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# RIKEN TECHNOS CORPORATION

## Financial and Management Results Briefing for Fiscal Year Ended March 2024

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May 17, 2024



**RIKEN** TECHNOS





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# Overview of Financial Results

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## Contents      Segment Overview

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## Medium- and Long- Term Initiatives



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## Overview of Financial Results

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# 1. Overview of Financial Results

Segment Overview

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Medium- and Long-Term Initiatives

# Summary of Consolidated Financial Results for the Year Ended March 2024

## 1. Overview of Financial Results



(Unit: million yen)

	Actual results for the year ended March 2023	Actual results for the year ended March 2024	Year on Year (YoY) change	YoY percentage change	Forecasts for the year ended March 2024*
Net sales	123,497	125,739	2,242	1.8%	128,000
Gross profit	20,351	21,882	1,531	7.5%	-
Operating profit	7,506	8,775	1,269	16.9%	7,600
Ordinary profit	7,964	9,544	1,580	19.8%	7,800
Profit attributable to owners of parent	4,557	6,880	2,323	51.0%	4,500
Basic earnings per share	72.11	114.24	42.13	58.4%	71.14
ROS(%)	6.1	7.0	0.9	-	5.9

\* Initial forecast

Average naphtha price for the year ended March 2024 : 69,100 yen/KL

Average exchange rate for the year ended March 2024: 140.55 yen/USD

- Revenue and profit increased due to a higher sales volume, sales price optimization, and the effects of yen depreciation.
- Extraordinary income included 1.9 billion yen from sale of investment securities (cross-shareholdings).
- Net sales and each profit set record-high for three years in a row.

# Net Sales by Segment

1. Overview of Financial Results



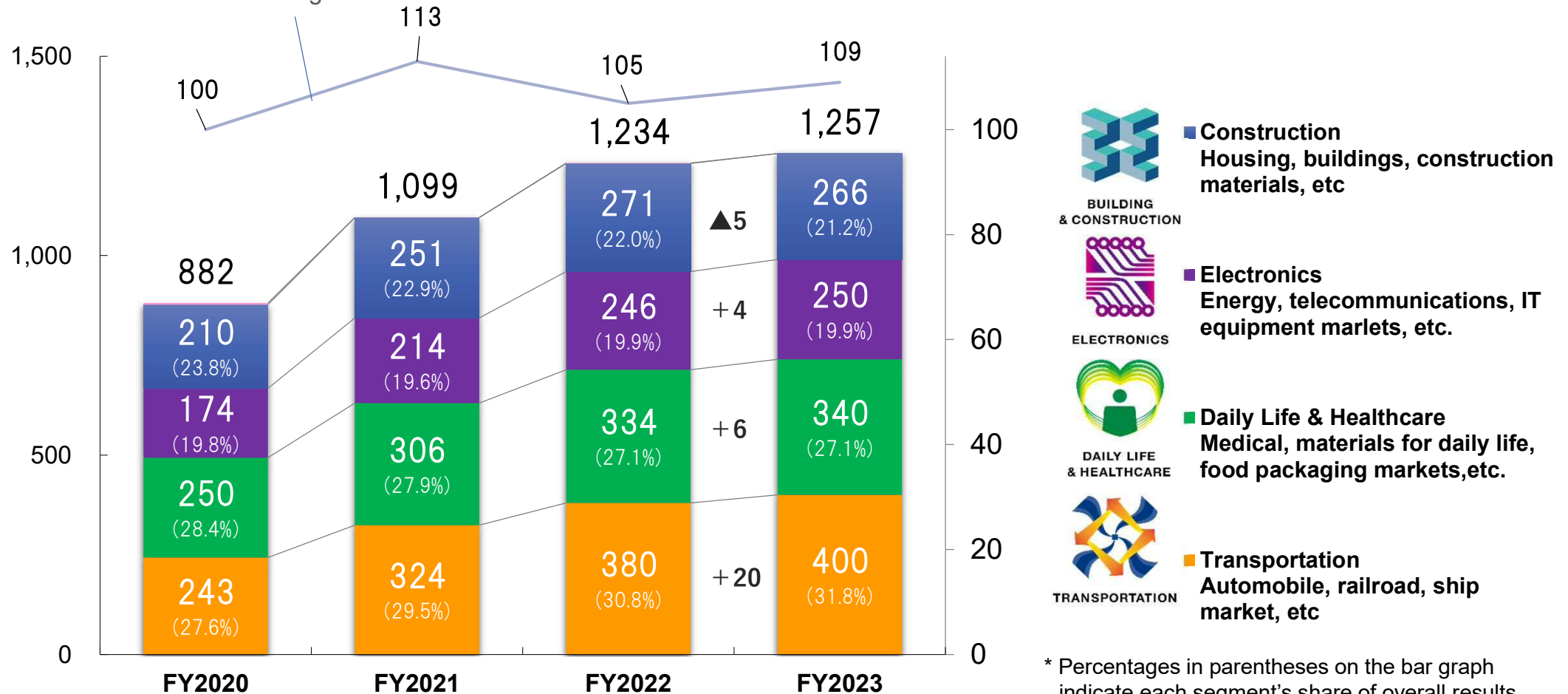
Net sales for the year ended  
March 2024

**125.7** billion yen

**22 billion yen increase from the same term of previous year  
(1.8% increase)**

(100 million yen)

Change in sales volume with volume for the FY 2020 set to 100



# Net Sales by Region

| 1. Overview of Financial Results

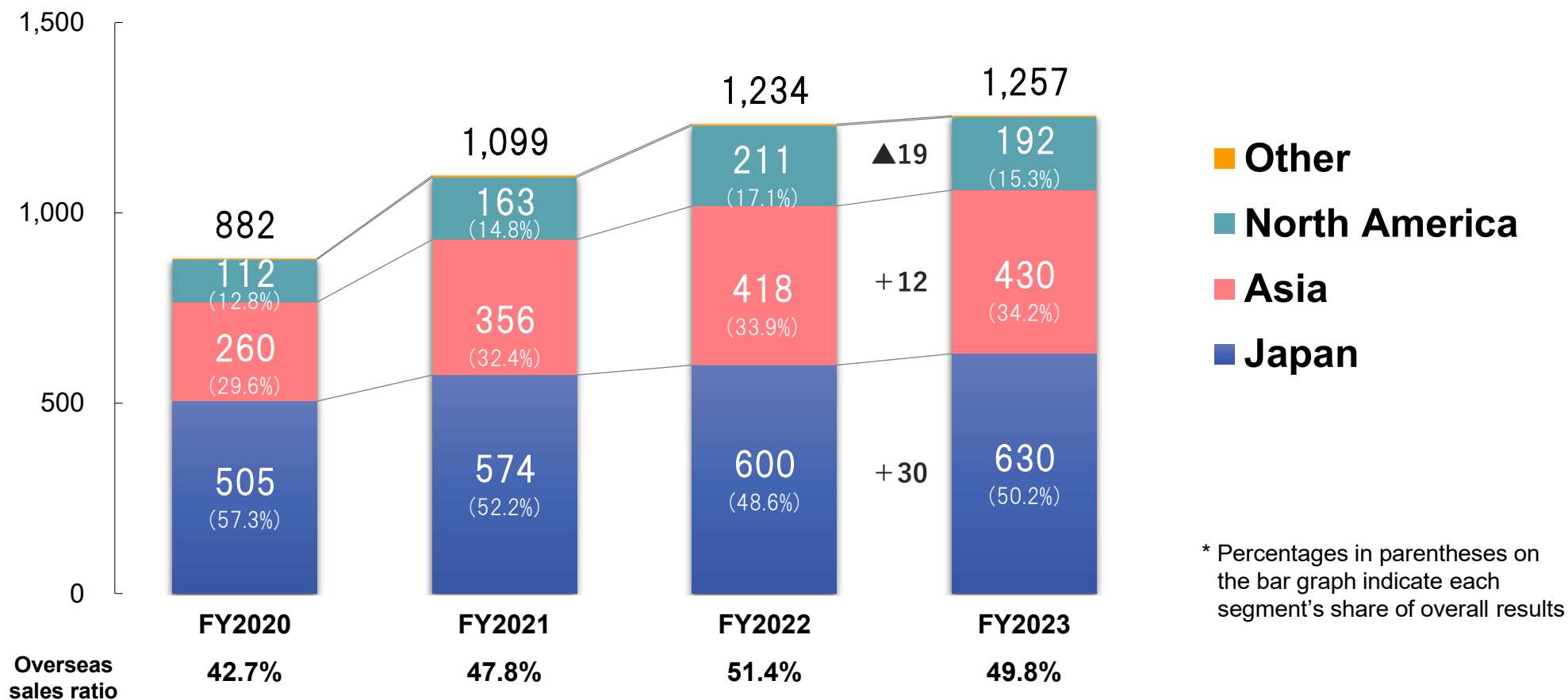


Net sales for the year ended  
March 2024

**125.7** billion yen

**22 billion yen increase from the same term of previous year  
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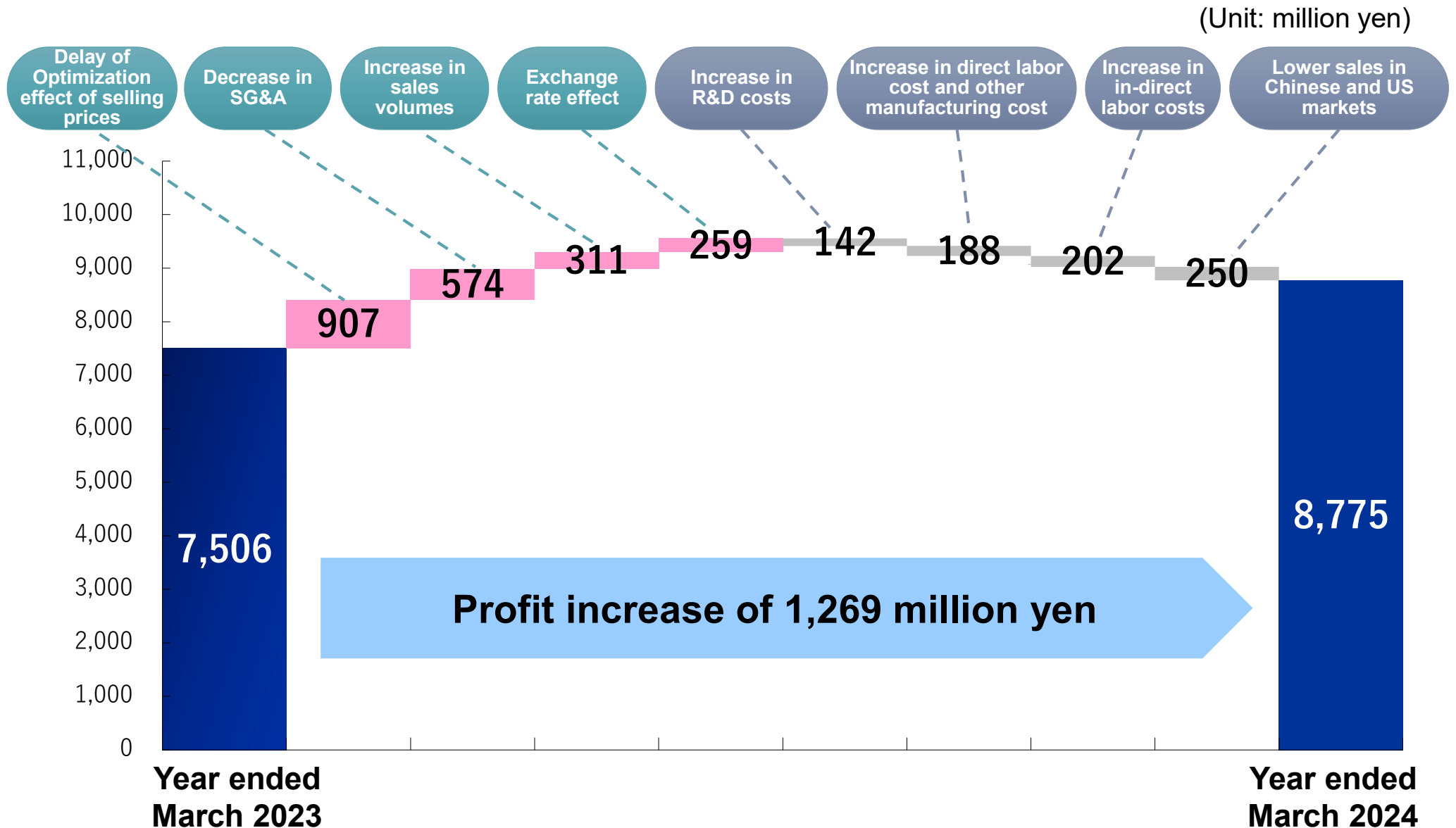
(100 million yen)





