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NOTICE OF THE 95th ORDINARY GENERAL MEETING OF SHAREHOLDERS

RIKEN TECHNOS CORPORATION

Dear shareholders,

I would like to express my sincere greetings to all of you as we convene the 95th Ordinary General Meeting of Shareholders of RIKEN TECHNOS CORPORATION.

In the 95th fiscal year (from April 1, 2023 to March 31, 2024), the Group promptly worked on measures for the four strategies in the second year of the three-year Medium-term Business Plan “Challenge Now for Change New 2024: Challenge for Innovation.” As a result, we were able to reach record highs in consolidated net sales and each profit area for three consecutive years.

The 96th fiscal year will be the final year of our three-year Medium-term Business Plan. The Group will work as one to implement various measures to complete the four strategies.

I would like to ask all shareholders for their continued support and encouragement.

Kazuaki Tokiwa
Representative Director, President & CEO

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Mission

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

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

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.

(Stock Exchange Code 4220)
June 4, 2024
(Measures for electronic provision start on: May 29, 2024)

To Shareholders with Voting Rights:

Kazuaki Tokiwa
Representative Director, President & CEO
RIKEN TECHNOS CORPORATION
Main Office: 2-101, Kanda-Awajicho,
Chiyoda-ku, Tokyo

NOTICE OF THE 95th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby notify you that the 95th Ordinary General Meeting of Shareholders of RIKEN TECHNOS CORPORATION (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision, and matters to be provided electronically are posted on the following website on the Internet.

The Company’s website:

<https://www.rikentechnos.co.jp/e/ir/news/>

In addition to the above-mentioned website, matters to be provided electronically are posted on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (TSE Listed Company Search), enter the issue name (company name) or the stock exchange code to search, and select “Basic information” and then “Documents for public inspection/PR information” to confirm the information.

TSE website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are not planning on attending the meeting in person, you can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders described in matters to be provided electronically, and exercise your voting rights by no later than 5:45 p.m. on Thursday, June 20, 2024, Japan time.

- 1. Date and Time:** Friday, June 21, 2024 at 10:00 a.m. Japan time
 - 2. Place:** Nomura Conference Plaza Nihonbashi 6F Large Hall, Nihonbashi Muromachi Nomura Building (YUITO) located at 2-4-3, Nihonbashimuromachi, Chuo-ku, Tokyo, Japan
 - 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 95th term (from April 1, 2023 to March 31, 2024) and results of audits by Independent Accountants and Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 95th term (from April 1, 2023 to March 31, 2024)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of 3 Directors (Excluding Directors serving as Audit & Supervisory Committee Members)
 - Proposal 3:** Election of 4 Directors serving as Audit & Supervisory Committee Members
- ◎ Of the matters for electronic provision, the following matters have not been included in the documents to be delivered to shareholders who have requested delivery of paper-based documents pursuant to the provisions of laws and regulations and the Company's Articles of Incorporation. Independent Accountants and the Audit & Supervisory Committee have audited the documents subject to auditing that include the following matters.
- (1) The following items in the consolidated financial statements
 - Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements
 - (2) The following items in the non-consolidated financial statements
 - Non-Consolidated Statements of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements
- ◎ If any revisions are required in the matters to be provided electronically, the contents of revisions will be posted on each website on which those matters are posted.
- ◎ If no indication of favor or against is made in the voting form, it shall be deemed to be an indication of favor.
- ◎ If you exercise your voting rights both in writing and via the Internet, the one exercised via the Internet shall be valid. If you exercise your voting rights more than once via the Internet, the last exercise shall be valid.
- ◎ We will not hold a get-together for shareholders after the meeting.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The management of the Company has been positioning the distribution of profits to our shareholders through increased corporate value in the mid- to long-term as one of the most important management issues and makes it a basic policy to ensure a steady stream of dividends while considering future business investment, enhancement of shareholders' equity, and other factors, with an aim at a consolidated dividend payout ratio of about 35%.

Based on the above-mentioned policy, we hereby propose paying a year-end ordinary dividend of ¥20 per share for the 95th fiscal year, an increase of ¥4 per share from the previous fiscal year.

(1) Type of dividend properties
Cash

(2) Allocation of dividend properties to shareholders and total amount thereof

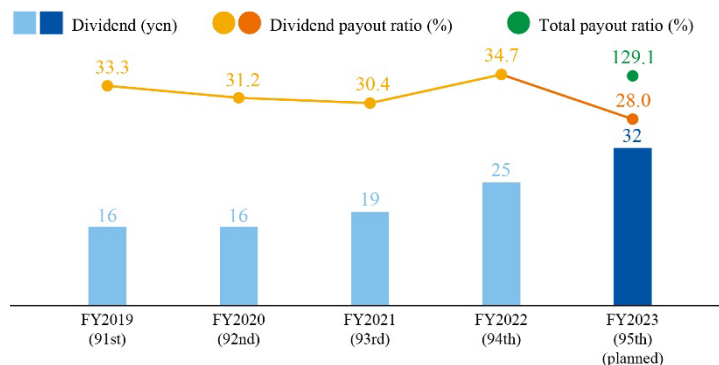
¥20.00 per share of common stock of the Company

Total amount of dividends: ¥1,115,502,140

The annual dividend for the current fiscal year, including the interim dividend, will be ¥32.00 per share, an increase of ¥7 per share from the previous fiscal year.

(3) Effective date of distribution of surplus
June 24, 2024

[Reference] Trends in dividend per share and dividend payout ratio



The annual dividend for the current fiscal year is calculated based on basic earnings per share excluding the impact of gains on sales of investment securities during the period under review from profit attributable to owners of parent. All funds obtained from the sale of investment securities were used to fund the acquisition of own shares, and the total payout ratio was 129.1%, including the total amount of acquisition of own shares.

Proposal 2: Election of 3 Directors (Excluding Directors serving as Audit & Supervisory Committee Members)


The terms of office of all 4 Directors (excluding Directors serving as Audit & Supervisory Committee Members, and the same applies hereinafter in this Proposal) will expire at the conclusion of this meeting. Accordingly, in accordance with the change in management structure, we hereby propose the reduction of 1 Director and the election of 3 Directors.


The Company selected each candidate for nomination in consultation with the voluntary Nomination Committee chaired by an Independent Outside Director.

In addition, the Audit & Supervisory Committee has judged that each candidate is qualified as a Director of the Company, after comprehensively evaluating the status of execution of duties in the 95th fiscal year, etc.

The candidates for Directors are as follows:

No.		Name	Gender	Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	Reappointment	Kazuaki Tokiwa	Male	Representative Director President & CEO	16/16 times (100%)
2	Reappointment	Junji Irie	Male	Representative Director, Senior Managing Executive Officer Senior General Manager, Administrative Div.	16/16 times (100%)
3	Reappointment	Gakuyuki Kajiyama	Male	Director, Managing Executive Officer Senior General Manager, Sales & Marketing Div.	16/16 times (100%)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 <p>Kazuaki Tokiwa (October 8, 1960)</p> <p>[Reappointment]</p>	<p>March 1983 Joined the Company</p> <p>April 2002 General Manager, Sales & Marketing Dept., RIMTEC CORPORATION</p> <p>January 2007 Managing Director, RIKEN ELASTOMERS CORPORATION</p> <p>October 2011 Deputy General Manager, Compound Div.; General Manager, Compound Sales & Marketing Dept., RIKEN TECHNOS CORPORATION</p> <p>April 2013 Vice Office Manager, Corporate Planning Office</p> <p>June 2013 Director; Office Manager, Corporate Planning Office</p> <p>April 2016 Representative Director, President & CEO (to present)</p> <p>[Significant concurrent positions]</p> <p>None</p>	59,600
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kazuaki Tokiwa carried out various measures to realize the Group's management strategy and business plan in the corporate planning division. He also has extensive experience and achievements as a corporate manager at the overseas group companies. He has promoted various measures in the Medium-term Business Plan by making use of the Company's global network and played a leading role in the Group's management as Representative Director, President & CEO since April 2016. The Company nominated him as a candidate for Director because we believe that he will continue to contribute to enhancing the global group management and producing the synergy effect in the final year of the three-year Medium-term Business Plan that started in April 2022.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2		April 1981 April 2009 May 2011 June 2011 June 2012 April 2013 April 2016 January 2017 April 2017 October 2017 April 2019 April 2020 June 2020 April 2022 April 2023 [Significant concurrent positions] None	55,900
	Junji Irie (July 27, 1958) [Reappointment]	Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.) Executive Officer; General Manager, Kobuna-cho Branch Joined the Company Office Manager, Legal & Compliance Office Director; Office Manager, Legal & Compliance Office Director; Senior General Manager, Administrative Div.; General Manager, General Affairs Dept. Director, Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div. Director, Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.; General Manager, General Affairs Dept. Director, Managing Executive Officer; Senior General Manager, Administrative Div.; General Manager, General Affairs Dept. Director, Managing Executive Officer; Senior General Manager, Administrative Div. Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div. Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div. Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div. Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div. Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div. (to present)	
[Reason for nomination as candidate for Director] Mr. Junji Irie has extensive work experience at leading commercial banks and has considerable insight into management derived from his experience working as a corporate executive. He has revised the corporate governance structure at the Company's administration division, and thereby contributed to strengthening the effectiveness of the Board of Directors' decision-making and supervising function. He has also contributed to streamlining the group management at the corporate planning department. The Company nominated him as a candidate for Director because we believe that he will continue to contribute to the reinforcement of group governance and the group management that leverages the group synergy.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 <p>Gakuyuki Kajiyama (October 29, 1962)</p> <p>[Reappointment]</p>	<p>March 1985 Joined the Company</p> <p>June 2008 Office Manager, Nagoya Sales Office; Office Manager, Compound Vehicle R&D Office</p> <p>March 2010 Deputy General Manager, Compound Div.</p> <p>April 2011 Vice Office Manager, Corporate Planning Office</p> <p>September 2011 Managing Director, RIKEN ELASTOMERS CORPORATION</p> <p>April 2016 Executive Officer, RIKEN TECHNOS CORPORATION; Managing Director, RIKEN ELASTOMERS CORPORATION</p> <p>April 2017 Senior Executive Officer; Senior General Manager, Corporate Planning Div., RIKEN TECHNOS CORPORATION</p> <p>June 2017 Director, Senior Executive Officer; Senior General Manager, Corporate Planning Div.</p> <p>April 2019 Director, Managing Executive Officer; Senior General Manager, Sales & Marketing Div. (to present)</p> <p>[Significant concurrent positions] None</p>	39,400
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Gakuyuki Kajiyama has extensive work experience at the Company's technical department and sales & marketing department. He has also contributed to strengthening the global competitiveness including promoting a global sales & marketing structure focused on North America, as a corporate manager of overseas group companies. He has engaged in the formulation and planning of management and business strategy of the entire Group in the Company's corporate planning department since April 2017, and has promoted various measures in the Medium-term Business Plan. He has worked to strengthen a global sales structure at the sales & marketing department since April 2019. The Company nominated him as a candidate for Director because we believe that he will continue to contribute to enhancing the global group management and producing the synergy effect.</p>			

(Notes) 1. No special interests exist between any of the above candidates and the Company.

2. The Company has entered into a directors and officers liability insurance agreement pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers legal damages and litigation expenses to be borne by the insured parties.

The candidates are included as insured parties in the insurance agreement and will continue to be included if they are reelected by this Proposal. The Company plans to renew the insurance agreement during their terms of office.

Proposal 3: Election of 4 Directors serving as Audit & Supervisory Committee Members


The terms of office of all 5 Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this meeting. Accordingly, in consideration of the composition of the Board of Directors as a whole, we hereby propose the reduction of 1 Director and the election of 4 Directors serving as Audit & Supervisory Committee Members. The Company believes that the Audit & Supervisory Committee will continue to be effective in auditing and supervising the management of the Group despite the reduction of 1 Director serving as Audit & Supervisory Committee Member.


The Audit & Supervisory Committee previously has given its approval to this proposal.

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows:

