

RIKEN TECHNOS

RIKEN TECHNOS GROUP

Blue Challenge Report

Sustainability Report

2021



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 A Sustainable Society” 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 a sustainable society. In this report, we report on our efforts to achieve a sustainable society together with our stakeholders. The featured article introduces our product development aimed at contributing toward a sustainable society. We hope readers will gain an understanding of the RIKEN TECHNOS GROUP’s efforts in “aiming to become a leading provider of comfort for all living spaces.”

Reporting Coverage

Period Covered

April 1, 2020, to March 31, 2021

In addition, some activities after April 1, 2021, are included in this report.

Organizational Coverage (Refer to pages 14 to 17 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 PLASTIC 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 [ISO 26001]

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 2021

About the Cover

The image on the cover of this report shows a fusion of the corporate mark of RIKEN TECHNOS CORPORATION and the victory bouquet of the Tokyo 2020 Olympic Games.

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 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
2021	Blue Challenge Report

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RIKEN TECHNOS

RIKEN TECHNOS WAY

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

The RIKEN TECHNOS WAY, our company’s management philosophy, was formulated based on this “RIKEN-ness.”

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

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

Mission

Mission and Purpose

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

Core Value

Fundamental Values

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

RIKEN TECHNOS GROUP Code of Conduct

—For the creation of a sustainable society—

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

Prolonged Battle Against COVID-19

The battle against COVID-19—which started last year—has yet to come to an end and continues to impact our daily lives significantly. I wish to give our deepest appreciation to all medical workers and relevant parties fighting against the disease each day under harsh environments over this long period of time. I also 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.

More Value to All 2021: Generating Greater Value Together!

This is the final fiscal year of the RIKEN TECHNOS GROUP's three-year mid-term business plan. Ever since we embarked on this mid-term business plan, we have been faced with several global crises beyond our expectations. They include the spread of COVID-19; violent fluctuations in the price of petroleum, which is an upstream raw material essential for us; and the frequent occurrences of natural disasters in various places. Even while embroiled in such crises, we have strived to deliver even better products to customers—through product development, manufacturing frontlines, and sales activities—while responding to changes in the environment. These efforts were based on the RIKEN TECHNOS GROUP's management policy of "More Value to All 2021: Generating Greater Value Together!" In the final fiscal year of the three-year mid-term business plan, we will strive to be able to continue delivering greater value.

Blue Challenge Product Development That Contributes to a Sustainable Society


Amid being faced with such crises one after another, regarding "Contributing to a Sustainable

Society" which is stated as a main topic for the RIKEN TECHNOS GROUP, it is important for us to push forward with even greater speed and detailed effort. Since last year, we have been referring to such action in general as "Blue Challenge" and are strengthening them. To fulfill our responsibility as a chemical manufacturer while keeping the SDGs in mind, we are focusing on areas such as developing products that place a reduced burden on the environment through fuel efficiency improvements and developing products with disposal and recycling in mind. Furthermore, we are also expanding the sale of RIKEGUARD®, a series of products against infectious diseases, and enhancing it with new functional lineups. The featured article in this report will introduce such products of the RIKEN TECHNOS GROUP that contribute to a sustainable society.

Together with All Our Stakeholders

As we move toward the future, there is a ton of issues, such as responding to climate change. While initiatives toward addressing these issues are still in development, the RIKEN TECHNOS GROUP will face each issue seriously. Our partnerships with all stakeholders, including customers, business partners, shareholders, employees, and people from local communities, are essential for addressing these issues. Going forward, we will deepen trust and build even stronger partnerships with our stakeholders and contribute to a sustainable society. We are aiming to become the leading provider of comfort for all living spaces. I hope you will continue to give us your support in the future.

Kazuaki Tokiwa
RIKEN TECHNOS CORPORATION
Representative Director,
President & CEO





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

Featured Article

The RIKEN TECHNOS GROUP continues to develop products to contribute toward a sustainable society.

Gakuyuki Kajiyama

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



The phrase “We continuously provide new value and satisfaction to people, companies and society” is found in our mission. The environment is especially gaining attention recently as such a new value, and we are undertaking initiatives in this area.

The RIKEN TECHNOS GROUP will address various issues related to the environment using materials. Some examples are the selection of materials that are friendly to the environment, going back to their raw materials, and formula designs that are suitable for recycling.

Specific product lineups include: PVC compounds with lower ratios of petroleum-derived raw material; the thermoplastic elastomer ACTYMER® and LEOSTOMER® series which are synthetic rubber substitutes that are excellent for recycling and low-energy processing; RIKEBIO® biomass materials; and RIKEGUARD® which protects people’s health with its anti-microbial and anti-viral processing.

Through address environmental issues, the RIKEN TECHNOS GROUP provides everyone with comfort and contributes toward society.

Measures against infectious diseases

Since last year, the RIKEN TECHNOS GROUP has been receiving strong recognition for our anti-microbial and anti-viral product RIKEGUARD. We will further expand our lineup to protect people from infectious diseases. In addition, we will add insect repellent and anti-allergen series to RIKEGUARD® and enhance this product.

Antiviral & antimicrobial product

RIKE+GUARD

Reduces certain viruses on film surface by

99.99%!

+ Antimicrobial function

Keeps propagation of certain bacteria on film surface below

1%

* Compared to generic coated products

Can be used for applications such as touch panels and other displays



RIKEGUARD® is also used for book covers.



Hitoshi Sugino

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



The phrase “carbon neutral” spread in Japan in October 2020, when Prime Minister Suga declared that Japan will aim to be carbon neutral by 2050 in his policy speech. Carbon neutrality became a national policy and the industrial sector also started to take action.

RIKEN TECHNOS CORPORATION is a manufacturer of plastic materials. Plastic materials are widely used in the world with no suitable substitutes because they are light, sturdy, and can be freely shaped. However, petroleum-derived products make up a majority of these materials. Based on such considerations, we conduct product development keeping carbon neutrality also in mind. In 2019, we launched RIKEBIO®, which uses biomass materials (plant-derived plastics). We are also substituting general-purpose plastics—which are made mainly with petroleum-derived raw materials—with PVC resins. Salt makes up approximately 60% of the raw materials for PVC resins. We will aim to build a sustainable production model by reducing the use of petroleum and considering recycling. In addition, as materials which are suitable for recycling and save energy, we are working on the development of synthetic rubber substitute thermoplastic elastomers. We are considering the making of synthetic rubber substitute compounds and sheets.

Even if products are good for the environment, they cannot help to lower environmental burden if they are not chosen. For them to be chosen by many people, they need to be useful and within reach, or in other words, they must be practical. Our approach is to develop plastic materials with amazing performance, and provide every customer with convenient options that are also friendly to the environment.

Biomass compounds

We are working on the development of biomass compounds and are launching them under the brand name RIKEBIO®. The features of RIKEBIO® are that it can be used for a wide range of hardness requirements and that it is capable of achieving quality and performance equivalent to petroleum-derived compounds. Currently, soft PVC compounds have attained the Biomass Mark with 40% biomass content.



About Biomass Mark

Biomass Mark is a label for environmental products that use resources derived from living things (biomass), and conform to laws, regulations, standards, specifications, and other such criteria related to quality and safety.



Recycling

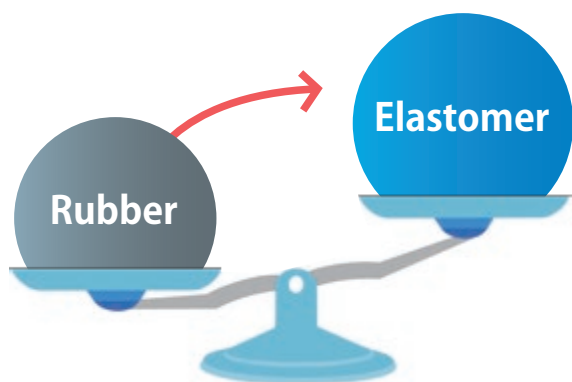
Synthetic rubber is difficult to recycle. We are developing thermoplastic elastomers which serve as substitutes.

S Thermoplastic elastomers are plastics that have the same elasticity as rubber at room temperature. At the same time, they can be made into products using the same molding methods as plastics. Unlike synthetic rubber that is difficult to recycle, being thermoplastic means these elastomers can be shaped by adding heat, **allowing them to be recycled**. The same resources can be used continuously, which makes their use an effective measure for saving resources. Due to their elasticity, they are already widely used

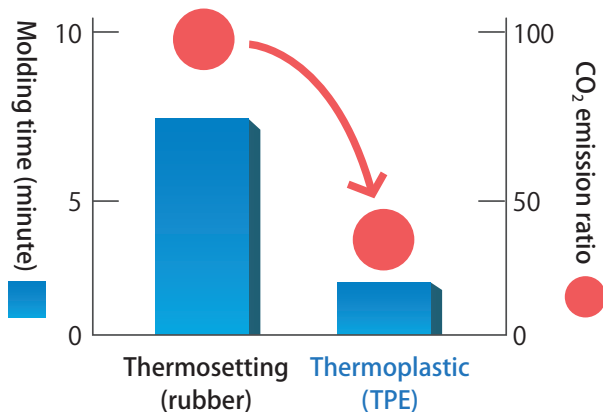
in vehicles as sealing materials. As they are **approximately 20% to 30% lighter than synthetic rubber**, they **also contribute toward improving the fuel efficiency of vehicles**.

Currently, we are developing substitute materials that are good for the environment—no matter how little—like these thermoplastic elastomers and promoting the gradual switch to them. In FY2020, the sales ratio of these recycling-friendly materials increased.

Approximately 20% to 30% lighter than rubber



1/3 the molding time of rubber



Elastomer products are used as lightweight materials that contribute toward improving the fuel efficiency of vehicles.



They are also used in caps of decorative bottles.

Resource-saving and durable

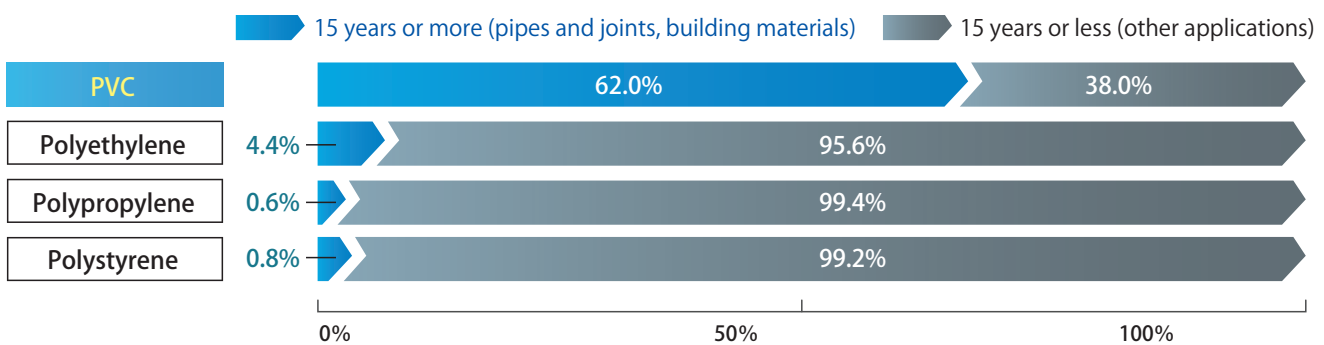
Since being established, **approximately 60% of the raw materials of polyvinyl chloride (PVC)** being manufactured and sold by RIKEN TECHNOS **is derived from natural salt**. Compared to resins mainly made from petroleum, such as polyethylene and polypropylene, it has a low ratio of petroleum-derived raw materials. PVC is said to be a resource-saving resin as the Earth has an inexhaustible supply of salt. Furthermore, PVC products have very long life spans and are used in many applications which require durability over 10 years to several decades. The PVC products of RIKEN TECHNOS continue to be used in various applications, such as building materials like window frames and decorative films, tubing for medical supplies, and covering materials for wires used in vehicles and buildings.



PVC products with long life spans

Among resin products, a feature of **PCV products is their very long life spans**. They help to **save resources** as they are used as building materials—such as window frames, flooring materials, and wallpaper—for 10 years to several decades. Some, like PVC pipes, can be used for more than 50 years.

Approximate usable life span of resin products



Source: Generated based on the "Sustainability" booklet of the Vinyl Environmental Council



It is used in hoses which require durability.



It is used in covering materials of power cables that support infrastructure.



It is widely used in resin sashes that have high insulating properties.

Outline of RIKEN TECHNOS GROUP

Corporate Profile (As of March 31, 2021)

Company Name	RIKEN TECHNOS CORPORATION	Representative	Representative Director, President & CEO Kazuaki Tokiwa
Date of Establishment	March 30, 1951	Number of Employees	Consolidated: 1,894 Non-consolidated: 737
Capital Stock	JPY 8,514 million	Head Office	WATERRAS TOWER, 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 wrapping markets etc.	Compounds, films and food wrapping
Electronics	Energy, telecommunications, IT device markets, etc.	Compounds and films
Building & Construction (BC)	Housing, building and construction materials, public works markets, etc.	Compounds and films

Major Products

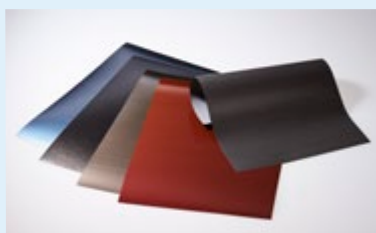
Compound products

Polyvinyl chloride compounds, thermoplastic elastomer compounds, electro-conductive 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 wraps and polyolefin wraps etc.



