



**RIKEN** TECHNOS

RIKEN TECHNOS GROUP

# Blue Challenge Report

Sustainability Report

# 2020



RIKEN TECHNOS CORP.

## Editorial Policy

The RIKEN TECHNOS Group conducts various activities to contribute toward a sustainable society. Since April 2020, the activities of the RIKEN TECHNOS Group related to “Contributing to Sustainable Societies” are collectively called the “Blue Challenge” and activities are invigorated centered on the Sustainable Development Goals (SDGs). The “Blue” in Blue Challenge comes from the RIKEN BLUE of our corporate mark as well as things such as the earth, sea, and sky, while “Challenge” comes from “challenger” which is in the mission of the RIKEN TECHNOS WAY. Blue Challenge is the challenge of the RIKEN TECHNOS GROUP aiming at contributing to sustainable societies. Starting from this report, the name will be changed to “Blue Challenge Report” where we report on our efforts to achieve a sustainable society together with our stakeholders. The featured article introduces RIKEGUARD, a series of products for dealing with infectious diseases. 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, 2019, to March 31, 2020

In addition, some activities after April 1, 2020, 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 19 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 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 Blue Challenge Report 2020

### About the Cover

The image on the cover of this report shows a fusion of the corporate mark of RIKEN TECHNOS CORPORATION and the cornflower in bloom in Germany where our Europe representative office 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

October 2020

(scheduled date of next issue: September 2021)

### 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
2019	Sustainability Report
2020	Blue Challenge Report

## CONTENTS

<b>Editorial Policy</b> .....	2
<b>RIKEN TECHNOS WAY</b> .....	4
<b>TOP Message</b> .....	6
<b>Featured Article</b>	
Solving Social Issues Through Products Against Infectious Diseases .....	8
<b>Actions Toward SDGs</b> .....	14
<b>Outline of RIKEN TECHNOS GROUP</b>	
Outline of RIKEN TECHNOS GROUP .....	16
Networks .....	18
RIKEN TECHNOS GROUP Products .....	22
Corporate Governance .....	24
<b>Social Responsibility</b>	
Relationship with Customers .....	30
Relationship with Shareholders .....	33
Relationship with Business Partners .....	34
Relationship to Society .....	36
Relationship with Employees .....	44
<b>Environmental Responsibility</b>	
Environmental Management Action .....	50
Summary of Environmental Action .....	52
The Expert's Opinion .....	59
Editors' Postscript .....	59



**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.

## Basic Policy on Bribery Prevention by RIKEN TECHNOS GROUP

Riken Technos Corporation and its subsidiaries (hereinafter referred to as “Each Group Company”) shall establish this Policy on bribery prevention in accordance with the RIKEN TECHNOS WAY and the RIKEN TECHNOS GROUP Code of Conduct.

- 1. (Prohibition of Bribery)**  
Each Group Company shall not provide or receive money or goods or other economic benefits beyond the scope deemed appropriate in accordance with the laws and regulations, guidelines, etc. of the country or region in which it operates the business.
- 2. (Establishment of System)**  
Each Group Company shall establish a system to prevent bribery, including an anonymous report system, in order to detect and rectify violations of compliance, such as bribery, or acts that may violate compliance at an early stage.
- 3. (Retention of Records)**  
Each Group Company shall prepare and retain records in an accurate and appropriate manner in order to reasonably demonstrate that no bribery has been committed.
- 4. (Cooperation in Education and Investigation)**  
Each Group Company shall provide regular education and training to prevent bribery. In the event of any act that violates or may violate this Policy, strict punishment shall be imposed, and serious cooperation shall be provided for the investigation by the relevant authorities.

## Message from the President



### Profile

#### Kazuaki Tokiwa

Kazuaki Tokiwa was born in Kanagawa Prefecture in 1961. He graduated from the Faculty of Engineering at the Chiba Institute of Technology in 1983, and joined RIKEN VINYL INDUSTRY CO., LTD. (now RIKEN TECHNOS CORPORATION) in the same year.

He was appointed Managing Director of RIKEN ELASTOMERS CORPORATION (U.S.A.) in 2007; appointed Assistant General Manager of the Compound Division and General Manager of Compound Sales in 2011; appointed Director and General Manager of the Corporate Planning Office in June 2013; then appointed Representative Director, President & COO in April 2016.

## Battling COVID-19

In 2020, our expectations of everyone splendidly welcoming the Olympic Games—which were going to be held in Tokyo after half a century—were put to one side. What awaited us was the novel coronavirus COVID-19. Here, I wish to express our heartfelt condolences to all who have passed away due to COVID-19 as well as wish for the speedy recovery of those who are still undergoing treatment. I also wish to give our deepest appreciation to all medical workers and relevant parties fighting against the disease each day while facing its risks.

## Providing Fundamental Value Under Crisis

The way we work at the RIKEN TECHNOS GROUP has also changed significantly due to the spread of COVID-19. The routines we have taken for granted all over the world were completely overturned, and I think many people felt worried and confused at first. However, the extending battle against COVID-19 has forced us to review what we have taken for granted so far and think about what is really essential, which we are probably still continuing to question today. Achieving “More Value to All 2021: Generating Greater Value Together!”—the management policy of the RIKEN TECHNOS GROUP’s three-year mid-term business plan—is even more required by society, and now is the time for all employees to keep this firmly in mind as we go on with our daily work. Each employee will rethink fundamental value and properly provide it to everyone.

## Blue Challenge Contributing to Sustainable Societies

Amid the COVID-19 pandemic, the major task “Contributing to Sustainable Societies” set by the RIKEN TECHNOS GROUP is becoming even more important. At the same time, we are required to take on new challenges without being bounded by the common sense of the past. Starting from April 2020, we have been using “Blue Challenge” as the term to

refer to such actions in general, and we have been strengthening them. Therefore, this report has also been issued under the name Blue Challenge Report. As specific actions to fulfill our responsibility as a chemical manufacturer while keeping the SDGs in mind, first, regarding the high-functionality plastic products being produced by the RIKEN TECHNOS GROUP, 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, even as society changes, we will develop products that provide comfort for all living spaces. The featured article in this report introduces RIKEGUARD, a series of products against infectious diseases. We hope that RIKEGUARD will be of some use to your living spaces.

## Together with All Our Stakeholders

Besides COVID-19, damage from natural disasters continue to occur year after year. Our partnerships with all stakeholders, including customers, business partners, shareholders, employees, and people from local communities, have been essential to overcoming these difficulties and maintaining a rewarding and affluent society into the future. By having moved forward together with our stakeholders, the RIKEN TECHNOS GROUP has established mutual trust and existed till today, continuing to provide various plastic products. Going forward, we will build even stronger partnerships with our stakeholders and contribute to sustainable societies. 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 & CEO





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

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

**Hitoshi Sugino**  
Director  
Executive Officer  
Senior General Manager of  
Technical Division  
& Responsible for  
Manufacturing Division  
& General Manager of R&D Center

## Featured Article Solving Social Issues Through Products Against Infectious Diseases

# The antiviral, antimicrobial, and insect repellent functions of RIKEGUARD reduce the risk of various infectious diseases that exist in society

As social uncertainty arising from infectious diseases embroil the world, what are the important things for RIKEN TECHNOS to contribute to society through business? Three Senior General Managers involved in the development and sales of the antiviral and antimicrobial product RIKEGUARD gathered together and talking about their thoughts on solving social issues through products against infectious diseases.

(Date of interview: July 22, 2020) \* The antiviral features mentioned in the article do not apply to all viruses.

## Impetus for Developing RIKEGUARD

### When did development of RIKEGUARD start and what was the impetus?

**Sugino:** The development of RIKEGUARD was started in 2015. It was originally a compound product that adds antimicrobial function to boots and handrails.

**Otani:** For the film product, we decided to also develop products against infectious diseases after a smartphone manufacturer told us in 2017 about their policy that the entire smartphone should be antimicrobial.

**Sugino:** It is the same with the compound product. There was first a request from manufacturers that they want to make their handrails antiviral and antimicrobial as a policy and hope we can carry out development. Boots used in places like cafeterias also have a strong need to be

antimicrobial, so the main focus during initial development was antimicrobial. Being antiviral is something like a by-product.

**Kajiyama:** The increased awareness about infection control in society became a major opportunity for the company to develop antiviral, antimicrobial, and insect repellent products. The first compound product bearing the RIKEGUARD name was launched in 2017.

**Otani:** For the film product, the basic development product was completed in January 2019, the SIAA mark was obtained in September, and in December, we achieved a new antiviral processed product that is extremely clear and can be applied to the surfaces of smartphones and tablet devices.

**Sugino:** Of course, not everything was due to requests from customers. There is also motivation within the company. Since the previous three-year mid-term business plan

formulated in 2016, we have been using the slogan “Aiming to become the leading provider of comfort for all living spaces.” The development of infection control products is also part of the actions for achieving this goal of “Aiming to become the leading provider of comfort for all living spaces.” We do not stop at antiviral and antimicrobial functions. Research and development in pursuit of comfort for living spaces—including deodorant functions and measures against allergies and electromagnetic waves—continue to be carried out today.

**Kajiyama:** I think it is because we have this slogan that we were able to unite all employees—not just development departments but covering manufacturing and sales and marketing departments too—toward the same goal.

**Otani:** Recently, to achieve comfort for living spaces, there is stronger emphasis especially for the need to be safe and reliable. What do you think?

**Sugino:** That’s right. At the R&D Center, we always keep in mind the R&D policy of being safe and gentle to people. Specifically, we are taking on challenges in various innovations with “beautifully”, “lightly” and “safely” as the three keywords. I think our position of not bringing harm to people and reducing society’s risks will continue to be important themes for research and development going forward.

## Presence of RIKEGUARD as a Measure Against Infectious Diseases

### Was there any impact on the development and launch of RIKEGUARD from COVID-19?

**Kajiyama:** The development and sales of RIKEGUARD itself started way before COVID-19 appeared. After the appearance of COVID-19, the major movement was to accelerate the introduction of film products which have cleared antiviral and antimicrobial tests based on international standards and obtained the SIAA mark. RIKEGUARD is the first antiviral film product in the world to obtain the SIAA mark.

**Otani:** We obtained the antiviral SIAA mark in September last year. Back then, we did not feel any real market need.



As we entered 2020, there were more and more news about COVID-19, but at that time, there was still not sense of crisis in Japan. It seems no one felt it would develop into a situation like this. However, now, I feel that society as a whole is showing great interest for antiviral products.

**Kajiyama:** While SIAA does not guarantee effectiveness against COVID-19, as the whole world is concerned about measures against infectious diseases, there was a strong desire to quickly launch products with the SIAA mark that recognizes effectiveness against viruses. There is also significant meaning in terms of social contribution, so we increased speed in all aspects.

**Otani:** It was only after February started that we were able to commence full-scale sales of RIKEGUARD film with SIAA mark. We first started by expanding sales aimed at mobile devices and glass for windows. Subsequently, from end March, we started seeing people wearing face shields. Acrylic and other such materials have smooth surfaces which allows viruses to remain active for long periods of time. If we do nothing about it, there is a possibility that they may end up being sources of infections. Therefore, we quickly developed and started selling the RIKEGUARD face shield which has antiviral coating on both sides. This immediately started showing antiviral effects, allowing the spread of infections through contact to be curbed. I think it was a timely launch.

### Please tell us about the antimicrobial and antiviral mechanisms.

**Otani:** There are still many people who think that being antimicrobial and disinfectant means effectiveness against viruses. Actually, microbes and viruses are entirely different



things. Many people think that disinfecting will cause viruses to die, but viruses do not have cell membranes and are not living things, so we cannot say “to kill viruses.”

**Kajiyama:** We reduce viruses. The correct way is to say that the antiviral coating of RIKEGUARD suppresses the propagation of viruses.

**Sugino:** I will start by explaining antimicrobial function. Certain metal ions have the property of attacking microbes and this effect kills microbes. This has the same effect on viruses. Metal ions deactivate viruses, which means viruses can no longer be active. However, this theory has not been scientifically proven.

**Otani:** Technologically, it is the same for compounds and films. Surrounding negatively charged microbes and viruses with positively charged metal ions will kill or deactivate them.

**Kajiyama:** There are various theories behind antimicrobial and antiviral functions which continue to be debated among experts. However, the effects of reducing and suppressing propagation have been verified.

**Sugino:** In fact, when obtaining SIAA certification, it is necessary to show data that viruses have been reduced to 1% or less. RIKEGUARD reduces viruses to 0.01% or less and clears SIAA's standards by a wide margin.

**Otani:** 0.01% is almost the same as being at the limits of detection. This is not our own unique way of measurement.

We use test methods based on international standards.

**Sugino:** Even now, we are continuing with research based on scientific data to see the effects of introducing varying amounts of different metal ions to various general-purpose plastics.

## Various New Values Provided by RIKEGUARD

### What was especially difficult in the development of RIKEGUARD?

**Otani:** It is the extremely small size that we are dealing with. Microbes are measured in micrometers and viruses in nanometers. Specifically, the reduction of viruses is in the realm of chemical reactions. It is not possible to show metal ions attacking viruses using photographs or videos.

**Kajiyama:** Viruses form plaques that cannot be seen by the eyes. We verify the ways these plaques are reduced. As there is still not clinical trial specifically targeting COVID-19, we carried out a multitude of tests using similar types of viruses.

**Otani:** What is even more difficult is that we must add antiviral and antimicrobial functions without sacrificing the product's original functions and values. For example, in the case of screen protectors for smartphones, there are requirements such as the touch panel's reaction must not degrade, fingerprints must not stay on easily, and it must be resistant to scratches. It is necessary to apply blending and processing technologies to the respective products so that adding antiviral function does not undermine their original usability. In the first place, it requires extremely high technological capabilities to add antiviral and antimicrobial functions while maintaining high transparency as films.

**Kajiyama:** Compounds and films also differ in applications and requirements, and it was quite difficult to match their respective circumstances.

**Sugino:** For example, RIKEGUARD compound is used in the wheels of suitcases. To add antiviral function to wheels which experience a lot of wear and tear, it is necessary to use processing technologies different from those for films. It is very tedious to establish designs and production technologies matching the respective product values.

**Otani:** Another requirement is the speed of development.



RIKEGUARD caster



RIKEGUARD face shield



For example, face shields using RIKEGUARD were finished two weeks after seeing people wear them on television. This is because there was a strong desire to reduce the number of infections as far as possible and contribute to society, and we thought such a sense of speed was important to help people such as those working in hospitals and care facilities.

**Sugino:** As virus-related tests take time, the Technical Division also does its best so as to be able to provide data as soon as possible.

**Otani:** We also took great pains in the diversification of sales methods. A dentist with a private clinic saw RIKEGUARD products on our website and inquired about them. However, we did not have in place a system which could sell small lots of three to four units when the products were first launched. We therefore worked to allow the high transparency film product to be sold in small lots and online, but it took more time to build this system than we expected.

## Currently, what are the main applications of RIKEGUARD?

**Kajiyama:** In addition to what we have introduced so far—such as the compound product for handrails, boots, and wheels; screen protectors for smartphones and tablets; and face shields—it is being used in vending machines such as the buttons as well as the flaps of product and change outlets. This can reduce the risk of infection when removing products or change.

**Sugino:** Japan is said to have more than one million vending machines. As they are used by many different people, we think there is significant infection control effect. Infection control products are not profitable as a business if there is no market need, but we think it is something to be

undertaken even if we are at a stage where needs cannot be seen. We also recognize the necessity of preparing products that look ahead toward future risks aimed at social contribution.

## Toward New Value Creation in the Future

### Going forward, value creation linked to the three-year mid-term business plan will continue. Please tell us your vision for the future.

**Sugino:** For myself, as a development personnel, I have lived based on the motto of not giving up. In development work, it is rare to see results in one or two years. There is a need to keep taking on various challenges and keep hitting walls. But if we give up at that point, we will never achieve results. It is only by continuing to persevere that we will eventually be rewarded. I hope to continue to treasure this spirit as I take on new challenges in value creation.

