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# NOTICE OF THE 96th 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 96th Ordinary General Meeting of Shareholders of RIKEN TECHNOS CORPORATION.

In the 96th fiscal year (from April 1, 2024 to March 31, 2025), the Group promptly worked on measures to accomplish four strategies in the final 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 high in each profit area for four consecutive years.

The 97th fiscal year marks the first year of our new three-year Medium-term Business Plan “One Vision, New Stage 2027.” The Group will shift to a new stage and work as one to implement various measures, aiming for further growth.

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 3, 2025  
(Measures for electronic provision start on: May 28, 2025)

**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 96th 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 96th 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 19, 2025, Japan time.**

**1. Date and Time:** Friday, June 20, 2025 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 96th term (from April 1, 2024 to March 31, 2025) and results of audits by Independent Accountants and Audit & Supervisory Committee of the Consolidated Financial Statements
2. Non-Consolidated Financial Statements for the 96th term (from April 1, 2024 to March 31, 2025)

**Proposals to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of 4 Directors (Excluding Directors serving as Audit & Supervisory Committee Members)

**Proposal 3:** Election of 1 Director serving as Audit & Supervisory Committee Member

**Proposal 4:** Partial Revision to the Stock-Based Compensation Plan for Directors (Excluding Directors serving as Audit & Supervisory Committee Members) and 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 item in the business report

Systems and Policies of the Company

(2) The following items in the consolidated financial statements

Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements

(3) 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%.

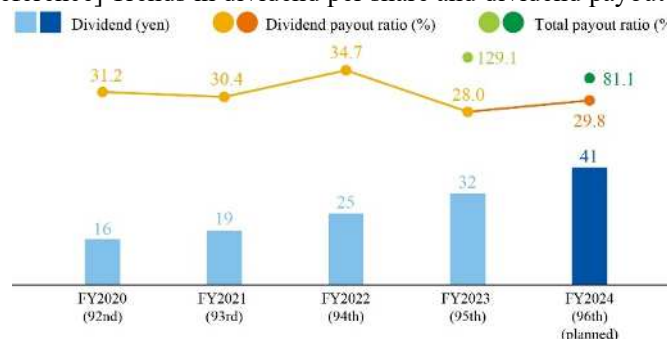
Based on the above-mentioned policy, we hereby propose paying a year-end ordinary dividend of ¥27 per share for the 96th fiscal year, an increase of ¥7 per share from the previous fiscal year.

(1) Type of dividend properties  
Cash

(2) Allocation of dividend properties to shareholders and total amount thereof  
¥27.00 per share of common stock of the Company  
Total amount of dividends: ¥1,404,411,804  
The annual dividend for the current fiscal year, including the interim dividend, will be ¥41.00 per share, an increase of ¥9 per share from the previous fiscal year.

(3) Effective date of distribution of surplus  
June 23, 2025

[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 81.1%, including the total amount of acquisition of own shares.

**Proposal 2: Election of 4 Directors (Excluding Directors serving as Audit & Supervisory Committee Members)**

The terms of office of all 3 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 order to further strengthen the management structure by adding a person responsible for overseeing the Group's monozukuri to the Board of Directors, we hereby propose the addition of 1 Director and the election of 4 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 96th 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<br>President & CEO  | 17/17 times<br>(100%)                         |
| 2   | Reappointment   | Junji Irie        | Male   | Representative Director<br>Executive Vice President<br>Senior General Manager, Administrative Div.                        | 17/17 times<br>(100%)                         |
| 3   | Reappointment   | Gakuyuki Kajiyama | Male   | Director<br>Senior Managing Executive Officer<br>Senior General Manager, Sales & Marketing Div.                           | 17/17 times<br>(100%)                         |
| 4   | New appointment | Tomozo Ogawa      | Male   | Managing Executive Officer<br>Senior General Manager, Monozukuri Headquarters<br>Senior General Manager, Procurement Div. | —   |

| No.  | Name<br>(Date of birth)  | Past experience, positions, responsibilities<br>and significant concurrent positions   | Number of<br>shares of the<br>Company held |
|--|--|--|--|
| 1  |  <p>Kazuaki Tokiwa<br/>(October 8, 1960)</p> <p>[Reappointment]</p> | <p>March 1983      Joined the Company</p> <p>April 2002      General Manager, Sales &amp; 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 &amp; 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 &amp; CEO (to present)</p> <p>[Significant concurrent positions]</p> <p>None</p> | 62,100                                     |
| <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 &amp; CEO since April 2016. The Company nominated him as a candidate for Director because we believe that he will continue to contribute to the Group's globally unified operation under the new three-year Medium-term Business Plan that started in April 2025.</p> |  |  |  |



| No.  | Name<br>(Date of birth)   | Past experience, positions, responsibilities<br>and significant concurrent positions  |  | Number of<br>shares of the<br>Company held |
|--|---|---|--|--|
| 2  |  | April 1981<br>April 2009<br>May 2011<br>June 2011<br>June 2012<br>April 2013<br><br>April 2016  | Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)<br>Executive Officer; General Manager, Kobuna-cho Branch<br>Joined the Company<br>Office Manager, Legal & Compliance Office<br>Director; Office Manager, Legal & Compliance Office<br>Director; Senior General Manager, Administrative Div.; General Manager, General Affairs Dept.<br>Director, Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.  | 60,300                                     |
|  | Junji Irie<br>(July 27, 1958)<br><br>[Reappointment]                              | January 2017<br><br>April 2017<br><br>October 2017<br><br>April 2019<br><br>April 2020<br>June 2020<br>April 2022<br><br>April 2023<br><br>April 2025<br><br>[Significant concurrent positions]<br>None | Director, Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.; General Manager, General Affairs Dept.<br>Director, Managing Executive Officer; Senior General Manager, Administrative Div.; General Manager, General Affairs Dept.<br>Director, Managing Executive Officer; Senior General Manager, Administrative Div.<br>Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.<br>Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.<br>Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.<br>Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.; Senior General Manager, Corporate Planning Div.<br>Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Div.<br>Representative Director, Executive Vice President; Senior General Manager, Administrative Div. (to present) |  |
| [Reason for nomination as candidate for Director]<br>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<br>(Date of birth)   | Past experience, positions, responsibilities<br>and significant concurrent positions |   | Number of<br>shares of the<br>Company held |
|--|---|--|---|--|
| 3  |                        | March 1985   | Joined the Company  | 42,000                                     |
|  |   | June 2008  | Office Manager, Nagoya Sales Office; Office Manager, Compound Vehicle R&D Office                            |  |
|  |   | March 2010   | Deputy General Manager, Compound Div.   |  |
|  |   | April 2011   | Vice Office Manager, Corporate Planning Office  |  |
| September 2011   | Managing Director, RIKEN ELASTOMERS CORPORATION   |  |   |  |
| April 2016   | Executive Officer, RIKEN TECHNOS CORPORATION;<br>Managing Director, RIKEN ELASTOMERS CORPORATION        |  |   |  |
| April 2017   | Senior Executive Officer; Senior General Manager,<br>Corporate Planning Div., RIKEN TECHNOS CORPORATION |  |   |  |
| June 2017  | Director, Senior Executive Officer; Senior General Manager,<br>Corporate Planning Div.                  |  |   |  |
|  | Gakuyuki Kajiyama<br>(October 29, 1962)   | April 2019   | Director, Managing Executive Officer; Senior General Manager,<br>Sales & Marketing Div.                     |  |
|  | [Reappointment]   | April 2025   | Director, Senior Managing Executive Officer; Senior General<br>Manager, Sales & Marketing Div. (to present) |  |
|  |   | [Significant concurrent positions]   |   |  |
|  |   | None   |   |  |
| [Reason for nomination as candidate for Director]<br>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 the Group’s globally unified operation. |   |  |   |  |

| No.  | Name<br>(Date of birth)   | Past experience, positions, responsibilities<br>and significant concurrent positions   | Number of<br>shares of the<br>Company held |
|--|---|--|--|
| 4  |  <p>Tomozo Ogawa<br/>(February 26, 1973)<br/>[New appointment]</p> | <p>March 1996<br/>January 2013<br/>April 2018<br/>April 2020<br/>October 2020<br/>October 2022<br/>April 2023<br/>April 2024<br/>April 2025<br/>[Significant concurrent positions]<br/>None</p> <p>Joined the Company<br/>Technical Manager, RIKEN ELASTOMERS CORPORATION<br/>Vice Office Manager, Corporate Planning Dept., RIKEN<br/>TECHNOS CORPORATION<br/>Executive Officer; Senior General Manager, Manufacturing<br/>Div.; General Manager, Process Management Dept.<br/>Executive Officer; Senior General Manager, Manufacturing<br/>Div.; General Manager, Film Manufacturing Dept.; General<br/>Manager, Process Management Dept.<br/>Executive Officer; Senior General Manager, Manufacturing<br/>Div.; General Manager, Process Management Dept.; General<br/>Manager, TPM Promotion Dept.<br/>Executive Officer; Senior General Manager, Manufacturing<br/>Div.; Factory Manager, Saitama Factory<br/>Senior Executive Officer; Senior General Manager,<br/>Manufacturing Div.; Senior General Manager, Procurement Div.<br/>Managing Executive Officer; Senior General Manager,<br/>Monozukuri Headquarters; Senior General Manager,<br/>Procurement Div. (to present)</p> | 13,900                                     |
| <p>[Reason for nomination as candidate for Director]<br/>Mr. Tomozo Ogawa has considerable insight into the Company's monozukuri derived from his many years of experience in the Company's R&amp;D, manufacturing, and procurement departments. He also has broad insight into the Group's business strategies from his experience working in the corporate planning department. He is taking advantage of these knowledge and experience to integrally oversee and lead divisions involved in monozukuri (technical, manufacturing, quality control, procurement, etc.) in the Monozukuri Headquarters, which was newly established in April 2025 to further strengthen our "Monozukuri Power" as a manufacturer. The Company nominated him as a candidate for Director because we believe that he will further reflect the "monozukuri" perspective in the Board of Directors of the Company as a manufacturer.</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 for reappointment are included as insured parties in the insurance agreement and will continue to be included if they are reelected by this Proposal. If the appointment of the new candidate, Mr. Tomozo Ogawa, is approved, he is planned to be included in the insured parties.