# Analysis of Factors Underlying YoY Change in Operating Profit

## 1. Overview of Financial Results

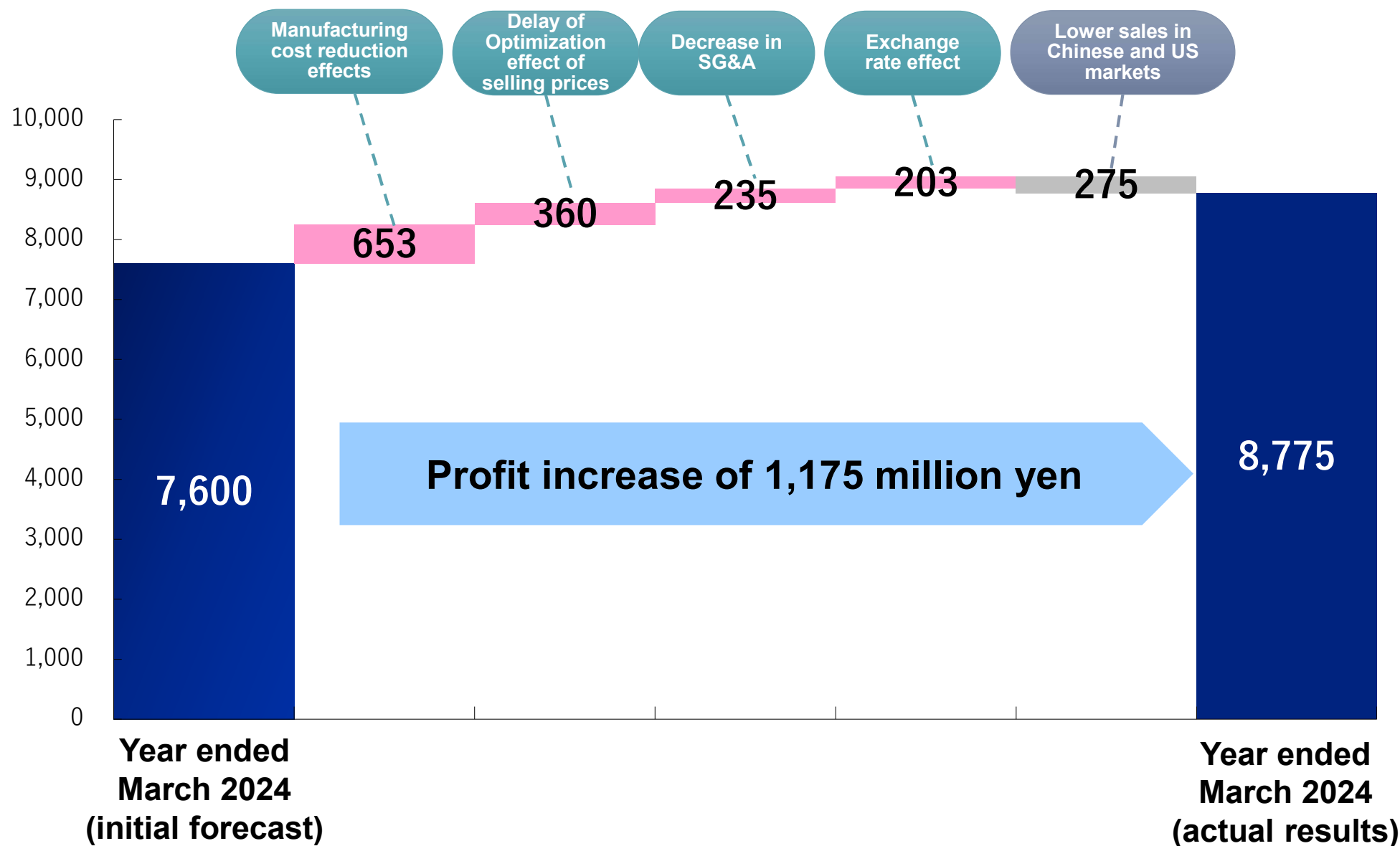


# Analysis of Factors Underlying Forecast Change in Operating Profit

1. Overview of Financial Results



(Unit: million yen)





# Consolidated Balance Sheet

| 1. Overview of Financial Results



(Unit: million yen)

	March 31, 2023	March 31, 2024	Increase/ decrease		March 31, 2023	March 31, 2024	Increase/ decrease
<b>Current assets</b>	<b>71,667</b>	<b>71,820</b>	<b>153</b>	<b>Liabilities</b>	<b>39,837</b>	<b>41,633</b>	<b>1,796</b>
Cash and deposits	23,481	21,879	-1,692	Current liabilities	33,876	35,432	1,556
Trade receivables	28,495	29,929	1,434	Non-current liabilities	5,961	6,200	239
Inventories	18,734	19,376	642	<b>Net assets</b>	<b>72,165</b>	<b>74,017</b>	<b>1,852</b>
Other	956	635	-321	Share capital	8,514	8,514	-
<b>Non-current assets</b>	<b>40,334</b>	<b>43,829</b>	<b>3,495</b>	Capital surplus	6,597	6,597	-
Property, plant, and equipment	27,077	28,475	1,398	Retained earnings	41,463	39,535	-1,928
Intangible assets	2,286	2,247	-39	Valuation difference on available-for-sale securities	4,904	6,526	1,622
Investment securities	8,777	10,509	1,732	Non-controlling interests	8,969	9,577	608
Investments and other assets	2,193	2,599	406	Other	1,718	3,268	1,550
<b>Total assets</b>	<b>112,002</b>	<b>115,650</b>	<b>3,648</b>	<b>Total liabilities and net assets</b>	<b>112,002</b>	<b>115,650</b>	<b>3,648</b>

- Although investment security book value decreased due to sales of cross-shareholdings, the balance increased due to increase of market value.
- Retained earnings decreased due to cancellation of treasury shares and increased dividend payouts.
- Interest-bearing debt: 10,152 million yen

# Consolidated Statement of Cash Flows

## 1. Overview of Financial Results



RIKEN TECHNOS

(Unit: million yen)

	Year ended March 2023	Year ended March 2024	Increase/ Decrease
a. Cash flows from operating activities	8,524	10,753	2,229
b. Cash flows from investing activities	-3,955	-1,668	2,287
Purchase of property, plant, and equipment	-3,675	-4,037	-362
Purchase of intangible assets	-311	-211	100
Proceeds from sale of investment securities	46	2,587	2,541
Other	-15	-7	8
c. Free cash flow (a + b)	4,569	9,084	4,515
d. Cash flows from financing activities	-2,335	-11,120	-8,785
Purchase of treasury shares	0	-7,000	-7,000
Dividends paid	-1,281	-1,793	-512
Other	-1,054	-2,326	-1
e. Effect of exchange rate change on cash and cash equivalents	543	432	-111
Net increase/decrease in cash and cash equivalents (c + d + e)	2,777	-1,602	-4,379
Cash and cash equivalents at end of period	23,454	21,852	-1,602

- Although capital investment increased, cash flows from investing activities decreased due to cash from sale of investment securities.
- Cash flows from financing activities increased due to purchase of treasury shares and payment of dividends.

# Consolidated Earnings Forecast for the Year Ending March 2025

1. Overview of Financial Results



(Unit: million yen)

	Actual results for year ended March 2024	Earnings forecast for year ending March 2025	Compared to previous year	
			Difference	Growth rate
Net sales	125,739	130,000	4,261	3.4%
Operating profit	8,775	9,200	425	4.8%
Ordinary profit	9,544	9,500	- 44	-0.5%
Profit attributable to owners of parent	6,880	5,200	- 1,680	-24.4%
Basic earnings per share	114.24	95.54	- 18.70	-16.4%
ROS(%)	7.0	7.1	0.1	-
ROE(%)	10.8	8.0	- 2.8	-

Projected domestic naphtha price: 71,000 yen/KL; projected exchange rate: 140 yen/USD

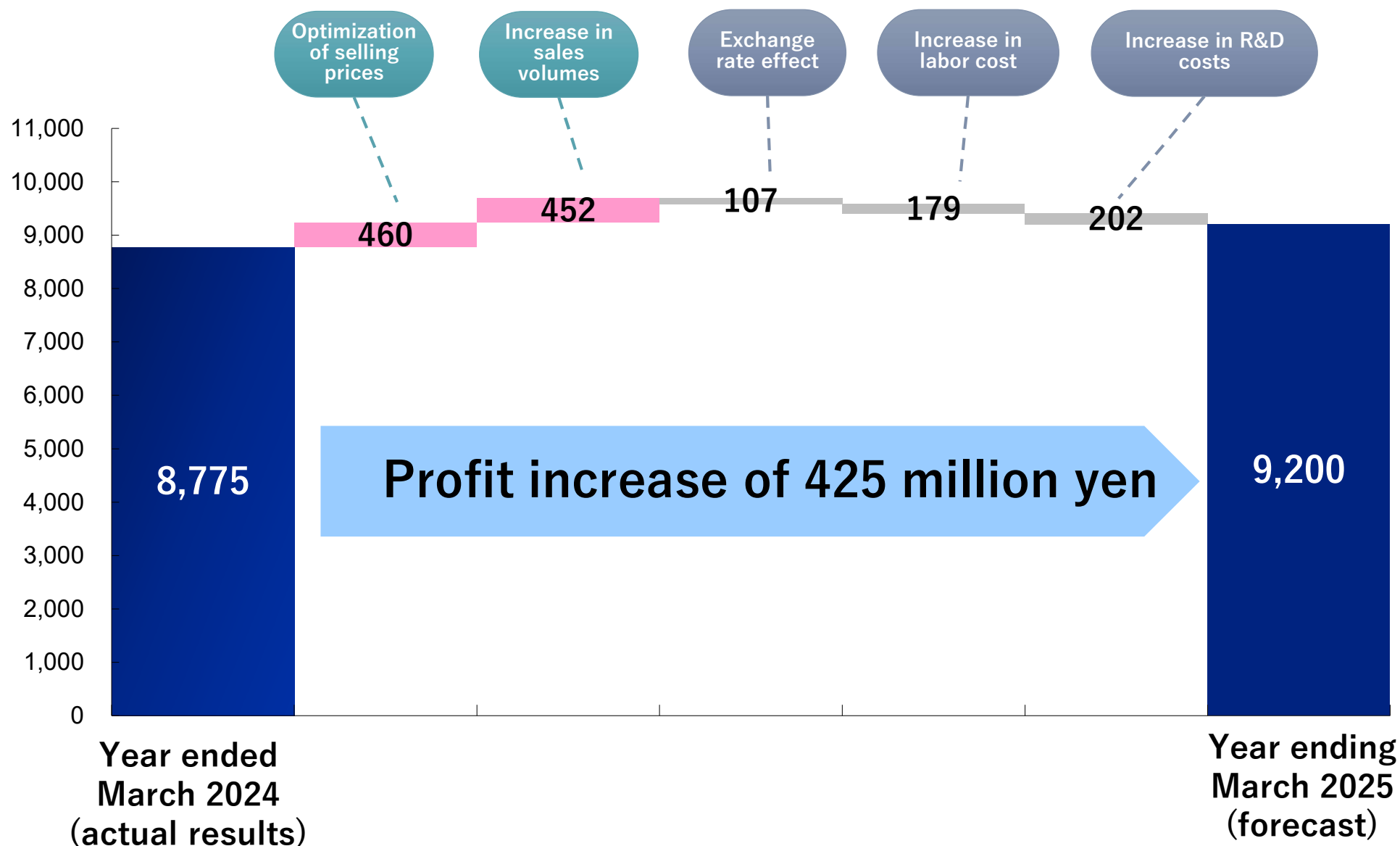
- Operating profit is forecast to increase due to a higher sales volume and sales price optimization. (Aiming for a record high profit)
- No foreign exchange gains are forecast, and ordinary profit is forecast to remain largely unchanged year on year.

# Analysis of Factors Underlying Change in Operating Profit for Year Ending March 2025 (Forecast)

1. Overview of Financial Results



(Unit: million yen)





## 2. Segment Overview

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Overview of  
Financial Results

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Segment Overview

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Medium- and Long-  
Term Initiatives

# Transportation



Wire Harnesses



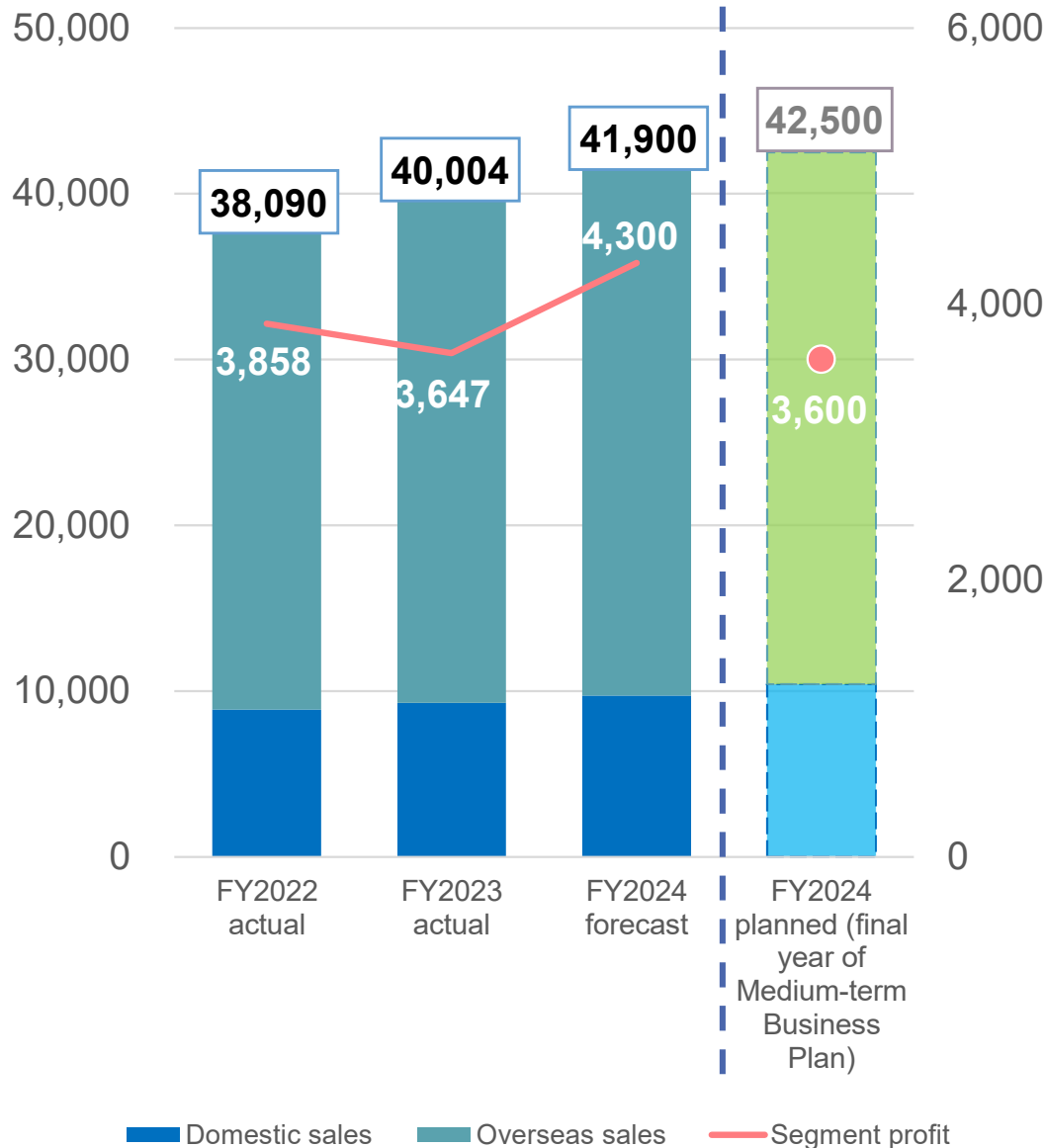
Molded Parts for Automobiles

# Transportation



TRANSPORTATION

(Unit: million yen)



## 2. Segment Overview



**Actual results for the year ended March 2024**

**1,914 million yen revenue increase (+5.0%)**  
**211 million yen profit decrease (-5.5%)**

- Domestic revenue increased due to recovery of the automobile market and higher sales of elastomer compounds to that market.
- Overseas revenue increased due to higher sales as Japanese automobile production recovered in North America and India, despite lower Japanese automobile production in the Chinese market.
- Segment profits decreased due to lower sales as Japanese automobile production dropped in China, and due to the effect of delays in increasing price for some raw materials hike.

