

# **Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

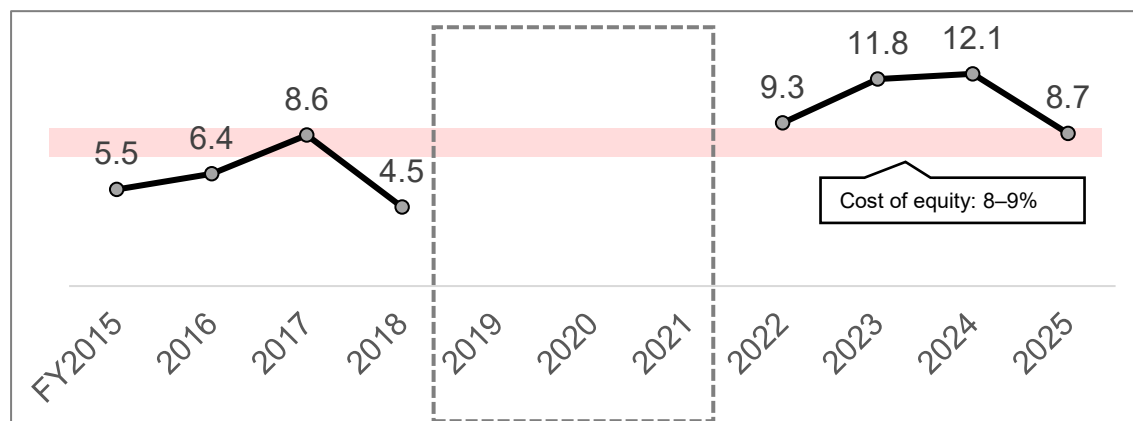
**June 23, 2026**

**Riken Vitamin Co., Ltd. (4526)**

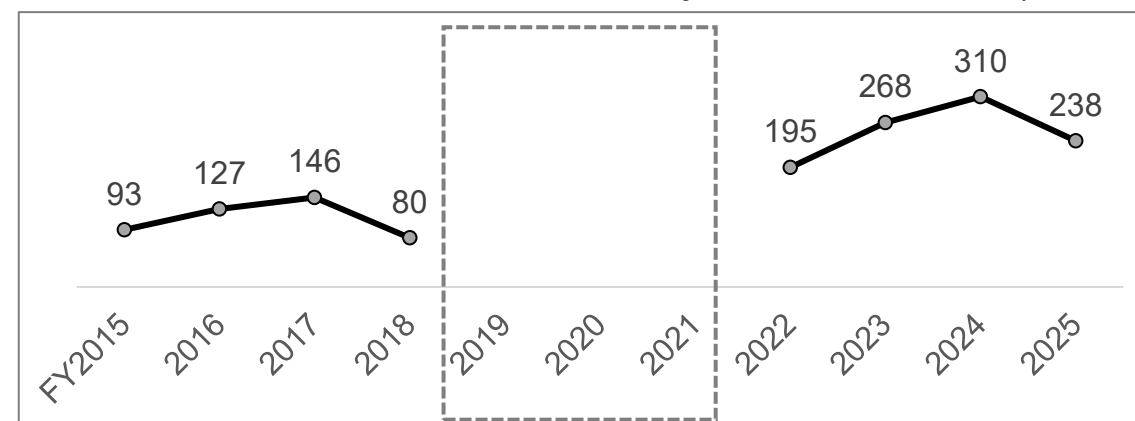
	TSE requirements	Our response
<b>Analysis of current situation</b>	Accurately assess capital costs and return on capital	✓ Estimate cost of equity using CAPM, earnings yield, and investor feedback
	Analyze and evaluate content of initiatives and the market's perception of them through Board of Directors	✓ Analyze and evaluate capital cost and market valuation at the Board of Directors
<b>Planning and disclosure</b>	Deliberate and establish policies, targets, plan timelines aimed at improvement, and concrete initiatives at the Board of Directors	✓ Develop growth strategies incorporating capital efficiency and share price considerations at the Board level
	Disclose relevant details along with assessments of current conditions in a manner easily understandable for investors	✓ Disclose strategies via the Company's website and the Integrated Report
<b>Implementation of initiatives</b>	Promote plan-based management conscious of capital costs and share prices	✓ Shift toward management focused on improving profitability and capital efficiency
	Conduct proactive dialogue with investors based on public disclosures	✓ Enhance engagement with investors through earnings briefings, strategy briefings, and IR/SR meetings