Financial Results

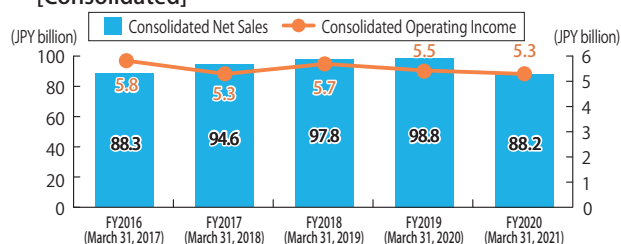
The Japanese economy in fiscal 2020 (ending March 31, 2021) showed signs of recovery from the impact of COVID-19, centered on areas such as exports, production, and capital investment. However, a severe situation continued to be in place, including a downturn in individual consumption due to the redeclaration of a state of emergency arising from a resurgence in the number of COVID-19 infections.

Overseas, the situation remains severe due to the impact of COVID-19, but a recovery trend can be seen in North America with the implementation of economic measures. The economy in China has also recovered gradually.

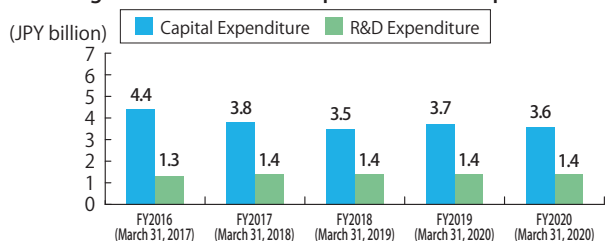
Looking at each market, although the number of new housing construction has dropped in Japan's domestic housing market, the

automotive and home appliance markets showed signs of recovery. 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 88.224 billion yen, a decrease of 10.7% compared to the previous consolidated fiscal year (hereinafter referred to as "YoY"), operating income was 5.313 billion yen (down 4.8% YoY), ordinary income was 5.652 billion yen (down 0.3% YoY), and net income attributable to the shareholders of the parent company was 3.234 billion yen (up 5.5% YoY).

● Changes in Consolidated Financial Results [Consolidated]



● Changes in Consolidated Capital and R&D Expenditure

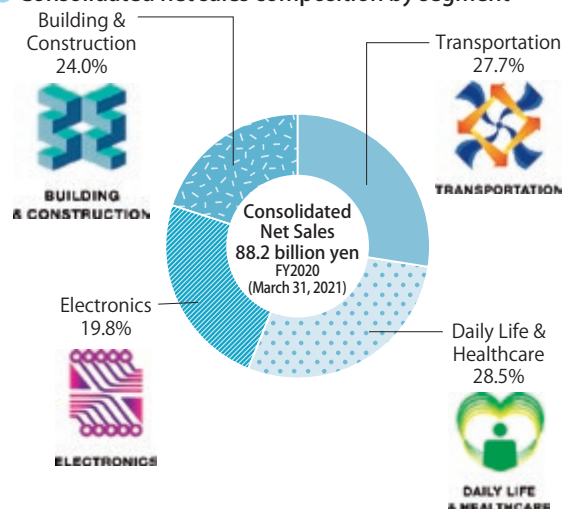


● FY2020 (ending March 31, 2021) Financial Results (JPY billion)

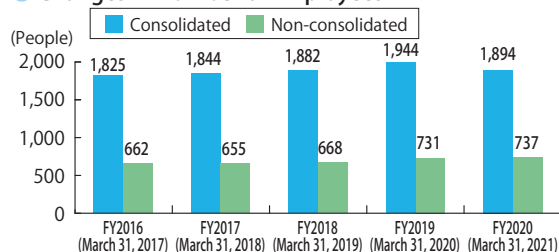
	Consolidated	Non-consolidated
Net Sales	88.2	35.5
Operating Income	5.3	1.4
Ordinary Income	5.6	3.1
Net Income*	3.2	2.6

* 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 second 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 FY2021 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 A Sustainable Society

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 2021



12 RIKEN CHEMICAL PRODUCTS CO., LTD. *



2 Osaka Branch **



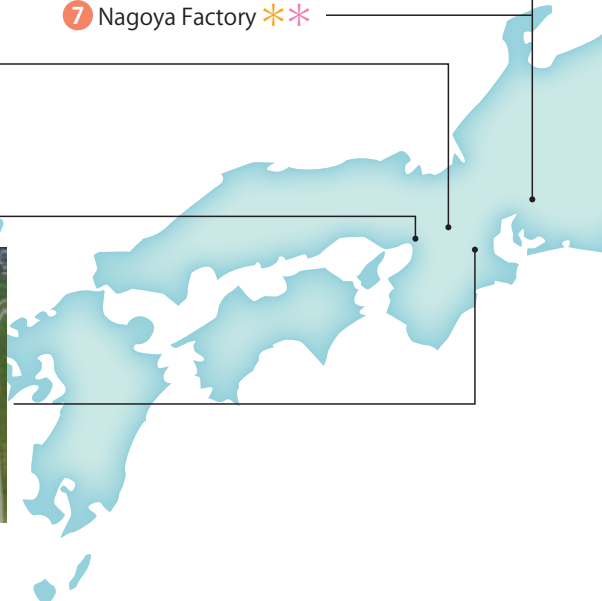
5 Mie Factory **

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	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 Ota-shi, Gunma



10 KYOEI PLASTIC MFG CO. LTD. *



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 **

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 PLASTIC MFG CO. LTD.	Molding synthetic resin products and product sales	Nishi Shirakawa-Gun, Fukushima	JPY 24 million	100.00%
11 RIKEN TECHNOS INTERNATIONAL CORPORATION	Purchasing and sale of synthetic resin molded 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%

Only head offices 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 2021



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. **

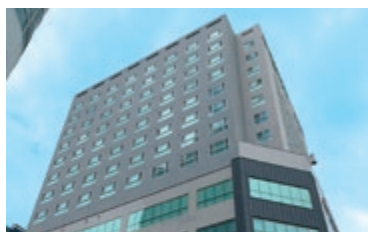


17 PT. RIKEN INDONESIA **



Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
15 RIKEN (THAILAND) CO., LTD.	Manufacturing 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 20 million	100.00%
23 RIKEN (SHANGHAI) CORPORATION	Purchasing and sales of functional film products	Shanghai, China	RMB 5 million	100.00%

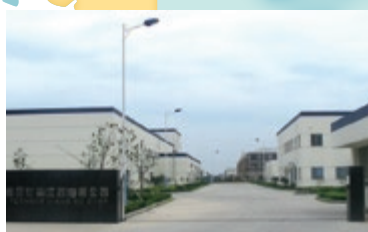
* RIKEN ELASTOMERS CORPORATION's capital includes capital reserve.



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	Wholesale and import/export of plastic products	Asan, 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.	Wholesale 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 [investment ratio?] 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 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, etc.



- 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 Material Products

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



Optical Material Products

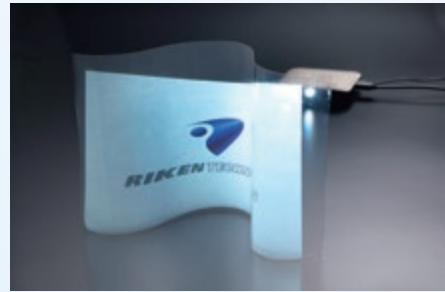
- REPTY® DC100 film for next-generation displays
- Film for projection



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 governance 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
2021	Formulated policy for determining details of compensation and other payments of individual directors Established Risk & Compliance Committee

● 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.

◇ Management Committee

Our Management Committee 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 who are Audit & Supervisory Committee members, 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 Office (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.

Due to rising social requirements and interest regarding corporate initiatives toward the SDGs in recent times, there is also strong demand for appropriate changes in this corporate governance system.

Although future prospects remain unclear 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 the General Meeting of Shareholders; 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 value. 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.

At least once every half a year, the Outside Board of Directors comprising only outside directors is held for information exchange and awareness sharing between themselves.

* 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 CORPORATION are independent outside directors (Audit & Supervisory Committee members). In addition, at least half of the committee members of the Nomination Committee and Compensation Committee—which are consultative bodies of the Board of Directors—are independent outside directors, and the chairpersons for both committees are also selected from independent outside directors.

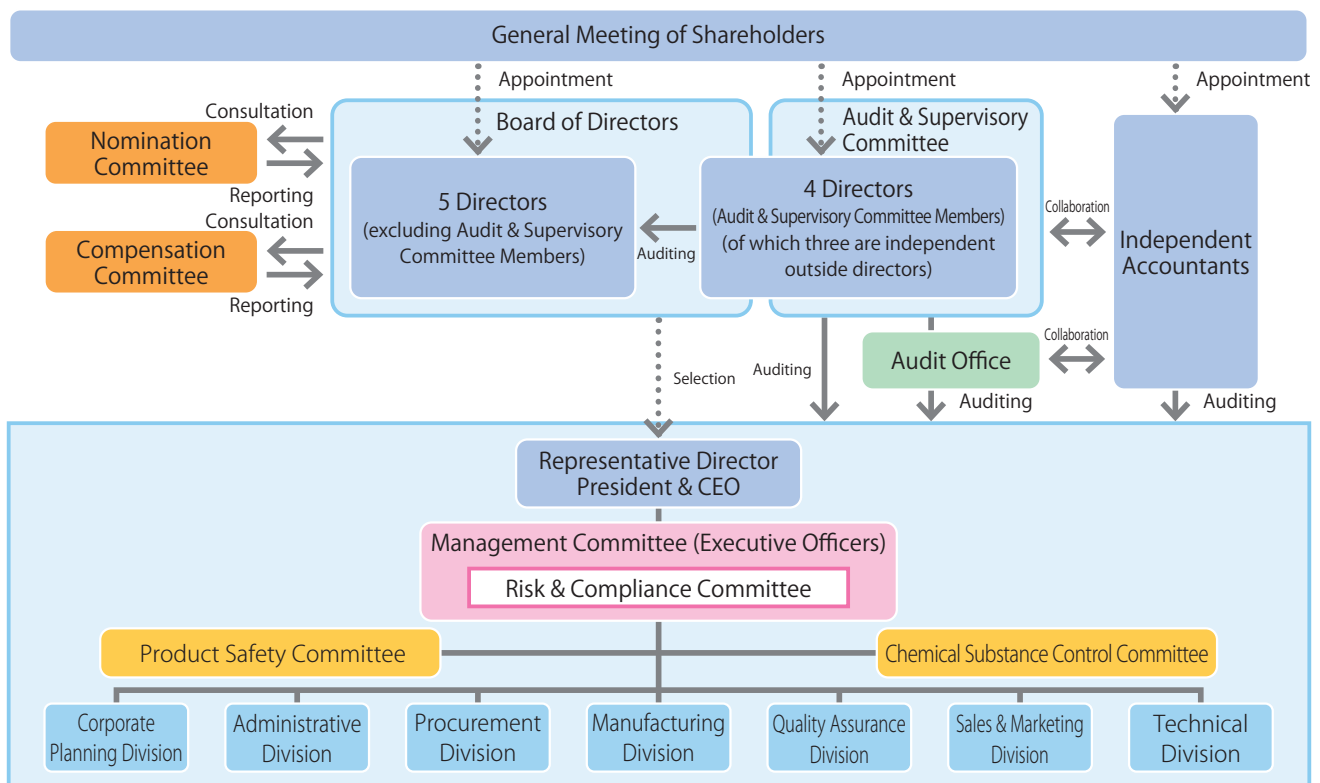
As independent outside directors, we aim to further improve the transparency and fairness of the management's decision making by diligently auditing, supervising, and advising the management from an independent standpoint, while placing importance on the perspectives of all stakeholders, such as shareholders 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 FY2021

(1) Method of analysis and evaluation

A survey (anonymous) regarding the evaluation of effectiveness of the Board of Directors for FY2020 was conducted targeting all nine directors. Based on the results, effectiveness was analyzed and evaluated, and discussions were carried out at the Board of Directors meetings regarding future issues and details of actions.

[Key points of evaluation for FY2021]

① Composition (outside directors), state of operation, and agenda of the Board of Directors; ② system regarding improvement of knowledge and expertise; ③ risk management system; ④ relationships with shareholders and investors; ⑤ and composition and roles of the Nomination Committee and Compensation Committee

(2) Summary of analysis and evaluation of effectiveness

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

- Initiatives were undertaken to strengthen the Group's overall risk management and risk management effectiveness to develop the companywide risk management system.
- The director system and director compensation system are reviewed regularly, and objective and transparent procedures making use of the Nomination Committee and Compensation Committee are established so that they function as healthy incentives toward sustainable growth.

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

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

- Regarding the diversity of the Board of Directors, while discussions with a view of the future are being conducted, going forward, discussions will be undertaken together with the human resource strategy and development policy regarding ensuring diversity in the selection of core human resources.
- Although the roles and authority of the Head Office and consolidated subsidiaries have been organized through the review of the Consolidated Subsidiary Management Regulations, deeper discussions will continue to be undertaken regarding matters such as the ideal states of consolidated subsidiaries and the method of intervention by the parent company, and measures will be taken to further increase the Group's comprehensive capabilities.
- Regarding sustainability initiatives including SDGs, discussions in further detail will be undertaken together with the formulation of the next mid-term business plan, and methods for their disclosure will be considered.

Strategic-holding Shares

With regard to strategic holding of shares, the Board of Directors annually examines specifically whether the purpose of holding of strategic-holding shares is appropriate, and otherwise whether the benefits and risks associated with holding are commensurate with the cost of capital, from a medium- to long-term perspective in order to improve corporate value globally, and shall continue to hold those that it believes are contributing to the improvement of the Group's medium- to long-term corporate value, but for those that it believes are inappropriate to hold, we will consider the disposal of all or part of its holdings, taking into consideration market trends and other factors, and reduce its holdings.

