# Midterm Management Plan (FY2024 to FY2026)

Advancing to the Next Stage with Unified Strengths and Experience

February 14, 2024



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# **Corporate Profile**



## RIKEN CORPORATION and Nippon Piston Ring Co., Ltd. have merged.

Trade Name	NPR-RIKEN CORPORATION	
Head Office Address	8-1, Sanbancho, Chiyoda-ku, Tokyo	
Location of Main office Functions	(Tokyo main office) Sanbancho-Tokyu Bldg. 3F, 8-1, Sanbancho, Chiyoda-ku, Tokyo 102-0075 (Saitama main office) 5-12-10, Honmachi Higashi, Chuo-ku, Saitama City, Saitama 338-8503	
Representative	Representative Director, Chairman and CEO Yasunori Maekawa Representative Director, President and COO Teruo Takahashi	
Established	October 2, 2023 (Riken: 1927, Nippon Piston Ring: 1934)	
Capital	5,061 million yen	
Employees	Consolidated: 7,076 (as of December 2023)	
Description of Business	Automobile and industrial machine parts business (engine, transmission, drive, and chassis parts, etc.) Other business (piping products, thermal engineering products, EMC-related products, etc.)	
Fiscal Year End	March 31	
Securities Code	6209 (TSE Prime Market)	

# Corporate Profile - Global network







Consolidated sales ratio (present)

**Domestic: Overseas:** 50% 50%

# RIKEN

# **NPR**

Nippon Piston Ring RIKEN CORPORATION Co., Ltd.

Consolidated No. of employees (present)

**Consolidated:** 

7,076

**Domestic: Overseas:** 

3,864 3,212

**Domestic** affiliates:

15

**Overseas** affiliates:

19

Companies accounted for using the equity method:

# **Corporate Profile - Group philosophy**





■ Build the competencies and capabilities to sustain our present and future

### Vision

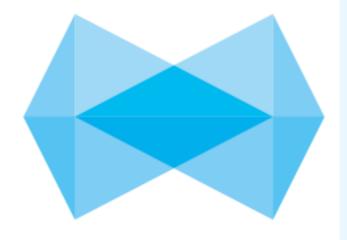
Create innovation through the blending of people and technology while continuing to embrace change.

#### Value

- 'Circles' of Trust :We will enhance corporate value by respecting our relationships with our stakeholders and by providing high-quality products and solutions.
- \*Circles' of Growth : The company and employees will grow together by all employees recognizing and respecting each other's values and by continuing to take on new challenges.
- **'Circles' of Social Harmony**: We will strive to solve social issues related to living conditions and the environment wherever we operate.

# Corporate Profile - Company logo





- Philosophy behind the company logo The company logo embodies NPR-RIKEN's strong desire to take on new challenges to fulfill our mission, Build the competencies and capabilities to sustain our present and future.
- NPR-RIKEN logo with two triangular pyramids
  The two triangular pyramids, which convey stability and innovation, represent RIKEN and Nippon Piston Ring, as well as the three *values* of NPR-RIKEN's management philosophy.

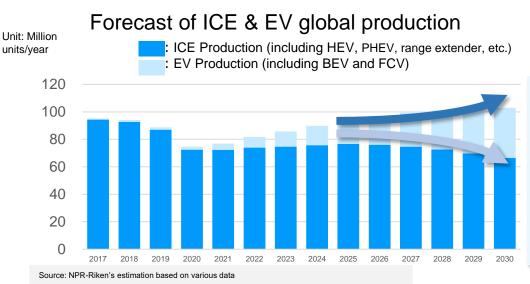


Overlapping of the two triangular pyramids represents the new energy that will be generated by the two companies working together, and the new future is expressed in this shape. The color is a bright, transparent blue that conveys sustainability.

#### **Business Environment**



#### ■ Automotive market



- •ICE Production will <u>reach its peak in</u> 2024-2027.
- BEV ratio is expected to exceed 30% in 2030.
- On the other hand, the idea of replacing all gasoline-powered vehicles with EVs is being reconsidered.

