



RIKEN TECHNOS

RIKEN TECHNOS GROUP

Blue Challenge Report

Sustainability Report

2022



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 new three-year medium-term business plan Challenge Now for Change New 2024.

Reporting Coverage

Period Covered

April 1, 2021, to March 31, 2022

In addition, some activities after April 1, 2022, are included in this report.

Organizational Coverage (Refer to pages 16 to 19 regarding the sites included.)

The organizations covered in the Environmental Responsibility section of this report are RIKEN TECHNOS CORPORATION and the 17 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.
- 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 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 2022

About the Cover

The image on the cover of this report shows a fusion of the corporate mark of RIKEN TECHNOS CORPORATION and lovely baby blue eyes blooming in a field.

The corporate mark was changed in 2001, on the 50th anniversary of the company's establishment. Based on the "R" in RIKEN TECHNOS, the mark represents the reliability of our core compound and film business, combined with the shape of a bird's wing in flight to symbolize our flight into the future.

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



Date of Issue

September 2022

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
2022	Blue Challenge Report

CONTENTS

Editorial Policy	2
RIKEN TECHNOS WAY	4
Message from the President	6
Featured Article	
New Three-year Medium-term Business Plan	
"Challenge Now for Change New 2024"	8
Efforts for Climate Change	12
Outline of RIKEN TECHNOS GROUP	
Outline of RIKEN TECHNOS GROUP	14
Networks	16
RIKEN TECHNOS GROUP Products	20
Corporate Governance	22
Social Responsibility	
Relationship with Customers	28
Relationship with Business Partners	30
Relationship to Society	32
Relationship with Shareholders	39
Relationship with Employees	40
Environmental Responsibility	
Quality and Environmental Action	46
Summary of Environmental Action	48
The Expert's Opinion	54
Editors' Postscript	54



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 & Sustainability Policy

— For the creation of a sustainable society —

RIKEN TECHNOS CORPORATION and its subsidiaries (hereinafter collectively referred to as the “RIKEN TECHNOS GROUP”) shall practice our management philosophy, the RIKEN TECHNOS WAY and serve as an engine toward the creation of a sustainable society considering the responses to global environmental and social issues as one of important management challenges.

To that end, the RIKEN TECHNOS GROUP shall fulfill their social responsibilities in accordance with the following ten principles.

1.

Social Mission

With an eye on social and environmental issues, develop and provide safe and secure products through innovation.

2.

Involvement in Environmental Issues

Recognize that a positive involvement in environmental issues, including climate change, 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.

3.

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.

4.

Contribution to Society

Contribute to the development of society and communities through business operations and social contribution activities rooted therein.

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.

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, preventing bribery and corruption.

7.

Respect for Human Rights

Respect the human rights of all people when engaging in activities.

8.

Respect for Diversity, Human Resource Development, and Improvement of Internal Environment

Respect the diversity of each and every employee and develop human resources to enable them to perform the best of their potential. Develop a safe and healthy internal environment where all employees can work comfortably.

9.

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.

10.

Thorough Risk Management

Achieve GROUP-wide risk management to prepare appropriate responses to natural disasters, cyber-attacks, anti-social activities, terrorist acts, and other threats to civil life and corporate activities.

Role and Responsibility of Management

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

Basic Policy on Bribery Prevention by RIKEN TECHNOS GROUP

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

1.

(Prohibition of Bribery)

Each Group Company shall not provide or receive money or goods or other economic benefits beyond the scope deemed appropriate in accordance with the laws and regulations, guidelines, etc. of the country or region in which it operates the business.

2.

(Establishment of System)

Each Group Company shall establish a system to prevent bribery, including an anonymous report system, in order to detect and rectify violations of compliance, such as bribery, or acts that may violate compliance at an early stage.

3.

(Retention of Records)

Each Group Company shall prepare and retain records in an accurate and appropriate manner in order to reasonably demonstrate that no bribery has been committed.

4.

(Cooperation in Education and Investigation)

Each Group Company shall provide regular education and training to prevent bribery. In the event of any act that violates or may violate this Policy, strict punishment shall be imposed, and serious cooperation shall be provided for the investigation by the relevant authorities.

Message from the President



Profile

Kazuaki Tokiwa

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

Medium-term Business Plan “Challenge Now for Change New 2024”

The RIKEN TECHNOS GROUP recognizes that responding to issues surrounding sustainability is one of our key corporate challenges. By incorporating these issues into our management, we seek to help realize a sustainable society and enhance our enterprise value.

In April 2022, we embarked on the new three-year medium-term business plan with “Challenge Now for Change New 2024” as our management policy, and “Contribute to Solving Environmental and Social Issues” is established as one of the strategies.

Development of Environmentally Friendly Products

Our formulations and manufacturing technologies give birth to environmentally friendly products, such as the anti-microbial and anti-viral product RIKEGUARD® and RIKEBIO® made using biomass-derived materials; products aimed at improving fuel efficiency and other means of reducing environmental impact; and products that take into consideration disposal and recycling. Through our main business of developing and spreading these products, we contribute toward solving various social issues, including measures against infectious diseases and climate change. This is the realization of our long-term vision of “Aiming to Become a Leading Provider of Comfort for All Living Spaces.” At the same time, it is our mission as stated in the RIKEN TECHNOS WAY, our corporate philosophy. In addition, the contributions through the spread of these products are also opportunities for our company, and they help to increase our corporate value.

Efforts to Address Climate Change

In April, we established the Sustainability

Committee. The president & CEO serves as the chairperson, and all members of the Management Committee are members of the Sustainability Committee. Centered on the Sustainability Committee, our entire company will work to contribute to the realization of a sustainable society. For the pressing issue of climate change, we will work toward our established targets of 46.2% decrease in CO₂ emissions from FY2019 for the parent company in 2030 and achievement of carbon neutrality for the entire Group by 2050.

Working through Partnerships

There is a limit to what we alone can do to realize a sustainable society. We hope to cooperate with everyone to work toward this goal. In this fiscal year, we have embarked on an initiative to widely introduce people who are contributing to society from various aspects of the SDGs. We also hope to contribute to society by undertaking partnerships that support people working on the SDGs.

Together with All Our Stakeholders

The RIKEN TECHNOS GROUP hopes to work toward the realization of a sustainable society through partnerships with our stakeholders, including customers, business partners, people from local communities, shareholders, and employees. 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



New Three-year Medium-term Business Plan (FY2022 to FY2024)

Challenge Now for Change New 2024

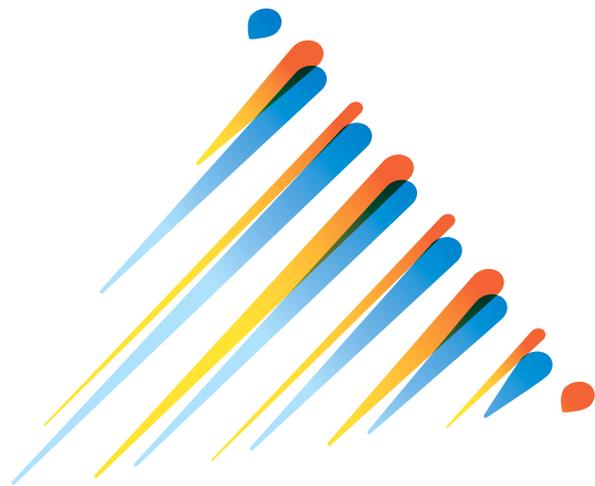
RIKEN TECHNOS's strengths and business model

- Original and superior formulations and manufacturing technologies of multiple resins
- Strong technical capabilities above customers' expectations
- Delivery of solutions to a global clientele
- Products with consistently high quality

RIKEN TECHNOS's medium- to long-term external environment

- Plastic reduction movement
- Growing environmental awareness
- Digitalization trend
- Progress with EVs
- Shrinking domestic market
- Growth in Asia

Development of business model



Challenge Now for Change New 2024

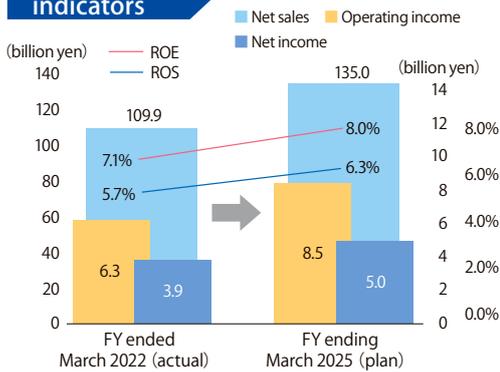
Aiming to become the leading provider of comfort for all living spaces

Future of society/RIKEN TECHNOS

The RIKEN TECHNOS GROUP embarked on a new three-year medium-term business plan in April 2022. During the previous medium-term business plan, we focused on building our foundation as a global company, worked on overcoming issues and achieving goals in our businesses, and in fiscal 2021, the RIKEN TECHNOS GROUP achieved net sales of 100 billion yen, our highest ever.

In the new three-year medium-term business plan, we aim to achieve sustainable growth for the RIKEN TECHNOS GROUP by further developing our existing business model. To do so, we have established four strategies. We will seek further progress for the Group as a whole through these strategies.

Management indicators



Consolidated basis

Net sales	Return on sales (ROS)
135 billion yen	6.3%
Operating profit	Return on equity (ROE)
8.5 billion yen	8.0%
Net income	Overseas sales ratio
5 billion yen	More than 50%

Investment

Total investment in three years
19.5 billion yen (plan)

Strategies to Grow Strengths of Businesses

Strategy 1 Intensify Global Management and Generate Synergies

- Capture an overwhelming market share in the important ASEAN region, and increase the number of fields in which we hold the leading share
- Expand business with global Japanese companies and local non-Japanese companies
- Establish strong foundation as a global company
- Further reinforce global cross-functional management by each division

Strategy 2 Stay Ahead of Customers' Expectations

- Further reinforce and develop our strengths and business models
- Anticipate potential customer needs and propose solutions through analyzing the market
- Speed up solution delivery (reorganize R&D system, use DX)
- Improve ability to serve customers by establishing the Film BU

Strategies for Future Growth

Strategy 3 Take on the Challenge toward New Businesses and Products

- Build new business pillars that go beyond geographic expansion and meeting customer needs
- Establish a structure that can fully utilize RIKEN TECHNOS's technological strengths and reinforce R&D capabilities
- Generate new ideas by ensuring diversity in human resources.
- Establish structures, methodologies, and cultures that generate new businesses and products

Strategy 4 Contribute to Solving Environmental and Social Issues

- Develop and spread environmentally friendly products
- Reinforce sustainability implementation structures and pursue various activities (climate change, social contribution, circular economy, human rights issues, diversity, etc.)
- Undertake initiatives toward becoming carbon neutral by 2050

Measures that Support the Four Strategies We will focus on five major initiatives.

- ① Capital investment in manufacturing
- ② Investment in intellectual property and R&D
- ③ Investment in DX for improving efficiency of operations and developing working environments
- ④ Investment in human capital
- ⑤ Reinforcement of governance system

In particular, for ④ Investment in human capital, based on the approach that the growth of people is corporate growth itself, we will encourage the growth of each employee and establish workplace environments and a corporate culture where diverse human resources can play active roles.

New Three-year Medium-term Business Plan (FY2022 to FY2024)



Transportation (TR)

TRANSPORTATION

For wire harnesses, with maintaining the same high quality globally as our weapon, we will steadily expand our business with Japanese companies in the important regions of ASEAN and India as well as with non-Japanese companies in China and North America.

Regarding molded parts for automobiles, we will expand sales of thermoplastic elastomers and materials for functional parts (promotion of rubber substitutes and conversion to environmentally friendly materials) that meet the needs of automobile manufacturers to lessen weight.

Focus areas

- Wire harnesses
- Molded parts for automobiles



Compared to FY2021

FY ending March 2025 (plan)

Net sales	42.5 billion yen	Increase of 10 billion yen (+30.9%)
Operating income	3.6 billion yen	Increase of 0.9 billion yen (+31.5%)



Daily Life & Healthcare (DH)

DAILY LIFE & HEALTHCARE

In ASEAN, we will deepen business with Japanese companies and secure non-Japanese companies as new customers in the medical market.

In the fields of medical and healthcare as well as lifestyle and industrial materials, we will also undertake development of rubber substitute compounds and new functional materials as well as expand applications of environmentally friendly materials, including the biomass compound RIKEBIO®.

Focus areas

- Medical use
- Rubber substitutes
- Environmental materials



Compared to FY2021

FY ending March 2025 (plan)

Net sales	35.4 billion yen	Increase of 4.7 billion yen (+15.4%)
Operating income	2.5 billion yen	Increase of 0.6 billion yen (+34.7%)



**Challenge Now
for Change New 2024**



Electronics (EL)

ELECTRONICS

We aim to expand our domestic and overseas share by leveraging our superiority, such as our capabilities in technology, quality management, and raw material procurement, developed in the field of electric power and industrial wires. In the telecommunications, mobility, robotics, and factory automation markets, we will develop new products that improve material performance and pursue control performance as well as expand sales channels. In the optical film field, we will reinforce our product appeal and sales capabilities and expand the sales of high-functionality products.

Compared to FY2021

FY ending March 2025 (plan)		
Net sales	29 billion yen	Increase of 7.5 billion yen (+34.9%)
Operating profit	1.1 billion yen	Increase of 0.7 billion yen (+150.6%)

Focus areas

- Electric power and industrial wires
- Telecommunications
- Optical film (displays and automotive films)



Building & Construction (BC)

BUILDING & CONSTRUCTION

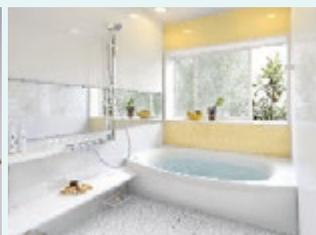
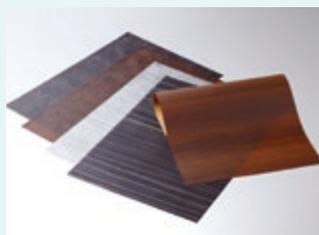
In the field of building materials, we aim to increase industry share through differentiation in designs, functions, and services that stay ahead of customer expectation and enhancing product appeal. We will capture increased demand for energy conservation in the housing industry as well as promote high functionality in thermoplastic elastomer compounds and promote environmental friendliness and rubber substitution. In overseas markets, we will develop the market for rigid PVC compounds in ASEAN and expand sales.

