



RIKEN VITAMIN CO.,LTD.

Stock code: 4526

Riken Vitamin Investor's Guide

Updated: March, 2024

We are a provider of unique products with high market share in 3 business fields

We are a leading provider of several niche category products, such as seaweed products, salad dressings, food emulsifiers and vitamins in Japan.



Headquarters
Tokyo, Japan



Employees
Approx. 1,848
(consolidated)



Global reach
10 manufacturing locations
in Japan, 3 overseas



FY22 Sales
¥88.7 billion

➤ Business Fields and Product Lines with High Market Share



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

We enrich lives through the effective use of natural materials



We contribute to society with our approach of making effective use of natural materials.



We provide health and a rich dietary life to society through foods.



We create innovative products in specialty fields that utilize our unique capabilities and proprietary technologies.



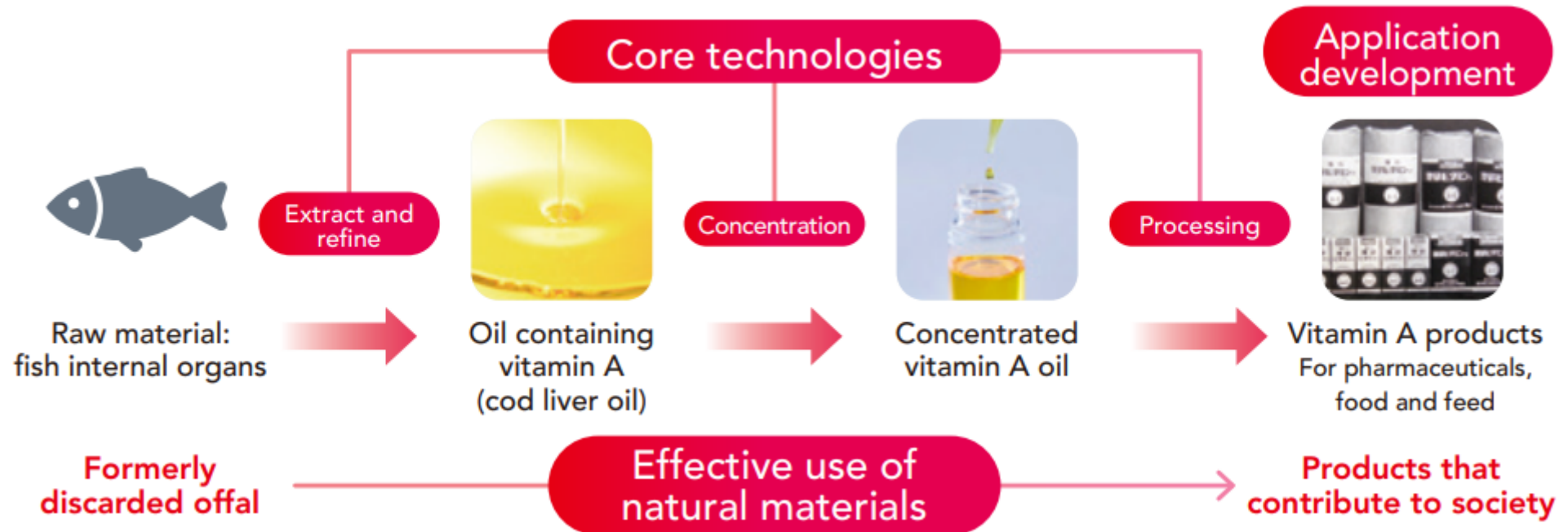
We offer solutions nurtured within Japan to the world.

Core technologies were developed in the natural vitamin A business

We initially manufactured natural vitamin A, but the advent of synthetic vitamin A led us to diversify.

