

Outline of RIKEN TECHNOS GROUP

▶ Corporate Profile (As of March 31, 2017)

Company Name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	JPY 8,514 million
Representative	Kazuaki Tokiwa Representative Director, President & COO
Number of Employees	Consolidated 1,825 employees, Non- consolidated 662 employees
Head Office	WATERRAS TOWER, 2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, 101-8336, Japan

▶ Business Field

RIKEN TECHNOS CORPORATION operates business in Japan and internationally, based on comprehensive plastics processing technology, which has been developed since the beginning with three core business: Compound, Film, and Food Wrapping Film. RIKEN TECHNOS CORPORATION, as a “challenger that harnesses the power of science” based on the new corporate philosophy introduced as “RIKEN TECHNOS WAY,” produces high quality products and technologies to meet the increasingly diverse and sophisticated needs of our customers and of society.

Compound Business

Compounds are resin-based mixed with several different additives, which produce novel properties. Compounds are mainly used in extrusion and injection molding.

● Major Products

Polyvinyl chloride compounds, thermoplastic elastomers, electroconductive compounds, anti-static compounds and biomass plastics compounds etc.



Film Business

The high quality film is produced through optimum formulas for novel properties of blended resin. Moreover, by laminating some films and coating functional paint on the surface of films, we improve design and functionality of the films.

● Major Products

Film for interiors and furnishings, steel laminating film, polyester type film, IR cutting film, window decoration film, film for optical instruments etc.



Food Wrapping Film Business

As the first company in Japan to develop food wrapping film using PVC resin, we produce a variety of wraps that range from home use to commercial use—that have both quality and function—and have been developing wraps suited for food and automatic packaging machines.

● Major Products

Polyvinyl chloride type wraps and polyolefin type wraps etc.



▶ Financial Results

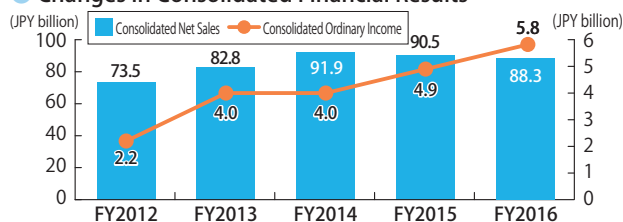
For fiscal 2016 (ending March 31, 2017), there was a trend of gradual recovery in Japan's economy, and while there are uncertainties overseas, economic conditions seemed to be improving. Against this backdrop, the RIKEN TECHNOS GROUP worked to improve its financial results by accurately identifying customer needs from a global perspective and creating products that lead to the receipt of orders. As a result, consolidated operating income, consolidated ordinary income, and net income attributable to the shareholders of the parent company have reached their highest record ever.

● FY2016 (ending March 31, 2017) Financial Results (JPY billion)

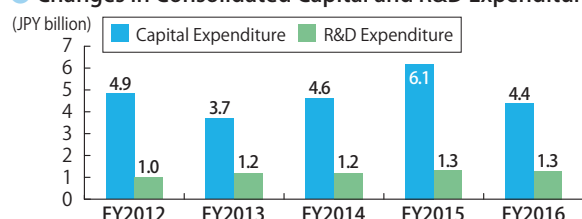
	Consolidated	Non-consolidated
Net Sales	88.3	37.9
Operating Income	5.8	1.0
Ordinary Income	5.8	2.4
Net Income	2.7*	2.0

* Net income attributable to the shareholders of the parent company

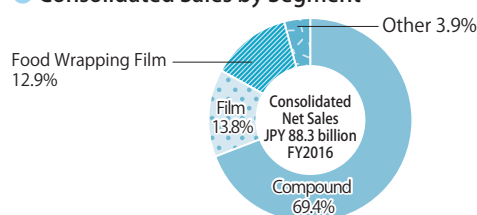
Changes in Consolidated Financial Results



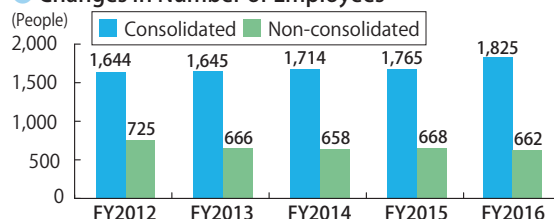
Changes in Consolidated Capital and R&D Expenditure



Consolidated Sales by Segment



Changes in Number of Employees



Mid-Term Business Plan

The RIKEN TECHNOS GROUP commenced its three-year mid-term business plan ACT NOW! ACT TOGETHER! 2018 in April 2016, aiming to become the leading provider of comfort for all living spaces. Amid an uncertain global economy that is difficult to predict, we are working toward achieving our goals by steadily resolving each issue.

Management Policy

ACT NOW! ACT TOGETHER! 2018

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



We created this logo in order to boost the morale of all employees in executing the new three-year mid-term business plan. The logo is designed to help employees intuitively understand our management policy.

Numerical Targets

	Targets for FY2018 (final fiscal year)
Consolidated Net Sales	110 billion yen
Consolidated Operating Income	8 billion yen
Consolidated Ordinary Income	8 billion yen
Consolidated Net Income	4.5 billion yen

Management Targets

	ROS Return on sales	ROA Return on assets	ROE Return on equity
Targets for FY2018 (final fiscal year)	7%	10%	8%

Major Tasks

① Deepen Global Management of All Businesses

To meet the needs of the automotive, and medical and healthcare markets, our priority markets, we have commenced operations at new and expanded compound production factories in Vietnam, China, and the United States. In addition, we have decided to expand our compound production factories in Thailand and Indonesia. In the United States, we have established a holding company to lay down our sales structure. Moving ahead, we will continue our global expansion even more efficiently.

② Strengthen Profitability and Financial Structure

To strengthen profitability and improve ROS, ROA, and ROE, we will use overseas investment facilities to improve operation rate at an early stage, and strengthen collaboration among the divisions as well as between sites in Japan and overseas.

③ Create an Innovative Production System

We will build a structure for competing globally with even better competitiveness by markedly improving aspects of quality, cost, and stable supply to further differentiate us from other competitors.

④ Establish Business in the Optics Field

We are creating products of the future with originality by integrating our original film-forming and processing technologies with our compounding technologies, and have commenced sales for certain mobile-related items including those from major household appliance manufacturers. Moving ahead, we will be putting effort into improving sales revenue and profits through measures such as improving mass productivity, and expanding into other fields.

⑤ Strengthen the Corporate Foundation through Strategic Human Resource Development

We strive to nurture a vigorous corporate culture through initiatives such as a review of our personnel system, efforts to reform working styles, and an active self-nomination job posting system for managerial positions.