Compared to FY2021

FY ending March 2025 (plan)		
Net sales	28 billion yen	Increase of 2.8 billion yen (+11.3%)
Operating income	1.4 billion yen	Increase of 0.3 billion yen (+23.8%)

Focus areas

- Construction film
- Housing and building materials





Efforts for Climate Change Disclosure in Line with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) *



Task Force on Climate-related Financial Disclosures (TCFD)

This is an industry-led task force established in 2015 by the Financial Stability Board (FSB) in response to G20's intention. The task force recommends the evaluation of financial impact of risks and opportunities arising from climate change on management and disclosure in four thematic areas (governance, strategy, risk management, and metrics and targets) (Official website of TCFD: <https://www.fsb-tcfid.org/>)

Climate-related Scenario Analysis

The Group has performed scenario analyses for the years 2030 and 2050 in the context of climate change based on two world views: a 2°C and a 4°C rise in global temperatures by 2100. In our analysis, we refer to the scenarios disclosed by the government bodies and research institutes.

Risks

The Group's performance may be affected by the introduction of policy measures to combat climate change, such as a carbon tax, or by delays in the development of or other action concerning environmentally friendly products.

Risk type	Risk overview	Financial impact		
		2°C	4°C	
Transition risk	Policies and regulation	Increased carbon taxes raise the cost of procuring key raw materials and energy.	Medium	Small
	Policies and regulation	The introduction of a carbon tax results in the substitution of conventional raw materials with low-carbon raw materials, which generates or increases costs associated with the development and procurement costs of substitute raw materials.	Large	—
	Technology	Delay in developing environmentally friendly products; our customers replace our products with low-carbon products from competitors, reducing demand for and sales of our products and services.	Medium	—
	Markets	Prices of petroleum-derived raw materials soar, raising the cost of procuring raw materials.	Medium	Large
	Markets	Delay in responding to our customers' reduced needs for petroleum-derived raw materials and rising needs for non-petroleum-derived raw materials, shifting demand away from our products/services and decreasing our sales.	Medium	—
	Reputation	Delayed action on the environment causes a drop in our stock price due to a decline in investors' assessment of our environmental performance.	Medium	—
Physical risk	Acute	The Company and its supply chain are struck by a disaster; until operations are restored, sales decrease due to the suspension or reduction of business activities, while costs associated with restoration and amelioration rise.	Medium	Medium
	Chronic	The cost of countermeasures for our buildings located near oceans and rivers will increase due to the increased occurrence of flooding caused by overflowing rivers and rising sea levels attributable to extreme fluctuations in rainfall and weather pattern.	Small	Medium

Opportunities

The Group's performance may be affected by the development of products that contribute to energy conservation and the provision of low-carbon type products and materials with added functions.

Opportunity type	Opportunity overview	Financial impact	
		2°C	4°C
Energy sources	Development of products that contribute to energy conservation in the market and the uptake of renewable energy generation technologies and equipment increase sales of our related products.	Small	—
Products and services	Demand for and sales of our products increase due to the development and sale of materials with additional functions and products with fewer petroleum-derived components (low-carbon type products) in response to increased demand for low-carbon type products.	Medium	—
Reputation	Proactive efforts to address climate change earn the trust of stakeholders and enhance our enterprise value.	Medium	—
Resilience	The global expansion of our business sites improves our resilience by providing a stable supply of products to our customers even in an environment of increasing natural disasters, forestalling sales declines and building customer trust, leading in turn to higher sales.	Small	Small

Scenarios used in analysis

2°C: Sustainable Development Scenario (SDS), IEA, 2020, Representative Concentration Pathways (RCP2.6), IPCC, 2014
 4°C: Stated Policy Scenario (STEPS), IEA, 2020, Representative Concentration Pathways (RCP6.0, 8.5), IPCC, 2014

The RIKEN TECHNOS GROUP supports the TCFD’s recommendations and undertakes initiatives and information disclosure in line with the recommendations.

Greenhouse gas emissions may pose a risk for the Group's overall financial condition, but by developing products acceptable to a decarbonized society, this situation can also lead to business opportunities. In addition to setting medium- to long-term emissions reduction targets for the Group as a whole, we are planning specific initiatives to cut CO₂ emissions and have determined indicators to manage the progress of these initiatives.

Metrics and Targets

We are seeking to achieve carbon neutrality for the entire Group by 2050.

RIKEN TECHNOS GROUP Scope 1, 2, and 3 emissions (FY2021)

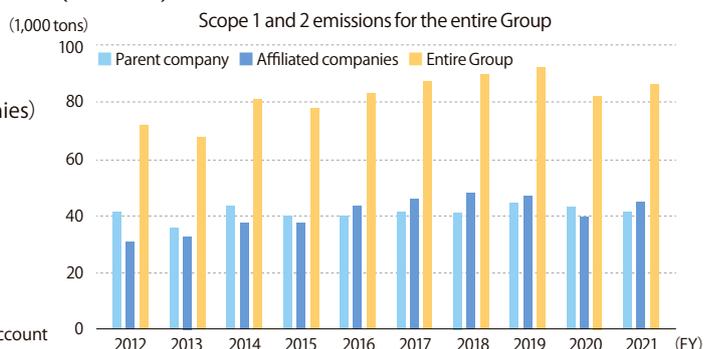
- Scope 1 and 2 emissions of the Group

Parent company	Group (parent company + related companies)
41,565 t	86,303 t

- Scope 3 emissions of the Group
Category 1 (purchased raw materials*) emissions

718,288.2 t	* Calculated from key raw materials that account for more than 60% of procurement volumes
--------------------	---

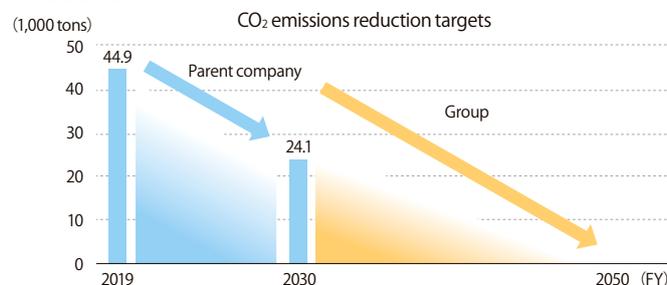
We will begin disclosing Scope 3 emissions sequentially from the next fiscal year.



Initiatives for medium- to long-term CO₂ emission reduction

- Parent company targets for 2030 (Scope 1 and 2)

Parent company
24,139 t
(46.2% decrease from FY2019; baseline value of 44,868 tons)



RIKEN TECHNOS GROUP initiatives for medium- to long-term CO₂ emissions reductions

Future Initiatives

- Upgrade equipment at production sites (i.e., air conditioning, production equipment) ; switch from heavy oil boilers to natural gas boilers.
- Create an energy roadmap.
- Expand the adoption of renewable energy.
- Expand RIKEBIO® series lineup and sales.

Current initiatives

- Developed RIKEBIO®.
- Supplied electricity from a solar power generation facility adjacent to the Gunma Factory.
- Upgraded equipment to energy-efficient boilers.
- Replaced forklift trucks with EV versions and used fuel-efficient company vehicles.



Outline of RIKEN TECHNOS GROUP

Corporate Profile (As of March 31, 2022)

Company Name	RIKEN TECHNOS CORPORATION	Representative	Representative Director, President & CEO Kazuaki Tokiwa
Date of Establishment	March 30, 1951	Number of Employees	Consolidated: 1,884 Non-consolidated: 779
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

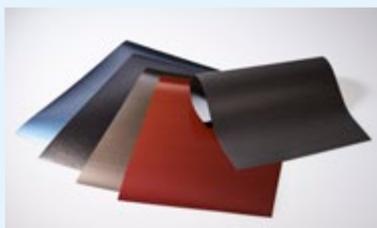
Compound products

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



Financial Results

The Japanese economy in fiscal 2021 (ending March 31, 2022) continued to show signs of recovery with gradual relaxation for the severe situation brought about by COVID-19, even though there were signs of weaknesses such as in certain areas of individual consumption.

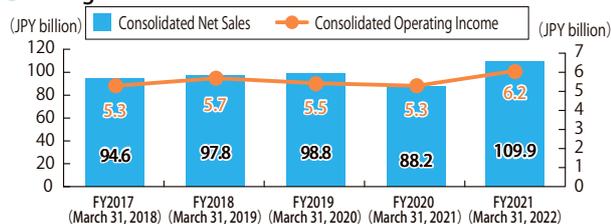
Overseas, while there were signs of recovery being dampened due to resurgence of infections in certain regions, there was an overall trend of recovery due to the progressive reopening of economic activities and the effects of economic measures.

By industry, the market for building materials saw an increasing trend in the number of new housing construction compared to the previous year. However, the automotive market was affected by reduced production due to parts supply issues and other problems, and the domestic home appliance market trended weakly. Amid such an environment, the RIKEN TECHNOS GROUP worked

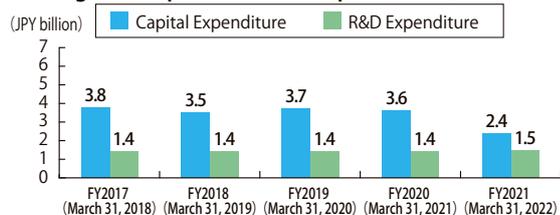
on improving performance by meticulously and accurately grasping customer needs by market from a global perspective and efficiently using domestic and overseas management resources to generate orders. As a result, consolidated net sales were 109,923 million yen, an increase of 24.6% compared to the previous consolidated fiscal year (hereinafter referred to as "YoY"), operating income was 6,292 million yen (up 18.4% YoY), ordinary income was 6,889 million yen (up 21.9% YoY), and net income attributable to the shareholders of the parent company was 3,941 million yen (up 21.9% YoY). Due to the application of Accounting Standards Board of Japan (ASBJ) Statement No. 29 (revised 2020) "Accounting Standard for Revenue Recognition" and other standards, net sales decreased by 1,008 million yen, and both operating income and ordinary income decreased by 4 million yen.

* The figures below have been rounded down to the nearest unit.

Changes in Consolidated Financial Results



Changes in Capital and R&D Expenditure (Consolidated)

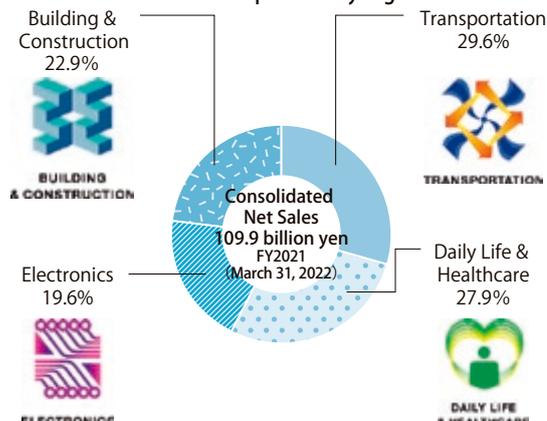


FY2021 (ending March 31, 2022) Financial Results

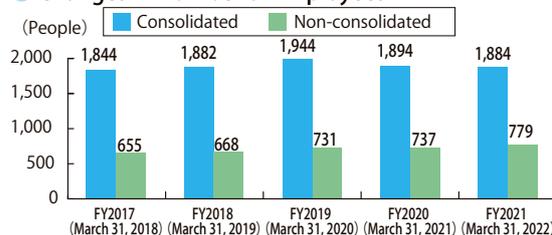
	(JPY billion)	
	Consolidated	Non-consolidated
Net Sales	109.9	43.5
Operating Income	6.2	2.5
Ordinary Income	6.8	4.2
Net Income*	3.9	3.6

* Net income attributable to the shareholders of the parent company

Consolidated net sales composition by segment



Changes in Number of Employees



Medium-term Business Plan

As of March 31, 2022, the three-year medium-term business plan "More Value to All 2021: Generating Greater Value Together!" for the RIKEN TECHNOS GROUP is over. This is a report on our achievements for 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)	Actual results for FY2021 (final fiscal year)
Consolidated Net Sales	115.0 billion yen	109.9 billion yen
Consolidated Operating Income	8.5 billion yen	6.2 billion yen
Consolidated Ordinary Income	8.5 billion yen	6.8 billion yen
Consolidated Net Income	5.0 billion yen	3.9 billion yen
ROS	7.0%	5.7%
ROE	8.0%	7.1%

Achievements for Major Tasks

1) Intensifying Global Management and Generating Synergies

We progressed global administration in each division and optimized our production structure. We also embarked on investment to expand production capabilities in Thailand and Vietnam.

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

We set new records for our consolidated net sales as well as profits at each stage. We increased Group management efficiency and strengthened development and sales capabilities through the promotion of shared administrative operations and the absorption of Riken Fabro Co., Ltd.

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

Together with undertaking DX measures such as expanding deployment of automatic control of production and introducing predictive management systems, we reduced production costs through Group-wide productivity improvements.

4) Contributing to a Sustainable Society

We revamped the CSR Report as the "Blue Challenge Report" and established a Sustainability Policy as well as a Sustainability Committee. We also launched environmental products such as RKEGUARD® film and the biomass compound RKEBIO®.