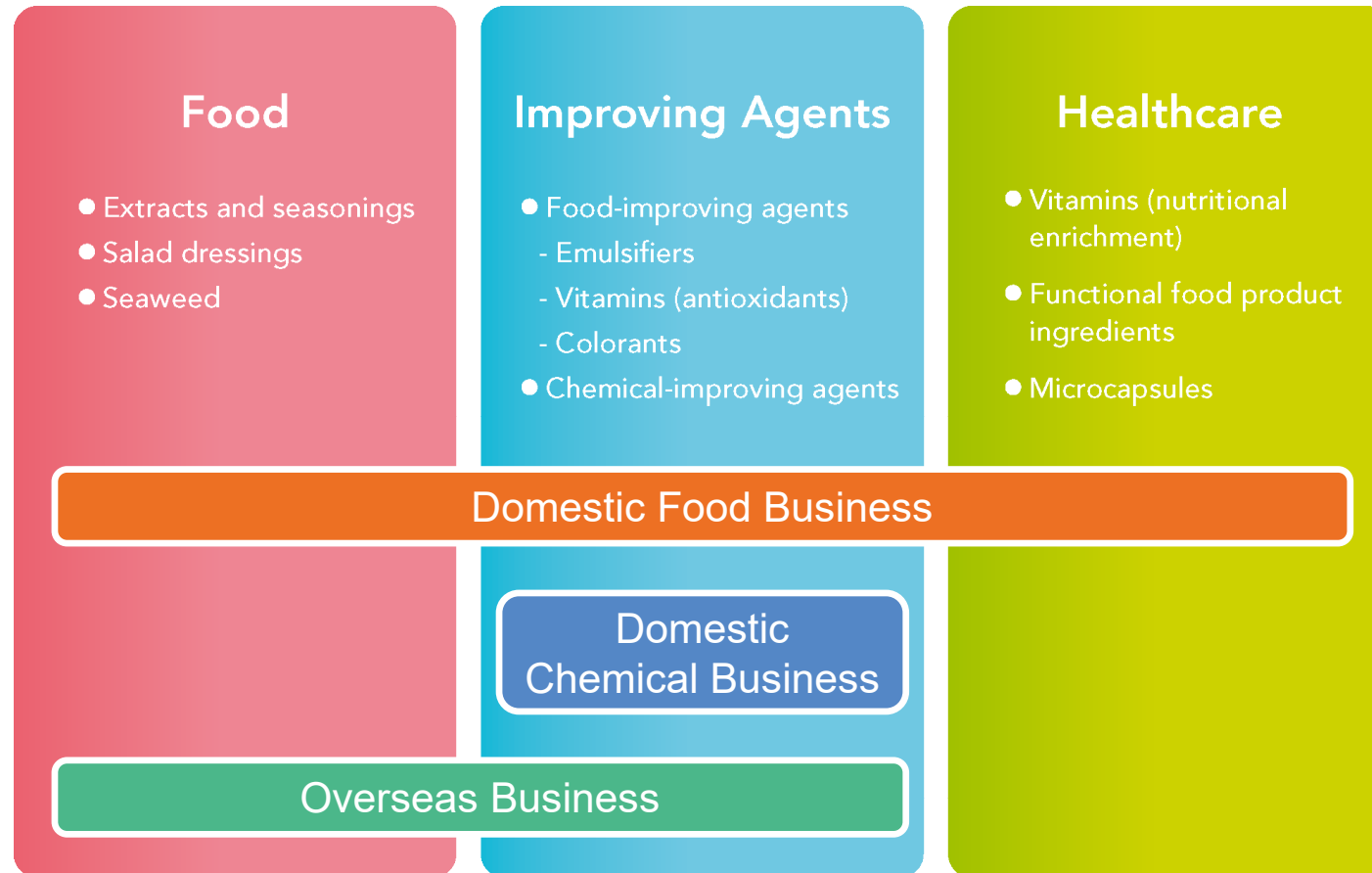
We expanded our business portfolio by deploying **core technologies** to create products and by developing applications aligned with contemporary needs.

Today, we contribute to people's lives through a broad range of businesses.

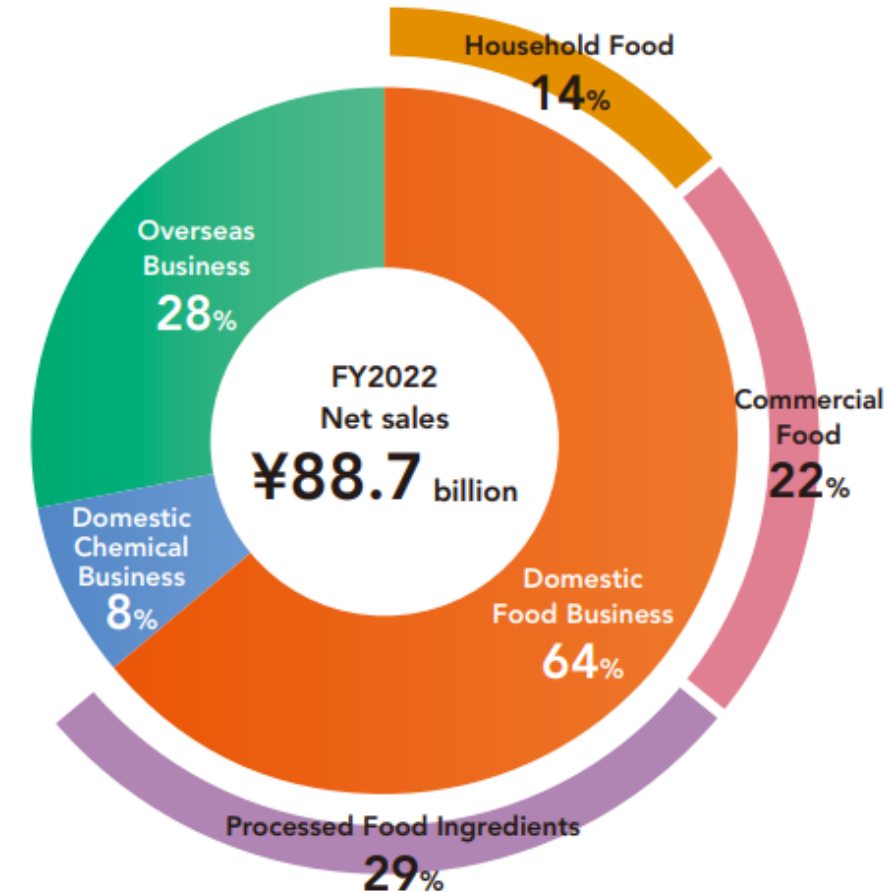


Our business covers a wide range of markets, both domestic and overseas

Our reportable business segments are classified based on geographical business area and product market.





