecasts for FY2023 call for an interim dividend of 12 yen and a year-end dividend of 13 yen, for an annual dividend of 25 yen.

Identification of Materiality Topics

➤ Identification of important topics (materiality) for realization of the long-term vision



We established key performance indicators (KPIs) as indicators and targets for the materiality topics identified. We will 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.

Sustainability Initiatives

(developing environmentally-friendly products)

| 3. Medium- and Long-Term Initiatives

➤ Expand boost its sales of the RIKEBIO® series.

- The RIKEBIO® series is a lineup of environmentally-friendly products designed to conserve fossil fuels, minimize greenhouse gases, and contribute to a circular economy.
- We will expand the lineup of RIKEBIO® PVC and elastomer compounds.
- We will bring to market Natural RIKEBIO®, which involves partial use of natural-resource wastes as raw materials in its manufacture.
- We will study sheet developments based on compounding technologies.



➤ Develop RIKEN WRAP BOTANICAL environmentally-friendly food wrap.

- Using biomass polyethylene resin made from sugarcane, this product reduces petrochemical raw materials use compared to conventional petroleum-based polyethylene.
- Biomass content of 90% or more (certified to carry the Biomass Plastic Mark)
- Switching from commonly used film wrap to a product using biomass plastic materials offers an effective path to reducing the environmental impact of everyday life.



Sustainability Measures (climate change initiatives)

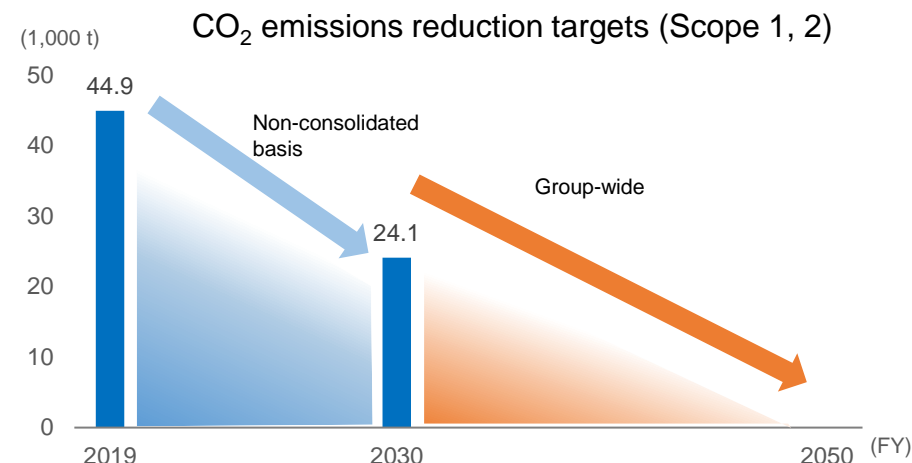
| 3. Medium- and Long-Term Initiatives

- **Promote Groupwide initiatives toward CO₂ emissions reduction targets to address climate change.**

Indicators and targets

	FY2022	FY2030	FY2050
Non-consolidated (Scope 1, 2)	41,139 t	24,139 t	—
Group (Scope 1, 2)	86,220 t	—	0 t (carbon neutral)
Scope 3*	Now being calculated		

* We calculated Group emissions in Category 1 (raw materials purchased) and plan to proceed steadily with disclosures in other categories.



Initiatives toward carbon neutrality

Through now

- Developed RIKEBIO®.
- Began supplying electricity from solar panels installed adjacent to the Gunma Plant.
- Upgraded to energy-conserving boilers
- Switched to electric-powered forklifts and fuel-saving Company vehicles

From this point on





- Renovate facilities at production sites (e.g., air conditioning, production equipment).
- Switch from heavy oil boilers to natural gas boilers.
- Create energy roadmaps.
- Expand the introduction of renewable energy.
- Expand lineups and sales of RIKEBIO® series.
- Expand Scope 3 disclosure.
- Adopt solar panels in Japan and overseas.

