

RIKEN TECHNOS

RIKEN TECHNOS GROUP

Sustainability Report

2019



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 reported our efforts towards realizing the RIKEN TECHNOS GROUP corporate philosophy as well as the resulting value we have created from the perspective of Corporate Social Responsibility, including social aspects, in our “CSR Report.” This will be our “Sustainability Report” where we report on our efforts to achieve a sustainable society together with our stakeholders. A special feature in this report introduces the new three-year mid-term business plan of the RIKEN TECHNOS GROUP, which began in April 2019. We hope readers will gain an understanding of the RIKEN TECHNOS GROUP’s efforts in “aiming to become a leading company that provides comfort for all living spaces.”

Reporting Coverage

Period Covered

April 1, 2018, to March 31, 2019

In addition, some activities after April 1, 2019, are included Organizational Coverage

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 20 group companies listed below.

Group Companies Covered

- RIKEN CABLE TECHNOLOGY CO., LTD.
- KYOEI PLASTICS MFG CO., LTD.
- RIKEN TECHNOS INTERNATIONAL CORPORATION
- RIKEN CHEMICAL PRODUCTS CO., LTD.
- RIKEN FABRO CORPORATION
- I.M.I Co., LTD.
- RIKEN (THAILAND) CO., LTD.
- RIKEN ELASTOMERS (THAILAND) CO., LTD.
- PT. RIKEN INDONESIA
- SHANGHAI RIKEN TECHNOS CORPORATION
- RIKEN TECHNOS (JIANGSU) CORPORATION
- RIKEN AMERICAS 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 U.S.A. CORPORATION
- RIKEN TECHNOS INDIA PVT. LTD.

Reporting Fields

This report describes the efforts of RIKEN TECHNOS CORPORATION and its group companies 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 (2018) 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 Sustainability Report 2019

About the Cover

The image on the cover of this report shows a fusion of the corporate mark of RIKEN TECHNOS CORPORATION and Rose of Sharon in bloom in South Korea where RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION is 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 2019
(scheduled date of next issue: September 2020)

History of Issue

FY	Name
2002	Environmental Report
2003	Environmental Report
2004	Environmental Report
2005	Environmental Management Report
2006	Environmental Management Report
2007	CSR Report
2008	CSR Report
2009	CSR Report
2010	CSR Report
2011	CSR Report
2012	CSR Report
2013	CSR Report
2014	CSR Report
2015	CSR Report
2016	CSR Report
2017	CSR Report
2018	CSR Report

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RIKEN TECHNOS

RIKEN TECHNOS WAY

The start-up spirit, which has been passed down since our founding days, represents the very strength of RIKEN TECHNOS CORPORATION and its "RIKEN-ness."

The RIKEN TECHNOS WAY, our company's management philosophy, was formulated based on this "RIKEN-ness."

The word "challenger" used in our company's mission statement is meant to convey two meanings—a manufacturer that produces high-quality products and an organization that takes on challenges to create new value and satisfaction for people, companies, and society.

To make future leaps, we will keep taking on new challenges, unconstrained by conventional wisdom.

Mission

Mission and Purpose

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

Core Value

Fundamental Values

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

RIKEN TECHNOS GROUP Code of Conduct

—For the creation of a sustainable society—

RIKEN TECHNOS CORPORATION and its subsidiaries (hereinafter collectively referred to as the “RIKEN TECHNOS GROUP”) shall achieve sustainable growth by practicing the RIKEN TECHNOS WAY and serve as an engine toward the creation of a sustainable society under the principle of fair and free competition. To that end, the RIKEN TECHNOS GROUP shall fulfill their social responsibilities with high ethical standards while observing both the spirit as well as the letter of all laws and regulations applying to their activities both in Japan and abroad, in accordance with the following ten principles.

- 1. Social Mission**
Develop and provide socially beneficial and safe goods and products through innovation and thereby strive to achieve sustainable economic growth and solve social issues.
- 2. Fair Activities**
Promote fair and free competition, sound trade, and responsible procurement.
Ensure relationships and contacts of a sound nature with government agencies and political bodies.
- 3. Fair Disclosure of Information and Constructive Dialogue with Stakeholders**
Disclose corporate information in an active, efficient, and fair manner,
engage in constructive dialogue with wide-ranging stakeholders surrounding a corporation,
and strive to increase corporate value.
- 4. Respect for Human Rights**
Respect the human rights of all people when engaging in activities.
- 5. Observance of Laws and Regulations, and Respect for International Norms**
Observe laws and regulations of each nation and region,
respect the various international norms in place,
and manage activities with due consideration of their culture and customs.
- 6. Relationship of Trust with Customers**
Earn the satisfaction and confidence of customers through
the provision of appropriate information on goods and products and sincere communication.
- 7. Work-style Reforms and Comfortable Workplaces**
Realize work-style reforms with a view to enhancing employees' abilities
and respecting diversity, individuality, and differences,
and develop comfortable workplaces with due care to health and safety.
- 8. Involvement in Environmental Issues**
Recognize that a positive involvement in environmental issues is an essential
part of our activities and our very existence as a corporation,
and engage in activities independently and proactively in consideration of the environment.
- 9. Contribution to Society and Communities**
Actively participate in society and communities as “good corporate citizens”
and contribute to their development.
- 10. Thorough Crisis Management**
Achieve thorough organizational crisis management to prepare appropriate responses
to anti-social activities, terrorist acts, cyber-attacks,
natural disasters and other threats to civil life and corporate activities.

Role and Responsibility of Management

Management shall execute business acknowledging that their role is to put the spirit of the Code of Conduct into practice, develop effective governance, and strive to raise awareness within the RIKEN TECHNOS GROUP. In addition, management shall urge the entities constituting the supply chain to take actions in accordance with the principles of this Code of Conduct. Furthermore, in the case of incidents contrary to the principles of this Code of Conduct that degrade society's confidence in the RIKEN TECHNOS GROUP, management shall fulfill its responsibilities by taking the initiative in settling the issues, conducting investigations to determine the causes, and taking preventive and other necessary measures.

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 April 2013; then appointed Representative Director, President & COO in April 2016.

New Three-Year Mid-Term Business Plan “More Value to All 2021”

The RIKEN TECHNOS GROUP started its new three-year mid-term business plan in April 2019. The management policy is “More Value to All 2021: Generating Greater Value Together!”. As the phrase “More Value to All” implies, we will strive to deliver added value that only the RIKEN TECHNOS Group can achieve to all stakeholders. The business plan has five major tasks. In particular, this time, we will fulfill our responsibilities as a chemical manufacturer, focusing on climate change and environmental issues more than ever, including the main task of contributing to a sustainable society. For this reason, the name of the report has been changed from “CSR Report” to “Sustainability Report.” The new three-year mid-term business plan will be introduced as a special feature of the report. We hope you will understand what our goals from the management policy of “More Value to All 2021.”

Initiatives for the SDGs

Initiatives toward realizing a sustainable society are picking up speed, as exemplified by the Sustainable Development Goals (SDGs), which are universal goals of the 2030 Agenda for Sustainable Development adopted at a UN Summit, and a strategy for recycling plastic resources drawn up by Japan’s Ministry of the Environment. In this environment, the RIKEN TECHNOS GROUP has started full-scale initiatives for the SDGs in its new three-year mid-term business plan. Since the RIKEN TECHNOS GROUP is producing high-functionality

plastic products, most of these are sorted as industrial waste at the end of their useful life and are disposed of or recycled. We are actively developing products with disposal and recycling in mind, as well as products that place a reduced burden on the environment through fuel efficiency improvements. In addition, we are committed to fulfilling our responsibilities as a chemical manufacturer in conjunction with the movements of the international community through various initiatives aimed at realizing a sustainable society that goes beyond environmental issues.

Together with All Our Stakeholders

Our partnerships with all stakeholders, including customers, business partners, shareholders, employees, and people from local communities, have been essential to maintaining a rewarding and affluent society into the future. The RIKEN TECHNOS GROUP has developed and thrived to this day by moving forward together with our stakeholders and establishing mutual trust. Going forward, there will not be any change to this stance.

This Sustainability Report will provide descriptions of our involvement with all the stakeholders supporting the RIKEN TECHNOS GROUP. Please take time to look through the report.

We are aiming to become the leading provider of comfort for all living spaces and we will continue to move forward together with our stakeholders. I hope you will continue to give us your support in the future.

Kazuaki Tokiwa
RIKEN TECHNOS CORP.
Representative Director,
President & COO



Message from the Chairman



The RIKEN TECHNOS GROUP started its new three-year mid-term business plan in April 2019. One of our main tasks is “contributing to a sustainable society” and we started working on the SDGs. When we think about what value a company can provide to society, we believe that instead of dealing with the individual goals of the SDGs, that the overall approach should expand across each goal. To that end, partnerships with other companies and organizations in addition to our work within RIKEN TECHNOS GROUP will become more important. We hope to build a better society with our stakeholders.

RIKEN TECHNOS is a manufacturer and delivers value-added products through manufacturing sites. Since we are a manufacturer, we must constantly reform and strengthen our manufacturing sites. The first step in reform begins with awareness. We can see specific issues by constantly walking the sites and thinking about what could be wrong. Such efforts will eliminate incidents, work-related accidents, and defects, which in turn will increase production efficiency, reduce the burden on employees, and enhance occupational safety and health. No matter how large the scale, the management should be thorough in its oversight of manufacturing sites.

The RIKEN TECHNOS GROUP will grow into a stronger company by continuing to think about what value will be created and by valuing the employees who create that value.

We at the RIKEN TECHNOS GROUP are committed to keep evolving for society, and sincerely look forward to receiving your continued support.

Hiroshi Shimizu
RIKEN TECHNOS CORP.
Representative Director
Chairman & CEO

A handwritten signature in black ink, appearing to read 'H. Shimizu', positioned to the right of the printed name and title.

Directors & Officers

Directors



Hiroshi Shimizu
Representative Director
Chairman & CEO



Kazuaki Tokiwa
Representative Director
President & COO



Junji Irie
Director
Senior Managing Executive Officer
Senior General Manager of
Administrative Division &
Senior General Manager of Corporate
Planning Division



Gakuyuki Kajiyama
Director
Managing Executive Officer
Senior General Manager of Sales &
Marketing Division



Masato Koizumi
Director
Full-time Audit & Supervisory
committee Member



Takayuki Hayakawa
Outside Director
Audit & Supervisory
Committee Member



Shigeharu Nakamura
Outside Director
Audit & Supervisory
Committee Member



Kazuma Shibata
Outside Director
Audit & Supervisory
Committee Member

Executive Officers (excluding concurrent directors)



Hirofumi Otani
Senior Executive Officer
Senior General Manager of Innovative
Film Business Division



Michihisa Tasaka
Senior Executive Officer
Senior General Manager of Quality
Assurance Division



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



Takeshi Sugie
Executive Officer
Senior General Manager of
Procurement Division & General
Manager of Logistics Department



Masashi Tosaka
Executive Officer
General Manager of Building &
Construction Business Unit



Hirohito Koshimizu
Executive Officer
Senior General Manager of
Manufacturing Division
& General Manager Compound
Production Department



Toshimi Yamanaka
Executive Officer
President, RIKEN AMERICAS
CORPORATION
& RIKEN ELASTOMERS CORPORATION

New Three-year Mid-term Business Plan

(FY 2019 to FY 2021)

The RIKEN TECHNOS GROUP started its new three-year mid-term business plan in April 2019. Our new management policy is “More Value to All 2021: Generating Greater Value Together!” and we are aiming to become the leading provider of comfort for all living spaces.

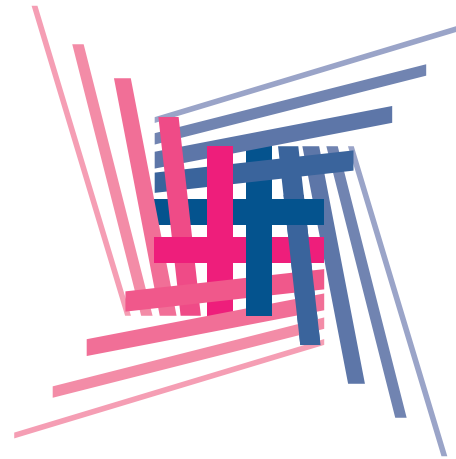
“All” means all stakeholders involved with the RIKEN TECHNOS GROUP, that is, customers, business partners, shareholders, employees, and people in communities. We will provide value to all of these stakeholders.

The logo of the new three-year mid-term business plan expresses this idea.

The intertwining of the lines represents us working together, and the way these lines extend straight in various directions depicts the provision of value to those involved with the RIKEN TECHNOS GROUP.

As a special feature of the Sustainability Report, we will introduce the outline of our new three-year mid-term business plan.

Management Policy



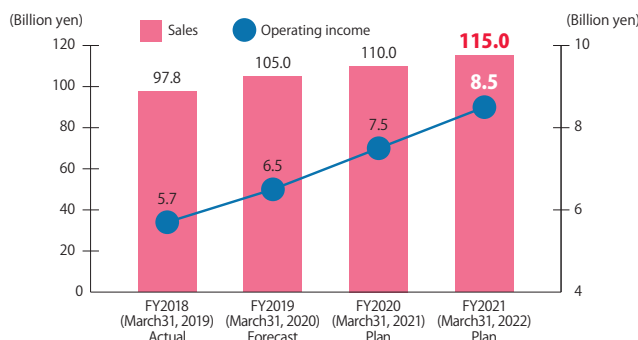
MORE VALUE TO ALL
2 0 2 1

Generating Greater Value Together!

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

Financial Targets

Consolidated base	FY 2018 (Actual)	FY 2021 (Last year of the plan)
Net Sales	97.8 billion yen	115.0 billion yen
Operating Income	5.7 billion yen	8.5 billion yen
Ordinary income	5.8 billion yen	8.5 billion yen
Net income	3.0 billion yen	5.0 billion yen
ROS	5.9%	7.0%
ROE	6.4%	8.0%



Capital Investment

Total capital investment over 3 years **Plan: 14.5 billion yen**

Unit: billion yen *including maintenance

Fiscal Year	Major capital investment	Total	Depreciation expenses	R&D expenses
FY 2019 (Forecast)	• Expand elastomer facilities in Japan • Update IT system in Thailand • Improve capital investment efficiency	3.5	3.5	1.5
FY 2020 (Plan)	• Expand elastomer facilities in Thailand • Expand PVC facilities in Indonesia • Expand R&D center • Improve capital investment efficiency	5.8	3.8	1.6
FY 2021 (Plan)	• Expand PVC facilities in China • Expand PVC facilities in Indonesia • Improve capital investment efficiency	5.2	3.6	1.6

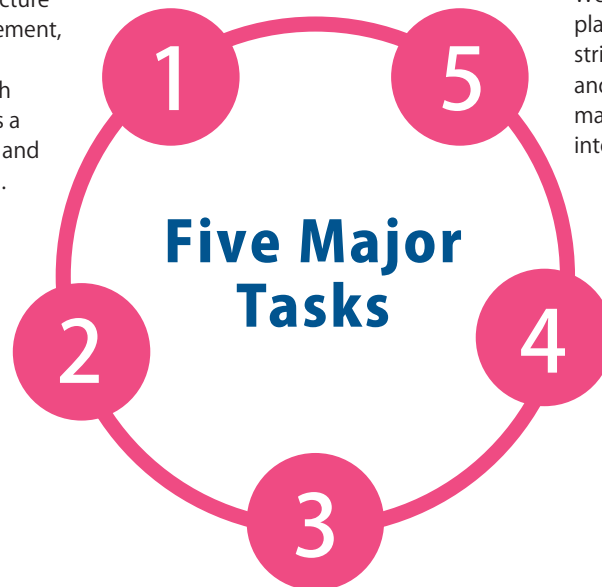


Intensifying Global Management and Generating Synergies

We will deepen the level of management at overseas bases and bring out global synergies at the same time. Under an organizational structure that is conscious of global management, we will further clarify the global responsibility and authority of each division and bring out synergies as a whole, with a focus on the market and functional aspects of each division.