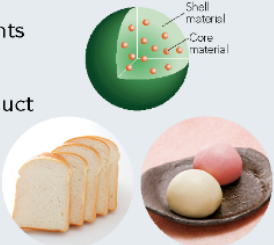
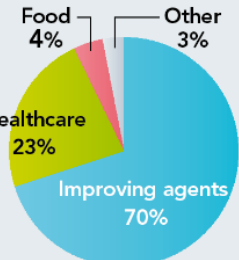



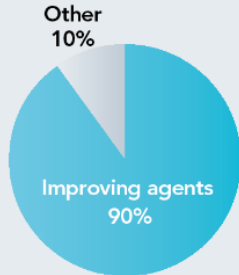

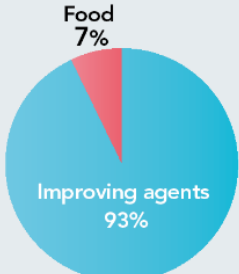
➤ Net Sales by Segment and Subsegment



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

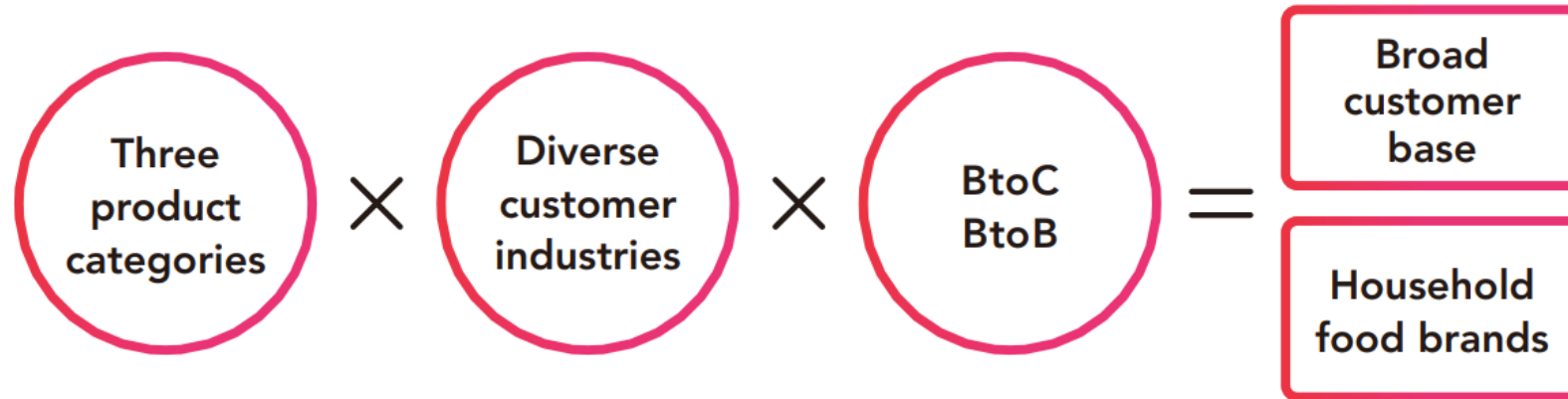
Selling unique products in each segment

	Segments and Primary Products	Net Sales by Business Field*	Primary Retailers
Domestic Food Business	<p>Household Food</p> <ul style="list-style-type: none"> Riken Non-Oil (salad dressings) Fueru Wakame-chan (dried wakame seaweed) Wakame Soup Sozairyoku Dashi 		<ul style="list-style-type: none"> Supermarkets Drugstores
	<p>Commercial Food</p> <ul style="list-style-type: none"> Extracts and seasonings Seaweed Salad dressings Food-improving agents Vitamins 		<ul style="list-style-type: none"> Lunch programs for company cafeterias School lunch programs Restaurant industry Convenience stores Processed food manufacturers
	<p>Processed Food Ingredients</p> <ul style="list-style-type: none"> Food-improving agents Vitamins Functional food product ingredients Microcapsules 		<ul style="list-style-type: none"> Processed food manufacturers Health food manufacturers Pharmaceutical manufacturers

	Segments and Primary Products	Net Sales by Business Field*	Primary Retailers
Domestic Chemical Business	<ul style="list-style-type: none"> Chemical-improving agents Feed additives 		<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 		<ul style="list-style-type: none"> Overseas food manufacturers Overseas chemical manufacturers Overseas restaurant industry

Domestically, food products account for a large proportion of sales, but on a consolidated basis, improving agents account for the largest proportion of sales.