Sustainability Measures

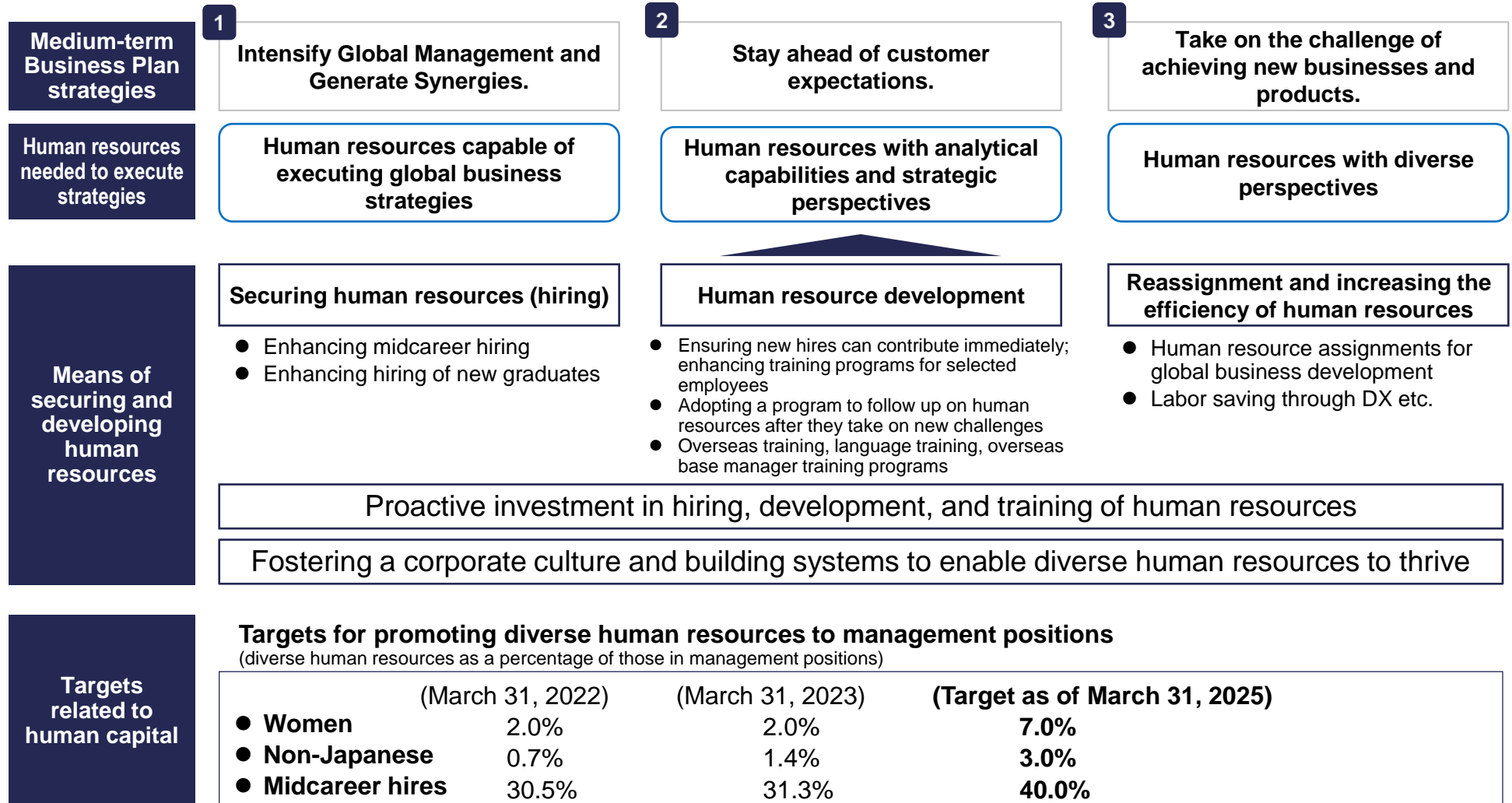
(contributing to the environment through our businesses)

| 3. Medium- and Long-Term Initiatives

- We will help protect the environment by boosting sales of products aimed at energy conservation, resource conservation, and recycling into our traditional PVC and elastomer businesses.