- **Medium-term trends show improvement in ROE and EPS, while FY2025 declined**
- **FY2025 year-end: PBR ~1.0x, PER ~12x — both low vs. peers**

## ROE (%)

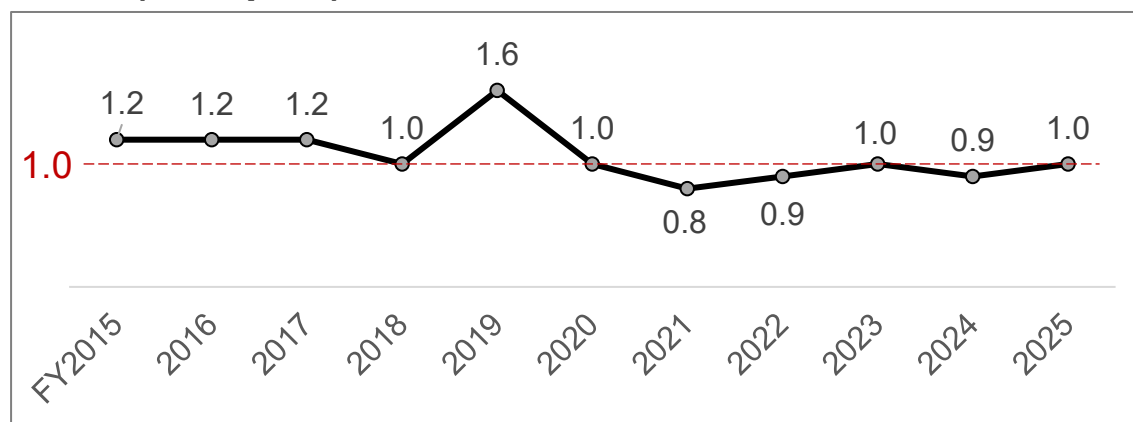


## EPS (JPY)

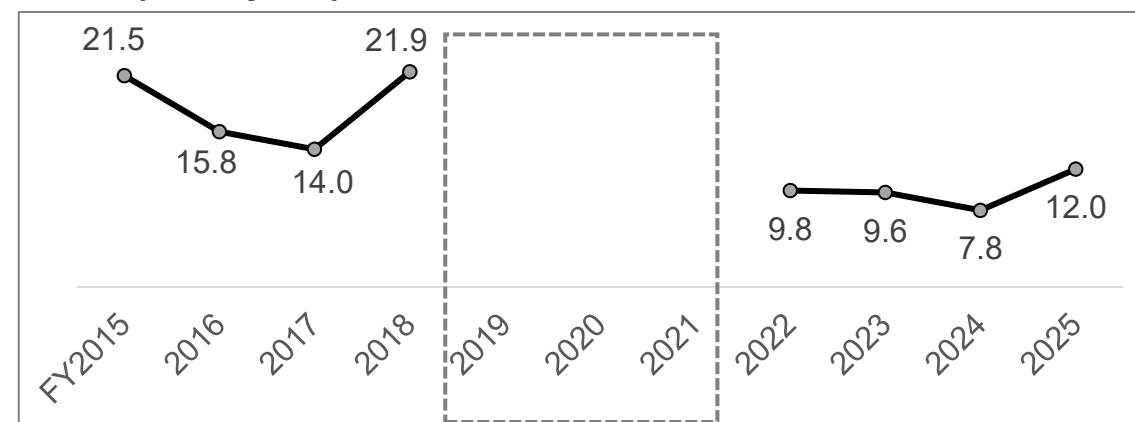


- Calculated based on actual fiscal year-end results
- Excluded due to losses and/or abnormal values resulting from accounting issues associated with a subsidiary

