



RIKEN *TECHNOS*

RIKEN TECHNOS GROUP

CSR Report

Corporate Social Responsibility Report

2017



RIKEN TECHNOS CORP.

Editorial Policy

As a company with a primary focus on the environment, the RIKEN TECHNOS GROUP has published its efforts and results in that regard, commencing in October 2002 in the “Environmental Report,” and from 2005 in the “Environmental Management Report.” Since fiscal 2007, we have been committed to reporting our efforts toward realizing the RIKEN TECHNOS GROUP corporate philosophy from the perspective of Corporate Social Responsibility, including social aspects, in an easy-to-understand way, in our “CSR Report.” In our report, content related to ISO 26000 or the Sustainable Development Goals (SDGs) are shown with icons to let people better understand the connection between social issues and our efforts.

This eleventh edition of the “CSR Report” has a Featured Article on how the technologies of the RIKEN TECHNOS GROUP are used in the lives of everyone. We hope everyone can gain an understanding of the RIKEN TECHNOS GROUP’s efforts in “aiming to become a leading company that provides comfort for all living spaces” as stated in our three-year mid-term business plan.

▶ Reporting Coverage

Period Covered

April 1, 2016, to March 31, 2017

In addition, some activities after April 1, 2017, are included.

Organizational Coverage (Refer to pages 18 to 21 regarding the sites included.)

The organizations covered in the Environmental Responsibility section of this report are RIKEN TECHNOS CORPORATION and the 19 consolidated subsidiaries listed below. Some of the consolidated subsidiaries are not included in some topics.

Consolidated subsidiaries covered

- SHINKO ELECTRIC WIRE CO., LTD.
- KYOEI PLASTICS MFG CO., LTD.
- RIKEN TECHNOS INTERNATIONAL CORPORATION
- RIKEN CHEMICAL PRODUCTS CO., LTD.
- RIKEN FABRO CORPORATION
- RIKEN (THAILAND) CO., LTD.
- RIKEN ELASTOMERS (THAILAND) CO., LTD.
- PT. RIKEN INDONESIA
- SHANGHAI RIKEN TECHNOS CORPORATION
- RIKEN TECHNOS (JIANGSU) CORPORATION
- RIMTEC CORPORATION
- RIKEN ELASTOMERS CORPORATION
- RIKEN VIETNAM CO., LTD.
- RIKEN (SHANGHAI) CORPORATION
- RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION
- RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.
- RIKEN AMERICAS CORPORATION
- RIKEN U.S.A. CORPORATION
- RIKEN TECHNOS EUROPE B.V.

Reporting Fields

This report describes the efforts of RIKEN TECHNOS CORPORATION and its consolidated subsidiaries in relation to their business, social and environmental responsibilities.

▶ Reference Guidelines

The below were referred to in the preparation of this report.

- Environmental Reporting Guidelines (2007) issued by the Ministry of the Environment of Japan
- Environmental Accounting Guidelines (2005) issued by the Ministry of the Environment of Japan

▶ Sustainable Development Goals (SDGs)



The Sustainable Development Goals (SDGs) stated in the “2030 Agenda for Sustainable Development” were adopted by more than 150 member states during the United Nations summit in September 2015. They comprise 17 goals and 169 targets aimed at realizing a sustainable world, and show the vision for the world’s outlook in 2030. As a member of the international community, the RIKEN TECHNOS GROUP also references these trends as we strengthen our efforts for a sustainable society.

RIKEN TECHNOS GROUP Corporate Social Responsibility

About the Cover

The image on the cover of this report shows a fusion of the corporate mark of RIKEN TECHNOS CORPORATION and white magnolia flowers in full bloom in Shanghai, China, where SHANGHAI RIKEN TECHNOS CORPORATION and RIKEN (SHANGHAI) CORPORATION are located. The corporate mark was changed in 2001, on the 50th anniversary of the company's establishment. Based on the "R" in RIKEN TECHNOS, the mark represents the reliability of our core compound and film business, combined with the shape of a bird's wing in flight to symbolize our flight into the future.

The RIKEN TECHNOS GROUP aims to conduct business together with all our stakeholders in a way that will help achieve a sustainable society.



► Date of Issue

September 2017
(scheduled date of next issue: September 2018)

History of Issue

FY	Name
2005	Environmental Management Report 2005
2006	Environmental Management Report 2006
2007	CSR Report 2007
2008	CSR Report 2008
2009	CSR Report 2009
2010	CSR Report 2010
2011	CSR Report 2011
2012	CSR Report 2012
2013	CSR Report 2013
2014	CSR Report 2014
2015	CSR Report 2015
2016	CSR Report 2016

Report 2017

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Message from the President



Profile

Kazuaki Tokiwa

Kazuaki Tokiwa was born in Kanagawa Prefecture in 1961. He graduated from the Faculty of Engineering at the Chiba Institute of Technology in 1983, and joined RIKEN VINYL INDUSTRY CO., LTD. (now RIKEN TECHNOS CORPORATION) in the same year. He was appointed Managing Director of RIKEN ELASTOMERS CORPORATION (U.S.A.) in 2007; appointed Assistant General Manager of the Compound Division and General Manager of Compound Sales in 2011; appointed Director and General Manager of the Corporate Planning Office in June 2013; then appointed Representative Director, President & COO in April 2016.

Aiming to Become the Leading Provider of Comfort for All Living Spaces

► Our Responsibilities as a Member of the International Community

Toward a Sustainable Society

The “2030 Agenda for Sustainable Development” was adopted at the United Nations summit in September 2015. This agenda states a set of common goals applicable to all members of the United Nations, known as the Sustainable Development Goals (SDGs). The SDGs comprise 17 international goals to be worked on from 2016 to 2030, including access to reliable energy; sustainable economic growth and decent work for all; sustainable supply of energy; promote sustainable industrialization and foster innovation; and combat climate change. The Japanese government has also started to work on achieving SDGs at the national level, such as establishing in May 2016 the Sustainable Development Goals (SDGs) Promotion Headquarters headed by the prime minister. The RIKEN TECHNOS GROUP will look to these movements as a reference and continue as it has done to strengthen initiatives for a sustainable society in order to fulfil our responsibilities as a member of the international community.

Together with All Our Stakeholders

To maintain a rewarding and affluent society into the future, the RIKEN TECHNOS GROUP has up till now been moving forward together with all our stakeholders—such as customers, business partners, employees, shareholders, and people from the local communities—to work on solving issues faced by society. Through various forms of involvement, the RIKEN TECHNOS GROUP has reached its present-day existence and growth while building trusting relationships with all stakeholders. Moving ahead, there will not be any change to this stance. This CSR report will provide details on our involvement with all our stakeholders supporting the RIKEN TECHNOS GROUP. Please take time to look through the report.

► ACT NOW! ACT TOGETHER! 2018

Three-year Mid-term Business Plan

The RIKEN TECHNOS GROUP started its new three-year mid-term business plan in April 2016.

Based on our management policy “ACT NOW! ACT TOGETHER! 2018—Aiming to Become a Leading Company that Provides Comfort for All Living Spaces,” we will work to tackle five major tasks.

In addition, we will strengthen our initiatives in priority market segments such as the automotive market and medical and healthcare market. To achieve these goals stated in our three-year mid-term business plan, the most important thing is “people.” We have made “ACT NOW! ACT TOGETHER!” our management policy as we wish to heighten the individual capabilities of our employees while maximizing teamwork in our tasks.

This is the same even outside the company. We will work on building even more robust partnerships with every stakeholder and solving issues with speed.

Featured Article

The RIKEN TECHNOS GROUP provides technology to the world as we aim to become a leading company that provides comfort for all living spaces. The featured article in this CSR Report introduces these technologies along with examples of their use. The RIKEN TECHNOS GROUP’s technologies are utilized in many objects that we interact with every day without realizing. Through the voices of our employees, we hope to show you some of the RIKEN TECHNOS GROUP’s many technologies.

We plan to keep moving forward together with our stakeholders for the realization of a sustainable society. I hope you will continue to give us your support in the future.

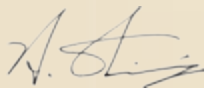
Kazuaki Tokiwa
Representative Director,
President & COO



Message from the Chairman

A year and a half has passed since I was appointed as Chairman and CEO. We have clarified the roles of outside directors and improved the supervisory function of the Board of Directors, adopting the executive officer system in April 2016 and transitioning into a company with an audit and supervisory committee in June. We will continue to aim for further improvements to management transparency and fairness. Amid drastic changes to our management system, we aim to better operate as an open company, and support management from the position of supervising execution departments. The number of sites in various countries around the world is also increasing, and moving ahead, we will also strengthen our management utilizing the organization strength of the RIKEN TECHNOS GROUP. In our three-year mid-term business plan, "Create an Innovative Production System" is one of the major tasks which we should be focusing on. Being able to properly carry out manufacturing is the starting point for a manufacturer, and is an important issue affecting future management. To meet the needs of our customers, we will return to the *san gen shugi* (three *gen* principles) of *genchi* (actual place), *genbutsu* (actual thing), and *genjitsu* (fact) to strengthen the power of the workplace, and further polish our manufacturing even as we pass down past technologies. We at the RIKEN TECHNOS GROUP sincerely look forward to receiving your continued support.

Hiroshi Shimizu
Representative Director
Chairman & CEO



▶ RIKEN TECHNOS WAY

About the RIKEN TECHNOS WAY

The RIKEN TECHNOS WAY is the management philosophy RIKEN TECHNOS formulated in 2011 when marking the 60th anniversary of its founding, with the goal of moving toward its 100th anniversary. The RIKEN TECHNOS WAY adds new dreams and development directions to the "RIKEN-ness," represented by the startup spirit that has been passed down since our founding days, and consists of "Mission," "Our Value," and "Basics."

Mission (embodies the company's 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.

Our Values (reflects our fundamental values)

We establish a bond of trust and work for the mutual benefit of 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.

About CSR

The RIKEN TECHNOS GROUP conducts its CSR activities according to the RIKEN TECHNOS GROUP Code of Conduct.

RIKEN TECHNOS GROUP Code of Conduct

Member corporations of the RIKEN TECHNOS GROUP (hereafter referred to as "Members") believe that corporations exist not only as economic entities designed to pursue profits through fair competition, but also as social entities which must make a contribution to society at large. Therefore, RIKEN TECHNOS CORPORATION is expected to respect human rights and to behave in a socially responsible manner toward the creation of a sustainable society, while observing both the spirit as well as the letter of all laws and regulations applying to our activities both in Japan and abroad in accordance with the RIKEN TECHNOS GROUP Code of Conduct.

* For the full text, visit the RIKEN TECHNOS website.

Directors



Hiroshi Shimizu
Representative Director
Chairman & CEO



Kazuaki Tokiwa
Representative Director
President & COO



Masamitsu Sumiyoshi
Representative Director
Senior Managing Executive
Officer
General Manager of Sales &
Marketing Division



Junji Irie
Director
Managing Executive Officer
General Manager of
Administrative Division &
General Affairs Department



Gakuyuki Kajiyama
Director
Senior Executive Officer
General Manager of
Corporate Planning Division



Yoshitaka Okochi
Director
Full-time Audit & Supervisory
committee Member



Hiroshi Nemoto
Outside Director
Audit & Supervisory
committee Member



Takayuki Hayakawa
Outside Director
Audit & Supervisory
committee Member



Shigeharu Nakamura
Outside Director
Audit & Supervisory
committee Member

Executive Officers (excluding concurrent directors)



Hirofumi Otani
Senior Executive Officer
General Manager of Technical
Division & It & Electronics
Business Unit



Michihisa Tasaka
Senior Executive Officer
General Manager of Quality
Assurance Division



Takashi Shimada
Senior Executive Officer
Managing Director, RIKEN
AMERICAS CORPORATION
& RIKEN ELASTOMERS
CORPORATION



Shunichi Ueyama
Executive Officer
General Manager of
Compound Planning &
Coordination Department



Masato Koizumi
Executive Officer
General Manager of
Administration Office
& Computer System
Development Department



Hitoshi Sugino
Executive Officer
Deputy General Manager of
Technical Division & General
Manager of R&D Center



Takeshi Sugie
Executive Officer
General Manager of
Procurement Division



Masashi Tosaka
Executive Officer
General Manager of Film
Planning & Coordination
Department



Toshiyuki Sato
Executive Officer
Managing Director, PT. RIKEN
INDONESIA



Hirohito Koshimizu
Executive Officer
General Manager of
Manufacturing Division

Aiming to Become the Leading Provider of Comfort for All Living Spaces

Amid a hectically changing society, the RIKEN TECHNOS GROUP continues to take on challenges every day to support leading-edge technologies and industries, as well as the future of Japan and the world. In 2016, we started our three-year mid-term business plan with ACT NOW! ACT TOGETHER! 2018 as our management policy as we aim to become the leading provider of comfort for all living spaces.

Original and superior formulations and manufacturing technologies for resin materials are our strengths, and these evolve together with our customers. At the end of our three-year mid-term business plan in the fiscal year ending March 2019, we will offer a variety of further improved products. In this feature, we will introduce for each field some of the ways the RIKEN TECHNOS GROUP's technologies are helpful in the lives of everyone. From long-selling products slowly improved over decades, to the newest products filled with the latest technologies, we will introduce a wide range of products together with the voices of our employees.

Our goal

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

**ACT NOW!
ACT TOGETHER!
2018**





Shinya Tomitaka

Senior Engineer, Group 2, R&D Office 2,
R&D Center, Technical Division



As a material that has a nice feel and is able to clear the flame-resistance standard for rail cars, our product was adopted for the armrests. This is not just a product of our material design capability, but is a joint work produced through collaboration with the molding company and design company who carried out development together with us.

Case Study 01 Armrests for priority seats in 323-series trains on Osaka Loop Line

This is the first specially designed rail car in the history of the area served by this line. Meticulous attention was paid to details in designing the train cars. Various ingenious ideas were used in the interiors for a comfortable ride.

Nobuyuki Usui

Group Leader, Osaka Sales & Marketing Group,
Construction Products Material Business Unit, Sales & Marketing Division



The Construction Products Material Business Unit goes about our daily work providing proposals based on our motto "Providing Comfortable Living Spaces." This time, the material used in the armrests is our ETF-elastomer®, which was carefully developed to give people a sense of comfort the moment they touch it. There are many other things in the world which give people a sense of comfort other than through their feel. We will keep proposing such materials.



Case Study 02 Panel wiring for train stations

There are many electrical wires running within a station. RIKEN TECHNOS's compounds are used in the covering materials that protect electrical wires. These need to be hard to burn and robust, yet at the same time easily pliable.



Concept image



Taisuke Yamamoto

Tokyo Sales & Marketing Group, Electronic Materials
Business Unit, Sales & Marketing Division



The product used is a halogen-free compound that is extremely flexible. It is highly rated by customers as it improves pliability when used as a covering material for cables. It improves work efficiency at construction sites, and is also a great aid to our customers' products. Besides its basic properties, it does not require cross-linking*, and has good properties for extrusion compared to past products. This is good for customers as it can be molded on any production line without worries about the manufacturing facilities available.

* Cross-linking: This is a process for forming links, similar to building bridges, between the molecules of polymer chains.

Automotive

Case Study 03 Wire harnesses

Wire harnesses laid within automobiles can add up to several kilometers per vehicle. The RIKEN TECHNOS GROUP's compounds used as covering materials for these wire harnesses have a 30% share of the global market.



Shinichi Saito

Deputy Manager, Tokyo Sales & Marketing Group, Electronic Materials Business Unit, Sales & Marketing Division



Wire harnesses for automobiles are components for bundling electrical wires used to control safety and comfort, such as driving, stopping, opening windows, controlling cabin temperatures, searching for destinations, and listening to music. If a vehicle can be likened to the human body, wire harnesses would be like blood vessels. RIKEN TECHNOS uses a global QCDTE* system to supply products to many different countries.

* Global QCDTE: Quality, cost, delivery, technology, and environment.



Case Study 04 Sealing materials

Because of the seal material used for sealing, the doors of the vehicles can close tightly and rain cannot get inside the cabin. Many compounds are used for this component.

Light!

Energy-saving!

Cost-reducing!

Excellent heat resistance!

Excellent oil resistance!

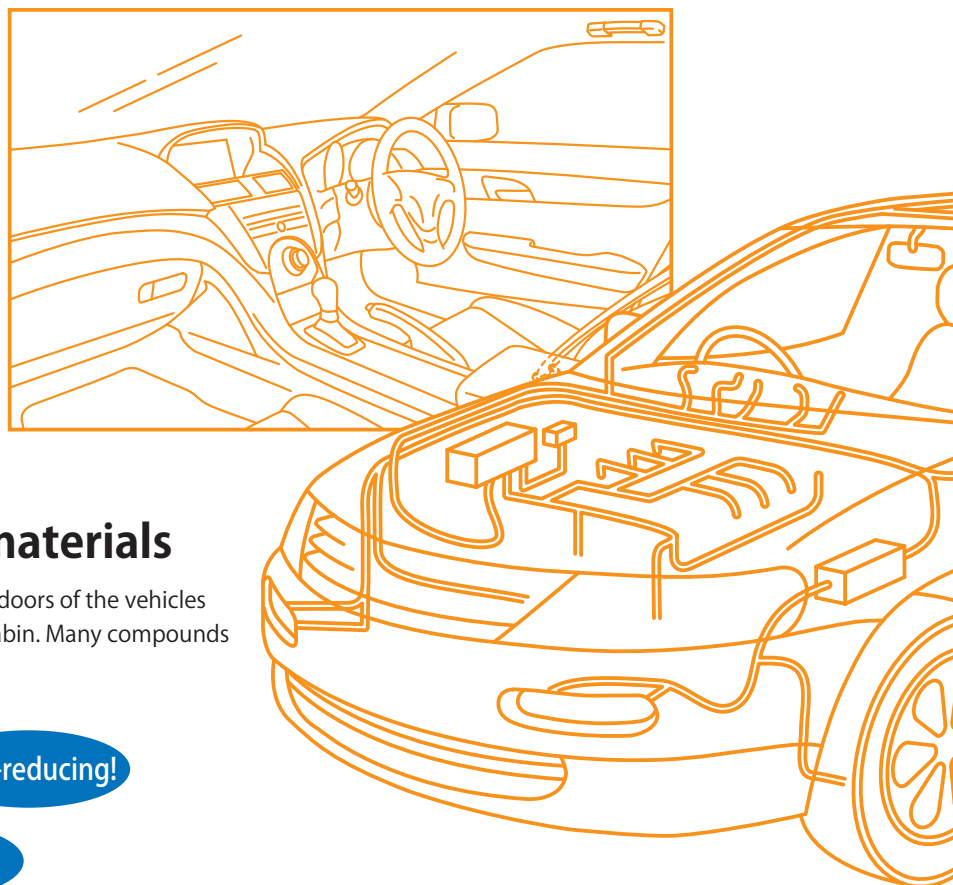
Better than rubber



Yujiro Suzuki

Group Leader, Tokyo Sales & Marketing Group, Automotive Business Unit, Sales & Marketing Division

Seal materials using RIKEN TECHNOS's compounds are used as glass run channels, belt moldings, materials for grommets and boots, motor seals, and seal components for outboard motors. Automobile seal materials are components fulfilling important roles of preventing water and dust from entering during opening and closing, reducing noise, and keeping the cabin comfortable. We aim to further improve their functionality and continue proposing the most appropriate materials.



