



RIKEN VITAMIN CO.,LTD.

**Integrated
Report 2023**





▶ Corporate Philosophy

Contribute to people’s health and nutrition with technologies and products that make effective use of natural materials, thereby contributing to society

▶ Management Philosophy

1. Provide health and a rich dietary life to society through foods
2. Fulfill corporate social responsibility by engaging in business activities while adhering to compliance
3. Evolve as a company full of flexibility and creativity
4. Direct the focus and scope of business activities overseas to ensure Riken Vitamin’s global presence
5. Create a respectful, appealing workplace for employees

▶ Medium- to Long-Term Vision

Achieving growth by supporting a sustainable society with specialty products and services

About Integrated Report 2023

▶ Editorial Policy

This is Riken Vitamin’s inaugural integrated report. It is a tool for communicating with our shareholders, investors, and other stakeholders. We produced this report based on the following editorial policy in order to provide a deeper understanding of the Riken Vitamin Group.

- Disclose financial and non-financial information in an easily understood format so that readers can evaluate the Riken Vitamin Group’s corporate value from short-, medium-, and long-term perspectives
- Disclose the Group’s current condition and challenges as openly as possible

Another objective in issuing this report was to implement a production process that encourages holistic thinking and stimulates discussion of management strategies and the creation of a new corporate culture. We produced this report with reference to the IFRS Foundation’s “International Integrated Reporting Framework” and the Ministry of Economy, Trade and Industry’s “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation.”

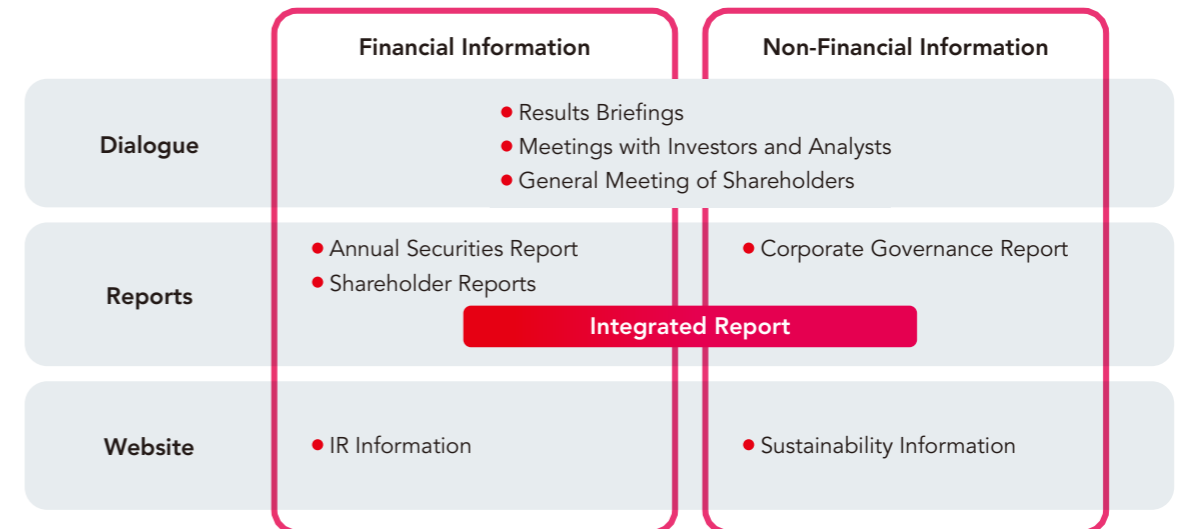
▶ Reporting Period

This report primarily covers FY2022 (April 1, 2022 to March 31, 2023), and includes information up to the date of publication to the extent possible.

▶ Cautionary Statement Regarding Forward-looking Statements

Business forecasts and other forward-looking statements in this report are predictions based on information available at the time. Such statements are subject to potential risks, uncertainties and other factors that could cause actual results to differ materially from those described in this report. We caution readers that forward-looking statements are not guarantees of future performance.

▶ Positioning of This Integrated Report



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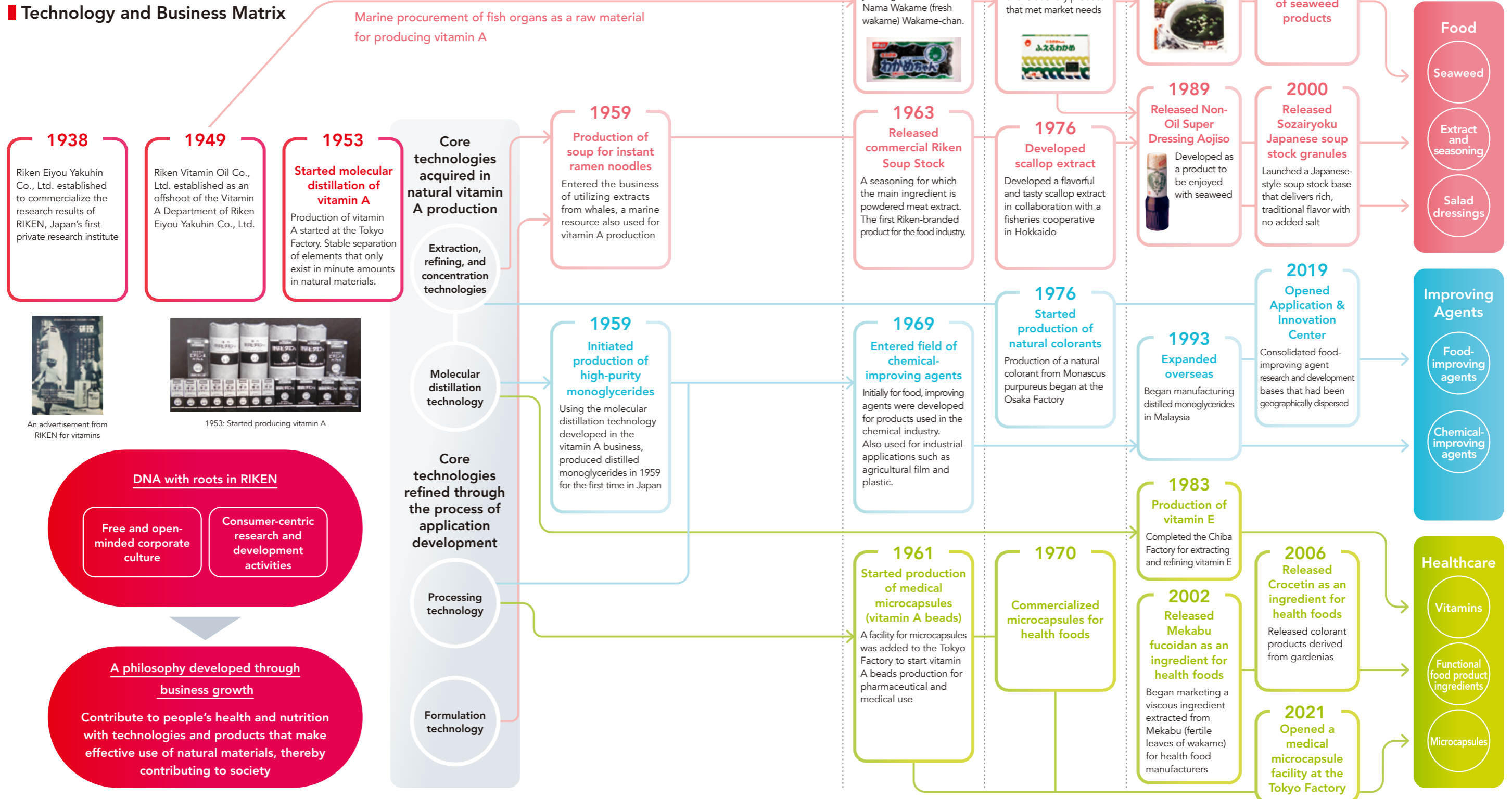
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Riken Vitamin's History

Our businesses have addressed contemporary needs and issues, centered on vitamin A extraction, refining, and concentration technologies.

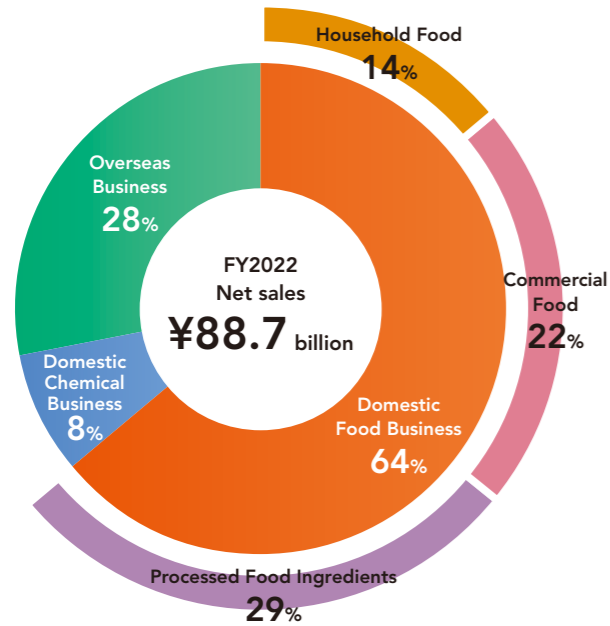
The Riken Vitamin Group has its roots in RIKEN (the Institute of Physical and Chemical Research), which was founded in 1917. We initially manufactured natural vitamin A, but the advent of synthetic vitamin A led us to diversify. We expanded our business portfolio by deploying core technologies to create products and by developing applications aligned with contemporary needs. Today, we contribute to people's lives through a broad range of businesses.

Technology and Business Matrix

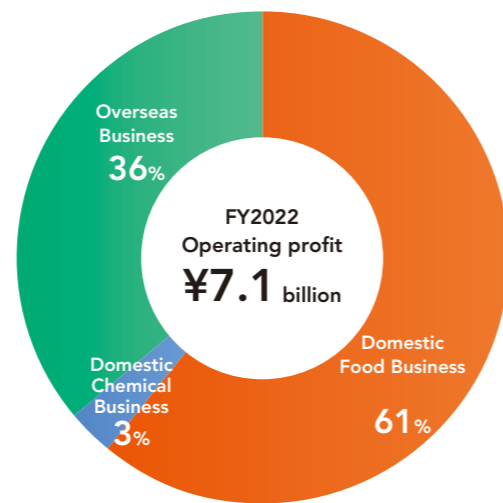


Riken Vitamin at a Glance

▶ Net Sales by Segment and Subsegment



▶ Operating Profit by Segment



Note: Share of net sales and operating profit before segment adjustments

▶ Business Fields and Primary Product Lines

Field	Primary Product Lines
Food	<ul style="list-style-type: none"> Extracts and seasonings Salad dressings Seaweed <p> Non-oil dressings (No. 1 share), Scallop extract (No. 1 share), Instant wakame soup (No. 1 share), Japanese dried wakame for household use (No. 1 share) </p>
Improving Agents	<ul style="list-style-type: none"> Food-improving agents <ul style="list-style-type: none"> Emulsifiers Vitamins (antioxidants) Colorants Chemical-improving agents <p> Food emulsifiers (No. 1 share), Yellow colorant derived from gardenias (No. 1 share) </p>
Healthcare	<ul style="list-style-type: none"> Vitamins (nutritional enrichment) Functional food product ingredients Microcapsules <p> Vitamin E (Share of over 40%) </p>

Note: Share in the Japanese market based on Riken Vitamin data

	Segments and Primary Products	Net Sales by Business Field*	Primary Retailers
BtoC	Household Food <ul style="list-style-type: none"> Riken Non-Oil (salad dressings) Fueru Wakame-chan (dried wakame seaweed) Wakame Soup Sozairyoku Dashi 	Food 100%	<ul style="list-style-type: none"> Supermarkets Drugstores
Domestic Food Business	Commercial Food <ul style="list-style-type: none"> Extracts and seasonings Seaweed Salad dressings Food-improving agents Vitamins 	Food 76%, Improving agents 19%, Healthcare 5%	<ul style="list-style-type: none"> Lunch programs for company cafeterias School lunch programs Restaurant industry Convenience stores Processed food manufacturers
	Processed Food Ingredients <ul style="list-style-type: none"> Food-improving agents Vitamins Functional food product ingredients Microcapsules 	Improving agents 70%, Healthcare 23%, Food 4%, Other 3%	<ul style="list-style-type: none"> Processed food manufacturers Health food manufacturers Pharmaceutical manufacturers
	Domestic Chemical Business <ul style="list-style-type: none"> Chemical-improving agents Feed additives 	Improving agents 90%, Other 10%	<ul style="list-style-type: none"> Chemical manufacturers
Overseas Business	<ul style="list-style-type: none"> Food-improving agents Chemical-improving agents Extracts and seasonings 	Improving agents 93%, Food 7%	<ul style="list-style-type: none"> Overseas food manufacturers Overseas chemical manufacturers Overseas restaurant industry

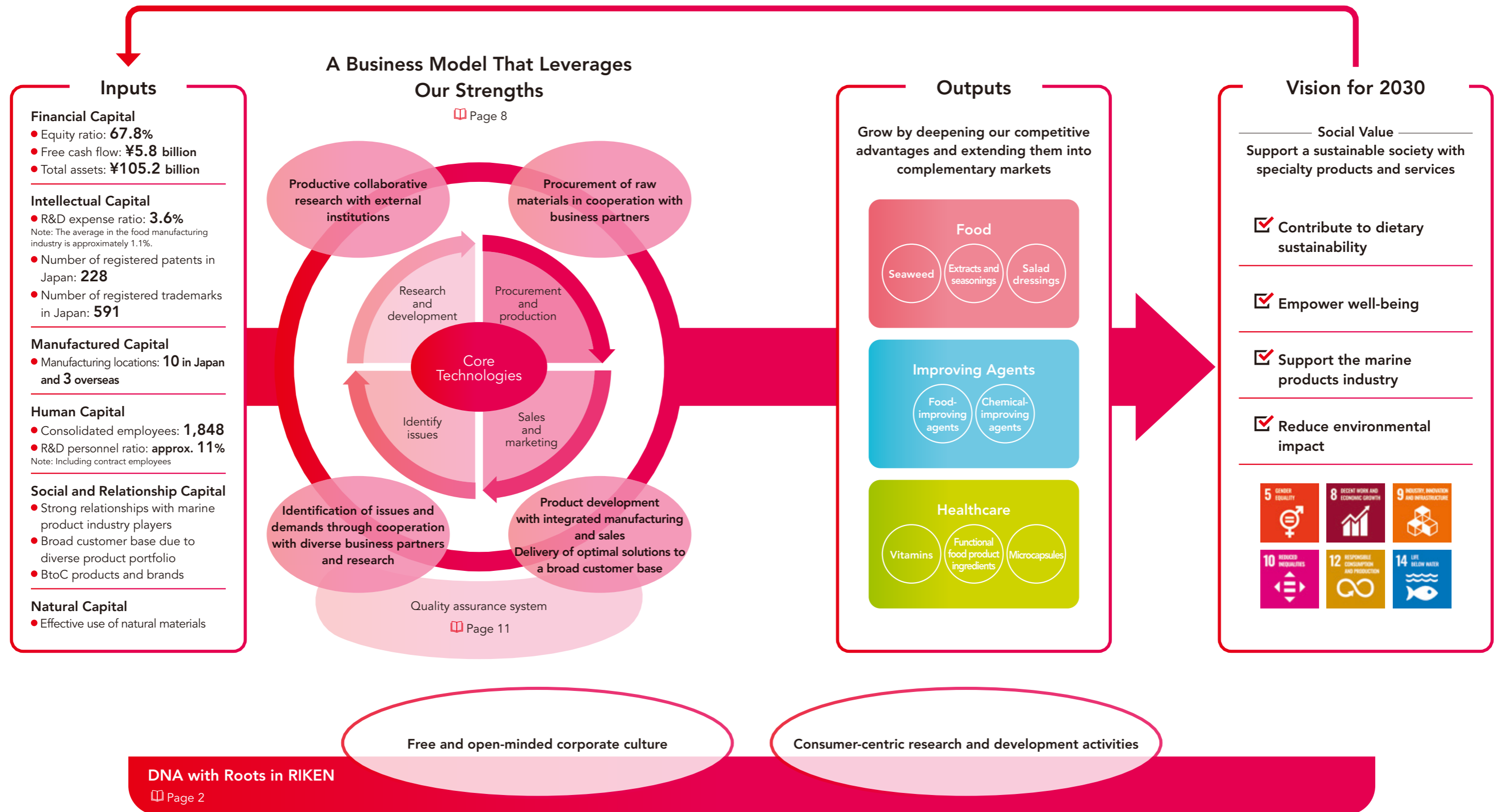
* Vitamins are included in Healthcare sales, regardless of application.

Value Creation Process

Supporting a Sustainable Society with Specialty Products and Services

We provide original products and solutions using core technologies that leverage the blessings of nature and research and development that contributes to improving human health. We aim to achieve sustainable growth by linking our business strategy with sustainability initiatives based on product development that integrates manufacturing and sales, a framework that enables the stable procurement of raw materials and a quality assurance system that ensures safe and reliable products.

Reinvestment Maximizes Our Strengths and Corporate Value



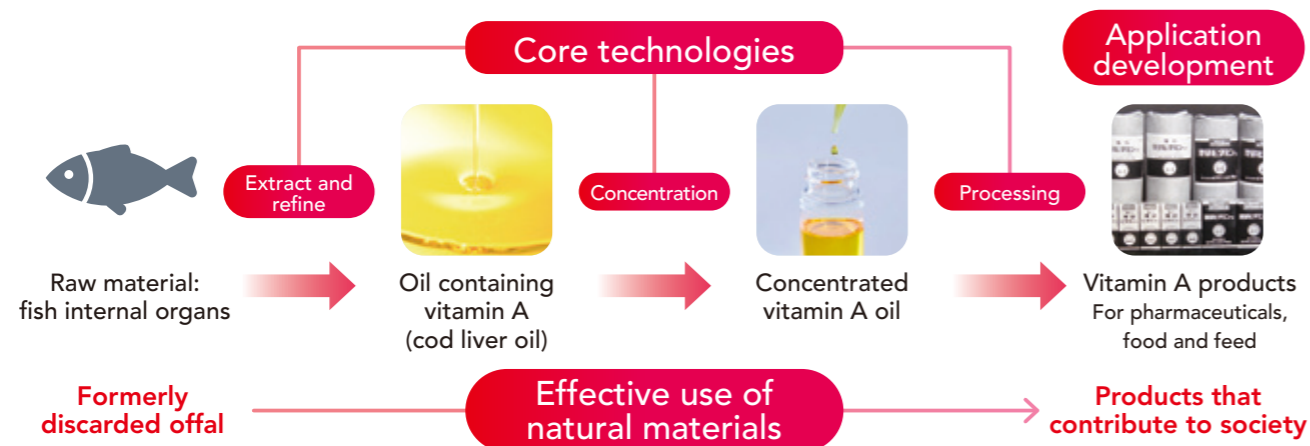
Riken Vitamin's Strengths

Research and Development

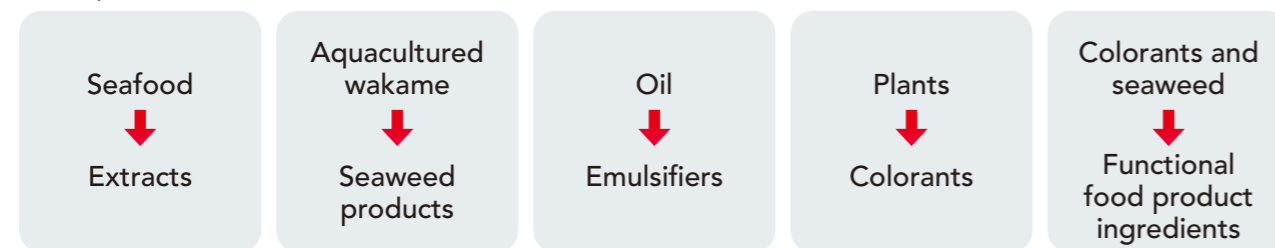
Core Technologies and Application Development

Riken Vitamin has deployed its core extraction, refining, and concentration technologies, which were developed in its original vitamin A business, to create new businesses based on the effective use of natural materials. Molecular distillation is one of our concentration technologies. This technology has enabled Riken Vitamin to make significant progress as a manufacturer of natural vitamin A, and it has also led to diversification as we have applied it to the production of emulsifiers and vitamin E. In addition, we have developed unique processing technologies, including technology to improve the stability of vitamin A and powderization technology to address customer needs. These core technologies and our approach to research and development are the basis of our ability to create value.