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

**Proposal 3: Election of 1 Director serving as Audit & Supervisory Committee Member**

In order to further strengthen and enhance the audit and supervisory functions for the Group's governance structure, we hereby propose the addition of 1 Director serving as Audit & Supervisory Committee Member and the election 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:

|                 | Name            | Gender | Current positions and responsibilities in the Company | Attendance at the Board of Directors meetings | Attendance at the Audit & Supervisory Committee |
|-----------------|-----------------|--------|---|---|---|
| New appointment | Sachie Kinugawa | Female | —   | —   | —   |

(Reference) Directors serving as Audit & Supervisory Committee Members who will remain in office are as follows.

| Name               | Gender | Current positions and responsibilities in the Company      |
|--------------------|--------|--|
| Takashi Shimada    | Male   | Director<br>Full-time Audit & Supervisory Committee Member |
| Shigeharu Nakamura | Male   | Outside Director<br>Audit & Supervisory Committee Member   |
| Shigeru Ehara      | Male   | Outside Director<br>Audit & Supervisory Committee Member   |
| Aogi Suemura       | Female | Outside Director<br>Audit & Supervisory Committee Member   |

| No.  | Name<br>(Date of birth)  | Past experience, positions, responsibilities<br>and significant concurrent positions   | Number of<br>shares of the<br>Company held |
|--|--|--|--|
| 1  | <br>Sachie Kinugawa<br>(November 26, 1964)<br>[New appointment] | April 1988      Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)<br>August 2004    General Manager, Market Sales Department No. 4, Mizuho Securities Co., Ltd.<br>June 2008      General Manager, Diversity Promotion Office, Human Resources Department<br>April 2010      General Manager, Wealth Management Department<br>April 2013      General Manager of Seijo Branch<br>April 2015      General Manager of Nagoya-Ekimae Branch<br>April 2017      Executive Officer; General Manager of Nagoya Branch<br>April 2019      Executive Officer, in charge of Retail & Business Banking<br>April 2021      Representative Director and President, Mizuho Business Partner Co., Ltd. (retired in March 2025)<br>June 2023      Outside Director, The Bank of Nagoya, Ltd. (to present)<br>[Significant concurrent positions]<br>Outside Director, The Bank of Nagoya, Ltd. | 0  |
| [Reason for nomination as candidate for Outside Director serving as Audit & Supervisory Committee Member and expected roles]<br>Ms. Sachie Kinugawa has held senior positions at major financial institutions and securities firms, and has extensive experience and broad knowledge as a corporate manager. The Company nominated her as a candidate for Outside Director serving as Audit & Supervisory Committee Member because we believe that she will contribute to strengthening the effectiveness of the decision-making and supervisory functions of the Board of Directors, providing advice and recommendations on the management and diversity of the Group, and supervising business execution from a standpoint independent of management. |  |  |  |

- (Notes)
1. No special interests exist between Ms. Sachie Kinugawa and the Company.
  2. Matters concerning the candidate for Outside Director:
    - (1) Ms. Sachie Kinugawa is a candidate for Outside Director serving as Audit & Supervisory Committee Member.
    - (2) Ms. Sachie Kinugawa is scheduled to be appointed as Outside Audit & Supervisory Board Member of Nissan Chemical Corporation and Outside Director of Takachiho Koheki Co., Ltd. as of June 26, 2025.
    - (3) If Ms. Sachie Kinugawa is elected as Outside Director serving as Audit & Supervisory Committee Member, the Company plans to enter into an agreement with her to limit her liability for damages pursuant to Article 427, 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) If Ms. Sachie Kinugawa is elected as Outside Director serving as Audit & Supervisory Committee Member, the Company plans to register her as Independent Director stipulated by the Tokyo Stock Exchange.
  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. Ms. Sachie Kinugawa is planned to be included as an insured party if this Proposal is approved.  
The Company also plans to renew the insurance agreement during her term of office.

**Proposal 4: Partial Revision to the Stock-Based Compensation Plan for Directors (Excluding Directors serving as Audit & Supervisory Committee Members) and Directors serving as Audit & Supervisory Committee Members**

1. Reasons for the proposal and reasons why it is considered appropriate

The introduction of a stock-based compensation plan “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”) for Directors (excluding Directors serving as Audit & Supervisory Committee Members) and Directors serving as Audit & Supervisory Committee Members (hereinafter referred collectively to as “Directors”) was approved at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016. In addition, following the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on March 1, 2021, the re-establishment of a compensation quota for stock-based compensation for Directors was approved at the 92nd Ordinary General Meeting of Shareholders held on June 18, 2021 (hereinafter the resolution at the 92nd Ordinary General Meeting of Shareholders is referred to as the “Original Resolution”), which is still in place today.

We have now decided to review the Plan so that it is more in line with its purpose, which is to function as an appropriate incentive to increase the Company’s corporate value over the medium to long term. Specifically, in light of the above-mentioned purpose, and in consideration of the impact of stock price fluctuations on the number of shares to be acquired by the Trust, we will not set a maximum amount that can be contributed to the Trust. In order to provide compensation based on the Plan to the Company’s Directors within the maximum number of the Company’s shares, etc., to be provided to the Directors as described in 2. (4) below, we hereby request approval to determine the specific calculation method and the specific details of the amount of compensation, etc., under the Plan to be paid to Directors. There is no change from the Original Resolution in the maximum number of the Company’s shares, etc., to be granted.

As with the Original Resolution, the purpose of the Plan is to raise awareness of Directors who execute business (excluding Directors serving as Audit & Supervisory Committee Members) toward their contributions to improving the medium- to long-term corporate performance and increasing the corporate value as well as making Directors who do not execute business (excluding Directors serving as Audit & Supervisory Committee Members) and Directors serving as Audit & Supervisory Committee Members contribute to increasing the medium- to long-term corporate value through supervision or audits. It is also consistent with the Company’s policy on determining the content of individual compensation, etc., for Directors. We therefore consider that the details of this Proposal are appropriate.

We propose to leave the details of the Plan to consultations by the Board of Directors for Directors (excluding Directors serving as Audit & Supervisory Committee Members) and to consultations by Directors serving as Audit & Supervisory Committee Members for Directors serving as Audit & Supervisory Committee Members, within the framework of 2. below.

If Proposal 2 is approved and resolved as originally proposed, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) eligible for the Plan will be 4, and if Proposal 3 is approved and resolved as originally proposed, the number of Directors serving as Audit & Supervisory Committee Members eligible for the Plan will be 5.

2. The specific calculation method of the amount of compensation, etc. and specific details of the Plan

(1) Outline of the Plan

The Plan is a stock-based compensation plan under which money contributed by the Company is used as funds to acquire shares in the Company through a trust (hereinafter the trust established under the Plan is referred to as the “Trust”). The shares in the Company and cash equivalent to the amount of the shares in the Company converted at market price (hereinafter referred to as the “Company Shares, etc.”) are granted to Directors and Executive Officers (hereinafter referred to as “Directors, etc.”) through the Trust in accordance with the officers’ stock benefit plan established by the Company’s Board of Directors (provided, however, consent shall be obtained through consultation with Directors serving as Audit & Supervisory Committee Members regarding the enactment, amendment or abolition of parts relating to Directors serving as Audit & Supervisory Committee Members). In principle, the Company Shares, etc. are granted to Directors, etc. upon their resignation.

(2) Persons eligible for the Plan

Directors (excluding Directors serving as Audit & Supervisory Committee Members) and Directors serving as Audit & Supervisory Committee Members, as well as Executive Officers who do not concurrently serve as Directors

(3) Trust amount and number of shares acquired by the Trust

The Company introduced the Plan for the three-fiscal-year period from the fiscal year that ended on March 31, 2017 to the fiscal year that ended on March 31, 2019 (hereinafter the period of such three fiscal years and the period of each of the three fiscal years beginning after the end of the such three fiscal years are referred to respectively as the “Target Period”) and each subsequent Target Period. The Company has established the Trust with Directors, etc. who satisfy the requirements for beneficiaries as the beneficiaries, by contributing ¥209,960,100 as funds for the acquisition of shares in order to provide benefits to the Company’s Directors, etc. based on the Plan for the initial Target Period. The Trust acquired 476,100 shares in the Company for the initial Target Period using the funds held in trust by the Company.

Furthermore, for the three-fiscal-year period from the fiscal year that ended on March 31, 2020 to the fiscal year that ended on March 31, 2022, the Company contributed an additional ¥159,148,500 to fund the acquisition of shares in order to provide benefits to the Company’s Directors based on the Plan, and acquired 329,500 shares in the Company.

After the end of the Target Period of the three-fiscal-year period from the fiscal year that ended on March 31, 2023 to the fiscal year that ended on March 31, 2025, and until the Plan is discontinued, the Company will, in principle, reasonably estimate the number of shares necessary to provide benefits to the Company’s Directors, etc. for each Target Period, and will make additional contributions of funds necessary for the Trust to acquire shares ahead of time. However, if, when such additional contribution is made, there are remaining shares in the Company (excluding those that correspond to points that have already been granted to Directors, etc., but that have not yet been granted to Directors, etc.) and money remaining within the trust property (hereinafter referred to as the “Remaining Shares, etc.”), the Remaining Shares, etc. shall be allocated to funds for payment under the Plan during the subsequent Target Period, and the amount of the additional contribution shall be calculated after taking into account the Remaining Shares, etc. If the Company decides to make an additional contribution, the Company shall disclose such fact in a timely and appropriate manner.

The Trust will acquire the shares in the Company in the stock exchange market or through the disposal of its treasury shares, using the funds contributed in accordance with the above.

(4) Maximum number of the Company Shares, etc. to be granted to Directors, etc.

The Company grants points for each fiscal year to Directors (excluding Directors serving as Audit & Supervisory Committee Members) who execute business and Executive Officers, taking into consideration their position and performance, etc., and to Directors (excluding Directors serving as Audit & Supervisory Committee Members) who do not execute business and Directors serving as Audit & Supervisory Committee Members, taking their position into consideration. The points granted to Directors, etc. will be converted to common stock of the Company at a rate of one common share per point when the Company Shares, etc. are granted in accordance with (5) below (however, if a share split, allotment of shares without contribution, or consolidation of shares, etc., has been conducted with respect to shares in the Company after this Proposal has been approved, reasonable adjustments will be made to the maximum number of points and the number of points already granted or the conversion rate according to such rate, etc.).

The total number of points to be granted per three-fiscal-year period is limited up to 392,900 points (equivalent to 392,900 shares) for Directors (excluding Directors serving as Audit & Supervisory Committee Members), up to 47,100 points (equivalent to 47,100 shares) for Directors serving as Audit & Supervisory Committee Members, and up to 110,000 points (equivalent to 110,000 shares) for Executive Officers who do not concurrently serve as Directors. The number of points is decided by taking into comprehensive consideration the current level of compensation paid to directors and officers, the trend in the number of Directors, etc., and future prospects, etc., and is considered to be appropriate. The percentage of the number of shares (550,000 shares) corresponding to the maximum number of points per three-fiscal-year period to be granted to Directors, etc. in the total number of shares issued (as of March 31, 2025, after deducting treasury shares) is approximately 1.06%.

The number of points held by Directors, etc. as a basis for determining the granting of the Company Shares, etc. pursuant to (5) below is the number of points calculated by multiplying the total number of points granted to such Directors, etc. up to the point at which the beneficiary requirements are satisfied by the coefficient corresponding to the grounds for retirement (hereinafter referred to as the “Final Number of Points”).

(5) Granting of the Company Shares, etc. and the specific calculation method of the amount of compensation, etc.

If Directors, etc. retire and have satisfied the beneficiary requirements prescribed in the officers' stock benefit plan, such Directors, etc. shall receive shares in the Company according to the Final Number of Points fixed, in principle, in accordance with that stated in (4) above from the Trust after retirement by completing the prescribed procedure for determining beneficiaries. However, if the requirements prescribed in the officers' stock benefit plan are satisfied, the Trust will grant an amount of money equivalent to the market value of the shares in the Company in place of the shares in the Company for a certain percentage of the points. The Trust may sell shares in the Company to secure funds in order to grant such money.