Improving the Capacity to Generate Revenues and Profits through Strategic Thinking

We will strengthen sales of high-value-added products and strategically attack the market. In addition, we aim for efficient profit improvement with thorough cost reduction and more.



Strengthening Corporate Foundations through Management Emphasizing Human Resource Development and Governance

We will develop human resources who can play an active role globally. We will also strive to strengthen group governance and we will realize sustainable corporate management that takes all stakeholders into account.

Contributing to Sustainable Societies













Creating a sustainable society in the greatly changing global environment is our corporate mission and the RIKEN TECHNOS GROUP will contribute to a sustainable society in every aspect.

Realizing a Production Structure that Reflects the Thorough Pursuit of Efficiency

In preparation for future population decline, we will increase production efficiency, promote manpower reduction and automation, and make capital investments for this purpose. In addition, the manufacturing division and other divisions will work together to strengthen global manufacturing. We will further enhance our competitiveness by improving efficiency in all aspects of manufacturing, including cooperation between bases.

Change of Disclosure Segments

In order to strengthen management from a global perspective, we reorganized our organization to correspond to the global market. From the first year of the new three-year mid-term business plan, we will change our disclosure segments from the previous "Product Out" (Compound by product, film, food packaging) segments to "Market In" segments. By building a global strategy for each market indifferent to products, we will respond to market needs more accurately.

Product Out	Market In	
	New segments	Target market
Old segments	 Transportation (TR)	Automotive, railroad, shipping markets, etc.  
Compound	 Daily Life & Healthcare (DH)	Medical, consumer goods, food packaging markets, etc.  
Film	 Electronics (EL)	Energy, telecommunications, IT devices markets, etc.  
Food Wrapping Film	 Building & Construction (BC)	Housing, building and construction materials, public works markets, etc.  

*Abbreviation inside parentheses



Transportation (TR)

*Abbreviation inside parentheses

TRANSPORTATION

Business Strategy

Establish overwhelming presence in Asian and North American markets Strengthen sales of functional parts in the automotive field

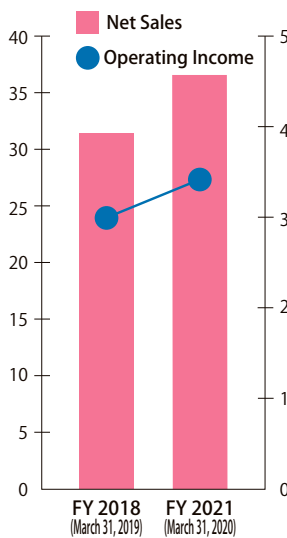


RIKEN TECHNOS CORPORATION
General Manager of Transportation Business Unit

Fumitoshi Nakamura

Wire harnesses for power supply and signal transmission for automobiles and two-wheeled vehicles, sealing materials that ensure quietness and comfort, and functional parts that can withstand various harsh environments are indispensable for comfortable driving in automobiles and two-wheeled vehicles. Utilizing the technological capabilities cultivated by RIKEN TECHNOS in many fields, we will develop materials with optimal functions and deploy them globally to support comfortable driving.

Financial Targets (billion yen)

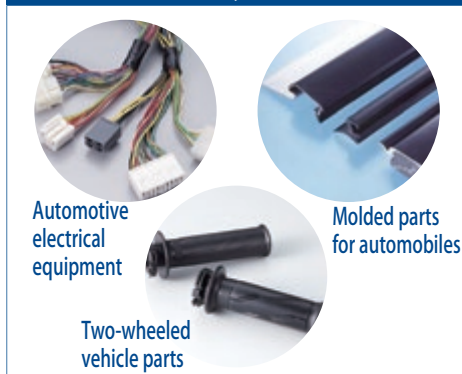


FY 2021 Plan

Net Sales	36.7 billion yen	5.5 billion yen increase (up 18%)
Operating Income	3.5 billion yen	0.5 billion yen increase (up 17%)

Content in parenthesis is comparison with FY 2018

Priority areas



Daily Life & Healthcare (DH)

*Abbreviation inside parentheses

DAILY LIFE & HEALTHCARE

Business Strategy

Expand high value-added products in medical, healthcare and daily life materials markets and take on new fields

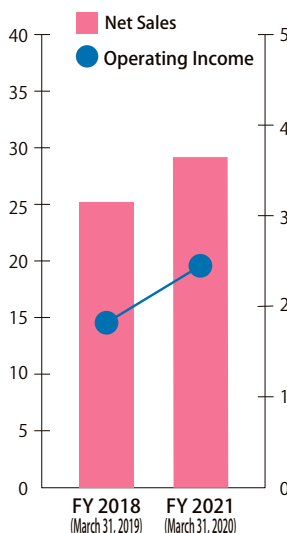


RIKEN TECHNOS CORPORATION
General Manager of Daily Life & Healthcare Business Unit

Masumi Terakawa

We sell compounds, films, wraps, etc. for materials used in daily life, mainly in the medical, daily life and food packaging markets. Aiming to contribute to a sustainable society, we will continue to be a global partner that comfortably supports everyone's lives through materials and products under the slogan "Healthy at 100 with RIKEN".

Financial Targets (billion yen)



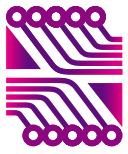
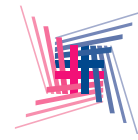
FY 2021 Plan

Net Sales	28.7 billion yen	3.7 billion yen increase (up 15%)
Operating Income	2.5 billion yen	0.7 billion yen increase (up 35%)

Content in parenthesis is comparison with FY 2018

Priority areas





Electronics (EL)

*Abbreviation inside parentheses

ELECTRONICS

Business Strategy

Contribute to infrastructure that supports comfortable living through the electric wire field
Develop unique products that create the future of optics

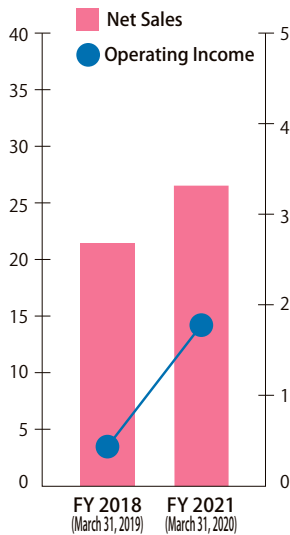


RIKEN TECHNOS CORPORATION
General Manager of Electronics
Business Unit

Keijiro Daikuhara

Our slogan is "Providing environmentally friendly energy and information to people around the world with next-generation manufacturing technologies". The electric wires and optical fibers that support energy and information infrastructure are protected by the covering materials used by RIKEN TECHNOS products. We also help to provide environmentally friendly renewable energy (solar, wind power, etc.).

Financial Targets (billion yen)



FY 2021 Plan

Net Sales	25.5 billion yen	4.3 billion yen (up 20%)
Operating Income	1.7 billion yen	1.3 billion yen (up 325%)

Content in parenthesis is comparison with FY 2018

Priority areas



Building & Construction (BC)

*Abbreviation inside parentheses

BUILDING & CONSTRUCTION

Business Strategy

Provide functional, environmentally friendly and beautiful materials in the field of building materials

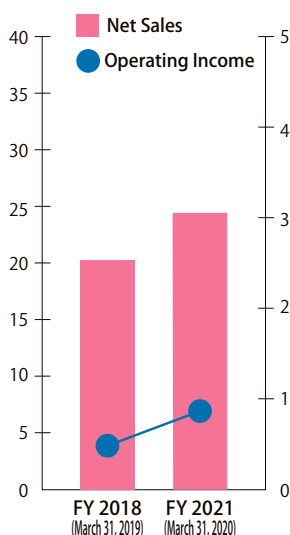


RIKEN TECHNOS CORPORATION
Executive Officer
General Manager of Building & Construction Business Unit

Masashi Tosaka

In the building materials field, we can quickly capture environmental and design trend information in Japan and overseas. By sharing that information with every division and providing various functions including energy conservation, we will develop materials that create comfortable living spaces with environmentally friendly, original and beautiful designs and provide RIKEN TECHNOS products globally.

Financial Targets (billion yen)



FY 2021 Plan

Net Sales	24.1 billion yen	3.8 billion yen (up 19%)
Operating Income	0.8 billion yen	0.3 billion increase (up 60%)

Content in parenthesis is comparison with FY 2018

Priority areas

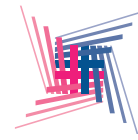


Actions Toward SDGs

We will contribute to the creation of a sustainable society while addressing our five major task.



New three-year mid-term business plan Major tasks	Actions towards the SDGs	
<p>1) Intensifying Global Management and Generating Synergies</p> <p>2) Improving the Capacity to Generate Revenues and Profits through Strategic Thinking</p>	<p>3 GOOD HEALTH AND WELL-BEING</p>  <p>Provide medical products globally</p> <p>We support medical devices with safe and reliable compound products. RIKEN TECHNOS products are hygienic and designed to ensure that medical devices operate smoothly, reducing the burden on both patients and medical professionals.</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>EV product development</p> <p>We will deliver a wide range of products, including charging cable covering materials and sensor covers.</p> 
<p>3) Realizing a Production Structure that Reflects the Thorough Pursuit of Efficiency</p>	<p>6 CLEAN WATER AND SANITATION</p>  <p>Appropriate management of chemical substances and waste</p> <p>In all processes from product development to disposal, we control chemical substances and waste in order to reduce the environmental impact of environmentally hazardous substances.</p> 	<p>3 GOOD HEALTH AND WELL-BEING</p>  <p>Expand sales of medical materials</p> <p>We develop and sell products that provide antimicrobial, antiviral (SIAA), deodorant, disinfectant, stain-resistant, and insect repellent functions.</p> 
<p>4) Contributing to Sustainable Societies</p>	<p>6 CLEAN WATER AND SANITATION</p>  <p>Conserving water</p> <p>In the event of a disaster, high-performance wrap can reduce the amount of washing water used. Food wrap is delivered to the affected areas as relief supplies.</p> 	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 
<p>5) Strengthening Corporate Foundations through Management Emphasizing Human Resource Development and Governance</p>	<p>1 NO POVERTY</p>  <p>Ongoing support</p> <p>We will continue to donate through United Way, etc.</p> 	<p>4 QUALITY EDUCATION</p>  <p>Supporting the future generation</p> <p>We will provide scholarships to students and services to schools in the communities where we are located. We also support students who work hard through the production of the "YUME-Lab" TV program.</p> 



The RIKEN TECHNOS GROUP will contribute to the creation of a sustainable society. We will also strengthen our efforts towards the SDGs, which are universal goals in the 2030 Agenda for Sustainable Development adopted at a United Nations Summit. The entire RIKEN TECHNOS GROUP will strive to identify and resolve goals in accordance with the five major tasks set forth in the new three-year mid-term business plan.

SDGs common to all major tasks

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Respond to social needs such as recycling, weight reduction, and food loss reduction

For example, we will expand sales of elastomer compounds with excellent recyclability as rubber substitutes.



Film products play a role as paint substitutes and contribute to reducing VOCs. In addition, metallic films used as metal replacement parts contribute to weight reduction.



In food packaging, we contribute to reducing food loss by keeping food hygienic and preserving excess food.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Contributions to the information society

RIKEN TECHNOS electromagnetic shielding materials and high-speed transmission materials (5G compatible) are indispensable products for the information society.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Increasing production efficiency

We will continue to increase production efficiency through manpower reduction and automation. Increasing production efficiency can improve the working environment and reduce material and energy losses. We will continue our efforts to improve efficiency.



17 PARTNERSHIPS FOR THE GOALS

Our partnerships with stakeholders are indispensable for addressing all major tasks. The RIKEN TECHNOS GROUP will work with everyone to realize "More Value to All 2021: Generating Greater Value Together!"

Contributing to renewable energy

Elastomer compound Trinity® FR is used in solar cable coatings to support clean energy transmission.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CO₂ reduction, waste reduction and chemical control

These are the major environmental tasks being tackled by the RIKEN TECHNOS GROUP throughout all value chains



13 CLIMATE ACTION

Flood control by tree planting

We plant trees every year in Indonesia to prevent repeated floods.



5 GENDER EQUALITY

Promoting active participation of women

We will promote the active participation of women globally.



8 DECENT WORK AND ECONOMIC GROWTH

Occupational safety and health and human resource utilization

We are strengthening our efforts and consider occupational safety and health as one of the most important foundations of our corporate activities. We will also promote diversification of human resources through internal recruitment, etc.



10 REDUCED INEQUALITIES

Utilizing diverse human resources

We will employ diverse human resources and provide opportunities for them to play active roles.



Outline of RIKEN TECHNOS GROUP

Corporate Profile (As of March 31, 2019)

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: 1,882 Non-consolidated: 668
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 businesses: 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, electro-conductive compounds, anti-static compounds and biomass plastics compounds etc.

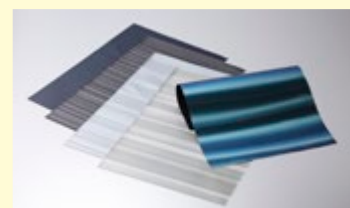


Film Business

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

The Japanese economy in fiscal 2018 (ending March 31, 2019) continued to show a gradual recovery trend as capital investment increased and the employment and income environment improved.

Overseas, the US economy remained strong, centered on personal consumption and private capital investment, while the European economy remained steady, centered on domestic demand. The Chinese economy has been on a moderate slowdown due to the influence of trade disputes between China and the US.

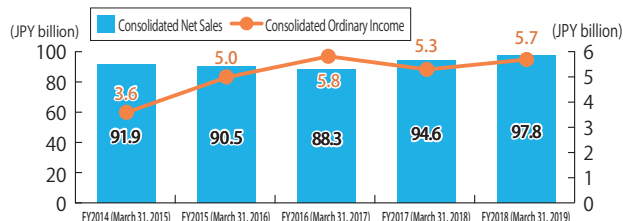
Against this backdrop, the RIKEN TECHNOS GROUP carried out various initiatives in the final year of its three-year medium-term management plan. In terms of manufacturing, we expanded

facilities at local subsidiaries in Thailand and Indonesia to meet the strong demand in the ASEAN region and increased rationalization of facilities in Vietnam and the United States, where market growth is expected in the future. In terms of sales, we have strengthened marketing to the automobile market in China and established a sales company in India as a foothold for expanding into untapped regions. In this way, we have strived to improve business performance by thoroughly and accurately identifying customer needs from a global perspective.