● Succession Plan

We formulate our succession plan 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 adequate 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

◇ Basic Policy

The compensation of directors (excluding directors who are Audit & Supervisory Committee members) serves as motivation for improving the performance of each fiscal year and improving the corporate value over the medium to long term. In addition, as a compensation system that allows value to be shared with shareholders, the appropriate level of compensation is set according to position and responsibility. To ensure objectivity and transparency when determining these levels, respect is shown to the opinions of the Compensation Committee, where more than half of the members are independent outside directors.

◇ Composition of Director Compensation

The compensation of directors (excluding 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 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 the General Meeting of Shareholders.

● Risk Management and Compliance

◇ Risk Management System

Our Group established the Risk & Compliance Committee for the purpose of centrally and comprehensively managing risks faced by Group companies, enhancing the effectiveness of risk management, and further improving compliance.

The Risk & Compliance Committee formulates a list of the Group's overall risks, understands risks that are critical to the Group, identifies risks to be handled with priority, and confirms the progress of risk countermeasures every six months. In addition, the committee surveys and supervises the implementation state of Group companies' compliance measures and state of improvement.

◇ Compliance Promotion

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.

In addition, as part of the establishment of our bribery prevention system, we formulated the Basic Policy on Bribery Prevention by RIKEN TECHNOS GROUP and relevant regulations, and our Group as a whole strives to prevent bribery.

◇ Whistleblower Hotline

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

◇ Information Security

RIKEN TECHNOS CORPORATION 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 in-house regulations in accordance with the Act on the Protection of Personal Information and Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures.

◇ 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 RIKEN TECHNOS GROUP Consolidated Subsidiary 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 Office conducts internal audits of consolidated subsidiaries, and provides regular reports and reports on the state of internal control to the Board of Directors, Management Committee, and Audit & Supervisory Committee.



Corporate Governance

Management (as of October 1, 2021)

Directors



Kazuaki Tokiwa
Representative Director
President & CEO

March 1983 Joined the Company
April 2002 General Manager, Sales & Marketing Dept., RIMTEC CORPORATION
January 2007 Director, President & CEO, 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 & CEO (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 Division; General Manager, General Affairs Dept.
April 2016 Director, Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division
January 2017 Director, Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division; General Manager, General Affairs Dept.
April 2017 Director, Managing Executive Officer; Senior General Manager, Administrative Division; General Manager, General Affairs Dept.
October 2017 Director, Managing Executive Officer; Senior General Manager, Administrative Division
April 2019 Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division
April 2020 Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division
June 2020 Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division (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 Department
September 2012 General Manager, Computer System Development Department
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 Department
April 2018 Assigned to Sales & Marketing Division
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 Representative Director & President Yoei 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)
May 2017 Outside Director, TKP Corporation
June 2017 Outside Director, Toyo Kosan Ltd. (Retired in June 2021)
May 2019 Corporate Auditor, TKP Corporation (to present)
June 2020 Outside Director, Kyoritsu Maintenance Co., Ltd. (to present)

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
Executive Officer
Senior General Manager of Corporate Planning Division



Hitoshi Sugino
Director
Executive Officer
Senior General Manager of Technical 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 Deputy General Manager, Corporate Planning Office
September 2011 Director, President & CEO, RIKEN ELASTOMERS CORPORATION
April 2016 Executive Officer, RIKEN TECHNOS CORPORATION; Director, President & CEO, RIKEN ELASTOMERS CORPORATION
April 2017 Senior Executive Officer; Senior General Manager, Corporate Planning Division, RIKEN TECHNOS CORPORATION
June 2017 Director, Senior Executive Officer; Senior General Manager, Corporate Planning Division
April 2019 Director, Managing Executive Officer; Senior General Manager, Sales & Marketing Division (to present)



Taisaburo Kitaide

Director
Executive Officer
Senior General Manager of Corporate Planning 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 Division
April 2020 Senior Executive Officer; Senior General Manager, Corporate Planning Division; Responsible for Procurement Division
June 2020 Director, Senior Executive Officer; Senior General Manager, Corporate Planning Division; Responsible for Procurement Division
April 2021 Director, Executive Officer; Senior General Manager of Corporate Planning Division (to present)



Hitoshi Sugino

Director
Executive Officer
Senior General Manager of Technical 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 Division; General Manager, R&D Center; General Manager, R&D Office I
April 2016 Executive Officer; Deputy Senior General Manager, Technical Division; General Manager, R&D Center; General Manager, R&D Office III
April 2019 Executive Officer; Senior General Manager, Technical Division; General Manager, R&D Center
April 2020 Executive Officer; Senior General Manager, Technical Division; Responsible for Manufacturing Division; General Manager, R&D Center
June 2020 Director, Executive Officer; Senior General Manager, Technical Division; Responsible for Manufacturing Division ; General Manager, R&D Center
April 2021 Director, Executive Officer; Senior General Manager, General Manager of R&D Center (to present)



Shigeharu Nakamura

Director
Audit & Supervisory Committee Member

April 1976 Joined the Saitama Bank, Ltd. (current 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.
June 2013 Outside Director and Audit & Supervisory Committee Member, TOYO KANETSU K.K.
April 2014, Advisor, Resona Research Institute Co., Ltd. (Retired in June 2014)
June 2014 Auditor, F-TECH INC. (to present)
Outside Corporate Auditor
June 2015 [Significant concurrent positions] Outside Director and Audit & Supervisory Committee Member, TOYO KANETSU K.K. (to present)
June 2016 Outside Director serving as Audit & Supervisory Committee Member (to present)
June 2018 Outside Director, The Shoko Chukin Bank, Ltd. (to present)



Kazuma Shibata

Outside 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, Sampo Japan Insurance Inc.
April 2013 Executive Officer; General Manager, The 1st Tokyo Insurance Claims Service Dept.; General Manager, The 2nd Tokyo Insurance Claims Service Dept., Sampo Japan Insurance Inc.
October 2013 Executive Officer; General Manager, the 2nd Tokyo Insurance Claims Service Dept.; Special Mission General Manager, the 1st Tokyo Insurance Claims Service Dept., Sampo Japan Insurance Inc. (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)



Michihisa Tasaka
Executive Officer
Senior General Manager of Quality Assurance Division



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



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



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



Hisashi Onozuka
Executive Officer
Deputy Senior General Manager of Sales & Marketing Division & General Manager of Sales & Marketing Strategy Office & General Manager of Building & Construction Business Unit



Fumitoshi Nakamura
Executive Officer
General Manager of Transportation Business Unit & General Manager of Nagoya Sales Office



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.

Transportation Segment

Establish overwhelming presence in Asian and North American markets

Provide environmentally friendly materials for functional parts in the automotive field



TRANSPORTATION

Business Overview

We supply automotive electrical equipment materials (wire harnesses) and molding materials for automobiles and two-wheeled vehicles from plants in Japan, North America, ASEAN, and China to mainly Tier 1 parts manufacturers. Production and sales are carried out globally, centered on PVC compounds for electrical equipment materials and PVC and elastomer compounds for automobiles and two-wheeled vehicles.

Contributing to a Sustainable Society

Fiscal 2020 was a year affected by the COVID-19 pandemic and a shortage of semiconductors. At the same time, the market is expected to recover and expand from the second half of fiscal 2021. Amid such an environment, automotive parts manufacturers are starting to show their directions toward a hydrogen society and carbon neutrality. Materials for automobiles and two-wheeled vehicles will likely be required to increasingly pursue carbon neutrality and sustainability. PVC resin—the raw material of PVC compounds handled by the RIKEN TECHNOS GROUP—comprises approximately 60% naturally-occurring materials (salt) and is a material that is excellent at retaining carbon and chlorine in a stable state.

In addition, elastomer compounds can be expected to widen in applications as rubber substitutes in the future as they can reduce the generation of CO₂ gas and lessen weight compared to vulcanized rubber. For automotive electrical equipment materials, we have an overwhelming share of PVC compounds for Japanese wire harness manufacturers and aim to further expand this share. In the area of molding materials for automobiles, we will encourage the use of elastomer compounds as rubber substitutes in sealing materials and various types of functional parts. In the future we also expect an increase in the requirement for products using nature-derived biomass materials. We think a key point is to use the formulations and manufacturing technologies of the RIKEN TECHNOS GROUP to realize performance through products with increased biomass content. In addition to existing PVC and elastomer compounds, we seek to contribute toward a sustainable society through expanding sales of products that consider the environment.



Wire harness



Control cable for two-wheeled vehicles



Steering boot

Daily Life & Healthcare Segment

Expand high value-added products that are close to daily life and take on new fields



DAILY LIFE & HEALTHCARE

Business Overview

We provide compounds, films, wraps, and other products mainly in the medical, consumer goods, and food packaging markets. For the medical market, we mainly supply PVC compounds to Japan and ASEAN countries, while for the food packaging market, we supply food wraps from China and Japan. In response to COVID-19 which started to spread last year, we have launched anti-viral products for both compounds and films, contributing to infection prevention measures.

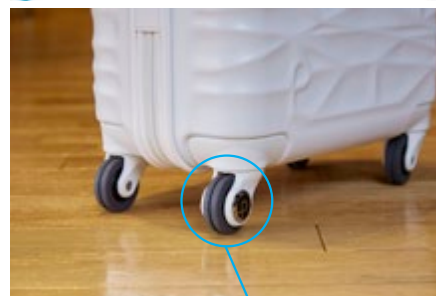


Contributing to a Sustainable Society

The trends of moving away from plastics and reducing CO₂ are spreading globally and affecting various markets. Further reduction in disposable plastic containers and packaging products is expected due to events in recent years, such as the establishment of laws such as the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging and the Act on Promotion of Resource Circulation for Plastics. Amid such an environment, we see the provision of sustainable materials as an important issue. Derived from natural salt, PVC compounds—the flagship products of the RIKEN TECHNOS GROUP—are different from many other plastics which are made 100% from petroleum and contribute toward saving petroleum resources. PVC compounds are safe and reliable materials that have been used for many years in tubing for medical devices. In addition, rubber products are used in many products within the medical and consumer goods markets. We are working to reduce CO₂ gas in the manufacturing process by substituting rubber products with elastomer compounds. Furthermore, amid the global spread of infectious diseases since last year, we will further enhance our RIKEGUARD® lineup of products against infectious diseases and strive to help protect everyone's health. In the food packaging market, we are helping to reduce food loss by storing food using food wraps with strong adhesion. Our thin and tough food wraps that is hard to tear also contributes toward reducing waste.

Antiviral & antimicrobial product

RIKE+GUARD



RIKEGUARD® products



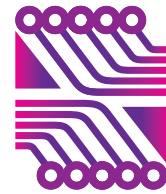
Food wraps



Tubing for medical devices

Electronics Segment

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



ELECTRONICS

Business Overview

In the electric wire field, we contribute toward the continuous supply of safe and reliable energy and information by selling compounds for energy and communication infrastructure. In optics, to create market trends being aimed at by the industry for mobile and other industrial displays by combining the various optical technologies developed so far, we will provide advanced technologies and unique products that always exceed the expectations of customers.



Contributing to a Sustainable Society

In the electric wire field, flame-resistant elastomer compounds are used as covering materials for solar cables and electric vehicle charging cables in the energy market. We will continue to work on improving resource efficiency and contributing toward the field of energy saving. In the field of robots using IoT, through expanding sales of cable covering materials, we will contribute toward increasing productivity as well as toward improving working environments via automation.

In optics, we sell films that cut heat and UV rays for saving energy within automobiles and buildings as well as films with scattering prevention functions that serve as substitutes for tough glass to markets in and outside Japan. Last year, we used optical blending technologies added with anti-viral function to create the world's first tough and high transparency RIKEGUARD® grade certified by the Society of International sustaining growth for Antimicrobial Articles (SIAA), supporting the safety of consumers against COVID-19. Going forward, we will fulfill our mission as a manufacturer of pioneer materials toward the realization of a sustainable society through deepening, evolving, and combining optical technologies.

Antiviral & antimicrobial product



Keio Corporation's ticket machine pasted with RIKEGUARD®



Semiconductor cases, etc.



Cables for electric vehicles

Building & Construction Segment

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



BUILDING & CONSTRUCTION

Business Overview

In the field of building and construction materials, our products are used in a wide range of applications. Compounds are used in materials for interiors such as resin sashes, wainscots, and baseboards. Films are used for surface finishing materials for kitchens, furniture, and the walls of modular bathrooms as well as high-end wall covering materials for commercial facilities. Besides Japan, compound and film products are also sold globally, such as in North America, Europe, ASEAN, and China.



Contributing to a Sustainable Society

In 2020, the building and construction materials field was also affected by the spread of COVID-19. Within Japan, new constructions and renovations were sluggish and there was significant impact on materials for commercial facilities, especially on the sales of high-end wall covering materials. At the same time, it is expected that, starting from the second half of fiscal 2021, vaccinations will make progress, the flow of people will return to commercial facilities, and the market will recover. Under such circumstances, there is likely to be requirement for products that are even more safe and reliable. Last year, the anti-viral product RIKEGUARD® was launched as a high-end wall covering material, and we will further expand sales into areas such as handrails.

Environmentally friendly products are always required in the building and construction materials field. As high-end wall covering materials are decorative films printed with beautiful wood grains that cannot be distinguished from real wood, they contribute toward reducing deforestation. In addition, rigid PVC compounds are used in resin sashes that seek to achieve high insulation performance. Resin sashes keep down the usage of air conditioning and contribute toward saving energy.

PVC resin, which is the raw material for these products, is also a material that can retain carbon and chlorine in a stable state. We will also conduct development to further increase biomass content using the formulations and manufacturing technologies of the RIKEN TECHNOS GROUP. We pursue high performance, beautiful appearance, and good workability in our products, and help to create spaces where people can spend time in comfort and with peace of mind.



Resin sash

Antiviral & antimicrobial product

RIKE + GUARD



Toilet booth panels that use RIKEGUARD®

Relationship with Business Partners

Message from the Senior General Manager of the Procurement Division



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

The Procurement Division builds partnerships based on mutual trust and strives to enable medium- to long-term transactions while regularly receiving all kinds of proposals and cooperation from business partners related to procurement and logistics.

