

# Business Segments

The RIKEN TECHNOS GROUP conducts business in four market segments: Transportation, Daily Life & Healthcare, Electronics, and Building & Construction.

Through coordination between our sites in Japan and overseas, we are advancing rationalization and efficiency improvement measures throughout our sales, R&D, procurement, manufacturing, and quality control. Furthermore, we accurately meet market and customer needs, developing and steadily implementing strategies to expand our business with Japanese companies active around the world and with non-Japanese companies.

We will continue to strive to stay ahead of customers' expectations, expand sales of our existing products, which are the drivers of our growth, and improve our market share. At the same time, we will work to create new products and businesses that can serve as the pillars of our future business.



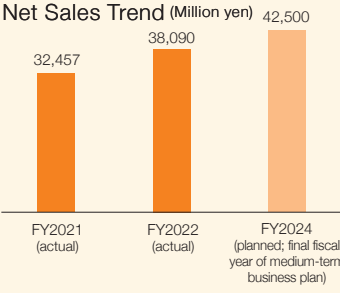


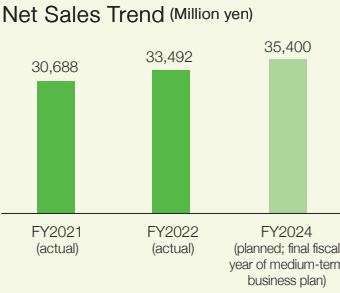


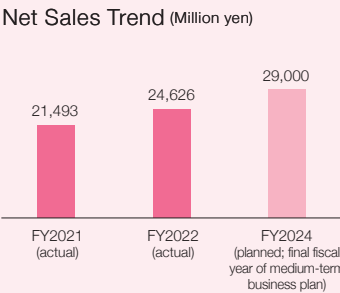


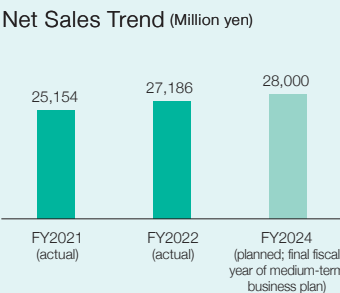
**Gakuyuki Kajiyama**  
Senior General Manager  
Sales & Marketing  
Division

**Aiming for the Further Advancement of Our Global Marketing**

RIKEN TECHNOS was founded as a challenger over 70 years ago. Even today, we maintain that same spirit of venture throughout our sales and marketing activities. That is why our products are so widely used in a variety of markets. In the future, we will further strengthen our strategic marketing and issue proposals that anticipate customer needs even beyond the levels we have already achieved. We will expand our sales areas throughout the world, going beyond the ASEAN region, which is our priority strategy region.

By developing markets for new products and selling environmental materials, for which there is high demand, we will provide "comfort for all living spaces" through our resin materials.