Directors, etc. who have been granted points may not acquire the right to receive benefits by a resolution of the Board of Directors if they have been dismissed by a resolution of a General Meeting of Shareholders or the Board of Directors, if they have committed any misconduct during their terms of office, or if they have engaged in any inappropriate act that may cause damage to the Company during their terms of office.

The amount of compensation, etc. granted to Directors, etc. is based on the amount calculated at the time of granting points by multiplying the total number of points granted to Directors, etc. by the book value per share in the Company held in the Trust (however, if a share split, allotment of shares without contribution, or consolidation of shares, etc., has been conducted with respect to shares in the Company, reasonable adjustments will be made according to such rate, etc.). When it is deemed appropriate to grant money as an exception pursuant to provisions of the officers' stock benefit plan, the amount of compensation, etc. is that obtained by adding such money.

[Reference] Composition of compensation for Directors (cash: shares)

- Directors (excluding Directors serving as Audit & Supervisory Committee Members)

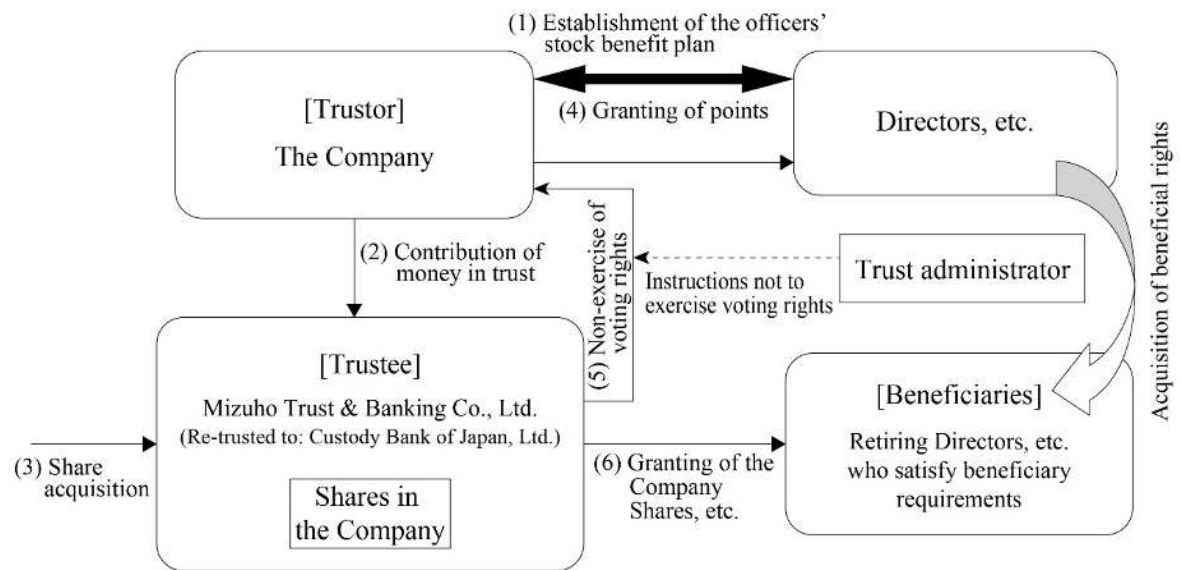
The ratio of the amount of cash compensation (basic compensation as a component of executive compensation and the cash portion of the bonus as short-term performance-linked compensation, as well as the basic compensation as a component of supervisory compensation) to the amount of stock-based compensation (stock benefit portion of the bonus as short-term performance-linked compensation and medium- to long-term performance-linked compensation as a component of executive compensation and fixed stock benefits paid as supervisory compensation) is approximately 75:25, assuming that the level of achievement for performance-linked compensation is 100%.

- Directors serving as Audit & Supervisory Committee Members

The ratio of the amount of cash compensation (basic compensation) to the amount of stock-based compensation (fixed stock-based compensation) is approximately 90:10.



[Reference: Mechanism of the Plan]



- (1) The Company will establish the “officers’ stock benefit plan” within the framework approved in relation to this Proposal.
- (2) The Company will contribute money in trust within the framework approved in relation to this Proposal.
- (3) The Trust will acquire the shares in the Company in the stock exchange market or through the disposal of its treasury shares, using the funds held in trust in (2) above.
- (4) The Company will grant points to Directors, etc. in accordance with the “officers’ stock benefit plan.”
- (5) The Trust will not exercise voting rights pertaining to the shares in the Company held in the Trust account in accordance with the instructions of the trust administrator, which is independent from the Company.
- (6) The Trust will grant retiring Directors, etc. who satisfy the beneficiary requirements prescribed in the “officers’ stock benefit plan” (hereinafter referred to as the “Beneficiaries”), shares in the Company corresponding to the number of points that such Beneficiaries have been granted. If such Directors, etc. satisfy certain other requirements prescribed in the “officers’ stock benefit plan,” the Trust will grant an amount of money equivalent to the market value of the shares in the Company for a certain percentage of the points.

**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<br>President & CEO                       |   |
| Junji Irie         | Male   | [Reappointment]                                 | Representative Director<br>Executive Vice President              | Senior General Manager,<br>Administrative Division  |
| Gakuyuki Kajiyama  | Male   | [Reappointment]                                 | Director<br>Senior Managing<br>Executive Officer                 | Senior General Manager,<br>Sales & Marketing Division   |
| Tomozo Ogawa       | Male   | [New appointment]                               | Director<br>Managing Executive<br>Officer                        | Senior General Manager,<br>Monozukuri Headquarters<br>Senior General Manager,<br>Procurement Division |
| Takashi Shimada    | Male   | [Incumbent]                                     | Director<br>Full-time Audit &<br>Supervisory Committee<br>Member |   |
| Shigeharu Nakamura | Male   | [Incumbent]<br>[Outside]<br>[Independent]       | Outside Director<br>Audit & Supervisory<br>Committee Member      |   |
| Shigeru Ehara      | Male   | [Incumbent]<br>[Outside]<br>[Independent]       | Outside Director<br>Audit & Supervisory<br>Committee Member      |   |
| Aogi Suemura       | Female | [Incumbent]<br>[Outside]<br>[Independent]       | Outside Director<br>Audit & Supervisory<br>Committee Member      |   |
| Sachie Kinugawa    | Female | [New appointment]<br>[Outside]<br>[Independent] | Outside Director<br>Audit & Supervisory<br>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, Start-up Office for New Business Development   |
| Michio Noishiki    | Senior Executive Officer | Senior General Manager, Corporate Planning Division   |
| Toshimi Yamanaka   | Executive Officer        | Regional Officer of North America<br>President, RIKEN AMERICAS CORPORATION<br>President, RIKEN ELASTOMERS CORPORATION                   |
| Fumitoshi Nakamura | Executive Officer        | Regional Officer of ASEAN<br>Deputy Senior General Manager, Sales & Marketing Division<br>General Manager, Transportation Business Unit |
| Akihiro Tamura     | Executive Officer        | Senior General Manager, Film Division<br>General Manager, Film Quality Control Department   |
| Hiroaki Wakayama   | Executive Officer        | Senior General Manager, Compound Division<br>General Manager, R&D Center  |

**Reference** [Skills Matrix of the Board of Directors (Corporate Governance Code Supplementary Principle 4-11-1)]

In order to appropriately supervise the promotion of the three strategies set forth in the “One Vision, New Stage 2027,” 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>

| Relationship between management strategies and skill items |  |  |  |                               |                        |
|--|--|--|--|-------------------------------|------------------------|
| Three-year<br>Medium-term<br>Business Plan                 | Growth/Earning Power                         |  |  | Perpetuity/<br>sustainability | Financial strategy     |
|  | Strategy 1<br>Global One Company             | Strategy 2<br>Stay ahead of<br>customers' expectations | Strategy 3<br>Take on the challenge<br>toward new businesses<br>and products |                               |                        |
| Skill items  | Corporate management/<br>Management strategy | Sales/<br>Marketing                                    | R&D/<br>Manufacturing  | ESG/<br>Sustainability        | Finance/<br>Accounting |
|  | Global experience                            | DX/IT  |  |                               |                        |
|  | Personnel/Labor/Human resource development   |  |  | Legal/<br>Risk management     |                        |

<Definition of skills>

|   | Skill items                                    | Definition  |
|---|--|---|
| 1 | Corporate management/<br>Management strategy   | Experience as a director, executive officer, etc., at other companies (at a consolidated subsidiary, experience as a president)<br>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.<br>Knowledge of finance/accounting   |
| 6 | Legal/Risk management                          | Work experience in legal/risk management, or similar divisions<br>Knowledge of legal/risk management  |
| 7 | Personnel/Labor/<br>Human resource development | Work experience in personnel/labor/human resources development, or similar divisions<br>Knowledge of personnel/labor/human resources development  |
| 8 | ESG/Sustainability                             | Work experience in ESG-related divisions<br>Knowledge of ESG/sustainability   |
| 9 | DX/IT  | Experience in promoting business innovation using DX/IT<br>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 US subsidiary ・Work experience in sales, corporate planning, and quality assurance divisions  |                  |                   |                    |                     |                       |  |                     |       |
| Junji Irie         | Representative Director, Executive Vice President                           | ○   |                  |                   |                    | ○                   | ○                     | ○  | ○                   | ○     |
|                    |   | ・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, Senior Managing Executive Officer                                 | ○   | ○                | ○                 | ○                  |                     |                       |  | ○                   |       |
|                    |   | ・Experience as a president of a US subsidiary ・Experience as a senior general manager of corporate planning division ・Work experience in sales/R&D divisions                            |                  |                   |                    |                     |                       |  |                     |       |
| Tomozo Ogawa       | Director, Managing Executive Officer  | ○   |                  | ○                 | ○                  |                     |                       |  | ○                   | ○     |
|                    |   | ・Experience as a senior general manager of manufacturing division ・Experience as a manager of a US subsidiary ・Work experience in corporate planning/technical divisions                |                  |                   |                    |                     |                       |  |                     |       |
| Takashi Shimada    | Director, Full-time Audit & Supervisory Committee Member                    | ○   |                  | ○                 | ○                  |                     |                       | ○  | ○                   |       |
|                    |   | ・Experience as a president of a US/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   |                  |                   |                    |                     |                       |  |                     |       |
| Sachie Kinugawa    | Outside Director Audit & Supervisory Committee Member (Independent)         | ○   |                  |                   |                    | ○                   |                       | ○  | ○                   |       |
|                    |   | ・Experience as an executive officer at a securities company ・Experience as a president at a human resource services company   |                  |                   |                    |                     |                       |  |                     |       |