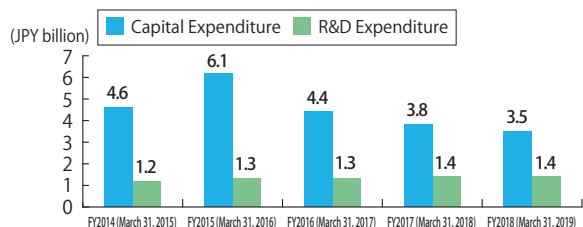
As a result, consolidated net sales were 97.813 billion yen, an increase of 3.4% compared to the previous consolidated fiscal year (hereinafter referred to as “YoY”), consolidated operating

income was 5,761 million yen (up 6.7% YoY), consolidated ordinary income was 5.869 billion yen (up 8.5% YoY), and net income attributable to the shareholders of the parent company was 3.060 million yen (up 20.6% YoY). Consolidated net sales were the highest ever, and consolidated ordinary income and net income attributable to the shareholders of the parent company were record highs.

Changes in Consolidated Financial Results



Changes in Consolidated Capital and R&D Expenditure

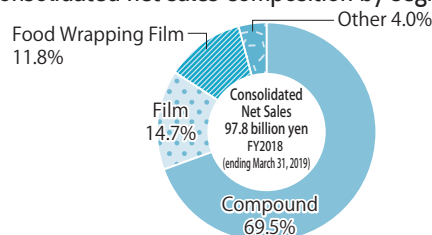


FY2018 (ending March 31, 2019) Financial Results (JPY billion)

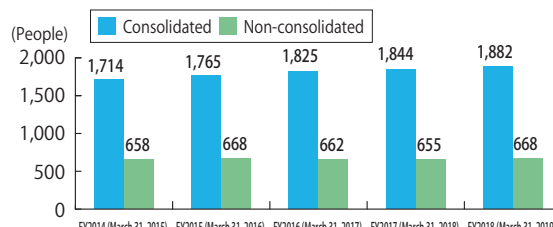
	Consolidated	Non-consolidated
Net Sales	97.8	42.7
Operating Income	5.7	1.8
Ordinary Income	5.8	3.6
Net Income*	3.0	3.0

* Net income attributable to the shareholders of the parent company

Consolidated net sales composition by segment



Changes in Number of Employees



Previous Three-year Mid-term Business Plan – A Look Back

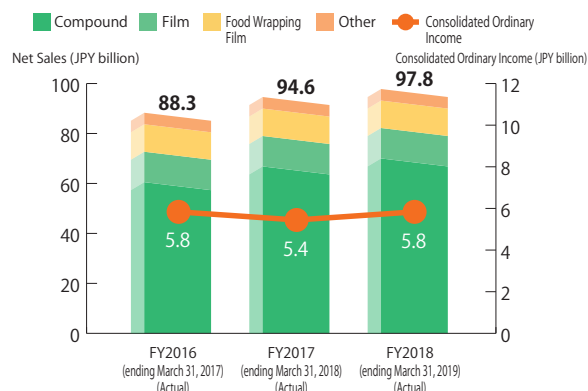


In March 2019, RIKEN TECHNOS GROUP completed its three-year mid-term business plan focusing on five major tasks under the management policy of “ACT NOW! ACT TOGETHER! 2018” and reached record high consolidated sales, consolidated ordinary income, net income attributable to the shareholders of the parent company.

**ACT NOW!
ACT TOGETHER!
2018**

Performance results

Consolidated base	Actual	Plan
Net Sales	97.8 billion yen	110 billion yen
Operating Income	5.7 billion yen	8 billion yen
Ordinary Income	5.8 billion yen	8 billion yen
Net income	3 billion yen	4.5 billion yen
ROS	5.9%	7.0%
ROE	6.4%	8.0%



Major Tasks

We tackled five major tasks.

1. Deepen Global Management of All Businesses

Sales increased globally over the past three years due to increasing production capabilities in Asia and North America and expanding sales bases in Asia.

2. Strengthen Profitability and Financial Structure

Using data analysis, we worked to eliminate various forms of wastes in all processes.

3. Create an Innovative Production System

We worked to improve productivity and shorten delivery times.

4. Establish Business in the Optics Field

Although we won an order for a large-scale project, it was not profitable.

5. Strengthen the Corporate Foundation through Strategic Human Resource Development

We have introduced a new personnel system to foster a vibrant organizational culture.

Networks

The RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 20 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 October 2019



12 RIKEN CHEMICAL PRODUCTS CO., LTD.*



3 Nagoya Sales Office**

7 Nagoya Factory**

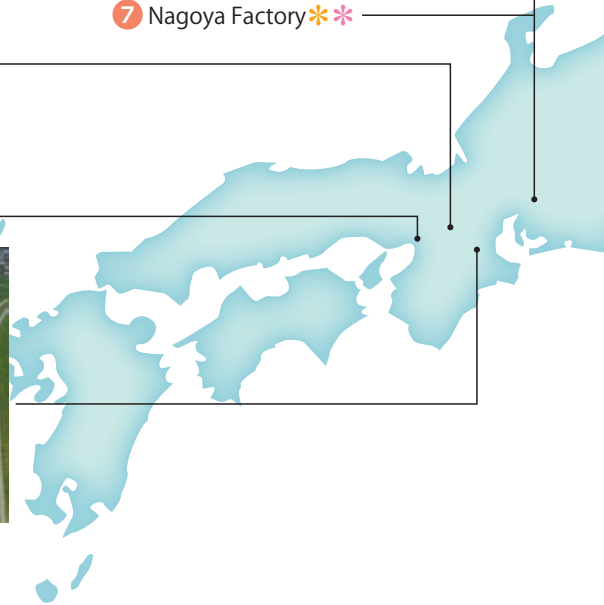


2 Osaka Branch Office**



5 Mie Factory**

8 R&D Center (Mie)**



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, film and food wrapping films	Fukaya-shi, Saitama
5 Mie Factory	Manufacturing of compound, film and food wrapping films	Kameyama-shi, Mie
6 Gunma Factory	Manufacturing of high-functionality film under a clean environment	Ota-shi, Gunma
7 Nagoya Factory	Manufacturing of food wrapping film	Nagoya-shi, Aichi
8 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.

6 Gunma Factory**
8 R&D Center (Gunma)**

9 RIKEN CABLE TECHNOLOGY CO., LTD.**

Various types of electric wire and cables

4 Saitama Factory**
8 R&D Center (Saitama)**

10 KYOEI PLASTICS MFG CO.*

Molded products (POS rail, RIKEN Tape)

11 RIKEN TECHNOS INTERNATIONAL CORPORATION

13 RIKEN FABRO CORPORATION**

PVC wrap

8 R&D Center (Tokyo)**

1 Head Office**

14 I.M.I Co., LTD.

Consolidated Subsidiaries in Japan	Main Business Fields	Address	Capital Stock	Shareholding
9 RIKEN CABLE TECHNOLOGY CO., LTD.	Manufacturing and sale of electric wire and cables	Iruma-shi, Saitama	JPY 48 million	100.00%
10 KYOEI PLASTICS MFG CO.	Molding synthetic resin products and product sales	Chiyoda-ku, Tokyo	JPY 24 million	100.00%
11 RIKEN TECHNOS INTERNATIONAL CORPORATION	Purchasing and sale of molding synthetic resin products	Chiyoda-ku, Tokyo	JPY 10 million	100.00%
12 RIKEN CHEMICAL PRODUCTS CO., LTD.	Manufacturing and sale of polyvinyl chloride and high functionality plastic molding materials	Konan-shi, Shiga	JPY 300 million	100.00%
13 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	100.00%
14 I.M.I Co., LTD.	Floor and wall material wholesale, wall material planning and design services, other construction materials wholesale	Taito-Ku, Tokyo	JPY 30 million	86.00%

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

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

As of October 2019



22 RIKEN VIETNAM CO., LTD. * *
 PVC compounds for medical use



25 RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.



29 RIKEN TECHNOS CORP.
 EUROPE REPRESENTATIVE OFFICE



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



Elastomer compounds for automobile parts



28 RIKEN TECHNOS INDIA PVT. LTD.



General application PVC compounds



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



17 PT. RIKEN INDONESIA * *



PVC compounds for medical use

Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
15 RIKEN (THAILAND) CO., LTD.	Manufacturing and sale of polyvinyl chloride molding materials	Pathum Thani, Thailand	THB 120 million	40.00%
16 RIKEN ELASTOMERS (THAILAND) CO., LTD.	Manufacturing and sale of high functionality plastic molding materials	Ayutthaya, Thailand	THB 300 million	100.00%
17 PT. RIKEN INDONESIA	Manufacturing and sale of polyvinyl chloride molding materials	West Java, Indonesia	USD 11 million	56.22%
18 SHANGHAI RIKEN TECHNOS CORPORATION	Manufacturing and sale of polyvinyl chloride molding materials	Shanghai, China	USD 7.5 million	70.00%
19 RIKEN TECHNOS (JIANGSU) CORPORATION	Manufacturing and sale of food wrapping films	Jiangsu Province, China	USD 13.5 million	92.59%
20 RIMTEC CORPORATION	Manufacturing of polyvinyl chloride molding materials	New Jersey, United States	USD 13.415 million	62.94% (62.94%)
21 RIKEN ELASTOMERS CORPORATION	Manufacturing of high functionality plastic and polyvinyl chloride molding materials	Kentucky, United States	USD 28.741 million	62.94% (62.94%)
22 RIKEN VIETNAM CO., LTD.	Manufacturing and sale of polyvinyl chloride molding materials	Binh Duong, Vietnam	USD 15 million	100.00%

* RIKEN ELASTOMERS CORPORATION's capital includes capital reserve.



24 RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION



27 RIKEN U.S.A. CORPORATION



PVC wrap



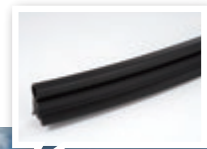
19 RIKEN TECHNOS (JIANGSU) CORPORATION*



20 RIMTEC CORPORATION*



PVC compounds for automobile parts



Elastomer compounds for automobile parts



PVC compounds for automobile parts



18 SHANGHAI RIKEN TECHNOS CORPORATION**



23 RIKEN (SHANGHAI) CORPORATION



21 RIKEN ELASTOMERS CORPORATION*



26 RIKEN AMERICAS CORPORATION

Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
23 RIKEN (SHANGHAI) CORPORATION	Sales and marketing of functional film products	Shanghai, China	RMB 5 million	100.00%
24 RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	Wholesaling and import/export of plastic products	Seoul, South Korea	KRW 1,800 million	100.00%
25 RIKEN TECHNOS INTERNATIONAL VIETNAM CO., LTD.	Wholesaling and import/export of plastic products	Ho Chi Minh City, Vietnam	USD 0.4 million	100.00%
26 RIKEN AMERICAS CORPORATION	Sale of high functionality plastic and polyvinyl chloride molding materials	Kentucky, United States	USD 30 million	62.94%
27 RIKEN U.S.A. CORPORATION	Sales and marketing of functional film products	Michigan, United States	USD 1 million	100.00%
28 RIKEN TECHNOS INDIA PVT. LTD.	Wholesaling and import/export of plastic products	Haryana, India	INR 20 million	100.00% (1.00%)

RIKEN TECHNOS CORPORATION Sites	Main Business Fields	Address
29 RIKEN TECHNOS CORP. EUROPE REPRESENTATIVE OFFICE	Marketing of functional film products	Dusseldorf, Germany

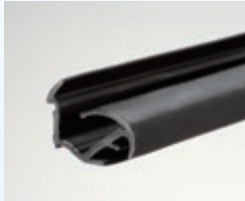
* The figures in brackets in the shareholding column are the ratios of indirectly owned shares, held by our consolidated subsidiaries.

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
- Compound for side mirror seals



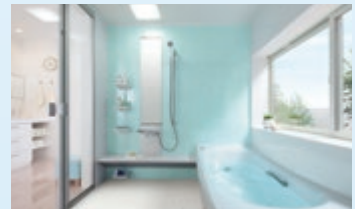
Automotive (Interior) Products

- Compound for shift knobs
- 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 films for kitchen surfaces
- Decorative film for bathroom walls



Medical and Healthcare Products

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



Electrical Equipment Materials Products

- Compound for electric cables
- Compound for machinery power cables
- Film for flexible flat cables



Electronic Materials Products

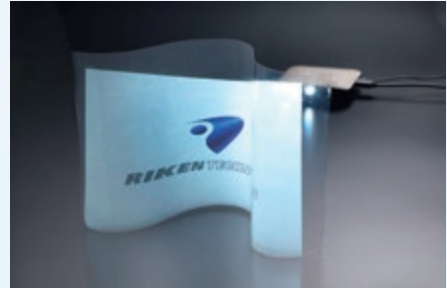
- REPTY DC100 film for next-generation displays
- Films for projection



Mobile devices



Displays for automobiles



Digital signage

Consumer Goods Products

- Compound for pen grips
- Compound for capsule toys
- Compound for records
- Compound for health appliances
- Compound for home appliance hoses
- 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



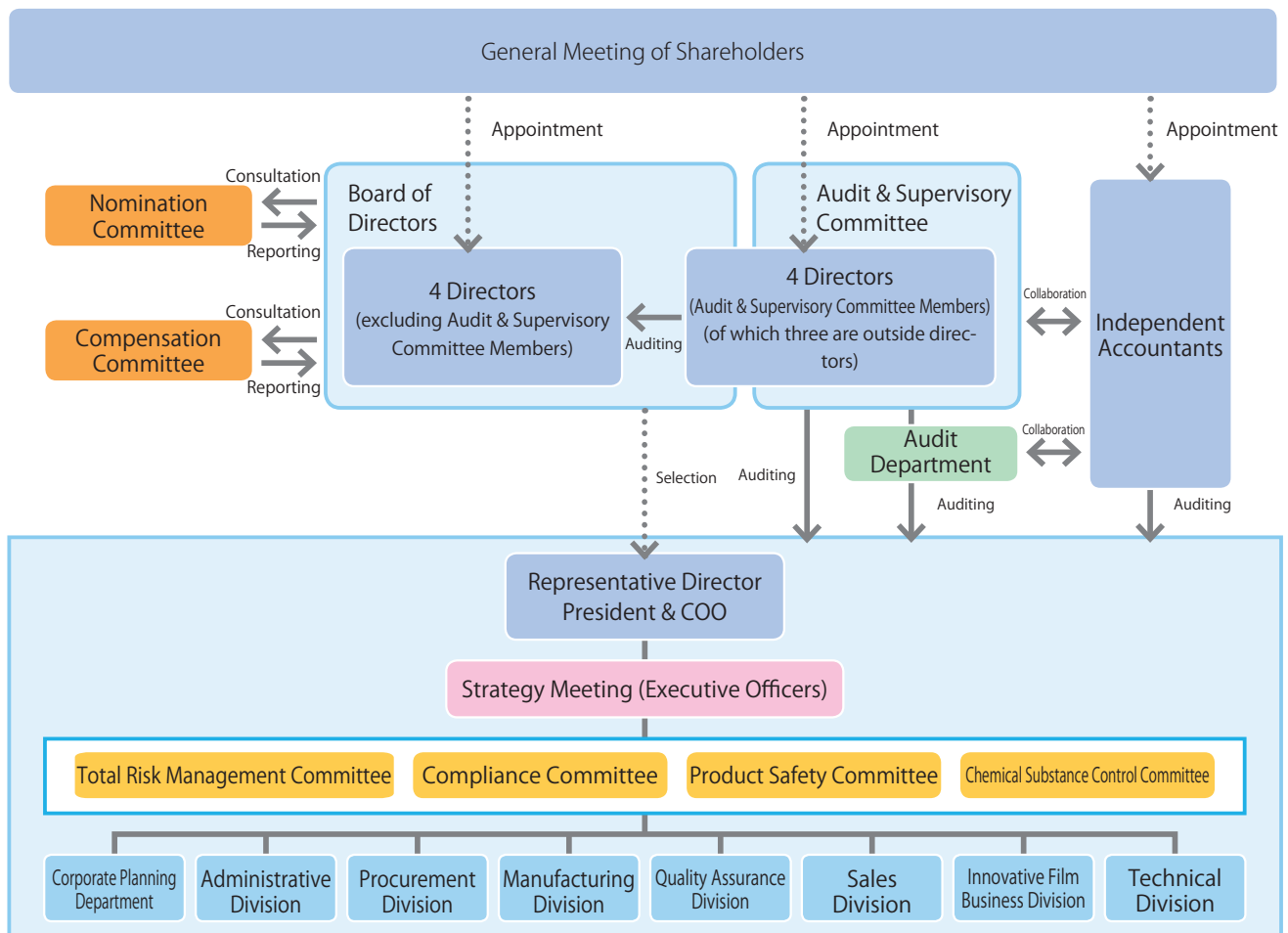
Masato Koizumi
Director,
Full-time Audit & Supervisory
committee Member
RIKEN TECHNOS CORPORATION

In general, corporate governance is defined as "a mechanism for a company to make transparent, fair, prompt, and decisive decisions based on the position of shareholders, customers, employees, and local communities." The proper construction and operation of this system will lead to the sustainable growth of the company and the enhancement of corporate value.