**Kajiyama:** As the Senior General Manager of Sales & Marketing Division, I hope to continue to focus on how to quickly deliver the new values born from the engineers' spirit of never giving up to society and people. There are all kinds of values, and different people have different perspective about what is most valuable. RIKEN TECHNOS is a resin manufacturer that processes and provides various resins. To fulfill this mission, I hope to always remember the attitude of providing comfort for all living spaces, cooperate with technology and manufacturing departments, and continue to provide unending value.

**Otani:** In addition, it is important that this value provision is carried out with love. Similar to consideration for the environment and achieving the targets of the SDGs, if actions are not founded on love, there is no differentiation from using social concerns to make money. It is necessary to have the desire to contribute toward doing things for people. I think that, going forward, the world will shift toward emphasizing such sharing of desires. If the desire to contribute to society and love and protect people comes first, I personally think that profits will subsequently follow as a result.

## Antiviral & antimicrobial film

# RIKE+GUARD<sup>®</sup>

Reduces certain viruses on film surface by

# 99.99%!



Keeps below **1%**

Fluctuation of certain bacteria on film surface, compared to generic coated products

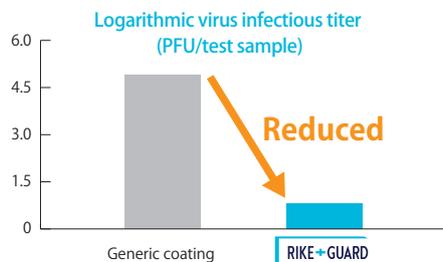
RIKEGUARD<sup>®</sup> is developed against infections by pathogens such as viruses and bacteria. There are film and compound products. This time, we will mainly introduce film products.

### Antiviral Function

The number of certain viruses on the product's surface is reduced by 99.99%. It is effective against both enveloped\* and non-enveloped viruses. This is a reliable product with the SIAA mark, conformed SIAA standard.

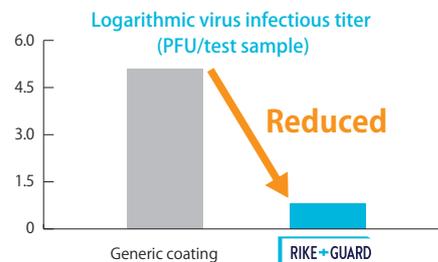
#### Non-enveloped

ATCC VR-782 performance evaluation (after 24 hours)



#### Enveloped

ATCC VR-1679 performance evaluation (after 24 hours)



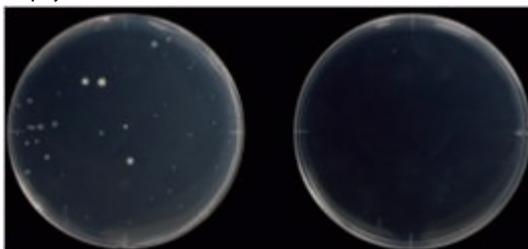
The SIAA mark can be displayed on products which carry out quality management and information disclosure according to the guidelines of the Society of International sustaining growth for Antimicrobial Articles (SIAA) based on evaluation results using the ISO 21702 method. This product is not a pharmaceutical product. It reduces the number of certain viruses on the product. It uses antiviral materials which have cleared the safety standards of SIAA and complies with the SIAA's safety standards. Antiviral processing is not for the purpose of treating or preventing illnesses.

\* The envelope refers to the fat membrane of viruses. Viruses are largely categorized into two types: enveloped and non-enveloped. Typical enveloped viruses include influenza and SARS viruses, while typical non-enveloped viruses include norovirus and adenovirus.

### Antimicrobial Function

Compared to the surface of products without antimicrobial processing, the ratio of bacteria reproduction is less than 1%. This is a reliable product with the SIAA mark, clearing the standards set by SIAA.

#### Staphylococcus aureus



Conventional product

RIKEGUARD KV210

#### Escherichia coli



Conventional product

RIKEGUARD KV210

Test method: JIS Z2801 Test time: 24 hours

The SIAA mark can be displayed on products which carry out quality management and information disclosure according to the guidelines of the Society of International sustaining growth for Antimicrobial Articles (SIAA) based on evaluation results using the ISO 22196 method. This product is not a pharmaceutical product. It does not suppress the reproduction of all bacteria. It uses antimicrobial materials which have cleared the safety standards of SIAA.



RIKE+GUARD

## High transparency type

### Features

- This is a tough and high transparent film with anti-virus and anti-bacteria performance.
- It is a glassitic\* film that is resistant to scratches and gives a sense of high quality.
- There are various grades available, including super hard and antiviral and antimicrobial effect on both sides.
- It can be used for applications such as touch panels and other displays, product cases in stores, elevator buttons, and face shields.

\* A word combining "glass" and "plastic" expressing an appearance like glass.



RIKE+GUARD

## Soft type



### Features

- It has antiviral and antimicrobial performance certified by SIAA.
- It can be freely cut and pasted to places as needed.
- It can also be easily pasted on curved places as it is a soft PVC product.
- It has been treated so that bubbles do not form easily under the sheet when pasting.
- Reliability can be seen as it is printed with the SIAA mark and RIKEGUARD logo.
- The separator is printed with grid lines to make it easy to cut.
- It can be pasted and used on various places touched by hands, such as handrails, door knobs, telephone receivers, and switches.

\* Specifications may change without prior notice for the purpose of quality improvement.

Cut to required size



Peel off from backing paper



Paste



# Actions Toward SDGs

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

Three-year Mid-term Business Plan Major Tasks	Actions Toward SDGs	
<p><b>1</b> Intensifying Global Management and Generating Synergies</p> <p><b>2</b> Improving the Capacity to Generate Revenues and Profits through Strategic Thinking</p>	<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> <p><b>Provide medical products globally</b></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><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p><b>EV product development</b></p> <p>We will deliver a wide range of products, including charging cable covering materials and sensor covers.</p> 
<p><b>3</b> Realizing a Production Structure that Reflects the Thorough Pursuit of Efficiency</p>	<p><b>6</b> CLEAN WATER AND SANITATION</p> <p><b>Appropriate management of chemical substances and waste</b></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><b>4</b> Contributing to Sustainable Societies</p>	<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> <p><b>Expanding sales of RIKEGUARD</b></p> <p>We develop and sell RIKEGUARD products that provide antimicrobial, antiviral (SIAA), deodorant, disinfectant, stain-resistant, and insect repellent functions to contribute toward measures against infections.</p> 	<p><b>6</b> CLEAN WATER AND SANITATION</p> <p><b>Conserving water</b></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><b>5</b> Strengthening Corporate Foundations through Management Emphasizing Human Resource Development and Governance</p>	<p><b>1</b> NO POVERTY</p> <p><b>Ongoing support</b></p> <p>We will continue to donate through United Way, etc.</p> 	<p><b>4</b> QUALITY EDUCATION</p> <p><b>Supporting the future generation</b></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 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 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.

In addition, covering materials for LAN and optic cables support a stable Internet environment.



**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.



**7 AFFORDABLE AND CLEAN ENERGY**

**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.





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!"

\* Volatile organic compounds (VOCs) are a cause of suspended particulate matter and photochemical oxidants. Japan's Ministry of the Environment aims to control the emission of VOCs.

# 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

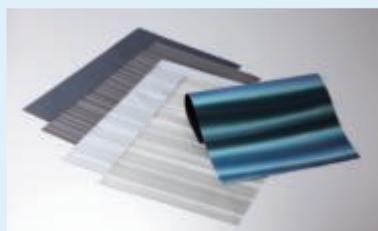
### Compound products

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

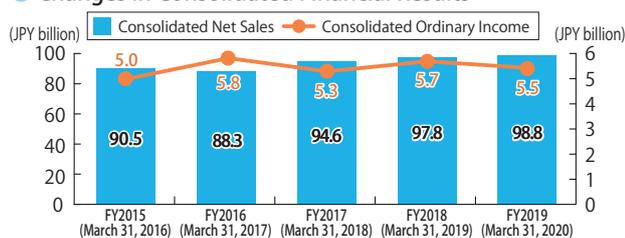
The Japanese economy in fiscal 2019 (ending March 31, 2020) showed a gradual recovery trend in the first half. However, in the second half, there was a downturn in capital investment and individual consumption due to the increase in consumption tax. Coupled with the significant decline in the situation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

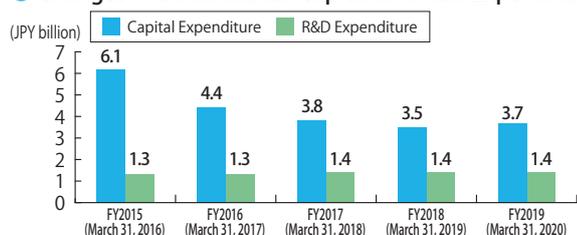
a weak economic trend.

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

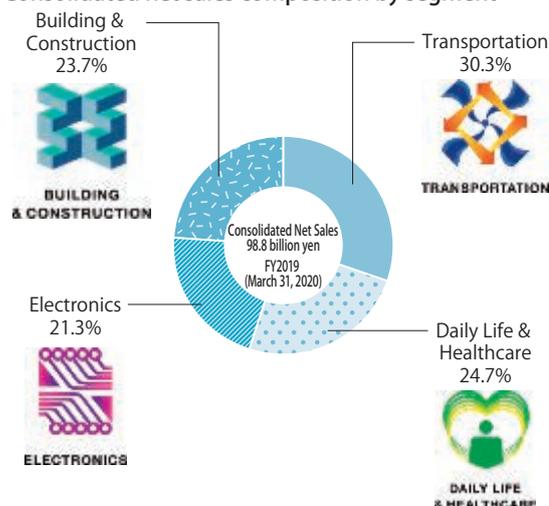


### ● FY2019 (ending March 31, 2020) Financial Results

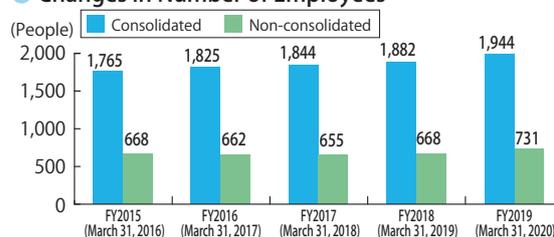
	(JPY billion)	
	Consolidated	Non-consolidated
Net Sales	98.8	41.6
Operating Income	5.5	1.8
Ordinary Income	5.6	3.6
Net Income*	3.0	1.7

\* 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.

# Networks

The RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 19 consolidated subsidiaries. We have actively cultivated markets within Japan and overseas since the establishment of the company, and have worked to spread the RIKEN TECHNOS brand. As a "Material Solution Supplier," we offer comprehensive solutions for our customers' issues through collaboration between our domestic and overseas sites.

## Japan

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

As of October 2020



12 RIKEN CHEMICAL PRODUCTS CO., LTD. ✨



2 Osaka Branch Office ✨ ✨

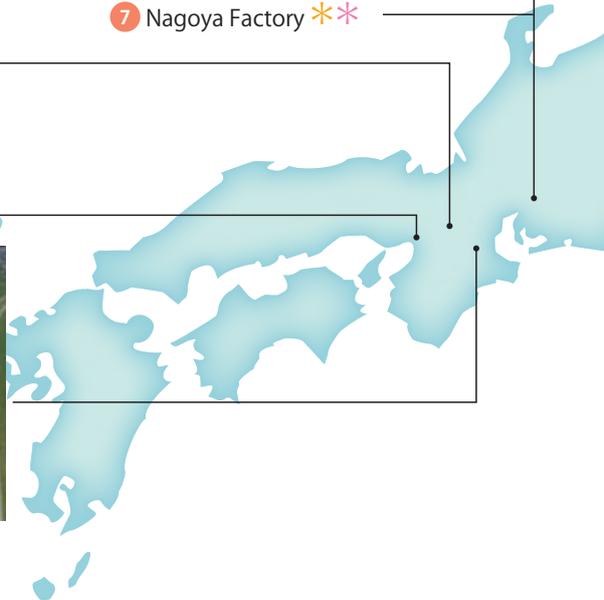


5 Mie Factory ✨ ✨  
 8 R&D Center (Mie) ✨ ✨



3 Nagoya Sales Office ✨ ✨

7 Nagoya Factory ✨ ✨



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



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



9 RIKEN CABLE TECHNOLOGY CO., LTD. \*\*



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



1 Head Office \*\*  
10 KYOEI PLASTICS MFG CO. \*  
11 RIKEN TECHNOS INTERNATIONAL CORPORATION  
13 RIKEN FABRO CORPORATION \*\*



14 I.M.I Co., LTD.



8 R&D Center (Tokyo) \*\*

Consolidated Subsidiaries in Japan	Main Business Fields	Address	Capital Stock	Shareholding
9 RIKEN CABLE TECHNOLOGY CO., LTD.	Manufacturing and sale of electric wires 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	89.23%

Head offices only are shown for consolidated subsidiaries in Japan.

# Networks

The RIKEN TECHNOS GROUP has 13 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 2020



22 RIKEN VIETNAM CO., LTD. ✨ ✨

28 RIKEN TECHNOS CORP. EUROPE REPRESENTATIVE OFFICE



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



27 RIKEN TECHNOS INDIA PVT. LTD.



15 RIKEN (THAILAND) CO., LTD. ✨ ✨



17 PT. RIKEN INDONESIA ✨ ✨



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%
23 RIKEN (SHANGHAI) CORPORATION	Purchasing and sales of functional film products	Shanghai, China	RMB 5 million	100.00%

\* RIKEN ELASTOMERS CORPORATION's capital includes capital reserve.



24 RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION



26 RIKEN U.S.A. CORPORATION



19 RIKEN TECHNOS (JIANGSU) CORPORATION \*



20 RIMTEC CORPORATION \*



18 SHANGHAI RIKEN TECHNOS CORPORATION \*\*



23 RIKEN (SHANGHAI) CORPORATION



21 RIKEN ELASTOMERS CORPORATION \*



25 RIKEN AMERICAS CORPORATION

Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
24 RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	Wholesaling and import/export of plastic products	Seoul, South Korea	KRW 1,800 million	100.00%
25 RIKEN AMERICAS CORPORATION	Sale of high functionality plastic and polyvinyl chloride molding materials	Kentucky, United States	USD 30 million	62.94%
26 RIKEN U.S.A. CORPORATION	Purchasing and sales of functional film products	Michigan, United States	USD 1 million	100.00%
27 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
28 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 INTERNATIONAL VIETNAM CO., LTD. is not included in the above consolidated subsidiaries because it is in the process of being liquidated.

# RIKEN TECHNOS GROUP Products

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

## Automotive Interior and 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



- Compound for window frames



- Compound for mud guards



- RIVEX film for windows



## Construction Products Material Products

- High-end wall covering film



- Compound for highly-insulating window frames



- Compound for construction products materials and components



- Decorative film for kitchen surfaces



- Decorative film for bathroom walls



## Medical and Healthcare Products

- Compound for syringe gasket stoppers



- Compound for blood tubing



- Compound for facial beauty device



### Electrical Equipment Materials Products

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



### Optical Materials Products

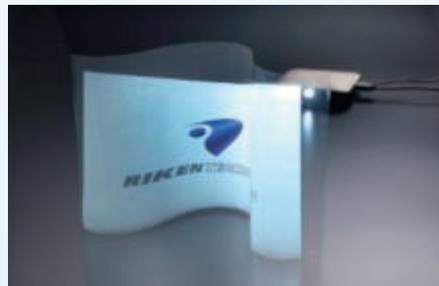
- REPTY DC100 film for next-generation displays
- Film for projection



Mobile devices



Displays for automobiles



Digital signage

### Consumer Goods Products

- Compound for pen grips
- Compound for capsule toys



- Compound for records



- Compound for cap sealing



- Compound for home appliance hoses



- Compound for refrigerator gaskets



### Food Wrapping Products

- Wrap for Home and Commercial Use
- Wrap for Commercial Use



- "Tappuri" cooking paper

- FOR WRAP



- Blue wrap "Ocean"

- TSUTSUMU





# Corporate Governance

## ● Basic Philosophy Toward Corporate Governance

The RIKEN TECHNOS GROUP implements organizational systems and mechanisms for management and carries out the necessary measures to achieve sustainable growth and improve medium- to long-term corporate value through practicing the corporate philosophy RIKEN TECHNOS WAY. By positioning the strengthening of corporate management as one of the important issues in management, an effective governance mechanism is established across the entire RIKEN TECHNOS GROUP to work toward strengthening the Group's competitiveness and ensuring management transparency and fairness.

