

Coexistence with Society

Coexistence with Society

RIKEN TECHNOS believes that employees and the company have a relationship of mutual growth, and the growth of people is corporate growth itself. Our human resource development policy is one in which each employee puts the RIKEN TECHNOS WAY into practice and grows into the human resource that we need, and in which we achieve growth at the same time by uniting the abilities of each individual, leveraging them as the organization's own capabilities. We focus on developing human resources suited to a challenger, and we strive to hire and develop the human resources we need to carry out the strategies defined in the three-year medium-term business plan.

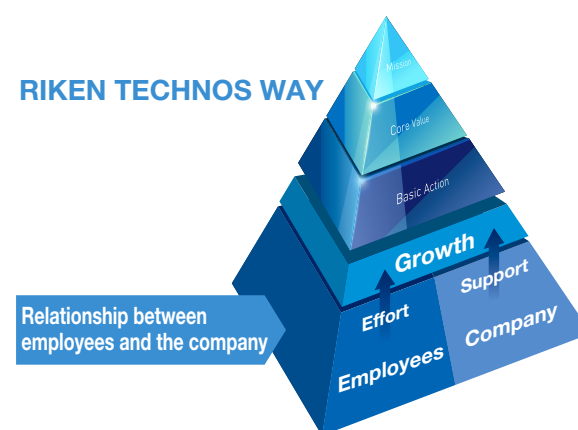
In addition, seeking further growth and development as a global company, we work to establish a structure and foster a culture in which diverse employees can work energetically.

Develop Human Resources Suited to a “Challenger”

We provide the ideal work and environment that enable individual employees to demonstrate the abilities required by us. At the same time, we actively develop (invest in) human resources who can succeed in the face of global competition. Through these efforts, we support the growth and active participation of employees. By bringing together the enhanced abilities of individual employees through dialogue and demonstrating the collective strength of the team, we contribute to the further growth of RIKEN TECHNOS. We believe that the self-driven practice of our corporate philosophy—the RIKEN TECHNOS WAY—by each and every employee is the foundation of all our operations, and we are responsible for creating the environment in which that takes place.

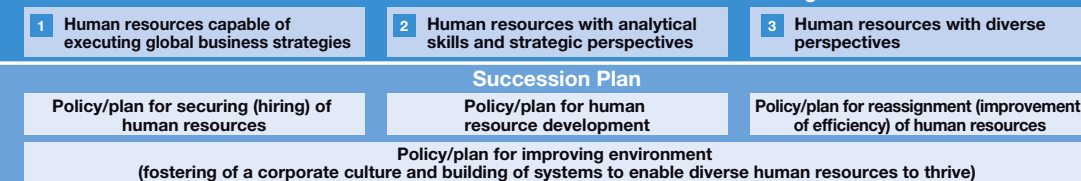
We advocate being a challenger, and besides taking on new challenges as a company, we are also working to establish a human resource development system in which every employee can achieve their targets and develop their own abilities. In addition, for sustainable improvement of corporate value, we believe it is vital to see our human resources as capital and to draw out all of their potential value, while

at the same time formulating and implementing human resource strategies linked to our management strategies. Based on such an approach, we are carrying out a range of initiatives to secure and develop the human resources necessary for executing the strategies of our three-year medium-term business plan.

Corporate
PhilosophyManagement
Strategies
(Medium-term
Business Plan)Human Resources That Embody the RIKEN TECHNOS WAY
= Human Resources Suited to a Challenger

- 1 Intensify global management and generate synergies
- 2 Stay ahead of customers' expectations.
- 3 Take on the challenge toward new businesses and products

Human Resource Portfolio Needed to Execute Strategies



Human Resources Department



Global Human Resource Development

We carry out various measures for developing human resources capable of executing global business strategies. We provide young employees with experiences in secondment or business trip to overseas consolidated subsidiaries in order to discover and develop human resources capable of playing active roles at the global level.

Pre-dispatch Global Human Resource Development for Employees Dispatched Overseas

Participants in this training learn broadly—including sales strategy formulation techniques, marketing, financial accounting, understanding of different cultures, and foreign languages—through e-learning and pre-dispatch training. They acquire the skills and mindsets necessary for carrying out management overseas.

Selection-based Development of Managers and Young Employees

Selected employees are sent to educational institutions such as an outside school to learn a variety of ways of thinking and to develop usable management skills. The aim is to let employees broaden their perspectives and see themselves objectively by being away from their daily operations and interacting with people from other companies, and at the same time, also widen their human networks. Through conducting such development at each level, we continuously develop human resources for future management candidates.