▶ Vitamin A Business Core Technologies and Application Development (Founding to the 1950s)



▶ Examples of Businesses Based on the Effective Use of Natural Materials



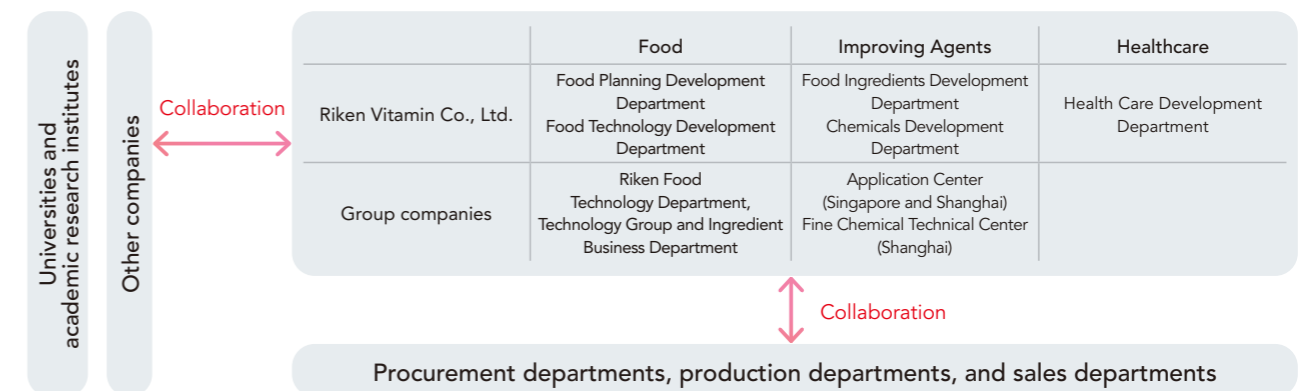
Highlight | Creation of Scallop Extract

Dried scallops are the primary (processed) product obtained by boiling scallops in salt water and then drying them. This manufacturing process generates a significant amount of broth, which was formerly discarded as industrial waste. Riken Vitamin took interest in this process, and in 1976 created a method for producing scallop extract from scallop broth. Hokkaido is a principal producer of scallop broth, so we collaborated with a fisheries cooperative in Hokkaido to commercialize and sell scallop extract. Today, Riken Vitamin has the top share of Japan's scallop extract market, and we use this extract as a key flavor ingredient for many of our products, including Riken Non-Oil Aojiso and Wakame Soup.



Research and Development

The Riken Vitamin Group's research and development departments collaborate with the sales and production departments to develop products in the fields of food, improving agents (food and chemical), and healthcare. Additionally, the Group purchases many natural materials as raw ingredients, so we emphasize collaboration with the procurement departments during development. Furthermore, the research and development process involves communication with other companies and collaboration with universities and academic research institutes. As a result, the ratio of R&D expenses to net sales is among the highest in the industry, as shown in the table below.



▶ Ratio of R&D Expenses to Net Sales

	FY2019	FY2020	FY2021	FY2022
Riken Vitamin Group	3.7%	4.0%	3.8%	3.6%

Note: The average in the industry is 1.1%. Scope: 70 companies in the food section of the Tokyo Stock Exchange Prime Market (excluding Riken Vitamin). Time frame: Results for respective fiscal years that ended between January and December 2022.

Initiatives to Protect Intellectual Property

The Riken Vitamin Group protects the technology developed through research and development in accordance with its business strategy, and also enhances the value of its products by protecting intellectual property rights. This includes applying for and acquiring high-quality, valid patents and trademarks. In addition, we counter infringements of our intellectual property rights as necessary. We will clearly and aggressively take action to protect our trade secrets and prevent the leakage of critically important production technologies and expertise unique to the Group.

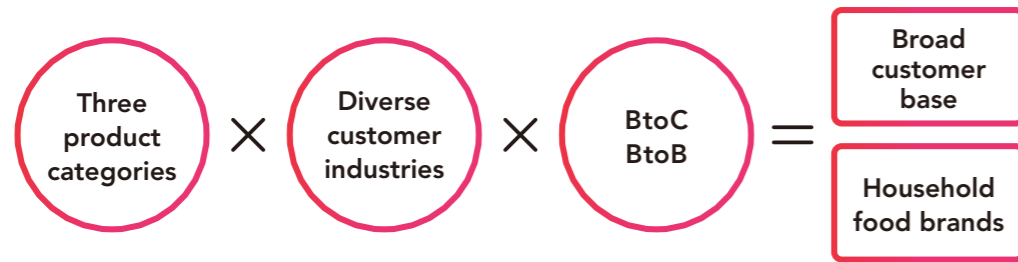
Highlight | Proactively Sharing Research and Development Results within the Group

The research and development department for food-improving agents holds a research presentation at the end of each fiscal year to share its R&D results within the Group. The presentation is available online so it is accessible to employees in Japan and overseas. Participants include the president and other executives, members of production departments and the Quality Assurance Department, and employees from the research and development departments of other business units. In FY2022, eight research and development personnel from Japan and two from outside Japan presented the results of their work. The presentation is a valuable opportunity for research and development personnel to present directly to the management team, and it also serves as a means of multilateral technological exchange both in Japan and internationally. The event also motivates other departments.



Riken Vitamin's Strengths

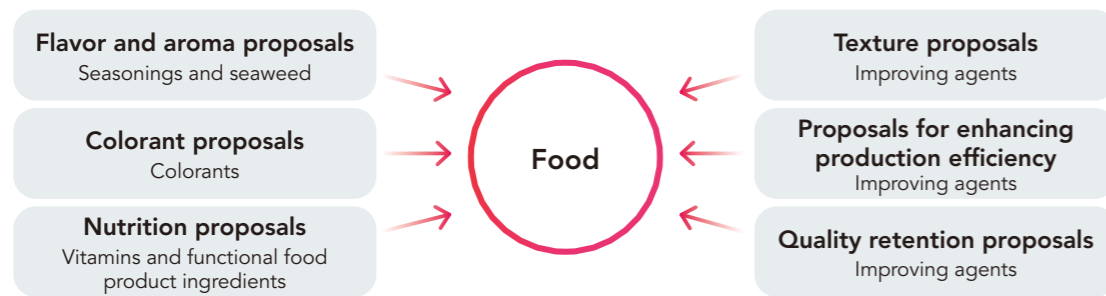
Broad Customer Base and Household Food Brands



Broad Customer Base

The Riken Vitamin Group's three business fields are food, improving agents, and healthcare. Our products have a wide range of applications, including for food products, chemicals, and pharmaceuticals. As a result, we have a broader customer base than any one specialized manufacturer has in its respective field, and are able to offer a diverse array of proposals to our customers. We are also further enhancing our ability to make proposals by transferring BtoB sales personnel among the three business fields.

Examples of Diverse Value Proposals



Household Food Brands

Our household food products are well known, and people typically think of Riken Vitamin when they see products like Dried Wakame Fueru Wakame-chan. This has a positive impact on our BtoB business in Japan. The market share of our products is a key indicator of our brand power, and we intend to maintain a strong market share in the future.

Household Food Market Share

Product	FY2020	FY2021	FY2022
Dried cut wakame	31%	30%	27%
Instant wakame soup	50%	51%	49%
Non-oil dressing	61%	65%	65%

Source: Riken Vitamin data

Highlight | Fueru Wakame: A Brand Developed over Many Years

Our dried cut wakame brand Fueru Wakame is well-known because (as its name implies in Japanese) it expands when rehydrated. At the same time, trademarks that only indicate the quality or ingredients of a product are generally ineligible to be registered trademarks, which is an obstacle to creating a brand. However, Riken Vitamin patented a method for manufacturing dried cut wakame, developed the market, and built up brand value through aggressive advertising and sales promotion. As a result, the Japan Patent Office recognized the market penetration of the Riken Vitamin brand Fueru Wakame and granted it registered trademark status in 2003 under an exception to the Trademark Act.

Note: The trademark for the household food brand name Fueru Wakame-chan was registered in 2000.



Product when it was released in 1976 Current product

Quality Assurance

Quality Policy

The Riken Vitamin Group's Quality Policy clearly states its commitment to ensuring the quality of all its products. We also established Quality Assurance Regulations that all employees must follow, and are promoting quality assurance initiatives throughout the Group.

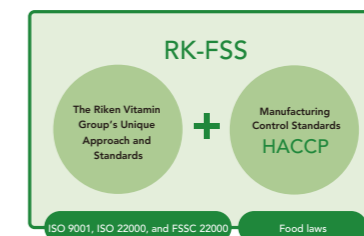
Providing Health and a Rich Diet to Society through High-quality Products

1. We comply with legal and other requirements to provide safe and high-quality products to customers.
2. We develop, manufacture, and supply products that satisfy our customers' needs, and provide appropriate information related to safety.
3. We work to improve the level of quality assurance throughout the entire supply chain and establish an appropriate risk management system.
4. We ensure quality through a reliable quality assurance system and make continuous improvements through internal audits and reviews of the system.
5. We at Riken Vitamin Group are committed to meeting the expectations of our customers by raising the level and awareness of quality-related knowledge and skills.

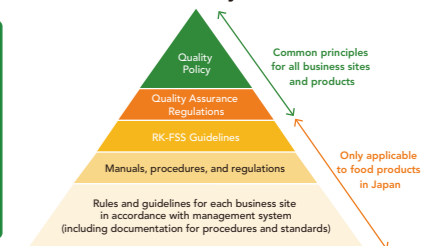
A Unique Quality Assurance System

The Riken Vitamin Group Food Safety System (RK-FSS) is based on our Quality Policy and Quality Assurance Regulations. It ensures rigorous quality assurance from raw material procurement, product development, and manufacturing to logistics and sales, and covers all household food, commercial food, and processed food ingredients we supply to the tables of Japan.

RK-FSS Overview



Quality Assurance-related Documentation System



Quality Assurance Reviews

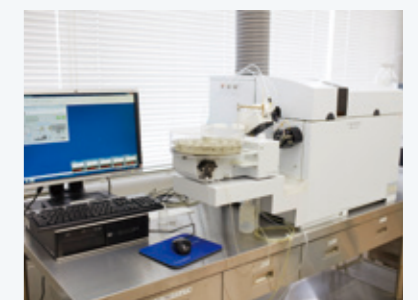
The Quality Assurance Unit provides leadership in holding quality assurance review meetings, once in the first half of each fiscal year and once in the second half. Riken Vitamin's president, relevant directors, Group factory heads, manufacturing division managers, and quality control division managers attend the meetings. At the first-half meeting, we conduct an annual review of the operational status of RK-FSS, share system issues, and plan improvements. At the second-half meeting, we share examples of improvements made based on feedback from customers as part of efforts to expand these activities Groupwide.

Enhancing Our Global Quality Assurance System

In April 2023, we established the Global Quality Assurance Division within the Quality Assurance Unit. We must respond appropriately to international laws and regulations in order to expand our overseas business. As such, we are restructuring our global quality assurance system and upgrading its ability to provide synergistic support in Japan and around the world.

Highlight | Food Analysis & Research Center

The Food Analysis & Research Center located in the Soka Factory develops advanced analysis technology to improve our ability to assure the quality of the products we supply to our customers. For example, in 2019 its joint research with the National Agriculture and Food Research Organization enabled Riken Vitamin to patent technology to determine the origin of wakame using trace elemental analysis. In FY2022, the Food Analysis & Research Center and each factory in Japan collaborated in initiatives to resolve quality control issues through the use of statistical analysis methodologies. The center is a unique unit that we expect will enhance the sophistication of the inspection techniques we employ in quality assurance.



Inductively coupled plasma mass spectrometer

Message from the President

Supporting a Sustainable Society with Specialty Products and Services

Riken Vitamin's DNA and Businesses

We have expanded the scope of our business by leveraging our unique strength in creating added value from natural materials using innovative technologies.

One of the main points of our Management Philosophy is to "Provide health and a rich dietary life to society through foods." The effective use of natural materials is at the core of our businesses, and we supply products that offer healthy options, safety, reliability, and richness to people's lives. Riken Vitamin is known for household food, but that segment only accounts for 14% of consolidated net sales in the Domestic Food business. In contrast, commercial food accounts for 22% of consolidated net sales, processed food ingredients accounts for 29%, and BtoB sales accounts for the majority of the rest.

Our commercial food segment supplies seasonings for restaurants, prepared meals and school lunches, while the processed food ingredients segment provides food-improving agents and vitamin to customers including processed food manufacturers as well as pharmaceutical and health food manufacturers.

The effective use of natural materials has been part of Riken Vitamin's DNA since the company was founded. In 1953, we succeeded in using molecular distillation to produce vitamin A, and this innovative technology is still a fundamental component of everything we do. Broadly speaking, a key strength is the unique technological capabilities we use to increase the added value of products made from natural materials.

We are pleased that people associate Riken Vitamin with household food products such as salad dressings. However, we would also like investors and other stakeholders to understand the true breadth of our operations, including our various business and R&D strengths, and thus understand our true value. We decided to publish this integrated report because we want people to really understand the ways that we contribute to society with innovative products and services.



Kazuhiko Yamaki

President & Representative Director

Message from the President

Medium- to Long-Term Growth Strategy

We aim for further growth by proposing specialty products and applications that add value.

Our business model involves adding value through technology that effectively uses natural materials, and we employ it consistently in all of our business fields (food, improving agents and healthcare). For example, early in our history, we extracted vitamin A from fish organs—effectively using natural materials that were formerly discarded. Scallop extract is another example. We have the top market share in Japan for this product, which we manufacture by concentrating and processing scallop broth that was formerly discarded. In ways like this, Riken Vitamin has manufactured sustainable products since day one.

We also add value to our products by combining materials created using our unique technologies with our ability to propose applications. The development of Chinese steamed buns is a good example. We proposed seasonings and ingredients that make the buns more flavorful, and also proposed improving agents that make the exterior surface fluffy and natural colorants that add visual appeal. Among Japan's many specialized manufacturers in this market, we are proud to be one of the few that can offer comprehensive proposals with multiple combination options.

Our current medium- to long-term vision is to achieve growth by supporting a sustainable society with specialty products and services. During our current medium-term management plan (FY2022 to FY2024), we are strengthening the foundation for growth to achieve our vision. For Riken Vitamin, a specialty product is something that contributes to a sustainable society, is unique in its category, and adds value for customers because it is based on proprietary technologies. Our existing businesses offer many specialty products, and we intend to create even more of them in our core business fields of food, improving agents, and healthcare. The Application & Innovation Center (A&I Center) researches and develops food-improving agents and is a key source of specialty products. A&I Center researchers from a variety of fields conduct surveys, marketing, and research and development. Collaboration with researchers and business partners overseas and communication that transcends the boundaries of specialized disciplines empower the people at the A&I Center to propose unique concepts and applications. In many cases, A&I Center proposals drive innovation by addressing potential issues for processed food manufacturers.

Sales and profits in the Overseas business in FY2022 significantly exceeded projections due to price increases and the weaker yen, but the ratio of commodity product sales to total

sales was higher than in the Domestic Food business. We are in the process of accelerating the rollout of specialty products overseas, and plan to open a new Application Center in North America that will complement centers currently located in Shanghai and Singapore. We are also considering the construction of factories for improving agents in North America and Southeast Asia to create a manufacturing structure consisting of four factories.

Business Portfolio Review and Growth Investments

We will review our business portfolio to address changes in the external environment.

As part of the review of our business portfolio, we are closely monitoring changes in the external environment that pose a risk, such as rapidly increasing ingredient prices and supply instability in Japan. In FY2022, the Domestic Food business was able to partially offset negative impacts by raising prices, although doing so reduced the competitiveness of some products. Over the long term, we expect Japan's food market to shrink due to population decline, so we plan to review low-potential categories in the Domestic Food business and increase the proportion of products with high added value that only we can offer. Category review will likely cause changes in demand, so we are also considering updating aging equipment and renovating factories in the line with new demand. In addition, we will address raw material supply concerns with initiatives to ensure stable procurement. For example, we have been collaborating with a fishing company and fishery cooperative in Ofunato City, Iwate Prefecture since 2020 to utilize idle fishing grounds to support large-scale aquaculture for wakame, which is a key ingredient in our household and commercial foods (see page 17 for details). A core Group strength is our ability to research and develop seaweed seeds and seedlings, and we will deploy this strength to maintain and improve our competitiveness.

While we have positioned the Overseas business as a growth driver, the low ratio of specialty products in its lineup is an issue. We therefore intend to proactively invest capital in the key areas of North America, other parts of Asia, and China to increase the ratio of specialty products.

Another initiative related to our business portfolio is our ongoing preparation to make return on invested capital (ROIC) a component of our next medium-term management plan. We recognize that the scope of our business is large compared with the Group's size, so we want to visualize each business to structure our portfolio in a way that ensures capital efficiency.



Lessons Learned and Future Direction

We will strengthen governance and create a new corporate culture.

The improper accounting practices at a Chinese subsidiary in 2020 caused a loss of market trust in Riken Vitamin and were a factor that depressed our stock price at the time. Only local executives and employees operated this company even after Riken Vitamin acquired it in 1994, which resulted in a weak relationship with and sense of inclusion in the Group. In addition, I take it seriously that Riken Vitamin's Board of Directors and senior managers, including myself, did not fulfill their responsibility for preventing the improper accounting practices, and our internal controls were deficient.

Learning from this lesson and aiming to restore trust, we first changed the chairs of the Nomination Committee and the Compensation Committee to outside directors to ensure the effectiveness and transparency of the Board of Directors. We also formulated term of office guidelines for officers, and shared information about developing the next generation of leaders. In light of the lack of governance at our Chinese subsidiary, we reinforced our Internal Audit Department and established the Group Business Management Division under the direct control of the president as a complementary organization. Our primary objective is to prevent overseas subsidiaries from becoming isolated, and this organizational framework supports audits from a different perspective and facilitates prompt reporting.

Having strengthened governance, our next goal is to build a new corporate culture. Riken Vitamin has always had a corporate culture that is open-minded and respects diversity, but I am concerned that this atmosphere is fading. I believe that sustainable growth as a specialty company depends entirely on people, and we are committed to ensuring psychological safety

and respecting diversity. In addition, we are integrating human resource and management strategies in our discussions. I want Riken Vitamin to be a self-driven organization in which individuals share our vision and ideals and take the initiative in addressing issues. That kind of organization will inspire all employees to energetically participate in our medium-term management plan as if it were their own.

To Our Stakeholders

We will enhance our competitive advantage in terms of offering solutions to achieve our medium-term management plan.

During FY2023, the midpoint of our current medium-term management plan, we will move forward in enhancing our ability to offer solutions, which is a fundamental competitive advantage for the Group. In Japan, we will focus on our core businesses by strategically developing new markets, increasing sales and proposing new products. Outside Japan, we will proactively invest in North America and other parts of Asia and increase the ratio of specialty products in our lineup. I am confident that we will be able to achieve the goals of our medium-term management plan if we succeed in steadily implementing these measures.

The Riken Vitamin Group aims for sustainable growth by providing specialty products and services. We will also continue to engage in meaningful dialogue with our stakeholders so that they can share our confidence in the future of the Group.

We look forward to the continued support of our stakeholders.

Special Feature 1: Riken Vitamin's Specialties

Leveraging Strengths for a Sustainable Society

In our medium- to long-term vision, our goal for 2030 is to achieve growth by supporting a sustainable society with specialty products and services. For us, specialty means original products and services that are created based on our unique capabilities (technological, product development, raw material procurement, quality assurance, etc.). The Group has a wide array of businesses as well as specialties in each of its markets and fields. We are also capable of adapting these specialties in response to changes in the business environment. Area-specific specialties and key features follow below.