No.		Name	Gender	Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Committee
1	New appointment	Takashi Shimada	Male	-	-	-
2	Reappointment	Shigeharu Nakamura	Male	Outside Director Audit & Supervisory Committee Member	16/16 times (100%)	18/18 times (100%)
3	Reappointment	Shigeru Ehara	Male	Outside Director Audit & Supervisory Committee Member	16/16 times (100%)	18/18 times (100%)
4	Reappointment	Aogi Suemura	Female	Outside Director Audit & Supervisory Committee Member	16/16 times (100%)	18/18 times (100%)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 <p>Takashi Shimada (March 3, 1961)</p> <p>[New appointment]</p>	<p>March 1984 Joined the Company</p> <p>April 2011 Vice Office Manager, Administrative Div.</p> <p>April 2013 Factory Manager, Saitama Factory</p> <p>April 2014 Senior General Manager, Quality Assurance Div.</p> <p>June 2014 Director, Senior General Manager, Quality Assurance Div.</p> <p>January 2015 Director, Senior General Manager, Manufacturing Div.; Senior General Manager, Quality Assurance Div.</p> <p>April 2016 Director, Senior Executive Officer, Senior General Manager, Manufacturing Div.; Senior General Manager, Quality Assurance Div.</p> <p>June 2016 Senior Executive Officer, Senior General Manager, Manufacturing Div.; Senior General Manager, Quality Assurance Div.</p> <p>March 2017 Senior Executive Officer; President, RIKEN ELASTOMERS CORPORATION</p> <p>April 2017 Senior Executive Officer; President, RIKEN AMERICAS CORPORATION; President, RIKEN ELASTOMERS CORPORATION</p> <p>April 2019 President & Representative Director, RIKEN CABLE TECHNOLOGY CO., LTD.</p> <p>February 2023 President and CEO, KYOEI PLASTIC MFG CO., LTD. (Scheduled to retire in June 2024)</p> <p>[Significant concurrent positions] None</p>	27,800
<p>[Reason for nomination as candidate for Director serving as Audit & Supervisory Committee Member]</p> <p>Mr. Takashi Shimada has extensive experience in the Company's manufacturing, quality assurance, and administrative divisions and significant insight derived from his service as the Company's Director and Executive Officer from June 2014. Since March 2017, he has gained extensive experience as a corporate manager at the Company's international and domestic group companies. The Company nominated him as a candidate for Director serving as Audit & Supervisory Committee Member because we believe that he will contribute to the auditing and supervision of the Group's management going forward by taking advantage of these knowledge and experience.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 <p>Shigeharu Nakamura (September 17, 1953)</p> <p>[Reappointment] [Outside Director] [Independent Director]</p>	<p>April 1976 Joined the Saitama Bank, Ltd. (current Saitama Resona Bank, Limited)</p> <p>June 2005 Managing Executive Officer in charge of Finance Div., Resona Bank, Limited</p> <p>June 2006 Director, Senior Managing Executive Officer in charge of Finance Div. and in charge of Corporate Governance Office</p> <p>June 2008 Representative Director, Vice President & Executive Officer in charge of Human Resources Division and in charge of Corporate Governance Secretariat (Retired in March 2012)</p> <p>April 2012 Representative Director & President, Resona Research Institute Co., Ltd.</p> <p>June 2013 Outside Auditor, TOYO KANETSU K.K.</p> <p>April 2014 Advisor, Resona Research Institute Co., Ltd. (Retired in June 2014)</p> <p>June 2014 Auditor, F-TECH INC. (Retired in June 2022) Outside Corporate Auditor, RIKEN TECHNOS CORPORATION</p> <p>June 2015 Outside Director (Audit and Supervisory Committee Member), TOYO KANETSU K.K. (to present)</p> <p>June 2016 Outside Director serving as Audit & Supervisory Committee Member, RIKEN TECHNOS CORPORATION (to present)</p> <p>June 2018 External Director, The Shoko Chukin Bank, Ltd. (Scheduled to retire in June 2024)</p> <p>[Significant concurrent positions] Outside Director (Audit and Supervisory Committee Member), TOYO KANETSU K.K.</p>	6,800
<p>[Reason for nomination as candidate for Outside Director serving as Audit & Supervisory Committee Member and expected roles]</p> <p>Mr. Shigeharu Nakamura has many years of experience as an officer responsible for risk management and corporate governance at leading commercial banks, as well as deep insight into management derived from his experience as a corporate executive at each company. He has provided wide-ranging and objective audits and advice to the management as an Outside Corporate Auditor of the Company since June 2014 and as an Outside Director serving as Audit & Supervisory Committee Member since June 2016. The Company nominated him as a candidate for Outside Director serving as Audit & Supervisory Committee Member because we believe that he will continue to contribute to the auditing and supervision of the Group's management.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 <p>Shigeru Ehara (December 18, 1958)</p> <p>[Reappointment] [Outside Director] [Independent Director]</p>	<p>April 1981 Joined The Yasuda Fire & Marine Insurance Co, Ltd.</p> <p>April 2011 Executive Officer, General Manager, Commercial Risk Solutions Department, Sompo Japan Insurance Inc.</p> <p>April 2013 Director, Managing Executive Officer, Sompo Japan Insurance Inc. Managing Executive Officer, NIPPONKOA Insurance Company, Limited Executive Officer, NKSJ Holdings, Inc.</p> <p>June 2013 Director, Executive Officer, NKSJ Holdings, Inc.</p> <p>September 2014 Director, Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. Director, Managing Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.</p> <p>April 2016 Director, Senior Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. Director, Senior Managing Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.</p> <p>November 2016 Representative Director, Senior Managing Executive Officer, Sompo Holdings, Inc.</p> <p>April 2017 CEO, Overseas Insurance and Reinsurance Business, Representative Director, Senior Managing Executive Officer</p> <p>April 2018 Deputy President and Senior Executive Officer, Sompo Japan Nipponkoa Insurance Inc. (Retired in June 2018)</p> <p>June 2018 Director, Deputy President and Senior Executive Officer, Sompo Holdings, Inc. (Retired in June 2018)</p> <p>June 2018 Executive Director, General Insurance Rating Organization of Japan (Retired in June 2022)</p> <p>June 2022 Outside Director serving as Audit & Supervisory Committee Member, RIKEN TECHNOS CORPORATION (to present)</p> <p>(Notes) 1. The Yasuda Fire & Marine Insurance Co., Ltd., Sompo Japan Insurance Inc., NIPPONKOA Insurance Company Limited, and Sompo Japan Nipponkoa Insurance Inc. are currently named as Sompo Japan Insurance Inc. 2. NKSJ Holdings, Inc. and Sompo Japan Nipponkoa Holdings Inc. are currently named as Sompo Holdings, Inc.</p> <p>[Significant concurrent positions] None</p>	1,600
<p>[Reason for nomination as candidate for Outside Director serving as Audit & Supervisory Committee Member and expected roles]</p> <p>Mr. Shigeru Ehara has deep insight into management derived from his involvement in companies in various types of businesses and industries through his experience working for casualty insurance companies and working as a corporate executive. He also has considerable knowledge in global corporate management through his extensive overseas work experience. He has provided wide-ranging and objective audits and advice to the management as an Outside Director serving as Audit & Supervisory Committee Member since June 2022. The Company nominated him as a candidate for Outside Director serving as Audit & Supervisory Committee Member because we believe that he will continue to contribute to the auditing and supervision of the Group's management.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	 <p>Aogi Suemura (December 10, 1959)</p> <p>[Reappointment] [Outside Director] [Independent Director]</p>	<p>October 1992 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>April 1996 Registered as certified public accountant</p> <p>August 1999 Joined GOLDCREST Co., Ltd.</p> <p>January 2002 Joined Sumitomo Shoji Financial Management Co., Ltd.</p> <p>November 2004 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 2008 Partner</p> <p>January 2022 Representative, Aogi Suemura Certified Public Accountant Firm (to present)</p> <p>June 2022 Outside Director serving as Audit & Supervisory Committee Member, RIKEN TECHNOS CORPORATION (to present)</p> <p>March 2023 Outside Audit & Supervisory Board Member, Nippon Denko Co., Ltd.</p> <p>March 2024 Outside Director (Audit & Supervisory Committee Member) (to present)</p> <p>[Significant concurrent positions] Outside Director (Audit & Supervisory Committee Member), Nippon Denko Co., Ltd.</p>	1,600
<p>[Reason for nomination as candidate for Outside Director serving as Audit & Supervisory Committee Member and expected roles]</p> <p>Ms. Aogi Suemura has engaged in operations such as supporting development of statutory audit/internal control systems for listed companies as a partner of a major audit corporation, and experienced mainly in consolidated financial reporting operations and M&A accounting at major companies as well. She also has extensive knowledge and experience in corporate accounting and management as a certified public accountant. She has provided wide-ranging and objective audits and advice to the management as an Outside Director serving as Audit & Supervisory Committee Member since June 2022. The Company nominated her as a candidate for Outside Director serving as Audit & Supervisory Committee Member because we believe that she will continue to contribute to the auditing and supervision of the Group's management.</p>			

- (Notes)
1. No special interests exist between any of the above candidates and the Company.
 2. Matters concerning candidates for Outside Directors:
 - (1) Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura are Outside Directors serving as Audit & Supervisory Committee Members.
 - (2) Although Ms. Aogi Suemura has not been involved in corporate management other than as an Outside Officer, we judge that she is capable of properly performing her duties as Outside Director serving as Audit & Supervisory Committee Member based on the reason for nominating her as Outside Director serving as Audit & Supervisory Committee Member.
 - (3) Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura are currently Outside Directors serving as Audit & Supervisory Committee Members of the Company and Mr. Shigeharu Nakamura's term of office will be eight years, and Mr. Shigeru Ehara and Ms. Aogi Suemura's terms of office will be two years at the conclusion of this meeting.
 - (4) Ms. Aogi Suemura is scheduled to be appointed as an External Director as Audit & Supervisory Committee Member of Nomura Real Estate Holdings, Inc. as of June 21, 2024.
 - (5) The Company has entered into agreements with Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura to limit their liability for damages pursuant to Article 427, Paragraph 1 of the Companies Act. If their reelection is approved, the Company will continue the said agreements with them. The maximum amount of liability under the said agreement is the minimum liability amount stipulated by laws and regulations.
 - (6) The Company currently registers Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura as Independent Directors stipulated by the Tokyo Stock Exchange. If their reelection is approved, the Company plans to continuously have each be an Independent Director.
 3. The Company has entered into a directors and officers liability insurance agreement pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance agreement covers legal damages and litigation expenses to be borne by the insured parties.

Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura are included as insured parties in the insurance agreement, and will continue to be included if they are reelected by this Proposal. Mr. Takashi Shimada is planned to be included as an insured party if this Proposal is approved.

The Company plans to renew the insurance agreement during their term of office.

Reference [Management structure after the proposal is approved]

If Proposals 2 and 3 are approved as originally proposed, the Company's management structure will be as follows under the meetings of the Board of Directors and the Audit & Supervisory Committee held after the conclusion of this meeting:

Director

Name	Gender		Positions and Responsibility in the Company
Kazuaki Tokiwa	Male	[Reappointment]	Representative Director, President & CEO
Junji Irie	Male	[Reappointment]	Representative Director, Senior Managing Executive Officer Senior General Manager, Administrative Division
Gakuyuki Kajiyama	Male	[Reappointment]	Director, Managing Executive Officer Senior General Manager, Sales & Marketing Division
Takashi Shimada	Male	[New appointment]	Director Full-time Audit & Supervisory Committee Member
Shigeharu Nakamura	Male	[Reappointment] [Outside] [Independent]	Outside Director Audit & Supervisory Committee Member
Shigeru Ehara	Male	[Reappointment] [Outside] [Independent]	Outside Director Audit & Supervisory Committee Member
Aogi Suemura	Female	[Reappointment] [Outside] [Independent]	Outside Director Audit & Supervisory Committee Member

[Outside] Outside Director

[Independent] Independent Directors who satisfy the independence standards stipulated by the Tokyo Stock Exchange and the Company

Executive Officer (Excluding those who concurrently serve as Directors)

Name	Positions and Responsibility in the Company	
Michihisa Tasaka	Senior Executive Officer	General Manager of Start-up Office for New Business Development
Hitoshi Sugino	Senior Executive Officer	Senior General Manager of Technical Division
Tomoza Ogawa	Senior Executive Officer	Senior General Manager of Manufacturing Division Senior General Manager of Procurement Division
Michio Noishiki	Senior Executive Officer	Senior General Manager of Corporate Planning Division
Toshimi Yamanaka	Executive Officer	Regional Officer of North America President, RIKEN AMERICAS CORPORATION President, RIKEN ELASTOMERS CORPORATION
Hisashi Onozuka	Executive Officer	Deputy Senior General Manager of Sales & Marketing Division General Manager of Film Business Unit General Manager of Sales & Marketing Strategy Department
Fumitoshi Nakamura	Executive Officer	Regional Officer of ASEAN Deputy Senior General Manager of Sales & Marketing Division General Manager of Transportation Business Unit
Akihiro Tamura	Executive Officer	Senior General Manager of Quality Assurance Division
Hiroaki Wakayama	Executive Officer	Deputy Senior General Manager of Technical Division General Manager of R&D Center General Manager of Material R&D Dept. No.2, R&D Center

Reference [Skills Matrix of the Board of Directors (Corporate Governance Code Supplementary Principle 4-11①)]

In order to appropriately supervise the promotion of the four strategies set forth in the “Challenge Now for Change New 2024,” a management policy under our three-year Medium-term Business Plan, as well as the measures supporting those strategies, we have identified the skills expected of the Board of Directors as follows and formulated a skills matrix.

<Relationship between management strategies and skill items>

Four Strategies of the Three-year Medium-term Business Plan	Strategies to Grow Strengths of Businesses		Strategies for Future Growth		Measures that Support the Four Strategies (Capital investments in manufacturing facilities, Intellectual property and R&D investments, DX investments, Human capital investments, and Reinforcement of governance structures)	
	Strategy 1 Intensify global management and generate synergies	Strategy 2 Stay ahead of customers' expectations	Strategy 3 Take on the challenge toward new businesses and products	Strategy 4 Contribute to solving environmental and social issues		
Skill Items	Corporate management/ Management strategy	Sales/ Marketing	R&D/ Manufacturing	ESG/ Sustainability	Finance/ Accounting	Legal/ Risk management
	Global experience				Personnel/Labor/ Human resource development	DX/IT

<Definition of Skills>

	Skill Items	Definition
1	Corporate management/ Management strategy	Experience as a director, executive officer, etc., at other companies (at a consolidated subsidiary, experience as a president) Work experience at a corporate planning division, etc.
2	Sales/Marketing	Experience as a sales rep in the chemical industry, work experience in marketing division, etc.
3	Global experience	Overseas work experience, work experience in international division, etc.
4	R&D/Manufacturing	Work experience in R&D/manufacturing, or similar divisions
5	Finance/Accounting	Work experience in accounting/finance divisions, or financial institutions, etc. Knowledge of finance/accounting
6	Legal/Risk management	Work experience in legal/risk management, or similar divisions Knowledge of legal/risk management
7	Personnel/Labor/ Human resource development	Work experience in personnel/labor/human resources development, or similar divisions Knowledge of personnel/labor/human resources development
8	ESG/Sustainability	Work experience in ESG-related divisions Knowledge of ESG/sustainability
9	DX/IT	Work experience in system development divisions, etc. Knowledge of DX/IT

< Skill possession status>

If Proposals 2 and 3 are approved as originally proposed, the skills held by the Board of Directors will be as follows. The positions will be officially decided at meetings of the Board of Directors, the Audit & Supervisory Committee, and the outside Board of Directors held after the conclusion of this meeting.

Name	Position	Skills								
		Corporate management/Management strategy	Sales/Marketing	Global experience	R&D/Manufacturing	Finance/Accounting	Legal/Risk management	Personnel/Labor/Human resource development	ESG/Sustainability	DX/IT
Kazuaki Tokiwa	Representative Director, President & CEO	○	○	○	○				○	
		・Experience as a president of a U.S. subsidiary ・Work experience in sales, corporate planning, and quality assurance divisions								
Junji Irie	Representative Director, Senior Managing Executive Officer	○				○	○	○	○	○
		・Experience as an executive officer at a bank ・Experience as a senior general manager of the Company's administrative (personnel/accounting/legal/system)/corporate planning divisions								
Gakuyuki Kajiyama	Director, Managing Executive Officer	○	○	○	○				○	
		・Experience as a president of a U.S. subsidiary ・Experience as a senior general manager of corporate planning division ・Work experience in sales/R&D divisions								
Takashi Shimada	Director, Full-time Audit & Supervisory Committee Member	○		○	○			○	○	
		・Experience as a president of a U.S./domestic subsidiary ・Experience as a senior general manager of manufacturing/quality assurance divisions ・Work experience in R&D/personnel divisions								
Shigeharu Nakamura	Outside Director Audit & Supervisory Committee Member (Primary/Independent)	○		○		○	○	○		
		・Experience as a vice president/executive officer at a bank ・Work experience in international/corporate governance divisions								
Shigeru Ehara	Outside Director Audit & Supervisory Committee Member (Independent)	○		○		○	○	○		
		・Experience as a vice president/executive officer at a non-life insurance company ・Overseas work experience								
Aogi Suemura	Outside Director Audit & Supervisory Committee Member (Independent)					○	○	○		
		・Experience as a partner at an auditing firm ・Certified Public Accountant qualification								

Reference

<Independence Standards for Outside Directors>

The Company deems that Outside Directors of the Company are independent if they are judged not to fall under any of the following:

1. A person who has been an Executive (*1) of the Company or subsidiaries of the Company (hereinafter referred to as “Each Group Company”) at present or in the most recent ten (10) years;
2. A person who falls under the following items at present or in the most recent three (3) business years:
 - (1) A person with a relationship with major business partners of Each Group Company (*2) or an Executive thereof;
 - (2) A major borrower (*3) of Each Group Company or an Executive thereof;
 - (3) A major shareholder of the Company (*4) (if such major shareholder is a juridical person, a person who is an Executive of the juridical person);
 - (4) A consultant, accounting specialist, legal specialist, etc. who has received a large amount of money or other property (*5) from Each Group Company in addition to compensation for officers (if a person who has received such property is an organization such as a juridical person or association, the person belonging to such organization);
 - (5) A person who belongs to an auditing firm that is the Accounting Auditor of Each Group Company;
 - (6) An Executive of a party under mutual appointment as Outside Officer; or
 - (7) A person receiving a large amount of donations or grants (*6) from Each Group Company or an Executive thereof.
3. A spouse or relative within the second degree of kinship of a person who falls under any of the items of 1 or 2 above; or
4. A person whose total term of office as an Outside Director of the Company exceeds ten (10) years.