## 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.

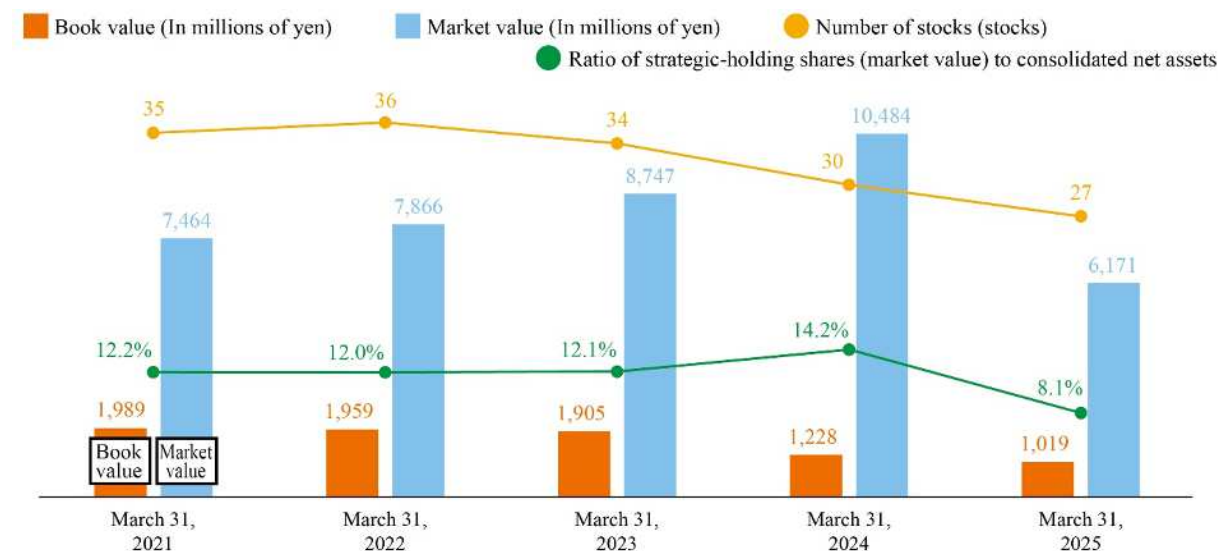
In fiscal 2024, in addition to reviewing the appropriateness of holding for every individual stock, the Company conducted a comprehensive review that included our capital policy, etc., and disposed of all or part of the 15 of the 30 stocks held.

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

|                       | FY2022<br>The 94th fiscal year | FY2023<br>The 95th fiscal year | FY2024<br>The 96th fiscal year (Fiscal year under review) |
|-----------------------|--------------------------------|--------------------------------|---|
| Number of stocks sold | 2 stocks                       | 24 stocks                      | 15 stocks   |
| Total sales amount    | ¥42,616 thousand               | ¥2,577,949 thousand            | ¥1,830,136 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, 2024 - March 31, 2025)

## 1. Overview of the Corporate Group

### (1) Business Progress and Results

The Japanese economy during the fiscal year under review was on a moderate recovery track with steady growth in inbound-related spending and a recovery in new automobile sales volume in the second half of the fiscal year under review, on the back of better employment and income situations, despite consumer spending being partly stagnant due to high prices.

Overseas economies picked up as a whole because of the steady performance of consumer spending and capital investment in the US, despite continued uncertainties such as worries concerning the outlook for the Chinese economy and the situation in the Middle East, and developments of the US policies.

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 final 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 128,141 million yen, or up 1.9% year on year, consolidated operating profit was 10,488 million yen, or up 19.5% year on year, consolidated ordinary profit came to 10,587 million yen, or up 10.9% year on year, and profit attributable to owners of parent was 7,370 million yen, or up 7.1% year on year. Net sales and each profit area reached record highs for four consecutive years.

| Net sales        |              | Operating profit                        |              |
|------------------|--------------|---|--------------|
| ¥128,141 million | Up 1.9% YoY  | ¥10,488 million                         | Up 19.5% YoY |
| Ordinary profit  |              | Profit attributable to owners of parent |              |
| ¥10,587 million  | Up 10.9% YoY | ¥7,370 million                          | Up 7.1% YoY  |



Results by segment are as follows.

1) Transportation

In Japan, there was progress in sales expansion and transferring soaring raw material costs into sales prices of elastomer compounds despite the fall in automobile production, leading to revenue growth.

Overseas, although Japanese automobile production saw decline in sales owing to the fall in automobile production by Japanese manufacturers in the ASEAN market, sales increased as Japanese automobile production increased in North America and progress was made in transferring soaring raw material costs into sales prices, resulting in revenue growth.

Segment profit increased due to expanded sales of elastomer compounds to new customers in Japan and revision of sales prices in Japan and overseas to fair and reasonable levels.

As a result, net sales amounted to 41,120 million yen, and segment profit came to 4,869 million yen.

**Net sales**



**Segment profit**



2) Daily Life & Healthcare

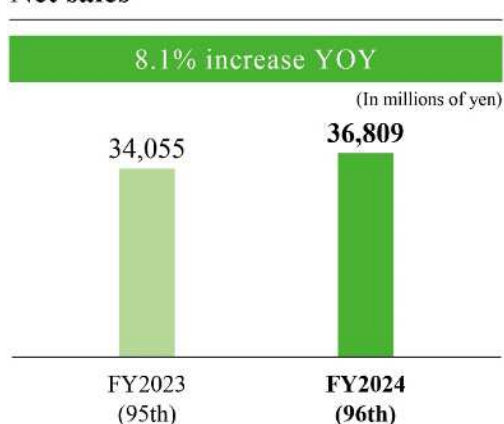
In Japan, while sales of PVC compounds for consumer goods fell, sales of small-roll wrap products and elastomer compounds for consumer goods were strong, resulting in a rise in revenue.

Overseas, sales of PVC compounds for medical and consumer goods increased, resulting in a rise in revenue.

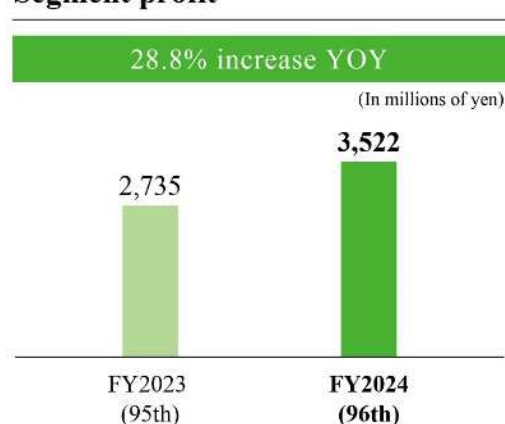
Segment profit increased due to increased sales and the revision of sales prices of small-roll wrap products and also of overseas sales prices of PVC compounds for medical and consumer goods to fair and reasonable levels.

As a result, net sales amounted to 36,809 million yen, and segment profit came to 3,522 million yen.

**Net sales**



**Segment profit**



### 3) Electronics

In Japan, while sales of compounds for robotics, FA, semiconductors and other use increased, sales of functional compounds and functional films fell, leading to a decrease in revenue.

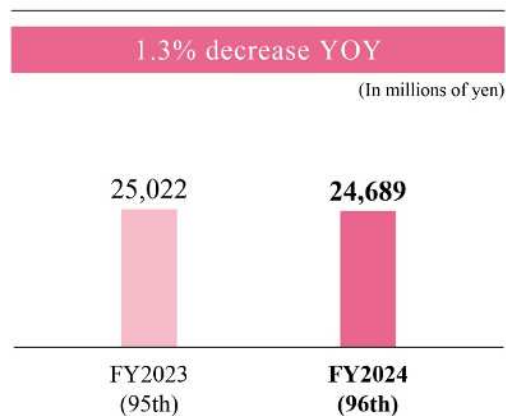
Overseas, sales of PVC compounds rose in the US, Chinese, and Thai markets, resulting in an increase in revenue.

Revenue for the segment as a whole decreased as a consequence of the Company's absorption-type merger of RIKEN TECHNOS INTERNATIONAL CORPORATION, which had been its consolidated subsidiary until the first quarter of the previous fiscal year.

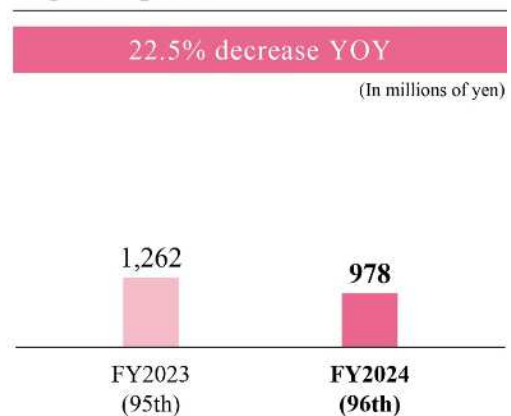
Segment profit decreased due to lower sales of functional films.

As a result, net sales amounted to 24,689 million yen, and segment profit came to 978 million yen.

#### Net sales



#### Segment profit



### 4) Building & Construction

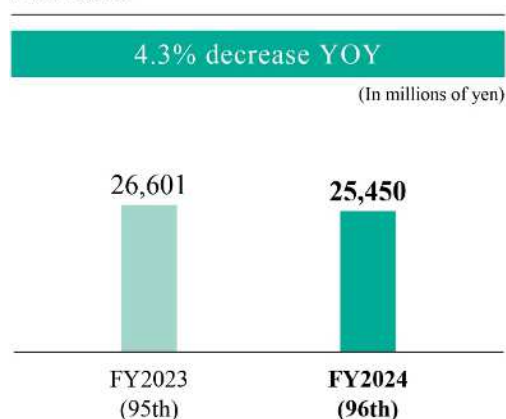
In Japan, extraordinary demand for PVC compounds for resin sashes settled down and sales fell, and sales of films for building materials also fell owing to the sluggishness in the building materials market, resulting in a decline in revenue.

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

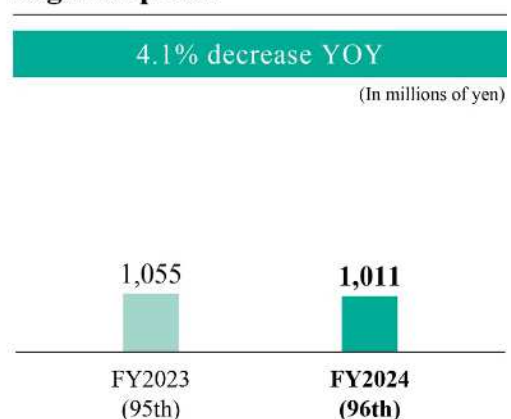
Segment profit decreased due to lower sales of PVC compounds for the building materials markets in Japan and overseas.

As a result, net sales were 25,450 million yen, and segment profit amounted to 1,011 million yen.

#### Net sales



#### Segment profit



(2) Capital Investments

Total capital expenditures amounted to 4,906 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 ELASTOMERS CORPORATION  
Construction of additional compounds manufacturing facilities

(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 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 there are concerns over the global economic slowdown due to the rises in US tariffs, and the slowdown of consumer spending growth in Japan due to continuing high prices resulting from rising logistics cost and personnel expenses.

In such a situation, the Group will launch a new three-year Medium-term Business Plan “One Vision, New Stage 2027” in the next fiscal year, in which we will focus on the two pillars of increasing “Earning Power” and “Sustainability,” while also working on financial strategies and stakeholder communication. To increase “Earning Power,” the Group will pursue the three strategies of “Global One Company,” “Stay Ahead of Customers’ Expectations,” and “Take on the Challenge Toward New Businesses and Products.”