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

We undertook initiatives for developing talents, such as revising our training system. In addition, we established a Corporate Governance Policy and strengthened risk management.

Networks

The RIKEN TECHNOS GROUP is composed of RIKEN TECHNOS CORPORATION and 17 consolidated subsidiaries. We have actively cultivated markets within Japan and overseas since the establishment of the company, and have worked to spread the RIKEN TECHNOS brand. As a "Material Solution Supplier," we offer comprehensive solutions for our customers' issues through collaboration between our domestic and overseas sites.

Japan

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

As of September 2022



12 RIKEN CHEMICAL PRODUCTS CO., LTD. ✨



4 Fukuoka Sales Office



3 Nagoya Sales Office ✨ ✨

9 Nagoya Factory ✨ ✨



2 Osaka Branch ✨ ✨



7 Mie Factory ✨ ✨

10 R&D Center (Mie) ✨ ✨



RIKEN TECHNOS CORPORATION Sites	Main Business Fields	Address
1 Head Office	Corporate functions, 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 Fukuoka Sales Office	Sales and marketing	Fukuoka-shi, Fukuoka
5 Sapporo Sales Office	Sales and marketing	Sapporo-shi, Hokkaido
6 Saitama Factory	Manufacturing of compounds, films and food wrapping films	Fukaya-shi, Saitama
7 Mie Factory	Manufacturing of compounds, films and food wrapping films	Kameyama-shi, Mie
8 Gunma Factory	Manufacturing of high-functionality films under a clean environment	Ota-shi, Gunma
9 Nagoya Factory	Manufacturing of food wrapping films	Nagoya-shi, Aichi
10 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



Consolidated Subsidiaries in Japan	Main Business Fields	Address	Capital Stock	Shareholding
11 RIKEN CABLE TECHNOLOGY CO., LTD.	Manufacturing and sale of electric wires and cables	Iruma-shi, Saitama	JPY 48 million	100.00%
12 KYOEI PLASTIC MFG CO. LTD.	Molding synthetic resin products and product sales	Nishi Shirakawa-Gun, Fukushima	JPY 24 million	100.00%
13 RIKEN TECHNOS INTERNATIONAL CORPORATION	Purchasing and sale of synthetic resin molded products	Chiyoda-ku, Tokyo	JPY 10 million	100.00%
14 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%
15 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 12 consolidated subsidiaries overseas and provides high quality RIKEN TECHNOS products worldwide.

Overseas

- Manufacturing company ● Sales company
- ✳ ISO 9001 certified ✳ ISO 14001 certified

As of September 2022



23 RIKEN VIETNAM CO., LTD. ✳ ✳



17 RIKEN ELASTOMERS (THAILAND) CO., LTD. ✳ ✳



27 RIKEN TECHNOS INDIA PVT. LTD.



16 RIKEN (THAILAND) CO., LTD. ✳ ✳



18 PT. RIKEN INDONESIA ✳ ✳



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

* RIKEN ELASTOMERS CORPORATION's capital includes capital reserve.



24 RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION



26 RIKEN U.S.A. CORPORATION



21 RIMTEC CORPORATION *



20 RIKEN TECHNOS (JIANGSU) CORPORATION *



19 SHANGHAI RIKEN TECHNOS CORPORATION * *



22 RIKEN ELASTOMERS CORPORATION *



25 RIKEN AMERICAS CORPORATION

Overseas Consolidated Subsidiaries	Main Business Fields	Address	Capital Stock	Shareholding
23 RIKEN VIETNAM CO., LTD.	Manufacturing and sale of polyvinyl chloride molding materials	Binh Duong, Vietnam	USD 20 million	100.00%
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%)

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

RIKEN TECHNOS GROUP Products

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

Automotive 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 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

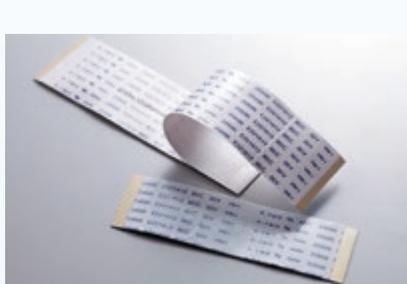
- Compound for electric cables



- Compound for machinery power cables



- Film for flexible flat cables



Optical Material Products

- REPTY® DC100 film for next-generation displays



Mobile devices

- Film for projection



Displays for automobiles



Digital signage

Consumer Goods Products

- Compound for pen grips



- Compound for packing



- 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 heat-resistant cooking sheet





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

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
2022	Established Sustainability Committee

Corporate Governance System

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

◇ 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.

◇ Sustainability Committee

We established the Sustainability Committee to further strengthen our initiatives related to sustainability. The Sustainability Committee identifies and reviews key issues (materiality) to be undertaken with priority by RIKEN TECHNOS in the area of sustainability, approves the response policies and targets for the identified key issues, and oversees and evaluates the progress of activities. In addition, it is reinforcing internal initiatives aimed at further improving stakeholder engagement through promoting company-wide sustainability-related education and activities to spread sustainability.

◇ Risk & Compliance Committee

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.

◇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

As the body that undertakes part of the corporate supervision function and audits the performance of directors' duties, the duty of the Audit & Supervisory Committee is to contribute toward establishing a corporate governance system that ensures the sound and sustainable growth of RIKEN TECHNOS and meets the expectations of social reliability.

The Audit & Supervisory Committee currently comprises a total of five members: one full-time Audit & Supervisory Committee member and four independent outside directors. This allows the committee to better contribute toward the supervisory function at the Board of Directors and ensuring management transparency and fairness.

Although future prospects remain unclear due to rapidly changing internal and external environment surrounding management, we will contribute toward the establishment and implementation of a 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; those related to the independence standard for outside directors; those related to the formulation and operation of succession plans for the Chief Executive Officer, etc.; and those related to the creation and renewal of skill matrices for the Board of 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; details of compensation and other payments (including share-based compensations) of individuals; and matters related to the basic policy for compensation and other payments.

◇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

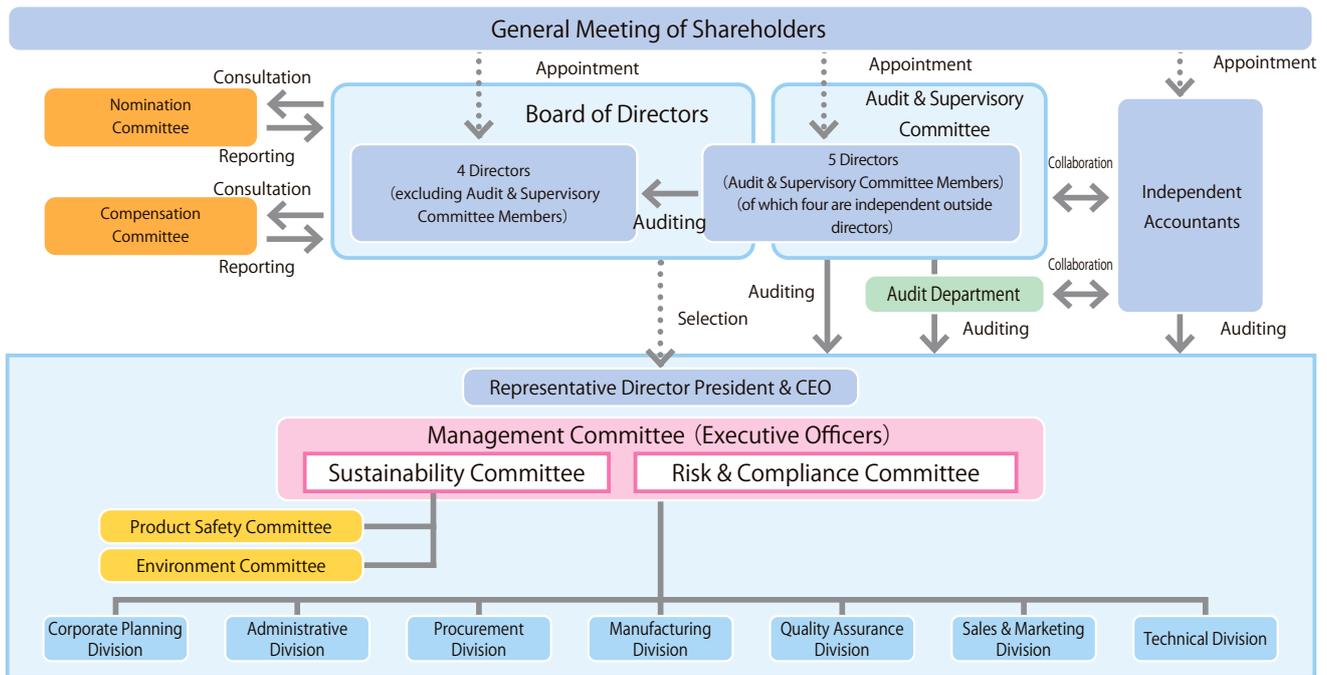


Takayuki Hayakawa
Outside Director, Audit & Supervisory Committee Member
RIKEN TECHNOS CORPORATION

Four out of nine 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, ensuring independence and heightening transparency, etc. 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, and also taking into consideration the perspective of sustainability.

◇Summary Table of Corporate Governance System

Structural design	Company with an audit and supervisory committee
Number of directors (excluding Audit & Supervisory Committee members)	4 Directors
Number of directors (Audit & Supervisory Committee members)	5 Directors (of which four 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



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 FY2021 was conducted targeting all eight directors. Based on the results, effectiveness was analyzed and evaluated, and discussions were carried out at the Board of Directors meetings regarding future issues and details of actions.

[Key points of evaluation for FY2021]

① System regarding improvement of knowledge and expertise; ② creation of more sophisticated internal controls and company-wide risk management; and ③ relationships with shareholders and investors

Furthermore, in addition to the above key points of evaluation, the Company's policy is to check the following items every year on an ongoing basis: ① results and issues of initiatives based on the results of the previous fiscal year's evaluation of effectiveness; ② composition (Outside Directors), state of operation, and agenda of the Board of Directors; and ③ "self-evaluation" of the items required of individual Directors.

(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.

- When formulating the new three-year Medium-term Business Plan, which began in fiscal 2022, timely and appropriate discussions were held at meetings attended by Outside Directors, such as meetings of Directors and Executive Officers and the Management Committee and Board of Directors. In addition, discussions were similarly held on how to engage in dialogue with shareholders and investors, including opportunities for external explanations of management strategies, including Medium-term Business Plans, etc.
- The newly established Risk & Compliance Committee identified and evaluated risks for the entire Group and risk management initiatives were enhanced, including the implementation of initiatives focused on responding to risks, particularly issues identified as risks requiring a priority response.

(3) Results and issues related to efforts based on the results of the evaluation of effectiveness in the previous fiscal year

Based on the results of the evaluation of effectiveness in the previous fiscal year, the following measures were taken.

• Ensuring the diversity of the Board of Directors

In order to ensure the diversity of the Board of Directors, the Company selected female candidates for Directors. Additionally, in order to ensure diversity when appointing core human resources (promotion of women, foreign nationals, and mid-career hires to managerial positions), the Company determined and disclosed its philosophy and goals in this area, as well as its "Human Resource Development Policy" and "Internal Environment Development Policy." In this way, the Company promoted initiatives to ensure diversity.

• Group synergies/Group controls

Efforts were made to maximize Group synergies and controls, including discussions on the development of management systems, ideal states of business, etc., at consolidated subsidiaries, as well as deeper discussions between each division and consolidated subsidiaries as part of the process of formulating the new three-year Medium-term Business Plan.

• Sustainability initiatives

Concrete discussions were held concerning sustainability and our response to the SDGs, and a basic policy on sustainability (the "RIKEN TECHNOS GROUP Sustainability Policy") was established. The Company also set forth "Contribute to Solving Environmental and Social Issues" as one of the strategies in the new three-year Medium-Term Business Plan, and established a system for promoting sustainability initiatives in the future, including the establishment of a new Sustainability Committee.

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

- It was confirmed that, overall, the effectiveness of the Board of Directors of the Company is ensured sufficiently. However, the following points will continue to be discussed to further improve its effectiveness.
- In order to further enhance the supervisory function of the Board of Directors as a company listed on the Prime Market, the Company will promote discussions on the ideal form for the Board of Directors, conduct a fundamental review of matters such as the content of deliberations by the Board of Directors and the content of training for Directors, and promote efforts to make corporate governance more sophisticated.
- Although efforts have been made to improve the Group's management and reporting systems, the Group will continue to hold deeper discussions on matters such as the status of consolidated subsidiaries and methods of involvement as a parent company, and will also strengthen Group controls by enhancing communication and fostering a sense of unity within the Group.
- The newly established Sustainability Committee will begin its activities in earnest, as the Company promotes initiatives related to sustainability, including climate change and other environmental issues, and actively discloses information to the public.

Strategic Holding of Shares

With regard to strategic holding of shares, the Board of Directors annually examines specifically whether the purpose of holding 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

Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of executive compensation and supervisory compensation. Executive compensation consists of a fixed amount of basic compensation (cash) and bonuses as performance-linked compensation (cash and stock benefits). Supervisory compensation consists of a fixed amount of basic compensation (cash) and a fixed amount of stock benefits.

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

The Risk & Compliance Committee listed, analyzed, and evaluated the Group's overall risks, understood critical risks, identified risks to be handled with priority, and formulated countermeasures for those risks. In addition, the committee carries out comprehensive risk management for the Group as a whole, such as confirming the progress of risk countermeasures every six months, making revisions to them, and instructing the relevant departments to carry out improvements as necessary.

◇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, 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 Department, 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 Department 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.