#### [Overall]

- Auto manufacturers are continuing to shift their resources to BEVs
  - Increase in demand for cost reduction and need of development support
  - Promotion in reducing parts and modularization
- Progress in development of hydrogen-powered and alternative fuel-powered engines
- Acceleration of development of technology for CASE

#### [Global market]

- China: Increase in BEVs & HEVs for passenger cars Increase in diesel & CNG vehicles for commercial vehicles
- India: Third largest market in the world
- Europe and U.S.: Environment protection measures intensifies, while there is a setback in the drive toward replacing all gasoline-powered vehicles with EVs.

#### **Business Environment**



#### ■ Markets related to NPR-RIKEN Group

- · Marine: Market expansion due to economic growth and increase in the use of alternative fuel
- Semiconductor: Market expansion continues. Semiconductor manufacturing equipment market is also expected to expand over the long term.
- Construction: Steady investment in energy conservation measures while demand for housing falls due to population decrease. Demand in prefabricated components for housing is rising due to a labor shortage in the construction industry.
- Robot: Broadening usage of robots, reflecting labor shortage (in fields such as medical treatment and services)
- · Medical treatment: Progress in medical equipment and advance in surgery technique

### Sustainability

- · Growing social demand for promotion of sustainable business management
  - Decarbonization (climate change) measures ⇒ Japanese government: Aiming to realize carbon neutrality by 2050, which is also a request from the car makers.
  - Overall environment protection measures (waste disposal, water resources, bio-diversity, etc.)
- Diversity, equity & inclusion (DE&I), respect for human rights
- Strengthening and visualization of activities related to policy for human assets and human resources development
- Strengthening of corporate governance

#### Digitalization

• DX: Progress in activities to enhance business competitiveness through business process reform

# **Midterm Management Policy**



# - 'Innovation' and 'Challenge', and to the New Stage -

1. Generate synergies through consolidation

Completely merge in FY2026
Transform to a robust cost structure

Implement synergies through integration of resources & capabilities of both companies

Consolidation Synergies ×

Growth of New Business

2. Reform business portfolio

Establish "next core" and new product businesses in non-ICE fields, and increase the sales ratio

Improve profitability in existing ICE fields

3. Strengthen sustainability management and develop a foundation for growth

Strengthen carbon neutral initiatives

Promote "Diversity, Equity, & Inclusion"

Improve employees engagement and develop employees training strategy

Establish safe and secure workplace

Advance Corporate Governance

Contribute to local communities

%DE&I: Diversity, Equity, & Inclusion

# Midterm Management Policy - Quantitative goal



# Business consolidation

(scheduled)

2023

2024 to 2026 'Midterm management policy period'

2030 '2030 Vision'

Sales: 167 billion yen

Ordinary profit ratio: 7.5%

**ROE: 5.6%** 

\*Sum of both companies (estimate)

Sales: 180 billion yen

Ordinary profit ratio: 9% or more

ROE: 8% or more

Sales: 200 billion yen

Ordinary profit ratio: 12% or more

ROE: 10% or more

- ◆ Realization of a higher return on equity (ROE) than cost of equity by tackling business portfolio reform, synergy creation, and balance sheet optimization
  - → Promotion of strategic cash allocation to improve corporate values
    - Active investment to transform business portfolio (capital investment, M&A, R&D)
    - Further enhance shareholder returns
  - → Achieving net profit that enables the above goals by promoting financial strategies etc.
  - → Reduction of cost of equity through steady execution of midterm strategy and enhancement of IR activities

# **Business Strategy**



# Reorganize business portfolio to achieve sustainable sales and profit growth

**Fundamental** 

**Business** 

Increase profitability

Sintered products, engineered

plastic products, piping products,

casting components and

precision components

#### **Increase profitability**



#### Piston Ring Business

Win a higher share in this business and earn stable profits continuously

Heavy-duty commercial, industrial, aftermarket and marine

 Steady, long term demand for markets such as aftermarket and industrial applications.
 This business consolidation will expand the

This business consolidation will expand the source for stable earnings.

# Increase sales to become core business



#### **Next Core Business**

Expand this business through aggressive investment

Existing businesses in growth areas, new products businesses

Allocate management resources to next core/new products businesses to increase sales and profits in the mid-and-longterm.