[Earning Power]

1) Global One Company

Building on the “Intensified Global Management and Synergies” we drove in our previous three-year Medium-term Business Plan, we aim to elevate ourselves further and operate as a globally unified “Global One Company.” While our focus on ASEAN remains unchanged, we will also prioritize growth investments within Japan. We will also focus on expanding business with non-Japanese companies as well as Japanese companies in the global market.

2) Stay Ahead of Customers’ Expectations

We will continue to enhance our information gathering and analysis capabilities, and most importantly, invest in the development of personnel, to enable us to deepen our understanding of markets beyond our customers and provide optimal proposals.

Under the newly established Monozukuri Headquarters, our technology, manufacturing, quality control, and procurement divisions will work together as one to quickly propose and provide optimal products for our customers. We will also focus on investments in MI and DX to support these efforts.

3) Take on the Challenge Toward New Businesses and Products

We will further advance the industry-academia collaboration initiatives that we promoted in the previous three-year Medium-term Business Plan and launch new businesses from these initiatives during the new three-year Medium-term Business Plan. Under the Monozukuri Headquarters, we will focus even more on developing new products demanded by the market and increase the proportion of new products in our business portfolio.

[Sustainability]

In the previous three-year Medium-term Business Plan, we set “Contribute to Solving Environmental and Social Issues” as one of our strategies. In the new Medium-term Business Plan, we will treat this as a major pillar alongside the “Earning Power,” and will work on environmental initiatives, including decarbonization, as well as enhancing governance and risk management. We view these initiatives as issues of perpetuity, and recognizing that they will help reduce the cost of equity, we will pursue them steadily.

[Financial strategies]

To build a “value-creating balance sheet,” we will implement reforms to the balance sheet, such as reducing cash and deposits and improving the cash conversion cycle. We also plan to reduce our holdings of investment securities after verifying the significance of holding them. Using the cash generated from these efforts in addition to the three years of operating cash flow, we will work on growth/strategic

investments, shareholder returns, and other initiatives.

[Stakeholder communication]

To ensure that our stakeholders understand the initiatives in the new three-year Medium-term Business Plan, we intend to strengthen our external communications, including IR and SR activities. We will also work to expand the base of shareholders who are willing to invest in us.

Looking by segment, in “Transportation,” we will strengthen our efforts in the fields of Vehicle Wires and Molded Parts for Automobiles, while working to increase sales of existing products and tap into new markets on a global scale.

In “Daily Life & Healthcare,” we will strengthen our efforts in the Medical Market and the Food Packaging fields, and implement a sales strategy from a global perspective.

In “Electronics,” our focus will be placed on the fields of Electric Power and Industrial Wires, and Telecommunications/Mobility/Robotics/FA, and on advancing sales promotion activities on a global scale.

In “Building & Construction,” we will strengthen initiatives in Construction Films for housing and non-housing markets, and the Housing and Building Materials fields, while also expanding sales overseas where demand in infrastructure and building materials is increasing.

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, 2025, the Sustainability Committee defined key performance indicators (KPI) for the material issues (materialities) identified 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)



## 2. Strategies and indicators

The Group partially reviewed its materialities at a Board of Directors meeting held in March 2025. The following 12 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  |   |
|--|---|--|---|
|  |   | FY2027   | FY2030                                    |
| Contribute to a sustainable global environment               | • Achieve emissions reduction targets for 2030 (non-consolidated)   | 29,792 t   | 24,139 t<br>(46.2% decrease from FY2019)  |
|  | • Carbon neutrality in 2050 (Group)   | -  | -   |
|  | • Ratio of total waste to total production (non-consolidated)   | 3.2% 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   |
|  | • Certification of the Outstanding Organizations of KENKO Investment for Health   | Acquire certification  | Maintain certification                    |
| Nurture appropriate human resources for a challenger         | • Training cost per employee (non-consolidated)   | ¥160 thousand  | ¥200 thousand                             |
|  | • Positive response rate of applicable questions in the employee opinion survey (non-consolidated)  | 70%  | 75%                                       |
| 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) 75<br>(FY2025 to FY2027)                                 | (Accumulated) 210<br>(FY2022 to FY2030)   |
|  | • New product sales ratio (non-consolidated and overseas manufacturing subsidiaries)  | 23%  | 25%                                       |
| Improve production technologies and production efficiency    | • Production capacity (non-consolidated)  | (vs. FY2021) +11%  | (vs. FY2021) +15%                         |
| Business reforms based on DX                                 | • Nurture MI personnel (non-consolidated)<br>* Personnel capable of teaching MI   | 15   | 20  |
|  | • DX training attendance rate (non-consolidated)  | 100%   | 100%                                      |
| Improve employee engagement                                  | • Engagement score (positive response rate) (non-consolidated)  | 60%  | 70%                                       |
| Promote diversity, equity and inclusion (DE&I)               | • Percentage of global personnel* in managerial positions (Group)<br>* Personnel with at least one year of work experience outside of their home country  | 24%  | 26%                                       |
|  | • Percentage of female managers (Group)   | 20%  | 22%                                       |
| Respect for human rights                                     | • Degree of penetration of respect for human rights (non-consolidated)  | Increase compared to FY2025  | Increase compared to FY2027               |
|  | • Implementation of human rights due diligence for suppliers and improvement rate of 100% (non-consolidated)  | 100%   | 100%                                      |
| Dialogue with stakeholders                                   | • Interviews with investors and existing shareholders (non-consolidated)  | 190  | 200 companies or more per year            |
|  | • Assessment response rate to customer satisfaction survey results* (non-consolidated)<br>* Percentage of customers that have completed improvement measures among those deemed to require action | 100%   | 100%                                      |
| Stable supply of products                                    | • Identify supply risks for core products and determine/execute policies (non-consolidated)   | Identify supply risks for core products and determine/execute policies | Strengthen risk control for core products |

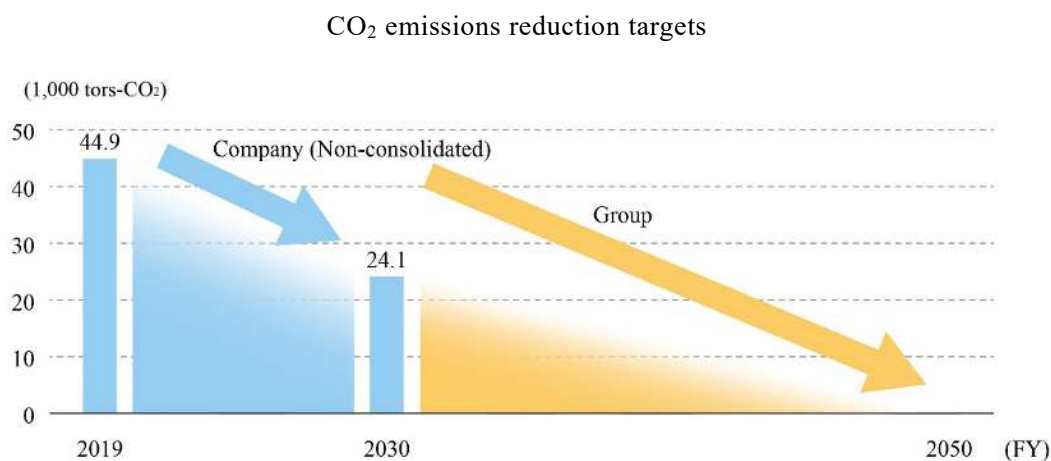
3. Response to climate change (Contribute to a sustainable global environment)

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 CO<sub>2</sub> emissions and have determined indicators to manage the progress of these initiatives.

The Group's medium- to long-term CO<sub>2</sub> 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 strategies under the Group’s three-year Medium-term Business Plan, and are implementing various initiatives.

| Medium-term business plan strategies                     | Human resources needed for strategy implementation   |
|--|--|
| Global One Company                                       | Human resources who can perform overseas or undertake management with a global perspective                   |
| Stay ahead of customers’ expectations                    | Human resources with analytical skills and strategic perspectives that stay ahead of customers' expectations |
| Take on the challenge toward new businesses and products | Human resources with diverse viewpoints who give birth to new businesses and products                        |

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.



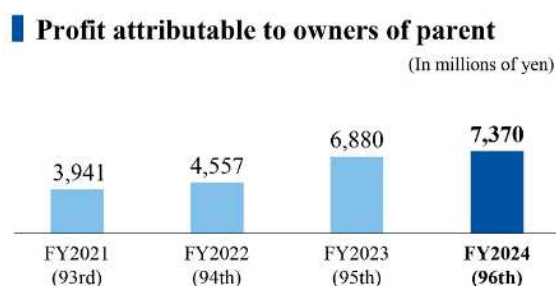
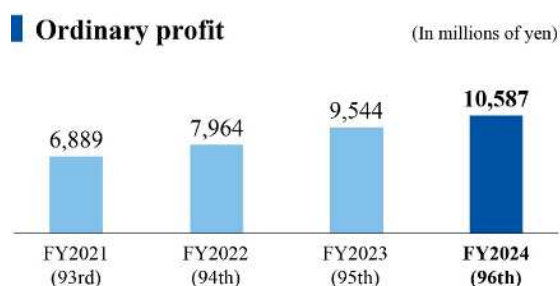
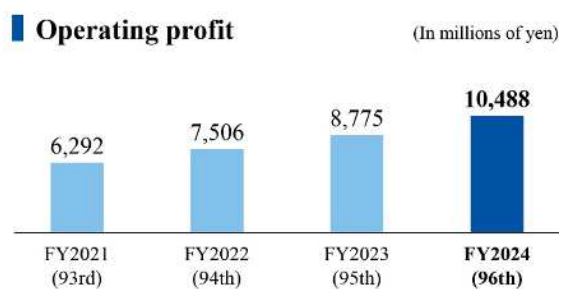
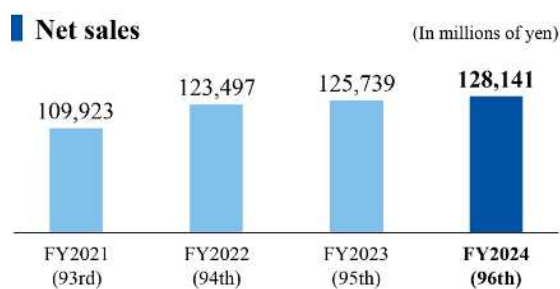
(5) Trends in Assets and Income

1) Trends in assets and income of the corporate group

(In millions of yen, unless otherwise specified.)

| Item                                       | FY2021<br>The 93rd<br>fiscal year | FY2022<br>The 94th<br>fiscal year | FY2023<br>The 95th<br>fiscal year | FY2024<br>The 96th<br>fiscal year<br>(Fiscal year<br>under review) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--|
| Net sales                                  | 109,923                           | 123,497                           | 125,739                           | 128,141  |
| Operating profit                           | 6,292                             | 7,506                             | 8,775                             | 10,488   |
| Ordinary profit                            | 6,889                             | 7,964                             | 9,544                             | 10,587   |
| Profit attributable to owners<br>of parent | 3,941                             | 4,557                             | 6,880                             | 7,370  |
| Basic earnings per share<br>(yen)          | 62.47                             | 72.11                             | 114.24                            | 137.67   |
| Total assets                               | 102,641                           | 112,002                           | 115,650                           | 116,469  |
| Total net assets                           | 65,448                            | 72,165                            | 74,017                            | 75,780   |
| Net assets per share (yen)                 | 914.83                            | 999.00                            | 1,171.61                          | 1,267.50   |

(Note) The Company has applied “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) from the 96th fiscal year. The status of assets and income for the 96th fiscal year is presented based on figures after applying the said accounting standard.