Resin	Properties	Examples of environmental contributions made through our products	
PVC	<ul style="list-style-type: none"> ■ About 60% of PVC comes from the natural material of salt. <ul style="list-style-type: none"> • Conserves resources through durability that enables long-term use. • Consumes less than one-half* the energy resources of other resins consisting mainly of hydrocarbons from petroleum (e.g., polyethylene and polypropylene). <p>* Polyethylene and polypropylene: 45.6-46.5 MJ/kg PVC: 21.3 MJ/kg</p>	<p>PVC resin interior window sashes</p> <ol style="list-style-type: none"> ① Energy conservation ② Recycling  <p>CO₂ reduction effect vs. aluminum sashes: Approx. 40%**</p> <p>Under the zero-emission home (ZEH) initiative promoted by the Ministry of Economy, Trade and Industry and the Ministry of the Environment, use of resin sashes is advancing as part of efforts to improve the thermal insulation efficiency of existing home windows. Strong demand is expected to continue.</p>	<p>Industrial wires and cables</p> <ol style="list-style-type: none"> ① Durable materials ② Control of chemical substances  <p>Highly durable PVC is used in industrial wires and cables and other products intended for long-term use. We control chemical substances by designing formulations that meet the legal standards of individual countries.</p>
Elastomers	<ul style="list-style-type: none"> ■ In various ways, elastomer materials are more eco-friendly than rubber. <ul style="list-style-type: none"> • They help reduce CO₂ emissions during manufacturing processes by shortening mold cycle times. • Their low specific gravity helps reduce vehicle weights and fuel consumption. • They are recyclable. 	<p>Highly oil-resistant TPV ACTYMER®K offers features equivalent to those of oil-resistant rubber.</p> 	<p>TPV ACTYMER®G is a substitute for vulcanized rubber, and has outstanding rubberlike features.</p>  <p>We expect the continuation of trends toward material changes intended to reduce vehicle weight and fuel consumption and toward use of rubber substitutes.</p>

➤ To achieve the goals of the Medium-term Business Plan, we will advance efforts to secure and develop human resources.



Governance

(key initiatives in the fiscal year ending March 2023)

| 3. Medium- and Long-Term Initiatives

- Key initiatives during this fiscal year included the establishment of the new Sustainability Committee, enhanced training for Directors, enhancements in Group governance systems, and efforts to strengthen relations with shareholders and investors.

1	Establishing the new Sustainability Committee	<ul style="list-style-type: none"> ■ Establish structures to promote Strategy 4: Contribute to solving environmental and social issues of the three-year Medium-term Business Plan. Contribute to solving environmental and social issues. <ul style="list-style-type: none"> • Review responses to climate change in accordance with TCFD recommendations. • Review materiality topics.
2	Enhanced training for Directors	<ul style="list-style-type: none"> ■ Provide sufficient opportunities for site tours and similar activities by Outside Directors. <ul style="list-style-type: none"> • Hold Board of Directors meetings at plants and at the research institute (e.g., discussions with employees on-site). ■ Colloquia for Directors and executive offices (held twice) <ul style="list-style-type: none"> • Discuss capital policies, increasing corporate value, materiality topics, etc.
3	Enhancing Group governance systems	<ul style="list-style-type: none"> ■ Effectively strengthen governance of consolidated subsidiaries. <ul style="list-style-type: none"> • Enhance communications via global manufacturing meeting and other activities. ■ Clarify the management issues facing consolidated subsidiaries. Build a structure for follow-up on these issues. <ul style="list-style-type: none"> • Report and follow up on each company's management issues under the Medium-term Business Plan. • Absorb consolidated subsidiaries and relocate their head offices (to the same floors currently occupied by the Company).
4	Strengthen relationships with shareholders and investors (reviewing how we communicate information).	<ul style="list-style-type: none"> ■ Enhance disclosures on sustainability and the environment. <ul style="list-style-type: none"> • Disclosures based on TCFD recommendations ■ Enhance means of dialogue with shareholders and investors. <ul style="list-style-type: none"> • Hold briefings on financial results and management live on the Web and in person; provide disclosure materials in English.

Initiatives Related to Dialogue with Shareholders and Investors

| 3. Medium- and Long-Term Initiatives

- During this period, we will launch new initiatives including holding financial results and management briefings online and live at venues and enhancing disclosure materials in English and disclosures based on TCFD recommendations.
- We will continue to proactively provide opportunities for dialogue with investors in the future.