**Forecast for the fiscal year ending March 2025**

**1,896 million yen revenue increase (+4.7%)**  
**653 million yen profit increase (+17.9%)**

- Domestic revenue increases due to expanded sales of elastomer compounds despite the automobile market remaining fairly constant.
- Overseas revenue increases due to higher sales in North America, ASEAN, and India, despite the effect of lower Japanese automobile production in the Chinese market.
- Segment profits are forecast to increase due to a higher sales volume.



# Transportation

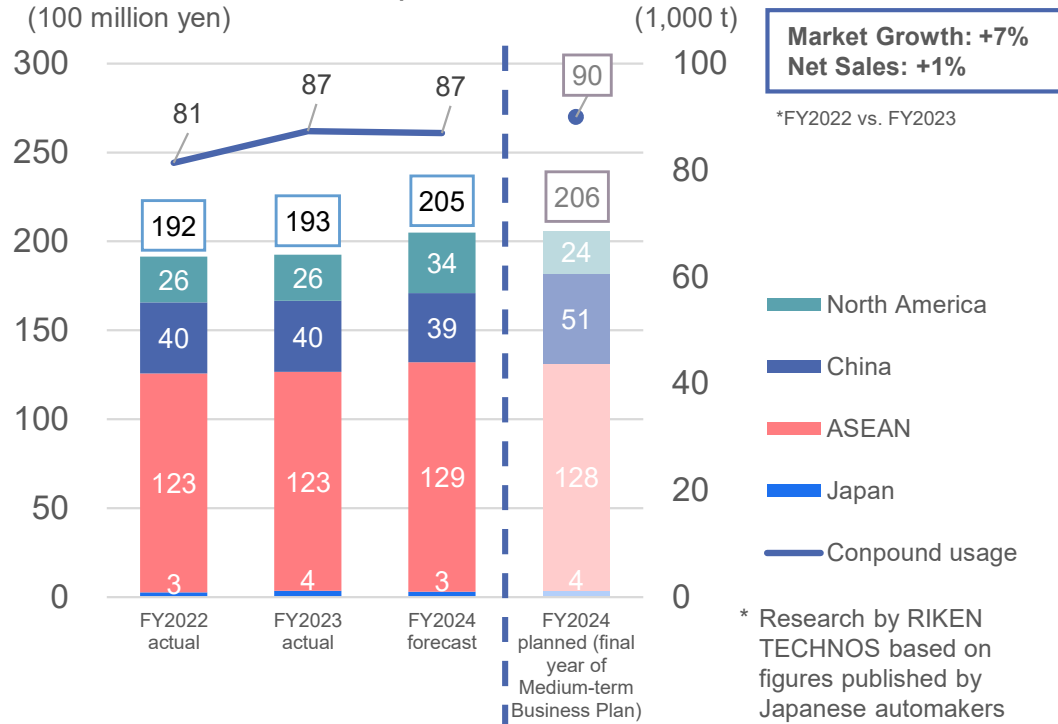


## | 2. Segment Overview



### Focus Area ① Wire Harnesses

Compound usage by Japanese wire harness manufacturers and our sales of compounds for wire harnesses



#### Full-year results for the year ended March 2024

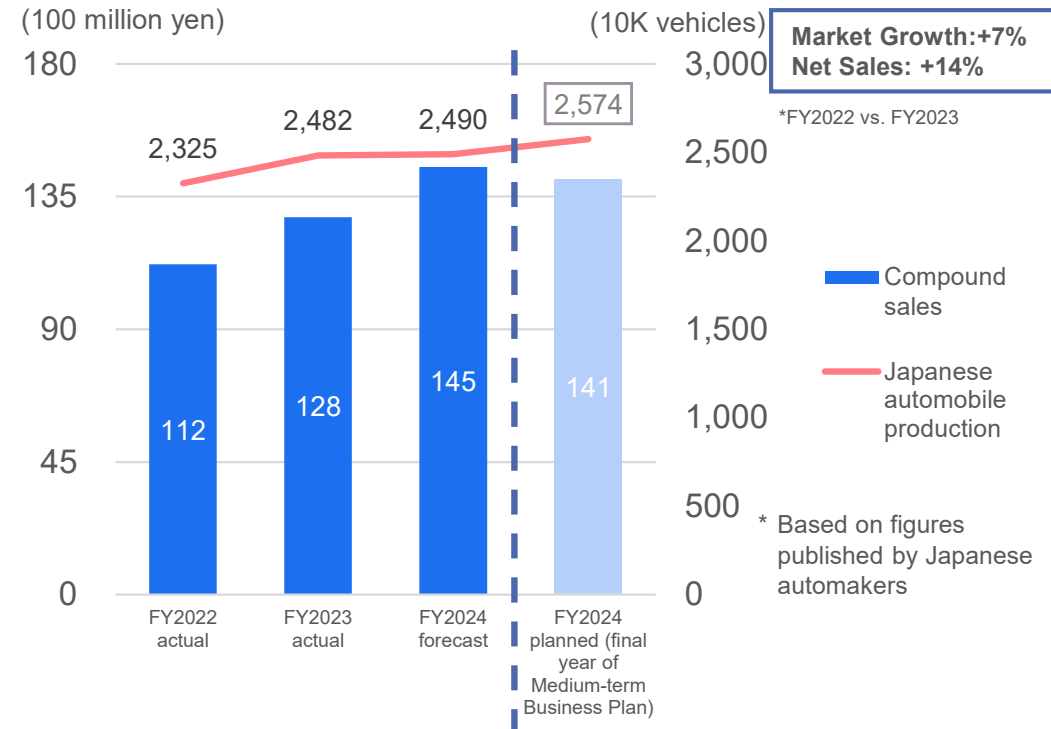
- Net sales were at the same level as the previous year due to lower raw material prices resulting in lower product sales prices, despite a higher sales volume due to higher Japanese automobile production.

#### Full-year measures for the year ending March 2025

- Sales volume increase by fully capturing automobile production volume increases in North America and India.
- Obtain customer approval for market-dominant compounds globally.

### Focus Area ② Molded Parts for Automobiles

Japanese automobile production and sales of compounds for automotive molded parts



#### Full-year results for the year ended March 2024

- Revenue increased due to higher sales accompanying increased Japanese automobile production and new sales expansion of sealing and functional parts.

#### Full-year measures for the year ending March 2025

- Increase sales to Japanese seal manufacturers.
- Promote newly adopted materials for sealing and functional parts in Japan to customers overseas.

# Daily Life & Healthcare



Medical (PVC)



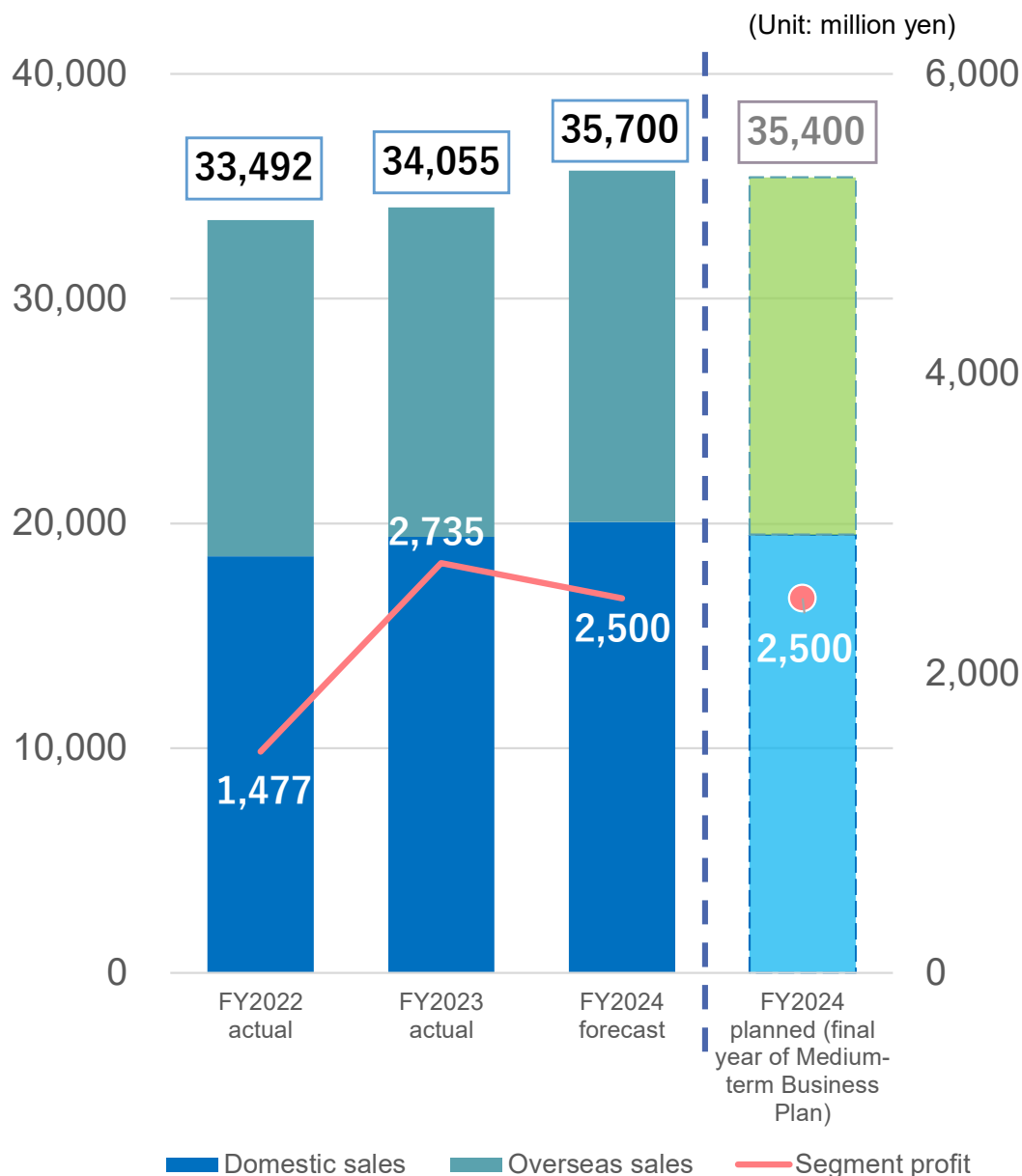
Rubber Substitutes



# Daily Life & Healthcare



## 2. Segment Overview



**Actual results for the year ended March 2024**

**563 million yen revenue increase (+1.7%)**  
**1,258 million yen profit increase (+85.1%)**

- Domestic revenue increased due to strong sales of small-roll wrap products, despite lower sales of elastomer compounds for consumer goods.
- Overseas revenue decreased due to lower sales of PVC compounds for consumer goods in Thailand.
- Segment profits increased due to price optimization of products, higher sales of PVC compounds in North America, and higher sales of small-roll wrap products.

**Forecast for the fiscal year ending March 2025**

**1,645 million yen revenue increase (+4.8%)**  
**253 million yen profit decrease (-8.6%)**

- Domestic revenue is forecast to increase due to higher sales of compounds for consumer goods.
- Overseas revenue is forecast to increase due to higher sales of compounds for medical and consumer goods.
- Segment profits are forecast to decrease due to higher raw material prices for food packaging, despite a forecast increase in sales of compounds for medical and consumer goods.