Management (as of October 1, 2022)

Directors



Kazuaki Tokiwa

Director
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 & Senior
General Manager of Corporate
Planning 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)
April 2022 Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division (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)
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)



Shigeharu Nakamura

Outside 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. (Retired in June 2022) Outside Corporate Auditor, RIKEN TECHNOS CORPORATION
June 2015 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)

Skill Matrix of the Board of Directors

Name	Position	Attendance at the Board of Directors meetings (FY2021)	Skills								
			Corporate management/management strategy	Sales/marketing	Global experience	R&D/manufacturing	Finance/accounting	Legal/risk management	Personnel/labor affairs/human resources development	ESG/sustainability	DX/IT
Kazuaki Tokiwa	Representative Director, President & CEO	17/17 times (100%)	○	○	○	○				○	
Junji Irie	Representative Director, Senior Managing Executive Officer	17/17 times (100%)						○	○	○	○
Gakuyuki Kajiyama	Director, Managing Executive Officer	17/17 times (100%)	○	○	○	○				○	
Hitoshi Sugino	Director, Senior Executive Officer	17/17 times (100%)				○					○
Masato Koizumi	Director Full-time Audit & Supervisory Committee Member	17/17 times (100%)	○					○	○		○
Takayuki Hayakawa	Outside Director Audit & Supervisory Committee Member (Head/Independent)	17/17 times (100%)	○					○	○	○	
Shigeharu Nakamura	Outside Director Audit & Supervisory Committee Member (Independent)	17/17 times (100%)	○		○			○	○	○	
Shigeru Ehara	Outside Director Audit & Supervisory Committee Member (Independent)	—	○		○			○	○	○	
Aogi Suemura	Outside Director Audit & Supervisory Committee Member (Independent)	—						○	○	○	



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)



Hitoshi Sugino

Director
Senior 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, Technical Division; General Manager, R&D Center
April 2022 Director, Senior Executive Officer; Senior General Manager, Technical Division; General Manager, R&D Center (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)



Shigeru Ehara

Outside Director
Audit & Supervisory Committee Member

(Notes) 1.The Yasuda Fire & Marine Insurance Co., Ltd., Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, and Sompo Japan Nipponkoa Insurance Inc. are currently named as Sompo Japan Insurance Inc.
2.NKSJ Holdings, Inc. and Sompo Japan Nipponkoa Holdings Inc. are currently named as Sompo Holdings, Inc.

April 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd.
April 2011 Executive Officer, General Manager, Commercial Risk Solutions Department, Sompo Japan Insurance Inc.
April 2013 Director, Managing Executive Officer, Sompo Japan Insurance Inc. Managing Executive Officer, NIPPONKOA Insurance Company, Limited Executive Officer, NKSJ Holdings, Inc.
June 2013 Director, Executive Officer, NKSJ Holdings, Inc.
September 2014 Director, Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. Director, Managing Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.
April 2016 Director, Senior Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. Director, Senior Managing Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.
November 2016 Representative Director, Senior Managing Executive Officer, Sompo Holdings, Inc.
April 2017 CEO, Overseas Insurance and Reinsurance Business, Representative Director, Senior Managing Executive Officer
April 2018 Deputy President and Senior Executive Officer, Sompo Japan Nipponkoa Insurance Inc. (Retired in June 2018)
Director, Deputy President and Senior Executive Officer, Sompo Holdings, Inc. (Retired in June 2018)
June 2018 Executive Director, General Insurance Rating Organization of Japan (Retired in June 2022)
June 2022 Outside Director serving as Audit & Supervisory Committee Member (to present)



Aogi Suemura

Outside Director
Audit & Supervisory Committee Member

October 1992 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
April 1996 Registered as certified public accountant
August 1999 Joined GOLDCREST Co., Ltd.
January 2002 Joined Sumitomo Shoji Financial Management Co., Ltd.
November 2004 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
June 2008 Partner
January 2022 Established Aogi Suemura Certified Public Accountant Firm (to present)
June 2022 Outside Director serving as Audit & Supervisory Committee Member (to present)

Executive Officers (not including those on the Board of Directors)



Michihisa Tasaka

Senior Executive Officer
Senior General Manager of Quality Assurance Division & General Manager of Start-up Office for New Business Development



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 & General Manager of TPM Promotion Department



Hisashi Onozuka

Executive Officer
Deputy Senior General Manager of Sales & Marketing Division & General Manager of Sales & Marketing Strategy Department & General Manager of Film Business Unit



Fumitoshi Nakamura

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



Relationship with Customers

Message from the Senior General Manager of Sales & Marketing Division



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

The Sales & Marketing Division gives shape to customers' requirements and delivers products globally in a timely manner. We offer compounds and films using various resins, from polyvinyl chloride resins and thermoplastic elastomers to engineering plastics.

Environmental materials, which are particularly rising in demand recently, are stated in one of the strategies in the three-year medium-term business plan under "Contribute to Solving Environmental and Social Issues." Specifically, we are working on biomass materials, combination of natural materials, recycling business, and other efforts.

RIKEN TECHNOS's basic stance of meeting the needs of our customers has not changed since our establishment. We will respond to the changes of the times together with customers and fulfill our mission as a Material Solution Supplier.

Since the previous three-year medium-term business plan, we have established "Intensify Global Management and Generate Synergies" as a major task and built an organizational structure that is aware of global management issues for both domestic and overseas sites. We further clarified the responsibilities and authority at each division and optimized the production structure for PVC and elastomer products at each site. At the same time, we sought to secure a stable raw material supply network and provide RIKEN quality that is the same globally.



Since 2020, the world has been put through the COVID-19 pandemic, a situation that has never been experienced before and which continues even today. There were also sites that had to be locked down for long periods due to an increase in the number of infections. However, we focused on minimizing the impact to our customers by securing the supply chain, such as global sites collaborating in raw material procurement using the supply chain we have built and responding to the export of products from other locations. Reflecting on the trouble caused to some of our customers, we will strive to further enhance our global supply chain and reinforce our BCP structure so that our customers can be satisfied when doing business with us.

Message from the Senior General Manager of Technical Division



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

Significant changes in the market are expected due to the transition to a decarbonized society. As a manufacturer that processes plastics, RIKEN TECHNOS recognizes such social and economic impacts from climate change as important management issues and announced our support for TCFD in June 2022. We will strive to actively disclose information in line with the TCFD's recommendations.

Amid an environment surrounding plastics that demands major transformations, in 2019, we developed the biomass plastic RIKEBIO®. Together with expanding the sales of RIKEBIO®, another major issue going forward is to spread the use of thermoplastic elastomer—a material that saves more energy compared to synthetic rubber—as a substitute for synthetic rubber. Environmental issues are not simply constraints for us; they are also opportunities for taking on challenges that can be turned to our advantage. However, even if products are good for the environment, they cannot help to lower environmental burden if they are not chosen. For products to be chosen by many people, we will carry out development keeping in mind to make them useful to customers and within reach.

Exhibiting at Automotive Engineering Exposition 2022

人とくるまのテクノロジー展
2022 YOKOHAMA
Automotive Engineering Exposition 2022

Period: May 25 to 27, 2022

Venue: PACIFICO Yokohama

Number of visitors: 43,655

Automotive Engineering Exposition is an automotive technology trade fair for engineers and researchers working at the frontlines of the automotive industry.

This year, our exhibition focused on proposals and displays that help to reduce environmental burden in the future through conversion from conventional materials, keeping in mind carbon neutrality and the SDGs.

Specifically, we displayed a proposal aimed at saving energy by switching to TPE from vulcanized rubber, the biomass compound RIKEBIO®, and recycled compounds, receiving a lot of interest and many questions from parties in the automotive industry. In addition, as distinctive materials, we exhibited olefin compounds with lasting heat resistance, compound products that cut electromagnetic waves, and film products with high transparency and functionality that can help lessen weight through use as glass substitutes.

RIKEN TECHNOS drew attention to the initiatives in Blue Challenge by showing proposals and displays that help to reduce environmental burden through conversion from conventional materials.



Relationship with Business Partners

Message from the Senior General Manager of the Procurement Division



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

The Procurement Division promotes activities toward building a sustainable global supply chain founded on partnerships based on mutual trust while regularly receiving all kinds of proposals and cooperation from business partners related to procurement and logistics.

In April this year, we established the new Global Procurement Department within the Procurement Division to reinforce our procurement system toward achieving an overseas net sales ratio of at least 50% for RIKEN TECHNOS.

In addition, to respond accurately to environmental changes and contribute toward the realization of a sustainable society, we will select suppliers in accordance with the standards of the SDGs and respond to changes in the logistics environment taking into consideration ESG. At the same time, we will also promote activities for initiatives that support the TCFD.

The RIKEN TECHNOS GROUP promotes the establishment of sustainable supply chains using request for environmental cooperation and various communication tools based on our Environmental Policy (published on our website) 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. During selection, whether in Japan or overseas, we consider competitive quality, price, and environmental friendliness 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 Realization of a Sustainable Society

When making a purchase, we conduct procurement activities in accordance with the details (such as the active adoption, promotion of use, and conversion expansion of biomass raw materials) disclosed based on the TCFD's recommendations as our response to the SDGs and climate change.

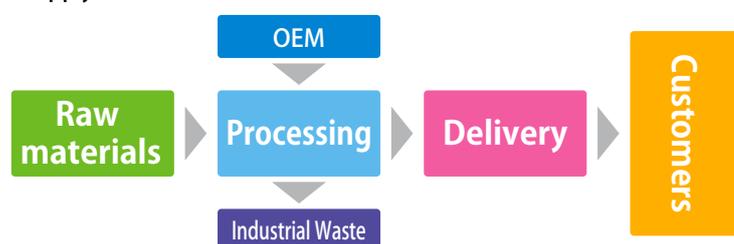
5 Respect for Human Rights and Elimination of Unfair Discrimination

For conflict and high-risk regions, we undertake the elimination of mineral resources that help conflicts or are obtained through unlawful labor (such as infringement of human rights and child labor) and other initiatives.

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 2021, our logistics departments 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 50.

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 delivery efficiency of products.

Active Pursuit of Quality and Safety

- We recommend that our transportation partners obtain ISO 9001 and ISO 14001 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

- 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.

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, 2025

ISO 14001 Certification

Registration date: October 29, 2004

Expiration date: April 1, 2025

● Transportation Volume and CO₂ Amount Generated (Japan)

Transportation	FY2019	FY2020	FY2021
Transportation Volume (tkm)	24,682,013	20,252,279	22,497,150
CO ₂ Amount Generated (t-CO ₂)	4,284	3,515	3,905

Note: The results for FY2021 include those for the food packaging business which was merged in January 2022.



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

14 LIFE BELOW WATER

Support for environmental beautification activities

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. (They include activities to clean up the river flowing through the town and roads around the factory as well as regular inspections of facilities—such as those for wastewater and liquid waste—within the town and industrial estate.) In particular, as the river flowing through the town flows into Lake Biwa after joining the class A river Yasu River, environmental regulations are stricter than those flowing into the ocean, and we will continue to contribute toward the beautification of Lake Biwa.

1 NO POVERTY **2 ZERO HUNGER**

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.

From April 2021



3 GOOD HEALTH AND WELL-BEING

Donation of RIKEGUARD® anti-microbial and anti-viral product sheets

Saitama Factory

Nishikura Seimado

Saitama Factory donated five boxes of RIKEGUARD® anti-microbial and anti-viral product sheets (60 packs per box) to Saitama Prefecture's Fukaya City, where the factory is located. The donation ceremony was held at the office of the city's mayor. RIKEGUARD® was also donated to Nishikura Seimado, a confectionery store near Saitama Factory. As support to prevent infections within the community, the product was used in various locations within the store.



Internships

We are proactive in hosting workplace experience and internship programs for high school students who are the future of society.

In FY2021, Mie Factory received a special letter of appreciation for supporting Mie Prefecture's human resource development from the Board of Education of Mie Prefecture as the factory hosted workplace experience and similar programs.

This letter of appreciation is given to workplaces that contributed toward the promotion of career education of schools over many years, such as accepting interns for 10 years or more.

The factory conducts internship programs every year and will continue to contribute toward school education to the best of our ability.



Plate made by the prefecture's high school students

Mie Factory



From left: Factory Manager Tsukada and Manager Okamoto

2022

October

November

December

January

February

March



Donation of food wrap as disaster prevention items

Saitama Factory



From left: President Tokiwa and Fukaya city's Mayor Kojima

We donated 900 rolls of our food wrap RIKEN WRAP Tappuri 100m as items in preparation for natural disasters to Saitama Prefecture's Fukaya City. A ceremony for the acceptance of this donation was held at Fukaya City Hall.

[Examples of ways to use food wrap during disasters]

- To line tableware to help save water
- To use in place of gloves to alleviate concerns about hygiene
- To roll up into a ball and use as a sponge
- Can expect odor prevention effects due to its strong adhesion
- To roll up and use as a string





Initiatives Overseas

This section describes overseas initiatives at RIKEN AMERICAS 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 the Management



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

The United States is a superpower that has led the world. In recent year, the country is facing the major issue of division. Even since the COVID-19 pandemic, measures against COVID-19 have drawn debate about the pros and cons from many U.S. citizens.

Located in the states of New Jersey and Kentucky, RIKEN AMERICAS GROUP is also split between what is called the North and South, but we are nurturing a corporate culture that fuses the cultural aspects of RIKEN TECHNOS and U.S. companies as one team without being divided.

We will continue contributing to the local community through social activities such as donations and tree planting to always be a company that works with pride.

Initiatives at RIKEN AMERICAS CORPORATION

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

Supporting victims of sexual assault and domestic violence

RIKEN AMERICAS CORPORATION embarked on a new project with Sanctuary, Inc. in 2021. Sanctuary, Inc. is a non-profit organization that provides prevention and healing services to victims of sexual assault and domestic violence. The organization provides comprehensive support within nine counties of the Pennyrile Area Development District, including emotional care of victims that faced violence. RIKEN AMERICAS CORPORATION provides 200 snack bags each month to support Sanctuary, Inc.