- Expand human capital base to support business growth by increasing investment in human capital as well as utilizing our diversified human resources.
- Decrease sales ratio of ICE parts for passenger cars

# **Business Strategy - Numerical target**



# Increase profitability

FY 2023 (estimate)

FY 2026 target



Piston ring business

World's No. 1 supplier

- Sales expansion of engine-remaining non-passenger car\* products
- \*Engines for heavy-duty commercial, industrial, aftermarket and marine
- Synergy effect ⇒ Improved profitability

Sales

**64.9** bil. yen --- 67.5 bil. yen

Operating profit ratio

**7**% ---▶ 10% or more



Fundamental business

- Offsetting the engine production decrease by expanding shares in specialty areas
- Improving profitability through rationalization and product portfolio review

Sales

**79** bil. yen ---▶ 80 bil. yen

Operating profit ratio

#### Increase sales to become

#### core business



**Next core business** 

- Swift business expansion by reinforcing resources
- Business expansion in growth areas (semiconductor, electric, promoting CN)
- Business expansion through M&As

Sales

**5.8** bil. yen ---▶ 18 bil. yen

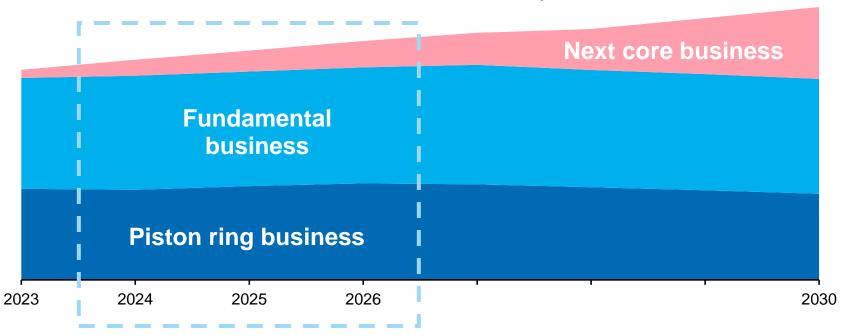
Operating profit ratio

**4**% ---▶ 10% or more

# **Business Strategy - Business portfolio reform**



#### Consolidated sales by business



#### Midterm management plan

- Business portfolio reform
- Synergy creation

#### 2030 Vision

 Next core business will become a new pillar

# **Business Strategy - Piston ring business**





#### Issues

- Shrinking market: Maintain and expand sales, and improve profitability
- Enhancement of cost competitiveness
- Promoting efforts to achieve carbon neutrality and taking the lead in improving next-generation engine functions

### Basic policy

# World's No. 1 supplier of piston rings

- Reliable solution provider
- Synergy creation and substantial productivity improvement
- Broader product line-up and fast development speed
- Innovative product technology to achieve carbon neutrality (hydrogen and alternative fuel etc.)



# **Business Strategy - Piston ring business**



#### Business prospects

#### **Passenger cars**

Diversification of energy sources Spread of EVs Shrinking market

#### **Aftermarket**

1.5-billion-unit\*, sound market \*No. of automobiles owned in the world

# Heavy duty commercial and industrial

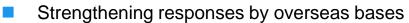
ICE will remain as the main driving force Demand is levelling off/slightly increasing

#### **Marine**

Increase in newly built ships
Acceleration in new fuel technology
Increase in cargo movements at
sea (replacement demand)

#### Business strategy

- Selective sales expansion, targeting engines that will remain and building a solution-providing sales force
- Use of hydrogen/alternative fuel-powered engine test facilities
- Promotion of collaboration between industry and academia or between industries



- Through the integration of production technologies of the two companies, improve profitability by pursuing cost reduction, building an optimum production system, utilizing resources efficiently, and promoting automation
- Concentrating resources on promising customers and markets
- Sales expansion by technologies applicable to new fuel (methanol, ammonia, and hydrogen)
- Enhancing the efficiency of the production and development system