Career and Human Resource Development Programs

We have various measures in place to enable employees to autonomously develop their own careers, increase their own value, and continue to grow as employees. Besides the conduct of training, in our human resource structure, we have systems that create opportunities for regular communication between superiors and subordinates regarding career development. Education through on-the-job training (OJT) and off-the-job training (Off-JT), assignment transfers, and such are carried out taking into consideration the intentions of our employees.

Training is undertaken not only by the participants; we also create opportunities for the involvement of their superiors. For example, in new managerial staff training, we provide guidance to superiors about the training's purpose and intent and how superiors are involved. Over the six-month period of the training, we create opportunities for monthly interviews between participants and their superiors. During these interviews, besides confirming and reporting the progress of themes being undertaken in the training, participants can also receive support from their superiors.

In addition, we carry out various human resource development programs to promote individual employee growth and strengthen our organizational abilities, including external seminars, group training at the workplace, attainment of qualifications, and in-house skill certification. We also widely conduct education about compliance and internal control to establish and maintain a culture that allows proper conduct as corporate employees.

Through these and other human resource development

measures, we continuously develop management human resources and secure human resources capable of being assigned to key posts.

New Recruits Training

Group training is conducted for new recruits three times: immediately, three months, and one year after joining us. Besides deepening their understanding of RIKEN TECHNOS, these training sessions also help them to switch their mind-set from being students to that of working adults, learn business etiquette, and alleviate their worries, concerns, and doubts. By including training related to the Sustainable Development Goals (SDGs), we also create opportunities for them to think about the ways in which businesses and the daily activities of individual employees can contribute to the SDGs. In addition, for those in career positions who graduated from universities or graduate schools, we assign them—regardless of occupation—to manufacturing, quality control, R&D, and other such departments as part of training for one year (up to two years) after joining the Company. During the training period, they deepen their understanding about our products, technologies, raw materials, and such, and learn the basic knowledge necessary as employees of a manufacturer practicing “the spirit of manufacturing” before they are assigned to their actual departments.

Training by Level

We conduct several types of training by level, mainly for promotees, such as new chief training and new managerial staff training. The curriculum for new chief training mainly seeks to provide foundational management knowledge necessary for leaders at the frontlines and to reinforce the participants' self-awareness as being in the pool for future management candidates. In new managerial staff training, as managers working at the frontlines, the curriculum mainly comprises training for the purposes of providing them with a solid foundation in management; strengthening their abilities to solve problems, develop the capabilities of the employees for whom they are responsible, and exert leadership; promoting diversity, equity, and inclusion; and directly linking training to operations so that the knowledge obtained in training leads to results at work.

DX Training

Continuing from FY2022, we conducted selective digital transformation (DX) training in FY2023. Our IT literacy education was also reorganized into our DX training, and it is also conducted as company-wide education. Going forward, we will continue to reinforce our DX training to raise the DX skills of our employees and develop specialized human resources.

Professional System

We introduced a professional system to develop specialized human resources, provide them with opportunities to play active roles, and secure human resources with a high level of specialized skills. Employees assigned to professional positions apply their high levels of experience and knowledge at departments in the areas of R&D, intellectual property, and sales.

Promotion of Diversity, Equity, and Inclusion

We recruit and promote diverse human resources without bias with respect to gender, nationality, age, or career history. To accelerate the global expansion of business in the future and to respond with speed to the rapidly changing market environment, we actively recruit and promote human resources with different experiences, skills, and careers, and continue to work to establish a human resource development system and a work environment in which these employees can play active roles.

In FY2023, we launched the Women's Empowerment Promotion Project to promote women's empowerment and provided relevant recommendations to the management. We will expand the scope of this project in FY2024, embarking on new activities as the Diversity, Equity, and Inclusion Promotion Project and working to implement the recommendations as specific measures. As a global company that not only promotes women's empowerment but also that of diverse human resources and as a company that continues to create new value, we promote diversity, equity, and inclusion.

Ensuring Diversity

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

	Actual (March 31, 2024)	Target (March 31, 2025)
Percentage of women in management positions	2.1%	7.0%
Percentage of foreigners in management positions	0.7%	3.0%
Percentage of mid-career recruits in management positions	29.8%	40.0%

With respect to the empowerment of women, we strive to create workplace environments where women can freely participate based on our action plan under the Act on the Promotion of Women's Active Engagement in Professional Life. From the beginning of FY2024, we are formulating and implementing a new action plan. The following are the initiatives in the action plan.