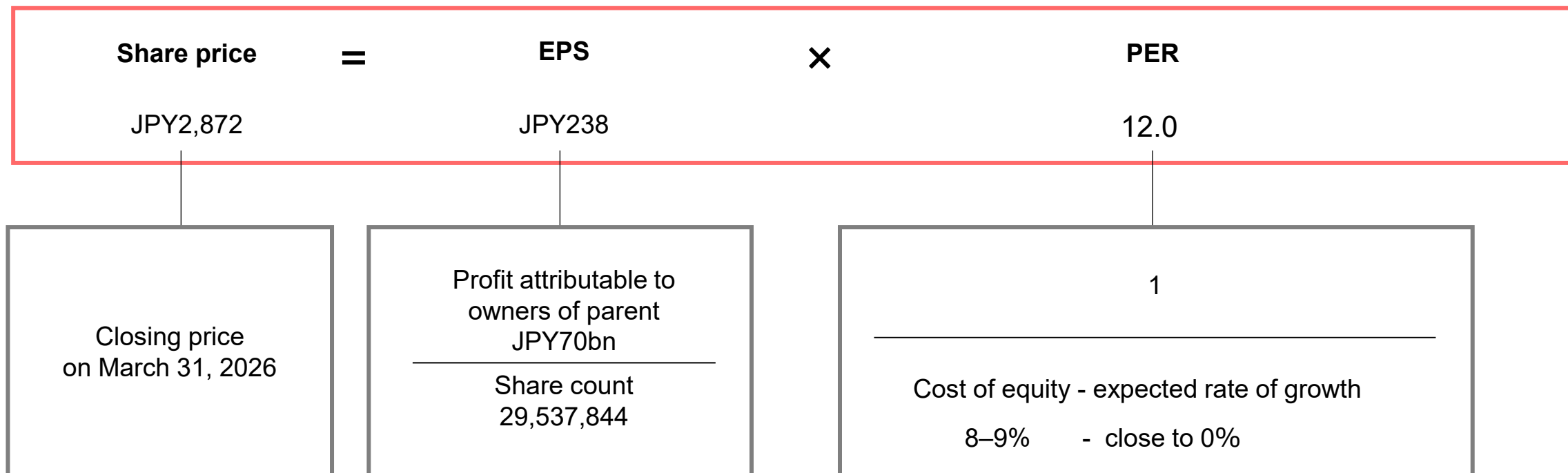
## PBR (Multiples)



## PER (Multiples)



- **EPS +2.5x (10 years), driven by earnings growth and buybacks**
- **Share price +1.4x, implying near-zero expected growth**



- **Calculated cost of equity at 8–9%**  
 CAPM: 6.6% (RF of 3.0% +  $\beta$  of 0.6  $\times$  MRP of 6%)  
 Investor expectation: 7–10%  
 Also referenced figures published by food sector companies

- **ROE is relatively high vs. peers, yet further improvement is expected**
- **PBR remains around 1.0x, with limited medium- to long-term growth expectations**

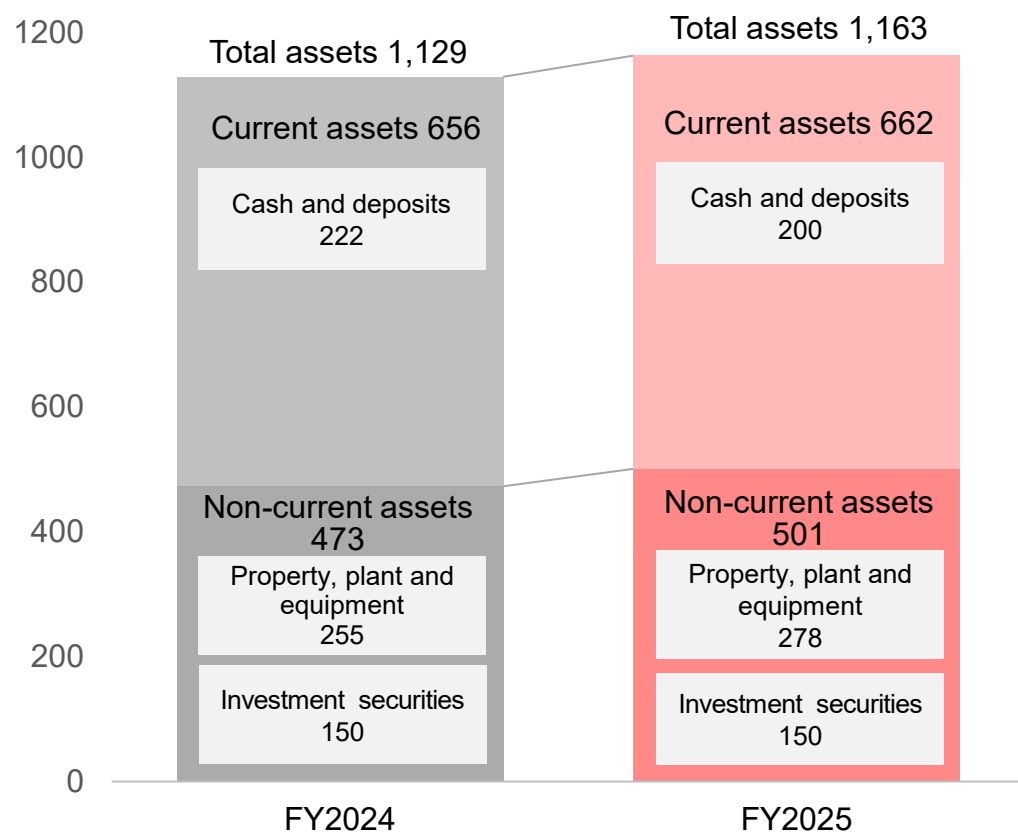
	<b>PBR</b>	<b>=</b>	<b>ROE</b>	<b>×</b>	<b>PER</b>
	1.0		8.7%		12.0
Prime Market food sector median	About 1.3		About 7.5%		About 1.4