Dialogue undertaken in FY2022

Efforts to make exercising voting rights more convenient

Institutional investors	Hold briefings on financial results and management through webcasts and in person.	Twice	Promoting dialogue through SR visits	Since April 2023
	<ul style="list-style-type: none"> • Providing materials on summary financial results, timely disclosure, briefings on financial results and management, and briefings on the Medium-term Business Plan in English • Disclosures based on TCFD recommendations 		Issuing notices of convocation of General Meetings of Shareholders earlier (Results for Regular General Meetings of Shareholders held in 2022)	Issued on May 31 (17 days before the meeting)
	Individual meetings (including teleconferencing)	About 20 times	Early disclosure before issuing notices of convocation of General Meetings of Shareholders (Results for Regular General Meetings of Shareholders held in 2022)	Disclosed on May 26 (22 days before the meeting)
Individual investors	Issuing shareholder bulletins	Twice	Preparing notices of convocation of General Meetings of Shareholders in English	Since June 2018
	Updating the Quick learn RIKEN TECHNOS! site	As needed	Using the ICJ platform for digital exercise of voting rights	Since June 2015

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.

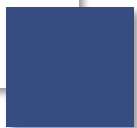
Furthermore, information presented in this document concerning companies other than the Company or its group companies is based on publicly available information. The Company does not guarantee the accuracy of such information.

For inquiries, please contact:

webmaster@rikentechnos.co.jp

Corporate Planning Department/Accounting Department





Corporate Profile



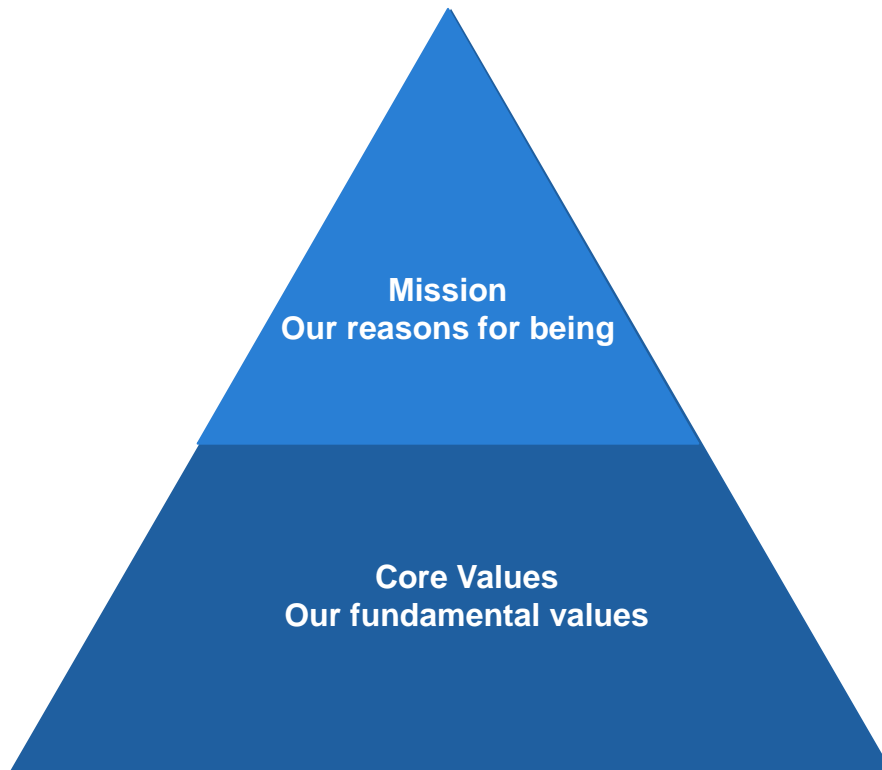
Company Name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	8,514 million yen
Representative	Kazuaki Tokiwa Representative Director, President & CEO
Number of Employees	1,895 consolidated employees and 780 non-consolidated employees (As of March 31, 2023)
Head Office	Waterras Tower, 2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo 101-8336 JAPAN



Management Philosophy: The RIKEN TECHNOS Way

The start-up spirit, which has been passed down since our founding days, represents the very strength of RIKEN TECHNOS CORPORATION and its “RIKEN-ness.” The RIKEN TECHNOS Way, our company’s management philosophy, was formulated based on this “RIKEN-ness.”

The word “challenger” used in our company’s mission statement is meant to convey two meanings – a manufacturer that produces high-quality products and an organization that takes on challenges to create new value and satisfaction for people, companies, and society. To make future leaps, we will keep taking on new challenges, unconstrained by conventional wisdom.