1. Female recruitment rate of at least 30%
2. At least a rate of 70% for taking of annual paid leave
3. Implementation of the Diversity, Equity, and Inclusion Promotion Project
(Plan period: April 1, 2024 to March 31, 2027)

Comments from the Leader of the Diversity, Equity, and Inclusion Promotion Project

Aki Iwaasa Material Characterization & Analysis Center

The Women's Empowerment Promotion Project was launched in July 2023 and was active for approximately nine months until March 2024. In April 2024, we changed the name and revamped its scope to embark on activities as the Diversity, Equity, and Inclusion Promotion Project.

As the leader of the project, I hope to increase the number of women in management positions and expand opportunities for women's empowerment in the future. At the same time, I hope to create workplaces where both RIKEN TECHNOS and employees can work with satisfaction through the employment of not only women but also diverse human resources from different positions with different ways of thinking.

In the Women's Empowerment Promotion Project, we focused our activities on "how we can increase (or aim) the number of women in management positions in the future." As part of these activities, we conducted a survey for all employees on the actual state of RIKEN TECHNOS to understand the current situation and identify issues. For this survey, we conducted interviews with all female employees in career positions as well as their superiors and considered the scope of the survey based on the results of the interviews. After the survey, we analyzed the results and drafted improvement measures. We then reported the results and recommended the improvement measures to the management. We also sought to enhance the knowledge of project members, such as participating in seminars on basic knowledge related to diversity.

As this was something new challenge for me, there were times when I felt apprehensive about the best way to move forward. Still, the project members united as one to conduct activities through trial and error. The project members also gained more knowledge related to diversity.

Starting from FY2024, we are continuing our activities as the Diversity, Equity, and Inclusion Promotion Project, replacing some members and expanding the scope of applicable employees. In parallel, we will also implement the recommendations given in FY2023.



Comments from Employees Using the Childcare Leave System

Miho Doi Electronics Group, Electronics Business Unit

I took a year and eight months of maternity (before and after childbirth) and childcare leave due to childbirth, returning to work in April. During childcare leave, I was able to feel up close the growth of my child. It was truly an invaluable and fulfilling time.

When returning to work, frankly, I was worried about whether I could get back my sense of work due to the period of absence and whether I could balance taking care of my child and work. I am truly grateful that I can work in my own style at the same department as before I went on leave with the understanding and cooperation of my colleagues and superior. Going forward, I hope to do my best to balance childcare and work so that I can meet the expectations of those around me even more than before.



Kaoru Iwasa Group 2, Material R&D Department No. 1, R&D Center

I took three weeks of childcare leave and then returned to work. I had many concerns while on leave because I took childcare leave as a group leader. However, with the cooperation of my superior and the other members, I was able to make use of this system without any major issues, for which I am truly grateful.

As this is our first child, my wife and I were both very worried. Being able to take childcare leave allowed us to mutually support each other in taking care of our child. My child started going to a childcare center in April, and going forward, I will continue to do my best to balance work and childcare while splitting the role of bringing our child to and from the childcare center with my wife.



the childcare leave usage rate was 62.5% (100% for women and 52.6% for men)*. The nursing care leave system allows employees to take up to a total of 93 days of leave.

We also have a system that allows the reemployment of employees who were forced to resign due to reasons such as marriage, pregnancy, childbirth, and their spouses' job relocations.

Furthermore, based on the action plan of the Act on Advancement of Measures to Support Raising Next-Generation Children, we strive to create workplace environments where all employees can achieve a balance between their work and families. For the three years starting from FY2024, we have developed and are implementing the following action plans for our efforts.

1. Creation of workplaces with high productivity that allow work to be carried out efficiently
2. Development of organizational culture that supports a balance between work and family life
3. Men's childcare leave usage rate of at least 60%
(Plan period: April 1, 2024 to March 31, 2027)

* Childcare leave usage rate is calculated by dividing the number of employees who took childcare leave in FY2023 by the number of employees who gave birth or had spouses who gave birth in FY2023.