## Factors behind low expectations (issues raised during meetings with investors)

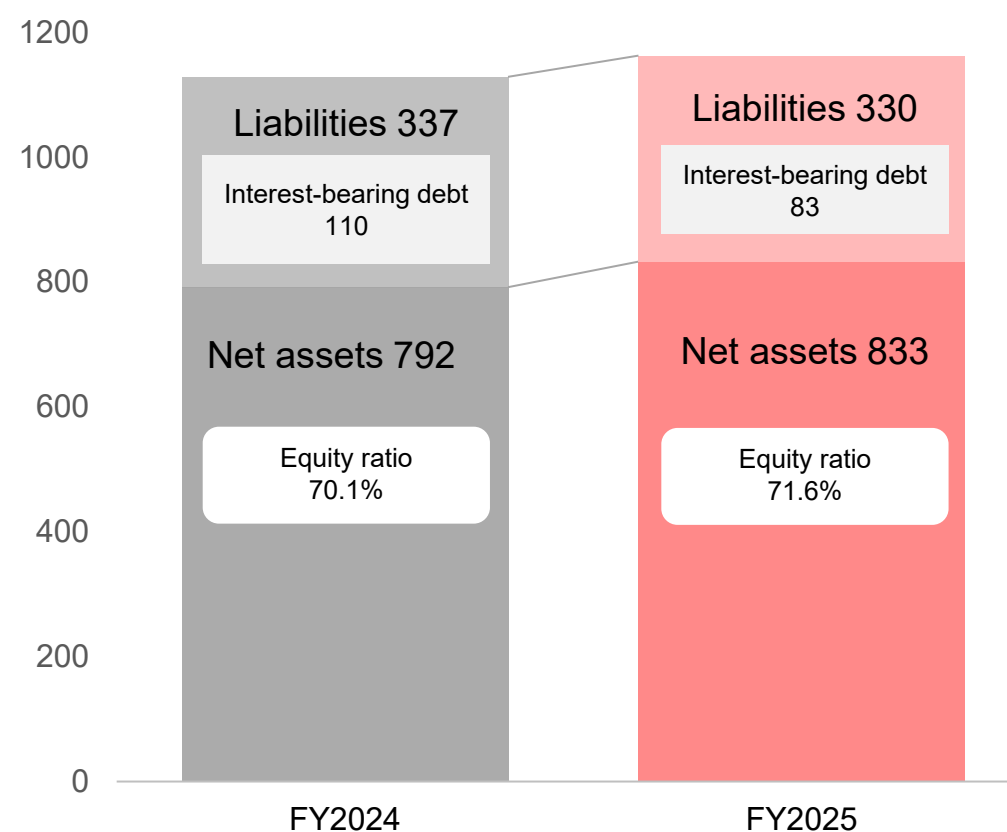


- **Total assets +¥3.4bn; investment securities broadly flat despite sales due to higher market prices**
- **Equity increased, lifting the equity ratio**