RIKEN TECHNOS endeavors to build a higher quality governance system that meets expectations for social reliability through close collaboration and cooperation between the Audit and Supervisory Committee and the Audit Department and Independent Accountants on business audits and accounting audits, etc.

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



Takayuki Hayakawa
Outside Director,
Audit & Supervisory
Committee Member
RIKEN TECHNOS CORPORATION

Three out of the eight directors at RIKEN TECHNOS are independent outside directors. As members of the Audit & Supervisory Committee, we aim to further improve the transparency and fairness of the management's decision making by diligently auditing, supervising, and advising the management from an independent standpoint, while placing importance on the perspectives of our stakeholders, such as shareholders and suppliers.

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, ensuring that all business activities comply with laws and regulations, and are effectively administered in accordance with management rules. It also carries out inspections and assessments to determine whether management rules are functioning appropriately for the purpose of achieving management targets.

Provisions concerning Employees Assisting the Work of the Audit & Supervisory Committee, 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 2019 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 Senior General Manager of the Sales & Marketing Division



Gakuyuki Kajiyama
Director,
Managing Executive Officer,
Senior General Manager of Sales &
Marketing Division
RIKEN TECHNOS CORPORATION

From the market-oriented perspective, the Sales Division has been reorganized as a four-business unit system: Transportation, Daily Life & Healthcare, Electronics, and Building & Construction. These new business units work with all division as well as domestic and overseas subsidiaries to deliver products that meet the customer's demands globally.

We aim to become a leading company that supports comfortable living where, everyone push forward together as one.

Messages from Officers and Division General Managers



Hirofumi Otani
Senior Executive Officer,
Senior General Manager of
Innovative Film Business
Division
RIKEN TECHNOS
CORPORATION

The Next Generation Film Division will develop and sell unique film products for creating a prosperous future. We will make full use of our innovative optics technology and promote industry-academic collaboration as well as collaboration with external companies to quickly create even more value.

With "beautifully", "lightly" and "safely" as keywords for future spaces (mobility, cityscape, signage, medical care, information equipment, etc.) we will decorate the cityscape of the world, contribute to weight reduction of future mobility, and create a comfortable spaces with next-generation film useful for the global environment.



Hitoshi Sugino
Executive Officer,
Senior General Manager of
Technical Division
& General Manager of R&D
Center
RIKEN TECHNOS
CORPORATION

Under the theme of "Aiming to become the leading provider of comfort for all living spaces" we are focused on the providing products and services that contribute to environment and society. In research and development, we are committed to "More Value to All" and are focusing on technology and product development that leads to solutions to environmental problems such as climate change and marine plastic waste. In order to realize a sustainable society and create a future where people can live with smiles, we will take on the challenge of research and development to create the future with plastic materials that can change various substances into optimal things.



Yukiteru Minowa
Associate Director
General Manager of Sales &
Marketing Division
Sales & Marketing Strategy
Office & Sales & Marketing
Management Dept.
RIKEN TECHNOS
CORPORATION

The Sales & Marketing Strategy Office was established in FY2019, and its mission is to maximize the functionality of each business unit in order to realize the "More Value to All" management policy of the new three-year mid-term business plan.

We will strengthen our efforts in terms of sales and marketing strategy to ensure that the RIKEN TECHNOS GROUP is a leading company that delivers the value to everyone and provides comfort in all living spaces.

We will increase the operating income of the RIKEN TECHNOS GROUP by strengthening our corporate structure through strategic thinking with a global management perspective.

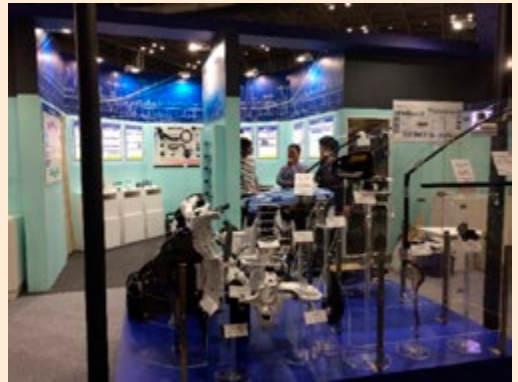
Participation in the Automotive Engineering Exposition 2019

Automotive Engineering Exposition 2019
 Duration: May 22 – May 24, 2019
 Location: PACIFICO Yokohama Exhibition visitors: 95,900

The Automotive Engineering Exposition, where we exhibit every year, is an automotive technology exhibition for engineers and researchers working at the forefront of the automotive industry. The automobile industry is currently facing a major transition period, with entirely new technologies bringing about evolution. In the exhibition hall, exhibitions aimed at the move away from internal combustion engines and automated driving are becoming more common year by year. With the move away from internal combustion engines, changes in heat resistance demands have led to a switch from conventional rubber parts to resin parts and with autonomous driving, quietness and a new direction with vehicles as a moving spaces

are leading to changes in requirements related to electromagnetic waves in automatic operation and other various new technologies are being introduced. At our booth, we exhibited resin materials as alternatives to rubber materials, especially for functional parts. By attaching and displaying parts to a transparent acrylic model, we made switching to resin products easy to understand. For compound products, we exhibited the outer appearance of the covering material using our electromagnetic shielding compound and sliding material compound, which are our company strengths. With our film products, we exhibited high-quality designs and our commitment to the beauty that can be expressed with materials.

○Description of exhibited products



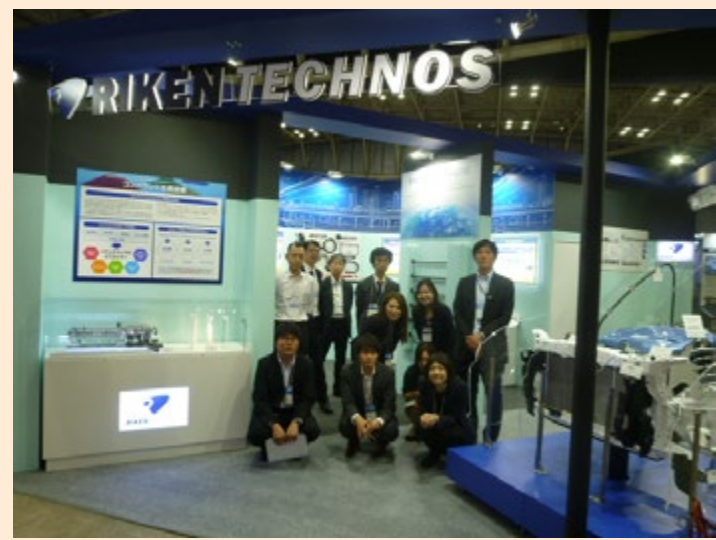
Acrylic model



Mieruda28, a model of a compound mixing process



Decorative film for interior and exterior (RIVIC)



Product Quality Assurance

Message from the Senior General Manager of the Quality Assurance Division



Michihisa Tasaka
Senior Executive Officer,
Senior 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 supply 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 of our Japanese and overseas affiliates, promoted 5S activities, and implemented version control to ensure that the latest versions of raw materials and product specifications are being used. 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.

From this fiscal year, we will automate some quality inspections, manage data statically, and analyze past defects using machine learning to improve quality control efficiency, streamlining and rationalization.

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 as needed, and give instructions for implementation to other divisions and departments.

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

ISO 9001 (2015) Certification Registration date: September 14, 1998
Expiration date: August 30, 2022

Product Development Safety Considerations

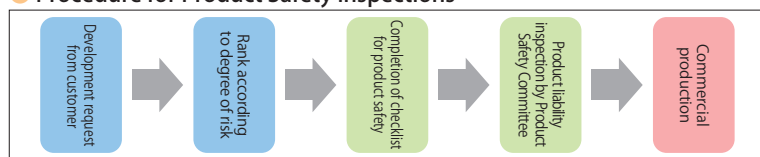
Handling of Product Liability

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*.

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.

* RoHS2 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.

Handling of Complaints

In fiscal 2018, we focused on statistical management for early recognition of abnormalities and quality audits to ensure compliance with work standards. Defects due to insufficient facility management decreased, but measures to prevent recurrence were insufficient. In this fiscal year, we will continue to promote TPM activities as in the previous year, and proceed with logical thinking activities to identify the root cause and find effective recurrence prevention measures.

Relationship with Shareholders

We greatly appreciate the support of our shareholders.

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.

To ensure that our shareholders fully understand the meeting agenda, we send out the meeting notice early and post the agenda on our website before sending it out. Additionally, we have enabled voting through the Internet and translate the meeting notice into English 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 2019 was 8 yen per share, up by 2 yen year-on-year. As a result, the total annual dividend, including the interim dividend, reached 14 yen per share.

Fiscal Year (Recorded Date)	Dividend per Share		
	Interim	Year End	Annual
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
FY2017 (March 31, 2018)	JPY 6.00	JPY 6.00	JPY 12.00
FY2018 (March 31, 2019)	JPY 6.00	JPY 8.00	JPY 14.00

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.

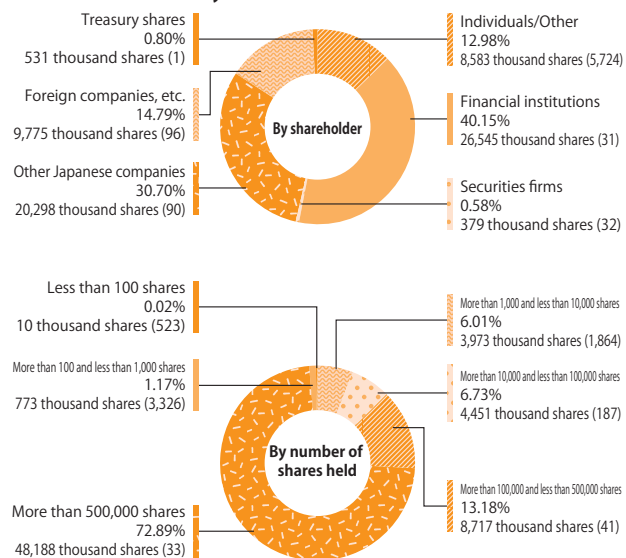
A page related to finance and investor relations is provided on RIKEN TECHNOS's official website. Upon formal disclosure through press releases of the latest financial results summaries, securities reports, and other timely disclosure material, the information is listed on the page without delay.

Status of Shares and Shareholder Composition (As of March 31, 2019)

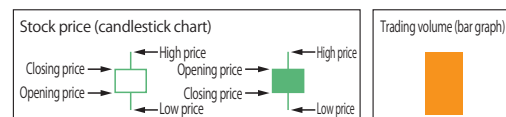
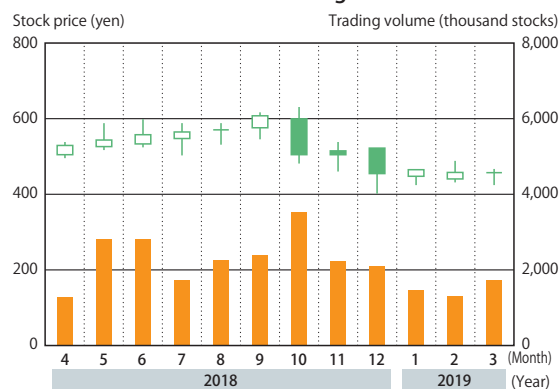
Status of Shares

Total amount of authorized shares	236,000,000
Total amount of issued shares	66,113,819
Total number of shareholders	5,974

Status of Shares by Shareholder and Number of Shares Held



Trends in Stock Price and Trading Volume



Relationship with Business Partners

Message from the Senior General Manager of the Procurement Division



Takeshi Sugie
Executive Officer
Senior General Manager of
Procurement Division & General
Manager of Logistics Department
RIKEN TECHNOS CORPORATION

The Procurement Division works to make various proposals and cooperate with domestic and overseas business partners on many items related to materials and logistics. In addition, as we expand globally, we will promote the SDGs under the keyword “sustainable procurement”.

In the first year of the new three-year mid-term business plan “More Value to All 2021: Generating Greater Value Together!,” we will further contribute to a sustainable society in cooperation with our business partners.

The RIKEN TECHNOS GROUP promotes the establishment of supply chains based on global purchasing policies and green procurement standards. In addition, we are expanding our procurement contacts and working to achieve competitive materials procurement in order to continually reduce costs.

Procurement Policy

1 Fair Procurement Transactions and Select

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

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 with confidential information from our business partners and procure with a focus on the social norms and relevant laws in each country.

4 Transaction standards

When making a purchase, we will make a comprehensive decision from the perspective of QCD+S, taking into account the business conditions of the supplier.

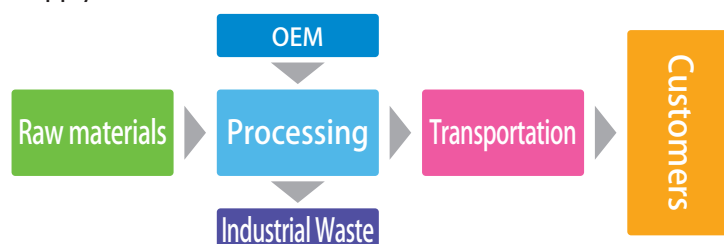
5 Global Procurement System

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

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 FY2018, we carried out quality audits including environmental matters of 16 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 affiliates within the scope of this standard and changed it to the RIKEN TECHNOS GROUP Green Procurement Standard in August 2009, which was later revised in 2015.

* 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, adhesive materials, and release paper—as well as secondary materials such as packaging materials, and fuels.