(Notes)

*1 An Executive includes a Director, Corporate Officer, Executive Officer, manager, or other employees who execute the business of a juridical person or other organizations.

*2 Relationship with major business partners is defined as the case in which the total amount of transactions with Each Group Company accounts for two percent (2%) or more of consolidated sales (average for the most recent three (3) business years) in either of the Company or business partners (including their parent company and significant subsidiaries) in the most recent three (3) business years.

*3 A major borrower is defined as the case where the total amount of borrowings by Each Group Company accounts for two percent (2%) or more of the total consolidated assets (average for the most recent three (3) business years) as of the last day of the most recent three (3) business years.

*4 A major shareholder means a person who holds ten percent (10%) or more of the total voting rights directly or indirectly.

*5 A large amount of money or other property means ten million (10,000,000) yen or more per year.

*6 Large amount of donations or grants means ten million (10,000,000) yen or more per year.

Reference [Reduction of Strategic-Holding Shares]

With regard to strategic-holding shares, the Company shall ensure that the Board of Directors annually review specifically the rationality of holding each company's stocks including the cost of equity and the benefits of holding, reducing the ratio of strategic-holding shares to reach less than 10% of consolidated net assets.

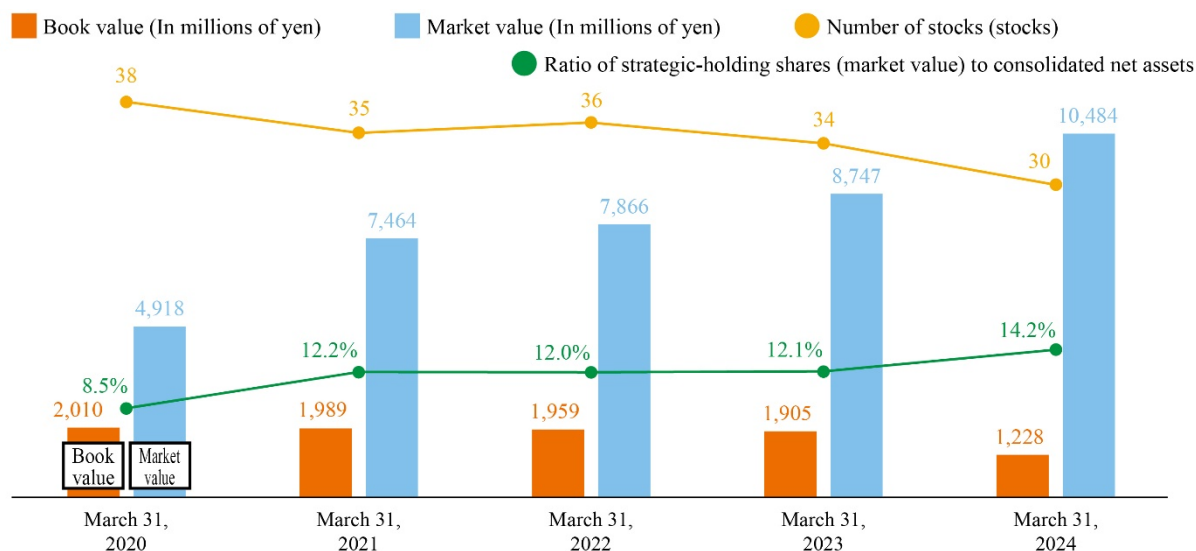
In fiscal 2023, in addition to reviewing the appropriateness of holding for every individual stock, the Company conducted a comprehensive review that included our capital policy, etc., and disposed of all or part of the 24 of the 34 stocks held.

<Sales of strategic-holding shares over the past three years>

	FY2021 The 93rd fiscal year	FY2022 The 94th fiscal year	FY2023 The 95th fiscal year (Fiscal year under review)
Number of stocks sold	3 stocks	2 stocks	24 stocks
Total sales amount	¥197,478 thousand	¥42,616 thousand	¥2,577,949 thousand

(Note) The table shows the figures on a non-consolidated basis.

<Changes in ratio of strategic-holding shares>



(Note) The chart shows the figures on a non-consolidated basis.

Business Report

(April 1, 2023 - March 31, 2024)

1. Overview of the Corporate Group

(1) Business Progress and Results

The Japanese economy during the fiscal year under review was on a recovery trend as a whole as a result of ongoing improvements in the employment and income environment together with a recovery in corporate revenue, despite consumer spending stalling due to increasing budget-consciousness caused by high prices, and due to the tailing off of the recovery in demand that followed the COVID-19 pandemic.

Overseas economies picked up as a whole because of the steady performance of consumer spending and capital investment in the US economy, buoyed by its strong employment and income environment. However, the outlook remains uncertain due to factors such as the impacts of global monetary tightening and slowdown of the Chinese economy, and the situation in the Middle East.

Looking by industry, in the building materials market in Japan, the number of housing starts and non-housing starts both declined year on year, resulting in a weak market. On the other hand, in the global automotive market, further progress was made in relaxing the production limitations that had been placed due to parts supply difficulties caused by the semiconductor shortage, and automobile production rose year on year.

In this environment, the Group advanced concrete initiatives under the four strategies, namely, “Intensify global management and generate synergies,” “Stay ahead of customers’ expectations,” “Take on the challenge toward new businesses and products,” and “Contribute to solving environmental and social issues,” in the second year of the three-year Medium-term Business Plan “Challenge Now for Change New 2024: Challenge for Innovation.”

As a result, consolidated net sales amounted to 125,739 million yen, or up 1.8% year on year, consolidated operating profit was 8,775 million yen, or up 16.9% year on year, consolidated ordinary profit came to 9,544 million yen, or up 19.8% year on year, and profit attributable to owners of parent was 6,880 million yen, or up 51.0% year on year. Net sales and each profit area reached record highs for three consecutive years.

Net sales		Operating profit	
¥125,739 million	Up 1.8% YoY	¥8,775 million	Up 16.9% YoY
Ordinary profit		Profit attributable to owners of parent	
¥9,544 million	Up 19.8% YoY	¥6,880 million	Up 51.0% YoY

Results by segment are as follows.

1) Transportation

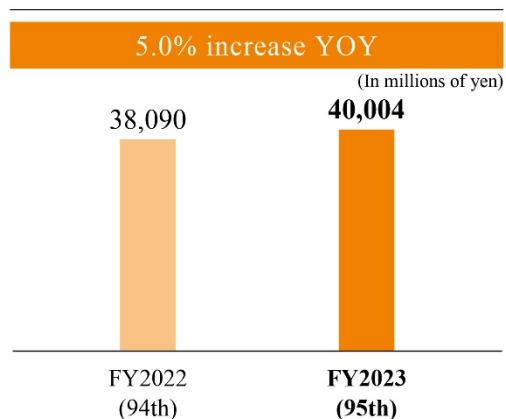
In Japan, the automotive market recovered and sales of elastomer compounds to the market increased, leading to revenue growth.

Overseas, although Japanese automobile production saw decline in the Chinese market, sales increased due to the recovery in Japanese automobile production in North America and India, resulting in revenue growth.

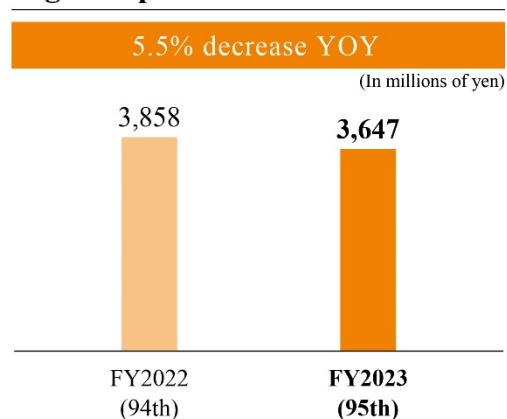
Segment profit declined due to the impact of the fall in sales caused by the decline in Japanese automobile production in China and the delay in passing on price hikes for some raw materials.

As a result, net sales amounted to 40,004 million yen, and segment profit came to 3,647 million yen.

Net sales



Segment profit



2) Daily Life & Healthcare

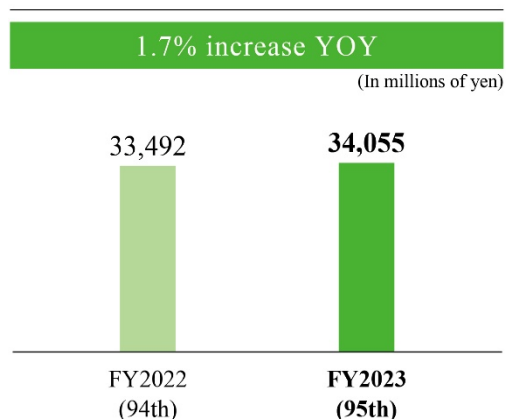
In Japan, while sales of elastomer compounds for consumer goods fell, sales of small-roll wrap products were strong, resulting in a rise in revenue.

Overseas, sales of PVC compounds for consumer goods fell in Thailand, causing a decrease in revenue.

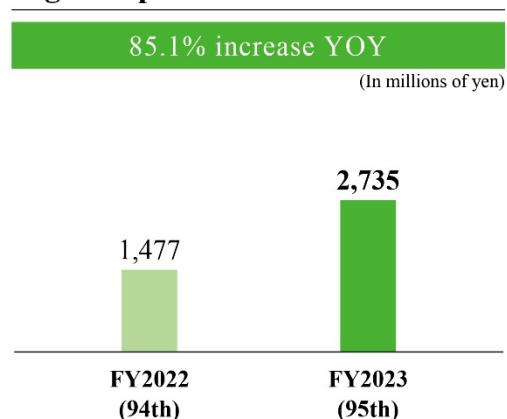
Segment profit increased due to price optimization of products and higher sales of PVC compounds in North America and small-roll wrap products in Japan.

As a result, net sales amounted to 34,055 million yen, and segment profit came to 2,735 million yen.

Net sales



Segment profit



3) Electronics

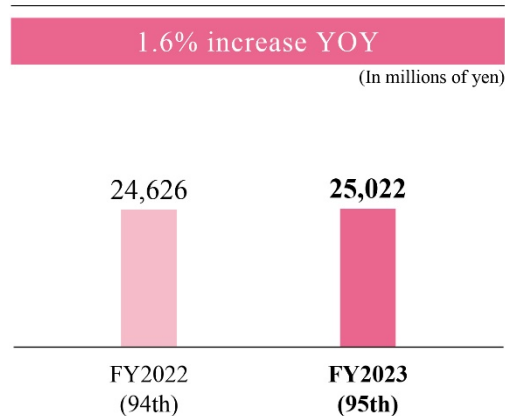
In Japan, while sales of PVC compounds for machinery electric wires fell, sales of functional films, including dicing film for the semiconductor market, continued to expand, leading to an increase in revenue.

Overseas, although sales of PVC compounds rose in Indonesia, they fell in the US and Chinese markets, resulting in a decline in revenue.

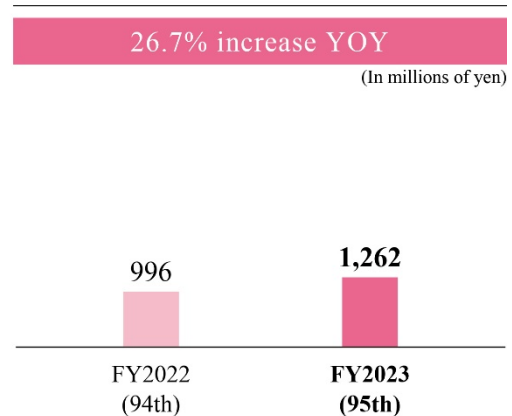
Segment profit increased due to higher sales of PVC compounds in Indonesia and expanded sales of functional films in Japan.

As a result, net sales amounted to 25,022 million yen, and segment profit came to 1,262 million yen.

Net sales



Segment profit



4) Building & Construction

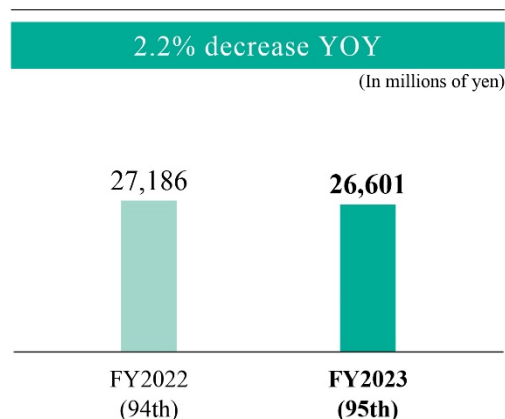
In Japan, higher sales of films for the non-housing market and the PVC compounds for resin sashes attributed to the Japanese government's campaign to promote energy conservation in homes led to an increase in revenue.

Overseas, sales of PVC compounds for the building materials market in the US decreased, resulting in a decline in revenue.

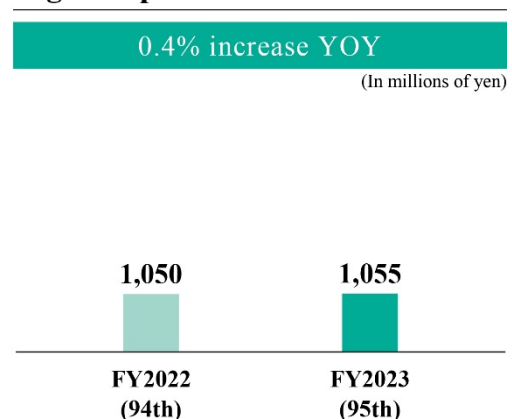
Segment profit was almost flat year on year due to lower sales of PVC compounds for the overseas building materials market, despite increased domestic sales.

As a result, net sales were 26,601 million yen, and segment profit amounted to 1,055 million yen.

Net sales



Segment profit



(2) Capital Investments

Total capital expenditures amounted to 4,132 million yen in the fiscal year under review. Major investments are described below.

Major facilities under development in the fiscal year under review

- Subsidiary RIKEN VIETNAM CO., LTD.
Construction of additional compounds manufacturing factories

(3) Financing

No material items to report.

(4) Issues to Be Addressed

The Japanese economy is expected to follow a moderate recovery trend, underpinned by export and inbound tourism demand growth in addition to a recovery in internal demand, such as consumer spending and capital investment. However, the outlook will likely remain uncertain as this recovery is expected to be slow due to factors such as the impact of high prices, the slowdowns of overseas economies, and supply constraints resulting from personnel shortages.