Specialties	Features
Research on seaweed seedlings	Under the slogan "From wakame to seaweed," this unique initiative helps contribute to the stable procurement of raw materials and the revitalization of communities.
Seasoning blending technologies	Our unique seasoning blending technologies that utilize naturally derived ingredients help to make consumers healthy and happy at the dining table.
Development and procurement of original raw materials	Delicious taste derived from natural materials is our goal for products such as scallop extract that has the top share of its market in Japan and Sozairyoku Dashi made with the finest ingredients.



Specialties	Features
Resolving food-related issues	We contribute to reducing food loss as well as energy and labor savings with solutions for extended best-before dates and enhanced production processes. (See page 32)
Resolving chemical product-related issues	We support the widespread use of environmentally responsible products by developing and proposing improving agents for bio plastics.
Discovery of new issues	We discover new issues by looking at changes in society and information we gain by providing value to customers in a wide range of fields.



Specialties	Features
Microcapsules	Our microcapsules have the ability to stabilize unstable materials and preserve fresh aroma. In addition, we have GMP-compliant production equipment and our microcapsules can be used as raw materials for pharmaceuticals.
Research on naturally derived ingredients	We research the active ingredients contained in seaweed and naturally derived pigments that we handle in the food and improving agent fields, and supply them as raw materials for health foods.
Vitamin production and formulation	We use the technologies we have developed since our founding to supply various vitamin products and vitamin premixes for general foods, health foods and pharmaceuticals.

Initiatives to Create Specialties

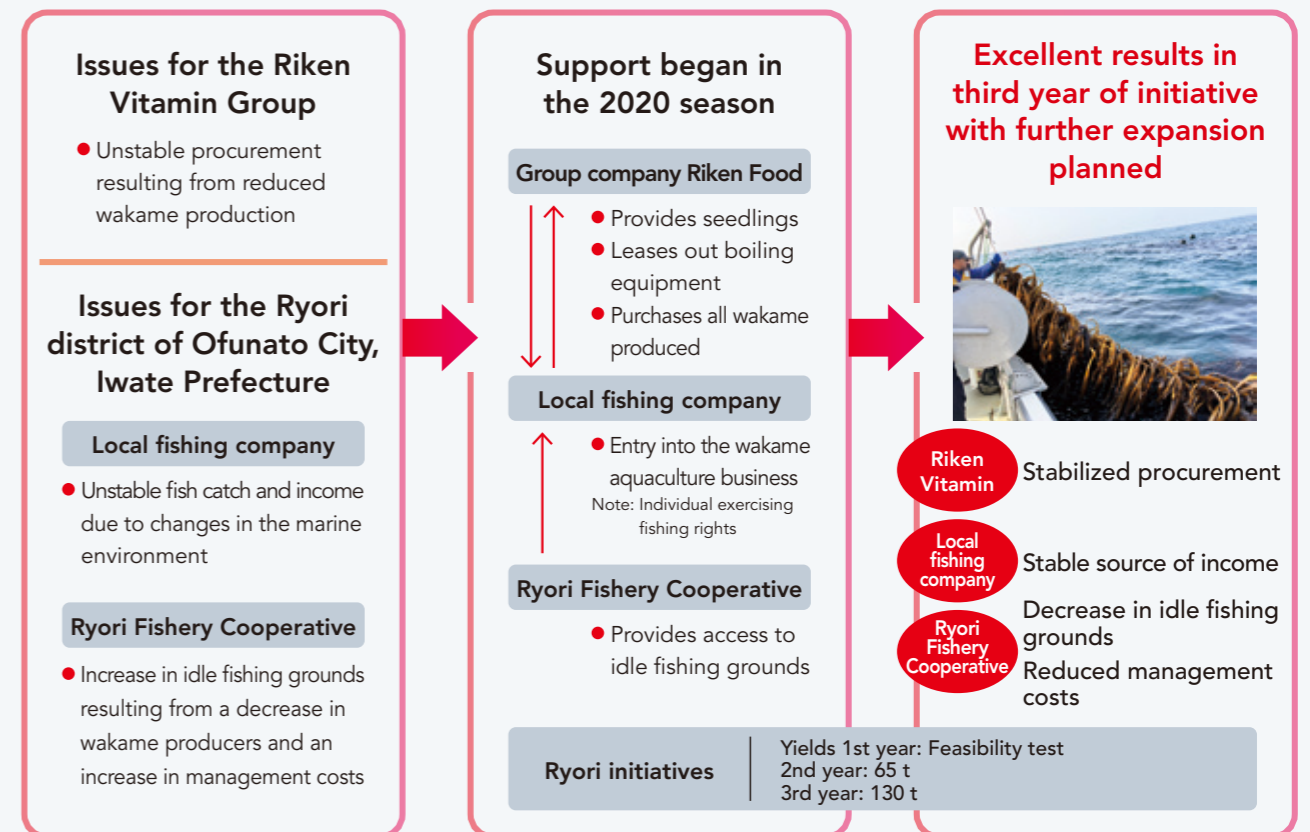
In March 2023, Riken Vitamin joined a coalition related to the next-generation synchrotron radiation facility NanoTerasu—a state-of-the-art giant microscope that can visualize matter at the nano level. We have concluded a joint research agreement with Tohoku University for the use of NanoTerasu, and we expect that it will support the development of new technologies and products, as well as human resource development through exchanges among researchers. NanoTerasu is scheduled to begin operation in 2024.



Source: Photon Science Innovation Center

Highlight | Contributing to the Stable Procurement of Wakame and Revitalization of Communities

Production of wakame has decreased in Japan over the past several years due to the aging of fishermen and changes in the marine environment. Stable procurement of raw materials has therefore become a key issue for the Group. In Iwate Prefecture, the Group collaborates with a local fishing company and fishery cooperative to support large-scale wakame aquaculture using idle fishing grounds. We provide wakame seedlings and production expertise, then purchase all of the wakame that the fishing company produces. This enables the Group to procure a stable supply of raw materials. Our approach also enables the fishing company to generate stable income, and the fishery cooperative to make effective use of idle fishing grounds. The Group will continue to help revitalize the seaweed industry.



Medium- to Long-Term Vision

Since our founding, we have focused on making effective use of natural materials and have contributed to society based on one of the main points of our Management Philosophy, which is to provide health and a rich dietary life to society through foods. We established our medium- to long-term vision in May 2022 in light of these policies and the shifting business landscape.

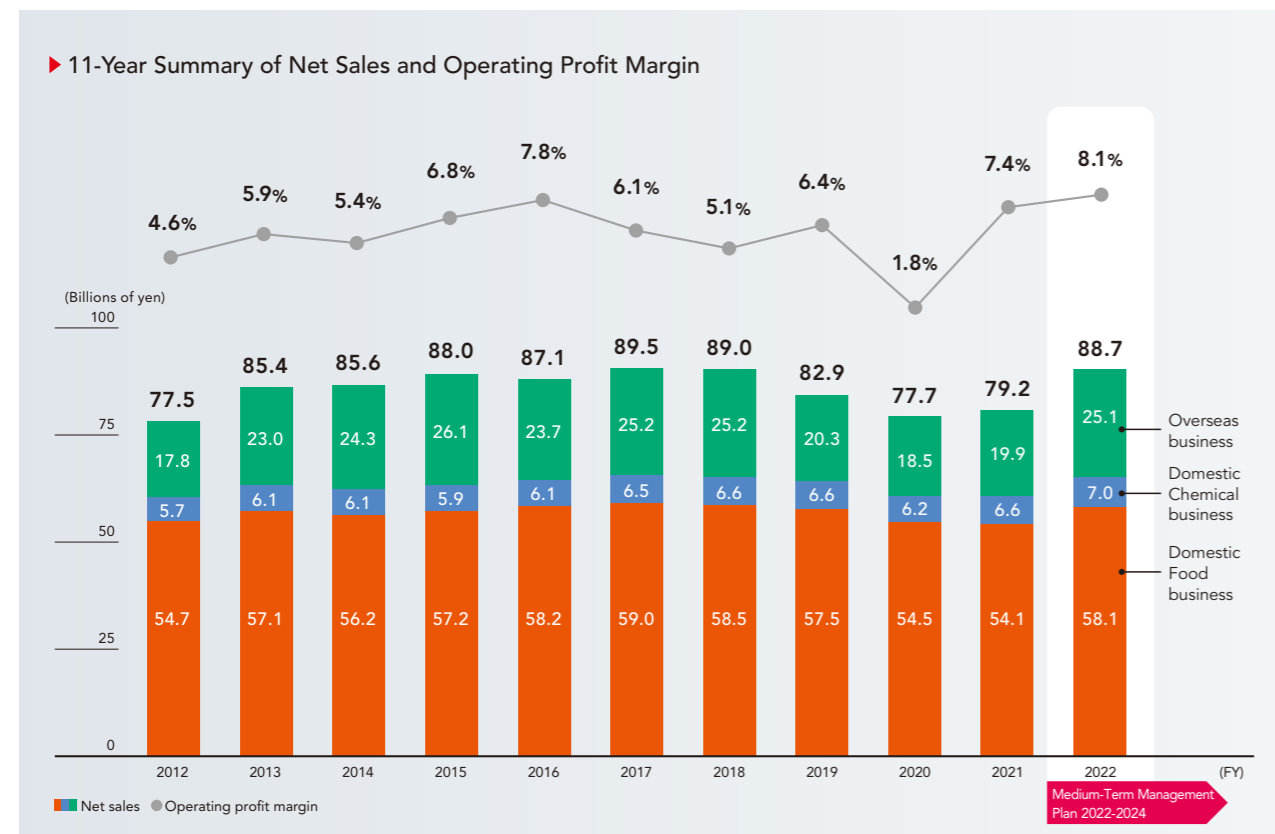
Medium- to Long-Term Vision (FY2022–FY2030)

Achieving growth by supporting a sustainable society with specialty products and services

Through the lens of sustainability, we will take a new look at the specialty products and services that utilize our unique strengths, and aim for growth to support a sustainable society by providing solutions to challenges in a wide range of fields.

Business Landscape and Challenges

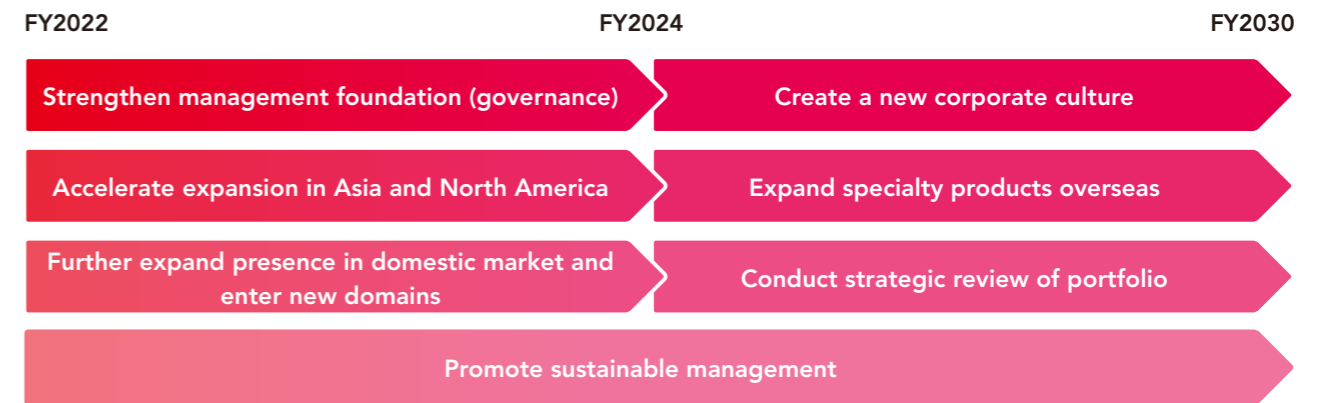
The key challenge in our business landscape is adapting to the changes in demographics, climate, and lifestyles. In addition, rising uncertainty makes predictions even more difficult, so we need to build a new corporate culture that is not an extension of the past. Looking at the 10 years beginning in FY2012, we generated moderate growth in the first half, but not as much in the second half. We positioned the Overseas business as a growth driver, but we have not scaled it up and must rectify this situation. We formulated the current medium-term management plan based on our recognition of the above issues.



Medium-Term Management Plan

Positioning and Basic Policies of the Medium-Term Management Plan

Our medium- to long-term vision covers the nine years through FY2030. Our current medium-term management plan covers the three years through FY2024, and is positioned as a period for strengthening our foundation and making investments for future growth. The basic policies for FY2022 through FY2024 and up to FY2030 are as follows.



Medium-Term Management Plan (FY2022–FY2024) Financial Indicators

Performance Targets

(Billions of yen)	FY2021	FY2022	FY2024 Target
Net sales	¥79.2	¥88.7	¥94.0
Operating profit	¥5.8	¥7.1	¥8.0
Ordinary profit	¥6.1	¥7.7	¥8.2
Profit attributable to owners of parent	¥21.5	¥6.4	¥6.5
ROE	38.3%	9.3%	8.0% or higher

Average forex rate: ¥113/USD 1 for FY2021 and ¥136/USD 1 for FY2022

Capital and Financial Policies

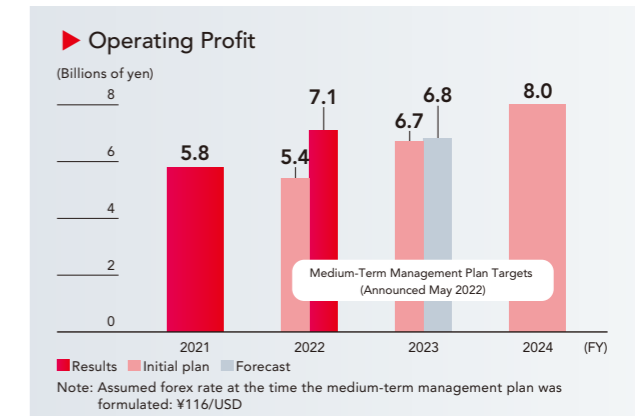
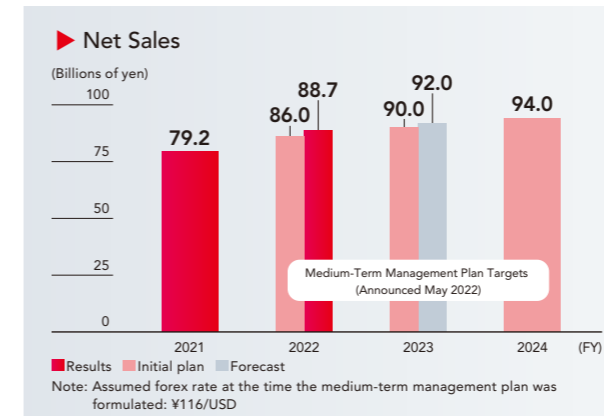
	Policies for FY2022 to FY2024
Cash allocation	Source: Approx. ¥30 billion (including approx. ¥5 billion from reduction of cross-shareholdings) Uses: Capital investment: approx. ¥10 billion; Dividends: approx. ¥5 billion; Interest-bearing debt repayment: approx. ¥10 billion; Strategic investment (investment in human resources, additional capital investment and shareholder returns): approx. ¥5 billion
Shareholder returns	Maintain stable dividends with a payout ratio of 30% or more
Cross-shareholdings	Reduce cross-shareholdings to less than 20% of consolidated net assets by March 31, 2025
Cancellation of treasury shares	Cancellation of 7 million shares (out of approximately 7.7 million shares) in May 2022

Medium-Term Management Plan

Medium-Term Management Plan (FY2022–FY2024)

The graph on the right presents progress toward the sales and operating profit targets of Medium-Term Management Plan (FY2022–FY2024). Actual results for FY2022 significantly exceeded targets due in part to substantial variance in foreign exchange rates and raw material prices compared with initial plan assumptions. The business environment for FY2023 also differs from our assumptions when we formulated the plan, but we expect results to be close to plan. If the current business environment continues, we expect to see a divergence between our initial targets and results for net sales and operating profit in FY2024, which will be the final year of the plan. However, we have not revised the plan at this time.

We will revise our targets for FY2024 if necessary once we have a clearer picture of the business environment.



Medium-Term Management Plan (FY2022–FY2024): Progress in FY2022

Strengthen management foundation (governance)

Target	Progress
1) Have an external organization evaluate the effectiveness of the Board of Directors	<ul style="list-style-type: none"> April 2023: Implemented evaluation by an external organization (details on page 44)
2) Strengthen and promote a succession plan	<ul style="list-style-type: none"> In December 2022, the Board of Directors considered the selection and training plan for successor candidates. This is scheduled for every December in the future.
3) Reduce cross-shareholdings	<ul style="list-style-type: none"> Net assets ratio as of March 31, 2023: 24.9% (down 3.8 percentage points from a year earlier)
4) Establish an organizational structure to strengthen cooperation between the Head Office and domestic and overseas subsidiaries	<ul style="list-style-type: none"> Reviewed the division of duties in the management and supervision departments of subsidiaries Added two people to the Internal Audit Department in April 2023 Strengthened cooperation between the Internal Audit Department, Audit and Supervisory Committee members and the Group Business Management Division Scheduled to conduct overseas inspections from FY2023 onward
5) Strengthen audit system	<ul style="list-style-type: none"> Initiated disclosure based on TCFD recommendations in July 2022 In FY2023, began disclosing a summary of financial results and certain time-sensitive information on the same day in Japanese and English
6) Enhance disclosure of accurate and easy-to-understand financial and non-financial information	

Further expand presence in domestic market and enter new domains

Target	Progress
1) Develop new products for markets adjacent to existing products	<ul style="list-style-type: none"> Furikakeru Zakuzaku Wakame, a new household product, became a hit
2) Approach existing customers with proposals for new product categories	<ul style="list-style-type: none"> Develop sales personnel with broad product knowledge through interdepartmental personnel transfers
3) Focus on the elderly care and prepared meal markets	<ul style="list-style-type: none"> Promote product development that contributes to nutritional enrichment Strengthen ability to make proposals through collaborative menu development with other manufacturers
4) Strengthen proposals for healthcare products such as vitamins, microcapsules and functional food product ingredients	<ul style="list-style-type: none"> Better sales results for crocetin and vitamins Decided to invest capital to increase production capacity
5) Propose products for reducing food loss	<ul style="list-style-type: none"> Two approaches for proposals: Reduction of loss during production and reduction of final product disposal
6) Research for revitalizing the seaweed cultivation industry	<ul style="list-style-type: none"> Supporting large-scale wakame aquaculture in cooperation with a fishing company and fishery cooperative Considering the profitability of the land-based seaweed farming business
7) Expand products for biomass plastics and biodegradable plastics	<ul style="list-style-type: none"> Strengthen proposals for improving agents that help enhance the biomass content of resins
8) Transform our production system so that it supports global supply chains	<ul style="list-style-type: none"> Strengthened cooperation with overseas factories by deploying technology developed in Japan Established a division within the Quality Assurance Department in April 2023 dedicated to addressing global issues

Accelerate expansion in Asia and North America

Target	Progress
1) Grow our businesses, especially food-improving agents for bakeries, chemical-improving agents, and extracts and seasonings in North America	<ul style="list-style-type: none"> Focus on expanding transactions with major manufacturers for improving agents For extracts and seasonings, strengthen proposal activities using our website Decided to strengthen the ability to propose improving agents in North America
2) Raise production capacity at overseas plants	<ul style="list-style-type: none"> Decided to invest capital in Tianjin Rikevita Food Co., Ltd. (China; scheduled for completion in FY2024) Decided to invest to increase production capacity of extracts and seasonings in North America

Promote sustainable management

Target	Progress
1) GHG emissions	<ul style="list-style-type: none"> Expand the use of solar power generation at locations in Japan and overseas Started purchasing green power
2) Reduce environmental impact	<ul style="list-style-type: none"> Added the Packaging Subcommittee to the Sustainability Committee in January 2023 In July 2023, launched a year/month format for the best-before date on some household food Ratio of female managers as of March 31, 2023: 3.8% (down 0.9 percentage points from a year earlier)
3) Promote diversity and inclusion	<ul style="list-style-type: none"> Ratio of global talent as of March 31, 2023: 6.8% (up 1.5 percentage points from a year earlier) April 2023: A woman was appointed general manager for the first time June 2023: Increased the number of female directors by 1 (2 female directors out of 11 directors)
4) Promote health management	<ul style="list-style-type: none"> Recognized as a Certified Health and Productivity Management Organization for two consecutive years

Financial and Capital Strategy

We will invest in growth while maintaining financial discipline.