Mission “Mission and Purpose”

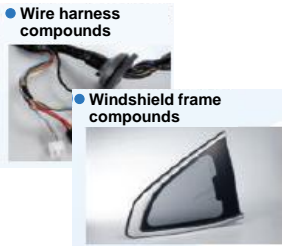








- We are a challenger that harnesses the power of science to improve the quality of life and create a safe, affluent society.
- We continuously provide new value and satisfaction to people, companies and society through our original and superior formulations and manufacturing technologies of multiple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

Core Values “Fundamental Values”

- We establish a bond of trust and work for the mutual benefit all.
- We create new value.
- We continually push ourselves to achieve more.
- We enjoy our work and love what we do.
- We work together to find solutions and produce the best results for everyone.

Business Areas

- Based on our three main product lines—compounds, films, and food wrapping materials, all grounded in extensive technologies related to compound resin processing—we supply products to a wide range of industries and engage in business in Japan and around the world essential to various applications.

		Segment			
Major products	Overview	Transportation	Daily Life & Healthcare	Electronics	Building & Construction
Compounds	These refer to compound materials that realize new properties through the mixing of various additives with base resins. They are primarily used in extrusion molding and injection molding. We produce PVC, thermoplastic elastomers, fire resistant and electroconductive functional compounds, and other compounds.	<ul style="list-style-type: none"> Wire harness compounds Windshield frame compounds 	<ul style="list-style-type: none"> Syringe gasket compounds Blood transfusion equipment compounds 	<ul style="list-style-type: none"> Electric wire and cable compounds 	<ul style="list-style-type: none"> Thermal insulated window frame compounds 
Films	We produce high-quality resin films via manufacturing methods tailored to the distinctive features of the mixed resins they contain. We also manufacture resin products with various design and functional capabilities through technologies that layer multiple films and apply functional coatings to their surfaces.	<ul style="list-style-type: none"> Airbag flexible flat cable films 	<ul style="list-style-type: none"> Antivirus/antibacterial films 	<ul style="list-style-type: none"> REPTY® next-generation display films 	<ul style="list-style-type: none"> High-end wallcovering films 
Food wrapping materials	As a pioneer in the development of PVC resin wrapping materials in Japan, we strive to improve the quality and performance of food wrapping materials for consumer and commercial use while developing and producing wrapping materials suited to individual food products and automated wrapping machinery.	<ul style="list-style-type: none"> Consumer wrapping materials Commercial wrapping materials 			

Global Network



- Production Companies
- Sales Companies

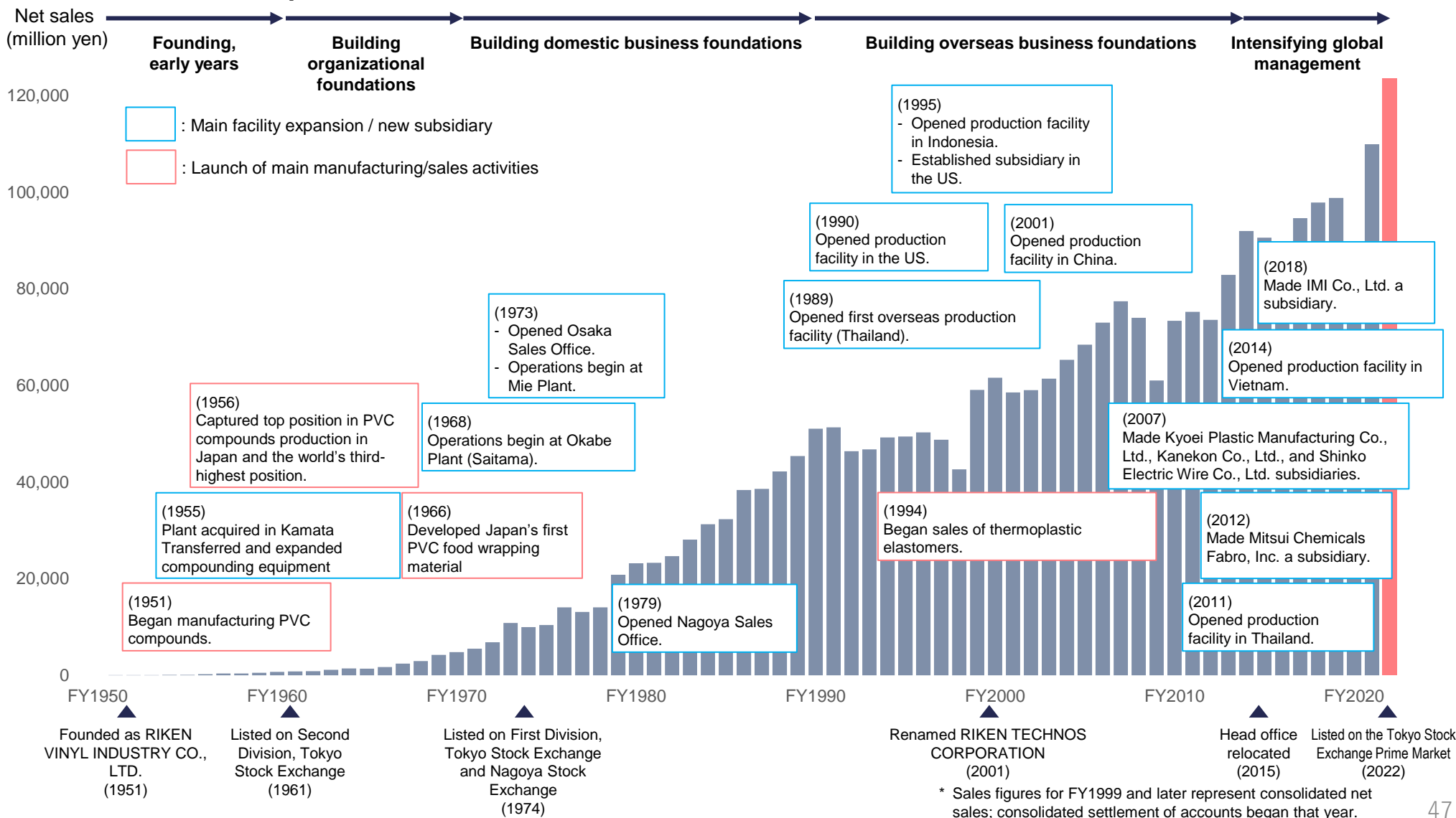
RIKEN TECHNOS CORPORATION Domestic subsidiaries