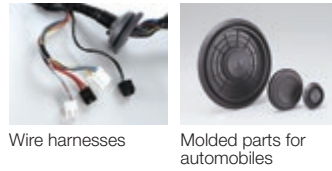


Business Segments	Overview of FY2022	Net Sales / Profit
<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #e67e22;">Transportation</p> </div> </div>  <p style="font-size: 12px; margin-top: 10px;">In the Transportation business segment, our target markets include the automobile, rail-road, and shipping markets. We develop various products such as wire harnesses and molded parts for automobiles.</p>	<p>Revenue increased as domestic and overseas automobile production gradually recovered, raw material price hikes were passed on to product prices, and sales expanded for compounds used for thin-walled electric wires and compounds used for sealing parts and functional parts. Segment profits rose due to expanding sales in Japan and overseas.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Net Sales</b></p> <p style="font-size: 24px; font-weight: bold;">38,090</p> <p>million yen 17.4% year-on-year increase</p> <p><b>Segment Profit</b></p> <p style="font-size: 24px; font-weight: bold;">3,858</p> <p>million yen 40.9% year-on-year increase</p> </div> <div style="width: 50%;"> <p><b>Net Sales Trend (Million yen)</b></p>  </div> </div>
<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #27ae60;">Daily Life &amp; Healthcare</p> </div> </div>  <p style="font-size: 12px; margin-top: 10px;">In the Daily Life &amp; Healthcare business segment, our target markets include the medical, consumer goods, and food packaging markets. We develop a variety of products for these markets.</p>	<p>As the Japanese economy began to recover, domestic revenue rose due to expanded sales of compounds for the medical and consumer goods markets. Likewise, overseas revenue grew due to rising sales of compounds in ASEAN medical markets along with the passing on of raw material price hikes to product prices. Segment profits declined due to delays in passing on raw material price hikes for food packaging materials to product prices.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Net Sales</b></p> <p style="font-size: 24px; font-weight: bold;">33,492</p> <p>million yen 9.1% year-on-year increase</p> <p><b>Segment Profit</b></p> <p style="font-size: 24px; font-weight: bold;">1,477</p> <p>million yen 20.4% year-on-year decrease</p> </div> <div style="width: 50%;"> <p><b>Net Sales Trend (Million yen)</b></p>  </div> </div>
<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #9c27b0;">Electronics</p> </div> </div>  <p style="font-size: 12px; margin-top: 10px;">In the Electronics business segment, our target markets include the energy, telecommunications, and IT device markets. We develop a variety of products for these markets.</p>	<p>Domestic revenue rose due to higher sales of polyvinyl chloride (PVC) compounds for the electric power and industrial wires market and the telecommunications market. Overseas, revenue increased due to higher sales of PVC compounds in the United States and the ASEAN region along with expanded sales of automobile thermal barrier films in the ASEAN region and China. Segment profits rose due to expanding sales in Japan and overseas.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Net Sales</b></p> <p style="font-size: 24px; font-weight: bold;">24,626</p> <p>million yen 14.6% year-on-year increase</p> <p><b>Segment Profit</b></p> <p style="font-size: 24px; font-weight: bold;">996</p> <p>million yen 127.0% year-on-year increase</p> </div> <div style="width: 50%;"> <p><b>Net Sales Trend (Million yen)</b></p>  </div> </div>
<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p style="font-size: 24px; font-weight: bold; color: #00bcd4;">Building &amp; Construction</p> </div> </div>  <p style="font-size: 12px; margin-top: 10px;">In the Building &amp; Construction business segment, our target markets include the housing, building and construction materials, and public works markets. We develop a variety of products for these markets.</p>	<p>Domestic revenue rose thanks to increased sales of PVC compounds for window frames attributable to the Japanese government's campaign to promote energy conservation in homes in 2023. This was despite stagnant housing starts. Overseas revenue rose due to higher sales of PVC compounds in North America. Segment profits declined due to a decline in domestic film sales in Japan and delays in passing on raw material price hikes to product prices.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Net Sales</b></p> <p style="font-size: 24px; font-weight: bold;">27,186</p> <p>million yen 8.1% year-on-year increase</p> <p><b>Segment Profit</b></p> <p style="font-size: 24px; font-weight: bold;">1,050</p> <p>million yen 7.1% year-on-year decrease</p> </div> <div style="width: 50%;"> <p><b>Net Sales Trend (Million yen)</b></p>  </div> </div>

## Transportation

TRANSPORTATION

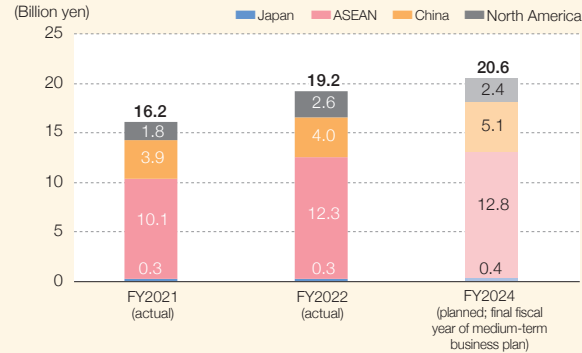
Focus Areas



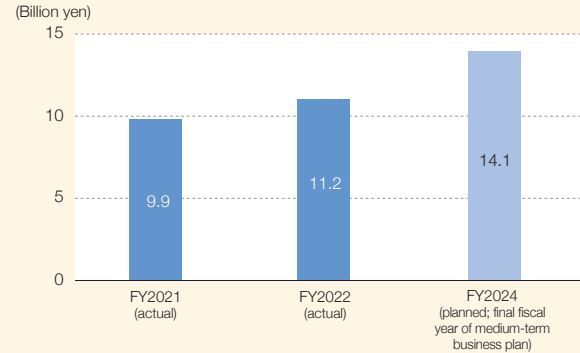
Wire harnesses Molded parts for automobiles

Wire harnesses and molded parts for automobiles are positioned as focus areas in this segment. In recent years, EV technology development has accelerated, becoming particularly vigorous, so we are developing products that meet diverse needs and specification requirements for the electrical wiring systems and molded functional parts used in automobiles. In the wire harness business area, we are steadily working to capture projects for the growing ASEAN and India markets. We are also expanding sales of thin-walled electric wires and focusing our efforts on the launching of competitive grade products. With respect to molded parts for automobiles, we have begun expanding sales of molding and sealing materials with the aim of increasing adoption by major Japanese parts manufacturers and expanding overseas. Likewise, we will work to increase adoption and expand sales in the functional parts field while promoting material conversion and rubber substitution, launching environmentally friendly products, and expanding overseas. In the final fiscal year of our three-year medium-term business plan (ending March 31, 2025), we plan to reach 42.5 billion yen in net sales and produce 3.6 billion yen in segment profits.