Example of RIVIC®
used on interior parts

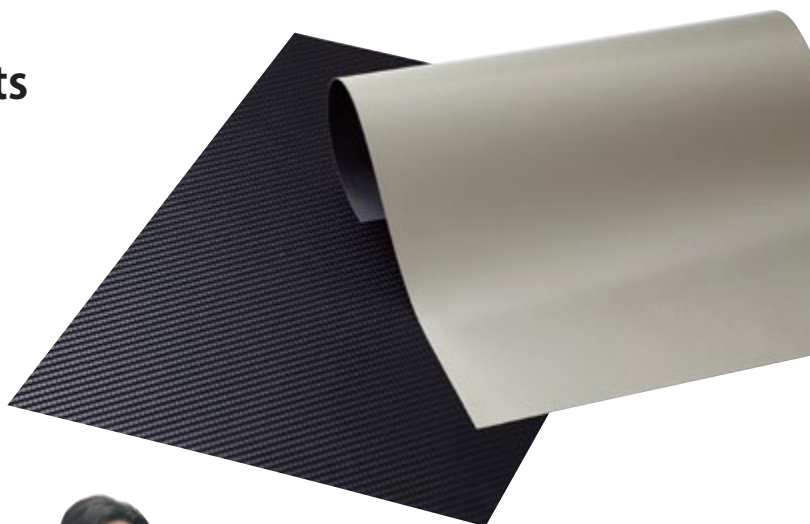


Case Study 05 Decorative parts

To turn the interiors of automobiles into comfortable spaces, film is used to colorize parts. New designs are created together with designers.



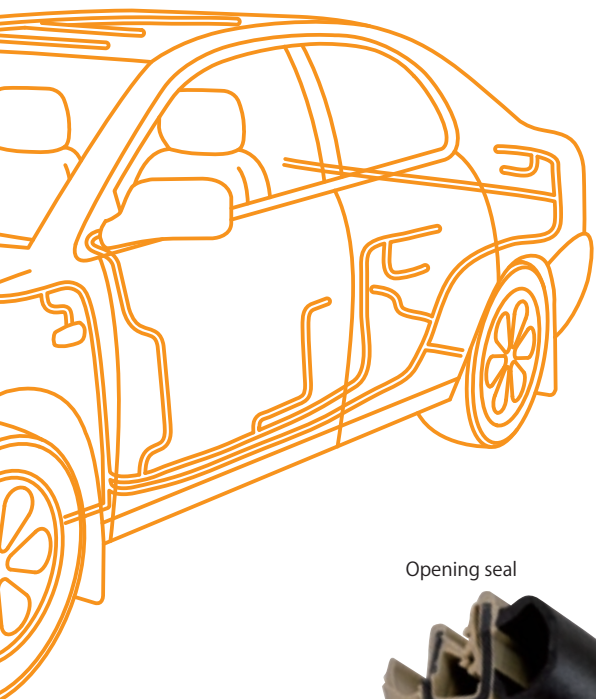
Example of RIVIC® used on exterior parts



Yasuhiro Suzuki

Senior Engineer, Group 2, R&D Office 1,
R&D Center, Technical Division

RIVIC® is a decorative film which fully utilizes the design, composition, and processing technologies that RIKEN TECHNOS has nurtured so far through its film products. In addition to the printed graphic expression used in past products, textured expression using embossing is also possible. It also gives colored patterns, texture, and visual effects to resin parts. Its use in the interiors of automobiles is expanding due to its unique design and high durability. To contribute to the development of next-generation automobiles, we are working on development to adapt it for use on the exterior of automobiles.



Opening seal



Grommet



Glass run channels

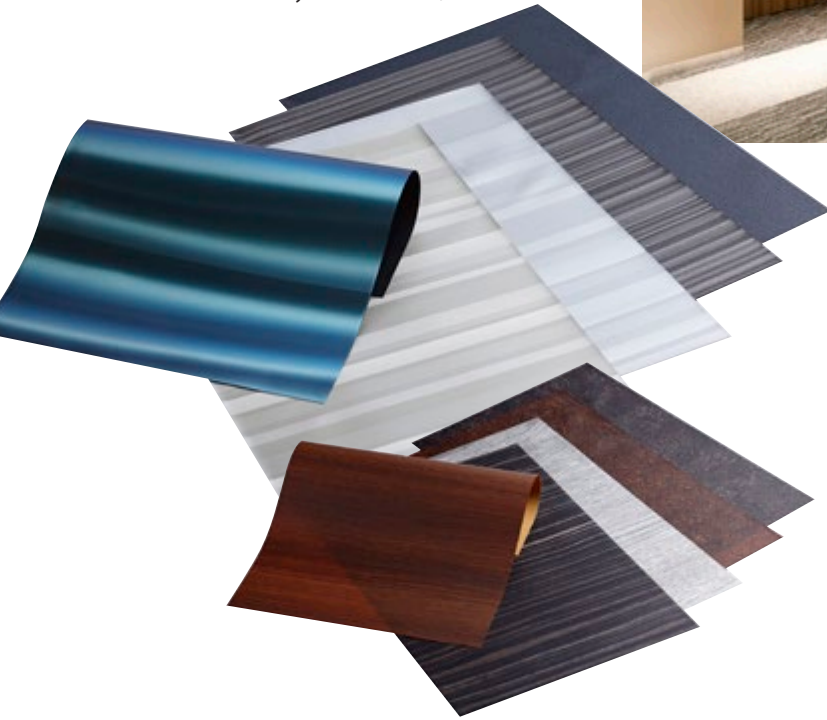


Construction and Civil Engineering

Case Study 06 High-end wall covering materials

Wall covering is essential for creating beautiful spaces, and RIKEN TECHNOS's film processing technology used in high-end wall coverings can be said to be an art.

Finishing with wood-grain film that looks exactly like the real thing, giving a nice texture to the film's surface, and adding shine that looks more metallic than real metal; not only are the designs good, but it is also easy to work with, and beautiful when finished.



Yoshitake Kato Deputy Manager, Tokyo Sales & Marketing Group, Construction Products Material Business Unit, Sales & Marketing Division

We supply high-end wall covering film utilizing RIKEN TECHNOS's formulations and manufacturing technologies in film production, embossing, laminating, and adhering. Among these films are functions which were created through high technical expertise, such as films with due consideration given to stain-proofing their surfaces, and films that have been processed to scratch proof their surfaces.

The attention given to surface design is also well received by our customers, and our films are used widely in interior spaces such as hotels, stores, and other commercial facilities.



Case Study 07 Industrial-use hoses

There are many types of hoses, from industrial-use hoses to those used for watering plants in the garden. Many things pass through hoses, including water, pharmaceutical products, food, solvents, and oil. RIKEN TECHNOS's compounds are used over many years as they meet various requirements including durability and flexibility.

Hideo Osawa

Group 2, R&D Office 5, R&D Center, Technical Division

While they may all fall under a single category called "industrial-use hoses," the characteristics required in these materials used differ according to the properties of the things being carried and the environment in which the hoses are used. Through ongoing discussions with our customers, we accurately grasp their requirements and develop formulas most appropriate to the applications. In addition, for moldability, we also discuss with our customers and pay attention to designing formulas which are easy to mold at molding facilities.



Kazuya Takao

Osaka Sales & Marketing Group, Construction Products Material Business Unit, Sales & Marketing Division

The business unit I belong to also sells compounds for use as materials in industrial-use hoses. These are used in many different places, such as construction sites and disaster rescue sites. We also foresee a lot of demand from the organizing of the Tokyo 2020 Games.

While it may not be easily apparent in our daily lives, we contribute toward providing an environment where people can live safely and securely.



Music

Case Study 08 Records

In this modern age where listening to music over the Internet is a given, there are still many diehard fans of analog vinyl records. Compounds for records are some of our long-selling products.



Mikiko Kato

Group 1, Sales & Marketing Group, Medical & Consumer Goods Business Unit, Sales & Marketing Division

In recent years, there is a worldwide trend of a return to vinyl records, and popularity is rising again in Japan centered on a generation that is highly particular about sound quality. With this, we can see a change in the trend for recent years. First, for color, while vinyl records have always been black in the past, there are more and more requests from artists for transparent records or for other colors. Although materials have hardly changed for more than 30 years till now, this highly particular generation is seeking better sound quality, and vinyl record manufacturers are also seeking to improve. The RIKEN TECHNOS GROUP contributes toward improving sound quality from the material aspect.



Case Study 09 Golf bags

ACT Leather®* is a new film with special attention paid to its feel. As a trial, it was used to make golf bags. Besides bags, it is being further developed for a variety of other uses.

Satoshi Shiota

Group 2, Sales & Marketing Group, Medical & Consumer Goods Business Unit, Sales & Marketing Division

We develop products that bring new ideas and excitement by applying our resin formula design and processing technologies for producing films. The cloth product ACT Leather® is also one of these development products. This is the first time we are taking on the challenge of development in making cloths, and we kept going through trial-and-error in the process. We were finally able to get it to take shape, and bring excitement to our customers when they touched it for the first time.



Toshio Oguma

Senior Engineer, Group 1 (in Saitama), R&D Office 1, R&D Center, Technical Division

We are developing leather sheets for bags utilizing characteristics such as wear resistance and stain-proofing. A struggle we had during the development process was the difficulty in getting not just the properties needed by leather sheets for bags, but also including characteristics needed for sewing. This is a new field for RIKEN TECHNOS, and we are bravely facing this challenge as we go about development.

* ACT Leather®: Composite material with cloth using ETF-elastomer® sheets for the surface skin.

Fashion



Displays

Case Study 10 Smart phones

We have been developing films to protect glass surfaces, and even films used to substitute glass. Besides being light and not breaking, they also have various functions. We have many grades depending on the uses.



Hiroyuki Tomomatsu

Deputy Manager, Sales & Marketing Group, IT & Electronics Business Unit, Sales & Marketing Division

RIKEN TECHNOS provides optical products for use in various parts. This time, we have developed REPTY® DC100, the world's first acrylic-imide film. REPTY® DC100 is a material that is super hard with excellent optical properties, making it a safe and lightweight substitute for glass. It is already being used in many mobile devices, and there is growing interest for its use in automobiles, medical equipment, and for industrial use. We hope you will take and feel this "glasstic film*" for yourself.

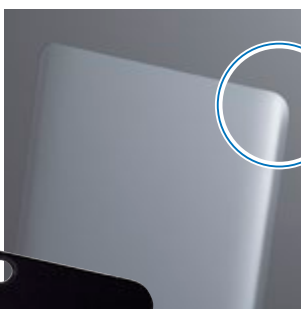
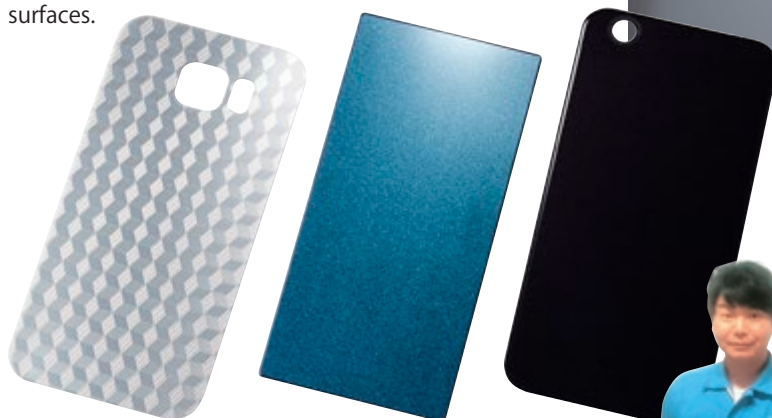


* Glasstic: A word formed by combining "glass" and "plastic," it is a plastic with the transparency and strength of glass.

Case Study 11 3D curved surface forming

Beautiful designs can be added to film being used in place of glass.

Its use, such as in curved-surface displays for automobiles, is expanding as processing is possible on 3D curved surfaces.



Super point!

Can be bent



Nozomu Washio

Group 1, R&D Office 7, Technical Division

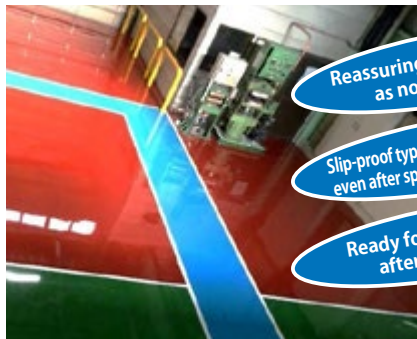
As a material that looks more glasslike than glass, REPTY® DC100 gives a sense of comfort with its beautiful appearance and excellent properties, and has mainly been used in mobile devices by many customers up till now. For future development, we are aiming to expand widely beyond use in mobile devices, such as use in automobiles. Please look forward to the evolved REPTY® DC100.



Liquid Compounds

Case Study 12 UV coating for epoxy floors

This UV coating material is designed for use on floors, and is most suitable for use on places such as floors in factories and shop spaces. It offers high resistance to soiling, including shoeprints made by heels, and greatly facilitates cleaning, thereby helping to maintain a clean look.



Reassuring, safe, and low odor as no solvent is used!

Slip-proof type is safe and prevents slips, even after spills of water, powder, or oil!

Ready for use immediately after UV irradiation!

Tomoyuki Nakagawa

Sales Group, Solution Business Unit,
Sales & Marketing Division



Usually, resin floor finish is used on floors of factories and warehouses, and scratches from driving forklifts and soiling from shoeprints can often be seen. RIKEN TECHNOS's UV coating is resistant to scratches and soiling, and also makes it easy to remove when there are stains. RIKEN TECHNOS's UV coating seeks to help improve, no matter how little, the workplace and living environments of our customers.

Case Study 13 Heat-shield coating for exterior walls

It keeps building interiors cool and reduces power consumed for air conditioning, thereby leading to energy savings.

Kota Okayasu

Development Group, Solution Business Unit, Sales & Marketing Division

RIKEN TECHNOS's heat-shield coating balances flexibility with high sunlight reflectivity. In addition, when used together with a top coat that is resistant to stains and wear, its high thermal barrier effects can be maintained over a long period of time. Originally meant as a product for use in hot regions such as Southeast Asia, it is being used at the factories and warehouses of our customers both in Japan and overseas due to the abnormally hot summers in recent years.



Three traits—stain-proofing, weather-proofing, and thermal barrier effects—help maintain aesthetic appeal of buildings for longer periods!

High sunlight reflectivity of 80%!
(* Measured by RIKEN TECHNOS)

With both heat shield and heat insulation effects!



Case Study 14 TSUTSUMU Food Wrapping Materials



This is parchment paper with heat resistance of 220°C. As it is a transparent film, food can be displayed wrapped, widening display possibilities.

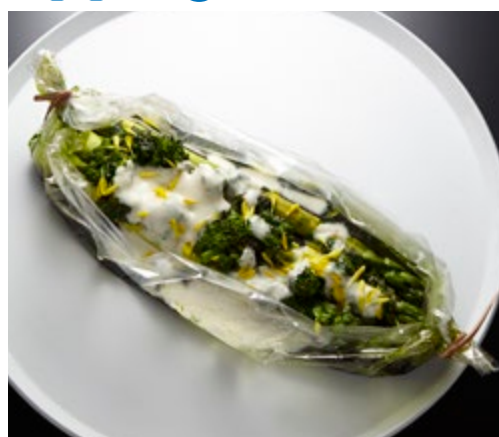
Yoshimi Mori

Manager, Osaka Branch, Sales & Marketing Department
RIKEN FABRO CORPORATION

Food can be served wrapped in TSUTSUMU. As food is wrapped until just before it is to be eaten, it can be kept warm without losing its fragrance or flavor. In addition, if TSUTSUMU food prepared beforehand is cooked in a steam convection oven, a large amount of food can be cooked to allow warm and highly fragrant food to be served even to a large number of people.

TSUTSUMU was created based on hints from RIKEN FABRO's F.O.R. WRAP®, which can be used in microwave ovens. It started when we wanted to see if we can cook with F.O.R. WRAP®, which has a heat resistance of 180°C, and tried cooking wrapped fragrant vegetables with a meat and fish base in an oven. Aiming to bring colors to food and improve heat resistance, we arrive at the current material.

To generate new value, we will continue to provide proposals for using TSUTSUMU in a wide variety of fields.



Oven-baked green asparagus
This is an original recipe by up-and-coming Chef Kawate, the owner of Florilège, a restaurant in the Aoyama area of Tokyo.

料理に驚きと華やかな世界を

「TSUTSUMU」



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.

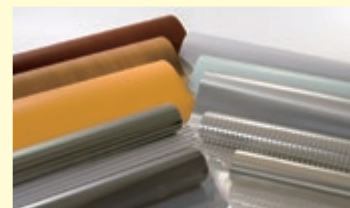


Film Business

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

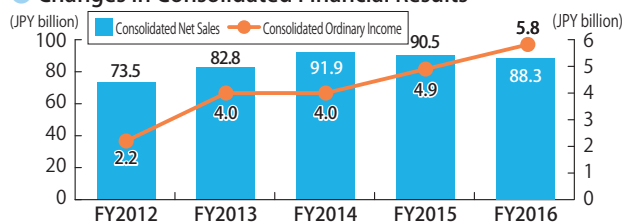
For fiscal 2016 (ending March 31, 2017), there was a trend of gradual recovery in Japan's economy, and while there are uncertainties overseas, economic conditions seemed to be improving. Against this backdrop, the RIKEN TECHNOS GROUP worked to improve its financial results by accurately identifying customer 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)

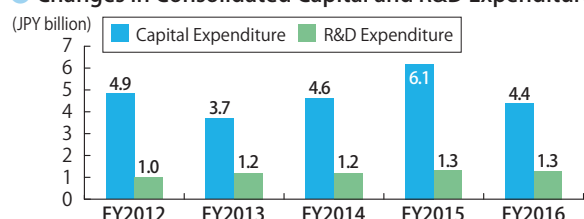
	Consolidated	Non-consolidated
Net Sales	88.3	37.9
Operating Income	5.8	1.0
Ordinary Income	5.8	2.4
Net Income	2.7*	2.0

* Net income attributable to the shareholders of the parent company

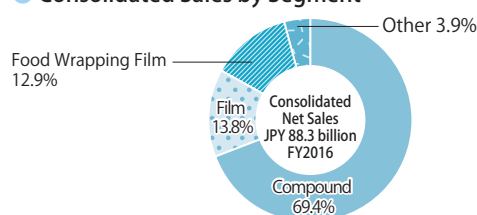
Changes in Consolidated Financial Results



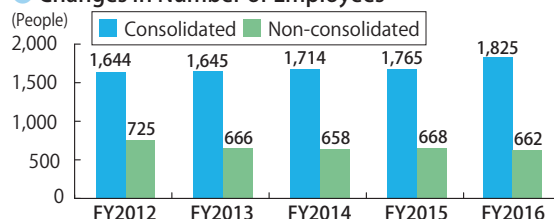
Changes in Consolidated Capital and R&D Expenditure



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.