Takahiro Tomitori
Director

FY2022 Results in Retrospect

The impact of COVID-19 eased during FY2022. At the same time, the business environment changed significantly due to factors including sharp increases in raw material and energy prices and exchange rate fluctuations. The rise in raw material prices had a particularly significant impact on the Riken Vitamin Group, but net sales increased 12% year on year to ¥88.7 billion because of higher sales in the Domestic Food business, the Domestic Chemical business, and the Overseas business. The Group also revised prices to accommodate the impact of higher costs associated with the price of raw materials such as oil and imported ingredients. Price revisions in the Overseas business had a particularly significant impact, as did initiatives to streamline advertising expenses in household foods (BtoC). As a result, operating profit increased 22.6% year on year to ¥7.1 billion, and ROE was 9.3%, exceeding our target for the final year of the medium-term management plan of 8.0%.

Progress of Capital and Financial Policies

Our progress in implementing the four capital and financial policies of Medium-Term Management Plan (FY2022–FY2024) presented on page 19 is as follows (excluding those related to treasury shares). [▶](#)

Cash Allocation

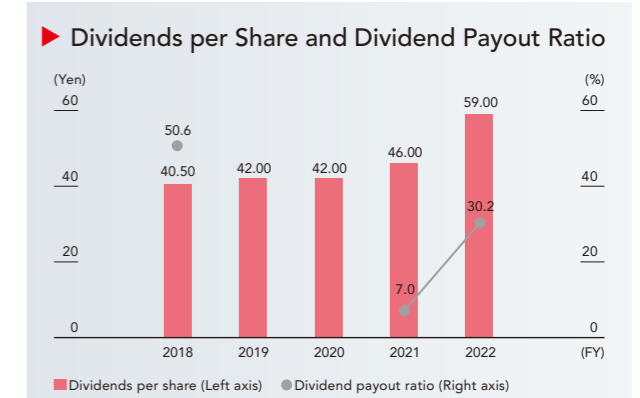


Operating cash flow and sales of cross-shareholdings are the sources of cash for allocation. Operating cash flow is stable.

We plan to make capital investments of ¥10 billion over three years. Investments in growth will include expansion of the Tianjin Factory for improving agents and the vitamin-mix wing of the Tokyo Factory, as well as investments in equipment maintenance and renewal. Capital investment during FY2022 was comparatively low at ¥1.6 billion. This was due to a delay in the timing of investment because we decided to make an addition investment in the Tokyo Factory and we reviewed the timing of some renewal investments. In FY2023, we plan to make capital investments of ¥3.3 billion. In addition, we will balance investment and financial discipline and plan to repay ¥10 billion in debt as a means to address changes in our operating environment and add stability to our financial base. Furthermore, we will allocate ¥5 billion for strategic investments in human capital, additional capital investments, sustainability investments, and shareholder returns.

Shareholder Returns

We increased dividends by ¥13 per share year on year in FY2022 to ¥59 per share, and the dividend payout ratio was 30.2%. We will maintain the dividend payout ratio at 30% or more as we comprehensively consider our business environment, earnings, financial condition, shareholder return ratio, and internal reserves for strengthening the management base.



1. Dividend payout ratios are not available for FY2019 and FY2020 because of net losses in those years.
2. The Company conducted a 2-for-1 stock split of its common stock, effective April 1, 2020. Dividends per share data above is adjusted for the stock split.

Cross-Shareholdings

We sold cross-shareholdings in 10 companies during FY2022, which decreased the ratio of cross-shareholdings to net assets to 24.9% from 28.7% in FY2021. Our target for this ratio is 20% or less, and we will continue to reduce cross-shareholdings to achieve it. Once we do, we will continue to reduce this ratio to an appropriate level. [▶](#) See page 45 for details.)

Cost of Capital Issues

ROE in FY2022 was 9.3% as a result of initiatives to improve profitability and balance sheet management centered on the sale of cross-shareholdings. Our performance indicators are starting to show the positive impact of our initiatives, and ROE has averaged around 6% over the last five years (excluding the period when it was significantly impacted by the discovery of improper accounting practices at a Chinese subsidiary*). ROE is now above 8%, which is the baseline target for Japanese companies. However, our price-book ratio was 0.9 times, so this market valuation indicator was below our dissolution value. Given our ROE of 9.3% for FY2022, our return on capital exceeds our calculated cost of capital, but our share price does not reflect this, for five main reasons:

- (1) Inadequate governance and improper accounting practices at the subsidiary in China;
 - (2) Poor performance with two consecutive years of net losses due to the issues at the subsidiary in China;
 - (3) Our shareholder return policy was not clear;
 - (4) Weak investor relations and lack of communication with investors; and
 - (5) Our policy for growth investments has not been clear.
- In other words, our business performance is recovering but our market valuation is not, and that means we have room for improvement. We take these issues very seriously and will continue to steadily implement the measures set out in the medium-term management plan in order to regain the trust of the market and meet its expectations.

* The subsidiary was removed from the scope of consolidation in the first quarter of FY2021.

Sustainable Increases in Corporate Value

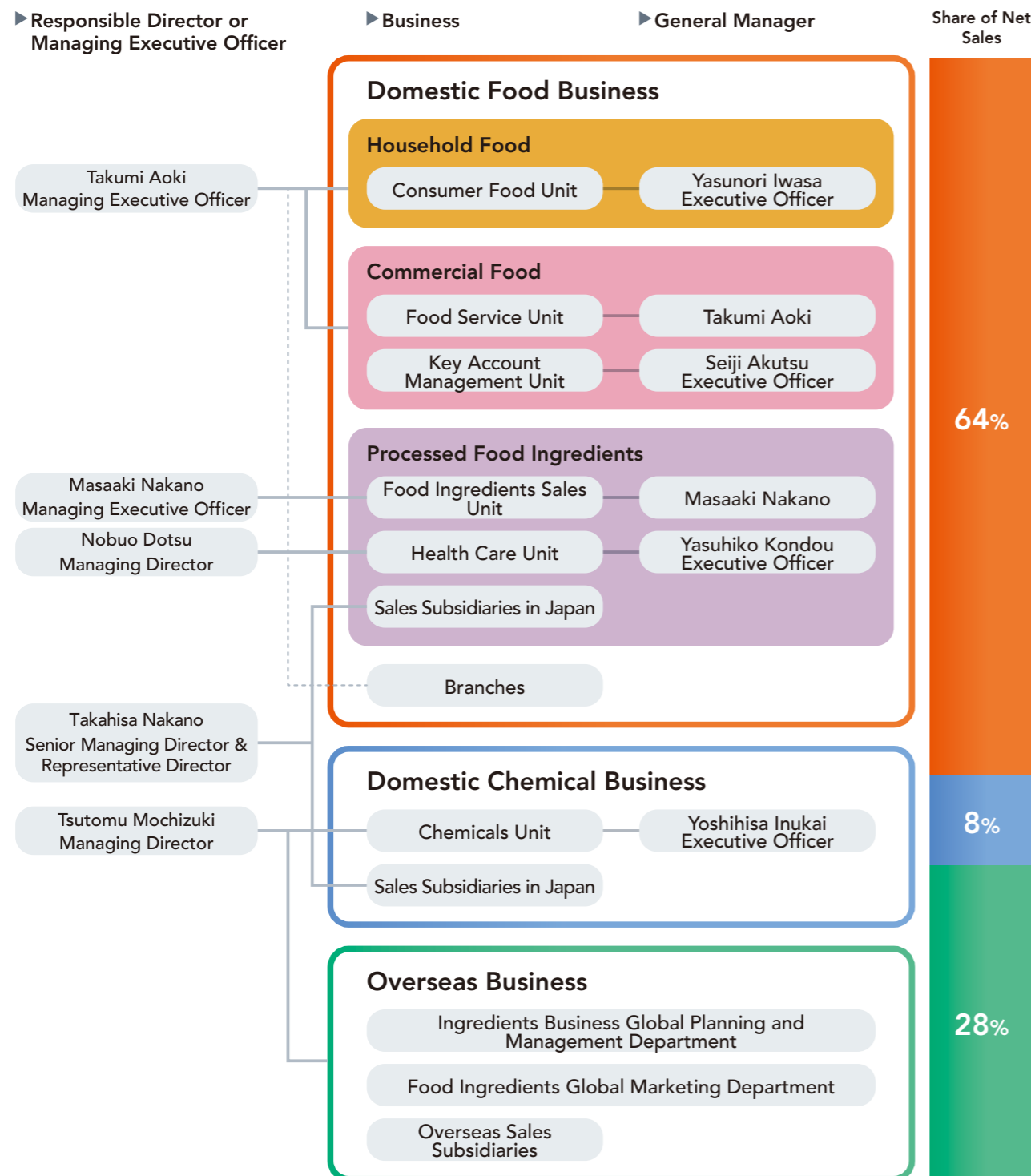
We will address the above issues by presenting a roadmap for strengthening governance and generating sustainable growth, and by maintaining communication with investors and shareholders. In addition to our capital and financial policies, our main initiatives include strengthening the effectiveness of the Board of Directors, internal controls, and IR activities. In April 2023, an external organization evaluated the effectiveness of the Board for the first time. We are also working with outside directors to create opportunities for communication with employees at factories, branches, and subsidiaries. In addition, we strengthened internal controls by enhancing the Audit Division and supervision of subsidiaries. Regarding enhancing IR activities, we are committed to improving the accuracy and clarity of information and expanding English disclosure. In FY2022,

in addition to focusing on individual investors, and we also held 54 one-on-one meetings with institutional investors. I attended 15 of the IR/SR meetings and received numerous comments about issues such as cross-shareholdings and improving capital efficiency. Feedback was reported to the Board of Directors. We will continue to engage in such dialogue as one way to improve our corporate value. In addition, in April 2023, we completely renewed our website and launched an IR site in English. The publication of this integrated report is another important step, and we hope it will be a tool for communicating with shareholders and investors to improve our corporate value. We look forward to hearing your thoughts on our initiatives.

Business Strategy

Business Segment Overview

In Japan, we have a sales structure organized around each product market in which units formulate strategies and develop business activities for their respective products. Overseas, a business unit formulates strategies for products manufactured in Japan and products manufactured by overseas production subsidiaries, and overseas sales subsidiaries market those products. We therefore have two geographical business areas—Japan and overseas—and three reportable business segments: the Domestic Food business, the Domestic Chemical business, and the Overseas business. An overview of each business segment is as follows.



Domestic Food Business | Household Food

Our objective is to achieve renewed growth by enhancing the profitability of existing products while providing new value that addresses changes in customer needs.



Yasunori Iwasa
Executive Officer and General Manager of Consumer Food Unit

Business Overview

We manufacture and sell dressings including Riken Non-Oil and Riken Salad Duo, seaweed products including Fueru Wakame-chan and Wakame Soup, Japanese-style seasonings including Sozairyoku Dashi, retort pouch foods, and other general household products.

Opportunities

- Growing consumer health consciousness, including reduced salt intake
- Formation of markets receptive to high-value-added products
- Increased social awareness of environmental issues

Risks

- Thriftier consumers due to rising prices
- Procurement instability and rising costs
- Dressing market contraction due to diversification of vegetable intake
- Fewer at-home cooking opportunities due to the expansion of the market for prepared meals
- Impact on sales of Sozairyoku Dashi from revision of additive-free labeling regulations

Initiatives to Address Opportunities and Risks

- ✓ Introduce new products in potential new markets adjacent to existing markets
- ✓ Steadily revise prices and restructure product mix in line with market changes
- ✓ Provide information that addresses health consciousness
- ✓ Conduct marketing to capture at-home cooking opportunities
- ✓ Revamp products to help resolve environmental problems

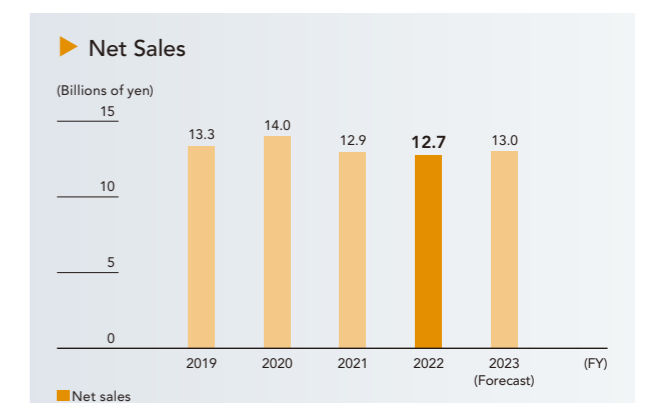
FY2022 Results

Food companies including Riken Vitamin increased their prices in FY2022 to address soaring raw material prices. Yet higher prices made consumers extremely thrifty, which negatively impacted results. We increased prices of seaweed products and soup stock, and sales volume for Fueru Wakame-chan and Wakame Soup declined after the price increases and did not recover. Sales of Sozairyoku Dashi increased year on year after the price increase because we used TV commercials and other marketing tools to stimulate demand and expand the customer base. Sales volume for non-oil dressings decreased due to the proliferation of private brand products* that appeal to cost-conscious consumers. In this environment, new product Furikakeru Zakuzaku Wakame, which features the flavor of Korean-style sesame oil, became a hit product that sold 1.2 million bags by March 2023 because of its texture and flavor.

* Private brand products: Products planned and developed by retailers and wholesalers, and sold under their own brand

FY2023 Outlook

The prices of food raw ingredients such as soy sauce, vinegar, and sweeteners have risen sharply along with manufacturing costs. As such, we will raise the prices of Riken Non-Oil products and flexibly restructure the product mix to improve profitability. In addition, we will review advertising centered on TV commercials to maximize synergies with strategic PR, digital advertising, promotions, and other measures. In addition, we will start displaying the month and year of expiration dates for some products to reduce food loss and lower the environmental impact of our entire supply chain.



Domestic Food Business | Commercial Food

We will respond to changes in lifestyles and create new growth opportunities by restructuring our product portfolio and offering multifaceted proposals.



Takumi Aoki
Managing Executive Officer and General Manager of Food Service Unit

Seiji Akutsu
Executive Officer and General Manager of Key Account Management Unit

Business Overview

We provide processed foods such as dressings, seaweed products, Japanese, Western and Chinese seasonings and soups, and rice seasonings for school lunch programs and the restaurant industry. We also propose a broad array of food ingredients and food-improving agents to processed food manufacturers and prepared meal market players including convenience stores.

Opportunities

- Expansion of the prepared meal and side dish markets due to deep-seated needs for time-saving and convenience
- Recovery of the tourism and restaurant industries due to an increase in the number of tourists
- Expansion of the elderly care and prepared meal markets as society ages
- Growing popularity of nutritionally balanced ready-to-eat products
- Productivity improvements driven by labor shortages in food-related industries

Risks

- Profit pressure due to rapidly rising raw material and energy prices and rising labor costs
- Intensifying competition in the growing elderly care and prepared meal markets
- Structural market changes and declining growth potential in Japan's food market

Initiatives to Address Opportunities and Risks

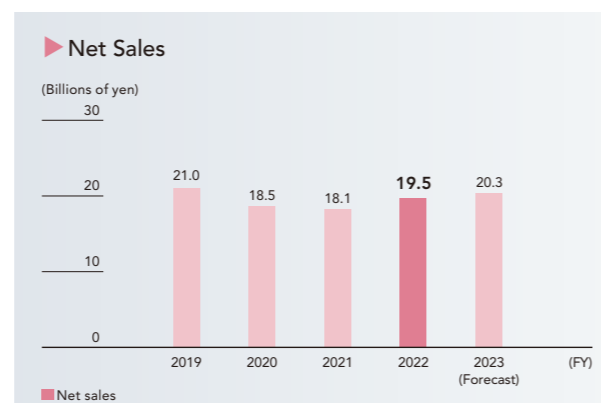
- ✓ Revise prices in line with raw material procurement conditions and continue to improve productivity
- ✓ Enhance solutions in terms of both food products and improving agents to address issues in the prepared meal market
- ✓ Address diversification in the business-to-consumer (BtoC) market by developing similar versions of household products and collaborating with partners to enhance our ability to make proposals
- ✓ Strengthen relationships with existing business partners by leveraging the advantages of our broad product lineup and network of business partners

FY2022 Results

Demand recovered in the food service and restaurant industries as COVID-19 restrictions eased and we enhanced our proposals in new prepared meal and elderly care markets. As a result, both net sales and sales volume increased even though we raised prices four times due to soaring raw material prices. Sales to convenience stores increased as new seaweed products gained traction. In addition, we raised prices throughout the year for processed food manufacturers and implemented multifaceted marketing that included proposing vitamins and improving agents to business partners who were mainly selling seasonings.

FY2023 Outlook

We will revise prices for products in the food service and restaurant industries as needed to address the rising costs of food ingredients. As in FY2022, inbound demand is expected to grow in the restaurant industry. However, needs are changing due to labor shortages and rising costs, and we must develop products that address those needs. We will also strengthen our ability to make proposals in line with diversification in the BtoC market. For convenience stores and processed food manufacturers, we will target the prepared meal and ready-to-eat food markets, which are growing despite the declining population.



Domestic Food Business | Processed Food Ingredients

In the market for food-improving agents, our goal is to be the partner of choice for customers. In the healthcare market, we aim to provide value by helping to extend healthy life expectancy and improving quality of life.



Masaaki Nakano
Managing Executive Officer and General Manager of Food Ingredients Sales Unit

Yasuhiko Kondou
Executive Officer and General Manager of Health Care Unit

Business Overview

We offer a wide range of products including food-improving agents, colorants and vitamins for processed food manufacturers, and vitamins and other healthcare product ingredients and functional food product ingredients for pharmaceutical and health food manufacturers.

Opportunities

- Growing interest in addressing food loss
- More diverse issues brought on by changes in eating habits
- Increased demand for pharmaceuticals and health foods due to Japan's aging population and heightened health consciousness

Risks

- Fluctuations in raw material prices, mainly oils
- Reduced ingredient use due to population decline and food loss countermeasures
- Heightened raw material procurement risk due to geopolitical factors and climate change
- Demand fluctuations due to the health food boom

Initiatives to Address Opportunities and Risks

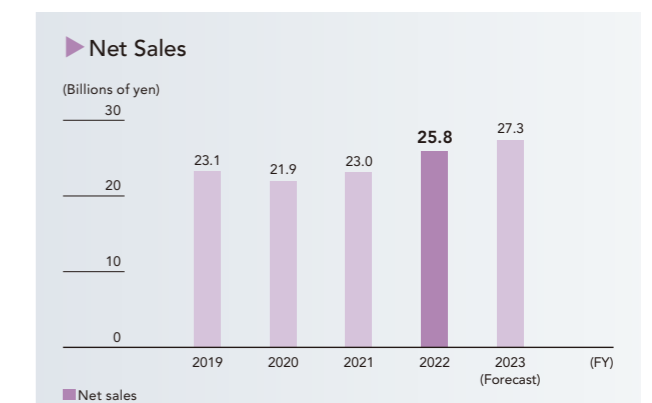
- ✓ Create an internal organization that excels at resolving issues
- ✓ Reduce food loss by extending best-before dates and improving production efficiency
- ✓ Propose alternative ingredients for items such as eggs that are in short supply and rising in price
- ✓ Ensure stable supply by strengthening procurement capabilities and coordinating among relevant units
- ✓ Develop new products and new functions for functional food product ingredients
- ✓ Sell healthcare products as ingredients for general processed foods

FY2022 Results

Healthcare product sales increased year on year. As in FY2021, we continued to increase food-improving agent prices in line with rapidly rising prices for oils, and reviewed low-margin products. As a result, net sales increased despite a marginal decrease in sales volume. In addition to raising prices, we also made proposals that address diversifying customer needs, including concerns about the supply of raw materials and the problem of food loss. In the healthcare market, sales of functional food product ingredients, vitamins, and microcapsules were strong.