# **Business Strategy - Fundamental business**





#### **Precision machined** parts

For automobiles and industrial machines



#### Engineered plastic



#### Casting components



#### Precision components









The biggest pipe fitting company in the domestic market by the acquisition of Former JFE Pipe Fitting Mfg. Co., Ltd. (currently NIPPON PIPE FITTING CORPORATION)

Increasing presence of Reinforcing Bar Joints



#### Issues

- Shrinking market · · · Maintain and expanse sales and improve profitability
- Enhancing cost competitiveness

## Basic policy

Precision machined parts: To become the world's niche top supplier Piping products: To improve presence in the construction field

- To identify and dive deep into competitive market product segments
- To improve cost competitiveness by raising productivity and optimizing production

# **Business Strategy - Fundamental business**



#### Business prospects

#### **Precision machined parts business**

Spread of EVs

- ICE parts Demand hitting the ceiling
- Other than ICE parts Demand expanding across the world

- Piping products
   Domestic demand gradually falling as population decreases
  - Increase in renewal demand
  - Labor shortage of plumbers
    - ⇒ Increase in needs of piping equipment and materials, and prefabricated components for housing that could lead to labor saving

#### Business strategy

- Sintered products: Expansion of sales of valve seat inserts and further cultivate products for heavy duty commercial and industrial engines
- Engineered plastic products: Development of new products in addition to seal rings for automotive transmissions, for which NPR-RIKEN has the largest market share
- Casting components: Reinforcement and business expansion of Indonesian base and optimization of domestic production
- Precision components: Introducing products that auto makers produce in-house (camshaft) and launching new products by utilizing existing technologies
- Sales expansion with Riken ( brand) + Nippon Pipe Fitting ( brand)
- Expansion of piping prefabrication business



By combining existing technologies and external resources, expand business portfolio for the next generation.

Thermal
engineering

Development, production, and sale of heating elements indispensable for semiconductor manufacturing





Development and sale of equipment and products for securing *electromagnetic compatibility* to protect electronic devices from receiving or having an influence on radio wave





Metal powder injection molding for production of highdensity, high-strength parts with complicated shapes



New products and new business

- Electric unit products: Development of small, lightweight motors for industrial, nursing, and medical robots
- Highly functional engineered plastic products: Sales expansion in next-generation mobility and robot markets
- Noise countermeasure products: Expansion of noise countermeasure products by utilizing the technology cultivated from EMC products. Also applicable for "CASE"
- Medical equipment: Expansion of biocompatible material to medical equipment that is embedded inside a human body













## Thermal engineering





 Applicable in a wide range of fields of industry (esp., for semiconductor manufacturing equipment-related)

#### Heating element



PYROMAX™



PYROMAX SUPER™

#### Industrial furnace (PYRORIK™)



Heating furnace



Baking furnace

# Heater unit

Examples of products of SHINWA VANES CO., LTD.



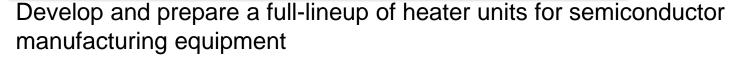
Mica heater



Jacket heater



### **Basic policy**





Reinforcing development and production capability applicable for carbon neutrality (CN)

#### **Business prospects**

# Heater units for semiconductor manufacturing equipment

Production of semiconductor manufacturing equipment increasing as semiconductor industry expands

#### Promoting CN projects (conversion of combustion heat into electrical resistance heat)

 Delivery of heater unit prototypes for multiple CN projects

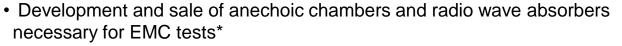
#### **Business strategy**

- A full line-up for variety of usages and temperature
  - Use of SHINWA VANES CO., LTD. (acquired in FY 2023)
- Developing heater units and enhancing production capacity
- Securing competitiveness through substantial improvement of QCD
  - Promotion of cost reduction through process improvement and acceleration of development of low-cost, long-life heating elements
- Substantial reinforcement of production capacity, including new factory construction