In such a situation, the Group aims to become the leading provider of comfort for all living spaces, with its management policy of “Challenge Now for Change New 2024: Challenge for Innovation” in the three-year Medium-term Business Plan. The next fiscal year will be the final year of the Group's three-year Medium-term Business Plan. The Group will work as one to implement various initiatives to complete the four strategies, namely, “Intensify global management and generate synergies,” “Stay ahead of customers’ expectations,” “Take on the challenge toward new businesses and products,” and “Contribute to solving environmental and social issues.”

1) Intensify global management and generate synergies

To establish strong foundation as a global company, we have positioned ASEAN as an important region, and we will strive to capture an overwhelming market share, and to increase the number of fields in which we hold leading market shares through targeted allocation of management resources. In addition, we will further reinforce the global cross-functional management spearheaded by each division.

2) Stay ahead of customers’ expectations

The Company’s strength/business model is to understand exactly what the customer wants and quickly provide solutions. We will further reinforce and develop this capability. Specifically, we build systems to anticipate and realize potential customer needs, while also enhancing our analysis skills and proposal ability. Also, in order to speed up our delivery of solutions, we will reinforce our R&D facilities, promote DX, and utilize Materials Informatics (MI).

3) Take on the challenge toward new businesses and products

Getting back to our basic philosophy as a challenger, we will take on the challenges of establishing businesses which will become profit pillars in the future. While advancing the integration of our existing compounds technologies and film technologies, our Start-up Office for New Business Development will search for new themes that may lead to new businesses and products, including academic-industrial partnerships and cross-industrial partnerships.

4) Contribute to solving environmental and social issues

The Group will continue to contribute to the realization of a sustainable society through developing and spreading environmentally friendly products. Recognizing that responding to issues surrounding sustainability is one of our key management challenges, the Group seeks to help realize a sustainable society and enhance our enterprise value by incorporating these issues into our management. In addition to complying with various laws and regulations on environment and chemical substances, we are committed to developing products that help reduce environmental impacts, and to improving manufacturing methods. Striving to achieve carbon neutrality and create a circular economy, we will promote various initiatives within the Group.

Looking by segment, in “Transportation,” we will strengthen efforts in the fields of wire harnesses and molded parts for automobiles, and advance sales promotion activities.

In “Daily Life & Healthcare,” we will implement a sales strategy from a global perspective in products for medical use (PVC), rubber substitutes, and the food packaging field.

In “Electronics,” our focus will be placed on the fields of electric power and industrial wires, telecommunications and optical film, and on advancing sales promotion activities.

In “Building & Construction,” initiatives in construction films for housing and non-housing markets, and the housing and building materials fields will be strengthened, while expanding sales overseas.

In terms of corporate governance, we will implement our management philosophy, “RIKEN TECHNOS WAY,” further strengthen group governance, and ensure the transparency and impartiality of group management. The Group will also engage in deeper constructive dialogue with shareholders and investors and will strive to increase its corporate value over the medium and long term.

We anticipate that competitions will become increasingly severe on a global scale. Each division and consolidated subsidiary in Japan and abroad will cooperate in tackling various issues, with all employees working as one toward accomplishing the three-year Medium-term Business Plan.

[Reference] Sustainability Initiatives

1. Governance system

In light of dramatic changes in the environment surrounding the RIKEN TECHNOS Group (the “Group”), we have established the Sustainability Committee as a function linking the frontlines and management in order to further incorporate the expectations of stakeholders into our corporate activities. The Sustainability Committee and its subordinate organization, the Environment Committee, deliberate on various material issues (materialities) including climate change, and report their deliberations and findings to the Management Committee.

In the fiscal year ended March 31, 2024, the Sustainability Committee defined key performance indicators (KPI) for nine of the material issues (materialities) identified the previous fiscal year as being of particular importance to the Group, and the Board of Directors resolved them. Initiatives for achieving the KPIs were implemented, and the progress of these initiatives was reported to the Board of Directors on a quarterly basis. By managing this progress, the Group is repeating the PDCA cycle and working to realize its long-term vision.

(Sustainability promotion structure chart)



* From the fiscal year ending March 31, 2025, the Product Safety Committee was changed from being a subordinate organization of the Sustainability Committee to being a subordinate organization of the Risk & Compliance Committee.

2. Strategies and indicators

The Group determined its materialities at a Board of Directors meeting held in March 2023. The following nine items of the materialities were considered as of particular importance. To promote initiatives, the Group has set KPIs for these items.

The progress of materialities is managed by the Sustainability Committee.

Materialities	Evaluation standards (KPIs)	Mid- to long-term targets	
		FY2024	FY2030
Contribute to a sustainable global environment	• Achieve emissions reduction targets for 2030 (non-consolidated)	35,446 t	24,139 t (46.2% decrease from FY2019)
	• Carbon neutrality in 2050 (Group)	-	-
	• Ratio of total waste to total production (non-consolidated)	3.3% or below	3.0% or below
Promote health management and occupational safety and health	• Number of accidents resulting in absence from work (domestic)	0	0
	• Implementation ratio of specific health checkup (domestic)	90%	90%
	• Implementation ratio of specific health guidance (domestic)	55%	60%
Nurture appropriate human resources for a challenger	• Training cost per employee (non-consolidated)	¥117 thousand	¥140 thousand
Improve quality and secure product safety	• Significant quality incident resulting in recall (non-consolidated)	0	0
	• Major violation of legal compliance and laws and regulations on the use of chemical substances (non-consolidated)	0	0
Create new businesses and products	• Number of patent applications (non-consolidated)	(Accumulated) 45 (FY2022 to FY2024)	(Accumulated) 210 (FY2022 to FY2030)
	• Number of collaborations with external parties (non-consolidated)	(Accumulated) 10 (FY2022 to FY2024)	(Accumulated) 35 (FY2022 to FY2030)
Improve production technologies and production efficiency	• Production capacity (non-consolidated)	(vs. FY2021) + 10%	(vs. FY2021) + 33%
Business reforms based on DX	• Nurture MI personnel (non-consolidated)	9	20
	• DX training to all employees (non-consolidated)	Attendance rate 100%	Attendance rate 100%
Respect for human rights	• Training on human rights and compliance to all employees (domestic)	Attendance rate 100%	Attendance rate 100%
	• Conduct an ESG survey to suppliers (non-consolidated)	Once per year	Once per year
Dialogue with stakeholders	• Interviews with investors and existing shareholders (non-consolidated)	140 companies or more per year	200 companies or more per year
	• Conduct a customer satisfaction survey to customers and clients (non-consolidated)	Once per year	Once per year

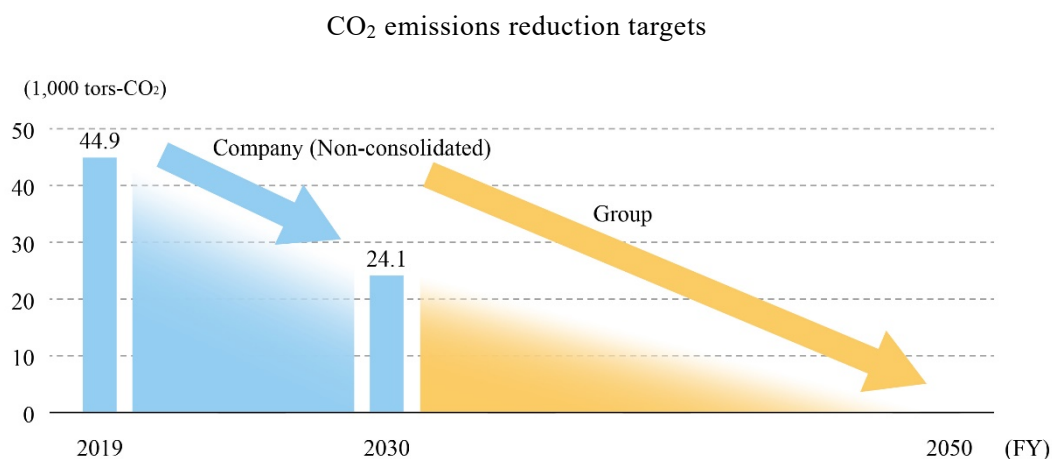
3. Response to climate change (Contribute to a sustainable global environment)

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

The Group's medium- to long-term CO₂ emissions reduction targets (Scope 1 and 2)

- The Company's non-consolidated targets for 2030 (Scope 1 and 2)
24,139 tons (46.2% decrease from FY2019) *(FY2019 baseline: 44,868 tons)

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



4. Human resource strategy (“Nurture appropriate human resources for a challenger”)

We consider it to be the most important to secure and nurture personnel who are required to execute the three strategies among the four under the Group’s three-year Medium-term Business Plan, and are implementing various initiatives.

Strategies in the Medium-term Business Plan	Personnel required for executing strategies
Intensify global management and generate synergies	Personnel capable of implementing global business strategies
Stay ahead of customers’ expectations	Personnel with analytical ability and strategic perspective
Take on the challenge toward new businesses and products	Personnel with diverse points of view

The Group formulated its “Human Resource Development Policy” and “Internal Environment Development Policy” to realize diverse ways of working and to create schemes and environment where diverse human resources feel comfortable in exerting their individualities and work to their fullest potential freely and energetically.

<Human Resource Development Policy>

Employees and the Company have a relationship of mutual growth, and “the employee’s growth means the company’s growth.”

Our policy for human resource development aims for a state in which 1) each employee implements the “RIKEN TECHNOS WAY” and grows into human resource that the Company expects them to be; and 2) the Company achieves growth simultaneously by uniting abilities possessed by each individual and exerting it as an organizational capability.

<Internal Environment Development Policy>

To become a globally competitive company, the policy for internal environment development of the Company is to establish systems and foster a culture so that employees with diverse individualities can play active roles at work.

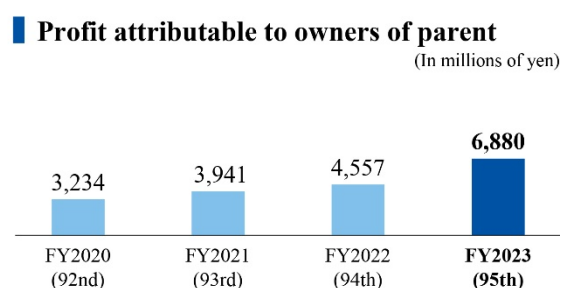
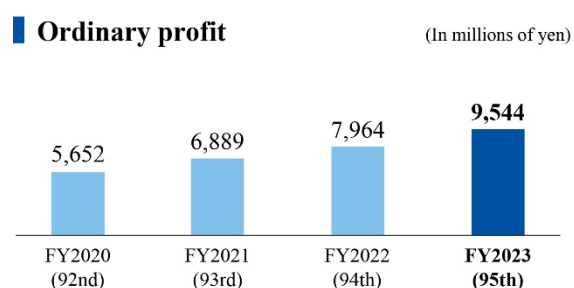
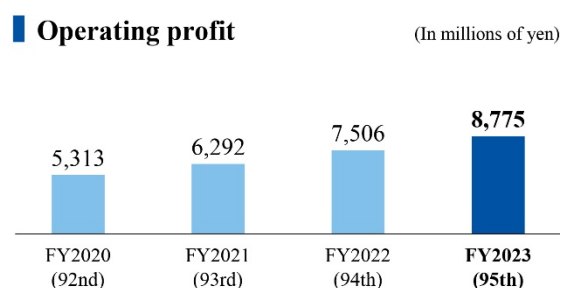
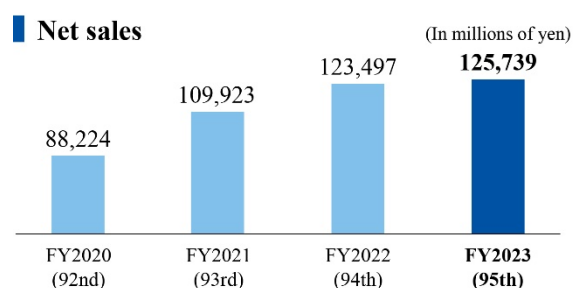
(5) Trends in Assets and Income

1) Trends in assets and income of the corporate group

(In millions of yen, unless otherwise specified.)

Item	FY2020 The 92nd fiscal year	FY2021 The 93rd fiscal year	FY2022 The 94th fiscal year	FY2023 The 95th fiscal year (Fiscal year under review)
Net sales	88,224	109,923	123,497	125,739
Operating profit	5,313	6,292	7,506	8,775
Ordinary profit	5,652	6,889	7,964	9,544
Profit attributable to owners of parent	3,234	3,941	4,557	6,880
Basic earnings per share (yen)	51.22	62.47	72.11	114.24
Total assets	95,208	102,641	112,002	115,650
Total net assets	61,076	65,448	72,165	74,017
Net assets per share (yen)	852.51	914.83	999.00	1,171.61

Note: The Group has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. effective from the 93rd fiscal year. The assets and income for the 93rd fiscal year onward are shown in figures after the application of the said accounting standard, etc.



2) Trends in assets and income of the Company

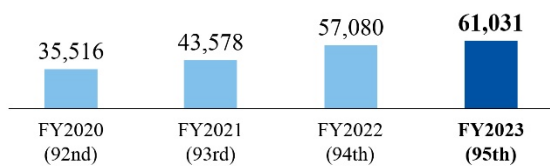
(In millions of yen, unless otherwise specified.)

Item	FY2020 The 92nd fiscal year	FY2021 The 93rd fiscal year	FY2022 The 94th fiscal year	FY2023 The 95th fiscal year (Fiscal year under review)
Net sales	35,516	43,578	57,080	61,031
Operating profit	1,466	2,567	3,179	4,048
Ordinary profit	3,188	4,260	5,332	6,709
Profit	2,652	3,615	4,232	6,640
Basic earnings per share (yen)	42.01	57.30	66.96	110.26
Total assets	65,739	71,698	76,493	78,494
Total net assets	48,140	50,805	54,469	53,973
Net assets per share (yen)	763.66	804.64	861.05	981.30

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. effective from the 93rd fiscal year. The assets and income for the 93rd fiscal year onward are shown in figures after the application of the said accounting standard, etc.

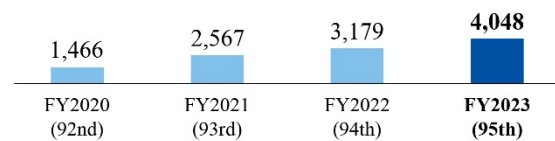
■ Net sales

(In millions of yen)



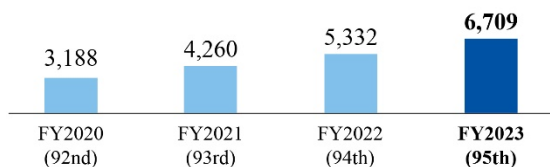
■ Operating profit

(In millions of yen)



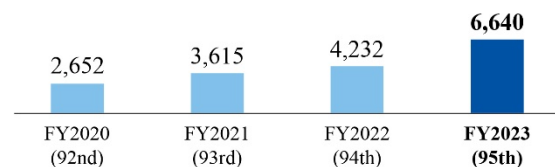
■ Ordinary profit

(In millions of yen)



■ Profit

(In millions of yen)



(6) Material Parent Companies and Subsidiaries

1) Parent companies

Not applicable.