Networks

The RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 19 consolidated subsidiaries.

We have actively cultivated markets within Japan and overseas since the establishment of the company, and have worked to spread the RIKEN TECHNOS brand.

As a "Material Solution Supplier," we offer comprehensive solutions for our customers' issues through collaboration between our domestic and overseas sites.

Japan

● Site ● Manufacturing company ● Sales company
 * ISO 9001 certified * ISO 14001 certified

As of September 2017



11 RIKEN CHEMICAL PRODUCTS CO., LTD. *



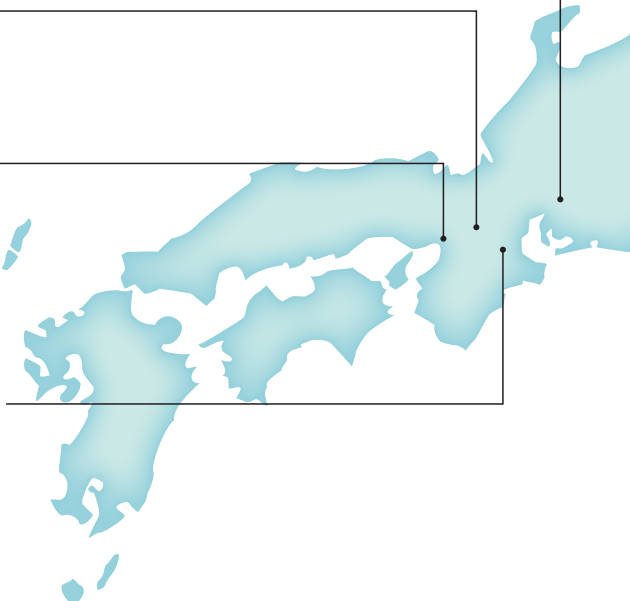
2 Osaka Branch Office **



5 Mie Factory **
 R&D Center (Mie) **



3 Nagoya Sales Office **



RIKEN TECHNOS CORPORATION Sites	Main Business Fields	Address
1 Head Office	Corporate organization, sales and marketing	Chiyoda-ku, Tokyo
2 Osaka Branch Office	Sales and marketing	Osaka-shi, Osaka
3 Nagoya Sales Office	Sales and marketing	Nagoya-shi, Aichi
4 Saitama Factory	Manufacturing of compound and film products	Fukaya-shi, Saitama
5 Mie Factory	Manufacturing of compound and film products	Kameyama-shi, Mie
6 Gunma Factory	Manufacturing of high-functionality film under a clean Environment	Ota-shi, Gunma
7 R&D Center	R&D and technical support for domestic and overseas sites	Ota-ku, Tokyo Fukaya-shi, Saitama Kameyama-shi, Mie Ota-shi, Gunma

* For consolidated subsidiaries which are manufacturing companies, photographs of their major products are shown.



Consolidated Subsidiaries in Japan	Main Business Fields	Address	Capital Stock	Shareholding
8 SHINKO ELECTRIC WIRE CO., LTD.	Manufacturing and sale of electric wire and cables	Iruma-shi, Saitama	JPY 48 million	100%
9 KYOEI PLASTICS MFG CO., LTD.	Molding synthetic resin products and product sales	Chiyoda-ku, Tokyo	JPY 24 million	100%
10 RIKEN TECHNOS INTERNATIONAL CORPORATION	Purchasing and sale of molding synthetic resin products	Chiyoda-ku, Tokyo	JPY 10 million	100%
11 RIKEN CHEMICAL PRODUCTS CO., LTD.	Manufacturing and sale of polyvinyl chloride and high functionality plastic molding materials	Konan-shi, Shiga	JPY 300 million	100%
12 RIKEN FABRO CORPORATION	Manufacturing, processing, and sale of food wrapping films as well as consumer and miscellaneous goods made from raw materials such as synthetic resins, aluminum, and paper	Chiyoda-ku, Tokyo	JPY 200 million	100%

Head offices only are shown for consolidated subsidiaries in Japan.

Networks

The RIKEN TECHNOS GROUP has 14 consolidated subsidiaries overseas and provides high quality RIKEN TECHNOS products worldwide.

Overseas

● Manufacturing company ● Sales company
 * ISO 9001 certified * ISO 14001 certified

As of September 2017



26 RIKEN TECHNOS EUROPE B.V.



20 RIKEN VIETNAM CO., LTD. **

PVC compounds for medical use



23 RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.



14 RIKEN ELASTOMERS (THAILAND) CO., LTD. **



Compounds for automobile parts



13 RIKEN (THAILAND) CO., LTD. **



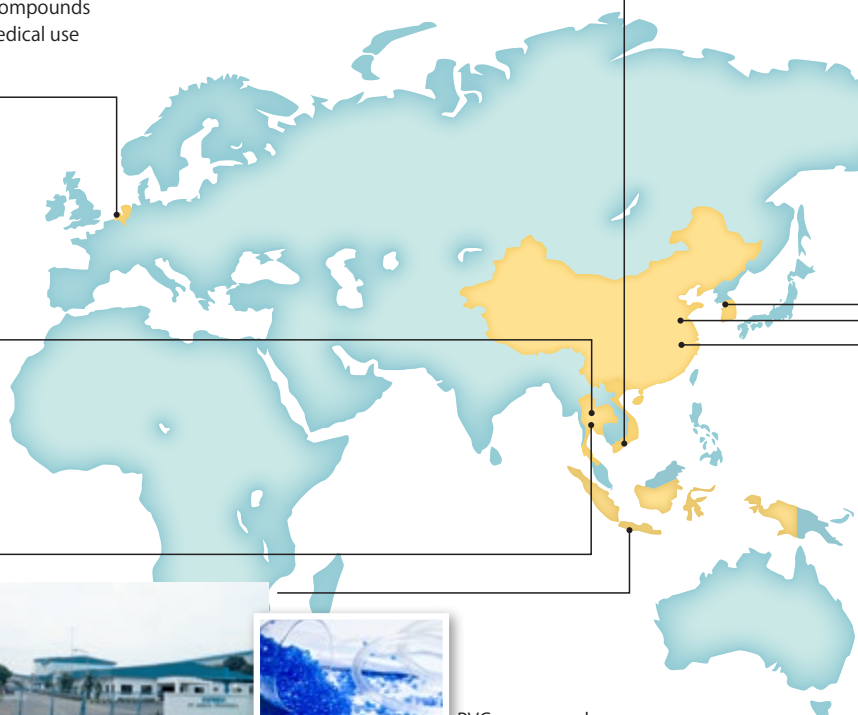
General application PVC compounds



15 PT. RIKEN INDONESIA **



PVC compounds for medical use



Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
13 RIKEN (THAILAND) CO., LTD.	Manufacturing and sale of polyvinyl chloride molding materials	Pathum Thani, Thailand	THB 120 million	40%
14 RIKEN ELASTOMERS (THAILAND) CO., LTD.	Manufacturing and sale of high functionality plastic molding materials	Ayutthaya, Thailand	THB 300 million	100%
15 PT. RIKEN INDONESIA	Manufacturing and sale of polyvinyl chloride molding materials	West Java, Indonesia	USD 11 million	56.22%
16 SHANGHAI RIKEN TECHNOS CORPORATION	Manufacturing and sale of polyvinyl chloride molding materials	Shanghai, China	USD 7.5 million	70%
17 RIKEN TECHNOS (JIANGSU) CORPORATION	Manufacturing and sale of food wrapping films	Jiangsu Province, China	USD 13.5 million	92.59%
18 RIMTEC CORPORATION	Manufacturing of polyvinyl chloride molding materials	New Jersey, United States	USD 13.415 million	(62.94%)
19 RIKEN ELASTOMERS CORPORATION	Manufacturing of high functionality plastic and polyvinyl chloride molding materials	Kentucky, United States	USD 28,741 million	(62.94%)
20 RIKEN VIETNAM CO., LTD.	Manufacturing and sale of polyvinyl chloride molding materials	Binh Duong, Vietnam	USD 10 million	100%

* For manufacturing companies, photographs of their major products are shown.



Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
21 RIKEN (SHANGHAI) CORPORATION	Sales and marketing of functional film products	Shanghai, China	RMB 5 million	100%
22 RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	Wholesaling and import/export of plastic products	Seoul, South Korea	KRW 1,800 million	100%
23 RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.	Wholesaling and import/export of plastic products	Ho Chi Minh City, Vietnam	USD 0.4 million	100%
24 RIKEN AMERICAS CORPORATION	Sale of high functionality plastic and polyvinyl chloride molding materials	Kentucky, United States	USD 30 million	62.94%
25 RIKEN U.S.A. CORPORATION	Sales and marketing of functional film products	Michigan, United States	USD 1 million	100%
26 RIKEN TECHNOS EUROPE B.V.	Sales and marketing of functional film products	Amsterdam Zuidooost, The Netherlands	EUR 400,000	100%

* The figures in brackets in the shareholding column are the ratios of indirectly owned shares, held by RIKEN TECHNOS subsidiaries.

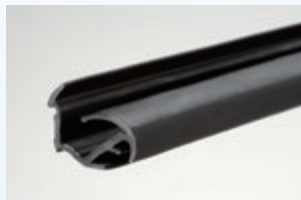
* RIKEN TECHNOS INTERNATIONAL (THAILAND) CO., LTD. and RIKEN TECHNOS INTERNATIONAL PTE., LTD. are not included in the above subsidiaries because they are in the process of being liquidated.

RIKEN TECHNOS GROUP Products

RIKEN TECHNOS GROUP products are manufactured for various uses that are part of everyday life.

Automotive (Exterior) Products

- Various molding compounds and metal-tone films
- Compound for glass run channels
- Compound for wire harnesses
- Compound for drive shaft boots



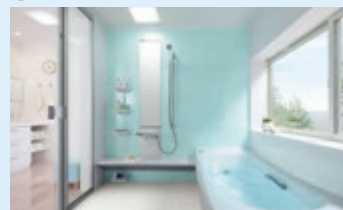
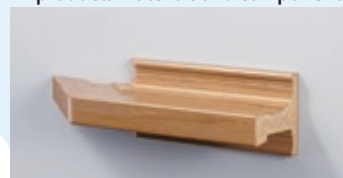
Automotive (Interior) Products

- Compound for shift knobs
- ETF-elastomer® sheet for door trims
- Decorative film RIVIC®
- RIVEX® film for windows



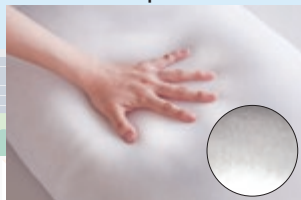
Construction Products Material Products

- High-end wall covering film
- Compound for highly-insulating window frames
- Compound for construction products materials and components
- Decorative film for kitchen and furniture doors
- Decorative film for bathroom walls



Medical and Healthcare Products

- Compound for syringe gasket stoppers
- Compound for blood tubing
- Compound for cushion material for pillows
- Compound for toothbrushes



Electrical Equipment Materials Products

- Compound for electric power cables



- Compound for machinery power cables



- Film for flexible flat cables



Electronic Materials Products

- REPTY® DC100



Screen strengthening



Screen protectors



Allows 3D molding

Consumer Goods Products

- Compound for pen grips



- Grafting tape



- Compound for records



- Compound for cap sealers



- ETF-elastomer® sheet for bags



- Compound for refrigerator gaskets



Food Wrapping Products

- Wrap for Home and Commercial Use



- Wrap for Commercial Use



- RIKEN BIG WRAP



- FOR WRAP



- Blue wrap "Ocean"



- TSUTSUMU





Corporate Governance

Message from Full-Time Audit & Supervisory Committee Member

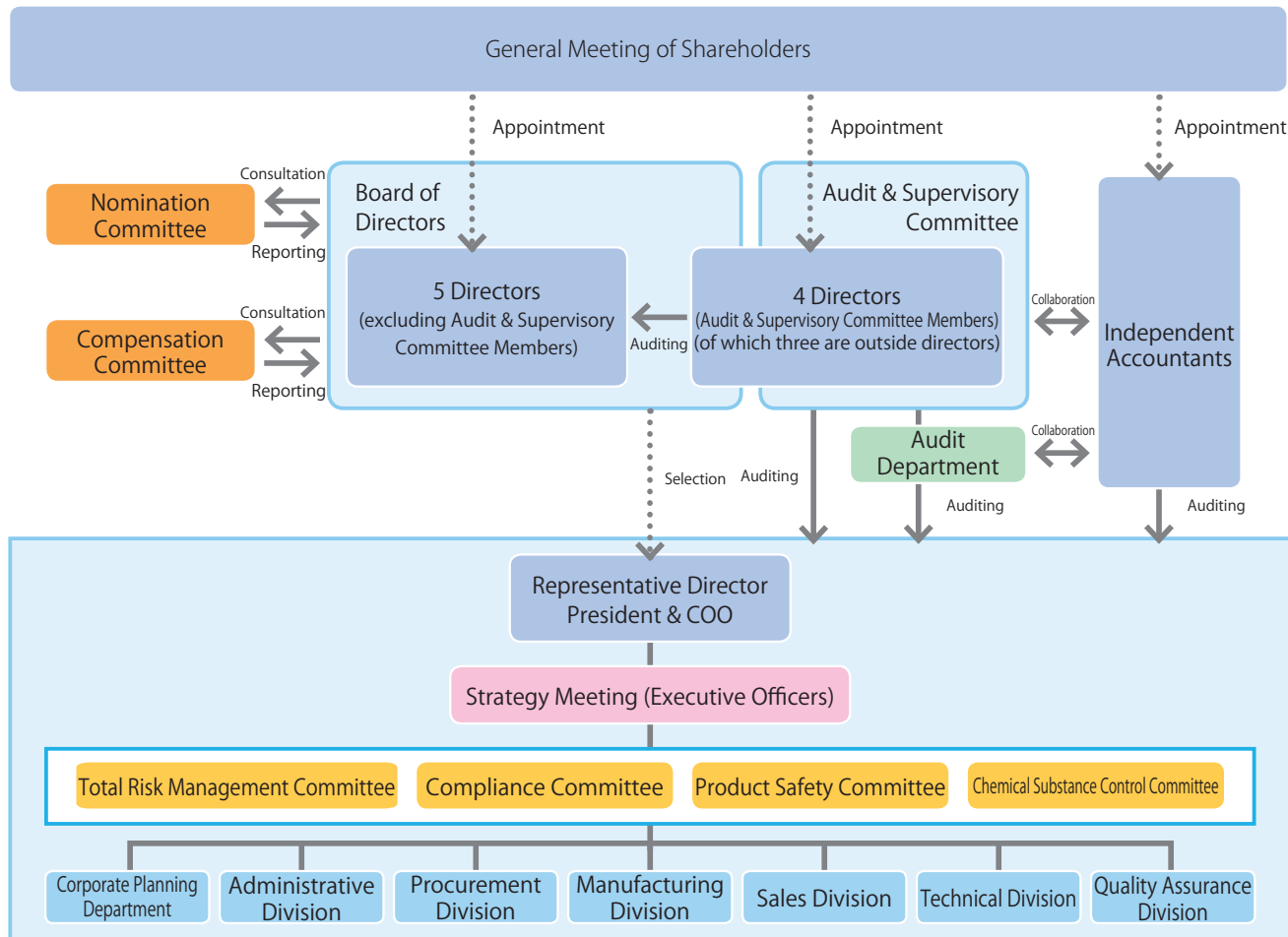


Yoshitaka Okochi
Director
Full-Time Audit & Supervisory
Committee Member
RIKEN TECHNOS CORPORATION

In June 2016, RIKEN TECHNOS CORPORATION transitioned into a company with an audit and supervisory committee as we moved into our second year after incorporation. The Audit & Supervisory Committee aims to continuously improve audit and supervisory functions over executive departments working on resolving the issues in our three-year mid-term business plan. Three outside directors—whose impartiality are ensured—are selected to our Audit & Supervisory Committee. They strengthen monitoring by visiting domestic and overseas locations and listening to people, assess the appropriateness of business execution from an objective standpoint, and provide advice and opinions. In addition, directly under them is the Audit Department, with even deeper collaboration to conduct internal audits in an organized and effective manner. We are committed to continue strengthening our company's governance system so that the RIKEN TECHNOS GROUP can keep growing and work even harder to fulfill its social responsibilities.

Corporate Governance System

To strengthen the supervisory function of the Board of Directors, and improve management transparency and fairness, RIKEN TECHNOS CORPORATION has adopted the format of a company with an audit and supervisory committee. In addition, we have adopted an executive officer system and pushed ahead with the delegation of a significant amount of authority for business execution to build an agile and strategic management system.



* Details are disclosed in the Report on Corporate Governance.

The latest version of the report can be accessed from the RIKEN TECHNOS website or the Corporate Governance Information Search on the Tokyo Stock Exchange website.

▶ RIKEN TECHNOS GROUP Code of Conduct

To ensure that the RIKEN TECHNOS GROUP is trusted by society, we established the RIKEN TECHNOS GROUP Code of Conduct as our basic policy for promoting corporate social responsibility, and all directors and employees carry out their business activities in accordance with that Code. We also created cards summarizing our corporate Code of Conduct. Each employee carries a card and endeavors to practice the standards in the Code of Conduct.

From the viewpoint of the primary independent outside director



Hiroshi Nemoto
Primary Independent
Outside Director
Audit & Supervisory
Committee Member

A third of RIKEN TECHNOS CORPORATION's directors, a total of three directors, are independent outside directors. As members of the Audit & Supervisory Committee, we aim to further improve the transparency, soundness, and fairness of the management's decision making by diligently monitoring, supervising, auditing, and advising the management from an independent standpoint, while placing importance on the perspectives of our shareholders, suppliers, consumers, and so on.

▶ Arrangement of the Management System in Accordance with the Basic Policy on Internal Control Systems

The Policy on Internal Control Systems was established to ensure the implementation of the RIKEN TECHNOS GROUP Code of Conduct. For further details, visit the RIKEN TECHNOS website.