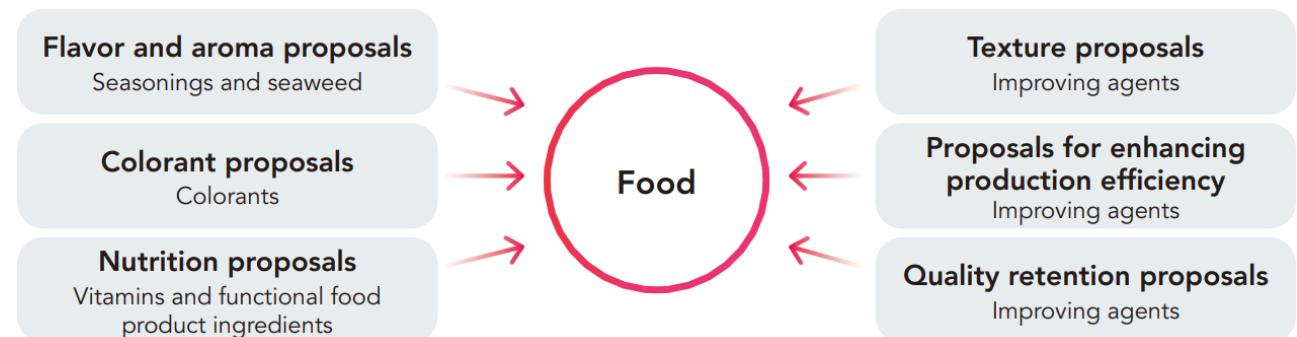
Broad customer base and household food brands are our strength



Our products have a wide range of applications, including for food products, chemicals and pharmaceuticals. As a result, we have a broad customer base and are able to offer diverse proposals to our customers.

Our household food products are well known. This has a positive impact on our BtoB business in Japan.

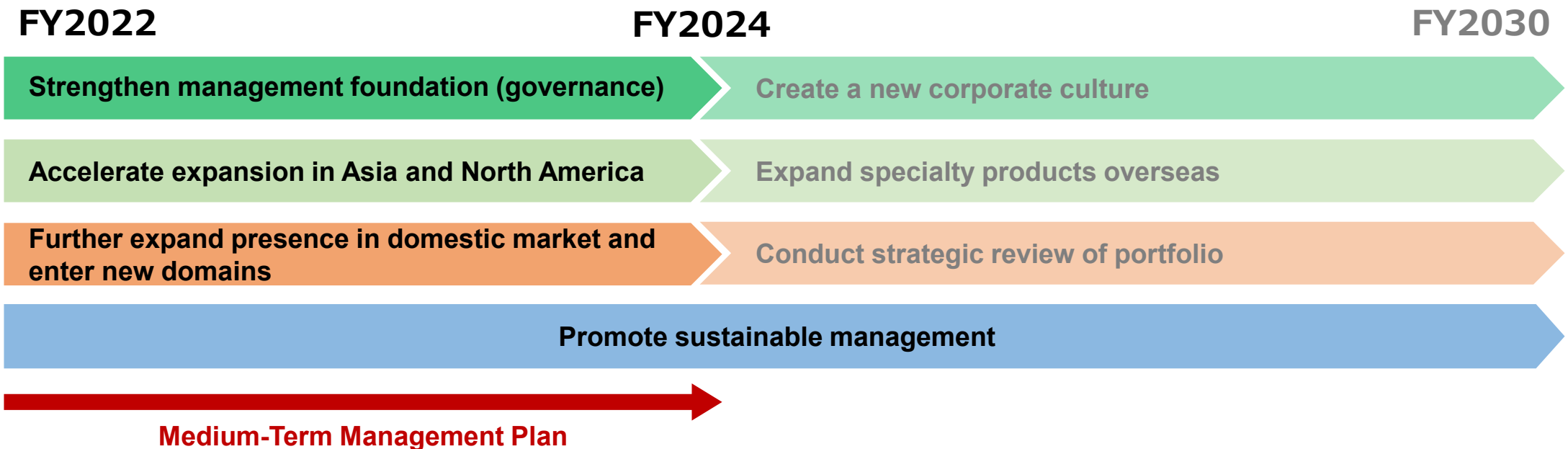
➤ Examples of Diverse Value Proposals



We have a vision for FY2030

[Medium- to Long-Term Vision] Achieving growth by supporting a sustainable society with specialty products and services

[Basic Policies]



Medium-Term Management Plan

In May 2022, we announced our medium-term management plan through FY2024.
The main target is to strengthen profitability to raise the level of operating profit to 8 billion yen.