2) Material subsidiaries

Company	Capital	Shareholding by the Company (%)	Main business item
RIKEN CABLE TECHNOLOGY CO., LTD.	Thousand JPY 48,000	100.00	Manufacture and sales of electric wire and cable
KYOEI PLASTIC MFG CO., LTD.	Thousand JPY 24,000	100.00	Molding, processing and sales of synthetic resin products
RIKEN CHEMICAL PRODUCTS CO., LTD.	Thousand JPY 300,000	100.00	Manufacture and sales of PVC and high functional plastic compound
IMI Co., LTD.	Thousand JPY 30,000	89.23	Wholesaling of flooring and wall-covering materials, planning and design services for wall-covering materials, and wholesaling of other building materials
RIKEN (THAILAND) CO., LTD.	Thousand THB 120,000	40.00	Manufacture and sales of PVC compound
RIKEN ELASTOMERS (THAILAND) CO., LTD.	Thousand THB 300,000	100.00	Manufacture and sales of high functional plastic compound
PT. RIKEN INDONESIA	Thousand USD 11,000	56.22	Manufacture and sales of PVC compound
RIKEN VIETNAM CO., LTD.	Thousand USD 20,000	100.00	Manufacture and sales of PVC compound
RIKEN TECHNOS INDIA PVT. LTD.	Thousand INR 20,000	100.00 (1.00)	Sales, import and export of plastic products
SHANGHAI RIKEN TECHNOS CORPORATION	Thousand USD 7,500	70.00	Manufacture and sales of PVC compound and procurement and sales of functional film products
RIKEN TECHNOS (JIANGSU) CORPORATION	Thousand USD 13,500	92.59	Manufacture and sales of food wrapping film
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	Thousand KRW 1,800,000	100.00	Sales, import and export of plastic products
RIKEN U.S.A. CORPORATION	Thousand USD 1,000	100.00	Procurement and sales of functional film
RIKEN AMERICAS CORPORATION	Thousand USD 30,000	62.94	Sales of high functional plastic compound and PVC compound
RIMTEC CORPORATION	Thousand USD 13,415	62.94 (62.94)	Manufacture of PVC compound
RIKEN ELASTOMERS CORPORATION	Thousand USD 28,741*3	62.94 (62.94)	Manufacture of high functional plastic compound and PVC compound

Notes: 1. Figures in parenthesis in Shareholding by the Company indicate indirect ownership ratio included in the total.

2. RIMTEC CORPORATION is RIMTEC MANUFACTURING CORPORATION in the company register.

3. Capital marked with an asterisk includes legal capital surplus.

4. The Company absorbed and merged RIKEN TECHNOS INTERNATIONAL CORPORATION, a wholly-owned subsidiary, on April 1, 2023.

(7) Principal Business

The Group conducts business in the following four segments based on markets.

Segment name [market]	Business strategy	Major products
Transportation [automobile, railroad, and shipping markets, etc.]	Establish overwhelming presence in Asian and North American markets and strengthen sales of functional parts mainly in the automotive field	Compounds Films
Daily Life & Healthcare [healthcare, consumer goods and food wrapping film markets, etc.]	Expand high value-added products in medical, healthcare and consumer goods markets and take on new fields	Compounds Films Food wrapping films
Electronics [energy, communications, and IT equipment markets, etc.]	Contribute to infrastructure that supports comfortable living through the electric wire field and develop unique products that create the future of optics	Compounds Films
Building & Construction [housing, buildings, construction materials, and civil engineering markets, etc.]	Provide functional, environmentally friendly and beautiful materials in the field of building materials	Compounds Films

(8) Principal Sales Offices and Factories

1) The Company

Name	Location
Head Office	Chiyoda-ku, Tokyo
Osaka Branch Office	Kita-ku, Osaka-shi
Nagoya Sales Office	Naka-ku, Nagoya-shi
Saitama Factory	Fukaya-shi, Saitama
Mie Factory	Kameyama-shi, Mie
Gunma Factory	Ota-shi, Gunma
Nagoya Factory	Minami-ku, Nagoya-shi
R&D Center	Ota-ku, Tokyo / Fukaya-shi, Saitama / Kameyama-shi, Mie / Ota-shi, Gunma

2) Subsidiaries

Name	Location
RIKEN CABLE TECHNOLOGY CO., LTD.	Iruma-shi, Saitama
KYOEI PLASTIC MFG CO., LTD.	Nishi Shirakawa-Gun, Fukushima
RIKEN CHEMICAL PRODUCTS CO., LTD.	Konan-shi, Shiga
IMI Co., LTD.	Chiyoda-ku, Tokyo
RIKEN (THAILAND) CO., LTD.	Pathumthani, THAILAND
RIKEN ELASTOMERS (THAILAND) CO., LTD.	Pranakorn Sri Ayutthaya, THAILAND
PT. RIKEN INDONESIA	Jawa Barat, INDONESIA
RIKEN VIETNAM CO., LTD.	Binh Duong Province, VIET NAM
RIKEN TECHNOS INDIA PVT. LTD.	Haryana, INDIA
SHANGHAI RIKEN TECHNOS CORPORATION	Shanghai, CHINA
RIKEN TECHNOS (JIANGSU) CORPORATION	Jiangsu Province, CHINA
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	Asan-si, Korea
RIKEN U.S.A. CORPORATION	Michigan, U.S.A.
RIKEN AMERICAS CORPORATION	Kentucky, U.S.A.
RIMTEC CORPORATION	New Jersey, U.S.A.
RIKEN ELASTOMERS CORPORATION	Kentucky, U.S.A.

Notes: 1. RIMTEC CORPORATION is RIMTEC MANUFACTURING CORPORATION in the company register.

2. The Company absorbed and merged RIKEN TECHNOS INTERNATIONAL CORPORATION, a wholly-owned subsidiary, on April 1, 2023.

(9) Employees

1) Employees of the corporate group

Number of employees	Change from the previous fiscal year-end
1,904	Increased by 9

2) Employees of the Company

Number of employees	Change from the previous fiscal year-end	Average age	Average years of service
785	Increased by 5	42.7 years old	17.1 years

Note: Number of employees is the number of full-time employees (excluding persons who were transferred to other companies and including persons who were transferred to the Company).

(10) Principal Lenders

(In millions of yen)

Lender	Amount of borrowing
Mizuho Bank, Ltd.	3,629
Resona Bank, Limited	1,472
Sumitomo Mitsui Banking Corporation	2,165
The Bank of Yokohama, Ltd.	823
City of Hopkinsville, Kentucky, U.S.A.	1,418

Notes: 1. The amount of borrowing from Mizuho Bank, Ltd. includes borrowings from Mizuho Bank (China), Ltd., its local subsidiary in China, and from PT. Bank Mizuho Indonesia, its local subsidiary in Indonesia.

2. The amount of borrowing from Resona Bank, Limited includes borrowings from PT Bank Resona Perdania, its local subsidiary in Indonesia.

3. The amount of borrowing from Sumitomo Mitsui Banking Corporation includes borrowings from Sumitomo Mitsui Banking Corporation (China) Limited, its local subsidiary in China.

(11) Other Significant Matters concerning the Corporate Group

Not applicable.

2. Status of Shares

- (1) Total Number of Shares Authorized to Be Issued 236,000,000 shares
- (2) Total Number of Shares Outstanding 55,775,107 shares
- (3) Number of Shareholders 13,476 persons
- (4) Major Shareholders (10 Major Shareholders)

Name	Number of shares held	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,484	9.83
Custody Bank of Japan, Ltd. (Trust Account)	2,416	4.33
Shin-Etsu Chemical Co., Ltd.	2,400	4.30
Mizuho Bank, Ltd.	2,326	4.17
Resona Bank, Limited	2,325	4.17
Sompo Japan Insurance Inc.	2,000	3.59
Marubeni Corporation	1,891	3.39
Mitsubishi Corporation	1,824	3.27
MITSUI & CO., LTD.	1,680	3.01
Sumitomo Mitsui Banking Corporation	1,605	2.88

(Note) The Company does not hold any treasury shares.

- (5) Status of Shares Granted to Company Officers during the Fiscal Year under Review as consideration for performance of duties
Not applicable.
- (6) Other Important Matters regarding Shares
The Company cancelled 8,338,712 treasury shares on February 9, 2024, based on a resolution at a meeting of the Board of Directors held on January 31, 2024.

3. Matters Regarding Share Acquisition Rights

Not applicable.

4. Company Officers

(1) Directors (as of March 31, 2024)

Position	Name	Responsibilities and significant concurrent positions
Representative Director, President & CEO	Kazuaki Tokiwa	
Representative Director, Senior Managing Executive Officer	Junji Irie	Senior General Manager, Administrative Div.
Director, Managing Executive Officer	Gakuyuki Kajiyama	Senior General Manager, Sales & Marketing Div.
Director, Senior Executive Officer	Hitoshi Sugino	Senior General Manager, Technical Div.
Director (Full-time Audit & Supervisory Committee Member)	Masato Koizumi	
Director (Audit & Supervisory Committee Member)	Takayuki Hayakawa	Corporate Auditor, TKP Corporation Outside Director, Kyoritsu Maintenance Co., Ltd.
Director (Audit & Supervisory Committee Member)	Shigeharu Nakamura	Outside Director (Audit and Supervisory Committee Member), TOYO KANETSU K.K. External Director, The Shoko Chukin Bank, Ltd.
Director (Audit & Supervisory Committee Member)	Shigeru Ehara	
Director (Audit & Supervisory Committee Member)	Aogi Suemura	Outside Director (Audit & Supervisory Committee Member), Nippon Denko Co., Ltd.

- Notes: 1. Directors (Audit & Supervisory Committee Members), Mr. Takayuki Hayakawa, Mr. Shigeharu Nakamura, Mr. Shigeru Ehara and Ms. Aogi Suemura are Outside Directors.
2. A full-time Audit & Supervisory Committee Member has been elected to strengthen the auditing and supervising functions of the Audit & Supervisory Committee by enabling the information gathering from each division within the Company and close collaboration with internal audit divisions.
3. The Company registers Directors (Audit & Supervisory Committee Members), Mr. Takayuki Hayakawa, Mr. Shigeharu Nakamura, Mr. Shigeru Ehara and Ms. Aogi Suemura, as Independent Directors with the Tokyo Stock Exchange.
4. Director (Audit & Supervisory Committee Member) Mr. Takayuki Hayakawa is scheduled to resign as Corporate Auditor of TKP Corporation as of May 31, 2024, after the end of the fiscal year under review.
5. Director (Audit & Supervisory Committee Member) Mr. Shigeharu Nakamura is scheduled to resign as an External Director of The Shoko Chukin Bank, Ltd. as of June 20, 2024, after the end of the fiscal year under review.
6. Director (Audit & Supervisory Committee Member) Ms. Aogi Suemura is scheduled to be appointed as an External Director as Audit & Supervisory Committee Member of Nomura Real Estate Holdings, Inc. as of June 21, 2024, after the end of the fiscal year under review.
7. Directors (Audit & Supervisory Committee Members), Mr. Takayuki Hayakawa and Mr. Shigeharu Nakamura have many years of experience working at leading commercial banks and have considerable knowledge about finance and accounting.
8. Director (Audit & Supervisory Committee Member) Mr. Shigeru Ehara has many years of experience working at casualty insurance companies as well as an officer in charge of finance, and has considerable knowledge about finance and accounting.

9. Director (Audit & Supervisory Committee Member) Ms. Aogi Suemura is a certified public accountant and has considerable knowledge about finance and accounting.
10. Changes in the positions and responsibilities of Directors during the fiscal year under review are as follows.

Name	After change	Before change	Date of change
Junji Irie	Representative Director, Senior Managing Executive Officer Senior General Manager, Administrative Div.	Representative Director, Senior Managing Executive Officer Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.	April 1, 2023
Hitoshi Sugino	Director, Senior Executive Officer Senior General Manager, Technical Div.	Director, Senior Executive Officer Senior General Manager, Technical Div.; General Manager, R&D Center	April 1, 2023

- (2) Directors Who Resigned during the Fiscal Year under Review
Not applicable.

- (3) Summary of Limited Liability Agreement

The Company has entered into agreements with all Outside Directors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the said agreement is the minimum liability amount stipulated by laws and regulations.

- (4) Summary of Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insured parties of the said insurance agreement are the Company's Directors (excluding Directors serving as Audit & Supervisory Committee Members), Directors (Audit & Supervisory Committee Members) and Executive Officers. The insured parties do not bear insurance premiums. The insurance agreement covers litigation expenses and legal damages in the event of claims for damages made against the insured parties during the insurance period.

However, to ensure that the properness of the performance of duties by the insured parties is not impaired, there are certain exemptions; for example, damages caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.

(5) Compensation of Directors

1) Matters regarding policy for determining individual compensation, etc., for Directors

a. How to decide the determination policy

The policy for determining individual compensation, etc., for Directors was decided at a meeting of the Board of Directors held on February 22, 2021. Its contents were then partially revised based on decision at meetings of the Board of Directors held on February 21, 2022 and on February 26, 2024. The Board of Directors consulted in advance with the Compensation Committee, where more than half of the members are Independent Outside Directors, with respect for the results of such reports, and decided the policy.

b. Outline of contents of the determination policy

The following is a summary of the contents of the determination policy before the partial revision decided at the Board of Directors meeting held on February 26, 2024.

(i) Basic Policy

Compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) is set at an appropriate level of compensation in accordance with the positions and responsibilities of Directors, based on a compensation plan that motivates Directors to improve business performance in each fiscal year and improve corporate value over the medium to long term, while also enabling them to share value with shareholders. To ensure objectivity and transparency when determining these levels, respect is shown to the opinions of the Compensation Committee, where more than half of the members are Independent Outside Directors.

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

(ii) Policy for Determining the Amount of Individual Compensation, etc., for Basic Compensation (Including Policies Related to Determining the Timing or Terms of Compensation, etc.)

Of executive compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members), basic compensation consists of fixed compensation paid monthly as cash, after the amount of individual compensation is determined for the current fiscal year based on the basic compensation standards in accordance with position and rank (evaluation), and adjusted for the Company's performance in the previous fiscal year, the performance of departments under supervision, and the status of their responsibilities in the current fiscal year, etc.

In addition, of supervisory compensation, basic compensation consists of fixed compensation paid monthly as cash, after the amount of individual compensation is determined in accordance with whether or not the Director has the authority of representation.

(iii) Policy for Determining the Calculation Method for the Content, Amount, and Number of Performance-Linked Compensation (Including Policies Related to Determining the Timing or Terms of Compensation, etc.)

Bonuses (cash and stock benefits) paid as individual performance-linked compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) is calculated by adjusting the amount of basic bonuses, which is set based on basic compensation (cash) as a component of individual executive compensation, for the level of achievement of the following performance-linked indicators for the relevant fiscal year, and a certain percentage of the bonuses is paid as stock benefits according to the position of the Director. Furthermore, bonuses are paid in July of each year.

Performance-linked indicators consist of company performance indicators and individual performance indicators. However, performance-linked indicators for Directors who serve concurrently as Executive Officers with special titles of Managing Executive Officer or higher consist only of company performance indicators.