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 report on the environment-related substances specified by our company

Reporting of measurement data on the ten substances specified in RoHS2*, as well as information on the content of chemical substances subject to laws and regulations, such as the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., the Industrial Safety and Health Act, and the REACH Regulation

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 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 and other stationery, copying machines, PCs and other OA equipment, automobiles, and others that are purchased or leased by our company's head office, branch offices, sales offices, factories, and R&D centers.

● Requirements

Must satisfy standards in accordance with the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Act on Promoting Green Procurement) 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.

* See the note on page 28.

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.

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.

G-Mark Certification

Registration date: December 14, 2017 Expiration date: December 31, 2020

ISO 9001 Certification

Registration date: May 9, 2003 Expiration date: May 8, 2021

Motegi Co., Ltd.

G-Mark Certification

Registration date: December 20, 2007
Expiration date: December 31, 2019

ISO 9001 Certification

Registration date: March 10, 2000
Expiration date: April 1, 2022

ISO 14001 Certification

Registration date: October 29, 2004
Expiration date: April 1, 2022

Transportation Volume and CO₂ Volumes Generated

Transportation	FY2016	FY2017	FY2018
Transportation Volume (tkm)	27,139,548	28,738,308	28,485,895
CO ₂ Amount Generated (t-CO ₂)	4,711	4,988	4,944



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 introduces initiatives being taken in Japan and overseas.

Initiatives in Japan



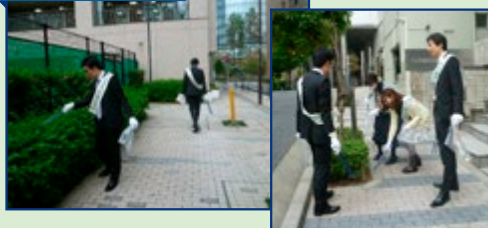
Environmental initiatives

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).

Head Office



Employees participated in the Chiyoda Ward cleanup as the first initiative at the head office.

Mie Factory



Employees picked up trash around the factory, mainly in the vicinity of neighboring houses.



Children's mikoshi

Mie Factory



Mie Factory supported lively children carrying a mikoshi (portable shrine) in Kabano-cho.

From April 2018

April

May

June

July

August

September



Blood donation event

Saitama Factory



We hosted a blood donation event conducted by the Red Cross Blood Center



CPR & first aid training

Saitama Factory



At the Saitama Factory, a lecturer was invited from the Fukaya City Fire Department, and employees took lifesaving training class. They learned cardiopulmonary resuscitation using AED and dolls.



Contribution



Next generation



Interaction



Environment

Saitama Factory

Support for Summer Festival held by neighborhood community association

A portable shrine carried by children from three local community associations came to the Saitama factory. This has become a summer tradition at the Saitama Factory



Support for and participation in the Kameyama City Summer Evening Festival

We participated in the Kameyama City Summer Evening Festival that has taken place since the days when Kameyama City was Kameyama-cho, and sold mitarashi dumplings and RIKEN FABRO's food wraps. This time, for the first time, a free ticket for mitarashi dumplings was distributed to the nearby residents and it was a good opportunity to interact with the local residents.

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.

Saitama Factory



Mie Factory



Three energetic students from Kameyama Junior High School visited on an internship.

Here are the thoughts of two students who participated in the workplace experience event held in the Saitama Factory in February 2019. (Excerpts)

Saitama Factory: Student representative (mechanical engineering studies, Saitama Prefectural Kumagaya Technical High School)

I learned a lot from RIKEN TECHNOS. In particular, there were three things that impressed me. The first is that the people in the workplace were very kind and taught me everything carefully. They taught me well when there was something that I didn't understand during my practice. The second is that a lot of indispensable things are made for our lives. I was surprised by the creation of familiar items such as food wraps and films. Third, work is quick. I was very impressed with the quick movements when working. I had a lot of experiences over the four days. Thank you very much everyone at RIKEN TECHNOS.

Saitama Factory: Student representative (electrical engineering studies, Saitama Prefectural Kumagaya Technical High School)

Through this internship, I was able to feel the difficulty and fun of working. In particular, the packaging work does not allow mistakes and it requires power, but I was glad that I could overcome it. I felt the joy of working when I replaced the bearings of the motor and assembled the electric circuit because I was able to move the motor with the circuit I made after being instructed by the people in charge. Although it was a short four days, I learned a lot through the internship. I think what I learned here will be a lifelong asset in my life. I would like to make use of it in my future school life.



We sponsored the Fureai Carnival in Okabe.



We co-sponsored the fireworks event at the Okabe Cosmos Festival.



2019

October

November

December

January

February

March



Fire Hydrant Operation Seminar

Saitama Factory



We participated in the Fire Hydrant Operation Seminar held at the Fukaya Fire Department. Unfortunately, it was raining on the day of the seminar and it was canceled, but we practiced hard for the seminar.



Traffic safety lectures

Mie Factory



A traffic safety lecture was given by the Kameyama Police Department of Mie Prefecture.



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.



Initiatives Overseas

This section describes overseas initiatives at RIKEN ELASTOMERS CORPORATION in the United States, RIKEN (THAILAND) CO., LTD. in Thailand, RIKEN TECHNOS (JIANGSU) CORPORATION in China, and PT. RIKEN INDONESIA in Indonesia.

Message from an Officer



Toshimi Yamanaka
Executive Officer
RIKEN TECHNOS CORPORATION
President, RIKEN AMERICAS CORPORATION and Managing Director, RIKEN ELASTOMERS CORPORATION

RIKEN ELASTOMERS CORPORATION, located in Hopkinsville, Kentucky, has been actively participating in community contribution activities since its founding in 2006. With RIKEN AMERICAS CORPORATION, the parent company founded in 2016, the scope of its activities has been expanded.

For local children, a reading party is held at an elementary school around November every year. Employees go to the school, read books to children, and have various discussions. This is a very meaningful opportunity for children as well as employees.

In addition, through groups such as Boys & Girls Club, United Way, and Pennyriple Area Development District (PADD), which celebrated its 50th anniversary this year, we participate in events and donation activities with volunteers from companies and employees.

We will move forward, under the belief that expanding community contribution activities for children in the future is one step toward creating social and economic value together with the surrounding area.

Initiatives at RIKEN ELASTOMERS CORPORATION

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

Boys and Girls Club

Employees participated in the lunch party at the Boys and Girls Club. The children who received support showed their energy as they performed in front of the audience and guided tours of the facilities. Their experience in this organization seems to have had a very positive effect on their lives.

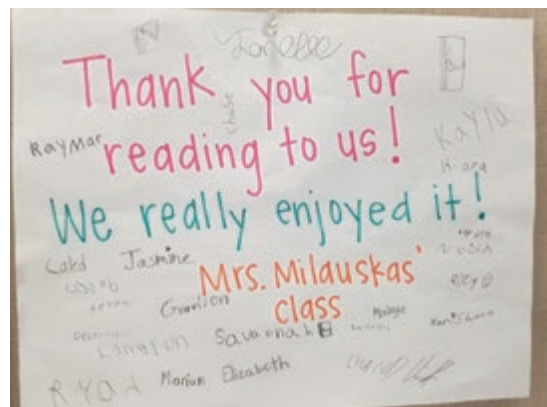


Book reading at Pembroke Elementary School

RIKEN ELASTOMERS CORPORATION and RIKEN AMERICAS CORPORATION participated in Pembroke Elementary School Community Reader Day and read books to children. The children seemed very pleased and presented an autographed gift to the contributors.



Ms. Kim Wilcox



Officer Message



Shunichi Ueyama
Associate Director
RIKEN TECHNOS CORPORATION
President, RIKEN (THAILAND)
CO., LTD.

Since its establishment in 1982, RIKEN (THAILAND) CO., LTD. has respected Thai culture and deepened its relationship with local communities and employees.

In relation to employees, we have a scholarship system to support the education of the children who will be responsible for the future of Thailand.

We hope these children will study hard when they are young and become respectable citizens to help Thailand advance in the future.

In FY2018, the system gave out a scholarship of THB 5,000 each to 13 students.

Going forward, we will continue to contribute to the region.

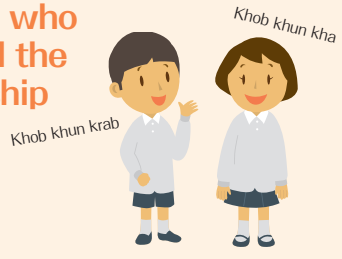
Initiatives at RIKEN (THAILAND) CO., LTD.

RIKEN (THAILAND) CO., LTD. has a scholarship system to promote the education of our employees' children and support low-income employees. In FY2018, the system gave out a scholarship of THB 5,000 each to 13 students. Of 13 students, one was a first grader, three were second graders, two were fourth graders, one was a sixth grader, two were seventh graders, one was an eighth grader, one was a ninth grader and two were first year high school students.



FY2018 recipients of the RIKEN (THAILAND) CO., LTD. scholarship

Children who received the scholarship



Kanyanat Sridhi
First grader



Child of Somsak Sridhi

Narinipha Sombun
Second grader



Child of Taweesak Sombun

Phuritat Pimkan
Second grader



Child of Jirayus Pimkan

Tamonwan Bunchart
Second grader



Child of Prasong Bunchart

Rawinnipha Kotama
Fourth grader



Child of Amphan Kotama

Warinthorn Prachanok
Fourth grader



Child of Uthit Prachanok

Kornwarin Nuamthong
Sixth grader



Child of Suchart Nuamthong

Nathanicha Phumisakorn
Seventh grader



Child of Arthit Phumisakorn

Nathanon Phuengto
Seventh grader



Child of Marnoch Phuengto

Wiphawee Phuwiphak
Eighth grader



Child of Wirut Phuwiphak

Sayamon Kamdee
Ninth grader



Child of Thanawut Kamdee

Natchaya Wongcharuenthaworn
First year high school student



Child of Sunantha Jaicharuen

Rinrada Sangmanee
First year high school student



Child of Juthamas Kwanthaworn

Relationship to Society



Community Involvement and Development



Shown below are letters of appreciation received from some of the scholarship recipients. (Translated into Japanese by local staff.)

Mr. Phuritat Pimkan

I am glad to receive a scholarship. Thank you RIKEN. I will use this scholarship in the most useful way. I will study carefully and help my parents with housework. Since to my father works at RIKEN, I had this opportunity to receive this scholarship. I am very happy. Thank you very much



Ms. Wiphawee Phuwiphak

Thank you very much for your scholarship. When I heard about the scholarship from my father, my grades in seventh grade were not so good, so I thought it might be difficult to obtain. A few weeks later, I was very happy to hear from my father that I received a scholarship. Thank you for giving me a good opportunity. When I came to the company, I received delicious sweets. Lastly, I wanted to say "Thank you" to the management in Japan.



Ms. Natchaya Wongcharuenthaworn

First of all, thank you for your scholarship. I will use this scholarship to study seriously and be most useful. This is the third time I have received a scholarship. Thank you very much. I will study harder. I have received scholarships since I was an elementary school student. Thank you for your continued support. Thank you very much.



Officer Message



Yukihiro Sekine
President
RIKEN TECHNOS (JIANGSU)
CORPORATION
RIKEN TECHNOS CORPORATION

Since its establishment in 2003, RIKEN TECHNOS (JIANGSU) CORPORATION has been actively recruiting local senior citizen personnel as cleaning and guard personnel. China has a lower retirement age than Japan, and we continue to hire senior citizen personnel to enhance employment in the region. Currently, 7 out of 62 employees are senior citizen contract employees.

In order to contribute to the beautification of the community, all employees continually clean the premises.

RIKEN TECHNOS (JIANGSU) CORPORATION will continue to make various efforts to become a company rooted in the region.

Initiatives at RIKEN TECHNOS (JIANGSU) CORPORATION

At RIKEN TECHNOS (JIANGSU) CORPORATION, all employees began cleaning the inside of the factory and its surrounding area as part of the 6S (sort, set in order, standardize, shine, sustain, and safety) methodology.



Senior citizen cleaning personnel



Officer Message



Toshiyuki Sato
Associate Director
RIKEN TECHNOS CORPORATION
President, PT. RIKEN INDONESIA

PT. RIKEN INDONESIA has held Eid al-Adha (Festival of the Sacrifice) every year since 2008. Eid al-Adha takes place two months after the Ramadan Fasting Festival called Eid al-Fitr. Every year, as part of CSR, employees attend and share meat from the sacrificed cattle and goats. We also donate goats directly to the villages around the factory.

Through this festival, we maintain good relationships with employees, their families and the people around the factory.

In addition, this year we plan to donate bathroom and toilet facilities and repair schools to improve the environment of Pantai Bahagia Village, a village we visited for mangrove tree planting last year.

Initiatives at PT. RIKEN INDONESIA

Eid al-Adha (Festival of the Sacrifice)

PT. RIKEN INDONESIA participates in Festival of the Sacrifice every year to interact with employees and local residents. This year, we provided three cattle to the factory ceremonies and six goats to the local village.



Mangrove-planting activities

PT. RIKEN INDONESIA has been carrying out mangrove-planting activities. In 2018, we planted mangroves in Pantai Bahagia Village, which has been repeatedly hit by floods and where many poor people live. It takes a small 10-person boat about two hours on the river to reach the village. Under the blazing sun, the villagers, including small children, welcomed us with a pitched tent. PT. RIKEN INDONESIA employees planted about 100 seedlings and donated 3,000 mangrove trees.





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.



Rekiyo Endo

1 Thoughts after appearing in a YUME Lab episode

It was a precious opportunity for me to let more people know about my activities, and I was glad that my friends that I work together with were also happy that I appeared on TV. I felt very honored to appear on the 100th episode. I am very grateful for the encouragement to students who pursue big dreams.



2 Current and future activities



I am working on parnovi, a word-of-mouth SNS that allows users to search for pet services from photos posted by pet owners. With parnovi you can find pet services that suit your pet from the reviews and evaluation of your services and stores used by your

fellow pet owners and other owners you are curious about. A trust score is clearly specified for each account and owners and stores with high scores can benefit more. As a result, the pet society, which has a two-way conflict between ethics and making money, will be changed to a pet society where ethically correct people will be rewarded and achieve a sustainable solution to social issues. Currently (July 2019), we have released a web version, and we are working to improve the appeal of the service by conducting hypothesis testing on what functions and designs are required. Going forward, we plan to release the app in the fall and aim to make it available to more owners.



Visit this page for more information on their activities

www.yume-lab.jp

Mizuki Takamatsu

1 Thoughts after appearing in a YUME Lab episode

I received many thankful voices including "Ms. Takamatsu was that kind of person!" and "My image of public speaking has changed!" Usually, I was promoting public speaking activities centering on photos and text; however the impact of videos was great, and I was able to introduce myself just by sending a URL. Using this as an opportunity, I would like to use YouTube, etc. to improve my ability to communicate. I want to express my sincere appreciation to the staff for making this wonderful broadcast.



2 Current and future activities

Current activities: Hold a public speaking contest with no age limit for the first time in history/Use manga to spread public speaking as a form of study



Currently, I have three main activities. (1) Planning and implementing corporate training (public speaking lectures): I'm currently making a substantial improvement to the training program and teaching materials with pamphlets, etc. scheduled to be released later this year. It has been very well received by companies including those listed on the first section of the Tokyo Stock Exchange.