Securing of Human Resources

Human resources support the growth of RIKEN TECHNOS. Thus, we focus on securing human resources. In the recruitment of new graduates, we are enhancing our approach to students, and we are increasing opportunities for connecting with students in addition to recruitment websites. We strive to secure diverse human resources, including the recruitment of foreign students and recruitment regardless of course of study. We are also strengthening mid-career hiring and incorporating methods such as referral hiring, alumni hiring, and headhunting to secure the necessary human resources. Through switching from temporary to full-time employment and other such measures, we are going

Promotion of Health Management

We believe that investing in the promotion of our employees' health invigorates our organization by energizing employees and making them more productive. This contributes to the sustainable growth of the Company. Failing to create environments where our employees can continue to work in good health would render the Company incapable of sustainable growth. That is why the Company and our health insurance union are conducting collaborative health* initiatives, closely connecting the Company's health management (investment) and the health insurance union's data health plan activities.

* Companies and health insurance unions each performing their own roles and meeting their own responsibilities while collaborating together to promote the health of employees

Ensuring of Work-Life Balance

We have created various systems, including a flex time system and a working-hour interval system, to ensure that employees can maintain their work-life balance.

System for Accumulating Expired Paid Leave

Paid leave expires after two years. This system allows paid leave to be withheld and accumulated for up to 60 days. Withheld leave can be taken for taking care of children, nursing care, and for illnesses and injuries not related to work.

System for Half-day Paid Leave, Period for Promoting the Taking of Paid Leave, and Planned Taking of Annual Paid Leave

We have introduced a system where employees can take paid leave for half a day at a time and are conducting campaigns for promoting the taking of paid leave. Other ways in which we are focusing on ensuring work-life balance include the planned taking of annual paid leave, in which we have major periods of consecutive leave with the entire site taking leave together.

Support for the Promotion of Employee Mental and Physical Health

We have created a third phase data health plan as an effective and efficient health promotion project (data health) that uses data analysis to assess the health of employees and their

beyond the securing of human resources to strive for the creation of better employment.

To reward the work of our employees and mitigate the impact of inflation on their lives, we also strive to raise our compensation levels and provide incentives.

In addition to the stock benefit trust (employee stockholding association purchase-type) introduced in the past, through measures such as raising the stockholding association's subsidy rate, we also make this a system that encourages employees to take interest in the Company's performance by being in the position of shareholders and raising their desire to contribute toward the Company's performance.

family members and addresses health issues. We are monitoring progress on this plan, making improvements, sharing scoring report information with the health insurance union, and conducting reviews to address and resolve health issues.

We have defined the specific health examinations and specific health guidance participation rate as a key performance indicator (KPI) in our lifestyle-related disease countermeasures, and we are working to raise participation rates. We have adopted periodic health checkups based on comprehensive medical examinations annually for employees aged 40 and older as a disease prevention measure. In addition, we are enriching our efforts to diagnose cancer, including breast cancer. We are also carrying out measures for high-risk employees who have yet to undergo health checkups, conducting diabetes prevention/mitigation and smoking cessation programs, implementing shoulder stiffness and back pain prevention measures, holding "walking challenge" promotion activities, and issuing seasonal magazines and pamphlets to promote health literacy. Through these efforts, we are providing support to help employees change their activity patterns to enjoy mental and physical health.

We are also, of course, conducting stress checks, as specified in the Industrial Safety and Health Act. These stress checks help employees become aware of their own stress and assist them in dealing with them. They also help prevent mental health issues in advance by improving workplace environments. When workplaces are found to have high stress levels, we promptly take steps to make workplace environment improvements.

Percentage of Employees Undergoing Specified Health Examinations (Domestic)

Results	Medium- to Long-term Targets	
FY2023	FY2024	FY2030
90.3%	90.0%	90.0%

Percentage of Employees Provided Specified Health Guidance (Domestic)

Results	Medium- to Long-term Targets	
FY2023	FY2024	FY2030
61.4%	55.0%	60.0%

Promotion of Occupational Health and Safety

Occupational Health and Safety Policy

Fundamental Occupational Health and Safety Policy

Based on our belief that safety comes above all else, we consider occupational health and safety to be one of the most important foundations of our business operations, and strive to maintain and improve our healthy and safe working environments.