Systems to Ensure the Performance of Directors' and Employees' Duties in Compliance with Laws, Regulations, and the Articles of Incorporation

- All the directors, including the Representative Director and President, ensure that all officers and employees are aware of the fundamental importance of compliance in all business activities with the RIKEN TECHNOS GROUP Code of Conduct, laws and regulations, and the Articles of Incorporation.
- The general manager of the Administrative Division is appointed as the Chairperson of the Compliance Committee, and details of the committee's activities are appropriately reported to the Board of Directors. In addition, the Legal & Compliance Office provides compliance training to all officers and employees.
- Group companies have no relationships whatsoever with any anti-social forces and organizations that threaten the stability and order of civil society. Furthermore, they resolutely refuse to yield to any unreasonable demands by anti-social forces and organizations.

Systems to Ensure Proper Business Operations in Group Companies

- The Corporate Planning Department manages and supervises RIKEN TECHNOS CORPORATION's subsidiaries, based on the Consolidated Subsidiaries Management Regulations, to ensure that reports to RIKEN TECHNOS CORPORATION and approvals by RIKEN TECHNOS CORPORATION are appropriately carried out. Risks of loss are also managed by the Corporate Planning Department through this management and supervision.
- The Legal & Compliance Office makes the RIKEN TECHNOS GROUP Compliance Manual widely known to officers and employees of all Group companies, and works to develop Group companies' compliance systems and resolve problems.
- The Audit Department conducts regular business audits of each of the Group companies, and ensures that all the companies' business activities comply with laws and regulations, and are effectively administered in accordance with management standards. It also carries out inspections and assessments to determine whether management standards are functioning appropriately for the purpose of achieving management targets.

Provisions concerning Employees Assisting the Audit & Supervisory Committee Members, and Their Independence

- As an organization that assists with the work of the Audit & Supervisory Committee, the Audit Department with multiple full-time employees shall be established under the direct control of the committee.
- To ensure the independence of said employees, their supervision shall rest primarily with the Audit & Supervisory Committee, and they shall not be subject to supervision by directors (excluding the directors who are Audit & Supervisory Committee members) or business execution departments. All decisions pertaining to transfers, performance appraisals and disciplinary actions, and so on of said employees must be approved in advance by the Audit & Supervisory Committee.

▶ Internal Control over Financial Reporting

The RIKEN TECHNOS GROUP has created a basic policy for developing, applying, and evaluating internal control over financial reporting, in accordance with the Financial Instruments and Exchange Act, and the policy has been applied since the settlement of accounts period in March 2009.

The RIKEN TECHNOS GROUP's internal control over financial reporting in the March 2017 settlement of accounts period was found to be effective, and the internal control report was submitted to the Financial Services Agency.

▶ Independent Directors

In accordance with Rule 436-2 of the Tokyo Stock Exchange Regulations, RIKEN TECHNOS has three independent officers (three outside directors). The primary independent outside director is elected by and chosen from among the independent outside directors, and serves as a liaison with other directors.

▶ Whistleblower Hotline

RIKEN TECHNOS has established a whistleblower hotline which employees can use to report or receive advice about possible breaches of laws, regulations or rules.

Besides the Audit Department, we have also established for third party contact through a law firm, and taken rigorous measures, such as preventing informers from being identified within the company, to make sure that no detriment is suffered by informers.

▶ Information Security

RIKEN TECHNOS tries to minimize information security risks through access restriction, data encryption and other methods, and has installed the latest protection system. Additionally, to protect personal information, we have established and enforce internal rules in accordance with the Act on the Protection of Personal Information and the so-called My Number Act^{*1}.

^{*1} Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures



Relationship with Customers

Message from the General Manager of the Sales & Marketing Division



Masamitsu Sumiyoshi
Representative Director,
Senior Managing Executive Officer,
General Manager of Sales &
Marketing Division
RIKEN TECHNOS CORPORATION

The Sales & Marketing Division aims to provide comfort for all living spaces through initiatives with customers.

Our business units—Construction Products Material, Electronic Materials, Automotive, Medical & Consumer Goods, IT & Electronics, and Solution—are striving to provide various values from customer viewpoints in conjunction with the Technical Division, Manufacturing Division, Quality Assurance Division, and Procurement Division. We hope to contribute through our materials to allow people not just in Japan but also overseas to lead enriching lifestyles.

Messages from Officers



Hirofumi Otani
Senior Executive Officer
General Manager of Technical
Division & IT & Electronics
Business Unit
RIKEN TECHNOS
CORPORATION

The Technical Division is creating the next generation in all fields. We are fully utilizing our technologies such as formulations and manufacturing, film production, composite forming, and coating, and actively enhancing cooperative systems with bodies such as universities and others outside the company to create innovative products inspiring our customers at the speed of light. Specifically, we will conduct further optical research into the one and only world's strongest glass film REPTY® DC100 to develop many grades for use in a variety of fields. We will use the characteristics of beautiful, safe, and light to decorate many types of displays, and make future living spaces (cars, IT devices, medical, signages, etc.) comfortable. Furthermore, we aim to contribute to society through epidemic prevention measures by adding antibacterial, antiviral, and insect repelling functions to all our products.



Shunichi Ueyama
Executive Officer,
General Manager of
Compound Planning &
Coordination Department
RIKEN TECHNOS
CORPORATION

The Compound Planning & Coordination Department, in collaboration with four of our business units—Construction Products Materials, Electronic Materials, Automotive, and Medical & Consumer Goods—strives to increase the number of points of contact with customers so it can address their needs quickly and accurately in conjunction with the Technical Division, Manufacturing Division, Quality Assurance Division, and Procurement Division. In addition, we hope to help our customers and society advance by proposing a variety of new products to our customers without missing changes in the market. We will also appropriately follow up with our customers at their overseas sites and use RIKEN TECHNOS GROUP's global network so as to be able to contribute to our customers.



Masato Koizumi
Executive Officer,
General Manager of
Administration Office
& Computer System
Development Department
RIKEN TECHNOS
CORPORATION

The Administration Office strives to be able to meet customer-requested delivery dates for our products.

As a member of the Sales & Marketing Division, we are also a section able to directly hear the voices of our customers, as well as contribute toward building an even better relationship between the two through meticulous service. We hope to continue living up to the expectations of our role in coordinating receipt of orders, production, shipping, and delivery in all aspects both within and outside the company. Slightly more than a year has passed since the core system was completed implemented, and operations have started to stabilize. Moving on, we will effectively utilize the system's data to meet the various needs of our customers.



Hitoshi Sugino

Executive Officer
Deputy General Manager of
Technical Division & General
Manager of R&D Center
RIKEN TECHNOS
CORPORATION

RIKEN TECHNOS’s R&D Center is always working to improve quality and strengthen our service system with new perspectives and ideas. We are able to bring undoubted satisfaction to our customers around the world because of our technical development capability nurtured over many years, wealth of knowledge, and accumulated experience. We are pushing ahead every day with development because we think our mission as a global company is to do our best for our customers, and meet the needs of tomorrow while taking into consideration society and the environment.

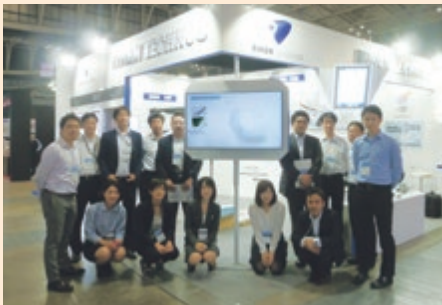


Masashi Tosaka

Executive Officer
General Manager of Film
Planning & Coordination
Department
RIKEN TECHNOS
CORPORATION

The Film Planning & Coordination Department shares market information from our business units in Japan—Construction Products Materials, Electronic Materials, Automotive, Medical & Consumer Goods, and IT & Electronics—and our overseas sales sites in Europe, the United States, China, and South Korea so as to detect needs and trends in the global market and be able to speedily respond to our customers. We collaborate with the various divisions—Technical, Manufacturing, Quality Assurance, and Procurement—to develop films with high functionality and good designs. We will continue to work hard so that we can provide comfort for all living spaces.

“Automotive Engineering Exposition 2017 Yokohama”

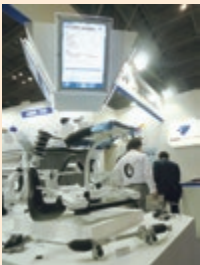


Date: May 24 to 26, 2017

Location: PACIFICO Yokohama

Description of exhibited products

Under the theme “Zealous Compounds Made Through a Concentration of Technologies and Surface Designs Triggering the Five Senses,” RIKEN TECHNOS’s exhibits centered on compounds for functional parts and decorative film for interiors and exteriors.



ACTYMER® G elastomer compound

This compound displays excellent rubber characteristics in terms of compression set, heat resistance, and oil resistance. It is easy to mold and can also be recycled for molding.



RIVIC® decorative film for interiors and exteriors

This film improves the designs of automobiles. Many different designs can be expressed not just through wood-grain printing and metallic colors, but also through surface embossing.

“International Woodworking Fair 2016”



Date: August 24 to 27, 2016

Location: Georgia World Congress Center (United States)

Description of exhibited products

RIKEN U.S.A. CORPORATION’s participation at the International Woodworking Fair (the largest woodworking exhibition in North America)—which was organized at Atlanta in the state of Georgia, United States—centered on decorative films for furniture. A wide range of products—spanning new to standard ones—were exhibited, including scratch resistant desk top films, matte films, and metallic films for 3D forming.



Relationship with Customers



Consumer Issues



Product Quality Assurance

Message from the General Manager of the Quality Assurance Division



Michihisa Tasaka
Senior Executive Officer
General Manager of Quality Assurance Division
RIKEN TECHNOS CORPORATION

The activities of the Quality Assurance Division are based on our quality policy, which is always focusing on customers first and quality first to provide highly reliable products and services. We have strengthened the inspection system by the Quality Assurance Division so as to continue and uphold a global supply system able to provide the same RIKEN TECHNOS quality worldwide. With the goal of reaching zero defects and zero industrial accidents through enthusiasm and thoroughness, we improved our ISO 9001 systems through quality audits in our Japanese and overseas consolidated subsidiaries, promoted 5S activities, strengthened hazard prediction training (known as KYT, an abbreviation for *kiken yochi* training), and worked on managing the latest versions of raw materials and product specifications. As a result, we have been able to increase quality awareness of the relevant parties, and achieve high levels of customer satisfaction. Also, we are creating products that are in harmony with the environment while reducing environmentally hazardous substances and waste.

RIKEN TECHNOS uses the ISO 9001 framework. Each production site has a product quality assurance section and carries out thorough quality control over the whole process, from acceptance of raw materials to delivery of products. Additionally, we hold Quality Improvement Committee meetings at each production site and division every month. Among other things, these meetings verify the suitability and other aspects of corrective measures for defects, reconsider measures if necessary, and give instructions for lateral deployment.

Starting from the product development stage, we focus on material designs that can provide stable product quality, and are actively developing new materials and other products that are environmentally friendly in order to satisfy customer requirements.

ISO 9001 (2015) Certification

Registration date: September 14, 1998

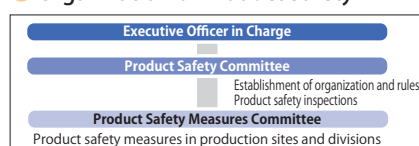
Expiration date: August 30, 2019

Product Development Safety Considerations

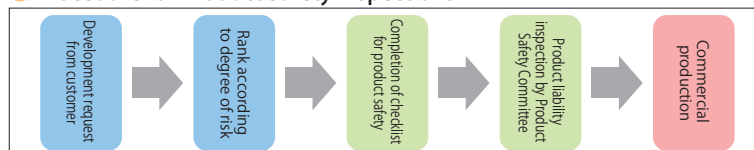
Handling of Product Liability

Product safety is the responsibility of manufacturers, and we have kept this in mind since RIKEN TECHNOS was established. We have been working to further enhance product safety through measures such as initiating systems to prevent the occurrence of product liabilities, prompted by the Japanese Product Liability Act that became effective in January 1995.

Organization of Product Safety



Procedure for Product Safety Inspections



Strict control of chemical substances for safety

Protection of production lines from contamination by specified chemical substances

Our production lines are designed to prevent contamination by specified chemical substances regulated by directives such as RoHS2*.

* RoHS is a European directive (regulating six substances) put into force in 2006 to restrict the use of hazardous substances in electrical and electronic equipment. RoHS2 (regulating ten substances) was put into force in 2013. This directive was revised in 2015 and the revised version will be put into force in 2019.

Chemical Substances Management Committee

We have established Chemical Substances Management Guidelines, and we prohibit the use not only of Class I and Class II specified chemical substances as stated by the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (commonly known as the Chemical Substances Control Law), but also chemical substances subject to monitoring. We have also voluntarily reduced the use of chemical substances that should be avoided in terms of occupational safety and health.

Handling of Complaints

In FY2016, to carry out and fully establish modification management, we 1) conducted operational standards revision (time management) and training, and 2) switched from simply responding to issues to taking preventive measures. We also verified adherence to operational standards and continuously monitored corrective measures through the Quality Control Patrol initiative, as well as promoted and strengthen the implementation of the "pointing and calling" procedure. As a result, we had no quality complaints about serious damages brought to our customers.

Relationship with Shareholders

We greatly appreciate the support of our shareholders. We hope for your further support and encouragement in the future.

Initiatives related to General Shareholder Meetings

RIKEN TECHNOS holds its general shareholder meetings on days when many other companies are not holding their shareholder meetings, to enable as many of its shareholders as possible to attend. Additionally, to ensure that our shareholders fully understand the meeting agenda, we send out the meeting notice early and post it on our website before sending it out. Starting with the FY2016 general meeting of shareholders, voting through the Internet was enabled to help our shareholders exercise their voting rights easily.

Policy on Distribution of Profits

RIKEN TECHNOS positions shareholder returns, achieved through improvements in medium- to long-term corporate valuation, as one of its key management goals. As such, we have set a dividend payout ratio of around 30% on a consolidated basis as one of our goals, and our basic policy is to distribute stable dividends while also taking into consideration various factors, such as future business investment and increases in equity capital. Based on this policy, the year-end dividend for the fiscal year ended March 2017 was 6 yen per share, up by 1 yen year-on-year. As a result, the total annual dividend, including the interim dividend, reached 11 yen per share.

Fiscal Year (Recorded Date)	Dividend per Share		
	Interim	Year End	Annual
FY2012 (March 31, 2013)	JPY 4.00	JPY 5.00	JPY 9.00
FY2013 (March 31, 2014)	JPY 4.00	JPY 5.00	JPY 9.00
FY2014 (March 31, 2015)	JPY 4.00	JPY 5.00	JPY 9.00
FY2015 (March 31, 2016)	JPY 5.00	JPY 5.00	JPY 10.00
FY2016 (March 31, 2017)	JPY 5.00	JPY 6.00	JPY 11.00

Information Disclosure

We have always practiced prompt, precise, and fair information disclosure from the shareholders' and investors' points of view. We try to actively disclose information beyond the timely disclosure standards of the Tokyo Stock Exchange to increase general understanding of our business activities and strategies.

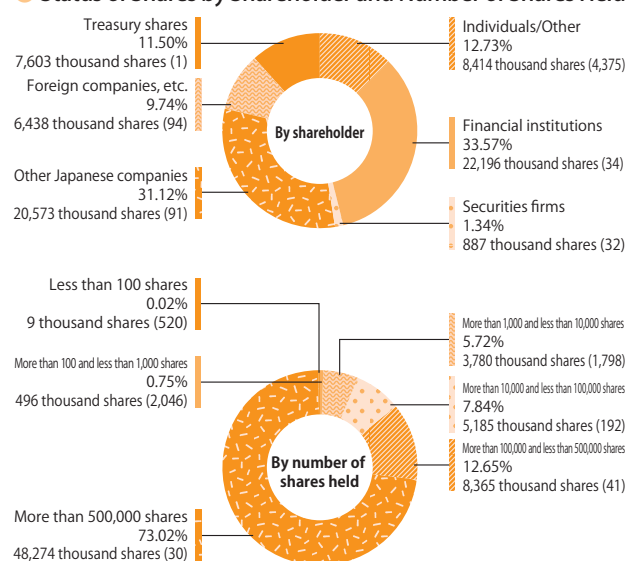
A page related to finance and investor relations is provided on RIKEN TECHNOS's official website. Upon formal disclosure through press releases of the latest financial results summaries, securities reports, and other timely disclosure material, the information is listed on the page without delay.

Status of Shares and Shareholder Composition (As of March 31, 2017)

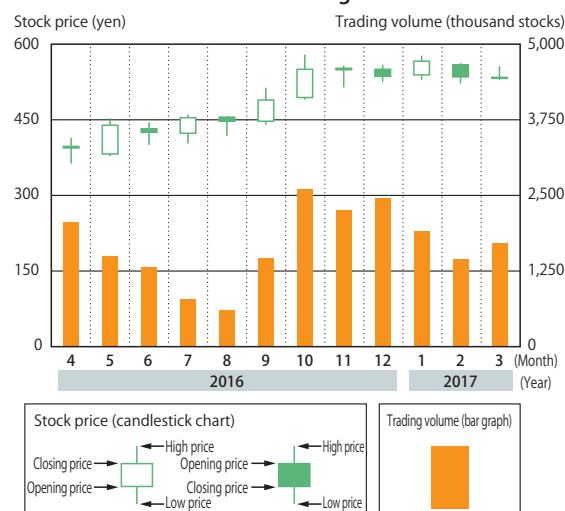
Status of Shares

Total amount of authorized shares	236,000,000
Total amount of issued shares	66,113,819
Total number of shareholders	4,627

Status of Shares by Shareholder and Number of Shares Held



Trends in Stock Price and Trading Volume



Results of Acquisition of Own Company Shares (Board Resolution of October 24, 2016)

RIKEN TECHNOS CORPORATION has acquired our own company shares in order to execute a dynamic capital policy and to improve capital efficiency.

Total shares acquired	2.229 million shares
Total price of shares acquired	1.218 billion yen

Acquisition period: November 1, 2016 to March 31, 2017

Relationship with Business Partners

The RIKEN TECHNOS GROUP endeavors to build better environmental management systems and quality management systems, including in the supply chain. In addition, we are expanding our procurement contacts and working to achieve competitive materials procurement in order to reduce costs.

Message from the General Manager of the Procurement Division



Takeshi Sugie
Executive Officer, General Manager
of the Procurement Division
RIKEN TECHNOS CORPORATION

The Procurement Division carries out its activities pertaining to procurement and logistics while receiving various proposals and cooperation from our business partners. We make effort in being able to trade over the medium and long term as we build up partnerships with our business partners, after taking into consideration QCD (required quality, optimal cost, stable delivery) as well as security, safety and other factors required by RIKEN TECHNOS from a global viewpoint whether in Japan or overseas.

In addition, with the expansion of our overseas sites, we also promote global procurement while taking into consideration local optimization of our overseas sites and overall optimization of the RIKEN TECHNOS GROUP. As we enter the second year of our three-year mid-term business plan, we hope to improve together with all of our business partners in accordance with our management policy of "ACT NOW! ACT TOGETHER! 2018."

Finally, we look forward to receiving all kinds of suggestions and information from our business partners.