(2) Organizing the Public Speaking Contest: The first Takamatsu Cup All Japan Public Speaking Contest was held on Saturday, January 12, 2019 in Takamatsu City, Kagawa Prefecture. There were applications from all over the country, and 10 people participated with no restriction based on gender or age. The second will be held in Tokyo. (3) Research and content creation for Japanese Public Speaking Studies: We are creating an informative manga based on the debate literature of published in the Meiji period.



Future activities: This time, I have finally powered up from my personal activity called "Benron (public speaking) Girl" and launched a new public speaking organization, Benschido (art of public speaking) Institute (*official website will be released soon). Going forward, I have decided to take full-fledged work as a professional training instructor. My goal is to publish a book while I'm in my twenties and make a mechanism so that even if I'm not there, my public speaking lectures will spread.



Students who have appeared in the program in the past

<p>"Create a society where everyone can speak about their dreams regardless of age."</p>  <p>#80: Mizuki Takamatsu Hokkai-Gakuen University >6th year student</p>	<p>"Make the world more interesting with diverse connections."</p>  <p>#81: Shun Kurosawa Tokyo University of Foreign Studies >1st year student</p>	<p>"Energize the region with powerful smiles."</p>  <p>#82: Hinako Suzuki Gifu Prefectural Bida High School >3rd year student</p>	<p>"Show children as they are to as many people as possible."</p>  <p>#83: Masanobu Hori Keio University >3rd year student</p>	<p>"Create 0 → 1 with friends."</p>  <p>#84: Kaori Nishii Kindai University >6th year student</p>
<p>"I want to create a world where each person can accept who they are and recognize and respect each other as different."</p>  <p>#85: Ken Kokaji Aoyama Gakuin University >2nd year student</p>	<p>"Create an international school in Yamagata."</p>  <p>#86: Masayoshi Takahashi Yamagata University >4th year student</p>	<p>"I want our activities to become models that spread throughout Japan."</p>  <p>#87: Yuki Watanabe Shizuoka Institute of Technology >3rd year student</p>	<p>"Spread cosmopolitanism as food culture and create new subjects."</p>  <p>#88: Kouki Minegishi Chuo University >4th year student</p>	<p>"I want to solve all the problems faced by athletes."</p>  <p>#89: Ryotaro Ishida Mitsubishi University of Medical Sciences >6th year student</p>
<p>"A world where everyone can work on what they are interested in."</p>  <p>#90: Toshihiko Kawai Bizenkan University >3rd year student</p>	<p>"A society where everyone can be tolerant of each other's values."</p>  <p>#91: Tokuyu Ko The University of Tokyo >3rd year student</p>	<p>"Increase the number of people who live colorfully in their own way."</p>  <p>#92: Yutaro Masuda Chuo University >6th year student</p>	<p>"Become a teacher who connects school, home, and community."</p>  <p>#93: Takuro Iida Chiba University >4th year student</p>	<p>"I want to change society with new technology."</p>  <p>#94: Takehiro Hasegawa University of Tokyo >2nd year student</p>
<p>"Create the coolest magazines and expand student values."</p>  <p>#95: Jyo Nakamura Bijyo University >3rd year student</p>	<p>"Increase the number of people who are honest about what they like."</p>  <p>#96: Tomoka Imai Nippon University >3rd year student</p>	<p>"Make strawberry daifuku dumplings a staple at convenience stores."</p>  <p>#97: Koshi Tani Waseda University >6th year student</p>	<p>"Bring Africa closer."</p>  <p>#98: Masaya Inagawa Waseda University >5th year student</p>	<p>"Change conventional town planning."</p>  <p>#99: Tsubasa Oinuma Tohoku University of Art and Design >3rd year student</p>
<p>"Create a society where humans and animals can coexist comfortably with each other."</p>  <p>#100: Rekiyo Endo University of Tokyo >6th year student</p>	<p>"Become an Africa information sharing base to draw the start line of everyone's dreams."</p>  <p>#101: Naoya Tatsuzawa Tohoku University of Art and Design >3rd year student</p>	<p>"Creating a culture in which young people can take on challenges"</p>  <p>#102: Yuki Takahashi Tohoku University >3rd year student</p>	<p>"Create a legacy for Fukushima through 2020 Tokyo Olympic and Paralympic Games!"</p>  <p>#103: Chihiro Akaike Fukushima University >4th year student</p>	<p>"Continue to produce with paper."</p>  <p>#104: Shunsuke Egi Waseda University >2nd year student</p>

RIKEN TECHNOS Presents

Following the Dreams of Students Who Take on Challenges.

夢らぼ

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

DREAM LABORATORY

BROADCAST EVERY SATURDAY at 6:55 p.m.

Produced by BS12on TVeriv / RIKEN TECHNOS CORPORATION / YADUMABU PROJECT Co., Ltd.
Production Collaboration: JFN / Kanjaya

New episodes every other week.

BS12
トワエルビ



As a challenger that harnesses the power of science, RIKEN TECHNOS will continue to support these aspiring students.

See pictures from the show on the official website!
www.yume-lab.jp
(Japanese language only)

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 Senior General Manager of the Administrative Division



Junji Irie
 Director
 Senior Managing Executive Officer
 Senior General Manager of
 Administrative Division
 & Senior General Manager of
 Corporate Planning Division
 RIKEN TECHNOS CORPORATION

RIKEN TECHNOS started a new three-year mid-term business plan in April 2019, and one of our major tasks is “Strengthening Corporate Foundations through Management Emphasizing Human Resource Development and Governance.” In 2018, we updated our personnel system, and we are working to create a system that enables all of our employees to actively challenge their work and to develop and secure human resources suitable for global expansion. Meanwhile, recent reports have seen many compliance issues such as quality falsification, so there is no doubt that thorough risk management and compliance education, including for employees at Japanese and overseas consolidated subsidiaries, is essential to strengthening the Group's corporate foundation.

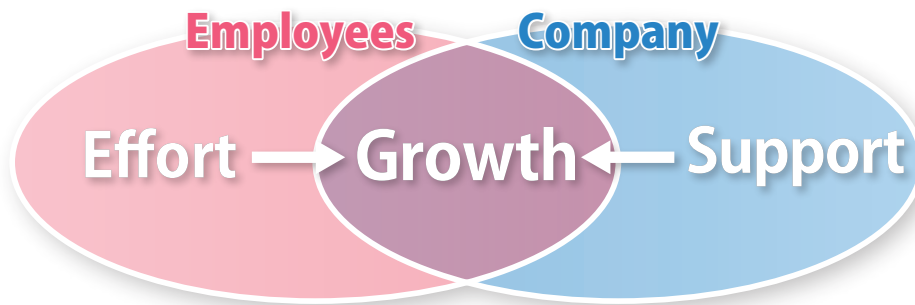
Under the “More Value to All 2021” management policy, we will strive to deliver higher added value to all stakeholders.

Approach to Developing Human Resources

RIKEN TECHNOS' basic philosophy toward human resource development is to provide ideal work and a workplace environment that enable each employee to demonstrate his/her abilities, independence, creativity, practical skills, and autonomy; and to help employees grow and thrive, so that the results will help our company advance.

Employee growth and company growth are intimately connected. When employees grow into the “ideal human resources sought by the company,” the company grows as a result.

Relationship between employees and company



For this reason, we are helping our employees grow under the slogan,

“We support employees who have the drive to grow!”

Education System

Career development training

As part of career development support initiatives under the new personnel system that began in April 2018, we carry out “Career Development Training.”

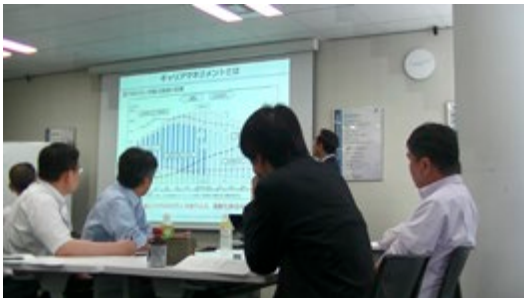
Young employees are considering environmental changes inside and outside the company and conducting self-analysis, so they continue to actively challenge themselves and grow for the future. We are promoting the creation of such an educational environment.



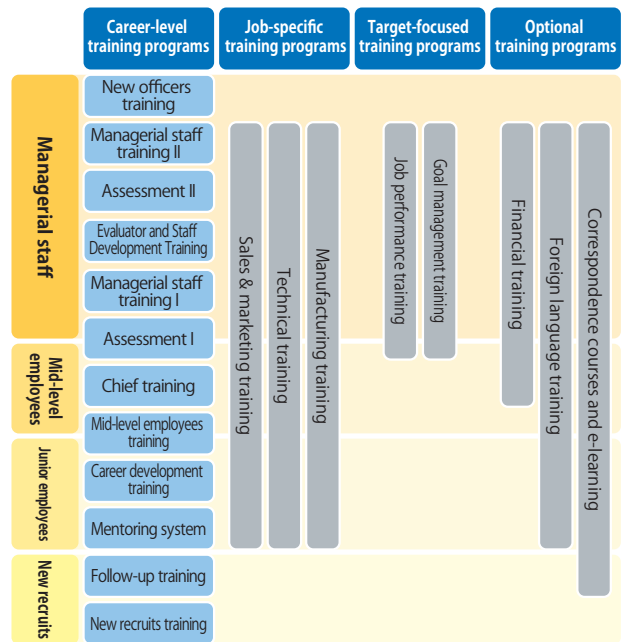
Evaluator and Staff Development Training

In order to ensure that managers conduct accurate and impartial personnel evaluations of their subordinates and strengthen the ability to develop their subordinates, we conduct Evaluator Training and Staff Development Training.

In addition to understanding the role responsibilities of managers and learning about evaluation methods, they will learn how to train successors, share subordinate’s medium- and long-term career goals, and strengthen dialogue with subordinates. In conjunction with “Career Development Training,” we have established an education system that promotes continuous organizational activation.



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



Hisao Sakai, Senior Researcher, Design Research Group, Fundamental Technology Research Office

In this environment where individual productivity must be improved I want to become a highly productive person. In order to do so, I needed to hone my logical mind, so I don't rely only on my feelings. I figured that wouldn't be able to get these skills by just reading books and came to the conclusion that I could train while working hard at school and decided to attend the class. I can't wait to meet to new me after I graduate.



Hiroaki Wakayama General Manager, Compound R&D Office

In the coming era, I believe that accurate and speedy judgment is important, and from my opportunity to attend the Globis Management School, I have gained a fun and positive approach to my work. I always ask myself if my way of thinking is correct, but I feel that from this school I have been able to systemize my way of thinking and solidify the foundation of my judgment. This course has improved my skills and I want to use my new knowledge in my work.

Relationship with Employees



Human Rights



Labor Practices



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. FY2018, the Gunma Factory continued to hold the top rankings, as it did last year.

Japan



Recipient	
NO1	Kazumasa Hashizume Film Production Section, Gunma Factory
NO2	Sumio Yanagida Film Production Section, Gunma Factory
NO3	Masayoshi Segawa Film Production Section, Gunma Factory

Sender	
NO1	Kazumasa Hashizume Film Production Section, Gunma Factory

Overseas

The “Thank You Card” system has also been implemented at overseas locations. A commendation ceremony was also held at RIMTEC CORPORATION in the U.S.



Top recipients of Thank You Cards
The first place is Richard Palmer on the far right



Top senders of Thank You Cards
The first place is Xuhui Wang on the far right

Three Zero Achievement Award Ceremony

An awards ceremony was held for overseas manufacturing bases where the three zeros (labor accidents, quality complaints, serious failures) continued for 200 days and 100 days.

[Achieved Three Zeros for 200 days]



RIKEN (THAILAND) CO., LTD.



RIKEN ELASTOMERS (THAILAND) CO., LTD.



PT. RIKEN INDONESIA

[Achieved Three Zeros for 100 days]



RIKEN ELASTOMERS CORPORATION



SHANGHAI RIKEN TECHNOS CORPORATION

Support for Raising Children

● Leave of Absence System for Childcare

All employees can take leave for up to two years. Furthermore, a certain period of the leave is paid. In FY2018, four employees used 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. In FY2018, two employees used this system.

Re-employment system

The further success of employees who have passed the retirement age (60 years old) is beneficial for both the company in terms of skill transfer and the stability of life for employees. The RIKEN TECHNOS GROUP has introduced a re-employment system for union members and managers in FY2006, and has improved the system for the better as the times change.

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. Various measures are taken to allow women to be active, and female employees are active in various departments including in management positions. We are also actively engaged in recruiting overseas employees.

Safety and Health Activities

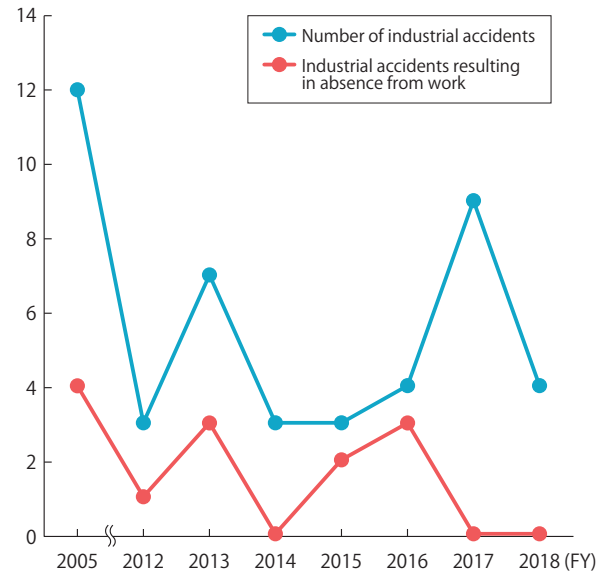
● Concept of Safety and Health Activities

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. We carry out our business operations with an occupational safety management system in accordance with ISO 45001.

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

Following the introduction of risk assessments (RA) 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.

● Number of industrial accidents resulting in absence from work (Number of accidents)



Fire drill at RIKEN VIETNAM Co., LTD.



● Review of Activities

In FY2018, our activities were focused on reducing accidents to zero with RA promotion, promotion of the "pointing and calling" procedure, reciting safety slogans utilizing a visual panel showing past industrial accidents, comprehensive check of safety rules, and re-education of employees on safety and health basics (common sense). As a result, the number of accidents resulting in absence from work was zero, but there were four accidents that did not

result in absence. The types of accidents were bumps, burns, cuts, falls, and the main causes were insufficient risk assessment, incorrect posture, insufficient confirmation. In FY2019, the activities will focus on RA promotion, promotion of the "pointing and calling" procedure, sharing and reviewing causes of past occupational accident information, eradication of unsafe behavior and unsafe conditions, and re-education of safety and health basics through self-prepared industrial accident prevention videos.



Use of safety education using equipment for experiencing dangers with employees at overseas bases

Our New Employees in 2019

Using the theme “We enjoy our work and love what we do,” which is included in our core 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” so they can work with a self-awareness of being members of the RIKEN TECHNOS GROUP.