Supporting recovery from tornado damage

We donated USD 30,000 to the local South Western Kentucky Economic Development Council as support for regions in the U.S. state of Kentucky that suffered severe damage from a tornado in December 2021.

The state is still deeply scarred by the damage from the tornado, needing time for recovery.

Together with offering our condolences to those affected by the disaster, we pray for an early recovery and reconstruction.



Message from the Management



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

RIKEN (THAILAND) CO., LTD. has respected Thailand's culture and deepened our relationships with the local community and employees since our establishment. As part of this relationship with employees, we have established a scholarship system offering THB 5,000 per student to support the promotion of learning for our employees' children. In fiscal 2021, the system gave out a total of 16 scholarships. In addition, as part of our contributions to the local community, we also gave donations to elementary schools, hospitals, and other institutions in cooperation with education support programs and the local municipal office as well as conducted volunteer and other activities.

We will contribute to the local community with employees uniting together to coexist with local residents and society.

Initiatives at RIKEN (THAILAND) CO., LTD.

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



FY2021 recipients of the RIKEN (THAILAND) CO., LTD. scholarship

Children who received the scholarship



		Nattapon Wongthong First grader	Nattasit Wisetsri Second grader	Poorich Srisai Second grader	Kantapong Tuanghiranchot Third grader
					
		Child of special compound manufacturing staff Chainarong Wongthong	Child of general product manufacturing staff Nattapon Wisetsri	Child of SC manufacturing staff Wirawut Srisai	Child of engineering staff Nattawan Tuanghiranchot
Kantawit Wabanglab Third grader	Kannisara Noo-ngern Third grader	Nichapa Kongchang Third grader	Patrawadee Srimuang Fourth grader	Kwanruedee Raksanchat Fourth grader	Thanakrit Choisalao Sixth grader
					
Child of medical product manufacturing staff Watchara Wabanglab	Child of medical product manufacturing staff Pratchaya Noo-ngern	Child of general product manufacturing staff Ekarak Kongchang	Child of medical product manufacturing staff Poonphon Srimuang	Child of rigid product manufacturing staff Methsee Raksanchat	Child of medical product manufacturing staff Nattapong Choisalao
Pattaraporn Buppachatt Seventh grader	Rawinnipa Kotama Seventh grader	Julaporn Sinlapawong Ninth grader	Thitima Mee-usa First year high school student	Jirakorn Ruekkamyee Second year high school student	Wasiporn Somapee Second year high school student
					
Child of medical product manufacturing staff Sathit Panthong	Child of general product manufacturing staff Amphan Kotama	Child of medical product manufacturing staff Ramet Sinlapawong	Child of QA staff Poowadon Mee-usa	Child of logistics staff Krittiyakorn Ruekkamyee	Child of general product manufacturing staff Anuchit Thapsai

Relationship to Society



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

Nichapa Kongchang

Dear RIKEN (THAILAND) CO., LTD., I am Nichapa Kongchang. I am nine years old and a third grader studying at a school in Nakhon Sawan province.



Thank you very much for giving me this scholarship. I will use it to buy stationery and for my studies. This scholarship really lessens the load on my family. I promise to study seriously. I will use the money carefully. I am grateful to RIKEN (THAILAND) CO., LTD. for this support. (Third grader)

Kwanruedee Raksanchat

I wake up on my own every morning without my mother waking me up. Every day, I study seriously. My father works in the countryside. I rarely saw him. I wanted to see my father. My father said he must work so that I can study.



I am very happy to be given this scholarship by RIKEN (THAILAND) CO., LTD. Not only was my father given the chance to work, but I was given this scholarship. Thank you very much, RIKEN (THAILAND) CO., LTD. Thank you for giving me the chance to study and the chance to pursue my dreams. (Fourth grader)

Jirakorn Ruekkamyee

I am a second year high school student.

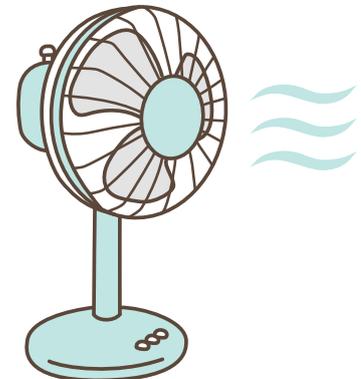


This is a very important year for me. It is the last year that I have the opportunity to receive this scholarship. Due to COVID-19, I was unable to receive the scholarship directly at RIKEN (THAILAND) CO., LTD, but the company arranged for parents to receive on behalf of their children. This year, I will again make full use of the money. I will use it to broaden my knowledge. I wish to express my gratitude for offering this scholarship. Thank you very much for giving this great opportunity to students. Although this is the final opportunity for me, I will use the scholarship money, including those received in the past, to prepare for entering university. I hope you will continue to offer this scholarship. (Second year high school student)

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

Donation to facility within the industrial estate as measures against infectious diseases

When hospitals had difficulty accepting patients due to the sudden increase in COVID-19 infections, RIKEN ELASTOMERS (THAILAND) CO., LTD. used empty warehouse space within the industrial estate to set up a facility for taking in patients as part of the estate's response. In addition, 10 fans were donated to this facility.



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 participate in education programs and acquire credits 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.



Message from the Management



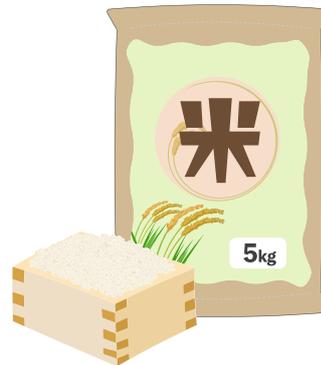
Kazuhiko Kobayashi
Associate Director
RIKEN TECHNOS CORPORATION
Director, President & CEO, PT. RIKEN INDONESIA

Amid continued restrictions on activities as a measure against COVID-19, PT. RIKEN INDONESIA continued to undertake CSR activities this year, placing importance on our relationships with people from the local community. We provided food (rice) to areas around the industrial town damaged by floods from the heavy rains that fell in February and conducted support activities centered on food for needy households—mainly neighboring villages and orphanages. We also carried out preliminary inspections for next year’s activities and decided to donate toilets to the village of Pantai Sederhana. We are planning the donation of new toilets so that children studying at nearby school and residents can use them hygienically.

Initiatives at PT. RIKEN INDONESIA

Food support to villages near the factory

In February 2021, we donated rice as support for neighboring areas damaged by floods.



In addition, we donated assorted snacks as support for a nearby orphanage in May 2021.



Support for social contribution activists

“YUME Lab” (“Dream Laboratory”)—a TV program produced by RIKEN TECHNOS that started in April 2015—has been revamped into a new program called “SDGs Lab” in April 2022. It is evolving into a program with SDGs, which are gaining attention from many people recently, as its theme.

The world has many shared issues, such as global warming due to the increase in CO₂ emissions, desertification of forests, water shortage, poverty, and discrimination. Amid such a situation, there are social contribution activists who seek to achieve a sustainable society and continue to take on challenges each day in various fields.

In this program, activists who are working to deal with shared issues faced by the world to achieve a sustainable society are invited as guests, where the program’s host Mito Yukimi asks them about the activities they are undertaking and their dreams behind those activities. We are watching them closely, wondering what kind of future they will create. As a challenger that harnesses the power of science, RIKEN TECHNOS will continue to support these social contribution activists who continue to take on challenges.



Message from the host, Ms. Mito Yukimi

I am Mito Yukimi, who serves as the host of SDGs Lab. I usually work as an actress, and this is my first time taking on this challenge of being the host of a TV program. Using RIKEN TECHNOS’s wonderful office, each episode is filmed in a cordial manner with the friendly staff. There is almost no script during filming, and I just ask questions frankly on things that interest me as we talk along. The guests provide easily understood answers with passion, which lets me learn a lot, and it is very interesting for me as I gain more knowledge with each filming. I think there are still many people who have heard the term SDGs before but do not really understand what it means. There are also many things that I myself do not know. Therefore, I hope to continue to learn together with our viewers through this program.

In June, we held an event in collaboration with this program at the event space of Seibu Shibuya. Selling sustainable food products and inviting guests who were featured on the program for talk shows, it was an opportunity for many people to learn about the SDGs. I feel a lot of motivation in my work as the program’s host in being able to contribute toward raising awareness about the SDGs in this way.

While I think there may be many people who think “It sounds difficult” when they hear the term SDGs, the contents are designed to appeal to such people. Therefore, please feel free to watch the program. I would be happy if this program can spark people’s interest in the SDGs!

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 35% 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.

Dividend payout

The year-end dividend for the fiscal year ended March 2022 was 11 yen per share (comprising an ordinary dividend of 10 yen and a commemorative dividend of 1 yen). As a result, the total annual dividend, including the interim dividend, reached 19 yen per share. We had set a dividend payout ratio of around 30% on a consolidated basis as one of our goals for our payout policy up to the fiscal year ended March 2022.

Fiscal Year (Recorded Date)	Dividend per Share			
	Interim	Year End	Annual	Consolidated dividend payout ratio
FY2017 (March 31, 2018)	JPY 6.00	JPY 6.00	JPY 12.00	28.8%
FY2018 (March 31, 2019)	JPY 6.00	JPY 8.00	JPY 14.00	29.5%
FY 2019 (March 31, 2020)	JPY 8.00	JPY 8.00	JPY 16.00	33.3%
FY 2020 (March 31, 2021)	JPY 4.00	JPY 12.00	JPY 16.00	31.2%
FY 2021 (March 31, 2022)	JPY 8.00	JPY 11.00	JPY 19.00	30.4%

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.

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.

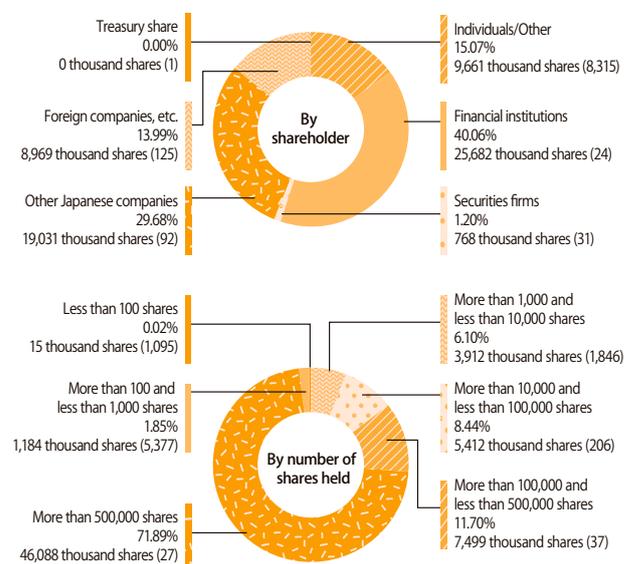
To provide abundant information for foreign shareholders and overseas investors, we disclose a wide range of information—such as documents related to our financial results, IR presentation materials, and documents for timely disclosure—in English.

Status of Shares and Shareholder Composition (As of March 31, 2022)

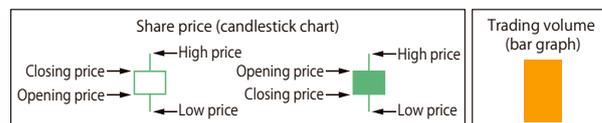
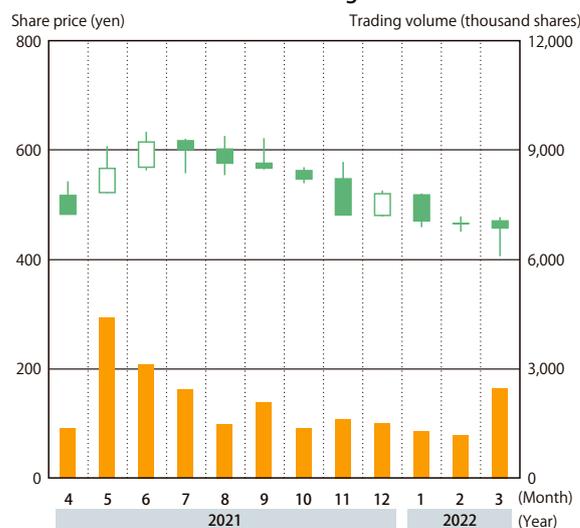
Status of Shares

Total amount of authorized shares	236,000,000
Total amount of issued shares	64,113,819
Total number of shareholders	8,588

Status of Shares by Shareholder and Number of Shares Held



Trends in Share Price and Trading Volume



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
& Senior General Manager of
Corporate Planning Division
RIKEN TECHNOS CORPORATION

In recent years, amid companies strengthening initiatives such as for SDGs and securing of diverse human resources, RIKEN TECHNOS CORPORATION—which has moved to the Prime Market of the Tokyo Stock Exchange—is also focusing on initiatives different from the past. We are working to create a company environment and atmosphere that allows employees with diverse individualities to work with motivation, such as strengthening mid-career recruitment of women and foreigners, conducting career development training for the active participation of women, and establishing a professional system for employees that require a high level of specialized expertise.

Active investment in human capital is also stated in the new three-year medium-term business plan that started in April, and we will stride forth toward achieving “Contribute to Solving Environmental and Social Issues” and other strategies in the medium-term business plan.

Toward Developing Diverse Human Resources

We recruit and employ diverse human resources without bias for gender, nationality, new graduates, and mid-career recruits. To accelerate global expansion of business in the future and respond with speed to the rapidly changing market environment, we will actively recruit and employ human resources with different experiences, skills, and careers, and work on establishing an environment with a human resource development system that allows such human resources to play active roles.

In addition, we respect the personality and individuality of our employees, and have 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.

Ensuring Diversity, Including the Promotion of Women’s Active Participation <Targets>

We have established targets for the proportion of women, foreigners, and mid-career recruits in management positions so that diverse human resources play active roles as the core human resources of our company.