■ 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

Forecasting significant profit growth

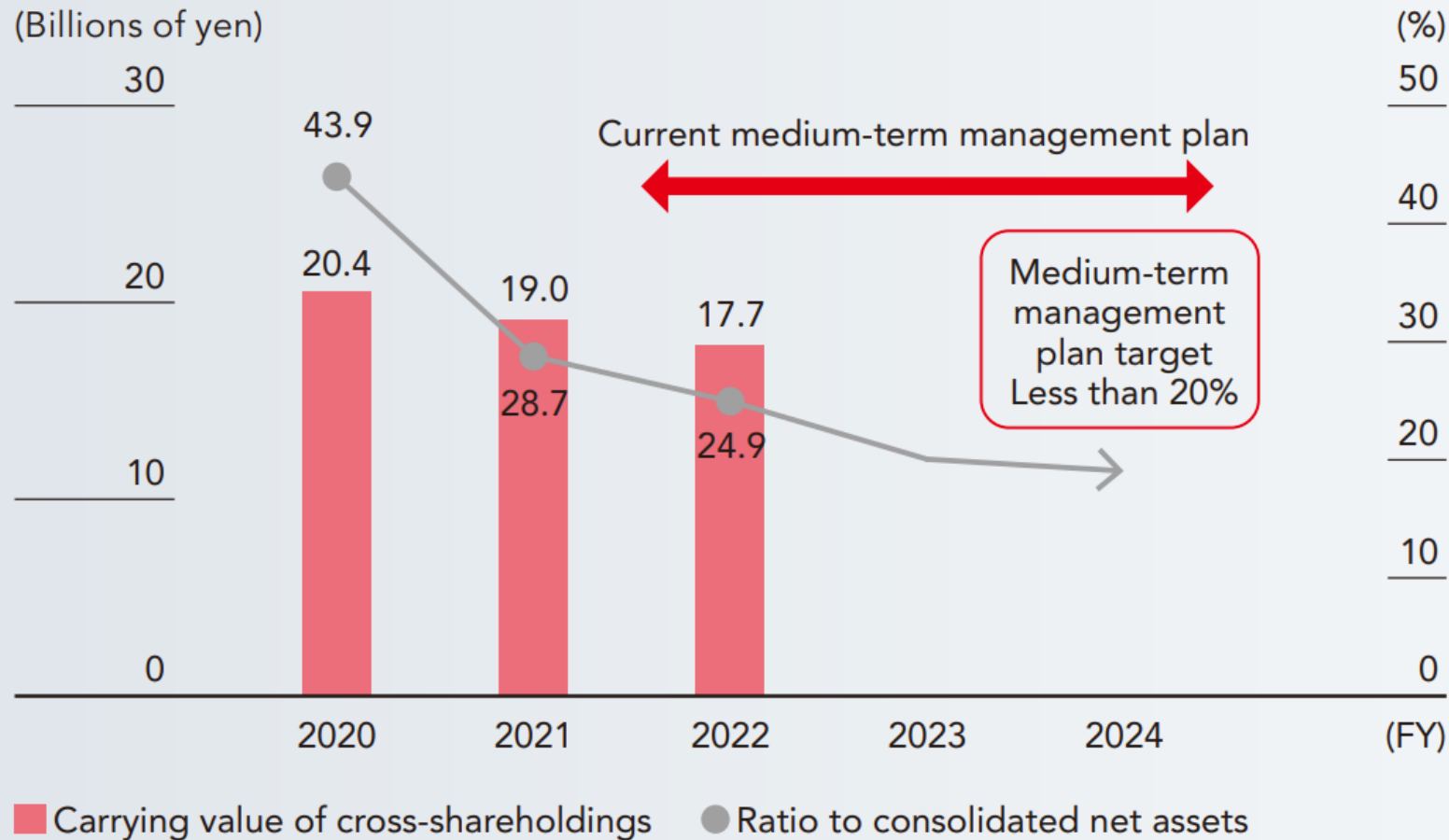
Now, we are forecasting profits to exceed the targets of our medium-term management plan for the current fiscal year.

(Millions of yen)

	FY2022 actual	FY2023 forecast (revised on Feb. 9)	YoY		Mid-term plan targets
			Change (amount)	Change (%)	
Net sales	88,750	90,600	+1,849	+2.1%	94,000
Operating profit	7,158	8,900	+1,741	+24.3%	8,000 ✓
Operating profit margin	8.1%	9.8%	+1.7pp		8.5%
Ordinary profit	7,723	9,700	+1,976	+25.6%	8,200 ✓
Profit attributable to owners of parent	6,414	8,200	+1,785	+27.8%	6,500 ✓
ROE	9.3%	10.8%	+1.5pp		8.0% or higher ✓

