

# Outline of RIKEN TECHNOS GROUP

## Corporate Profile (As of March 31, 2020)

<b>Company Name</b>	RIKEN TECHNOS CORPORATION	<b>Representative</b>	Kazuaki Tokiwa Representative Director, President & CEO
<b>Date of Establishment</b>	March 30, 1951	<b>Number of Employees</b>	Consolidated: 1,944 Non-consolidated: 731
<b>Capital Stock</b>	JPY 8,514 million	<b>Head Office</b>	WATERRASTOWER, 2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, 101-8336, Japan

## Business Field

The RIKEN TECHNOS GROUP conducts business in the following four market segments.

Segment	Target market	Major Products
Transportation	Automotive, railroad, shipping markets, etc.	Compounds and films
Daily Life & Healthcare	Medical, consumer goods, food packaging markets	Compounds, films and food packaging
Electronics	Energy, telecommunications, IT devices markets, etc.	Compounds and films
Building & Construction (BC)	Housing, building and construction materials, public works markets, etc.	Compounds and films

## Major Products

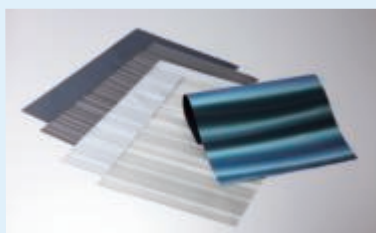
### Compound products

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



### Film 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 Products

Polyvinyl chloride type wraps and polyolefin type wraps etc.



## Financial Results

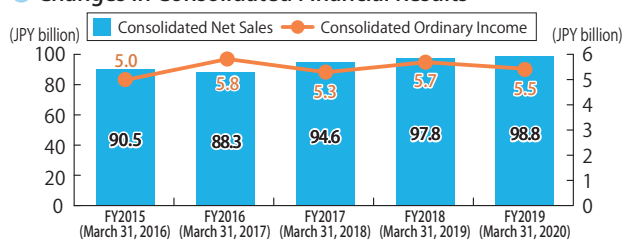
The Japanese economy in fiscal 2019 (ending March 31, 2020) showed a gradual recovery trend in the first half. However, in the second half, there was a downturn in capital investment and individual consumption due to the increase in consumption tax. Coupled with the significant decline in the situation due to the impact of COVID-19, it was a severe situation overall.

Overseas, the US economy continued to show bearish tendencies in the manufacturing industry and the European economy also continued with low growth. In Asia, due to reasons such as the decline in exports arising from global economic slowdown from the impact of the trade friction between the US and China, China continued to see economic slowdown and Thailand also showed

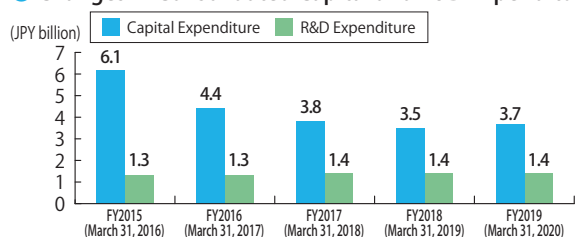
a weak economic trend.

Amid such an environment, the RIKEN TECHNOS GROUP worked on improving performance by meticulously and accurately grasping customer needs by market from a global perspective and efficiently using domestic and overseas management resources to generate orders. As a result, net sales were 98.808 billion yen, an increase of 1.0% compared to the previous consolidated fiscal year (hereinafter referred to as "YoY"), operating income was 5.581 billion yen (down 3.1% YoY), ordinary income was 5.670 billion yen (down 3.4% YoY), and net income attributable to the shareholders of the parent company was 3.064 billion yen (up 0.1% YoY). Net sales set a new record high.

### ● Changes in Consolidated Financial Results



### ● Changes in Consolidated Capital and R&D Expenditure

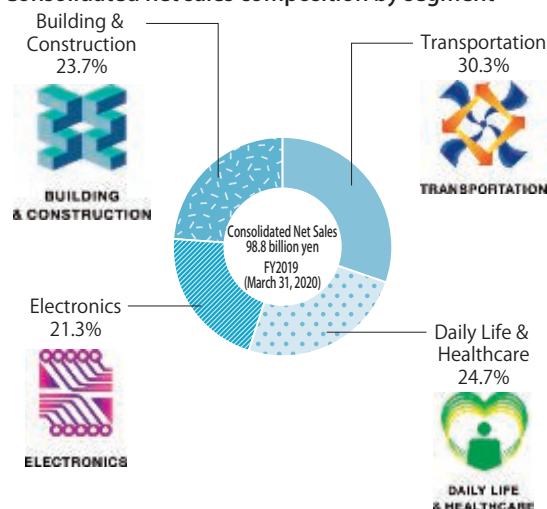


### ● FY2019 (ending March 31, 2020) Financial Results

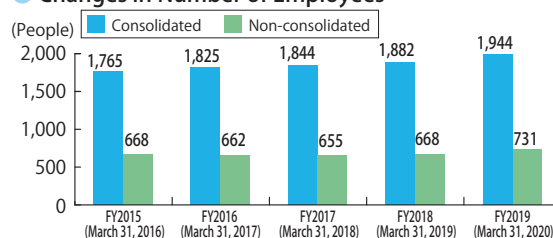
	(JPY billion)	
	Consolidated	Non-consolidated
Net Sales	98.8	41.6
Operating Income	5.5	1.8
Ordinary Income	5.6	3.6
Net Income*	3.0	1.7

\* Net income attributable to the shareholders of the parent company

### ● Consolidated net sales composition by segment



### ● Changes in Number of Employees



## ● Mid-term Business Plan

The first fiscal year of the three-year mid-term business plan "More Value to All 2021: Generating Greater Value Together!" for the RIKEN TECHNOS GROUP is over. All employees will work together toward the completion of the five major tasks stated in the plan.

### ● Management Policy

More Value to All 2021:  
Generating Greater Value Together!  
Aiming to become the leading provider of comfort for all living spaces



### ● Numerical Targets

	Targets for FY2021 (final fiscal year)
Consolidated Net Sales	115.0 billion yen
Consolidated Operating Income	8.5 billion yen
Consolidated Ordinary Income	8.5 billion yen
Consolidated Net Income	5.0 billion yen

### ● Management Targets

	Return on sales (ROS)	Return on equity (ROE)
Targets for FY2021 (final fiscal year)	7%	8%

### ● Actions Until FY2020 for Major Tasks

#### 1) Intensifying Global Management and Generating Synergies

We will continue to promote global operation through collaboration between bases while seeking to strengthen the compound business strategy in the Asian region.

#### 2) Improving the Capacity to Generate Revenues and Profits through Strategic Thinking

We will carry out enhancement of shared functions and system integration of subsidiaries as well as work on cooperation with design subsidiaries. We will also carry out cost reduction and logistics reform aimed at services for customers.

#### 3) Realizing a Production Structure that Reflects the Thorough Pursuit of Efficiency

We will seek to improve production efficiency through the introduction of equipment failure indication management systems and reorganize shared plant equipment to reduce energy cost. At the same time, we will promote the strengthening of global manufacturing.

#### 4) Contributing to Sustainable Societies

We will establish SDG theme responding to each of the major tasks and strengthen actions toward the realization of a sustainable society.

#### 5) Strengthening Corporate Foundations through Management Emphasizing Human Resource Development and Governance

We will strengthen global human resources through the diversification of recruitment methods and reorganization of our training system. We will also continue to be thorough in compliance.