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
Senior General Manager of
Manufacturing Division
RIKEN TECHNOS CORPORATION

As our company competes on the global stage, the Manufacturing Division is implementing a variety of measures to further enhance the same quality and stable supply worldwide. For example, we are actively dispatching employees to overseas sites, improving production technologies through participation in the WorldSkills Competition, achieving three “zeros” (zero complaints, zero work-related accidents, and zero major equipment incidents) through implementation of total production management (TPM), and developing human resources who can succeed globally. Furthermore, at each of our factories, we will be introducing IoT and AI in phases to improve productivity, reduce cost, and shorten delivery time.

In terms of environmental management initiatives, we are working on energy conservation, industrial waste reduction, and appropriate management of chemical substances. We are also contributing toward beautifying the surroundings through activities such as cleaning the areas around our factories.

Environmental Policy

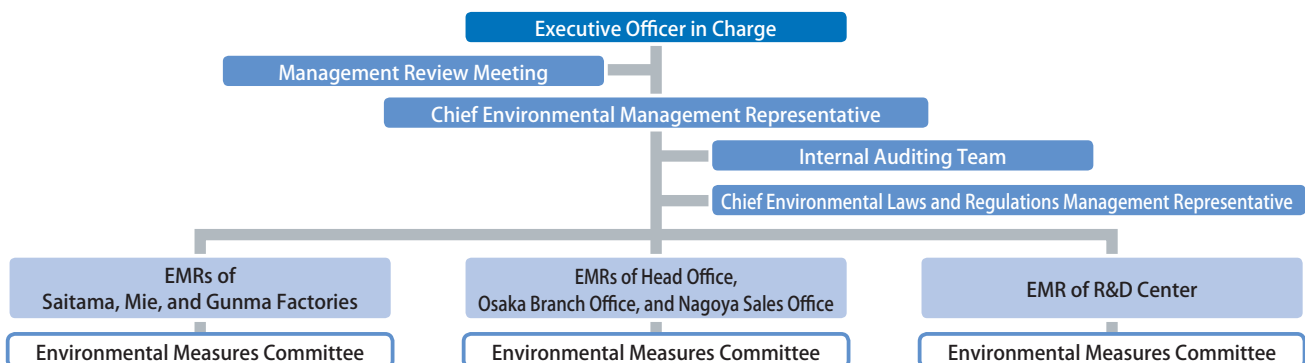
For all our business activities, we take into consideration the effects on the environment. To protect the environment and realize a sustainable community, RIKEN TECHNOS CORPORATION established an environmental management system, and all members of the company work to implement the following principles.

- 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 on 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 and all executive officers 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	Title	Role
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 the entire company

● 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.

● 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 FY2018, audits were carried out in 58 departments, 21 requests for corrective actions were issued, and there were 108 issues pointed out, including matters for monitoring. These issues were related to document control, record management, facility management, and procedures with ambiguous responsibility, and corrective actions were taken for all of them. We are verifying continuation of these corrective actions, and are also improving and enforcing the management system.

(2) External Audits

In June 2019, a renewal audit was performed by an external ISO 9001/14001 certification body. From April 2019, the technology, production and quality assurance departments at RIKEN FABRO have been integrated into RIKEN TECHNOS and we also conducted an extended audit of the integrated departments. Seven nonconformance issues were found and ten issues requiring improvement were pointed out during the audit. In FY2018, we also received 18 customer audits. We made appropriate improvements to all issues pointed out by external auditing organizations and customers.

● 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, 2022



Summary of Environmental Action

Environmental Objectives and Performance in FY2018

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 FY2018, a total of 173 objectives were set across various divisions in the entire company, and 117 (68%) of them were achieved.

(1) Reduction of Energy Use

Number of Objectives Set	Achieved Objectives	Objectives	Results
72	45 (63%)	(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 6% compared to FY2012 by 6% compared to FY2012 by 6% compared to FY2012 by 6% compared to FY2012 (1) 6.6% reduction (objective achieved) (2) 32% reduction (objective achieved) (3) 6.5% reduction (objective achieved) (4) 7.6% increase (objective not achieved)

(2) Reduction in Industrial Waste

Number of Objectives Set	Achieved Objectives	Objectives	Results
37	18 (49%)	Simple (landfill and incineration) waste volume per gross production: 0.1% or below Total industrial waste volume per gross production: 3.5% or below	Not achieved with 0.12% for landfill and incineration waste volume per gross production. Not achieved with 3.77% 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 Reinforcement of Chemical Substances Management	22	20 (91%)	Reduction of use of independently specified chemical substances, and development of environmentally-friendly products.	① FY2018 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 increased by 40% compared to FY2017. The main reason was due to the increase in production volume. ② In FY2017, the sales volume of recycling-friendly materials increased by 5% compared to FY2016.
② Development of Environmentally-friendly Product	18	12 (67%)		

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 shows the status of the environmental load of RIKEN TECHNOS itself and RIKEN FABRO (Saitama and Mie) (by substance).

CO₂ Load Per Ton of Products Produced (FY2018)

Input		Output		Amount of CO ₂ emissions (t-CO ₂ /t)	
Raw materials (including paints)	92,000t	Compound products	70,000t	Compound	0.22
Packaging materials	3,000t	Film products	15,000t	Film	0.98
Electricity	71,000MWh	Wrapping products for packaging	9,000t	Food packaging wrap	0.91
Heavy oil	2,550kl	Total waste	3,730t		
Tap water	132,000m ³	Amount of sewage	349,000m ³		
Groundwater	211,000m ³				
Water for industrial use	11,000m 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

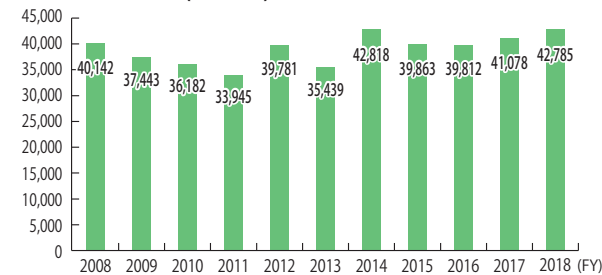
Two RIKEN TECHNOS factories, Saitama and Mie, are designated as Type 1 energy control factories, while the Gunma Factory is designated as a Type 2 energy control factory. The primary greenhouse gas*1 emitted by our business activities is CO₂. We promote energy-saving tactics, such as improving the efficiency 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. For FY2018, we set a goal of 6% reduction compared to FY2012, and achieved a 6.6% reduction in electricity usage and a 32% reduction in the

volume of heavy oils used per gross production. A switch from heavy oil boilers to city gas boilers at the Gunma Factory in December 2015 led to reductions in heavy oil usage, CO₂ emissions, and air pollution. In March 2013, our photovoltaic power plant supplying renewable energy began operation at a site adjacent to the Gunma Factory. In FY2018, approximately 70,000 kWh of power was supplied to the Gunma Factory, with approximately 730,000 kWh sold externally.



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

● CO₂ Emissions (t-CO₂/t)

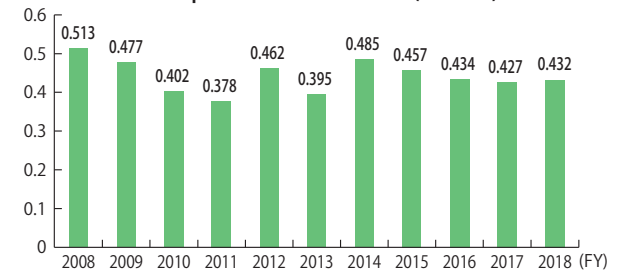


Note: The value is based on emission factors after adjustments from FY2010.

*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 2005, and emissions from each sales site have been added since FY2008. CO₂ emissions from petroleum 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)

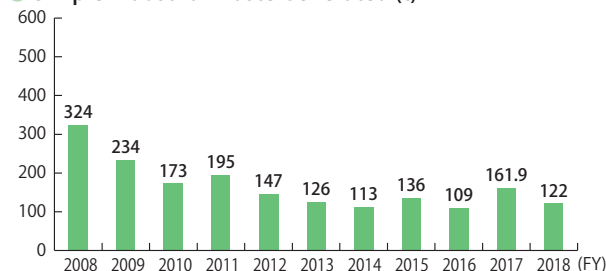


● Reducing Industrial Waste

Our company considers the reduction of simple (landfill and incineration) waste generated in the manufacturing stage to be one of the main goals of environmental management activities. In FY2014, we established the new goals of "reducing simple waste volume as a share of gross production from 0.3% to 0.15% to under 0.1%, and reducing total waste as a share of gross production from 5% to 4% to under 3.5%." We are

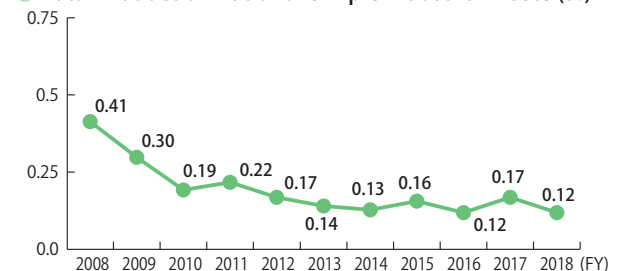
promoting restraint in generating waste by improving yields in our production processes, as well as strictly separating generated waste into material recycling, thermal recycling, Refuse Plastic Fuel (RPF), raw cement material, etc. for conversion to effective use. The simple waste volume as a share of gross production was 0.12% and we did not achieve the goal. The total waste as a share of gross production was 3.77% and we did not achieve the goal.

● Simple Industrial Waste Generated (t)



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

● Total Production Ratio for Simple Industrial Waste (%)



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.

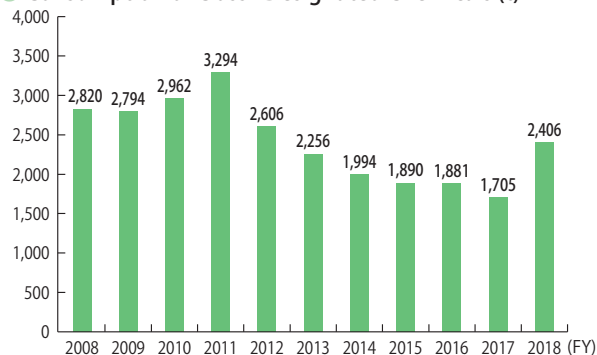
In FY1999, a totalization system was established to enable thorough management. In addition, a system was created for responding to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law), which 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, RIKEN (THAILAND) CO., LTD., a RIKEN TECHNOS GROUP company, 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. In FY2018, the increase was 40% from the previous year, but the main factor was an increase in production. In FY2017, our company used 28 types of chemicals subject to the PRTR Law. Among them, nine 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. We found 845.5 kg of waste oil containing PCB in the Saitama Factory. Treatment of PCB waste stored at the Mie Factory and R&D Center (Tokyo) was 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	Waste oil containing PCB: 845.5 kg (high concentration)	Treatment planned for FY2019
	High voltage condensers: 15 (high concentration)	Treatment completed in FY2017
	High voltage transformers: 2 (low concentration)	Treatment completed in FY2015
	Waste water and oil containing PCB: 1,446 L (low concentration)	Treatment completed in FY2015
Mie Factory	High voltage transformers: 4 (low concentration)	Treatment completed in FY2014
	Waste oil containing PCB: 350 L (low concentration)	Treatment completed in FY2014
	PCB component wastes: 300 g (low concentration)	Treatment completed in FY2013
R&D Center (Tokyo)	High voltage transformers: 12 (high concentration)	Treatment completed in FY2013
	High voltage transformers: 1 (low concentration)	Treatment completed in FY2013
	Waste oil containing PCB: 330 L (low concentration)	Treatment completed in FY2013
	PCB component wastes: 15 kg (low concentration)	Treatment completed in FY2013

Status of Employees' Environmental Education and Awareness-Raising

Since FY2008, we have made a practice of distributing the "Ecolife 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 FY2018, we received many responses from employees and their families (1,261 in summer). The results of the questionnaires showed average CO₂ reductions per person of 850 g-CO₂/day in summer. 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 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	1,360	1,010
Summer of FY2017	1,371	1,020
Winter of FY2017	1,229	1,090
Summer of FY2018	1,261	850

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 through FY2017, 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 affiliates was clarified as part of the RIKEN TECHNOS GROUP Green 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

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

*2 RoHS2: See the note on page 28.

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.

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 FY2018

(1) **Accounting Coverage:** RIKEN TECHNOS CORPORATION (non-consolidated)

(2) **Period Covered:** April 1, 2018, to March 31, 2019

(3) **Referenced Guidelines:** "Environmental Accounting Guideline (2005 Edition)" (Issued by the Japanese Ministry of the Environment in February 2005)

Summary of Environmental Accounting in FY2018

In FY2018, the amount invested in environmental preservation costs was approximately JPY 20 million, and expenses were approximately JPY 1.16 billion, making a total of approximately JPY 1.18 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 1 billion, 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%, not achieving our goal of 0.1% or below. Total industrial waste amount per gross production was 3.77%, not achieving our goal of 3.5% or below. With regard to CO₂ emissions,

although we conducted continuous energy-saving activities, the result was a 7.6% increase, not achieving our goal of a 6% reduction from the FY2012 level. The main reason was due to the increase in production volume. On the other hand, our electric power consumption rate (Electricity use (MWh)/Production (t)) was reduced by 6.6%, achieving our goal of a 6% reduction from the FY2012 level. Our heavy oil consumption rate (Heavy oil use (kl)/Production (t)) was also reduced by 32%, achieving our goal of a 6% reduction from the FY2012 level. This is due to the results of our 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

ISO
26000

The
Environment



Environmental Preservation Costs

JPY 1,000

Category	Content of Activities on Examined	Total Amount Invested*1	Expenses*2
1. Business area costs		18,733	113,383
* Pollution prevention costs	Construction for noise prevention measures, maintenance of scatter prevention equipment	923	47,499
*Global environmental preservation costs	Installation and improvement of energy-saving equipment	17,810	0
* Resources recycling costs	Disposal of industrial waste, recycling, etc.	0	65,884
2. Upstream/Downstream costs	Analysis of products containing chemical substances	640	20,220
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	13,667
4. R&D costs	Research and development of environmentally friendly products	0	1,007,700
5. Social activity costs	Beautification of areas around our sites, donations	0	750
6. Environmental damage countermeasures costs	Soil investigation and improvement	0	10,218
Total		19,373	1,165,938

*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

Classification of environmental preservation effects	Environmental Performance Indicators	FY2017	FY2018	
Environmental preservation effect related to resources input into business activities	Total energy input volume (GJ)	798,118	845,852	
	Energy input by type	Electricity (MWh)	69,027	70,773
		Heavy oils (kl)	2,478	2,547
		City gas 13A (km ³)	550	1,173
		Gasoline (kl)	42	42
		Light oils (kl)	4	3
	Input of PRTR-controlled substances (t)	1,706	2,406	
	Water resources input	Tap water (m ³)	118,000	132,000
		Groundwater (m ³)	179,000	211,000
		Water for industrial use (m ³)	7,700	11,000
Environmental preservation effect related to waste or environmental burdens originating from business activities	Greenhouse gas emissions (t-CO ₂)	41,000	43,000	
	Volume of PRTR-controlled substances discharged (t)	7.2	546.7	
	Volume of PRTR-controlled substances transported (t)	10.1	16.8	
	Total waste discharge volume (t)	3,680	3,730	
	Final waste disposal volume (t)	161	122	
	Amount of sewage (m ³)	285,000	349,000	
Environmental preservation effect related to commodities and services produced by business activities	Volume of valuable materials recycled (t)	1,830	1,738	
Other environmental preservation effects	Volume from transportation of products (t-km)	28,738,308	28,485,895	
	Volume of CO ₂ emissions associated with transportation (t)	4,988	4,944	
	Transportation energy (GJ)/Production (t)	4.61	4.36	