Aiming to reduce cross-shareholdings to below 20% of net assets

▶ Status of Cross-Shareholdings

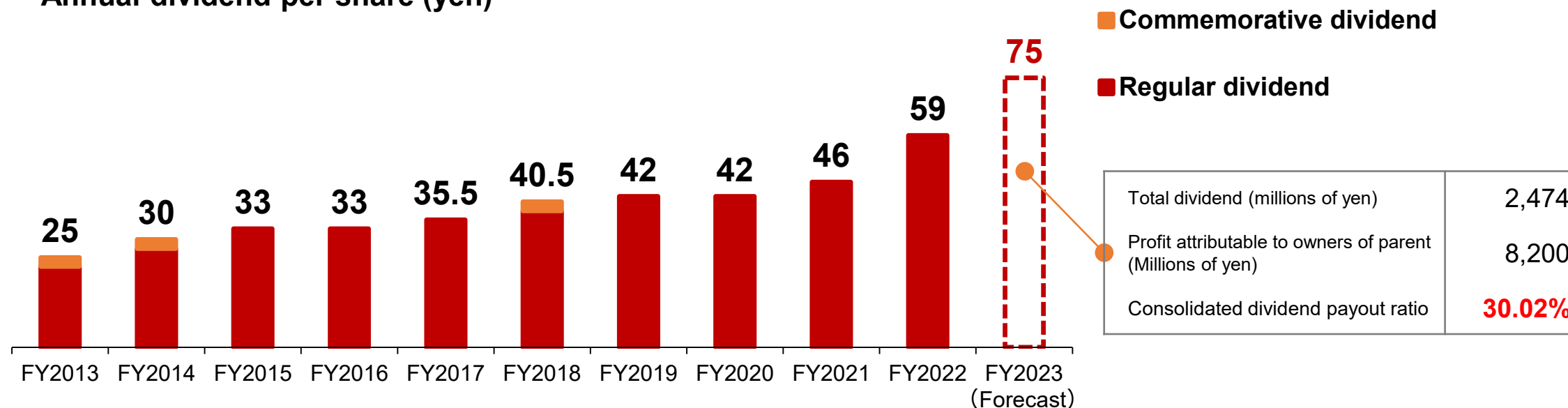


We aim to reduce the ratio of cross-shareholdings to **less than 20%** of consolidated net assets by **March 31, 2025**.

As of March 31, 2023, cross-shareholdings on our consolidated balance sheet totaled ¥17 billion, which represented **24.9%** of consolidated net assets of ¥71 billion.

Maintaining stable dividends for the past 10 years with no dividend cuts

Annual dividend per share (yen)

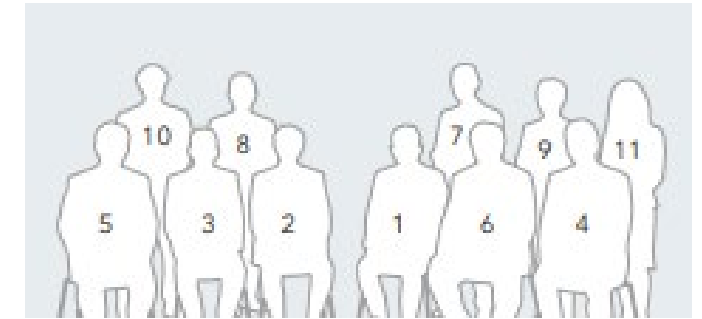


*We conducted a 2-for-1 stock split, effective April 1, 2020.
Annual DPS figures have been retroactively adjusted for after the stock split.

Dividend policy

Our basic policy is to continue to pay stable dividends with a **consolidated dividend payout ratio of at least 30%** while making comprehensive assessments of our business environment, earnings, financial position, shareholder return ratio, and internal reserves for strengthening the management base

Management Team has 11 members, including 5 outside directors (2 of whom are female)