# Daily Life & Healthcare

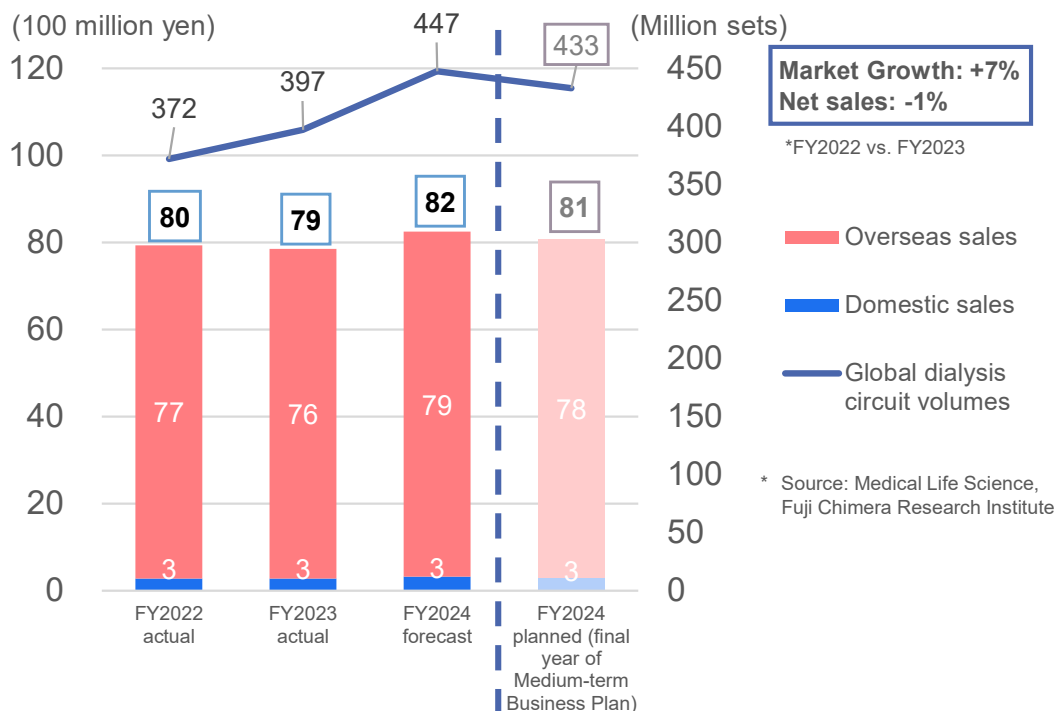


## 2. Segment Overview



### Focus Area ① Medical (PVC)

Global dialysis circuit sales volumes and our sales of medical PVC compounds



#### Full-year results for the year ended March 2024

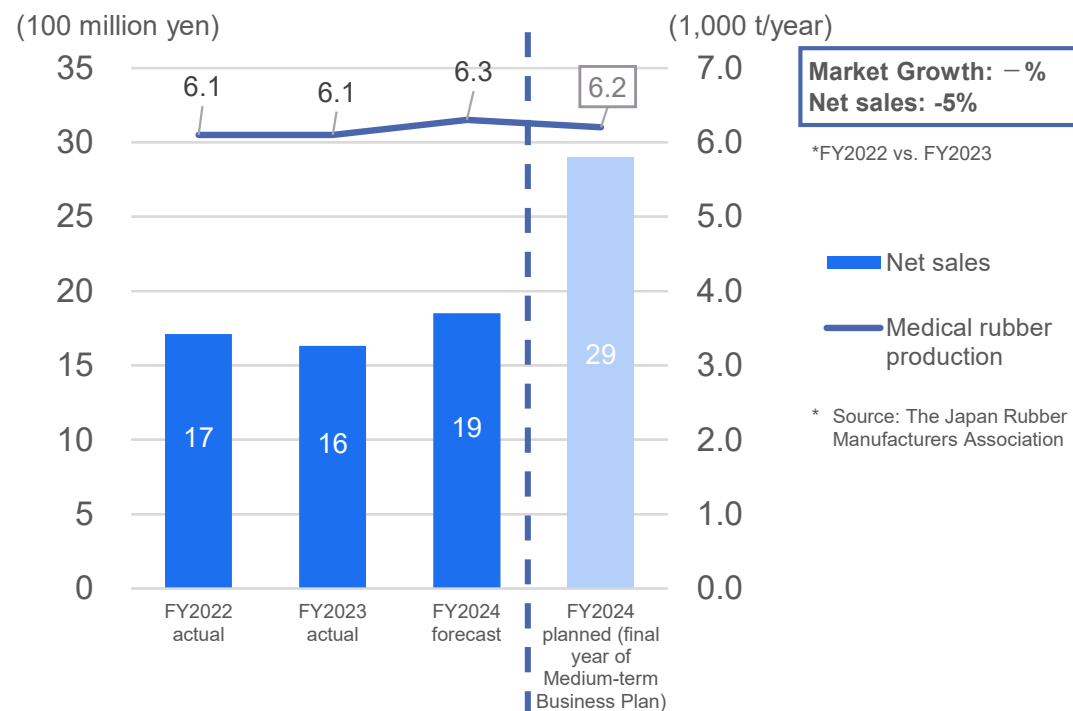
- Revenue decreased due to lower product prices, despite higher sales of medical PVC compounds for Japanese customers in ASEAN.

#### Full-year measures for the year ending March 2025

- Increase sales of compounds for dialysis circuit to Japanese customers in the Japanese and North American markets.

### Focus Area ② Rubber Substitutes

Domestic medical rubber production and our sales of rubber substitute compounds



#### Full-year results for the year ended March 2024

- Sales of elastomer compounds for foods, consumer, and industrial goods decreased.

#### Full-year measures for the year ending March 2025

- Increase domestic sales of elastomer compounds for medical plugs and consumer goods.
- Obtain customer approval of elastomer compounds for consumer and industrial goods in ASEAN.



# Electronics



Electric Power and Industrial Wires



Telecommunications

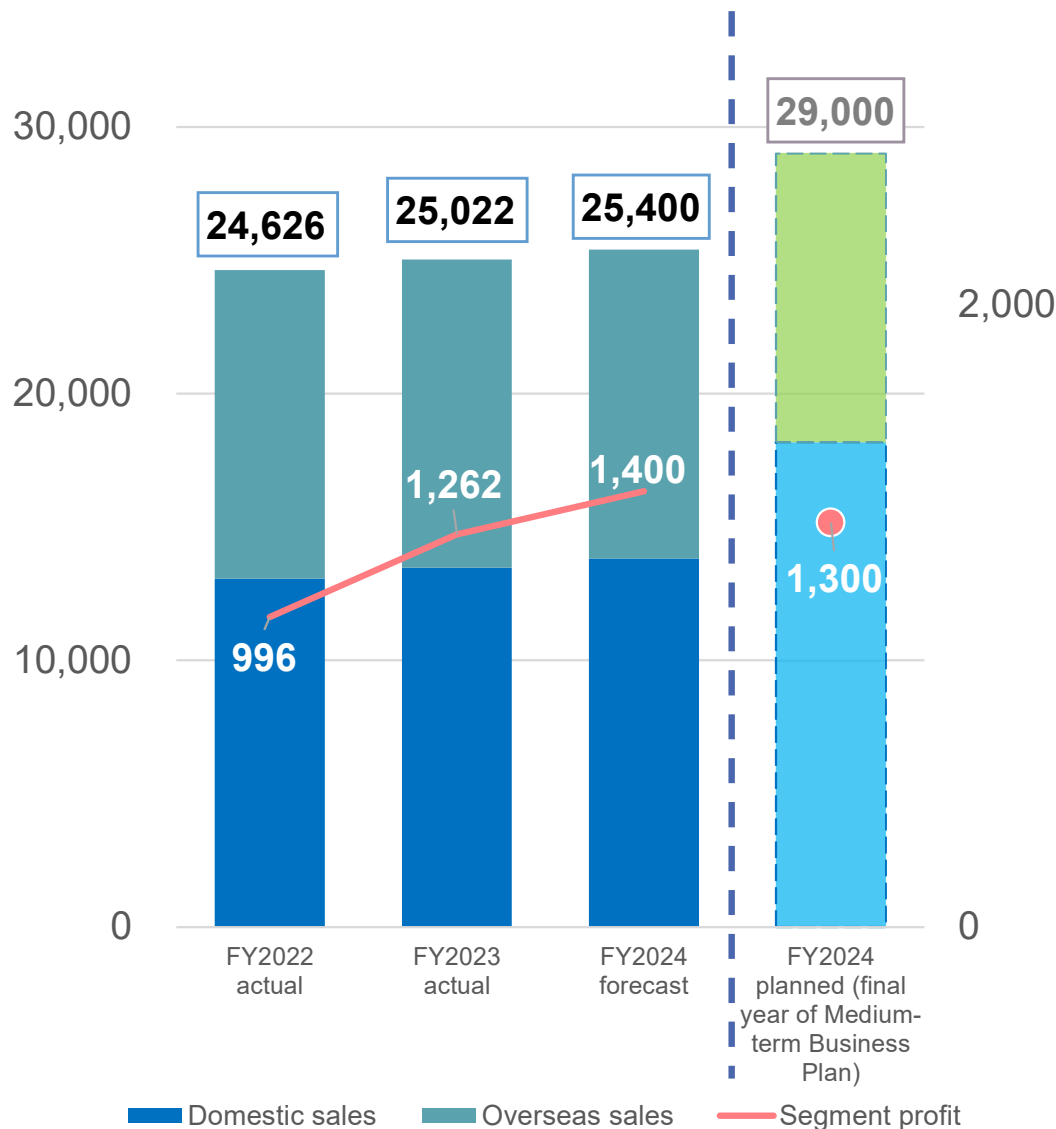


Optical Films

# Electronics



(Unit: million yen)



## 2. Segment Overview



Actual results for  
the year ended  
March 2024

**396 million yen revenue increase (+1.6%)**  
**266 million yen profit increase (+26.7%)**

- Domestic revenue increased due to expanding sales of functional films, including dicing film for the semiconductor market, despite lower sales of PVC compounds for machinery electric wires.
- Overseas revenue decreased due to lower sales of PVC compounds in the Chinese and United States markets despite higher sales of PVC compounds in Indonesia.
- Segment profits increased due to higher sales of PVC compounds in Indonesia and expanded sales of functional films.

Forecast for the  
fiscal year ending  
March 2025

**378 million yen revenue increase (+1.5%)**  
**138 million yen profit increase (+10.9%)**

- Domestic revenue is forecast to increase due to higher sales of compounds for the robotics and factory automation market and telecommunications market.
- Overseas revenue is forecast to increase due to higher sales of compounds in the US and Chinese markets and expanded sales of functional films.
- Segment profits are forecast to increase due to a higher sales volume and expansion of sales.

# Electronics



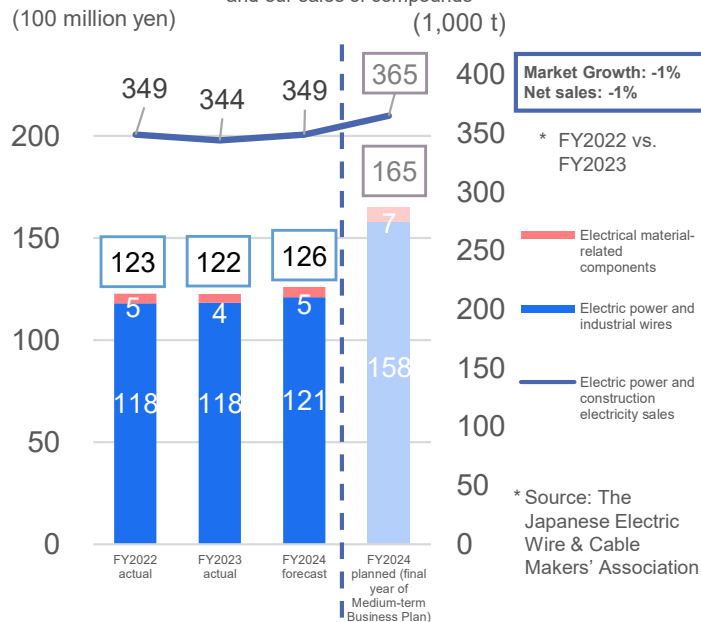
ELECTRONICS

## 2. Segment Overview



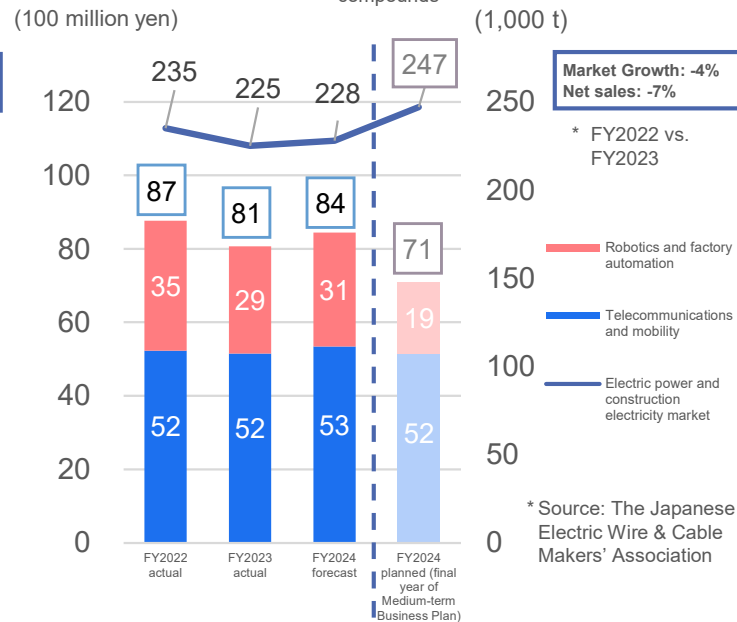
### Focus Area ① Electric Power and Industrial Wires

Domestic electric power and construction electricity market wire copper volumes and our sales of compounds



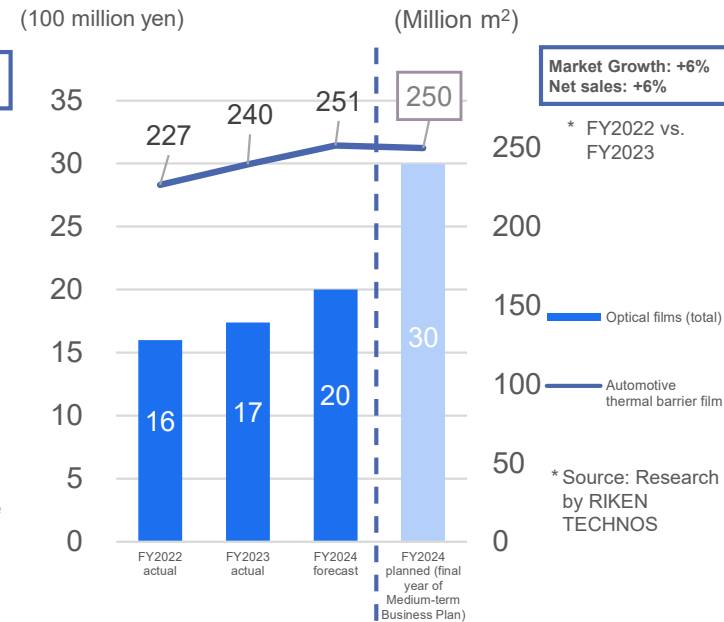
### Focus Area ② Telecommunications

Domestic telecommunications market wire copper volumes and our sales of compounds



### Focus Area ③ Optical films

Automotive thermal barrier film demand and our sales of optical films



#### Full-year results for the year ended March 2024

- Domestic sales were at the same level as the previous year due to promotion of sales to major customers, despite a weak market.
- Overseas sales were at the same level as the previous year due to higher sales to the Indonesian market, despite lower sales in the US and Thai market.