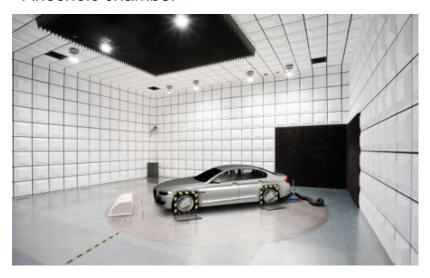
### **EMC**

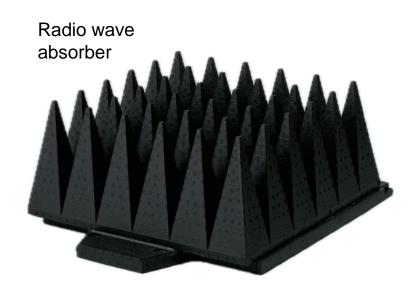




- Provide extensively for the anechoic chamber, from design and construction management to after-sales services
- Wide-range of customers including auto makers and electronic device manufacturers

#### Anechoic chamber





\*EMC (Electromagnetic Compatibility) test: Test to confirm whether wave (noise) emitted by electronic equipment is not affecting other equipment and whether wave emitted by other equipment does not lead to malfunctions for the equipment



### **Basic policy**



Sales expansion and improvement of added value of anechoic chambers and reinforcement of related business

#### Business prospect

Business strategy

Sound business environment supported by market

- Progress in CASE and development of communications technology
- Revision of industry's related standards

Growing demand for construction of new anechoic chambers or renovation of existing ones

Growing demand for equipment related to demonstration measurements

# Sales expansion of anechoic chambers and radio wave absorbers

- Receiving orders for anechoic chambers mainly from automotive industry (A full scale supply including related facilities)
- Proposing and receiving orders for maintenance business and renovation work
- Expansion of sales export
- Developing technologies to get ahead of various standards and new technologies

#### **Promotion of new business**

 Related equipment, countermeasure material, measurement service, etc.





Increase sales to become core business

#### METAMOLD<sup>TM</sup> (\*)

 Metal injection molding (MIM) products applicable to parts with complicated shape that are used in a wide range of industries including automotive, aerospace, industrial, and medical equipment





Example of use: Information & communication equipment, OA equipment, power tools, goods for leisure-time amusement, automobiles, precision instrument & medical equipment, musical instrument etc.

#### **Features of MIM products**

- Enable low-cost production of parts with complicated shape
- Allow flexibility in design
- High-density and high-strength Superb mechanical properties, corrosion resistance, magnetic properties Allow various type of postprocessing
- High dimensional accuracy

(\*) METAMOLD is a registered trademark in Japan for metal powder injection molding products of NPR.



## **Basic policy**



# Substantial enhancement of order-acquiring abilities

- Substantial improvement of important requirements (speed, cost, quality, material proposal, etc.)
- Concentrate resources on specialty fields and build a sales force that dive deep into customers' needs
- Preparation for sales expansion in overseas markets

#### Business prospects

FY 2023 annual sales of world's MIM market: About 4 billion dollars (about 590 billion yen)

CAGR (2018-2029): 10.7%

Source: Secondary Sources, Expert Interviews and QYResearch, 2023

Growing demand for molded parts in the medical and defense industry that require high precision

#### Business strategy

#### Sale

Efficient marketing customized for the target

 Reinforced research for overseas markets

# Development & production

- Speeding up trial production and mass production
- Reinforcing new material development structure
- Thorough cost reductions
- Strengthening collaboration with overseas firms





Increase sales to become core business

## New product and new business

- Electric unit products
- Highly functional engineered plastic products
- Noise countermeasure products
- Medical equipment products

#### **Basic policy**

Speeding up development through integration of NPR-RIKEN technologies and expanding new products and new business











## **Electric unit products**

Background of development

- Electric unit products
- Developed products

- Labor shortage will be a serious problem in Japan in 2025 onwards as aging of society progresses.
- Markets for industrial, nursing, and medical robots and for small mobility equipment, are expected to expand.
- Keywords for development: Small and lightweight Small, flat actuators and lightweight strain wave gear (metal → engineered plastic) are under development.