## ● RIKEN TECHNOS GROUP Corporate Governance Policy

We have established the RIKEN TECHNOS GROUP Corporate Governance Policy based on our basic philosophy toward corporate governance. The RIKEN TECHNOS GROUP's corporate governance system and initiatives are comprehensively and exhaustively systemized and disclosed through this policy.

Going forward, we will continue to strengthen and enhance our corporate governance for the RIKEN TECHNOS GROUP's sustainable growth and improvements in medium- to long-term corporate value.

\* RIKEN TECHNOS GROUP Corporate Governance Policy

<https://www.rikentechnos.co.jp/e/company/governance/>

### ◇ Past Actions to Strengthen Corporate Governance

2016	Introduced executive officer system (separation of supervisory and executive functions) Shifted from a company with a board of company auditors to a company with an audit and supervisory committee (at least one third of the Board of Directors are independent outside directors) Established Nomination Committee and Compensation Committee (at least half of the committee members are independent outside directors; the committee chairperson is selected from independent outside directors through election by the committee members) Established Outside Board of Directors (appointment of primary independent outside director) Introduced share-based compensation system (BBT: Board Benefit Trust)
2017	Commenced effectiveness evaluation of Board of Directors (subsequently conducted annually)
2020	Established RIKEN TECHNOS GROUP Corporate Governance Policy Formulated independence standard for outside directors Formulated succession plan

## ● Corporate Governance System

### ◇ Structural Design

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.

### ◇ Board of Directors

Our Board of Directors comprises up to seven directors (excluding directors who are Audit & Supervisory Committee members) and up to five directors who are Audit & Supervisory Committee members. To ensure management transparency and soundness, at least one third of the directors are independent outside directors.

In addition, given the global business operations of the RIKEN TECHNOS GROUP, directors are appointed so that the Board of Directors has the appropriate scale and composition taking into consideration factors such as the Board's overall balance in knowledge, experience, and capabilities; maintenance of diversity; and invigoration of deliberations.

### ◇ Strategy Meeting

Our Strategy Meeting comprises all executive officers. Directors who are not concurrently executive officers also attend the meetings from the perspective of management supervision and state their opinions as necessary. In addition, meetings are held ahead of Board of Directors meetings each month to deliberate beforehand issues being put forth to the Board of Directors as well as to deliberate and decided on the execution of important tasks for which authority has been delegated by the Board of Directors.

### ◇ Audit & Supervisory Committee

Our Audit & Supervisory Committee comprises up to five directors, of which more than half are independent outside directors. At least one member has considerable expertise related to finance and accounting. In addition, full-time Audit & Supervisory Committee members are appointed to carry out prompt information collection within the company and closely share information with outside directors. The Audit & Supervisory Committee collaborates with the Audit Department (department for internal audits) which is under the direct control of the committee. Through joint conduct of audits in Japan and overseas as necessary, audits are conducted systematically and effectively using the internal control system.

### Message from Full-Time Audit & Supervisory Committee Member



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

The duty of the Audit & Supervisory Committee is to establish a corporate governance system that ensures the sound and sustainable growth of RIKEN TECHNOS and meets the expectations of social reliability. Therefore, we conduct audits on the execution of duties by directors and checks on whether the internal control system is being established and implemented properly.

Although there is much concern about the significant impact on the environment surrounding the company due to COVID-19, we will contribute toward the establishment and implementation of an even more robust corporate governance system.

### ◇ Nomination Committee and Compensation Committee

We have established the Nomination Committee and Compensation Committee as voluntary consultative bodies of the Board of Directors to ensure appropriateness regarding nomination and compensation as well as to heighten their transparency. Both committees comprise at least three directors, of which more than half are independent outside directors. The chairperson of each committee is selected from independent outside directors through election by the committee members.

The Nomination Committee reports and recommends on matters such as those related to the appointment and dismissal of directors, executive officers, counselors, and advisors, and those related to the formulation and change of independence standard for outside directors. The Compensation Committee reports and recommends on matters such as details of proposals regarding compensation and other payments (including share-based compensations) of directors being put forth to general shareholder meetings; compensation system for directors (excluding directors who are Audit & Supervisory Committee members), executive officers, counselors, and advisors; and details of compensation and other payments (including share-based compensations) of individuals.

### ◇ Independent Outside Directors

Our independent outside directors take on the roles of providing active advice regarding management, supervision of management in general, and supervision regarding conflicts of interests as well as reflecting opinions of stakeholders at Board of Directors meetings. We appoint people who meet the independence standard for outside directors set by us as independent outside directors. At the same time, they must be able to take on the role of contributing toward our sustainable growth and improvements in medium- to long-term corporate valuation. In addition, the primary independent outside director is elected by and chosen from among the independent outside directors, and serves as a liaison with the company.

\* The independence standard for outside directors is defined in the RIKEN TECHNOS GROUP Corporate Governance Policy.

### From the viewpoint of the primary independent outside director



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

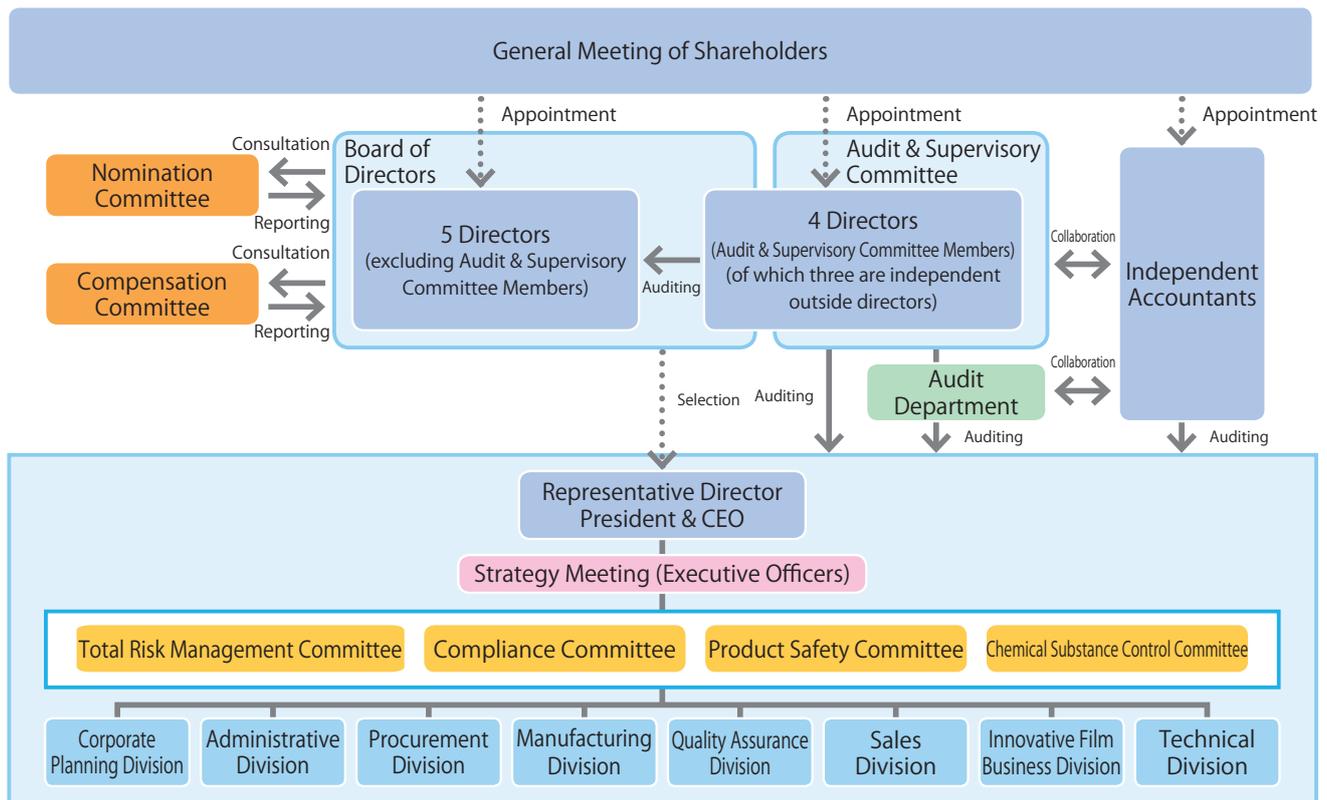
Three directors—which is one third the number of directors—at RIKEN TECHNOS are independent outside directors. As members of the Audit & Supervisory Committee, we aim to further improve the transparency and fairness of the management's decision making by diligently auditing, supervising, and advising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

### ◇ Summary Table of Corporate Governance System

Structural design	Company with an audit and supervisory committee
Number of directors (excluding Audit & Supervisory Committee members)	5 Directors
Number of directors (Audit & Supervisory Committee members)	4 Directors (of which three are outside directors)
Term of directors	1 year (2 years for Audit & Supervisory Committee members)
Voluntary consultative bodies of the Board of Directors	Nomination Committee and Compensation Committee
Adoption of executive officer system	Yes
Independent accountant	Ernst & Young ShinNihon LLC



# Corporate Governance



## Effectiveness Evaluation of Board of Directors

To improve the functions of our Board of Directors, we conduct evaluation and analysis of its effectiveness each year.

### ◇ Results of Board of Directors Effectiveness Evaluation for FY2019

#### (1) Method of analysis and evaluation

A survey (anonymous) regarding the evaluation of effectiveness of the Board of Directors for FY2019 was conducted targeting all eight directors. Based on the results, effectiveness was analyzed and evaluated, and discussions were carried out at the Board of Directors regarding future issues and details of actions.

[Key points of evaluation for FT2019]

① Composition (including roles and such of outside directors), state of operation, and agenda of the Board of Directors; ② system regarding improvement of knowledge and expertise; ③ risk management system; and ④ relationships with shareholders and investors

#### (2) Summary of analysis and evaluation of effectiveness

Overall, it was analyzed and evaluated that our Board of Directors functions appropriately and its effectiveness is sufficiently ensured. Specifically, it was confirmed that effectiveness is sufficiently ensured in the following areas.

- Regarding the main risks that affect our Group's businesses, directors raise questions and report on directions and response policies toward resolving issues. Outside directors also offer diverse opinions and bring up problems. Discussions are not limited just to risks but also discussed together with returns and costs, among other things. There is adequate understanding of risks and deep discussions.
- Information exchange is actively carried out between full-time and outside directors. Among outside directors, awareness of problems is also shared in a timely and appropriate manner through use of the outside Board of Directors meetings and other means. In addition, besides Board of Directors meetings, outside directors also participate in meetings such as the Strategy Meeting to give various opinions and advice based on independent and objective positions, contributing to the invigoration of discussions.

#### (3) Issues to further improve effectiveness and details of future actions

It was confirmed that, overall, the effectiveness of our Board of Directors is ensured sufficiently. However, the following points will continue to be discussed to further improve its effectiveness.

- Regarding the succession plan for key personnel such as the chief executive officer, detailed discussions were conducted and proper supervision was carried out to establish a development plan that is transparent and flexible. In the future, the succession plan will be properly executed, and appropriate evaluation and supervision will be carried out on its state of implementation and other aspects so that sufficient human resources are secured for the group of management candidates.
- Regarding the diversity of the Board of Directors, while many members with rich international experience are appointed, it cannot be said to be adequate from the aspect of gender. Improvement in this aspect will continue to be undertaken together with the implementation of the succession plan, including selection to the group of management candidates.
- Regarding the training of the directors, training appropriate to the company is accumulated through discussions at meetings, interviews with the Audit & Supervisory Committee, and other opportunities. Going forward, in addition to the improvement of knowledge and expertise through external lecturers, the scope and opportunities for training will be broadened such as by participating in external organizations and other bodies to build human networks and deepen understanding about the management of other sectors.

## Succession Plan

We established our succession plan in June 2020 to secure a pool of human resources for the group of management candidates. Taking into consideration our corporate philosophy, management policy, and other factors, so that the development of management candidates is carried out systematically with adequately time and resources, the Board of Directors and the Nomination Committee will continue to take the initiative to intervene in the plan's implementation and carry out regular supervision.

## Compensation of Directors

### ◇ Composition of Director Compensation

The compensation of directors (excluding the directors who are Audit & Supervisory Committee members) comprises fixed compensation predetermined based on position (basic compensation), bonus as compensation linked to short-term performance (monetary and allocation of shares), and fixed allocation of shares. This is because directors have the duty to improve the performance of each fiscal year as well as to improve medium- to long-term corporate value.

The compensation of directors who are Audit & Supervisory Committee members comprises only fixed compensation not linked to performance (basic compensation) and fixed allocation of shares.

### ◇ Process for the Determination of Director Compensation

In deciding the amount of compensation for directors (excluding the directors who are Audit & Supervisory Committee members), the Board of Director first consults the Compensation Committee where more than half of the members are independent outside directors. The decision is then made giving due respect to the reply from the committee.

The compensation of directors who are Audit & Supervisory Committee members is decided through deliberation by the directors who are Audit & Supervisory Committee members, within the amount established through resolution at general shareholder meetings.

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

We established the Policy on Internal Control Systems to ensure the implementation of the RIKEN TECHNOS WAY and the RIKEN TECHNOS GROUP Code of Conduct.

### ◇ Compliance System

We hold meetings of the Compliance Committee regularly each year to survey and supervise the implementation state of Group companies' compliance measures and state of improvement. In addition, compliance training is continuously conducted for officers and employees of Group companies, and we strive to improve the effectiveness of compliance, such as compliance to the RIKEN TECHNOS GROUP Code of Conduct, laws and regulations, the Articles of Incorporation, and social norms.

### ◇ Whistleblower Hotline

RIKEN TECHNOS has established a whistleblower hotline which employees can use to receive advice about doubts regarding laws, regulations, the Articles of Incorporation, breaches of rules. Besides the Audit Department, we have also established for third party contact through a law firm, and taken rigorous measures to prevent informers from being identified within the company and make sure that no detriment is suffered by informers.

### ◇ Risk Management System

We have established the Total Risk Management Committee chaired by the President based on our Risk Management Basic Regulations to manage risk across the entire company. Regarding the various risks surrounding the RIKEN TECHNOS GROUP, their severity of impact, occurrence frequency, state of plan progress, and other factors are regularly analyzed and evaluated so that risks arising from business activities are managed in an integrated manner.

### ◇ 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.

### ◇ Management of Consolidated Subsidiaries

We manage and supervise the state of management at RIKEN TECHNOS CORPORATION's subsidiaries through receiving the necessary reports about the situations at consolidated subsidiaries—such as the state of management and the financial situation—based on the Consolidated Subsidiaries Management Regulations. In addition, as the department overseeing the overall management of consolidated subsidiaries, the Corporate Planning Division provides guidance on the building of internal control systems and ensures the sharing of information.

### ◇ Business Audits

The Audit Department conducts internal audits of consolidated subsidiaries, and provides regular reports and reports on the state of internal control to the Board of Directors, Strategy Meeting, and Audit & Supervisory Committee.