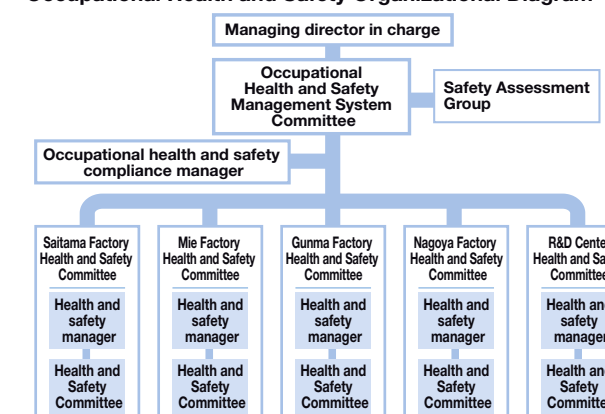
Occupational Health and Safety Policy

1. Comply with the Industrial Safety and Health Act
2. Maintain and improve our occupational health and safety structure
3. Create comfortable work environments
4. Promote health

Occupational Health and Safety Management Structure

We carry out our business operations with an occupational safety management system in accordance with ISO 45001.

Occupational Health and Safety Organizational Diagram



Safety and Health Activities

Activities to Eradicate Causes of Dangers and Hazards through Risk Assessments

Following the introduction of risk assessments in 2003, preventive improvement activities to eliminate and separate potential dangers and hazards in the workplace to reduce risks have become entrenched. Going beyond "zero industrial accidents," all employees work to achieve "zero risks" by participating in safety awareness and risks and systems improvement activities.

Health and Safety Patrols

Factory managers regularly patrol workplaces to confirm that there are no latent risks or unsafe behavior in factories, and that the 5S are being practiced as fundamental behavior. We perform risk assessments of the hazards identified through these activities, and establish work environments which place safety first.



Virtual Reality Safety Education

We have introduced educational contents making use of virtual reality (VR) as part of safety education and kiken yochi training (KYT: hazard prediction training) at work sites



involved in dangerous work within our factories. The use of VR allows simulated experiences of industrial accidents and dangerous situations, helping to prevent accidents and improve safety awareness.

Sharing of Health and Safety Information

Materials regarding health and safety and information regarding industrial accidents are shared between all Group companies, including overseas consolidated subsidiaries. This helps improve the safety awareness of operators and prevent accidents.

Results of Safety and Health Activities

Incidence of Industrial Accidents

For FY2023, there were no occupational injuries requiring time off work in Japan (including consolidated subsidiaries). In addition, our Group has never had a fatal accident.

SHANGHAI RIKEN TECHNOS CORPORATION

Excellent Company Award

We received an award as an excellent company from the management committee of Shanghai Xinzhuang Industrial Park, where we are located. Following last year, we have received this award for two consecutive years. This award is presented to companies that practice healthy corporate management with no issues in aspects such as safety and the environment.



RIKEN ELASTOMERS CORPORATION

Governor's Safety and Health Award from State of Kentucky

We received the Governor's Safety and Health Award from the Commonwealth of Kentucky, where we are located, for our occupational health and safety initiatives. We have received this award for five consecutive years since 2020.



Respect for Human Rights

The Group considers it absolutely vital to respect the human rights of all that are affected by our business activities so that we can create a sustainable society by practicing our corporate philosophy, the RIKEN TECHNOS WAY, and following the RIKEN TECHNOS GROUP Code of Conduct. Based on this belief, we have set respect for human rights as one of our materiality topics and we are implementing the activities.

Human Rights Policy

We have formulated the RIKEN TECHNOS GROUP Human Rights Policy for our human rights activities. In formulating this policy, we engaged in discussions with input from outside experts, conducted Sustainability Committee and Risk & Compliance Committee deliberations, and received the approval of the Board of Directors.

The RIKEN TECHNOS GROUP Human Rights Policy is posted on our website.

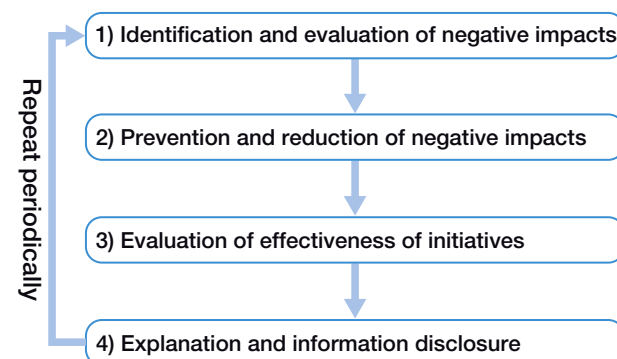
<https://www.rikentechnos.co.jp/e/csr/social/human-rights/>

Human Rights Due Diligence

As part of risk management, we embarked on human rights due diligence (a continuous process for preventively understanding, avoiding, and mitigating the negative impacts of corporate activities on human rights) in FY2024. At the Risk & Compliance Committee, we listed out the human rights risks (risk of the Group's businesses having a negative impact on human rights) in our Group and identified the following risks to be addressed with priority based on factors such as likelihood, severity, and state of response.