3D pressed powder magnetic core



Resin strain wave gear



**Axial gap motor** 





# Highly functional engineered plastic products

Background of development





- Expansion of products utilizing NPR-RIKEN's experience in engineered plastic products
- Expansion of markets for next-generation mobility equipment, such as electric vehicles, and robots
- Keywords for development: Lightweight and joining different materials Utilizing technology to join different materials together Products that replace metal by engineered plastic are under development

**Plastic gear** 



**Compact actuator** 



Millimeter wave radar case



Inverter parts for electric vehicles





#### Noise countermeasure products

Background of development



Developed products

- Expansion of noise countermeasure products by cultivating technology from EMC business
- Countermeasures against electromagnetic interference is essential for autonomous driving of automobiles and the spread of 6G communication. Demand for materials with such measures is expected to expand.
- Keywords for development: Improved installation Materials resistant to electromagnetic interference that are easy to install are developed.











# Medical equipment products

Background of development

- Society of decreasing birthrate and aging population, advanced medical treatment, and progress in medical equipment
- Keywords for development: Safe, secure bio-material

### NiFreeT <sup>™</sup>(\*)

Products that are to be embedded in a human body over a long period are under development.

#### MIM for medical use

Medical equipment products for surgery are available at low price.

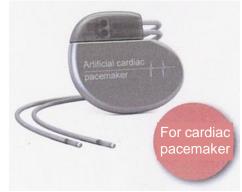
#### 3D molding

- Application to medical equipment products tailor-made for patients.
- (\*) NiFreeT: Original alloy made of titanium and tantalum etc. for medical use. Have high biocompatibility with nickel-free and nonmagnetic properties.

#### **Developed products**



**NiFreeT** TM

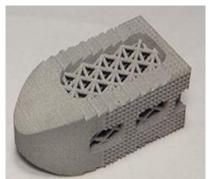




MIM for medical use



3D molding



# **Business Strategy - Creation of synergy**



## Early realization of business integration synergy

## Sales synergy

# Expansion of market share of existing business

- · Utilize each others' brand power
- · Utilize each others' sales network
- Expansion of product line-up

#### Providing various solutions

- Aggregation of development, analysis, and evaluation resources
- Establishment of sales force that proposes technologies
- Applicable for hydrogen and alternative fuel

# <u>Creation and commercialization of new products</u>

- Strengthening new product development structure
- Integrating next core business technologies
- Shifting resources to new product fields

## **Cost synergy**

#### **Business divisions**

**1.4** bil. yen

#### Reduction of production cost

- Mutually complement each other's technologies
- Integrate product specification
- Pursuit cost reduction through production technology integration
- Procurement cost reductions through joint purchases
- Aggregation of logistic bases
- Production optimization at domestic and overseas bases

#### Management division

1.6 bil. yen

Corporate function integration

IT infrastructure integration

Reduction of other SG&A expenses

**Synergy effect:** 

3 bil. yen/year

FY 2026 target:

**Operating profit** 

+ 3 billion yen/year

## Capital/Financial Strategy - Resource control



# Promotion of strategic investment in growing areas and human investment for new value creation

#### Strategic investment

Growth investment

# Capital investment

A&M

- Installing equipment with an awareness of reinforcement of cost competitiveness
- Reducing investment due to optimization of production system
- Active investment in CN-related projects
- Investment judgment based on capital cost
- Reinforcement and expansion of business portfolio
- Build a profit base for the future

Research & development (R&D)

# Human investment

- Differentiation of existing products and active allocation to growing areas, such as new product or business development
- Development and commercialization of low fuel consumption technology, hydrogen engine, and biofuel, which contributes to CN
- Shifting personnel to growing areas
- Conversion of human skill through re-skilling
- Human resource development and introduction of new system to reinforce DE&I\* initiatives

\*DE&I: Diversity, Equity, & Inclusion

Growth investment (including M&A)

40 bil. yen

\*Total of 3 years

(Capital investment: 20.4 bil. yen over past 3 years)

# 15 bil. yen

Total of 3 years

- \*Strategic investment: 3 bil. yen (addition)
- \*Ongoing base: 12 bil. yen

Improvement of employee engagement.