#### Full-year measures for the year ending March 2025

- Expand sales of compounds for the construction electronics market in Japan.
- Overseas, expand sales of electric power and industrial wires in the US and ASEAN.

#### Full-year results for the year ended March 2024

- Domestic sales were at the same level as the previous year due to a weak telecommunications market, despite expanded sales of EV charging cable compounds for export to North America.
- Overseas sales were lower due to a sluggish robotics and factory automation market in China.

#### Full-year measures for the year ending March 2025

- Expand sales of EV charging cable compounds globally.
- In Japan and China, expand sales in the robotics and factory automation market and device and electric wire market.

#### Full-year results for the year ended March 2024

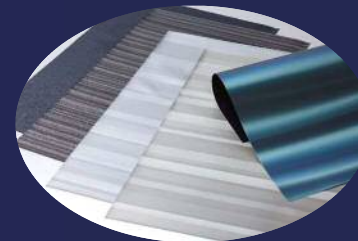
- Increased revenue due to expansion of the business and market recovery of semiconductor films.
- Overseas sales of automobile thermal barrier films were at the same level as the previous year.

#### Full-year measures for the year ending March 2025

- Launch sales of newly developed semiconductor film products and expand overseas sales.
- Expand sales of automobile thermal barrier films by launching new functional products.



# Building & Construction



Construction Films

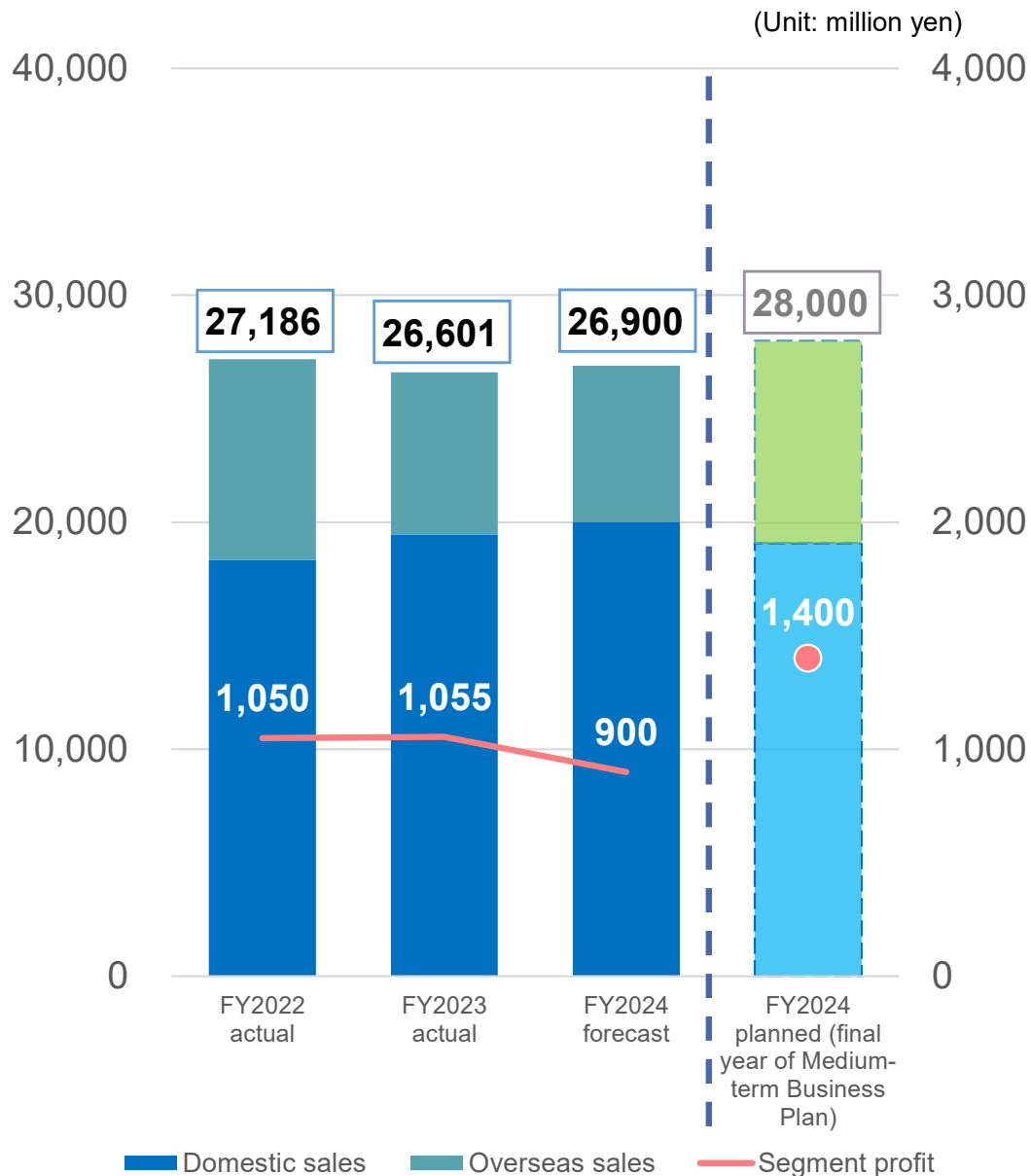


Housing and Building  
Materials

# Building & Construction



## 2. Segment Overview



### Actual results for the year ended March 2024

**585 million yen revenue decrease (-2.2%)**  
**5 million yen profit increase (+0.4%)**

- Domestic revenue increased due to higher sales of films for the non-housing market, and PVC compounds for resin sashes attribute to the Japanese government's campaign to promote energy conservation in homes.
- Overseas revenue decreased due to lower sales of PVC compounds for the building materials market in the United States.
- Segment profits were at the same level as the previous year due to lower sales of PVC compounds for overseas building materials markets, despite higher domestic sales.

### Forecast for the fiscal year ending March 2025

**299 million yen revenue increase (+1.1%)**  
**155 million yen profit decrease (-14.7%)**

- Domestic revenue is forecast to increase due to higher sales of PVC compounds for resin sashes attribute to the campaign to promote energy conservation in homes.
- Overseas revenue is forecast to decrease due to lower sales of PVC compounds for housing and building materials in the United States.
- Segment profits are forecast to decrease due to deterioration in profitability of building film business.

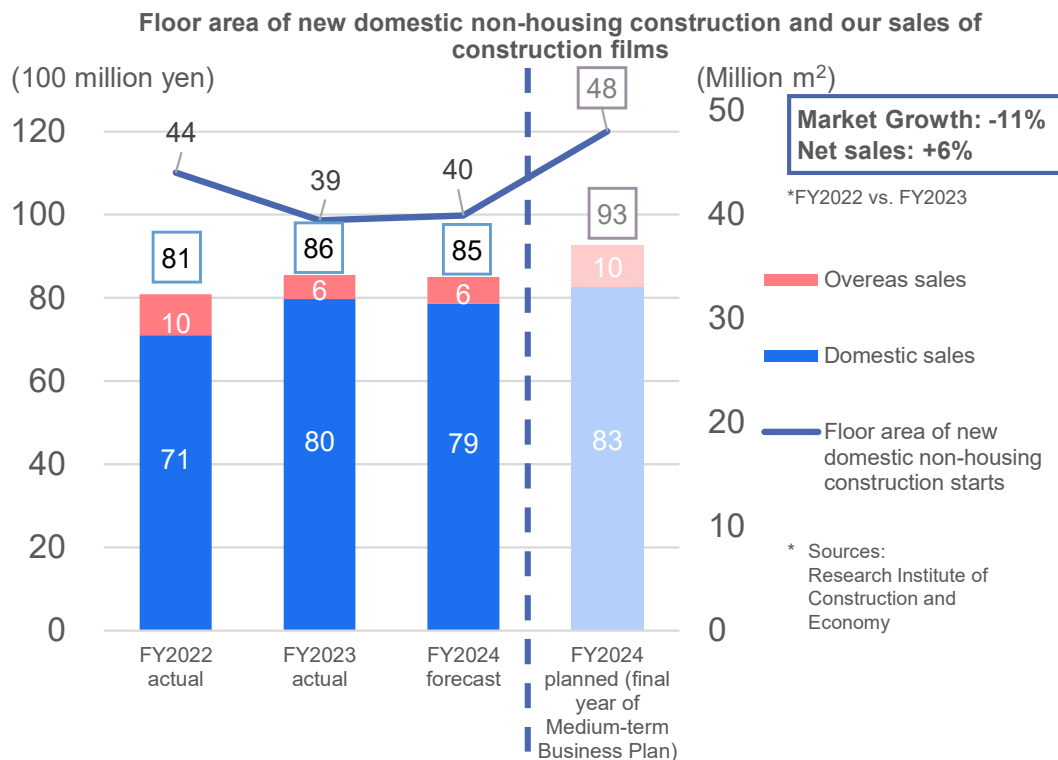
# Building & Construction



## 2. Segment Overview



### Focus Area ① Construction Film



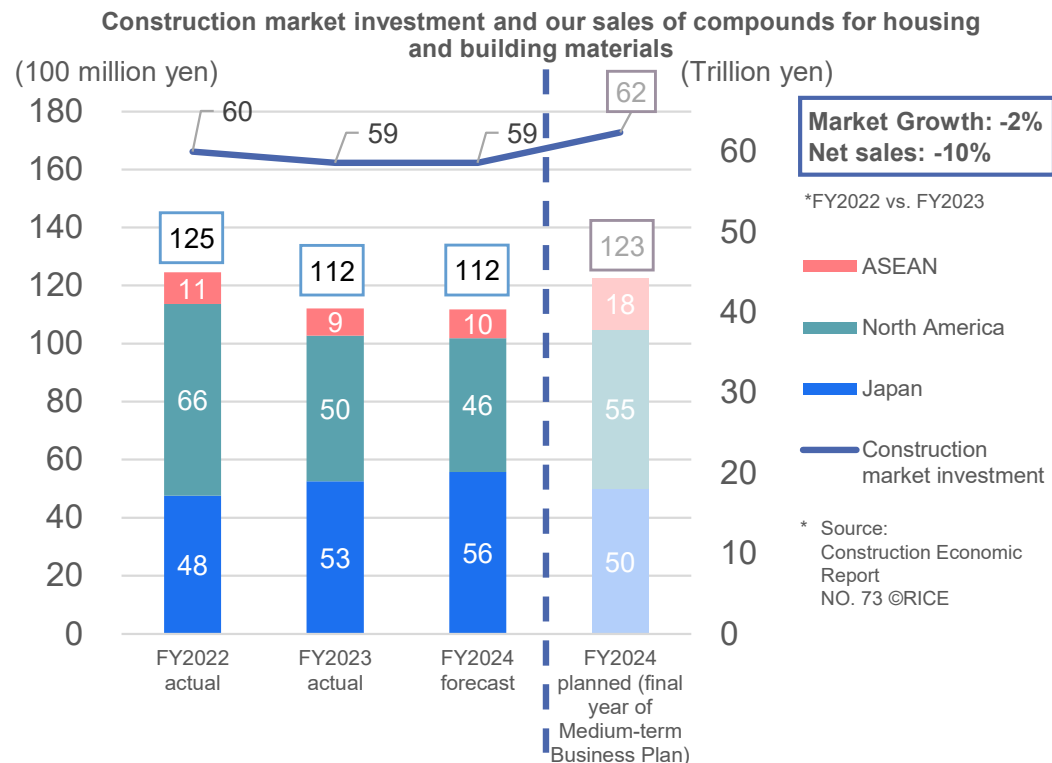
#### Full-year results for the year ended March 2024

- Domestic sales to major customers increased despite a weak market.
- Overseas revenue decreased due to lower sales in North America.

#### Full-year measures for the year ending March 2025

- Expand domestic sales to exterior applications despite the weak market.
- Overseas, achieve early realization of a matching project for melamine veneers in the North American market.

### Focus Area ② Housing and Building Materials



#### Full-year results for the year ended March 2024

- Domestic sales of PVC compounds for resin sashes increased due to the campaign to promote energy conservation in homes.
- Overseas revenue decreased due to lower sales volume resulting from the sluggish the US market and decline in sales price.

#### Full-year measures for the year ending March 2025

- Steadily capture domestic demand for PVC compounds for resin sashes attributable to the campaign to promote energy conservation in homes.
- Overseas, although the U.S. housing market remains sluggish, increase PVC for construction and building components to existing customers.



### **3. Medium- and Long-Term Initiatives**

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## Overview of Financial Results

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## Segment Overview

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## Medium- and Long-Term Initiatives

# Medium- to Long-Term Vision

## Medium-term Business Plan

### 3. Medium- and Long-term Initiatives



- The long-term vision is based on the RIKEN TECHNOS Group mission.
- The new Medium-term Business Plan was launched in FY2022 to achieve the long-term vision.

RIKEN TECHNOS' strengths and business model

- The capacity to meet the needs of leading global customers
- Strong technical capabilities
  - Formulation design technology
  - Kneading technology
  - Film manufacturing and processing technology

RIKEN TECHNOS' (medium- to long-term) business environment

Plastic reduction movement

Growing environmental awareness

Digitalization trend

Progress with EVs

Shrinking domestic market

Growth in Asia

**Mission  
(reason for  
existence)**

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.