## 2) Trends in assets and income of the Company

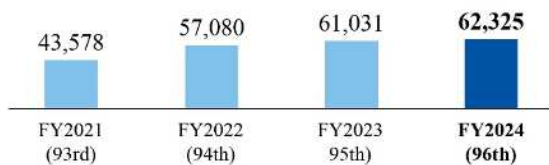
(In millions of yen, unless otherwise specified.)

| Item                              | FY2021<br>The 93rd<br>fiscal year | FY2022<br>The 94th<br>fiscal year | FY2023<br>The 95th<br>fiscal year | FY2024<br>The 96th<br>fiscal year<br>(Fiscal year<br>under review) |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| Net sales                         | 43,578                            | 57,080                            | 61,031                            | 62,325   |
| Operating profit                  | 2,567                             | 3,179                             | 4,048                             | 4,709  |
| Ordinary profit                   | 4,260                             | 5,332                             | 6,709                             | 7,245  |
| Profit                            | 3,615                             | 4,232                             | 6,640                             | 6,926  |
| Basic earnings per share<br>(yen) | 57.30                             | 66.96                             | 110.26                            | 129.37   |
| Total assets                      | 71,698                            | 76,493                            | 78,494                            | 73,453   |
| Total net assets                  | 50,805                            | 54,469                            | 53,973                            | 52,156   |
| Net assets per share (yen)        | 804.64                            | 861.05                            | 981.30                            | 1,019.12   |

(Note) The Company has applied “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) from the 96th fiscal year. The status of assets and income for the 96th fiscal year is presented based on figures after applying the said accounting standard.

### ■ Net sales

(In millions of yen)



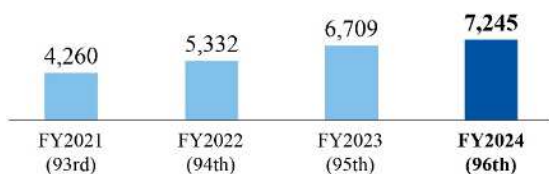
### ■ Operating profit

(In millions of yen)



### ■ Ordinary profit

(In millions of yen)



### ■ Profit attributable to owners of parent

(In millions of yen)



(6) Material Parent Companies and Subsidiaries

1) Parent companies

Not applicable.

2) Material subsidiaries

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

(7) Principal Business

The Group conducts business in the following four segments based on markets in the three business domains of compounds, films, and food packaging.

| Segment name<br>[market]   | Key fields  | Major products                            |
|--|---|---|
| Transportation<br>[automobile, railroad, and shipping markets, etc.]   | Vehicle Wires<br>Molded Parts for Automobiles   | Compounds<br>Films                        |
| Daily Life & Healthcare<br>[healthcare, consumer goods and food wrapping film markets, etc.]                 | Medical Market (blood circuit and single-use)<br>Food Packaging (small-roll and commercial-use) | Compounds<br>Films<br>Food wrapping films |
| Electronics<br>[energy, telecommunications, and IT devices markets, etc.]                                    | Electric Power and Industrial Wires (ASEAN)<br>Telecommunications/Mobility/Robotics/FA          | Compounds<br>Films                        |
| Building & Construction<br>[housing, buildings, construction materials, and civil engineering markets, etc.] | Construction Films<br>Housing and Building Materials  | Compounds<br>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.

(9) Employees

1) Employees of the corporate group

| Number of employees | Change from the previous fiscal year-end |
|---------------------|--|
| 1,886               | Decreased by 18                          |

2) Employees of the Company

| Number of employees | Change from the previous fiscal year-end | Average age    | Average years of service |
|---------------------|--|----------------|--------------------------|
| 780                 | Decreased by 5                           | 42.8 years old | 17.3 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.                      | 4,739               |
| Resona Bank, Limited                   | 1,569               |
| Sumitomo Mitsui Banking Corporation    | 2,387               |
| The Bank of Yokohama, Ltd.             | 841                 |
| City of Hopkinsville, Kentucky, U.S.A. | 1,495               |

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                      53,275,019 shares
- (3) Number of Shareholders                                      14,053 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) | 5,611                 | 10.79              |
| Shin-Etsu Chemical Co., Ltd.                         | 2,400                 | 4.62               |
| Custody Bank of Japan, Ltd. (Trust Account)          | 2,027                 | 3.90               |
| Mizuho Bank, Ltd.                                    | 1,860                 | 3.58               |
| Resona Bank, Limited                                 | 1,860                 | 3.58               |
| Mitsubishi Corporation                               | 1,824                 | 3.51               |
| Meiji Yasuda Life Insurance Company                  | 1,604                 | 3.08               |
| Marubeni Corporation                                 | 1,513                 | 2.91               |
| Sompo Japan Insurance Inc.                           | 1,500                 | 2.88               |
| MITSUI & CO., LTD.                                   | 1,344                 | 2.59               |

- Notes: 1. Treasury shares (1,259,767 shares) were excluded in the calculation of shareholding ratio.
2. Treasury shares (1,259,767 shares) above do not include 837,300 shares in the Company held by Trust Account E, which was established at the introduction of Board Benefit Trust (BBT), Stock Benefit Trust (Employee Stockholding Association Purchase-type), and Employee Stock Benefit Trust (J-ESOP).

- (5) Status of Shares Granted to Company Officers during the Fiscal Year under Review as Consideration for performance of duties

Stock-based compensation delivered to officers of the Company through the Board Benefit Trust (BBT) during the fiscal year under review is as follows.

| Officer classification                                   | Number of shares | Number of eligible officers |
|--|------------------|-----------------------------|
| Director serving as Audit & Supervisory Committee Member | 26,300           | 2                           |

- (6) Other Important Matters regarding Shares

The Company cancelled 2,500,088 treasury shares on December 6, 2024, based on a resolution at a meeting of the Board of Directors held on November 25, 2024.

### **3. Matters Regarding Share Acquisition Rights**

Not applicable.

## 4. Company Officers

### (1) Directors (as of March 31, 2025)

| 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 (Full-time Audit & Supervisory Committee Member)  | Takashi Shimada    |  |
| Director (Audit & Supervisory Committee Member)            | Shigeharu Nakamura | Outside Director (Audit and Supervisory Committee Member), TOYO KANETSU K.K.   |
| Director (Audit & Supervisory Committee Member)            | Shigeru Ehara      |  |
| Director (Audit & Supervisory Committee Member)            | Aogi Suemura       | Outside Director (Audit & Supervisory Committee Member), Nippon Denko Co., Ltd.<br>External Director (Audit & Supervisory Committee Member), Nomura Real Estate Holdings, Inc. |

- Notes:
1. Directors (Audit & Supervisory Committee Members), Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura are Outside Directors.
  2. Directors (Audit & Supervisory Committee Members), Mr. Shigeharu Nakamura, Mr. Shigeru Ehara, and Ms. Aogi Suemura are registered as Independent Directors with the Tokyo Stock Exchange.
  3. Director (Audit & Supervisory Committee Member) Mr. Shigeharu Nakamura has many years of experience working at a leading commercial bank and have considerable knowledge about finance and accounting.
  4. 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.
  5. Director (Audit & Supervisory Committee Member) Ms. Aogi Suemura is a certified public accountant and has considerable knowledge about finance and accounting.
  6. 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.
  7. Director (Full-time Audit & Supervisory Committee Member), Mr. Takashi Shimada was newly elected at the 95th Ordinary General Meeting of Shareholders held on June 21, 2024 and assumed the respective office.
  8. Director (Audit & Supervisory Committee Member) Mr. Shigeharu Nakamura had concurrently served as External Director of The Shoko Chukin Bank, Ltd., but retired on June 20, 2024.
  9. Director (Audit & Supervisory Committee Member) Mr. Shigeharu Nakamura is scheduled to retire as Outside Director (Audit and Supervisory Committee Member) of TOYO KANETSU K.K. as of June 26, 2025, following the end of the fiscal year.
  10. Director (Audit & Supervisory Committee Member) Ms. Aogi Suemura assumed the office of External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. on June 21, 2024.



11. 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,<br>Executive Vice President<br>Senior General Manager,<br>Administrative Div. | Representative Director, Senior<br>Managing Executive Officer<br>Senior General Manager,<br>Administrative Div. | April 1,<br>2025 |
| Gakuyuki Kajiyama | Director, Senior Managing<br>Executive Officer<br>Senior General Manager, Sales<br>& Marketing Div.    | Director, Managing Executive<br>Officer<br>Senior General Manager, Sales<br>& Marketing Div.                    | April 1,<br>2025 |

(2) Directors Who Resigned during the Fiscal Year under Review

| Name              | Positions, responsibilities and significant concurrent positions at the time of resignation         | Reason for resignation       | Date of resignation |
|-------------------|---|------------------------------|---------------------|
| Hitoshi Sugino    | Director, Senior Executive Officer<br>Senior General Manager, Technical Div.                        | Expiration of term of office | June 21,<br>2024    |
| Masato Koizumi    | Director (Full-time Audit & Supervisory Committee Member)   | Expiration of term of office | June 21,<br>2024    |
| Takayuki Hayakawa | Director (Audit & Supervisory Committee Member)<br>Outside Director, Kyoritsu Maintenance Co., Ltd. | Expiration of term of office | June 21,<br>2024    |

(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, February 26, 2024, and February 25, 2025. The Board of Directors consulted in advance with the Compensation Committee, where more than half of the members are Independent Outside Directors, with respect to 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 25, 2025.

(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 (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.

- (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

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 to the results of such reports.

- (vii) 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 25, 2025, 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, 2025.

(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), bonuses as short-term performance-linked compensation (cash and stock benefits), and stock-based benefits paid as medium- to long-term performance-linked compensation. 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 relevant fiscal year based on the basic compensation standards in accordance with position and rank (evaluation), and adjusted for the Company's performance (consolidated), etc. 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 relevant fiscal year, the expected level of performance in the departments under their supervision, their expected level of contribution, etc. 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.)

Performance-linked compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members) consists of a bonus as short-term performance-linked compensation (cash and stock benefits) and stock benefits paid as medium- to long-term performance-linked compensation.

Bonuses (cash and stock benefits) paid as short-term 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 short-term 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.

Short-term 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 ROE, to motivate the improvement of business performance for the relevant fiscal year. Individual performance indicators are calculated using the performance of departments under supervision and contribution to the company-wide strategies in order to reflect the execution of duties by individuals and their contribution

to the realization of management strategies in their compensation.