In addition, regarding the aspect of “Contributing to a Sustainable Society,” we will respond accurately to environmental changes and contribute toward the realization of a sustainable society. Specifically, we will undertake initiatives such as the promotion of sustainable green procurement and reduction of CO₂ and energy consumption in logistics.

We will continue to cooperate with business partners to promote initiatives and fair business activities across the entire supply chain.

The RIKEN TECHNOS GROUP promotes the establishment of supply chains using various communication tools such as Global Procurement Policy and Green Procurement Standard. 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 sources.

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

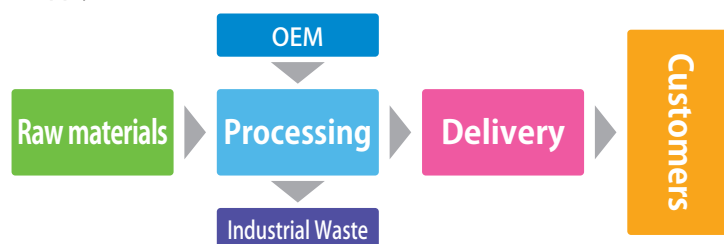
RIKEN TECHNOS GROUP’s procurement operations are carried out by the procurement departments of sites in Japan and overseas, centered on the Purchasing Department of the Procurement Division.

*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 fiscal 2020, we carried out quality audits including environmental matters on six transportation partners, 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 fiscal 2004, 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

Raw materials, secondary materials, etc. that products of RIKEN TECHNOS GROUP's affiliates are composed of.

Requests

- Establishment of environmental management systems for business partners
- Achievement of environmental performance related to matters such as the management of environment-related substances
- Report on changes to production process, raw materials being used, etc. and product abnormalities discovered after delivery
- Investigation and report on the environment-related substances specified by our company
Reporting of measurement data on the ten substances specified in RoHS2*1, 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*2 Regulation

*1 See the note on page 47.

*2 See the note on page 53.

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 will fulfill our responsibly as a specified consigner in accordance with the Energy Saving Act.
- We aim to increase the ratio of loading trips to total trips by using vehicles returning from delivery.
- 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, 2024

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, 2024

ISO 9001 Certification

Registration date: March 10, 2000

Expiration date: April 1, 2022

ISO 14001 Certification

Registration date: October 29, 2004

Expiration date: April 1, 2022

● Transportation Volume and CO₂ Amount Generated (Japan)

Transportation	FY2018	FY2019	FY2020
Transportation Volume (tkm)	28,485,895	24,682,013	20,252,279
CO ₂ Amount Generated (t-CO ₂)	4,944	4,284	3,515



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



We provided credits to the Zero Carbon Saitama initiative being conducted by Saitama Prefecture and received a letter of appreciation from the Governor of Saitama Prefecture. Zero Carbon Saitama is an initiative aimed at achieving a decarbonized society, where businesses provide CO₂ emission reductions as credits which are used to offset CO₂ emissions from Tokyo 2020.

RIKEN CHEMICAL PRODUCTS CO., LTD.



We support the environmental beautification activities organized by the association of the Konan Industrial Estate, where the head office and Shiga Factory of RIKEN CHEMICAL PRODUCTS CO., LTD. are located. Activities to clean up the river flowing through the town (usually twice each year, but conducted only once this year) and roads around the factory (once each year) as well as regular inspections (once each year) of facilities—such as those for wastewater and liquid waste—within the town and industrial estate are also conducted.

From April 2020

April

May

June

July

August

September

Contributing to CO₂ reduction by using vehicles with low fuel consumption as company vehicles

Osaka Branch



Nagoya Sales Office



Donation of goods to food bank

Osaka Branch



Disaster reserves were donated to a specific non-profit project for the effective use of excess food and provision of support to welfare organizations.



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. They experienced manufacturing, equipment maintenance, and product development at the Mie Factory.

Mie Factory

Two students from Kameyama High School went through a five-day workplace experience.



Experiencing bearing installation at the Engineering Department



Made exemplary erasers at the R&D Center

2021

October

November

December

January

February

March



Donation of RIKEGUARD® products against infectious diseases



Face shields which use RIKEGUARD®, a product against infectious diseases, were donated to hospitals, and we received a letter of appreciation from the Ministry of Economy, Trade and Industry.



Support for damage from the heavy rain event of July 2020



Our sympathies go out to those who were affected by the heavy rain event of July 2020. We wish to express our condolences to those who lost family members due to this disaster.

As relief for victims of the disaster and to help in the recovery of the disaster-struck area, RIKEN TECHNOS CORPORATION donated one million yen to Kuma-mura located in Kuma-gun, Kumamoto Prefecture. In accordance with the request from the disaster-struck area, we also sent 1,500 rolls of our food wrap RIKEN WRAP Tappuri 100m so as to be of assistance to the lives of the victims.



Initiatives Overseas

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

Message from an Officer



Toshimi Yamanaka
Executive Officer, RIKEN TECHNOS CORPORATION
Director, President & CEO, RIKEN AMERICAS CORPORATION
Director, President & CEO, RIKEN ELASTOMERS CORPORATION

The United States, which had the most COVID-19 infections in the world, is starting to recommence economic activities at a rapid pace even though there were many sacrifices. At the same time, it is clear that the post-COVID-19 world is divided in many aspects—including economy, race, gender, geography, and religion—and this is becoming a social issue. RIKEN AMERICAS CORPORATION aims to be a company that maintains social fairness, spreads the RIKEN TECHNOS WAY, and makes employees and their families feel proud in working together with us. In addition, as a social contribution activity, we continue to support many children together with external organizations who share the same vision. I believe that offering a shining light full of hope for innocent children will definitely guide society toward a better direction.

Initiatives at RIKEN ELASTOMERS CORPORATION

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

Providing educational support needed by local communities

Giving everyone a chance to receive fair and high-quality education is also one of the important goals in the SDGs. Through programs such as participation in career fairs, cooperation in student education programs, and monetary assistance for special projects, support is provided to Pembroke Elementary School, Hopkinsville High School, and Christian County High School. Donations continue to be made to United Way and the Boys and Girls Club. The funds collected are used in various activities and contribute toward areas such as education support for children and social welfare for local communities. Efforts are also made in employee education, such as the inclusion of discussions focusing on sustainability topics once each year in the company's safety meetings.



Protecting rich nature for sustainable development

Protecting ecosystems on land—such as mountains and forests—and preventing desertification is a major issue for carrying out sustainable development while minimizing the impact on climate change. Tree planting activities are conducted after carrying out dialogues with the Economic Development Council (EDC) at Hopkinsville in the state of Kentucky to determine suitable places for the donation of trees, time, and labor. Cherry trees are also planted within the premises as part of the company's greening efforts.



Officer Message



Akihiro Tamura
Director, President & CEO, RIKEN (THAILAND) CO., LTD.

Each year, RIKEN (THAILAND) CO., LTD. has a scholarship system offering THB 5,000 per student to support the promotion of learning for our employees' children. In fiscal 2020, the system gave out a total of 15 scholarships. As part of our contributions to the local community, we also give donations to elementary schools and other institutions through local education support programs as well as work with the local municipal office to support facilities for the disabled activities, assisting in activities such as the sales of merchandise within RIKEN (THAILAND) CO., LTD. As for the environment, we will contribute to the local community with employees uniting together to coexist with local residents and society, such as the development of environmentally friendly products and the purification of industrial waste water.

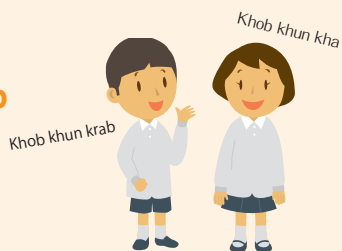
Initiatives at RIKEN (THAILAND) CO., LTD.
















RIKEN (THAILAND) CO., LTD. has a scholarship system to support the promotion of learning for our employees' children.



FY2020 recipients of the RIKEN (THAILAND) CO., LTD. scholarship

Children who received the scholarship



			Tepthat Poosirit Second grader  Child of general product manufacturing staff Jirasak Poosirit	Narin-nipha Sombun Third grader  Child of medical product manufacturing staff Taweesak Sombun	Panuphong Wongnoi Third grader  Child of general product manufacturing staff Weera Wongnoi
Poorithat Pimkan Fourth grader  Child of engineering staff Jirayut Pimkan	Siraphob Poowiphak Fourth grader  Child of medical product manufacturing staff Wirut Poowiphak	Thamonwan Bunchart Fourth grader  Child of general product manufacturing staff Prasong Bunchart	Warintorn Prachanok Sixth grader  Child of QA staff Uthit Prachanok	Shinnawut Nakasorn Sixth grader  Child of medical product manufacturing staff Danai Nakasorn	Kornwarin Nuamthong Ninth grader  Child of logistics staff Suchart Nuamthong
Nattanon Phungto Ninth grader  Child of general product manufacturing staff Manoch Phungto	Natnicha Poomikonsarn Ninth grader  Child of medical product manufacturing staff Arthit Poomikonsarn	Natcha Bangnoi First year high school student  Child of administrative staff Kampon Bangnoi	Sayamol Khamdee Second year high school student  Child of medical product manufacturing staff Thanawut Kamdee	Natchaya Wongjaruentaworn Third year high school student  Child of administrative staff Sunantha Jaijaruen	Rinlada Sangmanee Third year high school student  Child of financial staff Jutamas Kwanthaworn

Relationship to Society



Shown below are letters of appreciation received from some of the scholarship recipients.

Tepthat Poosirit

I am Tepthat, a second grader. I am happy to receive the scholarship this time. I will use it to buy stationery and for studies. I will save the rest in the bank and use it for future studies. Thank you, RIKEN and the management, for offering this scholarship for children's future and education. (Second grader)



Siraphob Poowiphak

I am very happy to receive this sum of THB 5,000. It is a very large sum. I was very excited when receiving the scholarship. There were many adults and also some older children. I will give part of the money to my family, and after paying for tuition, use the remaining money for future studies. For tuition, I study at my tutor's home in the evening. It is a very nice place. I can seat anywhere I want. I will use the remaining money for future studies. Thank you, RIKEN (THAILAND). I am very happy. This is the first time I am receiving a scholarship. Thank you. (Fourth grader)



Nattanon Phungto

I am happy to again receive a scholarship from the company where my father works. I think this is the third time. My father saves this money into my bank account. This is an account since I was a child and my father said it is my savings. I will use this scholarship for school fees, uniform, and stationery. I will make sure it is used in the most helpful way. Thank you. (Ninth grader)



Initiatives at RIKEN ELASTOMERS (THAILAND) CO., LTD.

Enhancing health and maintaining medical environments

RIKEN ELASTOMERS (THAILAND) CO., LTD. participated in the marathon held by Hi-Tech Industrial Estate (next to Rojana) as a CSR activity. (THB 400 per person was donated as event participation fee.)

The participation fees collected (approximately THB 350,000) were donated as funds for the purchase of equipment for public hospitals. Approximately 20 men and women from RIKEN ELASTOMERS (THAILAND) CO., LTD. participated in the 5km category. Everyone completed the run and received medals.



Initiatives at RIKEN U.S.A. CORPORATION

Participation in lifelong education program

RIKEN U.S.A. CORPORATION participates in the Continuing Education Unit (CEU) program. This is a lifelong education program aimed at always taking in the latest information, such as basic matters in specialized fields, market situations, and technological developments. The membership systems of professional associations in various industries make it mandatory to acquire units on a regular basis. Since June 2020, RIKEN U.S.A. CORPORATION organizes online CEU seminars on film processing for building materials every one to two months.



Officer Message



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

Due to the impact of COVID-19, there were restrictions on the coastal environmental conservation activities—such as mangrove tree planting—which we have been carrying out quite regularly in the past. PT. RIKEN INDONESIA is located at MM2100 Industrial Town, which is approximately 25km from Jakarta and surrounded by many places which are part of the lives of residents.

As support to improve the living standards of local residents under the COVID-19 pandemic, this year, we provided five neighboring villages with daily necessities such as rice and noodles. We also provided other support, such as repairing village roads and maintaining public facilities. The impact of COVID-19 continues, and we will contribute to society keeping in mind our relationship with the local community.

Initiatives at PT. RIKEN INDONESIA

Provision of necessities to five villages near the factory

In May 2020, daily necessities such as rice and noodles were provided to five villages near the factory, and in October, activities—including the repair of village roads and maintenance of public facilities in the villages—were conducted.





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. 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.



Shunki Kubo

1 Thoughts after appearing in a YUME Lab episode

I appeared on YUME Lab at around the time when I first came up with the idea for my current business. Back then, I talked about another business on the show, but the approach of using service to solve familiar issues is also linked to my current business. Featuring the activities of students in such a manner is extremely helpful to students, who lack capabilities in publicity and advertising. It also brought joy to my friends, relatives, and people at the university. I wish to again express my appreciation to all relevant parties who gave me this precious opportunity.



2 Current and future activities



ABABA Co., Ltd. was established in October last year to operate ABABA, which is a platform that recommends job applicants who fall out at the final round interview for a particular company to other companies for hiring. It is a service that turns notices of rejection during job hunting into recommendations. In the past, the job-hunting process ends for university

students if they are rejected even after putting in their full effort. The job-hunting process itself is not evaluated. There are people who end their own lives with this as one of the reasons, and one out of seven persons fall into job-hunting depression. For companies, there is the benefits of corporate branding—in terms of properly handling all job applicants—as well as being able to find students who have made it to the final round of interviews at other companies with high affinity. In the eight months since being released, approximately 160 companies have implemented this platform. Going forward, I hope to further expand ABABA, and at the same time, create a new recruitment and job-hunting system that is efficient for both companies and students seeking jobs.