**Long-term  
vision**

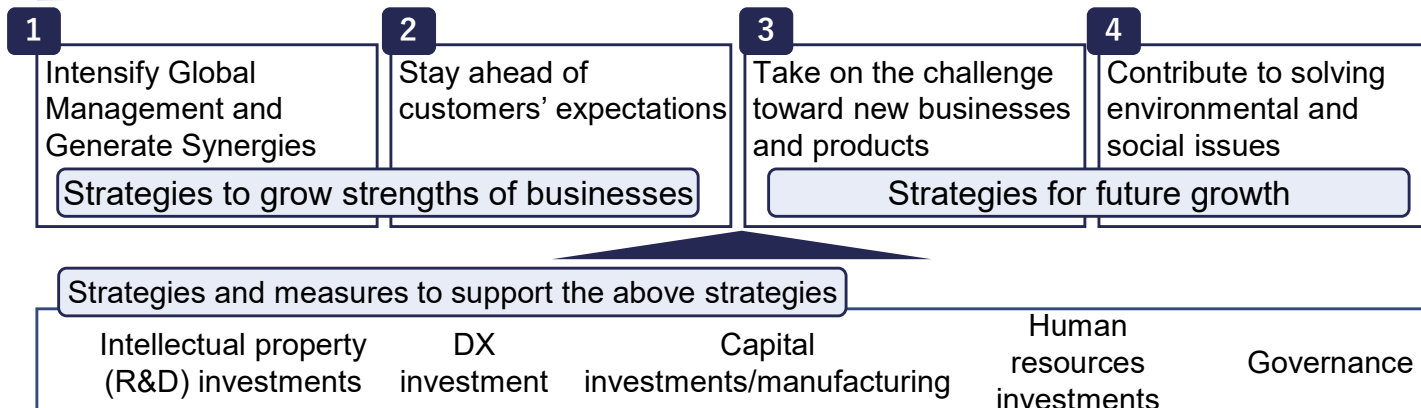
Aiming to become the leading provider of comfort for all living spaces

**Medium-term  
Business Plan**

Management  
Policy

**Challenge Now  
for Change New 2024**

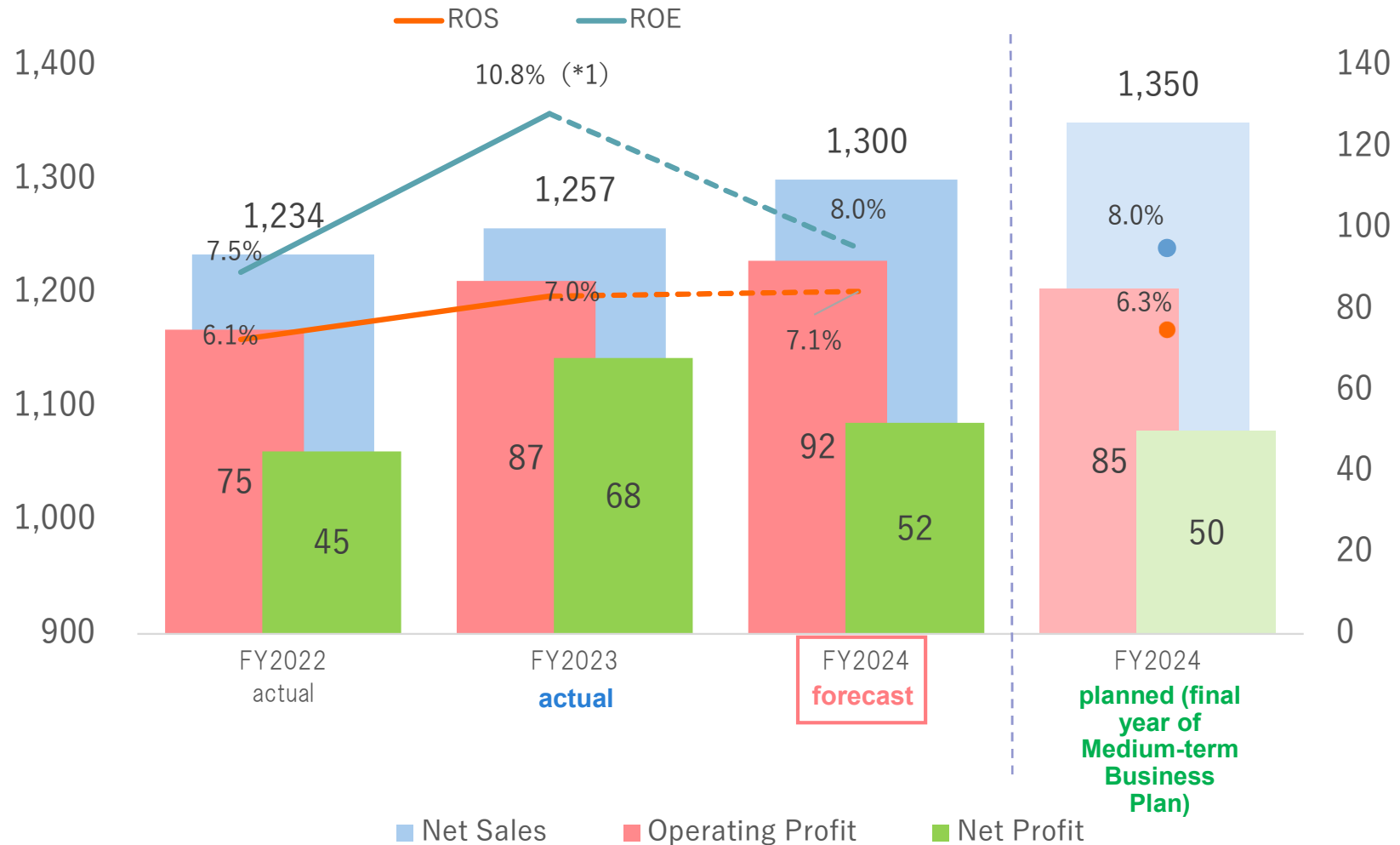
### Basic strategies of the Medium-term Business Plan



# Three-year Medium-term Business Plan (Numerical Target) | 3. Medium- and Long-term Initiatives



(Unit : 100 million Yen)



\*1 ROE for the FY2023 includes gains on sale of cross- shareholdings.

Note: Assumptions for Formulating the Medium-Term Management Plan  
Plan for FY2024  
Naphtha price: 61,000 yen/KL Exchange rate: 114 yen/USD

# Three-year Medium-term Business Plan (Results for the year ended March 2024) | 3. Medium- and Long-term Initiatives



## Strategy 1: Intensify global management and generate synergies.

- Shared market information, made improvement plan and realized improvement of human resources skills through global sales/manufacturing meetings.
- Conducted synergy strategy in ASEAN
- Started operating a new line at the Thailand facility.  
Started constructing a new plant at the Vietnam facility.  
Started work to add a new line at the North America facility.
- Started work to add a new elastomer line at Mie Factory.
- Promoted a project for adopting a next-generation global core system.

## Strategy 3: Take on the challenge toward new businesses and products.

- Promoted the exploration of themes, and started to narrow them down, through the Start-up Office for New Business Development.
- Further promoted industry-academia and industry-industry partnerships (currently collaborating on joint research with nine research institutes).
- Developed low-allergen RIKEGUARD® A, vulcanized rubber substitute TPVs, and reform materials for recycled rigid PVC.
- Selected and proposed new product development themes in line with IP strategies.

## Strategy 2: Stay ahead of customers' expectations.

- Held technology sharing meetings with major customers to uncover potential customer needs.
- Centralized customer information through SFA/CRM.
- Continued development using materials informatics after full implementation in the first half of the year.
- Accelerated customer proposals by starting operation of a next-generation production pilot line for rubber-substitute TPV compounds.

## Strategy 4: Contribute to solving environmental and social issues.

- Identified materiality topics and KPIs.
- Started an internal carbon pricing system.
- Developed and expanded sales of environmentally-friendly products.
  - Expanded RIKEBIO® series lineup.
  - Developed reform materials for recycled rigid PVC.
  - Launched RIKEN WRAP BOTANICAL sales.
- Made recommendations to management through women's empowerment project.
- Made and implemented the RIKEN TECHNOS GROUP Human Rights Policy.

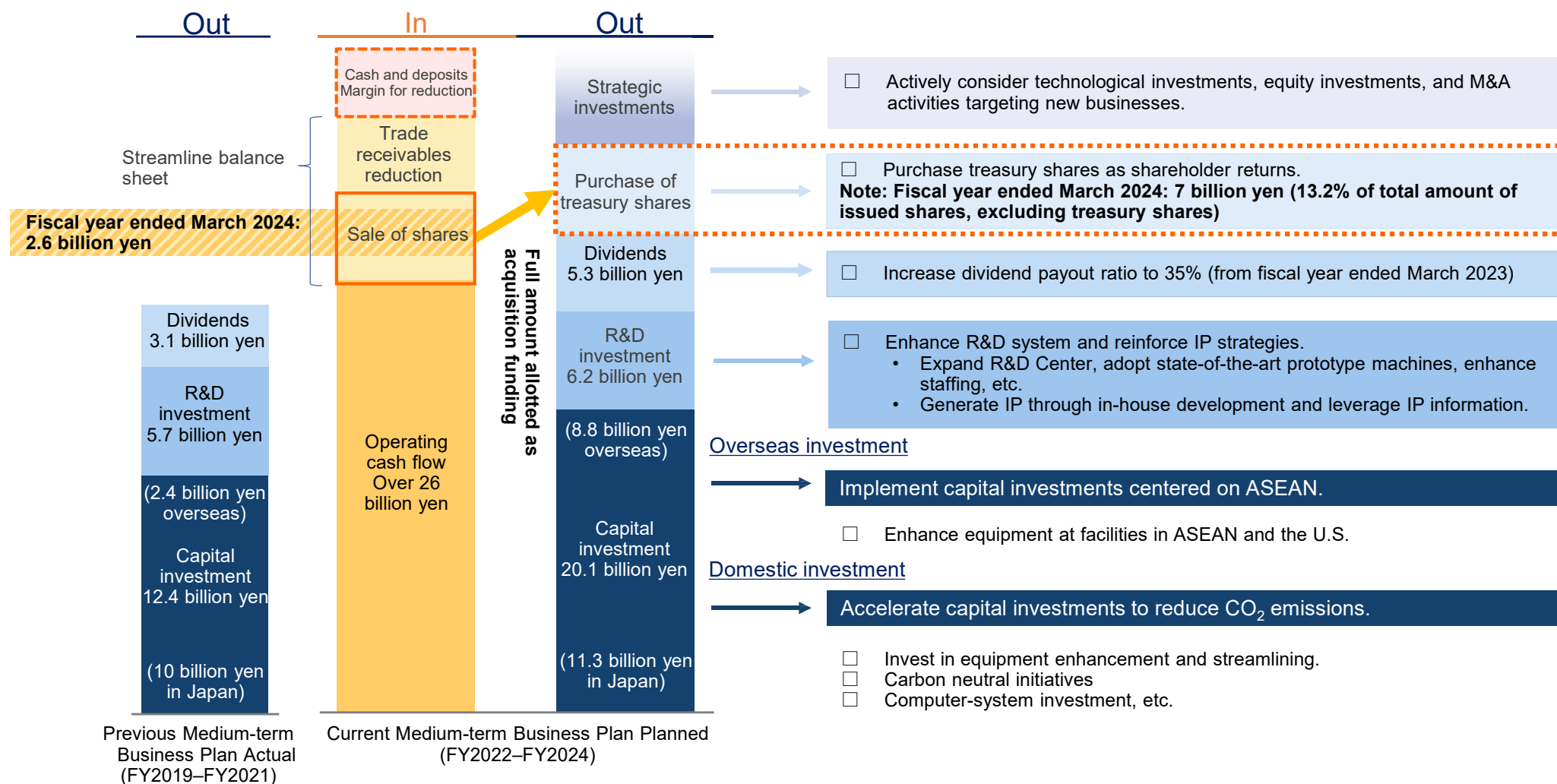


# Expansion of Growth Investments

## | 3. Medium- and Long-term Initiatives



### ➤ Aim to achieve a cash allocation focused on growth investments.



# Investment (results and forecasts)

## | 3. Medium- and Long-term Initiatives



### Capital and IT System Investment

Three-year Medium-term Business Plan  
Initial Investment Plan : 19.5 billion yen

(Unit: 100 million yen)	Major projects	Total amount			Overseas ratio	Depreciation
			Domestic	Overseas		
<b>FY2022 results</b>	Expansion of facilities in ASEAN countries Reinforcement of facilities in Japan Domestic and overseas investment in streamlining	<b>47</b>	33	14	<b>30%</b>	<b>31</b>
<b>FY2023 results</b>	Expansion of facilities in ASEAN and the U.S. Expansion and reinforcement of facilities in Japan Domestic and overseas carbon neutral initiatives Domestic and overseas investment in streamlining Domestic and overseas IT systems investments	<b>64</b>	32	32	<b>50%</b>	<b>34</b>
<b>FY2024 forecasts</b>	Expansion of facilities in ASEAN and the U.S. Expansion and reinforcement of facilities in Japan Domestic and overseas carbon neutral initiatives Domestic and overseas investment in streamlining Domestic and overseas IT systems investments	<b>90</b>	48	42	<b>47%</b>	<b>35</b>
<b>Total</b>		<b>201</b>	113	88	<b>44%</b>	<b>100</b>

# Main Capital Investments

## | 3. Medium- and Long-term Initiatives



### RIKEN VIETNAM CO., LTD. Expanding PVC compound production facilities

Constructing a new plant building, setting up a new production line, and expanding warehouse facilities