FY2023 Outlook

For food-improving agents, we will continue to make necessary price revisions for some products that use increasingly expensive raw materials. New issues have emerged in the food industry due to rising costs and shortages of raw materials. Sales, development and production departments will work together to provide solutions that offer value customers appreciate. For healthcare products, we will increase sales of existing items while conducting R&D of raw materials for pharmaceuticals and functional foods, which require longer development periods than food. The transfer of microcapsule manufacturing operations to a new facility is underway and scheduled for completion during FY2023.



Highlight Healthcare Business

Riken Vitamin's Healthcare Ingredient Solutions

The healthcare business mainly handles raw materials for health foods and pharmaceuticals. We deploy unique technologies to develop products with added value and focus on proposing solutions that resolve customer issues.

Ingredient-driven Manufacturing



We emphasize stable procurement of quality raw materials. We are committed to high-quality ingredients, including vitamin E that is naturally derived from vegetable oil by-products, crocetin derived from gardenias that we market as Crovit, and the fertile leaves of wakame that are the raw material of Riken Mekabu Fucoidan. This commitment means we will go to the source to procure raw materials if necessary.

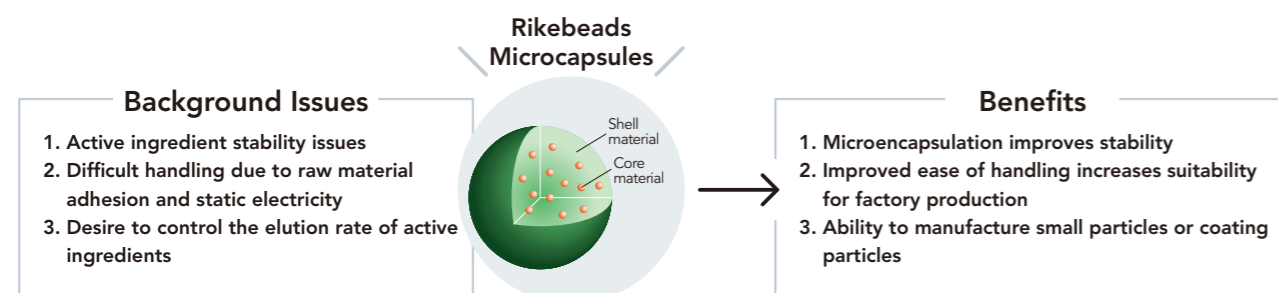
Unique Products and Development Capabilities



Our unique product lineup that other companies cannot imitate and the development capabilities that enable that lineup are strengths. We focus on developing products and ingredients unique to Riken Vitamin that support health, including microencapsulation processing technology and the functional food product ingredients Crovit, Riken Mekabu Fucoidan, and Papricarotene.

Microcapsules Resolve Issues related to Food and Pharmaceuticals

Rikebeads microcapsules are made up of fine particles coated with fragrances or functional materials sprayed onto a base hydrophilic gelling agent such as gelatin or agar using our proprietary spray cooling technology. Manufactured using GMP-compliant production equipment, this product can also be used as raw materials for pharmaceuticals.



Domestic Chemical Business

We will contribute to a sustainable society by increasing sales of environmentally responsible products for which markets will expand over the medium and long term.



Yoshihisa Inukai
Executive Officer and General Manager of Chemicals Unit

Business Overview

We provide chemical manufacturers with improving agents that effectively impart functionality and enhance processability for products ranging from plastics, rubber, and cosmetics to agricultural films and food packaging materials. Other businesses include the sale of feed oil.

Opportunities

- Growing market for decarbonization
- Popularity of ethical consumption
- Move to electric vehicles in the automobile industry

Risks

- Contracting markets for existing chemical products due to more stringent environmental regulations
- Intensifying competition in sustainability-related markets

Initiatives to Address Opportunities and Risks

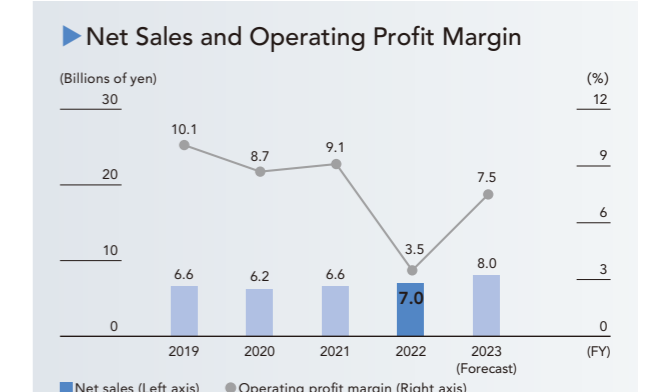
- ✓ Propose improving agents that leverage our strength in plant-based products
- ✓ Shift to high-value-added products in existing industries
- ✓ Enhance proposals for environmentally responsible products such as compatibilizers for natural materials and resins and improvers for bioplastics

FY2022 Results

Strongly impacted by soaring raw material prices, we focused on raising prices in the second half and net sales increased year on year. However, operating profit decreased significantly year on year because we restructured sales strategies in areas where profitability has deteriorated significantly due to rising costs. Sales volume decreased due to reduced demand in the chemical industry, and capital investments in the previous fiscal year incurred depreciation expenses. In other businesses, sales of feed oil increased year on year.

FY2023 Outlook

We anticipate that performance will recover due to the impact of the price increases in FY2022 and a gradual recovery in the industries of our business partners. In addition, we will address rising energy and other costs and review our product mix in line with the realities of raw material procurement to strengthen our profit structure. In sales activities, we will focus on acquiring new projects that had stalled due to price increase negotiations, develop the automobile and light electronic appliance markets (priority areas) and enhance proposals in the cosmetics market. In addition, we will promote the development of environmentally responsible products with the objective of creating a profitable cycle over the medium and long term.



Overseas Business

We will leverage our management resources developed in the Japanese market to provide comprehensive value as a sustainable growth driver in overseas markets.



Tsutomu Mochizuki
Managing Director

Business Overview

We produce and sell improving agents, extracts, and seasonings for food and chemical products at our overseas locations. We have customers in dozens of countries worldwide, mainly in Asia and North America.

Opportunities

- Global population growth and economic growth in emerging countries
- Growing appreciation of Japanese food culture
- Growing environmental awareness and interest in reducing food loss

Risks

- Fluctuating raw material prices and intensifying competition for commodities
- Increasing geopolitical risks that impact supply chains
- Compliance with the laws and regulations of countries
- Delays in hiring and training global talent

Initiatives to Address Opportunities and Risks

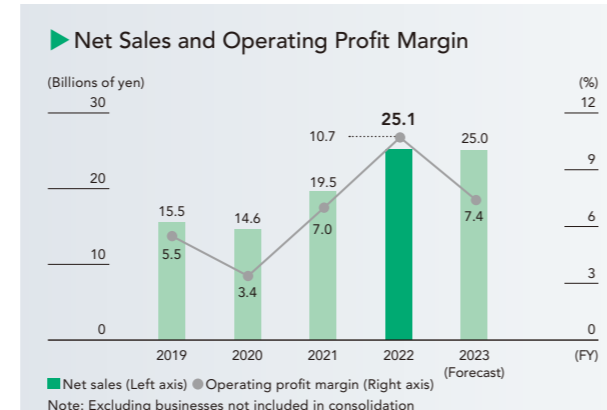
- ✓ Emphasize solutions-based sales that bring together Group sales, development, and production departments
- ✓ Optimize the balance between specialty and commodity products
- ✓ Strengthen global quality assurance capabilities
- ✓ Strengthen proposals for improving agents for food and chemical products to address heightened environmental awareness
- ✓ Upgrade production facilities

FY2022 Results

Raw material prices and ocean freight rates rose sharply in the first half of FY2022, but price increases progressed steadily amid special demand as customers secured inventory in response to global supply chain disruptions. Demand declined in the second half as monetary tightening in Europe and the United States caused concern about an economic slowdown. In addition to inventory adjustments, market prices declined due to falling raw material prices and competition intensified. We worked to maintain profitability in a challenging operating environment. During the second half, technical staff at the Application & Innovation Center in Japan resumed making direct proposals to customers outside Japan and took part in strengthening relationships with overseas customers. Although demand for specialty products declined due to market factors, net sales and operating profit increased significantly for the second consecutive year due in part to the impact of the weaker yen. By region, net sales and operating profit increased year over year in Asia, North America, and Europe.

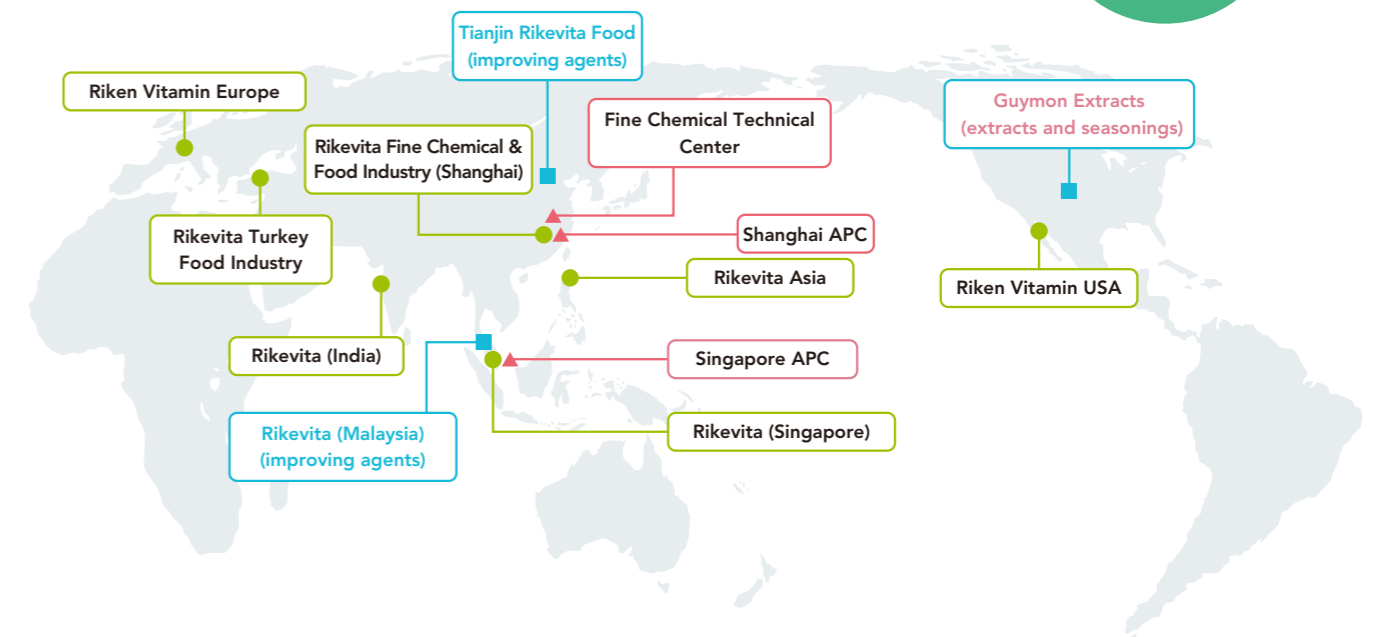
FY2023 Outlook

Higher prices for commodity products led to significant growth in FY2022, so we expect the opposite to occur in FY2023. In addition, economic stagnation overseas may be an obstacle to expanding sales of specialty products. In Asia, we will address these issues by intensifying market development in inland China, enhancing our presence in existing markets and cultivating new markets in Southeast Asia. In North America, we will enhance proposals with an emphasis on bakery products and expand extract and seasoning sales. We will also enhance proposals for improving agents for chemical products to address heightened environmental awareness. Furthermore, we will consider upgrading and strengthening overseas facilities to achieve medium- to long-term growth.

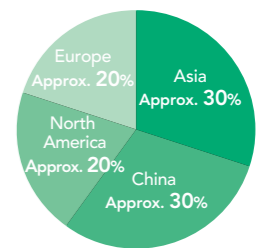


Overseas Network

- ...Sales location
- ▲ ...Application Center (APC)
- ...Production facility (improving agents, extracts, and seasonings)



Composition of Overseas Sales



Highlight

Our Evolution from Commodity to Specialty Products



Wataru Minami
Managing Director
Rikevita (Singapore) Pte Ltd

Rikevita (Singapore) is a sales company that operates in Southeast Asia, Oceania, India, and Pakistan. We mainly sell improving agents manufactured in Malaysia in the regions where we operate. Our primary market is Southeast Asia, which is exposed to global economic risk and country risk including political instability. However, the region has a large population, and we believe that the market has significant growth potential.

Our sales policy emphasizes increasing sales of specialty products. Since entering the overseas market, we have worked to expand our production capacity and strengthen cost competitiveness. In the current medium-term management plan, however, we aim to shift to sales of high-value-added specialty products.

We want our proposals to offer exceptional added value, so we must properly understand customer needs and address them with a sense of urgency. Since countries in Southeast Asia have different languages, food cultures, laws, and regulations, we have been proactively assigning sales personnel who understand the local conditions in each country. We have been promoting this initiative since FY2022.

We would like to earn the trust of our customers and increase our market presence by replicating the same solutions cycle as in Japan.

Special Feature 2: Application & Innovation Center

Solutions That Address Potential Issues and Drive Progress

We have an Application & Innovation Center (A&I Center) for food-improving agent research and development. In 2019, we consolidated development bases that had been dispersed among three factories to create an environment in which we are able to quickly share our collective knowledge of basic research results, technical expertise, and market information. Connection is the theme at this A&I Center, and it is a forum for interaction that connects relevant people, companies, information, and technology to create new value that transcends simply resolving issues related to processed food.

Four Types of Connection for Resolving Issues

Customer Issues and Needs

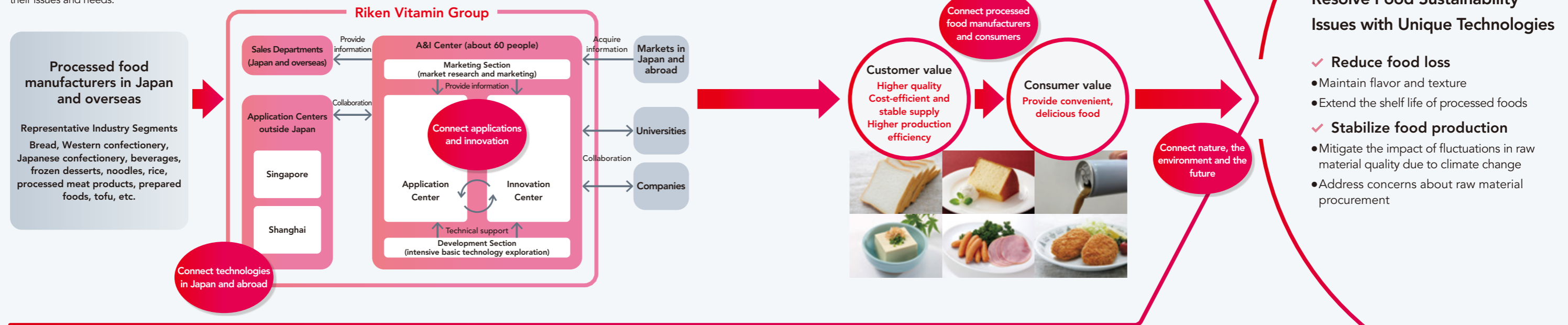
Members of our sales departments listen to processed food manufacturers in various industries to understand their issues and needs.

Members of the A&I Center Working Together to Resolve Issues and Address Needs

We aggregate the knowledge we have acquired in various industries and information from overseas bases, research institutes, and markets to provide carefully targeted, technologically sophisticated solutions.

Improving Agent Technology That Delivers New Value

Achieve both efficient production and deliciousness. Provide unique products and services that customers want.



Case Study A&I Center Value Creation

Reducing Food Loss with Products That Retain Their Deliciousness throughout a Long Shelf Life

Improved Bread Production

Bread manufacturers require mechanized mass production to supply bread at affordable prices. However, achieving both deliciousness and efficient production is a challenge. We resolve these issues by proposing improving agents that match the characteristics of raw materials and production lines.

A Solution for Mechanized Bread Production Lines

Issues: Investigate the causes that underlie needs (Raw material properties? Equipment issues? Something else?)

- ✓ Increase bread volume and softness
- ✓ Improve dough resilience
- ✓ Reduce dough stickiness

Experimental production under conditions similar to the customer's actual production line

Improvement → Value delivered

Improvement examples



Manager Comments



Developing New Food-improving Agents by Leveraging Knowledge from Prior Assignments

Ryuto Fukuda
Bakery Section
Application Center
Food Ingredients Development Department

We develop new improving agent formulations and propose recipes using existing formulations for the baking industry. Based on my experience working in a section unrelated to baking, I was able to commercialize a new formulation that used a different function than the previous baking applications. Responding to the diverse demands of customers is challenging work that requires a balance of speed and precision, but the in-depth analysis required for the process has also enhanced my own skills.

Riken Vitamin's Sustainability

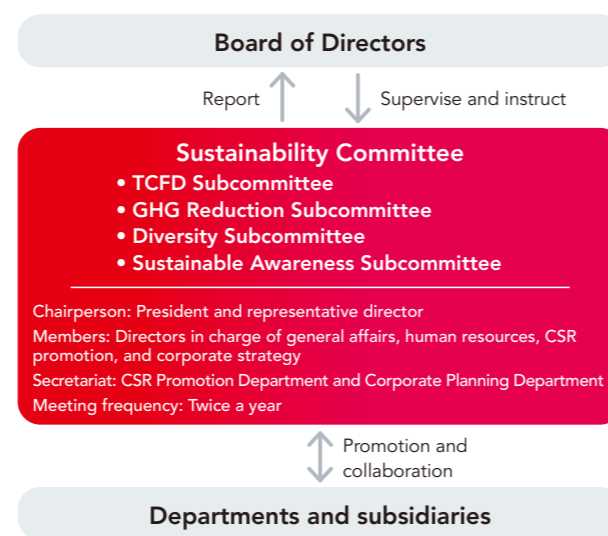
Basic Policies for Sustainable Management

The Riken Vitamin Group has contributed to society with its approach of making effective use of natural materials and through one of the main points of its Management Philosophy, which is to provide health and a rich dietary life to society through foods.

The future business environment is difficult to predict due to factors such as demographic change, climate change, and changes in eating habits and lifestyles brought on by the COVID-19 pandemic. Given this situation, in 2022 we established our medium- to long-term vision of achieving growth by supporting a sustainable society with specialty products and services. The medium-term management plan we launched in FY2022 sets forth our basic policies for sustainable management, the elements of which include promoting socially and environmentally responsible business practices under a sound governance structure; making social and environmental contributions through our business with specialty products and services to achieve sustainable growth; and gaining the trust of society and making employees proud to work for us.

Framework for Promoting Sustainable Management

The Riken Vitamin Group has established the Sustainability Committee, chaired by the president and representative director, to address sustainability issues. The Sustainability Committee has established subcommittees for key themes, which include reducing GHG emissions and promoting diversity and inclusion, and reports to the Board of Directors in a timely manner. The Board of Directors supervises the committee's activities and the progress of initiatives, and issues instructions to the committee as necessary.



Stakeholder Engagement

The Riken Vitamin Group interacts with stakeholders ranging from customers and business partners to shareholders and investors through its businesses. We actively engage in communication with our stakeholders to hear their opinions, requests, and expectations and to help them understand the Group.