- RIKEN CABLE TECHNOLOGY CO., LTD.
- RIKEN CHEMICAL PRODUCTS CO., LTD.
- KYOEI PLASTIC MFG CO., LTD.
- IMI Co., LTD.



Value Creation History

➤ Since our founding in 1951, we have continued to broaden our range of products while expanding our network across Japan and around the world.



Reference: Materiality topics and KPIs

Materiality topic	Standards for evaluation (KPIs)	Medium-to-long term targets	
		FY2024	FY2030
Contribute to a sustainable global environment	• Achieving CO ₂ emissions reduction targets for 2030 (non-consolidated)	35,446 t	24,139 t (46.2% decrease compared to FY2019)
	• Carbon neutral by 2050 (Group)	-	-
	• Ratio of total waste to total production (non-consolidated)	3.3% or less	3.0% or less
Promote health management and occupational health and safety	• Occupational injuries requiring time off work (domestic)	0	0
	• Percentage of employees undergoing specified health examinations (domestic)	90%	90%
	• Percentage of employees provided specified health guidance (domestic)	55%	60%
Develop human resources suited to a “Challenger”	• Training cost per employee (non-consolidated)	117,000 yen	140,000 yen
Improve quality and ensuring product safety	• Serious quality incidents requiring recalls (non-consolidated)	0	0
	• Serious violations of legal and regulatory compliance regarding use of chemical substances (non-consolidated)	0	0
Create new businesses and new products	• Numbers of patents applications (non-consolidated)	45 (cumulative) (FY2022-2024)	210 (cumulative) (FY2022-2030)
	• Numbers of collaborations with external parties (non-consolidated)	10 (cumulative) (FY2022-2024)	35 (cumulative) (FY2022-2030)
Improve production technologies and efficiency	• Production capacity (non-consolidated)	+10% (vs. FY2021)	+33% (vs. FY2021)
Business transformation through DX	• Development of MI human resources (non-consolidated)	9 persons	20 persons
	• DX training for all employees (non-consolidated)	100% attendance	100% attendance
Respect for human rights	• Human rights and compliance training for all employees (domestic)	100% attendance	100% attendance
	• Conduct ESG survey to suppliers (non-consolidated)	Once/year	Once/year
Dialogue with stakeholders	• Meetings with investors and existing shareholders (non-consolidated)	140 or more companies/year	200 or more companies/year
	• Conduct satisfaction survey to customers and clients (non-consolidated)	Once/year	Once/year