#### <Progress>

- ✓ Scheduled to start operations in November 2024
- ✓ Total investment: Approximately 1.5 billion yen



### RIKEN ELASTOMERS CORPORATION Expanding PVC compound production facilities

Adding a new line in the existing building

#### <Progress>

- ✓ Scheduled to start operations in December 2024
- ✓ Total investment: Approximately 1.5 billion yen



### RIKEN TECHNOS (Mie Factory) Expanding thermoplastic elastomer compounds production facilities

Decision on adding a new line in the existing building

#### <Progress>

- ✓ Scheduled to start operations in the 3rd quarter of 2025
- ✓ Total investment: Approximately 1.0 billion yen



### RIKEN (THAILAND) CO., LTD Solar panels

Installation of solar panels

- ✓ Scheduled to start operation in Jan 2025
- ✓ Total Investment: Approximately 0.4 billion yen



## Investments in streamlining

- ✓ Automation equipment in Thailand
- ✓ Food packaging production equipment in Japan
- ✓ Investments to improve energy efficiency (boilers, transformers, etc.)
- ✓ Investment in FY2024: Approximately 0.6 billion yen

## DX investments

- ✓ IoT investments (sensing technologies and RFID)
- ✓ Concept formulation for a next-generation global core system
- ✓ Renewal and integration of Group core system at US subsidiaries
- ✓ Investment in FY2024: Approximately 1.0 billion yen

## Research and development results

### New product development and research initiatives

- **Developed new thermoplastic vulcanizates (TPVs), which are dynamically crosslinked thermoplastic elastomers that can serve as vulcanized rubber substitutes**
  - Employed materials informatics (MI) to improve development speed in terms of formula design for vulcanized rubber substitute TPVs.
  - Made progress with development, including scale-up testing, by starting operation of a semi-commercial plant.
  - Developed new TPVs as substitutes for functional rubbers, including butyl rubber and NBR, and general-purpose rubbers.
  - Manufactured sheets made of developed compounds as rubber substitute sheets.
- **Launched RIKEGUARD® A, a new low-allergen product in the RIKEGUARD® series**
  - Confirmed reduced levels of allergen activity in efficacy evaluation testing using mites, cedar pollen and other allergens.
  - Offering a range of potential applications, including film, sheets, and nonwoven fabrics in everyday life.

Note: The above test results are measured values, not guaranteed values.
- **Developed ICE-μ® “RE”, a highly transparent thermal barrier film**
  - Added heat-reflecting function and improved thermal barrier compared to current products by 10 to 20% while maintaining radio wave transmission and transparency.
  - Contributed to energy efficiency with automobile window films.



RIKE+GUARD

### Open innovation

#### Open innovation initiatives

In addition to the main R&D system, promoted collaborations with external research institutes.

(Currently collaborating on joint research with nine research institutes.)

#### ➤ Examples of Open Innovation Initiatives

- Joint development of organic photovoltaics (OPVs) with Suwa University of Science

OPVs are next-generation solar cells that are attracting a lot of attention. Various designs are expected to take advantage of their characteristics, including thinness, light weight, high color selectivity, and high transparency. The aim of the partnership is to develop new OPVs with a view to composite use with our films with design and functional capabilities.

- Currently conducting joint research with multiple universities to build a recycling-based business model through development of methods for effective use of end-of-life PVC products.



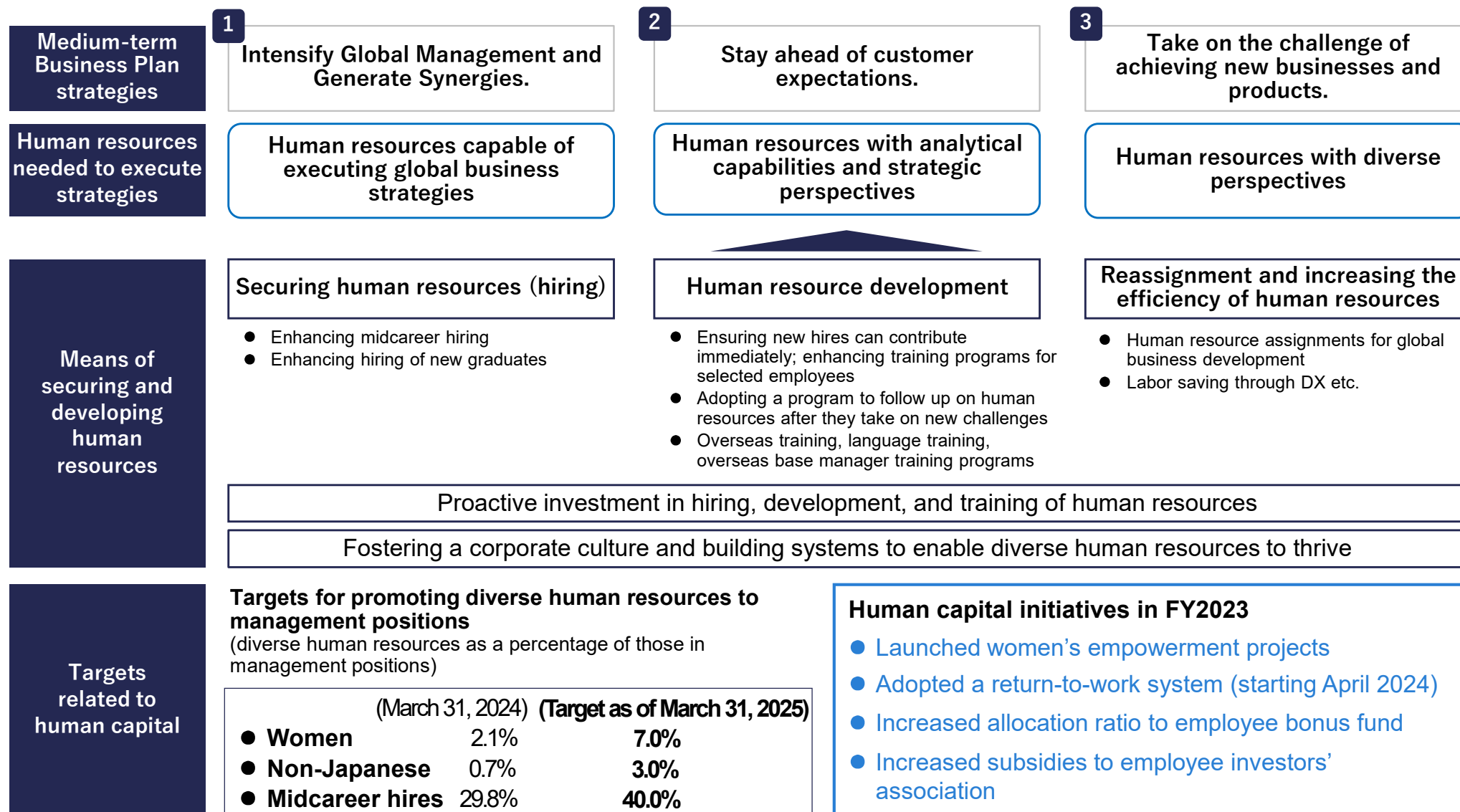


# Investment in Human Capital

## | 3. Medium- and Long-term Initiatives



➤ To achieve the goals of the Medium-term Business Plan, we will advance efforts to secure and develop human resources.



# Sustainability Initiatives | 3. Medium- and Long-term Initiatives



## Human rights initiatives

- **Human rights and compliance training for all employees**
  - Provide human rights and compliance training for all employees, including on a non-consolidated basis and domestic Group companies. (100% attendance rate in FY2024)
- **ESG survey to suppliers**
  - Conduct a survey of human rights and other ESG matters among suppliers.



## Climate change initiatives

- **Indicators and targets of CO<sub>2</sub> emissions** (t-CO<sub>2</sub>)

<b>Non-consolidated</b> (Scope 1, 2)	<b>target for 2030</b>	<b>46.2% decrease from FY2019 (24,139)</b>
<b>Group</b> (Scope 1, 2)	<b>target for 2050</b>	<b>Carbon neutrality (0)</b>

- **Actual** FY2022 FY2023 (t-CO<sub>2</sub>)

<b>Scope1,2</b>	<b>Non-consolidated</b>	41,139	40,859
	<b>Group</b>	86,220	83,566
<b>Scope3 *</b>	<b>Group</b>	935,410	Now being calculated

\* Calculated as Group emissions excluding non-applicable categories.

- Achieve a score of B for Carbon Disclosure Project (CDP) questionnaire (climate change).

- **Initiatives toward carbon neutrality**

- Upgrade to energy-saving equipment (boilers, transformers, etc.).
- Start an internal carbon pricing system. Internal carbon price: 15,000 yen/ton CO<sub>2</sub>
- Decide on investment of solar power at overseas factory (RIKEN (THAILAND)).





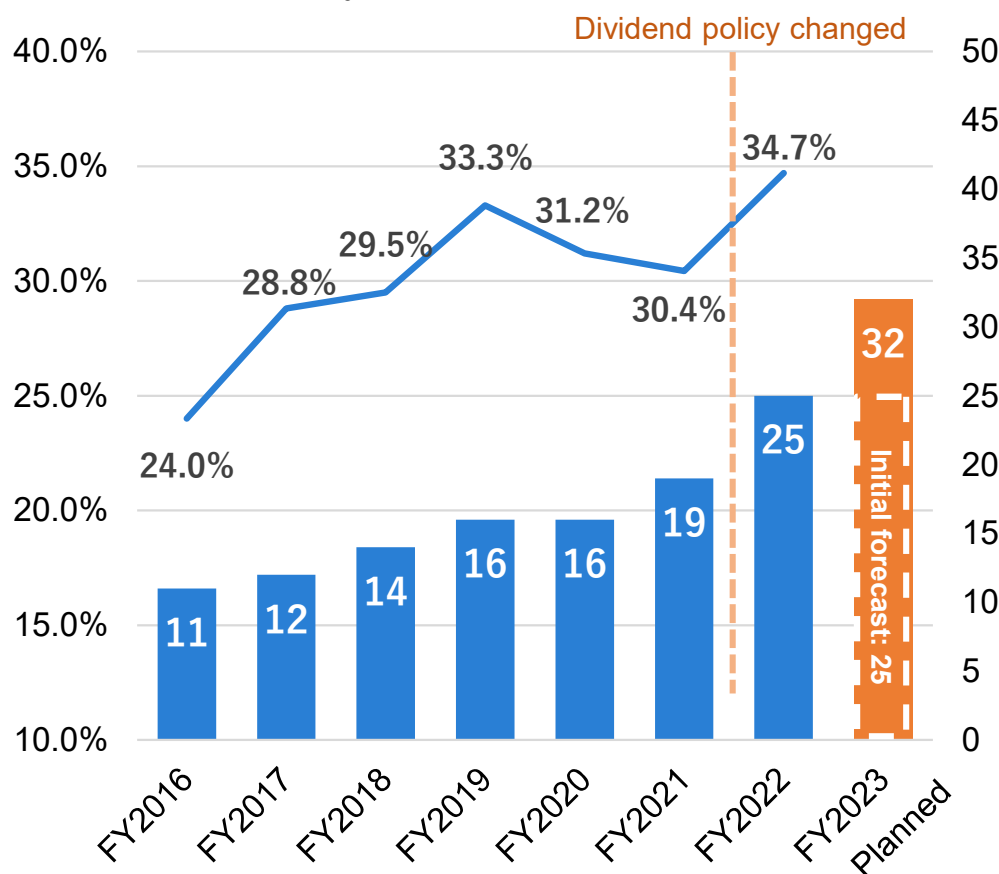
# Capital Policies: Dividends and Purchase of Treasury Shares

## 3. Medium- and Long-term Initiatives



- We aim to pay stable dividends while considering the balance between our financial situation and businesses.
- We increased our consolidated dividend payout ratio to around 35% from the fiscal year ended March 2023, and plan to increase dividends again for the fiscal year ended March 2024.

Dividend payout ratio and dividend trend



Dividend policy

- We will pay stable dividends, duly accounting for future business investment and capital adequacy with one aim being to achieve a consolidated dividend payout ratio of around 35%.

Note: We increased our consolidated dividend payout ratio from 30% to around 35% from the fiscal year ended March 2023.