1. Kazuhiko Yamaki
President
& Representative Director

2. Takahisa Nakano
Senior Managing Director
& Representative Director

3. Nobuo Dotsu
Managing Director

4. Tsutomu Mochizuki
Managing Director

5. Takahiro Tomitori
Director

6. Shinichi Hirano
Outside Director

7. Eiichi Kato
Director, Full-time Audit and Supervisory
Committee Member

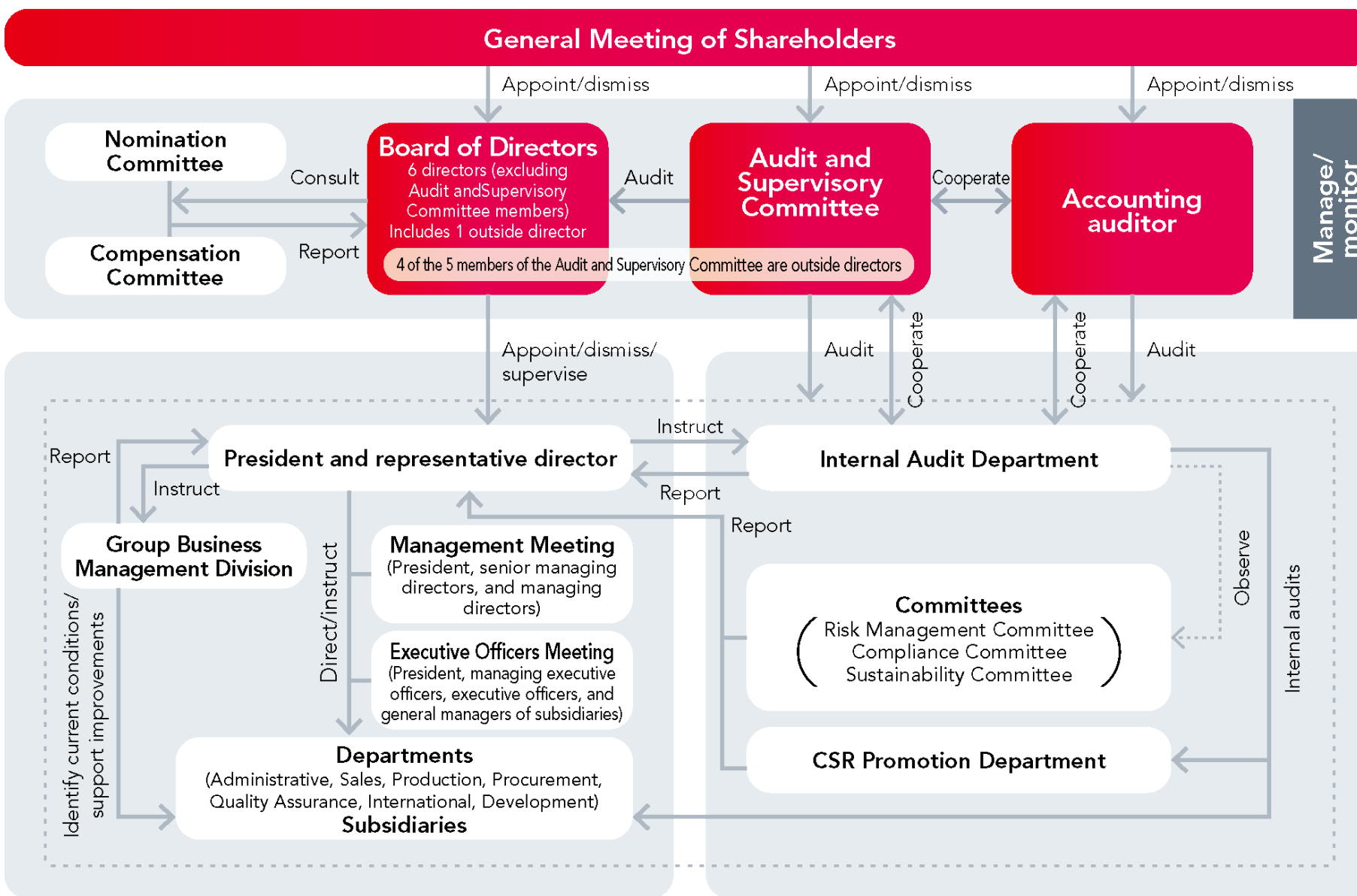
8. Satoshi Fujinaga
Outside Director, Full-time Audit and
Supervisory Committee Member

