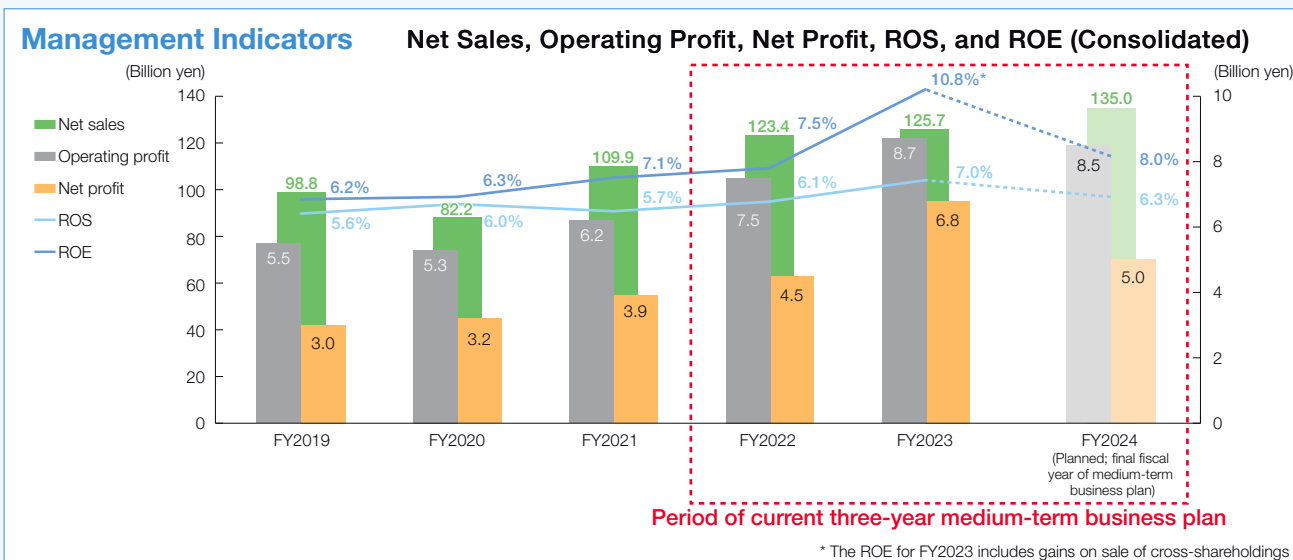


Overview of Value Creation

Medium-term Business Plan

In the three-year medium-term business plan that started in FY2022, we are advancing initiatives to achieve the long-term vision of “Aiming to become the leading provider of comfort for all living spaces” with “Challenge Now for Change New 2024” as the management policy.

All employees are moving forward as one to promote the four strategies in this plan toward achieving the management indicators and accomplishing the plan.



State of Progress

There are four strategies stated in this three-year medium-term business plan: two strategies to grow existing business and two strategies for future growth. In FY2023, the second year of the plan, we focused on implementing specific measures based on these strategies through the organizational structures and systems strengthened in the first year of the plan.

The first strategy is to “Intensify global management and generate synergies.” As part of reinforcing global cross-functional management, we held global meetings for sales and manufacturing departments that involved the participation of domestic and overseas sites, and worked on the sharing of information, early proposal of improvement measures, and enhancing the skills of our human resources. In addition, centered on ASEAN, we commenced operation of new factories and expanded manufacturing lines. Going forward, we will continue to strengthen our production structures in Japan and overseas.

The second strategy is to “Stay ahead of customers’ expectations.” We worked on uncovering hidden needs through technical exchanges with major customers. In addition, to enhance and reinforce our structures for sales

support and research and development, we introduced systems and steadily increased the speed of solution delivery.

The third strategy is to “Take on the challenge toward new businesses and products.” We made progress in the open innovation initiatives by the Technical Division and Start-up Office for New Business Development. For new products, we developed the allergy substance-reducing product RIKEGUARD® A, a thermoplastic vulcanizate elastomer that serves as a substitute for vulcanized rubber, and reform materials for recycled rigid polyvinyl chloride (PVC).

The fourth strategy is to “Contribute to solving environmental and social issues.” Besides developing and spreading environmentally friendly products, we also introduced internal carbon pricing (ICP) to accelerate initiatives toward reduction of CO₂ emissions. We also promoted activities related to our Group’s sustainability, such as formulating our human rights policy and under the theme of promoting women’s empowerment, launching a project and providing recommendations to the management.

As the final fiscal year of the plan, in FY2024, we will work as one united Group on the various measures toward accomplishing the four strategies.

Four Strategies

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 structures, utilization of DX)
- Improve ability to serve customers by establishing the Film Business Unit

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 structures 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 various activities (climate change, circular economy, human rights issues, diversity, social contribution, etc.)
- Undertake initiatives toward becoming carbon neutral by 2050

Measures That Support the Four Strategies

We will focus on five major initiatives.

- (1) Capital investments in manufacturing facilities
- (2) Intellectual property and R&D investments
- (3) DX investments for improving efficiency of operations and developing working environments
- (4) Human capital investments
- (5) Reinforcement of governance structures

In particular, for (4) human capital investments, 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.