Projected dividend for fiscal year ended March 2024

- **Dividend to increase by seven yen to 32 yen** from 25 yen last fiscal year  
(Revised upward by seven yen from initial forecast)
- **Consolidated dividend payout ratio: 28.0%**  
Note: The forecast dividend is calculated from per-share profit for the period minus the impact of gains on sale of investment securities. (The full amount of sales were allotted as acquisition funding for treasury shares.)
- **Total return ratio: 129.1%**

FY2023 purchase/cancellation of treasury shares

- **Purchased 8,337,900 treasury shares (13.2% of total amount of issued shares, excluding treasury shares)**
- **Cancelled all purchased shares.**

# Reduction of Strategic Shareholdings

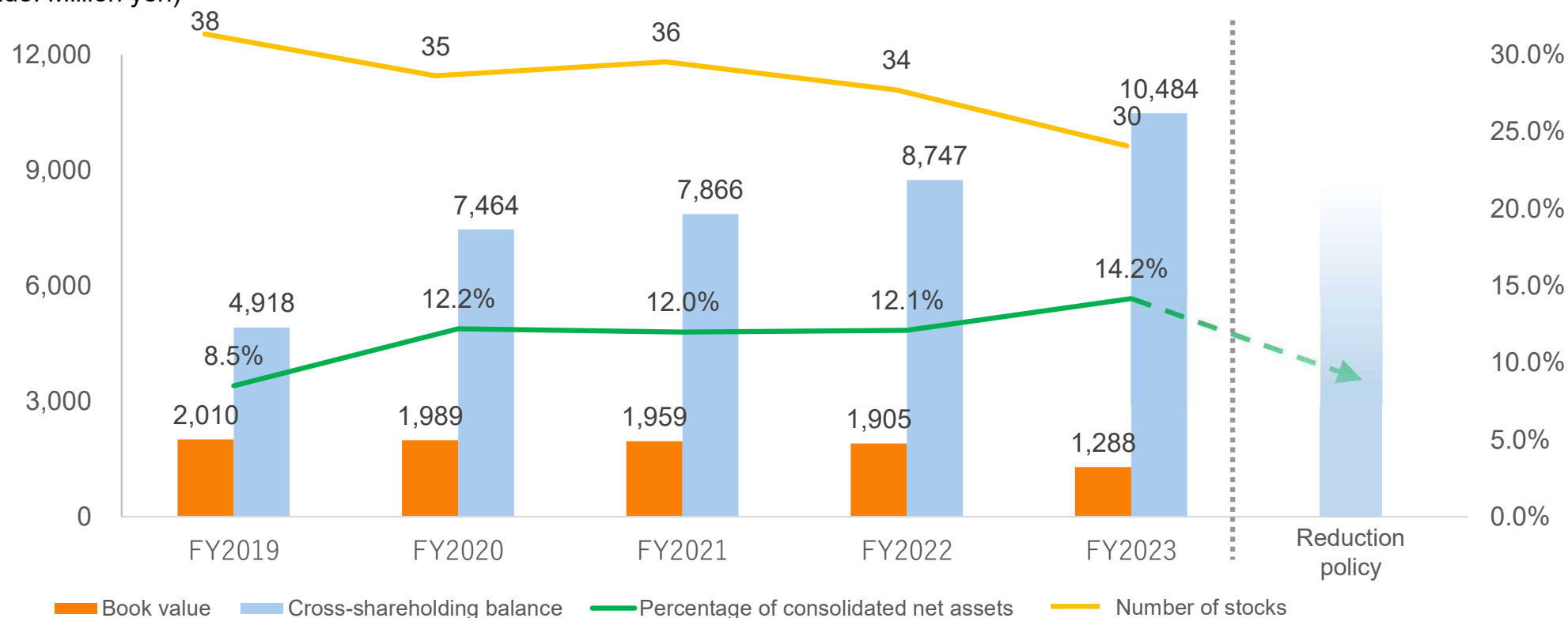
## | 3. Medium- and Long-term Initiatives



- Reduced cross-shareholdings in line with the policy of maintaining the balance of holdings at less than 10% of consolidated net assets.
- Sold all or part of 24 of the 34 stocks held.

### Changes in status of cross-shareholdings

(Value: Million yen)

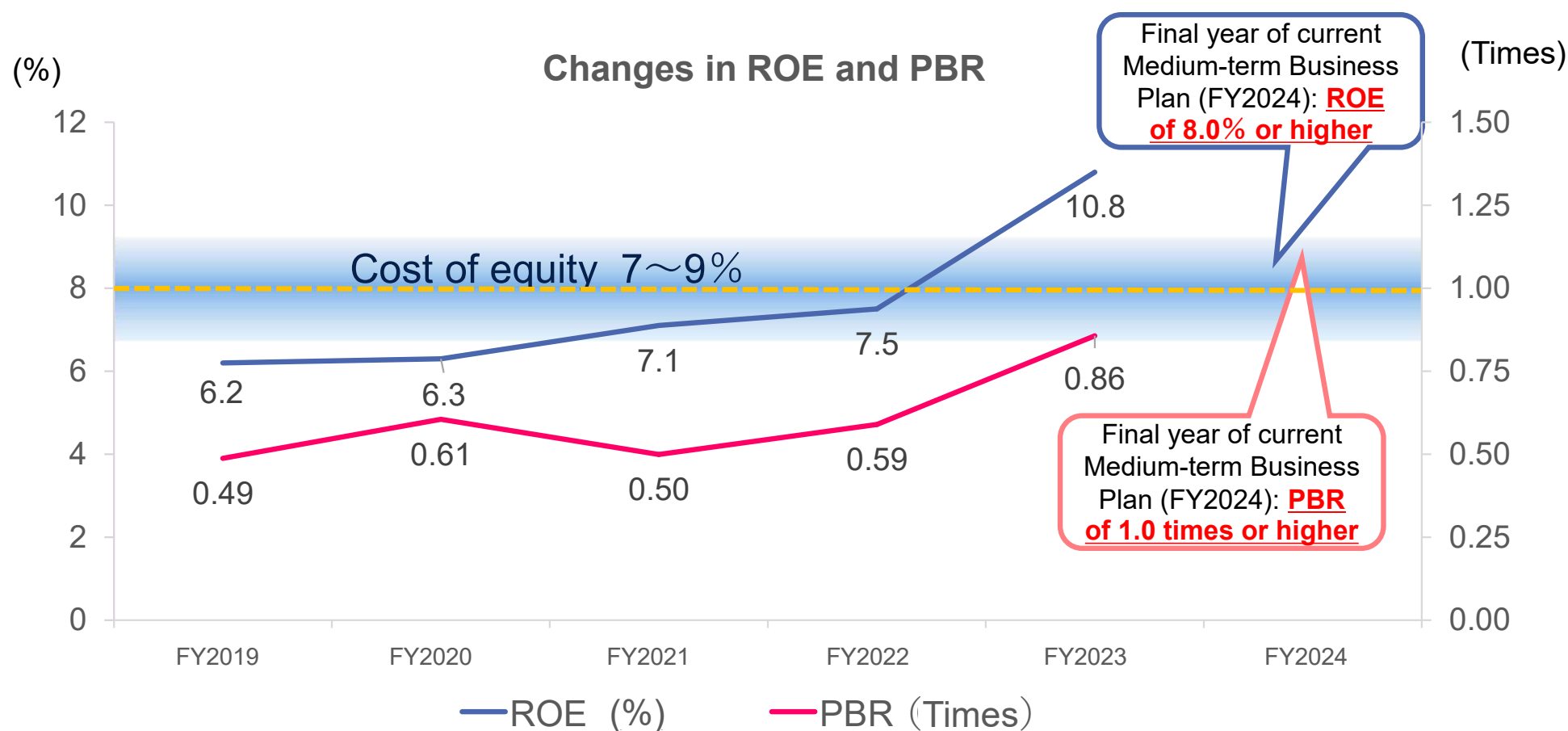


# Sustainable Growth and Increased Corporate Value

| 3. Medium- and Long-term Initiatives



- Aim to achieve **ROE of 8.0% or higher and PBR of 1.0 times or higher** for the fiscal year ending March 2025 through active implementation of each strategy.



ROIC	6.5%	6.2%	7.1%	8.0%	9.3%
WACC	6~8%				

# Disclaimer

Plans, projections, strategies, and other statements that are not historical facts presented in this document constitute forward-looking statements based on information available at the time of preparation and involve various risks and uncertainties. Actual results may differ significantly from these projections due to changes in the business environment and other factors.

Furthermore, information presented in this document concerning companies other than the Company or its group companies is based on publicly available information. The Company does not guarantee the accuracy of such information.

**For inquiries, please contact:**

**[webmaster@rikentechnos.co.jp](mailto:webmaster@rikentechnos.co.jp)**

**Corporate Planning Department/Accounting Department**



# Corporate Profile



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Company Name	RIKEN TECHNOS CORPORATION
Date of Establishment	March 30, 1951
Capital Stock	8,514 million yen
Representative	Kazuaki Tokiwa Representative Director, President & CEO
Number of Employees	1,904 consolidated employees and 785 non-consolidated employees (As of March 31, 2024)
Head Office	Waterras Tower, 2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo 101-8336 JAPAN

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# Management Philosophy: The RIKEN TECHNOS Way



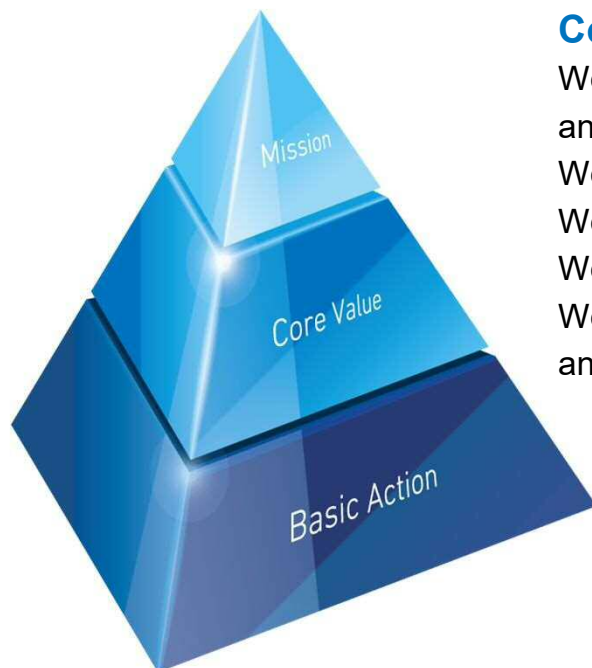
The spirit of venture, which has been passed down since our founding days, represents the very strength of RIKEN TECHNOS CORPORATION and its “RIKEN TECHNOS-ness.” The RIKEN TECHNOS Way, our corporate philosophy, was formulated based on this “RIKEN TECHNOS-ness.”

The word “challenger” used in our 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 further advances into the future, we will continue taking on new challenges.

## 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 all.

We create new value.

We continually push ourselves to achieve more.

We enjoy our work and love what we do.

We work together to find solutions  
and produce the best results for everyone.

## Basic Action “Specific Action Guidelines”

Lead without fear.

Take charge and enjoy your work.

Build a team by trusting and helping one other.

Listen attentively and speak sincerely.

Come with smile and leave with smile.

Stay ahead of customers' expectations.

Seek new things and ways.

Be a real professional through self-improvement.

Set goals and achieve on time.



# Business Segments



- With a focus on our three main product lines (compounds, films, and food packaging), based on comprehensive technologies related to synthetic resin processing, we supply products to a wide range of industries and engage in business in Japan and around the world through application-specific processing.



## Segments

Main product line	Description	Transportation	Daily Life & Healthcare	Electronics	Building & Construction
<b>Compounds</b>	Compounds are composite materials with new properties created by mixing several different additives with a base resin. They are used primarily for extrusion molding and injection molding. We develop, manufacture, and sell polyvinyl chloride resins as well as thermoplastic elastomers and highly functional fire-resistant and electroconductive compounds.	<ul style="list-style-type: none"> <li>Wire harness compounds</li> <li>Sash compounds</li> </ul>	<ul style="list-style-type: none"> <li>Syringe gasket compounds</li> <li>Blood transfusion equipment compounds</li> </ul>	<ul style="list-style-type: none"> <li>Electrical wire compounds</li> </ul>	<ul style="list-style-type: none"> <li>Heat insulation sash compounds</li> </ul>
<b>Films</b>	We manufacture high-quality films using manufacturing methods adapted to the characteristics of the compounded resin. We also develop and manufacture and sell film products that contribute to design freedom and functionality by layering multiple films and applying coatings to surfaces.	<ul style="list-style-type: none"> <li>RIVEX® window films</li> </ul>	<ul style="list-style-type: none"> <li>Antivirus and antibacterial films</li> </ul>	<ul style="list-style-type: none"> <li>Semiconductor-related films</li> </ul>	<ul style="list-style-type: none"> <li>High-end wall covering films</li> </ul>
<b>Food Packaging</b>	As a pioneer that developed Japan's first polyvinyl chloride resin wrap, RIKEN TECHNOS pursues high-quality and functional wraps for food packaging for household and commercial applications, and develops and manufactures, and sells wraps suitable for foods, automated packaging machines, and so on.	<ul style="list-style-type: none"> <li>PVC wraps</li> <li>Botanical wraps</li> </ul>			

# Contributing to the Environment through Business



- We pursue energy conservation, resource conservation, recycling, and other initiatives in our traditional PVC and elastomer businesses as well.
- Boosting sales of these products will help protect the environment.

Resin	Properties	Our products	Sales expansion status and policies
PVC	<ul style="list-style-type: none"> <li>■ About 60% of PVC comes from the natural material of salt. <ul style="list-style-type: none"> <li>• PVC can provide a range of functions according to the application, including durability, workability, fire resistance, and weather resistance.</li> <li>• At 21.3 MJ/kg, PVC resource energy consumption is less than half that of other resins that consist mainly of hydrocarbons from petroleum (polyethylene and polypropylene), which consume 45.6–46.5 MJ/kg, giving it a low environmental impact.</li> </ul> </li> </ul>	<p>PVC resin interior window sashes (Recyclable as a forming material)</p> 	<p>Strong demand for resin sashes is expected to continue due to the Japanese government's zero emission home (ZEH) initiative, so our policy is to focus on expanding sales of PVC compounds.</p>
Elastomers	<ul style="list-style-type: none"> <li>■ With rubberlike characteristics, elastomers can help reduce CO<sub>2</sub> emissions and conserve energy. <ul style="list-style-type: none"> <li>• Thermoplastic elastomers are recyclable and can be molded more quickly than conventional rubber, making it possible to reduce CO<sub>2</sub> emissions.</li> <li>• They are also lightweight materials, so they can help conserve energy by reducing vehicle weights and fuel consumption.</li> </ul> </li> </ul>	<p>Highly oil-resistant TPV ACTYMER® K (Offering features equivalent to those of oil-resistant rubber)</p> 	<p>We expect the continuation of trends toward material changes and rubber substitutes intended to improve fuel consumption for vehicles and reduce vehicle weight, so our policy is to focus on expanding sales of applicable functional materials.</p>

\*Source: Vinyl Environmental Council website

# Global Network



- Production Companies
- Sales Companies

- **RIKEN TECHNOS CORPORATION**
- **Domestic subsidiaries**

- RIKEN CABLE TECHNOLOGY CO., LTD.
- RIKEN CHEMICAL PRODUCTS CO., LTD.
- KYOEI PLASTIC MFG CO., LTD.
- IMI Co., LTD.





# Value Creation History



➤ Since our founding in 1951, we have continued to broaden our range of products while expanding our network across Japan and around the world.