Building an environment where diverse people can play an active part Ability development

# Capital/Financial Strategy - Cash allocation



## Appropriate allocation of generated cash for further growth and shareholder return

Cash outflow Cash inflow Stable and continuous return to shareholders Asset sales Dividend payout ratio: 40% or more (currently Return to (cross-share about 30%) holdings etc.) shareholders: Total payout ratio: 70% or more (average of 3 3 bil. yen 20 bil. yen years) Purchase of treasury stocks: 10 billion yen R&D: **Up 3** Resource allocation to growing areas Strategic investment bil. yen (3 billion yen rise from current level) Operating Growth activities Expand business portfolio investment CF. Maintain and expand profit base (capital DX-related investment 60 bil. yen Environment related investment to reduce CO<sub>2</sub> investment)

(M&A)

40 bil. yen

Slated for midterm management plan period: FY 2024 to FY 2026

# Capital/Financial Strategy - Return to shareholders



Enhance capital efficiency and shareholder return, as returning profit to shareholders is an important business issue

# Basic policy

- Continue providing dividend with stability, taking into consideration the balance between investment for growth and improvement of corporate value, and soundness of finance
- Conduct shareholder return including flexible purchase of treasury stocks, while being conscious of capital efficiency and total payout ratio

# Return to sharehold ers

- Dividend payout ratio: 40% or more (currently about 30%)
- Total payout ratio: 70% or more (average of three years, currently about 30%)

DOE of around 3% in FY 2026

\*Target period: FY 2024 to FY 2026

## Capital/Financial Strategy

Reform measures aimed at raising stock price



To achieve PBR of 1 by improving ROE, reinforcing return to shareholders, and promoting sustainability management

# **Strategic** investment

- Strategic capital investment (new business area, rationalization, decarbonization, etc.)
- R&D investment
- M&A
- · Human capital

#### **Profit growth**

Improve investors expected growth rate

- · Business portfolio reform
- · Achieving sales target
- · Achieving targeted ordinary profit ratio
- Improving profit through business strategy execution

#### **Balance sheet optimization**

- Reducing inventory (reduction of required working capital)
- · Asset sales and use of surplus funds
- · Use of interest-bearing debt
- Operating with capital efficiency in mind

# Reinforcing shareholder return

- Stable dividend based on dividend payout ratio of 40% or more
- Total payout ratio of 70% or more (average of three years) (implement agile share repurchase)

# Improving ROE/PER

ROE > Cost of equity

Achieving target ROE of 8%

Improving corporate value

Raising stock price

(PBR x1 or more)

Promotion of sustainability management (carbon neutrality, etc.)

#### Improvement of IR/SR

Continue to conduct dialogue with investors and shareholder survey



Promote sustainability management to support sustainable growth of company and society





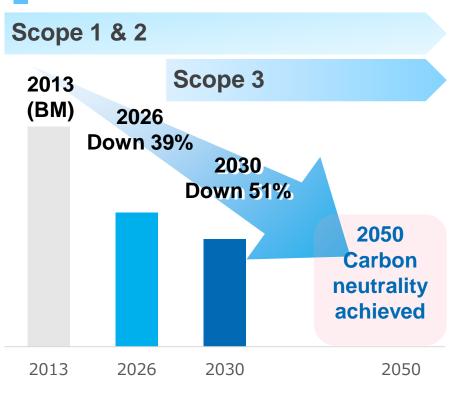
## **Sustainability target (KPIs)**

Item	Benchmarks	FY 2026 target		
<ul><li>GHG emissions</li></ul>	Compared with FY 2013 result	Down 39% (consolidated) (2030: Down 51%)		
<ul><li>Female manager ratio</li></ul>	FY 2022 results: 1.7% (domestic) 5.8% (consolidated)	3% or more (domestic) 7% or more (consolidated)		
<ul><li>Acquisition rate of paternity leave</li></ul>	FY 2022 result: 15.3% (domestic)	50% or more (domestic)		
<ul><li>Ratio of those practicing code of conduct</li></ul>	(New code of conduct established in FY 2023)	80% or more (consolidated)		
<ul><li>Investment in human resource development for employees</li></ul>	Compared with FY 2022 result	+30% (consolidated)		
Target for employee engagement is to be set separately.				