The amount of the stock benefit as medium- to long-term performance-linked compensation is calculated taking into account the level of achievement rate of the following medium- to long-term performance-linked indicators for the relevant fiscal year in addition to the fixed amount for each individual. Stock benefits are paid in July of each year.

The medium- to long-term performance-linked indicators consist of Medium-term Business Plan target-linked indicators, materiality-linked indicators, human resource diversity-linked indicators, and individual contribution indicators in order to motivate the enhancement of corporate and shareholder value over the medium- to long-term. However, performance-linked indicators for Directors who serve concurrently as Executive Officers with special titles of Managing Executive Officer or higher consist only of Medium-term Business Plan target-linked indicators, materiality-linked indicators, and human resource diversity-linked indicators. Medium-term Business Plan target-linked indicators are calculated using consolidated operating profit, ROE, ROIC, and EBITDA. Materiality-linked indicators are calculated using multiple material issue KPIs. Human resource diversity-linked indicators are calculated using diversity-linked indicators for management positions in the Group as a whole and the diversity-linked indicators for core human resources in the Company on a non-consolidated basis. Individual contributions indicators are calculated based on a comprehensive assessment of the level of contribution to achieving the targets in the Medium-term Business Plan, material issues, and human resource diversity.

- (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.

Of executive compensation, stock benefits paid as performance-linked compensation are determined as described in the above (iii). In addition, of supervisory compensation, stock benefits paid are a fixed amount, determined on an individual basis.

- (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 short-term performance-linked compensation (cash and stock benefits), the amount of stock benefits paid as medium- to long-term performance-linked compensation and the fixed amount of stock benefits, is approximately 50:30:10:10, 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 (basic compensation as a component of executive compensation and the cash portion of the bonus as short-term performance-linked compensation, as well as the basic compensation as a component of supervisory compensation) and the amount of stock-based compensation (stock benefits paid as the performance-linked compensation component of executive compensation and fixed stock benefits paid as supervisory compensation) is approximately 75:25, 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)

With regard to compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members), 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

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.

- c. Reasons why the Board of Directors judged that the 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 10,488 million yen, consolidated ordinary profit of 10,587 million yen, and consolidated ROE of 11.4%.

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 content 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 29,658 thousand yen for Directors (excluding Audit & Supervisory Committee Members) (excluding Outside Directors), 1,532 thousand yen for Directors (Audit & Supervisory Committee Members) (excluding Outside Directors), and 2,815 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.<br>(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) | 193,059  | 116,115   | 47,286                                    | 14,994         | 14,664               | 4                                      |
| Directors (Audit & Supervisory Committee Members) (excluding Outside Directors)           | 18,182   | 16,650  | —   | —              | 1,532                | 2                                      |
| Outside Directors (Audit & Supervisory Committee Members)                                 | 33,415   | 30,600  | —   | —              | 2,815                | 4                                      |
| Total   | 244,658  | 163,365   | 47,286                                    | 14,994         | 19,013               | 10                                     |

- 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 163,401 thousand yen (basic compensation: 116,115 thousand yen, bonuses (cash): 47,286 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 47,250 thousand yen (basic compensation for Directors (Audit & Supervisory Committee Members) (excluding Outside Directors): 16,650 thousand yen, basic compensation for Outside Directors (Audit & Supervisory Committee Members): 30,600 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 109,500 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 29,658 thousand yen for the Board Benefit Trust (BBT) and 47,286 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 1,532 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 2,815 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 95th fiscal year, a total of 94,167 thousand yen (cash: 71,262 thousand yen and stock benefits: 22,905 thousand yen) were paid to four Directors (excluding Audit & Supervisory Committee Members). The amount includes provision for bonuses for directors (and other officers) of 51,789 thousand yen and provision for Board Benefit Trust (BBT) of 15,318 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. Shigeharu Nakamura concurrently serves as Outside Director (Audit and Supervisory Committee Member) of TOYO KANETSU K.K. No special interests exist between the Company and the said company.  
Outside Director (Audit & Supervisory Committee Member), Ms. Aogi Suemura concurrently serves as Outside Director (Audit & Supervisory Committee Member) of Nippon Denko Co., Ltd. and External Director (Audit & Supervisory Committee Member) of Nomura Real Estate Holdings, Inc. No special interests exist between the Company and each of these companies.



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) | Shigeharu Nakamura | <p>&lt;Main activities&gt;</p> <p>Mr. Shigeharu Nakamura attended all 17 meetings of the Board of Directors and all 15 meetings of the Audit &amp; 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 4 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>&lt;Outline of duties performed in relation to expected roles&gt;</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 various perspectives at meetings of the Board of Directors, the Audit &amp; Supervisory Committee, the Nomination Committee and Compensation Committee.</p>           |
|   | Shigeru Ehara      | <p>&lt;Main activities&gt;</p> <p>Mr. Shigeru Ehara attended all 17 meetings of the Board of Directors and all 15 meetings of the Audit &amp; 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 4 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>&lt;Outline of duties performed in relation to expected roles&gt;</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 various perspectives at meetings of the Board of Directors, the Audit &amp; 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) | Aogi Suemura | <p>&lt;Main activities&gt;</p> <p>Ms. Aogi Suemura attended all 17 meetings of the Board of Directors and all 15 meetings of the Audit &amp; Supervisory Committee held in the fiscal year under review and expressed her opinions as appropriate. She served as a member of the Nomination Committee and the Compensation Committee, and attended all 4 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>&lt;Outline of duties performed in relation to expected roles&gt;</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 various perspectives at meetings of the Board of Directors, the Audit &amp; 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

55 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

55 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.

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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)<br>95th fiscal<br>year<br>(As of March<br>31, 2024) | 96th fiscal<br>year<br>(As of March<br>31, 2025) | Account item  | (Reference)<br>95th fiscal<br>year<br>(As of March<br>31, 2024) | 96th fiscal<br>year<br>(As of March<br>31, 2025) |
|---|---|--|---|---|--|
| <b>Assets</b>                                       |   |  | <b>Liabilities</b>  |   |  |
| <b>Current assets</b>                               | <b>71,820,844</b>   | <b>74,322,947</b>                                | <b>Current liabilities</b>                                    | <b>35,432,634</b>   | <b>34,958,052</b>                                |
| Cash and deposits                                   | 21,879,258  | 24,472,764                                       | Notes and accounts payable - trade                            | 21,666,723  | 20,713,412                                       |
| Notes receivable - trade                            | 868,089   | 735,947  | Electronically recorded obligations - operating               | 155,619   | 419,987  |
| Accounts receivable - trade                         | 23,761,066  | 21,191,220                                       | Short-term borrowings   | 7,749,221   | 9,102,182  |
| Electronically recorded monetary claims - operating | 5,300,359   | 4,942,652  | Current portion of long-term borrowings                       | 577,563   | 396,012  |
| Merchandise and finished goods                      | 10,138,020  | 10,936,170                                       | Lease liabilities   | 23,633  | 47,468   |
| Work in process                                     | 1,008,173   | 1,071,231  | Accrued expenses  | 1,087,536   | 943,801  |
| Raw materials and supplies                          | 8,230,160   | 9,844,655  | Income taxes payable  | 1,799,290   | 924,728  |
| Prepaid expenses                                    | 452,729   | 917,382  | Accrued consumption taxes                                     | 220,070   | 247,890  |
| Short-term loans receivable                         | 422   | 323  | Provision for bonuses   | 1,083,302   | 1,105,819  |
| Other   | 265,285   | 296,657  | Provision for bonuses for directors (and other officers)      | 116,592   | 116,654  |
| Allowance for doubtful accounts                     | (82,722)  | (86,058)   | Other   | 953,078   | 940,094  |
| <b>Non-current assets</b>                           | <b>43,829,913</b>   | <b>42,146,411</b>                                | <b>Non-current liabilities</b>                                | <b>6,200,796</b>  | <b>5,731,196</b>                                 |
| <b>Property, plant and equipment</b>                | <b>28,475,130</b>   | <b>30,583,035</b>                                | Long-term borrowings  | 1,768,768   | 2,198,657  |
| Buildings and structures                            | 11,083,903  | 12,061,650                                       | Lease liabilities   | 32,936  | 54,848   |
| Machinery, equipment and vehicles                   | 8,525,426   | 8,712,596  | Long-term income taxes payable                                | -   | 30,000   |
| Land  | 6,460,388   | 6,592,746  | Deferred tax liabilities                                      | 2,765,927   | 1,678,008  |
| Leased assets                                       | 55,690  | 86,451   | Provision for share awards for directors (and other officers) | 246,935   | 274,560  |
| Construction in progress                            | 1,585,065   | 2,239,497  | Retirement benefit liability                                  | 948,199   | 1,049,268  |
| Other   | 764,655   | 890,094  | Other   | 438,028   | 445,853  |
| <b>Intangible assets</b>                            | <b>2,247,110</b>  | <b>2,646,496</b>                                 | <b>Total liabilities</b>                                      | <b>41,633,430</b>   | <b>40,689,249</b>                                |
| Software  | 888,236   | 1,222,378  | <b>Net assets</b>   |   |  |
| Leased assets                                       | 6,642   | 3,375  | <b>Shareholders' equity</b>                                   | <b>54,281,800</b>   | <b>55,807,605</b>                                |
| Goodwill  | 4,365   | -  | <b>Share capital</b>  | <b>8,514,018</b>  | <b>8,514,018</b>                                 |
| Other   | 1,347,866   | 1,420,742  | <b>Capital surplus</b>  | <b>6,597,580</b>  | <b>6,597,580</b>                                 |
| <b>Investments and other assets</b>                 | <b>13,107,672</b>   | <b>8,916,879</b>                                 | <b>Retained earnings</b>                                      | <b>39,535,079</b>   | <b>42,595,295</b>                                |
| Investment securities                               | 10,509,751  | 6,194,352  | <b>Treasury shares</b>  | <b>(364,877)</b>  | <b>(1,899,288)</b>                               |
| Long-term loans receivable                          | 1,483   | 1,159  | <b>Accumulated other comprehensive income</b>                 | <b>10,158,350</b>   | <b>9,060,594</b>                                 |
| Retirement benefit asset                            | 1,270,649   | 1,524,780  | <b>Valuation difference on available-for-sale securities</b>  | <b>6,526,875</b>  | <b>3,615,641</b>                                 |
| Deferred tax assets                                 | 468,292   | 485,293  | <b>Foreign currency translation adjustment</b>                | <b>3,223,620</b>  | <b>5,013,068</b>                                 |
| Other   | 859,896   | 715,843  | <b>Remeasurements of defined benefit plans</b>                | <b>407,855</b>  | <b>431,884</b>                                   |
| Allowance for doubtful accounts                     | (2,399)   | (4,549)  | <b>Non-controlling interests</b>                              | <b>9,577,176</b>  | <b>10,911,908</b>                                |
|   |   |  | <b>Total net assets</b>                                       | <b>74,017,327</b>   | <b>75,780,109</b>                                |
| <b>Total assets</b>                                 | <b>115,650,757</b>  | <b>116,469,358</b>                               | <b>Total liabilities and net assets</b>                       | <b>115,650,757</b>  | <b>116,469,358</b>                               |