	Current (March 31, 2022)	Target (March 31, 2025)
(i) Women in management positions	2.0%	7.0%
(ii) Foreigners in management positions	0.7%	3.0%
(iii) Mid-career recruits in management positions	30.5%	40.0%

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.

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 FY2021, the employment rate of persons with disabilities was 2.84%.

● **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. For the three years starting from FY2021, we have developed and are implementing a new plan of action for our efforts.

Plan of action for April 1, 2021 to March 31, 2024
<ul style="list-style-type: none"> 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 FY2021, 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 accumulated for up to 60 days. 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.

Voice



Mayuko Kanda, Corporate Planning Department

Previously, I was involved in the development of designs for film products at R&D departments and also have the experience of being seconded to a design company within the RIKEN TECHNOS GROUP. Now, I am working in the Corporate Planning Department. I have experienced a diverse career path compared to others of my generation. Through my experiences, I think RIKEN TECHNOS CORPORATION provides opportunities for employees to play active roles regardless of age or gender and has an accepting corporate culture.

In this fiscal year, our company also organized career training for women. I was able to gain new insights by coming into contact with the various opinions and values of the participants, who come from different departments and sites and have different careers.

In recent years, there are more women at RIKEN TECHNOS CORPORATION. On the other hand, the proportion of women in management positions is low, and there are currently still few reference cases for career development. From another perspective, this also means that we can be models of women's active participation for future junior employees. For my career to become a good model case, I hope to work hard while effectively using the environment that is being backed by the company.

Currently, I am in charge of operations related to publicity and sustainability management. Although these are fields that I have not experienced before, I see this as a good opportunity for growth, and will do my best and contribute toward the growth of RIKEN TECHNOS CORPORATION.

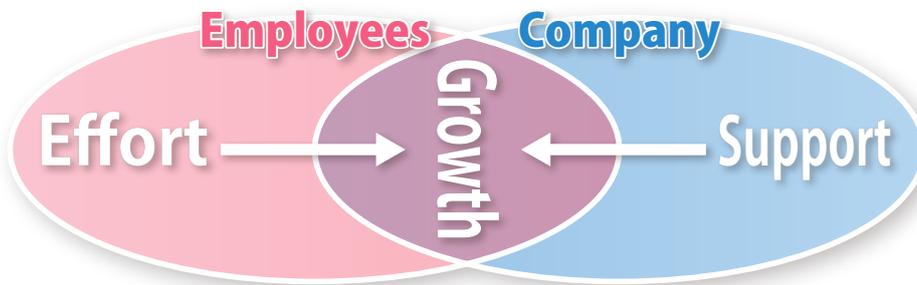
● For the Growth of Each Employee

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



● Introduction of Professional System

To develop specialized human resources and provide them with opportunities to play active roles as well as secure human resources with a high level of specialized skills, we introduced a professional system in April 2022.

- ◇ Encouragement of healthy competition that evaluates employees who take on high-level roles and deliver results
- ◇ Next-generation human resource development that provides opportunities to employees with affinity, capability, and ambition regardless of age

● Various Training Programs

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

Career development training for women’s active participation

In FY2022, career development training for women’s active participation was conducted. The goal was to let female employees learn about social trends, think about their future careers as they work autonomously, and grow to become core human resources.

Going forward, we will strengthen various types of education for the active participation of women, including career development training like this, and at the same time, develop a corporate culture that recognizes diversity.



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

New recruits training

Training is conducted for new recruits immediately after joining the company to learn basic behaviors as a working adult, such as the basics of work and business etiquette. Subsequently, various measures are conducted to support the growth of new employees, including training at their assigned departments, on-site practical training at factories, follow-up training, and regular interviews with their assigned departments.



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.

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.

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.



Language training

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

Safety and Health Activities

● Concept of Safety and Health Activities

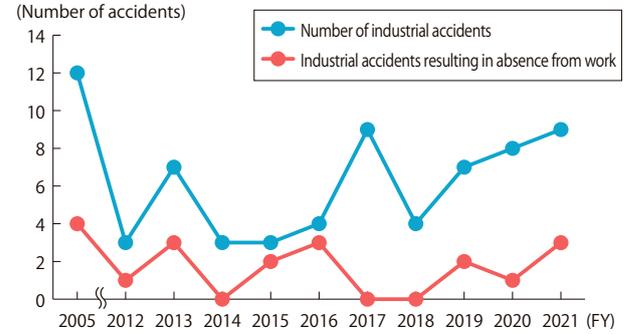
Based on respect for people, RIKEN TECHNOS CORPORATION considers occupational health and safety to be one of the most important foundations in business operations, and strives to maintain and improve a healthy and safe working environment. We carry out our business operations with an occupational safety 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



Danger experience education (falling/dropping from heights) at Mie Factory



Danger experience education was introduced to show in detail dangers that exist at the workplace and allow intuitive understanding of dangers in one’s immediate vicinity. Unlike learning knowledge in classrooms, such as education at workplaces, we think it is possible to supplement the lack of operator experience at the frontlines of work and contribute toward improving each individual’s safety awareness by learning safety and hygiene as experiences instead of concepts.

Virtual reality safety education at Saitama Factory



Educational contents making use of virtual reality were introduced as part of safety education and KYT (hazard prediction training) activities at the work site involved in dangerous work within the factory. By using virtual reality, operators can experience simulated industrial accidents and dangerous situations, helping to prevent accidents and improve safety awareness.

Safety education at overseas sites



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



Activities at RIKEN VIETNAM CO., LTD.

● Review of Activities

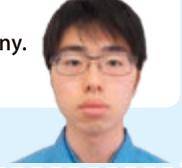
In FY2021, our activities continued to focus on reducing industrial accidents to zero with RA promotion, promotion of the “pointing and calling” procedure, sharing and reviewing causes of past industrial accident information, eradication of unsafe behavior and unsafe conditions, and re-education of safety and health basics through self-prepared industrial accident prevention videos. Furthermore, making use of the remote working environment, we embarked on full-scale implementation of the online KYT and strove to improve the understanding and awareness of managers as well as operators. However, there were a total of nine industrial accidents: three resulting in absence from work and six that did

not result in absence. Looking at the causes, many accidents were caused by bad position, posture, or method. It is clear that we need to enhance safety measures against unsafe acts during work. Going forward, we will enhance the contents of our education for operators using online KYT—implemented since FY2021—and our industrial accident eradication newsletter that is disseminated every month. In addition, we will also advance cause analysis from a human error perspective for operators and focus on activities toward reducing industrial accidents to zero by conducting risk assessment not only from the aspect of equipment but also the hidden risks in work.

Our New Employees in 2022

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 put energy into the activities of my laboratory during my time in university. I will use my experiences so far to do my best.</p> 	<p>I hope to absorb the strengths of my seniors at work so that I can become independent as a working adult.</p> 	<p>I will engage many people and do my best so that I can learn my work as quickly as possible.</p> 
<p>I love talking to people. I will place importance on my relationships with people and do my best at work. Please give me your guidance.</p> 	<p>I will work hard so that I can learn and do my work and contribute as quickly as possible.</p> 	<p>As I like to talk to people, I hope to communicate well and go about my work smoothly.</p> 
<p>My strength is being able to think deeply through things. I will keep working hard each day, placing importance on planning and initiative.</p> 	<p>I played sports since young, such as swimming and table tennis. I will do my best to keep up with everyone.</p> 	<p>I will use the skill of continuing to put in constant effort, nurtured when I was in my university's ski club, to do my best.</p> 
<p>I hope to become an employee that is trusted by my seniors at work. I look forward to your guidance.</p> 	<p>I hope to work hard, with the self-awareness of being a member of the company, so that I can become an asset to the company as quickly as possible.</p> 	<p>I will work hard to learn my work as quickly as possible and get used to the atmosphere of the company.</p> 
<p>Together with having the self-awareness of having become a working adult, I will use what I learned as a high school student to do my best.</p> 	<p>I will properly acquire knowledge and techniques and put in my full effort so that I can deliver results.</p> 	<p>I have become a working adult and am no longer a student. Therefore, I will change my mindset and do my best.</p> 
<p>I will put in my utmost so that I do not embarrass myself as a member of the company.</p> 	<p>I hope to get used to work as quickly as possible, placing importance on greeting people and getting along with my seniors at work.</p> 	<p>I hope to apply the perseverance and concentration that I learned at the baseball club during my time in high school to do my best.</p> 
<p>I will work hard to learn my work quickly and become useful. Please give me your guidance.</p> 	<p>I hope to quickly learn my work and do my utmost best in everything.</p> 	<p>I hope to get used to the company as quickly as possible and cooperate with my seniors at work to strive hard in work.</p> 

Quality and Environmental Action

Message from the Senior General Manager of the Quality Assurance Division



Michihisa Tasaka
 Senior Executive Officer,
 Senior General Manager of Quality Assurance Division & General Manager of Start-up Office for New Business Development
 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 that seeks to take into consideration the effects on the environment, protect the environment, and realize a sustainable society.

Keeping in mind the automatic assessment of unusual states by creating databases of the usual states, besides enhancing quality management tools that visualize past cases and promoting the automation of chemical substance management, we will promote digital transformation by using sensing data in managing disparity in product quality.

Quality Assurance System

RIKEN TECHNOS undertakes manufacturing that conforms to ISO 9001. Thorough quality control over the whole process, from acceptance of raw materials to delivery of products, is conducted by carrying out quality improvement activities with global collaboration between all production sites each week.

Besides preventing the recurrence of past defects, we achieve root-cause analysis and information sharing of new ones.

ISO 9001 (2015) Certification

Registration Date: September 14, 1998 (ongoing)

Quality Improvement Activities

In FY2020, besides the existing statistics management, we were able to discover minute abnormalities as early as possible by carrying out shipment inspection using artificial intelligence (AI). In FY2021, we made it possible to find changes different from the usual state during process inspection by using sensing. Furthermore, to reduce unexpected defects in initial flow

products, which do not have a long track record, we will not only carry out strict operation and management over design reviews, but also introduce abnormality assessment parameters that discern disparity in product quality to achieve further improvement in customer satisfaction.

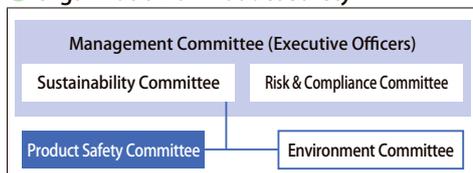
Product Development Focusing on Safety

Handling of Product Liability

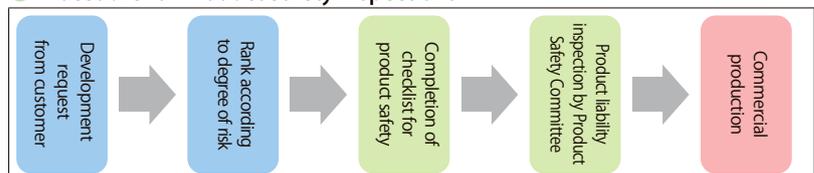
Product safety is the responsibility of manufacturers, and we have kept this in mind since RIKEN TECHNOS was established. We have been working to further enhance product safety through measures such as initiating systems in January 1995 to prevent the occurrence of product liabilities, prompted by the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

In this fiscal year, we have merged the Product Safety Committee and Chemical Substance Control Committee to establish the new Product Safety Committee. The committee will conduct activities to identify and reduce our risks, including those for product liability and chemical substances.

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.

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.

● Management of Chemical Substances

We have established Chemical Substances Management Guidelines, and we prohibit the use not only of Class I and

*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 Besides carrying out ongoing environmental conservation activities by educating employees on the Environmental Policy and through awareness-raising activities, RIKEN TECHNOS CORPORATION promotes continuous improvements in the environmental management levels, prevention of environmental pollution, and support for environmental conservation by observing all environment-related regulations and mutual agreements.
- 2 Using raw materials which are safe, RIKEN TECHNOS CORPORATION supplies society with products such as energy-saving and resource-saving products, products suitable for recycling, and plastic products with low impact 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 impact on the global environment, biodiversity, and the ecological system by striving to eliminate wastefulness, minimize energy consumption, and reduce industrial waste.
- 4 RIKEN TECHNOS CORPORATION manages the progress of environmental objectives and numerical targets to ensure the achievement of the Environmental Policy, and aims to obtain confidence and understanding from society through appropriate and accurate information disclosure.

● 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 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 90 internal auditors. In FY2021, audits were carried out in 60 departments, eight requests for corrective actions were issued, and there were 31 issues pointed out, including matters for monitoring. Of the issues pointed out, besides document control and education, there were departments which did not properly implement actions such as qualification management for department operation, follow-up of corrective actions for nonconformance issues, and the list of emergency responses. We will verify the continuation of these corrective actions, and also improve and implement the management system.

(2) External Audits

The renewal audit was conducted in July 2022. Five nonconformance issues were found and 11 issues requiring improvement were pointed out during the audit.

● 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 (ongoing)



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
& General Manager of TPM Promotion Department
RIKEN TECHNOS CORPORATION

The Manufacturing Division will increase production capacity, mainly in ASEAN, to promote "Intensify Global Management and Generate Synergies." In addition, as part of "Contribute to Solving Environmental and Social Issues", we will change to a production structure responding to the reduction in working population and introduce equipment that save energy and manpower to our production lines. At the same time, we will also actively reduce CO₂ emissions by increasing the proportion of renewable energy.

Status of RIKEN TECHNOS CORPORATION 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.

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. The following are our main CO₂ reduction activities so far. They include using heat storage-type deodorizing furnaces, switching from heavy oil boilers to city gas boilers at the Gunma Factory, improving the efficiency of operating facilities, using demand control*² for air conditioning, preventing leakage of compressed air and steam for industrial use, and switching fluorescent lights, mercury lamps, and other lighting to LED lighting.