Company performance indicators are calculated using consolidated operating profit, consolidated ordinary profit, and consolidated ROE, as well as non-consolidated operating profit and non-consolidated ordinary profit for non-consolidated performance indicators, to ensure that compensation is linked to the level of achievement of the Company's business performance (consolidated and non-consolidated) in relation to the enhancement of corporate value and

shareholder value, while individual performance indicators are calculated using the performance of departments under supervision, etc.

- (iv) Policy for Determining the Calculation Method for the Content, Amount, and Number of Non-cash Compensation (Including Policies Related to Determining the Timing or Terms of Compensation, etc.)

Stock benefits (performance-linked compensation as a component of executive compensation and supervisory compensation), which are a form of non-cash compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members), consist of a Board Benefit Trust (BBT). Points corresponding to the amount of compensation are granted in July of each year, and a number of stock benefits corresponding to the number of points is paid upon retirement.

Stock benefits paid as performance-linked compensation are determined as described in the above (iii), while stock benefits paid as supervisory compensation are a fixed amount, determined in accordance with whether or not the Director has the authority of representation.

- (v) Policy for Determining the Ratio of the Amount of Cash Compensation, the Amount of Performance-Linked Compensation, etc., and the Amount of Non-cash Compensation, etc. to the Amount of Individual Compensation, etc., for Directors

For each individual, the ratio of the amount of cash compensation excluding performance-linked compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) (basic compensation as a component of executive compensation and basic compensation as a component of supervisory compensation) and the amount of bonuses paid as performance-linked compensation (cash and stock benefits) is approximately 7:3, assuming that the level of achievement for performance-linked compensation is 100%.

In addition, for each individual, the ratio of the amount of cash compensation excluding performance-linked compensation (basic compensation as a component of executive compensation and basic compensation as a component of supervisory compensation) and the amount of stock-based compensation (fixed stock-based compensation and stock-based compensation paid as performance-linked compensation) is approximately 8:2, assuming that the level of achievement for performance-linked compensation is 100%.

Furthermore, the individual ratios of the amounts of compensation are revised as appropriate by the Board of Directors after consulting with the Compensation Committee, based on any changes in compensation levels, etc.

- (vi) Matters Related to the Determination of Individual Compensation, etc., for Directors

The details of the compensation system and individual compensation, etc., for Directors (excluding Directors serving as Audit & Supervisory Committee Members), are determined by the Board of Directors after consulting in advance with the Compensation Committee, a majority of which is composed of Independent Outside Directors, with respect for the results of such reports.

The changes in the partial revision decided at the Board of Directors meeting held on February 26, 2024, are as follows (changes are underlined). This partially revised determination policy is applicable to compensation of Directors for their duties performed on and after April 1, 2024.

- (ii) Policy for Determining the Amount of Individual Compensation, etc., for Basic Compensation (Including Policies Related to Determining the Timing or Terms of Compensation, etc.)

Of executive compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members), basic compensation consists of fixed compensation paid monthly as cash, after the amount of individual compensation is determined for the current fiscal year based on the basic compensation standards in accordance with position and rank (evaluation). and adjusted for the Company's performance (consolidated) in the case of those who serve concurrently as Executive Officers with special titles of Managing Executive Officer or higher, and adjusted for their responsibilities in the current fiscal year, the expected level of performance in the departments under their supervision, and their expected level of contribution to the company-wide strategy in the case of other Directors (excluding Directors serving as Audit & Supervisory Committee Members).

In addition, of supervisory compensation, basic compensation consists of fixed compensation paid monthly as cash, after the amount of individual compensation is determined in accordance with whether or not the Director has the authority of representation.

- (iii) Policy for Determining the Calculation Method for the Content, Amount, and Number of Performance-Linked Compensation (Including Policies Related to Determining the Timing or Terms of Compensation, etc.)

Bonuses (cash and stock benefits) paid as individual performance-linked compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) is calculated by adjusting the amount of basic bonuses, which is set based on basic compensation (cash) as a component of individual executive compensation, for the level of achievement of the following performance-linked indicators for the relevant fiscal year, and a certain percentage of the bonuses is paid as stock benefits according to the position of the Director. Furthermore, bonuses are paid in July of each year.

Performance-linked indicators consist of company performance indicators and individual performance indicators. However, performance-linked indicators for Directors who serve concurrently as Executive Officers with special titles of Managing Executive Officer or higher consist only of company performance indicators.

Company performance indicators are calculated using consolidated operating profit, consolidated ordinary profit, and consolidated ROE, to ensure that compensation is linked to the level of achievement of the Company's business performance in relation to the enhancement of corporate value and shareholder value, while individual performance indicators are calculated using the performance of departments under supervision and contribution to the company-wide strategies.

- (v) Policy for Determining the Ratio of the Amount of Cash Compensation, the Amount of Performance-Linked Compensation, etc., and the Amount of Non-cash Compensation, etc. to the Amount of Individual Compensation, etc., for Directors

With regard to compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members), for each individual, the ratio of the amount of cash compensation excluding performance-linked compensation (basic compensation as a component of executive compensation and basic compensation as a component of supervisory compensation), the amount of bonuses paid as performance-linked compensation (cash and stock benefits) and the fixed amount of stock benefits, is approximately 6:3:1, assuming that the level of achievement for performance-linked compensation is 100%.

For each individual, the ratio of the amount of cash compensation excluding performance-linked compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) (basic compensation as a component of executive compensation and basic compensation as a component of supervisory compensation) and the amount of bonuses paid as performance-linked compensation (cash and stock benefits) is approximately 7:3, assuming that the level of achievement for performance-linked compensation is 100%.

In addition, for each individual, the ratio of the amount of cash compensation excluding performance-linked compensation (basic compensation as a component of executive compensation and basic compensation as a component of supervisory compensation) and the amount of stock-based compensation (fixed stock-based compensation and stock-based compensation paid as performance-linked compensation) is approximately 8:2, assuming that the level of achievement for performance-linked compensation is 100%.

Furthermore, the individual ratios of the amounts of compensation are revised as appropriate by the Board of Directors after consulting with the Compensation Committee, based on any changes in compensation levels, etc.

- (vi) Policy for Reducing and Repaying the Amount of Compensation (malus and clawback provision)

If there is a material error in the financial statements or a material accounting irregularity, or if Directors (excluding Directors serving as Audit & Supervisory Committee Members) violate laws, regulations, or the Articles of Incorporation, etc., the Company shall be able to demand a reduction of the amount of compensation or the repayment of compensation paid.

The specific amount of the reduction or repayment demanded shall be determined by the Board of Directors after consulting with the Compensation Committee, with respect for the results of such reports.

- (vii) Matters Related to the Determination of Individual Compensation, etc., for Directors
(Omitted as details are unchanged.)

- c. Reasons why the Board of Directors judged that contents of individual compensation, etc. for Directors for the fiscal year under review were compliant with the determination policy

In determining contents of individual compensation, etc., for Directors (excluding Directors serving as Audit & Supervisory Committee Members), the Compensation Committee examined the draft in a comprehensive manner, including the consistency with the determination policy. Paying respect for the Committee's report, the Board of Directors judged that the contents were compliant with the determination policy.

- 2) Matters regarding performance-linked compensation, etc.
- a. Contents of performance indicators and reasons for selection
This information is as described in 1) b. (iii) above.
- b. Calculation method of the amount or units of performance-linked compensation, etc.
This information is as described in 1) b. (iii) above.
- c. Actual results of performance indicators
Actual results of performance-linked indicators in the fiscal year under review are consolidated operating profit of 8,775 million yen, consolidated ordinary profit of 9,544 million yen, consolidated ROE of 10.8%, non-consolidated operating profit of 4,048 million yen and non-consolidated ordinary profit of 6,709 million yen.

3) Details of non-monetary compensation

In order to achieve sustained growth of corporate value by having Directors share benefit with shareholders through shareholdings, the Company grants points to Directors under a Board Benefit Trust (BBT). The contents of the plan is as provided in 1) b. (iv) above.

As described in “(4) Compensation, etc. for the fiscal year under review” below, as compensation, etc. to Directors for the fiscal year under review, the Company recorded 30,479 thousand yen for Directors (excluding Audit & Supervisory Committee Members) (excluding Outside Directors), 1,491 thousand yen for Directors (Audit & Supervisory Committee Members) (excluding Outside Directors), and 3,313 thousand yen for Outside Directors (Audit & Supervisory Committee Members), all as provision for Board Benefit Trust (BBT).

4) Compensation, etc. for the fiscal year under review

Officer classification	Total amount of compensation, etc. (Thousands of yen)	Total amount by type of compensation, etc. (Thousands of yen)				Number of eligible Directors (Persons)
		Fixed compensation	Performance-linked compensation (Bonuses)		Fixed stock benefits	
		Basic compensation	Cash	Stock benefits		
Directors (excluding Audit & Supervisory Committee Members) (excluding Outside Directors)	198,488	116,219	51,789	15,318	15,161	4
Directors (Audit & Supervisory Committee Members) (excluding Outside Directors)	17,691	16,200	—	—	1,491	1
Outside Directors (Audit & Supervisory Committee Members)	39,313	36,000	—	—	3,313	4
Total	255,492	168,419	51,789	15,318	19,966	9

- Notes: 1. The maximum amount of compensation for Directors (excluding Audit & Supervisory Committee Members) was resolved at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, to be no more than 250 million yen per year (including compensation for duties performed as Executive Officers by Directors serving concurrently as Executive Officers). The number of Directors (excluding Audit & Supervisory Committee Members) at the conclusion of this Ordinary General Meeting of Shareholders was four (4). Furthermore, the corresponding amount of compensation, etc., for Directors (excluding Audit & Supervisory Committee Members) for the fiscal year under review was 168,008 thousand yen (basic compensation: 116,219 thousand yen, bonuses (cash): 51,789 thousand yen).
2. The maximum amount of compensation for Directors (Audit & Supervisory Committee Members) was resolved at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, to be no more than 60 million yen per year. The number of Directors (Audit & Supervisory Committee Members) at the conclusion of this Ordinary General Meeting of Shareholders was four (4). Furthermore, the corresponding amount of compensation, etc., for Directors (Audit & Supervisory Committee Members) for the fiscal year under review was 52,200 thousand yen (basic compensation for Directors (Audit & Supervisory Committee Members) (excluding Outside Directors): 16,200 thousand yen, basic compensation for Outside Directors (Audit & Supervisory Committee Members): 36,000 thousand yen).

3. Separately to the amounts of compensation in the items 1. and 2. above, at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, a resolution was adopted to introduce a stock-based compensation plan “Board Benefit Trust (BBT),” and at the 92nd Ordinary General Meeting of Shareholders held on June 18, 2021, a resolution was adopted to make partial revisions to this plan. Under this stock-based compensation plan, for each period of three fiscal years starting from the fiscal year ended March 31, 2017, the Company will establish a trust with the contribution of cash of up to 210 million yen (including 150 million yen for Directors (excluding Audit & Supervisory Committee Members), 18 million yen for Directors (Audit & Supervisory Committee Members), and 42 million yen for Executive Officers who do not serve concurrently as Directors) as funds necessary for the acquisition of shares corresponding to the three fiscal years. The number of Directors (excluding Audit & Supervisory Committee Members) was five (5) and the number of Directors (Audit & Supervisory Committee Members) was four (4) at the conclusion of the 92nd Ordinary General Meeting of Shareholders held on June 18, 2021.
 4. The total amount of compensation, etc., for Directors (excluding Audit & Supervisory Committee Members) (excluding Outside Directors) includes 109,800 thousand yen in compensation for duties performed as Executive Officers by Directors serving concurrently as Executive Officers.
 5. The total amount of compensation, etc., for Directors (excluding Audit & Supervisory Committee Members) (excluding Outside Directors) includes provisions of 30,479 thousand yen for the Board Benefit Trust (BBT) and 51,789 thousand yen in provisions for bonuses for directors (and other officers), recorded in the fiscal year under review.
 6. The total amount of compensation, etc., for Directors (Audit & Supervisory Committee Members) (excluding Outside Directors) includes provisions of 1,491 thousand yen for the Board Benefit Trust (BBT), recorded in the fiscal year under review.
 7. The total amount of compensation, etc., for Outside Directors (Audit & Supervisory Committee Members) includes provisions of 3,313 thousand yen for the Board Benefit Trust (BBT), recorded in the fiscal year under review.
- 5) Amount of compensation, etc. paid during the fiscal year under review, in addition to 4) above
 As bonuses (cash and stock benefits) pertaining to the 94th fiscal year, a total of 73,184 thousand yen (cash: 55,366 thousand yen and stock benefits: 17,818 thousand yen) were paid to four Directors (excluding Audit & Supervisory Committee Members). The amount includes provision for bonuses for directors (and other officers) of 47,607 thousand yen and provision for Board Benefit Trust (BBT) of 13,661 thousand yen recorded in the fiscal year.
- (6) Matters concerning Outside Officers
- 1) Concurrent positions as executives of other corporations and relationships between the Company and other corporations
 Not applicable.
 - 2) Concurrent positions as outside directors (and other officers) of other corporations and relationships between the Company and other corporations
 Outside Director (Audit & Supervisory Committee Member), Mr. Takayuki Hayakawa concurrently serves as Corporate Auditor of TKP Corporation and Outside Director of Kyoritsu Maintenance Co., Ltd. No special interests exist between the Company and each of these companies.
 Outside Director (Audit & Supervisory Committee Member), Mr. Shigeharu Nakamura concurrently serves as Outside Director (Audit and Supervisory Committee Member) of TOYO KANETSU K.K. and External Director of The Shoko Chukin Bank, Ltd. No special interests exist between the Company and each of these companies.
 Outside Director (Audit & Supervisory Committee Member), Ms. Aogi Suemura concurrently serves as Outside Director (Audit & Supervisory Committee Member) of Nippon Denko Co., Ltd. No special interests exist between the Company and the said company.