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

## Consolidated Statements of Income

(Thousands of yen)

| Account item                                      | (Reference)<br>95th fiscal year<br>(April 1, 2023 to<br>March 31, 2024) | 96th fiscal year<br>(April 1, 2024 to<br>March 31, 2025) |
|---|---|--|
| <b>Net sales</b>                                  | <b>125,739,116</b>  | <b>128,141,144</b>                                       |
| <b>Cost of sales</b>                              | <b>103,856,870</b>  | <b>103,819,666</b>                                       |
| <b>Gross profit</b>                               | <b>21,882,246</b>   | <b>24,321,478</b>  |
| Selling, general and administrative expenses      | 13,106,752  | 13,832,968   |
| <b>Operating profit</b>                           | <b>8,775,493</b>  | <b>10,488,509</b>  |
| <b>Non-operating income</b>                       |   |  |
| Interest and dividend income                      | 375,214   | 324,008  |
| Foreign exchange gains                            | 485,843   | —  |
| Other   | 250,896   | 148,900  |
| <b>Non-operating expenses</b>                     |   |  |
| Interest expenses                                 | 268,429   | 300,425  |
| Foreign exchange losses                           | —   | 8,293  |
| Other   | 74,110  | 65,231   |
| <b>Ordinary profit</b>                            | <b>9,544,907</b>  | <b>10,587,468</b>  |
| <b>Extraordinary income</b>                       |   |  |
| Gain on sale of non-current assets                | 15,329  | 3,469  |
| Gain on sale of investment securities             | 1,886,468   | 1,592,270  |
| Other   | —   | 11,947   |
| <b>Extraordinary losses</b>                       |   |  |
| Loss on sale and retirement of non-current assets | 24,376  | 165,675  |
| Impairment losses                                 | 120,371   | —  |
| Loss on sale of investment securities             | 1,182   | —  |
| <b>Profit before income taxes</b>                 | <b>11,300,775</b>   | <b>12,029,480</b>  |
| Income taxes- current                             | 3,054,154   | 2,712,230  |
| Income taxes - deferred                           | (94,240)  | 58,942   |
| <b>Profit</b>                                     | <b>8,340,861</b>  | <b>9,258,306</b>   |
| Profit attributable to non-controlling interests  | 1,460,631   | 1,887,754  |
| <b>Profit attributable to owners of parent</b>    | <b>6,880,230</b>  | <b>7,370,551</b>   |

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)<br>95th fiscal<br>year<br>(As of March<br>31, 2024) | 96th fiscal<br>year<br>(As of March<br>31, 2025) | Account item  | (Reference)<br>95th fiscal<br>year<br>(As of March<br>31, 2024) | 96th fiscal<br>year<br>(As of March<br>31, 2025) |
|---|---|--|---|---|--|
| <b>Assets</b>   |   |  | <b>Liabilities</b>  |   |  |
| <b>Current assets</b>                                 | <b>46,976,916</b>   | <b>46,321,446</b>                                | <b>Current liabilities</b>                                    | <b>21,980,426</b>   | <b>19,869,203</b>                                |
| Cash and deposits                                     | 15,059,216  | 16,540,001                                       | Accounts payable - trade                                      | 14,866,509  | 13,603,959                                       |
| Notes receivable - trade                              | 604,745   | 494,833  | Electronically recorded obligations - operating               | 155,619   | 256,737  |
| Accounts receivable - trade                           | 16,618,839  | 14,397,016                                       | Electronically recorded obligations - non-operating           | 90,630  | 29,685   |
| Electronically recorded monetary claims - operating   | 5,227,934   | 4,816,601  | Short-term borrowings   | 2,950,000   | 2,950,000  |
| Merchandise and finished goods                        | 5,597,423   | 5,720,816  | Lease liabilities   | 2,944   | 3,750  |
| Work in process                                       | 760,913   | 831,601  | Accounts payable - other                                      | 382,360   | 254,658  |
| Raw materials and supplies                            | 2,069,290   | 2,238,553  | Accrued expenses  | 886,600   | 838,913  |
| Prepaid expenses                                      | 227,341   | 196,015  | Income taxes payable  | 1,387,073   | 588,727  |
| Short-term loans receivable                           | 318   | 216  | Provision for bonuses   | 917,329   | 956,532  |
| Other   | 892,893   | 1,171,658  | Provision for bonuses for directors (and other officers)      | 116,592   | 116,654  |
| Allowance for doubtful accounts                       | (82,000)  | (85,868)   | Other   | 224,766   | 269,585  |
| <b>Non-current assets</b>                             | <b>31,518,007</b>   | <b>27,131,613</b>                                | <b>Non-current liabilities</b>                                | <b>2,541,486</b>  | <b>1,427,315</b>                                 |
| <b>Property, plant and equipment</b>                  | <b>12,753,117</b>   | <b>12,707,695</b>                                | Long-term borrowings  | 80,498  | —  |
| Buildings and structures                              | 4,402,208   | 4,241,429  | Lease liabilities   | 4,731   | 5,283  |
| Machinery and equipment                               | 3,062,271   | 2,972,831  | Long-term income taxes payable                                | —   | 30,000   |
| Vehicles  | 22,860  | 31,256   | Deferred tax liabilities                                      | 1,639,708   | 565,578  |
| Tools, furniture and fixtures                         | 558,896   | 584,585  | Provision for share awards for directors (and other officers) | 246,935   | 274,560  |
| Land  | 4,659,551   | 4,659,551  | Provision for retirement benefits                             | 237,331   | 138,300  |
| Leased assets   | 6,983   | 8,082  | Asset retirement obligations                                  | 332,281   | 337,301  |
| Construction in progress                              | 40,346  | 209,958  | Other   | —   | 76,289   |
| <b>Intangible assets</b>                              | <b>690,316</b>  | <b>614,210</b>                                   | <b>Total liabilities</b>                                      | <b>24,521,912</b>   | <b>21,296,519</b>                                |
| Software  | 675,868   | 599,763  | <b>Net assets</b>   |   |  |
| Other   | 14,447  | 14,447   | <b>Shareholders' equity</b>                                   | <b>47,452,802</b>   | <b>48,545,976</b>                                |
| <b>Investments and other assets</b>                   | <b>18,074,574</b>   | <b>13,809,707</b>                                | <b>Share capital</b>  | <b>8,514,018</b>  | <b>8,514,018</b>                                 |
| Investment securities                                 | 10,484,263  | 6,171,207  | <b>Capital surplus</b>  | <b>6,532,977</b>  | <b>6,532,977</b>                                 |
| 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  | <b>Retained earnings</b>                                      | <b>32,770,683</b>   | <b>35,398,268</b>                                |
| Long-term loans receivable from employees             | 432   | 216  | Legal retained earnings                                       | 1,107,369   | 1,107,369  |
| Prepaid pension costs                                 | 920,399   | 1,040,410  | Other retained earnings                                       | 31,663,313  | 34,290,899                                       |
| Other   | 407,780   | 338,324  | General reserve   | 12,000,000  | 12,000,000                                       |
| Allowance for doubtful accounts                       | (2,399)   | (4,549)  | Retained earnings brought forward                             | 19,663,313  | 22,290,899                                       |
|   |   |  | <b>Treasury shares</b>  | <b>(364,877)</b>  | <b>(1,899,288)</b>                               |
|   |   |  | <b>Valuation and translation adjustments</b>                  | <b>6,520,209</b>  | <b>3,610,563</b>                                 |
|   |   |  | <b>Valuation difference on available-for-sale securities</b>  | <b>6,520,209</b>  | <b>3,610,563</b>                                 |
|   |   |  | <b>Total net assets</b>                                       | <b>53,973,011</b>   | <b>52,156,540</b>                                |
| <b>Total assets</b>                                   | <b>78,494,923</b>   | <b>73,453,059</b>                                | <b>Total liabilities and net assets</b>                       | <b>78,494,923</b>   | <b>73,453,059</b>                                |

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

## Non-Consolidated Statements of Income

(Thousands of yen)

| Account item                                 | (Reference)<br>95th fiscal year<br>(April 1, 2023 to<br>March 31, 2024) | 96th fiscal year<br>(April 1, 2024 to<br>March 31, 2025) |
|--|---|--|
| <b>Net sales</b>                             | <b>61,031,409</b>   | <b>62,325,106</b>  |
| <b>Cost of sales</b>                         | <b>48,905,084</b>   | <b>49,183,431</b>  |
| <b>Gross profit</b>                          | <b>12,126,324</b>   | <b>13,141,675</b>  |
| Selling, general and administrative expenses | 8,077,572   | 8,432,021  |
| <b>Operating profit</b>                      | <b>4,048,752</b>  | <b>4,709,654</b>   |
| <b>Non-operating income</b>                  |   |  |
| Interest and dividend income                 | 2,153,921   | 2,534,916  |
| Foreign exchange gains                       | 465,784   | —  |
| Other  | 121,124   | 134,113  |
|  | 2,740,831   | 2,669,030  |
| <b>Non-operating expenses</b>                |   |  |
| Interest expenses                            | 17,483  | 26,328   |
| Foreign exchange losses                      | —   | 53,811   |
| Depreciation of assets for rent              | 30,571  | 31,455   |
| Other  | 32,112  | 22,005   |
|  | 80,167  | 133,601  |
| <b>Ordinary profit</b>                       | <b>6,709,415</b>  | <b>7,245,082</b>   |
| <b>Extraordinary income</b>                  |   |  |
| Gain on sale of non-current assets           | 2,981   | 1,649  |
| Gain on sale of investment securities        | 1,886,468   | 1,592,270  |
| Gain on extinguishment of tie-in shares      | 43,339  | —  |
| Other  | —   | 11,947   |
|  | 1,932,789   | 1,605,867  |
| <b>Extraordinary losses</b>                  |   |  |
| Loss on retirement of non-current assets     | 21,299  | 157,341  |
| Impairment losses                            | 120,371   | —  |
|  | 141,670   | 157,341  |
| <b>Profit before income taxes</b>            | <b>8,500,534</b>  | <b>8,693,608</b>   |
| Income taxes- current                        | 1,933,261   | 1,647,264  |
| Income taxes - deferred                      | (73,446)  | 120,193  |
| <b>Profit</b>                                | <b>6,640,720</b>  | <b>6,926,150</b>   |

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

Translation  
**Independent Auditor's Report**

May 14, 2025

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, 2024 to March 31, 2025.

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, 2025, 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.

- Plan and conduct the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which forms the basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review 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 convenience of the reader.

Translation  
**Independent Auditor's Report**

May 14, 2025

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 96th fiscal year from April 1, 2024 to March 31, 2025.

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, 2025, 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

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 Audit Report

The Audit & Supervisory Committee audited the performance of duties by the Directors for the 96th fiscal year from April 1, 2024 to March 31, 2025, 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 19, 2025

Audit & Supervisory Committee, RIKEN TECHNOS CORPORATION

Full-Time Audit & Supervisory Committee Member Takashi Shimada

Audit & Supervisory Committee Member Shigeharu Nakamura

Audit & Supervisory Committee Member Shigeru Ehara

Audit & Supervisory Committee Member Aogi Suemura

Note: Audit & Supervisory Committee Members, 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.