# Corporate Governance

## Management (as of October 1, 2020)

### Directors



**Kazuaki Tokiwa**  
Representative Director  
President & CEO

March 1983 Joined the Company  
April 2002 General Manager, Sales & Marketing Dept., RIMTEC CORPORATION  
January 2007 Managing Director, RIKEN ELASTOMERS CORPORATION  
October 2011 Deputy General Manager, Compound Div.; General Manager, Compound Sales & Marketing Dept., RIKEN TECHNOS CORPORATION  
April 2013 Vice General Manager, Corporate Planning Office  
June 2013 Director; General Manager, Corporate Planning Office  
April 2016 Representative Director, President & COO (to present)



**Junji Irie**  
Representative Director  
Senior Managing Executive  
Officer  
Senior General Manager of  
Administrative Division

April 1981 Joined the Fuji Bank, Limited (current Mizuho Bank, Ltd.)  
April 2009 Executive Officer; General Manager, Kobuna-cho Branch  
May 2011 Join the Company  
June 2011 General Manager, Legal & Compliance Office  
June 2012 Director; General Manager, Legal & Compliance Office  
April 2013 Director; Senior General Manager, Administrative Div.; General Manager, General Affairs Dept.  
April 2016 Director, Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.  
January 2017 Director, Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.; General Manager, General Affairs Dept.  
April 2017 Director, Managing Executive Officer; Senior General Manager, Administrative Div.; General Manager, General Affairs Dept.  
October 2017 Director, Managing Executive Officer; Senior General Manager, Administrative Div.  
April 2019 Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.  
April 2020 Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.  
June 2020 Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div. (to present)



**Masato Koizumi**  
Director  
Full-time Audit & Supervisory  
Committee Member

October 1997 Joined the Company  
April 2006 General Manager, Legal Office  
June 2008 General Manager, Corporate Planning Office  
April 2010 General Manager, Accounting Dept.  
September 2012 General Manager, Computer System Development Dept.  
January 2016 General Manager, Operational Administration Office  
April 2016 Executive Officer; General Manager, Operational Administration Office  
January 2017 Executive Officer; General Manager, Operational Administration Office; General Manager, Computer System Development Dept.  
April 2018 Assigned to Sales & Marketing Div.  
June 2018 Director serving as Audit & Supervisory Committee Member (to present)



**Takayuki Hayakawa**  
Outside Director  
Audit & Supervisory Committee  
Member

April 1972 Joined the Taiyo Bank Limited (current Sumitomo Mitsui Banking Corporation)  
April 2006 Executive Officer; General Manager, East Japan the 3rd Corporate Marketing Div.; Sumitomo Mitsui Banking Corporation  
April 2008 Executive Officer; General Manager, East Tokyo Corporate Marketing Div. (Retired in April 2009)  
May 2009 Senior Managing Executive Officer, Ginsen Co., Ltd. (Retired in May 2010)  
June 2010 Representative Director & President, Yoei Holding Co., Ltd. (Retired in June 2017)  
June 2013 Outside Corporate Auditor, RIKEN TECHNOS CORPORATION  
June 2016 Outside Director serving as Audit & Supervisory Committee Member (to present)  
[Significant concurrent positions]  
Corporate Auditor, TKP Corporation  
Outside Director, Toyo Kosan Ltd  
Outside Director, Kyoritsu Maintenance Co., Ltd.

### Executive Officers



**Kazuaki Tokiwa**  
Representative Director  
President & CEO



**Junji Irie**  
Representative Director  
Senior Managing Executive  
Officer  
Senior General Manager of  
Administrative Division



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



**Taisaburo Kitaide**  
Director  
Senior Executive Officer  
Senior General Manager of  
Corporate Planning Division  
& Responsible for  
Procurement Division



**Hitoshi Sugino**  
Director  
Executive Officer  
Senior General Manager of  
Technical Division  
& Responsible for Manufacturing  
Division  
& General Manager of R&D Center



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

March 1985 Joined the Company  
June 2008 Office Manager, Nagoya Sales Office; General  
Manager, Compound Vehicle R&D Office  
March 2010 Deputy General Manager, Compound Div.  
April 2011 Vice Office Manager, Corporate Planning Office  
September 2011 Managing Director, RIKEN ELASTOMERS  
CORPORATION  
April 2016 Executive Officer, RIKEN TECHNOS CORPORATION;  
Managing Director, RIKEN ELASTOMERS CORPORATION  
April 2017 Senior Executive Officer; Senior General Manager,  
Corporate Planning Div., RIKEN TECHNOS CORPORATION  
June 2017 Director, Senior Executive Officer; Senior General  
Manager, Corporate Planning Div.  
April 2019 Director, Managing Executive Officer; Senior  
General Manager, Sales & Marketing Div. (to present)



**Taisaburo Kitaide**  
Director  
Senior Executive Officer  
Senior General  
Manager of Corporate  
Planning Division  
& Responsible for  
Procurement Division

April 1985 Joined Mitsubishi Corporation  
April 2009 Executive Officer; General Manager, Commodity Plastics  
Products Div., Mitsubishi Corporation Plastics Ltd.  
May 2013 General Manager, PVC Department, Mitsubishi Corporation  
May 2017 General Manager, Purchasing, Lithium Energy and Power  
GmbH & Co. KG  
April 2018 General Manager, Lithium Procurement Group and Global  
Procurement Group, Procurement Division, GS Yuasa Corporation  
July 2019 Joined the Company; Deputy Senior General Manager,  
Corporate Planning Div.  
April 2020 Senior Executive Officer; Senior General Manager,  
Corporate Planning Div.; Responsible for Procurement Div.  
June 2020 Director, Senior Executive Officer; Senior General Manager,  
Corporate Planning Div.; Responsible for Procurement Div. (to  
present)



**Hitoshi Sugino**  
Director  
Executive Officer  
Senior General Manager  
of Technical Division  
& Responsible for  
Manufacturing Division  
& General Manager of  
R&D Center

March 1983 Joined the Company  
April 2009 General Manager, R&D Office III, Materials Development  
Center  
January 2014 Deputy Senior General Manager, Technical Div.;  
General Manager, R&D Center; General Manager, R&D Office I  
April 2016 Executive Officer; Deputy Senior General Manager,  
Technical Div.; General Manager, R&D Center; General Manager,  
R&D Office III  
April 2019 Executive Officer; Senior General Manager, Technical Div.;  
General Manager, R&D Center  
April 2020 Executive Officer; Senior General Manager, Technical Div.;  
Responsible for Manufacturing Div.; General Manager, R&D Center  
June 2020 Director, Executive Officer; Senior General Manager,  
Technical Div.; Responsible for Manufacturing Div.; General  
Manager, R&D Center (to present)



**Shigeharu Nakamura**  
Director  
Audit & Supervisory Committee  
Member

April 1976 Joined the Saitama Bank, Ltd. (current Saitama Resona Bank, Limited)  
June 2005 Managing Executive Officer in charge of Finance Div., Resona Bank, Limited  
June 2006 Director, Senior Managing Executive Officer in charge of Finance Div. and in charge  
of Corporate Governance Office  
June 2008 Representative Director, Vice President & Executive Officer in charge of Human  
Resources Division and in charge of Corporate Governance Secretariat (Retired in March 2012)  
April 2012 Representative Director & President, Resona Research Institute Co., Ltd.  
April 2014 Advisor (Retired in June 2014)  
June 2014 Outside Corporate Auditor, RIKEN TECHNOS CORPORATION  
June 2016 Outside Director serving as Audit & Supervisory Committee Member (to present)  
[Significant concurrent positions] Outside Director and Audit & Supervisory Committee  
Member, TOYO KANETSU K.K.  
Auditor, F-TECH INC.  
Outside Director, The Shoko Chukin Bank, Ltd.



**Kazuma Shibata**  
Director  
Audit & Supervisory Committee  
Member

April 1982 Joined the Yasuda Fire and Marine Insurance Co., Ltd. (current Sampo Japan Insurance Inc.)  
April 2007 General Manager, Kanagawa Service Center, Sampo Japan Insurance Inc.  
April 2010 General Manager, The 2nd Sales Dept., Kanto Service Center, Sampo Japan Insurance Inc.  
April 2012 Executive Officer; General Manager, Sales Dept., Tokyo Service Center  
April 2013 Executive Officer; General Manager, The 1st Tokyo Insurance Claims Service Dept.; General  
Manager, The 2nd Tokyo Insurance Claims Service Dept.  
October 2013 Executive Officer; General Manager, the 2nd Tokyo Insurance Claims Service Dept.;  
Special Mission General Manager, the 1st Tokyo Insurance Claims Service Dept. (Retired in March  
2014)  
April 2014 Auditor, National Hospital Organization  
April 2016 Director, National Hospital Organization (Retired in March 2018)  
June 2018 Outside Director serving as Audit & Supervisory Committee Member (to present)  
[Significant concurrent positions]  
None



**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



**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



**Toshimi Yamanaka**  
Executive Officer  
Managing Director, RIKEN  
AMERICAS CORPORATION  
& RIKEN ELASTOMERS  
CORPORATION



**Tomozo Ogawa**  
Executive Officer  
Senior General Manager of  
Manufacturing Division  
& General Manager of Film  
Production Department  
& General Manager of Process  
Management Department

# Relationship with Customers

The RIKEN TECHNOS GROUP develops products according to the needs of our customers and delivers them globally. Organized around market segments, together with our customers, we address issues being faced by society.

## Messages from Division General Managers



### TRANSPORTATION

Blue Challenge!



We seek to reduce environmental load by switching from rubber to elastomers that can be recycled.



Through the development of automotive parts, we promote making lighter automobiles and reduce greenhouse gases.

## Transportation Business Unit

Through the development of materials for automotive parts, we recommend and sell products from rubber to elastomers. This allows automobiles to be made lighter and fuel efficiency to be improved. We also conduct activities that contribute toward the reduction of greenhouse gases. In addition, we seek to reduce environmental load by selling elastomers that can be recycled.



### DAILY LIFE & HEALTHCARE

Blue Challenge!



RIKEN TECHNOS compounds and films are used in medical products and equipment which require a high level of safety and hygiene. We reduce the burden on both patients and healthcare workers.

We have launched RIKEGUARD®V which has obtained the SIAA mark as an antiviral and antimicrobial product. In addition to being offered as a material for processing, we also provide it as a film product, contributing toward measures against contact infection.

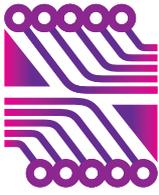


As food packaging, food wraps contribute to reducing food loss by keeping food hygienic and preserving excess food.

## Daily Life & Healthcare Business Unit

We sell compounds, films, wraps, and other products mainly in the medical, consumer goods, and food packaging markets. We actively promote contributing to a sustainable society through these products which are directly related to people's lives.





**ELECTRONICS**

Blue Challenge!



By providing covering materials for LAN cables and optical fibers, we contribute to education that makes use of the Internet. Materials for flexible flat cables used in high speed transmissions capable of meeting 5G requirements are essential products for an information society.



The flame-resistant elastomer compound Trinity® FR is used in solar cable coatings to support renewable energy transmission.



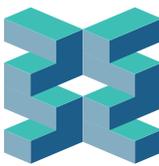
Covering materials for charging cables of electric vehicles are used in the new field of technological innovation called CASE.



PVC compounds are used in the electric wires of developing countries, contributing toward the continuous supply of safe and reliable energy.



**Building & Construction Business Unit**



**BUILDING & CONSTRUCTION**

Blue Challenge!



High-functionality compound is used in resin sash which can suppress energy consumption. In addition to functions such as heat and sound insulation, it reduces burden during transportation and construction due to being lightweight. We are also working on the recycling of waste materials.



In the interior market, renovation and remodeling can revive aging houses and buildings for the sustainable use of living spaces. In this market, we provide comfortable films with pleasant designs which use reliable materials that are properly managed.



YOSHIDA ANNY and Akita University jointly develop Tsuyoshi-3, a pipe which prevents freezing without the use of energy. This allows freezing to be prevented without the use of heaters and similar equipment even during harsh winters. Our compound is used to form the star shape used in the pipe.



## 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 section 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

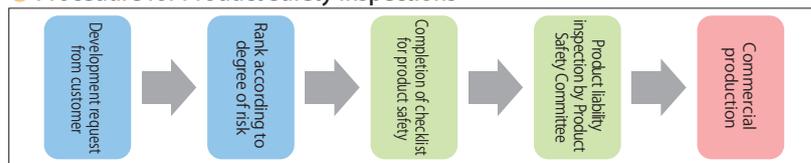
### Handling of Product Liability

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 in January 1995 to prevent the occurrence of product liabilities, prompted by the Japanese Product Liability Act that became effective in July 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 came into force in 2019.

## Handling of Complaints

In fiscal 2019, 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 value, 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 2020 was 8 yen per share. As a result, the total annual dividend, including the interim dividend, reached 16 yen per share.

Fiscal Year (Recorded Date)	Dividend per Share		
	Interim	Year End	Annual
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) (Actual)	JPY 6.00	JPY 6.00	JPY 12.00
FY2018 (March 31, 2019)	JPY 6.00	JPY 8.00	JPY 14.00
FY 2019 (March 31, 2020)	JPY 8.00	JPY 8.00	JPY 16.00

## 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.

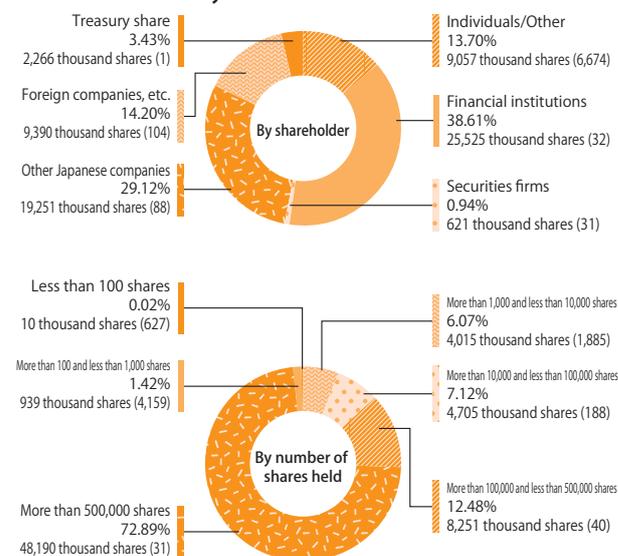
A page related to finance and investor relations is provided on RIKEN TECHNOS's official website. Upon formal disclosure through press releases of the latest financial results summaries, securities reports, and other timely disclosure material, the information is listed on the page without delay.

## Status of Shares and Shareholder Composition (As of March 31, 2020)

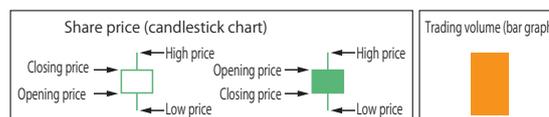
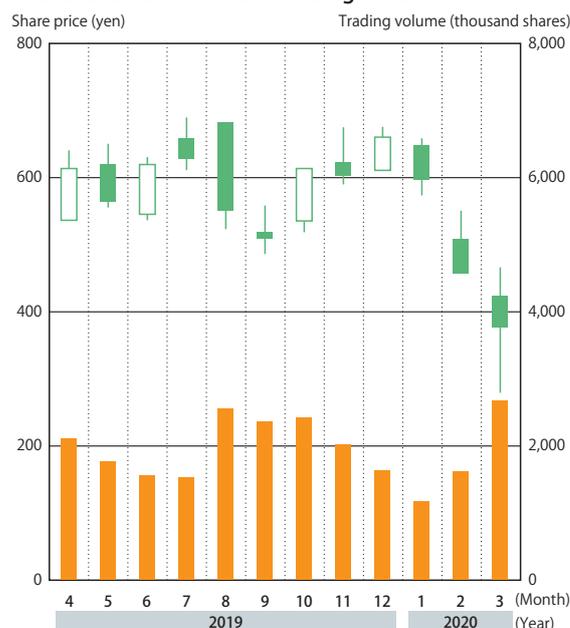
### Status of Shares

Total amount of authorized shares	236,000,000
Total amount of issued shares	66,113,819
Total number of shareholders	6,930

### Status of Shares by Shareholder and Number of Shares Held



### Trends in Share 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

Amid drastic changes in social circumstances including those in logistics brought by market fluctuations caused by raw materials as well as environmental changes, the Procurement Division will build an optimal logistics system aimed at fair and optimal procurement while overseeing the supply chain.