Communication Map

Stakeholders	Primary Channels and Opportunities for Dialogue
Customers	<ul style="list-style-type: none"> Day-to-day sales activities Customer Service Center Website and social media
Shareholders and Investors	<ul style="list-style-type: none"> General Meeting of Shareholders Shareholder newsletters and integrated reports Briefings for analysts and investors, including individual investors Website
Business Partners	<ul style="list-style-type: none"> Procurement activities CSR Procurement Questionnaire
Employees	<ul style="list-style-type: none"> Promotion of health management Promotion of diversity and inclusion Negotiations and discussions with labor unions Communication through a self-reporting system
Communities, Government Organizations, and Research Institutes	<ul style="list-style-type: none"> Acceptance of visits from schools Participation in community events Joint research Support through the regional revitalization tax system (corporate version of hometown tax)
Non-profit Organizations and Non-governmental Organizations	<ul style="list-style-type: none"> Participation in JAWFP as a council member Membership in RSPO
Environment	<ul style="list-style-type: none"> Reduction of GHG emissions Conservation of water resources Conservation of biodiversity

Key Themes (Material Issues)

In 2019, we identified key themes (material issues) of our CSR activities. We organized important social issues for Riken Vitamin based on external guidelines such as ISO 26000* and the SDGs. We evaluated their importance from the two perspectives of relevance to our business and expectation from society in relation to the impact of Riken Vitamin in terms of opportunities and risks. We then identified six key themes (material issues) that are highly important to both society and the Riken Vitamin Group. We will contribute to the themes of consumers, pollution prevention, and environmental consideration through our business, and to the themes of diversity and inclusion, job satisfaction, and research and development through Groupwide activities. We will also contribute to the achievement of the SDGs through our key themes. In light of the growing importance of sustainability and changes in the Group's business environment, and as part of efforts to realize our medium- to long-term vision of achieving growth by supporting a sustainable society with specialty products and services, we plan to review our material issues during FY2023.

* ISO 26000: An international standard intended to provide organizations with guidance concerning social responsibility.



Key Themes		Relevant SDGs
Contributing through our business	Consumers	We provide appropriate information and deliver products that are safe and trusted. We also appropriately manage customers' personal information.
	Pollution prevention	We strive to prevent pollution of the environment by reducing waste and ensuring process control.
	Environmental consideration	We fight global warming and climate change through efforts such as reducing greenhouse gas emissions.
Groupwide contribution	Diversity and inclusion	We respect diversity and create a workplace that is easy and rewarding to work in.
	Job satisfaction	We maintain and promote a safe and healthy work environment where employees can be physically and mentally healthy and motivated.
	Research and development	We promote the development of new technologies, new applications, and new products.

TCFD Recommendations and Initiatives to Address Climate Change

TCFD

Governance

The Group has established a Sustainability Committee chaired by the president and representative director to address sustainability issues. The committee's TCFD Subcommittee holds Groupwide discussions on climate change risks, opportunities, and countermeasures, and discusses policies and plans at the Management Meeting as necessary. The Board of Directors has a system in place to receive timely reports approximately four times a year from the director responsible for the Sustainability Committee's discussion agenda and the content of reports and discussions at the Management Meeting.

Strategies

The Group manufactures and sells products using various natural products such as vegetable oil and seaweed. We purchase almost all vegetable oil-related raw materials from trading companies and oil manufacturers that import them to Japan. We then process these raw materials into products such as emulsifiers at our factories, and supply them to our customers. In addition, aquaculture production of wakame accounts for a majority of the raw materials we use for seaweed-related products, and its supply fluctuates significantly depending on weather, seawater temperature, and nutritional conditions during cultivation. We therefore recognize climate change as a material management risk from the perspective of business continuity.

In FY2022, we conducted scenario analyses for two of our businesses: the improving agents we produce in Japan and overseas that use vegetable oil as the primary raw material; and the food products such as seaweed, dressings, and soups we produce in Japan. Our scenario analyses focused on evaluating the financial impact of the 1.5°C/2°C scenario, which is the target of the Paris Agreement, and the 4°C scenario in which global warming progresses. As a result, we found that both transition and physical risks could have a significant impact on raw material procurement, and that physical risks could have a significant impact on our production facilities. The countermeasures described here summarize our current initiatives. In the future, we will consider specific countermeasures for risks and opportunities that have a material financial impact.

The Riken Vitamin Group uses agricultural and marine products as its primary raw materials, so we recognize that addressing climate change is an important issue for the Group. Based on this recognition, in April 2022 we announced our support for the Task Force for Climate-related Financial Disclosures (TCFD) recommendations. We will engage in dialogue with our stakeholders through appropriate information disclosure, which will help us achieve our objective of integrating sustainability and management.

Risks and Opportunities

Hypothetical Risks and Opportunities	Variables	Impact on Group Businesses	Degree of Financial Impact in 2030		Existing Initiatives	
			1.5°C/2°C	4°C		
Transition Risks and Opportunities	Government policies, laws and regulations	Introduction of carbon taxes	Overall increase in costs	Small	Small	<ul style="list-style-type: none"> Intensive energy-saving activities Use of renewable energy Use of biomass fuel Geographically diversified procurement Alternative product research and development Address customer needs and gradually increase procurement volume Product development that addresses changes in market needs Multifaceted management that disperses risk Differentiation from developing and increasing sales of high-value-added products in each business Enhance proposals for environmentally responsible products Ensure multiple reliable and stable suppliers Ensure systematic inventory Share risk information with customers Cultivate and consistently supply excellent wakame seedlings Expand the scope of research to seaweed other than wakame Formulation of business continuity plan (BCP) Introduce safety confirmation systems Educate employees with training and manuals Seismically reinforce facilities
	Technology	Replacement with decarbonized equipment and production methods	Increased capital investment costs due to the large-scale introduction of equipment to decarbonize production systems	Medium	Small	
	Market	Growing demand for biofuels	Increased vegetable oil procurement costs and expenses to develop alternative products	Medium	Small	
		Customer purchasing behavior that emphasizes sustainability	Increased procurement costs for certified products such as palm oil	Small	Small	
	Reputation	Expanded ethical consumption	Reduced sales due to inability to address demand for sustainable products	Small	Small	
Physical Risks and Opportunities	Rise in air and sea temperature	Decreased production of raw materials	Higher procurement costs, costs incurred to switch suppliers, and costs incurred to develop alternative products	Small	Large	
		Opportunity	Increased demand for improving agents for plant-derived chemical products such as environmentally responsible plastics and cosmetics	Small	Small	
	Water procurement risk	Aggravated water stress at production facilities	Decrease in sales due to suspended operations among raw material suppliers and production facilities	Minor	Ongoing surveys	
	More intense extreme weather	More frequent floods and heavy rain	Decrease in sales due to disruption of supply chains and production facility shutdowns	Small	Medium	
		Impairment of existing assets due to damage to plant and equipment at production facilities and investment required to replace with new assets	Small	Small		

Degree of Impact
 Large: At least 10% of net sales, at least ¥9.4 billion; at least 30% of ordinary profit, at least ¥2.46 billion
 Medium: At least 5% but less than 10% of net sales, ¥4.7 billion to ¥9.3 billion; at least 15% but less than 30% of ordinary profit, ¥1.23 billion to ¥2.45 billion
 Small: Less than 5% of net sales, ¥4.6 billion or less; less than 15% of ordinary profit, ¥1.22 billion or less
 Note: Calculated based on FY2024 medium-term management plan targets (net sales of ¥94 billion and ordinary profit of ¥8.2 billion)

Risk Management

The Group has established a Risk Management Committee to assess, reduce, and address risks related to business execution. We also manage the climate change risks we have identified through a Groupwide risk management system.

Benchmarks and Targets

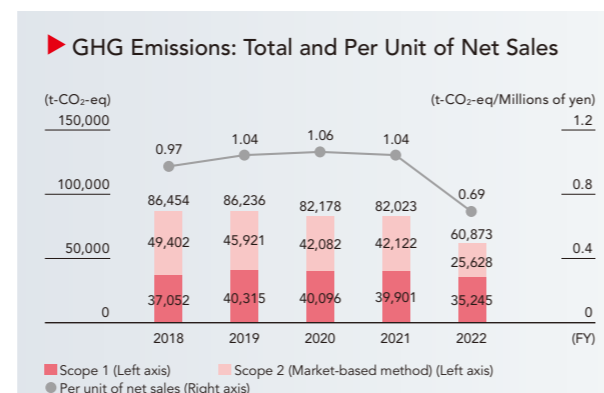
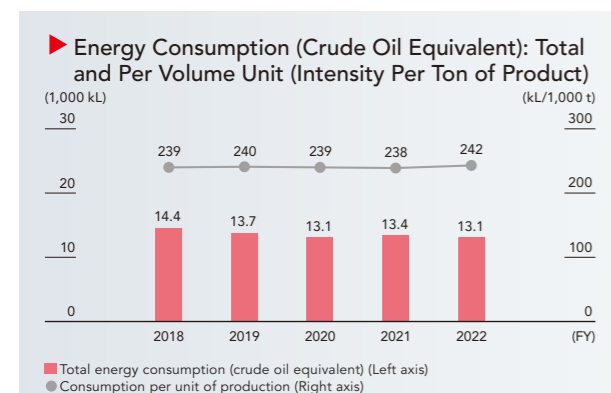
We aim to reduce the Group's GHG emissions (Scope 1 and 2) by 40% (compared with FY2018) by FY2030, and achieve carbon neutrality through net zero emissions by FY2050. In addition, we began calculating Scope 3 emissions in FY2023. We will proceed with calculations for high-emission categories while considering revised GHG emission reduction targets.

Riken Vitamin Group
 2030 GHG emissions
40% reduction
 (Scope 1 and 2; compared with FY2018)

FY2050
Targeting carbon neutrality

GHG Emission Reduction

We are targeting a 40% reduction in GHG emissions by FY2030 compared with FY2018, and in FY2022 we promoted energy conservation and used renewable energy in ways such as installing solar panels. GHG emissions in FY2022 were approximately 30% lower than in FY2018.



Initiative 1

Fluorocarbon Leak Prevention

Fluorocarbons are used as refrigerants in air conditioning, freezing, and refrigerating equipment, and can cause ozone layer damage and global warming when released into the atmosphere. Riken Vitamin conducts periodic and simple inspections of equipment that uses fluorocarbons to prevent leaks in accordance with the Act on Rational Use and Proper Management of Fluorocarbons. We calculated FY2022 leakage at less than 1,000 tons, and did not have a statutory reporting obligation. In addition, during equipment upgrades we are transitioning to alternative fluorocarbons that do not deplete the ozone layer and new refrigerants that have less impact on global warming.



Equipment at the Soka Factory that uses a new refrigerant

Initiative 2

Membership in the Carbon-Neutral LNG Buyers Alliance

Carbon-neutral LNG (CNL) is a carbon offset for the greenhouse gases generated in processes ranging from the extraction to the combustion of natural gas. This methodology promotes reducing emissions through CO₂ credits generated by environmental conservation projects in emerging countries and elsewhere. CNL is therefore considered to produce no CO₂ emissions on a global scale. Riken Vitamin has joined the Carbon-Neutral LNG Buyers Alliance. The alliance was established by Tokyo Gas Co., Ltd., which is involved in the procurement and supply of CNL, and members include companies that use it. The aim of the initiative is to popularize CNL and improve its utility value.



CNL Buyers Alliance

Human Resource Development

We encourage the independence of all employees so that they become skilled professionals with high-level expertise in resolving issues. We therefore provide employees with tier-specific training, career training, and department-specific training. We also provide support for self-development by subsidizing attendance at external business schools, incentivizing employees to obtain qualifications, and covering expenses for correspondence courses.

At the same time, diverse experience gained from such opportunities as personnel transfers after joining the Group and overseas assignments is also important for developing professional human resources. The Human Resources Department regularly holds personnel optimization review meetings to discuss the appropriate allocation of human resources to each business, and to discuss Groupwide perspectives such as successor candidate training plans and career paths. The Board of Directors draws on these insights in making decisions about personnel changes.

In addition, we are promoting diversity and inclusion, as well as health management to enhance the environment for human resource development. We also support the development of global talent.

Diversity and Inclusion

We have been promoting diversity and inclusion since FY2015 with the goal of becoming a company that creates new value with a corporate climate that fosters innovation by enabling diverse people to fully demonstrate their abilities. Our Code of Conduct, which we read aloud in workplaces, includes the concept of diversity and inclusion. Furthermore, in FY2022 we deepened understanding of various aspects of diversity by holding study sessions on color vision diversity and providing e-learning on support for balancing childcare and nursing care.

Promoting the Active Participation of Women

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we have established an action plan to increase, develop, and promote female employees. This includes setting targets at every stage, from hiring women and providing opportunities for growth to promoting them to appropriate positions.

Action Plans and Results Based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Riken Vitamin Co., Ltd. Only)

Increase	<ul style="list-style-type: none"> Target recruitment rate of 35% or more, including new graduates and mid-career hires, and expand job categories into manufacturing and sales
Develop	<ul style="list-style-type: none"> Work-life balance support system for career continuity (Reduced working hours and flextime work during childcare and nursing care, and enhanced remote work program for all employees) Systems to help people return to work after leave Career design training for female employees on the managerial track External training for newly appointed female managers (interaction with female managers from other companies) Programs to raise awareness of the importance of diversity among all managers through tier-based training Programs to encourage men to have higher quality involvement in their families, familiarize all employees with the guidebook for supporting both childcare and nursing care, and implement e-learning on childcare-related systems Percentage of eligible men taking childcare and other leave:¹ 111.5% (As of March 31, 2023)
Promote	<ul style="list-style-type: none"> Discussion of personnel allocation and training plans at personnel optimization review meetings led by the Human Resources Department Female section manager level target: at least 10% Percentage of female managers:² 3.8% (March 31, 2023); target: 6% (March 31, 2024)

Gender Pay Gap (Riken Vitamin Co., Ltd. Only)¹

All Employees	Full-time Employees	Part-time and Contract Employees
65.8%	66.9%	50.1%

1. The methodology prescribed by the Ministry of Health, Labor and Welfare is the basis for calculating the gender pay gap and the percentage of eligible male employees taking childcare and other leave.
 2. The methodology prescribed by the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015) is the basis for calculating the percentage of female managers.

Highlight

Initiatives to Encourage the Active Participation of Women at Factories

Initiatives to encourage the active participation of women include assigning female employees to the production lines of our factories.

In FY2022, production departments brought together female employees at factories to create a rewarding work environment in which diverse people could work comfortably and individuals could demonstrate their full potential. The meeting enabled participants to identify issues, share a wide range of best practices and exchange opinions about future issues. At a separate meeting of superiors and factory general affairs managers, participants introduced examples of how the assignment of female employees has improved work and the workplace environment by bringing in new perspective, as well as discussed future issues. The above initiatives created a good opportunity for communication among employees from different workplaces. These opportunities had decreased during the COVID-19 pandemic.

Expanding the scope of work for women is an important initiative, and we will continue to exchange opinions at our workplaces to further enhance the workplace and raise awareness.



Female employees at Soka Factory

Health Management

We began implementing health management in FY2018. Led by the president and representative director, the Human Resources Department and the General Affairs Department promote health management in collaboration with health cooperatives. The purpose is to maintain and improve the day-to-day health of employees and their families, leading to the creation of energetic workplaces with improved performance and enhanced productivity. We are also implementing health management in conjunction with work style reform to create a work environment that empowers the active participation of all employees.

Initiatives to prevent lifestyle-related and stress-related diseases

- Based on analysis of stress checkup results, conduct manager training to enhance workplaces
- Specific health guidance and smoking cessation programs based on the results of health checkups (all workplaces abolished smoking areas in 2019)
- Providing information on the health benefits of wakame to employee cafeteria management companies and nutrition administrators, and serving Group wakame products in employee cafeterias <https://www.rikenvitamin.jp/shokuiku/dictionary/> (Japanese only)

Support for the Active Participation of Global Talent

One of the basic policies of our medium-term management plan is to accelerate expansion in Asia and North America, so we are developing employees with a global perspective. We therefore define employees and candidates for overseas business and related operations as global talent, and aim to increase their ratio to all employees to 10% by 2030. This ratio was 8.4% as of March 31, 2023. In addition, we have a system that fully subsidizes the tuition fees for English conversation schools and online English conversation lessons. To encourage people to take on the challenge of working overseas and based on our regulations for expatriate employees, we offer incentives and welfare programs that are more generous than those available to employees in Japan.

External Evaluations

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, Japan's Ministry of Health, Labor and Welfare approved the Riken Vitamin Group for Platinum Kurumin Authorization in 2021 as a company with outstanding initiatives to help families raise children.

In addition, in March 2023 we were recognized as a 2023 Certified Health & Productivity Management Organization (large enterprise category) under a program by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Message from an Outside Director

I will help facilitate proactive change based on an understanding of the Company's strengths, and contribute to building a new corporate culture and sustainable growth.

► Biography

Joined Asahi Breweries Company (now Asahi Group Holdings, Ltd.) in 1979. After serving as general manager of the Sales Division of Asahi Breweries, Ltd., he assumed the position of president and representative director of the company. He has extensive experience and knowledge as a corporate manager, and supervises and advises Riken Vitamin's management from an exceptionally broad perspective.



Shinichi Hirano
Outside Director

■ Riken Vitamin is unique, which provides it with excellent potential to increase its corporate value.

I was appointed as an outside director in June 2021, but my impression of Riken Vitamin up to that point was very different from what it is now. I had thought of Riken Vitamin as a wakame seaweed and salad dressing company, but after participating in Board of Directors meetings, I came to realize that Riken Vitamin generates a majority of its sales and earnings in the BtoB market from commercial food products, processed food ingredients, and improving agents for food and chemicals. Riken Vitamin's food-improving agent operations are integrated from basic research to application proposals. This enables the Company to provide optimal solutions to customer companies, and innovate in the world of food. I imagine that many people see Riken Vitamin as a BtoC company as I once did, but I want people to know more about Riken Vitamin's strong intrinsic growth potential.

In addition, Riken Vitamin has its roots in the Institute of Physical and Chemical Research, which is probably why frequent research presentations and product manager meetings are characteristic of the company. Board members including the president, senior managing directors, and executive officers participate in research presentations and similar meetings. Research presentations are generally held within the Research and Development Department, and directors rarely give explanations or answer questions from

attendees in other departments. I am convinced that research presentations can create common understanding within the Riken Vitamin Group even though it is very diverse.

Outside directors visited factories, branches, subsidiaries, and other locations during FY2022 and exchanged opinions. While listening to various people on the front lines, I sensed the potential in all processes from development and manufacturing to sales. The use of naturally derived raw materials for improving agents also supports environmental responsibility. As such, Riken Vitamin can further improve its corporate value from the perspective of sustainability.



■ Human resource strategy and capital investment are key to realizing the medium- to long-term vision.

Riken Vitamin's medium- to long-term vision is to achieve growth by supporting a sustainable society with specialty products and services, and the Board of Directors also discusses how Riken Vitamin can leverage its unique strengths in specialty products. These discussions have given me a new understanding of the kind of research Riken Vitamin is doing, and have led me to realize that specialty products are the outcome of extensive research. It is important for those involved in R&D to be properly evaluated not only within the Company, but also by customers and others, and this directly affects their motivation. Riken Vitamin has extremely talented people, and supporting their growth will empower the creation of even more unique, number-one products. This is why human resource strategy is so important.

Based on my own experience at a manufacturing company, a human resource department that can fairly evaluate all departments within a company is crucial for managing human capital. Organizations tend to be vertically structured, but I strongly feel that the unit responsible for human resource deployment should have the responsibility of fairly evaluating research and development, manufacturing, sales, and marketing to empower optimal outcomes.

In addition, during factory visits I realized that Riken Vitamin's physical plants are generally on the older side. On that point, I strongly believe that increased capital investment is a key issue for efficient production. In terms of cash allocation, Riken Vitamin has announced the allocation of ¥10 billion for investments in growth, maintenance, and renewal, and ¥5 billion for strategic investments including additional capital investment. In order to provide reliable and excellent products, Riken Vitamin must properly balance internal capital reserves and investment while increasing the satisfaction of all stakeholders.