Net Sales of Compounds for Wire Harnesses



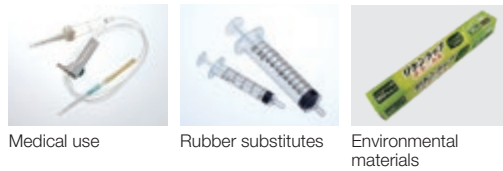
Net Sales of Compounds for Molded Parts for Automobiles



## Daily Life & Healthcare

DAILY LIFE & HEALTHCARE

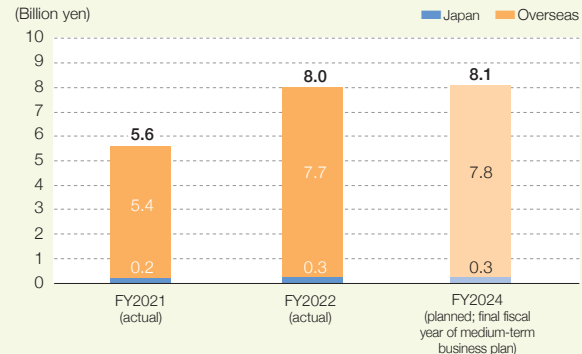
Focus Areas



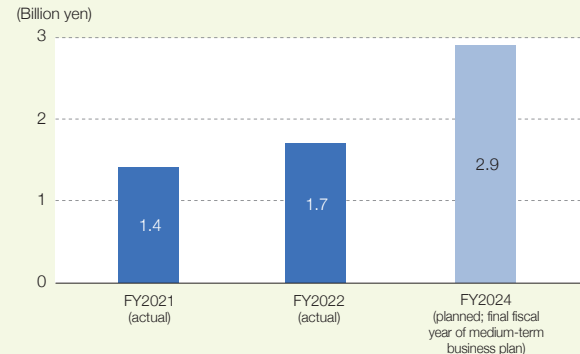
Medical use Rubber substitutes Environmental materials

The focus areas for this segment are PVC compounds for medical use, rubber substitute compounds, food packaging materials, and environmental materials. In the field of PVC compounds for medical use, in addition to deepening business with Japanese companies through our supply network of three sites in the ASEAN region (Thailand, Vietnam, and Indonesia), we are also securing new non-Japanese companies as customers using our high level of quality and our ability to provide a stable supply, which is essential for medical products. Furthermore, in the medical and healthcare markets, we are providing our products with greater functionality based on their high hygiene levels as we propose and expand sales of rubber substitute compounds. In the lifestyle and industrial materials markets, we will work on developing rubber substitute compounds and new functional materials, expanding sales of food packaging materials, and expanding applications of environmentally friendly materials, including biomass plastic RIKEBIO® products. In the final fiscal year of our three-year medium-term business plan (ending March 31, 2025), we plan to reach 35.4 billion yen in net sales and produce 2.5 billion yen in segment profits.

Net Sales of Medical PVC Compounds



Net Sales of Rubber Substitute Compounds



See the Special Feature (pp. 17–20) for information regarding RIKEBIO® biomass plastic.

## Electronics

ELECTRONICS

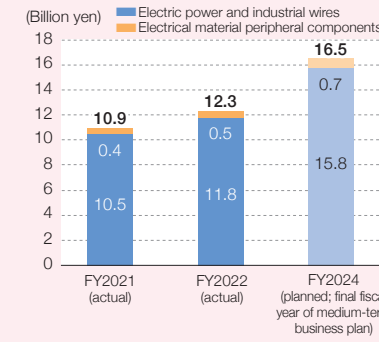
Focus Areas



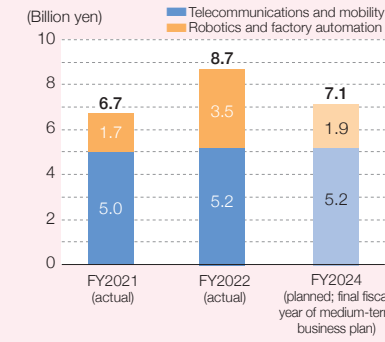
Electric power and industrial wires Telecommunications Optical films