In addition, we are working with our business partners to strengthen actions for new product development and logistics that consider the environment toward “Contributing to Sustainable Societies” which is a major task in our three-year mid-term business plan. At the same time, we will also actively undertake the adoption of new raw materials conforming to such requirements while collaborating with the relevant departments.

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. Whether in Japan or overseas, we seek overall and local optimization from a global perspective.

### 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

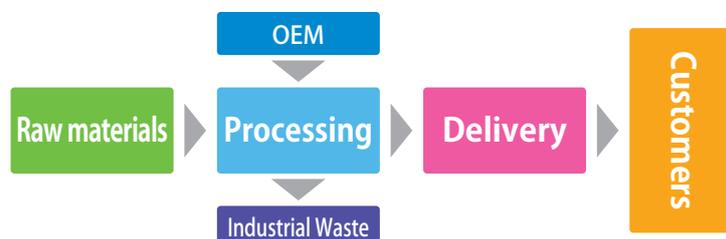
The Purchasing Department of our Head Office Procurement Division and the Purchasing Section in each factory and overseas base carry out RIKEN TECHNOS's procurement operations.

\*Quality, Cost, Delivery + Sustainability

## 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, including our supply chain, with the cooperation of our business partners. In FY2019, we carried out quality audits including environmental matters on two of our transport 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

\* See the note on page 32.

### 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) for low burden on the environment and absence of hazardous substances.

#### ● Operation

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

## 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 will fulfill our responsibly as a specified consigner in accordance with the Energy Saving Act.
- We are promoting the collection of pallets from customers to reduce the number of new procurements and the transition to plastic pallets to conserve timber resource.

### 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

#### Motegi Co., Ltd.

##### G-Mark Certification

Registration date: January 1, 2004  
Expiration date: December 31, 2023

##### ISO 9001 Certification

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

##### 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 CO<sub>2</sub> Volumes Generated (Japan)

Transportation	FY2017	FY2018	FY2019
Transportation Volume (tkm)	28,738,308	28,485,895	24,682,013
CO <sub>2</sub> Amount Generated (t-CO <sub>2</sub> )	4,988	4,944	4,284



# 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 to beautify the area around WATERRAS TOWER where the head office is located.

**Children's mikoshi**

**Mie Factory**



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

**Saitama Factory**




A portable shrine carried by children from the local community association came to the Saitama Factory.

From April 2019



**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.

**Support for and participation in the Kameyama City Summer Evening Festival**

**Mie Factory**



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.

- Contribution
- Next generation
- Interaction
- Environment



### 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



Three students from the local Okabe Junior High School visited on a workplace experience. They helped in production work at the Food Wrapping Production Section.



#### Mie Factory



Two students full of energy from Kameyama Junior High School visited on an internship.



Two students from Kumagaya Technical High School visited on an internship.



A student from Kameyama High School visited on a five-day workplace experience.



### Light-Down Mie 2019

We participated in Light-Down Mie, an activity promoted by Mie Prefecture for the prevention of global warming. Actions to save energy and electricity were taken, such as turning off unnecessary lights and encouraging staff to leave work on time.

#### Mie Factory

2020

October

November

December

January

February

March



### Ekiden relay and marathon race

#### Mie Factory

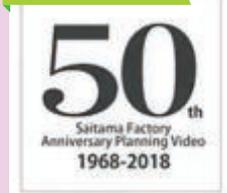


The Mie Factory supported and participated in the Kameyama City Ekiden relay. We won in the corporate category.



### 50th anniversary of Saitama Factory through coexistence with the local community

#### Saitama Factory



In 2019, the Saitama Factory celebrated its 50th anniversary. A variety of events took place, including video filming involving former staff, the creation of a chronology table by project members, a special cafeteria menu, and a bowling competition. Going forward, the Saitama Factory will continue to be a factory that is rooted in the local community.



## Initiatives Overseas

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

### Message from an Officer



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

In 2020, people all over the world are facing problems brought by COVID-19. Initial plans in many aspects have been returned to the drawing board or delayed. In addition, racial discrimination has become a major social issue, such as causing violent protests at various locations.

We were also unable to realize the things we have planned to achieve the Sustainable Development Goals (SDGs) due to administrative orders from the federal, state and other levels. While economic activities are gradually restarting now, we decided to embark on a new start by first cleaning up the local community.

Economic disparity, racial issues, and other problems are difficult issues that cannot be solved by the actions of one company. I think COVID-19 has raised these issues to the world again. We think education is one important factor in solving these difficult issues. We will continue with our activities to teach Japanese culture (a different culture) to children of the local community and donation activities so as to create 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

RIKEN ELASTOMERS CORPORATION supports the Boys and Girls Club, which has many programs for children to learn while playing. It helps to build even stronger relationships of trust through active interaction not only within the same generation but also with adults. On July 24, 2019, RIKEN ELASTOMERS CORPORATION participated in the lunch party at the Boys and Girls Club.



From left, Gerald Bennett, a Boys and Girls Club member, and Cedric Windham

### Education support at Pembroke Elementary School

As an education member, together with Pembroke Elementary School, RIKEN ELASTOMERS CORPORATION participates in the annual career counselling session, supporting teachers and students.

In December 2019, RIKEN ELASTOMERS CORPORATION provided play equipment for an event on Positive Behavioral Interventions and Supports (PBIS).

PBIS is a program that prevents problematic behavior by improving school environments and increasing desirable behavior of children. It is based on practical educational research in behavioral analysis. PBIS comprises a tiered framework based on data and theory while taking into consideration school environments. It focuses on the creativity of children and is split into three tiers, with Tier 1 being about schools as a whole, Tier 2 being about classrooms, and Tier 3 about individuals to support the holistic growth of children.



From left, Krysti Wynn, Hunter Smillie, Barbara Meriwether, (Pembroke Elementary Family Resource Counselor), Lauren Jeffcoat & Stacey Watts

## Officer Message



**Akihiro Tamura**  
President, RIKEN (THAILAND) CO., LTD.

RIKEN (THAILAND) CO., LTD. has a scholarship system offering THB 5,000 per student to promote the education of our employees' children and support low-income employees. In FY2019, the system gave out a total of 13 scholarships to 10 elementary school students and three junior high school students. In addition, we celebrated our 30th anniversary in July 2019. While there were various difficulties over these 30 years, we deeply appreciate the support and cooperation of shareholders, customers, and local residents as well as the unending effort of our employees. Going forward, all employees will continue to work united as one to supply high quality products which have a high level of safety and contribute to the local community.

## 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.



### FY2019 recipients of the RIKEN (THAILAND) CO., LTD. scholarship

#### Children who received the scholarship



**Kantawit Wabanlang**  
First grader



Child of medical product manufacturing staff Watchara Wabanlang

**Kantaphong Tuanghiranchot**  
First grader



Child of technical staff Nattawan Tuanghiranchot

**Pattarawadee Srimuang**  
Second grader



Child of medical product manufacturing staff Poonphon Srimuang

**Tamonwan Boonchuwit**  
Second grader



Child of general product manufacturing staff Tepahsit Boonchuwit

**Supawat Pansamdeang**  
Third grader



Child of general product manufacturing staff Sathaporn Pansamdeang

**Saksit Sinlapawong**  
Fourth grader



Child of medical product manufacturing staff Ramet Sinlapawong

**Thanakrit Chueysalao**  
Fourth grader



Child of medical product manufacturing staff Nattapong Chueysalao

**Pattaraporn Bupphachat**  
Fifth grader



Child of medical product manufacturing staff Sarthit Panthong

**Nuengruethai Kongchang**  
Sixth grader



Child of general product manufacturing staff Ekalak Kongchang

**Supichaya Butpetch**  
Sixth grader



Child of administrative staff Sapot Kiangkao

**Lalana Kampichit**  
Seventh grader



Child of logistics staff Wichai Kampichit

**Thitima Meeusa**  
Eighth grader



Child of QA staff Poowadon Meeusa

**Jirakorn Ruekkamyee**  
Ninth grader



Child of logistics staff Krittiyakorn Ruekkamyee

# 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. Supawat Pansamdeang

I am Pansamdeang, and I am a third grader at an elementary school in Bang Prok, Pathum Thani Province. I am happy to receive this scholarship. It can lighten the load of my parents. I promise to study seriously so as to put the scholarship to good use. (Third grader)



### Ms. Supichaya Butpetch

I thank RIKEN (THAILAND) CO., LTD. for giving this scholarship of THB 5,000. To me, this money is really useful. It will be used to pay school fees to lighten the load of my parents. I will study hard to pass my examination for seventh grade. I want to be able to graduate and find a good job so that I can take care of my parents and they can be proud of me. My parents work hard for me, and I will study hard to repay them. I want to say thank you again for the scholarship. (Sixth grader)



### Mr. Jirakorn Ruekkamyee

Thank you for giving me this scholarship. I am really thankful that I was selected from among the candidates. I will use the scholarship for school fees and stationery. Taking part in the scholarship award ceremony made me happy and proud. I will become a good person in society in the future. Thank you. (Ninth grader)



## 30th anniversary of RIKEN (THAILAND) CO., LTD.

On July 26, 2019, RIKEN (THAILAND) CO., LTD. celebrated our 30th anniversary with a commemoration ceremony. We were able to hold a grand event with the participation of employees and shareholders.

Being able to hold this commemorative ceremony was solely due to the exceptional support of everyone, including our shareholders and the unending effort of our employees, for which we are deeply thankful.

RIKEN (THAILAND) CO., LTD. has embarked on a new start again, and we will work to further expand sales. Going forward, our employees will continue to work united as one so that the high quality and safety of RIKEN (THAILAND) CO., LTD. will be trusted by our customers. We hope everyone will continue to give RIKEN (THAILAND) CO., LTD. your support.



Morning of ceremony held to commemorate 30th anniversary



Celebration with shareholder representatives

## Officer Message



**Kazuhiko Kobayashi**  
Associate Director  
RIKEN TECHNOS CORPORATION  
President, PT. RIKEN INDONESIA

In 2020, we donated toilet facilities and repaired schools to improve the environment of Pantai Bahagia Village, a village we visited for mangrove tree planting in 2019. Gifts that are difficult to obtain at the village—such as stationery, sweets, and McDonald’s hamburgers for the village’s children—as well as trees for planting around the facilities were brought by 27 employees of PT. RIKEN INDONESIA representing the various sections when they visited Pantai Bahagia Village.

By again organizing CSR activities in 2020, the CSR team of PT. RIKEN INDONESIA were able to have opportunities for interaction with a wider social circle. They were also able to share joy with the residents and children of Pantai Bahagia Village. We hope that, through using the toilets and clean water donated by PT. RIKEN INDONESIA, the villagers will be able to stay healthy and lead enriching lives as far as possible.

## Initiatives at PT. RIKEN INDONESIA

### Donation of toilet facilities to Pantai Bahagia Village

Toilets were donated to Pantai Bahagia Village, a village we visited for mangrove tree planting last year. The villagers depend on agriculture and fishing for a living, and the village is repeatedly struck by floods. The school attended by young children was a modest building with only two small rooms. There were no facilities such as toilets or washrooms. On November 30, 2019, a presentation ceremony was held to commemorate the completion of toilet facilities, and the children were given stationery, sweets, and other gifts.



Presents being given to the village’s children



Completed toilet facilities



The village’s children with PT. RIKEN INDONESIA’s CSR team



## 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.



### Takuma Ishibashi

#### 1 Thoughts after appearing in a YUME Lab episode

More than my activities, this became a precious opportunity for many people to learn about the existence of the field called space medicine. After appearing on the program, I received many comments, such as “Space is not just about rockets and satellites!” and “One can aim for space even when studying medicine!” I deeply appreciate that space development has become a closer presence to more people after being featured in YUME Lab. Personally, having an impactful video introducing myself has helped to heighten my outreach capability.



#### 2 Current and future activities



Currently, we are also expanding the scale of our community and carrying out activities without being deterred by COVID-19 (and maybe with even greater energy). For example, in the Space Physiology and Medicine translation project, we are translating an academic book from the United States aimed at creating a textbook for space medicine. As

space medicine is a niche field, introductory books currently published in Japanese somewhat lack in comprehensiveness. In view of its future growth as a field and from the needs of students who desire a book explaining a wider range of topics in detail, we launched this project to make such a book by ourselves. To support the time when anyone can go into space from the medical aspect, in managing the community, I treasure such a stance of learning by generating output in such a way. Other activities include providing policy recommends from the perspective of space medicine in response to the Cabinet Office’s call for public comments in the formulation of the five-year plan known as the Basic Plan on Space Policy as well as holding regular sessions to read academic papers and webinars.



Visit this page for more information on their activities

[www.yume-lab.jp](http://www.yume-lab.jp)

### Asumi Hayashi

#### 1 Thoughts after appearing in a YUME Lab episode

The filming became a good opportunity to take an objective look at my own activities. Many people learnt about my activities through the broadcast, and during the Tohoku University Medical Festival that took place right after the broadcast, many who saw the show cheered me with voices of support. Keeping their support close to heart, I will further devote myself so as to be useful to the junior high and high school students and patients that I will encounter in the future as well as to society. I wish to express my heartfelt appreciation to RIKEN TECHNOS and everyone involved in the filming for giving me such a rare opportunity.



#### 2 Current and future activities

In academic year 2019, we visited a total of eight schools nationwide—from Fukuoka to Yamagata—and taught 300 high school students, delivering lessons regarding first aid and medical frontlines. As for academic year 2020, online lessons regarding COVID-19 targeting junior high and high school students were held a total of three times in April and May. In this project, which introduced themes such as infectious disease, the collapse of the medical care system, and basic reproduction number, students thought about how they should behave during the spread of COVID-19.



The project was well received, with many of the participating university students giving comments such as “I was able to remember my original purpose and gained energy through this project.” In addition, it became a precious opportunity to think about how to convey medical information in an easy-to-understand manner to patients as a future medical practitioner. Some feedback from participants include “I learnt that medicine is made possible through the work of many occupations” and “I understood well the need to avoid the Three Cs because COVID-19 was explained logically from an expert perspective.” Going forward, I plan to convey about medicine and career choice to junior high and high school students nationwide. In the future, after heightening my expertise as a doctor, I hope to collaborate with educational institutions to provide many people with opportunities for learning about medicine up close.

Students who have appeared in the program in the past

"Enriching the meals of working women"



#105:Shiho Azuma  
Wakayama University  
>2nd year student

"Youngest person to be listed through service sought by society"



#106:Ryo Ogawa  
Rikkyo University  
>4th year student

"Innovate! of Music."



#107:Takeshi Shoyama  
Tokyo Inter-High School  
>3rd year student

"Find and realize your own happiness!"