3) Status of the main activities of each Outside Director and outline of duties performed in relation to expected roles

Category	Name	Status of the main activities and outline of duties performed in relation to expected roles
Outside Director (Audit & Supervisory Committee Member)	Takayuki Hayakawa	<p><Main activities></p> <p>Mr. Takayuki Hayakawa attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Committee held in the fiscal year under review and expressed his opinions as appropriate.</p> <p>He chaired the Nomination Committee and served as a member of the Compensation Committee, and attended all 3 meetings of the Nomination Committee and all 3 meetings of the Compensation Committee held in the fiscal year under review. From an independent and objective standpoint, he provided opinions and suggestions as appropriate concerning the personnel affairs and compensation of Directors and Executive Officers.</p> <p>In addition, he chairs the Board of Outside Directors as the primary Independent Outside Director, seeking cooperation and coordination with the internal organizations.</p> <p><Outline of duties performed in relation to expected roles></p> <p>With his extensive experience and knowledge at leading banks, he is expected to contribute to the auditing and supervision of the Group's management. Based on the experience and knowledge, he provided broad and objective auditing and supervision of the Group's management, mainly through offering comments and suggestions as appropriate from a various perspectives at meetings of the Board of Directors, the Audit & Supervisory Committee, the Nomination Committee and Compensation Committee.</p>
	Shigeharu Nakamura	<p><Main activities></p> <p>Mr. Shigeharu Nakamura attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Committee held in the fiscal year under review and expressed his opinions as appropriate.</p> <p>He served as a member of the Nomination Committee and chaired the Compensation Committee, and attended all 3 meetings of the Nomination Committee and all 3 meetings of the Compensation Committee held in the fiscal year under review. From an independent and objective standpoint, he provided opinions and suggestions as appropriate concerning the personnel affairs and compensation of Directors and Executive Officers.</p> <p><Outline of duties performed in relation to expected roles></p> <p>With his extensive experience and knowledge at leading banks, he is expected to contribute to the auditing and supervision of the Group's management. Based on the experience and knowledge, he provided broad and objective auditing and supervision of the Group's management, mainly through offering comments and suggestions as appropriate from a various perspectives at meetings of the Board of Directors, the Audit & Supervisory Committee, the Nomination Committee and Compensation Committee.</p>

Category	Name	Status of the main activities and outline of duties performed in relation to expected roles
Outside Director (Audit & Supervisory Committee Member)	Shigeru Ehara	<p><Main activities></p> <p>Mr. Shigeru Ehara attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Committee held in the fiscal year under review and expressed his opinions as appropriate.</p> <p>He served as a member of the Nomination Committee and the Compensation Committee, and attended all 3 meetings of the Nomination Committee and all 3 meetings of the Compensation Committee held in the fiscal year under review. From an independent and objective standpoint, he provided opinions and suggestions as appropriate concerning the personnel affairs and compensation of Directors and Executive Officers.</p> <p><Outline of duties performed in relation to expected roles></p> <p>With his extensive experience and knowledge at casualty insurance companies, he is expected to contribute to the auditing and supervision of the Group's management. Based on the experience and knowledge, he provided broad and objective auditing and supervision of the Group's management, mainly through offering comments and suggestions as appropriate from a various perspectives at meetings of the Board of Directors, the Audit & Supervisory Committee, the Nomination Committee and Compensation Committee.</p>
	Aogi Suemura	<p><Main activities></p> <p>Ms. Aogi Suemura attended all 16 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Committee held in the fiscal year under review and expressed her opinions as appropriate.</p> <p>She served as a member of the Nomination Committee and the Compensation Committee, and attended all 3 meetings of the Nomination Committee and all 3 meetings of the Compensation Committee held in the fiscal year under review. From an independent and objective standpoint, she provided opinions and suggestions as appropriate concerning the personnel affairs and compensation of Directors and Executive Officers.</p> <p><Outline of duties performed in relation to expected roles></p> <p>With her extensive experience and knowledge as a certified public accountant, she is expected to contribute to the auditing and supervision of the Group's management. Based on the experience and knowledge, she provided broad and objective auditing and supervision of the Group's management, mainly through offering comments and suggestions as appropriate from a various perspectives at meetings of the Board of Directors, the Audit & Supervisory Committee, the Nomination Committee and Compensation Committee.</p>

- 4) Actions taken to prevent unfair execution of business and a response taken after the occurrence
Not applicable.
- 5) Total amount of compensation for officers, etc. received by Outside Directors from subsidiaries
Not applicable.
- 6) Opinions of Outside Directors
Not applicable.

5. Accounting Auditor

- (1) Accounting Auditor's Name
Ernst & Young ShinNihon LLC

- (2) Outline of Liability Limitation Agreement

The Company has not entered into an agreement with the Accounting Auditor to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act.

- (3) Amount of Accounting Auditor's Compensation, etc. for the Fiscal Year under Review

- 1) Accounting Auditor's compensation, etc., for the fiscal year under review
53 million yen

Notes: 1. The Audit & Supervisory Committee of the Company agreed on the amount of the compensation, etc. of the Accounting Auditor after confirming and verifying the descriptions in the audit plan prepared by the Accounting Auditor, the status of execution of audit duties, the basis for the calculation of the estimated amount of compensation estimation, etc., based on the "Guidelines for Coordination with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association.

2. Under the audit agreement between the Company and its Accounting Auditor, the amounts of compensation, etc. for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not separated, and otherwise cannot be separated practically. Consequently, the above amount reflects total compensation.

- 2) Total amount of cash and other profits payable by the Company and its subsidiaries
53 million yen

The financial statements of RIKEN (THAILAND) CO., LTD., RIKEN ELASTOMERS (THAILAND) CO., LTD., PT. RIKEN INDONESIA, RIKEN VIETNAM CO., LTD., SHANGHAI RIKEN TECHNOS CORPORATION, RIKEN TECHNOS (JIANGSU) CORPORATION and RIKEN TECHNOS INDIA PVT. LTD., all of which are the Company's subsidiaries, as well as the consolidated financial statements of RIKEN AMERICAS CORPORATION, are audited by certified public accountants and accounting firms (including entities possessing qualifications in other countries corresponding to these qualifications) other than the Accounting Auditor of the Company.

- (4) Description of Non-Audit Services
Not applicable.

- (5) Policy on Determination of Dismissal or Non-reappointment of Accounting Auditor

Contents of decision on the policy on determination of dismissal or non-reappointment of the Accounting Auditor is as follows.

If there is any difficulty in execution of duties by the Accounting Auditor, or when the Audit & Supervisory Committee deems it necessary, the Audit & Supervisory Committee will decide the details of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

In addition, in the event that the Accounting Auditor is deemed to have met the items set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Committee shall dismiss the Accounting Auditor subject to the unanimous consent of the Audit & Supervisory Committee Members. In this case, an Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee will report the dismissal and the reasons for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

6. Systems and Policies of the Company

- (1) Systems to Ensure that Directors' Duties Are Performed in Compliance with Laws and Regulations and the Articles of Incorporation and Other Systems to Ensure the Appropriateness of the Business Operations

Contents of decisions on systems to ensure that Directors' duties are performed in compliance with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of the business operations are as follows:

The Company and its subsidiaries (hereinafter, collectively referred to as the "RIKEN TECHNOS GROUP") have declared that the RIKEN TECHNOS GROUP practices and observes the RIKEN TECHNOS WAY and the RIKEN TECHNOS GROUP Code of Conduct (hereinafter referred to as "Code of Conduct") and operates its business activities. The RIKEN TECHNOS GROUP believes that the Internal Control System, a system established to ensure appropriate and efficient business operations, is a necessary and essential measure for the more reliable fulfillment of the abovementioned business practices.

The RIKEN TECHNOS GROUP hereby develops the following as its Internal Control System in accordance with the Companies Act of Japan and the Ordinance for Enforcement of the Companies Act of Japan.

- 1) Systems to ensure that Directors' and employees' duties are performed in compliance with laws and regulations and the Articles of Incorporation
 - All of the Directors, including the Representative Directors, make it thoroughly known to all of the executive and employees that they are to put top priority on observing the Code of Conduct and ensuring that they perform their duties in compliance with laws and regulations and the Articles of Incorporation.
 - The activities of the Risk & Compliance Committee are reported to the Board of Directors in a relevant and timely manner.
The General Affairs & Legal Department provides compliance training for all executives and employees.
 - In order to ensure that all executives and employees may directly report any suspicious activities contrary to laws and regulations, the Articles of Incorporation, the Code of Conduct, various guidelines, or other standards with which group companies, Directors, and employees are to comply (hereinafter referred to as "Laws and Regulations"), the RIKEN TECHNOS GROUP has established contact points for anonymous reporting in the Audit Department and in a consultative law firm.
 - The RIKEN TECHNOS GROUP shall never have any relationships with antisocial powers or organizations that threaten the security and order of civil society.
In addition, the RIKEN TECHNOS GROUP shall show fortitude and adamantly refuse any unreasonable demands by antisocial powers or organizations.
- 2) System for the preservation and management of information in relation to the performance of Directors' duties

Information in relation to the performance of Directors' duties is controlled and managed in accordance with the Rule for Information Management and is preserved in documents and electronic media.

The preserved information is made available for viewing in accordance with the Rule for Information Management.
- 3) Rules and systems for managing the risk of loss

Each department manages individual risk factors in relation to each department. The RIKEN TECHNOS GROUP has established a Risk & Compliance Committee for company-wide, cross-cutting management of risk factors, and the President of the Company serves as the chairperson of the Committee.

- 4) Systems to ensure that the Directors' duties are performed efficiently
 - The Board of Directors formulates a Medium-term Business Plan and the annual Business Plans.
 - The Board of Directors grasps the progress of the Business Plan by inspecting monthly record data on business performance with the help of information technology, and discusses and implements measures necessary for the achievement of the Business Plan.
 - The Management Committee meeting is held monthly in order to operate its business rapidly through active delegation of authority. The progress of business achievement is checked by the Manufacturing Division and the Quality Assurance Division through their Manufacturing and Quality-Related Division Meetings held on a quarterly basis; by the Technical Division through their Technical Division Meetings held on a quarterly basis; by the Sales & Marketing Division through their Sales & Marketing Division Meetings held on a quarterly basis; by the Procurement Division through their Procurement Division Meetings held on a quarterly basis; and by other divisions through meetings held monthly at each division. Appropriate countermeasures are taken if considered necessary.

- 5) Systems to ensure the appropriateness of the business operations of the RIKEN TECHNOS GROUP
 - The Corporate Planning Division, as the division with jurisdiction over overall business management of the Company's consolidated subsidiaries, is responsible for overseeing that each consolidated subsidiary of the Company is instructed to establish its own Internal Control System and ensuring that each consolidated subsidiary share information of the same quality and quantity in the same manner as the Company.
The Corporate Planning Division and each division manage the progress of their respective business operations, and manage and supervise the Company's consolidated subsidiaries with a view to ensuring that all reporting to the Company and approval procedures at the Company shall be conducted appropriately, in accordance with the RIKEN TECHNOS GROUP Rule for Management of Consolidated Subsidiaries. The Corporate Planning Division and the other divisions manage the risk of loss through such administration and supervision.
The Corporate Planning Division also arranges an operational report meeting attended by the President, Executive Officers in charge, and the Senior General Manager of the Administrative Division, at least twice a year for domestic consolidated subsidiaries and at least once a year for overseas consolidated subsidiaries.
On receipt of the monthly reports (including financial data) from each consolidated subsidiary of the Company, the Corporate Planning Division compiles them and then distributes the reports to the Directors, Executive Officers and relevant departments.
 - The General Affairs & Legal Department has the executives and employees of RIKEN TECHNOS GROUP thoroughly understand and observe the RIKEN TECHNOS GROUP Compliance Manual, and thereby strives to develop a compliance system for the RIKEN TECHNOS GROUP and settle issues facing the RIKEN TECHNOS GROUP.
 - The Audit Department regularly conducts operational audits at the RIKEN TECHNOS GROUP, and thereby confirms that all operational activities comply with Laws and Regulations and checks and evaluates whether all operational activities are efficiently operated in accordance with various managerial rules and whether the various managerial rules are functioning appropriately towards the achievement of the managerial targets.

- 6) Provisions on Directors and employees who assist the Audit & Supervisory Committee in performing its duties, on the independence of such Directors and employees from other Directors (excluding Directors serving as Audit & Supervisory Committee Members), and on measures to ensure the effectiveness of instructions of the Audit & Supervisory Committee to such Directors and employees

The Audit Department is set up as an organization under the direct control of the Audit & Supervisory Committee to assist the Audit & Supervisory Committee in performing its duties, and several dedicated employees are appointed to the Audit Department.

To ensure the independence of these employees, all rights to command and order them shall be delegated exclusively to the Audit & Supervisory Committee, and these employees shall not be commanded or ordered by departments conducting business operations or any of the Directors (excluding Directors serving as Audit & Supervisory Committee Members). In addition, any decision on a personnel transfer, personnel evaluation, or disciplinary measures, etc. for these employees shall be made subsequent to the approval from the Audit & Supervisory Committee.

The Company appoints no Director to assist the Audit & Supervisory Committee in performing its duties.

- 7) System for reporting to the Company's Audit & Supervisory Committee by Directors (excluding Directors serving as Audit & Supervisory Committee Members), Executive Officers and employees of the Company, or by Directors, corporate auditors, and employees of the Company's subsidiaries, or by persons who have received reports from such Directors, corporate auditors, and employees, and system for other forms of reporting to the Audit & Supervisory Committee
- The Audit & Supervisory Committee Members attend important meetings, such as the Board of Directors meeting and Management Committee meeting.
 - Directors of the Company (excluding Directors serving as Audit & Supervisory Committee Members), Executive Officers and employees inform the Audit & Supervisory Committee of legal matters, as well as the matters that may have significant impact on the RIKEN TECHNOS GROUP (including the relevant matters in cases where it is considered that the acts of Directors, Executive Officers, or employees could infringe Laws and Regulations or cause serious damage).
 - The Audit Department reports the progress of internal auditing to the Audit & Supervisory Committee, in principle, every month.
 - If the Directors, corporate auditors, and employees of a consolidated subsidiary of the Company consider that the actions of a consolidated subsidiary or a Director or employee of a consolidated subsidiary may infringe Laws and Regulations or cause serious damage, they shall report such matter in accordance with the RIKEN TECHNOS GROUP Rule for Management of Consolidated Subsidiaries and immediately report such matter to the Company's Audit & Supervisory Committee.
 - A person who reported to the Audit & Supervisory Committee shall not be treated disadvantageously in personnel affairs or in any other way, as a consequence of such reporting.
- 8) Provisions concerning procedures for the advance payment or redemption of expenses arising from the performance of duties of the Audit & Supervisory Committee Members, and other policies for the handling of expenses or liabilities arising from the performance of duties of the Audit & Supervisory Committee Members
- Audit & Supervisory Committee Members may request the Company to make advance payments, redeem expenses, or settle repayments of assumed liabilities, etc. arising from the execution of their duties, and the Company shall promptly respond to such requests.
- 9) Other systems to ensure that the audits by Audit & Supervisory Committee are executed effectively
- The Company strengthens cooperation between the Audit & Supervisory Committee and the Audit Department established under the direct control of the Audit & Supervisory Committee and conducts effective and organizational audits by conducting joint audits in Japan and overseas if considered necessary.
 - The Representative Directors and Audit & Supervisory Committee Members exchange opinions at the Board of Directors meeting held monthly and promptly communicate opinions and information necessary to conduct effective audits.
 - The Audit & Supervisory Committee, the Accounting Auditor, and the Audit Department hold a joint meeting semi-annually for the purpose of exchanging opinions.

(2) Outline of the Operating Status of the Systems to Ensure the Appropriateness of the Business Operations

Based on the aforementioned basic policy for the systems to ensure the appropriateness of the business operations, the Company strives to establish systems and appropriately operate them. Outline of the operating status of the systems during the fiscal year under review are as follows:

1) Risk management

The Risk & Compliance Committee identified, analyzed and evaluated risks for the entire Group, ascertained significant risks, identified those requiring a priority response, and formulated initiatives to respond to them. The Committee confirmed and reviewed semi-annually the progress of implementation of the initiatives to respond to risks, gave improvement instructions to related departments as necessary, thereby comprehensively managing risks for the entire Group.