- Discrimination
- Harassment
- Occupational health and safety
- Product quality and safety
- Infringement of human rights of local residents
- Excessive/improper working hours
- Human rights issues related to the environment and climate change
- Human rights issues in the supply chain
- Right to access remedies

Going forward, we will promote measures to reduce such risks. At the same time, we will continuously reinforce our initiatives by reporting progress to the Risk & Compliance Committee and Board of Directors as well as review our human rights risk evaluation every year, taking into consideration the state of our initiatives and changes in the social situation.



Measures for Fostering Greater Awareness within Group Companies

We have been conducting harassment-related compliance training and such to improve the employees' awareness. In FY2023, we started conducting human rights and compliance training for all employees of RIKEN TECHNOS and our consolidated subsidiaries in Japan. For FY2023, we raised awareness about our Human Rights Policy, and at the same time, explained discrimination, harassment, and such that can easily occur at workplaces using specific examples.

In addition, the RIKEN TECHNOS GROUP Compliance Manual sets forth the rules that officers and employees of Group companies must comply with. It provides explanations of human rights violations such as discrimination and harassment and makes everyone aware that these actions are strictly prohibited.

Procurement Initiatives

We are creating a sustainable supply chain based on our procurement policy. Based on our Group's human rights policy, in our Procurement Policy, we declare our respect for human rights and our dedication to eliminating unfair discrimination. We do not procure or engage in transactions involving raw materials that contribute to conflicts or which are obtained through unlawful labor (such as child labor or labor which involves the infringement of human rights) in all regions, even if they are not conflict or high-risk regions.

In addition, we administered an online ESG and SDGs questionnaire to 400 companies centered on our raw material suppliers in FY2023 to investigate their state of responding to sustainability.

For FY2024, we will conduct the questionnaire for overseas suppliers to strive for the creation and enhancement of a sustainable supply chain.

Coexistence with Local Communities

Our Group is involved in various activities to promote harmonious coexistence with local communities as well as a better understanding of our business activities. This section introduces initiatives being taken in Japan and overseas.

Initiatives in Japan

Donation of DVDs to a Library

Mie Factory is located in Kameyama City, Mie Prefecture. To commemorate its 50th anniversary, the factory donated DVDs to Kameyama City Library. For this donation, requests from the library's staff were taken into consideration to select titles that can be enjoyed by a wide range of ages, from children to adults, including animation works, works related to education and railways, and popular Western and Japanese titles. The donated DVDs are placed in the RIKEN TECHNOS Media Library section.



Weeding Volunteer Activity at Nursery School

We carried out weeding at a nursery school in Fukaya City, Saitama Prefecture where Saitama Factory is located.



Donation of Goods to Food Bank

Our Osaka Branch Office donated disaster supplies to a non-profit project for the effective use of excess food and the provision of support to welfare organizations.

Support for Environmental Beautification Activities

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. These activities include cleaning up the river that flows through town and cleaning the roads around the factory, along with performing regular inspections of facilities such as wastewater and liquid waste facilities within the town and industrial estate.

Initiatives Overseas

RIKEN AMERICAS CORPORATION

Support for Victims of Sexual Assault and Domestic Violence

Since FY2021, we have been conducting a project in concert with Sanctuary, Inc., a non-profit organization that provides prevention and healing services to victims of sexual assault and domestic violence and offers comprehensive support, including emotional care for the victims of violence. Every month, we provide 200 snack bags to support the organization.

PT. RIKEN INDONESIA

Construction of Village's Restroom and Facility for Rainwater Drainage and Storage

Weninggalih Village in Jonggol District is plagued by a shortage of water resources during droughts and dry seasons. We constructed a restroom and facility for rainwater storage that can be used by the neighboring residents and donated them to the village. We also interacted with the village's residents as well as children from schools in the vicinity of the village, and we donated daily necessities, school supplies, and such.



RIKEN VIETNAM CO., LTD.

Support Activity at Orphanage

At an orphanage in Tân Uyên City, Bình Dương Province, we installed a new well for the washing of clothes and dishes as well as for having fun with water. We also donated food, detergent, mops, notebooks, and such.