#108:Mina Doi  
University of Tsukuba  
>3rd year student

"Continuing to generate aspirations and dreams for the younger generation"



#109:Taiki Akita  
Hosei University  
>4th year student

"A person forging a chance encounter creating a colorful society combining the individualities of people"



#110:Yuka Nakamura  
Hosei University  
>4th year student

"Increasing the number of people who live as themselves without comparing with others"



#111:Ryoichi Yamakoshi  
University of Tokyo  
>4th year student

"Registered dietician who can convey the value of school meals"



#112:Ayumi Hirai  
Sagami Women's University  
>2nd year student

"Increasing the number of people who empathize with the goodness of the regions"



#113:Daiki Sato  
Fukushima University  
>4th year student

"Saving today's Japan from the perspective of regional politics"



#114:Taisei Ichikawa  
Kanazawa University  
>4th year student

"Aiming to be listed in 2025"



#115:Atsushi Seto  
Kinki University  
>3rd year student

"Making Homii into a culture worldwide"



#116:Hidetaka Ko  
Doshisha University  
>4th year student

"Sowing the seeds of inspiration that further enrich the lives of many people"



#117:Asuka Mizuguchi  
Tokyo Women's Christian University  
>4th year student

"Eliminating people troubled by itchiness"



#118:Asumi Hayashi  
Tohoku University  
>5th year student

"Helping all outliers in less fortunate environments bloom"



#119:Yasuharu Ohno  
University of Tokyo  
>3rd year student

"Creating environments for finding one's correct answer in this world without correct answers"



#120:Hinako Makita  
Sensoh Gakuen Senior High School  
>2nd year student

"Practicing medicine in space"



#121:Takuma Ishibashi  
University of Tokyo  
>4th year student

"Toward a world where people will think of faraway issues as nearby issues"



#122:Ai Taguchi  
International Christian University  
>2nd year student

"Creating towns where young people can have hope"



#123:Yuma Yoshida  
Heiseicho Kodai2 High School  
>3rd year student

"Realization of a world where everyone can continue to pursue dreams regardless of their birth or current circumstances"



#124:Raiki Ishizuka  
Kokugakulin University  
>3rd year student

"Eliminating unreasonable difficulties in lives"



#125:Nanami Murata  
Wakayama Medical University  
>3rd year student

"True equality in opportunities"



#126:Tatsuya Tanaka  
Waseda University  
>2nd year student

"Achieving challenges with love with those from the same generation"



#127:Yujin Yamaguchi  
Seigakuin Junior High School  
>3rd year student

"Japan's number one coach that continues to believe in the potential of people"



#128:Ayaka Masuko  
University of Tokyo  
>3rd year student

"Making the world 20 years from now even more cheerful"



#129:Rikuto Shinmi  
Musashino University Chiyoda High School  
>1st year student

"Solving the mystery of the universe"



#130:Takuya Inoue  
Doshisha University  
>2nd year student



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

RIKEN TECHNOS Presents

Following the Dreams of Students Who Take on Challenges.

夢らぼ DREAM LABORATORY

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

New episodes every other week

BROADCAST EVERY SATURDAY at 6:55 p.m.

Produced by: BS12ch TwelIV / RIKEN TECHNOS CORPORATION / YADOMURAI PROJECT Co., Ltd.  
Production Collaboration: JFN / Kenjaya



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

# Relationship with Employees

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

## Message from the Senior General Manager of the Administrative Division



**Junji Irie**  
Representative Director  
Senior Managing Executive Officer  
Senior General Manager of  
Administrative Division  
RIKEN TECHNOS CORPORATION

The Administrative Division is placing emphasis on “Strengthening Corporate Foundations through Management Emphasizing Human Resource Development and Governance,” a major task of the three-year mid-term business plan. Especially in a situation where measures against COVID-19 are required, the growth and autonomy of each employee are essential to realize work-style reforms and flexible responses to a new normal.

In addition to establishing education and training systems not bounded by traditional mindsets, the succession plan required by our corporate governance code also built a system that covers and develops young employees.

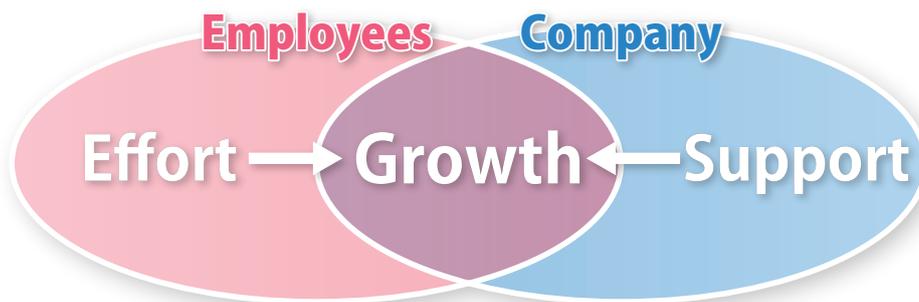
We are also strengthening initiatives aimed at creating even better working environments, enhancing systems related to childcare, nursing care, and flexible working hours, and promoting the use of teleworking and other systems.

## Approach to Developing Human Resources

Our 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!”**

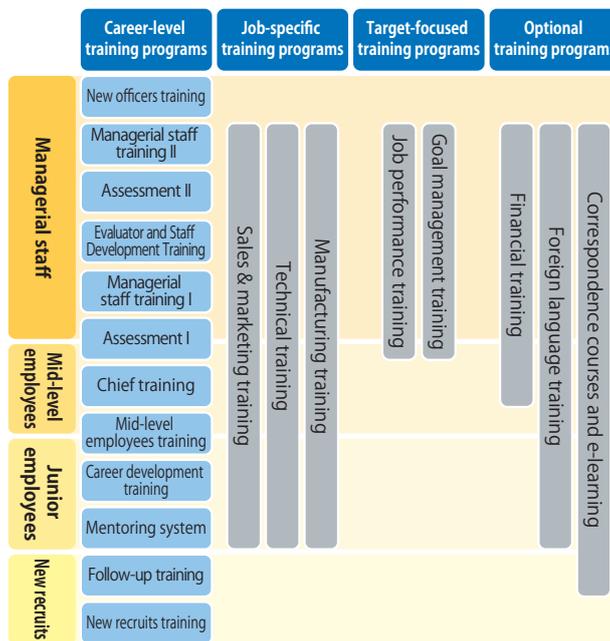
## Education System

As our education system, initiatives regarding human resource development are systematically implemented, such as career-level and various other training programs as well as job-specific education.

Some of these initiatives are introduced. In Career Development Training targeting young employees, they are made to consider environmental changes inside and outside the company that may occur in the future, and conduct self-analysis to map out career paths suitable for themselves. The training leads to proactive challenges for the future.

We conduct Evaluator Training and Staff Development Training for managerial staff to ensure that they conduct accurate and impartial personnel evaluations of their subordinates and strengthen the ability to develop their subordinates. In addition to understanding their roles and responsibilities as managers and learning about evaluation methods, they learn how to train successors, share subordinate’s medium- and long-term career goals, and strengthen dialogue with subordinates.

### RIKEN TECHNOS Training Programs



## Types of Training—“Chief Training” for Development of Managerial Staff Candidates

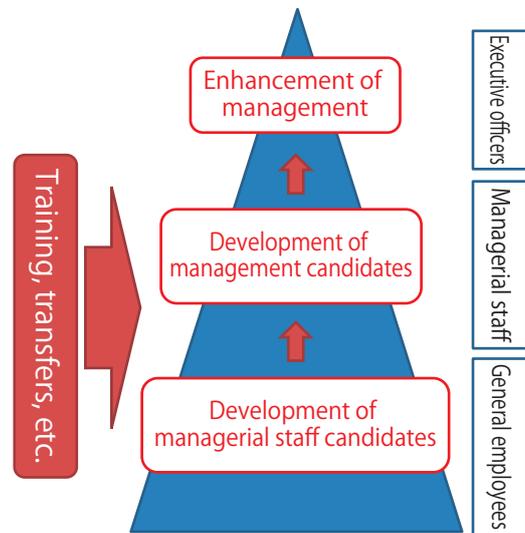
We conduct career-level training to improve the skills of our employees in general. In FY2019, we made major revisions to the training program of our Chief Training. Together with recognizing the importance of preparations for managerial staff, the contents allowed understanding of behavior as management and leaders in an experiential manner.

Each participant reaffirms the roles required of managerial staff going forward and the skills they currently lack. It is training that serves as a springboard for the future.



## Selection-based Development Through Succession Plan

We promote the development of employees who have potential as management candidates by conducting selection-based training for managerial staff and general employees as well as allowing them to experience challenging career paths such as appointments to the management of consolidated subsidiaries.



● **Participation in selection-based training (Globis Management School)**  
**Shinzo Saito**  
**President, RIKEN ELASTOMERS (THAILAND) CO., LTD.**  
**RIKEN TECHNOS CORPORATION**



Through attending Globis Management School, I was able to spend precious time polishing management-related knowledge and my sense of logical thinking through vigorous discussions with participants working in various sectors and many practical sessions. Currently, I am practicing management as the President of RIKEN ELASTOMERS (THAILAND) CO., LTD. I hope to contribute toward the overall growth of the organization with a perspective that spans management in general while putting what I learnt to practice.

● **Experiencing challenging career paths**  
**Yosuke Yamagata**  
**President, RIKEN VIETNAM CO., LTD.**  
**RIKEN TECHNOS CORPORATION**



As a person in my early 40s who has experience only up till that of a domestic sales group leader, I was surprised and honestly worried when I was selected to manage RIKEN VIETNAM CO., LTD. In the first six months of my appointment, I had to make a variety of decisions while experiencing unfamiliar work. Some things did not go well. Things started to move smoothly when I made the decision to ask for help from those around me for those things which I do not understand. Today, I still have many issues that need to be addressed, and as a member of the RIKEN TECHNOS GROUP, I will overcome them as one team by working together with the staff. In addition, I myself have gained the ability to see the big picture through my work as management, and I hope to contribute toward business expansion with a broad perspective.

● **Selective development of young employees**  
**Takumi Kawamura**  
**Technical & Purchasing Manager, RIKEN ELASTOMERS CORPORATION**  
**RIKEN TECHNOS CORPORATION**



RIKEN TECHNOS CORPORATION is putting effort into the expansion of overseas businesses, and amid such a situation, I was given the opportunity to be seconded to RIKEN ELASTOMERS CORPORATION which undertakes the TPE and PVC business in North America. I see this as a chance to broaden my perspective and go about it positively. As the Technical & Purchasing Manager, I am able to interact with all departments forming the foundation of manufacturing—research and development, procurement, quality assurance, and production—than when I was in Japan. Amid considerable barriers in culture and language, I feel the need to express my thoughts more clearly and logically as ambiguous expressions result in poor communication. I hope to use my work in the United States to train my ability to see the big picture paying attention to ties within and outside the company.

## ● Allowing Diverse Human Resources to Play Active Roles

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. We actively work to create environments where such diverse human resources can play even more active roles.



**Aki Iwaasa**  
Chief Research Engineer, Material Characterization & Analysis Center

Currently, the number of young women—in their 20s and 30s—in regular positions at our company is increasing and they are active in a wide range of jobs. At the same time, there are few women from my age group who are in regular positions and it was a challenge to secure the position of women in technical regular positions. From 2004 to 2005, I was on leave for childbirth and childcare before I returned to work. A difficulty I faced before becoming managerial staff was that, as work with responsibilities cannot be done without working the same number of hours as other employees, I had to come up with ideas when my child is sick or there were school events, such as asking my parents to help or coming to work on another day. I was also able to work because of the cooperation and understanding of my managers and colleagues. My current work at the Material Characterization & Analysis Center mainly involves analyzing our products and conducting analysis to confirm quality. Also, as a managerial staff, I manage of part of the Center and carry out guidance and education of my subordinates. It is a position of responsibility that requires me to always be considerate to those around me, but it is also work that feels rewarding. The future is an era allowing a variety of work styles, such as teleworking and staggered working hours. I think people will be able to work as efficiently as others even if they cannot come to the office by making creative use of various mechanisms, such as teleworking when one's child is down with fever. I hope to see more opportunities for women to play active roles and the number of women managerial staff increase.

### ● Systems for Sick/injured Childcare Leave and Caregiver Leave

At RIKEN TECHNOS, up to 10 days of leave can be taken to care for a sick/injured child or provide nursing care to a family member. This leave is handled as paid leave.

### ● Leave of Absence System for Childcare and Nursing Care

The leave of absence system for childcare allows employees to take leave for up to two years. Furthermore, a certain period of the leave is paid. From FY2017 to FY2019, the rate of return to work from childcare leave was 100%. In addition, the leave of absence system for nursing care allows employees to take up to a total of 93 days of leave.

### ● Shorter Working Hours System for Childcare and Nursing Care

Employees with childcare or nursing care responsibilities are permitted to reduce their working hours to six hours a day. They can choose their manner of working to suit home and other individual circumstances. In FY2019, three employees used the shorter working hours system for childcare.

### ● System for Withholding of Expired Paid Leave

Paid leave expires after two years. This system allows paid leave to be withheld and used within 60 days after expiry. The withheld leave can be taken for childcare, nursing care, or when an employee is sick or injured.

### ● System for Half-day Paid Leave and Period for Promoting the Taking of Paid Leave

RIKEN TECHNOS seeks to promote the taking of paid leave, such as introducing a system where certain employees can take paid leave for half a day at a time and conducting campaigns for promoting the taking of paid leave.

### ● Flextime System

A flextime system has been introduced for certain employees to allow flexible work compatible with busy and lull periods.

### ● Use of Teleworking and Staggered Working Hours

To prevent the spread of COVID-19 and realize flexible work styles, we allow teleworking—such as working from home—and staggered working hours.

## Safety and Health Activities

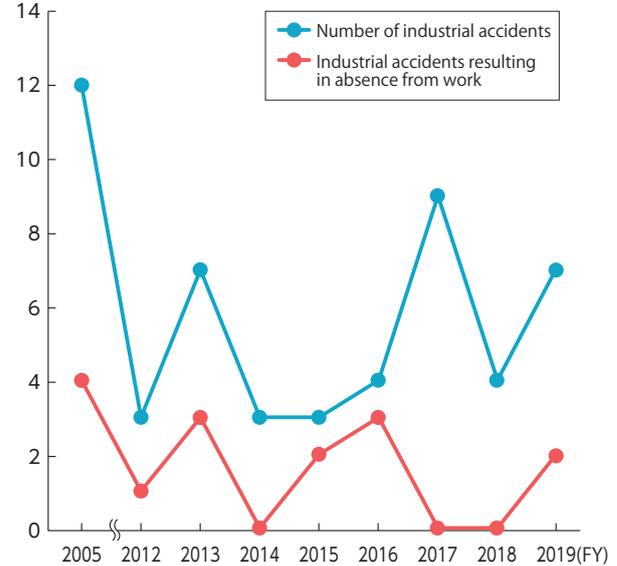
### Concept of Safety and Health Activities

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 FY2019, our activities were focused on reducing accidents to zero with 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. As a result, there were a total of seven industrial accidents: two resulting in absence from work and five that did not result in absence. The types of accidents were bumps, slips, caught in machine, and

cuts, and the main causes were delays in RA (including equipment deficiencies), incorrect posture, insufficient confirmation. For RA activities in FY2020, in addition to hazardous places and equipment, latent hazards found in daily work behaviors will be identified and activities carried out to change work behavior. Furthermore, focus will be placed on reducing industrial accidents to zero especially during changeover and cleaning work as well as pointing out and improving unsafe equipment and work through safety patrols.



Safety and health education in Japan

## Our New Employees in 2020

We asked our new employees—who will be among those responsible for the future of RIKEN TECHNOS—to write something about their enthusiasm for working at RIKEN TECHNOS during their initiation ceremony so they can work with a self-awareness of being members of the RIKEN TECHNOS GROUP.

We look forward to all of them growing and playing active roles in the future.

<p>I will go about my work seriously without forgetting to be curious and inquisitive!</p> 	<p>I will do my best each day to become someone that many people can rely on!</p> 	<p>I will always go about my work and take on challenges with new approaches and a fresh spirit.</p> 	<p>I will develop as many products useful to society as possible!</p> 
<p>I will take on many challenges and continue to grow!</p> 	<p>I will not forget my original purpose and do my best in every endeavor!</p> 	<p>I will work hard at all my work with my never-give-up attitude!</p> 	<p>I will contribute to development that exceeds customers' expectations with my stance of completing everything that I set out to do!</p> 
<p>I hope to contribute to the company using the perseverance developed at the baseball club!</p> 	<p>I hope to get used to the work and environment as quickly as possible and do my best as a member of the company!</p> 	<p>I will do my best so that I can contribute to the company using my ability to work hard that I nurtured through attaining commercial qualifications!</p> 	<p>I will work hard to learn properly from the basics so that they can be put into practice!</p> 
<p>I was in the soccer club, so I have confidence in my stamina. I will start by first learning my work well!</p> 	<p>My motto is to smile, so I warm up to people quickly. I will do my best without making mistakes!</p> 	<p>There are many things I don't know, but I will learn quickly and take on work!</p> 	<p>I will do my best so that I can become independent and useful as quickly as possible!</p> 
<p>I played soft tennis from fifth grade till high school. I will quickly learn to do my work!</p> 	<p>I am good at soccer. I will do my best so that I can become useful at work quickly. I look forward to everyone's guidance!</p> 	<p>All the work is new to me and there are many things I don't know, but I will work hard so as not to cause trouble!</p> 	<p>I will work hard each day with sincerity so that I can be useful to RIKEN TECHNOS as soon as possible!</p> 
<p>I will do my best so that I can quickly learn my work!</p> 	<p>I will work hard to learn many things and make them my own skills so that I can quickly be of use!</p> 	<p>I will learn the basics properly and do my best while enjoying work. I look forward to everyone's guidance!</p> 	<p>I will apply the interpersonal skills I learnt through baseball and work hard so that I can quickly get used to the workplace and do my work!</p> 

# Environmental Management Action

## Message from the Senior General Manager of the Manufacturing Division



**Tomozo Ogawa**  
Executive Officer  
Senior General Manager of Manufacturing Division  
& General Manager of Film Production Department  
& General Manager of Process Management  
Department  
RIKEN TECHNOS CORPORATION

The Manufacturing Division will deepen the understanding of sites about the RIKEN Standard—which forms the foundation of manufacturing at RIKEN TECHNOS—to improve manufacturing quality.