In addition, since March 2013, our photovoltaic power plant supplying renewable energy has been operating at a site adjacent to the Gunma Factory. In FY2021, approximately 68,000 kWh of power was supplied to the Gunma Factory, with approximately 720,000 kWh sold externally.



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

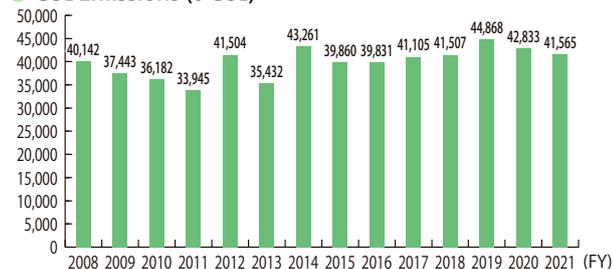
CO₂ Load of Products Produced (FY2021)

Input	
Raw materials (including paints)	94,000t
Packaging materials	3,900t
Electricity	69,000MWh
Heavy oil	2,400kl
Tap water	129,000m ³
Groundwater	164,000m ³
Water for industrial use	25,000m ³

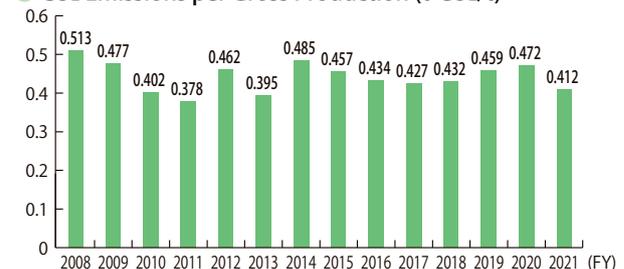
Output	
Compound products	72,000t
Film products	11,000t
Wrapping products for packaging	20,700t
Total waste	4,070t
Amount of sewage	299,000m ³

Amount of CO ₂ emissions (t-CO ₂ /t)	
Compound	0.15
Film	0.64
Food wrap	0.51

CO₂ Emissions (t-CO₂)



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



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

*1 Greenhouse gas is indicated as the quantity of Scope 1 and 2 CO₂ emissions from the Saitama Factory, Mie Factory, Gunma Factory, Nagoya Factory, R&D Center, and Head Office, as well as each sales site. CO₂ emissions from the Head Office have been added since 2005, and emissions from each sales site have been added since FY2008.

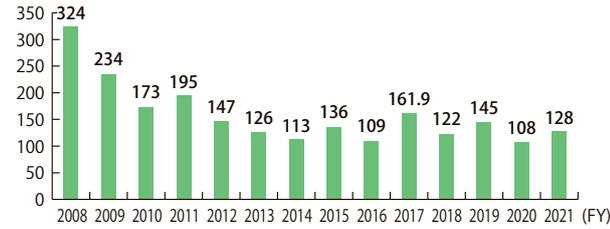
*2 Air conditioning demand control is a method of reducing electricity consumption by automatically stopping compressors when a maximum value agreed with the supplier is approached.

● 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. We are working toward the goals of reducing simple waste volume per gross production to 0.1% or lower and reducing total waste per gross production to 3.5% or lower. We are promoting restraint in generating waste by improving yields in

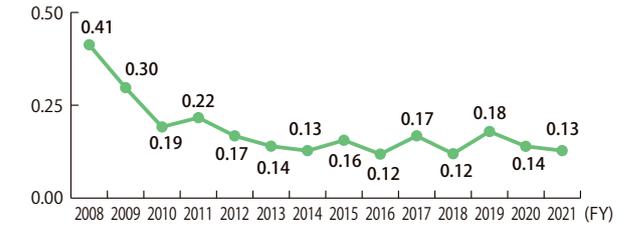
our production processes, as well as strictly separating generated waste into material recycling, thermal recycling, Refuse Plastic Fuel (RPF), raw cement material, etc. for conversion to effective use. The simple waste volume per gross production was 0.13% and we did not achieve the goal. The total waste per gross production was 3.59% and we did not achieve the goal.

● Simple Waste Generated (t)



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

● Simple Waste Volume Per Gross Production (%)



● 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.

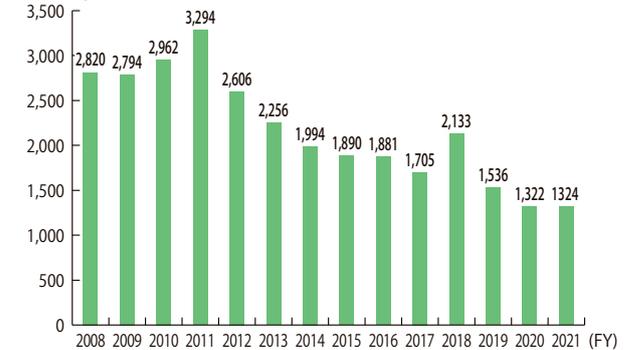
In FY1999, a totalization system was established to enable thorough management. In addition, a system was created for responding to the PRTR system of the Act on Confirmation, etc. of Release Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management 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 slightly by 0.1%. This was due to the increase in products using toluene, 1,3-dioxolane, and antimony, even though there was a reduction in the use of lead compounds and methyl ethyl ketone. In FY2021, 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 the Saitama Factory. Treatment of PCB waste stored at the Mie Factory and R&D Center (Tokyo) was completed.

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

Site	PCB Wastes	Status of Storage and Treatment
Saitama Factory	Waste oil containing PCB:845.5 kg (high concentration)	Treatment 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)	Treatment completed in FY2014
	Waste oil containing PCB:350 L (low concentration)	
	PCB component wastes:300 g (low concentration)	
R&D Center (Tokyo)	High voltage condensers:12 (high concentration)	Treatment completed in FY2013
	High voltage transformers:1 (low concentration)	
	Waste oil containing PCB:330 L (low concentration)	
	Wastes containing PCB:15 kg (low concentration)	



● 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.

● 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, we collect content information for the ten RoHS2*2 substances and chemical substances under regulation, including trace residual chemicals. The application of these measures to affiliates was also 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. We established a Chemical Substances Management Guidelines 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 maintenance.



● Environmental Accounting

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

● Criteria for Environmental Accounting in FY2021

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

(2) Period Covered: April 1, 2021, to March 31, 2022

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

● Summary of Environmental Accounting in FY2021

In FY2021, the amount invested in environmental preservation costs was approximately JPY 10 million, and expenses were approximately JPY 1.22 billion, making a total of approximately JPY 1.23 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 0.13%, not achieving our goal of 0.1% or below. Total waste per gross production was 3.59%, not achieving our goal of 3.5% or below. With regard to CO₂ emissions, as a result of conducting continuous energy-saving activities, the result

was 0.412 t-CO₂ against the goal of 0.422 t-CO₂ or less, achieving our goal of an 8% reduction from the FY2012 level. In addition, we also achieved our goal of an 8% reduction from the FY2012 level for electric power consumption rate (Electricity use (MWh)/ Production (t)), which was at 0.683 MWh/t against the goal of 0.699 MWh/t or less. At the same time, heavy oil usage per gross production was 0.0238 kl/t, against the goal of 0.0347 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.) as well as the increase in production volume.

An economic effect of approximately JPY 11.7 million was achieved from sales of valuable materials from waste plastics as well as cost reductions from energy savings and other factors.

● Environmental Preservation Costs

JPY 1,000

Category	Content of Activities Examined	Total Amount Invested*1	Expenses*2
1. Business area costs		9,706	202,828
Breakdown	Pollution prevention costs	1,648	98,813
	Global environmental preservation costs	8,058	0
	Resources recycling costs	0	104,015
2. Upstream/Downstream costs	Analysis of products containing chemical substances	0	0
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	16,705
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	474
6. Environmental damage countermeasures costs	Soil investigation and improvement	0	644
Total		9,706	1,218,464

*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	FY2020	FY2021	
Environmental preservation effect related to resources input into business activities	Total energy input volume (GJ)	777,961	791,179	
	Energy input by type	Electricity (MWh)	65,405	68,997
		Heavy oils (kl)	2,394	2,403
		City gas 13A (km ³)	963	471
		Gasoline (kl)	38	37
		Light oils (kl)	3	4
	Input of PRTR-controlled substances (t)	1,322	1,324	
	Water resources input	Tap water (m ³)	126,548	129,345
		Groundwater (m ³)	149,761	163,818
		Water for industrial use (m ³)	30,616	25,061
Environmental preservation effect related to waste or environmental burdens originating from business activities	Greenhouse gas emissions (t-CO ₂)	43,879	41,565	
	Volume of PRTR-controlled substances discharged (t)	5.0	5.6	
	Volume of PRTR-controlled substances transported (t)	1.2	9.1	
	Total waste discharge volume (t)	3,600	4,100	
	Final waste disposal volume (t)	163	181	
	Amount of sewage (m ³)	294,485	311,071	
Environmental preservation effect related to commodities and services produced by business activities	Volume of valuable materials recycled (t)	1,346	1,405	
Other environmental preservation effects	Volume from transportation of products (t-km)	20,252,279	22,497,150	
	Volume of CO ₂ emissions associated with transportation (t)	3,515	3,905	

● Economic effects associated with environmental preservation

JPY 1,000

Economic Effect	Amount	
	FY2020	FY2021
Benefit from recycling plastic, paper waste, etc.	5,912	8,936
Expenses reduced by energy-saving activities	5,596	2,790
Total	11,508	11,726

● Asset Retirement Obligations

Asset Retirement Obligations accounting began on April 1, 2010.

Asset Retirement Obligations in accordance with environment-related laws are currently as follows.

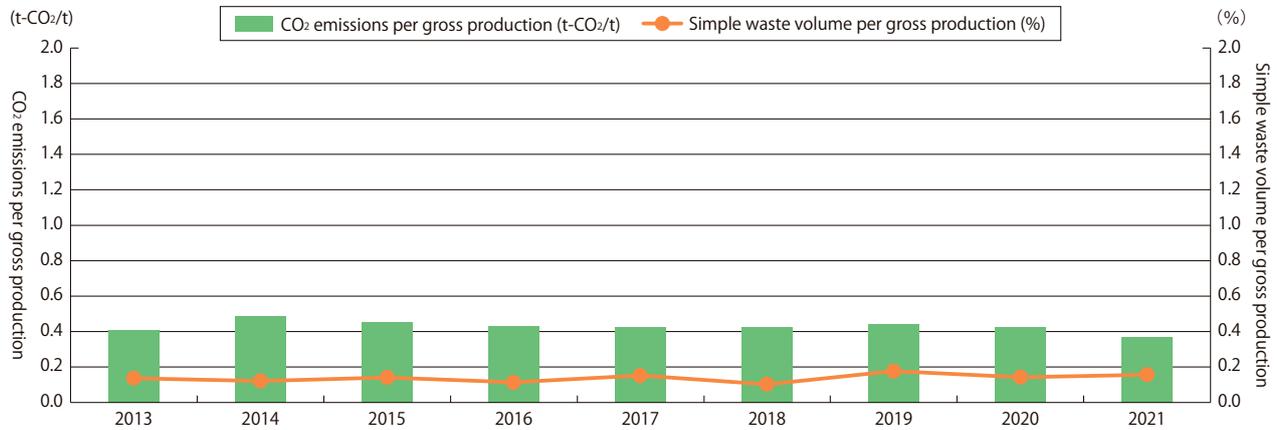
As of March 31, 2022 (JPY 1,000)

Costs	Expense
Cost of restoring buildings	224,576
Cost of asbestos disposal from usage sites	33,222
Cost of renewing equipment using PCB	0
Cost of contaminated soil treatment	64,683
Total	322,480



RIKEN TECHNOS GROUP Environmental Data

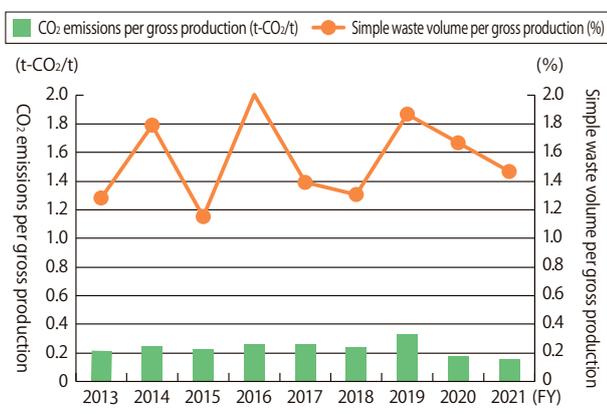
CO₂ emissions per gross production and simple waste volume per gross production (total for the Saitama, Mie, Gunma, and Nagoya Factories)



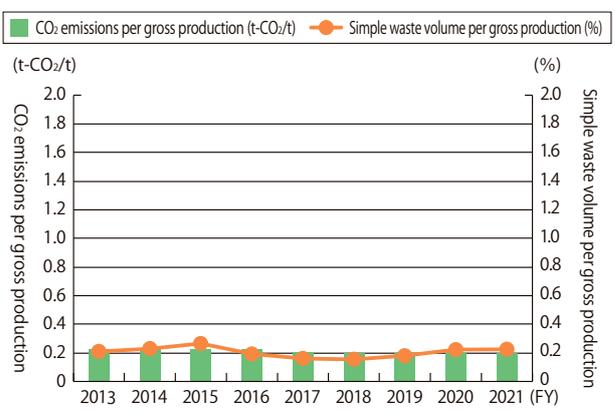
Environmental Impact Data for Affiliates of RIKEN TECHNOS GROUP