Visit this page for more information on their activities

www.yume-lab.jp

Momo Taira

1 Thoughts after appearing in a YUME Lab episode

On YUME Lab, I talked about education support activities in Nepal toward achieving my dream, which is to create a world where all children can pursue their dreams and shine. Appearing on the show led me to receive encouragement from many people and raised people’s interest in Nepal. It was also an opportunity for me to widely communicate my dreams and activities. Thank you very much for giving me this precious opportunity!



2 Current and future activities



Right now, I am living my first year as a working adult at Rishiri Island, an island at the northernmost end of Japan. Rishiri Island is a round-shaped island with the beautiful Mount Rishiri standing proudly at the center. In summer, the port

bustles with the harvesting of sea urchins and kelp. Every morning, I wake up to the broadcast of ships setting out to fish for sea urchins, and commute to work on a bicycle as I gaze on Mount Rishiri while enjoying the comfortable sea breeze. My current job is related to supporting new residents moving to Rishiri-cho, the town where I live. It spans a wide scope, including operating a consultation desk and creating spaces for interaction.

Through this job, I hope to accumulate knowledge and experience in areas such as regional community design, measures to attract new residents, and job creation at offshore islands. The next stage is to use this knowledge and experience to realize my dream at villages in Nepal, and from there, spread activities to other regions and then the world, so as to create a world with places and opportunities where children can do what they want and encounter dreams.





Students who appeared in the program in the past

<p>"Establish Japan's first professional wheelchair basketball team and use the power of sports to widen possibilities for people with disabilities"</p>  <p>#131: Miyu Okada Waseda University 1st year PhD student</p>	<p>"Spread a new form of entertainment"</p>  <p>#132: Makoto Nagase Hiroo Gakuen Senior High School 12th year student</p>	<p>"Toward a society where people can continue to create things they like"</p>  <p>#133: Gen Sakaeda Waseda University 1st year PhD student</p>	<p>"Change school education by helping teachers"</p>  <p>#134: Ayumi Tanaka Digital Hollywood University 12nd year student</p>	<p>"Toward a satisfying life for each person"</p>  <p>#135: Remina Kataoka Fukuoka University 4th year student</p>
<p>"Stop deforestation and create a better future"</p>  <p>#136: Hidetada Iwasaki Seigakuin Senior High School 3rd year student</p>	<p>"Toward a world where everyone can choose options to be happy"</p>  <p>#137: Karen Usui Kansai University 12th year student</p>	<p>"Using research results to create medicines to bring happiness to cancer patients in the world"</p>  <p>#138: Shiho Hirose University of Tokyo 12th year PhD student</p>	<p>"Solving people's problems with service"</p>  <p>#139: Shunki Kubo Osaka University 12th year student</p>	<p>"Linking the global goals of SDGs to local administrative bodies"</p>  <p>#140: Kosumo Takagi Meiji University 12th year post-graduate student</p>
<p>"Hope to lead an interesting life worth writing about"</p>  <p>#141: Chika Ezure Tohoku University 12th year student</p>	<p>"Create a Japanese society where anyone can take on challenges regardless of differences in social, economic, or cultural background"</p>  <p>#142: Takuya Nakaizawa University of Tsukuba 10th year student</p>	<p>"Enrich e-sports in Japan like overseas"</p>  <p>#143: Haruki Kosaki Nagoya Daini University 10th year student</p>	<p>"Create a society where young people can have dreams"</p>  <p>#144: Takahiko Yoshimura Shizuoka University 10th year student</p>	<p>"To become a person who creates the future for myself and society such that every person can apply diversity while enjoying the future"</p>  <p>#145: Yumeka Sato Kunitachi Junior High School 2nd year student</p>
<p>"Create a society where young people do not give up on their dreams"</p>  <p>#146: Hiroto Muratake RIKEN Professional University of Information and Management for Innovation 1st year student</p>	<p>"Make Japan into a country with 100% energy self-sufficiency"</p>  <p>#147: Kaito Shigemasa Yokohama National University 12th year PhD student</p>	<p>"Transcending the boundary of a high school girl"</p>  <p>#148: Hana Shirai Tokyo Metropolitan Keisei High School 12th year student</p>	<p>"Create a society where politics is an everyday topic"</p>  <p>#149: Yusei Kawakami Shizuoka University 11st year student</p>	<p>"Create a world where all children can pursue dreams and shine"</p>  <p>#150: Momo Taira Kansai University 10th year student</p>
<p>"Hope to help everyone become happy"</p>  <p>#151: Haruka Maeda Fukuoka University 10th year student</p>	<p>"My dream is to become a community designer that brings happiness to people"</p>  <p>#152: Wako Nishizima Fushimi-Nagasaki High School 12th year student</p>	<p>"Development of student movies"</p>  <p>#153: Hiroaki Kumagai Gyusei University 10th year student</p>	<p>"Create a colorful world full of recognition for myself and others"</p>  <p>#154: Sumire Takeuchi Aichi International University 12nd year student</p>	<p>"Let's spread ethical fashion!"</p>  <p>#155: Fumiya Nishikiori Toyo University 10th year student</p>



#156: Kazumi Muraki
University of Tokyo
12th year student

RIKEN TECHNOS Presents

Following the Dreams of Students Who Take on Challenges.

夢ラボ

DREAM LABORATORY

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

BROADCAST EVERY SATURDAY at 6:55 p.m.

Produced by BS12ch TwitV / RIKEN TECHNOS CORPORATION / YADUMARU PROJECT Co., Ltd.
Production Collaboration JFN / Kanjaya

New episodes every other week



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.” We are implementing various measures to create safe and secure workplace environments that allow employees to apply their capabilities.

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

Under a state that requires response to COVID-19 which has persisted since last year, the Administrative Division is promoting work-style reforms centered on the use of teleworking. At the same time, to achieve communication between employees and maintenance and improvement of motivation, we are undertaking initiatives while listening to the voices of employees.

In the new Tokyo Stock Exchange market segment selection being scheduled in the next fiscal year, the importance of human resource development beyond succession plans is also steadily increasing, including the goal of ensuring diversity such as the assignment of core human resources as well as the requirement to disclose policies regarding human resource development and development of internal environments. We will strive to achieve the growth and autonomy of every employee.

Toward Developing Diverse Human Resources

RIKEN TECHNOS CORPORATION respects the diversity, personality, and individuality of our employees, and has consideration for human rights and equal employment opportunities. We carry out various initiatives in our systems and welfare services for matters such as the employment of the elderly and persons with disabilities, active participation of women, and support for raising children and nursing care. We will continue to actively work to create workplace environments where employees can play even more active roles with greater peace of mind and comfort.

● Employment of the elderly

We continue to employ employees who wish to be reemployed after retirement until the age of 65, giving consideration to flexible work styles including job scope and number of days/hours of work. Many of those reemployed play valuable roles, such as guiding young employees and passing on skills developed so far. For the state of continued employment after retirement in FY2020, the reemployment rate was 92% (11 out of 12 persons).

● Employment of persons with disabilities

We see support for the employment of persons with disabilities as part of allowing diverse human resources to play active roles, and provide opportunities for their active participation at various workplaces. In FY2020, the employment rate of persons with disabilities was 2.43%.

● Active participation of women

Based on the plan of action under the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we strive to create workplace environments where women can freely participate. The plan of action for FY2016 to FY2020 was to achieve a recruitment rate of at least 30% for women in regular positions. The average proportion during this period was 29.4%. For the next three years starting from FY2021, we will develop a new plan of action for our efforts.

Plan of action for April 1, 2021 to March 31, 2024

1. Female recruitment rate of at least 25%
2. 100% attendance in career development training for women (targeting employees in and after their fourth year of employment)
3. At least a rate of 60% for taking of annual paid leave

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

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

● **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 FY2020, 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.

● **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 CORPORATION seeks to promote the taking of paid leave, such as introducing a system where 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 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.

Voice



Now Hyekuen, Business Unit Manager, Innovative Film Business Unit

Under the broad mission of opening next-generation markets for our film business, I am in charge of selling our unique technologies and products spanning various fields—such as the field of information technology and electronics—to the world. In recent years, as one of the few women in managerial positions in RIKEN TECHNOS CORPORATION, I am also involved in the development of teams rich in diversity that include members with non-Japanese nationalities.

Many older employees and acquaintances may find it surprising since I am Korean and a woman, but this is also the moment when I feel most proud about RIKEN TECHNOS CORPORATION. Many of our management executives have gone through tough experiences overseas for many years, and I feel that we have a corporate culture which does not have any resistance toward accepting diversity often mentioned in society—whether it is difference in nationality, gender, or thinking. Instead, our management says that the growth of people is corporate growth itself, and I feel that we respect and support people for the aspiration behind their growth rather than who they are or where they are from. We look forward to welcoming passionate people who have the motivation to improve and creating an invigorating and reliable RIKEN TECHNOS CORPORATION toward our 100th anniversary, and I hope to be part of this process.

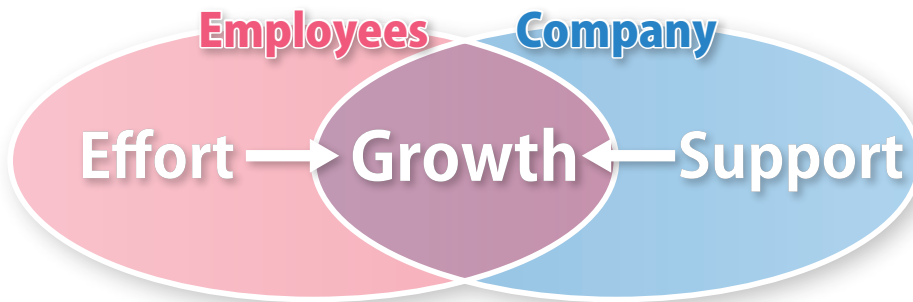
For the Growth of Each Employee

RIKEN TECHNOS CORPORATION strives to create education systems that significantly grow each employee, including human resource development through career-level, selection-based, and other training; career development training; and enhancement of career paths such as through assignment transfers with a view of future roles.

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



Selection-based Development of Young Employees

We conduct selection-based development for young employees. To provide opportunities for learning a variety of thinking methods and learn management skills that can be used, we also send them to attend the GLOBIS Management School being operated by GLOBIS Corporation.



Kota Okayasu, Corporate Planning Group, Corporate Planning Department

This is my 11th year with the company. So far, I have worked in research and development as well as sales, and I am currently assigned to the Corporate Planning Department. My career path is blessed compared to other employees of similar age. Attending this training was an excellent opportunity for me as I felt it was necessary for me to raise my skills anew in order to contribute toward company management and organizational operation. I was able to efficiently and effectively learn about knowledge and the basics of thinking methods which I usually do not encounter in the course of my work.

Going forward, to allow the knowledge obtained this time to move from a state of knowing to a state of constantly being usable, besides applying it to my daily work, I hope to also share it within the company so as to increase the number of “comrades” that I can seriously discuss the company’s future with.



Takato Hirose, Compound Production Department

In the spring of 2021, I was transferred from research and development to production. My work is to improve productivity at our factories. Due to changes in the social environment, speed and accuracy are required even more than before. Although I felt that improvement of productivity is increasing in importance, I was troubled by not knowing the specific knowledge that I should learn.

Under such circumstances, the logical thinking obtained at GLOBIS Management School and the skill of organizing such thinking are skills that can be immediately applied. They are very helpful now in the conduct of new operations. I hope to continue learning and contribute toward the growth of the company.

● Various Training Programs

We conduct career-level and other types of training to improve the skills of our employees in general. In FY2020, training was conducted even during the COVID-19 pandemic, with online tools being used at times to prevent infection.

New managerial staff training

As managerial staff working at the frontlines amid a social situation will change significantly in the future, training is conducted for the purpose of (1) imbuing the basics of management and (2) strengthening abilities to solve issues. Other career-level training programs are also carried out, with the contents being improved each time, including new chief training and mid-level employee training.



Career development training

We conduct training that allows employees to understand the internal and external environment and conduct thorough self-analysis so that they know the perspectives for developing their own careers.



Career development training being conducted online

Mentoring system for new recruits

To retain new recruits and allow them to contribute quickly, we have a mentoring system each year that pairs each new recruit with a young employee to offer them mental support.

New recruits training

Training is conducted after joining the company for new recruits to learn things such as the businesses of RIKEN TECHNOS CORPORATION, basic business etiquette, and our various systems. Subsequently, they learn the necessary knowledge and skills as a working adult and employee of RIKEN TECHNOS CORPORATION through on-site practical training at factories and follow-up training.

Language training

To allow employees to play active roles globally, we have established systems, including language training when being assigned overseas, conduct of TOEIC tests, and language learning support through correspondence education.

Safety and Health Activities

● Concept of Safety and Health Activities

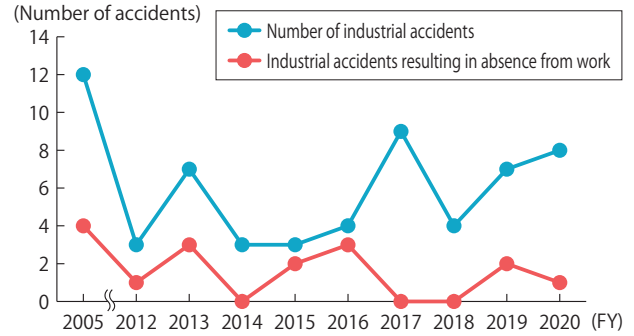
Based on respect for people, RIKEN TECHNOS CORPORATION considers occupational health and safety to be one of the most important foundations in business operations, and strives to maintain and improve a healthy and safe working environment. We carry out our business operations with an occupational safety 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 eliminate and separate potential dangers and hazards in the workplace to reduce risks. Going beyond “zero industrial

accidents,” all employees work to achieve “zero risks” by participating in safety awareness and risks and systems improvement activities.