2) Compliance

The Risk & Compliance Committee confirmed the implementation status of compliance initiatives and the status of improvement for the entire Group. The Group also provided human rights/compliance seminars and workshops on legal compliance to executives and employees of the RIKEN TECHNOS GROUP on an ongoing basis, in an effort to increase executives' and employees' awareness of ensuring human rights and compliance.

3) Operational audits

The Audit Department performed internal audit of the RIKEN TECHNOS GROUP and gave reports on the status to the Audit & Supervisory Committee, while also reporting to the President. The Department gave semi-annual periodic reports and an annual report on the status of internal control to each of the Board of Directors, the Management Committee and the Audit & Supervisory Committee.

4) Business management of consolidated subsidiaries

Pursuant to the "Regulations on the Management of RIKEN TECHNOS GROUP Consolidated Subsidiaries," the Group monthly received reports on the status of business execution of its consolidated subsidiaries. An operational report meeting was arranged twice a year for consolidated subsidiaries, at which the Group received reports as necessary on the status of their management and financial standing, thereby managing and supervising business operations of the consolidated subsidiaries.

5) Performance of Directors' duties

The Board of Directors met 16 times during the fiscal year under review, at which it decided on important managerial items defined in laws and regulations, as well as in the Articles of Incorporation and the Regulations on the Board of Directors and supervised the business execution of each Director.

6) Performance of Audit & Supervisory Committee Members' duties

The Audit & Supervisory Committee met 18 times during the fiscal year under review. Through attending important meetings, such as the Board of Directors meeting, the Committee audited the business execution of Directors (excluding Directors serving as Audit & Supervisory Committee Members). The Committee exchanged information with the Audit Department and Accounting Auditors semi-annually to promote mutual cooperation.

Note: Figures and the number of shares presented in this business report were rounded down to the unit used for presentation.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

Account item	(Reference) 94th fiscal year (As of March 31, 2023)	95th fiscal year (As of March 31, 2024)	Account item	(Reference) 94th fiscal year (As of March 31, 2023)	95th fiscal year (As of March 31, 2024)
Assets			Liabilities		
Current assets	71,667,937	71,820,844	Current liabilities	33,876,116	35,432,634
Cash and deposits	23,481,932	21,879,258	Notes and accounts payable - trade	21,193,377	21,666,723
Notes receivable - trade	1,306,391	868,089	Electronically recorded obligations - operating	467,511	155,619
Accounts receivable - trade	22,180,311	23,761,066	Short-term borrowings	7,718,267	7,749,221
Electronically recorded monetary claims - operating	5,008,505	5,300,359	Current portion of long-term borrowings	552,457	577,563
Merchandise and finished goods	9,678,717	10,138,020	Lease liabilities	16,456	23,633
Work in process	961,462	1,008,173	Accrued expenses	1,109,364	1,087,536
Raw materials and supplies	8,094,251	8,230,160	Income taxes payable	640,838	1,799,290
Prepaid expenses	640,087	452,729	Accrued consumption taxes	144,095	220,070
Short-term loans receivable	521	422	Provision for bonuses	807,030	1,083,302
Other	399,506	265,285	Provision for bonuses for directors (and other officers)	92,721	116,592
Allowance for doubtful accounts	(83,749)	(82,722)	Other	1,133,997	953,078
Non-current assets	40,334,820	43,829,913	Non-current liabilities	5,961,407	6,200,796
Property, plant and equipment	27,077,707	28,475,130	Long-term borrowings	2,260,070	1,768,768
Buildings and structures	10,464,642	11,083,903	Lease liabilities	30,639	32,936
Machinery, equipment and vehicles	7,963,520	8,525,426	Deferred tax liabilities	1,877,146	2,765,927
Land	6,439,554	6,460,388	Provision for share awards for directors (and other officers)	200,788	246,935
Leased assets	57,020	55,690	Retirement benefit liability	1,157,941	948,199
Construction in progress	1,512,427	1,585,065	Other	434,820	438,028
Other	640,541	764,655	Total liabilities	39,837,524	41,633,430
Intangible assets	2,286,713	2,247,110	Net assets		
Software	925,933	888,236	Shareholders' equity	56,168,784	54,281,800
Leased assets	5,173	6,642	Share capital	8,514,018	8,514,018
Goodwill	5,820	4,365	Capital surplus	6,597,580	6,597,580
Other	1,349,785	1,347,866	Retained earnings	41,463,280	39,535,079
Investments and other assets	10,970,399	13,107,672	Treasury shares	(406,095)	(364,877)
Investment securities	8,777,528	10,509,751	Accumulated other comprehensive income	7,027,233	10,158,350
Long-term loans receivable	1,905	1,483	Valuation difference on available-for-sale securities	4,904,961	6,526,875
Retirement benefit asset	811,947	1,270,649	Foreign currency translation adjustment	2,159,985	3,223,620
Deferred tax assets	441,121	468,292	Remeasurements of defined benefit plans	(37,713)	407,855
Other	940,216	859,896	Non-controlling interests	8,969,215	9,577,176
Allowance for doubtful accounts	(2,320)	(2,399)	Total net assets	72,165,232	74,017,327
Total assets	112,002,757	115,650,757	Total liabilities and net assets	112,002,757	115,650,757

Note: Figures presented are rounded down to the nearest thousand yen.

Consolidated Statements of Income

(Thousands of yen)

Account item	(Reference) 94th fiscal year (April 1, 2022 to March 31, 2023)	95th fiscal year (April 1, 2023 to March 31, 2024)
Net sales	123,497,991	125,739,116
Cost of sales	103,146,236	103,856,870
Gross profit	20,351,754	21,882,246
Selling, general and administrative expenses	12,845,492	13,106,752
Operating profit	7,506,262	8,775,493
Non-operating income		
Interest and dividend income	267,202	375,214
Foreign exchange gains	228,486	485,843
Other	190,376	250,896
	686,065	1,111,954
Non-operating expenses		
Interest expenses	169,759	268,429
Other	57,664	74,110
	227,424	342,539
Ordinary profit	7,964,903	9,544,907
Extraordinary income		
Gain on sale of non-current assets	2,066	15,329
Gain on sale of investment securities	8,720	1,886,468
	10,786	1,901,798
Extraordinary losses		
Loss on sale and retirement of non-current assets	13,074	24,376
Impairment losses	—	120,371
Loss on sale of investment securities	—	1,182
	13,074	145,930
Profit before income taxes	7,962,615	11,300,775
Income taxes- current	1,899,962	3,054,154
Income taxes - deferred	144,403	(94,240)
	2,044,365	2,959,913
Profit	5,918,249	8,340,861
Profit attributable to non-controlling interests	1,360,726	1,460,631
Profit attributable to owners of parent	4,557,523	6,880,230

Note: Figures presented are rounded down to the nearest thousand yen.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Thousands of yen)

Account item	(Reference) 94th fiscal year (As of March 31, 2023)	95th fiscal year (As of March 31, 2024)	Account item	(Reference) 94th fiscal year (As of March 31, 2023)	95th fiscal year (As of March 31, 2024)
Assets			Liabilities		
Current assets	46,602,579	46,976,916	Current liabilities	20,116,518	21,980,426
Cash and deposits	16,550,779	15,059,216	Notes payable - trade	2,168	—
Notes receivable - trade	815,979	604,745	Accounts payable - trade	14,119,844	14,866,509
Accounts receivable - trade	15,475,625	16,618,839	Electronically recorded obligations - operating	467,511	155,619
Electronically recorded monetary claims - operating	4,546,235	5,227,934	Electronically recorded obligations - non-operating	170,678	90,630
Merchandise and finished goods	5,532,876	5,597,423	Short-term borrowings	2,950,000	2,950,000
Work in process	731,962	760,913	Lease liabilities	3,133	2,944
Raw materials and supplies	2,066,733	2,069,290	Accounts payable - other	353,246	382,360
Prepaid expenses	205,559	227,341	Accrued expenses	875,747	886,600
Short-term loans receivable	420	318	Income taxes payable	274,031	1,387,073
Other	758,906	892,893	Provision for bonuses	685,567	917,329
Allowance for doubtful accounts	(82,500)	(82,000)	Provision for bonuses for directors (and other officers)	92,721	116,592
Non-current assets	29,891,380	31,518,007	Other	121,868	224,766
Property, plant and equipment	12,695,294	12,753,117	Non-current liabilities	1,908,066	2,541,486
Buildings and structures	4,420,657	4,402,208	Long-term borrowings	139,722	80,498
Machinery and equipment	3,022,074	3,062,271	Lease liabilities	8,340	4,731
Vehicles	32,236	22,860	Deferred tax liabilities	918,773	1,639,708
Tools, furniture and fixtures	448,164	558,896	Provision for share awards for directors (and other officers)	200,788	246,935
Land	4,727,287	4,659,551	Provision for retirement benefits	310,782	237,331
Leased assets	10,724	6,983	Asset retirement obligations	327,341	332,281
Construction in progress	34,150	40,346	Long-term accounts payable - other	2,316	—
Intangible assets	748,831	690,316	Total liabilities	22,024,584	24,521,912
Software	734,092	675,868	Net assets		
Other	14,738	14,447	Shareholders' equity	49,566,451	47,452,802
Investments and other assets	16,447,255	18,074,574	Share capital	8,514,018	8,514,018
Investment securities	8,747,066	10,484,263	Capital surplus	6,532,977	6,532,977
Shares of subsidiaries and associates	4,548,885	4,548,885	Legal capital surplus	6,532,977	6,532,977
Investments in capital of subsidiaries and associates	1,715,213	1,715,213	Retained earnings	34,925,549	32,770,683
Long-term loans receivable from employees	750	432	Legal retained earnings	1,107,369	1,107,369
Prepaid pension costs	920,408	920,399	Other retained earnings	33,818,180	31,663,313
Other	514,932	407,780	General reserve	12,000,000	12,000,000
Allowance for doubtful accounts	—	(2,399)	Retained earnings brought forward	21,818,180	19,663,313
			Treasury shares	(406,095)	(364,877)
			Valuation and translation adjustments	4,902,924	6,520,209
			Valuation difference on available-for-sale securities	4,902,924	6,520,209
			Total net assets	54,469,375	53,973,011
Total assets	76,493,960	78,494,923	Total liabilities and net assets	76,493,960	78,494,923

Note: Figures presented are rounded down to the nearest thousand yen.

Non-Consolidated Statements of Income

(Thousands of yen)

Account item	(Reference) 94th fiscal year (April 1, 2022 to March 31, 2023)	95th fiscal year (April 1, 2023 to March 31, 2024)
Net sales	57,080,217	61,031,409
Cost of sales	46,112,125	48,905,084
Gross profit	10,968,091	12,126,324
Selling, general and administrative expenses	7,788,175	8,077,572
Operating profit	3,179,916	4,048,752
Non-operating income		
Interest and dividend income	1,915,458	2,153,921
Foreign exchange gains	153,800	465,784
Other	143,175	121,124
Non-operating expenses		
Interest expenses	17,399	17,483
Depreciation of assets for rent	25,275	30,571
Other	16,948	32,112
Ordinary profit	5,332,727	6,709,415
Extraordinary income		
Gain on sale of non-current assets	—	2,981
Gain on sale of investment securities	6,297	1,886,468
Gain on extinguishment of tie-in shares	—	43,339
Extraordinary losses		
Loss on retirement of non-current assets	6,049	21,299
Impairment losses	—	120,371
Profit before income taxes	5,332,975	8,500,534
Income taxes- current	1,011,049	1,933,261
Income taxes - deferred	89,615	(73,446)
Profit	4,232,310	6,640,720

Note: Figures presented are rounded down to the nearest thousand yen.

Translation
Independent Auditor's Report

May 15, 2024

The Board of Directors
RIKEN TECHNOS CORPORATION

Ernst & Young ShinNihon LLC

Tokyo Office, Japan

Hideyuki Inoue
Designated Engagement Partner
Certified Public Accountant

Kazunori Yoshida
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of RIKEN TECHNOS CORPORATION and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for overseeing the Group's reporting process of the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them regarding matters that are reasonably considered to have an impact on our independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Translation Independent Auditor's Report

May 15, 2024

The Board of Directors
RIKEN TECHNOS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo Office, Japan
Hideyuki Inoue
Designated Engagement Partner
Certified Public Accountant
Kazunori Yoshida
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item (i) of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements of RIKEN TECHNOS CORPORATION (the Company) applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them regarding matters that are reasonably considered to have an impact on our independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

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Translation Audit Report

The Audit & Supervisory Committee audited the performance of duties by the Directors for the 95th fiscal year from April 1, 2023 to March 31, 2024, and hereby submits the method and results of the audit.

1. Auditing Methods and Details Thereof

The Audit & Supervisory Committee received reports periodically from Directors, employees and other relevant personnel about the details of the Board of Directors resolution concerning the matters set forth in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act, as well as the establishment and operation of the system based on such resolution (the internal control system), sought explanations as necessary, expressed opinions and conducted the audit through the methods described below.

- 1) In accordance with our audit policy and job responsibilities established by the Audit & Supervisory Committee, and in cooperation with the internal audit division, we attended important meetings taking advantage of telephone and online conference tools as well, received reports from Directors and employees on the status of performance of their duties, requested explanations as necessary, reviewed important approval documents, and examined business operations and financial conditions at the head office and other principal business locations. With respect to subsidiaries, we communicated and exchanged information with directors, corporate auditors and other relevant personnel of subsidiaries as well as received reports from subsidiaries on their business as necessary.
- 2) We monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that the “systems for ensuring that the performance of duties is being carried out correctly” (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) had been prepared in accordance with the “Standards on Quality Control for Audits” (issued by the Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and its supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets, and notes to the non-consolidated financial statements) and their supplementary schedules, as well as the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and notes to the consolidated financial statements) for the relevant fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the business report and its supplementary schedules are in accordance with laws, regulations and the Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no material facts of wrongful action or violation of laws, regulations or the Articles of Incorporation in the performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control system are fair and reasonable. In addition, we have found no matters to be reported regarding the description in the business report and the performance of duties by the Directors related to such internal control system.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by the Accounting Auditor Ernst & Young ShinNihon LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by the Accounting Auditor Ernst & Young ShinNihon LLC are fair and reasonable.

May 20, 2024

Audit & Supervisory Committee, RIKEN TECHNOS CORPORATION

Full-Time Audit & Supervisory Committee Member	Masato Koizumi
Audit & Supervisory Committee Member	Takayuki Hayakawa
Audit & Supervisory Committee Member	Shigeharu Nakamura
Audit & Supervisory Committee Member	Shigeru Ehara
Audit & Supervisory Committee Member	Aogi Suemura

Note: Audit & Supervisory Committee Members, Takayuki Hayakawa, Shigeharu Nakamura, Shigeru Ehara and Aogi Suemura are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

Notes to the Readers of Audit Report

This is an English translation of the Audit Report as required by the Companies Act of Japan for the conveniences of the reader.