① Compound Production Companies

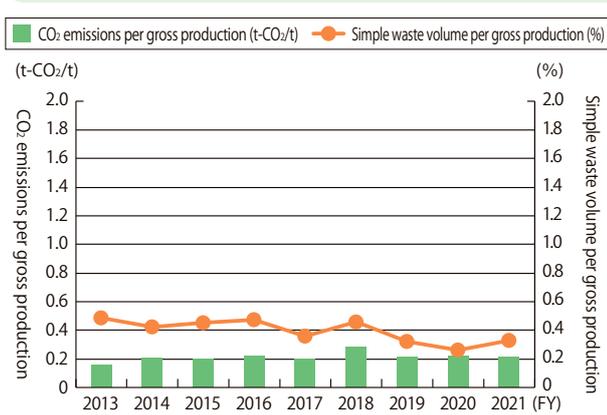
RIKEN CHEMICAL PRODUCTS CO., LTD. Employees: 42



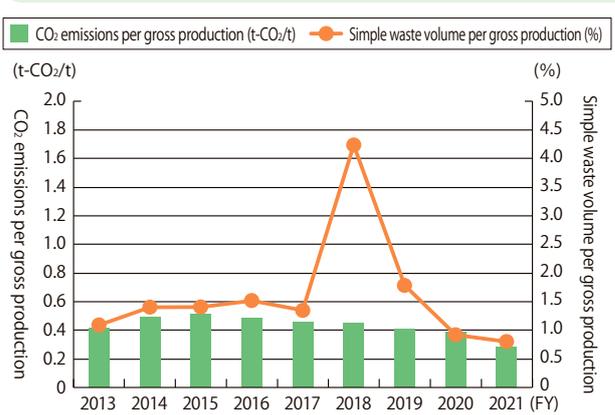
RIKEN (THAILAND) CO., LTD. Employees: 261



RIMTEC CORPORATION Employees: 87

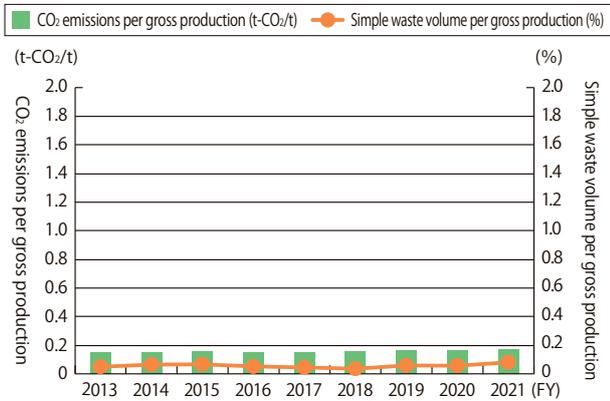


RIKEN ELASTOMERS CORPORATION Employees: 35



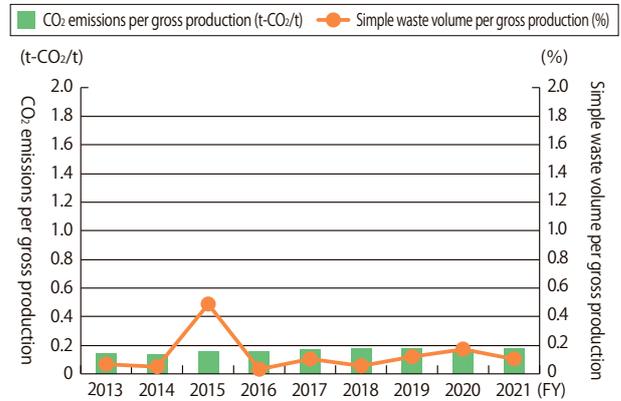
PT. RIKEN INDONESIA

Employees: 222



SHANGHAI RIKEN TECHNOS CORPORATION

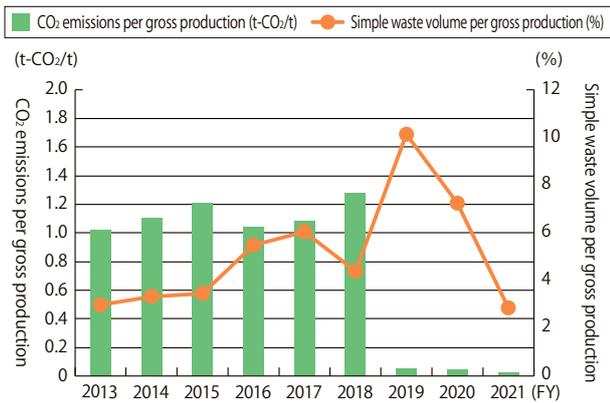
Employees: 117



② Molding Companies

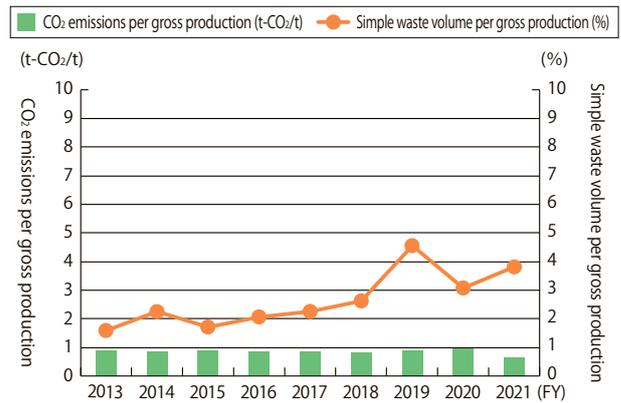
RIKEN CABLE TECHNOLOGY CO., LTD.

Employees: 64



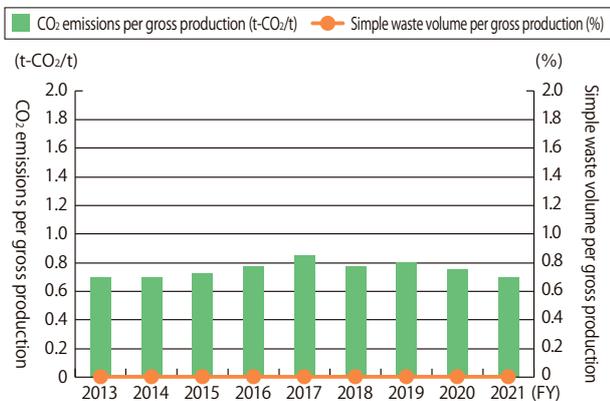
KYOEI PLASTICS MFG CO., LTD.

Employees: 63



RIKEN TECHNOS (JIANGSU) CORPORATION

Employees: 51



The Expert's Opinion



Mr. Mitsuo Ogawa
President
Craig Consulting

In recent years, there is a growing trend for sustainability activities to be an expression of a company's *raison d'être* or its distinctiveness. What kind of social issues are being worked on and how do those activities link to corporate value? Furthermore, there are more and more companies that directly link them to their strengths, for example, using materiality as a catalyst, to promote their uniqueness as a company internally and externally. The recent concept of purpose-driven management has the same approach. Therefore, when reading the sustainability reports of companies, it is necessary to focus on deciphering how each company expresses its strengths and features in its own distinctive way.

RIKEN TECHNOS CORPORATION announced its new three-year medium-term business plan in 2022. To decipher the company's sustainability activities, I recommend reading Blue Challenge Report together with the new three-year medium-term business plan. From President Tokiwa stating at the start of Blue Challenge Report that responding to issues surrounding sustainability is one of their key corporate challenges, and "Contribute to Solving Environmental and Social Issues" being established as one of the four strategies in the new three-year medium-term business plan, it can be seen that the company recognizes sustainability as one of its management strategies. The company is especially committed to environmental issues and climate change. We can see this from the top management touching on future CO₂ emission targets and mentioning environmentally friendly products such as RIKEGUARD® and RIKEBIO®. In the company's sustainability initiatives, quantitative targets are evolving each year

not only for the aforementioned CO₂ emissions; for example, on page 40 quantitative targets are also set for the active participation of diverse human resources. Taken together with the formulation of the Sustainability Policy and other initiatives, this distinctive stance unique to RIKEN TECHNOS is one that can be highly evaluated.

I hope to point out two issues with RIKEN TECHNOS CORPORATION's sustainability activities.

The first issue is regarding the setting of quantitative targets in Blue Challenge Report, which is a positive point. However, I hope these targets can be linked to materialities, and the progress of KPIs can be reported in the report each year. Taking the approach of backcasting, I hope that consideration can be given to the kind of KPIs to be established by the entire Group when it is formulating materialities in the future. If the PDCA cycle can be implemented centered on these KPIs, they can become non-financial targets and be reflected as information for investors in the new three-year medium-term business plan.

The second issue is about connecting sustainability activities to the other strategies of the new three-year medium-term business plan. I hope this can be done to make these activities contribute more to the management strategies. For example, "Intensify Global Management and Generate Synergies." is stated as Strategy 1, and Asia is given as the region to be taken on strategically. By starting with the conduct of sustainability activities in this region, it is possible to help create a good brand image. As sustainability activities can build ties with local governments and leaders, I think the human network built on mutual trust will greatly contribute to the development of the company's business.

If business strategies and sustainability can be dynamically linked as mentioned above, I think they can be made into the company's new strategies for competition. To achieve this, it is necessary that employees on the frontlines deeply understand the importance and possibilities of sustainability. Besides this Blue Challenge Report, I hope awareness about sustainability and the SDGs can be raised through various opportunities such as training and workplace meetings.

Response to Expert's Opinion

Kazuaki Tokiwa

Representative Director, President & CEO, RIKEN TECHNOS CORPORATION

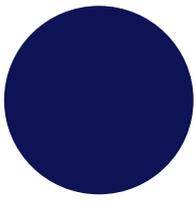
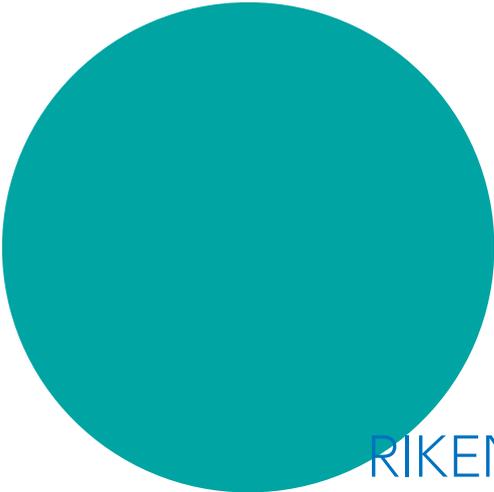
In this report, we featured our new three-year medium-term business plan and our efforts to address climate change. Regarding the formulation of materialities that was pointed out, we will make clear the key issues of the RIKEN TECHNOS GROUP and incorporate them into our future business activities. As for sustainability activities that contribute to our strategies, we recognize that activities related to sustainability significantly contribute to the development of our global business, and we will enhance our activities while linking them to the various measures that we develop. We will also further entrench sustainability within the company.

Editors' Postscript

This report is centered on the details of the new three-year medium-term business plan "Challenge Now for Change New 2024" that started in April 2022. It was edited to allow the challenges undertaken by the RIKEN TECHNOS GROUP toward realizing a sustainable society to be understood as easily as possible.

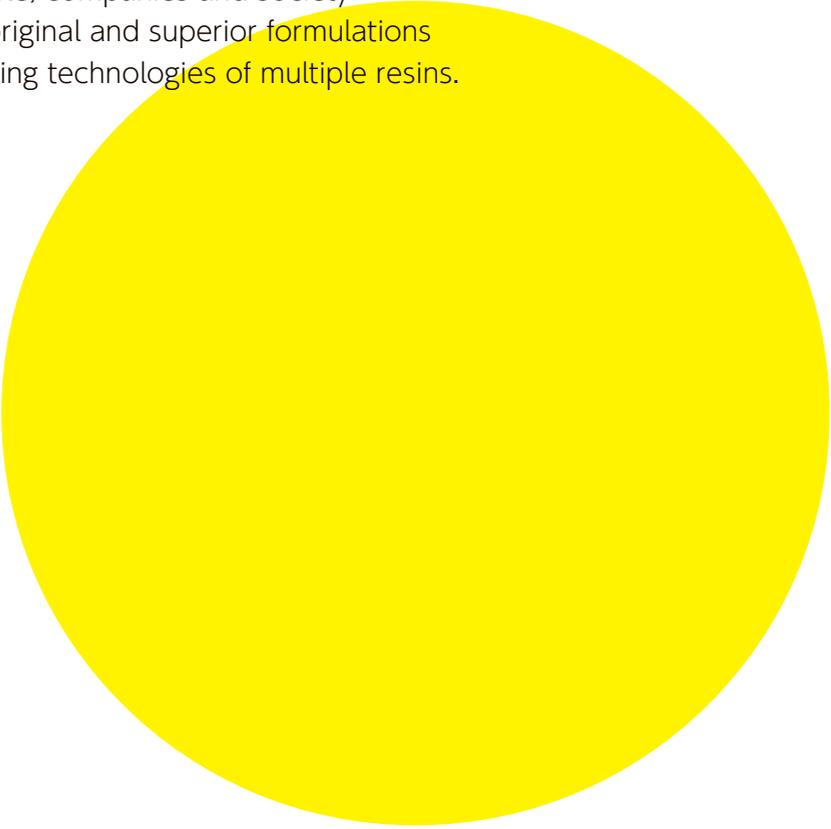
We hope that this report has helped readers to better understand the RIKEN TECHNOS GROUP's initiatives. We look forward to receiving frank and candid opinions on this report.

Junji Irie: Representative Director, Senior Managing Executive Officer,
Senior General Manager of Administrative Division & Senior General Manager of Corporate Planning Division
Koichi Inoue: Responsible Care Dept., Quality Assurance Division
Michio Noishiki, Mayuko Kanda, and Mio Obayashi: Corporate Planning Department



RIKEN TECHNOS WAY

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



RIKEN TECHNOS CORP.

Corporate Planning Department

WATERRAS TOWER, 2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, 101-8336, Japan

TEL: +81-3-5297-1631

FAX: +81-3-5297-1660

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