■ Leadership will drive the creation of a new corporate culture.

I became an outside director during FY2021. This was also the year that Riken Vitamin focused on restoring trust and formulating long-term strategies for the next phase of growth as well as streamlining management and reducing risk in ways such as resolving the debt of a consolidated subsidiary in China. Board meetings in FY2021 showed me that Riken Vitamin's management team is fully aware of the importance of risk management. I have experience doing business in China, which typically involves a number of difficult issues. The management team's decision to transfer the equity and cancel the debt was excellent, and deserved greater appreciation among stakeholders than it received.

As an outside director, I give the management team high marks for the initiatives to restore the trust of all stakeholders under the leadership of President Yamaki. The management team learned from mistakes and rigorously implemented initiatives that included reviews of the effectiveness of the whistleblower system and the compliance system. President Yamaki himself is open to what Board

members have to say, so the process of strengthening Riken Vitamin's management foundation helps create an environment in which everyone can express their opinions. Risk management absolutely requires an environment that facilitates discussion.

Governance is the foundation of management, and Riken Vitamin is strengthening this foundation during the current medium-term management plan by building organizational structures that deepen cooperation between the Head Office and subsidiaries in Japan and around the world, and by enhancing the disclosure of financial and non-financial information in a format that is accurate and easy to understand. The current management team is able to succeed in doing so because it facilitates dialogue. Generating profits is a priority for companies, but following the right process in doing so is critical. I believe that Riken Vitamin will foster an outstanding corporate culture and continue to create the future of food through its ongoing initiatives to strengthen and invest in its management foundation.

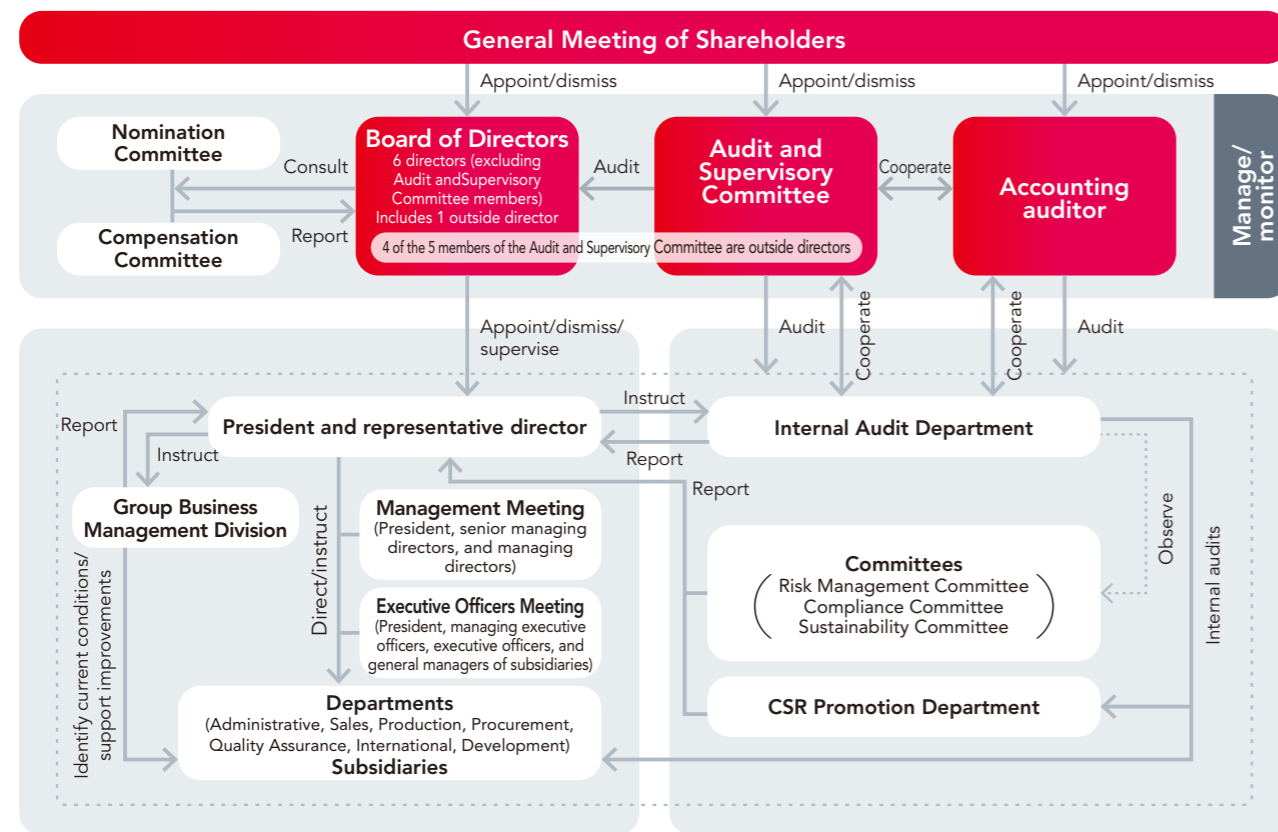
Corporate Governance

Basic Approach

Enhancing corporate governance is a priority management issue for Riken Vitamin. Our initiatives to achieve sustainable growth and increase corporate value over the medium and long term include doing business in accordance with our Management Philosophy and increasing the trust of shareholders and other stakeholders while creating a framework that enables swift, decisive decision-making that takes risk into account.

Governance System (As of June 27, 2023)

In 2017, we transitioned to a company with an audit and supervisory committee to improve the supervisory function of the Board of Directors and expedite management decision-making. The Board of Directors has 11 members, including five directors who are Audit and Supervisory Committee members. Five of the directors are outside directors. In addition, we have introduced a managing executive officer system and an executive officer system to improve management efficiency and strengthen business execution. Furthermore, we have established a Nomination Committee and a Compensation Committee as a framework of advisory bodies to the Board of Directors that ensures objectivity and transparency in the process of appointing and dismissing directors and determining compensation. Outside directors serve as chairs of both committees.

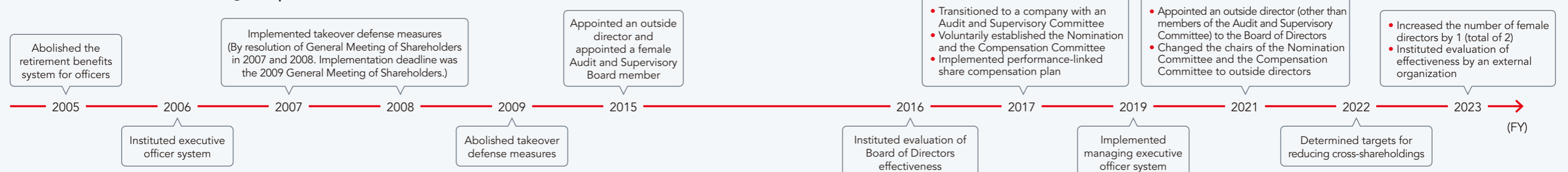


Skills Matrix

Our corporate governance guidelines delineate the people we require as directors, and we are committed to optimizing overall balance, diversity, and scale. We have formulated the following skills matrix of the representative knowledge, experience, and abilities of each director, which include corporate management, global affairs, legal and risk management, finance and accounting, sales and marketing, development, production, and quality assurance.

		Skills								
		Corporate Management	Global Affairs	Legal Affairs and Risk Management	Finance and Accounting	Sales and Marketing	Development	Production	Quality Assurance	Expertise
Kazuhiko Yamaki	President & Representative Director	○		○		○				
Takahisa Nakano	Senior Managing Director & Representative Director					○	○		○	Doctor of Agriculture
Nobuo Dotsu	Managing Director			○			○			
Tsutomu Mochizuki	Managing Director	○	○			○		○		
Takahiro Tomitori	Director			○	○					
Shinichi Hirano	Outside Director	○				○				
Eiichi Kato	Director, Full-time Audit and Supervisory Committee Member			○					○	
Satoshi Fujinaga	Outside Director, Full-time Audit and Supervisory Committee Member	○	○	○						
Towa Sueyoshi	Outside Director, Audit and Supervisory Committee Member			○						Attorney-at-Law
Wataru Sueyoshi	Outside Director, Audit and Supervisory Committee Member			○						Attorney-at-Law
Ayumi Ujihara	Outside Director, Audit and Supervisory Committee Member			○	○					CPA
Shinichi Koyama	Managing Executive Officer							○		
Masaaki Nakano	Managing Executive Officer		○			○				
Takumi Aoki	Managing Executive Officer					○				

Our Evolution in Enhancing Corporate Governance



Corporate Governance

Evaluation of Board of Directors Effectiveness

Since FY2016, Riken Vitamin has analyzed and evaluated the effectiveness of the Board of Directors based on self-evaluations by each director and the opinions of the Audit and Supervisory Committee members and outside directors. We also enhanced evaluation effectiveness in April 2023 by instituting an evaluation by an external organization using questionnaires and interviews.

Evaluation items: 1. Board composition and operation; 2. Management strategy and business strategy; 3. Corporate ethics and risk management; 4. Management evaluation and compensation; and 5. Dialogue with shareholders and other constituents

FY2023 Evaluation Results	Initiatives to Address Issues Identified in FY2022 and Status of Improvements	FY2023 Issues and Improvement Measures
Evaluation focused on issues that are fundamental to corporate governance including the basic operation of the Board of Directors, the process of verifying the propriety of cross-shareholdings and supervision of the internal control system. Evaluation results generally indicated that the Board of Directors operated effectively.	The following issues were identified in FY2022. We recognized successful and relevant improvements in terms of the shared understanding among Board members and initiatives for setting agendas and deepening discussion. <ul style="list-style-type: none"> In-depth discussions of medium- to long-term management policies and discussions of corporate governance and sustainability Recognition of risks in expanding overseas business and discussion of measures to address them 	We recognized that enhancing sophistication would require us to invigorate discussions related to the following items from the perspectives of contemporary trends in governance and deeper big-picture discussion of strategies. <ol style="list-style-type: none"> Allocation of resources from the perspective of total optimization (business portfolio management) Appropriate supervision of human resource strategy (discussion combined with management strategy) Continued consideration of Board diversity to support the discussions

The Board of Directors will address these issues by following up on digital transformation initiatives that are now under way while considering plans and monitoring their steady progress. We intend to further improve effectiveness from a medium- to long-term perspective using the PDCA cycle to evaluate the effectiveness of the Board of Directors, an initiative we will continue to implement in the future.

Officer Compensation

Basic Policy for Determining Officer Compensation

The Board of Directors of Riken Vitamin resolved at a meeting on February 25, 2021 to establish the following basic policy for determining officer compensation.

- The officer compensation system shall be designed to motivate officers to contribute to the improvement of medium- to long-term business performance and thus enable ongoing improvement of corporate value.
- Officer compensation shall be limited to the total compensation determined by resolution of the General Meeting of Shareholders. The Board of Directors shall determine compensation for directors who are not on the Audit and Supervisory Committee pursuant to deliberation by the Compensation Committee, which shall be chaired by one of the of outside directors (who make up the majority). The Audit and Supervisory Committee shall determine the compensation of its component directors through discussion.
- Compensation for directors shall be determined and paid according to the standard for their positions and based on maximum employee compensation. Standard compensation for each position shall be determined after comprehensively considering factors including general industry standards, business performance, individual contribution, and comparative relationship with employee compensation.

Process for Determining Officer Compensation

The process for determining officer compensation shall be objective and transparent. The Compensation Committee, which is an advisory body to the Board of Directors, shall deliberate on proposed compensation from a variety of perspectives including consistency with the policy for determining compensation, and report its findings to the Board of Directors. The Board of Directors shall give due consideration to this report and approve compensation for officers individually.

Compensation System for Directors (Excluding Audit and Supervisory Committee Members)

Type of Compensation	Parameters	Percentage of Compensation
Fixed compensation	Comprehensive consideration of factors including business performance, employee compensation increases, individual contribution, officer tenure, comparative relationship to employee compensation, variance among positions and prevailing norms.	Up to 80%
Performance-based compensation	<ul style="list-style-type: none"> Bonus Total bonus compensation shall be calculated by multiplying baseline bonus as per the above compensation policy using a coefficient that represents the percentage of performance targets achieved. This coefficient shall be the midpoint between the percentage of the targets achieved for operating profit and net income attributable to owners of parent. However, bonus compensation cannot exceed 100% of baseline, even if the percentage of targets achieved exceeds 100%. Performance-linked share compensation Eligible officers receive point awards based on the percentage of business performance targets achieved for each fiscal year. Upon retirement, directors receive Riken Vitamin shares according to the cumulative number of points awarded. (Refer to the point calculation formula on page 45.) 	Baseline bonus compensation shall be at least 20% of total compensation, and baseline performance-linked share compensation shall be 10% of total compensation.

Point calculation formula: (Amount of share compensation determined by position ÷ Average unit price of Riken Vitamin shares acquired by the Trust) x Performance-linked coefficient*

* The performance-linked coefficient ranges from 0% to 200% according to the percentage of the targets achieved for consolidated operating profit and net income attributable to owners of parent each fiscal year.

Compensation System for Directors on the Audit and Supervisory Committee

Directors on the Audit and Supervisory Committee only receive fixed compensation, and they determine individual compensation through discussion among themselves.

Total Director Compensation (FY2022)

Officer Category	Total Compensation (Millions of yen)	Total Compensation by Type (Millions of yen)				Number of Eligible Officers
		Base Compensation	Performance-based Compensation		Retirement Benefits	
			Bonus	Non-monetary Compensation		
Directors (Excluding directors on the Audit and Supervisory Committee)	239	155	45	39	—	8
(of whom, outside directors)	10	7	2	—	—	1
Directors on the Audit and Supervisory Committee	65	65	—	—	—	5
(of whom, outside directors)	48	48	—	—	—	4

Cross-Shareholdings

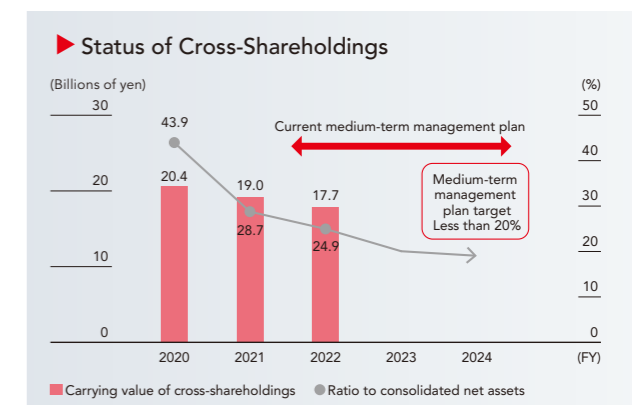
Basic Approach

Riken Vitamin aims to achieve sustainable growth and increase corporate value over the medium to long term by implementing effective corporate governance. Therefore, as part of its management strategy encompassing business alliances, funding, stable procurement of raw materials, and sales policies, the Company holds shares in companies that the Board of Directors deems necessary, taking into consideration the risks and returns associated with such holdings. The significance of continuing to hold each individual stock is verified annually by the Board of Directors from both quantitative (status of operating transactions, dividend yield, etc.) and qualitative (smooth business relationships and other factors) perspectives.

Goals and Progress

During the current medium-term management plan, we aim to reduce the ratio of cross-shareholdings to less than 20% of consolidated net assets by March 31, 2025. In accordance with this policy, we are proceeding with the sale of shareholdings we judge to be less meaningful pursuant to dialogue with the issuer.

In the fiscal year ended March 31, 2023, we sold shares held in 10 companies valued at ¥304 million. As of March 31, 2023, cross-shareholdings on our consolidated balance sheet totaled ¥17,777 million, which represented 24.9% of consolidated net assets of ¥71,371 million.



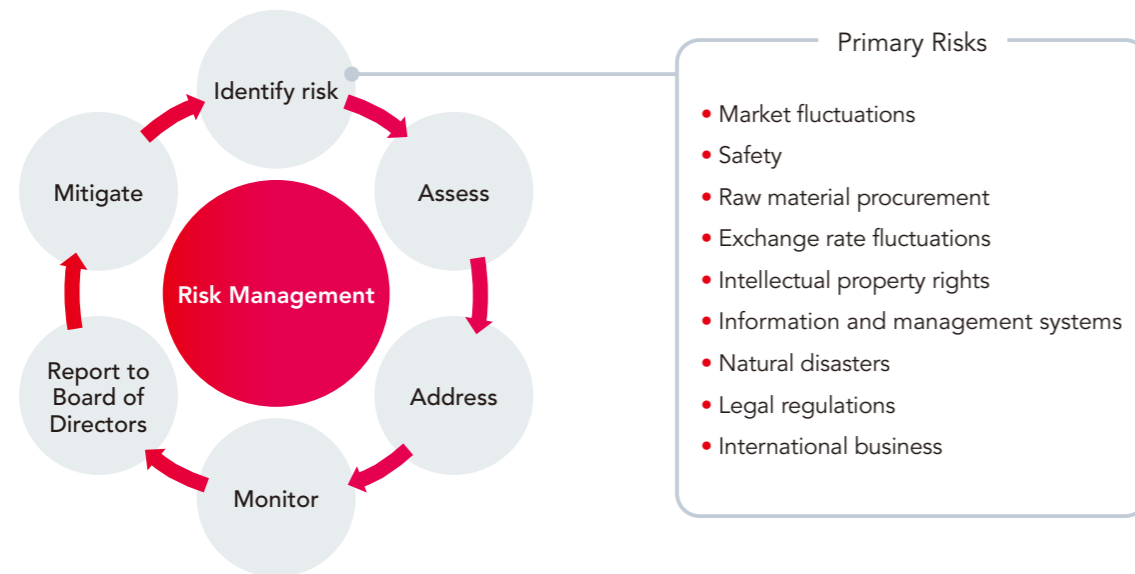
Risk Management and Compliance

Risk Management

The Riken Vitamin Group's risk management system helps to maintain the credibility of the Group by improving operational effectiveness and management efficiency. The system enables us to appropriately identify potentially material risks related to our business activities, preclude normally occurring risks, and protect Group assets in the event of a management crisis.

System for Identifying and Monitoring Material Risks

Until 2021, the Group took a bottom-up approach to risk management, whereby each unit identified and assessed risks. In 2022, we transitioned to a top-down approach that involves quantitatively and qualitatively assessing Groupwide risks related to business activities, identifying relevant units and exposure, and reporting to the Board of Directors prior to taking action to manage the identified risks. The director responsible for general affairs chairs the Risk Management Committee, which is responsible for risk monitoring activities. The Risk Management Committee consists of members selected from Riken Vitamin and its subsidiaries, and periodically reports to the Board of Directors.



Media Training

Risk management activities in FY2022 included a media training program to address a hypothetical management crisis. Conducted in cooperation with an external company, the training program involved 52 participants (both online and in-person) and had two components: a crisis response headquarters meeting drill and a simulated press conference. After the training, the attendees confirmed their understanding of the importance of preparing for emergencies, and we reviewed related manuals following the program.

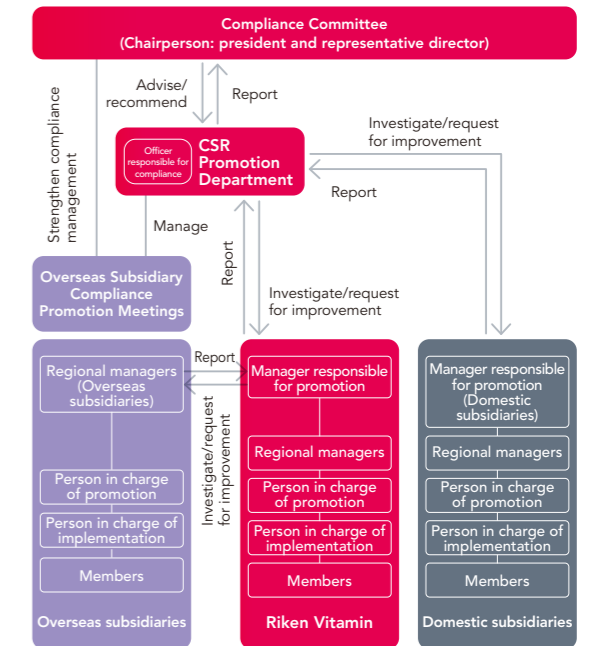


Simulated press conference

Compliance

Framework

The Group has established its Code of Conduct as a practical standard for compliance, and has established a Compliance Committee chaired by the president and representative director to strengthen compliance management and promote compliance practices. In addition, each unit has placed people in positions responsible for promoting compliance and implementing compliance activities as well as maintaining and improving compliance awareness. We are also enhancing compliance management by sharing information at Overseas Subsidiary Compliance Promotion Meetings on activities that include study groups for local compliance issues and case studies of compliance violations at other companies. Information is also shared with the CSR Promotion Department and the Group Business Management Division, which is responsible for overall management and guidance of Group companies, in order to strengthen cooperation among subsidiaries.