► Procurement Policy

1 Fair Procurement Transactions and Selection

We deal with our business partners on an equal footing, offering fair and impartial access opportunities. Ordinarily, we purchase from multiple sources.

2 Creation of Partnerships

We maintain good relationships with our partners, respect human dignity, and avoid unfair discrimination.

3 Observance of Relevant Laws and Regulations and Self-Management

We take care in the handling of confidential information with our business partners, observe social norms and relevant laws and regulations, and purchase material in accordance with the RIKEN TECHNOS GROUP Green Procurement Standard.

4 Business Partners' Status

We take technological strength, competitiveness and managerial effectiveness into consideration when procuring materials.

► Procurement System

The Purchasing Department of our Head Office Procurement Division and the Purchasing Section in each factory carry out RIKEN TECHNOS's purchasing operations.

Procurement Responsibilities

Purchasing Department

Integrated purchasing of raw materials, negative films, fuel, packaging materials, materials related to expensive equipment, etc.

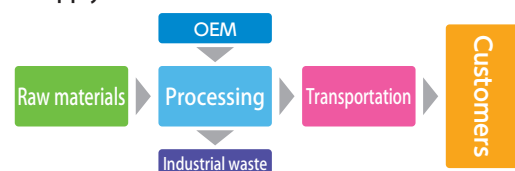
Purchasing Section in each factory

Consumables, inventory goods, materials related to equipment, etc.

► Supply Chain Management

In order to supply safer and more reliable products to our customers, RIKEN TECHNOS is making efforts to build better environmental and quality management systems, with the cooperation of our business partners, including our supply chain. In FY2016, we carried out quality audits including environmental matters of 14 of our raw material suppliers, manufacturing contractors, transport contractors, and industrial waste processing contractors, and improvements were made with their cooperation.

● Supply chain



▶ RIKEN TECHNOS GROUP Green Procurement Standard

In order to provide eco-friendly products, it is indispensable to procure raw materials and secondary materials that place a reduced burden on the environment. In FY2004, RIKEN TECHNOS formulated the Green Procurement Standard regarding environment-related substances and published it on our website. We then added our consolidated subsidiaries within the scope of this standard and changed it to the RIKEN TECHNOS GROUP Green Procurement Standard in August 2009.

* For details, please visit our company website

Scope of Application

Materials that RIKEN TECHNOS's products are directly composed of—such as resin, plasticizer, stabilizer, filler, impact modifier, pigment, film sheet materials, coating materials, and adhesive materials—as well as secondary materials such as packaging materials, release paper, and others.

Requirements

- Establishment of environmental management systems for business partners
- Achievement of environmental performance related to matters such as the management of environment-related substances
- Investigation and reporting on the environment-related substances specified by RIKEN TECHNOS, and submission of measurement data on the ten RoHS2* substances as well as information on chemical substance content required by regulations such as the Chemical Substance Control Law, Industrial Safety and Health Act, and REACH

Implementation

We will procure raw materials and secondary materials that do not contain chemical substances banned by regulations, or those with determined amounts of controlled substances. In addition, we may request business partners to change to raw materials and

secondary materials that are assessed by RIKEN TECHNOS to be safer and more environmentally friendly.

RIKEN TECHNOS GROUP Green Purchasing Standard

We formulated the Green Purchasing Standard with regard to the purchasing of office supplies such as stationery and OA equipment. We promote the purchase of eco-friendly products to the extent possible.

● Scope of Application

Paper, stationery, copying machines, PCs and other OA equipment, automobiles, and others that are purchased at RIKEN TECHNOS's head office, branch offices, sales offices, factories, and R&D centers.

● Requirements

Must satisfy standards in accordance with the Japanese Act Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchasing Law) of low burden on the environment and absence of hazardous substances.

● Operation

We actively ask our business partners to introduce us to environmentally friendly products.

*RoHS Directive: Refer to note on P28.

▶ Environmental Actions Taken in the Logistics Process

- We aim to increase the ratio of loading trips to total trips by using vehicles returning from delivery.
- We are eliminating and consolidating logistics hubs.
- We will fulfill our responsibly as a specified consigner in accordance with the Energy Saving Act. Our objective is to reduce our yearly energy consumption rate by 1% over the

medium to long term.

- By collecting pallets from customers, we aim to reduce the numbers used and promote the transition to plastic pallets to conserve timber resources.
- We will participate in green logistics promotion projects.

Active Pursuit of Quality and Safety

- We recommend that our transportation partners obtain ISO 9001 certification and G-Mark certification (business with excellent safety standards).

Kameyama Kyuso K.K.

Green Management Certification

Registration date: January 19, 2007

Expiration date: January 18, 2019

Motegi Co., Ltd.

G-Mark Certification

Registration date: December 20, 2007

Expiration date: December 31, 2019

● Transportation Volume and CO₂ Volumes Generated

Transportation	FY2014	FY2015	FY2016
Transportation Volume (tkm)	25,248,700	26,898,851	27,139,548
CO ₂ Amount Generated (t-CO ₂)	4,400	4,669	4,711

ISO 9001 Certification

Registration date: May 9, 2003

Expiration date: May 8, 2018

ISO 9001 Certification

Registration date: March 10, 2000

Expiration date: April 1, 2019

ISO 14001 Certification

Registration date: October 29, 2004

Expiration date: April 1, 2019



Relationship to Society

The RIKEN TECHNOS GROUP is involved in various activities to promote harmonious coexistence with the local community, as well as a better understanding of our business activities. This section describes initiatives being taken in Japan and overseas.

► Initiatives in Japan



Environmental initiatives

Saitama Factory



The Saitama Factory cleans up the area along the railroad tracks leading to Okabe Station (twice a year) and around the factory (once a month).

Mie Factory



The Mie Factory is supporting forest environmental maintenance activities by "Kameyama Forests Ecology," and participating in forest environmental maintenance volunteer activities three times a year.

Gunma Factory



The Gunma Factory cleans up the public roads around the factory every month during safety patrols. It is also using renewable energy generated by photovoltaic power generation.

SHINKO ELECTRIC WIRE CO., LTD.



SHINKO ELECTRIC WIRE CO., LTD. cleans the drains around the factory.



Product fair to support recovery of Tohoku Region

A product fair to support recovery in the Tohoku Region was held by *Kibō no Wa* (Ring of Hope) at the Head Office. Visitors enjoyed themselves at this event while supporting recovery by purchasing products made by producers who lost their sales channels after the earthquake. Students from SANNO University served as sales staff, and we received a letter of appreciation from the producers.

Head Office



Fukko (recovery) canned Kinko mackerel simmered in miso



Factory tour for high school students

The Mie Factory hosts a factory tour for local high school students every year.



Mie Factory

From April 2016

April

May

June

July

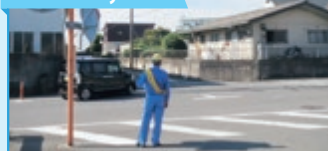
August

September



Traffic patrols around the factory area

Mie Factory



Twice a year, the Mie Factory conducts traffic patrols in the surrounding area to check whether drivers are observing speed limits, stopping at intersections, wearing seatbelts, and staying out of areas closed to traffic.



Contribution



Next generation



Interaction



Environment



Fire hydrant operation

Saitama Factory



Mascot of Fukaya City,
Saitama Prefecture,
"Fukkachan"

We participated in the 33rd Indoor Fire Hydrant Operation Drill by the In-House Firefighting Team staged by the Fukaya City Fire Department Headquarters. Our ladies team came in fourth.



R&D Center (Tokyo)



Our R&D Center's in-house firefighting team won a commendation award at the In-house Firefighting Training Contest.



Ekiden relay and marathon race

Mie Factory



The Mie Factory supported and participated in the Kameyama City Ekiden relay.

Saitama Factory



The Saitama Factory supported and participated in the Fukaya City half marathon race.



Nagoya Sales Office

Christmas presents for orphanages, etc.

Through the Nagoya Sales Office, donations were made as Christmas presents to children and students in orphanages and other facilities in the city.



October November December 2017 January February March



Support for Summer Festival held by neighborhood community association

Saitama Factory



A portable shrine carried by children of the local community association came to the Saitama Factory. A commemorative photograph was taken after the children had a short rest in front of the guardhouse.

Support for and participation in the Kameyama City Summer Evening Festival

Mie Factory



The Mie Factory participated as a company, selling frankfurters, draft beer, and RIKEN FABRO's food wrap.



Saitama Factory

Mie Factory

Internships



We are proactive in hosting workplace experience and internship programs for high school students who will be the workers of the future in society. The programs are offered at both the Saitama and Mie factories, where students can have hands-on experiences with film manufacturing processes and equipment maintenance. Here are the thoughts of two students who participated in the workplace experience event held in the Saitama Factory in January 2017.

Saitama Factory: Student representative

(electrical engineering studies, Saitama Prefectural Kumagaya Technical High School)

During the four-day internship, there were two things of note which I learnt.

The first is the importance of the lessons I usually have. We were connecting wires to a motor based on what we learnt in class, but we also did some difficult and complex things that hadn't been covered in class yet. I had never given it much thought in class, but through this internship, I came to understand that the lessons I am having now are very important for the future.

The second is the importance of qualifications. The people working at the factory have all kinds of qualifications. They recommended me to acquire many starting from now. I did not think there were so many things that cannot be done without qualifications, but now I realized it is better to have as many as possible. I hope to actively apply what I have learnt this time.



► Initiatives Overseas

This section describes initiatives overseas at RIKEN ELASTOMERS CORPORATION in the United States and PT. RIKEN INDONESIA in Indonesia.

Message from an Officer



Takashi Shimada
Senior Executive Officer
RIKEN TECHNOS CORPORATION
Managing Director, RIKEN AMERICAS
CORPORATION and Managing
Director, RIKEN ELASTOMERS
CORPORATION

Since its establishment in 2006, RIKEN ELASTOMERS CORPORATION has always striven to maintain a close relationship with the local community.

Regional development also leads to the growth of human resources, which in turn can vitalize corporations. I believe this circle maintains a healthy society.

Specifically, both our company and employees are engaged in fund-raising campaigns for United Way, a well-known charitable organization. Some of our employees support local schools by serving on boards of education. Furthermore, we also participate in a career program that teaches students about corporate activities.

Since companies are made of people, I believe it is imperative that companies contribute to their local communities.

► Initiatives at RIKEN ELASTOMERS CORPORATION

At RIKEN ELASTOMERS CORPORATION, employees contribute to the local community through a variety of activities.

This time, we are introducing activities by Linda Keller, Lexi White, and Laura Thomas.

Participation in Partners in Education program

RIKEN ELASTOMERS CORPORATION participates in the Partners in Education program supporting the school system. One of our employees, Linda Keller, is a member of the county's education board. RIKEN ELASTOMERS CORPORATION is a company close to the community, supporting the education system by collaborating with local schools in various activities, such as individual tuition, volunteer activities, donations of money and items, assistance in tests, and reading programs. In addition, we also participate in career fairs for local students, supporting universities and career preparation activities.



Linda Keller (right) at a reading program in Pembroke Elementary School



Lexi White sharing opinions about a book with students



A letter of appreciation from a student

Industrial Award from Chamber of Commerce

On February 21, 2017, RIKEN ELASTOMERS CORPORATION received the Industrial Award from the Christian County Chamber of Commerce. The award recognizes those who create jobs in the region and contribute toward eco-friendly driving.

Laura Thomas (left) from RIKEN ELASTOMERS CORPORATION and Director Liana Wallace (right) from South Western Kentucky Economic Development Council



Message from an Officer



Toshiyuki Sato
Executive Officer
Managing Director, PT. RIKEN
INDONESIA

PT. RIKEN INDONESIA (abbreviated as RAPINDO) was established in 1995 at MM 2100 Industrial Town*¹, about 30 km east from the center of Jakarta. Since our establishment, we have placed great importance to our relationship with local residents and carried out various activities. Major activities include the annual Eid al-Adha (a Muslim ceremony where animals are sacrificed in celebration) held in autumn, where we donate cows and lambs and partake in the ceremony with nearby villagers. In addition, we maintain good relationships with the people in the area through donations to nearby villages and orphans. This year, we also assisted MM 2100 Industrial Town and participated in a mangrove planting activity. We hope to continue contributing to people in the region.

▶ Initiatives at PT. RIKEN INDONESIA

Dadan from PT. RIKEN INDONESIA participated in the mangrove planting at Bekasi Bay organized by MM 2100 Industrial Town. This is the first time we participated in the event. As part of the planting, we donated 1,000 mangrove trees.

Voice /



Dadan Iskandar
Personnel Department,
PT. RIKEN INDONESIA

It took me four hours by car and one and a half hours by boat from the office in MM 2100 Industrial Town to reach Pantai Bahagia, the village where the planting was to take place. When I was crossing the river on a boat, I was able to see how people lived in the area around the river. Many people still lead difficult lives, using the river's water for bathing, washing, and sanitation. In addition, the place in this village which used to be a mangrove forest was turned into a breeding facility for prawns. This damaged the forest's function as a water catchment area, and became a cause of flooding. As a result, many people left the village, causing the village to sink further into poverty.

When I reached the village, the villagers and LSM*² taught me how to plant the mangrove trees, and told me where the saplings were. To get to the spot for planting, I had to pass through wetlands with marshes almost half a meter deep. It was tiring. Finally reaching the spot for planting, the participants managed to plant 14,150 mangrove trees with the help of the villagers. MM 2100 Industrial Town told us that the mangrove trees we planted have grown to 5 cm above the water line.

This was my first time planting mangrove trees. It was an enjoyable experience for me, and I felt honored to do my part for environmental conservation to maintain economic balance.

*¹ MM 2100 Industrial Town: Located in the Bekasi area, this is the nearest industrial town to Jakarta.
*² LSM: Abbreviation for Lembaga Swadaya Masyarakat, a non-government organization in Indonesia.



Planting trees



On a boat to the tree planting location



Commemorative photograph of the participants

The banner featuring PT. RIKEN INDONESIA's name



► Supporting the Next Generation

To support the next generation, RIKEN TECHNOS has been producing a TV program called "YUME Lab" ("Dream Laboratory") since April 2015. The students featured in the program are all full of energy and have high ambitions. But what is it that drives them? Where did their dreams originate? These are the questions that the program tries to answer.

These students are still on the journey of fulfilling their dreams,

and Yume Lab looks at the ways they are moving forward through trial and error.

We are watching these students closely, wondering what kind of future they will create. RIKEN TECHNOS will continue to support these students as a challenger that harnesses the power of science.



Seiya Ashikari

① Thoughts after appearing in a YUME Lab episode

It was a very rare opportunity to be interviewed about what I have been doing up till now. There was also feedback from relevant parties and friends who saw the program, and this opportunity made me feel the importance of letting others know about my activities.



② Current and future activities

I am working on research into breeding insects for use as animal feed to solve food issues. We can expect to use insects as a new type of animal feed for rearing fishes and poultry. This is especially important now, when the price of fish meal used for fish farming is very expensive, becoming a major issue for producers. Furthermore, fish meal is made from grinding small fish that live in limited numbers in the sea, which is not sustainable. It is my dream to solve these issues using insect fodder, which is both economically and environmentally sustainable. Using fish to rear fish is the standard in fish farming, and I aim to break away from this using the power of entomology. Going forward, I am working on applying the results of my research so far for commercial use. I will continue to work hard so that the insect fodder I develop will be used by fish farmers. Although there are still issues before we can reach a society where consumers are able to accept safe and delicious farmed fish reared using insect fodder, I will do my best to achieve my dream.



Visit this page for more information on their activities.

www.yume-lab.jp

Hinae Niori

① Thoughts after appearing in a YUME Lab episode

I am very happy to be able to appear in YUME Lab along with others of the same generation doing their best in different fields. It was an opportunity to reflect on what I have been doing. After the program was aired, I also received feedback



from people outside Tokyo. I am very happy to receive the support from so many people. I hope to work together with everyone as the generation creating the future. It was a moment that braced me up to continue doing what I can to the best of my abilities so as to work toward an even better society in the future.

② Current and future activities



I hope to continue working on businesses that can contribute to the happiness of families, such as *kazoku ryugaku* (family study). *Kazoku ryugaku* is a life career program where young people visit families raising children and meet various role models by experiencing and talking about raising children. It is active in 22 prefectures throughout Japan. We also hope to expand our collaboration with other companies. Our goal is to have women in 30% of leading positions by 2020. *Kazoku ryugaku* is joined by many people who want to continue working and progressing in their careers after giving birth. However, they are uncertain about carrying on with their work due to a lack of role models. I think companies will be expected to provide all kinds of support in recruitment and development to create places where such women can apply themselves. To support women's success in the workplace, manma hopes to reflect the voices of the parties concerned and provide programs and training for women to apply themselves.

Students who have appeared in the program in the past

"I want to try making impactful things that will completely change someone's life."



#27: Kiyohiro Hoshiba
Tokyo University of Science
>2nd year student

"I want to make a society where all LGBT people can work while being themselves."



#28: Kento Hoshi
The University of Tokyo
>Master's student

"I want to bring mandarin oranges to the world."



#29: Yuta Kiyohara
The University of Tokyo
>4th year student

"I want to bring safe fish to even more dining tables."



#30: Seiya Ashikari
Waseda University
>4th year student

"To make everyone I meet happy."



#31: Yuto Yoshino
Nagoya University Affiliated Upper School
>2nd year student

"I want to make a society where everyone is proud of their hometowns."



#32: Shota Mizuno
Hiroshima University
>4th year student

"I want to make people happy by combining medical care with environmentalism."



#33: Mami Kawaguchi
Keio University
>3rd year student

"For a society where everyone can apply their individuality."



#34: Shotaro Kimei
Hokkaido University
>4th year student

"I want to make the world better for the next generation."



#35: Tsubomi Yamamoto
Osaka Minshu Highschool
>3rd year student

"To make Hokkaido fun!"



#36: Taichi Nakamura
Hokkaido University
>4th year student

"I want to make as many people as possible enjoy the events I organize!"



#38: Shunsuke Mizutani
Niigata University
>1st year student

"To become an inspiring and passionate teacher."



#39: Takumi Kawaguchi
Niigata Sport Science University
>3rd year student

"I want to create an environment where society embraces the raising of children."



#40: Hinata Niori
Keio University
>4th year student

"I want to expand the possibilities for the future of children."



#41: Sotaro Adachi
Aomori Gakuin University
>3rd year student

"To make society happy with the tastes of women."



#42: Saki Osawa
Keio University
>2nd year student

"I want to give more people their best experience."



#43: Nao Kubo
Aoyama Gakuin University
>3rd year student

"I want to be an enchanting person shooting all kinds of things from many people."



#44: Emika Terashima
Yokohama National University
>1st year student

"I want to be a professional musician representative of Wakayama."



#45: Kirara
Wakayama Seirin High School
>1st year student

"To build towns where every resident has a place he or she likes."