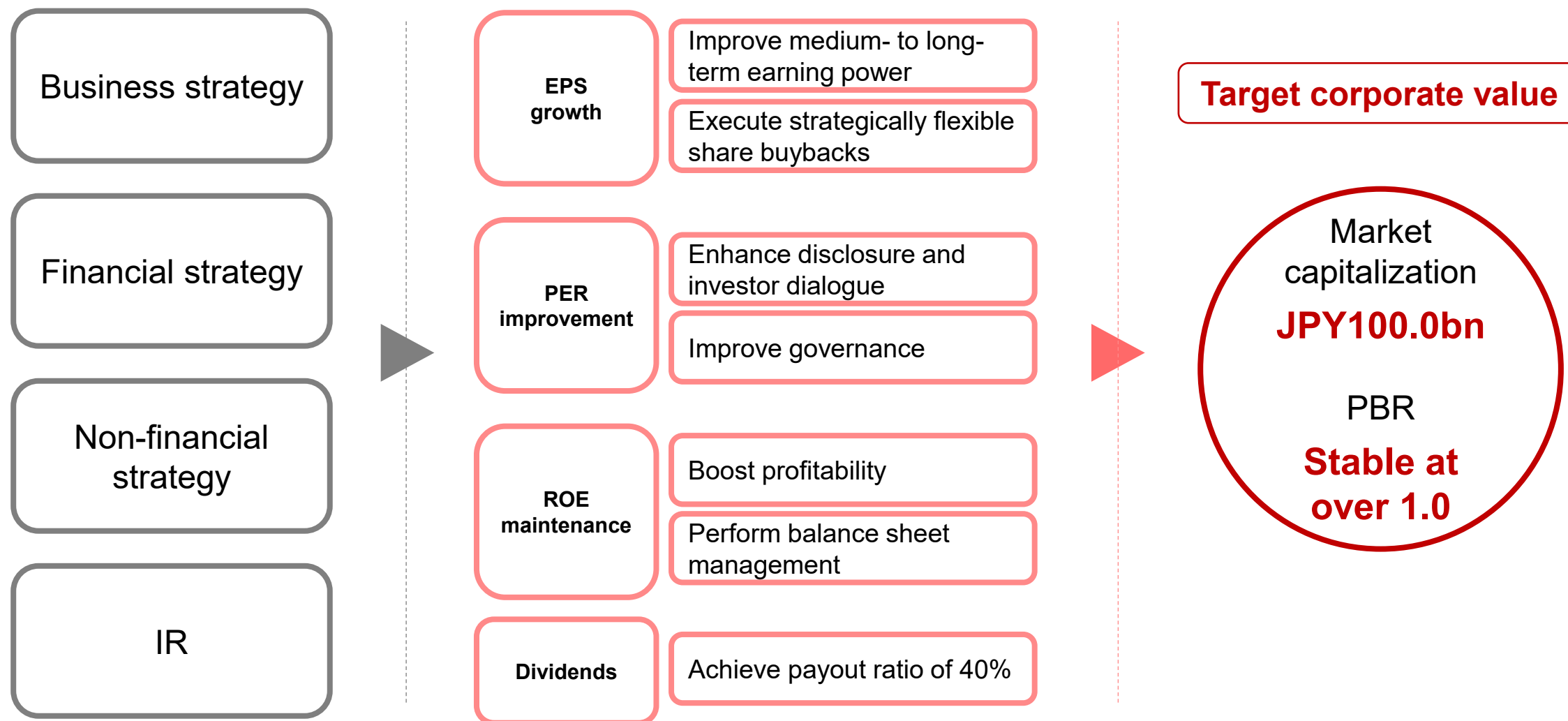
## ■ Assets



## ■ Liabilities / Net Assets

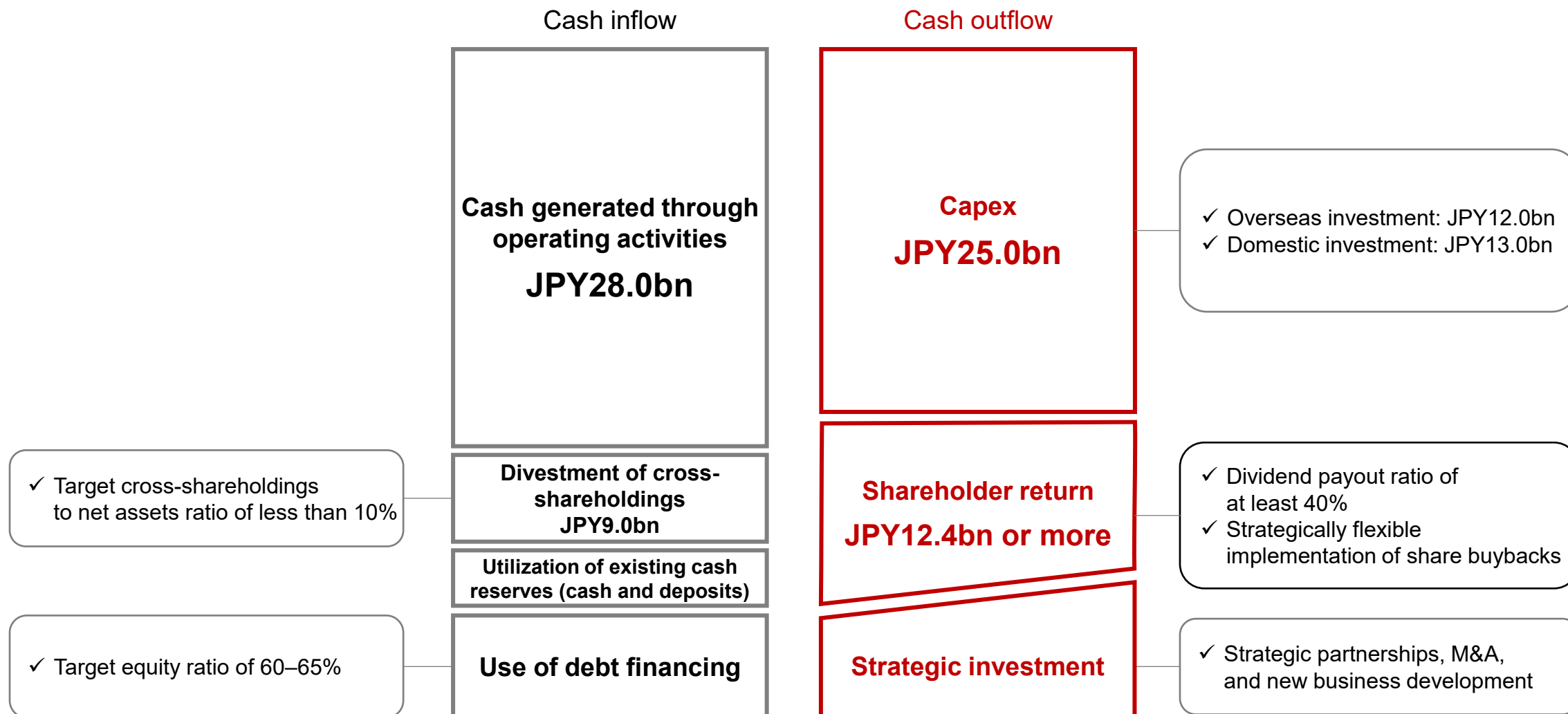


- **Key issue: PER**
- **Increase expected growth through EPS growth, stable ROE, and enhanced IR**



	(Billions of yen / %)	FY2024 actual	FY2025 actual	FY2027 target
Growth potential	Net sales	95.5	96.3	110.0
Profitability	<b>Operating profit</b>	8.7	6.9	<b>10.0</b>
	Operating profit margin	9.1%	7.2%	<b>9.1%</b>
	<b>EBITDA</b> (Operating profit + depreciation)	11.9	11.5	<b>14.2</b>
Efficiency	<b>ROE</b>	12.1%	8.7%	<b>10% or more</b>
Shareholder return	Payout ratio	30.3%	46.2%	40% or more
Financial discipline	Shareholder equity ratio	70.1%	71.6%	60–65%
Governance	Cross-shareholdings to net assets ratio	19.0%	17.9%	Less than 10%

- Invest for growth and enhance shareholder returns using operating CF and proceeds from cross-shareholding reductions
- Utilize debt for inorganic investments as needed



- **FY2026 dividend: ¥110 per share (maintained in line with policy)**
- **Share buybacks: ¥2.0bn in FY2026**