Education and Development

The Group regularly holds compliance study sessions primarily for people in charge of implementing compliance activities at each workplace. We distribute the *Compliance Program Handbook* (revised April 2021 and published in Japanese, English, Chinese, Malaysian and Spanish) to raise compliance awareness. In addition, the CSR Promotion Department provides compliance training and issues the bimonthly *Compliance Newsletter*, the monthly *Compliance Flyer*, and the *Compliance Study Workbook* (published in Japanese, English, Chinese, Malaysian, and Spanish), and also energizes study groups in an effort to improve awareness of compliance. As a general rule, overseas subsidiaries hold group study sessions at least four times a year, and diligently reaffirm Group compliance ideals through readings of the Code of Conduct and other relevant publications. In addition, we conduct an annual survey of all Group employees in order to determine issues that are points of reference for future compliance promotion activities including how well we are inculcating the Code of Conduct, compliance issues at each workplace, and the implementation status of compliance study sessions at workplaces. The FY2022 response rate was 95.9%.

Internal Whistleblower System

The Group has established a Corporate Ethics Hotline system that employees can use to consult on issues such as harassment and compliance violations. In addition to an internal contact point through dedicated phone lines, e-mail, and sealed letter, we have external contact points (Japan and overseas) that can be accessed through dedicated websites and phone lines. We have created an environment that is easy for employees at workplaces overseas to use because the contact points can handle issues in English, Chinese, Malaysian, Indonesian, and Spanish. In addition, we have established internal regulations to ensure that people who make use of the system are not treated unfairly as a result of the consultation.

The number of reports and cases of disciplinary action are as follows (Scope: Riken Vitamin Group).

	Type	FY2020	FY2021	FY2022
Number of reports	Harassment	5	5	5
	Workplace environment	5	0	2
	Other	2	0	2
Cases of disciplinary action	Reprimand or pay cut	0	0	0
	Suspension from work, disciplinary transfer, or demotion	0	1	0
	Requests for resignation or disciplinary dismissal	0	0	0

Management Team

1 Kazuhiko Yamaki

President & Representative Director

- April 1983 Joined the Company
- April 2003 Manager, Food Ingredients Sales Department No. 4
- July 2006 Executive Officer
- April 2008 Manager, Natural Extract and Seasonings Business Promotion Department
- June 2010 Director
General Manager, Food Service Unit
- June 2014 Managing Director
- June 2016 President & Representative Director (current position)

Attendance at Board of Directors meetings: 14/14

2 Takahisa Nakano

Senior Managing Director & Representative Director
In charge of Administration (General Affairs and Human Resources), Business Strategy, and Quality Assurance

- April 1985 Joined the Company
- April 2004 Manager, Health Care Department
- July 2006 Executive Officer
- June 2012 Director
- June 2014 Manager, Health Care Business Unit
- June 2017 Manager, Business Strategy Promotion Department
- June 2022 Managing Director
- June 2023 Senior Managing Director & Representative Director (current position)

Attendance at Board of Directors meetings: 14/14

3 Nobuo Dotsu

Managing Director
In charge of Administration (Legal Affairs), Procurement, and Health Care Business

- April 1985 Joined the Company
- June 2009 Manager, Food Ingredients Development Department
- July 2014 Executive Officer
- June 2019 Managing Executive Officer
- June 2022 Director
- June 2023 Managing Director (current position)

Attendance at Board of Directors meetings: 11/11

4 Tsutomu Mochizuki

Managing Director
In charge of International Business and Chemical Business

- April 1985 Joined the Company
- January 2004 President of Riken Vitamin Europe GmbH
- July 2010 Manager, International Business Unit of the Company
- June 2014 General Manager, International Business Unit
- July 2014 Executive Officer
- April 2018 General Manager, Production Unit No. 2
- June 2019 Managing Executive Officer
- July 2020 Manager, Food Ingredients Global Marketing Department
- October 2021 Executive Manager, International Sales Department

- June 2022 Director
- June 2023 Managing Director (current position)

Attendance at Board of Directors meetings: 11/11

5 Takahiro Tomitori

Director
In charge of Corporate Strategy and Administration (CSR Promotion, Accounting, and Information Technology)

- April 1988 Joined The Dai-ichi Kangyo Bank, Limited
- April 2009 Manager, Shinkawa Branch of Mizuho Bank, Ltd.
- April 2012 Manager, Osaka Chuo Branch
- April 2014 General Manager, Branch Operation Department No. 8
- April 2017 Executive Officer
Manager, Fukuoka Branch and General Manager, Fukuoka Department No. 1 and 2
- April 2019 Senior Managing Executive Officer of Mizuho Research Institute Ltd.

- April 2021 Joined the Company
- June 2021 Director (current position)

Attendance at Board of Directors meetings: 14/14

6 Shinichi Hirano

Outside Director

- April 1979 Joined Asahi Breweries Company (now Asahi Group Holdings, Ltd.)
- July 2011 Managing Director and General Manager of Sales Division of Asahi Breweries, Ltd.
- March 2013 Senior Managing Director and General Manager of Sales Division
- March 2015 Director and Vice President
- March 2016 President & Representative Director
- January 2020 Outside Director of GiG Works Inc. (current position)
- June 2020 Outside Director and Audit and Supervisory Committee Member of Sinko Industries Ltd.
- June 2021 Outside Director of the Company (current position)
- June 2022 Outside Director of Sinko Industries Ltd. (current position)

Attendance at Board of Directors meetings: 14/14

7 Eiichi Kato

Director, Full-time Audit and Supervisory Committee Member

- April 1983 Joined the Company
- November 2010 Manager, Quality Assurance Department
- June 2014 General Manager, Quality Assurance Unit
- July 2014 Executive Officer
- June 2021 Director, Full-time Audit and Supervisory Committee Member (current position)

Attendance at Board of Directors meetings: 14/14
Attendance at Audit and Supervisory Committee meetings: 15/15

8 Satoshi Fujinaga

Outside Director, Full-time Audit and Supervisory Committee Member

- April 1985 Joined Takeda Pharmaceutical Company Limited
- October 2002 Product Manager, Product Management Department, Pharmaceutical International Division
- January 2009 Executive Vice President of Takeda Pharmaceuticals Asia Pte. Ltd.
- April 2012 Executive Vice President of Takeda Pharmaceuticals (Asia Pacific) Pte. Ltd.
- April 2015 Manager, Corporate Planning Department of Takeda Pharmaceutical Company Limited
- June 2015 External Corporate Auditor of the Company
- June 2017 Outside Director, Full-time Audit and Supervisory Committee Member (current position)

Attendance at Board of Directors meetings: 14/14
Attendance at Audit and Supervisory Committee meetings: 15/15

9 Towa Sueyoshi

Outside Director, Audit and Supervisory Committee Member

- October 2001 Registered as an attorney-at-law
- October 2001 Joined Sakura Sogo Law Office
- October 2014 Civil Conciliator, Chiba Summary Court
- June 2015 External Corporate Auditor of the Company
- April 2016 Joined Mukai Law Office (current position)
- June 2017 Outside Director, Audit and Supervisory Committee Member of the Company (current position)

Attendance at Board of Directors meetings: 14/14
Attendance at Audit and Supervisory Committee meetings: 15/15

10 Wataru Sueyoshi

Outside Director, Audit and Supervisory Committee Member

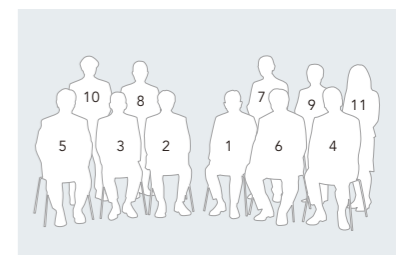
- April 1983 Registered as an attorney-at-law
Joined Mori Sogo (currently Mori Hamada & Matsumoto)
- April 2007 Founded STW & Partners (currently SHIOMIZAKA); Partner
- July 2014 Member of Subdivision on Copyrights of the Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology
- June 2016 Outside Director of Hitachi Capital Corp. (currently Mitsubishi HC Capital Inc.)
- January 2020 Founded Sueyoshi & Sato; Partner (current position)
- June 2021 Outside Director, Audit and Supervisory Committee Member of the Company (current position)
- June 2023 Outside Director of Mitsubishi Estate Co., Ltd. (current position)

Attendance at Board of Directors meetings: 14/14
Attendance at Audit and Supervisory Committee meetings: 15/15

11 Ayumi Ujihara

Outside Director, Audit and Supervisory Committee Member (New appointment)

- April 1984 Joined BROTHER INDUSTRIES, LTD.
- March 1994 Joined Itoh Audit Firm
- April 2000 Joined Tokai Local Finance Bureau as a financial securities inspector
- July 2003 Joined ChuoAoyama Audit Corporation
- August 2006 Joined PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)
- July 2015 Partner
- July 2022 Representative of Ayumi Ujihara CPA office (current position)
- March 2023 Audit & Supervisory Board Member (Outside), Yamaha Motor Co., Ltd. (current position)
- May 2023 Partner of Kagayaki Audit Corporation (current position)
- June 2023 Outside Director, Audit and Supervisory Committee Member of the Company (current position)
Outside Director, Audit & Supervisory Committee Member of Makita Corporation (current position)



10-Year Financial and Non-Financial Summary

Riken Vitamin has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) since the beginning of FY2021.

	Unit	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Results											
Net sales	Millions of yen	85,419	85,603	88,072	87,181	89,515	89,024	82,974	77,722	79,231	88,750
Operating profit	Millions of yen	5,027	4,610	6,007	6,820	5,424	4,580	5,307	1,367	5,840	7,158
Ordinary profit	Millions of yen	5,294	4,645	5,321	6,248	4,587	4,388	5,045	1,652	6,182	7,723
Profit (loss) attributable to owners of parent	Millions of yen	3,590	3,755	4,107	4,089	4,800	2,623	(8,933)	(1,618)	21,582	6,414
Financial Position											
Total assets	Millions of yen	102,345	114,049	109,030	109,342	110,994	109,706	101,853	106,535	102,660	105,223
Net assets	Millions of yen	67,253	76,036	74,341	53,611	58,919	59,229	46,789	46,674	66,539	71,371
Cash Flows											
Cash flows from operating activities	Millions of yen	6,908	5,941	8,377	8,126	5,753	6,689	5,850	7,660	6,823	7,835
Cash flows from investing activities	Millions of yen	(3,578)	(5,690)	(6,389)	(3,080)	(1,617)	(3,388)	(4,282)	(2,322)	(3,661)	(2,034)
Cash flows from financing activities	Millions of yen	(861)	(1,222)	(3,140)	(1,881)	(5,869)	(2,490)	(3,051)	(180)	(7,565)	(4,578)
Cash and cash equivalents at end of period	Millions of yen	15,106	14,578	13,154	16,207	14,488	15,157	13,604	18,655	15,064	16,656
Per Share Data											
Earnings (loss) per share	Yen	81.18	84.91	93.22	127.50	146.94	80.04	(272.48)	(49.36)	657.98	195.51
Net assets per share	Yen	1,507.47	1,705.66	1,677.13	1,670.30	1,783.14	1,792.07	1,411.87	1,407.47	2,027.84	2,174.39
Dividends per share	Yen	25.00	30.00	33.00	33.00	35.50	40.50	42.00	42.00	46.00	59.00
Dividend payout ratio	%	30.8	35.3	35.4	25.9	24.2	50.6	—	—	7.0	30.2
Financial Indicators											
Equity ratio	%	65.1	66.1	67.7	48.5	52.7	53.5	45.5	43.3	64.8	67.8
Profit attributable to owners of parent/equity (ROE)	%	5.7	5.3	5.5	6.4	8.6	4.5	—	—	38.3	9.3
Price-earnings ratio (PER)	Times	14.5	24.3	21.5	15.8	14.0	21.9	—	—	2.5	9.8
Non-Financial Indicators (Non-consolidated)											
Number of employees (As of March 31)		928	916	912	923	935	945	934	942	958	957
Employees by gender	Male	733	727	721	725	735	741	729	737	738	735
	Female	195	189	191	198	200	204	205	205	220	222
Greenhouse gas (GHG) emissions (Group)	Scope 1	—	—	—	—	—	37,052	40,315	40,096	39,901	35,245
	Scope 2 (Market-based method)	t-CO ₂ -eq	—	—	—	—	49,402	45,921	42,082	42,122	25,628
	Scope 2 (Location-based method)	—	—	—	—	—	50,771	47,356	43,474	44,537	41,968
Total waste generation	Tons	4,526	3,737	4,325	4,041	3,981	3,853	3,506	3,557	3,960	4,304
Food waste recycling rate	%	80.1	74.9	90.1	95.0	96.7	95.7	94.7	92.2	93.5	94.5
Water usage	1,000 kL	—	441	451	464	422	400	381	386	374	383

Note: The Company conducted a 2-for-1 stock split of its common stock, effective April 1, 2020. Per share data above is adjusted for the stock split.

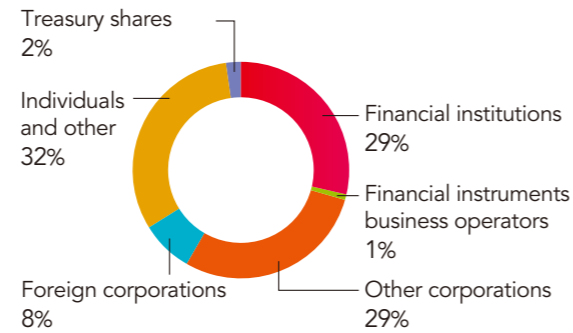
Share Information and Corporate Data

(As of March 31, 2023)

Basic Share Information

Total number of authorized shares: 160,000,000
 Total number of issued shares: 33,705,100
 Number of shareholders: 24,998
 Stock listing: Tokyo Stock Exchange, Prime Market
 Stock code: 4526
 Shares per unit: 100
 Shareholder registry administrator: Mitsubishi UFJ Trust and Banking Corporation
 Accounting auditor: KPMG AZSA LLC

Composition of Shareholders

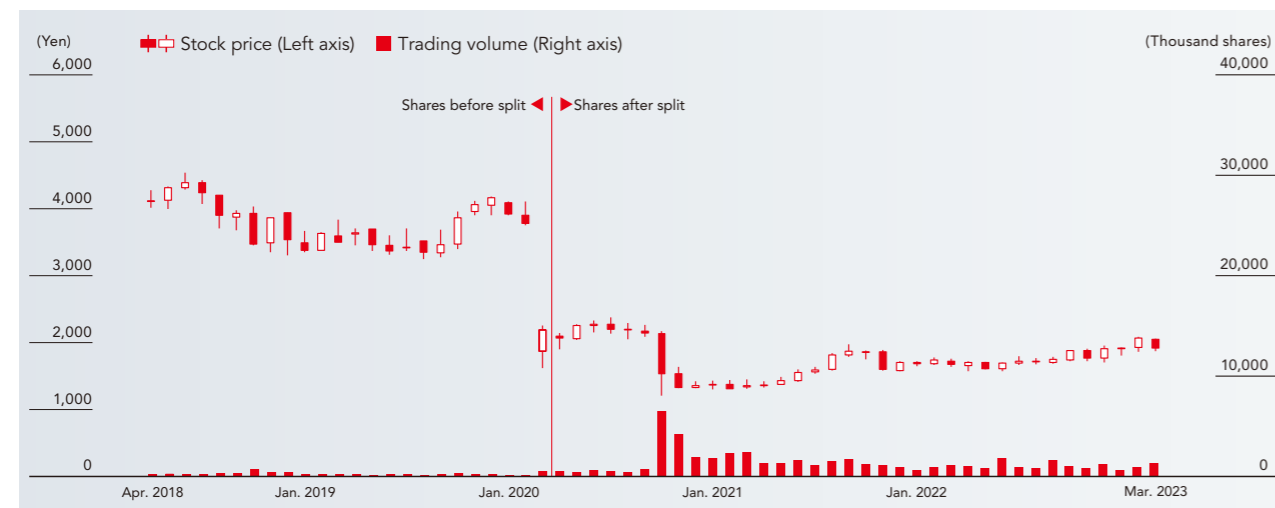


Major Shareholders

Name	Shares held (Thousand)	Shareholding ratio (%)
Riken Vitamin Business Partners' Shareholding Association	3,192	9.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,061	6.24
Kikkoman Corporation	1,986	6.02
Mizuho Bank, Ltd.	1,732	5.25
The Master Trust Bank of Japan, Ltd. (Miyoshi Oil & Fat Co., Ltd. Pension Fund)	1,080	3.27
Mitsubishi UFJ Trust and Banking Corporation	841	2.54
MUFG Bank, Ltd.	738	2.23
Sumitomo Life Insurance Company	726	2.20
Hazama Ando Corporation	703	2.13
Riken Vitamin Employees' Shareholding Association	699	2.11

Notes: 1. The Company holds 708,000 shares of treasury stock, which are excluded from the major shareholders listed above.
 2. The 708,000 shares of treasury stock do not include the 184,000 shares of the Company's stock held by the Executive Compensation BIP Trust and the Stock Grant ESOP Trust.
 3. The shareholding ratio does not include treasury shares.

Stock Price and Trading Volume



Corporate Profile

Trade name	Riken Vitamin Co., Ltd.
Head Office address	1-6-1 Yotsuya, Shinjuku-ku, Tokyo, 160-0004, Japan
Establishment	August 1949
Capital	¥2,537 million
Number of employees	957 (consolidated: 1,848) as of March 31, 2023
Business	Production and sale of household and commercial foods, processed food ingredients, food-improving agents, chemical-improving agents, and vitamins
Business locations	Head Office, Osaka Branch Office, Sapporo Branch Office, Sendai Branch Office, Kita-Kanto Branch Office (Gunma), Nagoya Branch Office, Fukuoka Branch Office, Soka Factory, Chiba Factory, Tokyo Factory, Kyoto Factory, Osaka Factory, Presentation Center, Application & Innovation Center https://www.rikenvitamin.jp/en/corporate/domestic/
Subsidiaries	Japan: Riken Food Co., Ltd.; Kenseido Co., Ltd.; Shinken Sangyo Co., Ltd.; Sunny Packaging Co., Ltd.; Eiken Shoji Co., Ltd. Outside Japan: Tianjin Rikevita Food Co., Ltd.; Rikevita Fine Chemical & Food Industry (Shanghai) Co., Ltd.; Rikevita Asia Co., Ltd.; Rikevita (Malaysia) Sdn. Bhd.; Rikevita (Singapore) Pte Ltd; Rikevita (India) Private Limited; Rikevita Turkey Food Industry Limited Company; Riken Vitamin Europe GmbH; Guymon Extracts Inc.; Riken Vitamin USA Inc. https://www.rikenvitamin.jp/en/corporate/overseas/



► Riken Vitamin Corporate Information Website
<https://www.rikenvitamin.jp/en/>

A comprehensive overview of Riken Vitamin's corporate activities, IR information and sustainability information.



 **RIKEN VITAMIN CO.,LTD.**

1-6-1 Yotsuya, Shinjuku-ku, Tokyo, 160-0004, Japan
<https://www.rikenvitamin.jp/en/>