● Number of industrial accidents



RIKEN VIETNAM CO., LTD.



RIKEN ELASTOMERS (THAILAND) CO., LTD.



PT. RIKEN INDONESIA



SHANGHAI RIKEN TECHNOS CORPORATION

Safety education at overseas sites

● Review of Activities

In FY2020, our activities were focused on reducing industrial 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 eight industrial accidents: one resulting in absence from work and seven that did not result in absence. Looking at the causes, the severity of industrial accidents had reduced due to enhancement of safety measures for equipment, but there is an increasing trend for human errors arising from operators’ lack of understanding or awareness. Going forward, we will focus on improving employees’ risk assessment capabilities through new education methods using the online KYT—which was introduced in FY2019 and uses a remote working environment—and the dissemination of an industrial accident eradication newsletter.



Mobile phone/tablet device screen





















Education using photos of actual industrial accidents

Safety and health education in Japan

Our New Employees in 2021

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 do my best so that I can quickly adapt to the corporate culture and become useful.</p> 	<p>I will observe my seniors and work hard so that I can become a member of RIKEN TECHNOS both in name and action as quickly as possible.</p> 	<p>I will put in full effort to act with a spirit of taking on challenges and become a person that can be trusted. I look forward to everyone's guidance!</p> 
<p>I will strive to become useful at work as quickly as possible with the self-awareness of having become a working adult.</p> 	<p>I will strive to become a bridge between engineers and customers. I look forward to everyone's guidance.</p> 	<p>My positive attitude is my selling point. I will work hard with a cheerful and positive mindset. I hope to work overseas too!</p> 
<p>I hope to move forth each day with the self-awareness of a working adult. I look forward to everyone's guidance.</p> 	<p>I will discover the joy of working through my job, grow as a person, and become someone that can be depended on.</p> 	<p>I am a person who goes about things seriously and steadily, and I am confident about being meticulous.</p> 
<p>I will work hard so that I can contribute to society as a new working adult. I look forward to everyone's guidance.</p> 	<p>I am confident in my stamina as I did a lot of sports. I look forward to everyone's guidance.</p> 	<p>I have been practicing Japanese drums since elementary school, so I have confidence in my stamina. I will use this stamina to do my best.</p> 
<p>I will strive to become a useful person as quickly as possible, so please give me your guidance.</p> 	<p>During high school, I was never absent and received an award for my perfect attendance. I will continue to do my best for my work in a state of good health.</p> 	<p>I will do my best while improving my weak areas and using work to develop my strong points.</p> 
<p>My stamina is my strength, and I will use it to quickly learn my work and become someone useful.</p> 	<p>I will put full effort when it comes to learning and do the same when it comes to enjoying. I hope to grow into a valuable person.</p> 	<p>I hope to do my best while maintaining communication so that I can keep up with my seniors at work.</p> 

Relationship with Shareholders

We greatly appreciate the support of our shareholders.

Initiatives related to General Meetings of Shareholders

RIKEN TECHNOS holds its general meetings of shareholders on days when many other companies are not holding their general 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 issues. 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 2021 was 12 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
FY2016 (March 31, 2017)	JPY 5.00	JPY 6.00	JPY 11.00
FY2017 (March 31, 2018)	JPY 6.00	JPY 6.00	JPY 12.00
FY2018 (March 31, 2019)	JPY 6.00	JPY 8.00	JPY 14.00
FY 2019 (March 31, 2020)	JPY 8.00	JPY 8.00	JPY 16.00
FY 2020 (March 31, 2021)	JPY 4.00	JPY 12.00	JPY 16.00

Information Disclosure

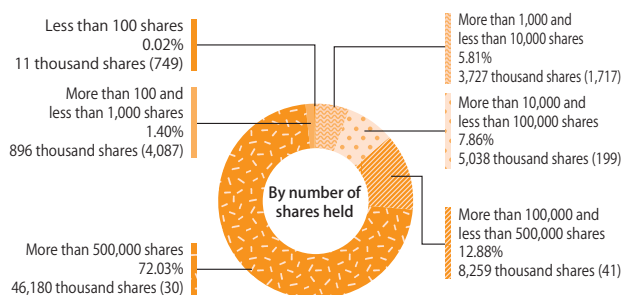
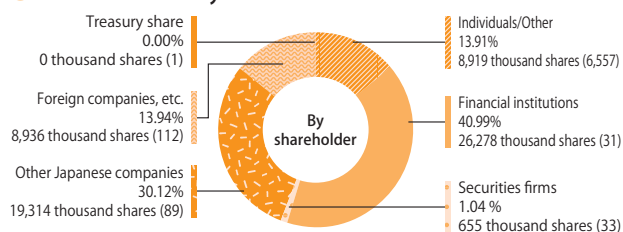
We have always practiced prompt, precise, and fair information disclosure from the shareholders' and investors' points of view. We try to actively disclose information beyond the timely disclosure standards of the Tokyo Stock Exchange to increase general understanding of our business activities and strategies. 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, 2021)

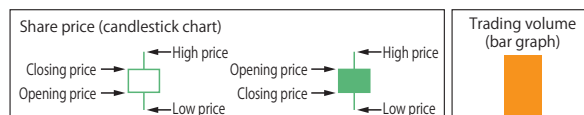
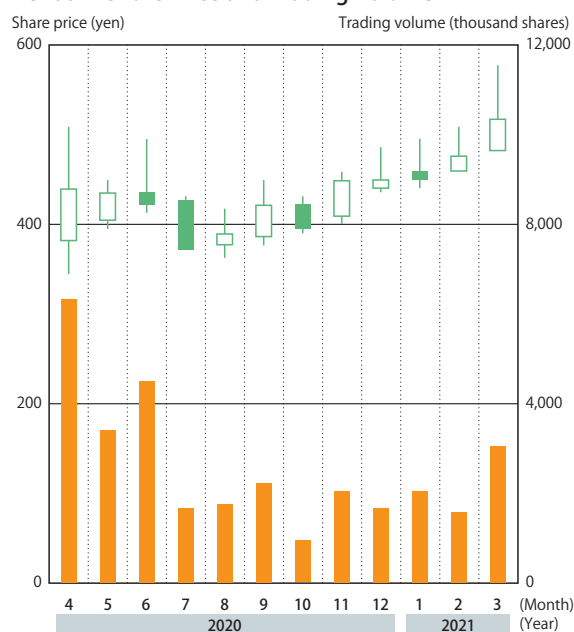
Status of Shares

Total amount of authorized shares	236,000,000
Total amount of issued shares	64,113,819
Total number of shareholders	6,823

Status of Shares by Shareholder and Number of Shares Held



Trends in Share Price and Trading Volume



Quality and Environmental Action

Message from the Senior General Manager of the Quality Assurance Division



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

The activities of the Quality Assurance Division are based on our Product Quality Policy—which is always focusing on customers first and quality first to supply highly reliable products and services—and our Environmental Policy of that seeks to take into consideration the effects on the environment, protect the environment, and realize a sustainable society.

Regarding future efforts to maintain and improve quality and the environment, we will not be limited to product design and production equipment specification. As issues regarding the quality of raw materials—for which procurement is becoming more global in nature—and the important of chemical substance management become more significant, we will work on automation keeping in view the monitoring of chemical substance regulations—which are updated frequently—and the introduction of a risk identification system.

Quality Assurance System

RIKEN TECHNOS uses the ISO 9001 framework. Each production site has a Quality Assurance Department 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

Certification Registration date: September 14, 1998
Expiration date: August 30, 2022

Quality Improvement Activities

In FY2020, we adopted the use of artificial intelligence (AI) for statistics management and process inspection to discover abnormalities as early as possible. Defective products were reduced as it became possible to detect even small changes in quality.

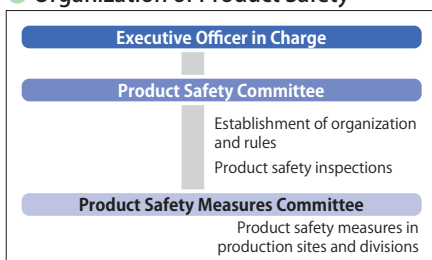
In FY2021, to reduce defects in initial flow products, which lack sufficient data, we will not only carry out strict operation and management over design reviews, but also introduce abnormality assessment parameters using device analysis to achieve further improvement in customer satisfaction.

Product Development Focusing on Safety

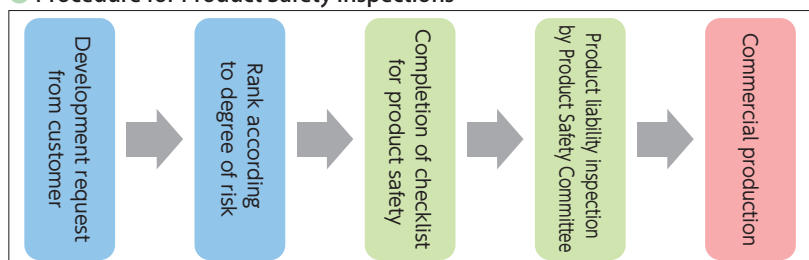
Handling of Product Liability

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. There has never been any product liability issues with our products for medical devices, which is the core of our concern.

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

For products that need to be managed under regulations for specified chemical substances such as RoHS2*, we design our production lines to be effective in preventing contamination and establish strict rules for managing operations.

● Chemical Substance Control 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.

● Environmental Management Action

Environmental Policy

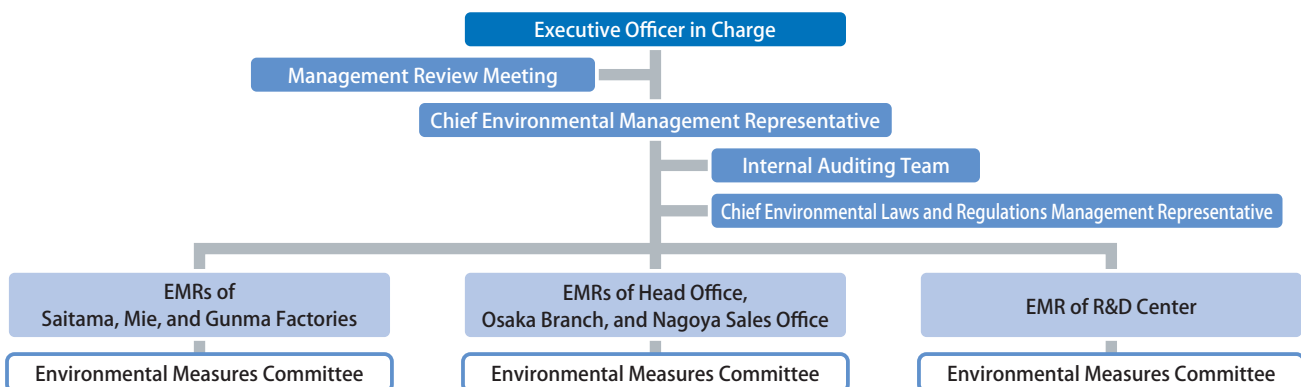
For all our business activities, we take into consideration the effects on the environment. To protect the environment and realize a sustainable society, RIKEN TECHNOS CORPORATION established an environmental management system, and all members of the company work to implement the following principles.

- 1 Through all business activities, RIKEN TECHNOS CORPORATION promotes continuous improvements to the environmental management levels, prevention of environmental pollution, and support for environmental conservation by not only observing all environment-related regulations and mutual agreements but also setting our own rules and regulations voluntarily.
- 2 Using raw materials which are safe, RIKEN TECHNOS CORPORATION supplies the market with environmentally friendly plastic products of various materials, such as energy-saving and resource-saving products, products suitable for recycling, and products with low influence on biodiversity and the ecological system.
- 3 With regard to the use of sustainable resources, and mitigating and dealing with climate change, RIKEN TECHNOS CORPORATION reduces negative effects on the global environment, biodiversity, and the ecological system by reducing CO₂ emissions 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 documenting in-house regulations including 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 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

● Roles of the Executive Officer in Charge, 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
Executive Officer in Charge	Senior General Manager of Quality Assurance Division	Overall responsibility of matters related to the environment
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 (Factory Manager, 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 under 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 FY2020, audits were carried out in 54 departments, four requests for corrective actions were issued, and there were 51 issues pointed out, including matters for monitoring. Of the issues pointed out, besides document control, there were departments which did not implement actions that had been independently decided as well as departments which did not properly implement state of emergency responses and corrective actions. We will verify the continuation of these corrective actions, and also improve and implement the management system.

(2) External Audits

The surveillance audit that was planned to take place in June 2020, was shifted to October due to the impact of COVID-19. Five nonconformance issues were found and 11 issues requiring improvement were pointed out during the audit.

In 2021, continuing to take into consideration the state of COVID-19, a large part of the audit was conducted remotely. Three nonconformance issues were found and five issues requiring improvement were pointed out during the audit.

Customer audits also dropped to eight in 2020, and most were document audits.

● 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

Message from the Senior General Manager of the Manufacturing Division



Tomozo Ogawa
Executive Officer
Senior General Manager of Manufacturing
Division & 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, within 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 at the same time, conducting reviews for the utility equipment of each factory.

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

Environmental Targets and Performance in FY2020

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

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

In FY2020, a total of 175 targets were set across various divisions in the entire company, and 117 (67%) of them were achieved.