Electric power and industrial wires, telecommunications, and optical films are positioned as focus areas in this segment. We will use our superiority, such as the technical strengths, quality control strengths, and raw material procurement strengths that we have developed through our many years of business in the electric power and industrial wires field, to expand our domestic and overseas market share. In the telecommunications and mobility fields, we will expand sales of materials for use in EVs. In the robotics and factory automation markets, we will develop new products that improve material performance and we will expand our sales channels. In the optical films market, we will aim to expand the use of our products in display applications. In the automobile window films field, we will expand sales by strengthening our sales capabilities in ASEAN markets. In the final fiscal year of our three-year medium-term business plan (ending March 31, 2025), we plan to reach 29 billion yen in net sales and produce 1.3 billion yen in segment profits.

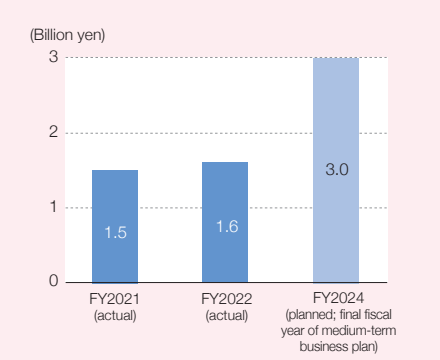
Net Sales of Compounds for Electric Power and Industrial Wires



Net Sales of Compounds for Telecommunications



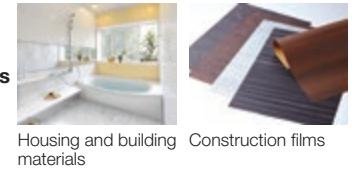
Net Sales of Optical Films



## Building & Construction

BUILDING & CONSTRUCTION

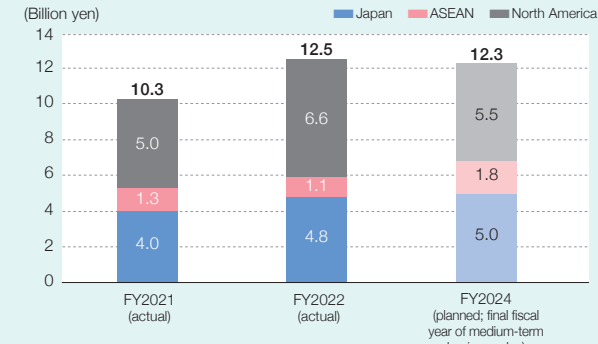
Focus Areas



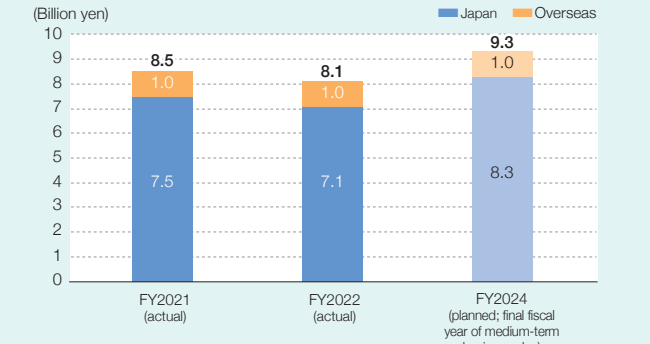
Housing and building materials Construction films materials

Housing and building materials as well as construction films are positioned as focus areas in this segment. We will aim to increase our market share in the industry by differentiating our designs, functions, and services and improving our product strengths to stay ahead of customers' expectations. In the housing and building materials field, the domestic market is expected to contract in the future. However, by capturing demand for energy conservation in the housing industry, we will expand our sales of PVC compounds for window frames. We will also promote higher functionality in thermoplastic elastomer compounds used in construction materials, promoting environmental friendliness and rubber substitution. In overseas markets, we will develop the market for rigid PVC compounds in ASEAN markets such as Thailand and expand sales. In the construction films field, we will work to increase domestic adoption and expand sales of high-end wall covering films, focusing on store renovation demand. In overseas markets, we will strive for greater adoption and expanded sales of furniture applications primarily in North America and China. In the final fiscal year of our three-year medium-term business plan (ending March 31, 2025), we plan to reach 28 billion yen in net sales and produce 1.4 billion yen in segment profits.

Net Sales of Compounds for Housing and Building Materials



Net Sales of Construction Films



Note: Assumptions made when calculating figures for the final fiscal year of the three-year medium-term business plan ending March 31, 2025  
Naphtha price: 61,000 yen/kL; Exchange rate: 1 U.S. dollar = 114 yen