#46: Kengo Kowachi
Shizuoka Institute of Technology Graduate School
>Master's student

"I want to let more people learn about social issues."



#47: Kana Takemura
Osaka Kyoiku University
>3rd year student

"To create opportunities for Japanese teenagers to expand their perspectives."



#48: Yuki Koyama
Osaka Minshu Highschool
>3rd year student

"Making inakaya that bring level Making the food and beverage industry into an inspiring one!"



#49: Minori Negoro
Chiba University
>3rd year student

"I want to make Laotian coffee even more popular in Japan."



#50: Kenshiro Yoshimura
Nihon University
>2nd year student

"I want to invigorate Japan's astronautical development."



#51: Tomomi Taniguchi
Tokai University
>3rd year student

"I want to work in something I have pride in."



#52: Mizuki Yazawa
Miegi Pharmaceutical University
>4th year student

RIKEN TECHNOS Presents

Following the Dreams of Students Who Take on Challenges.

夢らぼ

Host: **Reina Nagata**
YUME Lab Theme Song "Yumelo" by Ryo Onuki

BROADCAST EVERY SATURDAY at 6:55 p.m.

Produced by BS12n Twinkl/RIKEN TECHNOS CORPORATION/YAGOMARU PROJECT Co., Ltd.

BS12
トゥエルビ

Relationship with Employees

RIKEN TECHNOS GROUP aims to have each employee “attain personal growth through their job,” and in order to create a better working environment, a number of different programs have been established.

Message from the General Manager of the Administrative Division



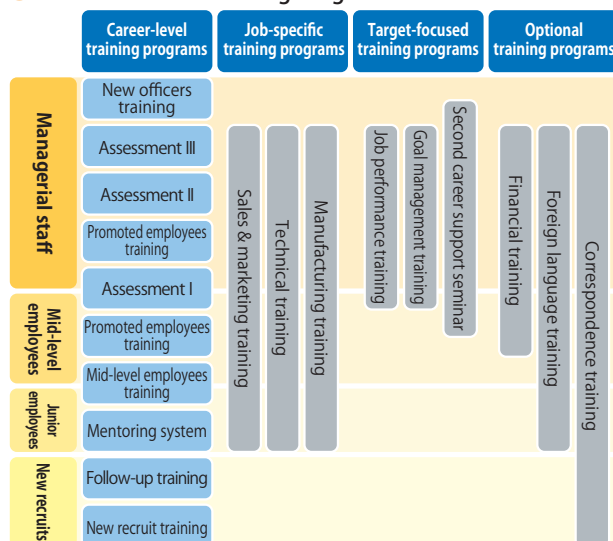
Junji Irie
Director
Managing Executive Officer
General Manager of
Administrative Division & General
Affairs Department

In FY2016, the first year of the current three-year mid-term business plan, RIKEN TECHNOS CORPORATION introduced the executive officer system and became a company with an audit and supervisory committee. For us to truly strengthen our corporate governance, however, we need each and every employee to continue growing and evolving while supporting the company's foundation, in addition to these reorganized systems. With the aim of nurturing a vigorous organizational culture, we also revised the personnel system to provide promotion opportunities to younger employees. In addition, we are promoting work process reform to achieve work style reform, while creating a system which improves work-life balance. The Administrative Division is working to steadily strengthen the corporate foundation through strategic human resource development.

Approach to Developing Human Resources

The growth of a company is supported by the growth of each of its employees. We are building a system that fosters mutual growth for both the company and its employees by encouraging dedicated workers under the slogan, “We support employees who aim to grow!” As a part of these measures, we have introduced a personal assessment program, with an interview process to understand the desires, requests, and aspirations of each employee. This will help us to create a better environment for growth. We describe our ideal employee as a person who is independent, creative, and practical. Additionally, to ensure that each employee can carry out his or her role, a job performance assessment program has been introduced into the personnel system to encourage employees to “grow through their work.” By means of these activities, we aim to create a high value-added corporate foundation through the growth of each employee.

RIKEN TECHNOS Training Programs



Management Training

RIKEN TECHNOS is also focusing on management training. We send some of our managers to the Globis Management School to provide them with opportunities to hear a variety of viewpoints and learn practical management skills.

Voice /



Takashi Yoshino Group Leader, Corporate Strategy Group, Corporate Planning Department

I am studying at the Globis Management School to learn basic management-related knowledge. During the marketing course, I learnt about markets and competition, and recognized the importance of knowing one's own company as well as the need to observe from different points of view. Currently, I am taking an accounting course to learn how to analyze a company and understand its state using financial tables. During the course, there were people from financial, food, construction, and medical industries, so I was able to hear opinions that differed from our company by having discussions with people from other industries. I hope to apply what I learnt from the courses in the workplace, and also share them with the relevant departments.

▶ Training System

● New managerial staff training

New managerial staff training is conducted for employees newly appointed to managerial positions in order to provide them with practical skills and allow them to display strong leadership. A total of five training sessions are conducted over the course of half a year for them to develop attitudes as management and strategic thinking. This year, 20 employees participated in this training.



At a training session

● Training at sea

Every year, we participate in training at sea organized by external agencies. Besides learning about the roles of a leader, training at sea provides opportunities to interact with different people beyond the company. Here are what the five participants this year have to say.



Training Ship "Carnival Inspiration"

Voice/



Yosuke Kobayashi Compound Production Section, Saitama Factory

I was able to learn and realize many things by having discussions and living together with people from all kinds of occupations. From communicating with many people, I once again felt the importance of "listening attentively and speaking sincerely," something that is stated in the RIKEN TECHNOS WAY. I hope that the company will continue this training at sea program which allows such learning and brings many people such wonderful experiences.



Nobuyuki Shimada Film Production Section 1, Saitama Factory

It was an extremely valuable experience for me to be able to interact with people from other industries. During the long eight-day training, I again recognized the importance of cooperation and communication. I want to apply what I have learnt during the training to my work. I hope that the training at sea will be continued.



Shinya Ito Compound Production Section 2, Mie Factory

Through discussions with people from all kinds of occupations during this training at sea, the exchange of opinions made me change my way of thinking and broadened my perspective. I will also use the "5 Whys" learnt during the training when problems related to quality and equipment occur.



Hiroki Hattori Film Production Section, Mie Factory

Being able to communicate with people from other industries during the training at sea was a great inspiration and learning for me. I learnt that people enjoy when communication goes well. I hope to put what I learnt to use and strive to create a pleasant workplace.



Daisuke Kaneko Film Production Section, Gunma Factory

At the report presentation in the training, my class gave a presentation under the theme "Training Young Employees." I think that I have grown a little bit, though more through the mutual inspiration during our conversations than through the content of our presentation. I thought it was an interesting process. I hope to use this experience in my future work, and hope it will lead to "people development."

Relationship with Employees

► Ingraining Our Management Philosophy

The company has established four systems for ingraining our management philosophy, the “RIKEN TECHNOS WAY,” among our employees. One of them is the “Thank You Card” system, in which employees express their feelings of gratitude to each other. This is also being introduced in our overseas sites. We also give commendations to employees who have received the most Thank You Cards. For FY2016, all the awards went to employees from our Mie Factory.

Voice /

No. 1 recipient



General Manager Yoshida

Masashi Ochiai Film Production Section, Mie Factory

Thank you for the award. It is very surprising for me as I never thought I would receive such an honor.

I do not think that this honor solely belongs to me. I think it also belongs to the senior employees who have guided and nurtured me up till now, and the colleagues who have supported me. I hope to continue placing importance on my ties with others as I go about my work.

Lastly, I wish to express my appreciation from the bottom of my heart to everyone who sent me Thank You Cards.

No. 1 sender



Noboru Kazama
Film Production Section,
Mie Factory

No. 2 recipient



Hiromitsu Osaki
Film Production Section,
Mie Factory

No. 3 recipient



Yosuke Maegawa
Film Production Section,
Mie Factory

► Commendation System

We have established commendation regulations and an employee inventions system. Commendations are given for improvement suggestions that help improve work efficiency, reform business structures, or enhance employee motivation as well as for new technological inventions.



President's Award ceremony
From left: President Kazuaki Tokiwa, Mineo Hayashi (SHANGHAI RIKEN TECHNOS CORPORATION as of award presentation), Shinichi Saito (Electronic Materials Business Unit)

~ Distinguished Service Award ~

Unique Sales Expansion Strategy for Automobile Wire Compound

Harnesses for automobiles need to be lightweight to reduce CO₂ and improve fuel efficiency.

This award is given in recognition of the timely development of compounds which allow covering materials to be made thinner,

and at the same time maintain performance in characteristics such as cold resistance, heat resistance, and wear resistance.

► Support for Raising Children

● Leave of Absence System for Childcare

All employees can take leave for up to two years. Furthermore, the first three days of the leave are paid. Currently, three employees are using this system.

● Shorter Working Hours System for Childcare

Employees with childcare responsibilities are permitted to reduce their working hours to six hours a day. They can choose their manner of working to suit home and nursery school schedules, as well as other individual circumstances. This system can be used until the children begin elementary school. Currently, two employees are using this system.

► Diversity of Employees

RIKEN TECHNOS CORPORATION respects the diversity, personality, and individuality of our employees, and has consideration for human rights and equal employment opportunities. We implement various initiatives to enable female employees to be active in business, and currently some of our female employees have reached managerial positions. We are also actively engaged in recruiting overseas employees.

► Re-employment System

Having employees working beyond our official retirement age of 60 years old offers benefits to both the employees and our company. For the company, it facilitates the transfer of technical skills, and for employees, it provides financial security. Therefore, we introduced a re-employment system from FY2006 aimed at union members and management.

Initiatives at SHINKO ELECTRIC WIRE CO., LTD.

Five employees at SHINKO ELECTRIC WIRE CO., LTD. were given awards by the Iruma City Society of Commerce and Industry, having worked there for more than 10 years, with good work as well as being role models for other employees. A ceremony was held on November 24, 2016. Among them, Fusaji Shirakura was given the Special Long Service Award for having worked continuously for 55 years.

Iruma City Society of Commerce and Industry Excellent Employee Award



Fusaji Shirakura (second from left)

Iruma City Award



Takashi Kaneko

Iruma City Society of Commerce and Industry Excellent Employee Award



Hiroko Watanabe



Tetsuro Tsuruta



Masao Watanabe

Safety and Health Activities

Concept of Safety and Health Activities

Based on respect for people, RIKEN TECHNOS CORPORATION considers occupational health and safety to be one of the most important foundations in business operations, and strives to maintain and improve a healthy and safe working environment. Therefore, we carry out our business operations according to a labor safety management system similar to the occupational safety and health management system (OSHMS*).

Eradication of Causes of Dangers and Hazards through "Risk Assessments"

Following the introduction of risk assessments in 2003, improvement activities to prevent incidents were established to reduce potential dangers and hazards in the workplace through elimination and separation. Going beyond "zero accidents," all employees work to achieve "zero risks" by participating in safety awareness and risks and systems improvement activities.

Total Industrial Accidents

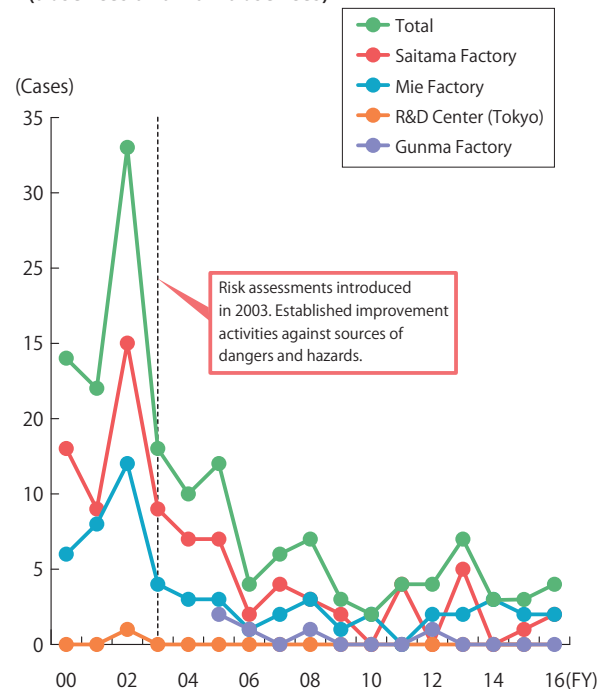
The number of industrial accidents in recent years was three cases in FY2014, three cases in FY2015, and four cases in FY2016.

Review of Activities

In FY2016, with the goal of achieving "zero accidents," we promoted risk assessments, as well as activities to nurture a culture of adhering to rules. Specifically, our activities included further promoting risk assessments which included chemical substances: thoroughly establishing the "pointing and calling" procedure as a habit and the conduct of stretching exercises before work; conducting a questionnaire-based survey to raise the level of safety awareness; and continuing with safety education using equipment for experiencing dangers.

In FY2017, to achieve "zero accidents," we will continue with the previous year's activities. We will also carry out other activities, such as giving out awards for safety suggestions, bringing in new equipment for experiencing dangers, and implementing a near-miss reporting promotion month.

Company-wide Trends in Industrial Accidents (absences and non-absences)



* Occupational safety and health management system (OSHMS): This is a framework for safety and health management which aims to improve the level of safety and health at workplaces by actively promoting continuous safety and health management to prevent industrial accidents and improve the health of workers, and further progress on to form pleasant workplaces.



Safety education using equipment for experiencing dangers



Safety education using equipment for experiencing dangers

▶ Our New Employees in 2017

Using the theme “We enjoy our work and love what we do,” which is included in our values under the RIKEN TECHNOS WAY, we asked our new employees—who will be among those responsible for the future of RIKEN TECHNOS—to fill in the blank in the sentence “If _____, I would be very enthusiastic.”

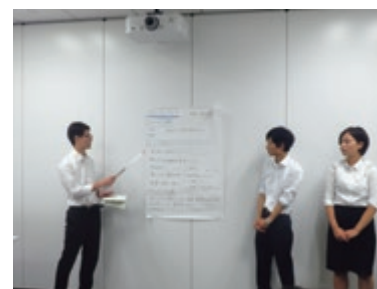


▶ Follow-up Training

In the third month after joining the company, we conduct a two-day follow-up training for new employees for reflection and follow-up. Besides attending lectures, they work in groups and present on the work they have done in the three months since joining the company. The new employees seemed to have learnt and realized many things through the training's curriculum.



Training session



Trainees giving a presentation



Environmental Management Action

Message from the General Manager of the Manufacturing Division



Hirohito Koshimizu
Executive Officer
General Manager of Manufacturing
Division
RIKEN TECHNOS CORPORATION

The Manufacturing Division aims to realize the same worldwide quality and stable supply so as to build a system for competition on the global stage. To achieve this, we are working hard to develop human resources who can succeed globally through the active dispatch of employees to overseas sites, participation in the WorldSkills Competition, and the achievement of three “zeros” (zero complaints, zero work-related accidents, and zero major equipment incidents) through implementation of total production management (TPM). Each factory also works toward the goals of improving production efficiency and reducing costs. In terms of environmental initiatives, we are focusing on energy conservation, industrial waste reduction, appropriate management of chemical substances, and contributing toward beautifying the surroundings through activities such as cleaning the areas around our factories.

Environmental Policy

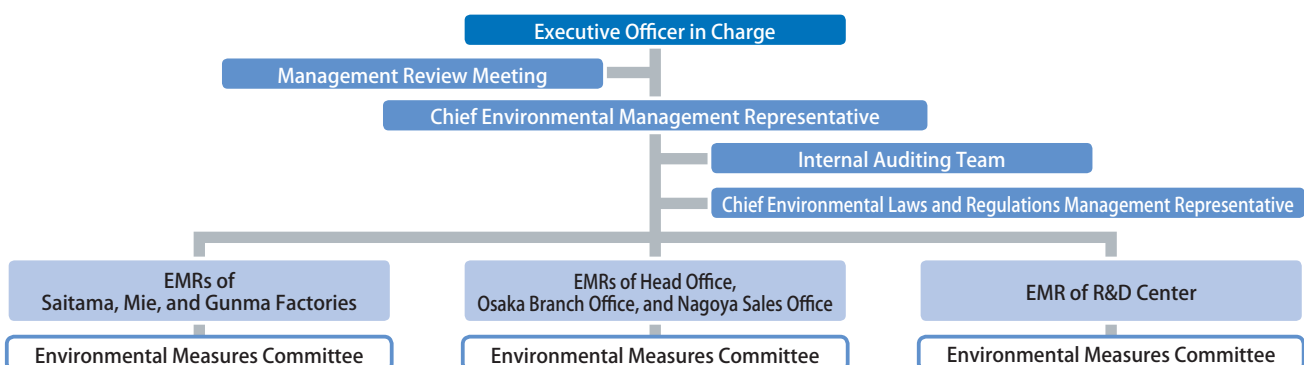
For all our business activities, we take into consideration the effects on the environment. To protect the environment and realize a sustainable community, RIKEN TECHNOS CORPORATION established an environmental management system, and all members of the company work to implement the following principles.

- 1 Through all business activities, RIKEN TECHNOS CORPORATION promotes continuous improvements to the environmental management levels, prevention of environmental pollution, and support for environmental conservation by not only observing all environment-related regulations and mutual agreements but also setting our own rules and regulations voluntarily.
- 2 Using raw materials which are safe, RIKEN TECHNOS CORPORATION supplies the market with environmentally friendly plastic products of various materials, such as energy-saving and resource-saving products, products suitable for recycling, and products with low influence to biodiversity and the ecological system.
- 3 With regard to the use of sustainable resources, and mitigating and dealing with climate change, RIKEN TECHNOS CORPORATION reduces negative effects on the global environment, biodiversity, and the ecological system by reducing CO₂ discharge and industrial waste, through eliminating wastefulness, effectively using raw materials, and minimizing energy consumption.
- 4 RIKEN TECHNOS CORPORATION carries out ongoing environmental conservation activities by establishing documents including the Environmental Statement and the Environmental Policy, and by educating employees.
- 5 RIKEN TECHNOS CORPORATION sets the concrete objectives and numerical targets of which progress are self-assessed and managed properly to ensure the achievement of the Environmental Policy.
- 6 The above-mentioned activities are linked to the activities of RIKEN TECHNOS GROUP at each site to give the utmost consideration to the protection of the environment, biodiversity, and the ecological system, as well as to ensure safe operations.
- 7 RIKEN TECHNOS CORPORATION aims to obtain confidence and understanding from society through appropriate and accurate information disclosure.

Environmental Management System

Environmental Management System Organization Chart

The Executive Officer in Charge heads up the system and the Chief Environmental Management Representative is appointed to establish the environmental management system under his direction by designating an Environmental Management Representative (EMR) at each site.



Implementation of System

In order to promote our environmental management system, we have clearly defined the members and functions of the primary meetings, committees, and so on.