(1) Reduction of Energy Use

Number of Targets Set	Achieved Targets	Targets (8% reduction compared to FY2012)	Results
78	53 (68%)	(1) Reduction of electricity usage per gross production 0.706 MWh/t or less (2) Heavy oil usage per gross production 0.035 kl /t or less (3) CO ₂ emissions per gross production 0.426 t-CO ₂ or less (4) Total CO ₂ emissions 36,708 t-CO ₂ or less	(1) 0.721 MWh/t (objective not achieved) (2) 0.026 kl /t (objective achieved) (3) 0.432 t-CO ₂ (objective not achieved) (4) 43,879 t-CO ₂ (objective not achieved)

(2) Reduction in Industrial Waste

Number of Targets Set	Achieved Targets	Targets	Results
28	12 (43%)	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 0.14% for landfill and incineration waste volume per gross production. Not achieved with 3.54% for total industrial waste volume per gross production.

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

Details	Number of Targets Set	Achieved Targets	Targets	Results
① Reinforcement of Chemical Substances Management	33	26 (79%)	Reduction of use of independently specified chemical substances, and development of environmentally-friendly products.	① FY2020 usage of chemical substances designated as Class I under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law) decreased by 214 tons (14%) compared to FY2019. ② In FY2020, the sales volume of recycling-friendly materials decreased by 9.5% compared to FY2019.
② Development of Environmentally-friendly Product	22	12 (55%)		

Status of RIKEN TECHNOS Environmental Load

The main types of environmental burdens caused by RIKEN TECHNOS CORPORATION's business activities are due to industrial waste output, greenhouse gas (CO₂) emissions, and the transport and discharge of chemical substances. We are working on the reduction of emissions and proper management of various substances. The following data shows the status of the environmental load of RIKEN TECHNOS CORPORATION (non-consolidated).

CO₂ Load of Products Produced (FY2020)

Input		Output		Amount of CO ₂ emissions (t-CO ₂ /t)	
Raw materials (including paints)	94,000t	Compound products	64,000t	Compound	0.19
Packaging materials	3,900t	Film products	13,000t	Film	0.90
Electricity	65,000MWh	Wrapping products for packaging	20,430t	Food wrap	0.68
Heavy oil	2,400kl	Total waste	3,590t		
Tap water	127,000m ³	Amount of sewage	294,000m ³		
Groundwater	150,000m ³				
Water for industrial use	31,000m ³				

Preventing Stock Pollution and Environmental Pollution

We implement regular 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 conduct factory inspections in order to promote understanding of RIKEN TECHNOS's business activities.

● Saving Energy and Reducing Greenhouse Gas Emissions

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

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

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

Over many years, CO₂ emission reduction has been our principal objective. Due to a recent major change in electricity to CO₂ conversion factor, from FY2014, we have made it our target to achieve 1% reduction each year, with FY2012 as the base year, in energy use per gross production. For FY2020, we set a target of 8% reduction compared to FY2012, and with electricity usage per

gross production at 0.721 MWh/t, we did not achieve the target of 0.706 MWh/t or less. At the same time, heavy oil usage per gross production was 0.026 kl/t, achieving the target of 0.0351 kl/t or less.

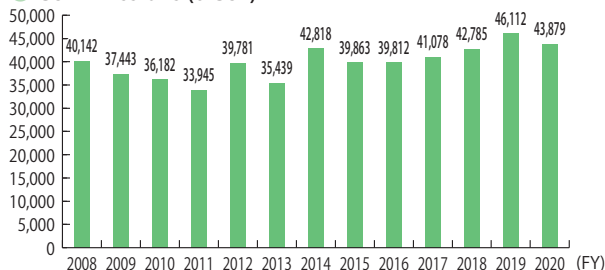
A switch from heavy oil boilers to city gas boilers at the Gunma Factory in December 2015 led to reductions in heavy oil usage and air pollution.

In March 2013, our photovoltaic power plant supplying renewable energy began operation at a site adjacent to the Gunma Factory. In FY2020, approximately 70,000 kWh of power was supplied to the Gunma Factory, with approximately 700,000 kWh sold externally.



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

● CO₂ Emissions (t-CO₂)

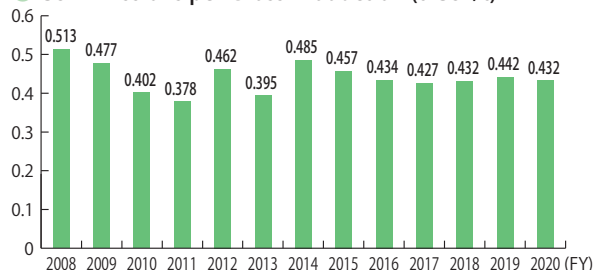


Note: The value is based on emission factors after adjustments from FY2010.

*1 Greenhouse gas is indicated as the quantity of CO₂ calculated to be emitted by consumption of electricity and heavy oils consumed at the Saitama Factory, Mie Factory, Gunma Factory, Nagoya Factory, R&D Center, and Head Office, as well as each sales site. CO₂ emissions from Head Office have been added since 2005, and emissions from each sales site have been added since FY2008. CO₂ emissions from petroleum fuel consumed by logistics are omitted.

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

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



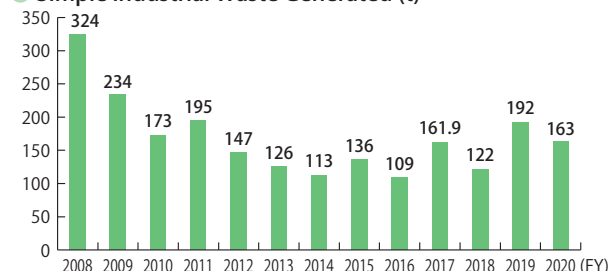
● Reducing Industrial Waste

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

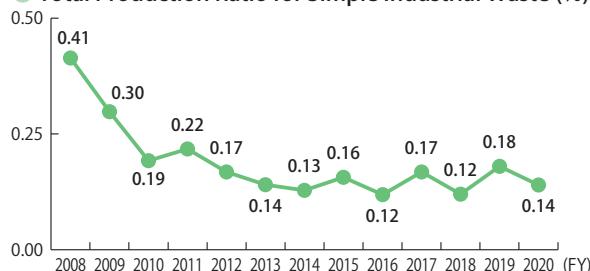
The simple waste volume per gross production was 0.14% and we did not achieve the goal. The total waste per gross production was 3.54% and we did not achieve the goal.

● 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.

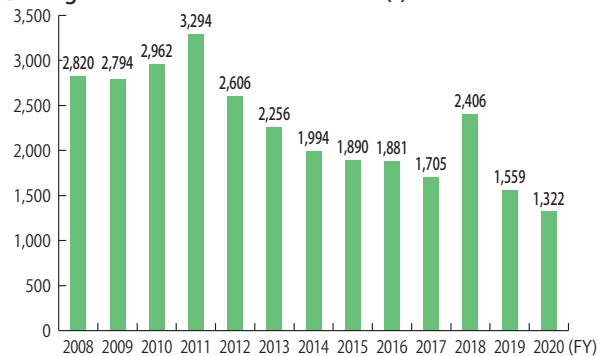
In FY1999, a totalization system was established to enable thorough management. In addition, a system was created for responding to the PRTR system of the Act on Confirmation, etc. of Release Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management 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 to the calculation. 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 FY2020, usage volume was reduced by 14% compared to FY2019. This was mainly due to the reduction in products using DEHP, toluene, and 1,3-dioxolane. In FY2020, we used 28 types of chemical substances subject to the PRTR Law, which was two more than FY2019. Among them, 13 types with usage volume of more than one ton were reported to the Japanese government.

● Usage Volume of PRTR Substances (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. The final waste disposal operator is planning the treatment of the 845.5 kg of waste oil containing PCB from Saitama Factory. Treatment of PCB waste stored at the Mie Factory and R&D Center (Tokyo) was completed.

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

Site	PCB Wastes	Status of Storage and Treatment
Saitama Factory	Waste oil containing PCB: 845.5 kg (high concentration)	Treatment being planned
	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)	
	Waste oil containing PCB: 350 L (low concentration)	Treatment completed in FY2014
	PCB component wastes: 300 g (low concentration)	
R&D Center (Tokyo)	High voltage condensers: 12 (high concentration)	
	High voltage transformers: 1 (low concentration)	Treatment completed in FY2013
	Waste oil containing PCB: 330 L (low concentration)	
	Wastes containing PCB: 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 CO₂ emissions). In FY2020, we received many responses from employees and their families (1,155 in winter). The results of the questionnaires showed average CO₂ reductions per person of 1,000 g-CO₂/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.

Season of Conduct	Participants (persons)	Amount of Reduction (g-CO ₂ /person per day)
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
Summer of FY2020	1,059	910
Winter of FY2020	1,155	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 CO₂ emission reduction goal in the Phase 1 Plan (6% reduction from the base year). We are also making smooth progress toward the CO₂ emission 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 RoHS*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 Control Committee was newly established as a companywide organization. Also, a Chemical Substances Management Guidelines 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 specified 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 47.

● 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 FY2020

(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 FY2020

In FY2020, the amount invested in environmental preservation costs was approximately JPY 120 million, and expenses were approximately JPY 1.2 billion, making a total of approximately JPY 1.32 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 RoHS2 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 0.16%, not achieving our goal of 0.1% or below. Total industrial waste amount per gross production was 3.54%, not achieving our goal of 3.5% or below. With regard to CO₂ emissions, although we conducted continuous energy-saving activities, the result was 0.432t-CO₂ against the goal of

0.426t-CO₂ or less, not achieving our goal of an 8% reduction from the FY2012 level. In addition, we also did not achieve our goal of an 8% reduction from the FY2012 level for electric power consumption rate (Electricity use (MWh)/Production (t)), which was at 0.721 MWh/t against the goal of 0.706 MWh/t or less. At the same time, heavy oil usage per gross production was 0.026 kl/t, achieving the goal of 0.0351 kl/t or less. On the other hand, our heavy oil consumption rate (Heavy oil use (kl)/Production (t)) was 0.026 kl/t against the goal of 0.0351 kl/t or less, achieving our goal of an 8% 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 11.5 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

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Environment



Environmental Preservation Costs

JPY 1,000

Category	Content of Activities on Examined	Total Amount Invested*1	Expenses*2	
1. Business area costs		114,676	176,971	
Breakdown	Pollution prevention costs	Construction for noise prevention measures, maintenance of scatter prevention equipment	1,559	87,738
	Global environmental preservation costs	Installation and improvement of energy-saving equipment	113,117	0
	Resources recycling costs	Disposal of industrial waste, recycling, etc.	0	89,233
2. Upstream/Downstream costs	Analysis of products containing chemical substances	6,030	13,060	
3. Administration costs	Issuing of CSR Report, maintenance of ISO (including external audit), analysis of drainage and VOC, maintenance of green areas at each site	0	16,009	
4. R&D costs	Research and development of environmentally friendly products	0	997,813	
5. Social activity costs	Beautification of areas around our sites, donations	0	400	
6. Environmental damage countermeasures costs	Soil investigation and improvement	0	644	
Total		120,706	1,204,897	

*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	FY2019	FY2020	
Environmental preservation effect related to resources input into business activities	Total energy input volume (GJ)	927,403	777,961	
	Energy input by type	Electricity (MWh)	78,993	65,405
		Heavy oils (kl)	2,472	2,394
		City gas 13A (km ³)	1,137	963
		Gasoline (kl)	40	38
		Light oils (kl)	3	3
	Input of PRTR-controlled substances (t)	1,560	1,322	
Water resources input	Tap water (m ³)	129,000	126,548	
	Groundwater (m ³)	176,000	149,761	
	Water for industrial use (m ³)	35,000	30,616	
Environmental preservation effect related to waste or environmental burdens originating from business activities	Greenhouse gas emissions (t-CO ₂)	46,000	43,879	
	Volume of PRTR-controlled substances discharged (t)	546.8	265	
	Volume of PRTR-controlled substances transported (t)	16.8	93	
	Total waste discharge volume (t)	3,700	3,600	
	Final waste disposal volume (t)	192	163	
	Amount of sewage (m ³)	322,000	294,485	
Environmental preservation effect related to commodities and services produced by business activities	Volume of valuable materials recycled (t)	1,894	1,346	
Other environmental preservation effects	Volume from transportation of products (t-km)	24,682,013	20,252,279	
	Volume of CO ₂ emissions associated with transportation (t)	4,284	3,515	

Economic effects associated with environmental preservation

JPY 1,000

Economic Effect	Amount	
	FY2019	FY2020
Benefit from recycling plastic, paper waste, etc.	9,282	5,912
Expenses reduced by energy-saving activities	1,648	5,596
Total	10,930	11,508

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	76,163
Cost of asbestos disposal from usage sites	32,675
Cost of renewing equipment using PCB	0
Cost of contaminated soil treatment	63,513
Total	172,350

RIKEN TECHNOS GROUP Environmental Data

RIKEN TECHNOS Environmental Data by Factory

Saitama Factory

- Site area: 58,739m²
- Description of business: Manufacturing of compounds, film, and food wrapping film made from various thermoplastic resin, including PVC
- Employees: 250

Mie Factory

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

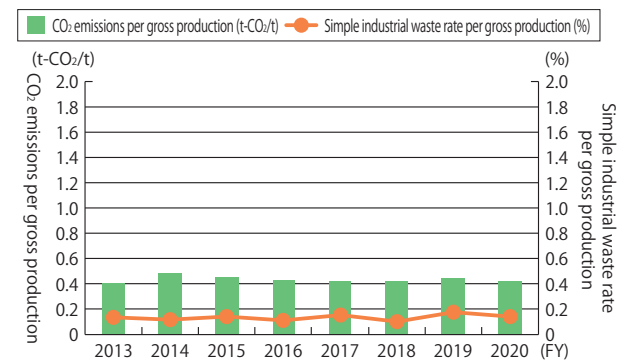
Gunma Factory

- Site area: 55,904m²
- Description of business: Manufacturing of high functional film in a clean environment
- Employees: 38

Nagoya Factory

- Site Area: 16,700m²
- Description of business: Manufacturing of food wrapping film
- Employees: 11