Economic Effect Associated with Environmental Preservation Activity

JPY 1,000

Economic Effect	Amount	
	FY2017	FY2018
Benefit from recycling plastic, paper waste, etc.	7,073	7,011
Expenses reduced by energy-saving activities	6,964	4,921
Total	14,037	11,932

Asset Retirement Obligations

As of March 31, 2019 (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	73,888
Cost of asbestos disposal from usage sites	31,618
Cost of renewing equipment using PCB	0
Cost of contaminated soil treatment	60,236
Total	166,742

RIKEN TECHNOS GROUP Environmental Data

RIKEN TECHNOS GROUP Environmental Data by Factory

Saitama Factory

- Site area: 58,739m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Employees: 228

Mie Factory

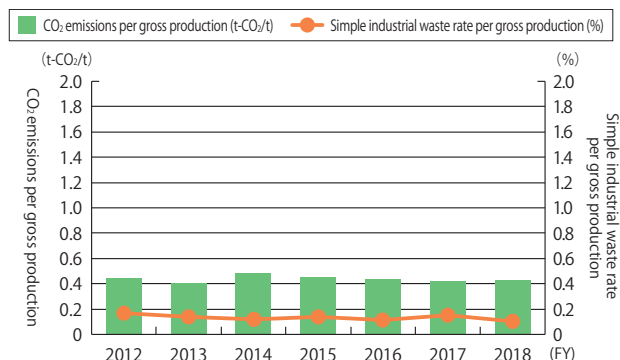
- Site Area: 55,247m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Employees: 213

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

Gunma Factory

- Site area: 55,904m²
- Description of business: Manufacturing of high functional film in a clean environment
- Employees: 46

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

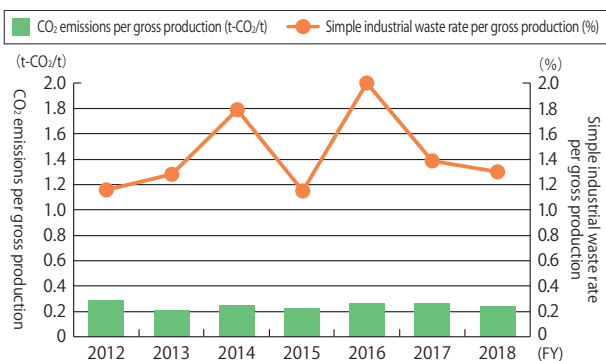


Environmental Impact Data for Affiliates of RIKEN TECHNOS GROUP

① Compound Production Companies

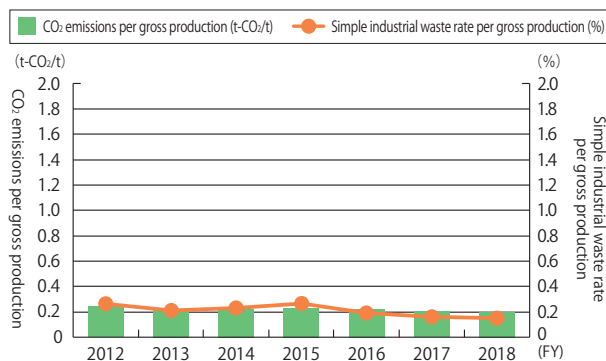
RIKEN CHEMICAL PRODUCTS CO., LTD.

Employees: 55



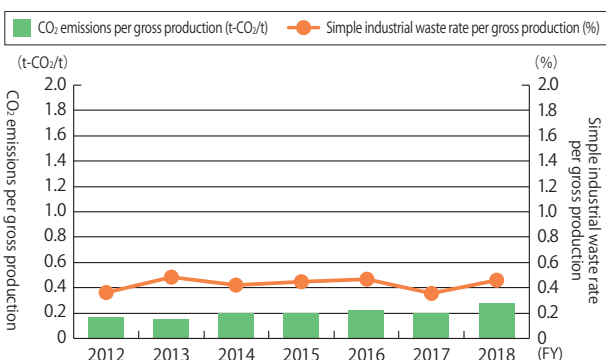
RIKEN (THAILAND) CO., LTD.

Employees: 238



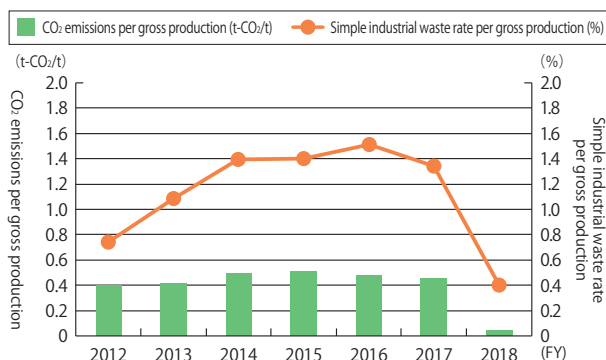
RIMTEC CORPORATION

Employees: 96



RIKEN ELASTOMERS CORPORATION

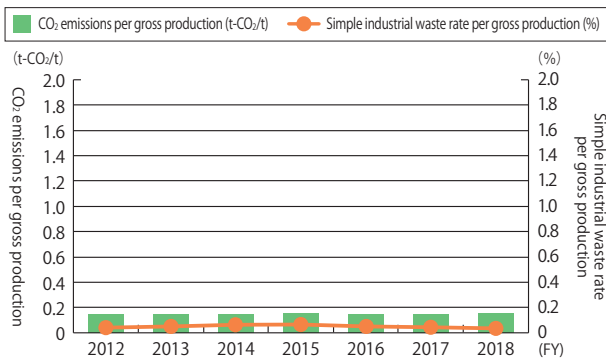
Employees: 42



Summary of Environmental Action

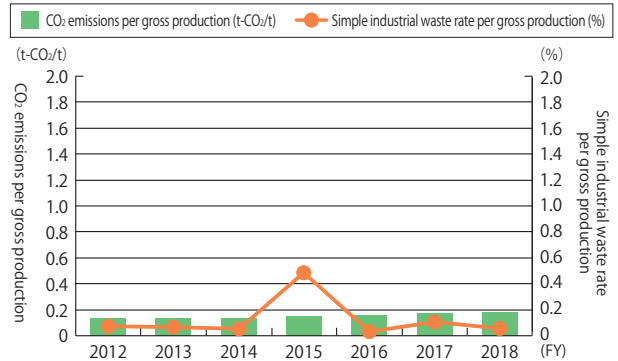
PT. RIKEN INDONESIA

Employees: 217



SHANGHAI RIKEN TECHNOS CORPORATION

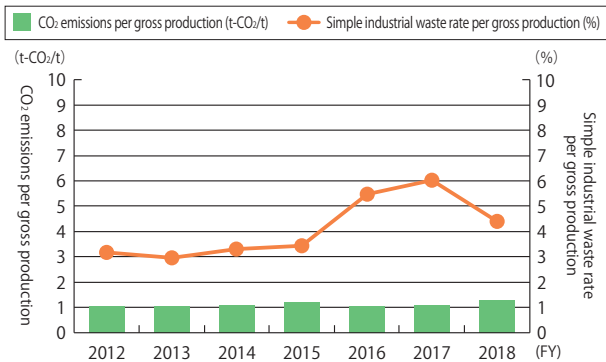
Employees: 126



②Molding Companies

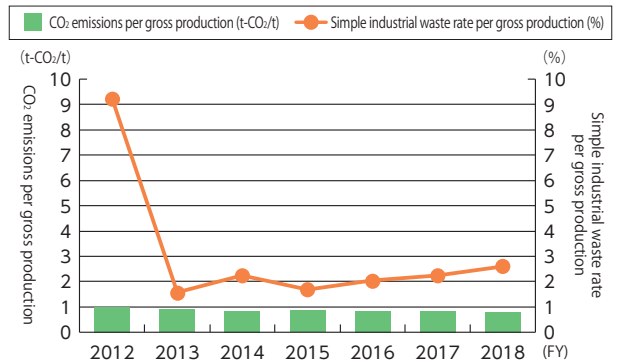
RIKEN CABLE TECHNOLOGY CO., LTD.

Employees: 80



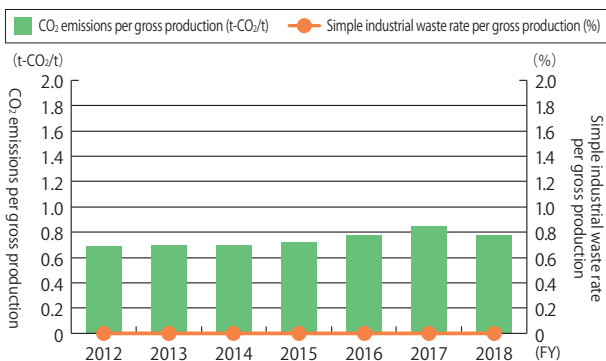
KYOEI PLASTICS MFG CO., LTD.

Employees: 58



RIKEN TECHNOS (JIANGSU) CORPORATION

Employees: 60



The Expert's Opinion



Mr. Mitsuho Ogawa

President
Craig Consulting

As SDGs and ESGs gain recognition by top executives as megatrends, we can consider that the tide has completely changed for CSR as we know it. Now when the word CSR is used, the focus on social contribution is stronger, but it may miss the main discussions of these megatrends. Top executives have their attention drawn towards SDGs and ESGs because they have potential as future business opportunities and business risks. As far as the SDGs are concerned, they are synonymous with discussing the opportunity for the company because they are the theme that all the organizations in the world will use to solve problems toward 2030. And when it comes to ESG, companies that aren't aggressive about this aren't attracting investment. This is precisely why managers incorporate the SDGs and ESG perspectives into their mid-term business plans.

I feel by changing its name from CSR Report to Sustainability Report this year, RIKEN TECHNOS is trying to further enhance the content of the report, which signals an intention to take advantage of this background. It is excellent that "contributing to a sustainable society" is clearly stated as one of the major tasks of the new three-year mid-term business plan that will be undertaken this year. This shows the management's intention to grasp the above-mentioned megatrends as an integral part of the business plan and to tackle sustainability as a management strategy. The top message states that, as a specific area of activity, the company has a strong awareness of climate change and environmental issues, and is prepared to fulfill its responsibilities

as a chemical manufacturer, including product development with a view to disposal and recycling. This management attitude is highly appreciated.

I also highly appreciate that the major tasks of the new three-year mid-term business plan are linked to the SDGs themes and how their business can contribute to global issues. I have some worries that the number of themes of the SDGs that are being tackled is rather large, but since this is the first time for the company, I expect it to be narrowed down in the context of the business strategy.

After looking at the report, I would like to point out some issues for the future.

First of all, I would like you to create a "value creation story." Investors put the greatest emphasis on the value creation story for ESG information. The value creation story describes how the company will use its strengths and business model to provide social value in the future. Since there are companies that have clearly demonstrated the value creation story at other chemical manufacturers, it is a good idea to use these companies as a benchmark.

Secondly, I would like to see clarification of the future image painted by sustainability and the creation of KPIs (quantitative target value) that leads to it. The challenge of the new three-year mid-term business plan is to "contribute to a sustainable society in every aspect" and I would like to commit to stakeholders with fields that provide definite richness, security, and comfort and with quantifiable goals. With KPI, it is easy to grasp how far the target is, and PDCA is also easy to apply for measures.

Third, I want you to work on internal dissemination. The company took on the SDGs for the first time and set sustainability in its new three-year mid-term business plan. In the future, it will be important for employees to be able to explain these efforts in their own words. This is because employees are in contact with stakeholders, and if employees are not convinced, they will not communicate these ideas to stakeholders.

Listening to Expert's Opinion

Kazuaki Tokiwa

Representative Director, President & COO RIKEN TECHNOS CORPORATION

In this report, the new three-year mid-term business plan is featured and the initiatives for the SDGs are also introduced in detail. I believe the "value creation story" pointed out by Mr. Ogawa is described by the management policy "More Value to All" of the new three-year mid-term business plan that we are carrying out on a company-wide basis. With regard to "contributing to

a sustainable society," which is one of the major tasks, we will ensure that we can achieve results at the site level. Finally, with regard to internal dissemination, we have begun to take various measures such as holding study groups, and will continue to instill in employees.

Editors' Postscript

In line with the start of the new three-year mid-term business plan, the name of the report has been changed to Sustainability Report. The report has been edited to convey as much information as possible about the value that the RIKEN TECHNOS GROUP is delivering toward the realization of a sustainable society. 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

Junji Irie: Director, Senior Managing Executive Officer,

Senior General Manager of Administrative Division & Senior General Manager of Corporate Planning Division

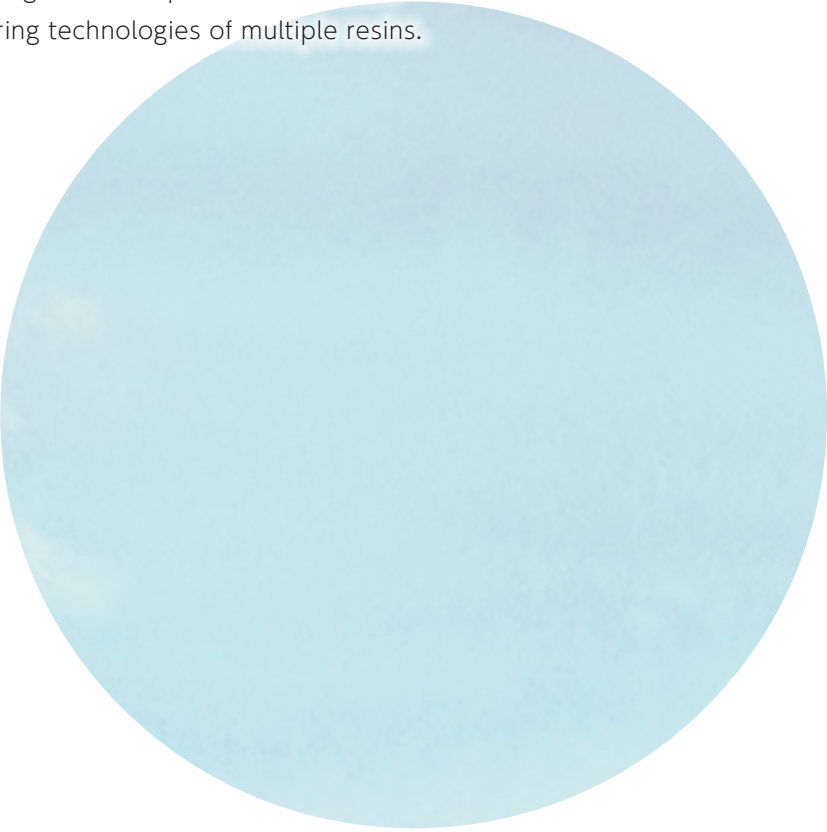
Koichi Inoue, Yasuo Kasahara: Management System Department, Quality Assurance Division

Sayaka Yoshioka, Mio Obayashi: 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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