Meeting/Committee	Members	Functions
Management Review Meeting	All directors, executive officers, and Chief Environmental Management Representative	Environmental policy, objectives, and the environmental management system
Internal Auditing Team	Qualified internal auditors	Compatibility Audit
Environmental Measures Committee	Environmental Management Representative, general manager of each division, committee members at each site	Setting of environmental objectives and targets, deliberation on corrective and preventive actions, and deliberation on environmental problems

Role of the Chief Environmental Management Representative and Environmental Management Representatives

We have clarified the responsibilities of each site and general management for the entire company.

Representative Name	Name of title	Role
Chief Environmental Management Representative	General Manager of Management System Department	Establishment, operation and maintenance of the environmental management system for the entire company
Chief Environmental Laws and Regulations Management Representative	General Manager of Management System Department	Management of environmental laws and regulations
Environmental Management Representative	Site Manager (General Manager of Factory, etc.)	Establishment, operation and maintenance of the environmental management system for each site

Quality and Environmental Audit Systems

(1) Internal Audits

Under the direction of the Chief Environmental Management Representative, internal audits of the environmental management system, including quality, product safety, and chemical substances management are carried out annually by approximately 100 internal auditors. In FY2016, audits were carried out in 58 departments, 22 requests for corrective actions were issued, and there were 216 issues pointed out, including matters for monitoring. The number of corrective actions dropped from 35 during the last fiscal year to 22, and improvements could be seen in document control and equipment management. We are continuing to improve and enforce the management system through the implementation of corrective actions.

(2) External Audits

Renewal audits were conducted at all sites (Head Office, Osaka Branch Office, Nagoya Sales Office, R&D Center (Tokyo), Saitama Factory, Mie Factory, and Gunma Factory) by an external ISO 9001/14001 certification body. Six minor nonconformance issues and 20 issues requiring improvement were pointed out. Improvements were made on the indicated issues such as actions for dealing with the Act on Rational Use and Proper Management of Fluorocarbons. In FY2016, we also received 21 customer audits, and made appropriate improvements on all issues pointed out.

Emergency Response

We have created an emergency response list for every site and division, based on possible emergency situations, and conduct regular training sessions.

RIKEN TECHNOS CORPORATION buys and uses as raw materials many chemical substances and hazardous materials designated by the Fire Service Act. For that reason, one of our primary concerns is to prevent discharge of chemical substances to outside company sites and fires caused by dangerous flammable substances. In FY2016, we had a minor leakage of plasticizer, but it did not extend outside the factory and was handled as instructed in training. There were no complaints from the residents of nearby communities.

ISO 14001: 2015 Certification

Through environmentally-conscious corporate activities, we strive to establish our company as an enterprise that contributes to the realization of a prosperous society and responds to the trust of all its stakeholders.

Our Environmental Policy has been established, and all our company divisions have obtained this certification.

Initial Registration: October 31, 2001

Date of Expiration: August 30, 2019



Summary of Environmental Action

► Environmental Objectives and Performance in FY2016

RIKEN TECHNOS CORPORATION promotes improvement activities by setting yearly environmental objectives consistent with the business environment, based on the company's Environmental Policy. We also make companywide cross-sectional efforts, under the main themes of promoting reduction of carbon dioxide (CO₂)

emissions, reducing the amount of our industrial waste output, and reinforcing chemical substance management.

In FY2016, a total of 156 objectives were set across various divisions in the entire company, and 124 (80%) of them were achieved.

(1) Reduction of Energy Use

Number of Objectives Set	Achieved Objectives	Objectives	Results
66	48 (73%)	(1) Reduction of electricity usage per gross production (2) Reduction of heavy oil usage per gross production (3) Reduction of CO ₂ emissions per gross production (4) Reduction of total CO ₂ emissions	by 4% compared to FY2012 by 4% compared to FY2012 by 4% compared to FY2012 by 4% compared to FY2012 (1) 6.4% reduction (objective achieved) (2) 30% reduction (objective achieved) (3) 6.0% reduction (objective achieved) (4) 0.0% reduction (objective not achieved)

(2) Reduction in Industrial Waste

Number of Objectives Set	Achieved Objectives	Objectives	Results
36	28 (78%)	Simple (landfill and incineration) waste volume per gross production: 0.15% or below Total industrial waste volume per gross production: 4% or below	Achieved with 0.12% for landfill and incineration waste volume per gross production. Achieved with 3.9% for total industrial waste volume per gross production.

(3) ① Reinforcement of Chemical Substances Management and ② Development of Environmentally-friendly Products

	Number of Objectives Set	Achieved Objectives	Objectives	Results
①	18	17 (94%)	Reduction of use of independently specified chemical substances, and development of environmentally-friendly products.	① Usage of chemical substances designated as Class I under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law) was 1,968 tons in FY2016, a 4% increase compared to FY2015 levels, but the amount of bisphenol A used in FY2016 was a 79% reduction from FY2015.
②	22	18 (82%)		② In FY2016, the sales volume of recycling-friendly materials increased by 8% compared to FY2015.

► Status of RIKEN TECHNOS Environmental Load

The main types of environmental burdens caused by RIKEN TECHNOS CORPORATION's business activities are due to industrial waste output, greenhouse gas (CO₂) emissions, and the transport and discharge of chemical substances.

We are working on the reduction of emissions and proper management of various substances. The following data is the status of the companywide environmental load of RIKEN TECHNOS itself (by substance).

● CO₂ Load Per Ton of Products Produced (FY2016)

INPUT		OUTPUT		Amount of CO ₂ emissions (t-CO ₂ /t)	
Raw material (including paint, etc.)	88,000t	Compound products	65,000t	Compound	0.23
Packaging material	2,800t	Film products	14,000t	Film	0.97
Electricity	65,600MWh	Packaging wrap products	8,200t	Packaging wrap	0.55
Heavy oils	2,430kl	General waste	3,600t		
Tap water	132,300m ³	Amount of sewage	271,000m ³		
Ground water	157,000m ³				
Water for industrial use	8,600m ³				

► Preventing Stock Pollution and Environmental Pollution

We implement routine measurements of environmental items at each site in accordance with laws and regulations as well as our own regulations monitoring. The items include exhaust gas, groundwater, noise, vibration, bad odors, radiation, and dust, with particular concern for noise pollution.

We conduct regular meetings with residents around our sites, in which we disclose results from our environmental measurements and internal examinations in order to promote understanding of RIKEN TECHNOS's business activities.

Saving Energy and Reducing Greenhouse Gas Emissions

Two RIKEN TECHNOS factories, Saitama and Mie, are designated as Type 1 energy control factories, while the Gunma Factory is designated as a Type 2 energy control factory.

The primary greenhouse gas*1 emitted by our business activities is CO₂.

We promote energy-saving tactics, such as improving the efficiency of operating facilities, using heat storage-type deodorizing furnaces, using demand control*2 for air conditioning, preventing leakage of compressed air and steam for industrial use, and switching to energy-saving lighting.

Over many years, CO₂ emissions reduction has been our principal objective. Due to a recent major change in the size of the electricity to CO₂ conversion factor, from FY2014, we have made it our objective to achieve 1% reduction each year, with FY2012 as the base year, in energy use per gross production. The volume of electricity used in FY2016 decreased by 6.4% compared to FY2012

against a goal of 4%, and the volume of heavy oils used per gross production decreased by 30%.

A switch from heavy oil boilers to city gas boilers at the end of 2015 led to reductions in heavy oil usage, CO₂ emissions, and air pollution.

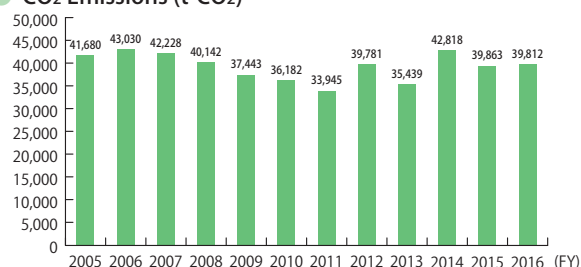
In March 2013, our photovoltaic power plant supplying renewable energy began operating at a site adjacent to the Gunma Factory.

In FY2016, approximately 70,000 kWh of power was supplied to the Gunma Factory, with approximately 720,000 kWh sold externally.



Photovoltaic power plant of RIKEN TECHNOS CORPORATION (within the Gunma Factory site)

CO₂ Emissions (t-CO₂)

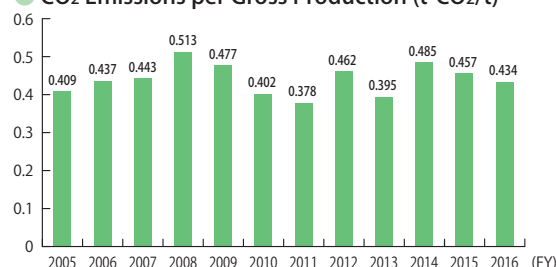


Note: The value is based on emission factors after adjustments from FY2010.

*1 Greenhouse gas is indicated in the quantity of CO₂ calculated to be emitted by consumption of electricity and heavy oils consumed at the Saitama Factory, Mie Factory, Gunma Factory, R&D Center, and Head Office, as well as each sales site. CO₂ emissions from Head Office have been added since FY2005, and emissions of each sales site have been added since FY2008. CO₂ emissions from fuel consumed by logistics are omitted.

*2 Air conditioning demand control is a method of reducing electricity consumption by automatically stopping compressors when a maximum value of agreed with the supplier is approached.

CO₂ Emissions per Gross Production (t-CO₂/t)



Reducing Industrial Waste

RIKEN TECHNOS CORPORATION considers the reduction of simple (landfill and incineration) waste generated in the manufacturing stage as a main goal of environmental management activities, and in FY2014 the new goal of "keeping simple waste volume under 0.15% as a share of gross production, and total waste amount under 4% of gross production" was established.

We are promoting restraint in generating waste by improving yields in our production processes, as well as strictly separating

generated waste into material recycling, thermal recycling, Refuse Plastic Fuel (RPF), raw cement material, etc. for conversion to effective use.

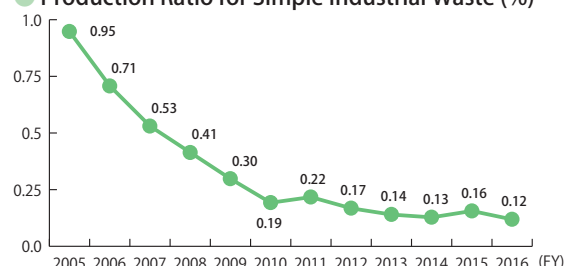
We achieved both goals, with simple waste volume as a share of gross production at 0.12% against a goal of 0.15% or below, while total industrial waste amount per gross production was 3.9% against a goal of 4.0% or below.

Simple Industrial Waste Generated (t)



* Sites: Three factories (Saitama, Mie, and Gunma), and R&D Center (Tokyo)

Production Ratio for Simple Industrial Waste (%)



Summary of Environmental Action

ISO
26000The
Environment

► Appropriate Management of Chemical Substances

In the past, RIKEN TECHNOS CORPORATION has been managing chemical substances in accordance with laws such as the Chemical Substances Control Law, the Industrial Safety and Health Act, and the Fire Services Act.

In FY1999, a totalization system was established to enable thorough management. In addition, a system was created for responding to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law), which came into force in April 2001.

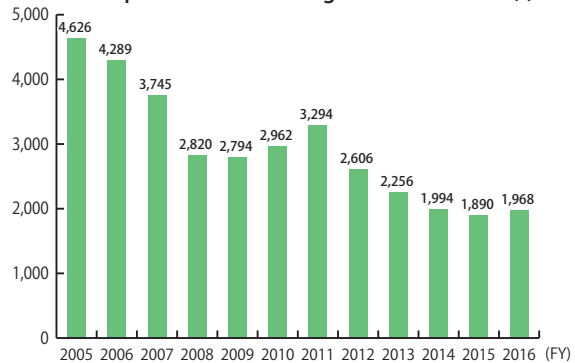
In October 2009, the PRTR Law was amended with changes made to the types of chemicals subject to PRTR, and we acted to respond to the changes.

Consequently, the usage and emission volumes of newly subject chemical substances were totaled beginning in FY2010, and in FY2011, the usage volume of methylnaphthalene contained in A heavy oil was added. In FY2011, one of RIKEN TECHNOS's consolidated subsidiaries, RIKEN (THAILAND) CO., LTD., was affected by flood disasters and production assistance was implemented in Japan. As a result, the

usage volume of chemical substances designated as Class I under the PRTR Law increased dramatically by 3,294 tons.

Since FY2012, there has not been any significant increase or decrease. In FY2016, our company used 21 types of chemicals subject to the PRTR Law. Among them, six types with usage of more than one ton were reported to the Japanese government.

● Consumption of Class I Designated Chemicals (t)



► Storing PCB Waste

In July 2001, the Act on Special Measures concerning Promotion of Proper Treatment of Polychlorinated Biphenyl (PCB) Wastes (Special Measures Act on PCB) came into force. Treatment for all PCB waste stored at Saitama Factory, Mie Factory, and R&D Center (Tokyo) has been completed.

In addition, because there is a high probability that heavy electrical equipment from before 1989 used insulating oil containing small amounts of PCB, we are examining and analyzing all condensers and transformers currently in use.

Site	PCB Wastes	Status of Storage and Treatment
Saitama Factory	High voltage condensers: 15 (high concentration)	Treatment completed in FY2016
	High voltage transformers: 2 (low concentration)	Treatment completed in FY2015
	Waste water and oil containing PCB: 1,446 L (low concentration)	
Mie Factory	High voltage transformers: 4 (low concentration)	Treatment completed in FY2014
	Waste oil containing PCB: 350 L (low concentration)	
	PCB component wastes: 300 g (low concentration)	
R&D Center (Tokyo)	High voltage condensers: 12 (high concentration)	Treatment completed in FY2013
	High voltage transformers: 1 (low concentration)	
	Waste oil containing PCB: 330 L (low concentration)	
	PCB component wastes: 15 kg (low concentration)	

► Status of Employees' Environmental Education and Awareness-Raising

Since FY2008, we have made a practice of distributing the "Eco-life Day" questionnaire to our employees and their families about their daily lives in order to raise awareness regarding energy conservation and global warming (reduction of CO₂ emissions). In FY2016, we received many responses from employees and their families (1,267 in summer and 1,365 in winter). The results of the questionnaires showed average CO₂ reductions per person of 950 g-CO₂/day in summer and 1,010 g-CO₂/day in winter. In addition, we distributed the CSR report to every employee to increase understanding of how results of each individual's activities have

an impact on RIKEN TECHNOS CORPORATION as a whole.

	Participants (persons)	Amount of Reduction (g-CO ₂ /person per day)
Summer of FY2013	1,432	837
Winter of FY2013	1,576	750
Summer of FY2014	1,474	760
Winter of FY2014	1,480	960
Summer of FY2015	1,497	920
Winter of FY2015	1,365	960
Summer of FY2016	1,267	950
Winter of FY2016	1,365	1,010

► Environmental Laws and Agreements related to Our Business Activities

We have clarified the environmental laws and agreements to be complied with by each production site and office and summarized them in the Environmental Laws Application Standards, and we stringently comply with environmental laws. In FY2015 and FY2016, we made efforts to adhere to Japan's Fluorocarbons Emission Control Law. Additionally, we took measures to comply with Saitama

Prefecture's Global Warming Countermeasures Planning System and Target-Setting Emissions Trading System Program, achieving the CO₂ emissions reduction goal in the Phase 1 Plan (6% reduction from the base year). We are also making smooth progress toward the CO₂ emissions reduction goal in the Phase 2 Plan (13% reduction from the base year).

▶ Responding to Specified Chemical Substance Restrictions

For raw materials management, to improve measures in response to Europe's REACH*1 as well as regulatory changes regarding chemical substances in Japan, chemical substance ingredient information sheets were revised. From October 2015, information on measurement data for the ten RoHS2*2 substances (four substances of phthalic esters slated for regulation from July 2019, in addition to the existing six substances in RoHS) and content information for chemical substances under regulation, including trace residual chemicals, have also been collected. Also, the application of these measures to consolidated subsidiaries was clarified as part of the RIKEN TECHNOS GROUP Procurement Standards.

It is the mission of manufacturers to provide safe and reliable products to customers, and ensuring the safety of chemical substances used is considered to be one of the main concerns

of RIKEN TECHNOS CORPORATION. In FY2006, a Chemical Substances Management Committee was newly established as a companywide organization. Also, a Chemical Substances Management Standard was established and, in addition to chemical substances prohibited by law from being manufactured and used, we decided to prohibit the use of chemical substances marked for monitoring under the Chemical Substances Control Law. We also clearly declared our intention to reduce the use of chemical substances such as lead and toluene that are not prohibited from usage but are considered safer to avoid from the perspective of industrial safety and health. Also, chemical substances newly under consideration for usage are subject to reviews, and a framework for providing products where safety comes first has been established companywide.

*1 REACH: European regulation related to the registration, evaluation, authorization and restriction of chemicals

*2 RoHS2 Directive: Refer to note on P28.

▶ Biodiversity

We are working to eliminate the usage of Class I and II Specified Chemical Substances and Monitoring Substances under the Chemical Substances Control Law, and reduce the usage of chemical substances designated as Class I under the PRTR Law. Additionally, we comply with the Air Pollution Control Act, Water Pollution Control Act, Industrial Safety and Health Act, and other laws, and take into consideration the effects on people and ecosystems in developing, manufacturing, and marketing our products. We participate in activities to maintain the green areas around our factories, as well as volunteer activities for forest environmental maintenance.



▶ Environmental Accounting

RIKEN TECHNOS CORPORATION has been disclosing accounting data from environmental preservation activities since FY2006.

▶ Criteria for Environmental Accounting in FY2016

- (1) **Accounting Coverage** : RIKEN TECHNOS CORPORATION (non-consolidated)
- (2) **Period Covered** : April 1, 2016, to March 31, 2017
- (3) **Referenced Guidelines** : "Environmental Accounting Guideline (2005 Edition)"
(Issued by the Japanese Ministry of the Environment in February 2005)

▶ Summary of Environmental Accounting in FY2016

In FY2016, the amount invested in environmental preservation costs was approximately JPY 60 million, and expenses were approximately JPY 1.01 billion, making a total of approximately JPY 1.07 billion. Investment amounts are the costs for pollution prevention, global environmental preservation, and resources recycling. Expenses included a cost analysis to comply with the RoHS Directive, and ISO maintenance activities. A very large proportion of the costs, amounting to approximately JPY 870 million, was for R&D expenses for environmentally-friendly products.

In terms of the environmental preservation effects resulting from our activities, simple (landfill and incineration) waste volume as a share of gross production was 0.12%, achieving our goal of 0.15% or below. Total industrial waste amount per gross production was 0.39%, achieving our goal of 0.4% or below. With regard to CO₂

emissions, although we conducted continuous energy-saving activities, there was no change and we did not achieve our goal of a 4% reduction from the FY2012 level. The main reason was due to the increase in production volume. On the other hand, our electricity consumption rate (Electricity use (MWh)/Production (t)) was reduced by 6.4%, achieving our goal of a 4% reduction from the FY2012 level. Our heavy oil consumption rate (Heavy oil use (KL)/Production (t)) was also reduced by 30%, achieving our goal of a 4% reduction from the FY2012 level. We believe this is due to energy-saving activities (introduction of energy-saving equipment and measures for efficient production, etc.) An economic effect of approximately JPY 12.0 million was achieved from cost reductions through sales for value, energy savings from waste plastics, and other factors.