9. Towa Sueyoshi
Outside Director, Audit and Supervisory
Committee Member

10. Wataru Sueyoshi
Outside Director, Audit and Supervisory
Committee Member

11. Ayumi Ujihara
Outside Director, Audit and Supervisory
Committee Member

Chairs of the Nomination and Compensation Committee are outside directors

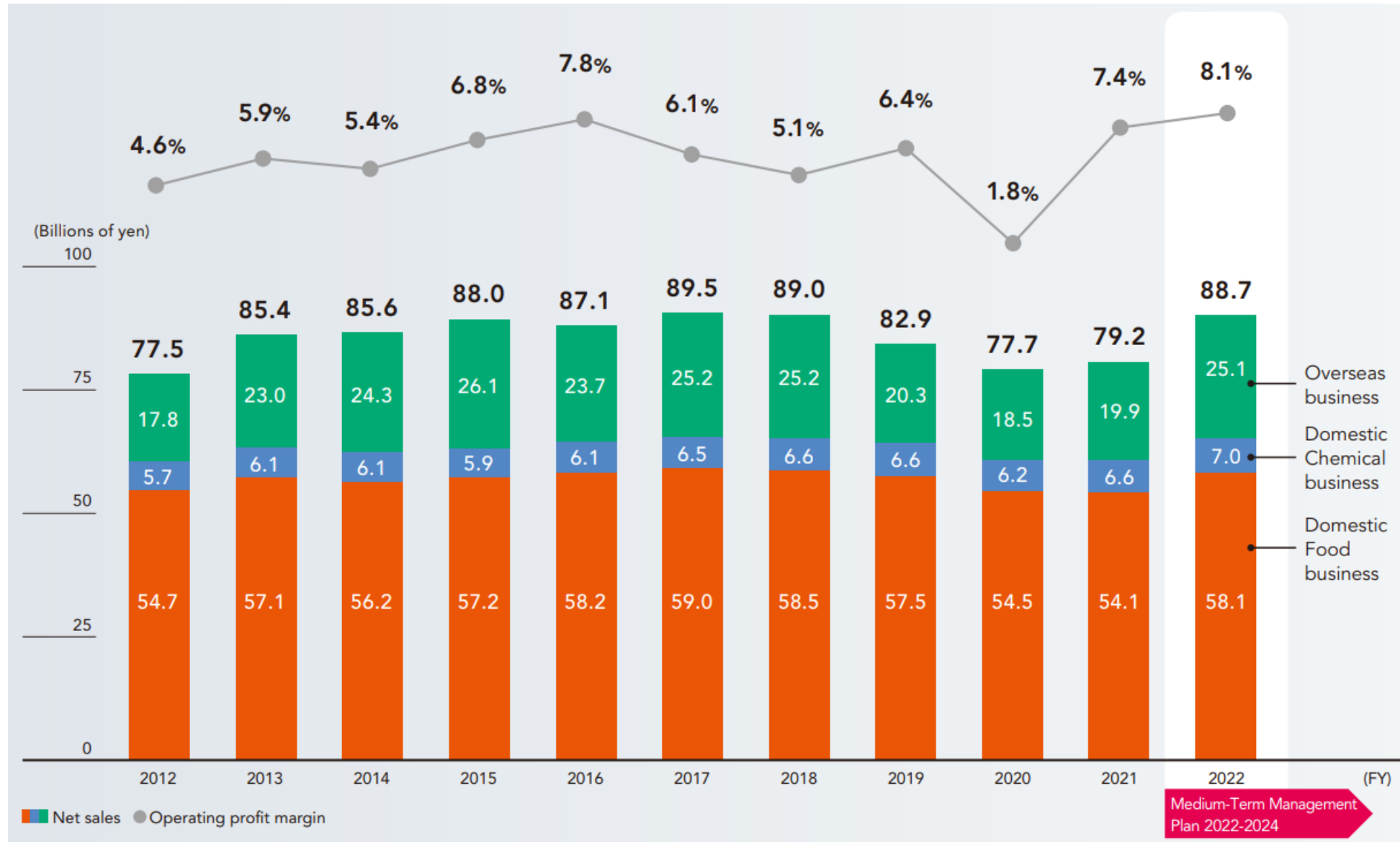


Supplementary Material

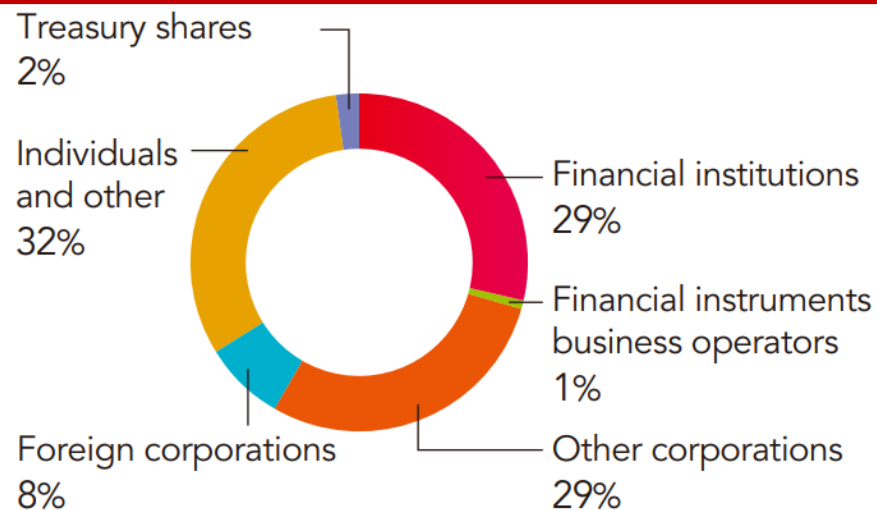
Financial Highlights

	Unit	FY2013	FY2014	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Results										
Net sales	Millions of yen	85,419	85,603	87,181	89,515	89,024	82,974	77,722	79,231	88,750
Operating profit	Millions of yen	5,027	4,610	6,820	5,424	4,580	5,307	1,367	5,840	7,158
Ordinary profit	Millions of yen	5,294	4,645	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	4,089	4,800	2,623	(8,933)	(1,618)	21,582	6,414
Financial Position										
Total assets	Millions of yen	102,345	114,049	109,342	110,994	109,706	101,853	106,535	102,660	105,223
Net assets	Millions of yen	67,253	76,036	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	8,126	5,753	6,689	5,850	7,660	6,823	7,835
Cash flows from investing activities	Millions of yen	(3,578)	(5,690)	(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)	(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	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	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	1,670.30	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	35.50	40.50	42.00	42.00	46.00	59.00
Dividend payout ratio	%	30.8	35.3	25.9	24.2	50.6	—	—	7.0	30.2
Financial Indicators										
Equity ratio	%	65.1	66.1	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	6.4	8.6	4.5	—	—	38.3	9.3
Price-earnings ratio (PER)	Times	14.5	24.3	15.8	14.0	21.9	—	—	2.5	9.8

Performance emerged from the decline and is on a growth trend



Share Information (As of March 31, 2023)



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

Corporate Data

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

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