In addition, at sites in Japan, we will work on reducing manpower and production costs by introducing automated equipment for model lines and systems that predict and manage equipment failures, and expand those activities to overseas sites.

In terms of environmental management initiatives, we will continue to work on energy conservation, industrial waste reduction, and appropriate management of chemical substances.

## Environmental Policy

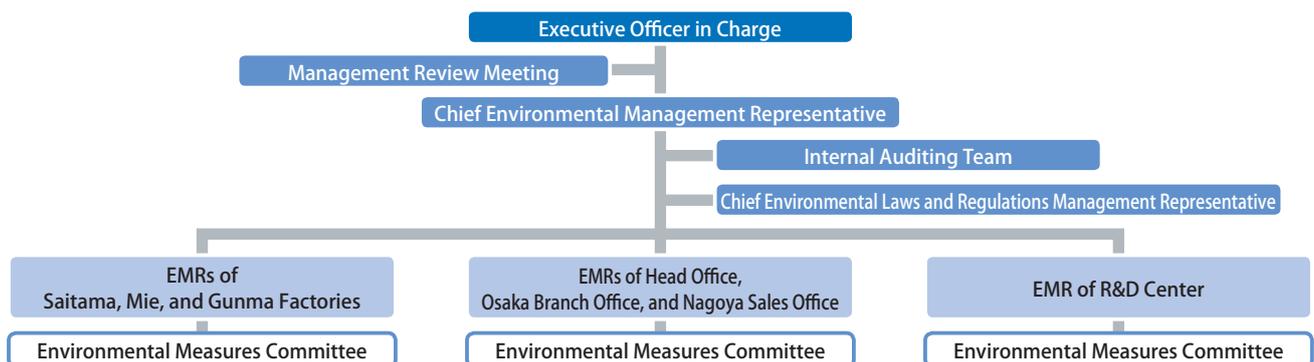
For all our business activities, we take into consideration the effects on the environment. To protect the environment and realize a sustainable community, RIKEN TECHNOS CORPORATION established an environmental management system, and all members of the company work to implement the following principles.

- 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 CO<sub>2</sub> 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	Evaluating validity of 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
Chief Environmental Management Representative	General Manager of Management System Department	Establishment, operation and maintenance of the environmental management system for the entire company
Chief Environmental Laws and Regulations Management Representative	General Manager of Management System Department	Management of environmental laws and regulations
Environmental Management Representative	Site Manager (General Manager of Factory, etc.)	Establishment, operation and maintenance of the environmental management system for the site

## ● 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 FY2019, audits were carried out in 53 departments, 15 requests for corrective actions were issued, and there were 65 issues pointed out, including matters for monitoring. Of the issues pointed out, besides document control, not implementing actions that had been independently decided and corrective actions pointed out not being implemented were issues that stood out. There were departments for which actions were still inadequate. 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 FY2019, we also received 18 customer audits. We made appropriate improvements to all issues pointed out by external auditing organizations and customers.

Originally, a surveillance audit was planned to again take place in June for 2020, but this has been shifted to October so as to avoid impact from COVID-19.

## ● 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 FY2019

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 (CO<sub>2</sub>)

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

In FY2019, a total of 162 objectives were set across various divisions in the entire company, and 110 (68%) of them were achieved.

### (1) Reduction of Energy Use

Number of Objectives Set	Achieved Objectives	Objectives	Results
66	47 (71%)	(1) Reduction of electricity usage per gross production (2) Reduction of heavy oil usage per gross production (3) Reduction of CO <sub>2</sub> emissions per gross production (4) Reduction of total CO <sub>2</sub> emissions	by 7% compared to FY2012 by 7% compared to FY2012 by 7% compared to FY2012 by 7% compared to FY2012  (1) 0.9% reduction (objective not achieved) (2) 37% reduction (objective achieved) (3) 4.3% reduction (objective not achieved) (4) 15.9% increase (objective not achieved)

### (2) Reduction in Industrial Waste

Number of Objectives Set	Achieved Objectives	Objectives	Results
27	12 (44%)	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 0.18% for landfill and incineration waste volume per gross production. Not achieved with 3.57% 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	11	8 (73%)	Reduction of use of independently specified chemical substances, and development of environmentally-friendly products.	① FY2019 usage of chemical substances designated as Class I under the Act on Confirmation, etc. of Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law) decreased by 35% compared to FY2018. ② In FY2019, the sales volume of recycling-friendly materials increased by 1% compared to FY2018.
② Development of Environmentally-friendly Product	16	8 (50%)		

## 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 (CO<sub>2</sub>) 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 (by substance). (Data for Nagoya Factory transferred from RIKEN FABRO has been added starting from FY2019.)

### CO<sub>2</sub> Load Per Ton of Products Produced (FY2019)

Input		Output		Amount of CO <sub>2</sub> emissions (t-CO <sub>2</sub> /t)	
Raw materials (including paints)	96,000t	Compound products	69,000t	Compound	0.23
Packaging materials	4,000t	Film products	15,000t	Film	0.99
Electricity	79,000MWh	Wrapping products for packaging	16,150t	Food packaging wrap	0.52
Heavy oil	2,500kl	Total waste	3,720t		
Tap water	129,000m <sup>3</sup>	Amount of sewage	322,000m <sup>3</sup>		
Groundwater	176,000m <sup>3</sup>				
Water for industrial use	35,000m <sup>3</sup>				

### 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 CO<sub>2</sub>.

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, CO<sub>2</sub> emissions reduction has been our principal objective. Due to a recent major change in the size of the electricity to CO<sub>2</sub> 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 FY2019, we set a goal of 7% reduction compared to FY2012, and did not achieve the goal with a 0.9% reduction in electricity usage

per gross production while achieving a 37% reduction in heavy oil usage 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, CO<sub>2</sub> emissions, and air pollution.

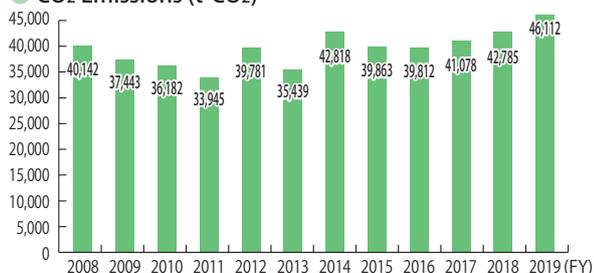
In March 2013, our photovoltaic power plant supplying renewable energy began operation at a site adjacent to the Gunma Factory.

In FY2019, approximately 70,000 kWh of power was supplied to the Gunma Factory, with approximately 720,000 kWh sold externally.



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

### ● CO<sub>2</sub> Emissions (t-CO<sub>2</sub>)

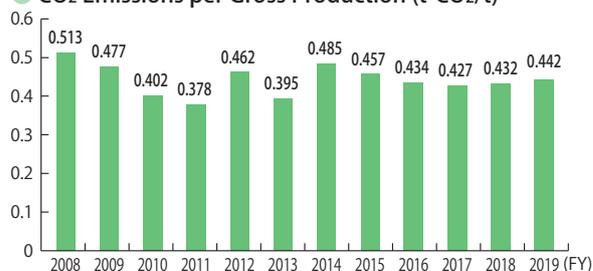


Note: The value is based on emission factors after adjustments from FY2010.

\*1 Greenhouse gas is indicated in the quantity of CO<sub>2</sub> 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. CO<sub>2</sub> emissions from Head Office have been added since 2005, and emissions from each sales site have been added since FY2008. CO<sub>2</sub> 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.

### ● CO<sub>2</sub> Emissions per Gross Production (t-CO<sub>2</sub>/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 per gross production from 0.3% to 0.15% to under 0.1%, and reducing total waste per 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 per gross production was 0.18% and we did not achieve the goal. The total waste per gross production was 3.57% and we did not achieve the goal.

### ● Simple Industrial Waste Generated (t)



\* Sites: Four factories (Saitama, Mie, Gunma and Nagoya), 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.

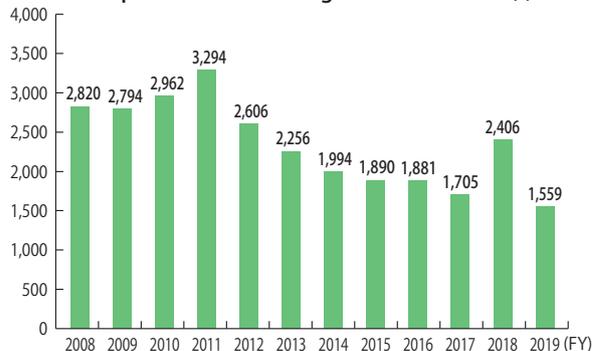
In FY1999, a totalization system was established to enable thorough management. In addition, a system was created for responding to the Act on Confirmation, etc. of Release Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR 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. For FY2019, usage was reduced by 35% compared to FY2018. This was mainly due to the reduction in products using DEHP, toluene, and 1,3-dioxolane. In FY2019, we used 26 types of chemicals subject to the PRTR Law, which was two less than FY2018. 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 plan to treat the 845.5 kg of waste oil containing PCB from Saitama Factory in FY2020. 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 FY2020
	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)	
Mie Factory	High voltage transformers: 4 (low concentration)	Treatment completed in FY2014
	Waste oil containing PCB: 350 L (low concentration)	
	PCB component wastes: 300 g (low concentration)	
R&D Center (Tokyo)	High voltage condensers: 12 (high concentration)	Treatment completed in FY2013
	High voltage transformers: 1 (low concentration)	
	Waste oil containing PCB: 330 L (low concentration)	
	PCB component wastes: 15 kg (low concentration)	

## ● Status of Employees' Environmental Education and Awareness-Raising

Since FY2008, we have made a practice of distributing the "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 CO<sub>2</sub> emissions). In FY2019, we received many responses from employees and their families (1,138 in winter). The results of the questionnaires showed average CO<sub>2</sub> reductions per person of 1,000 g-CO<sub>2</sub>/day in winter. In addition, we distributed the Sustainability 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.

In addition, in 2019, the proactive activities toward the prevention of global warming undertaken by RIKEN TECHNOS CORPORATION and the RIKEN TECHNOS GROUP were recognized by the

organizing committee of the 1st SDGs Eco Forum in Saitama with an award.

	Participants (persons)	Amount of Reduction (g-CO <sub>2</sub> /person per day)
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
Summer of FY2019	999	1,720
Winter of FY2019	1,138	1,000

## ● 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.

Additionally, we took measures to comply with Saitama Prefecture's Global Warming Countermeasures Planning

System and Target-Setting Emissions Trading System Program, achieving the CO<sub>2</sub> emissions reduction goal in the Phase 1 Plan (6% reduction from the base year). We are also making smooth progress toward the CO<sub>2</sub> 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

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

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

\*2 RoHS2: See the note on page 32.

## 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 FY2019

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

(2) **Period Covered:** April 1, 2019, to March 31, 2020

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

### Summary of Environmental Accounting in FY2019

In FY2019, the amount invested in environmental preservation costs was approximately JPY 20 million, and expenses were approximately JPY 1.18 billion, making a total of approximately JPY 1.2 billion. Investment amounts are the costs for pollution prevention, global environmental preservation, and resources recycling. Expenses included the cost of 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 per gross production was 0.18%, not achieving our goal of 0.1% or below. Total industrial waste amount per gross production was 3.57%, not achieving our goal of 3.5% or below. With regard to

CO<sub>2</sub> emissions, although we conducted continuous energy-saving activities, the result was a 15.9% increase, not achieving our goal of a 7% 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 0.9%, which did not achieve our goal of a 7% reduction from the FY2012 level. Our heavy oil consumption rate (Heavy oil use (kl)/Production (t)) was reduced by 37%, achieving our goal of a 7% 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 100 million was achieved from cost reductions through sales of valuable materials from waste plastics, energy savings, 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		13,178	143,009
* Pollution prevention costs	Construction for noise prevention measures, maintenance of scatter prevention equipment	159	54,596
*Global environmental preservation costs	Installation and improvement of energy-saving equipment	13,019	0
* Resources recycling costs	Disposal of industrial waste, recycling, etc.	0	88,414
2. Upstream/Downstream costs	Analysis of products containing chemical substances	5,530	14,880
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	17,616
4. R&D costs	Research and development of environmentally friendly products	0	1,003,330
5. Social activity costs	Beautification of areas around our sites, donations	0	970
6. Environmental damage countermeasures costs	Soil investigation and improvement	0	644
<b>Total</b>		<b>18,708</b>	<b>1,180,449</b>

\*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 commodities and services intended for environmental preservation.