Summary of Environmental Action



● Environmental Preservation Costs

JPY 1,000

Category	Content of Activities on Examined	Total Amount Invested *1	Expenses *2
1. Business area costs		54,617	102,656
* Pollution prevention costs	Construction for noise prevention measures, maintenance of scatter prevention equipment	4,740	52,317
* Global environmental preservation costs	Installation and improvement of energy-saving equipment	49,877	0
* Resources recycling costs	Disposal of industrial waste, recycling, etc.	0	50,339
2. Upstream/Downstream costs	Analysis of products containing chemical substances	5,457	15,600
3. Administration costs	Issuing of CSR Report, maintenance of ISO (including external audit), analysis of drainage and VOC, maintenance of green areas at each site	0	16,664
4. R&D costs	Research and development of environmentally friendly products	0	871,561
5. Social activity costs	Beautification of areas around our sites, donations	0	1,013
6. Environmental damage countermeasures costs	Soil investigation and improvement	0	1,385
Total		60,074	1,008,879

*1 Total amount invested: The invested amount intended to be used for environmental preservation during a set period. Its effect continues for a number of set periods and is then calculated as the cost for that timeframe.

*2 Expenses: The cost or loss that occurs from the consumption of goods and services intended for environmental preservation.

● Environmental Preservation Effects

Environmental Preservation Effect Category	Environmental Performance Indicators	FY 2015	FY 2016
Environmental preservation effect related to resources input into business activities	Total energy input volume (GJ)	745,045	761,599
	Energy input by type	Electricity (MWh)	63,790
		Heavy oils (KL)	2,437
		City gas 13A (km ³)	507
		Gasoline (KL)	40
		Light oils (KL)	4
	Input of PRTR-controlled substances (t)	1,861	1,968
	Water resources input	Tap water (m ³)	129,489
		Groundwater (m ³)	154,372
		Water for industrial use (m ³)	11,229
Environmental preservation effect related to waste or environmental burdens originating from business activities	Greenhouse gas emissions (t-CO ₂)	39,860	39,800
	Volume of PRTR-controlled substances discharged (t)	5.0	7.1
	Volume of PRTR-controlled substances transported (t)	6.8	13.6
	Total waste discharge volume (t)	3,605	3,550
	Final waste disposal volume (t)	136	109
	Amount of sewage (m ³)	268,200	298,075
Environmental preservation effect related to commodities and services produced by business activities	Volume of valuable materials recycled (t)	1,716	1,801
Other environmental preservation effects	Volume from transportation of products (t-km)	26,898,800	27,139,500
	Volume of CO ₂ emissions associated with transportation (t)	4,669	4,711

● Economic Effect Associated with Environmental Preservation Activity

JPY 1,000

Economic Effect	Amount	
	FY2015	FY2016
Benefit from recycling plastic, paper waste, etc.	5,796	5,939
Expenses reduced by energy-saving activities	8,317	6,399
Total	14,113	12,338

● Asset Retirement Obligations

As of March 31, 2017 (JPY 1,000)

Asset Retirement Obligations accounting began on April 1, 2010. Asset Retirement Obligations in accordance with environment-related laws are currently as follows.

Costs	Expenses
Cost of restoring buildings	67,814
Cost of asbestos disposal from usage sites	30,608
Cost of renewing equipment using PCB	0
Cost of contaminated soil treatment	59,041
Total	157,463

RIKEN TECHNOS GROUP Environmental Data

RIKEN TECHNOS GROUP Environmental Data by Factory

Saitama Factory

- Site area: 58,739 m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Number of employees: 231

Mie Factory

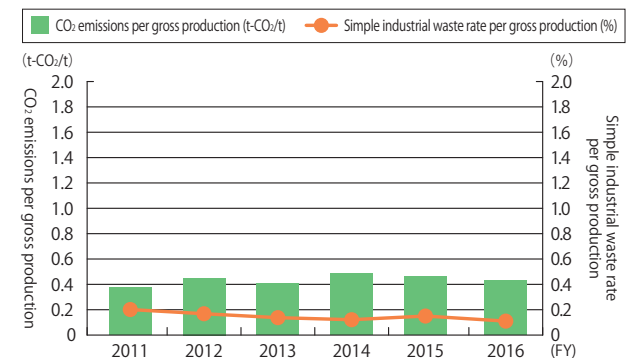
- Site Area: 55,247 m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Number of employees: 211

* Figures for Saitama Plant and Mie Plant include activities from RIKEN FABRO CORPORATION.

Gunma Factory

- Site area: 55,904 m²
- Description of business: Manufacturing of high functional film in a clean environment
- Number of employees: 39

CO₂ emissions per gross production and simple industrial waste rate per gross production (total for the Saitama, Mie, and Gunma Factories)

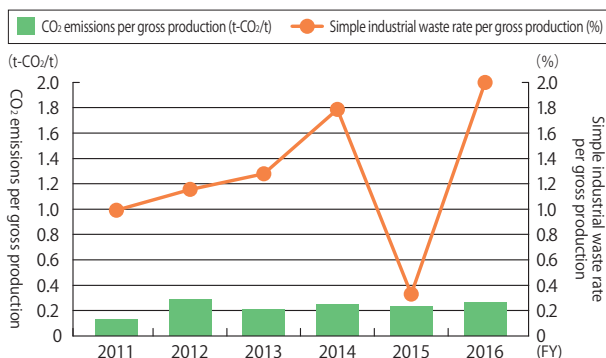


Environmental Impact Data for Consolidated Subsidiaries of RIKEN TECHNOS GROUP

① Compound Production Companies

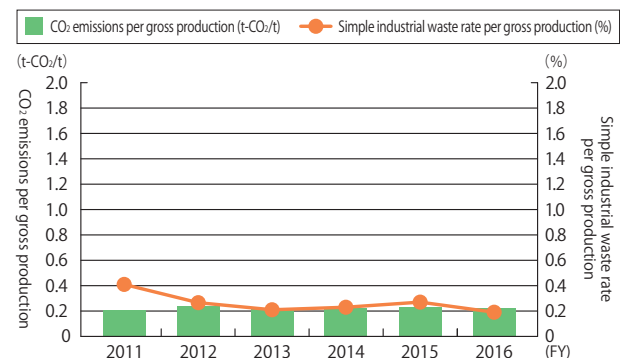
RIKEN CHEMICAL PRODUCTS CO., LTD.

Employees: 59



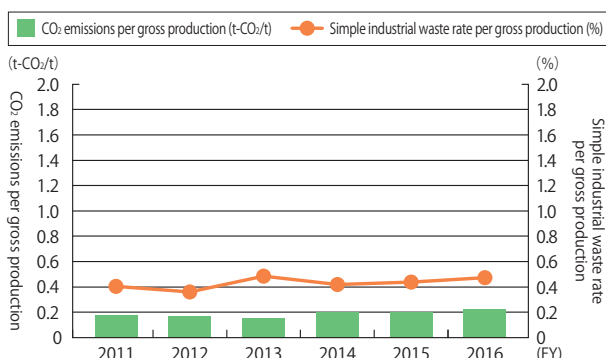
RIKEN (THAILAND) CO., LTD.

Employees: 237



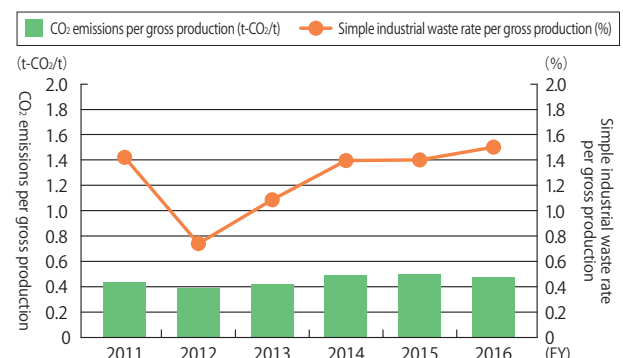
RIMTEC CORPORATION

Employees: 112



RIKEN ELASTOMERS CORPORATION

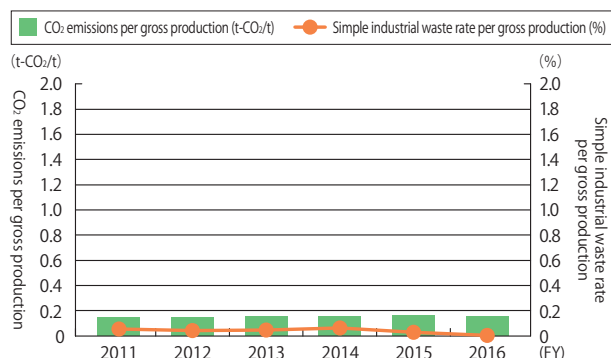
Employees: 29



Summary of Environmental Action

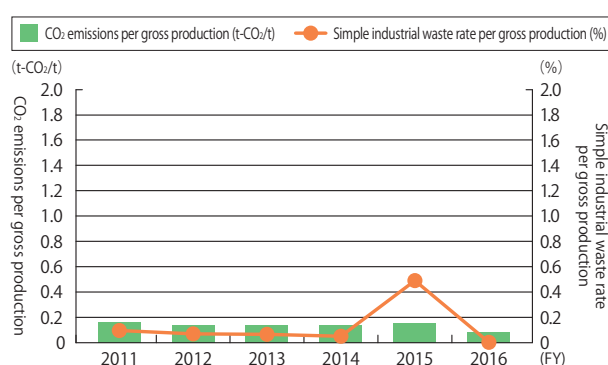
PT. RIKEN INDONESIA

Employees: 202



SHANGHAI RIKEN TECHNOS CORPORATION

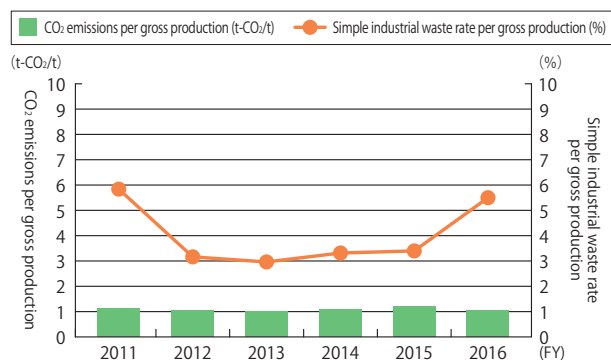
Employees: 115



② Molding Companies

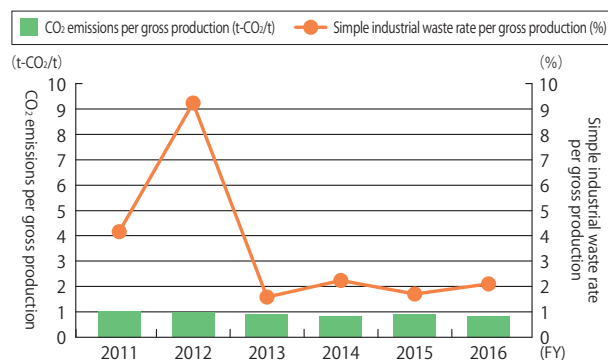
SHINKO ELECTRIC WIRE CO., LTD.

Employees: 72



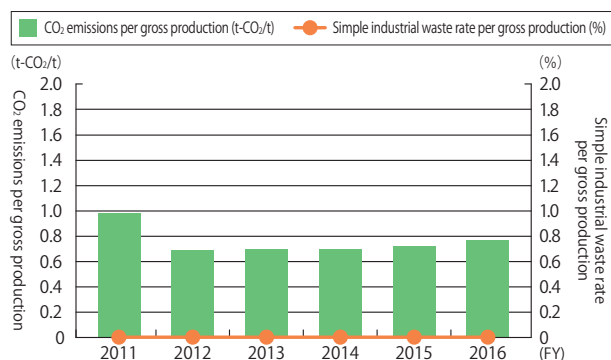
KYOEI PLASTICS MFG CO., LTD.

Employees: 68



RIKEN TECHNOS (JIANGSU) CORPORATION

Employees: 57



The Expert's Opinion



Youichi Inomata

Senior Consultant
AMITA Holdings Corporation

In last year's expert opinion, I recommended 1) complying with international standards in line with increasing globalization; 2) determining the importance level (materiality) of CSR issues; and 3) commercializing Creating Shared Value (CSV), which is the CSR addressed in your main business under environmental restrictions. With last year's report in mind, my first impression after reading this year's CSR Report is the major leap forward in complying with international standards. Specifically, I thought it was outstanding that the report was written with due consideration to ISO 26000 and the SDGs. The message from top management also touched on your responsibilities as a member of the international community, and the top of each page notes its relevance to the seven core subjects of ISO 26000 and the 17 SDGs. I think readers will be able to understand how you are contributing to the international community.

Another thing that left an impression on me was that employees appeared in this report more than last year. With sales and technical employees explaining in the featured article about your products used in things such as vehicles and buildings, executive officers rounding each stakeholder category, and an introduction of new employees for 2017, you very adequately conveyed that the most important stakeholders are your employees. This is especially so given that last year, excessive overtime work was a problem for companies in Japan, and there was a lot of attention on the working styles of employees. Moving ahead, on top of improving the working environment of employees, there is a need to enhance organizational strength to become a sustainable

company, such as considering diversity and LGBT issues. A company where employees can work enthusiastically will attract talent, and I think this report was an exceptional opportunity to communicate the company's approach.

As I just mentioned, this year's report gave due consideration to compliance with international standards. To further communicate your corporate identity in the future, I would like to make two recommendations for next year. The first recommendation is something which I also touched on last year, which is coordination and linkage between the mid-term business plan and CSR initiatives. The next fiscal year will be the last fiscal year for your mid-term business plan, and so in order to further connect the SDGs to your business, it will be important to incorporate CSR into management. I think you should be clear about the CSR issues that you are prioritizing. I think you should also consider embedding clear indexes for CSR in your mid-term business plan. Furthermore, to contribute to the international community, you should be proactive in participating in international initiatives such as the United Nations Global Compact and so on.

The second recommendation is for initiatives regarding CSR issues in your supply chain. This year, ISO 20400 (a guide for sustainable procurement) was published. The Tokyo Olympics will also be held in 2020, during which the sustainable procurement that was implemented for the London Olympics will be continued. Companies are being asked to address CSR issues from the procurement aspect. Suppose your materials cannot be used in the future. Would you be able to continue your business? This is especially so overseas, where there are many human rights issues—such as child labor—occurring that we rarely see in Japan. As your business becomes more globalized in the future, society's expectations of you will increase, and there will be an increased possibility of risks occurring. I think you should once again examine the risks of CSR issues in your supply chain, and if necessary, take early action against these risks. I look forward to seeing even more CSR initiatives in the future.

Listening to Expert's Opinion

Kazuaki Tokiwa

Representative Director, President & COO RIKEN TECHNOS CORPORATION

In the featured article of our CSR Report for 2017, we introduced the ways that our technologies are put to use in the lives of everyone, together with the thoughts of our employees. I hope people understand that our employees fulfill their roles in their work to bring the technologies of the RIKEN TECHNOS GROUP—which are used in all kinds of places—to the world through teamwork.

We will seriously take on Mr. Inomata's suggestions. Regarding

coordination and linkage between management tasks and CSR initiatives, we will strive to make our report even easier for readers to understand. Specifically, the materials procurement can be said to be a lifeline for us as a manufacturer. When aiming for a sustainable society, issues regarding materials procurement for the RIKEN TECHNOS GROUP are becoming increasingly important. We will continue to work together with all our stakeholders on solving issues, including those raised.

Editors' Postscript

"Aiming to become the leading provider of comfort for all living spaces" is part of the management policy of the three-year mid-term business plan. The RIKEN TECHNOS GROUP works daily to achieve this goal. This report uses images and concise sentences in order to convey our progress in a simple way. We hope that this report has helped readers to better understand the RIKEN TECHNOS GROUP's initiatives. We look forward to receiving frank and candid opinions on this report.

Representative of the department in charge of this report

Gakuyuki Kajiyama: Director, Senior Executive Officer

General Manager of Corporate Planning Division

Koichi Inoue, Hitoshi Kurihara: Management System Department, Quality Assurance Division

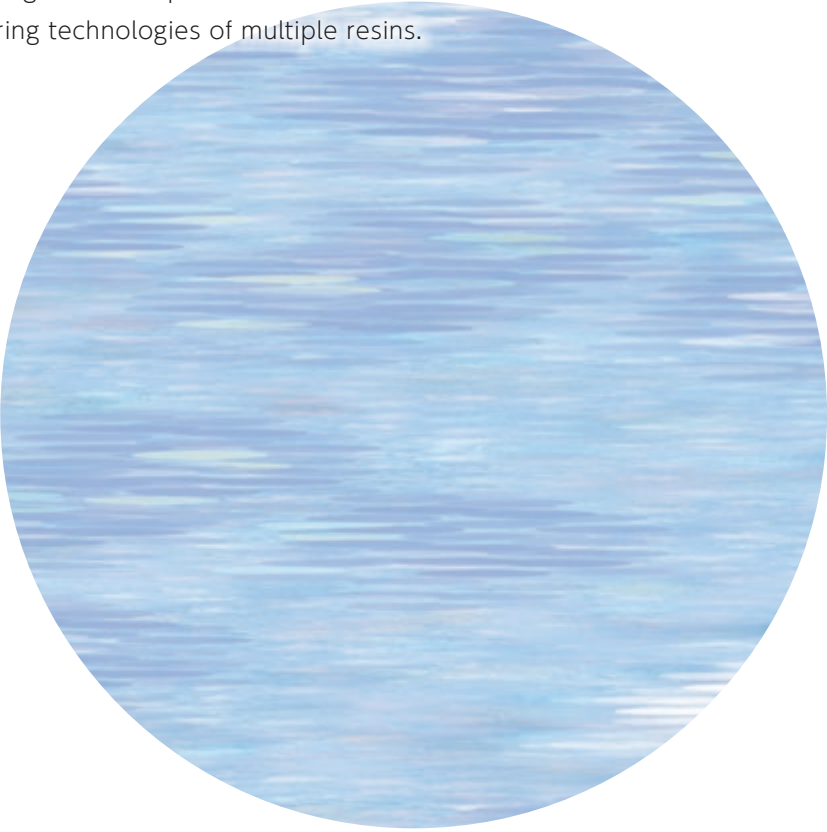
Sayaka Yoshioka, Kaori Miyamura: Corporate Branding Group, Corporate Planning Department





RIKEN TECHNOS WAY

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.



RIKEN TECHNOS CORP.

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