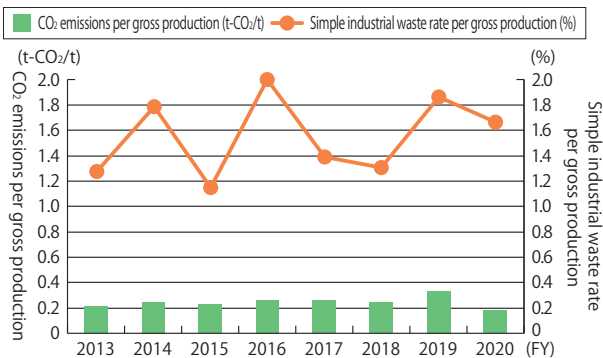
CO₂ emissions per gross production and simple industrial waste rate per gross production (total for the Saitama, Mie, Gunma, and Nagoya Factories)



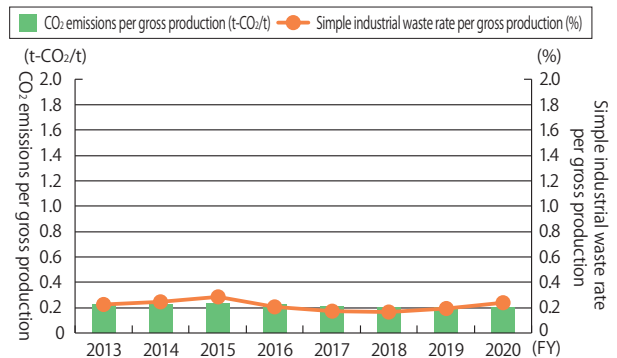
Environmental Impact Data for Affiliates of RIKEN TECHNOS GROUP

① Compound Production Companies

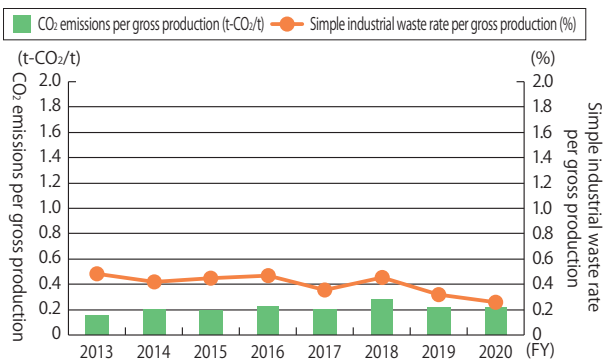
RIKEN CHEMICAL PRODUCTS CO., LTD. Employees: 42



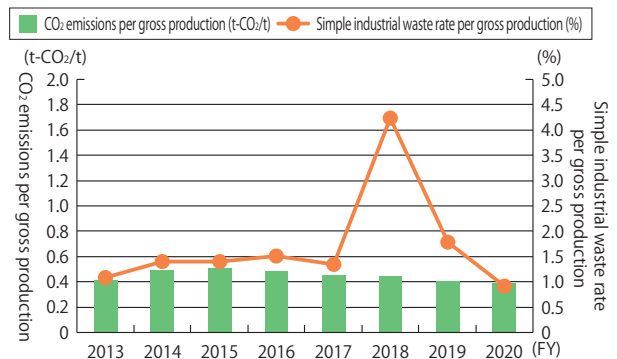
RIKEN (THAILAND) CO., LTD. Employees: 261



RIMTEC CORPORATION Employees: 87



RIKEN ELASTOMERS CORPORATION Employees: 35

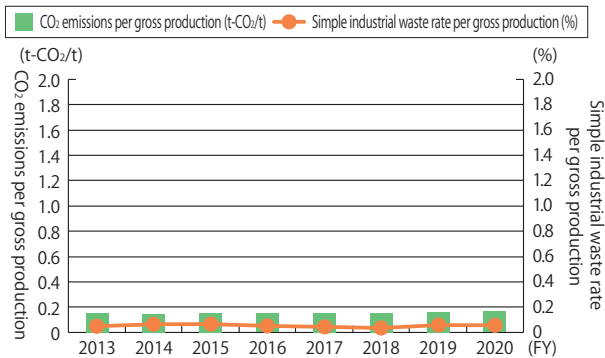


Summary of Environmental Action



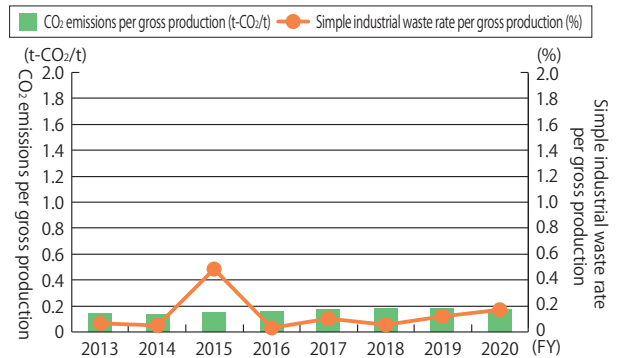
PT. RIKEN INDONESIA

Employees: 222



SHANGHAI RIKEN TECHNOS CORPORATION

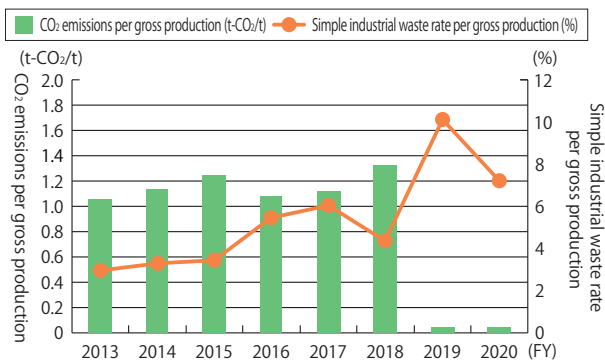
Employees: 117



② Molding Companies

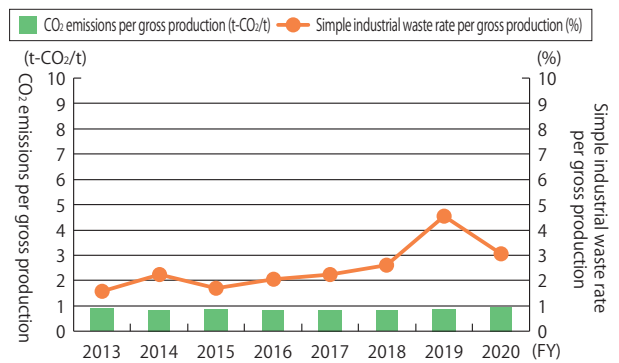
RIKEN CABLE TECHNOLOGY CO., LTD.

Employees: 64



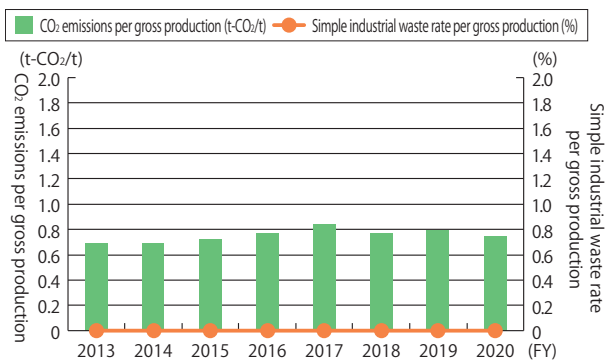
KYOEI PLASTICS MFG CO., LTD.

Employees: 63



RIKEN TECHNOS (JIANGSU) CORPORATION

Employees: 51



The Expert's Opinion



Mr. Mitsuo Ogawa

President
Craig Consulting

We have reached an era where climate change has become a management theme. Japan has declared to the world its commitment to realize a carbon neutral society by 2050. As the next step is to set interim goals for 2030, the impact on management can no longer be ignored. This is substantiated by companies changing the ways they develop their mid-term business plans in recent years. It is becoming mandatory to include sustainability when formulating plans. Amid such a trend, the approach for implementing materiality (priority issues) and thinking about SDGs in medium- to long-term management will likely be given further emphasis going forward. RIKEN TECHNOS CORPORATION has made the realization of a sustainable society as a theme in its current mid-term business plan. "Blue Challenge"—which started last year—is a medium that communicates the company's initiatives in an easy-to-understand manner to parties within and outside the company. At the same time, it has also become a theme that demonstrates the activities of the company. In his message, President Tokiwa touched on the responsibilities to be fulfilled as a chemical manufacturer. RIKEGUARD—the series of products against infectious diseases that appeared in the featured article—is a well-known initiative of RIKEN TECHNOS CORPORATION. At the same time, the company also handles compounds for medical devices. For example, the compound for syringe gasket stoppers introduced on page 18 is a material essential for dialysis patients. With the supply chains of many companies disrupted by the COVID-19 pandemic, the field of materials for medical devices is one that requires stable supply in particular. RIKEN TECHNOS CORPORATION stably operates its

factories to continue supplying compounds for medical devices without delays. This is truly a part of the responsibilities to be fulfilled by a chemical manufacturer. While this effort may look modest, it needs to be highly evaluated.

Regarding RIKEN TECHNOS CORPORATION's sustainability initiatives for the future, I hope to objectively point out three issues.

The first issue is regarding initiatives in the aspect of human resources. Human resources are of utmost importance for RIKEN TECHNOS CORPORATION to provide greater value to customers. The company cannot improve value provision without the growth of its human resources. On this note, I hope more effort can be put into "Relationship with Employees" (page 40). An example is the active participation of women. Although page 41 has KPI (quantitative targets) for the active participation of women, higher targets compared to other companies should be set. Having a small number of female employees—who are subject to these measures—can no longer be accepted as a reason today. I think this is an area that requires more effort than other companies due to the small number of female employees. In addition, for the aspect of human resource development (page 42), I hope the company can set KPI and disclose even more detailed targets. The second issue is about initiatives for the reduction of CO₂ emissions and waste. Looking at the graphs on page 51, it seems that the amount of reduction is slowing down in the past several years. Besides extensions of existing initiatives, the company should take drastic measures. As mentioned at the start, as we move toward a carbon neutral society, the two indices are themes that cannot be avoided as a manufacturer. Furthermore, these themes can bring competitiveness to the company's finances as cost reductions.

The last issue concerns the approach toward the next mid-term plan. This is the final year of RIKEN TECHNOS CORPORATION's current mid-term plan. It is also the year for formulating the next mid-term plan. Having built the foundation of sustainability in the current mid-term plan, what are the sustainability themes that RIKEN TECHNOS CORPORATION will set in the next mid-term plan and what will the company reform? I look forward to high results and targets, including the themes I mentioned above.

Response to Expert's Opinion

Kazuaki Tokiwa

Representative Director, President & CEO, RIKEN TECHNOS CORPORATION

As various goals are being set globally in response to climate change, the RIKEN TECHNOS GROUP will further strengthen our Blue Challenge initiatives. In the mid-term business plan for the

next three years, we will continue to include various measures to contribute to a sustainable society and implement them globally.

Editors' Postscript

The report has been renamed "Blue Challenge Report" since the previous fiscal year 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, Executive Officer,

Senior General Manager of Corporate Planning Division

Koichi Inoue, Hiroaki Sasao: Management System Department, Quality Assurance Division

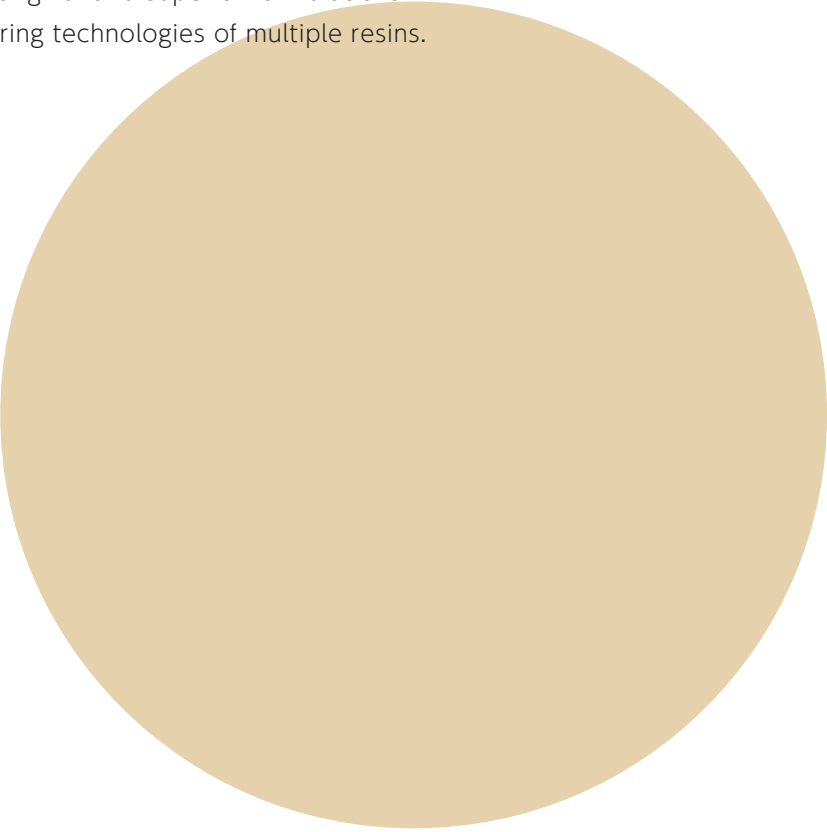
Sayaka Yoshioka, Mio Obayashi: Corporate Branding Group, Corporate Planning Department



RIKEN TECHNOS WAY

We are a challenger
that harnesses the power of science
to improve the quality of life
and create a safe, affluent society.

We continuously provide new value and satisfaction
to people, companies and society
through our original and superior formulations
and manufacturing technologies of multiple resins.



RIKEN TECHNOS CORP.

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