## ● Environmental Preservation Effects

Classification of environmental preservation effects	Environmental Performance Indicators	FY2018	FY2019	
Environmental preservation effect related to resources input into business activities	Total energy input volume (GJ)	845,852	927,403	
	Energy input by type	Electricity (MWh)	70,773	78,993
		Heavy oils (kl)	2,547	2,472
		City gas 13A (km <sup>3</sup> )	1,173	1,137
		Gasoline (kl)	42	40
		Light oils (kl)	3	3
	Input of PRTR-controlled substances (t)	2,406	1,560	
	Water resources input	Tap water (m <sup>3</sup> )	132,000	129,000
		Groundwater (m <sup>3</sup> )	211,000	176,000
		Water for industrial use (m <sup>3</sup> )	11,000	35,000
Environmental preservation effect related to waste or environmental burdens originating from business activities	Greenhouse gas emissions (t-CO <sub>2</sub> )	43,000	46,000	
	Volume of PRTR-controlled substances discharged (t)	546.7	546.8	
	Volume of PRTR-controlled substances transported (t)	16.8	16.8	
	Total waste discharge volume (t)	3,730	3,700	
	Final waste disposal volume (t)	122	192	
	Amount of sewage (m <sup>3</sup> )	349,000	322,000	
Environmental preservation effect related to commodities and services produced by business activities	Volume of valuable materials recycled (t)	1,738	1,894	
Other environmental preservation effects	Volume from transportation of products (t-km)	28,485,895	24,682,013	
	Volume of CO <sub>2</sub> emissions associated with transportation (t)	4,944	4,284	
	Transportation energy (GJ)/Production (t)	4.36	3.88	

## ● Economic Effect Associated with Environmental Preservation Activity

JPY 1,000

Economic Effect	Amount	
	FY2018	FY2019
Benefit from recycling plastic, paper waste, etc.	7,011	9,282
Expenses reduced by energy-saving activities	4,921	1,648
<b>Total</b>	<b>11,932</b>	<b>10,930</b>

## ● Asset Retirement Obligations

As of March 31, 2020 (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	Expense
Cost of restoring buildings	75,016
Cost of asbestos disposal from usage sites	32,140
Cost of renewing equipment using PCB	0
Cost of contaminated soil treatment	62,364
<b>Total</b>	<b>169,521</b>

# RIKEN TECHNOS GROUP Environmental Data

## RIKEN TECHNOS Environmental Data by Factory

### Saitama Factory

- Site area: 58,739m<sup>2</sup>
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Employees: 249

### Mie Factory

- Site Area: 55,247m<sup>2</sup>
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Employees: 242

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

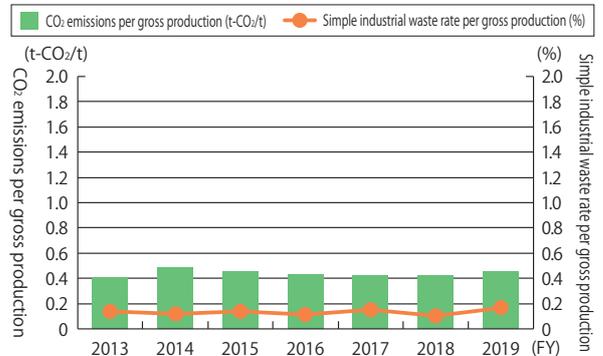
### Gunma Factory

- Site area: 55,904m<sup>2</sup>
- Description of business: Manufacturing of high functional film in a clean environment
- Employees: 42

### Nagoya Factory

- Site Area: 16,700m<sup>2</sup>
- Description of business: Manufacturing of food wrapping film
- Employees: 35

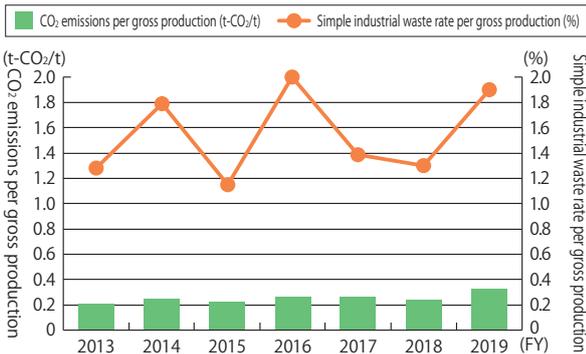
### CO<sub>2</sub> emissions per gross production and simple industrial waste rate per gross production (total for the Saitama, Mie, and Gunma Factories)



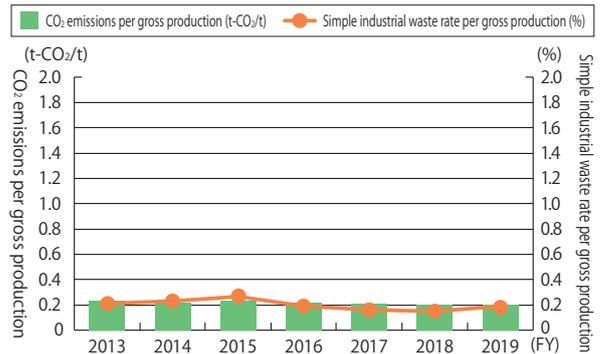
## Environmental Impact Data for Affiliates of RIKEN TECHNOS GROUP

### ① Compound Production Companies

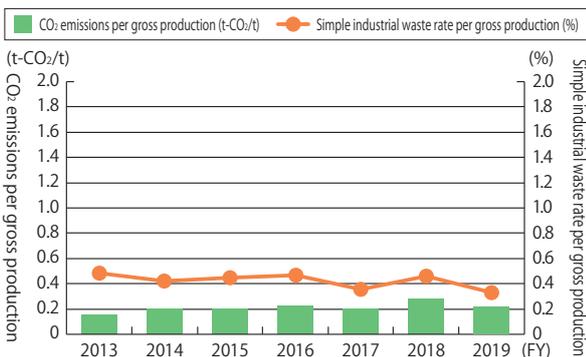
#### RIKEN CHEMICAL PRODUCTS CO., LTD. Employees: 50



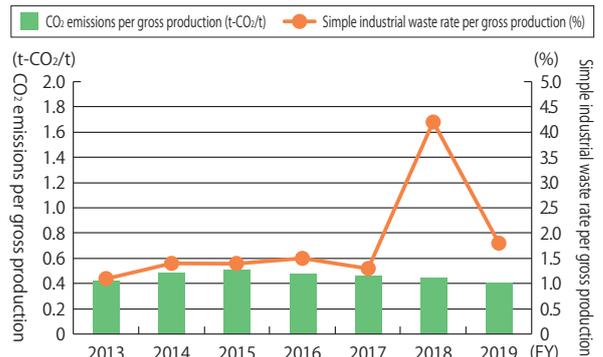
#### RIKEN (THAILAND) CO., LTD. Employees: 274



#### RIMTEC CORPORATION Employees: 93



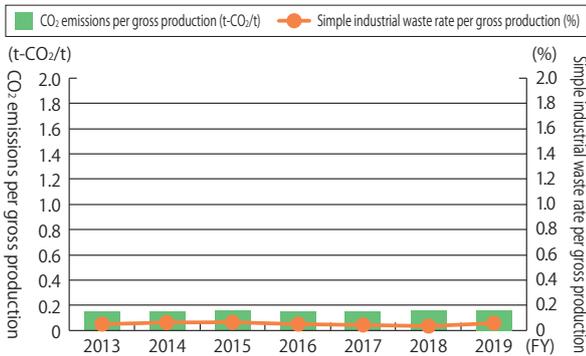
#### RIKEN ELASTOMERS CORPORATION Employees: 37



# Summary of Environmental Action

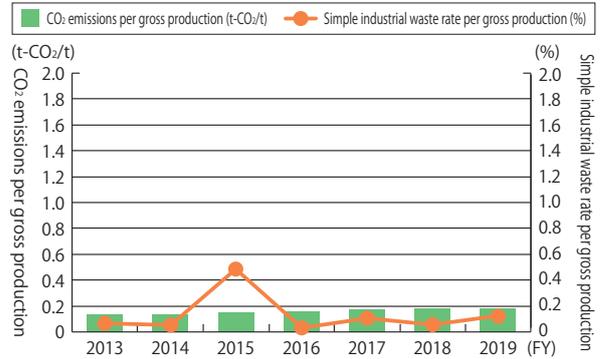
## PT. RIKEN INDONESIA

Employees: 229



## SHANGHAI RIKEN TECHNOS CORPORATION

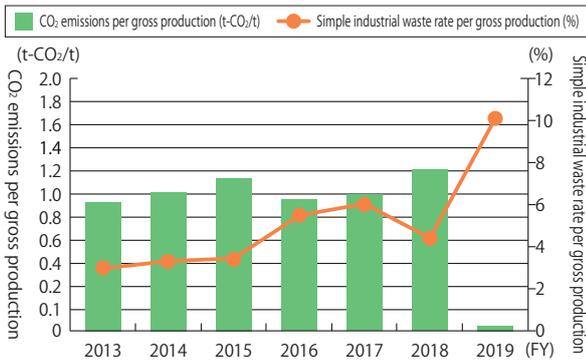
Employees: 123



## ② Molding Companies

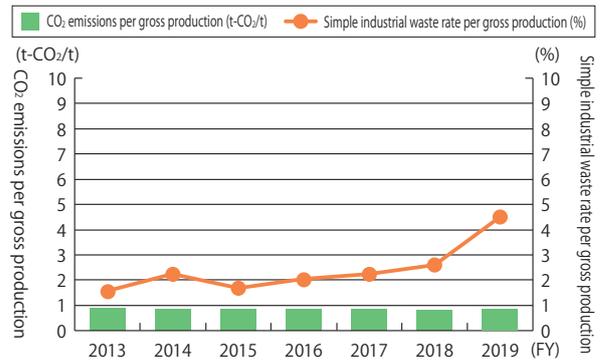
### RIKEN CABLE TECHNOLOGY CO., LTD.

Employees: 78



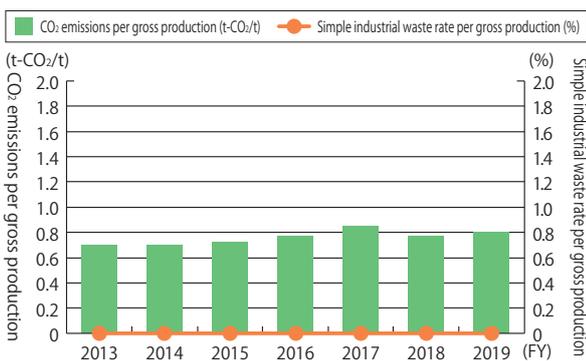
### KYOEI PLASTICS MFG CO., LTD.

Employees: 58



### RIKEN TECHNOS (JIANGSU) CORPORATION

Employees: 60



## The Expert's Opinion



**Mr. Mitsuo Ogawa**

President  
Craig Consulting

The lengthening COVID-19 pandemic continues to test the patience of companies and individuals. Against an uncertain future, there has been significant impact on our ways of working and living, which has also changed people's awareness and ways of thinking. Among the changes in awareness, a major one is probably the need to think about the individual's relation with society.

During the early days of the COVID-19 pandemic, masks disappeared from stores and people went all over the place looking for masks. This is still fresh in our memories. If society is not healthy, it is not possible to live well even if the individual is fine. We are in a state that continues to demand us to think deeply about the individual's as well as companies' relation with society, whether we like it or not. The sustainability movement, such as SDGs and ESG, is accelerating. Amid the COVID-19 pandemic, the trend that sees companies as being behind the times if they only think of securing profits will likely further move forward.

Since last year, RIKEN TECHNOS CORPORATION has issued its sustainability report and undertaken the challenge of disclosing its activities according to the SDGs. Furthermore, starting from this year, it has embarked on a new form of information disclosure for both within and outside the company under the name "Blue Challenge." Blue Challenge is a proactive action positioned as part of the detailed measures committed toward creating sustainable societies in the company's three-year mid-term business plan. The RIKEGUARD series of products against infectious diseases found in the featured article will likely be satisfying successes created by RIKEN TECHNOS's persevering and serious development stance. As mentioned by President Tokiwa in his message, RIKEN TECHNOS's mission is to provide fundamental value, and the timely launch

of RIKEGUARD is the result of RIKEN TECHNOS's serious approach toward development. It is a manifestation of the company's stance and I think it should be highly evaluated.

Last year, I pointed out three issues for RIKEN TECHNOS. One of them is to work on internal dissemination. There is progress on this issue, with RIKEN TECHNOS positioning Blue Challenge as the concept of the company's activities starting from this year. I hope you will continue to take on the challenge of various sustainability activity communication under the umbrella of Blue Challenge. Disclosing internally and externally the results of activities will likely increase the opportunities for employees to further come into contact with the purpose and results of those activities. I hope that eventually, you will develop a brand such that people think of RIKEN TECHNOS when talking about Blue Challenge. The second issue was the clarification of the future image painted by sustainability and the creation of KPIs (quantitative target values) that lead to it. On this point, while it is not stated in this report, I was told that KPIs have been set for each department within the company, and the targets are being managed with achievements being accumulated step by step. In the future, I hope RIKEN TECHNOS will move to the stage where KPIs are disclosed through Blue Challenge and committed widely to stakeholders.

About the last issue on "value creation story," I did not see any mention in this report. The value creation story is information that investors put the greatest emphasis on. It is also an excellent opportunity to draw attention to the company's strengths and business model. With RIKEN TECHNOS producing the result of RIKEGUARD, I think now is a good time to formulate this value creation story.

Finally, I wish to offer a proposal. How about creating opportunities for directors and officers to learn about sustainability? Recently, other companies are also actively conducting sustainability workshops for their senior management. I think the background to this trend is that SDGs and ESG have become core issues of management. I hope this will be a year that leads RIKEN TECHNOS to take on the challenge of linking Blue Challenge to society, and at the same time, to the improvement of corporate value.

## Response to Expert's Opinion

### Kazuaki Tokiwa

Representative Director, President & CEO RIKEN TECHNOS CORPORATION

Regarding the disclosure of sustainability-related KPIs which was pointed out, we will consider it carefully as there are also difficulties in achieving the targets under the COVID-19 pandemic. At the same time, we will move to consider positively

the formulation of a value creation story. In addition, we will strengthen activities globally so that the Blue Challenge wave we have embarked on this year will spread into various areas.

### Editors' Postscript

The report has been renamed "Blue Challenge Report" and edited to allow the challenges undertaken by the RIKEN TECHNOS GROUP to be understood as easily as possible.

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.

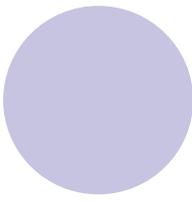
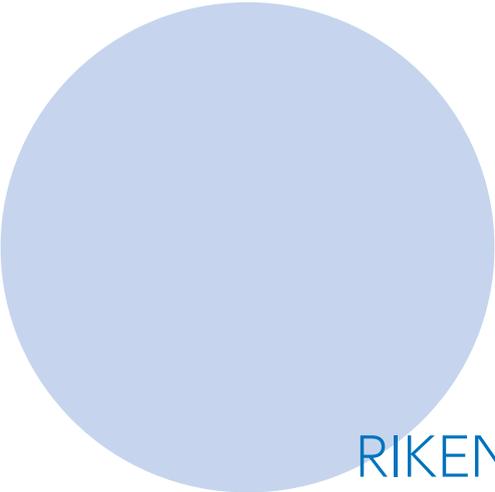
#### Representative of the department in charge of this report

Taisaburo Kitaide: Director, Senior Executive Officer,

Senior General Manager of Corporate Planning Division & Responsible for Procurement Division

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

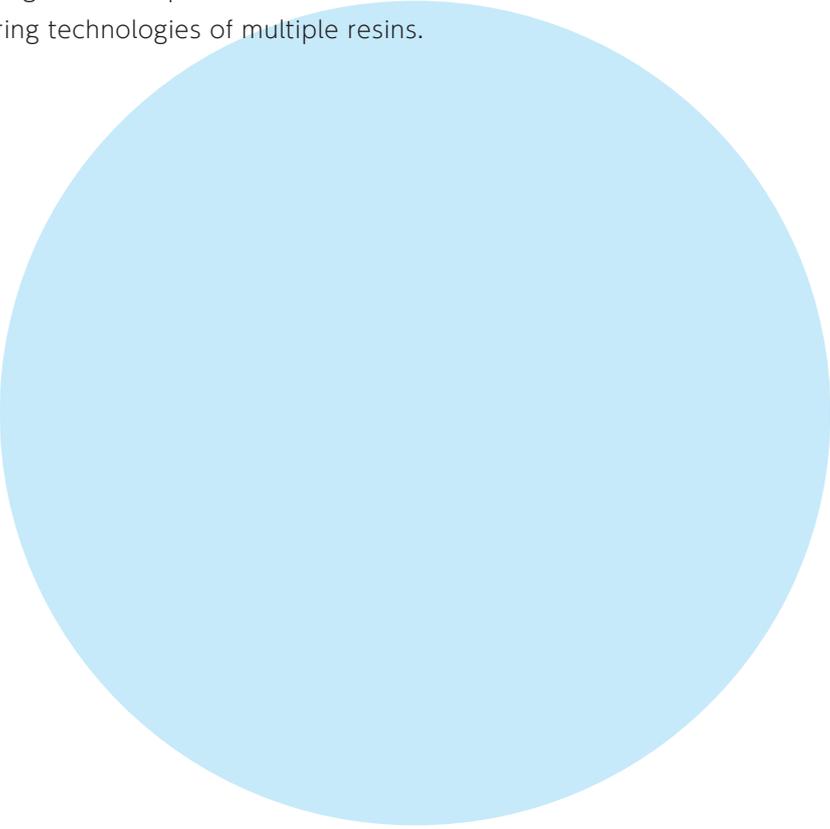
Sayaka Yoshioka, Mio Obayashi: Corporate Branding Group, Corporate Planning Department



# 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.

### Corporate Planning Department

WATERRAS TOWER, 2-101, Kanda-Awajicho,

Chiyoda-ku, Tokyo, 101-8336, Japan

TEL: +81-3-5297-1631

FAX: +81-3-5297-1660

URL: <https://www.rikentechnos.co.jp/e/>