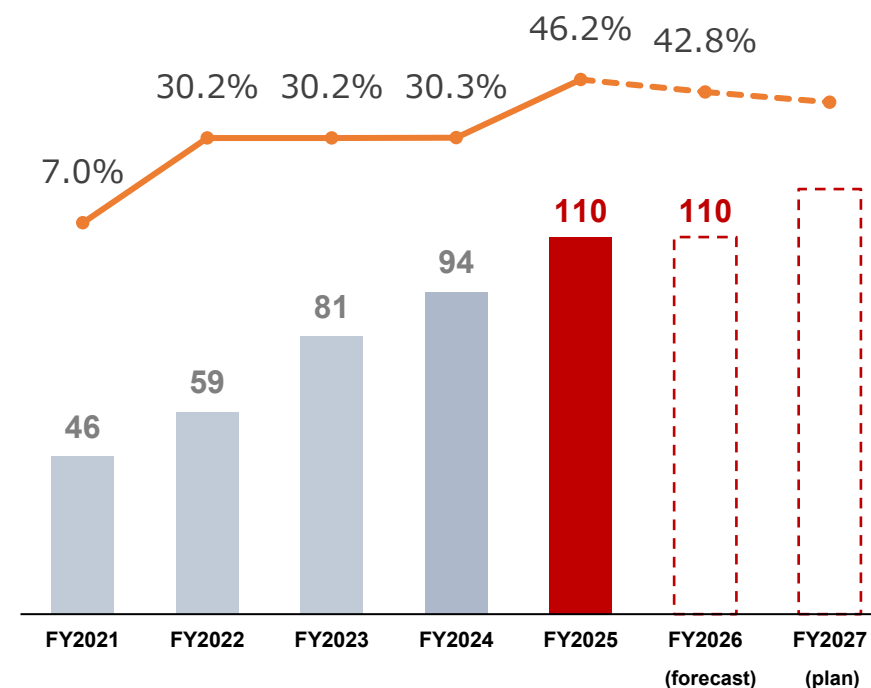
## ■ Dividend policy

**Consolidated dividend payout ratio of at least 40%**

## ■ Share buybacks

**Conduct with strategic flexibility when deemed appropriate**

## ■ Dividends per Share (JPY) and Dividend Payout Ratio



**Share Buyback Amounts (JPYbn)**

		6.3	1.1	2.0	2.0 (Jun-Sep)	
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<p>Business strategy</p>	<ul style="list-style-type: none"> <li>✓ To strengthen earning power and improve profitability over the medium to long term, we plan to invest approximately 2.5x more under Medium-Term Management Plan 2027 compared with the previous plan</li> <li>✓ Establish a strategic investment budget incorporating opportunities for mergers, acquisitions, and business alliances</li> </ul> <p><b>Overseas</b></p> <ul style="list-style-type: none"> <li>✓ Expand our Overseas business—a key growth driver—through a new organizational structure integrating domestic operations</li> <li>✓ Accelerate the ramp-up of the new plant in China</li> </ul> <p><b>Japan</b></p> <ul style="list-style-type: none"> <li>✓ The Domestic Food business aims to achieve a slightly higher growth rate than the overall processed food market.</li> <li>✓ Strengthen solutions primarily targeting prepared meal, ready-to-eat product, and health-conscious markets</li> <li>✓ Enhance proposals that reduce food loss and provide functional alternatives for raw materials difficult to source reliably</li> <li>✓ Focus resources on core strengths in chemical products and promote value-added development</li> </ul>
<p>Non-financial strategy</p>	<ul style="list-style-type: none"> <li>✓ Perform medium- to long-term research and development targeting the resolution of social issues</li> <li>✓ Establish HR systems consistent with our human capital policy</li> <li>✓ Strengthen group governance</li> </ul>

- Established a solid foundation as a Prime Market company under the previous MTMP
- Enhance disclosure through market dialogue to improve understanding and expectations for growth

■ **Activities of Previous Medium-Term Plan**

Steadily expanded our range of activities

	Results achieved over three years
Disclosure enhancement	<ul style="list-style-type: none"> <li>✓ Began publishing integrated reports</li> <li>✓ Started disclosing information simultaneously in both Japanese and English</li> <li>✓ IR website redesign</li> </ul>
Improving communication with investors	<ul style="list-style-type: none"> <li>✓ Annual engagement sessions: 25 → 98</li> <li>✓ Secured analyst coverage</li> <li>✓ Launched regular SR activities and overseas NDRs</li> <li>✓ Held more briefings for individual investors</li> </ul>
Feedback for management	<ul style="list-style-type: none"> <li>✓ Delivered quarterly reports on dialogue content</li> <li>✓ Incorporated feedback into medium-term plan policies</li> </ul>

■ **FY2025 Initiatives and Results**

- ✓ Overseas NDRs conducted in the first year under the new President
- ✓ R&D facility visits resumed after five years
- ✓ Analyst coverage increased
- ✓ Prepared full JP/EN simultaneous disclosure (from FY2025 full-year results)
- ✓ First retail investor briefing held in Osaka
- ✓ Individual shareholders increased by 11,000
- ✓ Investor meetings decreased

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



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Actual results may differ significantly from the forecasts due to various factors.