# Reinforcement of carbon neutrality initiatives

GHG emissions reduction target



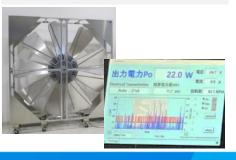
# Main measures to reduce total GHG emissions

- Change cupola to electric furnace
- Renewal of facilities and equipment (to enhance efficiency)
- Introduction of solar power generation
- Development of small wind power generation system
- Procuring and switching to renewable energy
- Purchase of green power certificate etc.
- Utilizing J-Credit scheme (carbon offset)

Introduction of solar power generation



Small wind power generation system





## DE&I

\*DE&I: Diversity, Equity, & Inclusion

# Increasing female managers ratio

- Active employment of women
- Reinforcement of training and promotion
- Creation of workplace environment where employees can live up to their full potential
- Aim to make further improvement by 2030

# Improvement of paternity leave acquisition ratio

- Enriching various styles of work
- Creating an environment that is easier for employees to take childcare leave





(Mexico base)

**Contribution to local community** 

# Elimination of non-native plants along riverbed



# Supporting sports activities for people with disabilities



#### **Disaster recovery assistance**





## Improvement of corporate governance

Further reinforcement and expansion of governance structure to improve corporate values

Thorough compliance

Code of conduct of NPR-RIKEN group translated into six languages and distributed to employees at all bases.

Ensuring thorough compliance through regular training

Structure of board of directors that ensure diversity

To ensure diversity, increasing the ratios of outside directors and female/foreign directors is under consideration.

Current ratios Outside directors: 38% (as of February 2024) Female directors: 8% (fe

Female directors: 8% (foreign directors: 0)

第2章 社会における信頼を構築します 環境の保全 リケンN P R の方針 リケンNPR グループは、社会の責任ある一員として、環境負荷 を低減し、地球環境の保護に積極的に取り組みます。

求められる行動 私たちは、次世代に恵まれた地球環境を引き継ぐことが人類共 適の最重要課題の一つであることを認識し、環境保護に関する 法令や会社の方針に従い、地球環境の保護に努めます。

第2章 建立社会的信任 **坏垃保护** 理研NR方针 理研NR集团作为社会中负责任的一员,积极致力于减轻环境负 荷、保护地球环境。

要求我们采取的行动 我们认识到,把给予我们照清的地球环境传承给下一代是人类共 间的最重要课题之一,我们将遵照环保相关的法律法规和公司方 针,努力保护地球环境。 Capítulo 2: Generar confianza en la sociedad Conservación del medio ambiente

Política de NPR-Riken

Como miembro responsable de la sociedad, el Grupo NPR-Riken trabajará activamente para proteger el medioambiente global y reducir el impacto ambiental

Conducta requerida

Nos esforzaremos por proteger el medio ambiente global de acuerdo con la legislación sobre protección ambiental y las políticas de la empresa, reconociendo que heredar a las futuras generaciones un medioambiente favorable es uno de los temas más importantes para el género humano.

Chapter 2 Building Trust in Society

Environmental conservation

Riken NPR's policy

As a responsible member of society, the Riken NPR Group will reduce its environmental impact and actively work to protect the global environment.

Required behavior

We recognize that passing on the global environment, which is blessed with the next generation, is one of the most important issues common to all mankind. We will endeavor to protect the global environment in accordance with laws and company policies related to environmental protection.



# Improvement of employee engagement and human resource development strategy

Indexes suitable for NPR-RIKEN will be set from the various viewpoints of motivation, awareness of contribution, and psychological safety with goals set as early as possible.



# Creation of safe, secure workplace

Creation of safe, secure workplaces where every employees can work vigorously and lively

Promote health and productivity management, promote education on safety, and improve work environment

## [Notes on descriptions regarding the future]

The prospects and strategy written in this document are based on the present business environment, and the actual performance may differ if the business environment changes in the future.

\*This document is a translation of the Japanese original.

If there are any discrepancies between this document and the Japanese original, the Japanese original will prevail.

